

Immigrants and Small Business

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Immigrants are known as entrepreneurial people, for obvious reasons: those with the ambition and energy to uproot themselves and build new lives in a distant land are well equipped to build businesses and the economy, too. That is the common wisdom, anyway, which a new study from the Fiscal Policy Institute strikingly confirms. The study, based on census data, looks at owners of small businesses across the country and paints a broad and detailed picture of immigrant entrepreneurship.

The study found that there were 900,000 immigrants among small-business owners in the United States, about 18 percent of the total. This percentage is higher than the immigrant share of the overall population, which is 13 percent, and the immigrant share of the labor force, at 16 percent. Small businesses in which half or more of the owners were immigrants employed 4.7 million people in 2007, the latest year for which data were available, generating \$776 billion in receipts. They accounted for 30 percent of the growth in small businesses — those with fewer than 100 employees — between 1990 and 2010.

Immigrant entrepreneurs are concentrated in professional and business services, retail, construction, educational and social services, and leisure and hospitality. They own restaurants, doctor's offices, real-estate firms, groceries and truck-transportation services. More of them come from Mexico than any other country, followed by Indians, Koreans, Cubans, Chinese and Vietnamese. California has the highest percentage of immigrants among small-business owners at 33 percent, followed by New York (29 percent), New Jersey (28 percent), Florida (26 percent) and Hawaii (23 percent).

The study did not look at immigrants' legal status, but because it covered only incorporated firms, not off-the-books operations, it presumably included few, if any, business owners without papers.

By rousing affirming the centrality of immigration in the American economy, the study exposes a fault line running through the Republican Party, which mythologizes small-business owners while treating immigrants with hostility bordering on fury. There is no shortage of conservative business owners who celebrate the immigrant contribution to America — Mayor Michael Bloomberg and Rupert Murdoch are two — but Republican leaders, including the party standard-bearer, Mitt Romney, have allied themselves with extremist efforts to limit immigration and hound and harass millions of unauthorized immigrants out of the country.

In G.O.P. strongholds like Arizona — and Alabama, home to sleepy small towns where Latino-owned bodegas and laundries are among the only signs of economic life downtown — anti-immigrant policies are threatening to strangle economic growth. If Republicans started believing their own rhetoric about small-business owners, they would see immigration not as a sea of troubles but as a deep well of capitalist energy, waiting to be fully tapped.

<http://www.nytimes.com/2012/07/01/opinion/sunday/immigrants-and-small-business.html>