

Immigrants in Buffalo: Plenty of Room for Growth

Summary

The recent increase in immigration to Buffalo poses short-term challenges, but in the long run it should be seen as a clear opportunity for overall growth. The city can clearly benefit from an increase in population and labor force. And, while there are costs associated with integration of the new arrivals, many of those costs are being supported by the state or federal governments, which means the money spent is an infusion into the local Buffalo economy.

The newest immigrants coming to the region—including the current increase in asylum seekers—are likely to work and begin contributing to the economy and tax base today. And, over time, they are likely to progress to better jobs and higher earnings as they get their families settled, begin to learn English, and gain work experience.

Immigrants are already an important role in Buffalo. Of the 1.2 million people living in the metro area (Erie and Niagara counties), 78,000 are immigrants, or seven percent of the population. And immigrants make up a slightly higher share of the labor force, eight percent. In the city of Buffalo, 28,000 of the 276,000 residents are immigrants, ten percent of the population. And, in the city, 12 percent of the labor force are immigrants. Increasing the number of residents and workers in the region can be a clear gain for the newcomers and their families, and also for the region overall.¹

Background Context

The city of Buffalo has long been shrinking, and the Buffalo metro area has been growing at a slow rate with an aging population.

These trends have been true for many cities across Upstate New York and through the Midwest. The city of Buffalo's total population today of 276,000 is less than half what it was in 1950. That leaves behind a built infrastructure—roads and utilities, as well as buildings for offices, industry, homes and schools—that represent a clear opportunity for growth, and even unused cost money to maintain.

Over the past 20 years, immigrants have helped to offset this population loss within the city limits. Between 2000 and 2022, the most recent year for which American Community Survey data is available, the U.S.-born population in the city of Buffalo shrank by 31,000, but that drop was offset by an increase of 15,000 immigrants, resulting in a net population loss for the city of 16,000.²

In the overall Buffalo metro area, including both Erie and Niagara counties, the population has been growing modestly in recent years. Yet even at the level of the metro area the labor force is shrinking. There are currently 27,000 fewer people in the labor force of the metro area than there were in 2000, down from 576,000 to 549,000. And, this trend is likely to continue, unless it is offset by either domestic or international migration, or both.

AN AGING POPULATION IN THE REGION

	Buffalo City	Metro Buffalo
Over the Next 10 Years		
How many will turn 20? 10-19 years old	32,300	128,000
How many will turn 65? 55-64 years old	33,900	164,000
How many more will turn 65 than 20	1,600	36,000

Fig. 1: Immigration Research Initiative analysis of 2022 American Community Survey.

Employers in the Buffalo area have been feeling the crunch. It's difficult for businesses to grow when there is not a labor force to support that expansion. Yet, without any migration, the labor force will continue to shrink as current workers retire and there are fewer young people coming into working age. Looking ahead to the next ten years, there are currently many more people who are nearing retirement age than who are nearing working age. Without any in-migration or out-migration, there are currently 1,600 more people in the city of Buffalo who are in the age group that will turn 65 over the next ten years than there are people who are in the age group that will turn 20. In the Buffalo metro area, there are 36,000 more people who will turn 65 than will turn 20.³

There can be room for new arrivals to a region whether or not there is a previous decline in the size of the labor force. When there are more people, there are also more consumers and more entrepreneurs, which can generate more jobs as well as the overall economy grows. This is what has commonly happened in cities that have seen economic growth around the country, and immigrants have been very much a part of that story. But the case for immigration is even more clear in a region where there has been a decline in the labor force and there is a clear need for more workers even prior to any further economic growth.

What Can We Expect for Asylum Seekers?

A sudden increase in the number of asylum seekers was challenging for many areas of New York State and the country, made all the more fraught by the governor of Texas sending busloads of immigrants north with the explicit intention of provoking local crises.

