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U.S. Immigration Policy Debate AN INVESTMENT IN THE FUTURE or more roadblocks ahead?

Clara del Villar

What does it mean to a new demographic giant –the Hispanic/Latino community? Hispanics in the United States are now 52 million strong and have become a meaningful population segment and a newly significant voting bloc. In the 2012 election, this important group participated in record numbers favoring Obama by broad margins and unexpectedly tilted the results in three key swing states, Florida, Colorado and Virginia.

In many parts of the country, Hispanic/Latino groups independently organized networks to coordinate voter registration and education efforts. There is no doubt that immigration was one of the most effective voter mobilization issues driving the political activity. After decades of wrestling with this unresolved dilemma, Hispanics/Latinos and most Americans expected a serious discussion on “illegal immigration” during the election in a way that reflected their humanitarian plight-impoverished people needing to leave their home country to seek a better life for themselves and families.

Even the terms “illegal immigrants” as opposed to “undocumented residents”, signal a stark difference in possible approaches – from immediate deportation all the way to a path to

citizenship or legalization. Republicans although justified in pointing out border security concerns and a line of existing legal immigrants seeking citizenship, adopted harsher language and a harder platform to make their point. That wound up making certain they lost both Hispanics and Asians. In the end, Obama won 71 and 74 percent of their vote respectively. The Hispanic turnout totaled 9 percent of voters nationwide, an increase from 6 percent just a dozen years ago.

By 2030, the eligible electoral vote of Hispanics will double what it is today. Of course, according to the National Opinion Research Center's General Social Survey in 2010, it is worth noting the growth of U.S. Hispanic voter participation was due primarily to the population growth because Hispanics actually voted at far lower frequencies than other ethnic groups with only 52% of eligible Hispanics participating in 2008 elections and 48% of Hispanics voting in 2012 versus an average participation of 78% of the US Population.

In any case, American political cycles remain broad in outreach and uniquely expensive in scale, the number of dollars spent on federal campaigns totaled \$6 billion¹—this includes \$2.6 billion in the most expensive



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presidential campaign in U.S. history. So will all these campaign dollars, groundbreaking support, community engagement and vote of confidence in this Administration see a return of investment in a still lackluster economy? Although most of the Hispanic population focuses on employment, economy and healthcare as primary concerns, immigration policy has become a “gateway issue” and could indeed have an impact on future voting patterns.

In this newly dominant role, the Hispanic electorate does expect action on employment opportunity and leadership on immigration legislative reform to provide legal status to millions of undocumented immigrants. A reformed system should assure Americans that people who are offered a path to citizenship or legalization are able to contribute to our economy as well as capitalize on this opportunity. But has the Passport to the American Dream which has long meant a new frontier of potential and prosperity for new arrivals -- become more complex for Hispanics?

Resolution of the Immigration issue is vital to improving economic opportunity for the U.S. and for our Hispanic population

The Census Bureau and the National Assessment of Educational Progress statistics show impressive growth rates and challenges facing the Hispanic Community:

- The U.S. Hispanic population in 1990 was 22.4 million or less than half the current total.
- Today they make up more than 17% of the nation and will account for 30% of the population by 2050 over 132.8 million people.
- The Hispanic population in the U.S. ranks second worldwide as of 2010. Only

Mexico with 112 million residents had a larger Hispanic population than the United States. Mexicans constituted 65% of the U.S. Latino community in 2011; Puerto Rican group totaled almost 10% then Cubans at 3.5%, Salvadoran at 3.3% and 2.8 % were Dominican. The remaining segments have Central American and South American origins.

- As of 2010, there were over 2.5 million Hispanic owned businesses and that number does not include solo entrepreneurial ventures.
- By 2020, Hispanics will be close to 20% of the workforce in the country. Hispanic owned businesses are generating revenue approaching \$500 billion and the Hispanic community has rapidly growing purchasing power in the U.S. exceeding \$1 Trillion!
- There are 1.2 million Hispanic veterans of the U.S. armed forces.

All these metrics demonstrate an active, rapidly growing community with significant stakes in the future prosperity of the United States. However, we also see a need to address issues such as higher unemployment, lagging educational achievement and lower per capita incomes in this diverse Latino/Hispanic population.

