

# **Attracting Immigrant Talent to the Louisville Metropolitan Area: Recommendations**

a research report for

**The C. E. & S. Foundation**

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# Attracting Immigrant Talent to the Louisville Metropolitan Area: Recommendations

This report represents the third and final part of the study “Attracting Immigrant Talent to Louisville”. It is based on the findings of the first part of the study – the evaluation of the national and international experience of immigration and its second part – an analysis of the detailed statistics on immigration flows into Greater Louisville over the past decade.\* In this report we provide recommendations to help local leaders increase the numbers, as well as the education and professional skills, of immigrants in the Greater Louisville area.

The report consists of four sections. The first section deals with the recent developments affecting immigration nationally and locally, and additional findings. The second section formulates the questions that should be of concern to Louisville regarding its immigration. The third section defines some principles for a metro-wide immigration policy. The fourth section lists practical recommendations aimed at attracting immigrant talent to Greater Louisville.

We recommend a program of recruitment targeted at four groups: (i) foreign students studying in local colleges and universities, (ii) foreign students eager to come to study in Louisville, (iii) foreign professionals living in the US, and (iv) professionals living abroad, but interested in coming to work in the US. The recruitment program should target all of these groups.

It should be noted that this report and recommendations contained therein are addressed to the wider Louisville community. Our goal here is to initiate a business-like discussion of the challenges and potential benefits of increased immigration in the metropolitan area. We propose this discussion in the hope that it will result in the invention and implementation of a metro-wide immigration policy.

One may say that, in view of the recent international crisis, the time for such discussion is inopportune. We strongly believe that the opposite is the case. The recent international crisis has alerted Americans to the complexity of immigration issues. We believe that instead of hiding from these issues, every community should seize upon this moment as an opportunity to learn more about its experience with immigration, to educate its citizens about it, and to devise practical strategies for enhancing the benefits that immigration has historically brought to this country.

In discussing the challenges and the potential benefits of immigration in Louisville, we interviewed many people with expertise in immigration and numerous representatives of Louisville’s international students and general immigrant community. We would like to thank them for sharing with us their insights, but we take full responsibility for the views expressed in our report.

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\* The two studies are: “Attracting Immigrants to Urban Areas: A Review of the Literature”, by Alexei Izyumov, Babu Nahata, and Paul Coomes, University of Louisville, for C.S.&E. Foundation, August 1999, 50 pages; and “Immigration to the Louisville Metropolitan Area: Trends and Characteristics”, by Alexei Izyumov, Babu Nahata, and Paul Coomes, University of Louisville, for C.S.&E. Foundation, June 2001, 52 pages.

## I. Recent Developments and New Findings

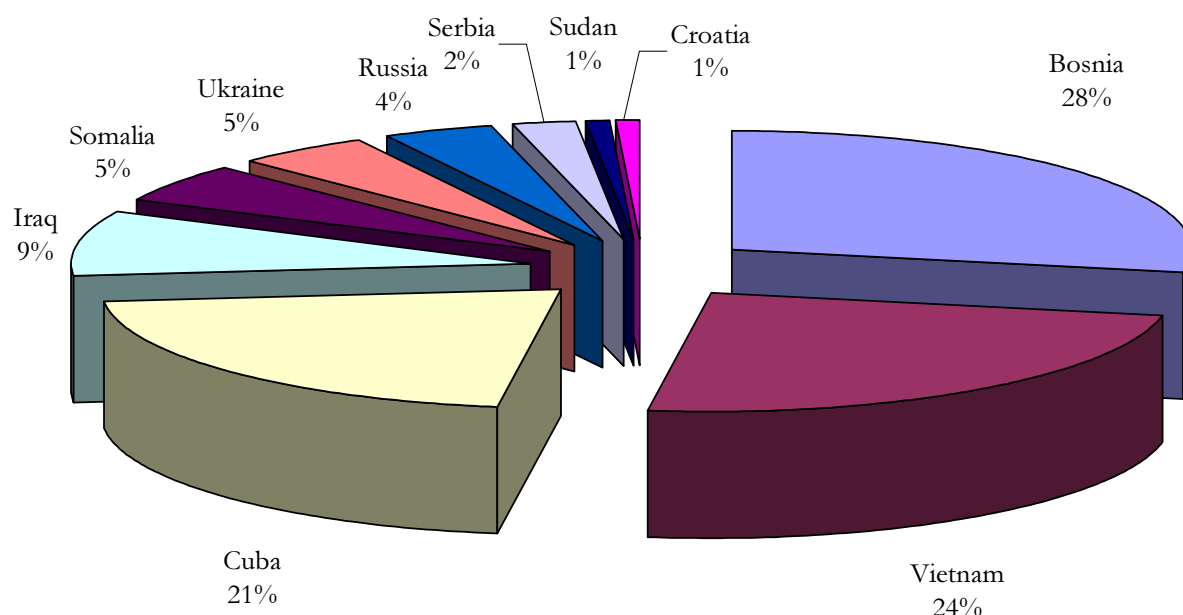
Since the completion of the second part of our research we have acquired additional information and interviewed a number of experts. What follows is a brief discussion of some of the recent developments and factors that can influence immigration to Louisville in the near future.

