



**ANALYSIS OF THE  
PROSPECTIVE ECONOMIC  
AND SOCIAL IMPACTS OF  
THE SEABOARD FARMS  
PORK PROCESSING  
FACILITY ON THE ST.  
JOSEPH AREA**

Submitted by:

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to:

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# ANALYSIS OF THE PROSPECTIVE ECONOMIC AND SOCIAL IMPACTS OF THE SEABOARD FARMS PORK PROCESSING FACILITY ON THE ST. JOSEPH AREA

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## Introduction

### Purpose of the Report

Now that Seaboard Farms has decided to locate its new hog processing facility in Elwood, Kansas, just across the Missouri River from St. Joseph, discussion of the facility in St. Joseph has turned from whether the community should consider it to how the community can best prepare for it. Since the facility will not be physically located in St. Joseph, the discussion has focused on the likely community impacts of the new Seaboard workforce.

The Seaboard plant will employ approximately 2,100 workers. This will include approximately 1,800 production workers, 190 clerical/administrative employees, 125 management employees, and at least 30 on-site federal inspectors. There has been much speculation about the likely origins of Seaboard's production workers -- to what extent these workers will be drawn from the existing St. Joseph labor market area vs. other regions of the country or even other countries. Some other meat processing plants around the U.S. have relied heavily on new or recent immigrant labor, some of it transient. There is a strong concern among many in St. Joseph that the quality of Seaboard's production jobs is so low that nonimmigrant workers will be unwilling to fill them. Seaboard representatives, on the other hand, have indicated their belief that most of the workers can be drawn from the existing labor force.

Estimates of the origins of the Seaboard workforce are central to the discussion of the plant's likely social impact on the St. Joseph community. It is argued by some that the plant is likely to draw a high proportion of transient immigrant workers of low socioeconomic status, and that high turnover rates and joblessness will create a new class of indigents within the community, resulting in a considerable rise in social problems and pressures on the community's social service infrastructure. If, however, a large proportion of workers is drawn from the local area, or if new in-migrant workers are more stable and economically self-sufficient, these problems are likely to be much less intense.

The purpose of this report is to give the community a clearer understanding of the likely sources of the new Seaboard workforce and the economic and social implications for the St. Joseph community. The report addresses the following questions:

1. Who is likely to work at the Seaboard plant?
2. What impact will this have on the population and demographics of the community?
3. What will be the social impacts of the new workforce?
4. What are the spin-off economic and fiscal impacts of the facility?

5. How can the community prepare for the changes that will be generated by the new facility?

## **Information Sources**

Our report has drawn data and information from several sources. This includes the following:

- Analysis of population and labor market data and recent labor market studies of the St. Joseph labor market area.
- Review of recent studies and media articles on the social and economic impacts of pork and beef processing facilities in other communities in Midwestern and Plains states as well as elsewhere in the U.S.
- Primary research on five communities similar in size to St. Joseph that host large meat packing facilities. This work was undertaken to supplement the existing literature, which typically focuses on communities that are substantially smaller and more rural than St. Joseph. The research included interviews with economic development professionals, social service funders, and, in some cases, plant representatives. It also included comparative analysis of demographic and economic data. The five communities are Greeley, Colorado; Sioux City and Waterloo, Iowa; Sioux Falls, South Dakota; and Green Bay, Wisconsin.
- Interviews with St. Joseph city officials, public school administrators, and social service providers, and review of memos prepared by city department staff concerning the potential impacts of the Seaboard plant.

We emphasize that there is no available methodology able to generate precise predictions of the workforce characteristics of a planned industrial facility or the attendant social and economic impacts of that workforce on the local community. Such predictions can only result from informed assumptions. The experience of other communities with meat packing facilities varies widely and does not necessarily offer clear guidance. In fact, much of the literature in this regard is selective and anecdotal. Therefore, our projections regarding the Seaboard workforce, while careful and well-informed, must be considered speculative and suggestive, not definitive.

## **Community Impacts of the Seaboard Facility**

### **Workforce Characteristics**

Based on our analysis of the St. Joseph area labor market and our experience in other communities with similar facilities, our best estimate of the origins of the Seaboard workforce is that one-third to two-thirds will be composed of in-migrants, with the remainder being drawn from the local labor market. The proportion of in-migrants is likely to increase toward the upper range as the plant reaches full-scale production and as the initial local labor pool cycles out of the plant workforce. The in-migrant workforce is likely to be largely composed of ethnic minorities, with a high proportion of these being Hispanic. However, only a portion of these will be new immigrants, with the remainder moving from other communities in the U.S. A significant portion of the new workers could be drawn from the rapidly growing Hispanic populations of Jackson and Clay counties, directly to the south of St. Joseph. We base these projections on the following analysis.

## *Indicators of Job Quality*

Production jobs provided by Seaboard are of moderate quality. Wages are below average for the St. Joseph area, but still higher than those of many retail and service jobs. A reasonably good healthcare package with a low premium is offered to workers who remain on the job more than 90 days. Other benefits are modest. Production floor conditions are difficult but appear to be better than the average for the industry. The workforce is likely to be unionized, providing workers with enhanced bargaining power in negotiating wages and working conditions.

### ◆ *Wage Levels*

We estimate that a full-time Seaboard production worker at the Guymon plant earns about \$22,000 annually.<sup>1</sup> Seaboard further indicates that added automation at the Elwood plant will result in fewer production workers and a wage premium. Higher average wage levels in the St. Joseph area relative to Guymon could also result in a wage premium. Thus, an estimate of a \$22,000 annual wage level for the new plant is likely to be conservative.

New employees go through a training period that generally runs between one and four weeks, until they can be certified for the job. During this period, they earn \$7.00/hour. Seaboard representatives estimate that there are approximately 90 trainees employed at any one time.

Other categories of Seaboard employees will earn substantially more than production workers. Data provided by the company shows that management employees at the Guymon plant earn an average of \$52,500 and clerical/administrative employees earn an average of \$26,500. According to the federal Office of Personnel Management, federal inspectors earn in the range of about \$25,000 to 30,000, plus overtime.

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<sup>1</sup> This figure is difficult to estimate with precision based on the different and sometimes conflicting information provided by the company about wages at the Guymon plant. We derived the following alternative estimates using different data sources and calculation methods: 1) The average annual wage for a production worker at the Guymon plant in 1999, based on total annual payroll and an estimated annual average number of workers, was approximately \$20,000. Two \$.25/hour wage increases, one in December 1999 and another in June 2000, would bring that amount up to about \$21,000. 2) Weekly earnings data at the Guymon plant for the week ending 4/2/00, provided by Seaboard, show average weekly earnings for production workers, including overtime, of \$453. This translates to about \$23,500 on an annual basis. A \$.25/hour wage increase in June 2000 would bring the amount up to about \$24,000. The accuracy of this estimate depends on how representative that week is of the average weekly hours of production workers. 3) To estimate the average yearly earnings of a typical full-time production worker, we assumed that the average full-time worker would work a 40-hour regular work week and four hours overtime. The overtime estimate is based on Seaboard's prediction that it will run one eight-hour Saturday shift per week, resulting in each worker working one overtime shift biweekly. (There will be two shifts during the regular work week.) Applying an average wage of \$9.25 for regular hours and \$13.88 for overtime hours (using the 4/2/00 data adjusted for the June 2000 wage increase) generates an annual wage of about \$22,000. All of these wage data include new workers earning training wages, making the average wage for permanent workers higher.

◆ **Benefits**

**Health benefits.** While salaried workers receive health benefits immediately, production workers do not receive them until after their first 90 days on the job. Coverage seems to be reasonably good -- 80/20 major medical coverage with an annual \$300 deductible/\$1,000 maximum out-of-pocket for individuals and \$900/\$2,000 for families. Monthly premiums are \$29 for individuals, \$62 for families. Data provided by Seaboard show that, during a week in August 2000, 80 percent of all production employees were eligible for health benefits, and 56 percent were actually enrolled in a health plan. Seaboard representatives estimate that, taking into account the number of married couples working at the plant who are both covered under the plan of one spouse, the coverage rate rises to about 65 percent.

**Other benefits.** These include a \$10,000 life insurance policy, short-term disability coverage of \$120/week for 26 weeks, a pension plan with a very modest company contribution of \$.05/hour, and paid vacation of one week after one year and two weeks after three years.

◆ **Full-time vs. part-time**

Seaboard representatives say that almost all the production jobs in Guymon are full-time. There are 60 to 80 part-time jobs during the summer months, and about 20 during the rest of the year.

◆ **Turnover rates**

Seaboard representatives acknowledge that the turnover rate at Guymon currently runs at about 100 percent per year. While we do not have turnover rates from other industries, this is likely to be high in relation to most other manufacturing industries, but typical for the meat processing industry. (Seaboard reps believe it is lower than the industry norm.) A lot of this turnover occurs during the first 90 days of employment. Seaboard reps also attribute some of it to the long distances many Guymon workers drive to get to the job. At the same time, over half of the Guymon workforce has been there for at least a year, and about 25 percent since the plant opened.

◆ **Worker health and safety**

Seaboard representatives report an injury rate at the Guymon plant of 10/200,000, a little more than one-third as high as the industry average of 29/200,000. They attribute this, in part, to the plant's automation technology, which results in very few cumulative trauma disorders (e.g., carpal tunnel syndrome). They expect new technology developed since the Guymon plant was built to result in an even lower injury rate at the Elwood plant. The Guymon plant has an on-site medical staff of seven nurses, including a medical case manager, who provide emergency treatment, handle health complaints, and treat minor injuries. They use a medical management system to promote early injury detection and response.

