

Keep Washington Working



The 2020 report from the Keep Washington Working Workgroup
pursuant to RCW 43.330.510

Acknowledgments

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Introduction

Overview

Washington relies heavily on its growing immigrant population. In 2018, 1.1 million immigrants comprising 15% of the population, or 1 in 7 residents, called Washington home. As neighbors, business owners, taxpayers and workers, immigrants are an integral part of Washington's thriving and diverse communities and essential for the future of our state.¹

- One in five workers in Washington is an immigrant²
- More than one third (38%) of adult immigrants had a college degree or more education³
- Immigrant entrepreneurs accounted for 19% of all self-employed residents and generated \$2.3 billion in business income,⁴ and
- Immigrant households paid \$9.7 billion in federal taxes and \$3.9 billion in state taxes.⁵

Authorizing Legislation

Recognizing the important contributions immigrants make to the state's economic vitality in 2019, the legislature passed SB 5497, "ensuring the state of Washington remains a place where the rights and dignity of all residents are maintained and protected in order to Keep Washington Working."

The bill also established the **Keep Washington Working workgroup** and **directed the workgroup to prepare an annual report to the legislature as follows:**

- (1) A keep Washington working statewide work group is established within the department. The work group must:
 - (a) Develop strategies with private sector businesses, labor, and immigrant advocacy organizations to support current and future industries across the state;
 - (b) Conduct research on methods to strengthen career pathways for immigrants and create and enhance partnerships with projected growth industries;
 - (c) Support business and agriculture leadership, civic groups, government, and immigrant advocacy organizations in a statewide effort to provide predictability and stability to the workforce in the agriculture industry; and
 - (d) Recommend approaches to improve Washington's ability to attract and retain immigrant business owners that provide new business and trade opportunities.

About the Workgroup

The workgroup consists of fifteen members representing a diverse group of statewide interests. The group met eight times in 2020. The COVID-19 pandemic followed by the Governor's March 23 "Stay Home – Stay Healthy" order transformed the committee's meeting structure and priorities.

¹ Analysis of the U.S. Census 2018 American Community Survey data by the American Immigration Council 2020.

² The term "immigrant" or "foreign born" refers to people residing in the United States at the time of the population survey who were not U.S. citizens at birth. The foreign-born population includes naturalized U.S. citizens, lawful permanent immigrants (or green-card holders), refugees and asylees, certain legal nonimmigrants (including those on student, work, or some other temporary visas), and persons residing in the country without authorization.

³ Analysis of the U.S. Census 2018 American Community Survey data by the American Immigration Council 2020.

⁴ IBID

⁵ New American Economy. "Map the Impact" Section Taxes and Spending Power.

The group identified sectors of the economy most affected by COVID-19 and, of those, which had high immigrant densities. Based on that research, the group formed two committees: Small Business Support and Non-Traditional Workers. The Small Business Support subcommittee addressed the requirements of subsections (a) and (d) of the legislation. The Non-Traditional workers subcommittee addressed the requirements of subsections (a), (b) and (c).

The Work Group established a third committee, Worker Pipelines and Pathways, to examine opportunities to respond to education and training needs facing Washington's industries and immigrant workforce in a post-pandemic economy. This committee addressed subsections (a), (b) and (c) of the legislation.

In 2021, the workgroup will continue work to assess and address the effect of COVID-19 on immigrant communities.

Over-arching Challenges

The Work Group identified a number of over-arching challenges through our meetings, discussions with stakeholders, and literature reviews.

○ Lack of Data

Washington State lacks accessible data on ways its workforce programs and strategies support job seekers, workers, independent contractors and small businesses. Although additional workforce data is essential for designing future proposals, as will be described below, immigrant communities are reluctant to share personally identifiable information.

○ Fear of Government

Federal policies have created an environment of fear in many immigrant and refugee communities, discouraging immigrants from seeking public supports, including training programs.

○ Changes in Federal Immigration Policy

The outgoing federal administration adopted more than 400 separate policies through executive or regulatory action. The vast majority of these policy changes restrict immigration.⁶

○ Language Access

Although Washington State has taken important steps toward improving language access,⁷ immigrant communities and organizations serving immigrants are often unaware of publicly available opportunities due to lack of accurate and professional interpretation and translated materials.

○ Fragmented Services

Stakeholders have raised concerns over fragmentation across systems. For example, publicly funded job training programs operate with little to no knowledge of community-based or community college-based adult

⁶ <https://www.migrationpolicy.org/research/us-immigration-system-changes-trump-presidency>

⁷ Governor Inslee's Memorandum to Cabinet, <https://www.coronavirus.wa.gov/sites/default/files/2020-05/LanguageAccessPlanMemo.pdf>

English learning programs. Fragmentation creates additional challenges for immigrant and refugee job seekers struggling to navigate these systems, especially in rural and under-served communities.

General Recommendations

To address these over-arching challenges, the Keep Washington Working Work Group recommends the following actions:

- Gather data by race, ethnicity and immigration status, while respecting privacy, to better target state resources on communities and populations that need support.
- Improve language access to ensure access to needed services and supports, including but not limited to linking workforce training and language learning opportunities.
- Provide support to immigrant entrepreneurs, including technical assistance and access to credit.
- Provide the same worker protections and benefits to non-traditional workers that are currently available to employees in more traditional work arrangements.
- Invest in workforce strategies targeting underserved immigrant and refugee populations, including but not limited to:
 - Expansion of educational opportunities for agricultural workers facing potential displacement through technological innovations.
 - Expedited pathways to assist underemployed immigrants with degrees and credentials obtained outside of the U.S.
- Support investments in broadband and equitable access.

