

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

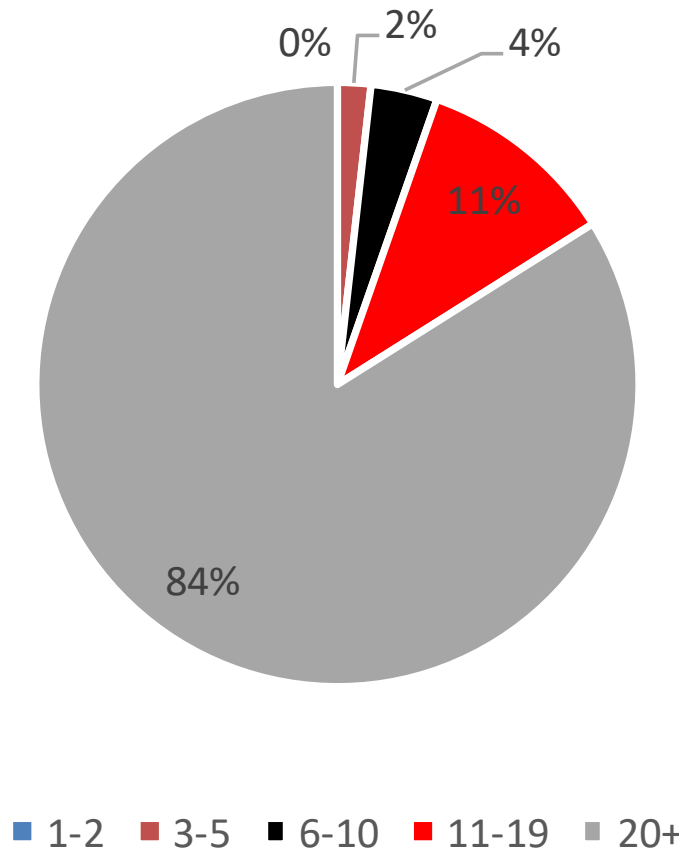
- About one-third of businesses did not apply for financing in the last year because capital was not needed, but about 15% didn't apply because they feared their loan application would be denied
- About one quarter of businesses applied for a loan in the last year and received some or all of the amount 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:

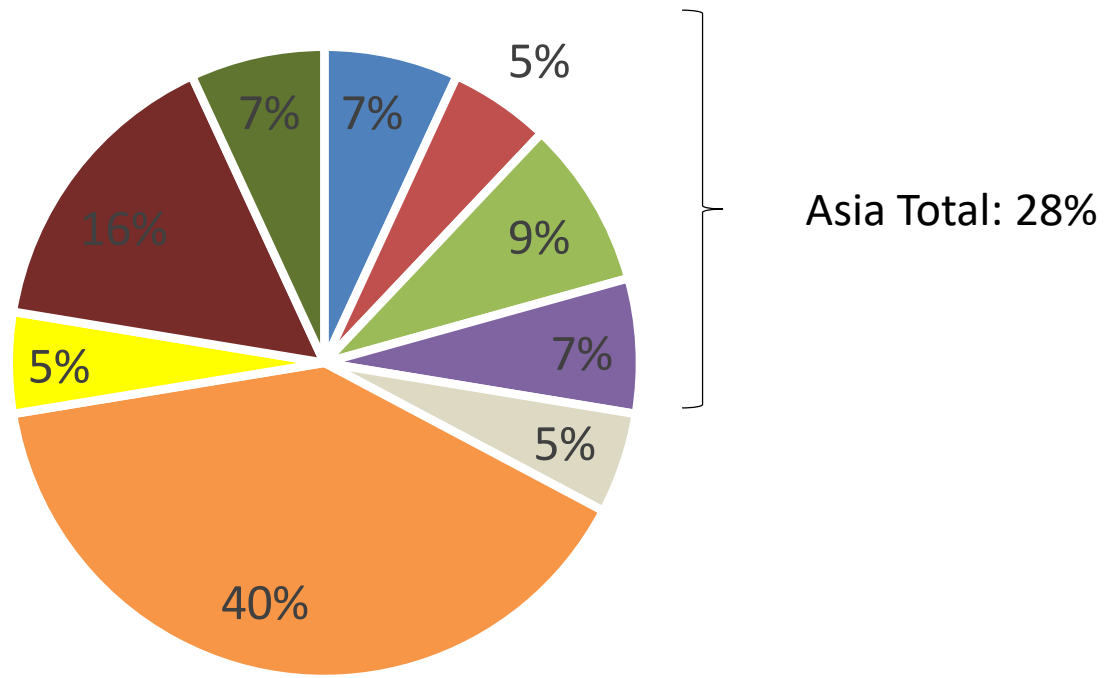
- Larger survey with at least 100 respondents each from Asia and Latin America and coverage of more representative sample
- More in-depth qualitative work through additional focus groups and individual case studies
- Delve into newer arrivals (<10 years) vs. established immigrants (20+ years in the US)
- 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

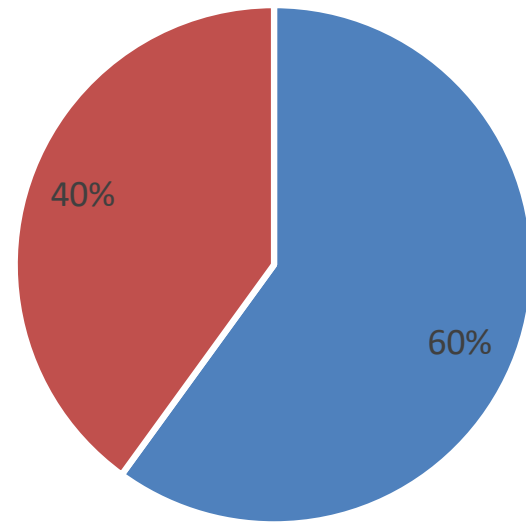


National Origin



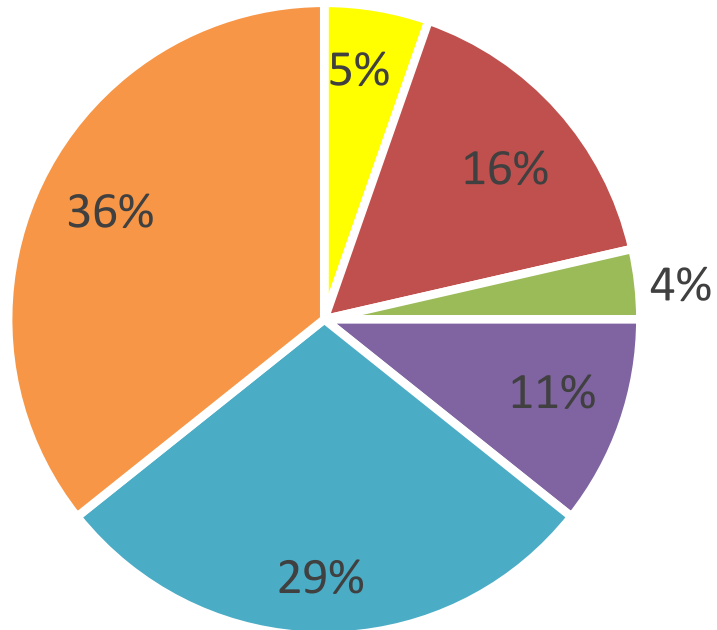
- Asia (other)
- China
- India
- Taiwan
- Europe
- Mexico
- Middle East
- Other
- South America

