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THE FINANCIAL IMPACT OF UNDOCUMENTED WORKERS ON KENTUCKY'S ECONOMY



UNIVERSITY OF KENTUCKY

Martin School of Public Policy and Administration

For the Degree of Master of Public Financial

Management

By Diana Gold

Fall 2023

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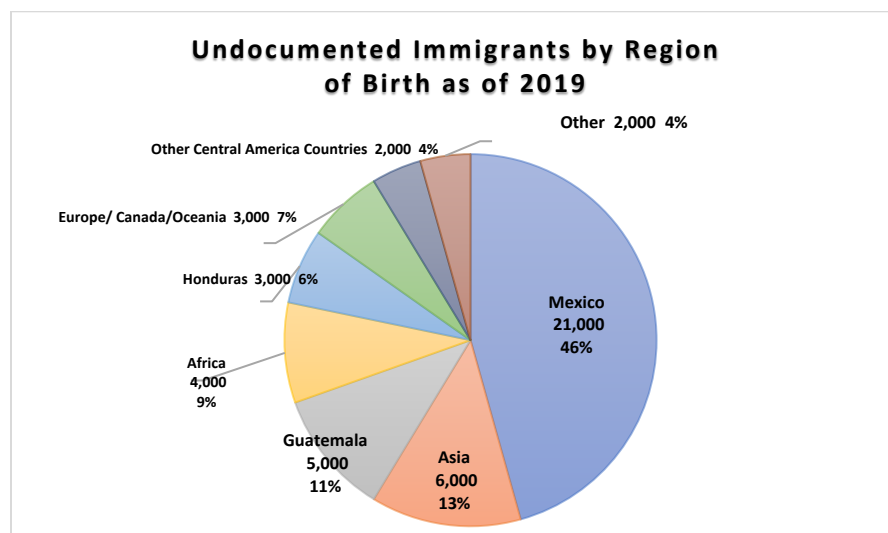
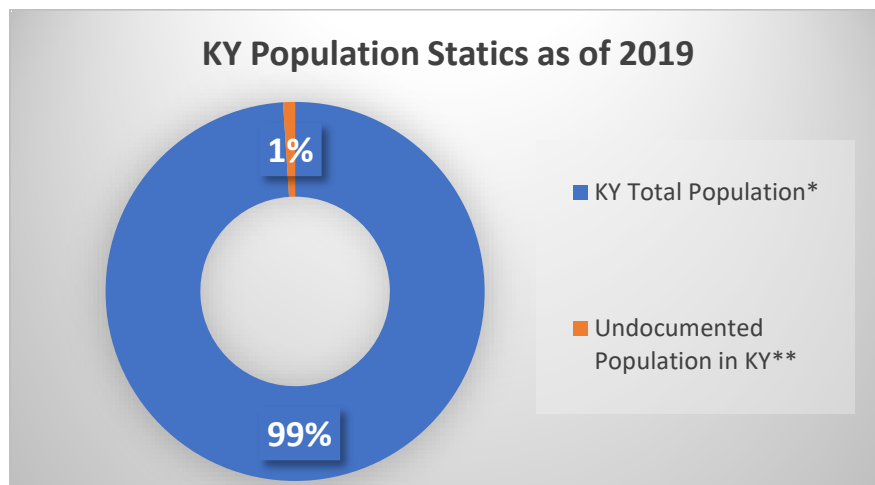
Executive Summary

Undocumented immigrant workers have a significant presence and impact on the economy of the Commonwealth of Kentucky. However, it is difficult to fully understand their financial impact due to the scarcity of published statistics on this topic. In addition, undocumented immigrants try to live unnoticed due to the nature of their legal status and fear of deportation. Some nonprofit organizations and a few public institutions have been able to track data related to their tax contributions, population size, ages, work fields, spending habits, and public resources used. Gathering the available data will help better understand the financial impact of undocumented immigrants in Kentucky.

Although limited, the articles published by nonprofit organizations and public institutions provide data to quantitate, analyze, and ultimately aid in understanding the financial impact that undocumented immigrants have on the Commonwealth. The data about their tax filings can provide an opportunity to measure the financial impact through state and local government revenues. Their contribution to the workforce in the leading industries in the state can provide an idea of the areas in which they make their most significant impact as workers. Their spending habits and consumption power to local the economy provide a picture of their impact on local businesses and financial growth. Finally, the public resources they utilize provide a statistical estimate of their financial burden on state and local public services.

