NOW HIRING?
LATINOS AND THE JOB CREATION POLICIES IN THE SOUTH ATLANTIC
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*Delaware, North Carolina, South Carolina, Georgia, and Florida*

By Alicia Criado
The National Council of La Raza (NCLR)—the largest national Hispanic civil rights and advocacy organization in the United States—works to improve opportunities for Hispanic Americans. Through its network of nearly 300 affiliated community-based organizations, NCLR reaches millions of Hispanics each year in 41 states, Puerto Rico, and the District of Columbia. To achieve its mission, NCLR conducts applied research, policy analysis, and advocacy, providing a Latino perspective in five key areas—assets/investments, civil rights/immigration, education, employment and economic status, and health. In addition, it provides capacity-building assistance to its Affiliates who work at the state and local level to advance opportunities for individuals and families.

Founded in 1968, NCLR is a private, nonprofit, nonpartisan, tax-exempt organization headquartered in Washington, DC, serving all Hispanic subgroups in all regions of the country. It has regional offices in Chicago, Los Angeles, New York, Phoenix, and San Antonio and state operations throughout the nation.

NCLR
Raul Yzaguirre Building
1126 16th Street, NW, Suite 600
Washington, DC 20036-4845
(202) 785-1670
www.nclr.org

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**EXECUTIVE SUMMARY**

The purpose of this report is to examine the implications of South Atlantic* state job creation policies on Latino workers’ ability to obtain employment in the region. The report’s findings help answer the main research questions:

- Are Latinos benefiting from job growth?
- Where do we find a significant presence of Latino workers?
- What are the areas of promise for Latino workers?

Research for this report included analysis of demographic data from the U.S. Census Bureau and interviews with 35 regional stakeholders, from government officials to service providers. The report is by no means conclusive, but rather serves as a basis for discussion and further research.

The report uncovers the following major findings:

**Limited educational attainment and English proficiency disadvantage many Latino workers.** A majority of the Hispanic workforce in the South Atlantic is underprepared to meet the skills and educational requirements of employers in growth industries.

**Business recruitment thrives as job training languishes.** With little exception, most South Atlantic states have approached economic development by creating and expanding business tax incentives in an effort to recruit more employers to their region. As a result, necessary investments in workforce development have lacked.

**Businesses react by recruiting workers from out of state.** All states struggle with the inability to provide a workforce with the required skills and training to meet industry needs. In response, employers throughout the region are forced to recruit non-local workers.

**Unfilled openings in bilingual jobs demonstrate policy lag.** Elevated concentrations of limited English proficiency among Latino adults in the region coupled with inadequate access to language training has limited Hispanics’ ability to fill the growing need for bilingual workers.

**Budding Hispanic enterprises are on unsure footing.** Business support and training is needed to ensure the sustainability and success of the region’s rapidly growing Hispanic-owned businesses.

**Anti-immigrant laws and rhetoric hurt workers and businesses.** The region’s wave of anti-immigrant legislation has resulted in lost production and profits for businesses, employer misuse and abuse of electronic verification systems, and overall hiring discrimination. This has increased fear, hampered businesses, and generated a chilling effect on employers’ inclination to hire Latinos, regardless of workers’ immigration status.

Another notable but less significant finding is related to geography:

**Geographic alignment of jobs and workforce do not guarantee employment.** While further research is needed, it appears that most Hispanics, including those residing in counties with significant growth, are unlikely to access new job opportunities.

* The South Atlantic is one of the nine Census Bureau Divisions within the United States that are recognized by the U. S. Census Bureau. According to the U.S. Census Bureau, the following states are a part of the South Atlantic: Delaware, Maryland, District of Columbia, Virginia, North Carolina, South Carolina, Georgia, and Florida.
despite overrepresentation in several growth industries in the South Atlantic.

The lessons of this research indicate that job creation policies should be amenable to business needs while cultivating an adequately trained and educated labor force prioritizing local hiring. This research leads to the following implications for policy:

- **Align business attraction and workforce development strategies.**
- **Build a workforce pipeline that matches industry needs.**
- **Improve access to workforce development programs for individuals with low educational and English-language attainment.**
- **Integrate support for small business into job creation strategies.**
- **Halt the progress of flawed anti-immigration and employment verification laws at the state level.**
- **Promote policies that strengthen businesses and preserve the hiring of the local workforce.**
- **Examine geographic barriers and obstacles restricting access to employment.**
INTRODUCTION

In the wake of the Great Recession of 2007–2009, policymakers in the South Atlantic* region of the United States have used a variety of strategies to create jobs and bring down unemployment rates in their region. This report finds that while post-recession job growth has improved in some industries in the South Atlantic, employment outcomes for Latino† workers have been generally weak.

Focusing on the South Atlantic region is instructive because the health of the economy in the South Atlantic is increasingly dependent on Latino workers. Although the Hispanic workforce in this region is relatively small, it is growing rapidly. According to 2010 U.S. Census data, between 2000 and 2010 the Hispanic population in the South Atlantic region grew by 42.4%, from 4.2 million to 7.3 million, compared to the 9.6% growth experienced by the region’s non-Hispanic population.

The early warning signs uncovered in this research call for serious policy discussions on how to ensure that jobs are available and achievable for a broader share of workers and families in the South Atlantic. The lessons from this region are also relevant to policymakers, businesses, and nonprofit service providers in other states with emerging Latino populations, such as Kentucky, Arkansas, Alabama, and Mississippi. Finally, the South Atlantic experience informs the debate at the federal level about how to create jobs and sustainable economic growth.

* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland, and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.

† The terms “Hispanic” and “Latino” are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race. These data do not include the 3.7 million residents of Puerto Rico.
**METHODODOLOGY**

Analyzing short-term, recent trends for a relatively small population makes it difficult to draw reliable conclusions based on Census data alone. Therefore, the author concluded that it was necessary to talk to real people to understand what the Census data meant in the context of individual workers’ lives. This combined approach provides a richer context and more accurate answers to the research questions.

**Research Questions**

Three core research questions guided the interviews for this report. The insights gathered from these questions provide state and local policymakers, service providers, and other regional stakeholders with insights into how state economic growth policies affect their respective economies as well as how Latinos are faring in the post-recession economy.

- Are Latinos benefiting from job growth?
- Where do we find a significant presence of Latino workers?
- What are the areas of promise for Latino workers?

Appendix A lists the full set of questions and sub-questions used for the interviews.

**Stakeholders**

In order to understand the dynamics of job growth and Hispanic workers in the South Atlantic region, five states were selected for data collection and analysis. States were selected based on employment, population, and political trends during the past few years.

The states selected include:
- Delaware
- North Carolina
- South Carolina
- Georgia
- Florida

Interview questions were designed to gather information from the following types of stakeholders:

- Local and state government representatives
- Small business owners
- Grassroots/community-based organizations
- Nonprofit social service providers
- University representatives (including labor market experts and economists)

Appendix B lists the stakeholders interviewed for the report.

**Data Sources**

In an effort to understand the current economic realities in the South Atlantic region, particularly among the Hispanic labor force, this report uses data from the following four sources: state labor market performance, state industry employment, Census, and regional stakeholder interviews.

**State labor market performance.** U.S. Department of Labor, Bureau of Labor Statistics data were used to assess regional labor market performance between 2008 and 2011. The data include statistics on employment and unemployment rates and industry growth.

**State industry employment.** U.S. Census Bureau, American Community Survey (ACS) 3-year estimate (2007–2009) data were used to examine state industry employment trends and Latino representation in growth industries.

**Population data.** Data from the most recent decennial Census (2010) provided population growth information.

**Regional stakeholder interviews.** From July 2011 to January 2012, NCLR conducted 35 interviews by phone with stakeholders in Delaware, North Carolina, South Carolina, Georgia, and Florida. Interviews were
Analytical Approach and Limitations

Regional analysis. Although the District of Columbia, Maryland, and Virginia are a part of the South Atlantic region, they were not included in this report because they do not demonstrate outstanding numbers in terms of Latino population growth. West Virginia was excluded from this analysis because the Hispanic population is too small to be compared with the other geographic areas in the South Atlantic.

Regional stakeholder interviews. Attempts to capture the perspectives of large businesses that have 500 employees or more proved to be difficult in regards to data collection. Lack of participation on behalf of big business is a reflection of the volatile economy, where companies are concerned with protecting and defending their reputation. Possible fear of exposing any internal vulnerabilities or marketing and expansion tactics could also explain why big business representatives throughout the region were not willing to be interviewed for this report.

Regional labor market data. The employment data used in this report is from 2009 to 2011; however, employment outcomes discussed are reflective of 2011 observations, particularly job counting data. Nonetheless, historical trends allow for extrapolation to current economic conditions. Our findings are also complemented by media investigations of these trends.

Overviews of state job creation policies. Assessing the effectiveness of state job creation policies for the Latino workforce is made more difficult by the lack of public transparency in most states’ plans for economic growth and job creation. For example, according to Good Jobs First, a national organization promoting corporate and government accountability in economic development, Delaware does not publicly disclose the names of economic development recipients for any of its programs. Yet, in 2011 the state appropriated $30 million for new grants and loans in the name of economic development as part of its Strategic Fund.

The lack of transparency in state job creation policies is also a disadvantage for small business owners, workforce development service providers, and other stakeholders who need information about state resources in order to fairly compete for them. It is highly unlikely that these actors would go as far as filing a Freedom of Information Act request, as Good Jobs First did, simply to gain access to concrete information about the state’s priority industries and the incentives available for job creation and economic development. The inability to access this information is not only a limiting factor for research but also for accountability to taxpayers.
LABOR MARKET TRENDS IN THE SOUTH ATLANTIC

A region once characterized by booming local economies, the South Atlantic entered the Great Recession in December 2007 with some of the nation’s lowest unemployment rates. Today state policymakers in the region are often quoted as leaders who are creating “business-friendly” environments in the name of jobs.

But what do “business-friendly” environments yield in terms of access to employment and job quality? Two of the most commonly used labor market indicators of the economy’s health are the unemployment rate and the employment-to-population ratio, which is the percentage of working-age population that is employed. The following section provides an overview of key economic indicators in South Atlantic states (see State Profiles and Appendices for additional information on each state in the South Atlantic region).

Unemployment

At the end of the recession in June 2009, the national unemployment rate was 9.5%. By 2010, most unemployment rates in the South Atlantic trended upward, particularly in key states like Florida, Georgia, North Carolina, and South Carolina, where unemployment rates placed them well above the national rate (see Figure 1.1). The region’s recovery is moving at a slow pace given that many these states relied on hard-hit industries like housing construction to bolster their local economies.

Figure 1.1
Unemployment Rates by State
Total Population (2010)


* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland, and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.

† The unemployment rate is the proportion of the labor force that is unemployed but willing to work and actively seeking employment.
Employment-to-Population Ratio
At the start of the recession in December 2007, the national employment-to-population ratio was 62.7%. When the recession ended in June 2009, the ratio decreased by 3.3 percentage points to 59.4%. A similar trend occurred in the South Atlantic region. In 2010, the South Atlantic’s sluggish job creation mirrored that of the nation overall (see Figure 1.2). The region’s employment-to-population ratio of 57.3 was a 1.2 percentage point loss from 2009. In fact, all states in the region experienced a negative change in employment-to-population ratio between 2009 and 2010. This signals an urgent need for well-crafted job creation policies in order for the South Atlantic region to contribute to the country’s economic recovery.

Both the unemployment rate and employment-to-population ratio are labor market indicators which suggest that the South Atlantic’s return to “business as usual” as was known pre-recession is not on the immediate horizon. However, certain industries in the region are showing signs that might translate into better labor market outcomes for the region’s struggling workforce, as discussed in the next section. Industry analysts are optimistic. For instance, according to the National Restaurant Association’s 2011 Restaurant Industry Forecast, of the nine U.S. Census regions, “the South Atlantic is expected to post the strongest restaurant sales growth at 3.9%, totaling $93.9 billion.” The Association attributes the success of the restaurant industry in the region to growth in population, employment, and disposable income. Regional investments and innovations in logistics, automotives, energy, biotech, and renewables have also earned the South Atlantic states the label of “survivors,” potentially positioning the region to help lead “America’s emergence as an energized, globally competitive nation on solid economic footing.”

Figure 1.2
Employment-Population Ratio by State
Total Population (2010)

SIGNSOFLABORMARKETRECOVERY

While the country continues to face a substantial jobs scarcity, it is important to understand which industries are helping to add jobs to the economy. An analysis of South Atlantic job losses and job growth as well as leading private-sector industries follows in order to help answer this question.

Total Over-The-Year Employment Growth for the Region

As Table 1.3 demonstrates, between March 2010 and March 2011, the region experienced a growth of approximately 171,000 employees. Florida alone added 51,000 employees. Yet, unemployment levels are not decreasing significantly. As the working-age population grows and the South Atlantic population increases, employment growth is needed in order for states to get residents who want to work back on the job and return to pre-recession unemployment levels. Otherwise, states risk unemployment rates increasing once again.

Growth Industries

Figure 1.4 highlights the South Atlantic’s employment performance between March 2010 and March 2011. The region’s industry leaders include:

- Leisure and hospitality
- Education and health services
- Professional and business services

The full list of industry sectors and subsectors that fall under these supersector industry categories is available in Appendix C.

Although these industries are adding jobs, overall employment growth remains sluggish, on par with most of the country. While it is premature to accurately forecast the duration

<table>
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<th>Total Over-the-Year Employment Growth</th>
<th>March 2010</th>
<th>March 2011</th>
<th>Change in Employment</th>
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<tr>
<td>Total Region</td>
<td>23,863.4</td>
<td>24,035</td>
<td>171.6</td>
</tr>
<tr>
<td>Delaware</td>
<td>410.2</td>
<td>415.8</td>
<td>5.6</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>707.6</td>
<td>713</td>
<td>5.4</td>
</tr>
<tr>
<td>Florida</td>
<td>7,153.8</td>
<td>7,205.3</td>
<td>51.5</td>
</tr>
<tr>
<td>Georgia</td>
<td>3,818.7</td>
<td>3,824.6</td>
<td>5.9</td>
</tr>
<tr>
<td>Maryland</td>
<td>2,504.7</td>
<td>2,510.1</td>
<td>5.4</td>
</tr>
<tr>
<td>North Carolina</td>
<td>3,858.2</td>
<td>3,894.7</td>
<td>36.5</td>
</tr>
<tr>
<td>South Carolina</td>
<td>1,796.2</td>
<td>1,820.5</td>
<td>24.3</td>
</tr>
<tr>
<td>Virginia</td>
<td>3,614</td>
<td>3,651</td>
<td>37</td>
</tr>
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of employment growth trends in the South Atlantic, recent trends do highlight areas of opportunity for workers in the region. As described in Major Findings, Latinos are participating to some extent in these growth industries—for instance, the boom of Latino-owned accounting businesses in Florida—but there is much work to be done to fully tap the potential of this growing labor force.

**Figure 1.4**

Employment Performance by Industry
(March 2010–March 2011)

![Bar chart showing employment performance by industry in the South Atlantic from March 2010 to March 2011.](source)

Now Hiring? Latinos and the Job Creation Policies in the South Atlantic

Portrait of Hispanic Workers in the South Atlantic

Growth in Population
Today, the nation’s 23 million Latino workers make up 15% of the United States workforce. By 2018, Hispanics are expected to make up 18% of the labor force. Aside from Florida, which started attracting Cubans to work in the Tampa area in cigar-making and other industries starting in the 19th century, the states in the South Atlantic are not historically home to large numbers of Latinos. Yet, within the South Atlantic region, Delaware, Maryland, North Carolina, and South Carolina now rank among the states with the largest growth of Latino populations between 2000 and 2010. As Maps 1.5 and 1.6 demonstrate, the region experienced a substantial growth in both overall Latino population and working-age Latino population (16–65) between 2000 and 2010. Within this region, every state except for the District of Columbia and Florida experienced over a 90% Latino population growth.

