

Louisville: Immigration Rebirth

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Germantown. Schnitzelburg. Irish Hill. The names of neighborhoods within Louisville's urban core evoke the integral role immigrant populations played in the city's development. As these names suggest, historical immigration to Louisville¹ was largely European in nature. The 1900 Census found that 10 percent of Louisville was foreign-born and that more than three-quarters of the foreign-born population was from Germany or Ireland.

Although the foreign-born population in Louisville constituted a small portion of the total population throughout the late twentieth century, it has grown rapidly over the past two decades (Figure 1). Between 1990 and 2000 the number of immigrants in Louisville more than doubled, and the foreign-born population has nearly doubled again since 2000. The total foreign-born population in the 12-county Louisville metropolitan area currently stands at 61,776.² During the last 20 years, Louisville's foreign-born population has been growing faster than the native population, as evidenced by the growth in the share of the total population that is foreign-born. Between 2000 and 2013, Louisville's foreign-born population grew by more than 107 percent, while the native-born population grew by less than 9 percent. Nevertheless, the share of Louisville's population that is foreign-born (5 percent) remains much lower than in the U.S. as a whole (12.9 percent), and is substantially lower than the average in the 50 largest metropolitan areas (18.1 percent). Consistent with the rapid foreign-born growth observed in the past two decades, more than half (56.7 percent) of Louisville's immigrants arrived in the U.S. after 2000. Only 18.5 percent of the foreign-born population entered the U.S. prior to 1990.

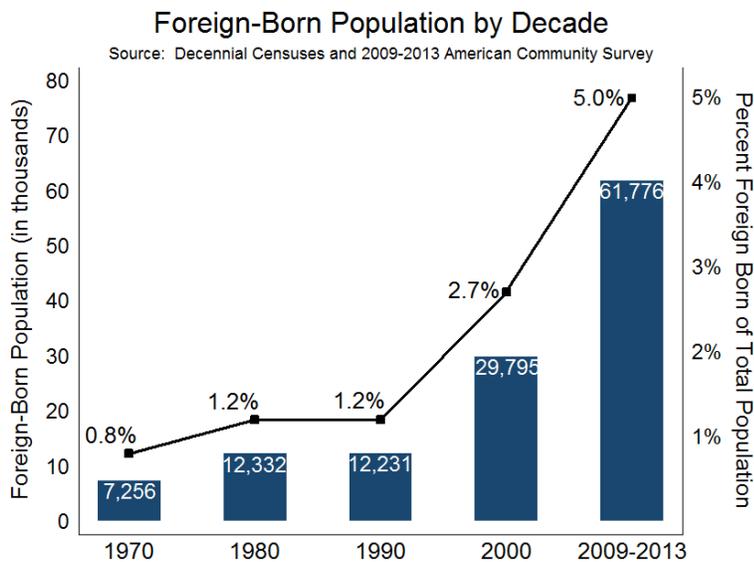


Figure 1

The large majority of Louisville's immigrant population lives within Jefferson County, KY, which is coterminous with the city of Louisville. Jefferson County contains 60 percent of the metropolitan area's population, but is home to more than 78 percent of its foreign-born population. With the exception of Shelby County, KY, which has 3 percent of the metro's total population and 5 percent of its foreign-born population, no other county contains a higher ratio of immigrants to natives.

Neighborhoods with large immigrant populations include

¹Throughout the memo, "Louisville" will refer to the Louisville/Jefferson County Metropolitan Area which (as of 2013) is comprised of seven counties in Kentucky (Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer, and Trimble) and five counties in southern Indiana (Clark, Floyd, Harrison, Scott, and Washington).

² Unless otherwise noted, all figures and data reported in this brief are derived from the 2009-2013 American Community Survey (ACS) 5-year estimates.

Beechmont, Highview, Newburg, and Buechel within the city of Louisville, as well as the city of Shelbyville in Shelby County (Figure 2).

