

A New Age of Immigrants

Making Immigration Work for Minnesota



photo: HOPE Community

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About this report

This report builds on The Minneapolis Foundation's decade-long role as a community resource for education and information about immigration in Minnesota. It summarizes the Wilder Research report, *A New Age of Immigrants*, a study commissioned by the Foundation to lay out immigration facts and pose unanswered questions. These findings provide the groundwork for informed, constructive discussion to shape immigration-related programs and public policies that work for all Minnesotans.

Also, through our Minnesota Meeting public affairs forum, we've brought together hundreds of community leaders to learn more about the issue and identify positive strategies to move our state forward. And through our grantmaking and community partnerships, we invest time and resources in advancing strategies to help communities fully realize the benefits immigrants bring, while making Minnesota a more fair and welcoming place.

Visit www.minneapolisfoundation.org to learn more about our work on immigration and to download this report and other informational resources.



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Any errors of omission or commission are the responsibility of the authors.

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Background Information

In 2004, the Minneapolis Foundation announced a new statewide, multiyear campaign to promote constructive dialogue on the topic of immigration in Minnesota. As part of this campaign, in July of 2009, the Foundation commissioned Wilder Research to prepare an independent report on the impact of immigration in the State of Minnesota.

Because immigration has always been and continues to be a polarizing topic, the main purpose of this report is to provide a clear, balanced, and fact-based overview of what is known, and what is not known, about the economic, cultural, and social impact of recent immigrants to Minnesota. Further, the profound diversity across immigrant populations, particularly related to wealth and educational characteristics, have important implications for a study such as this one. Immigrant populations in Minnesota clearly do not have a uniform impact on the state's economy, culture, and communal life. Therefore, we have set out to reflect variations in need, resource use, and impact represented by different immigrant groups, in order to craft a more accurate and nuanced portrait of immigration in Minnesota today.

Specifically, the report seeks to answer the following questions:

- Who are Minnesota's immigrants? What are their characteristics, and where do they come from?
- What services have been used and what services have been provided by immigrants who have come to Minnesota within the past decade? How does the use of services by immigrants fit in the overall picture of service use by all Minnesotans in general?
- What are the demographics of our current workforce and what do projections suggest regarding the role of immigrant and refugee populations in addressing future workforce needs?
- Which communities in Minnesota have been most significantly impacted by immigrant and refugee populations? What has occurred, what challenges have they faced, what public costs and benefits have been seen, what new planning is underway?
- What are the different stakeholder perspectives that are shaping the debate about immigration in Minnesota? And what types of activities, initiatives, and reforms may be necessary to address common misperceptions and reconcile competing perspectives?
- What is known about the costs and benefits of new arrivals compared to the long-term costs and benefits that might be projected in 10, 20 or 30 years?

While an abundance of literature exists on the topic of immigration both nationally and in Minnesota, some of these questions have not yet been sufficiently considered or have only been considered from a single viewpoint. The purpose of this report, then, is not only to provide objective, fact-based answers to the above questions (when and where they are available), but also to highlight those areas where more inquiry and information are needed, in order to ensure fully-informed policy and action on the issue of immigration in Minnesota. In addition, we hope this report will advance the discussion of immigration in Minnesota by incorporating a wide variety of views on immigration – giving voice to many different groups’ concerns, ideas, and experiences and inviting them into the larger public discourse on immigration policy in our state.

Methodology

To prepare this report, the authors drew on three different types of source material. These were:

- Existing research literature on the impact of immigration in the United States and Minnesota
- Current statistical evidence of immigration trends in the United States and Minnesota (such as data the American Community Survey, the U.S. Census, and the Minnesota Department of Employment and Economic Development)
- Key informant interviews with 44 relevant scholars, policy makers and community leaders throughout the state

Types of literature reviewed

The literature reviewed for this report includes:

- Academic studies of the effects of immigration in Minnesota and the United States
- Studies commissioned by federal and state governmental agencies (e.g., the Minnesota Department of Human Services, Minnesota Department of Employment and Economic Development, the U.S. Department of Health and Human Services, U.S. Department of Labor, U.S. Department of Justice, etc.)
- Reports by leading organizations with a strong, ongoing interest in the topic of immigration (e.g., the Immigration Policy Center, the Migration Policy Institute, the Urban Institute, the Minneapolis Foundation, etc.)
- Popular books, articles and journalism relating to the topics of immigration and immigration in Minnesota (e.g., material from the New York Times and Star Tribune)
- Whenever possible, written material from a wide variety of ideological perspectives was considered and reviewed. A full list of the print materials reviewed for this report can be found in the bibliography.

Statistical data utilized

Major data sources for this report include the:

- U.S. Census Bureau
- U.S. Department of State
- U.S. Department of Homeland Security
- Minnesota State Demographer's Office
- Minnesota Department of Education
- Minnesota Department of Human Services
- Minnesota Department of Employment and Economic Development

It is important to note that two distinct types of U.S. Census data appear in this report: data from the last full U.S. Census (conducted in 2000), and data from the U.S. Census Bureau's 2005-2008 American Community Surveys (ACS). ACS data is helpful in providing a more up-to-date picture of the state's demography, but represent estimates based on a relatively small sample of Minnesota households. Unfortunately, no more current, definitive information about the size and make-up of the state's immigrant population is expected to be available until the release of the 2010 census.

Key informant interview methods

An initial list of informants was compiled based on suggestions from the Immigration Advisory Committee of Twin Cities Compass and Minneapolis Foundation staff, as well as a scan of websites with immigration-related content. Interviews were conducted by trained Wilder staff, and once underway, the list of informants was further enriched by a snowball-sample technique, designed to ensure a diversity of perspectives. At the end of each interview, informants were asked to suggest someone who could offer "an opposing viewpoint."

Upon completion of the key informant interviews, interview data was analyzed for themes that were either: a) common to a number of informants, or b) unique in perspective or insight. Key themes were then incorporated into the overall organization of the report, and excerpts from the interviews appear periodically to illustrate key findings.

Throughout the report, the findings from the literature review are combined with the key informant data and data from various statistical sources to provide an informed analysis of the many implications of immigration in Minnesota.

Report Findings

General characteristics of the immigrant population in Minnesota

Definitions and historical context

Before beginning any analysis of the impact of immigration in Minnesota, it is important to define exactly who we are referring to when we discuss “immigrants.” While different federal and state agencies and scholars use the term in different (and sometimes incompatible) ways, for the purposes of this report, an immigrant is any foreign-born person now residing in the United States of America.

The vast majority of immigrants living in Minnesota have entered the U.S. legally,¹ and many are now U.S. citizens. However, wherever possible, this report also attempts to address the unique contributions and costs of those who entered this country without legal authorization and who are currently living and working in Minnesota.²

Historically, Minnesota has a long tradition of attracting immigrants. In the years after the American Civil War, much of the state’s white settlement was driven by successive waves of European immigration. In 1870, some two-thirds of Minnesota residents were immigrants or the children of immigrants (many of them drawn to the state by the Homestead Act’s promise of free land on the frontier). By 1900, Minnesota had the seventh highest number of foreign-born residents of any state in the country. However, the state’s influx of immigrants began to slow in the early 1900s, and eventually stopped with the passage of new federal immigration restrictions in 1921.

Current size of Minnesota’s immigrant population

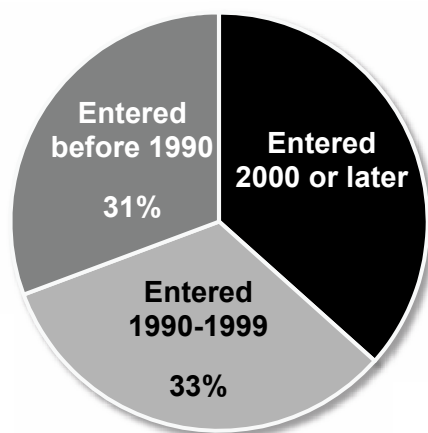
At the present time, immigrants represent a relatively small portion of Minnesota’s population. According to the American Community Survey, in 2008 there were 340,657 foreign-born persons living in the state – a figure representing 6.5 percent of Minnesota’s total population. In contrast, approximately 13 percent of the entire nation’s population is foreign-born; and in some leading gateway states, such as California, over one-third of all residents are now immigrants.

¹ “Legally” references those that entered with visas or through Consular processing.

² When referencing individuals who are residing in the United States without legal authorization, we have used the terms “undocumented” and “illegal” interchangeably. We understand that neither of these terms are acceptable to everyone engaged in this topic, and have utilized both terms in the interest of balance.

However, for the past two decades Minnesota's immigrant population has been growing explosively, increasing far more rapidly than the immigrant population in the nation as a whole. During the 1990s, the state's foreign-born population increased by over 130 percent (compared to 57% nationwide). Between 2000 and 2007 it increased another 33 percent (compared to 22% nation-wide).

1. Period of entry to U.S. among Minnesota's current immigrants



Source: American Community Survey, 2006-2008

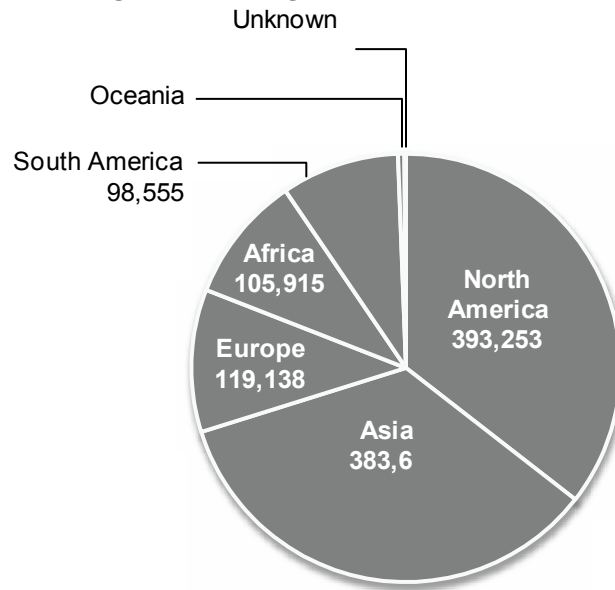
This dramatic growth in the foreign-born population is generally attributed to two factors: Minnesota's relatively robust economy, which has created a steady demand for new workers, and its excellent network of social services, which has made the state a leading point of entry for refugee populations from around the world.

As a result of these two forces, between 1982 and 2008, over one million immigrants representing 182 different nations passed through Minnesota, seeking either temporary or permanent homes. The best current estimates indicate that approximately one-third have remained in our state.

Regions of origin and legal status of Minnesota immigrants

In many of the nation's traditional gateway states, such as New York, or California, the overwhelming majority of recent immigrants are unskilled laborers from Mexico, but this is not the case in Minnesota. Instead, Minnesota's immigrants are a strikingly diverse mix of newcomers from South America and India, who come seeking economic opportunity, and refugees from Southeast Asia and Africa, who come seeking shelter from civil war and oppression.

2. **Regions of origin for immigrant entries to Minnesota, 1982-2008**

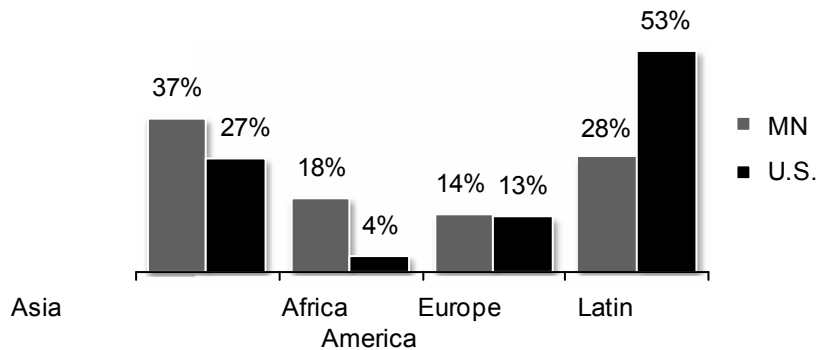


Source: *Office of State Demographer*

In 2007, approximately 23 percent of Minnesota's immigrants were refugees or asylees fleeing persecution in their home nations. The state first established itself as a major resettlement area for refugees in the 1970s and 80s, when it became a safe haven for thousands of Hmong veterans of the Vietnam War. Since then Minnesota has sheltered successive waves of asylum seekers from Bosnia, Liberia, the Sudan, and (most recently) Somalia and Burma (Myanmar).

As Figure 3 below demonstrates, the presence of such groups has created an immigrant population in Minnesota that is unusually diverse – bearing relatively little resemblance to the immigrant population of the nation as a whole.

3. **Distribution of foreign-born, place of origin of immigrants in Minnesota and the United States, 2008**



Source: American Community Survey, 2005 2008

Because of the relatively small size of Minnesota's Latino population, the state is believed to have fewer undocumented immigrants than many other gateway states.³

However, there has been a steady increase in the number of Mexican agricultural workers living and working in Minnesota's rural communities in recent years, and the exact size of Minnesota's undocumented population remains unknown at this time. Estimates range from 55,000 all the way to 85,000, and it seems likely that the true figure lies somewhere between these two.⁴

The remainder of the state's foreign-born population (including most Latinos living in Minnesota) are either naturalized U.S. citizens, refugees, or legally authorized temporary residents with work or student visas.

³ The terms "Latino" and "Hispanic" are often used interchangeably. For the purposes of this report, the term "Latino" is utilized to describe individuals whose primary ancestry or ethnicity is tied to a Spanish-speaking country. When referencing secondary data and research, the terms utilized by the study being referenced are used. For example, the U.S. Census uses self-reported data to count Hispanics; according to the Pew Hispanic Center, the definition of "Hispanic" in U.S. Census data is intentionally undefined, and is tracked independently of racial categories.

⁴ In 2005, the Pew Hispanic Center estimated that Minnesota was home to between 55,000 and 85,000; higher estimates were reported by Minnesota's Office of Strategic Planning & Results Management in a 2005 report to the Governor. The State Demographer's office has explained that, while "[t]he Department of Homeland Security's Immigration Statistics estimates 60,000 illegal immigrants in Minnesota, [...] this number seems very high given the preponderance of Latinos in illegal populations in the U.S. and the small number of non-citizens in Minnesota's Latino population."

Getting in and staying put: Legal pathways to residency

Lawful immigration to the U.S. consists of three levels of restriction: Visa holders, who are granted legal residency for a period of one to three years; Green card holders, who have been granted permanent legal residency; and Citizenship, which confers all the rights and responsibilities of citizenship that native-born individuals enjoy. Figure 4 details the distribution of Green Cards in 2008, based on four main factors:

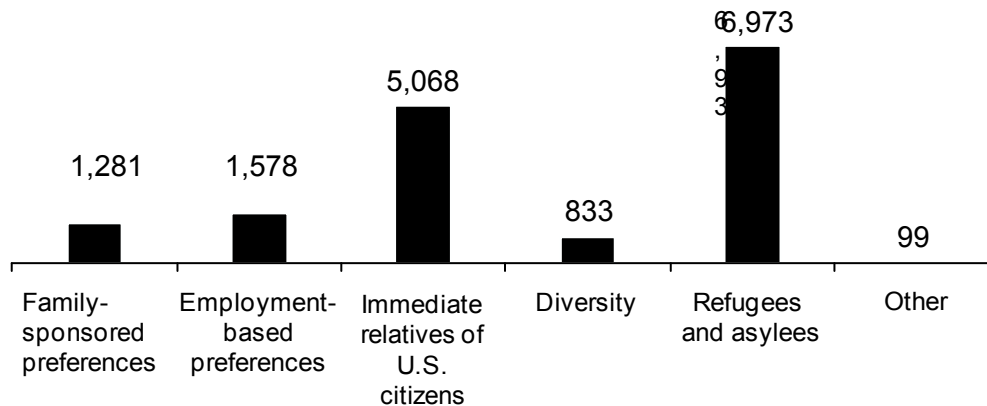
1. Having immediate family, or being sponsored by, someone who has permanent legal status in the U.S. (family members who are U.S. citizens are the highest priority).
2. Possessing skills that are in demand by U.S. employers, but in short supply among the U.S labor force.
3. Being designated a refugee or asylee – defined as someone who is unable or unwilling to return to their home country because of the risk of persecution (Congressional Budget Office, February 2006).
4. Emigrating from a country that has historically been underrepresented in immigration flows into the U.S. These “diversity admissions” are available to immigrants from a pre-determined list of countries.

