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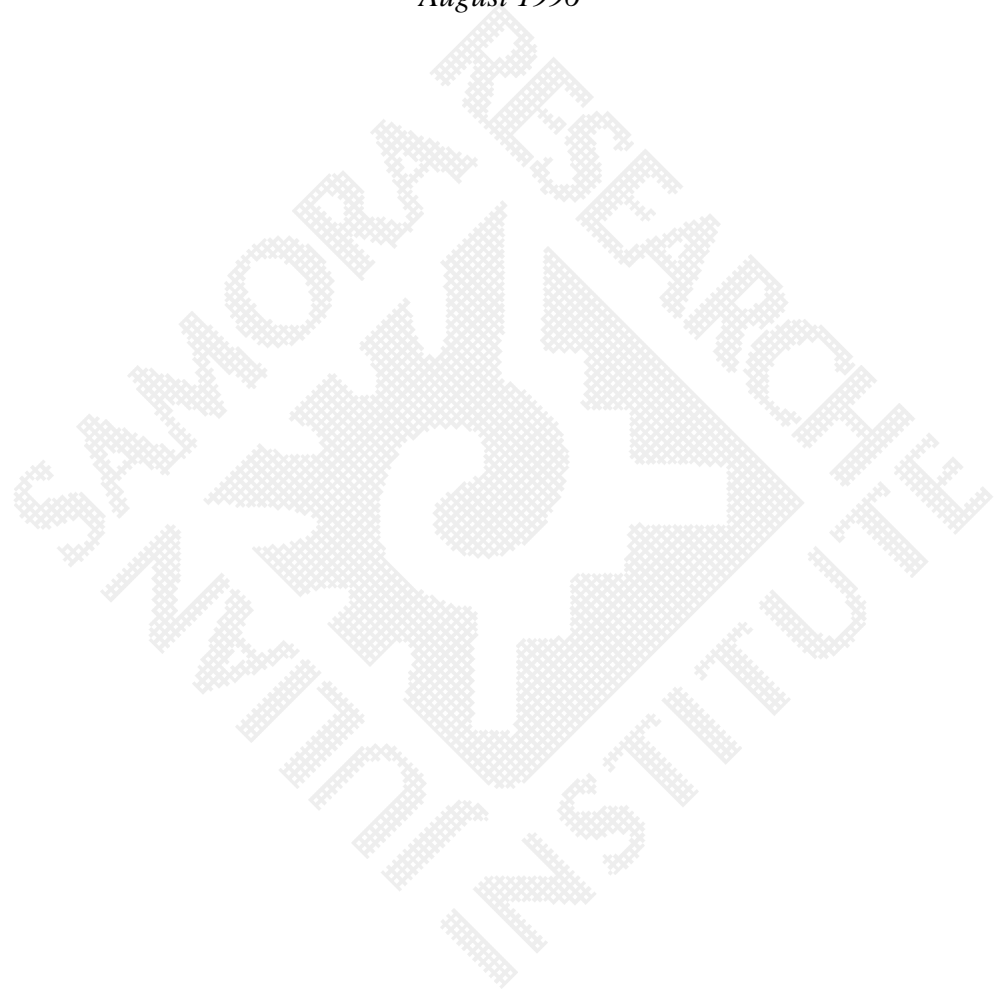
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**Immigration and the Changing Face of Rural America:  
Focus on the Midwestern States**

*by Phillip Martin  
Edward Taylor  
Michael Fix*

**Occasional Paper No. 21**  
*August 1996*



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# **Immigration and the Changing Face of Rural America: Focus on the Midwestern States**

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## **Abstract:**

The “Changing Face” title of this paper is meant to suggest that the demographics of rural America are changing rapidly, as Mexican, Central American, and Asian immigrants take jobs in agriculture and related industries. The paper is based on a conference held in Ames, Iowa, July 11-13, 1996, by the same title. Co-sponsors included the Julian Samora Research Institute, the Giannini Foundation of the University of California, and the North Central Regional Center for Rural Development.

As part of a planned series of workshops meant to explore immigration patterns, attractions for immigrants, and the impacts of immigrants in rural America, report contains insights on following:

- an overview of immigration patterns and the current status of immigration integration policy
- an examination of the economics of the major industries that attract immigrants to the area
- a series of industry/community studies that explore patterns of immigration and integration, and reactions to immigrants
- a field trip to help participants to understand the industries, the immigrants, and the communities involved
- a discussion with federal and state officials of current policy responses, and what changes are being considered.

