

REVITALIZING DETROIT: IS THERE A ROLE FOR IMMIGRATION?

By Steve Tobocman



TRANSATLANTIC COUNCIL ON MIGRATION

REVITALIZING DETROIT

Is There a Role for Immigration?

Steve Tobocman

August 2014





Acknowledgments

This research was commissioned by the Transatlantic Council on Migration, an initiative of the Migration Policy Institute (MPI), for its eleventh plenary meeting, held during November 2013 in London. The meeting's theme was "Cities and Regions: Reaping Migration's Local Dividends" and this paper was one of the reports that informed the Council's discussions.

The Council is a unique deliberative body that examines vital policy issues and informs migration policymaking processes in North America and Europe. The Council's work is generously supported by the following foundations and governments: Open Society Foundations, Carnegie Corporation of New York, the Barrow Cadbury Trust (UK policy partner), the Luso-American Development Foundation, the Calouste Gulbenkian Foundation, and the governments of Germany, the Netherlands, Norway, Spain, and Sweden.

For more on the Transatlantic Council on Migration, please visit: <u>www.migrationpolicy.org/transatlantic</u>.

© 2014 Migration Policy Institute. All Rights Reserved.

Cover Design: Danielle Tinker, MPI Typesetting: Rebecca Kilberg, MPI

No part of this publication may be reproduced or transmitted in any form by any means, electronic or mechanical, including photocopy, or any information storage and retrieval system, without permission from the Migration Policy Institute. A full-text PDF of this document is available for free download from <u>www.migrationpolicy.org</u>.

Information for reproducing excerpts from this report can be found at<u>www.migrationpolicy.org/about/copyright-policy</u>. Inquiries can also be directed to: Permissions Department, Migration Policy Institute, 1400 16th Street, NW, Suite 300, Washington, DC 20036, or by contacting <u>communications@migrationpolicy.org</u>.

Suggested citation: Tobocman, Steve. 2014. Revitalizing Detroit: Is There a Role for Immigration? Washington, DC: Migration Policy Institute.



Table of Contents

Ex	ecutive Summary	I
I.	Introduction	3
II.	A Century of Changes	4
III.	Immigrants in Metropolitan Detroit	6
IV.	Detroit's Economic Strategy	7
	A. Immigration's Potential to Support Detroit's Economic Strategy	9
	B. Capturing and Retaining International Talent and Immigrant Residents	
	C. Possible Challenges	.12
V.	Conclusion	.14
W	orks Cited	.16
At	out the Author	.19

Executive Summary¹

At its peak in the early and mid-20th century, Detroit was America's fourth-largest city, the world's automotive capital, and the lynchpin of America's World War II "Arsenal of Democracy." Over half a century later, Detroit has become a byword for the urban decline and economic decay that have plagued the cities of America's industrial heartland. To say Detroit was hard hit by the decline of large-scale manufacturing— and in particular the automobile industry—would be an understatement. Between 2000 and 2009, the state of Michigan lost nearly one-fifth of all its jobs, and by August 2013, Detroit's official unemployment rate hit 16 percent—more than twice the national average. Without its former core industrial base, Detroit has had to look for new ways out of economic decline.

Immigration alone cannot save Detroit, but if carefully managed in the context of a broader economic development strategy, it may be one promising tool for boosting Detroit's economic prospects.

Detroit and other cities like it face several key challenges in their progress toward recovery:

- A shrinking (and aging) population. Detroit's economic distress has been matched by demographic decline: Since its heyday in the 1950s, the city's population has shrunk by more than 60 percent. This was in part the result of the auto industry's bankruptcies in the late 2000s; between the 2000 and 2010 censuses, approximately 250,000 residents (or one-quarter of the population in 2000) left the city. But the urban sprawl and suburbanization that marked the latter half of the 20th century throughout America had already hollowed out much of Detroit's city center. Those workers who have stayed in the region, meanwhile, are rapidly aging. Michigan's senior population is expected to double over the next 25 years, further reducing the size of Michigan's—and Detroit's —active workforce.
- Diminished city resources. Job and population losses have resulted in other, related difficulties. As large numbers of homes and buildings were abandoned or demolished, it became more difficult for the city to provide services across its vast land area. And as the population and housing stock have shrunk, so has the city's property and income tax base, decreasing available funding for reinvestment or renewal and—most prominently—contributing to the city's recent municipal bankruptcy, the nation's largest.
- A lack of high-skilled human capital. Detroit faces a profound lack of the ultimate resource in today's knowledge economy: human capital. The share of Detroit residents with at least a four-year postsecondary degree (about 12 percent) is less than half the U.S. national (28 percent) and state (25 percent) averages. This leads to a vicious cycle, as the high-skilled industries that now fuel economic growth tend to be drawn to regions that offer the skills they need. Without sufficient reserves of human capital, Detroit may find it difficult to attract the sort of investment it wants.

Immigration alone cannot save Detroit, but if carefully managed in the context of a broader economic development strategy, it may be one promising tool for boosting Detroit's economic prospects. Immigration

¹ This report expands on previous work done by the author for Global Detroit, of which he is the Director and Founder. See in particular: Global Detroit, *Global Detroit: Final Report* (Detroit: Global Detroit, 2010), <u>www.globaldetroit.com/wp-content/files_mf/1329195514ExportsCaseStatement.pdf</u>; and Global Detroit, "The Immigration Case for Exports" (white paper, Global Detroit, Detroit, Michigan, 2011), <u>www.globaldetroit.com/wp-content/files_mf/1329195514ExportsCaseStatement.pdf</u>.



promises several benefits. First, newly arrived immigrants are more likely to be young and of working age than natives and have higher birth rates, helping to slow the pace of aging and depopulation in both Detroit and the greater region. Second, immigration has already increased the skill level of Detroit's workforce— and can continue to do so (immigrant workers in Michigan have significantly higher skill levels than their native-born peers). Third, there is evidence to suggest that immigrant populations can help build international connections, promote trade, and reduce barriers—all important assets as Detroit looks to expand its transportation and logistics industries and reestablish a more advanced manufacturing base. Finally, immigrants who establish businesses in struggling communities and neighborhoods where property costs are low may help to revitalize these areas, potentially attracting other investment.

City and state leaders, the regional chamber of commerce, and civil society in Detroit have developed several immigration-related initiatives aimed at restarting economic growth. The most visible of these has been Governor Rick Snyder's efforts to be the "most pro-immigration governor in the country"²—a somewhat remarkable goal among Republican governors. Governor Snyder announced his intentions in his first State of the State address soon after taking office in 2011. His efforts intensified in 2014 (a year in which he is seeking re-election) and included an ambitious proposal to ask the federal government to use existing visas to bring 50,000 skilled immigrants to Detroit over the next five years; support for a state-sponsored EB-5 investor visa regional center; creation of a Michigan Office for New Americans within state government; and allocation of state resources for the national nonprofit Upwardly Global to open a Detroit office to help skilled immigrants and refugees connect with meaningful careers in their fields of expertise.

Given the tremendous issues of blight, abandonment, bankruptcy, and disinvestment, Detroit might offer the most challenging test for immigration's potential as an urban revitalization tool.

Like the governor's plan, other proposals have sought to tap the potential of immigration as a development tool, including, for example, efforts to retain international students from universities in the area, to help immigrant professionals develop mentors and professional networks, and to provide training and capital to immigrants and disadvantaged natives seeking to start a business.

However, it is unclear how effective these efforts (and similar ones in other cities) will be. In Detroit much of the impetus for redevelopment has come from civil society, and it is uncertain whether future city, philanthropic, and corporate leaders will remain supportive of these plans and responsive to outside ideas. And even with all the right actors on board, the success of an immigration strategy for Detroit is far from assured. The same factors that have driven the native born from the city (such as unemployment, neighborhood blight, and poor municipal services) may keep immigrants away. And even if the city succeeds in attracting new residents, it may lack resources to support the services they—and native residents—need to succeed.

Detroit is not alone in its efforts. Several other cities in America's Rust Belt that are facing the same economic difficulties, including Dayton, Baltimore, St. Louis, and Pittsburgh, have also begun to turn to immigration as a potential strategy to spur revitalization and stabilize failing neighborhoods. While a successful outcome is not guaranteed, these cities offer an interesting opportunity to observe what, if any, potential immigration has to boost economic redevelopment. Given the tremendous issues of blight, abandonment, bankruptcy, and disinvestment, Detroit might offer the most challenging test for immigration's potential as an urban revitalization tool.

