

Governor's Council on Economic Expansion: Meeting 4 Agenda

Date: 10/04/2021
Time: 2:00 PM – 4:00 PM
Location: Virtual

Objective

Understand how current employers view the challenges and opportunities of Minnesota's economic future.

Schedule

2:00 PM	Meeting convenes
2:00 PM – 2:15 PM	Welcome and logistics
2:15 PM – 3:00 PM	Business panel moderated by Commissioner Steve Grove <ul style="list-style-type: none">• Dave Doherty, DigiKey• Ann Holder, Marani Health• Doug Loon, MN Chamber• Nawal Noor, Noor Developers
3:00 PM – 3:30 PM	Small group discussions
3:30 PM – 3:55PM	Insight talk: Equity in the economy: Tawanna Black, Center for Economic Inclusion
4:00 PM	Meeting adjourns

Supporting Materials

- Governor's Council on Economic Expansion Meeting Schedule
- Panelist and speaker biographies
- "Minnesota: 2030, A framework for economic growth", Minnesota Chamber Foundation
- "The Economic Contributions of Immigrants in Minnesota", Minnesota Chamber Foundation

Governor's Council on Economic Expansion meeting schedule

Meeting Date/Time	Purpose
September 15 10:00 a.m. to 12:00 p.m.	<p>Objective: Kick-off Council and discuss process, hear Council member introductions and priorities, and learn Minnesota's population forecast.</p> <ul style="list-style-type: none"> • Governor and Lieutenant Governor kick-off • Council member introductions and process orientation • Presentation: Minnesota's population for the next 10 years
September 20 2:00 to 4:00 p.m.	<p>Objective: Understand the impact of the pandemic's effect on the economy.</p> <ul style="list-style-type: none"> • Presentation: Minnesota's economic future • Panel: Pandemic's effects on Minnesota's economy • Small and large group discussions
September 27 2:00 to 4:00 p.m.	<p>Objective: Understand the impact of the pandemic's effect in the BIPOC communities, and identify values, guideline, and restrictions the Council should hold as it continues to work toward recommendations.</p> <ul style="list-style-type: none"> • Panel: Pandemic's impact on the BIPOC communities • Presentation: Guidelines and restrictions for spending ARP funds • Small and large group discussions
October 4 2:00 to 4:00 p.m.	<p>Objective: Understand how current employers view the challenges and opportunities of Minnesota's economic future.</p> <ul style="list-style-type: none"> • Panel: Current employers' views of Minnesota's economic future • Presentation: Equity in the economy • Small group discussions
October 11 2:00 to 4:00 p.m.	<p>Objective: Discuss a summary of the priorities and values identified by the Council with the entities named in the Executive Order, identify equitable economic growth opportunities, and determine any additional content or viewpoints needed to be able to move toward making recommendations.</p> <ul style="list-style-type: none"> • Panel: Meet with representatives from entities named in the Executive Order • Small group discussions • Presentation: Synthesis and mapping of themes presented so far to Council • Presentation: ARP priorities overview
October 18 2:00 to 4:00 p.m.	<p>Objective: Council member-generated content and priorities.</p> <ul style="list-style-type: none"> • Additional panel conversations and topics identified by Council members
October 25 2:00 to 4:00 p.m.	<p>Objective: Continue to identify emerging recommendations, theme priorities, and build consensus.</p> <ul style="list-style-type: none"> • Presentation: Additional synthesis of information presented so far to Council • Small group discussions to continue to theme priorities

Meeting Date/Time	Purpose
November 1 2:00 to 4:00 p.m.	<p>Objective: Refine priorities and recommendations, and consider impacts and unintended consequences of those.</p> <ul style="list-style-type: none"> • Group discussions to define priority recommendations with an equity lens
November 8 2:00 to 4:00 p.m.	<p>Objective: Finalize recommendations.</p> <ul style="list-style-type: none"> • Group discussions to review recommendations
November 15 2:00 to 4:00 p.m.	<p>Objective: Present recommendations to Governor and Lieutenant Governor.</p>

Panelist and Speaker Biographies – October 4, 2021

Business Panel

Dave Doherty, DigiKey

Dave Doherty took the reins as President and Chief Operating Officer of Digi-Key Electronics effective July 1, 2015. Dave joined Digi-Key's executive leadership team in 2008, bringing with him more than 25-plus years of electronics industry experience split between semiconductor manufacturing and distribution. Prior to joining Digi-Key, Dave began his career in engineering with Digital Equipment Corp and held sales leadership positions with Toshiba and Exar. More recently, Dave was with Arrow Electronics serving in multiple roles from Dir Technical Resources, Regional Sales VP and Vice President Semiconductor and Product Marketing. Dave holds a BSEE from Worcester Polytechnic Institute in Worcester, Mass. and an MBA from Babson College in Wellesley, Mass. Dave has served on the advisory board for the School of Professional Selling at Baylor University.



Ann Holder, Marani Health

Ann Holder is a Medical Device Executive with a rich background in sales, marketing, finance and operations. Ann began her career in the US Army after graduating with a Bachelor of Science Degree in engineering from the United States Military Academy at West Point. In healthcare, Ann worked for Medtronic in a variety of roles in sales, finance and business development and was an executive at a start-up. Most recently she has been helping companies commercialize in the U.S. while focused on developing fetal monitoring technology with the Mayo Clinic. Prior to Ann's career in healthcare, Ann worked in the consumer goods industry and in telecommunications for international companies in engineering and operations in the areas of manufacturing, supply chain and logistics.



Doug Loon, MN Chamber

Douglas B. Loon is president of the Minnesota Chamber of Commerce, a position he has held since September 8, 2015. The Minnesota Chamber represents more than 2,300 Minnesota companies, 130 local chambers and 65 business trade associations at the Minnesota Legislature on a variety of issues that impact Minnesota's economy.

Prior to assuming leadership of the Minnesota Chamber, he spent 20 years at the U.S. Chamber of Commerce, 17 of those in Minnesota. As the vice president for regional affairs and advocacy, he managed the seven regional offices that provide political and grassroots outreach across the nation. He also managed the U.S. Chamber's Midwest Region that includes Minnesota. He was intimately involved in supporting state and local chambers and businesses to move public policy in a direction that helps them be successful.



Previously, Loon served as director of congressional and public affairs at U.S. Chamber headquarters in Washington, D.C. There, he served as one of the organization's chief lobbyists before Congress on issues critical to the American business community.

Before joining the U.S. Chamber staff in 1995, Loon was legislative director to Senator Arlen Specter of Pennsylvania. In his 10 years on Capitol Hill, Loon also served as acting staff director for the Senate Committee on Veterans' Affairs and on the Senate Commerce Committee. In addition, he worked for Senator Larry Pressler of South Dakota.

Loon received his bachelor's degree in government and international affairs from Augustana College in Sioux Falls, S.D. He is a graduate of the Congressional Research Service's Institute for Legislative Staff as well as the Federal Election Commission's program on campaign finance laws for incorporated trade associations and membership organizations. He also graduated from Leadership Minnesota, an exclusive program of the Minnesota Chamber addressing the economic and public policy issues of Minnesota businesses. He is past chair of the Eden Prairie Foundation Board of Directors.

Nawal Noor, Noor Developers

Nawal Noor is the Founder and CEO of Noor Companies a social enterprise corporation working on projects that bring public and private partnerships. She a serial entrepreneur and strategic problem solver that brings over 9 years of successful corporate finance, audit, strategy & marketing experience working for Ecolab; a \$16B global leader in water, hygiene and energy technologies and services, hospitality, healthcare and food based in St. Paul Minnesota.

Nawal also spent five years in asset and project management for Aeon (formerly CCHT), a nonprofit developer, owner and manager of high-quality affordable apartments and townhomes, which serve more than 4,200 people annually in the Twin Cities area. Nawal is a Lean Six Greenbelt Project Manager. Nawal was an AALF Josie R. Johnson 2016 Fellow.



Nawal Serves on:

- Emerging Entrepreneurs Board - Governor Appointed
- ULI Housing Council
- University of Minnesota National Diversity Council
- Nurul-Iman Institute Board Chair
- MN Joint Disparity Study External Stakeholders

Nawal Served on:

- Ecolab Credit Union - Board Secretary
- National Association of Minority Contractors - Board Vice President
- Women Thrive Worldwide

Guest Speaker

Tawanna Black, Center for Economic Inclusion

Tawanna A. Black is a nationally recognized thought leader known for influencing, inspiring, and equipping cross-sector leaders to transform a personal conviction for equality into actions that produce equitable and thriving communities. For more than 20 years, Tawanna has led multi-sector collaboratives, triple bottom line diversity and inclusion strategy development, and economic revitalization organizations in Kansas, Iowa, Nebraska, and Minnesota.

In 2017, Tawanna launched the Center for Economic Inclusion, the nation's first organization dedicated exclusively to creating inclusive regional economies by equipping public and private sector employers to dismantle institutional racism and build shared accountability for inclusive economic growth.

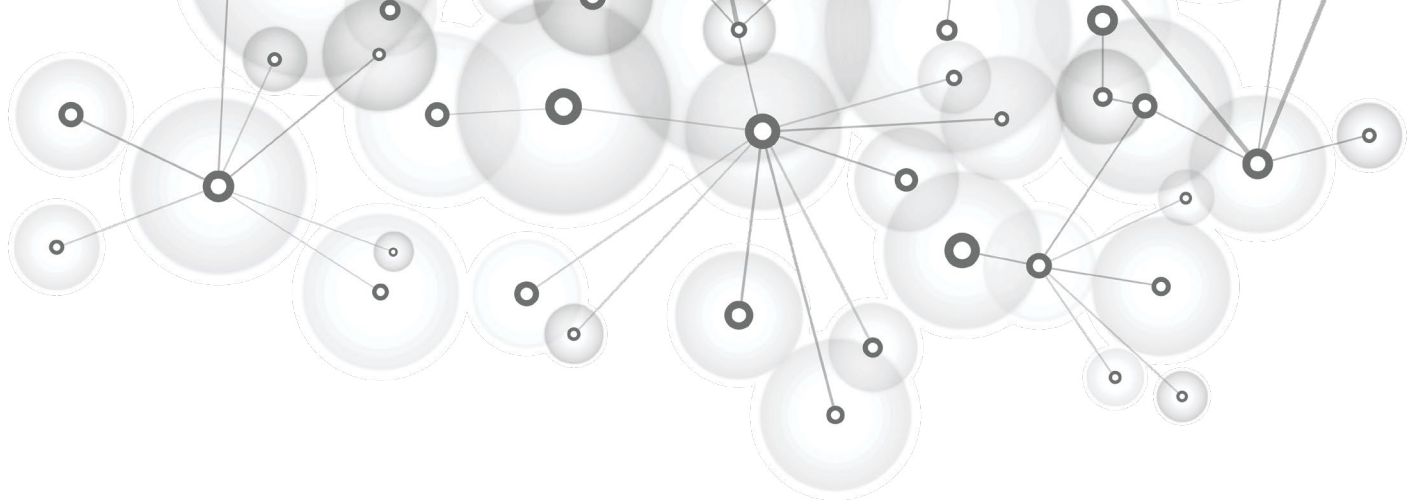


Tawanna is a Non-Resident Senior Fellow of the Brookings Institution Metropolitan Policy Program. She has a Bachelor of Public Administration Degree from Washburn University in Topeka, KS.

Tawanna's accomplishments and civic leadership have been recognized with many awards and commendations, including: City of Minneapolis History Maker (2021), Twin Cities Business Community Impact Award (2021), Washburn University Alumni Fellow (2018), Twin Cities Business 100 People to Know (2017); Minneapolis- St. Paul Business Journal's Women in Business Award (2017); Minnesota Business Magazines' Real Power 50 (2017); selected as one of the nation's Top 25 Disruptive Leaders working to close racial gaps by Living Cities (2016); recipient of the prestigious Bush Fellowship by the Bush Foundation (2014), and Midlands Business Journal's (Omaha) 40 Under 40 (2004).

Tawanna has lent her leadership to over 35 nonprofit and philanthropic boards over the past decade. Today, she generously lends her time to: Minnesota Tech Association Board of Directors; Washburn University Alumni Foundation Board of Trustees; Community Advisory Board of the Minneapolis Federal Reserve Bank's Opportunity & Inclusive Growth Institute; and the Minneapolis-St. Paul Chapter of The Links, Incorporated.

Tawanna is married to Eric Black and has two children, Traviata (9) and Christian (8).



Minnesota: 2030 investors



Susan
MARVIN

MARVIN 

 **POHLAD**
family foundation

 **bakertilly**

Colliers
INTERNATIONAL

Granite
Partners

wsb 

 **ALLETE**

BNSF

 **GREAT RIVER ENERGY**

IRON MINING ASSOCIATION
IMA
OF MINNESOTA

 **securian**
FINANCIAL

thrivent

TWIN METALS
MINNESOTA 

 **UnitedHealth Group**

 **Blandin Foundation™**
STRENGTHENING RURAL MINNESOTA

if Initiative
FOUNDATION

 **NORTHLAND FOUNDATION**

 **Northwest Minnesota Foundation**
Developing Community Assets

 **SOUTHERN MINNESOTA INITIATIVE FOUNDATION**
Collaborating for Regional Vitality

 **SOUTHWEST INITIATIVE FOUNDATION**

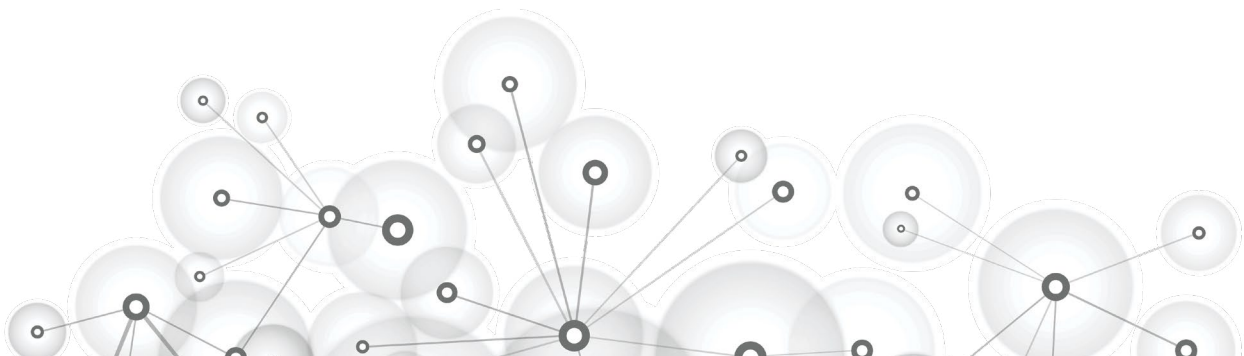
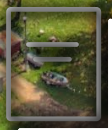


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Read the full report at
mnchamber.com/minnesota2030

A message from the Board

Minnesota: 2030 outlines our position in the national and global economy with recommendations to help shape and foster stronger economic performance for Minnesota in the coming decade.

A private-sector project of the Minnesota Chamber Foundation, Minnesota: 2030 details economic strengths on which to build and potential hurdles we must work to overcome.

We overview the macroeconomic factors shaping Minnesota's economy and leverage projections to assess our economic future. The report analyzes how the state's regions act and interact, assessing industry sectors, labor and demographic trends, even freight movements.

Minnesota: 2030 advances three broad strategies for positively positioning Minnesota's economy for better growth – with actionable recommendations and growth acceleration opportunities that would further strengthen Minnesota's economy. The Minnesota Chamber Foundation is pleased to have the support of our sponsors, the guidance of our Board of Directors and the counsel of our Economic Advisors in this effort. Throughout the analysis, we're also pleased to leverage the projections and insight of leading global economics firm IHS Markit, the macroeconomic consultant for the State of Minnesota and a regular contributor to the state's biennial Budget and Economic Forecast report.

We acknowledge and credit the input and qualitative insights of the hundreds of business and community leaders who participated in dozens of focus groups and individual interviews across the state helping craft this report and summary. We welcome the input of stakeholders statewide – inviting all Minnesotans to join us in making our economic future the best it can possibly be to 2030 and beyond. ■



Jon Campbell
Board Chair
Founder, Cedar
Glenn Advisory
Services LLC



Susan Marvin
Past Board Chair
Chair of the Board,
Marvin

In brief

Minnesota's economy is highly developed. The state ranks high across a range of metrics, with leading industry clusters, 16 Fortune 500 headquarters, high rates of innovation and one of the highest workforce participation rates in the nation.

Minnesota's overall economic performance tells a different story, however. When comparing growth, Minnesota's economy has been trailing its peers and the U.S. economy the past two decades. GDP and job growth ranked 36th and 45th nationally in 2019. Minnesota also continued to have uneven outcomes across demographic groups and regionally, with populations of color and non-metropolitan areas experiencing lower levels of economic well-being.

Then the COVID-19 pandemic upended economies locally and around the globe. The impact on Minnesota's economy was significant, leading to unprecedented losses in employment and output. The pandemic not only changed Minnesota's immediate economic outlook, but raised more fundamental questions related to remote work, supply chains, migration patterns and the future of urban centers.

Minnesota's resiliency and diverse industry base allowed the state to mitigate some of the worst impacts of the pandemic-induced recession. By February 2021, the state's unemployment rate ebbed to 4.3 percent and total employment reached 93 percent of pre-pandemic levels.

What lies beyond the immediate horizon? How is Minnesota poised to change – and how can businesses maximize the opportunities to advance and grow the state's economy?

Minnesota: 2030

A framework for growth

Three strategies – with actionable recommendations and growth acceleration opportunities that would strengthen Minnesota's economy.

Build on strengths: Further develop Minnesota's diverse economic strengths while accelerating key growth areas, such as technology and health care.

Leverage Minnesotans: Beat labor force projections and equip Minnesotans with the skills needed to succeed in a changing economy.

Strengthen communities: Help communities thrive by strengthening core assets – housing, child care, connectivity – and embracing all Minnesotans, making inclusion a strength.

- Much remains unknown. The pandemic is not yet over, and the state may be in recovery mode through 2021 or beyond. Compelling trends can be projected with a fair amount of confidence nonetheless.
- Minnesota's population and labor force growth will likely continue to slow.
- New technologies will reshape industries from manufacturing to health care to agriculture, shifting demand for skill sets in the workforce.
- Global demand for health care and food will continue to rise.
- Minnesota's population will be more racially and ethnically diverse.
- Global megatrends like climate change and resource constraints will influence economic conditions.

What can Minnesota do to help its economy navigate these changes and

develop to its full potential? Minnesota: 2030 outlines three fundamental strategies: build on strengths, leverage Minnesotans and strengthen communities. Within each strategy, this report explores a range of topics, outlining the basic opportunities and challenges that lie ahead. The full Minnesota: 2030 report advances over 50 recommendations to help guide future growth efforts.

Minnesota: 2030 is the first step. Subsequent research will dive deeper into key areas. Additional ideas and more detailed prescriptions may be needed. The Minnesota Chamber Foundation will take on next steps where possible, working with partners to identify opportunities across the state to develop and grow Minnesota's economy for years to come. Private and public sector leaders should join these Minnesota: 2030 advancement efforts. ■

Minnesota's highly-developed economy

Minnesota's economy is highly developed, with a diverse base of industries, a hard working educated workforce, industry-leading companies, high innovation rates and above-average incomes.

Data confirms that Minnesota is working from a strong base of core advantages that can be leveraged to advance the state's economy for the next decade. Yet overemphasizing those strengths runs the risk of masking weaknesses and perpetuating the homespun narrative that Minnesota is above average at everything. That is not quite the case. Let's break it down.

