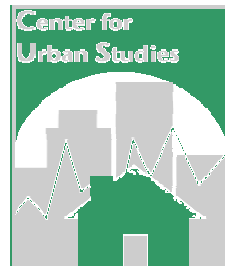


# Arab American Economic Contribution Study

*Gauging the economic  
contributions that persons of  
Arab ancestry have on  
Southeast Michigan's Economy*

May 2, 2007



Prepared by the Center For Urban Studies  
for the  
League for Economic Empowerment

# The Economic Contributions of Arab Americans in Metro Detroit

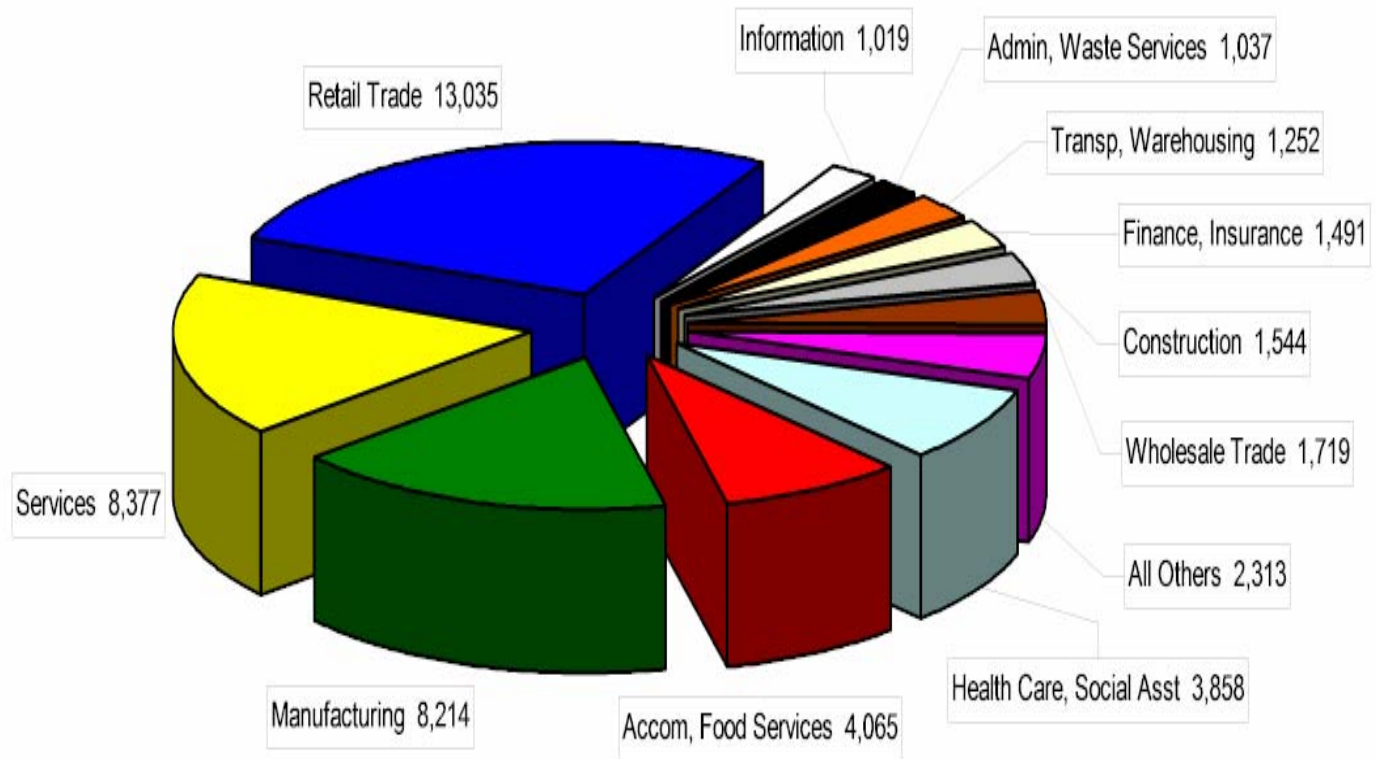
- Used Census data for Arab American population and jobs data
- These provided the inputs for an Econometric model
- Estimated overall impacts
  - Job contributions
  - Dollar contributions
  - Tax contributions
- For the four counties: Wayne, Washtenaw, Oakland and Macomb
- One of the first studies of its kind in the country

# Population Estimates for the Arab Americans for 2000 and 2005

Population	Macomb	Oakland	Washtenaw	Wayne	Total
2000	26,198	39,088	2,623	58,432	126,341
2005	34,208	42,989	2,827	82,294	162,318
difference	31%	10%	8%	41%	28%

Note: Arab Americans here include Arabic and Chaldean ancestries.  
Sources: American Factfinder. 2000 U.S. Census, 2004 and 2005 American Community Surveys.

