

MINNESOTA:

Immigrant Entrepreneurs, Innovation, and Welcoming Initiatives in the North Star State

In Minnesota, 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 Minnesota's economy.

- From 2006 to 2010, there were 15,001 new immigrant business owners in Minnesota¹ and in 2010, [5.7 percent](#) of all business owners in Minnesota were foreign-born.²
- In 2010, new immigrant business owners³ had a total net business income of \$772 million, which is [5.1 percent](#) of all net business income in the state.⁴
- Minnesota is home to many successful companies with at least one founder who was an immigrant or child of an immigrant, [including](#) Mosaic, Medtronic, Alliant TechSystems, and Life Time Fitness.⁵ Those four companies together employ over 90,000 people and bring in over \$33 billion in revenue each year.⁶
 - Additionally, the Minnesota Chamber of Commerce [reports](#) additional examples of immigrant-founded businesses in Minnesota, including Rani Engineering, GCI Systems (now part of GSS Infotech), and Tempo Creative Consultants.⁷

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

- Immigrants contribute to Minnesota'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 [40 percent](#) of STEM graduates earning masters or PhD degrees from these universities were foreign-born, and almost 58 percent of graduates earning PhDs in engineering in Minnesota were not born in the U.S.⁸

- In 2011, the U.S. Department of Labor certified 5,260 H-1B high-skilled visa labor certification [applications](#) in Minnesota, with an average annual wage of \$65,022,⁹ which is higher than Minnesota's median household [income](#) of \$58,476 or per capita income of \$30,310.¹⁰
- An [expansion](#) of the high-skilled visa program would create an estimated 7,100 new jobs in Minnesota by 2020.¹¹ By 2045, this expansion would [add](#) around \$2.9 billion to Gross State Product and increase personal income by more than \$2.5 billion.¹² The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Minneapolis-St. Paul-Bloomington metropolitan area had 4,199 H-1B visa [requests](#) in 2010-2011, with 80.8 percent of H-1B visa-holders working in STEM occupations.¹³ Major employers with a need for H-1B high-skilled workers include the University of Minnesota, Cummins Inc., and Deloitte Consulting.
 - The Rochester metropolitan area had 278 H-1B visa [requests](#) in 2010-2011, with 57.8 percent of visa-holders working in STEM occupations.¹⁴ A major employer included the Mayo Clinic.

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 Minnesota, 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.
 - A 2011 [report from Minnesota 2020](#) notes that “new residents to Minnesota are reviving commercial property in communities throughout the state and are starting businesses...along main streets and in shopping malls in Austin, Albert Lea, Rochester, Worthington, Willmar, Crookston, Moorhead, and small cities surrounding these rural marketing and manufacturing cities.”¹⁵
 - According to a 2013 [report](#) from the Minnesota Chamber of Commerce, “immigrant entrepreneurs have transformed commercial corridors such as University Avenue in Saint Paul and Lake Street in Minneapolis, and are an established presence in smaller cities including Willmar, Austin, Worthington, and Faribault-Northfield.”¹⁶
- In Minneapolis and Saint Paul, several examples of marketplaces serve as opportunity centers for immigrant entrepreneurs. The Hmong immigrant and refugee community has opened shops and restaurants in the Hmong Town Marketplace and the Hmong Village developments, both in Saint Paul. Additionally, Midtown Global Market, in Minneapolis, contains a diverse array of international offerings.
 - Hmong Town Marketplace, along Como Avenue in Saint Paul, [hosts](#) over 200

retail and service shops and offices indoors and another 150 vendors selling their wares in an open air marketplace. Items for sale range from arts and crafts, to clothing and locally grown Hmong produce from area farmers.¹⁷

