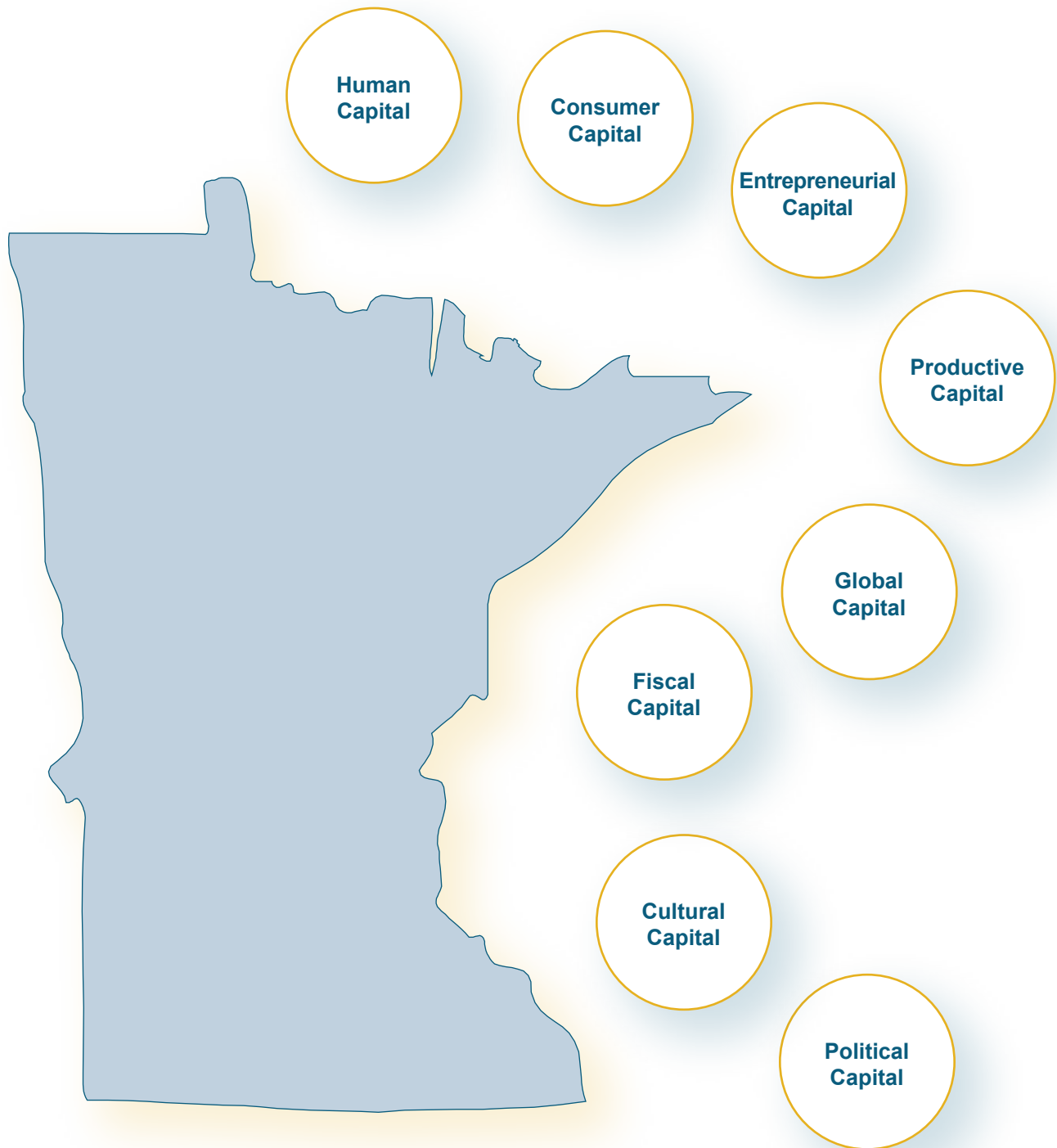


# Ethnic Capital and Minnesota's Future

## Mexican Americans in Minnesota



## Minnesota 2030

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Bruce P. Corrie, PhD

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# Executive Summary

## **Ethnic Capital and Minnesota's Future** *Mexican Americans in Minnesota*

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This report documents the economic contributions of Mexican Americans in Minnesota. It is time to move away from the flawed immigration debate and failed immigration policy nationally and locally towards a forward looking vision to make Minnesota a Global Competitor in 2030. This vision can be realized through the dynamic contributions of ethnic capital in Minnesota.

Mexican Americans have been in Minnesota since the 19<sup>th</sup> Century. They have contributed to the Minnesotan economy as Consumer Capital, Human Capital, Productive Capital, Global Capital, Fiscal Capital, Political Capital and Cultural Capital.

- Mexican American consumer power in Minnesota is close to 1 billion dollars - greater than the GDP of Liberia.
- The number of Mexican American firms is growing faster than the state overall rate. Firms with employees grew almost 200 percent during the period 1997-2002. One can see the evidence of this entrepreneurial activity on Lake Street and in District Del Sol
- Mexican American workers provide a critical workforce to businesses in rural Minnesota and the metro area. Latinos will be a significant segment of the future workforce of Minnesota by 2030 with their prime workforce growing over 100 percent between 2005-2030.
- Mexico is among the top ten markets for Minnesota's exports and trade is an important engine for economic growth in small towns such as Austin, Minnesota.
- Mexican Americans paid an estimated 283 million dollars in personal taxes in Minnesota at the federal and state level. Latinos in the prime tax base of Minnesota will grow over 300 percent during the period 2005-2030.
- Mexican American cultural capital has and will continue to enrich Minnesota and help tap the lucrative cultural heritage tourism market

nationally.

- Mexican American Political Capital is reflected in the 73,000 people of voting age. 45 percent of the registered voters voted in November 2004. We are witnessing an increase in the political participation of Mexican Americans nationally and locally.
- Investing in the Mexican American community in Minnesota has tremendous potential for Minnesota's future global competitiveness.
- The multidimensional contributions of Mexican Americans have not been duly acknowledged in Minnesota nor has Minnesota invested adequately in these important strategic assets of the state.
- According to the American Community Survey 2006, 66 percent of people of Mexican origin in Minnesota are citizens.
- According to the American Community Survey 2006, 34 percent of people of Mexican origin in Minnesota are non citizens. These include people with legal status as well as the undocumented workers.
- Policymakers have focused attention on the undocumented workers and have advanced many initiatives aimed at this group of workers in Minnesota. Policy makers should be cautioned about advocating policy measures without proper planning in place to address the consequences of their policy proposals.

Policy makers need to explore 'What if?' scenarios and their impact on the Minnesotan economy. For example if Minnesota were to lose a significant number of workers in critical industries there would be a massive shock to the local economy. Do we have a contingency plan in Minnesota in the case of a labor shock that could arise if immigrant workers are deported or decide to leave? Below are some policy scenarios and results from an econometric model used to simulate economic impacts of changes in the local economy.

## **Policy Simulations**

### ***Mexican American Consumer Capital and Minnesota***

#### **What if Mexican American consumption goes down by 500 million dollars in Minnesota?**

Mexican American consumer power is 944 million dollars. Even though this is approximately 1 percent of the total buying power in Minnesota it still has a significant impact. For example, suppose sales go down in the Minnesotan economy by 500 million because the community stops spending as much. If we allocate the drop in sales to various sectors of the economy such as grocery and department stores the model predicts that there will be a potential job loss of over 5,000 and further earning loss in the state of over 173 million dollars. From this policy simulation we can see that the Mexican American consumer power in the Minnesotan economy is a significant driver of the economy.

*What is the value to the state for 5000 jobs?*

If we take the Legislative Auditors estimate of the average cost per job generated by the JOBZ program as an estimate of the state's value of a job as a midpoint value of \$15,000 per job created – then this comes up to an impact of 75 million dollars.

### ***Mexican American Entrepreneurial Capital and Minnesota***

#### **What if Mexican American Firms increase sales by 30 million dollars?**

In the EMSI Model (Policy Simulation 2) sales was increased by 30 million distributed in the following sectors: construction, professional services, restaurants, and communication. The model predicts that this will create an additional 700 jobs and result in an earnings increase in the state by over 21 million dollars.

*What is the value of 3,123 existing jobs created by Mexican American firms in Minnesota?* \$46 million

### ***Mexican American Productive Capital and Minnesota***

#### **What is the possible impact of Mexican American workers on the Minnesotan economy?**

In the EMSI Model we assume 80,000 jobs (about the number of Mexican American workers in Minnesota) are lost in the economy. We will allocate these job losses to the various industry areas where the workers are found and then simulate the impacts.

The EMSI model predicts that this job loss will cause an additional 176,000 job losses and drop earnings in the state by over 6 billion dollars. There will also be a loss in sales with a sales multiplier of 1.96, meaning that one dollar in sales lost results in an additional .96 cents of sales loss in the region. There will be further impacts on other industries such as full service restaurants, grocery stores, supermarkets and janitorial services.

*What is the value to the state for the loss of 256,000 jobs?* \$3.8 billion

#### **What if the meat packing and poultry industry in Minnesota lost 2,490 jobs (number held by non citizens according to ACS 2006)?**

The EMSI model (Appendix Policy Simulation 4) predicts that there will be a further loss of over 16,000 jobs and a loss of over 400 million dollars in earnings in Minnesota.

*What is the value to the state for the loss of 18,490 jobs? \$277 million*

### ***Mexican American Global Capital and Minnesota***

**What if agricultural exports to Mexico increased by 50 million dollars?**

The EMSI model predicts that there will be a further gain of over 1500 jobs and a gain of over 28 million dollars in earnings in Minnesota

*What is the value of 1500 jobs created to the State of Minnesota? \$22 million*

### ***Mexican American Cultural Capital and Minnesota***

**What is the impact of an increase of \$30 million into the hospitality/tourism industry as a result of cultural tourism in Minnesota?**

The EMSI model (Appendix Policy Simulation 8) predicts that there will be a further gain of over 800 jobs and a gain of over 23 million dollars in earnings in Minnesota.

### ***Mexican American Fiscal Capital and Minnesota***

**What are estimated tax payments of Mexican Americans at the County or City Level?**

In the appendix (Tables D, E) we break down estimates of Mexican Americans by major city and county. As can be seen, even in very small towns or counties Mexican Americans are paying their share of the state and local taxes. They pay an estimated 42 million dollars in Hennepin County to 140 thousand dollars in Cottonwood County. They pay an estimated 21 million dollars in Saint Paul to 90 thousand dollars in Renville.

## **A Flawed Immigration Debate/Policy**

There is an active academic debate on the costs and benefits of immigrants to the state and nation. The national and local debate critical of open immigration have a number of flaws in their arguments that need to be addressed to ensure the economic health and

global competitiveness of Minnesota and the nation:

- *Not a Comprehensive Analysis:* Unlike the National Research Council (NRC) study of Immigrants in 1997 which was a panel of experts who looked at the issue of immigration in a very thorough and comprehensive manner and focused on many of the arguments of the critics today, the newer studies tend to focus entirely on unskilled workers and are very silent on the contributions of high skilled immigrants. Further recent studies point out that immigrants may raise the income of high school graduates and those with some college – groups that tend to be most critical of immigrants. These groups benefit through moving up in their jobs say from worker to supervisor or who benefit from rising value of home prices or lower prices of goods produced by immigrant labor.
  - This report looks at the multidimensional contributions of Mexican Americans to Minnesota. There are practically no studies that include all these dimensions in their analysis. For example, studies focusing on the fiscal impacts of immigrants are likely not to include an analysis of the value immigrants add to the economy as consumers, entrepreneurs, global capital, productive workers, cultural capital and political capital. Locally the Department of Administration's report on the cost of undocumented workers is an example of this partial analysis.
  - *Methodological Flaws:* Recent research points to a significant criticism of the leading studies of critics of immigration. They argue that if we use a more dynamic economic model we will come to the conclusion that immigration has a net benefit to society. More recently one of the authors has challenged the leading researcher of immigration policy and showed that there are serious methodological problems in the model used to produce the results of a negative impact of immigrants on wages.
- *Missing the Point:* The recent studies critical of open immigration policies miss some important points established by other studies, namely:
  - *Immigrants are not the cause of Declining Wages of Low Skilled Workers* - The point brought out by the NRC 1997 and recent studies illustrate that immigrants are not the cause of the decline in the wages of low skilled workers – there are other factors more important such as the role of technology and our global economy.
  - *Immigrants do work complementary to Native Workers and Help Improve Native Workers Income* –Recent studies illustrate that immigrants workers are for the most part complements to native workers and not substitutes. For example in skill levels, immigrants are found at the very high skills and the very low skill levels while native workers are found at the high school to college level skills. Consequently immigrants do work in areas that actually improve the productivity and income of natives, for example native workers who

are supervisors benefit from immigrant worker's productivity. Recent studies point to the fact the most recent waves of Latinos help improve the economic conditions of earlier waves of Latinos. Others illustrate that low skilled immigrants have had positive impacts on the lives of professional women by increasing the amount of time they could devote to their careers by as much as 33 minutes per week.

- *Race may not be the Issue – Skill Level could be-* Some critics of immigration argue that new immigrants take jobs away from other minority groups. The NRC 1997 study pointed out that low skilled immigrant workers might be substitutes for low skilled native workers (who could be of any race or ethnicity) in large cities. However, this could be a small negative impact. Moreover at a larger level this could be an issue of skill level and not race or ethnicity – the real challenge is retooling our low skilled workforce so that they can compete for the higher paying jobs.
- *Role of the American Business Model and Technological Change Missing* – The immigration debate does not fully include a consideration of the American business model or the market system geared towards efficiency and profits to shareholders and owners. Assuming the immigrant pool of workers leave or are deported and wages rise to meet the new supply of labor – -with a global production platform, what would prevent a meat packing plant from shifting production to a low cost region in another state or country? We do not know the wage threshold that will spur such decisions. Yet researchers assume that native workers wages will rise (and they will keep the jobs that immigrants did) if immigrants were not in the picture.
- *The real issue might be improving the skills of America's high school dropouts* – Most studies point to a small negative impact of new immigrants on native high school drop outs. While immigrants are blamed for their drop in earnings the conclusion of many of these studies is to restrict low skilled immigration and not retooling the unskilled in this country. This should be a national priority.
- *Minnesota Insights:* A Minnesota study found a negative impact on local wages but the results were not statistically significant. The author concludes that the results might not be as similar to other studies finding a negative and significant impact because of the small size of the immigrant population in Minnesota. However this study has the same limitations that have been pointed above. In the Minnesota context when we look at labor employment data the following significant facts stand out that lend support to the recent criticism of established immigration research:
  - *We can see different occupational distributions of immigrants and native workers.*
  - *The case for imperfect substitution between Minnesota natives and immigrant workers can be seen not only because of language and cultural barriers as pointed out in the recent research, but also*

*because of demographic shifts that is restricting the labor pool in various parts of Minnesota.*

- *One can argue looking at the high turnover rates in occupations and industries where low skilled immigrants are found that any native who wants that job could get it if they tried.*
- *As data from DEED's Occupations in Demand tool illustrate many occupations where immigrants are found are high on the labor demand rankings.*
- *My analysis of both employers sanctioned by the former INS as well as applications for high skilled immigrants in Minnesota illustrates that there is a high demand all across Minnesota for these workers. For example firms in 125 cities in Minnesota applied for visas for high skilled foreign workers in Minnesota. During the period 1989 to 2000 over 1000 Minnesota companies were sanctioned for using undocumented workers. These firms were located in 79 percent of the counties in Minnesota.*
- *When policy makers present costs of immigrants they do it in a biased manner by providing these costs on their own without a reference point. What will be helpful for the taxpayer is to have a frame of reference – for example comparing the cost for public services versus cost of subsidy given to a private business or to participants in an economic development program.*
- *The debate around immigration especially by policy leaders critical of immigrants end up imposing a stigma on all immigrants and citizens who look like “illegal immigrants” as it is difficult to judge from appearances who is legal or not. This takes racial profiling into a new level. This also sends messages of xenophobia to our global partners and negatively impacts our image as a global competitor.*
- *A failed WND Immigration Policy for Low Skilled Workers – the current immigration policy could be classified as a “Wink and Nod” (WND) immigration policy for low skilled workers and is to blame for the current paralysis in immigration reform in the country. Policy makers allowed the flow of undocumented migrants through the borders to meet the labor needs of businesses instead of developing a systematic mechanism such as that for high skilled workers. Now policy makers want to clamp down on the flow of migrant workers without a coherent policy to meet the labor needs of industry. The cost of the WND policy is borne by a group of people in the country without legal status and extremely vulnerable to exploitation. The only response of policy makers is to increase “enforcement” actions that operate in a legal/judicial vacuum disconnected to the economic realities of the country or state as documented in the policy simulations of this report.*

- *Commonsense Conclusion Might be Right:* The conclusion of a recent study on the impact of immigrants on the economy reaches a surprising but commonsense conclusion: *the costs of immigrants might not be as high as the critics and the benefits not as high as the advocates of open immigration.* The positive or negative impact of immigrants in the workforce depends on the strength of the local economy, labor demand and supply conditions and how easy it is to substitute labor for technology. It is also obvious that workers without proper legal status or poor bargaining status are vulnerable to exploitation by employers.