The Commonwealth of Kentucky had a combined state and local budget of \$46 billion for a population of 4.5 million in the fiscal year 2021, per the US Census Bureau. Four percent of the total population in Kentucky are foreign-born immigrants, according to the American Immigration Council (AIC). In addition, at least 3% of Kentucky's population has at least one foreign-born immigrant parent, per the AIC. The Migration

Policy Institute (MPI) estimates that undocumented immigrants are close to 46,000 individuals as of 2019, and they accounted for 1% of the total population in Kentucky. The majority of undocumented immigrants (67%) were born in Mexico and countries in Central America like Guatemala and Honduras, as published by the MPI. Other smaller percentages of undocumented immigrants come from Asia, Africa, Europe, Canada, and Oceania, as per the MPI.



Importantly, undocumented immigrants can file income tax returns through the Individual Taxpayer Identification Number (ITIN), which helps them comply with U.S. tax requirements. The ITIN was established in 1996 by the Internal Revenue Service (IRS)

as a tax processing number. It is provided at the time of tax return by foreigners by the American Immigration Council (AIC). The ITIN is an alternate tool for those not eligible to obtain a Social Security number. However, the ITIN only provides the ability to file taxes and is not an official authorization to work. In addition, the ITIN allows people to open bank accounts, obtain driver's licenses, and declare residency, per the AIC.

In addition, the ITIN helps undocumented immigrants establish themselves as community residents, legitimizing their presence. Finally, and critically, the ITIN is not used as a tool for immigration tracking and enforcement. As such, the ITIN encourages undocumented workers to file their tax returns without fear of repercussions.

As of 2015, the IRS received \$23.6 billion in total taxes filed by ITIN filers, averaging \$5,000 per filer per the AIC. The MPI estimates that Kentucky has approximately 29,000 undocumented working immigrants, and if they would file taxes at the national average of \$5,000, the Commonwealth could collect close to \$145 million a year. A separate estimate published by the Institute on Taxation and Economic Policy (ITEP) states that state and local taxes gained from undocumented immigrants in Kentucky could be approximately \$36.6 million a year. Undocumented workers have an effective tax rate of 7%, which puts them one percent above what the wealthiest people in Kentucky have as an effective tax rate per the ITEP.

The demographic data published by the MPI states that undocumented immigrants in Kentucky have a very young population, with 85% being 44 years old or younger. Then, 89% of undocumented immigrants are of working age, between 16 and 54 years old. However, only 63% of undocumented immigrants are employed. Most undocumented working immigrants hold jobs in manufacturing, construction, agriculture,

food services, and hospitality, per data published by the MPI. Kentucky's major industry sectors include aggrotech, automotive manufacturing, manufacturing, aerospace, mining of primary metals, food and beverage, and service industries such as logistics and transportation. Therefore, undocumented immigrants and these major industries have found a significant, mutually beneficial work relationship. In addition, Kentucky has seen an even lower unemployment rate of 4% as of August 2023, per the U.S. Bureau of Labor Statistics.

The agriculture sector in Kentucky contributed about \$49.6 billion, according to the University of Kentucky College of Agriculture report called "The Importance of Agriculture for Kentucky." According to the National Association of Manufacturers, manufacturers account for 18% of the total output in the state and employ 13% of the state's workforce in 2019. The manufacturing industry generated \$39 billion in 2019. According to the Kentucky Cabinet for Economic Development, Kentucky's aerospace industry exported more than \$14.6 billion in aerospace products and parts in 2019.

Through the Capstone research project, a thorough analysis of the available data regarding undocumented employees and the financial impact on Kentucky's economy will be conducted. Statistics from several public organizations (including the IRS, the Department of Revenue, the American Immigration Council, the Higher Ed Immigration Portal, and The National Association of Manufacturers) will be reviewed to find correlations between the revenue generated by sectors, undocumented works in each sector, and their tax contributions to state and local governments. Findings will be shared through metrics developed with the available data.

Introduction

The topic of the financial impact of undocumented workers on the state of Kentucky can quickly provoke emotional and political responses, from both US citizens and undocumented workers. As researchers, it is paramount to go beyond narratives and focus on the facts to have an objective understanding of the financial impact that undocumented migrants have on the commonwealth.