Keep Washington Working Sub-Committees

Small Business Owner Support

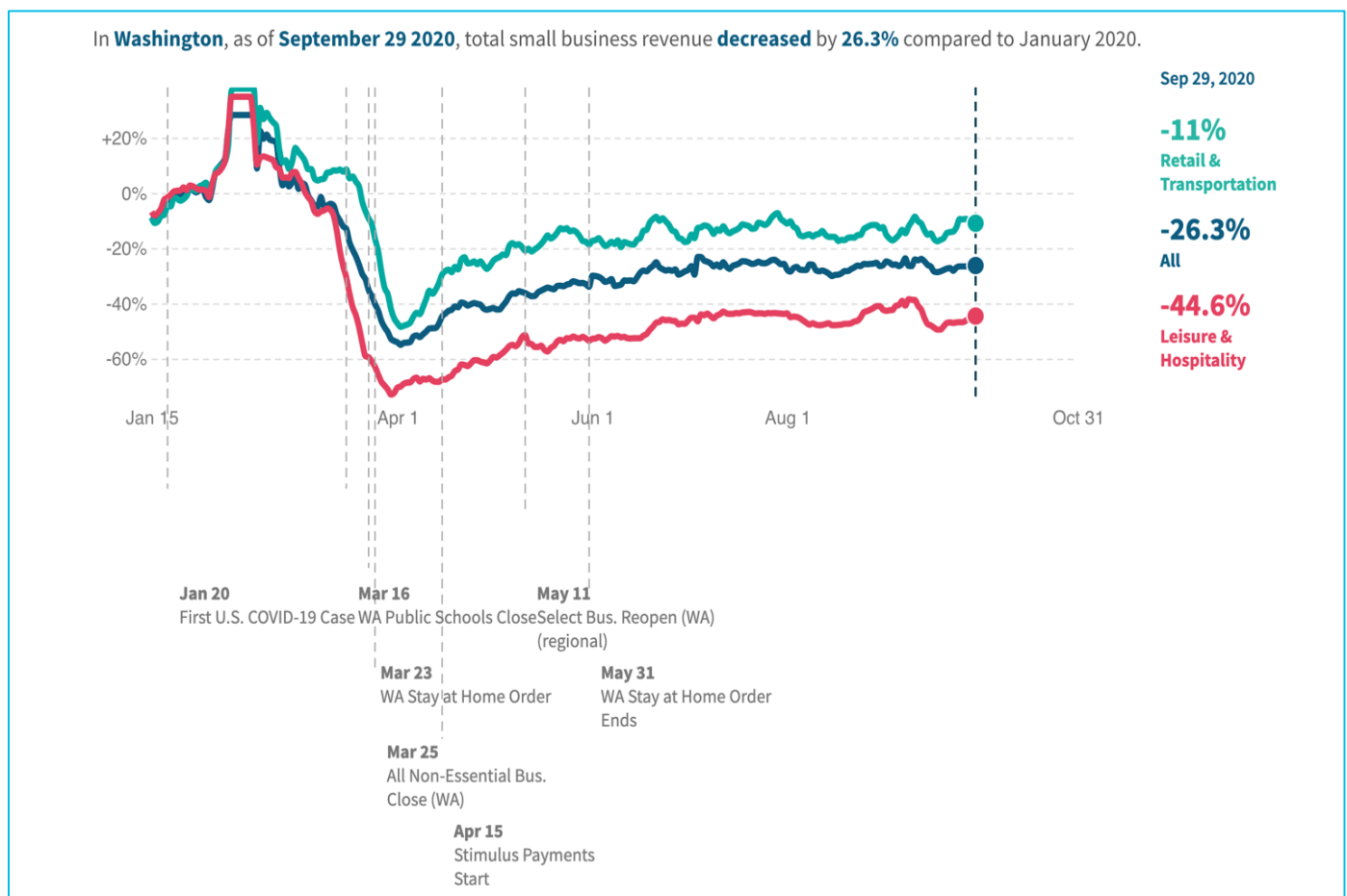
Key Findings

Small Businesses are the Economic Engine of Washington State

- 99.5% of all Washington businesses are small businesses
- 51.4% of employees work for small businesses⁸

Small businesses are uniquely vulnerable to the impact of COVID 19

Recent research by the Federal Reserve finds that only 35% of small businesses were “financially healthy” at the end of 2019 prior to the pandemic. After the pandemic, the most vulnerable industries faced both financial and COVID related challenges.⁹



Source: "The Economic Tracker" <https://tracktherecovery.org/>.

⁸ Sba.gov 2019 Small Business Profile- Washington State

⁹ André Dua et al., "Which Small Businesses Are Most Vulnerable to COVID-19--and When," McKinsey & Company (McKinsey & Company, June 25, 2020), <https://www.mckinsey.com/featured-insights/americas/which-small-businesses-are-most-vulnerable-to-covid-19-and-when>.

