

# IMMIGRANT SMALL BUSINESS OWNERS

A SIGNIFICANT AND GROWING  
PART OF THE ECONOMY

A REPORT FROM THE FISCAL POLICY INSTITUTE'S  
IMMIGRATION RESEARCH INITIATIVE

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JUNE, 2012

# Immigrant Small Business Owners

**June 2012**

Core support for the Fiscal Policy Institute's Immigration Research Initiative is provided by the Carnegie Corporation of New York.

The statements made and views expressed are solely the responsibility of the Fiscal Policy Institute.

## Acknowledgments

The principal author of Immigrant Small Business Owners is David Dyssegaard Kallick, senior fellow of the Fiscal Policy Institute (FPI) and director of FPI's Immigration Research Initiative. James Parrott, FPI's chief economist and deputy director, provided constant support and research guidance. The report was prepared under the oversight of Frank Mauro, the Fiscal Policy Institute's executive director, who gave particularly valuable input on property tax issues. Research associate Jonathan DeBusk conducted extensive data analysis for the report and gave valuable input on the findings. Carolyn Boldiston, senior fiscal policy analyst, and Jo Brill, FPI's communications director, gave helpful feedback throughout the research process.

The Immigration Research Initiative gratefully acknowledges the guidance of its expert advisory panel, which is listed in full on the final page of this report.

Particular thanks are also due to the dedicated staff of the Census Bureau and the Bureau of Labor Statistics.

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## Executive Summary

Immigrant entrepreneurship is widely recognized as an important aspect of the economic role immigrants play. Surprisingly, until now, there has been relatively little basic information available about the number and characteristics of immigrant small business owners.

This report breaks new ground in identifying small immigrant businesses and immigrant small business owners. It gives a detailed profile of who immigrant business owners are, based primarily on two data sources: the Survey of Business Owners (SBO), looking at businesses with between 1 and 99 employees; and the American Community Survey (ACS), looking at people who own an incorporated business and whose main job is running that business.

### **Immigrant-owned small businesses: 4.7 million employees, \$776 billion in receipts**

Small businesses—firms with at least one and fewer than 100 people working for them—employed 35 million people in 2007, according to the most recent SBO, accounting for 30 percent of all private-sector employment.

Of these small businesses, firms for which half or more of the owners are immigrants employed an estimated 4.7 million people, 14 percent of all people employed by small business owners. These firms generated an estimated total of \$776 billion in receipts in 2007, the most recent year for which these data are available.

### **18 percent of small business owners in the United States are immigrants**

Looking at *small business owners* rather than *small businesses*, we can see that there are 900,000 immigrant small business owners in the United States, 18 percent of the 4.9 mil-

lion small business owners overall. These data come from the 2010 ACS, where we define business owners as people who own an incorporated business and whose main job is to run that business.

The immigrant share of small business owners, at 18 percent, is higher than the immigrant share of the overall population (13 percent) and the immigrant share of the labor force (16 percent).

More than half—57 percent—of these small businesses have at least one paid employee in addition to the owner, the same share for both U.S.- and foreign-born business owners. And, of those with employees, the average number of employees is 13.6 (11.0 for immigrants, 13.9 for U.S.-born).\*

### *More immigrant business owners in professional and business services than in any other sector*

The largest number of immigrant business owners are in the professional and business services sector (141,000 business owners), followed by retail (121,000), construction (121,000), educational and social services (100,000), and leisure and hospitality (100,000).

Within the broad sectors, the types of small businesses most commonly owned by immigrant business owners are restaurants, physician's offices, real estate firms, grocery stores, and truck transportation services.

\* Number of small business owners and the 1990 to 2010 trend are based on the 2010 ACS 1-year estimate. All other ACS data are from an ACS 2010 5-year estimates—which includes data from the years 2006-10—to allow for greater detail. Share of people who own an incorporated business and are self-employed, as well as average number of employees, are from CPS Contingent Work Supplement (2005).

Immigrants are also playing a disproportionate role in some industries. The sector where immigrants make up the biggest share of small business owners is leisure and hospitality. Immigrants represent 28 percent of small business owners in leisure and hospitality. Within leisure and hospitality, immigrants make up 43 percent of hotel and motel owners, and 37 percent of restaurant owners.

Other types of businesses where immigrants are strongly overrepresented include taxi service firms (65 percent of owners are immigrants), dry cleaning and laundry services (54 percent), gas station owners (53 percent), and grocery store owners (49 percent). Interestingly, immigrants are underrepresented among construction business owners, though they are highly overrepresented among construction workers.

*Immigrants are more likely to be business owners, but their businesses tend to be smaller*

In all, immigrant small business owners had \$63 billion in annual personal income, according to the ACS 5-year estimate, 15 percent of the \$419 billion in personal earnings from small businesses overall (in wage and salary plus proprietor's earnings). Immigrant business owners tend to have smaller businesses than U.S.-born owners, as indicated by a smaller share of earnings than of the number of business owners.

*30 percent of recent small business growth is due to immigrants*

Over the past two decades, between 1990 and 2010, the number of small business owners grew by 1.8 million, from 3.1 to 4.9 million. Immigrants made up 30 percent of that growth, as the immigrant share of small business owners kept in step with the increasing immigrant share of the labor force. As a result, there were 539,000 more immigrant small

business owners in 2010 than in 1990. In the Great Recession, both U.S.- and foreign-born small business owners suffered, but there is some indication that the number of small business owners is gradually beginning to increase again.

*Mexicans make up biggest number of business owners, while immigrants from Middle East, Asia, and Southern Europe playing a disproportionate role*

Mexican immigrants are less likely than other groups to be small business owners, perhaps in part because a high share of Mexican immigrants are not legally authorized to work in the United States.

Yet there are nonetheless more small business owners from Mexico than from any other single country. This is no surprise, perhaps, given the size of the Mexican population, though this does not seem to be the common image of immigrant small business owners. Immigrants born in Mexico make up 12 percent of immigrant small business owners, followed by immigrants born in India, Korea, Cuba, China, and Vietnam.

Immigrants from some countries—including some with relatively small numbers in the overall population—are disproportionately likely to be business owners. Immigrants from the Middle East, Asia, and Southern Europe are particularly inclined toward business ownership. Immigrants from Greece, for example, are a tiny fraction of all immigrants in the labor force, but 16 percent of Greek immigrants in the labor force are business owners—the highest share of any group. Immigrants born in Israel/Palestine (the Census does not disaggregate the two) are the group with the second-highest rate of business ownership, followed by Syria, Iran, Lebanon, Jordan, Italy, Korea, South Africa, Ireland, Iraq, Pakistan, and Turkey.

## *Immigrant Small Business Owners*

The overall rate of small business ownership for immigrants is 3.5 percent, and for U.S.-born it is 3.3 percent.

*Immigrants who have been here longer are more likely to own businesses*

As immigrants develop roots and become more established in the United States, they become correspondingly more likely to own a business. Immigrants who have been here for over 10 years are more than twice as likely to be small business owners as those who have been here for 10 years or less. That is particularly true for some groups. For example, just 2 percent of more recently arrived immigrants from India are small business owners, while 9 percent of longer-established immigrants from India are small business owners.

*Most immigrant business owners do not have a college degree*

There has been a great deal of focus in national immigration debates on whether preferences should be given to highly educated immigrants. In relation to entrepreneurship, indeed, better-educated immigrants are more likely to be business owners: 5.4 percent of immigrants with a college degree or more are business owners, compared to 2.8 percent of those without a college degree.

Yet, the majority of immigrant small business owners, like the majority of their U.S.-born counterparts, do not have a college degree. Fifty-eight percent of immigrant small business owners do not have a degree, about the same as for U.S.-born small business owners (56 percent).

*Immigrant business owners are most likely to be white, Asian, or Latino*

Among immigrant business owners, roughly equal numbers are white (34 percent), Asian

(31 percent), and Latino (28 percent), with another 5 percent blacks and 2 percent identifying their race as “other.”

White and Asian immigrants are considerably more likely to be small business owners than black or Latino immigrants—and, indeed, also much more likely than U.S.-born workers. Among immigrants in the labor force, 6.8 percent of whites and 4.7 percent of Asians are small business owners. By contrast, 2.0 percent of Latino immigrants in the labor force and 2.1 percent of black immigrants are small business owners. The share for U.S.-born overall is 3.3 percent, and for U.S.-born whites, the highest among U.S.-born groups, the figure is 3.8 percent.

*Immigrant women closing the ownership gap*

Immigrant women are playing a particularly important role as small business owners.

Women are underrepresented as business owners among both immigrants and U.S.-born workers. However, the gender gap is slightly lower among immigrants than among U.S.-born women. Twenty-nine percent of foreign-born business owner are women, as are 28 percent of U.S.-born business owners. Both U.S.- and foreign-born women have made modest progress toward closing this gender gap: In 1990, 24 percent of U.S.-born business owners were women, as were 26 percent of foreign-born business owners.

Foreign-born women in all racial/ethnic groups are at least slightly more likely than their U.S.-born counterparts to be small business owners. Foreign-born white and Asian women are particularly likely to be small business owners.

*Immigrant business owners in the 25 largest metropolitan areas and 50 states*

Immigrant business owners are playing a bigger role in some parts of the country than others. Among the 25 largest metropolitan areas, Miami has the largest immigrant share of business owners: 45 percent of business owners in metro Miami are immigrants. This is followed by metro Los Angeles (44 percent), metro New York (36 percent), and metro San Francisco (35 percent). In virtually all metro areas, the ratio of immigrant small business ownership to U.S.-born business ownership is quite close. It is 1.1 overall, meaning that immigrants are 10 percent more likely than U.S.-born workers to be small business owners.

Among the 50 states plus the District of Columbia, the highest concentration of immigrant business owners is in California, where a third (33 percent) of all small business owners are immigrants. California is followed by New York, New Jersey, Florida, and Hawaii. Arizona, a state that has been much in the news in recent months due to a controversial state immigration enforcement law, is 15th on this list, there are a total of 16,000 immigrant small business owners in Arizona.

Immigrant small business owners are playing a large role in today's economy, a role that has grown over the past 20 years in step with the increasing immigrant share of the labor force. Immigrant small business owners contribute to economic growth, to employment, and to producing the goods and services that support our standard of living.

With one in six small business owners being born in another country, it is clear that immigrants are an important part of America's small business environment. Immigrants bring ideas, connections to new markets, and a spirit of entrepreneurship with them to the United States. Understanding who the one million immigrant

small business owners are—what countries they come from, what kinds of businesses they own, their level of educational attainment, and more—can only help as the country struggles to achieve a better set of immigration policies.



## Introduction

### *Overview*

Immigrant entrepreneurship is widely recognized as an important aspect of the economic role immigrants play. Surprisingly, until now, there has been little comprehensive analysis of the number and characteristics of immigrant business owners.

