

Marshall talk, Aug. 10

Thanks, Rob.

Before I begin, I'd like to say that AS AN IMMIGRANT FROM ENGLAND, I'm grateful for the opportunity to help fill a dire need for semi-skilled economics writers at the Fed in Minneapolis.

I'd like to share with you some facts and personal perspective on immigration in our district and in Minnesota, that I gathered in reporting a SERIES OF ARTICLES ON IMMIGRATION, to be published in the September issue of fedgazette.

Some of the things I learned came from talking to employers, local officials and immigrant organizations in North and South Dakota and Wisconsin, but I think the SAME ECONOMIC LESSONS apply to SW Minnesota.

II. LABOR ISSUES [PIC OF FACTORY WORKERS SLIDE]

Of all the things I learned in reporting those stories, the most important was that IMMIGRANTS HELP FILL A CRYING NEED for labor in many rural areas.

A. Take MANUFACTURING, for example.

In Sioux Falls, South Dakota the UNEMPLOYMENT RATE IS ABOUT 3 PERCENT, or less. In such a tight labor market, access to immigrant workers has been crucial for STARMARK CABINETRY, a manufacturer of wooden cabinets for kitchen and bathrooms.

StarMark, a division of Twin Cities-based Norcraft Companies, employs about 120 immigrants—a quarter of its workforce--on the factory floor and in shipping and receiving.

In talking to John Swedeen, president of the company, I learned that immigrant labor HAS HELPED INCREASE STARMARK'S REVENUE 30 percent to \$60 million over the past year.

To meet rising production demand as the economy recovers, StarMark has added workers to the night shift. Many of those workers are immigrants--Bosnians, Somalis, Sudanese—who don't seem to mind working at night.

Swedeen told me that immigrant labor has been **[SLIDE] “A KEY, KEY FACTOR IN OUR SUCCESS IN KEEPING UP WITH DEMAND.”**

I'll give you ANOTHER EXAMPLE of immigrants filling a labor vacuum in manufacturing.

You all know that MEATPACKING IS BIG BUSINESS in SW Minnesota. Plants in the area include Jennie-O in Willmar and Montfort Pork in Worthington. Turkey Valley Farms of Iowa is set to open a plant here in Marshall soon.

I would argue that these plants WOULDN'T BE IN BUSINESS without immigrant workers. The work is PHYSICALLY DEMANDING AND MESSY; it's work native-born Americans just don't want to do.

I talked to a PROFESSOR AT THE UNIVERSITY OF WISCONSIN-EAU CLAIRE who has studied the growing SOMALI COMMUNITY IN BARRON, a town in northwest Wisconsin. Dozens of Somali immigrants work at the Jennie-O Turkey Store plant, the city's largest employer. They're there because MANY NATIVE-BORN RESIDENTS WON'T DO THE WORK.

[SLIDE] “AMERICAN KIDS DON'T WANT TO TAKE THOSE JOBS; THEY LEAVE FOR THE [TWIN] CITIES,” he told me.

Immigrants PROBABLY DON'T LIKE WORKING at the turkey plant either, but IT'S WORK THEY CAN DO. You don't need a good command of English or a high school diploma to gut and pack turkeys.

Latinos, Somalis and other immigrants LEARN ABOUT FOOD PROCESSING JOBS in SW Minnesota through the family grapevine. Latinos are actively recruited in Mexico and Texas by agents for food manufacturers.

B. Blue-collar, relatively low-skilled MANUFACTURING JOBS AREN'T THE ONLY POSITIONS being filled by immigrants in rural areas. Immigrants also satisfy a never-ending NEED FOR HEALTH CARE WORKERS—doctor, nurses, personal care attendants.

In the CITY OF ROCHESTER, Minnesota, Somali women have landed JOBS AS PERSONAL CARE ATTENDANTS AND NURSING ASSISTANTS at area nursing homes.

In WILLISTON, NORTH DAKOTA, Mercy Medical Center has recruited 8 NURSES FROM THE PHILLIPPINES to work in obstetrics, intensive care and other departments in the hospital.

A hospital administrator I talked to told me that Filipino women, brought into the country on H-1B visas, FILL A “DIRE NEED” for well-trained nurses. Before they arrived, nurses were working overtime, and the hospital depended heavily on traveling nurses—circuit riders who make the rounds of several hospitals in the state.

Apparently the Filipino nurses are SOLD ON THE GREAT PLAINS LIFESTYLE; all 8 have applied for permanent residency.

Now I'll TURN IT BACK OVER TO ROB, who will talk about the social costs of immigration.

