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# PROFILE OF IMMIGRANTS IN NAPA COUNTY

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By Randy Capps, Kristen McCabe, and Michael Fix





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## Executive Summary

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Migration Policy Institute

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## Executive Summary

The Napa Valley has a long history of welcoming immigrants. Large numbers of immigrants have worked in Napa's fields for decades, just as they have across other California agricultural regions. The Valley's wine industry was started by immigrants, and large numbers of immigrants work in wine-related sectors such as vineyards, wineries, and hospitality. Napa County's year-round immigrant labor force has grown substantially over the past two decades, and large numbers of immigrants now also work in construction, health care, and other diverse industries.

This report by the Migration Policy Institute (MPI) was commissioned by the Napa Valley Community Foundation. It provides a profile of the county's immigrants using the most up-to-date data. The report also provides an estimate of immigrants' impact on the county's economy and their fiscal impacts — that is the state and local taxes they pay and the costs of the education, health, social, and other public services they receive.

Throughout this report, we focus on four primary demographic groups:

- Latino immigrants, chiefly from Mexico
- US-born Latinos (or Latino natives), most of whom are children under age 18 living in immigrant households
- Non-Latino immigrants, including Asians and those from European origins
- US-born Non-Latinos (or non-Latino natives), the vast majority of whom are non-Hispanic whites

Key findings, based on analysis of the most recent data available from the US Census Bureau and on telephone interviews with key informants in Napa County, include:

**Demographic changes in Napa County.** Immigrants are contributing to rapid demographic change in the county, especially in the major southern urban areas and in Calistoga. This change is most evident in the child and young working-adult populations.

- Napa County's population is 23 percent foreign-born, about average for the northern counties in the Bay Area, but below the statewide average of 27 percent. The county's immigrant population reached 32,000 in 2010, a 35 percent increase from 2000 and a 150 percent increase from 1990.
- Twenty-six percent of households in Napa County are immigrant households — i.e., households with an immigrant head and/or immigrant spouse. The immigrant share is higher for households than individuals because many households include both immigrants and natives.
- Latinos are leading the county's population growth. The number of Latino residents nearly tripled from 15,000 to 44,000 between 1990 and 2010, while the number of non-Latinos (the vast majority of whom are white) remained unchanged at about 95,000. These trends are most evident among the child population, as the number of Latino children rose 4,500 from 2000 to 2010 and the number of non-Latino children fell by 3,000.
- The county's non-Latino population is rapidly aging. Between 1990 and 2009, the number of non-Latinos over age 45 grew by about 8,000, while the number in prime working ages (25 to 45) fell by about 10,000. Like the nation as a whole, the Napa Valley is becoming increasingly dependent on immigrants and their children for economic growth and to support an aging white population.
- Due to immigration, in Napa as in California, Latinos have become the largest demographic group of schoolchildren. During the 2008-09 school year, Latinos were 46 percent of students in



Napa County public schools, and their share was highest in Calistoga Unified School District (74 percent) and lowest in Howell Mountain Elementary District (38 percent).

- Close to half (45 percent) of all children enrolled in Napa County's public schools were English Language Learners (ELLs) or former ELLs in 2008-09. Almost a quarter of students (4,700 out of 20,400) were ELLs, while a similar number (4,500) were former ELLs who had been reclassified as bilingual. The share of ELL children who have learned English and become bilingual has been rising.
- Two-thirds of Napa County's immigrants are from Latin America. In 2008-09, 63 percent were of Mexican origin and a small percentage originated in other Latin American countries. The county's Mexican immigrants are evenly distributed between recent migrants and long-term settlers, with about a third entering the United States before 1990, another third entering during the 1990s, and the remaining third entering after 2000.
- The relatively high share of immigrants from Mexico is correlated with a relatively high share of unauthorized immigrants in the county (33 percent versus 26 percent in California). We estimate the county's unauthorized population at between 10,000 and 11,000 in 2006-08.
- Napa County's immigrants are less likely to be naturalized citizens than immigrants statewide: 30 versus 37 percent.

**Economic well-being.** Napa is one of the highest-income counties in California, and immigrants appear to share in the county's prosperity when compared to their statewide peers. Latino immigrants, however, are not as prosperous as other groups of immigrants, though they fare better than Latino immigrants statewide on some important socio-economic indicators.

