

Untapped Talent

The Return on Investment of Addressing Brain Waste

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New American Economy

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WORLD EDUCATION SERVICES



WES Global Talent Bridge is dedicated to helping skilled immigrants fully utilize their talents and education in the United States. We join with institutional partners and community organizations to help skilled immigrants leverage their training, achieve their professional goals, and contribute their talents to their full potential.

www.globaltalentbridge.org

New American Economy

500 Republican, Independent, and Democratic mayors and CEOs in all 50 states agree:

Immigration is critical to America's economic success.

**INFLUENTIAL
CO-CHAIRS
& MEMBERS**



**ECONOMIC
IMPACT
STUDIES**



**AGRICULTURE,
BUSINESS, & TECH
ADVOCACY**



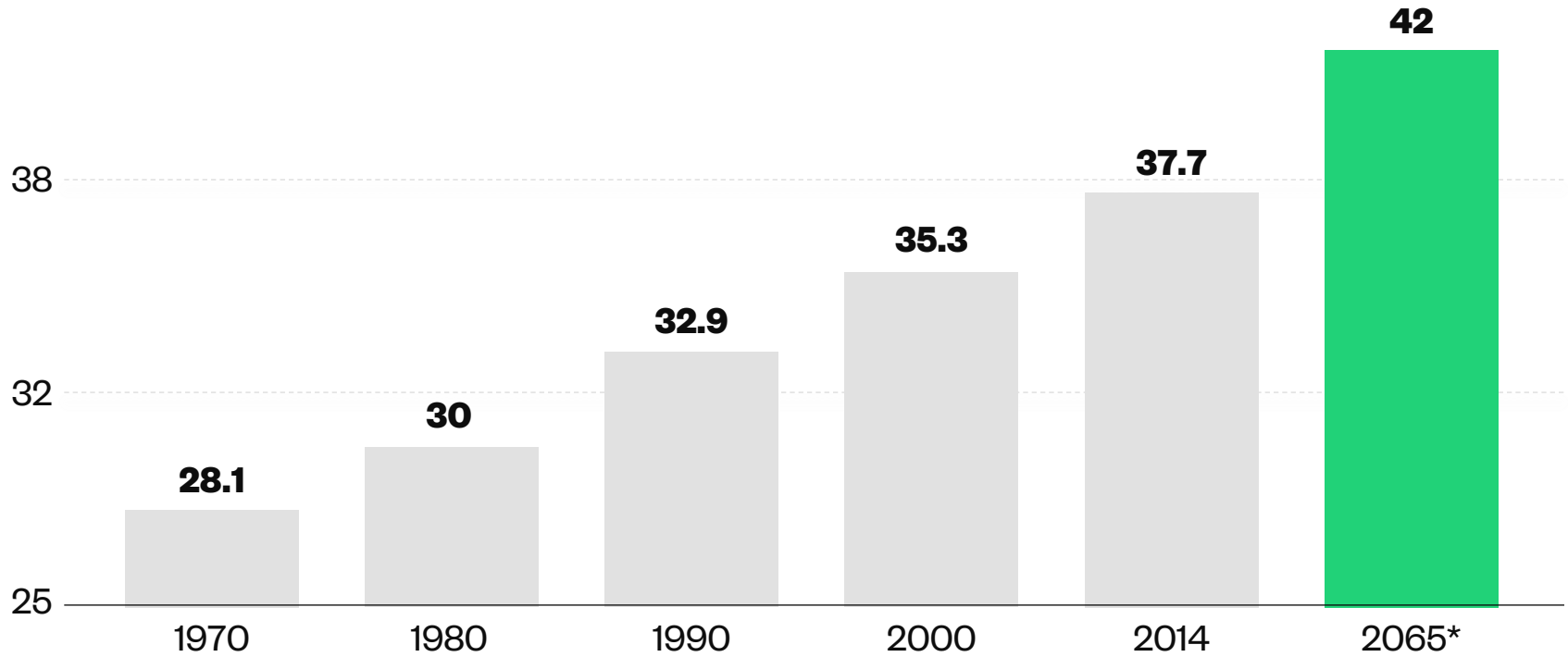
**LOCAL
IMMIGRATION
ACTION PLANS**



PART I: The Challenge

THE BACKDROP: An Aging Workforce

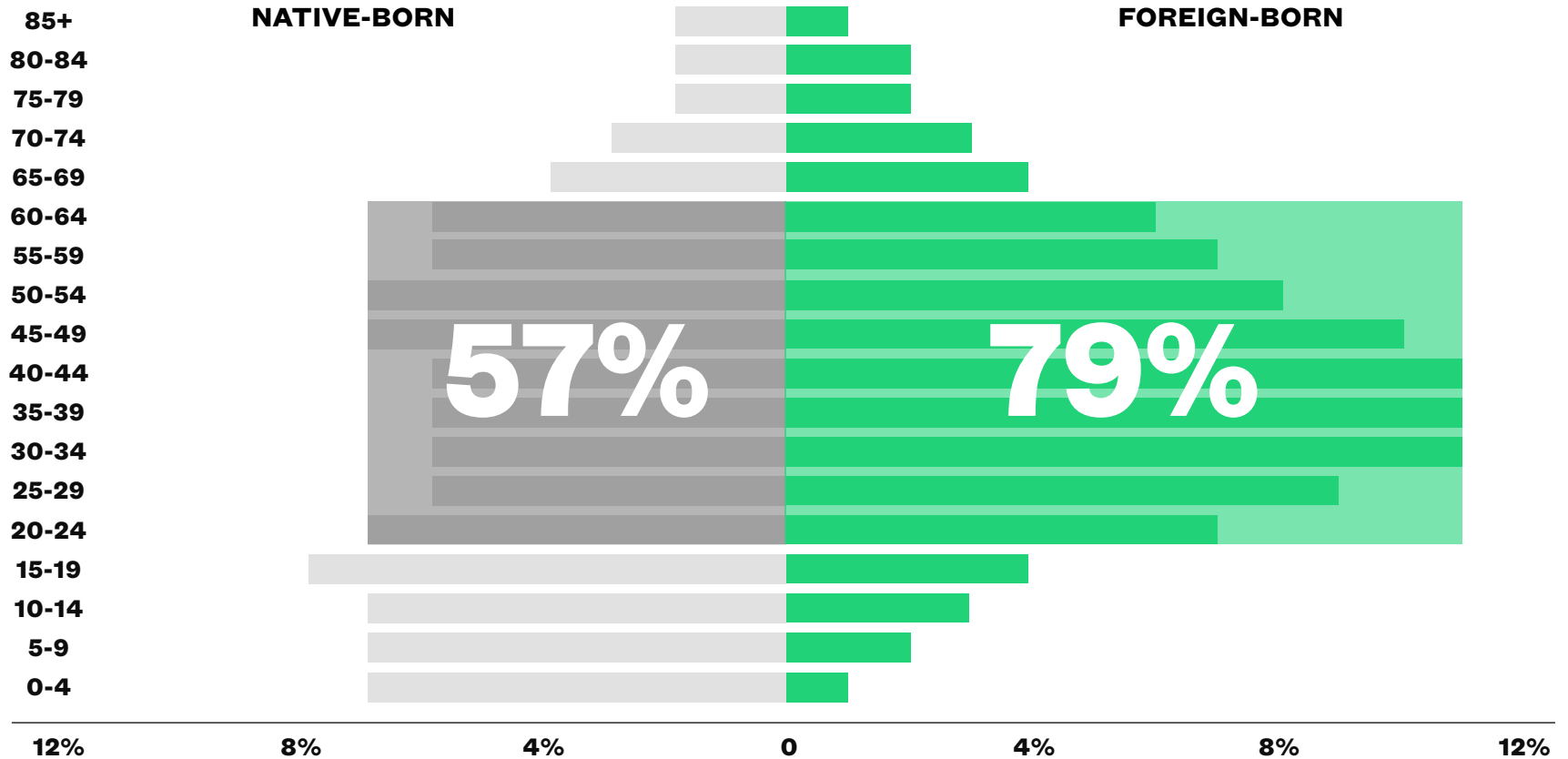
U.S. MEDIAN AGE, 1970—2065*



* Projection

Source: U.S. Census and Pew Research Center

Immigrants are More Likely to be Working Age



Source: U.S. Census Bureau, American Community Survey, 2013 American Community Survey 1-Year Estimates

THE BACKDROP: Too Few Innovators

Across the U.S. in 2016, there were

13 STEM

job postings

published online for every unemployed STEM worker.