The largest number of foreign-born people enter the U.S. on a temporary basis, by securing a visa for a limited time as a tourist, diplomat, student or worker. Work-related visa holders make up the largest group of legal temporary residents in the U.S. (Congressional Budget Office, February 2006).

H1-B visas (which enable immigrants to stay in the U.S. for three years) are granted to highly skilled workers. H2-A and H2-B visas (granting one-year stays) are available to seasonal and manual laborers. However, the number of H2-A and H2-B visas that are granted remains well below demand for temporary entry among this category of immigrant workers. Employers in need of workers to fill low-skill, low-pay jobs argue that they cannot find workers among the native-born population, and the current level of available work visas is much too low to meet the demand.

In Minnesota, a large portion of foreign-born residents are also refugees or asylees. Refugees and asylees are initially granted temporary residency in the United States on the grounds that they are “unable or unwilling to return to [their native] country because of persecution or a well-founded fear of persecution. Persecution or the fear thereof must be based on the alien's race, religion, nationality, membership in a particular social group, or political opinion (Department of Homeland Security, 2009).” All refugees and asylees are subject to ceilings by geographic area set annually by the President in consultation with Congress and are eligible to adjust to lawful permanent resident status after one year of continuous presence in the United States.

4. Distribution of green cards, 2008



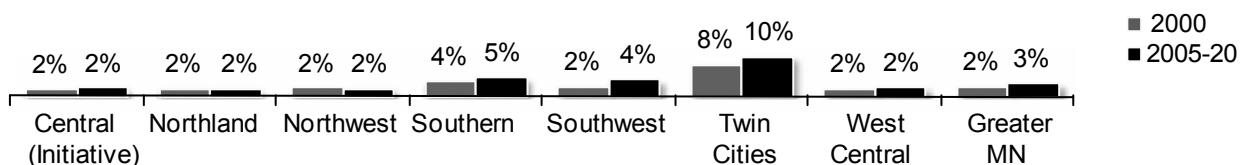
Source: U.S. Department of Homeland Security

Place of residence, family structure, employment status, and other socioeconomic characteristics

The diverse origins of Minnesota's foreign-born population – and their diverse reasons for coming to the United States – make it extremely difficult to generalize about the common characteristics of the state's immigrants.

U.S. Census and American Community Survey data indicate that most of the state's immigrants are concentrated in just a few geographic regions (primarily around the Twin Cities and a handful of rural communities).

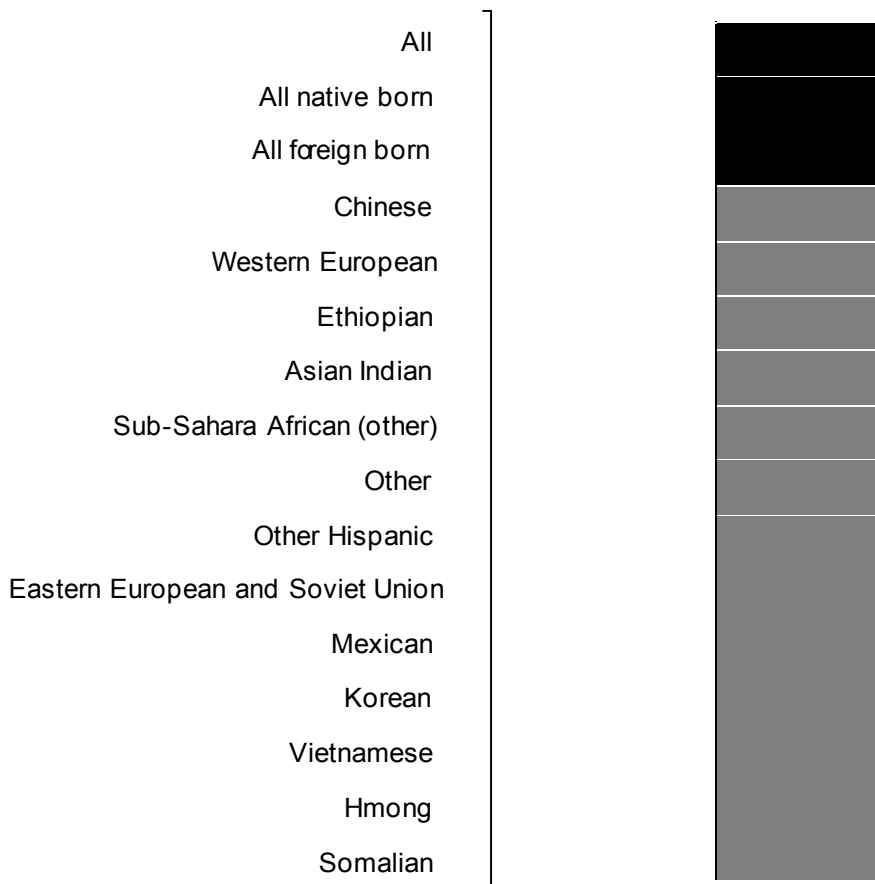
5. Percentage that is foreign-born by region Minnesota, 2000-2007



Source: MN Compass, compiled from: Integrated Public Use Microdata Series, American Community Survey

In addition, the census indicates that most of Minnesota's foreign-born residents are working-age adults between 18 and 65, and most of these adults (approximately 72%) are gainfully employed. In fact, foreign-born persons over the age of 16 have rates of employment that are almost identical to the general population.

6. Proportion of adults working



Source: MNCompass, compiled from: Integrated Public Use Microdata Series, American Community Survey 2005-2007.

According to the 2006-2008 American Community Survey estimates, Minnesota's foreign-born residents are also more likely to be married than native-born residents, and they often live in family households with several adult relatives and one or more children under the age of 18.

However, immigrants' income and educational levels defy easy categorization. Some immigrant subgroups are plagued by high levels of poverty and school failure, and others exhibit high degrees of economic and academic success.

Such disparities in wealth and education have important implications for a study such as this one. Immigrant populations in Minnesota clearly do not have a uniform impact on the state's economy, culture, and communal life. Therefore, an analysis of the issues related to immigration must deal with these important differences if it is to accurately reflect variations in need, resource use, and impact represented by different immigrant groups.

Economic effects of immigration

In recent years, there have been a number of new reports from government agencies, universities, and foundations, on the economic effects of immigration in Minnesota. Some of these reports have focused exclusively on the costs generated by undocumented workers who enter the state without legal authorization, while others have emphasized the benefits provided by immigrant consumers, workers, and entrepreneurs.

The existing analyses have had to rely on economic modeling techniques and national trend data. There is only limited information available on the real economic output and behaviors of the state's immigrant population. There are also no reliable estimates of the size of the state's undocumented population or the dollar value of tax contributions or wages for undocumented workers in Minnesota. Therefore it is nearly impossible to develop a convincing case for policy based on the facts alone.

Even if better data were available, the evidence suggests that it is extremely difficult to simply and accurately assess the economic impact of immigration either at the state or national level, since the costs and contributions of immigrant populations can vary greatly depending on the economic variables, agents, viewpoints, and timeframes one chooses to consider.

Some of the most important economic opportunities and challenges presented by the current wave of newcomers are reviewed in the following sections. While the evidence cannot accurately assess economic impact completely, it is clear that recent immigration to Minnesota has helped to support the state's economy in some ways, and placed a drain on its collective resources in others.

Deficits and challenges

Education

It does cost more to educate people without English proficiency. But if we get it right from the start (i.e., ESL and more, longer classes in Adult Basic Education), people will prosper. We see that in the refugee population that has made great gains in just one generation.

Representative of a Greater Minnesota philanthropic organization

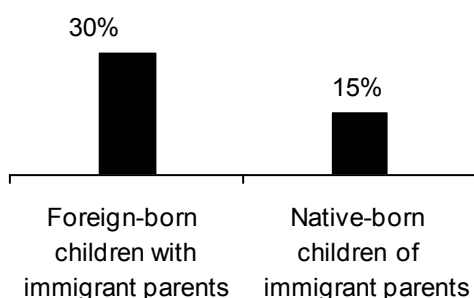
One of the most common charges leveled at immigrants is that they are a drain on the nation's public school system. In fact, foreign-born children still represent a relatively small portion of Minnesota's K-12 students. In 2008, fewer than 45,000 foreign-born children attended the state's elementary and high schools (about 5% of the total school

population). At the same time, the number of foreign-born students in Minnesota schools is growing more rapidly than the number of native-born students. Indeed, in many smaller rural communities suffering from population declines, it is the influx of immigrant children that has allowed struggling schools to remain open.

The presence of foreign-born children is also not distributed evenly across the state. The Twin Cities metro region and several rural communities, such as Worthington and Willmar, have school systems with unusually high concentrations of immigrant students, which can place a heavy strain on community educational resources. In the St. Paul Public Schools, which have some of the highest concentrations of foreign-born children in the state, 41 percent of the student body is enrolled in some type of English Language Learner program.

There are some significant costs associated with educating foreign-born children since many of them are not yet fluent in English and require special instruction. According to the Urban Institute, about 30 percent of Minnesota's foreign-born children have limited English proficiency. In addition, about 15 percent of the native-born children of immigrants have limited English language skills.

7. Limited English proficiency rates among Minnesota's foreign-born and native born children



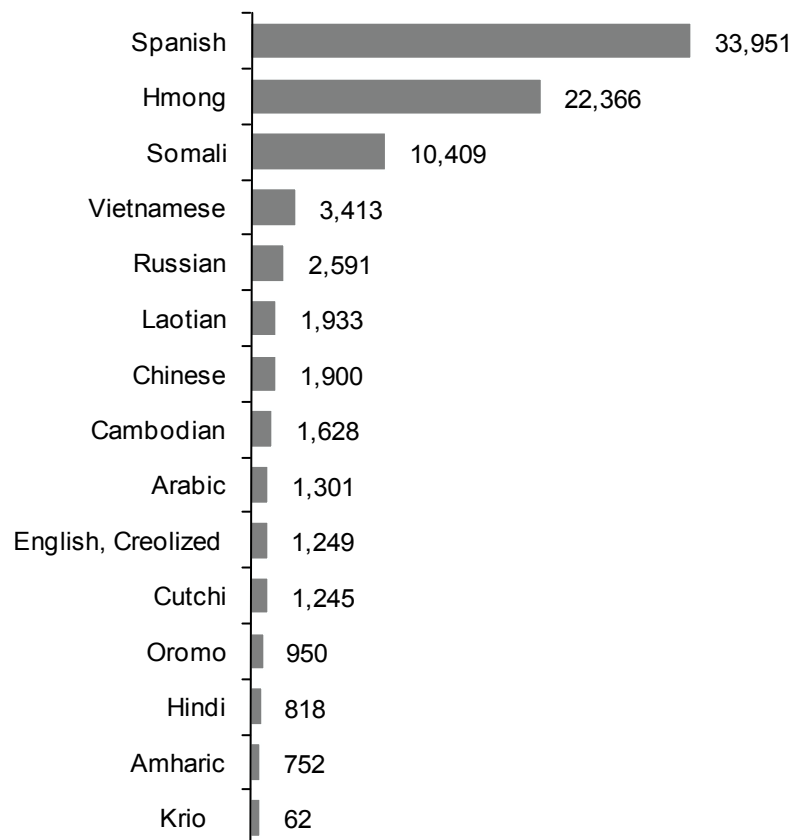
Source: Urban Institute's Children of Immigrants Data Tool, based on American Community Survey 2005-2006 estimates.

In Minnesota, schools receive at least \$800 per student in additional revenue for LEP students (\$100 in federal funding, and \$700 in state funding). However, many school districts with high concentrations of LEP students also receive special supplementary funds from the state, and most local school districts contribute significant amounts to their LEP budgets as well. As a result, the cost of LEP programming can vary significantly from school district to school district, and it is often much higher than \$800 per student. In 2008, the Minneapolis school system reported spending over \$10 million on programming for approximately 10,000 LEP students, or roughly

\$1000 per student.

Minnesota schools have also been challenged by the linguistic diversity of the state's foreign-born children, which can make it difficult to find teachers with the right skills and credentials to meet student needs.

8. Most common primary home languages, excluding American English



Source: MN Compass, compiled from Minnesota Department of Education Data, 2007-2008 academic year.

According to a January 2009 study featured in Education Week magazine, Minnesota is suffering from a severe shortage of qualified LEP teachers. The study found that during the academic year 2006-2007, Minnesota had a staggering LEP student-teacher ratio of 49:1 (i.e., there were 49 students for every certified LEP teacher). Nationwide, the ratio stands at 19:1. At the present time, many schools are relying on volunteers to provide extra support to LEP students, but it is clear that, as the LEP population of the state continues to grow, Minnesotans will need to invest additional dollars in teacher training and recruitment to meet foreign-born students' educational needs.

Health care costs and challenges

Many opponents of immigration also charge that immigrants (especially undocumented ones) consume a disproportionate share of the state's health care resources. However, there is little hard evidence to support this claim.

Since refugees tend to suffer from high rates of stress, trauma, and certain infectious diseases, Minnesota's Refugee Health program provides comprehensive health screenings and follow-up services to refugees entering the country for the first time, but much of the cost for these screenings is defrayed by federal funding for refugee programs. Additionally, approximately 50,000 noncitizens receive medical services through state public health programs such as Medical Assistance, MinnesotaCare, General Assistance Medical Care, and Emergency Medical Assistance. In 2005, the Legislative Auditor reported the total public health care costs of noncitizens in Minnesota came to approximately \$333 million dollars. However, such noncitizens represent only a small fraction (around 7%) of the total population using state public health programs, and they help fund these programs through tax revenues (see discussion of immigrant tax revenues on page 23).

9. Enrollment in Minnesota Public Health Programs, March 2005

Public Health Program	Total number of Individuals enrolled	Enrolled noncitizens	Noncitizens as a percentage of total enrollment
Medical Assistance	484,827	33,771	7%
MinnesotaCare	140,981	6,964	5%
General Assistance Medical Care	38,286	3,441	9%
Emergency Medical Assistance*	1,065	1,049	99%
Refugee Medical Assistance*	973	883	91% Other
Health Care Programs	32,843	5,498	17% Total
for all programs	698,975	51,606	7%

Source: Office of the Legislative Auditor, 2006

* Only non-citizens are eligible for refugee and emergency medical assistance. However, due to missing or inaccurate data, not all participants were identified as noncitizens.

Most national studies have shown that both documented and undocumented noncitizens use substantially fewer health care resources than naturalized citizens and native-born Americans. For example, one recent analysis by the Kaiser Family Foundation found that the average annual per capita health expenditures for a

noncitizen in the U.S. were just \$1,797 versus \$3,702 for the average citizen (Kaiser Commission on Medicaid and the Uninsured, 2009). Studies have also shown that even though noncitizens have less access to routine primary care than citizens, they are less likely to use the emergency room for their medical services. Instead, they tend to rely on low-cost safety-net providers, such as community clinics and federally funded migrant health centers (Kaiser Commission on Medicaid and the Uninsured, 2006).

In general, the more limited consumption of health care resources by immigrants is attributed to the many barriers they face accessing the traditional health care system – including relatively low rates of insurance, ineligibility for certain public health programs, and linguistic and cultural barriers which can make the health care system confusing and difficult to navigate.