U.S. average in 1973. In 2019, Minnesota's per-capita income was 105.3 percent of the U.S. average, while neighboring states in the plains region registered 95.6 percent and the Great Lakes states stood at just 93.3 percent.

Minnesota's GDP per-capita was 15th highest nationally, at \$60,066, above the 2019 U.S. average of \$58,107. Productivity – GDP per worker rather than per capita – ranked 22nd nationally at \$112,000. These measures confirm that Minnesota produces strong value with a modest population, contributing to the state's overall quality of life.

High per-capita income, GDP per capita and labor productivity

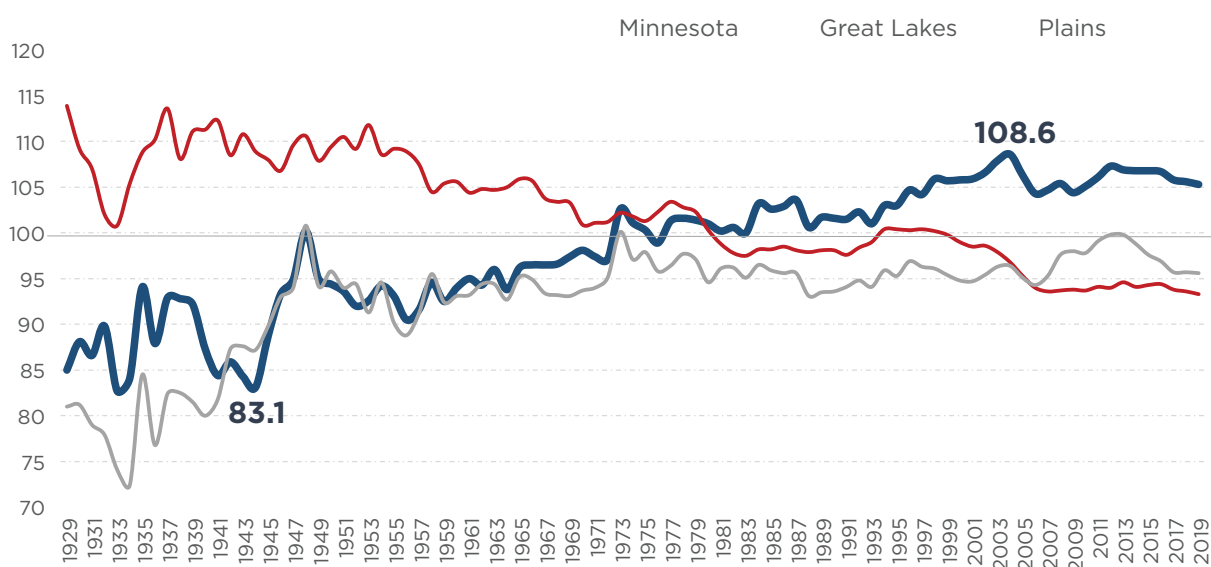
Minnesota's per-capita income moved above the

High labor force participation, low unemployment

Minnesota ranks in the top five states for labor

Minnesota's per-capita income has stayed above U.S. levels since 1973

Minnesota per-capita income as a share of U.S. levels.: 1929-2019 (100 = U.S. ave.)

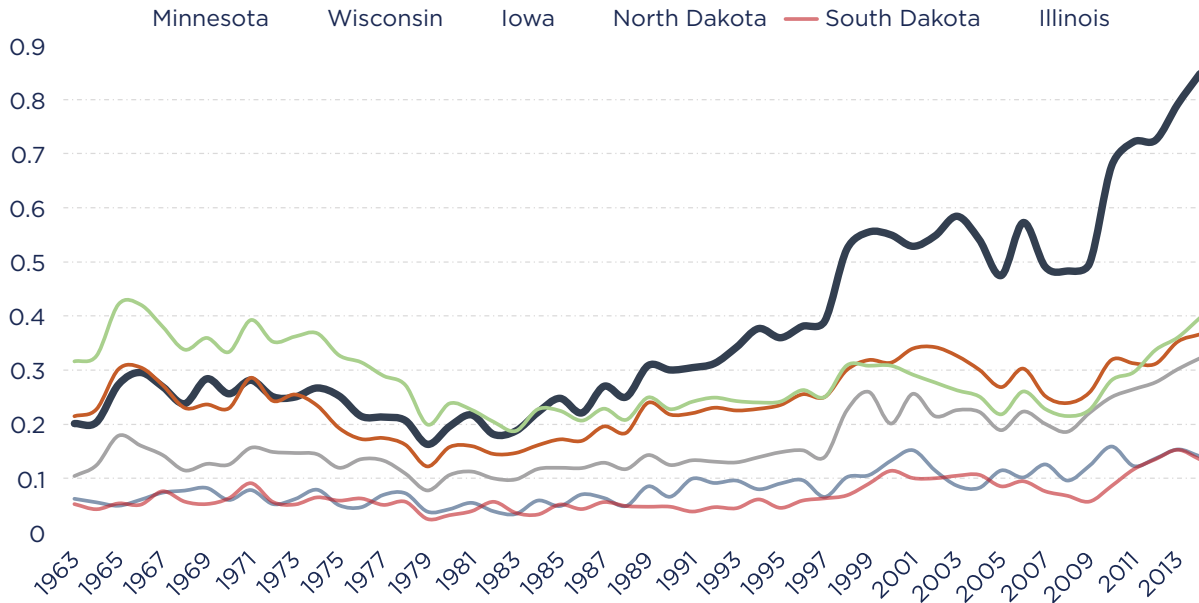


Source: Minnesota Chamber Foundation analysis of BEA data

Source: Minnesota Chamber Foundation analysis of BEA data

Minnesota is the innovation hub of the upper Midwest

Patents per 1,000 people: Midwest states



Source: Minnesota Chamber Foundation, U.S. Patent and Trademark Office

force participation, contributing to higher income levels and measures of well-being. In 2019, Minnesota's rate was 70.1 percent, 2nd in the nation. Thirty-four percent of Minnesota households are two-income households, compared to the national average of 28 percent. Minnesota has lower unemployment rates as a result. Pre-pandemic, unemployment was just 3.1 percent in Minnesota, below the U.S. rate of 3.5 percent. Even in the steep downturn throughout



Minnesota produces strong value with a modest population, contributing to the state's overall quality of life.

spring and summer 2020, unemployment rose less than U.S. unemployment, and by February 2021, Minnesota again stood at 4.3 percent, well below the U.S. rate of 6.2 percent. Our labor force participation did drop, however, to 67.5 percent at year-end, our lowest level since 1978.

Innovation and patent activity

Minnesota is notable for its innovation and rate of patent development. In 2018, Minnesota received the 6th most patents per capita. Medical technology drives considerable patent activity, but Minnesota also ranks in the top 10 for patent approvals in 17 different industries. A significant share of patents come from the Twin Cities metro area, but there is also substantial patent activity in Greater Minnesota, with Rochester being a particular innovation hub.

Economic Diversity

IHS Markit ranks Minnesota the 5th most structurally diverse state economy (measured

by 2018 share of employment across industries). Economists posit that a diverse economy may help moderate swings in business cycles and buffer against industry downturns, and that's arguably been true for Minnesota. Yet structural diversity by itself does not guarantee strong economic performance. Minnesota should aim to maintain its diverse economy, while strengthening industries where the state has competitive advantages.

Fortune 500 headquarters and industry-leading firms

Minnesota has an advantageous hub of large national and global corporate headquarters and industry-leading firms. The state has the highest concentration of management of companies (i.e.

Characteristics of Minnesota's highly-developed economy

- 1 High value** Per-capita income, GDP per capita and labor productivity levels. Per-capita income is 105% of U.S. levels.
- 2 Hard working** 2nd highest labor force participation and structurally lower unemployment rates than U.S. as a whole.
- 3 Educated and skilled workforce** 4th highest share of adults with a 2-year degree or higher.
- 4 Innovation** 6th most patents per capita in the U.S.
- 5 Corporate hub** 16 Fortune 500 headquarters and the highest concentration of management of companies jobs in the U.S.
- 6 Diverse economy** Jobs spread across major industry sectors. 5th most diverse economy in the U.S.
- 7 Industry clusters in key sectors** Health care and med-tech, food and ag, headquarters, finance and insurance, high tech.

headquarters) jobs in the nation and is home to 16 Fortune 500 and 24 Fortune 1000 companies, as well as leading privately-held entities such as Cargill and Mayo Clinic. Minnesota's high per-capita income and innovation rates are linked to a degree to this historical anomaly of large companies in diverse industries, from health care, food and agriculture to retail, financial services and manufacturing.

Industry clusters in key sectors

The combination of economic diversity and leadership in advanced sectors is a strength. Minnesota has concentrations of employment in health care and medical technology, food and agriculture, electronic control manufacturing, financial services, wood products and a variety of manufacturing industries.



Talent advantages are a key driver of Minnesota's overall economic competitiveness.

The state's leadership in global medical innovation is notable, but Minnesota also possesses leading institutions and high concentrations of employment in a range of medical subsectors, from health care services and medical device

manufacturing to insurance and health care data analytics, with growth in emerging digital health and biotechnology sectors as well.

Minnesota's clusters have regional characteristics, with some spread broadly across the state and others concentrated only in certain regions. Food, health care and manufacturing span the state, while individual regions also possess characteristics and specialties that make their economic landscape distinct.

Education levels and concentrations of high-skilled workers

Minnesota has an educated and skilled workforce. The state ranks 4th in the share of adults 25 and over with a 2-year degree or higher and ranks 5th in adults with a bachelor's degree or higher. Minnesota has concentrations of talent in key areas of future need, such as IT, STEM, business services and high tech. Talent advantages are a key driver of Minnesota's overall economic competitiveness. ■

Minnesota's economy: Slowing growth

Minnesota grew faster than the U.S. for decades, with job growth exceeding national job growth 27 of 35 years from 1970-2004. Growth accelerated in the 1990s, with real GDP climbing 3.9 percent on average and employment growing 2.2 percent annually. Per-capita incomes grew alongside Minnesota's economy, reaching a peak of 108 percent of U.S. levels in 2004.

Since 2005, however, Minnesota's economy has grown more slowly than the U.S., averaging just 1.4 percent real GDP growth and 0.7 percent job growth, compared to 1.8 percent and 1.2 percent respectively for the U.S.

Minnesota's overall rankings remained somewhat stable in this period, but lost ground to national peers, such as Massachusetts, Colorado, Washington and North

Carolina, in employment and real GDP. Minnesota's per-capita income also began moving closer to the U.S. average as output and job growth slowed.

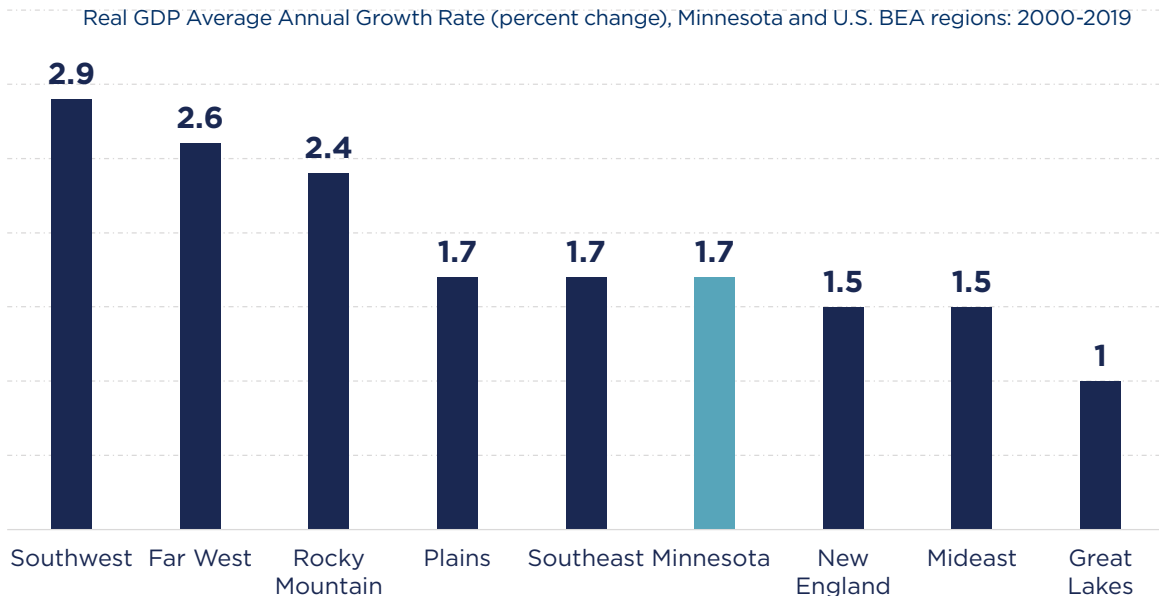
While it is difficult to untangle the causal factors, several themes are evident in the data. Among the most significant are the long-term slowdowns in population and labor force growth that have constrained Minnesota's growth in employment and economic output.

Population and labor force growth

Population growth, job growth and economic growth are inherently linked. In fact, the formula for economic growth is straightforward.

Population growth nationally has been slowing for

Economic growth has been concentrated in the sunbelt and west coast this century



Source: Minnesota Chamber Foundation analysis of BEA data
 Source: Minnesota Chamber Foundation analysis of BEA data

Since 2000, job growth in Minnesota has trailed the U.S. in 14 of the past 20 years

Annual job growth (percent change from the previous year): Minnesota win-loss record vs. United States

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
WIN		W	W							W	W	W									
LOSS	L				L	L	L	L	L					L	L	L	L	L	L	L	L
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Minnesota's W-L-T Record: 2000 to 2019

5 - 14 - 1

Source: Minnesota Chamber Foundation analysis of BEA data

decades, growing at the slowest rate since the 1930s. Minnesota, by contrast, was growing at a fast pace in the late 1980s and 1990s, but fell off sharply after 2000.

Population growth has three parts: natural growth, domestic migration and international migration.

Natural growth— births subtracting deaths – continued Minnesota’s long-standing trend of decline in 2019, adding just 24,442 new Minnesotans net, according to U.S. Census Bureau estimates.

Domestic migration – the number of residents attracted from other states minus the number of

Minnesotans moving elsewhere – tallied 15 years of consecutive net losses from 2002 to 2016, before registering net gains of 7,941 in 2017 and 6,769 in 2018. Domestic migration slumped to a net gain of just 65 new residents in 2019.

International migration – the number of immigrants and new Americans arriving from other countries – slowed again in 2019 from post-recession highs, likely due to increased competition for workers and changes in federal immigration policies. Nearly 60 percent of new Minnesota residents, 10,718 people, were immigrants in 2018 – a growth factor for the economy. That number slowed to just 9,113 new Minnesotans in 2019, according to Census Bureau estimates.

Minnesota’s labor force has long been a strength

– and Minnesota’s labor force participation rate perennially ranks in the top five states. The state’s labor force growth strongly outpaced the U.S. in the 1990s, reflecting population growth and strong participation across multiple age groups.

With population trends slowing in Minnesota around 2000, labor force and economic growth substantially followed suit. Labor force growth, like population growth, is currently projected to slow even further. This is an issue.

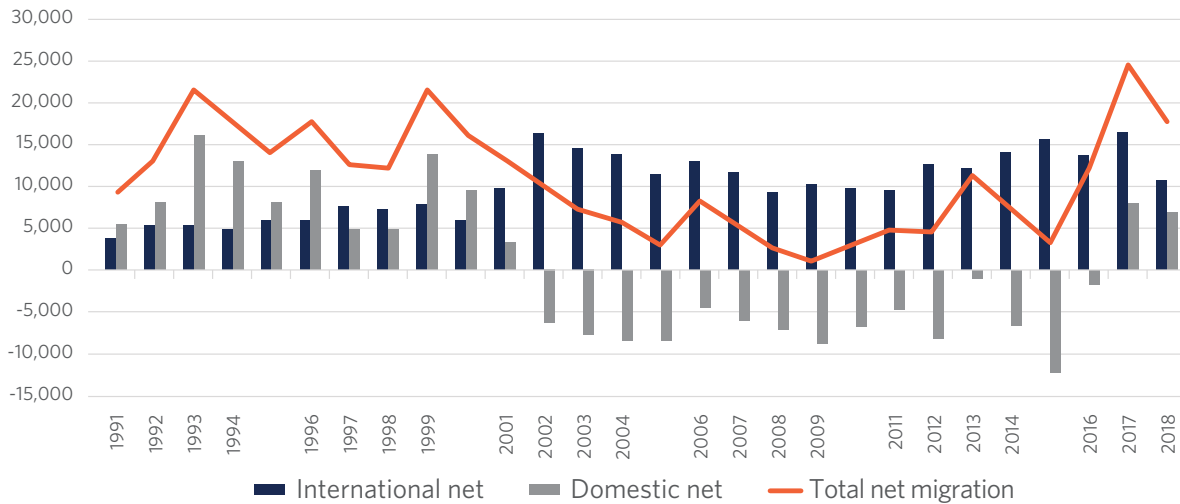
Increasing the number of people available and willing to be employed producing goods and services will be important to the vibrancy of our future economy. ■

4 Factors Driving Minnesota’s Slow Economic Growth

- 1 Slowing labor force and population growth.** Aging demographics and U.S. regional migration trends contributed to slowing population and labor force growth.
- 2 U.S. regional trends.** Economic growth has been concentrated in a handful of sunbelt regions and coastal tech hubs this century.
- 3 Trailing in tech growth.** Minnesota lost ground in high tech sectors as growth shifted to software and IT
- 4 Slow productivity growth.** Minnesota has followed national trends of falling productivity growth rates.

