

## Fulfilling Charlotte’s future as a global city: A white paper from the Charlotte International Cabinet

An Advisory Cabinet to the City Council, the Cabinet is charged to:

- Provide input and recommendations to City Council on topics pertaining to international affairs of domestic and foreign origin.
- Promote a forum to convene the international, immigrant, and other communities to raise visibility of issues facing the community at large, and promote collaboration among Charlotte’s diverse populations.
- Encourage growth of international business through partnerships that support globally-competitive workforce development, entrepreneurship, foreign direct investment, and exporting.
- Keep City Council and City staff abreast of conditions in the international and immigrant communities, and how these conditions might affect business-government relations.
- Advise Mayor and Council on international travel and on formal invitations for incoming delegations.

### Introduction:

Charlotte continues to gain national and international attention for its attempts to become a truly global city. Global cities focus on attracting and retaining foreign talent and investment. As an advisory board responsible for promoting the views of Charlotte’s international community, the Charlotte International Cabinet (CIC) commends the city on its commitment to being a global city, a commitment we share.

Being a global city includes a few primary elements: active support of immigrant integration, attracting and supporting foreign direct investment, and enabling local small businesses to be competitive in the global marketplace. Charlotte is making progress in these areas. According to the [New American Economy](#), an organization that assesses U.S. cities on how supportive they are of their foreign born populations, Charlotte is becoming more welcoming, both socioeconomically and in terms of intentional government policies that promote immigrant integration. The city’s overall score has improved in each of the three years since the NAE’s original assessment in 2018. We commend the city on this measurable progress.

It is important to note that there is still room for improvement. Charlotte ranks #36 out of all cities assessed nationally on these measures, with five of our “peer cities” scoring higher on the index (Atlanta, Seattle, Long Beach, Houston, and Columbus). In North Carolina, Charlotte scores higher than Raleigh and Durham, but lower than Greensboro and Winston-Salem.

North Carolina's cities	NAC Cities Index Score	National Rank	Policy Score	Socioeconomic score
Winston-Salem	3.5	23	3	4
Greensboro	3.46	26	3.17	3.75
Charlotte	3.25	36	3.5	3
Durham	2.88	57	2.5	3.25
Raleigh	2.33	87	2.17	2.5

Charlotte, NC				
	2018	2019	2020	2021
<b>Overall Score</b>	<b>2.8</b>	<b>2.98</b>	<b>2.95</b>	<b>3.25</b>
<b>Policy Score</b>	<b>2.6</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>
Government Leadership	4	5	5	5
Economic Empowerment	3	1	3	4
Inclusivity	1	3	2	1
Community	4	5	4	5
Legal Support	1	2	3	3
Emergency Management	n/a	n/a	n/a	3
<b>Socioeconomic Score</b>	<b>3</b>	<b>2.75</b>	<b>2.5</b>	<b>3</b>
Job Opportunities	3	3	3	3
Economic Prosperity	5	5	4	4
Livability	2	1	1	2
Civic Participation	2	2	2	3

It is clear from the data on foreign direct investment highlighted in this report that Charlotte is continuing to make significant strides in attracting international businesses to the region as well. These businesses promote the region’s economic growth and development, contributing to a virtuous cycle in which the city becomes even more attractive to additional foreign direct investment. The CIC notes that to truly become a global city, Charlotte needs to focus on being attractive not just in economic areas (workforce, taxes, and the like), but in social and community conditions that are welcoming to foreign talent.

We urge the Mayor and City Council to continue to pursue progress in these areas. The city is focusing on policies that promote equity and inclusion. These policies must include a focus on empowering all members of the Charlotte community, including our foreign born residents, and on attracting a variety of types of investment that power economic development.

This white paper contains two main sections. The first uses data to establish the size, scope, and contributions of Charlotte’s foreign born population and of the region’s international businesses. As the data makes it clear, Charlotte is a city that depends on the contributions of its international community, broadly understood. When making policies to promote economic development, workforce development, equity and inclusion, really almost any area of policy, Charlotte’s leaders should make policy that attracts, supports, and integrates these essential elements of our community. To that end, the second section details six main policy areas the CIC is recommending that City leaders prioritize and address, along with some ideas for doing so.