In 2005, the Minnesota Department of Health’s Immigrant Health Task Force offered several recommendations for making health care in Minnesota more accessible to immigrants, including the recruitment of a more diverse health care workforce, additional cultural competency training for public and private health care providers, and more widespread use of trained interpreters and community health workers. However, finding the resources to make these improvements in the health care system remains a daunting challenge for both public and private health care providers.

Utilization of other public services

I think there should be more investigation and more research on if [immigrants] have been using more social, county, and public services. Some studies show that they are not the only ones who use the social infrastructure that is out there. I just don’t know if they all have access to these services.
Representative from a statewide Latino advocacy organization

Because certain foreign-born groups in Minnesota have extremely high concentrations of poverty, immigrants to the state do tend to make heavy use of some federal and state-funded anti-poverty programs. For example, in 2008, 6.8 percent of the foreign-born population reported receiving some type of cash assistance income from public programs, compared with only 2.8 percent of the state’s native-born population. Similarly, 12.8 percent of immigrants reported using Food Stamps in 2008 (versus only 4.7% of native-born residents), and 4.7 percent of immigrants received Supplemental Security Income (versus 2.5% of native-born Minnesotans).

However, it is important to note that very few of these benefits were claimed by undocumented immigrants, who are ineligible for most public welfare programs (see page 19 for more information on noncitizen benefits eligibility). Instead, much of the

foreign-born population's use of public assistance programs in Minnesota can be attributed to the many refugee groups that have resettled legally in the state. For example, in 2008 the two largest immigrant groups receiving Minnesota Family Investment Program (MFIP) or Diversionary Work Program (DWP) benefits from the state were Hmong and Somali refugees.

Such refugee groups frequently receive public benefits, not because of any unwillingness or inability to work on their part, but simply because they have difficulty finding living-wage employment that can support their relatively large families. This is clearly attested to by the fact that most Hmong families that received MFIP benefits in 2008 had at least one caregiver who was working part- or full-time. In fact, in December 2008, Hmong families worked more hours and earned more wages on average than any other racial, ethnic or cultural group receiving MFIP benefits (including white native-born Americans).

However, since many Hmong refugees have large families with several minor children, and they typically lack the language skills and educational background necessary to secure high wage employment, family wages were insufficient to meet basic needs. During a series of focus groups conducted by Wilder Research in 2003, Hmong and Somali welfare recipients expressed a strong and consistent desire to work more and depend less on welfare.

“I love my job and working is good. I want to work and show my kids I work and be a good role model,” said one Somali participant.

However, many of the immigrant focus group participants also reported that they were expected to find a good job without having the requisite knowledge and skills for an effective job search.

“It’s fair to be expected to work, but we don’t even know ABC, or where to drive to, and MFIP doesn’t understand our frustration,” reported one Hmong participant. “It’s not like we’re lazy and don’t want to work. We never ever have seen any alphabets in our country...I think it is fair for young, but it is not fair for old people who are not educated.”

Some Somali focus group participants also expressed a strong preference for independent self-employment and identified a need for help starting their own businesses. The main help they wanted was interest-free loans (shared-risk), since their religion prohibits charging or paying interest (Wilder Research, 2003).

While refugees – with their high levels of need and low levels of job readiness – represent a unique challenge to the Minnesota public service system, it is important to

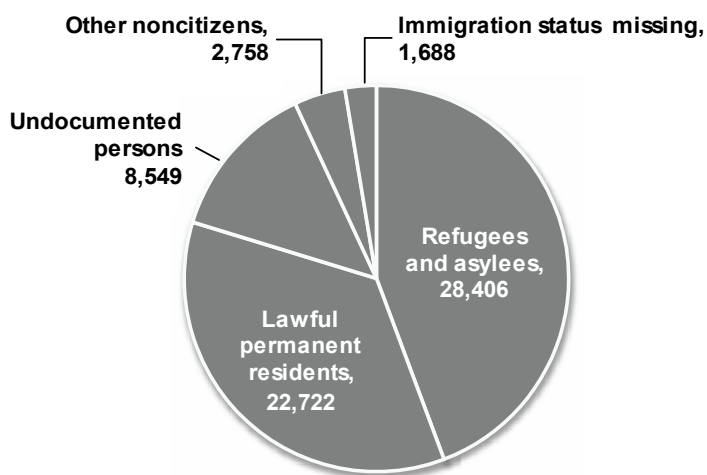
note that their numbers have been dwindling steadily since 2006, when the federal government placed new restrictions on family reunification visas for refugees.

Besides Hmong and Somali refugees, the largest immigrant group collecting public assistance appears to be Latinos. However, it is difficult to accurately measure the amount of public assistance provided specifically to foreign-born Latinos, since the Department of Human Services does not track or report the immigration or citizenship status of the Latino individuals it serves. Instead, it merely categorizes all Latinos (whether they are native or foreign-born, documented or undocumented) as “Hispanic.”

While refugees – with their high levels of need and low levels of job readiness – represent a unique challenge to the Minnesota public service system, it is important to note that their numbers have been dwindling steadily since 2006, when the federal government placed new restrictions on family reunification visas for refugees.

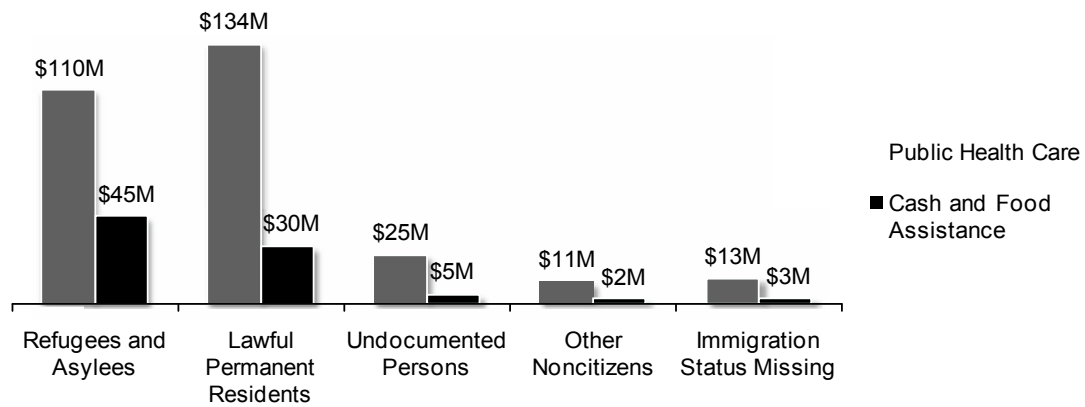
This system of categorization, which is shared by many state and federal agencies, is a major barrier to accurately assessing the impact that Latino immigrants may be having on the public welfare system.

10. Number of recipients of public health care and cash and food assistance among noncitizens in Minnesota



Source: Office of the Legislative Auditor's analysis of Department of Human Services data.

11. Public assistance payments to noncitizens in Minnesota, FY2005



Source: Office of the Legislative Auditor's analysis of Department of Human Services data.

Health Care and Cash Assistance Eligibility

Despite a common perception that immigrants drain public resources, noncitizen immigrants have limited or restricted access to most types of health care and cash assistance provided by the state and federal governments. Illegal immigrants and temporary residents who are designated as students, tourists or visitors are the most restricted, with access only to Emergency Medical Assistance and coverage of services through the end of pregnancy (MN House of Representatives, February 2006).

Most temporary legal residents do not have access to the Minnesota Family Investment Program, nor General Assistance. These individuals are able to access Minnesota Supplemental Aid, Food Support, and Emergency General Assistance. However, for these income-based programs, eligibility is determined using not only an immigrant's own income but also that of the immigrant's sponsor (family members or organizations that agree to financially support a noncitizen as a condition of their visa eligibility). In 2005, sponsored immigrants accounted for just 5 percent of those noncitizens receiving public health care (Office of the Legislative Auditor, April 2006).

Refugees and asylees are able to access several programs that other noncitizens may not. These include federally-funded cash assistance offered through MFIP and Food Stamp benefits. Additionally, families with children also have access to Medical Assistance, MinnesotaCare, and child care assistance. Refugees classified as childless adults under age 65 may access Refugee Medical Assistance (RMA) for up to eight months (MN House of Representatives, February 2006).

The rates of usage among noncitizens in Minnesota clearly reflect the level of access to public assistance for different groups. Figure 11 details dollars spent on health care and cash assistance to noncitizens in 2005. The total dollar amount spent on these programs for noncitizens in Fiscal Year 2005 was nearly \$400 million.

Challenges and costs related to public safety

Because of some of the special needs of some recent immigrants and groups in our town here, it has required extra efforts from any public servant.

Chief of Police in Greater Minnesota

There have been problems. At least 10 years ago we had episodes of gang organizing with Latino youth. And then more recently, we had an eastern European flavor of something that was going on in the neighborhood. It is not just Latino and Indian anymore, there is Bosnian, Somali and other Asian cultures. We had a murder this year of a Native American young man.

City Council Member, Northern Minnesota

For well over a century, sociologists have been generating theories about how immigrants' lack of opportunity and social disorganization makes them prone to crime. National public opinion polls also consistently indicate that many Americans believe immigration causes crime. However, there is very little solid evidence to support this claim. Instead, most empirical studies suggest that immigrants may be slightly less likely to commit criminal offenses than native-born Americans.

The Immigration Policy Center reports that in 2000, foreign-born men between the ages of 18-49 were five times less likely than native-born men to be in prison. More recently, a much cited study by the Public Policy Institute of California (PPIC) found that foreign-born persons, who account for almost 35 percent of California's overall population, represent only 17 percent of the state and local prison population.

The PPIC study is particularly noteworthy, since California not only has the highest immigration rate of any state in the nation, it also has a very high concentration of low-income Mexican immigrants (who are disproportionately likely to have entered the United States illegally and are therefore thought to be more likely to commit crimes). In direct contradiction to many people's expectations, the PPIC study found that noncitizen men from Mexico between the ages of 18-40 were eight times less likely than U.S.-born men in the same age group to be in a correctional setting.

While no similar analysis – directly comparing arrest or incarceration rates for immigrants and native-born persons – is available for the state of Minnesota, it does seem clear that statewide increases in immigration have not led to a corresponding explosion of criminal activity. In fact, despite the record numbers of immigrants arriving in the state in recent years, FBI Uniform Crime Reports indicate that Minnesota has been experiencing a steady decline in both violent and property crimes for several years.

Minnesota's crime rate in 2008 was the lowest it has been since 1969. Recent drops in crime have also occurred at the local level in many Minnesota communities with the high concentrations of immigrants, including Minneapolis, St. Paul, and Austin.

Some scholars, such as the Harvard University sociologist Robert Sampson, have argued that immigration may actually help to protect poor communities against high levels of crime, since first-generation immigrants tend to be highly motivated, have high levels of employment, and – if they are undocumented – have strong incentives to avoid getting in trouble with the law.

It may be that the popular belief that immigration threatens public safety is fueled by the fact that illegal immigrants sometimes play a prominent role in certain well-publicized criminal activities such as international drug dealing and human trafficking. In 2008, the U.S. Immigrations and Customs Enforcement agency and the Twin Cities Metro Gang Task Force made headlines when they collaborated on the arrest of approximately 50 immigrants thought to be involved in transnational gang activities, including drug trafficking and arms dealing. However, as the statistics cited above indicate, illegal gang activity is hardly typical in the immigrant population.

Many opponents of immigration also make no clear distinction between immigrants who threaten public safety by engaging in criminal activities (such as violent crime and property theft) and immigrants who are detained solely for immigration violations. Residing in the United States without proper authorization is a civil offense (like speeding), not a criminal one, and immigrants awaiting deportation hearings are supposed to be held in federally-run detention centers with less restrictive environments than most prisons and jails. However, a lack of adequate federal detention space has increasingly forced federal officials to house immigrant detainees in state and local correctional facilities, which are paid approximately \$80 per night for their services.

There are approximately 200-300 foreign-born persons now being held in Minnesota jails for federal immigration violations, and there is growing concern among some immigrant advocates about the unnecessarily restrictive conditions under which these immigrants are being held. At the same time, the federal funding available for immigrant detention is becoming an important source of revenue for many local corrections departments, which are confronted with both state and local budget cuts and declining criminal populations (Minnesota Public Radio, 2009).

The increasingly blurred lines between federal immigration enforcement and local law enforcement present an ongoing challenge for many of Minnesota's public safety officials, who worry that their collaboration with immigration authorities may erode their

ability to build strong relationships with members of the immigrant community.

“Local law enforcement should not have to take on the roles of local immigration officials,” commented one senior law enforcement official interviewed for this report. “The role of a peace officer is to see if people are victimized and protect them, not to enforce the rules of immigration.”

Potential effects on native-born workers' wages

According to some economists, a growing immigrant workforce is likely to depress wages for native-born workers. Indeed, one of the principal arguments threaded through the current discussion of immigration at the local, state, and national levels is the perception that foreign-born workers supplant the labor of native-born residents. The reality is that there may be a negative impact for those workers who are in most direct competition with the largest segment of immigrant labor. In Minnesota and nationally, that means that Americans with a high school diploma or less are most at risk of suffering wage loss or decline due to the influx of immigrants who are looking for work. These impacts may be felt most strongly in smaller communities, where employment options are decidedly limited. At the same time, in rural communities throughout Minnesota, employers in those industries that rely most heavily on immigrant labor – agriculture, meat packing, poultry processing and manufacturing – argue that they struggle to find applicants in the native-born population, despite offering competitive wages. Unfortunately, it is difficult to adequately assess each side's claim in this debate, since there is currently little, if any, well-targeted research quantifying how immigration affects the wages and job opportunities of native-born workers whose skills and interests most closely match those of the immigrant population. *For further more information regarding the impact of immigration for Minnesota's workforce, see Appendix B: Spotlight on Immigrant Labor.*

Assets and opportunities

From what I hear in other communities, many immigrant families and workers have revitalized our community by opening business, groceries stores, and other entrepreneurship. I think that they have contributed to the economic stability of this community.

Representative of a statewide Latino advocacy organization

It takes a real courage and strength for someone to leave one's homeland. Whether they are leaving because they are afraid of something or in love with someone or finding employment, I feel like there is a natural process that those who come have this great work ethic and great will to succeed. My opinion is that you end up with a natural class of hard working people, whether they are working on the low end or the high end. This is way America has become so strong. We have built off the background of that immigrant spirit.

Twin Cities Immigration Attorney

In general, foreign-born persons in Minnesota contribute to the state's economic growth in several distinct ways: as taxpayers, as entrepreneurs and consumers, and as workers.

Tax contributions

One of the most obvious ways in which Minnesota's immigrants contribute to the state economy is through the payment of taxes. Under current federal and state tax codes, any foreign-born person who works in the United States, regardless of their citizenship or legal status, must pay income and other taxes. Undocumented workers who lack social security numbers are taxed using an individual tax identification number (ITIN) assigned by the IRS. Nationally, the Urban Institute has estimated that as many as 55 percent of undocumented immigrants work for employers who deduct payroll taxes using the ITIN system (Fennelly, 2008).

Unfortunately, it is extremely difficult to reliably estimate or measure the state and local tax revenues generated by the state's immigrants, since the Minnesota Department of Revenue does not collect information on the immigration or citizenship status of income tax filers. Nevertheless, some economists have attempted to make rough estimates based on census data and certain basic economic assumptions about tax rates. (For example, they generally assume that immigrants will pay relatively low income tax rates, since a sizeable percentage of immigrants work in low-wage occupations.)

In his 2000 study of Latino workers in rural Minnesota, the economist James Kielkopf estimated that Latino workers from Southwest Minnesota alone generated about \$45 million annually in state and local taxes. More recently, Concordia University economist Bruce Corrie has estimated that immigrants and other minorities generate approximately

\$60 million annually in state and local income taxes (Corrie, *Ethnic Trends*, 2007).

