

THE ECONOMIC NECESSITY OF IMMIGRATION REFORM

**William A. Blazar, Senior Vice President,
MN Chamber of Commerce**

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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

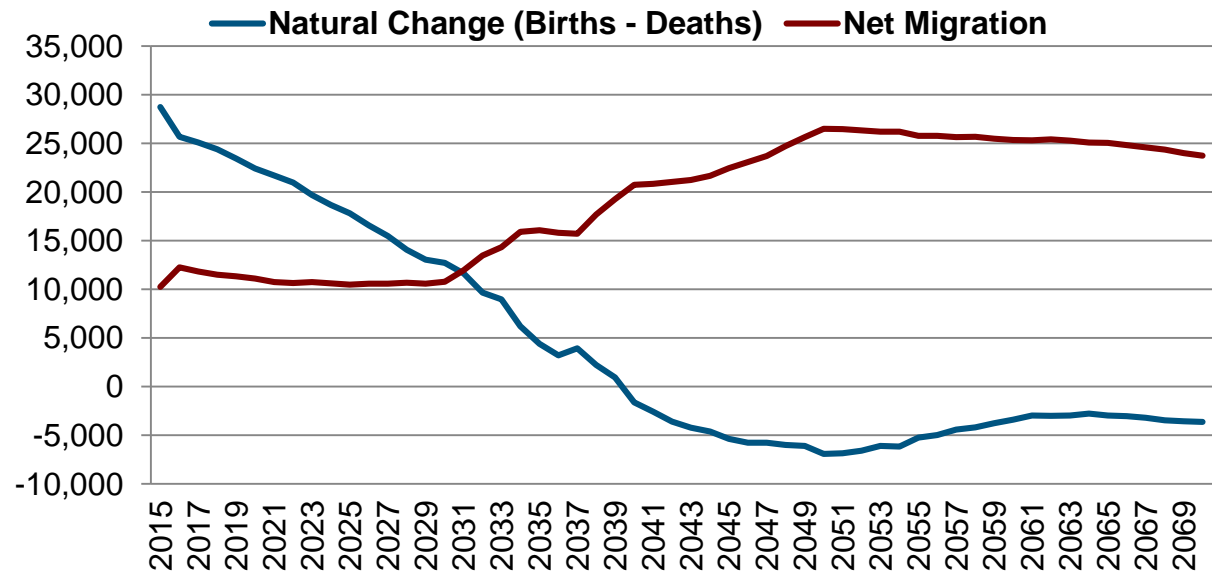