◆ **Collective bargaining**

Production workers in Guymon are represented by the United Food and Commercial Workers. Seaboard representatives say the company would recognize a card count (i.e., the requisite proportion of workers signing a union card) and would expect Elwood workers to unionize. The Guymon plant was unionized within about six months of opening.

***Potential Demand for Jobs Among Current Area Residents***

The ability of the Seaboard plant to draw workers from the local area depends on the alternatives available to workers of similar skill levels. Data on area wage levels show that earnings for Seaboard production workers would be substantially below the average wages in Buchanan County, but above the average for many low-skill jobs. The following table compares projected weekly wages for Seaboard production workers with average weekly wages for all industries and for major industry categories in Buchanan County.

<b>Earnings of Seaboard Production Workers in Relation to Average Earnings and Earnings by Industry in Buchanan County</b>		
	<b>Weekly Earnings</b>	<b>Seaboard Earnings as a % of Average</b>
Seaboard Production Workers	\$423	
<b>Average Weekly Earnings by Industry for Buchanan County, Quarter Ending 3/31/00 (1)</b>		
Total All Industries	\$521	81.2%
Total Private	\$510	82.9%
Construction	\$684	61.8%
Manufacturing	\$729	58.0%
Transportation and Public Utilities	\$645	65.6%
Wholesale	\$625	67.7%
Retail	\$271	156.1%
Finance Insurance & Real Estate	\$579	73.1%
Services	\$435	97.2%
Government	\$578	73.2%
<b>Source: Seaboard Farms, Inc.; U.S. Bureau of Labor Statistics</b>		

The table shows that Seaboard wages are about 80 percent of the average for all industries combined. It also shows that Seaboard wages are less than 60 percent of average manufacturing wages. At the same time, Seaboard wages greatly exceed average retail wages and are on a par with the average for the service sector. Looking at specific categories of the service sector, Seaboard earnings substantially exceed those in such categories as hospitality (\$211), personal services (\$240), business services (\$286), social services, excluding government (\$280), and private household services (\$211).

These data indicate that, while below average and certainly not competitive with most other manufacturing jobs, jobs at Seaboard could attract workers from low-end manufacturing jobs as well as jobs in the retail and service sectors. The fact that, unlike many retail and service jobs, Seaboard offers health care coverage may have additional appeal for low-end retail and service workers.

A recently completed labor availability study of the St. Joseph area supports the notion that some level of demand will exist for Seaboard production jobs among the local workforce. The *Saint Joseph Labor Availability Analysis*, prepared in July 1999 for the Chamber of Commerce and Heartland Health Systems,<sup>2</sup> estimated that there were an estimated 5,160 workers within the St. Joseph labor basin<sup>3</sup> either out of work or considering changing jobs who would be willing to take a manufacturing job paying \$10/hour. About 4,000 of these would be willing to take a manufacturing job paying an even lower \$9/hour. Earnings for Seaboard production workers will average between \$9/hour and \$10/hour.

While the above evidence might suggest that the plant could draw a large share of its workers from the local labor market, we are assuming that the difficult working conditions and poor reputation associated with jobs in the meat processing industry put a wage premium on these positions that makes them less likely to be filled by local workers than other manufacturing jobs paying comparable wages.

The region's tightening labor market and the growing competition for workers may also hinder Seaboard's ability to recruit locally. The average monthly unemployment rate in Buchanan County between January and September 2000 was 2.8 percent compared to a 1999 annual average of 3.6 percent. Unemployment rates in the eight-county St. Joseph labor basin in September 2000 ranged from 1.4 percent to 4.1 percent. It is possible, however, that the economy will slacken by the time the Seaboard plant comes on line. The company does not intend to have the plant in operation until at least summer 2002 and at full production levels until summer 2004.

### *Levels and Characteristics of In-Migration*

If Seaboard cannot meet all of its workforce needs through recruitment of local residents, where will new workers come from? Increased economic activity in any community typically generates workforce and population growth. The Seaboard plant is large enough in relation to the St. Joseph regional economy to generate some level of growth. As noted, we estimate that somewhere between one-third and two-thirds of the workforce will migrate from outside the region. Labor force trends in the meat packing industry can provide some indication of who the in-migrants into the St. Joseph area will be.

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<sup>2</sup> Prepared by the Docking Institute of Public Affairs at Fort Hays State University and the University of Missouri, Columbia Outreach and Extension. The study's findings are based on a survey of a sample of workers from the defined "labor availability area."

<sup>3</sup> A region within a roughly 45-mile radius of St. Joseph consisting of the following eight counties: Andrew, Atchison, Buchanan, Clinton, Dekalb, Doniphan (KS), Holt, and Platte.

Our research on labor force trends in the meat packing industry included review of available literature on this subject and interviews in the five comparable cities. We focused on beef and pork processing, as opposed to poultry processing which is generally lower-paying.

The beef and pork processing industry workforce prior to 1980 was relatively well-paid, usually unionized, and composed primarily of white males. However, since that time, market and technological forces, combined with declining union power, have led to dramatic declines in real wages. As a result, the industry workforce has become more female and more ethnically diverse. Among the growing number of ethnic minority workers are new and recent immigrants.

This change in workforce composition has occurred throughout the U.S., including plants in Midwestern and Plains states such as Kansas, Iowa, and Nebraska. Although real wages in the industry have declined, the jobs have still been able to attract workers with limited education and English language skills. This has included refugees to the U.S., such as Vietnamese and Laotians in the 1970s and 1980s, and Bosnians in the 1990s, who resettled in communities with meat packing plants in search of jobs. It has also included new and recent immigrants from Mexico and Central America. As the influx of new refugee groups has dwindled, the growth in Hispanic workers has become the most significant trend in the meat packing workforce.

Some studies and media reports give the impression that workers in the meat packing industry are largely new Hispanic immigrants arriving directly from their home countries. However, this is not uniformly the case. They also include what might be called second-stage immigrants -- those who came to the U.S. as farm laborers or immigrated to traditional points of debarkation such as California and Texas, and then later migrated to meat packing jobs in other parts of the country in search of better employment opportunities. These second stage immigrants are more likely to have developed English language skills, to have become more acclimated to American social customs and lifestyles, and to have established more stable family structures.

While it is likely that many of the new in-migrants coming to the St. Joseph area for jobs at Seaboard will be Hispanic, it is also likely that they will come from a number of differing points of origin. These include the following:

- meat packing plants in Missouri and nearby states with lower pay or inferior working conditions. In addition, because overall U.S. demand for pork products is increasing very slowly, the increase in processing capacity occasioned by the opening of the new Seaboard plant is likely to take away market share from older, less efficient existing plants. Workers laid off from plants that cut capacity or shut down may move to the St. Joseph area to take jobs at the new plant;
- lower-paying poultry processing plants in Missouri, Arkansas, or other nearby states;
- recent immigrants leaving lower-paying jobs at their initial points of debarkation; and
- immigrants recruited directly from Mexico and Central American countries.

It is also likely that the plant will draw workers from the growing Hispanic population of the Kansas City metro area. While Buchanan County and adjacent counties have very small Hispanic populations, there is a substantial and growing base of Hispanic workers in nearby

Jackson and Clay counties. According to Census Bureau estimates, the Hispanic population of these two counties was 32,675 in 1999. The bulk of these, over 80 percent, was in Jackson County. The Hispanic population grew rapidly in both of these counties between 1990 and 1999, 42 percent in Jackson and an even more rapid 68 percent in Clay. While we do not know the nature of jobs held by Hispanic workers living in these counties, many are likely to be in the low-paying service industries. Some of these workers may commute or eventually move to the St. Joseph area to take jobs at the Seaboard plant. Because these workers are close enough to commute to the plant, residential movement to the St. Joseph area may be limited or at least gradual.

The relative importance of these different potential sources of in-migrant workers will depend in part on the recruitment practices of Seaboard.

### *Overall Population and Demographic Change*

In light of the size, origins, and characteristics of the Seaboard workforce, what will be the overall impact on the population and demographics of St. Joseph and Buchanan County? While this question cannot be answered with precision, we can make a number of suppositions. As noted above, we estimate that the number of in-migrants taking production jobs will equal about one-third to two-thirds of the total production workforce. This translates into 600 to 1,200 workers. We assume that about two-thirds of these in-migrating workers will initially settle in Buchanan County.<sup>4</sup> This translates into 400 to 800 workers. This percentage may drop over time if more housing is developed in Doniphan County, where the plant will be located, to provide more convenient housing for the workforce. We further assume that each worker moving to the area will bring along an average of two other family members.<sup>5</sup> This translates to a population increase in Buchanan County of about 1,200 to 2,400. This increase will occur gradually over three to five years since: 1) the plant will take two years to reach full operations after it opens; and 2) the ratio of existing residents to in-migrants is likely to be higher during the initial years of operations. This increase is equivalent to 1.5 to 3 percent of the current population of the county.

With regard to the issue of immigrant status, we estimate that as many as half of the in-migrant workers, or about 200 to 400, will be new immigrants (those arriving directly from foreign countries). Considering the numerous potential points of origins discussed in the previous section, this estimate is probably on the high side, although it does assume that Seaboard's recruitment efforts will focus on local workers and workers from elsewhere in Missouri and

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<sup>4</sup> We assume that most of the in-migrating workers will settle in the eight-county labor basin, although some Hispanic in-migrants could settle in Clay or Jackson counties because of the already established Hispanic populations there. The population of Buchanan County comprises 37 percent of the total population of the labor market basin. However, because Buchanan County is much closer to the plant than most of the other counties and has a large existing affordable housing stock, we expect a much higher rate of settlement in Buchanan County.