At the federal level, foreign-born persons pay billions of dollars in income, Social Security, and Medicare taxes each year. The Social Security Administration estimates that undocumented workers alone contribute approximately \$8.5 billion in Social Security and Medicare taxes each year, and the unclaimed Social Security payments from their taxes now equal almost \$600 billion. Figures such as this one have led most economists to conclude that – at least at the Federal level – immigrant workers pay more in taxes than they get back in public services (Fennelly, 2009).

Entrepreneurship and consumption

Immigrants also make enormous contributions to Minnesota's economy through their consumption of goods and their entrepreneurial business activity. According to the Selig Center at the University of Georgia, immigrant and minority consumers in Minnesota buy approximately \$12.8 billion in goods and services each year, with Asian Americans and Latinos alone accounting for over \$7 billion in purchases annually. The Center also reports that since 1990, Minnesota has had the ninth-highest increase in the country of buying power among its Asian residents, and the eighth-highest increase of Hispanic buying power, suggesting that immigrant consumption will only become more important to the state in the future.

Approximately 3 percent of Minnesota's businesses are also owned by immigrants. As of 2002, there were 7,700 Asian businesses and almost 4,000 Hispanic businesses operating throughout the state, and annual sales from these businesses exceeded \$2 billion. The state's immigrant entrepreneurs have opened everything from ethnic restaurants to high-tech medical firms, generating thousands of new jobs and hundreds of millions of dollars in net income for residents of the state. In his 2000 study of the state's immigrant entrepreneurs, Robert Fairlie estimated that such businesses generated approximately \$331 million in net income, but the number of immigrant businesses in the state has grown significantly since then, so the actual figure may be much higher now.

In many Minnesota communities, immigrants' entrepreneurial activities have also helped to revitalize struggling neighborhoods and downtown areas. For example, the new Latino and African businesses which have proliferated along Minneapolis's Lake Street in recent years have played a significant role in revitalizing the midtown region of Minneapolis, while new immigrant restaurants and retail stores along University Avenue have helped to create a popular new "ethnic corridor" in downtown St. Paul. The St. Paul Neighborhood Development Center reports that, as of 2002, 138 immigrant-owned businesses had created 386 new jobs, and spent \$5.6 million on payroll, rent, supplies and other expenses (Fennelly, 2008).

Workforce contributions

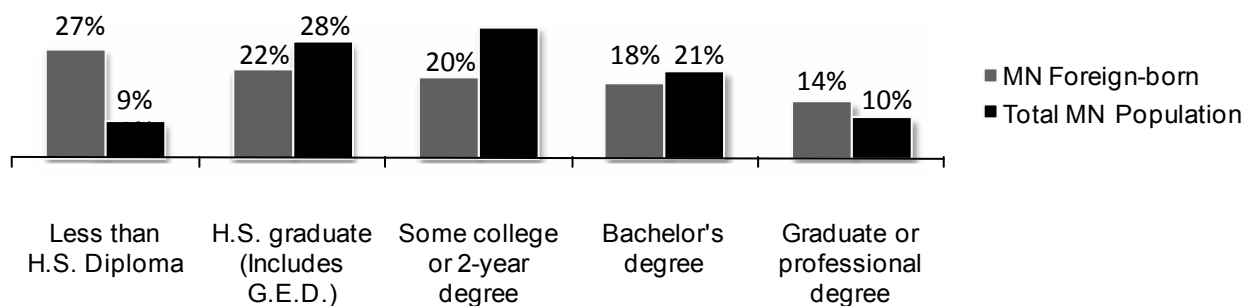
I'm focused on the impending entitlement crisis. The retiring boomers, not enough people out there to pay into the system in order for things to get close to balancing. I have said on a number of occasions that we need immigration in order to get people working in order to pay social security taxes, to keep us at least partially solvent.

Nonprofit agency director

While the proportion of Minnesota's workforce that is foreign-born has steadily increased since 1990, rates are still much lower than for the U.S. as a whole. In 2008, 6 percent of Minnesota's labor force was comprised of workers born outside the U.S., compared with 15 percent of the national workforce (American Community Survey 2008 population estimates and U.S. Bureau of Labor Statistics).

In two important aspects, however, Minnesota's foreign-born workforce mirrors that of the U.S foreign-born workforce as a whole. Immigrant workers are concentrated at the very low- and very high-skill ends of the job spectrum, and they are disproportionately young, most falling in the 25-45 age range (MN Dept. of Admin., 2005). The figure below shows the percentage of Minnesota's foreign-born workers by level of education.

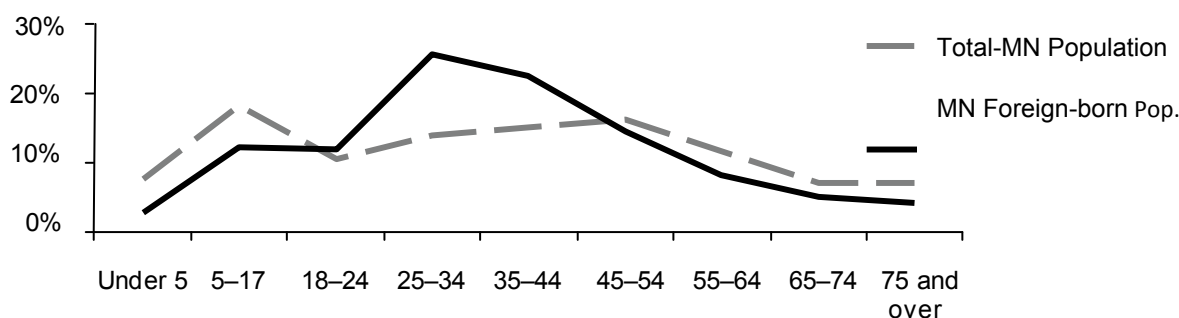
12. Educational attainment, Minnesota's foreign-born adults



Nearly 50 percent of working-age immigrants have no education beyond a high school diploma, compared with just over a third of the total adult population of Minnesota (37%). According to the Minnesota Chamber of Commerce, these immigrants fill critical "gaps" in the state's workforce – accepting labor-intensive, low-paying jobs in agriculture, manufacturing and a variety of service industries. Such jobs may be less attractive to native-born workers because, by and large, they have greater levels of education, skills, and resources that connect them to better-paying occupations.

The relative youth of most foreign-born workers also appears to address some of the state's emerging workforce needs. When compared with Minnesota's total population, the age distribution of the state's immigrant population contrasts sharply, clustering, as noted, around the working years of ages 25-44 (see Figure 13 below).

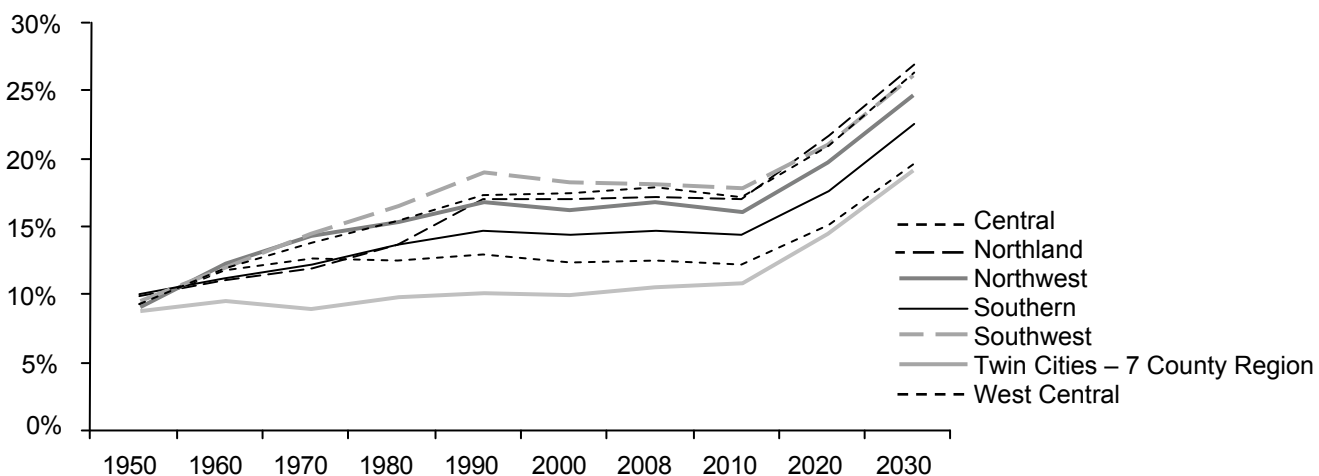
13. Age distribution of Minnesota's foreign-born population



Source: American Community Survey 2006-2008 3-year estimates.

Meanwhile, Minnesota's population is trending toward a greater "dependency ratio" – or a greater proportion of older adults who are not of working age (see Figure 14 below). Consequently, industry leaders are looking to immigrant populations as a key source of labor.

14. Minnesota's aging population, by region



Source: MNCompass, from: Minnesota State Demographic Center, U.S. Census Bureau, Decennial Census, and U.S. Census Bureau, Intercensal estimates.

The need to supplement Minnesota's workforce – just over the horizon as the baby boomers begin retiring – creates a need in key industries and occupations. A high rate of education among native-born Minnesotans means that there will likely be a persistent need for low-skilled workers in coming years. As aging baby boomers increase their use of health care services, there will be a need for low- and high-skill workers to fill positions in this industry.

Specifically, service occupations within health care that require relatively low skill levels, such as personal and home care aides and home health aides, will see the highest job growth of all occupations by 2016 (Minnesota Employment Review, June 2008). Rates of training and employment in health care related fields are increasing among immigrant groups, and are one example of how immigrants often find niches to fill in the labor market – concentrating their labor in the areas of greatest need.

Consistent with labor needs in health care, Minnesota's Department of Employment and Economic Development projects that industries expected to see the greatest growth between 2006 and 2016 are concentrated in both high-skill and low-skill fields.

The two largest major occupational groups in Minnesota – professional and related occupations, and service occupations – will increase the fastest and add the most jobs in Minnesota from 2006 to 2016. These two major occupational groups, which tend to have occupations at the opposite ends of the educational attainment and earnings range, are projected to account for more than two-thirds of all employment growth over the next 10 years.
Minnesota Employment Review, June 2008

As immigrants are concentrated at the high- and low-skill ends of the occupational range, Minnesota's projected job growth fits well with current characteristics of immigrant workers – both with and without legal residency in the U.S.

Some of Minnesota's largest occupations, in terms of the number of jobs, are expected to shrink by 2016, despite continued prominence in the state's overall labor force. Some of these jobs, such as stock clerks, order fillers and hand packers, require less training and, thereby, may represent lost opportunities in industries typically employing a large proportion of immigrant workers. DEED's projected decline in the need for farmers is noteworthy as we consider trends in immigrant labor. The decrease in demand for farmers is surely not associated with a decline in the need for food production; instead, it is likely a symptom of increasingly mechanized agriculture, which may shift labor needs away from farmers to food production workers.

In addition to health care aides, many of Minnesota's high-growth industries that are expected to add the most jobs align with the low-skilled characteristics of select

immigrant populations (particularly refugees and asylees, and undocumented workers from Mexico and South America).

15. Employment projections for high-growth jobs, 2006-2016

Job type	Projected number of new jobs	Projected percentage job growth
Personal and home care aides	17,675	60%
Home health Aides	11,688	47%
Landscaping and grounds keeping workers	2,920	19%
Combined food preparation and serving workers	10,080	17%
Janitors and cleaners	6,262	14%
Maids and housekeeping cleaners	3,435	13%
Nursing aides, orderlies, and attendants	3,591	12%
Child care worker	3,237	11%
Food Preparation workers	1,455	11%
Waiters and waitresses	N/A	10%

Source: *Minnesota Employment Projections, 2006-2016, Minnesota Department of Employment and Economic Development, as reported in Minnesota Employment Review, June 2008.*

While it is helpful to consider the growth rates and numerical increases in occupations, these figures do not offer a complete picture of the job opportunities that will exist in Minnesota's future. The Minnesota Department of Employment and Economic Development offers figures related to the net gain in occupations, which is a measure of the expected openings, considering the expected rate of job departure within an occupation. Among the occupations with the "most net replacement openings" in Minnesota by 2016 are cashiers, waiters and waitresses, retail salespersons, hand laborers and freight, stock and material movers, combined food preparation and serving workers, janitors and cleaners, and child care workers. These occupations, all relatively low- paying and requiring little formal training, fit with the characteristics of those immigrant populations that are most limited in their access to legal residency.

All-American Dairy...or not?

Never would I have imagined, nine years ago when I started, that immigration is something that I would be focusing my time on. [...] About half of the cows that are milked in Minnesota are milked by someone of Latino decent. Farmers feel that there are no Minnesotan's left to do this work and to put in a good day's work for a day's pay. *Representative of the Minnesota dairy Industry*

The Dairy Industry has changed. Just ask Bob Lefebvre, President of the Minnesota Milk Producer's Association. For Lefebvre and the Minnesota dairy operations he represents, immigration has become a surprisingly important issue in recent years. Citing out-migration of young people from Minnesota's rural areas to more urban settings, and the difficulty of dairy work, Lefebvre explains that one of the state's mainstay agricultural industries is having a harder time finding workers.

Milk producers across the state have increasingly relied on the labor of Latino and European immigrants. The changing face of the dairy industry is just one facet of a sea-change in the way farming is done in Minnesota – including the mechanization of farming and the increasing reliance upon wage labor on farms both large and small. The U.S. Department of Agriculture reports that, in 2007, there were 507 farm operators of Spanish, Hispanic, or Latino descent in Minnesota. While ownership of agricultural operations is still largely white, farm operators are increasingly diverse in terms of race and national origin.

Overall assessments of economic impact

Clearly, any attempt to provide broad generalizations about the economic impact of immigration in Minnesota is quickly confounded by a variety of questions and pre-conditions. Which immigrants are we discussing? What countries are they from? What are their immigration status, educational background, skill level, and degree of

assimilation, and how do these factors affect their potential positive or negative impact on various native-born groups?

In 2006, the Minnesota Legislative Auditor attempted to address many these questions and gauge the overall economic impact of immigration on the Minnesota economy and labor force. Later, in 2009, University of Minnesota economist Kathleen Fennelly and her colleague, Anne Huart, prepared another report on the economic impact of immigration. Both reports reached similar conclusions. Despite acknowledged

limitations regarding data quality and source material, they found that the net economic effects of immigration on the state were positive, although clearly more positive for some groups and communities than for others. Specifically, the reports noted the effect is more positive for educated workers who may see increased job opportunities associated with general population and economic growth. It is more negative for workers with a high school diploma but no advanced training, who may suffer a decline in wages in areas with a high concentration of immigrant workers. Both reports conclude that the economic benefits of immigration will probably become more pronounced and widespread in future years, as labor force pressures become more intense and current immigrant groups become more integrated into the social and cultural fabric of the state.

The material reviewed for this report suggests similar conclusions. It is clear that the foreign-born population makes important short- and long-term contributions to the economy in their capacity as taxpayers, workers, consumers, and entrepreneurs; but, it is equally apparent that some immigrant groups consume a disproportionate share of public resources and place a significant burden on the schools and public institutions in their communities.

As we shall see in the remainder of this report, the calculus of immigration becomes even more complex when one begins to consider the social, cultural, and policy implications of trying to integrate newcomers into Minnesota's small towns and rural communities.

Social and cultural effects of immigration in Minnesota

In addition to their economic impact, immigrants to Minnesota have a profound effect on the social and cultural life of the state's communities. Most of the key informants interviewed for this study strongly emphasized the positive social and cultural contributions that immigrants make to Minnesota's communities, but a few also expressed concerns about the potential for competition and tension between newcomers and more established groups.

Beneficial effects: increased cosmopolitanism and revitalized communities

The value of a more “cosmopolitan” Minnesota was one of the strongest cultural contributions that emerged from key informant interviews, as illustrated below.

