



Immigrant-Owned Small Businesses & Local Food Economy Report



ALL for ALL

Taking the Immigrant Community Blueprint from Plan to Action



Acknowledgments

This report would not have been possible without the entrepreneurs who took time out of their extremely busy schedules to speak with us, and we are so grateful. Thank you to the Allegheny County Health Department, Bridgeway Capital, City of Pittsburgh Mayor's Office, Duquesne Small Business Development Center, Idea Foundry, and New American Economy for providing feedback and suggestions to shape our interview questions. Thank you to the multitude of community-based organizations who helped facilitate connections. This report would not have been possible without *All for All's* AmeriCorps VISTA and Coro fellows, who conducted the interviews and synthesized the findings.

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In the past decade, immigrant-owned food businesses have revitalized our main streets, increased access to culturally diverse foods, and created jobs in communities across the Pittsburgh area. Throughout the spring and summer of 2018, *All for All* interviewed the owners of 40 immigrant-owned businesses – restaurants, markets, food trucks, and catering and pop-up businesses – to get a sense of the challenges and successes in becoming an entrepreneur as an immigrant in Pittsburgh.

Participants varied in their education level, country of origin, age, and gender. Despite various factors, there were several common themes in participants' experiences.

More than 75% of these entrepreneurs were working in fields other than food before starting their respective businesses – demonstrating how difficult it was to find work appropriate for their credentials.

40
immigrant-owned
businesses

75%
were previously working in
fields other than food

Many entrepreneurs relied on their family and personal resources to get off the ground – 52% used exclusively their own savings to get started and 20% used both savings and another source of funding — illustrating a lack of knowledge of and access to available support and resources such as loans and grants.

Systemic barriers that affect all business owners were especially burdensome for these entrepreneurs, including the absence of a streamlined system for inspections and permitting, and what was perceived as a lack of coherent information from regulatory institutions such as the Allegheny County Health Department and the City of Pittsburgh.

The absence of variety and specialized goods available from local restaurant suppliers causes more than half of the business owners and staff to travel out of state to source products or source products internationally.

52%
used exclusively their own
savings to get started

The following pages capture the stories of the 40 participants interviewed for this study, and render visible specific areas of recommended focus for regional organizations and institutions to make their policies, resources, and community engagement more equitable. The recommendations presented in this report will make entrepreneurship more attainable for aspiring and established immigrant entrepreneurs and small business owners, so that they can continue to make valuable contributions to our main streets and create jobs in our neighborhoods without jumping over hurdles that are sometimes disproportionately high.



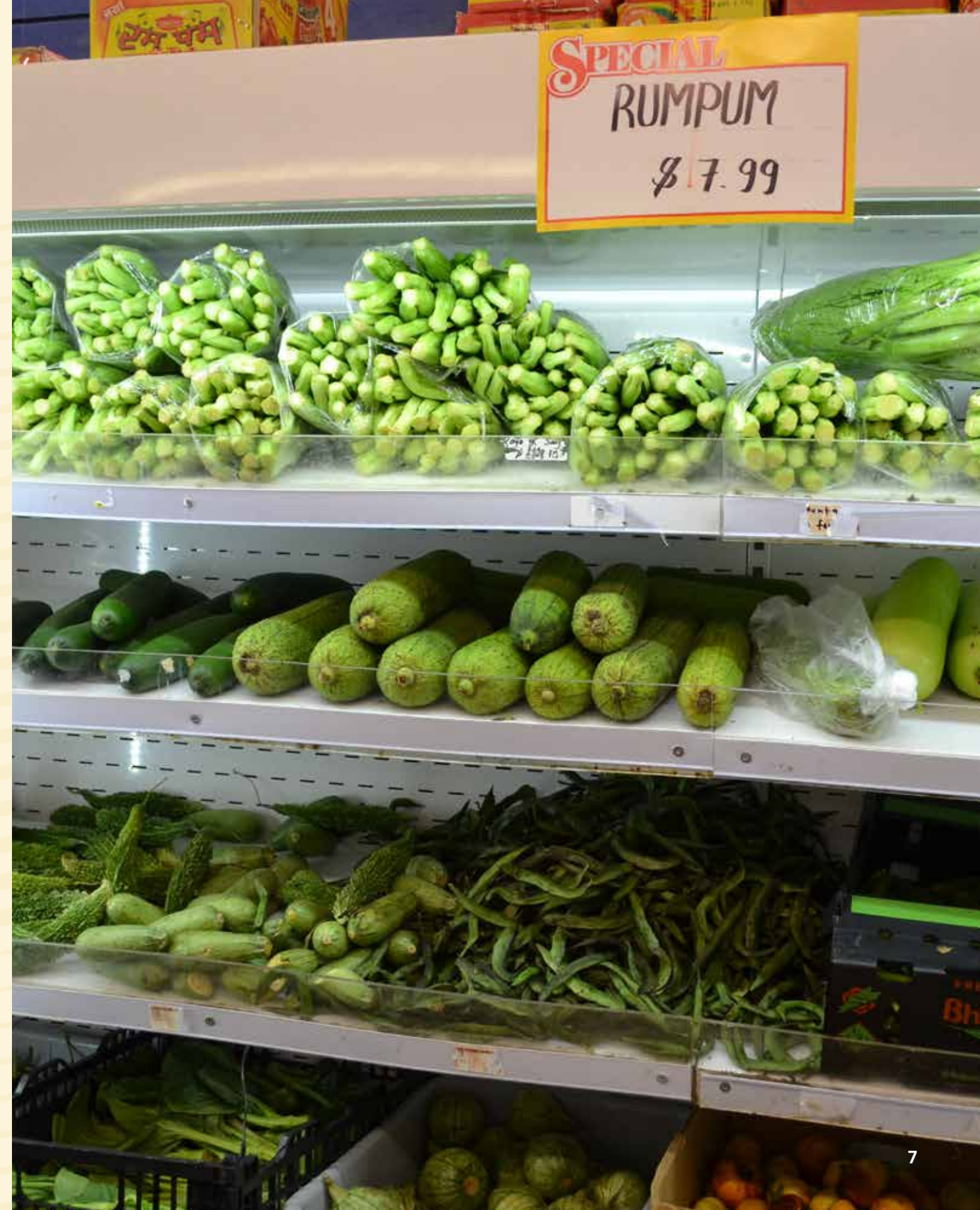
This report illuminates the unique challenges that foreign-born entrepreneurs face when accessing start-up capital, navigating systems of licensing and permitting, attracting and retaining employees, and marketing their businesses in the Pittsburgh region. By shining a light on these particular challenges, this study aims to engage local Small Business Development Centers, government entities like the Allegheny County Health Department and the City of Pittsburgh¹, and other institutions that wish to expand their outreach to immigrant entrepreneurs, but do not necessarily understand their experiences well enough to offer appropriate assistance. Findings from this study revealed numerous challenges for members of the immigrant community in their efforts to access entrepreneurship resources. While there are a variety of factors influencing these challenges, whether it's the varying levels of English language or cultural fluency of entrepreneurs or lack of outreach and cultural awareness on behalf of institutions, there are barriers and additional hurdles for foreign-born business owners in accessing the numerous resources available in the region.

Whether or not these barriers are perceived or intentional, it is clear that there is room for improvement. When resources and systems are more accessible for those who don't speak the language and aren't familiar with the culture and regulations of the food economy, these same institutions become easier for everyone to navigate. Note that there was no formal investigation on behalf of *All for All* as to whether the stories shared by participants align with current rules and regulations of the organizations mentioned in the report. The perceptions of the individuals interviewed instead provide a lens for these institutions, prospective investors, and partners as to how accessible their services really are.

The good news is that the solutions are within reach and can be found in the stories provided directly by the immigrant food entrepreneurs. Improving coordination between institutions, creating clearer and more simplified processes, increasing public awareness of the resources available in a culturally and linguistically appropriate way – with enough interest and attention, these are achievable goals.

