

Policy Notes:  
An overview of  
New Hampshire's  
foreign-born population

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## **About this Policy Note**

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## Executive Summary

State policymakers have devoted considerable effort in recent years to understanding New Hampshire's shifting migratory patterns. The public conversation focuses almost exclusively on domestic migration – that is, people moving in and out of New Hampshire from other parts of the United States.

But that conversation ignores an important piece of New Hampshire's economic and demographic future: foreign immigration.

New Hampshire currently has approximately 75,000 foreign born residents out of the state's 1.3 million residents. While the state's overall foreign-born population is small compared with much of the rest of the country, immigration has played an important role in the state's recent migratory trends. In fact, without foreign immigration, New Hampshire would have seen a net *outmigration* (more people leaving the state than moving in) over the past five years, rather than the slight increase we did see in that span.

This report describes the current characteristics of immigration in New Hampshire and the state's foreign-born population. Too often, the narrative of immigration in New Hampshire focuses on foreign refugees and the perception that those residents strain public resources. This is an incomplete and misleading picture, and the word “immigrant” covers a broad range of people and experiences.

Among the findings in this report:

- Almost 39 percent of New Hampshire's foreign-born residents have a bachelor's degree or better, ranking New Hampshire among the top ten states in the country in the education level of foreign-born residents.
- Despite accounting for less than 6 percent of the state population, the foreign born account for nearly one in ten New Hampshire residents with a graduate or professional degree.
- Skilled foreign workers are in high demand in New Hampshire. Qualified foreign students can easily attend New England colleges and universities, but only a small number of visas are offered for employment based immigration. One study estimates that expansion of the H1B high-skilled visa program would create 2,000 new jobs in New Hampshire by 2020.
- In 2013 New Hampshire foreign-born workers earned about \$2 billion in wages working in New Hampshire industries, or about 6.4 percent of the \$29 billion in wages earned in the state. New Hampshire's foreign-born workers held more than 38,000 jobs in New Hampshire in that year, about 6.2 percent of the total state job base.
- New Hampshire's foreigners, broadly speaking, fall into two categories: those with little education, and those with very high levels of education. This poses an interesting set of challenges for New Hampshire policymakers, including, on the one hand, how to best improve the educational prospects of those immigrants with

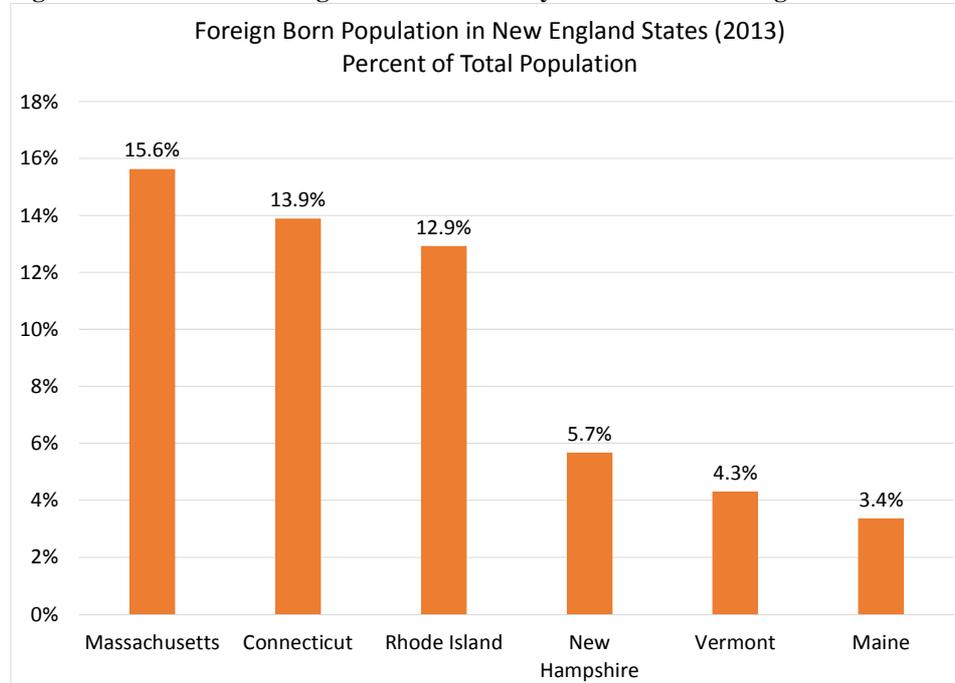
little schooling (and their children), while at the same time trying to attract and retain more highly-skilled and educated foreign-born workers.

## New Hampshire's immigrants in a New England context

Foreign-born residents make up a smaller share of New Hampshire's population than much of the rest of the country and New England as a whole. For instance, 15.6 percent of Massachusetts residents are foreign-born residents, compared to New Hampshire's 5.7 percent. Nationally, roughly 13 percent of the American population was born in a foreign country.

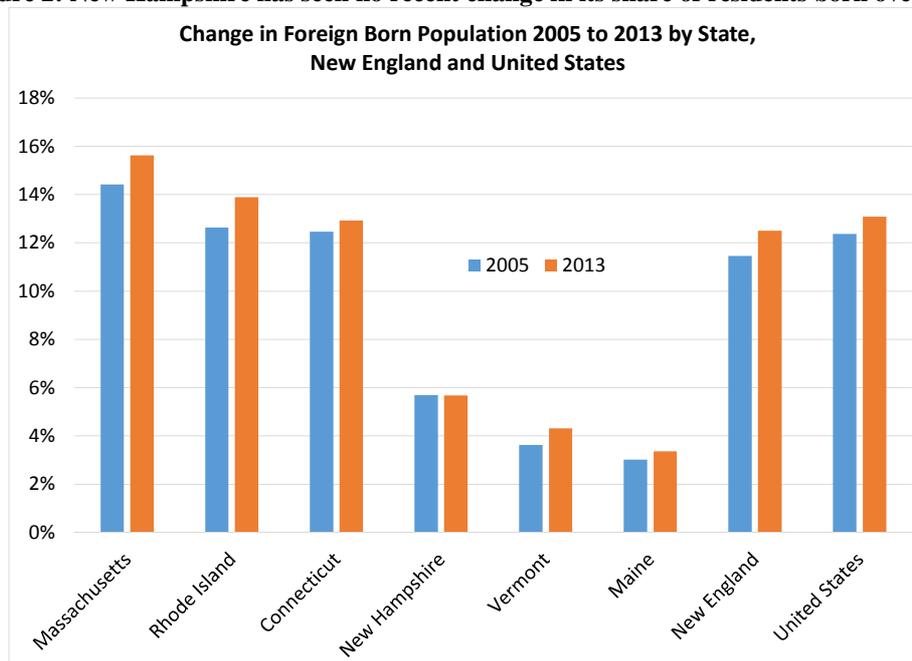
The foreign-born population in Northern New England is smaller, and represents a smaller share of the total population, than that of Southern New England (Figure 1).

**Figure 1: Northern New England has a relatively small share of foreign-born residents**



Source: American Community Survey

The portion of foreign-born residents in New Hampshire has changed very little over the past decade. In 2005, New Hampshire's foreign-born residents represented the same percentage as in the year 2013, though the overall foreign-born population grew slightly, by 2,700 people.

**Figure 2: New Hampshire has seen no recent change in its share of residents born overseas.**

Source: American Community Survey

Foreign migration patterns have remained stable, while domestic migration appears to be changing. Every New England state experienced domestic out-migration (more people leaving for other states than moving in from other states), offset by foreign immigration in last four years. New Hampshire gained about 2,000 people per year from 2010 to 2014 due to net foreign in-migration, while at the same time losing about 1,000 people per year to other states.

