Pathway to Entrepreneurship for Recent Chinese Immigrants in the United States

(Preliminary Draft)

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Abstract (147 words)

Studies on causes of immigrant entrepreneurship traditionally focused on the contexts of reception in the destination society. Advancement of the scholarship can significantly benefit from making linkages with the conditions in immigrants' country of origin and their migration process, but research in this direction has been limited due to lack of relevant data. This study seeks to contribute to this line of research by taking advantage of a recently available dataset from the China International Migration Project and conducting a case study on the Chinese immigrants' business formation in the United States. The findings suggest that Chinese immigrants' pre-migration entrepreneurial background can significantly enhance their chances of becoming business owners in the U.S. However, the steep migration costs and undocumented status, which is often associated with these immigrants' illicit entry into the U.S., tend to hinder their transition into entrepreneurship. Other findings are consistent with existing literature.

Introduction

Ethnic entrepreneurship is a defining feature of the ethnic economy (Light and Gold 2000). It is generally held in consensus by both the assimilation perspective and ethnic pluralism that for the first-generation labor migrants, who typically have low stocks of human capital and limited prospect of acculturation, their most feasible pathway to economic mobility is to become business owners, which can confer significant earning benefits (Light and Gold 2000; Light and Roach 1996; Portes and Bach 1985; Portes and Zhou 1996; Nee, Sanders and Sernau 1994). Chinese immigrants are among the most entrepreneurial ethnic groups in the U.S. This study is designed to investigate the rise of entrepreneurship among the recent Chinese immigrants, the Fujianese subgroup, who originates from China's Fujian province and comprises the largest wave of emigration from China in the 1990s (Liang 2001a). Fujianese are a typical labor migrant group and prove to resemble the Mexican migrants in important ways (Liang et al. forthcoming). Literature has documented that the influx of Fujianese has drastically transformed the landscape of Chinatown in New York City, displacing the previously dominant Cantonese subgroup (Kwong 1997); similar story is happening in Europe (Pieke et al. 2004). The rise of Fujianese population in the U.S. is also accompanied by the boom of Fujianese businesses. In New York City, Fujianese mainly engage in restaurants and construction businesses (Chin 1999; Kwong 1997). But Fujianese economy extends far beyond that. Our own field research has revealed that Fujianese businesses have made inroads into a large part of the eastern U.S. and even into Midwest states, with many being buffet restaurants. Accordingly, this study uses a recently available data to understand the emergence of Fujianese entrepreneurship.

Theoretical Background and Hypotheses

Regarding the rise of immigrant entrepreneurship, existing studies tend to focus on the "context of reception" in the host society (Portes and Rumbaut 1996), basically encompassing two aspects – on the one hand, ethnic entrepreneurship represents a response to structural forces in the receiving country, such as discrimination in the general labor market associated with racial/ethnic minorities and immigrant status (Light 1984; Min 1988), the emergence of business opportunities resulting from ethnic succession in residence and industrial labor division (Aldrich and Waldinger 1990; Waldinger 1996; Yoon 1997), and a derivative of the immigrants' sojourning orientation (Bonacich 1973); on the other, the rise of ethnic entrepreneurship involves the mobilization of immigrant resources within local reach in the host society, including the unpaid family labor and non-related coethnic labor (Light and Bonacich 1988; Min 1988; Sanders and Nee 1996), collective ethnic approach in capital pooling (Light 1972; Light and Bonanich 1988; Yoon 1997), as well as informal entrepreneurial training through coethnic employment (Bailey and Waldinger 1991; Zhou 1992; Raijman and Tienda 2000) as well as intraethnic favoritism in business transmission (Light and Bonacich 1988).

The understanding of immigrant business formation can be further advanced by making connections with two other aspects of the international migration – conditions in the country of origin and the nature of the international migration trip. The former issue was actually touched upon by Portes and Rumbaut's (1996) typology of new immigrants. They identified different types of immigrants according to the resources and endowments immigrants bring with them

from their home countries (professionals, labor migrants, entrepreneurs, etc.). Especially with immigrant entrepreneurs, Portes and Rumbaut pointed out "entrepreneurial flows are distinguished by a substantial number of immigrants with prior business experience. These skills may remain dormant for a while, as new arrivals struggle with language and customs at the receiving end. However, with increasing time and familiarity with the host economy, many are able to reenact past experience by eventually moving into self-employment. (p.84)" According to the ethnic enclave thesis, among the three prerequisites for enclave formation in the U.S., the presence of immigrants with business skills/experiences transported from nation of origin is far more critical than the other two, access to capital and labor, for business expertise is much more difficult to attain (Portes and Manning 1986). However, there has not been much empirical evidence to substantial this claim. There has been a few less than systematic studies going in this direction. For example, Portes and Bach's pioneering study of Cuban entrepreneurship suggests that immigrants' parental background can play a role in enhancing the chance of self-employment. Cuban immigrants tend to resort to their reputation back in Cuba to obtain credit (Portes and Stepick 1993). Yoon's (1997) study of Korean entrepreneurship in the U.S. also attested the exposure to small business activities constitutes a motivational and/or experiential factor in encouraging the immigrants to choose self-employment. The lack of systematic study on the impact of immigrants' background characteristics on entrepreneurship is mainly due to the deficiency of data. Most of immigrant studies are relying on census data, which however does not solicit the immigrants' pre-migration information.

