

THE ECONOMIC NECESSITY OF IMMIGRATION REFORM

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MN BUSINESS IMMIGRATION COALITION

- **Broad base...chambers, agriculture, hospitality, food processing**
- **Education...5 reports since 2009**
- **Statewide forums...build understanding & support**
- **Federal reform principles 2013: broad support**
- **State policy...appears unavoidable & challenging**

WHY IMMIGRATION REFORM?

...It's the economy

IMMIGRANT CONTRIBUTIONS TO MN'S ECONOMY

- **Workers**
 - **Entrepreneurs**
 - **Consumers**
 - **Connect us to world economy**
- ➔ **Key to MN's development & growth**

Report: Immigrants and Minnesota's Workforce

January 2017

**The Committee on Minnesota
Workforce & Immigrants**

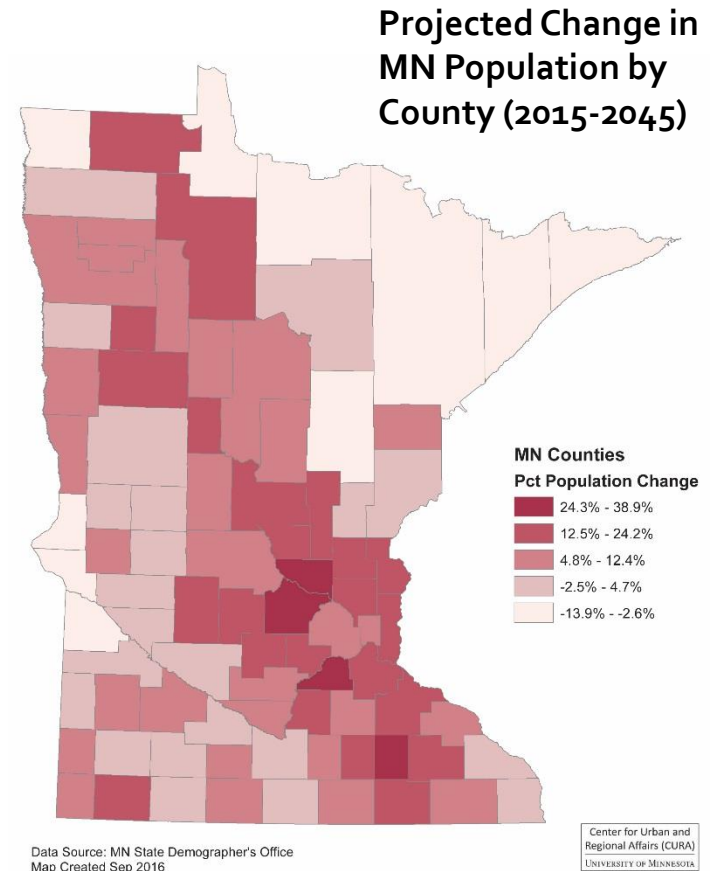
Report and appendices available for download at
<http://z.umn.edu/immigrantworkforce>