- Hmong Village, near the intersection of Phalen Boulevard and Johnson Parkway in Saint Paul, contains around [320 retailers](#), restaurateurs and other service operators. The shopping center's owners said at least 300 of these businesses "could be called new entrepreneurs with start up companies." Tenants include 241 general merchandise retailers, 42 offices for professional and other services, 17 restaurants, and three different sellers of pre-packaged food.¹⁸
- Midtown Global Market, along Lake Street in Minneapolis, offers products from around [53 different business ventures](#) representing people and products from five continents. Vendors include fresh produce, specialty groceries, meats and fish, bakery and confection products, coffees and espressos, flowers and plants, bulk goods, and arts, jewelry, and gift products.¹⁹
- In Willmar, a small town around 100 miles west of Minneapolis, immigrant-owned [businesses](#) include ethnic bakeries; clothing and retail stores; tea and grocery stores; restaurants; auto body shops; and various professional services such as insurance and attorney offices.²⁰ For example, Mohamed Bihi, a refugee from Somalia, [opened](#) Bihi's Shop, a grocery store, in 2003. In 2007, he opened Bihi's Restaurant.²¹
- With approximately 20 percent of the jobs in Minnesota tied to agriculture, [immigrant-owned farms](#) have a growing presence in the state. In particular, immigrant farmers are more likely than native-born farmers to grow and sell specialty crops.²²
 - The University of Minnesota reported in 2011²³ that Hmong farmers in the Twin Cities of Minneapolis and St. Paul produced [23 specialty crops](#) not included in the state crop table. As demand for such specialty items grows, there is a [growing opportunity](#) for immigrant entrepreneurs in farming.²⁴

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

- Across Minnesota and the broader Midwest, local places recognize the importance of immigrant entrepreneurs in their communities. According to the [Chicago Council of Global Affairs](#), "Public and private-sector groups across the region have launched business incubators for immigrant entrepreneurs, sponsored networking opportunities with local employers, and helped skilled immigrants translate their foreign credentials to maximize their economic potential in the United States."²⁵
 - Specifically, the Council [states](#) that "the Midwest cannot hope to keep up with other regions or international competitors without a vital entrepreneurial sector...Immigrants, risk takers by nature, are unusually successful entrepreneurs, more than twice as likely as native-born Americans to start their own firms."²⁶

- Although the Midwest has historically found it difficult to attract and retain new talent, the Council [suggests that](#) the region needs new entrepreneurial energy. They note that “business incubators in immigrant communities, microloan programs, and other initiatives to make credit available can make a difference.”²⁷
- In Minneapolis, the City’s “Hello Neighbor” [initiative](#) is a Neighborhood and Community Relations Department outreach program designed to officially welcome newly arriving immigrants and refugees.²⁸
 - The [program](#) grew out of the City’s core values of encouraging engaged residents and broader participation with a goal of extending these values to newcomers in the community.²⁹
- The Neighborhood Development Center, based in Saint Paul, has worked for 20 years in eight ethnic and 25 low-income neighborhoods in Minnesota, growing support for resident-owned [small business](#) as a strategy for neighborhood revitalization.³⁰
 - A [winner](#) of the Migration Policy Institute’s 2013 E Pluribus Unum prize, which recognizes exceptional immigrant integration initiatives, the Neighborhood Development Center has provided training for more than 4,250 entrepreneurs, including around 1,500 immigrants, and \$10 million in small business financing, almost half of which went to immigrant-owned businesses.³¹
 - According to the Migration Policy Institute, research estimates show that each dollar the Neighborhood Development Center spends results in \$28 [returned](#) to the community through taxes, purchases, and payroll.³²
- The African Development Center (ADC), based in Minneapolis, [works with](#) African immigrant and refugee communities in Minnesota to “grow businesses, build wealth, and increase reinvestment” in their communities.³³
 - ADC is “[dedicated](#) to the economic empowerment and success of African immigrants. Minnesota is home to over one-hundred thousand African immigrants,” many of whom are refugees from African countries. ADC actively works to reduce barriers and create a path for African immigrants to achieve financial success.³⁴
 - The Center provides [workshops](#) and consultations on financial literacy, business development, and home ownership, as well as other culturally competent services to Minnesota’s African community. ADC also conducts micro-lending and micro-financing to support immigrant business startups in Minnesota.³⁵
- In Willmar, local leaders [recognize](#) that immigrant and refugee groups have been “opening up small businesses, filling empty storefronts, paying rent, hiring local people, buying locally, and contributing to the city’s tax base.”³⁶

- o A number of organizations in the area offer microloan programs and microfinancing opportunities for small businesses, including businesses that are immigrant-owned. The Southwest Initiative Foundation and the Willmar Area Multicultural Business Center are two examples of such lending organizations.³⁷
- In Winona, Project FINE (Focus on Integrating Newcomers through Education) is a local [organization](#) that helps newcomers integrate into the community.³⁸
 - o At Project FINE, founded in 1990, staff and volunteers “guide newcomers through community systems, help fill out job applications, give [information](#), make appointments and interpret at various medical and business appointments.”³⁹
 - o Through the organization’s various [services](#), immigrants and newcomers are better able to integrate into the community, learn about the U.S. banking system, find out about the process for purchasing their own homes and understanding the process for becoming a U.S. citizen.⁴⁰

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

⁶ Ibid.

