Immigrants in North Carolina: A Fact Sheet
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Over the last two decades, newcomers to North Carolina have included large numbers of immigrants, particularly from Latin America and Asia. In recent years, attention and concern have focused on how immigrants affect the state, including state and local government functions. This fact sheet provides information on the size and the composition of North Carolina’s immigrant population, and data on its economic impact. Specifically, the fact sheet covers the following questions:

- How many immigrants live in North Carolina?
- How many immigrants in North Carolina are U.S. citizens?
- How many immigrants in North Carolina are present unlawfully?
- How many people of Hispanic origin reside in North Carolina?
- How many people of Asian origin reside in North Carolina?
- How many immigrants speak English?
- Do immigrants in North Carolina pay taxes?
- Do immigrants receive public benefits?
- How many immigrants attend public schools? What are the associated costs?
- What kind of impact do immigrants have on the economy?
- Do unauthorized immigrants affect employment outcomes of U.S.–born workers?

This fact sheet discusses immigrants generally, but it often refers to data on Hispanic residents specifically, because statistics on that demographic group are more easily found and because Hispanics are the largest immigrant group in North Carolina. Statistics on Hispanics may be helpful in certain contexts, but they are not a proxy for data on all immigrants for two reasons. First, they are under-inclusive of the true resident-immigrant population because Hispanic immigrants (foreign-born Hispanics) make up only 57.3 percent of North Carolina’s total immigrant population. Second, statistics on Hispanics are over-inclusive of the immigrant population because they generally include many people who are U.S.–born citizens.

This fact sheet is updated annually. For the most current version, visit the School of Government’s immigration website, www.sog.unc.edu/immigration.
How many immigrants live in North Carolina?
In 2009, according to the U.S. Census Bureau, North Carolina was home to 665,270 foreign-born people, making up 7.1 percent of the state’s total population (roughly 1 of every 14 people). They came from at least seventy-five countries. The regional breakdown was as follows (see Figure 1):

- Latin America—57.3%
- Asia—22.2%
- Europe—11.7%
- Africa—5.7%
- North America (Canada, Bermuda, Greenland, and Saint Pierre and Miquelon)—2.7%
- Oceania (countries and islands in the Pacific Ocean, including Australia)—0.5%

![Figure 1. North Carolina Immigrants by Region of Origin, 2009](image)

Source: U.S. Census Bureau, 2009 American Community Survey.

How many immigrants in North Carolina are U.S. citizens?
In 2009, 30.6 percent of the state’s foreign-born population had become naturalized citizens, according to the U.S. Census Bureau.

How many immigrants in North Carolina are present unlawfully?
It is difficult to reliably measure the number of residents present unlawfully, but the Pew Hispanic Center estimates that North Carolina was home to roughly 275,000 unauthorized immigrants in 2009, down from 350,000 in 2008.

Immigrants in North Carolina
Sejal Zota, The UNC School of Government, October 2010
How many people of Hispanic origin reside in North Carolina?
People of Hispanic origin include both those who are foreign-born and those who are U.S.-born. In 2009 they numbered 715,703, or 7.6 percent of North Carolina’s total population, according to the U.S. Census Bureau. Some of the countries of origin were Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, and Venezuela.

How many people of Asian origin reside in North Carolina?
People of Asian origin include both those who are foreign-born and those who are U.S.-born. In 2009 they numbered 217,070, or 2.3 percent of North Carolina’s total population, according to the U.S. Census Bureau. Some of the countries of origin were China, India, Japan, Korea, Philippines, and Vietnam.

How many immigrants speak English?
The number of immigrants who speak English evolves over time. Scholars assert that historically, within three generations, immigrants to the United States have shifted from use of their native tongue as their dominant language to use of English. Typically, first-generation immigrants learn some English, but their native language remains dominant; second-generation immigrants are bilingual; and third-generation immigrants predominantly speak English only.

In 2009, 49.3 percent of the state’s foreign-born population age 5 and older spoke English “very well.” Of that group, slightly more than one-third spoke only English.

Do immigrants in North Carolina pay taxes?
Both authorized and unauthorized immigrants in North Carolina pay taxes, including sales taxes (on goods such as gas, food, and clothes), property taxes (directly or as part of rental payments), and income and payroll taxes, if working “on the books.”