Respondent Gender



■ Male ■ Female

Respondent Education



■ Less than HS

■ High school

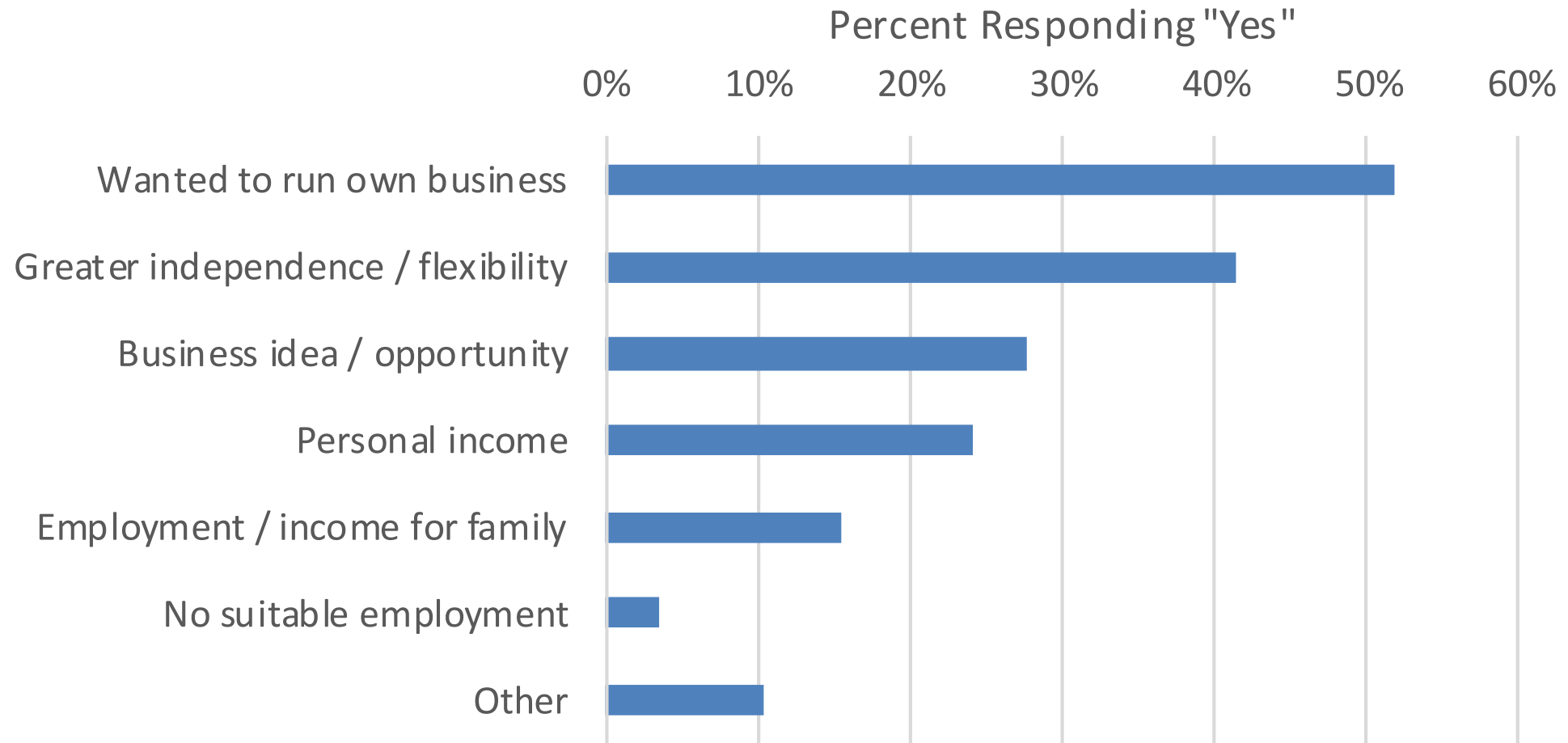
■ Community college

■ Some college

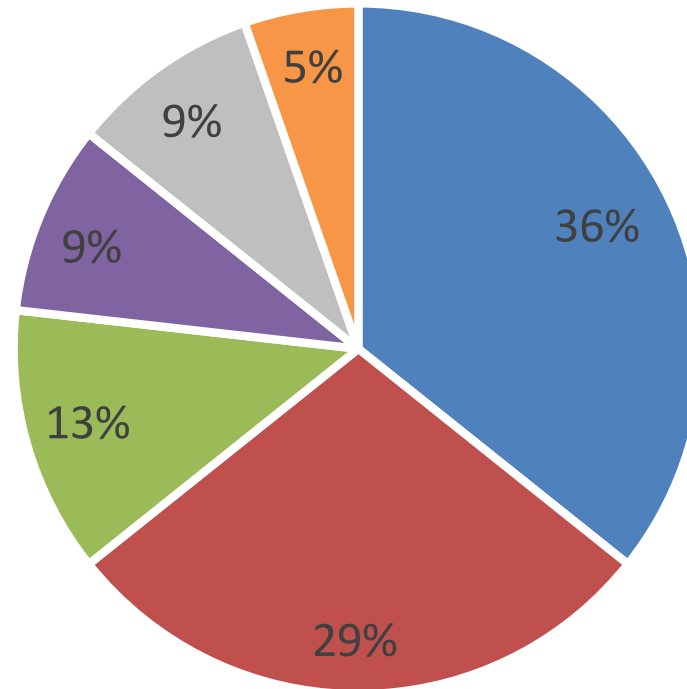
■ College degree

■ Graduate degree

Reason to Start Business (All that Apply)

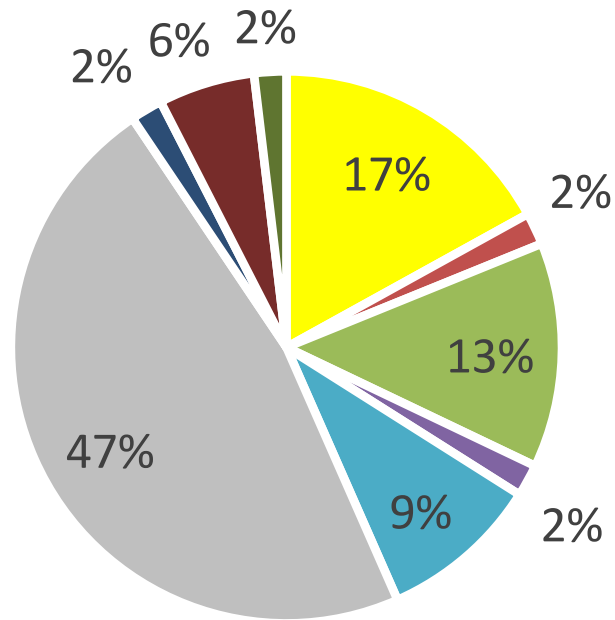


Employees (other than owner)



