

## Immigrant Economic Crisis Survey Report

Illinois Coalition for Immigrant and Refugee Rights

Since the creation of the Immigrant Services line item in the Illinois state budget, the State of Illinois has partnered with the Illinois Coalition for Immigrant and Refugee Rights (ICIRR) and the many immigrant-led partner organizations coordinating critical programs. This partnership has made Illinois a model across our country for other states looking to not only fulfill the needs of their immigrant residents, but also to build capacity in immigrant-led organizations while doing so. Through these partnerships the number of organizations providing much needed, and often legislated, services has increased substantially across the state. **However, out of 42 of these organizations, 22 will be unable to make payroll past October.**

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ICIRR administers two large and several small State programs; these are the Immigrant Family Resource Program (IFRP) and the New Americans Initiative (NAI). Through these programs and other state partnerships, ICIRR works with a total of 61 immigrant-led service organizations to provide services to vulnerable immigrant populations. Programs include Outreach and Interpretation, Citizenship, English, Child Care/Youth, Domestic Violence, Mental Health, Aging and Homeless services. **Of these organizations, 36 organizations are Latino led, 11 Asian, 3 Arab, 3 European and 1 African.**

**Together, ICIRR and partners have served over 700,000 immigrant families speaking over 52 languages, families that would otherwise have nowhere to turn.**

These local community based organizations are now owed **\$7,443,315 for services already performed**. That is \$7,443,315 that these small community based organizations have been unwillingly lending the state while their own organizations suffer. This is particularly difficult on these immigrant led community based organizations because unlike larger, more established institutions such as universities and hospitals, **these non-profits tend to be relatively new, do not have large amounts of reserves, major lines of credit, large endowments, or wealthy donors.**

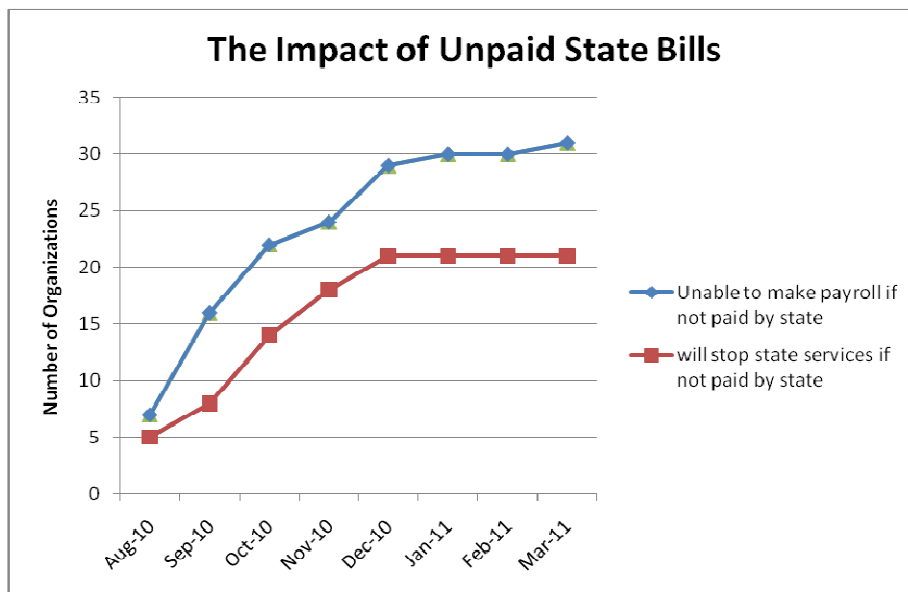
**Small immigrant led organizations have unwillingly been lending the state \$7,443,315 while their own agencies suffer.**

While the State was delaying payments to these 42 organizations over FY 2010, the **consequences on the ground were dire**. During FY2010, these organizations laid off a total of **66 staff members** as a result of state cash flow and budget problems. In order to keep the remaining staff, they **borrowed a total of \$2,629,000** from private lenders to offset the delayed state payments. Not only do these loans come with additional interest payments that these organizations must now pay, but most of the lines of credit have now been exhausted.

