

THE BRIDGE PUENTE

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Business

Immigrant Entrepreneurs above National Average

According to a new report by the Kauffman Foundation, Asians, Latinos and immigrants far outpaced native-born Americans in entrepreneurial activity last year.

BY DAN REYES

While the rate of entrepreneurial activity has remained remarkably consistent over the past decade - with nearly 465,000 people creating new businesses on average each month - subtle year-to-year shifts in the gender, demographic, geographic and ethnic make-up are changing the public face of the American entrepreneur. This is according to a national assessment of entrepreneurial activity by the Ewing Marion Kauffman Foundation.

According to the Kauffman Index of Entrepreneurial Activity, the only annual study to measure business start-up activity for the entire U.S. adult population at the individual owner level, Asians, Latinos and immigrants far outpaced native-born Americans in entrepreneurial activity last year while African Americans experienced a decline.

"The higher rate of entrepreneurship among immigrants is a pretty consistent result in the research that I have seen," said Professor Robert Fairlie, Associate Professor and Director of Masters Program in Applied Economics and Finance at UC Santa Cruz,

the study's principal author. "It does differ by ethnicity, however. Asian immigrants tend to have high rates and Mexican immigrants tend to have low rates."

Fairlie offered some possible reasons for the constantly higher rates of entrepreneurship among immigrants.

"Immigrants might have higher rates because of limited opportunities in the wage/salary sector, have access to co-ethnic networks and labor, and are self-selected to be more entrepreneurial."

The five states with the highest rates of entrepreneurial activity were Montana, Mississippi, Georgia, Oklahoma and Maine. The five states with the lowest rates of entrepreneurial activity were Michigan, Pennsylvania, South Carolina, Illinois and Delaware.

While rates of entrepreneurship in California were neither the highest nor lowest in the Index, Carolyn Carr, public relations director for the San Francisco-based A New America, said they have seen an increase in the number of people coming to the organization for help.

"We've seen an increase," said

Carr. "So much so that we've opened a new office in San Jose."

The mission of A New America is to "promote the long-term economic empowerment of new Americans - new citizens, immigrants, and refugees - and to encourage their full participation in the political, social and cultural growth of America."

"We've helped people from 40 different countries," said Carr, who went on to say that because the organization's founder is from El Salvador and they offer training in Spanish, many of their clients come from the Latino community. "Year-to-date, we've helped 477 people and we create an average of 170 businesses per year."

Some of the most common obstacles faced by those coming to A New America for help include lack of access to business loans, language and cultural barriers that hinder access to information, lack of mentors and anti-immigration policies.

"We tackle advocacy and we hook them up with mentors, but right now, we don't really do micro-financing, but we partner with those who do," said Carr.

According to the 2000 U.S. Census, 28 percent of the population of the San Francisco Bay Area is foreign-born.

"Although research on entrepreneurship is growing rapidly, there are very few large national studies other than the Kauffman Index of Entrepreneurial Activity that provide information on recent trends in entrepreneurial business creation," said Fairlie, who developed the Kauffman Index.

Unlike other studies that capture young businesses that are more than a year old, the Kauffman Index of Entrepreneurial Activity captures all adults 20-64 who initially start a business, including those who own incorporated or unincorporated businesses and those who are employers and non-employers. Capturing new business owners in their first month of significant business activity serves as a leading indicator of new business creation in the United States.

For more information visit:
www.aneuamerica.org or
www.kauffman.org

Key Findings

* The immigrant rate of entrepreneurial activity increased from 0.35 percent in 2005 to 0.37 percent in 2006. As in previous years, the rate of entrepreneurial activity for immigrants was substantially higher than the rate for the native-born population (0.27 percent).

* The rate of entrepreneurial activity for Asians increased from 0.27 percent in 2005 to 0.32 percent in 2006. The rate for non-Latino whites remained constant at 0.29 percent between 2005 and 2006. For African Americans, the rate of entrepreneurial activity decreased slightly from 0.24 percent in 2005 to 0.22 percent in 2006. The Latino rate increased slightly from 0.32 percent to 0.33 percent during the same time period.

* Among the fifteen largest metropolitan regions in the United States, the highest rates of entrepreneurial activity were in Miami (0.50 percent) and Atlanta (0.49 percent). The large metropolitan regions with the lowest rates of entrepreneurial activity were Detroit (0.13 percent) and Chicago (0.18 percent).

* The rate of entrepreneurial activity for men (0.35 percent) did not change between 2005 and 2006, ending the downward trend that began in 2003. The rate for women declined slightly from 0.24 percent in 2005 to 0.23 percent in 2006.

El Negocio

Impuestos para el Negocio
Wednesday, June 13, 6pm to 9pm
Programa de AnewAmerica - Planificación de Negocios: Impuestos para el Negocio
Registración esta cerrada. Limitado a 25 clientes.

Esta basada en el numero de miembros en el hogar y el nivel de ingresos, otros gastos son para la graduación y todo de la clase.

Para mas información, por favor llame a Linda Snook al (408) 494-0215. lsnook@anewamerica.org.
Location: San Jose Entrepreneur Center, 84 W. Santa Clara Street, Suite 100, San Jose.
Info: www.aneuamerica.org

Desarrollo Comercial: Temas
Wednesday, Jun 13, 6:15pm to 8:30pm
Como organizar un negocio o empresa. Mercadeo. Ventas. Relaciones Publicas. Estructura legal. Acceso a Dinero. Asesoría. Etc.

Sin Costo. Por favor RSVP. Clases impartidas por la Camara de Comercio Hispana del Gran San Jose.

Location: San Jose Entrepreneur Center, 84 W. Santa Clara Street, Suite 100, San Jose.
Info: www.gsjhcc.org
Registration: www.aceva.com/go/ecenter
Contact: Carlos Figueroa, info@gsjhcc.org, 408-494-0296

Construcción, Mantenimiento y Reparación de su Credito
Thursday, Jun 14, 6:30pm to 8:30pm
Hay cupo limitado de 25 personas. Para mas información, por favor llame a Linda Snook al (408) 494-0215. lsnook@anewamerica.org.
Location: San Jose Entrepreneur Center, 84 W. Santa Clara Street, Suite 100, San Jose.
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Flujo de Caja (2)
Wednesday, Jun 20, 6pm to 9pm

Programa de AnewAmerica - Planificación de Negocios: Flujo de Caja
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Desarrollo Comercial: Temas
Wednesday, Jun 20, 6:15pm to 8:30pm
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Presupuesto y Administración de Su Dinero
Wednesday, Jun 27, 6pm to 9pm
Programa de AnewAmerica - Finanzas Personales y Patrimonio: Presupuesto y Administración de Su Dinero Registración esta cerrada. Limitado a 25 clientes. Esta basada en el numero de miembros en el hogar y el nivel de ingresos, otros gastos son para la graduación y todo de la clase.

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Information: www.aneuamerica.org

Desarrollo Comercial: Temas
Wednesday, Jun 27, 6:15pm to 8:30pm
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San Jose Entrepreneur Center
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