



# EXECUTIVE SUMMARY

This report provides estimates of the economic potential of African immigrants in Minnesota with a particular focus on the Twin Cities metro area and around major transit corridors. The report helps address the data gaps of Census data, the Survey of Business Owners and the Consumer Expenditure Surveys. Census data provide underestimates of African immigrants in Minnesota, and the other two major surveys used for business and consumer analysis do not provide estimates for African immigrants. Due to this paucity of data the African immigrant community is not given adequate policy attention.

This report by providing estimates of African immigrant consumer spending, business needs and trends, civic and fiscal contributions, measures of satisfaction with the policy infrastructure, and financial assets will help policy leaders, foundations, businesses and government entities engage more effectively in growing the economic base of African immigrants in Minnesota and along major transit corridors. The report builds upon a 2009 national study of African immigrants in the USA which had a Minnesota focus. It complements a study of people of African Heritage in Minnesota by the Council on Black Minnesotans in 2014.

In Minnesota African immigrants have a collective income of at least \$1.6 billion making them an important engine of economic growth. In Minneapolis, St. Paul and Brooklyn Park and Brooklyn Center aggregate income is almost \$800 million. The report offers estimates of consumer spending in a wide range of areas from retail spending to ethnic restaurants. A consumer survey of over 500 diverse African immigrant participants helped provide the basis for these estimates.

There are over 12,000 Black owned businesses in Minnesota. However we do not have a reliable estimate how many of these businesses are owned by African immigrants. The consumer survey and a business survey of over 100 businesses help provide an estimate of business ownership but more importantly the challenges and opportunities of business formation and growth in the African immigrant communities in Minnesota.

Some of main findings of the research are given below:

African immigrants strongly align with the moral sentiment in the Declaration of Independence as they pursue the American Dream: 70 percent of the survey respondents voted and were very active in institutions around them such as their child's school or volunteering. Businesses and community members were also optimistic about the future.

African immigrants in Minnesota are very diverse and most of these groups are largely invisible on the policy radar.

African immigrants, especially African women, have a strong entrepreneurial spirit and presence in the metro area and Minnesota.

African immigrant consumers fuel the growth in the neighborhoods, cities, counties and the state with an annual income of almost \$2 billion.

The market serving African products and services is an estimated \$281 million in Minnesota.

African immigrant workers are playing a critical role in Minnesota currently in certain sectors such as manufacturing, transportation, and health care and will continue to do so in the future as Minnesota copes with labor shortages.

African immigrants build the local economy by paying annually at least \$200 million in state and local taxes and are significant players in the housing market or renters and home owners.

African immigrant philanthropy in Minnesota is an estimated \$14 million annually and \$150 million to various countries in Africa.

Mainstream institutions and policy makers are not reaching the African immigrant population effectively.

African immigrant communities are located along major transit corridors and serve as important economic assets to communities along these corridors. Effective outreach is needed to help them realize the benefits of the transit corridor investments and facilities.

There is strong potential to leverage the global networks of African immigrants to increase Minnesota exports to Africa currently estimated to be around \$250 million.

The report used an innovative and flexible community based strategy in data collection and offers this strategy as an effective way to involve underrepresented groups in policy and institutional building. This is perhaps one of the few studies where the rich diversity of African immigrants in Minnesota is captured and represented.

The report was funded by The McKnight Foundation.

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## ACKNOWLEDGEMENTS

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**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  
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Teshite Wako, Oromo Chamber of Commerce

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Thalia Hall, Wilder Research  
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Sean Corrie, Capitol Hill Magnet School

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Thanks to The McKnight Foundation for funding this project.

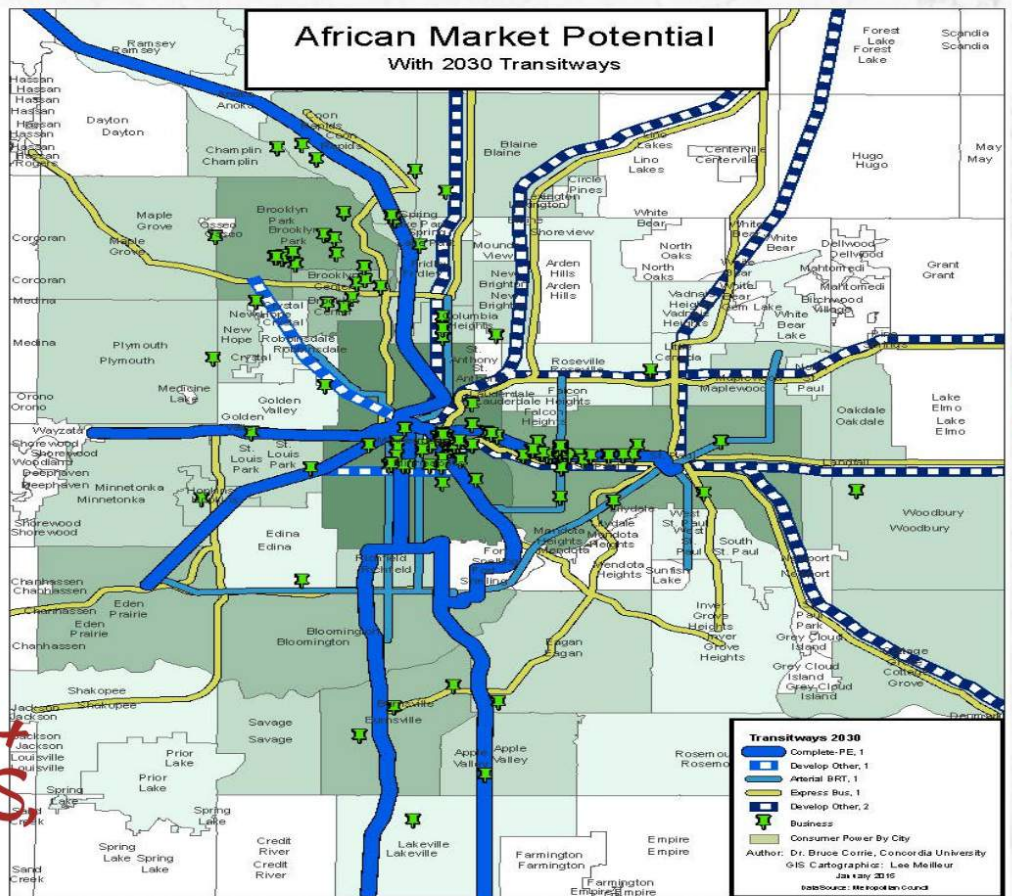


# AFRICAN IMMIGRANT MARKET POTENTIAL

## CONSUMERS, WORKERS AND BUSINESSES REVITALIZING MINNESOTA

**\$244 Million EXPORTS TO AFRICA**

**\$183 MILLION MN TAXES**



**2000+ FIRMS, MN**

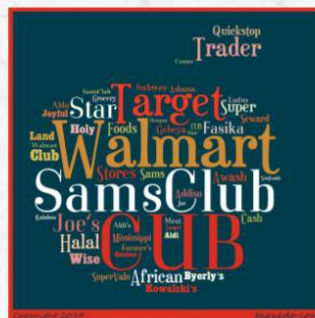
**\$1.6 Billion INCOME**

**\$281 Million Ethnic Market**

**70% VOTED**



**\$37 BILLION LIFETIME EARNING POTENTIAL OF CURRENT STUDENTS**



**\$166 Million MN CHARITIES/ AFRICA**

Bruce P. Corrie, PhD, Concordia University  
 Funded by The McKnight Foundation  
 & With Gene Gelgelu, AEDS and Minnesota's African Communities

Corrie, Bruce (2015), *The Economic Potential of African Immigrants in Minnesota*.  
<http://www.csp.edu/people/faculty/bruce-corrie/>

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## INTRODUCTION

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This report provides estimates of the market potential of African immigrants in Minnesota with a particular focus on the Twin Cities metro area and around major transit corridors. The report helps address the data gaps of Census data, the Survey of Business Owners and the Consumer Expenditure Surveys. Census data provide underestimates of African immigrants in Minnesota, and the other two major surveys used for business and consumer analysis do not provide estimates for African immigrants. Due to this paucity of data the African immigrant community is not given adequate policy attention.

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## METHODOLOGY

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The report 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 report benefited from a community advisory group (listed in the report) that provided cultural intelligence and networks that enabled project success. The African

immigrant community is over-surveyed and there is heightened skepticism and suspicion because of past experience with surveys. Administering the survey through trusted partners enabled project success. The report offered a model for community partnership which included a small grant to the supporting organization and payment of a small stipend to both the administrator and the participant of the survey. This model was greatly appreciated in the community.

An online survey was developed using Survey Gizmo as it offered a quick way for data analysis and helped reduce input error. Most surveys were completed in-person and online. Paper surveys were used in communities that preferred that method of participation.

Surveys were administered by people familiar with the language and culture of the participant. The survey was administered in English and translated where needed by bilingual survey staff. The surveys were administered with the intent of capturing a wide range of community voices. Comparing the survey demographics with Census data one finds that the survey did capture the diversity of the African immigrants in Minnesota.

Possible biases of the survey include: language interpretation, participation bias and under-reporting of income and consumption.

Challenges posed during survey implementation included technical issues with the online survey instrument, time constraints of participants and keeping the survey flexible and in multiple formats. The project budget did not allow for translation of surveys into multiple languages. However the use of bilingual staff helped address this challenge.

The consumer survey provided annual average expenditures on various categories of goods and services. This average was used to project expenditures for all African immigrants in Minnesota using population data from the American Community Survey 2013.



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## ECONOMIC POTENTIAL INSIGHTS

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**Economic Potential Insight 1** – Census data underestimates the true population of African immigrants in Minnesota.

**Economic Potential Insight 2** – Cultural intelligence is needed to integrate African immigrants in policies and programs.

**Economic Potential Insight 3** – African immigrant communities play a significant role as consumers in Minnesota cities.

**Economic Potential Insight 4** – There is a sizeable market, \$281 million, for ethnic businesses serving the African immigrant communities in Minnesota.

**Economic Potential Insight 5** – There is a strong entrepreneurial spirit in the African immigrant community. The report estimates between 2200 and 3200 businesses owned by African immigrants.

**Economic Potential Insight 6** – There is a strong entrepreneurial spirit in African women. These entrepreneurs have unique needs. African female consumers are an estimated \$776 million consumer market.

