



America has always been a magnet for talented entrepreneurs. It still is.

KEEPERS OF THE DREAM

By RICHARD MINITER

DILIP BAROT, from Gujarat, India, was trained as a pharmacist, but learned within days of landing in the United States that he would have to start at the bottom. He went to work for another Gujarati at a motel in New Jersey for \$100 a week. A year later he got a job as a pharmacy intern. Then

Dilip Barot

Age	40
Birthplace	India
Arrived U.S.	1982
First salary	\$5000
Started business	1984
In the black	14 years

he read in an Indian-American newspaper that the 18-unit Rock Garden in Riviera Beach, Fla., was for sale. The modest motel needed expensive repairs and a hefty down payment—\$60,000.

Barot had saved \$8000 and

got help from two Gujaratis for the rest. Together they bought the motel. To save money, Barot did the repairs himself and bought used furniture from other hotel owners. Within a year Barot bought a second motel. Today Barot's Naimisha Group owns hotels and apartments in seven states and grosses more than \$50 million per year.

Patricia Pliego Stout is another immigrant entrepreneur who worked hard to succeed. When she tried to start a travel agency in San Antonio, she couldn't get a loan. Friends said that she had three strikes against her: she was single, Hispanic and female.

Stout, a former university administrator born in Mexico City, wasn't buying that. Pouring her life's savings of more

than \$65,000 into the venture, she worked nights and weekends. Unable to pay for a courier, she delivered airline tickets to her clients before and after work.

Today The Alamo Travel Group has 18 employees in six offices. "What saw me through was my individual will," she says. "I got gutsy because I had to."

Gutsy, hard-working immigrants like Barot and Stout are helping to fuel an explosion of new firms and new jobs. The Census Bureau reports, for example, that from 1987 to 1992 the number of small businesses owned by Hispanic immigrants grew from about 190,000 to nearly 346,000; those owned by Asian and Pacific Island immigrants jumped from about 250,000 to more than 383,000.

Why are so many immigrants succeeding in business? Fred Siegel, a senior fellow at the Progressive Policy Institute and author of *The Future Once Happened Here*, points to three factors: their work ethic and values, the strength of their families and communities, and their belief in the American dream.

Paying Their Dues. Rose Hwang escaped Vietnam with her family in a tiny boat. Eventually they arrived in Mission Viejo, Calif., in 1976, when Rose was 17.

Rose studied hard in college and became a Vietnamese-language interpreter for the Orange County courts. Then, with her savings and

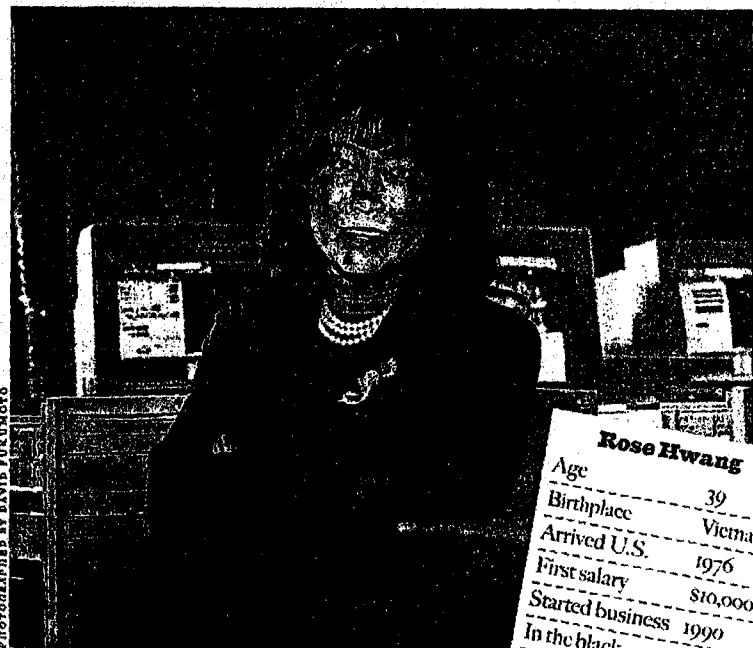
those of her husband, Mitchell Phan, also a Vietnamese refugee, they started Alpha Systems Lab and soon found a niche the competition had overlooked: remote digital video surveillance for corporate security. Rose's equipment allows business owners to monitor their facilities, inventory and cash around the clock, from any location.

Alpha Systems Lab employs 42 people in its Irvine, Calif., operation. "We love this country," Rose Hwang says. "All of our products are shipped with the label 'Proudly Made in the U.S.A.'"

Those who believe that immigrants burden the American economy often focus on what immigrants may lack when they get here—English, education and money. More important for success in the long run, however, is moral capital.

Zubair Kazi was 23 when he left India in 1969 and moved to Los Angeles. He took a \$2-an-hour job as a cook's helper at a Kentucky Fried Chicken. The work was hard. Mostly he scoured 16-quart pressure cookers, burning his hands when the hot grease splattered.