- Median annual household income was \$74,000 for non-Latino natives and \$77,000 for non-Latino immigrants in Napa County in 2008-09. The median for Latino immigrants in Napa County was \$46,000, far lower than for other groups but almost 10 percent above the statewide median (\$42,000).
- Latino immigrants had a much lower poverty rate in Napa County (10 percent) than California (21 percent). The poverty rate for non-Latino immigrants was the same as the rate for Latino immigrants; it was 5 percent lower for natives.
- The poverty rate for immigrants living in the county fell from 17 percent in 1990 to 15 percent in 2000 and 10 percent in 2009. Falling poverty suggests that many Latino immigrants have experienced upward mobility during the past two decades.
- Immigrants' health insurance coverage is much higher in Napa County than California. In 2008-09, 61 percent of Latino immigrants in the county had employer-provided or other private coverage, almost double the rate for their counterparts statewide (36 percent). Non-Latino immigrants and natives had even higher private coverage (74 and 81 percent respectively, both above statewide averages). Napa County's employers, then, provide health care coverage at a higher rate than elsewhere in the state. Additionally, over 1,000 low-income children (mostly immigrants) are covered by Kaiser, a private insurance company, in an arrangement set up by the nonprofit sector to replace lost coverage through the county's former Healthy Kids program.

Relatively high private coverage of Latino immigrants and other groups reduces public costs through Medi-Cal, Health Families, and the County Medical Services Program, as well as emergency room and clinic costs for the uninsured.

**Housing and commuting.** Most immigrants in Napa County own their homes, but their housing options are limited by high costs and restrictions on housing development stemming from the Agricultural Preserve, which has protected farming lands and contributed to Napa Valley becoming a leading wine-producing region. Many Latino immigrants experience housing hardship in the form of crowding and high



rent or ownership burdens; others commute from neighboring counties where housing is less expensive.

- In 2005-09, 55 percent of immigrants owned their homes, compared with 67 percent of natives. Forty-three percent of Latino immigrants owned their homes, compared with 72 percent of non-Latino immigrants. Latino immigrants in California were only slightly more likely than those in Napa County to own homes (45 versus 43 percent), while non-Latino immigrants statewide were less likely than those in the county to own homes (60 versus 72 percent).
- In 2008-09, 39 percent of immigrants working in Napa County lived in other counties, primarily Sonoma and Solano. The share of immigrants who commute in from other counties was higher than native-born workers (31 percent), and has been rising. The fiscal impacts of these commuters (i.e., their taxes paid versus services received) differ from those of county residents.
- High housing costs appear to be a primary motivation for commuting among Latino immigrants, as in-commuters have lower earnings than resident workers. In 2008-09, Latino immigrant workers who lived in the county had median annual earnings of \$26,000 compared with \$20,000 for Latino immigrants who commuted to work in Napa County but lived elsewhere. This income pattern does not hold true for other groups of workers, suggesting that housing costs may be less of a factor in their commuting decisions.
- Forty-one percent of Latino immigrant households in the county that rented were living in crowded conditions — defined as more than one person per room. This was almost three times the rate for US-born Latino households that rented (15 percent) and more than 10 times the rate for non-Latino households (3 percent). Living in crowded housing can lead to household stress, less responsive parenting, irregular sleep patterns, a higher risk of catching infectious diseases, and other risk factors for children’s development. Respondents reported especially high rates of overcrowding in Calistoga, the only significant rental housing location for low-income workers in the Upvalley.
- Sixty-four percent of immigrant households that owned homes spent more than 30 percent of their income on housing costs, and 35 percent spent more than half their incomes on housing. Thirty percent of monthly income is the federal government’s standard for a moderate housing burden, and 50 percent is the standard for a severe burden. Housing costs were a lower but still substantial share of income for other households in the county.

***Immigrants in the Napa County workforce.*** Immigrants are overrepresented in Napa County’s workforce, especially in the key wine-related sectors of agriculture, manufacturing, and hospitality. Latino immigrants, especially men, have high employment rates but relatively low earnings compared to other county workers, mostly as a result of lower educational attainment and limited English proficiency.

- In 2008-09, immigrants represented 33 percent of workers compared with 21 percent of Napa County’s resident population. Latino immigrants were 20 percent of workers and 14 percent of the population. Latino immigrants are younger and more likely to commute into Napa County for work than other populations.
- The number of immigrant workers grew by 99 percent during the 1990s and 60 percent after 2000, while the number of native-born workers grew by only 15 percent and 9 percent, respectively, during these periods. Latinos were the fastest-growing group of immigrant workers during the 1990s, but were outpaced by non-Latinos (mostly Asians) after 2000.
- Eighty-nine percent of Latino immigrant men ages 18 to 64 were employed compared with 83 percent of non-Latino immigrant men and 76 percent of US-born men. Among women the pattern was reversed, with lower employment among Latina immigrants (52 percent) than US-born women (71 percent). The relatively high employment rate for Latino immigrant men, however, means that Latino immigrant households are more likely than other households to include at least one worker.



