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Bernard Mustafa  
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Managing Director, Brokerage, JLL Tysons
Civic Leadership Committee Chair
Community Foundation Board of Directors
“Community Foundations were created to meet the core needs of communities. In a democracy, information is a core need.”

Alberto Ibargüen, Knight Foundation

One Region

Robert Lazaro
Executive Director
Northern Virginia Regional Commission

Mo Kantner
Associate Director of State and Local Initiatives
New American Economy
Economic Mobility

Ashley Putnam
Director, Economic Mobility Project
Federal Reserve Bank of Philadelphia
Panel Discussion
Promoting Economic Inclusivity

Carlos Castro
Owner
Todos Supermarkets

Ronnie Galvin
Vice President for
Racial Equity and the
Democratic Economy
The Democracy
Collaborative

Esther Lee
CEO
Refraction

Katie McQuaid
Environmental Social
Governance Strategy
Executive
Bank of America

Christine Winn
Executive Director
Prince William County
Department of
Economic Development
Participant Q&A

Please type your questions into the chat box.
New Americans in Northern Virginia
Contributions of Immigrants in the Northern Virginia Region

Mo Kantner
Associate Director, State and Local Initiatives

New American Economy

500 Republican, Independent, and Democratic mayors and CEOs in all 50 states agree:
Immigration is critical to America’s economic success.

New American Economy
ECONOMIC IMPACT STUDIES
AGRICULTURE, BUSINESS, & TECH ADVOCACY
LOCAL IMMIGRATION ACTION PLANS
The Number of Major U.S. Metros that Grew Without Immigrants, 1970-2013

Spending Power & Tax Contributions in Northern Virginia

- $57.7B Immigrant contributions to the region's GDP
  - $2.1B — State & Local Taxes Paid
  - $5.9B — Federal Taxes Paid
- $20.3B Immigrant spending power—24.3% of total spending power


Housing Wealth in Northern Virginia

In 2017, 56.7% of immigrant households owned their home, with a total property value of $71.8B.

- About 43.3% of immigrants were renters, paying $2.0B in annual rent.

Immigrant households

Population Growth in Northern Virginia

45.7% of the overall population growth in the area came from immigrants.


Population in Northern Virginia

670,272
Immigrant population of Northern Virginia in 2017

FOREIGN BORN SHARE OF TOTAL POPULATION

Northern Virginia
Virginia
National Average

Source: New American Economy, "The Contributions of New Americans in Virginia" (2017); U.S. Census Bureau
The Median Age of the U.S. is Climbing

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>28.1</td>
</tr>
<tr>
<td>1980</td>
<td>30</td>
</tr>
<tr>
<td>1990</td>
<td>32.9</td>
</tr>
<tr>
<td>2000</td>
<td>35.3</td>
</tr>
<tr>
<td>2014</td>
<td>37.7</td>
</tr>
<tr>
<td>2065*</td>
<td>42</td>
</tr>
</tbody>
</table>

*Projection

Source: U.S. Census and Pew Research Center

Countries of Origin in Northern Virginia

- El Salvador: 12.5%
- India: 9.1%
- Korea: 6.3%
- Vietnam: 5.0%
- Ethiopia: 3.8%
- Other Countries: 63.3%

Immigrants Are More Likely to Be Working Age

Immigrants in the Labor Force in Northern Virginia

Source: U.S. Census Bureau, American Community Survey, 2017 American Community Survey 1-Year Estimates

In Virginia in 2016, there were 9 STEM job postings published online for every unemployed STEM worker.

Immigrants in Key Industries in Northern Virginia

The Top 10 occupations with largest share of foreign-born workers:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>59.5%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>39.0%</td>
</tr>
<tr>
<td>Transportation</td>
<td>49.2%</td>
</tr>
<tr>
<td>Finance</td>
<td>34.1%</td>
</tr>
<tr>
<td>Hospitality</td>
<td>46.8%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>33.6%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>40.7%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>29.0%</td>
</tr>
<tr>
<td>General Services</td>
<td>39.8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>28.7%</td>
</tr>
</tbody>
</table>

Immigrant Contributions to Social Programs in Northern Virginia

$2.9B to Social Security in 2017

$784.3M to Medicare in 2017


Immigrants are Helping Medicare Stay Afloat

From 1996-2011, immigrants contributed $182 billion more to Medicare than they drew down.