Undocumented workers contribute positively to the labor market by filling job vacancies, contributing to the state and local tax revenues, and enhancing local businesses through spending. Conversely, undocumented immigrants could also have some negative consequences on the labor market, such as filling job vacancies that Kentucky's documented residents could otherwise fill. A neutral approach is essential when analyzing existing data and policies for labor and immigration in Kentucky. The analysis must consider the positive and negative characteristics of the financial impact of undocumented workers. In addition, further research should continue exploring this subject to provide a more balanced and comprehensive understanding of the financial impact of undocumented workers on Kentucky.

Literature Review for Financial Impact of Undocumented Workers on Kentucky's Economy

Introduction:

The topic of undocumented immigration has been an ongoing topic of political debate in the United States. Kentucky, like most Southern states, encounters the presence of a significant undocumented immigrant population that works in manufacturing, construction, agriculture, food services, and hospitality. Jobs in these industries draw particular attention to the state's economic impact. This literature provides a detailed analysis of the comprehensive financial impact of undocumented workers on the economy of Kentucky. Research is gathered from published articles and studies conducted in the last two decades. With this extensive review, the topic will be explored to gain a comprehensive understanding of this complicated issue and gain a full picture of the subject's financial implications.

Contribution to Labor Market:

The financial impact of undocumented workers on Kentucky's economy begins with their active participation in the labor market. Numerous studies have consistently shown that undocumented immigrants often fill labor-intensive, low-skilled positions that native-born workers are less inclined to pursue (Kaushal & Sharrar, 2017). This workforce plays a crucial role in sustaining industries such as agriculture, construction, and hospitality, which are integral to the state's economic activities and growth.

Tax Contributions:

Research suggests that undocumented workers make considerable contributions to Kentucky's financial market through diverse forms of taxation such as income, sales, property, and local and other excise taxes. In 2015, the ITEP published that

undocumented immigrants contributed over \$20.1 million in sales and excise taxes, almost \$11.3 million in personal income taxes, and \$5.2 million in property taxes. Undocumented immigrants contributed \$36.6 million in state and local taxes with a 6.9% effective tax rate. Undocumented workers living in Kentucky pay sales taxes on purchases like other individuals or those passing through the state who consume goods and services. Approximately 10,000 undocumented immigrants are homeowners and pay property taxes.

Income tax contributions boost state and local government revenues, providing fundamental funding for infrastructure development and public services. Undocumented immigrants can contribute to income taxes through the Individual Taxpayer Identification Number (ITIN) (Hassan, 2019). The IRS created the ITIN in July 1996 to allow individuals, like undocumented immigrants, who are not eligible for a social security number to comply with U.S. tax laws. Undocumented immigrants filing taxes through ITIN may not be eligible for certain tax benefits and subsidies provided by the government. However, it helps them to establish a record as contributing residents living in Kentucky.

Consumption and Local Businesses:

Beyond the contributions of undocumented workers to the workforce market, they also impact the state economy financially through their consumption habits. Most of their income is directed toward paying for daily necessities like housing, groceries, transportation, entertainment, and other essential activities. Undocumented workers' spending contributes to local businesses' financial health and stimulates financial growth (U.S. Chamber of Commerce, 2020). A positive side effect of the consumption

habits of undocumented workers relates to a ripple effect whereby the original financial activity creates additional jobs and more business opportunities within Kentucky.

Support for Dependent Family Members:

The income of undocumented workers supports not only their well-being but also the well-being of their families and any other dependent relatives (some of whom may be U.S. citizens). This economic correlation expands the financial impact to a larger spectrum. Undocumented workers in Kentucky further contribute to the overall welfare of their communities by being financially responsible for covering expenditures like food, housing, education, healthcare, and other basic needs. (Capps et al., 2016).

Costs and Public Services:

There is a cost imposed for undocumented workers living in Kentucky. Although they financially contribute to the local economy, they also inflict some costs on the state. A few examples of these negative side-effects are the cost of providing education and healthcare services to their families.

Nonetheless, research suggests that the expenses imposed by undocumented workers and their families are offset by their general financial contributions (Passel, 2006). However, the bottom-line impact of undocumented immigrants on public services continues to be a subject of political debate. The age distribution and various other factors of the population of undocumented immigrants also can strain public services that could be already strained.

