

EXECUTIVE SUMMARY

U.S. Business
and Hispanic
Integration:
Expanding
The Economic
Contributions
of Immigrants

“A distinctive characteristic of the Hispanic immigrant community is its ethic of hard work and entrepreneurial spirit. There are currently 2 million Hispanic-owned firms in the U.S. and they are the fastest-growing business community in the country.”

—**Salvador Gomez**,
Chairman/CEO, Source One
Management, Inc. and Founder of
the National Hispanic Business
Information Clearing House
(NHBIC), May 2008.

As of mid-2007, an estimated 45.5 million Hispanics live in the United States, approximately 15 percent of the total population. Hispanics are the fastest growing minority group in the nation and the largest in 22 of the 50 states. Their collective purchasing power surpassed \$800 billion in 2007 and the nearly 2.2 million Hispanic-owned businesses are expected to generate an estimated \$388.7 billion in revenues in 2008. But many Hispanic immigrants face obstacles such as limited English proficiency, modest financial literacy and a lack of cultural familiarity that create impediments to their advancement in the workplace and in their communities. The findings shared in this white paper document private sector best practices in workforce and community integration and serve as an opportunity to build support for their expansion.

Achieving greater integration of Hispanics into the fabric of American society is a public policy imperative with obvious benefits for the corporate bottom line. For employers, more effective integration increases worker loyalty, reduces employee turnover and absenteeism and boosts worker productivity and motivation, thereby increasing businesses' efficiency and competitiveness. Other benefits of a more integrated Hispanic population include strengthened social capital, greater opportunities for upward mobility and increased income and purchasing power that is injected back into the economy. A better-integrated Hispanic population would facilitate greater multicultural communication and civic engagement and reduce social tensions.

Today, the private sector plays a key role in integrating this country's largest pool of immigrants. Most immigrants spend a great portion of their time at the workplace, making it one of the most important sites for immigrants to interact with native-born or immigrant groups, use English and have the opportunity to learn and take advantage of potential opportunities for upward mobility.

Funded by a grant from the Rockefeller Foundation, the Americas Society and Council of the Americas (AS/COA) *Hispanic Integration Initiative* is engaging the U.S. and international business communities

and mobilizing a new generation of private-sector leaders in support of initiatives that promote the integration of the Hispanic population. Through meetings held in New York, NY, Atlanta, GA, and New Orleans, LA, we have brought nationally and locally-operating businesses together with public-sector officials and community groups to exchange lessons learned and best practices. A National Business Council—companies at the forefront of integration efforts—anchors and provides guidance to the initiative. Our work has allowed business leaders to assess the feasibility of implementing national-level programs in cities such as Atlanta and New Orleans, while addressing the extent to which local programs can be carried out across the country. This initiative focused on these two new gateway cities due to their unique characteristics.

Between 1990 and 2006, the immigrant population in Georgia increased by 282 percent, with Hispanics reaching 7.5 percent of the state population by 2006. As reported by the *Atlanta Business Chronicle*, Hispanic buying power in the metro-Atlanta area rose 1,100 percent from 1990 to 2007 and now stands at approximately \$9.8 billion. In New Orleans, informal estimates report that the Hispanic population has increased to 150,000, double the size before Hurricanes Katrina and Rita. Many of these new gateway cities have limited experience, infrastructure and resources for accommodating a culturally and ethnically diverse population. In many cases, this has generated social and political tensions that affect both the immigrants and their communities.

“...good management requires a strategy for dealing with a diverse workforce, including a wide range of ethnic groups and nationalities. Such policies go beyond ensuring that each member of the workforce is treated equally, striving to ensure that every employee has the opportunity to develop professionally in a positive work environment.”

—European Policy Center, “Making migration work: the role of employers in migrant integration,” May 2008.

This white paper documents the many major U.S. corporations that already offer (or sponsor) programs that promote the integration of Hispanic immigrants. Their initiatives include training for **skills development, financial literacy programs, English-language courses, scholarships for higher education, information about access to health care, and civic education.** The *Hispanic Integration Initiative* analyzed and benchmarked experiences in each of these areas. By showcasing existing best practices and strengthening synergies between the public and private sectors, the AS/COA is promoting the development of initiatives that support the full economic, social and political integration of Hispanics in the United States.

With limited funding available for federal programs supporting immigrant integration and without a comprehensive strategy to address this issue, public-private initiatives are an economic and social imperative for the future of the country.