Latino Labor Force Contributions in the South Atlantic
In each state in the region, the Hispanic share of the labor force closely mirrors their share of total state population. Overall, Latinos represent nearly 12% of the region’s total labor force, and in Florida alone Latinos represent 22% of the state’s workforce and 60% of the region’s labor force (see Figures 1.7 and 1.8). The continued growth of the Latino labor force has enormous economic implications for these states. In each state examined, Hispanics are not only participating but in many instances are overrepresented in occupations that contribute to state growth industries.

Map 1.5

Map 1.6

The top industries with the most Latino representation in each state are as follows:

- Delaware: Landscaping services (44.3%)
- North Carolina: Crop production (34.8%)
- South Carolina: Animal slaughtering and processing (23.2%)
- Georgia: Landscaping services (34.2%)
- Florida: Crop production (64.9%)

See the State Profiles section for more information about how the Latino labor force contributes to specific industries in each state.

**Latino Post-Recession Labor Market Trends**

Across the country, workers and families are still enduring the hardships and loss—of employment, economic security, or both—that resulted from the Great Recession. The Latino workforce has been particularly hard hit by unemployment. Until the collapse of the housing market, Hispanic unemployment rates throughout the country were similar to national unemployment levels. During the Great Recession, the achievements made in reducing the unemployment rate...
for Hispanic workers quickly disappeared, with the unemployment rate for Hispanic workers increasing to 13.1% in October 2009, three percentage points higher than the 10.1% overall unemployment rate at the time. As of July 2012, the national Latino unemployment rate was 10.3% compared to the 8.3% national unemployment rate.

The disparities for Latinos living in the South Atlantic region are similar. As Figure 1.9 shows, South Atlantic unemployment rates in 2010 paint a bleak picture for Latinos. With the exceptions of the District of Columbia, South Carolina, and Virginia, Hispanic unemployment rates were above state unemployment rates (see the State Profiles section to learn more about Latino post-recession trends in the region).
Limiting Educational Attainment and English Proficiency Disadvantage Many Latino Workers
A disproportionate number of Latinos in the South Atlantic has limited formal educational attainment and/or English proficiency, which puts them at a disadvantage when competing for scarce job opportunities in the South Atlantic industries. Regionally, Georgia is home to the largest share of Hispanic adults over the age of 25 without a high school diploma (44.2%), which is higher than the national rate (35.7%). At the same time, many new job openings in the region require some post-secondary training. According to North Carolina’s Department of Commerce, 42% of the new jobs being created in the state will require some post-secondary education, many in Science, Technology, Engineering, and Math (STEM) disciplines.

Even among Latinos who have the educational background to gain access to higher-skilled jobs, many still lack the language skills necessary for high-wage jobs. For example, South Carolina has the largest share of Hispanics with limited English proficiency in the region; nearly three out of four (73.5%) Latinos over the age of 25 speak English less than very well.

Business Recruitment Thrives as Job Training Languishes
The economic development plans of the South Atlantic states show little evidence in that policymakers recognize the negative impact that the skills and language barriers of Latinos in the South Atlantic have on employment outcomes in their states. Throughout the region, policies intended to grow local economies have taken the form of tax subsidies to lure companies to their respective states. Some local observers criticize this narrow focus on business attraction, saying that it short-circuits job growth because the business attraction incentives are not paired with adequate investment in workforce training and education to prepare individuals for new jobs.

Georgia is one example. According to Good Jobs First, a national organization promoting corporate and government accountability, most recent costs show that economic development investments for Georgia’s four largest business subsidy programs were approximately $62 million. Donna Ennis, Program Director of Atlanta’s Minority Business Development Agency Business Center, an organization focused on promoting the growth and competitiveness of minority business enterprises, believes that “state job creation policies have prioritized recruiting companies to the state through various tax incentives without proper attention to address the state’s workforce skills gap.”

MAJOR FINDINGS
As is made clear in the state profiles included in this report, due to demographic changes the destiny of Latino workers and the economy of the South Atlantic are inextricably linked. However, in the wake of the recession, state policies have missed major opportunities to tap the potential of its Latino workforce, to the detriment of workers and businesses alike. First, policies aimed at economic development have not adequately addressed major barriers to employment—low educational attainment and limited English proficiency—that affect a disproportionate share of Latino workers. Second, states have yet to recognize and respond to the financial and technical needs of Latino entrepreneurs, who themselves are a fast-growing pool of potential job creators. Finally, an anti-immigrant environment that pervades the region—and in some cases, state policies—has cast a cloud over economic progress and hurt both workers and businesses.
Florida is another example. Not one of Governor Rick Scott’s 45 strategies for job creation, as outlined in a 2012 plan, directly addresses the deficiency of education and skills plaguing Florida’s workers, especially its diverse Latino labor force.\(^\text{18}\) The emphasis on business attraction, on the other hand, is clear: Florida’s top five business attraction subsidy programs cost the state $152 million.\(^\text{19}\) Ray Ruga, CEO of a marketing firm in South Florida, explains that his company has difficulty finding qualified workers in Florida and believes “there is a need for retooling the state labor force because schools in general are not producing individuals with the necessary skills for the new economy.”

Some states are beginning to recognize that their adult workforce is not fully prepared for jobs in the businesses the states are attracting, and are responding through new workforce training initiatives (see “State Efforts to Diagnose the Skills Gap Problem”).

**Businesses React by Recruiting Workers from Out-of-State**

In response to a reported dearth of skilled labor, businesses in the South Atlantic have turned to recruiting prospective employees across state lines. Steve Warner, Vice President of Global Marketing and Regional Competitiveness at South Carolina’s Charleston Regional Development Alliance affirms that South Carolina’s job growth challenge has been and continues to be related to “not having a workforce that can meet the demand for high-skilled job growth.” As a result, he asserts that “employers have been forced to recruit employees from outside the state—that limits the promise for state economic growth.”

In Florida, a similar problem is occurring. Rebecca Rust, Director of the Labor Market Statistics Center at the Florida Department of Economic Opportunity, insists that the state “wants to do a better job of training workers so that employers do not have to rely on recruiting workers outside of Florida, because ultimately businesses don’t really care where they get their workers from.”

Paul Cejas, Founder, Chairman and CEO of CareFlorida Health Systems, Inc., the country’s largest Hispanic-owned healthcare company, agrees. Cejas believes that Florida’s issues extend beyond the recent recession regarding the state’s inability to meet the needs of employers. According to Cejas, Florida needs “significant investments in proper education and training to ensure that business needs are strategically aligned with both state education systems and workforce development systems.”

**Unfilled Openings in Bilingual Jobs Demonstrates Policy Lag**

As the Hispanic consumer base has grown quickly in South Carolina, the demand for bilingual employees has also increased. The Bureau of Labor Statistics projects a 42% increase in interpreter and translator occupations, specifically Spanish speakers in healthcare and law, from 2010 to 2020 because of the projected growth in the national Latino population.\(^\text{20}\) In the South Atlantic, however, limited English instruction classes have left many Latinos with limited English proficiency unable to improve their language abilities and qualify for these jobs.

“In recent years, employers, particularly in the manufacturing sector, have expressed the need for English as a Second Language courses for their workers and more bilingual employees in order to address their communication issues with their workers,” said Mary Graham, Senior Vice President of Business Advocacy at the Charleston Chamber of Commerce.

Yet the task of teaching English usually falls to local workforce development programs, like South Carolina’s Connecting People to
Jobs, which have insufficient funding to meet the demand of the limited-English-proficient population. Ivan Segura, manager of the Connecting People to Jobs/WIA program, places emphasis on job training, support services, and “ensuring clients prioritize English language courses in order to meet the needs of employers in industries like health care.”

With limited dedicated public resources for English language training, demands for bilingual workers remain largely unmet. Segura confirms that, as in other cases when businesses cannot find homegrown qualified workers, they look to other states. Segura has observed an increase of out-of-state bilingual Hispanics with the required medical training filling those jobs, particularly from Florida. While this may be an overall win for the national Latino labor force, this observed trend is a lost opportunity for South Carolina’s incumbent Hispanic workforce.

Budding Hispanic Enterprises on Unsure Footing

An unmistakable trend throughout the South Atlantic is the increase in Hispanic-owned businesses. From tiendas (general stores) and restaurants to construction and information technology companies, Latinos are opening up shop across the region. The barriers to employment highlighted above, as well as new immigrant aspirations of self-reliance, likely contribute to this phenomenon.

According to recent data from the Survey of Business Owners, Hispanic-owned business were the fastest-growing small business sector between 2002 and 2007; the number of Hispanic-owned businesses in the U.S. increased by 43.6%, compared to a 14.4% increase for non-Hispanic-owned businesses.\(^{28}\) As of 2007, Florida had the second-largest share of Hispanic-owned businesses in the country, with 19.9% of Florida’s being Hispanic-owned and the largest ratio of Hispanic-owned U.S. firms to all firms, constituting 22.4% of the state total.\(^ {29}\)

While new businesses can be a harbinger of economic recovery, startup survival rates paint a grimmer picture; only 68.6% of Latino small businesses survive compared with 72.6% for White, non-Latino enterprises.\(^ {30}\) In the South Atlantic, the most recent data available show that the businesses of Latino entrepreneurs in South Carolina have the highest survival rate (88.6%), and the lowest rate (54.7%) is in North Carolina.\(^ {31}\) Many Hispanic entrepreneurs in the region have struggled to earn a constant source of income because of challenges they face regarding expansion and growth, particularly during recent difficult economic times. Several regional stakeholders also spoke to the overwhelming need for support for these businesses, particularly in the areas of financial skills, marketing, and strategy. According to Gabriela Zabala, Director of North Carolina’s Governor’s Office of Hispanic/Latino Affairs, what Latino entrepreneurs lack is a “one-stop shop to provide Latinos with workshops in both English and Spanish that teach the necessary skills and tools in order to launch, run, and sustain a successful business.” See Appendix F to learn more about the experiences of various South Atlantic Hispanic small business owners.

“In recent years, employers, particularly in the manufacturing sector, have expressed the need for English as a Second Language courses for their workers and more bilingual employees in order to address their communication issues with their workers.”

—Mary Graham
Charleston Chamber of Commerce
State Efforts to Diagnose the Skills Gap Problem

North Carolina and South Carolina stand out in the region as states that acknowledge the need to address the gap between the skills adult workers possess and the skills that employers demand. Since Governor Bev Perdue took office in 2008, North Carolina has developed a skill-building strategy and invested in job training, while still investing in business attraction tax incentives. In 2009, she launched the JobsNOW “12 in 6” initiative to provide education and short-term occupational skills training for North Carolinians who lost their jobs due to layoffs and plant closures. The initiative created 12 career programs based on current or anticipated market demand in the North Carolina Community College System, each requiring less than six months to complete. Although most of the funding came from federal recovery funds, local workforce development boards helped pay participants’ tuition, fees, transportation, books, and other related instruction materials. While the “12 in 6” initiative ran from summer 2009 to spring 2011, its track record for Latinos is unknown.

In response to business complaints and a lingering high unemployment rate in South Carolina, Governor Nikki Haley announced the Certified Work Ready Communities Academy (CWRCA) initiative in winter 2012 to address the state’s workforce skills gap. The free year-long pilot initiative driven by ACT—a nonprofit company known for its college admission test—proposes the integration of all of the state’s job training and employment programs and brings together several state agencies, such as Commerce and the Department of Employment and Workforce, in order to understand what types of trainings and skills businesses require in new workers. Although South Carolina’s workforce centers currently use ACT products to assess skills, train workers, and provide credentials, centers do not analyze the effectiveness of their programs. The recent announcement of CWRCA limits the ability to evaluate the initiatives’ effectiveness in addressing the state’s skills gap crisis, particularly among the Hispanic workforce.
Anti-Immigrant Laws and Rhetoric Hurt Workers and Businesses

According to stakeholders in the South Atlantic, the wave of anti-immigrant legislation proposed and enacted in some states in the region has exacerbated existing employment barriers for Latinos and put additional strain on businesses struggling to recover from the recession. These consequences have occurred against a backdrop of fear in immigrant and Latino communities brought about by increased harassment and verification of immigration status by local law enforcement officials.

Data show that the employment prospects of Latino workers—regardless of their immigration status—have suffered as a result of laws that require businesses to electronically verify the employment eligibility of new hires. E-Verify—an internet-based system used by employers to verify legal work authorization for all employees—has a history of mistakenly identifying minority and legal immigrant workers as unauthorized to work. Naturalized citizens are at least 30 times more likely than native-born citizens to be the subject of a database error* that results in a tentative nonconfirmation—a “yellow light” that the worker may not be legally authorized to work—and temporary workers are 50 times more likely. Latinos, especially those who fit into one or more of these categories, are therefore more likely to be flagged by E-Verify as unauthorized to work, even if they are in fact legally eligible to work.

In addition to the errors in the Social Security database that disproportionately affect Latinos when their employers use E-Verify, stakeholders in the South Atlantic note an increase in hiring discrimination against Latinos in the region. As anti-immigrant proposals are considered and enacted at the state level, some observe an overall chilling effect on the recruitment and hiring of Latino workers. In other cases, misunderstanding or deliberate misuse of E-Verify based on perceptions about an employee’s immigration status have resulted in discrimination against Latinos. For example, Myriam Torres, Director of the University of South Carolina’s Consortium for Latino Immigration Studies, says “recent E-Verify laws have scared employers from hiring Latinos in industries like poultry farms where we used to see huge Latino participation.”

Anti-immigrant proposals at the state level have also taken a toll on businesses. Georgia, the state in the region with the most sweeping anti-immigrant legislation, is a prime example. In 2011 lawmakers passed House Bill 87 (HB 87), or the Illegal Immigration Reform and Enforcement Act of 2011, which includes both “show me your papers” and E-Verify language. Georgia’s agriculture industry—which is the oldest and largest industry in the state—experienced tremendous economic loss as a result of HB 87. According to a University of Georgia report commissioned by the Georgia Fruit and Vegetable Growers Association released last fall, HB 87 cost farmers about $391 million and shed about 3,260 jobs last year because of farm labor shortages. As a result, many farmers had to leave crops in the field because of the lack of workers, resulting in lost profits.

The consequences of proposed and enacted anti-immigrant laws in the South Atlantic region have depressed the employment prospects of Latino workers and burdened businesses at a time when local economies can least afford it.

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* Tentative nonconfirmations often result from erroneous information in the Social Security database resulting from for example individuals with multiple names, spelling errors, racial profiling/employer misunderstanding, and abuse of the system.
The University of Micro-Entrepreneurship: Acción Emprendedora USA, Durham, North Carolina

When Alejandro Sanchez worked at the Latino Community Credit Union, he encountered many savvy Hispanic entrepreneurs in North Carolina struggling to build and sustain their businesses. Based on previous experience working with small business owners in Columbia, he knew how to remedy this problem. In 2003, he launched Acción Emprendedora—a nongovernmental organization founded in Chile that strengthens and develops the country’s small business sector. For Sanchez, the Colombian small businesses he assisted “[embodied] the potential for stronger and more profitable businesses as long as they have the proper tools and support.” Eight years later, Sanchez moved to North Carolina and launched Acción Emprendedora USA (AE USA).32

Thus far AE USA has executed several pilot programs in North Carolina for Latino entrepreneurs, including financial and marketing skills training and an introduction to networking. In addition to the basic educational components, AE USA teaches clients the necessary steps to legally establish a business and obtain required permits and licenses. As Sanchez explains, this is “a small but significant step because many Latino entrepreneurs are not aware of these requirements.” Moreover, Sanchez highlights that AE USA “ensures their educational tools take into account cultural norms found in Latin America because it’s beyond language,” citing the need to translate the details of business culture in the U.S. as well as language. Gabriela Zabala, Director of North Carolina’s Governor Office of Latino Affairs, believes “Hispanics in North Carolina stand to benefit from the state investing and incorporating the AE USA model into their business support services in order to ensure materials and trainings are both culturally and linguistically appropriate, factors which are often missing from government agencies.”