Pay Containment and Labor Market Competition:

Another significant aspect of the political discussion revolves around whether having undocumented workers in Kentucky can cause pay containment and labor

competition for Kentuckians in the labor market. However, some studies show that pay containment can occur, especially for jobs in industries with an elevated number of low-skilled jobs (Camarota, 2018). However, other research has found limited evidence of pay containment at the state level, which is universally accepted (Orrenius & Zavodny, 2018). The National Association of Manufacturers, among other sources of public data, provides essential correlations between the revenue generated by sectors, undocumented works in each sector, and the tax contributions to state and local governments.

Conclusion of Literature Review:

The financial impact of undocumented workers in the state of Kentucky and its financial state can be a complex topic. It is paramount to go beyond the commonly stated narratives that are often drawn along lines of political positions. While undocumented workers contribute positively to the labor market, needing some jobs they can fill, tax revenues that they contribute through different methods, and boosting local businesses, undocumented immigrants can also burden public services. A neutral, data-driven methodology is essential when analyzing existing data and policies for labor and immigration in Kentucky. The analysis must consider the positive and negative characteristics of the financial impact of undocumented workers. Further research should continue exploring this subject to provide a more comprehensive understanding of the financial impact of undocumented workers on Kentucky's economy.

General Research Design

Methodology

For this Capstone project, the principal investigator uses a quantitative research approach to analyze the data to better understand the financial impact of undocumented workers on the state. The design uses a statistical analysis approach to gain a data-driven understanding of the subject matter. The goal of this research project is to illustrate and describe the research design and analysis methods for this capstone project and then discuss the results of the research findings.

Population and Sampling Method

The research project analyzes published data on the financial impact of undocumented workers in the state of Kentucky. Published data is analyzed to answer the following questions:

1. What is the financial impact of undocumented workers on the labor market in Kentucky?
2. What is the contribution of undocumented workers to state taxes through ITIN filing?
3. What is the impact of undocumented workers based on consumption habits in local businesses?
4. What are the costs to the state and public services of undocumented workers and their families living in Kentucky?

The published research data is selected from official and academic organizations to make sure it is valid.

Data Gathering Instruments

The following techniques are used to gather the data:

- Detailed notes from published articles
- Trend analysis of published data.

Internet research. The principal investigator uses data collected from the Institute of Taxation and Economic Policy (ITEP), IRIS, the Chamber of Commerce, among other official public and non-profit organizations. The data will be gathered and filtered to include significant information regarding the subject of research.

Data Analysis Strategies

A thematic analysis approach will be used to analyze the data collected to identify relevant data based on the content and organized by key themes. The data will be analyzed and then displayed in Excel tables and charts. The findings will then be grouped into qualitative categories across subjects.

Findings

The Financial Impact of Undocumented Workers in the Labor Market in Kentucky

The Commonwealth of Kentucky is estimated to have approximately 29,000 employed undocumented individuals, per the MPI. As shown in chart A below, undocumented workers accounted for 1.5% of the almost 2 million total workers in the Commonwealth of Kentucky reported by the U.S. Bureau of Labor Statistics in 2019. Per Chart B below, the undocumented immigrant population assumed to be part of the labor market are individuals who are 16 years or older and represent 63% of the total undocumented immigrant population in Kentucky.