# Arab American Employment by Major Industry (2000) in the Four-County Area



Note: Services combines several service sectors.  
Source: U.S. Census Bureau, American Factfinder

# Arab American Employment by Industry in 2000 and 2005

<b>Industry</b>	<b>Employment in 2000</b>	<b>2005 Estimate</b>
Forestry, Fishing, Mining, Other	16	23
Utilities	139	199
Construction	1,544	2,207
Manufacturing	8,214	11,743
Wholesale Trade	1,719	2,458
Retail Trade	13,035	18,636
Transportation and Warehousing	1,252	1,790
Information	1,019	1,457
Finance and Insurance	1,491	2,132
Real Estate, Rental, Leasing	879	1,257
Professional and Technical Services	2,743	3,922
Management of Companies	32	46
Administrative and Waste Services	1,037	1,483
Educational Services	2,865	4,096
Health Care and Social Services	3,858	5,516
Arts, Entertainment, Recreation Services	529	756
Accommodation and Food Services	4,065	5,812
Other Services	2,769	3,959
Public Administration	718	1,026
<b>Total</b>	<b>47,924</b>	<b>68,515</b>

Source: Estimates calculated using 2000 Census and 2005 American Community Survey.

# Estimation of Economic Contributions

- Based on the REMI\* model, one of the most widely used economic models.
- REMI includes data on industry-employment linkages.
- These data support equations that model the regional economy for a set of counties.
- Adds **multiplier effects** to **direct effects** to estimate contributions.



# Multiplier Effects



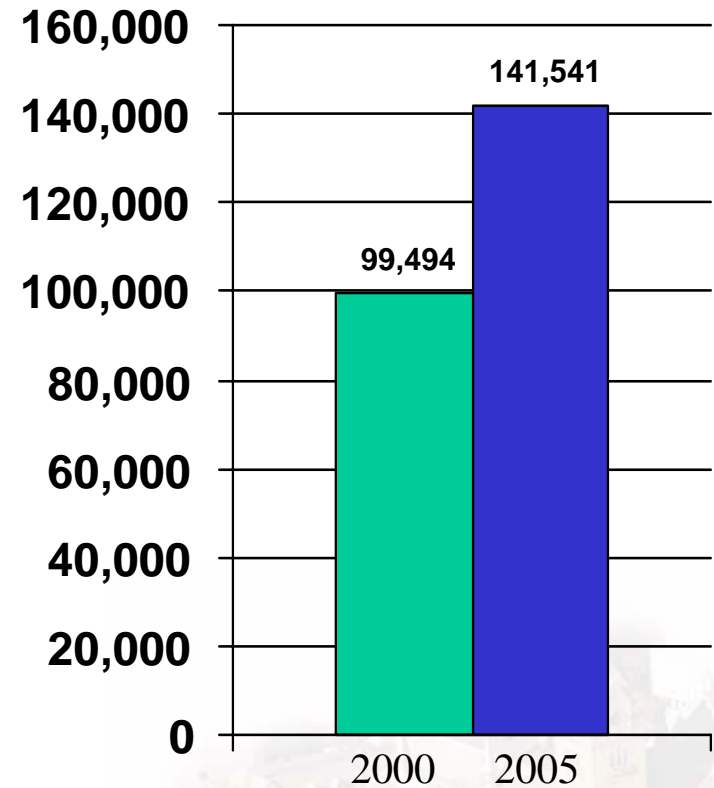
**Splash=Direct Effect of Arab Amer. Employment**

**Ripples= Multiplier Effects**

- One ripple is employer purchases of local goods
- A second ripple is spending by people who are employed.