## **A Framework for Immigration Policy**

Our debate about immigration policy has been quite heated over the past few months. Out of this discourse we can distill a new framework for immigration policy that will lead to an appropriate solution to the challenge that is before us.

### **From Cultural Anxiety to Cultural Self Confidence**

There is considerable cultural anxiety in the country over the loss of what people consider the core cultural identity of the country. We need to shift our focus from cultural anxiety to cultural self confidence knowing that as immigrants have come to this country, over the centuries, they have always enriched the core cultural identity of America which at its root is not a language or a set of traditions but the idea of liberty, freedom and a never ending quest to discover, adapt and innovate.

### **From Economic Anxiety to Immigrant Capital**

There is considerable economic anxiety brought on by this global interdependent economy. We need to move beyond this economic anxiety and discover that immigrant capital could hold the key to our prosperous future.

### **From the Short Term to the Long Term**

Most of our policies have the short term political cycle as their frame of reference. Census data shows progress made by successive generations of immigrants to this country whether it is in educational levels or homeownership rates. In the long term there is a net benefit from immigration.

### **From a Local Perspective to Global Interdependence**

The need of the hour is to take a global perspective as we deal with local issues. Who would have thought that firms from India and China would create jobs for Minnesotans through their investments in the local economy?

## **From Opinion Based Policy to Fact Based Policy**

We need to move our debate and policies from opinions to facts. Too often in the debate facts are used to discredit the other perspective. What we need to do is to have a vigorous debate over the facts and allow this dialogue around facts to lead to sound policy decisions.

## **From Broad Policies to the Specificity Rule**

There is an important principle in economics called the specificity rule – target your solution to the source of the problem. In the immigration debate as we try to come to solutions too often we see broad policy solutions instead of focusing on a core issue and dealing with it with the right set of tools.

## **From Terrorism Anxiety to Intelligent Vigilance**

One can easily see the importance of security and intelligent vigilance. If we just go by racial or ethnic profiling we would find it so hard to distinguish a potential terrorist from an ordinary citizen. With intelligent vigilance we can use technology and other tools to be more specific who and what we are looking for. What we should be working on is building community networks of trust and friendship because in the long haul that is our biggest defense against terrorism.

## **From a Closed Dialogue to an Open Dialogue**

Too often in the debate we do not get very far because we get lost in our communication about the issues. What compounds matters are that the color of immigrants has changed and so any discourse on the topic gets meshed in racial overtones. That is why it is so important to have the right context and form for a discourse on immigration.

# Ethnic Capital and Minnesota's Future

## Mexican Americans in Minnesota<sup>1</sup>

*"..Although immigration touches some hot button issues, the American economy is extremely large and complex, running at \$7.6 trillion a year. This economy is the end result of ten of thousands of factors, many of which are far more critical than the country's immigration policy. Such factors include the rate at which the country saves and invests and the human capital of its own workers. It is simply not plausible that immigration, even across a decade, by increasing the supply of workers by 4 percent could seriously impact such an economy. However, although it is easy to exaggerate the aggregate effects of immigration, they should not be minimized. As measured by changes in wages, the economic benefits of immigration run as much as \$10 billion a year. In addition, the economic benefits of immigration that operate only through lower prices, without displacing or disadvantaging competitive domestic labor, add to the positive effects of immigration." National Research Council, 1997, page 220*

This report documents the economic contributions of Mexican Americans in Minnesota. It is time to move away from the flawed immigration debate and failed immigration policy nationally and locally towards a forward looking vision to make Minnesota a Global Competitor in 2030. This vision can be realized through the dynamic contributions of ethnic capital in Minnesota.

Mexican Americans have made Minnesota home since the 1800s and are an integral part of the agricultural and later manufacturing economy.<sup>2</sup> The multidimensional economic and social contribution of Mexican Americans in Minnesota as entrepreneurs, workers, consumers, global capital, tax payers and cultural capital has not been given appropriate policy attention. Nor has there been proper investment provided to nurture these strategic assets of Minnesota.

This report will document the multidimensional ethnic capital of Mexican Americans in Minnesota and illustrate how the future of Minnesota will depend on how much we invest in this community today.

Mexican Americans in Minnesota have been caught in the vortex of a very harsh immigration debate that portrays all of the community as "immigrants who are illegal and cost the state too much money." This is an unjust portrayal of the community – majority of who are citizens and a Minnesotan community with roots going into the 19<sup>th</sup> century in Minnesota. This negative stigma is a great psychological burden for a community to bear– especially a community that has invested so much to build the economy of Minnesota.

This report will document the economic contribution of Mexican Americans in Minnesota and calls for a paradigm shift in the way we view and interact with such a dynamic group of Minnesotans.

The report will use public sources of data on the community such as Census 2000, the American Community Survey, the Survey of Business Owners 2002, the IPUMS data set and other credible sources. The report will also use an econometric model, EMSI to provide simple simulations allowing us to get an insight into the economic contributions of Mexican Americans in Minnesota. The EMSI model is a standard tool used by economists to assess the economic impacts of various policies. It provides both a snapshot of an economy after policy or other changes occur and provide an insight into our interdependent economy.

There is much debate about the number of undocumented workers in Minnesota. For consistency this report will only use data from the American Community Survey, 2006. The survey estimates around 53,788 people of “Mexican” origin who are non citizens. While non citizens would include the undocumented workers they will also include people with legal status who are not citizens. The importance of using the ACS survey data is that it provides further details about the non citizens such as occupation etc that is useful in this analysis. Further from the analysis of this report one could project similar impacts on a larger or smaller population of undocumented workers. However, since these workers by nature are “invisible” to official data collection systems most analysis estimating the number of undocumented workers faces the challenge of being a good reflection of reality. A recent report of the Department of Administration estimated the undocumented workers to be around 85,000, while an earlier estimate put it at 48,000. The latest range of the Pew Hispanic Center is between 75,000 and 100,000. Most of the undocumented workers are of Mexican origin. So the estimate of the American Community Survey of around 53,788 Mexican non citizens will help us gain some insights into the larger picture<sup>3</sup>.

## Ethnic Capital: Mexican American Minnesotans

We can assess the potential of ethnic capital of Mexican Americans in Minnesota in the following areas:

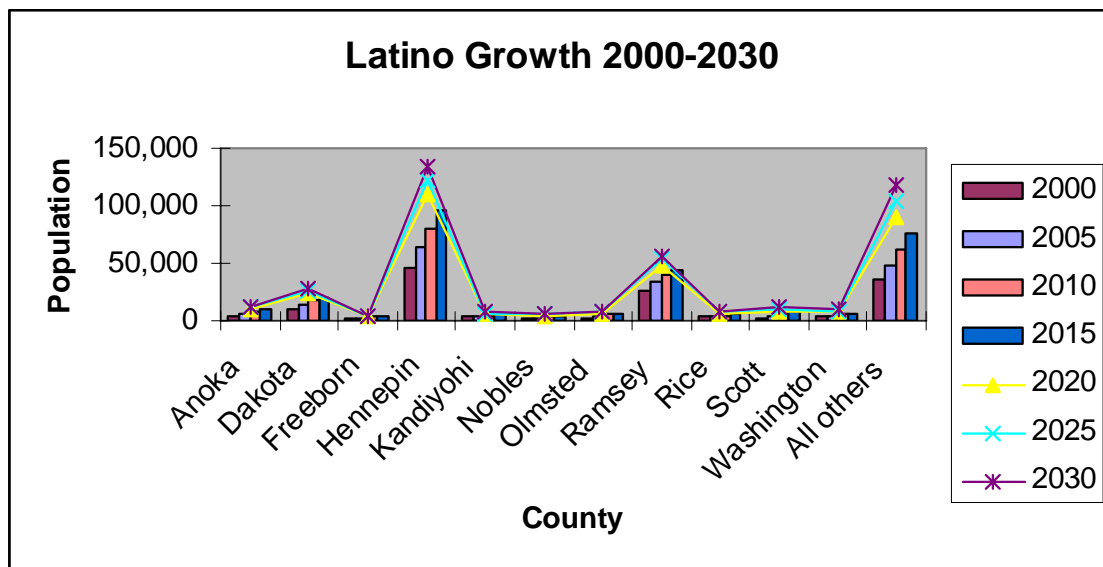
1. Human Capital
2. Consumer Capital
3. Entrepreneurial Capital
4. Productive Capital
5. Global Capital
6. Fiscal Capital
7. Cultural Capital
8. Political Capital

### Human Capital

#### Key Points

- Mexican Americans have young human capital – meaning these are critical investment years for them. The quality of investment in them will determine the quality of their skills in 2030.
- Because of the nature of their parent’s occupations – low paying, low skilled and long hours there is increased need for the state to develop innovative ways to reach out to this community during their critical educational years.

Figure 1



Source: Population projections, Minnesota State Demographer

The latest American Community Survey, 2006 estimated the population of Minnesotans of Mexican origin to be 138,368 compared to 95,610 of Census 2000<sup>4</sup>. People of Mexican origin make up 2.6 percent of the population of Minnesota. The community is younger than the overall population with the median age being 24.5 compared to 36.8 for the rest of the state. 39 percent of the community is under 17 years of age. 21 percent are young workers in the 25-34 year group. These facts are important in the light of the changing demographics of Minnesota which will increasingly need a young workforce to support the needs of a larger population of older Minnesotans. Since no projections are available for people of Mexican Americans we present data in Figure 1 showing projections of the rapid growth of the Latino population in 11 Minnesota counties during the period 2005-30.

**TABLE 1**

	Total population	Mexican American
Total population	5,167,101	138,368
<b>SEX AND AGE</b>		
Male	49.70%	53.80%
Female	50.30%	46.20%
Under 5 years	6.70%	15.20%
5 to 17 years	17.60%	23.90%
18 to 24 years	10.10%	11.80%
25 to 34 years	13.00%	21.60%
35 to 44 years	14.70%	13.80%
45 to 54 years	15.40%	7.90%
55 to 64 years	10.40%	3.40%
65 to 74 years	6.00%	1.70%
75 years and over	6.10%	0.80%

Source: ACS, 2006

Table 2 shows that there are 34,803 “Mexican” households or 1.7 percent of all households in Minnesota with the average household size larger than the state average of 2.46.

**TABLE 2**

	Total	Mexican American
Households	2,042,297	34,803
Family households	65.10%	74.60%
Nonfamily households	34.90%	25.40%
Average household size	2.46	3.45
Average family size	3.03	3.82

Source: ACS 2006

Table 3 provides data on school enrollment where we can see most of the community enrolled in early school from preschool to elementary school.

**TABLE 3**

	Total	Mexican American
Population 3 years and over enrolled in school	1,349,143	41,415
Nursery school, preschool	6.40%	9.60%
Kindergarten	4.70%	6.80%
Elementary school (grades 1-8)	40.10%	53.20%
High school (grades 9-12)	22.90%	19.30%
College or graduate school	26.00%	11.10%

Source: ACS 2006

Table 4 presents data on educational attainment. Here we find 43 percent without a high school degree and 10 percent with a college degree or higher.

**TABLE 4**

	Total	Mexican American
Population 25 years and over	3,387,448	68,001
Less than high school diploma	9.30%	43.10%
High school graduate (includes equivalency)	28.60%	31.60%
Some college or associate's degree	31.60%	15.10%
Bachelor's degree	20.80%	7.70%
Graduate or professional degree	9.60%	2.40%

Source: ACS 2006

***Policy Simulation: What if we closed the achievement gap in the country between ethnic and racial groups?***

A recent study done by the Rand Corporation explored this option with a simulation for California and the nation. According to their simulation in 1997 dollars full equalization of educational outcomes would cost the nation 6.1 billion dollars and would save 7.6 billion dollars in public expenditures, increase income tax revenues by 8.2 billion dollars and bring societal benefits of 158 billion dollars<sup>5</sup>. What this study points out is that investment, if properly done, could benefit the nation much more than the initial investment, and has special relevance to Minnesota.

## ***Policy Issues***

1. Minnesotans of Mexican origin present the state with a young population with great human capital potential for the future if proper investment is made in their education and training especially during the critical time when they are in school. What we do today in investing in this human capital will determine Minnesota's future in 2030.
2. Particular attention should be given to the critical transition points in the school years of the child – preschool to kindergarten, high school to college and college to graduate school.
3. A recent national study points to a glaring policy failure in American history. The author states, "Perhaps even more troubling there is no evidence of progress between the second and third generation. About one fourth of second- and third-generation Mexican Americans have not completed high school".<sup>6</sup> Particularly relevant since the author also illustrates that Mexican Americans are in low pay low skilled occupations. In Minnesota in 1975, for example, it was reported that over 70 percent of the community had less than a high school education.<sup>7</sup> How is it that in 2007 we are yet to close the achievement gap in this community while at the same time we continue to benefit as an economy from this multidimensional ethnic capital? Given the working conditions and low pay of migrant labor, why have we not invested in Mexican American human capital? Instead policymakers have allowed this situation to go on for decades while at the same time benefiting from this productive ethnic capital.
4. The quality of human capital of Minnesotans of Mexican origin is low and provides avenues only to low skilled jobs. Because of the nature of these jobs policy attention should focus on not perpetuating the grave policy failure of the past – but rather investing in this community with tremendous human capital potential that the state will need in the coming decades.

# Consumer Capital

## Key Points

- Mexican Americans as consumers play an important role in the Minnesota economy by buying goods and services and offering culturally specific goods and services. In doing so they help to create and sustain jobs in the Minnesota economy.
- The Mexican American consumer market is a good source for the growth of market share of businesses trying to tap this unique market<sup>8</sup>.

The buying power of Mexican Americans in Minnesota is an estimated 944 million dollars – greater than the GDP of over 20 countries in the world - greater than the GDP of Liberia.<sup>9</sup>

*Buying Power of Non Citizens* - We can estimate the buying power of people of “Mexican” origin that are non citizens to be 250 million dollars after adjustments for remittance flows and personal taxes.<sup>10</sup>

*Remittances* – Recent estimates put remittances by workers to Mexico to be around \$400 per month on average. If we assume from these studies that these workers are charged around 4 % fees then this generates around \$7 million in fees to institutions involved in the money transfer business. Some view remittances to Mexico as a leakage from the Minnesotan economy. However we have to keep in mind that it is playing a long term role in stabilizing the Mexican economy and perhaps lessening the flow of people across the border searching for a better life. For example there is more money transferred to Mexico via remittances than official international development aid to Mexico or around 2.4 percent of the Mexican GDP. Remittances have also played a role in the political transformation of Mexico in recent times as they have provided an independent source of income and movement away from political patronage to achieve economic goals. It is estimated that 27 percent of remittance money is used to start micro enterprises in Mexico.<sup>11</sup> Further this money is spent on consumer goods that also benefit many American companies in Mexico like Wal-Mart.<sup>12</sup>

The Consumer Expenditure Surveys brought out nationally by the Bureau of Labor Statistics reveal that Latinos have unique expenditure patterns that will increase demand in certain sectors more than others.

Table 5 presents this data for the Minneapolis-St. Paul area for the population at large and Latino expenditures in the same category at the national level.

**Table 5: Consumer Expenditures**

	MSP Area (%)	Latino (National) (%)
TOTAL EXPENDITURES	\$58,900	43053
FOOD	11.6	14.3
HOUSING	32.8	35.8
APPAREL	4.2	5.3
TRANSPORTATION	14.5	19.2
HEALTH CARE	5.3	3.9
ENTERTAINMENT	6.2	3.6
CASH CONTRIBUTIONS	3.9	3.1
INSURANCE/PENSIONS	13.9	9.5

Source: BLS, Consumer Expenditure Survey 2004-5, Latino, CES 2006

One can see a greater share of Latino expenditures going for food and housing for example. Within these categories one can find further differences – for example, Latinos spend more than the general population on meat products and for apparel.

What this means is that the community through its purchases increases the demand for goods and services in the communities they are part of. A buying power of 6 million dollars in Glencoe or a million dollars in Long Prairie could mean a lot for local businesses. Tables A and B in the Appendix give Mexican American buying power in a number of cities and counties in Minnesota.

***Policy Simulation: What if Mexican American consumption goes down by 500 million dollars in Minnesota?***

The EMSI model (see Appendix, Policy Simulation 1) is an input output model that allows us to explore “what if?” scenarios<sup>13</sup>. Though it has its limitations it provides an important planning and educational tool to allow us to see the economy wide impacts of certain policies.

Mexican American consumer power is 944 million dollars. Even though this is around 1 percent of the total buying power in Minnesota it still has a significant impact. For example, suppose sales go down in the Minnesotan economy by 500 million because the community stops spending as much. If we allocate the drop in sales to various sectors of the economy such as grocery and department stores the model predicts that there will be a potential job loss of over 5,000 and further earning loss in the state of over 173 million dollars. From this policy simulation we can see that the Mexican American consumer power in the Minnesotan economy is a significant driver of the economy.

How much does Minnesota value 5,000 jobs? If we take the Legislative Auditors estimate of the average cost per job generated by the JOBZ program as an

estimate of the state's value of a job as a midpoint value of \$15000 per job created – then this comes up to an impact of 75 million dollars.<sup>14</sup>

## **Policy Issues**

- Very often business and policy makers ignore the ethnic market for various reasons. As such they do not give the economic impact of these markets due consideration in their analysis. The policy simulation above illustrates that this is not an optimal policy position. Policy makers and the public need to be educated on the consumer power of Mexican Americans in creating and sustaining jobs in the local economy.

