

March 19, 2019

To: Chair Riley, Vice Chair Girod, and Members of the Committee,
From: Mari Watanabe, Executive Director, Partners in Diversity
Re: Testimony in support of SB 855

My name is Mari Watanabe, and I am the Executive Director of Partners in Diversity, an affiliate of the Portland Business Alliance (Alliance). I am here today to express the Alliance's strong support for Senate Bill 855.

Partners in Diversity is an affiliate of the Portland Business Alliance Charitable Institute, a 501 (c)(3) nonprofit organization. We seek to address employers' critical needs for achieving and empowering a workforce that reflects the rapidly changing demographics of the Pacific Northwest. We accomplish these goals through educational programs, job postings, research, and distribution of information for CEOs and for those who work in human resources or in diversity roles.

In 2017 the Alliance and Partners in Diversity commissioned a study in partnership with the Migration Policy Institute to show, in hard numbers, the cost to Oregon in unrealized tax revenue and unrealized economic opportunity for immigrant communities, for not having pathways for immigrants and refugees to work in their field of expertise. I have provided the committee with copies of the executive summary of this report, entitled "The Cost of Brain Waste among Highly Skilled Immigrants in Oregon."

In this report the Migration Policy Institute (MPI), for the first time, examined skill underutilization — also known as "brain waste"— and its economic costs in Oregon. Brain waste describes the situation when college graduates cannot fully utilize their skills and education in the workplace despite their high professional qualifications.

The report had five key findings, which SB 855 will take a first critical step toward addressing:

- Based on the available data, the authors found that Oregon was home to 55,000 highly skilled immigrants with at least a bachelor's degree during the 2009-13 period. Of this group, 27 percent—or 15,000 people—were either working in low-skilled jobs or unemployed—a slightly higher rate than college-educated immigrants nationwide (25 percent).
- Low-skilled employment resulted in immigrant college graduates in Oregon forgoing approximately \$272.5 million in annual earnings. As a result, Oregon experienced \$27.7 million in forgone state and local tax revenue.
- As with the country as a whole, highly skilled immigrants in Oregon experienced higher levels of brain waste than the U.S. born—with 27 percent of college-educated immigrants in the state

working in low-skilled jobs or without work compared to 21 percent of Oregonians born in the United States.

- Having a degree earned outside the United States increases the likelihood of brain waste: Foreign-educated¹ immigrants in Oregon were more likely to be either underemployed or unemployed (30 percent) than U.S.-educated immigrants (23 percent).
- Unlike in the country as a whole, U.S. citizenship did not appear to reduce brain waste for highly skilled immigrants in Oregon. Naturalized U.S. citizens and legal permanent residents had nearly the same skill underutilization rates: 31-32 percent among immigrants educated abroad and 22-23 percent among those educated in the United States.
- Lastly, from the human side, I have met many immigrants and refugees with degrees as medical doctors, psychiatrists, engineers, nurses, etc. They all want to work in their skilled field but the lack of affordability and significant time commitment to go back to school to get the same degree in the U.S. is a very real barrier. One refugee with a medical doctorate degree asked me to please help him change the laws as he has a head full of knowledge as a doctor and wanted to be able to utilize his skills here. Instead he is working in a minimum wage job. There are many, many more stories like this.

SB 855 will begin to directly address these clear economic inequities by directing state professional licensure boards to develop pathways to licensure and certification for non-citizens, the exact population the 2017 study examined. It is time to identify and remove the existing barriers to full employment that immigrants—particularly those who are foreign educated—face in the Oregon labor market. Given the costs documented in the report, policies that promote the recognition of foreign credentials, make licensing requirements more transparent, and expand access to courses that teach professional English and fill educational gaps should provide substantial returns on for the State's economy and communities of color in Oregon.

We urge the committee to support SB 855. It will take a small but important step toward making Oregon a state where all of our residents can prosper.

Mari Watanabe

Executive Director, Partners in Diversity

Director, Leadership Portland

Portland Business Alliance

200 SW Market Street, Suite 150, Portland, OR 97201

direct phone: 503-552-6775

www.portlandalliance.com / www.partnersindiversity.org
