



Chapter 5

Workforce and Economic Development

Immigrants make up 17.5 percent of Illinois workers, and nearly 40 percent of all college graduates entering the workforce in the state are foreign-born.⁴⁹ While the statewide workforce is shrinking, the foreign-born workforce has been growing since the 1990s. Immigrants are concentrated among the lowest and highest skill levels. In Illinois, immigrants make up 27.4 percent of workers with Doctorates and 26.3 percent with a high school degree or less. A large portion of highly educated immigrants who enter the Illinois labor market are specifically recruited under the H-1B program due to labor shortages, while many other foreign-born college graduates came to the U.S. as children and grew up in the American K-12 educational system. Immigrants are critical to the kinds of jobs that represent the future of our region, particularly jobs in construction, health care and services.

Economic development in the Chicago region is therefore strongly linked with the occupational success of immigrants and their children. In fact, start-ups and business ownership by immigrants can play a critical role in revitalizing struggling communities and attracting further residents, workers, and shoppers.

Immigrants consistently have higher self-employment and business start-up rates. They are more than twice as likely to start businesses than native-born Americans and are currently responsible for 25 percent of all new business creation and associated job growth.⁵⁰ In Illinois, that figure stands at nearly one-third. Since the late 1990s, the start-up rate among immigrants has grown by 50 percent, while declining 10 percent among U.S. natives.⁵¹ Such entrepreneurship is not limited to small, local businesses; in fact, one-third of U.S. venture capital-backed companies going public in recent years had at least one immigrant founder.⁵² Promoting immigrant entrepreneurship can thus advance the interests of all American communities.

49 Immigration Policy Center, "New Americans in Illinois: The Political and Economic Power of Immigrants, Latinos, and Asians in the Prairie State," January 2012. http://www.illinoisbic.biz/Portals/0/Reports/New_Americans_in_Illinois-IPC.pdf

50 Nasri, Grace, Fast Company, "The Shocking Stats about Who's Really Starting Companies in America," August 14, 2013. <http://www.fastcompany.com/3015616/the-shocking-stats-about-whos-really-starting-companies-in-america>

51 Fairlie, Robert W., The Partnership for a New American Economy, "Open For Business: How Immigrants are Driving Small Business Creation in the United States," August 2012. http://www.illinoisbic.biz/Portals/0/Reports/Open_for_Business-How_Immigrants_are_Driving_Small_Business_Creation_in_the_United_States.pdf

52 Dowling, Jennifer Connell, National Value Capture Association (NVCA) Access, "NVCA Releases Results from American Made 2.0," June 20 2013. <http://nvcaaccess.nvca.org/index.php/topics/public-policy/372-nvca-releases-results-from-american-made-20.html>

Common Challenges

The introduction of this toolkit describes the need to have a strong workforce in order to remain economically competitive. Capitalizing on the strength of the local workforce means working with the immigrant community on language and transportation accessibility, increasing financial literacy, and supporting local businesses that employ immigrant workers. Common challenges related to workforce and economic development include:

Limited English proficiency, vocational skills, and education.

As discussed in greater detail in the Language Access chapter, language can be a significant barrier to immigrant integration. Language can pose an even greater challenge with respect to the workplace: specific communication styles and vernacular may arise that are new or confusing to English-learners. An individual could be qualified for a job but unable to attain the position or succeed in it due to insufficient English proficiency.

Beyond language, an immigrant's vocational and educational background can hinder his or her ability to find gainful employment in the U.S. Low attainment levels or cultural differences can leave many feeling unprepared or disenfranchised amidst the local workforce. Not only are immigrants much more likely to hold low-wage jobs, but they are also more likely to be subjected to labor law violations, independent contractor misclassification, and discrimination.⁵³

Transferability of previous training, education, or work experience. In some cases, certification or training obtained abroad may not readily transfer to typical American job descriptions or work settings. It could be that the individual lacks the knowledge of how to convey past experience in a meaningful way to employers, that the individual lacks relevant training, or both. Disparities in skilled immigrant employment in Illinois exceed the national average, with nearly 35 percent of skilled immigrants working in unskilled, low-wage jobs.⁵⁴

Accessibility of job training and placement programs.

The job search can be particularly difficult for newcomers who live in a community lacking access to public transportation or do not have the means to afford private transportation. Workforce development programs may be inconveniently located or inaccessible by public transit. For working mothers, securing childcare can be an additional impediment to utilization of job placement services or educational programs.

Workforce discrimination can hinder upward mobility.