Presently, AE USA is fine-tuning the first phase of its model after having held two pilot programs in 2011. “We envision expanding to other parts of the state as well as neighboring states once they are able to fully understand the needs, capture the various cultural nuances, and formalize more community partnerships,” informs Sanchez.
Findings for Further Discussion

Geographic Alignment of Jobs and Workforce No Guarantee of Employment

Geographic location and overall access to reliable transportation appears to be affecting some Hispanic workers’ access to employment opportunities in the South Atlantic. In some cases, it appears industry growth is occurring outside of regions with large concentrations of Latino workers. Interviews with local observers in more rural counties in the region also noted lack of access to transportation as a barrier some Hispanic workers face. These observations were not widely cited but warrant exploration and further study.

With some exceptions region-wide, geographic information systems mapping tools combined with stakeholder interviews revealed numerous glaring examples of a mismatch between areas with large industry growth and a large Latino workforce population. For South Carolina’s industry growth leader, professional and business services, major job growth is occurring primarily in counties with a minimal number of Hispanic working-age individuals (see Appendix F for map).

“We find mostly entry-level and clerical jobs for our clients, but then we face the problem that most of our clients do not have transportation in order to access these jobs.”

—Diane Cantor
Executive Director of the Centro Campesino Farmworker Center (Florida)

One exception and area of notable overlap is found in North Carolina’s “Research Triangle”—one of the state’s fastest-growing regions, with some of the state’s major universities and companies like IBM, and Bayer CropScience—where growth in the professional and business services industry grew by 6% primarily in the region of Wake County, home to a large Hispanic population (see Appendix E for map). Charles Hayes, CEO of the Research Triangle Regional Partnership, a business-driven, public-private partnership dedicated to keeping the 13-county Research Triangle economically competitive, describes the Research Triangle as having “a competitive advantage because of its geography and its large concentration of knowledge base workers, 46% of people with college degrees and three major universities producing a large educated workforce.” While Latinos are located in Durham and Wake counties where industries are adding jobs, they are squeezed out of new opportunities in the labor market due to barriers such as limited educational attainment. Overall, an apparent disconnect between industry job growth and most of the region’s Latino population boom signals the need to further examine possible geographic obstacles which hinder Hispanic workers’ ability to access employment.

Employment growth mismatch extends beyond physical geographic barriers; it seems that lack of access to transportation has hindered Hispanics from obtaining jobs. Latinos particularly rely on public transportation options to access essentials such as hospitals and schools, and are four times more likely than Whites to rely on public transit for their work commute.36 Liz Gutierrez, Director of Planning and Programs at the Hispanic Services Council in Tampa noted that “if you don’t have a car in Tampa, you don’t have a job because you can’t rely on public transportation.” Gutierrez explains that many Latinos in the region have resorted to establishing community transportation services. Diane Cantor, Executive Director of the Centro Campesino Farmworker Center, has seen similar trends and explains that “we find mostly entry-level and clerical jobs for our clients, but then we face the problem that most of our clients do not have transportation in order to access these jobs.” The fundamental role that regional transportation policies play in influencing the economic status and job prospects of workers calls for additional research to understand the implications of lack of access to transportation for Hispanic workers and their communities.
POLICY RECOMMENDATIONS

As job growth occurs in the South Atlantic, the demand for skilled labor among employers is high. However, Latino workers attempting to meet this demand face several barriers to employment. From lack of access to education and training to hiring discrimination resulting from state immigration laws, Latino workers are adversely impacted by a myriad of issues which require immediate attention. NCLR urges regional and local decision-makers to support policies that minimize the barriers to employment in growth industries and promote economic security for all Latino workers. NCLR makes the following policy recommendations in order to strengthen the economic well-being of Latino workers and our nation as a whole.

Better alignment of business attraction and workforce development strategies.
A state deficiency in a skilled labor pool causing employers to recruit non-local candidates signals the need for decision-makers in South Atlantic states to assess and identify gaps in current workforce development systems. State and local governments seeking to lure businesses to their states or municipalities should be equally interested in ensuring that new jobs are open to local residents and provide good wages and benefits. States should pair business incentives with workforce investment requirements like local hiring and job training commitments and commercial tax revenue diverted back into local economies. As the state profiles demonstrate, throughout the South Atlantic the local workforce lacks the education and skills training to meet employers’ demands in discrete industries. Funding for adult education and training should target the education, skills, and training needs of the local workforce in order to improve access to jobs in growth industries.

Build a workforce pipeline that matches industry needs. Whether states create a training program geared toward engineers for aerospace or smart grid technicians for utilities expansions, Latino workers, particularly Latino youth, are the workforce for the next decade, especially in the South Atlantic.

Improve access to workforce development programs for individuals with low educational and English language attainment. Without explicit inclusion of those with limited English skills as a priority population, workforce investment boards have little incentive to reach out to and serve those in need of customized and time-intensive language instruction. States should consider targeting funding for integrated training programs that prepare workers with in-demand skills and language acquisition in order to fill jobs in high-growth industries experiencing labor shortages. Additionally, states should consider partnering with local service providers that work with and are familiar with the needs of Hispanic workers to build programs that bridge their education and skills gaps and prepares them for lifelong career development.

Integrate support for small business into job creation strategies. Aside from creating jobs, small businesses also aid in strengthening the local tax base, cultivate and foster a sense of community, and serve as a vital source of wealth creation. Strategies that offer targeted support to small businesses must be considered by states concerned with addressing unemployment and improving economic vigor. Particularly, policies that increase access to credit, as well as culturally and linguistically appropriate information about regulations and taxes, could increase the success rate of new businesses in Latino communities and ensure that they are a sustainable source of economic activity for local areas.
Further assessment and targeted investments are necessary to ensure that Hispanics have access to culturally competent government-sponsored small business development support that can effectively address their needs and help ensure their success.

**Halt the progress of flawed anti-immigration and employment verification laws at the state level.** The current U.S. immigration system is in need of fundamental reform. Misunderstanding and suspicion of laws has increased fear among the Latino community and impeded the economic stability of both employers and workers.

**Promote policies that strengthen businesses and preserve the hiring of the local workforce.** Local decision-makers developing immigration reform laws should consider policies that encourage the hiring of all workers—both immigrant and native-born—in order to strengthen local economies. Intensive scrutiny of E-Verify implementation, as well as resources to educate employers, is critical to prevent hiring discrimination based on race, ethnicity, or national origin. Yet, even correct implementation of verification programs has been shown to disproportionately harm people of color, including Latinos, whose names are more likely to be entered into the Social Security database—upon which the verification system relies—erroneously.

**Examine geographic barriers and obstacles restricting access to employment.** Without affordable and adequate access to transportation, many Hispanics in the South Atlantic are excluded from good jobs, education and job training, affordable housing, childcare, and other opportunities. Transportation policies should connect workers with job opportunities. In particular, to facilitate Latinos’ access to jobs, NCLR recommends strong investments at all levels of government in both public transportation and research to address transportation issues affecting Hispanics.

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2  Ibid.
11 U.S. Bureau of the Census Bureau, American Community Survey (ACS) 3 year averages 2007-2009
NOW HIRING? LATINOS AND THE JOB CREATION POLICIES IN THE SOUTH ATLANTIC


21 Ibid.


31 Ibid.


STATE PROFILES

30  Latino Workers in Delaware
35  Latino Workers in North Carolina
40  Latino Workers in South Carolina
45  Latino Workers in Georgia
50  Latino Workers in Florida
Latino Workers in Delaware

The top industry for Latinos in Delaware is landscaping services (44.3%). Efforts to increase business attraction and reestablish economic stability has resulted in Delaware focusing on infrastructure investment and Science, Technology, Engineering, Math (STEM) education in schools. As such, it appears state policies have done little to increase access to employment for Hispanic workers.

Delaware’s Labor Market Trends

Delaware entered the recession with a strong economy and emerged with signs demonstrating the state’s resiliency. Given the state’s admirably low unemployment rate, Delaware could serve as a model both regionally and nationally and demonstrate how all workers can prosper together. Regionally*, Delaware had both the lowest total unemployment rate at the start of the recession (3.9%) and at the end of the recession (8.1%). However, the recession still took a toll on Delaware’s job market. Figure 2.1 demonstrates that from December 2007 until June 2009, the state experienced a net loss of 23,239 jobs (-5.4% employment). On its path to recovery, Delaware’s economy has strengthened and is the leader in job growth in the leisure and hospitality industry in the South Atlantic.3

Before the start of the recession, Hispanic workers faced a high unemployment rate compared to the state’s total unemployment rate. During the height of the recession, the Latino unemployment rate increased by

Figure 2.1
Delaware Employment
(December 2007–June 2009)


* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland, and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.
4.1 percentage points between 2008 and 2009, compared to the 3.5 percentage point increase among all Delaware workers (see Table 2.2). While post-recession numbers show that the Latino unemployment rate is on par with the state total unemployment rate, it has not returned to pre-recession levels. In a state poised for growth, policy choices will shape future employment trends and could go far to ensure that Hispanic and non-Hispanic unemployment declines together.

**Delaware’s Industry Trends Post-Recession**

Delaware’s employment trends can be explained in part by how the state’s industries have evolved in recent years. Figure 2.3 highlights that Delaware’s leisure and hospitality industry has posted the largest positive change in employment since the end of the recession. Meanwhile, manufacturing (-0.4%), and trade, transportation, and utilities (-0.7%) industries have not fared as well.4

During the recession, the financial services sector—a former industry stronghold in the state—experienced a decline of nearly 2% between June 2008 and June 2009.5 This drop is a result of the housing and financial crises, which were major forces that brought on the recession. As Figure 2.3 demonstrates, while the financial services sector is rebounding, it ranks fifth in overall state industry growth. Today employment in casinos and racing, and not in large banking institutions, leads the way in strengthening Delaware’s economic well-being.

**Statistical Portrait of Delaware’s Latino Workers**

Approximate 26,500 workers, or nearly 6% of the Delaware’s total civilian labor force, is Hispanic.6 According to 2010 Census data, Delaware’s Latino population increased...
dramatically during the 2000s, growing by 96% between 2000 and 2010. However, Hispanics ages 25 and over in Delaware struggle with low educational attainment. Additionally, 60% of Hispanics ages 25 and older speak English less than very well or are limited-English-proficient (see Appendix D for supplemental data on Delaware’s Latino workforce). As a result, although Latinos are well-represented in many of the occupations that contribute to Delaware’s growth industries as seen in Figure 2.4, Hispanics are largely employed in low-wage jobs in construction, landscaping services, and restaurant and food services. Recall from Figure 2.3 that leisure and hospitality, which includes restaurants, is the top post-recession growth industry in Delaware.

Policy Responses to Joblessness in Delaware

Delaware Governor Jack Markell has prioritized making Delaware more attractive for business relocation and outcompeting surrounding states in order to restore economic prosperity. These commitments were outlined in Markell’s State of the State address in January 2011, in which he implored Delawareans to “think like entrepreneurs and others who create jobs. Anyone who can create a decent job, whether they are already here or across the ocean, needs to know we are more responsive and more committed to their success than anyone else, anywhere.” While Governor Markell’s speech also notes the importance of workforce development, the emphasis is investments in childhood education in order to create a strong future workforce.

Governor Markell’s job creation plan, called “Building Delaware’s Future Now,” was introduced in May 2011 to meet budget challenges, bring jobs back to Delaware, and prepare students for STEM fields. The three parts to the plan are:

The Building Delaware’s Future Fund.
This fund is designed as a proactive investment tool to give both the governor and the General Assembly more discretion and flexibility to fund the recruitment, retention, and expansion
of businesses that they believe promote economic growth and create jobs in the state. Revenues designated for to this fund come primarily from abandoned property collections. Funds are aimed at one-time projects rather than long-term investments. For example, Amazon.com was the first company to receive funds, $4 million, from the New Jobs Infrastructure Fund—a component of the Building Delaware’s Future Fund and administered by the Delaware Economic Development Office’s council of development and finance—for road construction around a future distribution center which is expected to create 849 jobs by the fall of 2012.\(^{10}\)

**Responsible Tax and Debt Reductions.** This component of Governor Markell’s job creation plan is a combination of tax breaks, intended to pay off state debt while also reducing energy rates and the income taxes owed by the state’s core employers—manufacturing, small business, and financial services. Also included in the proposal is $8.5 million for financial services jobs incentives, which would create an alternative method of computing franchise taxes coupled with a tax credit of $1,250 for ten years for each new qualified employee of 200 or more new jobs.\(^{11}\) It is unclear where the $20 million earmarked for debt reduction will come from or how this reduction will translate into net cuts to the overall state budget.

**Investing in Our Children.** This proposal complements Delaware’s K–12 education reform efforts and several investments aimed at improving the quality of early childhood education and providing new job skills for those who have completed their K–12 education. One-time investments in adult education and training are also proposed to expand research and job training facilities at the state’s three major institutions of higher learning: Delaware State University, the University of Delaware, and Delaware Technical and Community College.\(^{12}\) According to Governor Markell, these investments will put people to work building new facilities at state colleges so they can graduate more students with STEM backgrounds in order to meet the demand of the fastest-growing industries.

**Figure 2.4**

**Occupational Categories with High Latino Representation**

*Delaware*

<table>
<thead>
<tr>
<th>Occupation Category</th>
<th>Percentage of Latinos in Occupational Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>5.7%</td>
</tr>
<tr>
<td>Construction, Including Cleaning and Tmm After</td>
<td>10.4%</td>
</tr>
<tr>
<td>Landscaping Services</td>
<td>44.3%</td>
</tr>
<tr>
<td>Restaurants and Other Food Services</td>
<td>8.2%</td>
</tr>
<tr>
<td>Banking and Related Activities</td>
<td>5.0%</td>
</tr>
<tr>
<td>Animal Slaughtering and Processing</td>
<td>31.8%</td>
</tr>
<tr>
<td>Services to Buildings and Dwellings, Ex Construction Cln</td>
<td>20.3%</td>
</tr>
<tr>
<td>Hospitals</td>
<td>4.0%</td>
</tr>
<tr>
<td>Department and Discount Stores</td>
<td>5.9%</td>
</tr>
<tr>
<td>Elementary and Secondary Schools</td>
<td>2.5%</td>
</tr>
<tr>
<td>Crop Production</td>
<td>20.5%</td>
</tr>
</tbody>
</table>


4  Ibid.


12  Ibid.
Latino Workers in North Carolina

Since the peak of the Great Recession, North Carolina has been providing incentives for businesses in sectors like science and technology while also building skills in the state’s workforce through the JobsNOW initiative. However, Latinos continue to be heavily concentrated in crop production (34.8%). Lack of sufficient data prevent the ability to make a conclusive assessment of whether state job creation policies have helped increase Hispanic workers ability to compete for growth industry jobs.

North Carolina’s Labor Market Trends

Similar to other states in the region*, North Carolina entered the recession with a strong economy that quickly deteriorated, leaving the state with the second highest unemployment rate in the South Atlantic (11%) behind South Carolina.¹ As Figure 3.1 shows, employment in North Carolina experienced a dramatic drop of 5.4 percentage points during the recession. According to the North Carolina Commission on Workforce Development, the job loss that occurred between 2007 and 2010 canceled out nearly all of the employment gains during the three previous years.² As the state strives to recover, the professional and business services industry has helped strengthen the state’s economy as North Carolina’s lead growth industry.

Figure 3.1
North Carolina Employment (December 2007–June 2009)

* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.
The recession took a heavier toll on Latino workers compared to the total workforce in North Carolina. At the beginning of the recession, both the state workforce and Latino workforce unemployment rate stood at 6.4%.

However, Table 3.2 shows that at the peak of the recession the Hispanic unemployment rate in North Carolina had increased by 7.2 percentage points since 2008, compared to only a 4 percentage point increase in the overall state unemployment rate, earning North Carolina the highest Latino unemployment in the South Atlantic in 2009. Post-recession data show that while the state unemployment rate has increased to 10.5%, Latino unemployment has leveled off at an elevated 10.7%, reflecting a slower recovery for the Latino workforce.

