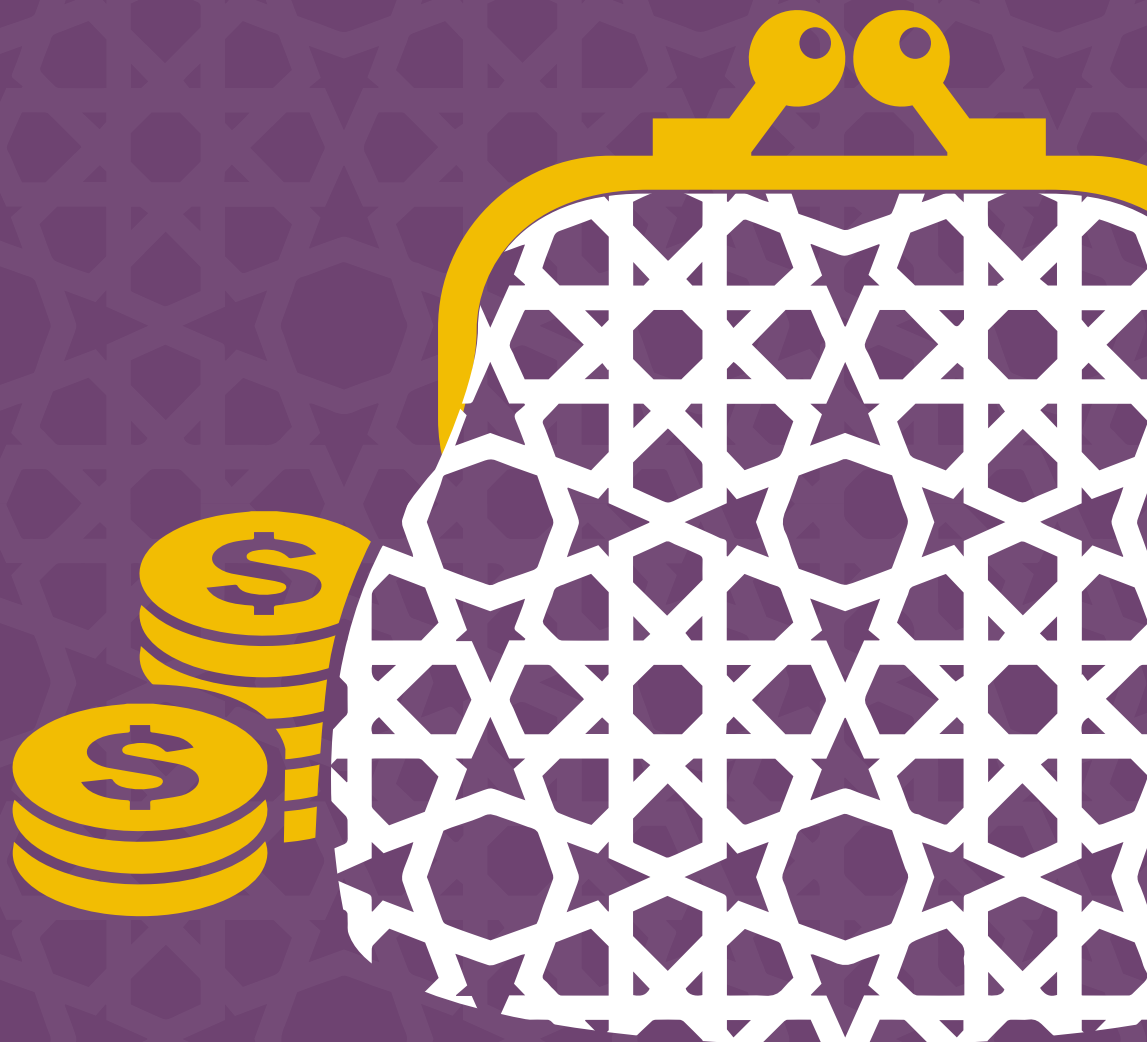


**POWER OF THE PURSE:**

# **Middle-Easterners and North Africans in America**



# Power of the Purse: Middle-Easterners and North Africans in America

Paid for by the Partnership for a New American Economy Research Fund

## CONTENTS

---

Executive Summary.....	1
Introduction.....	4
Income and Tax Contributions .....	6
Spending Power.....	9
Entrepreneurship .....	11
Filling Gaps in the Labor Force .....	13
Communities Benefitting from MENA Immigrants.....	17
MENA Immigrants in Detroit .....	21
Conclusion.....	23
Methodology Appendix.....	24
Endnotes.....	26

# Executive Summary

---

**O**ver the last few decades, immigrants from the Middle East and North Africa (MENA) have gone from a small minority of the immigrants in America to a growing and highly productive segment of the U.S. economy. Yet very little attention has been paid to the economic contributions of MENA immigrants. This occurs for a variety of reasons. First, despite their growing numbers they still represent one of the smallest groups of American newcomers, numbering fewer than 1.5 million people—or less than 0.5 percent of the U.S. population overall. Second, the U.S. Census has a short history of tracking socioeconomic data on immigrants from the Middle East.<sup>1</sup>

Foreign-born residents from the Middle East and North Africa make **critically important contributions** to our country through their work as everything from **physicians to entrepreneurs**.

This report seeks to understand this understudied population, quantifying their diverse and substantial impact on the U.S. economy. Using data from the 2015 American Community Survey, this paper documents the unique role that Middle Eastern and North African immigrants play in our country's economic success. The findings are clear. Foreign-

born residents from the Middle East and North Africa make critically important contributions to our country through their work as everything from physicians to technology workers to entrepreneurs. The contributions they make as taxpayers support the growth of many key cities, including several in the Midwest. And their expenditures as consumers support countless U.S. businesses.

The contributions Middle Eastern and North African immigrants make as taxpayers **support the growth of many key cities**, including several in the Midwest.

MENA immigrants hail from the countries between Morocco in the west, to Iran in the east, including the entire Arabian Peninsula. They are Sunnis and Shiites, Lebanese, Egyptian, and Iraqi Christians; ethnic Armenians and Kurds, Persian Jews and Israelis. These groups have followed disparate paths to the United States, seeking better economic opportunities, reunification with family, or in some cases, refuge from conflict and wars. Once settled in America, MENA immigrants exhibit much higher rates of entrepreneurship than the U.S.-born population or other immigrant groups. The foreign-born population from the Middle East also boasts high rates of educational attainment and contributes tens of billions of dollars in federal, state, and local taxes each year.

## KEY FINDINGS

MENA immigrants **play a key role** founding American businesses.

In 2015, almost one in five MENA immigrants were entrepreneurs—approximately double the entrepreneurship rate for the U.S. population as a whole. Even among the broader immigrant population, foreign-born MENA residents stand out for their levels of entrepreneurship: In 2015, MENA immigrants were **1.6 times** more likely to be self-employed than working immigrants in the country overall.

MENA immigrants have some of the **highest levels of educational attainment** in the country, with a heavy focus in science, technology, engineering, and math.

Almost half—or **48.2 percent**—of all MENA immigrants hold at least a bachelor’s degree, compared with **30.7 percent** of the U.S. population overall. Of the MENA population with a college degree, **46.6 percent** studied a STEM discipline, a far higher share than the U.S. population overall.

MENA immigrants make meaningful contributions to the U.S. economy as both **taxpayers and consumers**.

In 2015, households led by MENA immigrants paid **\$12.2 billion** in federal taxes and **\$4.7 billion** in state and local taxes, leaving them with **\$41.5 billion** in disposable income or “spending power” to use at U.S. businesses. In total, such households earned **\$58.5 billion** in income in 2015.

## KEY FINDINGS

---

MENA immigrants are playing a growing role supporting the economies of **several small and midsized** cities in the Midwest and Southeast.

In 2015, the top 10 metropolitan areas where MENA immigrants made up the largest share of the population included Detroit, Michigan; Ann Arbor, Michigan; and Nashville, Tennessee. In Detroit alone, MENA immigrants are estimated to own the majority of convenience stores, as well as **90 percent** of the area's gas stations, providing a valuable source of jobs for local workers.

MENA immigrants are well positioned to **fill gaps in our workforce** as the baby boomers retire.

In 2015, more than two out of every three MENA immigrants—**69.0 percent**—were in the prime of their working years, falling between the ages of 25 and 64. Only around half of the U.S.-born population—**49.4 percent**—fell into that age bracket.

# Introduction

**H**aroon Mokhtarzada, a Middle Eastern entrepreneur based in the Washington, DC area, knows all too well what it's like to start over. When he was just three years old, his parents fled the Russian invasion of Afghanistan, ultimately moving their family to the United States as political refugees. Although his family was quite well off back home, the war quickly erased the family wealth. "It was like a total reset when we came here," Mokhtarzada recalls. "Our family of six crammed into our grandparents' two-bedroom apartment when we first arrived in the States." He watched his parents turn that setback into something workable: They started a visa and passport procurement firm in their basement, which allowed them to build a comfortable life for their family in suburban DC.