Share of Louisville's Foreign-Born Population within Each Neighborhood

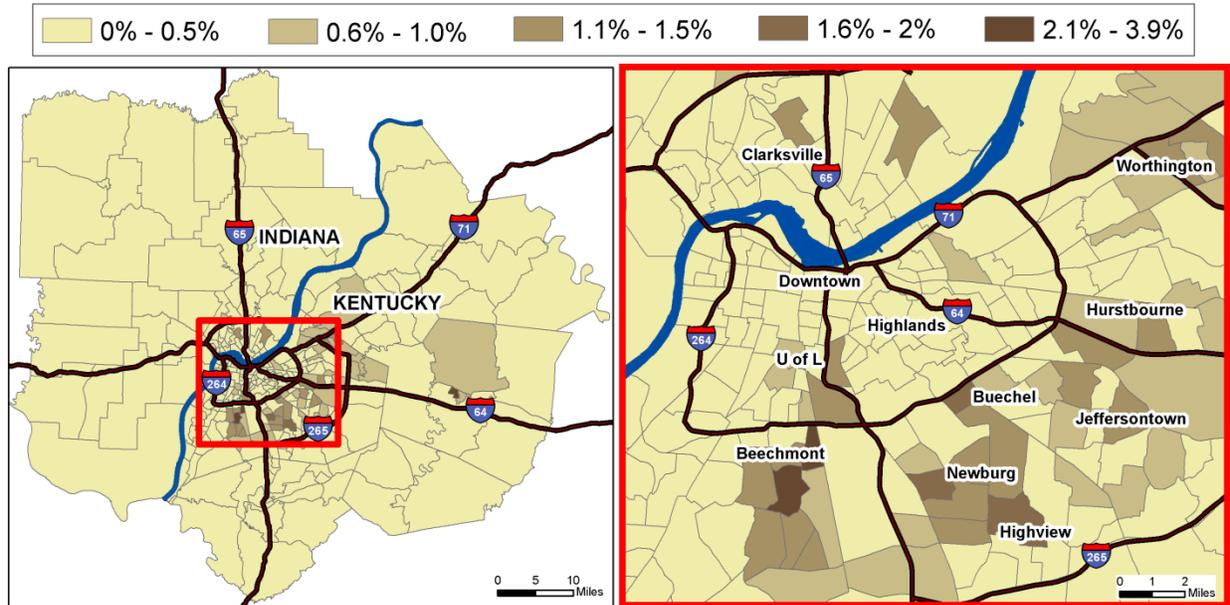


Figure 2

Demographics

The change in the regional distribution of origin of Louisville's foreign-born is similar to that seen in the U.S. as a whole. Since 1970, the immigrant population in Louisville has become increasingly less likely to have originated in Europe and increasingly more likely to have originated in Asia and the Americas (Figure 3). Relative to the total U.S. immigrant population,

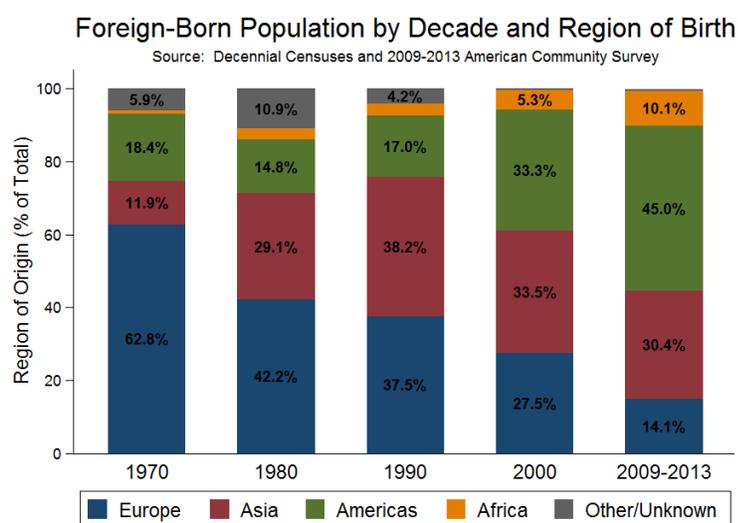


Figure 3

Louisville's foreign-born population is more likely to have origins in Africa (10 percent of the foreign-born in Louisville versus 4 percent of the foreign-born in the U.S.), and less likely to have origins in the Americas (45 percent of the foreign-born in Louisville versus 55 percent of the foreign-born in the U.S.). Although below the U.S. average, immigrants from the Americas nevertheless represent the plurality of Louisville's foreign-born.