■ 0 ■ 1-4 ■ 5-9 ■ 10-19 ■ 20-49 ■ 50+

Industry



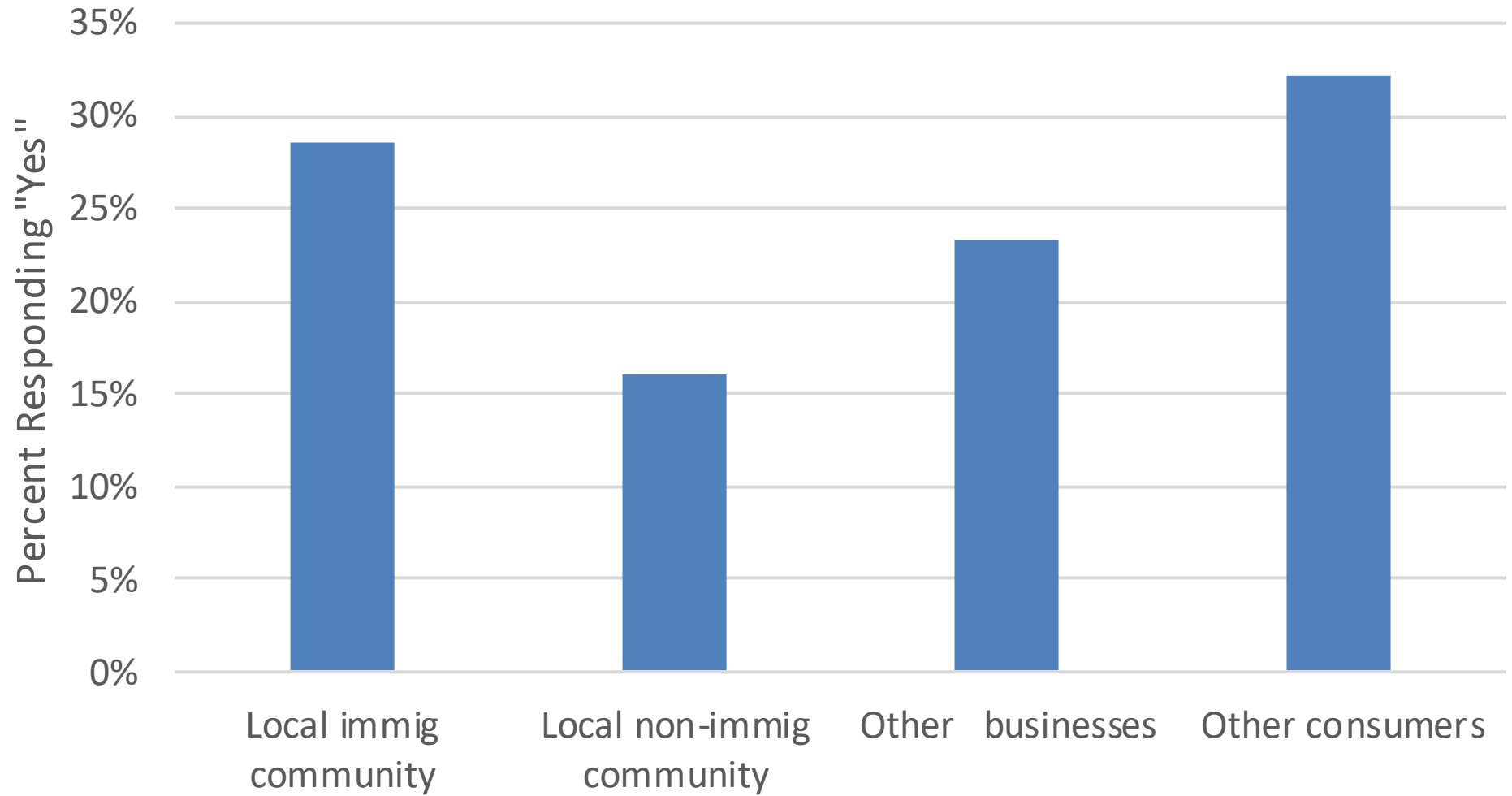
Acronyms

FIRE = Finance, Insurance, Real Estate

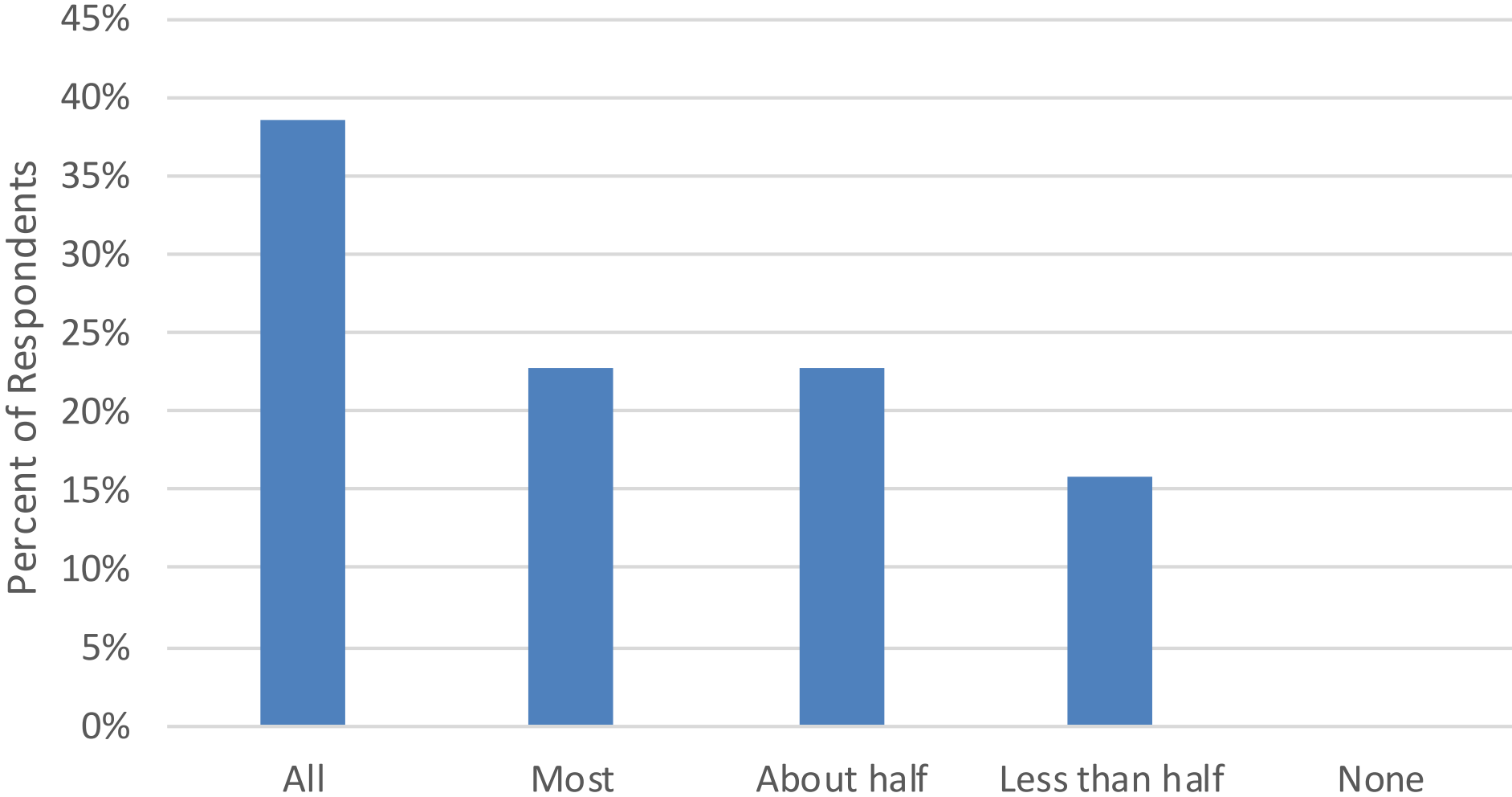
TSEGSS = Transportation, Communications, Electric, Gas, and Sanitary Services

- Retail trade
- Wholesale trade
- Construction
- Manufacturing
- FIRE
- Services
- Public administration
- TSEGSS
- Other