Customers have not fully returned to service sector businesses

The Governor's first "**Stay Home – Stay Healthy**" order ended on May 31. On June 1, the state transitioned into the phased approach to reopening under the "**Safe Start – Stay Healthy**" banner. Counties gradually began resuming indoor restaurant service and in-store shopping, subject to specific health and safety protocols. Mid-summer increases in case counts, however, forced the Governor to re-enter a restrictive phase, first rolling back specific indoor activities on July 28,¹⁰ and then closing indoor dining and fitness, among others, on November 15.¹¹

However, business revenue had not recovered by the mid-November order. The service sector, in particular, remains stubbornly below pre-pandemic levels and has only recovered by approximately 10%. Thus, the issue is not one of just reopening the economy, a goal that will remain uncertain until a vaccine has reached a critical mass of Washington residents. Trends indicate that increasing small business revenues will require public health measures that increase consumer confidence to patronize businesses in the leisure and hospitality sector.

"The hospitality industry is among the hardest hit, with as many as 185,000 unemployed workers over the course of the pandemic and as many as 6,000 closed restaurants that may never reopen."

JULIA GORTON
WASHINGTON STATE HOSPITALITY

Immigrant Business Owners are Disproportionately Affected

Nationally, between February and April over 1 million immigrant owned businesses ceased operations. Activity increased slightly in June but to nowhere near pre COVID levels.¹² The most affected industries also employed the most vulnerable workers who earned lower wages and had fewer educational qualifications.

Number of Active Business Owners by Demographic Group:

| Group | Feb. 2020 Number | Apr. 2020 Number | May 2020 Number | June 2020 Number | Feb. to Apr. Change Number | Percent | Feb. to May Percent | Feb. to June Percent |
|-----------|---------------------|---------------------|--------------------|---------------------|-------------------------------|---------|------------------------|-------------------------|
| Total | 15,012,692 | 11,710,360 | 12,809,946 | 13,794,081 | -3,302,331 | -22% | -15% | -8% |
| Female | 5,389,399 | 4,048,205 | 4,517,965 | 4,876,392 | -1,341,194 | -25% | -16% | -10% |
| Male | 9,623,293 | 7,662,156 | 8,291,981 | 8,917,689 | -1,961,137 | -20% | -14% | -7% |
| Black | 1,079,116 | 637,769 | 798,668 | 872,717 | -441,347 | -41% | -26% | -19% |
| Latinx | 2,070,896 | 1,412,925 | 1,668,254 | 1,855,026 | -657,971 | -32% | -19% | -10% |
| Asian | 888,528 | 657,896 | 700,393 | 798,811 | -230,632 | -26% | -21% | -10% |
| White | 10,553,415 | 8,761,531 | 9,373,304 | 10,001,462 | -1,791,884 | -17% | -11% | -5% |
| Immigrant | 3,120,275 | 2,009,597 | 2,329,820 | 2,545,926 | -1,110,677 | -36% | -25% | -18% |
| Native | 11,892,417 | 9,700,763 | 10,480,126 | 11,248,155 | -2,191,654 | -18% | -12% | -5% |

Source: "The

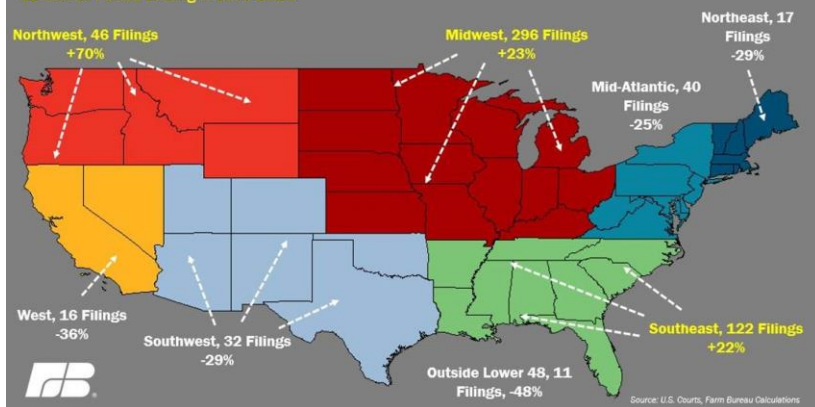
Impact of COVID-19 on Small Business Owners: The First Three Months after Social-Distancing Restrictions," NBER, July 6, 2020,

¹⁰ <https://www.governor.wa.gov/sites/default/files/Memo%20SafeStart%20Changes%207.28.pdf>

¹¹ https://www.governor.wa.gov/sites/default/files/proclamations/proc_20-25.8.pdf

¹² Robert W. Fairlie, "The Impact of COVID-19 on Small Business Owners: The First Three Months after Social-Distancing Restrictions," NBER, July 6, 2020, <http://www.nber.org/papers/w27462>.

Figure 1. Chapter 12 Farm Bankruptcies By Region, 580 Filings, U.S. +8%
12-Month Period Ending in June 2020



The pain extends beyond the service sector
Small business revenue does not tell the whole story. The agriculture industry, one the state's largest sectors and the largest employer of immigrants has generated higher revenues during the pandemic. However, this fact obscures the long-standing trends that are imperiling the industry. Farm bankruptcies in the Pacific Northwest are up 70% from June 2019.

According to the U.S. Department of Agriculture (USDA), Washington's apple

farmers suffered market losses of \$174 million on their 2019 crop.¹³ In Western Washington where many small business manufacturers depend on the airline industry, there is no clear path to the future. When airline travel resumes and if it ever returns to pre-pandemic levels remains an open question.

