

AN ANALYSIS OF IMMIGRANT EMPLOYER OWNERSHIP

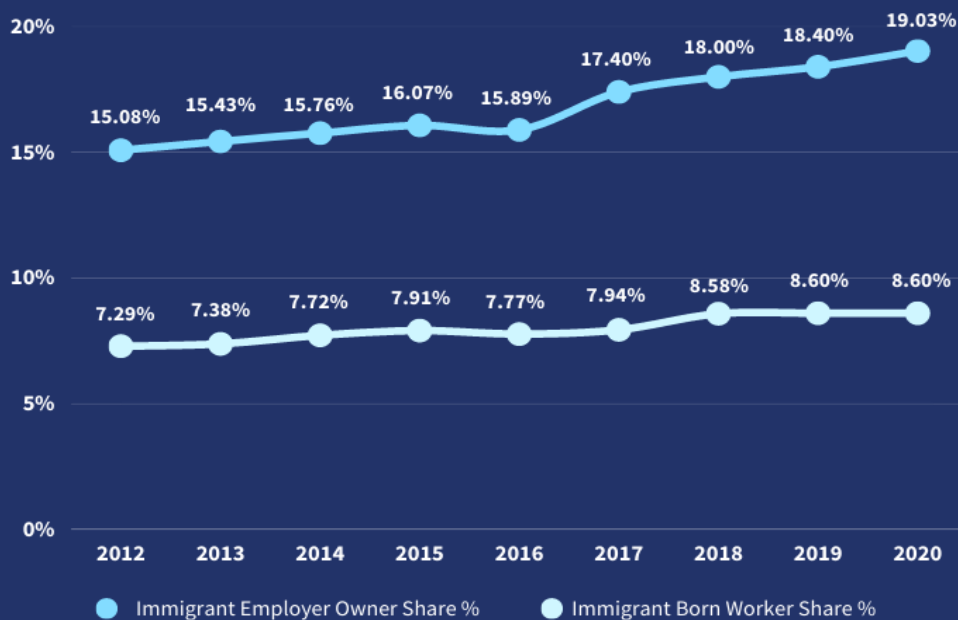
SMALL BUSINESS FACTS

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Immigrant employer ownership experienced an upward trend from 2012 to 2020 (Figure 1). In 2012, the share of employer immigrant business owners was 15.08 percent. In 2020, the share increased to 19.03 percent. Aside from a slight decrease in share percent between 2015 to 2016, the share of immigrant business ownership within the United States has clearly increased over the past decade. From 2012 to 2020, the share of foreign-born workers in the private sector grew steadily.

In 2012, the share percentage was at 7.29 percent, which had grown to 8.6 percent in 2020. Figure 1 illustrates a correlation between both the immigrant employer owner and worker trend, implying that immigrant employer ownership has experienced a greater upward trend because of the increase in immigrant workers.

FIGURE 1: SHARE OF IMMIGRANT EMPLOYER OWNERS AND WORKERS



Sources: ABS: Characteristics of Business Owners 2018-2021, SBO: Characteristics of Business Ownership 2012, ASE 2014-2016, CPS 2012-2020

*Census Annual Business Survey: Characteristics of Owners only shows the respondent level.

*2013 data averaged out between 2012 and 2014 because there was no specific source for 2013.

*Census Annual Business Survey Methodology: "The ABS replaces the Survey of Business Owners (SBO) and Annual Survey of Entrepreneurs (ASE). However, there are differences between the programs that affect comparability. The ABS program scope is slightly different and therefore, different methodologies are used to produce data by sex, ethnicity, race, and veteran status."

Table 1 shows that the immigrant share for most demographic categories are higher than the share of U.S. born employer owners in 2020. For example, Black immigrant employer owners made up 2.9 percent of immigrant employer owners compared to 1.7 percent of Black U.S. born employer owners. The share of Hispanic immigrant employer ownership was about 18.4 percent compared to 3.8 percent of Hispanic U.S. born employer owners. Both the American Indian and Alaskan Native and Native Hawaiian and Other Pacific Islander categories also had higher shares of immigrant employer owners compared to U.S. born employer owners. Asian immigrant owners are noteworthy because of their outsized 46.0 percent share of immigrant-owned employer businesses.

