

Executive Summary

African immigrant women contribute a lot to the Minnesotan economy as entrepreneurs, consumers, workers, tax payers, artists, and active citizens. The African immigrant research project completed in 2015 documents these important roles and provides some estimates of their economic contributions. This research brief summarizes some of these research findings.

- African immigrant women present a \$776 million consumer base in the Minnesotan economy.
- Entrepreneurship among African immigrant women appears higher than males and they have unique entrepreneurial needs compared to African immigrant male entrepreneurs
- Females show a higher level of civic engagement than males in voting, volunteering and participating in their child's school.

Recommendations

- Support programs with a unique and core competence in serving African immigrant women entrepreneurs. These programs and policies need to operate with cultural intelligence to be effective given the diversity within the African immigrant communities.

(The full report on the economic potential of African immigrants in Minnesota can be found at this link: <http://chai.news/2015/06/report-drawing-attention-african-immigrants-almost-2-billion-mn-engine-of-economic-growth/>)

Contents

- Executive Summary..... 2
- African immigrant women as consumers 4
 - African Immigrant Annual Consumer Expenditures 4
- African Immigrant Women Entrepreneurs 5
 - Data Tables: African Immigrant Women Entrepreneurs 6
 - Business Experience 6
 - Obstacles Faced in Business..... 6
 - Sources for Financing Business 7
 - Community Roles 7
 - Challenges Getting a Loan..... 8
 - Marketing Strategies 8
 - Wages Paid..... 9
 - Use of Informal Financing 9
 - Self-Employment Characteristics 10
 - Financial Assets 10
 - Effectiveness of Business Development Infrastructure 11
- Higher Civic Engagement 12
 - Measures of Civic Engagement..... 12
- Notes 12
- Acknowledgements..... 13

African immigrant women as consumers

The African immigrant market potential study estimated that African immigrant females have a combined income of an estimated \$776 million in Minnesota based. The study also identified the patterns of consumer expenditures by African immigrants (male and female) in Minnesota.

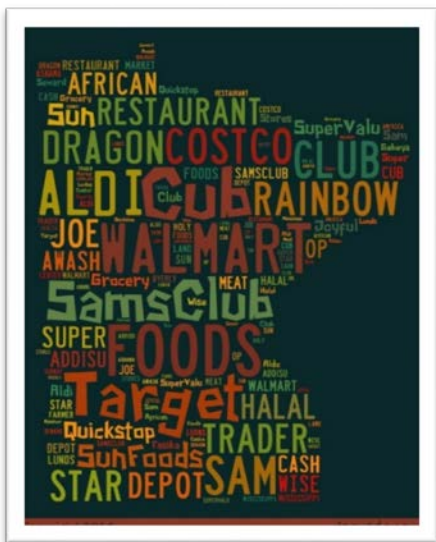
AFRICAN IMMIGRANT ANNUAL CONSUMER EXPENDITURES

African Immigrant Annual Expenditures, 2015	
Groceries	\$139 million
Apparel	\$71 million
Electronics	\$22 million
Auto Repair/Gas	\$78 million
Auto Purchase	\$79 million
Household Items	\$58 million
Furniture	\$21 million
Travel	\$60 million
Health Care	\$21 million

Source: Estimates derived from average expenditures in Consumer Survey times number of households using ACS 2013

African Stores	Annual Spending
Grocery/Retail	\$90 million
Professionals	\$24 million
Restaurants	\$35 million
Beauty Salons	\$24 million
Travel Agencies	\$90 million
Financial Services	\$10 million
Health Care	\$4 million
Banquet	\$4 million
Total	\$281 million

Source: Consumer Survey, 2014



African Immigrant Consumer Spending and Popular Retail Stores Used, 2014

Source: Corrie (2015), The Economic Potential of African Immigrants

African Immigrant Women Entrepreneurs

Women entrepreneurs are a visible presence in African immigrant communities. The data here is derived from two surveys conducted as part of the study of African immigrants in Minnesota that was released in 2015- a consumer survey and a business survey. Out of a sample of 123 businesses surveyed 85 were male entrepreneurs and 38 were female entrepreneurs. The survey participants included a diverse group of immigrant respondents from various regions of Africa. While the sample size is small it nevertheless provides us with some insights that could inspire further research and policy attention. Below are some core insights:

1. Their entrepreneurial spirit is reflected in the consumer survey that reported a higher percentage (than men) who wanted help in starting a business (48 percent versus 30 percent men).
2. In the consumer survey women reported a lower level of financial assets than men.
3. They do not find the business development infrastructure in Minnesota or their city very helpful to their business.
4. Most of the women entrepreneurs had prior experience in a family owned business rather than working for a business.
5. They appear to use ethnic and social media more than male entrepreneurs for marketing their businesses.
6. They appear to have more businesses with employees than male entrepreneurs.
7. They have a higher utilization rate of informal networks to fund their businesses.
8. They provide a higher level of economic engagement in their communities such as buying from local suppliers and providing jobs, internships and mentoring for youth.
9. Major obstacle to starting a business was the difficulty in getting a loan, though this was less than less than for male entrepreneurs. They appeared to have a greater difficulty with licenses and regulators than male entrepreneurs and with people understanding their business ideas.

Recommendations

Support programs with a unique and core competence in serving African immigrant women entrepreneurs. These programs and policies need to operate with cultural intelligence to be effective given the diversity within the African immigrant communities.

DATA TABLES: AFRICAN IMMIGRANT WOMEN ENTREPRENEURS

BUSINESS EXPERIENCE

	Male	Female	Total
What kind of business experience do you have?			
Family owned a business	37	23	60
	47.40%	63.90%	
Worked in a similar business	40	15	55
	51.30%	41.70%	
No business experience	13	4	17
	16.70%	11.10%	
Other (specify)	7	5	12
	9.00%	13.90%	
Totals	78	36	114
	100%	100%	

Source: Corrie (2015), The Economic Potential of African Immigrants

OBSTACLES FACED IN BUSINESS

What were the major obstacles you faced in starting your business?	MALE	FEMALE	
Difficulty in getting a loan	59	21	80
	72.00%	55.30%	
Licenses, permits and government regulations	16	14	30
	19.50%	36.80%	
People not understanding your business idea	16	9	25
	19.50%	23.70%	
Location of the business	21	11	32
	25.60%	28.90%	
other	15	7	22
	18.30%	18.40%	
Totals	82	38	120
	100%	100%	

Source: Corrie (2015), The Economic Potential of African Immigrants

SOURCES FOR FINANCING BUSINESS

Sources For Financing Business	Male	Female
	80	37
Credit Card	2	4
	2.5%	10.8%
Bank loan	8	3
	10.0%	8.1%
Nonprofit loan package	1	0
	1.3%	0.0%
Family and Friends	9	4
	11.3%	10.8%
Personal savings	54	22
	67.5%	59.5%
Other (specify)	6	4
	7.5%	10.8%

Source: Corrie (2015), The Economic Potential of African Immigrants

COMMUNITY ROLES

Community Roles	Male	Female
Sponsor Community events	46	21
	57.5%	56.8%
Provide gathering space for community	19	6
	23.8%	16.2%
Volunteer in community organizations	59	25
	73.8%	67.6%
Provide jobs, internships, mentor youth	37	21
	46.3%	56.8%
Buy from neighborhood suppliers	39	21
	48.8%	56.8%
Other - specify	10	1
	12.5%	2.7%

Source: Corrie (2015), The Economic Potential of African Immigrants

CHALLENGES GETTING A LOAN

Challenges Getting a Loan	Male	Female
	81	38
Bad credit history	12	4
	14.8%	10.5%
No credit history	22	6
	27.2%	15.8%
Poor Collateral	13	7
	16.0%	18.4%
Good credit history but still unable to get a loan	23	5
	28.4%	13.2%
I did not have any problem getting a loan from a bank	11	9
	13.6%	23.7%
Other	9	3
	11.1%	7.9%