I think the quality of life has improved with the arrival of immigrants of all shapes, sizes, and colors. I think the Hmong, Somali, and Mexican populations have all enriched our communities. They all bring a new flavor to “white bread” Minnesota and I think it is beneficial on a lot of different levels, including social and economic. The town I grew up in South Dakota as a kid, [there was] one African or Native American in our entire school, versus the situation with my son who grew up here in the Twin Cities and who has experienced so much cultural diversity. I think it was a privilege for him to have this opportunity.

Representative of the Minnesota agricultural industry

Life is more interesting. [Immigration] has made the Twin Cities more cosmopolitan. By having people from different countries it really gives Minnesota a view of the world. Bringing in different cultures really diversifies us as a state. It has really made us more tolerant as a community.

Leader of a Twin Cities-based family services agency

I think we have not yet seen the real effect or the real benefits of this. I think that they are still to come. I believe that the benefit is seen through our children.

They are growing up in a more diverse community..... I'm hoping that our children, with the benefit of growing up in a more diverse community, will see and appreciate people for who they are and not for where they came from or their skin color.

Representative of the Minnesota food growers

Many stakeholders also praised the “revitalizing effect” that immigrants are having on previously endangered towns and neighborhoods. Throughout Minnesota, from the Twin Cities to small towns like St. James and college towns like Moorhead, immigrants are changing the face of community life. One of the most obvious changes that immigrant populations have brought is a strong entrepreneurial spirit, resulting in new commercial enterprises. Global markets, ethnic restaurants, and specialty shops can be found in what were formerly depressed and decaying downtowns. School districts with dwindling student populations – both rural and urban – are revitalized when new immigrants repopulate their classrooms. Local industries stay rooted in their home communities when an immigrant workforce keeps them viable. While struggles presented by language and cultural barriers mean that these changes are not always easy, there is strong agreement across Minnesota’s state and local leaders that immigrants have given new life to countless

neighborhoods and small towns.

Immigrants have also been credited with improving overall community conditions by helping localities attract outside funding, and by promoting civic engagement. Because of the unique needs of many immigrant populations, and many of the challenges and opportunities outlined in this report, grant makers are often attracted to the possibility of investing in communities which boast high levels of diversity, or which are struggling to meet the needs of underserved populations. Nonprofit agencies and volunteer opportunities generally flourish in immigrant-rich communities, which may explain the increase in overall civic engagement that many stakeholders attribute to an increased immigrant presence.

The data on increased civic engagement and grant making related to immigration is scarce, and the picture of immigration's impact in Minnesota would be much enhanced by further research on this topic. However, the Minnesota Council of Nonprofits and HACER joined forces in 2000 to produce a survey of Latino-serving nonprofits in the state. Finding about 60 such organizations, the report credits these nonprofits with the emergence of services related to: arts and cultural activities, community building, education services, environmental services, human services, medical/mental health services, legal services/advocacy services, recreational activities. The most significant portion of nonprofit services directed toward the Latino community is related to providing education and human services, and community-building assistance (HACER and MN Council of Nonprofits, 2001).

Negative effects: conflicting values and identities

The views represented above, however, do not tell the whole story about immigration's impact on the cultural and social life of Minnesota's communities. Key informant interviews also exposed concerns about needed resources, the deterioration of national and local identities, potentially conflicting values, and key cultural differences. These views represent a sense of the challenge represented by the current wave of immigrants and the values that may be compromised by their integration into Minnesota communities. These ideas are illustrated in the responses shown below.

In southwest Minnesota there has been some tug and pull. There are many significant benefits to having immigrants in our workforce and contributing culturally. But we do see some tension in the community because things are not turning around quickly. We have made plans that draw a lot of immigrant workers. Worthington has gone from having no Burmese families to having 30 and this happened overnight. They need resources to connect these immigrants to the community. Language barriers need to be responded to. Communities cannot react quickly enough to this and this causes tension. There is also tension around some of the ways the community is changing. There are a lot of bright spots, but some prevailing tension.

Representative of a rural community and economic development agency

Racism and fear are big obstacles here. There is always a group that we seem to be afraid of and there seems to be a mindset among certain people that say or do things that will not help.

Representative from a regional philanthropic organization

If you go back a couple of decades or more, the immigration of those immigrants was by definition very difficult. But the expectation was that immigrants would accommodate to the mainstream culture, as opposed to the other way around. By definition, every group that has come here has defined, amended, the culture in the U.S. since the 1960s starting from the assumption that the United States is not a very decent place, specifically for Latinos, and that the U.S. is ultimately imperialistic. We don't expect new groups to Americanize themselves in the same way they used to. While the new approach may be more sensitive, I don't think it necessarily leads to a stronger culture and a stronger nation.

Nonprofit agency director

For those who place a high value on the preservation of what they see as cultural traits, values, and standards that are uniquely American, the value of diversity and difference is less important than protecting key cultural ingredients like language and mores, as well as local, state and national resources. This perspective can make it difficult for groups to engage in conversations related to immigration at the community level because so much of the dialogue focuses on whether or not to maintain experiences that are familiar and comfortable. Focusing on integration is easier for those who place a high value on diversity, and who approach the issue of immigration as one that is principally about improving relationships across lines of cultural difference.

While this latter view is more prominent among our key informants, it is worth noting that the study attempted to identify key informants who might also offer insight into a more restrictionist approach to immigration, such as state legislators who have authored bills focused on enforcement and monitoring, representatives from immigration enforcement agencies, and leaders of state organizations working to limit immigration. We also asked each interviewee to identify someone who could offer a

contrasting perspective to their own. Despite these efforts, we had little success in contacting individuals who expressed the need for greater enforcement of current immigration laws, or increased limitations and requirements related to immigration. This is, by itself, an interesting finding, suggesting significant concern among some individuals that the expression of anti-immigration views may not only be unpopular but even unacceptable among certain leaders, policymakers, and academics throughout Minnesota's communities.

One strategy that is being used in some Minnesota communities to bridge cultural divides is the creation of “diversity coalitions.” Such coalitions may involve many different types of organizations, and they may take many different forms, but they generally share the goal of working to promote improved relations between foreign-born and U.S. residents. In 2007, immigration scholars Downs Schwei and Fennelly conducted a census of diversity coalitions in rural Minnesota and found evidence of 50 different programs and initiatives, including programs focused on recreational and educational agendas, community educational forums, community festivals, civic engagement campaigns, and human rights commissions.

Downs Schwei and Fennelly found that the diversity coalitions they surveyed were generally effective in engaging immigrant leaders and serving their needs. However, they highlighted the need for “more intentional and focused attention to the education of white, U.S.-born residents. In most communities, cross-cultural work is focused on services for immigrants, without recognition of the ways in which the attitudes of U.S.-born residents facilitate or impede these efforts. Indeed, for all the conversation about the need for immigrants to assimilate, very little attention is paid to the lack of policies that actually promote integration” (Downs Schwei and Fennelly, 2007).

Findings such as these only further highlight the urgent need for the creation of new, non-partisan “safe spaces” and public forums, where genuinely open cross-cultural debate on the opportunities and challenges of immigration can occur.

Rural Minnesota

In Long Prairie, 50 percent of the kindergarten class was non-English speaking. If the schools didn't have these immigrants, their numbers would be dropping and people would lose their jobs. But, instead, the schools are growing and maintaining their size. [...] The immigrants, in Long Prairie and Melrose, have really made these communities grow. These people are making money and buying houses, paying rent, and opening businesses. Over the long term, immigration has always enriched us as a country. We are going to need immigrants for our workforce – we need good, well-educated people. In the past it took a generation or two; now we hope to do it more quickly.

Representative from a rural community and economic development agency

This section highlights the impact of immigration in Greater Minnesota. Outside the seven- county metro region, Minnesota boasts its own kind of diversity: towns of varying sizes, regions with economies defined by the resources offered by the natural environment, and – in some towns – increasing numbers of people who were born in a foreign country, who have found their way to smaller cities and towns throughout the state, for work or to reunite with friends and family. The diversity of many of Minnesota's small towns challenges the perception of rural communities as homogenous and unchanging; indeed, most of Greater Minnesota has weathered a dizzying array of transformations in recent decades.

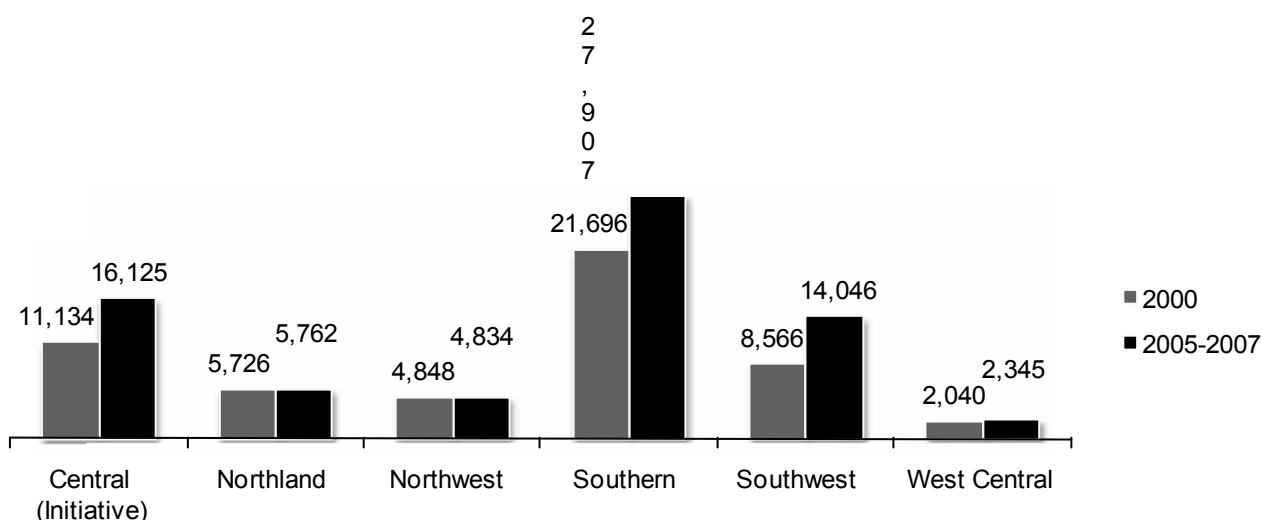
Changing economies

Minnesota's rural regions have seen a great deal of demographic and economic transformation since 1980. While the shape and focus of regional economies has changed across the board, the social implications of such trends as the consolidation of agriculture and the contraction of the mining industry have varied both within and across regions. Those areas with economies rooted in agriculture have seen the most significant increases in foreign-born populations since 1980, when migrant laborers began settling out of the migrant stream in towns throughout Southern and Western Minnesota. The migration of meat-packing and poultry-processing industries to rural communities has fueled much of the influx of immigrants. Additionally, the shift toward a more mechanized system of agriculture has drawn young immigrants to many southern and western communities in rural Minnesota. In the southern and western regions of the state, economies rooted in agriculture and food processing have drawn large numbers of immigrant newcomers over the last three decades. Seasonal workers are needed for planting and picking large-scale crops such as sugar beets, corn, and potatoes, and for production and canning work that happens after the produce leaves the field.

This work – steady but taxing, and accessible for workers with limited English speaking ability and low levels of education – comprises much of the low-wage labor in rural Minnesota. In fact, in western Minnesota, where Minnesota’s low-wage workers are concentrated, low-wage work (paying less than ten dollars per hour) comprises nearly half of the job opportunities (Hammida and Casale, 2002).

It is in the “declining resource-dependent” regions of Southern and Western Minnesota that the strongest patterns of demographic shift can be seen, with emerging communities of immigrants replacing out-migrating and aging white populations. These emerging groups of newcomers are reversing the currents of rural decline that might otherwise have led to atrophied health care and education services, and the loss of key economic engines that drive job creation for more skilled workers (Kielkopf 2000, Geller 2008).

16. Foreign-born population by Greater Minnesota region, 2000-2007



Source: MNCompass, compiled from: Integrated Public Use Microdata Series

Increasing diversity

What I tell groups is this: If your town is going to keep growing, it's going to be through people who don't look like you. And that tends to be the rule, especially in agricultural areas. In some cases people don't know how to welcome newcomers to their town. Despite that, they are opening new businesses and bringing their families. This is definitely a growth area. If towns are going to be successful, they will find economic and social development strategies that encourage peoples' transition.

Research policy analyst, Greater Minnesota

Communities such as Worthington, Owatonna, Willmar and Moorhead share the struggles and opportunities that stem from rising proportions of foreign-born residents and their children. Latinos (mostly first- and second-generation immigrants from Mexico, but also newcomers from Guatemala, El Salvador, and Honduras), East Africans (mainly, first- generation Somali refugees and their families), and Southeast Asians (mainly Hmong and Laotian refugees) have been recruited to rural communities throughout the region to fill the low-paying jobs offered by the key industries mentioned above.

In Southern Minnesota, one-third of the workers in food manufacturing are Latino; clearly, this population plays a vital role in the well-being of this industry. Keilkopf (2000) estimates that Latinos add nearly \$500 million to the economies of South Central Minnesota, through their labor force contributions, their spending as consumers, and the increased demand by employers for regionally-supplied goods and services. The work of Latinos in this region also indirectly supports a demand for more than 7,800 non-Latinos in companies that gain business from those industries that employ Latinos in the largest numbers. Kielkopf concludes that, after considering direct and indirect expenditures and revenues related to Latinos in the workforce in South Central Minnesota, the benefits outweigh the costs by a ratio of about two to one.

While many acknowledge the economic benefits that immigrants have offered to the towns they call home, there are also significant difficulties associated with meeting the needs of populations that are decidedly different in terms of family structure, cultural and linguistic characteristics, and sometimes legal status in the United States. Additionally, because so many of the immigrants in rural Minnesota are employed in low-wage and/or seasonal work, rates of poverty are relatively high, and accessing medical care can be quite difficult. The special needs of these populations have combined with the limited resources of many rural host communities to create unique challenges for small and mid- size towns throughout the state.

Integration, community & infrastructure

The family that we are working with now – the children are acclimating and doing well in school, but the parents are not making any progress. We have worked with a lot of families like this and eventually the aid runs out and then what do you do? [...] It is hard to figure out where the resources can come from when these people are having such a difficult time.

City Council Member, Northern Minnesota

In parts of rural Minnesota, where foreign-born populations have been growing steadily

since the 1990s, immigrants face a climate that is different from Minnesota's urban areas in terms of social and economic resources available, and the constellation of relevant services. In the rural regions of the state, resources designed to meet the unique needs of immigrants are in shorter supply than in urban areas (Ancheta, 2007). Further, there is evidence that native-born residents in rural communities are more likely to hold negative views of immigrants, including perceptions of the foreign-born as less-hardworking and a "burden" on the country's labor market and infrastructure (Fennelly and Federico, 2007).

Education

In an era of declining education funding across the nation, at a time in which rural schools are facing aging populations, dwindling support for levies to supplement shrinking budgets, the loss of schools in small communities to the trend of consolidation, and the emerging practice of distance-learning and four-day school weeks, there is little doubt that rural schools face daunting challenges over the coming years (Center for Rural Policy and Development, April 2009). However, for many school districts, these difficulties are accompanied by astounding demographic shifts in school enrollment. Students of color are enrolling in increasing numbers, while the proportion of white students has been declining (Downs Schwei and Fennelly, 2007). While growing foreign-born populations often buoy rural school districts, these students also pose special challenges for school districts that are often not accompanied by state- or federally- provided support. A particular challenge for rural districts with high concentrations of immigrants is related to the needs of English Language Learners.

