The self-employment rate among African Americans has been steadily increasing since the start of the Great Recession despite a decline in overall national business ownership. We are using the American Community Survey to determine the extent of African-American business ownership growth in Minnesota. We are investigating whether there is an increase of non-native born black business owners and if the increase is greater than native-born black self-employment. This research explores a detailed review of the literature, analysis of existing data sets, and interviews of local stakeholders.

**Methodology**

- Identified business development stakeholders in the Twin Cities and categorized them into business, nonprofit, or government based on their organization description online.
- Conducted short telephone interviews with selected subjects.
- The sample size was too small to illustrate non-native born self-employment in the Twin Cities.
- We used American Community Survey data for five-year estimates between 2005-2009 and 2008-2012 for Minnesota.
- Compared interview responses to American Community Survey data.

**Hypotheses**

- African Americans have historically had low self-employment (Fairlie and Meyer 2000).
- Immigrants are more likely to be self-employed (Bogan et al. 2008).
- Immigrants make up 8.6% of Minnesota’s workforce in 2011 (Migration Policy Institute Data Hub; ACS 2007-2011).
- Unlike immigrants, blacks lack “cultural endowments” that provide skills and values that support entrepreneurship (Light 1980).
- Lack of business ownership can be traced to slavery (Sowell 1994).

**Background**

- Stakeholders attribute the growth in African-American self-employment to the number of non-native born black business owners.

**Objectives**

- Investigate whether growth in African-American self-employment in Minnesota can be attributed to an increase in non-native-born black self-employment.
- Explore whether the perceptions of local stakeholders among black business owners coincide with the findings from recently published data sources.

**Interview Questions**

- **Q1:** To what extent are you familiar with the published statistics concerning the growth of African-American firms in the Twin Cities from 2005-2012?
- **Q2:** Do you believe the percentage of black-owned firms has increased, remained unchanged, or declined during this time period?
- **Q3:** Do you believe that the percentage of black-owned firms that are owned by African-born or other non-native-born blacks is greater than the percentage of black-owned firms that are owned by native-born blacks in the Twin Cities?
- **Q4:** Which do you think has a higher growth (or decline) rate in the Twin Cities: black-owned businesses with African-born or other non-native-born owners or black-owned businesses with native-born owners?

**Preliminary Results**

<table>
<thead>
<tr>
<th>Group</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business</td>
<td>Not at all</td>
<td>Increased</td>
<td>Yes</td>
<td>Non-native born has higher growth rate</td>
</tr>
<tr>
<td>Business</td>
<td>Not at all</td>
<td>Not Sure</td>
<td>Not Sure</td>
<td>Non-native born has higher growth rate</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>Somewhat</td>
<td>Increased</td>
<td>Yes</td>
<td>Non-native born has higher growth rate</td>
</tr>
<tr>
<td>Government</td>
<td>Very</td>
<td>Declined</td>
<td>Not Sure</td>
<td>Not Sure</td>
</tr>
<tr>
<td>Government</td>
<td>Somewhat</td>
<td>Increased</td>
<td>Yes</td>
<td>Non-native born has higher growth rate</td>
</tr>
<tr>
<td>Government</td>
<td>Somewhat</td>
<td>Increased</td>
<td>Not Sure</td>
<td>Non-native born has higher growth rate</td>
</tr>
</tbody>
</table>

**Analysis**

- **Quantitative**
  - The share of those self-employed among native-born black workers increased 9.48% more than the share those self-employed among non-native born workers.
- **Qualitative**
  - 24 respondents did not respond to telephone calls. This suggests that telephone calls are not the ideal setting to conduct interviews (non-respondents not displayed)
  - No respondents that reported being "not at all" familiar with published statistics answered "not sure" for Q2, Q3, or Q4.

**Limitations**

- More interview responses needed for quantitative analysis. 32 interviews is a statistically reliable sample.
- Sample size too small for reliable estimation of non-native-born black self-employment in Twin Cities
- Various economic data sources provide different criteria for identifying self-employment, making comparability difficult.
- Very few data sources contain information on immigrant status of business owners.
- The most detailed source for characteristics of business owners (Survey of Business Owners) included immigration status for the first time in the 2012 publication; next publication will be released August 2015.

**References**


**Further Considerations**

- How do published economic statistics reach stakeholders?
- How do stakeholders respond to economic publications?
- How familiar are non-native black business owners with business trends?
- Is there a difference in which sectors or industries non-native and native-born blacks are represented?