

February 2014

HAWAII:

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

In Hawaii, there is no doubt that immigrant entrepreneurs and innovators play an important role. Immigrant entrepreneurs bring in additional revenue, create jobs, and contribute 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 to Hawaii's economy.

- From 2006 to 2010, there were 15,997 new immigrant business [owners](#) in Hawaii,¹ and in 2010, [23.2 percent](#) of all business owners in Hawaii were foreign-born.²
- In 2010, new immigrant business owners³ had a total net business [income](#) of \$772 million, which is 19.8 percent of all net business income in the state.⁴
- Hawaii is home to successful companies with at least one founder who was an immigrant or child of an immigrant, [including](#) well-known companies such as Foodland.⁵ Foodland, founded by Irish immigrant Maurice J. "Sully" Sullivan, is a family-owned supermarket chain, and the largest locally-owned chain of grocery stores in Hawaii, with more than [2,500 employees](#)⁶ and over [\\$190 million](#) in annual revenue.⁷ Foodland has also [contributed](#) millions of dollars in educational supplies to Hawaiian schools.⁸
 - Sullivan's daughter, Jenai Sullivan Wall, in addition to serving as chairman and CEO of Foodland, currently runs the [Sullivan Family of Companies](#), a supermarket, retailer, and restaurant franchiser based in Honolulu. Although various businesses fall under the Sullivan Family of Companies umbrella, each are run separately and include Foodland, Malama Market, Lahaina Farms, EZ Discount Store, Whalers General Store, Lamont's Gift Shops and Sundries, among others.⁹

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

- Immigrants contribute to Hawaii'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 [30 percent](#) of STEM graduates from the state's research-intensive universities were foreign-born, and almost 75 percent of graduates

earning PhDs in engineering in Hawaii were not born in the U.S.¹⁰

- In 2011, the U.S. Department of Labor certified 461 H-1B labor certification [applications](#) in Hawaii, with an average annual wage of \$62,867,¹¹ which is less than Hawaii's median household [income](#) of \$67,492, but higher than its per capita income of \$29,227.¹²
- An [expansion](#) of the high-skilled visa program would create an estimated 800 new jobs in Hawaii by 2020.¹³ By 2045, this expansion would [add](#) around \$487 million to Gross State Product and increase personal income by more than \$439 million.¹⁴ The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Honolulu metropolitan area had 575 H-1B high-skilled visa [requests](#) in 2010-2011, with 37.9 percent of H-1B visa-holders working in STEM occupations.¹⁵ A major employer with a need for H-1B high-skilled workers includes the University of Hawaii.

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

- Vinod Veedu, originally from India, came to the United States on a student visa. In 2006, Oceanit, one of Hawaii's major science and engineering companies, [hired](#) Veedu as a nanotechnology specialist through the H-1B high-skilled visa program.¹⁶ He later became a permanent resident and is now the [senior nanotechnology engineer](#) at Oceanit, holding over a dozen patents in nanotechnology.¹⁷
 - Veedu, along with other colleagues, [contribute to their community](#) by encouraging stronger science, technology, engineering, and math (STEM) education in local schools. He has coached robotics students at Moanalua High School and hosted "Weird Science with Dr. V," a five-minute segment every Tuesday morning on Hawaii News Now's morning television news program.¹⁸
- Peter Crouch, originally from England, has [served](#) as the Dean of the College of Engineering at the University of Hawaii at Manoa since 2006.¹⁹ According to Crouch, 27 percent of the graduate students in the College of Engineering at the University of Hawaii are foreign-born. "It's an interesting situation because clearly the country needs talented science and engineering folks," Crouch [told](#) the *Honolulu Star-Advertiser*.²⁰
- In addition to immigrant innovators, immigrant entrepreneurs not only contribute to large innovative companies, but to small business formation in local communities. In cities and towns throughout the Hawaiian Islands, 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 Kahului, Tam Ah Fook, an immigrant from China, [started](#) in 1917 what became Ah Fook's Supermarket. Over the decades, the store became "a gathering place for locals seeking groceries, produce, bentos, fresh fish, bakery products,

cut flowers and Asian specialties.” Although the store has moved locations over the years, it remains open in a space along Kaahumanu Avenue.²¹

