

July 2013

ALABAMA:

Immigrant Entrepreneurs, Innovation, and Welcoming Initiatives in the Yellowhammer State

In Alabama, there is no doubt that immigrant entrepreneurs and innovators play an important role. Immigrant entrepreneurs bring in additional revenue, create jobs, and contribute significantly to the state's economy. Highly skilled immigrants are vital to the state's innovation economy, and to the metropolitan areas within the state, helping to boost local economies. Furthermore, local government, business, and non-profit leaders recognize the importance of immigrants in their communities and support immigration through local "welcoming" and integration initiatives.

Immigrant entrepreneurs contribute significantly to Alabama's economy.

- From 2006 to 2010, there were 7,968 new immigrant business <u>owners</u> in Alabama, and in 2010, 4.6 percent of all business <u>owners</u> in the state were foreign-born.
- In 2010, new immigrant business owners³ had total net business <u>income</u> of \$337.3 million, which is 3.4 percent of all net business income in the state.⁴
- According to the <u>Fiscal Policy Institute</u>: "It is interesting to note that Alabama ranks toward the bottom of the list of immigrant share of population (3 percent) and labor force (4 percent), but is in the top half of the 50 states plus the District of Columbia (at 20th) in the ratio of foreign-born share of business owners to U.S.-born share. In Alabama, immigrant workers are 10 percent more likely than U.S.-born counterparts to be small business owners."⁵

Highly skilled immigrants are vital to Alabama's innovation economy.

- High-skilled immigrant workers contribute to the success of many Alabama-based companies and institutions with a significant presence in the state, including the University of Alabama at Birmingham, Atlas Healthcare, Hyundai, Mercedes Benz U.S. International, LG Electronics, AltaPointe Health Systems, Adtran, Intergraph, the University of Alabama, Auburn University, the University of South Alabama, Thyssenkrupp Stainless USA, University of Alabama Health Services Foundation, Houston County Healthcare Authority, Baptist Health System, the University of Alabama in Huntsville, and ST Aerospace Mobile.
- In 2011, the U.S. Department of Labor certified 1,283 H-1B labor certification applications in Alabama, with an average annual wage of \$66,137, which is higher than Alabama's median household income of \$42,934 or per capita income of \$23,483.

- An <u>expansion</u> of the high-skilled visa program would create an estimated 3,200 new jobs in Alabama by 2020. By 2045, this expansion would <u>add</u> around \$1.5 billion to Gross State Product and increase personal income by more than \$1.4 billion. The following is an <u>example</u> of a metropolitan area's demand for high-skilled foreign-born workers.
 - o The Birmingham-Hoover metropolitan area had 444 H-1B high-skilled visa requests in 2010-2011, with 63.4 percent of H-1B visa-holders working in science, technology, engineering, and mathematics (STEM) occupations.¹¹

While the numbers are compelling, they don't tell the whole story.

- In Birmingham, immigrants old and new from many points of origin have contributed to the diverse culinary offerings found in restaurants and markets throughout the metro area, and to the city's status as a prominent <u>food city</u> in the U.S. 12 The city's various immigrant and ethnic business chambers of commerce are examples of the metro area's broad base of immigrant-owned businesses.
 - o Greek immigrant and prominent restaurateur George Sarris has been making his mark on the central Alabama restaurant scene for years. Today, he owns and operates several restaurants around Birmingham, including the popular Fish Market Restaurant. ¹³
 - One of the Birmingham area's oldest and most revered restaurant, the Bright Star, was originally started by Greek immigrants, and is still run by the same family. 14
 - O Greek immigrants have been influential in owning and operating Birmingham area restaurants for decades: "Greek immigration and restaurant history can be traced through a place like Gus's Hot Dogs, which was started by a man named Gus, then owned by Aleck and now run by George—all Greeks who saw opportunity in The Magic City. Whether it's souvlaki or hot dogs, baklava or peanut butter pie, Greeks in Birmingham have perfectly melded their own food traditions with those of the Deep South." 15
 - o In the Birmingham <u>suburbs</u> of Hoover and Homewood, Latino and Asian immigrants have created vibrant restaurant, market, and retail shopping areas from what were previously aging shopping centers. Additionally, Hispanic immigrant entrepreneurs also helped create a new Latino-themed shopping center in Hoover—Plaza Fiesta.
- In northeast Alabama, the town of <u>Albertville</u>, which had a 2010 population of 21,160 (approximately 75 percent White and 25 percent Hispanic), ¹⁷ is home to more than 50 licensed Latino-owned businesses. Many of these businesses line Baltimore Avenue, while others a found among white-owned storefronts in Albertville's compact downtown. ¹⁸

Some localities have begun recognizing and supporting immigration through local "welcoming" and integration initiatives.

