

# Immigrant Entrepreneurs and Economic Development

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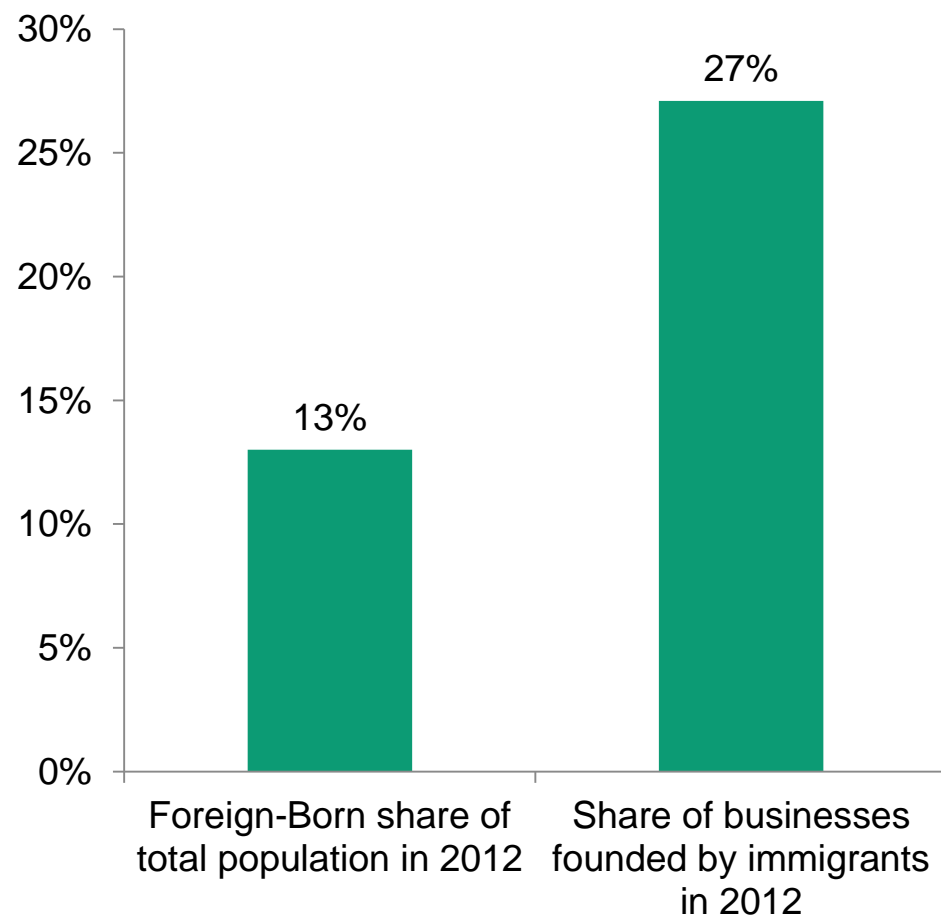
# Introduction

- Immigrant entrepreneurs and the national economy
- Immigrant entrepreneurs and state and local economies
- Examples of Promising Practices: Immigrant Integration as a Component of Economic Development

# Immigrant Entrepreneurs and the National Economy

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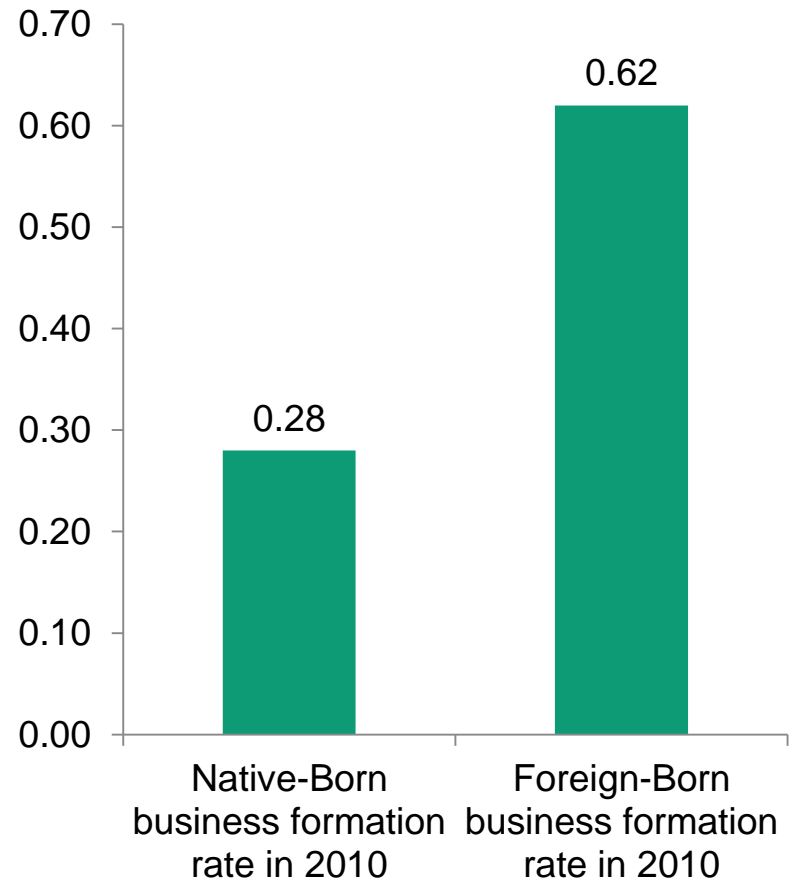
# Immigrants are drivers of entrepreneurship throughout the U.S.