- √ Slowdown of the US economy in 2000-2001 has led to a decrease in the employment growth rate in the Louisville economy and a decline in demand for immigrant labor force. Among foreign-born professionals in Louisville it has been felt particularly by programmers and other computer specialists, a number of whom have lost their jobs.
- √ Increase in anti-immigrant feelings among the US population in the wake of September 11, 2001 terrorist attacks and the war in Afghanistan.
- √ Increased inflow of undocumented immigrants to Louisville. By some estimates, Louisville is

already a home to some twenty-five thousand Spanish-speaking immigrants, a majority of whom are undocumented migrant workers from Mexico. While these numbers cannot be verified, the significant increase in undocumented Hispanic population in Louisville is a fact. The existence of such a trend is supported by the Census 2000 results that indicate that between 1990 and 2000 the official count of Hispanic population (both US-born and foreign-born) of Louisville increased from 5,800 to 16,500, or by 183% compared to the overall growth of the metro area's population of just 8.2%.

- √ Increased inflow of refugees to Louisville. In the last few years the number of refugees to Louisville has been growing quickly. According to the Department of Health and Human Services the new refugee arrivals to Jefferson County in 1998 and 1999 exceeded 1,200 persons each year and were just under 1,000 persons in 2000. This is to be compared to an average annual flow of about 500 persons in 1990-95.

**Immigrants settled in Jefferson County  
as refugees, asylees, or under similar status, 1990-2000**



**Immigrants settled in Jefferson County, in refugee, asylee and similar status, 1990-2000**

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	Total
Afganistan									2	5		7
Albania												0
Bosnia					143	185	220	279	584	337	377	2,125
Bulgaria			10									10
Burma			9	2							6	17
Burundi										13		13
Cambodia	18											18
Cameroon							2					2
Croatia								14	32	10	12	68
Cuba					8	106	158	79	412	435	404	1,602
Dem.Rep.Congo											40	40
Ethiopia			1								2	3
Former USSR(all)	109	95	114	145	88	50	86	50	45	29	18	829
Haiti			10		18	10				6	2	46
Honduras	2											2
Iran					6	7		1	20	9	6	49
Iraq			19	38	78	107	96	213	42	51	33	677
Laos	11	6										17
Liberia								1		4		5
Libya		12										12
Romania	3		4									7
Rwanda					2		5	2	2		8	19
Serbia					1				1	154	1	157
Sierra Leone						8			7			15
Somalia					34		119	88	33	76	44	394
South Africa			1									1
Sudan						7	4		13	12	32	68
Togo							3			6	6	15
Uganda												0
Unknown						119	229	62				410
Vietnam	312	470	318	261	141	88	89	17	63	54	10	1,823
<b>Total by year</b>	<b>455</b>	<b>583</b>	<b>486</b>	<b>446</b>	<b>519</b>	<b>687</b>	<b>1,011</b>	<b>806</b>	<b>1,254</b>	<b>1,202</b>	<b>995</b>	<b>8,444</b>

√ Change in the national origin of refugees. In 1999-2000 the largest group of refugees was Cubans, with over 400 persons arriving each year and Bosnians (330 to 380 persons). At the same time, inflow of “old refugees” from Vietnam, Ukraine and Russia slowed down, in the case of the former two groups to single digits. In the total population of refugee-immigrants in Louisville, estimated in 2000 to be 8,451 persons, Cubans and Bosnians caught up with Vietnamese and between them comprise over 70 % of the total. Louisville also started to receive more refugees from African countries such as Sudan, Congo and Kenya.