Other states in New England, to varying degrees, showed the same trend of international gains coupled with domestic out-migration. In each state, foreign migration is helping offset the departure of domestic residents to other states.

<b>State Net Migration from 2010 to 2014</b>				
<b>Census Estimates</b>				
<b>State/Region</b>	<b>Foreign Born</b>	<b>Domestic</b>	<b>Net Migration</b>	<b>2013 Residents</b>
Connecticut	69,991	-75,852	-5,861	3,596,080
Maine	5,517	-2,749	2,768	1,328,302
Massachusetts	151,731	-29,089	122,642	6,692,824
<b>New Hampshire</b>	8,137	-5,124	3,013	1,323,459
Rhode Island	17,656	-21,097	-3,441	1,051,511
Vermont	2,852	-4,505	-1,653	626,630
<b>New England</b>	<b>255,884</b>	<b>-138,416</b>	<b>117,468</b>	<b>14,618,806</b>
California	648,856	-189,282	459,574	38,332,521
New York	485,224	-486,850	-1,626	19,651,127
Texas	343,093	562,661	905,754	26,448,193

A very different pattern occurred in the previous decade, when New Hampshire (and Maine) saw net domestic in-migration – i.e. more people arriving from other states than leaving for other states. From 2000 to 2009, New Hampshire gained about 3,500 people per year moving in from other states. New Hampshire gained about 2,000 people per year from 2000 to 2009 due to net foreign in-migration.<sup>1</sup>

<b>State Net Migration from 2000 to 2009</b>			
<b>Census Estimates</b>			
<b>State/Region</b>	<b>Foreign Born</b>	<b>Domestic</b>	<b>Net Migration</b>
Connecticut	112,936	-96,328	16,608
Maine	8,079	30,725	38,804
Massachusetts	245,145	-276,768	-31,623
<b>New Hampshire</b>	<b>18,373</b>	<b>35,087</b>	<b>53,460</b>
Rhode Island	30,017	-44,649	-14,632
Vermont	5,001	-1,124	3,877
<b>New England</b>	<b>419,551</b>	<b>-353,057</b>	<b>66,494</b>
California	1,816,633	-1,509,708	306,925
New York	839,590	-1,686,583	-846,993
Texas	933,083	848,702	1,781,785

New Hampshire's foreign-born residents are more likely to have come from Asia compared to other New England states. According to the American Community Survey, 34 percent of New Hampshire's foreign-born residents were born in Asia, the highest percentage among the New England states. About one quarter of New Hampshire's foreign-born residents come from Europe, and one fifth come from Latin America. Less than 6 percent of New Hampshire's immigrants were born in Africa.

For a national comparison, more than half of foreign-born residents in the U.S. come from Latin America.

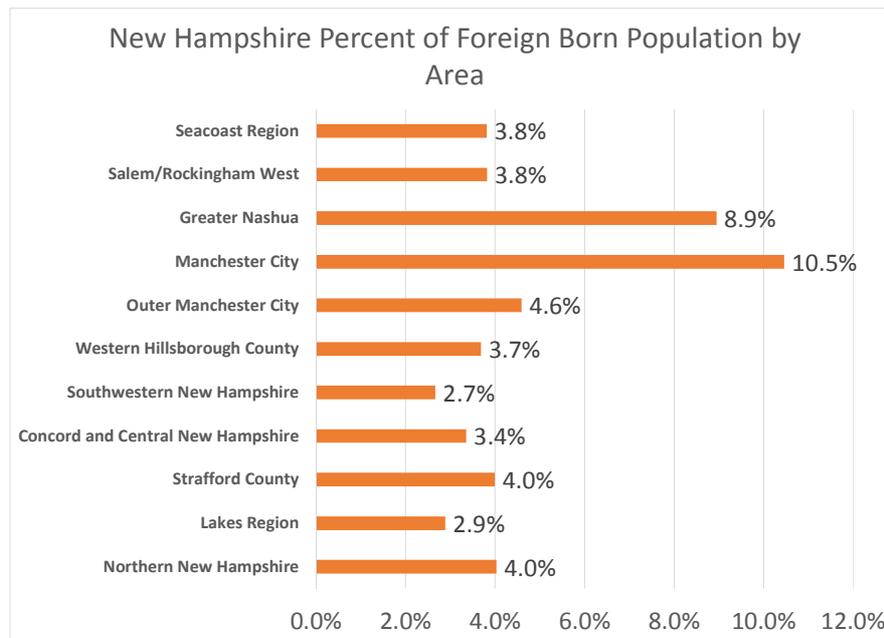
<b>2012 Foreign Population Place of Birth; ACS B05006</b>					
<b>State</b>	<b>Europe</b>	<b>Asia</b>	<b>Latin America</b>	<b>Canada</b>	<b>Africa</b>
Connecticut	28.0%	22.9%	41.5%	3.4%	3.9%
Maine	25.5%	28.2%	7.9%	26.2%	11.2%
Massachusetts	23.9%	29.0%	35.4%	3.1%	8.2%
<b>New Hampshire</b>	<b>25.4%</b>	<b>34.0%</b>	<b>20.6%</b>	<b>13.5%</b>	<b>5.9%</b>
Rhode Island	23.1%	17.0%	44.5%	2.5%	12.5%
Vermont	33.2%	27.7%	10.0%	23.0%	5.5%
United States	12.1%	28.5%	52.8%	2.1%	4.0%

Latin America includes Mexico, South America, Central America and the Caribbean

<sup>1</sup> These two tables include data for California, New York and Texas for the purposes of comparison of those larger states to the New England regional experience.

## Where do foreign-born residents live in New Hampshire?

Within New Hampshire, the foreign-born are concentrated in Manchester and the Greater Nashua area. Proportionally, these two areas have nearly twice as many foreign-born residents as other areas such as the Lakes Region, North Country and Seacoast. (Each geographic area in the following chart covers roughly 100,000 residents.)