There are reasons to be optimistic on many levels about progress in immigration reform. All political sides are serious about a meaningful legislative resolution of the illegal immigration issue. Most Americans (56% in a recent CBS/New York Times Poll²; 63% in an Associated Press poll³) support creating a pathway to citizenship for immigrants in the country illegally and these sentiments are significantly higher than 38% of the population in 2007. Support for this pathway has expanded most rapidly among Republicans but immigration reform remains a thorny issue for the Republican Party as a portion of this conservative political base remains opposed to motions considered

amnesty for 11 million or so undocumented immigrants now in the U.S. House Republicans prefer a step-by-step approach that would deliberate distinct parts of the immigration system one at a time. However, Republican leadership, religious groups, moderate political groups acknowledge the impact and voice of the

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nation's demographic shifts so they are determined to make progress as quickly as possible to create a legal immigration system that works. In addition, supporters of a broad approach confirm an overarching, comprehensive reform bill is the only way to balance all the competing interests involved in immigration.

The U.S. Senate debates on an 867-page immigration reform bill, proposed by Senator Marco Rubio and his bipartisan “Gang of Eight” marking the first time since 2007 that the complex issue has been back in front of Congress. But this bipartisan proposal remains challenged with a number of unsettling hurdles on the journey to comprehensive passage in Senate, House and Oval Office.

² CBS/NY Times poll results. February, 2013.

³ Poll results. Associated Press. April, 2013.



Some aspects of the proposed legislation include:

- Immigrants who have been in the United States illegally would be able to apply for registered provisional immigrant status, which they could obtain starting six months after the law is enacted, as long as certain requirements and border security conditions are met. They would not be eligible for federal benefits such as Medicaid, food stamps, welfare, or federal housing aid.
- Immigrants living in the U.S. illegally are subject to background checks and would not be eligible for provisional status if they have been convicted of a felony, multiple misdemeanors here or serious crime in another country or if they are determined to present a national security risk.
- To qualify for registered provisional status or permanent legal residency, also known as a green card, illegal immigrants will have to pay fines, back taxes and show with documentation such as tax records, paychecks, utility bills, leases, that they were living in the U.S. before December 31, 2011. The application process is expected to take over 10 years in order to recognize advantage to the 4.7 million immigrants who have applied to come to the U.S. legally but have been languishing in an inefficient system for granting citizenship.
- U.S. companies will have to accept a potentially complex online system to verify their workers legality -- called E-Verify.
- A new merit based program is in formation for qualified foreigners to become permanent legal residents based on their work skills, including both high-skilled and blue collar workers, a potentially more productive shift from focus on family ties that is the main foundation for the current immigration system.

The cost immigration reform in Senate reform bill estimated by the Congressional Budget Office will amount to \$17 billion over 10 years

No one expects the bill to pass the Senate without some modifications. Border security concerns remain the most significant item troubling conservatives. President Obama's strongest Republican allies warn that support could be lost without stronger efforts to secure the border. Solutions to address this concern include new amendments to ensure federal authorities can apprehend 90 percent of US-Mexico border crossers before granting legal status to the illegal immigrants. Meaningful security measures are legitimate issues but physical control of this long border can only go so far in controlling illegal immigration.

It is expected that the cost immigration reform in Senate reform bill estimated by the Congressional Budget Office will amount to \$17 billion over 10 years. Almost all of the funds would be directed at border security, including new surveillance technology implementation, new border fencing, additional border and customs agents.

On the House side, Democratic members are proposing federal health care access for all illegal immigrants. The costs incurred in this proposal would be unrealistic at a time when establishing a legal channel or guest worker program for a large pool of immigrants

to work productively should and will likely remain the true focus.

The stakes for the population (and politicians) are too high to keep this issue mired in indecision. Whether is called a "Path to legalization" or a "Path to Citizenship" some normalization of the status of immigrants is needed. In examining the most optimistic aspects of the bipartisan proposal, it seems the worker-visa program in the Senate bill does meet solid tests of a better functioning system. Participating employers are expected to seek and hire American workers first for open positions, recruiting expansively and offering a fair wage. If they cannot locate US candidates, the program provides a way to hire foreign workers easily. The work visa program in the Senate bill is more flexible for foreign workers than in the past. No longer is one tied to only one employer that had previously to lead to exploitation and certainly inefficient labor productivity. Now, a foreign worker can change jobs moving to another employer approved to participate in the guest visa program. Business owners get access to a more flexible labor force and workers get more freedom to find better opportunity.

With reforms, educational opportunities for children of undocumented residents "dreamers" can be created. Employers harvesting agricultural products can have a more stable labor supply. Some opponents of legalization say an amnesty would adversely affect U.S. workers by creating new competition for jobs. Undocumented immigrants, almost half of who have not completed high school remain concentrated in blue-collar work. And according to Professor Giovanni Peri whose research focuses on the labor-market effects of immigration, any effect on the U.S. labor market or wages has already occurred because undocumented workers have been living in the United States for many years.