Yet, Buffalo has a history of successful integration of refugees into the local society and economy. Asylum seekers are in some ways different and in many ways similar to refugees. There is every reason to think that resettling asylum seekers can go as well as resettling refugees has. It is for the same reason encouraging to see

the contract for providing services to asylum seekers going to Jewish Family Services, one of the four resettlement agencies in the region that have for decades helped get people in homes and jobs. This contract is the first in the state to have been shifted away from DocGo, the company that received the initial contracts for services to asylum seekers around the state and has been [harshly criticized by the New York City Comptroller's office](#).

WAGES EARNED AND TAXES PAID

	Annual Wages	Aggregate Wages per 1,000 Workers	State & Local Taxes Paid per 1,000 Workers
When First Working	\$17,000	\$17 million	\$1.9 Million
After About 5 Years	\$30,000	\$30 million	\$3.4 Million

Fig. 2: Immigration Research Initiative modeling, using data from 2021 American Community Survey 5-year data. See [“New Immigrants Arriving in Upstate New York: Economic Projections”](#) for detailed methodology.

Asylum seekers are likely to start work quickly, but in jobs that pay relatively low wages. As they learn some English and, get more fully settled their wages are likely to improve. According to a recent analysis by Immigration Research Initiative, [New Immigrants Arriving in Upstate New York: Economic Projections](#), when they first start working immigrants in the Upstate area are likely to earn a median of about \$17,000/year, going up to \$30,000 after about five years. For each 1,000 workers, that translates to \$1.9 million in state and local taxes paid in the first year, and \$3.4 million per year in the longer run. For this analysis, the Upstate region is the counties north of Rockland and Putnam.

The longterm prospects show immigrants reaching a median earnings of \$42,000 after 20 years in the United States.

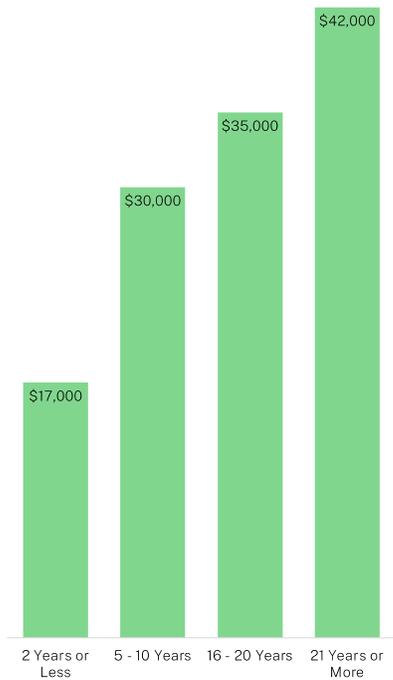
PROJECTION OF WAGE ADVANCEMENT FOR NEWLY ARRIVING IMMIGRANTS

Fig. 3. Immigration Research Initiative analysis of 2021 ACS 5-year data. Projected wages are in 2021 dollars.

There are very real challenges in settling new immigrants and asylum seekers in Buffalo, but if managed well there are clear potential long-term benefits for the newcomers and their families, but also for the city as a whole. Buffalo has room for more growth in the economy, the businesses, and the population.

By David Dyssegaard Kallick

David Dyssegaard Kallick is director of Immigration Research Initiative

Notes

¹ Immigration Research Initiative analysis of American Community Survey 2022 data. Metro area and city population data are analysis are based on the 2022 1-year data, Buffalo city labor force analysis is based on the 2022 5-year data.

2. Immigration Research Initiative analysis of American Community Survey and historical Census data.

3. Labor force decline is an Immigration Research Initiative analysis of Current Population Survey data. Population decline is an IRI analysis of 2022 American Community Survey data, showing the number of people who are ages 8 to 17 and will thus turn 18 in the next ten years, and the number 55-64 and will turn 65 in the next ten years. This does not incorporate any consideration of the number of people who will move in or out of the area, through either domestic or international migration. It also does not consider the number of deaths in this population.