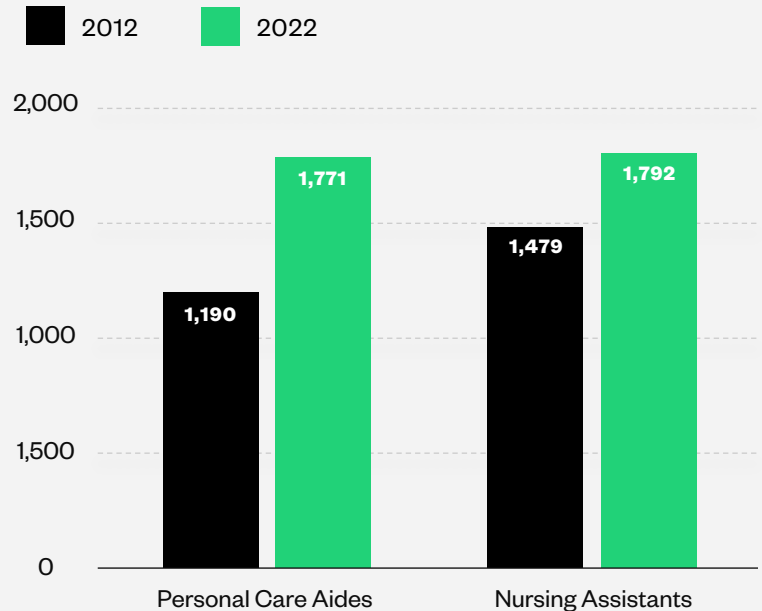
THE BACKDROP: Increased Demand for Health Care Professionals

By 2025, America will face a shortage of

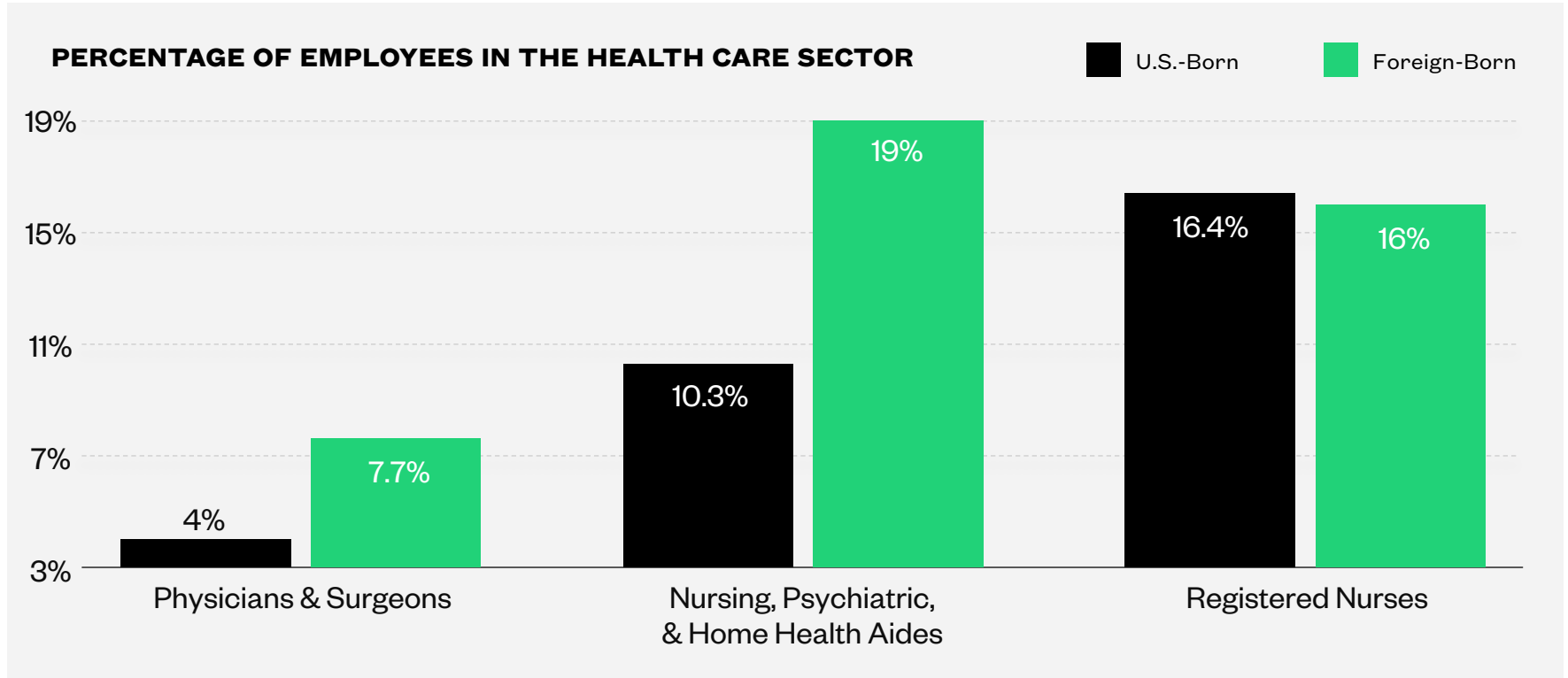
46 to 90 thousand doctors.