# Employment Contributions Estimates

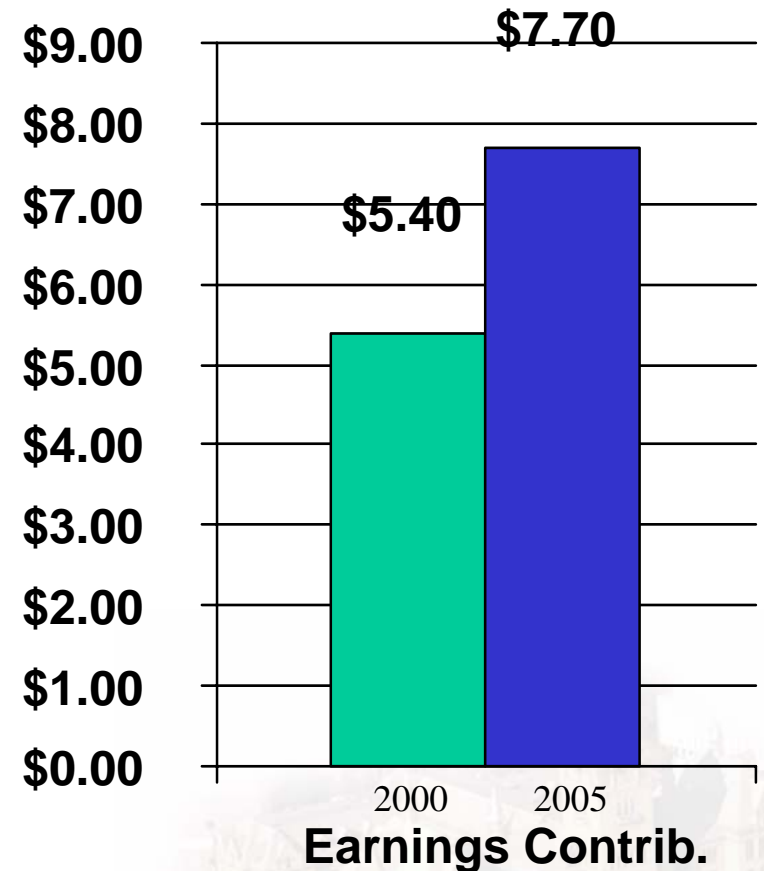
- Direct Arab Amer. employment is 47,924 (2000) or 68,515 (2005).
- An estimated multiplier of approx. 2.06.
- For overall contribution of between 99,424 and 141,541.



# Earnings Contributions

- Earnings based upon the employment estimates.
- The estimates range from \$5.4 billion using the 2000 employment or \$7.7 billion using the 2005 employment.

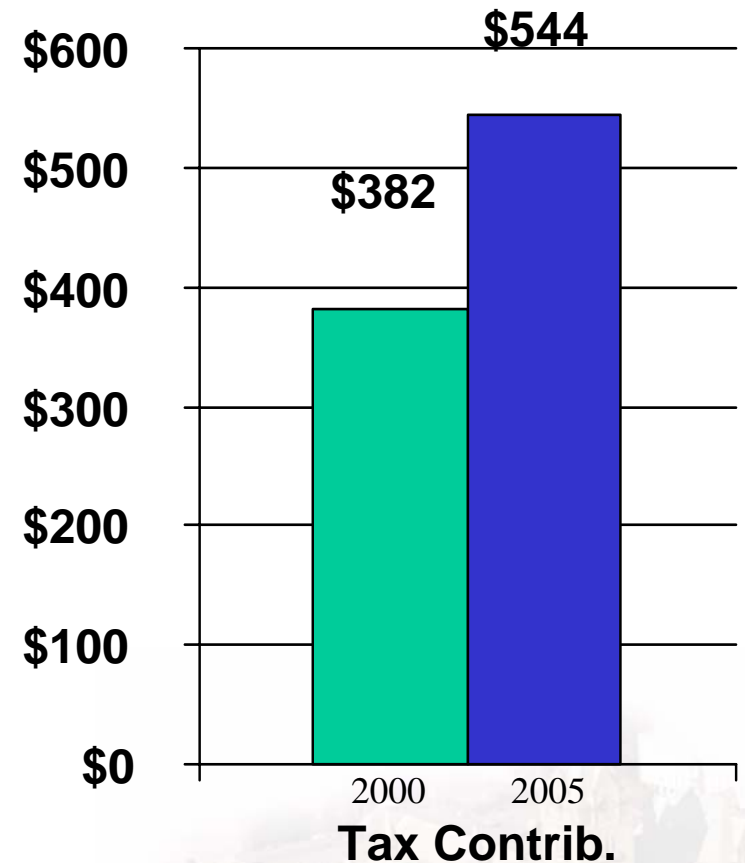
Billions



# Tax Contributions

- The REMI Model also has the capability to make tax estimates.
- Based on the 2000 employment, the tax contributions is approximately \$382 million, while based on the 2005 employment, it is approximately \$544 million.

Millions



# Key Results

- Using U.S. Census data on reported ancestry, there were over 162,000 Arab Americans living in the four-county Southeast Michigan region in 2005.
- Total employment for Arab Americans in 2005 was 68,515.
- In terms of total contribution, Arab American economic activity supports between 99,494 and 141,541 jobs in the four-county southeastern Michigan region.
- This represents \$5.4 billion to \$7.7 billion in wage and salary earnings in the local economy and includes jobs held by Arab Americans and those jobs that result from the associated business and consumer spending.
- State taxes collected from this economic activity represent between 1.8 and 2.6 percent of all state tax revenues collected in 2005.

# The Study Team

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