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- \* *Occasional Papers*: for the dissemination of speeches and papers of value to the Latino community which are not necessarily based on a research project. Examples include historical accounts of people or events, "oral histories," motivational talks, poetry, speeches, and related presentations.

# Immigration and the Changing Face of Rural America: Focus on the Midwestern States

## *Table of Contents*

<b>Foreward</b> .....	<i>1</i>
<b>Overview</b> .....	<i>1</i>
<b>Immigration Patterns and Integration Policies</b> .....	<i>2</i>
<b>Meatpacking</b> .....	<i>3</i>
<b>Community Impacts</b> .....	<i>4</i>
<b>Next Steps</b> .....	<i>5</i>
<b>Endnotes</b> .....	<i>6</i>
<b>Related Readings</b> .....	<i>6</i>

The Julian Samora Research Institute is the Midwest's premier policy research and outreach center to the Hispanic community. The Institute's mission includes:

- *Generation of a program of research and evaluation to examine the social, economic, educational, and political condition of Latino communities.*
- *Transmission of research findings to academic institutions, government officials, community leaders, and private sector executives through publications, public policy seminars, workshops, and consultations.*
- *Provision of technical expertise and support to Latino communities in an effort to develop policy responses to local problems.*
- *Development of Latino faculty, including support for the development of curriculum and scholarship for Chicano/Latino Studies.*

# Immigration and the Changing Face of Rural America: Focus on the Midwestern States

## Forward

*The following articulates the results of a recent conference, one of a series on the impact of immigration to rural areas, that focused on the Midwest. Of particular interest to these efforts is Hispanic or Latino immigration, since Latinos have accounted for the vast majority of the nation's rural immigrants in recent decades. The driving force behind this project is the concern that the substantial growth in rural immigration, that has been in evidence for some time, may lead to vast new pockets of entrenched rural poverty. This is because the traditional means of upward mobility for rural persons of modest means, urban migration, may no longer accommodate such aspirants due to the restructuring of our urban economy. Thus, the central aims include determining the potential for the formation of concentrated poverty, due to rural immigration, and deriving policy prescriptions to ameliorate or forestall such a formation.*

*The key results of the conference discussions, based on current research efforts, is well articulated here. First, immigration to the Midwest appears not to be as extensive as media reports have suggested, because many rural area settlers are merely Latino or Asian migrants from other parts of the nation, rather than abroad. Second, major employers of these newcomers -mainly meat processing concerns- are providing low, but generally livable, wages to these incoming workers. Most of the latter work alongside non-migrant workers and within unionized settings. Further, despite some problems, social resistance to their settling has been relatively mild, at least up to now.*

*However, there are far too many questions about these processes that remain unanswered for advancing any conclusions, let alone policy recommendations. For example, there remains no real sense of what just proportion of the rural newcomers are really immigrants vis-à-vis migrants. A crucial question! In addition, more emphasis than conveyed here needs to be attached to the question of whether these employers - most of which recently RELOCATED in these areas - will move on again. In addition, less comfort than that conveyed here ought to be attached to the high rates of unionization in these industries,*

*given the high likelihood that many may have been "captured" or "restructured" by the employers. Indeed, some of the very premises of the conference, such as the idea that rural-urban migration no longer "works," should perhaps be further scrutinized, as least in the Midwest, given that the overwhelming majority of immigrants to the region appear to still be drawn to its key cities. Thus, we hope that this informative essay reporting on these issues stimulates, rather than deters, further efforts to ferret out the full story on this developing rural drama.*

Robert Aponte  
Julian Samora Research Institute  
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## Overview

The "face" of rural America is changing, in part because of immigration from Latin America and Asia. In many small cities and towns in middle America, refugees arrived in the late 1970's and 1980's, and immigrants from Mexico and Central America began arriving in ever-larger numbers in late 1980's and 1990's.

We held several changing face conferences in California to assess the prospects for integrating the immigrants who have arrived since 1980 to fill agricultural and farm-related jobs. Agriculture is a traditional port of entry for Mexican immigrants, but economic and social mobility for immigrant farm workers has in the past usually required geographic mobility-to get ahead, many rural residents moved to cities.