In a country where immigrants already start businesses at almost twice the rate of the U.S.-born, **MENA immigrants stand out as giants.**

This resourcefulness and desire to be independent heavily shaped Mokhtarzada. As a kid, he dabbled in entrepreneurship, starting a lawn-mowing business and a service that provided magic shows to kids' parties. But it wasn't until he got to college that he landed on his first truly big idea. Interning at a Web design firm at the start of the dotcom era, Mokhtarzada says, "I saw companies paying thousands of dollars for basic web sites that a 14-year-old could build. It was crazy." So in 2001, Mokhtarzada and his brothers, Zeki and Idris, started Webs, the first major company that allowed users to easily design their own Websites for free using templates without obtrusive ads and popups.

Webs started small. The brothers bought a single server from a company that went bankrupt in the dotcom bust, stashed it in Zeki's closet, and had Idris, still in high school, write some of the initial code. But it grew quickly. By 2006, Webs had raised \$12 million in venture capital funding. By 2011, the company was bought by Vistaprint, the online marketing and printing firm, for \$117.5 million. By then, Webs had grown to roughly 60 employees. It had also produced roughly 50 million web sites.

In many U.S. cities searching for sources of revitalization, the migration of Middle Eastern immigrants has helped **remake the local economy**—creating opportunities for American workers in the process.

Mokhtarzada says in some ways his story isn't so different from the story of so many other American newcomers. "I don't think it's a coincidence that so many immigrants wind up becoming entrepreneurs," Mokhtarzada says. "When you come here, you have no network and fewer job options—so you make opportunities for yourself." But he credits his family's experience coming largely as refugees with giving him an extra push. "Our parents would always remind us to think about those who weren't able to leave Afghanistan, and be cognizant that we were immensely fortunate for the opportunity we had been given," he says. "We knew we had to do something with this opportunity—this lottery ticket—that we had received."

For many immigrants, coming to America can feel like the sort of golden opportunity that so impressed Mokhtarzada and his parents. In this brief, we explore what this opportunity has meant for one particular group of immigrants: The roughly 1.5 million new Americans who have migrated here from the core countries in the Middle East and North Africa. Although small, this population has played an increasing role in American life in recent years. Between 2000 and 2015, the U.S. population of MENA immigrants, as the group is frequently called, grew by more than 60 percent.

The MENA immigrants who have settled in the United States in recent years are highly educated. They pay almost \$17 billion into our tax system each year, and, after taxes, hold more than \$40 billion in purchasing power. And in a country where immigrants already start businesses at almost twice the rate of the U.S.-born,<sup>2</sup> MENA immigrants stand out as giants: Almost one in five were entrepreneurs in 2015, outpacing not only the U.S.-born, but also almost all other immigrant groups.

In many U.S. cities searching for sources of revitalization, the migration of Middle Eastern immigrants has helped remake the local economy—creating opportunities for American workers in the process. In Detroit, for instance, thousands of businesses

are owned by MENA immigrants, a group that stuck with the city even during its most difficult times. The impact of MENA immigrants in the United States is also likely far larger than what we detail here. That is because our work quantifies only the direct contributions of this foreign-born population. In many cases, the contributions we detail have secondary effects—for instance, the tax payments of MENA households may lead to the creation of more public sector jobs, increasing consumer spending among teachers or police officers over time.

For Mokhtarzada's part, he knows his own economic contribution extends far beyond his work founding Webs. Mokhtarzada started an angel fund that has provided valuable seed money to dozens of startups, which have created hundreds of U.S. jobs. He has also seen the "Webs mafia"—as he affectionately calls his old staff—have a large economic impact: Former employees have gone on to co-found major internet startups like Instacart, the grocery delivery behemoth, and Hyperloop One, a new rapid transportation method making use of near-vacuum tubes. "I think the best startups are the ones that help people discover and achieve their potential," Mokhtarzada says. "It's a great feeling to know that our work has helped so many people realize their dreams and make real contributions to this country."

PART I

# Income and Tax Contributions

**E**ven though they number less than 1.5 million, MENA immigrants in recent years have been among the fastest growing groups of immigrants in America. Between 2000 and 2015, the number of MENA immigrants rose from almost 922,000 people to almost 1.45 million, an increase of 62.6 percent. Like other foreign-born groups in the United States, MENA immigrants are more likely to be of working age, to have earned a graduate degree, and to have founded their own business—all of which will be discussed later in this report. What is important about these characteristics for now is that they mean that MENA immigrants are uniquely positioned to exert significant economic influence despite their small size.

Because MENA immigrants are so likely to be working age, have graduate degrees, or found their own businesses, they are uniquely positioned to have a **significant impact on our economy**.

Data from the 2015 American Community Survey demonstrates this impact. In 2015, households led by MENA immigrants collectively earned more than \$58.5 billion in income. For context, this amount is comparable to the annual revenue of Deutsche Bank and more than double the annual revenue of McDonald's.<sup>3</sup>

FIGURE 1: MEDIAN HOUSEHOLD INCOME OF SELECTED COUNTRY OF ORIGIN AND ETHNIC GROUPS, 2015



Source: American Community Survey (ACS), 2015



Figures at the individual level also tell a story of success. Even though MENA immigrants have had a relatively short history of immigration to the country, they earn incomes roughly on par with the national average. In 2015, the median household income for foreign-born MENA residents was \$52,200. (See Figure 1.) This was more than the median household income of most other immigrant subgroups.

### The earnings of MENA immigrant households allow them to pay significant revenue to federal, state, and local tax coffers.

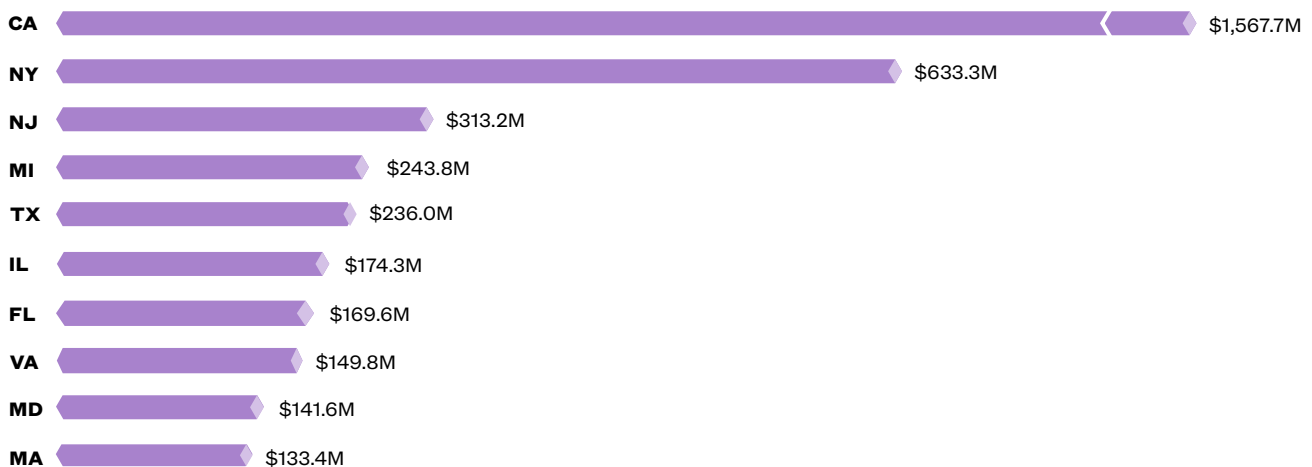
The earnings of MENA immigrant households also allow them to pay significant revenue to federal, state, and local tax coffers. Nationwide, MENA immigrant households contributed more than \$12.2 billion in federal tax revenue and more than \$4.7 billion in state and local tax payments. For states and cities with large MENA communities such as California, New York, and Michigan, MENA immigrants frequently contribute significantly as taxpayers. In California, for example, MENA immigrants paid more than \$1.5 billion in state and local taxes in 2015. That meant they paid 1.6 percent of all state and local tax revenues collected in

2015, or slightly more than the 1.1 percent of the state’s population they made up overall. We highlight several other states where MENA immigrants make large contributions in Figure 2.

By virtue of their employment and their wages, the MENA immigrants also contribute to vital social programs that support millions of Americans. Taken as a whole, the country’s MENA immigrant population contributed \$4.8 billion to Social Security in 2015 and \$1.5 billion to Medicare through taxes on their wage earnings in 2015. Their entitlement contributions were particularly significant in several states. In 2015, MENA households contributed more than \$100 million to Social Security and Medicare in 14 U.S. states in total. This group included both Michigan and Virginia, communities where MENA immigrants paid roughly \$300 million in taxes to these federal entitlement programs that year.