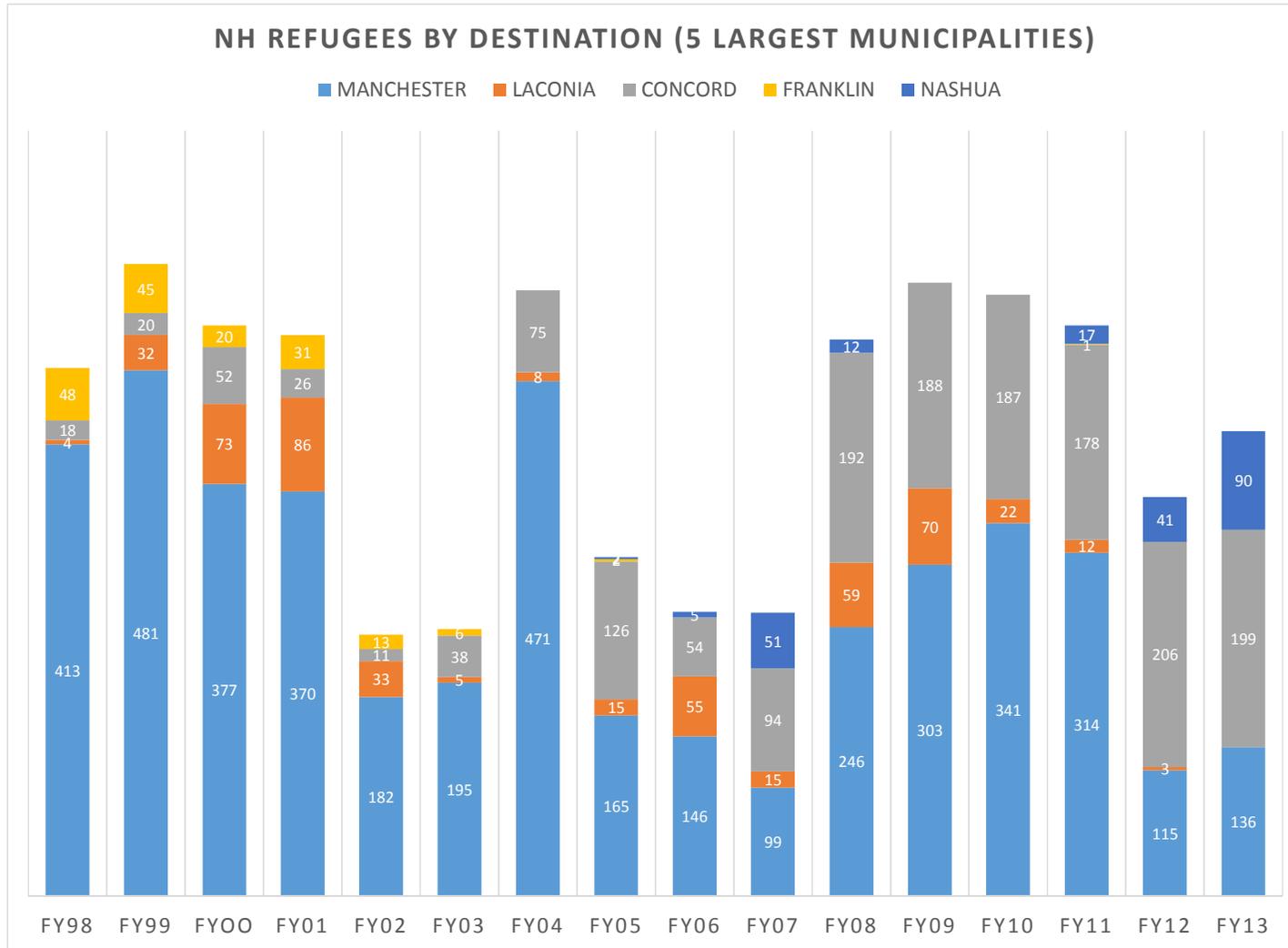
Source: American Community Survey, PUMS dataset

Why is this the case? This settlement pattern likely has to do with the availability of jobs, access to affordable housing, public transportation and proximity to existing immigrant networks – all of which are generally more common in urban areas. Nationally, foreign immigrants are more likely to live in metropolitan areas, and the Manchester-Nashua area is New Hampshire's only "urban" area.

## Refugee resettlement

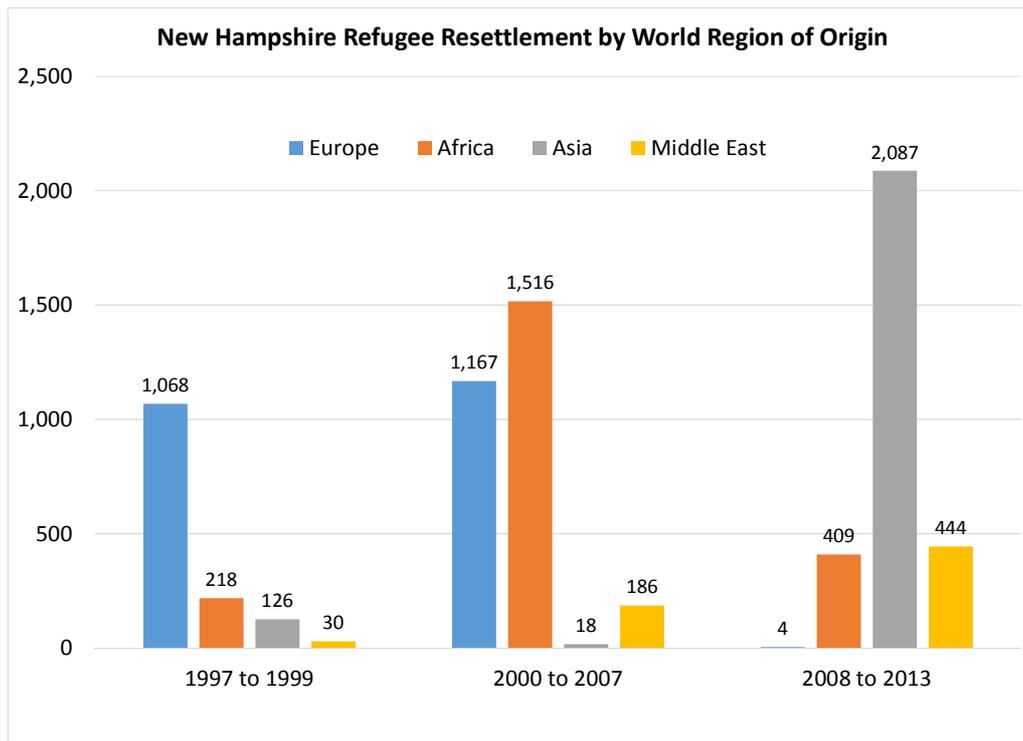
As mentioned before, New Hampshire's foreign-born population includes many different types of individuals, with widely varying experiences prior to arriving in the state. This includes individuals resettled by a refugee placement agency. No precise data is available which would allow us to assess the current share of the foreign born population who came as refugees. According to the New Hampshire Office of Minority Health and Refugee Affairs, about 6,000 refugees have been resettled in New Hampshire since 2000, representing about 20 percent of the 30,000 foreign born people who entered New Hampshire over that period. However, we cannot say what share of those refugees remain in New Hampshire, and which have moved elsewhere. Thus, there is no exact count of the number of individuals currently residing in New Hampshire who originally came to the United States as refugees.

New Hampshire has been receiving refugees since the 1980s. Over time, New Hampshire refugee resettlement patterns have changed significantly, both in terms of the country of origin and the destination within the state. At times, the trend has been for dispersed resettlement, with small numbers of individuals placed in smaller communities throughout the state. In the late 1990s to the middle part of the last decade, the city of Manchester received the majority of the refugees destined for resettlement in New Hampshire. However, more recently, Concord has received a greater portion of refugees than does Manchester, and Nashua's resettlement numbers are growing.