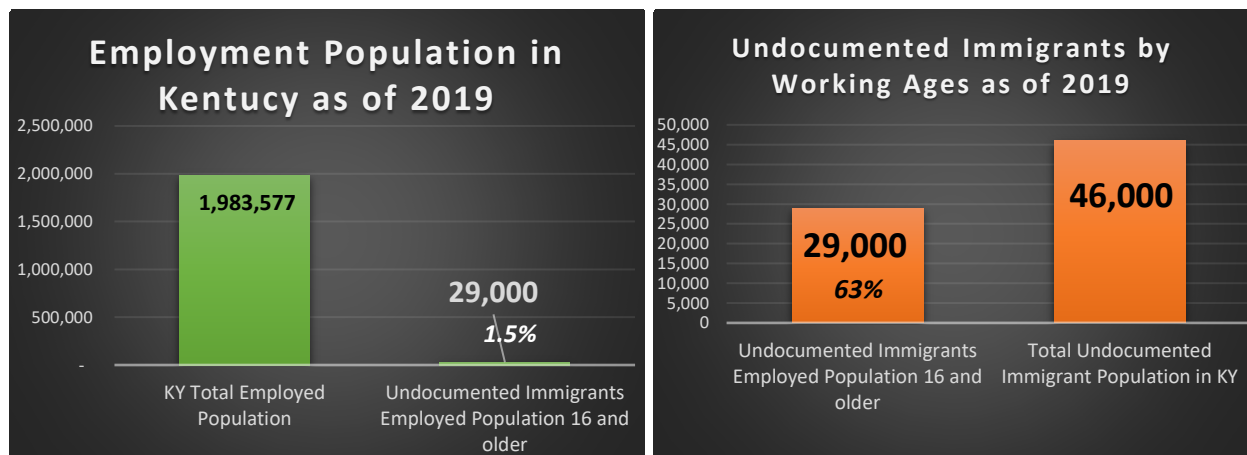


Chart A. Per U.S. Bureau of Labor Statistics and MPI.

Chart B. Per the Migration Policy Institute.

The MPI reported that most of the undocumented immigrants are of working age, with the most common age range being 25 to 34 years old. The chart below shows the age ranges of undocumented immigrants residing in Kentucky as of 2019. It shows that all but 4,000 individuals are 16 years old and older, thus potential workers. Therefore, it is assessed that undocumented immigrants living in Kentucky are part of the labor market and filling vacant jobs. See Chart C for all age ranges of undocumented immigrants as published by the MPI in 2019.

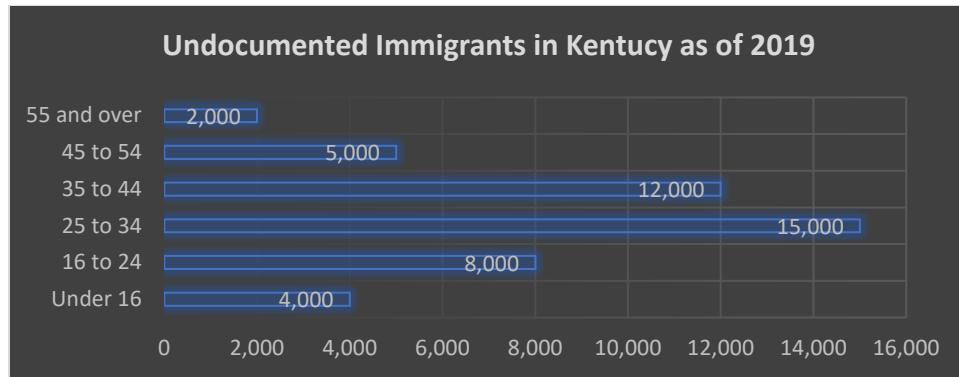


Chart B. Per the Migration Policy Institute.

Undocumented workers hold jobs in manufacturing, construction, agriculture, hospitality, and professional sectors. Most undocumented workers work in accommodation and food services, arts, entertainment, and recreation where a fifth of them found jobs. Each of the sectors of manufacturing and construction employs 16% of the total undocumented workers in Kentucky. Jobs in professional fields employ about 10% of all undocumented employees in the state. Finally, the agriculture sector provides jobs for 9% of the total undocumented workers in the Commonwealth.

The Commonwealth of Kentucky generated a total output of \$237 billion in 2021. In that same year and assuming a 1.5% undocumented workforce ratio, undocumented workers produced \$3 billion of the output in the Commonwealth of Kentucky. The top three sectors that employ undocumented workers are manufacturing, construction, and hospitality/food in Kentucky.

Undocumented workers can find jobs in Kentucky due to the Commonwealth's low unemployment rate of 4% as of August 2023 per the U.S. Bureau of Labor Statistics. A low unemployment rate leaves job vacancies that create employment opportunities for unemployed individuals including undocumented migrants living in Kentucky. The undocumented labor force has an estimated civilian population of 16

years and older of about forty-three thousand individuals. As mentioned before, 29,000 undocumented migrants are employed, and it's estimated that about 12,000 of them are not in the labor force which could be due to school enrollment, a stay home parent, or someone looking for a job.

