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For More Information, Contact:

Chuck Sheketoff, (503) 873-1201
Juan Carlos Ordóñez, (503) 873-1201

Significant Share of Small Business Owners in Oregon and Portland Are Immigrants

About one out of every 11 small business owners in Oregon in 2010 was born outside the U.S., according to a national report released today by the Fiscal Policy Institute, a public policy research organization based in New York.

The entrepreneurial rate was even higher in the Portland metro area, where about one of every eight small business owners was an immigrant.

“Immigrants own a significant share of small businesses, an important engine of economic growth,” said Chuck Sheketoff, executive director of the Oregon Center for Public Policy, who examined the report. “The report shows that our state and nation benefit greatly from the entrepreneurial activity that immigrants bring.”

The study estimated that in the entire U.S., immigrant-owned small businesses — those with fewer than 100 workers — employed 4.7 million people and generated \$776 billion in receipts in 2007, the most recent year for which data are available.

In metro areas and nationwide, on average immigrants were 10 percent more likely than U.S.-born workers to own a small business in 2010. On average the ratio of immigrant small business owners to U.S.-born small business owners is 1.1 to 1.

In both Oregon and the Portland metro area, however, foreign-born workers were less likely than U.S. born-workers to be small business owners. The ratio was 0.7 to 1 for Oregon and 0.8 to 1 for the Portland metro area.

Still, among those who owned a small business in Oregon in 2010, 9.2 percent of them — about one out of eleven — had been born abroad. For the Portland metro area, that share was 13 percent, or one out of eight.

In all, about 6,800 small business owners in Oregon in 2010 were immigrants, according to the study.

Immigrants with undocumented status, however, face particular obstacles to starting a business, to the detriment of the state and nation, according to Francisco Lopez, executive director of CAUSA, Oregon’s immigrant rights coalition.

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Page 2 of 2

“Starting a business often requires access to capital, credit, insurance and other elements that are difficult to obtain for undocumented immigrants,” Lopez said. “One of the many benefits of creating a path to citizenship for undocumented immigrants would be the removal of obstacles that those with entrepreneurial aspirations face.”

Besides estimating the number of immigrant-owned small businesses and share of small business owners who are foreign-born, the Fiscal Policy Institute’s report also provided a detailed profile of immigrant business owners at the national level. It examined, for example, the types of businesses immigrants own, the top countries of birth for immigrant business owners and the education level of immigrant business owners.

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center’s goal is to improve decision making and generate more opportunities for all Oregonians.