√ A war in Afghanistan and the general escalation of international tension might lead to an additional inflow of refugees to Louisville from the area of the conflict.

√ Merger of the governments of the City of Louisville and Jefferson County. In the November 2000 election, voters approved a merger of the two major local governments. The merger creates a much larger government, with twice the resources and political base of the two incumbents. If it chose to focus on immigration, the new government could become the lead regional institution to address these issues.

## II. Key Questions and Principles in Developing a Metro-Wide Immigration Policy

### 1. Does Louisville Still Need More Immigrants?

Is the goal of attracting more immigrants to Louisville area still valid, in view of the established facts and the more recent developments? We believe it is. Immigration policy for a metro area should be viewed as a longer-term investment in human capital, the well being of the area and its future. Short of such unpredictable events as a prolonged global depression or a major war, the area should proceed with a meaningful and balanced plan of building up its immigrant community.

Despite a fairly rapid inflow of immigrants and refugees during the decade of the 1990s Greater Louisville still remains a low immigrant area. The total number of foreign-born presently residing in the Louisville metro area, including legal immigrants of all types, students, temporary workers and undocumented immigrants, by our estimate, is between thirty-five and forty thousand.\* Thus in terms of the share of immigrants in the total population the gap between Louisville and the rest of the US still remains substantial. Even if our higher estimate for the current number of foreign-born is correct, the share of foreign-born in Louisville with its total metro area population of 1,026 thousand (as of 2000) translates to below five percent, less than half of the national average of eleven percent.

In recent years several other low-immigrant cities - such as Pittsburgh, Albuquerque, Cleveland, Portland, Lowell, Nashville as well as the state of Iowa - have been trying to attract more immigrants. This can be viewed as another argument to support similar plans in Louisville.

### 2. How Much Additional Immigration Can Louisville Absorb?

There is possibly some optimal number/share of immigrants for a metro area the size of Louisville but its value depends upon so many factors that it is largely a theoretical construct. The absorption capacity of the city with regards to immigration depends, among other things, on the overall economic situation, number of “old” and “new” immigrants, their education, age, national composition, settlement patterns, etc. The tolerance level and good will of native-born population also has to be taken into account. In particular this relates to the low skilled native-born workers whose jobs are typically threatened by a large influx of immigrants.

If the current average immigrants-to-population ratio for the US of ten to eleven percent is used as a benchmark, Greater Louisville will have to admit an additional fifty to sixty thousand immigrants just to catch up. By our estimates, even without any additional measures in 2001-2010 the immigrant population of the metro will reach about eighty to one hundred thousand. Taking into account the overall growth of Louisville’s population, this will still be below the projected national average of immigrant-to-population ratio of twelve to thirteen percent, but much closer to it than at present.

However, without any metro-wide immigration policy the composition of the immigrant flow will not necessarily correspond to the needs of the area. We believe that the relatively small size of Louisville’s immigration gives it some advantage. Thanks to this “advantage of smallness” it can be a laboratory of a balanced metro-wide immigration policy.

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\* In 1990 Louisville had foreign-born population of 12,016 or just 1.3% of the total population. In 1990-98, net international migration to the metro area added 7,073 new legal permanent foreign-born residents. Assuming that registered net annual inflow of immigrants reflects their longer-term settlement patterns, between 1990 and 1998 the legal foreign-born population of Greater Louisville increased by about 60%. This was a much faster growth than for the US foreign-born population as a whole (35%) and faster than in 12 of the 14 comparable metro areas. In addition to legal permanent residents the population of foreign-born includes non-immigrants, such as students and temporary workers and undocumented immigrants, primarily from Mexico, Caribbean, Central and South America.

### *3. Can Louisville be Competitive in Attracting Foreign Talent?*

There seems to be three major factors that influence an inflow of immigrants to a metropolitan area: ethnic connections, job opportunities, and quality of life. Of these Louisville seems to be at a disadvantage against its peers in the first two factors, but has an advantage in the third one.

Immigrants are traditionally concentrated in the cities where the “critical mass” of their compatriots has already been accumulated. It is either through family ties or word of mouth that most immigrants learn about places they want to come to the US, be it New York, Chicago, Boston, or San Francisco. Louisville is not in this situation now and will not be in the foreseeable future. Even the more sizeable immigrant groups in Louisville (Vietnamese, Bosnians, Cubans) seem not to be large enough to guarantee the self accelerating inflow that would register in the local labor market.