Low-wage immigrant workers, particularly those who are day labor workers, are the least likely among all workers to receive job-based benefits, and many suffer discrimination and exploitation at the workplace. Fear of reporting abusive or illegal practices by an employer is common among immigrants due to unfamiliarity with the process, language barriers, or concern over retaliation. Undocumented workers, in particular, have limited options for moving out of low-wage jobs and are most likely to be subject to improper employment practices.

Financial services utilization. Immigrants are significantly less likely than native-born residents to use financial services and have regular contact with banks and other formal financial institutions. Some may have a cultural aversion to debt or distrust of financial services providers. Without access to mainstream banks, immigrants often turn to check cashers, predatory lenders, and other “fringe” providers whose high costs can easily drain these families' limited income and savings. Unbanked individuals have limited options for building savings, acquiring assets like a home or vehicle, and settling into a comfortable financial situation. This can impact a community broadly by hindering economic development, straining public services.

53 Center on Wisconsin Strategy, “Cities and Immigration: Local Policies for Immigrant-Friendly Cities,” 2008. <http://www.cows.org/data/documents/1164.pdf>.

54 Upwardly Global. <http://www.upwardlyglobal.org/about-upglo/office-locations/chicago>.



Catering Out of the Box
Source: Accion Chicago.

Strategies to Increase Workforce and Economic Development

Municipalities often are the first stop in creating a new business; ensuring that the experience with business permitting department is a welcoming experience is a good place to start. For immigrants who need access to jobs or job training, municipalities can provide informational resources about local workforce training opportunities or other resources for local immigrants.

Help local entrepreneurs seeking to start a business.

Foreign-educated individuals may need extra assistance in learning and meeting state and federal licensing standards. Other challenges immigrants face when trying to start a small business may include a lack of access to capital, lack of credit history, or not meeting the requirements of a traditional bank loan. One solution is to point immigrant entrepreneurs to resources like Accion Chicago or the Chicago Neighborhood Initiatives microlending programs. Microlending can be a particularly effective means of facilitating access to capital and the ability to build a credit history to start a business.

SPOTLIGHT

Accion Chicago

Accion Chicago is an alternative lending organization dedicated to providing credit and other business services to small-business owners who do not have access to traditional sources of financing. Accion Chicago's office works with small-business owners who live and work throughout Illinois and northwest Indiana. Many clients do not have access to traditional bank loans due to the small size of their loan request or limited credit history. Accion Chicago provides the credit and training necessary to help small-business owners increase their incomes, create new jobs, and strengthen their communities.

SPOTLIGHT

Self-Reliance Ukrainian-American Federal Credit Union, Chicago

A member-owned and member-run financial cooperative, Self-Reliance offers services not found at every banking institution. It has been a staple of the Ukrainian Village-West Town neighborhoods since its founding in 1951. Individuals in the Ukrainian-American community (by birth or marriage) or members of Ukrainian faith-based or community groups are eligible for membership. The bank has regularly hosted an attaché from the Ukrainian consulate to offer assistance with immigration services. It has also hosted sign-ups for health insurance and connected people to lawyers for pro bono advice or assistance with legal documents. A member of the bank's managerial team serves in a leadership position in the neighborhood Special Service Area, and Self-Reliance contributes to the local Ukrainian Congress Committee⁵⁵ for ESL services and community outreach.

Bank On Cities Campaign, Chicago

Bank On Cities is a cooperative campaign of local governments, banks, and community groups to serve unbanked and under-banked individuals. Modeled off the successes of Bank of San Francisco, which launched in 2008, the National League of Cities Bank On Cities Campaign⁵⁶ works to spread the initiative nationwide. A web portal⁵⁷ helps interested communities identify resources and start a program of their own. Bank On Chicago partners with Chase, Harris, Citibank, Fifth Third, and other institutions to offer free checking accounts and other low-cost financial services.

Partner with community lenders and local financial institutions. Municipalities should reach out to local banks to learn what efforts might already be underway to serve the immigrant community. Ask if they have translated information to have on hand at municipal offices or available to share at local events. This may yield insight into certain types of financial services utilized by immigrants, as well as where there may be service gaps.

Those who lack a driver's license or Social Security number have difficulty opening bank accounts. Find out if local financial institutions accept alternative forms of identification documents for opening new accounts and offer to share these resources with immigrant community leaders (see the Civic Engagement and Public Safety chapters for further discussion about ID cards and documents).