One-half of unauthorized immigrants in the United States are thought to pay income and payroll taxes. Unauthorized immigrants who use false Social Security numbers to work “on the books” have payroll taxes withheld from their wages, including Social Security and Medicare taxes. A study by the Center for Immigration Studies estimated that in 2002 these unauthorized immigrants contributed more than $7 billion in taxes to Social Security and Medicare, federal programs from which they cannot receive benefits. The Internal Revenue Service has estimated that unauthorized immigrants paid almost $50 billion in federal income taxes from 1996 to 2003.

No data are available on the amount of taxes paid generally by immigrants in North Carolina, but there are specific data on Hispanic residents. A study by the Kenan Institute at the University of North Carolina at Chapel Hill found that Hispanic residents in North Carolina, including U.S.-born citizens, authorized immigrants, and unauthorized immigrants, paid an estimated $756 million in state and local taxes in 2004.
Do immigrants receive public benefits?

Certain immigrants, including refugees and long-term permanent residents, are eligible for federal and local public benefits. Unauthorized immigrants and certain groups of authorized immigrants (including permanent residents who have been in the United States for less than five years) are ineligible for many federal public benefits, including Medicaid, Supplemental Security Income (SSI), Food Stamps, Temporary Assistance for Needy Families (Work First), and the State Children’s Health Insurance Program (Health Choice). However, these groups are eligible for limited federal, state, and local public benefits, including school lunches and Medicaid in certain emergency situations (Emergency Medicaid), as well as certain services provided by local human services agencies.

No data are available on all the costs of public benefits for immigrants in North Carolina, but data are available on the costs of Medicaid. According to the North Carolina Department of Health and Human Services, the cost of Medicaid in fiscal year 2009 for eligible authorized immigrants was $3.1 million. In the same year, the cost of Emergency Medicaid in North Carolina for both unauthorized immigrants and ineligible authorized immigrants was $61.1 million. According to a 2007 study, the majority of Emergency Medicaid services in North Carolina from 2001 to 2004 were for childbirth and pregnancy complications. In fiscal year 2009, the combined costs of Medicaid and Emergency Medicaid for immigrants in North Carolina were less than 1 percent of the total North Carolina Medicaid program costs of $12.6 billion.

The Medicaid program is funded jointly by the federal and state governments. In fiscal year 2010, federal funds covered 71.33 percent of the state’s Medicaid payments. State funds covered the remaining payments (as county contributions were completely phased out in June 2009).

How many immigrants attend public schools? What are the associated costs?

All children, including unauthorized immigrants, are entitled to attend K–12 public schools under the Equal Protection Clause of the Fourteenth Amendment. No data are available on the number of immigrant children who attend K–12 public schools because the North Carolina Department of Public Instruction (DPI) does not track the immigration status of students. According to the DPI, statewide, more than 235 languages are spoken by public school students, and 5 percent of the student population is “limited English proficient.”

The DPI does track student populations by race (see Figure 2). In 2008-2009, of 1.4 million public school students, 10.7 percent were Hispanic. According to the DPI, the Hispanic student population has increased more than any other group over the last ten years. In 2004-2005, more than half of the state’s Hispanic students were concentrated in twenty counties, according to the Kenan Institute study. The counties with the largest absolute numbers of Hispanic students were largely metropolitan (see Table 1.)
Table 1. **North Carolina Counties with the Largest Public School Hispanic Enrollment, 2004-2005**

<table>
<thead>
<tr>
<th>County</th>
<th>No. of Hispanic Students</th>
<th>Percentage of Statewide Total of Hispanic Students</th>
<th>Percentage of Total County Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mecklenburg</td>
<td>12,360</td>
<td>12.2</td>
<td>10.4</td>
</tr>
<tr>
<td>Wake</td>
<td>9,388</td>
<td>9.3</td>
<td>8.2</td>
</tr>
<tr>
<td>Forsyth</td>
<td>5,976</td>
<td>5.9</td>
<td>12.4</td>
</tr>
<tr>
<td>Guilford</td>
<td>4,050</td>
<td>4.0</td>
<td>6.0</td>
</tr>
<tr>
<td>Durham</td>
<td>3,602</td>
<td>3.6</td>
<td>11.7</td>
</tr>
<tr>
<td>Cumberland</td>
<td>3,197</td>
<td>3.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Johnston</td>
<td>3,079</td>
<td>3.0</td>
<td>11.8</td>
</tr>
<tr>
<td>Alamance</td>
<td>2,731</td>
<td>2.7</td>
<td>12.6</td>
</tr>
<tr>
<td>Union</td>
<td>2,589</td>
<td>2.6</td>
<td>9.0</td>
</tr>
</tbody>
</table>

*Source: State Board of Education and North Carolina Department of Public Instruction, North Carolina Public Schools Statistical Profile, 2005 (Raleigh, NC: State Board of Education and North Carolina Department of Public Instruction, 2005).*

The other counties included nonmetropolitan jurisdictions where specialty industries were magnets for Hispanic population growth. In four of these counties, Hispanic students accounted for about 20 percent of the total county enrollment in 2004-2005 (see Table 2).