Challenges & Opportunities

Increased demand for health care and education services by newly arrived immigrant families has opened access to state and federal revenue streams for local communities, while also offering more job opportunities for highly-skilled workers, and a pool of immigrants which may fill demand for less-skilled jobs in these key service areas. This is especially true for health care in rural communities, as populations age and the need for health care workers increases dramatically. However, though increasing diversity offers valuable opportunities to supplement an aging workforce and to access important state and federal coffers, communities experiencing an influx of immigrants have faced significant challenges to integration. There is no doubt that rural communities such as Austin, Rochester, and Willmar have struggled to redefine community in the wake of so much demographic change. But the impact of immigration is not typically a "phase" that communities experience, and then recover from. Instead, increasing diversity related to immigration is a trend that will likely find its way into *all* of Minnesota's communities in the coming years. Thus, those communities that have already struggled to meet the

challenges associated with emerging populations of immigrants provide important lessons for communities throughout the state in how to prepare to meet the challenges of a new kind of community development. The following case study of Willmar illustrates both the challenges and lessons learned about effective community responses.

Willmar, Minnesota: Growing through diversity

As most everybody has noticed, the make-up of Willmar has changed, some may view the changes as positive, some not so positive. However, we cannot ignore the fact that it has changed. Willmar has not been the first community to see these changes; many communities throughout the state are experiencing these same changes. You'll notice the population growth since 1990 to 2000, the minority population more than doubled and in the city of Willmar, I can safely say we have approximately 5,000 Latinos and at least 1,000 Somalis.

Lourdes Schwab, Willmar Area Multi-Cultural Marketplace Coordinator⁵

Like many small cities in rural Minnesota, the face of Willmar has changed significantly in the past twenty years. Willmar, a town of approximately 20,000, is a regional hub located about two hours west of Minneapolis. Willmar has historically been home to a seasonal population of migrant workers, but has only been “home” to communities of non-whites for the past 20 years. Like many towns experiencing increased diversity, the first newcomers were Spanish-speaking Latinos coming directly from Texas and Mexico, many of whom were “settling out” of the migrant labor stream. As the Latino community grew, drawn in part by the recruitment efforts of the local turkey-processing plant, Jennie-O (now “Jennie-O Turkey Store”) and in part by families seeking to reunite, tensions within the community surfaced. Schools were sorely unprepared to serve Spanish-speaking families, affordable housing swelled to overflowing, trailer parks became racially-marked “eyesores” and, ultimately, socially marginalized “danger zones” that local police were reportedly hesitant to patrol (Green, 1994).

Today, two decades after the Latino community began to make Willmar home, diversity continues to be a work-in-progress for community members – both in terms of continued in- and out-migration and in terms of the process for negotiating social and cultural differences within a context of constant change. The Latino community is much more established, and local leaders in business, education, human services, and the faith communities have incorporated multiculturalism into their long-term visions at the organizational and community levels.

Economic Development

As Lourdes Schwab indicates in her presentation for the Willmar Area Multi-Cultural Marketplace, the percentage of non-whites in Willmar (including Latinos) is now estimated at greater than 25 percent. Cameron Macht, Regional Analyst for the Minnesota Department of Employment and Economic Development, expects that the diversity in Willmar will continue to increase and, correspondingly, the community will continue to enjoy economic success:

The Willmar area saw positive changes in all race and origin categories, including rapid growth in persons of Hispanic and Black or African American residents. Kandiyohi County was home to the sixth-largest Hispanic population in the state of Minnesota, behind five counties in the Twin Cities metro area. The area Hispanic population is expected to more than double (128%) between 2000 and 2030. This growth helps the Willmar area continue to provide a diverse group of available consumers to local businesses, as well as an available labor force to local employers. Growing diversity is valuable to employers meeting customer demands and creating innovative ideas. (Macht, 2006)

In addition to a substantial Latino population, Jennie-O has, in recent years, drawn into Willmar a growing number of East Africans, mostly coming from the large community of Somali refugees in the Minneapolis-St. Paul metro area. In 2008, Willmar Public Schools reported a limited English proficiency rate of 15 percent. Recorded minority enrollment increased from 455 in 1990 to 1,478 in 2006 – an increase of more than 300 percent (W.A.M.M., 2007). In 2004, the Willmar School District minority population made up nearly 30 percent of the total number of students in the district (Leuzie, 2004), with significantly higher proportions of minority youth concentrated in the elementary schools.

Without the surge in the Latino and Somali populations, the common rural trends of youth flight and retiree influx would threaten to cripple this small city. Instead, the young newcomer populations have expanded school enrollment, bringing in more than \$7 million in funding to the Willmar Public School District (W.A.M.M., 2007). The workforce has been substantially bolstered by Latino and African newcomers, which has also served to support local infrastructure and attract additional businesses. Unlike many rural towns, the population of Willmar increased over 6 percent between 1990 and 2004, and is expected to expand by another 16 percent between 2000 and 2030. Remarkably, between 2000 and 2004, during a period of slow job growth at both the state and national levels, Willmar added more than 350 jobs (Macht, 2006).

⁵ Quoted from on-line presentation materials accessed 1/3/2007 from <http://www.kandiyohi.com/wammpreso.htm>.

Additionally, the downtown core has undergone encouraging revitalization, with Latino- and Somali-owned businesses (restaurants, groceries, bakeries, and clothing stores) moving in next door to Scandinavian gift shops and old-time coffee counters.

Community Building

I think our faith communities have been instrumental in trying to reach out and welcome people and integrate them into the community. The work of our All-American City project in 2005 was a great example of a bunch of diverse people getting together as a group, pooling resources and working together. Many, many of our businesses here have long recognized the value of reaching out to new customers. The Latino committee of the Chamber of Commerce has been pretty successful. And I think there have been an awful lot of people who are working very hard to build trust and to build relationships. And I think deliberate efforts to do leadership activities in the community [has helped]. Remarkably, for the kind of tension that can result from this sort of demographic upheaval, Willmar has done a wonderful job. People recognize that it wasn't long ago that they were the new immigrants. Not everyone, but a lot of people acknowledge that.

Douglas Allen, Ridgewater College President

The benefits of growing diversity in Willmar go beyond those associated with an increase in available workers and funding for local schools. Increased diversity has coalesced with a mobilized local leadership to secure state- and national-level recognition of community development efforts. Willmar leaders cite the city's successful bid for the All-American City award in 2005 as a galvanizing experience for the community. The work that went into the All-American City application served as an important opportunity for a diverse group of leaders to craft a common vision of the city's past, present and future, which has opened doors for additional projects focused on improving community life. One of these projects, the Willmar Design Center, draws on the expertise of the Minnesota Design Team to create more community-friendly spaces with a focus on multiculturalism.

Soccer has emerged as an important sport for the community, with Latino and Somali teams forming in addition to clinics and leagues for children and adults. Nonprofits, philanthropic organizations, service agencies, and faith groups continue to partner to provide more responsive and culturally-appropriate services for high needs populations, including hosting a regional conference and training series on working with families in poverty (Heartland Community Action Agency website), diversity and cultural competency trainings for community leaders and local service providers, and minority recruitment strategies for area employers (Willmar Cultural Liaison Annual Report, 2006). Some of these community-wide efforts have generated surprising levels of involvement among city residents (400 people were reportedly involved in planning the activities of the Design Center). The community development work that is taking place

in Willmar is clearly linked to the challenges the city has faced related to integrating large numbers of immigrant newcomers, and is a prime example of the possibility for small towns throughout the state to find unity in the midst of so much difference and change.

We have opportunities for dialogue and guess who comes? The choir. We're always preaching to the choir. Sometimes, there are some new folks, and I think they're looking for a safe place to talk about some of the things that are bothering them or the questions they have. We just had a showing of a documentary about the Postville raids in Iowa. A gentleman showed up and asked, 'If it's so awful here, why do you come? If crossing the border is so dangerous, why do you do it?' It was hard for him to understand why immigrants come here and put their children at risk with being undocumented. He had a lot of valid questions.

Idalia Leuze, West Central Integration Collaborative

While Willmar has made significant progress toward institutionalizing a positive approach to diversity and integration, strong currents of misunderstanding, resentment and tension throughout the community remain. Community leaders reference a recent debate over how to balance the housing needs of new immigrant populations with the interests of property owners as an example of continued conflict related to cultural difference. The immigration raids of 2007, which have led to a federal lawsuit involving local law enforcement officers, exposed deep tensions and cemented racially-focused allegiances among groups of local residents. The persistence of these kinds of conflicts points to the layered nature of cross-cultural relationships in communities such as Willmar, and the need for ongoing dialogue to foster greater understanding.

Looking forward

Despite a trend of overall population decline throughout rural Minnesota, regional centers like Willmar are expected to hold their own. At least part of the population maintenance is attributed to continued diversity, fueled by the settling of immigrants in Willmar, and the population growth offered by young, established non-white populations – many of them second- and third-generation Minnesotans today (Office of State Demographer).

While Latino and African newcomers have offered a sustaining boon to the low-skilled labor force, the community faces significant challenges filling the need for more high-skill positions, particularly in health care. Affiliated Community Medical Centers, Family Practice Medical Center and Rice Memorial Hospital are all implementing strategies to recruit health care professionals (St. Paul Pioneer Press, May 11, 2009). The recent establishment of the 110-acre MinnWest Technology Campus – home to a cluster of bioscience start-ups and a future University of Minnesota research facility – also

promises a need for more highly-trained workers in the future (Lee, 2009). As both industries – health care and biosciences – are increasingly luring employees from abroad, it is likely that yet another wave of immigration is on the horizon for this increasingly “global” town.

Unknown quantities: the conundrum of undocumented immigrants in Minnesota

Any nation has the right to protect its borders. For folks who feel that illegal immigration is just fine, and anyone who wants to secure the borders is nasty: that's absurd.

Nonprofit agency director

One of the most difficult challenges involved in assessing the impact of immigration in Minnesota is our lack of information about the size and behavior of the undocumented population. Estimates of Minnesota's undocumented population vary widely from 35,000 to 85,000, and the State Demographer's Office has opted *not* to provide an estimate because of the lack of reliable data sources. Still, it is apparent from a variety of community-based studies that undocumented immigrants are helping to fill some critical gaps in the state's workforce, and that they do consume some public benefits and services. It is also clear that the state's undocumented immigrants pose unique challenges for many of its service providers, employers, and public safety officers as this population must “fly below the radar” even after living in this country for many years.

Some of the most complex, and most debated challenges surrounding undocumented workers in Minnesota stem from the growing disparity between employers' needs and federal immigration requirements and from the ambiguous status of many undocumented immigrants' native-born children, who are U.S. citizens.

The impacts of illegal immigration for Minnesota's labor force

We need to ask all guest workers to leave and re-enter, in order to create a new system where all guest workers will be documented when they reenter. If they know that they will be able to return on a good basis, it may make it easier. I think guest workers should be required within a month to find a sponsoring employer. Employers should have to submit payroll records for all guest workers on their site. Punishment should be made.

Nonprofit agency director

Questions remain about the ability of Minnesota industries to survive in the absence of

the current illegal immigrant population, and the implications of an expanded visa program for both workers' wages and industries' bottom lines. Industry leaders in Minnesota describe shortages of workers to fill positions that are more labor-intensive, such as agricultural and manufacturing work. Among this group of stakeholders, there appears to be strong support for legitimizing undocumented workers' labor or granting this group of workers greater protection. In fact, the Minnesota Chamber of Commerce and many of the state's strongest labor unions favor adjusting federal immigration policies to allow for a greater number of visas for low-skilled workers – thereby affording legal status and increased bargaining power to more of the immigrant workforce.

We need a better documentation system. As an employer, at the end of the day, we have a responsibility and we are going to obey the law. We want to make sure that these people are legal. We want them in our facilities and we want them in our communities. They contribute so much.

Representative from the Minnesota business community

At the same time, employers' assertions that certain industries are forced to rely on undocumented workers because native-born workers are unwilling to take on labor-intensive, low-paying jobs are often challenged by those who fear that undocumented labor undercuts the wages of native-born workers. This conflict clearly requires further investigation, and would benefit greatly from a more longitudinal study of the impacts of undocumented workers on the wages of native-born workers. New research in this area is especially important, given most of the existing analysis of undocumented workers' effects on wages pre-dates the current severe economic recession.

Educational challenges for undocumented children

I don't think I have seen the children that come with the adult immigrants thought about when the immigration process is happening. I don't think we are looking after the children. We need to watch out more for what happens to the children and incorporate that into how we deal with illegal immigration.

Twin Cities Immigration Attorney

I feel that we need to take care of the children that were born here or brought here. These children were raised here and live here. I think they should be able to get residency tuition rates regardless of if they are documented or not.

Representative of governmental health agency

Stakeholders in Minnesota's immigration debate also emphasize the difficult and challenging issues presented by the children of undocumented immigrants, many of whom are native-born citizens despite their parents' status. Immigration lawyers and

reformers offer countless stories of the pain and suffering caused when undocumented parents are deported and must choose between leaving their legal, native-born children behind and forcing them to “return” to countries and communities they have never known.

Undocumented children also pose complicated questions for the state’s educators, who are required to provide educational access for undocumented students at the K-12 level (often at great expense to local school systems), but are prohibited from offering undocumented children equal access to higher education. To address the gap between public investments in K-12 education for undocumented children, and the lack of access to higher education in the state, immigrant advocates and higher education representatives have been arguing for passage of the DREAM Act, which would grant in-state tuition rates to illegal immigrants. However, despite advocates’ ongoing attempts to gain passage, Governor Tim Pawlenty has promised to veto any higher education funding bill that contains the measure, citing extraneous costs in a time of financial hardship for the state.

Challenges such as these, along with concerns about the health care, public safety and national security costs of unchecked unauthorized immigration, have led to widespread calls for reform from a diverse array of stakeholders throughout the state. Local- and state-level conversations related to immigration inevitably rest on the need for action at the federal level. Though leaders in Minnesota understand the connection between local challenges and federal-level policies they often feel powerless to effect sweeping change at the community level. [For a full discussion of issues surrounding undocumented immigration in Minnesota, see Appendix B at the end of this report.]

Policy Considerations

It is likely that in the coming months, America will enter into a serious national discussion of immigration policy and law. The Obama administration has already signaled its interest in making this a key issue for Congress in 2010. As this occurs it will be especially important for those Minnesotans interested in maintaining a civil and productive dialogue on this topic to anticipate and be prepared to effectively debate the policy options that emerge. Here are a few of the initiatives that are likely to be discussed.

Increase access to visas for workers to fit key labor force niches.

By legalizing increased immigration coming from the southern U.S. border, and authorizing more visas for both high- and low-skills workers, we would better able to meet Minnesota's anticipated workforce needs in the future. As stated throughout this report, these needs include more workers in agriculture, service occupations, and the health care and home care industries.

Incorporate the benefits of current illegal immigration into a legal guest worker program.

Illegal immigration rates are much more sensitive to fluctuations in the U.S. economy (and, therefore, more responsive to changes in the demand for labor) than rates among immigrants entering legally (Hanson, 2007). Illegal immigrants appear to be more mobile, both in terms of migration within the U.S. and across national borders. They are freer to change jobs at will, because their presence in the U.S. is not predicated on a relationship with a specific employer. Hanson argues that any viable immigration policy reform needs to incorporate immigrants in a way that most closely mimics the unique benefits offered by workers without legal status: they are mobile within the United States, not tied to a single "host" employer, and responsive to fluctuations in labor market demands (because they are not stymied by lengthy application procedures). In addition to these "benefits" which make undocumented workers more appealing and economically viable for American industry, workers, and the economy as a whole, there also needs to be greater protection for the workers, themselves, to ensure that they are afforded a standard of living and working conditions that are in keeping with United States labor standards.

Decrease costs and increase revenues associated with immigration.

The Immigration Policy Center (2009) suggests an approach to immigration reform that includes expansion of visas to better match the current population of undocumented immigrants in the U.S. By granting access to legitimate avenues to employment,

immigrant workers will likely earn higher wages, which will afford federal, state and local governments increased tax revenue. Additionally, legal residency status will also increase workers' participation in local economies and civic life, increasing home ownership rates among immigrants and deepening their commitment to the communities in which they reside. Legal status incentivizes key components of integration that many Americans feel are vital aspects of belonging and contributing to the life in the U.S. Legal status would likely foster increased acquisition of English language skills, increased stability, community investment and access to health insurance.