The linkage between entrepreneurship in the receiving and sending nations can also be examined from the perspective of transnationalism (Portes, Guarnizo, and Landolt 1999). The unprecedented scales, diversity, density and regularity of people's movements have given rise to new structures that extend beyond the national boundary and create new opportunities for immigrants to pursue entrepreneurship. In general it is usually those better educated, more experienced and more secured immigrants who can become transnational entrepreneurs; they rely on the continuing ties with the country of origin for business success and normally enjoy significant earning advantages from such businesses (Portes, Guarnizo, Haller 2002). Today, the major forms of transnational business activities include transnational banking services, import-export trade, and multinational enterprises (Zhou 2004). There are also petty Mexican entrepreneurs taking advantage of the proximity to the supply back in Mexico and then re-sell the produce in American cities (Alvarez 1990)

In this study I would like to examine the rise of Fujianese immigrant entrepreneurship in the U.S. by making linkage with their entrepreneurial background in China. There have been plenty of studies on the Chinese enclave economy in the U.S., but seldom did researchers seek explanations from the country of origin other than noting the post-1965 influx of labor and capital from there (Kwong 1996; Zhou 1992). Similar to the Mexican migrants, Fujianese migrants are mainly of rural origin and do not have the middle-class background as Cubans or Koreans did, but I still see the relevance of entrepreneurial background in them. Historically, Fujianese were well-known for their business expertise, and Fujianese emigrants dominated the business trade network in Southeast Asia for a long time (Zhuang 2001). In modern era, Fujian province was at the forefront of China's economic reform and Nee's (1989, 1991) studies demonstrated the rising prominence of rural entrepreneurs during this rapid marketization in Fujian province. Today, Fujianese migrating to other places in China are also known to conduct business there rather than manual labor. More significantly, Fujianese entrepreneurs have made inroads into both the U.S. and Europe (Pieke et al. 2004). In light of this prominent business

culture among the Fujianese, I intend to examine the linkage between the business activities in sending and receiving places. Thus, I propose –

Hypothesis 1. Immigrants who had business background in the country of origin are more likely to become entrepreneurs in the U.S.

The other issue is the implication of the migration trip. In tradition, students of immigration tend to treat immigrants' incorporation and their international migration trips as largely separate topics, with the latter focused more on the generation and persistence of immigrant flows (Massey 1999). Not many efforts have been make to establish a connection between the two. In this study I would like to investigate a possible lagged influence of the migration trip, in the specific form of migration cost. The notion of migration cost mainly applies to undocumented migrants who use paid services to enter the U.S. illegally, so the amount of migration cost can vary widely depending upon the geography of the origin nation. For countries like Mexico that shares a two thousand mile long border with the U.S., the coyote fee for migrants was normally just a few hundred dollars and was even declining over time (Cerrutti and Massey 2004). But for migrants from other remote countries like China, it can be a totally different story. One special feature of Fujianese migration to the U.S. is their utilization of international smuggling network, which received a lot of media exposure due to some tragic incidents (Fritsch 1993; Keefe 2006; Rosenthal 2000). The smuggling fees charged by snakeheads were typically five-digit figures in U.S. dollars (Kwong 1997; Chin 1999), and the latest smuggling cost has run as high as 60,000 dollars (Liang et al. forthcoming). Such exceedingly high smuggling fee was typically paid for by loans from the migrants' relatives and friends in the U.S. Upon arrival the migrants usually start working immediately in order to pay off the debt, which usually takes about 2-3 years' arduous work (Chin 1999). Kwong (1997) and Chin (1999) have studied the adverse impacts of the steep cost and the suffering of the smuggling trip on the migrants' post-arrival experience. Liang et al. (forthcoming) also demonstrate that the higher migration cost can cause a delay in the reunification of family members in the U.S. In this study, I would like to examine the impact on the Fujianese' entrepreneurial attainment. Another issue related to illicit migration is the documentation status of these immigrants. Usually after the migrants arrived in the U.S. some were able to legalize their status under a series of amnesty programs but most were unable to do so and had to continue to remain undocumented (Liang 2001b). Studies on Mexican migrants suggest that the post-IRCA immigration policies have driven the undocumented Mexican workers further underground and imposed significant earnings penalty upon them (Amuedo-Dorantes and Mundra 2007; Massey, Durand and Malone 2002; Rivera-Batiz, 1999). I expect the disadvantage associated with migrants' undocumented status also extends to their entrepreneurial outcomes. In other words, for Fujianese migrants, their illicit migration trip will continue to constitute a substantial liability as they try to pursue entrepreneurship to improve their economic welfare. Accordingly, I propose the following hypotheses:

Hypothesis 2. International migration cost has a negative effect on the likelihood of becoming entrepreneurs, and such effect can be felt at both individual and household levels.