**Economic Potential Insight 7** – African immigrant entrepreneurs need support during critical phases of the entrepreneurial life cycle:

**Economic Potential Insight 8** – Explore alternative models for the \$151 million remittance market.

**Economic Potential Insight 9** – Develop mechanisms to grow the financial asset base of African immigrants

**Economic Potential Insight 10** – Develop new models for lending using community loan-pool models.

**Economic Potential Insight 11** – Develop models that use cultural assets as an economic development strategy.

**Economic Potential Insight 12** – There is untapped potential for Minnesota exports to African countries.

**Economic Potential Insight 13** – African immigrants are an integral presence in major transit corridors

**Economic Potential Insight 14** - African immigrant offer Minnesota a rich and diverse talent pool to help meet the impending labor shortages.

**Economic Potential Insight 15** – Youth in the K-12 system from African immigrant communities represent an investment portfolio of \$37 billion

**Economic Potential Insight 16** –The African immigrant community contributes at least \$183 million in Minnesota taxes, have high civic engagement and high voter turnout.

**Economic Potential Insight 17** – Mainstream institutions are not effectively reaching the African immigrant communities.

**Economic Potential Insight 18** - African business owners have positive expectations for the future and expect to expand in the months ahead.

**Economic Potential Insight 19** – African immigrants represent an estimated \$236 million annual rental market in Minnesota. Home owners represent real estate values of \$1.2 billion in 2012.

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# ECONOMIC POTENTIAL INSIGHTS FROM REPORT DATA

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## ECONOMIC POTENTIAL INSIGHT 1 – CENSUS DATA UNDERESTIMATES THE TRUE POPULATION OF AFRICAN IMMIGRANTS IN MINNESOTA.

Census data underestimates the true population of African immigrants in Minnesota. For example the American Community Survey 2011-13 estimated the Somali population to be 23,361 people. Yet the Minnesota Department of Education reports that there are 14,876 Somali speaking children in the K-12 school system in Minnesota in 2012-13. Other African communities also report under-representation in Census numbers.

African Country/Region	Population
<b>Africa:</b>	77,475
<b>Eastern Africa:</b>	47,093
Eritrea	1,123
Ethiopia	14,046
Kenya	7,114
Somalia	23,361 *
<b>Middle Africa:</b>	1,993
Cameroon	1,436
<b>Northern Africa:</b>	5,308
Sudan	2,575
<b>Southern Africa:</b>	1,022
Ghana	1,382
Liberia	10,360
Nigeria	4,910
Sierra Leone	617
<b>Other Western Africa</b>	2,237
Africa, n.e.c.	2,553
<b>Total Foreign Born</b>	392,037
<b>Source: ACS 2009-13, 2011-13</b>	

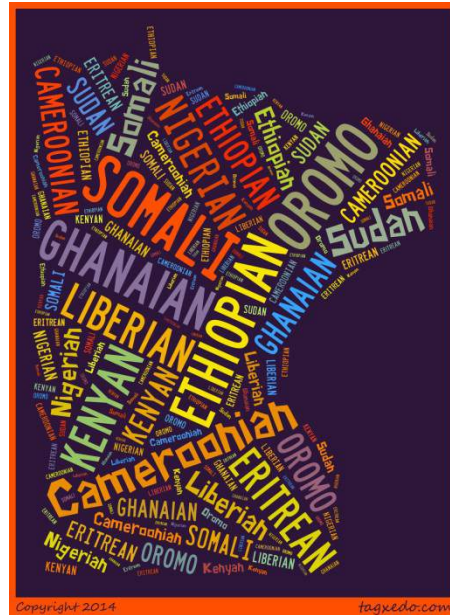
**Recommendation** – Invest in community efforts to better estimate the size of their population. Engage with the Census administration to help provide better estimates of these populations.

**ECONOMIC POTENTIAL INSIGHT 2 – CULTURAL INTELLIGENCE IS NEEDED TO INTEGRATE AFRICAN IMMIGRANTS IN POLICIES AND PROGRAMS**

The policy and business infrastructure in Minnesota need better cultural intelligence in engaging with the diverse African immigrant communities in Minnesota. Diversity of religions (say Muslims and Christians) influence individual consumer behavior, housing needs and business practices. Political diversity (for example Oromo and Ethiopian) is reflected in the way people respond to questions of identity. Diversity within groups such as clan or tribe can determine program participation or success. Community partners helped capture this diversity in the two surveys.



Diversity in Consumer Survey, 2014



Diversity in Business Survey, 2014

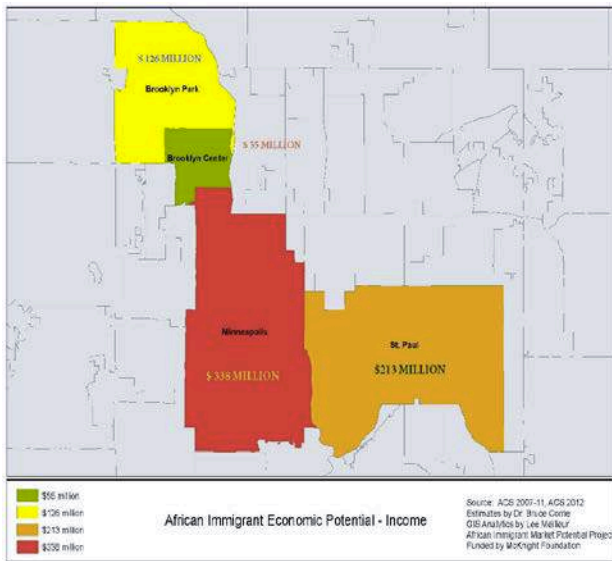
**Representation in Census and Project Survey, 2014**

Region	Census %	Consumer Survey %
EASTERN AFRICA	61	59
WESTERN AFRICA	25	33
MIDDLE AFRICA	3	4
NORTH AFRICA	7	3
SOUTHERN AFRICA	1	0
OTHER AFRICA	3	0

**Recommendation** – Partner with community organizations with deep roots in their communities to help bring cultural intelligence into policy and programs targeting those communities.

**ECONOMIC POTENTIAL INSIGHT 3 – AFRICAN IMMIGRANT COMMUNITIES PLAY A SIGNIFICANT ROLES AS CONSUMERS IN MINNESOTA CITIES AND COMMUNITIES**

The report estimates African immigrant income to be at least \$1.6 billion in Minnesota using ACS 2009-13 data. The chart below shows at least \$800 million of this buying power is located in the Twin Cities Metro area. From the consumer survey we estimate the average annual consumer expenditure in different categories. We use this data to project it for the entire population in Minnesota. From the consumer survey we also know the top stores they use for these purchases.



<b>African Immigrant Annual Expenditures, 2015</b>	
<b>Groceries</b>	\$139 million
<b>Apparel</b>	\$71 million
<b>Electronics</b>	\$22 million
<b>Auto Repair/Gas</b>	\$78 million
<b>Auto Purchase</b>	\$79 million
<b>Household Items</b>	\$58 million
<b>Furniture</b>	\$21 million
<b>Travel</b>	\$60 million
<b>Health Care</b>	\$21 million
<b>Source: Estimates derived from average expenditures in Consumer Survey times number of households using ACS 2013</b>	

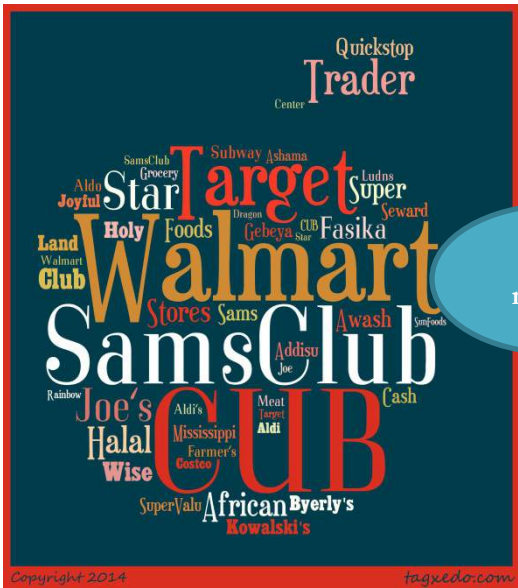
**Recommendation** – since African immigrants are a significant consumer base for businesses in Minnesota these businesses should work to better integrate community needs in their corporate foundation activities; hire African immigrant workers, use African immigrant businesses as suppliers and work to grow the assets of the community.

# African Groceries, 2014

# Groceries, 2014



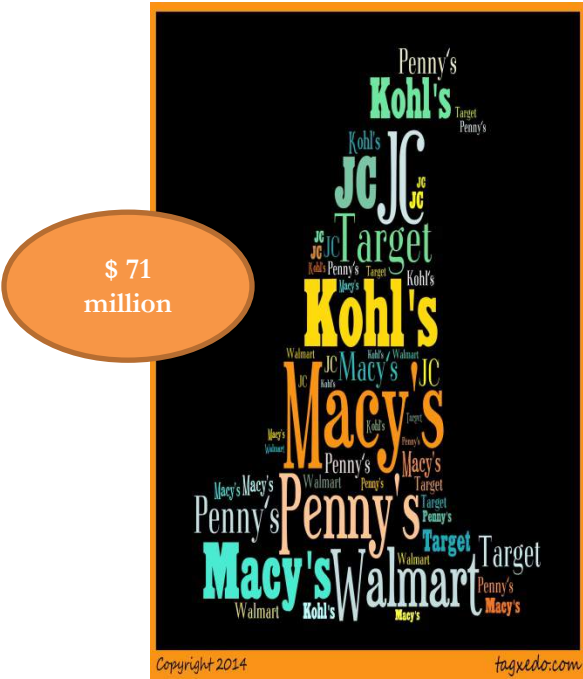
\$ 90 million



\$ 139 million

# Apparel, 2014

# Electronics, 2014



\$ 71 million



\$ 22 million







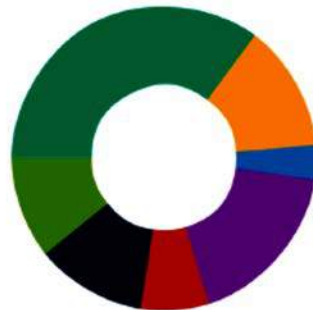
**ECONOMIC POTENTIAL INSIGHT 4 – THERE IS A SIZEABLE MARKET OF AT LEAST \$281 MILLION FOR ETHNIC BUSINESSES SERVING THE AFRICAN IMMIGRANT COMMUNITIES IN MINNESOTA.**

The consumer and business surveys indicate that there is a sizeable market for ethnic products. For example, African immigrants in Minnesota spend an estimated \$90 million in groceries at ethnic stores. While many of these stores are owned by African immigrants we find also popular Asian stores selling products popular with African immigrants.