Source: New Hampshire Office of Minority Health and Refugee Affairs

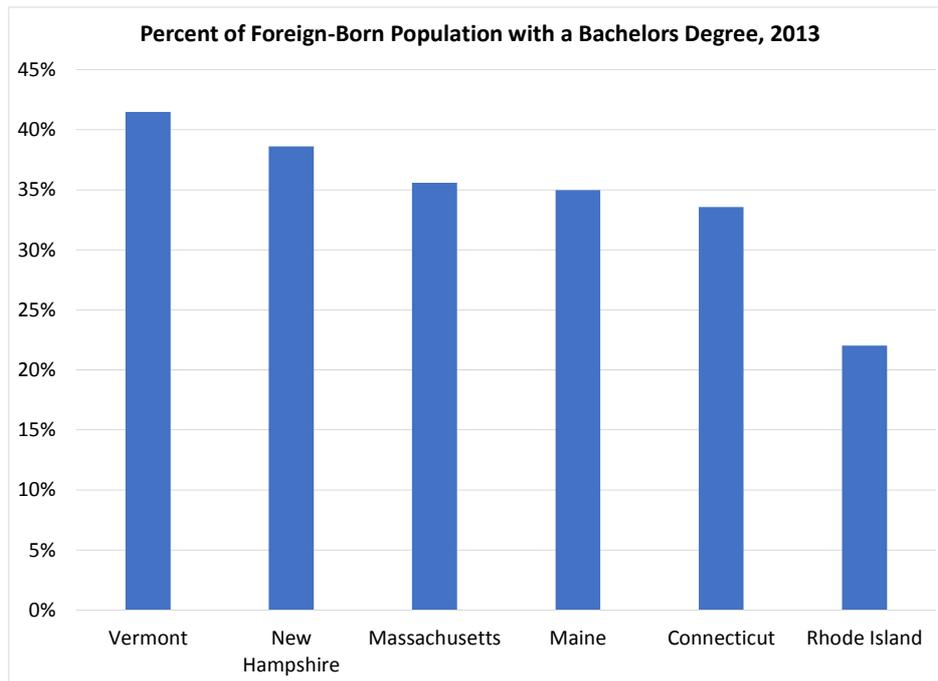
In the late 1990's, the majority of refugees who resettled in New Hampshire came from Europe. From 2000 to 2007, refugees from Africa exceeded the number of refugees from Europe. The origin pattern shifted once again most recently, where the number of refugees resettled into New Hampshire from Asia far surpassed any other origin area. These patterns largely reflect the areas of disruption around the globe at any given time, as refugees tend to arrive from nations or regions undergoing civil war, violence and other forms of unrest.



Source: New Hampshire Office of Minority Health and Refugee Affairs

## Levels of education

The foreign-born in New Hampshire, as a group, are highly educated. Almost 39 percent have a bachelor's degree or better, ranking New Hampshire among the top ten states in the country in the education level of foreign-born residents.

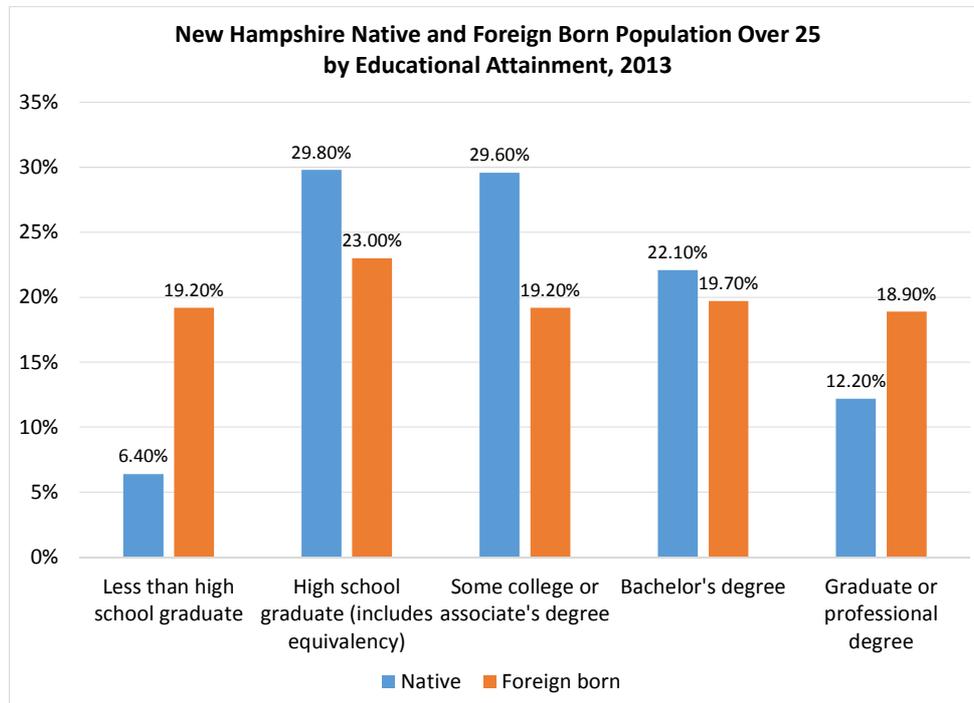


Source: American Community Survey

In fact the foreign-born population, as a whole, is better educated than the native population in many of the New England states. Almost 58 percent of the foreign-born residents in New Hampshire have at least some college, compared to 52 percent of New Hampshire’s native-born residents.

<b>2013 Adult Population with Some College or Associate Degree or Better</b>						
2013 ACS, B06009						
<u>State</u>	<u>Born in State of Residence</u>	<u>State Rank</u>	<u>Born in Another State</u>	<u>State Rank</u>	<u>Foreign Born</u>	<u>State Rank</u>
Connecticut	59.5%	16	74.4%	8	53.9%	16
Maine	50.2%	38	70.5%	19	56.9%	11
Massachusetts	62.1%	9	80.9%	2	53.2%	19
<b>New Hampshire</b>	<b>51.9%</b>	<b>34</b>	<b>70.6%</b>	<b>18</b>	<b>57.9%</b>	<b>9</b>
Rhode Island	57.7%	21	73.1%	12	41.1%	44
Vermont	47.9%	46	72.4%	14	62.5%	3

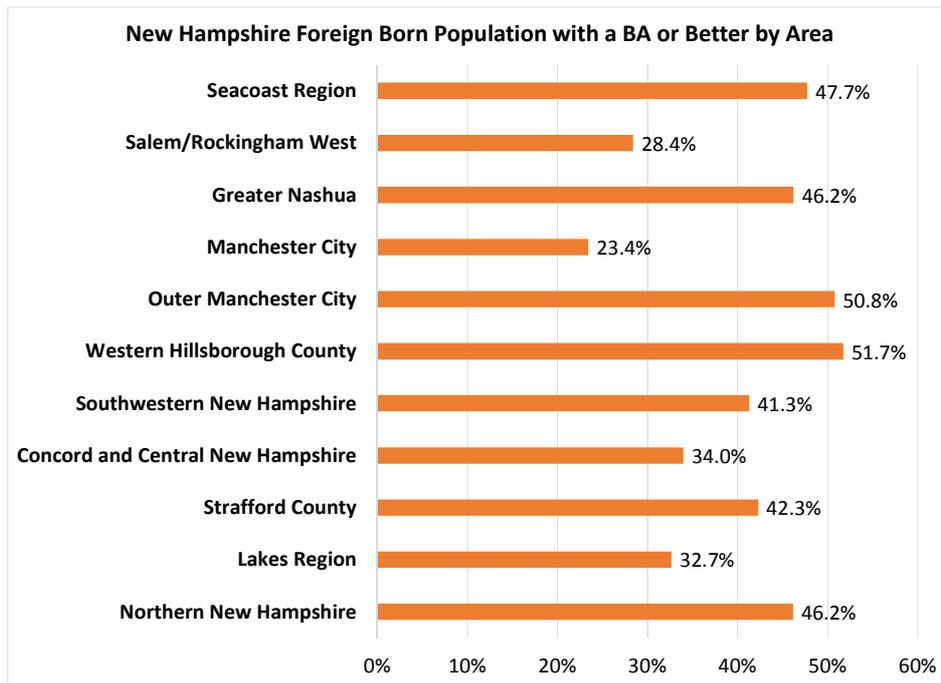
Breaking down foreign-born residents into educational groups reveals an interesting pattern. While New Hampshire’s foreign-born residents are more likely to have not finished high school compared to native born residents, foreign-born residents here are also more likely to have a graduate degree than those born in the United States. In other words, New Hampshire’s immigrants, broadly speaking, fall into two categories: those with little education, and those with very high levels of education. What this means is that foreign-born residents are less likely to be part of the broad span of the population with a high school diploma, and perhaps an associates or bachelor degree.