- In 2005-09, immigrants comprised 73 percent of agricultural workers, 39 percent of manufacturing workers, and 29 percent of hospitality workers in Napa County. The vast majority of immigrant agricultural workers were employed in vineyards. Beverage production — mostly wineries — accounted for 54 percent of immigrant manufacturing employment. Thus immigrants constituted high shares of workers in key sectors of the Napa Valley economy.
- Median earnings were lower for immigrants than US-born workers (\$26,000 versus \$41,000). Latino immigrant workers had median earnings of \$24,000. Median earnings were lower for immigrants than natives in all industries except hospitality, where natives were more likely than immigrants to work part-time and part-year. Earnings gaps between immigrants and natives were especially large in agriculture and manufacturing.
- Forty-six percent of immigrant workers had less than a high school education, versus just 4 percent of US-born workers. Eighty-six percent of immigrants working in agriculture lacked a high school education. Sixty percent of immigrant workers overall were Limited English Proficient (LEP) — defined as not speaking English very well. Among immigrants working in agriculture, the share was 89 percent.

***Immigrant contributions to county economic growth.*** Napa County had an estimated gross domestic product (GDP) of \$7.18 billion in 2009. To assess immigrants' impact on GDP, we develop upper- and lower-bound estimates of immigrants' contributions to the local economy.

- Our upper-bound estimate is \$1.07 billion, based on the county's total GDP (\$7.18 billion) multiplied by labor's share of national GDP in 2009 (60 percent), multiplied by the immigrant share of county workers in 2008-09 (33 percent), and then multiplied by the relative median earnings of immigrants versus all workers (75 percent). This estimate amounts to approximately 15 percent of county GDP in 2009.
- Our lower-bound estimate of \$317 million is based on the direct, indirect, and induced effects of immigrants' employment in the four central sectors of the county's wine industry: vineyards, wineries, accommodations, and restaurants. The direct contributions of immigrant workers to GDP or "value added" of these four sectors was \$97 million, and the indirect effect of immigrant employment in these four sectors on other sectors of the county's economy was \$132 million. Immigrant households with workers in these four sectors spent \$87 million in the Napa County economy. This household spending impact was calculated after subtracting payroll taxes, remittances, and the incomes of immigrants who commute to Napa from other counties.

***Fiscal impacts.*** State and local expenditures on immigrants were generally proportional to their share of Napa County's population, except in the area of public education, where costs were higher. Immigrant families are typically younger and have more children in the public schools than native families — a pattern that generally prevails at times of high immigration. Expenditures on Napa Valley natives were generally proportional to their share of Napa County's population, except in the area of public education, where costs were lower.

- In 2008-09, immigrant households paid \$117 million in state and local taxes — including income, sales and use, and property taxes. Due to their lower incomes, immigrants' share of taxes paid (21 percent) was somewhat lower than their share of households (26 percent) but the same as their share of the total population in those years (21 percent). Native-born households' share of taxes paid (79 percent) was slightly higher than their share of households (74 percent) but also the same as their total population share (79 percent). We did not estimate federal taxes or other sources of state and local revenue. Most taxes paid by immigrants (like others) go to the federal government.
- Immigrants and their families accounted for \$176 million in state and local expenditures — including public K-12 education, public health, public assistance, corrections, and general government at the local level. (The figure would be \$121 million if we only included the foreign-born



children of immigrants.) Children in immigrant families accounted for 50 percent of expenditures in public schooling. Immigrants accounted for 23 percent of expenditures in all other areas, only slightly above their population share in 2008-09. Almost half of the county's school-age children are from immigrant households, but the vast majority of these children are themselves US-born citizens.

- Most of immigrants' public schooling costs are attributable to US-born children with immigrant parents (\$55 million out of \$71 million). When only immigrant children are counted, the costs of public schooling fall from \$55 million to \$16 million.

