

Brain Gain

Immigration key to future prosperity

by Klementina X. Sula
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“My life has not been an easy one,” writes Ekrem Bardha in his book *Far Yet Near Albania*. “It began in a dictatorship, which took the life of one of my brothers. It then led me abroad to a refugee camp in Greece and later to the Company 4000 of the U.S. Army in Germany. Finally, it brought me to America, where I had the opportunity to be free and achieve.”

Bardha’s story of immigrant achievement is an American story. It is a Michigan story, too, one that a major new research project points to as key to the state’s future prosperity.

“America has always been and will always be the land of immigrants,” says the successful West Bloomfield businessman. “And for those who work hard — and work smart — the American dream will become a reality.”

Bardha is living proof. “I’ve worked very hard,” he says. “My first job was as a gardener at a nursery. I was overwhelmed with joy when I got my first check. It was \$30.”

Bardha progressed quickly. He left that job and started working at a Ford assembly plant in Wayne, where he made more money and received health insurance. When he was laid off, he was encouraged to attend hairdressing school. “That type of business,” he says about taking up a new profession, “was not affected by recessions.”

He followed the advice and, after graduation in 1963, he and his brother, Agim, began working in Birmingham for the famous stylist Nino Genna (Mr. Nino, known as “the godfather of hairdressing in Detroit”). They worked there for more than four years until they could open their own salon in Birmingham. Reporter Luise Leisner of *The Detroit News* published an article about the family-owned business, declaring that the salon was an example of the great opportunities America had to offer its people. Her article was later republished in *Congressional Reports* in 1967.

Bardha Salon, now owned by Bardha’s brother, is one of the most successful salons in Michigan and has become an institution in Birmingham.

But Bardha didn’t let success stop there. He discovered McDonald’s. Impressed with the company’s culture, he expressed interest in working for it. After a yearlong, unpaid internship at his local McDonald’s and advanced training at the corporation’s “Hamburger University,” he passed the exam that gave him the rights to purchase a McDonald’s franchise.

Until recently, Bardha owned 18 McDonald's in the metro Detroit area and employed more than 600 people.

It's easy to see why Bardha succeeded in the McDonald's business. Even at the age of 77, he is full of energy, ready to start a meeting at nine in the morning despite having returned from a trip to Albania the night before.

Bardha's story exemplifies an important trend: immigrants are indispensable agents of economic growth, even more so in impoverished or declining communities. As Bardha sees it, "Immigration is what replenishes this country with new ideas and much-needed energy. Immigrants built America and they're continuing to do so. Today, in fact, our country's brain gain comes from immigrants."

Steve Tobocman agrees. "The most vibrant economies in the Midwest, the nation and around the globe," he says, "are characterized by leading shares of immigrant populations."

Global Detroit

Tobocman, a former state representative from southwest Detroit, has done the research. In 2009 he began the Global Detroit study, an effort to determine how immigrants, immigration and global connections impact the region's economic growth and development, as well as to develop and implement strategies necessary to spur such growth.

Global Detroit is funded by the New Economy Initiative, the Detroit Regional Chamber and the Skillman Foundation. These organizations and others have committed \$100 million to accelerating the transition of metro Detroit to a position of leadership in the new global economy.

In the beginning of the last century, when Detroit was the Silicon Valley of its time, more than one-third of its population was foreign-born.

"What the Global Detroit report reveals," says Tobocman, "is that there is nothing more powerful to remaking Detroit as a center of innovation, entrepreneurship and population growth than embracing and increasing immigrant populations and the entrepreneurial culture and global connections that they bring and deliver."

The foreign-born share of Michigan's population rose from 3.8 percent in 1990 to 5.3 percent in 2000, to 6.1 percent in 2007, according to the U.S. Census Bureau. In 2007, Michigan was home to more than 600,000 immigrants. And roughly 47 percent of them are naturalized U.S. citizens who are eligible to vote, notes the Immigration Policy Center in its September 2009 report, "New Immigrants in the Great Lakes State."