IMMIGRANT CONTRIBUTIONS TO MN'S ECONOMY

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

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

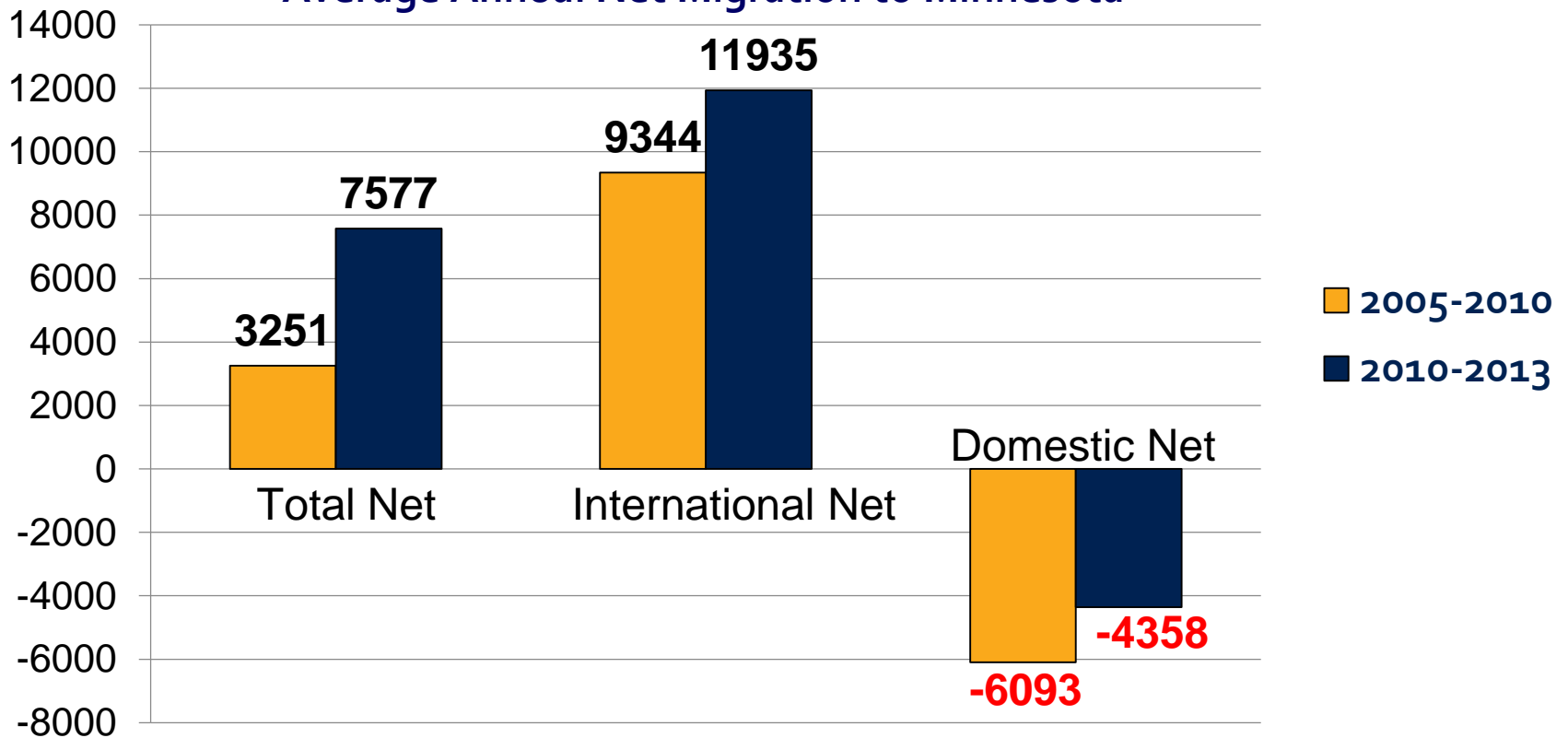
Projected Annual Population Change in Minnesota, 2015-2070