In 2015, MENA households contributed more than **\$100M to Social Security and Medicare** in 14 U.S. states, including Michigan and Virginia.

FIGURE 2: TOP 10 STATES WHERE MENA IMMIGRANTS CONTRIBUTED THE MOST IN STATE AND LOCAL TAX REVENUES, 2015



In 2015, immigrants from the Middle East and North Africa earned **\$58.5B**.



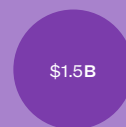
**\$4.7B** — went to state and local taxes...

**\$12.2B** — went to federal taxes...

Leaving them with **\$41.5B** in spending power.

#### ENTITLEMENT CONTRIBUTIONS

MENA immigrants also contribute to our country's entitlement programs. In 2015, through taxes on their individual wages, the MENA population contributed **\$1.5B** to Medicare and **\$4.8B** to Social Security.



\$1.5B

Medicare



\$4.8B

Social Security

PART II

# Spending Power

One important measure of how a given group contributes to the country’s economy is the amount it spends each year as consumers. In the United States, more than three out of every five U.S. jobs were in the broader services sector in 2016, according to the U.S. Bureau of Labor Statistics.<sup>4</sup> These jobs included positions in retail, healthcare, and hospitality—industries that each employed more than 15 million Americans in 2014.<sup>5</sup> The important role of the services industry in our economy means that it is critically important for businesses to have access to a strong base of paying customers. Without a suitable number of restaurant diners, shoppers, or other consumers, it is hard for many service businesses to grow and thrive.

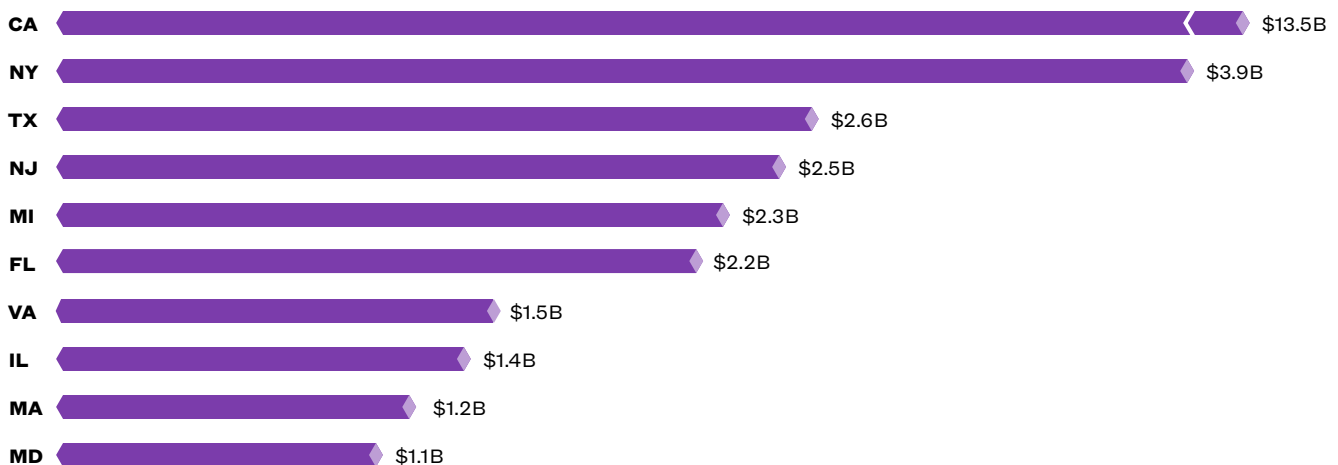
To understand the potential impact that MENA immigrants have on our economy as consumers, we rely in this brief on the concept of spending power, the amount of money we estimate is left over to a household after paying taxes. (See the Methodology Appendix at

the back of this report for more detail on our estimates.) In 2015, we estimate that MENA immigrant households had an estimated spending power of \$41.5 billion.

**In 2015, we estimate that MENA immigrant households had an estimated spending power of \$41.5B.**

As with tax contributions, we find that MENA immigrants hold large amounts of disposable income in several key states. California leads the nation; MENA immigrants in that state had an estimated spending power of \$13.5 billion in 2015. New York ranks second at \$3.9 billion. And in Texas, New Jersey, and Michigan, the spending power of MENA immigrants topped \$2 billion in 2015. We highlight the figures for the top 10 states where MENA immigrants have the most power as consumers in Figure 3.

FIGURE 3: SPENDING POWER OF MENA IMMIGRANTS IN SELECTED STATES, 2015



Given the tremendous spending power of MENA immigrants, it should be little surprise that businesses that actively cater towards MENA tastes and preferences have enjoyed meaningful benefits in recent years. A 2012 study conducted by The Economist found that more than half of businesses that reached out to Muslim customers grew by five percent annually, while 34 percent of businesses grew by more than 15 percent.<sup>6</sup> In 2009, when Best Buy conducted a campaign wishing its customers a happy Eid al-Adha, one of the two most important religious holidays on the Muslim calendar, daily sales in the days following rose by 13 percent.<sup>7</sup> The power of MENA consumers has also led a host of chains—including Whole Foods and Wal-Mart—to begin offering halal food on their shelves.<sup>8</sup>

When Best Buy conducted a campaign wishing its customers a happy Eid al-Adha, one of the two most important religious holidays on the Muslim calendar, **daily sales in the days following rose by 13%.**

PART III

# Entrepreneurship

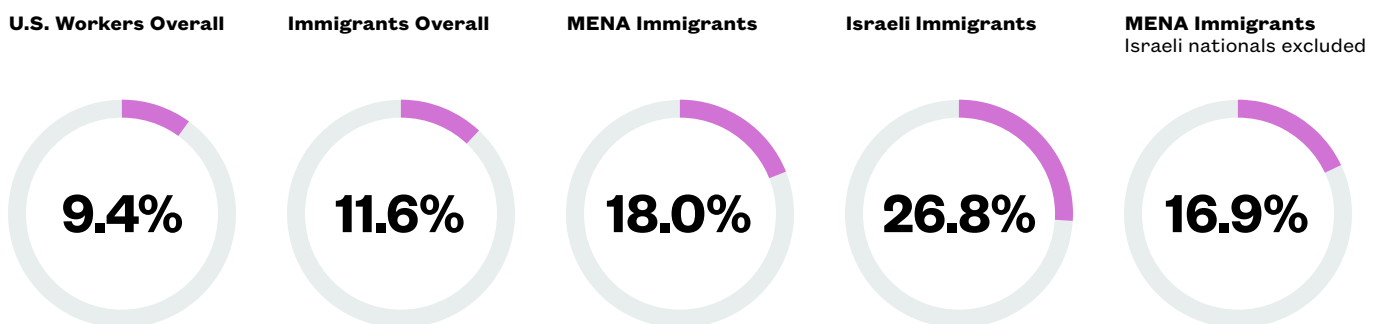
One of the most striking characteristics of the foreign-born MENA population is its high levels of entrepreneurship. Eighteen percent of immigrants from the Middle East and North Africa, or almost one in every five, were self-employed entrepreneurs in 2015. This rate was twice the entrepreneurship rate among the U.S. population overall, which stood at just 9.4 percent that year. It also stands out even among other immigrants—a group that has been far more likely than the broader population to start their own businesses in recent years.<sup>9</sup> In 2015, MENA immigrant workers were roughly 1.6 times more likely to be self-employed than the foreign-born population nationally.

Interestingly, the outsize role the MENA population plays founding businesses holds even when Israeli nationals, a group known for producing large numbers of technology startups, are excluded from our count.<sup>10</sup> In 2015, more than one in four Israeli immigrants in the country, or 26.8 percent, were self-employed. For MENA immigrants with Israelis excluded, the entrepreneurship rate was 16.9 percent, still far above the rate for the U.S. population as a whole. (See Figure 4.)

One of the most striking characteristics of the foreign-born MENA population is its **high levels of entrepreneurship**.

The estimated 135,000 MENA entrepreneurs in the country are present in a wide range of industries. In 2015, the United States was home to nearly 4,500 MENA entrepreneurs who were in the field of dentistry. Roughly one in seven self-employed MENA residents worked in either construction or taxi and limousine service. In the current economy, entrepreneurship in the construction space is proving particularly important. As the housing market has rebounded, many builders and developers have struggled with labor shortages.<sup>11</sup> One survey conducted by an industry trade group found, in fact, that 86 percent of construction firms had trouble filling openings for carpenters, electricians, and other trades last year.<sup>12</sup> Small businesses and independent contractors frequently fill such roles.

