American Muslim Entrepreneurs
A PROFILE OF MUSLIM OWNED AND MANAGED BUSINESSES (MOMBs)
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About Strategic Research Circle
Strategic Research Circle (SRC) produced this report. Founded in Silicon Valley, California in 2006, SRC is a non-profit 501C3, non-partisan, research organization conducting studies on significant private and public issues. We communicate SRC work through forums, articles, and reports. Funding for SRC is provided by foundations, memberships, and corporations. Our target audience is policymakers, scholars, journalists, government institutions, businesses, and society at large. A board of educators and entrepreneurs governs SRC. Our areas of study include civil justice, private enterprise, and social responsibility.

Contacts:
Strategic Research Circle
4963C NE Goodview Circle, Lees Summit, MO 64064 | www.srcircle.org | info@srcircle.org

SRC Research Team

Miles K. Davis, PhD
Miles Davis is an associate professor of management and director of the Institute for Entrepreneurship at Shenandoah University, Winchester, VA. Dr. Davis is active in the micro-finance movement, and lectures regularly in the U.S., Africa, and Europe.

Abdul Rahman Khokhar
A. Rahman holds a MBA degree from McGill University, Montreal, Canada and has more than 13 years of industry experience working at senior management levels at leading multinational and national firms. Additionally, he has taught undergraduate and graduate courses at leading universities in Canada and Pakistan. He is also a doctoral candidate.
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1. Why this Study is Significant
American Muslims are a highly educated, diverse, and well-to-do segment of society. The purpose of this two-part study is to explore how certain minority entrepreneurs and professionals manage to generate high income and why other religious minorities, such as Muslims are lagging behind in income.

"There is nothing more central to the US character than entrepreneurship. And entrepreneurship is a vibrant part of Islam and has historically been a means for Muslims to integrate into various communities. Looking at the interlinking of Muslim entrepreneurs in the US should yield useful information regarding the role Muslims play in the US economy and their integration into US society." Dr. Miles K. Davis, Director of the Institute of Entrepreneurship, Shenandoah University.

The first part of this study provides information about Muslim business owners, executives, and managers in selected industries and metropolitan areas. The second part of this study, which will be available in future, will provide insight into their educational, mentoring and networking patterns.
5. Data Highlights
a. Forty percent of Muslim businesses generate between half to a million dollars in revenue.
b. Over 50% of restaurant businesses are located in New York, Chicago, and Houston.
c. Houston leads all other cities with over 900 Muslim owned service stations.
d. Around 50% of Muslim dentists are located in New York and Chicago.
e. Sixty-five percent of Muslim attorneys are practicing in New York Chicago and Washington D.C.
f. Eighty percent of Muslim owned or managed pharmacies are located in New York.
g. Half of U.S. Muslim physicians practice medicine in New York and Chicago.
h. Eighty-five percent of U.S. Muslim businesses have fewer than ten (10) employees.

6. Methodology and Design
The study outlines American Muslim Businesses profile and is mainly based on data supplied by a reputable marketing company, Infogroup of Nebraska. The second part of the study will include national surveys, focus group studies, and in-person interviews of Muslim business executives that deal with their education, mentoring, networking and group dynamics.

We conducted the SRC study using approximately 600 of the most commonly used Muslim names from a sample of 7,000 business owners and managers in eight large metropolitan areas - Los Angeles, New York, Chicago, Houston, Detroit, Dallas, Washington D.C., the San Francisco Bay Area, and two small metropolitan areas - Kansas City and Sacramento.

The study team included a researcher and a doctoral candidate.

7. Where Muslim Owned and Managed Businesses (MOMBs) are Located
A heat map of 7,000 Muslim entrepreneurs shows a higher concentration (in red) of businesses in New York, Washington D.C. Chicago and Houston. Of the total 81,000 MOMBs, nearly 31,000 are located in New York, Chicago, Los Angeles, Houston, San Francisco Bay Area, Detroit, and Washington D.C.

