

SMALL BUSINESS FACTS

An Overview of Immigrant Business Ownership

U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

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Immigrants Make Up a Higher Share of Owners Than Workers

Immigrants own businesses at higher rates compared to individuals born in the United States. According to the Annual Business Survey, immigrant owners consisted of roughly 18 percent of business owners with employees in 2018. The Nonemployer Statistics by Demographics data series noted that immigrant owners comprised of almost 23 percent of business owners without employees in 2018. According to the American Community Survey, 27.2 million workers, or about 17 percent of workers, were foreign-born in 2018.

Their share is lower than the immigrant share of owners of employer and nonemployer businesses.

A Breakdown of Foreign-Born Owners and Workers			
	Foreign-Born	US-Born	Percent Foreign-Born
Owners of Firms with Employees	740,768*	3,374,014*	18.00
Owners of Firms without Employees	6,518,000	22,040,000	22.82
Workers	27,243,610	129,708,253	17.36

Source: ABS- Characteristics of Business Owners 2019, NESD - Owner characteristics of Nonemployer Firms 2018, American Community Survey 2018
*Respondent firms to the Census Bureau's Annual Business Survey

Source: Annual Business Survey (ABS)- Characteristics of Business Owners 2019, Nonemployer Statistics By Demographics (NESD) - Owner characteristics of Nonemployer Firms 2018, American Community Survey 2018

Immigrant Owners Thrive in Various Sectors

Immigrant-owned businesses are found in every industry of the U.S. economy. Immigrant owners were most frequent in accommodations and food services, retail trade, health care and social assistance, miscellaneous services (other services- except public administration), and professional services (including scientific and technical services). Moreover, immigrant owners made up 36.8 percent (136,106) of total accommodation and food services businesses in the United States. This sector includes industries such as restaurants, travel accommodations, hotels, and recreational camps.

Source: ABS- Characteristics of Business Owners 2019

Owners of businesses without employees outnumber businesses with employees. Figure 2 shows the top immigrant owner shares by sectors for nonemployers. These include transportation and warehousing, administrative services, construction, miscellaneous services (other services- except public administration), and real estate. Among the sectors included, transportation and warehousing had the largest share of immigrant business owners at 46.2 percent. 1.2 million immigrants owned transportation and warehousing businesses, slightly less than the 1.4 million businesses owned by individuals born in the United States.

Source: NESD- Owner Characteristics of Nonemployer Firms 2018

Figure 1: Top Sectors with Immigrant Employer Owners

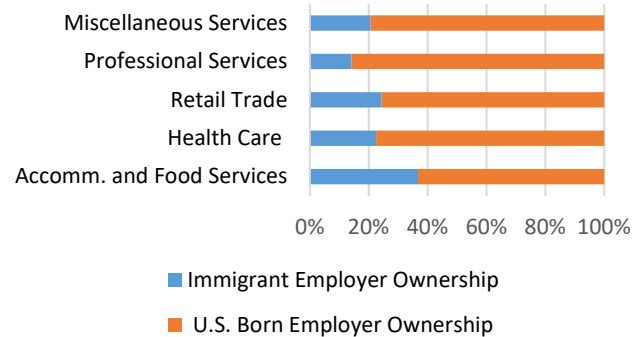


Figure 2: Top Sectors with Immigrant Nonemployer Owners