This report will use look at two different angles on immigrant entrepreneurship, using two related data sets.

First, we look at *small businesses*—firms with at least one but fewer than 100 employees. What share are these small businesses of the overall economy, and what is the role of immigrants in them?

Second—and for the larger part of this report—we look at the immigrant *small business owners*. Who are immigrant small business owners: what countries do they come from, what is their level of educational attainment, what kinds of businesses do they own? To get this demographic information, we focus on people who own an incorporated business and whose main job is to run that business.

These two concepts—small businesses and small business owners—are closely related but not identical. For a detailed discussion of the data sources from which they are drawn, see Appendix A.

Note: Throughout this report, the terms “immigrant” and “foreign-born” are used interchangeably. Data about immigrants refers to people residing in the United States who were born in another country, regardless of their legal status. The data does not separate documented from undocumented immigrants; however, the number of undocumented immigrants who own a business is likely to be relatively

small, and those who own an incorporated business smaller still.

When looking at race and ethnic groups, “White” refers to non-Hispanic white, “black” to non-Hispanic black, and “Asian” to non-Hispanic Asian. The terms “Latino” and “Hispanic” are used interchangeably, as is the practice in the Census data.

## 1. Small businesses

Small businesses—privately held firms with between 1 and 99 employees—are an important part of the nation’s economy. In all, 35 million people work for these small businesses, according to the Survey of Business owners (SBO), conducted every five years, most recently in 2007. This represents 30 percent of the 117 million people the SBO reports working for all businesses—publicly held, nonprofit, and privately held firms.\* [Figure 1.]

And, small businesses are responsible for \$6 trillion in receipts in 2007, or 21 percent of the \$29 trillion total receipts of all businesses.

The balance of the private-sector economy—about two thirds of private-sector workers and about 80 percent of receipts—is made up of publicly held companies (the largest share), privately held businesses with over 100 employees, nonprofit employers (such as hospitals, churches; or civic groups), and people who are self-employed but do not have a business with employees.

Within this small business sector, immigrants are playing an important role. Small businesses where half or more of the owners are immigrants generated *at least* \$591 billion in receipts in 2007. For more than a quarter of firms, however, the nativity of the ownership is not reported to the SBO. A likely overall estimate of receipts by firms in which immigrants are at least half of the ownership is \$776 billion. This figure is calculated by applying the share of receipts for which nativity of owners is known (13 percent) to the receipts for which nativity is not known. [Figure 2.]

\*The SBO reports 117 million people employed by firms. This is nearly the same number shown in the Current Employment Statistics from 2007 as total private-sector employment—115 million; in both cases 35 million is a 30 percent share.

### Small businesses

- 35 million people work for small businesses—firms with at least one but under 100 employees. This represents 30 percent of total private-sector employment.
- Small businesses where immigrants make up half or more of the owners generated an estimated **\$776 billion** in annual receipts (and *at least* \$591 billion).
- Small businesses where immigrants make up half or more of the owners employed an estimated total of **4.7 million employees**, and employed *at least* 3.5 million people.

## Small businesses make up nearly a third of private-sector employment

2007 SBO

Firms with employees at date of survey	Firms (1,000)	Receipts (trillions)	Employment (millions)	Payroll (billions)
All firms classifiable by characteristics of owners (privately held firms)	4,615	\$9.9	57	\$1,911
<b>1-99 employees (small businesses)</b>	4,551	\$6.0	35	\$1,180
100-499 employees	57	\$1.9	11	\$381
500 or more	7	\$1.9	11	\$350
Publicly held firms, nonprofits, and others not classifiable by ownership	502	\$19.0	61	\$2,876
<b>Total with employees at time of survey</b>	<b>5,116</b>	<b>29</b>	<b>117</b>	<b>4,787</b>
Small businesses (1-99 employees) as a share of all firms with employees	89%	21%	30%	25%
Firms with employees that had no employees as of date of survey	619	\$0.2	0	\$35

**Figure 1.**

Source: Fiscal Policy Institute analysis of Survey of Business Owners (SBO) 2007. Note: Some firms that are classified as having employees had zero employees at the date of the survey—shown in the bottom row.

## *Immigrant Small Business Owners*

And, small businesses with half or more of the ownership foreign-born employed at least 3.5 million people, and a likely estimate is 4.7 million (again applying the proportions of cases where nativity of owners is known to those where it is not known). Firms where half or more of the owners are immigrants account for 14 percent of employment among those firms where ownership is known. [Figure 3.]

### **\$776 billion in estimated receipts of immigrant-owned businesses**

2007 SBO	Receipts in billions	Share of those with known nativity of owners
Majority native-born	\$3,971	87%
<b>Immigrant ownership at least half</b>	<b>\$591</b>	<b>13%</b>
Majority foreign-born	\$517	11%
Equally foreign-/native-born	\$74	2%
Foreign-born status indeterminate	\$1,427	
Additional foreign-born, if indeterminate follows same pattern	\$185	
<b>Estimated total foreign-born ownership</b>	<b>\$776</b>	
Total of privately owned firms with 100 employees or fewer	\$5,989	

**Figure 2.**  
Fiscal Policy Institute analysis of Survey of Business Owners (SBO) 2007.

### **4.7 million estimated employees of immigrant-owned firms**

2007 SBO	Employment	Share of those with known nativity of owners
Majority native-born	22,214,104	86%
<b>Immigrant ownership at least half</b>	<b>3,478,441</b>	<b>14%</b>
Majority foreign-born	2,965,561	12%
Equally foreign-/native-born	512,880	2%
Foreign-born status indeterminate	9,350,796	
Additional foreign-born, if indeterminate follows same pattern	1,265,978	
<b>Estimated total foreign-born ownership</b>	<b>4,744,419</b>	
Total of privately owned firms with 100 employees or fewer	35,043,340	

**Figure 3.**  
Source: Fiscal Policy Institute analysis of Survey of Business Owners (SBO) 2007.

## 2. Small business owners

To look at the detailed demographic and other characteristics of business owners, we will turn to the American Community Survey. Here, we define small business owners as people who own an incorporated business and whose main job is to run that business. More than half have at least one employee—57 percent, according to the Current Population Survey Contingent Work Supplement from 2005 (a figure that is the same for U.S.- and foreign-born).

Among those firms with at least one paid employee, the average number of people employed is 13.6 (11.0, for foreign-born business owners, and 13.9 for U.S.-born owners). Effectively all of these are businesses with under 100 employees (98 percent for foreign-born owners, 99 percent for U.S.-born owners, for a total of 99 percent overall). We will thus refer to them here as small business owners.

Of the 4.9 million small business owners in the United States, 18 percent, or 900,000, are immigrants, according to the American Community Survey (ACS) 2010.

The immigrant share of business owners is thus considerably higher than the immigrant share of the population (13 percent), and slightly higher than the immigrant share of the overall labor force (16 percent). [Figure 4.]

The following sections will focus in some depth on this population of immigrant business owners. Where we look at trends—and in the data for figure 3—we use the ACS single-year estimates. To delve more fully into details such as country of origin and level of educational attainment we will rely on the ACS 5-year estimates, a cross-sectional data sample that combines the years 2006 to 2010, giving sufficient sample size to retain statistical significance in looking at small populations.

### Small business owners

- Of the 4.9 million small business owners in the United States, 900,000, or 18 percent, are immigrants.
- Immigrant share of business owners is higher than immigrant share of the population (13 percent) and of the labor force (16 percent).
- Immigrant business owners have \$63 billion in annual earned income, 15 percent of the \$419 billion of earned income of business owners overall.
- The majority of these (57 percent) are small businesses with at least one employee. Virtually all have fewer than 100 employees. Among those with at least one employee, the average number employed is 11 for immigrant business owners and 14 for U.S.-born business owners.

### 900,000 immigrant business owners

2010 ACS

	Population	Labor Force	Business owners
US-Born	269,432,814	130,511,865	4,035,346
Foreign-Born	39,916,875	25,461,093	899,842
Total	309,349,689	155,972,958	4,935,188
Foreign-born share	13%	16%	18%

**Figure 4.**

Source: Fiscal Policy Institute analysis of the 2010 American Community Survey (ACS), 1-year estimate. “Population” is total population, all ages. Labor force is civilian labor force 16 years and older.

*Types of businesses of immigrant business owners*

Immigrant small business owners are playing an important role among a wide variety of industries.

The largest number of immigrant business owners are in professional and business services, with 141,000 immigrant small business owners. This is followed by retail trade (122,000), construction (121,000), educational and social services (100,000), and leisure and hospitality (100,000), according to the ACS 2010 5-year estimate. [Figure 5.]

The highest concentration of immigrants are in leisure and hospitality (where immigrants make up a large share of hotel and restaurant owners), with immigrant business owners making up 28 percent of the total. Immigrants make up 26 percent of business owners in transportation and warehousing, and 22 percent in retail trade.

To a surprising extent, immigrants are spread across all the broad occupational categories: immigrants make up between 12 and 28 percent of small business owners in every broad industrial category except agriculture and mining.\*

To get a finer-grained sense of the types of businesses owned by immigrants, Figure 6 shows the top 10 detailed industries of immigrant small business owners.

\* Note that the 2010 5-year estimate shows immigrants having a 17 percent overall share of small business owners, while the 2010 1-year estimate shows an 18 percent share. This may be because of a slight uptick in recent years, although such a small difference should be read with caution.

Type of businesses owned by immigrant business owners

2010 ACS 5-year estimate

Small business ownership by broad industry	Foreign-Born		All	Foreign-born share
	US-Born	Born		
Professional and business services	926,677	140,945	1,067,622	13%
Retail trade	433,530	121,694	555,224	22%
Construction	737,505	121,076	858,581	14%
Educational, health and social services	396,928	100,014	496,942	20%
Leisure and hospitality	254,833	99,710	354,543	28%
Other Services	260,875	68,687	329,562	21%
Finance, insurance, and real estate	439,580	60,489	500,069	12%
Transportation and warehousing	140,623	48,658	189,281	26%
Wholesale trade	183,834	47,180	231,014	20%
Manufacturing	237,552	41,449	279,001	15%
Information and communications	62,150	8,444	70,594	12%
Agriculture, forestry, fishing and hunting	141,124	6,938	148,062	5%
Mining	15,528	515	16,043	3%
<b>Total</b>	<b>4,230,749</b>	<b>865,799</b>	<b>5,096,548</b>	<b>17%</b>

**Figure 5.** Source: FPI analysis of 2010 ACS 5-year estimate. Note that the 5-year estimate shows a total of 17 percent of all small business owners are immigrants, while the 2010 1-year estimate shows an 18 percent share.

