



Economic Impact of Refugees in the Cleveland Area

Calendar Year 2012

This report details the employment and fiscal impacts of refugees and refugee service organizations in the Cleveland area in the benchmark year, 2012. This report also includes case studies and a summary of recent refugee historical trends.

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CHMURA ECONOMICS & ANALYTICS

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1. Executive Summary

While there is foremost a humanitarian aspect to welcoming refugees—people fleeing their home countries in fear of persecution—there is also an economic side as well. This report shows that the economic impacts of resettled refugees can be substantial, especially in a region such as Greater Cleveland which has been struggling with issues related to population loss.

- ***Approximately 598 refugees were resettled in the Cleveland area¹ in 2012 and a total of 4,518 refugees from 2000 to 2012.²***

The number of refugees arriving per year declined after 2001 reflecting the intensified scrutiny for immigrants and refugees³ to the United States following the September 11 terrorist attack. The refugee resettlement activities, however, have rebounded since hitting a low in 2006. In each of the last three years, the Cleveland area took in more than four hundred refugees. Since 2000, countries providing the most refugees to the Cleveland area have been Bhutan, Ukraine, Burma, and Somalia. While the city of Cleveland welcomed more refugees in 2012 than the cities of Toledo or Detroit, it trailed other neighboring large cities including Columbus, Akron, Pittsburgh, and Buffalo.

- ***In advanced economies, once refugees have adjusted to their new life after resettlement, they can provide substantial contributions to the workforce and economic development in the long run at the regional level.***

Research provides evidence that refugees are highly motivated and wish to give back to their host country. Refugees are more likely to be entrepreneurial and enjoy higher rates of successful business ventures compared to natives. The literature also supports the argument that immigrants in general do not take jobs away from natives and that the diversity of skilled immigration can positively impact the income and productivity of welcoming nations. At the local level, refugees provide increased demand for goods and services through their new purchasing power and can be particularly revitalizing in communities that otherwise have a declining population.

- ***Refugees placed in the Cleveland area typically find employment within five months of their arrival in the country despite the fact that many lack English proficiency.***

Within the first few years of resettlement, refugee labor market participation rates and incomes increase substantially while reliance on government assistance drops. Moreover, studies indicate that second generation refugees are high-achievers in both education and employment. The case studies in this report bear witness to these effects.

¹ “The Cleveland area” in this report is synonymous with Cuyahoga County.

² For the first seven months of 2013, there were 368 refugees settled in the Cleveland area. Those numbers were not included in the analysis, as this study benchmarks the economic impact for 2012.

³ Refugees and asylees are considered by the U.S. Government as a subset of legal immigrants. See the U.S. Department of Homeland Security website for additional details: <http://www.dhs.gov/immigration-statistics>.

- **The member organizations⁴ of the Refugee Services Collaborative of Cleveland spent an estimated total of \$4.8 million on refugee services in 2012.**

Of these expenditures, \$2.5 million was paid as wages and salaries to staff members of the refugee organizations and \$1.1 million was spent to purchase supplies and services for refugees such as food, clothing, and transportation. It is estimated that 95 of the staff members worked in refugee services organizations in 2012 in positions directly related to or dependent upon refugee services. Among these, 49 were full-time workers and the rest were part-time and seasonal workers. The preponderance of funding for these organizations is derived from federal sources.

- **The total economic impact of refugees in the Cleveland area is estimated at \$48 million and 650 jobs in 2012.**

The impact of refugees is measured from three sources: household spending of the refugee families, refugee-owned businesses, and refugee service organizations. These three direct sources of impact also create ripple effects—jobs and spending that result from supply chain (indirect impact) and consumer spending effects that occur when the employees of the direct source or suppliers spend their income in the region (induced impact). The impact figures presented here are annual and based on activity in the 2012 calendar year.

Economic Impact Summary of Refugee and Refugee Services in Cleveland Area (2012)

| | | Direct | Indirect | Induced | Total |
|------------------------------|----------------------------|---------------|--------------|--------------|---------------|
| Refugee Service Organization | Spending (Millions) | \$4.4 | \$0.4 | \$1.7 | \$6.6 |
| | Employment | 95 | 3 | 14 | 112 |
| Refugee Household Spending | Spending (Millions) | \$22.2 | \$5.2 | \$5.9 | \$33.3 |
| | Employment | 291 | 40 | 55 | 386 |
| Refugee-owned Businesses | Spending (Millions) | \$7.6 | \$2.0 | \$2.4 | \$12.0 |
| | Employment | 141 | 15 | 19 | 175 |
| Total | Spending (Millions) | \$33.4 | \$7.6 | \$7.0 | \$48.0 |
| | Employment | 526 | 58 | 65 | 650 |

Note: The total impact is smaller than the sum of the three components as overlapping impacts were removed in aggregation.

Source: Chmura Economics & Analytics

Survey results indicated that over the last ten years at least 38 businesses were started by refugees in the Cleveland area with a total of 141 employees (including owners). In addition, it is estimated that almost all of those employed by refugee-owned businesses are refugees themselves. These businesses contributed a total impact of 175 jobs and \$12 million in spending in the Cleveland area in 2012.

⁴ Members are: Asian Services in Action, Building Hope in the City, Cleveland Catholic Charities Migration and Refugee Services, Cleveland Metropolitan School District, Cuyahoga County Job and Family Services, El Barrio Workforce Development Center of The Centers for Families and Children, Global Cleveland, International Services Center, Lakewood City Schools, Neighborhood Family Practice, Ohio Department of Job and Family Services Refugee State Coordinator, The Refugee Response, and US Together, Inc.

- ***The total fiscal impact of refugees in the Cleveland area is estimated at \$2.7 million in tax revenue to local and state governments in 2012.***

It is estimated that refugee activities in the Cleveland area in 2012 created tax revenue for the state of Ohio of about \$1.8 million. In addition, the cities and other municipalities in Cuyahoga County are estimated to have received close to \$600,000 in tax revenue in the same year from income and admission taxes while the city government received approximately \$300,000 from sales taxes.

Annual State and Local Tax Revenue Summary (2012)

| | State of Ohio | Cuyahoga County | Sum of Municipalities in Cuyahoga County | Total |
|-------------------------------|--------------------|------------------|--|--------------------|
| Refugee Service Organizations | \$79,805 | \$0 | \$45,331 | \$125,136 |
| Refugee Household Spending | \$1,424,397 | \$216,446 | \$505,166 | \$2,146,009 |
| Refugee Businesses | \$306,442 | \$80,528 | \$50,969 | \$437,939 |
| Total | \$1,810,644 | \$296,974 | \$601,466 | \$2,709,084 |

Source: Chmura Economics & Analytics

- ***Refugees are thriving in Cleveland and are at or above average compared to national norms in socioeconomic integration.***

Per survey data, the average household earnings of the refugees residing in Cleveland is greater than those measured in an aggregate study of Houston, Sacramento, and Miami. Similarly, the employment rate of refugees in Cleveland is estimated to be higher than was found in past studies covering the overall refugee community in the United States. Local data suggests the level of public assistance utilized by Cleveland's refugee community declines rapidly and is lower than in other refugee communities studied across the nation.

- ***The refugee community has accounted for approximately 248 additional home purchases in the Cuyahoga County over the last decade.***



2. Background

Since 2000, the Cleveland area⁵ has received more than 4,500 refugees. Refugees who come to the United States are invited by the State Department and are legal residents of the United States on the ultimate pathway to citizenship. These individuals typically have fled their homelands due to the “well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion.” Most refugees come from areas of conflict across the world, including Africa, Southeast Asia, and the Middle East. Most of the recent refugees to settle in Cuyahoga County have arrived from Bhutan, Burma, and Iraq. Approximately 500 refugees are expected to arrive in the Cleveland area annually over the next several years.

Refugees are matched with private volunteer agencies that receive and place the refugees in their new homes. These resettlement agencies assist with the initial needs of the incoming refugees, such as helping them find housing, registering their children for school, arranging a basic medical evaluation, applying for a Social Security number, and assisting with finding employment. Aside from volunteer resettlement agencies, there are also other organizations that help incoming refugees integrate into their new American lives; these include local school systems, healthcare providers, and community and faith-based organizations.

A network of 13 agencies serves the needs of Cleveland’s refugee community and they recently joined forces in creating the Refugee Services Collaborative of Greater Cleveland (RSC).

RSC consists of the following Cleveland-area organizations:

- Asian Services in Action (ASIA)
- Building Hope in the City
- Cleveland Catholic Charities Migration and Refugee Services
- Cleveland Metropolitan School District
- Cuyahoga County Job and Family Services
- El Barrio Workforce Development Center of The Centers for Families and Children
- Global Cleveland
- International Services Center
- Lakewood City Schools
- Neighborhood Family Practice
- Ohio Department of Job and Family Services Refugee State Coordinator
- The Refugee Response
- US Together, Inc.

Since RSC aims to build capacity as a more knowledgeable, networked, and responsive group for the area’s refugee community, RSC commissioned this study to better understand the long-run economic impact that refugees have in the Cleveland area. In addition, this study also estimates the economic impact of the ongoing operations and capital spending of the refugee service organizations themselves. Chmura Economics & Analytics (Chmura) was commissioned to conduct this study. The remainder of this report is organized as follows:

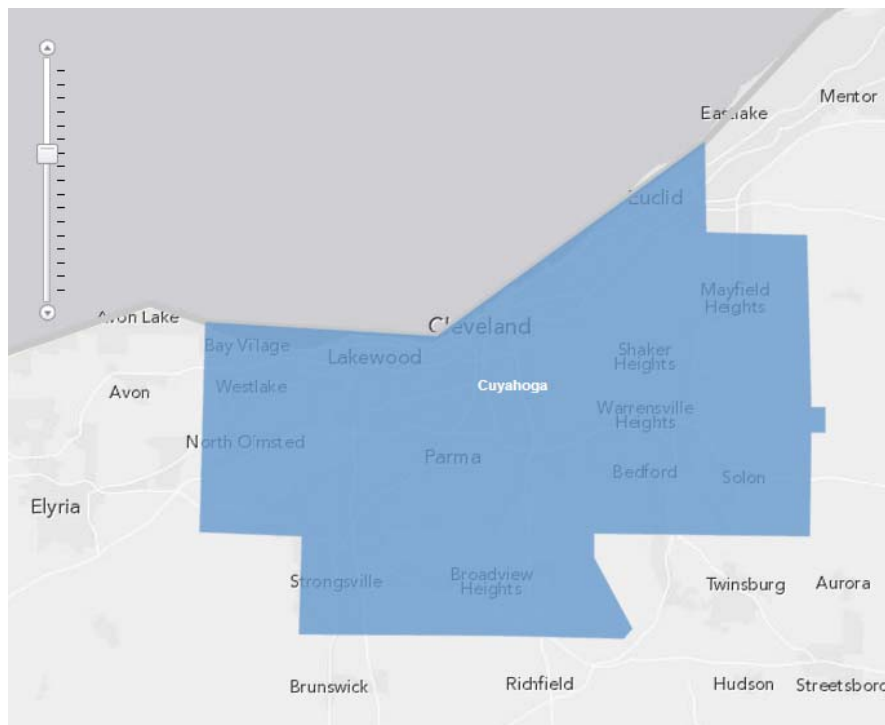
⁵ The “Cleveland area” is defined as Cuyahoga County, Ohio. This county encompasses the city of Cleveland as well as other communities (see Section 2).

- Section 3 provides a literature review that summarizes previous literature regarding the impact of refugees in local communities. It also explains Chmura’s economic impact methodology and provides a basis for the assumptions utilized in this study.
- Section 4 provides a description of the refugee services operations and resettlement activities.
- Section 5 quantifies the economic impact of refugees and refugee service organizations.
- Section 6 describes the fiscal benefits of refugee and refugee services to the City of Cleveland, Cuyahoga County, and the State of Ohio.
- Section 7 offers key summary findings and conclusions of the report.
- The Appendix contains details on the survey data used in this report as well as a glossary of terms and definitions.

2.1. Geography

The primary geographic focus of this study is Cuyahoga County, Ohio. While some of the RSC members have some operations or partners outside the county, the vast majority of RSC members serve exclusively the refugee community located within the confines of Cuyahoga County. Therefore, the data utilized in this report refer exclusively to refugees that have arrived and reside in Cuyahoga County. Chmura estimates that of the 4,840 refugees that have arrived in Cuyahoga County since 2000, 85% live in the cities of Cleveland (47%), Lakewood (31%), and Cleveland Heights (7%).

From 2000 to 2010, the population of Cuyahoga County declined by roughly 11,400 people annually, equivalent to a 0.8% annual loss of residents over the decade. Conversely, during that same time period Cuyahoga County gained close to 3,000 refugees. Had the region not received these refugees, the population of Cuyahoga County would have declined by about 11,700—the refugees thus helped the region avoid a population loss 3% greater than what was actually experienced.



3. Literature Review and Methodological Approach

3.1. Literature Review

The literature review investigates contributions refugees can make to a host economy. This review focuses on the refugee experiences in advanced economies only (such as Australia, Great Britain, Canada, and the United States) and does not review the studies that are less germane to the refugee impact in Cleveland.⁶

The overall conclusion of the literature review is that refugee resettlement in advanced economies may have significant short-term costs, but once refugees have adjusted they can provide substantial contributions to the workforce and economic development in the long-term at the regional level. Research supports evidence that refugees are highly motivated and wish to give back to their host country. Refugees are more likely to be entrepreneurial and enjoy higher rates of successful business ventures compared to natives. In addition, several studies indicate that refugees provide increased economic demand for goods and services in the community through their new purchasing power.⁷

Due to the relatively small size of the refugee population in the hosting economy (for example, the United States admitted 56,384 refugees in 2011⁸), the economic impact of refugees at the national level may not be large, though they may be broadly positive. For example, Lynne Williams in 1995 performed analysis that showed overall immigration impacts are largely neutral on the macroeconomic level. Another analysis that looked at immigration over a large sample of countries found a positive impact from the diversity of skilled immigration on both the incomes and productivity levels among the richer nations.⁹ Among the more detailed-level conclusions of Williams were that immigration does not lead to an increase in the unemployment rate, refuting one of the main criticisms that immigrants and refugees steal native jobs. She furthermore found that immigrants are net contributors to federal and local government tax revenues in the long-run.