### Section 1: Charlotte’s International Sector

*\*Due to data availability, data may be at the county level (Mecklenburg), metro level (Charlotte MSA), and regional level (Charlotte region includes 15 counties, most are part of the Charlotte MSA)*

## A. Charlotte's foreign born population:

(Source: U.S. Census Bureau, *New American Economy*, 2019, 2020)

- 257,788 foreign people live in the metro area
- 15.4% of foreign-born people live in Mecklenburg County
- 16.7% foreign-born people live in the City of Charlotte, and 10.1% in the metro area
- Nearly 20,000 immigrant entrepreneurs contribute to the economy in the metro area.

The immigrant buying power is growing the consumer market with a spending power of more than \$7 billion. Nearly \$3 billion out of this spending power is for contribution in paid taxes. There are more than 60,000 homeowners contributing to housing wealth and urban revitalization in the metro area. Immigrants move into declining neighborhoods and build a revitalized immigrant/ US-born community for their incoming peers.

In general, foreign movers into the metro area skew to the extremes for educational attainment. Over 50% are either highly educated or do not have a high school degree. Like those moving from within the United States, they tend to be younger, but unlike immigrants moving from within the United States they tend to be lower income. 54% of foreigners (moving in Charlotte MSA) in the workforce have bachelor's degrees or higher compared to 36% of Charlotte MSA residents; 33% for foreigners without HS degree compared to 10% for Charlotte MSA residents, 12% vs. 31% (associate degree), 14% vs 23% (high school).

Workforce and income outlook within industries with high minorities and immigrants' representation in the region:

- **Across all industries:** on average, Black/ African American have the highest workforce representation among minority groups, however, they average less in annual wages. Only 4% of Asians work on average across industries but have the highest average salary, even higher than Whites.
- **Construction:** 14% of Hispanics are represented in Construction and have the highest average annual wage (\$47,066) among minority groups.
- **Professional Services:** Professional services are more inclusive of minority groups in terms of annual average wages. However, workforce representation remains significantly lower across minority groups. 71% of Whites work in this industry, which is more than 5 times the average for Black/ African Americans, nearly 8 times for Asians, and over 14 times for Hispanics.
- **Manufacturing:** Asians and American Indian/ Alaskan Natives earn significantly higher than all other minority groups in Manufacturing while they are each barely represented in the workforce, lower than 5%. African Americans remain at the lower end of the salary range (\$42,425) but more represented in the industry (22%). Targeting minority communities for apprenticeships and 2-year education may contribute to closing these gaps.
- **Health Care:** Essential workers and front-liners are mostly Black/ African American, Asians, and other minority groups. More importantly, more than 80% of women are represented in this industry in the region, which increased the effects of the pandemic on minority women. While Asians are less represented than their Black/ African

American peers, they have the highest earning at \$104,651, nearly double the average wage for Whites, and over 3 times the average wage of Black/ African Americans.

## **B. Charlotte's international business sector:**

*Foreign owned companies: current number of international businesses and employment in the region (Source: The Alliance)*

- More than 1,000 foreign companies representing 40+ countries employ more than 80,000 people in the Charlotte Region. 50% of these companies operate in Mecklenburg County.

*Percentage of minority-owned businesses in the region (2017 Economic Census Builder)*

*(U.S. Census Bureau, 2012, 2017)*

Business Ownership in the Charlotte region:

- 5% of City of Charlotte employer firms are Black-owned, 4% of Mecklenburg County employer firms are Black-owned, and 3% of Charlotte MSA employer firms are Black-owned.
- Charlotte region: 2012 vs. 2017:
  - Black ownership decreased while Hispanic ownership increased.
  - About 6% of all businesses with paid employees were Asian owned, 3% were owned by African Americans, and 4% by Hispanics of any race.
  - Compared to 2012, Black ownership was 4.3%, Asian ownership remained at about 6%, and Hispanics was 2.2%.