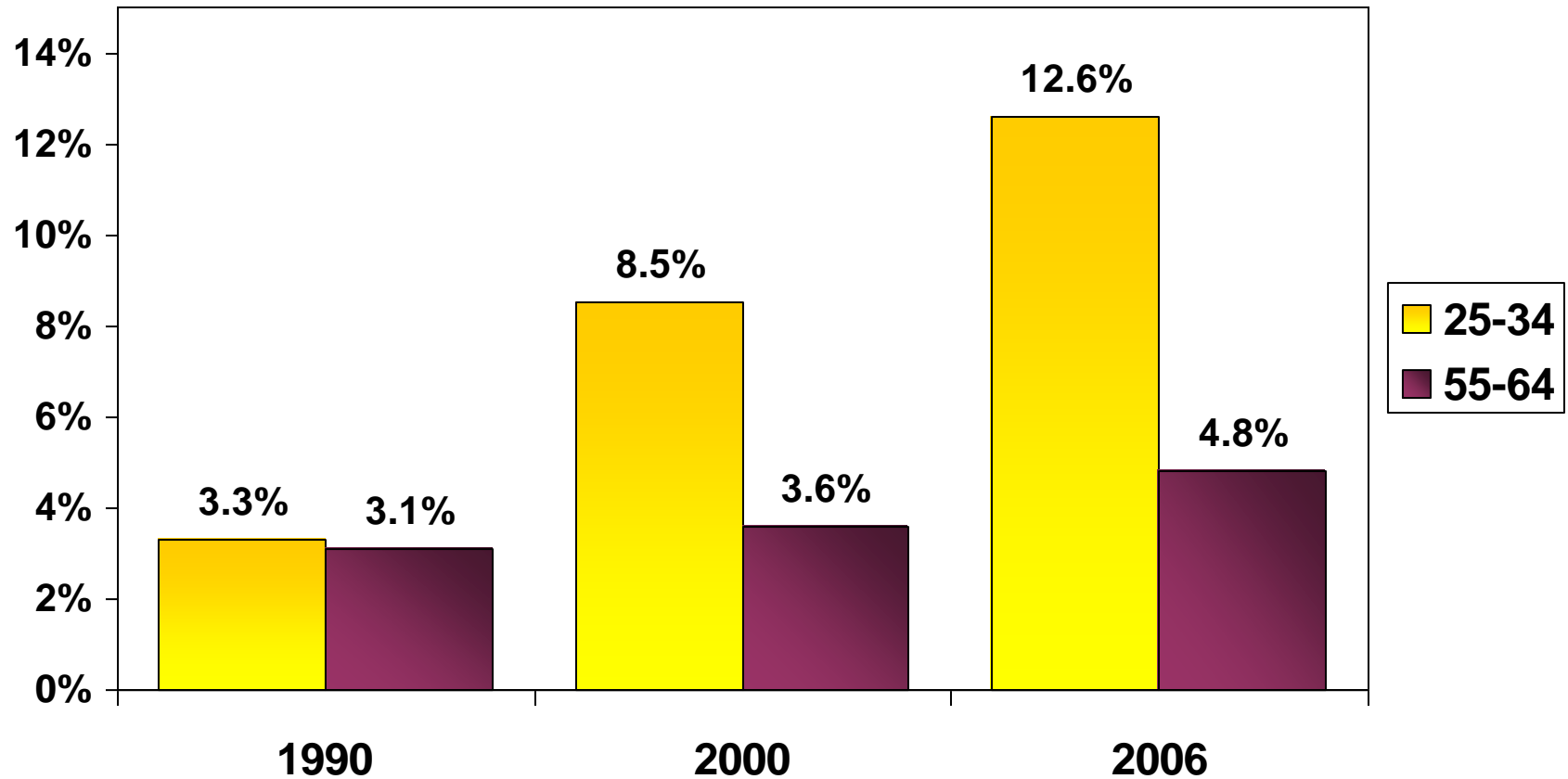
Note: Calculations based on data from Minnesota State Demographic Center, Minnesota Population Projections (2015-2070), August 2015

