

# 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.

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### *SRC Research Team*

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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.

### ***2. Background***

In 2009, PEW Research published a surveyed of 35,000 U.S. residents. The study is titled "U.S. Religious Landscape Survey". It shows that certain religious groups do much better in the \$100,000+ income category than other religious groups. The data confirms that American Hindus and Jews are doing exceptionally well when it comes to earning \$100K+ in annual income, while Muslims fall behind in the same category.

### ***3. Education, Mentoring, and Networking***

The 2009 PEW study of American religious minorities also shows that 48% of American Hindus with postgraduate degrees earned 27% more than the 10% of American Muslims with same degrees. However, according to another business data, the income gap narrows to less than 1% when it comes to earnings of \$500K and greater.

Whether one looks at education, mentoring of budding entrepreneurs, group investment, or business networking, Hindu, Jewish and Buddhist communities seem to have developed a better model for wealth creation than other groups have developed. The second part of the study will identify socio-economic barriers and other challenges that Muslim entrepreneurs face while creating new wealth in the free markets of the West.

### ***4. Changing Market Conditions and Trends***

The analysis of data indicates that certain groups of Muslim entrepreneurs and professionals are doing better in some metropolitan areas or industries than others. Future SRC research will explain the reasons behind this uneven performance. The study will also explain whether entrepreneurs and professionals are better informed and prepared, than other religious groups, for changing market conditions and trends that affect their businesses or professions. The study will also explore the growing success of socially responsible investment models, based on Islamic principles, that are gaining momentum in the West.

## 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.

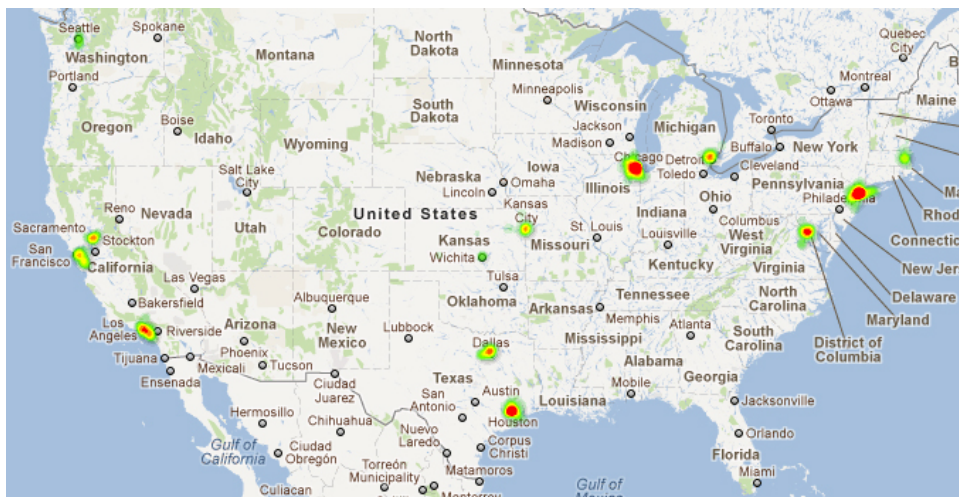
We conducted the SRC study using approximately 600 of the most commonly used Muslim names from a sample of 7,000 business owners and managers in eight large metropolitan areas - Los Angeles, New York, Chicago, Houston, Detroit, Dallas, Washington D.C., the San Francisco Bay Area, and two small metropolitan 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<sup>1</sup> 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.

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

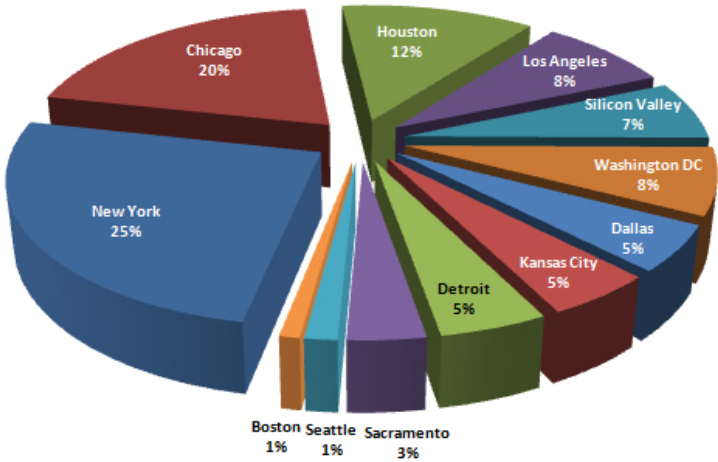
“80% of Muslim owned or managed pharmacies are located in New York”

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<sup>1</sup> Infogroup (<http://www.infogroup.com/>)