By 2020, more than **1.3M** additional direct care workers will be needed.

PROJECTED GROWTH IN DIRECT CARE JOBS, 2012-2022 (THOUSANDS)



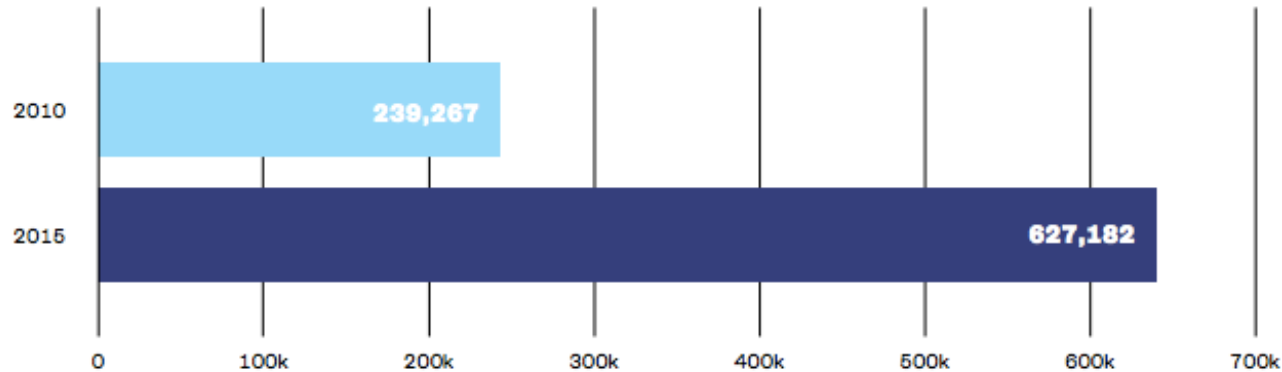
Immigrants are Twice as Likely to be Doctors and Home Health Aides



Source: *New American Economy* and *The Brookings Institution*, "Immigrant Workers in the U.S. Labor Force" (March 2012)

THE BACKDROP: Increased Demand for Bilingual Workers

NUMBER OF ONLINE JOB LISTINGS FOR WORKERS WITH BILINGUAL SKILLS



Increased demand at both high and low ends of the economic spectrum:

- Fifteen of the 25 occupations (60%) with the highest demand for bilingual workers in 2015 were open to individuals with less than a BA. These included tax preparers, customer service representatives, and medical assistants.
- The fastest growth in bilingual listings from 2010 to 2015 was for so-called “high prestige” jobs, including financial managers, editors, and industrial engineers.

THE BACKDROP: Diverse Regions See Greater Economic Growth



WHEN A CITY EXPERIENCES A DIVERSITY BOOST...