Findings from this study can serve as an impetus for policymakers and investors interested in accelerating opportunities for economic development and immigrant inclusion in our region. By making the systems, policies, and processes of starting a food business easier to navigate for immigrants, the entire community will benefit.

¹ It should be noted again that Allegheny County and City of Pittsburgh were partners in preliminarily shaping the interview process, ensuring questions that were comprehensive and yielded a deeper insight. Both have expressed an interest in reviewing the final findings and working with immigrant food entrepreneurs to make these systems more accessible.



Keyla moved to Pittsburgh six years ago via Atlanta and São Paulo, but is originally from the small town of Juquitiba, Brazil, where her parents both ran their own businesses – her father in construction and her mother operating a popular candy shop. Keyla now works full time at a local university, where the inspiration for her business began in the lunchroom. After seeing her bring delicious, home-cooked lunches every day, her coworkers began requesting orders for themselves. Demand for Keyla’s cooking grew and she started catering parties and events. In 2016, Keyla formalized and created *Keyla Cooks LLC*. Now, she is about to open a year-long, pop-up restaurant, *Casa Brasil*, in the Highland Park neighborhood of Pittsburgh.

Keyla was the first of 40 immigrant entrepreneurs interviewed by *All for All* for this report. Through their stories, the barriers encountered and successes achieved during the process of starting a food business emerged, including the unique experiences they encountered as immigrants.

Immigrants are a vital part of supporting and maintaining Pittsburgh’s economic growth. While Pittsburgh’s foreign-born population of 3.4% is small when compared with other benchmark cities, international migration offset population loss by 22,588 people between 2011 and 2016. By starting businesses and moving into Pittsburgh neighborhoods, immigrants contributed \$918.4 million in state and local tax dollars in 2014 alone.²

Keyla Cooks

ENTREPRENEUR:

Keyla Nogueira Cook

CUISINE:

Brazilian

BUSINESS TYPE:

Catering

SINCE:

2012



Nationally, immigrants are 28% more likely to be entrepreneurs than the U.S.-born population, and locally that number jumps to 35%.³ Approximately one out of every five businesses on the main streets of cities in the Great Lakes Region was founded by immigrants.⁴ Immigrants may make up only 6% of Pennsylvania’s population, but account for 10% of its entrepreneurs – thereby employing approximately 143,211 people statewide.

IMMIGRANTS ARE 6% of Pennsylvania’s population BUT ARE 10% of its entrepreneurs

The question remains as to whether the region and its resources are ready to welcome immigrants wholeheartedly and foster an environment where they can succeed in all aspects of their lives, including in their working roles as entrepreneurs and small business owners. According to a survey conducted in 2014 under the City of Pittsburgh’s Welcoming Pittsburgh Plan, 46% of foreign-born immigrant respondents say their decision to remain in the region is predominantly based on employment and family. Unfortunately, due to institutional barriers in recognizing foreign credentials and lack of strong professional networks, many of Pittsburgh’s foreign-born residents struggle to find employment in their fields of expertise.

According to a New American Economy report, in 2014 there were 4,409 immigrant entrepreneurs living and working in the region.⁵ In 2012, it was estimated that Latinx-owned businesses employed over 1,200 people, a number that has since grown with the upswell of Latinx to our region through secondary migration, which has a positive ripple effect across our local economy. In Allegheny County, 3,705 foreign-born entrepreneurs were employed by their own business, generating \$120 million in business income.⁶ Enabling and strengthening entrepreneurship efforts is critical to welcoming immigrants in Pittsburgh and supporting economic empowerment of the community at large.

² Advancing the Pittsburgh Region, New American Economy, 2016.

³ New American Economy. "Immigrants and the Economy In: Pittsburgh Metro Area." Map the Impact. <https://www.newamericaneconomy.org/city/pittsburgh/>.

⁴ For the case of this report, the Rustbelt region is defined as it was by New American Economy in *New Americans and a New Direction, The Role of Immigrants in Reviving the Great Lakes Region* the historically manufacturing-heavy area largely in the Midwest and Upper Midwest including seven states: Illinois, Indiana, Michigan, upstate New York, Ohio, Pennsylvania, and Wisconsin.

⁵ New American Economy. "Immigrants and the Economy In: Pittsburgh Metro Area." Map the Impact. <https://www.newamericaneconomy.org/city/pittsburgh/>.

⁶ Advancing the Pittsburgh Region, New American Economy, 2016.

\$120
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3,705
foreign-born entrepreneurs
in Allegheny County

While Pittsburgh's immigrants come from all over the world, India and China are the countries with the largest immigrant presences in Pittsburgh. Combined, they account for almost 25% of Pittsburgh's foreign-born population. In 2014, the top ten countries of origin for foreign-born Pittsburgh residents were India, China, Italy, Germany, Canada, Republic of Korea, Mexico, Russia, Philippines, and Vietnam.⁷ These numbers capture the most recent data, according to myriad national and local sources, but an important part of the story is the community estimates that have not yet been formally recorded. Leaders within the Latinx and refugee communities report a significant increase in population numbers to the region through secondary migration in recent years.

⁷The Global Snapshot, World Affairs Council of Pittsburgh, 2016-2017.

INDIA AND CHINA have the largest immigrant presences in Pittsburgh

Other top countries are:
**ITALY, GERMANY, CANADA,
REPUBLIC OF KOREA,
MEXICO, RUSSIA,
PHILIPPINES, AND VIETNAM**



Las Palmas

ENTREPRENEUR:

Gabriel Berumen

CUISINE:

Mexican

BUSINESS TYPE:

Market/Corner Store

SINCE:

