Survey
Immigrant Entrepreneurs

Responses (N=58)
January 28th, 2020
Overview of Findings
General Characteristics of Survey Sample: Owner Characteristics

- 95% of the immigrants have living in the US for more than 10 years and 84% have lived in the US for 20 years or more
- 40% of the immigrants are from Mexico, 28% are from Asia
- 60% were male and 40% were female
- 29% had a college degree and 36% had a graduate degree
- 21% had a high-school diploma or less
- More than half started their businesses because they wanted to run their own business, while more than 40% wanted greater independence/flexibility
General Characteristics of Survey Sample: Business Characteristics

- 36% had no employees, 29% had 1-4 employees, and 31% had between 5 and 49 employees and 5% had 50 or more employees
- Nearly half (47%) were in Services, 17% were in Retail, and 13% were in Construction
- More than a quarter of businesses targeted their local immigrant community as their customer base, while about 23% were B2B
- About 60% of the businesses conducted most or all of their business in English.
Management Practices

• About two-thirds of the businesses expected to increase their size in the next three years, while about 15% expected to grow five-fold over the next three years.

• Nearly 60% tracked sales monthly, but only a quarter tracked sales annually and only a third tracked profitability

• Less than half of businesses reinvested their profits into the business and only about 45% had a strategic plan for their business

• Less than 40% of businesses compared their prices to their competitors and less than a third were trying to increase their market share.
Obstacles to Growth

• The following three most commonly cited (tied) obstacles to growth were:
  • Regulation / bureaucracy / legal requirements
  • Lack of network / contacts
  • Availability and/or cost of labor

• Yet fewer than a quarter of businesses cited any of these three as obstacles to growth

• More than 20% of businesses stated that the uncertainty created by the U.S. immigration policy was an obstacle to growth

• Financial constraints were cited by just over 10% of businesses
Loan Applications

• About one-third of businesses did not apply for financing in the last year because capital was not needed, but about 15% didn’t apply because they feared their loan application would be denied

• About one quarter of businesses applied for a loan in the last year and received some or all of the amount requested

• About 12% of businesses applied for funding but had their loan application denied

• Businesses of Mexican immigrants were less likely to receive the full amount requested and more likely to have their loan application denied than non-Mexican business respondents
Some ideas for future research:

• Larger survey with at least 100 respondents each from Asia and Latin America and coverage of more representative sample
• More in-depth qualitative work through additional focus groups and individual case studies
• Delve into newer arrivals (<10 years) vs. established immigrants (20+ years in the US)
• Deeper look into cultural barriers and how they differ by group and by amount of time in the US
• Deeper look into constraints to growth by entrepreneurs that want to scale their companies
• Probe areas where “don’t know what you don’t know”
Detailed Charts/Graphs
How Many Years Lived in the US

- 1-2: 84%
- 3-5: 4%
- 6-10: 0%
- 11-19: 2%
- 20+: 11%
National Origin

Asia Total: 28%

- Asia (other): 40%
- China: 7%
- India: 7%
- Taiwan: 5%
- Europe: 9%
- Mexico: 16%
- Middle East: 7%
- Other: 5%
- South America: 5%
Reason to Start Business (All that Apply)

Percent Responding "Yes"

Wanted to run own business: 60%
Greater independence / flexibility: 40%
Business idea / opportunity: 30%
Personal income: 20%
Employment / income for family: 10%
No suitable employment: 5%
Other: 0%
Employees (other than owner)

- 36% in 0
- 29% in 1-4
- 13% in 5-9
- 9% in 10-19
- 9% in 20-49
- 5% in 50+
Industry

Acronyms
FIRE = Finance, Insurance, Real Estate
TSEGSS = Transportation, Communications, Electric, Gas, and Sanitary Services

Retail trade: 17%
Wholesale trade: 2%
Construction: 13%
Manufacturing: 9%
FIRE: 6%
TSEGSS: 2%
Public administration: 2%
Services: 47%
Other: 2%
Expected Business Size in 3 Years

- No change: ~10%
- Increase: >60%
- 5 fold increase: ~10%
- Decrease: ~0%

Percent of Respondents
Management Practices (All that Apply)

- Track sales monthly
- Re-invest profits
- Strategic plan for my business
- Compare prices to competitors
- Track profitability
- Try to increase market share
- Track sales annually
- Recruiting strategy for long-term needs
- Other

Percent Responding "Yes"
Management Strategies: By Sector

White Collar includes public administration, wholesale, and FIRE. Blue Collar includes manufacturing, retail trade, transportation, communication, electric, and sanitary services, other services, and other sector.
Management Strategies: By Education of the Respondent
Management Strategies: By Length of Stay

![Bar Chart]

- **20+ Years**
  - Track Sales Monthly: 0.6
  - Re-invest Profits: 0.5
  - Strategic Plan: 0.5
  - Compare Price to Competit.: 0.2

- **Less than 20 Years**
  - Track Sales Monthly: 0.6
  - Re-invest Profits: 0.5
  - Strategic Plan: 0.5
  - Compare Price to Competit.: 0.2

Percent Responding "Yes"
Obstacles to Growth: By Sector

![Bar Chart](chart.png)

- **White Collar**
  - Regulation/Law
  - Network/Contacts
  - Immigration Policy
  - Credit
  - Labor

- **Blue Collar**
  - Regulation/Law
  - Network/Contacts
  - Immigration Policy
  - Credit
  - Labor

Percent Responding "Yes"
Obstacles to Growth: By Length of Stay

Note: Stay > 20 years (N=47), Stay < 20 years (N=9). None of the respondents in Stay < 20 years indicated language / culture as an obstacle.
Customer Base: By Length of Stay

Note: Stay > 20 years (N=47), Stay < 20 years (N=9).
Have You Tried to Borrow over 12 Months: Mexican vs. Other Respondents

- Yes: Full Amount
- Yes: Partial Amount
- Yes: Denied
- No: No Need
- No: Fear Rejection
- No: Other

Percent of Respondents

- Mexican
- Other
Have You Tried to Borrow over 12 Months: Male vs. Female Respondents

- Yes: Full Amount
- Yes: Partial Amount
- Yes: Denied
- No: No Need
- No: Fear Rejection
- No: Other

Percent of Respondents

- Men
- Women
No Need to Borrow (%): By Responder Group

[Bar chart showing the percentage of respondents in different groups who do not need to borrow money, with categories including Women, White Collar, No College Degree, From Mexico, Here > 20 Years, and Overall Average.]