FIGURE 4: ENTREPRENEURSHIP RATES FOR VARIOUS POPULATION SUBGROUPS, 2015



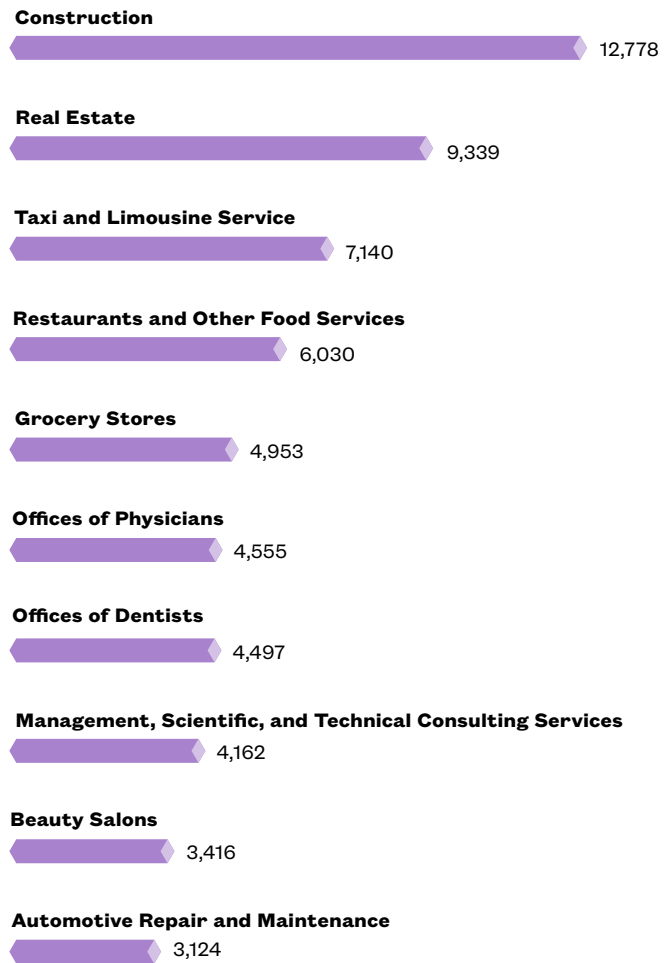
The estimated **135,000 MENA entrepreneurs in the country** are present in a wide range of industries, including dentistry and construction.

Dr. Mehdi Yazdanpanah is one example of a successful MENA entrepreneur. A native of Iran, Yazdanpanah came to the United States on a student visa to pursue a PhD in electrical engineering at the University of Louisville. He was working in a university lab one day when he triggered a chemical reaction that, to his surprise, created exceptionally tiny, metallic points. Intrigued, Yazdanpanah devised a way to transform the points into microscopic-sized wires; the chemical composition made them strong, anti-corrosive, and electrically conductive, a unique combination. “I think,” he told his advisor, “there is potential here.”

He was right. In 2007, Yazdanpanah founded a company, NaugaNeedles, to commercialize his research. Today, that Kentucky-based firm fabricates nano-needles, tiny rods about 1/1000 the thickness of a human hair, that can scan, image, and penetrate surfaces at an atomic scale. The technology is used by hundreds of research groups in industries ranging from semi-conductors to medicine. In one of many biomedical applications, a needle can extract DNA from a single cancer cell, providing researchers with new and critical insight into how cancers form and respond to treatment.

But Yazdanpanah’s work is not only advancing science and medicine, but also creating jobs and opportunity for American workers as well. NaugaNeedles has at different points employed anywhere from five to 12 people, about half of them U.S.-born. It also provides work to numerous contractors. This all makes sense coming from Yazdanpanah, a man who likes to say that he didn’t get a PhD to get a job; he got a PhD to create jobs—a feat that would have been difficult to achieve back home. “It’s almost impossible to start a business in Iran unless you have a rich father, basically, to give you the money,”

FIGURE 5: NUMBER OF SELF-EMPLOYED MENA IMMIGRANTS, BY INDUSTRY, 2015



he explains. “It was a no-brainer that here would be a good place to start a business.”

And it is America that ultimately benefits. Yazdanpanah says that more than 60 percent of NaugaNeedles’s \$700,000 in annual average sales goes to customers abroad, currently spread across 26 countries. “I’m always saying, exporting is the most important,” Yazdanpanah says. “When you sell outside the country, you’re bringing money into the country.”

PART IV

# Filling Gaps in the Labor Force

**M**uch like other immigrant groups, MENA immigrants are more likely than the U.S.-born population to be of prime working age, or between the ages of 25 and 64. In 2015, more than two out of every three MENA immigrants fell into this age bracket, compared to roughly half of natives. (See Figure 6.) Their relative youth allows MENA immigrants to fill crucial gaps in our labor force that are opening up as the baby boomers retire. Current estimates indicate that baby boomers are leaving the workforce at the rate of 10,000 people a day—a reality that has increased the need for healthcare workers and created vacancies in some key industries like engineering and construction.<sup>13</sup>

Roughly **half of college-educated MENA immigrants hold degrees in STEM fields**—disciplines that are vital to our nation’s competitiveness.

MENA immigrants also are well positioned to contribute to the U.S. labor force because of their particularly high levels of educational attainment. Almost half of MENA immigrants over the age of 25 hold at least a bachelor’s degree, compared to only 30.9 percent of the equivalent U.S.-born population. (See Figure 8.) Of those MENA immigrants with at least a bachelor’s degree, roughly

FIGURE 6: AGE BREAKDOWN OF MENA IMMIGRANT AND U.S.-BORN POPULATIONS, 2015

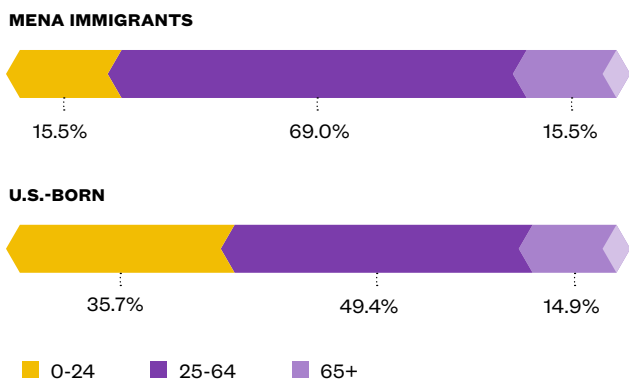
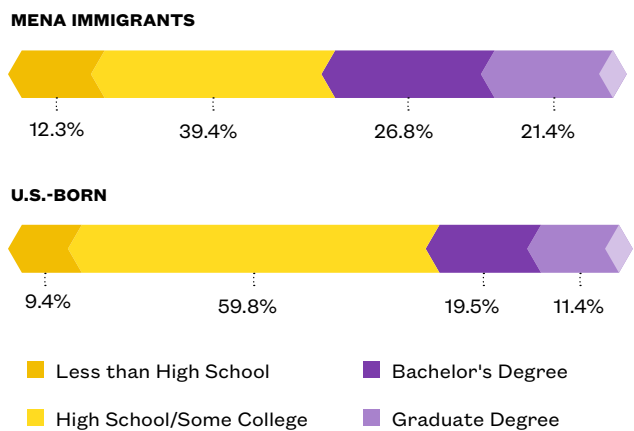


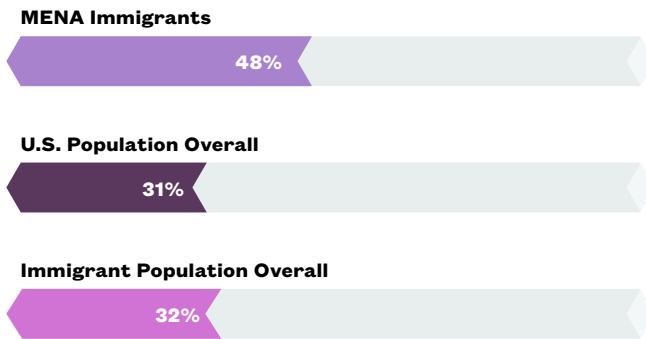
FIGURE 7: EDUCATIONAL ATTAINMENT OF MENA IMMIGRANT AND U.S.-BORN POPULATIONS, 2015



Source: American Community Survey (ACS), 2015

**FIGURE 8: MENA IMMIGRANTS ARE MORE LIKELY THAN AVERAGE TO HAVE AT LEAST A BACHELOR'S DEGREE**

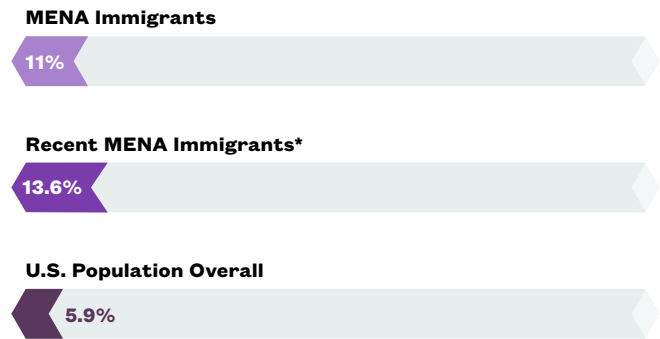
Share of Population, Ages 25 and Above, with at Least a BA in 2015



Source: American Community Survey (ACS), 2015

**FIGURE 9: MENA WORKERS ARE MORE LIKELY TO BE EMPLOYED IN STEM**

Share of MENA Workers, Ages 25 and Above, with STEM Jobs in 2015



\* Defined as those who arrived within the last five years.

half hold degrees in STEM fields—disciplines that are vital to keeping America competitive in the 21st century.