Step up monitoring and enforcement of illegal immigration to discourage attempts to enter the country illegally.

Camarota and Jensenius (2009) argue that increased enforcement efforts have been effective in reducing illegal immigration to the U.S., citing a decline in illegal immigration rates between 2007 and 2009. While others may argue that a slipping economy played a role in reducing illegal immigration flows, Camarota and Jensenius attribute at least some of the decrease to increased patrols, expanded barriers along the U.S./Mexico border, and the expansion of immigration monitoring duties to local police. Further, Camarota and Jensenius find a short-term increase in illegal immigration during the summer of 2007, while Congress was considering an amnesty program. This increase gave way to a sharp decline when the legislation failed to pass.

While the work of Camarota and Jensenius, Hanson, and the Immigration Policy Center suggest the need for clarity related to how best to manage flows of immigration, particularly across the U.S./Mexico border, these disparate perspectives also concur on two key points related to strategies for better handling illegal immigration to the U.S.:

- Illegal immigrant flows are very responsive to changes in policy and workforce demands in the U.S.
- There is a need for greater management and monitoring of those immigrants who are currently entering the country illegally.

Conclusions

Our review of the existing literature and research on immigration in Minnesota requires has led us to identify a number of essential facts:

What we know

First, existing information tells us that immigration in Minnesota today is especially complicated. It is complicated by both the great diversity of the people who have come to Minnesota as well as the reasons and methods by which they have come.

We know that many in the population are refugees who bring a high demand for services because of high rates of disease, trauma, torture or persecution. We know that immigrants in Minnesota today frequently come from different (nonwestern) cultural and religious backgrounds, and that this creates conspicuous cultural conflicts not encountered in previous waves of immigration. And we know that the traditions and practices of some immigrant groups are sometimes in conflict with the traditional practices of the predominantly Western European cultural groups represented by many native Minnesotans.

Second, in a number of Minnesota industries, there is already a significant reliance on the labor of immigrants including many who have come to this country by circumventing legal process. This labor is generally viewed within these industries as essential for Minnesota's economy and critical for the future.

This is also seen as true over the long haul if we are to have adequate replacement workers for Minnesota's graying population. At the same time, we see a great deal of diversity in the range of educational attainment of recent immigrants and many who are here legally are employed in higher skill occupations.

Third, the linguistic and cultural diversity seen in the current wave of immigrants has placed a substantial strain on the state's educational and health care systems as well as other public resources.

At the same time, particularly in smaller communities, the arrival of new immigrant families has helped to prevent the closing of some schools due to dwindling numbers, help to reinvigorate main streets through new businesses, and led to a more diverse experience for children growing up in these communities.

Fourth, changing expectations about how communities could or should respond to immigration has created anxiety about the loss of community and cultural identity and resistance to immigration among some established Minnesotans.

It also appears that there is a shortage of "safe spaces" in which to address these concerns or enter into civil dialogue with those of differing opinions.

Fifth, illegal immigration and the range of federal and state responses to it have created wrenching personal situations and complex policy issues that cannot be resolved without federal immigration reform.

This includes questions like what to do with the children of illegal immigrants who are themselves citizens or how to respond to employers who find it impossible to field an adequate workforce with native workers alone.

Sixth and finally, the available research to date tells us that in general, the short-term costs and challenges associated with today's patterns of immigration often place a severe and uneven strain on host communities.

Communities often do not have adequate resources to meet the needs of newcomers and may not see enough short-term positive impact, economic or otherwise, to warrant their cooperative participation in efforts to integrate newcomers.

What we don't know

First and foremost in this category is the absence of complete and credible information on the extent of both legal and illegal immigration over the last decade.

While the American Community Survey data cited in this report is useful, these results are based on sample estimates which can be significantly and negatively affected by lower participation rates among those who are fearful of legal consequences if identified by public authorities. The simple fact that the total estimate for the number of Mexican immigrants is lower than the total estimate for the number of "other" undefined immigrant populations signifies a great deal of vagueness in our current knowledge in this area.

Second, it is unclear just how much the current economic downturn is affecting competition for jobs among certain low income groups or the wages of different native-born populations.

Further exploration of the wage effects for native-born workers in a time of economic decline will help guide a more informed discussion of appropriate policy changes at the federal level.

Third, we do not have good information on the costs or benefits associated with various policy reform efforts.

These include proposals to reduce the costs for immigrants to access postsecondary education, proposals to create a path to earned citizenship, or proposals to deport large numbers of those who are here illegally. Knowing the costs associated with these and other proposed reforms is an important element in determining the viability of any proposal.

Fourth, we do not have a clear picture of the nature and types of nonprofit organizations that have emerged to assist immigrant groups throughout Minnesota.

It would be helpful to learn more about the purposes and funding sources of these organizations, as well as the utilization of services they provide and their success in meeting the needs of the target populations they exist to serve.

Fifth, and perhaps most difficult to examine, is the implication of what appears to be an emerging “non-melting pot” philosophy, less inclined toward the need for assimilation and adaptation and more inclined toward “embracing diversity” and promoting “cultural competency.”

(This philosophy is also sometimes referred to as the “salad bowl” approach to immigration, since it calls for combining different nationalities and cultures into a mixture that still preserves the unique properties of each “ingredient.”) It is clear that among some Minnesota residents, such a focus has created resentments toward particular immigrant populations, a sense that traditional ways of life are disappearing, and a view among some that new immigrants are being let off the hook. We do not fully understand the extent to which these new approaches to immigrant integration are contributing to the absence of effective dialogue across differences.

Sixth and finally, we don't really know much about how Minnesotans think about immigration generally or what stake they feel they have in this issue.

We do not fully understand the perceived harms (especially among those who are highly critical of immigration) and benefits that immigration represents in the minds of Minnesotans or what factors are likely to influence public support or resistance to various efforts to integrate residents into the life of Minnesota communities or reform public policy related to immigration.

In the convergence of these facts appears a wide range of choices. Should we take up specific positions regarding the reform of law in order to affect a desired result? Should we seek greater opportunities for immigrants despite the protests of native-born citizens who may already feel passed over, left out or otherwise disenfranchised? The answers to these and other questions depend partly on balancing competing values, and partly on access to shared, accurate information. What information will we need to act effectively and make well-informed choices regarding immigration in Minnesota today?

Recommendations for research

Collaborate with immigrant-serving organizations to obtain better, more accurate estimates of all of Minnesota's immigrant populations.

To address the absence of complete and credible information on the size and characteristics of Minnesota's various immigrant populations, we must be prepared to rely on the next U.S. Census of the population. The 2010 enumeration will be extremely useful, but still limited in value unless it is successful at reaching the many immigrants who are fearful of legal consequences if identified by public authorities. For this reason special efforts must be taken to ensure safety for those who respond. This can best be done through partnership between those organizations in close contact with undocumented residents and those who are responsible for the census enumeration efforts in our state. Some of this work is already underway.

Conduct research to further assess the effect of undocumented workers under varying economic conditions.

To address questions related to economic impact there is a need for additional analysis of the impact of undocumented workers during a time of relatively high unemployment, as well as a consideration of the impact of undocumented workers on long-term wages

for unskilled labor, even if their presence in the labor force declines. If unskilled labor comprises a high proportion of the secondary labor market, such as undocumented workers, during times of economic growth and plentiful jobs, are wages compressed in the long term by the intermittent presence of immigrants?

Analyze the potential costs and benefits of pursuing specific policy options and reform strategies.

To address the costs and benefits associated with various policy options requires the clear articulation of specific policy strategies as well as the proposed rules by which the policies would operate. This can then be followed by careful fiscal analysis and economic modeling of potential consequences. While economic models can be flexible in the assumptions upon which they are based, it is still important to have the policy well articulated and to have some estimate of the likely public response to the proposed policy. It is not useful to conduct policy analysis in areas where there is little or no public support for the policy itself.

Conduct a comprehensive survey of nonprofit organizations, and nonprofit leadership, serving Minnesota's immigrant communities.

To address our limited knowledge regarding the nature and types of nonprofit organizations created to serve immigrant groups (including mutual assistance organizations), it would be useful to carry out a survey using records available from the Secretary of State's office to enumerate all new nonprofits created for this purpose during the last 10 to 15 years. Using this data source, it would be possible to carry out a key informant survey of leaders of these organizations and answer questions regarding their structure, function, and service configuration. This would help to better gauge the resources currently directed toward immigrant resettlement among nonprofit providers, the extent to which English language learning is currently emphasized, and the challenges these organizations face in carrying out their missions.

Conduct additional attitudinal research to fully capture a broad range of views on immigration in Minnesota.

To address our last two points, specifically the emerging “non-melting pot” philosophy and the general views toward immigration among those both native to and recently arrived in Minnesota communities, it would be useful to carry out additional attitudinal research around this topic. This might begin with a series of focus groups (or a review of existing focus group material if relevant studies have already been conducted or are currently underway), to learn more about the primary concerns people identify, the vocabulary they

use to describe their views, and the feelings evoked by the discussion of the various topics identified in this report. This work could be followed by broader data collection strategies in order to obtain a more representative sample of current Minnesota residents and to better gauge the viability of proposed future strategies.

Opportunities for improving knowledge and encouraging discussion

Based on the current state of knowledge regarding immigration in Minnesota and the level and quality of public dialogue, it is likely that Minnesota would benefit from additional efforts to improve understanding and create safe spaces for discussion and dialogue. The following represent some of the ways in which this might be done.

Provide greater public education related to the political and economic realities associated with immigration.

Negative attitudes toward immigrants are most closely associated with a perception of immigrants as a significant drain on resources at the local, state, and national levels (Fennelly and Federico, 2007). Consider providing accessible, balanced information to Minnesota residents about the state's diverse immigrant population, their participation in the work force as well as the costs and benefits associated with their participation in community life.

Invest in, promote, and educate the public about English language classes and participation rates among immigrants.

There is evidence that limited language proficiency is a significant barrier to integration, and a key cause of stress, segregation and conflict between immigrant and native-born groups. There is a need for greater investment in programs that promote self-sufficiency among immigrants, particularly related to language struggles. Such programs have the potential to change both the opportunities for success and integration among immigrants and to reduce the misunderstanding of and segregation from immigrants that is found among many native-born residents (Ancheta, 2007 & Wilder Research, 2000).

Provide safe spaces for Minnesotans to explore concerns and questions related to immigration and diversity, particularly in rural Minnesota.

Consider providing incentives for community groups and faith-based organizations to host forums and discussions for their constituents that directly address the concerns and anxieties related to emerging immigrant populations. Since these anxieties are often tied to fears about social and economic displacement, seek to make such discussions attractive and accessible to those for whom these fears may be more pronounced and where the concerns may be more immediate.

Provide assistance to communities experiencing significant increases in immigrant populations through the development of community partnership programs, toolkits and other resources.

Leaders from communities that have spent the last decade working to integrate immigrants into the fabric of community life explain that a “catch-up” approach is less than ideal – for immigrants, for service providers, and for community well-being overall. Towns throughout Minnesota have the opportunity to take a more proactive approach, identifying key service elements, effective community-building approaches, and productive partnerships with those communities that have already gone through the struggles related to increasing diversity. By identifying “best practices” associated with serving diverse populations and fostering healthy integration at the community level, and by funding or incentivizing some of these components, cities and counties will be better positioned to respond effectively to new Americans entering their community.

Acknowledge and explore Minnesotans’ questions about the need for immigration reform.

Minnesotans are torn between an appreciation for the contributions immigrants make to the U.S. economy, and a desire for justice to be served for the laws that have been broken as undocumented immigrants enter and work in the U.S. illegally. Following the immigration raids in Worthington and Willmar in 2006, Minnesotans were often ambivalent and uninformed about the impact of such raids in meat-packing and poultry-processing plants in rural Minnesota. Many felt that immigrants working illegally, especially under assumed or stolen identities, should be prosecuted for their offenses. Others felt that the work being performed by undocumented immigrants was integral to the vitality of their communities, and the raids unnecessarily disrupted community life and mistreated the illegal immigrants and their families. As new reform strategies are identified and discussed in the coming months as the Obama administration enters into the debate on immigration reform, consider public information strategies that help

simplify the core elements in the debate and provide easily accessible information that is both reliable and factual.

Appendices

Appendix A: National-level immigration policy

Appendix B: Spotlight on immigrant labor

Appendix C: A Deeper discussion of illegal immigration

Bibliography

Appendix A: National-level immigration policy

Throughout this century, immigration policy in the U.S. has been continually revisited, with reforms taking place about every 15-20 years. The *Bracero* program, a precursor to the “guest worker” programs proposed by the Bush Administration, was instituted in 1942, allowing guest workers to enter the U.S. from Mexico and the Caribbean to work in the U.S. agriculture industry on a temporary basis. As the *Bracero* program ended in 1964 (requiring *Bracero* workers to return to their countries of origin), legislation emerged that gave strong priority to newcomers who were related to U.S. citizens. In 1965, federal legislation was passed that overhauled the former quota-based system of immigration, and added family reunification as a primary consideration for granting entry into the U.S. Since 1965, the primary beneficiaries of legal permanent residence, or green cards, are those seeking entry into the U.S. to join family members who are citizens of the U.S. or permanent legal residents (Hanson, 2007). Since the *Bracero* program did not offer citizenship to immigrant workers, but instead granted temporary access to work in the U.S., the policy reforms of 1965 offered a reduction in opportunities for immigrants from Mexico and Latin America to gain legal permanent residence. Thus, those nationalities that had the strongest presence in the United States in 1965 also had the greatest legal access to entering the country in subsequent years – evidence of which is seen in the rates of immigration from 1965-1986.

In 1986 Congress passed the Immigration Reform and Control Act (IRCA), which granted amnesty to undocumented immigrants who had been residing in the country since before 1982. Along with this one-time offer of amnesty were increased penalties for employing illegal immigrants, and increased monitoring of employers and the border. Since that time, investments in patrolling the nation’s border have increased dramatically.

Despite an increasing emphasis on border security and control, the U.S. continues to experience the immigration – both legal and illegal – of a large number of immigrants. There is general agreement that the availability of legal pathways to entering the U.S. is far outweighed by demand. Currently, there are three general types of immigration to the U.S.: legal permanent, legal temporary, and illegal (Hanson, 2007). Waiting times for both temporary and permanent residence in the U.S. are long, and application procedures can be onerous. To achieve permanent legal residency, immigrants must apply for a “green card.” The wait for processing of green card applications is long; Hanson (2007) reports that immigrants often wait more than five years to receive their green card after initial application. The majority of green card recipients live in the United States during this period, requiring continual reapplication for temporary visas. If immigrants residing in the United States overstay a temporary

visa (sometimes due to delayed processing of their application, sometimes due to negligence on the part of the immigrant), their eligibility for a green card is sacrificed, and their status in the U.S. is transformed to that of an undocumented, or “illegal,” immigrant, subject to deportation.

Legal residency: Avenues for entry to the U.S.

Newcomers typically enter the country legally by securing one of three temporary, work- related visas prior to emigrating from their home country, or by securing status as a refugee or asylee. Today, the avenues to citizenship and legal residency (whether temporary or permanent) hinge upon three factors:

1. Having immediate family, or being sponsored by someone who has permanent legal status in the U.S.
2. Possessing skills that are in demand by U.S. employers, but in short supply among the U.S labor force.
3. Being designated a refugee or asylee.

H1-B visas (which enable immigrants to stay in the U.S. for three years) are granted to highly skilled workers. H2-A and H2-B visas (granting one-year stays), are available to seasonal and manual laborers. However, the number of H2-A and H2-B visas that are granted remains well below demand for temporary entry among this category of immigrant workers. Employers in need of workers to fill low-skill, low-pay jobs argue that they cannot find workers among the native-born population, and the current level of available work visas is much too low to meet the demand.