- o In Honolulu, Richard Chan, an immigrant from Hong Kong, owns and operates I Love Country Café, which has three locations with around 200 employees.²² Chan also looks for other business opportunities. One of his other businesses includes Pacific Basin Airport Maintenance, which at one time had a contract to clean jet ways at Honolulu International Airport.²³
- o Also in Honolulu, Hyo Kyu Lim, originally from Korea, [started](#) the Palama Supermarket, which carries an assortment of Korean foods and products.²⁴ Lim started the [business](#) in 1987, and he also runs a wholesale business selling Korean products to restaurants and other retail stores.²⁵

In Hawaii, some localities are recognizing and supporting immigration through local “welcoming” and integration initiatives.

- The State of Hawaii Office of Community Services in 2012 began laying the groundwork for its [New Day program](#) designed to focus on the needs of immigrants coming to Hawaii. The New Day program’s goal is to help improve the lives of immigrants and assist them in becoming productive members of society.²⁶ Additional components of the New Day program include financial literacy programs and legal services.
 - o [Community Resource Centers](#) around the state are the primary feature of the New Day program. These centers are designed to provide access for immigrants to navigate “the wide array of Federal, State and local and private-sector services that promote economic self-sufficiency and social adjustment.”²⁷
 - o As of November 2013, centers had [opened](#) on three islands in Kalihi and Ewa Beach on Oahu, Kapaa on Kauai, and Hilo on Hawaii. The centers are housed and operated by non-profit agencies.²⁸
 - o According to the *Honolulu Star-Advertiser*, the [centers](#) “will offer an entry point to employment and training programs, English language lessons, citizenship classes, financial literacy, acculturation and health services. The goal is to help newcomers take full part in the economic, civic and cultural life of the islands.”²⁹
- In Honolulu, the [Pacific Gateway Center](#) helps immigrants, refugees, and others gain access to opportunities and services through building skills that lead to self-sufficiency.³⁰
 - o One area in which the Pacific Gateway Center [works](#) is in the development of social enterprises “to support job training and entrepreneurship” for clients and the community, as well as support in small business start-ups. The Center also offers bilingual services in a variety of languages, as well as English as a Second Language courses.³¹

- o Within their [social enterprise](#) work, the Pacific Gateway Center “has incubator sites for fledgling entrepreneurs that are sources of job training and job creation.” Additionally, the Center’s Culinary Kitchen Incubator “houses 11 Department of Health certified professional preparation and baking kitchens and storage in Kalihi that encourage food-related start-ups that benefit countless markets and retail outlets.”³²
- The [Local and Immigrant Farmer Education](#) (LIFE) program, part of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, has a variety of programs for farmers. One focus of the program is working with immigrant farmers.³³
 - o In particular, the program has worked with Southeast Asian [farmers](#) in Hawaii whose “small acreage, remote locations and limited English language skills may make it difficult for them to connect with Hawaii growers.” The LIFE program provides one-on-one interaction with individual farmers “to diagnose problems with their crops or soil.” Participants also learn how to deal with small business taxes and other issues.³⁴

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: Hawaii”](#) (New York: Partnership for a New American Economy, 2013).

⁶ Foodland Super Market, [“About Us”](#) (Honolulu, HI: Foodland Super Market, Ltd., 2014).

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

⁸ Ibid.

⁹ Sullivan Family of Companies, [“Sullivan Family of Companies”](#) (Honolulu, HI: Sullivan Family of Companies, 2009).

¹⁰ Partnership for a New American Economy, [“Map the Impact of Immigrants Across America: Hawaii”](#) (New York: Partnership for a New American Economy, 2013).

¹¹ Office of Foreign Labor Certification, [Annual Report: October 1, 2010 – September 30, 2011](#) (Washington, DC: U.S. Department of Labor, 2012).

