

The Challenge: *Manage an increasingly diverse society—tapping its productive and creative potential while minimizing its negative effects.*

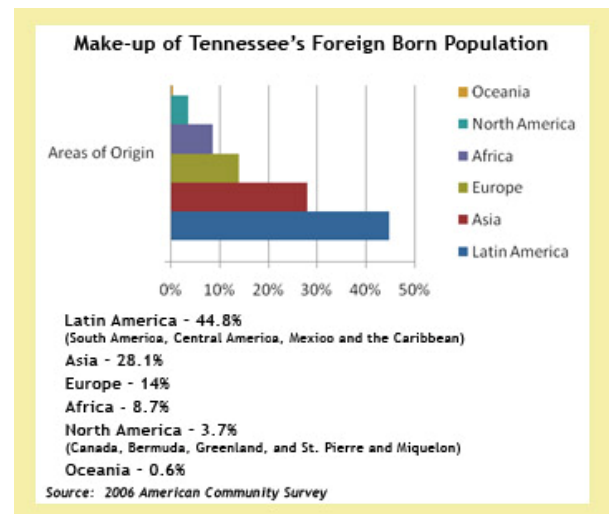
MANAGING TENNESSEE’S INCREASINGLY DIVERSE SOCIETY

Martha L. Perine Beard

The United States of America became a strong, industrialized nation because of an influx of immigrants from countries around the world. Today, immigrants and the diversity of ideas and experiences they bring with them continue to be a major reason for the country’s sustained growth. Tennessee, however, has not kept pace with other parts of the country relative to our percentage of foreign-born residents. This deficiency limits our ability to tap into the productive and creative potential an increasingly diverse society could bring.

The immigrant population in the United States has nearly tripled since 1970, largely because of legislation passed after 1965 with the goal of increasing immigration. According to the 2000 Census, foreign-born residents accounted for 11.1% of the total U.S. population. Yet the immigrant population in Tennessee is substantially smaller. For instance, in the 2000 Census, foreign-born persons made up only 2% of Tennessee’s population. Moreover, when comparing Tennessee to the nation, 2006 estimates show that only 1.3% of the total population in Tennessee is Asian compared with 4.4% of the nation. And only 3.2% of the population is Hispanic or Latino compared with 14.8% of the nation.

Even so, Tennessee is becoming increasingly diverse as it experiences a surge in immigration. Despite lagging behind the nation in overall numbers between 1990 and 2000, according to the Migration Policy Institute, Tennessee had the 6th fastest rate of immigrant growth (169%) and the 4th fastest rate of Hispanic/Latino growth of any state in the country (278%). Immigrants in Tennessee hail from all parts of the globe. According to the Census Bureau’s 2006 American Community Survey, 8.7% of the foreign-born population in Tennessee were from Africa, 28.1% from Asia, 14% from Europe, 44.8% from Latin America (South America, Central America, Mexico and the Caribbean), 3.7% from North America (Canada, Bermuda, Greenland, and St. Pierre and Miquelon), and 0.6% from Oceania.



This growth is good news for Tennessee and our future. However, this potential can only be fully realized if Tennesseans embrace immigration and the benefits that a diverse society fosters. It is important for us to make all new residents feel welcome and encourage them to acquire the necessary skills to become strong contributors to the state’s economy.

The first step in this effort is to dispel some common myths that stand in our way:

- ▶ *Immigrants don't pay taxes.* Undocumented workers who work for cash and pay no income tax can have a negative impact a state's income. This is not an issue for Tennessee. Because our state has a higher sales tax in lieu of an income tax, all residents pay the tax regardless of their citizenship status. Indeed, the Tennessee Comptroller's Report on Immigration notes that "unauthorized aliens contribute to state and local revenue through sales tax, property tax included in rents, and other consumption taxes."
- ▶ *Immigrants use up our public benefits.* As stated by the Welcoming Tennessee Initiative (WIT), "in fact, immigrants have come to Tennessee to work, not to get public benefits." According to WIT, lawful permanent residents have a 5-year waiting period in order to receive most state and federal benefits. Undocumented workers have no access to healthcare benefits other than emergency care and vaccinations. Even so, according to the Congressional testimony of TennCare's deputy commissioner, of the estimated 100,000 undocumented immigrants in Tennessee, only 60 received emergency TennCare in a sample month.
- ▶ *Immigrants take our jobs.* The Tennessee Comptroller has stated that "unauthorized aliens are not taking jobs or significantly affecting American workers' wages." Indeed, 2006 research by the Pew Hispanic Center finds that recent immigration has a "sizable beneficial effect on the wages of U.S. born workers" and that wages are boosted "because immigrants stimulate investment, have skills sets and educational levels that complement those of natives, and do not compete for the same jobs as most natives."