Estimating the metro-wide demand for jobs and what part of it can be covered by immigrant labor is an extremely difficult task. The recent US economic experience is just another demonstration of how elusive and cyclical this demand can be. We probably know more about the supply of immigrants than about the demand for their services. But while the Louisville area can influence the supply of immigrant labor, it can hardly be expected to create jobs specifically for immigrants. It is clear however that expansion of particular sectors of the metro area’s economy, for example software development, would work as a magnet for immigrant professionals. At present, with the exception of the healthcare, engineering and transportation sectors, Louisville does not seem to have major job magnets for immigrant professionals. Estimating actual labor demand is the key.

The cost of living in Louisville is lower than in many other comparable urban areas in the US. The area has a large supply of well-built and inexpensive homes. Energy costs, particularly for electricity, are among the lowest in the United States. While the combined state and local tax burden on households is quite high in Louisville compared to its peers, this may not at first be evident to immigrants from countries with a much larger role of the government in their home economies. Among other strengths of Louisville are its central geographical position, mild climate, plentiful space, full range of urban amenities, proximity to nature (state parks, lakes), developed cultural life, low crime and generally welcoming atmosphere. Many potential immigrants would consider Louisville seriously as a place to live and work if they knew about it first hand.

Overall Louisville probably cannot count on a self-generated sustainable inflow of immigrants that would best meet its needs. Thus, if Louisville does want to build up its immigrant community and use it to deal with the current and future shortages of labor and talent, a metro-wide immigration policy is in order.

### III. Principles to be Considered in a Developing a Metro-Wide Immigration Policy

1. *Increase the Share of College-Educated Persons and Professionals in the Overall Flow of Immigrants*

The occupational structure of Louisville's immigration is not as favorable as in most of its key competitor cities. In terms of percentage of professionals and specialists in the total inflow of immigrants in the 1990s (13.5%), Louisville found itself in the middle of the peer group of 15 cities, but behind Cincinnati (20.7%), Indianapolis (19.7%), Birmingham (19.6%) and Dayton (18.5%). Most of Louisville's legal immigrants come as refugees and most of the refugees become blue-collar workers. While industrial workers and service workers are needed too, Louisville should focus on getting more of the college-educated immigrants.

2. *Make Better Use of Existing Human Capital of Immigrants*

Many immigrants, particularly refugees, come to Louisville with valuable professional skills and degrees, acquired in their home countries. Due to the immediate need to generate income, and to their weak or non-existent English, they often are unable to regain their professional status in this country. In addition, local employers are too often hesitant to hire immigrants for professional jobs, as they know little about the value of foreign diplomas and licenses. As a result, immigrants' human capital is wasted or underutilized. An additional loss of human capital is incurred when immigrants miss a valuable opportunity of acquiring or enhancing their education and English skills. This is particularly important for undocumented immigrants, mostly from Mexico, whose basic education level is, on average, very low. Finding ways to improve the educational and the professional structure of the existing immigrant population will directly contribute to the well being of immigrants and the vitality of the metro economy.

3. *Retention of Immigrants is as Important as Their Attraction*

Many of the young specialists, including graduates of Louisville's universities, leave the area for better paying and/or more interesting jobs in other cities. It is more than likely that foreign-born professionals, who have no family roots in the city, are disproportionately represented in this "brain drain". Means should be found to minimize the outflow of immigrant talent from Louisville.

4. *Cost and Benefits of Immigration for the Louisville Area Should be Constantly Monitored*

Uncontrolled large-scale immigration is undesirable, as the absorption capacity of the metro area in the short term is not unlimited. Therefore the size of the immigrant population, its socioeconomic characteristics (education, age, incomes, crime rates), as well as speed of assimilation should be the subject of attention. While ethnic communities are important to attracting new immigrants and generating visible diversity, allowing them to grow too large in a segregated location can create obstacles to faster integration into the local economy and society. These negative "enclave effects" should be prevented where possible. If faster economic integration of immigrants is desirable, their settlement should be more widely spread throughout the metropolitan area.

