

Measuring the Economic and Fiscal Contributions of Michigan's Latino Population

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ABSTRACT

This study documents the economic differences between Latino and non-Latino households and workers within an economic impact framework. Based on data from 2005 through 2008, findings suggest that Latino households pay more in tax revenue than they consume in public services, but less than non-Latino households. Latino households directly contribute \$1.82 to government revenue for every dollar of public service consumed versus \$3.86 for non-Latino households. Only excludable public service expenditures are considered in this study; consumption of common goods such as infrastructure is not considered. The authors find that the difference is not related to increased consumption of public services per household but rather to lower household income, which drives tax revenues. Approximately 154,797 Latino workers contribute \$25.2 billion in state output. However, these jobs generate additional jobs that impact Latino and non-Latino households alike. In addition to the direct jobs occupied by Latino workers, an additional 162,554 jobs are generated for a total state-wide employment impact of 317,351 Michigan jobs. Taking into consideration secondary impacts, the Latino workforce contributes approximately \$48.4 billion to total state output. This report presents the findings of an extensive research effort to track the economic and fiscal impacts of Michigan's Latino population. The findings suggest that Michigan's Latino population, though generally native-born citizens, have limited access to employment opportunities and institutions.

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