

Global Detroit

SHORT REPORT

May 14, 2010

ACKNOWLEDGMENTS

Less than a century ago, Morris Tobocman emigrated from Lukov, Poland to America without much of a formal education and, most likely, without formal legal status. He would return to Poland, marry his wife Anna, and return to America, settling for a time at the corner of Central and Dix in southwest Detroit. Little could he imagine that both his sons would become renowned architects from the University of Michigan who design and build some of the most expensive and beautiful modernist homes in the region. Nor could Morris Tobocman imagine that his grandson (the author of this report) would end up as the elected State Representative from southwest Detroit for three terms, including a term as the Majority Floor Leader, the second-ranking position in the Michigan House of Representatives. It is a typical American story of immigration and it helps define a central piece of what makes America so economically and politically successful.

I would like to thank the New Economy Initiative, Detroit Regional Chamber of Commerce, and Skillman Foundation for having the foresight and courage to fund the Global Detroit study and to provide unwavering support to me and the process. Immigration has been described as the “new third rail” of American politics. For too long, we have allowed our fears and sensitivities get in the way of discussing the economic realities behind the issue. Hopefully, the Global Detroit study can shine some new light on immigration and how it impacts the Detroit metropolitan region.

In addition to the organizations mentioned, I am deeply grateful to John Austin and Richard Herman who have taught and inspired me, as well as provided wisdom in navigating this issue. Greg Handel, Edith Castillo, and Ed Egnatios also provided tremendous support, insight, and patience. Thank you to my research team, including Melissa Garcia, Kate Brennan, Andrew Sokoly, Joe Person, and Kelli Kavanaugh. The support of Thom Costello, David Egner, Ahmad Ezzedine, Sam Singh, and Ed Wolking also is greatly appreciated.

There are more than 35 Advisory Board members who volunteered for this effort and showed courage by lending their names to the project. Some 150 individuals made time to be interviewed. My friends in Cleveland, Philadelphia, and Pittsburgh set the bar on hospitality very high. I hope one day that I can return the generosity they showered upon me.

The study took longer than I anticipated. Over the year, my daughter Nia was born. Detroit hosted four elections, elected a new interim and full-term Mayor, elected a new City Council (five of the nine members are new), empowered a Charter Review Commission, and passed a Charter amendment to create City Council districts in 2013.

Meanwhile, the region, state, and nation, while fighting off total economic collapse, struggled with the worst economic recession since the Great Depression. Beyond the study and report, there is still much more to be done. Let this mark the beginning of a new spirit of innovation and entrepreneurship for Detroit, the Arsenal of Democracy.

Steve Tobocman
May 14, 2010

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“History teaches us that from every major economic crisis, America has emerged stronger, smarter and more innovative—it’s in our DNA . . . It’s that time again. We must write a new chapter in the story of American innovation . . . Many people around the country think that our state is broken, done-for, intellectually bankrupt. We all know otherwise. History teaches us that our future will depend on how quickly, and how well, we innovate and adapt.”

*--Patricia Mooradian, President, The Henry Ford
“Advancing a Culture of Innovation”
Address before the Detroit Regional Chamber of Commerce
Mackinac Island Policy Conference, May 28, 2009*

I. Introduction

The Detroit regional economy is in the midst of an unprecedented transformation. The regional assets that made Detroit the 20th Century’s manufacturing global leader can no longer be relied upon to secure our economic future. We must develop new competitive advantages and competencies to lead in the global economy.

Unfortunately, we have no time to waste. Regional unemployment in February 2010 is 15.3 percent, more than 150 percent of the national average of 9.7 percent, and the highest of any of the nation’s 49 metropolitan areas with populations over one million. Arguing that the official numbers tell only half the story, Detroit Mayor Dave Bing has estimated the real unemployment, including those who have given up looking for work and the underemployed, in the central city at closer to 50 percent. Detroit has the highest poverty rates of the nation’s 50 largest cities with nearly half of its children live in poverty.

This crisis is not the product of a short-term downturn in the economic cycle, but a systemic restructuring from an auto manufacturing economy. In fact, over the last decade, Michigan has lost more than 1 million jobs, almost one quarter of all of its jobs. The crisis has devastated even those who work. The 2000 Census pegged Michigan as the 17th wealthiest state in per capita income, right at the cusp of being in the top-third of the nation’s wealthiest states. By 2010, economists believe that Michigan will be ranked as one of the bottom 10 states in per capital income. This incredible 10-year-long drop in Michigan’s prosperity probably represents the most dramatic economic freefall of any state in our nation’s history.

As noted by the New Economy Initiative,¹ Michigan has been slow to transition into the new, globally competitive knowledge economy. Yet, the economic transition Michigan faces in the coming years is similar to the one it made a century ago. The incredibly important role that Detroit played to the nation’s innovation, industrial might, and economic prosperity in the 20th Century has been compared to the role that Silicon Valley has played in modern times.² The innovative and entrepreneurial spirit

¹ The New Economy Initiative (NEI), a \$100 million philanthropic commitment of ten national and local foundations to speed metro Detroit’s transition into the new economy, has provided the largest single source of financial support to the Global Detroit study. The impetus for a Global Detroit study originated from discussions between the author and then-NEI Director John Austin.

² Tom Walsh “Immigrants Can Inspire Innovation,” Detroit Free Press, February 12, 2009 referencing Thomas Friedman, “The Open-Door Bailout”, New York Times, February 11, 2009 and Daniel Lyons, “Silicon Valley’s Fork in the Road”, Newsweek, February 2, 2009.

embodied by Henry Ford, Ransom Olds, the Dodge Brothers, and dozens of other auto, engineering, science, and industrial leaders powered the “Arsenal of Democracy.” That Detroit spirit drove America to become the world’s unrivaled industrial leader.

Many researchers have worked hard to distill the characteristics that drove these historic economic engines to produce so many patents, technologies, new businesses, jobs, and wealth. Each analysis has put its own label on that spirit—talent, curiosity, collaboration, nonconformity, risk, breaking the rules—the list goes on. The New Economy Initiative has distilled this spirit into “talent, innovation, and culture change.” All three were present in Detroit in the early 20th Century and undeniably contributed to its success. And all three distinguish other leading catalyst regions, like Silicon Valley, in the 21st Century.

No one strategy will, by itself, revitalize the Detroit regional economy. **However, nothing is more powerful to remaking Detroit as a center of innovation, entrepreneurship and population growth, than embracing and increasing immigrant³ populations and the entrepreneurial culture and global connections that they bring and deliver.**

When Detroit was the Silicon Valley of its time at the beginning of the last century, more than one third of its population was foreign born. The Global Detroit report details immigrants as being uniquely powerful agents of economic development and transformation in Detroit and across the nation.

In fact, much like the European immigrants that invented the patents, developed the products, refined the manufacturing techniques, and worked in the factories that made America the 20th Century’s industrial leader, modern day immigrants from every corner of the globe are powering America’s success. One-quarter of the National Academy of Sciences is foreign born.⁴ 26 percent of all U.S. recipients of the Nobel Prize from 1990-2000 were foreign born.⁵ This past year, eight of the nine Nobel Prize winners in science were Americans, and five of those eight Americans were foreign born.⁶ In fact, foreign born Americans won more Nobel Prizes in 2009 than all the other nations of the world combined.⁷

But it’s not just academics and science that propel economic power. It’s also entrepreneurialism—and American immigrants have created many of the companies that define our nation’s 20th Century economic dominance, as well as America’s 21st Century economic potential. “New migrants to the

³ Throughout this study, the author uses the term “immigrant” and “foreign born” interchangeably. In its broader uses and impacts the term immigrant must include first and second generation descendants and families who make enormous contributions, as well. For statistical purposes in the report, the term “immigrant” is limited to foreign born and would include both naturalized U.S. citizens, as well as resident aliens. It also could include both documented and undocumented residents, as both are counted by the U.S. Census. The study does seek, however, to distinguish between documented and undocumented residents in several portions when discussing matters impacted by that distinction.

⁴ James Fallows “How America Can Rise Again,” The Atlantic, January/February 2010.