International Migration Driving Growth

Average Annual Net Migration to Minnesota

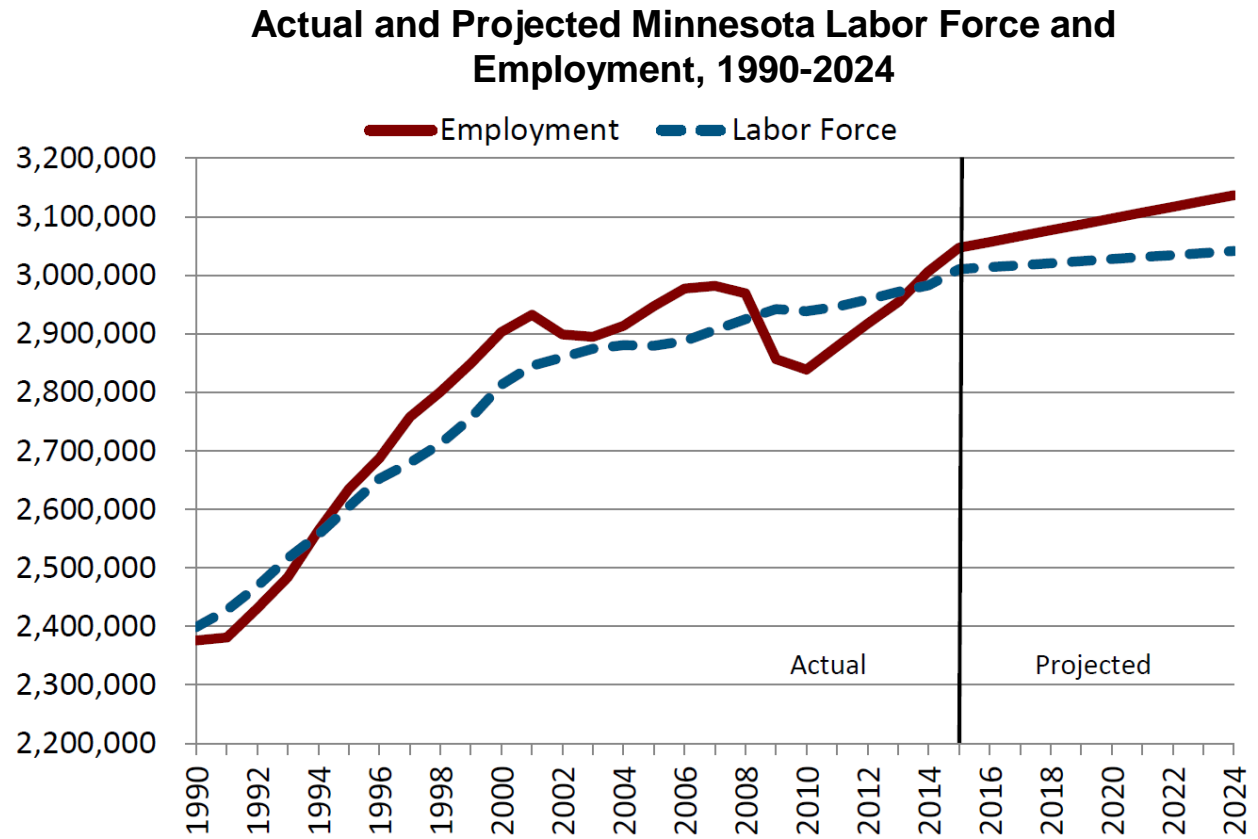


MN's Foreign Born -- Getting Younger



Slowing Labor Force Growth

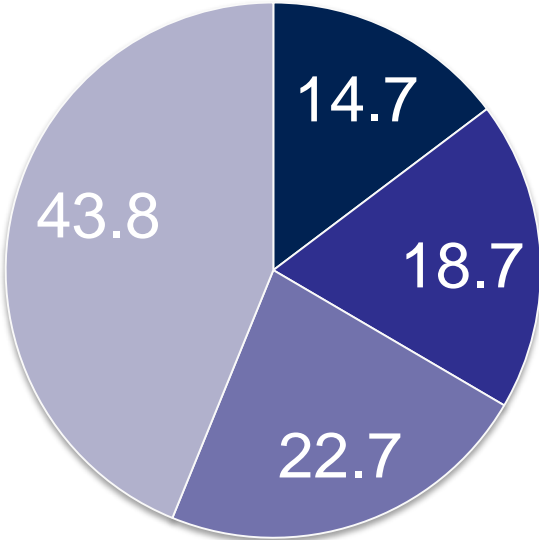
- Worsening gap between the number of jobs available in Minnesota and the number of workers present to work at those jobs
- Shortage of workers could decrease economic growth



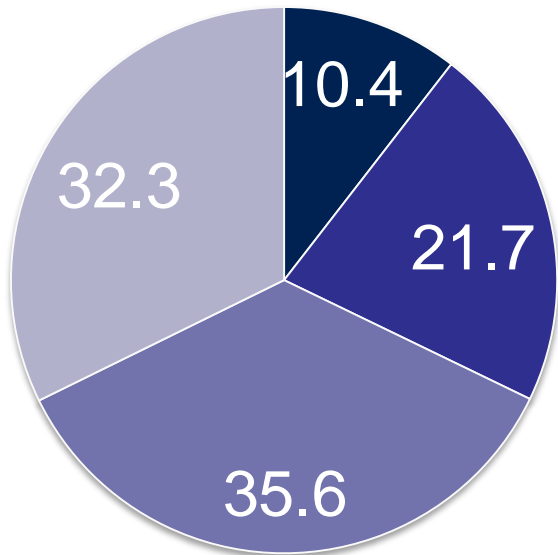
Note: Based on historical and projected employment and labor force data by the Minnesota Department of Employment and Economic Development.

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

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

MN FORTUNE 500 COMPANIES (2017)

WHAT DO THEY HAVE IN COMMON?