Nearly half of Louisville's foreign-born population originates in one of five countries (Figure 4). The predominant country of origin is Mexico (21.6percent), followed by Cuba (11.2 percent) and India (6.8 percent). While no other

country accounts for more than 5 percent of the total foreign-born population in the region, there are sizeable numbers of immigrants from Vietnam, China, and Bosnia-Herzegovina.

Louisville’s foreign-born population is, on average, younger than its U.S.-born population, and is younger than the immigrant population in the U.S. as a whole. This is true despite the fact that persons under the age 18 comprise only 13.2 percent of the immigrant population in the area (and 24.1 percent of the native population). Perhaps owing to the younger age profile of immigrants in Louisville, this group is less likely to be naturalized citizens than the national average. Approximately three quarters of the foreign-born population in Louisville speak English “well” or “very well,” a higher proportion than in the U.S. as a whole (49.2 percent).

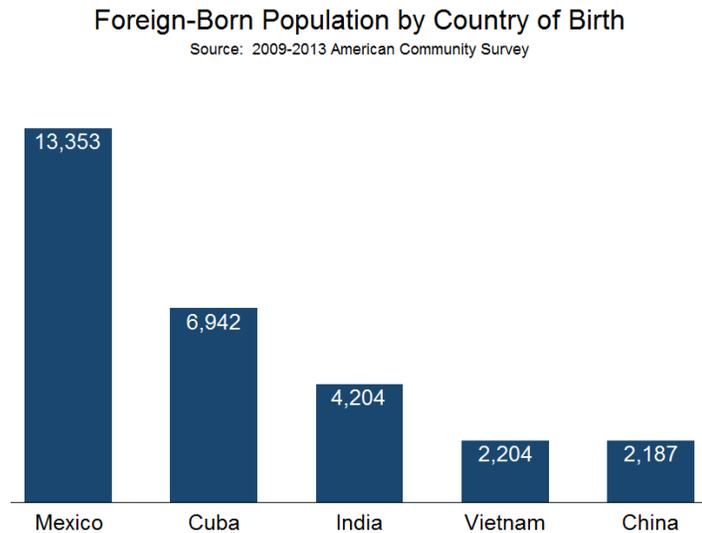


Figure 4

Education, Income, and Poverty
Louisville’s foreign-born

population is, at the higher end of the educational spectrum, more highly educated than the foreign-born population within the U.S. (Figure 5). While approximately 27.7 percent of the U.S. foreign-born population over the age of 24 has a bachelor’s degree, the corresponding figure for the Louisville metropolitan area is 30.7 percent. Although the foreign-born population within the Louisville metropolitan area exhibits a higher share of college educated individuals and persons with a graduate degree, relative to the native population, it also has a greater share of individuals with no high school diploma.

Educational Attainment of Population Age 25+ by Nativity
Source: 2009-2013 American Community Survey