New York, Chicago, and Houston account for 50% of MOMBs. New York has three times more Muslim owned and managed businesses than Los Angeles. Although greater Los Angeles has the largest American Muslim population, surprisingly, it has less than 10% of Muslim owned businesses.
8. How many Muslims are in the U.S.?
PEW’s October 2009 survey estimates the U.S. Muslim population at 2.54 million. The Infogroup\(^1\) has records of nearly one million American Muslim households, of which 60% comprise married couples. Assuming an average of three children per Muslim family, the estimated number of Muslims in the U.S. would range between 3 and 4 million, a close approximation of PEW’s finding. Other ambitious groups have estimated the American Muslim population between 6 and 8 million. However, there is little scientific evidence to support the higher figures.

9. Demographics of MOMBs
U.S. consumer data on over 100 million households show an average of 10 businesses per 100 families. Assuming that Muslim families follow a similar trend, we would expect to find 100,000 MOMBs in a population of one million Muslim households. However, Infogroup and U.S. business data reported only 81,000, which means there are fewer MOMBs than we would expect to find.

\(^1\) Infogroup (http://www.infogroup.com/)

“65% of Muslim attorneys practice in New York, Chicago, and Washington DC”

“80% of Muslim owned or managed pharmacies are located in New York”
The following charts show number of businesses in selected metropolitan areas, line of business, executive titles, and sales volume.

"85% of U.S. Muslim businesses have fewer than ten (10) employees"

"Half of U.S. Muslim physicians practice medicine in New York & Chicago"
10. Physicians and Surgeons
Despite a wide range of estimates, of the number of physicians and surgeons in the U.S., this category ranks first within U.S. MOMBs. In 2008, the U.S. Department of Labor\(^2\) reported that there were around 661,000 physicians, whereas, most commercial data sources report the number of physicians to be between 700,000 and 900,000. The data show about one million physicians and surgeons in the U.S., of which there are 23,000 Muslim physicians. That means roughly 2% of U.S. physicians are Muslims. The data include family physicians, kidney specialists, cardiologists, and gynecologists. The data exclude mid-level providers such as nurse practitioners and physician assistants.

Similar to the trend for overall MOMBs, almost half of the Muslim physicians and surgeons are concentrated in the two major cities of New York and Chicago, as shown below. A large number of physicians work in hospitals, but few manage their own private clinics. We counted 2,660 physicians and surgeons out of 7,000 MOMBs in 10 metropolitan areas. Infodata reported around 23,000 Muslim physicians in their business database, but the actual number of physicians could be much higher than reported because not all physicians register themselves as Professional Corporation (PC) owners.

### Own Clinics or Working in Hospitals

- **New York**: 26%
- **Chicago**: 25%
- **Los Angeles**: 8%
- **Washington DC**: 7%
- **Silicon Valley**: 4%
- **Kansas City**: 9%
- **Detroit**: 6%
- **Houston**: 7%
- **Other Cities**: Various percentages

11. **Restaurants**

Restaurants make up the second highest category of MOMBs. Again, New York and Chicago appear to lead other cities, distantly followed by Houston and Washington D.C. Muslim owned restaurants or chains include IHop, Church’s Chicken, KFC, and Jack in the Box.
During 2010, zabihah.com, a popular portal that reports on Muslim owned restaurants, had a listing of around 4,000 restaurants serving Halal food. Our estimate, based on 10% of 81,000 MOMBs, came to 8,000 Muslim owned or managed restaurants in the U.S. This suggests that only half of the restaurants are reported in zabihah.com. The other half were either not reported or did not serve Halal food.

“The data indicate that certain entrepreneurs and professionals are doing better in some metropolitan areas or industries than others”

12. Service Stations
When it comes to service stations, no other city can match Houston. It is hard to explain why Houston has more service stations than New York or any other major city. We counted close to 900 service stations that were owned or managed by Muslims.

“Houston has as many as 900 Muslim owned gas stations”

13. Muslim Engineers in the U.S.
We do not have a direct estimate of the number of Muslim engineers in the U.S., possibly because engineers are generally not listed as owners or top executives of medium or large corporations.

14. Benefits of the Study
1. Establishing of minority-owned franchises beyond single metropolitan boundaries.
2. Helping young entrepreneurs understand market conditions and business opportunities.
3. Learning valuable lessons of group dynamics among entrepreneurs and professionals.
4. Identifying better ways to collect and distribute data about minority-owned businesses.
5. Establishing angel and venture investment groups.
6. Identifying new networking opportunities through industry specific events and conferences.
7. Creating opportunities for business organizations to expand their network of members.
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In fond memory of SRC founder Marghoob Qureshi (Late)