# Entrepreneurial Capital

## Key Points

- There is a vibrant entrepreneurial energy in the Mexican American community that is increasing the economic base of the community as well as creating jobs and adding to the tax base of Minnesota.

There is a vibrant entrepreneurial energy in the Mexican American community. One can visibly see this in the growth of Latino businesses in Saint Paul's District Del Sol or very dramatically on Lake Street in Minneapolis.

What is occurring here is the transformation of boarded up or crime infested areas to one of entrepreneurial activity catering to both the ethnic economy as well as mainstream customers. Some of this activity is moving upstream towards manufacturing, services and the high tech industry.

**Table 6: Mexican American Firms in Minnesota**

	<b>Firms</b>	<b>Sales (million)</b>	<b>Firms with Employees</b>	<b>Sales in Million</b>	<b>Employees</b>	<b>Annual Payroll in Millions</b>
2002	1908	277	448	229	3123	57
1997	1163	213	155	NA	NA	NA
Growth Rate %	64		189			

Source: Survey of Business Owners, 1997, 2002

Table 6 reports data from the Survey of Business Owners 2002 that comes out every 5 years. During the last 5 year period of the survey, Mexican American firms grew 64 percent and more importantly, firms with employees grew 189 percent. Total sales of these firms were 277 million dollars and they employed 3,123 people with an annual payroll of 57 million dollars. Mexican American firms are just .42 percent of all firms in Minnesota.

Top industries where Latino firms are found in Minnesota are in Health Care and Social Assistance, Professional services, Construction and Retail Trade.

Major counties with 100 or more Latino firms are: Hennepin, Ramsey, Dakota, Anoka, Washington, Scott and Olmsted.

Mexican American and Latino firms have also offered Minnesota unique models of entrepreneurship, from cooperatives such as Mercado Central to mini malls to sole proprietors. They have also created a unique cultural presence in certain neighborhoods and have become an important resource for cultural tourism in Minnesota.

There is also a growth in Mexican American and Latino firms in rural areas in places like Worthington and Willmar.

### ***Policy Simulation: What if Mexican American Firms increase sales by 30 million dollars?***

In the EMSI Model (Policy Simulation 2) sales was increased by \$30 million distributed in the following sectors: construction, professional services, restaurants, and communication. The model predicts that this will create an additional 700 jobs and result in an earnings increase in the state of over 21 million dollars.

*What is the value of creating 3,123 jobs in Minnesota?*

The Legislative Auditor in a recent report assessing a current economic development program estimated that the cost per job created ranged between 11,000 dollars to 30,000 dollars based on assumptions made.<sup>15</sup> So if we value these jobs created by Mexican American firms (without any government program targeting them) at the midpoint, say \$15,000 per job we get an estimated \$46 million value to the State of Minnesota.

### **Policy Issues**

- Most of the growth in entrepreneurial activity has resulted with very little policy or program intervention by the state. One of the greatest needs of ethnic entrepreneurs is the removal of barriers that they face in accessing government contracts or in selling to other businesses.
- Policy makers largely ignore the role of immigrant entrepreneurship as an engine of economic revival in depressed local economies. There is enough visible evidence on major commercial corridors such as Lake Street in Minneapolis or on Main Street in many small towns to observe how they have transformed run down storefronts to centers for vibrant economic activity.

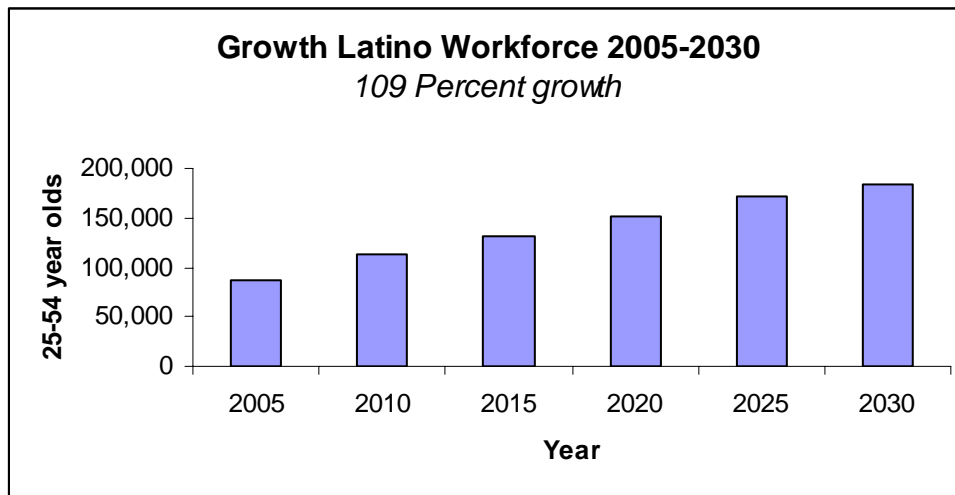
## Productive Capital

### Key Point

- With an aging population Minnesota is going to increasingly rely on the productive capital of Mexican American workers in Minnesota.

To understand the importance of the Mexican American workforce one has to look at the demographic projections of the State Demographer. Figure 2 shows that by 2030 Latino (and Mexican American) workers will be the fastest growing segments of the prime workforce in Minnesota

**Figure 2**



Source: Population projections, Minnesota State Demographer

Table 7 presents the distribution of Mexican American workers by occupation while Table 8 provides this distribution by industry. One can see that the distribution of Mexican American workers by industry or occupation is quite distinct from other workers in Minnesota and as the immigration literature points out.

**TABLE 7 – MEXICAN AMERICAN WORKERS  
BY OCCUPATION, 2006**

	Total	"Mexican Origin"
Management, professional, and related occupations	36.50%	13.60%
Service occupations	15.40%	29.10%
Sales and office occupations	25.40%	14.60%
Farming, fishing, and forestry occupations	0.70%	2.80%
Construction, extraction, maintenance, and repair occupations	8.50%	9.00%
Production, transportation, and material moving occupations	13.50%	31.00%

Source: ACS 2006

**TABLE 8 – MEXICAN AMERICAN WORKERS  
BY INDUSTRY, 2006**

	Total	"Mexican Origin"
Agriculture, forestry, fishing and hunting, and mining	2.40%	3.20%
Construction	6.70%	8.40%
Manufacturing	14.60%	24.50%
Wholesale trade	3.60%	4.20%
Retail trade	11.30%	7.80%
Transportation and warehousing, and utilities	4.50%	1.50%
Information	2.30%	1.00%
Finance and insurance, and real estate and rental and leasing	7.60%	5.00%
Professional, scientific, and management, and administrative and waste management services	9.30%	10.20%
Educational services, and health care and social assistance	22.50%	9.40%
Arts, entertainment, and recreation, and accommodation and food services	7.80%	18.10%
Other services (except public administration)	4.20%	4.80%
Public administration	3.20%	1.80%

Source: ACS 2006

These distinctions will become clear as one studies detailed occupational or industrial category. For example while 24.5 percent of Mexican American workers are in the manufacturing sector, most of them work in the food industry. By occupation the major sectors are production and services and by industry the major sectors are manufacturing and the accommodation industry.

**TABLE 9 A**  
**INDUSTRIES WITH MAJOR MEXICAN AMERICAN PRESENCE**

<b>Name of Industry</b>	<b>Total Workers</b>	<b>Mexican Origin Workers</b>	<b>Percent Mexican</b>
Miscellaneous petroleum and coal products	385	198	51.4%
Fruit and vegetable preserving and specialty foods	5,914	2,270	38.4%
Animal slaughtering and processing	15,005	4,037	26.9%
Apparels, fabrics, and notions	1,259	333	26.4%
Specialty food stores	5,830	1,240	21.3%
Services to buildings and dwellings	18,397	3,759	20.4%
Industrial and miscellaneous chemicals	3,828	772	20.2%
Not specified trade	1,495	250	16.7%
Bakeries, except retail	3,919	597	15.2%
Paperboard containers and boxes	4,589	649	14.1%
Coating, engraving, heat treating and allied activities	2,108	291	13.8%
Metal forgings and stampings	3,645	476	13.1%
Aluminum production and processing	939	118	12.6%
Used merchandise stores	5,198	593	11.4%
Car washes	3,905	431	11.0%
Jewelry, luggage, and leather goods stores	4,571	491	10.7%
Not specified food industries	1,440	151	10.5%
Employment services	30,249	2,877	9.5%
Restaurants and other food services	169,965	11,396	6.7%
Construction	240,732	6,498	2.7%

Source: American Community Survey, 2006

Table 9 A shows the major industries with a significant Mexican American presence and includes some key manufacturing industries such as animal slaughtering and processing.

Table 9 B shows major industries where more than a 1000 “Mexican” non citizens work in Minnesota. Data is retrieved from the 2006 ACS Survey from the IPUMS database. These industries are the food service and hospitality industry and certain manufacturing industries like meat packing. According to the ACS, 2006 (Appendix Table J) estimates there were more than 40,000 workers of “Mexican” origin in over 130 industrial categories in Minnesota.

**TABLE 9B**  
**NON CITIZEN WORKERS of “MEXICAN”**  
**ORIGIN, 2006**

<b>MAJOR INDUSTRIES</b>	<b>WORKERS</b>
Restaurants and other food services	7331
Construction	5664
Services to buildings and dwellings	3368
Animal slaughtering and processing	2990
Traveler accommodation	1819
Animal production	1706
Employment services	1541
Specialty food stores	1148
Grocery stores	1119

Source: ACS 2006, IPUMS data

***Policy Simulation: What is the possible impact of Mexican American workers on the Minnesotan economy?***

The EMSI model (see Appendix Policy Simulation 3) will help us get a picture of the possible impact of the Mexican American workers on the Minnesotan economy. The way we apply the model is to assume that 80,000 jobs (about the number of Mexican American workers in Minnesota) are lost in the economy. We will allocate these job losses to the various industry areas where the workers are found and then simulate the impacts.

**Methodology**

The data for Mexican American workers by industry is taken from the IPUMS data from the American Community Survey, 2006. The allocation of workers to industry is made using the industry distribution from the IPUMS data as well as corroborating the information with the data on occupational distribution of Mexican Americans in the IPUMS data and the DEED dataset on worker distribution in Minnesota.<sup>16</sup>

The EMSI model<sup>17</sup> predicts that this job loss will cause an additional 176,000 job losses and drop earnings in the state by over 6 billion dollars. There will also be a loss in sales with a sales multiplier of 1.96, meaning that one dollar in sales lost results in an additional .96 cents of sales loss in the region. There will be further impacts on other industries such as full service restaurants, grocery stores, supermarkets and janitorial services.

This is a reasonable estimate of the economic impact of Mexican American workers on the Minnesotan economy. There are limitations with this estimate, namely the model gives us a snapshot of the impact and not the dynamic processes that occur. Further it assumes job losses and not the loss of workers<sup>18</sup>.

*What is the value to the state for the loss of 256, 000 jobs?*

The Legislative Auditor in a recent report assessing a current economic development program estimated that the cost per job created ranged between 11,000 dollars to 30,000 dollars based on assumptions made.<sup>19</sup> So if we value these jobs at the midpoint, say \$15,000 per job we get an estimated \$3.8 billion value to the State of Minnesota.

*How plausible are these estimates?*

One can say that the model provides reasonable estimates of the economy wide impact of Mexican American workers. One can debate the magnitude of the impacts in real terms but one cannot deny that significant impacts would occur in an interdependent economy.<sup>20</sup>

For example, when the Campbell Soup company closed in Southern Minnesota, a study evaluated the estimates of impacts and the actual impacts of the plant closing on the regional economy.<sup>21</sup> The initial analysis used a model very similar to the EMSI model as part of the analysis and concluded that the short term impacts were fairly close to the model predictions. However the long term adjustment of the economy in that area occurred in unique ways and was determined by the particular characteristics of the industries in the area. By 2002 the region recovered from the initial loss but there was also evidence of the long term impact of the plant closing on the regional economy.

There are other factors that point to the importance of these workers to the regional economies.

- In the Appendix (Tables G, H) there are estimates of labor demand for some top occupations in various regions in Southern Minnesota. These tables are derived from a new tool provided by DEED called Occupations in Demand that combines a number of indicators such as demand, job vacancies, unemployment claims and job turnover into an indicator of labor demand<sup>22</sup>. We can easily see that certain occupations where Mexican American workers are in high demand such as in the meat processing occupations, janitorial services etc. An important fact is that these jobs are very low paying low skilled jobs.

- Further when we study these regions we find that all of them will be facing critical labor shortages in the future and will be increasingly dependent on in-migration to meet the labor needs.<sup>23</sup> In the Appendix (Table k) latest data on migration flows show many areas in rural Minnesota with a Latino presence facing a demographic decline.

***Policy Simulation: What if the meat packing and poultry industry in Minnesota lost 2,490 jobs (number of jobs held by non citizens)?***

The EMSI model (Appendix Policy Simulation 4) predicts that there will be a further loss of over 16,000 jobs and a loss of over 400 million dollars in earnings in Minnesota<sup>24</sup>.

What is the value to the state for the loss of 18,490 jobs?

The Legislative Auditor in a recent report assessing a current economic development program estimated that the cost per job created ranged between 11,000 dollars to 30,000 dollars based on assumptions made.<sup>25</sup> So if we value these jobs at the midpoint, say \$15,000 per job we get an estimated \$277 million value to the State of Minnesota.

***Policy Simulation: What if Full Service Restaurants in Minnesota lost 5000 jobs done by non citizens?***

The EMSI model (Appendix Policy Simulation 5) predicts that there will be a further loss in jobs of around 7,000 and a 153 million dollar drop in earnings in Minnesota. (We assume the non-citizens do the same work as all workers in the restaurants).

What is the value to the state for the loss of 12,000 jobs?

The Legislative Auditor in a recent report assessing a current economic development program estimated that the cost per job created ranged between 11,000 dollars to 30,000 dollars based on assumptions made.<sup>26</sup> So if we value these jobs at the midpoint, say \$15,000 per job we get an estimated \$180 million value to the State of Minnesota.

## Policy Issues

1. While there has been a lot of rhetoric on clamping down on undocumented workers in Minnesota, there has been no detailed planning on “What-if?” scenarios and their impact on the Minnesotan economy. The EMSI model points to the nature of our interdependent economy in Minnesota. The model also corroborates that Mexican American workers play a very productive role in our economy and produce a lot of value. If these workers were to leave in the short run before market forces have time to adjust there could be a serious shock to our economy. In the long run given the aging population and decline in the labor pool in rural Minnesota there could also be a severe labor shortage. This is compounded by the fact that in many of the occupations where these workers are found there is a high turnover rate and difficulty in finding a stable labor pool.
2. The Mexican American workforce though a small portion of the Minnesota workforce make up an important segment of certain industries such as food processing, meat packing and the hospitality industry. These industries could be vulnerable to an adverse labor shock.<sup>27</sup>
3. The State needs to develop contingency plans for staffing critical industries should large scale deportations occur or in the event that immigrant labor voluntarily leaves the state or country for better opportunities.
4. The working conditions of these workers especially the undocumented workers need policy attention. For example there is evidence for a higher incidence of work place injuries and fatalities for Latino workers compared to other workers.<sup>28</sup> These undocumented workers are vulnerable to exploitation because of their legal status.
5. An interesting dimension emerges when we do a policy simulation in Nobles County to assess the impact of 200 jobs lost in the meat packing industry. The model predicts that earnings per worker will go up after this. The implication is that a lot of jobs in the area are low paying jobs and so the loss of these low paying jobs raises the average earnings per worker. A larger implication from the point of view of the city of Worthington for example is that if the number of these jobs increased and more low paid workers moved into the area there would be increased demand for city services and affordable housing. So while a low wage economy is good

for business it is not necessarily good for the local government which would prefer higher paid jobs that would be less reliant on government services.<sup>29</sup>

6. How much do wages need to rise to bring more local people into the jobs that immigrants do? This is an important question as local people in Southern Minnesota recall the middle class jobs in the meatpacking industry that no longer exist. From a company's point of view in a global economy if local costs rise they could explore shifting production elsewhere as has been done in many industries. On the other hand some people will not do this job at least for the existing wage of \$11 in Worthington's meat packing industry. Workers are willing to drive out of town for a job earning a dollar less in a different industry.<sup>30</sup> So for certain industries we would need to explore the wage premium that local workers would need for the same job. Local residents did not have the negative perception with meat packing jobs when they were paid a union middle class wage in the past. However the earlier question is still unanswered – will the company shift production or make technological changes if wages rise to say \$20 an hour?