⁵ Jennifer Hunt and Marjolaine Gauthier-Loiselle, “How Much Does Immigration Boost Innovation” IZA Discussion Paper No. 3921, January 2009 (citing Peri 2007), p. 1.

⁶ Reuters News Service, October 12, 2009. Venkatraman Ramakrishnan (Nobel Prize in Chemistry), Charles Kao and Willard Boyle (Nobel Prizes in Physics), Elizabeth Blackburn (Nobel Prize in Physiology or Medicine), and Jack Szostak (Nobel Prize in Physiology or Medicine).

⁷ Only three other nations had citizens awarded a Nobel Prize in 2009. Herta Mueller, a foreign born German citizen, won a Nobel Prize in Literature. Ada Yonath, an Israeli, shared the Nobel Prize in Chemistry. Willard Boyle, a Canadian, shared the Nobel Prize in Physics.

United State in particular included many of its most famous business titans (Levi Strauss, Andrew Carnegie, Andre Grove, Charles Wang, Sergey Brin, Jerry Yang, Liz Claiborne), scholars (Enrico Fermi, Albert Einstein, Alexander Graham Bell, Hyman Rickover, Jonas Salk), and untold other innovative thinkers.”⁸ Immigrants founded Google, Intel, eBay, Sun Microsystems, Yahoo!, Hotmail, A123 Systems, PayPal, U.S. Steel, Dow Chemical, Dupont, Pfizer, Procter and Gamble, Bank of America, and Carnival Cruises, as well as thousands of other companies that are driving America’s economic future and that have created millions of American jobs.

Statistically, metro Detroit’s foreign born are demonstrated to be:

- Entrepreneurial drivers of new business and job creation—much more likely to start new businesses than native-born populations,
- Disproportionately responsible for new technology invention and patents that drive new industries and job creation,
- More likely to become highly educated, and in Michigan’s case are better educated already than the domestic population—and hence giant contributors to our talent base—particularly in science, medicine, engineering and high technology fields;
- Catalysts for urban neighborhood and population revitalization,
- Carriers of new international business, language, cultural skills, and connections central to success in a global economy,
- Important additions of multi-ethnic flavor and additional diversity to Detroit and other great cities, making them more attractive and interesting for all—accelerating a virtuous circle of talent agglomeration.

The most vibrant economies in the Midwest, the nation, and around the globe today are characterized by leading shares of immigrant populations—Chicago, Toronto and Minneapolis/St. Paul in the Midwest; San Francisco, Boston, New York, Miami, Houston and Los Angeles in others areas of the country. Many communities, facing similar restructuring of their economic base as Detroit, are purposefully laying a welcome mat for immigrants, and inviting immigrant entrepreneurs and investors to reboot their economies for the 21st century.

Myths about the negative role immigrants play in local economies: taking jobs from local and minority workers, depressing wages, sucking disproportionate share of public welfare dollars, avoiding taxes, creating crime, and not being interested in acculturation and learning English—are just that, myths. In fact solid economic evidence suggests that immigrants disproportionately contribute to economic growth, employment and wage gains—including for local African-American populations.

In fact, Southeast Michigan has a positive foundation of multi-national populations upon which to build an even richer tapestry of economic and cultural vitality. Unlike many sister “Rust-Belt” cities, metro Detroit has a rich history of global connectivity—much enabled by the global auto industry and large immigrant populations (8.3 percent of Metro Detroit) including Arab-American, Indian-American, sizable Eastern European, Latino, and Asian-American populations—that serves as a source of new strength and new connectivity in today’s “flat world” economy.

⁸ Tim Kane and Robert Litan, “Knowledge Economy Immigration: A Priority for U.S. Growth Policy,” report prepared for the Ewing Marion Kauffman Foundation, April 6, 2009, p. 9.

To capitalize on this strategic opportunity, we must embrace the positive economic impacts immigrants have on local economies and knock down the fears and myths about immigrant's role in the economy. By enabling the attitudes, policies, and programs that accelerate immigrant inflows and support retention of first and second generation families in the metro area, this Global Detroit report seeks to unleash the untapped potential immigrants possess for revitalizing the our regional population and economy—a regional economy in dramatic need of the population growth, diversity and multi-national connectivity, and entrepreneurial energy that immigrants bring.

II. Global Detroit Findings: The Role of Immigration and Global Connections in Economic Revitalization

The purpose of the Global Detroit effort is to determine how immigrants, immigration, and global connections impact the region's economic growth and development, and to develop and implement the strategies we should pursue to create jobs and build prosperity among those who live here. What the study's research revealed is that metro Detroit's foreign born are significant contributors to and assets for building a new economic future.

Many researchers have worked hard to distill the characteristics that drove historic economic engines (such as early 20th Century Detroit, Silicon Valley, Boston's Route 128, etc.) to produce so many patents, technologies, new businesses, jobs, and wealth. **One of the most consistent similarities between catalyst regions of the 20th and 21st Centuries is the large presence of immigrants.** Immigrants were at the sources of early 20th Century Midwestern industrial cities like Detroit that propelled America's growth and they are a significant part of the regions that serve as economic catalysts in today's world. At the onset of the 20th Century 33.8 percent of Detroit's population was foreign born.⁹ In 2000, Silicon Valley's population was more than 27 percent foreign born, almost two-and-a-half times the national average.¹⁰

Edward Roberts, the David Sarnoff Professor of Management of Technology at the Massachusetts Institute of Technology and the Founder and Chair, MIT Entrepreneurship Center, acknowledges that "[t]o immigrate is an entrepreneurial act."¹¹ Others have identified the characteristics, traits, skills, and motivations that would inspire a person to uproot their home and move to the United States to be the same characteristics, traits, skills, and motivations that are necessary to be an essential part in a rapid economic growth engine.¹² Asking themselves why foreign born Americans seemed to be at the cusp of so many economic driving forces, Robert Smith and Richard Herman found answers in the entrepreneurial culture of the immigrant experience:

What we discovered was not a secret, but a culture: a culture of entrepreneurship. You could call it Immigrant, Inc. We found that many of today's immigrants arrive ready-made to perform in a knowledge-based, global economy. They're often the best and brightest from back home, certainly the strivers. They have the risk-taking personalities of entrepreneurs, and they dream big and work smart.

But the powerful message is this: their club is not exclusive. Today's immigrants do not succeed by themselves. They work with the locals. They team up with American companies and with in-the-know American colleagues. And then they do something fantastic, like build a better solar panel, or resurrect a neighborhood.¹³

⁹ 1900 U.S. Census.

¹⁰ 2000 U.S. Census population data for the 9 counties of Alameda, Contra Costa, Marin, Napa, Santa Clara, San Mateo, San Francisco, Solano, and Sonoma.

¹¹ Richard T. Herman and Robert L. Smith, "Immigrant, Inc." advanced copy 2010, p. 1.

¹² See Stuart Anderson and Michaela Platzer "American Made: The Impact of Immigrant Entrepreneurs and Professionals on U.S. Competitiveness", study commissioned by the National Venture Capital Association (2006), p. 12, as well as Thomas Friedman, "The Open-Door Bailout," New York Times, February 11, 2009.

¹³ Richard T. Herman and Robert L. Smith, "Immigrant, Inc." advanced copy 2010, p. xiv.

Specifically, while immigrants make up only 12.5 percent of the U.S. population, 6.1 percent of the state population, and 8.3 percent of metro Detroit's population, they disproportionately contribute to economic growth:

Michigan Immigrants Are Well-Educated and a Positive Addition to Our Talent Attraction Efforts.

There is no more important driver to success in the new economy than education. Michigan Future's second annual report on Michigan's transition to a knowledge-based economy researched data on the national recession beginning in December 2007 through January 2009 and found that low education attainment industries (primarily manufacturing, construction, retail, and hospitality) suffered job losses of 3.7 million, while the high education attainment industries *added* 163,000 jobs.