- 40 % of U.S. Fortune 500 companies in 2010 were founded by immigrants or children of immigrants.
- 3.6 million people are employed by Fortune 500 companies started by immigrants.
- \$1.7 trillion in revenues is attributable to Fortune 500 companies founded by immigrants.
- Many recognizable “American” brands were founded by immigrants.
- Beyond large corporations, immigrants play an important role in small business formation in places throughout the U.S.

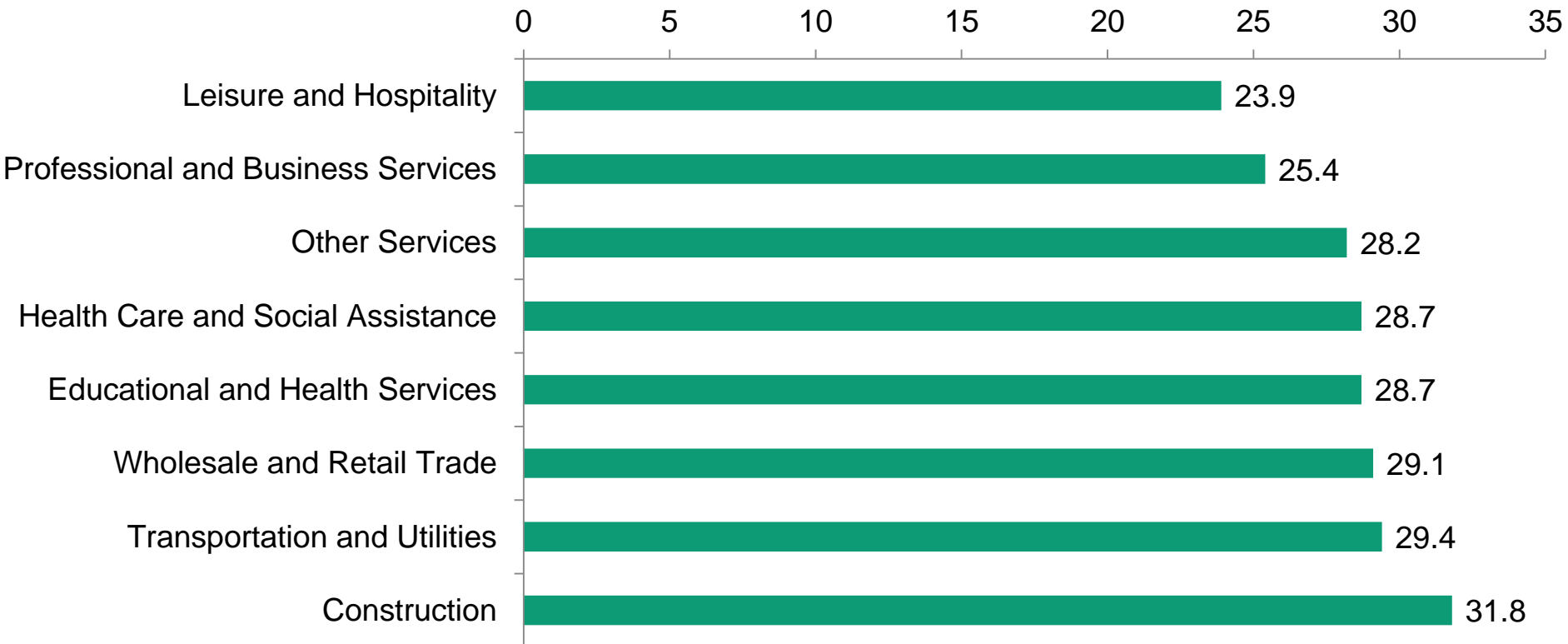
# Immigrants start businesses at a higher rate than the native-born