2006



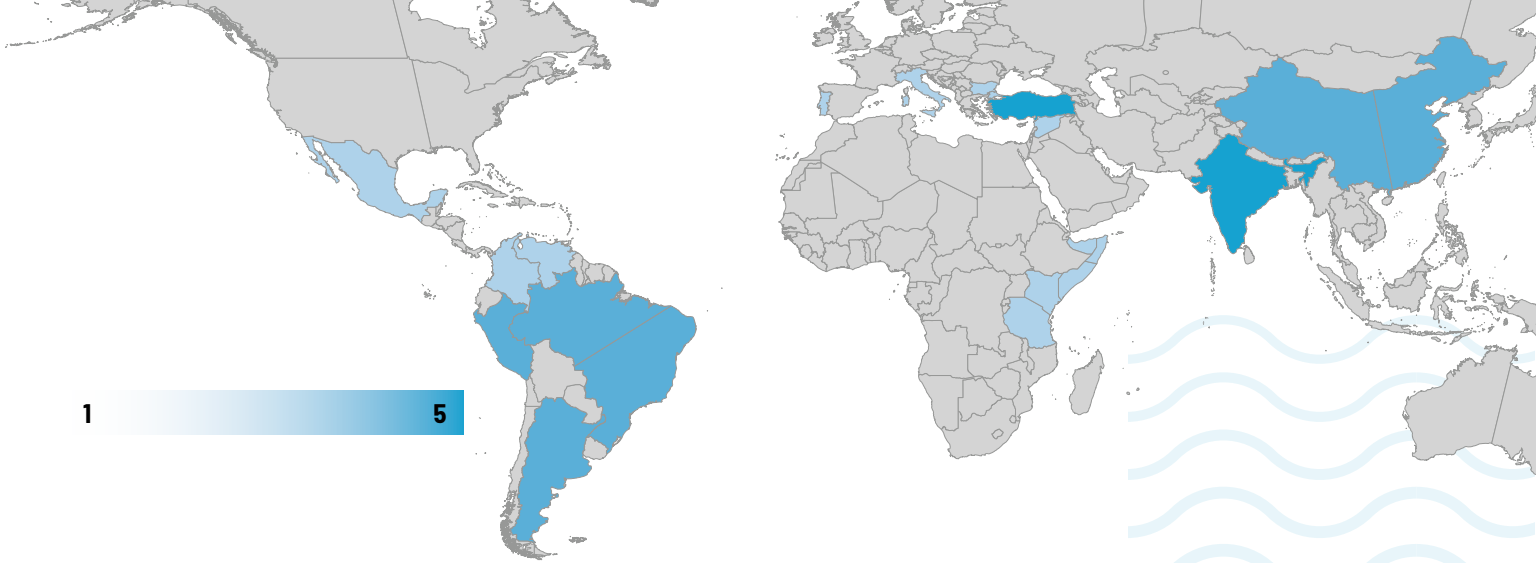
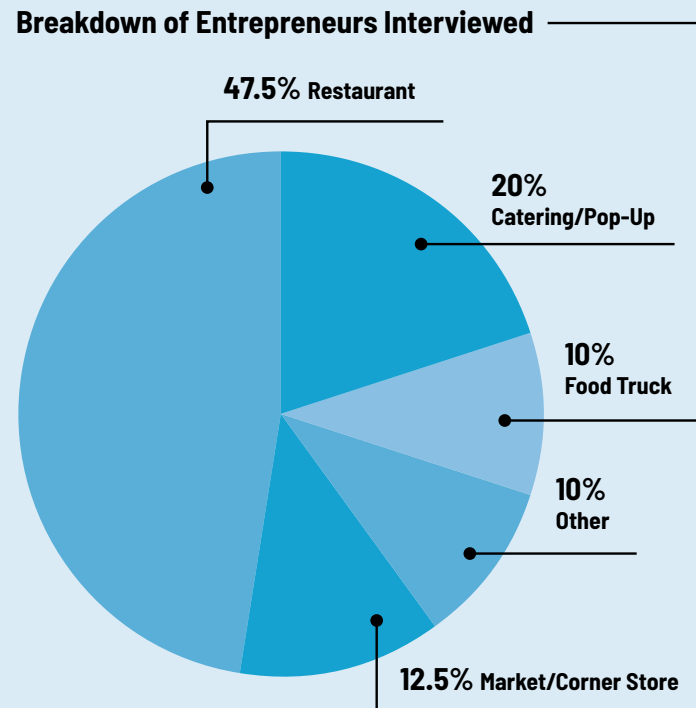
“How we got to Pittsburgh is that one of my cousins invited me to a party, and when we got here... I asked her where is the Hispanic store to go get meat, tortillas, and all that. She took me to one place and it was really expensive. In Indiana, there are so many places and it's really cheap... [I realized] it's good to come here because there are no grocery stores – nothing like that.” Gabriel saw a gap in the market, and he seized the opportunity. Despite there being few Mexican grocery stores in the area and a demonstrated need for the Latino community, he still faced barriers and was met with opposition when he opened his first store. **“We opened our first store in Brookline. When I moved here, it was so hard to open the business. For us Hispanics, it's truly hard.”** Now, Gabriel owns four businesses across the region and employs 25 people.

In order to capture a holistic picture of the existing landscape in Pittsburgh, four major food business categories were identified: **restaurants**, **markets** (i.e. supermarkets, grocery stores, and corner stores), **mobile businesses** (i.e. carts and food trucks), and **catering and pop-up businesses**. Through preliminary research and existing connections with community partners, an initial list of immigrant-owned food businesses in the Pittsburgh region was created.

For the purpose of this report, “immigrant” refers to someone who was born outside of the United States, but now lives in the U.S. However, our study also includes two participants who are first-generation Americans (the children of immigrants but born in the U.S.) and one participant from Puerto Rico. While these individuals are not technically immigrants, they face many of the same barriers as those who came to the U.S. from another country. They were included in the study because they shared valuable perspectives in the challenges they faced despite being born in the U.S.

Outreach was conducted in person, over the phone, and via email with almost 100 businesses. Food entrepreneurs are particularly busy, something that any program seeking to engage with this network needs to be mindful of in order to design solutions and resources that best meets their schedules.

The information in this report was collected by the *All for All* team that worked with community partners to develop the questions, conduct the interviews, and synthesize the findings. The motivation and urgency in producing this study are rooted in the ongoing concerns raised by immigrant community members eager to explore food business opportunities and local resources who are unclear how to best support this entrepreneurial spirit.



Leveraging existing resources, interviews were almost exclusively conducted with business owners who spoke good to fluent English. A total of 38 interviews were conducted exclusively in English, one interview was conducted in English and Arabic, and one interview was conducted in English and Spanish. Because of this, this report does not address the added barriers that entrepreneurs face if they do not speak English – though it is clear that any barriers faced when starting a business in Pittsburgh are exacerbated when one is navigating a new language and system.

Over the course of 18 weeks, 42 business owners representing 40 businesses (two businesses were co-owned) were interviewed. These in-person conversations typically lasted between 15 minutes to one hour and took place at the business. For transient businesses, the meetings often took place at local coffee shops, libraries, or other locations convenient for the interviewee. Entrepreneurs came from 27 different countries and spoke 28 different languages.

The profiles of the participants covered a range of ages, years spent in Pittsburgh, and levels of education. Of those who specified their type of education or degree, 11 had business or culinary training and 14 had neither. The gender breakdown was fairly even, with 19 female entrepreneurs and 23 male entrepreneurs.

Interviews covered these main topics: include occupation prior to arriving to the U.S., past food business experiences, the process of starting their business, support they did or did not receive, as well as the current operation of their business. Research and anecdotes suggested an underutilization of available resources among immigrant entrepreneurs. During the interviews, a list of resources for small business owners was shared by *All for All*. The interview questions and the resource list can be found in Appendix A and Appendix B, respectively.

With each individual's permission, the interviews were recorded, transcribed, and later coded for recurring themes. The following findings and trends emerged out of these conversations.

19
Female
Entrepreneurs

23
Male
Entrepreneurs

11 OUT OF **14**
Had Businesses or Culinary Training

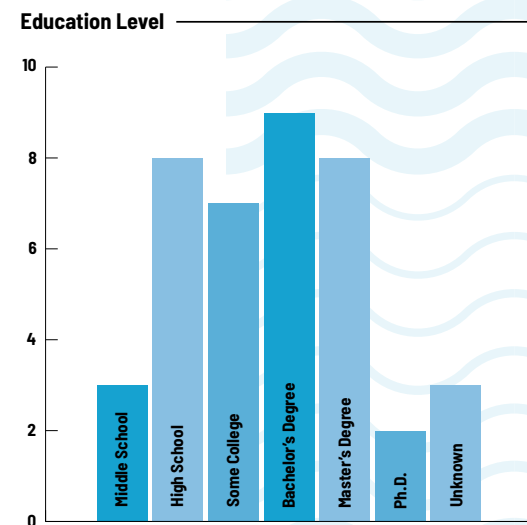
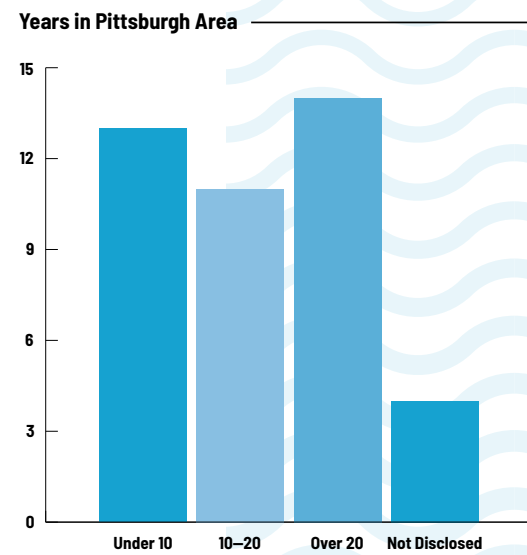
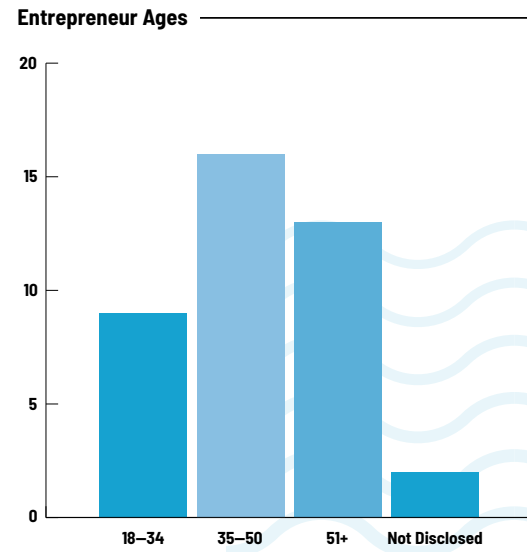


photo credit: Kate Hagerty from the Immigrant & Refugee Health Fair Organized by NAMS Office of Refugee Resettlement

