

September 2013

OREGON:

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

In Oregon, 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 Oregon's economy.

- From 2006 to 2010, there were 22,216 new immigrant business <u>owners</u> in Oregon, and in 2010, <u>10.7 percent</u> of all business owners in Oregon were foreign-born.
- In 2010, new immigrant business owners³ had total net business <u>income</u> of \$1.1 billion, which is 9.8 percent of all net business income in the state.⁴
- Oregon is home to successful companies with at least one founder who was an immigrant or child of an immigrant. For example, Sam Schnitzer, an immigrant from Russia, founded Schnitzer Steel.⁵ Today, this company employs over 3,600 people and brings in over \$3.3 billion in revenue each year.
- In 2010, the foreign-born share of business owners was 13 percent in the Portland metropolitan area, where the immigrant business ownership rate was higher than the foreign-born share of the total population.

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

- Immigrants contribute to Oregon'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 35 percent of STEM graduates from the state's research-intensive universities were foreign-born, and greater than 60 percent of graduates earning PhDs in engineering in Oregon were not born in the U.S.
- In 2011, the U.S. Department of Labor certified 2,569 H-1B high-skilled visa labor certification <u>applications</u> in Oregon, with an average annual wage of \$69,503,8 which is higher than Oregon's median household <u>income</u> of \$49,850 or per capita income of \$26,561.9

- An <u>expansion</u> of the high-skilled visa program would create an estimated 3,900 new jobs in Oregon by 2020. By 2045, this expansion would <u>add</u> around \$1.7 billion to Gross State Product and increase personal income by more than \$1.5 billion. The following is an <u>example</u> of a metropolitan area's demand for high-skilled foreign-born workers.
 - o The Portland-Vancouver-Hillsboro metropolitan area had 2,069 H-1B visa requests in 2010-2011, with 82 percent of H-1B visa-holders working in STEM occupations. ¹² Major employers with a need for H-1B high-skilled workers include Intel Corporation, Oregon Health and Science University, and Nike Inc.

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. In cities across Oregon, 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 Portland, entrepreneurial immigrants are filling a culinary niche by serving up a smorgasbord of international cuisine from increasingly popular food carts and food trucks.
 - o Rika Hammond, originally from Thailand, runs Krua Bangkok ("Bangkok Kitchen") food cart, serving Thai cuisine to crowds in downtown Portland, a few blocks from the campus of Portland State University along SW Fourth Avenue. Other immigrant entrepreneurs operate food carts in this neighborhood serving cuisine representative of Vietnam, Hungary, Turkey, Mexico, China, and elsewhere. 13
- Portland is home to many Vietnamese and Korean <u>immigrants</u>, many of whom are small business owners in suburban communities such as Sunnyside, Beaverton, and Lake Oswego.¹⁴ Eastern European and Southeast Asian immigrants and refugees also call Portland home, many of whom start businesses.
 - Refugees from Russia and Ukraine and their children have opened more than 400 businesses in the Portland metro area catering to their communities. Many of these businesses are focused on the banking, real estate, and building industries.
 - O Southeast Asian refugees, such as those from Vietnam, <u>concentrate</u> in suburban communities such as Aloha in the West Hills of Portland, and Happy Valley on the east side of Portland. In these places, "Vietnamese newspapers, radio stations and recording studios, and numerous shops and restaurants that cater to the area's burgeoning Southeast Asian population" are found. ¹⁶

- In Beaverton, west of Portland, immigrants and immigrant <u>entrepreneurs</u> from around the globe have settled in and started businesses. ¹⁷
 - o For example, the Korean immigrant population has reached a size to where there is a demand for ethnic-specific businesses. For <u>example</u>, Korean restaurants and shops concentrate along a stretch of Beaverton-Hillsboro Highway, just east of the city of Beaverton. ¹⁸
- In Cornelius, west of Hillsboro and Beaverton, "a 35,000-square-foot Latino supermarket opened in 2006 when a seventy-one-year-old grocery store reinvented itself for the large Spanish-speaking market."
- Additionally, immigrants and refugees have become farmers of crops from their native countries, and are entrepreneurial by selling their produce in local farmers markets, such as the Portland Farmers Market.²⁰
 - o For example, Hmong refugees are often expert in growing unique crops such as bitter melons, pea tendrils and special types of cucumbers. These were skills garnered while growing up in the Laos hill country.²¹
 - o Chue Fue Herr, a former soldier in Laos, is now a Hmong farmer in Oregon. He feels that "farming is a good way to teach responsibility to his children, whom he brings to the four farmers markets where he sells."²²
 - o Immigrants and refugees from <u>Burma</u>, Bhutan, <u>Nepal</u>, and elsewhere are also participating in farming and becoming entrepreneurial by selling at area farmers markets.²³