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Minnesota Population Trends

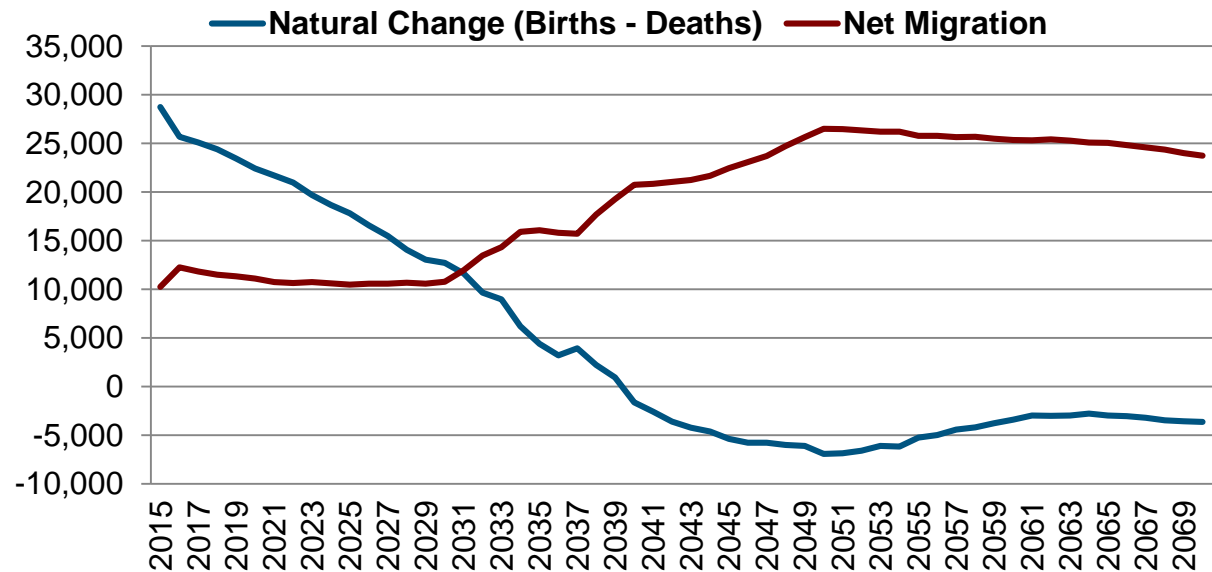
- Population projected to grow at slower rate beginning 2030
- Population will age & become more diverse but not evenly across the state



Population and Workforce

- In 2040 the number of deaths in the state > than the number of births
- Minnesota will become dependent upon in-migration for population growth

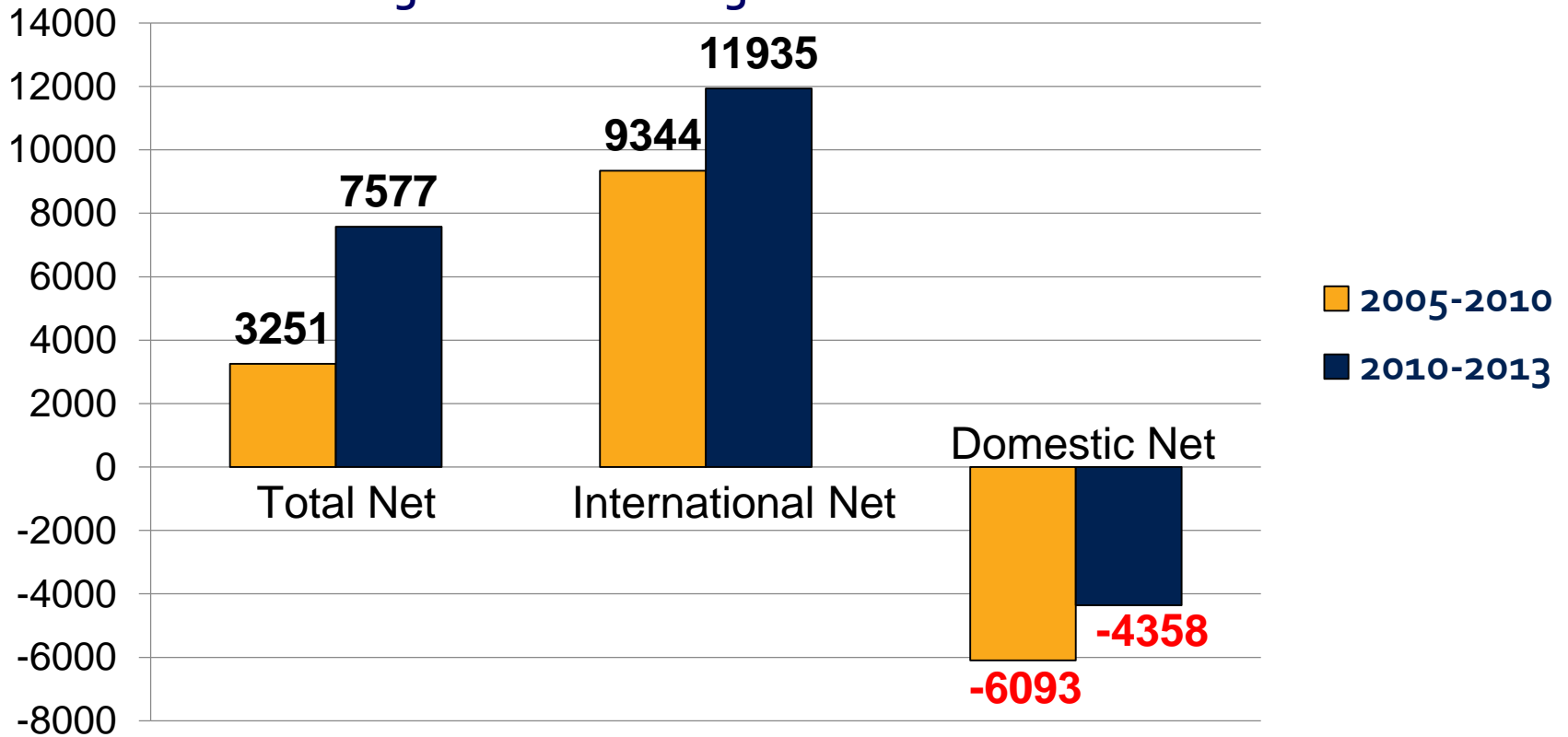
Projected Annual Population Change in Minnesota, 2015-2070