² Associated Press, "Snyder: Fewer than 100 Child Immigrants in State," July 31, 2014, <u>www.miamiherald.</u> <u>com/2014/07/31/4265343/snyder-fewer-than-100-child-immigrants.html</u>.

I. Introduction

On May 5, 2005, Standard & Poor's downgraded the bonds of Detroit's two largest auto manufacturers, Ford Motor Company and General Motors, to below investment grade—or "junk"—status. Taken alone, this would have been the largest downgrade of investment bonds experienced by any single company to date. Hitting two companies at once, the rating change impacted more than \$450 billion of corporate debt and sent U.S. and international financial markets reeling. Within four years, GM would file for bankruptcy—the third-largest filing in U.S. history and the largest by a U.S. manufacturer.

The decline of Ford, GM, and Chrysler had tragic consequences for Michigan. The state's economy had been virtually synonymous with auto manufacturing: workers in Michigan were eight times more likely to be in automotive jobs than were those in the rest of the country.³ Accordingly, the state lost nearly 1 million jobs (more than one-fifth of all jobs) between 2000 and 2009.⁴ Per capita income in Michigan fell from 17th in the nation in 1999 to 38th by 2009.⁵

Detroit is not alone in its struggles.

Michigan's largest city, Detroit, felt the effects vividly. On July 18, 2013, the City of Detroit filed for bankruptcy, becoming the largest U.S. municipality to do so. The bankruptcy was the product of many factors, but certainly population loss and the related drop in property values and property tax revenues played foundational roles. Detroit's population, which peaked at 1.8 million in 1950, has steadily shrunk in each decennial census, falling to 713,777 by 2010—a 61 percent decline.⁶ In fact, the loss of 250,000 residents between 2000 and 2010 was the single-largest population loss in any U.S. city during this decade.⁷

Detroit is not alone in its struggles. Many cities and regions—both in the United States and abroad—that once relied heavily on production industries have struggled to adapt to the new knowledge-driven global economy. Some, like Detroit, have begun to turn to immigration as a potential source of desperately needed human capital, talent, and investment.

This case study will consider how immigration has featured in Detroit's economic redevelopment plans.

³ Rick Haglund, "Pulse Quickens in Michigan Manufacturing," *Bridge Magazine*, January 31, 2012, <u>http://bridgemi.com/2012/01/pulse-quickens-in-mich-manufacturing/;</u> George Fulton and Don Grimes, "Michigan's Industrial Structure and Competitive Advantage: How Did We Get into this Pickle and Where Do We Go from Here?" (paper presented at "Where Do We Go From Here? An Agenda-Setting Conference for the Economic Issues Facing Michigan," March 14, 2006), <u>http://irlee.umich.edu/clmr/Docs/MichiganWhereDoWeGoFromHere.pdf</u>.

⁴ Michigan's employment numbers fell from 5.1 million jobs to 3.9 million jobs between June 2000 and July 2009, according to Monthly Employment Data by Sector (seasonally adjusted): U.S. Department of Labor, Bureau of Labor Statistics (BLS), "Regional and State Employment and Unemployment—August 2000," www.bls.gov/news.release/history/laus_09192000. txt; and BLS, "Regional and State Employment and Unemployment—June 2009," www.bls.gov/news.release/archives/laus_07172009.pdf. Seasonally adjusted employment in Michigan in August 2013 was estimated at 4.1 million and unemployment at 9.0 percent according to the BLS, "Regional and State Employment and Unemployment and State Employment and Unemployment and Unemployment—August 2013," www. bls.gov/news.release/archives/laus_09202013.pdf.

Michigan Department of Technology, Management, and Budget, Provisional Intercensal and Postcensal Estimates of Population, 2000-2010, www.michigan.gov/documents/cgi/cgi census Provisional Intercensal Pop0010_349652_7.xls.

⁶ According to the U.S. Census Bureau Population Division, the city of Detroit's 2012 population was estimated to be 701,475, making it the 18th largest city in the United States. The Detroit Metropolitan Statistical Area's entire population was estimated to be 4.29 million in 2012, ranking it as the 14th largest metro area in the United States. Michigan's 2012 population is estimated to be 9.88 million. U.S. Census Bureau, "Detroit (city), Michigan," <u>http://quickfacts.census.gov/qfd/</u> <u>states/26/2622000.html</u>; U.S. Census Bureau, "Population Estimates: Metropolitan and Micropolitan Statistical Areas," <u>www. census.gov/popest/data/metro/totals/2012/</u>; U.S. Census Bureau, "Table 20: Large Metropolitan Statistical Areas—Population: 1990 to 2010," <u>www.census.gov/compendia/statab/2012/tables/12s0020.pdf</u>, respectively.

⁷ Mike Maciag, "Are Cities that Lost Population Making a Comeback," *Governing Magazine*, May 23, 2013, <u>www.governing.com/</u> <u>blogs/by-the-numbers/city-populations-increase-following-declines-census-estimates-show.html</u>.



What role might immigration play in Detroit's recovery, and what lessons can be extrapolated for other cities seeking to remake themselves? The report will first discuss Detroit's current economic struggles, and then turn to the various redevelopment strategies that have been proposed for the city and ask how immigration fits into these plans. Finally, it concludes by reflecting on the lessons policymakers can draw from Detroit's experience.

II. A Century of Changes

For American cities, the 20th century was defined first by post–World War II suburbanization and then by the urban blight caused by the flight of the middle class from urban centers. Detroit's land-use patterns and policies are therefore a quintessential, and uniquely American, 20th-century tale.

What role might immigration play in Detroit's recovery, and what lessons can be extrapolated for other cities seeking to remake themselves?

Residents began moving to the outer edges of the Detroit metro region as early as the 1940s.⁸ The visible result of this mass exodus has been a deeply segregated, largely vacant, and extremely poor inner city. Regardless of the index or methodology used, metropolitan Detroit is generally considered one of the most segregated areas in the nation.⁹ According to the 2010 Census, nearly five in six Detroit residents identified as Black or African American (82.7 percent), while just over 70 percent of the metro region as a whole identified as white—indicating a strong pattern of segregation.¹⁰

Patterns of segregation, urban sprawl, and lack of investment in the city's center have created a uniquely vacant physical landscape. Detroit's 139 square miles of land (a land mass so vast that it could hold Manhattan, San Francisco, and Boston—whose combined population approaches 3 million—with room to spare) are characterized by their emptiness. Local *Detroit Free Press* reporter and author John Gallagher writes:

"The most striking characteristic is the vacant feel of the city, those ghost streets with just one or two houses left, those expanses of what Detroiters long since have taken to calling 'urban prairie.'... It's this scale of vacancy, these vast patches of rural landscape within a city of several hundred thousand residents that defines Detroit's uniqueness among American cities."¹¹

Separately, a member of Detroit's economic development community opined, "While the Inuits have 50

⁸ Thomas Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton, NJ: Princeton University Press, 1996).

⁹ According to U.S. Census data on 43 metropolitan areas (with 3 percent or 20,000 or more Blacks or African Americans and 1,000,000 or more total population in 1980), Detroit ranked as the second most-segregated large metro area in 1980 and mostsegregated large metro area in 1990 and 2000, using the dissimilarity index.

¹⁰ U.S. Census Bureau, "State and County Quick Facts," <u>http://quickfacts.census.gov/qfd/states/26/2622000.html</u>; U.S. Census Bureau, "Metropolitan and Micropolitan Statistical Areas."

¹¹ John Gallagher, *Reimagining Detroit: Opportunities for Redefining an American City* (Detroit: Wayne State University Press, 2010), 21–2.

words for snow, I feel like we need 50 words for vacant lot here in Detroit."12

The physical landscape is mirrored by the human devastation. Detroit has the highest child poverty rate of the nation's 50 largest cities, with 57.3 percent of its children living below the poverty line in 2011.¹³ The city unemployment rate—officially pegged at 17.7 percent in August 2013—is more than twice the national average and significantly higher than the statewide average (7.3 and 9.0 percent, respectively).¹⁴ The official U.S. unemployment statistics, however, fail to include part-time workers who are looking for full-time jobs (the underemployed) or frustrated job seekers who abandon their job search altogether. At the height of the recent recession, then Mayor David Bing, supported by economists and experts, estimated the real Detroit unemployment rate to be closer to 50 percent.¹⁵

Sprawl, disinvestment, vacancy, poverty, unemployment, and educational decline have greatly eroded...the municipal government's ability to support its basic functions.