Recommendations

Increase small business access to credit and future stimulus funding

This could range from providing tax incentives for businesses that hire from immigrant groups to reforming structural barriers to build credit worthiness and encouraging financial institutions to provide new or special forms of credit.¹⁴

Provide technical assistance to small business

Many small businesses were unable to access stimulus funds and many other resources and important information. State government plays an important role in supporting technical assistance for businesses owners to navigate federal and state regulations and programs.

Business innovation hubs -- Support businesses return the "New Normal"

Designate one community college per county as a "Business Innovation Hub" to offer statewide access to business training, development and expertise. Encourage state universities and community colleges to develop certificate programs and boot camps for business education and tech training.

13 Jenkins, Don. Capital Press, "Washington Tree Fruit Industry Reviews COVID-19 Fallout for Senators," Capital Press, October 22, 2020,

14 Deepa Mahajan, "Protecting US Small Businesses from the Impact of COVID-19," McKinsey & Company, 2020, <https://www.mckinsey.com/about-us/covid-response-center/leadership-mindsets/webinars/protecting-us-small-businesses-from-the-impact-of-covid-19>.

Nontraditional Workers

Workers who lose their jobs, or lose hours of employment, during times of economic contraction are often forced to rely on their own resilience, with or without disaster assistance. This may mean a broad range of work settings that fall into the category of “non-traditional work”.

According to “Independent Contractor Study” submitted to the legislature in 2019 by the Washington Department of Commerce, at least 320,000 people, or 9% of the overall workforce, performed independent contract work as their primary source of income. Between 2008 and 2016, independent contracting in the state (so-called non-employer establishments) increased by 15% and after 2012, independent contracting in Washington State increased by 11%.

The 2019 study also found that key industry sectors with the highest growth in independent contracting included transportation and warehousing, educational services, and accommodation and food services. The sectors with the highest prevalence of independent contracting include professional, scientific and technical services, real estate and rental leasing, and retail trade and other services. Immigrant workers participate in higher rates, as compared to U.S. born workers, in transportation and warehousing, accommodation and food services, and professional, scientific and technical services.

One potential measure of the impact of the COVID-19 economic crisis is the [number of claims](#) filed for the Pandemic Unemployment Assistance program established by the federal government for independent contractors and other non-traditional workers otherwise ineligible for unemployment insurance. As of November, more than 510,000 claims have been filed.

Key Findings

Lack of Traditional Supports

The 2019 study also found that most workers it surveyed reported that established institutional supports meant to provide social and professional support to workers, such as trade groups, unions and Small Business Administration centers, were insufficient to obtain needed information, legal advice and representation such as contract enforcement and tax advising. It also found that independent contractors with two or more jobs experienced different challenges compared to independent contractors with one job only, including lower consistency in reported earnings, using both traditional and nontraditional means to access jobs, working across industries, and being less likely to have health insurance coverage.

Lack of Data on Growing "Gig Economy"

Unfortunately, the study was limited in scope and did not examine workers in several kinds of “alternative work arrangements,” such as on-call or temporary help agency workers or workers provided by contract firms. The so-called “gig economy” or “hustle economy”, where stable workforce attachment is replaced with non-traditional or alternative work-settings, is not an entirely new phenomena, but it has grown significantly as employers have sought to lower costs and create more nimble and responsive pools of workers, particularly in lower-wage roles. At the same time, new technology platforms have enabled the proliferation of on-line or app-based work structures that have become the focus of significant debate over worker protections, conditions and earnings.

This lack of data exploring the less stable aspects of the non-traditional workforce is part of a broader gap in our state’s knowledge about this segment of the workforce, let alone what is happening to immigrants in the workforce. The state does not gather or compile for public review, data such as disaggregated data on race,

ethnicity, and immigration status. This presents challenges for organizations and state agencies attempting to improve programs and services.

Inequitable Access to Relief and Rebuilding Opportunities

A separate report to the legislature submitted by the Department of Commerce in 2020, "Non-Traditional Worker Study", found that, "While all state agencies desire an equitable and resilient recovery, the pandemic highlighted demographic, age, and occupational discrepancies inherent within the state's benefit delivery platforms. The current capacity of state systems makes it difficult for Washington's diverse populations to have equitable access to relief and rebuilding opportunities. The creative sector was one of the first industries to shut down and it has still not reopened across the state."

Lack of Data on the Part-Time Economy

Other segments of the workforce remain outside of traditional systems of support, and we lack information on how the COVID-19 economic crisis affects these workers, including:

- domestic workers caring for children or cleaning apartments
- day laborers working in construction or landscaping
- folks selling home-made foods and goods
- app-based drivers working across multiple on-line platforms
- seasonal workers holding on for the holidays to earn enough money to pay back debt
- migrant workers in agriculture subcontracted for intense but short-term employment

Undocumented Immigrants

Immigrants disproportionately work in industries with higher rates of disease and lower access to health insurance.¹⁵ Without established relationships or state agencies understanding industry-specific challenges, it is difficult for certain groups to achieve resiliency. This is particularly true for undocumented immigrants in the workforce. These workers predominately work in non-traditional jobs with few or no benefits. While generally barred from employment authorization, these workers - the majority of whom have lived in the United States for more than a decade¹⁶ - typically find employment by providing false documentation to their employers, by working without documentation of their employment (e.g., being paid under the table), or by working for themselves in non-traditional work arrangements or entrepreneurship.