Source: New American Economy, "Staying Covered: How Immigrants Have Prolonged the Solvency of One of Medicare’s Key Trust Funds and Subsidized Care for U.S. Seniors" (2014)
Immigrants Are Starting More New Businesses

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Rate of New Entrepreneurs (Monthly Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>0.20%</td>
</tr>
<tr>
<td>1998</td>
<td>0.25%</td>
</tr>
<tr>
<td>2000</td>
<td>0.30%</td>
</tr>
<tr>
<td>2002</td>
<td>0.35%</td>
</tr>
<tr>
<td>2004</td>
<td>0.40%</td>
</tr>
<tr>
<td>2006</td>
<td>0.45%</td>
</tr>
<tr>
<td>2008</td>
<td>0.50%</td>
</tr>
<tr>
<td>2010</td>
<td>0.55%</td>
</tr>
<tr>
<td>2012</td>
<td>0.60%</td>
</tr>
<tr>
<td>2014</td>
<td>0.65%</td>
</tr>
<tr>
<td>2016</td>
<td></td>
</tr>
</tbody>
</table>

Source: "2017 Kaufman Index of Startup Activity," Ewing Marion Kaufman Foundation

Immigrants Are More Likely to Be Entrepreneurs

1 in 5 entrepreneurs are immigrants—3.2 million total.
They employ 8 million Americans and generate $1.3 trillion in sales.
**Fortune 500 Companies** in Virginia

52% of Fortune 500 companies were founded by immigrants or their children in 2018.


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**Entrepreneurship** in Northern Virginia

Foreign-born residents are 46.9% more likely than U.S.-born residents to be business owners

- Immigrant Share of the Population: 27.4%
- Immigrant Share of Entrepreneurs: 42.5%

- Immigrant Entrepreneurs: 47,837
- Business Income Generated by Immigrant Entrepreneurs: $1.3B

Immigrant Entrepreneurs in Key Industries in Northern Virginia

The Top 3 industries with largest concentration of foreign-born entrepreneurs:

- 23.4% Professional and Technical Services
- 17.1% Construction
- 15.4% General Services


Naturalization in Northern Virginia

- 51.3% Share of immigrants that have naturalized
- 12.5% Share of non-citizens who are likely eligible to naturalize

344,184 Naturalized immigrants
83,883 Eligible for naturalization

Undocumented Spending Power & Tax Contributions in Northern Virginia

- **$3.9B** Total undocumented immigrant household income in 2017
  - **$150.9M** — State & Local Taxes Paid
  - **$320.7M** — Federal Taxes Paid
- **$3.4B** Total Spending Power


The DACA-Eligible in Virginia

- More than 22,500 Virginians are currently eligible for DACA. 91.9% of them are employed, earning a total annual income of **$482.9M**.
  - **$44.7M** went to state & local taxes...
  - **$71.9M** went to federal taxes...
  - Leaving them with **$366.3M** in spending power.

Source: New American Economy, September 2017
Map the Impact: Interactive map

www.MapTheImpact.org

GatewaysForGrowth.org

INTERACTIVE MAP

WELCOMING PLANS
Read the full report:

https://www.novaregiondashboard.com/

Thank You!

Mo Kantner
Associate Director, State and Local Initiatives
mo@newamericaneconomy.org
DISCLAIMER

The views expressed here are those of the author and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.
Why does the Federal Reserve care about Economic Mobility?

Dual Mandate

Maximize employment  Ensure price stability

The American Dream

“Only half of Americans born in 1980 are economically better off than their parents.”
Raj Chetty, Dec 2016

Chance of making more money than your parents

Born in 1940: 92%
Born in 1950: 79%
Born in 1960: 62%
Born in 1970: 61%
Born in 1980: 50%
Unequal Economic Growth

The economic growth experienced since 1975 has not translated into shared prosperity.” Melissa Kearney, Brookings Institute
The Case for Economic Inclusion

Research shows that inequality affects GDP growth. When an additional 1% of income goes to the top 20% of income earners, GDP falls. But when the same gains are made by the bottom 20%, GDP rises. Fostering solutions for economic mobility is necessary for economic growth.

Economic Mobility spurs Economic Growth
The Case for Economic Inclusion

If inequality negatively impacts growth, then the concern is not just about those in the bottom 20% of incomes. In fact, poverty is bad for growth and economic inequality is something we should all care about.

So what can we do?
By leveraging the research produced by the Federal Reserve System and others, EGMP will convene **Research in Actions Labs**: catalytic partnerships among public, private and philanthropic stakeholders in the Third District that address specific issues of economic mobility.

