

September 2013

TENNESSEE:

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

In Tennessee, 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 Tennessee's economy.

- From 2006 to 2010, there were 15,369 new immigrant business [owners](#) in Tennessee,¹ and in 2010, [7.2 percent](#) of all business owners in Tennessee were foreign-born.²
- In 2010, new immigrant business owners³ had total net business [income](#) of \$851 million, which is 5.6 percent of all net business income in the state.⁴
- Tennessee is home to many successful companies with at least one founder who was an immigrant or child of an immigrant, [including](#) International Paper.⁵ This company, which ranks 111th in the 2012 Fortune 500, employs 60,000 people worldwide, including 2,000 at its headquarters in Memphis.

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

- Immigrants contribute to Tennessee's economic growth and competitiveness by earning degrees in science, technology, engineering, and mathematics (STEM) fields from the state's research universities. In 2009, more than [one in three](#) STEM graduates from the state's research-intensive universities were foreign-born, and almost 60 percent of graduates earning PhDs in engineering in Tennessee were not born in the U.S.⁶
- In 2011, the U.S. Department of Labor certified 3,059 H-1B high-skilled visa labor certification [applications](#) in Tennessee, with an average annual wage of \$58,069,⁷ which is higher than Tennessee's median household [income](#) of \$43,989 or per capita income of \$24,197.⁸

- An [expansion](#) of the high-skilled visa program would create an estimated 6,000 new jobs in Tennessee by 2020.⁹ By 2045, this expansion would [add](#) around \$2.4 billion to Gross State Product and increase personal income by more than \$2.3 billion.¹⁰ The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Knoxville metropolitan area had 326 H-1B visa [requests](#) in 2010-2011, with 70.1 percent of H-1B visa-holders working in STEM occupations.¹¹ Major employers with a need for H-1B high-skilled workers include the University of Tennessee, Oak Ridge Associated Universities, and Battelle LLC.
 - The Memphis metropolitan area had 1,152 H-1B [requests](#) in 2010-2011, with 70.5 percent of visa-holders working in STEM occupations.¹² Major employers include St. Jude Children’s Research Hospital, the University of Tennessee Health Science Center, FedEx Corporate Services Inc., Prospance Inc., and MphasiS Corporation.
 - The Nashville-Davidson-Murfreesboro metropolitan area had 1,065 H-1B [requests](#) in 2010-2011, with 71.2 percent of visa-holders working in STEM occupations.¹³ Major employers include Vanderbilt University, Synechron Inc., and Deloitte Consulting.

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 Tennessee, 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 Nashville, many immigrant-owned [restaurants](#) representing many countries of origin have appeared along Nolensville Pike. Cuban, Indian, Kurdish, Colombian, Turkish, and Mediterranean foods, among others, are found in this south Nashville neighborhood.¹⁴
 - Speaking of the area’s culinary [diversity](#), Andy Patel, manager of Taj India Restaurant, stated, “Nolensville Road is a place you can get real authentic foods from a variety of different countries.”¹⁵
- In the Knoxville area of east Tennessee, the region’s growing immigrant population has prompted entrepreneurial immigrants to open retail and service establishments catering to the population’s unique needs.
 - In Knoxville and Oak Ridge, Nony Martin, originally from Honduras, owns and operates several *tiendas*, convenience stores that sell specialty groceries and other products from Latin America. Martin, who also owns a beauty salon in west Knoxville near one of her *tiendas* along Kingston Pike, says she focuses her business plan on the needs of Hispanic and Latino immigrants in the area.¹⁶

- o Roberto Martinez, former president of the Hispanic Chamber of Commerce of East Tennessee, said that businesses such as Nony Martin’s “not only serve a fast-growing segment of the community, but they give the local economy a boost as well.” Immigrant-owned businesses “all have to pay taxes, sales tax and property tax just like everybody else. They also inject funds into the local economy by leasing buildings and purchasing items in the area. They definitely contribute to the local economy.”¹⁷
- In small towns across Tennessee – places like Bells, Monterey, Shelbyville, and Morristown – immigrants have opened up shops and restaurants to cater to the immigrant populations working in the state’s agricultural and food processing industries.
 - o During the past two decades, “towns in Tennessee and across the [American South](#) underwent a metamorphosis. Sleepy ‘-burgs’ and ‘-villes’, where ‘Waffle Houses’ dot the landscape and boiled peanuts can be bought at the side of the road, began receiving a steady stream of Spanish speaking newcomers. Colorful *Iglesias*, *tiendas*, and *taquerias* began sprouting up next to ‘Buddy’s Barbeques’ and ‘Piggly Wiggly’ markets in regions nearly untouched by international migration in over a century.”¹⁸
 - o Cleveland, not far from Chattanooga in southeast Tennessee, is an example of a place where immigrant entrepreneurs start businesses to cater to the area’s growing immigrant population. Monterrey Mexican Restaurant is one example. Jose Cordero, from Guadalajara, Mexico, started this restaurant because he saw that there was a demand in the area.¹⁹

In Tennessee, localities have begun recognizing and supporting immigration through “welcoming” and integration initiatives.