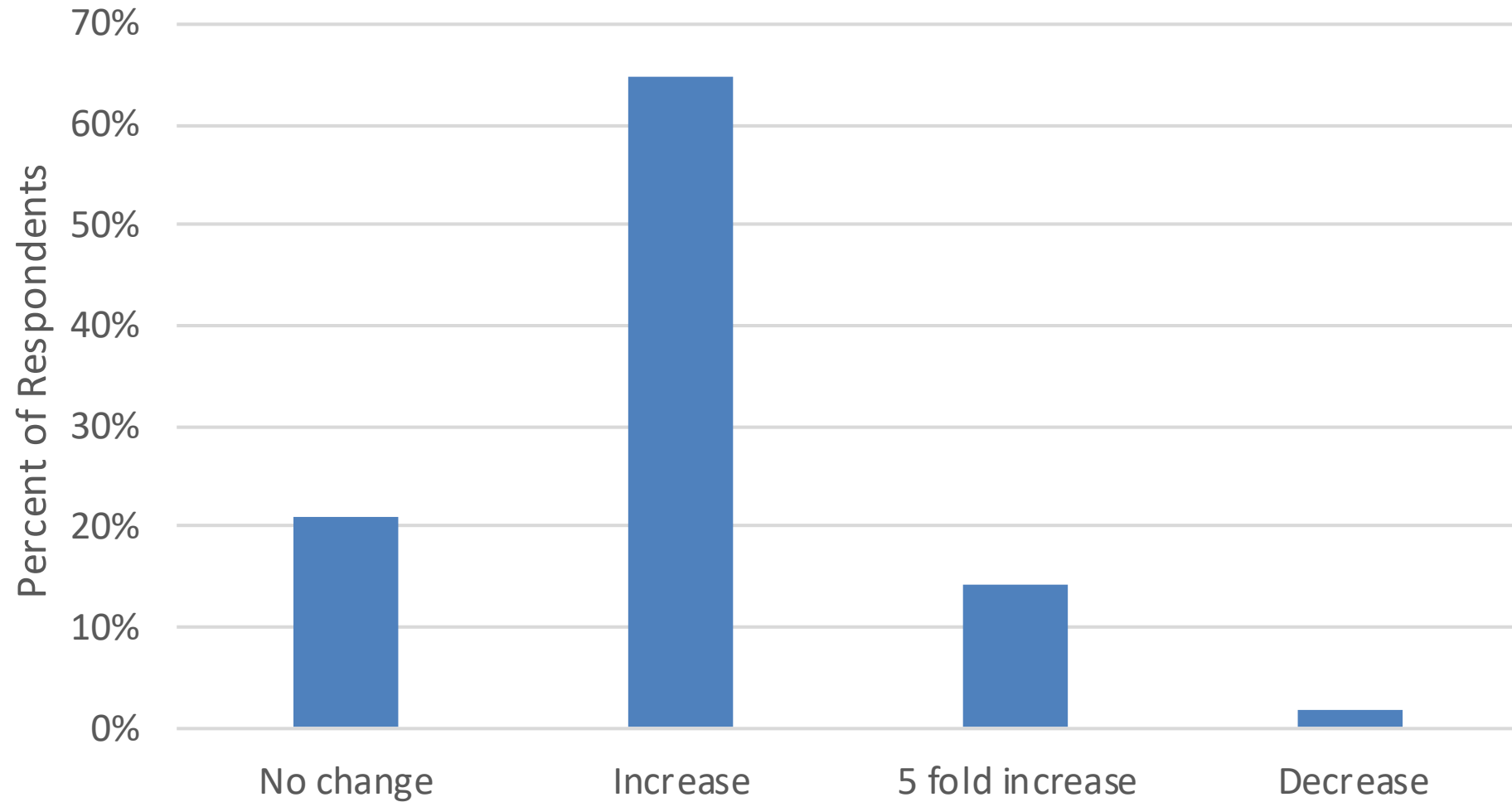
Customer Base



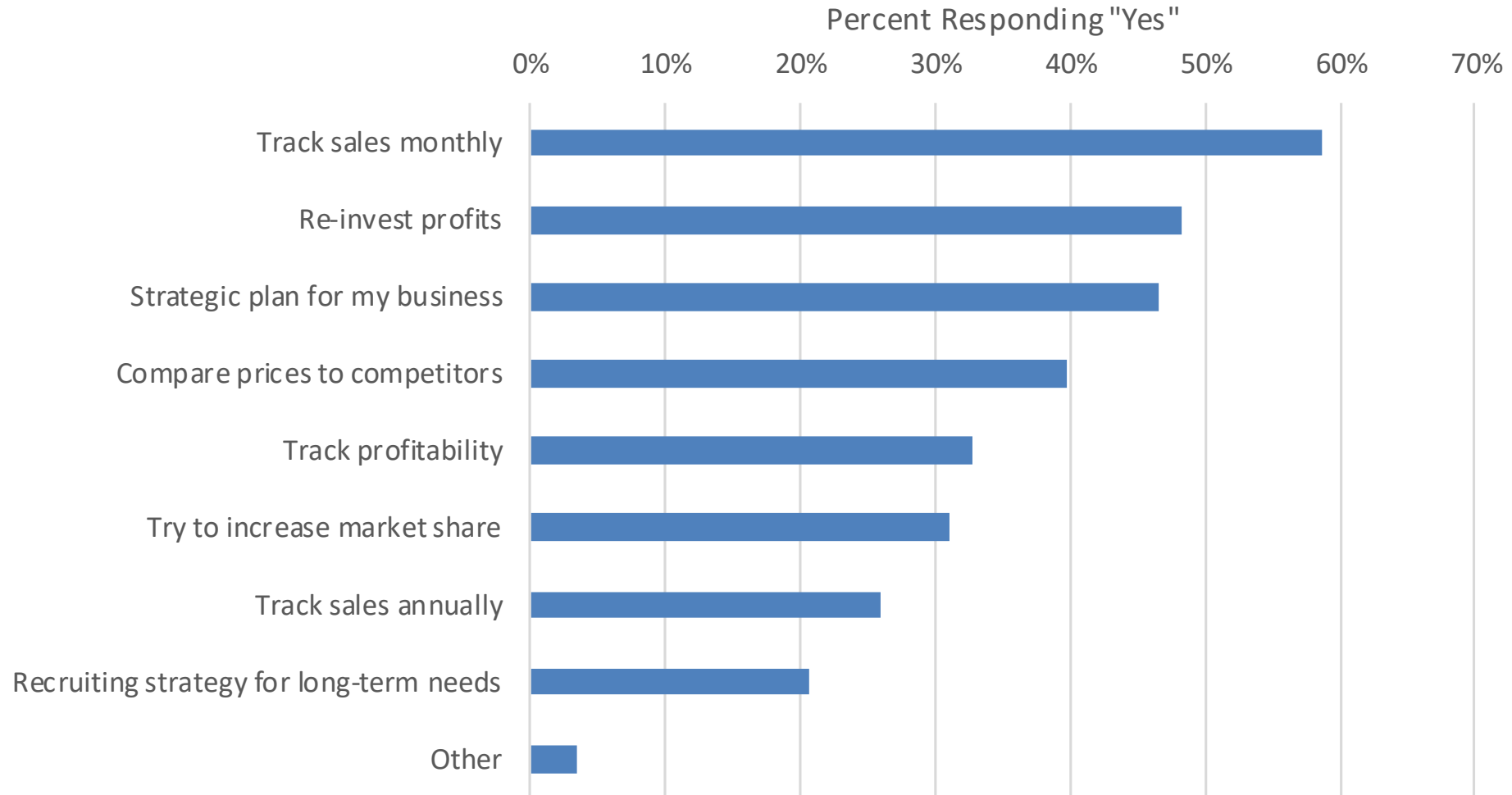
Percent Business in English



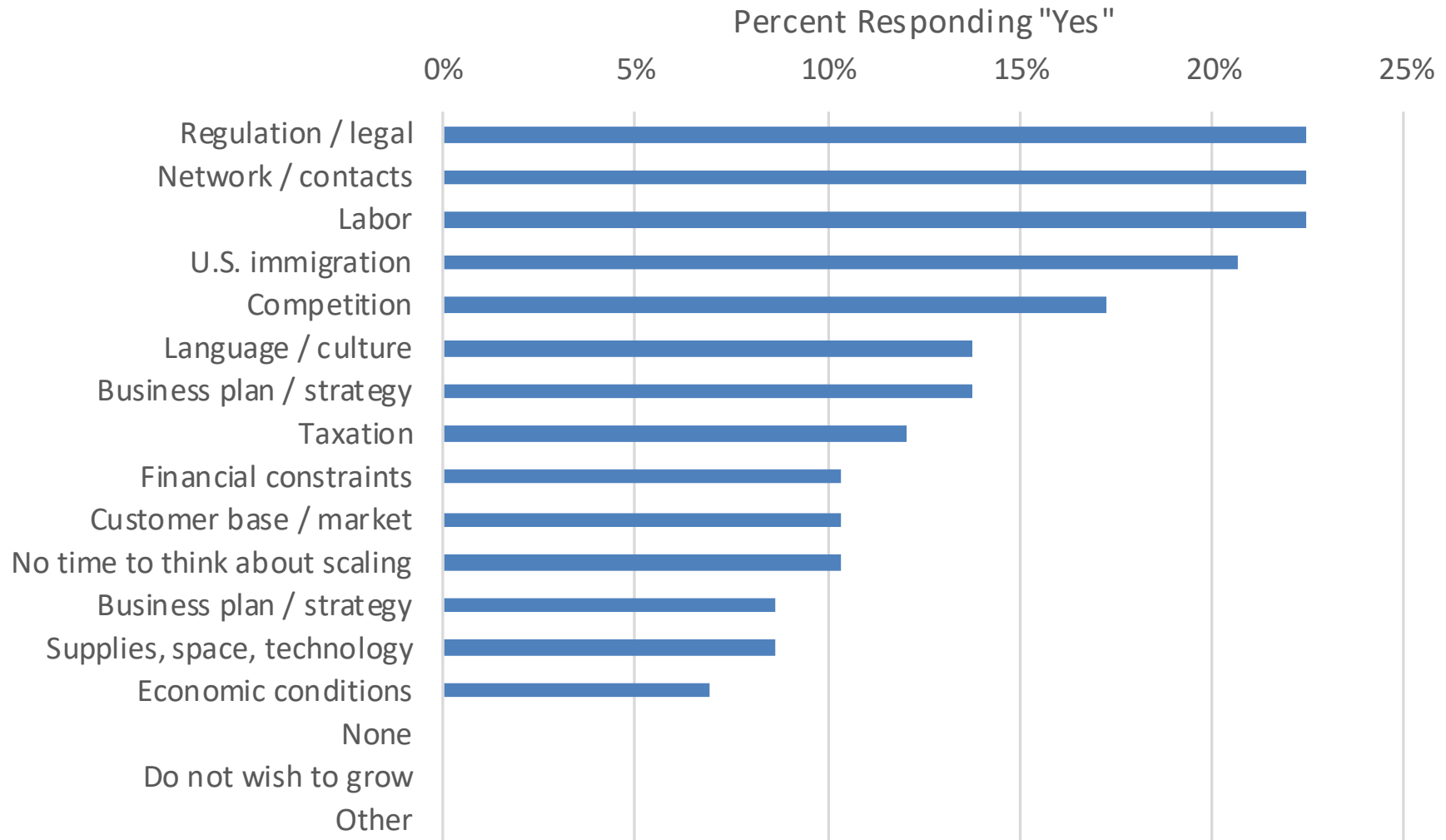
Expected Business Size in 3 Years



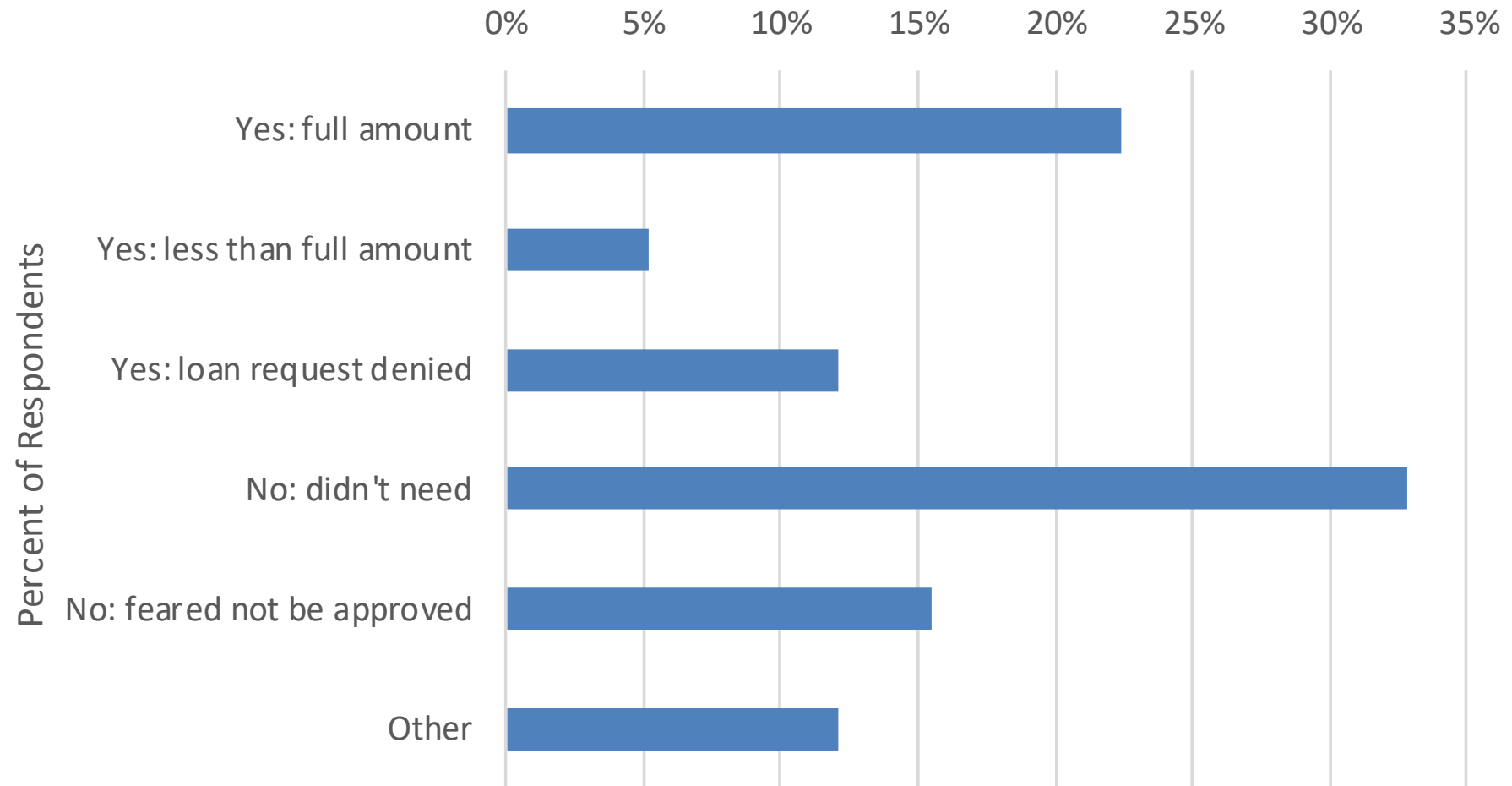
Management Practices (All that Apply)



Encounter Any Growth Obstacles (All that Apply)