- The goal of **Welcoming Alabama** is to "strengthen the social fabric of Alabama by helping strangers become neighbors through dialogue and mutual respect." ¹⁹
 - Welcoming Alabama <u>believes</u> that "a community that is open to dialogue and willing to discuss rationally and respectfully competing interests and concrete facts can expose false perceptions about immigrants and dampen the hurtful anti-immigrant rhetoric that often characterizes discussions of immigration."
 - O According to Welcoming Alabama, there is no better time to focus on encouraging greater community <u>dialogue</u>: "Alabama, according to Census data, saw a 145 percent increase in its Latino population between 2000 and 2010. Demographic shifts of this scale are never easy—neither for new arrivals nor the receiving communities asked to adjust to an unfamiliar language or culture." 21
 - o Additionally, Welcoming Alabama states that "New leaders are emerging from both the immigrant and non-immigrant community across Alabama...Alabama Appleseed's Welcoming Alabama campaign, seeks to offer another opportunity for resolution, particularly by bringing together members of diverse communities, through respectful dialogue outside the political context and emotion-laden debates."²²

Endnotes

_

¹ Robert W. Fairlie, <u>Open for Business: How Immigrants are Driving Small Business Success in the United States</u> (New York: Partnership for a New American Economy, 2012).

² Ibid

³ The sample of new immigrant business owners during the time period includes individuals who do not own a business in the first survey month and report starting a business in the second survey month with 15 or more hours worked per week.

⁴ Robert W. Fairlie, *Open for Business: How Immigrants are Driving Small Business Success in the United States* (New York: Partnership for a New American Economy, 2012).

⁵ David Dyssegaard Kallick, *Immigrant Small Business Owners: A Significant and Growing Part of the Economy* (Washington, DC: Fiscal Policy Institute, 2012).

⁶ Neil G. Ruiz, Jill H. Wilson, and Shyamali Choudhury, <u>The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas</u> (Washington, DC: The Brookings Institution, 2012); U.S. Department of Labor. ⁷ Office of Foreign Labor Certification, <u>Annual Report: October 1, 2010 – September 30, 2011</u> (Washington, DC: U.S. Department of Labor, 2012).

⁸ U.S. Census Bureau, "State & County Quick Facts: Alabama" (Washington, DC: U.S. Department of Commerce, 2011).

⁹ Frederick R. Treyz, Corey Stottlemyer, and Rod Motamedi, "<u>Key Components of Immigration Reform</u>: An Analysis of the Economic Effects of Creating a Pathway to Legal Status, Expanding High-Skilled Visas, and Reforming Lesser-Skilled Visas," (Amherst, MA: Regional Economic Models, Inc., 2013).

¹⁰ Ibid.

¹¹ Neil G. Ruiz, Jill H. Wilson, and Shyamali Choudhury, <u>The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas</u> (Washington, DC: The Brookings Institution, 2012).

¹² Bob Carlton, "Zagat restaurant guide names Birmingham one of country's 7 up-and-coming food cities" (Birmingham, AL: Al.com, March 8, 2013).

¹³ Southern Foodways Alliance, "<u>The Fish Market</u>" (University, MS: Southern Foodways Alliance, 2013).

¹⁴ Southern Foodways Alliance, "The Bright Star" (University, MS: Southern Foodways Alliance, 2013).

¹⁵ Southern Foodways Alliance, "Greeks in Birmingham" (University, MS: Southern Foodways Alliance, 2013).

¹⁶ Paul N. McDaniel and Anita I. Drever, "Ethnic Enclave or International Corridor? Immigrant Businesses in a New South City," Southeastern Geographer 49, 1, Spring 2009.

17 U.S. Bureau of the Census, "Albertville (city), Alabama" (Washington, DC: U.S. Bureau of the Census, 2010).

¹⁸ Drew Jubera, "Hispanics in Albertville declare, 'We're everywhere' protest in Alabama shows Latino numbers on the rise in small-town South. The times, and the economy, are changing" (Atlanta, GA: Atlanta Journal-Constitution, April 30, 2006).

Welcoming Alabama, "About Us" (Montgomery, AL: Welcoming Alabama, 2013).

Welcoming Alabama, "Who We Are" (Montgomery, AL: Welcoming Alabama, 2013).

Welcoming Alabama, "Why Now? Why Alabama?" (Montgomery, AL: Welcoming Alabama, 2013).

²² Ibid.

Immigrant Entrepreneurs in:

Alabama

In 2010, new immigrant business owners generated

\$337.3 million

in total net business income



4.6%

of business owners in Alabama are immigrants

7,968

immigrants became new business owners Alabama between 2006-2010



AMERICAN IMMIGRATION COUNCIL

Read more at ImmigrationPolicy.org