Note: Calculations based on data from Minnesota State Demographic Center, Minnesota Population Projections (2015-2070), August 2015

International Migration Driving Growth

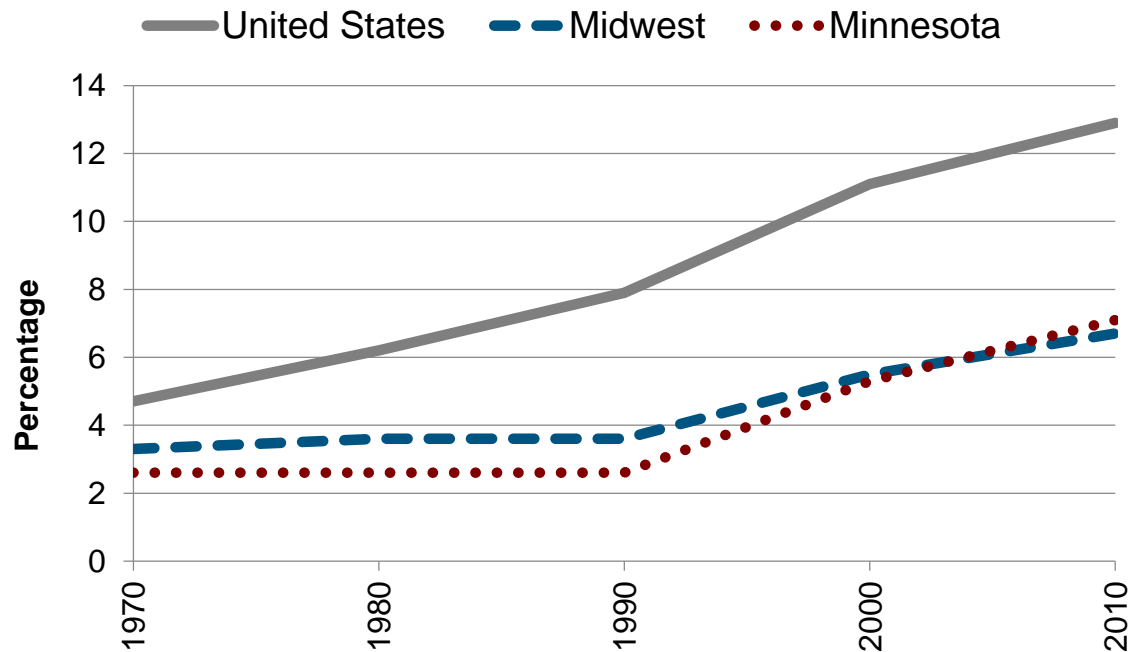
Average Annual Net Migration to Minnesota