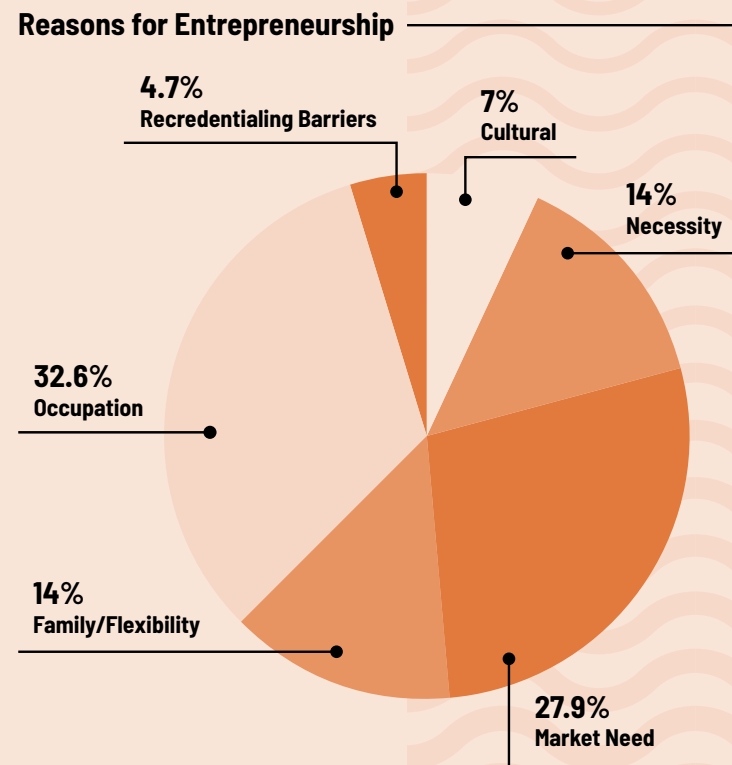
Interviews with 40 food entrepreneurs provided insight into the limited scope of funding opportunities or knowledge of them, the complexity of the business permitting and licensing arms of governmental agencies, the shortage of employees who are both reliable and knowledgeable of certain cuisines, the strenuous physical labor, and the emotional sacrifice and commitment necessitated by the food industry.

This section digs deeper into these particular conditions faced by immigrant entrepreneurs in Pittsburgh – from *Salim’s Middle Eastern Food* established in 1979 to *Azorean Café* which opened Spring 2018.

Reasons for Starting

Though the motivations for starting their businesses varied, there were some common trends among entrepreneurs. Difficulties with recredentialing, the desire for a flexible work environment or spending time with family, and pure necessity were just some of the factors behind their decisions. Many said they decided to open shop in Pittsburgh because they saw a lack of ethnic food in the area. In total, 12 of the business owners said that when they came to Pittsburgh, there were few options for buying culturally appropriate food, and they viewed this as an opportunity.

Abdulla Salem, general manager of *Salem’s Middle Eastern Grill*, now located in the Strip District, said they opened their store because of a lack of restaurants and grocers in the area that supplied halal meat. With a growing Muslim population and demand from international students, they opened their doors in Oakland in 1981, and are now one of the most profitable businesses of those interviewed.



Ineffable Ca Phé

ENTREPRENEUR:
Phat Nguyen

CUISINE:
Vietnamese

BUSINESS TYPE:
Coffee Shop

SINCE:
2017



“Coffee and sandwiches have always been the biggest thing for me because, growing up, my biggest childhood memory was with my dad in Vietnam... I would go with him to my grandma’s cashew farm and, in the morning, as a treat he would take me to this little corner cart where they sell sandwiches and he would get me a banh mi and he would get his coffee. So, that’s my thing, and that’s why I have this shop. He would think I’m crazy that I’m selling bahn mi, but to me it’s personal.”

Frank Abraham, owner of *Basha21* in Squirrel Hill, taught chemistry at a university in Damascus, Syria. When he moved to the U.S. in 1987, he planned to take the GRE and TOEFL so that he could continue to teach. However, he needed to concentrate on his children and take care of his family more immediately, and instead became an entrepreneur. 75% of the entrepreneurs we spoke to worked in a field outside of the food industry before coming to the U.S. When they came here,

many saw cooking as a way to support their family in a country where they were less connected to and familiar with opportunities in their field.

75% WORKED
in an outside field before
coming to the U.S.

Azorean Cafe

ENTREPRENEUR:

Elsa Santos

CUISINE:

Portuguese

BUSINESS TYPE:

Cafe

SINCE:

2018



"It was always my dream to have my own [restaurant]. I always pictured that I would have breakfast and lunch as well as coffee. And that's what we're doing. It took 17 years, but now we're here."

While much of the rationale for opening a food business was based in economic reasoning, 14 of the entrepreneurs described it as their "dream job."

While many business owners expressed that they love their jobs now and enjoy owning a business, the fact that 75% of them were previously working in another field is testament to the difficulty of building a professional network and acquiring meaningful work in Pittsburgh with foreign credentials and experience. Many viewed entrepreneurship as a solution to this problem. Marketing what they knew and the place they came from was most successful in an industry that values differences and international expertise — food.

Funding Sources

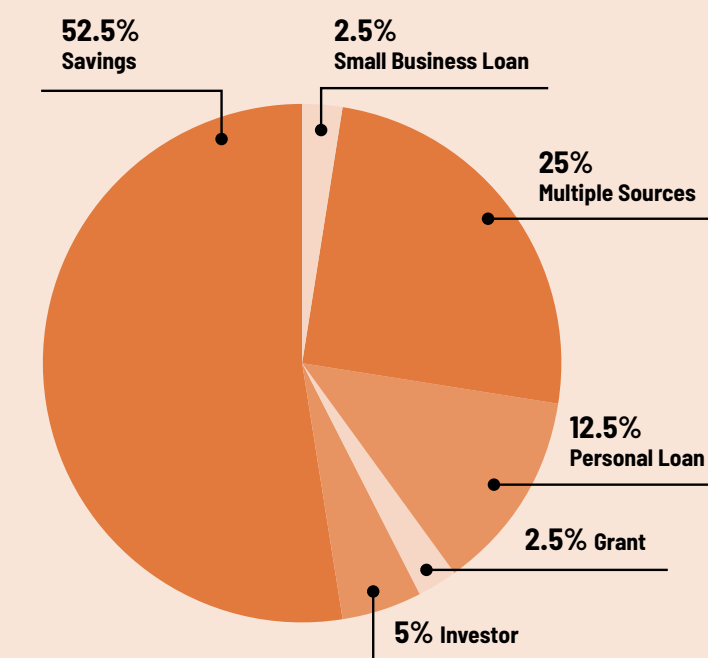
Many potential business owners face barriers to accessing the funds needed to start a business. Without a history of entrepreneurship or good credit, access to capital is nonexistent or characterized by high interest rates. For immigrants, these challenges are exacerbated by a lack of knowledge about the existing resources for business owners. Immigrants are 13% less likely to have a bank account than native born Americans, showing that immigrant communities are less likely to access fundamental banking and financial services.⁸ Thus, they rely more heavily on personal funds instead of business loans, grants, or local resources and opportunities.