As of 2019, the manufacturing sector produced a total output of \$49 billion in Kentucky. Manufacturing jobs accounted for 17% of all jobs in Kentucky, and jobs in this sector are among the best paid, with an average annual compensation of \$79,000 as of 2021, per the National Association of Manufacturers (NAM). Additionally, it is estimated that undocumented workers contribute \$780 million in output in the Commonwealth just in the manufacturing sector.

The U.S. Bureau of Labor Statistics published that the construction sector has a total of 91,000 jobs as of 2023 and about 5,000 of these jobs are held by undocumented workers in Kentucky per 2019 data published by the MPI. The construction sector had an output of almost \$41 million in 2021, and approximately \$712,000 was contributed by undocumented workers. The hospitality and food sector has over two hundred and one thousand jobs as of 2023, and about five thousand jobs are filled by undocumented workers in the Commonwealth. The median hourly rate for construction workers is \$22.91 per hour in Kentucky per the U.S. Bureau of Labor Statistics as of May 2022. The median hourly wage for all occupations in Kentucky was \$19.32 per the same data set in May 2022. Jobs in the construction sector offer reasonable compensation and provide work opportunities for undocumented workers.

The hospitality and food sector had an output of almost \$41 million in 2021, and approximately undocumented workers contributed \$773,000 to the local economy. Just

as in the manufacturing and construction sectors, it is estimated that there are five thousand undocumented workers in this sector. The ratio of undocumented workers in the hospitality and food sector is 2.5% of the total workers in this sector. Based on this ratio, undocumented workers are estimated to produce an output of \$1 billion out of almost \$41 billion in 2021. The median hourly wage for workers in hospitality and food services is \$11.67. The wages in this sector are not as well compensated as the construction sector but jobs in this sector do not require a high level of experience or English fluency. Thus, they provide work opportunities for undocumented immigrants. The MPI estimated that 37% of the total undocumented migrant population in Kentucky does not speak well or at all English fluently.

In summary, undocumented workers are a significant source of workers for the manufacturing, construction, hospitality/food, agriculture, and other areas where a demand for workers is present. It is possible that some of the twenty-nine thousand jobs held by undocumented workers could go to unemployed individuals. However, there was not a direct link between undocumented immigrant workers and reasons of unemployment like a decrease of labor force demand in a particular sector or the Commonwealth as a whole. As of September 2023, the unemployment rate in the construction and manufacturing sectors is closely below the 4% unemployment rate in Kentucky. Only the hospitality and food sector is above the 4% unemployment average in Kentucky, with close to 5.5% unemployment. Agriculture, professional and administrative, and other industries where undocumented workers occupy jobs have an unemployment rate below the 4% average in the Commonwealth. The estimated financial impact of \$3 billion in output a year is a significant financial contribution. Also,

filling jobs in essential industries for the economy in the state is impactful, although it cannot be adequately measured due to the lack of data to show the adverse financial effect of vacant jobs.

The Contribution from Undocumented Workers to State Taxes through ITIN Filing

Undocumented immigrants contribute to state and local taxes just like every other resident of the Commonwealth of Kentucky. Undocumented immigrants must pay sales and excise taxes every time they purchase goods and use services. Some examples of taxes paid are associated with purchasing the following: clothing at stores, food at restaurants, purchase of gasoline, and utilities. In addition, undocumented workers who own a home must pay property taxes directly. In contrast, those renting properties must pay indirect property taxes embedded in their rent paid to landlords. The Migration Policy Institute estimates about ten thousand undocumented migrants are homeowners in Kentucky.

Many undocumented immigrants pay state income taxes, as published by The Institute on Taxation and Economic Policy (ITEP). For example, at least 50% of undocumented immigrant households file income tax returns through the Individual Tax Identification Number (ITIN). In addition, many undocumented workers who do not file income tax returns have taxes deducted from their wages. Undocumented immigrants in the United States pay an estimated \$12 billion in state and local taxes a year. In addition, undocumented immigrants contribute more than \$7 billion in sales and excise taxes, more than \$3.5 billion in property taxes, and a little over \$1 billion in personal income taxes.

