

Key No. 8 – Immigrants & New Residents

Growing Entrepreneurial Communities

08.13.13

Background & Introduction

This month's *Thought Paper* focuses on the importance of **immigrants and new residents** in jumpstarting and growing entrepreneurial communities. This is part of our 2013 series addressing the **keys to local economic development success**. Each month, we will address one of these keys in a *Thought Paper*. As is always the case, we want to hear from you. Please send us your insights, questions and push back by emailing me at don@e2mail.org.

Top 10 Keys

1. [Local Responsibility](#)
2. [Smart Game Plan](#)
3. [Robust Investment](#)
4. [Entrepreneurial Development Systems](#)
5. [Sustained Effort](#)
6. [Growth Entrepreneurs](#)
7. [Attributes of an Entrepreneurial Community](#)
8. Immigrants & New Residents
9. Real Regional Collaboration
10. Civic and Social Entrepreneurs

For More Information

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America's Eternal Conflict

In my home state of Nebraska, the community of Fremont has enacted some of the most restrictive ordinances against illegal immigrants with advocates arguing that the Federal Government has failed to protect our borders. Fremont is a wonderful community, but it is torn between the new life blood of

Gift of Diversity

Whether in nature or community, resilience is enabled and strengthened by diversity. Diversity of people and their ideas, connections, cultures, etc. can enrich and renew a community. New residents and immigrants can jumpstart and accelerate a community's climb to becoming more entrepreneurial.

Hispanic immigrants and traditional fears associated with immigrants. This debate is often ugly and is center stage in America and many counties these days. But it is not new. Even though the United States is what it is because of waves of immigrants, both legal and illegal,

Threat of Strangers

Ignorance and fear are powerful forces and motivators. The threat of strangers or people different than us is part of America's legacy. Communities have clear choices whether to fight or welcome new residents and immigrants. This choice will influence a community's future for good or bad.

there is a long history of anti-immigration and even new resident fears and conflicts. Our field experience is relatively clear. Immigrants and new residents are important to renewing communities economically, socially and even culturally. Immigrants and new residents create tensions and stresses within the social fabric of communities and particularly more homogeneous and insular communities. But for those communities that embrace immigrants and new residents as more of an opportunity than threat, the dividends can be great.

Life 2.0

Rich Karlgaard of Forbes Magazine fame penned a wonderful little book titled [Life 2.0, How People Across America Are Transforming Their Lives by Finding the Where of Their Happiness](#). This book provides insight on the genuine opportunity of new residents.

The Opportunity

Ray Smilor, in his remarkable book [Daring Visionaries, How Entrepreneurs Build, Inspire Allegiance, and Create Wealth](#), nails the attributes of successful entrepreneurs. Mr. Smilor employed the thousands of entrepreneur interviews and profiles collected by the Ewing Marion Kauffman Foundation to craft his summation of key traits of successful entrepreneurs. Central among these traits is an overwhelming drive to succeed. The roots of this drive are diverse and plentiful, based on Smilor's research, but underlying motivation explains why immigrants and new residents are more likely to bring entrepreneurial energy into our communities.

Immigrants and new residents are not necessarily brighter (remember brain drain theory) but they are smart risk takers. These are folks who leave the known world of their former homes to re-located to entirely new communities. For immigrants this often means moving to a place with new language, customs, rules and the like. Something is driving them to take a huge risk in a new place. A second

reality makes this opportunity real. These new risk takers in our midst often must be very creative to make a new living and life for themselves. Often, despite their education and qualifications there are not traditional wage and salary job opportunities. The work that is available is hard and often below their capability level. So what do these new immigrants and new residents do? They proportionally create and grow more entrepreneurial ventures.

In these realities lie the opportunity for jumpstarting and growing a more entrepreneurial community. One does not have to take generations to change core community culture that has strong entrepreneurial orientations, rather with each new immigrant and resident the composition of your community changes. Even modest levels of new immigrants and residents welcomed and supported can drive your community towards becoming a more entrepreneurial community.

The Challenges

Change is hard for all communities. Change is particularly hard for more isolated, insular and struggling communities. There is a degree of comfort and security in the status quo even if that reality is not very good or promising. Welcoming new residents, let alone immigrants with different



languages, skin color and customs can be very challenging. Field experience suggests that communities really do have a choice in whether they see new residents and immigrants as a development opportunity or a threat. Whether a community wants new folks in town or not may not be a choice if there is a local industry drawing strangers. Community attitude will impact whether these strangers become rooted and lifelong contributors to the entrepreneurial community. The book by Stephen G. Bloom, Postville, A Clash of Cultures in America's Heartland, effectively captures all the dynamics and challenges of new residents, but there are examples of communities welcoming these opportunities. Immigrants and new residents are re-inventing and energizing gateway communities like Toronto, New York, Miami, Seattle and Los

Angeles. In less dramatic ways, communities like Lincoln, Nebraska (my hometown) are thriving and growing better because of immigrants.

Ontario & Michigan

We have cited this study before, but we continue despite its age to recommend it to folks. A. J. Jacobs article in Economic Development Quarterly (August 2009) provides a powerful comparison between Detroit and Toronto and Michigan and Ontario. The relative performance of these places between 1980 and 2006 are striking. Central to Jacob's explanation for these differences is immigration policies. New residents and immigrants have fueled Ontario's and Toronto's renewal as global entrepreneurial communities.

Making It Happen

Not every community has an opportunity to attract new residents let alone immigrants. For those communities that do have this opportunity, there is a clear choice as illustrated by the Ontario and Michigan stories noted in the sidebar on this page. There are a number of resources including the writing and work of Richard Florida (Creative Class fame). A few years ago our Center created a set of guides for rural communities with funding from the W.K. Kellogg Foundation through the HomeTown Competitiveness Initiative. These guides are a bit dated, but are still accurate and useful. They are free and you can access them through the following links. Guide topics include:

- 1 – [People Attraction Opportunities, An Overview to Our Strategy Guides](#)
- 2 – [Youth](#)
- 3 – [Families](#)
- 4 – [Entrepreneurs](#)
- 5 – [Professionals](#)
- 6 – [Retirees](#)

We also recommend you contact Craig Schroeder with the Center. Craig has extensive experience in this field and can help. Craig can be reached at craig@e2mail.org.

New World Reality... Do We Have a Choice?

As never before, our world is inter-connected in powerful ways. We are part of a global economy and society. America continued to be a powerful magnet for people desiring our freedom and way of life. Issues of new residents and immigrants taking our jobs continues to be a fear. There are voices calling for a new age of isolation illustrated by the craziness of the U.S./Mexico fence. Reality may be that we really do not have a choice. We either embrace this brave new world or destine our community to economic and social irrelevance. We can focus on the challenges and threats or realize the opportunities. As you consider moving your hometown towards becoming a more vibrant entrepreneurial community, consider new residents and immigrants as part of your strategy. We would love to hear from you, drop me a line at don@e2mail.org.

*Our next Entrepreneurial Communities installment focused on **Real Regional Collaboration**.*