⁸ Unlocking Potential: Empowering New York City's Immigrant Entrepreneurs, City of New York, 2015.

Often, resources are catered towards those who have a financial history in the U.S. Increasing accessibility and outreach by funding institutions to immigrant communities would increase the likelihood of immigrants using these resources. Many expressed that they simply did not know about resources such as Kiva or the Urban Redevelopment Authority (URA) loans when they began, and would have used them if they had.

Access to sufficient start-up capital at the beginning of a food entrepreneur's journey can make the difference between hitting the ground running or being stuck without the space, equipment, and resources to keep afloat. Only one business interviewed was able to access a small business loan before opening their business, though six other entrepreneurs were able to successfully access small business loans after they had been

Sources of Funding



established. Two of these loans came from banks, one from Bridgeway Capital, and three from Kiva. Kiva loans were useful for items like a food trailer and expanding inventory, but not for covering larger costs such as securing a permanent space.

Whether or not they now know about resources for small businesses, many entrepreneurs talked about how they had to rely on family and/or their own resources to get off the ground. In terms of funding, 53% of businesses used exclusively their own savings to get started and 20% of businesses used savings and other sources such as personal loans, grants, and taking out a line of credit on their house.

Among the entrepreneurs who actively sought business loans, the most common barriers to receiving financial assistance were poor or inadequate credit history and not enough experience. This drove some of entrepreneurs to pursue personal loans instead.

In one case, Jack and Gen Jew, the owners of the Asian fusion food truck *Wok of Life*, wanted to start their business by getting a small business loan. However, they repeatedly ran into obstacles with most lenders refusing to provide them a loan because, as Jack said, "they want people who either have an industry background or the right capital." Jack and Gen talked of many rejections from banks: "At some point it got so difficult that we decided to use our savings to purchase the truck."

For the next five years of our business operation, we would not pay ourselves a salary and instead we would pay off the truck." Ironically, as Shelby Santos, the owner of *Chicken Latino* shared, "most business owners make the mistake of not paying themselves. If you don't pay yourself enough... if it looks like you are only making eight dollars an hour, you won't qualify for loans, mortgages."

While the inaccessibility of business loans is a common barrier among those who have little to no prior business experience, it is particularly burdensome for foreign-born entrepreneurs, as immigrant communities are less likely to access fundamental banking and financial services. A report by the Brookings Institution and the Federal Reserve Bank of Chicago revealed that

Local Spotlight:

The Equitable Entrepreneurship Program, an initiative of Idea Foundry, provides comprehensive business support to immigrants and minority entrepreneurs in the region. The program offers 3 months of business development services from their staff, up to \$10,000 in investment loans without collateral or personal guarantees, and with payments based on business success.

La Mendocina

ENTREPRENEUR:

Monica Aveni-Ranii

CUISINE:

Argentine

BUSINESS TYPE:

Catering

SINCE:

1984



Growing up in Argentina, Monica and her siblings were always involved in her father's restaurant. After her family came to the US in 1984, her father started a Argentine catering business and subsequently opened El Ultimo Cafe in the Strip District. **"It was very hard to qualify for a small business loan, so I got a personal loan. To get a personal loan is not difficult - I think the misinterpretation is that getting a loan for a small business is not as easy as people think. Especially if you're married, they don't consider you as a single person, even if you're the sole proprietor [of your business]... Most immigrants, they work really hard and they use their savings instead of going to a bank for money. My parents did the same. They used all their savings, they didn't have a 401k. [Immigrants] have to build up their own savings, their own 401k."** Despite barriers, Monica was able to continue with her parents legacy of bringing Argentine food to Pittsburgh. La Mendocina caters weddings, corporate events, parties, and much more year round.



across the U.S., only 63% of immigrant heads of household have a checking account, compared to 76% of native-born household heads.⁹

Lydia Wanyoike, the owner of *Lydia's Coffee Shop*, which closed in March, 2018 so that the restaurant could be turned into an ATM vestibule, spoke to the experience of having little understanding of the financial system as an immigrant: "I did not seek loans because I did not know the resources out there. Who is granting or giving funds, or going to a bank as a small business, especially foreigners? We actually don't know the process of what to do when it comes to funding. I relied on my small savings like my 401k. If I knew what I know now, it would be a totally different situation."

The challenge of accessing start-up funding for one's business, either as an immigrant who is new to entrepreneurship or as a seasoned entrepreneur new to the business landscape in the U.S., is that it is often only possible to self-fund with multiple jobs and long hours simply to keep a business afloat. In one case,

the owner of *Juba Grocery* noted that she has a second job simply to keep her small grocery store up and running: "I am working at night, and whatever is left I put it in the store... when I have to go look for stuff [inventory], I have to close the store." This impacts her clientele, who get frustrated when she is not open during regular business hours.

On the other end of the spectrum, Jae Park, owner and founder of *Mr. Bulgogi*, started his food truck as more of a pet project because he saw a lack of Korean food trucks in the area. Jae works as a software developer during the day, and goes to events and sells food from his truck on weekends and nights. He commented that even if given the chance to quit his job to have his food truck full time, he would not opt to do so, as the truck is not as lucrative as his job. He hopes to one day expand *Mr. Bulgogi* into a national brand, but says he will keep his job as a software developer to pay the bills for now.

⁹ Unlocking Potential: Empowering New York City's Immigrant Entrepreneurs, City of New York, 2015.

Permitting and Regulations

Once the funds needed to purchase a building, sign a lease, or acquire a food truck are finally secured, a whole new set of expectations, rules and regulations emerge before an entrepreneur can begin operating a business. While figuring out the regulatory systems can be difficult for those born and raised in the U.S., it is even more challenging and frustrating to navigate the same systems while simultaneously learning a new set of rules and expectations, overcoming potential language barriers, and perceiving discrimination.

Restaurants and Markets

Allegheny County and the City of Pittsburgh as regulating bodies were brought up in almost every interview. Many entrepreneurs found the process of getting a business license to be fairly straightforward. Miscommunications and frustrations ensued when entrepreneurs had to obtain permits and licenses from the County, including Allegheny County Health Department (ACHD), and the City in order to get their space up to code.

One obstacle almost all of the restaurant-owners encountered was ACHD regulations requiring an exhaust hood in a commercial kitchen where food is prepared. Immigrant entrepreneurs seeking to open a restaurant or a café often have to endure the process of repeatedly working with architects and engineers (if they had the resources to

contract either) in order to redraw designs of their kitchens to meet requirements that they perceived as a moving target. This is a luxury few can afford. Numerous immigrant small business owners and entrepreneurs expressed frustration over the amount of money they lost waiting on building inspectors, at various stages, to approve the construction of their space and inform them of changes they need to make. For instance Jenny Tao, owner of *Cafe 33* in Squirrel Hill, recalls spending more than half a year in the process of getting her restaurant approved by inspectors: "I was almost broke, we were very poor before we opened." Vydehi Mekala of *Sree's Foods* signed her lease in December of 2017, but she wasn't able to open her business until May, 2018 because of how long it took for the contracted plumber to get the space up to code.

ENTREPRENEURS
found that individualized
support was crucial

Not receiving information in a timely manner from regulatory institutions was another source of unwarranted stress for many business owners. After purchasing a space or signing a lease, entrepreneurs waited unreasonable amounts of time for information on what they needed to do to open, costing them valuable time and resources. Entrepreneurs who worked with a mentor, such as an experienced

food business owner, a Small Business Development Center, or even a friendship that developed with an employee at the City or County level, found that this individualized support was crucial in the process.

Overall, many of the entrepreneurs believed that the complications they faced leading up to the point at which they could finally open their businesses could have been resolved if individuals received thorough and all-encompassing information on the processes and rules at the beginning, rather than being told what the final product needs to look like in increments.