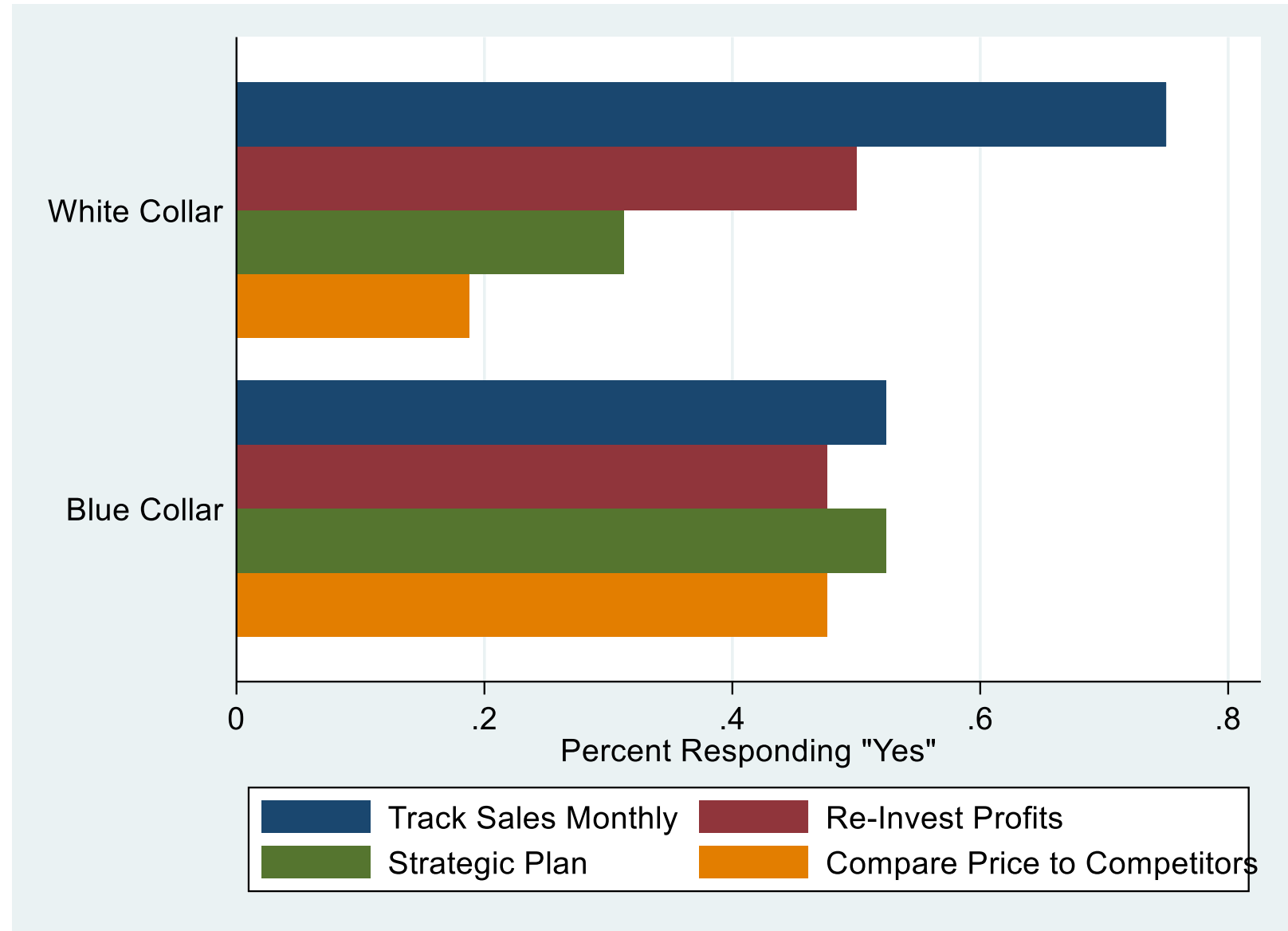
Loan Application in Last Year: Outcome



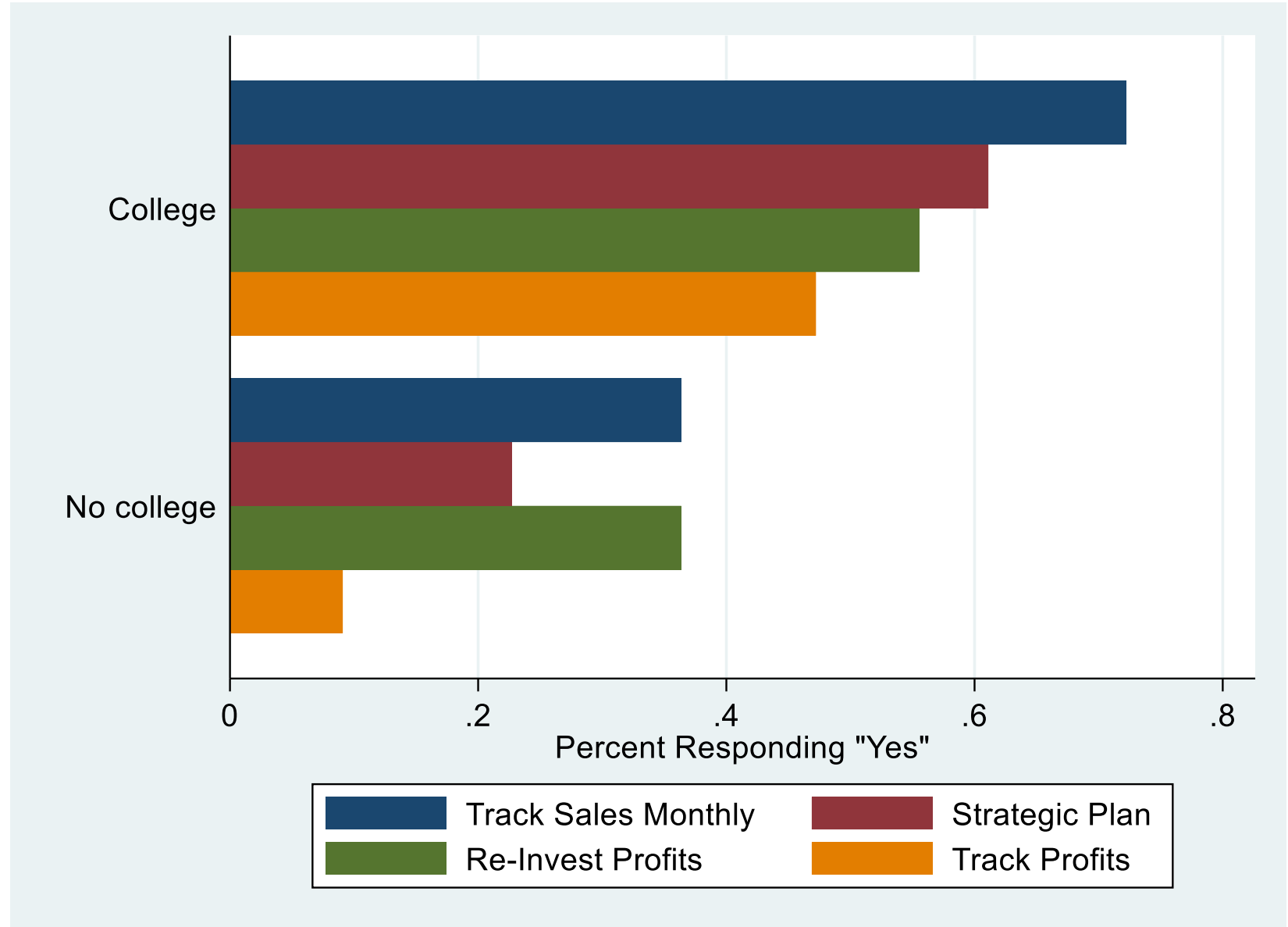
Management Strategies: By Sector

White Collar includes public administration, wholesale, and FIRE.

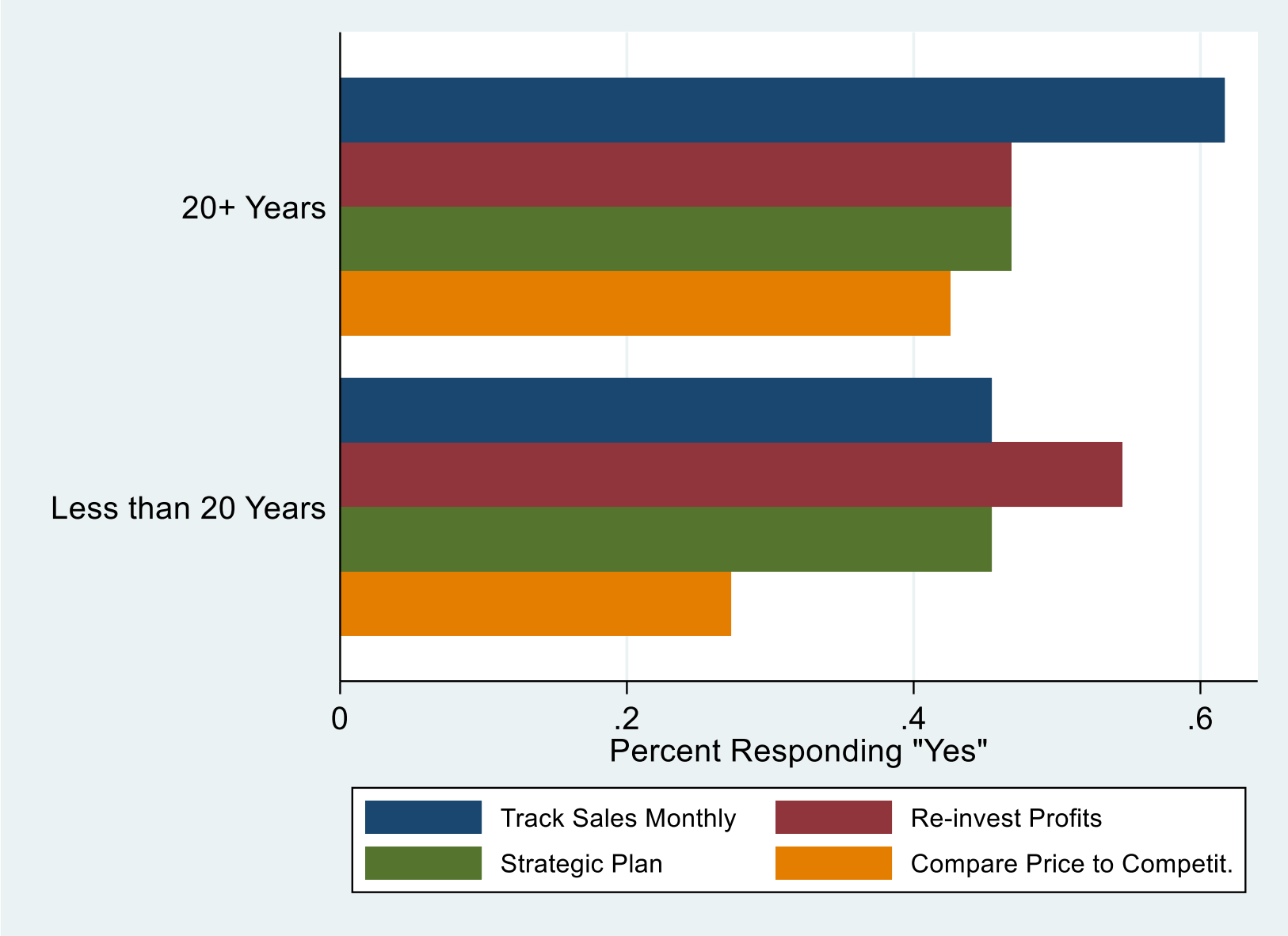