<sup>5</sup> This is a rough approximation based on the following assumptions: 1) some of the new in-migrants will be single while others will have families; 2) workers with families will have an average of two children; 3) in some cases, both husband and wife will work in the plant. Seaboard reports that a number of husbands and wives work together at the Guymon plant, but does not keep statistics on this.

adjacent states as opposed to new immigrants. A high estimate may be appropriate for the purposes of social services planning.

Some concerns have been expressed that, because of high turnover rates at the plant, the St. Joseph area will attract a steady stream of new in-migrants who, after leaving employment at the plant, will remain in the area, sometimes without a job or other means of support. Based on our comparable city interviews as well as our review of the literature about experiences in other cities, we do not believe that St. Joseph will experience ongoing population growth or major demographic shifts. It is likely, however, to experience some increase in population transience, as workers move to the area to take jobs at Seaboard and then move on after leaving employment there. Assuming a 100 percent annual turnover rate among production workers at the plant, we would expect the amount of additional out-migration to roughly equal the amount of additional in-migration. A substantial proportion of out-migrants are likely to be training workers who have not yet established themselves in the community or brought their families there. There is also likely to be some increase in joblessness as workers who leave Seaboard look for other jobs in the area or prepare to move on.

To get a sense of population and demographic change occurring in communities with meat packing plants, we collected data on the 1990-1999 growth of total population and of the Hispanic population in 33 counties with meat packing plants in the Midwestern and Plains states of Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, Oklahoma, South Dakota, and Wisconsin. (See table on following page.) It is also important to bear in mind that these trends can result from many factors other than the presence of meat packing plants, particularly in the larger communities. However, they do provide some point of comparison for St. Joseph.

In terms of overall population trends, growth in most of these communities was modest and, in some cases, negative. Average population growth was 7.4 percent, compared to a national population growth rate of 9.6 percent during this period. A few communities, mostly those with small population bases, experienced double-digit increases. Overall, this data does not support the notion that high rates of job turnover lead to ever increasing indigent population levels.

Many of these communities did experience very substantial increases in their Hispanic populations during this period, at least in part reflecting the growing role of Hispanic workers in the meat packing workforce. The average rate of growth in the Hispanic population was high -- 66.4 percent compared to a national average of 40 percent. Communities in Nebraska experienced particularly high increases, although, in some cases, the initial base was very small. In terms of demographic change, most communities experienced some increase in the share of their populations comprised by Hispanics, with an average change of 2.4 percent, about the same as the national average of 2.5 percent. During the same period, the share of St. Joseph's population comprised by Hispanics increased by only 0.9 percent. Most of these communities still have a very low proportion of Hispanics in their population, with some notable exceptions among communities in Kansas, Colorado, and, to a lesser extent, Guymon, Oklahoma, where Seaboard's existing hog processing plant is located. The average in 1999 was 6.7 percent, much lower than the national average of 11.5 percent. While this is higher than the 2.9 percent share in Buchanan County, 17 of the 33 counties had lower Hispanic population shares than Buchanan.

## Social Impacts

### *Economic Self-sufficiency Issues*

In our view, production employees working steadily at the Seaboard plant, with annual incomes of about \$22,000, should be able to meet basic needs for themselves and their local dependents. With respect to housing costs, for example, using the rule-of-thumb of applying no more than 30 percent of gross income to housing expenses, an annual income of \$22,000 translates to \$550/month in rent, a sufficient amount for a 2-bedroom apartment in St. Joseph. In addition, it is possible that some of these households would have second or third wage earners, further supplementing household incomes. On the other hand, it is possible that some workers will choose to send a large portion of their income outside the area, in effect placing themselves into voluntary poverty.

Problems of indigence are much more likely to occur among those who migrate to the area to work at the plant, but then leave or perhaps never even gain employment there. It is important to keep in mind, however, that the number of in-migrant indigents may well be small in relation to the number gainfully employed. Most people are coming to the area because they want to work. If they do not find employment at Seaboard, they are likely to find another local job or move on. The apparent limitation of most federal safety net programs to citizens further discourages non-citizens from remaining in the U.S. without means of support.

### *Demand for Social Services*

The social impacts of the new plant are a function not only of the number of individuals who migrate to the area to work there, but of those who leave employment at the plant while choosing to remain in the area. Many local social service providers and private citizens are particularly concerned that these latter individuals will create very heavy burdens on the community's social service infrastructure and cause a general deterioration in social conditions. Among the potential problems and needs that have been identified are the following:

- increased social problems such as crime, homelessness, substance abuse, communicable diseases, and domestic violence;
- increases in substandard and transient housing, housing over-occupancy, and neighborhood deterioration;
- increased needs for subsidized or free social services, including child care, healthcare, mental health care, substance abuse treatment, domestic violence assistance, food assistance, and housing assistance;
- ineligibility for federal safety net programs among non-citizens, placing increased burdens on local social services providers;
- increased costs to social service providers of hiring bilingual staff; and
- failure of state funding formulas for local mental health and other programs to take into account increased caseloads.

Experiences in other communities with new or expanding meat packing facilities indicate that there are likely to be some attendant social problems and increased demands on social services generated by the new plant. The extent of these demands will depend on the scale and characteristics of in-migration which, as noted above, are very difficult to predict. To get a better sense of the potential impact, it may be useful to consider three distinct issues that will influence the demand for social services: 1) scale issues -- the strain on social and physical infrastructure brought on by general population increases; 2) cost and affordability issues -- the inability of some in-migrants to support themselves generally or to pay the costs of needed services; and 3) issues of social integration -- the extent to which the particular needs or behaviors of in-migrants place special burdens on the community at large.

***Scale issues.*** As noted earlier, we estimate that the in-migration to the St. Joseph area directly associated with employment at the Seaboard plant will add 1.5 percent to 3 percent to the total county population over a period of several years. This, in itself, is not likely to place heavy strains on the community's social service infrastructure. In fact, Buchanan County has been experiencing decades of population decline, which can lead to the opposite problem of excess physical and service infrastructure. Between 1980 and 1999, the county's population declined by 6,253, or 7.1 percent, according to Census Bureau estimates.

In contrast to the modest population growth rate we predict for Buchanan County, Texas County, Oklahoma, where Seaboard's Guymon plant is located, experienced a growth rate of 11.6 percent between 1990 and 1999. Guymon, which did suffer significant growth stresses, is often cited as an example of what could happen in St. Joseph. However, the proportional change was far greater in Guymon than is likely to be the case in St. Joseph. It is noteworthy that the absolute change in Texas County's population was 1,910, within the range of what we predict for Buchanan County.

***Cost and affordability issues.*** The issue of cost and affordability of social services depends in part on the employee benefits provided by Seaboard and the cash income of Seaboard workers. In terms of employee benefits, the most significant is healthcare coverage. As noted earlier, Seaboard does, in fact, offer a reasonably good healthcare package with a relatively low monthly premium (\$29 for individuals, \$62 for families) for production employees after 90 days on the job. Seaboard estimates that about two-thirds of production employees in Guymon are actually enrolled in the plan. If the same ratio applies to the St. Joseph area facility, 1,200 employees will be covered and 600 will not. A portion of those without coverage may be unable to pay all their medical bills, particularly if they experience major illnesses, injuries, or other medical needs requiring hospitalization. In addition, there will be some number of former Seaboard workers without jobs or health insurance coverage who will place additional free care burdens on existing healthcare providers. As noted earlier, this number is likely to be much smaller than current Seaboard workers.

With respect to services requiring out-of-pocket expenditures, such as child care, the modest incomes earned by Seaboard production workers could result in more demands for free or subsidized services among social service providers. However, while below average for the area,

these earnings are by no means at the low end of the pay scale. The ability of Seaboard workers to pay for services and their eligibility for noncash assistance and subsidized services will thus be similar to other working class residents with moderate earning levels. At the same time, the lack of citizenship status among some in-migrants, may make them ineligible for certain federal or state assistance programs.

***Social integration issues.*** Aside from their number and economic status, concerns have been raised about the particular characteristics of in-migrants that might add to the social burdens of the community. Some of these concerns focus on the transiency and rootlessness of the workforce, particularly young, single males who may be prone to antisocial or criminal behavior. Other concerns focus on new or recent immigrants who are isolated by language barriers or unfamiliarity with American customs and social norms.

With respect to antisocial or criminal behavior, our review of the literature and comparable cities interviews did reveal some reports of increased criminal activity, although this evidence was by no means conclusive. The problem appears to be most serious in small rural communities experiencing rapid population increases. None of those interviewed from our larger comparable cities noted significant crime problems clearly attributable to meat packing employees.

The important issue to consider in this regard is the degree to which new in-migrants settling in St. Joseph as a result of the Seaboard plant would be expected to engage in such behavior to a larger degree than other new populations. We would again make the distinction between those who remain gainfully employed at the plant and those who leave employment but remain in the area. Among those who remain employed, we see no reason to expect higher rates of antisocial or criminal behavior than other individuals of similar socioeconomic status. While immigrants in particular might be seen as having shallower roots in the community or being unfamiliar with American behavioral norms, many have also been raised in traditional social structures with strong codes of personal behavior. More serious behavioral problems are likely to occur among the much smaller number of in-migrant non-workers.

The character of in-migrant Seaboard workers can also be influenced by the company's recruitment practices. For example, according to local economic development officials in Waterloo, Iowa, poor recruitment practices by the city's IBP plant during a labor shortage led to recruitment of a large number of undesirable individuals, including illegal immigrants, resulting in increased crime, indigence, and demand for social services. This problem was largely solved by a change in recruitment practices.

Other concerns have been raised about new or recent immigrants that have more to do with language barriers, social isolation, and unfamiliarity with American customs and social norms. We estimated earlier that as many as half of the new in-migrants settling in Buchanan County, 200 to 400 households over a three- to five-year period, will be new immigrants. Some additional number of in-migrant households facing these issues may settle outside the county but use some of the services located there.

