

TOP STORIES IN **Politics**



1 of 12
GOP Leaders' Debate: Change Message or Candidates?



2 of 12
Stage Set for Next Act in Fiscal Drama



3 of 12
Obama Presses For Higher Taxes, Adds Caveats

POLITICS | Updated November 8, 2012, 10:06 p.m. ET

Heartland Draws Hispanics to Help Revive Small Towns

Article Slideshow Stock Quotes Comments (208)

MORE IN POLITICS & POLICY >

Email

Print

Tweet 522

YOUR FRIEND HAS SHARED THIS SUBSCRIBER ONLY ARTICLE WITH YOU **SUBSCRIBE NOW** → Get 3 Months for the Price of 1 & share WSJ.com stories with your friends.

By **MIRIAM JORDAN**

OTTUMWA, Iowa—José Rodas moved to this blue-collar town on the Des Moines River in 2001 to take a job at the Cargill pork plant, after more than a decade eking out an existence in California and Nevada.

Within a year, the Guatemalan immigrant had saved enough money to buy a house for his family. Last March, he opened the town's first tortilla factory.

"It's much better here than in California," says Mr. Rodas, who works mornings at his "Tortilleria Los Twins" and the late shift at the Cargill plant. "There's lots of work, it's *tranquilo* and the cost of living is low."

Mr. Rodas is part of a Hispanic migration from traditional settlement areas in the Western U.S. to the interior. Drawn by well-paying blue-collar jobs, affordable housing and safe neighborhoods, Latinos have settled in towns that hadn't experienced immigration for a century.

Latinos Head Into the Country

Hispanic immigrants are settling in towns that hadn't experienced immigration for a century.



View Slideshow

Jenn Ackerman for The Wall Street Journal

Jose Rodas and his wife, Magdalena, moved to Ottumwa, Iowa, in 2001, after more than a decade in California and Nevada.

Hispanic migration to the Midwest has political implications. Though only 2.2% of eligible voters in Iowa are Latinos, President Barack Obama courted them. He won in five out of seven counties that together are home to half of Iowa's Latino population. The president also won in Wapello County, where Ottumwa is the county seat. Nationally, Hispanics accounted for 10% of the electorate for the first time, and helped power Mr. Obama to victory.

The "Latino Diaspora" is playing a key role in revitalizing small-town America once plagued with a shrinking tax base

and dim prospects for economic growth.

Since the 1990s, Latinos have flocked to places like Dalton, Ga., to work in the

Don't Miss

Powered by Taboola



Romney and Obama Head Into Nov. 6 With Polls Suggesting the ...
35:00



New Jersey Governor Chris Christie Speaks About Approach...
02:09



China's New First Lady Peng Liyuan
00:54

Most Popular in US

- Twinkie Maker Hostess to Close
- Israel Mobilizes Troops as Hostilities Escalate
- BP to Pay Record Fine
- Google Preps Maps App for iPhones
- Noonan: The I's Have It

Most Popular

Read Emailed Video Commented

- Twinkie Maker Hostess to Close
- Israel Mobilizes Troops as Hostilities Escalate
- BP to Pay Record Fine

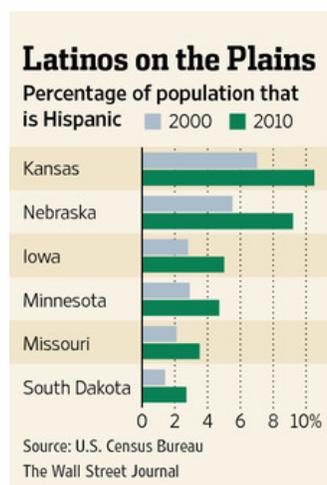
carpet mills, and to the Piedmont section of North Carolina to work in furniture manufacturing. Many Hispanics work in the hotels and golf courses of Hilton Head, S.C. Some analysts believe the influx could eventually tip more traditionally Republican Southern states into the Democratic column.

The big Hispanic movement to Midwestern small towns has been more recent. Between 2000 and 2010, the Hispanic population in the Midwest swelled 49%, more than 12 times the 4% overall population growth there, according to the census.

The number of Latinos climbed 82% in Iowa during that decade and now represents 5% of the state's population, the census found. The Hispanic population grew 82% in Indiana, 77% in Nebraska and 74.5% in Minnesota. Beardstown, Ill., now holds a Cinco de Mayo celebration with mariachi bands and children performing Mexican folk dances across from the courthouse where Abraham Lincoln practiced law.

It hasn't always gone smoothly. Particularly as the U.S. economy soured, some towns began passing ordinances to drive out illegal immigrants among the newcomers.