The Senate proposed guest worker program is expected to adjust to changing U.S. labor requirements -- growing as the economy expands and contracting when American

unemployment rises during economic slowdowns. In addition, the proposal considers the fact that many participants whose visas have expired may want to stay in the U.S. so those who show productive results while on temporary visas may apply for permanent residency.

There is clear economic evidence of the beneficial impact of an efficient and well meaning legal immigration system. Latin American immigrants who secured green cards and came out of the shadows under the 1986 Immigration Reform and Control Act or IRCA saw wages increase between 8 and 13 percent. Educated immigrants who were legalized in 2003 experienced a 10 percent wage gain and upward occupational mobility after their status was changed. However, a lax border security system, international economic crisis and an antiquated U.S. immigration system led to a surge in illegal border crossings by the millions in the 1990s and 2000s.

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The major drawback of the current Senate Immigration reform bill is certainly too small to address the future labor needs of the U.S., granting 20,000 guest worker visas and moving up to 200,000 annually over future years. If we do not create enough visas to meet U.S. labor needs, the program may not halt illegal immigration going forward. Although robust and effective border security technology will indeed curtail attempts at illegal border crossings.



Just as importantly, the number of H1B visa restrictions on foreign Graduate students continues to move at a frustratingly slow pace. Some rules are archaic such as a 7 percent limit on permanent permits to any nationality. The notion of limiting H1b visas to 65,000 (a number selected during or just before 9.11) is incomprehensible to a free market society. Such policy is arbitrary, inefficient and creates no economic benefit. It is an obvious benefit to our U.S. economy or any country to have talented, accomplished and ambitious graduate students remain in America. These foreign-born PhDs and graduate students have historically been the major innovators and contributors to the economy. Over 35 percent of successful startup enterprises and companies that have created over 350,000 jobs over the last 20 years were founded by foreign-born entrepreneurs. They are the job creators and remain the principal entrepreneurial success stories. They do not replace American engineers or bio -technology or technology professionals. They increase Intellectual property, spur competition and magnify business potential. Open doors open the way to new ideas. Our American technology sector has been most vocal in attempting to correct this illogical government bottleneck. We hope immigration legislation moves in haste to correct this most egregious error. Will resolving some of these economic struggles translate into better economic opportunity for Hispanics and most U.S. citizens?

The United States has thrived on change and a continuing river of new faces, new lifestyles, new ideas, new cultures that unsettle the old guard; enrage the cultured class, and shape the attitudes of our young. Our country slowly and inevitably absorbs new flavors, inhales the aroma and savors the spice of a new culture-- slowly blending, incorporating and yielding to new influences in our food, clothes, entertainment, home and our lives.

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opportunity is recognized as a possibility for everyone. It is difficult to prevent the citizens of an intrepid \$14 trillion economy from discovering new paths to prosperity.

1 *The vital role of education in improving economic status*

Agrowing population of Hispanic students in the five most populous states: California, Florida, Illinois, New York and Texas, has been creating major change in U.S. public education. A new study released this month indicated Hispanic students accounted for more than half of all eighth graders in California in 2011,⁴ the highest proportion in the country. But only 14 percent of those students were proficient on eighth-grade reading tests provided by the United States Department of Education. In addition, one in four students in California is an English-language learner - children who are learning English but speak another language at home - the highest proportion in the country.



Education and language are essential ingredients to escaping poverty, expanding opportunity, broadening social options and optimizing success.

In Florida, Hispanic youth make up 25 percent of the student body with only 27 percent proficient on reading tests. Florida, however, has led the five states in improving elementary grade reading levels over the last 20 years. Texas showed the strongest advances in eighth-grade math scores since 1990, and was the only state among the five whose eighth grade math and science score were above the national average. In New York, student results seemed impacted particularly by city versus suburban school enrollment. The percentage of urban students who were reading proficient was 26 percent, compared with 43 percent of suburban children.

Today, without attaining sufficient educational degrees and certain language skills, the path to steady employment is a rocky climb if not an impossible dream. Education and language are essential ingredients to escaping poverty, expanding opportunity, broadening social options and optimizing success. Stressing better educational choices should not be a debate.

In 2011, over 25 million people with limited English proficiency lived in the United States with over two-thirds of them Hispanic. Most reside in the five most populous states but more recently, according to the Migration Policy

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Institute, their numbers have been growing in areas less accustomed to new arrivals, such as Alabama, Arkansas, North and South Carolina, Georgia, Nebraska, and Tennessee.