However, when the economic impacts of refugees are analyzed on a local or regional level, the positive impacts are more significant. For example, Frank Stilwell conducted a study to examine how Afghan Temporary Protection Visa holders affected the regional economy in Young, New South Wales, Australia between mid-2001 and 2003.¹⁰ Stilwell analyzed the flow of refugee income and used regional economic multipliers to evaluate the impact of refugees on the regional economy in Young, Australia. To evaluate the economic impacts of the Afghans, he used calculations of total wage payments, calculations of other non-wage income received, estimations of how much of these incomes were spent within the regional economy, and estimations of multiplier effects of these expenditures on other regional income flows. Stilwell found that the settling of Afghans revitalized the region with an estimated multiplier of 1.5. Of particular relevance to Cuyahoga County, the Stilwell study concluded this high positive

⁶ Some of those less germane studies include the following: "The Dilemma of Housing Refugees: A Focus on the Insecurity in North-Eastern Kenya" by Petre Kirui, *International Journal of Business and Social Science*, 3(8):161-171, 2012; and "Poverty Reduction in a Refugee-Hosting Economy" by Jean-Francois Maystadt, *International Food Policy Research Institute Discussion Paper* 01132, 2011.

⁷ Access Economics, 2008.

⁸ "Refugees and Asylees: 2011", by Daniel Martin and James Yankay, Department of Homeland Security, Office of Immigration Statistics.

⁹ "Immigration, diversity, and economic prosperity," Alberto Alesina et al, August 2013. <http://www.voxeu.org/article/immigration-diversity-and-economic-prosperity>

¹⁰ "Refugees in a Region: Afghans in Young, NSW" by Frank Stilwell, *Urban Policy and Research*, 21(3):235-38. 2003.

spillover was due in part to the fact that the Afghan community worked to offset the gradual and long-lived population decline among the native population.¹¹

Studies in the United States also found that though refugees received government assistance when they first arrived in the nation, they were not a burden on society after they adjusted. A report prepared by the Lewin Group in 2008 for the Department of Health and Human Services and Office of Refugee Resettlement investigated the labor market results of refugees in three sites: Houston, Texas; Miami, Florida; and Sacramento, California. By analyzing unemployment insurance (UI) wage records, the study found that refugee employment rates in the three cities were high, especially in Houston and Miami. The average rates of employment for refugees in Houston, Miami, and Sacramento two years after entry were 73%, 77%, and 55%, respectively. Moreover, surveys indicate that these rates are actually much higher because many refugees work in jobs not covered under UI records such as domestic work, informal child care, and landscaping services. Similarly, a U.S. Department of Human Services study in 2008 reported an employment rate of 58% for refugees 16 years or older compared to an average of about 63% for native populations.¹² Refugee wages are relatively low as the average annual income for refugees was found by the Lewin Group to be around \$21,000 in both Houston and Miami and \$25,000 in Sacramento. These income levels are relatively close to the poverty threshold of \$20,614 for a family of four in 2006. The Lewin Group found a surprising amount of house ownership despite low wages and income and despite very few receiving public housing assistance. In Miami and Houston, around 30% of refugees owned a home compared to 38% in Sacramento. The most common types of housing among refugees were two- and three-bedroom units.

Initially, refugees in Houston, Miami, and Sacramento received government assistance through temporary Refugee Cash Assistance (RCA); the Lewin Group study found that the percentages of refugee receiving such assistance were 48%, 42%, and 25%, respectively. The rates of refugees receiving Temporary Assistance for Needy Families (TANF) for Houston, Miami, and Sacramento in year one were 7%, 25%, and 63%, respectively—however, these rates all declined overtime to 4%, 4%, and 42% by year three. Similarly, income for refugees rise rapidly in the first few years before stabilizing, indicating that it only took a few years for refugees to stop being dependent on government assistance. Average earnings for refugees in the first year of entry were just over \$7,000. These earnings rose to \$13,600 in the second year as a result of an increase in the average length of time refugees are employed. In the third year, refugees earned an average of \$15,600 and this further climbed to just over \$17,000 in the fourth year. Monthly income for refugee families was just over \$1,740 in 2006-07, equivalent to over \$20,800 annually. These results conform to a larger body of literature on immigration (refugees can be seen as a subset of legal immigrants) across many diverse developed countries, namely, that immigrants on balance are generally benign or mildly positive for their host community even after accounting for public subsidies they consume when the first arrive in the country.^{13,14}

Refugees are more likely to be entrepreneurial and enjoy higher rates of successful business ventures compared to natives. In many places with large concentration of refugees, there are ethnic restaurants and grocery stores that serve not only immigrants, but also native residents. The connections and social networks of refugees back in their originating countries facilitate the generation of transnational businesses such as international trade, investment,

¹¹ "Refugees in a Region: Afghans in Young, NSW" by Frank Stilwell, Urban Policy and Research, 21(3):235-38. 2003.

¹² "Refugee Economic Self-Sufficiency: An Exploratory Study of Approaches Used in Office of Refugee Resettlement Programs" Peggy Halpern Ph.D. U.S. Department of Health and Human Services, November 2008. The refugee cohort measured for this statistic was a group within their first five years in the United States.

¹³ *The Economist*, "Immigration and the Public Finances: A new study shows that the fiscal impact of migration is broadly neutral," June 13, 2013.

¹⁴ OECD "International Migration Outlook 2013" June-2013 <http://www.oecd.org/els/mig/imo2013.htm>.

and tourism. Many refugees settled in the United States possess special skills and are working in research, universities and professional fields, and some can start businesses in professional or even high-tech businesses. A report by the U.S. Chamber of Commerce and the Immigration Policy Center documented many successful stories of refugee-owned businesses.¹⁵

While data are limited, studies suggest that second-generation refugees have improved outcomes in education and employment. For example, when considering immigrants in general, it was found that second generation Australians are generally higher achievers in education and the labor market compared to third or later generations. Study further suggests that this holds true for refugees specifically, with second-generation refugees being more likely, for example, to continue advanced education.¹⁶ U.S. studies have found similar trends; although the results can vary depending upon the origin of the immigrants or refugees, in general these studies note that second generation children of immigrants and refugees “typically are imbued with a strong sense of the importance of education.”^{17,18}

Finally, the literature supports arguments that immigrants in general do not take away jobs from natives. For example, a study by Lynne Williams in 1995 concluded that immigration does not lead to an increase in the unemployment rate.¹⁹ In addition, a 2010 study in the United States—which looked at impact of H-2B visas which allow employers to bring in low-skilled foreign workers to fill temporary and seasonal non-agricultural jobs—concluded the following:

*The economic analysis conducted for this report demonstrates that the H-2B program does not adversely affect U.S. workers’ employment or earnings. Employers consistently indicate that the program enables them to fill jobs that are not being filled by U.S. workers. Employers also report that using the program enables them to hire more U.S. workers for relatively higher-skilled jobs that support or rely on positions held by H-2B workers.*²⁰

3.2. Economic Impact Methodology

Based on the literature review, some of the quantified economic impact of refugee services and refugees can be measured from the following sources:

- **Spending activity of the refugee service organizations.** Over the past several years, refugee services in the Cleveland area have spent millions of dollars in providing services to refugees as well as spending money for facility renovation and other capital expenditures. These activities generate economic impacts in

¹⁵ Source: “Immigrant Entrepreneurs: Creating Jobs and Strengthening the Economy.” By Marcia Drew Hohn, <http://www.ilctr.org/wp-content/uploads/2012/01/Immigrant-Entrepreneur-Report-1-25-2012-FINAL1396.pdf>

¹⁶ “Economic, civic and social contributions of refugees and Humanitarian entrants – literature review,” Refugee Council of Australia, December 2010.

¹⁷ “Higher Education and Children in Immigrant Families” Sandy Baum and Stella Flores, Journal Issue: Immigrant Children Volume 21 Number 1 Spring 2011.

¹⁸ “Children of Immigrant Families: Analysis and Recommendations” Margie K. Shields, M.P.A., and Richard E. Behrman, M.D., The Future of Children Volume 14 - Number 2 Summer 2004.

¹⁹ *Understanding the economics of immigration*, Lynn Williams, 1995, Australian Government Pub. Service.

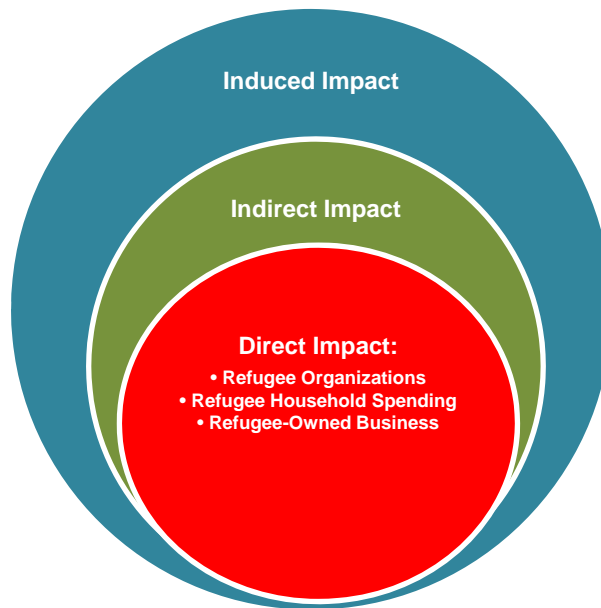
²⁰ “The Economic Impact of H-2B Workers”, Labor, Immigration & Employee Benefits division of the U.S. Chamber of Commerce and ImmigrationWorks USA, 2010.

the region. This spending analysis does not include cash payment to refugees, however, as these expenditures are included in the analysis of refugee family household spending activities.

- **Household spending activity by refugee families.** Thousands of refugees living in the Cleveland area contribute to the local economy by being patrons of local retail shops and other service establishments.
- **Refugee-owned businesses.** Some refugees have started their own businesses and hire workers, thus generating new employment opportunities for local residents.

The three components above constitute the direct economic impact of refugees and refugee services in the Cleveland area. The total economic impact also includes the ripple effects from these direct impacts. Ripple effects, categorized as indirect and induced impacts (see the appendix for definitions), measure the secondary benefits generated by the refugee service organizations and refugees. The ripple economic impact of the refugee service organizations, for example, include the benefits to businesses that providing supplies to refugee service agencies—that is, refugee services will purchase goods and services from other local businesses to support their organizations.²¹ Other ripple effects include benefits to local consumer-oriented businesses (such as retail and restaurants) that make sales to workers of the refugee services.²²

Economic Impact Analysis Framework



Chmura surveyed the refugee service organizations to obtain data on their budget and spending activities. The survey also collected information on the refugees these organizations helped settle, the percentage of refugees that obtained employment, and the number of refugees that started their own businesses. These primary data helped Chmura estimate the direct impact of refugees and refugee organizations in the Cleveland area. The indirect and induced impacts were estimated with IMPLAN Pro[®] software after the direct impact (spending and employment)

²¹ This is defined as the indirect impact.
²² This is defined as the induced impact.



were identified.²³ Total refugee organization spending, household spending, and refugee-owned businesses spending data were input into the various IMPLAN model sectors to estimate the indirect and induced impacts for each sector. These impacts were aggregated to yield the estimates of the overall economic impact of the refugee services and refugees in the Cleveland area.

In aggregating the three components of economic impact for the overall impact of refugees in Cleveland, Chmura carefully removed the potential overlaps among those components to avoid any double counting of the economic impact. More specifically, the following overlapping impacts were removed in the aggregation process:

- Cash payments to refugees by refugee service organizations are removed from budget expenditures as this spending is accounted for as part of the household income of refugee families.
- Many refugee service organizations employ refugees from earlier years as staff members to help assimilate new refugees. The wages paid to them, as part of refugee services budget expenditures, are also removed as these wages are accounted as part of the household income of refugee families.
- Refugee-owned businesses also hire many refugees. The wages paid to these refugee employees are removed in the aggregation process as they are accounted as part of the household income of refugee families.

This study also estimated the fiscal benefits of refugees to the state of Ohio, Cuyahoga County, and municipalities in the Cleveland area. For the state government, the main revenue sources are individual income, commercial activity, and state sales taxes. In Ohio, local taxes are administered at both county and municipality levels. Cuyahoga County has a county sales tax. Municipalities within the county can levy municipal income tax and admission tax. In addition, certain school districts also levy school district income tax.

This study used calendar year 2012 as the benchmark year to measure the economic impact of refugees and refugee service organizations. The size of these organizations has been growing significantly in recent years and the number of new refugees arriving in the Cleveland area has been trending upward. As a result, the economic impact of refugees can be expected to increase in the future.

Finally, please note that while there may be other positive economic impacts of refugees in the Cleveland area, these will not be quantified in this report. For one, the number of refugees increases the percentage of foreign born in the region, a characteristic associated with employment and productivity growth in metropolitan areas.²⁴ Another important impact regards the stabilization of the housing stock. As the Cleveland area population is in a period of long-term decline, increases in vacant housing are contributing to blight and the devaluation of the remaining housing stock. Added population by way of the refugees, though their numbers are relatively small compared to the overall population of the region, works to help counteract this effect (not fully, certainly, but to a degree²⁵). In

²³ *IMPLAN Professional* (IMPLAN Pro[®]) is an economic impact assessment modeling system developed by the Minnesota IMPLAN Group that is often used by economists to build economic models that estimate the impacts of economic changes in local economies. Note that this analysis does not consider the substitution effect—that is, in terms of refugee settlement, whether refugees or refugee businesses will take jobs from native residents. While it is possible some of the jobs filled by refugees would have been otherwise taken by native residents, it is also possible that refugees are filling jobs that native residents do not want. Because of the many assumptions that need to be made around the substitution effect, Chmura does not include this in the analysis. Nevertheless, due to the relatively small number of new refugees compared to the size of the Cleveland labor market, the substitution effect is estimated to be no more than moderate.