Even among the 182,000 Detroit residents who are employed, the majority (61 percent) have jobs that are located outside of the city limits. Conversely, most of the jobs within the city (70 percent) are held by commuters who live outside the city limits.¹⁶

Sprawl, disinvestment, vacancy, poverty, unemployment, and educational decline have greatly eroded the city's property values and the municipal government's ability to support its basic functions. In the 1950s the municipal government survived almost entirely on property taxes from a property tax base valued at \$45.2 billion (adjusted for inflation to 2013 dollars). In 2012 that base had shrunk to 21.2 percent of its former self and was valued at only \$9.6 billion (adjusted to 2013 dollars).¹⁷

To compensate, Detroit has consistently raised its property tax rates, and has the highest rate in the state. Additionally, the city has instituted taxes on wage and income, casinos, and utility users, and receives a share of state sales taxes redistributed through a state revenue-sharing program—all to no avail. Despite slashing expenditures and services—Detroit is estimated to have cut expenditures by 28 percent between a 2003 peak and 2010 after accounting for inflation, more than any other central city in America over that period—it could not keep itself solvent.¹⁸

Revitalizing Detroit: Is There a Role for Immigration?

5

¹² Author interview of Sam Butler, Planning and Technical Program Manager at Michigan Community Resources, December 22, 2010.

¹³ Carol Goss, *State of the Detroit Child* (Detroit: The Skillman Foundation, 2012), 8, <u>http://datadrivendetroit.org/wp-content/uploads/2013/02/D3_2012_SDCReport.pdf</u>.

¹⁴ BLS, "Economy at a Glance: United States," <u>www.bls.gov/eag/eag.us.htm</u>; BLS, "Economy at a Glance: Michigan," <u>www.bls.gov/eag/eag.us.htm</u>; BLS, "Local Area Unemployment Statistics," <u>http://data.bls.gov/pdq/querytool.jsp?survey=la</u>, respectively.

¹⁵ Mike Wilkinson, "Nearly Half of Detroit's Workers Are Unemployed," *Detroit News*, December 16, 2009.

¹⁶ Detroit Works Project, *Detroit Future City: 2012 Strategic Framework Plan* (Detroit: Detroit Future City), 49, <u>http://detroitfuturecity.com/wp-content/uploads/2014/02/DFC_Full_2ndEd.pdf</u>.

¹⁷ Nathan Bomey and John Gallagher, "How Detroit Went Broke: The Answers May Surprise You—and Don't Blame Coleman Young," *Detroit Free Press*, September 15, 2013, <u>www.freep.com/interactive/article/20130915/NEWS01/130801004/Detroit-Bankruptcy-history-1950-debt-pension-revenue.</u>

¹⁸ Lincoln Institute of Public Policy, "Fiscally Standardized Cities," <u>www.lincolninst.edu/subcenters/fiscally-standardized-cities/</u><u>default.aspx</u>.

III. Immigrants in Metropolitan Detroit

Metropolitan Detroit has tremendous international roots. At the beginning of the 20th century, only 250,000 people lived in Detroit, and more than one-third of them were foreign born, according to U.S. Census data.¹⁹ While metro Detroit's 2010 Census reported a smaller proportion of foreign-born residents (8.6 percent) than the national average (12.9 percent), the total foreign-born population of 400,000²⁰ ranks second— behind only Chicago—in the Midwestern United States (and Great Lakes region). And metro Detroit remains globally connected.²¹ Its border with Canada, its location along several international supply chain routes, and its global automotive industry have all helped attract a significant number of foreign companies.²²

Metropolitan Detroit has tremendous international roots.

Metro Detroit's foreign-born residents are fairly evenly spread throughout the entire area, rather than living in specific clusters. All four metro Detroit counties (Wayne, Oakland, Macomb, and Washtenaw) are home to significant numbers of the foreign born, who compose a share of 8 percent to 11 percent of the total population. Within the city limits, however, the foreign-born population (around 4 percent according to 2010 Census data) is less than half that of the area average (again, 8.6 percent).

The same factors that have driven other groups to leave Detroit's city center—crime, lack of city services and economic opportunity, poor schools, etc.—also tend to keep new immigrants away, although the city remains attractive to some working-class populations from Mexico, the Middle East, Africa, and Asia. Of the nation's 25 largest cities, Detroit has by far the smallest immigrant population (see Table 1).

¹⁹ U.S. Census Bureau, "Census of Population and Housing, 1900, Population of States and Territories," <u>www.census.gov/prod/</u> www/decennial.html.

²⁰ John Cruz, *Metro Detroit's Foreign-Born Populations* (Detroit: Global Detroit, 2014), <u>www.globaldetroit.com/wp-content/uploads/2014/03/Global_Detroit_Meto-Detroit-Foreign-born-mar2014-full.pdf</u>.

²¹ U.S. Census Bureau, "American Fact Finder," <u>http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.</u> xhtml?pid=ACS_11_5YR_B05002&prodType=table.

²² Advantage Oakland reports more than 900 firms from over 35 countries are active in Detroit. Advantage Oakland, "Foreign Owned Firms in Oakland County," <u>www.advantageoakland.com/Expand/ExpandIntl/Pages/IBFirms.aspx</u>.

City	Total Population 2012	U.S. Population Rank	Foreign-Born Population 2011	Foreign-Born Population Rank in U.S.	Percent Foreign Born
New York	8,336,697	1	3,066,599	1	37.2
Los Angeles	3,857,799	2	1,489,640	2	39.0
Chicago	2,714,856	3	579,127	4	21.4
Houston	2,169,821	4	593,412	3	27.7
Philadelphia	1,547,607	5	191,698	11	12.5
Phoenix	1,488,750	6	296,878	9	20.2
San Antonio	1,382,951	7	189,896	12	14.0
San Diego	1,338,348	8	350,768	6	26.4
Dallas	1,241,162	9	310,142	7	25.4
San Jose	982,765	10	378,867	5	39.2
Austin	842,592	11	155,364	17	18.9
Jacksonville	836,507	12	80,488	36	9.7
Indianapolis	834,852	13	67,187	49	8.2
San Francisco	825,863	14	300,710	8	37.0
Columbus	809,798	15	79,951	37	10.0
Fort Worth	777,992	16	126,676	20	16.7
Charlotte	775,202	17	108,806	25	14.5
Detroit	701,475	18	35,076	135	5.0
El Paso	672,538	19	168,816	13	25.4
Memphis	655,155	20	43,044	94	6.6
Boston	636,479	21	165,448	14	26.5
Seattle	634,535	22	119,146	21	19.2
Denver	634,265	23	101,085	28	16.3
Washington	632,323	24	83,599	34	13.5
Nashville	624,496	25	74,317	45	12.2

Table 1. America's 25 Largest Cities and Their Foreign-Born Populations, 2011

Note: * Percent foreign born is calculated utilizing the population base from the 2011 one-year American Community Survey (ACS) from the U.S. Census Bureau. Overall city population data is from the 2012 ACS.

Source: U.S. Census Bureau, 2011 ACS, <u>https://explore.data.gov/Population/2011-American-Community-Survey-1-Year-Estimates-Su/yc4f-neu9</u>.

IV. Detroit's Economic Strategy

Among the numerous independent and government actors pursuing economic development in Detroit, metro Detroit, southeast Michigan, and across the state, there appears to be a general consensus about targeting investment and business development within specific, strategic economic sectors. Despite the structural challenges experienced in the past decade, manufacturing—and automotive manufacturing in particular—is still seen as an important part of reviving Detroit's economy, as are health care and higher education. Other key areas of focus include the transportation, distribution, and logistics industry and the global supply chain routes passing through Detroit.

Revitalizing Detroit: Is There a Role for Immigration?

