

Family-Strengthening Jobs for Low Skill Immigrant and Refugee Workers: Separating Myths from Reality



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Myth 1: With the Economic Downturn, America No Longer Needs Its Immigrant and Refugee Workers.

The core of **truth** in this statement is that:

1. After 10 years of unprecedented prosperity, a recession is shrinking employment opportunities. Nationwide, from October 2000 to October 2001:
 - Unemployment up 2.2 million workers
 - Involuntary part time up 1.2 million workers
 - Multiple job holding down 400,000 workers
 - Fewer resources for wage increases, fringe benefits, training
2. The hardest-hit workers are lower skill, lower seniority, minority and contingent – including disproportionate numbers of immigrants and refugees. Nationwide, from October 2000 to October 2001:
 - White unemployment: from 3.4% to 4.8% -- up 1.4 points
 - Hispanic unemployment: from 5.0% to 7.2% -- up 2.2 points
3. Layoffs post September 11 particularly hit sectors where many immigrants and refugee workers are clustered. In the District of Columbia after September 11:
 - 24,000 jobs lost, of which
 - 12,000 in hotels and restaurants
4. Current political rhetoric calls for fewer visas, stricter immigration laws and enforcement.

The **complexity** around this truth is that:

1. Recent recessions have averaged 18 months to “bottom out” and restart job growth.
2. In 2000, foreign born workers total 18.3 million workers -- 12.3% percent of the American labor force, or one worker in eight.
3. Immigrants and refugees work in a wide variety of occupations, not just a limited number of occupational/ industry niches where their national origin group is concentrated. In 1990, the proportion of workers outside these niches, by ethnic group, were:
 - Hispanics: 64%
 - Asians: 73%
 - White: 91%

4. Immigrants and refugees are part of the economy not only of traditional gateway localities but local labor markets across the nation. Among foreign-born persons in 2000:

- 50% live in the New York, Los Angeles, Miami, San Francisco or Chicago areas.

But:

- their number increased 189% in North Carolina over a decade
- 49.8% live in the suburbs
- 1.5 million live in rural areas

5. Immigrants and refugees will be a major replacement workforce as native-born workers age and retire. The number of persons of working age for each person age 65 or older:

- 1950: 7:1
- 2000: 5:1
- 2030 3:1

The **implications** for workforce programs are to:

1. Design programs around strong long-term demand for immigrant and refugee workers, not the transitory short-term downturn.
2. Seek long-term supplier relationships with individual employers, not one-time placements.
3. Market workers based on the way they can help solve employers' problems ("not enough workers, never enough good workers"), not negative marketing ("our people need jobs.").



Myth 2: Hard Work is the Key to Earning the American Dream.

The core of **truth** in this statement is that:

1. For many immigrant and refugee families, immediate earnings is a top priority. In 2000, among families with children and foreign born adults:
 - Household income in poverty 24%
 - Food-related problems 37%
 - Living in crowded housing 29%
 - No health insurance for children 22%
2. In hiring entry-level workers, employers often are less concerned about technical skills than “soft skills” (work-ready attitudes and understandings) such as:
 - punctuality
 - dependability
 - honesty
 - willingness to take responsibility

The **complexity** around this truth is that:

1. Full time, full year job at \$7.00/hour = \$15,600, still in poverty for a family of 3. For an entry-level worker, “a good job is a job that leads to a better job.”
2. In the American labor market today, most jobs that are the first rung of career ladders require some post-secondary education or training. Even a high school diploma leaves a worker on a “no growth” track. In one typical study of women in their early 20’s, annual wage increases were:
 - \$.07/hour without any post-secondary education/training.
 - \$.45/hour with some postsecondary education/training.
3. Even manufacturing no longer offers a way out of working poverty without investing in education/training. From 1980 to 1990 in manufacturing:
 - the number of male workers without high school diplomas rose 2%; but
 - the number of them earning enough to support a family of 4 above poverty fell 3%.

4. English language skills pay off in the job market:
 - Holding other qualifications constant, English fluency increases earning 24% (oral fluency 17% + written fluency 7%).
 - English fluency increases employers' valuation of other credentials.
 - Fluency typically requires 5-7 years of residency or 500-1000 classroom hours.

The **implications** for workforce programs are:

1. Helping immigrants and refugees get an immediate job placement is often an important program service.
2. That initial placement is not enough. Programs need to help every client worker develop and carry out an explicit career plan, especially planning for:
 - remedial basic education, if required
 - post-secondary education/training
 - English language skills
3. Delivering education and training of sufficient depth to make a difference is very expensive per client served. Brokering between clients and existing educational/training institutions may be a more cost-effective program role.



Myth 3: The Best Job Opportunities are in the Immigrant and Refugee Community.

The core of **truth** in this statement is that:

1. Jobs within their own national origin/ethnic community or in industry/occupation niches where their co-ethnics are concentrated appeal to many immigrants and refugee because of
 - availability through personal networks
 - transferability of previous experience
 - comfort level of cultural familiarity
 - reduced time and cost for commuting
2. For some workers, these jobs may offer good opportunities.
3. For some workers (e.g., those with very limited English), these jobs may be the only option.