²⁴ "What Matters to Metros," Emily Garr, Fund for Our Economic Future, 2013. <http://www.futurefundneo.org/WhatMatters>

²⁵ From 2011 to 2012, Cuyahoga County population declined by an estimated 4,872 per the U.S. Census Bureau. This compares to a gain of fewer than 600 refugees resettled in the county in 2012 (see Section 4.4).

addition, it should be noted that the Cleveland area's current period of population decline makes it particularly suited to absorb the refugee population without incurring costs of population absorption that would be needed by areas with expanding populations—namely, costs associated with providing new infrastructure related to population growth. Assuming the rate for home ownership found in the Lewin Study holds in the Cleveland area, approximately 248 additional home purchases have occurred in the area due to the demand for housing from the refugee community which arrived in the area from 2000 to 2010.²⁶

²⁶ "The Evaluation of the Refugee Social Service (RSS) and Targeted Assistance Formula Grant (TAG) Programs: Synthesis of Findings from Three Sites" The Lewin Group, 2008 Prepared for the U.S. Department of Health and Human Services, Office of Refugee Resettlement.

4. Refugee Services in the Cleveland Area

4.1. Refugee Resettlement Agencies

Catholic Charities

The Catholic Charities Office of Migration & Refugee Services (MRS) provides for the resettlement of refugees to the Greater Cleveland area for those who have been referred from the United States Conference of Catholic Bishops (USCCB). MRS is the largest of the three principle refugee Resettlement Organizations operating in Cuyahoga County. MRS is associated with the USCCB, which is one of the nine Voluntary Agencies (VOLAGs) that are funded by the State Department's Bureau of Population, Refugees, and Migration (PRM) along with self-generated resources to provide refugees with a range of services including sponsorship, initial housing, food and clothing, orientation and counseling. MRS may also contract with the Office of Refugee Resettlement (ORR)—part of the U.S. Department of Health and Human Services—to provide job placement, English language training (primarily via the school systems' ABLE program), and other social services. The USCCB is one of the largest VOLAGs in the nation and receives approximately a third of the refugees approved for resettlement in the United States. MRS receives both family refugees with pre-existing family connections in the area as well as refugees with no family connection to the Cleveland area. MRS expects to resettle 300 refugees in Federal Fiscal Year 2013. MRS partners with ASIA Inc. to provide some case management and job placement services. MRS also arranges for refugee mentors who typically share a similar cultural heritage and may have been refugees or legal immigrants themselves. A complete listing of MRS's refugee-oriented services can be found on their website: <http://www.clevelandcatholiccharities.org/mrs>.

International Services Center

The International Services Center (ISC) welcomes and holistically integrates New Americans as fully engaged citizens of Northeast Ohio. ISC's refugee resettlement program is the oldest of the three refugee resettlement programs operating in Greater Cleveland. ISC is associated with the U.S. Committee for Refugees and Immigrants to provide refugee resettlement. ISC offers a range of services for resettlement including sponsorship, initial housing, food and clothing, orientation, counseling, job placement, English language training, and other services. ISC receives both family refugees with pre-existing family connections in the area as well as refugees with no family connection to the Cleveland area. ISC's legacy goes back over 100 years, but it began operations under its current name in 1994. ISC is likely to resettle 200 refugees in 2013. As a non-sectarian organization, ISC is not affiliated with any religious group. Funding sources include federal grants, private donations, and some fee-for-service revenue. ISC also arranges for refugee mentors who typically share a similar cultural heritage and may have been refugees or legal immigrants themselves. A complete listing of ISC's refugee-oriented services can be found on their website: www.internationalservicescenter.org.

US Together

US Together (UST) is the smallest of the three principle refugee resettlement agencies operating in the Cuyahoga County. UST's mission is to coordinate, organize, and initiate services to immigrants and refugees through education, advocacy, support services, information, referrals, and networking opportunities in order to strengthen the local community. UST is associated with the national Hebrew Immigrant Aid Society—which is one of the VOLAGs that use funding from PRM along with self-generated resources—to provide refugees with a range of services including sponsorship, initial housing, furniture, food and clothing, orientation, and case management. UST may also contract with the ORR to provide job placement, English language training, and other social services.

UST was founded in 2003 in response to the growing needs of refugees and immigrants in central Ohio. UST is a mutual assistance agency, meaning it was founded by and is currently managed by former refugees. The agency's founders have worked with immigrant and refugee populations since 1988. While its main office is in Columbus, Ohio, UST opened an office in Cleveland in 2008 where it assumed the caseload of the Jewish Family Services Association when it closed its refugee resettlement program in 2007. Since then, the Cleveland office has been resettling populations from the former Soviet Union, Bhutan, and Iraq. UST receives both refugees with pre-existing family connections in the area as well as refugees with no family connection to the Cleveland area. In 2013, UST anticipates placing about 150 refugees in Northeast Ohio. Throughout 2012, UST partnered with El Barrio/The Centers to provide English classes, specialized employment counseling, and job placement services. UST also arranges for refugee mentors who typically share a similar cultural heritage and may have been refugees or legal immigrants themselves. A complete listing of UST's refugee-oriented services can be found on their website: www.ustogether.us.

4.2. Specialty Refugee Service Providers

Asian Services in Action, Inc.

Asian Services in Action, Inc. (ASIA) is primarily an immigrant and refugee service provider with a strong language and cultural knowledge of a multitude of Asian countries including Burma, Korea, Laos, Vietnam, Bhutan, and Nepal. ASIA works closely with Catholic Charities in the Cleveland area, but also with U.S. Together, International Services Center and the International Institute of Akron (Akron's sister agency to the ISC in Cleveland). ASIA also provides senior refugee services for all three Cleveland-area placement agencies. ASIA utilizes an USDA grant for urban agriculture as well as a refugee social services grant for Catholic Charities. ASIA provides some basic and vocational employment counseling services, English classes citizenship classes and legal services and housing counseling services. ASIA's mission is to empower and advocate for Asian Americans/Pacific Islanders (AAPIs) and to provide AAPIs access to quality culturally and linguistically appropriate information and services. ASIA's founding dates back to 1995 and it now serves more than 10,000 people annually in 30 languages, providing culturally competent programs and services to empower AAPI families throughout Northeast Ohio. A complete listing of ASIA's refugee-oriented services can be found on their website: www.asiaohio.org.

Building Hope in the City

Building Hope in the City (BHC) is a faith-based organization that seeks to strengthen urban ministry and mission in Northeast Ohio and beyond. BHC helps the region's refugee community by facilitating mentoring relationships for refugees, immigrants, unemployed adults and youth; providing for English instruction and citizenship test preparation programs; funding translation assistance for non-English-speaking people; arranging tutoring, literacy and GED preparation programs; and by organizing after-school programs for children and students. BHC also holds seminars relating to skill development, supports health information/awareness ministries, and can provide emergency funds in times of crisis for food, clothing and other basic needs. BHC can also arrange for volunteer refugee mentors who are able to provide advice and guidance to newly arrived refugees. A complete listing of BHC's refugee-oriented outreach can be found on their website: www.buildinghopeinthecity.org.

El Barrio Workforce Development Center of the Centers for Families and Children

El Barrio Workforce Development Center of the Center for Families and Children (El Barrio/The Centers) has been serving non-English speaking newcomers to Cleveland for over 20 years. As El Barrio/The Centers grew from serving a primarily Hispanic Spanish speaking population to serving a population of all ethnicities and languages it developed culturally competent and diverse programming effective at assisting the greater community of refugees

and immigrants that still migrate to Cuyahoga County today. El Barrio/The Centers is focused on matching qualified candidates to companies looking for diversity in their organization. Their training and intensive case management services prepare individuals to enter the workforce ready and motivated. El Barrio/The Centers is primarily focused on employment counseling, skill certification, job search, and job placement—it serves as one of the Department of Jobs and Family Services' (DJFS) sub-contractors for these services as well helping the region's unemployed population. El Barrio/The Centers offers the refugees English language classes (beginner, intermediate and advanced), job readiness training (basic/customer service), and case management services. These services are collectively grouped under the Refugee Employment Program which is funded via DJFS through the state—the funds for the program originate with ORR. El Barrio/The Centers currently is under contract with UST to provide its refugees the Refugee Employment Program services. In the past, El Barrio/The Centers has also provided these services to the refugees from the International Services Center (ISC). More information about El Barrio/The Centers can be found on their website: www.thecentersohio.org.

Global Cleveland

Global Cleveland's (GC) mission is to increase the population of Northeast Ohio and strengthen the region by working with employers, colleges and universities, and community organizations to attract and retain newcomers by connecting them to the region's opportunities, resources, and services, and promoting the region as a welcoming place for all. GC, in partnership with World Education Services (WES), a nonprofit credential services organization, provides subsidized credential evaluation and verification for international newcomers with foreign credentials, including diplomas, transcripts, and other professional certificates from other countries. A complete listing of GC's refugee-oriented services can be found on their website: www.globalcleveland.org.

Neighborhood Family Practice

Neighborhood Family Practice (NFP) has been serving Cleveland's near west side with quality primary health care services for over 30 years and now serves more than 14,000 people annually. Their mission is to partner with the community for everyone's best health. NFP became a federally qualified health center in 2000 and began serving as the primary medical screening facility for Cleveland's refugee community in 2010. NFP opened a second health center in the Tremont neighborhood in 2005 and a third health center in the Detroit/Shoreway neighborhood in 2012. NFP staff is mostly bilingual and they serve one the largest Hispanic communities in Ohio. NFP uses a combination of live translators and some telephonic translation services to communicate with their non-English speaking refugees to provide initial medical screenings as well as longer-term care. More information about NFP can be found on their website: <http://www.nfpmedcenter.org/>.

The Refugee Response

The Refugee Response (TRR) empowers refugees to become self-sufficient and contributing members of their new communities. TRR was formed in December of 2009 to assist in bridging the gap between existing resettlement agency services and the longer support needs of the refugee population. TRR impacts over 150 refugees annually on the Cleveland's near west side through the Refugee Empowerment Agricultural Program (REAP) and the Home Tutoring and Scholarship Programs. REAP operates at the Ohio City Farm, one of the largest contiguous urban farms in America, directly adjacent to the historic West Side Market. The focus on the program is to provide education, employment and training to the refugees served so that they may adapt their existing agrarian skill-set to the NEO environment, and gain the ESL and other job skills they need to establish sustainable employment that provides a livable wage. REAP produces over 11 tons of produce annually, which nourishes the trainees and their families, and the community at large through food donations, sales to local restaurants, and sales to individuals through the Ohio City Farm Stand and Community Supported Agriculture shares. In 2013, nine trainees are

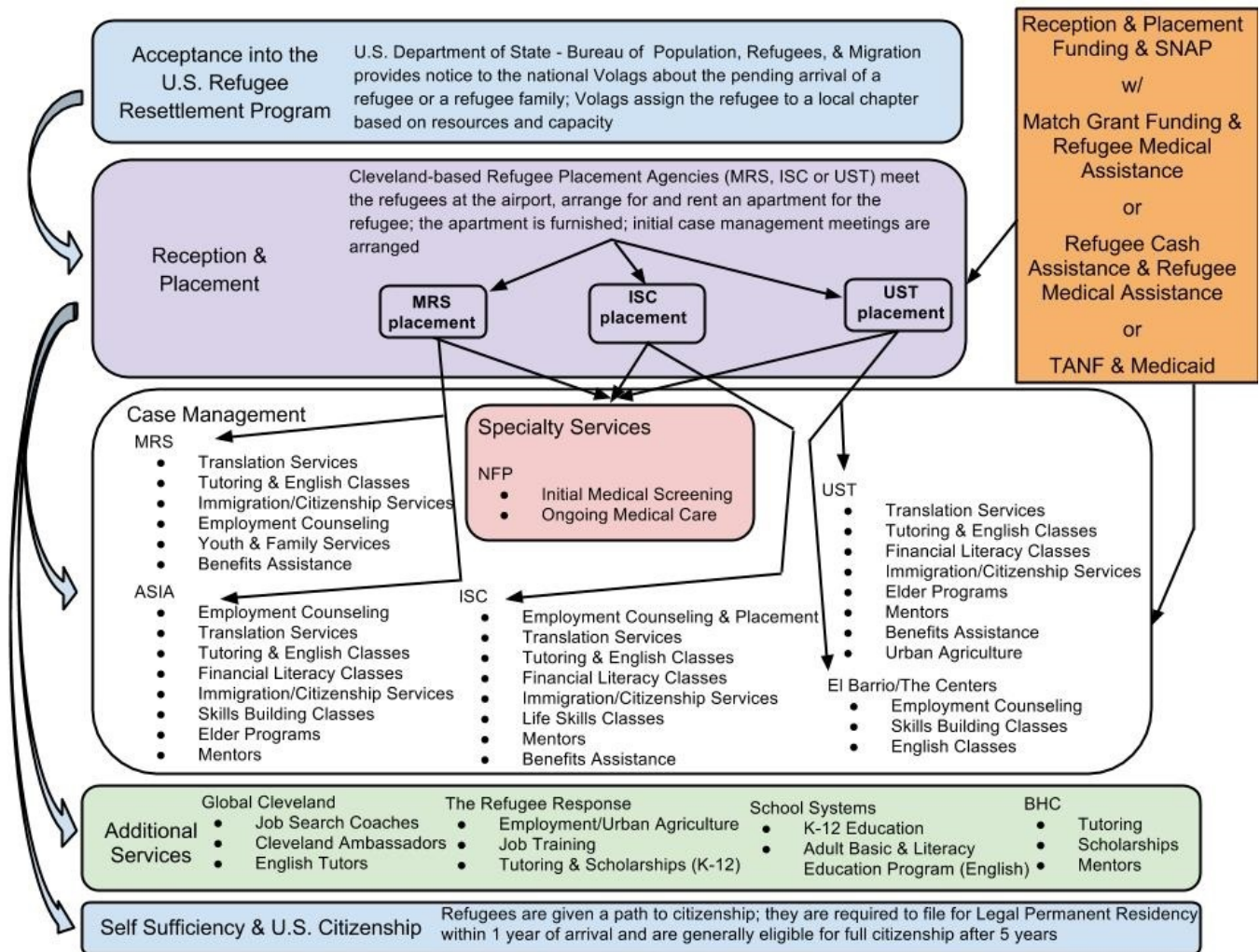


employed by REAP, and we continue to grow the program's impact. The Home Tutoring Program provides one-on-one home tutoring and mentoring for resettled refugee students. The goal of this program is to connect refugee students with volunteer tutors who provide ESL training and academic support aimed at increasing student confidence and performance to grade level standards. The Scholarship Program provides academically motivated and talented refugee students the opportunity for private education and is funded by private donations. Eleven students, grades K-12, are currently enrolled at preparatory schools in the Cleveland area, including Urban Community School, St. Joseph Academy and St. Ignatius. All scholarship participants are required to participate in the Home Tutoring Program. A complete listing of TRR's refugee-oriented services can be found on their website: www.refugeeresponse.org.