There are some who argue that the meat packing industry has been transformed through a combination of factors such as changing consumer preferences for meat products, consolidation in the industry, technological changes, and a move to rural areas. This has led to a demand for low skilled workers and Latino workers have emerged to meet that demand. The displacement of jobs from high paying to low paying jobs occurred through larger forces mentioned above.<sup>31</sup>

# Global Capital

## Key Points

- Minnesota stands to gain with improved trade relations with Mexico. Mexican Americans in Minnesota can facilitate this growth in trade relations through their global networks.
- Trade is an integral part of the Minnesota economy. Export-supported jobs account for about 5.2 percent of private sector employment in Minnesota. 5,504 companies exported goods from Minnesota. In 2006 exports grew 57 percent since 2002 making Minnesota among the top 20 states in the nation for growth in exports.<sup>32</sup>
- Minnesota ranked 19<sup>th</sup> in the nation for foreign students studying in the USA. International students had an economic impact of 186 million dollars in Minnesota. Over 8,000 Minnesota students studied abroad in 2005. Mexico was the 6th most popular destination for students studying abroad.<sup>33</sup>
- Mexico is an important travel destination for Minnesotans. Carlson Wagonlit's Annual Survey of Travel Trends in the USA, gives us an idea of Mexico as a tourist destination nationally. The survey placed Mexico as a top 10 travel destination with 4 Mexican destinations being on the top 10 list.<sup>34</sup>

The city of Austin, Minnesota illustrates the importance of Global Capital and the role of Mexican Americans in Minnesota. Austin is tied much deeper than it is aware, to the economy of Mexico. In 2006 Hormel sales to Mexico was over 13 million dollars.<sup>35</sup>

According to the Minnesota Trade Office more than 400 Minnesota companies do business with Mexico and around 20 companies had a presence in Mexico in 2000.<sup>36</sup>

Mexico was Minnesota's 9th largest export market and was also the top market for exports of Minnesota's electrical equipment industry. Exports grew by 9 percent based on an increased demand for computers and electronics machinery.<sup>37</sup>

At a larger level, Mexico is among the top trade markets for Minnesota. In 2006 trade between Mexico and Minnesota was close to 2 billion dollars.<sup>38</sup> Mexico was among the top 10 export markets for Minnesota.<sup>39</sup> Table C in the Appendix provides details about the various sectors of Minnesota's economy involved in trade with Mexico. However there is much potential to expand trade with Mexico

as Minnesota accounts for a very small portion of US-Mexico trade. The Mexican American community in Minnesota can be an important network to improve our trade possibilities with Mexico.

***Policy Simulation: What if agricultural exports to Mexico increased by 50 million dollars?***

The EMSI model predicts that there will be a further gain of over 1500 jobs and a gain of over 28 million dollars in earnings in Minnesota

*What is the value of 1500 jobs created to the State of Minnesota?*

The Legislative Auditor in a recent report assessing a current economic development program estimated that the cost per job created ranged between 11,000 dollars to 30,000 dollars based on assumptions made.<sup>40</sup> So if we value these jobs at the midpoint, say \$15,000 per job we get an estimated \$22 million value to the State of Minnesota.

**Policy Issues**

- Minnesota stands to gain with improved trade relations with Mexico. Mexican Americans in Minnesota can facilitate this growth in trade relations through their global networks.
- Trade is an important part of the Minnesota economy. If Minnesota wants to increase its market share in Mexico and other parts of the world it would need to temper its harsh anti immigrant rhetoric and policies as it will be sending the wrong message to potential trade partners.

# Fiscal Capital

## Key Points

- Mexican Americans like other Minnesotans pay their share of taxes at the federal, state and local level

Table 10 provides estimates of tax payments by Mexican Americans in Minnesota. They paid an estimated 141 million dollars in state and local taxes and an estimated 142 million dollars in Federal taxes. In all Mexican Americans pay around 1 percent of the taxes in Minnesota.<sup>41</sup> Tax liability is estimated using a simple method of computing average tax rates. Average Federal tax rates was estimated using effective federal tax rates estimated by the Congressional Budget Office based on income levels. Minnesota has provided effective state and local tax rates in the 2007 Minnesota Tax Incidence Study by income level. Mexican American effective tax rates were estimated after looking at the distribution of Mexican American household levels by income group using Census 2000 data. For the overall population in the country according to the Congressional Budget Office, the effective Federal tax rate was 20.5 percent in 2005. For Minnesota as a whole the state tax incidence study estimated an effective tax rate of 11.6 percent with taxes being slightly regressive overall. For the estimates in this report we use a Federal effective tax rate of 11.6 percent (weighted average of effective tax rates at different income levels) and a Minnesota effective tax rate of 11.5 percent (weighted average of effective tax rates at different income levels) derived from household income distribution of the Mexican American community in Minnesota as recorded in Census 2000.

**TABLE 10: Tax Estimates**

1	Average Household Income "Mexican" (2006) <sup>1</sup>	35,278
2	Federal Effective Tax rate (2005) <sup>2</sup>	11.60%
3	State and Local Effective Tax Rate (2004) <sup>3</sup>	11.50%
4	Number of "Mexican" Households	34,803
5	Total Household Income "Mexican" (Row 1* Row 4)	\$1,227,780,234
6	Federal Taxes (Row 5 * Row 2)	\$142,422,507
7	Minnesota State and Local Taxes (Row 5* Row 3)	\$141,194,727
8	<b>Personal Taxes (Row 6 + Row 7)</b>	<b>\$283,617,234</b>
9	Income after Taxes (Row 5 - Row 8)	\$944,163,000
10	Personal Taxes Non Citizens	\$24-55 million <sup>42</sup>

Source: <sup>1</sup> American Consumer Survey, 2006

<sup>2</sup> Congressional Budget Office, 2007, page 6

<sup>3</sup> Minnesota Tax Incidence Study, 2007, Table 4-2  
2006 American Community Survey

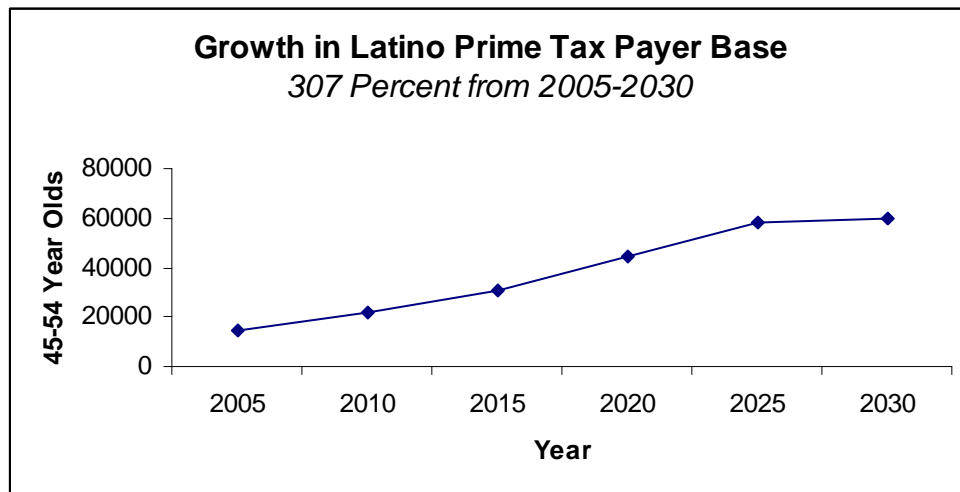
## ***Policy Simulation: What are estimated tax payments of Mexican Americans at the County or City Level?***

In the appendix (Tables D, E) we break down estimates of Mexican Americans by major city and county. As can be seen, even in very small towns or counties Mexican Americans are paying their share of the state and local taxes. They pay an estimated 42 million dollars in Hennepin County to 140 thousand dollars in Cottonwood County. They pay an estimated 21 million dollars in Saint Paul to 90 thousand dollars in Renville.

### **Policy Issues**

- Too often the role of Mexican Americans as tax payers is ignored. Mexican American citizens paid an estimated 187 million dollars in personal taxes and non citizens paid an estimated 24 to 55 million dollars in taxes.<sup>43</sup> These estimates of taxes are simple ones and serve to illustrate the fact that non citizens do pay taxes. Figure 3 shows that the Latino population will be a significant part of the prime tax base in Minnesota in 2030 and will grow over 300 percent during that time. How much will they contribute in taxes in the future will depend upon investments in their education today.

**Figure 3**



Source: Population projections, Minnesota State Demographer

- There is a lot of debate on the net cost of immigrants, namely, their contributions as tax payers and their use of government services. The most extensive study of costs and benefits of both low skilled as well as high skilled immigrants is that done by the National Research Council in

1997. Their study reported that immigrants without a high school degree had a net cost to society over the long term (immigrant plus descendents) of -\$13000 (1996 dollars). However those with a high school degree had a positive contribution of \$51,000. Those with educational levels greater than high school have a net positive contribution of \$198,000. This includes both the immigrants as well as their descendents in the long run – the life of the immigrant as well as their children. The NRC study includes children because though they have initial costs, such as educational expenses, they grow up to become earning adults and contribute to taxes etc. Most studies that report net costs of immigrants usually focus on low skilled immigrants and do not include the high skilled immigrants as done by the National Research Council Study<sup>44</sup>.

**Table 11**  
**Net Fiscal Impacts “Mexican” Non Citizens**  
**Immigrant plus Descendents**

	1996 NRC Cost Estimates	2007 Costs	"Mexican" Non Citizens	Long Term Fiscal Impact
less HS	-13000	(\$17,179)	31753	(\$545,497,171)
HS	51000	\$67,396	14816	\$998,540,025
> HS	198000	\$261,655	4701	\$1,230,041,565

- The Minnesota study on the impact on undocumented workers in Minnesota estimated the net cost of these workers to be between 148 and 188 million dollars annually. Table 11 shows that non citizens of Mexican origin paid an estimated 24 to 55 million dollars in state and local taxes. This does not include an estimate of their economic contribution to the economy in terms of consumer demand, entrepreneurs and workers.<sup>45</sup>

The EMSI model (Appendix Policy Simulation 7) for example illustrates that if there is a loss of 40,000 jobs done by Mexican origin non citizens the impact would be a further loss of over 50,000 jobs of Minnesotans and a loss in earnings of over a billion dollars<sup>46</sup>.

If we take the Legislative Auditor’s mid point estimate of the cost per job created in the JOBZ program as an estimate of the state’s value for a job we find that the loss of 90,000 jobs this comes to a \$1.2 billion impact.

So while in terms of taxes there might be a net deficit in terms of their overall contribution to the economy it could well be positive.

Further the NRC 1997 study estimated that the immigrant labor share of total expenditures of consumers in the US is around 4 percent. Since we do not have an estimate of total expenditures in the state we can use total

sales as a proxy. According to EMSI data, there was an estimated 436 billion dollars in sales in Minnesota in 2007. If we even assume that workers of Mexican origin contribution to total sales were less than 1 percent or .01 percent, this puts their contribution at 436 million dollars.

When we include the contributions of the Mexican American community in Minnesota we can safely say that the community by itself pays any fiscal cost of new citizens through a combination of taxes paid and economic contributions to the state of Minnesota.

- If we take the number of non citizens of Mexican origin as reported in the 2006 American Community Survey IPUMs<sup>47</sup> dataset in the table below to get some possible long term net fiscal impacts. We see that for non citizens with less than a high school degree the long term cost is \$545 million. However for other educational groups there is a net positive contribution of over 2 billion dollars in the long run<sup>48</sup>. The table further underscores the importance of investing in education today to get long term benefits in the future.

# Cultural Capital

## Key Points

- Mexican American cultural capital is an important asset for Minnesota as it positions itself as a global competitor and global destination for investors and tourists

Mexican Americans add much to the cultural capital of Minnesota. These are some of the established contributions to make Minnesota a global state.

- Mexican Restaurants and Grocery stores
- Mexican foreign study programs
- Improving Minnesotans comprehension of a global language – Spanish
- Mexican dance, art and music
- Mexican/Latino media including one of the oldest ethnic newspaper – La Prensa de Minnesota.
- The annual Cinco de Mayo celebrations that draw thousands of people to the events in Saint Paul and Minneapolis

## ***Policy Simulation: What is the impact of an increase of \$30 million into the hospitality/tourism industry as a result of cultural tourism in Minnesota?***

The EMSI model (Appendix Policy Simulation 8) predicts that there will be a further gain of over 800 jobs and a gain of over 23 million dollars in earnings in Minnesota.

## Policy Issues

- A recent report of the Department of Commerce documents the importance of cultural and heritage tourism in the United States. It points to recent data that 81 percent of the 146 million adults who took a trip 50 or miles or more from home can be considered cultural and heritage tourists. They tend to spend more than other travelers and travel longer.<sup>49</sup>
- Recent studies also document the case of the positive impact of cultural diversity on economic assets of workers in cities in the United States.<sup>50</sup>
- Minnesota has not done enough to develop its ethnic cultural capital and so there is a lot of potential for rapid growth in this area.

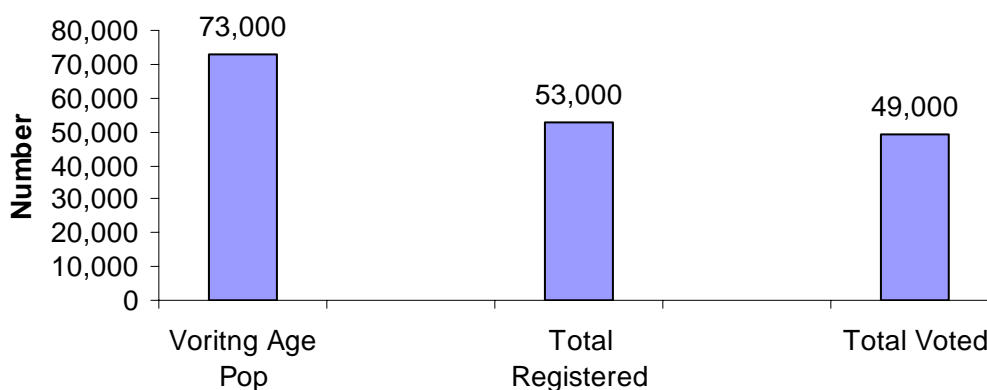
## Political Capital

### Key Points

Mexican Americans play an important part in the civic life of the state.

The table below provides evidence of Latino participation in the elections of 2004. 49 percent were registered to vote and 45 percent voted in 2004.

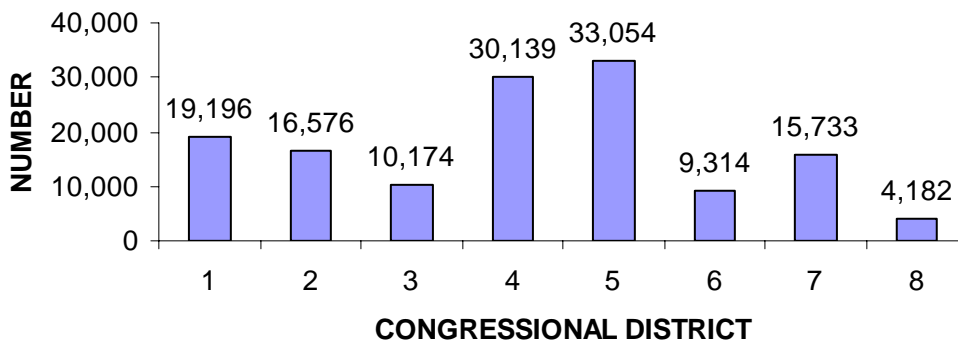
**Table 12**  
**Latino Voting Age Population, MN 2004**



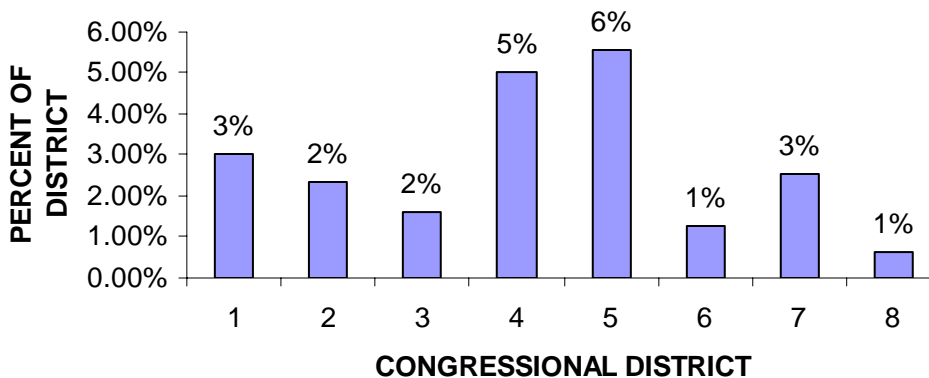
Source: U.S. Census Bureau, Current Population Survey, November 2004.

Table 13 shows the number of Mexican Americans by Minnesota Congressional districts<sup>51</sup>. Most Mexican Americans are in Congressional Districts 4 and 5. Table 14 shows that though Mexican Americans make up around 3 percent of the population of Minnesota they make up 5 and 6 percent of the population in Congressional Districts 4 and 5.<sup>52</sup>

**Table 12**  
**MEXICAN AMERICANS BY CONGRESSIONAL**  
**DISTRICT 2006**



**Table 14**  
**MEXICAN AMERICAN PERCENT OF TOTAL**  
**POPULATION 2006**



## Policy Issues

1. The issues important to Mexican Americans need to be championed by our Congressional delegation especially our representatives from Congressional Districts 4 and 5 and Minnesota's Senators. The Pew Hispanic Center recent poll of Latino voters found that nationally the top issues for them were in the following rank order: education, health care, jobs and the economy, crime immigration and the war in Iraq.<sup>53</sup>

2. Mexican Americans should be encouraged to participate in the political process through voter education and outreach. In recent times Latino voters have seen success in legislative elections in Minnesota and this should encourage the community to be more active. This will bring them greater visibility in the policy process and issues important to them can be addressed effectively.
3. Our Congressional Delegation should support comprehensive immigration reform as a policy priority as it impacts the Minnesotan economy in a significant way and it is an issue very important to an important segment of their constituents.

