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FOREIGN VISITORS, INVESTORS PASSING UP FLORIDA *Immigration and Visa Policy a Turn-Off; Hurting State's Economy*

TALLAHASSEE — As the national debate on immigration policy heats up again in Congress, a new research report by Florida TaxWatch estimates that since 9/11, Florida's economy has lost more than \$50 billion in spending and investment by foreign visitors and businesses, due to overreaching federal immigration and visa policies. The report concludes that the Comprehensive Immigration Reform bill before Congress includes remedies to reverse the on-going loss in Florida by helping restore the balance between physical and economic security.

"Florida's economy is significantly impacted by citizens and businesses from foreign countries," said John Zumwalt, Chairman of the Florida TaxWatch Center for Competitive Florida, which produced the 40-page report. "We want to protect our state and country from future terrorist attacks, but we need to do so in a way that also protects our economic security by encouraging and welcoming foreign visitors and foreign dollars," said Zumwalt, who is Chairman and CEO of Post Buckley Schuh & Jernigan, a Tampa-based engineering firm.

The report cites Florida as a "global economic powerhouse", due to its geography with Central and South America and decades of careful private and public sector strategies to increase international trade. Spending and investment by international visitors and businesses employ 300,000 Floridians and account for nearly \$92 billion of the goods and services produced in Florida, \$15 billion alone to the state's tourism industry.

The Tallahassee-based taxpayer research institute analyzed the impact of a wide array of post 9/11 security policies on the state's economy and global competitiveness. Among the findings:

- **Foreign Direct Investment in new facilities or expansion of existing facilities in Florida fell by an estimated \$34 billion between 2001 and 2006.** The report noted that most of the foreign direct investment in Florida is in manufacturing, real estate, rental leasing, and wholesale trade. "You aren't likely to invest your money in an operation where you aren't allowed to physically visit and see your money in action," said Tony Villamil, CEO of the Coral Gables-based Washington Economics Group and a former U.S. Undersecretary of Commerce.
- **Florida lost an estimated 16 million foreign visitors and tourists with a direct loss of \$14 billion in revenues to the state.** The report noted that traditionally, one of every seven foreign tourist dollars in the U.S. is spent in Florida. Foreign tourists spend nearly twice the amount of money of a domestic tourist. "Tougher visa policies have made it increasingly difficult for tourists,

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especially from Latin American countries to visit Florida,” said Bud Nocera, President & CEO of Visit Florida, the state’s public-private tourism arm. “Others are increasingly turned-off by the ill treatment they receive upon arrival by U.S. customs officials. We can and must do better,” Nocera said.

- **Florida lost an estimated 40,000 international students to its state and private colleges, community colleges, and universities, worth \$1.2 billion.** International students, referred to as non-resident aliens, pay the highest chargeable tuition rates in Florida. In 2004-2005, more than 26,000 of these students spent an estimated \$625 million on education and living expenses in Florida.
- **The number of foreign patients seeking healthcare in Florida would have numbered an additional 9,872, generating almost \$374 million more in revenues.** According to the report, exclusionary visa policies and practices, including long application and processing times, “have depressed this once-thriving, high-value industry.” It’s also made it more difficult for Florida hospitals and staffing firms to find foreign nurses and other professionals who can work in this country for longer than one year.

The research report also noted impacts in Florida’s international banking community, where employment fell 35% between 2000 and 2005, as foreign clients steered away from what they viewed as intrusive regulatory requirements. Impacts to real estate and to Florida’s ports, where security costs have increased 400-600% under post 9/11 rules and clearance time for shipments have increased one to two days.

“During times of national crisis involving our nation’s security, our government has historically over-compensated on the side of safety, which is certainly appropriate initially,” said Dominic M. Calabro, President & CEO of Florida TaxWatch. “Now that almost six years have passed since 9/11, it’s certainly appropriate now to review our policies and determine whether the core strengths of our economy are being eroded by those policies that seem to disregard economic consequences,” Calabro said.

The TaxWatch research report follows an immigration summit conducted in February by its Center for Competitive Florida that brought together business and immigration leaders from across Florida and the nation. As an outgrowth of the summit, a coalition of citizens and businesses formed as the “Florida Employers for Immigration and Visa Reform” (FEIVR) to make Florida’s congressional delegation aware of the impacts of federal policies.

“The visa and immigration policy debate is a national one, yet has huge state repercussions. It’s emotional and explosive, therefore this report, using data, looks at the impact and cost of current policy on Florida’s economy. Further empirical research is necessary to quantify the total comprehensive cost of U.S. policy on Florida to enable lawmakers to balance our physical and economic security,” said Victoria Zepp, Executive Director of the Florida TaxWatch Center for Competitive Florida.

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The Florida TaxWatch Center for Competitive Florida evaluates state government fiscal policies; researches economic, demographic and other trends that affect economic competitiveness; and makes policy recommendations that enhance Florida’s ability to compete successfully to assure Florida’s continued economic growth, security, and sustainability.

Florida TaxWatch is a statewide, non-profit, non-partisan taxpayer research institute and government watchdog that over its 28 year history has become widely recognized as the watchdog of citizens’ hard-earned tax dollars. Our mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government. On the web at www.FloridaTaxWatch.org