## Recommendations

This report makes clear that one key to Napa County's future lies with immigrants and their children. Without these populations, the county's workforce would shrink, and economic activity would be reduced. To maximize the productivity of the Napa County workforce and minimize the costs of immigrants and their families, we offer the following recommendations:

- Invest in English instruction, high school equivalency courses, and other basic education services to improve the workforce preparedness and productivity of immigrants and second-generation workers who have not graduated from high school. Tailor instruction to key industries that are expected to maintain constant or growing employment — for instance agriculture, hospitality, and especially education and health care.
- Maintain the quality of the county's public schools, where some private funding may be necessary to offset state cuts, especially in the Napa Unified School District. Continue to address the needs of English Language Learners and other diverse groups of students, as the children of immigrants will become a majority of the student body in the near future. Identify and invest in programs that can close the significant achievement gap that exists between non-Latino children and Latino children. Expanding enrollment in prekindergarten programs for Latino children — who participate in preschool at significantly lower rates than their non-Latino counterparts — could be an example of such a program.
- Continue providing health insurance and other employment benefits to agricultural and other low-skilled workers. The relatively high rate of employer-provided coverage of immigrant workers in the county lowers public costs significantly. Supporting health coverage of children in the county through affordable public or private insurance programs also helps lower public health care costs.
- Increase the availability of citizenship programs so that eligible residents can participate more fully in the civic and economic life of the community. Napa County lags noticeably behind the rest of California in terms of the percentage of immigrants who have become naturalized citizens, suggesting there may be an opportunity to expand access to citizenship programs. Such programs can help immigrants integrate more fully into Napa County, and create more cohesion among native and foreign-born residents.
- Invest more in affordable housing, particularly in the Upvalley region, where housing is least available and most expensive. Developing more affordable housing will both lower housing hardship in immigrant families and cut down on commuting traffic.



## About the Authors



**Randy Capps** is a demographer and Senior Policy Analyst with the Migration Policy Institute (MPI) National Center on Immigrant Integration Policy. His areas of expertise include immigration trends, the unauthorized population, immigrants in the US labor force, and children of immigrants.

Prior to joining MPI, Dr. Capps was a researcher in the Immigration Studies Program at the Urban Institute (1993-96, and 2000-08).

His published works include *New Streams: Black African Migration to the United States* (co-author), *Delegation and Divergence: A Study of 287(g) State and Local Immigration Enforcement* (co-author), *Still an Hourglass? Immigrant Workers in Middle-Skilled Jobs* (co-author), *Immigrants and Health Care Reform: What's Really at Stake?* (co-author), *Paying the Price: The Impact of Immigration Raids on America's Children*, *A Comparative Analysis of Immigrant Integration in Low-Income Urban Neighborhoods*, *Trends in the Low-Wage Immigrant Labor Force 2000-2005*, and *Immigration and Child and Family Policy*.

He has also published widely on immigrant integration at the state and local level, including a profile of the immigrant workforce and economic impact of immigrants in Arkansas; a study of immigrant workers and their integration in Louisville, KY; a description of the unauthorized labor force in California and Los Angeles; a study of tax payments by immigrants in the Washington, DC metropolitan area; an assessment of immigrants in the Connecticut labor force; and an analysis of the immigrant workforce and recommendations for immigrant integration in Maryland.

Dr. Capps received his PhD in sociology from the University of Texas in 1999 and his master of public affairs degree, also from the University of Texas, in 1992.



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She has co-authored a number of publications, including *New Streams: Black African Migration to the United States and Labor Standards Enforcement and Low-Wage Immigrants*. She has also contributed to the *Migration Information Source*, MPI's award-winning online journal.

Prior to joining MPI, Ms. McCabe worked as a Legal Assistant at an immigration and nationality law firm in Boston.

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His work focuses on immigrant integration, citizenship policy, immigrant children and families, the education of immigrant students, the effect of welfare reform on immigrants, and the impact of immigrants on the US labor force.

Mr. Fix, who is an attorney, previously was at the Urban Institute, where he directed the Immigration Studies Program (1998-2004). His research there focused on immigrants and integration, regulatory reform, federalism, race, and the measurement of discrimination.

Mr. Fix is a Research Fellow with IZA in Bonn, Germany. He served on the National Academy of Sciences' Committee on the Redesign of US Naturalization Tests. In 2005, Mr. Fix was a New Millennium Distinguished Visiting Scholar at Columbia University's School of Social Work.

His recent publications include *Still an Hourglass? Immigrant Workers in Middle-Skilled Jobs* (co-author), *Immigrants and Welfare* (editor), *Los Angeles on the Leading Edge: Immigrant Integration Indicators and Their Policy Implications* (co-author), *Adult English Language Instruction in the United States: Determining Need and Investing Wisely* (co-author), *Measures of Change: The Demography and Literacy of Adolescent English Learners* (co-author), and *Securing the Future: US Immigrant Integration Policy, A Reader* (editor).

His past research explored the implementation of employer sanctions and other reforms introduced by the 1986 Immigration Reform and Control Act.

Mr. Fix received a JD from the University of Virginia and a bachelor of the arts degree from Princeton University. He did additional graduate work at the London School of Economics.

For more on MPI's National Center on Immigrant Integration Policy, please visit:

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