The **complexity** around this truth is that:

1. On average, jobs within industry/occupation niches where immigrant/refugees' co-ethnics are concentrated pay less. For example, a study of Hispanic males in 1990 found the following differences in employment outcomes:

	Job in a Hispanic- Dominated <u>Niche</u>	Job Outside any Group <u>Niches</u>
Average hourly wage	\$7.45	\$10.34
Percent unemployed	8.8%	11.8%
Scale of Occupational Status	32	19

2. Similarly, on average, larger firms offer better employment opportunities in both the short run and the long run. For example, among private sector firms:

	< 100 <u>Employees</u>	≥ 100 <u>Employees</u>
Average hourly wages	\$14.79	\$10.35
Fringe benefits (per \$1 of salary)	\$.33	\$.40
Average job tenure - Blue collar, union	4.0 years	7.5 years
Training per year (formal & informal)	40 hours	76 hours

3. Worker exploitation and discrimination arise both within the economic mainstream and elsewhere, but they appear to be somewhat more likely to arise in smaller firms than larger ones, and external protection there may be more limited. Among private sector firms:

	<u>< 100</u> Employees	<u>≥ 100</u> Employees
% firms have wage/hours violation	9.5%	0.8%
% firms that discriminate on race/ethnicity	26%	22%
Annual OSHA inspection - construction	13%	36%

4. Working solely within the immigrant/refugee community may limit opportunities to complement within-community social capital with out-of-community social capital, including:

- broad contact networks
- familiarity with workplace practices
- English language skills.

The **implications** for workforce programs are:

1. Jobs within the immigrant/refugee community represent one employment option for many workers and the only option for some.
2. As part of the explicit career plan that workforce development programs should help every client worker develop, programs should counsel and facilitate exploring jobs outside traditional occupational/industry niches and ethnic/national origin communities.
3. Assisting mainstream employers to develop their "cultural competency" often expands mainstream jobs opportunities for immigrants and refugees.



Myth 4: Workforce Development Means Investing in Individuals, not their Families.

The core of **truth** in this statement is that:

1. When program resources are limited and immediate income is a top client priority, focusing on the most employable individual may make sense.
2. Businesses are not social service agencies. Employers are concerned principally about the worker's productivity and dependability, not what is happening at home.
3. Often because of funding requirements, many workforce development initiatives treat families primarily as employment barriers to be overcome (e.g., through day care).

The **complexity** around this truth is that:

1. Many households in the US have two employed adults. For example, among all US residents:
 - among married women age 25-34, 72% are in the labor force.
 - among married women with children under 6, 62% are in the labor force.
 - One full time, full year job at \$7.00/hour = \$15,600, still poverty for a family of 3. But two of those jobs generates \$31,200.
2. Employment often creates stress within households in terms of family roles and responsibilities. In the average US household with two employed parents, the woman contributes 22 hours of housework (primarily recurrent tasks that cannot be postponed, such as meals), while the man contributes 10 hours (primarily discretionary tasks such as yard work).
4. For many immigrants and refugees, as well as native born persons, the ultimate goal is family success, especially for their children. Research suggests that children benefit from parental work through
 - higher family income
 - enhanced parents' self confidence
 - expanded family social capital

5. Research also suggests that job-holding by a primary caretaker parent does not have negative effects on the well-being of young children, although there may be adverse effects on older children/adolescents.

The **implications** for workforce programs are:

1. Case management is a very important service that goes beyond administration. As part of case management, workforce programs need to be prepared to assist job seekers with families:

- identify jobs that match their family circumstances and priorities
- develop appropriate child care/after-school care arrangements
- consider employment options for all adults in the household
- think through intra-family roles and responsibilities

2. Consider extending “soft skills”/work readiness training to all family members, not just the individuals going to work immediately, to:

- facilitate family cooperation with working members
- provide information likely to have future relevance to other family members



To Learn More about these Ideas...

Step One: The Rest of this **Plenary Session:** Making Connections in the Seattle Labor Market

As you listen to the presentation that follows ours, consider how your local labor market resembles or differs from that in the Seattle Metropolitan Area. For example:

- Households not speaking English at home Seattle:15% Little Rock: 4%
- Adults with a college degree Seattle:38% San Antonio: 18%
- Workforce employed in manufacturing Seattle:13% Dist. Columbia: 6%
- Jobs outside a 10 mile ring Seattle:50% Tucson : 6%
- Hourly wage, industrial truck driver Seattle: \$16.88 Miami \$9.92

Step Two: Workforce Development **Workshops** this Morning and afternoon, especially:

- Supporting Immigrants & Refugees in the Labor Market: What Services Help Most and How to Provide Them
- A Unique New Model: Case Management for Working Immigrants and Refugees
- Intensive ESL for Working Immigrants & Refugees
- No Jackpots for Them: Immigrants & Refugees in the Las Vegas Casino Industry

Step Three: Explore Information about Your Own **Local Labor Market.**

Places to start include:

- your state Department of Employment
- the federal Bureau of Labor Statistics (www.bls.gov), including user-friendly detailed wage surveys and 2000 Census data (by April 2001)
- In 2002, the A.E. Casey Foundation is sponsoring Bendick and Egan to prepare data analyses for each Making Connections site.