A **Research in Action Lab** is a **PROCESS** not a **PRODUCT**:

- **An 18-24 month engagement** with one community on a specific issue of economic mobility
- **Localized research and partnership** with local stakeholders around the issue the community has raised
- **Facilitated conversations** using research to define the problem and apply best practices to advance local solutions
The Economic Growth and Mobility Project focuses on three pillars of inclusive economic growth:

- **Infrastructure Equity**
  - Transportation
  - Affordable Housing
  - Broadband

- **Workforce Development**
  - Education
  - Barriers to Employment
  - Skill Development

- **Job Creation**
  - Equitable Development
  - Entrepreneurship
  - Creating Quality Jobs

In order to reach the full economic potential of our region, we need to invest in local infrastructure, local people, and local businesses.

What would it look like to build a more inclusive future for Northern Virginia?
Connect the Disconnected

- Transportation has become a barrier to economic opportunity as the location of job clusters shifts.

- Changing geographies of work mean that transit-dependent residents are unable to access opportunities outside the urban core.

- 122,000 residents of Northern Virginia rely on public transportation to get to work. 55% of them spend 60 minutes or more commuting.

Connect the Disconnected

- Broadband internet is necessary to be competitive in the current digital economy.

- In Prince William, Fairfax, Arlington, and Loudoun Counties, more than 97,000 residents do not have broadband.

- Internet access and subscription rates are lower in communities that are majority low-income and majority people of color.
Dive into Untapped Talent Pools

- While employment rates are low, many people are left out of the labor market. Employment disparities particularly impact women and people of color, populations that are also most impacted by automation.

- In Northern Virginia, there is a 17% employment gap between white workers and workers of color.

- Beyond the poverty rate, 22.5% of households in Northern Virginia are asset-limited, income-constrained and employed.

Dive into Untapped Talent Pools

- While the Northern Virginia region is highly educated, over 600,000 people do not have a college degree in the region.

- There are only 52,000 opportunity occupations regionally, which do not require a four-year degree but pay above $41,000 a year.

- Inclusive hiring practices and investments in upskilling connect more people to opportunity.
Invest in Local Entrepreneurs

- Small businesses are responsible for 48% of private sector employees nationwide.

- The Federal Reserve Bank’s Small Business Credit Survey surveyed over 200 businesses in Virginia in 2017. 71% of these small businesses had less than 10 employees.

- Small businesses are an important driver of local jobs and local wealth, as well as economic growth.
Innovations in Transit Access

- The NEPA Moves collaborative formed in Northeastern PA was our first Research in Action lab.
- The partners identified transit as a social determinant of health and economic indicator.
- As of December 2019, 16,260 one-way rides have been provided, serving over 1,000 patients.
- Patients who qualify get free rides to healthcare, pharmacy, grocery, and social services.

Innovations in Upskilling: Pay for Success

How do we make the ROI case to employers to invest in frontline workers, beyond charity or philanthropy?
Innovations in Upskilling: Pay for Success

Employer(s) contribute specified amounts for repayment

1. Funder(s) provide upfront working capital
2. Training provider provides outcomes to employers
3. If outcomes are achieved, employer funds are paid to training provider to be used for future service delivery.

Funding flow
- Orange line: Contingent funding flow
- Black line: Outcomes (service provision)

Philadelphia Works
Comcast
Training Provider

Innovations in Job Creation

- Latino-owned businesses are starting at three times the rate of others in the nation, yet are less likely to meet scale.

- Community Development Finance Institutions that provide small loans are also investing in business capacity building to address these needs.

- Anchor institutions are focusing on using their purchasing power to support more local and minority-owned businesses.
What does innovation require?

Institutionalize Partnerships
Collaborations continue to work together into the future

Pilot and Innovate
Test innovative approaches to addressing larger economic problems

Systems Change
Shift resources towards more equitable systems in the future

Lessons Learned

Collaboration is Key
- Breaking down silos and building consensus takes time and trust.
- Partners should come together around a shared vision.
- Process is just as important as product.
Lessons Learned

Innovation Requires Risk

• Find partners willing to take a risk and demonstrate impact.
• Leverage community resources first and then connect to outside assistance or resources.
• Be willing to try and fail.
• Celebrate small wins to sustain energy.

Lead with Equity

• Making systems work for those that are most disadvantaged benefits everyone.
• Include the perspective of the community in the work.
• There is no one-sized-fits-all or silver bullet solution.
The Economic Growth and Mobility Project focuses on three pillars of inclusive economic growth:

- **Infrastructure Equity**
  - Transportation
  - Affordable Housing
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- **Workforce Development**
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- **Job Creation**
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How will you contribute to building a more inclusive economy in Northern Virginia?