Source: American Community Survey

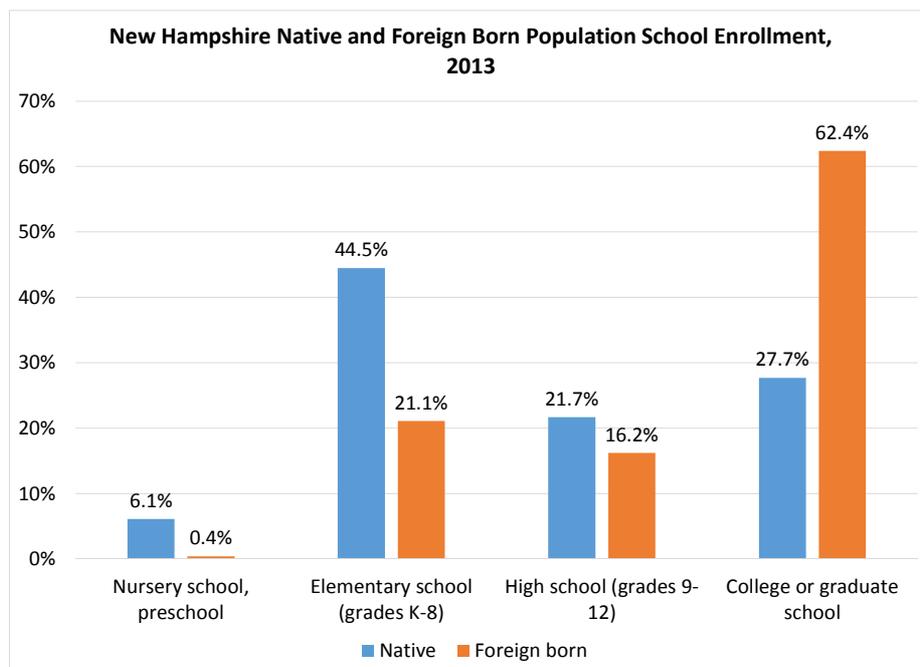
These facts poses an interesting series of question for New Hampshire policymakers interested in economic development. With an aging labor force (especially among STEM workers) combined with slower rates of domestic in-migration, New Hampshire businesses may find themselves turning with increased interest to highly-educated foreign workers. What is the state's strategy for attracting and retaining the group of sought-after workers? At the same time, what investments can businesses and state policymakers make that will help immigrants with lower levels of income and education to transition successfully to the middle class and beyond?

Within New Hampshire, the lowest level of educational attainment, as measured by the percentage of the foreign-born population with a bachelor's degree or better, is seen in Manchester. The foreign-born population in the areas just outside of Manchester, including western Hillsborough County and the Seacoast, have higher levels of educational attainment.



Source: American Community Survey PUMS data files for New Hampshire

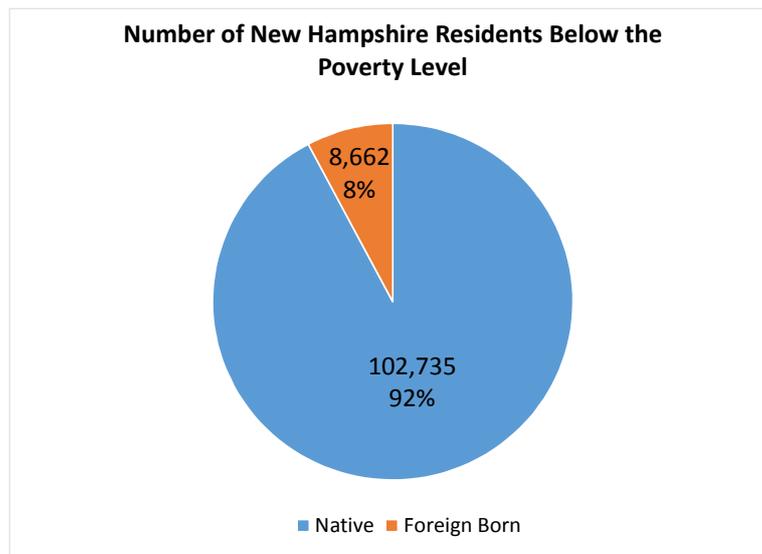
A high proportion of New Hampshire foreign-born residents are enrolled in college. Two-thirds of the New Hampshire foreign-born population is enrolled in college, compared to less than one-third of the native born New Hampshire residents.



Source: American Community Survey

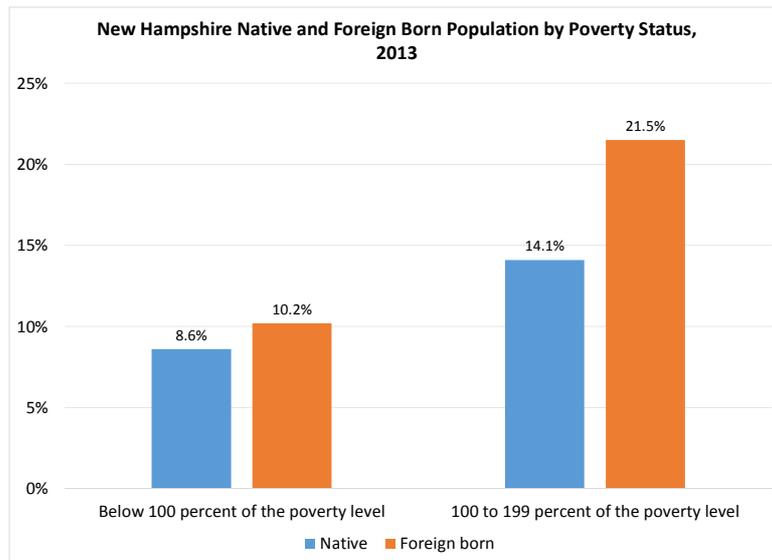
## Public service demand

Given the relatively small size of the foreign-born population, the number of New Hampshire foreign-born residents who are poor, or on public assistance, represents less than ten percent of poor New Hampshire residents. Of the 111,000 New Hampshire residents living below the federal poverty guidelines fewer than 9,000 are foreign-born.



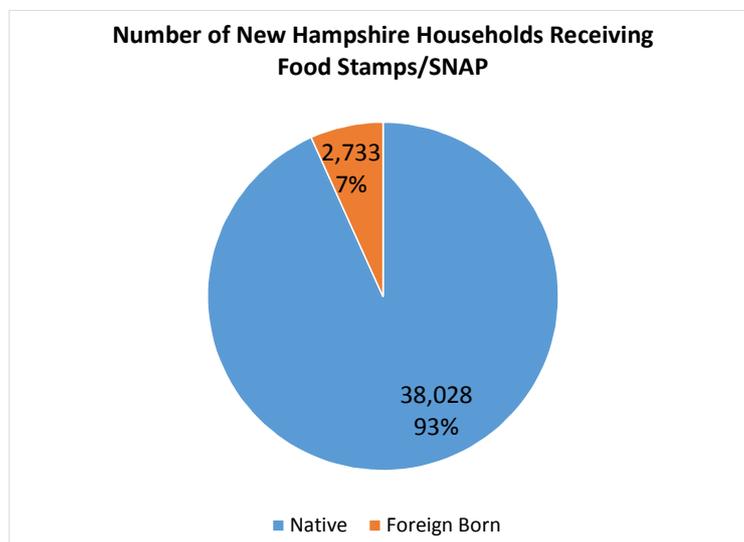
Source: American Community Survey

However, New Hampshire's foreign-born are more likely than native-born residents to be living close to the poverty threshold. A little more than one fifth of New Hampshire's foreign-born residents are in households with incomes between 100 percent and 200 percent of the federal poverty level guidelines, compared to 14 percent for the native born population.



