

Migrants Keep Small-Business Faith

Newcomers to the U.S. Are Increasingly Opening Firms Beyond Major Cities, Energizing Local Economies

By [MIRIAM JORDAN](#)

Immigrants are more inclined to own small businesses than native-born Americans and are increasingly opening shop in areas beyond the major cities in which they have traditionally settled, a trend that is energizing local economies and reshaping communities.

Savpreet S. Dhami, right, worked at his dental office in Cicero, N.Y., this week. Dr. Dhami, originally from India, opened the practice six months ago.

Immigrants accounted for 18% of the country's 4.9 million small-business owners in 2010, a six-percentage-point increase from two decades earlier, according to analysis of census data by the nonpartisan Fiscal Policy Institute. Immigrants, who represent 13% of the population, accounted for a third of the increase in the number of small-business owners between 1990 and 2010.

Small businesses are defined as companies with fewer than 100 employees. Small businesses owned by immigrants employed 4.7 million people in 2010 and generated an estimated \$776 billion in revenue, according to FPI calculations.

The study confirms that business ownership remains a favored way to earn a living among immigrants. The latest surge in immigrant business owners began in the 1980s, when the country experienced a large wave of newcomers from Latin America and Asia.

The study downplays the role of immigrant-founded technology titans, such as Yahoo Inc. and Google Inc. Like a century ago, immigrant firms remain more likely to be mom-and-pop stores, which thrive despite the predominance of big-box retailers and the growth of online shopping.

"A bigger part of the immigrant business story is still the bread-and-butter grocery store, restaurant and retail shop, as well as doctors' offices, taxi services and dry cleaners," said David Kallick, principal author of the FPI report.

Traditionally, immigrants established businesses in enclaves of big cities that boast large populations from the same country, making it possible to operate with little or no English.

But in the past decade or so, many Asian and Latin American newcomers have rooted ethnic eateries and grocery stores in small towns in the U.S. heartland. In Schuyler, Neb., a meatpacking town of just 6,211 people, Mexican and Guatemalan immigrants have flocked to B Street, transforming a neighborhood where storefronts had stood vacant for years

Top Businesses

See the top ten businesses owned by people born in selected countries.

Mexico

Top 10 businesses owned by Mexican-born business owners	Number of Mexican-born small business owners
Restaurants and other food services	8,986
Landscaping services	8,911
Services to buildings and dwellings, except construction cleaning	5,158
Truck transportation	4,694
Automotive repair and maintenance	3,394
Child day care services	3,215
Real estate	2,354
Grocery stores	2,292
Beauty salons	1,510
Crop production	1,449
<i>All others</i>	<i>63,281</i>

India

Top 10 businesses owned by Indian-born business owners	Number of Indian-born small business owners
Offices of physicians	8,959
Computer systems design and related services	5,453
Grocery stores	5,284
Traveler accommodation	4,644

Restaurants and other food services	3,987
Gasoline stations	3,789
Management, scientific, and technical consulting services	2,268
Real estate	1,308
Beer, wine, and liquor stores	1,104
Architectural, engineering, and related services	1,044
<i>All others</i>	<i>24,692</i>

Korea

Top 10 businesses owned by Korean-born business owners	Number of Korean-born small business owners
Restaurants and other food services	7,409
Dry cleaning and laundry services	5,995
Grocery stores	2,941
Clothing stores	1,707
Nail salons and other personal care services	1,551
Beer, wine, and liquor stores	1,432
Health and personal care, except drug stores	1,431
Real estate	1,278
Beauty salons	1,137
Services to buildings and dwellings, except construction cleaning	1,114
<i>All others</i>	<i>30,082</i>

Vietnam

Top 10 businesses owned by Vietnamese-born business owners	Number of Vietnamese-born small business owners
Nail salons and other personal care services	5,493
Restaurants and other food services	2,979
Beauty salons	2,092
Offices of dentists	1,401
Real estate	1,153
Grocery stores	977
Offices of physicians	851
Automotive repair and maintenance	607
Computer systems design and related services	549
Dry cleaning and laundry services	510

Source: Fiscal Policy Institute analysis of 2010 ACS five-year estimate

"Our downtown is mostly immigrant businesses now," said Mayor David Reinecke. "If they weren't here, we'd be dying."

Delfino Bello emigrated from Mexico unable to speak English. Now, he runs three popular Mexican restaurants about 40 miles from Chicago.

In 1995, Mr. Bello opened his first eatery, called "El Faro," in a shopping strip in Bartlett, Ill., that had fallen on hard times. As the taqueria flourished, it attracted other businesses. A few years later, he opened restaurants in Elgin and East Dundee, serving a clientele that includes both immigrants and Americans.

"I had nothing, nothing when I arrived in this country," said Mr. Bello, 55 years old. If the economy continues to recover, he says he plans to open a fourth restaurant.

National Supermarket Association represents independent supermarket owners, including many Dominican immigrants who started as small grocers in New York's Hispanic neighborhoods. Now, many have found a niche by moving into non-immigrant, low-income areas in the city and beyond.

"They're not small businesses anymore," said Ramona Hernandez, a professor at the City College of New York who studies Dominican entrepreneurship. "They're chains that move billions of dollars each year."

The FPI study found that immigrants concentrate in some industries, such as taxi services, dry cleaners and gas stations. They also have a large presence in lodging and restaurants.

Mexicans, the single largest group of immigrants, own the greatest number of immigrant-owned small firms. They are followed by immigrants from India, Korea, Cuba, China and Vietnam.

Immigrants from countries with relatively small numbers in the overall population, such as Greece, are disproportionately more likely to own businesses, while immigrant women are twice as likely as U.S.-born women to be business owners.

The FPI found that the largest number of Indian-born small-business owners are in education, health and social services, followed by leisure and hospitality and computers and technology.

In the medical field, Indians have helped offset a shortage of primary-care doctors and dentists in some parts of the U.S.

India-born dentist Savpreet S. Dhama and his family moved to Cortland, N.Y., 35 miles from Syracuse, in 2005, where he joined an Indian-owned practice. After six years, Dr. Dhama, 48, got a \$600,000 bank loan and bought a practice from a retiring dentist in nearby Cicero. Since opening in December, he has more than doubled his staff and recently invested in a \$30,000 digital x-ray machine

Dr. Dhama says he hopes to bring another dentist into the practice, and in three or four years he hopes to open another practice. "Only in America can you become owner of a business like this," he said.