Our literature review and comparable city interviews indicate that the greatest integration issue with respect to new and recent immigrants is the language barrier. Inability to communicate can

act as a barrier to receipt of medical care, public health services, police assistance, and other social services. Service providers in communities with significant in-migration by new and recent immigrants have been hindered in their ability to provide services efficiently to non-English-speakers. This has typically necessitated training direct service providers in the language of new immigrant groups or hiring language interpreters. These needs result in training and recruitment costs, if bilingual or multi-lingual employees can even be found.

Other problems relate to lack of knowledge about or reluctance to use services from institutional sources. This has been particularly true of public health services. Experience in other communities has shown that new and recent immigrants are often less likely to receive family planning, prenatal care, immunizations, and treatment for communicable diseases than other residents. This problem has been compounded by the limited public health infrastructure in smaller, more rural communities. Some communities have developed new public health programs and outreach efforts in response to this problem.

### *Educational Needs of Dependents*

The population increases generated by the new Seaboard plant will result in increased school enrollments in Buchanan County that are likely to be in the range of 400 to 800. This estimate assumes that one-third of new residents will be school-aged children. The estimate may be somewhat high, but appropriate for planning purposes. Most of these enrollments will be in the St. Joseph school district. Our literature review and comparable city interviews indicate that, aside from general enrollment increases, the two major issues associated with educating the children of meat packing plant employees are lack of English language proficiency and transience.

In line with our other estimate that half of the new in-migrants to Buchanan County will lack English language skills, Buchanan County schools can expect an increase of 250 to 500 children needing ESL services. Many communities with meat packing plants have experienced an increase in school enrollments of students with no or limited English language skills corresponding to the increasing number of immigrants in the meat packing workforce. These communities have had to respond by developing ESL programs and hiring teachers and teaching aides with bilingual and multi-lingual ability. In many cases, it has been difficult to recruit appropriately trained employees. Ironically, it has been noted that one reason for the difficulty in hiring bilingual teaching aides is the low wages these jobs pay relative to alternative jobs at meat packing plants. Another language issue is the difficulty of communicating with the parents of these children, who, in most cases, also do not speak English. The need for additional facilities and staff to address language issues has required increases in school budgets.

Aside from the issue of language skills, high turnover in the meat packing plants, which results in a relatively high level of transiency among the workforce, also results in a high level of school transiency among school age children of meat packing workers. This makes it difficult to provide continuity of educational services to these children.

A byproduct of the increase in English language difficulties and transiency in the schools can be reduced test scores. This not only affects the community's internal and external image, but can affect state aid and state intervention as states take a more activist role in monitoring and seeking to raise local test scores. Economic Impacts

The new Seaboard plant will generate income and employment for the St. Joseph area. This includes jobs created directly by the plant as well as indirect impacts. Indirect impacts include secondary impacts, i.e., income and employment generated by purchases of local goods and services by the plant, and tertiary impacts, i.e., income and employment generated by expenditures of plant employees and employees of plant suppliers. This section describes those impacts.

While the use of an economic model would prove useful in estimating indirect impacts, this was beyond the scope or budget of this study. We did, however, use the results of an economic impact analysis of the pork processing industry in another state to help us predict the economic impact for the St. Joseph area.

While most large business investments can be expected to create income and jobs, the question has been raised whether a pork processing facility will actually contribute to or detract from the overall economic climate of the St. Joseph area. While this is a complex question with no easy answer, we did look at the five comparable cities with large meat packing plants to see how they have been performing according to key economic indicators. This provides some indication of whether the location of a meat packing plant in the St. Joseph area will cause economic indicators to move upward or downward.

### ***Direct Impacts***

***Permanent jobs.*** Based on current rates of pay at the Guymon plant, the plant will generate a total direct annual payroll of about \$52 million. This includes 1,800 production workers with average incomes of \$22,000, 190 clerical/administrative employees earning an average of \$26,500, 125 management employees earning an average of \$52,500, and at least 30 on-site federal inspectors earning an average of roughly \$30,000. Production worker earnings will be about 80 percent of the average for Buchanan County, clerical/administrative worker earnings will be about at the average, and management and inspector earnings will be significantly above the average.

***Temporary construction jobs.*** The total cost for the new plant is estimated at \$130 million, including both plant and equipment. Construction of the plant will create a substantial number of short-term construction jobs. Seaboard representatives state that the construction of the Guymon plant involved 300 to 500 construction workers over a two-year period.

### ***Indirect Impacts***

The plant will generate the following indirect impacts.

- **Local agricultural producers.** Seaboard will be purchasing 500,000 to 800,000 hogs on the open market annually. A substantial portion of these are likely to be from producers within a 50- to 70-mile radius of St. Joseph. Greater local hog production could also result in increased local corn and soybean production. This, in turn, would increase revenues and employment for companies within Buchanan County that provide supplies and services to local agricultural producers.
- **Plant suppliers and service providers.** Seaboard makes purchasing decisions for plant supplies and services at the plant level. Such purchases include \$13 million for containers (bags, boxes) and \$6 to \$7 million for maintenance products and services annually. Depending on local availability, some portion of these expenditures will be from local companies. Plant services, which include contract cleaning operations with 60 to 70 employees, are particularly likely to be purchased from local companies.
- **Transportation services.** Plant operations will involve 100 incoming hog trucks and 80 outgoing product trucks daily.
- **Potential for additional value-added production by other companies.** Seaboard does a limited amount of value-added processing within its own plant. A substantial portion of its meat products are "processor products" (e.g., pork bellies, hams), that are sold to other companies for further processing. In addition, some of the byproducts are sold to other companies for use in medical products (e.g., blood-based protein additives, blood thinners, heart valve replacements). The presence of the Seaboard plant in St. Joseph could make it more attractive for these value-added producers to locate in the St. Joseph area.
- **"Induced," or tertiary, impacts.** These would include the local retail expenditures by Seaboard plant employees and by employees hired by other companies benefiting from the location of the plant in St. Joseph.

### ***Quantitative Estimate of Total Direct and Indirect Impacts***

Economic multipliers developed for a study of the economic impacts of the pork industry in Oklahoma can provide some sense of the indirect impacts of a hog processing plant in the St. Joseph area. The study, published by Oklahoma State University<sup>6</sup>, used an economic model called IMPLAN to derive estimates of the secondary and tertiary income and employment impacts of both pork production and processing. In applying the multipliers for pork processing to the St. Joseph context, we have made one assumption and one adjustment. First, we have assumed that the level of instate supplier purchases is roughly the same in Missouri as in Oklahoma. If anything, the level is likely to be higher in Missouri because of its more developed manufacturing economy. Second, because the multipliers in the study are for the state as a whole, we have made downward adjustments in the multipliers to take into account the smaller geographic area under consideration. We have included a low-end adjustment ratio of one-third and a high-end ratio of two-thirds. We are defining the impact area as the eight-county St. Joseph labor basin under the assumption that virtually all of the direct income and employment impacts will occur in this area.

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<sup>6</sup> Willoughby, Luce, Willians, and Woods, *Economic Impacts of Swine Production in Oklahoma*, Division of Agricultural Sciences and Natural Resources, Oklahoma State University, April 1998.

It should be noted that these multipliers do not include hog purchases from hog producers. Any local income derived from hog purchases by Seaboard or expenditures by proprietors and employees of local hog production facilities would be in addition to these figures.

Based on these estimates, the total direct and indirect income impacts of the facility on the eight-county St. Joseph labor basin range between about \$70 million and \$90 million. The total employment impacts range between about 3,300 to 4,700.

<b>Direct and Indirect Income and Employment Impacts of Seaboard Plant</b>		
	<b>Income</b>	<b>Employment</b>
<b>Direct Impact (Seaboard)</b>	\$52,000,000	2,145
<b>Secondary Impact (Suppliers)</b>		
Ratio	0.27--0.14	0.45--0.22
Amount		
High	\$14,040,000	965
Low	\$7,280,000	472
<b>Tertiary Impact (Direct and Secondary Employee Purchases)</b>		
Ratio*	0.35--0.18	.50--.25
Amount		
High	\$23,114,500	1,555
Low	\$10,670,000	654
<b>Total Impact</b>		
High	\$89,145,500	4,665
Low	\$69,950,000	3,271
<i>*Applied to direct and secondary impacts</i>		

### ***Economic Performance of Comparable Cities with Meat Packing Plants***

Beyond concrete impacts on income and jobs, a large facility like the Seaboard plant could potentially alter the economic climate of the St. Joseph area in such a way as to influence other investment decisions and the broader community environment. Concerns have been expressed that, whatever the plant's impact on aggregate levels of income and employment, it may create an environment that reduces the quality of life and deters other private investment. While this is difficult to predict, we did look at key indicators of economic performance in the five comparable cities we studied to see how they have recently fared relative to St. Joseph. This data is presented in the following table.

There are obviously many economic and social factors behind these statistics, with the impact of one large employer being only one of them. Nonetheless, they do indicate that, in terms of broad economic indicators, these communities are, in most cases, doing as well or better than St. Joseph. In other words, it is not evident from this data that St. Joseph would necessarily experience a notable decline in economic well-being, although it may well see some growth in its immigrant and nonwhite populations.