Top 10 businesses of immigrant business owners (detailed industry)

2010 ACS 5-year estimate

	Foreign-Born	Foreign-born share
Restaurants and other food services	76,915	37%
Offices of physicians	37,072	26%
Real estate	34,964	13%
Grocery stores	23,599	49%
Truck transportation	21,434	20%
Computer systems design and related services	20,000	20%
Management, scientific, and technical consulting services	19,556	11%
Services to buildings and dwellings	18,979	24%
Automotive repair and maintenance	18,328	17%
Landscaping services	16,708	17%
All other	578,244	15%
<b>Total</b>	<b>865,799</b>	<b>17%</b>

**Figure 6.** Source: FPI analysis of 2010 ACS 5-year estimate. (No detailed industries for construction—see text.)

Perhaps unsurprisingly, there are more immigrant restaurant owners than any other category of small business owners. It may be less obvious, however, that the next two categories of small business owners are doctors (physicians with their own practice) and real estate businesses. Grocery stores, truck transportation, computer systems design, management consulting, building services, automotive repair, and landscaping fill out the top 10 list.

Construction is excluded from this list, since there are no detailed industries in the ACS industry breakdown. It is also worth noting that some broad industries give far greater detail than others. There are 279,000 immigrants with small businesses in manufacturing, for example, but no single detailed category makes the top 10 list, because the detailed industry categories are so specific. See Appendix B for a full list of detailed industry categories and how they fit into the broad industries.

In some detailed industries, immigrant small business owners are playing an outsized role. Figure 6 shows where immigrants make up more than double their overall concentration. Immigrants are more than half of all small business owners with taxi services (65 percent), dry cleaning and laundry services (54 percent) and gasoline stations (53 percent), and very nearly half of small business owners with grocery stores (49 percent). [Figure 7.]

Many of these are smaller businesses, yet it is striking how much many of the types of businesses on this list—restaurants, grocery stores, gas stations, nail salons—are the everyday businesses that can help add to a community’s character and sense of vibrancy.

## Where immigrant small business owners are most concentrated

2010 ACS 5-year estimate

	Foreign-Born	Foreign-born
Taxi and limousine service	13,475	65%
Dry cleaning and laundry services	10,912	54%
Gasoline stations	11,331	53%
Grocery stores	23,599	49%
Miscellaneous general merchandise stores	2,447	47%
Cut and sew apparel manufacturing	2,869	45%
Apparel, fabrics, and notions, merchant wholesalers	4,442	44%
Traveler accommodation	8,325	43%
Beer, wine, and liquor stores	5,633	42%
Bakeries, except retail	1,515	41%
Nail salons and other personal care services	9,411	37%
Restaurants and other food services	76,915	37%
All other	694,836	15%
<b>Total</b>	<b>865,799</b>	<b>17%</b>

**Figure 7.**

Source: FPI analysis of 2010 ACS 5-year estimate. Detailed industries where immigrants make up more than double their average concentration, and where there are at least 1,000 immigrant small-business owners.

*Earnings of immigrant small business owners*

The amount earned by small business owners each year—in wage and salary earnings plus proprietor’s income—averaged \$419 billion annually between 2006 and 2010, 6.9 percent of all earned income in the United States. [Figure 8.]

Of this, immigrant small business owners generated an average of \$63 billion per year, between 2006 and 2010—15 percent of the total earned income of small business owners. This is slightly lower than the immigrant share of small business owners, reflecting the slightly smaller average size of immigrant businesses by both income of owners and number of employees.

The typical earned income of a small business owner is \$55,000 per year—considerably more than the \$41,000 median earned income of all workers.

The median annual earnings for immigrant business owners are slightly below the earnings for U.S.-born small business owners, yet considerably higher than for immigrants overall.

**Immigrants account for 15 percent of small business owners’ earnings**

2010 ACS 5-year estimate

	Earned income for business owners (in billions)	Share of earned income
U.S.-born	\$356	85%
Foreign-born	\$63	15%
Total	\$419	100%

	Earned income for all workers (in billions)	Share due to small business owners
U.S.-born	\$5,382	6.6%
Foreign-born	\$914	6.9%
Total	\$6,296	6.6%

**Figure 8.**

Source: FPI analysis of 2010 ACS five-year estimate. Earned income includes both wage and salary earnings and proprietor’s income. Earnings in 2010 constant dollars.

## *Immigrant Small Business Owners*

In industry after industry, immigrant small business owners earn less than U.S.-born small business owners (the one exception is in educational, health and social services, where a high concentration of foreign-born doctors may help push immigrant earnings higher than U.S.-born). Overall, immigrant small business owners earn 84 percent of the earnings of U.S.-born small business owners. [Figure 9.]

Although immigrant business owners may not be doing as well as U.S.-born business owners, they are doing considerably better than the overall average for immigrant workers. At \$49,000 a year, median earnings for immigrant small business owners are 50 percent higher for immigrants overall, and immigrant small business owners have higher earnings than immigrant workers overall in every industry except information and communications.

### Immigrant small business owners earn more than immigrants overall, but less than U.S.-born small business owners

2010 ACS 5-year estimate

	Median earnings for foreign-born business owners	Compared to median earnings for U.S.-born business owners	Compared to median earnings for overall industry (employees and business owners)
Agriculture, Forestry, Fishing and Hunting	\$38,482	0.95	1.83
Mining	\$71,508	0.94	1.32
Construction	\$45,571	0.86	1.56
Manufacturing	\$50,820	0.85	1.57
Wholesale Trade	\$54,000	0.83	1.60
Retail Trade	\$39,334	0.83	1.40
Transportation and Warehousing	\$39,600	0.81	1.05
Information and Communications	\$56,368	0.93	0.95
Finance, Insurance, Real Estate, and Rental and Leasing	\$60,762	0.86	1.31
Professional, Scientific, Management, Administrative, and Waste Services	\$60,000	0.82	1.46
Educational, Health and Social Services	\$108,160	1.08	2.70
Arts, Entertainment, Recreation, Accommodations, and Food Services	\$40,000	0.92	1.79
Other Services, Except Public Administration	\$30,386	0.76	1.25
<b>Total</b>	<b>\$48,609</b>	<b>0.84</b>	<b>1.50</b>

**Figure 9.**

Source: FPI analysis of 2010 ACS five-year estimate. Utilities and Public Administration deleted from chart. Wages are for full-time (35+ hours), year-round (50 weeks/year) workers with at least \$100 in annual earnings. Medians include wage and salary earnings and proprietors' earnings. Proprietors' earnings does not significantly affect overall earnings. Earnings in 2010 constant dollars.



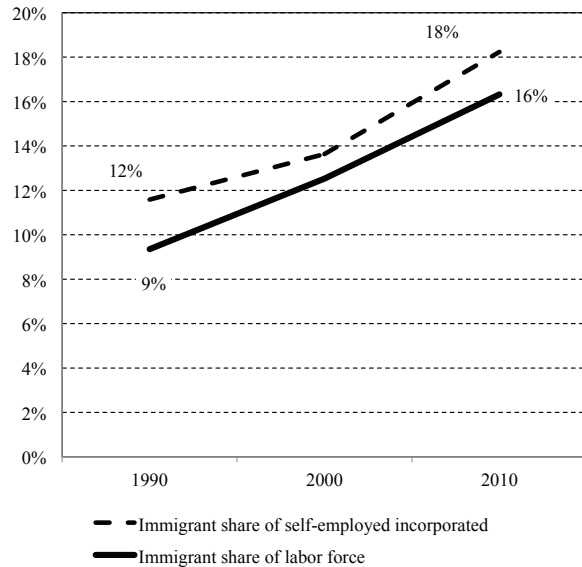
*Immigrant labor force and immigrant small business ownership grow in sync*

In 1990, immigrants made up 9 percent of the labor force and 12 percent of small business owners. As immigration grew over the subsequent 20 years, immigrant share of both labor force and small business owners grew with it. By 2010, immigrants made up 16 percent of the labor force, and 18 percent of small business owners. [Figure 10.]

Between 1990 and 2010, the number of immigrant small business owners grew by 539,000, making up 30 percent of the overall growth of 1.8 million small business owners in that period. [Figure 11.]

Immigrant share of small business owners has grown in step with immigrant share of the labor force

1990 and 2000 Census and 2010 ACS



**Figure 10.**

Source: FPI analysis of 1990 and 2000 Census; 2010 ACS (single year).

30 percent of the growth in number of small business owners is due to immigrants, 1990 to 2010

1990 and 2000 Census and 2010 ACS

	1990	2000	2010	Change 1990 to 2010
U.S.-born	2,757,209	3,525,250	4,035,346	1,278,137
Foreign-born	361,291	556,747	899,842	538,551
Total	3,118,500	4,081,997	4,935,188	1,816,688
Share of growth due to foreign-born				30%

**Figure 11.**

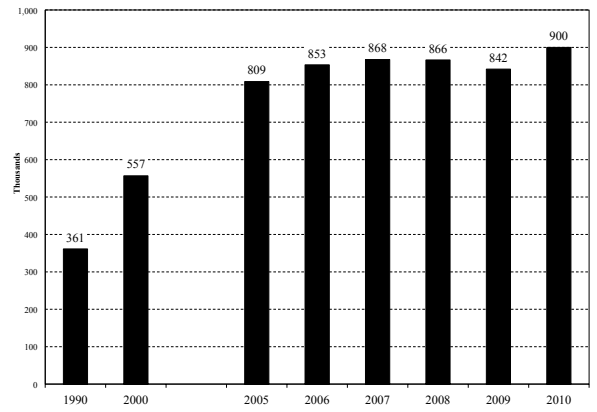
Source: FPI analysis of 1990 and 2000 Census; 2010 ACS (single year).

The severity of the Great Recession gives rise to a natural question about what has happened to immigrant small business owners in the years after the economic peak.

Figure 12 shows that immigrant small business ownership rose to a peak of 868,000 in 2007, and declined in the subsequent years, reaching a low of 842,000 in 2009—the same trend as for U.S.-born small business owners (not shown here). There may be some uptick in the number of immigrant small business owners in 2010, as the economy begins slowly to recover, but for statistical reasons that uptick should read with caution until 2011 data are available.\*

### Immigrant small business ownership peaks and the Great Recession

1990 and 2000 Census; ACS 1-year estimates in thousands



**Figure 12.**

Source: FPI analysis of 1990 and 2000 Census; 2010 ACS (single year).

\* The increase shown between 2009 and 2010 must be read with caution due to differences between the 2009 ACS (which is weighted based on the 2000 Census plus estimated annual change) and the 2010 ACS (which is weighted based on the 2010 Census). Data from the 2010 ACS are fully comparable to data from the 1990 and 2000 Census.

*Immigrants from around the world*

Immigrant small business owners come from countries around the world. Mexicans, who make up the largest single country of birth for immigrants, also make up the largest number of immigrant small business owners.