Hypothesis 3. Undocumented migrants are less likely to become entrepreneurs.

Data and Methods

In this study I use a recent data set from the China International Migration Project (CIMP). The CIMP is directed by Zai Liang at the University at Albany, and its design largely follows the well-known Mexican Migration Project model, collecting ethnosurveys in both the migrant-sending communities in China and the receiving region in the U.S. Thus, the surveys sought to collect detailed information on all household members who ever went abroad. The China survey site is located in the Fujian province (see figure 1 and figure 2), and the U.S. survey site is in the New York City region. One major difference of the CIMP from the MMP is that the CIMP was carried out within a limited time span: the survey on the China site was conducted twice, first between October 2002 and March 2003, and second during December 2003; the U.S. side survey was conducted during June-August 2003. Altogether the CIMP gathered data on about 1800 households in the Fujian region and on more than 400 households in New York City. Compared to the decennial census and other immigration surveys, the main advantages of the CIMP and MMP is that the database contains rich information about the migrants' personal background in place of origin as well as about their hometown communities; another feature of the two projects are their adequate coverage of the undocumented population, whose information is usually available.

The main approach of this study is to conduct individual level statistical analyses, modeling the likelihood of becoming business owners in the U.S. In order to do that, our first step is to select eligible individuals, that is, the migrants who are currently in the U.S. and are at working age (19 years old or above until retirement), thus from each migrant household I randomly select an individual of that sort[1]. In order to conduct robust statistical analyses, the sample under this study only contains households surveyed in Fujian province, because some important pieces of information are not covered in the New York City survey. This yields totally 1188 observations that can be used for systematic statistical testing. But occasionally I will turn to the New York City sample for useful descriptive information.

We will make logistic regression models, so the dependent variable will be a dummy variable indicating the migrant's occupational status, with 1 representing entrepreneur and 0 being non-entrepreneur.

The independent variables include a series of control variables and variables directly testing our research hypotheses. To test our first hypothesis, I have two alternate measures, one is the migrant's pre-migration occupation, and I would like to see if the migrant him/herself was self-employed prior to leaving for the U.S.; the other variable comes from the household level record, indicating whether the household head or spouse had ever engaged in any business activity, and in particularly I are interested to find out whether such activity was started before any of the household member ever went abroad; if yes, then I can try to establish whether a causal relationship exists between the migrant's business background in China and their entrepreneurial outcome in the U.S.

For the second hypothesis regarding the impact of migration cost, I also employ two alternate measures – one is the migrant's own migration cost, and the other is the combined total cost for all the migrants in the family. To maintain the comparability between the Chinese

[1] The conventional method is to use household heads' information, but in the CIMP, most household heads are non-migrants and therefore are not eligible for consideration

currency and U.S. currency across years, I have converted all costs into the value of 2004 U.S. dollars. For immigrants' documentation status, the CIMP survey directly inquired whether any family member had acquired a "Green Card" in the U.S.

Our models also include variables that have been relatively established in the literature: education, length of residence in the U.S., number of family laborers, and these variables are all expected to have a positive effect on the likelihood of becoming business owners. Another variable I choose to include is the migrants' religious affiliation. It has been shown that Christian church serve as an important medium of support and association for Korean entrepreneurs (Min 1992). In the Fujianese case, Guest's (2003) study also suggests that church affiliation in Chinatown can be part of a survival strategy for new immigrants. So, I would like to find out if religious affiliation plays a part in Chinese immigrant entrepreneurship. I also hope to include English proficiency as an independent variable, as that is a conventional measure of acculturation and assimilation; unfortunately, this information was not gathered in the Fujian survey and is only available in our New York City database; on the other hand, however, the New York City data indicates a certain degree of correlation between English proficiency and the migrants' length of residence in the U.S., so using U.S. residence duration in some way encompasses the effect of English proficiency. For confirmation purpose, I will use the New York City sample to check the direct correlation between English proficiency and business ownership outcomes. At last, I will include sex, age and marital status as the control variables.

Results

Descriptive Statistics

Table 1 shows the occupation distribution of the sampled immigrants. Out of the total 1188 individuals, 11.62% are entrepreneurs. I can see that among the non-entrepreneurial migrants, very few people are "white collar" worker, and most tend to have restaurant related jobs: more than 60% of the total sample are straightly identified as such, and another 16% reported unspecified menial job as their occupation, which I believe also contain a substantial number of food service workers. To confirm the class disparity between entrepreneurs and non-entrepreneurs, I used the New York City sample to compare their incomes. Figure 3 shows the median income of the entrepreneurs is about twice as much as that of non-entrepreneurs. Therefore, becoming a business owner is indeed an indicator of economic mobility.

Table 2 provides a more systematic profile about entrepreneurs vs. non-entrepreneurs, and the most striking observation is that the two groups of people are very different in terms of documentation status, length of residence in the U.S., and the migration cost they encountered. Clearly, the majority of the entrepreneurs are "Green Card" holders, while most of the non-entrepreneurs have no "Green Card" and presumably are undocumented; furthermore, on average entrepreneurs have been in the U.S. for a longer period of time, have more family members around, and paid less in migration cost than the non-entrepreneurs. Regarding the migrants' entrepreneurial background, I can see altogether about 7% of the migrants were self-employed before they came to the U.S., but many more of them are from families with prior business experiences (more than 13% if putting the two groups together).