Spread financial literacy. Connect immigrants to educational materials about financial services. Promote financial planning skills that can lead to home purchases, college savings, and other financial goals. The Illinois Department of Financial and Professional Regulation partners with local non-profits to provide free financial literacy education to under-banked communities in the metropolitan Chicago region. At the national level, the U.S. Committee for Refugees and Immigrants' "Banking on the Future" financial literacy materials are available in six languages.⁵⁸ Providing immigrants with access to financial literacy education will assist immigrant families to become more economically stable, meaning that they can plan and save for their future and become less dependent on public resources.

55 Ukrainian Congress Committee of America, Inc.: Illinois Division. <http://www.uccaindinois.org/>.

56 The National League of Cities, "Bank On Cities Campaign," 2013. <http://www.nlc.org/find-city-solutions/institute-for-youth-education-and-families/family-economic-success/asset-building/bank-on-cities-campaign>.

57 The National League of Cities, "Bank On." <http://joinbankon.org/>.

58 U.S. Committee for Refugees and Immigrants, "Banking on the Future," 2011. <http://www.refugees.org/resources/for-refugees--immigrants/financial-literacy.html>.

Support vocationally-targeted language and workforce training opportunities. Establish partnerships with local schools and community colleges to connect immigrants with adult education and job training opportunities. Promote partnerships with organizations providing case management and other services that can support individuals looking to further their education, like child care or tuition assistance programs.⁵⁹ For skilled workers and business owners, more technical English language support and training may be needed (see the Language Access chapter for additional details).

Facilitate transportation options for workers, job seekers, and students. Make information about alternative transportation readily available on the municipal web site and any welcome packet-type materials distributed to new residents. Consult with local employers and educational institutions to determine a possible demand for coordinated shuttles or ride share initiatives. There could be opportunities for public-private partnerships, especially to address “last mile” concerns for getting people to work. (As referenced in the Public Safety chapter, Bensenville worked with temporary employment agencies to promote carpooling and reduce driving by unlicensed or untrained individuals.)

Communicate regularly and proactively with Pace Suburban Bus, Metra, and the Chicago Transit Authority to relay information about changing demographic, employment, or residential patterns in the community. As a long-term strategy, collaborate with nearby municipalities and advocacy groups like the Active Transportation Alliance to promote transportation alternatives, educational awareness, and improvements in the community.

Foster a welcoming environment for immigrant workers and their employers. Promote policies that build equality, fairness and inclusion for all workers. The National Immigration Law Center recommends the prohibition of local “employer sanctions”—where localities are permitted to enact their own penalties against companies that employ undocumented immigrants. Be vigilant in monitoring and enforcing (or duly reporting) employment- and labor-rights violations to the proper federal authorities. Municipalities might also want to consider adopting policies that uphold, defend, enforce, and advocate for all laws related to Equal Employment Opportunity and require any business that receives economic assistance or municipal contracts adhere to those policies.⁶⁰

59 Grantmakers Concerned with Immigrants and Refugees, “Immigrant Integration Toolkit,” 2006. <https://www.gcir.org/publications/toolkit>

60 National Employment Law Project. http://www.nelp.org/index.php/content/content_issues/category/immigrants_and_work/.

SPOTLIGHT

Zarem Goldie Technical Institute, Skokie

The Zarem Institute provides hands-on technical, business, health care, and ESL training. It works with local employers to design curricula suited to local workforce needs such as accounting, digital graphics, and pharmacy technician positions. Most programs are intensive and can be completed within one year. Employment preparation is part of the curriculum, and career services advising is offered to students and alumni. Zarem’s language training is oriented toward workforce communication.

Upwardly Global of Chicago

Upwardly Global partners with employers to offer training and support services to skilled immigrants and refugees. The Chicago office works with the Mayor’s Office of New Americans, regional employers, and educational institutions. Events include workshops to write an American-style resume and fine-tune networking skills.

SPOTLIGHT

Instituto del Progreso Latino, Chicago

Founded in 1977 and created to help Latinos learn basic skills, Instituto's expansion has been informed by the needs of its program participants. As such, Instituto has grown into a flourishing educational center, providing high-quality programs in workforce development, adult education, youth development, and education. Thousands of families have walked through Instituto's doors, transforming their lives through learning English, earning their GED or high school diploma, increasing their job skills, finding employment, or becoming U.S. citizens.