Minnesota would have lost more people than it attracted if not for immigration this century

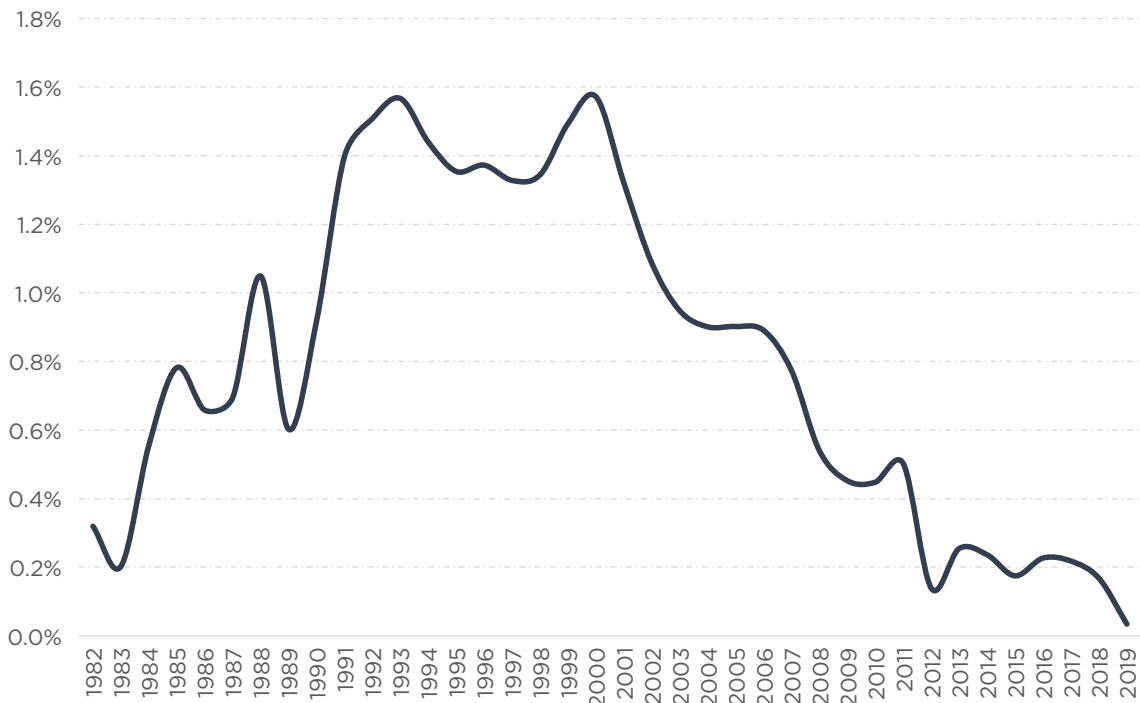
Minnesota net migration by type: 1991-2018



Source: Minnesota Demographic Center

Growth in core working age population is slowing

Annual percent change in core working age population (15-64 years old): Minnesota, 1982-2019



Source: IHS Markit

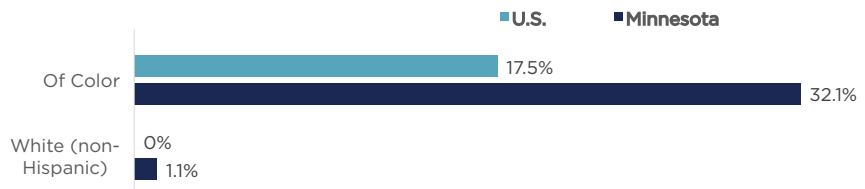
Differences across regional economies and demographic groups



Minnesota's geographic and economic structure offer unique attributes and opportunities across regions. The Twin Cities metropolitan area is complemented by distinct and competitive regions and regional centers that are interconnected across industries. Many economic trends apply broadly, however commonalities and differences also exist across the state's economic regions and demographic groups.

Minnesota's populations of color grew 32 times faster than the white population and outpaced the U.S. rate last decade

Population change by race: Minnesota and U.S., 2010-2019



Source: Image recreated from MN Compass

Health care and social assistance employment by economic region in Minnesota

	Health care and Social Assistance				
	Employment (2018)	Share of total regional employment (2018)	Industry rank (private sector) within region (2018)	LQ (2018)	Job Growth CAGR 2007-2018
Twin Cities	264,185	14.20%	1	1.09	+2.80%
Southern	81,802	21.20%	1	1.62	+1.40%
Central	49,285	15.50%	1	1.18	+2.30%
Northland	33,302	21.30%	1	1.62	+1.50%
Southwest	21,510	14.30%	2	1.09	+1.90%
West Central	14,672	13.90%	1	1.06	+1.80%
Northwest	11,542	14.40%	1	1.1	+1.00%

Source: IHS Markit

Slowing population and labor force growth has impacted rural areas most. Minnesota's population shifted toward urban counties in recent years, leaving more rural parts of the state with flat or declining populations. Seventy-plus percent of Minnesotans now live in urban geographies, with only eight percent in remote geographies. COVID-19 may influence this trend through changing migration patterns and telecommuting, but it was intensifying pre-pandemic.

Diversity and immigration have been an economic boost to regional economies; yet, racial disparities remain a top challenge across the state.

From 2010-2019, Minnesota populations of color grew 32.1 percent, while Minnesota's white population grew just 1.1 percent. Much of this growth occurred in the Twin Cities, although a number of Greater Minnesota counties also grew their diverse populations, boosting local economies. Counties where diverse populations concentrate are typically the counties experiencing population gains in Greater Minnesota.

However, despite the economic contributions of diverse Minnesotans and new immigrants, the state

continues to see racial and ethnic disparities across a range of social and economic indicators. This remains a top challenge for communities around the state.

Manufacturing, health care, and food and agriculture tie the state's regions together, while additional industry clusters present distinct opportunities and challenges.

Manufacturing, health care, and food and agriculture are significant economic sectors in nearly every region of the state. These sectors tie together the state's diverse regions through trade and a shared exposure to the opportunities and threats brought about by changes in these sectors.

Each economic region of the state also possesses industry specializations not always reflected in the statewide data. The state's share of jobs in mining, for example, is well below the U.S. average. Northeast Minnesota's concentration of jobs in metal ore mining, however, boasts a location quotient of 96.7, meaning this industry is over 96 times the U.S. average in Minnesota's Northeast. These types of regional specializations offer distinct opportunities and challenges – and should continue to be a central part of regional economic strategies. ■

2020 impacts

The events of 2020 – most notably the COVID-19 pandemic – created shockwaves across the global economy. Minnesota experienced significant economic impacts amidst these circumstances, with employment and output declining at unprecedented rates in March and April before beginning a steep climb toward recovery in subsequent months. Minnesota also found itself at the center of a national reckoning with the killing of George Floyd and ensuing civil unrest.

Taken together, these events not only produced short-term challenges to overcome, but raised longer-term questions that must be thoughtfully addressed by businesses, policymakers and civil society. Some of these issues – such as remote working, talent mobility, commercial real estate activity in urban centers, and large-scale diversity and inclusion efforts – could signal deeper shifts in Minnesota’s economy. As addressed later in this report, Minnesota must carefully assess changing trends and respond effectively if the state is to achieve its full potential this decade.

2020 economic performance and impact

Minnesota reported its first case of the novel coronavirus on March 6th. Within weeks, Minnesota went into a statewide lockdown, and by the end of April – a mere seven weeks after the first reported case – Minnesota had lost over 13 percent of its total



employment and nearly 614,000 Minnesotans had filed claims for unemployment insurance, marking the steepest economic downturn in over 70 years.

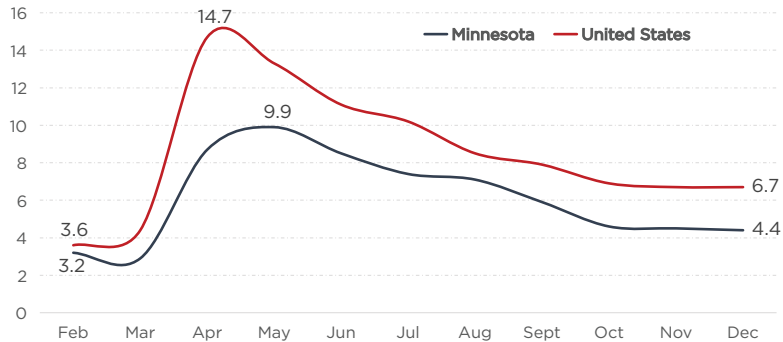
Minnesota’s diverse economy and labor force strengths likely helped buffer some of the worst impacts of the downturn. Unemployment peaked at 9.9 percent in May and fell to 4.4 percent by December, remaining well below national unemployment levels throughout the year.

Overall, Minnesota’s changes in employment and

GDP reflect national trends. The state's total employment declined slightly less than the U.S. in April, falling to 86.8 percent of pre-covid (January 2020) levels. However, after six consecutive months of job recovery, Minnesota's employment ticked down in November and December, leaving the state at 91.5 percent of full strength and trailing the U.S. recovery. By the end of 2020, Minnesota still needed to add 246,100 jobs to recover to 2019 levels.

Minnesota unemployment rate remains below U.S. levels

Unemployment Rate (seasonally adjusted): Minnesota and U.S., February 2020-December 2020



Source: Minnesota DEED, Bureau of Labor Statistics

Uneven impact, uneven recovery

The COVID-19 recession impacted Minnesota's economy broadly. However, losses were concentrated in certain industries and demographic groups. Local services, travel-oriented industries, young people and employees of color all experienced disproportionate impacts. Leisure and hospitality lost over half of its total jobs, with industries like full-service restaurants declining nearly 75 percent. Regions with greater shares of activity in these hard-hit industries were impacted significantly, such as Northeast Minnesota

where unemployment peaked at nearly double the rate of the state's Southwest region.

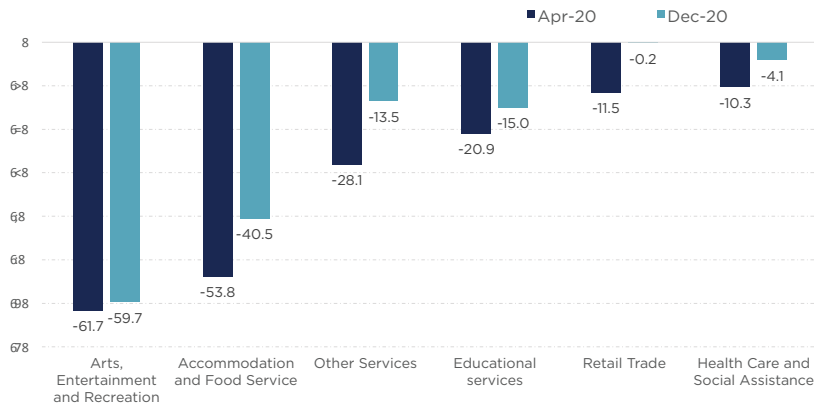
By the end of December, some of the impacts across sectors, regions, and demographics began to lessen. Regional unemployment levels, for instance, converged modestly by the end of the year with the gaps closing to less than two percentage points between the highest and lowest unemployment rates. Gaps in unemployment

by race and ethnicity also closed considerably between May and December of 2020.

Other trends point in a more troubling direction. While the unemployment rate shrank for communities of color, some of that change is attributed to disproportionate declines in labor force participation. The number of women leaving the workforce over the last year is a particularly troubling trend. Additionally, though some hard-hit industries like retail, and health care and social assistance saw strong recovery in the second half of 2020, others like arts, entertainment, accommodation, and food service ended the year 40 to 60 percent below 2019 levels.

Uneven recovery among Minnesota's hardest-hit industries

Percent change in total employment (annualized) April 2020 and December 2020



Source: Minnesota DEED, Bureau of Labor Statistics

10-year economic forecast



The depth of job losses experienced in March and April of 2020 combined with continued uncertainty surrounding business restrictions and vaccination efforts means that Minnesota is likely to remain in recovery mode in 2021 and into 2022. Looking to the long term, IHS Markit forecasts that Minnesota's economy will continue to expand at a modest rate, with GDP averaging 2.2% annual growth through 2030. Below are some key findings from the state's 10-year economic forecast.

Minnesota is projected to exceed pre-pandemic GDP levels by 2022 and reach full employment by early 2023, though uncertainty remains. IHS Markit's February 2021 forecast (most recent at publication) projects that Minnesota's GDP will recover fully in 2022. Unemployment will fall to a low of 3.1 percent in 2022, before rising slightly.

Slow population and labor force growth – and falling labor force participation – will continue

to constrain job growth this decade. Minnesota's slow population and labor force growth is projected to continue, with Minnesota's core working population, ages 15 to 64, growing just 0.1% annually through 2030. Labor force participation isn't expected to return to 2019 levels this decade. This combination of macroeconomic factors is a hugely difficult challenge.

Productivity drives GDP growth, as employment growth slows. With job growth constrained, Minnesota will rely increasingly on productivity to drive economic growth. Innovation and human capital development will only be more important to a growing economy.

Most industries return to peak employment by 2022. Employment continues to shift toward technical, medical and service sectors. Six sectors are projected to reach pre-pandemic employment levels in 2021, with most industries returning to peak

Demand for health care and technical talent will grow

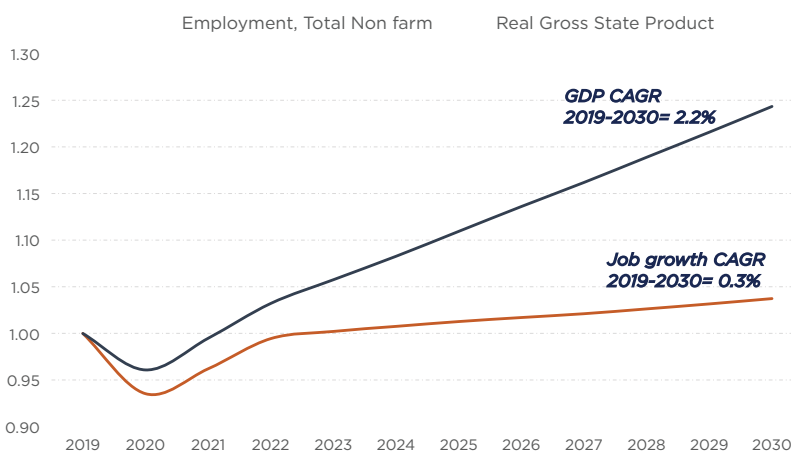
Top ten occupations with highest projected 10-year growth rate: (Median wage > \$57,000)

Job Title	Projected 10-year Growth Rate
Statisticians	32.70%
Actuaries	30.20%
Physician Assistants	28.40%
Information Security Analysts	27.70%
Marriage and Family Therapists	27%
Speech-Language Pathologists	24%
Operations Research Analysts	23.80%
Nurse Practitioners	22.80%
Computer Numerically Controlled Tool Programmers	22.60%
Software Developers and Software Quality Assurance Analysts and Testers	21.80%

Source: Minnesota DEED, Occupations in Demand

Minnesota GDP projected to expand at a modest pace, while employment grows slowly

Employment and GDP Index (2019 = 1.00):
Minnesota, 2019-2030 (forecasted)



Source: IHS Markit

employment by 2022. Finance/ insurance, retail and utilities all neared or exceeded pre-COVID levels by end of 2020, with several others remaining only 1-2 percent below peak.

The ten-year outlook also projects that employment will continue to shift toward professional and business services, health care and social assistance, and other service activities. Manufacturing projects to shed jobs even as sector output grows. Leisure and hospitality isn't expected to reach full pre-pandemic employment levels through 2030, though this forecast is highly sensitive to changes in the pandemic outlook and should be viewed cautiously. Minnesota should consider what this means for our workforce and begin developing strategies now to capitalize on future opportunities, while mitigating negative impacts. ■

National and global competitiveness



Minnesota's competitiveness nationally and globally helps fuel – or constrain – the state's economy.

Each year, the Minnesota Chamber of Commerce analyzes and reports on Minnesota's economic competitiveness in its Business Benchmarks report (mnchamber.com/benchmarks). In the context of

this report, it is important to note that Minnesota's competitive position and competitive landscape influences the state's economic potential.

Education: With 46.8 percent of adults having earned at least an associate degree, Minnesota ranks 4th for educational attainment. Success is not always

broadly shared, however, and Minnesota lags on key measures. This includes the on-time high school graduation rate, ranking 34th at 83 percent, below the national average. Minnesota's racial achievement gap is also the nation's worst.

Economic performance: While Minnesota punches above its weight in absolute measures of economic output, its growth has trailed in recent years. At 1.1 percent, Minnesota's GDP growth ranked 36th nationally in 2019, fourteen spots worse than 2018. Exports contracted 2.1 percent in 2019, moving the state thirteen spots lower to 26th. Minnesota's job growth ranked 35th in 2020. Jobs contracted 6.8 percent, largely due to COVID, worse than the nation's -6.4 percent but ten spots better than the state's dismal ranking of 45th in 2019.

Taxes and cost of living: Affordability cuts both ways. Minnesota benefits from a relatively affordable cost of living, ranked 23rd across all states and below the U.S. average. However, Minnesota's tax climate is decidedly less competitive than peer states. Minnesota's tax index is 4th highest in the nation for small businesses and entrepreneurs. Minnesota's top pass-through and individual income tax rate is 5th in the nation at 9.85 percent. The corporate income tax is 4th highest at 9.8 percent. Overall, Minnesota's state and local taxes per capita rank 9th highest – at \$6,176 – well above the national average of \$5,073.

Innovation and entrepreneurship: Minnesota ranked 49th in entrepreneurship and business startup activity in 2019. The five-year business survival rate is strong, however, at 4th overall, and patents per capita ranks 6th.

Reputation: Competitiveness extends beyond taxes and GDP growth. Minnesota's reputation is not currently measured – and that is a concern. The killing of George Floyd shone a bright light on longstanding social and economic inequities in Minneapolis and Minnesota – highlighting for the nation and world challenges we have struggled to address for much too long. Subsequent public safety concerns compound the challenge – and Minnesota remains under an unwelcome national spotlight. Minnesota enjoys its problem solving reputation. And while there is

reputational value in Minnesota finding solutions to the issues of social and economic inequity, the stakes are even higher. The promise of Minnesota: 2030 (and beyond) cannot be accomplished without it.

Global megatrends

Global megatrends are also shaping our economy and influencing Minnesota's future economic growth. Megatrends are large-scale social, economic, political, environmental or technological shifts driving change in global markets and impacting how people live and work. Because they affect so many and are not easily changed, megatrends are strategic forces shaping the future landscape. ■

Global megatrends shape economic outcomes

- 1 Demographics: There will be 1 billion more people by 2030.** The world's population should reach 8.5 billion people by 2030, up from 7.3 billion in 2015.
- 2 Economic power: Shifting from west to east.** Emerging economies will exert more influence as economic power rebalances.
- 3 Urbanization: Two-thirds of us will live in cities.** Two-thirds of the world's population will live in cities by 2030, producing as much as 80 percent of global GDP.
- 4 The individual: More empowered, more information, less privacy.** Advances in education, health and technology will empower individuals as never before.
- 5 Climate change: The Earth continues to warm.** The climate is changing. Globally, 2020 was the warmest year ever (tying 2016) and the decade just completed was the warmest in modern times.
- 6 Resource pressures: The world will confront constraints.** Resource constraints and competition for resources will be intense in the next decade, especially for food, productive soil and arable farmland.
- 7 Clean power / Clean tech: Transformation will accelerate.** Renewable energy and clean power grows, and by 2030 some project that there will effectively be no new generating capacity from fossil-based fuels without some form of carbon capture.
- 8 Technology: The Internet of Things will have won the day.** Information and communications technologies will transform society with a wave of advances creating novel opportunities.

Framework and strategies for growth



Not all future changes in technologies, markets and individual business decisions can be predicted with precision or built into standard forecasting models. Events like the COVID-19 pandemic are a case in point.

Some trends can be forecasted with a fair degree of confidence, however, giving everyone a better sense of how the economy is likely to change in coming years enabling thoughtful actions to steward the future benefitting all Minnesotans. For example, here are some safe bets about the next decade:

- Minnesota's population will continue to age and the labor force will continue to grow only slowly, exacerbating already significant workforce challenges. The availability of talent will only increase as a key driver of economic competitiveness.
- Health care and technology advancements will play increasingly large roles in the economy. New technologies will continue to transform industries

and shift the skillsets demanded in the workforce. Likewise, global demand for health and wellness goods and services will increase in the face of aging populations in developed countries and raising living standards in emerging markets.

- Resilient economies able to adapt to change will be better equipped to absorb the shocks of unexpected events and shifting market forces.
- A growing economy will require strong communities with the underlying assets needed to serve residents and help businesses expand.
- Minnesota's population will be more diverse, with communities of color making up a larger share of the workforce, consumer base and business community.

Global megatrends, such as water and resource constraints, climate change and rising global food demand, will also influence Minnesota's economy and

shape opportunities in the coming decade.

The objective of Minnesota: 2030 is to establish a strategic framework that acknowledges and prepares for such changes, helping Minnesota develop and grow to its full potential. This report lays out three fundamental strategies: Build on strengths, leverage Minnesotans and strengthen communities.

Each strategy is outlined in the Minnesota: 2030 report, with specific priorities and recommendations for ensuring an even brighter economic future for Minnesota and Minnesotans.