One day two co-workers didn't show up, and Kazi had to do the work of three men. His supervisor noticed Kazi's determination and trained him to be an assistant manager. After a few months in that job, he was asked to run a money-losing operation in Culver City, Calif. Kazi's vigorous management soon made the store profitable.



PHOTOGRAPH BY DAVID FUENUNOTO

Rose Hwang	
Age	39
Birthplace	Vietnam
Arrived U.S.	1976
First salary	\$10,000
Started business	1990
In the black	7 years

In 1976 Kazi decided to buy his own franchise. But with \$6000 of his own and \$14,000 from friends, he was still short \$65,000. So he carried a suitcase full of his Kentucky Fried Chicken awards into the local bank, got a loan and bought the franchise.

That store was losing \$3000 per month when Kazi bought it. He worked seven days a week, from 8 a.m. to 10 p.m. Within six months Kazi and his wife, Khatija, who also worked there, were \$50,000 in the black. Today Zubair Kazi owns 109 KFC franchises with total an-

nual sales in excess of \$80 million.

Ethnic Banks. Immigrants often succeed by focusing on relatively neglected niches in the economy. Afghans are becoming a major factor in New York fried-chicken outlets, for example, and Koreans have long dominated the green-grocer business.

Nearly half of the nation's Days Inns are owned by Indians, as well as about one-third of the Howard Johnson and Ramada hotels.

Because relatively few immigrants

qualify for bank loans, many, like Dilip Barot, create businesses with help from other immigrants. Korean-Americans often turn to churches and community networks for help in starting businesses. Newcomers receive valuable training and information, and in some cases money, from established business owners.

West Indians use an informal network called *susu*, or Turn of the Wheel. Commonly about 20 of them will agree to contribute a set amount (typically \$100) per week. Each takes his turn receiving the weekly payout of \$2000—enough to help buy a truck or put a down payment on a storefront. With creative mechanisms like this, immi-

grants start on the road to financial independence.

Great Mall of China. “Immigrants are playing an important role in reviving our cities,” says Joel Kotkin, a senior fellow at the Institute for Public Policy at California’s Pepperdine University.

Waves of New Yorkers left the city in the 1970s, and immigrants flooded in. Now so many Asians have moved into the outer boroughs of New York that the No. 7 subway train snaking through northern Queens is nicknamed “the Orient Express.” Boston’s Dorchester Avenue was built by immigrants: Irish bakeries and pubs at first, Vietnamese



Ajay Shah	
Age	39
Birthplace	Uganda
Arrived U.S.	1981
First salary	\$26,000
Started business	1989
In the black	10 years

PHOTOGRAPHED BY BARBARA KIES

pharmacies and eateries many decades later. Immigrants are also resurrecting suburbs. The San Gabriel Valley in the early 1970s was well on its way to meeting the fate of other Los Angeles suburbs. Storefronts were emptying as middle-class residents moved up to newer suburbs. Then the ethnic Chinese from Taiwan and Hong Kong moved in, renovating houses, opening supermarkets and restaurants.

Today the sidewalks are clean, and the parking lots are filled with late-model cars. San Gabriel Square, in the town of San Gabriel, is now nicknamed the “Great Mall of China.” Hundreds of technology firms dot the valley, with annual sales estimated at more than \$4 billion. What was once derided as a “smog slum,” the Los Angeles *Times* now calls the “Chinese Silicon Valley.”

Made in the U.S.A. America is “the land of the new beginning,” writes Peter D. Salins in his new book, *Assimilation, American Style*. The bonds between immigrant and native are forged in the workplace, Salins says, where hard work counts for more than heritage. “This kind of bonding through work happens only in America,” he says, pointing

to countries like Germany, where an immigrant can work alongside natives for decades and still be called an *Ausländer* (foreigner).

By the time he was 21, Ajay Shah realized his entrepreneurial instincts were out of step with India’s socialism. Shah came to America to study engineering management. After earning his degree, he went to work in California’s high-tech industry.

Shah had an idea for developing and marketing a “memory module,” which would allow computer makers to design a personal computer with different levels of memory available at different prices.

Shah struck out on his own and started a business with his wife, Latta, and a third partner. Today Smart Modular employs about 1600 people, and the Shah family is worth some \$200 million. “The opportunity this country offers is why a person like me falls in love with America,” he says, sitting behind the \$20 used desk from which he runs his growing empire.

“Our country has always been a magnet for talented people,” says John J. Miller, author of *The Unmaking of Americans*, a book on assimilation. “It still is.”

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SLIPS THAT PASS INTO TYPE



Spotted in the Pittsfield, Mass., *Berkshire Eagle*: “Since the airport began keeping records, there have been two plane collisions involving sea gulls, and one with a starlet.”