

“A World of Opportunity: Understanding & Tapping the Economic Potential of Immigrant Entrepreneurs”

Center for an Urban Future
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A World of Opportunity

Immigrant entrepreneurs have emerged as key engines of growth for cities from New York to Los Angeles—and with a little planning and support, they could provide an even bigger economic boost in the future

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A World of Opportunity

This report documents that immigrant entrepreneurs are starting a greater share of new businesses than native-born residents, stimulating growth in sectors from food manufacturing to health care, creating loads of new jobs and transforming once-sleepy neighborhoods into thriving commercial centers.

A World of Opportunity

- Two years in the making, “A World of Opportunity” is the most comprehensive assessment of the contributions that immigrant entrepreneurs are making to the economy of cities.
- The report focuses on New York, Los Angeles, Houston and Boston, is based on extensive economic data and hundreds of interviews and focus groups with immigrant entrepreneurs, government officials, business leaders, bankers, microenterprise experts and economists in each city.

The Center for an Urban Future

A New York City-based think tank dedicated to independent, fact-based research about critical issues affecting cities, including economic development, workforce development, higher education and the arts.



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MAJOR FINDINGS



NEW YORK CITY

- In 2000, foreign-born individuals comprised 36% of New York City's population, yet they accounted for nearly half (49%) of all self-employed workers in the city.
- Immigrants drove all of the growth in the city's self-employed population between 1990 and 2000: the number of foreign-born individuals who were self-employed increased by 64,001 (a 53% jump) while the number of native-born people who were self-employed decreased by 15,657 (a 7% decline).

NEW YORK CITY

- Citywide, 9.27% of foreign-born workers are self-employed, compared to 7.71% of native-born workers. In Queens and the Bronx, self-employment rates for foreign-born individuals in the workforce are nearly twice those of native-born workers—9.98% to 5.74% in Queens, and 7.31% to 3.98% in the Bronx.

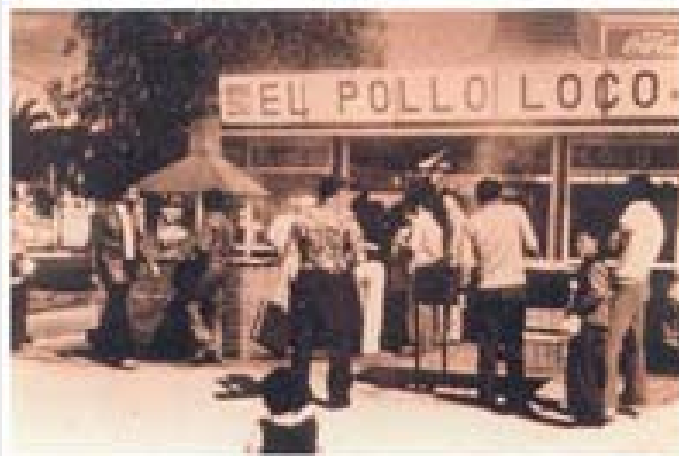


LOS ANGELES

- First-generation immigrants created at least 22 of LA's 100 fastest growing companies in 2005.
- Los Angeles County has more Asian-owned firms and Hispanic-owned businesses than any county in the U.S.

LOS ANGELES

- Immigrant entrepreneurs in LA have founded nationally renowned firms such as El Pollo Loco, Panda Express, LuLu's Desserts and Forever 21.



HOUSTON

- Houston ranks third among all American cities in the number of Hispanic-owned businesses (41,753) and sixth in the number of Asian-owned firms (15,966). It is also home to 16 of the largest 500 Hispanic-owned firms in the country.
- A telecommunications firm started by a Pakistani immigrant topped the 2006 Houston Small Business 100 list. Meanwhile, a Houston-based energy company started by a Nigerian immigrant was recently named the second largest black-owned firm in the U.S.