Source: American Community Survey

Higher rates of poverty translate into higher rates of use of public services, as well. But again, the relatively small size of the foreign-born population means that a relatively small share of the state’s provision of public services goes to foreign born populations. For example, more than 40,000 New Hampshire residents are on the food stamp program (also called the Supplemental Nutritional Assistance Program of SNAP). Fewer than 3,000 of those New Hampshire residents on SNAP were born in another country.



Source: American Community Survey

## Impact on the economy

A true cost-benefit analysis of the impact of foreign immigration on New Hampshire is beyond the scope of this policy note. In what follows, we review the national literature on the costs and benefits of foreign born immigration and then provide an assessment of the economic role that the foreign-born population plays in New Hampshire's economy.

The national debate on immigration has largely focused on the economic consequences of undocumented immigrants, however there is no consensus on the economic impacts. A 2007 report by the nonpartisan Congressional Budget Office (CBO) examined 29 reports on state and local costs of undocumented immigration published over 15 years in an attempt to answer this question. The CBO concluded that majority of estimates that determine that undocumented immigrants impose a net cost to state and local governments show "that impact is most likely modest." CBO said "no agreement exists as to the size of, or even the best way of measuring, that cost on a national level."<sup>2</sup> More recent research suggests that the economic contribution of undocumented immigrants has been undervalued.<sup>3</sup>

At the same time, there is a robust national debate about the economic impact of foreign immigration in general. In this debate, economists tend to focus on three areas.

First: The impact that low-skilled immigrants have on wages of native-born Americans. The scenario here is that lower-skilled immigrants might compete for work with native born and potentially reduce wages for native born workers. The literature on this is mixed. One study showed that wages for U.S. born workers declined by about 3 percent between 1980 and 1990 as a result of immigration.<sup>4</sup> More recently, a study found that while immigration may lower real wages for low-income native workers, there are offsetting increases in productivity for all workers, largely a function of the fact that an influx of immigration increases the productivity of capital. Researchers found that, on average, real wages of U.S.-born workers increased by about 2 percent between 1980-2000 as a result of immigration.<sup>5</sup> The impact of immigration on New Hampshire residents depends on the distribution of skills in the foreign-born population and the degree to which those skills complement, or are substitutes for, the skills of native born workers.

Second, with respect to high skilled workers, a recent study suggests that employing highly skilled foreign workers may raise wages for native workers. Giovanni Peri, along with co-authors Kevin Shih at UC Davis and Chad Sparber at Colgate University, studied how wages for college- and non-college-educated native workers shifted along with immigration. They found that a one-percentage-point increase in the share of foreign

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<sup>2</sup> The Impact of Unauthorized Immigrants on the Budgets of State and Local Governments, Congressional Budget Office, December 2007

<sup>3</sup> Institute for Taxation and Economic Policy, "Undocumented Immigrants' State and Local Tax Contributions," July 2013, <http://www.itep.org/pdf/undocumentedtaxes.pdf>

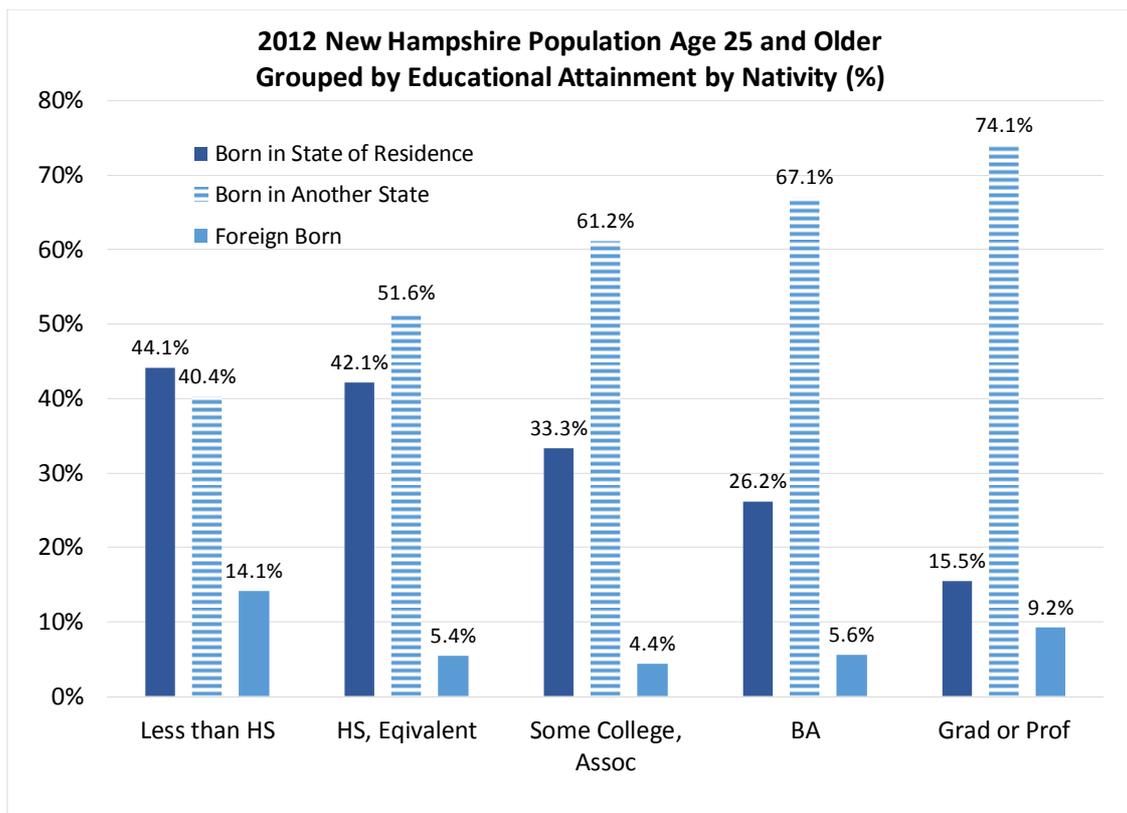
<sup>4</sup> Borjas, George J. "The Economic Benefits of Immigration." *The Journal of Economic Perspectives*, Spring 1995, Vol. 9, No. 2 pp.3-22.

<sup>5</sup> Ottaviano, Gianmarco I.P.; and Peri Giovanni. "Rethinking the Gains from Immigration: Theory and Evidence from the US." Working Paper No. 11671, National Bureau of Economic Research, October 2005.

workers in STEM fields raised wages for college-educated natives by seven to eight percentage points and wages of the non-college-educated natives by three to four percentage points. Research bolsters the case for raising, or even removing, the caps on H-1B visas, the program that regulates how many high-skilled foreign workers employers can bring into the country.

Third, there is the question of what impact the foreign-born population has on the size of, and skills of, the labor force in general. In a state with a very low unemployment rate such as New Hampshire, the benefits of foreign immigration may be felt most in terms of removing bottlenecks in the labor force. Immigrants increase economic efficiency by reducing labor shortages in low- and high-skilled markets because their educational backgrounds fill holes in the native-born labor market.<sup>6</sup>

As can be seen on the following chart, the foreign born in New Hampshire do comprise a higher portion of those without a high school education (14 percent), than for those with a high school degree or some college (5 percent and 4 percent respectively). But the foreign born account for nearly one in ten New Hampshire residents with a graduate or professional degree. Thus, the foreign born comprise a significant slice of the labor supply, particularly in the low skills and high skills ends of the market.