For undocumented immigrants and other categories of immigrants, entrepreneurship and some non-traditional work arrangements may be their best option from the standpoint of legal jeopardy. In recent months, new efforts have emerged to encourage and support immigrants, irrespective of status, to pursue independent contract work or entrepreneurship.

One such example is *#undocuhustle*, a project of *Immigrants Rising*, a non-profit organization in California. This free, on-line tool compiles basic business advice tailored to undocumented immigrants on how to approach earning income as independent contractors or entrepreneurs, including opportunities for mentorship and training, tools to develop business plans, to raise capital and finance their vision, managing taxes, and strategies for marketing and promotion.

¹⁵ Capps, Randy, Batalova, Jeanne, Gelatt, Julia, Migration Policy Institute, "COVID-19 and Unemployment: Assessing the Early Fallout for Immigrants and Other U.S. Workers," (June 2020), <https://www.migrationpolicy.org/research/covid-19-unemployment-immigrants-other-us-workers>

¹⁶ <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/WA>

Recommendations:

Washington can support its immigrant and refugee workers and families through the following actions:

Prioritize technical assistance and support to both independent contractors and small business owners

- Ensure multi-lingual access and culturally competent support, utilizing partnerships with community-based organizations with strong community ties where possible.
- Invest in independent contractor curricular tools including training in legal and worker rights, relevant contract law, paperwork, taxes, and opportunities for mentorship and training.

Adopt policies that extend worker protections and employment benefits to independent contractors, where legally possible

- Examples include disaster-relief assistance similar to the federal Pandemic Unemployment Assistance program, development of portable benefits, and adoption and robust enforcement of wage theft laws.

Adopt the recommendations of the “Non-Traditional Workforce Report”

- Create an interagency group to focus on outreach, data sharing, and accessibility of state services.

Worker Pathways & Pipelines

Even prior to COVID-19, Washington State needed a plan to retrain the workforce for the future of work. The pandemic has accelerated trends that include a large-scale transition toward automation and artificial intelligence (AI). Many jobs will look different in the future. We know the types of jobs that are disappearing and we need to plan for that workforce's future. Furthermore, to address inequities in our system, Washington should elevate the needs of immigrant workers, and provide ongoing and flexible educational opportunities to help workers adapt – whether in traditional or non-traditional work settings.

Opportunities

We offer the following opportunities as key workforce strategies that could contribute to equitable economic recovery in Washington. These achievable opportunities offer the potential for our state to implement measures to “move the needle” in addressing persistent problems and challenges that confront immigrant and refugee jobseekers.

Workforce Equity

Increase the number and proportion of qualified immigrant and refugee professional obtaining gainful employment in the ICT, health care, engineering, and related STEM and business sectors.

Employer Engagement

Increase the quality and quantity of employer engagement, commitment, and interest in career pathways for immigrant and refugee professionals in these sectors through robust business services.

Pathways for Ag Workers

Expand education opportunities for agricultural workers through a new pathways initiative targeted to agricultural workers.

Investment Opportunities

Provide immigrant and refugee (and other) communities with resources to initiate new business investments in employee-owned businesses with the support of the Department of Commerce.

Inclusive Participation

Provide meaningful mechanisms that would increase the voice and participation of immigrant and refugee communities and communities of color in crafting future state workforce policy solutions through a revitalized Future of Work Task Force and State Workforce Board Barriers Access & Solutions Subcommittee (as recommend by State Workforce Board).

Bright Spots

The Skilled Immigrant and Refugee Engagement Network (SIREN)

SIREN is a network of several organizations in Washington that provide education, training, career development and job placement services to immigrant and refugee jobseekers with college degree pursuing gainful employment in their professions. SIREN organizations include colleges in the region, other training programs, resettlement agencies, municipalities, library systems, community-based organizations, employment agencies and refugee and immigrant serving entities that want to address the issues that internationally educated professionals face in Washington State as they try to return to their chosen professions. The lead agency in the SIREN network is the [Puget Sound Welcome Back Center](#).

Ascend Seattle - Foster School of Business, University of Washington

[Ascend Seattle](#) is a business education program that accelerates business growth through management education, access to contracting and business development opportunities with large corporations and government agencies, connections to lenders and investors, and the development of CEO-to-CEO networks that will open new business opportunities. Ascend Seattle is a cohort-based program designed to leverage resources and networks from the Foster School of Business to grow small to medium-sized companies in specific industry sectors.

Yakima Business Certification Program - Foster School of Business, University of Washington

The Business Certificate Program improves the business knowledge, skills, and leadership abilities of employees of the Yakima Valley's leading businesses. This six-week program is taught by leading faculty from the UW Michael G. Foster School of Business and provides participants an opportunity to learn proven business fundamentals and immediately apply them to their work. This program will expand your business skills and improve your job performance. The program is designed for people who want to become more effective in their job, who want to develop their leadership and strategic thinking skills, and improve their problem-solving abilities.

Recommendations

Expand Employer Engagement Efforts and Career Pathways for Immigrants with College Degrees

Perhaps the greatest challenge that SIREN and similar organizations face is moving qualified jobseekers into appropriate employment in their fields. Generally, "survival jobs" (low-paying jobs, typically in the service industry) in the United States are generally easy for them to get. These jobs are usually far below their educational and experience levels and are not at all in their chosen field. The challenge is moving these professionals into entry levels in their fields that provide important onramps back into their careers. This shift requires strong and deep relationships with employers in various fields that will champion these professionals' re-entry into their careers here in Washington.

