

TEXAS:

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

In Texas, 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 Texas' economy.

- From 2006 to 2010, there were 256,849 new immigrant business [owners](#) in Texas,¹ and in 2010, [24.9 percent](#) of all business owners in Texas were foreign-born.² Furthermore, from 2007 to 2010, immigrants in Texas founded around [31.3 percent](#)—almost one in three—of all new businesses in the state.³
- In 2010, new immigrant business owners⁴ had total net business [income](#) of \$10 billion, which is 16.7 percent of all net business income in the state.⁵
- Texas is home to many successful companies with at least one founder who was an immigrant or child of an immigrant, [including](#) Fortune 500 companies such as Fluor Corporation, AT&T, RadioShack, and Marathon Oil.⁶ Such companies employ hundreds of thousands of people and bring in billions of dollars in revenue each year.
- Several Texas metro areas have relatively high levels of immigrant business ownership relative to the foreign-born share of their populations.
 - In 2010, of the Texas metro areas that are among the 25 largest U.S. metropolitan areas by total population, the foreign-born share of business owners was [25 percent](#) in Dallas, 31 percent in Houston, and 25 percent in San Antonio.⁷ In each case, the immigrant business ownership rate was higher than the particular metro area's foreign-born share of total population.

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

- Immigrants contribute to Texas' economic growth and competitiveness by earning patents on new research, products, and ideas. Over 73.8 percent of patents from the University of Texas system in 2011 had at least one foreign-born inventor. These patents

from 2011 amount to \$38.3 million in University of Texas system licensing and royalty [revenues](#).⁸

- In 2011, the U.S. Department of Labor certified 27,775 H-1B labor certification [applications](#) in Texas, with an average annual wage of \$67,942,⁹ which is higher than Texas' median household [income](#) of \$50,920 or per capita income of \$25,548.¹⁰
- An [expansion](#) of the high-skilled visa program would create an estimated 36,400 new jobs in Texas by 2020.¹¹ By 2045, this expansion would [add](#) around \$13 billion to Gross State Product and increase personal income by more than \$11 billion.¹² The following are [examples](#) of metropolitan area demand for high-skilled foreign-born workers.
 - The Austin-Round Rock-San Marcos metropolitan area had 3,087 H-1B high-skilled visa [requests](#) in 2010-2011, with 75.6 percent of H-1B visa-holders working in science, technology, engineering, and mathematics (STEM) occupations.¹³ Major employers with a need for H-1B high-skilled workers include Dell USA, the University of Texas at Austin, Advanced Micro Devices Inc., Intel Corporation, and Freescale Semiconductor Inc.
 - The College Station-Bryan metropolitan area had 313 H-1B visa [requests](#) in 2010-2011, with 60 percent of visa-holders working in STEM occupations.¹⁴ Major employers include Texas A&M University, Texas Agrilife Research, and Texas Engineering Experiment Station.
 - The Dallas-Fort Worth-Arlington metropolitan area had 10,651 H-1B visa [requests](#) in 2010-2011, with 73.7 percent of visa-holders working in STEM occupations.¹⁵ Major employers include Dallas Independent School District, Ericsson Inc., Texas Instruments Incorporated, the University of Texas Southwestern Medical Center, and Deloitte Consulting.
 - The El Paso metropolitan area had 261 H-1B visa [requests](#) in 2010-2011, with 37.8 percent of visa-holders working in STEM occupations.¹⁶ Major employers include the University of Texas at El Paso.
 - The Houston-Sugarland-Baytown metropolitan area had 10,107 H-1B visa [requests](#) in 2010-2011, with 64.7 percent of visa-holders working in STEM occupations.¹⁷ Major employers include the University of Texas Medical Branch, Baylor College of Medicine, Deloitte Consulting, and Schlumberger Technology Corporation.
 - The San Antonio-New Braunfels metropolitan area had 1,251 H-1B visa [requests](#) in 2010-2011, with 66.2 percent of visa-holders working in STEM occupations.¹⁸ Major employers include the University of Texas San Antonio, and Rackspace US 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 Texas, 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 northwest Dallas, Asian immigrant entrepreneurs have [transformed](#) a once-dilapidated neighborhood along Harry Hines Boulevard into a bustling Asian Trade District. Immigrant small business owners have played a role in revitalizing this area of the city, filling once-empty store fronts and shopping centers with new restaurant, retail, and service businesses.¹⁹
 - In the northern Dallas suburb of Plano, Mario Cesar Ramirez [opened](#) a restaurant in a deserted shopping center. Over time, his restaurant became a hub of Latino immigrant neighborhood activity and interaction, attracting additional immigrant-owned businesses to open in the shopping center. These new businesses helped revive what was once a boarded-up suburban retail ghost town.²⁰
 - Houston, recently deemed the “most diverse city in the United States,”²¹ contains [examples](#) of immigrant entrepreneurship and small businesses revitalizing urban and suburban neighborhoods. Along west Houston's Bellaire Boulevard, for example, passersby will find a suburban Asian immigrant business district.²²