There are 105,000 Mexican-born small business owners in the United States, making up 12 percent of all immigrant small business owners. Seven percent of all small business owners were born in India, 6 percent in Korea, 4 percent in Cuba, 4 percent in China, 4 percent in Vietnam, 3 percent in Canada, 3 percent in Iran, 2 percent in the Philippines, and 2 percent in Italy. [Figure 13.]

There is a great deal of variation in the level of entrepreneurship for immigrants from different countries. Figure 14 shows how likely certain immigrants from different countries are to be small business owners. Immigrants from the Middle East, Asia, and Southern Europe are particularly likely to be small business owners, as are immigrants from South Africa.

The ten groups with the highest rate of small business ownership are Greece (16 percent of the Greek-born labor force are small business owners), Israel/Palestine (13 percent)\*, Syria (12 percent), Iran (12 percent), Lebanon (11 percent), Jordan (11 percent), Italy (10 percent), Korea (10 percent), South Africa (9 percent), and Ireland (8 percent). After the top 10, the next three countries on the list are Iraq, Pakistan, and Turkey.

The ten countries with the lowest rates of small business ownership are Trinidad and Tobago (3 percent), Guyana, Jamaica, Dominican Republic, Philippines, Honduras, El Salvador, Guatemala, Haiti (all with 2 percent), and Mexico (1 percent).

\*The Census Bureau gives data for Israel and Palestine combined, and does not distinguish between the two.

**Top 50 countries of birth for immigrant small business owners**

2010 ACS 5-year estimate

	Number of immigrant business owners	Share of immigrant business owners	Share of immigrant labor force
Mexico	105,247	12%	31%
India	62,526	7%	4%
Korea	56,073	6%	2%
Cuba	35,769	4%	2%
China	34,181	4%	3%
Vietnam	31,283	4%	3%
Canada	27,648	3%	2%
Iran	25,289	3%	1%
Philippines	19,788	2%	5%
Poland	17,448	2%	1%
Italy	16,910	2%	1%
Colombia	16,578	2%	2%
Taiwan	15,729	2%	1%
Germany	14,980	2%	1%
El Salvador	13,858	2%	3%
Pakistan	13,592	2%	1%
England	13,524	2%	1%
Greece	12,105	1%	0.3%
Brazil	11,929	1%	1%
Israel/Palestine	11,567	1%	0.4%
Dominican Republic	11,451	1%	2%
Jamaica	10,659	1%	2%
Other USSR/Russia	9,406	1%	1%
United Kingdom, ns	8,943	1%	1%
Guatemala	8,907	1%	2%
Peru	8,769	1%	1%
Lebanon	8,432	1%	0.3%
Argentina	7,961	1%	0.4%
Ecuador	7,826	1%	1%
Ukraine	7,745	1%	1%
Japan	7,568	1%	1%
Hong Kong	6,958	1%	1%
Venezuela	6,706	1%	0.4%
Romania	6,267	1%	0.4%
Nigeria	6,000	1%	1%
Ireland	5,713	1%	0.3%
Haiti	5,579	1%	2%
Egypt/United Arab Rep.	5,564	1%	0.3%
Iraq	5,414	1%	0.3%
Honduras	5,413	1%	1%
Nicaragua	5,365	1%	1%
South Africa	5,175	1%	0.2%
Portugal	5,104	1%	0.4%
Turkey	4,940	1%	0.3%
France	4,813	1%	0.4%
Thailand	4,640	1%	0.5%
Trinidad and Tobago	4,196	0.5%	1%
Guyana/British Guiana	4,124	0.5%	1%
Syria	3,932	0.5%	0.1%
Jordan	3,908	0.5%	0.1%
All other countries	112,289	13.0%	12.0%
<b>Total</b>	<b>865,791</b>	<b>100%</b>	<b>100%</b>

**Figure 13.**

Source: FPI analysis of 2010 ACS (five-year estimate).

By way of comparison, small business owners make up about 3 percent of the U.S.-born labor force (3.3 percent), and very slightly more of the immigrant labor force overall (3.5 percent).

One factor that may reduce the rate of small business ownership for immigrants from Mexico is that a significant share of immigrants from Mexico lack legal status to work in the United States.

According to Jeffrey Passel of the Pew Hispanic Center, 53 percent of immigrants from Mexico are not authorized to work in this country (as is true for 29 percent of immigrants overall, and 48 percent of Central Americans). It may be that Mexicans and Central Americans are as a result less likely to be small business owners. It may also be that immigrant business owners from Mexico and Central America are more likely to have unincorporated rather than incorporated businesses. (Pew Hispanic Center calculations were made for this report, based on Jeffrey Passel and D’Vera Cohn, “Unauthorized Immigrant Population: National and State Trends, 2010,” Pew Hispanic Center 2011.)

One big factor in how likely immigrants are to be business owners is how long they have been in the United States. As immigrants become more established in this country, they also become more likely to have an incorporated business.

Immigrants who have been here for 10 years or more are considerably more likely than U.S.-born workers to own a small business.

Among immigrants who have been in the United States for 10 years or more, 4.4 percent own an incorporated business, compared to 3.3 percent for U.S.-born and 3.5 percent for immigrants who have been in the United States for less than 10 years. [Figure 15.]

## Countries of birth with highest rates of business ownership

2010 ACS 5-year estimate

	Number of business owners	Number in labor force	Business owners as a share of labor force
Greece	12,105	74,978	16%
Israel/Palestine	11,567	87,748	13%
Syria	3,932	32,479	12%
Iran	25,289	213,760	12%
Lebanon	8,432	74,747	11%
Jordan	3,908	36,304	11%
Italy	16,910	170,509	10%
Korea	56,073	573,202	10%
South Africa	5,175	56,201	9%
Ireland	5,713	69,547	8%
Iraq	5,414	66,264	8%
Pakistan	13,592	166,582	8%
Turkey	4,940	63,833	8%
Argentina	7,961	109,121	7%
Egypt/United Arab Rep.	5,564	81,313	7%
Taiwan	15,729	230,928	7%
England	13,524	205,093	7%
Cuba	35,769	554,356	6%
Venezuela	6,706	106,242	6%
Canada	27,648	444,091	6%
United Kingdom, ns	8,943	145,511	6%
Romania	6,267	102,813	6%
Poland	17,448	297,433	6%
India	62,526	1,093,220	6%
France	4,813	87,417	6%
Germany	14,980	293,691	5%
Portugal	5,104	102,687	5%
Brazil	11,929	248,407	5%
Hong Kong	6,958	150,871	5%
Ukraine	7,745	172,495	4%
Other USSR/Russia	9,406	209,836	4%
Japan	7,568	169,412	4%
China	34,181	813,492	4%
Vietnam	31,283	765,074	4%
Nigeria	6,000	146,744	4%
Colombia	16,578	411,871	4%
Thailand	4,640	121,572	4%
Nicaragua	5,365	172,075	3%
Peru	8,769	281,254	3%
Ecuador	7,826	284,623	3%
Trinidad and Tobago	4,196	157,032	3%
Guyana/British Guiana	4,124	172,497	2%
Jamaica	10,659	450,777	2%
Dominican Republic	11,451	501,968	2%
Philippines	19,788	1,142,099	2%
Honduras	5,413	326,362	2%
El Salvador	13,858	843,880	2%
Guatemala	8,907	546,460	2%
Haiti	5,579	371,867	2%
Mexico	105,247	7,598,985	1%
All immigrants	865,791	24,457,632	3.5%
All U.S.-born	4,230,744	129,904,580	3.3%
Total (all U.S. residents)	5,096,535	154,362,212	3.3%

Figure 14.

Source: FPI analysis of 2010 ACS (five-year estimate).

## *Immigrant Small Business Owners*

The difference it makes for immigrants to be well established in the United States varies considerably by country of birth. For immigrants from India, the share of small business owners among recent immigrants is 2 percent but among better-established immigrants it is 9 percent. For immigrants from Mexico, the share increases over time, yet it remains at a relatively low 2 percent share even after 10 years in the United States (the increase is from 0.9 to 2.0, a little more than double the rate). For immigrants from Greece, the share is 6 percent for those here less than 10 years, and 17 percent—the highest for any group—for those here more than 10 years.

## Immigrants twice as likely to own a small business after being in the U.S. for 10 years or more

2010 ACS 5-year estimate

	Share of immigrants in U.S. for up to 10 years who are business owners	Share of immigrants in U.S. for 11 years or more who are business owners
Mexico	1%	2%
India	2%	9%
Korea	7%	10%
Cuba	3%	8%
China	2%	6%
Vietnam	2%	4%
Canada	4%	7%
Iran	4%	14%
Philippines	1%	2%
Poland	4%	7%
Italy	6%	10%
Colombia	3%	5%
Taiwan	3%	8%
Germany	3%	6%
El Salvador	1%	2%
Pakistan	4%	10%
England	4%	7%
Greece	6%	17%
Brazil	4%	7%
Israel/Palestine	9%	15%
Dominican Republic	1%	3%
Jamaica	1%	3%
Other USSR/Russia	2%	6%
United Kingdom, ns	5%	7%
Guatemala	1%	2%
Peru	2%	4%
Lebanon	6%	13%
Argentina	5%	9%
Ecuador	2%	3%
Ukraine	3%	5%
Japan	1%	6%
Hong Kong	3%	5%
Venezuela	5%	7%
Romania	4%	7%
Nigeria	1%	6%
Ireland	4%	9%
Haiti	1%	2%
Egypt/United Arab Rep.	2%	9%
Iraq	1%	12%
Honduras	1%	2%
Nicaragua	3%	3%
South Africa	4%	12%
Portugal	4%	5%
Turkey	4%	11%
France	4%	6%
Thailand	3%	4%
Trinidad and Tobago	3%	3%
Guyana/British Guiana	1%	3%
Syria	6%	14%
Jordan	6%	13%
All other foreign-born	2%	5%
U.S.-born		3.3%
<b>Total</b>	<b>1.8%</b>	<b>4.4%</b>

**Figure 15.**

Source: FPI analysis of 2010 ACS five-year estimate. Universe is top 50 countries of birth ranked by number in the labor force.

*Most small business owners do not have a college degree*

There has been considerable focus in national immigration debates about whether preferences should be given to “highly educated” immigrants. Interestingly, however, most small business owners do not have a college degree.

The education level of immigrants is indeed an important predictor of the likelihood that they will own a small business. Six percent of immigrants with an advanced degree own a small business, as do five percent of those with a bachelor’s degree. By contrast, just two percent of those with less than a high school degree, three percent of those with high school, and four percent with some college but no degree are small business owners—similar to the ratios for U.S.-born small business owners. [Figure 16.]