7



In 2010 Detroit Mayor Dave Bing, at the behest of the local philanthropic community, introduced the Detroit Works Project, which sought to convene community members, experts, businesses, and civil society to develop a shared, achievable vision for Detroit's future. At its inception, the mayor variously touted the planning effort as an attempt to "right-size," "re-envision," or "shrink" the city. The idea of shrinking the city was taken from urban planners and theorists seeking to acknowledge permanent population loss in formerly large, industrial cities and to stabilize residents' quality of life rather than plan for a rebirth. Advocates of the "shrinking city" theory note that "some commentators have suggested that acknowledging and confronting shrinkage directly is tantamount to giving up on a city. In reality, the opposite is true. Only by confronting the reality of our cities, and framing strategies that acknowledge and address that reality, can a realistic vision of hope for the cities' future emerge."²³

After three years of consultations, the Detroit Works Project released a final plan, known as "Detroit Future City" (DFC), intended to guide municipal public policy and planning decisions, public resource allocations, private-sector investment, and philanthropic giving.²⁴ DFC identifies increasing employment opportunities within the city itself as an imperative for success, particularly given the high numbers of unemployed and underemployed within the city, the significant share of residents working outside the city, and the share of jobs in the city filled by suburban commuters.²⁵ The plan cites the projection of the Southeast Michigan Council of Governments (SEMCOG, a regional planning organization) that, between 2010 and 2040, almost all new jobs created in the region will be located outside Detroit.²⁶ The DFC plan seeks to address this by identifying land plots and economic sectors ripe for growth and business attraction, improving the skills and education of local residents, and attracting and retaining young, outside talent—including immigrants.²⁷

DFC's economic analysis began with the city's existing local assets, including its occupational, educational, and infrastructure strengths. Data on large institutional employers (such as hospitals and universities), industrial assets, and other employment opportunities were compared with expansion opportunities, employment density, land-use trends, developable land, and building inventory. This unique, hybrid data set allowed the team of experts preparing the report to identify the highest potential use for land in Detroit's employment districts—areas where employment and business activities are consolidated. In the end, the DFC plan concentrates on four pillars of economic strength in Detroit: the educational and medical sector (known as "Eds and Meds"), the industrial sector, the digital/creative sector, and local entrepreneurship.²⁸

The DFC plan calls on the city and other actors to invest in and prioritize certain targeted districts that will provide a basis for the four pillars. Suggestions include focusing zoning, land use, permitting, and other municipal policies on protecting, preserving, and using land for industry and other productive sectors. DFC recommends designating zones where resources are committed to helping minority- and woman-owned businesses flourish, and business permits are prioritized. Support for low-cost, shared office space is recommended to attract entrepreneurs to the city. Finally, the DFC plan encourages the city to coordinate workforce development strategies with existing organizations such as the Detroit Regional Workforce Fund and Detroit Job Alliance (both local workforce development nonprofit organizations). By "upskilling" current residents, DFC seeks to prepare Detroiters for the types of jobs that development planners hope to attract to southeast Michigan in the coming years.

Other regional and state economic development strategies similarly target specific economic sectors.

27 Detroit Works Project, 2012 Strategic Framework Plan, 41, 43, 46.

²³ Alan Mallach and Lavea Brachman, *Ohio's Cities at a Turning Point: Finding the Way Forward* (Washington, DC: Brookings Institution Metropolitan Policy Program, May 2010), 7, <u>www.brookings.edu/research/papers/2010/05/18-ohio-cities-</u> <u>mallach-brachman</u>. It should be noted that the authors now embrace the term "legacy cities" as more descriptive, apt, and aspirational than "shrinking cities" to describe Detroit and other large, formerly industrial U.S. cities.

²⁴ Information on the Detroit Works Project and Detroit Future City can be found at www.detroitworksproject.com.

²⁵ Detroit Works Project, 2012 Strategic Framework Plan, 37.

²⁶ Southeast Michigan Council of Governments (SEMCOG), "Southeast Michigan 2040 Forecast Summary," revised April 2012, http://library.semcog.org/InmagicGenie/DocumentFolder/2040ForecastSummary.3-12.pdf.

²⁸ Ibid, 48, 55.

The Detroit Regional Chamber of Commerce is actively promoting four industry clusters: automotive, defense, health care, and global logistics. Business Leaders for Michigan—a private-sector business roundtable of chairpersons, CEOs, and senior executives of the state's largest employers and universities— has developed a "New Michigan Strategy" that focuses on similar sectors.²⁹ DFC is working to coordinate the city's efforts to build employment clusters and attract talent alongside these and other outside actors. With philanthropic funding, DFC has established a nonprofit implementation office within the city's quasi-public economic development agency, the Detroit Economic Growth Corporation. It remains unclear, however, whether the current emergency manager and new city council and mayor elected in November 2013 will remain committed to the report and its recommendations, nor is it clear how the report's recommendations will be implemented.

New immigration has the potential to improve skill levels across Detroit labor markets.

A. Immigration's Potential to Support Detroit's Economic Strategy

While many of Detroit's economic and demographic problems are inherently difficult to address particularly in the short term—immigration is one realistic way to help the city reach its economic development goals. Specifically, new immigration has the potential to rapidly increase the skill level of the workforce, counter rapid aging in both the city and the region as a whole, serve as a catalyst in the revitalization of Detroit's distressed neighborhoods, and deepen Detroit's connections to the global economy. More specifically, immigration has the potential to:

- Improve skill levels. New immigration has the potential to improve skill levels across Detroit labor markets—a priority in the DFC plan and many other local, regional, and state economic development strategies. Many of the key industries Detroit is hoping to rely on in the future—such as higher education, health care, and logistics—are heavily dependent on middle- or high-skilled workers. Metro Detroit suffers from a shortage of high-skilled labor. Only 24.7 percent of Michigan residents and just 12 percent of Detroit city residents over 25 years of age have more than a four-year college degree (several points below the national average of 28.2 percent), compared to 36.6 percent of Michigan's immigrants.³⁰ In addition, international students at Michigan's colleges and universities are three times as likely as native-born students to major in science, technology, engineering, and mathematics (STEM)—fields often thought to be associated with increased competitiveness and economic growth.³¹
- *Counter aging.* A regional forecast for the seven counties comprising Southeast Michigan for 2035 prepared by the Southeast Michigan Council of Governments (SEMCOG) estimates that the

²⁹ Business Leaders for Michigan, "2012 Michigan Turnaround Plan: Laying the Foundation to Build a New Michigan," 2012, www.businessleadersformichigan.com/storage/documents/michigan-turnaround-plan/MTP_Booklet.pdf.

³⁰ U.S. Census Bureau, American Community Survey, "5-Year Estimates: Selected Social Characteristics in the United States," 2013, http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_11_5YR_DP02; Migration Policy Institute (MPI) Data Hub, "State Immigration Data Profiles," Michigan profile, language and education indicators, www. migrationpolicy.org/data/state-profiles/state/demographics/MI. Note that the statewide and city data on college attainment include immigrant populations, so a more accurate comparison between native-born and foreign-born college attainment rates would need to subtract the foreign born from the overall statistic—a process that would demonstrate any even greater discrepancy between college attainment rates.