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

- **Austin, Texas:** The [International Welcome Program](#)²³ is designed to “ease the transition of life in Austin for international newcomers.”²⁴
 - Natalie Betts, the City of Austin's Acting International Economic Development Manager, [stated](#) “Austin's cultural diversity enriches our community and our economy depends on our immigrant population: almost a quarter of our tech start-ups were founded by foreign-born entrepreneurs. We want to make sure that new immigrants feel welcome here and are aware of resources in the city that can help with the transition to life in the United States.”²⁵
 - Upon joining Welcoming America's [Welcoming Cities and Counties](#) Initiative, Betts [said](#) of the program: “Austin's immigrant population is a key driver of our economic prosperity and an asset to our entire community. It is imperative for our continued success that new immigrants feel welcome and at home in Austin.”²⁶
- **Houston, Texas:** The **Office of International Communities** and the **Global Houston** program are initiatives aimed at welcoming newcomers to the Houston area.

- o The Office of International Communities “[brings](#) together Houston’s international community by promoting their well-being and connectedness and facilitating their successful civic, economic, and cultural integration in Houston.”²⁷
- o Global Houston was [developed](#) “to foster better communication and collaboration within Houston’s international community. It serves as Houston’s link to international resources.”²⁸

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

⁴ 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.

⁵ 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).

⁶ Partnership for a New American Economy, “[Map the Impact of Immigrants Across America: Texas](#)” (New York: Partnership for a New American Economy, 2013).

⁷ David Dyssegaard Kallick, [Immigrant Small Business Owners: A Significant and Growing Part of the Economy](#) (Washington, DC: Fiscal Policy Institute, 2012).

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

¹⁶ Ibid.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Anabelle Garay, “[Immigrant businesses transform U.S. neighborhoods](#)” (Lubbock, Texas: Lubbock Avalanche-Journal, September 24, 2006).

²⁰ Ibid.

²¹ Elise Hu, “[In Houston, America’s diverse future has already arrived](#)” (Washington, DC: National Public Radio, July 1, 2013).

²² Edward Iwata, “[Study shows immigrants ‘a real engine’ for growth](#)” (McLean, Virginia: USA Today.com, February 7, 2007).

²³ City of Austin, “[International Welcome Program](#)” (Austin, Texas: City of Austin, 2013).

²⁴ City of Austin, “[Austin promotes immigrant-friendly, welcoming environment](#)” (Austin, Texas: City of Austin, June 27, 2013).

²⁵ City of Austin, “[City of Austin welcomes international newcomers with new program; free event at city hall](#)” (Austin, Texas: City of Austin, January 26, 2013).

²⁶ City of Austin, “[Austin promotes immigrant-friendly, welcoming environment](#)” (Austin, Texas: City of Austin, June 27, 2013).

²⁷ City of Houston, “[Office of International Communities](#)” (Houston: City of Houston, 2013).

²⁸ Global Houston, “[About Global Houston](#)” (Houston: Global Houston, 2013).

Immigrant Entrepreneurs in:

Texas

*In 2010, new immigrant
business owners generated*

**\$10
billion**

*in total net
business income*



256,849

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

24.9%

*of business owners in
Texas are immigrants*

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