Speaking to a point that many business owners touched on, the owner of *Azorean Cafe*, Elsa Santos, says **"we go in, we fill out all the paperwork and then... the waiting... the overall process truly needs to be reviewed as every day that passes is an additional cost to the business. We, as entrepreneurs, need to move... we need to open as soon as possible because we have so much invested."**

Once open, the majority of businesses had positive experiences with ACHD inspections, explaining that they would stay up to date with regulations by speaking to staff at the ACHD or

checking online. There were, however, some extreme cases mentioned. For instance, Gabriel Berumen of *Las Palmas* shared that there was an instance of an inspector going to one of his markets and checking the temperature of every single chicken tender being cooked. After he asked why she was being so scrupulous, she shut down the market. When another inspector came to do a follow up, they allowed the store to reopen even though they had made no changes to the space.

Food Trucks

Similarly, the experiences of immigrants who own food trucks in Pittsburgh also vary depending on when they obtained their food truck license. When *India on Wheels* opened in 1999, "food trucks back then were much cheaper to start up and maintain. There were a lot [fewer] regulations. Your money went a lot further back then, it was pretty low investment," says Bhavini Patel, the daughter of the owner of the truck. Even with less stringent regulations to abide by, many immigrant food truck owners at the time struggled to make their way through the City and ACHD due to language barriers, according to Patel.

Since the '90s, the food truck scene in the Pittsburgh region has expanded exponentially. Along with this growth comes an increase in the number and extent of standards that must be strictly followed before an entrepreneur can officially start their food truck business. Mobile vendors experience a similar frustration around the back and

forth between these two regulatory institutions. Jack Jew from *Wok of Life* expressed frustration and confusion when interacting with the two agencies, leaving him with a perception that there was little communication between the two. “The County has to issue a health license and the City issues a permit, but you cannot have one without the other... getting to the point where one will give you one thing without the other is more difficult.”

Caterers and Pop-Ups

Access to commercial kitchen spaces or commissary kitchens is another requirement that often presents as a barrier to opening a food truck or catering company. We spoke to one entrepreneur who wants to open a food truck and has run into so many barriers in finding a shared kitchen that she wants to secure a loan to build a commercial kitchen in her home.

This is what owners of *La Dorita* ended up doing in order to make their signature dulce de leche recipe. After trying to find appropriate, up-to-code spaces, they created a rental commercial kitchen so that other entrepreneurs could rent the space to standardize recipes, prepare food for catering events, and learn from experienced entrepreneurs. Another route that many caterers and food truck owners have taken is to rent space in a place of worship with a commercial kitchen; these kitchens are often found through word of mouth and aren't publicly available or advertised.

Josephine Caminos Oría, co-founder of *La Dorita*, explained the benefits of a shared kitchen: “The incubator kitchen acts as a proxy to capital. In other words, it frees up what anyone would have to spend, which is \$40,000-\$50,000 or honestly anywhere up to \$100,000 and it allows them to have that for marketing, legal, trademarking, food analysis... there are a lot of high-entry barriers to food and you want to save the money for that.” It can also be a good way to build community with other entrepreneurs and share experiences and resources.

Relying on shared or community spaces creates extra stress for entrepreneurs, as availability and reliability fluctuate. On the other hand, Lydia Wanyoike, owner of *Lydia's Coffee House*, recounts a time when she was a few days from an event and suddenly found herself without a space when her friend's restaurant closed: “Sharing spaces is difficult. My goal is to have my own space, so I know how I am sanitizing and preparing the space.”

Lack of access and awareness of available commercial kitchen spaces has become so pervasive that the Center for Regional Food and Agriculture Transformation at Chatham University (CRAFT) has conducted a comprehensive survey of all potential commercial kitchen spaces in the region and will be publishing a map along with its findings.

While the overwhelming majority of business owners expressed that keeping up to code and finding out

Salim's

ENTREPRENEUR:

Salim El-Tahch

CUISINE:

Middle Eastern

BUSINESS TYPE:

Market

SINCE:

1979

Salim opened his market in Oakland in 1979 to support his family. He believes in the importance of knowing your customers and providing a space where neighbors feel comfortable coming again and again. **“You cannot rely on lower prices,” he says. “You have to do good work so that people pass four, five, or six other places and choose to come to you.”** Salim runs the market by himself to make sure he is there to interact with customers and be the face of the store.



about regulations has been a fairly straightforward process once established, the biggest challenge when it came to acquiring the appropriate licenses and permits was the perceived lack of communication between the City and the County and these regulating institutions taking action in a timely manner. This issue is further complicated by the lack of resources that clearly outline the steps and processes that are involved in starting and/or managing a business in the area. While there may be brochures, booklets, or other resources available, not knowing where or how to find this information, especially in a language that

is easy to understand and follow, creates an additional layer to an already complex system for immigrants wanting to start businesses.

Operations

Seeking and Retaining Employees

Of the food businesses in the study, 43% were completely self-run, meaning the owner handled cooking, preparing, ordering supplies, and maintaining their business by themselves. It is common for smaller-scale businesses to employ family members and friends or even have family

members volunteer their time to help operate the business. One major reason for this is the shortage of chefs and other employees with the skill sets necessary for the specific cuisines. While the benefit of operating without other employees can definitely act as a cost-cutting measure for smaller businesses, owners talked about the exhaustion and long hours that come with running a business alone.

Mike Chen, owner of *Everyday Noodles* in Squirrel Hill, talked about the lack of qualified chefs for his restaurant. In his quest to serve truly authentic Taiwanese food, he sends his chefs to Taiwan to train with cooks there. While he wants to be able to bring chefs to the U.S. to work in his restaurant, he runs into so many issues with visas and advocating on their behalf that he opts to pay for his local chefs to go there and be trained, effectively taking on extra business expenses to preserve the quality of the food.

Desi Market

ENTREPRENEUR:

Bhagawat Phuyal

CUISINE:

Bhutanese, Nepali

BUSINESS TYPE:

Market

SINCE:

2017

Someone from Desi Market travels to New York each Wednesday to get inventory. The market caters to a variety of ethnic communities living in the South Hills of Pittsburgh, and many of their products simply aren't available from Pittsburgh suppliers.



Sourcing ingredients

While local suppliers are well stocked with ingredients common in traditional American cuisine, many of the business owners in the study make dishes that are less common in the region, thereby creating extra costs for these businesses as they have to travel to source ingredients. This is a time cost that many of the entrepreneurs are willing to take on, as they are relied on as suppliers for other businesses or are expected by their customers to serve authentic food. More than half of the entrepreneurs have to travel out of state to source products, while at least four of the 40 businesses get ingredients from international sources. While local businesses such as Restaurant Depot provide many of the basics, it was very typical for interviewees to talk about driving to New York City or Chicago once a week to get meats, tortillas, or other specialty items at the right price.

One interviewee gave a rundown of her rounds – she travels to Detroit to get tea and Sudanese snacks, to New Jersey for cornmeal in large supply, and to Washington D.C. and Maryland to get dried fish, red oil, and other African foods like fresh cassava, yam, and fufu that she can't find anywhere nearby. She usually travels once a month because she doesn't have the capital to buy in bulk, and she also raised concerns about the food expiring if she were to buy too much. (For context, this entrepreneur owns a business that has a monthly profit of less than \$1,000.)

Marketing

Marketing is a crucial part of attracting customers, especially for new businesses, but also for established businesses who are facing competition in a changing landscape. For some businesses like *Nellie's Sandwiches* in Oakland, which has been around for many years, that landscape now includes a Wendy's, Burger King, and other Mediterranean lunch spots.