Although I cannot include the English proficiency measure in our statistical models, I use the information collected from the New York City sample just to get a sense about the potential impact of English proficiency. According to figure 4, most entrepreneurs are able to conduct some communication in English; in contrast, the majority of the non-entrepreneurs almost never use English at all.

Logistic Regression Models

Table 3 and Table 4 present the results from logistic regressions predicting entry into entrepreneurship. Table 3 shows the outputs when I consider the sampled migrant's own migration cost alone. Table 4 reports the results the individual migration cost is replaced with the family total migration cost. In both tables, I have two sets of models. Model A uses the migrant's own pre-migration occupation as a predictor and Model B uses the migrant family's prior business background variable instead. Clearly, entrepreneurial background at household level appears to be at work at all times, contributing positively and substantially to the likelihood of setting up businesses in the U.S. The effect of the migrant's own entrepreneurial experience is also positive but not statistically significant. [2] Therefore, having some kind of entrepreneurial experience in China, either by the migrant him/herself or by exposure to family members' entrepreneurial activities, significantly increases the migrant's own chance of attaining business ownership in the U.S. In other words, coming from a business family has the effect of giving the migrants head start in the pursuit of entrepreneurship in a foreign country.

Now the question is how do I interpret this relationship, does this represent a transport of business aspiration and expertise to the destination country or is it a reflection of certain transnational business exchange between the sending and receiving nations? In order to make better sense of this relationship I looked into the specific business types in the two regions, and it turns out that the pre-migration businesses in the sending region are predominantly factories and stores (counting towards 37% and 30% of the total respectively), while those in the receiving region are predominantly restaurants. [3] Given the stark difference between the natures of the business in the two regions it would be difficult to try to establish some kind of vertical integration between them; furthermore, it would seem hard to fit restaurant owners into Portes' definition of transnational entrepreneurs, "whose business activities require frequent travel abroad and who depend for the success of their firms on their contacts and associates in another country, primarily their country of origin (Portes, Guarnizo and Haller, 2002: p. 287)". Thus, the idea of transnational entrepreneurship does not seem plausible for now. Accordingly, I would like to posit that the positive effect of the entrepreneurial background should resemble that of the informal training system as described by Bailey and Waldinger (1991), in which prospective entrepreneurs benefit from being exposed to the proper role models and receive entrepreneurial apprenticeship. So, after they arrive in the destination, migrants with prior business background are likely to reactivate their entrepreneurial endowment and establish their own businesses. After all, the business skills acquired from running factories and stores should still be relevant to restaurant businesses. Of course, further investigation, in particular qualitative field research, is needed to substantiate this argument.

[2] The effect of the migrants' pre-migration occupation is actually significant at 0.10 level at all times, which is not shown in Table 3 and Table 4.

[3] The frequency distribution of the types of business is available from the authors upon request.

Consistent with our second hypothesis, both the migrant's own cost and the family's total cost tend to exert a negative influence on the likelihood of entering entrepreneurship. This means instead of hoping for a rags-to-riches life story, many Fujianese migrants actually start their "American dream" with a tremendous amount of debt, which usually entails several years of hard work to pay off before they can have a new beginning. Thus, Fujianese migrants have to face additional economic constraints when trying to start their own businesses. On the other hand, the effect of family total migration cost appears to be much smaller than that of the individual migration cost. This is probably because the Fujianese migrants normally cannot come to the U.S. at the same time; the typical story is one migrant comes first and then work for a few years to pay off the smuggling fee debt, and then s/he will send for another migrant from the family and so forth. Thus, the effect of the total family migration cost is somewhat attenuated compared to that of the migrant's own. Still, the whole picture is congruent with the new economics of labor migration theory, which regards migration as a household level strategy to improve the economic situation. Furthermore, the documentation status is clearly an important factor in immigrants' path to entrepreneurship, with "Green Card" holders much more likely to achieve business ownership. Thus, altogether this means even after the migrants have already set their foot on the U.S. soil, the hardship associated with their illicit migration trip is still not over and it will continue to plague the migrants' future economic welfare.

A somewhat surprising finding is that women are more likely to engage in businesses than men. But it actually makes sense when I relate the formation of immigrant business with the international migration process. That is, men typically precede women in migration movements (Table 3 also confirms that the overwhelming majority of the migrants are men), which means female migrants usually will have the immediate companionship of their husbands once they arrive in the destination, whereas male migrants at many times do not have their spouses around. Considering the fact that immigrant enterprises are often just small family businesses, typically mom-and-pop stores, then women, mostly in the company of their husbands, are in a very good position to set up such a business and become a co-owner. In other words, this female advantage largely reflects the interaction between gender and companionship in the destination, which is worth further investigation.