## A Flawed Immigration Debate

There is an active academic debate on the costs and benefits of immigrants to the state and nation. The main argument of the critics of open immigration is that low skilled immigrants costs more to the federal and state coffers than they provide in benefits and that they have a significant negative impact on the wages and employment of all Americans especially native low skilled workers. They also cause displacement of native workers who move to other places because of the inflow of new immigrants in the workforce.<sup>54</sup> They also argue that immigrant workers hurt other minority workers the most as they compete for the same jobs.<sup>55</sup> These national arguments are reflected in Minnesota arguments critical of immigrants<sup>56</sup>.

The national and local debate critical of open immigration have a number of flaws in their arguments that need to be addressed to ensure the economic health and global competitiveness of Minnesota and the nation:

- *Not a Comprehensive Analysis:* Unlike the National Research Council (NRC) study of Immigrants in 1997 which was a panel of experts who looked at the issue of immigration in a very thorough and comprehensive manner and focused on many of the arguments of the critics today, the newer studies tend to focus entirely on unskilled workers and are very silent on the contributions of high skilled immigrants.<sup>57</sup> What the NRC study did in its comprehensive analysis was to illustrate that across all levels of skill and over time immigrants are a net benefit to America. There is yet to be published a study as comprehensive as the NRC 1997 study that has challenged this finding<sup>58</sup>. Even a leading economist quoted often in criticisms against open immigration recently made the case for high skilled immigrants.<sup>59</sup> What most studies point out is that there is a slight negative impact on low skilled high school drop outs native workers who compete for the same jobs. This might also be determined by the economic health and employment levels in a region. In areas with tighter labor markets this might not be the case. Further recent studies point out that immigrants raise the income of high school graduates and those with some college – groups that tend to be most critical of immigrants.<sup>60</sup> These groups benefit through moving up in their jobs say from worker to supervisor or who benefit from rising value of home prices or lower prices of goods produced by immigrant labor.
  - This report looks at the multidimensional contributions of Mexican Americans to Minnesota. There are practically no studies that include all these dimensions in their analysis. For example, studies focusing on the fiscal impacts of immigrants are likely not to include an analysis of the value immigrants add to the economy

as consumers, entrepreneurs, global capital, productive workers, cultural capital and political capital. Locally the Department of Administration's report on the cost of undocumented workers is an example of this partial analysis.

- *Methodological Flaws*: Recent research points to a significant criticism of the leading studies of critics of immigration.<sup>61</sup> They argue that if we use a more dynamic economic model we will come to the conclusion that immigration has a net benefit to society. More recently one of the authors has challenged the leading researcher of immigration policy and showed that there are serious methodological problems in the model used to produce the results of a negative impact of immigrants on wages.<sup>62</sup>
- *Missing the Point*: The recent studies critical of immigration policies miss some important points, namely:
  - *Immigrants are not the cause of Declining Wages of Low Skilled Workers* - The point brought out by the NRC 1997 and recent studies illustrate that immigrants are not the cause of the decline in the wages of low skilled workers – there are other factors more important such as the role of technology and the global production platform of modern businesses.<sup>63</sup>
  - *Immigrants do work complementary to Native Workers and Help Improve Native Workers Income* - Immigrants workers are for the most part complements to native workers. For example in skill levels, immigrants are found at the very high skills and the very low skill levels while native workers are found at the high school to college level skills. Consequently immigrants do work in areas that actually improve the productivity and income of natives, for example native workers who are supervisors benefit from immigrant worker's productivity.<sup>64</sup> Recent studies point to the fact the most recent waves of Latinos help improve the economic conditions of earlier waves of Latinos.<sup>65</sup> Others illustrate that low skilled immigrants have had positive impacts on the lives of professional women by increasing the amount of time they could devote to their careers by as much as 33 minutes per week.<sup>66</sup>
  - *Race may not be the Issue – Skill Level could be* - Some critics of immigration argue that new immigrants take jobs away from other minority groups. The NRC 1997 study pointed out that low skilled immigrant workers might be substitutes for low skilled native workers (who could be of any race or ethnicity) in large cities. However, this could be a small negative impact. Moreover at a

larger level this could be an issue of skill level and not race or ethnicity – the real challenge is retooling our low skilled workforce so that they can compete for the higher paying jobs.

The low skilled jobs that many immigrants perform do not pay enough to live a decent life. There also appears a gradual increase in the skill level needed for many jobs. Focusing on race misses the real issue of the stagnation in living conditions of our low skilled high school drop outs and the urgency to do something about it.

- *Role of the American Business Model and Technological Change Missing* – The immigration debate does not fully include a consideration of the American business model or the market system geared towards efficiency and profits to shareholders and owners. Assuming the immigrant pool of workers leave or are deported and wages rise to meet the new supply of labor – -with a global production platform, what would prevent a meat packing plant from shifting production to a low cost region in another state or country? We do not know the wage threshold that will spur such decisions. Yet researchers assume that native workers wages will rise (and they will keep the jobs that immigrants did) if immigrants were not in the picture.
- *The real issue might be improving the skills of America's high school dropouts* – Most studies point to a small negative impact of new immigrants on native high school drop outs. While immigrants are blamed for their drop in earnings the conclusion of many of these studies is to restrict low skilled immigration. However retooling the unskilled in this country should be a national priority.
- *Minnesota Insights:* A Minnesota study found a negative impact on local wages but the results were not statistically significant. The author concludes that the results might not be as similar to other studies finding a negative and significant impact because of the small size of the immigrant population in Minnesota.<sup>67</sup> However this study has the same limitations that have been pointed to above. In the Minnesota context when we look at labor employment data the following significant facts stand out that lend support to the recent criticism of established immigration research:
  - *We can see different occupational distributions of immigrants and native workers.*
  - *The case for imperfect substitution between Minnesota natives and immigrant workers can be seen not only because of language and cultural barriers as pointed out in the recent research, but*

*also because of demographic shifts that are restricting the labor pool in various parts of Minnesota.*

- *One can argue looking at the high turnover rates in occupations and industries where low skilled immigrants are found that any native who wants that job could get it if they tried.*
- *As data from DEED's Occupations in Demand tool illustrate many occupations where immigrants are found are high on the labor demand rankings.*
- *My analysis of both employers sanctioned by the former INS as well as applications for high skilled immigrants in Minnesota illustrates that there is a high demand all across Minnesota for these workers.<sup>68</sup> For example firms in 125 cities in Minnesota applied for a H1b visa in Minnesota. During the period 1989 to 2000 over 1000 Minnesota companies were sanctioned for using undocumented workers. These firms were located in most of the counties in Minnesota.<sup>69</sup>*
- *When policy makers present costs of immigrants they do it in a biased manner by providing these costs on their own without a reference point. What will be helpful for the taxpayer is to have a frame of reference – for example comparing the cost for public services versus cost of subsidy given to a private business or to participants in an economic development program.*
- *The debate around immigration especially by policy leaders critical of immigrants end up imposing a stigma on all immigrants and citizens who look like “illegal immigrants” as it is difficult to judge from appearances who is legal or not. This takes racial profiling into a new level. This also sends messages of xenophobia to our global partners and negatively impacts our image as a global competitor.*
- *A failed WND Immigration Policy for Low Skilled Workers – the current immigration policy could be classified as a “Wink and Nod” (WND) immigration policy for low skilled workers and is to blame for the current paralysis in immigration reform in the country. Policy makers tacitly allowed the flow of undocumented migrants through the borders to meet the labor needs of businesses instead of developing a systematic mechanism such as that for high skilled workers. Now policy makers want to clamp down on the flow of migrant workers without a coherent*

policy to meet the labor needs of industry. The end result of the WND policy is a group of people in the country without legal status and extremely vulnerable to exploitation. The only response of policy makers is to increase “enforcement” actions that operate in a legal/judicial vacuum disconnected to the economic realities of the country or state as documented in the policy simulations of this report.

- *Commonsense Conclusion Might be Right:* The conclusion of a recent study on the impact of immigrants on the economy reaches a surprising but commonsense conclusion: *the costs of immigrants might not be as high as the critics and the benefits not as high as the advocates of open immigration.*<sup>70</sup>The positive or negative impact of immigrants in the workforce depends on the strength of the local economy, labor demand and supply conditions and how easy it is to substitute labor for technology. It is also obvious that workers without proper legal status or poor bargaining status are vulnerable to exploitation by employers.

## **A Framework for Immigration Policy in Minnesota**

Our debate about immigration policy has been quite heated over the past few months. Out of this discourse we can distill a new framework for immigration policy that will lead to an appropriate solution to the challenge that is before us.

### **From Cultural Anxiety to Cultural Self Confidence**

There is considerable cultural anxiety in the country over the loss of what people consider the core cultural identity of the country. We need to shift our focus from cultural anxiety to cultural self confidence knowing that as immigrants have come to this country, over the centuries, they have always enriched the core cultural identity of America which at its root is not a language or a set of traditions but the idea of liberty, freedom and a never ending quest to discover, adapt and innovate. Cultural self confidence is the need of the hour. We can heed the words of the great Mahatma Gandhi, *"I will let the winds of all cultures flow in through my window but will not be swept away by any."*

### **From Economic Anxiety to Immigrant Capital**

There is considerable economic anxiety brought on by this global interdependent economy. We share a great responsibility in this reaction to the global economy. We have very strongly coached the world to accept the laws of the market and change their systems and processes to embrace markets. We need to move beyond this economic anxiety and discover that immigrant capital could hold the key to our prosperous future.

### **From the Short Term to the Long Term**

Most of our policies have the short term political cycle as their frame of reference. Census data shows progress made by successive generations of immigrants to this country whether it is in educational levels or homeownership rates. In the long term there is a net benefit from immigration.

### **From a Local Perspective to Global Interdependence**

A state like Minnesota is slowly discovering that it is very much like Lake Wobegon – slightly above average in various indicators of global interdependence. Who ever imagined that workers in the iron range of Minnesota would one day owe their jobs to the growing demand for steel in

China? Or who would have thought that companies from India and China would create jobs for Minnesotans through their investments in the state.

### **From Opinion Based Policy to Fact Based Policy**

We need to move our debate and policies from opinions to facts. Too often in the debate facts are used to discredit the other perspective. What we need to do is to have a vigorous debate over the facts and allow this dialogue around facts to lead to sound policy decisions.

### **From Broad Policies to the Specificity Rule**

There is an important principle in economics called the specificity rule – target your solution to the source of the problem. If we have a headache we do not have to chop off our head – Tylenol will do the trick. In the immigration debate as we try to come to solutions too often we see broad policy solutions instead of focusing on a core issue and dealing with it with the right set of tools.

### **From Terrorism Anxiety to Intelligent Vigilance**

One can easily see the importance of security and intelligent vigilance. If we just go by racial or ethnic profiling we would find it so hard to distinguish a potential terrorist from an ordinary citizen. With intelligent vigilance we can use technology and other tools to be more specific about who and what we are looking for. What we should be working on is building community networks of trust and friendship because in the long haul that is our biggest defense against terrorism.

### **From a Closed Dialogue to an Open Dialogue**

Too often in the debate we do not get very far because we get lost in our communication about the issues. What compounds matters are that the color of immigrants has changed and so any discourse on the topic gets meshed in racial overtones. That is why it is so important to have the right context and form for a discourse on immigration.

## **APPENDIX**

**Table A: Mexican American Buying Power - Cities**

Minneapolis	\$166 million
St. Paul	\$145 million
Worthington	\$18 million
Richfield	\$18 million
St. Louis Park	\$17 million
West St. Paul	\$16 million
Brooklyn Park	\$16 million
Rochester	\$15 million
Austin city, Minnesota	\$13 million
Willmar	\$12 million
Albert Lea city	\$12 million
Plymouth	\$11 million
Bloomington	\$10 million
Eagan	\$10 million
Burnsville city	\$10 million
South	\$9 million
Faribault	\$9 million
Woodbury	\$9 million
Brooklyn Center	\$8 million
Northfield	\$8 million
Inver Grove Heights	\$8 million
Cottage Grove	\$6 million
Maplewood	\$6 million
New Hope	\$6 million
Apple Valley	\$6 million
Maple Grove	\$6 million
Chaska city	\$6 million
Hopkins	\$6 million
St. James	\$6 million
Glencoe	\$6 million
Shakopee	\$6 million
Roseville	\$5 million
Coon Rapids	\$5 million
Owatonna	\$5 million
Moorhead	\$5 million
Eden Prairie	\$5 million
Oakdale	\$4 million
Fridley	\$4 million
Mankato	\$4 million
Duluth	\$4 million
Madelia	\$4 million
Blaine city	\$4 million
Columbia Heights	\$3 million
Lakeville	\$3 million
Pelican Rapids	\$3 million
Waseca	\$3 million
St. Cloud	\$2 million
Crystal	\$2 million
Melrose	\$2 million
Marshall	\$2 million
Crookston	\$2 million
Le Sueur	\$2 million
Gaylord	\$2 million
East Grand Forks	\$2 million
Le Center	\$1 million
Long Prairie	\$1 million
Dodge Center	\$1 million

Source: Census 2000 for population. Buying power is income after taxes. Taxes assumed at 23 percent.

**Table B: Mexican American Buying Power - Counties**

Hennepin County	\$288 million
Ramsey County	\$187 million
Dakota County	\$78 million
Washington County	\$37 million
Anoka County	\$32 million
Rice County	\$20 million
Olmsted County	\$20 million
Nobles County	\$18 million
Scott County	\$17 million
Freeborn County	\$15 million
Mower County	\$14 million
Kandiyohi County	\$14 million
Watonwan County	\$11 million
Carver County	\$11 million
Stearns County	\$9 million
Clay County	\$9 million
McLeod County	\$8 million
St. Louis County	\$8 million
Steele County	\$7 million
Wright County	\$6 million
Otter Tail County	\$6 million
Sherburne County	\$6 million
Blue Earth County	\$5 million
Polk County	\$5 million
Le Sueur County	\$5 million
Lyon County	\$4 million
Pine County	\$4 million
Sibley County	\$4 million
Renville County	\$4 million
Dodge County	\$3 million
Winona County	\$3 million
Waseca County	\$3 million
Goodhue County	\$3 million
Nicollet County	\$3 million
Brown County	\$2 million
Faribault County	\$2 million
Chisago County	\$2 million
Todd County	\$2 million
Crow Wing County	\$2 million
Isanti County	\$1 million
Beltrami County	\$1 million
Mille Lacs County	\$1 million
Wabasha County	\$1 million
Cass County	\$1 million
Itasca County	\$1 million
Marshall County	\$1 million
Chippewa County	\$1 million
Cottonwood County	\$1 million

Source: Census 2000 for population. Buying power is income after taxes. Taxes assumed at 23 percent.