- Immigrants are nearly twice as likely as the native-born to start business each month in 2012.
- The business formation rate per month among immigrants in 2010 is 0.62 percent (or 620 out of 100,000), compared to 0.28 percent for non-immigrants (or 280 out of 100,000).
- From 1996 to 2012, the share of entrepreneurs who are immigrants grew from 13.7 percent to 27.1 percent.



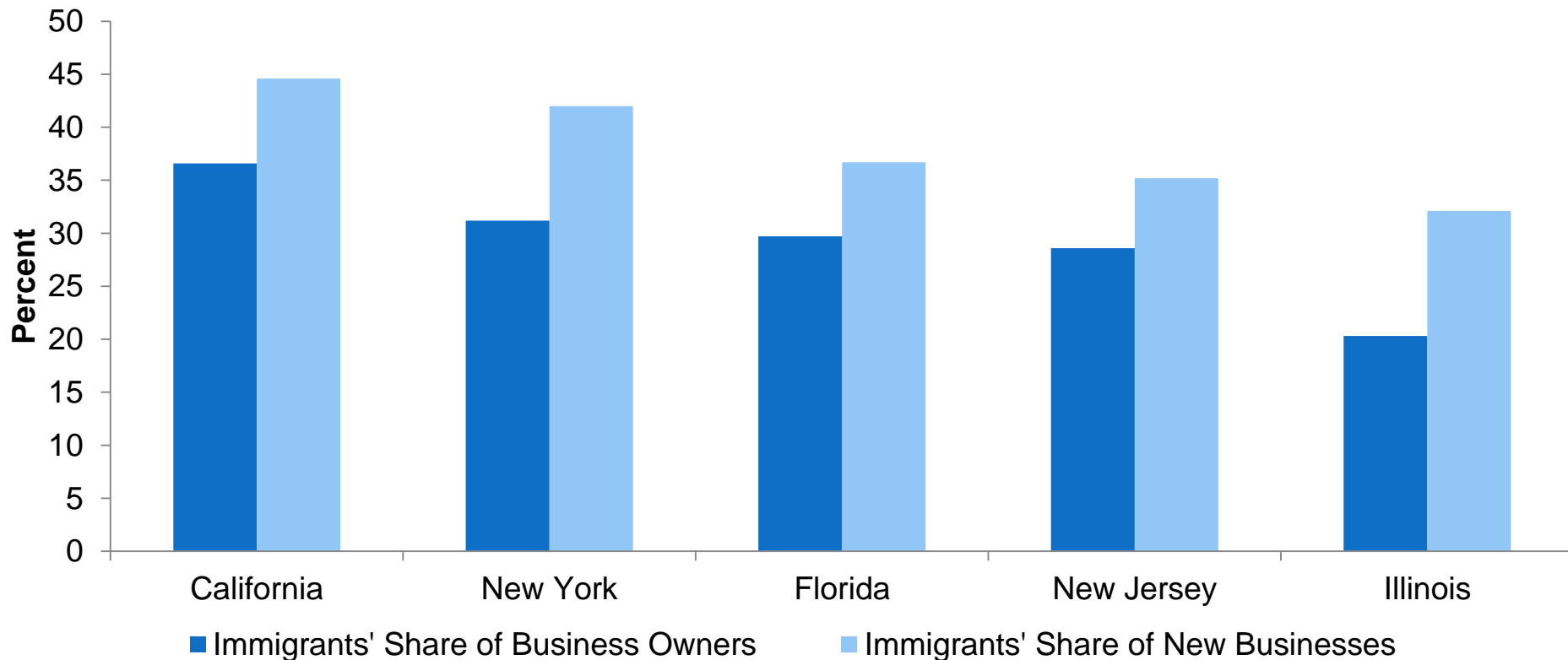
# Immigrants contribute to businesses in some of the fastest growing sectors of the economy

**Percent of Businesses Created by Immigrants in Fast Growing Sectors of the Economy, 2011**



# Immigrants are helping drive business growth in many states

**Immigrants' Share (Percent) of All Business Owners and of New Businesses, 2011**



# Immigrant Entrepreneurs and State and Local Economies

**Entrepreneurship:** Beyond traditional gateways, immigrant entrepreneurs help strengthen and revitalize local places. Immigrant business owners represent a sizeable share of all business owners in many metropolitan areas, places that are drivers of regional economies and the economy of the nation as a whole.