³¹ Andrew Sokoly, Sarah Szurpicki, Steve Tobocman, and Athena Trentin, International Talent Retention in Michigan: A Pathway to National Competitiveness (Detroit: Global Detroit, 2013), www.globaldetroit.com/wp-content/uploads/2013/10/OPT-Report-Compiled-Data-Write-Up-v14-FINAL-FINAL-10-4-13-1.docx.

senior population will double from 12 percent to 24 percent in the next 25 years.³² In fact, U.S. Census Bureau projections indicate that Michigan (absent an influx of working-age residents) is likely to become one of the oldest states in the United States.³³ The aging of southeast Michigan's population will reduce the size of Detroit's active workforce and have serious implications for the city's tax base.³⁴ Significant numbers of new working-age residents will be needed to support Michigan's aging population. On average, immigrants are more likely to be of working age (18-54) than nonimmigrants. Nearly 70 percent of the foreign born nationally are of working age, compared to approximately 50 percent of the U.S.-born population.³⁵ And in Michigan, 64.4 percent of the immigrant population is of working age compared to 50.8 percent of the native born.³⁶

- Revitalize distressed neighborhoods. Immigrant communities have the potential to breathe life into disinvested and declining neighborhoods. Evidence suggests that immigrant businesses may be more likely to invest in underserved markets where demand is uncertain. In some cases, these businesses may serve as an initial spark to attract other investment in struggling communities.³⁷ In fact, experts have estimated that Michigan's immigrants created businesses at three times the rate of the general population between 1996-2007,³⁸ and started almost one-third of all the high-tech startups in Michigan (creating these valuable new economic enterprises at nearly six times the rate of the general population).³⁹ Growing the number and size of working-class immigrant clusters within Detroit neighborhoods has great potential to fulfill the DFC plan's call for more local entrepreneurship.
- Deepen Detroit's global connections. Immigrants' international connections can help reduce information and relationship barriers, cut costs, and expand trade—a critical component of Detroit's efforts to expand its transportation, distribution, and logistics (TDL) industries. Domestic businesses looking to break into international markets can encounter entry barriers ranging from difficulty communicating with foreign buyers (due to language or cultural differences) to a lack of familiarity with local markets or networks. Immigrants' unique local knowledge and international connections can therefore be an asset for the internationally oriented businesses that employ them.⁴⁰ Several previous studies have suggested there may be a correlation between immigration and increases in trade with immigrants' countries of origin.⁴¹

³² Xuan Liu, "The Changing Demographics of Southeast Michigan," (PowerPoint presentation, under notes to slide 20 based on Donald Grimes and George Fulton "Region in Turbulence and Transition: The Economic and Demographic Outlook for Southeast Michigan Through 2035," prepared for SEMCOG, March 2007).

³³ Senior populations cited here are from 2007, provided by the U.S. Census Bureau. While all of America is projected to age over the coming 25 years, the projections are for the senior population national average to rise from 12 percent in 2005 to 20 percent in 2035, suggesting while Michigan is at the median rate today, it will exceed this rate in the next quarter century. Ibid.

³⁴ Donald Grimes and George Fulton, "Region in Turbulence and Transition: The Economic and Demographic Outlook for Southeast Michigan Through 2035," (presentation prepared for SEMCOG, March 2007, 35).

³⁵ Ibid.

³⁶ Ibid.

³⁷ Jonathan Bowles and Tara Colton, *A World of Opportunity* (New York: Center for an Urban Future, 2007), 13; and "Research Perspectives on Migration," a joint project of the International Migration Policy Program of the Carnegie Endowment for International Peace and the Urban Institute, January/February 1997, vol. 1, no. 2: 6.

³⁸ Robert Fairlie, *Estimating the Contribution of Immigrant Business Owners to the U.S. Economy* (Washington, DC: Small Business Administration Office of Advocacy, 2008), 31.

³⁹ Vivek Wadhwa, AnnaLee Saxenian, Ben Rissing, and Gary Gereffi, *America's New Immigrant Entrepreneurs* (Durham, NC and Berkeley, CA: Duke University and University of California–Berkeley, 2007), 8, <u>http://ssrn.com/abstract=990152</u>.

⁴⁰ Keith Head and John Ries, "Immigration and Trade Creation: Economic Evidence from Canada," *The Canadian Journal of Economics / Revue Canadienne d'Economique* 31, no. 1 (1998), <u>www.jstor.org/discover/10.2307/136376?uid=2&uid=4&sid=21102841968813</u>.

⁴¹ Giovanni Peri and Francisco Requena, "The Trade Creation Effect of Immigrants: Evidence from the Remarkable Case of Spain" (NBER Working Paper No. 15625, National Bureau of Economic Research, Cambridge, MA, November 2009), www.nber.org/papers/w15625; David Gould, "Immigrant Links to the Home Country: Empirical Implications for U.S. Bilateral Trade Flows," *The Review of Economics and Statistics* 76, no. 2 (1994): 302-16; Global Detroit, "The Immigration Case for Exports" (white paper, Global Detroit, Detroit, Michigan, 2011), www.globaldetroit.com/wp-content/files_mf/1329195514ExportsCaseStatement.pdf.

B. Capturing and Retaining International Talent and Immigrant Residents

Over the last several years there has been a proliferation of initiatives that see immigration as a tool to bolster economic growth.⁴² In Detroit this concept has been championed by Global Detroit,⁴³ a regional nonprofit initiative created in 2009 that seeks to attract immigrants to the metropolitan area and capture the economic potential of immigration to support Detroit's progress toward its redevelopment goals. Global Detroit's primary aim is to create a regional environment that is welcoming of immigrants (and the international community broadly), draws in international investment and business, attracts—and retains—needed talent, and supports the growth and revitalization of disadvantaged neighborhoods (primarily in the city of Detroit).

Global Detroit has helped to launch the Michigan Global Talent Retention Initiative (GTRI), one of the first such efforts in the United States to focus on retaining international students who study at local universities. Michigan is home to nearly 28,000 international students, many of whom are studying in STEM fields at rates estimated to be three times that of native-born students.⁴⁴ GTRI aims to encourage these talented international students to stay in Michigan after graduation, while assisting them in navigating the hiring process. GTRI also works with local employers to connect them with this talent pool.

Over the last several years there has been a proliferation of initiatives that see immigration as a tool to bolster economic growth.

While attracting new talent to Detroit is a promising tool for advancing redevelopment, equally important is ensuring that this talent is utilized by and contributes to the local economy. To do this, policymakers must ensure that immigrants have the skills and resources they need—e.g., language skills or credentials—to put their knowledge to use.

Within the Global Detroit network, several programs have been created to connect immigrant communities with the resources they need to succeed in the local economy. Welcome Mat Detroit, for example, is a network of regional immigration, integration, and ethnic service and cultural activity providers and organizations. The program's searchable online database allows new immigrants and those serving them to easily connect to some 425 different nonprofit organizations. Welcome Mat Detroit also works to improve the capacity of organizations within the network, identify gaps in immigration integration services, and develop tools and solutions to assist immigrant integration in the region.⁴⁵

Other programs, such as ProsperUS Detroit,⁴⁶ work to increase opportunities for entrepreneurship in working-class immigrant and Black communities. The Prosper US Detroit program is a microenterprise training, lending, and support initiative based upon the work of Neighborhood Development Centers of Minneapolis/St. Paul. With some \$2.5 million invested over three years, ProsperUS has targeted three Detroit low-income communities with significant Black, Hispanic/Latino, and Arab populations to train low-income immigrants and people of color in starting or growing their own businesses. With a location-based focus, ProsperUS Detroit hopes to build ethnic, immigrant, and minority communities that will

⁴² The development of a Global Great Lakes Network (<u>www.globalgl.org</u>) of immigrant-focused economic development efforts in Cleveland, Columbus, Dayton, Detroit, Indianapolis, Lansing, Pittsburgh, and St. Louis are examples of increased interest in this area.

⁴³ The author of this report is the author of the Global Detroit study and has spearheaded the initiative's efforts since its inception in 2009.

⁴⁴ Michigan Global Talent Retention Initiative (GTRI), *International Talent Retention in Michigan: A Pathway to National Competitiveness* (Detroit: GTRI, 2013), http://209.59.151.195/~migtr0/wordpress/wp-content/uploads/2013/01/Pathway-to-National-Competitiveness-FINAL.pdf. This GTRI and Global Detroit study of thousands of international graduates utilizing the Optional Practical Training (OPT) portion of their student visas in Michigan suggests that 60 percent hold degrees in STEM fields and 80 percent are pursuing graduate degrees.

⁴⁵ Welcome Mat Detroit Immigrant Integration Network, "About Us," <u>www.welcomematdetroit.org/index.php/homepage</u>.

⁴⁶ ProsperUS Detroit, "Mission and Values," <u>www.prosperusdetroit.org/about</u>.



revitalize neighborhoods. It is strongly in line with the DFC plan's pillar of supporting and fostering local entrepreneurship.