Foreign born Michigan residents are 56 percent more likely to possess a college degree. A full 37 percent of Michigan's foreign born possess a four-year college degree as compared to 23.7 percent of American-born Michigan residents.¹⁴ And there is evidence that more recent foreign migrants to Michigan have even higher educational rates than those who came before. According to a Cleveland Plain Dealer article, among states receiving at least 50,000 immigrants from 1995 to 2000, about half of such immigrants to Ohio had at least a college degree, which ranked second only to Michigan.¹⁵

Many immigrants are well educated, but they also tend to stress education for their children. In fact, in the now famous 2005 Michigan EPIC-MRA poll that showed a majority of Michigan parents do not think higher education is "essential" for their children—the exception were immigrants. They understand higher education is essential and work hard to ensure their children pursue college and advanced degrees. The immigrant community in Michigan is helping transform a Michigan community culture that, at its own peril, woefully undervalues higher education, an essential part of our economic competitiveness.

American and Michigan Immigrants Have the Education and Skill in the Science, Technology, Engineering, and Mathematics (STEM) Fields Critical To Creating New Jobs and Industries.

Despite only comprising 12.5 percent of the U.S. population, 50 percent of all new Ph.D.s in engineering; 45 percent of all new Ph.D.s in life sciences, physical sciences, and computer sciences; and 40 percent of all new masters degrees in computer sciences, physical sciences, and engineering are awarded nationally to foreign born students.¹⁶ Forty-four (44) percent of all engineering masters degrees and 62 percent of engineering Ph.D.s in Michigan are awarded to foreign born students.¹⁷

Forty-seven (47) percent of all scientists and engineers with Ph.D.s and 24 percent of all scientists and engineers with bachelor degrees in the U.S. work place are foreign born. Twenty-five (25) percent of all U.S. physicians are immigrants.¹⁸

¹⁴ Migration Policy Institute, MPI Data Hub Migration Facts, Stats and Maps Michigan Fact Sheet on Language and Education found at www.migrationinformation.org/datahub/state2.cfm?ID=MI.

¹⁵ Dave Davis and Robert Smith, "Give Us Your Best, Brightest", Cleveland Plain Dealer, August 23, 2003.

¹⁶ Richard Herman and Raghav Singh, "Recruiting the Tired, the Poor, and the Wretched Refuse," Journal of Corporate Recruiting Leadership, September 2008, p. 18.

¹⁷ Compete America, The Alliance for A Competitive Workforce citing "Engineering and Technology Degrees 2007" study of the American Association of Engineering Societies.

¹⁸ Herman and Smith.

American and Michigan Immigrants Start the High-Tech and Venture-Capital Businesses that Lead our Entry into the New Economy.

Twenty-five (25) percent of all public companies that were originally venture-backed from 1990-2005 were started by immigrants.¹⁹ These firms represent some of the most successful new firms in the new economy. Twenty-five point three (25.3) percent of all the high-tech firms started in the U.S. from 1995-2005 were founded by immigrants.²⁰ **Thirty-two point eight (32.8) percent of all of the high-tech firms started in Michigan from 1995-2005 were founded by immigrants, making Michigan the third-highest rated state in the nation and suggesting that Michigan's foreign born were six times more likely than non-immigrants to found a high-tech firm.**²¹

American and Michigan Immigrants Invent the New Technologies that Will Continue To Drive Future Job Creation and Regional Prosperity.

Twenty-five point six (25.6) percent of all the international patent applications at the World Intellectual Property Organization (WIPO) originating from the U.S. in 2006 listed a resident alien as one of its key inventors.²² **Twenty-two (22) percent of the international patent applications from Michigan in 2006 listed a resident alien as one of its key inventors, ranking the state 8th in nation in this statistic and suggesting that Michigan's foreign born were four times more likely than non-immigrants to file an international patent.**²³

Michigan Immigrants Are more Entrepreneurial and more likely To Start Businesses.

The 2008 Kauffman Index for Entrepreneurship for immigrants was 0.53 compared to 0.29 for non-immigrants, indicating that immigrants were 1.89 times more likely to start a business in 2008 than non-immigrants.²⁴ One of the most promising results from these studies is the incredibly strong performance of Michigan's foreign born. With 2,276 new immigrant business owners from 1996-2007, Michigan ranked seventh in the nation for the gross number of new immigrant business owners, leading all Midwestern states other than Illinois.²⁵ **These 2,276 new business immigrant business owners in Michigan represented 15.8 percent of all new business owners in Michigan, suggesting that in Michigan, immigrants were nearly three times as likely as native born residents to start a business between 1996 and 2007.**²⁶ These Michigan business owners brought in \$1.5 billion in business income in 2000.²⁷ This spirit of entrepreneurialism is critical to southeastern Michigan when one considers that metro Detroit ranks 13th among the 15 largest metropolitan areas in terms of its entrepreneurial activity.²⁸

¹⁹ Stuart Anderson and Michaela Platzer "American Made: The Impact of Immigrant Entrepreneurs and Professionals on U.S. Competitiveness", study commissioned by the National Venture Capital Association (2006).

²⁰ Vivek Wadhwa, AnnaLee Saxenian, Ben Rissing, and Gary Gereffi "America's New Immigrant Entrepreneurs" Duke University and University of California-Berkeley, January 4, 2007, found at <http://ssrn.com/abstract=990152>.

²¹ Ibid.

²² Richard Freeman, Gary Gereffi, Guillermina Jasso, Ben Rissing, and Vivek Wadhwa, "America's New Immigrant Entrepreneurs, Part III: Intellectual Property, the Immigration Backlog, and a Reverse Brain-Drain" August 2007.

²³ Ibid.

²⁴ Robert Fairlie, Kauffman Index of Entrepreneurial Activity 1996-2008, April 2009, p. 11.

²⁵ Robert Fairlie, "Estimating the Contribution of Immigrant Business Owners to the U.S. Economy," Small Business Administration Office of Advocacy, November 2008, p. 23.

²⁶ Ibid.

²⁷ Ibid at 28.

²⁸ Kauffman Foundation Report at 22.

Michigan Immigrants Are Productive, Hard-Working, and more likely To Be Working.

There are several facts that suggest that indeed foreign born Americans work hard and contribute far more than their fair share to nation's labor pool. In 2007, immigrants constituted 12.5 percent of the U.S. population, but accounted for 15.8 percent of the workforce. The story is the same in Michigan, where the foreign born constituted 6.1 percent of the 2007 population, but 7.1 percent of the state's workforce.²⁹ In Michigan 64.4 percent of the foreign born are working-age compared to 50.8 percent of the non-immigrant population, a critical fact in a rapidly aging state that also is rapidly losing working-age residents due to out-migration. An example of immigrant industriousness can be found in the Hispanic population in southeastern Michigan who make up just 3.5 percent of the region's population, but 6.5 percent of its total employment.³⁰

Metro Detroit's Immigrants Disproportionately Contribute to Regional Prosperity.

Beyond mere working age numbers and labor force participation rates, immigrants disproportionately contribute to the nation's overall economic output. Constituting 12.5 percent of the U.S. population, they are responsible for 14 percent of its economic output.³¹ More specifically, the Fiscal Policy Institute has created an "Immigration Economic Contribution Ratio (IECR)" to measure the share of a metropolitan region's wage and salary earnings, as well as proprietors' income, produced or received by the foreign born.³² From 2005-2007, the IECR for the nation as a whole is 1.12, while the collective IECR for the 25 largest metro areas is 1.02. ***With an IECR of 1.30, the Detroit metropolitan area has the third highest IECR among the 25 largest metros, indicating that the immigrant community in Detroit contributes more to the region's prosperity than almost any other.***³³ The high IECR means that the foreign born in southeast Michigan produce 30 percent more of the prosperity in the region than their share of the population.

Immigrants Are Unique Catalysts for Economic Renewal and Population Growth in Cities like Detroit and the Region's other Core Communities.

A distinct benefit immigrants groups provide is the energy and new residents that revitalize urban neighborhoods. Ethnic enclaves have provided new blood to blighted and decaying neighborhoods as immigrant families move into vacant housing, invest in their rehabilitation, start new retail businesses, revive commercial retail corridors, and breathe life into these abandoned and/or decaying communities.

