WELCOME TO AKRON:

HOW IMMIGRANTS AND REFUGEES ARE CONTRIBUTING TO AKRON'S ECONOMIC GROWTH

PARTNERSHIP FOR A NEW AMERICAN ECONOMY

Knight Foundation

ACKNOWLEDGMENTS

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ABOUT THE PARTNERSHIP FOR A NEW AMERICAN ECONOMY

The Partnership for a New American Economy brings together more than 500 Republican, Democratic and Independent mayors and business leaders who support immigration reforms that will help create jobs for Americans today. The Partnership's members include mayors of more than 35 million people nationwide and business leaders of companies that generate more than $1.5 trillion and employ more than 4 million people across all sectors of the economy, from Agriculture to Aerospace, Hospitality to High Tech, and Media to Manufacturing. Partnership members understand that immigration is essential to maintaining the productive, diverse and flexible workforce that America needs to ensure prosperity over the coming generations. Learn more at www.RenewOurEconomy.org.

ABOUT THE KNIGHT FOUNDATION

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ECONOMIC CONTRIBUTIONS OF IMMIGRANTS AND REFUGEES IN AKRON

For generations, immigrants and refugees from all over the world have settled in Akron, Ohio in hopes of building better lives for themselves and their families. These new Americans have not only added cultural diversity to the local community, they are helping to drive economic growth. This report highlights how immigrants and refugees[1] play a critical role in supporting Akron's growth and development in myriad ways. By starting businesses that create local jobs, participating in key industries in the labor force, paying taxes and contributing to consumer spending, and by increasing housing values in the city, Akron's immigrant and refugee community are essential to the city's future success.[2]

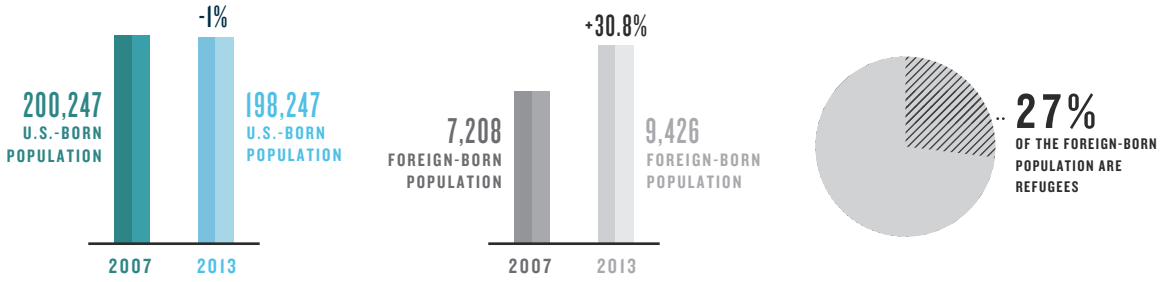
IMMIGRANTS AND REFUGEES HELP OFFSET AKRON'S POPULATION DECLINE

Population decline casts a shadow on Akron's future growth — it undermines the city's economic competitiveness, reduces the number of taxpayers, and weakens the city's political representation at state and federal levels.[3] It is well known that Akron is facing a demographic challenge. Between 2007 and 2013, the total population decreased by 1 percent, from 200,247 to 198,247 people.

However, the increase of the foreign-born population has helped offset population decline in Akron, growing 30.8 percent, from 7,208 to 9,426 people. Had the foreign-born population not increased, the decline in Akron's population would have more than doubled.

Between 2007 and 2013, the share of Akron's foreign-born population increased from 3.6 percent to 4.8 percent, and the share of the city's refugee population grew from .9 percent to 1.3 percent. The increase in the refugee population was largely due to Akron's refugee resettlement program. In 2013, 2,541 refugees made up 27 percent of the foreign-born population in the city.

FOREIGN-BORN POPULATION INCREASE HELPED OFFSET TOTAL POPULATION DECLINE IN AKRON



1. For the purposes of this report, the "foreign-born" refers to anyone born outside the United States residing in Akron — both immigrants and refugees.