Because of the cash flow issues created by delayed state payments, an **additional 39 staff will be laid off** in the upcoming months if payment is not received. Organizations will not only lose these high numbers of staff, but are also **expected to lose 175 staff on September 30<sup>th</sup> who are part of the Put Illinois to Work stimulus employment program**. That means a **total of 280 staff leaving 37 organizations in fifteen months**. Without timely state payment, these organizations will not survive!

**42 organizations will lay off 280 staff by October.**

The state recently passed a law against **wage theft** because workers need to be paid by their employers for the work they have completed; the state of Illinois needs to pass a similar law against **service theft** so these organizations can be paid for the services they have performed. See the anticipated impacts below of the current service theft affecting our communities.



**If immediate action is not taken and the \$7,443,315 due is not paid, the community based organizations that serve immigrants throughout the state will disappear, and with them will go the critical services that sustain our community.**

## Organizational Testimonies

### Latino Organization of the Southwest, Chicago

History of an Immigrant:

Mrs. Lucia Chávez, mother of 3 and grandmother of 2, came without documents for the first time from Mexico in 1985 to find employment. In 1989 she was able to change her immigration status and become a Legal Permanent Resident. Mrs. Chávez comments that life in the United States has not been easy. Since she arrived in the U.S., she has spent all of her time working trying to move her family ahead. Although she is a Legal Permanent Resident, it has still been difficult to obtain work and has found herself in periods of unemployment for periods of up to 6 months.

The first time she had to resort to going to an organization for help was when she was unemployed and went to the Instituto del Progreso Latino to study. While in classes, Mrs. Chávez also was able to receive help filling out her taxes for free. After that she received help from Mujeres Latinas en Acción to deal with a family crisis and clinical depression. Mujeres Latinas en Acción helped her and also referred her to La Casa Hogar del Niño to receive therapy.

Years later, when she decided to apply for U.S. Citizenship, she went to Latino Organization of the Southwest (LOS), where she started citizenship classes. At LOS she was informed that she could apply for the program that helps with gas and electricity (CEDA) and when she began to have problems with her medical card, she also received help from LOS to help her out. At present she continues studying for the citizenship and in this month to be able to send in her citizenship application.

Mrs. Chávez says that she has been benefited a lot of the programs that these organizations offer. If LOS was not there to help, she most likely would not have her medical card and would not be studying to be a citizen. Mrs. Chávez fears that if LOS closes, she will not know where to go when she needs help. LOS is very important to both her and the community.

### La Voz Latina, Rockford

La Voz Latina is a stand-alone, minority-owned organization that has developed innovative, award-winning programs for the State of Illinois over the last 40 years. The State of Illinois is our primary partner, through direct contracts and subcontracts. The State's decision to delay payments for work performed has had a devastating effect on the agency's morale and ability to provide services to our unique constituency.

Last year, we laid off 25% of our staff. During all of December I was panicked that I would have to lay off more staff, but I did not want to tell them and ruin their holidays. We finally received a one month payment on December 30 and another payment in January. After that trauma, I decided to reduce our contracts and trim expenses and staff hours. The staff continued working hard, because the need for services was greater than ever.

We never know when we will be paid, or how much, or whether a contract will be cut, perhaps retroactively. The effect of such late and unpredictable payments is like a death spiral. Without funds, we cannot continue to pay staff and provide services. If we don't provide services, we cannot submit expenditure reports, and therefore the agency becomes weaker and weaker.

La Voz Latina is only one agency among the ICIRR partners. It is a unique network that supports and unifies dozens of small, minority-owned, immigrant-serving, culturally diverse organizations. They provide an inestimable service to their communities and to the state of Illinois, yet are fragile and cannot bear the burden of subsidizing operations for months on end as institutions may be able to do.

#### Northwest Neighborhood Federation, Chicago

Because of the delay in state funds, we have had to let go of 1/3 of our staff. We are struggling with rent. We were supposed to move to a cheaper building, but now don't think we can afford even that. We might now be without an office, simply relying on our local supporters to lend us space temporarily for free. Our Executive Director has not been paid in the last month and other positions have been cut down to part time or purely voluntary. As a result, we now have much less capacity to serve our community. We don't know how they will manage in the future. We fear for our communities and where they will go for help if we go out of business, since other non-profits and DHS offices in our community are either risking bankruptcy as well or are completely saturated. In addition, no other agencies have the Spanish and Polish language capacity to serve our Latino and Polish communities except for NNF. In the end, the poorest people in our communities will suffer.