<b>Key Economic Indicators for St. Joseph and Comparable Cities with Meat Packing Plants</b>						
	St. Joseph	Greeley	Green Bay	Sioux City	Sioux Falls	Waterloo
Plant employment	n/a	4,000	1,500	1,000	3,100	2,300
Year built	n/a	<1990	1960	1957	<1900	1990
City population 1998	69,622	70,434	97,789	82,697	116,762	63,703
% Employment growth, 1990-99*	+6.6%	+32.2%	+28.2%	+9.4%	+28.9%	+10.6%
Unemployment rate, 1999*	3.6%	3.6%	2.3%	2.5%	1.8%	3.9%
Poverty rate, 1995	16.9%	16.5%	10.2%	11.0%	8.6%	13.7%
Change in poverty rate, 1990-1995	+0.2%	-3.0%	-3.2%	-2.8%	+0.1%	-3.2%
Per capita income, 1998*	\$22,669	\$21,803	\$28,114	\$24,863	\$29,817	\$24,484
% of adult pop. with H.S. degree, 1990	71.5%	76.6%	80.9%	77.9%	83.4%	77.9%
% nonwhite and/or Hispanic, 1999*	7.4%	26.9%	5.7%	10.1%	4.2%	10.1%
% immigrant (1990)	0.8%	4.7%	2.4%	3.1%	1.7%	0.9%
% owner occupancy (1990)	65.8%	53.9%	55.3%	67.0%	58.8%	65.4%
*countywide						
Sources: U.S. Bureau of the Census, U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis.						

## Fiscal Impacts

### *Revenues*

Since the plant itself will be located in Elwood, Buchanan County will derive no direct tax revenues from the plant. However, additional local tax revenues will be generated by the indirect impacts of the plant, primarily through local sales and residential property taxes. We estimate that additional tax revenues from these sources will total about \$350,000 to \$400,000 annually. Additional property tax and license revenues may be derived from Seaboard suppliers that expand plants or build new plants in Buchanan County in response to demand from Seaboard.

- **County and city sales tax revenues on retail purchases.** We are estimating sales tax revenues to the city and county from direct expenditures by Seaboard employees of about

\$200,000 annually. This assumes that about 25 percent of employee payroll is spent on taxable retail purchases, and that only about two-thirds of employees' taxable retail expenditures will be made within the city and county (i.e., one-third will be spent in surrounding counties or sent outside the region). An additional \$40,000 to \$90,000 would come from indirect expenditures (income derived from expenditures by employees of Seaboard and Seaboard suppliers).

- **Residential property tax.** There would likely be some increase in residential property taxes as a result of new home construction and increases in housing values resulting from increased housing demand. We are (very roughly) estimating this at about \$90,000 annually, based on an increase in market values of \$10 million<sup>7</sup>.

## **Costs**

Our interviews with city officials as well as memoranda prepared by city agencies enabled us to identify the types of costs local government units will incur as a result of the plant, but not the magnitude of those costs. These costs are difficult to estimate because they depend, in large part, on the extent and nature of in-migration of new residents to work at the plant, and the level of indigence related to the termination of plant employees. In addition, agencies are often unable to estimate costs for particular services or activities on a per-head basis.

The following types of costs are likely to be incurred by city and county agencies.

- **Elementary and Secondary Schools.** The St. Joseph School Department made the most precise estimate of costs related to population increases resulting from the Seaboard plant. Assuming an increase of 200 to 400 elementary students (a seemingly reasonable assumption), it estimates \$800,000 in construction expenses for classroom, ESL, and early education facilities, and between \$700,000 and \$1.1 million in additional annual operating expenses. Local parochial schools may also experience increased enrollments.
- **Other local government costs.** Other types of potential governmental costs were identified in memoranda prepared by various local agency personnel. These include law enforcement and criminal justice administration, code enforcement, parks and recreation, healthcare services for the uninsured, and various public health expenditures. The absence of estimates of the likely population and demographic changes generated by the new facility have heretofore made it difficult for local agencies to quantify potential additional service costs. The estimates contained herein should be helpful in this regard.

## **Recommended Community Responses**

In summary, in-migration of new Seaboard production workers to the St. Joseph area will create some challenges for the community, but these challenges are manageable, particularly if the community moves expeditiously to prepare for them. We recommend that the following actions be taken.

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<sup>7</sup> For example, the construction of 200 housing units at \$50,000 per unit would yield an additional residential property tax base of \$10 million.

## Engagement with Seaboard Management

The policies of Seaboard management both with respect to human resource management and community involvement will strongly influence the nature and magnitude of the impacts of the new workforce on the community and the availability of additional resources to address these impacts. Local officials should engage with Seaboard's senior management early to establish dialogue and to begin to cement good working relationships. While the community's leverage over the company is limited, it will be mutually beneficial to mitigate any potential problems stemming from the company's presence and help the company develop a positive community image.

To begin this process, the community should establish a small contact group composed of representatives of government, business, and the social services community. The contact group should begin a dialogue with Seaboard on the following set of issues:

- ***Recruitment policies.*** The company should be asked to develop recruitment policies that focus on the local workforce. Any non-local recruitment should be designed to increase the likelihood of positive employment outcomes. This could include prescreening to exclude applicants not well suited to the job before they travel to St. Joseph for training, and using only highly reputable recruitment agents. Policies could also be developed to improve the likelihood that new employees who are terminated do not stay in the area without means of support. This could include incentives to bring family members to the area only after the first 90 days of employment, and a transportation allowance to return home for workers who are terminated.
- ***Other human resource policies.*** The company should be asked to strengthen its policies with regard to employee assistance. This could include developing formal mechanisms to help new employees from outside the area to become settled (e.g., housing referral, community information), and to assist employees experiencing personal or family problems. The latter could include establishing a formal Employee Assistance Program in partnership with local social service providers.
- The company should also be asked to strengthen career ladders for production workers. This could include developing training programs and promoting from within when supervisory jobs open up. This kind of initiative will send a signal to others that the company is committed to making the work environment responsive to the needs of all populations.
- ***Payments to healthcare and social service providers.*** The company should be asked to commit some of its local charitable contributions to local healthcare and social service providers whose caseloads and unreimbursed costs increase as a result of the plant's employees or former employees.
- ***Community service activities.*** The company should encourage plant employees, particularly management employees, to get involved in volunteer activities in the schools and with other community service agencies.
- ***Company-community partnerships to assist employees and their families.*** Local government and social service providers should work with the company to help new in-migrant employees integrate into the community and to meet their needs for services. This

could include making information on community services available in the workplace. It could also include providing some services on site, such as public health services, or, as noted earlier, developing a joint Employee Assistance Program. The United Way and individual service providers should discuss with the company how it can best respond to the needs of its workforce.

## **Integration of New Residents**

In addition to working with Seaboard to support the integration of new residents into the community, the community should take a broader set of actions. Integration is facilitated by a welcoming atmosphere. If new residents feel welcome and supported, they are more likely to feel a part of the community and to make a positive contribution. A number of steps can be taken in this regard:

- ***Provide welcome services.*** New residents should be personally welcomed into the community and provided with a range of community information (e.g., housing, schools, government, social services) translated into the appropriate language and culturally-relevant. The current program operated by Catholic Charities for Hispanic newcomers could be expanded.
- ***Develop communication tools.*** Government agencies, businesses, and civic organizations in the community should prepare early for a bilingual population. Information materials should be translated into appropriate languages and, in some cases, bilingual staff hired.
- ***Promote positive media coverage.*** Local media should be urged to develop a series of personalized stories on new in-migrants of different cultures. A personal story is much more effective at introducing new members of the community than a standard generalized story about “an immigrant” population.
- ***Tap into new cultural assets.*** Newcomers from different cultural backgrounds can bring new energy and diversity to the cultural life of the community. Efforts should be made to tap into these new cultural assets by providing opportunities for newcomers to share the history, literature, visual and performing arts, cuisine, and social and religious customs of their ethnic communities with the larger community.

## **Augmentation of Public Education, Social Services, and Housing to Meet New Needs**

Based on experience elsewhere, in-migrant Seaboard production workers are likely to place new demands on the schools, social services, and housing. The community should begin preparing to meet these demands as they develop. This includes the following steps:

- ***Development of additional public school resources and programs.*** It is highly likely that local school systems will be required to develop additional ESL and bilingual education facilities and programs. Planning for these should begin early, including facilities and curriculum development, foreign language and cultural diversity training for current staff, and the development of plans for additional hiring of bilingual teaching aides and other needed staff. The actual linguistic backgrounds of new Seaboard workers should be monitored once the plant opens to make any necessary adjustments. School officials should

also start working immediately with their legislators and informing them of the potential need for additional state funds. The earlier planning begins, the more likely that the most appropriate and effective models can be identified and applied rather than reacting to emergency needs on a hurried basis.

- ***Adjusting public and social service delivery to meet the needs of cultural and linguistic minorities.*** In order to ensure that new in-migrants who are members of cultural and linguistic minority groups interact effectively with the local system of public and social services, service providers will have to make adjustments in their staffing, training, and procedures. Like education planning, this should start early to avoid disruptions and the need for emergency measures. These actions are particularly important for providers of such critical services as public health, medical care, and law enforcement. As a starting point, a joint planning task force of service providers should be established to more fully assess needs and issues, identify appropriate and effective models, and develop a coordinated community response.
- ***Planning for new housing needs.*** The community can expect some level of population increase as a result of the new Seaboard plant and, thus, an increase in demand for housing. The greatest increase in demand is likely to be for moderately-priced rental housing, including both single-room-occupancy and family housing. Without forward planning, this increased demand could have undesirable effects such as rent spikes, overcrowding, and makeshift housing arrangements. The city should convene a task force composed of representatives of the housing authority, private and nonprofit housing developers, realtors, bankers, and other relevant organizations to develop a plan to address this issue. The task force should review existing data on the current housing stock and, if necessary, conduct a study to assess the availability and condition of housing suitable for the new workforce. If it appears that a shortage will occur, the task force should develop a plan for housing rehabilitation and/or new housing construction using a combination of private financing and public development and operating subsidies.