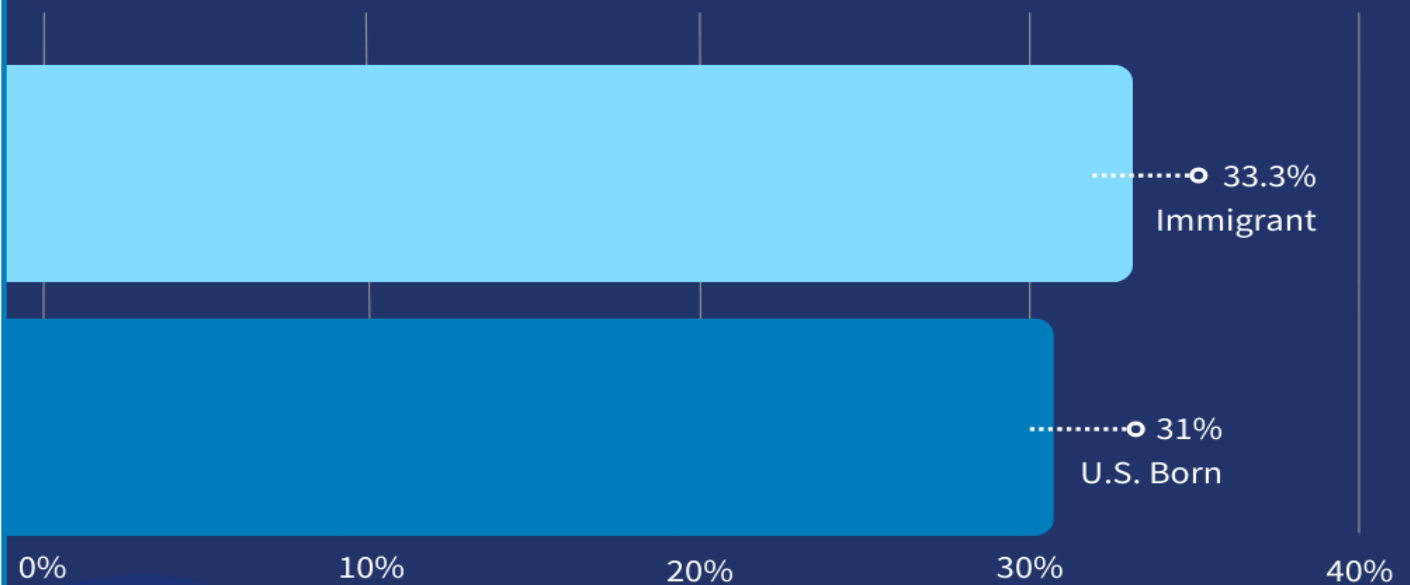
These businesses are concentrated in industries including professional, scientific, and technical services; retail trade and wholesale trade; and health care. Figure 2 shows that the women immigrant employer ownership share exceeds women U.S. born employer owners. The data shows that 33.3 percent of immigrant employer owners were women. In contrast, 31 percent of U.S. born employer owners were women.

TABLE 1: DEMOGRAPHIC BACKGROUND OF IMMIGRANT AND U.S. BORN EMPLOYER OWNERS

Demographic	Share of Immigrant Employer Owners	Share of U.S. Born Employer Owners
Black	2.94%	1.74%
White	50.74%	96.23%
Asian	45.96%	2.19%
American Indian and Alaska Native	1.09%	0.84%
Native Hawaiian and Other Pacific Islander	0.33%	0.14%
Hispanic	18.36%	3.77%
Not Hispanic	81.64%	96.23%
Veteran	1.69%	7.98%
Women	33.27%	31%
Men	66.73%	69%

Sources: ABS, Characteristics of Business Owners 2021

FIGURE 2: SHARE OF EMPLOYER OWNERS (WOMEN)



Sources: ABS, Characteristics of Business Owners 2021