Table 2. **North Carolina Counties with the Highest Proportion of Hispanic Students in Public Schools**

<table>
<thead>
<tr>
<th>County</th>
<th>No. of Hispanic Students</th>
<th>Percentage of Statewide Total of Hispanic Students</th>
<th>Percentage of Total County Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duplin</td>
<td>2061</td>
<td>2.0</td>
<td>23.2</td>
</tr>
<tr>
<td>Lee</td>
<td>1873</td>
<td>1.8</td>
<td>20.5</td>
</tr>
<tr>
<td>Sampson</td>
<td>1593</td>
<td>1.6</td>
<td>19.2</td>
</tr>
<tr>
<td>Montgomery</td>
<td>943</td>
<td>0.9</td>
<td>20.8</td>
</tr>
</tbody>
</table>

*Source: State Board of Education and North Carolina Department of Public Instruction, North Carolina Public Schools Statistical Profile, 2005 (Raleigh, NC: State Board of Education and North Carolina Department of Public Instruction, 2005).*

The Kenan Institute study estimated that in 2004-2005 the state costs of K–12 education for Hispanic students (who then composed 7.5 percent of the total student population) were about $467 million, of total costs of $6.2 billion. The study noted that the large majority of Hispanic schoolchildren were U.S. citizens, even if their parents were not.

In 2008-2009, Asian students made up 2.5 percent of the student population. The largest enrollments of Asian students occurred in Wake, Mecklenburg, Guilford, Orange, Catawba, Burke, and Cumberland counties (in descending order of size of
Applying the methodology used in the Kenan Institute study, state K–12 costs in 2004-2005 were an estimated $126 million for Asian students (who then composed 2.1 percent of the student population).

Figure 2. North Carolina Public School Population by Race, 2008-2009

Source: State Board of Education and North Carolina Department of Public Instruction, North Carolina Public Schools Statistical Profile, 2009 (Raleigh, NC: State Board of Education and North Carolina Department of Public Instruction, 2009).

What kind of impact do immigrants have on the economy?
Many economists claim that the net effects of immigration are positive. These economists argue that immigrant labor is vital to the U.S. economy and that it raises the productivity of U.S. companies and lowers the costs of goods and services to consumers. They also argue that immigrants create new jobs in the United States through start-up of new businesses and through their demand for goods and services.

A 2007 White House economic report also concluded that the net effects of immigration are positive. It found that immigrants increase the size of the total labor force, complement the U.S.–born workforce, and stimulate capital investment by adding workers to the labor pool, thereby increasing the U.S. gross domestic product by roughly $37 billion each year.

There is a public debate, however, about the economic impact of unauthorized immigration, particularly on the budgets of state and local governments. Some groups argue that unauthorized immigrants produce a negative effect on the economy because they may receive more in services than they pay in taxes and because they depress wages for low-skilled workers. According to a 2007 report by the Congressional Budget Office (CBO), which surveyed 29 studies in this area,
most efforts to measure the fiscal impact of immigration have found that, in the aggregate and over the long term, tax revenues of all types generated by immigrants—both legal and unauthorized—exceed the cost of the services they use.\textsuperscript{28} Such estimates include revenues and spending at the federal, state, and local levels. However, many studies also conclude that the cost of providing public services to unauthorized immigrants at the state and local levels exceeds what that population pays in state and local taxes.\textsuperscript{29} This disparity results because the federal government receives many immigrant tax dollars, but state and local governments bear much of the cost of public service provision to immigrants—particularly services related to education, health care, and law enforcement. The CBO report also found spending by state and local governments on services specifically provided to unauthorized immigrants makes up a small percentage of those governments’ total spending.\textsuperscript{30}

No data are available on the specific economic impact of immigrants generally in North Carolina. The Kenan Institute study assessed such data for Hispanic residents. In 2004, Hispanic residents, including U.S.–born citizens, authorized immigrants, and unauthorized immigrants, contributed an estimated $756 million in state and local taxes while costing the state an estimated $817 million for K–12 education, medical care, and corrections, resulting in a net cost to the state of about $61 million.\textsuperscript{31} The state and local costs did not reflect the economic impact of Hispanic consumer spending, which added $9.2 billion to the state economy, according to the study. The study found that this spending helped generate 89,000 jobs.