2. Unless otherwise specified, data comes from three-year samples of the American Community Survey from 2007 and 2013, and figures refer to the city of Akron, Ohio.

3. Rob Paral and Associates. 2014. "Growing the Heartland: How Immigrants Offset Population Decline and an Aging Workforce in Midwest Metropolitan Areas." The Chicago Council.

Originally from Bhutan, Hem Rai learned to cook while working at a restaurant in Nepal. He later opened a small restaurant there, serving Nepalese and Indian food. In early 2015, Hem moved to Akron. He put his culinary skills to good use and started Nepali Kitchen, an ethnic restaurant that serves mostly South Asian food. One year later, he and his business partner opened another bar in the same neighborhood, hiring a local resident as their bartender.

When Hem first arrived to the United States in 2012, he lived in Dayton and didn't speak much English. After hearing about job opportunities at the Cheesecake Factory, he applied to be a cook. Due to his limited English skills, however, he was hired as a dishwasher and paid a wage of $9 an hour.

Hem didn't want English to be a barrier for his cooking career, so he worked hard to improve his language skills. He went to a community college that offered refugees free English lessons in the daytime, and worked as a dishwasher in the evening. Four months later, he approached his employer again. "I am a chef," he said. "Will you hire me as a cook or not?" The Cheesecake Factory ended up hiring him as a cook, raising his wage to $11.25 an hour.

Around that time, Hem's Bhutanese friends in Akron started to ask him to open a restaurant there, as there weren't many good Nepalese restaurants in the area. He took advantage of the business opportunity and moved to Akron with his wife, his brother, and his business partner. Now, business is good. About half of Hem's customers are local residents, and nearly a third are Bhutanese. He hasn't bought a house yet, since he wants to keep investing in his business.

Hem plans to apply for citizenship as soon as he becomes eligible next year. He thinks getting citizenship will change how he feels about the community. "I will tell myself I am no longer a refugee," he said. "I am going to become an American."

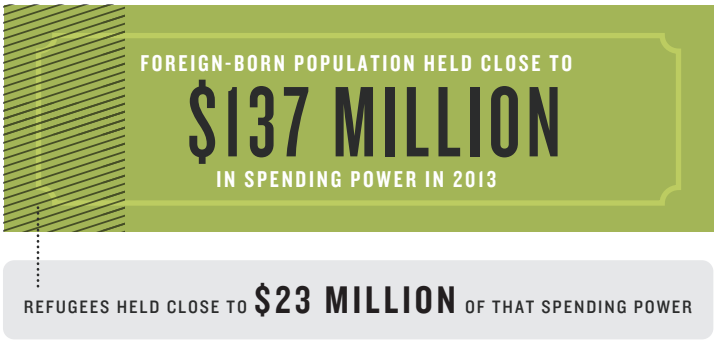
IMMIGRANTS AND REFUGEES BOOST AKRON'S ECONOMY

The foreign-born population of Akron wields considerable economic power. In 2013, immigrants and refugees held close to $137 million in spending power, defined as the net household income available to a family after paying federal, state, and local taxes — the disposable income of a given household. Foreign-born residents from Asia accounted for $45 million of that amount, and refugees held close to $23 million.

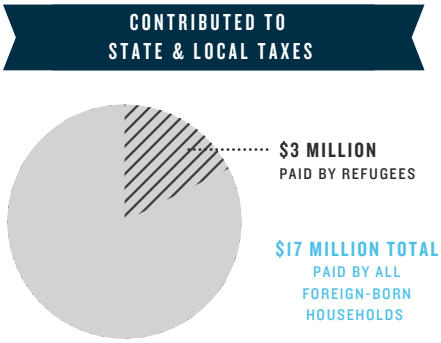
Given their income, we estimate that foreign-born households contributed more than $17 million in state and local taxes in 2013, including property, income, sales, and excise taxes levied by either the State of Ohio or by municipal governments. Of this, refugees paid more than $3 million in state and local taxes.[4]

Foreign-born households also support federal social programs. In 2013, foreign-born households in Akron contributed $18.8 million to Social Security and $4.4 million to Medicare, including contributions of $3.6 million to Social Security and nearly one million dollars ($843,875) to Medicare by refugee households.