For most of the 20th century, North Carolina was a national leader in industries known as the Big Three—textile, tobacco, and furniture manufacturing—which have been hurt by long term trends such as offshoring due to the industrial growth of countries like China. For example, between 2001 and 2010, 107,825 net jobs or 2.6% of total employment in North Carolina was displaced due to trade deficits with China.

The recession intensified the state’s long-term trend of manufacturing job loss, particularly in the rural areas. As a result, North Carolina’s post-recession economic growth has been unbalanced among urban and rural areas. While large urban cities such as Charlotte, Raleigh, and Greensboro have experienced rapid job growth, many of the state’s small towns in rural regions have suffered from dramatic job loss—and as a result, dwindling populations. In fact, job loss intensified during the recession in the manufacturing sector, which declined by nearly 75% between June 2008 and June 2009. Displaced workers, primarily those with limited formal training and education, including many Hispanics, have been shut out of new high-growth industries. Although the manufacturing industry is slowly recovering as seen in Figure 3.3, it ranks fifth in overall state industry.

### Table 3.2

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2008</td>
<td>2009</td>
<td>2010</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Employment-To-Population Ratio</strong></td>
<td>60.5</td>
<td>70.4</td>
<td>57.5</td>
<td>63</td>
<td>56.9</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>6.4%</td>
<td>6.4%</td>
<td>10.4%</td>
<td>13.6%</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

growth. Opportunities in scientific research and development and accounting services are helping to improve North Carolina’s economic picture, but manufacturing is not.

**Statistical Portrait of North Carolina’s Latino Workers**

Approximately 310,485 Latinos work in North Carolina, representing 7% of the state’s workforce. The 2010 Census results show that 8.4% of the total state population is Hispanic, which represents a 111% growth between 2000 and 2010. Regionally, the state experienced the second-largest growth in Latino population and the fifth-largest growth in Latino population nationally. In North Carolina, 43.6% of Latinos over the age of 25 do not have a high school diploma. In fact, compared to Blacks and Whites, Hispanics have the lowest levels of educational attainment in the state. For example, 25% of Latinos have completed high school compared to Blacks (30.6%) and Whites (27.5%) in North Carolina. Among the same Hispanic population over the age of 25 in North Carolina, 70.2% speak English less than very well or are limited-English-proficient (see **Appendix E** for supplemental data on North Carolina’s Latino workforce). These statistics help explain why the significant Latino presence in post-recession growth industries is among occupations in landscaping services and services to buildings and dwellings, positions which tend to pay low wages and offer limited economic mobility. For example, Figure 3.4 shows that within the state’s top growth industry, professional and business services, Hispanics make a significant contribution in landscaping services and services to buildings and dwellings.
Policy Responses to Joblessness in North Carolina

Since Governor Perdue took office in 2008, several policies have been created through her JobsNOW Initiative to offer post-secondary training to workers and subsidize businesses to create jobs in target industries like biotechnology, clean energy, and information and communications. Two main programs of the JobsNOW Initiative include:

“12 in 6” Worker Training Initiative.
This workforce development initiative launched in 2009 as a part of Governor Perdue’s larger JobsNOW initiative, and was designed to assist North Carolinians who lost their jobs due to layoffs and plant closures. North Carolina’s Commerce Workforce Development Division allocated $13.4 million in federal recovery funds to the program. The initiative created 12 career programs in the North Carolina Community College system, each requiring less than six months to complete. The 12 career areas were selected based on current or anticipated market demand, including but not limited to nursing assistant, carpentry, food service, and manufacturing/materials.

Small Business Package. In the 2010 state budget, Gov. Perdue’s small business package included $34 million in tax relief for small businesses, as well as funds to promote tourism, support small family farms, create green business jobs, and strengthen North Carolina’s efforts in the biotech, agriculture-biotech, and biofuels industries.

Figure 3.4
Occupational Categories with High Latino Representation
North Carolina

4 Ibid.
16 Ibid.
Latino Workers in South Carolina

Business tax incentives have been the focus of South Carolina’s strategy to add jobs to the state. Efforts to address the state’s dearth of a trained labor pool are a recent response to South Carolina’s unemployment rate, which has been slow to decrease. For Latino workers, the animal slaughtering and processing industry (23.2%) is their top industry in the state. Nonetheless, it seems unlikely that state job creation policies have helped Hispanic workers better compete for growth industry jobs and place them into these jobs.

South Carolina’s Labor Market Trends

Compared to the region,* South Carolina entered and left the Great Recession with the highest unemployment rate in the South Atlantic (5.5%), which increased by 6.1 percentage points, reaching 11.6% by the end of the recession.1 By 2010, South Carolina had the highest unemployment rate in the region at 11.8%.2 Figure 4.1 shows that South Carolina experienced a net loss of approximately 110,000 jobs (-5.5%).3 South Carolina’s post-recession unemployment rate has remained at about the national rate but above the regional rate.

Prior to the recession, the Latino unemployment rate in South Carolina was below the state total unemployment rate. As Table 4.2 shows, the overall South Carolina unemployment rate increased by approximately 4 percentage points between 2008 and 2010, and the Hispanic unemployment rate increased by about 5 percentage points from 5.7% in 2008 to 10.9% in 2010. These post-recession figures show that while Latino

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**Figure 4.1**

South Carolina Employment (December 2007–June 2009)

![Graph showing South Carolina Employment (December 2007–June 2009)](image)


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* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland, and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.
unemployment stands slightly below the total state unemployment (11%), it remains above pre-recession levels. As South Carolina’s economy recovers, policy interventions are necessary to ensure that both Hispanic and overall state unemployment declines. At the same time policy solution should prevent a return to the unemployment rate gaps seen before the recession between Latino and the total state population.

**South Carolina’s Industry Trends Post-Recession**

South Carolina is the regional growth leader in employment in the professional and business services industry. As shown in Figure 4.3., the professional and business services (9.6%) industry experienced the largest post-recession growth in South Carolina. Meanwhile, employment patterns in government (-4.1%) and construction (-2.4%) experienced the largest losses, likely reflective of losses due to the housing market crash.⁴

This turmoil is reflected in labor market data, which show that between 2008 and 2009 the construction industry experienced a 21.4% loss in employment.⁵ Although the construction industry saw an improvement between 2010 and 2011 (see Figure 4.3), the fact that construction has not been able to fully recover partially explains why South Carolina has made only modest gains in recovery.

Today, as South Carolina continues on the road to recovery, there are several industries that are helping to strengthen the state’s economy—such as professional and business services, an industry which has some subsectors with Latino overrepresentation, like landscaping services. The state’s job growth in businesses providing legal, accounting, and scientific research and development services are responsible for the state’s ability to rebound. These industries hold promise for Hispanics, but public policy will play an important role in helping Latino workers achieve their potential.

**Statistical Portrait of South Carolina’s Latino Workers**

Latino workers constitute about 85,000, or 3.9%, of South Carolina’s civilian labor force.⁶ According to 2010 Census data, South Carolina has the smallest proportion of Latinos (5.1%) in the South Atlantic region. However, compared to the country and the region, South Carolina experienced that largest growth (148%) of Hispanics between 2000 and 2010.⁷ Limited educational attainment is characteristic of most of South Carolina’s Latino population ages 25 and older. An alarming 41% of Latinos do not have a high school diploma or equivalent compared to Blacks (22.9%) and Whites (11.8%).⁸ Additionally, South Carolina has the largest share of limited-English-proficient Hispanics in the region. Nearly three out of

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**Table 4.2**

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every four Latino adults (73.5%) in South Carolina speaks English less than very well (see Appendix F for supplemental data on South Carolina’s Latino workforce). These statistics help illuminate why Hispanic workers are overrepresented in several South Carolina growth industries, but fill primarily the low-wage and low-skill jobs of these industries. For example, Figure 4.4 highlights that Latinos have a significant presence in occupations like landscaping services and services to buildings and dwellings, which are found in South Carolina’s leading growth industry: professional and business services. But these positions offer workers minimal economic security or opportunities for advancement.

Prior to the Great Recession, much of South Carolina’s economy was driven by the construction and real estate and development industries. It was not until the housing bubble burst that many South Carolinians realized the significant contributions of these industries to the state. One of these individuals is Mary Graham, Senior Vice President of Public Policy/Regional Advancement with the Charleston Chamber of Commerce, who explained that “when the housing market collapse occurred, construction took a huge hit and adversely impacted the entire state, particularly Latinos, and the construction industry hasn’t recovered yet.”

Figure 4.3
South Carolina Employment Growth by Industry
(March 2010-March 2011)

Policy Responses to Joblessness in South Carolina

Since Governor Nicki Haley took office in January 2011, she has publicized the jobs added to South Carolina’s economy. Governor Haley attributes recent job growth as an outcome of tax incentives the state offers to businesses.\(^\text{10}\) In addition to focusing on increasing South Carolina’s attractiveness for businesses, the state has been demonstrating early attempts to address the workforce skills gap. According to Haley, although the state’s unemployment rate has decreased, it has not gone down fast enough. In order to address these issues and bring more jobs to South Carolina, Governor Haley announced the following priorities and initiatives for her second year in office:

Reform the state’s tax code. Through this reform the state would phase out the corporate income tax with the intention of encouraging new businesses to locate in the state. Another component would be the reduction of the state’s manufacturing tax from 10.5% to 6% in order to benefit small businesses that are not able to claim job creation tax credits. Governor Haley believes that these tax code reform policies are necessary in order to bring more job-creating businesses to the state.\(^\text{11}\)

Replicate “Georgia Works,” Georgia’s employment program. Georgia Works is a program that offers Georgian workers receiving unemployment benefits an opportunity to be matched with companies that are hiring and willing to provide up to eight weeks of training for no more than 24 hours a week. At the end of the process, employers have the option of hiring the Georgia Works participant.\(^\text{12}\)

Certified Work Ready Communities Academy. This recently announced initiative is driven by ACT, a nonprofit company known for its college admission test, which selected South Carolina as one of four states to pilot the year-long academy to address the state’s workforce skills gap at no additional cost.\(^\text{13}\) Governor Haley’s frustration with her inability to

Figure 4.4
Occupational Categories with High Latino Representation
South Carolina

bring the unemployment rate down as quickly as she would like serves as her motivation to use the academy to understand what types of training and skills businesses require in new workers. As such, the initiative proposes the integration of all of the state’s job training and employment programs and brings together several state agencies, such as Commerce and the Department of Employment and Workforce.

3 Ibid.
6 U.S. Bureau of the Census Bureau, American Community Survey (ACS) 3-year averages 2007–2009
8 Ibid.
9 Ibid.
11 Ibid.
Latino Workers in Georgia

Georgia’s economic development priorities have focused on attracting new businesses to the state by increasing business tax incentives. Yet, the top industry for Latinos in the state is landscaping services (34.2%). As such, it appears that state job creation strategies have had minimal impact in ensuring Hispanics are able to obtain employment in state growth industries.

Georgia’s Labor Market Trends
Compared to other states in the region, Georgia appeared to be economically strong at the start of the Great Recession, but unemployment rose significantly throughout the recession and only recently has slowed down.

When the Great Recession commenced, Georgia’s unemployment rate was 5.2% and increased by 4.6 percentage points to 9.8% by the end of the recession—the second lowest rate in the South Atlantic region, after Delaware. However, unlike most states in the region, Georgia’s unemployment trends increased significantly during and after the recession. Figure 5.1 emphasizes the significant net loss of 264,744 jobs (-5.8% employment) Georgia experienced during the recession. According to the Georgia Budget and Policy Institute (GBPI), between June 2009 and September 2011 the state lost a greater number of jobs than all but two other states in the nation since the recession started, and unlike the vast majority of states continued losing jobs at an alarming pace. Furthermore, according to GBPI, Georgia ranks last (51 of

Figure 5.1
Georgia Employment (December 2007–June 2009)


* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.
51) in job creation since the recovery started in June 2009. Recovery for Georgia appears to be delayed although industries like professional and business services show potential.

The Hispanic labor force in Georgia experienced painfully high levels of unemployment at the start and after the recession. Regionally, Hispanics in Georgia began the recession with a 8.2% unemployment rate, and as Table 5.2 shows, at the height of the recession their rate increased by 3.8 percentage points compared to a 3.4 percentage point increase among all Georgia workers. Georgia’s high unemployment rates and the gap in unemployment trends between Hispanic workers and the total workforce are indications of policy failures at the state level. Therefore it is essential to examine state efforts to address ongoing challenges of state workers, many of whom have yet to experience any significant recovery.

**Georgia’s Industry Trends Post-Recession**

Georgia’s depressing employment trends are largely explained by dramatic changes in state industries during the past decade. As Figure 5.3 demonstrates, the professional and business services industry experienced the largest post-recession positive growth in the state (3.4%), while the construction industry has failed to show signs of recovery by posting a -7.6% change. Georgia’s recovery efforts are being driven by industries like professional and business services, one that has an overrepresentation of Hispanics in certain subindustries like landscaping services and services to buildings and dwellings. Growth in legal, accounting, and engineering firms are helping to spur job growth and form the backbone of Georgia’s economy.

### Table 5.2

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<td>9.8%</td>
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<tr>
<td>Latino</td>
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<td>12%</td>
<td>11.5%</td>
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</tbody>
</table>

**Statistical Portrait of Georgia’s Latino Workers**

After Florida, Georgia has the second-largest Latino labor force in the South Atlantic region. There are 363,917 Latino workers who represent about 8% of Georgia’s 4.8 million labor force. As of 2010, Census data show that the Hispanic population in Georgia nearly doubled in size (96%) between 2000 and 2010 and represent 8.8% of the state’s total population. This huge surge in population during the past ten years was most pronounced in Whitfield County, one of the state’s northernmost counties, which experienced the largest growth of Latinos of any county in the state. Similar to Latinos across the region, low educational attainment is characteristic of many Latinos in Georgia. Compared to Blacks and Whites, Latinos over the age of 25 represent the largest share of individuals without a high school diploma (44.2%) and have the smallest share of individuals with a high school diploma (25.2%) or post-secondary education (13.8%). Moreover, among Hispanics ages 25 and older in Georgia, 70.5% are limited-English-proficient or speak English less than very well (see Appendix G for supplemental data on Georgia’s Latino workforce). Hispanic workers have a significant presence in several of Georgia’s growth industries. Further examination of these industries seen in Figure 5.4 demonstrates that Hispanics are significantly overrepresented in landscaping services, an occupation that contributes to the state’s top post-recession growth industry, which is professional and business services. However, due to the aforementioned human capital barriers, Latinos contribute to Georgia’s economy by filling primarily low-wage, low-skilled positions such as poultry, agriculture, flooring, manufacturing, and retail.

**Figure 5.3**

**Georgia Employment Growth by Industry**

(March 2010-March 2011)

Policy Response to Joblessness in Georgia

Anti-immigrant legislation rather than job creation dominated Georgia Governor Nathan Deal’s legislative agenda during his first year in office in 2011. Now in the second year of his term, Governor Deal released a “three-pronged” plan in January 2012 for the state’s long-term economic growth based on recommendations of the Georgia Competitiveness Initiative (GCI)—a public-private task force made up of representatives from the Georgia Department of Economic Development, Georgia Chamber of Commerce, 14 state officials, and 23 business leaders. The GCI surveyed about 4,000 Georgians representing large and small businesses to gather insights about the state’s business climate, education and workforce development, innovation, infrastructure, global commerce, and government efficiency and effectiveness.

The results were compiled into a report intended to help shape Deal’s economic development strategy. Although the GCI survey found that out of the state’s 12 economic development regions, ten identified education and workforce development as the most important issue for their region, Governor Deal’s job creation proposals are focused mainly on modifying Georgia’s business tax incentives in order to make the state more competitive in attracting new businesses. His three main proposals include:

Elimination of the sales tax on energy used in manufacturing. This tax reform is a result of Governor Deal’s belief that a sales tax should not be applied to business resources. As such, local governments would have the choice of eliminating local sales taxes on energy consumption.