Build on strengths acknowledges Minnesota's diverse strengths across a range of industries, including corporate headquarters, food and agriculture, manufacturing, health care and med-tech, to name a few. Continuing to diversify the economy while investing in high-growth areas like health care and technology will allow Minnesota to accelerate economic activity while remaining resilient.

Leverage Minnesotans addresses the foundational imperative to grow the workforce and help individuals develop the skills they need to succeed in a 21st century economy. This will require Minnesota to retain and attract talent, to increase workforce participation by ensuring no one is left on the economic sidelines, and to rethink how public- and private-sector stakeholders work together to respond to evolving skill and training needs.

Strengthen communities lays out two critical priorities. The first is to deliver necessary housing, child care and digital connectivity. These are foundational elements of community vitality and growth, and each area faces supply side challenges that must be addressed. The second priority is to embrace all Minnesotans and make inclusion a strength. Minnesota is strengthened by its diverse populations, but unacceptable disparities pose both a moral and economic imperative. Minnesota has immense advantages – not least its private sector businesses – that can turn diversity into a strength making Minnesota a leader in innovative practices

Minnesota: 2030 strategy

Win growth investments. Secure and retain a greater share of business expansions from existing firms and rising stars.

that help boost the economy by helping all Minnesotans flourish.

These three Minnesota: 2030 strategies rose repeatedly to the surface as this report assessed strengths, analyzed

Minnesota's economic performance, and conferred with key stakeholders. Within each, recommendations and action plans are proposed.

Minnesota: 2030 is a framework for discussing and embracing what Minnesotans can do together to sustain and grow our economy to its fullest potential this decade.

Strategy one: Build on strengths

Minnesota has a diverse and resilient economy with industry strengths and natural resource advantages.









Measured by distribution of employment across industries, Minnesota has the 5th most diverse state economy, and the economy has only become increasingly diverse over time. The resiliency of the state's diverse economy aided Minnesota in the recessions of 2007 and 2020 when unemployment rose less severely in Minnesota than in the U.S. Minnesota businesses also exhibit high levels of adaptability and longevity, with the 4th highest five-year business survival rate in the nation in 2019.

Minnesota has high sector concentrations in manufacturing, food and agriculture, management of companies, finance and insurance, and health care. It has strong regional clusters in industries such as metal ore mining, forestry products, tourism, recreation and specialized manufacturing. Some strengths are accidents of history, others leverage state endowments or natural resources not easily replicated. Synergies and compatibilities could also be leveraged for future development.

Take the state's food and agriculture sector. Like its Midwestern neighbors, Minnesota is a major food producer. In fact, Minnesota was the 5th largest agricultural producer in the U.S. in 2019, trailing only California, Iowa, Nebraska and Texas.

What sets Minnesota apart, however, is that it is

Build on strengths

<p>Food and agriculture </p> <p>Minnesota is the 5th largest ag producer in the US and is a hub for food innovation, management, supply chain and processing. Accelerating digital connectivity, developing new markets and leaning on innovation strengths will be key this decade.</p>	<p>Corporate and financial </p> <p>Minnesota has the highest concentration of headquarters jobs in the U.S., 5th highest share of banking jobs, and a fast growing prof/tech services sector. Talent, business climate improvements and targeted retention efforts are needed to help industry leaders and rising stars thrive.</p>	<p>Manufacturing </p> <p>Productivity and innovation will drive growth this decade. Yet, hiring challenges remain a constraint. Minnesota must modernize its economic development tools and equip workers for a higher tech future.</p>	<p>Hospitality and tourism </p> <p>COVID-19 brought disproportionate impacts to this important sector. Minnesota must extend relief to hard-hit businesses in the short term, and help regions leverage natural/recreational strengths in a post-pandemic economy.</p>
<p>Regional innovation </p> <p>Minnesota's regional economies must help core industries change and grow, while seeding the ground for future growth through entrepreneurship and business retention strategies.</p>	<p>Markets </p> <p>Minnesota can help businesses connect to customers and suppliers in-state, and foster relationships beyond state lines. This builds on supply chain strengths while expanding access to fast growing markets.</p>	<p>Health care and med tech </p> <p>New technologies and aging populations will fuel opportunities in health care. But competition and challenges are rising. Minnesota should double down on its efforts to build on this immense strength. Minnesota must address workforce and regulatory barriers while advancing emerging growth opportunities and bringing global attention to Minnesota's medical innovation.</p>	<p>Technology </p> <p>Minnesota has the 11th highest share of tech jobs with competitive advantages in emerging fields like IoT, FinTech and Digital Health. Further, new technologies will continue to reshape all industries and jobs. But growth is trailing U.S. peers. Increasing tech talent and shining a brighter spotlight on Minnesota's tech strengths are top priorities to fuel growth.</p>

also home to leading global food and agricultural headquarters companies driving food innovation and management, as well as specialized manufacturing and service industries producing new technologies and critical inputs for the food and ag sector. This is explored more deeply in the food and agriculture strategy section – and Minnesota clearly has considerable opportunity to continue to leverage these food and ag innovation strengths across the value chain this decade.

Building on Minnesota's strengths includes:

- **Protecting and stewarding Minnesota's**

strengths as a priority. Minnesota should carefully steward its valuable economic assets and industries. Proactive retention strategies that address key needs and facilitate expansion and growth should be a priority.

- **Helping industries adapt and capture new opportunities.** The paradigmatic success story is the taconite industry, born out of University of Minnesota research in the 1940s and 1950s. Minnesota can leverage strengths with research institutions and tech transfer. The University of Minnesota, for instance, helped launch more than 165 new companies since 2006. These

strengths can be built upon to develop, accelerate and grow new industries and opportunities.

Minnesota: 2030 strategy

Build on the health care and medical sector. Sustain and grow this strength of Minnesota's economy in both medical technology and health care delivery.

and medical cluster faces challenges and competition from internet companies, retail giants and new entrants from Silicon Valley to Israel to China. Innovation and competition could

Growth Accelerator: Build on Minnesota's health care and medical cluster

Minnesota is a global leader in health care. The state is home to health care giants such as Mayo Clinic, UnitedHealth Group and Medtronic, and boasts a diverse range of strengths, from medical devices to health care delivery and insurance. Additionally, emerging growth in biotechnology, pharmaceuticals and digital health points to a potentially new phase in Minnesota's evolving health care landscape.

As the full report explores, the 2030 opportunity is to build on this strength to accelerate growth through innovation, retention and expansion strategies, start-up support and smart investments in infrastructure, policy change and talent initiatives. Doing so would strengthen Minnesota as a global leader in health care innovation and further ensure Minnesotans have access to high-quality health care services for years to come.

A suggestion 30 years ago that the state work to create the health and medical cluster Minnesota enjoys today would have been dismissed as outlandish. Yet look at the successes it illustrates today.

The future opportunity is even more significant. Health care will leap forward this decade. Technology advancements, consumer-driven care, digital health, coverage innovation, device innovation, remote care and telehealth are exciting new opportunities. Demographic change, rising costs and financial pressure will raise temperatures the other direction. This will challenge the stability of the state's health care delivery sector, particularly in rural communities.

Yet Minnesota's strengths in this sector position it exceptionally well to capitalize on opportunities and address future challenges, not least because of Minnesota's enviable array of leaders in care delivery, insurance, consumer insights, data analytics, medical devices, pharmaceuticals and other new health technologies.

Success is not guaranteed. Minnesota's health

threaten Minnesota's medical cluster – or embolden it.

Stakeholders in Minnesota's business community and public sector should consider strategies to support, strengthen and grow this critical aspect of the state's economy. Minnesota's health care and medical cluster is a unique asset playing an outsized role in the economy. It will play an even bigger role in shaping Minnesota's economic future to 2030 and beyond.

Growth Accelerator: Compete and succeed in the future technology economy

Technology is changing the global economy – and the pace is only accelerating.

Minnesota was an early leader in tech but has trailed peer states and the U.S. in recent years. Indeed, sluggish growth in tech and tech occupations has been a major factor in Minnesota's economic underperformance for almost a decade. Forecasts project an underwhelming future if Minnesota doesn't change.

So why does Minnesota: 2030 advance “compete and succeed” in the future tech economy as a growth accelerator?

Because new technologies are transforming a wider set of industries and redefining what it means to be a “tech business.” In this landscape, Minnesota has strengths that position it for growth.

First, Minnesota has a high share of jobs in technology industries and occupations, with the 11th highest concentration of net tech employment (all jobs in tech industries and tech jobs in any industry). Minnesota also has above average tech talent concentrations, with 13 percent more IT professionals, 15 percent more STEM occupations and 14 percent more business services occupations than the U.S. average. Thus, Minnesota has bench strength in advanced industries and the tech talent needed to excel in tech this decade.

Second, Minnesota remains a leader in advanced fields, including health care and medical technology,

Minnesota is well-positioned to lead in health care and medical innovation this decade

Established strengths



Industry Leaders (examples)

- Mayo Clinic
- UnitedHealth Group/Optum
- Medtronic
- 3M
- Boston Scientific
- Abbott
- Starkey Hearing Technologies

Industry Concentration Relative to U.S. economy (location quotient)

- Med devices..... 9.98x U.S. avg
- Med equip/supplies 2.43x
- Insurance carriers..... 2.37x
- Med equip wholesale.. 1.45x
- Hospitals 1.22x

Other Key Metrics (examples)

- Optics/Medical goods are #1 state export, valued at \$4.6 B in 2019
- Ranked 3rd in U.S. for medical patents per 1 million ppl; ranked #1 in two sub-categories
- Ranked 1st nationwide in concentration of medical device manufacturing jobs
- Ranked 2nd nationwide in concentration of biomedical engineers

Emerging growth



Biotech and Pharma

- Pharmaceutical exports grew 7x since 2002, 6th largest state export
- Pharmaceutical mfg employment grew at 7.8% a year from 2014-2019, 2nd fastest across the state's medical portfolio
- \$650 M raised by biotech companies in Minnesota since 2010 (Medical Alley Association, 2020)

Digital Health

- Digital Health startups raised \$664 M in 2019, 1st across all categories (Medical Alley Association, 2019)
- Major digital health startups/rising stars include: Bind, Carrot Health, NovuHealth, Gravie, Revel, etc.
- "Why Minnesota is poised to be a hotbed for digital health startups" (VentureBeat, 2017)

Making moves

(Major investments and initiatives)









New entrants

- "Best Buy CEO Eyes Health Care as Retailer's 'Next Big Thing'" (Bloomberg, 2019)
- "Dr. David Katz Joins Forces With Anytime Fitness, Self Esteem Brands To Amplify How Fitness - As Lifestyle Medicine - Matters More Than Ever" (PR Newswire, 2020)
- "Sleep Number, the Leader in Sleep Innovation, Unveils the Future of Health and Wellness at CES 2018" (Sleep Number, 2018)

Major investments

- Minnesota early stage health care companies raised a record breaking \$1.4 B in 2020.
- Bright Health and Bind raised a combined \$605 M in 2020, amounting to half of all funds raised by U.S. health plan companies (Medical Alley Association, 2020).
- Destination Medical Center - Mayo Clinic-driven initiative to invest \$5.6 B over 20 years in Rochester, Minnesota.
- Health Village - Ryan Construction plans to develop 400 apartments, 150 units of rental senior housing and 1.1 million square feet of offices and specialty medical space to create a "healthy village" model in Maple Grove.
- Vision Northland—Essentia Health will invest \$900 M new and renovated facilities in Duluth.

	Food and Ag Tech 	Smart Retail and Supply Chain Tech 	(Other) IoT, Cybersecurity, Data Analytics, 3D Printing 
Global market size and forecast	Food Tech: \$250 Billion by 2022 Ag Tech: \$22 Billion by 2025	Smart Retail: \$58 Billion by 2025 Supply Chain Tech: \$37 Billion by 2027	Internet-of-Things (IoT): \$1,319 Billion by 2026 Cybersecurity: \$111 Billion by 2025 Data Analytics: \$512 Billion by 2026 3D Printing: \$52 Billion by 2026
Initiatives and support services	<ul style="list-style-type: none"> • Techstars Farm-to-Fork Accelerator • Grow North—Food/Ag/Ideas Week • Mbold 	<ul style="list-style-type: none"> • Target/Metro Retail Accelerator 	<ul style="list-style-type: none"> • IoTfUSE • Minneanalytics • MN Cyber
Industry leaders (HQ or major operation)	<ul style="list-style-type: none"> • Cargill (HQ) • General Mills (HQ) • Hormel (HQ) • Land O'Lakes (HQ) • CHS (HQ) • American Crystal Sugar (HQ) • Rosen's Diversified (HQ) 	<ul style="list-style-type: none"> • Best Buy (HQ) • Target (HQ) • SPS Commerce (HQ) • Sleep Number (HQ) • CH Robinson (HQ) • UNFI (formerly SuperValu) 	<ul style="list-style-type: none"> • Stratasys • IBM • Toro (HQ) • Tennant (HQ) • Code42 (HQ) • Digi-Key (HQ) • 3M (HQ)
Notable startups and fast growth firms	<ul style="list-style-type: none"> • Sentera • Recombinetics • Conservis • AgVend • Rowbot • Foodsby 	<ul style="list-style-type: none"> • When I Work • Inspectorio • Kidizen • Basketful • Proozy • Otrafy 	<ul style="list-style-type: none"> • Protolabs • 75F • NimbeLink • Arctic Wolf • Protocol 46 • FRSecure

	Fintech 	EdTech 	Digital Health 
Global market size and forecast	\$305 Billion by 2025 (20% CAGR)	\$285 Billion by 2027 (18.1% CAGR)	\$386 Billion by 2025 (24.6% CAGR)
Initiatives and support services	<ul style="list-style-type: none"> • Twin Cities Startup Week (BetaMN) • Minnesota Fintech Collective (GreaterMSP) • UMN Fintech Bootcamp • gener8tor OnRamp Insurance Accelerator 	<ul style="list-style-type: none"> • EdNorth • Twin Cities Startup Week (BetaMN) • Education Technology Innovations (UMN) • EdTech Team Minnesota Summit 	<ul style="list-style-type: none"> • Medical Alley Association • gBETA Medtech • Mayo Clinic Business Accelerator • UnitedHealth Accelerator powered by Techstars
Industry leaders (HQ or major operation)	<ul style="list-style-type: none"> • US Bancorp (HQ) • Ameriprise Financial (HQ) • Thrivent Financial (HQ) • Securian Financial (HQ) • Wells Fargo • RBC Wealth 	<ul style="list-style-type: none"> • University of Minnesota • Edmentum (HQ) • Pearson VUE • Jostens (HQ) 	<ul style="list-style-type: none"> • UnitedHealth Group/Optum (HQ) • Mayo Clinic (HQ) • Medtronic • 3M (HQ) • Boston Scientific • Smiths Medical (HQ) • Provation Medical (HQ)
Notable startups and fast growth firms	<ul style="list-style-type: none"> • Sezzle • Upsie • Apruve • ClickSWITCH • Branch • Total Expert 	<ul style="list-style-type: none"> • Trinity 3 • Flipgrid • Extempore • Connexeo • Flyweel • Kaleidoscope • SayKid • Homi 	<ul style="list-style-type: none"> • Bind • Carrot Health • Grandpad • NovuHealth • Gravie • Zipnosis • Datica • Revel

financial services, corporate headquarters and machinery manufacturing, to name a few. Firms across these industries will be on the forefront of technology changes this decade, whether through digital transformation, data analytics, artificial intelligence, machine learning, Internet of Things (IoT), 3D printing, cybersecurity, block chain or automation.

Achieving full potential will require strengthening Minnesota's underlying capacity for high-tech growth. This means increasing the availability of tech talent, including core technical workers, such as software and web developers, data scientists, engineers, and tech-equipped talent in diverse fields like nursing, manufacturing, transportation, financial services and more.

It will also require a more developed tech infrastructure to access and enable technologies across the state, as well as an alignment of economic development strategies to shine a brighter spotlight on its high-tech economy. Minnesota's tech sector remains largely a hidden secret. The state needs to raise its profile to attract talent and ensure Minnesota is a place innovators want to be. Minnesota should put more weight behind efforts to accelerate the growth of the tech economy throughout this decade.

Strategy two: Leverage Minnesotans

Slowing population and labor force growth has been a constraint on Minnesota's economy for two decades, and both are projected to slow even further. The state

Minnesota: 2030 strategy

Compete in the tech economy. Strengthen Minnesota's capacity for tech growth by increasing the availability of tech talent, and shining a brighter spotlight on Minnesota's tech strengths.

demographer projects labor force growth of <0.1 percent a year from 2020-2025. That is simply not enough to fuel growth in the state's economy.

While aging demographics are driving much of this trend, low net migration is also a

factor. Minnesota saw net gains in the 1990s, drawing domestic in-migration from other Midwest states to grow its population and workforce. After 2000, however, in-migration from neighboring states slowed, while losses to coastal hubs and the sunbelt accelerated. If not for international migration, Minnesota would have lost more people than it attracted this century.

By February 2021, unemployment in Minnesota had again fallen to 4.3 percent, with state Job Vacancy Surveys showing many jobs were going unfilled. Competition for talent is likely to continue being a top challenge for Minnesota this decade.

How can Minnesota address this foundational issue,

Leave no one on the economic sidelines.

- Labor force participation fell sharply in 2020 and is not projected to return to pre-COVID levels this decade.
- Younger and older adults and communities of color are underrepresented in the workforce. The state must ensure full engagement for all Minnesotans to grow its workforce.

How many workers could Minnesota add by 2025?

(estimates by Real Time Talent)

- Close racial/ethnic disparities = 65,000 more workers.
- Increase employment for older workers = 1,150 more workers.
- Increase youth employment = 15,200 more workers.

Retain and attract talent.

- Minnesota had 15 consecutive years of net domestic migration losses this century, driven primarily by:
 - Slowing in-migration from neighboring states, particularly near bordering counties.
 - Out-migration of adults 18-24 yrs old.
 - Out-migration to sunbelt and western regions.
- Yet, the state does better when narrowing the focus to high skilled talent, and is a net gainer of adults in their late 20's-30's. Minnesota is also a top state for dual income households.
- Minnesota must retain existing residents and leverage assets to attract top talent this decade.

ensuring the state has a growing and vibrant workforce for years to come?

First, Minnesota must beat labor force projections.

Minnesota’s underwhelming economic forecast next decade is heavily influenced by its slow population and slow labor force growth projections. No matter how you cut it, Minnesota needs workforce growth if it wants to grow. Aging demographics and falling birth rates are outside our control, but there are strategies that can help Minnesota increase its number of workers, improving its economic growth potential, specifically:

- Retaining existing talent base (e.g. Decrease the loss of younger Minnesotans, in particular, to other states),
- Improving talent attraction from other states,
- Embracing and increasing international immigration; and,
- Ensuring no one is left on the economic sidelines.

As the Minnesota: 2030 report lays out, Minnesota can improve its economic outlook by retaining and attracting talent, and by bringing people into the workforce who may otherwise be on the sidelines. The state will not only grow our labor force, but also create stronger local communities and deliver greater equity for populations that have faced disadvantages.

Second, Minnesotans must have the skills to succeed.

Minnesota must rethink how it helps adults develop new skills. The days of performing the same job the same way for much of one’s career are over. Jobs and professions change and evolve quickly.