The other variables that show significant effects are age, marital status, number of family labor and length of residence in the U.S. and the results are largely consistent with the existing literature; basically, younger people are more likely to become entrepreneurs, which is in accordance with the orthodox economic theoryin that younger adults tend to be better adjusted to changes in settlement and can afford the risks of new ventures (Portes and Bach 1985). It is also no surprising that married people are more likely to engage in self-employment, as married people are more likely to settle down and can be more resourceful in preparation for business ownership; unmarried people are relatively less resourceful in this sense, in addition, according to our fieldwork informant, single male Fujianese immigrant has to worry about Cai Li for prospective bride, and the ongoing norm is $30,000, which can significantly preclude the immigrants likelihood to do any sort of business investment. Besides, immigrants who have been in the U.S. for a longer period of time are more likely to become entrepreneurs, which is largely congruent with the assimilation perspective, as immigrants can pursue the most feasible path of economic advancement as their knowledge about the host economy improves. Education also seems to have some effect, with senior high school education most useful. This is consistent with Sanders and Nee's (1996) argument that all one needs for a small business is a solid basic

education. However, such effect is not consistent between Model A and Model B. At last, religious affiliation does not appear to make a difference in attaining business ownership.

Conclusion and Discussion

In this study I seek to explain the rise of Chinese immigrant entrepreneurship from two relatively understudied perspectives – the context of exit and the international migration trip. And I find that coming from families with prior entrepreneurial experience tends to give migrants an advantage in establishing businesses in the U.S. Given the recent rise in scholarship on transnational entrepreneurship, I are prompted to consider the possibility of transnational links to interpret such impact, but so far I don't have direct evidence to substantiate this view. Rather, I would interpret this effect in a more traditional sense, that is, attribute this advantage to the working of a family training system, in which family members enjoy material and symbolic benefits associated with business ownership and they also get to learn useful business skills that are ready to be transported with them in case of moving to other places including a foreign country. Once in the destination place, migrants can adapt their prior entrepreneurial orientation and skills to the new business opportunity structure. To some extent, this actually echoes Yoon's (1997) argument that the Korean immigrants' exceptionally high self-employment rates in the U.S. are attributable to the prevalence of small businesses back in Korea. But what is different about the Fujianese case is that they are not the typical urban, well-educated, entrepreneurial-commercial class; rather, they are mostly of rural origin and have no more than high school education. This calls attention to the human capital measurement. Clearly, like work experience, entrepreneurial background at both individual and household level can also constitutes important forms of human capital, yet in ethnic economy studies researchers still rely predominantly on individual education as a main measurement of personal traits. This study demonstrates that at least in the case of Chinese business formation, the importance of prior entrepreneurial background, particularly at household level, far outweighs that of individual education. Another theoretical implication is related to the constant debate between the assimilation perspective and ethnic pluralism. The key difference between the two points of view is that assimilation scholars regards individualistic competition and mobility as the fundamental mechanism of immigrant incorporation (Alba and Nee 2003), while ethnic pluralism emphasizes the power of ethnic collectivism, particularly in the form of "bounded solidarity" and "enforceable trust" (Portes and Zhou 1992). This study shows that even for ethnic entrepreneurship, a most celebrated form of economic progress by ethnic pluralism, important determinants can be from personal level, and in this case an endowment inherited even before the actual migration trip was made. Of course, I certainly don't mean to dismiss the power of social capital associated with ethnic membership and network, but I would like to point to the complexity in the mechanism of immigrant business formation. Of course, this will also point to one limitation of this study, that is, the lack of social capital at community level measurement at destination, as often heralded by the ethnic pluralism.

Regarding the impact of the international migration trip I find that undocumented Fujianese migrants tend to face double disadvantages on their path to entrepreneurship. On the one hand, their chance of becoming entrepreneurs can be reduced by their sole undocumented status; on the other, their entry to entrepreneurship is likely to be delayed by the high cost of the smuggling trip. Regarding the disadvantage associated with undocumented status, usually this

type of impact is most likely to be felt in the open economy rather than in an enclave economy, for an ethnic enclave usually contains a "protected sector" and develops a certain degree of institutional completeness, which can shield the ethnic members from the discrimination and legal sanctioning in the mainstream society (Portes and Manning 1986; Zhou 1992). Therefore, in some way, this status disadvantage could indicate the Fujianese economy has developed certain kind of integration with the mainstream society or clientele, in which a legitimate identity and storefront is required on the business owner's part. In other words, the Fujianese entrepreneurs could be no longer subject to the confines of the traditional Chinese enclave, but seeking opportunities elsewhere. To our own knowledge, this is quite true. At least geographically, the Fujianese businesses have made inroads far beyond the traditional gateway city, New York City, and have spread almost all over the U.S., and their most typical business is fast food and buffet restaurants. This geographical trend largely echoes the story of Mexicans (Massey 2008; Zúñiga and Hernández-León 2005). On the other hand, however, given the tightened enforcement of immigration legislation, such economic integration can also mean a heightened barrier for these undocumented Chinese immigrants to pursue entrepreneurship. But that is not all; our findings also suggest that the exceedingly high migration cost charged on the undocumented Fujianese migrants constitute another layer of constraint against their pursuit of entrepreneurship. The typical amount of smuggling fee probably would seem ridiculous for people in the developed nation, let alone the Fujianese migrants, who are mostly petty peasants. According to Chin (1999), such determination and desperation to come to the U.S., largely reflects a misleading impression created by the U.S. authority that U.S. passes amnesty laws for illegal immigrants every now and then. Thus, essentially the U.S. immigration policy serves as the pulling force in this movement. Also considering the power and sophistication of the international smuggling network, it should require multiple nations to work together to help immigrants come legally.