One out of nine American students are English learners who have not yet mastered "academic English"—reading and writing English well enough to advance in school, college and careers. For years, the politics of language in the U.S. have revolved around a principle question: Are enough immigrants learning to speak English? The language conflicts, fought in state legislatures, the courts



A sticker reading, "We also speak English," hangs with writings in Spanish on the wall of a classroom at the Coral Way K-8 Center, the nation's largest bilingual school, in Miami.

and public schools across the U.S., center on whether new culture and languages threaten or strengthen English, and the nation's future.

It is difficult to see the case for any new cultural group harmed in learning English. In a 1998 California referendum, voters passed the English language in Public Schools Initiative that ended most bilingual education. The initiative changed the way the state taught English learners and bilingual classes were reduced from 30% to 5% of total classroom instruction. California with 1.5 million English learner students has continued to an experience high school dropout rates among English learners, but that has been the case both before and after the changes in bilingual policy.

1.1 *What is the status of Hispanic Education today?*

As of 2010, 62.2 percent of Hispanics 25 years or older have a high school diploma. And 13 percent of Hispanic student population has gone on to obtain a bachelor degree or higher. So signaling a change in educational philosophy California recently created a "Seal of Biliteracy" to affix to the

diplomas of high school graduates who have demonstrated academic proficiency in two or more languages. Students are recognized for their foreign-language ability, which makes them feel more valued and their parents feel more connected to their children's progress and closer to the community.

A home country language is a gift that keeps one's ethnicity and culture close, however, the English language is the real currency of progress in the U.S and is the language of commerce. The excuses to avoid speaking workable English and thus limiting one's potential in the United States are decreasing because there are many more avenues available to learn: web sites, DVD's or mobile applications.

The ability to speak two or more languages –a skill prevalent in Europe - should be celebrated and encouraged in the U.S. In fact, 85 percent of American adults now believe it is either very or extremely important for children to learn a second language. A Gallup poll taken in 2007⁵ showed 70 percent of respondents believed instruction should begin in elementary school. Bilingual talents are an undeniably significant advantage for upward mobility: enhanced career options, business advancement and personal fulfillment.

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2 *Jobs in America*

Lingering questions exist for Hispanics on key issues such as income, growth and jobs. The United States has taken pride on its economic success, which has fueled incredible progress within a democratic system based on accomplishment, tangible achievement and climbing the ladder of success. Status based on social class or birthright is minimized. Individuals have prospered through aspiration and perspiration. Wealth has been built many ways starting with a good education, developing a solid network, wise planning and hard work, understanding risk and taking ownership stakes in business ventures, good luck and endless, relentless drive.

As the global economy has grown it has meant savvy companies have grown and in some cases have become world leaders with multi billion dollar payoffs for their stockholders. Many of these companies have been founded by immigrants or prospered by hiring them.

Americans have always loved and respected rags to riches stories. Television, magazines, website and endless articles chronicle top lists of accomplishments from sports, entertainment and business stars. America adores success. But there are some changes in recent years in the United States that makes the failure to continue economic growth for all troubling.

The median household income in the U.S. in 2010 was \$50,502. Hispanic family

household median income averaged \$37,759. American household income averages have been stagnant for over a decade. Over 47 million Americans now rely on food stamps. The Hispanic poverty rate has risen in the last several years to 26.6 percent. Even for the Hispanic middle class, an income of \$50,000—the national median –does not go a long way in our economy today given the cost of food, energy, housing, education, and healthcare.

It is not clear that political figures really understand the trends in place or how to take a role that does not make our economy more volatile. The political environment is highly charged and polarized so reasoned debate or experimentation with creative routes to job creation or opportunity enhancement is not feasible. In these unsettled times, the relationship between our government and financial institutions has become very tight and government intervention in response to the 2008 financial crisis may have unintentionally aggravated the problems in many ways. For many this looks like the elements of a bad marriage.

Perhaps the global markets have become so complex that major portions of the population and government do not really understand policy impacts or financial instruments any longer. So they are not equipped to deal with the volatility that may be a permanent part of life. Major financial disruptions that now seem to happen every six or seven years have devastating impact – especially on those of low and moderate income.