Immigrants in Minnesota

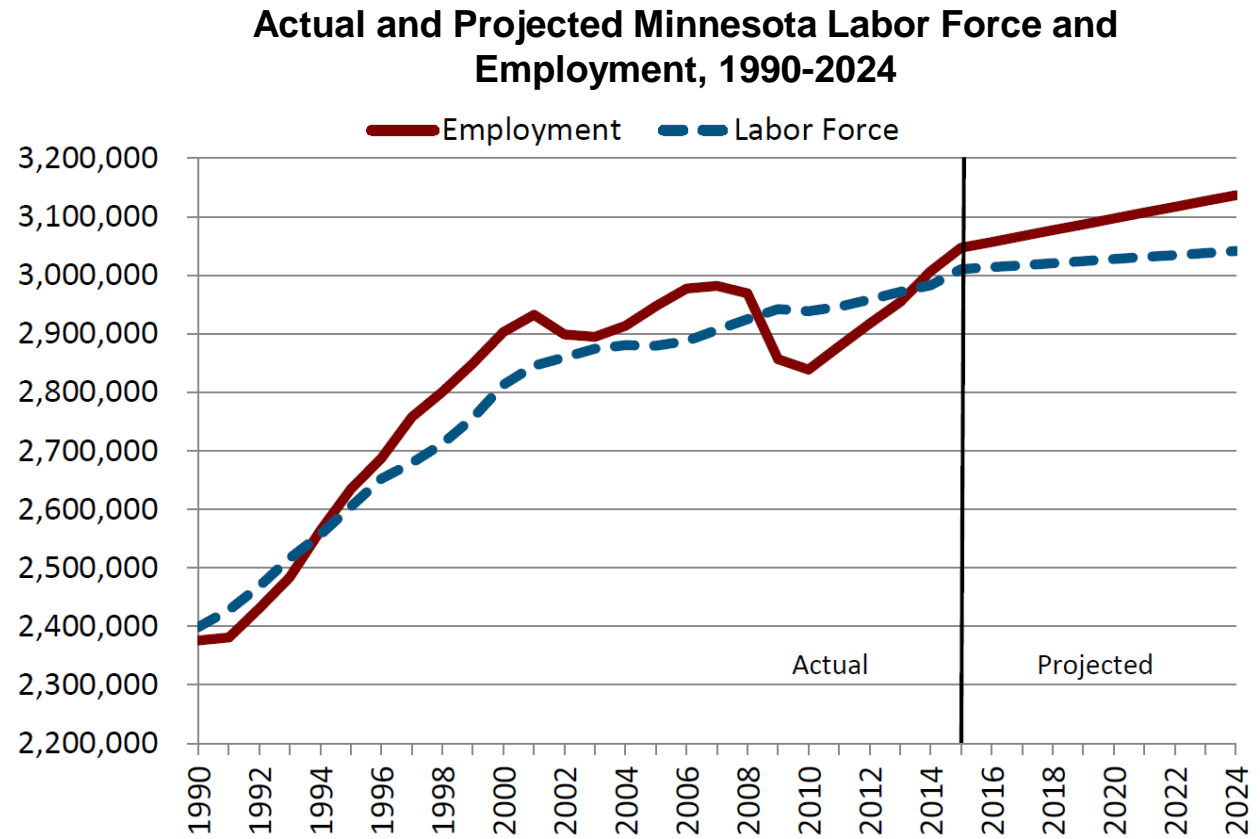
- MN lags U.S. in foreign born population
- Minnesota's foreign born population includes a large number of refugees