Local, County, and State Agencies

Several other local stakeholders also have a role in facilitating the integration of refugees into the area. The Cleveland Metropolitan School District and the Lakewood City School District educate the majority of refugee children in the area and offer services through their Adult Basic and Literacy Education (ABLE) programs. Beginning in 2013 this program will be administered through a partnership between Cuyahoga Community College and the area's municipal school systems. Ohio ABLE programs provide free services for any individual who needs assistance acquiring the skills to be successful in postsecondary education and training and employment. Additionally, the Ohio Department of Job and Family Services and Cuyahoga County Job and Family Services (CJFS) serve as conduits to providing and coordinating much of the PRM and ORR funding that is available to the local refugee service providers. These county and state agencies carefully monitor and assess the effectiveness of the local refugee service providers and provide a basic auditing function for the federal dollars which are spent on refugee services. Together with one of the three placement agencies (MSR, ISC, or UST), CFJS staff provide benefits and counseling to newly arrived refugees so they understand the county, state, and federal benefits available to them.

Refugee Arrival Flowchart



4.3. Refugee Service Providers Economic Footprint

In July 2013, Chmura surveyed the eleven refugee service organizations in the Cleveland area.²⁷ In 2012, it is estimated that these organizations spent an estimated total of \$4.8 million on refugee services (Table 4.1). Of these expenditures, \$2.5 million was paid as wages and salaries to staff members of the refugee organizations and \$1.1 million was spent to purchase supplies and services for refugees such as food, clothing, and transportation. In addition, these organizations paid \$345,449 in the form of cash assistance to refugee families. Refugee-related capital expenditures totaled \$117,021 in 2012, including refurbishing of buildings (estimated at \$77,171 in 2012),

²⁷ A small number of organizations that provide some services to refugees in the Cleveland area were not surveyed either because they primarily act as a conduit of funds that would be captured in the survey responses of the other organizations, such as the Ohio Department of Job and Family Services which is a funding pass-through agency, they were not active in the RSC, and/or their spending on refugee-oriented services was judged to be de minimis.

vehicle purchase and repair (\$20,450), and computer and other equipment purchases (\$19,400). Other refugee-related services are estimated to have been \$786,795 in 2012.

Estimated Total Refugee Service Expenditures by RSC Organizations (2012)

| | Amount | Percent of Total |
|--|--------------------|------------------|
| Wages and Salaries | \$2,454,792 | 50.7% |
| Purchasing of Supplies for Refugees | \$1,142,281 | 23.6% |
| Cash Assistance to Refugees | \$345,449 | 7.1% |
| Refugee-Related Capital Expenditures | \$117,021 | 2.4% |
| Other Expenses | \$786,795 | 16.2% |
| Total RSC Budget | \$4,846,338 | 100.0% |
| Total Refugee Services Employment | 95 | |

Source: Chmura Survey of RSC Organizations

It is estimated that 95 of the staff members worked in refugee services organizations in 2012 in positions directly related to or dependent upon refugee services. Among these, 49 were full-time workers and the rest were part-time and seasonal workers.

4.4. Refugee Settlement Activities

Data from the Refugee Services Program²⁸ of the Ohio Department of Job and Family Services indicated that in the past 13 years—from 2000 to 2012²⁹—there were a total of 4,518 refugees settled in the Cleveland area.³⁰ The number of settled refugees was 521 and 381 in 2000 and 2001, respectively, but declined after 2001 reflecting the intensified scrutiny for immigrants to the United States after the September 11 terrorist attack. The refugee resettlement activities have rebounded since hitting a low in 2006. In each of the last three years, the Cleveland area accepted more than four hundred refugees.

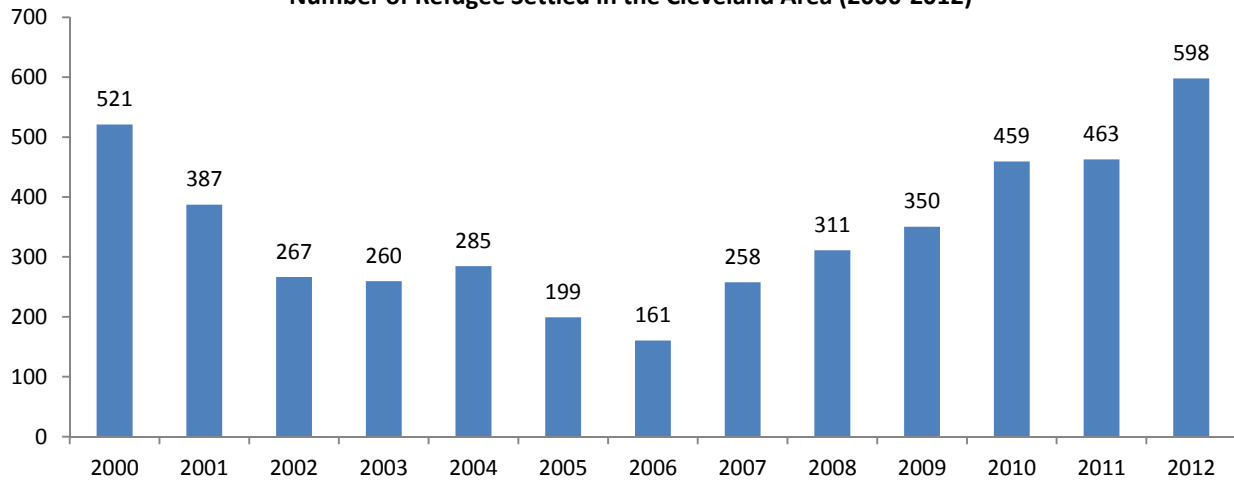
²⁸ Historical refugee data for Cuyahoga County from the Refugee Services Program matched closely with the survey data (see appendix). Since the Refugee Services Program data went back farther and was more complete, it was used in this analysis. Also, note that the data were modified by converting it from fiscal year to calendar year.

²⁹ For the first seven months of 2013, there were 368 refugees settled in the Cleveland area. Those numbers were not included in the analysis, as this study benchmarking the economic impact for 2012.

³⁰ Approximately 350 refugees had arrived in Cuyahoga County in 2013 through July, increasing the total number of refugees since 2000 to roughly 4,850.



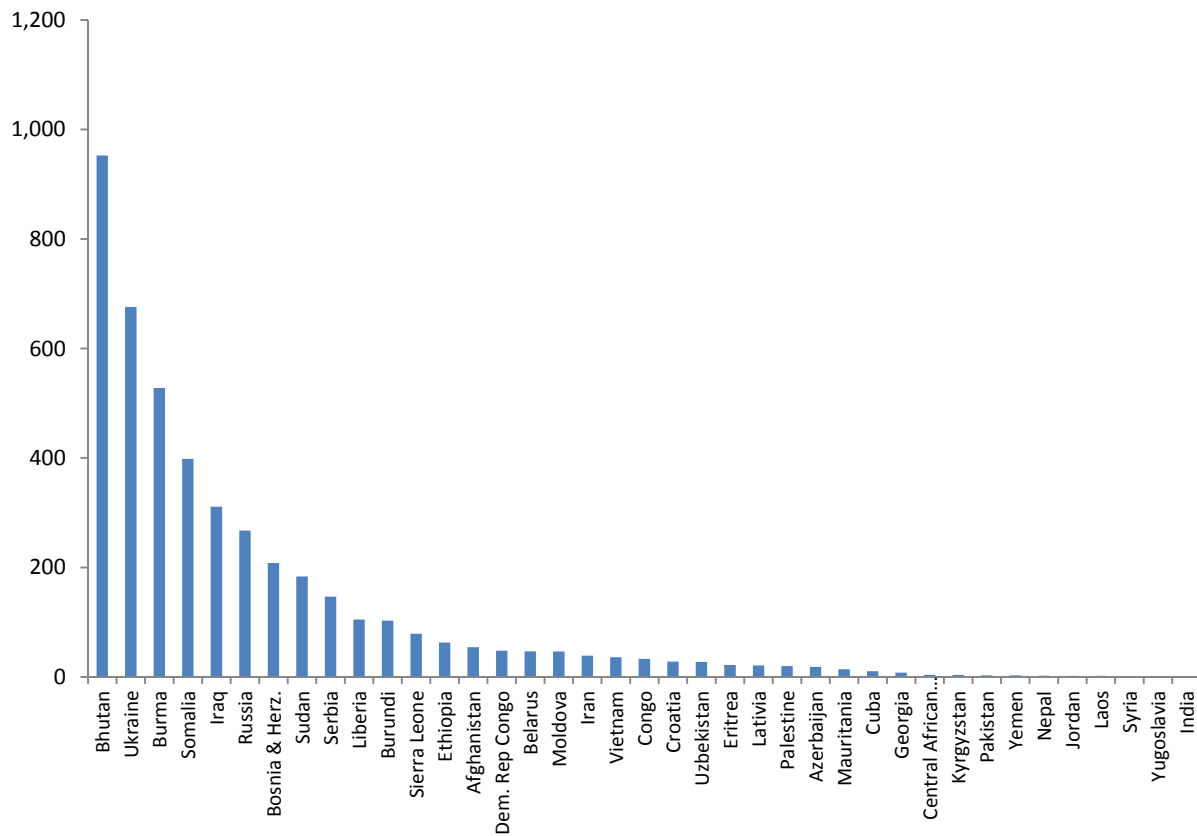
Number of Refugee Settled in the Cleveland Area (2000-2012)



Source: Refugee Services Program, OJFS & Chmura

Refugees settled in the Cleveland area have come from all corners of the world. Of the total refugees settled, the largest group (1,973 refugees) came from Asian countries. In number of refugees by country, the Asian nations of Bhutan ranked the first and Burma ranked third. The next largest group (1,433 refugees) came from Europe, primarily from former communist countries such as Ukraine, Russia, and Bosnia & Herzegovina. African countries contributed 1,101 refugees to the Cleveland area over this period, from counties including Somalia, Sudan, and Burundi.

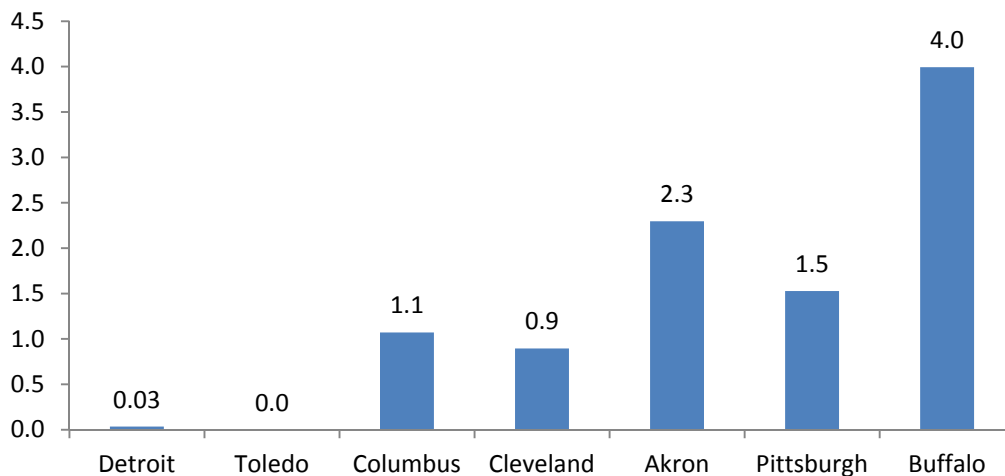
Cleveland Area Settled Refugees: By Country 2000-2012



A large percentage of settled refugees in Cleveland area are children. At the time of settlement, 19% of refugees were children from the age of 0 to 4 with another 28% of refugees being between the ages of 5 and 19 (based on data from 2000 through May 2013). These children and young adults will grow and mature in Cleveland area and potentially become productive members of the workforce and society.

Compared to neighboring large municipalities, the city of Cleveland is neither the most nor least common destination for refugees in the past year. To the west of Cleveland, Toledo did not resettle any refugees in FY 2012 while Detroit became the new home to only 24. To the south and east of Cleveland, however, many of the major cities welcomed more refugees than Cleveland. In per capita terms, the city of Cleveland resettled 0.9 refugees per thousand in population in FY2012. This trails the 1.1 refugees per thousand in population in Columbus as well as the 1.5 refugees per thousand in Pittsburgh in the same year. More than twice as active on a per capita basis in welcoming refugees were the cities of Akron (2.3 refugees per thousand in population) and Buffalo (4.0 refugees in thousand population).

Refugees per 1,000 Population, by City, FY2012



Source: Bureau of Population, Refugees, and Migration, US Census, and Chmura

For the period 1983 to 2004, Cleveland ranked among the top 30 MSAs for accepting refugees by aggregate totals. During this 22-year period, the Cleveland MSA accepted close to 570 refugees per year. However, since 2005, the Cleveland metropolitan area accepted about 334 refugees on average per year,³¹ roughly 40% fewer refugees than it was previously welcoming on an annual basis. Some of this slowdown in recent refugee arrivals reflects national trends—the United States accepted about half the number of refugees in the past decade as it did in the eighties and nineties—but it also reflects the fact that other cities, many nearby, have been more aggressive in receiving and accepting refugees into their community.

³¹ Data for refugee arrivals since 2005 in the Cleveland MSA are based upon fiscal year data from the Department of State; Bureau of Population, Refugees, and Migration; Office of Admissions – Refugee Processing Center.

4.5. Case Study #1: Helen's Story

Helen's story begins in Moscow, Russia. Helen and her husband are Russian Jews that qualified for permanent residency and citizenship in the United States under the Lautenberg Amendment refugee program. The Lautenberg Amendment was originally enacted as part of the 1990 Foreign Operations Appropriations Bill and it established a presumption of eligibility for refugee status for certain categories of people—most commonly religious minorities—seeking to resettle in the United States from the Former Soviet Union (FSU) and Southeast Asia. Today, the Lautenberg Amendment mostly serves to facilitate the resettlement of Jews, Christians, Baha'is, and other religious minorities fleeing Iran, which was added to the Lautenberg Amendment in 2004, while it continues to cover religious minorities from the FSU.

