

IOWA:

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

In Iowa, 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 Iowa's economy.

- From 2006 to 2010, there were 4,823 new immigrant business [owners](#) in Iowa,¹ and in 2010, 3.1 percent of all business owners in the state were foreign-born.²
- In 2010, new immigrant business owners³ had a total net business income of \$215.8 million, which is 2.8 percent of all net business [income](#) in the state.⁴

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

- High-skilled immigrant workers contribute to the success of many Iowa-based companies and institutions with a significant presence in the state, [including](#) Aviva USA Corporation, UST Global Inc., NCS Pearson Inc., the University of Iowa, Tejase Technologies Inc., and Rockwell Collins Inc.⁵
- In 2011, the U.S. Department of Labor [certified](#) 2,089 H-1B labor certification applications in Iowa, with an average annual wage of \$66,422,⁶ which is higher than Iowa's median household [income](#) of \$50,451 or per capita income of \$26,110.⁷
- An [expansion](#) of the high-skilled visa program would create an estimated 3,200 new jobs in Iowa by 2020.⁸ By 2045, this expansion would [add](#) around \$1.2 billion to Gross State Product and increase personal income by more than \$1 billion.⁹ The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Des Moines metropolitan area had 767 H-1B high-skilled visa [requests](#) in 2010-2011, with 79.9 percent of H-1B visa-holders working in science, technology, engineering, and mathematics (STEM) occupations.¹⁰
 - The Iowa City metropolitan area had 320 H-1B high-skilled visa [requests](#) in 2010-2011, with 59.2 percent of H-1B visa-holders working in STEM occupations.¹¹

- o The Cedar Rapids metropolitan area had 252 H-1B high-skilled visa [requests](#) in 2010-2011, with 80.6 percent of H-1B visa-holders working in STEM occupations.¹²

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

- In Marshalltown and similar Iowa communities, immigrants are [bringing](#) new life to small towns that might otherwise have begun withering away. Marshalltown's Chamber of Commerce, in particular, is actively trying to recruit additional members from immigrant-owned businesses.¹³
- In the southeast Iowa town of Ottumwa, Jose Rodas and Elsa Urrutea are [examples](#) of new immigrant business owners. Rodas, who originally came to Iowa to work for Cargill, recently opened his own tortilla shop. His *tortilleria* is one of 25 new Latino-owned businesses in the town. Urrutea, who grew up homeless in El Salvador, now owns her own bakery in Ottumwa.¹⁴
- In small towns such as Ottumwa, immigrant entrepreneurs have [opened](#) small "mom-and-pop" retail establishments, restaurants, auto repair shops, and even *pupuserias* (which make the Salvadoran corn-dough delicacy).¹⁵ Such business establishments foster local interaction and commerce, helping breathe new life into small towns that might otherwise experience decline.

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

- **Welcoming Iowa**, a [project](#) of the **Iowa Immigration Education Coalition**,¹⁶ is a "grassroots effort committed to creating a more welcoming atmosphere in Iowa's communities by [promoting](#) mutual respect and cooperation between foreign born and U.S. born residents."¹⁷
 - o "The ultimate [goal](#) of Welcoming Iowa is to create an atmosphere – community by community – in which immigrants are more likely to integrate into the social fabric of their new hometowns."¹⁸
- **Iowa Center for Immigrant Leadership and Integration**: An [initiative](#) to help guide and prepare Iowa communities and businesses as they accommodate immigrant and refugee newcomers living and working in Iowa.¹⁹
 - o The center provides consultation for community leadership, "conducts research related to issues facing newcomers and communities, develops initiative training programs for business and industry, and educates Iowans concerning the needs, challenges and opportunities of their new immigrant neighbors, co-workers and employees."

- o The Center provides programming that “incorporates a strong appreciation for the critical role newcomers play in ensuring the long-term social and economic vitality of Iowa’s businesses and communities.”

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 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 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).

⁶ Office of Foreign Labor Certification, [*Annual Report: October 1, 2010 – September 30, 2011*](#) (Washington, DC: U.S. Department of Labor, 2012).

⁷ U.S. Census Bureau, [*State & County Quick Facts: Iowa*](#) (Washington, DC: U.S. Department of Commerce, 2011).

⁸ 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).

⁹ Ibid.

¹⁰ 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).

¹¹ Ibid.

¹² Ibid.

¹³ M.E. Sprengelmeyer, [*“Immigration transforms face of nation’s heartland – jobs, security draw workers to rural parts of Iowa.”*](#) *Rocky Mountain News*, June 16, 2007.

¹⁴ Eun Kyung Kim, [*“Hispanics help revive heartland town in Iowa.”*](#) Today.com, April 12, 2013.

¹⁵ Miriam Jordan, [*“Heartland draws Hispanics to help revive small towns.”*](#) *The Wall Street Journal*, November 8, 2012.

¹⁶ Iowa Immigration Education Coalition, [*“Who We Are”*](#) (Des Moines, IA: Iowa Immigration Education Coalition, 2013).

¹⁷ Welcoming Iowa, [*“About”*](#) (Des Moines, IA: Welcoming Iowa, 2012).

¹⁸ Ibid.

¹⁹ Iowa Center for Immigrant Leadership and Integration, [*“Mission Statement”*](#) (Cedar Falls, IA: University of Northern Iowa, 2005).

Immigrant Entrepreneurs in:

Iowa

*In 2010, new immigrant
business owners generated*

**\$215.8
million**

*in total net
business income*



3.1%

*of business owners in
Iowa are immigrants*

4,823

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

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