Foreign Born Population in the United States & Minnesota, 1970-2010



Slowing Labor Force Growth

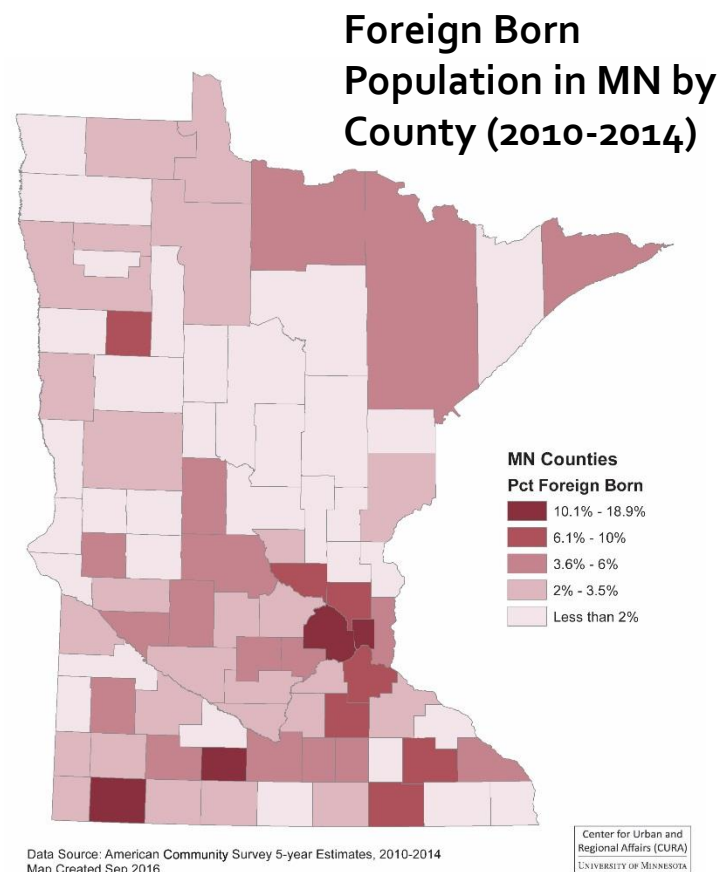
- Worsening gap between the number of jobs available in Minnesota and the number of workers present to work at those jobs
- Shortage of workers could decrease economic growth



Note: Based on historical and projected employment and labor force data by the Minnesota Department of Employment and Economic Development.

An Immigrant Workforce

- Future strength of economy depends on attracting & integrating immigrants into workforce
- MN must use existing human capital & increase skills for immigrants

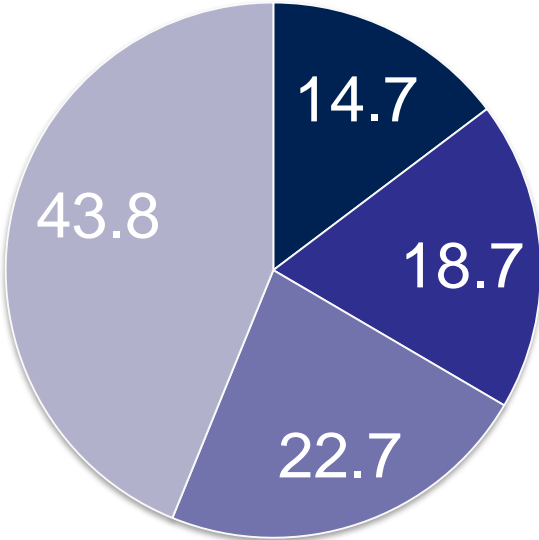


WORKER SHORTAGE: WHAT DO WE DO?

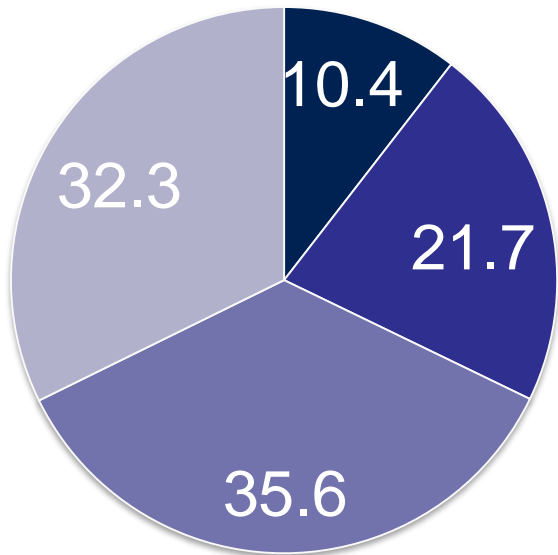
- **Automate**
- **Grow elsewhere**
- **Support in-migration**

EDUCATION: MN'S IMMIGRANTS, 2 EXTREMES

Immigrant Education Levels



Native Education Levels



- Graduate degree
- Bachelor's
- GED, some college, or AA
- HS diploma or less



Workers at **SterilMed**
Maple Grove, MN

INDUSTRIES FUELED BY IMMIGRANT WORKERS

Industry	% of Foreign-Born workers working in the industry	% of Native-Born workers working in the industry
Manufacturing	20%	13%
Retail Trade	8%	12%
Professional, Scientific, Management and Admin	14%	9%
Education, Health and Social Services	23%	24%
Arts/Entertainment, Recreation, Accommodation and Food Service	11%	8%