Minnesota should lead the way in rethinking how public and private sectors work together to provide tools and teach the skills necessary for workers to continually learn and thrive in a changing economy. Lifelong learning and development will be an ongoing career objective for many – and higher ed institutions must adapt and grow to respond to these changes. Not every job requires an advanced degree. Many skilled trades are and will continue to be in high demand. However, the skills deficit facing those

Minnesota: 2030 strategy

Exceed labor force projections. Grow talent by better training, retaining and attracting key workers and key demographics.

who don’t finish high school is only increasing, raising the stakes on successfully seeing students graduate.

This means the state’s ability to provide high quality K-12 education

to all Minnesota children, as well as quality higher educational and skills development opportunities for Minnesota adults will be absolutely imperative.

To continue to have a highly-skilled workforce as its economic cornerstone, Minnesota must ensure all students graduate high school prepared for the next phase of life, whether that be postsecondary education or a career. Minnesota students perform well on college entrance ACT scores, and rank 4th in the country in achieving two-year degrees or higher. However, the state’s high school graduation rate is below the national average – ranking 34th – and Minnesota has some of the largest achievement gaps by race, ethnicity and socioeconomic

The future of work will increasingly orient around higher cognitive, technological and relational/social-emotional skills. McKinsey estimates that by 2030, advanced technological skills will increase by 50% in the U.S., with IT and programming skills increasing by 90% and basic digital skills growing by 69% between 2016 and 2030 (Skill Shift: Automation and the Future of the Workforce, 2018).

status in the nation. This must be addressed.

Minnesota employers remain committed to engaging educational institutions and students in understanding, teaching and acquiring the skills needed to succeed in the high-demand jobs of tomorrow. Minnesota’s future in many ways depends on how this priority is executed.

Strategy three: Strengthen communities

It is no longer enough for regions to have diverse employment opportunities and high-quality education. Strong community assets and a welcoming culture that embraces all Minnesotans will define the strength of

growing communities and provide a competitive advantage economically.

A great career opportunity without reliable and affordable childcare or an affordable place to live is not a

formula for economic growth. Communities that lack high-speed connectivity face a competitive disadvantage in attracting both business investment and residents. Their children may also suffer from fewer educational advantages as demonstrated during the COVID-19 pandemic.

To thrive, these issues must be addressed and diversity must be welcomed and embraced. Communities and neighborhoods must develop inclusive cultures and strategies to continue to attract and advance opportunities for populations of color including immigrants and refugees. It is essential to the fabric of our culture and communities – and to the state's future economic growth.

Strengthen community assets – Child care

Minnesota's child care conundrum is intensifying. Parents need safe, reliable care for children if one or both parents work. Children, who will become our future workforce, need quality early-learning opportunities, pre-K.

Child care is difficult to find and expensive if you can find it. It was already impacting workplaces and COVID-19 only compounded it. In a Minnesota Chamber poll, 62 percent of member businesses rank affordable child care as a barrier to finding workers – and data points to child care shortages as already impeding economic growth in many Minnesota communities.

Traditional child care models may not be broken entirely everywhere, but often only Band-Aids hold certain aspects together. Analysis is required to address the ability of private-sector supply in response to market demand, as well as the intersection of public program and child care funding.

Supply and demand solutions both seem necessary. Solutions could include additional funding and support of providers, higher reimbursement rates, and greater investment in early-learning scholarships.

Minnesota: 2030 strategy

Give workers skills to succeed. Ensure workers can adapt to rapid changes in technologies and industries, leaving no one on the sidelines.

Employer incentives could possibly address issues for a company or a community.

Innovatively addressing child care affordability and accessibility would give Minnesota an incredible

advantage in attracting and retaining workforce talent. It is a priority – and a growth opportunity.

Strengthen community assets – Housing

One of Minnesota's economic assets, believe it or not, is affordability, especially compared to the more expensive east and west coasts – and housing is a critical piece of that.

Unfortunately, Minnesota's housing market is not producing enough affordable housing for entry-level homeowners. The 2018 Minnesota Governor's Task Force on Housing report found Minnesota needs to enable private sector building of 300,000 new homes to stabilize prices and keep up with demand this decade.

New strategies are needed. State, regional and local policymakers should undertake a rigorous cost/benefit analysis to assess and streamline the many regulations impacting housing, including permitting, zoning, and construction codes to make building housing more affordable. Policymakers, non-profits, builders and communities are also coming together to spur new construction and preserve housing stock in certain communities. But more must be done.

The Housing Affordability Institute in 2019 finds:

- New homes in Minnesota cost more than any Midwest market. A comparable home in Hudson, Wisconsin, for example, costs \$47,000 less than the same home in the east Twin Cities.
- The Twin Cities has one of the highest gaps between new and existing home prices in the nation.
- The disparity in homeownership rates between white and non-white Minnesotans is the highest in the nation.
- The Greater Minnesota Housing Fund continues to be a major driver of retaining and developing housing in Greater Minnesota, but the demand outpaces resources.

Strengthen community assets – Connectivity

Connectivity will only be more important in

the coming decade. Minnesota could take the lead supporting innovation in this area.

High-speed digital access is developing quickly in ways that may prove more cost effective for underserved areas. As

access grows, the “last mile” cost per connection may increase. Wireless and satellite connectivity should be explored to determine whether such methods can meet reliability needs. Incentives may be necessary to test deployment in different conditions. Rapid analysis of total cost, speeds, service reliability and subscription rates should follow within 12 months. If shown to be effective and competitive with traditional wired broadband at similar or lower costs, the state grant program should be modified to allow such solutions.

Progress on child care, housing and broadband must accelerate if Minnesota is to achieve its full economic potential this decade.

Embrace all Minnesotans: Make inclusion a strength

Closing the achievement gap and fixing our racial disparities is not just a moral imperative – it is also an economic imperative.

Minnesota has among the worst racial disparities in the country, ranging from employment to housing, health care to education and criminal justice to poverty. The importance of embracing all Minnesotans’ ability to contribute is obvious.

This conversation often focuses on “closing the gap” between white citizens and communities of color on a range of social and economic indicators. While necessary – and an appropriate goal of change – this suggests our work would somehow be done if we can get two lines to converge on a graph.

That’s too small a goal. The better objective would be to embrace all Minnesotans and make inclusion a strength. Because it would be wholly transformative.

If Minnesota embraced and valued the contributions of all – the economy would dramatically benefit. Making inclusion a strength would grow Minnesota’s economy like no other.

Minnesota: 2030 strategy

Make inclusion a strength. Leverage and scale diversity and inclusion efforts statewide. Offer a clearinghouse of resources, along with direct assistance to help employers diversify their workforce.

Are we close to that ideal? No. Far from it – as the data indicate.

But making Minnesota a state where people of all backgrounds can thrive, including people from diverse backgrounds around the world, could overcome many of our

most significant challenges.

Increasing opportunities for communities of color will boost our economy. Businesses could better recruit and welcome diverse talent from across the U.S. and internationally, adding richly to the talent of the workforce. Immigration has been a Minnesota strength. That can be leveraged as a positive experience.

Embracing all would be a mindset change for some; social challenges are rooted in every segment of society. But Minnesota’s business sector is innovative and committed – a powerful asset in driving change.

Even setting such a goal requires a dynamic, growing economy able to provide people of all backgrounds with tools and opportunities to pursue meaningful careers or start new businesses. Economic opportunity is the cornerstone of dynamism – and likely only happens with the sustained commitment of Minnesota’s private and public sectors.

Promising efforts are underway, with companies investing significantly in new models. Initiatives at scores of organizations are accelerating change and investing in Minnesota’s diverse talent pool. We detail examples in our full report. The breadth and scope is encouraging, and we believe such initiatives should be embraced as laboratories of inclusion and innovation. We will test, replicate and scale successful programs. We will promote our success in recruiting diverse talent from around the globe.

Rather than cover up Minnesota’s unacceptable disparities, we will address and correct them. But embracing inclusion as economic justice is a growth strategy as well.

Meaningful change requires that we change as Minnesotans. But it’s a powerful idea. Because embracing all Minnesotans and making inclusion a strength would be a powerful growth accelerator

What's next?



Minnesota's economy is strong – but the economy also faces challenges.

Even emerging from the pandemic, Minnesota's tight labor markets seem poised to return. Slow projected population growth and labor force growth suggest Minnesota's future job growth will again be constrained.

Much can be done to strengthen Minnesota, and shape and strengthen its economic future.

This summary highlights the Minnesota: 2030 report, which we strongly recommend to readers, businesses and policymakers for the broader depth and full scope it provides.

The decade ahead will be an era of change.

Technology, empowerment and AI/automation will be major drivers. Travel, tourism and hospitality will work to rebound. Food and agriculture will only be more important, and water only more precious. Everywhere digitalization and IoT connectivity will reshape jobs, regions and entire sectors.

Minnesota: 2030 outlines strategies and growth accelerators that could help power stronger economic performance. It details strengths on which to build and hurdles to overcome – with recommendations that could strengthen Minnesota's economy to 2030 and beyond.

Now the real work begins.

The Minnesota Chamber Foundation will prioritize recommendations, bring together key stakeholders and get to work. Some initiatives might be “one and done” projects, others may lead to greater research and yet other recommendations may include elevating work already underway.

We welcome the discussion and action Minnesota: 2030 will spur – and invite Minnesotans to join us in making Minnesota's 2030 economy all that it can be.

Access the full Minnesota: 2030 report, industry focus chapters and supporting research at mnchamber.com/foundation. ■

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Project Staff

Jennifer Byers, Executive Director,
Minnesota Chamber Foundation

Sean O'Neil, Director, Economic Research,
Minnesota Chamber of Commerce

Tom Forsythe, Principal, COO Communications, LLC



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400 Robert Street North, Suite 1500, St. Paul, MN 55101
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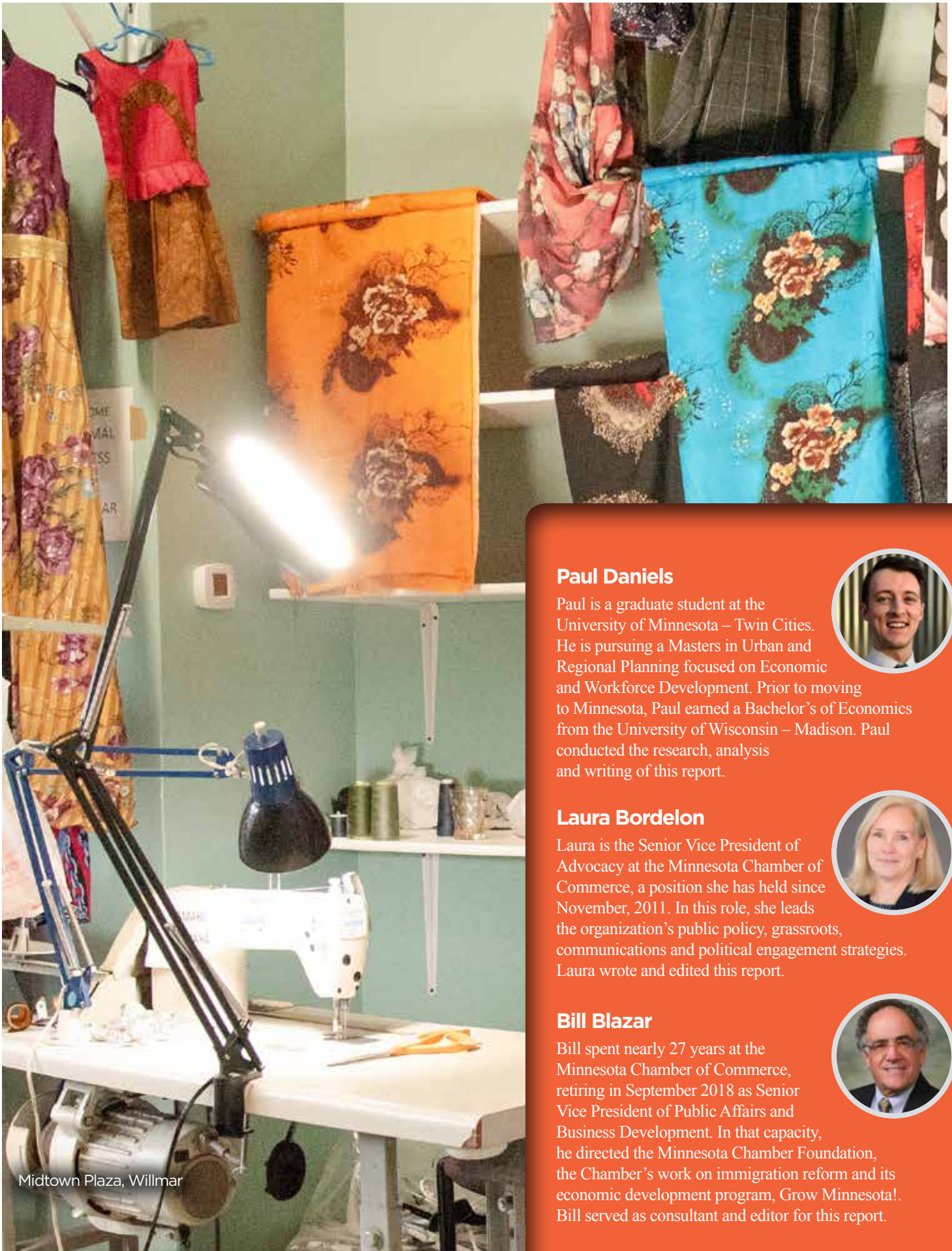
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The Economic Contributions of Immigrants in Minnesota

With support from
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March 2021



Midtown Plaza, Willmar

Paul Daniels

Paul is a graduate student at the University of Minnesota – Twin Cities. He is pursuing a Masters in Urban and Regional Planning focused on Economic and Workforce Development. Prior to moving to Minnesota, Paul earned a Bachelor's of Economics from the University of Wisconsin – Madison. Paul conducted the research, analysis and writing of this report.



Laura Bordelon

Laura is the Senior Vice President of Advocacy at the Minnesota Chamber of Commerce, a position she has held since November, 2011. In this role, she leads the organization's public policy, grassroots, communications and political engagement strategies. Laura wrote and edited this report.



Bill Blazar

Bill spent nearly 27 years at the Minnesota Chamber of Commerce, retiring in September 2018 as Senior Vice President of Public Affairs and Business Development. In that capacity, he directed the Minnesota Chamber Foundation, the Chamber's work on immigration reform and its economic development program, Grow Minnesota!. Bill served as consultant and editor for this report.





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Executive summary

The success of Minnesota’s economy, both now and in the future, is intrinsically linked to Minnesota’s immigrant communities. As innovators, business owners, workers, taxpayers, consumers, neighbors and connectors to other countries and cultures around the world, immigrants provide considerable benefits to our economy and our state. This report analyzes immigrants’ contributions to Minnesota through many lenses, with a specific focus on entrepreneurship, impact on regional economies and contributions to key state industries.

Immigrants complement native-born workers well and play essential roles throughout the economy. Recent immigrants enter the state with high levels of poverty, initially requiring greater levels of government assistance. But over time they join the workforce and gain economic footing and success.

Major findings of this report demonstrate the following:

- Minnesota needs immigrants. Absent their arrival, our overall population would have declined beginning in 2001, with Minnesota residents moving to other states.
- Immigrants link Minnesota to the world economy and make valuable and meaningful contributions to our state as employees, entrepreneurs, consumers and taxpayers.

- Immigrant entrepreneurship in Minnesota lags behind the rest of the nation. In a “homegrown” economy, entrepreneurship is a key source of new businesses. Building systems that support immigrant entrepreneurs is important to our current and long-term economic success.
- The nature of our immigrant population varies by region. The immigrant population in the Twin Cities region is vastly different than the rest of the state, both in number and percentage. The Central region has experienced faster immigrant population growth over the past 10 years than other parts of the state. Additionally, immigrant populations “cluster” in communities.
- Many of Minnesota’s most important industries have a strong immigrant presence. Without immigrant workers, key industries such as agriculture, health care and food manufacturing could not be as successful in the state.
- Over time, immigrants are upwardly mobile on multiple fronts including improved poverty, unemployment and homeownership rates. While there are costs for supporting foreign-born populations when they first arrive, these costs diminish as subsequent generations assimilate and gain economic success. ■



Deepinder Singh, CEO, 75F

Introduction

Immigration reform is at the forefront of national policy. The federal government has been deeply divided on the issue, reflecting the sentiment of many Americans. However, a recent poll shows that for the first time, a shift is taking place with more Americans saying they would like to see U.S. immigration increase rather than decrease.¹

The Minnesota Chamber of Commerce has supported comprehensive federal reform for years in order to facilitate the development of the state’s economy. The Chamber created the Minnesota Business Immigration Coalition to help tackle this critical issue. The Chamber has also sponsored or co-sponsored a series of reports over the last decade, researching the economic contributions of immigrants in Minnesota. This report will be the latest iteration of the Chamber’s research on this topic.



Employees at 75F creating products that improve building operational and energy efficiency.

Previous reports included:

- Immigrants and Minnesota’s Workforce, University of Minnesota Economic Development (2017)
- Focus on New Immigrants in Minnesota, Immigrant Law Center of Minnesota (2016)
- Immigrant Contributions to Minnesota’s Economy, Minnesota Business Immigration Coalition (2013)
- The Economic Contributions of Immigrants in Minnesota, Minnesota Chamber of Commerce (2013)
- The Economic Impact of Immigrants in Minnesota, Minnesota Business Immigration Coalition (2009)

This report begins by presenting immigrant demographics in Minnesota. It then analyzes the economic contributions of immigrants as part of a successfully functioning economy. Specific attention is paid to immigrants’ roles as entrepreneurs, their impacts to regional economies and their role in some of the state’s key industries. Finally, this report analyzes the costs and contributions of immigrants over time.

The COVID-19 pandemic caused a devastating disruption to the global economy. Unemployment has swelled to record highs, businesses have been forced to close and global supply chains have been pushed to their breaking point. It is difficult to know how the economy will respond in the long term and the extent to which the virus has impacted Minnesota. For that reason, this report will focus on Minnesota’s economy pre-pandemic and not address specific effects of the global pandemic.

Definitions

For the purposes of this report, the terms “immigrant” and “foreign-born” are used interchangeably. These terms refer to a person who does not have U.S. citizenship at birth and encompasses naturalized U.S. citizens, lawful permanent residents, temporary migrants, refugees, asylees and unauthorized immigrants.

The term “native-born” refers to a person who was born in the United States, Puerto Rico or a U.S. Island Area.

The term “refugee” refers to a person forced to leave their country in order to escape war, persecution or natural disaster.

Rather than using the terms “illegal” or “undocumented,” this report will use the term “unauthorized immigrants” to refer to foreign-born non-citizens who are not legal residents.

“Naturalized citizens” are lawful permanent residents who are not native-born but have been granted U.S. citizenship. ■



The Economic Contributions of Immigrants in Minnesota



Demographic analysis

- As Minnesota's population ages, international migration is a key to future population growth.
- Minnesota's net international migration has been positive over the past two decades and has offset the loss of Minnesota residents leaving for other states.
- A higher percentage of the foreign-born population than the native-born population is of working age (18-64).