**Recommendation:**

- Support business initiatives aimed at ethnic markets with technical expertise in market analysis, location and viability.
- There could be market saturation in certain retail products and so effort should be made to counsel people from over-saturating the market, for existing stores to expand their product offering, and for new entrepreneurs to explore new products.
- Some businesses such as those working in the health care point to barriers working with major players in the health care industry and responding to the new health care regulatory environment.

BUSINESS SURVEY PARTICIPANT SECTORS, 2014





**ECONOMIC Potential Insight 5 – There is a strong entrepreneurial spirit in the African immigrant community. There are estimated 2200 to 3200 African immigrant businesses in Minnesota.**

There is a strong entrepreneurial spirit in the African immigrant community reflected in both the surveys and in the presence of the popular Somali Souks and growing presence in major transit corridors such as University Avenue. The consumer survey revealed that 7.8 % of the participants were self-employed. On another question 10.5 % reported they had a home based business, 5.5 percent had a store-front business and 2.7 % had an online business. 28.2 percent indicated they would like to start a business. We can use this data to derive an estimate of the number of African immigrant businesses in Minnesota.

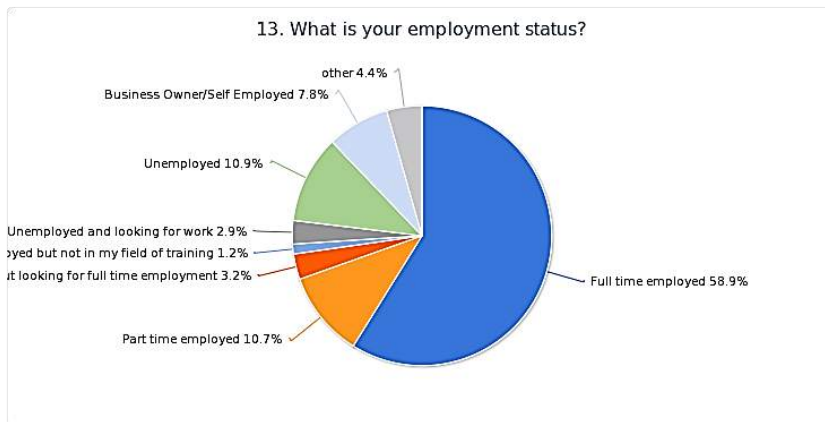
It is extremely difficult to find reliable estimates of self-employment rates for African immigrants both nationally and locally. One estimate derives from the self-employment rate of 7.6 percent reported by the participants in the consumer survey. This rate aligns with the rate of 6 percent for all foreign born business owners estimated by the Fiscal Policy Institute in 2012. Using this number (7.6 percent) of 29,514 African immigrant households with earnings in 2012 we estimate the number of businesses owned by African immigrants to be 2243.

The other estimate uses the estimate of the percentage of Black population in Minnesota who were born in Africa as reported in the American Community Survey 2012. This was 26 percent of the Black population in Minnesota were born in Africa. We use this percentage to attribute the total number of Black owned businesses in Minnesota as estimated by the Survey of Business Owners. This method gives us 3238 African immigrant owned businesses in Minnesota.

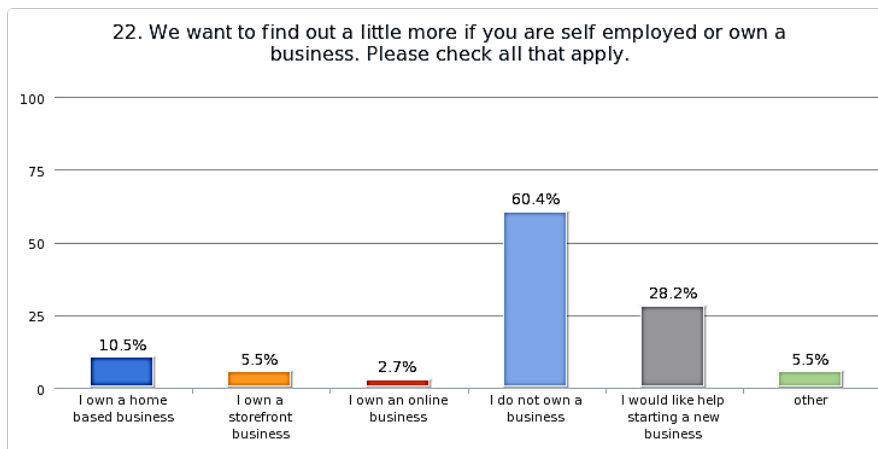
So we can offer a conservative range of African owned businesses to be somewhere between the two estimates of 2243 and 3238. How likely are these estimates? A CURA study in 2010 estimated the number of Somali owned businesses in the Twin Cities to be 375. This number only counts store-fronts and not home based businesses and independent proprietors of taxi and trucking companies. The Somali Chamber of Commerce indicates that there are hundreds of such proprietors in Minnesota. The estimate offered in this report is a conservative one and probably underestimates the actual number of business owners. For example, 10.5 percent of the consumer survey participants mentioned owning a home based business or around 3000 households,

Interestingly, the consumer survey reveals that our entrepreneurs have a critical skill noted in the research as contributing to business success – around 50 percent either had experience in their family owned business or worked in a similar business.

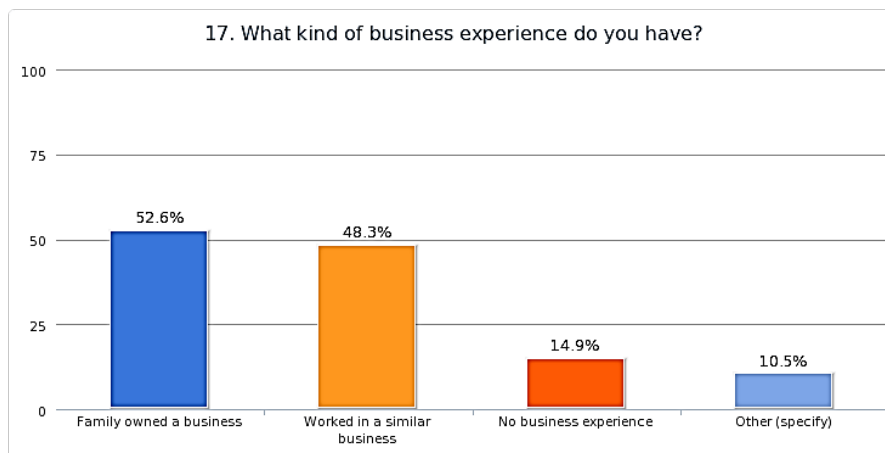
**Recommendation** – Invest in entrepreneurial education and programs for youth, business incubators, commercial kitchens and other avenues to support this vibrant entrepreneurial energy.



Source: Consumer Survey, 2014



Source: Consumer Survey 2014



Source: Business Survey, 2014



# BUSINESS SURVEY KEY INDICATORS, 2014



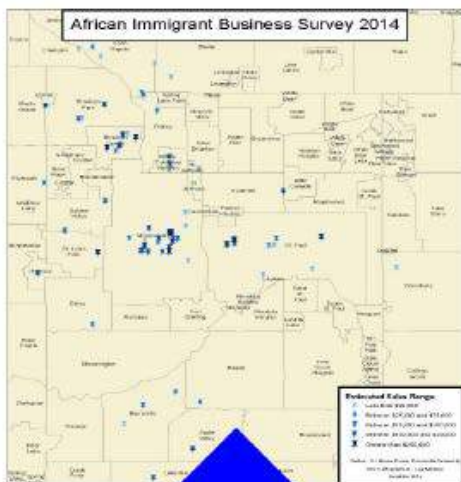
■ >\$25,000 (31%) 
 ■ \$25,000 - \$75,000 (27%)  
■ \$75,000 - \$100,000 (12%) 
 ■ \$100,000 - \$250,000 (13%)  
■ \$250,000 + (17%)

**ANNUAL SALES**



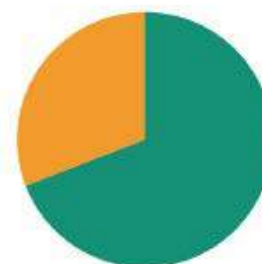
■ Less than \$10 per hour (20%)  
■ Between \$10 and \$20 per hour (73%)  
■ Greater than \$20 per hour (7%)

**WAGES**



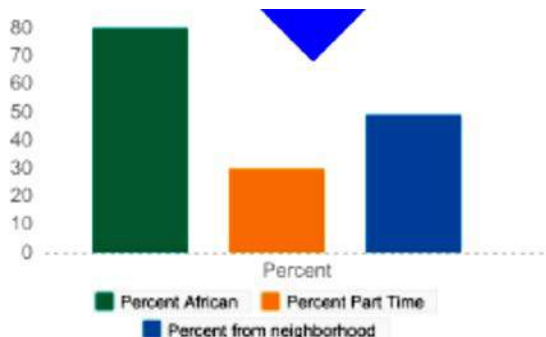
**105 Businesses**  
**\$13 million sales**  
**670 Employees**

Survey



■ Male (69%) 
 ■ Female (31%)

**GENDER**



■ Percent African 
 ■ Percent Part Time  
■ Percent from neighborhood

**EMPLOYMENT**



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**ECONOMIC POTENTIAL INSIGHT 6 – THERE IS A STRONG ENTREPRENEURIAL SPIRIT IN AFRICAN WOMEN. THESE ENTREPRENEURS HAVE UNIQUE NEEDS. AFRICAN FEMALE CONSUMERS ARE AN ESTIMATED \$776 MILLION CONSUMER MARKET.**

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Women entrepreneurs are a visible presence in African immigrant communities. The business and consumer surveys provide a few insights into their unique needs and assets:

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. Females show a higher level of civic engagement than males in voting, volunteering and participating in their child’s school.
4. They do not find the business development infrastructure in Minnesota or their city very helpful.
5. Most of the women entrepreneurs had prior experience in a family owned business rather than working for a business.
6. 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 women entrepreneurs. These programs and policies need to operate with cultural intelligence to be effective given the diversity within the African immigrant communities.