# APPENDIX: PROFILE OF FOUR COMPARABLY-SIZED CITIES WITH MEAT PACKING PLANTS

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## Greeley/Weld County, Colorado

### Economic and Community Context

The population of the city of Greeley is 70,000, and for Weld County it is 160,000. Greeley falls within the Denver/Boulder/Greeley CMSA, and the city is about 65 miles north of Denver, at the end of a thriving technology corridor. The unemployment rate in the Greeley area is 2.5 percent, which has created serious workforce shortages for local and regional employers.

The region has historically been an agricultural and meat packing area. The county, for example, ranks fifth in the country in receipts from agricultural products (\$1.2 billion) and agribusiness has added another \$2.8-\$3.6 billion in sales. Agricultural products include onions, beets, corn, and carrots. Meat packing is largely concentrated at Conagra, which processes beef and lamb. Conagra also owns and operates several feedlots in the community.

A recent economic impact analysis done by faculty from Colorado State University estimates that Conagra's contribution to the regional economy is \$2.5 billion. That figure includes the company and the scores of suppliers, subcontractors, and vendors that are dependent on Conagra.

Conagra is the largest employer in the county, with 4,000 workers. This figure represents nearly 5 percent of the employment base in Weld County and about 10 percent of the employment base for the city of Greeley. Although the economy is heavily dependent on Conagra, there are several other large employers that, combined, make the region's economy quite diverse. For example, Kodak employs 2,100 people, the Northern Colorado Health Center has 1,800 employees, Hewlett Packard has 1,000 workers, State Farms employs 1,300 people, and there are nearly ten other manufacturing employers that employ between 300 and 500 workers. Government and public sector employment is also significant. There is a community college in Greeley, as well as the University of Northern Colorado campus.

Because of such a solid ag-based economy, the region has had a strong presence of Hispanic workers. Most came initially for harvesting crops and then stayed to work in the meat processing plants. The Hispanic population in Weld County in 1999 was about 25 percent and it was the same percentage for Greeley. This is somewhat comparable to other regions of Colorado. In Denver County, for example, the Hispanic population is 23 percent of the total population and in Adams County, which is north of Weld County, the Hispanic population is 19 percent of the total. Also, Weld County's workforce is noted for having a very good work ethic and is characterized by one economic development planner as "blue collar and hard-working."

## **Conagra**

Montfort Beef was the predecessor to Conagra. Montfort was a family-owned business that operated a beef processing plant for generations. It was very influential in the community and quite generous to the community, the schools, and local charities. About 10 years ago, the company's local union made demands that the firm felt were extreme and it decided to go out of business. Conagra then bought the plant from Montfort.

Conagra pays an average wage of \$9.40/hour without overtime, a rate that is very comparable to the wage rate of Seaboard Farms. The economic development staff person who was interviewed for this project calculates that roughly 20 to 25 percent of Conagra's workers are Hispanic, which is roughly the same percentage of the population base for the city and the county.

When Conagra first took over the business, its profile, contributions, and commitment to the community were significantly less than Montfort. Senior and middle managers came and went, the CEO was not a presence, and donations to United Way went down. However, now that the company has recently decided to keep the plant and its headquarters in Greeley, the corporate culture has begun to change. Employee contributions to United Way are about \$110,000, and the corporate contribution to the agency was \$176,000 this past year and is likely to be \$250,000 next year. The CEO and senior managers are now more active on local boards and committees.

Turnover at the plant is as high as the industry standard, and there is definitely an odor problem from the plant. The odor is presumed to be from the feedlots as well as the processing plant, although there has been little scientific research to prove this. Beyond the odor, there are few major complaints about the company.

## **Social and Human Service Issues**

Although the economy is in good shape, there are a few problems within the community and the region: wage levels are below the state norm; poverty levels are viewed as high; homeless shelters are nearly full, with working families making up the majority of those who use the shelters; the housing market is extremely tight and costs are escalating, making it difficult for people with low wages to afford a home; the number of children without health insurance is high; and child abuse is seen as problematic. It should be noted that many of these issues and problems are not directly related to Conagra.

As a means of responding to some of these social service issues, the United Way and its member agencies have:

- created a new assessment center for at-risk children;
- developed a court-appointed Special Advocate program; and,
- established a Bright Beginnings program, in conjunction with the state, that tracks the health of newborns in low-income families.

Also, United Way has helped set up a literacy program on-site at Conagra, and the agency is just beginning to explore issues and services around child care at the plant.

## Education Issues

The Greeley school system has 14 elementary schools, five middle schools, three senior high schools, and four charter schools. The system has 15,400 students, 950 faculty, and an annual budget of \$80 million. Class size ranges from 25 students per class in the lower grades to 30 students in the higher grades. About 40 percent of the school population is Hispanic

The school system has added new ESL classes to address the needs of Hispanic children, but it has also created a “dual-language” program in four schools. The intent is to have as many students as possible be bilingual. This program is very popular among English and Spanish-speaking parents. One difficulty with these programs is the lack of certified bilingual teachers. The state of Colorado has an extremely high need for bilingual teachers and the more well-to-do systems generally get the available teachers.

The system has many cultural awareness and diversity programs and it makes a priority of reaching out to and engaging parents.

Impacts on the system that are particularly noteworthy include the following.

- Because meat packing plants have so many unskilled jobs, children from low-income families will often leave school and work at the plants, principally as a means of supplementing their parents’ income.
- Because of cultural and language issues, it is a challenge to immunize Hispanic children, and unless a child is immunized at the start of the school year, he/she is not considered properly enrolled. Since state funding is based on enrollments, this adversely impacts the Greeley system.
- On occasion, Greeley has experienced an influx of immigrant children into the school system. Because immigrant children often have limited English-speaking ability, test scores in the system have declined during the early years of the in-migration.
- Conagra has not played a significant role in the schools. Montfort, on the other hand, was very active and very generous.

## Sioux City, Iowa

### Economic and Community Context

Sioux City has a population of 82,000, while the metro region has 120,000 people. The city is located at the confluence of the Missouri and Big Sioux rivers and is part of a three-state region known as Siouxland. The three states are Iowa, Nebraska, and South Dakota.

The Sioux City area has a few similarities to St. Joe: both communities are located on major rivers, both have a history of meat packing and agriculture, and both communities are heavily influenced by a major metropolitan area to the south, Kansas City and Omaha, respectively. The unemployment rate in each community is also less than 3 percent.

The region's economy is doing very well at the moment, but in the early 1990s, the city had the highest unemployment in the state of Iowa. The recovery comes from the expansion of manufacturing, new service businesses coming into the area, and the location of a new Gateway manufacturing and operations plant. In the past ten years, non-farm employment in the region increased by 20,000 jobs for a growth rate of 37.4 percent. From 1988 to 1998, manufacturing employment grew an astounding 80 percent, from approximately 10,000 jobs to nearly 20,000. Gateway alone added 6000 jobs to the economy.

The region's economy is diverse. Manufacturing makes up 27 percent of the region's total employment base. Services constitute 26 percent of the employment base, and wholesale and trade employment is at 22 percent. Healthcare and education are major employers within the services sector.

The region has a solid concentration of meat packing. John Morrell has a plant in Sioux City that employs more than 1,000 workers. IBP has a plant just over the border in Nebraska that employs 4,000 people, and the company just recently built its corporate headquarters in South Dakota, a short distance from Sioux City. The headquarters location has 1,000 employees. Additionally, there are dozens of small food-related businesses in the region and a number of companies that provide services and goods to the major meat packers.

Although the region's economy is doing very well, there are problems. Non-durable manufacturing (principally food-related) offers good jobs, but they are jobs that do not pay as well as jobs in durable goods manufacturing. According to a list of occupations provided by the chamber of commerce, wages in virtually all sectors are low. A significant number of employers have pay scales that are only slightly above minimum wage. According to recent Bureau of Economic Analysis data, the wage rates in the Sioux City area rank 174 out of 183 metropolitan areas around the country. In terms of household income, the Sioux City area ranks last in the state of Iowa.

The minority population for the MSA is 11.2 percent. The Hispanic community is the largest group with 5.1 percent, Native Americans at 2.1 percent, Asian-Americans at 2.1 percent, and

African-Americans at 1.9 percent. The minority population in the Sioux City school system is quite significant (see below).

## **Morrell and IBP**

John Morrell was founded in 1867, built its facility in Sioux City in 1972, and has modernized it several times in recent years. The company employs 1,350 workers and has an annual payroll of \$33 million. The company estimates that it contributes \$400 million to the regional economy. The company processes fresh and frozen pork products.

IBP began its operations in 1961 with a beef manufacturing facility in the region. Currently, the company has 48 plants in North America and sales offices around the world. Sales in 1998 were \$13 billion.

IBP is one of the largest meat processing companies in the world, and it processes about one-third of all the meat in this country. IBP is also responsible for revolutionizing the meat packing industry. The industry used to slaughter livestock and then send the carcasses to major cities around the country where it would be butchered. IBP believed, however, that higher profit margins could be made by butchering the animals on-site and by also building feedlots and stockyards near the processing plant. This consolidation of operations transformed the way most meat packing is now done.

The average wage at Morrell is \$10.25/hour and at the IBP plant in Nebraska the rate is \$9.52/hour. Exact figures on the number of minorities who are employed at the plants were not available (the training director at IBP would not give out the figure). However, the employment pattern appears to be similar to what has occurred in other historically meat packing communities. White Midwesterners worked in the plants for several generations (those who were interviewed for this project had family members and relatives who worked at the plants, sometimes for 20 to 30 years). But, as the economy diversified and grew, and as local families sent their children to college, the meat packing jobs were less attractive. Employers have found it exceedingly difficult to hire from the local population. The training director at IBP said, "Expect that the number of minorities who work at the plant will go way up over time."