III. EDUCATION, OTHER SOCIAL COSTS [SLIDE—IMMIGRANT FAMILY]

There's no question that immigrants IMPOSE COSTS ON SOCIETY—for schooling, for health care, for job training, for cash assistance.

Those costs can be seen as AN ECONOMIC DRAIN, a waste of resources that could be better spent on improved health care and schooling for natives, or road construction, or environmental protection.

OR -- spending money on immigrants can be viewed AS AN INVESTMENT, one that will pay economic dividends years from now.

In reporting the immigrant stories for fedgazette, I came to the conclusion that you have to look at these expenses as AN INVESTMENT IN THE FUTURE. That investment is particularly important in rural areas that are losing young people to the Twin Cities and other metro areas.

Let me give you TWO EXAMPLES OF WHAT I MEAN...

EDUCATION is a significant expense incurred by immigrants. Children of immigrants enroll in rural school districts UNABLE TO SPEAK ENGLISH. Many of them, such as the Hmong, or refugees from East Africa, have LITTLE EXPERIENCE WITH FORMAL CLASSROOM learning.

Last year PELICAN RAPIDS SCHOOLS SPENT \$193K ON ENGLISH AS A SECOND LANGUAGE, or ESL programming, paying for it with state ESL grants.

In the city of WORTHINGTON, where close to 40 percent of elementary school children speak little or no English, THE DISTRICT SPENT \$640K ON ENGLISH INSTRUCTION last year. That figure included the salaries of three full-time translators who speak Spanish, Laotian, Hmong and Vietnamese.

Is that kind of money worth it? It is if you believe that most immigrants will grow up to become CONTRIBUTING MEMBERS OF SOCIETY—holding a job, paying their way in taxes.

I talked to LOWELL WOLFF, A SCHOOL ADMINISTRATOR in Fargo. He often hears COMPLAINTS FROM PARENTS that the district is spending too much on English classes for immigrants.

What does he say to them? He tells them that he sees the CHILDREN OF IMMIGRANTS, and their parents taking adult English lessons, as COMMUNITY ASSETS. All they need to realize their potential is a little education.

Among the Bosnian immigrants whose children attend Fargo Schools are a FORMER ARCHITECT AND AN EX SCHOOL PRINCIPAL. They're doing factory work now, but in time, when they learn English and earn their professional licenses, they'll land good jobs and contribute to the economic and cultural growth of the Fargo area.

HEALTH CARE for immigrants is another huge expense for society.

Most newly arrived immigrants ARE POOR, without the means to buy health insurance. Others, such as the thousands of Hmong refugees from Thailand who are expected to settle in the Twin Cities over the next year, are IN POOR HEALTH after years of malnutrition and neglect.

They need health screenings, vaccinations, and help paying for ongoing medical care.

At ST. JAMES HEALTH SERVICES, a critical access hospital in Watonwan County, 90 PERCENT OF THE FACILITY'S MEDICAID SPENDING goes to the care of immigrants—mostly for childbirth.

How does SOCIETY JUSTIFY SUCH COSTS? The administrator of the hospital had an answer: She said that those immigrant babies "ARE OUR NEW CITIZENS." To bring Watonwan County's future workers and entrepreneurs into the world requires an UPFRONT INVESTMENT by the rest of us.

I'll leave you with a quote FROM PAM WESTBY, director of the Multicultural Learning Center, or public library, in Pelican Rapids. She told me that roughly HALF OF THE LIBRARY'S PATRONS ARE IMMIGRANTS from Mexico, Bosnia, Somalia and other countries. They come to take computer-based English classes, check out books and videos, and read foreign newspapers on the Web.

Given that heavy usage, and the fact that many immigrants work for modest pay at the local turkey processing plant, they probably CONSUME MORE LIBRARY SERVICES THAN THEY PAY FOR in taxes.

But Westby says that's OK: [SLIDE]
"MY GREAT GRANDFATHER CAME HERE AS A NORWEGIAN IMMIGRANT," SHE SAID. "HE HAD ACCESS TO A NORWEGIAN NEWSPAPER THROUGH THE COUNTY, JUST AS I'M TRYING TO PROVIDE SOMALI NEWSPAPERS ON THE COMPUTERS FOR OUR SOMALI IMMIGRANTS. FOR ME IT'S GIVING BACK...IMMIGRATION IS PART OF WHO WE ARE, AND THIS IS JUST ANOTHER POINT ON THE TIMELINE."

Thanks for your attention, and I encourage you get THE FULL STORY ON IMMIGRATION to our region in next month's issue of fedgazette. Now I'll turn it BACK OVER TO ROB, who has some concluding remarks.