

January 2014

#### **CONNECTICUT:**

#### Immigrant Entrepreneurs, Innovation, and Welcoming Initiatives in the Constitution State

In Connecticut, 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 Connecticut's economy.

- From 2006 to 2010, there were 31,320 new immigrant business owners in Connecticut and in 2010, 18.5 percent of all business owners in Connecticut were foreign-born.<sup>2</sup>
- In 2010, new immigrant business owners<sup>3</sup> had a total net business income of \$2 billion, which is 15 percent of all net business income in the state.<sup>4</sup>
- Connecticut is home to many successful companies with at least one founder who was an immigrant or child of an immigrant, <u>including</u> United Technologies Corporation, Pitney Bowes, General Electric, and Terex. Those four companies together employ over 550,600 people and bring in over \$217 billion in revenue each year.

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

- Immigrants contribute to Connecticut's economic growth and competitiveness by earning degrees in science, technology, engineering, and mathematics (STEM) fields from the state's research universities. In 2009, around 38 percent of STEM graduates earning masters or PhD degrees from these universities were foreign-born, and 68 percent of graduates earning PhDs in engineering in Connecticut were not born in the U.S.<sup>7</sup>
- In 2011, the U.S. Department of Labor certified 5,271 H-1B high-skilled visa labor certification <u>applications</u> in Connecticut, with an average annual wage of \$72,199, which is within range of Connecticut's median household <u>income</u> of \$69,519, but higher than its per capita income of \$37,807.
- An <u>expansion</u> of the high-skilled visa program would create an estimated 6,600 new jobs in Connecticut by 2020. By 2045, this expansion would <u>add</u> around \$2.2 billion to

Gross State Product and increase personal income by more than \$2 billion.<sup>11</sup> The following are <u>examples</u> of metropolitan area demand for high-skilled foreign-born workers.

O The Hartford-West Hartford-East Hartford metropolitan area had 1,761 H-1B visa requests in 2010-2011, with 74.5 percent of H-1B visa-holders working in STEM occupations. <sup>12</sup> Major employers with a need for H-1B high-skilled workers include the University of Connecticut, Larsen & Toubro Infotech Limited, Cognizant Technology Solutions, Infosays Technologies Limited, and Sagarsoft Inc.

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

- Immigrant entrepreneurs not only contribute to large innovative companies, but also to small businesses in local communities. In cities across Connecticut, 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 Hartford, Connecticut's capital city, immigrants have been starting businesses since the city's <u>founding</u>. <sup>13</sup> From taco truck owners, to Asian grocers, to barbers from Bosnia, immigrant entrepreneurs and small business owners are helping to spark a <u>revival</u> in Hartford. <sup>14</sup>
  - o Hartford's <u>Park Street neighborhood</u>, an approximately two-mile retail corridor running from Main Street to Prospect Avenue, contains a mix of restaurants, bodegas, clothing boutiques, grocery stores, jewelry stores, and other retail and service providers, many of which are immigrant-owned and operated. <sup>15</sup>
- In Danbury, the city's Main Street and side roads are lined with <u>immigrant-owned businesses</u>, particularly from Central and South American points of origin. <sup>16</sup> Locals have <u>observed</u> that "immigrant-owned businesses have helped the downtown survive at a time when many storefronts were empty." <sup>17</sup>
  - O Luis Diaz, from Guatemala, opened Ortega's Restaurant in downtown Danbury in 2012. Diaz says his restaurant specializes in many types of food to cater to Danbury's diverse population. "We want to try to attract different people, like Americans, Spanish[-speaking] people, all different cultures. We have a little mix of everything," he said. 18
- In Norwich, immigrant-owned restaurants representing a breadth of national cuisines are representative of the city's past and present immigration history. Bill Stanley, president of the Norwich Historical Society, said that these businesses "helped define the city" in the past, and "today, in many respects...it's happening still." <sup>19</sup>

- o In downtown Norwich, visitors can find "Peruvian, Pan-Asian, Irish and Italian cuisine all within walking distance," Patrick McCormack of Uncas Health District stated. "You don't have to drive to a certain section to get a certain kind of food." <sup>20</sup>
- O The *Norwich Bulletin* noted in 2007 that there is "a new wave of immigrant-owned businesses, run by families, springing up. It is especially apparent in the growing number of Chinese, Spanish, and Haitian-owned businesses in Norwich...These businesses can be the engine that helps Norwich continue to grow strong."<sup>21</sup>

## In Connecticut, localities have begun recognizing and supporting immigration through "welcoming" and integration initiatives.

- The American Place, an initiative of the <u>Hartford Public Library</u> and an affiliate of <u>Welcoming America</u>, <sup>22</sup> is "designed to welcome immigrants and facilitate their transition into their new home city." <sup>23</sup>
  - The program <u>provides</u> services such as English and citizenship classes, resources for studying, and assistance with accessing immigration information. The Cultural Navigators program recruits and trains volunteers to mentor and tutor newcomers.<sup>24</sup>
  - O The White House <u>recognized</u><sup>25</sup> the work of The American Place by honoring its director, Homa Naficy, who herself is an immigrant from Iran, as a White House <u>Champion of Change</u> in June of 2013. The recognition spotlights the positive work Naficy and her initiative are doing for immigrant integration in the Hartford community.
- **International Hartford**, <u>formed in 2013</u>, <sup>27</sup> exists to support immigrant-owned businesses. Specifically, the <u>organization</u> assists immigrants, refugees, and their children start and expand businesses. <sup>28</sup>
  - o International Hartford helps potential immigrant entrepreneurs overcome barriers to <u>starting a business</u>. <sup>29</sup> Milagros S. Cruz, Chair of the International Hartford board, <u>notes</u> that the organization strives to partner with immigrants wanting to start a business, help new and existing entrepreneurs navigate red tape, determine best ways to access credit, as well as other services. <sup>30</sup>
  - O At the organization's kickoff event in October 2013, Hartford's mayor <u>stated</u> that Hartford is and "will continue to be a city of immigrants. It is immigrants that have basically built the city." Additionally, Art Feltman, Executive Director of International Harford, <u>said</u>, "One of the things that we think that immigrants can help Hartford with is to create those trade links both for import and export that we're not experiencing right now."