- **Increasing** immigrants' **access to education, skills development** and improving **English proficiency** strengthens their position in the community and promotes **participation**, diminishing isolation and discrimination. Moreover, it increases opportunities for **upward mobility** in the second and third generations.
- **Improving** immigrants' financial literacy opens the door for **access to banking services, credit, mortgages, and loans**, which eventually allow for the support of their children's college education or the ability to make investments or purchase a home—a sign of stability and long-term commitment to both communities and jobs.
- **Facilitating** **access to health care** increases productivity, encourages preventive care and reduces the high costs associated with emergency room use by the uninsured. At the same time, the country's overall quality of health is improved.
- **Providing** information about **naturalization** and **civic participation** can encourage political participation, promote civic values and reinforce immigrants' desire and commitment to become English-language proficient and root themselves in the fabric of their communities.

“We believe in the holistic approach to workforce training—not only what construction entails, but also offering programs such as English and Spanish-language training for more effective communication between Hispanic and non-Hispanic employees and to improve personal management skills.”

-**Romina Byrd**, Director of Education and Training, Miller & Long Concrete Construction, June 2008.

BUSINESS BEST PRACTICES

Over the course of our research and site visits, the *AS/COA Hispanic Integration Initiative* identified a broad range of business-supported programs to promote the integration of Hispanic immigrants. Following are some of the best examples:

English-Language Training

Companies such as **Miller & Long Concrete Construction**, **Norsan Group**, **Tecta America Corp.**, **Sodexo, Inc.**, **American Apparel**, and **UPS (United Parcel Service of America, Inc.)** offer English-language classes as a way to foster a better work environment, reduce social tensions at the workplace and in the community and enable the company to provide better services while increasing productivity. In many of these cases, companies have recognized the time constraints on employees and offer the programs at the worksite or through interactive teaching modules, such as “*Sed de Saber*,” that allow employees to learn at home with their families. Whether in construction, services or manufacturing, the focus is on providing language instruction related to workplace skills and safety. The **Norsan Group** (Atlanta, GA), **Tecta America Corp.** and **Sodexo, Inc.** are among companies that offer both English and Spanish classes to encourage native speakers of both languages to understand and interact with each other. Other businesses, such as **Capital One** sponsor English-language programs offered by community-based organizations.

Higher Education

Major corporations such as **The Coca-Cola Company**, **Wal-Mart Stores, Inc.**, **State Farm Insurance**, **Google, Inc.**, **Marriott**, **Verizon**, **Kaiser Permanente**, **Citigroup**, **FedEx Corporation**, **Time Warner, Inc.**, **Bank of America**, **ExxonMobil**, **Hewlett Packard Company**, **The Procter & Gamble Company**, **Target**, and **Toyota Motor Sales**, to name a few, support scholarship programs for Hispanics. Among the most prominent of those programs are the Hispanic College Fund (HCF) and the Hispanic Scholarship Fund (HSF). **The Coca-Cola Company** also works through its “Advancing to Universities” program to encourage students to transition from two-year to four-year colleges and universities. These programs address one of the main obstacles to social mobility—lack of financial resources for education.

Financial Literacy

Recognizing the growing buying power of Hispanics and the remittances sent home, many banks are increasingly reaching out to this population and facilitating access to services. Beyond the interest in increasing their customer base, banks can play an important role in fostering economic and social

“Through access to credit and financial services, Hispanic businesses grow, the local community grows and the financial market grows. By helping Hispanics develop a credit history we also increase their opportunities to buy homes and live the American Dream.”

—**Jorge L. Forment**,
President & CEO, United
Americas Bank, May 2008.

“Georgia Power’s Hispanic initiatives stem from our belief in giving back to the community. We realized early on that the Hispanic population was growing and that we needed to respond—both as a company and as part of the community—in order to help Hispanics integrate.”

—**Del Clark**,
Community Development Project
Manager, Georgia Power, May
2008.

integration by offering bilingual services, easing immigrants’ access to credit and savings, and overcoming the traditional lack of confidence that Hispanics have in banking and financial institutions. Access to banks also reduces vulnerability to crime and increases community safety, as immigrant employees are able to deposit earnings instead of carrying cash. **Wachovia Corporation** is the only major financial institution that offers statements in Spanish for all its deposit accounts. **Wells Fargo, Bank of America, JP Morgan Chase & Co, Washington Mutual, and HSBC Bank USA** are among other banks that have developed initiatives to facilitate Hispanic immigrants’ access to services. Most have reduced the costs of wire transfers or offer bank accounts and ATM cards that family members can access internationally. **United Americas Bank** (Atlanta, GA) and **ASI Federal Credit Union** (New Orleans, LA) are examples of local financial institutions that have partnered with community groups to promote financial literacy.

In New Orleans in 2007, the non-profit group **Louisiana Appleseed** launched the “Financial Access Program” to provide free financial classes for immigrants and disseminate information about local banks and financial institutions such as **IberiaBank Corporation, The Greater New Orleans Federal Credit Union, Capital One Bank, Fidelity Homestead Savings Bank of New Orleans, and OMNIBANK** that offer bilingual services and easier access to bank accounts and credit for the immigrant community.