This was the first seminar outside California. One way to highlight the midwestern experience is to emphasize the similarities and differences between "Latinization" in California and the "browning" of the Midwest. There are three major points of contrast:

1. A major magnet attracting immigrants to rural Iowa is food processing including meat-packing, which offers year-round jobs that pay at least \$6 to \$7 per hour, or \$12,000 to \$18,000 per year, enough to support a family

in the U.S. In many cases, the immigrants moving to fill jobs in Midwestern meatpacking are not settled out migrant farm workers.

This means that there are fewer solo males, and more families, in meatpacking towns than in the farm worker towns that surround fields and orchards elsewhere in the U.S. Seasonal farm workers earn only half as much as meat packing workers- \$5,000 to \$7,000 per year.

The presence of families raises a number of issues-housing, schooling, health care. Unlike California, where settled Hispanic migrants often provide many services to newcomers, and where immigrants are often segregated in particular towns or parts of cities, immigrant meat packing workers in the Midwest often obtain public and private services from non-Hispanic providers, making them more “visible” in the communities in which they live and work.

This visibility can lead to problems, as when law enforcement officials harass Hispanics, or lead to extra services, as when banks and newspapers add Spanish-speaking personnel to serve new customers. In Marshalltown, Iowa, for example, immigrant meat packing workers can and are buying homes for \$30,000 to \$50,000 with the help of bank loans; few seasonal farm workers can get loans to buy houses.

2. The Hispanics and Asians in Midwestern meatpacking are not always immigrants, and they often work alongside U.S.-born White and Black workers in meatpacking plants. In many workplaces, Latino immigrants are only 20-50% of the labor force, but everyone agrees their presence has increased sharply over the past 10 years, and is likely to continue to increase in the 1990’s.

The fact that some of the Latino workers are U.S.-born, and that they often work alongside U.S.-born White and Black workers in plants that have unions, means that work and family integration may evolve differently in the Midwest. In California, immigrants typically had to move to cities to enjoy upward mobility, and they were slow to develop home-grown institutions such as the United Farm Workers union to help them to improve wages and working conditions in the fields. In the rural Midwest, by contrast, there are non-immigrant workers

who also have a keen interest in higher meatpacking wages and fringe benefits, making it more likely that existing unions, etc., will accommodate newcomers so that they do not have to form their own organizations.

3. Neither the industries that have and are attracting immigrants to the rural Midwest, nor the communities that often provided subsidies to attract plants, planned for the immigration and integration of the minority and immigrant workers that they in some cases recruited to fill jobs.<sup>1</sup> Indeed, some argue that programs that give employers wage subsidies for some workers during their first six months of employment, plus the meatpacking industry’s policy of not offering fringe benefits to workers for the first six months, encourages worker turnover in a manner that minimizes labor costs and maximizes migration in a labor-intensive industry.

Meatpacking may turn out to be a mobile industry that moves into rural areas, changes the size and composition of the population in 25 to 50 Midwestern towns, and then, in some cases, moves on, with perhaps pork moving to North Carolina, and beef to Mexico. In some cases, the plants were attracted to the rural Midwest with the help of subsidies rather than paying the impact fees that might be expected to be imposed on industries that generate such externalities.

## **Immigration Patterns and Integration Policies**

The number of newly-arrived immigrants who have low levels of education, little or no English, and low U.S. earnings is increasing, while federal support for poor people, and especially poor immigrants, is decreasing. This disjuncture between immigration flows and what is often termed “immigrant policy,” in light of pending proposals to further reduce the access of immigrants to federal means-tested programs, raises questions about how well immigrants and perhaps their children will be integrated throughout the U.S.<sup>2</sup>

Immigrants in the U.S. are concentrated - over half live in particular sections or neighborhoods of six cities in six states. This concentration magnifies the effects of immigration. About 8% of the U.S. population foreign-born, but 95% of all U.S. residents live in places that have less than 8% foreign-born residents.<sup>3</sup>

Until the 1980's, immigrants roughly replicated the U.S.-boom population in the single-best predictor of earnings - years of education. Immigrants arriving since the 1980s, however, have a different distribution of years of schooling. When arrayed by years of education, immigrants are concentrated at the extremes of the distribution. In this way, immigration joins globalization and technological change as a factor; that is adding people to the top and bottom of the income distribution, not the middle class.