## **Section 2: Policy areas in need of City Council attention and CIC support**

*Peer metro comparison: percentage of people (population 5 years and over) who speak "English Less Than Very Well" (Source: U.S Census Bureau, JobsEQ)*

- 1. Supporting the City's recently signed Language Access Policy:** The COVID-19 pandemic highlighted the hardship and danger that is posed through ineffective information sharing. 9.9% of the City's population (5 years and over) speak English less than very well, which is 1% higher than the county's 8.9%, and more than 4% higher than the Charlotte Metro area (5.6%)

As diverse community leaders we have seen the disparity created when residents are not able to receive vital resources in their language. In alignment with the charges of the Charlotte International Cabinet we commend the City of Charlotte for signing a City-Wide Language Access Policy, enabling Limited English Proficiency (LEP) residents to engage more meaningfully with the city government, and enable better access to services, programs and activities offered by the City of Charlotte.

As the CIC serves such a large part of this community and was a part of bringing this policy to the City for consideration, we would like to remain a part of the process of implementation, which could include but not be limited to, reporting and assessment of the implementation of the

overall policy, so that we may also advocate for those individuals in our community most in need of these resources.

- 2. Strategic Workforce Development efforts should include the particular needs of foreign born workers at all skill levels:** As the city works to implement effective strategic workforce initiatives, the CIC recommends that these initiatives include a focus on the needs of our foreign-born workforce at all skill levels. Currently, this part of the population is not clearly included in these initiatives. The CIC recommends that City leaders consult with the City's Office of Equity, Mobility, and Immigrant Integration on ways to integrate the particular needs of the foreign born population in the city's workforce initiatives. We also recommend that the Mayor's Racial Equity Initiative include a specific focus on the needs of our diverse immigrant community.

**Confidential Information (section to be released soon in the Alliance digest)**

**Pronounced and Vivid Gap in Workforce Representation across Industries:** Minority groups are overrepresented in industries like health care, and accommodation and food services. These services are vulnerable and require essential workers mostly impacted by the pandemic. Across all industries, Black/ African American have the highest representation of 23% among minority groups, however, they are underrepresented in construction. Asians are more represented in financial services, and professional services but underrepresented across most industries. While Black representation is higher, they have the lowest salary within almost all industries except for financial services (\$54,463). In health care, Black/African Americans occupy lower-level positions than their Asian peers.

**Abysmal Disproportionate Income across Racial Groups:** Race and ethnicity of individuals affect their wages. Workers employed at least a year across all industries, average wages for African Americans (\$34,992), Hispanics (\$39,259), and mixed individuals (\$37,384) are significantly lower than whites (\$52,431) and Asians (\$57,286). For instance, Asian workers earn on average \$104,651 annually within the health care industry, while African American workers have lower earnings at around \$32,582.

- 3. Charlotte needs an International Business Strategy:** The City of Charlotte is uniquely positioned to emerge as a leading global city over the next two decades. Our strategic location, rapid economic development, rich diversity, noteworthy infrastructure, and overall standard of living all promote a strong potential for increased international business growth.

**Background:** Aligned with the charges for the CIC, members of City Council requested that the CIC create a motion of support in 2020 for an International Business Strategy for the City of Charlotte to replace the current and outdated strategy approved in 1992. The City has the opportunity to continue to grow its global ties and provide more opportunities to small businesses serving the diversity of our steadily growing international community. This strategy should also include the recently signed Language Access Plan (LAP) for Charlotte so that foreign-born business owners and their workforces within our community have access to the necessary resources to succeed.

- There are currently more than 1,000 foreign-owned businesses in the Charlotte region employing over 81,000 residents, contributing \$3.3 billion in investments since 2017.
- The Charlotte community has 274,200 immigrant residents, including 19,752 immigrant entrepreneurs contributing \$2.7 billion in taxes with \$7.4 billion in spending power.
- As Charlotte pursues the goals laid out by the 2040 comprehensive plan, the strategic growth of our business community should be of significant importance.

