

The Economic Contributions of Connecticut's Immigrant Community

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Immigrants play a critical role in supporting the Connecticut economy by filling crucial labor gaps, creating new businesses, contributing to state and local tax revenues, and supporting the state's economy.

Labor Force



Connecticut's economy depends on robust labor force participation. Immigrants, comprising 15% of Connecticut's population (543,000 out of 3.61 million residents¹), contribute by working in about 20% of all jobs in the state.² Immigrants are overrepresented in essential sectors like construction, agriculture, and hospitality. Connecticut companies also rely on highly skilled foreign workers; 23% of all STEM workers in Connecticut are immigrants.³ Policies that deter immigration, including those targeted at people who are legally authorized to work in the U.S., will harm the Connecticut economy. In particular, deporting undocumented immigrants, who comprise 3% of Connecticut's total population (about 117,000 people)⁴, would potentially wipe out tens of thousands of jobs, given that 87% of these immigrants are working age.⁵ **Health and child care fields would be severely disrupted, as immigrants comprise 22% of all early childhood education workers in Connecticut⁶ and 38% of all health aides in the state.⁷** Worker shortages can lead to higher costs for goods and services, with one estimate finding that prices would rise by 9% nationally if several million people were removed from the labor force.⁸

Entrepreneurship



Immigrants are more likely to start businesses in the state, creating jobs for all types of Connecticut residents. **Despite making up 16% of Connecticut's population, immigrants accounted for 26% of the state's entrepreneurs.⁹** These businesses create employment opportunities for both immigrants and native-born workers, and contribute an estimated \$1.6 billion to the state economy.¹⁰ In Downtown New Haven, one survey found that more than half of businesses are owned by immigrants or the children of immigrants.¹¹ Policies that deter immigration or deport current residents threaten to slow down the creation of new businesses, disrupt or eliminate jobs created by immigrant-owned businesses, and make it more difficult for emerging businesses to hire enough employees.

Tax Contributions



Immigrant-led households in Connecticut paid an estimated \$5.8 billion in federal taxes and \$3.3 billion in state and local taxes.¹² Undocumented immigrants in Connecticut are estimated to have paid \$636 million in federal taxes and \$371 million in state and local taxes.¹³ The loss of this revenue could lead to vast cuts to key programs that benefit all state residents, such as education and infrastructure maintenance. Immigrants in Connecticut contribute \$2.7 billion in Social Security and \$774 million in Medicare contributions annually,¹⁴ totals which included \$262 million in contributions from undocumented immigrants, as of one recent estimate.¹⁵

Local Spending



Immigrants contribute as workers, business owners, and taxpayers, and as consumers, sustaining local businesses and the jobs of Connecticut residents, with immigrant households having a total spending power of about \$22 billion statewide.¹⁶ Decreased spending resulting from fewer immigrant residents and lower overall participation in the economy would decrease economic growth in the long run. Many immigrants live in mixed-status households, the majority of whom have lived in the US for more than 10 years.¹⁷ With the mass deportation of undocumented immigrants, mixed-status households would be projected to see their income drop from \$75,500 to \$39,000 nationally,¹⁸ on average, pushing many into poverty and translating into far less spending by those families in ways that support Connecticut's economy.

Connecticut faces a choice: whether to pursue policies that welcome immigrants' substantial economic contributions, or risk economic disruptions that would harm all residents, regardless of their immigration status. The data show that we all benefit when immigrants come to Connecticut to contribute to our local businesses, workforce, and tax base.

References

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- ³ Ibid.
- ⁴ Ibid.
- ⁵ Ibid.
- ⁶ Park, M. et al. (2015). *Immigrant and Refugee Workers in the Early Childhood Field: Taking a Closer Look*. Washington, DC: Migration Policy Institute. <https://www.migrationpolicy.org/sites/default/files/publications/ECEC-Workforce-Report.pdf>
- ⁷ American Immigration Council (2025).
- ⁸ U.S. Congress Joint Economic Committee (2024). *Mass Deportations Would Deliver a Catastrophic Blow to the U.S. Economy*. [Issue Brief]. <https://www.jec.senate.gov/public/index.cfm/democrats/2024/12/mass-deportations-would-deliver-a-catastrophic-blow-to-the-u-s-economy>.
- ⁹ American Immigration Council (2025).
- ¹⁰ Ibid.
- ¹¹ Buchanan, M. and Abraham, M. (2015). *Understanding the Impact of Immigration in Greater New Haven*. New Haven, CT: DataHaven and The Community Foundation for Greater New Haven. <https://www.ctdatahaven.org/reports/understanding-impact-immigration-greater-new-haven>.
- ¹² American Immigration Council (2025).
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ New American Economy (2016). *The Contributions of New Americans in Connecticut*. Washington, DC: New American Economy. <https://www.newamericaneconomy.org/wp-content/uploads/2017/02/nae-ct-report.pdf>
- ¹⁶ American Immigration Council (2025).
- ¹⁷ Lisiecki, M. and Apruzzese, G. (2024). *Proposed 2024 Mass Deportation Program Would Socially and Economically Devastate American Families*. New York, NY: Center for Migration Studies. <https://cmsny.org/publications/2024-mass-deportation-program-devastate-american-families-101024/>
- ¹⁸ Ibid.