Source: Corrie (2015), The Economic Potential of African Immigrants

MARKETING STRATEGIES

Marketing Strategy	Male	Female
	81	38
Word of mouth	74	34
	91.4%	89.5%
Ethnic media (radio, TV, newspapers)	25	15
	30.9%	39.5%
Social media - Facebook etc	30	21
	37.0%	55.3%
Mainstream media (radio, TV, newspapers)	7	3
	8.6%	7.9%
other	13	5
	16.0%	13.2%
Did your marketing efforts bring you new customers?	44	18
	54.3%	47.4%

Source: Corrie (2015), The Economic Potential of African Immigrants

WAGES PAID

Wages	Male	Female
	81	37
Less than \$10 per hour	11	6
	13.6%	16.2%
Between \$10 and \$20 per hour	41	22
	50.6%	59.5%
Greater than \$ 20 per hour	4	2
	4.9%	5.4%
No employees	25	7
	30.9%	18.9%

Source: Corrie (2015), The Economic Potential of African Immigrants

USE OF INFORMAL FINANCING

Use Informal Financing	Male	Female
	80	38
Yes	32	16
	40.0%	42.1%
No	48	22
	60.0%	57.9%

Source: Corrie (2015), The Economic Potential of African Immigrants

SELF-EMPLOYMENT CHARACTERISTICS

Self-Employment (Consumer Survey)	Male	Female
	66	68
I own a home based business	12	4
	18.2%	5.9%
I own a storefront business	4	5
	6.1%	7.4%
I own an online business	6	0
	9.1%	0.0%
I do not own a business	35	25
	53.0%	36.8%
I would like help starting a new business	20	33
	30.3%	48.5%
other	4	5
	6.1%	7.4%

Source: Corrie (2015), The Economic Potential of African Immigrants

FINANCIAL ASSETS

Financial Assets (Consumer Survey)	Female
Savings/Checking account	70
	100.0%
Stock,Bonds, Mutual funds	10
	14.3%
Loans (Auto, Student, Home)	28
	40.0%
Retirement Accounts (IRA, 403b, 401k etc)	24
	34.3%
Shariah compliant investments	1
	1.4%
Shariah compliant mortgage	0
	0.0%
Health Insurance	39
	55.7%
Life Insurance	27
	38.6%
Home Insurance	21
	30.0%
Legal Will	4
	5.7%

Source: Corrie (2015), The Economic Potential of African Immigrants

EFFECTIVENESS OF BUSINESS DEVELOPMENT INFRASTRUCTURE

Agency (Helpful, Very Helpful for your Business) Ranked	Female %	Male %
City and State Regulators and License departments	42.1	34.2
Your major suppliers	39.5	36.5
Non Profits serving Business (MEDA, NDC, ADC, AEDS, other)	34.3	34.1
Your insurance company	23.7	24.7
Your bank or loan officer	21	21.2
Neighborhood organizations (District Councils etc)	18.4	11.8
African Chambers of Commerce (Somali, Oromo, Ghana etc)	10.5	25.9
Mainstream Chamber of Commerce	10.5	10.6
City Economic Development Agency	7.9	10.4
US Small Business Administration	7.9	15.3
State Economic Development Agency (DEED)	5.3	11.8
Total Surveyed	38	85
Source: Corrie (2015), The Economic Potential of African Immigrants		

Higher Civic Engagement

African immigrant women in Minnesota have a higher rate of civic engagement than African immigrant men as captured in the consumer survey of the research project. In the table below we can see in all areas – voting, volunteering and participating in their child’s school the higher percentage of women versus men.