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

	Male	Female	Total
<b>What kind of business experience do you have?</b>			
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%	
<b>Totals</b>	<b>78</b>	<b>36</b>	<b>114</b>
	<b>100%</b>	<b>100%</b>	

Source: Business Survey

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%	
<b>Totals</b>	<b>82</b>	<b>38</b>	<b>120</b>
	<b>100%</b>	<b>100%</b>	

Source: Business Survey, 2014

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**ECONOMIC POTENTIAL INSIGHT 7 – AFRICAN IMMIGRANT  
ENTREPRENEURS NEED SUPPORT DURING CRITICAL PHASES  
OF THE ENTREPRENEURIAL LIFE CYCLE:**

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The business survey reveals that the existing government and nonprofit infrastructures are not reaching African immigrant entrepreneurs effectively. There is a preference bias that permeates both government and other funders: they prefer larger established organizations as there is a higher risk involved with smaller organizations. These smaller organizations are caught in a catch-22 situation – they are unable to build capacity because they do not have resources to grow and they cannot get funding because they are deemed as not having capacity. Nurturing entrepreneurship along the entrepreneurial life cycle is critically needed: entrepreneurial education; home based and online businesses; from home based to store-front or incorporation; growth from >\$75,000 to >\$250,000; growth from >\$250,000 to \$5 million; growth from \$5million to >\$500 million. 67 percent of the business owners identified the difficulty in getting a loan a major obstacle to business formation.

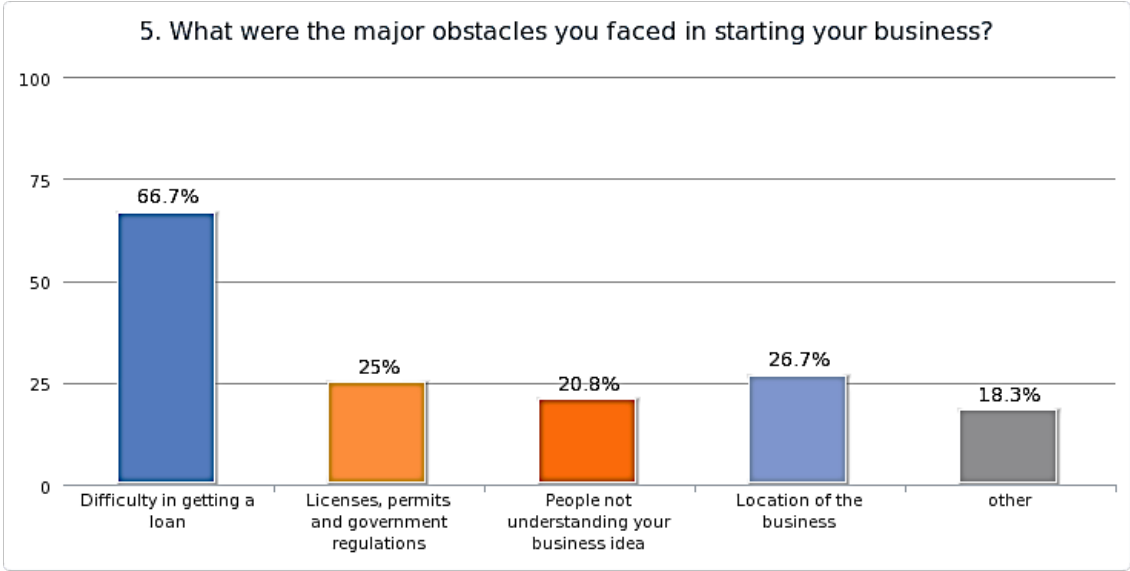
**Recommendation:** The following could help meet this need:

1. Conduct a capacity audit of the major players serving African immigrant entrepreneurs exclusively in the following areas:
  - a. Cultural intelligence to meet the diversity of needs within the African immigrant communities.
  - b. Technical capabilities to meet the needs of entrepreneurs at various stages of the entrepreneurial cycle.
  - c. Loan portfolio and loan-need gap analysis of existing clients to assess if the financial needs of clients are met.
2. Convene the major players for entrepreneurial development in the African immigrant community to help develop a shared understanding of respective markets and competencies and collaborate on growing the economic base of the community.
3. Fund initiatives that aim to develop self-sustaining funding streams for projects so that they move away from dependence on external funders.
4. Fund efforts to help educate funders and policy leaders on the market potential of African immigrants and the need to integrate the community in economic development initiatives.

**WHAT ENTREPRENEURS NEED!**  
(Business Survey, 2014)



**HELP NEEDED**



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## ECONOMIC POTENTIAL INSIGHT 8 – EXPLORE ALTERNATIVE MODELS FOR THE \$151 MILLION REMITTANCE MARKET.

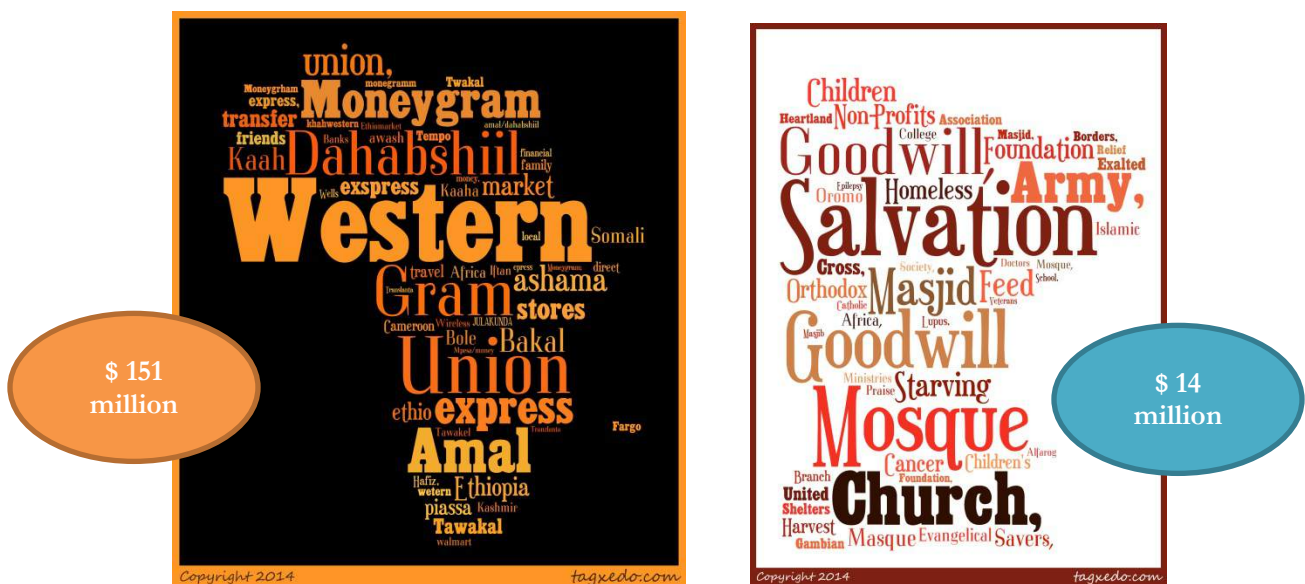
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This report estimates that the remittance market to Africa is at least \$151 million. Hard working Minnesotans regularly send on average at least \$4307 per household per year to families and communities in need in Africa. Looked at this data from a different angle we can say that the community perhaps is the largest economic development agency focusing on Africa in Minnesota. For households earning less than \$30,000 a year this is a significant amount and prevents wealth building for their own long term economic mobility. Remittance to Somalia has been particularly difficult given the geopolitical challenges there. Moreover they do not get any tax benefits because of this type of philanthropy.

### Recommendations:

1. Explore ways the remittance flow can be aggregated to yield greater impacts when the focus is non-family projects. For example, if a lot of the flow of money is towards education, can the community be more effective through working together on funding education at a larger scale and recruiting additional partners (for example, Books for Africa).
2. Explore alternative channels for sending remittance to Somalia and other similar places with poor infrastructure for financial transparency and ability to meet federal financial regulatory guidelines.

International, Domestic Contributions, 2014



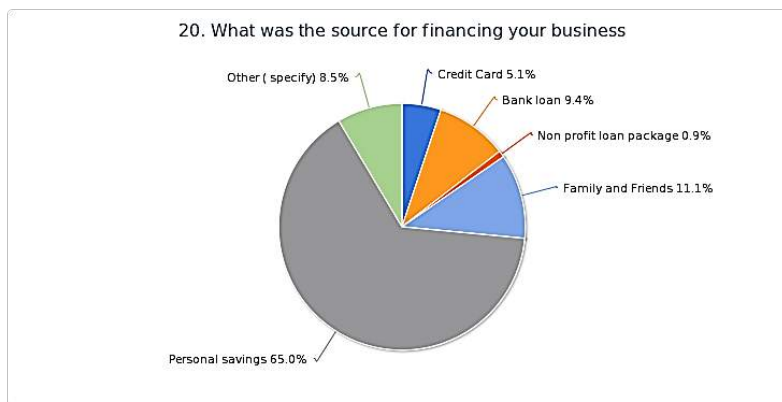
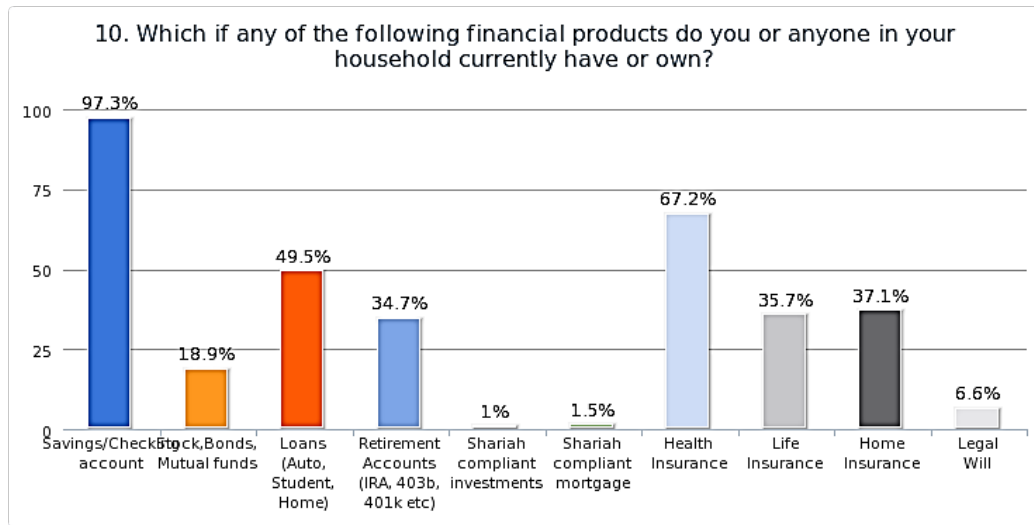
## ECONOMIC POTENTIAL INSIGHT 9 – DEVELOP MECHANISM TO GROW THE FINANCIAL ASSET BASE OF AFRICAN IMMIGRANTS

Apart from savings or checking accounts there are few households with more sophisticated financial assets that can appreciate in value, such as investments in the stock market. In addition there is low usage of risk management tools such as personal life insurance because of religious and other reasons.