Skills Development

Wal-Mart Stores, Inc., Northrop Grumman Shipbuilding Gulf Coast Operations, The Western Union Company, Georgia Power, the Hispanic Contractors Association of Georgia, the Georgia Hispanic Chamber of Commerce, the Hispanic Chamber of Commerce of Louisiana, Harrah’s Casino Hotels, and Aetna are among some of the companies and organizations that provide or sponsor programs to offer specialized training and strengthen entrepreneurship among this population.

Northrop Grumman Shipbuilding Gulf Coast Operations has developed a pilot program in New Orleans that provides on-site training programs in both Spanish and English. Their “Command Spanish” program is offered to ship construction management and focuses on shipbuilding terms in Spanish.

Wal-Mart Stores, Inc., with more than 165,000 Hispanic associates, works with more than 50 Hispanic-serving organizations nationwide in an effort to support initiatives—voting rights, education, health care reform, and economic development—that impact local communities.

The Western Union Company is dedicated to promoting education as a tool for economic empowerment. Its most recent initiative, “Our World, Our Family,” is a \$50 million, five-year program that offers family scholarships aimed at inter-generational learning and encourages asset building and entrepreneurial training through the National Hispanic

Business Information Clearinghouse, among other programs.

At a local level, the **Hispanic Contractors Association of Georgia** has a partnership with the Latin American Association through which it offers a trade school and sponsors educational initiatives that provide skills training for construction workers. In New Orleans, the **Hispanic Chamber of Commerce of Louisiana** has partnered with local organizations to establish the **Hispanic Business Resources and Technology Center (HBRTC)**. Similar to the **Hispanic American Center for Economic Development (HACED)** in Atlanta, the HBRTC provides business assistance, educational opportunities, English and Spanish-language classes, computer classes, and social services.

Access to Health Care

Through bilingual health care materials and the sharing of information about health issues among Hispanics, **Ochsner Health Systems** (New Orleans, LA), **Johnson & Johnson** and **Pfizer Inc.** are addressing some of the limitations in access to health care resulting from language and cultural barriers. **Johnson & Johnson**, in collaboration with community organizations, provides basic health care materials in Spanish to educate Hispanics on primary and preventive health care.

Citizenship and Civic Participation

One of the main obstacles for immigrant naturalization is the lack of accessible information about

requirements and limited government assistance throughout the process. As part of their citizenship drive, the **National Association of Latino Elected and Appointed Officials (NALEO)** and **Advance America**, a payday cash provider, started offering a no-interest loan to help immigrants cover citizenship fees.

Another challenge to the civic participation and the political representation of Hispanics is their low levels of political participation and voter turnout. In 2004, about 16 million were eligible to vote, but only 9.3 million were registered and only 7.6 million voted. **Telemundo**, **mun2** and **Univision** provide information about citizenship and voting rights to encourage Hispanics' political participation, promote civic values and reinforce immigrants' desire and commitment to become English-language proficient and root themselves in the fabric of communities.

Univision, **NALEO**, the **National Council of La Raza (NCLR)**, and the **Service Employees International Union (SEIU)** lead the strategic and outreach efforts for "Ya es Hora" (or "It's About Time")—a legal, permanent resident naturalization and voter-mobilization campaign.

Wal-Mart Stores, Inc. has supported voting rights initiatives and **State Farm Insurance** has sponsored voter registration efforts. Local media such as **Mundo Hispanico** in Georgia, **Radio Tropical**, **The Times-Picayune**, **Cox Communications**, and a local **Telemundo** channel in New Orleans have supported efforts to provide health, employment and other information in Spanish to the Hispanic community. ●

Conclusion

Successful English-language programs take account of workplace demands and needs; financial literacy programs can ensure access to credit by building confidence and providing the legal means to open bank accounts; effective integration programs bring together community groups and businesses; public sector recognition of immigrants' contributions build a more constructive environment for integration; and language and civics education should target families.

The over 45 million Hispanics living in the United States have provided the engine for U.S. economic growth and global competitiveness. However, many Hispanic immigrants face obstacles that limit their advancement in the workplace and in their communities. Achieving greater integration of Hispanics into the fabric of American society is a public policy imperative with benefits for society and the corporate bottom line.

The Americas Society and Council of the Americas (AS/COA) launched the Hispanic Integration Initiative to engage U.S. corporate leaders in expanding their efforts to promote Hispanic integration. Through meetings held in New York, NY, Atlanta, GA, and New Orleans, LA, national and local-level business leaders met with public-sector officials and community organizations to collectively demonstrate their commitment to integrating immigrant communities and identify best practices for encouraging Hispanic workforce development and community integration. This report highlights the conclusions of those discussions.



The positions and opinions expressed in this publication do not represent those of the Americas Society and Council of the Americas members or the Boards of Directors of either organization.

To guide this project and the report, the AS/COA formed a National Business Council. Its members include:

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