**TABLE C: Minnesota Mexico Trade 2006, Major Industries**

<b>INDUSTRY</b>	<b>TOTAL VALUE (\$)</b>
Nuclear reactors; boilers; machinery and mechanical appliances; parts thereof	504605537
Electrical machinery and equipment and parts thereof; Sound recorders and reproducers	443947614
Optical; photographic; cinematographic; measuring; checking; precision; medical instruments	340188447
Residues and waste from the food industries; Prepared animal feed	68671537
Articles of iron or steel	67094254
Special classification provisions	49991347
Paper and paperboard; Articles of paper pulp; of paper or of paperboard	40937541
Vehicles; other than railway or tramway rolling stock; and parts and accessories thereof	36367586
Plastics and articles thereof	34721229
Animal or vegetable fats and oils and their cleavage products; Prepared edible fats; Animal waxes	31601887
Articles of apparel and clothing accessories; not knitted or crocheted	31491896
Sugars and sugar confectionery	29776861
Aluminum and articles thereof	25415945
Cereals	19786940
Miscellaneous edible preparations	18206070
Products of animal origin; not elsewhere specified or included	17789801
Preparations of vegetables; fruit; nuts; or other parts of plants	17347790
Oil seeds and oleaginous fruits; Miscellaneous grains; Seeds and fruit; Industrial plants	13119675
Meat and edible meat offal	12332977
Preparations of cereals; flour; starch or milk; Bakers' wares	10800724
Pulp of wood or of other fibrous cellulosic material; Waste and scrap of paper or paperboard	10209151
<b>TOTAL TRADE</b>	<b>\$1,949,415,112.00</b>

Source: [http://www.bts.gov/programs/international/transborder/TBDR\\_QA.html](http://www.bts.gov/programs/international/transborder/TBDR_QA.html)

**TABLE D: MEXICAN AMERICAN PERSONAL TAXES- COUNTIES**

<b>COUNTY</b>	<b>Federal Taxes (11.5%)</b>	<b>State &amp; Local Taxes (11.6%)</b>
Hennepin County	\$41,928,514	\$42,293,110
Ramsey County	\$27,214,984	\$27,451,636
Dakota County	\$11,429,551	\$11,528,939
Washington County	\$5,356,896	\$5,403,477
Anoka County	\$4,609,068	\$4,649,147
Rice County	\$2,942,990	\$2,968,582
Olmsted County	\$2,867,992	\$2,892,931
Nobles County	\$2,603,318	\$2,625,956
Scott County	\$2,460,251	\$2,481,645
Freeborn County	\$2,212,989	\$2,232,232
Mower County	\$2,106,994	\$2,125,316
Kandiyohi County	\$1,986,370	\$2,003,642
Watonwan County	\$1,654,939	\$1,669,330
Carver County	\$1,565,791	\$1,579,407
Stearns County	\$1,313,746	\$1,325,170
Clay County	\$1,290,857	\$1,302,082
McLeod County	\$1,207,076	\$1,217,572
St. Louis County	\$1,159,980	\$1,170,066
Steele County	\$1,040,730	\$1,049,780
Wright County	\$902,905	\$910,756
Otter Tail County	\$893,861	\$901,633
Sherburne County	\$887,984	\$895,706
Blue Earth County	\$772,750	\$779,469
Polk County	\$769,067	\$775,755
Le Sueur County	\$678,888	\$684,791
Lyon County	\$648,594	\$654,234
Pine County	\$624,720	\$630,153
Sibley County	\$584,708	\$589,793
Renville County	\$578,558	\$583,589
Dodge County	\$504,163	\$508,547
Winona County	\$482,044	\$486,236
Waseca County	\$476,731	\$480,877
Goodhue County	\$415,361	\$418,973
Nicollet County	\$401,572	\$405,064
Brown County	\$319,743	\$322,524
Faribault County	\$300,506	\$303,119
Chisago County	\$287,223	\$289,720
Todd County	\$284,774	\$287,250
Crow Wing County	\$250,659	\$252,839
Isanti County	\$228,791	\$230,781
Beltrami County	\$211,582	\$213,422
Mille Lacs County	\$209,906	\$211,732
Wabasha County	\$204,662	\$206,441
Cass County	\$174,089	\$175,603
Itasca County	\$169,485	\$170,958
Marshall County	\$162,847	\$164,263
Chippewa County	\$149,880	\$151,184
Cottonwood County	\$139,732	\$140,947

**TABLE E: Mexican American Personal Taxes - MN Cities**

<b>CITY</b>	<b>Personal Tax (23%)</b>	<b>State/Local Tax (11.6%)</b>
Minneapolis	\$48,668,967	\$24,439,828
St. Paul	\$42,655,056	\$21,419,855
Worthington	\$5,242,007	\$2,632,350
Richfield	\$5,159,958	\$2,591,148
St. Louis Park	\$5,034,534	\$2,528,164
West St. Paul	\$4,816,923	\$2,418,888
Brooklyn Park	\$4,573,368	\$2,296,583
Rochester	\$4,421,137	\$2,220,138
Austin city, Minnesota	\$3,943,352	\$1,980,212
Willmar	\$3,560,043	\$1,787,727
Albert Lea city	\$3,558,747	\$1,787,076
Plymouth	\$3,291,129	\$1,652,688
Bloomington	\$3,164,714	\$1,589,207
Eagan	\$3,121,237	\$1,567,375
Burnsville city	\$2,886,932	\$1,449,715
South	\$2,782,624	\$1,397,335
Faribault	\$2,726,696	\$1,369,250
Woodbury	\$2,622,592	\$1,316,972
Brooklyn Center	\$2,562,726	\$1,286,910
Northfield	\$2,380,256	\$1,195,280
Inver Grove Heights	\$2,341,074	\$1,175,604
Cottage Grove	\$2,006,069	\$1,007,376
Maplewood	\$1,962,008	\$985,251
New Hope	\$1,854,523	\$931,276
Apple Valley	\$1,811,555	\$909,699
Maple Grove	\$1,789,042	\$898,393
Chaska city	\$1,741,246	\$874,392
Hopkins	\$1,739,289	\$873,409
St. James	\$1,736,977	\$872,248
Glencoe	\$1,732,860	\$870,181
Shakopee	\$1,731,615	\$869,556
Roseville	\$1,666,616	\$836,916
Coon Rapids	\$1,658,511	\$832,845
Owatonna	\$1,589,802	\$798,342
Moorhead	\$1,487,501	\$746,970
Eden Prairie	\$1,404,207	\$705,143
Oakdale	\$1,381,313	\$693,646
Fridley	\$1,375,469	\$690,712
Mankato	\$1,350,821	\$678,334
Duluth	\$1,334,965	\$670,372
Madelia	\$1,238,026	\$621,693
Blaine city	\$1,188,858	\$597,002
Columbia Heights	\$1,073,598	\$539,123
Lakeville	\$1,012,843	\$508,614
Pelican Rapids	\$899,514	\$451,704
Waseca	\$780,621	\$392,000
St. Cloud	\$757,650	\$380,465
Crystal	\$738,974	\$371,086
Melrose	\$673,263	\$338,089
Marshall	\$639,849	\$321,310
Crookston	\$609,738	\$306,189
Le Sueur	\$511,605	\$256,910
Gaylord	\$499,408	\$250,785
East Grand Forks	\$471,787	\$236,915
Le Center	\$400,462	\$201,098
Long Prairie	\$383,996	\$192,829
Dodge Center	\$362,702	\$182,136
Renville	\$184,400	\$92,599

Source: Census 2000 for  
population and income  
estimates

**TABLE F: MEXICAN AMERICAN OCCUPATIONS**

<b>Mexican % of Occupation</b>	<b>Occupation</b>
54.0	Fence Erectors
43.9	Packaging and Filling Machine Operators and Tenders
42.6	Plating and Coating Machine Setters, Operators, and Tenders, Metal and Plastic
32.1	Drywall Installers, Ceiling Tile Installers, and Tapers
28.2	Butchers and Other Meat, Poultry, and Fish Processing Workers
26.8	Miscellaneous law enforcement workers
25.1	Tailors, Dressmakers, and Sewers
22.5	Glaziers
21.3	Weighers, Measurers, Checkers, and Samplers, Recordkeeping
19.1	Helpers--Production Workers
17.2	Roofers
16.7	Medical Records and Health Information Technicians
14.9	Food Batchmakers
14.7	Tax Preparers
14.6	Helpers, Construction Trades
14.0	Laundry and Dry-Cleaning Workers
13.9	Eligibility Interviewers, Government Programs
13.5	Miscellaneous Plant and System Operators
13.1	Counter and Rental Clerks
12.9	Packers and Packagers, Hand
12.6	Miscellaneous agricultural workers including animal breeders
12.5	Cooks
12.4	Precision Instrument and Equipment Repairers
12.2	Janitors and Building Cleaners
12.1	Crushing, Grinding, Polishing, Mixing, and Blending Workers
11.3	Home Appliance Repairers
9.5	Sales and Related Workers, All Other
9.0	Job Printers
8.0	Other production workers including semiconductor processors and cooling and freezing equipment operators
7.7	Pressers, Textile, Garment, and Related Materials
7.6	Nonfarm Animal Caretakers
7.5	Entertainers and Performers, Sports and Related Workers, All Other
7.5	Maids and Housekeeping Cleaners
7.3	Miscellaneous metal workers and plastic workers including milling and planing machine setters, and multiple machine tool setters, and lay-out workers
7.2	Electrical, Electronics, and Electromechanical Assemblers
6.9	Printing Machine Operators
6.8	Engineering Technicians, Except Drafters
6.6	Door-to-Door Sales Workers, News and Street Vendors, and Related Workers
6.3	Miscellaneous Media and Communication Workers
6.2	Administrative Services Managers
6.1	Dental Hygienists
5.7	File Clerks
5.7	Dispatchers
5.7	Cleaners of Vehicles and Equipment
5.1	Miscellaneous Assemblers and Fabricators
4.9	First-Line Supervisors/Managers of Housekeeping and Janitorial Workers
4.9	Miscellaneous office and administrative support workers including desktop publishers
4.8	Wholesale and Retail Buyers, Except Farm Products
4.8	Waiters and Waitresses
4.8	Bill and Account Collectors
4.6	Cashiers
4.0	Carpenters

(Source: ACS, 2006)

**TABLE G: EDR 6E- Southwest Central Minnesota**<http://www.deed.state.mn.us/lmi/tools/oid/Default.aspx>

<b>SOC Code</b>	<b>SOC Title</b>	<b>Current Demand Rank</b>	<b>Median Wage</b>
353021	Combined Food Preparation and Serving Workers, Inc	2	\$16,467.81/yr
412031	Retail Salespersons	3	\$18,315.13/yr
311012	Nursing Aides, Orderlies, and Attendants	4	\$23,778.74/yr
311011	Home Health Aides	5	\$22,762.71/yr
533032	Truck Drivers, Heavy and Tractor-Trailer	7	\$27,934.98/yr
513022	Meat, Poultry, and Fish Cutters and Trimmers	9	\$23,452.31/yr
533033	Truck Drivers, Light or Delivery Services	13	\$22,332.21/yr
514121	Welders, Cutters, Solderers, and Brazers	15	\$30,369.14/yr
399021	Personal and Home Care Aides	16	\$21,858.76/yr
514031	Cutting, Punching, and Press Machine Setters, Oper	30	\$27,799.62/yr
352014	Cooks, Restaurant Janitors and Cleaners, Except Maids and	31	\$20,795.16/yr
372011	Housekeepi	40	\$22,449.77/yr
353031	Waiters and Waitresses	44	\$15,082.81/yr
434161	Human Resources Assistants, Except Payroll and Tim	95	\$30,764.99/yr

**TABLE H: Economic Development Region 7 W**  
<http://www.deed.state.mn.us/lmi/tools/oid/Default.aspx>

<b>SOC Code</b>	<b>SOC Title</b>	<b>Current Demand Rank</b>	<b>Median Wage</b>
353021	Combined Food Preparation and Serving Workers, Inc Nursing Aides, Orderlies, and	3	\$17,648.77/yr
311012	Attendants	4	\$25,590.87/yr
533032	Tractor-Trailer	8	\$37,713.88/yr
372011	Janitors and Cleaners, Except Maids and Housekeepi	9	\$22,465.63/yr
353031	Waiters and Waitresses	11	\$15,580.78/yr
514121	Welders, Cutters, Solderers, and Brazers	12	\$35,044.10/yr
517011	Cabinetmakers and Bench Carpenters	13	\$33,719.03/yr
472031	Carpenters	14	\$38,186.56/yr
399021	Personal and Home Care Aides	15	\$23,146.50/yr
435081	Stock Clerks and Order Fillers	27	\$21,497.07/yr
537064	Packers and Packagers, Hand Cutting, Punching, and Press	28	\$19,355.48/yr
514031	Machine Setters, Oper	32	\$30,330.90/yr
512092	Team Assemblers	35	\$28,084.89/yr
352014	Cooks, Restaurant	49	\$20,667.23/yr
517041	Sawing Machine Setters, Operators & Tenders, Wood	61	\$29,420.30/yr
211093	Social and Human Service Assistants	62	\$24,318.87/yr
533021	Bus Drivers, Transit and Intercity	63	\$27,343.58/yr
516052	Tailors, Dressmakers, and Custom Sewers	88	\$23,158.77/yr
519121	Coating, Painting, and Spraying Machine Setters, O	98	\$32,259.59/yr
519023	Mixing and Blending Machine Setters, Operators, an	114	\$32,428.07/yr
516031	Sewing Machine Operators	115	\$22,525.18/yr
273091	Interpreters and Translators	132	\$39,093.26/yr
372012	Maids and Housekeeping Cleaners	133	\$20,352.17/yr
537081	Refuse and Recyclable Material Collectors	142	\$38,760.77/yr
513092	Food Batchmakers	149	\$26,944.84/yr
472081	Drywall and Ceiling Tile Installers	152	\$38,212.99/yr
533031	Driver/Sales Workers	167	\$22,228.46/yr
515023	Printing Machine Operators	171	\$42,431.22/yr

**TABLE I: Mexican American Workers in Minnesota, 2006**

(Source: ACS, 2006)

<b>1997 NAICS EQUIVALENT</b>	<b>INDUSTRY TITLE</b>	<b>WORKERS</b>
111	Crop production	<b>1004</b>
112	Animal production	<b>1939</b>
115	Support activities for agriculture and forestry	<b>320</b>
22131, 22133	Water, steam, air conditioning, and irrigation systems	<b>94</b>
23	Construction	<b>6498</b>
3114	Fruit and vegetable preserving and specialty foods	<b>2270</b>
3116	Animal slaughtering and processing	<b>4037</b>
3118 exc. 311811	Bakeries, except retail	<b>597</b>
3117, 3119	Seafood and other miscellaneous foods, n.e.c.	<b>507</b>
Part of 311	Not specified food industries	<b>151</b>
314 exc.31411	Textile product mills except carpets and rugs	<b>21</b>
32221	Paperboard containers and boxes	<b>649</b>
32222, 32223, 32229	Miscellaneous paper and pulp products	<b>79</b>
323	Printing and related support activities	<b>717</b>
32411	Petroleum refining	<b>36</b>
32412, 32419	Miscellaneous petroleum and coal products	<b>198</b>
3252	Resin, synthetic rubber and fibers, and filaments	<b>260</b>
3255	Paint, coating, and adhesives	<b>73</b>
3251, 3259	Industrial and miscellaneous chemicals	<b>772</b>
3261	Plastics products	<b>285</b>
32622, 32629	Rubber products, except tires	<b>81</b>
3272	Glass and glass products	<b>172</b>
3273, 3274	Cement, concrete, lime, and gypsum products	<b>320</b>
3313	Aluminum production and processing	<b>118</b>
3321	Metal forgings and stampings	<b>476</b>
3323, 3324	Structural metals, and tank and shipping containers	<b>116</b>
3327	Machine shops; turned products; screws, nuts and bolts	<b>66</b>
3328	Coating, engraving, heat treating and allied activities	<b>291</b>
332992-332995	Ordnance	<b>0</b>
3325, 3326, 3329 exc. 332992-332995	Miscellaneous fabricated metal products	<b>191</b>
3332, 3334, 3339	Machinery, n.e.c.	<b>395</b>
3341	Computer and peripheral equipment	<b>217</b>
3342, 3343	Communications, audio, and video equipment	<b>124</b>
3345	Navigational, measuring, electromedical, and control instruments	<b>251</b>
3344, 3346	Electronic components and products, n.e.c.	<b>1151</b>
3351, 3353, 3359	Electrical machinery, equipment, and supplies, n.e.c.	<b>88</b>
3361, 3362, 3363	Motor vehicles and motor vehicle equipment	<b>1043</b>

3211	Sawmills and wood preservation	146
3219 exc. 321991, 321992	Miscellaneous wood products	116
337	Furniture and fixtures	777
3391	Medical equipment and supplies	223
3399 exc. 33992, 33993	Miscellaneous manufacturing, n.e.c.	392
		514
4213	Lumber and other construction materials	71
4214	Professional and commercial equipment and supplies	257
4218	Machinery, equipment, and supplies	660
42193	Recyclable material	120
4223	Apparel, fabrics, and notions	333
4224	Groceries and related products	1145
Part of 42	Electronic markets, agents and brokers	282
	Not specified trade	250
4411	Automobile dealers	308
4441 exc. 44413	Building material and supplies dealers	453
4442	Lawn and garden equipment and supplies stores	234
4451	Grocery stores	1720
4452	Specialty food stores	1240
4453	Beer, wine, and liquor stores	327
44611	Pharmacies and drug stores	510
447	Gasoline stations	274
448 exc. 44821, 4483	Clothing and accessories, except shoe, stores	881
44821	Shoe stores	31
4483	Jewelry, luggage, and leather goods stores	491
45113	Sewing, needlework and piece goods stores	86
45211	Department stores	942
4529	Miscellaneous general merchandise stores	85
4531	Florists	121
4533	Used merchandise stores	593
45322	Gift, novelty, and souvenir shops	45
4539	Miscellaneous stores	217
45439	Other direct selling establishments	30
484	Truck transportation	339
4851, 4852, 4854-4859	Bus service and urban transit	98
488	Services incidental to transportation	123
491	Postal service	129
493	Warehousing and storage	117
51111	Newspaper publishers	320
5112	Software publishing	93
51331	Wired telecommunications carriers	99
5133 exc. 51331	Other telecommunication services	
521, 52211, 52219	Banking and related activities	797

52212, 52213	Savings institutions, including credit unions	482
5222, 5223	Non-depository credit and related activities	607
524	Insurance carriers and related activities	1105
5411	Legal services	231
5412	Accounting, tax preparation, bookkeeping and payroll services	253
5414	Specialized design services	244
5415	Computer systems design and related services	190
5419 exc. 54194	Other professional, scientific and technical services	183
551	Management of companies and enterprises	
5613	Employment services	2877
5614	Business support services	266
5617 exc. 56173	Services to buildings and dwellings	3759
56173	Landscaping services	564
5611, 5612, 5619	Other administrative, and other support services	483
6111	Elementary and secondary schools	1695
6112, 6113	Colleges, including junior colleges, and universities	265
6116, 6117	Other schools, instruction and educational services	45
6212	Offices of dentists	168
6214	Outpatient care centers	396
6216	Home health care services	125
6215, 6219	Other health care services	290
622	Hospitals	2259
6231	Nursing care facilities	1043
6232, 6233, 6239	Residential care facilities, without nursing	914
6241	Individual and family services	413
6243	Vocational rehabilitation services	141
6244	Child day care services	847
711	Independent artists, performing arts, spectator sports and related industries	109
71395	Bowling centers	174
713 exc. 71395	Other amusement, gambling, and recreation industries	643
7211	Traveler accommodation	2527
722 exc. 7224	Restaurants and other food services	11396
8111 exc. 811192	Automotive repair and maintenance	645
811192	Car washes	431
8114 exc. 81143	Personal and household goods repair and maintenance	169
812112	Beauty salons	290
8123	Drycleaning and laundry services	385
8131	Religious organizations	167
8132, 8133, 8134	Civic, social, advocacy organizations and grantmaking and giving services	383
81393	Labor unions	128
814	Private households	79
92111, 92112, 92114, pt. 92115	Executive offices and legislative bodies	398
922, pt. 92115	Justice, public order, and safety activities	787
924, 925	Administration of environmental quality and housing programs	465
926, 927	Administration of economic programs and space research	134