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

- State level leaders recognize the importance of welcoming immigrants and cultivating an inclusive environment in Oregon.
 - o Following the Supreme Court's ruling on <u>Arizona's SB 1070</u> immigration law,²⁴ Oregon's Governor John Kitzhaber reaffirmed the state of Oregon's position as a welcoming state.
 - o In particular, the Oregon Governor stated, "In light of the Supreme Court's ruling on Arizona's immigration law, I want to reaffirm that I am 100 percent committed to creating an inclusive and welcoming Oregon, a state that values the skills and talents of our diverse population and precious human capital. If we are to build an enduring prosperity in Oregon, we must ensure all Oregonians have an equal opportunity to contribute." ²⁵
- Welcoming Oregon is an initiative of the Rural Organizing Project (ROP), and is a

Welcoming America affiliate. Taking root beginning in 2009, organizers realized that they needed to "create vibrant and inclusive communities before a crisis occurs." ²⁶

- o One activity of the initiative includes Lincoln County's Immigration Information Response Team, whose leaders are now going city-by-city encouraging places to pass "Welcoming" resolutions.
- o Immigrant Family Advocates (IFA) is another program. IFA researches and advocates on behalf of immigrants in Central Oregon. IFA speakers have been successful in inspiring welcoming communities.
- o In 2011, the Rural Organizing Project held its first Rural Latino Leadership Retreat, which included over 50 Latino leaders representing a dozen rural communities.
- o In 2012, the program released their Welcoming Communities Toolkit, which includes abundant resources for making a community more welcoming to newcomers.²⁷
- In November 2011, the coastal City of Newport issued a proclamation "reaffirming the innate dignity of all people."28
 - o It states that "the City of Newport is committed to recognizing the dignity of all its residents and the diverse contributions of both immigrants and native-born."²⁹
 - o Furthermore, residents of Newport "recognize that all people are deserving of assurance of the basic principles of equity and human rights guaranteed to all persons by the United States Constitution and Bill of Rights."³⁰
- In **Aloha**, a suburban community west of Portland between Beaverton and Hillsboro, the Aloha-Reedville Revitalization Study is intentionally including diversity integration.
 - o This initiative involves listening to the voices of ethnic and racial minorities in the area, including immigrants and refugees, learning of the barriers and challenges they face, and their contributions and opportunities for involvement. The study recognizes that this is "essential to build an inclusive, vibrant and livable community."31

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: Oregon" (New York: Partnership for a New American Economy, 2013).
- ⁶ David Dyssegaard Kallick, Immigrant Small Business Owners: A Significant and Growing Part of the Economy
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- ⁸ Office of Foreign Labor Certification, Annual Report: October 1, 2010 September 30, 2011 (Washington, DC: U.S. Department of Labor, 2012).
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- ¹⁰ 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). ¹¹ Ibid.
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- ¹⁶ Ibid.
- ¹⁷ Ibid.
- 18 Ibid.
- ¹⁹ Ibid.
- ²⁰ Tim Sullivan, "Immigrant farmers get kernels of wisdom" (Portland, OR: *The Oregonian*, March 15, 2005).
- ²¹ Ibid.
- ²² Ibid.
- ²³ MercyCorps Northwest, "Refugee Farming in the Greater Portland Area" (Portland, OR: MercyCorps Northwest, 2013); see also David F. Ashton, "City dedicates S.E. land to aid immigrant farmers" (Portland, OR: The Portland Bee, November 25, 2009).
- ²⁴ Immigration Policy Center, "Arizona's SB 1070; A Resource Page" (Washington, DC: Immigration Policy Center, 2010).
- ²⁵ State of Oregon, "Governor Kitzhaber Statement on Supreme Court Ruling on Arizona Immigration Law" (Salem, OR: State of Oregon, June 25, 2012).
- ²⁶ Rural Organizing Project, "Welcoming Communities" (Scappoose, OR: Rural Organizing Project, 2013).
- ²⁷ Rural Organizing Project, "Tools for Building Welcoming Communities" (Scappoose, OR: Rural Organizing Project, 2013).
- ²⁸ Rural Organizing Project, "<u>Welcoming Newport Declaration</u>" (Scappoose, OR: Rural Organizing Project, 2013).
- ²⁹ Ibid.
- ³⁰ Ibid.
- ³¹ Eduardo Corona, "Diverse voices enrich Aloha-Reedville study" (Portland, OR: *The Oregonian*, May 23, 2013).

Immigrant Entrepreneurs in:

Oregon

In 2010, new immigrant business owners generated

\$1.1 billion

in total net business income





10.7%

of business owners in Oregon are immigrants 22,216

immigrants became new business owners in Oregon between 2006-2010



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