

Immigrants:

An Important Part of Maine's Economic Development Strategy

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photo David Hill



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Immigrants represent a small fraction of Maine's population, but they are vital to the state's economic future. A cross-sector group is finding ways to attract and integrate newcomers.

Maine is one of many states facing a growing proportion of older adults and a shrinking workforce. Maine's median age of 44.5 was the highest in the country in 2015.¹ With baby boomers leaving the workforce and a smaller cohort of younger workers entering, Maine's labor force dropped to 678,000 people in 2015, a decline of over 34,371 from its peak in July 2008, and it's expected to contin-

ue to decline if nothing is done. In May 2016, the unemployment rate was estimated at 3.5 percent for Maine and only 2.8 percent for Portland, Maine's largest city.²

What Immigrants Have to Offer

Immigrants can help replace Maine's retiring workforce.³ They are already a growing, younger population in Maine and have the potential to grow even more. In 2014, Maine's 47,000 immigrants (over 3 percent of the population) lived in all parts of the state, but were concentrated in the Lewiston and Portland regions. Of those who have arrived since 2010, almost two-thirds are from Asia (34 percent) and Africa (31 percent).⁴ In 2013, the city of Portland had approximately 10,000 immigrants, comprising nearly 15 percent of the population⁵ and representing over 80 nationalities.⁶ The increase

in the immigrant population since 2000 led to 3 percent growth for the city overall, while the native-born population decreased over the same period.⁷

Recent immigrants to Maine are young, well educated, and motivated. More than 65 percent of immigrants who arrived in Maine in 2010–2013 had some college-level training (up to and including a master’s degree),⁸ and their median age was 27.⁹ Immigrants also tend to have higher birth rates than native-born residents.¹⁰ From 1970 to 2013, not a single U.S. metropolitan area grew without an increase in its immigrant population.¹¹

Immigrants can also grow Maine’s economy through tax-base expansion, increased demand for goods, and business creation. Immigrants are more than twice as likely to start a business than their native-born counterparts. In 2011, immigrants started 28 percent of all new businesses despite accounting for only 13 percent of the total U.S. population.¹² And immigrants can benefit rural as well as urban areas: 6 percent of the population and 24 percent of the elementary school students in Milbridge in Washington County are Hispanic or Latino. Migrant workers patch together seasonal jobs picking blueberries, harvesting and processing sea cucumbers, and processing lobsters to create year-round employment.¹³ Similarly, four immigrants from Lewiston have recently moved to Skowhegan in Somerset County in order to work at Backyard Farms, a hydroponic farm in Madison that has had difficulty filling its job openings.

Maine is tied with Vermont for the whitest state in the country.¹⁴ In the next four years, however, the white population in the United States will begin to plateau, and the nonwhite population will surpass it in the early 2040s.¹⁵ An increasingly diverse population in Maine will enhance the state’s ability to attract talent and do business with the rest of the nation and the world.

Obstacles Maine’s Immigrants Face

Despite the benefits immigrants bring to Maine, they face disproportionately high unemployment and poverty levels. (See “Key Employment Barriers.”) While workforce intermediaries and service providers in Maine are addressing some of these barriers, programs of any scale will need additional resources and a cross-sector commitment to immigrant integration. Maine needs to develop a coordinated state-local, public-private initiative to invest in immigrants that incorporates the following recommendations.

Develop a Comprehensive Strategic Plan to Attract and Retain Immigrants

The plan requires involvement of public, private, and nonprofit partners. One model that several regions across the country have used is to create an Office of New Americans to advocate for immigrants and coordinate services.¹⁶ Positioning the office within the Department of Labor or the governor’s office would signal that immigrant attraction, integration, and retention are important components of Maine’s economic development strategy.

Key Employment Barriers

- Limited English skills or strong accent
- Lack of familiarity with the U.S. job application and interview process
- Lack of prior U.S. work experience
- Credential recognition and recertification challenges
- Cultural differences
- Lack of transportation
- Difficulty transitioning from temporary to full-time work
- Higher-education financial challenges
- Racism and discrimination

Raise Awareness and Commitment Among Employers in All Sectors

Key decision makers in Maine’s business, public, and nonprofit sectors need to recognize the gravity of current and projected labor shortages for Maine and emphasize the potential of immigrants to be part of the solution. Employers have tended to focus on addressing skill gaps rather than on increasing the overall supply of labor. More outreach and education are needed to support and engage the private sector and to encourage employers to fund workforce integration services.

Engage the Philanthropic Sector

Maine’s philanthropic sector can play a unique and compelling role in developing a comprehensive plan. Their convening power and grantmaking capacity can accelerate action on immigrant integration and ensure that there is broad representation around the policy table regarding integration and labor force issues. Engaging their boards in these conversations can also help elevate the conversation among influential Mainers with a demonstrated commitment to Maine’s economic future.



Prepare Young and New Immigrants to Enter the Workforce

Maine's future requires a strategy to develop its human capital over the long run. This includes making sure that immigrant children receive the training and skills to become productive workers and/or successful entrepreneurs and helping immigrant adults gain the skills and information they need to secure employment.

The Role of Coastal Enterprises, Inc.