**Do unauthorized immigrants affect employment outcomes of U.S.–born workers?**

Among economists, there is a debate over whether immigrants take jobs from U.S.–born workers and thus reduce their earnings and employment levels.\textsuperscript{32} George Borjas of Harvard University found that immigration between 1980 and 2000 might have reduced the earnings of U.S.–born workers by 3 to 4 percent, with larger negative impacts among high school dropouts, but smaller impacts among all other education groups.\textsuperscript{33} Borjas’s estimates are at the high end of those generated by labor economists. Others, including David Card of the University of California, Berkeley, have found fairly negligible negative effects.\textsuperscript{34} Using a different approach, Giovanni Peri of the University of California, Davis, found that immigration between 1990 and 2004 slightly increased the average wages of all U.S.–born workers (by 1.8 percent) and slightly reduced the wages of high school dropouts (by 1.1 percent).\textsuperscript{35}

There is no overall consensus on this issue, but there is some agreement among labor economists that immigration may negatively affect U.S.–born workers with less education, in particular high school dropouts, by a modest amount. Estimates range from an 8 percent wage reduction to no loss in wages at all.\textsuperscript{36}
Immigrants in North Carolina, both authorized and unauthorized, made up about 9.2 percent of the overall workforce in 2008 and considerably more in certain economic sectors, including agriculture; arts, entertainment, and recreation, and accommodation and food; construction; educational services, health care, and social assistance; and manufacturing.37 No data are available generally on how immigrants in North Carolina affect the employment of U.S.–born workers, but there are some data about Hispanic residents. A 2001 North Carolina State University study indicated that Hispanic immigrants in North Carolina were concentrated in low-skill, low-wage industries and that the dominant trend in these industries in the 1990s was that Hispanics had replaced, not displaced, U.S.–born workers who had moved on to better positions.38 The more recent Kenan Institute study suggested that Hispanics may have depressed the wages of some U.S.–born workers in 2004, especially in lower-wage, labor-intensive sectors.39

Notes

1 U.S. Census Bureau, 2009 American Community Survey (Washington, DC: U.S. Census Bureau, 2010), http://factfinder.census.gov/servlet/ADPTable?_bm=y&-geo_id=04000US37&-qr_name=ACS_2009_1YR_G00_DP2&-ds_name=&-_lang=en&-redoLog=false. This fact sheet relies on U.S. census data for certain population estimates. Other sources may provide different estimates, depending in part on their collection or estimation methods. The term “foreign-born person” refers to a person who was not a U.S. citizen at birth. It includes naturalized citizens, lawful permanent residents, refugees, people granted asylum, legal non-immigrants, and people residing in the country without authorization. This fact sheet uses the term synonymously with “immigrant.” It also uses the terms “authorized” and “unauthorized” to describe immigrants. Authorized immigrants are foreign-born people who are residing in the United States legally, including naturalized citizens, lawful permanent residents, refugees, asylees, and non-immigrants admitted for a temporary stay. Members of this population also are commonly referred to as “legal immigrants” or “legal aliens.” Unauthorized immigrants are foreign-born people residing in the United States without the permission of the federal government, including people who entered the United States illegally (without inspection or by using false documents) and people who entered the United States on a valid visa, but stayed past their authorized period of stay. Members of this population also are commonly referred to as “illegal immigrants,” “illegal aliens,” “undocumented immigrants,” or “undocumented aliens.” The fact sheet uses “unauthorized immigrant” because of its common use by the U.S. Department of Homeland Security’s Office of Immigration Statistics and other governmental and nonpartisan entities.

2 Ibid.

3 Jeffrey S. Passel and D’Vera Cohn, U.S. Unauthorized Immigration Flows Are Down Sharply Since Mid-Decade (Washington, DC: Pew Hispanic Center, 2010).

4 The U.S. Census Bureau uses the terms “Hispanic” and “Latino” to describe people of Mexican, Puerto Rican, Cuban, South or Central American, or other Spanish culture or origin.