**Table J: “MEXICAN” NON CITIZEN WORKERS, 2006**

INDUSTRY	WORKERS
Restaurants and other food services	7331
Construction	5664
Services to buildings and dwellings	3368
Animal slaughtering and processing	2990
Traveler accommodation	1819
Animal production	1706
Employment services	1541
Specialty food stores	1148
Grocery stores	1119
Groceries and related products	847
Motor vehicles and motor vehicle equipment	760
Residential care facilities, without nursing	671
Clothing and accessories, except shoe, stores	667
Insurance carriers and related activities	610
Used merchandise stores	593
Paperboard containers and boxes	561
Printing and related support activities	559
Electronic components and products, n.e.c.	558
Machinery, equipment, and supplies	542
Pharmacies and drug stores	510
Jewelry, luggage, and leather goods stores	491
Metal forgings and stampings	476
Real Estate	422
Elementary and secondary schools	393
Drycleaning and laundry services	385
Crop production	360
Machinery, n.e.c.	342
Apparel, fabrics, and notions	333
Newspaper publishers	320
Electronic markets, agents and brokers	282
Building material and supplies dealers	281
Accounting, tax preparation, bookkeeping and payroll services	253
Miscellaneous stores	217
Department stores	197
Lawn and garden equipment and supplies stores	195
Misc fabricated metal products	191
Glass and glass products	172
Not specified trade	162
Navigational, measuring, electromedical, and control instruments	155
Hospitals	154
Not specified food industries	151
Legal services	136
Recyclable material	120
Professional and commercial equipment and supplies	119
Aluminum production and processing	118
Warehousing and storage	117
Resin, synthetic rubber and fibers, and filaments	117
Landscaping services	112
Automotive repair and maintenance	110

(Source: ACS, 2006)

**Table K: Minnesota – An Increasingly Global Economy**  
**DATA FOR DECISION MAKERS SERIES (Bruce P. Corrie, PhD)**

**Foreign Born**

Size of the foreign-born population, 2000: Rank	21
Percent foreign born in the total population, 2000: Rank	25
Numeric change in the foreign-born population, 1990 to 2000: Rank	8
Percent change in the foreign-born population, 1990 to 2000: Rank	12

Source: <http://www.migrationinformation.org/USFocus/statemap.cfm#>

**Foreign Students:**

Number of Foreign Students 2003-04	9142
Minnesota Ranking in US for Foreign Students	18
Estimated Expenditures of Foreign Students in MN	\$178 mil
MN students studying abroad through MN Institutions	6,893

Source: <http://opendoors.iienetwork.org/>

**Exports & Foreign Direct Investment**

Total Exports in 2004	\$14 bil
MN rank in US in export volume	20
Exports as a Percentage of Gross State Product (GSP)	7
Exports to Latin America and Caribbean (MN Rank, 2005)	25
Exports to Asia (MN Rank, 2005)	15
Asia and South and Central America are MN top Export Markets	
MN rank (Exports as a percentage of GSP)	15
Employment of Foreign Affiliates in MN (% of private employment) 2003	3.6
Foreign Affiliate Employment rank in the US	22

Source: [www.ita.loc.gov](http://www.ita.loc.gov); [www.bea.gov](http://www.bea.gov); [www.deed.state.mn.us](http://www.deed.state.mn.us)

**Sister Cities**

Number of Sister City relationships in MN	46
MN rank in Midwest (WI, IA, NE, ND, SD, KS)	2

Source: [www.sister-city.org](http://www.sister-city.org)

**Foreign Workers:**

Applications for H1B Work Visas (2005)	2845
Number of MN Cities of Applicant firms	125
Minnesota Rank in Nation for H1B Applications 2005	17
Minnesota Rank in the Midwest (WI, IA, ND, SD, KS, NE)	1

Source: <http://www.flcdcenter.com/CaseH1B.aspx#structure>

**Undocumented Workers**

MN Companies sanctioned using Undocumented Workers (1989-2000)	1017
Number of MN Counties these firms were located	69
Number of MN Cities these firms were located	196

Source: Center for Immigration Studies Database

**TABLE L: Population Change for Micropolitan Statistical Areas: April 1, 2000 to July 1, 2006**

(Change is derived from the April 1, 2000 estimates base.)											
CBSA Code	Metro Division Code	Geographic area	Legal/statistical area description	Total population change <sup>1</sup>		Natural increase			Net migration		
				Number	Percent	Total	Births	Deaths	Total	Net international migration	Net internal migration
		<b>Micropolitan statistical areas</b>									
10660		Albert Lea, MN	Micropolitan Statistical Area	-948	-2.9	4	2,342	2,338	-858	252	-1,110
10820		Alexandria, MN	Micropolitan Statistical Area	2,646	8.1	349	2,400	2,051	2,395	18	2,377
12380		Austin, MN	Micropolitan Statistical Area	63	0.2	796	3,276	2,480	-601	640	-1,241
13420		Bemidji, MN	Micropolitan Statistical Area	3,519	8.9	1,774	3,825	2,051	1,861	228	1,633
14660		Brainerd, MN	Micropolitan Statistical Area	7,793	9.5	1,438	6,644	5,206	6,594	113	6,481
21860		Fairmont, MN	Micropolitan Statistical Area	-1,034	-4.7	-8	1,422	1,430	-960	33	-993
22060		Faribault-Northfield, MN	Micropolitan Statistical Area	5,315	9.4	1,896	4,629	2,733	3,580	1,125	2,455
22260		Fergus Falls, MN	Micropolitan Statistical Area	658	1.2	-356	3,624	3,980	1,188	449	739
26780		Hutchinson, MN	Micropolitan Statistical Area	2,381	6.8	1,411	3,284	1,873	1,099	182	917
31860		Mankato-North Mankato, MN	Micropolitan Statistical Area	3,859	4.5	2,732	6,616	3,884	1,430	975	455
32140		Marshall, MN	Micropolitan Statistical Area	-785	-3.1	559	2,008	1,449	-1,293	394	-1,687
35580		New Ulm, MN	Micropolitan Statistical Area	-550	-2.0	34	1,799	1,765	-509	50	-559
36940		Owatonna, MN	Micropolitan Statistical Area	2,541	7.5	1,384	3,112	1,728	1,268	607	661
39860		Red Wing, MN	Micropolitan Statistical Area	1,680	3.8	676	3,426	2,750	1,156	129	1,027
47420		Wahpeton, ND-MN	Micropolitan Statistical Area	-1,614	-6.4	357	1,768	1,411	-1,890	43	-1,933
48820		Willmar, MN	Micropolitan Statistical Area	-115	-0.3	1,245	3,580	2,335	-1,231	444	-1,675
49100		Winona, MN	Micropolitan Statistical Area	-697	-1.4	787	3,298	2,511	-1,340	516	-1,856
49380		Worthington, MN	Micropolitan Statistical Area	-387	-1.9	851	1,991	1,140	-1,180	485	-1,665

Source: Population Division, U.S. Census Bureau

## **POLICY SIMULATIONS**

## POLICY SIMULATION 1: Drop in Sales by 500 million dollars

Description	
Year	2006
Jobs Change	-5,204
Earnings Change (in thousands)	-173,472
Earnings/Worker Change	\$18.43
Sales Multiplier	1.89
Jobs Multiplier	1.62
Earnings Multiplier	1.87

Source: EMSI Complete Employment - September 2007

### Largest Impacts

NAICS Code	Description	Change
452110	Department stores	-423
445110	Supermarkets and other grocery stores	-407
11A000	Crop and animal production	-296
722110	Full-service restaurants	-288
447110	Gasoline stations with convenience stores	-211
813990	Other similar organizations	-201
721110	Hotels and motels, except casino hotels	-179
444220	Nursery, garden, and farm supply stores	-154
930000	Local government	-148
441310	Automotive parts and accessories stores	-143

NAICS Code	Description	% Change
454111	Electronic shopping	-23%
813990	Other similar organizations	-19%
443111	Household appliance stores	-7%
444220	Nursery, garden, and farm supply stores	-5%
236116	New Multifamily Housing Construction (except Operative Builders)	-4%
441310	Automotive parts and accessories stores	-2%
442110	Furniture stores	-2%
611210	Junior colleges	-2%
221330	Steam and air-conditioning supply	-2%
441120	Used car dealers	-2%

Source: EMSI Complete Employment - September 2007

## POLICY SIMULATION 2: Increase in Sales of Mexican American Firms by 30 million dollars

### Region Info

Region: Minnesota

States: Minnesota

### Executive Summary

#### Industries Modified

New single-family general contractors ( 236115)  
 Residential remodelers ( 236118)  
 Packing and crating ( 488991)  
 Radio stations ( 515112)  
 Cellular and other wireless carriers ( 517212)  
 Tax preparation services ( 541213)  
 Marketing consulting services ( 541613)  
 Solid waste collection ( 562111)  
 Offices of miscellaneous health practitioners ( 621399)  
 All other outpatient care centers ( 621498)  
 Newspaper publishers ( 511110)  
 Internet publishing and broadcasting ( 516110)  
 Advertising agencies ( 541810)  
 Temporary help services ( 561320)  
 Travel agencies ( 561510)  
 Janitorial services ( 561720)  
 Landscaping services ( 561730)  
 Remediation services ( 562910)  
 Child day care services ( 624410)  
 Other performing arts companies ( 711190)  
 Full-service restaurants ( 722110)

#### Description

Year	2006
Jobs Change	725
Earnings Change (in thousands)	21,984
Earnings/Worker Change	\$-3.18
Sales Multiplier	1.97
Jobs Multiplier	1.56
Earnings Multiplier	1.87

Source: EMSI Complete Employment - September 2007

### POLICY SIMULATION 3: 80000 Mexican American Jobs lost in the Minnesota Economy

Description	
Year	2006
Jobs Change	-176,217
Earnings Change (in thousands)	-6,428,313
Earnings/Worker Change	\$490.01
Sales Multiplier	1.97
Jobs Multiplier	2.12
Earnings Multiplier	2.18

Source: EMSI Complete Employment - September 2007

#### Largest Impacts

NAICS Code	Description	Change
11A000	Crop and animal production	-18,215
722110	Full-service restaurants	-7,789
722211	Limited-service restaurants	-6,171
930000	Local government	-5,612
622110	General medical and surgical hospitals	-4,656
561720	Janitorial services	-4,602
561320	Temporary help services	-3,818
445110	Supermarkets and other grocery stores	-3,297
721110	Hotels and motels, except casino hotels	-3,008
311615	Poultry processing	-2,552

NAICS Code	Description	% Change
311830	Tortilla manufacturing	-102%
326212	Tire retreading	-94%
325211	Plastics material and resin manufacturing	-80%
325991	Custom compounding of purchased resins	-66%
311421	Fruit and vegetable canning	-63%
445210	Meat markets	-56%
325992	Photographic film and chemical manufacturing	-55%
221310	Water supply and irrigation systems	-54%
423460	Ophthalmic goods merchant wholesalers	-44%
311615	Poultry processing	-43%

Source: EMSI Complete Employment - September 2007

## Scenario Results (all affected industries)

NAICS Code	Description	Original Jobs	Current Jobs	Change	% Change	EPW(K)
11	Agriculture, forestry, fishing and hunting	116,258	97,491	-18,767	-16%	\$13
21	Mining	6,764	6,620	-144	-2%	\$83
22	Utilities	12,803	12,362	-440	-3%	\$103
23	Construction	194,694	187,542	-7,152	-4%	\$50
31-33	Manufacturing	361,098	337,104	-23,994	-7%	\$64
42	Wholesale trade	144,848	137,053	-7,794	-5%	\$74
44-45	Retail trade	379,668	359,698	-19,970	-5%	\$26
48-49	Transportation and warehousing	123,754	118,816	-4,938	-4%	\$50
51	Information	66,897	65,020	-1,877	-3%	\$68
52	Finance and insurance	184,146	178,632	-5,514	-3%	\$81
53	Real estate and rental and leasing	112,503	106,588	-5,915	-5%	\$42
54	Professional and technical services	204,326	198,905	-5,421	-3%	\$63
55	Management of companies and enterprises	67,530	66,190	-1,339	-2%	\$103
56	Administrative and waste services	171,737	158,474	-13,264	-8%	\$28
61	Educational services	74,964	71,473	-3,491	-5%	\$25
62	Health care and social assistance	417,090	400,752	-16,338	-4%	\$42
71	Arts, entertainment, and recreation	71,848	69,266	-2,582	-4%	\$29
72	Accommodation and food services	219,688	196,924	-22,765	-10%	\$16
81	Other services, except public administration	189,955	182,847	-7,108	-4%	\$24
90	Government	401,167	393,764	-7,403	-2%	\$51

Source: EMSI Complete Employment - September 2007

## POLICY SIMULATION 4: 2490 MEAT PACKING JOBS BY NON CITIZENS LOST

Region: Minnesota

States: Minnesota

### Executive Summary

#### Industries Modified

Animal, except poultry, slaughtering ( 311611)

Meat processed from carcasses ( 311612)

Poultry processing ( 311615)

#### Description

Year	2006
Jobs Change	-16,157
	-
Earnings Change (in thousands)	432,953
Earnings/Worker Change	\$87.50
Sales Multiplier	2.54
Jobs Multiplier	6.24
Earnings Multiplier	4.69

Source: EMSI Complete Employment - September 2007

### Largest Impacts

NAICS Code	Description	Change
11A000	Crop and animal production	(7,614)
311615	Poultry processing	(1,368)
311611	Animal, except poultry, slaughtering	(1,310)
311612	Meat processed from carcasses	(407)
930000	Local government	(383)
722110	Full-service restaurants	(195)
622110	General medical and surgical hospitals	(186)
551114	Managing offices	(179)
722211	Limited-service restaurants	(152)
621111	Offices of physicians, except mental health	(110)

## POLICY SIMULATION 5: IMPACT OF 5000 JOBS LOST IN THE FULL SERVICE RESTAURANT INDUSTRY

Region: Minnesota

States: Minnesota

### Executive Summary

Industries Modified	
Full-service restaurants ( 722110)	
Description	
Year	2006
Jobs Change	-6,979
	-
Earnings Change (in thousands)	154,076
Earnings/Worker Change	\$47.08
Sales Multiplier	1.99
Jobs Multiplier	1.4
Earnings Multiplier	1.92

Source: EMSI Complete Employment - September 2007

### Largest Impacts

NAICS Code	Description	Change
722110	Full-service restaurants	(5,066)
11A000	Crop and animal production	(267)
930000	Local government	(129)
622110	General medical and surgical hospitals	(57)
722211	Limited-service restaurants	(51)
621111	Offices of physicians, except mental health	(33)
311615	Poultry processing	(33)
445110	Supermarkets and other grocery stores	(32)
561320	Temporary help services	(32)
531210	Offices of real estate agents and brokers	(31)

## POLICY SIMULATION 6: IMPACT of \$ 30 Million Sales Increase for the Hospitality Industry

Region: Minnesota

States: Minnesota

### Executive Summary

#### Industries Modified

New single-family general contractors ( 236115)  
 Residential remodelers ( 236118)  
 Packing and crating ( 488991)  
 Radio stations ( 515112)  
 Cellular and other wireless carriers ( 517212)  
 Tax preparation services ( 541213)  
 Marketing consulting services ( 541613)  
 Solid waste collection ( 562111)  
 Offices of miscellaneous health practitioners ( 621399)  
 All other outpatient care centers ( 621498)  
 Newspaper publishers ( 511110)  
 Internet publishing and broadcasting ( 516110)  
 Advertising agencies ( 541810)  
 Temporary help services ( 561320)  
 Travel agencies ( 561510)  
 Janitorial services ( 561720)  
 Landscaping services ( 561730)  
 Remediation services ( 562910)  
 Child day care services ( 624410)  
 Other performing arts companies ( 711190)  
 Full-service restaurants ( 722110)

#### Description

Year	2006
Jobs Change	725
Earnings Change (in thousands)	21,984
Earnings/Worker Change	\$-3.18
Sales Multiplier	1.97
Jobs Multiplier	1.56
Earnings Multiplier	1.87

Source: EMSI Complete Employment - September 2007

## POLICY SIMULATION 7: IMPACT OF LOSS OF 40000 NON CITIZENS OF MEXICAN ORIGIN

### Region Info

Region: Minnesota

States: Minnesota

### Executive Summary

Industries Modified	Data Level
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Mexican - Non Citizens

Description	
Year	2006
Jobs Change	-53,409
	-
Earnings Change (in thousands)	1,563,383
Earnings/Worker Change	\$254.25
Sales Multiplier	2.13
Jobs Multiplier	2.28
Earnings Multiplier	2.68

Source: EMSI Complete Employment - September 2007

NAICS Code	Description	% Change
311611	Animal, except poultry, slaughtering	(26%)
311615	Poultry processing	(24%)
238350	Finish Carpentry Contractors	(24%)
238160	Roofing Contractors	(18%)
238150	Glass and Glazing Contractors	(13%)
561720	Janitorial services	(13%)
236116	New Multifamily Housing Construction (except Operative Builders)	(12%)
238310	Drywall and Insulation Contractors	(11%)
11A000	Crop and animal production	(11%)
311612	Meat processed from carcasses	(10%)

Source: EMSI Complete Employment - September 2007

## POLICY SIMULATION 8: IMPACT OF 50 MILLION DOLLAR INCREASE IN AGRICULTURAL SALES IN MINNESOTA

Region: Minnesota

States: Minnesota

### Executive Summary

Description	
Year	2006
Jobs Change	1,553
Earnings Change (in thousands)	28,283
Earnings/Worker Change	\$-12.16
Sales Multiplier	2.12
Jobs Multiplier	1.51
Earnings Multiplier	2.58

Source: EMSI Complete Employment - September 2007

### Largest Impacts

NAICS Code	Description	Change
11A000	Crop and animal production	1,182
930000	Local government	27
622110	General medical and surgical hospitals	14
722110	Full-service restaurants	13
722211	Limited-service restaurants	10
621111	Offices of physicians, except mental health	8
445110	Supermarkets and other grocery stores	7
531210	Offices of real estate agents and brokers	6
623110	Nursing care facilities	6
452110	Department stores	6

## **Data Sources and Calculations**

### **Input-Output Data**

The input-output model in this report is created using the national Input-Output matrix provided by the federal Bureau of Economic Analysis. This is combined with the national Total Gross Output, the regional Total Gross Output, the land area of the subject region, regional dividends, interest, rents and transfers (DIRT) data and regional in/out commuter patterns in order to calculate regional requirements, imports and exports. After using matrix algebra to calculate the regional multiplier, the resulting matrix is multiplied by the sales vector and converted back to jobs or earnings. Specifically, this data comes from the U.S. Department of Commerce, Bureau of Economic Analysis, Industry Economic Accounts: Benchmark & Annual Input-Output (I-O) Accounts.