#### Arab American Family Services, Bridgeview

At AAFS we have been fortunate enough to not yet cut services. But, to deal with the state payment delays we have had to decrease staff pay. Unfortunately, many of our extremely dedicated staff members were forced to choose between doing the community work that they loved or making enough money to care for their families. One staff member in particular almost lost her home and her children as a result in the pay reduction and had to give up her work of helping immigrants integrate to life in the US. AAFS has also sustained services by utilizing Put Illinois to Work, which is set to expire at the end of September.

#### Chinese Mutual Aid Association, Chicago

As a result of the delayed payments, CMAA has borrowed the maximum that our credit line will allow; we have delayed payroll payments on more than one occasion in the past and will have to delay the next payroll payment if there are no immediate state payments.

#### Hanul Family Alliance, Mount Prospect

Hanul has already borrowed as much as we can to cover our expenses while we wait for the State of Illinois to pay us for the work we have already done. But the banks will not lend us anymore. If the State does not pay us within the next two weeks, we may have to again defer the payroll for not only our homecare aides, but also entire staff at the office in addition to other overdue general management payments. Our account receivables have exceeded \$450,000 as of today. The agency simply has no other source of income expected during the month of September nor have any balances in all of our bank accounts. We already cancelled our public health program, and might have to cancel ESL and citizenship programs too.

In addition, over 300 Korean seniors rely on workers from Hanul Family Alliance (formerly known as Korean American Senior Center) to clean their homes, cook meals, and provide the personal care and support that allows these seniors to feel safe and secure in their homes. Hanul has worked hard in the past 20 years to provide the best care possible to seniors in our community as the one and only Korean CCP Home Care Provider. Without services, many of our seniors would be alone and without help, and some could become injured or ill and have to move into nursing homes.

#### Hanul Family Alliance Client Testimonial

Mr. and Mrs. Chang moved to Chicago in October of 1981 from a small town in Korea. They have eight children. All of them live in Korea except for one son, who petitioned their parents to come live with them in Glenview. After moving to Chicago in 1983, Mr. and Mrs. Chang were pretty much satisfied with their life at the senior housing and grateful for all the senior citizen services provided by Hanul. They learned English and obtained their citizenship in 1995 with the help of Hanul and still receive Hanul's case management services until today. The couple volunteered for almost 20 years at food pantries, helping with distribution of aid goods such as milk, beans and cereals to low income families. Mrs. Chang also served as a president of her floor at her apartment for seniors. As they get older, things getting more difficult because of their deteriorated health condition. In 2002, Mr. Chang had an open heart surgery. After the surgery, Mrs. Chang had been the primary caregiver for about a year, but Mrs. Chang herself became too weak to do housework or take care of her husband. That's when the couple was referred to our organization for our home care service.

Nowadays, the couple receives services from a homecare aide three days a week, four hours each day. Their homecare aide has been taking care of them since 2005. She does cleaning, laundry, cooking, grocery shopping, and drives them to the hospital and pharmacy whenever needed. The couple visits their son's family in Glenview every Saturday, but Mr. and Mrs. Chang cannot rely on their son's family to take care of them because they are busy with their own lives. The home maker service allows them to live an independent life as a couple despite advanced age, instead of moving into a nursing home with their homecare aide meeting most of their daily needs. Without the services from Hanul, the last result for the couple to remain healthy and safe might be going to the nursing home. In the past fiscal year, Hanul has served 360 frail elderly who could sustain their independent living because of the help of our homecare aides. We urge our legislators to support the income tax raise instead of cutting human service budget so that people like Mr. and Mrs. Chang could avoid horrific consequences.