Several formerly industrial cities in the Northeast and Midwest (such as Chicago, New York, Boston, and Minneapolis) witnessed population growth over the last two decades for the first time in nearly a half century. In almost every case, immigrants were the driving force leading this growth. In fact, several major metro areas would have lost population, but for immigration (i.e., Boston, New York City, Newark, and San Jose).³⁴ Seventy-four (74) of the top 100 cities grew during the decade, but 19 of those cities

²⁹ Migration Policy Institute, MPI Data Hub Migration Facts, Stats and Maps Michigan Fact Sheet on Workforce Characteristics found at www.migrationinformation.org/datahub/state3.cfm?ID=MI

³⁰ "The Hispanic Population of Southeast Michigan: Characteristics and Contributions," Wayne State University Center for Urban Studies and Center for Chicano-Boricua Studies, October 2008, p. 57, found at <http://www.cus.wayne.edu>.

³¹ David Dyssegaard Kallick, "Immigrants and the Economy: Contribution of Immigrant Workers to the Country's 25 Largest Metropolitan Areas," study for the Fiscal Policy Institute, December 2009, p. 10.

³² Ibid.

³³ Ibid at 11.

³⁴ Jack Martin, "Urban Bloat: How Immigration Fuels Population Growth," August 11, 2003.

would have lost population without growth of their Hispanic populations alone.³⁵ In fact, the notion that attracting immigrants could reverse Baltimore's five-decade population decline was so inspiring to Baltimore community leaders they commissioned a December 2002 study by the Abell Foundation which stated:³⁶ "Foreign immigration has proven to be among the best remedies for urban population loss."³⁷

Immigrants Decrease Crime and Raise Property Values.

There is considerable evidence that immigrants raise local property values³⁸, as well as help combat spiraling crime rates.³⁹ In fact, foreign born Americans have incarceration rates one-fifth of the non-immigrant population, a characteristic that holds up even when the threat of deportation is removed (once they become naturalized).⁴⁰ Given the crime issues facing many urban communities, injecting the eyes and ears and activities of thousands of new residents in any form would significantly benefit neighborhood revitalization efforts and help lower crime rates in the Detroit metro area.

³⁵ Ibid and Alan Berube "Racial Change in the Nation's Largest Cities: Evidence from the 2000 Census" report for the Brookings Institution, Center on Urban and Metropolitan Policy, April 2001.

³⁶ Morrison and Donnelly at 1.

³⁷ Evangeline Thorp, "Immigration and Urban Revitalization in Philadelphia: Immigrant Entrepreneurship and Improving Opportunity in the Local Economy" report for the Welcoming Center for New Pennsylvanians, September 2004, p. 6.

³⁸ Bronwyn Lance, Margalit Edelman, and Peter Mountford, "There Goes the Neighborhood—Up: A Look at Property Values and Immigration in Washington, D.C." January 2000.

³⁹ Eyal Press, "Do Immigrants Make Us Safer," New York Times Sunday Magazine, December 3, 2006, p. 20, citing criminologist Andrew Karmen in his book "New York Murder Mystery."

⁴⁰ Kristin Butcher and Anne Morrison Piehl, "Why Are Immigrants' Incarceration Rates So Low? Evidence on Selective Immigration, Deterrence, and Deportation," Federal Reserve Bank of Chicago, WP 2005-19, November 2005, p. 28.

III. Confronting the Myths and Stereotypes About Immigrants and Their Economic Impact

Given the salutary effects of immigrant populations on economic growth and community revitalization, it would seem a “no-brainer” to support immigrant welcoming policies and practices. As we all know, however, fear of immigrants and assumptions that they take more from the economy than they give is more common. Particularly in a community like Southeast Michigan that has experienced massive job loss among white and black populations—many who relied on auto-industry and factory jobs—it is essential to appreciate and ameliorate the understandable fear and anxiety that talk of more immigrants can bring. In particular, the fear that additional immigrants take jobs and diminish the prospects of Detroit’s current population. In fact the evidence goes the other way.

Myth: Immigrants Take U.S. Jobs and Contribute to Our Current Unemployment Crisis.

The evidence that immigrants are not taking jobs that would otherwise go to non-immigrant workers is fairly consistent. As noted by the Fiscal Policy Institute, “There is no doubt that immigration and economic growth go hand in hand.”⁴¹ In tracking the nation’s 25 largest metropolitan areas from 1990 through 2006, they discovered that the fastest growing immigrant populations were in metro areas with strong, well above average economic growth, while the metro areas that experienced the slowest economic growth (Cleveland, Pittsburgh, and Detroit) had among the least increase in their immigrant populations.⁴²

Harvard Professor and founder of the Initiative for a Competitive Inner City (ICIC) Michael Porter produced similar results when looking at the 100 largest inner cities, concluding that “There is a direct correlation between immigrant populations and job growth in inner cities.”⁴³ Dr. Porter also argued that immigrants are quick to adapt to “the unique business conditions and opportunities that inner cities offer.”⁴⁴ His conclusion lends further support to the theory that immigrant entrepreneurs are extremely important to cities like Detroit because they often invest in “underserved markets; they seek out enterprises with low start-up costs and low economies of scale; and they provide goods when demand is unstable or uncertain.”⁴⁵

Myth: Immigrants Take Jobs from African-Americans.

The impacts on African-American workers show little difference than those experienced by the general population. In fact, African-Americans in regions with large immigrant populations tend to fare **better** than those in regions with low immigration rates. A series of reports from the Immigration Policy Center found that African-Americans in high immigration states experienced unemployment rates about *4 percentage points lower* than African-Americans in high immigration states.⁴⁶

Similar results were observed in comparing metro areas. While whites experienced similar unemployment rates between the 10 metro areas with the highest immigrant populations in the work force and the 10 metro areas with the lowest immigrant population areas, African-Americans

⁴¹ Dyssegaard Kallick at 8 and 32.

⁴² Ibid.

⁴³ “Immigrants Fueling Job Growth in U.S. inner Cities, Study Finds” HRM Guide, HR News Releases, November 15, 2005 found at www.hr-topics.com/wire-usa/inner-city-jobs.htm.

⁴⁴ Ibid.

⁴⁵ Research Perspectives on Migration, a joint project of the International Migration Policy Program of the Carnegie Endowment for International Peace and the Urban Institute, January/February 1997, Volume 1, Number 2, p. 6.

⁴⁶ Ibid at 5.

experienced unemployment rates *1.5 percentage points lower* in the high immigration metro areas compared to the low immigration areas.⁴⁷ For example, immigrants make up roughly 17 percent of the labor force in Miami and 3 percent of the labor force in Cleveland, yet the unemployment rate of native-born blacks in Cleveland is almost double that of Miami.

In addition to these direct correlation studies, *the African-American community “has the most to gain from [immigrant] renewal of [a] city’s economy and neighborhoods”* that accompany increased immigration to rusting Midwest and Northeast industrial cities.⁴⁸ As noted earlier, immigrants are the single most important factor at stabilizing and growing city populations outside the Sun Belt. Their presence in northern cities expands purchasing power, retail sales, local economic activity and jobs, and tax revenues. Their contributions towards revitalizing abandoned neighborhoods in cities with large African-American populations are especially powerful and beneficial.

Myth: Immigrants Workers Severely Depress American Wages.

Labor researchers note that immigrants tend to provide complementary skills, talents, experience, and culture that *enhance the value and wages of American labor*. Gianmarco Ottaviano and Giovanni Peri have measured the wage effects in the U.S. of immigration and concluded that, since 1990, immigration has boosted the average wage of native born American workers by 0.7 to 1.8 percent. These benefits accrued to 90 percent of all workers. Multiplying the average percentage gains by the total wages of all U.S. native workers suggests that “annual wage gains from immigration are between \$30 billion and \$80 billion.”⁴⁹

A more robust debate exists among economists and researchers as to whether the presence of immigrants depresses the wages of low-skilled non-immigrants workers. Certainly, there are several who argue that “as in most of the previous work looking at local labor market impacts of immigration, there is a surprisingly weak relationship between immigration and less-skilled native wages.”⁵⁰ Later work by Ottaviano and Peri suggests that immigration has had small negative effects in the short-run on native born workers without high school degrees (decreasing such wages 0.7 percent) and on average wages (decreasing these wages by 0.4 percent), but had small positive impacts in the long-run on both categories of workers (increasing them 0.3 percent and 0.6 percent, respectively).⁵¹ With several other economists weighing in on the issue, the Council of Economic Advisers concluded that “Evidence on this issue is mixed.”⁵²

Myth: Immigrants Are an Overall Drag on the Economy.