Latinos, Asians and Arab Americans account for a large and growing share of the economy and electorate of Michigan. Census data reveal that 6.4 percent of Michiganders are Latino or Asian. The Latino share of Michigan's population grew 4 percent in 2007. The Asian share grew 2.4 percent the same year.

Michigan also has the highest proportion of Arab Americans in the nation and is home to some of the world's largest populations of Albanian, Macedonian, Lebanese, Iraqi

and Yemeni immigrants.

Immigrants, therefore, are already playing a strong role in the economy — and culture — of the state and are poised to power future growth.

Critics of increased immigration argue that the costs associated with it are higher than the benefits that immigrants provide. Their claims include rhetoric that immigrants: take jobs from American-born workers and contribute to our current unemployment crisis; severely depress American wages; are an overall drag on the economy; come to the United States to take welfare; do not pay taxes; cause crime; and do not want to learn English or become Americans.

Tobocman calls these arguments myths, and his research bears him out.

Michigan immigrants are well educated and a net-plus to the state's talent attraction efforts, he says. The Global Detroit study found that foreign-born Michigan residents are 56 percent more likely to possess a college degree than are natives. These immigrants have the education and skills in the science, technology, engineering and mathematics fields, which are critical to creating new jobs and industries.

In addition, 50 percent of all new Ph.D.s in engineering, and 45 percent in life sciences, physical sciences and computer sciences are foreign-born students. Some 44 percent of all engineering master's degrees and 62 percent of engineering Ph.D.s in Michigan are awarded to foreign-born students. Twenty-five percent of all U.S. physicians are immigrants.

He also refers to results from Michigan Future's second annual report on Michigan's transition to a knowledge-based economy. From 2007 to 2009, low-education-attainment industries in the nation, such as manufacturing, construction and retail, suffered job losses of 3,735,000. High-education-attainment industries, on the other hand, added 163,000 jobs.

Scapegoating

"The public is very misinformed," Tobocman says pointedly. "The notion that immigrants are coming to the U.S. to get welfare checks or that immigrants don't pay taxes is just based upon the same scapegoating behavior that we saw towards Jews and Catholics one hundred years ago."

In fact, he points out, the immigrant community has helped create more Michigan jobs than they occupy. "I would hate to consider," says Tobocman, "how much farther behind we would be without our foreign-born community. It is hard not to be shocked at how much Michigan's foreign-born community has contributed. The statistics, particularly as they relate to our transformation to the new economy, are staggering."

Reality remains. Many Michiganders are mad as the state struggles with profound and historic economic changes — and suffer the pains of the transition into the new economy. Tobocman understands the situation better than most. He lives in southwest Detroit, home to some of the largest concentrations of immigrants.

"Appealing to sound bites and doing what's popular has only helped contribute to the problem," he says. "If Michiganders truly understood the contribution of immigrants to our state, we wouldn't be talking about putting a citizen checkbox on the driver's

license or adopting Arizona-style laws to govern local police actions.”

John Austin, vice-president of the Michigan State Board of Education and a non-resident senior fellow at the Brookings Institution, gets it. “States and communities around the country, and particularly in places like Michigan, where we have lost jobs in our auto and manufacturing base and are losing many of our young adults and current workers to other parts of the country, should welcome new immigrants as a huge boon to reviving our Michigan economy.”

It’s the reason Austin reached out to Tobocman. Austin, former director of the New Economy Initiative, believed that immigration and global connections play a considerable role in the economic growth of a region.

“Immigrants are far and away the most entrepreneurial segment of society, much more likely to start new businesses not tied to the current auto base and, in so doing, employ Michiganders and diversify our economy. One third of all high-tech startups in Michigan over the past 10 years have been immigrant-founded — in a state that needs all the high-tech startups we can get.”

In fact, Tobocman’s study found that there were 2,276 new immigrant business owners in Michigan from 1996 until 2007. Michigan ranked seventh in the nation for the gross number of new immigrant business owners. Immigrants were nearly three times as likely as native-born residents to start a business during that time frame.

