### National Foundation for American Policy

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## New Research: Earnings for Refugees Increased by 70% 10 Years After Arriving in U.S.

# Refugees Integrate into America by Learning English, Increasing Their Education and Filling Economic Niches

**Arlington, Va. –** Real earnings for refugees increased by 70% in the 10 years after arriving in the United States, showing refugees integrate and make economic progress in America, according to a <u>new study</u> released by the National Foundation for American Policy (NFAP), a nonpartisan research organization. The research finds refugees have low rates of incarceration and, over time, significantly increase their education level, use less welfare and improve their ability to speak English.

Refugees are admitted legally to the United States through the <u>U.S. Refugee Admissions Program</u> administered by the U.S. Department of State. For much of the post-World War II era, admitting refugees enjoyed bipartisan consensus. The Refugee Act of 1980 passed the U.S. Senate unanimously and by 328 to 47 in the House.

Like other immigrants, refugees improve with time in the United States, particularly by investing in their skills and education, explaining why a dynamic analysis presents a more accurate picture of refugee integration than snapshots taken soon after refugees arrive.

The report, "Refugee Integration in America," can be found at https://nfap.com/.

The study's author is Mark Regets, a labor economist and Senior Fellow at the National Foundation for American Policy. Regets has authored dozens of economics papers and was an economist at the National Science Foundation.

The NFAP analysis examined more than 30 years of data and found refugees start with comparatively lower earnings but, over the next 10 years, on average, experience much higher real earnings growth than other workers: 70% for refugees vs. 25% for the U.S.-born. (Real earnings are income adjusted for inflation.)

Refugees succeed in America because they add value to the U.S. economy and benefit Americans. Due to their rapid income growth, within a decade, refugees generally no longer have low incomes. Social scientists find families with upward income mobility integrate well in their communities. A key reason refugees succeed economically is they speak English or improve their ability to speak English and increase their educational level. Approximately 20% of refugees aged 21 to 54 attend school shortly after arrival compared to 10% of the U.S.-born.

With their rapid income growth, refugees show they adapt to the U.S. labor market and overcome the circumstances that drove them from their countries of birth. Refugees invest in U.S.-specific skills, find niches and make the U.S. economy more dynamic by 1) adapting to existing needs and 2) providing services that we didn't know were desired or needed, such as by founding or working in new restaurants, nail salons and other businesses.

The research was conducted by examining earnings growth and other characteristics of individuals 21 to 54 who entered the United States from countries with a high percentage of refugee admissions over five-year periods from 1985 through 2009. NFAP used Census and immigration data.

International events drive much of the U.S. refugee admission flow. The Vietnam War created refugees of U.S. allies in a number of countries after the fall of Saigon. The end of the Soviet Union sent refugees to America, as did war and ethnic cleansing in the former Yugoslavia and violence and military conflict in Africa.

### Among the findings in the research:

- Refugees have extremely low rates of incarceration. Only 0.2% of refugees arriving in the
  United States between 1985 and 2009 were in jail or prison a year or more after entry vs.
  1.3% for the U.S.-born. Incarceration rates remain low for refugees 10 years later.
- The vast majority of refugees to the United States speak English when they arrive and improve significantly with time spent in America. Over 83% of refugees coming to the United States between 1985 and 2009 spoke English a year or more after arrival, rising to 92% 10 years later.
- Over 49% of refugees coming to the United States between 1985 and 2009 spoke English well a year or more after arrival, increasing to 66% 10 years later, a 35% improvement.
- Refugee use of welfare drops significantly with time in the United States, another indicator of integrating into the United States. Refugees arriving between 1985 and 2009, on average, saw welfare use decline from 9.4% in the year after arrival to 3.5% 10 years later, a 63% decline. Welfare use measures "receipt of any public assistance income," which includes state and federal assistance.
- On average, refugees enter the U.S. at relatively high levels of education and show significant increases in educational attainment with time spent in America. In the year after arrival, 21.7% of refugees arriving between 1985 and 2009 had a bachelor's degree or higher compared to 26.5% for the U.S.-born. Ten years later, 28.2% of refugees arriving between 1985 and 2009 had a bachelor's degree, an increase of 30%.
- The proportion of Ethiopians who arrived in the U.S. between 1985 and 1989 with a bachelor's degree rose from 17% in 1990 to 45% by 2000, a more than 100% increase.
- In the year after arrival, 70% of refugees coming to the U.S. between 1985 and 2009 had a high school degree or higher compared to 89% for the U.S.-born. Ten years later, 76% of refugees arriving between 1985 and 2009 had a high school degree or higher, increasing by 9%.
- The war in Iraq produced many refugees. Iraqis who arrived in the United States between 2005 and 2009 experienced real earnings growth of 127% over the next decade, compared to 25% for U.S.-born workers.
- Afghans who arrived in America between 1985 and 1989 after the Soviet invasion of Afghanistan experienced 98% growth in real earnings over the next 10-year period, compared to 35% for U.S.-born workers. Vietnamese who arrived in the United States between 1985 and 1989 saw 89% real earnings growth over the next decade.

The rapid earnings growth of refugees and their improving levels of education and ability to speak English show they integrate into American society, fill niches and expand the economy, rewarding the American people for welcoming them to a new land.

### **About the National Foundation for American Policy**

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) nonprofit, nonpartisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder, Cornell Law School professor Stephen W. Yale-Loehr and former INS Commissioner James W. Ziglar. Over the past 24 months, NFAP's research has been written about in the Wall Street Journal, the New York Times, the Washington Post, and other major media outlets. The organization's reports can be found at <a href="https://www.nfap.com">www.nfap.com</a>. Twitter: <a href="https://www.nfap.com">@NFAPResearch</a>

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