During the late 1980s and early 1990s, a wave of Southeast Asian immigrants initially filled the jobs that locals refused. And, within the last five to seven years, an immigrant population of Hispanics from the Southwest U.S. and Mexico are taking jobs at the plants. Local television and newspaper ads are in at least two different languages, and the meat packing companies have had to hire recruiters to find workers.

Turnover rates at the plants are at the industry average. However, there have been, according to one interviewee, extensive environmental problems at both plants. Lawsuits have been filed against each company for sewage and water pollution problems.

In terms of community involvement and engagement, IBP has been much more responsive than Morrell. IBP contributes to local charities and community groups and senior managers are active

on boards and committees. IBP has hired a senior manager who is Hispanic. This is not true for Morrell.

## **Social and Human Service Issues**

The United Way in Sioux City covers a 30-mile radius, with a population base of 120,000 people. It has 28 member agencies. The community has a number of social problems, some of which are attributable to the meat packing industry and some of which are not. The issues include: child abuse, substance abuse, and juvenile crime. Also, affordable housing is becoming very difficult to find, particularly since Gateway opened its plant in the region. Wages at the company are comparatively better than for the meat packing industry, and Gateway workers are, therefore, in a better position to afford new homes. Employees at the meat packing plants tend to live in rental housing, which is also very tight.

Another problem that has created major difficulties for some agencies in the region has to do with naturalization. The process of securing U.S. naturalization for immigrants who move to the area is very tedious and long, and puts a significant strain on families and agency workers who help the families with their paperwork. Without U.S. naturalization, new immigrants often have to wait extended periods of time for services and employment.

To respond to some of the problems that the community is confronting, the United Way and its member agencies have begun to translate their materials into three to four different languages, and bilingual staff have been hired by several agencies. Also, new agencies were established, on occasion, to deal with the needs of immigrant populations. However, the costs of keeping those agencies in operation were so high that United Way recommended they be folded into existing member agencies.

IBP has been more generous to United Way -- last year its corporate contribution was \$300,000, and it has initiated an employee donation program. Morrell has not had much of a profile with the United Way.

## **Education Issues**

The Sioux City school system has three traditional high schools, one alternative high school, four middle schools, and 22 elementary schools. The system has 14,300 students and approximately 1,000 faculty. The annual budget is \$91 million. Class size typically is in the low 20s in the lower grades, and reaches into the high 20s in the high schools.

Starting in the late 1980s, as immigrants from different cultures moved to the city, the percentage of minorities in the school system has increased by about 2 percent each year. Currently, the system has a student population that is 30.25 percent minority. The breakdown is 3.9 percent Asian, 5.6 percent African-American, 15.9 percent Hispanic, and 4.9 percent Native American. The Hispanic student population is growing, albeit slowly. As long as the unemployment rate is as low as it is, the schools expect that companies will continue to recruit from outside the area, and the number of minority children, especially those who are Hispanic, will grow. Also, the

current governor has made a commitment to recruiting and welcoming people from different cultures, as a means of dealing with the state's overall shrinking population.

The school system has appointed a senior administrator to oversee all bilingual programs. The program is quite strong, although not every school has an ESL program. At the moment, there are approximately 1,200 children in ESL programs in the system. The system tries to be very responsive to the needs of different cultures and is very aggressive in its outreach to minority families. Parent events are held several times throughout the school year, interpreters are on hand, and special arrangements are made for child care. The system tries to make it easy and comfortable for minority parents to feel they are part of the system.

The school system also has initiated a migrant education program that essentially extends the school year over the summer. The idea is to help students transition into an English-speaking system and to provide as much remedial help as possible. State funds are available for this program.

The schools have partnerships with many businesses in the Sioux City area. IBP has been particularly generous. For example, when it built a new facility for its corporate headquarters, it contributed all of the furniture from its old building to the school system. IBP also paid for the production of a video that is targeted to recruiting students for the migrant education program. School personnel are also frequently in the plant around school-to-work issues, and managers from the plant provide training for school management and teachers.

## Waterloo, Iowa

### Community and Economic Context

Waterloo has a population of 66,467. It is part of the agricultural beltway of the Midwest and, as one interviewee stated, very much typifies “middle America.” The economy is relatively strong -- the unemployment rate has been below 4 percent for the last five years and stands at 2.3 percent in 2000.

The community has a history in the meat packing industry. Until the mid-1980s, Rath Packing (processing and packing of ham) had a long presence in the community. Rath’s reputation was that of a good corporate citizen. Its wages averaged \$12 to \$15 per hour. In the mid-1980s, however, Rath was liquidated and shut down.

In 1987, IBP made a decision to locate its meat processing plant in Waterloo. IBP is one of the largest pork processing companies in the world. The Waterloo plant processes up to 1,200 hogs per hour and employs roughly 2,300 people. The plant opened in 1990. In the early 1990s, starting wages were \$6.50 per hour. Local workers held some resentment toward IBP because of these relatively low starting wages. At the time of IBP's opening, however, the unemployment rate in Waterloo was close to 10 percent. The high unemployment rate and the city's familiarity with the meat packing industry made IBP's initial transition in Waterloo relatively smooth.

As the economy grew, the region’s labor supply began to tighten. IBP began to have difficulty finding workers beginning in 1994-1995. A survey done in 1995-1996 found that there were 300 unfilled positions at IBP. Consequently, in 1998, IBP hired a human resources firm to recruit new workers.

The first round of workers that the HR firm brought to the IBP plant caused problems in the community such as an increase in crime and intensive use of social services. The firm recruited the “undesirables” from other communities, many of which happened to be Hispanic. The issue became so volatile that IBP received considerable bad press (there was a story on 60 Minutes) and developed an image problem with many in the community. After experiencing these problems, IBP fired the recruiting firm and hired a new one. The new firm seems to focus on recruiting Bosnian immigrants.

Today the IBP plant employs roughly 2,300 workers, with a mix of local residents, Hispanic immigrants, and Bosnians. (One estimate is that there are 300 Bosnians working at the plant.) Wage levels start at \$9.60 per hour (with benefits), about \$1 below the county average starting wage of \$10.70 per hour for all manufacturers. As a philosophy, the company as a whole does not take an active role in the community (local leaders visited the company's corporate headquarters in the mid-1990s to try to develop a more community-minded relationship). In relation to corporate giving and civic participation, the company contributes less than most other manufacturers and companies in the city relative to its size. One area of community contribution is toward the schools. It has paid the salary of an English as a Second Language (ESL) facilitator in the schools (to help the schools deal with the influx of non-English speakers). Most recently, it contributed \$100,000 to the community college to develop a training module for its

maintenance workers. It contributes approximately \$8,000 per year to the United Way (a nominal contribution relative to the size of the plant) and one of its managers sits on the chamber of commerce, but is not very active.

The local economic development director states that the plant has had its most positive economic impact on increasing the county's payroll. An additional economic impact is that it buys some of its supplies locally (e.g., hog feed).

## **Social and Human Service Issues**

There have been some large impacts on Waterloo as a result of the increase in immigrants recruited to fill IBP jobs. One of the more positive impacts has been the diversification of the city's population. The recent waves of Bosnian and Hispanic immigrants have made Waterloo one of the state's more diverse cities in terms of ethnic and racial composition. Interviewees state that Bosnian immigrants, in particular, have used the IBP jobs as a stepping stone to better opportunities and have developed a strong internal community. Most of the Bosnians are highly educated and bring an entrepreneurial spirit to the community and many have opened their own businesses within the city. In addition, the small boost in population has reinvigorated the housing market. There is much more activity in rehabilitation of older housing and development of new housing to accommodate these increases.

While most of the additional programmatic demands and increases have peaked, there was a time with the early influxes of immigrants that there was considerable strain on many of the community's basic services such as healthcare, food banks, and other basic social services. Many social and human service organizations had to begin new programs and hire new staff to accommodate the influx of immigrants. One of the greatest organizational changes among agencies across the city was the need to hire language interpreters and begin translating policies, procedures, and informational brochures in multiple languages. For some agencies, IBP has offered to do some of the language translation of information for free.

The community's social and human service network also coordinated with the schools to develop a central intake process for new immigrants. One of the problems was getting new immigrants networked into the existing services and started in school. Lutheran Family Services has become the lead agency in coordinating the intake. Every Wednesday of the week, a family support worker from Lutheran Family Services and a community representative meet directly with new immigrant families to assess their needs, connect them to services, and enroll their children in school.

## **Education Issues**

The large influx of immigrant families also has impacted the Waterloo schools. Starting in the mid-1990s, new groups of immigrant students arrived at the schools' doors -- many of them speaking little English. The number of ESL students went from 50 in 1996 to 760 in 2000. The influx of immigrant students reversed a long trend of declining student enrollment in the system.

Over the summer, roughly five new students per week enrolled in the Waterloo school system for a total of 100 new students in the 2000-2001 school year. Despite this increase, 2000-2001 will be the first year since 1996 that school enrollment has leveled off. Roughly 75 percent of ESL students are Bosnian, 23 percent Hispanic, and 2 percent Asian.

One of the programmatic impacts has been the hiring of new ESL teachers and language interpreters to accommodate students who do not speak English. Since 1996, system-wide the school has hired 23 ESL teachers and 15 language interpreters. In addition, the school system has translated all of its program and procedures into multiple languages. Another challenge related to language is communication with parents who also do not speak English. For example, parent-teacher meetings often require interpreters.

The secondary schools also have instituted an orientation curriculum for new immigrant students. The curriculum is taught as part of an orientation center program. The orientation center is a day program in which new immigrant students participate in lieu of regular classroom learning, until they are comfortable enough to be integrated into the secondary school's mainstream setting. The program introduces students to the U.S. system of education, assists them with cultural issues and gender roles, and teaches ESL classes. Orientation can last from one week to one year for new immigrant students. The model and curriculum were adopted from similar orientation centers in Des Moines and Sioux Falls. The orientation model has been well-received by the Bosnian community.