KEY WORKERS – IN SHORT SUPPLY

(2015-16 Grow MN! Results, N = 436)

Job Type	# of Companies Seeking Workers	% Companies Reporting Recruitment Difficulty
Construction, Trades Workers	76	83%
Production and Assembly	73	85%
Architect, Engineer, Cartographer	43	93%
Sales Agents, Real Estate Agents	49	82%
Installation, Maintenance, Automotive	23	95%
Executives, Managers	34	76%
Healthcare Support Personnel	26	96%
Transportation and Moving Personnel	19	95%
Office Support and Assistants	40	82%
Food Preparers, Chefs, Servers	23	89%
IT and Web, Actuaries, Statisticians	21	76%

ENTREPRENEURS

6% of MN businesses are immigrant-owned.

- 16,000+ Immigrant Entrepreneurs
- \$289 million in sales, 2014
- 60,000 employed, 2007



Neighborhood revitalization
South St. Paul



Susan Rani, Rani Engineering
Minneapolis

FORTUNE 500 COMPANIES IN MN (2016)

WHAT DO THEY HAVE IN COMMON?

State Ranking	Company Name	Fortune 500 Ranking	Revenues (\$ billions)
1	United Health Group	6	157
2	Target Corporation	38	73.8
3	Best Buy	71	39.7
4	CHS	84	34.6
5	3M	93	30.3
6	U.S. Bancorp	131	21.5
7	Supervalu	160	17.8
8	General Mills	161	17.6
9	Ecolab	206	13.5
10	C.H. Robinson Worldwide	208	13.5
11	Land O' Lakes	215	13.1
12	Ameriprise Financial	232	12.2
13	Xcel Energy	257	11
14	Hormel Foods	304	9.3
15	Mosaic	316	8.9
16	Thrivent Financial	318	8.7

Source: Twin Cities Business Magazine

<http://tcbmag.com/News/Recent-News/2016/June/Minnesota-Company-Cracks-Fortune-500-Top-Ten-For-F>

IMMIGRANTS LEAD MAJOR MN BUSINESSES

38.9% of Fortune 500 companies *in Minnesota* were started by immigrants or their children.

- more than **264,000** jobs
- annual revenue over **\$100 billion**

Immigrants **lead** 3M, Lifetime Fitness, Medtronic, Best Buy, Mosaic, DeCare...

CONSUMER POWER

Minnesota's immigrants
have **consumer power** over
\$8.9 Billion
per year.



CONNECTING MN TO THE WORLD

Foreign investment & expertise are key to growth.

- MN's steel & mining industries:
 - ArcelorMittal Steel (Virginia): India
 - Gerdau (St. Paul): Brazil
 - Twin Metals (Biwabik): Chile
 - Polymet (Hoyt Lakes): Canada
- Food processing:
 - Faribault Foods (Faribault): Mexico
 - Bimbo Bakeries (Twin Cities): Mexico
 - JBS (Worthington) Brazil

Immigrants add diversity that says, **“World Economy Welcome Here!”**

MN'S ECONOMIC REALITY...2030

- Population ages...Labor force growth declines
 - New enterprises critical to growth
 - “Main Street” needs more shoppers
 - Need foreign \$\$\$ & expertise
- Immigrants KEY to MN development & growth

CONTRIBUTIONS CHANGE OVER TIME

HMONG MN EXPERIENCE

	<u>1980</u>	<u>2010</u>
Median Age	37	19.7
College Graduates	5%	12.6%
Workforce Participation Rate	27%	59%
Median Household Income	\$17,481	\$49,400
Household Receiving Public Assist	67%	14%
Homeownership Rate	12%	49%
Median Home Value	\$85,927	\$161,100