### Recommendations:

1. Support/fund programs that help individuals and households develop financial assets
2. Support/fund programs that develop REBA free financing for homes, automobiles and business investment.

### Financial Assets (Consumer Survey, 2014)



### Financial Assets Used to Start Business (Consumer Survey, 2014)

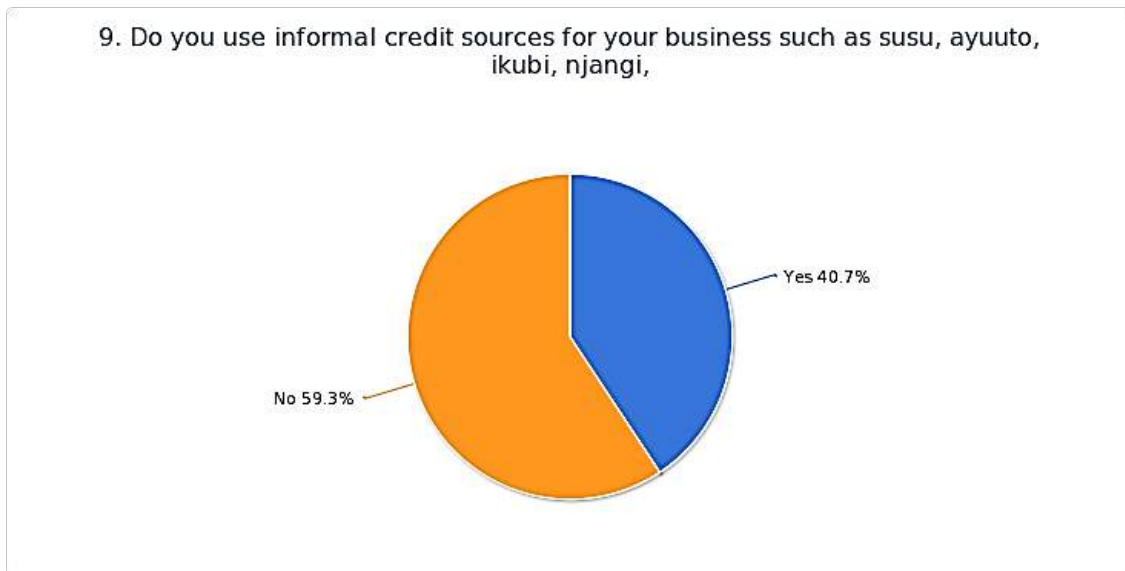
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**ECONOMIC POTENTIAL INSIGHT 10 – DEVELOP NEW MODELS FOR LENDING USING COMMUNITY LOAN-POOL MODELS.**

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The survey shows strong usage of community loan pools for financing of business enterprises. This is a very effective way for financing in immigrant communities.

**Recommendations:** Support/fund efforts to develop these alternative loan pools and to provide risk management tools for these loan funds.



**Informal Financial Networks Used to Start Finance Business  
(Business Survey, 2014)**



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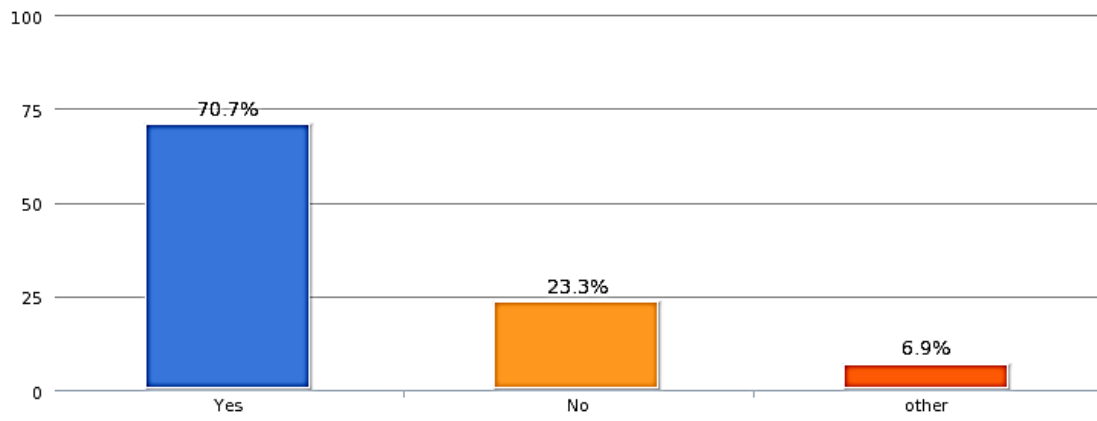
## ECONOMIC POTENTIAL INSIGHT 11 – DEVELOP MODELS THAT USE CULTURAL ASSETS AS AN ECONOMIC DEVELOPMENT STRATEGY.

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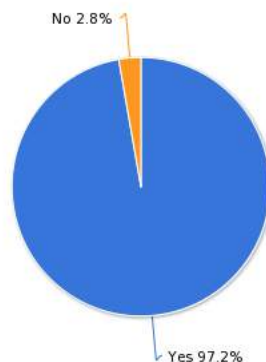
The report found significant support for the “Little Africa” model that focuses on the development of cultural assets as a destination point and as an economic development strategy. The Little Africa project aims to create three nodal points in Minneapolis, St. Paul and Brooklyn Boulevard around the major transit corridors and connect them and other areas through a virtual network that would in turn help market and brand the entities within the network. Other similar models are the Somali souks.

**Recommendations:** Fund models that focus on this Blue Ocean strategy around cultural assets as an economic development tool. Funding is needed in the area of façade improvement, public art, cultural programming, marketing and branding.

24. Little Africa is a marketing and branding campaign to bring visibility to African immigrant businesses and help them get new customers through such strategies as developing an African immigrant business and cultural district, creating a virtual business network and other strategies. For example the Little Africa Fest on August 23, 2014 brought customers from 15 cities and 32 zip codes to the local businesses. Would you be willing to join this network.



24. African community leaders propose the creation of a business and cultural district focusing on African immigrants (like a Chinatown) called "Little Africa." Would you support this concept ?



Support for Cultural Assets Based Strategy  
(Consumer & Business Survey, 2014)

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## ECONOMIC POTENTIAL INSIGHT 12 – THERE IS UNTAPPED POTENTIAL FOR MINNESOTA EXPORTS TO AFRICAN COUNTRIES.

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The report indicates that while Minnesota exports \$244 million of goods to African countries, both the rate of growth of exports as well as the range of exports is not optimal even when comparing with a nearby state of Wisconsin. African immigrant communities have been active in attempting to develop these markets and over the years have sponsored a number of these activities. Recently at the Minnesota Somali Chamber of Commerce, Bill Blazar, President of the Minnesota Chamber of Commerce made the case that Minnesota companies have a chance to benefit greatly from trade in Africa because it is one of the few areas where other global competitors have yet to establish deep roots.

**Recommendations:** Convene stakeholders from the government and African immigrant communities to develop a long term strategy to tap export markets in various countries. Develop country specific strategies and explore how the global networks of Minnesota’ African immigrants can help realize these goals. There are active immigrant communities in Minnesota in at least 10 of these export markets.

Top MN Export Markets in Africa 2013	Fastest Growth in MN Exports 2006-13
South Africa	Gabon
Egypt	Togo
Nigeria	Libya
Morocco	Gambia
Libya	Botswana
Ghana	Benin
Angola	Congo (DR)
Algeria	Zimbabwe
Tanzania	Namibia
Benin	Central African Republic
Senegal	Equatorial Guinea
Zambia	Mozambique
Zimbabwe	Senegal
Congo (DR)	Zambia
Liberia	Nigeria
Uganda	Cote d'Ivoire
Kenya	Sierra Leone
Gabon	Guinea
Ethiopia	Chad
Tunisia	Seychelles

Top Export Sectors (2015)	Exports
MACHINERY; EXCEPT ELECTRICAL	\$ 69,665,230
TRANSPORTATION EQUIPMENT	\$ 40,805,842
COMPUTER AND ELECTRONIC PRODUCTS	\$ 38,746,298
FOOD MANUFACTURES	\$ 26,021,854
AGRICULTURAL PRODUCTS	\$ 19,487,121
MISCELLANEOUS MANUFACTURED COMMODITIES	\$ 8,287,315
Other	\$ 41,130,923
<b>TOTAL</b>	<b>\$ 244,144,583</b>

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## ECONOMIC POTENTIAL INSIGHT 13 – AFRICAN IMMIGRANTS ARE AN INTEGRAL PRESENCE IN MAJOR TRANSIT CORRIDORS

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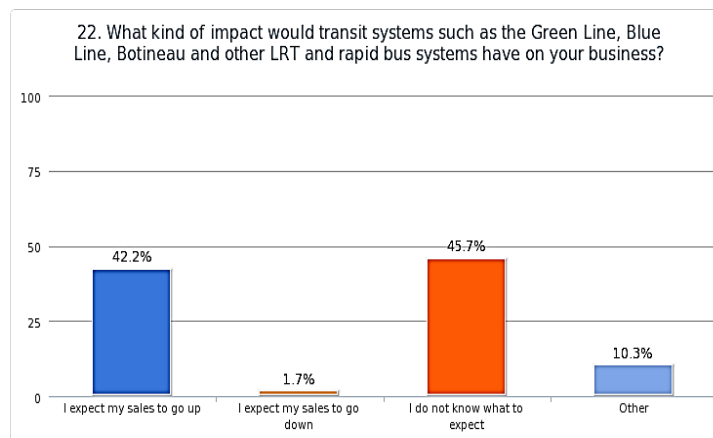
The report indicates that the African immigrant economic base as reflected in the consumer and business assets occur in critical parts of the Blue and Green Lines and around areas of current and proposed new transit systems, such as Botineau. This presents an opportunity for the massive spending infusion into these areas to leverage the growth of the assets of African immigrants in the area.