⁷ Bruce P. Corrie and Sarah Radosevich, [The Economic Contributions of Immigrants to Minnesota](#) (Saint Paul, MN: Minnesota Chamber of Commerce, 2013).

⁸ Partnership for a New American Economy, “[Map the Impact of Immigrants Across America: Minnesota](#)” (New York: Partnership for a New American Economy, 2013).

⁹ Office of Foreign Labor Certification, [Annual Report: October 1, 2010 – September 30, 2011](#) (Washington, DC: U.S. Department of Labor, 2012).

¹⁰ U.S. Census Bureau, “[State & County Quick Facts: Minnesota](#)” (Washington, DC: U.S. Department of Commerce, 2011).

¹¹ 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).

¹² Ibid.

¹³ 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).

¹⁴ Ibid.

¹⁵ Lee Egerstrom, [Made in Minnesota 2011: Fertile Ground for Minority Opportunity](#) (Saint Paul, MN: Minnesota 2020, November 2011).

¹⁶ Bruce P. Corrie and Sarah Radosevich, [The Economic Contributions of Immigrants to Minnesota](#) (Saint Paul, MN: Minnesota Chamber of Commerce, 2013).

¹⁷ Lee Egerstrom, [Made in Minnesota 2011: Fertile Ground for Minority Opportunity](#) (Saint Paul, MN: Minnesota

2020, November 2011).

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Tamar Jacoby, [*US Economic Competitiveness at Risk: A Midwest Call to Action on Immigration Reform*](#) (Chicago: The Chicago Council on Global Affairs, 2013).

²¹ Ibid.

²² Bruce P. Corrie and Sarah Radosevich, [*The Economic Contributions of Immigrants to Minnesota*](#) (Saint Paul, MN: Minnesota Chamber of Commerce, 2013).

²³ Lee Egerstrom, [*Made in Minnesota 2011: Fertile Ground for Minority Opportunity*](#) (Saint Paul, MN: Minnesota 2020, November 2011).

²⁴ Bruce P. Corrie and Sarah Radosevich, [*The Economic Contributions of Immigrants to Minnesota*](#) (Saint Paul, MN: Minnesota Chamber of Commerce, 2013).

²⁵ Tamar Jacoby, [*US Economic Competitiveness at Risk: A Midwest Call to Action on Immigration Reform*](#) (Chicago: The Chicago Council on Global Affairs, 2013).

²⁶ Ibid.

²⁷ Ibid.

²⁸ City of Minneapolis, [*“Minneapolis says, ‘Hello Neighbor’ to new immigrants, recent arrivals to the city”*](#) (Minneapolis, MN: City of Minneapolis, 2012).

²⁹ Ibid.

³⁰ Neighborhood Development Center, [*“About”*](#) (Saint Paul, MN: Neighborhood Development Center, 2013).

³¹ Migration Policy Institute, [*“2013 E Pluribus Unum Winner: Neighborhood Development Center”*](#) (Washington, D.C.: Migration Policy Institute, 2013).

³² Ibid.

³³ African Development Center, [*“Mission and History”*](#) (Minneapolis, MN: African Development Center, 2013).

³⁴ Ibid.

³⁵ Ibid.

³⁶ Tamar Jacoby, [*US Economic Competitiveness at Risk: A Midwest Call to Action on Immigration Reform*](#) (Chicago: The Chicago Council on Global Affairs, 2013).

³⁷ Ibid.

³⁸ Project FINE, [*“What is Project FINE?”*](#) (Winona, MN: Project FINE, 2013).

³⁹ Ibid.

⁴⁰ Ibid.

Immigrant Entrepreneurs in:

Minnesota

*In 2010, new immigrant
business owners generated*

**\$772
million**

*in total net
business income*



5.7%

*of business owners in
Minnesota are immigrants*

15,001

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

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