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Figure 1. Location of Fujian Province in China

Figure 2. Major Immigrant-sending Regions in Fujian Province, China

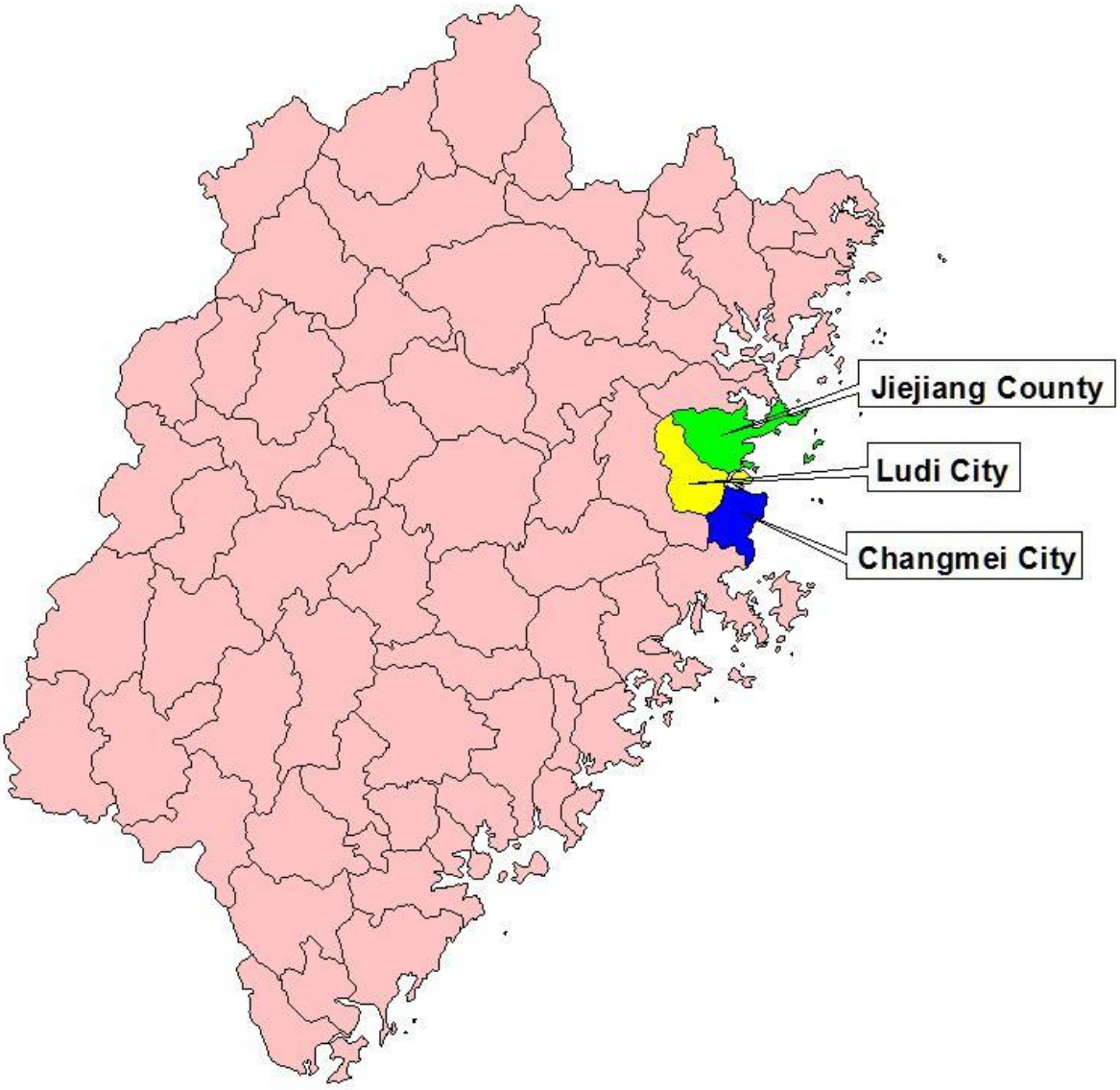

Figure 3. Median Monthly Income

Entrepreneurs vs. Non-Entrepreneurs in New York City sample

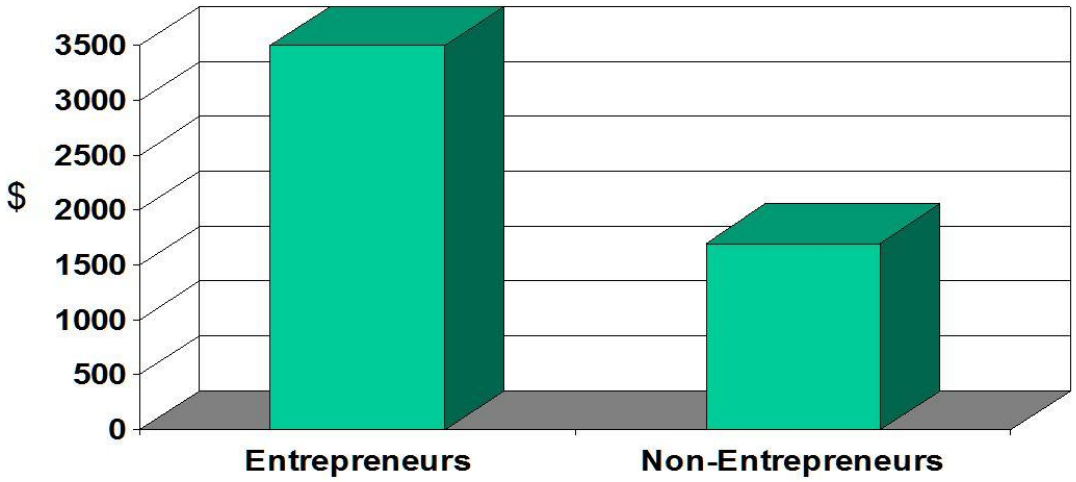

Figure 4. English Proficiency

Entrepreneurs vs. Non-Entrepreneurs in NYC Sample