Sales and use tax exemptions for construction materials used in important projects. Governor Deal believes this proposal will allow the state and local governments to better compete with surrounding states bidding for projects yielding large number of jobs. This measure was one of several recommended by the GCI.
Restructure Georgia’s Job Tax Credit and Quality Jobs Tax Credit programs. These programs were first implemented in 1994 and designed to reward job creation by offering companies a significant tax break. Currently, the Job Tax Credit program offers up to $4,000 for every job created for up to five years, whereas the Quality Jobs Tax Credit program rewards companies $2,500 to $5,000 per job for creating at least 50 jobs that pay wages at least 10% higher than the county average for wages. Governor Deal proposes lowering the job creation minimum to 15 jobs for the Quality Jobs Tax Credit program in order to encourage existing business growth and additional investment in rural communities. Among Governor Deal’s efforts to address the state’s workforce skills gap are updates to the Georgia Works* program and the development of the Go Build Georgia initiative, a program to provide training and education in order to address the state’s shortage of skilled workers by recruiting high school graduates into skilled trade jobs like carpentry. Although the Georgia Works program was not proposed by Governor Deal, due to the state’s persistently high unemployment rates, recent updates have been made to the program specifically focused on stimulating job growth and hiring.

* This controversial program matches Georgian workers receiving unemployment benefits with companies that are hiring and willing to provide up to eight weeks of training for no more than 24 hours per week. At the end of the process, employers have the option of hiring the Georgia Works participant.


4 Ibid.


6 Ibid.


8 U.S. Bureau of the Census Bureau, American Community Survey (ACS) 3 year averages 2007–2009

9 Ibid.


14 Ibid.

15 Ibid.


Latino Workers in Florida

Florida is increasing its competitive advantage and ability to create jobs by offering tax incentives and restructuring government agencies to make it easier for businesses to relocate and expand in Florida. Yet the crop production industry (64.9%) is the top industry for Hispanics in the state. As such, it appears that state job creation policies are doing little to put Hispanics in jobs.

**Florida’s Labor Market Trends**

Florida’s labor market was relatively weak when it entered the Great Recession and further deteriorated during and after the recession. Regionally*, Florida had the second-lowest unemployment levels at the start of the recession (4.7%), but ended with the third-highest unemployment levels after the recession (10.2%). Figure 6.1 shows that during the recession Florida’s net change in employment was -515,951 (-6%). As Florida attempts to position itself for economic recovery, the leisure and hospitality industry—the state’s top growth industry—serves as a promising sign.

The high level of unemployment in the Hispanic labor force in Florida compared to the total state workforce increased the likelihood of the further debilitation of Latino workers during the recession. Between 2008 and 2010, the Latino unemployment rate increased by 6.2 percentage points compared to the five percentage point increase among all Florida workers (see Table 6.2). Latino unemployment is the highest in the region and is far from returning to pre-recession levels.

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* For the purposes of this report, the South Atlantic region includes Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia; however, analysis for the District of Columbia, Maryland and Virginia is not included in this report. The Hispanic population of West Virginia is too small to make confident comparisons with the other geographic areas and therefore is also excluded from this analysis.
employment levels. This alarming reality reinforces the need for state action in order to prevent the further increase and widening of gaps in unemployment trends between Latino and non-Latino workers in the state.

Florida’s Industry Trends
Post-Recession
At best, Florida’s economic recovery can be described as slow with some promising signs of growth. As seen in Figure 6.3, post-recession industry growth in the state has been the strongest in leisure and hospitality (3.9%), but the construction industry (-4.2%) has continued to suffer the greatest.4

Today the leisure and hospitality industry represents promise for Florida’s labor force, particularly Hispanic workers, who are overrepresented in restaurants and traveler accommodation jobs. Increased tourism in 2011 primarily from South America, particularly Brazil, to visit state attractions like Disney World and beaches helps explain this industry’s ability to rebound.5

Statistical Portrait of Florida’s Latino Workers
Florida is unique in the South Atlantic because it is the state with both the largest Latino population and largest Latino workforce. It is also the state with the longest established Hispanic population in the region. There are nearly two million Latinos workers in Florida representing 22% of the state’s labor force.6 Florida serves as a petri dish for the rest of the country because of its diverse Hispanic community (see Appendix H for data on Latino ethnic subgroups in Florida). The most recent decennial Census data show that between 2000 and 2010, Florida’s Latino population grew by 53%, expanding the population by approximately 1.5 million.7 Due to this growth, Florida has the third-largest number of Hispanics (4.2 million) and the fifth-largest proportion (23%) of Hispanics in the country.8 While more Latinos over

During the past decade, Florida has been shifting away from the goods-producing sector and toward the service sector and other industries with high-skilled occupations. Once a leader in the agriculture and construction industries, Florida is now among the states in the region demonstrating the least economic growth in these industries. For example, between June 2008 and June 2009, Florida experienced a 24% decline in its construction industry, representing the largest decline in construction for the region.9
the age of 25 in Florida have a bachelor’s degree or higher (20.6%) than Blacks (15.8%), Hispanics represent the largest proportion of Floridians who have less than a high school diploma (26.3%) compared to Blacks (21.5%) and Whites (9.2%). At the same time, Florida has the largest English-speaking proportion of Hispanics ages 25 and older in the South Atlantic, but 57.4% of this adult Latino population are limited-English-proficient (see Appendix H for supplemental data Florida’s Latino workforce).

The large participation of Hispanics in state growth industries is a reflection of the significant role Latinos play in fortifying Florida’s economy. For example, Figure 6.4 shows that after construction, Hispanics are mostly employed in restaurant and food service jobs, which are found in the leisure and hospitality industry.

Many local observers confirmed the presence of Hispanic workers in these growth industries highlighted in Figure 6.4. As the state slowly recovers, a void in the abundance of jobs traditionally filled by Latinos has been particularly devastating to the Hispanic community in Florida. Because Latinos are limited in both access to jobs and opportunities for better jobs in the industries where they are overrepresented, there is a need to analyze state strategies to ensure the strength of its labor market and the significant presence of Hispanic workers.

**Policy Responses to Joblessness in Florida**

Governor Rick Scott’s job creation plan released in September 2011 is titled “2012 Job Creation and Economic Growth Agenda” and is focused on ensuring that businesses are able to easily initiate, relocate, and expand in Florida in order to increase Florida’s competitive advantage. His actions are motivated by his desire to fulfill his campaign promise of creating 700,000 jobs in Florida and eliminating the state’s corporate income tax over seven years. In response to the lack of federal job creation legislation, Governor Scott claimed that Florida will “continue to attract new jobs by consistently letting...”
businesses know through our actions that we want Florida to be their home. As such, the three main goals of the plan are:

- Increase Florida’s global competitiveness as a destination for business, capital, talent, innovation, and entrepreneurship.
- Promote Florida as the world destination of choice for business and industry.
- Facilitate business development through delivery of world-class customer service.

In order to fulfill these goals, Governor Scott’s plan lays out eight broad strategies which include 45 nebulous tactics, most of which are geared toward catering to business interests. However, in order to successfully carry out the plan, Governor Scott’s main policy priority was to first establish the Department of Economic Opportunity (DEO). Early in Governor Scott’s term, Senate Bill 2156 (SB 2156) was passed in June 2011; the DEO was created and streamlined three state agencies into one department. According to Governor Scott, his decision to create the DEO was to establish one point of contact for businesses interested in relocating to Florida and also grant himself along with other officials in his administration the ability to quickly offer existing state incentives and tax breaks to companies interested in doing business in Florida. More explicitly, SB 2156 allows for the following:

**Smaller approval window for business incentives.** Reduces the time required to approve or deny requests for state incentive funds from about 42 days to ten days. Governor Scott believes that this change is necessary in order for the state to respond quickly to opportunities and be more responsive to the needs of businesses.

**More gubernatorial authority over the approval of business incentives.** Authorizes the governor to approve incentive awards under $2 million without legislative approval or consultation, and for awards that are between $2 million and $5 million the governor must notify the chairs and vice chairs of the Legislative Budget Commission (LBC).

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**Figure 6.4**  
**Occupational Categories with High Latino Representation**  
**Florida**

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However, awards which exceed $5 million require the approval of the 14-member LBC.\textsuperscript{17} These changes reflect Scott’s desire to control the state’s job recruitment efforts, particularly the steering of incentive money, from his office as opposed to the state’s former Office of Tourism, Trade, and Economic Development, which was collapsed into the DEO.


\textsuperscript{3} Ibid.


\textsuperscript{7} U.S. Bureau of the Census Bureau, American Community Survey (ACS) 3 year averages IPUMS 2007–2009 (accessed April 2012).


\textsuperscript{9} Ibid.

\textsuperscript{10} Ibid.

\textsuperscript{11} U.S. Bureau of the Census Bureau, American Community Survey (ACS) 3-year averages IPUMS 2008–2010 (accessed April 2012).


\textsuperscript{13} Ibid.


\textsuperscript{16} Ibid.

\textsuperscript{17} Ibid.
CONCLUSION

Assessing and identifying the barriers to employment that the South Atlantic’s burgeoning Latino labor force faces is a prerequisite for addressing the region’s employment problem. However, in order to assess and identify these barriers, attention must first be paid to the intersections of local job creation policies with current state workforce development, immigration, and transportation systems. This is a difficult undertaking and one that unavoidably veers outside the limits of economic development.

The quickly growing Hispanic population is not only changing regional demographics, but also increasing the dependence local labor markets have on Latino workers. Latinos are no different than other South Atlantic residents; they want all workers to feel included in regional efforts to strengthen economic expansion. As state legislators endorse actions that limit Hispanic workers’ access to employment, many key industries have suffered, thus undermining job growth strategies. The failure of state elected officials to implement policies that encourage businesses to invest in Hispanic workers—particularly those from distressed communities—should raise concerns for those interested in the future of the region’s economy.

Efforts to address the obstacles that the Latino workforce faces must recognize the unique needs of Hispanics in job training, how state immigration laws are crippling both employers and workers, and why geography can pose a challenge and limit access to employment. The key question is what actually works for minimizing the barriers Latinos face in the labor market. The answers range from collaboration with Latino-serving organizations to helping build human capital among Hispanic workers, to advocacy efforts to halt the progress of flawed anti-immigrant laws like E-Verify at the state level by demonstrating the adverse impact on economic recovery efforts.

Bolstering Hispanic workers’ ability to compete for good jobs requires state policymakers to develop interventions that address the hurdles that Latino workers face when competing for jobs. Some of these actions will require additional analysis and research; others will involve policy interventions tailored for Latino populations. Once there is improvement regarding these policy concerns, regional and national economic development strategies will increase the possibility of financial security for all workers.

Strong leadership on behalf of local decision-makers to address barriers will be critical to the South Atlantic’s potential to gradually integrate Latino communities into the region’s social fabric and ensure economic recovery. State officials must seize the opportunity to build upon what is working and change what is not in order to preserve and bolster our country’s values and prosperity.
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Appendix A

Interview Questions

1. Please tell me in a few sentences what you do at [business/government/place of employment]? 
2. In your opinion, what main drivers explain your state’s success in creating jobs? 
   a. Examples of main drivers include climate, cost of living, low-tax, and anti-regulatory policies. 
   b. What, if any, pro-business tax and regulatory policies are factors for jobs growth? 
3. What industries do you see growing? 
4. Is the growth still happening? 
5. Can you name any specific businesses or local economic development plans which you would attribute to the job growth in your region? 
6. Does it appear that Latinos have contributed to the growth of industries in your state? If so, to what extent? 
7. Does it appear that Latinos have benefited from growth in these industries in your state? If so, to what extent? 
8. Do you believe the Latino workforce has changed after the economic downturn? If so, how? 
9. Are you aware of any specific polices or conditions that have influenced Latino employment and job access? 
10. Of the jobs added, would you characterize them as mostly: 
    a. High-skill or low-skill jobs? 
    b. High-paying or low-wage jobs? 
    c. Temporary or permanent positions? 
    d. How would you describe the working conditions? Why? 
11. Do you have other contacts you can recommend?
### Appendix B

#### Stakeholder Interview Matrix

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<td>Lee Serralta McElveen</td>
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<td>Grassroots</td>
<td>Lowcountry Immigration Coalition/La Isla Magazine</td>
<td>Eric Esquivel</td>
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<td>Service Provider</td>
<td>Dalton-Whitfield Community Development Corporation</td>
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<td>Georgia</td>
<td>Small Business</td>
<td>Private Retail Shop</td>
<td>Julia Roman</td>
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<td>University/College</td>
<td>Georgia Minority Business Development Agency, Enterprise Innovation Institute, Georgia Institute of Technology</td>
<td>Donna Ennis</td>
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<td>Goodwill Industries International, Buena Vida Initiative</td>
<td>Maria Naranjo</td>
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<td>Industry Representatives</td>
<td>Florida Hispanic Chamber of Commerce</td>
<td>Julio Fuentes, Ruby Chacon</td>
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<td>Hispanic Business Initiative Fund of Florida</td>
<td>Augusto Sanabria</td>
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<td>University/College</td>
<td>Ana Mendez University System</td>
<td>Richard Lozada</td>
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<td>Department of Economic Opportunity</td>
<td>Rebecca Rust</td>
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<td>Service Provider</td>
<td>Centro Campesino Farmworker Center, Inc.</td>
<td>Diane Cantor</td>
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<td>Service Provider</td>
<td>Housing and Education Alliance</td>
<td>Sylvia Alvarez</td>
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<td>Service Provider</td>
<td>Hispanic Services Council</td>
<td>Elizabeth C. Gutierrez</td>
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<td>Florida</td>
<td>Small Business</td>
<td>The Company Voice (CVOX)</td>
<td>Ray Ruga</td>
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<td>PLC Investments, Inc.</td>
<td>Paul Cejas</td>
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<td>Small Business</td>
<td>Gomez Technology Solutions</td>
<td>Tony Gomez</td>
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Appendix C
Supersector Industry Sectors and Subsectors

- Leisure and Hospitality
  - Arts, Entertainment, and Recreation
    - Performing Arts, Spectator Sports, and Related Industries
    - Museums, Historical Sites, and Similar Institutions
    - Amusement, Gambling, and Recreation Industries
  - Accommodation and Food Services
    - Accommodation
    - Food Services and Drinking Places

- Education and Health Services
  - Educational Services
    - Elementary and Secondary Schools
    - Junior Colleges
    - Colleges, Universities, and Professional Schools
    - Business Schools and Computer and Management Training
    - Technical and Trade Schools
    - Other Schools and Instruction
    - Educational Support Services
  - Health Care and Social Assistance
    - Ambulatory Health Care Services
    - Hospitals
    - Nursing and Residential Care Facilities
    - Social Assistance

- Professional and Business Services
  - Professional, Scientific, and Technical Services
    - Legal Services
    - Accounting, Tax Preparation, Bookkeeping, and Payroll Services
    - Architectural, Engineering, and Related Services
    - Specialized Design Services
    - Computer Systems Design and Related Services
    - Management, Scientific, and Technical Consulting Services
  - Scientific Research and Development Services
  - Advertising and Related Services
  - Other Professional, Scientific, and Technical Services
  - Management of Companies and Enterprises
    - Management of Companies and Enterprises
  - Administrative and Support and Waste Management and Remediation Services
    - Administrative and Support Services
    - Waste Management and Remediation Services
Appendix D
Supplemental Data on Latino Workers in Delaware

Demographic Characteristics

**Age.** Latinos in Delaware tend to be younger than non-Hispanic Whites and Blacks. Approximately 37% of the total Hispanic population in Delaware is under the age of 18. The median age of Latinos in Delaware is 24, compared to 44 for non-Hispanic Whites and 32 for non-Hispanic Blacks.

**Nativity.** As seen in Figure 7.1, a majority of Latinos in the state are native-born. The largest subgroups of Latinos in Delaware are Puerto Ricans, who are born as U.S. citizens, concentrated primarily in New Castle County; Mexicans, and Guatemalans, mostly immigrants, both primarily concentrated in Kent and Sussex counties.