As the owner of *Lydia's Coffee House* pointed out: "Pittsburgh has come a long way. I have been here 20 years so I have seen the changes in the food industry. Before we had diners and chain restaurants. Now it has gone beyond that. You see Indian restaurants, Thai restaurants. People are open to it, especially the younger generation." Although Pittsburghers' tastes are expanding, there is now added competition amongst business owners, and the need for marketing has gone beyond word of mouth and handing out flyers, as Nellie Abdelnour, owner of *Nellie's Sandwiches*, reports. As more businesses are popping up around her, Nellie talked about her struggle in reaching out to a shifting audience of students. She doesn't use social media and tries to get her children and family members to help, but they have limited time.

According to a Migration Policy Institute report, 76% of immigrant adults struggle to access and use information online, compared to 60% of U.S.-born adults.¹⁰ While using the internet can be a way for immigrant business owners to reach new audiences and promote their businesses or products, for those with little or no experience online, this can act as more of a barrier. Nellie, for example, viewed it as more of a burden than a tool.

assume it's the same as Mexican food. There is extra marketing and sometimes an educational component that comes with catering international food to an American audience. While there are a few businesses that cater to a specific ethnic group, the majority of businesses have a diverse customer base, which many expressed required some extra marketing and tailoring to suit an American palate.

As Keyla points out, "I knew that I didn't want to be in just one market... I'm surrounded by Americans but I'm part of the Latino community and I have a lot of Black friends and I belong to all these little worlds. I think it would be silly of me to focus on just one when I could be reaching out to all of these."

Regardless of how long they have been established, entrepreneurs held firmly to small business values of connecting with their customers and making sure they have an enjoyable experience. Abdullah Salem of *Salem's Market and Grill*, which has been around since 1981, said that "our marketing strategy is presenting ourselves as best as possible – that's the consistent struggle. We come from a grassroots growth, not an investor's growth."

¹⁰ Through an Immigrant Lens: PIAAC Assessment of the Competencies of Adults in the United States, Migration Policy Institute, 2015.

Many business owners talked about the challenges of trying to effectively communicate their food niche to an American audience. Keyla Nogueira Cook, of *Keyla Cooks*, articulated frustration at the fact that many customers come in not knowing what Brazilian food is, and

76%

of immigrant adults struggle to access information online

VERSUS

60%

of U.S.-born adults

Nellie's Sandwiches

ENTREPRENEUR:
Nellie Abdelnour

CUISINE:
Lebanese

BUSINESS TYPE:
Restaurant

SINCE:
1994

Nellie's Sandwiches has been a staple for students and hospital workers for more than two decades. With a changing neighborhood she wants new ways to reach out to her customers. **"If there is any way I can improve, it would be in advertising. I barely finished high school in Lebanon because I got married and I was raising children, so technology is not my strength."**



Immigrants are much more likely to be entrepreneurs and/or self-employed than U.S.-born residents, especially when it comes to opening main street businesses. Despite the successes of the entrepreneurs in this study, immigrants wishing to start businesses face numerous obstacles. In order to support these business owners and future entrepreneurs, area organizations and regulating bodies need to reevaluate current practices in order to make existing resources more accessible.

Of the entrepreneurs who shared their level of familiarity with available resources, 16% felt familiar, 32% felt somewhat familiar, and 52% did not feel familiar at all. Those who received support accessed a number of different resources including Chatham Center for Women’s Entrepreneurship, Duquesne Small Business Development Center (SBDC), the Pittsburgh Latin American Cultural Union, Carnegie Library of Pittsburgh, University of Pittsburgh Innovation Institute, and the Urban Redevelopment Authority.

Through initiatives like Idea Foundry’s Equitable Entrepreneurship Program, Pittsburgh organizations are starting to show a commitment to advancing equitable access to entrepreneurship opportunities for all Pittsburghers.



Lydiah’s Coffee House/ Catering

ENTREPRENEUR:

Lydiah Wanyoike

CUISINE:

Kenyan

BUSINESS TYPE:

Coffee Shop

SINCE:

2013

The Carnegie Library offers free services to aspiring entrepreneurs, including one-on-one support with a librarian. Duquesne’s SBDC has made significant strides in helping immigrant-owned businesses get off the ground, offering workshops in Spanish on how to open a business in the U.S. and targeting services to immigrants specifically.

However, in order to build an equitable city that embraces immigrant-owned businesses and recognizes the value of including immigrants in the region’s development, there is more work to be done.

Create a More Streamlined Business Credentialing and Licensing Process

The confusion surrounding licensing and credentialing is not unique to immigrant entrepreneurs – the process of getting spaces up to code and acquiring permits can be a daunting and confusing process for any entrepreneur new to the field. The lack of coherent information in an all-encompassing document or resource prolongs opening and costs business owners valuable time and resources. The lack of cohesion between City and County agencies fuels anxiety and leaves aspiring entrepreneurs without knowing where to look to find the appropriate permits.

A database of the steps and requirements for opening a business – in simple language and with appropriate contact information to available resources – would help not only immigrants, but anyone interested in starting a business. The Office of Nighttime Economy at the City of Pittsburgh will be releasing a Guide to Opening a Food and Beverage Business in Pittsburgh, which will be available in early 2019. The guide will include a toolkit containing checklists of processes and basic timelines for applying for permits and submitting plans. This resource will hopefully alleviate much of the confusion that entrepreneurs currently experience.

The Allegheny County Health Department received primarily positive reviews from participants regarding periodic inspections. However, the process of getting the Health Department to provide comprehensive information prior to opening and all at once was something that business owners expressed a need for over and over again. Almost all participants cited waiting prolonged amounts of time for inspectors to come, and complained about the lack of communication within the department.

Until recently, Lydiah ran a small coffee shop and lunch place in downtown Pittsburgh. She talked about how, if she had known about the resources available when starting her business, she would have done things differently. **“I would like for people to know that we do not know. There needs to be some kind of chart to say what you have to do when opening a business, and go to those classes if they have them somewhere.”**



Accessible Financial Models

With limited access to capital due to barriers such as lack of credit history, entrepreneurs spoke of draining their savings in order to get their businesses up and running. Resources like Kiva were helpful for some entrepreneurs, but couldn't provide the larger funds necessary to get businesses off the ground, instead helping businesses later down the line once they were established. Reducing barriers to access for lending programs is a necessary step in encouraging immigrants to engage in entrepreneurship.

Pittsburgh is only just beginning to provide accessible resources that offer character-based, risk-tolerant loans. Honeycomb Credit, which launched in 2017, offers entrepreneurs loans financed by backers in their communities. The Urban Redevelopment Authority's Center for Innovation and Entrepreneurship has started offering micro-enterprise loans that are available to entrepreneurs with no or low credit scores. The emergence of these programs is a step in the right direction. By creating more programs that weigh factors such as dedication to an existing business and character references, opportunities for entrepreneurship will become more

The Welcoming Center for New Pennsylvanians in Philadelphia offers technical assistance to aspiring entrepreneurs in areas such as marketing, inspections and regulations, as well as in zoning. The Center has also put out a series of resources that act as step-by-step guides to opening a certain type of business such as *How to Start a Grocery or Deli in Philadelphia* or *How to Start a Coffee Shop*. These resources include important phone numbers and outline basic regulations.

The Neighborhood Development Center (NDC), based out of St. Paul, Minnesota, works with entrepreneurs and provides a 'one-stop shop' for aspiring low-income, minority, and immigrant entrepreneurs. The NDC works with community-based organizations to act as a 'face' to the program, thereby increasing participation by partnering with an already-trusted community asset. By maintaining a relationship with entrepreneurs not just at the start of their journey, but periodically after it has opened, success is measured throughout the lifespan of the business and not just when the business opens. NDC offers character based loans, as well as continuous access to low-cost services such as legal assistance, marketing, and accounting.

equitable and accessible by those who may not have credit history or more traditional methods of accessing capital. These resources should ideally employ loan officers who are multilingual and multicultural, and offer financial training for entrepreneurs.