### **Industry Data**

In order to capture a complete picture of industry employment, EMSI basically combines covered employment data from Quarterly Census of Employment and Wages (QCEW) produced by the Department of Labor with total employment data in Regional Economic Information System (REIS) published by the Bureau of Economic Analysis (BEA), augmented with County Business Patterns (CBP) and Nonemployer Statistics (NES) published by the U.S. Census Bureau. Projections are based on the latest available EMSI industry data combined with past trends in each industry and the industry growth rates in national projections (Bureau of Labor Statistics) and states' own projections, where available.

### **State Data Sources**

This report uses state data from the following agencies: Minnesota Department of Employment and Economic Development.

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<sup>1</sup> This report uses the word Mexican American, people of “Mexican” origin and Mexican Non Citizens to mean the group of people identified in Census 2000 and other official data sources as people of Mexican origin. The report focuses only on the people of Mexican origin and not from other Latin American countries.

<sup>2</sup> Holmquist, June D. (1981). *They Chose Minnesota: A Survey of the State's Ethnic Groups*. Minnesota Historical Press

<sup>3</sup> Department of Administration (2005), *The Impact of Illegal Immigration on Minnesota*.

Kielkopf, James J (2000), *The Economic Impact of Undocumented Workers in Minnesota*. HACER-MN.

Gillaspy, Tom (2008), *New Americans in Minnesota*. Office of the State Demographer.

<sup>4</sup> Ethnic Heritage of Latinos in Minnesota, [www.clac.state.mn.us](http://www.clac.state.mn.us)

<sup>5</sup> [http://www.rand.org/pubs/monograph\\_reports/MR1036/index.html](http://www.rand.org/pubs/monograph_reports/MR1036/index.html)

<sup>6</sup> Steven A Camarota (2001), *Immigration from Mexico: Assessing the Impact on the United States*. Center for Immigration Studies.

<sup>7</sup> See Holmquist (1981) above page 105.

<sup>8</sup> See Minnesota Banker's Association position on Emerging Markets.  
<http://www.minnbankers.com/i4a/pages/index.cfm?pageid=4372>

<sup>9</sup> The University of Georgia's Selig Center estimates this buying power to be \$1.7 billion dollars in 2005. The difference in estimates is difference in methodology. This study uses a conservative approach in measuring buying power as disposable income – income after taxes. Taxes are estimated to be 20 percent of total income.

<sup>10</sup> If we take ACS 2006 estimate of 53,788 non-citizens times per capita income of \$ 11,818 and then assume 40 percent of income goes on remittances to Mexico and 20 percent goes towards federal, state and local taxes. For remittance estimate see Orozco, Manuel (2004) *The Remittance Marketplace: Prices, Policy and Financial Institutions*. Pew Hispanic Center.

<sup>11</sup> See <http://www.dallasfed.org/research/busfront/bus0401.html>.

<sup>12</sup> Comments by immigrant policy expert - Professor Kathy Fennelly, University of Minnesota

<sup>13</sup> This is a standard model used by economists to determine economic impacts. It has its limitations as it just provides a snap shot of the economy and does not factor in dynamic factors that change the economy. However it is a useful planning and educational tool to talk about policy implications.

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The input-output model in this report is created using the national Input-Output matrix provided by the federal Bureau of Economic Analysis. This is combined with the national Total Gross Output, the regional Total Gross Output, the land area of the subject region, regional DIRT data and regional in/out commuter patterns in order to calculate regional requirements, imports and exports. After using matrix algebra to calculate the regional multiplier, the resulting matrix is multiplied by the sales vector and converted back to jobs or earnings. Specifically, this data comes from the U.S. Department of Commerce, Bureau of Economic Analysis, Industry Economic Accounts: Benchmark & Annual Input-Output (I-O) Accounts. In order to capture a complete picture of industry employment, EMSI basically combines covered employment data from Quarterly Census of Employment and Wages (QCEW) produced by the Department of Labor with total employment data in Regional Economic Information System (REIS) published by the Bureau of Economic Analysis (BEA), augmented with County Business Patterns (CBP) and Nonemployer Statistics (NES) published by the U.S. Census Bureau. Projections are based on the latest available EMSI industry data combined with past trends in each industry and the industry growth rates in national projections (Bureau of Labor Statistics) and states' own projections, where available. This model uses state data from the Minnesota Department of Employment and Economic Development

<sup>14</sup> The Legislative Auditor came up with the estimates of the cost per job after factoring many variables such as the actual jobs created and overstating of the program's benefits. See - Evaluation Report: JOBZ Program. Legislative Auditor, February 2008, page 95.

<sup>15</sup> Evaluation Report: JOBZ Program. Legislative Auditor, February 2008, p 95.

<sup>16</sup> See <http://www.deed.state.mn.us/lmi/tools/qcew.htm>

<sup>17</sup> See above discussion of the model.

<sup>18</sup> Job loss assumes the worker is still around for other opportunities. Worker loss as is deportation means the worker is no longer in the economy, namely a loss in human capital.

<sup>19</sup> Evaluation Report: JOBZ Program. Legislative Auditor, February 2008, p 95.

<sup>20</sup> For example see Kielkopf, James (2000), *Estimating the Economic Impact of Latino Workforce in South Central Minnesota*. Center for Rural Policy Development. Mankato.

<sup>21</sup> Cameron Macht and Todd Graham (2003), *Aftermath of a Layoff: Five Years After the Campbell Soup Shutdown*. Minnesota Trends. DEED.

<sup>22</sup> <http://www.deed.state.mn.us/lmi/tools/oid/default.aspx>

<sup>23</sup> See reports on the Economic Development Regions in Southern Minnesota on the web site <http://www.deed.state.mn.us/lmi/regional.htm>

<sup>24</sup> After the ICE raids on the Swift meat packing plant in Worthington it took the company over 3 months to recover staffing levels at a significant cost to the company. See [http://www.jbsswift.com/media/releases/2007\\_05\\_11\\_Swift\\_Beef\\_Staffing\\_Update.pdf](http://www.jbsswift.com/media/releases/2007_05_11_Swift_Beef_Staffing_Update.pdf)

<sup>25</sup> Evaluation Report: JOBZ Program. Legislative Auditor, February 2008, p 95.

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<sup>26</sup> Evaluation Report: JOBZ Program. Legislative Auditor, February 2008, p 95.

<sup>27</sup> A national report also documents the role of Mexican American workers doing essential work across a wide range of industries as reflected in this report. See, AILF (2002), *Mexican Immigrant Workers and the U.S. Economy*. Immigration Policy Focus, Volume 1 (2). See also state reports of Mexican Americans in Georgia, Tennessee and Alabama in Kochut, B. A. et al, *Going North: Mexican Immigrants in Georgia, Alabama, Mississippi and Tennessee*. Selig Center for Economic Growth.

<sup>28</sup> See AFL CIO (2000) *Immigrant Workers at Risk: The Urgent Need to Improve Workplace Safety and Health Policies and Programs*.

<sup>29</sup> Interview with Glenn Thuringer, Economic Development expert in Worthington, Minnesota.

<sup>30</sup> Interview with Glenn Thuringer, Economic Development expert in Worthington, Minnesota.

<sup>31</sup> Kandel, William (2006), *Meatpacking Firms Attract Hispanic Workers to Rural America*. Amber Waves Volume 4 (3). Economic Research Services, USDA.

<sup>32</sup> Minnesota: Exports, Jobs and Foreign Investment. USTR. 2007

<sup>33</sup> <http://opendoors.iienetwork.org/?p=113274>

<sup>34</sup> <http://www.reuters.com/article/pressRelease/idUS128427+02-Jan-2008+PRN20080102>

<sup>35</sup> Company estimates given to the author

<sup>36</sup> <http://www.exportminnesota.com/missions/Mexico/2000/mex-bro.pdf>

<sup>37</sup> <http://www.exportminnesota.com/PDFs/06an-stat.pdf>

<sup>38</sup> [http://www.bts.gov/programs/international/transborder/TBDR\\_QA.html](http://www.bts.gov/programs/international/transborder/TBDR_QA.html)

<sup>39</sup> <http://www.exportminnesota.com/PDFs/06an-stat.pdf>

<sup>40</sup> Evaluation Report: JOBZ Program. Legislative Auditor, February 2008, p 95.

<sup>41</sup> Minnesotans paid 19.3 billion in taxes in 2004 according to the 2007 Tax Incidence Survey.

<sup>42</sup> See note below

<sup>43</sup> The lower range includes only 33 percent pay state and local taxes. The higher range assumes 75 percent pay state and local taxes.

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<sup>44</sup> James P Smith and Barry Edmonston (1997), *The New Americans: Economic Demographic and Fiscal Impacts*. National Academy Press. Page 334

<sup>45</sup> Department of Administration (2005), *The Impact of Illegal Immigration on Minnesota*.

<sup>46</sup> A study done by James Kielkopf in 2000 found very similar impacts. He had a high estimate of 48,268 undocumented workers. The Pew Hispanic Center has a range of 50,000 to 100,000. Kielkopf used a similar model to the EMSI model.

See, Kielkopf, James J (2000), *The Economic Impact of Undocumented Workers in Minnesota*. HACER-MN.

September, 2000

<sup>47</sup> [www.ipums.com](http://www.ipums.com)

<sup>48</sup> Rector, R (2007), *The Fiscal Costs of Low Skilled Immigrants*. Heritage Foundation. Rector estimates the costs of low skilled immigrants to the country to be \$19, 958 per household annually. However since he does not estimate the same for high skilled immigrants like the NRC study we have a one sided analysis.

<sup>49</sup> Position Paper on Cultural and Heritage Tourism. *U.S. Department of Commerce and the President's Committee on the Arts and the Humanities*. 2005

<sup>50</sup> Ottaviano, G.I.P, and Peri, G. (2007), *The Effect of Immigration on US Wages and Rents: A General Equilibrium Approach*. University of California, Davis.

<sup>51</sup> <http://fastfacts.census.gov/home/cws/main.html>

<sup>52</sup>

See.. [http://fastfacts.census.gov/servlet/ACSCWSFacts?\\_event=ChangeGeoContext&geo\\_id=50000US2702&\\_geoCont ext=01000US%7C04000US27%7C50000US2701&\\_street=&\\_county=&\\_cd=50000US2702&\\_cityTown=&\\_state=04000U S27&\\_zip=&\\_lang=en&\\_sse=on&ActiveGeoDiv=&\\_useEV=&pctxt=fph&pgsl=500&\\_content=&\\_keyword=&\\_industry](http://fastfacts.census.gov/servlet/ACSCWSFacts?_event=ChangeGeoContext&geo_id=50000US2702&_geoCont ext=01000US%7C04000US27%7C50000US2701&_street=&_county=&_cd=50000US2702&_cityTown=&_state=04000U S27&_zip=&_lang=en&_sse=on&ActiveGeoDiv=&_useEV=&pctxt=fph&pgsl=500&_content=&_keyword=&_industry)

<sup>53</sup> Paul Taylor and Richard Fry (2007), *Hispanics and the 2008 Election. A Swing Vote?* Pew Hispanic Center.

<sup>54</sup> This is well summarized in Camarota, Stephen A (2006), *Immigration's Impact on American Workers*. Testimony Prepared for the House Judiciary Committee August 29, 2006.

<sup>55</sup> Borjas, George et al (2006), *Immigration and African-American Employment Opportunities: The Responses of Wages, Employment and incarceration to Labor Supply Shocks*. NBER Working Paper.

<sup>56</sup> See Department of Administration (2005) above.

<sup>57</sup> Recent studies point out that immigrants made up 25.3 percent of high tech companies during the period 1995-2005. Immigrants also made up 25 percent of companies that were venture backed over the past 15 years. Foreign graduate students have also had a major impact on innovation in the United States. Foreign born

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population comprised 11 percent of the population in 2004 but 16 percent of the scientists and engineers in the USA. See the following:

Wadhwa V. et al (2007) *America's New Immigrant Entrepreneurs*. Duke University, School of Information.

Anderson S. et al (2007), *American Made: Impact of Immigrant Entrepreneurs and Professionals on U S Competitiveness* National Venture Capital Association.

Chellaraj, G., et al (2005), *The Contribution of Skilled Immigration and International Graduate Students to U.S. Innovation*. Department of Economics. University of Colorado at Boulder.

*Maintaining A Competitive Edge: The Role of Foreign Born and US Immigration Policies in Science and Engineering*. Immigration Policy in Focus. Volume 3 (1) 2004. AILF

<sup>58</sup> The following quote from the NRC Study is relevant in this connection. "The weight of the empirical evidence suggests that the impact of immigration on the wages of competing native-born workers is small—possibly reducing them by only 1 or 2 percent. Why does this effect seem so small? One reason is that it is easy to exaggerate the importance of immigration. Although immigration touches some hot button issues, the American economy is extremely large and complex, running at \$7.6 trillion a year. This economy is the end result of ten of thousands of factors, many of which are far more critical than the country's immigration policy. Such factors include the rate at which the country saves and invests and the human capital of its own workers. It is simply not plausible that immigration, even across a decade, by increasing the supply of workers by 4 percent could seriously impact such an economy. However, although it is easy to exaggerate the aggregate effects of immigration, they should not be minimized. As measured by changes in wages, the economic benefits of immigration run as much as \$10 billion a year. In addition, the economic benefits of immigration that operate only through lower prices, without displacing or disadvantaging competitive domestic labor, add to the positive effects of immigration". Pp 220

<sup>59</sup> Borjas, George (2006), *The Economic Case for Skilled Immigrants*. Kennedy School of Government. Harvard University. [http://help.senate.gov/Hearings/2006\\_09\\_14/Borjas.pdf](http://help.senate.gov/Hearings/2006_09_14/Borjas.pdf)

<sup>60</sup> Peri, G. (2007), *In Immigration Why Almost Everyone Wins*. Milken Review.

<sup>61</sup> Peri G (2007), *Economic Diversity and Cities*. University of California Davis.

<sup>62</sup> Peri, G and Sparber C (2008) *The Fallacy of Crowding Out: A Note on "Native Internal Migration and the Labor Market Impact of Immigration."* University of California, Davis.

<sup>63</sup> Peri, G. (2007), *Immigration and the Economy: Facts and Policies*. University of California, Davis.

<sup>64</sup> See Peri (2007) above.

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<sup>65</sup> Kugler A and Mutlu Yuksel (2007), *Do Recent Latino Immigrants Compete for Jobs with Native Hispanics and Earlier Latino Immigrants*. University of Houston and NBER.

<sup>66</sup> Cortes Patricia and Jose Tessada (2007), *Cheap Maids and Nannies: How Low-skilled Immigration is Changing the Labor Supply of High-skilled American Women*. University of Chicago.

<sup>67</sup> Robertson R (2006) *The Effects of Globalization on Minnesota Workers*  
*The Effects of Globalization on Minnesota Workers*. Working Draft. Macalester College.

<sup>68</sup> See [www.ethnictrends.info](http://www.ethnictrends.info) (latest trends)

<sup>69</sup> See Appendix K

<sup>70</sup> Keeton, W.R. and Newton, G B (2005) *Does Immigration Reduce Imbalances Among Labor Markets or Increase Them*. Economic Review. Federal Reserve Bank of Kansas Cit. pp 47-79.