SEEDS OF GROWTH

WELCOMING AMERICA

BUILDING YOUR LOCAL ECONOMY BY SUPPORTING IMMIGRANT ENTREPRENEURS
Immigrant entrepreneurs are fueling local economic growth

Throughout our history, immigrant entrepreneurs have helped power America’s economic growth, technological innovation, and prosperity. Today, immigrants across the country are breathing new life into communities that suffer from disinvestment and population decline. They are providing energy and unique diversity to accelerate growth in emerging industries, retail, exports, and innovation, fueling the competitiveness of American companies and communities in the global economy.

Immigrant entrepreneurs

- Make up 28% of Main Street business owners.1

New economy companies

- 24.3% of engineering and technology companies had at least one immigrant founder. These firms produced more than $63 billion in sales and employed more than 560,000 workers (yrs 2006–2012).5

Immigrant-owned businesses

- Employ one out of every 10 private sector workers in the country.2

Critical to growth

- Immigrants accounted for 48% of overall growth in business ownership and almost all growth in Main Street businesses in the 50 largest metro areas (yrs 2000–2013).3

- >60% more likely to export products than other entrepreneurs.4

About this tool

Is your community harnessing the potential of immigrant entrepreneurs to spur economic growth and job creation? This tool will introduce you to practical ways to leverage the opportunities that exist when you include immigrant entrepreneurs in local economic development strategies and programs.
CONNECTING IMMIGRANTS TO TRADITIONAL ECONOMIC DEVELOPMENT PRIORITIES

When the needs and opportunities of immigrant entrepreneurs are incorporated into traditional economic development priorities and strategies, programs can fully deploy a complete team of talented entrepreneurs in our communities, rather than only a portion of the population, to spur economic growth.

Building collaboration between mainstream economic development actors and community-based organizations, diverse chambers of commerce, members of the local foreign consular corps, immigrant and refugee service agencies, leaders representing ethnic groups, and other champions can be an important step to setting an expanded economic development agenda inclusive of immigrant entrepreneurs. Corporate leaders, chambers of commerce, economic development agencies, elected officials, government agencies, nonprofit organizations, and other conventional actors can be powerful leaders in building these alliances. When the potential contribution of immigrant entrepreneurs is integrated with the economic development priorities of these mainstream leaders, new opportunities for action and impact are often created.

In order to attract the buy-in of mainstream economic actors, it is important to compile the data and evidence that indicates immigrant entrepreneurs are valuable to your local economy. Developing personal interest stories that showcase the significance of immigrant-owned businesses in the community can help leaders identify and understand the contributions and untapped potential of this significant source of talent.

LOCAL CASE STUDY

In Cincinnati, Detroit, and St. Louis, local chambers of commerce or economic development agencies have been the driving force behind the development of local immigrant economic development initiatives. In St. Louis, the Kemper Foundation funded the initial studies that paved the way for the St. Louis Mosaic Project, which is part of the St. Louis Economic Development Partnership. St. Louis Mosaic has pursued a variety of programs that include both the Regional Chamber and the Regional Business Council. It has worked to connect immigrant entrepreneurs with the entrepreneurial ecosystem plus microloan opportunities provided by the International Institute and others, greatly expanding the number of immigrant entrepreneurs using these programs.
KNOWING THE LOCAL CONTEXT

While some communities enjoy a robust and multi-faceted entrepreneurship support network, others have few resources available for business development, much less for immigrant-owned businesses. The solutions and strategies designed to support immigrant entrepreneurship should be as distinct as your community.

Four tips to better understand your local context:

1. Sharpen your grasp of local economic priorities and immigrant assets
Understanding both the mainstream economic priorities and distinctive assets within your local immigrant community can uncover business development priorities and growth opportunities that can be integrated into a plan to support immigrant entrepreneurs.

2. Look for data that tells the story of immigrants in your area
To explore the size, geography, and composition of local immigrant groups, the U.S. Census contains valuable information for your region. To understand demographic trends and the economic contributions of the nation’s immigrants, New American Economy, the Migration Policy Institute, the Brookings Institution, and the American Immigration Council’s Immigration Policy Center provide a melange of research and reports. Research specific to immigrant entrepreneurship, high-tech entrepreneurship, and workforce contributions can be found in reports from the Kauffman Foundation, Fiscal Policy Institute, and Vivek Wadhwa.

3. Inventory and engage existing programs and potential partners
Limited resources for immigrant entrepreneurship programs can be greatly leveraged by developing partnerships with local entrepreneurship training programs, microlenders, incubators, mentors, and more to help promote a strong referral system that connects immigrants to existing resources. Knowing the existing programs that can serve immigrants will help to identify the need, if any, for new programming.