Washington should consider deploying a business engagement manager to advocate for businesses to hire immigrants within their profession. Activities would include:

- Collaborating with refugee and immigrant serving employment specialists in the region.
- Building relationships with high-level management leaders in various career sectors to learn about current job opportunities and criteria for successful candidates.
- Liaise with colleges and other training providers to provide high-value training to maximize job prospects without requiring an education re-do.
- Collaborate with municipalities to increase access to internships and entry-level jobs.

Expand Educational Opportunities for Agricultural Workers

Washington State has the opportunity to provide vocational technology education opportunities to individuals in the agricultural industry without prior education or training in technology regardless of their language capabilities or current skillsets related to technology. One best practice model is the three, six, and nine month-long style “boot camps” held during the day or evening, taught by bilingual instructors, with the primary task of building technology literacy and capabilities across the agricultural labor force.

Individuals can self-nominate or an employer can nominate on behalf of an employee. Training includes basic computer use, software development, or data analytics. Program graduates have opportunities to re-enter the workforce in a higher paying role. The program can serve as larger “on-shoring” initiative with WA-based technology companies to bring overseas jobs back to Washington.

These boot camp style programs can foster start-ups, allowing individuals living and working in rural communities to develop technology companies with the ability to address any one of several hundred issues facing the agricultural community. In time, this could create a “silicon orchard” style environment in rural places statewide. This would not only raise the economic base across the state but also help alleviate the shortage of tech workers at agricultural companies across Washington.

Currently, several boot camp formats exist to help people with a GED or higher enter into the technology space. Programs can be adapted to fit the particular needs of state agriculture workers regardless of their level of interest or technology aptitude. With partnerships at companies such as Microsoft and Amazon, private sector resources can help develop and launch these programs across the state. Supports such as mentorships and “career fairs” foster student success and help companies to find people with in-demand skills.

A broad initiative could help lift up entire communities statewide and help the state itself recover from the economic devastation of COVID. It also provides a much-needed “on-ramp” for less privileged populations living and working in rural communities to increase employment opportunities, income, and benefits for the student and their families. This model could solve several issues at once for Washington State and set a model that other states nationally can follow in turn. The model can provide meaningful employment for underserved populations, provides a greater economic base for Washington, and provides new talent for technology companies. The missing ingredient is sustained state and private sector leadership to resource the model with funds and talent.

Re-establish and Re-Purpose the Washington Future of Work Taskforce in Light of COVID-19 Impacts and Economic Recession

The [Future of Work Task Force](#) developed policy recommendations to establish the conditions for true and equitable shared prosperity across the state for the foreseeable future. This was a monumental task, as the “future of work” policy arena is broad and complex, the research is inconclusive, and no other state had yet begun this exploration. Washington is paving its own path forward. This Task Force report is testament to the tremendous amount of work, passion, and thoughtfulness of all the business, labor, and legislative members of the Task Force, and the two co-managers who staffed their efforts. They considered research, data, and

perspectives from a broad array of stakeholders, think tanks, and others to accomplish their charge. This investigation yielded examples of what is working and cautionary tales of what is not.

Prioritize resources with an equity lens

- Allocate funds to establish train immigrant workers for the jobs of the future.
- Further target training and other workforce resources in counties with high immigrant density, low educational attainment and a relatively large working age population. Counties in order of highest immigrant population totals are King, Yakima, Franklin, Grant and Douglas.¹⁷

Other Promising Programs

Additional Resources

Washington Future of Work Task Force Report (2019)

<https://www.wtb.wa.gov/wp-content/uploads/2019/12/Future-of-Work-2019-Final-Report.pdf>

Washington Workforce Economic Recovery Plan – COVID-19 (2020)