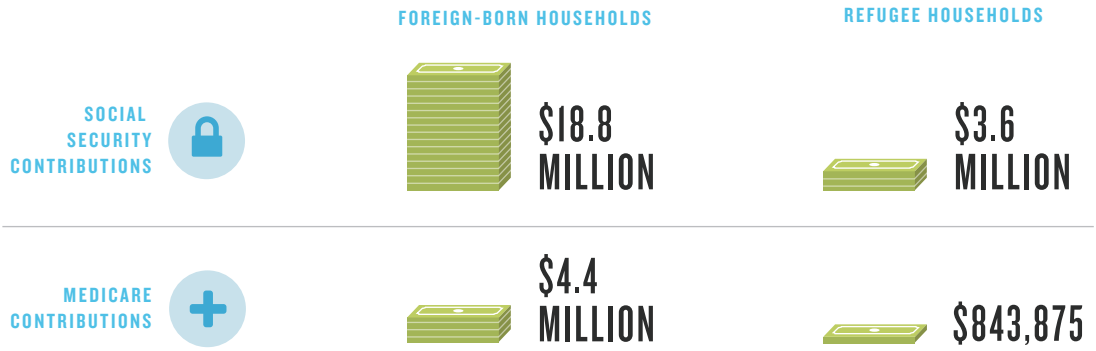
SPENDING POWER IN AKRON



TAX CONTRIBUTIONS IN AKRON



SOCIAL SECURITY AND MEDICARE IN AKRON



4. Based on tax rates from Institute on Taxation and Economic Policy. (2015) "Who Pays? A Distributional Analysis of the Tax Systems in All Fifty States."

NARESH & SRIJANG SUBBA

Born in Bhutan, Naresh & Srijang Subba are brothers who spent years living in a refugee camp in Nepal before they moved to the United States in 2002 and 2009, respectively. In Akron, they run Family Groceries, a grocery store that sells primarily South Asian foods to local residents. Since opening the business in 2011, their store has expanded from 1,900 square feet to 8,000 square feet and has hired six full-time employees.

In 1992, six months after graduating with a bachelor's degree in science in Bhutan, Naresh left the country amid political unrest to seek refuge in a camp in Nepal. Together with other refugees, he started a school to educate children in the camp. Later, to continue his own education, he came to the United States on a student visa in 2002 and later graduated from a Ph.D. program in nuclear physics at Kent State University. However, because of an illness that would require years of treatment, he had to quit his post-doc program and teaching job at Hiram College in 2010.

By that time, Srijang and other family members had moved to Akron as refugees. As they settled down, the family found that they must drive about 45 minutes from Akron to Cleveland to get Bhutanese groceries. Understanding that this was an inconvenience most of the community faced, the brothers and one of their nephews decided to open a local grocery store to offer Akron's Bhutanese residents the food they missed from home. With about $55,000 borrowed from family members and friends, they opened Family Groceries in 2011. In addition to Bhutanese products, their store also carries Burmese, Thai, Mexican, and African foods. Each day, they serve about 200 to 300 customers.

Naresh owns a house in Kent, and commutes to Akron everyday to run the store. Srijang is in charge of inventory, and at times has to drive to New York to get the products they need. "When I return from New York to Akron, I feel like I am home," said Srijang.

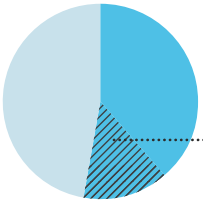
Naresh became a U.S. citizen in 2014 and Srijang was naturalized in early 2016. "We're going to be here for generations to come," Naresh said. Naresh's elder son, who was born in Nepal and came to the United States at the age of eight, is serving in the Marines. He enlisted when he was a freshman at Kent State University. He told Naresh that the United States had given his family a lot, so he wanted to give back to his country.