Blue Collar includes manufacturing, retail trade, transportation, communication, electric, and sanitary services, other services, and other sector.



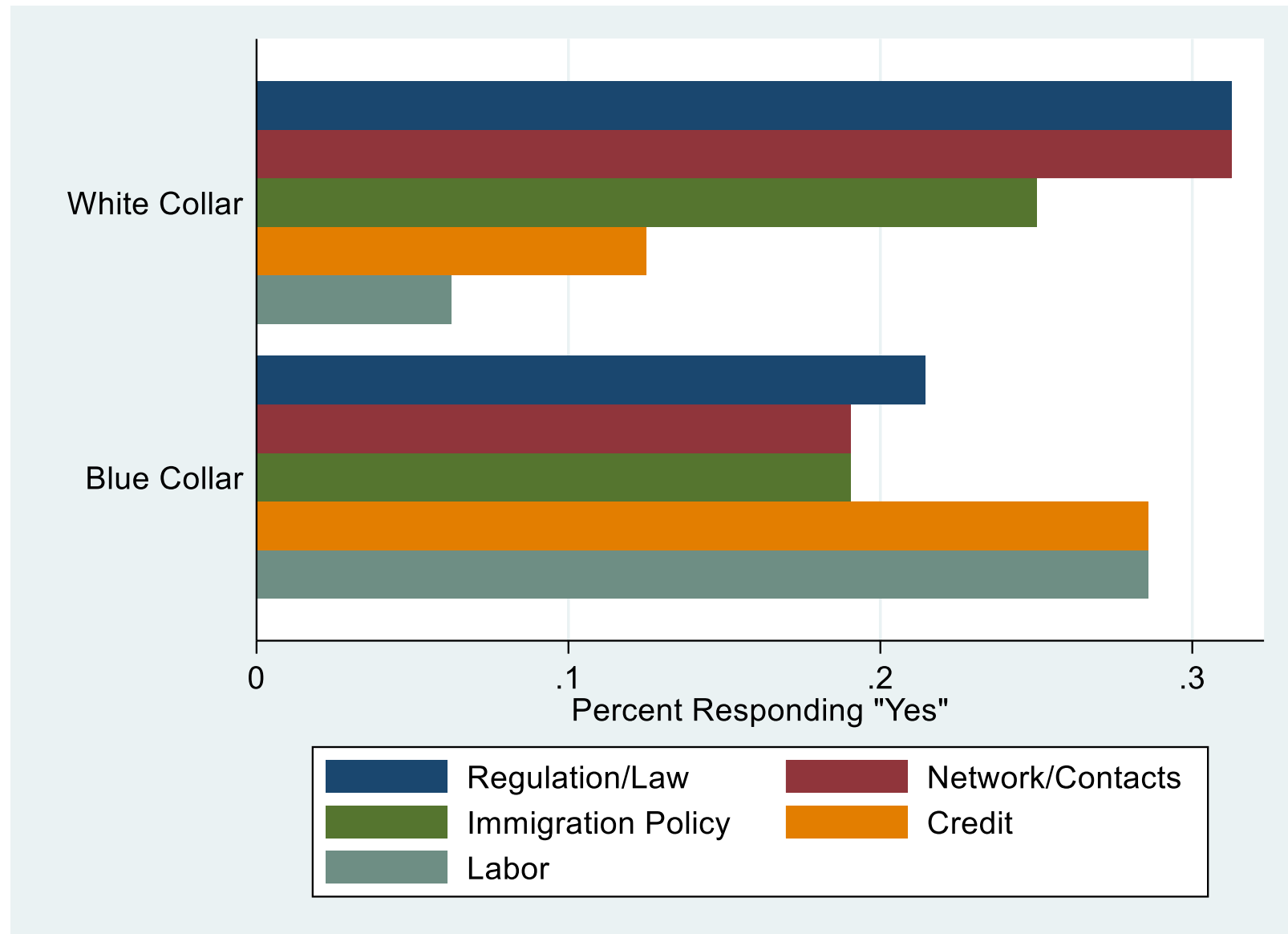
Management Strategies: By Education of the Respondent