Helen and her husband, Vladimir, arrived in America on September 20, 1994. Along with them came both of their sets of parents (Helen's and Vladimir's), Helen's grandmother, and Helen and Vladimir's 5 ½ year old daughter, Julia, as well as two dogs—a Pekinese and a miniature poodle. The hardest aspect of the transition was employment. In Russia, Vladimir was a practicing physician with more than 20 years of experience as a medical doctor and with good English skills; but in the United States he was unable to find a physician's residency program and thus was no longer able to practice medicine. Helen was an English teacher, a translator, and an interpreter in Russia and also had very good English language skills. Helen was hired quickly in Cleveland by the Jewish Family Service Association (JFSA) which was one of the main refugee placement agencies operating in Cleveland at the time. Because of the breakup of the Former Soviet Union, poor economic prospects in Russia, and the potential for discrimination against Russian Jews, Cleveland was seeing as many as 40 Russian Jews relocate to Cleveland each month in the mid-1990s. This created the need for Helen's English and Russian language skills and Helen served in many different roles within the JFSA Resettlement Department. At first she began as a receptionist and interpreter; later she began to teach JFSA's English as a Second Language (ESL) program for new Russian-speaking refugee arrivals. Within a few months, Helen had been promoted and was an employment counselor for JFSA. While she continued to teach ESL classes, she also began pursuing a graduate degree. In 2001, Helen earned a master's degree in teaching English as a second language from the University of Findlay. In 2004, Helen was named the Director of Refugee Resettlement at JFSA, a position she held until the program was discontinued in 2007 due to the decline in Russian Jews coming to the United States under the Lautenberg Amendment program. Helen was hired by the Columbus-based refugee placement agency US Together as their Cleveland office director in 2008.

Meanwhile, Helen's husband Vladimir, having been shut out of his previous career—a very common challenge for refugees in America—was forced to become very flexible in his approach to finding a new “career” in America. Vladimir, showing great resilience and perseverance, worked in various occupations including as a computer programmer for Progressive Insurance, as a physiology and biology teacher at local community colleges, as a home health aide, and eventually founded his own construction business. Initially, Helen and Vladimir, like so many refugees, relied exclusively on public transportation until they were able to buy the first car—in Helen's case, a used Toyota.

Helen and Vladimir's hard work helped to support their aging parents (Helen's grandmother died in 1996, only two years after arriving, Vladimir's mother died in 1999, and Helen's father in 2011) while also supporting the education of their daughter, Julia. Julia, as is the case for most young refugees, Americanized very quickly; she graduated from The Ohio State University in 2008 with a degree in actuarial science and quickly found employment with one of Ohio's largest insurance firms. Helen and Vladimir expressed incredible pride in the accomplishment of their daughter. Having eventually gained their U.S. citizenship and saving some money, Helen and Vladimir were able to buy a home on the east side of Cleveland, thus completing a long and arduous journey to find a new home in America.

5. Economic Impact of Refugee and Refugee Services in the Cleveland Area

5.1. Refugee Service Organization Operations

The total annual expenditures of the RSC refugee service organizations in the Cleveland area was \$4.8 million in 2012, being spent on various categories such as staff wages and salaries, supplies for goods and services, and capital expenditures (see Section 4.3).

The refugee services expenditures benefit the Cleveland regional economy. For example, these organizations spent \$1.1 million in 2012 for supplies and services for refugee families such as food and clothing. The spending benefits local retailers such as grocery and clothing stores. In addition, refugee service organizations also spent money to refurbish buildings and to purchase and repair vehicles, which benefited employers in the area such as construction contractors and auto mechanics.

Inputting the direct spending amounts into the IMPLAN model, it is estimated that the spending activities of the refugee service organizations generated a total economic impact (including direct, indirect, and induced impacts) of \$6.6 million in the Cleveland area in 2012. Aside from the \$4.4 million³² in direct economic impact, the indirect impact in the region is estimated to have been \$0.4 million in 2012. The beneficiaries of the indirect impact are regional businesses that provided supplies to the refugee service organizations such as contractors, other service providers, and retail shops. The induced impact in the region is estimated have been \$1.7 million in 2012. The beneficiaries of the induced impact are mostly consumer-services businesses (such as retail shops, restaurants, and healthcare providers) through their provision of goods and services to employees of the refugee services organizations.

Economic Impact of Refugee Service Organizations Operations (2012)

| | Direct | Indirect | Induced | Total Impact |
|---------------------|--------|----------|---------|--------------|
| Spending (Millions) | \$4.4 | \$0.4 | \$1.7 | \$6.6 |
| Employment | 95 | 3 | 14 | 112 |

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2011 and Chmura

The spending by refugee service organizations is estimated to have supported a total of 112 jobs in the Cleveland area. Based on the Chmura survey, those organizations directly employed a total of 95 full-time, part-time, and seasonable workers in the Cleveland area. In addition, the spending by refugee service organizations has supported job opportunities in other industries through indirect and induced impact. It is estimated that these ripple effects comprised three indirect and fourteen induced jobs in the Cleveland area in 2012.

³² The \$4.4 million in direct impact does not match the \$4.8 million in total expenditures because cash expenditures to refugees are excluded here due to being accounted for in refugee household spending.

5.2. Refugee Household Spending

From 2000 to 2012, a total of 4,518 refugees were settled in the Cleveland area. To understand the economic impact of refugee households in the region in 2012, it is important to know how many of them remained in the area. Through the Chmura survey results, it is estimated that of those refugees, 16.6% have left the area or their contact information was lost. Refugees may have left the area for a variety of reasons, such as employment opportunities, seeking education (college), or other personal factors. Assuming 16.6% of refugees arriving since 2000 have left the area, it is estimated that 3,768 of refugees still lived in the Cleveland area as of 2012.³³

The economic impact of refugee household spending depends on the household income of refugee families. The sources of refugee income can be varied. Contrary to the misconception that American taxpayers are supporting refugee families, the majority of refugees rely on their labor earnings, especially after their initial periods of transition. Granted, when refugee families first arrive in the United States, they are offered a suite of benefits and services to help them successfully transition to life in the United States and gain economic self-sufficiency. These services include reception and placement services for the first months as well as temporary cash and medical assistance. Refugees with dependents can receive Temporary Assistance for Needy Families (TANF) and Medicaid as long as they meet the same eligibility requirements of U.S. citizens. Refugees not eligible for TANF may be eligible for Refugee Cash Assistance (RCA) for up to eight months. In addition, refugee families can also receive assistance through Refugee Social Service (RSS) or the Targeted Assistance Formula Grant (TAG) program, which helps them acquire language and job skills to succeed in the American job market.³⁴ However, after the initial transition period, government assistance only accounts for a small portion of their household income, with the majority of their income coming from labor earnings.

The Chmura survey indicated that refugees settled in the Cleveland area have a comparable or better labor market performance than refugees in other areas of the nation that have been studied.³⁵ For example, the Lewin Group study reported that after two years of the refugee settlement, 68.2% of refugees were employed.³⁶ The Chmura survey results indicated that approximately 73.5% of refugees were employed after two years.³⁷ Refugees in the Cleveland area also showed less likelihood to take public assistance after two years. While the Lewin Group reported 12.4% of refugees still receiving public assistance after two years, the Chmura survey indicated that only about 8.1% of Cleveland area refugees do so. In addition, the Chmura survey indicated that the average employed refugee earned about \$19,913 per year.³⁸

Including both labor earnings and public assistance and assuming an average of 1.5 working members per household, the average annual household income for Cleveland area refugees is thus estimated to have been

³³ The economic impact estimate relating to refugee spending does not include any refugees that are originally resettled in communities outside of northeast Ohio and then subsequently relocated the area—because detailed yearly data is lacking—but including these refugees, based on the best estimates of the refugee resettlement agencies, would likely increase our economic impact of refugee spending by 5%-7%.

³⁴ Source: The Evaluation of the Refugee Social Service (RSS) and Targeted Assistance Formula Grant (TAG) Programs: Synthesis of Findings from Three Sites. Prepared by The Lewin Group, prepared for U.S. Department of Health and Human Services, Office of Refugee Resettlement. 2008.

³⁵ Specifically, the comparison areas cited in this paragraph are Houston, Miami, and Sacramento. See Section 3 for further details.

³⁶ Ibid.

³⁷ Please see the appendix for more details. The Chmura survey indicated that after two years, 80.5% of refugees were in the labor force, and 91.4% of those in the labor force were employed.

³⁸ Please see the appendix for more details.

\$31,024 in 2012.³⁹ Before average spending is estimated, household income is further adjusted to remove possible savings.⁴⁰ For a refugee family living in the Cleveland area, the percentage of income it spends outside the region is considered leakage. The IMPLAN model estimates that the average consumer spending leakage is 9%. As a result, for the average refugee family living in the Cleveland area it is assumed that the family spent \$22,406 per year in the Cleveland area.

In sum, it is estimated that the total of all refugee families in the Cleveland area spent a total of \$22.2 million in the area in 2012. The refugee spending is distributed into different spending categories based on the latest Consumer Expenditure Survey (CES) from the U.S. Department of Labor. CES data indicate that the major spending items for households are food, housing, and transportation.

The annual economic impacts of refugee household spending in the Cleveland area in 2012 are summarized in the table below. The total annual economic impact (direct, indirect, and induced) of refugee household spending is estimated to have been \$33.3 million in 2012 which supported 386 jobs in the Cleveland area. Of this spending, \$22.2 million is associated with direct refugee household spending from their income of labor earnings and cash assistance. Indirect impacts are estimated at \$5.2 million in spending and 40 jobs. Induced impacts are estimated at \$5.9 million in spending that supported 55 jobs in the Cleveland area.

Annual Economic Impact of Refugee Household Spending in the Cleveland Area (2012)

| | Direct | Indirect | Induced | Total Impact |
|----------------------------|--------|----------|---------|--------------|
| Spending Impact (Millions) | \$22.2 | \$5.2 | \$5.9 | \$33.3 |
| Employment Impact | 291 | 40 | 55 | 386 |

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2011 and Chmura

5.3. Refugee-Owned Businesses

This section analyzes the total ongoing spending and employment impact of refugee-owned businesses in the Cleveland area in 2012. As the literature review has summarized, refugees are more likely to be entrepreneurial and enjoy higher rates of successful business ventures compared to natives. For example, many places with large concentration of refugees contain ethnic restaurants and grocery stores that serve not only immigrants but also native residents. The connections and social networks of refugees back in their originating countries can also facilitate the generation of transnational businesses such as international trade, investment, and tourism.

New businesses located in the community will have economic ripple effects throughout the local economy. Consider a restaurant as an example: as sales increase, the restaurant purchases more goods from local suppliers such as grocery stores and farmers. As a result, the output (sales) of the underpinning businesses also increases.⁴¹

³⁹ The assumption that each household has 1.5 working members is based on the Lewin Group study.

⁴⁰ The latest consumer expenditure survey (2011) from the U.S. Department of Labor indicates a difference between annual expenditure and after-tax income of 21% for the Midwest region.

⁴¹ This is typically referred to as an indirect impact.

In addition, as the income of the restaurant workers rise, their consumption increases, further enhancing spending effects in the area.⁴²

The Chmura survey indicated that over the last ten years, at least 38 businesses were started by refugees in the Cleveland area with a total of 141 employees (including owners). In addition, it is estimated that almost all of those employed by refugee-owned businesses are refugees themselves. Though the survey did not gather information of the types of businesses that were started, estimates were made based upon studies conducted elsewhere. The assumed mix of industries for the refugee-owned businesses includes the following: restaurants, retail, health and beauty, transportation and automotive services, and child care.⁴³

The table below presents the total estimated economic impact from refugee-owned businesses in the Cleveland area in 2012. It is estimated that all refugee-owned businesses (including restaurants, retails, and various service businesses) had total direct revenue of \$7.6 million in 2012. These businesses employed a total of 141 workers. The indirect and induced impacts measure the extent to which other businesses in the Cleveland area benefit from the refugee-owned businesses. The indirect impact of \$2.0 million and 15 jobs represents the increased spending and employment for businesses in the area that sell supplies and services to the refugee-owned businesses. The induced impact of \$2.4 million and 19 jobs are primarily the result of increased spending by local consumers who are working in the refugee businesses.

Economic Impact of Refugee-owned Businesses (2012)

| | Direct | Indirect | Induced | Total Impact |
|---------------------|--------|----------|---------|--------------|
| Spending (Millions) | \$7.6 | \$2.0 | \$2.4 | \$12.0 |
| Employment | 141 | 15 | 19 | 175 |

Note: Numbers may not sum due to rounding

Source: IMPLAN Pro 2011 and Chmura

5.4. Summary of Economic Impact of Refugees and Refugee Services

This section sums up the economic impact of refugee and refugee service organizations for 2012 in the Cleveland area, including refugee service organizations’ expenditures, refugee household spending, and refugee-owned businesses. The total estimated impacts in the Cleveland area are estimated to have been \$48.0 million in 2012, supporting 650 jobs in the region.

⁴² This type of impact due to changes in income is called an induced impact.

⁴³ Other cities in the U.S. have compiled refugee-owned business. For example, please see “Refugee Entrepreneurship in San Diego,” 2010, by International Rescue Committee, available at: <http://www.ethniccommunities.org/wp-content/uploads/2011/09/SOAR2010SanDiegoRefugeeEntrepreneurshipBusinessDirectory7.28.10.pdf>.

Economic Impact Summary of Refugee and Refugee Services in Cleveland Area (2012)

| | | Direct | Indirect | Induced | Total |
|------------------------------|----------------------------|---------------|--------------|--------------|---------------|
| Refugee Service Organization | Spending (Millions) | \$4.4 | \$0.4 | \$1.7 | \$6.6 |
| | Employment | 95 | 3 | 14 | 112 |
| Refugee Household Spending | Spending (Millions) | \$22.2 | \$5.2 | \$5.9 | \$33.3 |
| | Employment | 291 | 40 | 55 | 386 |
| Refugee-owned Businesses | Spending (Millions) | \$7.6 | \$2.0 | \$2.4 | \$12.0 |
| | Employment | 141 | 15 | 19 | 175 |
| Total | Spending (Millions) | \$33.4 | \$7.6 | \$7.0 | \$48.0 |
| | Employment | 526 | 58 | 65 | 650 |

Note: The total impact is smaller than the sum of the three components as overlapping impacts were removed in aggregation.