5 U.S. Census Bureau, 2009 American Community Survey.

6 Ibid.

8 U.S. Census Bureau, *2009 American Community Survey*. In the American Community Survey, people who speak only English or who report speaking English “very well” are considered proficient in English. People who report speaking English “not at all,” “not well,” or “well” on their survey questionnaire are considered “limited English proficient.”


10 Steven A. Camarota, *The High Cost of Cheap Labor: Illegal Immigration and the Federal Budget* (Washington, DC: Center for Immigration Studies, 2004). The amount of Social Security and Medicare taxes paid by unauthorized immigrants who use false Social Security numbers also can be gauged by looking at the “earnings suspense file” of the Social Security Administration (SSA). The earnings suspense file is the SSA’s record of annual wage reports for workers whose Social Security numbers and names do not match SSA records. The SSA estimates that about $7.2 billion in Social Security and Medicare taxes was paid in 2003 on about $58 billion in wages from people who filed W-2 forms with incorrect or mismatched data. SSA officials think that a majority of these taxes were collected from unauthorized immigrants using false Social Security numbers. “Strengthening Employer Wage Reporting,” statement of James B. Lockhart III, Deputy Commissioner of Social Security, before the U.S. House of Representatives, Committee on Ways and Means, Subcommittees on Oversight and Social Security, February 16, 2006; “Social Security Number High-Risk Issues,” statement of Patrick P. O’Carroll, Inspector General, SSA, before the U.S. House of Representatives, Committee on Ways and Means, Subcommittees on Oversight and Social Security, February 16, 2006.


14 For a complete list of public benefits for which unauthorized immigrants and certain authorized immigrants remain eligible, see Moore, *Are Immigrants Eligible for Publicly Funded Benefits and Services?*


Data submitted by the North Carolina Department of Health and Human Services to the UNC School of Government, September 2010.


In Plyler v. Doe, 457 U.S. 202 (1982), the U.S. Supreme Court established that public schools may not refuse to enroll or provide services to a person on the basis of immigration status.


Kasarda and Johnson, The Economic Impact.

State Board of Education and North Carolina Department of Public Instruction, North Carolina Public Schools Statistical Profile, 2009.

For example, in June 2006, when Congress was deliberating federal immigration reform, about five hundred economists, including five Nobel laureates and other prominent people, signed an open letter to President George W. Bush highlighting the overall economic benefits of immigration. Alexander Tabarrok and David J. Theroux, “Open Letter on Immigration” (Oakland, CA: Independent Institute, June 19, 2006), www.independent.org/newsroom/article.asp?id=1727. According to Tabarrok, research director of the Independent Institute, “the consensus is that most Americans benefit from immigration and that the negative effects on low-skilled workers are somewhere between an 8% wage reduction to no loss in wages at all.” “500-Plus Economists Sign Open Letter Reminding President Bush of the Benefits of Immigration” (press release) (Oakland, CA:
The open letter was consistent with a survey of economists conducted by the Cato Institute in the mid-1980s and updated in 1990. Eighty-one percent of the economists reporting felt that, on balance, twentieth-century immigration had had very favorable effects on U.S. economic growth, and 74 percent felt that illegal immigration had had positive effects. The survey is discussed in Julian L. Simon, *The Economic Consequences of Immigration* (Oxford, England: Basil Blackwell, 1989).


29 Ibid.

30 Ibid.

31 In estimating the costs to the state of the Hispanic population, the Kenan Institute study focused on what it deemed to be three of the major and most often discussed public sectors in studies of immigrants: K–12 public education, health services delivery, and corrections. The study indicated that there may be other significant costs, but these three are generally agreed to be the primary ways to measure the impact of an immigrant group on state budgets. Kasarda and Johnson, *The Economic Impact*.


36 “The Economic Impacts of Immigration,” testimony of Harry J. Holzer, Visiting Fellow, Urban Institute, and Professor of Public Policy, Georgetown University, before the U.S. House of Representatives, Committee on Education and the Workforce, November 16, 2005; Tabarrok and Theroux, “Open Letter on Immigration.”

37 U.S. Census Bureau, 2008 *American Community Survey*.

The study reports that Hispanic below-market wages are concentrated in the agriculture and construction industries and may have depressed the wages in those industries by $1.1 billion in 2004. Kasarda and Johnson, *The Economic Impact*. 