While American industry relies on the labor of highly skilled immigrant workers, to whom 70 percent of the available temporary work visas are distributed, the largest demand for workers in the U.S. in recent decades has been for those with no education beyond high school (Hanson, 2007). Although growth in education levels among Americans is slowing, employers are finding it increasingly difficult to fill the low-wage positions that drive production – particularly in labor-intensive industries such as retail, agriculture, and health care. Many policy makers, industry leaders, and immigrant advocates have argued for a “path to citizenship” for the many illegal immigrants that currently reside in the U.S. without proper documentation or, at the very least, increased allotment of temporary work visas for lesser-skilled workers.

Since 2000, both the number of illegal immigrants, and immigrants overall, have

been increasing steadily. The number of temporary work visas granted, however, has remained nearly the same (Passel, “Estimates of the Size and Characteristics of the Undocumented Population.” As cited in Hanson, 2007).

Appendix B: Spotlight on immigrant labor

The modern immigration system in the United States has exacerbated the problem, as it leaves out the very type of worker needed for many jobs in the Midwest: immigrants without specialized training who want to work. Policymakers need to understand the limitations of the legal system as it pertains to Mexican immigrants. In an economy creating large numbers of low-skill jobs, many of which are filled by Mexican immigrants, the pressure is on, so to speak, to maintain the flow of immigrants. The current shortcomings of immigration law – resulting in a growing undocumented population – will only become magnified over time in the Midwest.

Rob Paral, Mexican Immigration in the Midwest: Meanings and Implications

A fundamental tension in the discussion of immigration in Minnesota lies in the interpretation of the reality that a large share of newly created jobs are going to immigrants.

For many, a large immigrant workforce suggests that immigrants are taking jobs away from native-born workers. For others, high employment rates among immigrants – whether documented or not – signals the importance of this group of laborers to the vitality of the U.S. economy. Further, there seems to be little agreement on whether or not native-born workers are amenable to the jobs that immigrants currently occupy, and even less clarity about the degree to which a large immigrant workforce costs more than it adds in value.

According to the U.S. Department of Labor, projected job growth between 2000 and 2010 is expected to cluster at the very-low and very-high levels of formal education or training. In fact, nearly 43 percent of all projected job openings are defined as requiring only short-term, on-the-job training. It is precisely these jobs that immigrants are filling in the greatest numbers (Paral, 2009).

Paral argues that the relationship between low-skilled native-born workers and their foreign-born counterparts is not as simple as it may seem, with certain workers ousting others, lowering standards of compensation. Instead, immigrant workers gain as certain sectors within manufacturing expand (such as meatpacking and poultry processing), and other, more highly-paid workers lose as their employers shift operations to other locations or downsize their labor force (such as steel-making). As the shape of manufacturing has changed over time, with some industries making strong gains and others suffering brutal losses, the legs on which the U.S. economy stands have changed, as well. The manufacturing giants of yesterday, such as the auto and textile industries, are no longer as central to the economic viability of the national economy as they once were. Instead, at least in the Midwest, we now see the emergence of

decentralized industries, such as service and food-processing, which rely on less-skilled workers, and are less amenable to off-shore production. Thus, the presence of workers for these industries becomes vital for local, regional and national economies.

The job rates among manufacturing workers between 1990 and 2006 demonstrate the increasingly important role of Mexican workers to Minnesota's economy. Over this time span, while all other workers (excluding Mexican immigrants) experienced a 1.5 percent increase (6001 workers) in manufacturing jobs, the increase among Mexican immigrants was 1,268 percent (8,900 workers). This was the highest rate of increase in any Midwestern state over the given time period (Paral, 2009). While rates of employment are quite high among Mexican immigrant workers in Minnesota, low wages and little opportunity for advancement keep the families of Mexican immigrants in an economically precarious position, with high poverty rates and inadequate access to health care. These circumstances are further exacerbated by the lack of access to proper work and residency authorization, which bars many undocumented workers among Mexican immigrants from accessing public assistance.

Appendix C: A Deeper Look at Illegal Immigration

Both nationally and in Minnesota, the impact of illegal immigrants on the economy, services, and workforce is difficult to estimate with any certainty. Estimates of Minnesota's undocumented population vary widely; the state demographer's office has opted *not* to provide an estimate, because no measure of the current population of illegal immigrants is seen to provide any degree of accuracy. Undocumented immigrants pose challenges for service providers, employers, and public safety officers as this population must "fly below the radar" due to the illegal nature of their presence and work in the U.S. While ideas for specific approaches to immigration reform vary, many stakeholders agree that the U.S. would benefit from a system which provides a more effective means of matching workforce needs with visas, as well as increasing monitoring and enforcement of violations of immigrant law.

In 2005 a report was issued by Governor Tim Pawlenty's office that detailed the costs of undocumented immigration in Minnesota. This report received widespread attention, both for the concerns it raised regarding the expenses associated with illegal immigration, and for criticisms related to the omission of any consideration of economic benefits associated with undocumented immigration. Indeed, the report acknowledged that it did "not consider any of the benefits illegal immigrants provide in areas such as labor or tax revenue" (MN Dept of Admin, p. 3, Dec. 2005). Not long after the release of the Governor's report, the Minnesota State Legislative Auditor offered a report on the topic, detailing the overall economic impact of immigration in the state. This report cited difficulties in assessing the impact of illegal immigration on the state's overall economic well-being, citing a confluence of both costs and benefits related to the use of services, consumer spending, and workforce participation. For the State Auditor's office, as for the State Demographer's office, making precise calculations of net gains or losses related to illegal immigration is simply not feasible, given the paucity of reliable data. Thus, while we present some estimates that were offered by the Governor's report in 2005, we caution the reader that these numbers should be interpreted as estimates, which were calculated using data that other state experts have not found to be sufficiently accurate.

The educational challenges for undocumented children

The expenditures for undocumented children in Minnesota's K-12 public school system for the 2003-2004 school year was estimated to be between \$78 and \$118 million (MN Dept of Admin, p. 9, Dec. 2005). While investments in the education of these students, more than half of whom are, themselves, U.S. citizens, is significant, the pay-out is limited, given the constraints on student achievement that stem from

undocumented status. For students who are in the U.S. illegally, the value and commitment to education is not only a matter of access, but also relevance. For students who see little or no opportunities to work legally in more highly skilled positions, the incentives for getting advanced training – and even for finishing high school – are obviously limited. As most undocumented labor is concentrated in jobs that require less than a high school degree, the relevance of a high school diploma is certainly in question. Still, according to Urban Institute estimates, in 2004 there were more than 2,500 undocumented immigrants enrolled in a Minnesota college or university (Urban Institute, as cited by MN Dept of Admin, p. 10, Dec. 2005).

The report to the governor describes conflicting views related to the cost to Minnesota of granting in-state tuition rates to illegal immigrants. Across the U.S. there are different approaches to prohibiting or increasing access to college for undocumented immigrant students. Some states have granted in-state tuition rates to illegal immigrants; other states, such as Minnesota, continue to revisit legislation that proposes such a policy change. Still others have considered (and failed to pass) legislation that would bar college access altogether for people without legal status in the country (MN Dept of Admin, Dec. 2005).

Much of the costs related to education, cited by the Governor's report, include expenditures on the education of U.S.-born children of illegal immigrants. Many have argued that it is misleading to include children born in the U.S., who are entitled to the same fundamental rights to education as any other U.S. citizen, in calculations related to the costs of illegal immigrants.

The costs and challenges of undocumented immigration related to health and human services in Minnesota

Currently, emergency medical treatment and care for pregnant women are the only health and human services afforded to illegal immigrants. However, even these limited services cost the state significant amounts each year; uncompensated care costs related to illegal immigrants are quite high. Despite legislation that was passed in 2003 to bar illegal immigrants from accessing most public assistance services in Minnesota, the Office of Strategic Planning & Results Management reports undocumented immigrants accounted for state health care related costs in of approximately \$17 million in 2005 (MN Dept of Admin, p. 11, Dec. 2005). Use of healthcare is undoubtedly shaped by the precarious position that illegal immigrants find themselves in; because undocumented workers are so often uninsured, because there are fears associated with exposing oneself by visiting a legitimate clinic, and because illegal immigrants often forgo medical treatment until their situation is dire, preventative care is often

underutilized, and public funds are burdened by the high cost of emergency care.

It is important to note that a truly reliable estimate of the per capita health care costs of undocumented immigrants in Minnesota is not available. Without such an estimate, it is impossible to determine the actual impact of undocumented immigrants on the state's health care expenditures.

Income tax revenues & losses associated with illegal immigration

"[T]here are approximately 8,000 illegal immigrants who file state income taxes to replenish state resources. Illegal immigrants also pay taxes by employer withholdings. Because they do not file tax returns, these funds are kept by the state and federal government resulting in 'stranded withholdings'. Although some argue that the value of these withholdings is significant, the exact dollar amount attributable to illegal immigrants is unknown" (MN Dept of Admin, p. 5, Dec. 2005).

The report to the Governor finds that, since the institution of a state individual tax identification number in 2004, which can be used in lieu of a social security number to report earnings and pay income taxes, nearly 8,000 Minnesota residents used the numbers. The report also indicates that some taxes may be paid to the state via illegal immigrants' utilization of false social security numbers (MN Dept of Admin, p. 17, Dec., 2005).

Challenges for law enforcement and public safety

The Department of Administration reports that illegal immigrants accounted for more than \$14 million in costs to the MN Department of Corrections in 2005. This represents an increase of 22.3 percent between 2001 and 2005, with nearly 6 percent of the overall average prison population in Minnesota being comprised by undocumented immigrants. However, it is unclear how many illegal immigrants being incarcerated in Minnesota were immigration violators being detained on behalf of federal authorities – as opposed to men and women incarcerated on criminal charges not related to immigration status (MN Dept of Admin, p. 13, Dec. 2005).

Many Minnesotans are concerned about the implications of an amnesty program for undocumented workers already residing in the United States. There is concern that, by granting the very legal privilege that illegal immigrants have ignored in entering the country without legal status, the sanctity of American laws, and the legitimacy of the nation's borders and citizenship requirements, will be jeopardized. Further, heightened concerns about national security following the terrorist attacks of 2001 are exacerbated by continued illegal border crossing. When examining immigration policy of recent years at the state and national levels, the divide between those seeking greater access

to legal residency and citizenship for newcomers, and those seeking greater border security and apprehension of illegal immigrants is clear. Policy proposals related to immigration typically seek to expand access to legitimate immigration or increase monitoring and enforcement of existing immigration restrictions. In the interviews conducted for this report, a strong disconnect between these two perspectives was evident.

The impacts of illegal immigration for Minnesota's labor force

Following the immigration raids of Swift plants in 2006, Jerry Kammer (2009) set out to test the theory that the labor of illegal immigrants is necessary for the viability of the meat-packing and poultry-processing industries. Finding no real negative effect on plant productivity following the raids, Kammer called into question the validity of the assertion that industries dependent upon immigrant labor could not function without the benefit of undocumented workers. In fact, Kammer found that, following the raids, native-born and refugee workers were hired at higher rates, and were offered hiring bonuses and increased wages. Critics contend that, while legal workers may have responded to Swift's rigorous recruitment strategies following the raids, this is only a temporary shift; legal workers will likely leave their jobs in the meatpacking plants before long, as better opportunities arise, and will be replaced by newly arrived undocumented workers, just as before.

Kammer asserts that the logic that meatpacking plants hire undocumented workers because native-born workers won't do the work is a fallacy based on the false premise that low wages and poor working conditions drove legal workers away in the first place. Instead, Kammer implies that the jobs for native-born and legal residents have been undercut by the presence of immigrant labor, particularly that of undocumented workers. In other words, low wages and poor working conditions were problems that emerged as undocumented workers began competing with workers with legal status. Kammer argues that, if companies like Swift would shift their energy away from rigorous recruitment of new workers, necessitated by extremely high turnover rates in the industry, and instead focus their resources on improving wages and working conditions, rural industry would have no difficulty finding local, legal workers.

While an increase in the availability of unskilled immigrant laborers generally has a depressing effect on the wages offered for unskilled labor overall, Kielkopf (HACER, 2000) contends that this may not be true in the key industries of Minnesota in which undocumented immigrants are employed. Instead, removing or reducing the availability of undocumented workers in industries such as food service, meat and poultry processing, seasonal agricultural work, and the hotel and restaurant industries would,

instead, result in the closing of businesses. Profit margins would not allow an increase in wages over what is being offered to undocumented workers and, therefore, the reclamation of those positions by native workers would be unlikely. The overall effect, then, of removing undocumented workers from the labor markets in these industries would likely be depressed local and regional economies, as businesses struggle to stay afloat despite a scarcity of affordable labor. This might be especially hard-hitting in rural areas, where the entire community may rely on just one or two key businesses. In the smaller, more isolated communities of greater Minnesota, the failure of one major employer has significant consequences for a host of other businesses, which are so closely linked to one another through the exchange of goods and services.

Questions remain about the ability of Minnesota industries to survive in the absence of an immigrant workforce, and the implications of an expanded visa program for both workers' wages and industries' bottom line. Industry leaders in Minnesota describe shortages of workers to fill positions that are more labor-intensive, such as agricultural and manufacturing work. Among this group of stakeholders, there appears to be no concern with the prospect of legitimizing undocumented workers' labor, granting this group of workers greater protection. This might obviate any accusations that employers exploit immigrant labor and use it to undercut the wages of native-born workers.

The tension between assertions that undocumented labor undercuts the wages of native-born workers, conflict with arguments that certain industries are forced to rely on undocumented workers because native-born workers are unwilling to take on labor-intensive, low-paying jobs. This represents a strong and persistent disagreement in the public discourse on immigration. While this conflict requires further investigation, and would benefit from a more longitudinal study of the impacts of undocumented workers on the wages of native workers, there might be some consistency among these otherwise divergent perspectives with regard to possible strategies for more effectively managing the needs of industry with the demand for work among both native-born and immigrant workers.

Kielkopf's study on the economic impact of undocumented workers in Minnesota was conducted in 2000, before the current cycle of economic downturn had begun. Kielkopf's analysis rests on the important assumption, that undocumented workers occupy an irreplaceable role in labor pool. While this may have been a solid presumption in 2000, when unemployment rates were quite low, the implications of the current recession for Kielkopf's analysis cannot be overlooked. It is likely that, in the context of the current economic downturn, with 30-year highs in unemployment and the downsizing and collapse of businesses across the state, the implications of undocumented labor for the state as a whole have come into greater relief. Unfortunately, because of the difficulty

tracking this population, we may never have a reliable picture of just how the illegal segment of the workforce interacts with and impacts various portions of our state's economy.

There is a need for greater management, oversight, and functionality of the national immigration monitoring system, particularly as it relates to employment.

While the research related to the overall cost or benefit of undocumented immigration at the state and national levels finds little resolution or clear net impact, the need for federal-level immigration reform is generally agreed upon. Minnesotans understand the myriad problems associated with the current system: a chronic pattern of unlawful entries that

risk the lives of border crossers as well as jeopardizing national security, an allotment of visas that does not respond to shifting labor market demands, no viable path to citizenship for many who are in the country with temporary legal status, waits of 5 to 10 years for the processing of permanent residency applications, the inability to effectively track and oversee immigrant populations, and the loss of income tax and social security revenues from unreported labor.

While prescriptions for a better immigration system vary widely, calls for reform are widespread and have risen up from a diverse array of stakeholders throughout the state. Local- and state-level conversations related to immigration inevitably rest on the need for action at the federal level. And, though leaders in Minnesota understand the connection between local challenges, such as overburdened health care systems and employers struggling to find workers, and federal-level policies that concentrate funding at certain nodes and provide little incentive for employers to eliminate the hiring of illegal workers, these local- and state-level actors often feel powerless to effect such sweeping change.

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