**Immigration Status.** Among all Latinos in Delaware, 37% are foreign-born while 63% are native-born. Approximately 73% of all Latinos in Delaware are U.S. citizens, which includes naturalized Puerto Ricans, making Delaware the state in the region with the largest percentage of Latinos who are U.S. citizens.

Figure 7.1
Delaware Hispanic Nativity (2010)


Human Capital

**Educational attainment.** Hispanics ages 25 and over in Delaware are characterized with low educational attainment. Figure 7.2 shows that 37.6% of Latino adults do not possess a high school diploma, significantly higher than Black (15.7%) and White (10%) Delawearans. Within other advanced education categories, Latinos who have a bachelor’s degree or more (15.4%) fall behind Black (17.8%) and White (27.6%) populations in the state.

**English ability.** Of Hispanics ages 25 and older, 60% speak English less than very well or have limited English proficiency. These data are consistent with observations from state social service providers that Latino consumer demand for bilingual services is on the rise. Limited proficiency in English is a barrier to employment for some Latino workers who could otherwise fill jobs that meet the needs of their own community; for example, as bilingual supervisors in retail settings.
Latinos’ Contributions to Delaware’s Industries
The high concentration of Hispanics in low-wage jobs is concerning given Latinos’ unlikelihood to access opportunities for advancement. Eli Ramos, a former member of the Governor’s Advisory Council on Hispanic Affairs and current member of the League of United Latin American Citizens, characterizes Latinos as “filling jobs that nobody wants because they are grueling positions in sectors like landscaping which offer low wages, no benefits, and limited opportunities to increase wages or increase job security.” Ramos knows many Hispanics in Delaware who have worked in the same low-wage positions for five years or more and are “shut out from advancement opportunities because they are not bilingual or don’t have the required education.” This problem calls into question the effectiveness of the state to create good jobs in addressing economic prosperity for Latino workers.

Effects of Job Creation Policies on Latinos in Delaware
While Latinos are well-positioned in terms of industries, the state focus on increasing STEM jobs and preparing the state’s students for these jobs is not improving the situation for Latino workers. Eli Ramos believes that “Delaware is on shaky ground given the lack of strong statewide leadership to address the economic development necessary to benefit Latino workers.” He has yet to see any economic development policies make tangible impacts in Latino communities. The job creation deficiency felt by Eli Ramos and many others like him in the state signifies the need to identify and address the reasons why Hispanics perceive the state’s job creation policies are not effectively reaching Latino workers.

Figure 7.2
Delaware Adult Educational Attainment by Race and Ethnicity (2010)

Issues

Business Attraction Prioritized above Skills and Training
Governor Markell’s job creation strategy is heavily tilted toward business attraction, with relatively few resources dedicated to ensuring that Delaware’s labor force is prepared to meet the demands of growing industries. Among the governor’s investments in education is $52 million earmarked for the Invest in Our Children strategy, a component of the Governor’s Building Delaware’s Future Now plan, which provides one-time investments for improving the state’s K–12 system and construction projects for institutions of higher education. It is unclear what impact this strategy will have on addressing the current needs of adult workers, especially Latino workers who lack the basic education and human capital to compete for future STEM and other high-skilled jobs.

For many local observers and service providers, the state’s public workforce development system falls short of addressing the unique needs of workers who are limited-English-proficient and have lower educational attainment. Zaida Guajardo, Executive Director of La Esperanza, a Delawarean nonprofit organization that aids primarily low-skilled Latino immigrants with their assimilation, explained that “many of our clients oftentimes do not qualify for government programs given their unique challenges like limited-English-proficiency, legal status, and lack of formal education.” Guajardo believes that the state has a responsibility to “target resources to ensure Latinos have access to the necessary services, training to increase their self-sufficiency, and competitiveness in order to meet the growing demand of employers looking to recruit more bilingual employees.”

The ability of community colleges, community-based organizations, employers, and others to design programs to effectively prepare lower-skilled and limited-English-proficient adults for employment is further limited as the American Recovery and Reinvestment Act (ARRA)—the federal stimulus plan—winds down its funding for state workforce development. In 2009, the Delaware Workforce Investment Board and Delaware’s Department of Labor-Division of Employment and Training received $7 million in stimulus funds under ARRA, bringing the state’s total workforce development funding to approximately $14 million. However, in 2011, the state’s Workforce Investment Act funding dropped to about $9.1 million out of the $3.3 billion state budget.

Delaware’s business attraction plan places a greater burden on its workforce development system, failing to recognize that a skilled and qualified “home-grown” workforce is critical to the success of businesses in the state. As many individuals in communities like Zaida’s continue to face limited opportunities for good jobs and career advancement, it remains unclear whether new job opportunities are going to the state’s struggling Latino community.

Workers and Jobs Not Geographically Aligned
Looking at labor market and population data analysis, there is an observed geographic mismatch between new job opportunities and Latino residential areas. For example, as Map 7.3 shows, between December 2009 and December 2010, the three counties in Delaware experienced job growth in the leisure and hospitality industry, in which Latinos

“Many Latinos living in Delaware work in Pennsylvania or New Jersey, particularly among the undocumented population.”
—Carlos De Los Ramos, Senior Advocacy/Public Relations Director at the Latin American Community Center (Delaware)
are already overrepresented as previously highlighted in Figure 2.3. However Kent—the county with the smallest concentration of the Latino working-age population—experienced the largest growth (14.5%). According to Carlos De Los Ramos, “the Hispanic population in Kent County is very small and made up of mostly bilingual individuals who are assimilated.” Failure to identify and address the factors that prevent Latinos from accessing jobs in growth industries outside the counties where they live could put the long-term viability of Delaware’s labor market at risk.

At the same time, local stakeholders explained that in order to meet economic needs, Latinos will move and even cross state lines in order to find work. Other factors such as cost of living and affordable housing options also influence where Latinos decide to live and seek employment. According to Carlos De Los Ramos, Senior Advocacy/Public Relations Director at the Latin American Community Center (Delaware), “many Latinos living in Delaware work in Pennsylvania or New Jersey, particularly among the undocumented population.” Given the mobility of Latino workers, the geographic mismatch should be a minimal barrier to Latino employment. This mismatch—and its contributing factors—warrant closer examination and should be considered when developing future research in the South Atlantic.

Expanding E-Verify Laws Create Obstacles for Latino Workers

It appears that Delaware employers are using certain provisions of state anti-immigration laws to discriminate against Hispanic workers regardless of national origin. More specifically, Delaware’s E-Verify* laws implemented in 2009

Map 7.3


* Although Delaware does not have state level anti-immigration laws pending, since 2009 Delaware has had an E-Verify law, Executive Order 13645, in effect.
are seen as the main culprit of employer abuse against Hispanic workers. Eli Ramos, a former member of the Governor’s Advisory Council on Hispanic Affairs and current member of the League of United Latin American Citizens noticed that after E-Verify laws took effect “a lot of Latinos lost their jobs, especially in the poultry industry, and were forced to move to surrounding states like Maryland to find jobs.” According to Carlos De Los Ramos, “much of this job loss occurred because employers assumed that Latino workers were undocumented, an assumption which continues today when Latinos apply for jobs.” It appears likely that this trend will persist and potentially intensify as a result because of Senate Bill (SB 15)—Delaware’s most recent immigration legislation which became effective July 1, 2012. Among several stipulations, SB 15 expands Delaware’s current E-Verify law by requiring state agencies to verify employment authorization status for all new hires. Eli Ramos and other advocates describe E-Verify as a “gateway law” in regards to the treatment of immigrants in the state. The record of E-Verify in places where it is already in use makes clear that this law will adversely impact Hispanic workers, who already face barriers to employment in growth industries in Delaware.

businesses “approximately every six out of ten Latino businesses close within six months.” He attributes this problem to the lack of business support services to learn fundamental skills like financial literacy and marketing. While there are some local entrepreneurs who have been able to weather the Great Recession—like Gerson Guox, whose story follows—many appear to require additional assistance in fortifying their businesses.

The Building Delaware’s Future Fund is a part of Governor Markell’s jobs plan, which could be used to help invest in new businesses, particularly Hispanic small businesses. The state also runs the Delaware Access Program, which provides start-up support for small, minority, and women-owned traditional businesses. Better outreach to Hispanic small businesses to take advantage of these resources and technical assistance would increase their long-term growth potential and strengthen employers and their employees.

Nascent Hispanic Latino Entrepreneurs Lack Support
In the face of the policy issues outlined above, many Hispanics in Delaware have turned to entrepreneurship as a source of income, but many are described as lacking the support necessary to survive and expand. When the construction industry shed jobs during the recession due to increasing costs, Carlos De Los Ramos with Latin American Community Center explained that “unemployed Latino construction workers formed smaller construction companies which have become subcontractors for larger construction companies.” Yet De Los Ramos has observed that among Hispanic small
Gerson’s Restaurants in Georgetown, Delaware

When Gerson Guox, a Guatemalan native, arrived in the United States in 1990, he was undocumented and did not speak English, yet he carried the dream to one day start his own business. He recalls that his “parents were entrepreneurs, selling items like shoes and food in the streets in order to provide for our family.” In 1994, he permanently settled in Delaware and began working a low-wage job in the poultry farms until he was able to obtain his residency as an asylee in 1996. His legal status permitted him to obtain a job as a dishwasher in a restaurant. As Gerson was promoted to better-paying positions within the restaurant industry, he “consciously saved money, maintained good credit, and a clean record.”

Once he became manager of a restaurant and cultivated both the knowledge and network of people within the restaurant industry, he decided that he was ready to launch his own business. In 2004, after a friend fluent in English guided him through the licensing process, Gerson says he invested a considerable amount of his personal savings to start his first business. From the onset, his business plan included targeting 90–95% of his product to the non-Hispanic American market and not solely a Latino market. Since 2004, Gerson has opened five restaurants—two of which he opened during the recession. Although Gerson has felt the impact of the weak economy, he believes he has been successful because “I’ve diversified my asset streams, developed strong community connections, and have received support from prominent community members.” Gerson feels that many of his Hispanic friends have been less successful as entrepreneurs because they “limit their possibility of success by failing to expand to other cities and regions outside of their comfort zone.” At the same time, he recognizes that “many times doors are shut upon arrival and Latinos are unable to receive a loan from a bank.” In order for more Hispanic small businesses to thrive, Gerson believes “there is need for a Hispanic Chamber of Commerce in Delaware that could provide much-needed training and mentorship for Latino small business owners.”

2 Ibid.
3 Ibid.
4 Ibid.
5 Ibid.
6 Ibid.
Appendix E
Supplemental Data on Latino Workers in North Carolina

Demographic Characteristics

Age. The Hispanic population in North Carolina is not only quickly growing but it is also young. The median age of Hispanics is 24 compared to Whites (41) and Blacks (34).\(^1\) Approximately 39% of North Carolina’s Latino population is under 18, compared to only 20% of Whites and 26% of Blacks.\(^2\) The Latino population in North Carolina is expected to continue to grow quickly as a result of the large youth population.

Nativity. The native-born Latino population (52%) in North Carolina is slightly larger than the foreign-born Latino population (48%).\(^3\) Among all Latinos, most of the population is of Mexican descent (as Figure 8.1 highlights).

Immigration Status. A majority of North Carolinian Hispanics are U.S. citizens (58.5%); however, there is a significant pool of guest and undocumented workers who are not citizens. National 2010 labor force estimates by the Pew Hispanic Center show that North Carolina had the eighth-largest number of undocumented immigrants, 250,000 or 5.4%, in its workforce.\(^4\) Among the foreign-born population, 14.1% are naturalized citizens compared to 85.9% that are non-citizens.\(^5\)

Human Capital

Educational attainment. As demonstrated by Figure 8.2, Latinos over the age of 25 have the lowest levels of educational attainment across all educational levels in comparison to Blacks and Whites in North Carolina. An alarmingly high percentage of Hispanics in North Carolina have less than a high school diploma (43.6%) compared to the share of all Latinos 25 and older who have completed high school (25%)\(^6\) as well as Blacks (30.6%) and Whites (27.5%) in North Carolina. These statistics present a clear challenge for Hispanics working in North Carolina, given that most of the state’s new jobs require at least a high school diploma or some post-secondary education.

Figure 8.1
Country of Origin or Heritage of Total Latino Population (2010)

English ability. Among the Hispanic population in North Carolina over the age of 25, 70.2% speak English less than very well or are limited-English-proficient. Several state service providers explained that because many Hispanics in the state do not speak English, they are forced to take jobs which offer limited options for upward economic mobility. "When you don’t know English, you work in restaurants and hotels in jobs where you’re not in contact with customers," explains Mauricio Castro with the North Carolina Latino Coalition.

Latinos’ Contributions to North Carolina’s Industries

While Hispanics constitute a share of various growth industries for the state, they also represent a significant share of North Carolina stronghold industries such as agriculture and construction. For instance, Latinos make significant contributions to crop production in the state. According to the North Carolina Department of Agriculture and Consumer Services, the state’s agricultural industry employs over 17% of the workforce and contributes 70 billion annually to North Carolina’s economy, which equals 18% of the state’s income. As such, North Carolina

"Latinos did not come to the state and take somebody’s job … North Carolina did not have the necessary skills to address our construction needs and a large percentage of Latinos filling construction jobs possessed the highly desired and needed skills when they arrived to the state."

—Andrea Harris, President of the North Carolina Institute of Minority Economic Development
needs workers to fill its agriculture jobs. The state’s large demand for immigrant workers with H-2A visas, a category for agricultural workers, highlights this significant need.*

State stakeholders like Andrea Harris, President of the North Carolina Institute of Minority Economic Development, make the case that North Carolina benefits from the skills Latinos contribute to the workforce. Harris believes this trend is easily seen in the construction industry, where she explains, “Latinos did not come to the state and take somebody’s job … North Carolina did not have the necessary skills to address our construction needs and a large percentage of Latinos filling construction jobs possessed the highly desired and needed skills when they arrived to the state.” Thus there is a need to examine the Latino worker dilemma regarding access to growth industries given the states’ efforts to simultaneously prioritize addressing the skill gap problem among low-skilled workers and deter unauthorized immigration.

**Effects of Job Creation Policies on Latinos in North Carolina**

Although the state prioritizes investments in worker training, efforts appear unlikely to increase most Latino workers’ access to jobs in growth industries. Quantitative data coupled with reports from state stakeholders who work with the North Carolina Latino community reinforced the belief that state job creation policies appear to benefiting mostly Hispanic workers with advanced education and English proficiency. Gabriela Zabala, Director of the Governor’s Office of Latino Affairs, acknowledges that “among the Hispanics that are in growth industries and well-paid tend to be Hispanics who possess higher levels of education and are bilingual, but they represent a small percentage of the workforce.” Given the large growth of Latinos in the state, it appears that more Hispanics stand to benefit from recent expansion in key state industries.

**Issues**

**Shift to Knowledge-Based Economy Leaves Jobseekers Unprepared**

Unlike most neighboring states, along with efforts to recruit companies offering jobs that only require some postsecondary training, North Carolina has also prioritized investments in workforce development strategies like the “12 in 6” Worker Training Initiative (see **Major Findings** section to learn more about North Carolina’s workforce development efforts). According to the Department of Commerce, 42% of the new jobs being created in North Carolina will require some postsecondary education, many in STEM disciplines. Stephanie McGarrah, Assistant Secretary for Policy, Research, and Strategic Planning at North Carolina’s Department of Commerce, explains that many of these STEM jobs require specialized skills that are hard to find in the state’s labor pool. Therefore, strategic investment in workforce development serves as an opportunity for low-skilled Hispanic workers who are unable to compete for new job opportunities.

**Latinos Unable to Benefit from Job Growth in Their Own Backyard**

Industries are adding jobs in the parts of North Carolina where Latinos live, which lessens some of the geographic barriers to employment found in other states in the South Atlantic (see **Major Findings** section to learn more about North Carolina’s geographic mismatch).