- The average person sees their wages rise by about **6%**
- Workers in the top 25% of all earners see wage increases of **6.6%**
- Workers in the bottom 25% of all earners see wage increases of **7.1%**

Source: Tom Kemeny and Abigail Cooke, "The Riches of the Melting Pot: How Diversity in Metropolitan Areas Helps Grow the Wages of Low and High-Wage Workers," *New American Economy*, (January 2017).

THE CHALLENGE: Underemployment or “Brain Waste”



- “Brain waste” refers to unemployment or underemployment of college-educated immigrants and US-born adults (e.g., doctor as taxi driver)
- Nearly **2M** highly-skilled, highly educated immigrants in the US work in low-skilled jobs or are unemployed
Brain waste is acute for immigrants educated outside the United States
- Many have training in high-demand fields (e.g., STEM, healthcare, education)

Number and Share of High-Skilled Immigrants Affected by Brain Waste, by Undergrad Field of Study

Degree Earned: **STEM & Related Fields**

	#	%
Engineering and Engineering Technologies	262,000	19%
Physical Sciences	65,300	18%
Computer and Information Sciences	108,500	17%
Medical Health Sciences and Services	97,900	15%
Biology and Life Sciences	58,000	13%

Source: Migration Policy Institute, *Untapped Talent: The Costs of Brain Waste among Highly-Skilled Immigrants in the United States* (2016)

Number and Share of High-Skilled Immigrants Affected by Brain Waste, by Undergrad Field of Study

Degree Earned: **Other Fields**

	#	%
Education Administration and Teaching	162,500	36%
Business	528,000	34%
Communications	48,800	32%
Social Sciences	252,500	29%
Liberal Arts and Humanities	82,400	30%

Source: Migration Policy Institute, *Untapped Talent: The Costs of Brain Waste among Highly-Skilled Immigrants in the United States* (2016)

Difference in Annual Earnings of Adequately Employed Workers vs. the Underemployed

Average Annual Earnings of Foreign-Educated Men

Employed in high/middle-skilled jobs	\$96,000
Employed in low-skilled jobs	\$40,000
Gap	\$56,000

THE CHALLENGE: Costs of Brain Waste

\$39.4B

Foregone earnings
nationwide

\$10.2B

Lost tax payments
at the federal, state, and local levels

FOREGONE EARNINGS (AND TAX REVENUE) BY STATE...

- NY - **\$5.1B** (\$594M)
- FL - **\$3.6B** (\$215M)
- TX - **\$2.5B** (\$168M)
- GA - **\$960M** (\$700M)
- WA - **\$830M** (\$75M)
- MI - **\$500M** (\$49M)
- NV - **\$586M** (\$15M)
- MN - **\$410M** (\$29M)

THE CHALLENGE: Economic Cost of College-Educated Immigrants Affected by Brain Waste, By State

State	Number Experiencing Brain Waste	Share of College-Ed Immigrants
Florida	116,500	31.5%
Georgia	48,200	25.4%
New York	233,700	26.6%
Washington State	41,000	23.0%
Michigan	29,200	20.2%
Nevada	28,600	44.2%
Minnesota	19,100	21.3%
Texas	134,000	23.0%

THE CHALLENGE: Common Reasons for Brain Waste



- Difficulties obtaining recognition of professional experiences and credentials earned abroad
- Acquiring professional-level English skills
- Navigating costly or time-consuming recertification processes
- Building professional networks and U.S. job search skills

THE OPPORTUNITY: Benefits to Individuals (Upwardly Global)

- **Increased income:** Job seekers generate an **additional \$175,000 in income** over a five year period as a result of their professional placement and high retention rates
- **Family support:** 85% of job seekers **provide financial support** for three children and/or family members
- **Higher Civic Participation and Citizenship Rate:** Immigrants with income of \$30K-\$40K **more likely to apply for citizenship** than similar immigrants with income of \$10K-\$20K (Johnson, et al, 1999)
- **Increase in Morale:** Several studies show that unemployment and underemployment cause detrimental changes in family relationships and in the psychological well-being of spouses and children (Paul & Moser, 2009)