The lifespan for Hispanics is actually longer than average American due to closer family ties

A clear example is our exceptionally low interest rates brought on by Federal Reserve policy. Rates are artificially and historically low. This “easy” monetary policy has failed to meaningfully stimulate the U.S. economy. It was meant to help spur business lending and general purpose banking activity and thus help economic growth and employment expand. It has recapitalized the banks after trillions of dollars of Central Bank activity but unemployment remains at 7.7%. Again, small business lending is painfully ignored and our low interest rate fixed income Markets are actually a “wolf in sheep’s clothing”. People hoping to live on their savings and many other vulnerable individuals believe they are investing in safe, secure Treasury bond and other debt instruments and will be startled by depleted savings when rates inevitably head higher in 2014. As if that is not difficulty enough, we also need to come to terms with the fact that our extended life spans have added another dimension of economic needs unforeseen in the last generation. Budget deficits and entitlement obligations are unsustainable and unimaginably high.

Of course, a much longer life is welcome news for those in good health, wealth and with solid family structure but it is a problem for those with little or no retirement savings and broken family dynamic. The average retirement savings account for a 55 year old in

U.S. is \$60,000. Savings for Hispanic in aggregate is much lower. The lifespan for Hispanics is actually longer than average American due to closer family ties—and this demographic is viewed as a major work force in the 21st century replacing a retiring baby boomer population. How will retirement look for this next generation of retirees?

2.1 *Economics and Politics - can they ever work well together?*

If Demography is political destiny - now that we have seen the Hispanic vote influence our Presidential election - will Hispanics be satisfied with the results? How will a group challenged significantly by the economic recession, ongoing market volatility, housing crisis, bank lending gaps, rising costs in education and healthcare build income stability?

If their children cannot achieve a meaningful high school education or have a chance at a university degree because of prohibitive costs - huge student loan burdens in a scarce job market are a recent and frightening development for our youth - how can they remain optimistic about their ability to participate in the American Dream? Student loans in the United States now total \$1 Trillion.

Many people such as president Obama advocate raising the minimum wage. But the proposed increase -barely \$100 a week - cannot possibly make a long term difference to struggling families compared to changes that improve educational and job opportunities.

A key factor in employment opportunity remains new business creation. Bold and courageous steps must be taken now to allow people to earn a good living. We must give the modest income earner, the people low on savings and less equipped to find work in high unemployment periods broader opportunities to work manual and service jobs and be encouraged to more easily start and run

a small business. Free market advocates know the engine of economic growth is small business. That is why they criticize government over regulation, high taxation and impediments to private sector growth. It is not that free market proponents think government or regulation is bad—it is that most believe our citizens are much better at discovering, uncovering and developing opportunities for themselves and their families when left to move more independently.

In addition, current financial policy has created banks that are both too big to fail and too big to focus on small ventures! The rise of megabanks and the 2007-2008 global financial crisis also had unfortunate consequences breaking down the community bank network across the country that meant so much to small business lending and entrepreneurial growth.

2.2 *How do we make things better?*

In order to achieve more or even stay in place in this complex environment, Hispanic/Latino families need to take a more active role in supporting their children in meaningful education.

- 1) Push hard for online learning and more expansive community college engagement particularly for young Hispanics and low- income youth across the country.
- 2) Emphasize and celebrate the opportunities of bilingual skills and promote application of this family advantage. Spanish speaking workers will have so many opportunities in a variety of service areas in the future particularly health care, technology and education.
- 3) The future is technology. Hispanics are by far the biggest users of social media and mobile technology. Major potential in this business sector is clear and

directing our young people to wide spread technology training will yield a world of fruitful results. Focus on all things digital and specifically emphasize training in programing code—there are significant needs now and they are only growing in the future. This area can offer the Hispanic Community and many young people a world of opportunity. Right now in the United States over 2 million jobs in writing or programing code, technology engineering remain unfilled due to untrained workers here and lack of intelligent visa and immigration policies that would fill those jobs and create new ones.

- 4) Not all Hispanics/Latinos in the United States agree they are one family. While our countries of origin may have differences and while we have different experiences and positions, we share the magic culture of Spanish speaking peoples. If we do a better job of growing a network together, helping, mentoring, referring and hiring each other we can multiply our opportunities as other cultural groups have done for decades.

In the end, we should respect our nation’s immigrants because it takes courage to leave one’s country, a familiar place called home, and begin a new life among strangers in a new land with a different language and we should be reminded that those who undertake this journey of the renewal already work very hard and have the strength to conquer challenges. All that is needed is faith, time, and a network to move forward.

Roger Ailes, President and CEO of FOX NEWS recently commented, “You know the United States is a great country because millions are trying to get in, stay in and no one is trying to get out!”

We hope this observation stands the test of time.