Source: American Community Survey

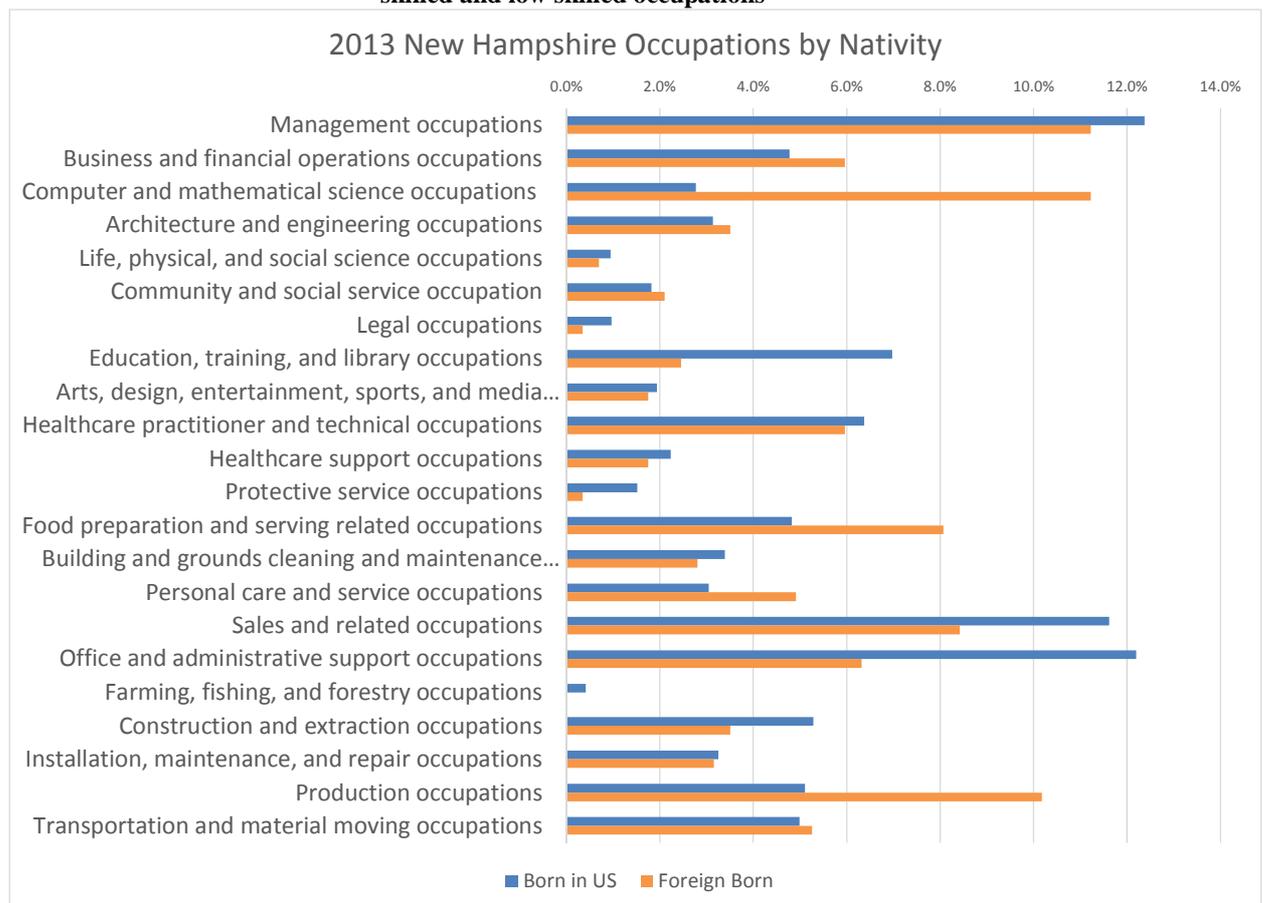
<sup>6</sup> “The Economic Benefits of Immigration,” Diana Furchtgott-Roth, Senior Fellow, Manhattan Institute for Policy Research, February 2013

### What role does the foreign-born population play in New Hampshire’s economy?

Foreign-born residents make a significant contribution to the New Hampshire economy. In 2013 New Hampshire foreign-born workers earned about \$2 billion in wages working in New Hampshire industries, or about 6.4 percent of the \$29 billion in wages earned in the state. New Hampshire’s foreign born workers held more than 38,000 jobs in New Hampshire in that year, about 6.2 percent of the total state job base.

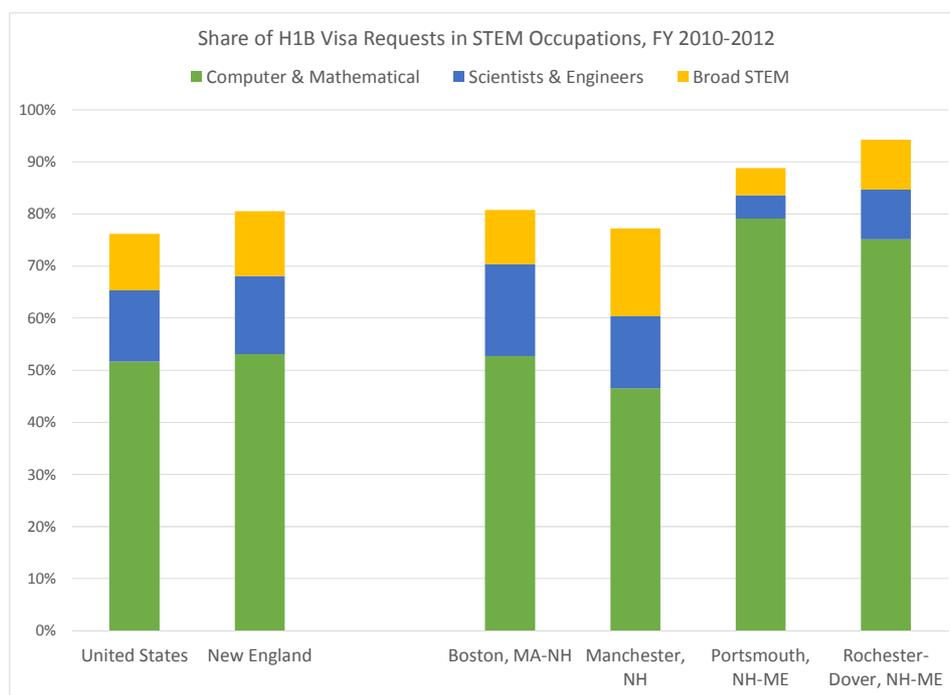
Foreign-born residents hold both high-paying and low-paying jobs in New Hampshire. More than one out of ten foreign-born workers in New Hampshire are employed in computer and mathematical science occupations, four times the proportion of native born workers. Foreign-born employment in New Hampshire is also proportionally higher than native born employment in production, food preparation, and personal care occupations (see Figure 3 below).

**Figure 3: Foreign-born employment in New Hampshire is proportionally higher in certain high skilled and low skilled occupations**



The above chart shows the portion of employees in each industry sector by nativity. For example 11% of the foreign born employees working in New Hampshire firms are in computer and mathematical science occupations, compared to about 3% for native born New Hampshire employees. Source : Current Population Survey Outgoing Rotation Files for New Hampshire.