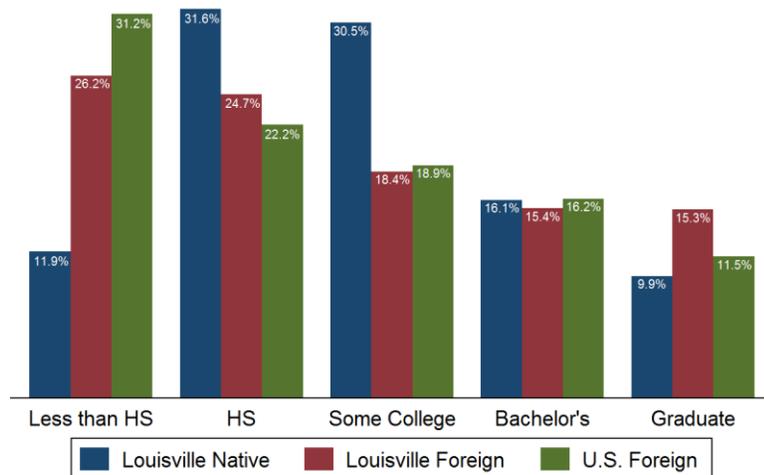


Figure 5

There were 2,078 students on foreign visas in higher education institutions in Louisville in 2008-2012, which represents a small share (0.7 percent) of the total enrolled students during this time (Ruiz 2014). The majority (60 percent) of these F-1 visa students were enrolled in master’s degree programs, with smaller shares enrolled as undergraduates (22 percent) and in doctoral programs (18 percent). The largest sending country for foreign students to Louisville is India (Figure 6), from which more than 40 percent of

students originate. The Optional Practical Training (OPT) Program allows F-1 visa holding students to retain employment in the U.S. for a period of time following graduation. Under this program, STEM degree holders are permitted to stay for 29 months following graduation, while non-STEM degree holders are permitted to stay 12 months. Among those foreign students who attended universities in the Louisville area during the years from 2008 to 2012, 36 percent found employment, and maintained residence, in the metropolitan area under the OPT Program. This is compared to 45 percent nationally, and 47 percent and 33 percent for Indianapolis and Cincinnati, respectively.

In the Louisville region, the median household income of immigrant-headed households (\$42,027) is approximately 84 percent of the level of native-headed households (\$50,093). This ratio is somewhat lower than the U.S. average, but is higher than the average in the nearby peer cities of Indianapolis and Nashville. Louisville's immigrant population is more likely than its native-born population to live below the federal poverty threshold: 23.4 percent of foreign-born individuals live in poverty, compared to 14.4 percent of native born individuals. The poverty rate for immigrants in Louisville is also higher than the national average of 18.7%.

Country of Origin of F-1 Student Visas in Louisville, 2008-2012

Source: Ruiz, N. 2014. *The geography of foreign students in U.S. higher education: origins and destinations*. Washington, DC: Brookings Institution.

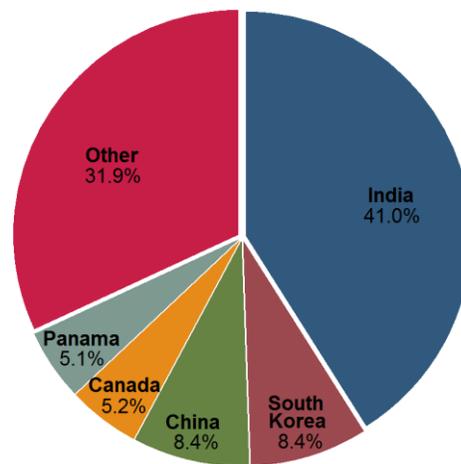


Figure 6

Labor Force and Employment

Immigrants in the Louisville region are more likely to be active in the labor force than their native born counterparts. Nearly three quarters of foreign-born individuals age 16 or older are in the labor force, compared to about two thirds of native-born individuals. This disparity is explained in part by the age profile of the foreign-born population: There are relatively fewer immigrants in the older (65+) age groups, which include many retirees that no longer participate in the labor force, and a larger share of immigrants in the labor force active 25-44 age group. Nevertheless, Louisville's proportion of foreign-born in the labor force is higher than the U.S. as a whole, and is higher than the proportions in our closest peer cities (Table 1). During 2012, Louisville's immigrant population was somewhat more likely to be unemployed than the Louisville native-born population, the U.S. immigrant population, or the immigrant populations in nearby peer cities.

Foreign-born Human Capital Comparison					
Sources: 2009-2013 American Community Survey and 2013 ACS Public-Use Microdata					
	Louisville	Cincinnati	Indianapolis	Nashville	St. Louis
Population that is foreign-born	5%	4%	6%	7%	4%
Skill level ³	119 (Balanced)	275 (High)	89 (Balanced)	99 (Balanced)	305 (High)
Foreign-born population...					
...with a high school diploma	74%	83%	69%	69%	83%
...with at least a Bachelor's degree	31%	45%	32%	27%	43%
...with a graduate degree	15%	23%	15%	12%	23%
...that is in the labor force	74%	68%	71%	73%	68%
...that is self-employed	3%	3%	5%	3%	3%

Note: All numbers rounded to nearest percentage.