Finally, still other projects have sought to help skilled immigrants overcome barriers to the recognition of academic and professional credentials they earned abroad. Upwardly Global, a national nonprofit, seeks to connect skilled immigrants and refugees with the unmet talent needs of U.S. employers.⁴⁷ In June 2013 Upwardly Global, together with Global Detroit and the state of Michigan, unveiled 11 Michigan professional licensing and credentialing guides to assist skilled immigrants in Michigan in attaining the licenses and credentials needed for several in-demand professions.⁴⁸ In June 2014, Upwardly Global worked with Governor Snyder's Office for New Americans and the state Department of Licensing and Regulatory Affairs (LARA), to officially launch a new office in Detroit to provide job search coaching, relicensing guidance, and employer referral services to skilled immigrants and refugee professionals. In addition to Upwardly Global's jobseeker services, the state also is piloting a Global Engineers in Residence (GEIR) program that will create full-time mid-career internships for internationally trained engineers and offers employer incentives to utilize the GEIR program. Additionally, LARA has opened up a hotline for foreign-trained professionals who have questions about relicensing in the state.

C. Possible Challenges

Detroit faces significant obstacles to utilizing immigration as a tool for redevelopment and stabilization. First, the city has proven to be a less attractive destination than the suburbs for most of the region's foreign born. While the city is home to more than 16 percent of the metro area's population, less than 10 percent of them live within city limits.⁴⁹ Perceptions of crime, violence, poor schools and municipal services, and the myriad other factors that have inspired others in the region to flee the city for the suburbs help shape newcomers' decision where to live. Efforts like Global Detroit, a potential Mayor's Office of Immigrant and International Affairs, which is in the works within Mayor Mike Duggan's administration, and a Detroit City Council Immigration Task Force are designed, in part, to reverse these settlement trends. Yet, it is far from clear that a concerted municipal or nonprofit effort to attract immigrants can succeed.

Detroit faces significant obstacles to utilizing immigration as a tool for redevelopment and stabilization.

In addition, a successful immigration strategy must concentrate not only on attracting new immigrants, but also on developing mechanisms and an environment to retain those communities after they become more affluent, so that the traditional migration patterns of "up-and-out" are not repeated. More work needs to be done to ensure Detroit is able to retain its newest residents and provide the quality of life, municipal services, and support needed to make ethnic and immigrant communities feel welcome.

Growing Detroit's immigrant population will undoubtedly raise issues of social cohesion, as the introduction of changing social demographics inevitably does—new middle-class housing and retail developments in Detroit have already been cause for certain political voices in Detroit to raise issues of

⁴⁷ Upwardly Global was one of the 2010 winners of MPI's E Pluribus Unum Prizes honoring exceptional immigrant integration initiatives. For more, see MPI E Pluribus Unum Prizes, "Upwardly Global: Exceptional Immigrant Integration Initiative," <u>http://integrationawards.migrationpolicy.org/winners-upwardlyglobal.cfm</u>.

⁴⁸ Upwardly Global, "Michigan Professional Licensing Guides," <u>www.upwardlyglobal.org/job-seekers/american-licensed-professions/michigan-professional-licensing-guides</u>.

⁴⁹ In 2010, 5.1 percent of Detroit's population was foreign born. From U.S. Census Bureau, "State and County Quick Facts;" Jill H. Wilson and Audrey Singer, "Immigrants in 2010 Metropolitan America: A Decade of Change" (State of Metropolitan America Series, Metropolitan Policy Program, Brookings Institution, October 2011), www.brookings.edu/~/media/research/files/papers/2011/10/13%20immigration%20singer/1013_immigration_wilson_singer.pdf.

class and race. What might be most notable, however, has been the lack of organized or public opposition to pro-immigration efforts like Global Detroit. In anticipation of potential resistance from Detroit's existing minority communities, Global Detroit's work has included the Detroit Urban League—a historic civil-rights organization dedicated to economic empowerment in order to elevate the standard of living in historically underserved urban communities—and other nonprofit organizations addressing issues of racial inequity. The organization also reached out to the Michigan Black Chamber and other Black business leaders and hosted discussions on the lack of Black inclusion in the tech economy. ProsperUS Detroit has targeted Black neighborhoods and participants, as well as immigrants. Of the first 200 graduates of its microenterprise training programs, 85 percent have been non-immigrant Blacks.

To date, Detroit's immigrant residents tend to be less educated and affluent than those across the metropolitan region as a whole.

Other initiatives have proactively sought to foster a welcoming climate for the new immigrant communities Detroit hopes to attract. Welcoming Michigan, one of the most active local affiliates of the national Welcoming America campaign, is a grassroots-driven collaborative that works to promote mutual respect and cooperation between foreign-born and U.S.-born Americans. In the Chadsey-Condon neighborhood of Detroit alone, Welcoming Michigan hosted more than 20 events in 2013, including neighborhood cleanups, film screenings, community dialogues, diversity trainings, cooking classes, and more. In 2013, the Obama White House recognized Welcoming Michigan as a Champion of Change for its work integrating immigrants (one of ten such recognitions given nationally).

To date, Detroit's immigrant residents tend to be less educated and affluent than those across the metropolitan region as a whole.⁵⁰ Future growth in immigrant communities in the city is most likely to occur within existing working-class immigrant clusters. Any significant expansion of these clusters, meanwhile, will challenge education and municipal service systems that have limited abilities to work with non-English-speaking students and customers. While Detroit Public Schools and various charter schools in the city have developed some capacity to serve Spanish-speaking students and, to a much lesser extent, Arabic-speaking students, these services are inadequate. The City of Detroit has an even less-developed capacity to serve non-English speakers and, outside of some limited efforts within the Police Department, offers virtually no city services (e.g., building permits, licensing and zoning issues, tax assessments, etc.) in foreign languages. That said, community organizations and local colleges offer programs for English Language Learners (ELLs), and Welcome Mat Detroit is spearheading strategies to tackle the regional shortage of ELL resources. For Detroit to truly be able to serve immigrant residents and businesses, it will need to develop workable strategies to address language access issues.⁵¹

Certain immigration enforcement practices in Detroit also have the potential to deter immigrants looking to settle in the area. Since 2009 well over 300,000 cases within Wayne County alone have been submitted to the Secure Communities program (which allows local law enforcement to check an individual's immigration status after he or she has been detained for a criminal offense). Of these, less than 1 percent (999 cases) were arrested on aggravated felony charges.⁵² As a result, while only 560 cases of the more than 300,000

⁵⁰ Cruz, Metro Detroit's Foreign-Born Populations.

⁵¹ Recommendations on how to reform educational and municipal service systems to enhance language access are beyond the scope of this report. Thoughtful guides on the topic can be found in Laureen Laglagaron and Jess Sperling, *Is This Working? Assessment and Evaluation Methods Used to Build and Assess Language Access Services in Social Services Agencies* (Washington, DC: Migration Policy Institute, 2009); and in New York City Mayor's Office of Immigrant Affairs and Mayor's Office of Operations, *Language Access 2.0: Sharing Best Practices, Improving Services, and Setting Future Goals* (New York: New York City Mayor's Office of Immigrant Affairs, 2011), www.nyc.gov/html/ops/downloads/pdf/lap/la_symposium_report_part_ii.pdf.

⁵² An aggravated felony includes crimes such as murder, rape, or sexual abuse of a minor; illicit trafficking in a controlled substance or firearms; money laundering; a crime of violence or a theft for which the sentence is at least one year; child pornography; offenses that jeopardize national defense; and fraud in excess of \$10,000. See 8 U.S.CA § 1101.



cases submitted to the Secure Communities program were eventually subject to removal, the large volume of submissions suggests that immigrant enforcement in the Detroit region could be a deterrent to fostering a welcoming environment for immigrants.⁵³ The constant presence of U.S. Immigration and Customs Enforcement (ICE) Border Patrol vehicles and several high-profile enforcement operations have definitely become an issue that could impact immigrants' decisions to reside in the area.⁵⁴

V. Conclusion

In the early 20th century Detroit experienced rapid expansion, population growth, and prosperity, serving as the nation's "Arsenal of Democracy." The city and region attracted workers from all over America and the world to labor in its automotive assembly and manufacturing plants, and grew to be the fourth-largest city in America with one of the highest per capita incomes, especially for workers with little formal education. But over the past fifty years, urban flight, racial tensions, and the decline of the American auto manufacturing industry have made the city the poster child of industrial decay. The largest municipal bankruptcy in U.S. history, the highest child poverty rates, the lowest educational test scores, and the most rapid population loss—all represent badges of defeat.