In 2010, voters in Fremont, Neb., approved a measure that banned landlords from renting to illegal immigrants and mandated businesses to use a federal program to ensure potential hires aren't undocumented. In February, a federal judge overturned part of the ordinance. Both sides in the case have appealed the decision to the U.S. 8th Circuit Court of Appeals.



In Ottumwa, most of the Hispanics lived elsewhere in the U.S. before moving there, and local officials believe relatively few lack legal work status. Still, the rapid growth of Hispanics has created tensions in the community at times.

A city of about 30,000 southeast of Des Moines, Ottumwa had fallen on hard times before Latinos arrived. Once a bustling railroad hub, it had lost thousands of jobs as the railroads closed many routes and a large meatpacking plant shut down.

Latinos—primarily of Mexican, Salvadoran and Guatemalan descent—now account for 11% of the town's population, according to

the census. Storefronts that were boarded up on Main Street are occupied by Latino-owned groceries and restaurants. As its population swelled, Ottumwa attracted a Menards home-improvement store, a [Wal-Mart](#) WMT -0.58% supercenter and a new \$4 million development anchored by a [Kohl's](#) KSS -0.06% store.

Taxable property valuation reached \$700 million last year, almost double the 2000 value, thanks to Hispanic home buyers, says city administrator Joe Helfenberger.

"Hispanics are pulling this town out of a long recession," says Nicole Banner, a loan officer at U.S. Bank and a member of the town's diversity committee.

It all began in 2000 when Cargill decided to ramp up production at its Ottumwa pork plant after rebuilding due to a fire. Plant manager Randy Zorn approached then-mayor Dale Uehling: "To expand, we'll need to attract an outside workforce—and it will likely be Hispanic," he recalls telling Mr. Uehling. The town was just 1% Hispanic at the time.

The mayor says his thinking was: "The Hispanic people can prosper along with

4. [Google Preps Maps App for iPhones](#)

5. [Opinion: Noonan: The I's Have It](#)

[Most Read Articles Feed](#)

Real-time Washington News and Insight

Seib & Wessel: What We're Reading Friday

The case for turning itemized tax deductions into tax credits and more recommended reading from around the Web.



Ways and Means Chairman Pushes for Tax Rewrite in 2013

Busy Week for White House's Roosevelt Room

[See All](#)

[RSS Feed](#)

GET ELECTIONS ON THE GO

WSJ.com/electionslive on your smartphone or tablet

Latest Headlines

[White House Discusses Plan to Replace Cuts](#)

[Oil-Rig Fire Leaves Four Injured, Two Missing](#)

[Wounded Veterans Killed in Texas Train Crash Identified](#)

[Petraeus Arrives for Libya Hearings](#)

[FHA to Exhaust Capital Reserves](#)

[GOP Leaders' Debate: Change Message or Candidates?](#)

[Holder: No Security Threat in Petraeus Probe](#)

[Mortgage Delinquencies Fall to Nearly 4-Year Low](#)

[Fed Sees Hurdles in Housing Rebound](#)

[Panetta Orders Military Ethics Review](#)

[More Headlines](#)

Become An Amsoil Dealer

Start Your Own Business With The Original Synthetic Oil Company-AMSOIL
banditoil.com/

Business Cards

Quickly Find Business Card Printers For Your Business Needs Today.
www.business.com

Buy Stocks for \$4

No Account or Investment Minimums. No Inactivity Fees - \$100 Bonus.
www.sharebuilder.com

everyone else."

In the early days, the Cargill plant attracted Latin American men who were single or who had left their families back West. At about \$10 an hour, pay was substantially higher than the state's minimum wage and went much further than in big cities and states like California.



The married Latino men soon sent for their families. "The wave came fast," says Davis Eidahl, Ottumwa school district superintendent.

Mayor Uehling invited town officials, business leaders and the sheriff to form a "diversity task force," which began to convene each month to address community concerns and

challenges related to the absorption of the newcomers. Extending bus service to the meat plant and hiring bilingual staff for hospitals and clinics were among the early achievements.

Mr. Uehling raised \$30,000 from local businesses to open a "New Iowan Center," a bureau attached to the state employment office with bilingual staff to help newcomers fill out job applications.

"My friends told me there was work here," recalls Mr. Rodas, 50 years old, who had worked at foundries in California and Nevada and has had legal work status in the U.S. since the late 1990s. A day after Christmas in 2001, the Guatemalan immigrant was working on Cargill's lines, cutting intestines and stomachs from hog carcasses.