O The *Hartford Courant* described International Hartford as a great idea, "one that can promote commerce downtown and in the neighborhoods where business is dearly needed. And if it building on itself, if Hartford gets a reputation as a place that is friendly to immigrant businesses, who knows? The entrepreneur with a taco truck may smooth the path for a niece or nephew who starts a software company. An entrepreneur in Hartford might open trade with his or her home country."

#### **Endnotes**

<sup>1</sup> Robert W. Fairlie. Open for Rusiness: How

<sup>2</sup> Ibid.

<sup>6</sup> Ibid.

<sup>&</sup>lt;sup>1</sup> 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).

<sup>&</sup>lt;sup>3</sup> 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.

<sup>&</sup>lt;sup>4</sup> 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).

<sup>&</sup>lt;sup>5</sup> Partnership for a New American Economy, "Map the Impact of Immigrants Across America: Connecticut" (New York: Partnership for a New American Economy, 2013).

<sup>&</sup>lt;sup>7</sup> Partnership for a New American Economy, "<u>Map the Impact of Immigrants Across America: Connecticut</u>" (New York: Partnership for a New American Economy, 2013).

<sup>&</sup>lt;sup>8</sup> Office of Foreign Labor Certification, <u>Annual Report: October 1, 2010 – September 30, 2011</u> (Washington, DC: U.S. Department of Labor, 2012).

<sup>&</sup>lt;sup>9</sup> U.S. Census Bureau, "State & County Quick Facts: Connecticut" (Washington, DC: U.S. Department of Commerce, 2011).

<sup>&</sup>lt;sup>10</sup> 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).

<sup>11</sup> Ibid.

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Daniela Altimari, "Group aims to mobilize immigrant entrepreneurs: International Hartford will act as clearinghouse" (Hartford, CT: *The Hartford Courant*, October 10, 2013).

<sup>&</sup>lt;sup>15</sup> Kenneth R. Gosselin, "<u>Park Street Life: Hartford's Hispanic thoroughfare has retail vibrancy Downtown longs for</u>" (Hartford, CT: *The Hartford Courant*, May 8, 2010).

Robert Gold and Mark Langlois, "Going into Business" (Danbury, CT: *The News-Times*, April 30, 2006).

<sup>&</sup>lt;sup>17</sup> Dirk Perrefort, "Moving downtown Danbury forward" (Danbury, CT: *The News-Times*, July 25, 2012).

<sup>&</sup>lt;sup>18</sup> Neena Satija, "For Danbury, immigrants are key to downtown renaissance" (Hartford, CT: WNPR News, July 31, 2012).

<sup>&</sup>lt;sup>19</sup> Adam Bowles, "Ethnic eateries settle in Norwich" (Norwich, CT: *Norwich Bulletin*, February 22, 2007).

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Norwich Bulletin, "Our view: immigrant families fuel Norwich" (Norwich, CT: *Norwich Bulletin*, February 22, 2007)

<sup>&</sup>lt;sup>22</sup> Welcoming America, "Our Affiliates" (Atlanta, GA: Welcoming America, 2013).

<sup>&</sup>lt;sup>23</sup> Hartford Public Library, "Immigration and Citizenship" (Hartford, CT: Hartford Public Library, 2014).

<sup>&</sup>lt;sup>24</sup> Ibid

<sup>&</sup>lt;sup>25</sup> Chloe Miller, "<u>Hartford Library employee to be honored as 'Champion of Change' at White House</u>" (Hartford, CT: *The Hartford Courant*, June 10, 2013).

The White House, "<u>Homa Naficy</u>" (Washington, D.C.: The White House, 2013).

<sup>&</sup>lt;sup>27</sup> Harriet Jones, "Hartford boosts immigrant entrepreneurs" (Hartford, CT: WNPR News, October 11, 2013).

<sup>30</sup> Harriet Jones, "<u>Hartford boosts immigrant entrepreneurs</u>" (Hartford, CT: WNPR News, October 11, 2013).

<sup>&</sup>lt;sup>28</sup> International Harford, "Project Plan" (Hartford, CT: International Hartford, 2013).

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<sup>&</sup>lt;sup>33</sup> The Hartford Courant, "Giving immigrant entrepreneurs a helping hand: International Harford aims to help new businesses" (Hartford, CT: The Hartford Courant, November 11, 2013).

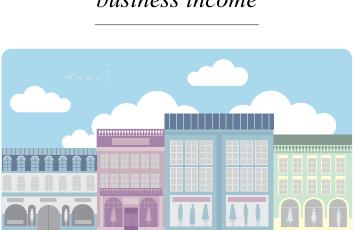
Immigrant Entrepreneurs in:

# Connecticut

In 2010, new immigrant business owners generated

## \$2 billion

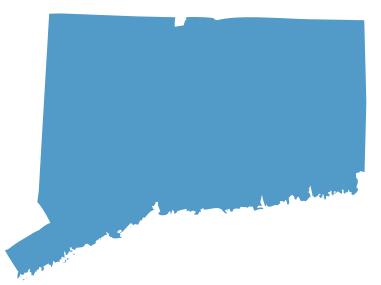
in total net business income



31,320

immigrants became new business owners in Connecticut between 2006-2010

Read more at ImmigrationPolicy.org



18.5%

of business owners in Connectictut are immigrants