Perhaps Tobocman’s most revealing research comes from the Fiscal Policy Institute. The Institute has created an “Immigration Economic Contribution Ratio (IECR), which measures the share of a metropolitan region’s wage and salary earnings, as well as proprietor’s income, produced or received by the foreign born. From 2005 until 2007, the IECR for the nation as a whole was 1.12, while the collective IECR for the 25 largest metro areas was 1.02. The Detroit metropolitan area had the third highest IECR among the 25 largest metros: 1.30.

“This clearly shows that the immigrant community in Detroit contributes more to the region’s prosperity than almost any other,” notes Tobocman.

Tobocman, grandson of Polish immigrants who — similarly to Bardha — came to America to escape persecution in Eastern Europe, and his research team, which included graduate students from the University of Michigan, reviewed academic and popular literature to understand the impacts of immigration on regional economies. They interviewed local academics, business leaders, ethnic chamber leaders, economic development agencies and immigration service providers, and others. They also visited numerous cities, including Cleveland and Philadelphia, to study their international talent attraction and retention initiatives.

“It’s time to do what will work here in Michigan,” says Tobocman. “It’s time to be bold and make tough choices. Global Detroit offers a very low-cost plan that could be a real game changer. The report itself will put us on the map, in terms of being a region that welcomes and values the international community. Support from public leaders and funding will make us the national — even international — leader at opening the doors to international investment and talent.”

Community organizer

Tobocman earned his law and master's degrees from the University of Michigan and spent 10 years in community economic development work, starting with AmeriCorps. He worked with Detroit community groups to help revitalize urban neighborhoods and was the founding director of Community Legal Resources, a nationally recognized business-law, pro-bono program that serves hundreds of Michigan nonprofits by linking them to volunteer attorneys at law firms.

It was Tobocman's frustration as a policy advocate that inspired him to run for state representative in 2002. He was re-elected twice before term limits caused him to leave the House at the end of 2008. In addition to taking on the Global Detroit initiative last year, he also was named co-director of Michigan State University's Michigan Political Leadership Program, run by the university's Institute for Public Policy and Social Research.

Running Global Detroit has been an enjoyable return to policy-making for Tobocman.

"Running a research project allows me to use my public policy skills and delve deeper into an issue," he said. "I was able to do this a little bit when I served in the minority in the House in my first two terms, but once I became House majority floor leader, it became very difficult to spend a lot of time with any one issue."

To increase economic growth, the Global Detroit study recommends the pursuit of 11 strategic initiatives to help Detroit and the State of Michigan retain and grow the foreign-born population.

Tobocman and Global Detroit, for example, recommend partnerships with the Canadian economic agencies in Windsor and Essex County.

"No state is as integrated with Canada," he says. "No state has developed as much binational business acumen — with law firms, accounting firms, supply chain managers, and other expertise on both sides of the border. And no American major metropolitan area has a sister border town as sophisticated and strong as Detroit and Windsor."

Other cities have realized the importance of immigrants to urban revitalization and many of them are pursuing immigrant recruiting and welcoming initiatives. As a result, these cities are integrating themselves in the global economy and transforming into international destination points — reinvigorating neighborhoods, sparking commerce and adding to communities' cultural and social vibrancy.

State Representative Rashida Tlaib, who succeeded Tobocman, said it best: "Immigrant groups stabilize residential neighborhoods and commercial retail corridors that are critical to the quality of life. Immigrants also bring with them their food, culture, language, goods, and services that help attract and retain the skilled knowledge workers that drive the new economy. Immigrants are good for Detroit, they are good for Michigan, and they are good for America."

"We have nothing to fear from immigrants. They are powerful agents of economic growth and we need them more than ever," says Tlaib confidently.

The Detroit area's more than 15-percent unemployment rate, its highest rate of poverty among the nation's 50 largest cities and Michigan's slip to one of the poorest

dozen states in the nation are all problems that are preventing economic growth and driving talent away. Immigrants offer a solution. Global Detroit has a clear plan and the leadership to implement it.

“Immigrants will transform our culture to be a more diverse, multinational, entrepreneurial, and winning economy. Bottom line: immigrants will make us rich,” says Austin.

That’s a solution everyone can embrace.

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