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*The overrepresentation of Latinos in North Carolina’s agricultural industry is due in large part to the controversial H-2A guest worker program, a program that allows agricultural employers to hire temporary non-immigrant workers for seasonal agricultural work when they are unable to find domestic workers to fill their needs. According to the Foreign Labor Certification Data Center 2010 annual report, North Carolina growers imported more H-2A workers over the past four years than any other state.*
Empirical data shown in Map 8.3 verify growth in industries such as the professional and business services industry, and regions with significant Latino populations like Wake County.

**Anti-Immigrant Legislation Has Stunted Economic Prosperity**

North Carolina is receiving newcomers from other South Atlantic states while also proposing and implementing laws likely to intensify employer hesitancy to hire Hispanic workers. Recent immigration debates* and increased immigration enforcement resulting from past anti-immigrant legislation has resulted in limited job opportunities for Latinos in North Carolina. In 2011, HB 36 added new provisions to the state’s E-Verify law, adding more hurdles for Latino workers by requiring all counties and municipalities to register and use E-Verify for all new hires. These changes are expected when compliance dates for private employers are phased in between 2012 and 2013. This type of environment is not only toxic to the Hispanic workers, but also for the state’s efforts to sustain economic prosperity.

* House Bill 343 (HB 343)—Arizona SB 1070 copycat legislation—was introduced on March 14, 2011 but failed to pass out of the originating chamber before the designated “crossover” date, or the date by which a bill must pass out of one chamber in order to be considered for the remainder of the legislative session.
Latino Entrepreneurs Require Further Assistance to Improve Sustainability

Although entrepreneurship among Hispanics in North Carolina has emerged as a viable path to self-sufficiency in North Carolina’s economy, local observers express the need for additional resources to ensure the viability of new companies. Stakeholders, from government officials to service providers, described an upsurge of Latinos starting their own restaurants, retail, and cleaning and construction businesses, as well as a growing presence in the professional services sector in areas such as accounting and attorneys. In 2007, the state’s 21,301 Latino-owned businesses had sales and receipts of $4.2 billion and employed 18,997 people. Andrea Harris attributes the upsurge in Latino businesses to increased access to affordable capital and support through organizations like the Latino Community Credit Union—the first financial services institution in North Carolina specifically aimed at improving the financial condition of the state’s underserved Hispanic immigrant population by delivering affordable financial services and financial education.

The Small Business Package, a piece of Governor Perdue’s JobsNOW initiative offering tax relief and other funds, could benefit the fast-growing Latino small business presence in the state if targeted and promoted strategically. Across North Carolina, stakeholders reinforce the need to not only increase access to capital and tax incentives but also business development services in order to increase the survival rates of Latino-owned businesses (see Major Findings section to learn more about entrepreneur support for Latinos in North Carolina).

2 Ibid.
3 Ibid.
5 Ibid.
13 Ibid.
Appendix F
Supplemental Data on Latino Workers in South Carolina

Demographic Characteristics

**Age.** Much of the fast growth in the Latino population can be attributed to how young the population is in comparison to other demographic groups. Approximately one of three Hispanics (35%) is 18 years old or younger versus Blacks (27.2%) and Whites (20.1%).¹ Overall, the Latino median age is 25 but is much younger (13) among the native-born population. The presence of a large youth population, particularly among U.S.-born Latinos, serves as an opportunity for state leaders to take the necessary steps and ensure that the next wave of South Carolinians is equipped with the fundamental skills and education to successfully compete in the labor market.

**Nativity.** The native-born Latino population (53%) in South Carolina represents almost the same share of the foreign-born Latino population size (47%).² Most of the growth in the foreign-born Latino population has happened within the past decade. Almost 60% arrived after 2000, versus 10.4% before 1990 and almost 30% during 1990–1999.³ As seen in Figure 9.1, the majority of both Latino citizens and non-citizens are of Mexican descent (57.6%)

**Immigration Status.** Among the total Latino population in South Carolina, about 60% are citizens and nearly 40% are non-citizens. However, among the foreign-born population, 14.6% are citizens.⁴

**Figure 9.1**

![Figure 9.1](image)


Human Capital

**Educational attainment.** Figure 9.2. shows that limited educational attainment is characteristic of most of South Carolina’s Latino population ages 25 and older. An alarming 41% of Latinos do not have a high school diploma or equivalent compared to Blacks (22.9%) and Whites (11.8%).⁵ Additionally, 13.2% of Hispanics have a bachelor’s degree, which is a staggering statistic when compared to Whites (28.9%).⁶

**English ability.** South Carolina has the largest share of limited-English-proficient Hispanics in the region. Nearly three out of every four Latinos (73.5%) in South Carolina speak English less than very well.⁷ This statistic reinforces the belief that most Hispanics in the state are unable to meet business demands for bilingual workers. Given this disconnect, there is a clear need for policy to address this critical issue.
Latinos’ Contributions to South Carolina’s Industries

Throughout the state, industry representatives to service providers noted a presence of Latinos primarily filling low-wage and low-skill jobs within growth industries such as leisure and hospitality and education and health services. The large proportion of Latinos in jobs that provide minimal economic security or opportunities for advancement is a detriment to both this segment of the labor force and the entire state economy. These realities make the case for a more in-depth analysis of the extent Governor Haley’s proposed job creation initiatives address the barriers Hispanic workers face—particularly in the wake of new anti-immigration laws—when attempting to benefit from job growth in the state.

Effects of Job Creation Policies

State job creation strategies have largely failed to improve the employment situation for South Carolina’s Latino labor force, in large part due to limited efforts to strengthen state workforce development strategies. Governor Haley’s efforts to strengthen South Carolina’s economy have been primarily in the form of business tax incentives with some preliminary efforts to begin addressing the state’s insufficient supply of skilled workers. Observations of state service providers emphasize the need for strategic investments and resources tailored to the needs of Latinos workers in order to increase their competitiveness in the labor market. These realities make the case for a more in-depth analysis of the extent Governor Haley’s proposed job creation initiatives address the barriers that Hispanic workers face, particularly in the wake of new anti-immigration laws, when attempting to benefit from job growth in the state.
Issues

Business Attraction Prioritized above Education and Skills Training
Governor Haley’s efforts have tilted heavily toward attracting businesses through tax incentives while marginally investing in worker education and training. Among Governor Haley’s efforts to address the state’s skills gap crisis has been a proposal to duplicate Georgia Works,* a program that does not hurt workers but won’t help Latino workers better compete for jobs (see Major Findings section to read more about South Carolina’s efforts to address its skills gap problem). While some argue that on-the-job training is a valuable feature of the Georgia Works program, some advocates have expressed concern about attaching work requirements to public benefits. Lee Serralta McElveen with South Carolina’s Commission for Minority Affairs explained that “although jobs are being added to the economy, the state should create and support workforce development programs that address the unique barriers Hispanic workers face, like limited educational attainment as well as limited English proficiency.” A state deficiency in a skilled labor pool, particularly among the Latino labor force, reinforces the uncertainty about whether recent job creation efforts have benefited the state, especially communities hardest hit by the Great Recession.

Employer Misuse of Immigration Laws
South Carolina’s recent wave of anti-immigration legislation has helped reinforce discrimination among employers in a fear-ridden environment. To date, South Carolina has several anti-immigrant laws† which have created a toxic environment for both Latinos and all workers in the state.§ On June 27, 2011, Governor Nikki Haley signed into law Senate Bill 20 (SB 20), the Immigration Status and Enforcement Bill,‡ requiring all employers to enroll in the E-Verify system to check employees’ and job applicants’ citizenship status.† As a result of South Carolina’s destructive debates about immigration, all Hispanics have experienced some discrimination, producing a chilling effect on hiring this growing workforce. These laws not only increase fear among Hispanic workers but also create hurdles when seeking employment. Legislation targeting immigrant workers helps to explain the barriers Latino workers face in their ability to access jobs in South Carolina’s growth industries.

Jobs Added to Areas with Minimal Latino Presence
An apparent disconnect between South Carolina’s Latino population boom and the state’s top job growth regions requires further examination of other obstacles Hispanic workers face when competing for jobs. Analysis of Census and labor market data shows that it is improbable that regions with higher concentrations of working-age Latinos are able to commute to new job opportunities in growth industries. For example, Map 9.3 demonstrates that within the state’s industry growth leader, professional and business services, major job growth occurred primarily in counties with a minimal number of Hispanic working-age individuals.

* Georgia Works is a controversial program which matches workers receiving unemployment benefits with companies that are hiring and willing to provide up to eight weeks of training for no more than 24 hours per week. At the end of the process, employers have the option of hiring the Georgia Works participant.

† South Carolina’s first E-Verify legislation, Illegal Immigration Reform Act, was passed in 2008, becoming the state’s first law requiring all public employers to use the E-Verify system when hiring employees.

‡ This law extends beyond Arizona SB 1070’s legislation as it creates a $1.3 million immigration enforcement unit within the state’s public safety department to serve as a liaison between local police and federal immigration officials.
Along with the attention to South Carolina’s fastest-growing Latino population is the expectation that more Hispanics will be positioned to access new employment opportunities. However, South Carolina risks the possibility of further limiting Latino access to increased opportunities in the professional and business services industry if job growth continues to expand in regions without a significant Latino presence. Additional analysis and efforts to address geographic barriers to employment plaguing Hispanics is essential to South Carolina’s economic sustainability.

Unoccupied Bilingual Job Positions Signal Gap in Policy
State job creation policies have shown little progress in narrowing the gap in English-language proficiency and skills that many Hispanics face, leaving them unable to access new bilingual job opportunities. Along with the growth of the Latino population, South Carolina has experienced a surge in demand for bilingual personnel in industries from telecommunications to health care. Some in the state believe that Hispanic workers, many of whom are native Spanish speakers, are well-positioned to benefit from these new job opportunities. Myriam Torres says, “the noticeable increase in bilingual high-skill job openings serves as a sign that Latinos in South Carolina can and should be better off.” Yet it appears there is a need for improved efforts to increase programs for English language learners (see Major Findings to learn more about South Carolina’s bilingual opportunities).

Map 9.3

Small Business Assistance Tailored to Hispanic Needs Is Key

As Latinos in South Carolina have pursued small business development as a way to address their need for employment and economic security, adequate resources to aid business owners has lacked. In 2007, the state’s 5,971 Latino-owned businesses had sales and receipts of $1.9 billion and employed 9,273 people. Hispanic small business ownership, particularly in the upstate region—the state’s ten northern counties including Greenville, which has the highest percentage of Latino workers—was identified by a majority of stakeholders as a promising opportunity for employment among Latinos. But according to Gustavo Nieves with the South Carolina Hispanic Chamber of Commerce, the success of these businesses is limited because “a lot Latinos want to start a business, but many do not know what the requirements are to start a business.” As a result of the flood of Hispanic entrepreneurs like Sandra, whose story follows, the South Carolina Hispanic Chamber of Commerce launched an “Entrepreneur Empowerment Series” to aid local entrepreneurs with valuable knowledge and support about developing a sustainable business infrastructure. Necessary investments in specialized training and small business assistance should be considered in order to complement current efforts to increase Hispanic access to employment, thereby strengthening the state’s long-term viability.

Sandra’s Restaurants in Greenville, South Carolina

Sandra—a Colombian immigrant who came to the United States 13 years ago—and her husband are the owners of three small businesses in South Carolina’s upstate region. She studied business and administration in Colombia before earning an associate’s degree in management in the United States. In 2006, Sandra and her husband decided to use their personal savings as capital to open their first business—a self-service Mexican restaurant. Sandra describes the time she opened her first restaurant as “a time when South Carolina was experiencing a large influx of Latinos and we thought we could cater to this growing Latino, mostly Mexican, community.”

After two years of success, and a growing demand from a non-Latino market, Sandra and her husband decided to expand their business and open a second location. “Even though the weak economy and anti-immigrant laws being passed concerned us and made us hesitant to open up another location, we believed we had developed a strong enough clientele that would help us defy odds.” For the past few years, Sandra has seen an increase of non-Latino customers, which gave Sandra and her husband the confidence to invest and open a third location catering almost exclusively to a wealthier White community in Greenville. However, Sandra still has several concerns about the sustainability of her business which, she explains, “has motivated me to seek additional support from the South Carolina Hispanic Chamber of Commerce. I believe that my bottom line would improve if I had more access to credit as well as accounting, marketing, and English classes.”

2 Ibid.

3 Ibid.

4 Ibid.

5 Ibid.

6 Ibid.

7 Ibid.


Appendix G
Supplemental Data on Latino Workers in Georgia

Demographic Characteristics

Age. Youth characterizes the Latino population in Georgia, particularly among the native-born population, and serves as a signal that presence of Hispanics in the state will continue to quickly grow. The 18-and-younger Hispanic population represents 37% of the total Latino population. Most of these young people are native-born, a population whose median age is 11 and significantly younger than the foreign-born median age (32), all Blacks (31), and all Whites (40).

Nativity. While both the native-born and foreign-born Latino population represents 50% of the total state Hispanic population, half of the foreign-born population entered the U.S. in 2000 and later and are mostly of Mexican origin (62.5%).

Immigration status. Of all Latinos in Georgia, 57.6% are citizens; however, only 16% of foreign-born Latinos are citizens compared to 83.4% who are native-born.

Human Capital

Educational attainment. Low educational attainment is characteristic of many Latinos in Georgia. As Figure 10.1 shows, in comparison to Black and Whites, Latinos represent the largest share of individuals without a high school diploma (44.2%) and have the smallest share of individuals with a high school diploma (25.2%) and post-secondary education (13.8%).

Figure 10.1
Georgia Adult Educational Attainment by Race and Ethnicity (2010)

English-language ability. Among Hispanics ages 25 and older in Georgia, 70.5% have limited English proficiency or speak English less than very well.
Latinos’ Contributions to Georgia’s Industries
Latinos are described by social service providers as contributing to Georgia’s economy by working primarily low-wage, low-skilled positions in industries such as poultry, agriculture, flooring, manufacturing, and retail. The overrepresentation of Hispanics in many industries that have been adversely affected by the Great Recession and state policy decisions further weakens the prospects of employment mobility and financial stability. The degree to which job creation strategies outlined by Governor Deal increase the competitiveness of Latino workers should be assessed in the aftermath of new state anti-immigrant legislation, which has already had a negative impact on the state’s economy.

Effects of Job Creation Policies on Latinos in Georgia
Although Latino workers are densely concentrated in several state growth industries, their likelihood of securing better employment opportunities is being diminished by state efforts to incentivize the recruitment and expansion of many high-skilled employees. Perception on the ground reinforces this assumption, given observed increased harsh anti-immigration legislation and misguided efforts to use prison labor to fill the labor shortages in the state’s agricultural industry. Beyond the agriculture industry, a survey conducted by the Georgia Restaurant Association revealed worker shortages in the state’s $14.1 billion restaurant industry. Much of this shortage can be explained by recent immigration legislation, which has not only increased fear among Latino workers but also among employers, resulting in their reluctance to hire Hispanics. These problems plague Latinos in the labor market and justify the need for Georgia government officials to examine and identify solutions that can assist Hispanic workers languishing in the state.

Issues

Immigration Laws Result in Statewide Economic Losses
Georgia’s track record of anti-immigrant legislation was strengthened when Governor Deal signed House Bill 87 (HB 87) into law, resulting in not only increased fear among Latinos but also severe labor shortages. The law became effective January 1, 2012 and empowers police to investigate the immigration status of certain suspects and sets new E-Verify requirements for certain employers. Maria Naranjo, Program Manager of Goodwill Industries International’s Buena Vida initiative in Georgia, affirmed that shortly before the passage of HB 87, the Buena Vida bilingual career centers in the state experienced a “sharp decline of undocumented immigrants accessing our services, particularly in rural regions in the state.” Their centers throughout the state have observed the increased sense of fear and confusion among the Latino community. HB 87 has had unintended consequences for both employers and workers that will likely call for additional research to understand the impact on the state’s economy (see the Major Findings section to learn more about HB 87’s impact on Georgia’s agriculture industry employers and workers).