The myth of immigrants as lazy, unskilled workers or belief that foreign remittances home drain needed capital from the U.S. are contradicted by most every economist and researcher who has studied the issue. The Council of Economic Advisers (CEA) defines an “immigration surplus” as a “simple and frequently cited metric of natives’ total gains from immigration.”⁵³ *In 2007, the CEA estimated the*

⁴⁷ Ibid at 7.

⁴⁸ Morrison and Donnelly at 22-23.

⁴⁹ Council of Economic Advisors at 4, citing G. Ottaviano and G. Peri, “Rethinking the Effects of Immigration on Wages,” NBER Working Paper 12493 (2006).

⁵⁰ David Card, “Is the New Immigration Really So Bad?” NBER Working Paper 11547 (January 2005), p. 11.

⁵¹ Gianmarco Ottaviano and Giovanni Peri, “Immigration and National Wages: Clarifying the Theory and the Empirics,” (July 2008), p. 4.

⁵² Council of Economic Advisors at 4.

⁵³ Council of Economic Advisors at 3.

*“immigration surplus” to be “about 0.28 percent of GDP, or roughly \$37 billion per year.”*⁵⁴ And while the immigrant population is 12.5 percent of the U.S. population, it is responsible for 14 percent of its economic output.⁵⁵

The finding that the presence of immigrants enhances economic output is repeated throughout the country. For the 25 largest metropolitan areas the immigrant share of regional economic output (or so-called Immigrant Economic Contribution Ratio) is 1.02 and above 1.00 for 13 of the 25 metro areas. The IECR is exactly 1.00 (suggesting that immigrants contribute to regional output equal to their share of the population) in two regions and below 1.00 in 10. As noted earlier, ***immigrants contribute to the regional economic output of the Detroit metro region at the third highest rate (IECR of 1.30) of the top 25 metro areas.***

Myth: Immigrants Come to the U.S. to Take Welfare.

Perhaps no claim is more uninformed than the argument that undocumented immigrants are flooding into America’s borders to take advantage of our generous welfare system. Throughout the nation immigrants have participated in the work force at higher rates than the non-immigrant population.⁵⁶ Moreover, ***undocumented persons are not eligible for any public benefit program***, with the exception of emergency medical assistance.⁵⁷

Myth: Immigrants Do Not Pay Taxes.

This allegation is another case in which general public perception does not align with reality. A Pew Hispanic Center survey showed that 56 percent of Americans believe that immigrants do not pay their fair share of taxes.⁵⁸ The facts demonstrate that, on the whole, immigrants pay more taxes than they receive in government resources.⁵⁹ In fact, even the IRS has determined that undocumented immigrants paid almost \$50 billion in federal taxes from 1996-2003.⁶⁰ The Comptroller of the State of Texas estimated that, in 2005, the 1.4 million undocumented Texans paid \$424.7 more in state taxes than they received.⁶¹

The Social Security Administration estimates that three-quarters of the undocumented pay payroll taxes.⁶² These taxes are subsidizing American taxpayers because immigrants are not entitled to Social

⁵⁴ Ibid.

⁵⁵ Dyssegaard Kallick at 10.

⁵⁶ In 2007, the last year for which Census figures are available, immigrants made up 12.5 percent of the population, but 15.8 percent of the work force.

⁵⁷ Amanda Levinson, “Immigrants and Welfare Use,” Migration Policy Institute (August 2002) found at www.migrationinformation.org/feature/display.cfm?ID=45.

⁵⁸ Andrew Kohut and Roberto Suro, “No Consensus on Immigration Problem or Proposed Fixes: America’s Immigration Quandary,” for the Pew Hispanic Center and Pew Research Center for People and the Press (March 30, 2006), p. 18.

⁵⁹ Testimony of Ronald D. Lee, Member, National Academy of Sciences Panel on the Demographic and Economic Impacts of Immigration, before the Senate Immigration Subcommittee: “Economic and Fiscal Impact of Immigration,” September 9, 1997.

⁶⁰ Statement of the Honorable Mark Everson, Commissioner, Internal Revenue Service, Testimony before the House Committee on Ways and Means, July 26, 2006.

⁶¹ Carole Keeton Strayhorn “Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy,” Special Report of the Office of the Texas Comptroller (December 2006), p. 20.

⁶² Eduardo Porter, “Illegal Immigrants Are Bolstering Social Security With Billions,” The New York Times, April 5, 2005.

Security. As a result, ***the undocumented are contributing as much as \$7 billion a year towards Americans' Social Security, as well as about \$1.5 billion towards our Medicare.***⁶³ In fact, the Social Security Administration has estimated that if legal immigration were stopped, the Social Security system would need \$407 billion over the next 50 years to make up for the lost contributions, essentially requiring an addition \$1,860 payroll tax on every American earning over \$60,000 for a ten-year period.⁶⁴

Myth: Immigrants Cause Crime.

As noted earlier, contrary to the stereotype of immigrant gang members ravaging ethnic neighborhoods, a growing body of evidence is surfacing that immigrant settlement into urban neighborhoods actually stops growth in urban crime rates.⁶⁵ Studies of ethnic enclaves in San Diego, El Paso, Miami, New York City, and Chicago support this contention.⁶⁶ New York Times columnist David Brooks noted that during the 1990s, while immigration rates “surged, violent crime [fell] 57 percent.”⁶⁷ In fact, the entire decade of the 1990s was characterized by high immigration, high urban growth, and significant drops in urban crime rates. ***In fact, immigrants have been found to possess incarceration rates one-fifth that of native born Americans.***⁶⁸

Myth: Immigrants Do Not Want to Learn English or Become Americans.

In 2007, 42.5 percent of all the foreign born in the United States (and 46.9 percent of the foreign born in Michigan) are naturalized citizens.⁶⁹ Within ten years of arrival, more than 75 percent of immigrants speak English well and demand for English classes at the adult level far exceeds supply.⁷⁰ The Council of Economic Advisers notes that “although 72 percent of first-generation Latino immigrants use Spanish as their predominant language, only 7 percent of the second generation are Spanish-dominant.”⁷¹

In fact, these findings comport with those of the Global Detroit study. Our interviews of nearly 50 nonprofit immigration service providers demonstrated a strong demand for English classes and citizenship classes, as well as a general eagerness among immigrant communities to integrate into southeast Michigan.

⁶³ Ibid.

⁶⁴ Social Security Administration Office of the Chief Actuary, 2004 Board of Trustees Report.

⁶⁵ Eyal Press, “Do Immigrants Make Us Safer,” New York Times Sunday Magazine, December 3, 2006, p. 20, citing criminologist Andrew Karmen in his book “New York Murder Mystery.”

⁶⁶ Ibid.

⁶⁷ David Brooks, “Immigrants to Be Proud Of,” The New York Times, March 30, 2006.

⁶⁸ Kristin Butcher and Anne Morrison Piehl, “Why Are Immigrants' Incarceration Rates So Low? Evidence on Selective Immigration, Deterrence, and Deportation,” Federal Reserve Bank of Chicago, WP 2005-19, November 2005, p. 28.

⁶⁹ Migration Policy Institute, MPI Data Hub Migration Facts, Stats and Maps Michigan Fact Sheet on Social and Demographic Characteristics found at www.migrationinformation.org/datahub/state.cfm?ID=MI.

⁷⁰ “Myths and Facts in the Immigration Debate,” American Immigration Lawyers Association, August 14, 2003.

⁷¹ Council of Economic Advisors at 2.