HOW IMMIGRANTS SUPPORT THE REGION'S HOUSING MARKET

As immigrants and refugees settle into the region, they increase the demand for local houses and boost property values. During the period of 2000 to 2013, foreign-born residents have in turn increased the total housing value in Summit County by $207 million.[5]

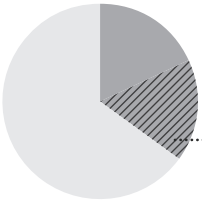
Close to 53 percent of Akron's U.S.-born residents are home-owners, compared with 35 percent of foreign-born residents in the city. However, a higher percentage — 16.8 percent — of the foreign-born own their houses without any debt, compared with 14.2 percent of U.S.-born residents. About 25 percent of refugees are home-owners, while more than 72 percent contribute to the rental property market.

HOME-OWNING RESIDENTS IN AKRON



53%
OF U.S.-BORN RESIDENTS ARE HOME-OWNERS

14.2%
OWN THEIR HOUSES WITHOUT ANY DEBT



35%
OF FOREIGN-BORN RESIDENTS ARE HOME-OWNERS

16.8%
OWN THEIR HOUSES WITHOUT ANY DEBT

DURING THE PERIOD OF 2000 TO 2013, THE TOTAL HOUSING VALUE IN SUMMIT COUNTY INCREASED BY $207 MILLION.

5. Vigdor, Jacob. (2013) "Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market." Partnership for a New American Economy.

Adele Dorfner Roth exemplifies exactly how a diverse city government can help spur economic growth. Currently the Mayor's Deputy Director of Planning and Urban Development, Adele came to the United States from Brazil as a small child, trained as an economist, and piqued the interest of Akron's mayor Don Plusquellic in 2006, who at the time was devising a new economic development plan for the city.

Adele and her family moved to Akron from Brazil when her father, an engineer, was hired by the Akron-based tire company Mohawk. "He's a huge risk taker," Roth says. "Like most immigrants, he left everything behind." It was only a matter of time before Roth's father started his own business, the Akron Tire Engineering and Machinery Company, which helped tire plants around the globe upgrade and resell their equipment.

Roth, meanwhile, trained as an economist and eventually became the company's CFO, orchestrating deals and helping to turn it into a million-dollar enterprise. Her training and experience made her a prime candidate to help the city of Akron launch a new economic development strategy that aimed to bring in business from abroad. "...[S]ince I'd been traveling to different countries, it made a lot of sense having somebody who understood international trade and cultures. I also speak three languages very well: Portuguese, English and French," Roth explained.

Roth joined the city's Department of Economic Development in 2006, where she identified companies eager to enter the U.S. market. "Their products could be manufactured here and create jobs here," she says.

Today, she continues this work as Deputy Director of Planning and Urban Development. For her, increasing Akron's economic potential isn't an abstraction. "My parents really think of Akron as home," she says. "Having children and raising them in Akron made me realize that my roots are here. I want this city to be a place where my daughters want to be. Nothing drives me more than that."

THE ROLE OF IMMIGRANTS AND REFUGEES IN THE LABOR FORCE AND AS ENTREPRENEURS

As baby boomers retire, the foreign-born population helps keep Akron's labor force young and active. About 86 percent of refugees were of working age in 2013, compared to 80 percent of all immigrants and 66 percent of the U.S.-born population. From 2007 to 2013, the share of the working-age population that was foreign-born increased from 3.9 percent to 5.8 percent.

During that time, the percentage of the employed labor force that is foreign-born rose from 4.1 percent to 5.2 percent. Immigrants and refugees play an outsized role in several of Akron's top industries. In 2013, while 4.8 percent of the population, foreign-born residents represented 11 percent of the workers in manufacturing; 8.3 percent in general services;[6] 7.1 percent in education; and 5.8 percent in retail trade. Foreign-born residents are also disproportionately represented in science, technology, engineering and mathematics (STEM) jobs, with 11.7 percent of all STEM workers estimated to be foreign-born.