The 10 Midwestern states had about 2.1 million foreign-born residents in the 1990 Census, including about 800,000 in the Chicago metro area.<sup>3</sup> About 75% of the 156,000 Mexican immigrants who arrived in the Midwestern U.S. in the 1980's moved to Chicago. Chicago is to the Midwest in immigration matters what Los Angeles is to California-the home of most of the Midwest's Hispanics and immigrants. Minnesota had 113,000 foreign-born residents in 1990, Kansas 63,000, Iowa 43,000, and Nebraska 28,000.

As in the rest of the U.S., most immigrants to the Midwest go to cities-about 93% of the foreign-born residents in the U.S., but only 76% of all U.S. residents, live in urban areas. Welfare rates are low in the rural Midwestern states, and foreign-born residents are not disproportionate users of welfare.

There were about 2 million Hispanics in the 10 Midwestern states, but many are U.S. citizens who are moving to Iowa and Nebraska from border states such as Texas and California. Not all of these internal U.S. migrants speak English, so there is a tendency to assume that all Hispanics are immigrants, and thus exaggerate the number of immigrants in some towns.

Illinois has about half of the Hispanics in the Midwest and most live in the Chicago area. Kansas had the most Hispanic residents of the meat packing states in 1992 - about 100,000, followed by Minnesota with 62,000, Nebraska 42,000, and Iowa 37,000.

## **Meatpacking**

The U.S. meatpacking industry has experienced four major changes since World War II. First, there has been a change in dietary habits-the average per capita consumption of chicken increased to 70 pounds per person per year in 1995, while that of beef and pork fell to 67 and 52 pounds per person.

Second, there have been technological changes that permitted meat packing to move from urban consumers of meat toward farmer producers of cattle and hogs. Boxed beef, vacuum packing, and lower wages in rural areas were among the reasons why it became preferable to prepare retail packages of meat close to where animals are slaughtered.

Third, there were important changes in the labor force, especially after 1980, that led to more unskilled workers, women, and immigrants in the plants- women traditionally have played a more important role in poultry processing than meatpacking. Meatpacking has always been an industry in the U.S. that offered relatively high wages to unskilled and non-English speaking workers, but employers in the past may have had more incentives to develop and retain a skilled meatpacking work force that lived in the town where the plant was located.

Unions represented most meatpacking workers, and they had a master agreement between 1950 and 1979 that "took wages out of competition" by requiring relatively uniform wages and benefits throughout the industry. The real hourly earnings of meatpacking workers peaked in 1979, when meatpacking workers earned almost \$15 per hour in 1992 dollars, and almost 20% more than the average manufacturing worker; in 1994, real earnings were less than \$10 per hour.

Meatpacking earnings fell as unions and master agreements faded, and as skill levels fell due to more automation and technological changes. These changes may have made worker turnover less costly to employers, and turnover may also have been encouraged by two-tier wage systems that developed in the early 1980's and offered lower wages and fewer fringe benefits to newly-hired workers.

Fourth, both the raising and slaughter of animals became concentrated in fewer and larger operations. In some cases, meatpacking plants were located next to huge feed lots that were owned by the major packers. The cost of the animal remains the largest single part of the cost of meatpacking-cows cost slaughterhouses 60¢ to 70¢ per pound, and hogs 40¢ to 50¢ per pound; and "disassembling" these animals into meat products costs 5¢ to 10¢ per pound for beef, and 20¢ to 25¢ per pound for pork.

In 1990, Iowa had a labor force of 1.3 million, including 12,200 Hispanics and 10,100 Asians. Most

Hispanics and Asians in Iowa were not employed in meatpacking—there were about 41,000 persons employed in food manufacturing in Iowa in 1990, including 2,000 Hispanics and 1,000 Asians. About 25,000 Iowa workers were employed in meat and poultry processing.

The 11 pork processing plants in Iowa—IBP operates five of them—in 1996 paid \$6 to \$7 per hour to entry-level workers. Most pork processors restrict benefits such as health insurance to workers employed for at least six months. Most plants are hiring workers constantly to fill job vacancies—it is not unusual to issue 200 W-2 statements at the end of the year to keep 100 jobs filled.

In plants visited by conference participants, 5-month-old hogs weighing 250 pounds each were “disassembled” at the rate of about 1,200 per hour, or 16,000 to 18,000 per day on two eight-hour shifts. The hogs are stunned, hung by one leg, stuck with a knife, and then carried through washing and singeing machines to remove hair. Carcasses are then split, internal organs removed, and then various cuts of meat are removed as the carcass travels past workers armed with knives.

