

ECONOMIC CONTRIBUTIONS OF IMMIGRANTS THROUGH ENTREPRENEURSHIP

A recent report from Research Perspectives on Migration points out that immigrants often have the same personal characteristics as entrepreneurs. They are risk-takers, self-starters and optimistic by nature. This is borne out, they say, by the fact that immigrants are more likely to be self-employed than natives in every census from 1880 to 1990. While many immigrant businesses are small and tend to employ co-ethnics and family, they are powerful in their aggregate and credited with revitalizing declining neighborhoods in many studies. Another face of immigrant entrepreneurship has also emerged. These are both small and large engineering, technology and science firms that are leading innovation and creating jobs and wealth across America.

The actual and potential of immigrant entrepreneurs as engines for economic growth in urban areas and centers of innovation to keep the U.S. globally competitive are beginning to be recognized in economic circles.

In Massachusetts, immigrant storefront entrepreneurs continue to revitalize economically depressed neighborhoods. (1) Immigrants also co-founded 25.7% of the biotechnology companies in the state, helping to keep Massachusetts a vital center for innovation. (2) And Asian-owned businesses rose 44% in the last economic census. (3) All of these businesses are generating wealth and jobs for residents of the Commonwealth. (1)

National Statistics

- A 2007 study by the Center for an Urban Future examining immigrant small business entrepreneurs in four cities across America concluded that immigrant entrepreneurs have emerged as key engines of growth for cities. (4)
- A 2008 study by the Bureau of Economic Research found skilled immigrants increase innovation in the United States and do not crowd out natives. (5)
- A 2006 study by Duke University and the University of California at Berkeley indicates that 25% of engineering and science companies were founded with at least one immigrant. Nationwide, these immigrant-founded companies produced \$52 billion in sales and employed 450,000 workers in 2005. (6)

- A 2006 study by Stuart Anderson, National Foundation for American Policy and Michaela Platzer, Content First, found that immigrant-founded venture-backed companies are concentrated in cutting edge sectors: high-technology manufacturing, information technology and life sciences. (7)
- The same study found that 40% of the U.S. publicly traded venture-backed companies operating in high technology manufacturing today are started by immigrants. Moreover, more than half of the employment generated by U.S. public venture-backed high-tech manufacturing has come from immigrant-founded companies.
- Immigrant women are also entrepreneurs. Researcher Susan Pearce found that over 8 % of immigrant women were business owners compared to 6 % of native-born women. Their businesses have increased 190% since 1980, primarily in service industries including private household, day care centers, restaurants and other food services. There were also significant numbers in real estate and scientific and technical consulting services. (8)

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