Although refugees only made up 1.3 percent of the population, they represented 5.6 percent of Akron's manufacturing workers and 6.7 percent of workers in the city's service industries.

Because of the role that the foreign-born play in the workforce, helping companies keep jobs on U.S. soil, we estimate the immigrants and refugees of Summit County helped create or preserve 1,156 local manufacturing jobs that would have otherwise vanished or moved elsewhere.[7]

Foreign-born residents are also more likely to start new businesses than the population overall. While 6.2 percent of the U.S.-born population is self-employed, 11.1 percent of foreign-born residents work for their own businesses that create local jobs.

PERCENT OF POPULATION OF WORKING AGE IN 2013 IN AKRON

SELF-EMPLOYED OR RUN THEIR OWN BUSINESSES IN AKRON

6.2%

OF THE U.S.-BORN POPULATION ARE SELF-EMPLOYED OR RUN THEIR OWN BUSINESSES

11.1%

OF IMMIGRANTS AND REFUGEES ARE SELF-EMPLOYED OR RUN THEIR OWN BUSINESSES

JOBS CREATED IN AKRON

1,156

LOCAL MANUFACTURING JOBS WERE CREATED OR PRESERVED IN SUMMIT COUNTY THANKS TO IMMIGRANTS AND REFUGEES

6. General services include personal services (e.g. laundry services, barber shops, and repair and maintenance), religious organizations, social services, and labor unions.

7. Vigdor, Jacob. (2013) "Immigration and the Revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market." Partnership for a New American Economy.

ROLE OF IMMIGRANTS IN KEY INDUSTRIES IN AKRON

STEM

11.7%
OF ALL STEM WORKERS ARE FOREIGN-BORN

MANUFACTURING

11%
OF ALL MANUFACTURING WORKERS ARE FOREIGN-BORN

GENERAL SERVICE

8.3%
OF ALL GENERAL SERVICE WORKERS ARE FOREIGN-BORN

EDUCATION

7.1%
OF ALL EDUCATION WORKERS ARE FOREIGN-BORN

RETAIL TRADE

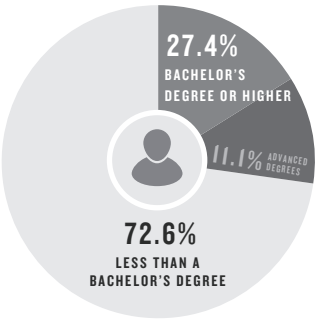
5.8%
OF ALL RETAIL TRADE WORKERS ARE FOREIGN-BORN

REFUGEE REPRESENTATION IN KEY INDUSTRIES IN AKRON

THE EDUCATION AND TRAINING LEVELS OF IMMIGRANTS AND REFUGEES

Foreign-born residents in Akron tend to have significantly higher levels of educational attainment than the population overall. While just over 18 percent of Akron's U.S.-born population hold at least a bachelor's degree, more than 27 percent of immigrants are similarly educated. About 11 percent of foreign-born residents of Akron have advanced degrees (master's, professional degrees, and doctorates), compared to 8.5 percent of the U.S.-born population.

Close to 16 percent of refugees in Akron hold at least a bachelor's degree, while about 42 percent of refugees hold at least a high-school diploma. About 52 percent of refugees in Akron have limited English skills.



FOREIGN-BORN IN AKRON

U.S.-BORN IN AKRON

11.1%
OF THE FOREIGN-BORN POPULATION HAS AN ADVANCED DEGREE

8.5%
OF THE U.S.-BORN POPULATION HAS SUCH TRAINING

27.4%
OF THE FOREIGN-BORN POPULATION HOLD BACHELOR'S DEGREES

18.2%
OF THE U.S.-BORN POPULATION DOES

APRIL PAW

Born in 1994, April Paw grew up in one of the biggest refugee camps in Thailand. To pay for the education of April and her siblings, her mother trained to work as a nurse. In 2007, April took her first trip out of the camp and moved to the United States with her family. Now in her junior year at the University of Akron, April is studying nursing, hoping to follow the footsteps of her mother and help people in her local community.