And in fact, skilled foreign workers are in high demand in New Hampshire and New England generally. The Federal Reserve Bank of Boston recently completed an analysis of the demand for H-1B Visas in New England.<sup>7</sup> The report noted that while U.S. immigration policy provides fairly easy access for qualified foreign students to attend New England colleges and universities (largely through the F-1 student visa), only a small number of visas are offered for employment based immigration. The H-1B visa serves as an entry route for many highly skilled guest workers into the U.S. labor market by allowing employers to temporarily employ foreign workers in “specialty occupations.” However, demand for such visas persistently exceeds the available supply. In New England and New Hampshire most H1B Visa requests related to STEM jobs.<sup>8</sup>



Source: Federal Reserve Bank of Boston, October 2014

According to another analysis in 2011, the U.S. Department of Labor certified 1,067 H-1B labor certification applications in New Hampshire, with an average annual wage of \$67,810, which is higher than both New Hampshire’s median household income of \$64,925 and its per capita income of \$32,758.<sup>9</sup>

<sup>7</sup> Demand for H-1B Visas in New England: An Analysis of Employer Requests for Highly Skilled Guest Workers, New England Public Policy Center, Policy Report 14-1, October 2014

<sup>8</sup> STEM is an abbreviation for Science, Technology, Engineering and Mathematics occupations.

<sup>9</sup> Source: Office of Foreign Labor Certification, Annual Report: October 1, 2010 – September 30, 2011 (Washington, DC: U.S. Department of Labor, 2012).

Estimates are that an expansion of the high-skilled visa program would create 2,000 new jobs in New Hampshire by 2020. By 2045, this expansion would add around \$717 million to Gross State Product and increase personal income by more than \$706 million.<sup>10</sup>

The foreign-born not only work in New Hampshire firms, but also become local business owners. According to the Partnership for the New American Economy 5.7 percent of business owners in New Hampshire are immigrants, and \$252 million in annual business income is generated by immigrant owned businesses in New Hampshire.<sup>11</sup> In fact some recent research suggests that immigrants now launch more than a quarter of U.S. businesses. Immigrant businesses are 60 percent more likely to export than native-owned companies, and foreign exports have been a key factor to U.S. economic growth in recent years.<sup>12</sup>

Finally, it is likely that the foreign born, and their children, could be a significant resource for New Hampshire's future workforce. The birthrate among foreign-born residents is higher than for the native born, which means more residents, and future workers, will come from the ranks of residents that have recently moved to New Hampshire from other countries.<sup>13</sup> In other words, this is a policy concern for New Hampshire not just today, but will become increasingly important in the coming years.

## Conclusion

As the data in this report shows, New Hampshire's foreign-born population is a varied, diverse group. Immigrants in New Hampshire may include, for example, a young adult newly arrived from overseas; a family resettled by a federal refugee placement agency; or a U.S. university educated high-tech worker who moved to New Hampshire after living elsewhere in the U.S. Students from other countries come to New Hampshire to pursue higher education, at both the undergraduate and graduate levels, and schools actively recruit those students. Local New Hampshire businesses file H-1B visas to temporarily employ foreign workers in the global competition to attract talent for innovation.

New Hampshire's foreign-born population includes a large share of people lacking high levels of education, as well as some of the best educated residents in the state. Understanding how to best meet the needs of this diverse group, while tapping their potential and maximizing their contribution to the state's economic future, should be a priority for New Hampshire's government, business and non-profit leaders in coming years.

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<sup>10</sup> Source: Frederick R. Treyz, Corey Stottlemeyer, and Rod Motamedi, "Key Components of Immigration Reform: An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas, and Reforming Lesser-Skilled Visas" (Amherst, MA: Regional Economic Models, Inc., 2013).

<sup>11</sup> Map the Impact of Immigration Across the Nation, Partnership for a New American Economy (<http://renewoureconomy.org>).

<sup>12</sup> "The Most Entrepreneurial Group in America Wasn't Born in America", INC. Magazine, February 2015

<sup>13</sup> Fertility rates for the foreign born population are consistently higher than for the native born. <http://www.pewhispanic.org/2014/04/29/statistical-portrait-of-the-foreign-born-population-in-the-united-states-2012/>

## **Appendix: Statistical Precision of the Estimates**

The indicators used in this report, unless otherwise noted, come from the United States Census Bureau population estimates program, or the Census American Community Survey. The American Community Survey is a small sample of a larger population in an area. Such samples are subject to issues related to the statistical precision of the estimates from those surveys.

### ***The American Community Survey***

Several of the community indicators, including birth place, the percentage of adults in poverty, home ownership, household and family income, unemployment rates, educational attainment, and the portion of households receiving food stamps, are taken from the American Community Survey, five year average datasets.

The American Community Survey is the replacement for the decennial census long-form, which was last administered by the U.S. Census Bureau in 2000. The long form was a sample of 1 in 6 households, a very large sample size, encompassing almost 17 percent of households. Approximately 100,000 out of 547,000 New Hampshire housing units were sampled with the long form in the 2000 Census.

While the Census still counts people every ten years, the characteristics of the population are now measured by the Census Bureau's American Community Survey (ACS). The ACS is actually a continuous monthly survey of American households, and provides socio economic information much more frequently than every ten years.

However, the ACS is based on a much smaller sample size than in the prior Census long form. The Census Bureau estimates that the ACS now samples a little more than 2 percent of the households across the country. For example, in 2013 the ACS sampled approximately 10,000 New Hampshire households, one tenth as many as by the long form used by the Census in 2000.<sup>14</sup>

The ACS sample design yields higher margins of error than the census long form data, due primarily to the much smaller sample size in the ACS. In order to reduce the sampling error associated with the smaller sample size in the ACS, the demographic characteristics for small areas, like towns and census tracts, are calculated by the Census based on a five year average. Town level ACS data for New Hampshire is available for the five-year period 2009 to 2013, and is actually an average of survey results over those five years. However, it would take approximately 12 years of data collection to derive a community sample size in the ACS which would be equivalent to the sample size in the old Census long form.

The Census Bureau includes margins of error (MOE) with the ACS estimates. The Census Bureau does this in order to tell data users that the ACS data has uncertainty, and that reliability of the estimates is an issue. As a rule of thumb, the more detailed the

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<sup>14</sup> [http://www.census.gov/acs/www/methodology/sample\\_size\\_data/index.php](http://www.census.gov/acs/www/methodology/sample_size_data/index.php) .

characteristic of the population and the smaller the geography, the higher the margin of error (MOE).

In statistics, a result is referred to as "statistically significant" if it is unlikely to have occurred by chance alone. The foreign born population in New Hampshire is relatively small. In order to verify that size of the foreign born population will not limit the statistical significance of these estimates, we examined the statistical significance of the ACS estimates at the state level. We believe that an ACS estimate (for poverty, for example) that is based on sample with measurable statistical precision should be tested to see if the differences between the foreign born and native born populations are in fact differences.

All values were tested to see if the two estimates were significantly different at a 90 percent confidence interval. When the results were found to be statistically significant, this simply means that we can be 90 percent certain that the difference between two estimates exists or that there is a less than 10 percent chance that the difference was entirely due to chance.

Based on our analysis we have concluded that there are significant statistical differences between the foreign born population and the native born populations in New Hampshire, across the majority of the indicators.

While the ACS produces more timely (than waiting every ten years for the results from the Census long form) data, by far the most significant negative aspect of the ACS as a replacement for the long form is the lack of good data for smaller geographic areas. However, one should consider that many areas, such as small rural communities and established neighborhoods in large cities, change very slowly over time. Therefore, a five year average "snapshot" of an area, even with a relatively large margin of error, can still be of great value in determining the economic and demographic characteristics of the population in a community.