# Immigrant Economic Impact in Cities

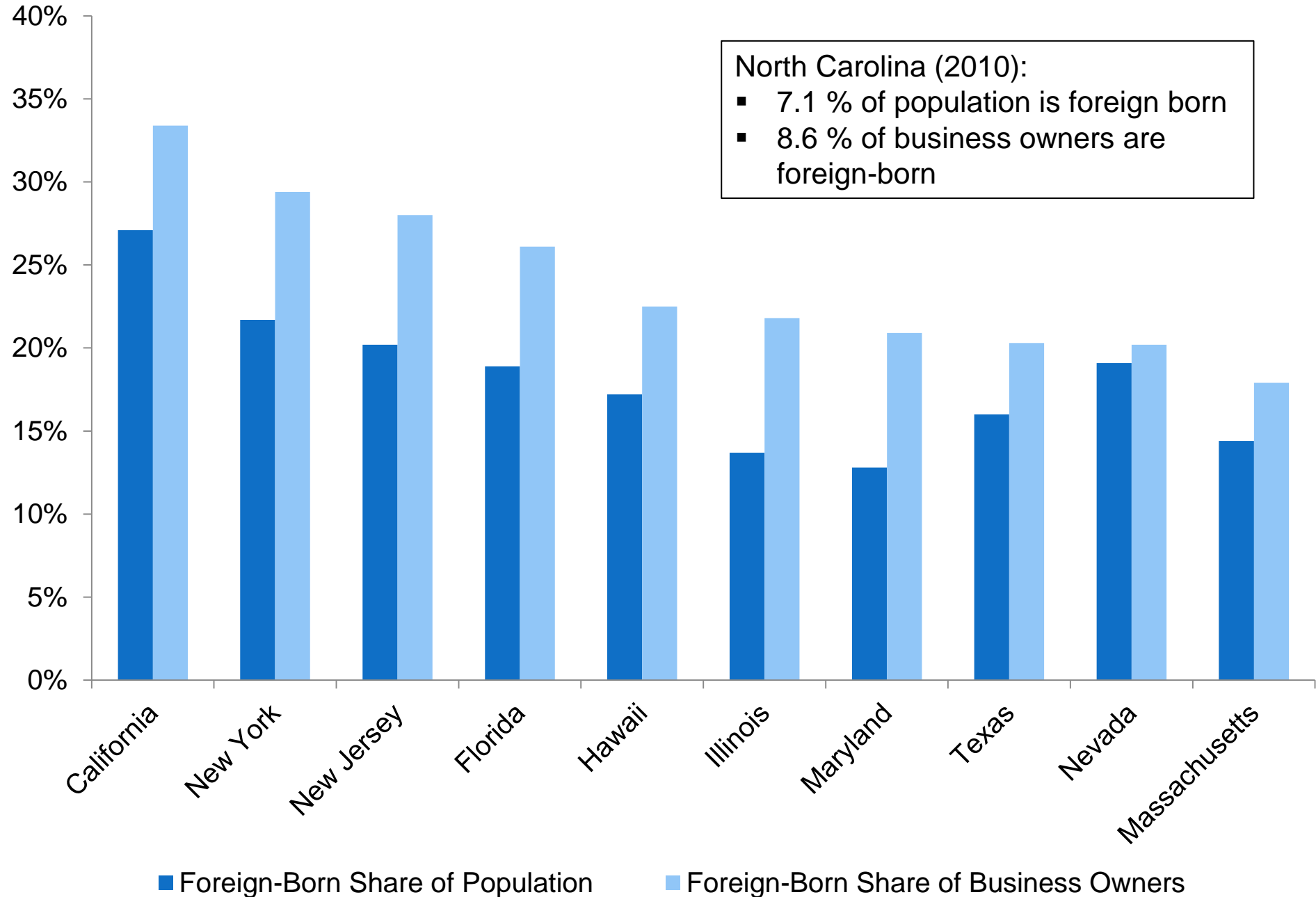
- Immigrants' impact on population growth has a corresponding positive impact on a region's wages, housing prices, rents, and cultural diversity (Card 2007).
- Immigration has a positive influence on metro areas by reversing population losses, expanding the workforce, boosting home values, and reducing vacancy and foreclosure problems (Wilson and Singer 2011).
- Research about the economic role of immigrants in the country's 25 largest metro areas finds that immigration and economic growth of metro areas go hand in hand (FPI 2009).
- Rising rates of immigrant entrepreneurship over the last decade have led to greater job creation in metro areas (Strauss 2013).
- Findings such as these offer a guidepost to the growing number of cities across the country that are launching immigrant welcoming and integration initiatives as a part of broader economic development.