While a significant number of business owners expect LRT to benefit their businesses an equally number are unsure of potential benefits.

The consumer survey shows that of those using public transit as a primary means to get to work, almost a third had full time jobs, 12 percent had part time jobs and around 6 percent were looking for jobs. So good transit options are critical for these groups of people.

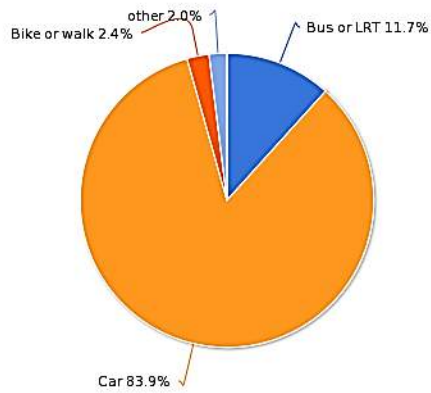
### Recommendation:

1. Involve African immigrant community leaders among decision makers in transit projects and transit oriented development projects so that they can help integrate their community needs into these projects and leverage them to grow African immigrant community economic assets in those project areas. The map below shows where the community is located relative to major transit corridors and could assist outreach efforts.
2. Education efforts are needed and strategies implemented to help these small business owners realize the potential benefits of LRT.
3. Continue to work to help workers get to jobs through an effective transit network.



**Business Expectations About LRT, 2014  
(Business Survey, 2014)**

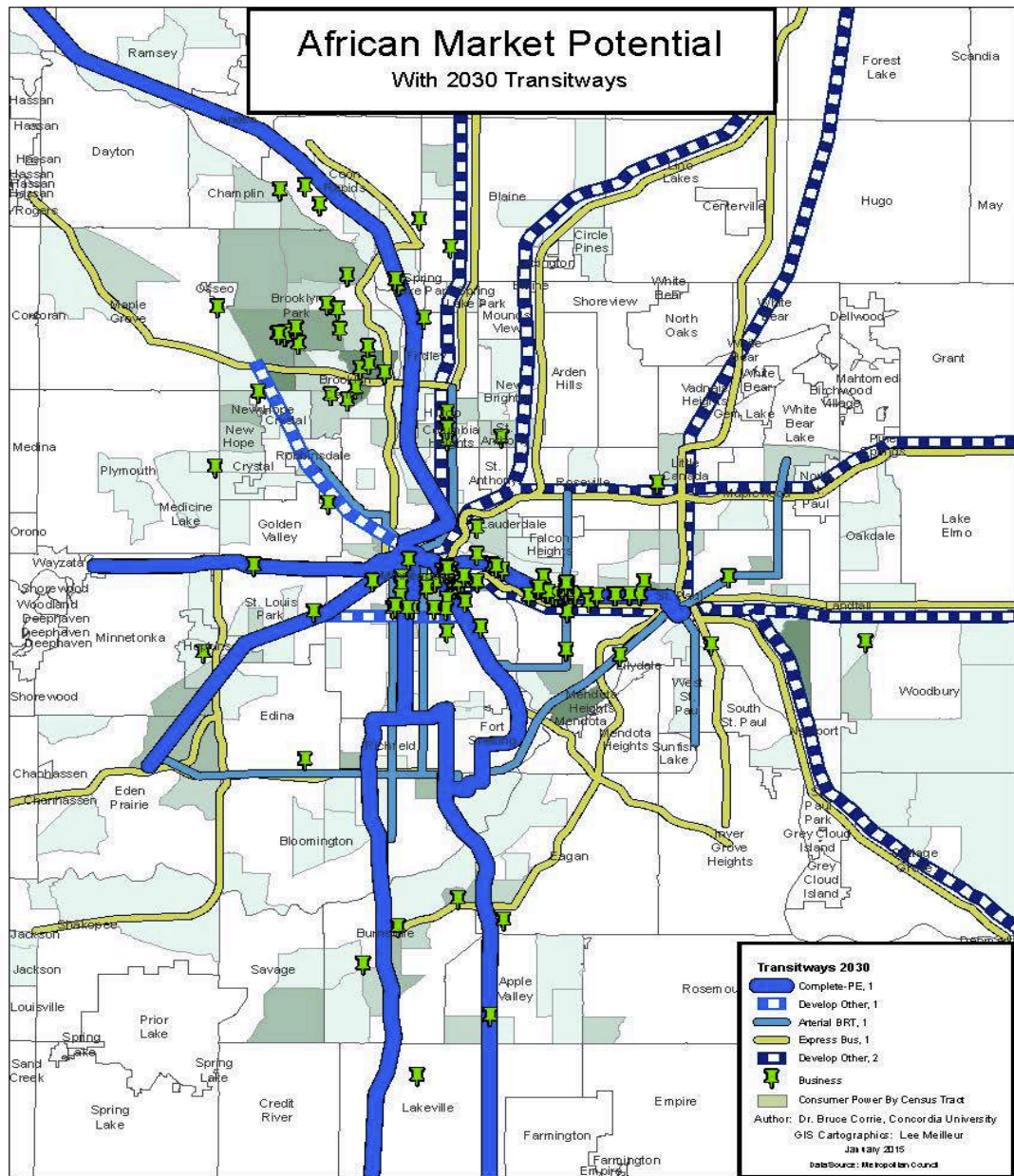
16. What is the main mode of transportation you use for work or business?



**Use of LRT/BUS, 2014  
(Consumer Survey, 2014)**

Public Transit as Primary Transportation	Percent
Full Time Employed	29.2
Part Time Employed	12.5
Part Time But Looking for Work	2.1
Employed But Not In Area of Skill	0
Unemployed and Looking	4.2
Unemployed	47.9
Business Owner/Self Employed	0
Other	4.2

Source: Consumer Survey



**Business and Consumer Presence along Major Transitways and  
Census Tracts, 2014**  
(Business Survey, 2014, ACS 2009-13, Author estimates of Buying  
Power)

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**ECONOMIC POTENTIAL INSIGHT 14 - AFRICAN IMMIGRANT OFFER MINNESOTA A RICH AND DIVERSE TALENT POOL TO HELP MEET THE IMPENDING LABOR SHORTAGES.**

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African immigrants offer Minnesota a rich talent pool of workers needed by various sectors of the economy. The map below from MN2020’s recent report, *Made in Minnesota: Fertile Ground for Minority Opportunity*, illustrates the important role of Somali workers for the food processing industry which needs a stable supply of workers. Similar research illustrated the critical role workers of Liberian origin play in the health care sector in Minnesota. The econometric study showed that the 3000 Liberian health care workers in Minnesota impacted 7000 other jobs and had a \$300 million impact on the Minnesotan economy.

**Recommendation:**

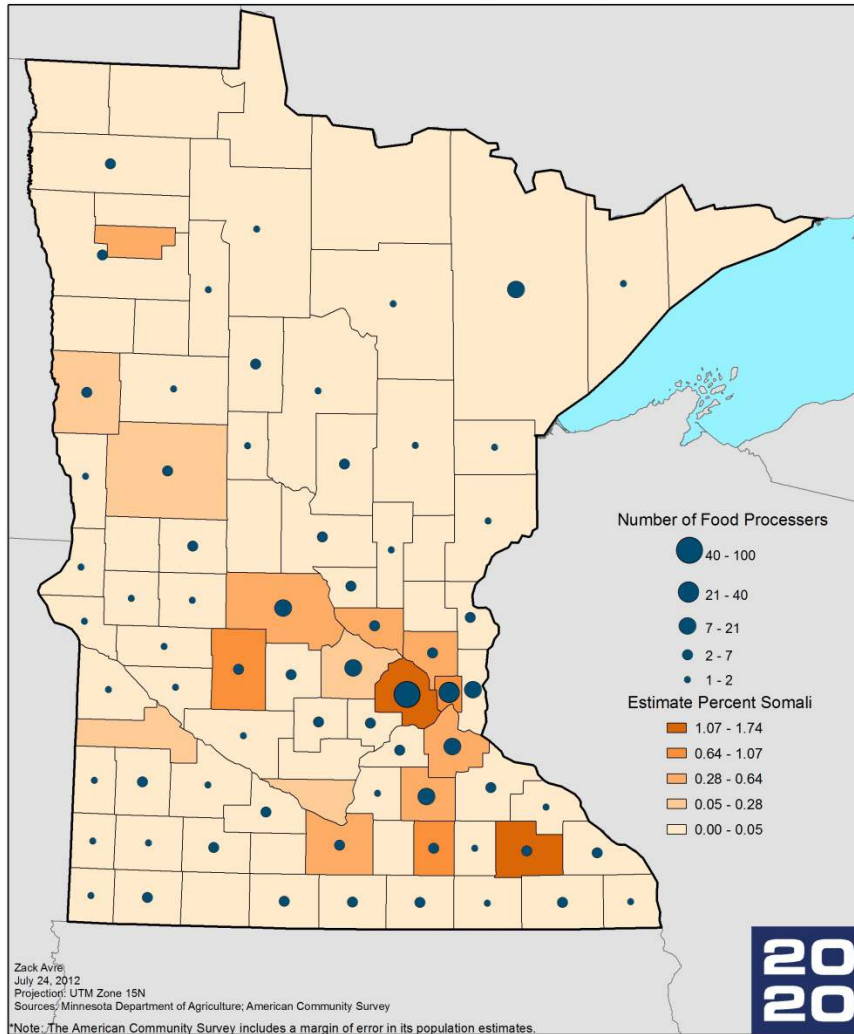
- Minnesota needs to invest in improving the credentials of African immigrant workers. For example, assisting those with entry level nursing credentials become qualified nurses or managers. This will also help increase their income levels.
- There is considerable skill wastage when African immigrant workers are not employed in the area of their training because employers do not accept foreign credentials. Policies and programs need to be in place to facilitate this transition. 1.2 percent of the consumer survey participants reported not working in their area of expertise.
- Help connect these workers to transit networks leading to higher paying job opportunities. 6 percent of the consumer survey participants reported either working part time and were looking for a full time job or unemployed and looking for work.