A month later, Mr. Rodas sent for his wife, Magdalena, and two children. In 2002, Mr. Rodas had saved enough money to make a down payment on a house for which he secured a \$70,000 mortgage. "It was my first step toward the American dream," says Mr. Rodas.

By 2003, Cargill was no longer actively recruiting workers. It relied almost entirely on word-of-mouth to fill openings. About a third of the workforce was Latino. "They had become vital to our operation," says Mr. Zorn, the plant manager.

To contain turnover, which the meatpacking industry says can top 50% a year, Cargill tried to nurture good ties with the Hispanic community. That year, Mr. Zorn approved a \$30,000 grant to start a soccer program at the town's high school.

"It was a tiny investment that generated immense goodwill, says Mr. Zorn, noting that it costs about \$5,000 to hire and train a new employee. With a stable workforce, the plant opened a bacon line in 2005. The plant's annual turnover rate currently is 18%.

Latino entrepreneurs arrived to open mom-and-pops, restaurants and dance halls. A Mexican immigrant named José Luis Melchor who is a transplant from Watsonville, Calif., opened "El Maestro" auto repair. Rigoberto Barrillas of El Salvador, who had worked in Korean restaurants in Los Angeles, opened a pupuseria to make the Salvadoran corn-dough delicacy.

As the newcomers dug deeper roots, some Ottumwans derided them as "dirty Mexicans," immigrants say. The St. Mary of the Visitation Catholic church suffered "white flight" as Latinos populated the downtown parish and Spanish-language masses were added, according to Father Bernie Weir, who has been at the parish since 2004.

At diversity meetings, Mayor Uehling fielded queries about whether the Hispanic newcomers paid taxes and whether they were illegal immigrants.

All Cargill plants participate in E-Verify, a government program to check whether someone is eligible to work in the U.S. Cargill doesn't appear on a list of companies fined for hiring undocumented workers between 2003 and 2010, which The Wall Street Journal reviewed last year.

When Spanish-language programming replaced a weekend show on a local radio station, some listeners called in to complain, says Lorena Perez, who co-hosts the show with her husband, Andres.

She says that common questions included: "I don't understand a word you're saying. Why don't you people learn English?"

Some street gangs from Texas, California and Chicago showed up, and a spate of shootouts and fights alarmed Ottumwans.

Some of the gang members were believed by law enforcement to be illegal immigrants. In 2007, Police chief Jim Clark proposed the city join a program that would enable local police to identify illegal immigrants for deportation by the federal government. The idea, he said, was to hand over to federal authorities only "serious offenders," not immigrants who had been stopped by police for committing minor offenses.

Latinos packed council chambers to protest participation in the program, which they said would breed mistrust and fear. The city council approved participation anyway. Ultimately, a funding shortage prevented Ottumwa from enlisting police officers in the program, says Chief Clark.

The city last year hired its first Hispanic police officer to nurture ties with the community. Chief Clark notes that the number of reported crimes in the city has dropped for six consecutive years.

Integration into the community was helped by the fact that Latinos dispersed throughout the city rather than settled in a single enclave.

By 2008, every public school in Ottumwa enrolled Hispanic students, who now represent about 20% of the student body. Without Latinos, the district would have experienced a "dramatic decrease" in student population and "dramatic budget cuts," says Mr. Eidahl, the superintendent.

By 2009, Mr. Rodas's daughter had graduated from the local high school, married and become the mother to twins. She works at a local clinic in a clerical position. He co-signed her home mortgage. His son, who is in high school, plans to attend college.

Feeling rooted in Ottumwa, Mr. Rodas started thinking about opening a tortilla factory. Local supermarkets had been selling tortillas made out of state, and Mr. Rodas thought he could do better.

Working overtime at the Cargill plant, Mr. Rodas managed to save \$9,000 toward the purchase of a \$30,000 stainless steel tortilla machine. He applied for a loan from a local bank and was refused.

"Banks in Ottumwa weren't interested in giving \$3,000 or \$10,000 loans," says Himar Hernandez, an immigrant from Spain who is an official at the Iowa State University extension program.

Instead, Mr. Rodas set his sights on a microloan program set up in the fall of 2011 by a committee of bankers, business people and other city leaders hoping to spur economic growth in the area.

Mr. Rodas completed a business proposal with assistance from Mr. Hernandez, who says he prodded the immigrant to think through every aspect of his venture: Who is your market and who is your competitor? How many tortillas are you going

to sell to make a profit? How much is it going to cost for the ingredients?

"He just knew he wanted to sell tortillas. It hadn't occurred to him that his business might fail," recall Mr. Hernandez, who helped him enroll in a book keeping and accounting class at a local college.