Source: Partnership for a New American Economy

# Immigrant Business Ownership in Selected States in 2010

North Carolina (2010):  
■ 7.1 % of population is foreign born  
■ 8.6 % of business owners are foreign-born

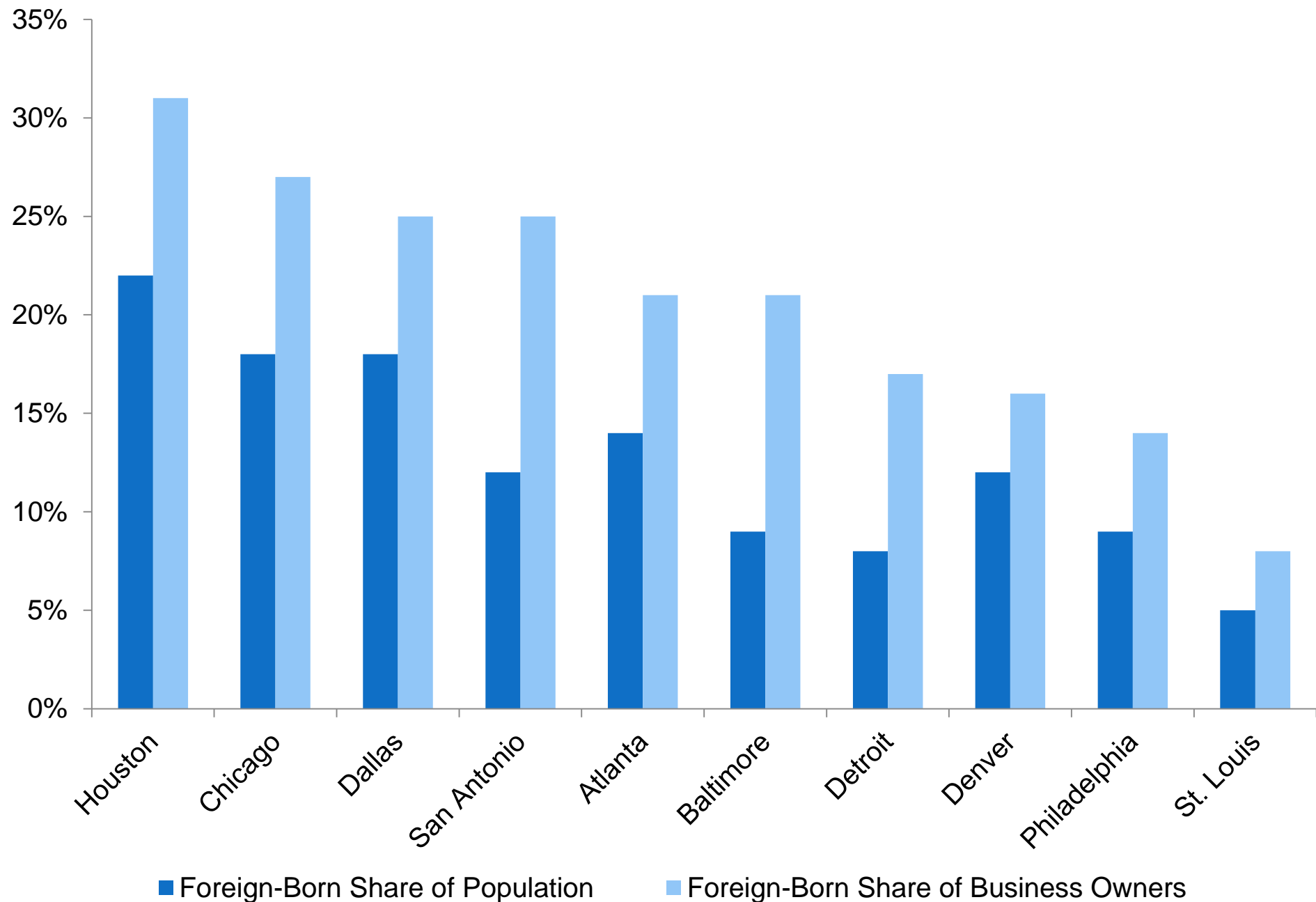


■ Foreign-Born Share of Population

■ Foreign-Born Share of Business Owners

Source: American Community Survey, 2010

# Immigrant Business Ownership in Selected Metro Areas in 2010



■ Foreign-Born Share of Population

■ Foreign-Born Share of Business Owners

# Immigrants are more likely to start businesses and create jobs in their cities and states

- In Michigan, immigrants were more than three times as likely to start a business as the native-born population between 1996 and 2007, and immigrants in Michigan are six times more likely to start a high-tech firm than the native-born (Tobocman 2010).
- In Baltimore, foreign-born residents own nearly 21 percent of small businesses, despite representing just 9 percent of the population (FPI 2012).
- In the St. Louis, Missouri, region, immigrants are 60 percent more likely to be entrepreneurs than U.S.-born residents (Strauss 2012).
- In Nashville, as of 2011, 135 foreign-owned companies created more than 34,000 jobs (Nashville Area Chamber of Commerce).
- In Harris County, Texas, which includes Houston and the surrounding suburbs, between 1970 and 2010, immigrants helped create or preserve 45,000 manufacturing jobs (Vigdor 2013).

# Immigrant entrepreneurship can positively impact neighborhood revitalization

- Immigrant entrepreneurs (Hohn 2012):
  - Create jobs to revive commerce and investment in their neighborhoods.
  - Expand their enterprises beyond traditional neighborhood businesses.
  - Develop new businesses in additional locations and mentor other ethnic entrepreneurs.
  
- More places are welcoming immigrants for economic development.
  - “A budding place-based awareness of the important contributions that new and existing immigrants make to neighborhood revitalization is seen in the increasing number of cities pursuing a nexus of immigrant welcoming, integration, and economic development initiatives” (McDaniel 2014).