The biggest challenge...may be to overcome the city center's negative image and the demographic patterns that have kept most immigrants in the suburbs.

Detroit's elusive "renaissance" has received growing attention in literature, social commentary, political theory, documentary film, and media over the past few years. And while many radical and novel ideas have been floated and discussed, a pragmatic focus on "right-sizing" the city—that is, developing a plan and vision for its existing population—seems to be winning out over dreams of some urban planning utopia or exotic tourism destination for those wanting to view the abandoned walls of an American industrial acropolis.

The vision set out in the DFC plan identifies economic sectors of strength upon which to build, and stresses the need for creating jobs in the city for existing residents. The plan is consistent with other economic development strategies shared by regional and statewide economic development and private-sector stakeholders.

Immigration may accelerate the implementation of these plans. Metro Detroit remains a globally significant region and Detroit a significant global city. The southeast Michigan region houses some of the world's leading universities and research institutions, unfettered access to the Great Lakes (which make up 20 percent of the world's freshwater surface), and a strategic location on global supply chain routes. The Detroit area is home to the second-largest number of immigrants in the Midwest, who bring with them significant ties to places around the globe. These international resources and the talent and human capital that new residents can bring are important assets to be leveraged in Detroit's recovery.

The biggest challenge, however, may be to overcome the city center's negative image and the demographic patterns that have kept most immigrants in the suburbs. While the city may offer cheap housing, vacant

⁵³ U.S. Customs and Immigration Enforcement (ICE), "Secure Communities: Monthly Statistics through May 13, 2013," <u>www.ice.</u> <u>gov/doclib/foia/sc-stats/nationwide_interop_stats-fy2013-to-date.pdf</u>.

⁵⁴ Daniel Denvir, "The Paradox of Mexicantown: Detroit's Uncomfortable Relationship with the Immigrants It Desperately Needs," *The Atlantic*, September 24, 2012, <u>www.theatlanticcities.com/neighborhoods/2012/09/paradox-mexicantown-detroits-uncomfortable-relationship-immigrants-it-desperately-needs/3357/.</u>

stores and homes to rehabilitate, and underserved retail markets—all things that traditionally attract immigrant populations to urban centers—new immigrant groups continue to choose suburban areas over the city. Detroit will need to make a compelling case to potential new residents—and do a better job retaining ethnic clusters that exist within the city—for immigration to have more than a fleeting impact on its future.

It remains uncertain if efforts to attract and build upon immigrants' talent as a means of revitalizing the regional economy and stabilizing Detroit neighborhoods will continue to be embraced by Detroit's leaders after the initial appeal of recent programmatic measures wears off. Even if they are embraced, no one can say they will succeed—by attracting immigrants to the region, convincing them to reside and build businesses within the city instead of the suburbs, and by retaining immigrant clusters.

Since 2009 cities across the Northeast and Midwest have begun to embrace immigration as a tool for economic development and neighborhood stabilization. Mayors of Philadelphia, Baltimore, Chicago, Columbus, Dayton, and Louisville have declared their intention to open their city's doors to immigrants. In the past five years, similar private-sector efforts have launched in Cleveland, Pittsburgh, Indianapolis, and St. Louis. It is too early to tell which, if any, strategies to attract, retain, and capitalize on immigration will succeed. Detroit and other cities offer a fascinating opportunity to observe to what extent immigration may have the potential to counter massive disinvestment, loss, and abandonment.

For more on MPI's Transatlantic Council on Migration, visit: <u>www.migrationpolicy.org/transatlantic</u>

Works Cited

- Advantage Oakland. Foreign Owned Firms in Oakland County. <u>www.advantageoakland.com/Expand/ExpandIntl/</u> <u>Pages/IBFirms.aspx</u>.
- Bomey, Nathan and John Gallagher. 2013. How Detroit Went Broke: The Answers May Surprise You—and Don't Blame Coleman Young. *Detroit Free Press*, September 15, 2013. <u>www.freep.com/interactive/arti-cle/20130915/NEWS01/130801004/Detroit-Bankruptcy-history-1950-debt-pension-revenue</u>.

Bowles, Jonathan and Tara Colton. 2007. A World of Opportunity. New York City, NY: Center for an Urban Future.

- Brachman, Lavea and Alan Mallach. 2010. Ohio's Cities at a Turning Point: Finding the Way Forward. Metropolitan Policy Program, Brookings Institution, Washington, DC. <u>www.brookings.edu/research/pa-</u> <u>pers/2010/05/18-ohio-cities-mallach-brachman</u>.
- Business Leaders for Michigan. 2012. 2012 *Michigan Turnaround Plan: Laying the Foundation to Build a New Michigan*. Detroit: Busines Leaders for Michigan. <u>www.businessleadersformichigan.com/storage/docu-</u> <u>ments/michigan-turnaround-plan/MTP_Booklet.pdf</u>.
- Butler, Sam. 2010. Interview by Author, December 22, 2010. On file with author.
- Cruz, John. 2013. *Metro Detroit's Foreign-Born Populations*. Detroit: Global Detroit. <u>www.globaldetroit.com/</u> wp-content/files_mf/1393942332Global_Detroit_MetoDetroitForeignbornmar2014full.pdf.
- Denvir, Daniel. 2012. The Paradox of Mexicantown: Detroit's Uncomfortable Relationship with the Immigrants It Desperately Needs. *The Atlantic*, September 24, 2012. <u>www.theatlanticcities.com/neighborhoods/2012/09/paradox-mexicantown-detroits-uncomfortable-relationship-immigrants-it-desperately-needs/3357/</u>.
- Detroit Works Project. *Detroit Future City: Detroit Strategic Framework Plan*. Detroit: Detroit Future City. <u>www.</u> <u>detroitworksproject.com</u>.
- Fairlie, Robert. 2007. *Estimating the Contribution of Immigrant Business Owners to the U.S. Economy*. Washington, DC: Small Business Administration Office of Advocacy.
- Fulton, George and Don Grimes. 2006. Michigan's Industrial Structure and Competitive Advantage: How Did We Get into this Pickle and Where Do We Go from Here? Paper presented at "Where Do We Go from Here? An Agenda-Setting Conference for the Economic Issues Facing Michigan," March 14, 2006. <u>http://irlee.umich.edu/clmr/Docs/MichiganWhereDoWeGoFromHere.pdf</u>.
- _____. 2007. Region in Turbulence and Transition: The Economic and Demographic Outlook for Southeast Michigan through 2035. Presentation prepared for the Southeast Michigan Council of Governments (SEMCOG), March 2007.
- Gallagher, John. 2010. Reimagining Detroit: Opportunities for Redefining an American City. Detroit: Wayne State University Press.
- Global Detroit. 2011. The Immigration Case for Exports. White paper, Global Detroit, Detroit, Michigan. <u>www.</u> <u>globaldetroit.com/wp-content/files_mf/1329195514ExportsCaseStatement.pdf</u>.
- Goss, Carol. 2012. *State of the Detroit Child*. Detroit: The Skillman Foundation. <u>http://datadrivendetroit.org/</u> wp-content/uploads/2013/02/D3_2012_SDCReport.pdf.
- Gould, David.1994. Immigrant Links to the Home Country: Empirical Implications for U.S. Bilateral Trade Flows. *Review of Economics and Statistics* 76 (2): 302-16.