Business Attraction Prioritized as Skills Gap Crisis Looms
Georgia’s priority to strengthen its economic prosperity by attracting more employers to
the state overlooks the competitive advantage it could have by making sure its labor force is adequately skilled. According to Good Jobs First, a national organization promoting corporate and government accountability, the most recent costs for Georgia’s four largest business subsidy programs was approximately $62 million, about half ($30 million) of which went toward the state’s Job Tax and Quality Tax Credit programs that offer monetary awards to companies that create jobs. Amid state efforts to attract and expand employers, Governor Deal has demonstrated efforts to respond to business needs for improved worker training by the state’s youth population. Go Build Georgia, part of his Competitiveness Initiative, targets high school–age youth in order to address the state’s shortage of workers in the skilled trades. These investments in Georgia’s youth population are important for strengthening the state’s future labor force. However, it is too early to tell whether this program will aid Latino workers’ access to jobs—particularly given that in comparison to Whites and Blacks, Latinos represent the largest segment of the state population without a high school diploma, as previously seen in Figure 10.1. Governor Deal’s policies signal the need to make investments that will yield an educated labor force trained for both the short-term and long-term labor needs of Georgia.

Minimal action to address the state’s larger skills gap problem alarms service providers and state business leaders. One of these leaders is Donna Ennis, Program Director of Atlanta’s Minority Business Development Agency Business Center, which fosters the growth and global competitiveness of minority-owned U.S. businesses. Ennis has seen companies address the skills gap dilemma by training workers themselves to meet their needs. Additionally, she acknowledges that the skills gap challenge is compounded for both foreign-born and undocumented Latinos because they are more likely to arrive in the United States with limited English and lower levels of educational attainment. She points out that “although many Hispanic workers come to Georgia with low levels of education, they are very entrepreneurial and looking for ways to meet service gaps and consumer needs, but the education gap is a barrier.”

**Geography Serves as a Barrier for Latino Workers**

The geographic misalignment of the concentration of Hispanic workers and new job openings partly explains why Latinos are not participating in Georgia’s top industries. Further analysis of population and labor market data highlights this mismatch. This issue is apparent in Map 10.2, which shows that the counties with the smallest presence of the Latino working-age population growth experienced the most growth in the professional and business services industry, which leads Georgia’s employment growth. While some exceptions exist and areas like Fulton County—home to Atlanta and a significant Hispanic population—experienced some positive growth in the professional and business services industry, stakeholder interviews do not confirm that Latinos are accessing most of the new job opportunities in these regions. Maria Naranjo attributes some of this geographic mismatch to Latinos’ reliance on social networks for their job search compared to traditional recruitment avenues. As she explains, “Latinos are put at a disadvantage when seeking job opportunities because today most jobs are announced online and many times companies do not have bilingual recruiters at career centers in regions with a significant Latino presence.” Observations like Maria’s help explain why Latinos in large-growth counties are unable to access significant opportunities in the professional and business services industry.

Additional factors like transportation further hinder Hispanic workers’ access to job opportunities. This is especially true in rural regions of the state like Whitfield County,
which experienced some growth in professional and business services occupations. Gaile Jennings, Director of the Dalton-Whitfield Community Development Corporation, has seen firsthand how transportation barriers severely limit the population she serves. She explained that many Hispanics in her area not only lack access to cars and many times driver’s licenses, but limited or no public transportation in the Dalton-Whitfield region prevents many Latinos from accessing jobs. Jennings believes that even if Latinos are living in regions with new job openings, limited transportation options prevent them from benefiting from state job growth opportunities. These geographic barriers symbolize a significant problem which, if left unaddressed, can adversely impact Georgia’s long-term economic viability.

Hispanic Businesses Lack Adequate Support
State stakeholders describe the crisis that many Latino business owners, particularly new entrepreneurs in retail and restaurant industries, find themselves in given the lack of sufficient business development education and support. In some extreme cases, the likelihood of closing has become a reality for local business owners like Julia, whose story follows, which cater primarily to the Latino community. Donna Ennis, with the Minority Business Development Agency, believes that there is a window of opportunity for minority-owned businesses as the state shifts its focus to create jobs domestically and internationally in efforts to expand Georgia’s global footprint. However, she explains that “many minority-owned businesses are not aware of industry trends, don’t know how to access capital, and tend to operate in insular networks.”
Ennis and other local leaders believe that with proper state investments in training and education as well as increasing access to capital, entrepreneurship could be a promising area of opportunity for Hispanics in the state. Improved marketing of services offered and expanding resources to other parts of the state would assist Hispanic small business owners struggling to become sustainable and profitable. Statewide observers are convinced that Hispanic entrepreneurs stand to benefit from job creation efforts, provided strategies account for their need for additional resources and business development support to ensure success.

**Julia’s General Store, Dalton, GA**

Julia is a single, middle-aged immigrant from El Salvador who has owned a small general store in Dalton, Whitfield County, since 2005. She was able to start her business through a loan she obtained from a small local bank. Julia explains that for the first three years, her business was “very successful because the carpet and flooring industry was at its peak, and people were making money which they would spend at my store.”

Unfortunately, today much of this economic strength has diminished, adversely impacting Julia’s business. “My store is suffering because so many people have lost their jobs during the past three years in the flooring industry, and it also doesn’t help that these people with limited or no income are also living in fear and have started to leave the region because of the bad immigration law that recently passed.” She also explains that recent openings of several big box stores in her region have attracted many of her former customers.

If her business does not turn around soon, Julia explains, she will be forced to close her doors. Julia says that “because I don’t speak English well and don’t have a high school diploma, my options for obtaining another job is hard.” Although she has attempted to enroll in GED classes, life roadblocks like her limited English skills and her need to work in order to provide for herself and her family have stifled her ability to obtain the proper tools necessary for her to successfully pursue her passion and vision as an entrepreneur.

2 Ibid.
3 Ibid.
4 Ibid.
Supplemental Data on Latino Workers in Florida

Demographic Characteristics

Age. Unlike other states, Florida’s Hispanic population does not constitute the youngest population in the state. The median age for all Latinos is 33, and while that is less than the White median age (47), it is slightly more than the Black median age (31). Although the median age for foreign-born Latinos (44) is more than twice the native-born median age (20), over one in four (26%) Latinos in Florida is 18 or younger.¹

Nativity. The Hispanic population in Florida is about evenly split between native-born (51%) and foreign-born (49%). Unlike other states in the region, slightly more of the foreign-born population entered the U.S. before 1990 (37.9%) versus the foreign-born that entered the U.S. in 2000 and later (36.9%).² These trends signal the shift to a Latino population that is predominantly native-born. Another distinct quality of the Latino population in Florida is the diverse representation of Latin American countries. As Figure 11.1 shows, over half are from the Caribbean and those of Mexican origin represent the third-largest group of Latinos.³

Immigration status. Florida is home to the state with one of the largest populations of Latino citizens in the region. Approximately three in four (72.5%) Latinos in Florida are U.S. citizens. As a result, Florida has a relatively low number of Hispanics who are non-citizen (27.5%), a population that is made up of mostly foreign-born individuals.⁴ The large number of U.S. citizens found in the Latino community represents a sizeable pool of potential voters likely to influence issues on both the state and national levels.

Human Capital

Educational attainment. As seen in Figure 11.2, more Latinos have a bachelor’s degree or higher (20.6%) than Blacks (15.8%), but Hispanics represent the largest proportion of Floridians who have less than a high school diploma (26.3%) compared to Blacks (21.5%) and Whites (9.2%).⁵ Similarly, among those who have a high school diploma or equivalent, Latinos (28.2%) fall behind Whites (30.4%) and Blacks (32.7%).⁶ These numbers represent the missed potential for Florida to have a stronger, more prepared labor force that increasingly depends on Hispanic workers.

Figure 11.1

Effects of Job Creation on Latinos in Florida

Although Latino workers in Florida have sizeable participation in several top growth industries, the state’s focus on recruiting companies with high-skilled jobs is minimizing the likelihood that most foreign-born Hispanics will be able to compete for new job opportunities. Ray Ruga, CEO of a PR/Marketing firm in South Florida, has observed the significant educational differences between various segments of the Latino workforce and believes a small percentage of Latinos stand to benefit from job creation policies. “Given current job creation policies, it will be more likely for native-born Hispanics and wealthier Latino immigrants to take advantage of new positions in STEM fields than the children of farmworkers,” said Ruga. He believes this trend is likely to intensify, creating larger disparities among Hispanics in Florida if the state does not actively address the reasons why Hispanic workers, particularly those with limited educational attainment, are unable to access employment and achieve economic security. The apparent stratification of Latino workers resulting from human capital differences represents the need to examine and address the issues limiting Hispanics from competing for STEM and other high-skilled jobs.
Issues

Business Attraction Prioritized above Education and Skills Training
State job creation strategies are focused on increasing Florida’s ability to attract businesses without equal reforms to strengthen its workforce development systems to better train its labor force. State investments of about $152 million are going to the state’s top five subsidy programs. The prioritization is reflected in Governor Scott’s job creation plan, where an overwhelming majority of the 45 strategies listed are focused on making state friendlier and more attractive for employers in Florida. Many of these tactics do not appear likely to address the state’s deficiency of education and skills plaguing Florida’s workers, especially most of the diverse Latino labor force (see Major Findings section to learn more about Florida’s workforce development training needs).

New Era of Harsh Immigration Legislation
Within a few days of being sworn in, Governor Scott signed Executive Order No. 11-02, which requires state agencies to verify the employment eligibility of all state employees and contractors. Documentation of states with E-Verify demonstrates that all workers, especially foreign-born workers, are adversely impacted as far as limited access to jobs or other times loss of employment. Given that 49% of Florida’s Latino population is foreign-born, many of the authorized workers among this population will be adversely impacted and more likely to receive a tentative nonconfirmation—signaling that the individual is not employment-authorized which will impact their access to employment. In fact, in 2009 this problem was experienced by one U.S. citizen living in Florida who had changed her name after remarrying and was terminated by a national department chain after she received a tentative nonconfirmation notice as a result of an erroneous E-Verify finding. Although she attempted to resolve the matter with the local Social Security Administration office, she was informed that the U.S. Department of Homeland Security had directed the company to terminate her employment because she was suspected to be a terrorist. Florida’s E-Verify law and other anti-immigration legislation place obstacles in the way for Hispanics in Florida seeking economic security. Given the density and diversity of Latinos in Florida, efforts to curb undocumented immigrants will likely negatively impact all Hispanic workers and further cripple Florida’s slowly recovering economy.

Workers and Job Location Limitations
Although some Latinos may be less burdened by geographic barriers when seeking employment, it appears that many remain disconnected from the regions experiencing the largest industry growth in the state. State job creation tactics have not been supported by improved transportation policies to enable Latinos and other workers from accessing jobs that are outside of the areas where they live (see Main Finding section to learn more about Florida’s transportation issues). Analysis of both labor market and population data shows geographic mismatches between job growth and Hispanic-concentrated counties. This disconnect is shown in Map 11.3, where between December 2009 and

* After a failed to attempt in 2010 during a special session to pass a bill similar to Arizona’s harsh anti-immigration bill, Senate Bill 2040 and House Bill 7089 were introduced during Florida’s 2011 legislative session. However, both bills were vigorously opposed by religions, business, and immigrant rights communities and died when the legislature failed to move them out of their chambers by May 6, making Florida the second state to reject SB 1070 copycat legislation twice.
December 2010 the regions with the largest growth in the leisure and hospitality industry occurred primarily in counties with minimal Latino presence. However, it appears that Latinos stand to benefit from new job opportunities in this industry given counties with the largest concentration of Hispanics—Dade, Broward, and Orange—experienced some job growth in leisure and hospitality.

Clearly the job growth mismatch extends beyond physical geographic barriers, and thus requires additional analysis to understand the interrelated barriers that Latino workers experience. Inaction yields the possibility of a long-term fractured and inequitable labor market for Hispanics, thereby threatening Florida’s ability to compete domestically, let alone internationally.

**Awareness Raising of Services among Latino Entrepreneurs Needed**

Unlike most states in the region, Florida has a long history of Hispanic-owned businesses that represent a broad spectrum of industries which have helped strengthen the economic security of many Latino workers and their families. As the gateway to Latin America, Latino businesses in Florida are one of the region’s fastest-growing segments of the business community, and represent a key driver of future success for the state.
Augusto Sanabria with the Hispanic Business Initiative Fund of Florida—a Central Florida nonprofit that provides bilingual assistance to Hispanic entrepreneurs—acknowledges that the economic downturn has “presented the perfect window of opportunity for Hispanic entrepreneurs to launch businesses to make up for lost wages, layoffs, and cuts to benefits.” Because it appears that a plethora of Latino business owners have access to business development support services, stakeholders like Mr. Sanabria believe there is an incredible opportunity to create various niche industries within the Florida Latino business community, which could help to quickly strengthen the state’s economy.

There is a need for stronger marketing efforts to alert Hispanic entrepreneurs like Tony, whose story follows, of local resources available to them through state agencies like the Office of Supplier Diversity, an office charged with improving business economic opportunities for Florida’s minority, women, and service-disabled veteran business enterprises. Although Governor Scott’s job creation plan calls for the need to “enhance opportunities for small and minority businesses,” there is no concrete strategy described which details what efforts will lead to the strengthening of these businesses. Increased outreach efforts to increase the success of Latino-owned small businesses by partnering with nonprofit organizations like Hispanic Business Initiative Fund could help raise the awareness of more entrepreneurs about state support and training available by registering as a minority business enterprise. Efforts to position Florida as a global economic force must begin with strengthening businesses owned by the largest minority group in the state and third largest in the country.
Tony’s Technology Enterprise, Miami, FL

Like many Latinos in South Florida, Tony is an immigrant, born in Cuba and arriving in Florida at the age of three. He attended Miami public schools and eventually received his bachelor’s degree in computer science from Florida International University. During his 20s, he worked as a programmer and eventually ran the IT department for a corporation in south Florida. These jobs gave Tony the ability to save money to achieve his goal of starting his own business by his early 30s. According to Tony, “I have always had an entrepreneur spirit. I believe the desire to start a business is part of the Latino culture.”

In 2007, the company he served as IT manager for brought in new management and due to turnover, Tony lost his job. Soon thereafter, Tony began developing his own company—Gomez Technology Solutions (GTS), an IT company based in Miami providing technical assistance for small and medium-sized businesses in various industries, mostly in South Florida. “I had the opportunity to hit the ground running because I had established many relationships and networks, which gave me the confidence to start my business,” says Tony. During the first year, GTS quickly flourished and secured many clients, which allowed Tony to expand his staff. Once the recession began to settle in GTS suffered, and Tony noticed that “many of my clients began to lay off their staff and changed their willingness to commit to long-term contracts.”

From 2008 to 2010, GTS had to work creatively to keep business going until mid 2011, when the economy improved. “Clients finally changed their willingness to make long-term investments and we even started to get new clients and grow,” explains Tony. Through all of his experience as a small business owner, Tony has yet to spend any money on advertising or marketing, which he attributes to the strong network he built during his professional career. He also explains that serving clients primarily in South Florida has aided in his success because “in the Latino community, there is a tendency to work with local small businesses as opposed to large corporations.” However, he believes “lack of clarity and uncertainty on the national level as the stability of tax code, health care reform, combined with the state debt, are all hindrances to employers which makes it difficult to gauge growth.” Nonetheless, Tony believes that South Florida will continue to be a hotbed for successful Latino small businesses because “there has been generations of local role models in the Hispanic community for younger people, which I believe motivates people to do better.”
Now Hiring? Latinos and the Job Creation Policies in the South Atlantic

2 Ibid.
3 Ibid.
4 Ibid.
5 Ibid.
6 Ibid.
12 Ibid.
Now Hiring Latinos and the Job Creation Policies in the Southern Atlantic
NOW HIRING? LATINOS AND THE JOB

CREATION POLICIES IN THE
SOUTH ATLANTIC