Institutional Fluency and Responsiveness

Aside from language accessibility, services should be culturally appropriate and respond to the needs of community members. Several business owners credited their success to having a friend or relative who had been through the process before them, or knowing someone who works in City or County government. Those who began the process without that extra guidance generally faced additional barriers simply because the information they needed to operate legally was not obvious or easily accessible. One participant simply did not know that he had to pay taxes when he opened his business, and within a few months of opening was hit with a fine that nearly caused him to close.

The confusion surrounding business practices leaves entrepreneurs lost and without concrete sources of information. One entrepreneur decided to hire the man who came to install his credit card reader to handle his finances because he spoke Spanish fluently. Immigrants, like anyone else, are more likely to seek out assistance if it comes from a trusted source. A report by Welcoming America cites that small business development programs are



most successful in supporting a diverse audience when services are offered not only in foreign languages, but hosted in the community and taught by community members who can offer a culturally appropriate and sensitive training.¹¹

Opportunities for Additional Research

There are numerous others whose stories are not captured in this study due to scheduling constraints, language barriers, or lack of interest. It should be noted that although businesses in many stages of development were interviewed, no aspiring entrepreneurs who were unsuccessful in their venture were a part of this study. Talking to these aspiring entrepreneurs would offer additional perspectives and insight into the barriers which proved prohibitive for them, and how to best help such entrepreneurs succeed in the future.

APPENDIX A

Interview Questions

This appendix contains the questions posed to food entrepreneurs during the interview. The questions are broken up into five sections based on the areas we wanted to know more about when starting or managing a food business as an immigrant.

1. Initial Phases

- What was your occupation before moving to the U.S.? Were you involved in a food business?
- What was your occupation in the U.S. before launching your business?
- Why did you decide to open/start a [type of business]?
- When did you start your business?
 - › What were the main barriers you faced that you believe are specific to you being an immigrant? (ie language, etc.)
- What was your main source of funding (money) to start your business?
 - › Did you in the past and/or do you still face any difficulty accessing funding when needed?
 - › Possible sources to think about Accelerator/Incubator, Angel Investors, Business Loans, Crowdfunding, Economic Development Organization, Family, Friends, Government, Impact Investors, Philanthropic Grants, Personal Checking/Savings Accounts, Personal Credit Cards, Venture Capitalists)
- Have you ever written out your vision and goals for your business?
- Would you consider that a business plan?

2. Permitting, Licensing, Inspections

- Was obtaining permits, regulatory compliance, certifications, etc. a barrier or hurdle to opening your business at any point?
 - › What made the process difficult (cost, logistics, language, bureaucracy etc...)?
- Did you find it difficult to get a business license?
 - › If yes, what was the biggest barrier? (ex: language, lack of know-how, cost, long wait time, etc.)
 - › If no, what made the process easy?
- How do you find out what the regulations are and prepare for food inspections?
- Do you feel adequately prepared for food inspections? (Y/N) If no, what (resources) would help you to prepare?

3. Operations

- What is your marketing strategy? E.g. word of mouth, flyers, radio
 - › Do you have an online presence like a website? Y/N
 - » What do you see as some of the strengths of your website?
 - » Is your website correctly listed on Google Maps with hours, phone number, and photos?
 - » What are some areas you would like to improve and how do you think this might help your business?
 - › Do you use social media to promote your business? Y/N
 - » If yes, which types? (Facebook, Twitter, Instagram, other)
 - » If yes, do you think this expands your customer reach?
 - » If no, why not?
- Who are your customers?
 - › From your community
 - › Locals from all backgrounds
 - › Mostly US-born
- Where do you buy your ingredients?
 - › Are there items you depend on that are not available in Pittsburgh? E.g. goat, select vegetables, cooking materials.
 - › If yes, how far do you travel to get them?
- [If restaurant] Where do you produce your food products? Do you have access to a commercial kitchen?
- [If market] Do you accept SNAP/WIC?
 - › Why or why not?
 - › Do you feel prepared for inspections? (Y/N) If no, what (resources) would help you to prepare?
 - › Have you ever accepted SNAP or WIC? If you used to accept benefits but no longer do, why?
- How many employees do you have?
 - › How do you recruit employees?
 - › How many of your employees are members of the immigrant community? How many are US born?
 - › Do you employ family members?
- Do you coordinate with other businesses in the region?
 - › Do you ever buy ingredients with other businesses and share the cost?

- What is the biggest barrier to growing your business?

4. Supports

- Had you received services/supports for your business previously?
 - › If so, what were they? Did you find them helpful?
 - › If not, are you familiar with the services/supports that are available?
 - › Show them Small Business document
- Thinking back to when you first got started, what kind of support do you wish was available to you as an aspiring immigrant business owner?
 - › E.g. Tax preparation, understanding food permitting rules/inspections, how to create a business plan, getting more customers/marketing support, ESL, etc.
- Where/when/in what language would it need to be in to be useful to you?
- What is the best way to reach you?
- Is there anything else you would like us to know that we didn't ask?

5. Demographics

- What country are you from?
- What are your first and second languages?
 - › Would you say your English proficiency consistent across reading, writing, and speaking?
- What is your gender?
- How old are you?
- How many years have you lived in Pittsburgh?
- What zip code do you live in?
- What is your weekly income? (ex: \$1-299, \$300-599, \$600-899 etc...)
- What is the highest level of education you have completed? (Some high school, High School, Some College, B.A. etc...)

APPENDIX B

Small/Food Business Resources

As mentioned earlier, we provided interviewees with a list of resources for small businesses and food businesses. Below is that list.

- Allegheny County Economic Development is the lead economic and residential development agency for Allegheny County.
- Bridgeway Capital helps startup entrepreneurs, established small businesses, and nonprofit organizations pursue growth opportunities.
- Carnegie Library of Pittsburgh Downtown location offers one-on-one meetings with business librarians, access to a number of online databases for marketing and other support, tax resources, and more.
- La Dorita single source for the industry-specific answers and guidance you're looking for.
- Diversity Business Resource Center is a single point of contact for minority, women, veterans and other disadvantaged business owners seeking information to start, sustain and grow their business. Our services help pre-venture, startup and existing businesses acquire the tools they need to break down the barriers that may impede their growth.
- The Food Trust ensures that everyone has access to affordable, nutritious food and information to make healthy decisions, and their Healthy Food Access Portal provides comprehensive and specific resources for opening up a small business that provides healthy or fresh food options. Resources include step-by-step guides, tutorials, maps, and more.
- Idea Foundry is a nonprofit economic development organization and accelerator. Their Equitable Entrepreneurship program offers business development support and funding to communities that have historically been underserved in the entrepreneurial ecosystem.
- Institute for Entrepreneurial Excellence offers a dynamic mix of consulting, education, and networking opportunities, and strives to be an innovative leader in economic development in the region.
- Just Harvest Fresh Corner Store program
- Kiva connect people through lending to alleviate poverty allows people to lend money via the Internet to low-income entrepreneurs and students in over 80 countries. Kiva's mission is "to connect people through lending to alleviate poverty."
- Mayor's Office Small Business and Neighborhood group helps communities achieve their revitalization goals.
- SCORE Pittsburgh provides free, in-depth, industry-specific business assistance to help evaluate a business idea or plan, stimulate business growth and ensure long-term stability.
- Small Business Development Center (Duquesne/Pitt/Chatham) offers no-cost, confidential consulting services and training workshops for small businesses and those who are thinking of starting a business in southwestern Pennsylvania.
- Urban Redevelopment Authority (URA)'s Center for Innovation and Entrepreneurship helps businesses leverage the capital necessary for their growth and success. Soon to have loan applications in multiple languages.
- Urban Redevelopment Authority (URA)'s Micro-Enterprise Program for Small Businesses
- Pittsburgh Community Reinvestment Group (<http://www.pcr.org/>). A lot of the CDCs are members of the organization. There may be some smaller resources available within neighborhood CDCs to help food businesses.
- Pittsburgh Food Policy Council, Immigrant & Refugee group convenes food systems stakeholders to support policy and initiatives that support food and farming access for immigrant communities.

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