

September 2013

#### **NEW JERSEY:**

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

In New Jersey, 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 New Jersey's economy.

- From 2006 to 2010, there were 101,251 new immigrant business <u>owners</u> in New Jersey, and in 2010, <u>28 percent</u> of all business owners in New Jersey were foreign-born.
- In 2010, new immigrant business owners<sup>3</sup> had a total net business <u>income</u> of \$6.2 billion, which is 22.4 percent of all net business income in the state.<sup>4</sup>
- New Jersey is home to many successful companies with at least one founder who was an immigrant or child of an immigrant, <u>including</u> Honeywell, Merck, Cognizant Technology Solutions, and Goya Foods.<sup>5</sup> These four companies together employ 375,000 people and bring in almost \$92.4 billion in revenue annually.
  - O Secaucus, near Newark, serves as the headquarters for <u>Goya Foods</u>. Don Prudencio Unanue Ortiz and his wife Carolina, both immigrants from Spain, founded Goya in 1936. Today, the company is the largest Hispanic-owned food company in the United States with over 3,500 employees and \$1.5 billion in revenue in 2010.<sup>6</sup>
  - O Goya's many food products are sold in local grocery stores and supermarket chains throughout the United States and many other countries. In 2012, the company broke ground on a new 615,000-square-foot distribution center in nearby Jersey City.<sup>7</sup>

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

• Immigrants contribute to New Jersey's economic growth and competitiveness by earning degrees in science, technology, engineering, and mathematics (STEM) fields from the

state's research universities. In 2009, <u>more than half</u> of STEM graduates from the state's research-intensive universities were foreign-born, and more than two out of three graduates earning PhDs in engineering in New Jersey were not born in the U.S.<sup>8</sup>

- In 2011, the U.S. Department of Labor certified 21,280 H-1B high-skilled visa labor certification <u>applications</u> in New Jersey, with an average annual wage of \$71,184,9 which is higher than New Jersey's median household <u>income</u> of \$71,180 or per capita income of \$35,678.10
- An <u>expansion</u> of the high-skilled visa program would create an estimated 20,000 new jobs in New Jersey by 2020. He by 2045, this expansion would <u>add</u> around \$6.3 billion to Gross State Product and increase personal income by more than \$6.6 billion. The following are <u>examples</u> of metropolitan area demand for high-skilled foreign-born workers.
  - o The New York-Northern New Jersey-Long Island metropolitan area, which includes cities in northern New Jersey such as Newark, Jersey City, Elizabeth, Edison, Paterson, and others, had 52,921 H-1B visa requests in 2010-2011, with 51.6 percent of H-1B visa-holders working in STEM occupations. <sup>13</sup>
  - o The Trenton-Ewing metropolitan area had 2,032 H-1B requests in 2010-2011, with 83.4 percent of visa-holders working in STEM occupations. <sup>14</sup> Major employers include Princeton University, Merrill Lynch, Educational Testing Service, and Bristol-Myers Squibb Company.

#### 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.
  - O In addition to the large immigrant and immigrant-owned business presence in the New York-Northern New Jersey metropolitan area, towns across New Jersey, 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 Plainfield, immigrant entrepreneurs have opened up small businesses in many previously vacant downtown storefronts. Downtown Plainfield has become a "mix of immigrant-owned establishments, a place where mom-and-pops are striving for the American dream." One city administrator noted, "The mom and pops have kept things going."

- O In Plainfield's <u>central business district</u>, West and East Front streets, Park and Watchung avenues, and Second, Fourth, Fifth and Seventh streets are dominated by a variety of immigrant-owned shops, restaurants, and other establishments. One example includes Alejo Alonso, from Colombia, who opened a photography studio with his wife on Park Avenue.<sup>16</sup>
- In Hamilton, east of Trenton, Lilian Mauro, who heads the Latino Business Resource Center, <u>notes</u> that as the area's immigrant population has grown in recent years, so have the number of businesses that cater to Spanish-speaking and bilingual customers.<sup>17</sup>
  - o Ricardo Ramos, an immigrant from Mexico, first opened Mexican Mariachi Grill in the Ewing community in 2010. The family owned <u>restaurant</u> is now a popular dining spot located on Quakerbridge Road in Hamilton. Speaking of the menu, Ramos noted, "The flavors and the ingredients come from many generations in Mexico." 18
- In Bedminster, Greek immigrant Sandy Tsangaroulis <u>founded</u> the Spa at Bedminster in 2001, which now has a base of 4,000 clients and focuses on high-end skin care products and treatments.<sup>19</sup>