April learned about the opportunity for her family to move to the United States at the age of 10. By that time, many of her friends had moved here and sent her pictures of their new lives. "Everything is just so beautiful," she recalled of those photos. "It's just like heaven." Although she felt sad about leaving her family and friends behind when it came time to leave the camp, she was also excited about starting a new life in Akron.

But real life painted a different picture for her after she first arrived. Enrolled in the eighth grade, April struggled at school because she didn't speak any English. "Every day was an anxiety," she said. "What is the point of going to school when you don't understand a thing?" Her school found a sixth-grader who spoke her native language of Karen to translate for her, and later assigned her a mentor who taught English as a second language. As her English improved, she became more comfortable at school. By the time she started high school, her outgoing personality had won her many friends.

Since April was a little girl in the refugee camp, nursing has been her passion. During her junior year in high school, April was accepted into a pre-nursing program which required a GPA of at least 3.8. In the program, she learned that nursing could be physically and emotionally exhausting, but she chose to continue her study into college. While taking clinical courses, she is working as a student nurse and a medical interpreter as a native speaker of Karen. April's goal is to pass the exam to become a registered nurse and find a job in Akron after she graduates. She believes the local community needs more nurses, especially those who can speak more than one language.

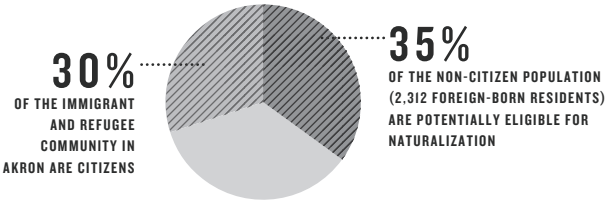
THE PATH TO CITIZENSHIP

Numerous studies have documented that naturalized citizens out-earn non-citizens by as much as 16 percent, giving them more income to contribute to taxes and to spend in the local economy.[8] Naturalized citizens are also eligible to work in a number of occupations that require citizenship — most notably, government service positions and scientific research posts requiring a security clearance. And due to the increased ease with which they can apply for licenses and insurance, naturalized citizens are also more likely to establish U.S.-based businesses, creating jobs that support the local economy in the process.[9]

Akron and its foreign-born community are well positioned to capitalize on the economic benefits that come with obtaining citizenship. While close to 30 percent of the immigrant and refugee community in Akron are citizens, about 35 percent of the non-citizen population (2,312 foreign-born residents) are potentially eligible for naturalization.

Refugees are more likely to become naturalized when compared to all immigrants. About 62 percent of Akron's refugees eligible for naturalization have become U.S. citizens, compared with 54 percent of all immigrants.

ELIGIBILITY FOR NATURALIZATION IN AKRON



LIKELIHOOD TO BECOME NATURALIZED IN AKRON

REFUGEES HAVE A LIKELIHOOD OF

62%

OF NATURALIZING

ALL IMMIGRANTS HAVE A LIKELIHOOD OF

54%

OF NATURALIZING

CONCLUSION

Amid the decline in Akron's overall population from 2007 to 2013, foreign-born residents played an outsized role in supporting the city's economy as small business owners who created local jobs; STEM workers who took up hard-to-fill jobs; consumers who spent on local goods and services; homeowners who bought local houses; and taxpayers who supported various programs at federal, state, and city levels. As Akron keeps attracting more immigrants and refugees to the city, these new Americans will become an increasingly indispensable part of the city's future success story.

8. Lynch, Robert and Oakford, Patrick. 2013. "The Economic Effects of Granting Legal Status and Citizenship to Undocumented Immigrants," Center for American Progress, March 20.

9. Pastor, M. and Scoggins, J. 2012. "Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy," Center for the Study of Immigrant Integration, University of Southern California

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