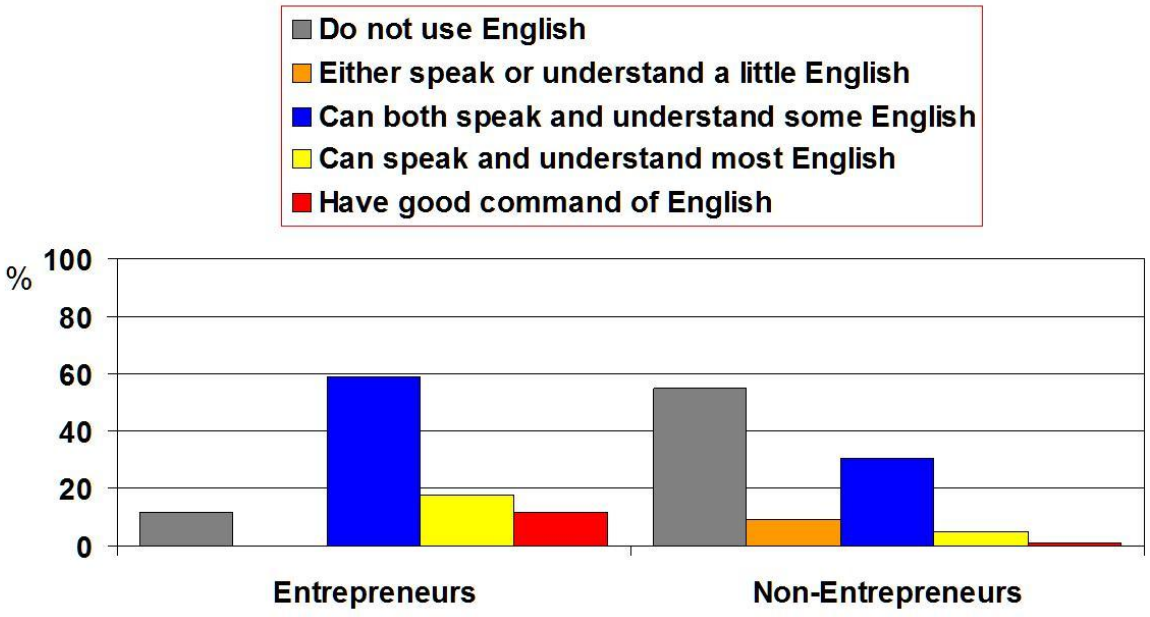

Table 1. Distribution of U.S. Occupation among the Sampled Chinese Immigrants

U.S. Occupation	Frequency	%
Entrepreneurs	138	11.62
Professionals	3	0.25
Clerical	5	0.42
Sales	5	0.42
Food services	731	61.53
Other services	7	0.59
Agriculture	1	0.08
Manufacturing	22	1.85
Construction	33	2.78
Other skilled worker	7	0.59
Unspecified menial job	194	16.33
Other occupation or labor force status	42	3.53
Total	**1188**	**100**