MEASURES OF CIVIC ENGAGEMENT

Civic Engagement	Male	Female
Voted	65.20%	79.70%
Volunteered	69.70%	73.90%
Participated Child's School	54.50%	65.20%

Source: Consumer Survey, 2104

NOTES

The report is based on a larger report on the economic potential of African immigrants in 2015 and used data from the following sources for the estimates in this report:

- American Community Survey, 2012, 2013
- A consumer survey administered to capture the diversity of the African immigrant community in Minnesota. This survey was administered in multiple formats (online, in-person and at community events) to 501 respondents (402 fully completed) and reflected the diversity African communities in Minnesota and the Twin Cities metro area. The survey was tested by a diverse group of African immigrant community members.
- A business survey to capture the diversity of African immigrant business owners in Minnesota and the Twin Cities metro area. 123 surveys (113 fully completed) were completed by a diverse group of African immigrant business owners. The survey was tested by an advisory group of business owners/organizations.
- Data from an online exit poll that included African immigrant voters in the November 2014 election.

The full report on the economic potential of African immigrants in Minnesota can be found at this link: <http://chai.news/2015/06/report-drawing-attention-african-immigrants-almost-2-billion-mn-engine-of-economic-growth/>

Acknowledgements (Larger African Immigrant Research study)

The Community Advisory Board provided insights on the survey instruments and suggestions on project implementation. They also provided feedback on the project results. The following are the members of the Community Advisory Board:

Business Survey

Mohamud Abdirahman, Minnesota Somali Chamber of Commerce

Kwao Ameghashie, Ghana Chamber of Commerce

Magnus Diabe, African Workforce and Entrepreneurial Development

Michael Fondungallah, Minnesota Cameroonian Community

Hassen Hussein, Oromo Community of Minnesota

Mesfin Negia, Ethiopian Community of Minnesota

Dr. Kehinde Oduote, Minnesota Institute for Nigerian Development

Professor Phillip Hampton, Concordia University

Teshite Wako, Oromo Chamber of Commerce

Consumer Survey

Abdirahman Ahmed, Safari Restaurant and ASPIRE,

Hussein Ahmed, Hmong American Partnership

Michael Fondungallah, Minnesota Cameroonian Community

Thalia Hall, Wilder Research

Hassen Hussein, Oromo Community of Minnesota

Denise Hanh Hyunh, Wilder Research

Repa Mekha, Nexus Community Partners

Hani Mohamed

Nyango M. N. Nambangi, Minnesota African Womens Association

Mesfin Negia, Ethiopian Community of Minnesota

Mohamed Noor, Confederation of Somalis in Minnesota

Dr. Fred Oni, Minnesota Institute for Nigerian Development

Dr. Kehinde Odusote, Minnesota Institute for Nigerian Development

Survey Partners helped administer the survey

Rev. Alexander Collins, Liberian Ministers Association

Brook Dalu, AEDS

Lansa Dawano, AEDS

Lamin Dibba, Gambian Community of Minnesota

Tom Gitaa, Publisher, Mshale Newspaper

Hayatham Ibrahim, Sudanese Community of Minnesota

Abdullah Kiatamba, African Immigrant Services

Abdissa Loke, Oromo Cultural Institute

Rev. Isaac M. Mitchell, Bethel World Outreach Church

Hafsa Musa, AEDS

Mustafa, AEDS

Allioune Samb, Senegal Community of Minnesota

Abdirizak Said, SAYEC

Gebi K. Tufaa, AEDS

Fartun Weli, ISUROON

Bekha Yahya, AEDS

Research and Technical Assistance

Lee Meilleur, GIS Cartographics

Franklin Okose, Concordia University

Ayano Jiru, Oromo Community of Minnesota

Asha Thao, Concordia University

Sean Corrie, Capitol Hill Magnet School

Thanks to Sarah Hernandez, Program Officer, Region and Communities, McKnight Foundation for providing critical insights in the development of this project and for encouraging this model of collaborative research.

Thanks to Gene Gelgelu, Executive Director of African Economic Development Solutions, the lead community partner for this project who invested countless hours to make this project possible and who helped bring a wide range of partners together for this project.

Thanks to Concordia University for support throughout the project, especially President Ries, Cheryl Chatman, Lonn Maly, Eric Lamott, Michael Dorner, PaNhia Thor and Cheryl Wolfgram.

Thanks to The McKnight Foundation for funding this project.