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

- In 2009, the New Jersey Governor's **Blue Ribbon Advisory Panel on Immigration** submitted their <u>final report</u> to Governor Corzine. The advisory panel was originally charged with "developing recommendations for a comprehensive and strategic strategy to successfully integrate the rapidly growing immigrant population in New Jersey." <sup>20</sup>
  - The panel <u>stated</u> that it believes "the goal of successfully integrating our immigrant population into our larger community is coterminous with the goal of promoting economic prosperity for all New Jerseyans."<sup>21</sup>
  - o Furthermore, "Immigrants constitute such a large portion of our state's workforce, at every income bracket and every level of education, skill and training, that facilitating the path by which immigrants become full and formal participants in the economic, cultural and social fabric of our state is a functional prerequisite to achieving growth and prosperity for the entire state." <sup>22</sup>
  - O Among a number of suggestions, the Advisory Panel <u>recommended</u> that the state pursue policies of in-state tuition at post-secondary institutions for immigrant students and establish a state Office of Immigrant Affairs to encourage and facilitate immigrant integration. <sup>23</sup>

- o Additionally, the advisory panel stated in their report, "The establishment of more comprehensive national immigration policy is just part of the story. Ture immigrant integration occurs at the local, neighborhood level and that is why it is critical that community-based organizations and local officials be significantly engaged in the integration process."24
- The New Jersey New Americans Program has a mission to "provide resources, guidance, and educational opportunities that will enable New Americans to become economically self-sufficient members of, and make positive contributions to, our communities."25

#### **Endnotes**

<sup>1</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>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).

Partnership for a New American Economy, "Map the Impact of Immigrants Across America: New Jersey" (New York: Partnership for a New American Economy, 2013).

<sup>&</sup>lt;sup>6</sup> Immigrant Learning Center, "Immigrant Entrepreneur Hall of Fame: Don Prudencio Unanue" (Malden, MA: The Immigrant Learning Center, 2011).

<sup>&</sup>lt;sup>7</sup> The Rockefeller Group, "Goya Foods Announces Groundbreaking of New 615,000-Square-Foot Headquarters in Jersey City" (New York: The Rockefeller Group, September 5, 2012).

<sup>&</sup>lt;sup>8</sup> Partnership for a New American Economy, "Map the Impact of Immigrants Across America: New Jersey" (New York: Partnership for a New American Economy, 2013).

<sup>&</sup>lt;sup>9</sup> Office of Foreign Labor Certification, Annual Report: October 1, 2010 – September 30, 2011 (Washington, DC: U.S. Department of Labor, 2012).

<sup>&</sup>lt;sup>10</sup> U.S. Census Bureau, "State & County Quick Facts: New Jersey" (Washington, DC: U.S. Department of Commerce, 2011).

<sup>&</sup>lt;sup>11</sup> Frederick R. Treyz, Corey Stottlemyer, 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). <sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> 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).

<sup>&</sup>lt;sup>15</sup> Jennifer Golson, "Immigrants help energize downtown: Mom-and-pop stores replace vacant storefronts in a oncebustling, diverse center of commerce" (Newark, NJ: The Star Ledger, July 30, 2002).

<sup>&</sup>lt;sup>17</sup> Mike Davis, "Latino population in Hamilton has doubled since 2000" (Trenton, NJ: Times of Trenton, May 10, 2013).

<sup>18</sup> Ibid.

<sup>&</sup>lt;sup>19</sup> Elaine Pofeldt, "Aphrodite comes to America: A Greek tale," Immpreneur: Empowering Immigrant Entrepreneurs, 2013.

<sup>&</sup>lt;sup>20</sup> State of New Jersey, Recommendations for a comprehensive and strategic statewide approach to successfully <u>integrate the rapidly growing immigrant population in New Jersey</u> (Trenton, NJ: State of New Jersey, 2009).

21 Ibid.

<sup>&</sup>lt;sup>22</sup> Ibid.

<sup>&</sup>lt;sup>23</sup> Ibid.

<sup>&</sup>lt;sup>24</sup> Ibid.
<sup>25</sup> New Americans Program, "Our Mission" (Milltown, NJ: New Americans Program, 2013).

Immigrant Entrepreneurs in:

# New Jersey

In 2010, new immigrant business owners generated

\$6.2 billion

> in total net business income



28%

of business owners in New Jersey are immigrants



101,251

immigrants became new business owners in New Jersey between 2006-2010



AMERICAN IMMIGRATION COUNCIL

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