#### Muslim Women's Resource Center, Chicago

Because the state is really behind in payments to many organizations (including ICIRR), the Muslim Women Resource Center is also adversely impacted. The Muslim Women Resource Center (MWRC) gets over 50% of its funding from the Illinois Coalition for Immigrant and Refugee Rights (ICIRR) and only has two months worth of funding left in the bank (which will be used for rent, utilities, and the salaries of staff). This grave financial situation will result in

layoffs, decreased services delivered, and last but not least, decreased clients served in the community-all of which are dire consequences!!!

#### Polish American Association, Chicago

Polish American Association has been successfully operating the Homemakers program for the last 15 years. The program services are aimed at assisting seniors to maintain their independence and providing cost effective alternatives to nursing home placement. Last fiscal year Polish American Association helped 345 clients.

George has become the client of Polish American Association Homemakers program in January of 2008. He is an 82 year old immigrant from Poland. The family contacted Illinois Department on Aging when George was diagnosed with Alzheimer disease. At that time George's wife was already terminally ill and could no longer be a caretaker for her husband. George could not live alone and was unable to take care of himself. The Polish American Association was chosen to provide the services for George mostly because he speaks Polish.

At first George was assigned 4 service hours a day, five days a week. The Polish American Association worker has been providing assistance to George with household tasks including: laundry, cleaning, shopping, errands, and planning and preparing meals. She also assisted George with personal care tasks such as dressing, bathing, and grooming. Unfortunately George's illness and memory loss have been progressing and in October 2009 his service hours were extended to 6 hours a day to accommodate his increasing needs.

The homemakers program saves state tax dollars each year through the avoidance of unnecessary and premature placement of clients into nursing homes. Therefore eliminating this program will not only impact adversely the clients and especially their ability to live independently in their own house but will also force the families and tax payers to choose the more expensive care alternatives for the elderly.

#### South-East Asia Center

What worry us most are our large mortgage payments. If we are unable to continue payments we will lose two infant-toddler classrooms that we have been developing for years and are about to open; we will lose a settlement house where SEAC's doctor of some 25 years lives with his ailing wife; we would lose our teacher resource center; and we would lose a parking lot which qualifies our Ainslie school and school offices for zoning. In other words, we could lose the whole school with its 65 children and 120 parents, at least half of whom could lose jobs were they not to have childcare. This is not to mention the hundreds of thousands of dollars already sunk into the mortgage payments and the fact that this property, contiguous to SEAC School, settlement houses and offices, will probably never be available again for purchase even if we were to somehow recover from the recession.

## **Organizations Suffering from Delayed State Payments**

Albany Park Neighborhood Council	Interfaith Refugee & Immigration Ministries
Alliance of Filipinos for Immigrant Rights and Empowerment	Korean American Community Services
Americans by Value	Korean Resource & Cultural Center
Arab American Action Network	La Voz Latina
Arab American Family Services	Lao American Community Services
Association House	Latino Organization of the Southwest
Cambodian Association of Illinois	Logan Square Neighborhood Association
Casa Guanajuato Quad Cities	Mano A Mano Family Resource Center
Casa Michoacan	Mujeres Latinas en Accion
Catholic Charities	Muslim Womens Resource Center
Centro Cristo Rey	Northwest Neighborhood Federation
Centro de Información	Omni Youth Services
Centro Romero	PASO/West Suburban Action Project
Centro Sin Fronteras	Polish American Association
Chinese American Service League	Puentes de Esperanza
Chinese Mutual Aid Association	Pui Tak
Community Health Partnership of Illinois	Saint Anthony Hospital
East Central Illinois Refugee Mutual Assistance Center	Sauk Valley YWCA
Elizabeth Ann Seton	South-East Asia Center
Erie Neighborhood House	Southwest Organizing Project
Family Focus	Spanish Community Center
HACES	St. Anthony Programa Cielo
Hanul Family Alliance	The Resurrection Project
Hebrew Immigrant Aid Society	Township High School District 214
Holy Family Church / Gary Graf	United African Organization
ICIRR	Universidad Popular
Immigration Project	World Relief Chicago
Indo-American Center	World Relief DuPage (Aurora/Wheaton)
Instituto del Progreso Latino	World Relief Moline
Interfaith Leadership Project	Youth Service Bureau of Illinois
	YWCA (Sauk Valley)