## MENA immigrants often play an outsized role in fields where employers frequently struggle to find enough workers.

Looking at specific occupations, we see that MENA immigrants often play an outsized role in fields where employers frequently struggle to find enough workers. The American Association of Medical Colleges estimates the country is already short tens of thousands of doctors—a figure it predicts will grow to more than 90,000 physicians by 2025.<sup>14</sup> MENA immigrants help fill such workforce gaps. In 2015, almost 30,000 MENA immigrants were working as physicians and surgeons. That meant that among college-educated MENA immigrants, more than one in 20, or 7.4 percent, were employed in such roles in 2015. The equivalent figure for the U.S.-born population was just 1.6 percent that year.

Reflecting the large share of MENA immigrants with STEM degrees, foreign-born MENA residents are also

well represented in STEM professions. In 2015, more than one out of every 10 employed MENA immigrants with at least a bachelor’s degree were working in a STEM job—a share that was even higher among MENA immigrants who had arrived within the last five years. Compared to overall U.S. workers, MENA immigrants were almost two times more likely to be working in STEM jobs. This reality is important given our country’s ongoing shortage of STEM talent: Past NAE research has found that in 2016 employers advertised 13 open STEM positions online for every one unemployed American STEM worker.<sup>15</sup>

MENA immigrants, however, are not just filling today’s STEM jobs. They are also playing a valuable role educating the next generation of American workers. Our research shows that in 2015 more than 23,000 postsecondary teachers in the United States were MENA immigrants. Foreign-born MENA residents with at least a bachelor’s degree were strikingly more likely to be employed in postsecondary education roles than the high-skilled population overall. We highlight several other professions that MENA immigrants gravitate towards at higher rates than similarly skilled natives in Figure 10 below.



## In 2015, more than **20,000** postsecondary teachers in the United States were **MENA immigrants**.

Dr. Rabea Alhosh, a pediatric gastroenterologist in Las Vegas, is one example of a MENA immigrant filling a critical gap in our healthcare system. In recent decades, Nevada’s supply of physicians has failed to keep pace with rapid population growth, and in 2015, the state ranked 47th in the country in terms of the number of practicing physicians per capita.<sup>16</sup> In the world of pediatric specialties, supply can be particularly thin. Before Alhosh took his current position at the University of Nevada School of Medicine in Las Vegas, the school had searched for three years to find someone capable of filling the role.

In Alhosh, a Syrian immigrant, they found someone with a strong record of success. After graduating from medical school in Damascus, he went through the rigorous process of passing three medical exams and learning English medical terminology before he could even be considered for a U.S. residency slot. As an international student, “You have to be super-competitive to be accepted into any residency or specialty program,” he explains. He earned a residency position at the University of Iowa Hospitals & Clinics, where he won a teacher-of-the-year award. That was quickly followed by a subspecialty fellowship at the prestigious Children’s Hospital of Los Angeles.

Today, even with Alhosh, there are just seven pediatric gastroenterologists in the entire state of Nevada. This is despite the fact that the field has experienced rapidly growing demand in recent years due to an increase in digestive and nutritional disorders among children.

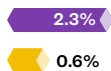
FIGURE 10: SELECTED PROFESSIONS THAT ATTRACT LARGER SHARES OF MENA IMMIGRANTS THAN NATIVES, 2015

### JOBS REQUIRING A BACHELOR'S DEGREE

#### Software Developers

**9,223**

MENA Immigrant Workers



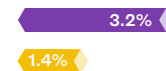
MENA Immigrants are **3.8X** more likely to be in this role than natives.

### JOBS REQUIRING HIGH SCHOOL DEGREE OR LESS

#### Personal Care Aides

**4,928**

MENA Immigrant Workers



MENA Immigrants are **2.3X** more likely to be in this role than natives.

#### Postsecondary Teachers

**23,024**

MENA Immigrant Workers

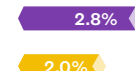


MENA Immigrants are **2.4X** more likely to be in this role than natives.

#### Cooks

**4,375**

MENA Immigrant Workers



MENA Immigrants are **1.4X** more likely to be in this role than natives.

#### Physicians and Surgeons

**29,877**

MENA Immigrant Workers



MENA Immigrants are **4.5X** more likely to be in this role than natives.

■ Share of MENA immigrants at Skill Level in Role  
 ■ Share of Natives at Skill Level in Role

Source: American Community Survey (ACS), 2015.

“There’s a very high demand on my services,” Alhosh says. “A lot of adult GI doctors are not comfortable taking care of kids. Kids are not just small adults... every state of childhood has a very unique set of medical issues and requires a unique set of skills from physicians.”

At least two of the seven pediatric gastroenterologists currently practicing in Nevada are immigrants, including Alhosh, who splits his time between teaching and providing patient care. And although he worries about his family in war-torn Syria, he is happy to be able to treat children in this country. “This is the kind of job,” he says, “I was looking for from the beginning.”

Before Rabea Alhosh took his current position at the University of Nevada School of Medicine in Las Vegas, the school **had searched for three years** to find someone capable of filling the role.

## PART V

# Communities Benefitting from MENA Immigrants

**T**he arrival of a population that is highly educated and likely to start new businesses would obviously be good news for any U.S. city. Researchers have found that in recent decades the vast majority of job creation in the United States has been attributable to young firms.<sup>17</sup> Having a relatively young population with high levels of education also helps metropolitan areas remain competitive and attractive to potential employers.

The geographic distribution of MENA immigrants suggests which communities may have felt their economic impact most heavily. Historically, the MENA immigrant population has been concentrated in the five U.S. states—California, New York, Michigan, Texas, and New Jersey. Within these states, significant MENA communities exist in Los Angeles, Detroit, and New York City. (See Figure 11 on the following page.) In 2015, the Detroit metropolitan area was home to almost 100,000 MENA immigrants, and more than 180,000 MENA immigrants called the New York metropolitan area home.