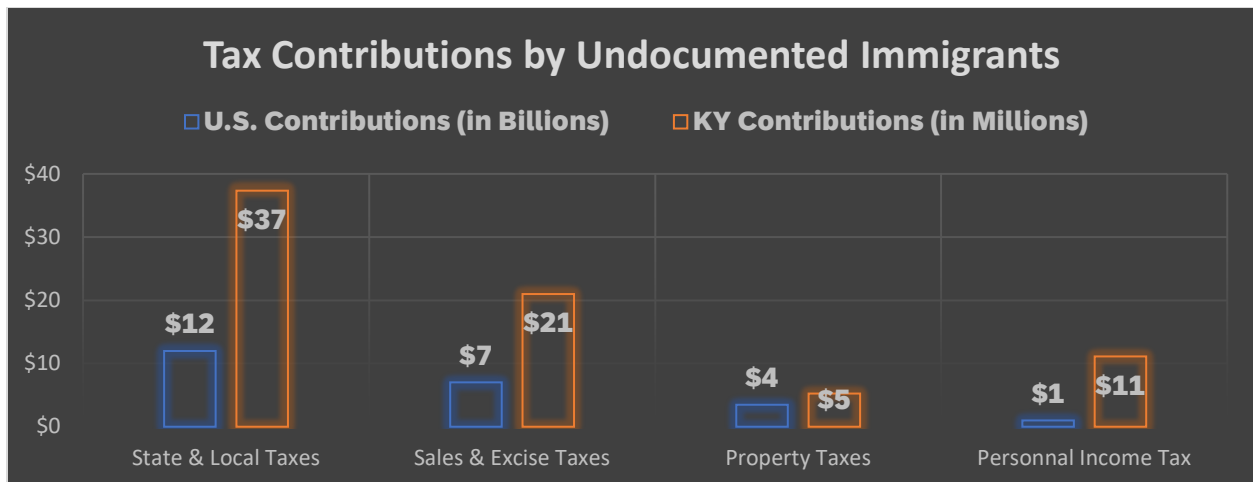


Chart D. Data by ITEP and Kentucky Center for Economic Policy

The Commonwealth of Kentucky appears to receive more than \$36.5 million per year in state and local taxes from undocumented immigrants. Interestingly, the Institute on Taxation & Economic Policy reported that the sales and local tax revenue would be \$16 million higher if undocumented immigrants had full legal status. Also suggested by the ITEP, the effective tax rate is a reasonable way to measure the state and local taxes that undocumented immigrants pay. The effective tax rate is the share of total income paid in taxes. The effective tax rate is beneficial because it accounts for tax structures and population size. In the United States, undocumented immigrants have an estimated average effective tax rate of 8% per the ITEP.

In the fiscal year 2022, the Commonwealth of Kentucky collected \$6 billion in individual income tax revenue, with approximately two million individuals filing in the same fiscal year. Assuming half of the 29,000 undocumented workers filed individual income tax returns through their ITINs, they could contribute almost \$44 million to Kentucky's tax revenue in fiscal year 2022. The Kentucky Center for Economic Policy reports that the top 1% of taxpayers, the wealthiest, in the United States pay an average nationwide effective tax rate of 5.4%. In Kentucky, the wealthiest 1% of Kentucky

residents pay an effective tax rate of 6%, while undocumented workers pay an effective tax rate of 7%. Undocumented immigrant workers pay an average of \$1,263 annually in taxes, well above the state and national effective tax rate.

The Impact of Undocumented Workers Based on Consumption Habits in Local Businesses

Local businesses in Kentucky receive a benefit from all consumers including undocumented workers and their families. They usually live in areas with more economic living costs. The Commonwealth of Kentucky reported that sales taxes were \$5 billion in fiscal year 2022 and the Kentucky Center for Economic Policy estimated that undocumented immigrants paid almost \$21 million out of almost \$3.5 billion in sales tax back in 2016. The U.S. Census published that Kentucky had a total population 4.5 million individuals. The average sales tax paid per capita was \$707 in 2016. In the same year, the estimated average taxes paid by undocumented immigrants was \$406 per individual. Based on these calculations, undocumented immigrants are estimated to pay almost 61% of what the average tax paid per capita.

In 2018, Kentuckian in immigrant-led households were estimated to have \$3.6 billion in spending power as reported by the American Immigration Council. In addition, it was reported that there were three hundred and twenty-one million dollars filed as self-employees business owners. There is no more additional data to support what the specific consumption habits are for undocumented workers, and it's expected to have similar habits as other Kentucky residents who spend their wages in housing, food, healthcare, entertainment, and leisure activities.