Source: Chmura Economics & Analytics

The above table presents the total economic impact of refugees and refugee service organizations in the Cleveland area. As mentioned in the methodology section, in aggregating the three components of economic impact for the overall impact, the following overlapping impacts were removed in the aggregation process: cash payments from refugee organizations to refugees, the wages and salaries paid to refugees working in refugee service organizations, and wages and salaries paid to refugees working in refugee-owned businesses.⁴⁴

This study used calendar year 2012 as the benchmark year to measure the economic impact of refugees and refugee service organizations. The size of these organizations has been growing significantly in recent years and new refugees arrive in the Cleveland area yearly. As a result, the economic impact of refugees can be expected to increase in the future.

5.5. Historic Growth of the Refugee Economic Impact

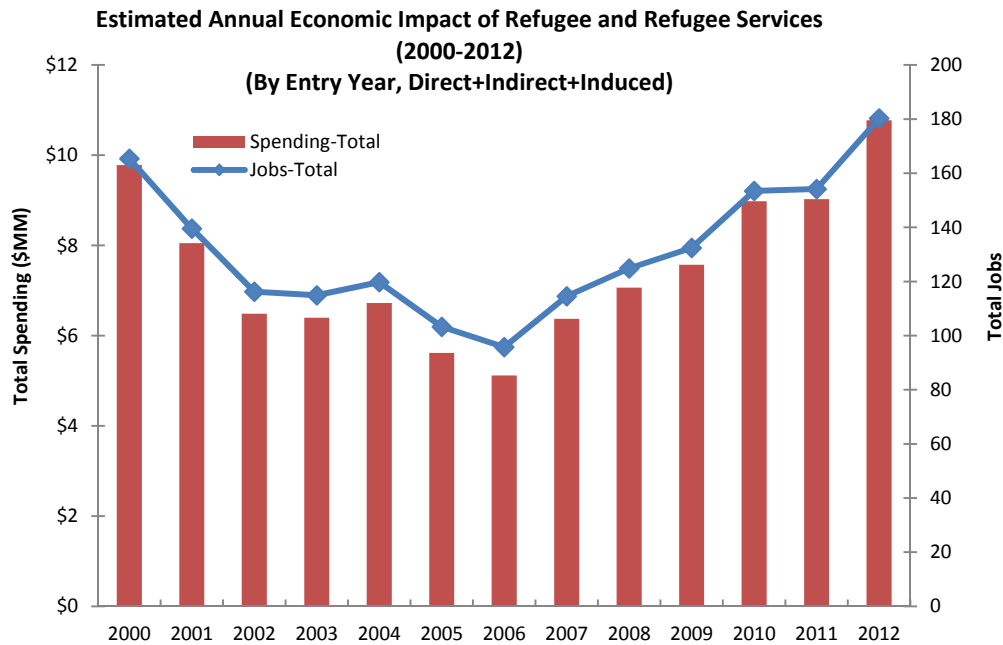
Refugees and refugee service organizations have made significant contributions to the regional economy. Since 2006, with more new refugees putting down their roots in the Cleveland area, the economic impacts they make to the region are growing significantly.

To estimate the economic impact of refugee and refugee services in the Cleveland area over time since 2000, Chmura used the estimated economic impact in 2012 as a benchmark and calculated the impact of each years' cohort of refugees by adjusting for number of entering refugees in the region, inflation, and the survey data from refugee service organizations. For household spending and refugee-owned businesses, it was assumed that their impact directly depends on the number of refugees settled in the region. For the operational impact of refugee service organizations, respondents to Chmura's survey reported that their operations have grown significantly in the past five years, averaging 5.4% growth per year. This expansion percentage was used to estimate the operational impact of refugee service organizations from 2007 to 2012. For years prior to 2007, it was assumed that the operational impact was directly correlated with the number of settled refugees each year.

The chart below presents the estimated historical economic impact of refugees and refugee organizations in the Cleveland area from 2000 to 2012. In this analysis, the refugee impact is grouped by refugees' years of entry, measured after two years of their entry. For example, the \$10.8 million dollars impact for 2000 is the economic

⁴⁴ The Chmura survey implies that 27% of workers in refugee service organizations are former refugees and approximately all workers in refugee-owned businesses are former refugees.

impact of refugees settled in Cleveland area in 2000 at the year 2002.⁴⁵ Not surprisingly, the economic impact over the past twelve years is closely related to the number of entering refugees each year.



Source: Chmura Economics & Analytics

The impact estimated in this study is conservative as it includes only the refugee impact as estimated at two years after entry. It is possible that as the refugees assimilate more into the local community, their income growth may accelerate. Some of the refugees with professional degrees in their home country may be able to enter those professions in America after additional education and certification. As refugee children grow, many are further educated or attend college in the United States; for those who stay in the Cleveland area, they would earn much higher incomes than was assumed here in this study.

It should also be noted that this study is conservative in impact estimates as it only examined refugees arriving in the Cleveland area since 2000. In the 1980s, 1,901 refugees resettled in the Cleveland metropolitan statistical area (MSA), a region comprising the counties of Cuyahoga, Lorain, Lake, Medina, and Geauga. The 1990s were a much more active decade for refugees in the region, with 8,766 resettling in the Cleveland MSA.⁴⁶ In the thirty years from 1983 to 2012, approximately 15,200 refugees were placed in the Cleveland MSA; the spending of these refugees and their business ventures are estimated to support almost 2,000 jobs in total in the region annually.⁴⁷ This

⁴⁵ During the first year of entry, many refugee families rely on public assistance and need to focus their efforts on transitioning to the American way of life. Chmura’s survey regarding the labor market outcomes of refugees queried their earnings and employment statuses after two years, which represents a period after which the refugees have become more acclimated to the country and are participating in the labor market more similar to how they will participate over the long-term.

⁴⁶ “From ‘There’ to ‘Here’: Refugee Resettlement in Metropolitan America,” Audrey Singer and Jill H. Wilson, The Brookings Institution, September 2006.

⁴⁷ This report did not collect demographic or economic details about refugees arriving in the region in the eighties or nineties. Nevertheless, for purposes of this rough estimation, these refugees were assumed to have a similar average profile compared with the refugees that arrived in the area over the last decade.

strongly suggests that Cleveland could effectively utilize its refugee placement and service capacity and historic legacy to attract a larger number of refugees annually so as to bolster the area's population, strengthen the economy, and increase the region's cultural diversity.

5.6. Case Study #2: Fatma's Story

Fatma's story begins in Baghdad, Iraq more than two decades ago. For many years after the First Gulf War, Saddam Hussein oppressed many citizens of Iraq. Fatma's husband, a Shiite Muslim film maker with a master's degree in media arts, ran afoul of the Hussein regime. He eventually became fearful for the safety of his family and the possibility of being imprisoned, so the family fled from Iraq to Jordan. After two years in Jordan, where they were unable to work legally, Fatma and her husband and their two daughters, ages 26, and 22, were sponsored to come to the United States as refugees, arriving only weeks before September 11, 2001. Despite the general apprehension in America after the September 11 attacks with regard to Muslim immigrants, Fatma recounted several examples where local Clevelanders went out of their way to show kindness to the family.

Fatma and her family were assisted in their arrival by the International Services Center (ISC) who helped them arrange their first apartment at the corner of Lee and Van Aken roads. Fatma, who like her daughters had learned a little English in school, quickly began taking classes under the guidance of the ISC. Because of her skills as a seamstress in Iraq, Fatma was hired by the ISC to teach sewing classes to other refugees arriving to the area. Later, Fatma was hired by the firm David's Bridal as a seamstress and dressmaker. While Fatma was able to quickly find employment, her husband—who was already nearly sixty years old when he arrived and lacked strong English language skills—struggled to find and maintain steady employment. Nonetheless, after a few years working at David's Bridal and teaching sewing classes, Fatma was able to save enough to purchase a used car in 2002. With additional guidance from ISC, she and her two daughters earned their driver's licenses that same year. A few years later, Fatma and her family saved enough to purchase a home on the near west side of Cleveland.

Fatma's daughters quickly learned the language and began to flourish in Cleveland. Their younger daughter was trained by Fatma as a seamstress, attended the Virginia Marti College of Art and Design in Lakewood, was hired by David's Bridal, and has since moved to California and opened a boutique retail shop for wedding and other formal attire. Fatma's elder daughter also attended the Virginia Marti College of Art and Design and graduated at the top of her class. After graduation, she began a career as a manager at a David's Bridal retail location in the area. They all became full U.S. citizens in 2007 and Fatma is particularly proud that both of her daughters were able to marry other Iraqi's living in the Cleveland area.

As the ongoing sectarian violence in Iraq continued, Fatma's sister was forced to leave her Baghdad home and was eventually sponsored to arrive in the United States as a refugee. She arrived in Cleveland in 2010 with her two children who were 18 and 19 when they arrived. Fatma's sister, also trained as seamstress, quickly found work at National Safety Apparel. Her children completed high school in Cleveland and both are currently students at Cuyahoga Community College. Fatma's nephew is studying computer science and her niece is studying chemistry with hopes of transferring to Cleveland State University in 2014 to pursue a bachelor's degree in chemical engineering. She is hoping to one day work as a petroleum engineer in the region.

6. Fiscal Impact on City and State Government

6.1. Fiscal Impact for the Ohio State Government

Refugees and refugee service organizations in the Cleveland area also contribute to the fiscal revenue for the state and local governments in the area. For the state government, the main revenue sources are individual income, commercial activity, and state sales taxes. To be conservative, only taxes from the direct impact are estimated here.⁴⁸

For tax revenue from refugee service organizations, state individual income tax can be estimated based on salaries and wages paid by these organizations. The Chmura survey indicated that total wages and salaries for the refugee-related work of these organizations amounted to \$2.9 million in 2012, resulting in state income tax of \$79,805 with the tax rate for this income bracket being 3.25%.⁴⁹ The Commercial Activity Tax (CAT), based on the gross receipts of a business, has a current tax rate of 0.26%.⁵⁰ Since refugee service organizations are nonprofit agencies, they are exempt from this tax.

| Annual State Tax Revenue (2012) | | | | |
|---------------------------------|-------------------------------|----------------------------|--------------------|--------------------|
| | Refugee Service Organizations | Refugee Household Spending | Refugee Businesses | Total |
| Individual Income Tax | \$79,805 | \$837,574 | \$89,730 | \$1,007,110 |
| Commercial Activity Tax | \$0 | \$57,734 | \$19,865 | \$77,599 |
| Sales Tax | \$0 | \$529,089 | \$196,847 | \$725,936 |
| Total | \$79,805 | \$1,424,397 | \$306,442 | \$1,810,644 |

Source: Chmura Economics & Analytics

For tax revenue from refugee household spending, the individual income tax comes mostly from the labor income of refugees who are employed. Based on information from the Chmura survey, it estimated that total annual labor income was approximately \$29.2 million in 2012, resulting in \$837,574 individual income tax.⁵¹ The CAT tax from household spending is generated as refugee households spent their income at retail, health care, and other businesses in the Cleveland area. The CAT revenue is estimated to have been \$57,734. State of Ohio also has a 5.5% sales tax which is applied to household spending at retail businesses. The state sales tax impact is estimated to have been \$529,089.

For tax revenue from refugee-owned business, the individual income taxes come mostly from labor income paid out as wages and salaries. The state individual income tax from this source is estimated to have been \$89,730 in 2012. The state also collects CAT tax from gross receipts of refugee-owned business. Applying the CAT rate to estimated gross revenues, the tax revenue is estimated to have been \$19,865. Finally, Ohio has a 5.5% sales tax which is

⁴⁸ This approach is recommended by *The Fiscal Impact Handbook*. Source: Burchell, R.W. and Listokin, D. 1978. *The Fiscal Impact Handbook: Estimating Local Costs and Revenues of Land Development*. Center for Urban Policy Research. New Brunswick, NJ: Rutgers, The State University of New Jersey

⁴⁹ Source, The Tax Foundation. <http://taxfoundation.org/article/ns/state-individual-income-tax-rates-2000-2013>.

⁵⁰ Source:

http://www.tax.ohio.gov/Portals/0/communications/publications/annual_reports/2012_annual_report/2012_AR_Section_2_Commercial_Activity_Tax.pdf.

⁵¹ This number excludes income tax for those working in refugee service organizations and refugee-owned businesses.

applied to refugee-owned businesses such as those in retail and restaurant industries. The state sales tax is estimated to have been \$196,847.

All combined, refugee and refugee service organizations in the Cleveland area contributed an estimated \$1.8 million in tax revenues to the state government of Ohio in 2012.

6.2. Fiscal Impact for the City of Cleveland & Cuyahoga County

In Ohio, local taxes are administered at both the county and municipality levels. Cuyahoga County has county sales tax and a county bed tax. Municipalities in the county can levy municipal income tax and admission tax. In addition, certain school districts also levy school district income tax.

For tax revenue from refugee service organizations, state individual income tax can be estimated based on salaries and wages paid by these organizations. The Chmura survey indicated that total wages and salaries amounted to \$2.5 million in 2012, resulting in state income tax of \$45,331 based on an average tax rate of 1.8%.⁵²

| Annual County and City Tax Revenue (2012) | | | | |
|---|-------------------------------|----------------------------|--------------------|------------------|
| | Refugee Service Organizations | Refugee Household Spending | Refugee Businesses | Total |
| Municipal Income Tax | \$45,331 | \$475,758 | \$50,969 | \$572,058 |
| County Sales Tax | \$0 | \$216,446 | \$80,528 | \$296,974 |
| Meal Tax | \$0 | \$0 | \$0 | \$0 |
| Municipal Admission Tax | \$0 | \$29,408 | \$0 | \$29,408 |
| Total | \$45,331 | \$721,612 | \$131,497 | \$898,440 |

Source: Chmura Economics & Analytics

For county and city tax revenue from refugee household spending, the municipal income tax comes mostly from the labor income of refugees who are employed. Based on information from the Chmura survey, it estimated that total annual labor income was approximately \$29.2 million in 2012, resulting in \$475,758 in individual income tax for municipalities in the Cleveland area.⁵³ Cuyahoga County has a 2.25% sales tax which is applied to household spending at retail businesses. The county sales tax is estimated to have been \$216,446 in 2012. Many municipalities in the county have admission tax which is placed on the ticket sales for movie theaters, theme parks, and other entertainment venues. The average tax rate is 5.9%,⁵⁴ and the admission tax is estimated to have been \$29,408 in 2012.