Minnesota's demographics are shifting and the population is quickly aging.² According to the State Demographer, deaths will outnumber births by the early 2040s.³ For Minnesota to experience meaningful population growth in the future, it will need to come from migration to the state. Thankfully, a growing number of

immigrants call Minnesota home. While domestic net migration was mostly negative from 2002 to 2019, net international migration remained steadfastly high.^{4,5}

Immigrants arriving in Minnesota are younger on average than native-born Minnesotans, and play an oversized role in the

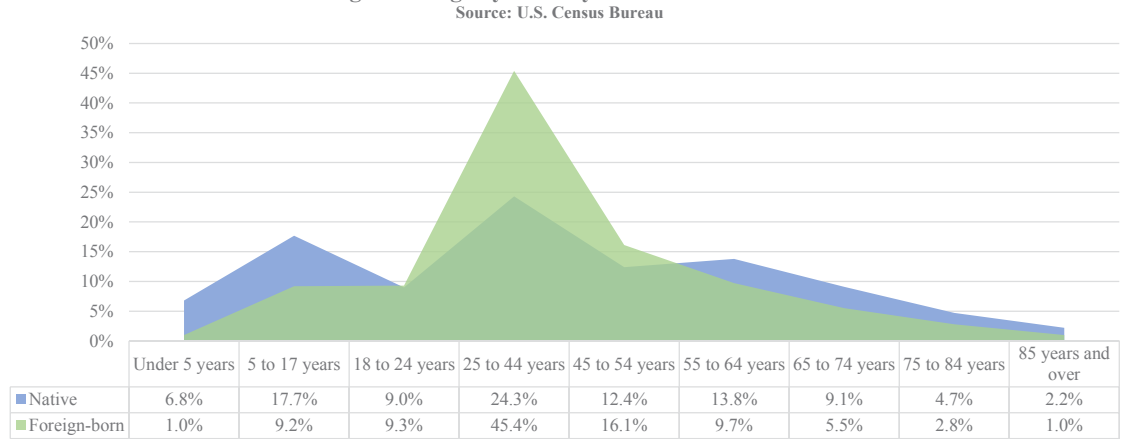
labor force. 81% of the foreign-born population is of working age (18-64) while only 60% of the native-born population belongs to this age group.⁶ Figure 1 illustrates the high percentage of the foreign-born population that is working age while the native-born population is more evenly spread out across the age spectrum. According to the Minnesota Department of Employment and Economic Development

(DEED), the number of immigrants in the labor force increased by 40% from 2006-2016.⁷ Nationally, immigrants become entrepreneurs at higher rates than the native-born population; however, this trend does not hold true in Minnesota.

Minnesota’s immigrant population totals 472,849 individuals representing 8.5% of the state’s total population,⁸ meaning one in 12 Minnesotans is foreign-born. Figure 2 shows that this number increased in the last 30 years from 2.6% in 1990.⁹ During that same time period, the immigrant population in the Twin Cities metro area grew from 3.8% to 10.5%.¹⁰ Compared to national immigration trends, the growth in immigrant population here is outpacing the growth in other states and nationally. Between 1990 and 2018, the state’s immigrant population grew by over 300%, while the national immigrant population grew by 126%. The total number of unauthorized immigrants in Minnesota is not precisely known, but it is estimated to be around 95,000, which represents 20% of the foreign-born population and 2% of the total state population.¹¹

Analyzing the place of birth for Minnesota’s foreign-born population shows the diverse backgrounds of this group. Asia is

Figure 1 - Age by Nativity - Minnesota - 2019



the place of birth for 38% of Minnesota’s foreign-born population, followed by Africa at 26% and Latin America at 24%.¹² The top four countries of birth among the foreign-born population in Minnesota are Mexico, Somalia, India and Laos (table 1).¹³

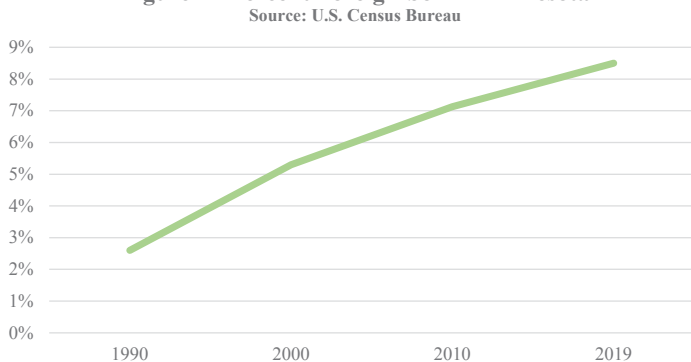
It is important to differentiate between immigrants and refugees in this analysis. Refugees—as opposed to immigrants—flee their home country and are resettled with little, if any, choice in where they initially live. After the initial resettlement period, refugees have the ability to move, and a majority of them choose to move to Minnesota. Minnesota has a larger share of secondary refugee migration than all other states combined.¹⁴ In part, this is a result of a robust support system including access to good schools, quality health screening and care, and employment assistance.¹⁵ Another draw for refugees are existing communities of immigrants and refugees already here. For a ranking of Minnesota cities by foreign-born populations, see Appendix Table A4. The Somali population in Minnesota is the largest in the United States and the Hmong population is the second largest. The Minnesota Department of Health (MDH), which tracks refugee arrivals, reported that from 1979-2018, 109,605 refugees settled here,¹⁶ roughly 30% of the state’s foreign-born arrivals during this time period. Refugees per capita are higher in Minnesota than in any other state.¹⁷ Unsurprisingly, most primary refugee arrivals resettle in Hennepin and Ramsey counties which have the second and third highest foreign-born populations of all the counties in the state.¹⁸

Table 1 - Top Four Countries of Birth of the Foreign-born Population - Minnesota - 2019

Mexico	62,597
Somalia	36,495
India	32,135
Laos	24,211

Source: U.S. Census Bureau (2019). ACS 5-Year Estimates.

Figure 2 - Percent Foreign-born - Minnesota





The Economic Contributions of Immigrants in Minnesota

PaJai Fruit Arrangements and Bakery in St. Paul



Economic contributions

- Immigrants' spending power is over \$12.4 billion annually, while households paid \$4.5 billion in taxes in 2019.
- Immigrants in Minnesota have higher rates of labor force participation than the native-born population.
- Minnesota's workforce is increasingly made up of foreign-born workers. Educational attainment among immigrants is concentrated on the far ends of the spectrum, while educational attainment among the native-born population is concentrated in the middle, allowing immigrants to complement the native-born workforce well.
- Immigrants are an important link to the world economy.

There are a number of ways to analyze the economic and multidimensional contributions of immigrants to the development of Minnesota's economy. In this analysis, immigrants' impacts

are measured by their role in the economy as consumers, sources of human capital, taxpayers, entrepreneurs and by facilitating connections to global markets.¹⁹

Table 2 - Homeownership Rates - Minnesota - 2019

	Native	Foreign-born	Foreign-born (entered before to 2000)
Homeownership rate (%)	73.9	47.1	64.3

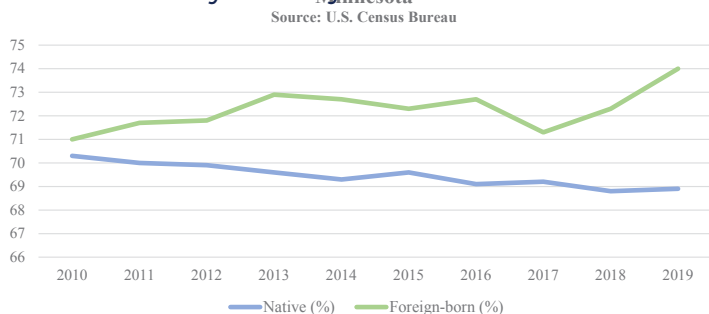
Source: U.S. Census Bureau (2019). ACS 5-Year Estimates

Table 3 - Labor Force by Nativity - Minnesota

	2010	2019
Native (%)	91.8	89.6
Foreign-born (%)	8.3	10.4

Source: U.S. Census Bureau, 1-Year Estimates

Figure 3 - Labor Force Participation Rates by Nativity - Minnesota



Consumers

As consumers, immigrants play an important role in the economy through the purchase of goods and services. Immigrants wield \$12.4 billion in spending power in Minnesota.²⁰ This number is more than double than in 2013, when their spending power was estimated around \$5 billion.²¹ This after-tax income is used to support existing businesses throughout communities and the creation of new businesses that meet immigrant consumers' needs, tastes and preferences.

Spending power also stimulates local housing and rental markets. Homeownership represents the purchase of most Minnesotans' single largest asset. Owning a home helps contribute to wealth accumulation over time. Recent immigrants, however, are more likely to be rent-burdened and will spend a higher proportion of their income on goods and services instead of purchasing a home. This is not a permanent feature though: the longer an immigrant

household is in the U.S., the more likely they are to own a home and start accumulating wealth (table 2). The foreign-born population does not purchase homes at the same rates as the native-born population until many years after arriving in the U.S.²² Buying a home is a tremendous step forward for any citizen and represents putting down roots in a community. This is no different for the foreign-born population.

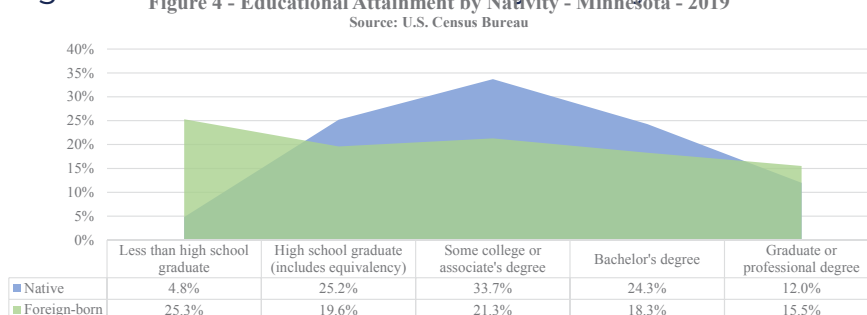
Human capital

A healthy supply of labor is essential to keeping Minnesota's economy running smoothly. "Tight labor markets and a growing scarcity of workers" are now recognized as two barriers to growth in Minnesota's economy.²³ Immigrants play a large role in addressing these human capital needs. Since the 1980s, the foreign-born percentage of Minnesota's workforce has grown from 2% to over 10%.²⁴ The current total number of immigrants in the workforce is 315,308.²⁵ Nationally, there are 28.4 million foreign-born workers in the labor force representing 17% of the total.²⁶ In Minnesota, the foreign-born percentage of the labor force is 10.4% (table 3). Additionally, labor force participation rates among immigrants are higher than among native-born workers, a trend that has grown over the last decade (figure 3). Shrinking labor force participation rates among the native-born Minnesota population creates challenges to Minnesota's economic growth and expansion. Nationally, labor force participation rates are trending up for both foreign- and native-born workers.

A healthy supply of labor is essential to keeping Minnesota's economy running smoothly.

Figure 4 shows that foreign-born workers tend to fall on the far ends of the educational attainment spectrum. Higher

Figure 4 - Educational Attainment by Nativity - Minnesota - 2019





The Economic Contributions of Immigrants in Minnesota

Table 4 - Occupation by Nativity - Minnesota - 2019

Occupation	Native (%)	Foreign-born (%)
Management, business, science, and arts occupations	41.9	35.7
Service occupations	15.4	22.8
Sales and office occupations	21.6	14.2
Natural resources, construction, and maintenance occupations	8.2	6.5
Production, transportation, and material moving occupations	13.0	20.9

Source: U.S. Census Bureau (2019). ACS 5-Year Estimates

percentages of foreign-born workers are clustered in the “less than high school degree” category and the “graduate and or professional degree” category than native-born workers. This complements our native-born workforce and helps supply employees where needed.

Much like national trends, Minnesota’s foreign-born workers are more likely to work in service occupations and production, transportation, material moving occupations than their native-born counterparts (table 4), comprising more than 20% of the total workforce in each of these occupation categories. Immigrants are less likely to work in management, professional and related occupations and/ or in sales and office occupations.

Table 5 outlines the top 10 occupations in demand in Minnesota and the Twin Cities metro area. Of the top 10 occupations in demand statewide, three have a strong presence of immigrant workers (personal care aides, food preparation and service, and nursing aides). The most in-demand occupation as of July 2019 was registered nurses, comprising 8% of foreign-

born workers. Three of the top 10 occupations in the Twin Cities metro area have a strong immigrant presence. Table 6 shows the top 10 occupations employing foreign-born workers by share of employment in Minnesota in 2019. Some occupations with large shares of foreign-born employment include highly-specialized fields such as engineers and scientists, which require greater levels of educational attainment. This specialization makes employment numbers incredibly small and shows that employers frequently turn to immigrants to fill these positions. For example, of the 188 petroleum, mining and

Highly-skilled workers are in tremendous demand in Minnesota.

geological engineers, and the 105 nuclear medicine technologists in Minnesota, 76% and 82% respectively are foreign-born. For a list of high-skill occupations with large shares of foreign-born employment, see Appendix Table A3.

High-skilled workers are in tremendous demand in Minnesota. H-1B visas are reserved for immigrant workers in specialty occupations who hold at least a bachelor’s degree. One of the first steps in applying for an H-1B visa is to submit a Labor Condition Application (LCA) to the U.S. Department of Labor. Businesses in Minnesota submitted nearly 11,000 LCAs in fiscal year 2018, which ranks 15th among all U.S. states.²⁷ Many Minnesota businesses require specialized talent and many universities apply for H-1B visas to bring specialized academic capability to the state. The University of Minnesota, for example, submitted 266 LCAs in fiscal year 2018.²⁸ Minnesota’s

Table 5 - Occupations in Demand - Minnesota - July 2019

Rank	Minnesota	Twin Cities Metro
1	Registered Nurse	Retail Salespersons
2	Heavy and Tractor-Trailer Truck Drivers	Heavy and Tractor-Trailer Truck Drivers
3	Retail Salespersons	Combined Food Preparation and Serving Workers
4	Personal Care Aides	Personal Care Aides
5	Combined Food Preparation and Serving Workers, Inc	Registered Nurse
6	Cashiers	Software Developers, Applications
7	Nursing Assistants	Janitors and Cleaners, Except Maids and Housekeeping
8	First-line Supervisors of Retail Sales Workers	Cashiers
9	Laborers and Freight, Stock, and Material Movers	Laborers and Freight, Stock, and Material Movers
10	Home Health Aides	Stock Clerks and Order Fillers

Indicates strong immigrant presence (> 15% share of employment)
Source: Minnesota DEED

Table 6 - Top Ten Occupations by Foreign-born Share of Employment - Minnesota - 2019

Occupation	Foreign-born Employment	Foreign-born Share of Employment (%)
Manicurists and Pedicurists	1,414	74.7
Taxi Drivers	4,273	68.7
Postal Service Mail Sorters, Processors, and Processing Machine Operators	2,203	55.6
Packaging and Filling Machine Operators and Tenders	4,010	54.0
Laundry and Dry-Cleaning Workers	2,013	50.0
Electrical, Electronics, and Electromechanical Assemblers	2,271	48.5
Interpreters and Translators	1,737	45.9
Crushing, Grinding, Polishing, Mixing, and Blending Workers	1,042	39.6
Other Metal and Plastic Workers	3,592	38.6
Other Assemblers and Fabricators	13,130	38.0

Note: Minimum 1,000 employees
Source: U.S. Census Bureau (2019). ACS 1-Year Estimates

diverse economy has a breadth of needs for the skills and expertise that immigrants provide. Analysis of this critical component to Minnesota’s economy will be addressed later in the report and includes interviews with stakeholders among some of the state’s key industries.

Immigrants pay sales tax, property tax, payroll tax and others, which benefits all Minnesotans.

Taxpayers

One of the major contributions immigrants make to the economy is in the form of taxes.

Immigrants pay sales tax, property tax, payroll tax and others, which benefits all Minnesotans. Immigrant households in the state paid \$4.5 billion in taxes in 2019: \$2 billion in state and local taxes, and \$2.5 billion in federal taxes.²⁹ These tax dollars helped support public education, health care and safety throughout the community. Estimates from 2018 show unauthorized immigrants paid \$300 million in taxes, with \$108.8 million going to state and local governments, while \$191.2 million went to the federal government.³⁰

Despite contributing to public coffers, unauthorized immigrants cannot access most social welfare programs. This imbalance means taxes paid by unauthorized immigrants account for a larger percentage than the share of government benefits they receive.

Critical entitlement programs such as Social Security and Medicare both receive funding from immigrant tax contributions. Recent research found that both native- and foreign-born workers’ tax contributions were unable to cover their publicly-provided benefits in the short-run. The study concluded that “immigrants’ tax contributions cover 93% of their publicly-provided benefits, while natives’ contributions cover only 77% of theirs.”³¹ The study also found immigrants to be more costly in terms of public support at the state and local levels due to higher education costs. Refugees, on the other hand, represent a net fiscal benefit nationally when comparing public benefit expenditures and tax revenue; revenue exceeded expenditures by \$63 billion.³²

Link to the world economy

Connections to global networks allow immigrants to bring foreign investment to Minnesota and maintain a high level of exports. Research from the Small Business Administration (SBA) shows that “immigrant-owned businesses are more likely to export than are non-immigrant owned businesses.”³³ Nationally, immigrant businesses maintain a high share of exports and 7.1% of immigrant firms export compared to 4.4% of non-immigrant firms.³⁴ One explanation for this difference is that immigrants maintain connections to business networks in their home countries. Their similar cultural ties and shared languages make business transactions easier. Countries involved in trade relationships that share the same languages have 42% more trade between them than countries where the languages are different.³⁵ Immigrants also bring cultural diversity to Minnesota, adding to the assets of the state. Marketing these assets can both attract firms and additional investment.³⁶ ■



The Economic Contributions of Immigrants in Minnesota



K.C. Kye, Owner,
K-Mama Sauce,
Columbia Heights

Economic contributions through entrepreneurship

- Immigrant entrepreneurship in Minnesota lags the rest of the nation. The state’s historically low unemployment, and high labor participation rates and job opportunities may be contributing factors, resulting in less entrepreneurship and startup activity. Minnesota’s comparatively younger immigrant population and immigrants’ higher education attainment levels are additional considerations.
- Access to financial capital is a major barrier for immigrants eager to start a business.
- As a primarily “homegrown” economy, rates of entrepreneurship in Minnesota are important to long-term economic success. Building the systems that support immigrant entrepreneurs now is important to the development of the current and future economy.

Among the key characteristics of Minnesota’s economy are its industrial diversity and large number of homegrown enterprises, i.e. businesses that start, succeed and grow in the state. Fueling these characteristics are high-quality native-born and immigrant entrepreneurs and workers. The rate of entrepreneurship—whether

native-born or immigrant—is modest relative to other states, but their businesses survive at a rate that’s among the highest.³⁷ Workforce participation rates by native-born and immigrant Minnesotans alike are also high-ranking.³⁸ Whether immigrants choose to be entrepreneurs and/or workers, they are contributing to

		Minnesota	Wisconsin	Michigan	Illinois	USA
Self-Employment (%)	Native	5.4	5.1	4.9	4.3	5.6
	Foreign-born	3.7	4.1	4.4	5.6	7.7

Source: U.S. Census Bureau (2019). ACS 5-Year Estimates

the development and growth of the state’s economy. In previous sections, data presented their role as workers. Here data analyzes their role as entrepreneurs.

Entrepreneurial immigrants play an increasingly important role in the economy through job creation, innovation and GDP growth. In Minnesota, there were over 18,000 immigrant entrepreneurs as of 2018.³⁹ Their firms employed 53,239 workers representing about 2% of the state’s total labor pool. Yet despite these positive numbers, Minnesota’s immigrant entrepreneurship rate lags the rest of the country.