Table 2. Descriptive Statistics on Entrepreneurs vs. Non-Entrepreneurs

Variables		Entrepreneurs (%)	Non-Entrepreneurs (%)
Sex			
	Male	60.87	73.90
	Female	39.13	26.10
Age			
	19-24	7.25	22.67
	25-29	18.12	23.33
	30-34	27.54	18.10
	35-39	17.39	14.67
	40-44	13.77	10.48
	45-49	12.32	6.38
	50+	3.62	4.38
Marital status			
	Ever married	92.75	65.33
	Never married	7.25	34.67
Education			
	Elementary school or less	26.09	26.38
	Junior high school	47.83	54.57
	Senior or vocational high school	24.64	17.14
	College or above	1.45	1.90
Religious affiliation			
	Christianity	5.07	5.81
	Other religions	42.03	46.95
	None	52.90	47.24
Have a “Green Card”			
	Yes	51.45	18.95
	No	48.55	81.05
Was an entrepreneur before emigration			
	Yes	8.70	6.29
	No	91.30	93.71
From an entrepreneurial household			
	Yes	16.67	12.57
	No	83.33	87.43
Mean number of years in the U.S.		10.02	6.49
Mean number of family laborers		3.40	1.96
Mean individual migration cost (in 2004 dollars)		9661.92	26567.74
Mean family total migration cost (in 2004 dollars)		33919.73	44515.30
Total	**1188**	**138**	**1050**

Table 3. Coefficients of Logistic Regression Predicting Entry into Entrepreneurship: Migrant's Own Migration Cost as a Predictor

	Model A		Model B	
Independent Variables	*B*	**SE**	*B*	**SE**
Intercept	-5.9112 **	0.8153	-5.9826 **	0.8099
Male	-0.8351 **	0.2490	-0.8084 **	0.2487
Age				
19-24	1.5928 *	0.7134	1.4534 *	0.7070
25-29	1.2726 *	0.5946	1.2047 *	0.5898
30-34	1.4264 *	0.5591	1.3751 *	0.5548
35-39	1.0641	0.5708	1.0373	0.5657
40-44	0.7345	0.5789	0.7815	0.5759
45-49	1.0151	0.6006	1.0022	0.5954
50+ (reference)	----	----	----	----
Ever married	1.1991 **	0.4369	1.1847 **	0.4353
Education				
Elementary school or less (reference)	----	----	----	----
Junior high school	0.0387	0.2667	-0.00159	0.2687
Senior or vocational high school	0.6010 *	0.3030	0.5511	0.3065
College or above	-0.7555	0.8538	-0.7326	0.8478
Religious affiliation				
Christianity	-0.2215	0.4796	-0.1153	0.4729
Other religions	-0.00966	0.2134	0.0122	0.2146
None (reference)	----	----	----	----
Length of residence in the U.S.	0.1308 **	0.0324	0.1341 **	0.0325
Have a "Green Card"	0.5776 *	0.2275	0.5079 *	0.2283
Number of family laborers	0.4299 **	0.0638	0.4504 **	0.0650
Was an entrepreneur before emigration	0.7285	0.3762	----	----
From an entrepreneurial family	----	----	0.8702 **	0.2937
Individual migration cost (in $1,000)	-0.0171 *	0.00690	-0.0172 *	0.00691
-2 Log Likelihood	641.398		636.690	
Chi-Square	212.0772 **		216.7854 **	
df	18		18	
Number of cases	1188		1188	

Note: * P < 0.05 and ** P < 0.01

Table 4. Coefficients of Logistic Regression Predicting Entry into Entrepreneurship: Family Total Migration Cost as a Predictor

	Model A		Model B	
Independent Variables	*B*	**SE**	*B*	**SE**
Intercept	-6.2005 **	0.8032	-6.2601 **	0.7980
Male	-0.8265 **	0.2494	-0.8000 **	0.2491
Age				
19-24	1.4991 *	0.7136	1.3519	0.7076
25-29	1.3082 *	0.6011	1.2415 *	0.5961
30-34	1.4527 *	0.5647	1.4008 *	0.5602
35-39	1.0857	0.5769	1.0585	0.5713
40-44	0.7185	0.5852	0.7577	0.5820
45-49	1.0596	0.6082	1.0468	0.6024
50+ (reference)	----	----	----	----
Ever married	1.2258 **	0.4343	1.2018 **	0.4328
Education				
Elementary school or less (reference)	----	----	----	----
Junior high school	0.0239	0.2672	-0.0162	0.2691
Senior or vocational high school	0.6067 *	0.3042	0.5530	0.3076
College or above	-0.7877	0.8602	-0.7657	0.8555
Religious affiliation				
Christianity	-0.2162	0.4777	-0.1112	0.4722
Other religions	-0.00958	0.2139	0.0130	0.2152
None (reference)	----	----	----	----
Length of residence in the U.S.	0.1396 **	0.0321	0.1424 **	0.0321
Have a “Green Card”	0.5834 *	0.2291	0.5172 *	0.2295
Number of family laborers	0.4993 **	0.0688	0.5226 **	0.0701
Was an entrepreneur before emigration	0.6525	0.3788	----	----
From an entrepreneurial family	----	----	0.8470 **	0.2913
Family total migration cost (in $1,000)	-0.00654 *	0.00296	-0.00681 *	0.00297
-2 Log Likelihood	642.968		637.860	
Chi-Square	210.5080 **		215.6158 **	
df	18		18	
Number of cases	1188		1188	

Note: * P < 0.05 and ** P < 0.01