In November 2015, Coastal Enterprises, Inc., a private, nonprofit community development corporation, convened a diverse group of stakeholders to act on the recommendations above, focusing on immigrants as an economic development opportunity. The Immigrant Stakeholder Group has grown since and is focused on deciding which strategies for attracting, integrating, and retaining immigrants are a priority for a state legislative agenda in 2017 and which can be developed by the private and nonprofit sectors.

Any legislation should focus on the workforce needs of the entire state, not just the cities of Portland and Lewiston. Recent refugees are already starting to locate outside Portland because of acute shortages of affordable housing. Catholic Charities, the primary refugee resettlement agency in Maine, has begun placing Iraqi refugees in Augusta and will be placing Syrians in Biddeford-Saco and Brunswick-Topsham. The agency is starting to develop the infrastructure in these communities to welcome immigrants. Portland Adult Education and the New Mainers Resource Center have offered to share their knowledge with other communities, but they have limited capacity without more resources.

A rural working group of the Immigrant Stakeholder Group is exploring how rural communities can craft an immigrant attraction strategy. The preconditions are access to jobs, affordable housing, and transportation to attract a group of immigrants who can support each other. Communities in Somerset, Aroostook, Washington, and Waldo counties have expressed interest in attracting immigrants.

Maine's demographic challenges and labor shortages are providing a compelling incentive to develop proactive strategies to attract immigrants. A statewide immigrant economic development policy is critical to address labor force needs and enhance Maine's ability to do business in a multicultural global economy.

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Acknowledgment

Portions of this article come from the authors' recent report "Building Maine's Economy: How Maine Can Embrace Immigrants and Strengthen the Workforce" (report, Coastal Enterprises, Inc., Brunswick, ME, 2016), <http://www.ceimaine.org/wp-content/uploads/2016/03/CEI-Immigration-Report-2016-WEB-PAGES.pdf>.

Endnotes

- ¹ "Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipios: April 1, 2010 to July 1, 2015, 2015 Population Estimates," United States Census Bureau, http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2015_PEPAGESEX&prodType=table.
- ² Maine Department of Labor, Center for Workforce Research and Information, <http://www.maine.gov/labor/cwri/>.
- ³ In this article, the term "immigrant" is used to mean any foreign-born resident. Other populations that could be targeted are teens aged 16–19 not in school or in the workforce, recipients of social security disability insurance, and unemployed and underemployed workers.
- ⁴ American Community Survey, 2010–2014 estimates, <https://www.census.gov/programs-surveys/acs/data/summary-file.html>.
- ⁵ 2013 American Community Survey one-year estimates, <https://www.census.gov/programs-surveys/acs/data/summary-file.html>.
- ⁶ Miriam Burt, "Report on the Evaluation of the Adult ESOL Programs and Service Delivery in Portland, Maine" (report, Center for Applied Linguistics, Washington, DC, 2014), <https://www.portlandschools.org/common/pages/DisplayFile.aspx?itemId=7112139>.
- ⁷ 2000 and 2013 American Community Survey One-Year Estimates, <https://www.census.gov/programs-surveys/acs/data/summary-file.html>.
- ⁸ Kseniya Benderskaya, "Mapping New England: Education Levels of Recent Immigrants," *Communities and Banking* 26, no. 2 (Spring 2015): 22–23, <https://www.bostonfed.org/commdev/c&b/2015/spring/Benderskaya-immigrant-education-level-new-england.htm>.
- ⁹ 2013 American Community Survey three-year estimates, <http://www.census.gov/data/developers/data-sets/acs-survey-3-year-data.html>.
- ¹⁰ Elizabeth Grieco et al., "The Foreign-Born Population in the United States: 2010" (report, American Community Surveys, Washington, DC, 2012), <https://www.census.gov/prod/2012pubs/acs-19.pdf>.
- ¹¹ David Kallick, "Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow" (Fiscal Policy Institute and the Americas Society/Council of the Americas, 2015), <http://www.as-coa.org/articles/bringing-vitality-main-street-how-immigrant-small-businesses-help-local-economies-grow>.
- ¹² Robert Fairlie, "Open For Business: How Immigrants are Driving Small Business Creation in the United States" (report, Partnership for a New American Economy, Santa Cruz, CA, 2012), <http://www.renewoureconomy.org/sites/all/themes/pnae/openforbusiness.pdf>.
- ¹³ Jennifer Atkinson, "Hispanics Help Washington County Grow," *Working Waterfront*, April 17, 2015, <http://www.islandinstitute.org/working-waterfront/hispanics-help-washington-county-grow>.
- ¹⁴ 95.1 percent of the population identifies as white in both states. See Kevin O'Connor, "Is Vermont the Whitest State in the Union?" *VT Digger*, January 17, 2016, <http://vtdigger.org/2016/01/17/is-vermont-the-whitest-state-in-the-union/>.
- ¹⁵ Fred Drews, "U.S. Diversity Explosion Is a Reason for Optimism," *Brookings* (blog), December 15, 2014, <http://www.brookings.edu/blogs/brookings-now/posts/2014/12/diversity-explosion-is-a-reason-for-optimism>.
- ¹⁶ Michigan, New York, and Illinois have all set up an Office of New Americans.

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