State Ranking	Company Name	Fortune 500 Ranking	Revenues (\$ billions)
1	United Health Group	6	184
2	Target Corporation	38	69.5
3	Best Buy	72	39.4
4	CHS	93	30.4
5	3M	94	30.1
6	U.S. Bancorp	125	22.7
7	Supervalu	158	17.5
8	General Mills	165	16.6
9	Land O' Lakes	209	13.2
10	Ecolab	211	13.2
11	C.H. Robinson Worldwide	212	13.1
12	Ameriprise Financial	239	11.7
13	Xcel Energy	256	11.1
14	Hormel Foods	295	9.5
15	Thrivent Financial	316	8.8
16	Mosaic	377	7.2
17	<i>St. Jude Medical*</i>	<i>434</i>	<i>6</i>
18	Patterson Companies	466	5.6

*St. Jude Medical sold in early 2017; will not appear on 2018 list

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...

AND, THEY START & GROW NEW ONES!



International Laboratories

Mo Saremi, Founder & CEO, Iranian-American

"Cosmetics maker Bell Labs expands again in Eagan, adding 50 jobs"---StarTribune, June 2017

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 (Fergus Falls, etc): Mexico
 - JBS (Worthington): Brazil
 - Gold n' Plump (St. Cloud): Brazil

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

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%	---
% of Total Workforce		9%	---
Taxes Paid	\$283 million	\$3.3 billion	8.6%
Retail Spending	\$771 million	\$8.9 billion	8.7%
Entrepreneurs	757	16,244	4.7%

Source: Partnership for New American Economy

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

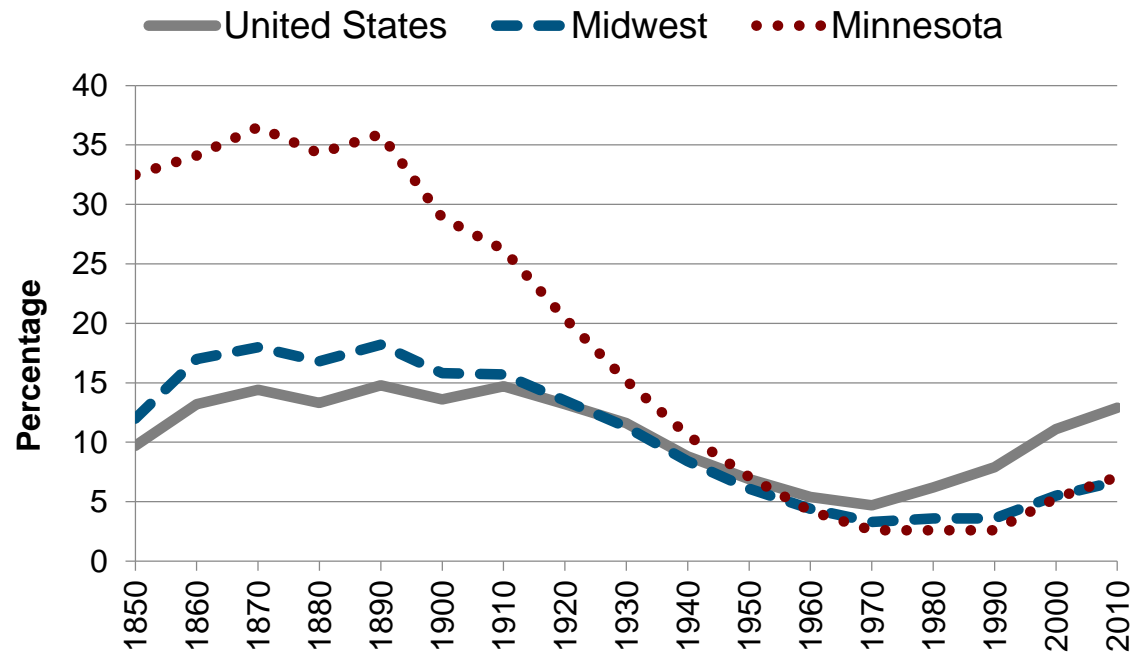
	<u>1980</u>	<u>2010</u>
Median Age	37	19.7
College Graduates	5%	12.6%
Workforce Participation Rate	27%	59%
Median Household Income	\$17,481	\$49,400
Household Receiving Public Assist	67%	14%
Homeownership Rate	12%	49%
Median Home Value	\$85,927	\$161,100

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

Immigrants 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
 - ✓ **Issuance of work-related visas**
- **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