On the other hand, it is important to note that immigrants with a college degree make up less than half of all immigrant small business owners. The clear majority (58 percent) of immigrant small business owners have less than a college degree—15 percent with less than high school, 21 percent with a high school degree and no more, and 22 percent with some college but no degree. This is not particular to immigrants: it is also the case that most U.S.-born small business owners (56 percent) do not have a college degree.

Indeed, the educational profile of U.S.-born small business owners is in general not very different from that of immigrants. The biggest contrast is that just 4 percent of U.S.-born business owners have less than a high school degree, whereas 15 percent of foreign-born business owners have less than a high school degree—due primarily to the fact that people with less than high school are a bigger share of the immigrant labor force.

**Most small business owners—whether immigrants or U.S.-born—do not have a college degree**

2010 ACS 5-year estimate

	Business owners as share of education level	
	US-Born	Foreign-Born
Less than HS	2%	2%
High school	3%	3%
Some College	3%	4%
Total with less than a college degree	2.6%	2.8%
Bachelors	4%	5%
Advanced Degree	6%	6%
Total with college degree	4.9%	5.4%
<b>Total</b>	<b>3.3%</b>	<b>3.5%</b>

**Business owners by education**

	Business owners by education	
	US-Born	Foreign-Born
Less than HS	4%	15%
High school	22%	21%
Some College	30%	22%
Total with less than a college degree	56%	58%
Bachelors	26%	22%
Advanced Degree	18%	20%
Total with college degree	44%	42%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Civilian labor force by education level**

	Civilian labor force by education level	
	US-Born	Foreign-Born
Less than HS	9%	29%
High school	28%	23%
Some College	34%	20%
Total with less than a college degree	71%	72%
Bachelors	19%	16%
Advanced Degree	10%	12%
Total with college degree	29%	28%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Figure 16.**

Source: FPI analysis of 2010 ACS five-year estimate. Universe is in the civilian labor force, 16 years and older.

*Immigrant entrepreneurship by race/ethnicity and by gender*

Among U.S.-born small business owners, the overwhelming majority are white. Ninety percent of all U.S.-born business owners are white, 4 percent are black, 4 percent Latino, and one percent Asian. [Figure 17.]

Immigrant small business owners, however, are relatively evenly divided among whites (34 percent), Asians (31 percent) and Latinos (28 percent); another five percent of immigrant small business owners are blacks, and two percent classify their race as “other.”

There are, of course, not equal numbers of workers in each ethnic and racial group, either among U.S. or foreign-born, so one would expect the share of business owners to reflect that.

But, that is not the full story. Some groups have considerably higher rates of small business ownership than others. Whites and Asians have particularly high rates of business ownership—3.8 percent of U.S.-born whites in the labor force and fully 6.8 percent of foreign-born whites are small business owners. Similarly, 2.5 percent of U.S.-born Asians and 4.7 percent of foreign-born Asians are small business owners. By contrast, 1.1 percent of U.S.-born blacks in the labor force and 2.1 percent of foreign-born blacks are business owners, as are 1.6 percent of U.S.-born Latinos and 2.0 percent of foreign-born Latinos. [Figure 18.]

There are 250,000 immigrant women who are business owners, making up 18 percent of all women business owners in the country, a slightly higher share than for men. [Figure 19.]

Women overall are considerably less likely to be business owners than men—28 percent of U.S.-born business owners and 29 percent of foreign-born business owners are women.

**Roughly equal shares of immigrant white, Asian, and Latino business owners**

2010 ACS 5-year estimate

**Share of small business owners by race/ethnicity**

	US-Born	Foreign-Born
White	90%	34%
Black	4%	5%
Latino/Hispanic	4%	28%
Asian	1%	31%
Other	1%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Figure 17.**

Source: FPI analysis of 2010 ACS five-year estimate.

**White and Asian immigrants have the highest rate of entrepreneurship**

2010 ACS 5-year estimate

**Business owners as a share of labor force**

	US-Born	Foreign-Born
White	3.8%	6.8%
Black	1.1%	2.1%
Latino/Hispanic	1.6%	2.0%
Asian	2.5%	4.7%
<b>Total</b>	<b>3.3%</b>	<b>3.5%</b>

**Figure 18.**

Source: FPI analysis of 2010 ACS five-year estimate.

This relationship holds true over time, as both U.S.-born and foreign-born women have made modest progress in closing the gender gap in business ownership. In 1990, 24 percent of U.S.-born business owners were women, as were 26 percent of foreign-born business owners. [Figure 20.]

Foreign-born women in all racial/ethnic groups are at least slightly more likely than their U.S.-born counterparts to be small business owners. Foreign-born white and Asian women are particularly likely to be small business owners—3.8 percent of white immigrant women in the labor force own their own small business, as do 3.6 percent of Asian immigrant women. [Figure 21.]

To see what kinds of businesses are owned by immigrant women and by immigrants who are white, black, Latino and Asian, see Appendix C.

### 18 percent of women business owners are immigrants

2010 ACS 5-year estimate

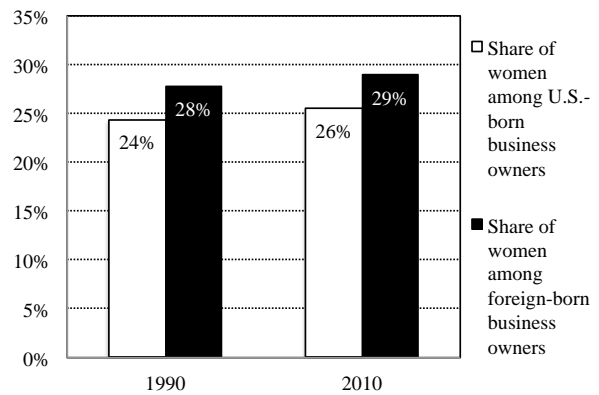
	U.S-born	Foreign-born	Foreign-born share
Women	1,174,359	250,465	18%
Men	3,056,385	615,327	17%
<b>Total</b>	<b>4,230,744</b>	<b>865,792</b>	<b>17%</b>

**Figure 19.**

Source: FPI analysis of 2010 ACS five-year estimate.

### Immigrant women are more likely to be small business owners

1990 Census and 2010 ACS 5-year estimate



**Figure 20.**

Source: FPI analysis of 1990 Census and 2010 ACS five-year estimate.

### White and Asian immigrant women have high rates of entrepreneurship

2010 ACS 5-year estimate

	US-Born	Foreign-Born
White	2.2%	3.8%
Black	0.7%	1.0%
Latino/Hispanic	1.0%	1.5%
Asian	1.7%	3.6%
<b>Total</b>	<b>1.9%</b>	<b>2.5%</b>

**Figure 21.**

Source: FPI analysis of 2010 ACS five-year estimate.



*Immigrants in the  
25 largest metro areas*

Throughout this report we have looked at the United States as a whole. But there is a great deal of variety around the country. In some parts of the country immigrants make up a much more substantial part of the local population and labor force than in others.

In *Immigrants and the Economy*, a 2009 report from the Fiscal Policy Institute, we saw that growth in immigration over the past 20 years has been closely linked to economic growth. Among the 25 largest metropolitan areas of the country, the fastest-growing economies also saw among the fastest growth in immigrant labor force between 1990 and 2007, and the slowest-growing economies saw the slowest growth in immigrant labor force.\*

Economists see no big surprise here. Immigrants go where there are jobs, and do not go where there are not. In areas where immigrants (or other workers) are drawn to a growing labor market, they also help spur further growth by buying goods and services in the local economy.

We can now add to that picture, and see that where immigrants are playing a significant role in the labor force they are also playing a big role as business owners.

In Figure 22, the 25 largest metropolitan areas are listed in order of size of total population. These metro areas combined make up 41 percent of the total United States population, and 66 percent of the country's immigrant population.

Here, too, we can see that immigrant share of

\* See *Immigrants and the Economy: Contribution of Immigrant Workers to the Country's 25 Largest Metropolitan Areas*, pages 8-9.

population, immigrant share of labor force, and immigrant share of business ownership are closely tied—with immigrant share of labor force higher than immigrant share of population largely because immigrants are a bigger share of the working-age population.

In some metro areas, immigrant share of the labor force is high, and so is immigrant share of small business ownership. In greater Miami, with the highest immigrant share of the labor force (47 percent), immigrants are nearly as high a share of small business owners (45 percent). In greater Los Angeles, the immigrant share of the labor force is 43 percent and immigrant share of small business owners is 44 percent. In greater New York, the immigrant share of labor force and small business ownership are identical at 36 percent. And, in metro San Francisco, the immigrant share of labor force is 36 percent and immigrants are 35 percent of business owners.

At the other end of the spectrum, in places with low immigrant share of the population, immigrant share of both labor force and small business ownership are small, such as Pittsburgh (3 percent of labor force and 4 percent of small business owners) or St. Louis (5 percent of labor force and 8 percent of business owners). Indeed, it is interesting to note that since our 2009 report, the two metro areas that are no longer on the list of the 25 largest are Cleveland and Cincinnati, two metro areas with among the lowest share and lowest growth in immigrant population over the past two decades. They have been replaced by San Antonio and Sacramento, metro areas where immigration has played an important role in growth.

Figure 23 shows that in nearly all metro areas the ratio of immigrant small business ownership to U.S.-born small business ownership is relatively close. The overall ratio for the United States is 1.1, meaning immigrants are

## Immigrant business ownership is closely linked to immigrant labor force

2010 ACS

<b>Metro area</b>	Foreign-born share of population	Foreign-born share of labor force	Foreign-born share of business owners
New York	29%	36%	36%
Los Angeles	34%	43%	44%
Chicago	18%	22%	27%
Dallas	18%	23%	25%
Houston	22%	29%	31%
Philadelphia	9%	12%	14%
Washington	22%	28%	33%
Miami	39%	47%	45%
Atlanta	14%	18%	21%
Boston	16%	20%	15%
San Francisco	30%	36%	35%
Detroit	8%	10%	17%
Riverside	22%	30%	31%
Phoenix	14%	18%	18%
Seattle	17%	20%	19%
Minneapolis	10%	12%	11%
San Diego	24%	29%	32%
St. Louis	5%	5%	8%
Tampa	13%	16%	17%
Baltimore	9%	12%	21%
Denver	12%	14%	16%
Pittsburgh	3%	3%	4%
Portland	12%	15%	13%
San Antonio	12%	16%	25%
Sacramento	17%	21%	18%
25 MSAs Total	21%	26%	28%
US Total	13%	16%	18%

**Figure 22.**

Source: FPI analysis of 2010 ACS single-year estimate. “Population” is total population, all ages. Labor force and business owners are 16 years old and older.

about 10 percent more likely than U.S.-born workers to be small business owners. (Note that this relationship is very slightly different than in Figure 15 because we are looking here at 1-year rather than 5-year data).