BOSTON

- The number of Hispanic-owned firms in Boston increased by 97 percent between 1997 and 2002 while the number of Asian-owned businesses grew by 41 percent.
- Immigrant entrepreneurs have provided a major boost in the resurgence of neighborhoods such as Fields Corner, East Boston, Allston Village and Jamaica Plain.

THE BIG PICTURE

- Immigrants continuing to fuel the population growth of these and other American cities, foreign-born entrepreneurs have the potential to be an even more dynamic engine of growth for metropolitan areas in the years ahead.
- In every U.S. Census since 1880, immigrants have been more likely to be self-employed than the native-born population. What's different now is that the U.S. has been experiencing a prolonged burst of new immigration, at levels not seen since early in the 20th century.
- Between 1980 and 2000, foreign-born individuals accounted for 128% of the overall population growth in New York City, 97% in Los Angeles, 101% in Houston, and 357% in Boston.

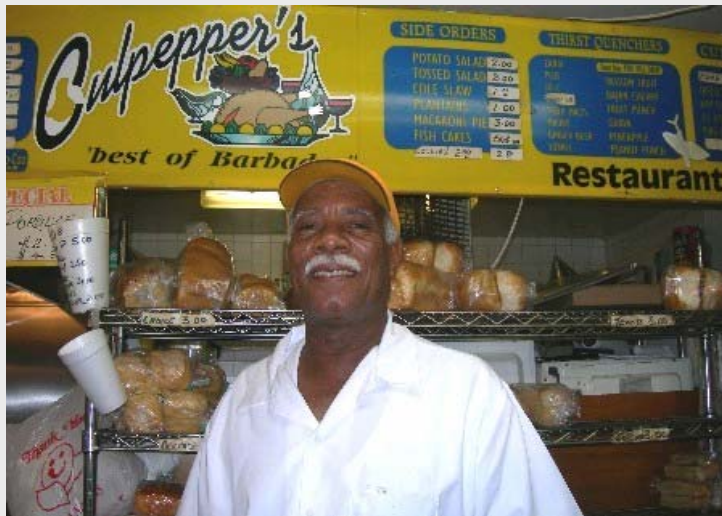
ESSENTIAL CHALLENGES

- Cities have barely begun to tap the potential of this part of the economy. Unlocking the potential of immigrant entrepreneurs will require more attention and support from policymakers, business advocacy organizations and community development organizations.
- Immigrants often encounter formidable challenges as they attempt to start and grow businesses, which keep some from getting out of the starting gate and inhibit others from growing beyond the mom-and-pop stage.

ESSENTIAL CHALLENGES

- Some of the obstacles they face are common to all entrepreneurs, but many others are much more daunting for immigrants—including language and cultural barriers, a lack of awareness about local regulations, limited financial literacy and, often, no credit history.
- Immigrant entrepreneurs remain largely disconnected from cities' local economic development planning.
- Too few of the established nonprofit organizations that support entrepreneurs and small business owners—from chambers of commerce to local development corporations—have managed to effectively connect with businesses in immigrant communities.

RECOMMENDATIONS



GOVERNMENT

- Integrate immigrant entrepreneurs into city governments' overall economic development strategies.
- Develop a new framework for providing business services to immigrant communities.
- Partner with local organizations that have credibility in immigrant communities.

GOVERNMENT

- Push for well-established economic development organizations to collaborate with newer groups that have roots in immigrant communities.
- Initiate programs to help more immigrant-run businesses export their products beyond their own community.
- Create marketing campaigns to promote major ethnic business districts as unique destinations for shoppers from throughout their regions.
- Advocate against federal cuts to microenterprise programs.

BANKS

- Support efforts to get more immigrants into the banking system.
- Refer rejected business loan applicants to microlenders.
- Assist microfinance organizations with capacity-building efforts.

FOUNDATIONS

- Support microenterprise organizations as part of community development initiatives.



ECONOMIC DEVELOPMENT POLICY & POLITICS

- Getting past a culture of complaint
- “Expanding Debate, solving problems, promoting equity and growth”
- Which way out of the cul de sac?

The complete report is available at
www.nycfuture.org

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