City of Crest Hill Equal Opportunity Ordinance

The City of Crest Hill adopted an equal opportunity ordinance in 2013 to "uphold, defend, enforce, and advocate for all laws related to Equal Employment Opportunity." It explicitly prohibits discrimination on the basis of race, national origin, sex, religion, sexual orientation, age, marital status, or disability. In addition to the City's own employment practices, the ordinance covers contracts with other agencies, banks, businesses, vendors, and other parties. Further, an equal opportunity clause must be included in any contract for construction work, requiring contractors to determine the availability of minorities for recruitment and to include a non-discrimination statement in all advertisements for employees.⁶¹

Consider approaches for safeguarding workers' rights.

The day-labor workforce is an increasing phenomenon and predominantly immigrant and Latino. Similar to lower-wage occupations, the day-labor market is common with violations of workers' rights. Day laborers are often the victims of wage theft, and many are subjected to hazardous manual-labor projects and employer abuse.⁶² Community organizations, municipal governments, faith-based organizations and other local stakeholders should work together and consider approaches to safeguard workers' rights by creating and supporting day-labor worker centers. The National Day Laborer Organizing Network addresses best practices and issues related to street corner hiring sites and the establishment of worker centers. The Latino Union of Chicago collaborates with low-income immigrant workers to develop the tools necessary to collectively improve social and economic conditions.

Address consumer protection issues.

Municipalities can ensure that immigrant residents aren't being taken advantage of by working with local chambers of commerce and community leaders to support efforts to reduce immigration services fraud. Develop resource guides, fact sheets, or posters to inform immigrants about services that they should not have to pay for. Work with local service providers and libraries to share this information throughout the community. By proactively protecting immigrant rights, municipalities can improve relationships with immigrant communities and become a trusted source of information. Moreover, it offers an opportunity for newcomers to adjust to the new laws and helps promote civic engagement.

⁶¹ City of Crest Hill.

http://www.cityofcresthill.com/files/ORD%201615_20131108145636.pdf

⁶² Valenzuela Jr., Abel et al, University of California Los Angeles and University of Illinois at Chicago, "On the Corner: Day Labor in the United States," January 2006. http://www.scribd.com/fullscreen/76085384?access_key=key-2c4p2djj2txbc7jny0sz&allow_share=true&escape=false&view_mode=scroll

SPOTLIGHT

Make immigrants aware of state level and industry association employment resources. Several industry associations rely on immigrant workers, such as the Illinois Restaurant Association, Illinois Hospital Association, and the Illinois Green Industry Association. Their websites have job listings, resources for local business that employ immigrants and provide information on certifications and training classes for immigrants looking to become employed in these sectors or enhance their skills.

Other job-seeker resources include the Illinois Department of Employment Services (IDES), which provides unemployment insurance, employment services, and guidance to workers, job seekers, and employers. IDES combines federally funded job training programs into a “workforce development” system where people can conduct a job search or train for a new career. The IDES web site offers Spanish, Polish, and Russian translations. The Illinoisjobslink.com site is available in Spanish, Polish, and Cantonese.

The Illinois Workers’ Compensation Commission operates a state court system for workers’ compensation cases. Benefits are paid by employers for workers who experience job-related injuries or diseases. The Commission contracts with a telephone interpreter for limited English proficiency individuals and partnered with the University of Illinois at Chicago Environmental and Occupational Health Services Division to develop outreach activities to immigrant communities regarding worker’s compensation information.

Connect with culturally-oriented or faith-based organizations and ethnic chambers of commerce. Be proactive in building relationships with these front-line organizations and seek to understand how local government can assist with workforce challenges. Engage community leaders in becoming liaisons between the municipality and immigrant communities to spread the word about local resources like micro-lending, education and training, and encourage residents to take advantage of the opportunities that are available to them.

Elgin Hispanic Network

Founded in 1987, the Elgin Hispanic Network works to promote and foster relationships among Elgin’s Hispanic businesses and organizations. Members meet monthly for networking, lunch, and a discussion of relevant topics. The organization also takes on social responsibility by awarding scholarships to local high school graduates pursuing higher education.

South Asian Immigrant Integration Program

The Village of Schaumburg received a three-year grant, as part of a program from the Chicago Community Trust, aimed at improving services to the region’s most recent arrivals. To address the needs of the Village’s increasing South Asian immigrant population, the Village selected the Schaumburg Business Association to research the needs of Indian businesses and develop programs to help them grow. The program aims to facilitate the immigrant participation in the economic, social, and civic activities in the Village and enhance their opportunities for leadership positions. Part of this approach was to create an Immigrant Advisory Committee of 23 members, 17 of whom are South Asian. Today there are several members of the South Asian community on the Village’s Boards and Commissions.