4. Talk with immigrant entrepreneurs
To best understand the needs and opportunities of immigrant entrepreneurs it is important to directly engage with them. Visit them at their places of business, use trusted community partners to convene them, or simply host a discussion or dialogue with immigrant entrepreneurs and those serving them.
MEET THE NEEDS OF ALL LOCAL ENTREPRENEURS

Immigrant entrepreneurs often experience a unique set of barriers to success. Whether they are starting tech businesses or operating a neighborhood bodega, they may come from cultures and countries that have different regulatory structures governing business activity, financing traditions, and business norms. Like other urban business owners and select service industries, immigrant entrepreneurs may work in a more informal environment, involving more cash transactions, less recordkeeping, and less legal and regulatory oversight. It is important that immigrant entrepreneurship programs be designed with, for, and by real entrepreneurs who understand these factors.

Remarkably, there are a number of U.S.-born entrepreneurs who encounter many of the same cultural barriers faced by immigrant entrepreneurs. Urban entrepreneurs and self-employed service sector owners work in the same informal economy as many immigrant entrepreneurs. U.S.-born startup entrepreneurs may suffer from the same lack of awareness of financing traditions as immigrant tech entrepreneurs.

Inclusive programming can help build long-term cross-cultural relationships. For example, the Welcoming Center for New Pennsylvanians has developed guides to help immigrant entrepreneurs understand how to open flower, coffee, or grocery stores, and provide such practical advice about municipal codes and health ordinances that they have generated great demand for the guides from local African American entrepreneurs.

LOCAL PERSPECTIVE

“The barriers that immigrant [business owners] are facing are often the same that residents are facing… What’s good for immigrants is good for everyone.”

Jennifer Rodriguez
President and CEO of the Greater Philadelphia Hispanic Chamber of Commerce.

[Image of street with buildings and street lamp]
DEVELOPING AN INCLUSIVE AND WELCOMING APPROACH

Many immigrant entrepreneurs face major hurdles in their entrepreneurial endeavors. While immigrants are twice as likely to be self-employed, higher business failure rates suggest that immigrant entrepreneurs have unmet needs—business planning experience, access to capital, information about regulations, and the importance of networking and marketing—that deserve our attention.

In part, supporting immigrant entrepreneurs is about valuing the things they know and recognizing the things they do not. Many immigrants may have had businesses in their country of origin, but are now in a new environment, often isolated from information, and in need of more context about business culture, city hall, and financing than other entrepreneurs. Language and cultural barriers, lack of information, and limited personal and professional networks exacerbate the challenges of starting and growing a business.

Five ways to develop impactful programs with immigrant entrepreneurs and businesses:

1. Partner with trusted organizations
   If you don’t have relationships with immigrant entrepreneurs already, partner with community-based organizations, ethnic chambers, religious institutions, ethnic media, and schools (to access parents) that have experience with, and the trust of, immigrant families.

2. Go to your customer
   Host classes, workshops, and office hours at locations frequented by immigrants within their communities, including trusted community-based locations like libraries, schools, religious institutions, or other familiar locations. Consider visiting immigrant entrepreneurs at their places of business.

3. Develop strong relationships
   A meaningful relationship developed one-on-one through multiple contacts is often critical to establishing trust and understanding.

4. Be culturally competent and linguistically accessible
   Garner a strong understanding of different cultural norms and act on this understanding at every stage of support—training, lending, technical assistance, finding a physical location for the business, etc. Offer support in native languages or be sure to provide interpretation and translation.

5. Be inclusive
   Include all entrepreneurs who face obstacles similar to immigrants (particularly low-income people of color and minority entrepreneurs) to foster cross-cultural understanding and help to build growth across entire geographic communities.
FOUR EASY WAYS TO START

Across America, local leaders are restructuring government, nonprofit, and private sector programs to better integrate immigrant entrepreneurs and others with potential to start small businesses. This tool captures the most ambitious and impactful work around immigrant entrepreneurship and reveals some of the smaller, more manageable steps associated with building an ecosystem of inclusive entrepreneurship supports. There are several low-cost, intermediate steps for integrating immigrant entrepreneurs into any number of local programs to help businesses launch, grow, and succeed.

How can your community support immigrant entrepreneurs?

Unfold this poster for a more in-depth description of tactics to support immigrant entrepreneurs.

1. Be a champion
Expose existing entrepreneurship, lending, and small business programs to the untapped potential of working with immigrant entrepreneurs.

2. Be a connector
Develop a referral system in which you work with immigrant entrepreneurs to connect them to existing local resources.