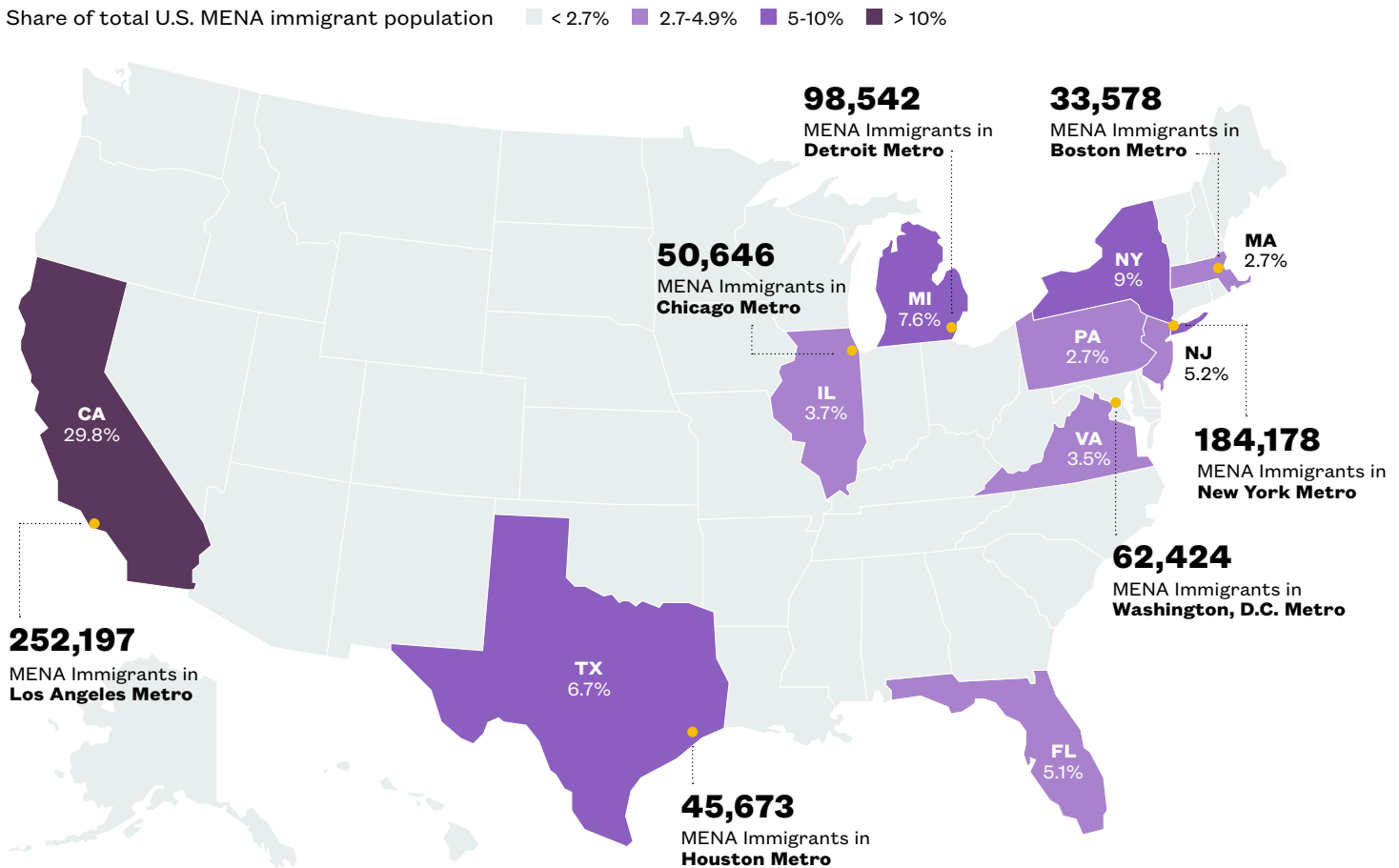
In more recent years, however, the pattern of MENA immigration has been changing. Of the top 10 metropolitan areas that had the largest share of MENA immigrant residents in 2015, two are smaller cities that did not appear on the list as recently as 2010: Nashville, Tennessee, and Lincoln, Nebraska.

We highlight this phenomenon in Figure 12. It is also worth noting here that, contrary to popular perception, this group is not composed primarily of refugees from the conflicts in Iraq, Syria, or Afghanistan. From 2011 to 2015, only 15.4 percent of all MENA immigrants who moved to the country came as refugees.

**Of the top 10 metropolitan areas that had the largest share of MENA immigrant residents in 2015, two are smaller cities that did not appear on the list as recently as 2010.**

It is important to note that in emerging destinations for MENA immigrants, foreign-born MENA residents still make up a small share of the overall population. In 2015, they accounted for less than three percent of all residents in the metropolitan areas listed in Figure 11. This small sample size makes it impossible to estimate the financial contributions of such MENA residents to the cities where they are newly settling. Taking a closer look at some of the larger, more established cities for MENA immigrants, however, shows that this relatively small population has a large impact. The roughly 250,000 MENA immigrants in metropolitan Los Angeles, for instance, contributed \$145.6 million in state and local tax revenues in 2015.

FIGURE 11: DISTRIBUTION OF MENA IMMIGRANTS ACROSS KEY STATES, 2015



Source: American Community Survey (ACS), 2000-2015

Following the national pattern, they also found businesses in large numbers: Almost three out of every 10 were entrepreneurs. We show the equivalent figures for selected cities with large numbers of MENA immigrant residents in Figure 13.

Almost **three out of every 10** MENA immigrants living in the Los Angeles metropolitan area in 2015 were entrepreneurs.

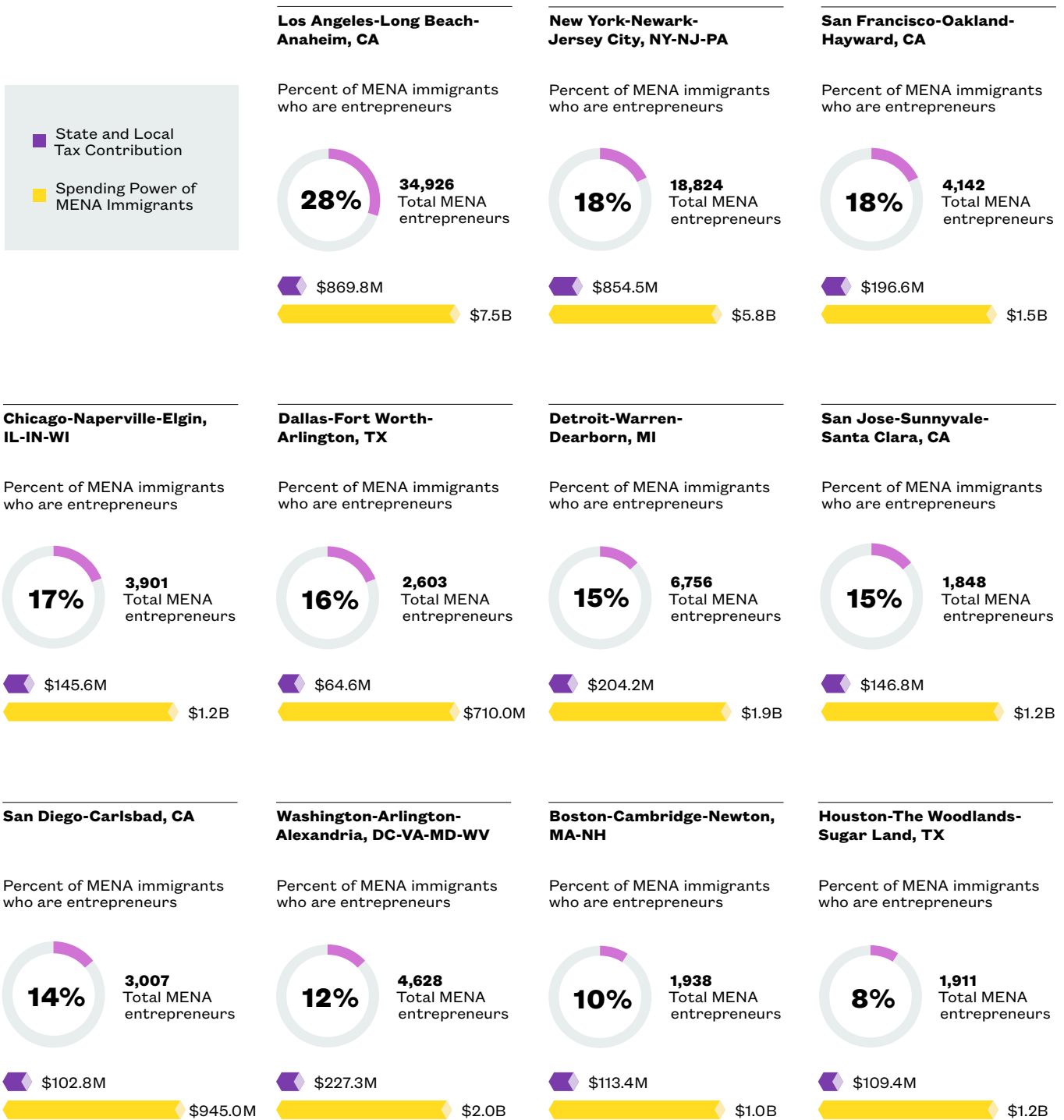
FIGURE 12: TOP 10 METROPOLITAN AREAS WITH THE LARGEST SHARE OF MENA RESIDENTS, 2010 AND 2015

2010 Metropolitan Area	Near Eastern Population	Share of Population	2015 Metropolitan Area	MENA Immigrant Population	Share of Population
Modesto, CA	7,359	1.6%	Detroit-Warren-Dearborn, MI	98,542	2.3%
Los Angeles-Long Beach-Anaheim, CA	198,770	1.6%	<b>Lincoln, NE</b>	<b>3,020</b>	<b>0.9%</b>
Detroit-Warren-Dearborn, MI	63,746	1.4%	New York-Newark-Jersey City, NY-NJ-PA	184,178	0.9%
San Jose-Sunnyvale-Santa Clara, CA	18,225	1.1%	Los Angeles-Long Beach-Anaheim, CA	252,197	1.9%
Ann Arbor, MI	3,099	1.0%	Modesto, CA	8,608	1.6%
Washington-Arlington-Alexandria, DC-VA-MD-WV	42,886	0.9%	San Diego-Carlsbad, CA	50,834	1.5%
San Diego-Carlsbad, CA	21,118	0.8%	San Jose-Sunnyvale-Santa Clara, CA	21,320	1.1%
New York-Newark-Jersey City, NY-NJ-PA	141,137	0.7%	Washington-Arlington-Alexandria, DC-VA-MD-WV	62,424	1.0%
San Francisco-Oakland-Hayward, CA	29,017	0.7%	<b>Nashville-Davidson, Murfreesboro-Franklin, TN</b>	<b>19,673</b>	<b>1.1%</b>
Allentown-Bethlehem-Easton, PA-NJ	4,296	0.6%	Ann Arbor, MI	4,721	1.3%

Note: **Bold** indicates destinations that do not appear on the 2010 list.