Meat is packed in vacuum bags, large paperboard bins, or other means for transit, and then chilled before being sent in refrigerated trucks to retail outlets—vacuum packing meat increases its shelf life from three days to three weeks. Some meat processors specialize in curing hams and preparing sausages. Within the industry, meatpacking is sometimes known as a “kill and chill” industry.

About one production worker is required for each 10 hogs slaughtered on a daily basis, so a plant that slaughters 16,000 to 18,000 hogs daily has 1,600 to 1,800 production workers. Most of them wield one of a variety of knives, and most workers have jobs that require them to make a particular cut as a carcass moves by at the rate of about one every three seconds.

The job hierarchy in most plants is relatively flat, meaning that there are relatively few production jobs that pay twice the entry-level wage. This is one reason why especially young men may be prone to quit one plant for another in order to have an extended vacation, to get away from a particular supervisor, or to find better housing, thus contributing to high worker turnover.

Most rural areas in the Midwest have unemployment rates under 4% so meatpacking plants advertise in local media, some offer bounties of e.g., \$200 for each new worker referred, and some have recruiters who recruit locally, and persons who travel to e.g., Texas or California, to seek workers. In many cases, the workers who arrive to go to work are “vulnerable workers” in Midwestern towns.

## Community Impacts

Iowa’s manufacturing sector was restructured in the 1970’s and 1980’s. Many old-line companies that offered “blue collar elite” jobs were sold or restructured, and local mainstays of the community were often replaced on the shop floor by “vulnerable” workers paid lower wages and sometimes recruited from outside the community. As one result, the “local” factory became something more alien or foreign in many communities—no longer a place where son followed father through the plant gates.

The Iowa state government and local communities have struggled with economic restructuring and the changing work force since the 1980’s. On the one hand, many companies were persuaded to stay in or move to Iowa with tax breaks and other subsidies. However, when it became clear that many of the workers brought to Iowa to staff the plants were non-English speaking immigrants, Iowa sought to prevent at least the worst abuses associated with the recruitment of non-English speaking out-of-state workers by requiring employers to pay return transportation if they quit soon after arrival under some circumstances.<sup>5</sup>

In many Iowa communities, the arrival of immigrants and U.S.-born Hispanics beginning the 1970’s followed a 3-step process that limited the ability of state and local governments to regulate newly-restructured industries such as meatpacking. First came solo men, including those who were recruited by employers in border regions or in Mexico. Then came families, either Asian refugee families who had settled in the Midwest, or the families of the solo male Hispanics who learned that they could afford to bring their families to rural Iowa because wages were relatively high and housing and other living costs were relatively low.

The third step was unauthorized immigrants, including friends and relatives of earlier settlers, who used social networks to get jobs with employers will-



ing to hire immigrants with no English and little education. However, the arrival of more Hispanics, and more unauthorized immigrants, made many local residents wrongly believe that most Hispanic residents were recently-arrived illegal workers. In some cases, local law enforcement officers acted on this belief, and perhaps unlawfully detained or harassed Hispanics.

From the point of view of California researchers familiar with seasonal farm workers, the striking difference between meatpacking and California agriculture is that meatpacking offers year-round jobs and annual earnings that are high enough to support a family, so that the issues associated with the arrival of families—such as housing, schooling, health care—become important community issues early in the migration process. In most cases, meatpackers, like farm employers in California, are interested more in getting workers on the line than they are in ensuring that there is housing in the area for new arrivals, schools for their children, or bilingual police and other service personnel to deal with the newcomers.

A few profiles illustrated these differences. Storm Lake is a city of 8,800 in 1990, and home to two meat-processing plants that employ almost 2,000 workers.

Storm Lake had three major waves of immigrants over the past 15 years to the IBP plant there—two types of Lao immigrants, Mexican Mennonites, and other Mexican immigrants. The Lao immigrants were recruited via private networks, and the Mexican Mennonites and the other Mexican immigrants were recruited with the active support of IBP.

The local community is divided over the influx of immigrants. About 24% of the children in K-12 classes are minorities, and the school system says that it must spend money on English as a Second Language and bilingual teachers, perhaps reducing services to local children. Pork processor IBP counters that it has a \$36 million annual payroll in the area, and that schools might close if the plant closed.