¹² U.S. Census Bureau, [“State & County Quick Facts: Hawaii”](#) (Washington, DC: U.S. Department of Commerce, 2011).

¹³ 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).

¹⁴ Ibid.

¹⁵ 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).

¹⁶ Susan Essoyan, [“Isle employers favor increase in visas for skilled workers”](#) (Honolulu, HI: Honolulu Star-Advertiser, July 8, 2013).

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- ¹⁸ Susan Essoyan, "[Isle employers favor increase in visas for skilled workers](#)" (Honolulu, HI: *Honolulu Star-Advertiser*, July 8, 2013).
- ¹⁹ UH Manoa College of Engineering, "[Peter Crouch](#)" (Honolulu, HI: UH Manoa College of Engineering, 2012).
- ²⁰ Susan Essoyan, "[Isle employers favor increase in visas for skilled workers](#)" (Honolulu, HI: *Honolulu Star-Advertiser*, July 8, 2013).
- ²¹ Christie Wilson, "[Building boom](#)" (Honolulu, HI: *Honolulu Star-Advertiser*, September 8, 2013).
- ²² Nakaso Dan, "If you love a country café?" (Honolulu, HI: *Honolulu Advertiser*, October 9, 2002).
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- ²⁴ Gordon Y. K. Pang, "[From Korea to Ke'eaumoku](#)" (Honolulu, HI: *Honolulu Advertiser*, October 16, 2005).
- ²⁵ James Gonser, "[Korean grocer to expand reach](#)" (Honolulu, HI: *Honolulu Advertiser*, December 17, 2001).
- ²⁶ State of Hawaii, "[New Day Programs](#)" (Honolulu, HI: State of Hawaii, 2014).
- ²⁷ Ibid.
- ²⁸ Susan Essoyan, "[State opens immigration centers on 3 islands](#)" (Honolulu, HI: *Honolulu Star-Advertiser*, November 7, 2013).
- ²⁹ Ibid.
- ³⁰ Pacific Gateway Center, "[About](#)" (Honolulu, HI: Pacific Gateway Center, 2013).
- ³¹ Ibid.
- ³² Pacific Gateway Center, "[Hawaii Social Enterprise](#)" (Honolulu, HI: Pacific Gateway Center, 2013).
- ³³ University of Hawaii, "[Local and Immigrant Farmer Education](#)" (Honolulu, HI: University of Hawaii, 2012).
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Immigrant Entrepreneurs in:

Hawaii

*In 2010, new immigrant
business owners generated*

**\$771.7
million**

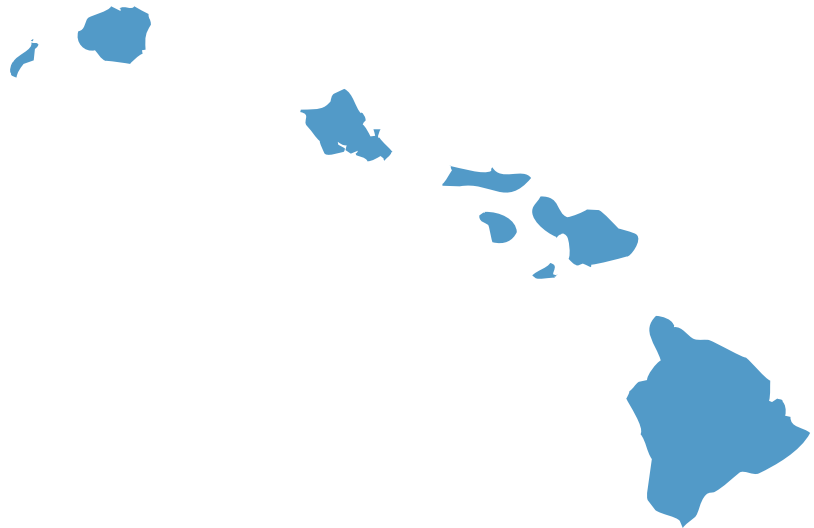
*in total net
business income*



23.2%

*of business owners in
Hawaii are immigrants*

Read more at ImmigrationPolicy.org



15,997

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

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