3. Fill program gaps
Recruit new service providers to fill unmet needs and challenges faced by immigrant entrepreneurs.

4. Make it your own
Your approach to supporting and linking immigrant entrepreneurs to the resources and services they need should be reflective of your community, its economy, existing resources, and your capacity to either introduce new programming or improve access to existing programming.

LOCAL CASE STUDY

The City of Baltimore Mayor’s Office of Immigration and Multicultural Affairs found that many immigrants could not access the existing microloan and small business programs. The City recruited the Latino Economic Development Center (LEDC), a D.C.-based Community Development Financial Institution (CDFI) with linguistically and culturally competent staff to help spur business growth in Latino, immigrant, and African American communities. While the City provided seed funding and in-kind space, and encouraged local foundations to support LEDC, it did not have to expand staff positions or budgets to fill this unmet need for immigrant entrepreneurs.
TECHNICAL ASSISTANCE (TA)

Programs provide ongoing technical assistance to businesses in areas such as accounting, legal, and marketing), and to low-cost and pro-bono services (e.g., community. NDC maintains its relations with local technical assistance providers to ensure that entrepreneurs have access to the expertise they need to build their businesses.

MENTORS

A personal relationship with a seasoned businessperson can significantly contribute to an entrepreneur's success. NDC matches entrepreneurs with experienced mentors that are right-sized for the class and mentors who can provide expert advice in areas such as finance, business development, and marketing. NDC believes the strength of its mentorship programs lies in the quality of the relationships that are formed between entrepreneurs and their mentors. NDC has a comprehensive process for matching entrepreneurs with mentors who have the skills and experience that entrepreneurs need.

TIPS

Visiting entrepreneurs at their place of business first can help to identify potential roadblocks. Often, members seek out and general business advice to members of technical assistance, support services, and general business development. NDC maintains its relationship with entrepreneurs through the life of their business by offering character development training in areas such as leadership, business ethics, and self-management. NDC provides access to low-cost and pro-bono services (e.g., accounting, legal, and marketing), and affordable commercial space.

Entrepreneurship training programs are designed to provide immigrant entrepreneurs with the knowledge and skills they need to start and grow their businesses. NDC works with training providers to ensure that the training programs are culturally and linguistically appropriate to the needs of immigrant entrepreneurs. NDC also provides funding to support the development of new training programs that are tailored to the needs of immigrant entrepreneurs.

Entrepreneurship programs that center on neighborhood revitalization and the repositioning of commercial corridors should work part-time at the university and on their startup. The GEP Center program allows international students to stay in the U.S. by building a business and creating jobs locally.

Entrepreneurship programs that target low-income businesses and/or businesses located in underserved neighborhoods can help entrepreneurs to gain access to capital and other resources that they need to start and grow their businesses. NDC works with training providers to ensure that the training programs are culturally and linguistically appropriate to the needs of immigrant entrepreneurs. NDC also provides funding to support the development of new training programs that are tailored to the needs of immigrant entrepreneurs.

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Five ways to develop impactful programs with immigrant entrepreneurs and businesses:

Many immigrant entrepreneurs face major hurdles in their entrepreneurial endeavors. Geographic communities oftentimes are not welcoming to immigrants, and recognizing the things they do not. Many immigrants may have had businesses in their home countries and still want to contribute to their new communities. They may work in a more informal environment, involving more cash transactions, than most others, greatly expanding the untapped potential of working immigrant entrepreneurs. While the City provided seed lending, and small business programs, many immigrants could not access the grant funds.

How can your community support immigrant entrepreneurs? Partner with trusted organizations to help businesses launch, grow, and succeed. How can you help your organization support local immigrant economic development? When the needs and opportunities of immigrant entrepreneurs are incorporated into traditional economic development priorities and strategies, programs can become a fully integrated part of the economic development agenda inclusive of immigrant and other champions can be an important force behind the development of local immigrant economic forces. Across America, local leaders are restructuring government, non-profit, and private institutions, ethnic media, and schools (to access parents) that have incubators, mentors, and more to help promote a strong referral system that connects immigrant entrepreneurs.

MEET THE NEEDS OF ALL LOCAL ENTREPRENEURS

While the City provided seed lending, and small business programs, many immigrants could not access the grant funds. To support immigrant entrepreneurship should be as distinct as your community. The Fiscal Policy Institute and Americas Society and Council of the Americas. Bringing Vitality to Main Street, How Immigrant Small Businesses Help Local Economies Grow (2015). http://www.as-coa.org/sites/default/files/ImmigrantBusinessReport.pdf


See Fiscal Policy Institute and Americas Society and Council of the Americas. (Resource 1)

See New American Economy. (Resource 2)


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Resources