

CALIFORNIA:

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

In California, 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 California's economy.

- From 2006 to 2010, there were 676,537 new immigrant business [owners](#) in California,¹ and in 2010, 33.4 [percent](#) of all business owners in California were foreign-born.² Furthermore, from 2007 to 2011, immigrants in California founded around 45 percent of all new businesses in the state, while 36.6 [percent](#) of business owners in California in 2011 were immigrants.³
- In 2010, new immigrant business owners⁴ had total net business [income](#) of \$34.3 billion, which is 28.1 percent of all net business income in the state.⁵
- California is home to many successful immigrant-founded companies, [including](#) Fortune 500 companies such as Yahoo!, eBay, Google, and Qualcomm.⁶ Such companies employ hundreds of thousands of people and bring in billions of dollars in revenue each year.
- California is a hotbed for startups, and high-skilled immigrant entrepreneurs and foreign-born workers contribute significantly to the success of these companies. From 1995 to 2005, over 52 [percent](#) of startup companies in Silicon Valley had at least one immigrant founder.⁷
- Several California metro areas have relatively high levels of immigrant business ownership relative to the foreign-born share of their populations.
 - In 2010, of the California metro areas that are among the 25 largest U.S. metropolitan areas by total population, the foreign-born share of business owners was 44 [percent](#) in Los Angeles (second only to Miami), 35 percent in San Francisco, 31 percent in Riverside, 32 percent in San Diego, and 18 percent in Sacramento.⁸ In each case, the immigrant business ownership rate was higher than the particular metro area's foreign-born share of total population.

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

- Immigrants contribute to California's economic growth and competitiveness by earning patents on new research, products, and ideas. Over 76 percent of patents from the University of California system in 2011 had at least one foreign-born inventor. These patents from 2011 amount to \$104.4 million in University of California system licensing and royalty [revenues](#).⁹
- In 2011, the U.S. Department of Labor certified 57,033 H-1B labor certification [applications](#) in California, with an average annual wage of \$79,093,¹⁰ which is higher than California's median household [income](#) of \$61,632 or per capita income of \$29,634.¹¹
- An [expansion](#) of the high-skilled visa program would create an estimated 64,000 new jobs in California by 2020.¹² By 2045, this expansion would [add](#) around \$23 billion to Gross State Product and increase personal income by more than \$20.3 billion.¹³ The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Los Angeles-Long Beach-Santa Ana metropolitan area had 18,048 H-1B high-skilled visa [requests](#) in 2010-2011, with 52 percent of H-1B visa-holders working in science, technology, engineering, and mathematics (STEM) occupations.¹⁴ Major employers with a need for H-1B high-skilled workers include the University of California at Los Angeles, Larsen & Toubro Infotech, and the University of Southern California.
 - The Riverside-San Bernardino-Ontario metropolitan area had 1,172 H-1B high-skilled visa [requests](#) in 2010-2011, with 47.6 percent of H-1B visa-holders working in STEM occupations.¹⁵ Major employers with a need for H-1B high-skilled workers include Environmental Systems Research Institute Inc. (ESRI), the University of California at Riverside, and Loma Linda University.
 - The Sacramento-Arden-Arcade-Roseville metropolitan area had 1,759 H-1B high-skilled visa [requests](#) in 2010-2011, with 83.5 percent of H-1B visa-holders working in STEM occupations.¹⁶ Major employers with a need for H-1B high-skilled workers include Intel Corporation and the University of California at Davis.
 - The San Diego-Carlsbad-San Marcos metropolitan area had 4,529 H-1B high-skilled visa [requests](#) in 2010-2011, with 79.6 percent of H-1B visa-holders working in STEM occupations.¹⁷ Major employers with a need for H-1B high-skilled workers include Qualcomm Incorporated and the University of California at San Diego.

- o The San Francisco-Oakland-Fremont metropolitan area had 16,333 H-1B high-skilled visa [requests](#) in 2010-2011, with 75.5 percent of H-1B visa-holders working in STEM occupations.¹⁸ Major employers with a need for H-1B high-skilled workers include Google Inc., Oracle America Inc., Microsoft Corporation, Symantec Corporation, and the University of California at San Francisco.
- o The San Jose-Sunnyvale-Santa Clara metropolitan area had 14,926 H-1B high-skilled visa [requests](#) in 2010-2011, with 86.9 percent of H-1B visa-holders working in STEM occupations.¹⁹ Major employers with a need for H-1B high-skilled workers include Apple Inc., Yahoo! Inc., Ebay Inc., Intel Corporation, and VMware Inc.

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 towns across California, such as Santa Maria and Oakley, immigrant family-owned small businesses contribute to the economy and 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.
 - o In the Williams Brothers shopping center on Santa Maria's [main street](#), Abad Barrera's Carniceria El Amigo offers a wide variety of beef, pork, and poultry products, and also includes a grocery and restaurant.²⁰
 - o In Oakley, a collection of immigrant-owned grocery stores, restaurants, salons, bakeries, and craft stores make up a thriving Latino business community along Main Street.²¹ These businesses not only help maintain the vitality of the town, but also serve as a novelty to draw other consumers from further afield and from neighboring towns.

