

Executive Summary

The purpose of the research project was to conduct an asset and gap analysis of programs and resources that focus on wealth and asset building for East African women. Methodology included online research to identify community organizations that work with East African women or who provide programs in the area. Interviews with representatives from several organizations were then held. To make sure the research was grounded in the actual experiences of the women, three focus groups were held and interviews were conducted with women business owners from the East African community. Regardless of ethnicity or employment status, common themes emerged relating to the challenges East African women face in achieving economic independence and stability. Barriers include language, financial issues (including access to culturally appropriate loan products), household responsibilities, affordable and accessible childcare and lack of employment and training opportunities. Some of the available resources include interest free loans offered by African Development Center as well as Neighborhood Development Center and free ELL classes. Recommendations include, community outreach, women leadership development through mentoring, improve ELL programs, job training, and affordable childcare systems.

Literature Review:

Many immigrants come to this country in pursuit of fulfilling the American dream. Migrating to another country takes a lot but the opportunities are endless for both the immigrant and the country they migrate to. The process of immigration builds, boosts and strengthens a country's economy. An Increase in the number of immigrants mean increased number of job creation, consumption and raised wages.¹ Just as much as

immigrants contribute the economy of a country, they too are helped to get closer to their American dream but not without obstacles that is needed to be overcome. The challenges are many; among them are wealth building and saving with a new system that has its own rules and regulations. The wealth disparity in this country makes it harder for many immigrants to rise above. Society built this pyramid where Caucasian males occupying the top part of the pyramid, men of color in the middle part with Caucasian women right below them then the bottom part is left for women of color. However, wealth inequality is more of a gender issue and less of race.² According to *immigrant women and wealth factsheet*, women irrespective of race makes a lot less wealth than men. “Due largely to historical and current structures, today’s typical family of color has only sixteen cents of wealth compared to the typical white family’s dollar, and single women of all races have less than half the wealth of single men.”³

The women’s wealth gap is higher for color women than their counterparts. “The median wealth for single women of color is only one penny compared to the dollar owned by single men of their same race or to single white women.”⁴ Although, all women face poverty single mothers face the worst and greatest poverty of all. According to U.S Census Bureau report in 2006, one third of all women with children under the age of 18 in the household were living in poverty and this number increases to 43.1% for African American single mothers.⁵ The biggest challenge facing women is the gender wealth gap that puts them in a position where it is hard to have financial stability. “While 14% of women live in poverty almost one-third of non-married women are ‘wealth poor’ meaning either that they have no assets at all or that the value of their debts surpasses the value of their assets.”⁶ Because women have fewer assets than men, it is nearly

impossible to accumulate wealth. The three most common methods of creating wealth are stock investments, real estates and business assets.⁷ According to *Shortchanged*, Women are a growing sector of business owners; in fact, women owned 28% of non-farm businesses in 2002. However, sixty nine percent of these businesses are in the service industry, which the reason why women owned businesses are less profitable than their counterparts.⁸ The other reason is that women owned business are typically smaller than those business owned by their male competitors. Business ownership is one of the most accessible avenues to wealth only because entrepreneurs come in all forms of colors and from all sorts of different backgrounds.⁹ Therefore, it is then not surprising to see women as growing sectors in the business industry. Here in Minnesota there are 26.8 firms that are owned by women and 32.1 in the city of Minneapolis according to the U.S Census Bureau.¹⁰ So, it seems like the greatest asset women have and the best gateway to wealth building is through entrepreneurship.

In addition to battling the gender wealth gap, immigrant women have a lot more barriers to overcome. These barriers include that of language, cultural differences, legal issues like that of immigration status, responsibility of providing income to extended family members, living in segregated neighborhoods, and lack of culturally competent lending systems¹¹. Immigrants need to first overcome these problems before trying to conquer the wealth gap issue. It is also important to note “first generation immigrants are almost equally successful as native born people of the same race in the gradual acquisition of assets such as homes and businesses.”¹² This means that first generation immigrants without the need to overcome challenges that ones faced their parents are as successful as native-born people. It also complements on their

characteristic; immigrant women are resilient individuals who strive to improve their life and contribute to the society.

