

ARIZONA:
Immigrant Entrepreneurs, Innovation, and Welcoming Initiatives in the Grand Canyon State

In Arizona, 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 industries, 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 Arizona's economy.

- From 2006 to 2010, there were 50,706 new immigrant business [owners](#) in Arizona,¹ and by 2010, 19.6 percent, [nearly one in five](#), of all business owners in Arizona were foreign-born.²
- In 2010, new immigrant business owners³ had total business [revenue](#) of \$2.2 billion, which is 14.2 percent of all business income in the state.⁴
- Arizona is home to many successful companies with at least one founder who was an immigrant or child of an immigrant, [including](#) Fortune 500 companies such as Freeport-McMoRan Copper and Gold, Inc. and Avnet Inc.⁵ These companies currently employ around 51,000 people and generated \$47 billion in revenue in 2011.
- The Phoenix metropolitan area has a relatively high level of immigrant business ownership relative to the foreign-born share of its population. In 2010, [28 percent](#) of business owners in metropolitan Phoenix were immigrants.⁶

Highly skilled immigrants are vital to Arizona's innovation industries, which in turn helps lead American innovation and creates jobs.

- Immigrants contribute to Arizona's economic growth and competitiveness by earning degrees in science, technology, engineering, and mathematics (STEM) fields from the state's research universities. In 2009, over [half](#) of STEM graduates from the state's research-intensive universities were immigrants, and 63 percent of graduates earning Ph.D.s in engineering in Arizona were foreign-born.⁷
- In 2011, the U.S. Department of Labor certified 3,836 H-1B labor certification [applications](#) in Arizona, with an average annual wage of \$66,690,⁸ which is higher than

Arizona's median household [income](#) of \$50,752 or per capita income of \$25,784.⁹

- An [expansion](#) of the high-skilled visa program would create an estimated 5,900 new jobs in Arizona by 2020.¹⁰ By 2045, this expansion would [add](#) around \$3 billion to Gross State Product and increase personal income by more than \$2.6 billion.¹¹ The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Phoenix-Mesa-Scottsdale metropolitan area had 3,192 H-1B high-skilled visa [requests](#) in 2010-2011, with 75.7 percent of H-1B visa-holders working in STEM occupations.¹² Major employers with a need for H-1B high-skilled workers include Arizona State University, Apollo Group Inc. (which owns the University of Phoenix, Western International University, and Axia College), Microchip Technology Inc., and Intel Corporation.
 - The Tucson metropolitan area had 486 H-1B visa [requests](#) in 2010-2011, with 54 percent of visa-holders working in STEM occupations.¹³ A major employer includes the University of Arizona.

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

- Immigrant entrepreneurs not only contribute to large innovative companies, but to small business formation in local communities. In cities across Arizona, immigrant family-owned small businesses contribute to the vitality of their local communities. Although initially aimed at other immigrant customers, many businesses quickly see an expansion of their clientele to include a diverse array of immigrant and native-born customers alike.
 - In Phoenix's east side, Rosa Macias, along with her husband, Venancio, and a brother-in-law, [opened](#) Make a Deal Furniture in the early 1990s.¹⁴ In 1997, they opened Muebleria del Sol. A year later they built a shopping center catering to other Hispanic entrepreneurs. Recently, they opened a 40,000 square foot mall-based store, Red Tag Furniture. Their company, known as the Del Sol Group, today includes four large furniture stores and commercial real estate with thirteen tenants, generates \$6 million in revenue a year, and employs around 70 people.¹⁵
 - Along Tucson's 12th Avenue, on the city's south side, there are many [examples](#) of immigrant-owned small businesses. Several of these businesses have grown into local chains, including the Contreras Family's El Güero Canelo Mexican restaurants, and Benjamín Galaz's BK Carne Asada and Hot Dogs.¹⁶ Today, a group of local business and community leaders, including the South Side Business Coalition, are working together to revitalize the area to attract more businesses and visitors.

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

- The **Tucson City Council**, in August 2012, proclaimed [Tucson](#) to be an "Immigrant

Welcoming City.” This resolution urges a city-wide dialogue among the city, immigrant communities, businesses, local law enforcement, and others to encourage Tucson to be a place of greater welcome and inclusion.¹⁷ Speaking to the broader context, Tucson Mayor Jonathan Rothschild [said](#), “Tucson is a city with roots in many cultures. That diversity adds to our strength. It helps us not fear change even as we celebrate our traditions.”¹⁸

- o The City of Tucson recently [launched](#) a new web portal for immigrant resources, which includes information about English classes, housing options, citizenship education, child care, health care, and other topics related to living in Tucson.¹⁹
- The **Nogales City Council**, in July 2013, passed a resolution guiding the city towards proclaiming itself an “Immigrant Welcoming City.” By passing the resolution, the [Nogales](#) City Council stated that it is committed to “facilitating a community-wide dialogue” to follow in the footsteps of other welcoming cities, such as Dayton, Ohio.²⁰

Endnotes

¹ 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).

² Ibid.

³ The sample of new immigrant business owners during this 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 Partnership for a New American Economy, [“Map the Impact of Immigrants Across America: Arizona”](#) (New York: Partnership for a New American Economy, 2013).

⁶ David Dyssegaard Kallick, [Immigrant Small Business Owners: A Significant and Growing Part of the Economy](#) (Washington, DC: Fiscal Policy Institute, 2012).

⁷ Partnership for a New American Economy, [“Map the Impact of Immigrants Across America: Arizona”](#) (New York: Partnership for a New American Economy, 2013).

⁸ Office of Foreign Labor Certification, [Annual Report: October 1, 2010 – September 30, 2011](#) (Washington, DC: U.S. Department of Labor, 2012).

⁹ U.S. Census Bureau, [“State & County Quick Facts: Arizona”](#) (Washington, DC: U.S. Department of Commerce, 2011).

¹⁰ Frederick R. Treyz, Corey Stottlemeyer, and Rod Motamedi, [“Key Components of Immigration Reform: 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).

¹¹ Ibid.

¹² Neil G. Ruiz, Jill H. Wilson, and Shyamali Choudhury, [The Search for Skills: Demand for H-1B Immigrant Workers in U.S. Metropolitan Areas](#) (Washington, DC: The Brookings Institution, 2012).

¹³ Ibid.

¹⁴ Partnership for a New American Economy, [“Map the Impact of Immigrants Across America: Arizona”](#) (New York: Partnership for a New American Economy, 2013).

¹⁵ Ibid.

¹⁶ Joseph Treviño, [“Tucson’s 12th Avenue, mecca of ethnic stores, due face-lift”](#) (Tucson, Arizona: *Arizona Daily Star*, June 5, 2013).

¹⁷ Darren DaRonco, [“Tucson becomes an ‘Immigrant Welcoming City’”](#) (Tucson, Arizona: *Arizona Daily Star*, July 12, 2013).

¹⁸ City of Tucson, [“Tucson an Immigrant Welcoming City”](#) (Tucson, Arizona: City of Tucson).

¹⁹ Yoohyun Jung, [“Tucson launches new web portal of resources for immigrants”](#) (Tucson, Arizona: *Arizona Public Media*, August 15, 2013).

²⁰ Curt Prendergast, “[City resolves to welcome immigrants](#)” (Nogales, Arizona: *Nogales International*, July 12, 2013).

Immigrant Entrepreneurs in:

Arizona

*In 2010, new immigrant
business owners generated*

**\$2.2
billion**

in revenues



50,706

*immigrants became new business
owners in Arizona between
2006-2010*

19.6%

*of business owners in
Arizona are immigrants*

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