**We Recommend the City of Charlotte’s updated International Business Strategy:**

- Be created with targeted input from Charlotte’s business, civic and international community leaders that keep the scope focused
- Address the need for resources to support international business recruitment
- Address retention and growth support for Charlotte’s international businesses
- Align with the United Nations 17 Sustainable Development Goals
- Define the role of Charlotte City Government policy, budget, and personnel support for the creation and in implementation of this new International Business Strategy

**4. Charlotte should promote civic global connections through Charlotte Sister Cities:**

Charlotte Sister Cities is a 100% volunteer 501(c)(3) organization devoted to serving its mission, “providing gateways that foster grassroots connections between Charlotte and cities around the world.” Established on February 5, 1962 when the City of Charlotte signed a partnership with the City of Arequipa, Peru in the 1980’s and 1990’s, Charlotte Sister Cities expanded to include six additional sister cities: Krefeld, Germany; Baoding, China; Limoges, France; Voronezh, Russia; Wrocław, Poland, and Kumasi, Ghana.

In 2019, a group of Charlotte residents began the process of reviving Charlotte Sister Cities. Over the past two years, we have hosted a seven-part virtual forum series, two hybrid City anniversary events, competed in the Charlotte Dragon Boat Festival (finishing second), and have engaged in an ambitious curriculum project led by our Youth Leadership Committee, in partnership with Charlotte-Mecklenburg Schools.

In October 2020, a steering committee approved our new Bylaws which led to the formation of our inaugural Board of Directors in February 2021. On November 2, 2021 Charlotte Sister Cities was officially recognized by the IRS as a 501(c)(3) nonprofit organization. As Charlotte Sister Cities enters its seventh decade, opportunities for the City of Charlotte to connect with our City partners from around the world are abundant:

- Continued promotion of city-to-city communication and idea-sharing related to business, education, arts & culture, and civic engagement
- Celebration of Charlotte’s global identity through visual tributes to our seven sister cities, the welcoming of visiting delegations, and recognition of how our global ties strengthen our identity as a community.
- Fostering cross-cultural opportunities for the Charlotte community through educational events, cultural festivals, virtual connections, and in-person exchanges.

As Charlotte's Global identity continues to broaden, the CIC recommends civic engagement promoted through:

- A strategic approach towards linking the goals and actions of the City of Charlotte with civic organizations like Charlotte Sister Cities.
- A City-wide commitment towards enhancing sister city relationships that already exist.
- A defined process for considering new sister cities that would begin with a five-year trial period based on a well-defined Memorandum of Understanding (MOU).
  - A formalized policy on MOUs between Charlotte and other cities around the world should be developed in partnership with the CIC.

**5. The City of Charlotte should consider ways to leverage international agreements, protocols, and engagement to improve our approach to growth and development**

In 2015, all United Nations Member States adopted the 17 Global Goals (officially known as the Sustainable Development Goals or SDGs). These goals have the power to create a better world by 2030, by ending poverty, fighting inequality and addressing the urgency of climate change. Guided by the goals, it is now up to all of us, governments, businesses, civil society and the general public to work together, intentionally taking action to build a better future for everyone. The 17 United Nations Sustainable Development Goals are:



The City of Charlotte and Mecklenburg County are currently doing significant work which aligns with these goals. The CIC is recommending as such that the City of Charlotte formalize its commitment to the Sustainable Development Goals, and incorporate the SDGs as a component within the recommended International Business Strategy for the City of Charlotte.

The City of Charlotte can localize its support for these goals by signing on as a partner for the UN SDGs along with other municipalities around the country and the globe. Model municipalities in the United States that have not only signed on as partners to the SDGs but are also conducting regular SDG reviews include: Los Angeles, CA, Orlando, FL, Pittsburgh, PA, and New York City.

Along with signing on to support the SDGs, the City of Charlotte should highlight UN SDG alignment to its mission, budget, responsibilities and long-term plans, as well as conducting periodic Voluntary Local Reviews.

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