<b>OCCUPATION</b>	
<b><i>Management, business, science, and arts occupations</i></b>	28.1%
<b><i>Service occupations</i></b>	32.8%
<b><i>Sales and office occupations</i></b>	16.6%
<b><i>Natural resources, construction, and maintenance occupations</i></b>	2.0%
<b><i>Production, transportation, and material moving occupations</i></b>	20.5%

Source: ACS 2011-13



## Existing Food Processing Manufacturers, 2012 and Estimated Somali Population, 2010\*



Source: MN2020 (2008)



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**ECONOMIC POTENTIAL INSIGHT 15 – YOUTH IN THE K-12 SYSTEM FROM  
AFRICAN IMMIGRANT COMMUNITIES REPRESENT AN INVESTMENT  
PORTFOLIO OF \$37 BILLION**

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If all the African immigrant youth in the Minnesota k-12 educational system graduated with a Bachelor’s degree – they would have an aggregate life time earnings of \$37 billion.

This report presents data on the high value that African immigrants place on education. Voters identified closing the achievement gap as the second top most priority. Survey respondents were positive about the educational environment for their children in Minnesota and were quite involved with their child’s school. These children represent Minnesota’s future workforce and adequate attention needs to be given to ensure their academic success. Data from the 2012 ACS shows 62 percent of the students were in college or graduate school – a critical demographic for Minnesota’s future workforce.

**Recommendation**

- There are a number of positive strategies to close the achievement gap that has been proposed. An important strategy for African immigrant children is cultural intelligence in the learning environment so teachers and administrators can help the child succeed. The consumer survey documents the fact that parents are engaged with their child’s school and this is an important aspect needed for academic success. \$37 billion in life time earning represents an annual return on investment of at least 11.5 % in Minnesota taxes paid by these new workers (the average tax rate paid by Minnesotans as estimated by the state’s tax incidence study).

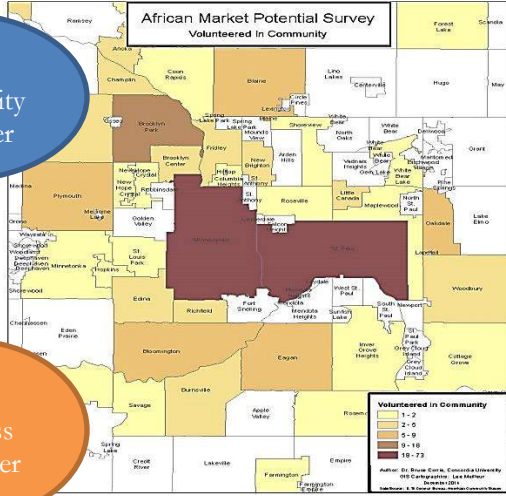
<b>SCHOOL ENROLLMENT</b>	
Population 3 years and over enrolled in school	20,976
Nursery school, preschool	2.0%
Kindergarten	1.4%
Elementary school (grades 1-8)	16.2%
High school (grades 9-12)	18.3%
College or graduate school	62.1%

Source: ACS 2012

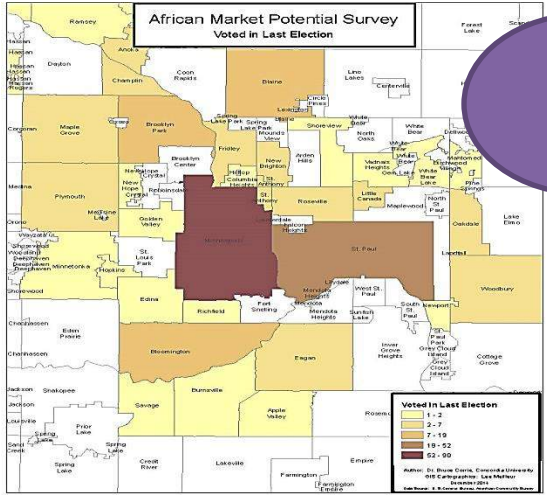


67%  
Community  
Volunteer

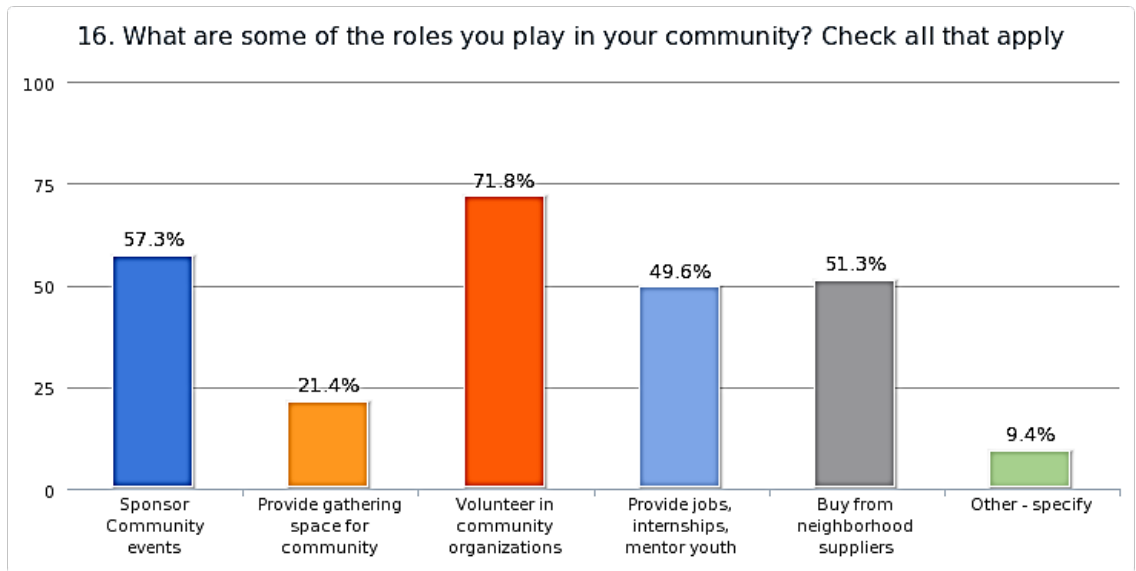
72%  
Business  
Volunteer



70%  
Voted



**Volunteer and Voting, 2014  
(Consumer Survey, 2014, ACS 2009-13)**



**Roles Business Owners Play in Community, 2014  
(Business Survey, 2014)**

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## **ECONOMIC POTENTIAL INSIGHT 17 – MAINSTREAM INSTITUTIONS ARE NOT REACHING THE AFRICAN IMMIGRANT COMMUNITIES EFFECTIVELY.**

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The report shows high voter turnout of around 70 percent. It also shows consumers and business owners building their communities in various ways. It also shows the community paying federal, state and local taxes.

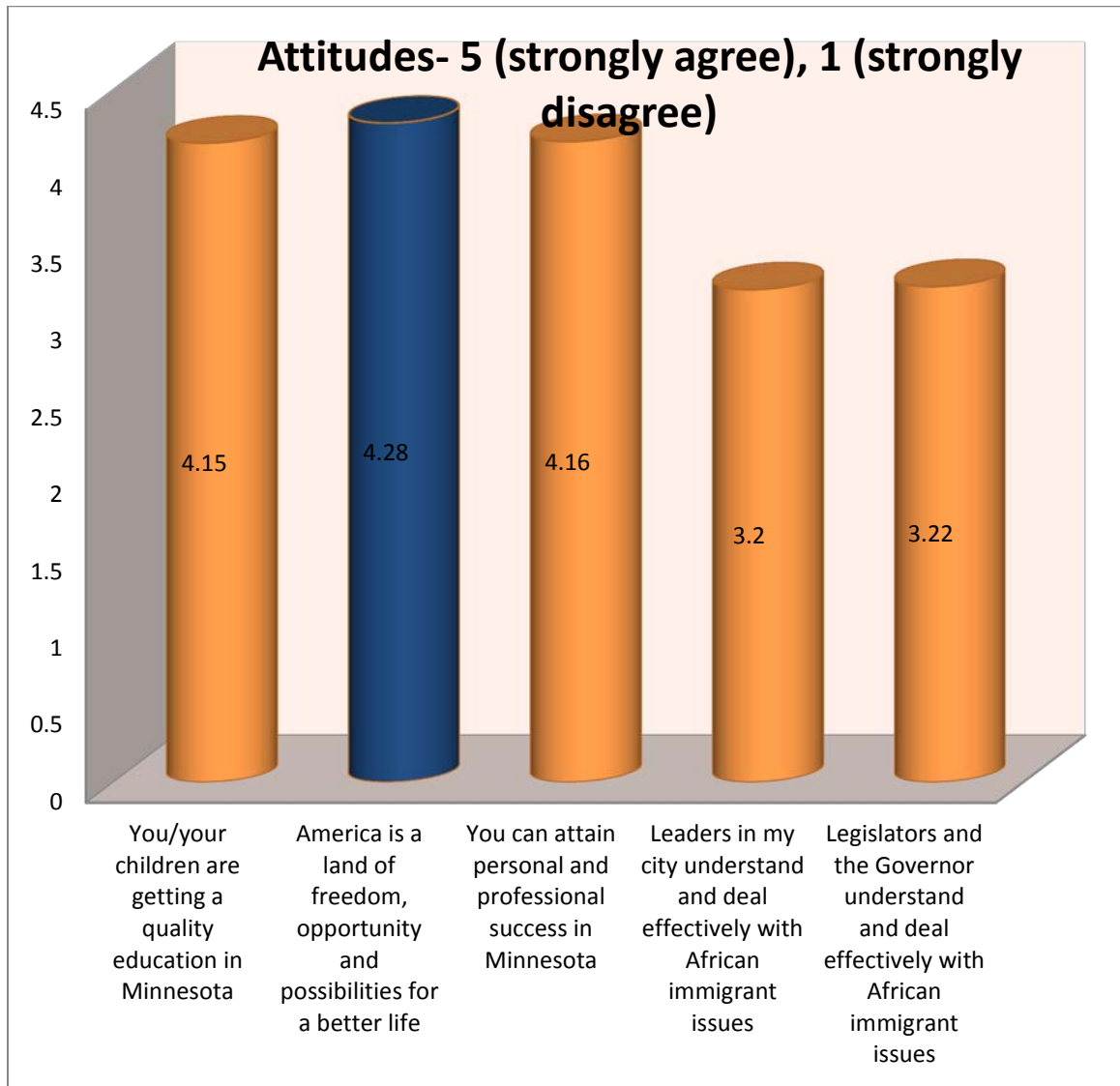
President Abraham Lincoln once said that the bonds that tie us closer than blood to the Founding Fathers of the nation is the moral sentiment in the Declaration of Independence. The report shows the highest positive alignment with this sentiment among survey respondents (see table below).