- Grimes, Donald and George Fulton. 2007. Region in Turbulence and Transition: The Economic and Demographic Outlook for Southeast Michigan through 2035. Presentation prepared for the Southeast Michigan Council of Governments (SEMCOG), March 2007.
- Haglund, Rick. 2012. Pulse Quickens in Michigan Manufacturing. *Bridge Magazine*, January 2013. <u>http://bridgemi.com/2012/01/pulse-quickens-in-mich-manufacturing/</u>.
- Head, Keith and John Ries. 1998. Immigration and Trade Creation: Economic Evidence from Canada. *The Canadian Journal of Economics/Revue Canadienne d'Economique* 31 (1): 47-62. <u>www.jstor.org/discover/10.2</u> <u>307/136376?uid=2&uid=4&sid=21102841968813</u>.
- Laglagaron, Laureen and Jessica Sperling. 2009. Is This Working? Assessment and Evaluation Methods Used to Build and Assess Language Access Services in Social Services Agencies. Washington, DC: Migration Policy Institute. <u>www.migrationpolicy.org/research/working-assessment-and-evaluation-methods-used-build-and-access-language-services-social</u>.
- Lincoln Institute of Land Policy. Fiscally Standardized Cities. <u>www.lincolninst.edu/subcenters/fiscally-stan-</u> <u>dardized-cities/default.aspx</u>.
- Liu, Xuan. 2007. The Changing Demographics of Southeast Michigan. PowerPoint presentation, under notes to slide 20 based on Donald Grimes and George Fulton "Region in Turbulence and Transition: The Economic and Demographic Outlook for Southeast Michigan Through 2035," prepared for the Southeast Michigan Council of Governments (SEMCOG), Michigan, March 2007.
- Mallach, Alan and Lavea Brachman. 2010. *Ohio's Cities at a Turning Point: Finding the Way Forward*. Washington, DC: Brookings Institution Metropolitan Policy Program. <u>www.brookings.edu/research/papers/2010/05/18-ohio-cities-mallach-brachman</u>.
- Michigan Department of Technology, Management, and Budget. 2011. Provisional Intercensal and Postcensal Estimates of Population, 2000-2010. <u>www.michigan.gov/documents/cgi/cgi_census_Provisional_Intercensal_Pop0010_349652_7.xls</u>.
- Migration Policy Institute (MPI) Data Hub. State Immigration Data Profiles, Michigan profile, language and education indicators. <u>www.migrationpolicy.org/data/state-profiles/state/demographics/MI</u>.
- New York City Mayor's Office of Immigrant Affairs and Mayor's Office of Operations. 2011. Language Access 2.0: Sharing Best Practices, Improving Services, and Setting Future Goals. New York: New York City Mayor's Office. www.nyc.gov/html/ops/downloads/pdf/lap/la_symposium_report_part_ii.pdf.
- Peri, Giovanni and Francisco Requena. 2009. The Trade Creation Effect of Immigrants: Evidence from the Remarkable Case of Spain. NBER Working Paper No. 15625, National Bureau of Economic Research, Cambridge, MA, December 2009. <u>www.nber.org/papers/w15625</u>.
- Sokoly, Andrew, Sarah Szurpicki, Steve Tobocman, and Athena Trentin. 2013. *International Talent Retention in Michigan: A Pathway to National Competitiveness*. Detroit: Global Detroit. <u>www.globaldetroit.com/wp-content/uploads/2013/10/OPT-Report-Compiled-Data-Write-Up-v14-FINAL-FINAL-10-4-13-1.docx</u>.
- Southeast Michigan Council of Governments. 2012. Southeast Michigan 2040 Forecast Summary, revised April 2012. http://library.semcog.org/InmagicGenie/DocumentFolder/2040ForecastSummary.3-12.pdf.
- Sugrue, Thomas. 1996. The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit. Princeton, NJ: Princeton University Press.
- Upwardly Global. Michigan Professional Licensing Guides. <u>www.upwardlyglobal.org/job-seekers/american-li-</u> <u>censed-professions/michigan/michigan-professional-licensing-guides.</u>

MIGRATION POLICY INSTITUTE

- U.S. Census Bureau. American Fact Finder. <u>http://factfinder2.census.gov/faces/tableservices/jsf/pages/pro-</u> <u>ductview.xhtml?pid=ACS_11_5YR_B05002&prodType=table</u>.
- _____. Census of Population and Housing, 1900. Population of States and Territories. <u>www.census.gov/prod/</u><u>www/decennial.html</u>.
- _____. Detroit (city), Michigan. http://quickfacts.census.gov/qfd/states/26/2622000.html.
- _____. Metropolitan and Micropolitan Statistical Areas. <u>www.census.gov/popest/data/metro/totals/2012/</u>.
- _____. Population Estimates: Metropolitan and Micropolitan Statistical Areas. <u>www.census.gov/popest/data/</u> <u>metro/totals/2012/</u>.
- _____. State and County Quick Facts. <u>http://quickfacts.census.gov/qfd/states/26/2622000.html</u>.
- _____. Table 20: Large Metropolitan Statistical Areas—Population: 1990 to 2010. <u>www.census.gov/compen-</u> <u>dia/statab/2012/tables/12s0020.pdf</u>.
- U.S. Census Bureau. 2013. American Community Survey. 5-Year Estimates: Selected Social Characteristics in the United States. <u>http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtm-l?pid=ACS_11_5YR_DP02</u>.
- U.S. Customs and Immigration Enforcement. 2013. Secure Communities: Monthly Statistics through May 13, 2013. www.ice.gov/doclib/foia/sc-stats/nationwide_interop_stats-fy2013-to-date.pdf.
- U.S. Department of Labor, Bureau of Labor Statistics. Economy at a Glance: Michigan. <u>www.bls.gov/eag/eag.</u> <u>mi.htm</u>.
- _____. Economy at a Glance: United States. <u>www.bls.gov/eag/eag.us.htm</u>.
- _____. Local Area Unemployment Statistics. <u>http://data.bls.gov/pdq/querytool.jsp?survey=la</u>.
- _____. Regional and State Employment and Unemployment—August 2000. <u>www.bls.gov/news.release/histo-</u> <u>ry/laus_09192000.txt</u>.
- _____. Regional and State Employment and Unemployment—June 2009. <u>www.bls.gov/news.release/archives/</u> <u>laus_07172009.pdf</u>.
- _____. Regional and State Employment and Unemployment—August 2013. <u>www.bls.gov/news.release/ar-</u> <u>chives/laus_09202013.pdf</u>.
- Wadhwa, Vivek, AnnaLee Saxenian, Ben Rissing, and Gary Gereffi. 2007. *America's New Immigrant Entrepreneurs*. Durham, NC, and Berkeley, CA: Duke University and University of California-Berkeley. <u>http://</u> <u>ssrn.com/abstract=990152</u>.

Wilkinson, Mike. 2009. Nearly Half of Detroit's Workers Are Unemployed. Detroit News, December 16, 2009.

Wilson, Jill H. and Audrey Singer. 2011. Immigrants in 2010 Metropolitan America: A Decade of Change. State of Metropolitan America Series, Metropolitan Policy Program, Brookings Institution, October 2011. www.brookings.edu/~/media/research/files/papers/2011/10/13%20immigration%20wilson%20 singer/1013_immigration_wilson_singer.pdf.

About the Author



Steve Tobocman is Managing Partner at New Solutions Group, LLC, a consulting firm in Detroit that has extensive experience in community economic development, urban policies, and, immigrant integration. He also co-directs the Michigan Political Leadership Program, a bipartisan political leadership training program.

Since 2009, Tobocman also has led Global Detroit, a regional economic revitalization strategy for the Detroit area, focused on immigration and global connections. Global Detroit served as the foundation for Michigan Governor Rick

Snyder's Office for New Americans effort, an attempt to build upon these strategies on a statewide basis. In June 2013 Tobocman and Global Detroit hosted the first Global Great Lakes Network meeting in Detroit for similar programs in Cleveland, Columbus, Dayton, Indianapolis, Lansing, Pittsburgh, St. Louis, and Toledo. Global Detroit helped coordinate a second convening for this network in Pittsburgh in June 2014. Global Detroit and Welcoming America collaborate on staffing this nascent network of immigrant-focused economic development programs in cities and metros across ten Midwestern states.

After obtaining his law degree and master's degree in public policy from the University of Michigan, Tobocman was a Skadden Fellow practicing community economic development law in Detroit. He was the Founder of Michigan Community Resources and worked to establish local and state trade associations for community development.

From 2003 to 2008, Tobocman served as State Representative for Michigan's 12th State House District in Detroit and ended his term as the Majority Floor Leader, the second-ranking position in the House.



The Migration Policy Institute is a nonprofit, nonpartisan think tank dedicated to the study of the movement of people worldwide. MPI provides analysis, development, and evaluation of migration and refugee policies at the local, national, and international levels. It aims to meet the rising demand for pragmatic and thoughtful responses to the challenges and opportunities that large-scale migration, whether voluntary or forced, presents to communities and institutions in an increasingly integrated world.

www.migrationpolicy.org

1400 16th Street NW Suite 300 Washington, DC 20036

Tel: 001 202-266-1940 Fax: 001 202-266-1900