The U.S. Census Bureau collects data on self-employment rates throughout the country (self-employment is a useful proxy for entrepreneurship). Using Census Bureau estimates, Minnesota is on par with the nation’s self-employment rate among the native-born population, but significantly lags the foreign-born population self-employment rate. Nationally, immigrants have higher rates of self-employment (table 7), and when compared to peer states, Minnesota has a much larger difference between native- and foreign-born self-employment rates. According to the Census Bureau’s 2017 Annual Business Survey, the percentage of foreign-born business owners in Minnesota is on the low end when compared to its Midwestern peers and the nation. The National Immigration Forum found that immigrants throughout the U.S. are more likely to start a business than the native-born population.⁴⁰ Refugees in the U.S. have a particular propensity for entrepreneurship.⁴¹ Specifically, figure 5 compares the national entrepreneurship rates among refugees, immigrants and native-born populations. As noted earlier, Minnesota has a particularly high number of resettled refugees which should correlate to a higher immigrant entrepreneurship level, but that does not appear to be the case.

National immigration trends further indicate that immigrant entrepreneurs tend not to follow the expected pattern of entrepreneurship rates, i.e. rising educational attainment. Instead, immigrants in the U.S. are actually more likely to start a business if they do not hold a bachelor’s degree.⁴² Among these foreign-born entrepreneurs with lower levels of educational attainment, construction, landscaping and food service are among the most popular industries to own a business.

Why is Minnesota different than other states? Some economists speculate that business startup activity may be low because new startups are both “need based” and “opportunity-based.” Minnesota’s low unemployment rates and workforce shortage

Whether immigrants choose to be entrepreneurs and/or workers, they are contributing to the development and growth of the state’s economy.

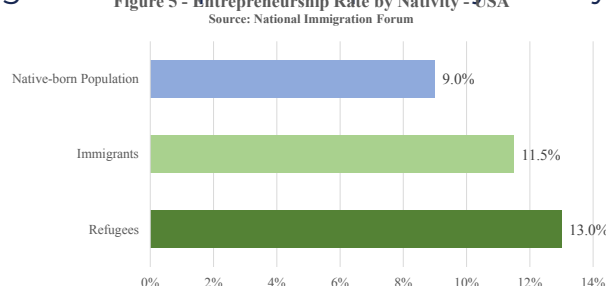
may mean immigrants are able to find good, stable employment that provides income and benefits for themselves and their families reducing the need to start their own businesses. As a “homegrown economy”, rates of entrepreneurship and startup activity matter for Minnesota’s long-term economic growth and success.

GreaterMSP, a non-profit organization focused on economic development in the Twin Cities metro area, found that only 9,336 new establishments formed in 2019, which ranks at the bottom among our peer regions.⁴³

Additional data from the Kauffman Indicators of Entrepreneurship shows that only 0.18% of Minnesota’s population started a new business in 2019, down slightly from 2018.⁴⁴ For comparison, the U.S. median has remained relatively close to 0.3% over the last decade.⁴⁵ The opportunity share of new entrepreneurs is also very high, around 80%.⁴⁶ This is the percent of new entrepreneurs who were not unemployed or looking for a job when they started their business, a distinction that provides further insight into why entrepreneurs may not be starting businesses in the state.

Recent research from the Federal Reserve Bank of Minneapolis explores other potential causes for this phenomenon. One explanation is the age of immigrants in Minnesota.⁴⁷ The median

Figure 5 - Entrepreneurship Rate by Nativity - USA





The Economic Contributions of Immigrants in Minnesota

age of the foreign-born population in Minnesota is over six years younger than the national foreign-born population. Looking at a more fine-tuned comparison within the Midwest, Minnesota's peer states (Illinois, Michigan and Wisconsin) all have both a higher foreign-born self-employment rate and a higher foreign-born median age. State Demographer Susan Brower points out that younger immigrants "haven't had time to age into business ownership." It takes time for immigrants to accumulate capital and develop the business knowledge necessary to start a business.

The level of educational attainment among the foreign-born population is another possible reason. The rate of immigrants holding bachelor's degrees or advanced degrees in Minnesota is higher than the national rate and most peer states. As previously discussed, immigrants are more likely to start a business when they have lower education levels. Minnesota's foreign-born population is highly-educated, which is likely another contributing factor for the lower entrepreneurship rate.

After speaking with numerous immigrant business owners across Minnesota, a common theme emerged as a significant barrier to entrepreneurship: accessing financial capital. For most of the immigrants interviewed, this was the biggest challenge when starting their business.

Abdirizak Mahboub, a Somali-born entrepreneur, was able to secure financing to open a shopping center called Midtown Plaza in Willmar. "It was a challenge! I happened to get connected to a small bank in Willmar and I happened to know the owner." He said his relationship with the owner allowed him to outline his business plan. He still had to provide a large down payment, something many immigrants don't have. Eventually, he was able to access assistance from local economic development agencies.

New immigrants may lack the knowledge for navigating business financing as they compile a business plan. Entrepreneurs interviewed for this report were unaware of resources available to them until after they had started their businesses. Some started businesses out of their homes using resources from family and friends to get off the ground. A recent study of "current local government policies that aim at tapping into immigrants' entrepreneurial potential" found that these policies address the information and language needs of budding immigrant entrepreneurs but are not aimed "at developing their business skills and facilitating their access to financial capital."⁴⁸ Both are critical to starting a business and pose a significant roadblock for immigrants to overcome.

Recent immigrants may also experience increased difficulty

"I happened to get connected to a small bank in Willmar and I happened to know the owner."



Abdirizak Mahboub, Owner, Midtown Plaza, Willmar

accessing capital because of their limited credit history. Community Development Financial Institutions ("CDFIs") are a key resource for early financial assistance for immigrant business owners. CDFIs emerged from the first minority-owned banks in the 1880s that focused on providing financial services to low-income areas. Today, CDFIs are community organizations providing financial services to economically underserved markets.⁴⁹ There are approximately 1,000 CDFIs nationwide, with 35 located in Minnesota, ranging from banks and credit unions to loan funds and venture capital providers.⁵⁰ These community organizations link underserved populations, including aspiring immigrant entrepreneurs and business capital. Since 1996, Minnesota CDFIs have been awarded almost two billion dollars in loans from the Federal CDFI Fund through the U.S. Department of the Treasury. Awards have been issued to many



Products sold at Midtown Plaza, Willmar

CDFIs including the African Development Center in Minneapolis and the Immigrant Development Center in Moorhead.

Once an immigrant entrepreneur starts a business with the help of a community organization, they can then access traditional capital sources to grow and expand. Rick Beeson, Executive Vice President at Sunrise Banks, explained, “It’s hard to give money to startups” but CDFIs “prepare businesses for regular banking.” More traditional sources of financial services become available once a business establishes cash flow and projected sales growth. Connecting immigrant-owned businesses with community organizations that can access CDFI funds appears to be a key component of improving their viability and increasing entrepreneurship.

One successful example of this connection is K.C. Kye, the owner of K-Mama Sauce, a Columbia Heights-based Korean hot

sauce company, launched in 2015. Because K.C. immigrated to the U.S. at a young age and had previous work experience in local government, he knew there were resources available to help start his business. He connected with the Neighborhood Development Center (NDC) in St. Paul through a friend and fellow immigrant entrepreneur, tapping resources through the NDC and other nonprofits in the area. When asked his advice to increase the number of immigrant-owned businesses in Minnesota, K.C. said, “A personal connection or invitation from resources would be useful. Connecting immigrants to resources is tough. It needs to be done better, almost like hand-holding with immigrants to get them those resources. Many immigrants don’t know what’s available, so reach out to them directly to help.”

Marketing business resources to potential immigrant entrepreneurs is another potential way to improve access to capital. With time, as Minnesota’s immigrants age, assistance can be refined and scaled to potentially grow entrepreneurship within this population. In addition, the demographics of Minnesota’s native-born population suggest that there will be many employment and career opportunities for immigrants and native-born Minnesotans alike for the foreseeable future. Coupled with the younger age profile of Minnesota immigrants, there likely won’t be a significant increase in the rate of immigrant entrepreneurship any time soon. For Minnesota’s comparative age profile, see Appendix Table A5. Nonetheless, building the systems that support immigrant entrepreneurs is important to the development of the state’s current and future economy. ■



The Economic Contributions of Immigrants in Minnesota



Some of the products manufactured by 75F, increasing building energy efficiency.

Economic contributions by region

- The Twin Cities metro area’s foreign-born population is vastly different from the rest of Minnesota.
- Minnesota is home to several foreign-born communities clustered throughout the state, demonstrating their statewide economic value.

Immigrants are more geographically concentrated than native-born citizens, no matter what geographical unit is used.⁵¹ To facilitate further analysis of immigrants in Minnesota, this report divides the state into six regions: Central, Twin Cities metro, Northeast, Northwest, Southeast and Southwest. Seven key economic indicators are used to compare the regions (table 8). For a county-by-county list of each region, see Appendix Table A2. The Southeast, Southwest and Twin Cities metro regions have the highest percentages of foreign-born populations in the state. It is worth noting that while the Central region only has a foreign-born population of about 4%, it saw the largest increase in the state between 2010 and 2019 at over 50%—far outpacing the statewide growth rate of 25.8%.⁵² In many of the regions, educational attainment among the foreign-born population matches or outpaces the native-born population. This is notable in the Northeast region where the gap is over 12 percentage points. An explanation for the gap in the Northeast and Southeast regions is the concentration of jobs in the high-skilled health care and educational services



industries. As expected, languages other than English are spoken in homes in the areas with higher foreign-born populations. The poverty rates in all regions are at least seven percentage points higher for the foreign-born population. Surprisingly, there is no discernable trend among foreign-born

business ownership in the non-metro area regions; they all hover between 2% and 3%.

Throughout the state, organizations have been created with the purpose of helping those who are new to an area make solid community connections. Such is the case in Austin, Minnesota. The Welcome Center is designed to help welcome new residents to the community and connect new and existing residents on important topics such as education, housing, faith-based organizations and other important community assets. Its mission is: Empowering diverse community engagement through guidance and connections. To provide a place to welcome their new neighbors, provide guidance and services to assist newcomers in their transition into the community. They collaborate with agencies to address multicultural

Table 8 - Minnesota Regional Profiles

		7-County Metro	Central	NE	NW	SE	SW
Population 2018*	Total	3,039,708	703,419	325,181	562,702	504,331	392,017
	Foreign Born	363,294	27,017	7,020	12,182	33,317	18,928
	Percent (%)	11.95	3.80	2.16	2.16	6.61	4.83
Net Migration 2010-2019**	Total	87,446	6,461	1,287	5,925	-962	-10,078
	International	85,827	8,967	1,684	3,642	9,107	4,889
	Domestic	1,619	-2,506	-397	2,283	-10,069	-14,967
Median Household Income 2018*	Total (\$)	77,034	68,399	53,531	55,979	65,054	55,181
Language other than English spoken at home 2018*	Total (%)	16.3	6.1	3.4	4.0	9.7	7.7
Educational Attainment: Bachelor's Degree or higher 2018*	Total (%)	43.7	21.7	24.3	21.9	27.7	20.2
	Foreign Born (%)	35.4	21.5	36.9	24.6	31.1	15.1
Poverty Rate 2018*	Total (%)	9.4	9.0	14.2	11.8	10.1	12.3
	Foreign Born (%)	17.1	26.5	21.9	22.8	21.8	25.4
Business Owners 2017***	Native (%)	91	98	97	98	97	98
	Foreign Born (%)	9	2	3	2	3	2
*Source: U.S. Census Bureau (2018). ACS 5-Year Estimates							
**Source: Minnesota DEED							
***Source: U.S. Census Bureau (2017). Annual Business Survey							

Table 9 - Comparative Metropolitan Regions - 2018

	Minneapolis MSA	St Louis MSA	Indianapolis MSA	Denver MSA	Kansas City MSA	Milwaukee MSA
Foreign-born Population (%)*	10.58	4.72	6.83	12.27	6.70	7.29
Population Growth Rate 2010-2019 (%)**	10.77	-0.49	13.17	16.16	5.86	1.15
Foreign-born Population Growth Rate 2010-2019 (%)**	23.29	6.67	24.19	N/A	20.53	20.88
Self-Employment (%)*	4.5	4.4	4.5	5.6	5.1	3.9
Poverty Rate (%)*	9.4	11.9	13.2	9.4	11	14
Unemployment Rate (%)*	3.9	5.5	5.4	4.0	4.4	4.8
Economic Growth Rate 2017-2018 (%)***	2.52	2.64	2.03	3.43	1.46	2.26
*Source: U.S. Census Bureau (2018). ACS 5-Year Estimates						
**Source: U.S. Census Bureau (2010-2019) ACS 1-Year Estimates						
***Source: U.S. Bureau of Economic Analysis						

issues, provide interpreting services, and develop programs and services that open economic opportunities to newcomers. As a 501(c)(3) nonprofit organization, the Welcome Center is able to carry out its mission by receiving support from the local United Way and the Hormel Foundation.

The foreign-born population in the Twin Cities Metro region has a markedly different makeup than the rest of the state, both in total number and percentage. This affects other aspects of the community.

It is useful to compare it to peer metro areas, which were selected based on location and relative population size (table 9). Minneapolis and St. Paul have a relatively high growth rate for their total and foreign-born populations. Poverty and unemployment rates are the lowest among the peer metro areas. Self-employment is right at the median for these peer metro areas. Recent economic growth, measured by changes in GDP, shows that Minneapolis-St. Paul is growing moderately compared to its peers. ■



The Economic Contributions of Immigrants in Minnesota



Pat Lunemann, Partner,
Twin Eagle Dairy, Clarissa

Key industries' reliance on immigrant talent

- Many of Minnesota's most important industries have a strong immigrant presence.
- Without immigrant workers, key industries such as agriculture, health care and food manufacturing could not be as successful in the state.

Minnesota has a diverse economy with specialization in numerous industries. Using location quotients, which identify specialization in an area, a few types of industries stand out as integral to the Minnesota economy. Table 10 outlines the top NAICS subsectors arranged by highest employment location quotient.⁵⁴ These specialized industries include numerous forms of manufacturing, animal production, and nursing and residential care facilities. This report focuses on three of the top 10 location quotient industries, as they reflect the state's economy

(manufacturing, agriculture and health care) and are heavily supported by immigrant workers.

Agriculture

Agriculture is an undeniably important part of Minnesota's economy. As of 2019, Minnesota ranked 5th in the nation for agricultural production at \$17.1 billion and 5th in the nation for agricultural exporting.⁵⁵ Many immigrants are employed in this sector. In 2019, just under 7% of all agricultural workers in the

Table 10 - NAICS Sub-Sectors Listed by Highest Location Quotient - Minnesota - 2019

NAICS	Industry Sub-Sector	Annual Establishments	Annual Average Employment	Annual Average Weekly Wages	Annual Wages per Employee	Annual Average Employment Location Quotient
482	Rail transportation	10	52	\$888	\$46,162	6.47
521	Monetary authorities - central bank	34	1,209	2,152	111,909	3.08
323	Printing and related support activities	654	20,454	1,140	59,299	2.47
339	Miscellaneous manufacturing	1,147	26,458	1,347	70,025	2.19
112	Animal production and aquaculture	904	11,378	809	42,044	2.19
316	Leather and allied product manufacturing	20	1,180	1,400	72,813	2.19
334	Computer and electronic product manufacturing	510	45,580	1,942	100,963	2.17
551	Management of companies and enterprises	1,616	89,147	2,488	129,392	1.89
533	Lessors of nonfinancial intangible assets	81	776	1,886	98,052	1.7
623	Nursing and residential care facilities	2,875	108,279	603	31,351	1.64
485	Transit and ground passenger transportation	522	15,668	520	27,034	1.64
332	Fabricated metal product manufacturing	1,623	44,690	1,172	60,955	1.54
333	Machinery manufacturing	847	33,846	1,338	69,552	1.54
212	Mining, except oil and gas	169	5,676	1,765	91,768	1.51
321	Wood product manufacturing	329	11,742	1,055	54,882	1.48
311	Food manufacturing	698	46,547	1,032	53,684	1.45

Source: U.S. Bureau of Labor Statistics

state were foreign-born.⁵⁶ The animal production subsector, including workers in the dairy industry, is made up of over 9% foreign-born workers and almost 32% of the forestry subsector is made up of foreign-born workers.⁵⁷ Farm owners describe immigrants as irreplaceable assets in their industry, filling an important niche that native-born workers don't. They play a variety of key roles, from the entry level to management, and are willing to work the long, arduous hours required in this industry.

Many immigrants are interested in starting their own agricultural business, but financing, marketing and business acumen present challenges. Perhaps the most basic aspect of farming is also the most difficult for immigrants to overcome—access to land. Land affordability and the real estate process can be difficult due to language barriers and process unfamiliarity.⁵⁸ Even if they manage to secure land, new immigrant farmers may lack the training to be successful in Minnesota's ecosystem. One

program that helps address the problem of farmer training is Big River Farms. This education program is a part of the Food Group, a local nonprofit "focused on using nutritious food to strengthen community."⁵⁹ The farmer education course focuses on providing disadvantaged groups, including immigrants, the skills needed to start their own farm. Additional programs have emerged to help new immigrant farmers and grow Minnesota agriculture.

Twin Eagle Dairy Farm - Pat Lunemann

Pat Lunemann operates Twin Eagle Dairy, an 800-cow dairy farm with 1,500 acres of corn, alfalfa, and grass. His family has owned the farm since 1932.

Q: Tell us about your farm's operations and employment.

A: My wife Jody and I own and operate a third generation farm. We started out as a small farm with about 50 cows but



The Economic Contributions of Immigrants in Minnesota

today we're at about 850 cows and 1,600 acres of cropland. We have about 20 employees and a good percentage of those are immigrant workers. Many of them have been with us for a long time, some nearing 20 years. There's always some turnover so we get some newcomers. We're an equal opportunity employer, we have to be in rural America. Anyone who's willing to work, we need to give them a chance to give us a hand. We need good people to take care of our livestock. It's not an easy task finding labor, but we're fortunate to have the people we do have today.

Q: Could you run your dairy farm without immigrant workers?
A: No, all of the willing and able are already employed. The number of people that are unemployed and looking for work is very small. Their skillset doesn't fit what we do here on a farm. They're not willing to get dirty and wear boots in the barn. You have to be willing to get dirty and put in long days. A number of people come and try it and say it's not for me or just don't show up the next day.

Q: Have you seen immigrant entrepreneurship in your community?
A: Absolutely! The old main street, which would otherwise be boarded up, has restaurants and other stores. I don't see much in the farm sector simply because of the capital that's required to start a business. I know the Department of Agriculture has some programs to help out beginning farmers, so you see most of it as fruit and vegetable farms because it can be started on a smaller scale. To be in farming these days it's not easy for anyone to get started, you almost have to be born into it.

Q: In your opinion, why is the immigrant workforce so positive for Minnesota's economy, particularly the agriculture economy?
A: The immigrants are bringing a new energy to this country. They're willing to work, but they're also bringing values that we seem to be losing in this country. They're bringing family values to be honest, knowing that it's important to show up to work on time and knowing that it's important to work. They're providing for their families, they care about the people around them, and they wouldn't be in Minnesota if they weren't willing to work and be here. You don't come this far north without a mission in life and that's to make your life and your family's life better. In the end, what's happening is that those immigrants, whether it be at the farm level or the food processing level, are touching the food that is on everyone's plate. Without that first- and second-generation immigrant population, I'm afraid that our food supply would be in danger.

Health care and social assistance

The health care and social assistance industries employ 500,000 people and include over 18,000 establishments, touching all parts of the state and impacting many communities.⁶⁰ The U.S. Census

"The immigrants are bringing a new energy to this country."