Source: American Community Survey (ACS), 2015.

FIGURE 13: ECONOMIC INDICATORS FOR MENA IMMIGRANTS IN SELECTED METRO AREAS, 2015



Source: American Community Survey (ACS), 2015.

## PART VI

# MENA Immigrants in Detroit

To better understand the role of MENA immigrants in American cities, it is useful to consider the case of Detroit. The challenges faced by the city in recent decades have been well chronicled. Between Detroit's heyday in 1950 and the early 2000s, the city's population shrunk by roughly 60 percent. At the same time, the state of Michigan as a whole shed about a fifth of its jobs.<sup>18</sup> By the time Detroit filed for bankruptcy in 2013, it had an unemployment rate nearly double the national average.<sup>19</sup> Detroit, however, has also long attracted MENA immigrants. Roughly a third of the residents of Dearborn, a Detroit suburb, are of Middle Eastern descent.<sup>20</sup> In the broader metro area, individuals of MENA descent also make up roughly one out of every 10 residents.<sup>21</sup>

In recent years, as **Detroit has taken steps to rebuild its economy**, MENA immigrants have played an important role founding and maintaining local firms.

In recent years, as Detroit has taken steps to rebuild and revitalize its economy, MENA immigrants have played an important role founding and maintaining local firms. Some 15,000 businesses in the Detroit metropolitan area are owned by Middle Eastern immigrants and their families, according to Fay Beydoun, Executive Director of the American Arab Chamber of Commerce. Those firms generate between \$5.4 and \$7.7 billion in wages and salary earnings each year.<sup>22</sup> They also make an annual economic impact of \$36.4 billion.<sup>23</sup>

These immigrant-owned businesses take on a variety of forms. Business owners include high-powered investors like Israeli-born billionaire Tom Gores, who saved hundreds of jobs in 2009, when he bought the bankrupt boat manufacturer Four Winns. Beydoun says that 90 percent of Detroit's gas stations are owned by Arab Americans, while a majority of convenience stores are owned by Chaldeans, an Iraqi Catholic group. "When Detroit was going through the recession, these two groups did not abandon the city," Beydoun says. "Their businesses stayed open and provided services, especially to low-income households." Given that, they are frequently credited as an important part of Detroit's recent economic comeback.<sup>24</sup>

**An estimated 90%** of Detroit's gas stations are owned by Arab Americans, while a majority of convenience stores are owned by Chaldeans, an Iraqi Catholic group.

Mike Bahri is one of the Middle Eastern entrepreneurs who have made an impact on the city. Chaldean Christians, his family moved to Detroit in the mid-1970s as refugees, fleeing religious persecution in Iraq. "Nobody knew or understood us," recalls Bahri, who was only six at the time. On one occasion, he and his father went to the market. "My dad didn't know how to ask for eggs, so my dad went to the meat department, grabbed a chicken, and pointed to the inside of the bird." The Bahri family can attribute its success to this can-do, practical attitude. They came with almost no money, so Mike's

father, a mechanic, began fixing cars out of the family's driveway. When the 1970s recession hit, the family saw an opportunity to expand. They purchased an old Mobil gas station as well as a number of rental properties at low cost. "Then my parents would work through the night fixing them up and renting them out," Bahri says.

Bahri helped run the business for almost 20 years when in 2009 he says he "stumbled across a closed down ice cream shop," in the Seven Mile neighborhood, where the family lived. It was the very place where he had eaten as a kid. He purchased the building with all of its equipment intact. Then he saw a similarly shuttered McDonald's and purchased that, too. "The rest is history," he says.

Just over a year ago, Bahri opened a new business in Detroit's Seven Mile neighborhood. In that time, the spot, Tasty World Eats and Treats, has built a substantial

customer base by appealing to the city's diverse tastes. "Detroit has a lot of African Americans but also Mexicans, Chaldeans, everyone. It's a great melting pot," Bahri explains. The menu fuses Middle Eastern cuisine with Mexican and Asian fare. His "taco loco" egg roll is especially popular. "We've got people coming from all over the city," he says. During the height of ice cream season, Bahri employs six people and serves hundreds of customers a week. He is now looking to expand, but he's also trying to attract other small business owners to the area. In addition, he's trying to entice entrepreneurs from the suburbs of Bloomfield and Warren and from as far away as Texas to move to Michigan. And though investors want Bahri to franchise outside the city, he's intent on keeping his business local. "We're a Detroit company and we're going to stay a Detroit company," he says. "I'm a product of this city. I'm passionate about it. I root for the underdog."



# Conclusion

---

Contrary to recent rhetoric regarding immigrants from the Middle East and North Africa, this report seeks to showcase their numerous positive contributions to the U.S. economy and to the communities throughout the country that they have come to call home. Despite their relatively small numbers, MENA immigrants and their families still manage to make substantial economic contributions. In 2015 alone, households led by MENA immigrants earned \$58.5 billion in total income and contributed \$17.0 billion in tax revenues to federal, state, and local governments.

These numbers shed light on their economic clout and are particularly remarkable when considering the difficult journeys many MENA immigrants have made to the United States. In many metro areas that have struggled in recent decades, MENA immigrants are using their economic power to help reinvigorate neighborhoods that have faced significant population loss and economic decline in recent decades. In particular, Detroit, where they make up a significant share of the area's population, is a perfect example of how, given their high levels of educational attainment and entrepreneurial spirit, MENA immigrants have played a key role in the city's revitalization.

# Methodology Appendix

**T**he vast majority of data that appears in this brief was calculated by the New American Economy (NAE) research team, using a variety of publicly available data sources. Our work relied most heavily on the 2015 American Community Survey (ACS) 1-year sample using the Integrated Public Use Microdata Series (IPUMS) database.<sup>25</sup> Unless otherwise noted this data is weighted using the person weight for analysis at the individual level, and is weighted using the household weight for analysis at the household level.

The foreign-born MENA population we focus on in this brief includes foreign-born individuals (not including those born abroad to U.S. citizen parents) from a set of North African and Middle Eastern countries. These include the North African countries of Egypt, Libya, Tunisia, Algeria, and Morocco, as well as Iran, Iraq, Bahrain, Israel, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arab, Syria, United Arab Emirates, and Yemen in the Middle East.

## Income and Tax Contributions

Using the 2015 ACS 1-year data, we estimate the aggregate household income, tax contributions, and spending power of foreign-born MENA households. To produce these estimates, a foreign-born MENA household is defined as a household with a foreign-born household head from one of the countries in the region described above.

In this brief, mirroring past NAE reports on this topic, we use the term “spending power.”<sup>26</sup> Here and elsewhere, we define spending power as the disposable income leftover after subtracting federal, state, and local taxes from household income. We estimate state and local taxes using the tax rates estimates produced by Institute on Taxation and Economic Policy by state income

quintiles.<sup>27</sup> For federal tax rate estimates, we use data released by the Congressional Budget Office in 2015 and calculate the federal tax based on the household income federal tax bracket.<sup>28</sup>

Social Security and Medicare contributions are drawn from taxes on an individual’s wage earnings.<sup>29</sup> This is far different from a household’s overall income, which may include other revenue streams such as rental income and returns on investments. To account for this difference between overall federal taxes and Social Security and Medicare contributions, we estimate Medicare and Social Security contributions based on wage and salary data provided at the individual level in the ACS. For self-employed individuals, we use the self-employment income as the income base. The amount of earnings that can be taxed by the Social Security program is capped at \$117,000, while there no such limit for the Medicare program.<sup>30</sup> We use a flat tax rate of 12.4 percent to estimate the contribution immigrants make to the Social Security program and a flat 2.9 percent rate to capture their Medicare contributions. This estimates the total amount that immigrants and their employers contributed in 2015.<sup>31</sup>

It is also worth noting that half of the amount contributed to Social Security and Medicare (6.4 percent of Social Security tax rate and 1.45 percent of Medicare tax rate) comes from individual workers, while the other half comes directly from their employers. Self-employed workers have to pay the full tax themselves. When estimating Social Security and Medicare contributions, we include all individual wage earners in the households and aggregate the amount paid by state.