Garden City, Kan., underwent similar demographic changes that were traced to meatpacking operations. The opening of one of the world's largest meat packing operations was associated first with the secondary migration of Southeast Asians into the area, and later Mexican immigrants. Some of the meat packing workers lived in mobile home parks that were expanded to accommodate them.

Utah provides some of the most striking examples of demographic and economic change. On the one hand, Utah has relatively rapid population growth, and the Mormon church is expanding fastest in Latin America, so that there may be more receptivity to hard-working Mexican immigrants in Utah than in many other states. However, even in Utah, there are questions raised by the arrival of Limited English Proficient children in schools etc.

The operation/expansion of meatpacking in rural communities seem to generate externalities that were not planned for, and are now the subject of contention. Among the options that might be considered are local impact fees, such as those that California developers must pay on new housing developments.

## Next Steps

The “Changing Face” title of this project is meant to suggest that the demographics of rural America are changing rapidly, as Mexican, Central American, and Asian immigrants take jobs in agriculture and agriculture-related industries. The federal government spends over \$600 million annually on farm worker services, and additional funds on rural development, but many of these programs remain rooted in the 1960's philosophy that the best solution for rural poverty is rural-urban migration.

This project will be extended in two directions. First, we will examine the policy recommendations outlined above in more depth with federal and state policy makers, with planned conferences in the Spring of 1997 in Sacramento, and in the Spring of 1998 in Washington, D.C. These conferences will address issues such as: How much awareness is there of the speed with which the demographics of rural America are changing? To what extent have policymakers thought about the need to revamp programs begun in the 1960's to help persons trapped in agriculture to deal with the integration of immigrants in the U.S.?

Second, we plan to hold conferences in other areas of the U.S. in which it appears that the composition of the farm and “near farm” labor forces began to change very rapidly in the 1980's. We plan to hold a conference/field trip in North Carolina in the Fall of 1997 that focuses especially on Black-Hispanic interactions in the labor force.

## Endnotes

1. Meat packing plant reopenings and expansions were often subsidized by state governments and local communities that wanted jobs, even though they knew that the jobs would pay lower wages than they did in the 1970's and that meatpacking industry leaders would often not be living in the town and sharing the experience of integrating immigrant workers.

2. Immigration policies refer to questions such as how many immigrants should be admitted? From where? In what categories or through which doors should immigrants enter-what is the proper balance between immigrants admitted for family, economic, and humanitarian reasons? Immigration policies are exclusively the authority of the central government.

Integration or immigrant policies refer to public efforts to deal with immigrants after their arrival, and they are set by a mix of federal, state, and local policies. In the U.S. most immigrants are "sponsored" by their U.S. relatives or U.S. employers, and families and employers are expected to accommodate them without public intervention or assistance. Sponsorship is so powerful an integrating mechanism that the Commission on Immigration Reform recommended that the U.S. maintain the sponsorship system rather than switching to a point system for admitting immigrants.

3. Dade County, Florida has the highest percentage of foreign-born residents-45% in 1990.

4. Illinois is the sixth most populous state, with almost 12 million residents in 1996-75% white, and 8% foreign born. Illinois is often described as two states - the Chicago area, with about six million residents, including 80% of the state's immigrants, and "downstate," another six million residents who are 90% U.S.-born whites.

Illinois has been losing U.S.-born residents, and receiving about 45,000 legal immigrants each year, plus an estimated 15,000 unauthorized immigrants. The state's population has been in the 11- 12 million range since 1970, a period during which the U.S. population rose by 60 million, and the population of California increased by 12 million.

Of the almost one million foreign-born persons in Illinois enumerated in the 1990 Census, about 40% were from Mexico and Latin America. One-third of the immigrants in Illinois were from Europe; the largest single group was from Poland. One-fourth of the foreign-born from Asia, with largest single group from Philippines. (See related references below.)

5. In 1991, Iowa enacted a law regulating the recruitment of non-English speaking workers from further than 500 miles away. If the company recruited the worker, and the worker quit the job, the company had to pay the worker's transportation costs to the place where he was recruited. Most companies have stopped "recruiting" in the sense covered by the law from distant places.

## Related Readings

Rochin, Refugio I. (editor). 1996. *Immigration and Ethnic Communities: A Focus on Latinos*. Julian Samora Research Institute, Michigan State University, East Lansing, MI.

Aponte, Robert and Marcelo Siles. 1994. *The Browning of the Midwest*, JSRI Research Report #5, Julian Samora Research Institute, Michigan State University, East Lansing, MI.