In nearly all metro areas the ratio stays close to 1. In a few metro areas it is somewhat lower—immigrants are 90 percent as likely as U.S.-born workers to be small business owners in San Francisco, Minneapolis, and Miami metro areas, and they are 80 percent as likely in Sacramento, Portland and Boston metro areas.

There is greater variation at the other end of the spectrum. In metro Baltimore and Detroit, immigrants about twice as likely as U.S.-born workers to be business owners, and in San Antonio and St. Louis they are also considerably more likely to be business owners.

In several cases, metro areas with smaller immigrant populations—Baltimore, Detroit, St. Louis—have a disproportionate number of business owners among immigrants. This may be in part because these are also areas with a higher share of immigrants who are well established (the flip side of having a smaller number of new arrivals), and a higher share of well-educated immigrants—both predictors of small business ownership. Other metro areas with high levels of immigrant entrepreneurship don’t fit this pattern. Metro San Antonio and Chicago, for instance, have substantial immigrant share of population and also have a high rate of entrepreneurship among immigrants.

### Areas with few immigrants have among the highest rates of immigrant business ownership

2010 ACS

	Business owners as a share of U.S.-born labor force	Business owners as a share of foreign-born labor force	Ratio of foreign-born share to U.S.-born share
Baltimore	3.0%	6.1%	2.1
Detroit	2.7%	5.1%	1.9
San Antonio	2.1%	3.6%	1.7
St. Louis	3.1%	4.7%	1.5
Chicago	3.3%	4.4%	1.3
Washington	3.0%	3.8%	1.3
Atlanta	3.8%	4.6%	1.2
Philadelphia	2.9%	3.5%	1.2
Pittsburgh	2.5%	3.0%	1.2
San Diego	3.1%	3.5%	1.1
Dallas	2.5%	2.9%	1.1
Denver	4.2%	4.7%	1.1
Houston	2.4%	2.7%	1.1
Tampa	4.4%	4.8%	1.1
Los Angeles	3.5%	3.7%	1.1
Riverside	2.2%	2.3%	1.1
Phoenix	3.3%	3.3%	1.0
New York	3.7%	3.7%	1.0
Seattle	3.8%	3.7%	1.0
San Francisco	2.9%	2.7%	0.9
Minneapolis	3.5%	3.3%	0.9
Miami	6.4%	5.8%	0.9
Sacramento	2.4%	1.9%	0.8
Portland	3.7%	3.0%	0.8
Boston	3.0%	2.3%	0.8
25 metro areas	3.3%	3.7%	1.1
United States	3.1%	3.5%	1.1

**Figure 23.**

Source: FPI analysis of 2010 ACS single-year estimate. “Population” is total population, all ages. Labor force and business owners are 16 years old and older.

*Variation in immigrant small business ownership by state*

As with metro areas, there is considerable variation by state in the immigrant share of population, labor force, and small business ownership. Again, however, these three are linked: immigrant share of labor force is consistently higher than immigrant share of population, since immigrants tend to come to the United States in prime working age, and the children of immigrants are U.S. citizens by birth. And, immigrant share of small business owners is overall a little higher than immigrant share of labor force—sometimes considerably higher, sometimes a little lower.

The immigrant share of small business owners is highest in California, where 33 percent of all small businesses are owned by immigrants. It is next highest in New York State (29 percent), New Jersey (28 percent), and Florida (26 percent)—the same order as for immigrant share of both population, and nearly the same as for immigrant share of labor force (Nevada has a very slightly higher immigrant share of labor force than Florida). [Figure 24.]

The smallest immigrant share of small business owners is, not surprisingly, in the states with the smallest immigrant share of population and labor force. The states with the lowest share of immigrant business owners—Montana, North Dakota, South Dakota—are also among those with the smallest immigrant share of labor force.

Figure 25 gives a closer sense of the states where immigrants are playing a disproportionate role as business owners. It is interesting to see Louisiana, Mississippi, Ohio, and Michigan at the top of the list of states where immigrants are playing a role as business owners disproportionate to the size of the immigrant population. Ohio and Michigan might be said to be following the same trend as we saw

Immigrant share of population, labor force, and business owners by state

2010 ACS 5-year estimate

	Foreign-born share of population	Foreign-born share of labor force	Number of foreign-born business owners	Foreign-born share of business owners
California	27.1%	34.5%	181,651	33.4%
New York	21.7%	26.9%	97,231	29.4%
New Jersey	20.2%	25.7%	48,225	28.0%
Florida	18.9%	23.9%	133,966	26.1%
Hawaii	17.2%	20.6%	5,354	22.5%
Illinois	13.7%	17.4%	48,425	21.8%
Maryland	12.8%	16.4%	22,524	20.9%
Texas	16.0%	20.6%	61,482	20.3%
Nevada	19.1%	24.8%	8,278	20.2%
District of Columbia	12.7%	16.7%	1,450	18.2%
Massachusetts	14.4%	17.3%	17,914	17.9%
Virginia	10.4%	13.7%	22,719	17.1%
Connecticut	13.0%	16.0%	10,257	16.0%
Washington	12.5%	15.1%	18,412	15.0%
Arizona	14.5%	18.3%	15,999	14.8%
Georgia	9.3%	12.6%	27,763	14.8%
Rhode Island	12.7%	15.2%	2,230	12.9%
Delaware	7.8%	9.8%	1,617	10.6%
Michigan	6.0%	6.9%	16,744	10.4%
Alaska	6.7%	8.7%	1,002	9.8%
Oregon	9.7%	12.1%	6,803	9.2%
Colorado	10.0%	11.7%	11,751	9.2%
Pennsylvania	5.4%	6.4%	14,962	9.1%
North Carolina	7.1%	9.4%	13,392	8.6%
New Mexico	9.8%	12.1%	2,629	8.4%
New Hampshire	5.2%	5.9%	1,720	7.7%
Louisiana	3.3%	4.3%	5,235	7.6%
Tennessee	4.1%	5.4%	4,965	7.2%
Utah	8.1%	10.9%	3,950	6.9%
Ohio	3.8%	4.3%	10,026	6.7%
Minnesota	6.8%	7.9%	6,327	6.0%
South Carolina	4.4%	5.7%	4,272	6.0%
Missouri	3.5%	4.2%	5,071	5.8%
Oklahoma	5.2%	6.9%	3,383	5.6%
Kansas	6.3%	7.9%	2,302	5.3%
Idaho	5.7%	7.3%	1,690	5.3%
Indiana	4.3%	5.1%	4,937	5.1%
Wisconsin	4.4%	5.0%	4,339	4.7%
Kentucky	2.8%	3.8%	2,614	4.6%
Mississippi	1.9%	2.7%	1,604	4.5%
Alabama	3.0%	4.0%	2,735	4.3%
Arkansas	4.1%	5.5%	1,818	4.2%
Vermont	3.7%	3.6%	603	4.2%
West Virginia	1.2%	1.5%	729	4.0%
Nebraska	5.9%	7.1%	1,284	3.8%
Maine	3.3%	3.3%	830	3.2%
Wyoming	2.9%	3.3%	n/a	2.9%
Iowa	4.0%	4.7%	1,455	2.9%
North Dakota	2.4%	2.5%	n/a	1.8%
Montana	1.9%	1.9%	n/a	1.7%
South Dakota	2.2%	2.6%	n/a	1.1%
<b>Total</b>	<b>13%</b>	<b>16%</b>	<b>865,792</b>	<b>17%</b>

**Figure 24.**

Source: FPI analysis of 2010 ACS five-year estimate. “Population” is total population, all ages. Labor force and business owners are 16 years old and older.

with metro areas, where well established and relatively small immigrant communities have some of the characteristics more associated with business ownership. This is less obviously the case in Louisiana or Mississippi. (West Virginia has a very small immigrant population, just one percent; as a result, the ratio of immigrant business owners to labor force should be read with great caution and may lack robust statistical significance.)

At the other end of the spectrum, it is in Kansas, Utah, Iowa, and Nebraska that immigrants have the lowest ratio of small business ownership. One likely part of this story is that these are states where many immigrants work in agriculture, and comparatively few farm or other agricultural small business owners are immigrants.

Arizona and Alabama have been particularly in the news in recent months due to aggressive state immigration laws.

It is interesting to note that Alabama ranks toward the bottom of the list of immigrant share of population (3 percent) and labor force (4 percent), but is in the top half of the 50 states plus the District of Columbia (at 20th) in the ratio of foreign-born share of business owners to U.S.-born share. In Alabama, immigrant workers are 10 percent more likely than U.S.-born counterparts to be small business owners.

In Arizona, where the immigrant share of population (15 percent) and labor force (18 percent) are much higher, immigrants are also playing a bigger role as small business owners. There are 16,000 immigrant small business owners in Arizona reflected in the 2010 five-year ACS data (as seen in Figure 24). Yet, as seen in Figure 25, immigrant in Arizona are 80 percent as likely as U.S.-born workers to be small business owners, below the national average and 39th among the 50 states and the District of Columbia.

## Immigrants are 10 percent more likely than U.S.-born workers to be business owners overall, with considerable variation by state

2010 ACS 5-year estimate

	Business owners as a share of U.S.-born labor force	Business owners as a share of foreign-born labor force	Ratio of foreign-born share to U.S.-born share
West Virginia	2.2%	5.8%	2.7
Louisiana	3.1%	5.8%	1.8
Mississippi	2.6%	4.4%	1.7
Ohio	2.5%	3.9%	1.6
Michigan	3.1%	4.8%	1.6
Pennsylvania	2.5%	3.7%	1.5
Missouri	2.8%	4.0%	1.4
Maryland	3.3%	4.4%	1.3
Tennessee	2.2%	3.0%	1.3
New Hampshire	2.9%	3.9%	1.3
Illinois	3.1%	4.2%	1.3
Virginia	3.2%	4.1%	1.3
Kentucky	2.8%	3.4%	1.2
Georgia	3.8%	4.6%	1.2
Vermont	4.1%	4.7%	1.2
Alaska	2.7%	3.1%	1.1
New York	3.2%	3.7%	1.1
Florida	5.5%	6.2%	1.1
New Jersey	3.6%	4.1%	1.1
Hawaii	3.6%	4.0%	1.1
District of Columbia	2.4%	2.6%	1.1
Delaware	3.4%	3.7%	1.1
Alabama	2.9%	3.1%	1.1
South Carolina	3.2%	3.4%	1.1
Massachusetts	2.8%	2.9%	1.0
Indiana	2.9%	3.0%	1.0
Washington	3.6%	3.6%	1.0
Connecticut	3.4%	3.3%	1.0
Texas	2.5%	2.5%	1.0
Maine	3.7%	3.6%	1.0
California	3.0%	2.9%	1.0
Wisconsin	3.0%	2.8%	1.0
North Carolina	3.4%	3.1%	0.9
Rhode Island	3.2%	2.6%	0.8
Oklahoma	3.4%	2.8%	0.8
Arizona	3.7%	2.9%	0.8
Nevada	3.2%	2.5%	0.8
Colorado	4.9%	3.8%	0.8
Arkansas	3.2%	2.4%	0.8
Minnesota	3.6%	2.7%	0.8
Oregon	3.9%	2.9%	0.7
Idaho	4.4%	3.1%	0.7
New Mexico	3.4%	2.3%	0.7
Kansas	3.0%	2.0%	0.7
Utah	4.5%	2.7%	0.6
Iowa	3.1%	1.9%	0.6
Nebraska	3.6%	1.8%	0.5
Montana	5.0%	n/a	n/a
North Dakota	3.1%	n/a	n/a
South Dakota	3.6%	n/a	n/a
Wyoming	4.0%	n/a	n/a
Total	3.3%	3.5%	1.1

**Figure 25.**

Source: FPI analysis of 2010 ACS five-year estimate. “Population” is total population, all ages. Labor force and business owners are 16 years old and older.