For tax revenue from refugee-owned business, the municipal income tax comes mostly from labor income paid out as wages and salaries. The municipal income taxes are estimated to have been \$50,969 in 2012. Cuyahoga County has a 2.75% sales tax which is applied to total sales for refugee-owned businesses belonging to retail and restaurant industries. The county sales tax revenue is estimated to have been \$80,528 in 2012.

⁵² 1.8% is the weighted average local municipal income tax rate for all municipalities in Cuyahoga County. For example, city of Cleveland has a tax rate of 2.0%. Tax rates are available at:

https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_municipal.aspx

⁵³ This number excludes income tax for those working in refugee service organizations and refugee-owned businesses.

⁵⁴ Source: http://www.tax.ohio.gov/portals/0/tax_analysis/tax_data_series/sales_and_use/s5/s5cy06.pdf.

All combined, refugee and refugee service organizations in the Cleveland area contributed \$898,440 in tax revenue for the county and city governments. The table below lists the tax revenue for Cuyahoga County and the three cities having the most refugee residents. The City of Cleveland is estimated to have received \$311,948 in tax revenue from refugee and refugee service organizations in 2012, with the City of Lakewood receiving \$150,228 and the City of Cleveland Heights receiving \$46,071.

Estimated Local Taxes by County and Municipality (2012)

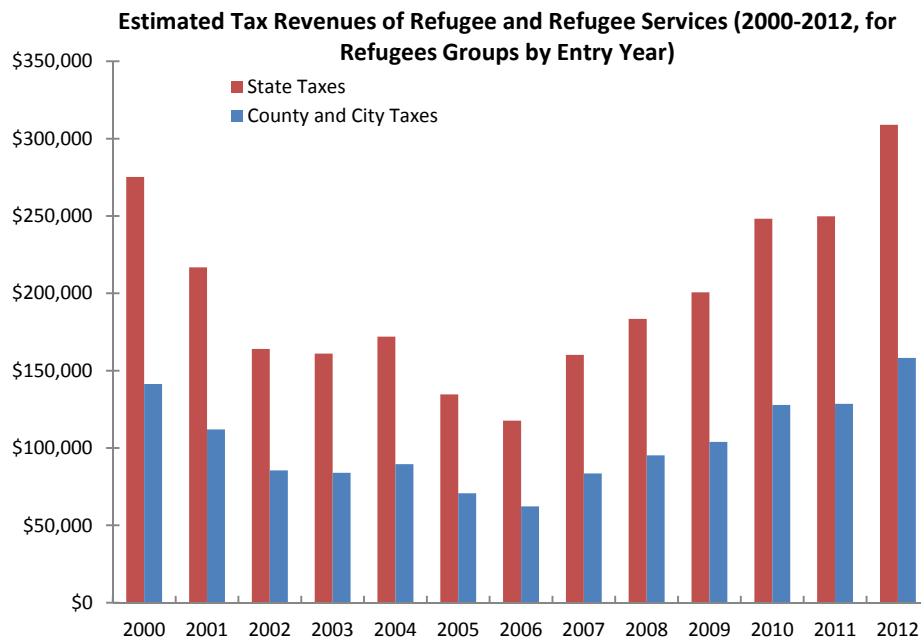
| | Sales Tax | Income Tax | Admission Tax | Total |
|---------------------------|------------------|------------------|-----------------|------------------|
| Cuyahoga County | \$296,974 | | | \$296,974 |
| City of Cleveland | | \$292,968 | \$18,980 | \$311,948 |
| City of Lakewood | | \$142,533 | \$7,695 | \$150,228 |
| City of Cleveland Heights | | \$44,979 | \$1,093 | \$46,071 |
| Rest of Municipalities | | \$91,578 | \$1,641 | \$93,219 |
| Total | \$296,974 | \$572,058 | \$29,408 | \$898,440 |

Source: Chmura Economics & Analytics

6.3. Historic Growth of the Refugee Fiscal Impact

Over time, as more refugees impact the Cleveland regional economy, they are also making increasingly larger contributions to state and local governments in generating tax revenue.

The chart below presents the estimated historical fiscal impact of refugees and refugee organizations in the Cleveland area. Similar to economic impact, the fiscal impact is grouped by refugees' years of entry, measured after the two years of their entries.



Source: Chmura Economics & Analytics

6.4. Case Study #3: The Pradhan Story

The Pradhan story begins in a Nepalese refugee camp almost 25 years ago. In the early 1990's, when the government of Bhutan began deporting the ethnic Nepalese that had settled in Bhutan centuries earlier, interethnic conflict began to escalate and many Nepalese-speaking Bhutanese were unjustly arrested. The Pradhans are a big family and they had to deal with the death of their father in the late 1980s. When they fled Bhutan, they lost much of their possessions and were not able to work legally in neighboring Nepal even after spending 17 years in a Nepalese refugee camp. Nar Pradhan, less than 10 years old when they fled Bhutan, had grown up entirely in the refugee camp. Finally, after many years of waiting and with help from the United Nations High Commissioner for Refugees, the U.S. State Department accepted the family as refugees eligible to come to America. The family was sponsored and was assisted in moving to Cleveland by the Catholic Charities of the Cleveland Diocese.

Nar, his youngest sister Dil (18 years old at the time), and their brother Dhan, his wife, and their 5-year old daughter were the first to arrive in America. They arrived in November 2008, just as the U.S. economy was falling deep into recession and job losses were mounting every day. Despite the tough economic times, Nar and his siblings found a variety of part-time jobs to make ends meet. Nar found some part-time work at the IX Center for himself and his brother-in-law. Nar also began working at a west side restaurant called Flavors of India. Nar, who studied English and business in Nepal, also worked part-time for Catholic Charities as an interpreter, helping other Nepalese refugees from Bhutan integrate into the area. He also found a part-time job at a local daycare center.

Nar was eventually joined in Cleveland by several other relatives in early 2009, including his mother, grandmother, two other sisters, and two brothers. Nar helped each of them find employment. He found jobs for them at the IX Center, as interpreters, as daycare attendants, or as servers at the restaurant. Eventually, pooling resources, the entrepreneurial family bought Flavors of India in early 2011. They also subsequently opened a Southeast Asian-oriented grocery store on the west side of Cleveland in 2012. Together, these operations employ more than seven people and the family is considering expanding their grocery into two separate stores—one focusing on beverages and the other serving as a traditional grocery store.

In 2010, Nar found permanent employment at ASIA Inc which is one of the nonprofit groups that helps Asian refugees and legal immigrants from Asian countries assimilate and flourish in America. One of Nar's sisters also found employment at ASIA Inc as an employment counselor serving the ethnic Asian refugee community. Similarly, one of Nar's brothers-in-law found employment as a case manager at the Cleveland office of the refugee placement agency US Together, which is also working with refugees from Nepal. Working together, several members of the family have been able to purchase their own cars and eventually a home. For instance, Nar purchased his first home in early 2013.

The family greatly appreciates the freedom found in this country and the ability to gather for their special Bhutanese-Nepalese holidays, such as Dashara, without any fear or interference from the government. The family looks forward to eventually obtaining their full U.S. citizenship and they are very hopeful their young children who will grow up in America can achieve even greater success through hard work and studying diligently in school.

7. Summary and Conclusions

The Cleveland area has proven to be an inclusive and hospitable place for refugees to settle. The refugees in the region have experienced average to superior results in a variety of socioeconomic indicators—such as household income, employment, and reliance on public assistance—as compared to national norms as well in depth research on refugees in other large metropolitan areas. At the same time, in keeping with the experience of other major cities that have accepted a significant amount of refugees, Cleveland has benefitted from the arrival of these refugees. The arrival of these refugees has worked to bolster the county's population, increase demand for local housing as well as locally produced goods and services, and boost the regional economy via their employment and entrepreneurship. All of this economic activity generates substantial taxes for the region that it would otherwise forego. Similarly, the region benefits in untold ways from the natural increase in cultural and ethnic diversity that accompany accepting new residents from around the world.

Despite misconceptions, the Cleveland area refugee community relies relatively little on public assistance and what public benefits they do receive serves largely as an influx of federal funds into the Cleveland area, which without these refugee arrivals would be diverted to other cities that welcome new refugees. In fact, this study finds that the annual \$4.8 million of funding—predominantly funded out of federal programs—which support the refugee service agencies effectively generates \$48 million in total annual economic activity, supports 650 jobs in Cuyahoga County, and generates nearly \$2.8 million in taxes to the state and local authorities. The foundation of these impressive economic findings is rooted in the industriousness and entrepreneurship of the refugees' themselves. This is a community that quickly finds work—be it part-time, full-time, or seasonal—and works together, many times in concert with other local refugees, to forge a new life and to establish their households in this area. The results speak for themselves—nearly \$30 million spending from refugee household earnings and refugee-started businesses generating employment and taxes for the Greater Cleveland economy.

The Cleveland area has a legacy of being a top destination for new refugees arriving in America, and while that legacy has eroded in the past decade it can be revived. Data from the past ten years indicate that refugees continue to find Cleveland an accepting and supportive environment to begin their new lives. As this report's case studies demonstrate, additional benefits—not quantified in the report—await the Cleveland area as a new generation of Americans, born of refugee parents, begin to flourish, learn, and thrive in our community. The benefits of this generation on the Cleveland area stand to build even further upon the achievements of their parents.



Appendix

A. Economic Impact Analysis Glossary

IMPLAN Professional is an economic impact assessment modeling system. It allows the user to build economic models to estimate the impact of economic changes in states, counties, or communities. It was created in the 1970s by the Forestry Service and is widely used by economists to estimate the impact of a specific event on the overall economy.

Input-Output Analysis—an examination of business-business and business-consumer economic relationships capturing all monetary transactions in a given period, allowing one to calculate the effects of a change in an economic activity on the entire economy (impact analysis).

Direct Impact—economic activity generated by a project or operation. For construction, this represents activity of the contractor; for operations, this represents activity by tenants of the property.

Overhead—construction inputs not provided by the contractor.

Indirect Impact—secondary economic activity that is generated by a project or operation. An example might be a new office building generating demand for parking garages.

Induced (Household) Impact—economic activity generated by household income resulting from the direct and indirect impact.

Multiplier—the cumulative impacts of a unit change in economic activity on the entire economy.

B. Refugee Survey Report

B.1. Methodology

During June 2013, surveys were sent via email to eleven organizations in the Refugee Services Collaborative (RSC) of Cleveland, Ohio. The invitation email included the survey as an attachment (see B.4 for full text of the survey instrument). The survey invitations were followed up with telephone communication and personal visits to clarify questions and increase response. Upon return of the surveys and review of initial responses, respondents were contacted again about any unclear or incomplete answers. Ultimately, all eleven surveys were collected with usable responses.

B.2. Budget and Refugee Services

Several difficulties arose in presenting an aggregate picture of RSC organizations' budgets for refugee services. While seven organizations indicated on the survey that they were answering for the 2012 calendar year, two answered for fiscal year 2012 and two answered for calendar year 2013. Several organizations estimated the percent of their budgets devoted to each expense category rather than providing exact numbers.⁵⁵ To capture meaningful budget totals on a consistent basis, Chmura used organizations' reported annual growth and budget numbers to estimate budgets for a common time period of calendar year 2012.

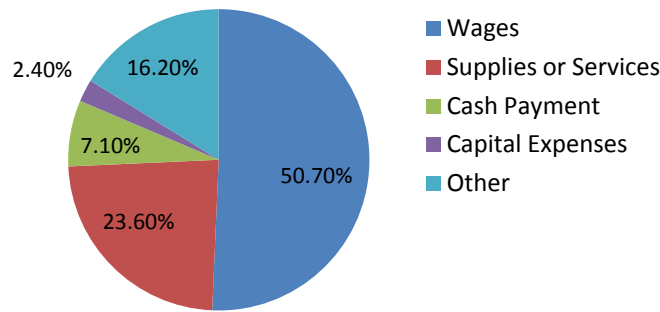
The total budget for refugee services for RSC organizations as reported on the questionnaire is presented below next to Chmura estimates of only 2012 budget totals.

| | Estimated Total Refugee Service Expenditures by RSC Organizations in the Cleveland Area (Estimated for 2012) | | Reported Total Refugee Service Expenditures by RSC Organizations in the Cleveland Area (Sum of Reported Number) | |
|--------------------------------------|--|------------------|---|------------------|
| | Amount | Percent of Total | Amount | Percent of Total |
| Wages and Salaries | \$2,454,792 | 50.7% | \$2,444,506 | 50.8% |
| Supplies for Refugees | \$1,142,281 | 23.6% | \$1,056,149 | 22.6% |
| Cash Assistance to Refugees | \$345,449 | 7.1% | \$345,245 | 7.4% |
| Refugee Related Capital Expenditures | \$117,021 | 2.4% | \$117,021 | 2.5% |
| Other Expenses | \$786,795 | 16.2% | \$828,486 | 17.7% |
| Total RSC Budget | \$4,846,338 | 100.0% | \$4,674,387 | 100% |

Source: Chmura Survey of RSC Organizations

⁵⁵ When organizations answered as a percent of their total budget, that percent was multiplied by total operating budget to estimate the budget amount for refugee services. One respondent included data for multiple locations in Ohio, including one site in Cleveland. Data used throughout this report for budget, employees, and expenditures for that organization include an estimate that their Cleveland operations account for 20% of their total budget, based on the percentage of their employees working in Cleveland. To avoid duplication of money being passed through to other organizations, budget estimates from Cuyahoga County Jobs and Family Services were not included.

