

Immigrant Entrepreneurs: Creating More Jobs for Americans



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Amidst the highly charged debates on immigration and our economy, a remarkable fact often goes unmentioned: Many Americans owe their jobs to immigrant entrepreneurs.

It isn't just big tech companies like Google or Sun Microsystems. Here in Philadelphia, companies such as Al-Ameen Imports and Vitacare Home Health are prime examples. Both companies' founders came from other countries to launch businesses in the U.S.— and they're both employing American-born staff.

That might sound surprising, but here at the Welcoming Center for New Pennsylvanians, we've been documenting the economic contributions of immigrants for a long time. Our corridor studies show that 60 to 70 percent of the businesses in many shopping districts are owned by newcomers. Indeed, from retail shops to business services, immigrants are vital elements of our country's economic resilience.

These energetic business people create ripple effects that stretch far beyond their own families and households. Their new hires are helping to drive economic growth as the United States battles the highest unemployment rates in a generation, with young men and people of color often struggling the hardest to gain a foothold in the job market.

While the popular image of immigrant-owned businesses is still often a mom-and-pop storefront, such small-scale operations are only one part of the picture. For another, consider Zikria Syed, who came from Pakistan to earn a master's degree at Drexel University.

Today he's the founder of the NextDocs, a document-management company based in suburban Philadelphia and serving the pharmaceutical and life sciences industries. Founded in 2006, NextDocs was recently named one of Inc. Magazine's 500 fastest-growing privately held companies in the U.S., with annual revenues of \$6 million. Most significantly, it employs a staff of 50.

Or take Marina Poltavsky. A Ukrainian immigrant, she launched Vitacare Home Health in 2003 from a small office in the Philadelphia suburb of Feasterville. To date, Vitacare has employed more than 150 US-born workers.

These are just two examples of a longstanding American phenomenon: Ambitious newcomers who struck out on their own, and built businesses that drew on local talent to create a shared prosperity.

As Harvard's Vivek Wadhwa has shown, immigrants are not only more likely to start businesses, but their companies often spark remarkable job creation. Wadhwa's pioneering study of high-tech startups found that 25 percent of tech companies founded in a 10-year period had an immigrant founder. Those companies generated nearly 450,000 jobs and \$52 billion in sales in one year alone.

Yet in the noisy debate about immigration and the American economy, the positive ripple effects of immigrant-owned businesses are often overlooked. Such ignorance is costly to us as a society, especially when contrasted with a more active policy of supporting the integration of immigrant entrepreneurs in our economy while ensuring that native-born Americans are not left behind.

After all, immigrant business owners wouldn't be able to thrive without the growing conditions they find in the United States— affordable space, access to capital, a ready pool of customers, and yes, American-born workers. Acknowledging these realities helps combat the ugly arguments that wrongly portray immigrant success as a zero-sum victory in which US-born citizens are somehow losing out.

As an economic development organization, the Welcoming Center is keenly aware that businesses cannot survive without solid connections to the communities in which they are located. We recognize that true long-term economic vitality depends on shared prosperity among newcomers and longtime residents alike.

And so our small-business services are open equally to all entrepreneurs, whether they hail from around the corner or the other side of the world. Our English for Entrepreneurs classes help to improve customer service and reduce misunderstandings between owners of small retail stores and their customers. And our Opportunity Calls monthly announcements inform local business owners of upcoming events in five languages—including English.

These are small efforts, but important ones. More than that, they are purposeful: We know that for every success story there are many more talented and passionate entrepreneurs striving to launch their dreams. Harnessing their energy will be vital in boosting all of our communities out of recession and back to prosperity.

Anne O'Callaghan is the founding president and CEO of the Welcoming Center for New Pennsylvanians, a nonprofit economic development organization based in Philadelphia. She immigrated to the U.S. in 1970, and in 2006 was recognized with an "Outstanding American by Choice" award by the United States Citizenship and Immigration Service.