## Conclusion

Immigrant small business owners are playing a large role in today's economy, a role that has grown over the past 20 years in step with the increasing immigrant share of the labor force. Immigrant small business owners contribute to economic growth, to employment, and to producing the goods and services that support our standard of living.

With one in six small business owners born in another country, it is clear that immigrants are an important part of America's small business environment. Immigrants bring ideas, connections, and a spirit of entrepreneurship with them to the United States. Understanding who the one million immigrant small business owners are—what countries they come from, what kinds of businesses they own, their level of educational attainment, and more—can only help as the country struggles to achieve a better set of immigration policies.

## Appendix A

### Definitions and data sources for immigrant small business owners

This report breaks new ground in identifying small immigrant businesses and immigrant small business owners.

In looking at *immigrant small businesses*, we use data from the Survey of Business Owners, conducted every five years by the Census Bureau, most recently in 2007. This gives definitive data about the number of businesses, the number of employees, the annual receipts and payroll of these businesses.

There is readily accessible data from the SBO about business owners who are Hispanic, Asian, black, women, and several other groups, but data about immigrants has been only sparsely available. In previous reports—including some from the Fiscal Policy Institute—Hispanic- and Asian-owned businesses have been examined to get a rough sense of immigrant-owned businesses. This has never been a very satisfying proxy—many immigrants are not Hispanic or Asian, and many Hispanics and Asians are not immigrants—and is even less so as immigration becomes increasingly diverse.

As far as we know, this is the first substantial report to use data from the 2007 SBO regarding immigrant-owned businesses.

In using the SBO, we consider only those businesses with employees, in order to leave aside side businesses and other more marginal business activity. Also excluded are publicly held firms and nonprofit organizations—in both cases the concept of a “business owner” does not apply. Finally, among privately held firms we look just at those with fewer than 100 employees, in order to zero in on small businesses.

One significant limitation of the Survey of Business Owners, however, is that a substantial portion of respondents do not fill out the question about whether the owner was born in another country. For firms with under 100 employees, 29 percent are “indeterminate” with regard to the nativity of the owners. Another limitation is that the SBO asks only a limited number of demographic questions.

Thus, to look at *immigrant small business owners*, as well as to cross-check the SBO data, we use the American Community Survey and matching data from the decennial Census. In these data, we focus on immigrants who own an incorporated business, and whose main job is running that business.

To make sure the businesses are well established, we concentrate on people who are self-employed and who own an incorporated business. Here, again, this report is the first we are aware of to use the data about incorporated business owners to look at immigrant business ownership.

Other reports have looked at the total self-employed population as a proxy for immigrant business ownership. This may be particularly appropriate in looking at business *formation* rather than business *ownership*, since in the early stages businesses are often unincorporated. However, restricting our data to self-employed people who own an incorporated business allows us to focus on people who own relatively established enterprises, and to establish a data set that is close to businesses with employees in the SBO.

According to the CPS Contingent Work Supplement in 2005, 57 percent of both U.S.- and foreign-born incorporated self-employed have at least one employee in addition to the business owner. At the same time, the supplement shows that 99 percent have fewer than 100 employees (98 percent for foreign-born). The

number with under 100 employees in the SBO in 2007 is 4.9 million, while the number of self-employed business owners in the ACS in 2010 is also 4.9 million. This cannot be considered an exact match—the SBO includes both incorporated and unincorporated businesses with employees, for example, and the ACS includes people who have an incorporated business with no employees. Still, it is reassuring that the numbers, from these two data sets and related but not identical definitions, are in the same ballpark.

Reassuring, too, is that the share of businesses in which half or more of the owners are immigrants—16 percent in the SBO—is very much in line with the 18 percent share of business owners who are immigrants in the ACS.

In other studies, self-employment—including both incorporated and unincorporated business owners—sometimes has been used to gauge immigrant entrepreneurship. One third of the people who are self-employed own an incorporated business, and two thirds are unincorporated, so including the unincorporated population significantly increases the size of the group. This may be particularly legitimate in thinking about the question of business formation, since many businesses start as unincorporated entities.

For several reasons, however, we exclude from our definition of small business owners people who are self-employed but not incorporated.

First, we want to look at established businesses. Although some businesses may never incorporate—and thus, there are some owners of established businesses among the unincorporated self-employed—by and large incorporation is a reasonable standard for gauging an established business.

More important, among the unincorporated self-employed are a large number of people

who would not generally be considered business owners. A substantial share of the unincorporated self-employed are freelance workers, independent contractors, and people who are looking for salaried employment but doing side jobs to make ends meet.

Another concern with including the unincorporated self-employed is a problem that has come to the attention of labor law enforcement officials: a substantial and likely increasing number of workers are misclassified as independent contractors—thereby making it possible for employers to evade unemployment, worker's compensation, and other taxes—when the workers are in fact employees.

In using the ACS data, we rely where possible on the 1-year estimates from 2010. For detailed analysis, we use a 2010 5-year estimate, a cross-sectional sample created by combining data from each of the years 2006 to 2010.



# Appendix B

## Full broad and detailed industries for immigrant small business owners

All detailed industries with over 1,000 immigrant business owners  
2010 5-year data

	Foreign-		Foreign-						
	US-Born	Born	All	share					
<b>Agriculture, forestry, fishing, and hunting</b>	<b>141,124</b>	<b>6,938</b>	<b>148,062</b>	<b>5%</b>	<b>Retail trade</b>	<b>433,530</b>	<b>121,694</b>	<b>555,224</b>	<b>22%</b>
Crop production	69,957	3,478	73,435	5%	Grocery stores	24,125	23,599	47,724	49%
Animal production	49,463	1,883	51,346	4%	Gasoline stations	10,067	11,331	21,398	53%
<b>Mining</b>	<b>15,528</b>	<b>515</b>	<b>16,043</b>	<b>3%</b>	Miscellaneous retail stores	31,950	7,449	39,399	19%
Construction	737,505	121,076	858,581	14%	Clothing stores	17,393	7,301	24,694	30%
<b>Manufacturing</b>	<b>237,552</b>	<b>41,449</b>	<b>279,001</b>	<b>15%</b>	Automobile dealers	36,556	6,678	43,234	15%
Miscellaneous manufacturing, n.e.c.	16,631	3,166	19,797	16%	Beer, wine, and liquor stores	7,927	5,633	13,560	42%
Cut and sew apparel manufacturing	3,558	2,869	6,427	45%	Jewelry, luggage, and leather goods stores	11,597	5,267	16,864	31%
Furniture and related products manufacturing	16,179	2,868	19,047	15%	Furniture and home furnishings stores	34,796	5,186	39,982	13%
Printing and related support activities	27,187	2,667	29,854	9%	Specialty food stores	10,647	5,049	15,696	32%
Retail bakeries	5,639	2,645	8,284	32%	Radio, TV, and computer stores	16,606	4,748	21,354	22%
Medical equipment and supplies manufacturing	9,083	2,438	11,521	21%	Health and personal care, except drug stores	11,598	4,622	16,220	28%
	5,112	1,753	6,865		Not specified retail trade	16,993	4,506	21,499	21%
Electronic component and product manufacturing, n.e.c.				26%	Other direct selling establishments	14,355	3,464	17,819	19%
Machinery manufacturing, n.e.c.	9,927	1,560	11,487	14%	Jewelry, luggage, and drug stores	12,899	2,872	15,771	18%
Bakeries, except retail	2,220	1,515	3,735	41%	Miscellaneous general merchandise stores	2,709	2,447	5,156	47%
Machine shops, turned product, screw, nut, and bolt manufacturing	14,976	1,511	16,487	9%	Building material and supplies dealers	27,378	2,278	29,656	8%
Miscellaneous wood products	8,654	1,226	9,880	12%	Sporting goods, camera, and hobby and toy stores	17,582	2,266	19,848	11%
Motor vehicles and motor vehicle equipment manufacturing	7,257	1,176	8,433	14%	Auto parts, accessories, and tire stores	19,311	2,197	21,508	10%
Miscellaneous nonmetallic mineral product manufacturing	2,707	1,018	3,725	27%	Retail florists	9,047	2,186	11,233	19%
Structural metals, and boiler, tank, and shipping container manufacturing	9,541	1,014	10,555	10%	Electronic shopping	6,737	1,638	8,375	20%
<b>All other manufacturing</b>	<b>98,881</b>	<b>14,023</b>	<b>112,904</b>	<b>12%</b>	Used merchandise stores	7,975	1,583	9,558	17%
<b>Wholesale trade</b>	<b>183,834</b>	<b>47,180</b>	<b>231,014</b>	<b>20%</b>	Gift, novelty, and souvenir shops	8,141	1,563	9,704	16%
Groceries and related products, merchant wholesalers	20,467	6,388	26,855	24%	All other retail trade	77,141	7,831	84,972	9%
Miscellaneous nondurable goods, merchant wholesalers	17,361	5,600	22,961	24%	<b>Transportation and warehousing</b>	<b>140,623</b>	<b>48,658</b>	<b>189,281</b>	<b>26%</b>
Miscellaneous durable goods, merchant wholesalers	9,376	4,493	13,869	32%	Truck transportation	86,532	21,434	107,966	20%
Apparel, fabrics, and notions, merchant wholesalers	5,736	4,442	10,178	44%	Taxi and limousine service	7,149	13,475	20,624	65%
Wholesale electronic markets, agents and brokers	11,799	3,696	15,495	24%	Services incidental to transportation	21,552	6,710	28,262	24%
Professional and commercial equipment and supplies, merchant wholesalers	15,312	3,539	18,851	19%	Couriers and messengers	11,389	3,501	14,890	24%
Motor vehicles, parts and supplies, merchant wholesalers	12,672	2,959	15,631	19%	Bus service and urban transit	3,558	1,439	4,997	29%
Machinery, equipment, and supplies, merchant wholesalers	24,950	2,933	27,883	11%	All other transportation and warehousing	10,443	2,099	12,542	17%
Electrical goods, merchant wholesalers	10,613	2,255	12,868	18%	<b>Information and communications</b>	<b>62,150</b>	<b>8,444</b>	<b>70,594</b>	<b>12%</b>
Not specified wholesale trade	5,620	2,019	7,639	26%	Motion pictures and video industries	24,378	3,062	27,440	11%
Drugs, sundries, and chemical and allied products, merchant wholesalers	5,184	1,995	7,179	28%	Periodical, book, and directory publishers	13,157	1,537	14,694	10%
Furniture and home furnishings, merchant wholesalers	6,046	1,770	7,816	23%	Broadcasting, except Internet	7,284	1,218	8,502	14%
Lumber and other construction materials, merchant wholesalers	7,655	1,203	8,858	14%	All other information and communications	17,331	2,627	19,958	13%
All other wholesale trade	31,043	3,888	34,931	11%	<b>Finance, insurance, and real estate</b>	<b>439,580</b>	<b>60,489</b>	<b>500,069</b>	<b>12%</b>
					Real estate	236,084	34,964	271,048	13%
					Securities, commodities, funds, trusts, and other financial investments	62,104	8,851	70,955	12%
					Insurance carriers and related activities	88,514	7,531	96,045	8%
					Non-depository credit and related activities	36,573	7,207	43,780	16%
					All other finance, insurance, and real estate	16,305	1,936	18,241	11%