Management Strategies: By Length of Stay

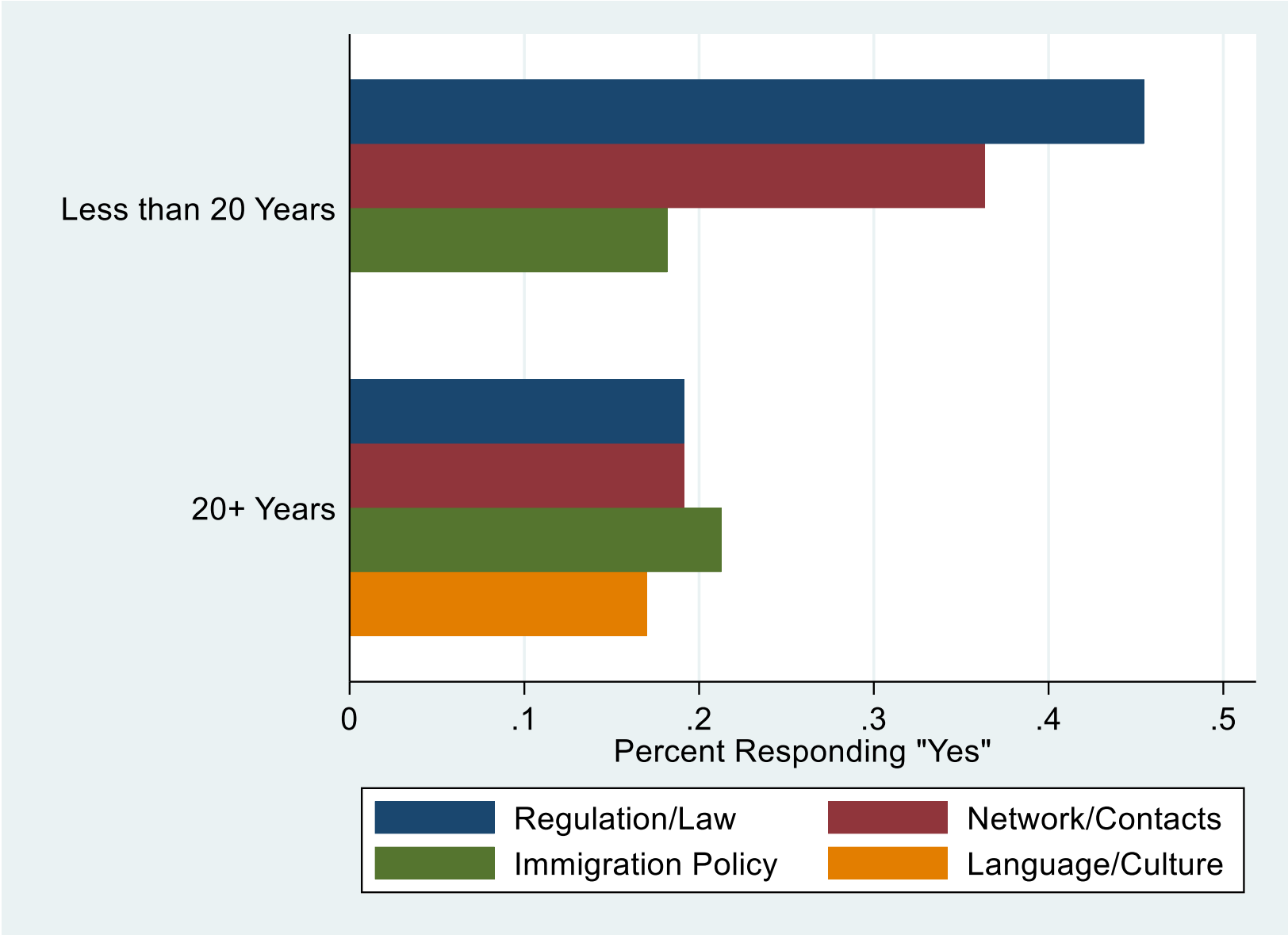


Obstacles to Growth: By Sector



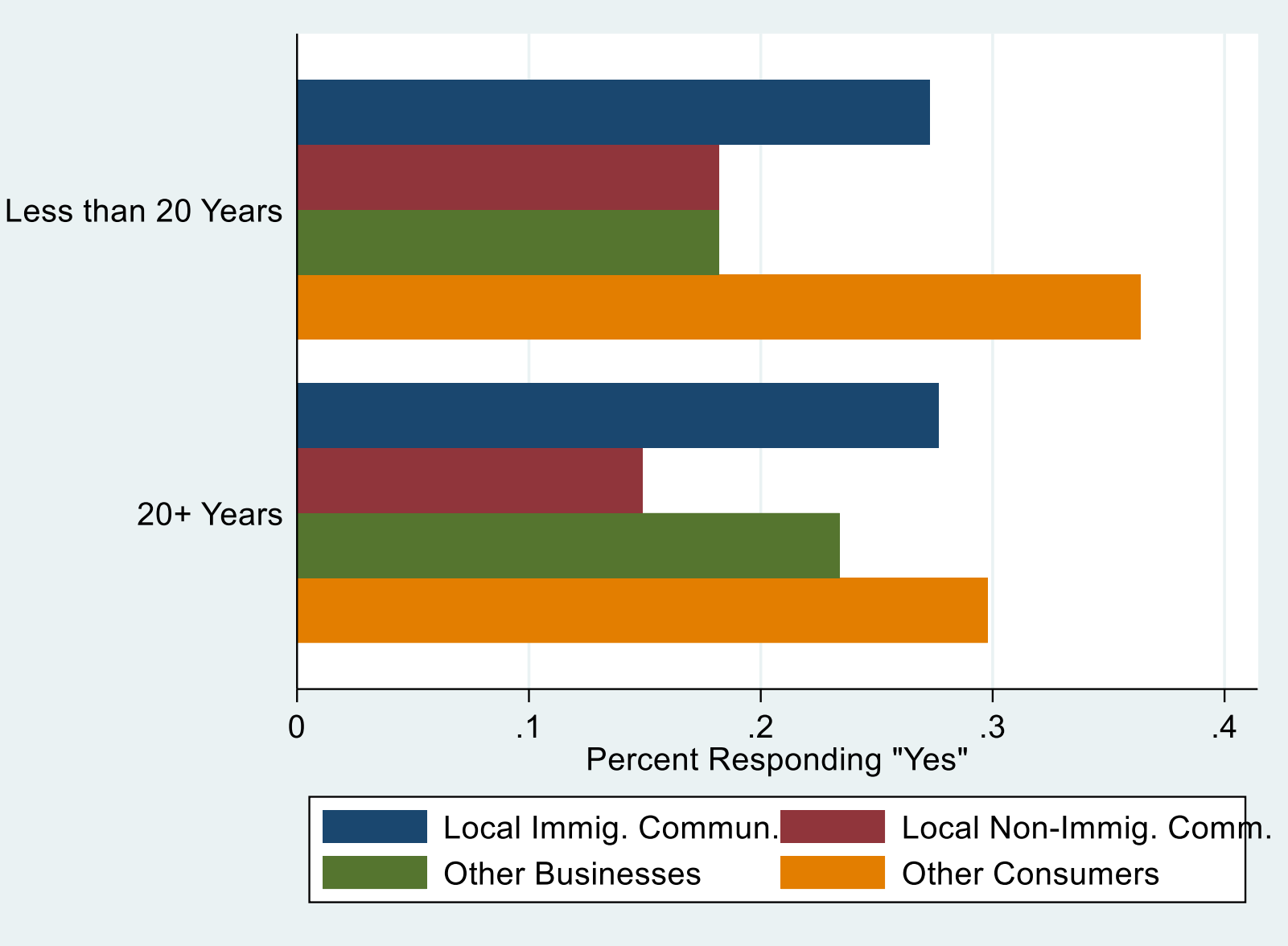
Obstacles to Growth: By Length of Stay

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.