The second step is to recognize that immigrants make a variety of economic, social, and cultural contributions to the country and to the states they settle in. They fuel our economy through their hard work and entrepreneurship. They figure prominently in key economic sectors in the U.S., including agriculture, construction, and services. Immigrants also provide leadership and labor for growing economic sectors, including telecommunications, information technology and health services. Some reasons to embrace diversity:

- ▶ A diverse community and skilled workforce are some of the key factors studied by companies who are deciding whether to relocate their facilities in Tennessee.
- ▶ Recognition comes to those who embrace diversity: Universities in the state have been recognized by *Hispanic Outlook in Higher Education Magazine* for their support of Hispanic students. After evaluating the outreach efforts and service to the Hispanic community by more than 500 U. S. universities, Vanderbilt University and the University of Tennessee were named among the best universities in the nation for recruiting, retaining, educating, and graduating Hispanics.
- ▶ Immigrants contribute immensely to the cost-competitiveness of a number of industries.
- ▶ Immigrants often open doors for states to do businesses with their countries of origin, whether in the form of trade or recruiting investment.

- ▶ As the number of documented residents who become citizens grows, we may see an impact on political elections in the State. Currently, of the estimated 163,000 Hispanics and Asians in the State, only 7.4% are registered to vote. This compares with 63.8% of whites and 53.5% of blacks. In races where the margin of difference is very close, this group of citizens could become a determining force in the outcome of an election.

The third step is to examine what actions the state needs to take to welcome and support our new residents. Some things to consider:

- ▶ The recognition received by the universities mentioned above is gratifying and is an incentive for more action in the education arena as Tennessee continues to see an increase in the number of students with limited proficiency in English. State data indicates that in the 1993-94 school year, the percentage of students with limited English proficiency was only 0.4%, but by the 2007-08 school year the number had risen to 3.3%. Given this continuing growth, it will be important for Tennessee's education system to address the language barrier issue as it develops long-term educational goals for the State.
- ▶ As Tennessee continues to see an increase in the number of foreign residents, it will be important for state government to become more readily accessible to all residents. The Department of Human Services is one state agency that provides many services needed by all residents. Asking for assistance is difficult enough, but it is even more so if there is a language barrier. To address this issue, DHS now works with a local Latino non-profit, Conexión Americas, to serve the growing Hispanic community better. Several hundred DHS employees in Middle Tennessee underwent the organization's Latino Cultural Competency Training. The training is designed to make caseworkers feel more comfortable when dealing with non-English speaking clients and vice versa.

For the State of Tennessee to continue to develop and prosper, we must recognize and address our diversity for what it is—an untapped resource. If we are to make the most of our foreign-born population, we need to welcome and assist them in becoming a valuable part of our society. Misperceptions and policy-based barriers are as much a detriment to us as it is to them. If we are able to come together and work on the steps outlined above, then there is no doubt that the State of Tennessee's best days are ahead of her.

Martha L. Perine Beard



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Mrs. Beard joined the Federal Reserve Bank of St. Louis as a management trainee and has served in a number of management and official positions. Effective February 1, 1997, Mrs. Beard was transferred to Memphis to assume responsibility for the Memphis Region. The Memphis region encompasses western Tennessee, northern Mississippi and eastern Arkansas.

Mrs. Beard is active in Memphis business and civic organizations and currently serves on the boards of Memphis Tomorrow, St. Jude Children's Research Hospital, Memphis Regional Chamber, United Way of the Mid-South, Baptist College of Health Sciences, the Mid South Minority Business Council and the Better Business Bureau of the Mid-South. She is a graduate of the 1998 Class of Leadership Memphis.

Mrs. Beard has been profiled in the Commercial Appeal, Memphis Business Journal, Grace Magazine, Memphis Woman Magazine, Southern Woman Magazine and Memphis' Crossroads Magazine. Her most recent awards include being the recipient of the 2004 Alumnus of the Year award from Leadership Memphis, and the 2005 Corporate Woman of Excellence Award from Grace Magazine.

Mrs. Beard is married to Savoyd Beard and is the mother of three children: David Perine, Sr., Alissa Perine and Alison Perine.