IV. Building a Global Detroit – A Solid Foundation on which To Build a Truly Global Region

A. Southeast Michigan Is Not Alone in Recognizing the Contributions of Foreign Born

These revelations about the economic contributions that immigrants are making to America, Michigan, and metropolitan Detroit, as well as the particular structural economic challenges our region faces, suggest that our region will benefit from developing strategic plans to retain and grow our foreign born populations. In doing so, our region will be joining an effort already well underway in communities across the country, and the world. The growing awareness of the importance of immigrants to urban revitalization can be evidenced in the increasing number of cities that are pursuing immigrant recruiting and welcoming initiatives. Formal city initiatives now exist in Baltimore,⁷² Boston,⁷³ Halifax,⁷⁴ Minneapolis,⁷⁵ Philadelphia,⁷⁶ and Toronto,⁷⁷ among others. By “proactively pursuing strategies to secure their place in the global economy and reinforce their strength as international destination points” these cities “have recognized that integrating themselves into the global economy and making themselves international destination points can not only mitigate population loss, but help reinvigorate neighborhoods, spark commerce and business creation and add to a community’s cultural and social vibrancy.”⁷⁸

These cities are not pursuing immigrant attraction and retention activities simply because they increase populations for Census counts, nor simply because of the unique new economy assets brought by highly-educated immigrants starting cutting-edge businesses. Instead, more and more city leaders are realizing that immigrant groups stabilize residential neighborhoods and commercial retail corridors that are critical to the quality of life. Additionally, internationally diverse populations bring food, language, culture, goods, and services that help attract and retain the skilled knowledge workers that drive the new economy.⁷⁹

The phenomenal impact new immigrant communities can have on revitalizing disinvested urban neighborhoods is evident in dozens of ethnic neighborhoods across America. From Dudley Street, Allston Village, and Fields Corner in Boston; to Bellaire Boulevard in Houston; to MacArthur Park in Los Angeles; and to Richmond Hill, Sunset Park, Flushing, Jackson Heights, and Brighton Beach in New York

⁷² Mayor's Office of International and Immigrant Affairs.

www.baltimorecity.gov/OfficeoftheMayor/MayoralOffices/InternationalandImmigrantAffairs/ImmigrantServices.aspx

⁷³ Office of New Bostonians. www.cityofboston.gov/newbostonians/

⁷⁴ Halifax Region Immigration Leadership Council.

www.greaterhalifax.com/en/home/about_the_partnership/Projectsinitiatives/immigration/leadership_council.aspx

⁷⁵

Minneapolis Multicultural Services. www.ci.minneapolis.mn.us/civil-rights/multicultural-services.asp

⁷⁶ Mayor Michael Nutter has specifically announced a plan to welcome immigrant residents to Philadelphia (so that the city would grow by 75,000 residents), created an Office of Multicultural Affairs, and signed Executive Order 09-08 calling on the Office of the Managing Director to develop a set of recommendation to improve the “integration of immigrants and language and cultural minorities into the social and economic fabric of the City.” Additional welcoming efforts are supported by the Welcoming Center for New Pennsylvanians, which maintains its own welcome mat. See www.welcomingcenter.org

⁷⁷ City of Toronto Immigration and Settlement Portal. www.toronto.ca/immigration/

⁷⁸ City of Philadelphia, Office of the Managing Director, “An International Destination Point” Executive Summary Report by the International Philadelphia Work Group, November 2008, p. 6

⁷⁹ Richard Florida, “The Rise of the Creative Class” 2002, p. 226 and 288.

City; large cities have witnessed neighborhood after neighborhood with fast-growing immigrant populations experience decreasing blight and abandonment, increasing employment and property values, improved quality of life, and changes “that add to the richness and vibrancy” of the whole city.⁸⁰

The impact of immigrants on local economies is best understood by looking nearby—at cities that, at one time were very similar to Detroit; manufacturing and industrial centers and shipping/port cities in the Great Lakes region: Toronto on Lake Ontario, Chicago on Lake Michigan; Minneapolis on the Mississippi (once the flour-milling capital of the world as Detroit is the car capital).

Among other factors, immigrants have played a salutary role in these communities’ re-birth as thriving global cities. Toronto, enabled by liberal Canadian immigration policies has experienced forty years of massive immigrant in-migration, that has redefined Toronto as a rich multi-national, cosmopolitan destination—(where Detroiters go for arts and culture!). Chicago as one of the countries great immigrant gateways has similarly redefined itself from the meat-packing, commodity trading, city of big shoulders, to a diverse global entrepot. Over recent decades Minneapolis-St. Paul has emerged as a thriving global city; aided, not hurt by influxes of immigrants – including 200,000 North Africans. All these cities today are meccas for both young talent, and new immigrants (the two most entrepreneurial demographic groups) creating a virtuous cycle economic generation, and re-generation.

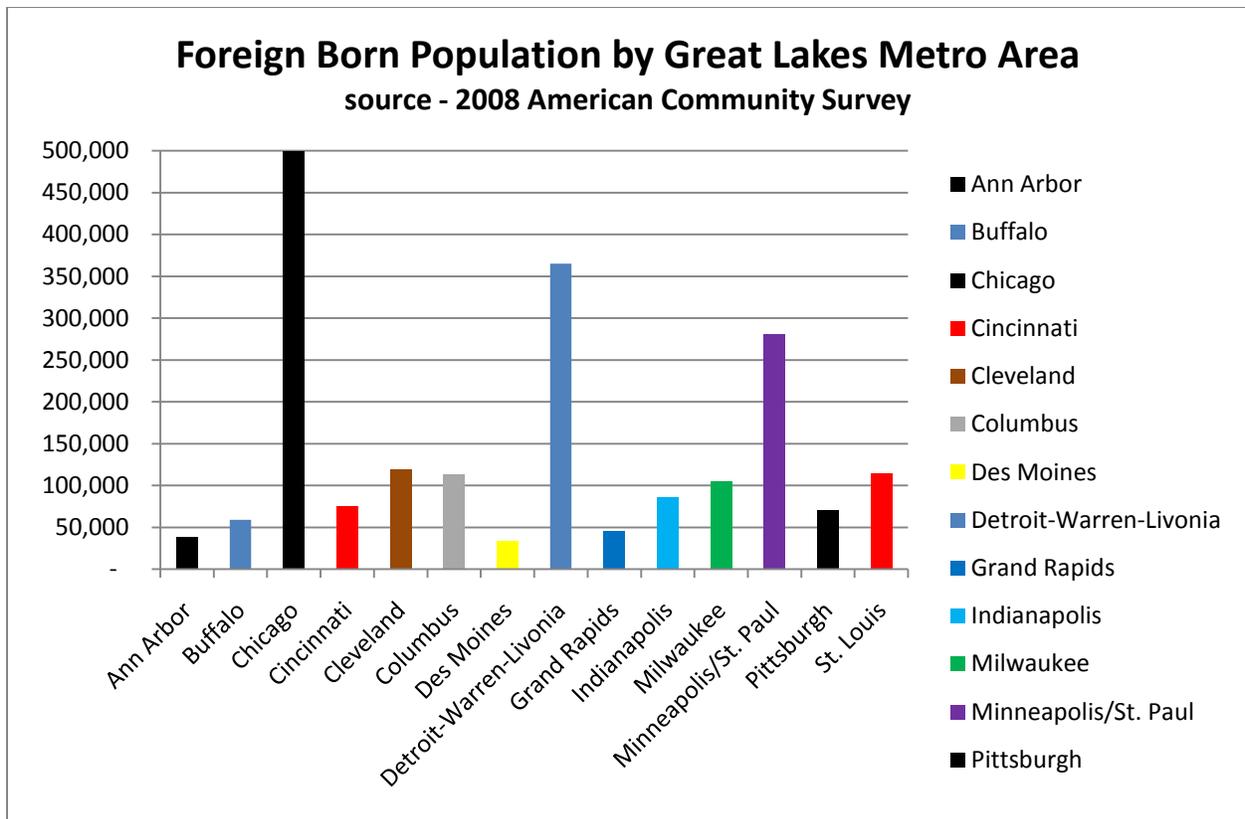
B. Global Detroit Assets and Opportunities - A Solid Foundation Upon Which to Build

Many of us think of Michigan as isolated from the global community; without significant immigrant populations. We forget that Detroit was made by immigrants (and migrants from other parts of the United States). When Henry Ford opened the massive River Rouge complex in 1918 and 100,000 people showed up for work, they originated from and spoke languages from countries all across the globe. As noted, more than one-third of the population in Detroit was foreign born, and many more were domestic migrants from Appalachia, the Deep South—blacks and whites seeking opportunity in our factories and machine shops.

This legacy of immigrant creation and refreshment is a strength upon which to build and reanimate the entrepreneurial dynamism of Detroit. And while today, the state’s foreign born population is only slightly less than half of the national average, metropolitan Detroit is uniquely well-positioned to implement a series of Global Detroit strategic recommendations to capitalize on our regional assets to create economic growth and transition.