<https://www.wtb.wa.gov/economic-recovery/>

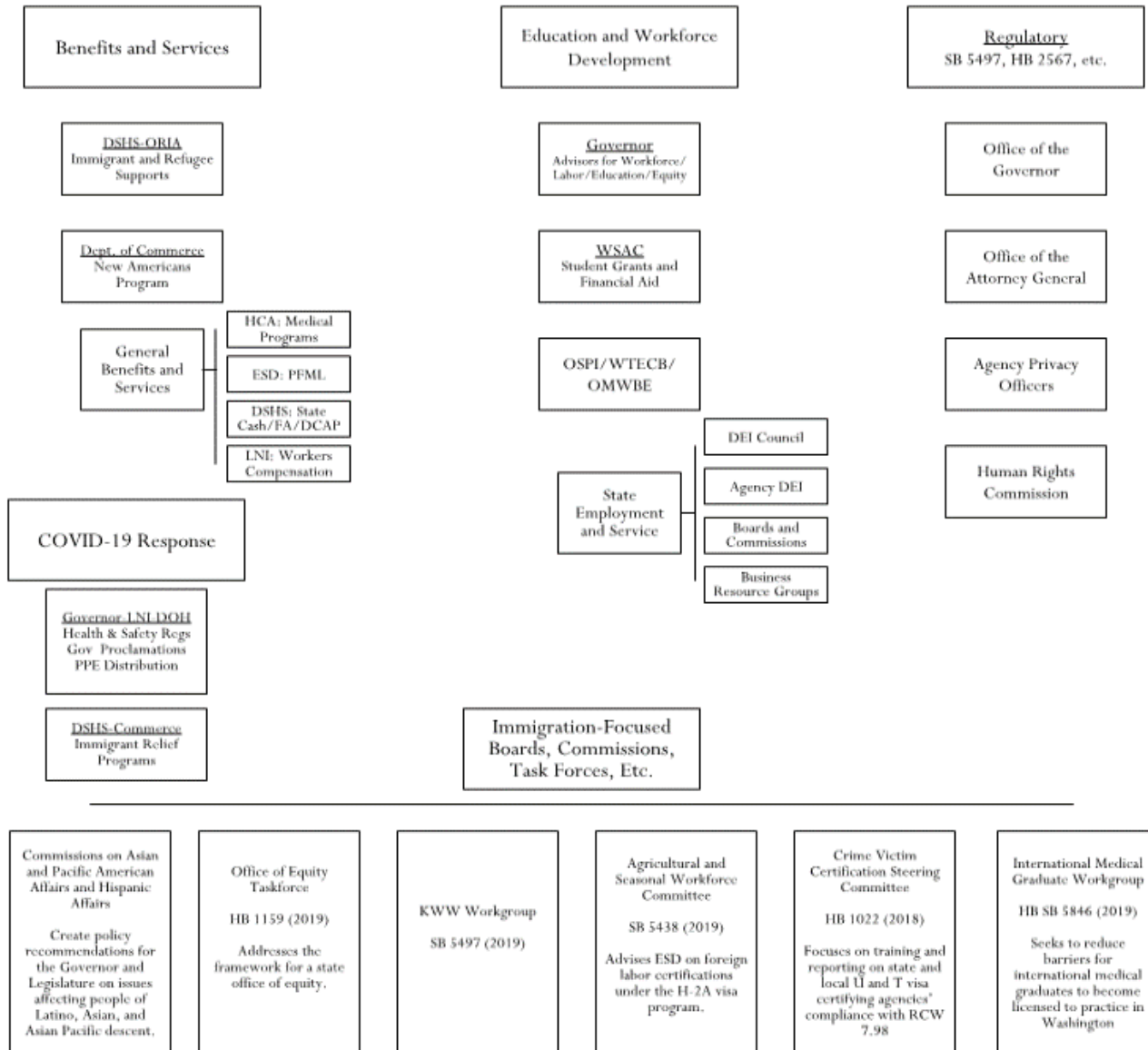
City of Seattle Report, Building Bridges and Breaking Barriers

<https://www.seattle.gov/Documents/Departments/OIRA/BreakingBarriersandBuildingBridges.pdf>

¹⁷ Census.gov

Appendix A: Summary of Programs

MAPPING IMMIGRANT PROGRAMS AND SERVICES UNDER THE STATE OF WASHINGTON



Appendix B: Immigrants in Washington State

In 2018, there were 1,104,850 immigrants or "foreign born"¹⁸ people of working age (16 and older) in Washington state, representing 14.7% of the civilian workforce. This population includes naturalized citizens and noncitizens in roughly equal proportions.

Workforce

As baby boomers retire, immigrants help fill crucial gaps in the labor market. Immigrants fill some of our most glaring needs. For example, immigrants are twice as likely as the U.S. born to work as home health aides and twice as likely to be physicians and surgeons. Washington is also a major hub of ground-breaking technology across a wide range of industries. Immigrants fill a critical need for this critical component of our economy as 27.9% of Science, Technology, Engineering, and Math (STEM) workers are immigrants.

- Immigrants participate in the labor force at higher levels (68.2% versus 62.8% U.S. born)
- Immigrants have lower levels of unemployment (3.4% versus 4.5% U.S. born)
- Immigrants have broad and deep engagement in the state's economy and, with few exceptions, in roughly equal proportions to people born in the U.S.
-

| Occupation | Immigrant (Foreign Born) | U.S. Born |
|---|--------------------------|-----------|
| Agriculture, forestry, fishing and hunting, and mining | 6.9% | 1.6% |
| Construction | 6.6% | 7% |
| Manufacturing | 9.3% | 9.5% |
| Wholesale trade | 2.5% | 2.5% |
| Retail trade | 10.4% | 11.7% |
| Transportation and warehousing, and utilities | 6.2% | 5.3% |
| Information | 2.1% | 2.1% |
| Finance and insurance, and real estate and rental and leasing | 3.7% | 5.6% |
| Professional, scientific, management, etc. | 17.3% | 12.8% |
| Arts, entertainment, recreation, accommodation, and food services | 10.1% | 9.4% |

Business Ownership

New businesses are a key driver of job growth in our economy. Immigrants create businesses at far higher rates than the U.S. population overall. In Washington, 6.9% of immigrants own a business compared to 5.7% of people born in the U.S. Immigrant-founded and immigrant-owned companies employ millions of employees.

Washington State Profile (2018)

- Number of immigrant entrepreneurs: 73,002
- People employed by immigrant-owned firms 228,209
- Total sales of immigrant-owned firms \$37.4 Billion

¹⁸ The term "immigrant" or "foreign born" refers to people residing in the United States at the time of the population survey who were not U.S. citizens at birth. The foreign-born population includes naturalized U.S. citizens, lawful permanent immigrants (or green-card holders), refugees and asylees, certain legal nonimmigrants (including those on student, work, or some other temporary visas), and persons residing in the country without authorization.