5. *Immigration Policy Should be Viewed as a Long Term Program*

The history of immigration teaches us that a short term approach can lead to unpredictable and often undesirable consequences. For example, the massive inflow of foreign computer specialists in the late 1990s has recently turned into a campaign of layoffs. Thus, any immigration policy step should be considered in terms of its longer term implications for immigrants and their host communities.

## IV. Practical Recommendations

We recommend that Louisville area leaders target four groups to increase the pool of immigrant professionals: (i) foreign students studying in the local colleges and universities, (ii) foreign students eager to come to study in Louisville, (iii) foreign professionals living in the US, and (iv) professionals living abroad, but interested in coming to work in the US.

Institutional resources include: city and county governments; business and professional organizations, Greater Louisville Inc, non-profit foundations, refugee agencies, church groups, state government agencies, federal government programs including KentuckianaWorks, universities, and ethnic/immigrant organizations.

### 1. *Attracting and Retaining Foreign Students*

The most direct way of bringing young, energetic, educated, English-speaking foreign nationals to Louisville is to recruit and retain foreign students. This task can be divided into three parts: retaining graduates of Louisville area universities; recruiting new graduate students in fields of particular need for local businesses; recruiting undergraduate students from abroad.

#### *A. Retaining students who are already in Louisville*

As of the 2000/2001 academic year, the number of international students and researchers, including post-doctorates was about 1,100 to 1,300. Of these, 870 (720 students and 150 researchers) were enrolled at the University of Louisville. According to the University of Louisville International Center, international students as a group surpass native-born students in terms of graduation rates, average GPAs and proportions of these in post-graduate programs (Master and Ph.D. level).

To induce more of international students to stay in Louisville upon graduation more effort should be spent to secure their “path” to local jobs. That would involve:

- √ organizing international students’ internships with the local companies
- √ legal help regarding conversion of their student visas into work permits
- √ scholarships
- √ mentoring

#### *B. Attracting and retaining new graduate students*

For professional fields, where Louisville businesses expect to experience increased employment needs in the medium-term future (three to five years) we propose a special program of scholarships/loans for international Masters level graduate students. Primarily that would cover engineers, computer specialists, MBAs, and medical technicians.

The advantages of this approach are as follows.

- √ By setting specific funding targets, the lead agencies and their sponsors will know exactly how many foreign professionals are attracted every year.
- √ By linking scholarships with particular professional schools, the agencies will be able to channel foreign students into occupations that are in particularly high demand in Louisville.
- √ By setting the qualifying standards high, the quality of talent of incoming foreign students can be ensured.
- √ By making scholarship conditional on staying in Louisville for a certain period of time (say, three years), short-term retention of most graduates can be guaranteed.
- √ Even if instituted immediately this scholarship program will produce its first graduates only in two and a half years. By that time, the current economic slowdown should not be an issue.



### C. *Attracting new foreign undergraduate students*

In contrast to some of the peer-city universities in surrounding states, the University of Louisville has never made a concerted effort to recruit paying undergraduate and graduate students abroad and does not presently have a budget for that. Such plans would get a boost if local businesses provide some start-up capital. Instituting an international student recruitment fund would help jump start international recruitment by the University of Louisville, and possibly other metro area universities, some of which are already engaged in such activity.

#### 2. *Training and Recertification of Immigrants and Refugees Already in Louisville*

A scholarship fund should be created for professional training and recertification of immigrants already residing in Louisville. Such a fund would support efforts aimed at increasing the education and skill level of the immigrant community. This is particularly important for immigrants who arrived with valuable skills acquired abroad and need to reconnect to their former profession. Some of the measures would include:

- √ Scholarships for advanced studies of English for professionals among immigrants and refugees.
- √ Legal assistance to immigrants striving to recertify their professional diplomas/licenses acquired abroad.
- √ Matching immigrant professionals with jobs.
- √ Graduate studies scholarships and “path to jobs” programs for immigrants.

Small-scale programs in this area already exist within refugee agencies, such as the Career Academy at the Jewish Family and Vocational Services Center, the Career Upgrade program at Catholic Charities, and a new initiative by the City of Louisville (Mayor’s scholarship). Participation of the business community and KentuckianaWorks would allow these initiatives to reach larger numbers of immigrants.

### **International Students at the University of Louisville**

<b>Country of Origin</b>	<b>Students</b>
India	115
China	100
Japan	87
Korea	48
Egypt	28
Russia	25
Canada	23
Columbia	19
Taiwan	17
France	15
United Kingdom	13
Brazil	11
rest of world	219
<b>Total</b>	<b>720</b>

Source: International Center, University of Louisville, 2001.