Compiled by Dr. Bruce Corrie, Concordia University, St. Paul

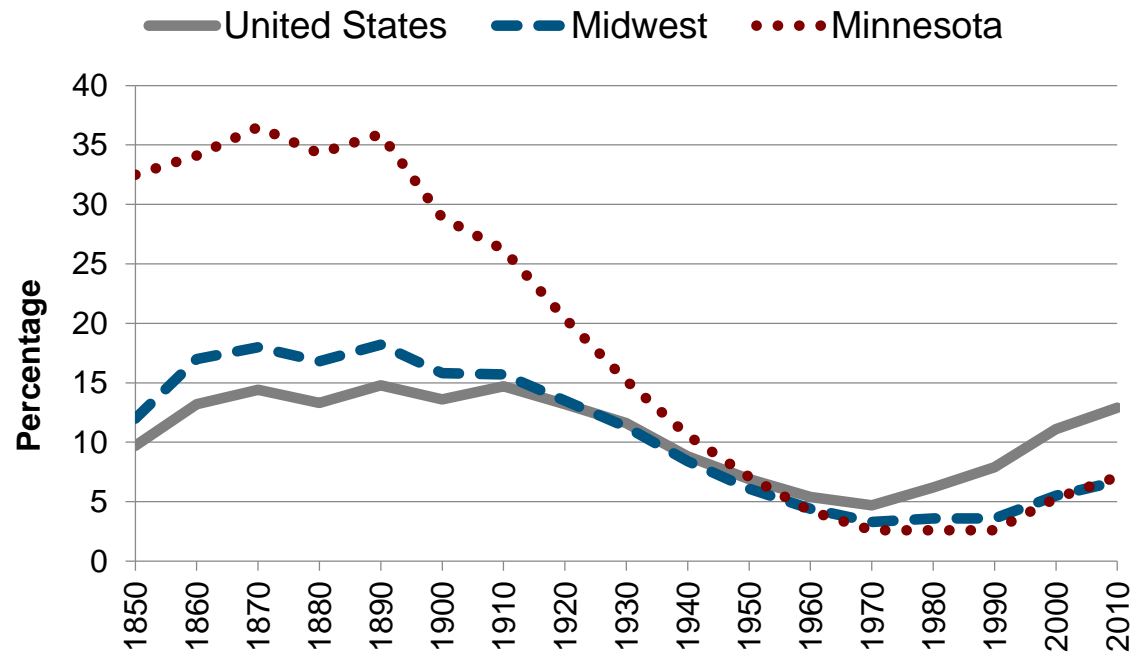
IMMIGRANTS: 1st CONGRESSIONAL DISTRICT

<u>2014</u>	<u>1st District</u>	<u>Minnesota</u>	<u>1st District Share of Total</u>
Immigrant Population	37,166	437,544	8.5%
% of Total Population	5.6%	8%	
Taxes Paid	\$283 million	\$3.3 billion	8.6%
Retail Spending	\$771 million	\$8.9 billion	8.7%
Entrepreneurs	757	16,244	4.7%

Immigrants in Minnesota... ...An Old Story

- MN was an immigrant state...well into 20th century!
- The current trend is not new...& we thrived.

Foreign Born Population in the United States & MN, 1850-2010



Immigration Reform...

4 PARTS

- Streamline Administration
 - ✓ E-Verify = Employment eligibility verification
- Responsiveness to economic change
 - ✓ Replace fixed quotas with dynamic system
 - ✓ More visas for skilled workers, STEM
 - ✓ Recognize differences among industries, e.g. agriculture
- Earned status for unauthorized workers
- Secure borders = See above

Immigrants & Community Integration

What can Minnesota do to make itself a more attractive place for immigrants?

- Develop a strategy-important to have community focused conversations
- Education: retaining foreign students, recognizing foreign credentialing, investing in workers (e.g., English).
- Addressing racial disparities
- Diffusing social tensions, managing conflicts
- Recognizing and coordinating key roles: local government and community organizations, and employers





Minnesota's Immigrants: a resource for our economy



QUESTIONS & COMMENTS



WORKERS

MN's labor force growth depends on imported labor

- Immigrants = most of our labor force growth
- 7% of population; 9% of workforce
 - About 400,000 individuals
 - 230,000 workers

FOREIGN BORN MN'S: GETTING YOUNGER