Metropolitan Detroit actually has the second largest immigrant population of any Great Lake regional metropolitan area with 365,000 foreign born (8.4 percent of the regional population). The region has significant Arab-American, Indian-American, Hispanic, Bangladeshi-American, Canadian-American, and Chinese-American populations, in addition to dozens of other immigrant groups. In fact, metropolitan Detroit is home to some of the world’s largest populations of Albanian, Macedonian, Lebanese, Iraqi, and Yemeni, among others, outside of their home countries. Metropolitan Detroit has a larger foreign born population than any other Midwest industrial center outside of Chicago, far outpacing Cleveland, Cincinnati, Pittsburgh, St. Louis, Buffalo, and Indianapolis.

⁸⁰ Jonathan Bowles and Tara Colton, “A World of Opportunity,” Center for an Urban Future, February 2007, p.13



Metro Detroit has a host of unique strengths to pursue a “Global Detroit” strategy of capitalizing on immigration and global connections to help fuel the talent, innovation, and culture change the region needs to speed entry into the new economy. Specifically, Southeast Michigan already possesses a significant number of global firms, a bi-national business culture, and significant populations of educated immigrants and foreign university students. For a Great Lakes industrial center, it has a significant foreign born population that already makes significant contributions to the regional economy (in terms of new economy business startups, patent production, and overall economic output) and that already is connected to other regions across the globe. Finally, its urban areas possess a number of the traits that draw new immigrants, such as low housing costs, under-retailed urban markets, and low startup costs for new businesses.

Because of its heritage as the world automotive capital, southeast Michigan already possesses some of the characteristics of a “Global Detroit.” Michigan ranks 10th in the nation in the number of employees supported by U.S. subsidiaries of foreign firms with 195,500 workers employed, more than 5 percent of the workforce.⁸¹ A significant portion of those workers (76,300) work in manufacturing and account for almost 12 percent of Michigan’s manufacturing jobs. With an estimated 1,300 foreign firms in southeast Michigan,⁸² and an estimated 900 firms located in Oakland County alone,⁸³ Metro Detroit’s foreign

⁸¹ Organization for International Investment website “The Facts about Insourcing” Michigan Facts to Know at <http://www.ofii.org/mi.htm>.

⁸² Estimate comes from a February 25, 2010 email from Angela Ladetto, Research Coordinator for the Detroit Regional Chamber of Commerce based upon a list of foreign firms in the 10-county region covered by the Chamber that she updates regularly.

direct investment compares favorably with many other states, such as Wisconsin (an estimated 200 international firms, employ 87,200 workers), Minnesota (86,500 jobs), and Indiana (148,000 jobs).⁸⁴ Southeast Michigan's status as a leading global region for foreign direct investment can best be understood when one considers that even Ireland (the Celtic Tiger of the late 1990s whose growth is attributed, in part, to tremendous foreign direct investment) only houses less than an estimated 1,000 foreign firms.⁸⁵

Another aspect of Metro Detroit's global leadership that will assist in the development of a "Global Detroit" centers on the bi-national business culture that has developed. With as many automobiles being assembled in Ontario as in Michigan, North American companies have established a complex web of supplier, design, manufacture, transportation, and sale relationships that exploit the comparative advantages of the U.S. and Canada on virtually every aspect of the automotive business. This level of business and trade between Southeast Michigan and Southwest Ontario (over \$125 billion annually) created a bi-national business culture of sorts. In other words, the region possesses a significant business acumen through its customs brokers, attorneys, accountants, banks, and other forms of business support and services that are competent to assist other industries that might want to do business between the U.S. and Canada, as well as able to assist in other aspects of international business.

In short, immigrants are key economic drivers, both historically and in the new economy. Metro Detroit is in crisis. If we don't take action to speed our own entry into the new economy, we will never return our state to a region of prosperity. Millions of Michigan residents are acutely aware of the negative impacts that the global economy can have. The question is whether we have the courage to embrace the strategies that will enable us to seize its benefits.

⁸³ Estimate comes from a February 18, 2010 email from Maureen Krauss, Director of Community and Economic Development, Oakland County.

⁸⁴ Organization for International Investment website "The Facts about Insourcing" Michigan Facts to Know at <http://www.ofii.org/mi.htm>.

⁸⁵ "Ireland Vital Statistics" Industrial Development Agency (IDA) Ireland, January 2010 found at <http://www.idaireland.com/news-media/publications/library-publications/ida-ireland-publications/Vital-Statistics-Dec-2009.pdf>.

V. Moving Ahead: An Agenda for Action (11 Strategies that Can Transform Our Region and Jumpstart the Economy)

The Global Detroit study included months of researching academic and popular literature to understand the impacts of immigration on regional economies, as well as interviewing local academics, business leaders, ethnic chamber leaders, hospitals, universities, economic development agencies, African-American leaders, foreign consulates, and immigration service providers. Best practice visits were made to Cleveland, Philadelphia, and Pittsburgh, where connections were made with immigrant and international talent attraction and retention initiatives in those communities.

This research yielded 45 separate potential strategic program initiatives that could help southeast Michigan's economic transformation. The members of the Global Detroit Advisory Board ranked each of the strategies and a final list of eleven strategic initiatives was developed. The last several months of the study were spent developing the eleven initiatives, as well as drafting the final study. New collaborations were formed around a number of the programs, while standing organizations were contacted about expanding existing initiatives.

Pursuing all eleven strategic initiatives would help produce four strategic outcomes that would have a tremendous impact on growing our regional economy, producing jobs, and restoring prosperity to southeast Michigan families. The four outcomes are:

1. Make the region welcoming to the international community and immigrants.
2. Attract international investment and businesses that create jobs.
3. Strengthen, grow, and revitalize neighborhoods in the city of Detroit and in the region's core communities.
4. Attract and retain international talent in the region.

The final recommendations of the Global Detroit are to pursue the following eleven strategic initiatives:

- 1. Develop a Welcoming America Campaign for Michigan.** The Welcoming America program has active campaigns in 14 states. While most immigrant integration efforts focus on helping the immigrant adjust to American society, this initiative seeks to work with non-immigrant communities to help them adjust to the changing makeup of American society in a global age. Preliminary discussions with groups in West Michigan, as well as national funders, have created a strong foundation on which to build. Global Detroit's support of these initial efforts would make a Welcoming Michigan campaign the first such effort in the nation to emanate from a pure economic development focus with chamber of commerce support. The initiative must tell the story of how immigrants, foreign investment, and global connections can be a positive development for our region's economic success, including the economic success of all of our residents.
- 2. Create and Support an EB-5 Investor Visa Regional Center in Southeast Michigan.** The EB-5 investor visa program allows foreign investors who invest \$1 million in an American business that creates 10 jobs to receive permanent legal residency for themselves and their immediate family. Pre-approved regional centers can help pool EB-5 investments, lower the investment threshold to \$500,000 per investor, and identify key investment opportunities and industry sectors for growth.

Currently, none of the nation's 79 approved regional centers work in southeast Michigan. Global Detroit recommends creating an EB-5 Regional Center that will:

- Partner with State and Local Economic Development Agencies
- Work with Investor Intermediaries to Attract International Investors
- Be Regional
- Utilize and Combine with Other Regional Economic Assets

- 3. Work with Canadian Economic Development Officials to Recruit Global Firms whose Growth and Expansion Is Hindered by Restrictive U.S. Immigration Laws.** American businesses, particularly in industries critical to the new economy, have faced significant hurdles to engaging the world's most talented workers because of restrictive U.S. immigration laws. Since the H-1B skilled worker visa cap was rolled back to 65,000, the demand by U.S. firms for these visas has far exceeded the supply, usually surpassing the cap only days after the application period is opened. As a result, U.S. firms have been forced to locate facilities in other countries where immigration laws allow them to hire such workers. In 2007, Microsoft opened its new software development center in Vancouver and pointed to restrictive U.S. immigration laws as the cause of locating such a facility outside the U.S. While fixing American immigration laws would provide a more direct solution to this problem, it is an uncertain prospect, particularly given Washington, D.C.'s struggles with health care reform and upcoming mid-term elections.