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

- **Oakley, California:** The **You, Me, We = Oakley** [program](#), situated in the Sacramento-San Joaquin River Delta north east of the Bay Area, seeks to "enhance understanding, trust, relationships, integration, participation and cooperation among all residents of Oakley in order to build a more vibrant and cohesive community that lives up to the commitment for Oakley to truly be 'a place for families in the heart of the Delta'." The program seeks to "increase a spirit of mutual respect among all Oakley residents, increase civic participation, and create a more welcoming community here in Oakley."²²
 - o You, Me, We = Oakley was [created](#) through collaborations among the City of Oakley, Oakley schools, businesses, congregations, community-based organizations, and is an affiliate of the [Welcoming Cities and Counties](#) initiative of [Welcoming America](#), an organization that promotes cooperation and

communication between immigrants and citizens to help build a nation of neighbors.²³

- Specifically, the [program](#) seeks to encourage integration of immigrants and newcomers in the community. The program seeks to avoid tensions that may arise due to the changing demographics of the town, which is why it encourages the participation and learning of all community members.²⁴
- **Redwood City, California:** The **Redwood City Together** [program](#), also an affiliate of Welcoming America, states that its goal is to “establish a culture of inclusion and mutual support in our community.” In particular, the program aims to “Use the many existing community building events and activities in Redwood City to promote positive interaction between residents from all backgrounds, ages and parts of the community.”²⁵
 - Redwood City Together describes its focus as one in which it “seeks to bring diverse community members together to get to know each other and work together to build an integrated, cohesive community that reflects our shared values and offers opportunities for everyone who works, lives, studies and plays here.”²⁶
- **Santa Clara County and San Jose, California:** The **Immigrant Relations and Integration Services** [program](#) in the San Jose region of the Bay Area is a division of the Office of Human Relations of Santa Clara County. It promotes the “full inclusion of immigrants in Santa Clara County and works on projects that promote positive immigrant relations and integration services.”²⁷
 - In particular, the office [seeks to](#) “improve the lives of immigrants and all residents by recognizing and appreciating the contributions of immigrants, educating all county residents about the backgrounds of and challenges affecting immigrants and fostering a multicultural community.”²⁸
- **Los Angeles, California:** The **Immigrant Integration Partnership** is a [program](#) to “promote citizenship and strengthen immigrant integration efforts in Los Angeles, one of the most diverse cities in the country.”²⁹
 - The [program](#) began as a partnership between the City of Los Angeles and U.S. Citizenship and Immigration Services. Los Angeles Mayor Antonio Villaraigosa described his hope that the program would “make the city more competitive, improve the city’s economy and workforce and give all the city’s inhabitants a voice.”³⁰

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

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- ³ Partnership for a New American Economy, “[Map the Impact of Immigrants Across America: California](#)” (New York: Partnership for a New American Economy, 2013).
- ⁴ 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.
- ⁵ 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).
- ⁶ Partnership for a New American Economy, “[Map the Impact of Immigrants Across America: California](#)” (New York: Partnership for a New American Economy, 2013).
- ⁷ Ibid.
- ⁸ David Dyssegaard Kallick, [Immigrant Small Business Owners: A Significant and Growing Part of the Economy](#) (Washington, DC: Fiscal Policy Institute, 2012).
- ⁹ Partnership for a New American Economy, “[Map the Impact of Immigrants Across America: California](#)” (New York: Partnership for a New American Economy, 2013).
- ¹⁰ Office of Foreign Labor Certification, [Annual Report: October 1, 2010 – September 30, 2011](#) (Washington, DC: U.S. Department of Labor, 2012).
- ¹¹ U.S. Census Bureau, “[State & County Quick Facts: California](#)” (Washington, DC: U.S. Department of Commerce, 2011).
- ¹² 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).
- ¹³ Ibid.
- ¹⁴ 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).
- ¹⁵ Ibid.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ Ibid.
- ¹⁹ Ibid.
- ²⁰ Frank Gonzales, “[A taste of the American dream: carnicerias reach out to new customers as they grow and expand](#)” (Santa Maria, CA: *The Santa Maria Sun*, May 22, 2013).
- ²¹ Hannah Dreier, “Latino shops serve loyal clientele – robust community supports immigrants’ stores that cater to Spanish speakers” (Brentwood, CA: Brentwood News, June 25, 2010).
- ²² You Me We Oakley!, “[About Us](#)” (Oakley, CA: You Me We Oakley! 2012).
- ²³ You Me We Oakley!, “[Who We Are](#)” (Oakley, CA: You Me We Oakley! 2012).
- ²⁴ You Me We Oakley!, “[About Us](#)” (Oakley, CA: You Me We Oakley! 2012).
- ²⁵ Redwood City 2020, “[Redwood City Together](#)” (Redwood City, CA: Redwood City 2020, 2013).
- ²⁶ Ibid.
- ²⁷ Ricardo Gambetta and Zivile Gedrimaite, [Municipal Innovations in Immigrant Integration: 20 Cities, 20 Good Practices](#) (Washington, DC: National League of Cities, 2010).
- ²⁸ Ibid.
- ²⁹ Ibid.
- ³⁰ Ibid.

Immigrant Entrepreneurs in:

California

*In 2010, new immigrant
business owners generated*

**\$34.3
billion**

*in total business
net income*



33.4%

*of business owners in
California are immigrants*

676,537

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

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