At the same time as African immigrants engage with the policy makers and institutions there is a relationship gap: They do not think policy makers understand them as well (Consumer survey participants) and that mainstream institutions are not of much help to them (business owners).

### **Recommendation:**

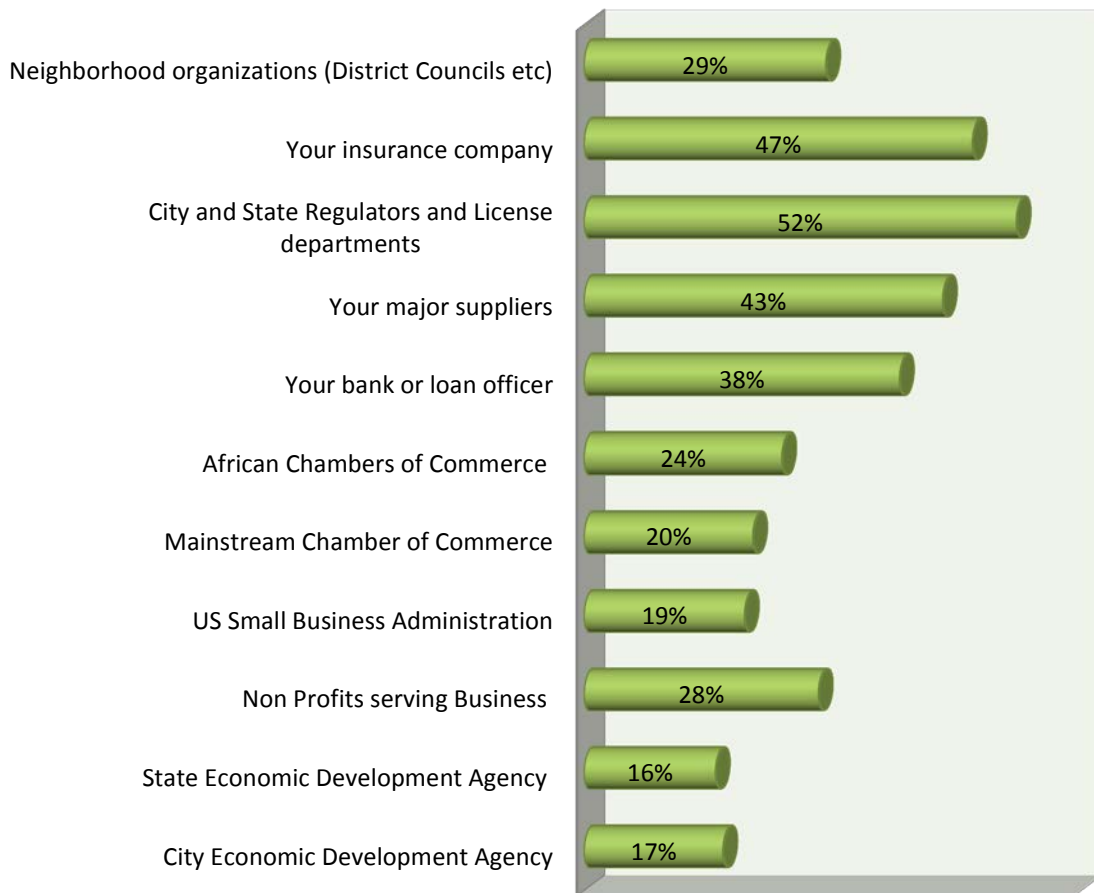
1. Convene meetings with community leaders and policy leaders and institutions on the market potential of African immigrants so that they are better engaged and understand the issues of African immigrants.
2. Top priorities of the African immigrant voter are jobs; closing the achievement gap; business development, health care; immigration and housing. Engage with the various communities to explore solutions to these challenges.

African Immigrant Attitudes, 2014  
Scale 1-5 with 5 (Strongly Agree, 1 Strongly Disagree)  
Consumer Survey, 2014



**Business Interaction with Various Institutions, 2014  
(Business Survey 2014)**

**African Immigrant Business Outreach Gap  
Percent (Helpful, Very Helpful)**

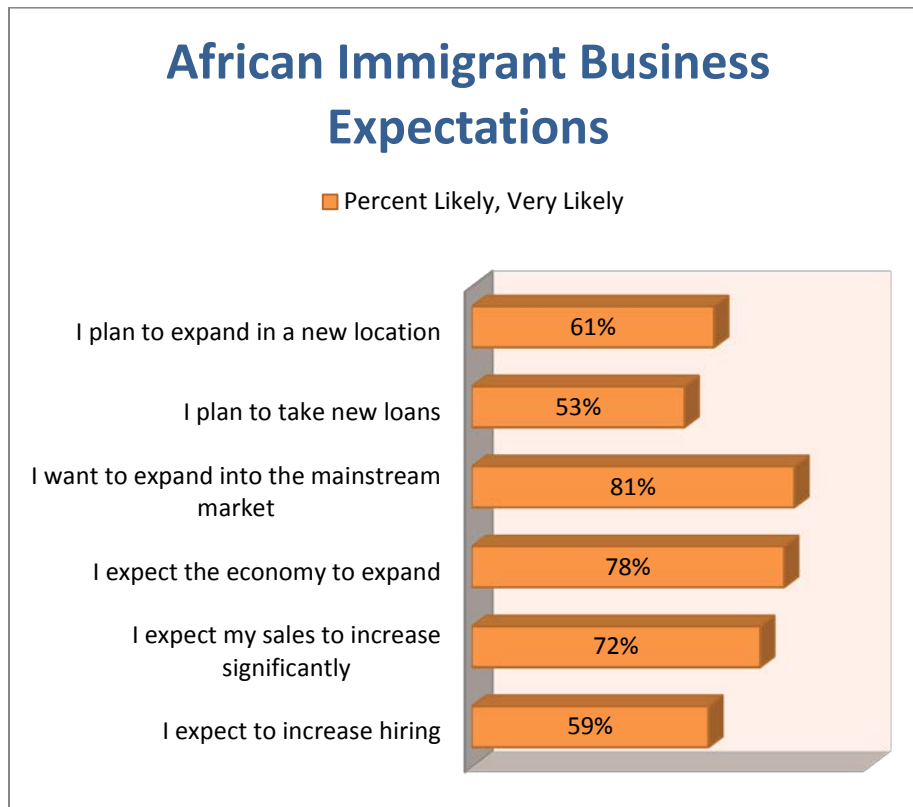


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**ECONOMIC POTENTIAL INSIGHT 18 - AFRICAN BUSINESS OWNERS HAVE POSITIVE EXPECTATIONS FOR THE FUTURE AND EXPECT TO EXPAND IN THE MONTHS AHEAD.**

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The business pulse of African immigrant business owner’s expectation for future growth is positive. The Table shows data from the business survey. They expect increase in sales and employment, new loans and expanding to new locations. These attitudes complement the strong positive attitudes of the community. This data provides a baseline for future trend analysis.



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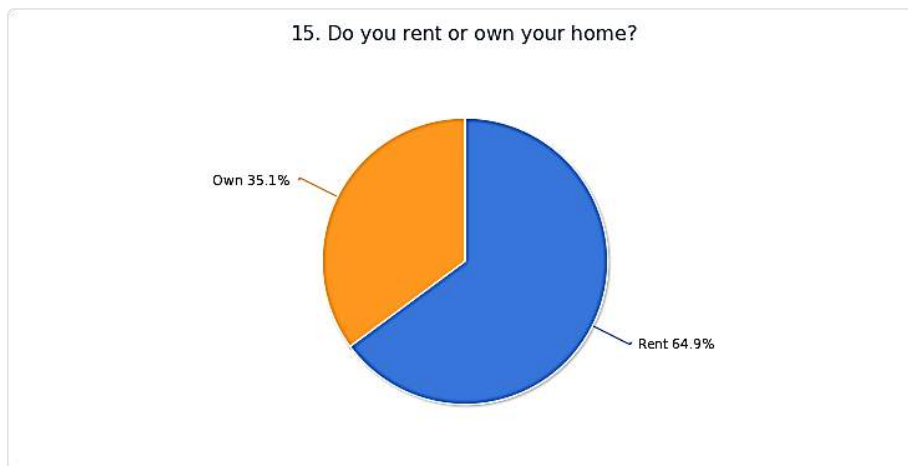
**ECONOMIC POTENTIAL INSIGHT 19 – AFRICAN IMMIGRANTS REPRESENT AN ESTIMATED \$236 MILLION ANNUAL RENTAL MARKET IN MINNESOTA. HOME OWNERS REPRESENT REAL ESTATE VALUES OF \$1.2 BILLION IN 2012.**

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The \$236 million annual rental market is estimated using ACS 2012 data on 28,161 African immigrant households who pay an average of \$700 a month on rental property. This implies an infusion of \$20 million every month to Minnesota property owners and through this contributing also to the local property tax base in their communities that fund services such as schools, law enforcement, parks and recreation facilities. While the Consumer Survey reported 65 % renters, ACS 2012 reports 80 percent of the community as renters.

Real estate owned by the community is estimated at \$1.2 billion. A number of recent studies point to the positive role of immigrants in the growth in the real estate market. This market supports real estate professionals, local property taxes and serves to build up value of neighborhoods.

**Recommendation:** African immigrants should use their collective power on the rental market to negotiate better terms of agreement on their rental properties, or to influence the pattern of new residential construction to meet their unique needs. We need to also explore rent to own models that are also interest or REBA free to help encourage homeownership and asset building in these communities.



Source: Consumer Survey, 2014



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