In January, Mr. Rodas was approved for a \$21,000 loan and ordered a tortilla machine.

He found a location on Church Street, a main thoroughfare, alongside locally owned businesses and in the vicinity of a bakery, restaurant and small shops catering to Hispanic immigrants. On March 24, he opened the doors of Tortilleria Los Twins, whose emblem is two smiling corn cobs, in honor of his twin grandchildren.

Local markets, a hospital and the school district have expressed interest in buying tortillas from Mr. Rodas, according to Mr. Hernandez.

Mr. Rodas, who currently charges \$1 per pound of tortillas, pays two employees salaries. He still doesn't take home a profit but is breaking even, he says.

Wearing a blue-and-white checkered apron and gloves, on a recent morning he collected tortillas dispensed by the machine and carefully stacked them on a counter for customers.

Asked whether he had achieved his goals, he replied: "I'm still realizing the American dream." A couple of hours later, he dashed out in time for the 3 p.m. shift at Cargill.

Write to Miriam Jordan at miriam.jordan@wsj.com

A version of this article appeared November 9, 2012, on page A1 in the U.S. edition of The Wall Street Journal, with the headline: Heartland Draws Hispanics To Help Revive Small Towns.

JOIN THE DISCUSSION
208 Comments, add yours

MORE IN
Politics & Policy »

Email

Print

Order Reprints

Incorporate Only \$99.99

File New Corporations or LLC's any State for \$99.99 plus state fees.
Incorporate.Inc-it-Now.Com

Find cheap Business Cards

Compare prices at BEST-PRICE.com & save up to 75% on Business Cards!
www.Business-Cards.BEST-PRICE.com

Trade Printing

Volume Press provides quality and affordable online printing
www.volumepress.com

Business Insurance

Find Business Insurance Near You. See Actual Customer Reviews!
Local.com

You Might Like

[Chris Christie Calls Out 'Disgruntled Romney Staffers'](#)

[China Property Sales, Investment Rise](#)

[The Sexiest Bipolar Man Alive](#)

[Nanny Murder Case: A Portrait of Family in Grim Tragedy](#)

[China National Pharma Looking for Deals](#)

From Around the Web

Content from Sponsors [What's this?](#)

[The New Livestock: Rodents of Unusual Size](#) (Heifer.org)

[How Many Slaves Work For You?](#) (Goodnet)

[A Story Exposes How the Chinese Government is Fueling Elephant Slaughter](#) (Dot Earth)

[North Korea Revisited: An Unknown Land](#) (Modern Vacation Home Rentals)

[At Fox News, a Liberal Pundit Finds the Spotlight](#) (The New York Times)

Add a Comment

JOURNAL COMMUNITY

[View All Comments \(208\)](#)

[Community rules](#)

To add a comment please

[Log in](#)

[Create an Account](#)

Your real name is required for commenting.

Track replies to my comment

Subscribe Now for Full Access to WSJ.com and Get
3 MONTHS FOR THE PRICE OF 1

[Subscribe Now](#)

WSJ Subscriber's content provides:

- **Personalized** tracking of industries
- **Heard on the street** up-to-the-minute news and analysis that affects the markets and industries
- **Core business news:** "What's News" and new "Management" section

Editors' Picks



Have a Question on Kitchens, Flowers or Sewers? Try Ms. Hagy



Ex-Needham CFO Arrested in Theft



GOP Leaders' Debate: Change Message or Candidates?



'Silver Linings' Is a Platinum Film



Beyond Sgt. Pepper



[Subscribe / Login](#)

[Back to Top](#)

Customer Service

- [Customer Center](#)
- [Contact Us](#)
- [WSJ Weekend](#)
- [Contact Directory](#)
- [Corrections](#)

Policy

- [Privacy Policy](#)
- [Data Policy](#)
- [Copyright Policy](#)
- [Subscriber Agreement & Terms of Use](#)

Ads

- [Your Ad Choices](#)
- [Advertise](#)
- [Advertise Locally](#)
- [Place a Classified Ad](#)

Tools & Features

- [Apps](#)
- [Newsletters](#)
- [Alerts](#)
- [Graphics & Photos](#)
- [Columns](#)
- [Topics](#)
- [Guides](#)

More

- [Register for Free](#)
- [Reprints](#)
- [E-books](#)
- [Content Partnerships](#)
- [Conferences](#)
- [SafeHouse](#)

[Jobs at WSJ](#)

Copyright ©2012 Dow Jones & Company, Inc. All Rights Reserved.