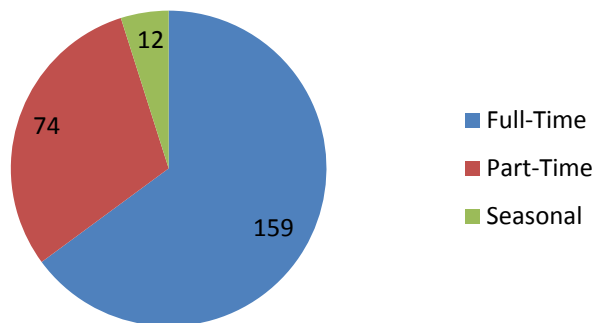
RSC Estimated Annual Budget, 2012



Source: Chmura Survey of RSC Organizations

The eleven RSC organizations had a total budget over \$4.8 million for calendar year 2012. Respondents employed 228 individuals in 2012, including 159 full-time, 74 part-time, and 12 seasonal employees. Among these, 95 were estimated full- and part-time employees directly involved in refugee services in the Cleveland area. The organizations spent over \$2.4 million on wages and salaries for this refugee-related employment.⁵⁶ Respondents reported spending an additional \$1.1 million on supplies or services for refugees, including food, clothing, and other services, and providing over \$345,000 to refugees in cash payments.

RSC Total Employment, 2012



Source: Chmura Survey of RSC Organizations

RSC organizations reported receiving over \$4.3 million in refugee-oriented grants from 33 different private, nonprofit, state, and federal sources. They spent just over \$117,000 on capital expenses, including computers,

⁵⁶ One respondent included refugee wages. One organization’s spending on wages and salaries was estimated from the Quarterly Census of Employment and Wages (QCEW) average wages for 2011.

vehicle repairs or new vehicles, equipment, farm improvements, and housing rehabilitation. Most of the funding comes from federal and state sources, representing an influx of money into the Cleveland area that would not have arrived but for the refugees and refugee services being provided.

Summary of Grant Sources

| | | |
|---|---|---|
| Ohio Department Job and Family Services (ODJFS) | Community West | Services to Older Refugees |
| Deaconess Community Foundation | Cleveland Foundation | Ginn Foundation |
| In His Steps Foundation | Summit Refugee Services Program | Office on Violence Against Women |
| OJFS Refugee Services Program | Office of Refugee Resettlement | Murphy Foundation |
| Bureau of Population, Refugees, and Migration | Title III Limited English Proficient and Immigrant Students | Martha Holding Jennings Foundation |
| MAGIC Foundation | U.S. Department of Agriculture | United Way |
| Health and Human Services | Ellie Fund | Refugee School Impact Grant |
| Cuyahoga County Employment and Family Services | United States Conference of Catholic Bishops | U.S. Citizenship & Immigration Services |
| Refugee Impact Grant | Darden Restaurants | Charter One |
| Department of State | Catholic Charities | City of Columbus |
| Federal Funds | LCMS Foundation (St. Louis) | Ohio State |

Source: Chmura Survey of RSC Organizations

All RSC member organizations were asked how many refugees they served in 2012. Reported numbers ranged from 70 to 1,100 for a total of 3,714 refugees served.⁵⁷ Seven organizations stated that, over the past five years, the number of refugees they serve has increased, with individual responses ranging from a 1.3% increase up to 700%. Only one organization has seen a decrease, serving 75% fewer refugees over the past five years.

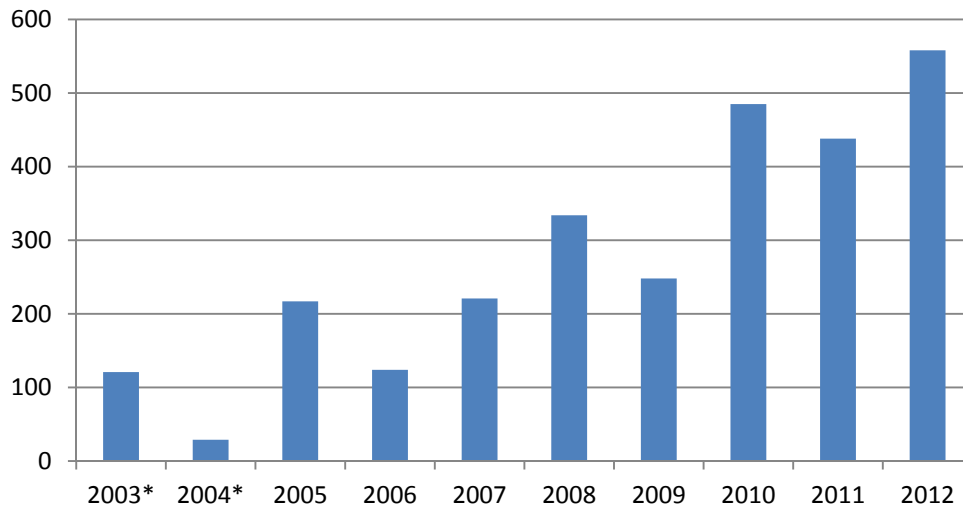
B.3. Resettlement Organizations

The three resettlement organizations among the eleven RSC organizations received additional questions about refugees they helped resettle from 2003 to 2012. All three agencies answered with data for fiscal, not calendar, years. Only one organization provided data for the full requested time period, from 2003 to 2012. Thus the years 2003 and 2004 have only partially available data in the below chart.

⁵⁷ The number of refugees served is not the same as the number of resettled refugees, as the same individual can receive assistance from different organizations.



**Refugees Resettled by RSC Organizations
(by fiscal year)**



*These years are based on partial data.
Source: Chmura Survey of RSC Organizations

The organizations also provided information on the employment status of refugees they helped resettle over the last ten years.⁵⁸ After being in the area for two years, an estimated 81% of refugees helped are in the labor force, on average. Individuals in the labor force are defined as those who are either employed or actively looking for work. An average of 86% of refugees in the workforce are employed after being in the area for two years, earning an average annual salary over \$19,200.⁵⁹ The organizations estimated that on average, 6.5% of refugees, after being in the area for two years among those they have helped, are receiving public assistance for housing or shelter. Over the last ten years, refugees helped by resettlement organizations are reported to have started a total of 38 businesses in the Cleveland area and currently employ 141 individuals—a figure which includes the owners.⁶⁰

B.4. Survey Instrument

1. All budget-related questions below (#3 to #9) should be answered for the 2012 calendar year if possible. Are you answering these questions for the 2012 calendar year?

 YES
 NO...I am answering for the _____ year instead
2. All budget-related questions below (#3 to #9) should be answered for either your entire agency or for just that portion of your agency devoted to refugee services. For what portion of your organization are you answering these questions?

⁵⁸ Respondents indicated that of the total number of refugees served in the last ten years, an average of 16% have left the Cleveland area or their contact information was lost.

⁵⁹ Two organizations responded with estimates of annual salary, but one responded with an estimated hourly wage. The hourly rate was multiplied by 2,080 to estimate annual earnings.

⁶⁰ Some of the responses for the current number of individuals employed at refugee-started businesses and for the number of refugees receiving public assistance contained high and low estimates. Chmura used the average of those estimates in this report.

- I am answering for just that portion devoted to refugee services
- I am answering for the entire organization...furthermore, approximately _____ percent of our operating budget is devoted—directly or indirectly—to refugee services

3. What was your total operating budget in 2012? _____

4. What was the average number of employees working at your agency in 2012?

- a. Full-time: _____
- b. Part-time: _____
- c. Seasonal: _____

5. What percentage of your budget (or dollar amount) was devoted to staff wages and salaries in 2012 (not including benefits)?

6. What percentage of your budget (or dollar amount) was devoted to purchasing supplies or services for refugees in 2012 (including food, clothing, and other services)?

7. What percentage of your budget (or dollar amount) was given to refugees as cash payment in 2012?

8. What are the total dollar values of refugee-oriented grants your organization received in 2012? Please list by granting agency. (If a grant was shared with other organizations, only include the dollar amount used by your organization.)

| Dollar Amount | Granting Agency |
|---------------|-----------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

9. What, if any, was your capital spending in 2012 that was related to refugee services? (such as equipment purchases and building purchases or renovations)

| Spending Amount | Project Description |
|-----------------|---------------------|
| _____ | _____ |
| _____ | _____ |



10. How many refugees did your organization serve in 2012? _____

11. In the past five years, how has the number of refugees served by your organization changed?

- Increased...by how much? _____%(that is, the total % increase over the last five years)
- Stayed the same
- Decreased...by how much? _____%(that is, the total % decrease over the last five years)

12. Organization name: _____

13. Your name: _____

14. Your phone number: _____

*****ADDITIONAL QUESTIONS FOR RESETTLEMENT ORGANIZATIONS ONLY*****

These questions refer only to those refugees which your agency resettled. Where you do not have exact figures, please estimate to the best of your ability and note as such.

15. Please estimate the number of refugees your organization resettled in the past ten years. (Also, please note if these data are for calendar years or fiscal years.)

- a. 2012 _____
- b. 2011 _____
- c. 2010 _____
- d. 2009 _____
- e. 2008 _____
- f. 2007 _____
- g. 2006 _____
- h. 2005 _____
- i. 2004 _____
- j. 2003 _____

16. Of the refugees your organization assisted in the past ten years, approximately what percentage left the Cleveland area or their contacts were lost?

_____ % Based on available data or Best estimate

17. Of the refugees your agency has helped, after being in the area for two years, about what percentage of the refugees are in the labor force? (In other words, what percentage are employed or actively looking for work?)

_____ % Based on available data or Best estimate

18. After being in the area for two years, of those refugees who are working or looking for work, approximately what percentage are employed?



_____ % Based on available data or Best estimate

19. After being in the area for two years, of those refugees that are employed, what are their approximate annual average earnings (that is, average earnings per person)?

\$ _____ Based on available data or Best estimate

20. Of all the refugees your agency has helped, after being in the area for two years, about what percentage of the refugees are receiving public assistance for housing/shelter?

_____ % Based on available data or Best estimate

21. (a) To the best of your knowledge, of all the refugees your agency has helped over the last ten years and that are still in the Cleveland area, about how many businesses did those refugees start and are continuing to operate? _____

(b) On average, how many employees do those business have (including the owners)? _____

Based on available data or Best estimate



C. Self Sufficiency Analysis

A basic question one might ask is that over the long run do refugees offset the initial tax-payer provided benefits they consume during their initial integration with the positive value of the economic impact they make over the course of their lives? This study finds that refugees in Cleveland very quickly find employment (typically in less than 5 months) and they quickly move off of most, if not all, government assistance programs. In this case, we restrict this analysis to the two most common forms of assistance (and largest by dollar amount) provided to refugees which are cash and medical assistance programs.⁶¹

Refugee families with children under 18 are typically enrolled in the Temporary Assistance for Needy Families program (TANF) so long as they meet this program's categorical eligibility requirements; for example, regarding income and assets. These refugees receive cash assistance under TANF and Medicaid health coverage and must meet Ohio's work requirements. Other refugees, such as single individuals and childless couples, who meet the income and resource eligibility standards, may receive benefits in the State-administered program under the special Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) Programs.

In Ohio—as in many states—eligibility for the special RCA and RMA programs is restricted to the first 8 months in the U.S. Depending on their readiness for employment in 4-6 months, some TANF-eligible as well as other refugees are enrolled in the Matching Grant program; these individuals and families also receive cash and medical benefits for 4-6 months.

Refugee families who receive TANF assistance are not limited to 8 months of cash and medical assistance; rather, they are eligible for TANF for the duration established in Ohio for the TANF Plan, which is up to 3 years and can be extended up to the federal max of 5 years. There is no time limit for Medicaid as long as a family meets the state's Medicaid eligibility requirements. In addition, a family whose earned income exceeds the Medicaid eligibility limit may receive “transitional Medicaid” for up to 1 year after employment. Refugees who do not become citizens within 7 years are no longer eligible for Medicaid.

On average, the refugee children that arrive in America are approximately 10 years old, which implies their families will be eligible for Medicaid for up to 10 years—assuming their parents become naturalized U.S. citizens within their first seven years. The NPV⁶² of the Medicaid expenditures over 8 years would be approximately \$60,000 per person. Similarly, assuming the family accepted the maximum TANF payment for a family of four for the 5 year maximum, the NPV⁶³ would be \$32,000. Together the NPV of these two programs represent approximately \$92,100 that would have to be recouped over the working life of the refugee household.

For refugees that arrive single or who are married with no dependents they are only eligible for 8 months of cash assistance—via Ohio Work's First—and medical assistance roughly equivalent to 8 months of Medicaid. The NPV of this assistance is approximately \$5,700.

⁶¹ Note there are other assistance programs refugees are eligible which are not analyzed in this section such as discretionary grants targeting specific refugee segments (senior programs) or other federal and state assistance schemes, such as the Earned Income Tax Credit.

⁶² Assumes a 2.5% discount rate and Medicaid expenditure growth rate of 5.3% over this period—the historic CAGR for Medicaid payments over the period 2007-2012. Ohio Medicaid data suggests a per person expenditure of \$6,320 annually.

⁶³ Assumes 2.5% discount rate and a TANF expenditure growth rate of 1.8%—the historic CAGR for TANF payments (family of 4) over the period 2001-2012.

To understand the full impact of this spending across the refugee community, it must be determined the share of refugees that arrive single (or married but childless) or married with children. Our analysis indicates that of the 4,515 refugees that arrived in the Cleveland area since 2000, approximately 33% of these were single adults—1,475—and the remainder of refugees were families with children or approximately 3,040. The average age of the adult refugees arriving in the Cleveland area is roughly 38 years-old, so assuming a working life of approximately 30 years is an appropriate period to estimate the value of the revenue and taxes they generate. Given that at the state and local level economic activity of the refugee community produces approximately \$2.7 million in state and local taxes annually, this equates to \$1,047 dollars per working refugee adult in the area. The NPV⁶⁴ of these taxes is approximately \$41,100 over a 30 year period. This analysis suggests that we would expect single refugees quickly repay the benefits they receive upon their arrival—within the first 5 years. However, even after accounting for the implicit subsidy of the excess tax revenue provided by single refugees over the course their working lives this is likely only to cover approximately 66% of NPV of the benefits provided to married refugees with children assuming they consume the maximum amount of the benefits they are eligible to receive—however, there is little evidence that this is case (consuming the maximum benefits allowable) in the vast majority of refugee families. Furthermore this analysis also excludes the economic benefit and taxes that will be paid by the refugee children that are supported by the Medicaid and TANF payments who will presumably work more than 35-40 years in Ohio. Also, this study does not estimate the level of federal taxes that would be generated by Cleveland's refugee community and because two-thirds of Medicaid spending is funded by federal monies this should be included to fully complete this analysis.

⁶⁴ Assumes a 2.5% discount rate and a fiscal growth of 4.5 percent per year, which represents an approximation of the long run growth rate in the refugee's salary.