Table continued on next page.

Figure B1.

Source: FPI analysis of 2010 ACS five-year estimate. All detailed industries with more than 1,000 foreign-born small business owners.

Table continued from previous page

<b>Professional and business services</b>	<b>926,677</b>	<b>140,945</b>	<b>1,067,622</b>	<b>13%</b>	<b>Leisure and hospitality</b>	<b>254,833</b>	<b>99,710</b>	<b>354,543</b>	<b>28%</b>
Computer systems design and related services	77,794	20,000	97,794	20%	Restaurants and other food services	132,267	76,915	209,182	37%
Management, scientific, and technical consulting services	150,796	19,556	170,352	11%	Traveler accommodation	10,843	8,325	19,168	43%
Services to buildings and dwellings, except construction cleaning	59,676	18,979	78,655	24%	Independent artists, performing arts, spectator sports, and related industries	53,118	8,039	61,157	13%
Landscaping services	80,802	16,708	97,510	17%	Other amusement, gambling, and recreation industries	37,872	4,134	42,006	10%
Architectural, engineering, and related services	81,884	12,184	94,068	13%	Drinking places, alcoholic beverages	14,644	1,583	16,227	10%
Accounting, tax preparation, bookkeeping, and payroll services	75,050	8,902	83,952	11%	All other leisure and hospitality	6,089	714	6,803	10%
Legal services	151,621	8,386	160,007	5%	<b>Other services</b>	<b>260,875</b>	<b>68,687</b>	<b>329,562</b>	<b>21%</b>
Specialized design services	42,779	6,568	49,347	13%	Automotive repair and maintenance	91,513	18,328	109,841	17%
Travel arrangements and reservation services	12,813	5,639	18,452	31%	Beauty salons	56,579	15,122	71,701	21%
Other professional, scientific, and technical services	25,928	5,314	31,242	17%	Dry cleaning and laundry services	9,328	10,912	20,240	54%
Employment services	28,418	4,152	32,570	13%	Nail salons and other personal care services	15,717	9,411	25,128	37%
Advertising and related services	37,295	3,817	41,112	9%	Personal and household goods repair and maintenance	17,077	4,335	21,412	20%
Business support services	27,145	2,679	29,824	9%	Other personal services	18,367	3,087	21,454	14%
Investigation and security services	20,250	2,149	22,399	10%	Commercial and industrial machinery and equipment repair and maintenance	17,790	2,295	20,085	11%
Other administrative and other support services	13,809	1,706	15,515	11%	Car washes	7,282	1,984	9,266	21%
Scientific research and development services	8,223	1,687	9,910	17%	Electronic and precision equipment repair and maintenance	9,615	1,627	11,242	14%
Veterinary services	19,191	1,150	20,341	6%	Barber shops	6,586	1,457	8,043	18%
All other professional and business services	13,203	1,369	14,572	9%	All other "other services"	11,021	129	11,150	1%
<b>Educational, health and social services</b>	<b>396,928</b>	<b>100,014</b>	<b>496,942</b>	<b>20%</b>	<b>Total</b>	<b>4,230,749</b>	<b>865,799</b>	<b>5,096,548</b>	<b>17%</b>
Offices of physicians	106,361	37,072	143,433	26%					
Offices of dentists	56,420	13,761	70,181	20%					
Child day care services	34,728	11,677	46,405	25%					
Other schools and instruction, and educational services	33,779	6,191	39,970	15%					
Other health care services	19,569	5,095	24,664	21%					
Hospitals	13,650	4,353	18,003	24%					
Outpatient care centers	19,603	4,120	23,723	17%					
Offices of other health practitioners	30,405	4,049	34,454	12%					
Home health care services	10,467	3,667	14,134	26%					
Office of chiropractors	22,404	2,194	24,598	9%					
Individual and family services	15,741	2,077	17,818	12%					
Residential care facilities, without nursing	5,144	1,998	7,142	28%					
Elementary and secondary schools	8,126	1,177	9,303	13%					
Offices of optometrists	11,699	1,104	12,803	9%					
All other educational, health and social services	8,832	1,479	10,311	14%					

## Appendix C

### Broad and detailed industries by race/ethnicity of immigrants and by gender of U.S.- and foreign-born

Immigrant small business ownership by broad industry by race and ethnicity	Foreign-born white	Share of foreign-born white	Foreign-born black	Share of foreign-born black	Foreign-born Hispanic/Latino	Share of foreign-born Hispanic/Latino	Foreign-born Asian	Share of foreign-born Asian	Foreign-born total	Share of foreign-born total
Agriculture, forestry, fishing, and hunting	2,273	1%	n/a	n/a	3,031	1%	1,585	1%	6,938	1%
Mining	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Construction	46,180	16%	4,827	12%	56,440	23%	11,513	4%	121,076	14%
Manufacturing	17,951	6%	n/a	n/a	10,208	4%	11,817	4%	41,449	5%
Wholesale trade	15,337	5%	n/a	n/a	11,726	5%	18,362	7%	47,180	5%
Retail trade	36,981	13%	3,755	9%	25,444	10%	52,582	19%	121,694	14%
Transportation and warehousing	14,293	5%	7,446	18%	18,216	7%	7,796	3%	48,658	6%
Information and communications	4,494	2%	n/a	n/a	1,952	1%	1,376	1%	8,444	1%
Finance, insurance, and real estate	24,139	8%	3,853	9%	15,634	6%	15,724	6%	60,489	7%
Professional and business services	50,466	17%	6,609	16%	45,087	18%	36,042	13%	140,945	16%
Educational, health and social services	31,076	11%	5,809	14%	20,006	8%	41,339	15%	100,014	12%
Leisure and hospitality	32,738	11%	2,325	6%	17,974	7%	45,546	17%	99,710	12%
Other services	17,847	6%	3,785	9%	18,782	8%	27,483	10%	68,687	8%
<b>Total</b>	<b>294,007</b>	<b>100%</b>	<b>40,846</b>	<b>100%</b>	<b>244,710</b>	<b>100%</b>	<b>271,207</b>	<b>100%</b>	<b>865,799</b>	<b>100%</b>

Small business ownership by broad industry by gender and nativity	U.S.-born men	Share of U.S.-born men	Foreign-born men	Share of foreign-born men	U.S.-born women	Share of U.S.-born women	Foreign-born women	Share of foreign-born women
Agriculture, Forestry, Fishing and Hunting	114,321	4%	5,416	1%	26,802	2%	1,523	1%
Mining	12,716	0%	n/a	n/a	2,811	0%	n/a	n/a
Construction	651,034	21%	111,765	18%	86,471	7%	9,311	4%
Manufacturing	183,369	6%	31,492	5%	54,182	5%	9,957	4%
Wholesale Trade	143,305	5%	35,467	6%	40,528	3%	11,709	5%
Retail Trade	286,333	9%	80,907	13%	147,198	13%	40,784	16%
Transportation and Warehousing	116,632	4%	43,946	7%	23,991	2%	4,712	2%
Information and Communications	44,281	1%	6,238	1%	17,881	2%	2,208	1%
Finance, Insurance, Real Estate and Rental and Leasing	299,098	10%	39,222	6%	140,484	12%	21,268	8%
Professional, Scientific, Management, Administrative, and Waste Management Services	654,296	21%	98,535	16%	272,381	23%	42,409	17%
Educational, Health and Social Services	231,794	8%	56,274	9%	165,129	14%	43,737	17%
Arts, Entertainment, Recreation, Accommodations, and Food Services	155,738	5%	64,313	10%	99,094	8%	35,397	14%
Other Services (Except Public Administration)	163,465	5%	41,308	7%	97,411	8%	27,376	11%
<b>Total</b>	<b>3,056,382</b>	<b>100%</b>	<b>615,320</b>	<b>100%</b>	<b>1,174,363</b>	<b>100%</b>	<b>250,470</b>	<b>100%</b>

Figures C1 and C2.

Source: FPI analysis of 2010 ACS five-year estimate.

## Expert Advisory Panel for FPI's Immigrant Research Initiative

**Algernon Austin**, director of the Race, Ethnicity, and the Economy program of the Economic Policy Institute.

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**Gregory DeFreitas**, professor of economics and director of the labor studies program, Hofstra University. He is author of *Hispanics at Work: Hispanics in the U.S. Labor Force*, and *Young Workers in the Global Economy: Job Challenges in North America, Europe and Japan*.

**Maralyn Edid**, Senior Extension Associate, Cornell University's ILR School, and author of reports on immigrants in upstate New York.

**Héctor Figueroa**, secretary-treasurer, 32BJ of the Service Employees International Union, member of the editorial board of the New Labor Forum, and former research associate and economist with the Amalgamated Clothing and Textile Workers Union.

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**Rae Rosen**, senior economist and assistant vice president, Federal Reserve Bank of New York.

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**Roger Waldinger**, distinguished professor of Sociology at UCLA, and author of *Strangers at the Gates: New Immigrants in Urban America*, *Through the Eye of the Needle: Immigrants and Enterprise in New York's Garment Trades*, and *Still the Promised City? African Americans and New Immigrants in Post-Industrial New York*.

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