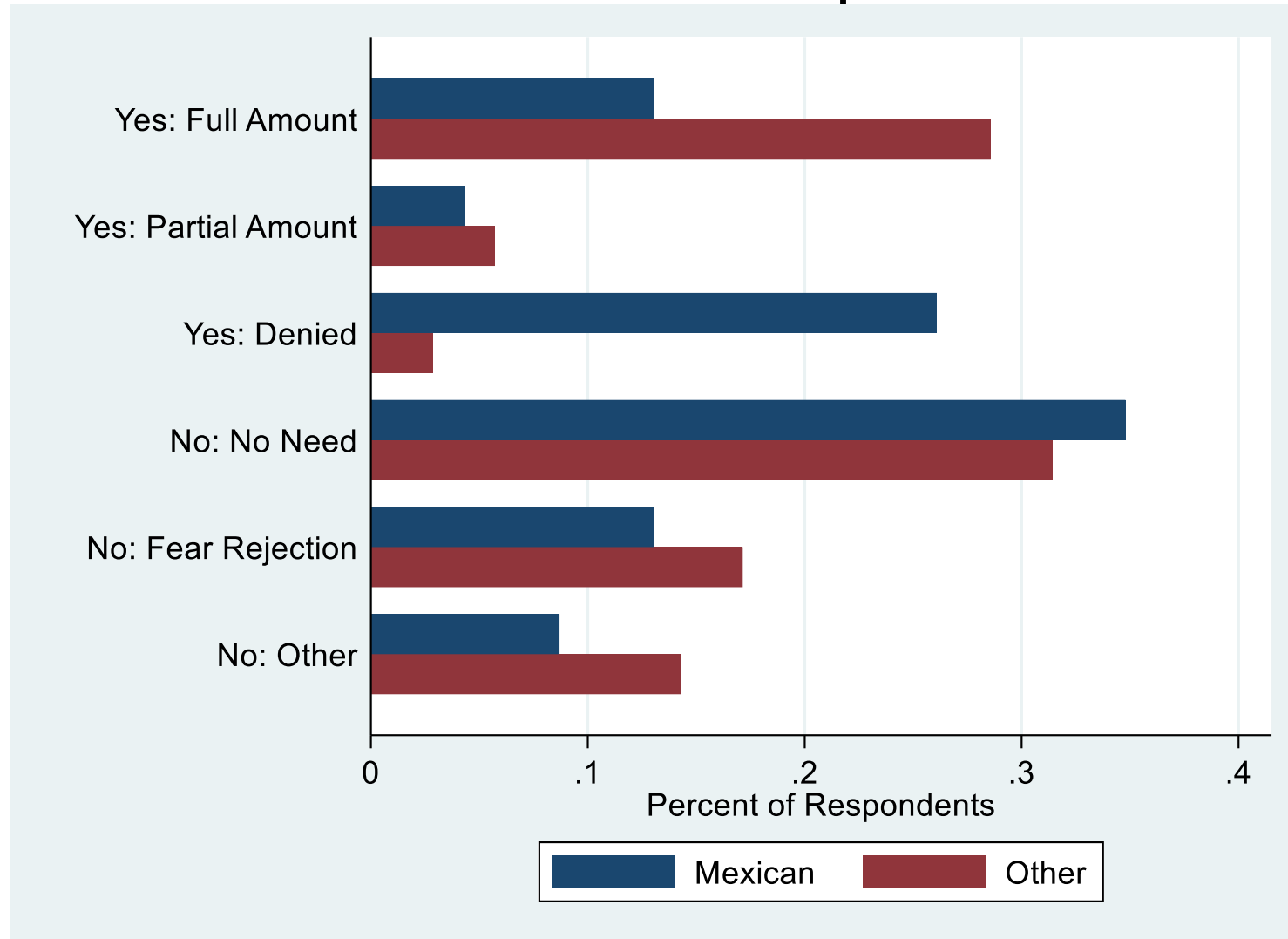


Customer Base: By Length of Stay

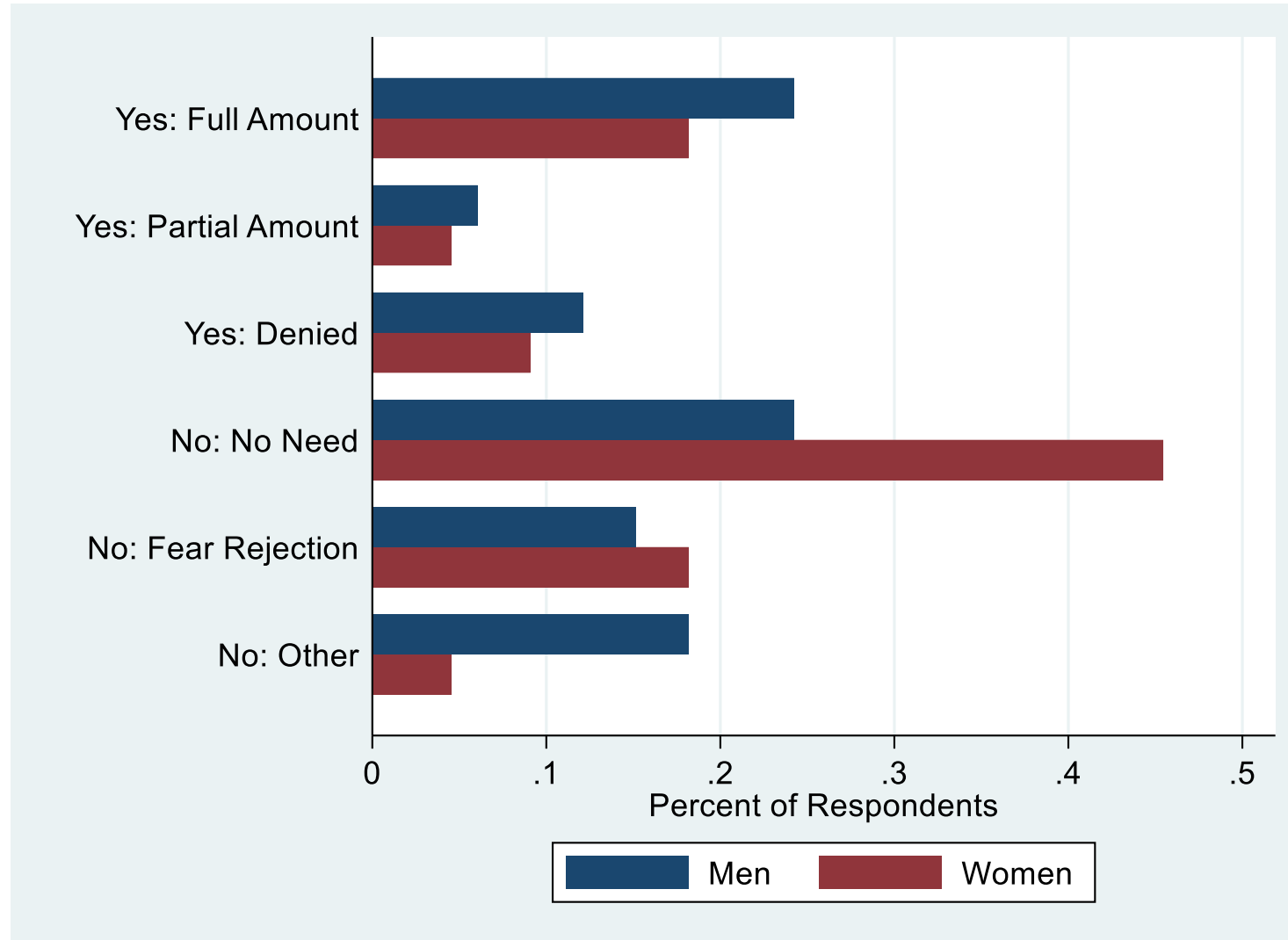
Note: Stay > 20 years (N=47), Stay < 20 years (N=9).



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



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



No Need to Borrow (%): By Responder Group