THE OPPORTUNITY: Benefits to Employers, Economy, Society

- **Regained earnings boost consumerism:** MPI estimates that as much as **\$28.5B in foregone earnings** could be made up by those affected by brain waste.
- **Poverty alleviation:** In 2011, Upwardly Global's placements created a one-year increase in income of \$8.4 million to immigrant families who were previously unemployed and **relied on their savings or government assistance** for survival.
- **Job Opportunities:** When these job seekers move out of unskilled or semiskilled roles, these **positions are made available for local unemployed workers.**
- **Educated and experienced candidates:** Candidates have **university degrees** (more than 50% have master's degrees) with an average of 10 years of work experience in their respective fields.
- **Cross-cultural and multilingual talent:** Companies who hire employees that are representative of their consumer base are **better equipped to attract ethnic markets.**

THE OPPORTUNITY: Steps to Success

Integrating Immigrant Professionals in the U.S.



First-of-its-kind study documents multiple factors that correlate with the successful integration of immigrant professionals.

KEY FINDINGS

- Social capital is powerful
- English really matters
- “Made in America” supplements add value
- Immigrants take enterprising approaches to self-improvement

www.imprintproject.org/stepstosuccess/

Q&A



PART II: BEST PRACTICES

BEST PRACTICES: Legislation & Policy

COMPREHENSIVE POLICIES:

MAINE (pending): Legislative Document 1492 would create various programs to attract, educate, and retain immigrant populations in the state's workforce. The bill would establish an initiative that creates welcome centers in adult education programs to improve employment outcomes for foreign-trained workers. It appropriates \$745,000 to establish grant programs to ensure immigrants are ready to fill workforce gaps throughout the state.

MICHIGAN: The MI Licensing and Regulatory Affairs agency and MI Office for New Americans have created extensive online resources and licensing guides for immigrant professionals and a telephone hotline to help answer immigrants' questions about occupational licensing processes. Additionally, the Michigan International Talent Solutions (MITS), with Upwardly Global, works with highly-skilled immigrants who are either unemployed or under-employed to match them with employers seeking to fill jobs in key shortage areas such as engineering, IT, and healthcare.

BEST PRACTICES: Legislation

POLICIES BY INDUSTRY:

MASSACHUSETTS (pending): House Bill 3248/Senate Bill 803 would create a special commission to study the licensing of foreign-trained medical professionals with the goal of expanding and improving medical services in rural and underserved areas.

WASHINGTON (May 8, 2017): Washington Governor Jay Inslee signs House Bill 1445, which creates a “grow your own” bilingual educator grant program to support and recruit talented teachers (many of whom are foreign-educated) to diversify the educator workforce and fill the bilingual teacher shortage. The law also requires the Professional Educator Standards Board to develop and administer the grant program.

BEST PRACTICES: Legislation

POLICIES BY INDUSTRY:

GEORGIA (May 6, 2015) Georgia Governor Nathan Deal signs House Bill 394, which adds language to allow licensure of those who graduated from nursing education programs outside the U.S. that are determined to be equivalent to and not less stringent than an approved nursing education program.

VIRGINIA (April 2, 2015) West Virginia Governor Earl Ray Tomblin signs House Bill 2005, which establishes avenues for foreign-trained teachers to teach in West Virginia schools. While foreign-trained teachers are not able to earn full teaching certificates in West Virginia, teaching permits may be granted to a person who is “an exchange teacher from a foreign country or an alien person who meets the requirements to teach.”

BEST PRACTICES

POLICIES BY INDUSTRY:

MINNESOTA (May 9, 2014): The Minnesota Legislature passes Senate Bill 1340, which establishes the Foreign-Trained Physician Task Force in order to explore ways to integrate foreign-trained health professionals into Minnesota's existing healthcare infrastructure and alleviate healthcare shortages in the state. The task force was assigned by law to explore existing barriers to licensure, alternative training and accreditation programs, and healthcare needs across the state, and report its findings and recommendations to the Commissioner of Health and the Minnesota Legislature. In its 2017 report, the task force recommended the establishment of either an international medical graduate integration license or "an amendment in the medical practice act to include an exemption for primary care in a rural or underserved area."

Thank You!

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