Income, Taxes, and Spending Power

Immigrant households contribute billions of dollars in federal income, state, and local taxes and hold a tremendous amount of spending power. Immigrant income levels trail the U.S. born population but over half earn income of greater than \$50,000 per year.

Washington State Profile (2018)

| | |
|------------------------------|----------------|
| ○ Immigrant household income | \$47.9 Billion |
| ○ State & Local Taxes | \$3.9 Billion |
| ○ Federal Taxes | \$9.7 Billion |
| ○ Net Spending Power | \$34.3 Billion |

| Earnings | Immigrant (Foreign Born) | U.S. Born |
|---------------------------------|--------------------------|-----------|
| \$1-\$9,999, or incurred a loss | 1.5% | 1.2% |
| \$10,000 - \$14,999 | 2.1% | 1.6% |
| \$15,000 - \$24,999 | 10% | 7.4% |
| \$25,000 - \$34,999 | 15.8% | 12.7% |
| \$35,000 - \$49,999 | 20% | 18.4% |
| \$50,000 - \$74,999 | 17.5% | 24.4% |
| Earned \$75,000 or more | 33.1% | 34.3% |

Education

At both the state and national level, immigrants are more likely to hold an advanced degree than the U.S.-born. They are also more likely to have less than a high school education. Uniquely, this allows them to fill critical shortages at both ends of the skill spectrum, from high-tech fields to agriculture, hospitality, and service industries.

| Educational Attainment | Immigrant (Foreign Born) | U.S. Born |
|------------------------------------|--------------------------|-----------|
| Less than high school diploma | 21.9% | 5.3% |
| High school diploma or GED | 19% | 22.4% |
| Some college or associate's degree | 21% | 35.9% |
| Bachelor's degree | 20.6% | 23.3% |
| Graduate or professional degree | 17.5% | 13.1% |

Undocumented and DACA-Eligible Populations

Nationally, more than three-quarters of the immigrant population lives in the U.S. legally. The vast majority of undocumented workers have lived in the country for more than five years.

DACA-eligible people (i.e., "dreamers") contribute billions of dollars to the U.S. economy. Clawing back the protections afforded to DACA recipients will likely upset local economies, communities, and schools, hurting employers and businesses dependent these young immigrants as workers and customers.

Profile of Undocumented Population in Washington (2018)¹⁹

| | |
|--------------------------|---------|
| ○ Population | 240,000 |
| ○ Percent of working age | 94% |
| ○ No Health Insurance | 46% |
| ○ Home Ownership | 31% |

Profile of DACA-Eligible in Washington (2018)²⁰

| | |
|------------------------------|--------|
| ○ Total Population | 41,000 |
| ○ Immediately Eligible | 32,000 |
| ○ Eligible but for education | 9,000 |

¹⁹ <https://www.migrationpolicy.org/data/authorized-immigrant-population/state/WA>

²⁰ <https://www.migrationpolicy.org/programs/data-hub/deferred-action-childhood-arrivals-daca-profiles>

Appendix C: Bright Spots and Challenges

Policy Bright Spots

The executive and legislative branches in Washington are demonstrating a commitment to begin addressing the systemic policy inequities that harm people of color, including immigrants. A few examples include:

Working Washington Small Business Grants

In December 2020, Commerce accepted applications for the \$100 million in new Working Washington Small Business Grants announced by Gov. Inslee. This is the third round of Working Washington Small Business grants to support small businesses in the sectors that are most impacted by the public health measures announced in mid-November. Earlier this year, Commerce distributed \$10 million dollars in Round 1 and an additional \$10 million in Round 2.

Office of Equity

The 2020 legislature created the Office of Equity within the Governor's Office to address systemic inequities.

Relief Funds for Immigrants Excluded from Other Safety Net Programs

In August 2020, Governor Inslee announced a \$40 million fund to provide relief for undocumented workers affected by the COVID-19 pandemic. The [Office of Refugee and Immigrant Assistance](#) (ORIA), within the Department of Social and Health Services, implemented the program in partnership with numerous immigrant-serving organizations and the Legal Foundation of Washington. The fund provides \$3,000,000 for food production workers who became ill or needed to quarantine from exposure to COVID-19 and are ineligible for other federal or state programs. [ORIA](#) also provides a number of other services to refugees and immigrants.

Office of Agricultural and Seasonal Workers

The 2019 legislature created an Office of Agricultural and Seasonal Workers housed with the Employment Security Department (ESD). The Office will recommend approaches to increase the effectiveness of the Department's recruitment process as part of the H-2A application

Small Business Resiliency Partnership

The Department of Commerce recently created a partnership with [20 organizations](#) that serve cultural and historically disadvantaged businesses and communities across the state. The partnership will help Commerce provide better outreach, access, and technical assistance to all businesses, communities, and cultures.

Challenges

A [2017 report](#) by the City of Seattle Office of Immigrant and Refugee Affairs documented a variety of institutional and social barriers that hold back job and career mobility and undermine the full integration of immigrant and refugees into the life of our community. These barriers include:

- Financial and language barriers
- Lack of access to immigrant specific career and employment services
- Explicit and implicit bias in educational institutions and employer hiring practices
- Limited access to professional networks and bridging social capital, and
- ESL programs that meet their learning needs.

The report concluded that to achieve labor equity, immigrants and refugees need specific forms of support in overcoming these barriers and to gain mobility into professional occupations.