## Workforce

We use the 2015 ACS 1-year sample to estimate all data points pertaining to the role of MENA immigrants in the workforce. We define the working age population as those 25 to 64 years old. The universe for estimating educational attainment is restricted to those 25 years and above. We also calculate the percentage of college-educated MENA immigrants who studied in the STEM discipline by recoding the college major variable based on the Classification of Instructional Programs (CIP) system in STEM Designated Degree Program List.<sup>32</sup>

The Census Bureau's 2010 ACS occupation classification system is used to calculate how much more likely MENA immigrants are than natives to work in certain occupations. All employed individuals 25 years old and above are included in these calculations.

## Entrepreneurship

Our work follows the example of past NAE reports by classifying all self-employed individuals who are employed as entrepreneurs. The data used to do this is the 2015 ACS 1-year sample. We identified the top industries for self-employed MENA workers using the 2012 Census industrial classification system.

## Demographics

The data points on the foreign-born MENA population in the demographics section are calculated using both the 2010 and 2015 ACS 1-year sample. According to the Census, a metropolitan area is “a region consisting of a large urban core together with surrounding communities that have a high degree of economic and social integration with the urban core”.<sup>33</sup> We estimated the number and share of MENA immigrants in specific metropolitan areas using the 2013 definition for metropolitan statistical areas (MSAs) from the U.S. Office of Management and Budget (OMB).

# Endnotes

- 1 It was not until 1980 that the U.S. Census started identifying people in surveys as being of Arab ancestry.
- 2 Robert Fairlie, “Open For Business: How Immigrants Are Driving Small Business Creation In The United States,” Partnership for a New American Economy, 2012, <http://www.renewoureconomy.org/research/open-for-business-how-immigrants-are-driving-small-business-creation-in-the-united-states-2/>.
- 3 Fortune, Global Fortune 500. Accessed on November 8, 2016. (<http://beta.fortune.com/global500/list>)
- 4 Bureau of Labor Statistics, “Employment by Major Industry Sector,” accessed September 21, 2016, [http://www.bls.gov/emp/ep\\_table\\_201.htm](http://www.bls.gov/emp/ep_table_201.htm).
- 5 Ibid.
- 6 Saad Malik, “Here’s What Happened When Companies Catered to Muslim Consumers,” American Muslim Consumer Consortium, October 13, 2014, <http://americanmuslimconsumer.com/blog/the-secret-thats-giving-these-companies-stable-growth-in-revenue-annually/>.
- 7 Nazia Hussain, “A Little Empathy Goes a Long Way: How Brands Can Engage the American Muslim Consumer” (Ogilvy Noor, 2010), [http://americanmuslimconsumer.com/2013/wp-content/uploads/2013/09/Ogilvy-Noor\\_A-Little-Empathy-Goes-A-Long-Way.pdf](http://americanmuslimconsumer.com/2013/wp-content/uploads/2013/09/Ogilvy-Noor_A-Little-Empathy-Goes-A-Long-Way.pdf).
- 8 Ibid.
- 9 Fairlie, Robert W. Fairlie et al., “The Kauffman Index of Startup Activity 2015” (Ewing Marion Kauffman Foundation, 2015), [http://www.kauffman.org/~media/kauffman\\_org/research%20reports%20and%20covers/2015/05/kauffman\\_index\\_startup\\_activity\\_national\\_trends\\_2015.pdf](http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2015/05/kauffman_index_startup_activity_national_trends_2015.pdf).
- 10 “The Contribution of New Americans in Virginia” (The Partnership for a New American Economy, August 2016).
- 11 Athena Cao, “New-Home Sales Surge in July to Highest Level since October 2007,” USA Today, August 23, 2016, <http://www.usatoday.com/story/money/business/2016/08/23/new-home-sales-real-estate-housing-market/89197492/>; Miriam Jordan and Santiago Perez, “Small Businesses Lament There Are Too Few Mexicans in U.S., Not Too Many,” The Wall Street Journal, November 28, 2016, <http://www.wsj.com/articles/small-businesses-lament-there-are-too-few-mexicans-in-u-s-not-too-many-1480005020>.
- 12 “Nationwide Survey Finds 86 Percent of Contractors Have Difficulty Filling Key Craft and Salary Jobs as Demand for Construction Increases,” The Associated General Contractors of America, September 10, 2015, <https://www.agc.org/news/2015/09/10/nationwide-survey-finds-86-percent-contractors-have-difficulty-filling-key-craft-and>.
- 13 Miriam Jordan and Santiago Perez, “Small Businesses Lament There Are Too Few Mexicans in U.S., Not Too Many,” The Wall Street Journal, November 28, 2016, <http://www.wsj.com/articles/small-businesses-lament-there-are-too-few-mexicans-in-u-s-not-too-many-1480005020>; Athena Cao, “New-Home Sales Surge in July to Highest Level since October 2007,” USA Today, August 23, 2016, <http://www.usatoday.com/story/money/business/2016/08/23/new-home-sales-real-estate-housing-market/89197492/>.
- 14 IHS Inc for the American Association of Medical Colleges, “The Complexities of Physician Supply and Demand: Projections from 2013 to 2025,” (March 2015).
- 15 “Reports: The Contributions of New Americans” (Partnership for a New American Economy, August 3, 2016), <http://www.renewoureconomy.org/reports/>.

- 16** The Association of American Medical Colleges, Center for Workforce Studies, “2015 State Physician Workforce Data Book,” November, 2015, <https://www.aamc.org/data/workforce/reports/442830/statedataandreports.html>.
- 17** John Haltiwanger, Ron S. Jarmin, and Javier Miranda, “Who Creates Jobs? Small Versus Large Versus Young,” *The Review of Economics and Statistics* 95, no. 2 (May 2013): 347–61.
- 18** Steve Tobocman, “Revitalizing Detroit: Is There a Role or Immigration?” (Transatlantic Council on Migration, n.d.).
- 19** Monica Davey and Mary Williams Walsh, “Billions in Debt, Detroit Tumbles Into Insolvency,” *The New York Times*, July 18, 2013, <http://www.nytimes.com/2013/07/19/us/detroit-files-for-bankruptcy.html>.
- 20** Ola Marie Smith, Roger Y.W. Tang, and Paul San Miguel, “Arab-American Entrepreneurship in Detroit, Michigan,” *American Journal of Business* 27, no. 1 (2012): 58–78.
- 21** Norm Sinclair, “From the Middle East to the Motor City,” *DBusiness Magazine*, May 25, 2016, <http://www.dbusiness.com/March-April-2016/From-the-Middle-East-to-the-Motor-City/#.V82WamXScyl>.
- 22** Smith, Tang, and Miguel, “Arab-American Entrepreneurship in Detroit, Michigan.”
- 23** Sinclair, “From the Middle East to the Motor City.”
- 24** Green, Jeff. “Detroit’s Comeback Has an Arabic Accent,” *Bloomberg.com*, accessed September 1, 2016, <http://www.bloomberg.com/news/articles/2016-02-18/detroit-s-comeback-has-an-arabic-accent>.
- 25** Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. *Integrated Public Use Microdata Series: Version 6.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2015.
- 26** “The Power of the Purse: The Contributions of Hispanics to America’s Spending Power and Tax Revenues in 2013,” *Partnership for a New American Economy*, 2014, <http://www.renewoureconomy.org/research/page/2/>.
- 27** “Who Pays? A Distributional Analysis of the Tax Systems in All 50 States (5th edition),” *Institute on Taxation and Economic Policy*, 2014, [http://www.itep.org/whopays/full\\_report.php](http://www.itep.org/whopays/full_report.php).
- 28** “The Distribution of Household Income and Federal Taxes, 2011,” *Congressional Budget Office*, Washington, D.C., 2014, <https://www.cbo.gov/publication/49440#title0>.
- 29** Office of Retirement and Disability Policy U. S. Social Security Administration, “OASDI and SSI Program Rates & Limits,” 2014, [https://www.ssa.gov/policy/docs/quickfacts/prog\\_highlights/RatesLimits2014.html](https://www.ssa.gov/policy/docs/quickfacts/prog_highlights/RatesLimits2014.html).
- 30** *Ibid.*
- 31** *Ibid.*
- 32** U.S. Immigration and Customs Enforcement, “STEM Designated Degree Program List,” May 10, 2016, <https://www.ice.gov/sites/default/files/documents/Document/2016/stem-list.pdf>.
- 33** Minnesota Population Center, University of Minnesota, “Metropolitan Area, 2013 OMB Delineations,” *IPUMS USA*, accessed December 12, 2016, [https://usa.ipums.org/usa-action/variables/MET2013#description\\_section](https://usa.ipums.org/usa-action/variables/MET2013#description_section).

ABOUT

# New American Economy

---

**New American Economy** brings together more than 500 Republican, Democratic and Independent mayors and business leaders who support sensible immigration reforms that will help create jobs for Americans today.

Visit [www.NewAmericanEconomy.org](http://www.NewAmericanEconomy.org) to learn more.