The school system's overall budget has increased roughly \$1.5 million to accommodate the influx of immigrant students through new staffing and curriculum. The sources of funding for this increase vary year to year, but, in general one-third, or \$500,000, comes from local tax increases (passed as an override by the city's residents four years ago), another third comes from an Iowa Department of Education grant, and the rest comes from a mix of community foundation grants, Emergency Immigration Allocation funds from the federal government, Iowa Department of Health refugee services grants, and U.S. Department of Education migrant education programming. One of the biggest challenges was dealing with the funding issues with the first influx of new immigrant students at the school in the mid-1990s. Most curriculum and staffing changes had to wait until funding could be secured (for example, the USDOE's migrant education program is back-funded) or be funded through other budget items.

## **Sioux Falls, South Dakota**

### **Economic and Community Context**

The Sioux Falls MSA, according to the South Dakota Department of Labor, is “the largest and fastest-growing labor market area in the state.” In the last fiscal year, the area accounted for 70 percent of the total job growth statewide. Currently, the unemployment rate in the state is 2.1 percent, while in Sioux City the rate is 1.3 percent. The city is virtually at full employment.

The population of the city has grown consistently in the last ten years, from 102,000 to 124,000. The population in the county (Minnehaha) also grew in the last ten years from 125,000 to 149,000. In the MSA, the population went from 125,000 to 170,000 in the same time period. The region’s population growth shows no sign of letting up.

The city’s largest employer is the Sioux Valley Hospital with 4,500 workers. Citibank, which opened one of its credit card divisions in the 1980s, employs 3,200 workers. Gateway has a plant in the community and Norwest Bank has an operations center as well. In total, there are about one dozen employers in the city that have more than 1,000 employees. Employment overall continues to increase. From August 1999 to August 2000, 2,100 workers were added to the employment base, a rate of growth of 1.9 percent. The retail trade and services sectors experienced the strongest growth, and durable goods manufacturing declined slightly.

The local and regional economies have become more diversified within the last five to ten years. One interviewee for this project indicated that the “economy lived and died by the fortunes of Morrell.” If it closed now, it would hurt the economy, but it would not be devastating. A strong mix of healthcare, back office operations, high-tech manufacturing, technology, retail trade, and government services has created an economic foundation that is less dependent on agriculture and food processing.

### **Morrell**

The John Morrell company was founded in the Sioux Falls area back in the early 1900s as one of the premier meat packing businesses in the country. It now employs 3,100 people in Sioux Falls. The company is one of the largest employers in the city and it is one of the ten largest employers in the state of South Dakota. In Sioux Falls, Morrell represents about 3 percent of the total workforce.

Twenty-seven languages are spoken at the plant, with Spanish being the dominant language. Although there are no exact figures on the characteristics of the company’s workforce, the director of the United Way estimates that about half of the employees at the plant are minority. The population in the region was nearly 100 percent white until quite recently. There are several reasons for a slight increase in the minority population. Some of the newcomers were immigrant workers who came to work in the agricultural sector in Southeastern South Dakota. Also, the local Lutheran Family Services has been very active in refugee resettlement and this has brought people from different countries to the Sioux Falls area. And, in the mid-1980s, because of disputes with its local union, Morrell fired many of its employees. Since

there was such a tight labor market, the only option for the company was to recruit from other parts of the United States and from other countries.

Wages at the plant prior to the labor problems were estimated to be \$15/hour. Currently, wages average \$10.50.

Several people from the community recently toured the plant and found it to be exceptionally clean, and the senior management were aggressive in their efforts to make the plant as worker-friendly as possible. Supervisors go out of their way to make new immigrant workers feel comfortable in the plant.

The company has not always been active in the community, but that has begun to change. The local plant manager was a leader in the United Way's recent fundraising drive and last year was chair of the chamber of commerce. About two-thirds of the company's workforce contribute to the United Way.

### **Social and Human Service Issues**

The United Way of Sioux Falls serves a regional population of 140,000, and it has an annual budget of about \$6 million. The organization has 37 member agencies and no one cluster of agencies (e.g., substance abuse, homelessness) dominates the member base. The United Way and member agencies believe that they have to work very hard to respond to those in need because the state of South Dakota does very little. There is no corporate or personal income tax, so local and regional social service agencies are heavily relied upon for services.

The region has one of the highest percentages of working families in the country. Because so many parents are in the workforce, child care needs are extremely high. Since the wage rates in the Sioux Falls area are among the lowest in the country on a per capita basis, affordable child care is difficult to secure for a substantial number of parents.

A major issue for United Way and its member agencies is helping new immigrants feel comfortable in the community. With 27 languages being spoken at the Morrell plant, the city has to accommodate a diverse number of cultures. Crime is not much of an issue, although there does appear to be a small drug problem that makes its way north from Sioux City, Iowa.

### **Education Issues**

The Sioux Falls school system has 33 schools: 22 elementary schools, five middle schools, three traditional high schools, and one alternative high school. There are also five post-secondary schools that offer further training in technical and vocational areas. The school system has 19,400 students and 1,200 faculty. The system has an annual budget of \$134 million.

Because the meat packing plants, Morrell in particular, have been in the community for almost 100 years, their impact on the school system has not been an issue, until rather recently. The emergence of an immigrant population has changed the racial make-up of the student body. Minority students comprise 12 percent of the total enrollment; Hispanic students represent the

largest proportion, followed by African-Americans and Native Americans. Also, there are a number of Bosnian families that have moved into the area and children from these families are attending school. As these new immigrant families find secure jobs and establish themselves in the community, there is the expectation that extended members of these families will start moving in to the region in the future.

To respond to the language needs of these families, the school system has done several things. It created a Family Immersion Center, funded in part by the city and in part by the state of South Dakota. The Center recruits children for half-day intensive sessions in English. When finished with the intensive instruction, the school children are then placed in ESL classes in the school system to further their language skills. The system has a total of nine ESL classes. Also, the school system sends teachers into the Morrell plant to teach English to shop floor workers. The company has made a priority of helping its workers gain English-speaking skills and it offers the classes during all shifts. The idea is to have parents undergoing language instruction while their children receive it in the schools.

Morrell has been very helpful to the school system. The company helped start a school-to-work program in the school system, and Morrell is one of the businesses in the city that offers teachers in the Sioux Falls school system summer jobs. This summer work experience is intended to help teachers get a better understanding of the local economy, as well as the nature of business operations and workforce characteristics across a broad range of economic sectors.

## **Recommendations**

### **The Community**

1. Local officials should engage senior management early and host meetings between the company and key community leaders. Officials should articulate the community's assets and challenges, and ask that the company's senior managers be actively involved in the community's civic infrastructure.
2. The community should embrace and learn from the different cultures that come into the area rather than fear them. The experience will enrich the local culture and it will mitigate problems that often arise when new immigrant groups move to a community.
3. All businesses and civic organizations in the community should prepare early for a bilingual population -- everything from banks to grocery stores to local churches and synagogues. Materials will have to be in different languages and bilingual staff may have to be hired.
4. If an immigrant population is recruited by the company, local media should be urged to develop a series of personalized stories on the people and their families. A personal story is much more effective at introducing new people into the community than a standard generalized story about "an immigrant" population.
5. The community and economic development officials should make a commitment to secure and sustain a diversified economy. Even if meat packing is an historical economic anchor, and even if a new plant is moving to town, do not diminish your efforts to create a diversified economic base

### **The Schools**

6. Because the influx of new workers may have an impact on a local school system and the system's budget, it is important for school officials to start working immediately with their state legislators and informing them of the potential need for additional state funds.
7. School officials should start working with teaching and administrative staff about the new cultures that will be represented in the system. It is critically important to start cultural diversity training early, rather than wait until students start arriving.
8. School officials should make every effort not to isolate new students in a small number of schools. Even if more transportation routes are required, new students should be placed throughout the system.

## **The Company**

9. CEOs of the company should encourage senior management to live in the community, rather than commute from wealthier suburban and urban communities.
10. CEOs should encourage workers at the plant to volunteer in the schools and the community, and urge those who do not have a high school diploma to get one.
11. The company should promote minority workers from within when supervisory jobs become available. Career ladders and training programs should be created that will help these workers advance. This kind of initiative will send a signal to others that the company is committed to making the work environment responsive to the needs of all populations.

## **The Social Service Network**

12. United Way should ask any new company that comes into the community how the organization and its member agencies can best respond to the needs of its workforce, particularly with respect to child care, literacy, transportation, etc. This gets the company thinking about and anticipating workforce and community needs before they become problems.
13. A social and human service network and system that can respond to the influx of new immigrants should be created. City government and social and human service agencies need to coordinate a plan for new immigrant families, before they arrive. The system should include an intake and assessment process, a process for naturalization, and a method for effective service delivery from all providers.

## **Interviews**

### **Waterloo, Iowa**

Carl Adrian, President, Cedar Valley Industrial Development Association

Judith Richards, President, United Way

Sharon Drosti, Associate Superintendent, and Patrick Clancy, Director of Special Education

### **Sioux Falls, South Dakota**

Jay Powell, Director, United Way

Jack Keegan, Superintendent of Schools

### **Greeley/Weld County, Colorado**

Cathy Schulte, Senior VP, Economic Development Action Partnership

Jeannine Truswell, Director, United Way

Tony Pariso, Superintendent of Schools

### **Sioux City, Iowa**

Tim Stiles, Director, United Way

Dick Bathurst, Associate Superintendent of Schools

Ken Beekly, Director, Siouxland Economic Development Corporation

Ken Mebrood, Plant Manager, IBP