

On the rise: Immigrant entrepreneurs

By [Jose Pagliery @CNNMoney](#) May 8, 2012: 9:17 AM ET

Immigrants like Maribel Lieberman, who launched a gourmet chocolate company, are twice as likely to create a firm than those born in the United States.

NEW YORK (CNNMoney) -- Working for a new company? There's a more than one-in-four chance your new boss wasn't born here.

Immigrants created 28% of all new firms last year. They were also twice as likely to start a new business when compared to those born in the United States.

It's a notable shift. Nearly all new firms are small, and many are hiring new workers, seeking small business loans and shaking up established industries.

What's behind the rise of immigrant entrepreneurs?

For one, immigrants are over-represented in lower wage sectors like construction, which was hard hit during the economic crisis, according to Rob Fairlie, a professor at the University of California-Santa Cruz.

But they need to pay bills like all the rest, and so they have turned to entrepreneurialism, Fairlie said.

"Recession drove low-skilled workers into figuring out what to do," said Fairlie, who authored a recent report for the Kauffman Foundation.

He said the same applies to Hispanics, who are creating new businesses at a faster clip than any other ethnic group. Hispanics make up more than half of the nation's 40 million foreign-born, and they are starting businesses at a rate that exceeds even their population growth.

DeVere Kutscher, chief of staff at the U.S. Hispanic Chamber of Commerce, said Hispanics are playing a key role in the recovery.

"Hispanic entrepreneurs are driving economic development, and their enterprises are creating jobs and helping lead the country out of recession," Kutscher said.

The new face of small business: The figures in the Kauffman Foundation report, based on Census data and the U.S. Labor Department's current population survey, help show what the post-recession small business landscape is becoming.

Expect more like Maribel Lieberman, who left Honduras for the United States as a teenager in 1980. Her mother pleaded for the girl to drop her dreams of architecture school and train as a bilingual secretary instead.

After several jobs, she started MarieBelle New York and now employs 23 people at her own factory, selling gourmet chocolates in lower Manhattan.

"We're more accepted now, and psychologically for me, it was a great help," she said. "We're becoming more integrated into American culture, and it's giving us the freedom to achieve the American Dream."

Although she left Honduras decades ago, she joined the growing share of immigrants launching businesses here when she opened her own catering company in the mid-1990s.

Back then, immigrants made up only 14% of all new entrepreneurs. That figure has doubled, reaching 28% last year.

Startup data for 2011 are not yet available. But if the number of new firms is near a recent five-year average, immigrants launched at least 170,000 new companies last year. They have nearly doubled their rate since 1998. It's unknown how many of those were started by the estimated 11 million undocumented immigrants who currently reside here.

Javier Palomarez, president of the Hispanic chamber, links the rise of entrepreneurship to the immigrant frame of mind.

"It's certainly a boot-strap mentality: 'I had the gumption to leave where I came from to get here. By God, I'm in the land of opportunity. These people need some good baked goods, so I'm opening a bakery,'" said Palomarez.

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