Comparing Cedar Riverside and Minneapolis on income and poverty level

Earning by 2009

Earning by 2009	Cedar Riverside	Minneapolis
\$ 1,250 per month or less	<u>1,925</u> 24.1%	55,560 18.4%
\$1,251 to \$3,333 per month	2,627 32.9%	83,797 27.8%
More than \$ 3,333 per month	3,430 42.9%	161,911 53.7%

The above table illustrates that the neighborhood household income is much lower compare to Minneapolis and it continued to decrease on each income level.

Poverty level 2005-2009

All people for whom poverty status is determine	5,319	364,176
With income below poverty	2,664 50.1%	78,342 21.5%
With 100-149% of poverty	1,144 21.5%	35,922 9.9%
With Income 150-199% of poverty	468 8.8%	28,771 7.9%
With income 200% of poverty of higher	1,044 19.6%	221,141 60.7%

The percentage of people who live below poverty in Cedar Riverside neighborhood is higher than in Minneapolis. As the chart shows, 50% of Cedar Riverside populations live under poverty level whereas only 21.5% of the Minneapolis populations live below poverty.

Methods:

Research assistants conducted a brief online research to gather information on existing organizations and their role in helping women. The research was narrowed down to non-profit organizations in Minneapolis to learn more about existing assets, and gaps in economic development for women. Five to six non-profit organizations in the Twin-cities were identified for further information about the organization's service and women's role in it. A representative from three organizations were interviewed on the types of service they provide, available resources they have and gaps they see in the community. In addition to talking to organizations, three focus group sessions were held at Brian Coyle community center. Total sample number for all three groups was 34 and it consisted of mostly Somali and Oromo women. The focus group lasted from an hour to an hour and half in which women were asked four questions, their responses were recorded upon the participant's approval. In addition to the focus group three businesswomen were interviewed using those same four questions. Two of the three business women who were interviewed own a business in the Cedar Riverside Neighborhood, one of them owns a restaurant and the other owns and runs her own beauty salon. The third interviewee is a Somali woman who owns her own store in Karmal Mall.

Findings:

Language barriers and financial difficulties are reported to be the top two obstacles that prevent women from becoming financially independent. These findings were consistent across organizations, focus group participants and individually interviewed women. Language barriers affect women in different ways; among them are the inability to fill out online job applications independently, create resumes, not being able to read signs or directions, a lack of effective communication between them and mainstream society and a lack of understanding of business policy and regulation. One participant said that she applied for many jobs, but she has yet to be hired by any employer. She believes that her lack of education, and incompetency in marketing her skills contributed to her unsuccessfulness in finding a job. In today's economy it is fair to say landing a job is very challenging for anybody, for East African women the challenges are even greater.

The majority of the focus group participants were unemployed. However, most of them expressed an interest in starting their own business and also showed great aspirations for getting a stable job. For those who would like to start their own business, financial problems were the number one barrier largely because of limited culturally appropriate financing systems in this country. As a majority of East African women identify with the religion of Islam and earning or giving interest (commonly known as Reba) is prohibited as part of the rules of Islam. It becomes nearly impossible to start one's own business without some type of support system. Therefore, the only option Islamic women have is to accumulate their own wealth by saving money.

The women at the mall talked about their past experience as a new business owner, and how they got to where they are now. Some received financial support from family

member others worked two shifts and saved up money. Some of the women mentioned the African Development Center (ADC), which provides Reba free lending to those who have a good business plan and a small amount of start up capital.

The three business owners shared their experience of how each started their business, the challenges of sustaining it and their hopes for expansion it in the future. The women reported that they had a business background in East Africa and after arriving in the United States, worked at different places for several years to accumulate money in order to open their business.