## Examples of Promising Practices: Immigrant Integration as a Component of Economic Development

**Immigrant Integration:** a “dynamic, two-way process in which newcomers and the receiving society work together to build secure, vibrant, and cohesive communities” (GCIR 2012).



# Detroit, Michigan: Global Detroit

- Global Detroit's strategy acknowledges:
  - ▣ Immigrants are essential to urban population growth stability.
  - ▣ Immigrants provide neighborhood revitalization benefits and can play a crucial role in rejuvenating neighborhood commercial retail districts.
- Recognizes that “welcoming cities” understand immigrant populations help to
  - ▣ Stabilize residential neighborhoods.
  - ▣ Revitalize commercial retail corridors, bringing a diversity of culture, food, language, goods, and services, all of which help decrease blight, decay, and abandonment.
  - ▣ Increase job creation, employment, and property values.
  - ▣ Improve neighborhood quality of life.
  - ▣ Foster a greater vibrancy and richness for the urban experience throughout a city.
- Initiatives include international student retention, Welcoming Michigan campaign, an urban neighborhood microenterprise training and lending program, Global Detroit Welcome Mat network of immigration services, and reporting on entrepreneurship, and ProsperUS Detroit—a microenterprise and community-building initiative.
- <http://www.globaldetroit.com/>





# St. Louis, Missouri: St. Louis Mosaic Project

- An initiative to promote regional prosperity through immigration and innovation. Goal: ensure that St. Louis is the fastest growing U.S. metropolitan area for immigration by 2020.
- Principles include the recognition that “significantly growing our population of foreign-born residents is an economic imperative” and “special initiatives are needed to welcome and to integrate newcomer immigrants.”
- Business outreach such as engaging business leaders to develop hiring solutions for skilled foreign talent.
- Professional Connector Program opens opportunities for foreign-born professionals to network with well-connected professionals in the region.
- Broad regional messaging about the positive impacts of entrepreneurship and population growth for St. Louis as well as assets St. Louis has to offer to newcomers.
- Mosaic Ambassadors conduct education about how new citizens spur economic growth and why immigration and innovation are economically important for the region.
- <http://www.stlmosaicproject.org/>