#### 3. *Recruiting and Retaining Foreign Professionals*

This part of the program is more time-sensitive, since it deals with recruitment of immigrant professionals for existing jobs. With the current slow-down of the US economy, the actual need for such specialists in Greater Louisville is limited. However, it is desirable that the Louisville area makes an effort to prepare itself for an eventual economic resurgence by enhancing its ability to attract and retain foreign specialists.

Specific measures could include the following.

- √ Develop and maintain a multi-lingual Web site devoted to Greater Louisville job and business opportunities as well as information about aspects of city life particularly important to potential foreign recruits. For example, the site could provide a review of the real estate market with virtual tours of new subdivisions, homes and the like, shopping malls and recreation facilities. Information about religious and ethnic diversity as well as ethnic restaurants and stores should be included. Individual native lan-

guage speakers should be listed for personal contacts over the phone and e-mail.

- √ Create a database reflecting demand for jobs in Louisville that can potentially be filled by foreign recruits. The database should also include a bank of resumes and other appropriate information reflecting the supply of such recruits.
- √ Reach out to Louisville ethnic communities so that their members attract to the city more of their compatriots with necessary skills and talents. Bonus-based recruitment referral plans can be used.
- √ Use foreign student associations and alumni of Louisville's universities abroad to make contacts and spread the word about recruitment.
- √ Place print advertisements about job opportunities in Louisville in foreign-language newspapers, published in the US for immigrant communities. Do the same in foreign language electronic media (TV and radio).
- √ Organize visits to Louisville of selected potential foreign recruits and leaders of immigrant communities from other regions.
- √ To retain specialists in particularly desirable occupations, state and local tax incentives can be considered. This idea is similar to giving tax breaks to foreign companies investing in Kentucky.
- √ Find ways to facilitate employment of spouses of immigrant professionals. Many of them are professionals themselves but have to stay out of work due to visa restrictions. Progress in this field will benefit retention of immigrant professional families in Louisville.

#### *4. Supporting Immigrant Entrepreneurs*

Many recent immigrants are both willing and capable of starting their own business. However, for obvious reasons, they face many more obstacles in doing so when compared to native-born citizens. Helping these immigrant entrepreneurs to overcome these obstacles can be very beneficial for the city. Since 1995 the Jewish Family and Vocational Service has been running a project aimed at this goal - Center for Microenterprise Development. The Center provides training, technical assistance and loans to Louisville's refugees. Expanding such a program to all qualifying immigrants, increasing its scope of training and its capital base, would help release entrepreneurial talents of immigrant community.

#### *5. Acquiring More Information About Louisville's Immigrants*

To monitor developments in Louisville's immigrant community and to adjust in a timely manner the metro-wide immigration policy, the local governments, the business and academic community, and immigrants themselves should have more extensive and more reliable information. At present most of such information comes from reports of the two federal government agencies - the Bureau of Census and the Immigration and Naturalization Service. While very useful, these reports do not reflect the situation "on the ground" with adequate precision. To have a more complete and timely view of its immigrants, Louisville needs to invest in information gathering and analysis efforts. Specifically we recommend:

- √ An independent metro-wide survey of Louisville-based immigrants at least once every five years with updates annually.
- √ Creation of a data bank of resumes of immigrants.
- √ Periodic surveys of Louisville residents' attitudes towards immigration ("tolerance levels").

- √ Providing more information about the area's immigrants on TV and in print media, including diversity education.
- √ Creation of a Center for Regional Immigration Studies at the University of Louisville. Such a Center could become a permanent, non-partisan immigration policy research and advising center for the metro area and the state.

#### *6. Other Recommendations*

- √ Create a special task force to work with undocumented immigrants.
- √ Create a board of immigration experts to help the Louisville metro develop and adjust its immigration policy.
- √ Ensure an appropriate configuration of TARC bus routes that would allow recent immigrants to get to their first jobs, typically before they can afford buying a car.
- √ More generally, make wider use of affordable housing, educational assistance and other social programs available for minorities through city/county/state programs. At present, immigrants have very little access to such programs. Implementation of this recommendation will likely require politically sensitive changes in such service provision.
- √ Encourage immigrant communities to enhance their representation in the political process.