The Cost to the State and Public Services of Undocumented Workers and their Families Living in Kentucky

The Commonwealth of Kentucky spends an average of fifteen thousand dollars in the school year 2021-2022 per the Kentucky Department of Education. Based on the data Published by the Migration Policy Institute, it was estimated that there were four thousand children sixteen years old or younger and who are school age. Assuming that all the four thousand undocumented migrant children are students in public schools and using the fifteen thousand average cost per pupil, the total cost of education for undocumented migrant children is estimated to be about \$60 dollars per year. The total budget for prekindergarten through twelve grades in public schools was \$5 billion in school year 2021-2022. Therefore, the cost of the education for undocumented migrant children is estimated to be 1% of the total budget in the state of Kentucky.

Per the Department of Health & Human Services, undocumented immigrants are not eligible to purchase health coverage through Marketplace or receive tax credits and any other savings for health insurance. Research also shows that immigrants have lower health care expenditures than their U.S.-born counterparts as a result of lower health care access and use, although their out-of-pocket payments tend to be higher due to higher uninsured rates. Recent research further finds that, because immigrants, especially undocumented immigrants, have lower health care use despite contributing billions of dollars in insurance premiums and taxes, they help subsidize the U.S. health care system and offset the costs of care incurred by U.S.-born citizens.

There are other costs that are associated with undocumented immigrants living in Kentucky which are welfare, social security, Medicaid, SNAP, etc. Undocumented

immigrants are not permitted to obtain Social Security benefits. Generally, undocumented workers have social security and other payroll taxes deducted from their paycheck like documented workers. The funding for social security and other programs is not ripped by undocumented workers. However, children of undocumented immigrants who are born in the United States are eligible to apply for Medicaid through the Children's Health Insurance Program (CHIP) which provides health coverage through both Medicaid and other CHIP programs. It's estimated that half of undocumented immigrants are uninsured. Therefore, undocumented immigrants avoid or skip emergency room care and regular medical visits.

Research published by the International Journal of Health Services found that immigrants have lower health care costs than U.S. citizens due to lower access to health care. Also, their out-of-pocket payments since they pay higher uninsured rates. Furthermore, undocumented immigrants contribute billions of dollars through insurance premiums and taxes help to subsidize the U.S. health care system and subsidize the U.S. citizens costs of healthcare.

Conclusions

The impact of undocumented workers on the state of Kentucky's economy is complex and multifaceted. Overall, the research findings suggest that undocumented immigrants positively impact the labor market by filling job vacancies in Kentucky's most important sectors of the economy. Undocumented immigrant workers generate an estimated \$5.6 billion out of \$236.9 billion of the total state output. Although undocumented workers represent 1.5% of the working population, they produce 2.4% of the total output of the Commonwealth of Kentucky. Based on the available data, undocumented workers contribute an estimated \$37 million to the state economy through individual sales, excise, and property taxes contributing to the Commonwealth's budget. Undocumented workers also contribute positively through their spending habits while boosting local businesses or even becoming business owners. Undocumented workers consumed \$21 million in sales alone in 2016, per the AIC.

On the other hand, there are costs associated with undocumented migrants, like the cost of education for undocumented children. Out of 4,000 children of school age, the Kentucky Department of Education spends an approximated \$60 million on the education of undocumented immigrant children under 16 years old. Overall, the cost of providing public education to undocumented migrant children is only 1.18% of the annual budget for the Kentucky Department of Education. Looking at the facts and going beyond the commonly spread narratives about this issue is essential.

In summary, the research process for the capstone project made it evident that it is crucial to consider different data sources and organizations to fully understand the financial impact of undocumented immigrants in Kentucky. Existing laws and policies that impact the labor market, tax revenue, communities, and public services in Kentucky

may need to be updated to include undocumented immigrants to benefit the Commonwealth of Kentucky and its residents. The financial status of any state or local economy is fluid and dynamic, so further research should continue exploring this subject to gain an understanding of the current and future financial impact of undocumented immigrants in Kentucky. Special consideration and methods are required for future studies to accurately account for the fact that undocumented immigrants are not likely to report their immigration status to government agencies.

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