Skills and opportunities for East African women

Generally, immigrant women are businesses oriented individuals. They are talented women who have brilliant ideas, but many obstacles to overcome. Some of their expertise include, Henna design, exporting and importing goods, cooking cultural food, providing care to young children (child-care) and operating a retail store. As far as opportunities there are three Universities in walking distance from the neighborhood; University of Minnesota Twin-Cities, Augsburg College and St.Catherine University. Wilson Library, which is the largest library on campus, is also located in west bank area as well. Most of the library's resources such as internet, scanning machine, printing, and copying, are all-available to the public.

Available and Existing Resources

There are great non-profit organizations in the twin-cities area that are dedicated in serving people living in the neighborhood. Some of these organizations are more specific to who they serve. Among these organizations are African Development Center

(ADC) and Neighborhood Development Center (NDC). These two are the most culturally competent for east African women. Both of these organizations provide Reba-Free loans, which is one way for east African women to engage in lending system in order to obtain financial stability and become independent. In addition to the culturally competent lending system, ADC offers training programs for small business owner, provides business software internet, and offers business seminar for high schoolers in Greater Minnesota. Their vision is to help African women entrepreneurs to diversify their business and take risks with their business by appealing to wider, more diverse consumers. According to NDC's web page "Since 1993, NDC has trained more than 4,000 entrepreneurs, extended more than \$7.1 million in small business loans, and provided more than 30,000 hours of one-on-one support to emerging entrepreneurs". These two organizations have succeeded in helping and reaching out to underrepresented communities.

Conclusion

Financial inability, lack of interest free loan and language barrier seem to have strong influence on unemployment, starting their owned business for all East African women. Women who have children also less educated are more likely to be unemployed and financially dependent on their spouse or government assistant program. Household responsibility is also one of the main contributors to why east African women decided to not work rather focus on raising their children. East African women of all ethnic groups would potentially benefit from educational programs where they can obtain at least GED, Reba free lending system and an affordable childcare service if implemented.

Recommendation:

Based on our collaboration with organizations and East African women in Cedar Riverside area and East Lake in South Minneapolis we have some suggestion for the Cedar Riverside NRP program and other community based organization who wish to implement program addressing wealth creation issue for East African Women.

- **Community engagement:** Offer community members an opportunity to partake in workshops in which they learn about local community organizations. The workshops should be informational and each workshop would focus on major community organizations, their role in the community and the type of service they provide for community members.
- **Develop Leadership and Capacity:** By using women like the Henna designer, a group of women who meet bi-weekly can be formed in which there could be tangible ways to develop women leaders within the community. In this bi-weekly meeting there should be a committee consisting of women leaders to help initiate change within the community.
- **Promote leadership among women through Mentoring:** There currently two women who are willing to mentor other women in developing business skills such henna and share ideas on how to start and sustain a business. These women have been business owners for almost decade and they have a lot to offer for their fellow East African Women. Collaboration between organization and women is very crucial for these to happen.

- **Employment Training and Placement:** There is a great need for job and skills training--these include mock interviews, resume building, and the likes have a Bi/trilingual job counselor in sight who can assist women with job searches and creating resume.
- **Improved ELL Programs:** The current ELL classes are designed to help new arrivals learn the language. The classes do not have different levels (lower, middle and upper) in which an immigrant might be placed based on their skills and knowledge of the language. Ideal ELL programs would have placement tests for the individual, three levels or more within the program, and end path in which the students graduate from the program.
- **Affordable childcare system:** many women decide to take off for their children; nevertheless they would love to have a job had there been a less expensive childcare center.

Reference

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² Chang, Mariko Lin. *Shortchanged: Why Women Have Less Wealth and What Can Be Done about It*. New York: Oxford UP, 2010. Print.

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⁷ Minneapolis Neighborhood profiles. Cedar Riverside, 2011 web. October 2011

[http://www.mncompass.org/_pdfs/neighborhood-profiles/Minneapolis-CedarRiverside-](http://www.mncompass.org/_pdfs/neighborhood-profiles/Minneapolis-CedarRiverside-102011.pdf)

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13 "Small Business Lending & Reba-Free Financing." *Home*. Neighborhood Development Center, n.d. Web. 28 May 2013. <<http://www.ndc-mn.org/financing>>.