Bureau estimates that almost 53,000 immigrants work in this industry as of 2019.⁶¹ That means one in nine immigrants in Minnesota work in health care or social assistance. This is a higher rate than the state's native-born population. In fact,

a full 12% of the state's health care workers are foreign-born as of 2019.⁶² Furthermore, 9,728 immigrants work in home health care making up approximately 29% of the total employment in this subsector.⁶³ Health care and social assistance are essential industries: as Minnesota's population ages, a robust and fully-staffed health care industry will prove to be more critical than ever before. Immigrant workers ensure that the essential services of this industry are offered at the levels needed.

Mayo Clinic - Christopher Wendt and Andy Danielson

Christopher Wendt is Chair of the Employment Law Practice Group at Mayo Clinic. He has 20 years of business immigration experience with a focus on immigration law.

Q: What skills and benefits are immigrant employees bringing to the job?
A: Cultural diversity and cultural perspective, important skill sets, both technical and soft skills. Hiring immigrants helps serve diverse populations like we have at Mayo Clinic. Being skilled in cultural competency helps critical care of diverse populations. Immigrants are coming to the U.S. and creating jobs in our experience.

Q: Could Mayo Clinic continue to operate without immigrant labor? What would be the impact of losing your immigrant workers?
A: Losing access to immigrant labor limits the pool of talented workers. Mayo would likely still be a world leader without immigration, but it would be a significant challenge and our ability to execute short-and long-term strategy would certainly be more difficult. If other communities in the U.S. had access to immigrants but Mayo did not, then Mayo would definitely suffer.

Andy Danielson is Chair of Business Development at Mayo Clinic Ventures.

Q: What has been the role of immigrant researchers at Mayo Clinic?
A: There has been a very positive, impactful role for immigrants in everything we do! This includes everything from intellectual property (IP) development through startup formation and the licensing of IP. It's beyond the researchers as well, a lot of folks on the intellectual property management side are filing patents.

In our office, there are immigrants who work to license those technologies as well.

Q: What more could be done to increase immigrant entrepreneurship in Minnesota?

A: I think Minnesota has a lot to offer! There is investment capital in this state; there are companies looking to work with startups; there is a very educated and talented workforce, so I think Minnesota has a lot of things going for it. Just being a welcoming community and having a talented workforce. There definitely is capital here, at least in our area (health care). One thing Minnesota is working toward and still requires some work are industry clusters. A local ecosystem or an industry cluster is great for startups, if it can be established.

Q: Is there anything else that you want to share with us in terms of Mayo Ventures special role with immigrants and immigrant entrepreneurs?

A: I think these have been very good questions. I'm glad you did this report because immigrants do play a significant role and I think it's an underappreciated topic. I'm speaking only to what I know but the number of immigrant entrepreneurs and the number of ideas we get from immigrants are substantial. They contribute a lot of great new ideas and create a lot of startup companies that employ many immigrants and non-immigrants. To quantify, my best guess is 25% to 30% of our intellectual property ideas come from immigrants. In Minnesota, I would say our immigrant entrepreneurs are about 10% of the total entrepreneurs we work with and the immigrant entrepreneurs that we work with nationally is a larger percentage, likely closer to 25%.

Manufacturing

Manufacturing is arguably one of the most important industries in Minnesota. It represents the single largest private sector component of Minnesota's GDP totaling \$52 billion in 2019.⁶⁴ Manufacturing makes up over 13% of the state's total employment. For the foreign-born population this figure is almost 20%⁶⁵—almost one in five immigrants in Minnesota work in manufacturing. The largest subsector is food manufacturing which includes almost 700 establishments with over 46,000 employees.⁶⁶ One in five food manufacturing workers is an immigrant.⁶⁷ Part of the draw for foreign-born workers is that employment opportunities in this subsector can offer relatively high wages without requiring a high level of education. In addition, immigrant communities have developed around these industries

“They contribute a ton of great new ideas and a lot of startup companies that employ many immigrants and non-immigrants.”

creating a desirable support system for foreign-born families.

75F - Deepinder Singh

Deepinder Singh is an immigrant entrepreneur in Minnesota and the Founder/CEO of 75F.

Q: Tell us about your background. How did you get started as an entrepreneur?

A: Well, to start, I have a background in IT, but I have always tried to identify problems and find a solution to those problems. Beyond that, I have pretty much always worked in startups.



Q: How did you start 75F?

A: I wanted to create a building solution that utilized the internet of things to make it easier and simpler to manage the needs of my house because my daughter who was one year-old was too cold in her room and would wake up crying in the middle of the night. My experience in this area made it a natural fit for me to solve this problem.

Q: Where did your funding come from?

A: We were actually self-funded for the first two to three years which is a challenge for many entrepreneurs but then in 2014 we won the Minnesota Cup competition which came with some funding. After that we went on to compete in other business competitions and bring in more funding this way. These competitions were especially useful for starting 75F because they provided lots of public relations and exposure for the company.

Q: What is it like in this industry as an immigrant entrepreneur?

A: Initially, I asked friends and family to help us with production. Many of my first employees were connections of mine. A friend in the industry was actually the one who told us about the Minnesota Cup competition which was new to me but really helped us out. I also found that credibility was a challenge for us getting started. ■



The Economic Contributions of Immigrants in Minnesota



Café at Midtown Plaza,
Willmar

Contributions change over time

- Over time, immigrants in Minnesota are upwardly mobile, including improved poverty, unemployment and homeownership rates, all of which help increase their contributions to the economy.
- Specific case studies of immigrant groups in Minnesota (Somali and Mexican-born) demonstrate the American Dream is alive and well in the state with many socioeconomic indicators improving with time.
- Many immigrants, particularly refugees and asylees, access taxpayer-funded education, health care and public assistance programs at high rates when they first arrive, however, over time their economic contributions outweigh these upfront costs.

Over time, immigrants in Minnesota are upwardly mobile on multiple fronts. Table 11 shows the top socioeconomic indicators used to evaluate upward social mobility. Foreign-born workers are unemployed at lower rates the longer they are in the country and more foreign-born workers end up working for themselves over time. Immigrants who have been in the country for longer periods of time have higher median household income and lower poverty rates than recent immigrants. They purchase homes at much higher rates than immigrants who entered the country recently. And the longer

an immigrant has been in the country, the more likely they are to become a naturalized citizen.

Case Studies

The American Dream is built on the promise of upward social mobility and the opportunity to prosper. This ideal is alive and well for immigrants in Minnesota. Immigrants and refugees arrive at varying socioeconomic levels with a variety of skills and abilities. As time passes, immigrants develop new skills, join the workforce,

Table 11 - Foreign-born Population by Period of Entry - Minnesota - 2019

	Entered 2010 or Later	Entered 2000 to 2009	Entered before 2000
Unemployment Rate (%)	5.0	3.8	2.8
Self-Employment (%)	1.7	4.0	4.4
Median Household Income (\$)	49,697	48,290	68,402
Poverty Rate (%)	26.1	18.9	11.2
Homeownership (%)	16.6	36.2	64.3
Naturalized Citizen (%)	12.9	54.7	75.4

Source: U.S. Census Bureau (2019). ACS 5-Year Estimates

attain higher levels of education and buy homes— increasing their economic contributions. Case studies of Somali and Mexican-born immigrants in Minnesota demonstrate these changes over time and illustrate success and economic impact. An additional case study on the Hmong population in Minnesota is available in the previous iteration of this report.⁶⁸

Somali Immigrants in Minnesota

Beginning in the early 1990s, Somali refugees moved to Minnesota fleeing extreme violence as a result of the collapse of the Somali government. As of 2019, Minnesota had the largest Somali population in the U.S.⁶⁹ Currently, Minnesota’s foreign-born Somali population totals 36,495,⁷⁰ the vast majority of whom (~77%) reside in the Twin Cities metro area.⁷¹ While many Somali refugees arrived with limited education, low workforce participation rates and high poverty levels, their situation two decades later has shifted significantly. Poverty levels have dropped, workforce participation has increased, median household income has ticked up and educational attainment has made marginal gains (table 12). The percentage of Somali homeowners has also increased.

One of the major industries for Somali employment is home health care services, with over 15% of all Somali immigrants in Minnesota working in this industry.⁷² Somali workers have also become a vital part of the state’s food manufacturing industry. There are over 2,000 Somali workers in the animal food processing subsector, comprising 11% of total workers.⁷³ The entrepreneurship rate among Somali immigrants is relatively low and is nearly identical to the rate for the broader foreign-born population statewide.

The contributions they bring to the economy are greater in the long term.

Mexican Immigrants in Minnesota

Mexican immigrants have resided in Minnesota longer than most other immigrant groups. They now make up over half of the Latin American foreign-born population in our state, with one in seven immigrants from Mexico.⁷⁴ Currently, Minnesota has a foreign-born Mexican population of 62,597.⁷⁵ Hennepin and Ramsey Counties have the largest populations of Mexican immigrants.⁷⁶ Many Mexican immigrants are drawn to these areas by the prospect of employment opportunities and family connections. The majority of Minnesota’s Mexican immigrants have been in the country for 16 years or more and speak English well or very well.⁷⁷ Only about 10% reported not speaking English at all. Minnesota’s foreign-born Mexican population has also shown a positive trend on a number of socioeconomic indicators (table 13). Improvements in poverty rate, high school graduation rate and homeownership underpin this trend. In addition, the workforce participation rate has improved tremendously and now surpasses the native- and foreign-born rates for those state populations. Only the median household income has shown a negative trend over the last two decades. Minnesota’s Mexican-born population is hardworking, holding jobs few others are willing to do and sometimes holding more than one job. The largest percentage of Mexican-born workers is in the restaurant

Table 12 - Somali Foreign-born Population - Minnesota

	2000	2014-2018
Poverty Rate (%)	62.9	47.6
Workforce Participation Rate (%)	46.1	66.4
Median Household Income (2018 dollars)	22,035	25,000
High School Graduate or More (%)	54.2	56.7
Homeownership Rate (%)	1.7	9.4

Source: Minnesota Compass

Table 13 - Mexican Foreign-born Population - Minnesota

	2000	2014-2018
Poverty Rate (%)	25.0	21.4
Workforce Participation Rate (%)	62.8	75.8
Median Household Income (2018 dollars)	49,738	40,985
High School Graduate or More (%)	32.5	48.3
Homeownership Rate (%)	33.6	42.7

Source: Minnesota Compass



The Economic Contributions of Immigrants in Minnesota



PaJai Fruit Arrangements and Bakery in St. Paul.

and food service industry (almost 17%).⁷⁸ Entrepreneurship is another bright spot for Mexican-born immigrants. Their entrepreneurship rate is almost two percentage points higher than the rest of the foreign-born population in Minnesota.

Costs of Immigrants

When evaluating the impact over time of immigrants on Minnesota’s economy, it is important to consider associated costs. These are typically higher in the short term as immigrants establish their home and work situations, lessening over time. The contributions they bring to the economy, however, are greater in the long term.

The primary costs associated with immigrants include education, health care and basic public assistance programs. An increase in immigrants brings an increase in immigrant children, who typically attend publicly-funded schools. While immigrant children may require English language classes which increase costs, they make up a very small percentage of all children enrolled in K-12 schools in the state (~5%).⁷⁹ The increase is nowhere near the drain on public education that many opponents claim, and the long-term benefits of a well-educated workforce are substantial. In addition, an influx of school children has enabled some school districts with previously declining enrollment from native-born populations to stay viable without consolidation of districts across large areas.

Health care is often cited as a major cost burden for states with high levels of immigrants. Refugees and asylees, two immigrant groups with sizable populations in Minnesota, do require significant levels of public health assistance. Typically, these are short-term costs associated with the fresh trauma or stress experienced in areas from which they are fleeing. National studies show that non-citizens actually use fewer health care resources than citizens over time.⁸⁰ The Minneapolis Foundation presented an explanation for this difference in consumption, “In general, the more limited consumption of health care resources by

immigrants is attributed to the many barriers they face accessing the traditional health care system – including relatively low rates of insurance, ineligibility for certain public health programs, and linguistic and cultural barriers which can make the health care system confusing and difficult to navigate.”⁸¹ Minnesota has a large number of refugees, and the Minnesota Refugee

Health Program provides services to a portion of this population, but not its entirety.

Foreign-born populations in Minnesota have higher rates of poverty than native-born populations which leads to a heavy reliance on public assistance programs such as Food Stamps or Supplemental Security Income. Nearly three times as many foreign-born residents use Food

National studies show that non-citizens actually use fewer health care resources than citizens, over time.

Stamps compared to the native-born residents.⁸² The vast majority of public assistance payments through public health care, cash and food assistance in Minnesota is to refugees, asylees and lawful permanent residents, all of whom pay taxes in the state of Minnesota.

Unauthorized immigrants’ access to taxpayer-funded programs in Minnesota is extremely limited. Unauthorized immigrants and temporary residents such as students, tourists or visitors are the most restricted, with “access only to Emergency Medical Assistance and coverage of services through the end of pregnancy,” according to the Minneapolis Foundation.⁸³ In reality, this group doesn’t represent a significant cost or burden to the taxpayer’s bottom line. ■

Conclusion

Immigrants in Minnesota are an undeniable benefit to the state's economy. In the long term, immigrants hold down critical jobs, pay taxes, stimulate the economy through spending, start businesses and provide a link to the world economy. Immigrants who settle in Minnesota demonstrate high levels of upward social mobility as they assimilate into our economy. As the state's population ages and the native-born workforce participation rate drops, foreign-born workers fill in the gaps in employment. In addition, immigrants with high levels of education can fill specialty occupations in the state. Some of the most important industries in Minnesota depend on immigrant labor and access to these workers is essential for their success.

Recommendations

- Broadly publicize the positive contributions immigrants make to our economy. Present data, economic reports, dashboards and other benchmarking mechanisms to detail specific positive impacts and how they change over time.
- The demographics of the native-born population suggest that there will be plenty of employment and career opportunities

for immigrants and native-born Minnesotans alike for the foreseeable future.

- The younger age profile of Minnesota immigrants suggests that there is not likely to be a significant increase in the rate of immigrant entrepreneurship any time soon. Nonetheless, building the systems that support immigrant entrepreneurs is important to the development of our current and future economy.
- Increase the funding available for CDFIs at the federal level or replicate the CDFI fund at the state level to increase immigrant business formation. Target funds to specific industry sectors or geographies to help amplify their impact. Help CDFIs market their entrepreneurship resources to immigrant entrepreneurs to increase awareness.
- Federal immigration reform remains a crucial ingredient for economic growth for the state and the nation. Reform should include moving to a modern system that synchronizes the needs of the economy with the future flow of immigrants, in addition to addressing the status of those unauthorized immigrants living in the U.S. already. ■





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Appendix

Table A1 - Foreign-born Income and Taxes - Minnesota - 2019

	Total	Foreign-born
Earnings (\$)*	173,480,890,560	16,024,555,459
Social Security Income (\$)*	13,721,986,200	400,686,944
Supplemental Security Income (\$)*	920,109,798	102,901,631
Cash Public Assistance Income or Food Stamps/ SNAP (\$)*	-	26,618,863
Retirement Income (\$)*	14,476,511,715	365,603,139
Total	202,599,498,273	16,920,366,036
Federal Tax Rate 14.6% (\$)***	29,579,526,748	2,470,373,441
State and Local Tax Rate 12.2% (\$)***	24,717,138,789	2,064,284,656
After Tax Income (\$)	148,302,832,736	12,385,707,938

*Source: U.S. Census Bureau (2019). ACS 1-Year Estimates
 **Source: York, E. (2020, February). Summary of the Latest Federal Income Tax Data, Tax Foundation
 ***Source: MN Department of Revenue (2019). Minnesota Tax Incidence Study

Table A2 - DEED Planning Regions

Central Minnesota			
Benton County		Mille Lacs County	
Chisago County		Pine County	
Isanti County		Renville County	
Kanabec County		Sherburne County	
Kandiyohi County		Stearns County	
McLeod County		Wright County	
Meeker County			
Northeast Minnesota			
Aitkin County			
Carlton County			
Cook County			
Itasca County			
Koochiching County			
Lake County			
St. Louis County			
Northwest Minnesota			
Becker County	Grant County	Norman County	Stevens County
Beltrami County	Hubbard County	Otter Tail County	Todd County
Cass County	Kittson County	Pennington County	Traverse County
Clay County	Lake of the Woods County	Polk County	Wadena County
Clearwater County	Mahnomen County	Pope County	Wilkin County
Crow Wing County	Marshall County	Red Lake County	
Douglas County	Morrison County	Roseau County	
Southeast Minnesota			
Dodge County		Rice County	
Fillmore County		Steele County	
Freeborn County		Wabasha County	
Goodhue County		Winona County	
Houston County			
Mower County			
Olmsted County			
Southwest Minnesota			
Big Stone County	Lac qui Parle County	Nobles County	Watonwan County
Blue Earth County	Le Sueur County	Pipestone County	Yellow Medicine County
Brown County	Lincoln County	Redwood County	
Chippewa County	Lyon County	Rock County	
Cottonwood County	Martin County	Sibley County	
Faribault County	Murray County	Swift County	
Jackson County	Nicollet County	Waseca County	
Twin Cities Metro Area			
Anoka County			
Carver County			
Dakota County			
Hennepin County			
Ramsey County			
Scott County			
Washington County			
Source: Minnesota DEED			

Table A3 - High Skill Level Occupations by Foreign-born Share of Employment - Minnesota - 2019

Occupation	Foreign-born Employment	Foreign-born Share of Employment (%)
Nuclear Medicine Technologists and Medical Dosimetrists	105	82.0
Petroleum, Mining And Geological Engineers, Including Mining Safety Engineers	188	75.5
Architectural And Civil Drafters	720	61.6
Actuaries	876	44.9
Atmospheric And Space Scientists	115	44.9
Materials Engineers	864	40.9
Computer And Information Research Scientists	229	40.3
Other Life Scientists	1,233	31.8
Physicians	4,581	26.7
Chemists And Materials Scientists	1,039	24.7

Source: U.S. Census Bureau (2019). ACS 1-Year Estimates

Table A4 - Top 25 Cities by Foreign-born Percentage - Minnesota - 2018

City	Foreign-born Population
Worthington	30.7%
Brooklyn Center	24.1%
Brooklyn Park	23.6%
Hopkins	19.7%
St. Paul	19.7%
Fridley	18.5%
Richfield	17.9%
Columbia Heights	16.8%
Eden Prairie	16.7%
Willmar	16.2%
Minneapolis	15.7%
Shakopee	15.6%
New Hope	14.9%
Burnsville	14.7%
Austin	14.6%
Bloomington	14.2%
New Brighton	13.9%
Eagan	13.8%
Rochester	13.8%
Faribault	13.6%
Plymouth	12.9%
Maplewood	12.5%
Blaine	12.0%
Crystal	12.0%
Woodbury	12.0%

Source: Minnesota Compass

Table A5 - Foreign-born Median age and Educational Attainment - 2019

	Minnesota	Wisconsin	Michigan	Illinois	United States
Median age (years)	38.2	40.4	43.2	45.2	44.8
Bachelor's Degree or higher (%)	33.8	32.4	41.7	32.6	31.3

Source: U.S. Census Bureau (2019). ACS 5-Year Estimates



A woman wearing a beige hijab and a blue denim shirt is smiling while talking on a black smartphone. She is sitting at a desk with a white laptop in front of her. The background shows a workshop or office environment with various tools and equipment.

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