# Louisville, Kentucky: Refugees and Immigrants Succeeding in Entrepreneurship (RISE)

- RISE is a collaborative effort among Metro government, nonprofits, and private business partners.
- RISE seeks to empower the “community’s newcomers to engage in successful enterprise development” through outreach, education, finance, and guidance.
- Local leaders note that Louisville “has an untapped pool of talent for city-wide economic development in the form of immigrants and refugees...This population has the potential of becoming drivers of economic growth” in Louisville.
- <http://riselouisville.com/>



# North Carolina: Building Integrated Communities

- Building Integrated Communities (BIC) is an initiative of the Latino Migration Project at UNC Chapel Hill.
- A statewide initiative, BIC works with local governments (examples: High Point, Greensboro) to engage with newcomers to improve public safety, promote economic development, enhance communication, and improve relationships.
- Generate locally-driven strategies to strengthen immigrant civic engagement, linguistic achievement, and economic/educational advancement.
- <http://migration.unc.edu/programs/bic/>



# Conclusion

- **All Sources:** Foreign-born entrepreneurs come through all immigration pathways (family- or employment-based immigration, refugees/asylees, etc.).
- **Many Places:** From big cities to small towns, traditional immigrant gateways to new immigrant destinations, immigrants contribute to local economies throughout the U.S., helping to revitalize and strengthen communities.
- *“Many urban areas have welcomed immigrants, including places with well-established foreign-born populations, and those that started receiving and integrating immigrants more recently. Metropolitan areas are on the front lines of the economic integration of immigrants. Increasingly, some cities such as former U.S. gateways Detroit, Pittsburgh and Cleveland are endeavoring to attract and retain immigrants to stem population loss and to stimulate economic activity. Some areas are also investing in immigrants that are already here, as a strategy to help local businesses and economies, as well as immigrants, their families and the communities in which they live. Cities that are the most forward-looking, that have the most pragmatic view on immigrants, are the ones that are reaching out and creating environments that immigrants can not only survive in but thrive in. They are putting out the welcome mat for immigrant newcomers” (Audrey Singer, Brookings Institution Metropolitan Policy Program, Cities of Migration, 2012).*

# For More Information

- Immigration Policy Center: [www.immigrationpolicy.org](http://www.immigrationpolicy.org)
- Cities of Migration – Good Ideas from Successful Cities: <http://citiesofmigration.ca/good-ideas-in-integration/municipal/>
- AS/COA Immigration: <http://www.as-coa.org/issue-category/immigration>
- National League of Cities – Immigrant Integration: <http://www.nlc.org/find-city-solutions/city-solutions-and-applied-research/immigrant-integration>
- Immigrant Learning Center: [www.ilctr.org](http://www.ilctr.org)
- Center for the Study of Immigrant Integration: <http://csii.usc.edu/>
- National Immigrant Integration Conference: <http://www.integrationconference.org/>
- Welcoming America’s Welcoming Cities and Counties: <http://www.welcomingamerica.org/about-us/cities/>
- Chicago Office of New Americans: <http://www.cityofchicago.org/newamericans>
- NYC Mayor’s Office of Immigrant Affairs, Blueprints for Immigrant Integration: <http://www.nyc.gov/html/imm/bii/>
- Global Detroit: <http://www.globaldetroit.com/>
- St. Louis Mosaic: <http://www.stlmosaicproject.org/>
- Louisville RISE: <http://riselouisville.com/>
- Building Integrated Communities (UNC): <http://migration.unc.edu/programs/bic/>

# About the Immigration Policy Center

- The Immigration Policy Center (IPC), established in 2003, is the policy arm of the American Immigration Council, based in Washington, D.C. IPC's mission is to shape a rational conversation on immigration and immigrant integration. Through its research and analysis, IPC provides policymakers, the media, and the general public with accurate information about the role of immigrants and immigration policy on U.S. society. IPC reports and materials are widely disseminated and relied upon by press and policymakers. IPC staff regularly serves as experts to leaders on Capitol Hill, opinion-makers, and the media. IPC is a non-partisan organization that neither supports nor opposes any political party or candidate for office.
- Visit our website at [www.ImmigrationPolicy.org](http://www.ImmigrationPolicy.org)
- Visit our blog at [www.ImmigrationImpact.com](http://www.ImmigrationImpact.com)
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