A more strategic plan for southeast Michigan would be to partner with our friends in Windsor to aggressively recruit firms that want to expand operations in the U.S., but who are restrained by our immigration caps on skilled international workers. By developing appropriate marketing materials, attending global IT conferences (and those of other industries particularly affected by the H-1B cap), and developing other strategies, Detroit-Windsor can become the leading "nearshoring" base for the new economy. Global firms can locate their skilled foreign labor in Windsor, while bringing their American workers to metro Detroit. In addition to our regional proximity (which literally allows workers to meet face-to-face with their peers in another country in 30 minutes or less), southeast Michigan and southwest Ontario possess a bi-national business acumen developed over years of cooperative work on automotive manufacturing and other industries.

- 4. Develop Attraction and Retention Initiatives for Foreign Students at Michigan Colleges and Universities.** With over 23,000 foreign students injecting nearly \$600 million annually into the state, Michigan's foreign student population is the 8th largest in the country. The state's need to retain college-educated workers (especially those with graduate degrees) is well understood and student retention initiatives for non-immigrants graduates are just getting underway. A similar effort for international students should:

- Sell the Region from the Moment of First Contact until Graduation
- Connect International Students to Local Employers
- Develop Pathways to Legal Immigration and Employment, including:
 - Curricular Practical Training (CPT) Programs
 - Optional Practical Training (OPT) Programs

- 5. Create a Regional Cultural Ambassadors Program.** Welcome Mat services traditionally address the immigration and social service needs of immigrant families and new arrivals. A more robust

integration effort is needed for skilled workers, foreign students, foreign companies, and diplomats. Relying on volunteer “teams” of business people, students, expatriates, and those doing business with different foreign cultures, Ann Arbor Spark has developed a cultural ambassadors program to provide invaluable information to trade missions to their home country, as well as tour foreign companies through the region to secure their investment in locating an American operation here. This has all been done with virtually no staff support. Funding a staff person to be located in Detroit will help the Cultural Ambassador program develop additional “teams,” as well as insure that there is participation in Oakland, Macomb, Washtenaw, and Wayne counties. By linking with other informal international business, cultural, and diplomatic efforts and connections in the region, a regional cultural ambassadors program can help coordinate and promote our region’s many international assets and relationships.

- 6. Connect Immigrant and Ethnic Communities with Regional Leadership.** Often immigrant communities feel “invisible” in discussions about diversity and race, in addition to discussions about the region. Making simple efforts to connect civic, corporate, political, and philanthropic leadership with immigrant and ethnic communities can go a long way towards making these communities feel welcome in southeast Michigan.

- 7. Develop and Implement Neighborhood Revitalization Strategies that Capitalize on Immigration and Immigrant Communities.** New immigrants have been the lifeblood of American cities for our entire history. A resurgence in American immigration rates in the last 20 years has reversed decades of population decline in many of the Midwest’s and Northeast’s largest cities (e.g., Boston, New York, Chicago). Low-cost housing and commercial retail space present exciting opportunities for immigrant families and ethnic enclaves to invest in vacant areas, and resurgent, immigrant-led retail districts spark new life into entire neighborhoods. Pockets of immigrant-led growth present some of Metro Detroit’s most exciting neighborhood success stories, but we need to do more, including:
 - Focus on the Retention of Existing Ethnic and Immigrant Communities First
 - Conduct a “Listening” Session Tour of these Communities
 - Use Vacant Land, Housing (“Homesteading”), and Commercial Space by:
 - Addressing Issues of Race, Class, Religion, and Ethnicity
 - Developing a Vacant Property Acquisition Guidebook and Provide Technical Assistance
 - Partnering with CDCs, Business Associations, and Neighborhood Groups
 - Develop Employment and Entrepreneurial Programs
 - Maximize the Contributions of Refugees and Asylees

- 8. Make Detroit an Attractive Second Landing Destination for Foreign Born Residents.** Currently, approximately one-third of our state’s new foreign born residents are moving here from another state, rather than from abroad. While the state has much to offer (great universities, great natural resources, world class culture, etc.), it has particular appeal to immigrant groups in traditional immigrant gateway cities of New York, Los Angeles, San Francisco, etc. Housing and commercial retail space is tremendously inexpensive, especially in Detroit. Furthermore, the central city is terribly under-retailed, suggesting there is little competition for new retailers to face. Already, the region has benefitted from the migration of Bangladeshi residents from Queens, New York to Hamtramck and Detroit. We should do more to reproduce this pattern with other communities. Primarily, reaching out to our existing ethnic groups and conducting a “listening campaign” to

identify and meet their needs will help spread the word to relatives and countrymen in these tradition gateway cities about what is available in Detroit.

9. Create a Detroit Mayor's Office of Global Affairs. An executive level position in the Mayor's office will help send the signal to ethnic communities, foreign companies, and the world, that Detroit welcomes them. Such an office could:

- Act as a Liaison to Global Detroit
- Serve as a City Ambassador to Existing Ethnic and Foreign Born Communities
- Insure Access to City Services
- Work as a City Ambassador to Foreign Businesses, Consulates, Dignitaries, Sister Cities, and others.

10. Support and Enhance a Welcome Mat of Immigration Services. At least 50 Southeast Michigan nonprofit organizations already provide an array of services to help immigrants integrate with American society. The Global Detroit study provides an inventory of the specific services offered by this "Welcome Mat." Extensive interviews with the organizations providing these services yielded the following recommendations to improve the services provided:

- Develop a Global Detroit "Welcome Mat" Website
- Create or Designate a Central Organization to Coordinate and Support the Services and Agencies that Comprise the Global Detroit "Welcome Mat"
- Improve the Services Offered by Investing in:
 - Job Training/Placement/Credentialing and Small Business Training and Support
 - Immigration Law Services
 - English Language Classes
- Build the Capacity of Individual Groups through:
 - Shared Physical Space
 - Nonprofit Management Training
 - Intergroup Dialogue and Exchange
- Utilize Ethnic Media to Reach Immigrant and Ethnic Communities

11. "Institutionalize" the Global Detroit Initiative. The ten above strategies are interdependent. Detroit cannot become a successful global region, feeding off of international talent and energy by simply employing one or two strategies. The Global Detroit initiative must be "institutionalized" in the sense that:

- A Committed, Broad-Based Group of Advocates Is Identified to:
 - Allocate Responsibilities for Specific Strategy Initiatives
 - Develop Resources
 - Engage in Continuous Monitoring, Process Improvements, and Mid-Course Corrections
- Global Detroit Efforts Are Sustained
- Global Detroit Appeals to Non-Immigrants, such that Efforts Are Seen as "In Addition to", rather than "Instead of"
- Strategies are Coherent and Strategic, rather than Episodic and Tactical
- All Efforts Carry an Underlying "Welcoming" Theme

VI. Conclusion

Metro Detroit is in crisis. If we don't take action to speed our own entry into the new economy, we will never return Detroit to a region of prosperity. Nothing can make a more powerful contribution to Detroit's rebirth than an affirmative immigrant-welcoming and global-connection building effort.

Pursuing a Global Detroit strategy addresses the region's most significant challenges and can serve as the type of "game changer" and catalyst so severely needed. As noted by the New Economy Initiative, southeast Michigan has been slow to transition into the new economy. It must engage the "talent, innovation, and culture change" that will propel us through this historic economic restructuring.

Our region's foreign born residents and their families stand out as a significant asset exactly because of the talent, innovation, and culture change they provide. They predominate the STEM fields, start the high-tech firms, invent the technologies and products, and bring the culture of entrepreneurialism that southeast Michigan desperately needs. Moreover, they inject energy into central city neighborhoods and older suburbs that can significantly help Detroit, whose struggles impact the entire region's future.

A comprehensive Global Detroit strategy to attract and retain immigrants and their families and make the region more welcoming represents a true opportunity to provide the talent, innovation and culture change necessary for Detroit reclaim its mantle – a mantle created by Henry Ford and other industrial pioneers and innovators—as the "Arsenal of Democracy" and the 20th Century's industrial economic power. It is time for Detroit to reclaim its place among the world's thriving, multi-national global cities.