Table 1

Industry and Occupation

Louisville's workforce is diversified, with the largest employment in the industry sectors of education and health care, manufacturing, and retail trade. The employed foreign-born population is not concentrated within any single sector, and is, in general, distributed similarly to the employed native-born population. However, there are a few industries in which the foreign-born population is overrepresented, particularly the manufacturing sector (12.8 percent of U.S.-born workers vs. 18.2 percent of foreign-born) and the arts, entertainment, and hospitality sector (8.9 percent of U.S.-born workers vs. 15.3 percent of foreign-born). Although there is substantial foreign-born employment in education and health care, the share of foreign-born workers employed in this industry (17 percent) is less than the share of U.S.-born workers employed in this industry (24 percent). This is comparable to the pattern that is observed nationally. Similarly low relative representation of foreign-born workers is found in the finance, insurance, and real estate and public administration industries. In their rankings of foreign-born labor forces across U.S. metropolitan areas, Hall et al. (2011) describe the Louisville immigrant workforce as "balanced".⁴ They find that for every 100 low-skilled immigrants in the Louisville labor force, there are 119 high-skilled immigrants.

Among those Louisville workers currently employed, foreign-born workers are somewhat more likely to be employed in STEM (science, technology, engineering, and mathematics) fields. While 10.2 percent of native-born workers are employed in STEM or STEM-related fields, the proportion of foreign-born workers in the same fields is 13.5 percent; nationally, 10.4 percent of native-born and 12 percent of foreign-born workers are employed in these fields.⁵ In Louisville, foreign-born employees comprise 5.9 percent of the employed workforce, but are 7.5 percent of all STEM workers. In the nation as a whole, foreign-born employees comprise 15.8% of the employed workforce and 17.7% of STEM workers.

Self-Employment

Foreign-born workers in Louisville are somewhat more likely to be self-employed in incorporated businesses relative to the native-born population, with 3.1 percent of foreign-born workers and 2.7 percent of US-born workers owning their own incorporated business. The rate of

³ Hall et al. (2011).

⁴ These rankings are based on metropolitan areas definitions in place in 2009.

⁵ All STEM and self-employment figures are derived from 2013 ACS public-use microdata.

self-employment of the foreign-born population is similar between Louisville and its peer cities, with the exception of Indianapolis, in which 5 percent of the foreign-born workforce is self-employed. Overall, foreign-born workers comprise 6 percent of Louisville's total workforce, 6.1 percent of its business owners, and 14.1 percent of its "Main Street" business owners (Fiscal Policy Institute 2015). "Main Street" businesses are those stores and services that support the neighborhoods within our cities.

State and Local Immigration Policy

The political and legislative climate for immigrants in Kentucky, while less restrictive than in some states, is not entirely positive. In 2011, the Kentucky Senate passed SB 6 ("An ACT relating to unauthorized aliens"), which allowed law enforcement personnel to inquire about the legal status of individuals based on reasonable suspicion. The bill, partly modeled on Arizona's controversial SB 1070 law, was defeated in the Kentucky House. In addition, both of Kentucky's senators voted against the comprehensive immigration reform bill passed by the U.S. Senate in 2013 that is currently languishing in the U.S. House. As of March 2012, all counties in Kentucky were participating in the Department of Homeland Security's Secure Communities program.

The city of Louisville has adopted more welcoming policies than the state as a whole, and is one of Welcoming America's Welcoming Cities. Louisville Metro's Office of Globalization is tasked with increasing the city's role in the global economy and maintaining a diverse cultural and business climate within the city. The Office of Globalization has been instrumental in the formation of International Councils – business associations formed around distinct ethnic communities – and in supporting foreign-born small business owners through the Refugees and Immigrants Succeeding in Entrepreneurship (RISE) program.

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