- Welcoming Tennessee, a [project](#) of the [Tennessee Immigrant and Refugee Rights Coalition](#), is a “collaboration of concerned Tennesseans from all walks of life – business, law enforcement, community and faith – who are proud that Tennessee is a welcoming state, and are working to continue that noble tradition by increasing understanding of how new Tennesseans share our values, contribute to our economy, enhance our combined culture and strengthen our communities.”²⁰
 - o Welcoming Tennessee is [committed](#) to “raising the level of public discourse concerning immigrants and immigration, so that public policies are designed in an environment of mutual respect,” and to “better understanding the contributions that immigrants make to our state and the effects of immigration on our communities, and to challenging common myths and stereotypes.”²¹
 - o To [accomplish](#) its mission, Welcoming Tennessee “holds public forums, educational presentations, and community events to foster an open dialogue about immigration and New Tennesseans.”²²

- In Nashville, [Conexión Americas](#), within [Casa Azafrán Community Center](#), helps families “realize their aspirations for social and economic advancement by promoting their integration into all aspects of life in Middle Tennessee.”²³ Speaking of the community center more broadly, Nashville’s Mayor [noted](#) that it “has rightfully become the epicenter of New American initiatives and events in our city.”²⁴
 - Among the organization’s various efforts, Conexión Americas nurtures entrepreneurs and small business formation through its [Negocio Próspero](#) (Prosperous Business) program. Negocio Próspero is an “introductory business course that provides aspiring business owners and micro-entrepreneurs useful tools and skills to launch, or improve the management and profitability of, their businesses.”²⁵
 - Conexión Americas also operates the [Mesa Komal commercial kitchen](#) inside Casa Azafrán Community Center, located on Nashville’s Nolensville Pike. The kitchen “is available to entrepreneurs who own, or want to start their own food business.”²⁶
- In Chattanooga, H.A.N.D.S. (Helping All Nationalities Diversify Society) Across Chattanooga, established in 2010, is an outreach [program](#) by the City of Chattanooga’s [Office of Multicultural Affairs](#). While the Office has a broader mission, H.A.N.D.S. Across Chattanooga is a “smaller program that fights discrimination due to national origin only and works to integrate immigrants into the city.”²⁷
 - According to the [National League of Cities](#), “H.A.N.D.S. Across Chattanooga became the solution for how to help these new residents become more familiar with Chattanooga and all the services the city offers.” The program is a place where “international newcomers are brought together with local agencies and service providers that will help them become more acclimated to the community.”²⁸
 - The city office, among other activities, plans the [annual](#) Hands Across Chattanooga International Welcome Fair, where city agencies, private businesses and organizations showcase their services as a way to welcome immigrants to the city.²⁹
- In Memphis, Mayor A. C. Wharton and City Council members officially [declared](#) the week of September 15-22, 2013 as “Welcoming Week”. The city’s proclamation, designed to recognize the “cultural and economic contributions of immigrants, while celebrating diversity in the Bluff City,” is part of Welcoming America’s [National Welcoming Week](#) activities.³⁰

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.

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- 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: Tennessee”](#) (New York: Partnership for a New American Economy, 2013).
- ⁶ Ibid.
- ⁷ Office of Foreign Labor Certification, [Annual Report: October 1, 2010 – September 30, 2011](#) (Washington, DC: U.S. Department of Labor, 2012).
- ⁸ U.S. Census Bureau, [“State & County Quick Facts: Tennessee”](#) (Washington, DC: U.S. Department of Commerce, 2011).
- ⁹ 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).
- ¹⁰ Ibid.
- ¹¹ 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).
- ¹² Ibid.
- ¹³ Ibid.
- ¹⁴ Andy Humbles, [“Inter’NASH’ional Food Crawl unites people, culture: Nolensville Pike restaurants bring cultures together”](#) (Nashville, TN: *The Tennessean*, September 15, 2013).
- ¹⁵ Ibid.
- ¹⁶ Mike Blackerby, “Businesses cater to clientele” (Knoxville, TN: *Knoxville News Sentinel*, October 13, 2009).
- ¹⁷ Ibid.
- ¹⁸ Anita I. Drever, “New Neighbors in Dixie: The Community Impacts of Latino Migration to Tennessee,” in [Latinos in the New South: Transformations of Place](#), Edited by Heather A. Smith and Owen J. Furuseth (Burlington, VT: Ashgate Publishing Company, 2006).
- ¹⁹ Karina Gonzalez, “Hispanic businesses growing” (Chattanooga, TN: *Chattanooga Times Free Press*, November 17, 2005).
- ²⁰ Welcoming Tennessee, [“Mission”](#) (Nashville, TN: Welcoming Tennessee, 2013).
- ²¹ Ibid.
- ²² Tennessee Immigrant and Refugee Rights Coalition, [“The Welcoming Tennessee Initiative”](#) (Nashville, TN: Tennessee Immigrant and Refugee Rights Coalition, 2013).
- ²³ Conexión Americas, [“Mission and Approach”](#) (Nashville, TN: Conexión Americas, 2013).
- ²⁴ Steve Haruch, [“Renata Soto, the driving force behind Casa Azafrán, helps Nashville’s diverse communities converge”](#) (Nashville, TN: *Nashville Scene*, November 28, 2013).
- ²⁵ Conexión Americas, [“Entrepreneurship”](#) (Nashville, TN: Conexión Americas, 2013).
- ²⁶ Conexión Americas, [“Mesa Komal Commerical Kitchen”](#) (Nashville, TN: Conexión Americas, 2013).
- ²⁷ Ricardo Gambetta and Zivile Gedrimaite, [Municipal Innovations in Immigrant Integration: 20 Cities, 20 Good Practices](#) (Washington, DC: National League of Cities, 2010).
- ²⁸ Ibid.
- ²⁹ Perla Trevizo, [“Chattanooga International Welcome Fair greets city’s new residents”](#) (Chattanooga, TN: *Chattanooga Times Free Press*, May 25, 2012).
- ³⁰ Arday Maxwell, [“City of Memphis ‘Welcomes’ Cultural Diversity”](#) (Memphis, TN: *WREG Memphis*, September 17, 2013).

Immigrant Entrepreneurs in:

Tennessee

*In 2010, new immigrant
business owners generated*

**\$851
million**

*in total net
business income*



11,414

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

4.6%

*of business owners in
Tennessee are immigrants*

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