



News from the Fiscal Policy Institute

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NEW REPORT: <http://fiscalpolicy.org/immigration.html>

Report Breaks New Ground on Immigrant Businesses *One in six small business owners was born in another country*

More than one in six small business owners in the United States is an immigrant, according to a new report from the Fiscal Policy Institute's Immigration Research Initiative. Immigrants - people born in another country - make up 18 percent of all small business owners in the United States. By contrast, immigrants are 13 percent of the population and 16 percent of the labor force, according to the American Community Survey from 2010.

That is a big change from the picture 20 years ago, when immigrants made up 9 percent of the labor force and 12 percent of small business owners.

This report uses data from the ACS and from another Census Bureau, the Current Population Survey (CPS). It uses this data to look at people who own an incorporated business, and whose main job is to run that business. It also uses previously unpublished data from the Survey of Business Owners (administered by the Census Bureau every 5 years, most recently in 2007). Together, these data allow for the report to give a level of detail about immigrant business owners that has previously not been available.

The report shows that, according to the Survey of Business Owners, that among small businesses with fewer than 100 employees, those in which half or more of the owners were immigrants had \$776 billion in receipts, and employed 4.7 million people - 14 percent of all people employed by small businesses.

It hardly needs reiterating that small businesses are important to the American economy: overall, small businesses provide jobs for 30 percent of all private-sector employees.

Immigrants are playing a big role among high-tech businesses - immigrants make up 20 percent of business owners in computer systems design, for instance. Yet, many of the types of businesses where immigrants are most highly overrepresented are more likely to be found on Main Street than in a technology park: 37 percent of restaurant owners are immigrants, as are 49 percent of grocery store owners, and 54 percent of people who own laundry and dry cleaners.

“Immigrants are playing a particularly important role in the kinds of businesses that bring people into downtown areas and help enliven neighborhoods,” said David Dyssegaard Kallick, director of the Fiscal Policy Institute’s Immigration Research Initiative and author of the report. “I don't think immigrants are ‘super-entrepreneurs,’ but I do see that immigrants are playing an important and growing role across the American landscape. And it’s not just traditional immigrant gateways, it’s all around the country.”

Among the findings:

- Mexican immigrants are less likely than other groups to be business owners; yet there are nevertheless more business owners from Mexico than from any other country. This should come as no surprise, perhaps, since Mexicans are the country’s biggest immigrant population, yet this is not always the image of immigrant business owners. The next largest groups are from India, Korea, Cuba, China and Vietnam. And, in general, immigrants from the Middle East, Asia, and Southern Europe have the highest rates of business ownership.
- The majority of immigrant business owners do not have a college degree. The focus on highly skilled immigrants is not misplaced: immigrants with high levels of educational attainment are indeed more likely to be business owners. But, it is a mistake to overlook the fact that the biggest number of business owners, among both immigrants and U.S.-born, do not have a college degree.
- Immigrant women are more likely than U.S.-born women to be business owners. In general, women have made modest progress since 1990 toward closing the gender gap in business ownership, with immigrant women leading the way.

James Parrott, chief economist and deputy director of the Fiscal Policy Institute, noted: “That immigrants are prominent among businesses ranging from doctor's offices to apparel factories, grocery stores and restaurants reflects the economic diversity and vitality of immigrant communities in the United States.”

“In some communities, we see a political climate that creates a hostile environment for immigrants,” said Frank Mauro, executive director of the Fiscal Policy Institute. “This report shows that, as a country, we can’t go down that path. With immigrants making up one in six of all small business owners, a climate that is hostile to immigrants is also a climate that is bad for business.”

The report includes national data, information about the 50 states plus the District of Columbia, and information about the 25 largest metropolitan areas in the country. Further data about the 50 states and 25 metro areas is available upon request.

The Fiscal Policy Institute (FPI) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared. FPI's Immigration Research Initiative looks at immigration issues in New York State, and around the country.