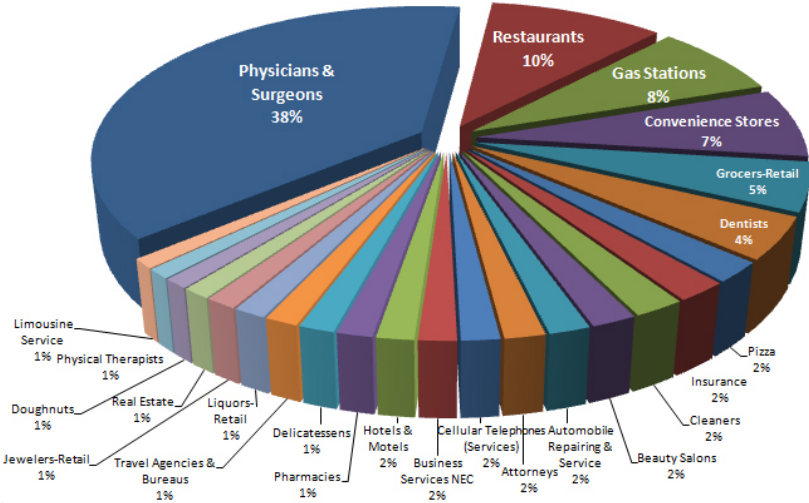
The following charts show number of businesses in selected metropolitan areas, line of business, executive titles, and sales volume.

**Metro Area**



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

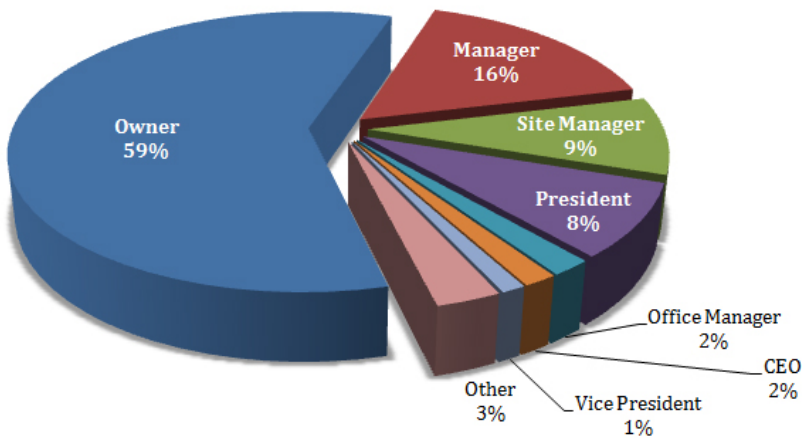
**Line of Business**



“Half of U.S. Muslim physicians practice medicine in New York & Chicago”

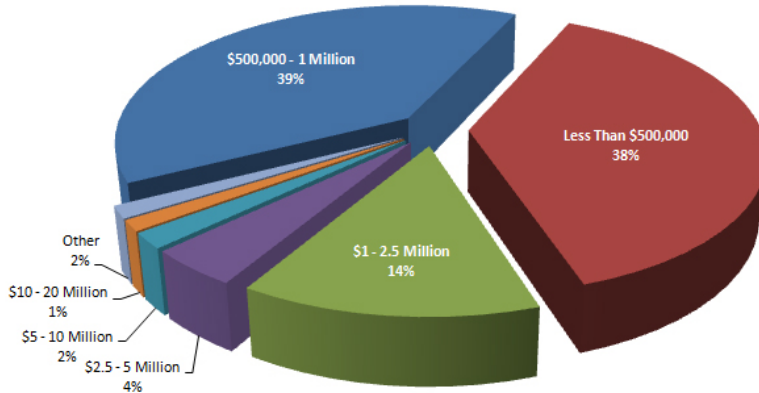


### Executive Title



“10% of Muslim businesses are in the restaurant industry”

### Sales Volume



“Almost 40% of Muslim businesses generate between half a million to a million dollars in revenue”

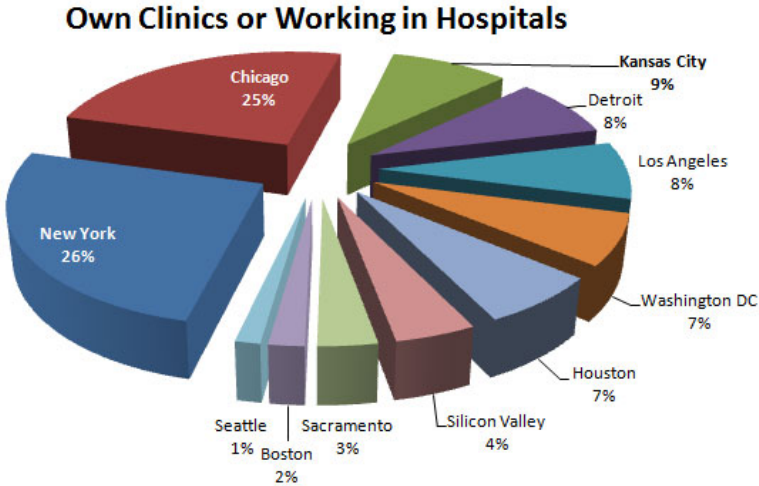
### 10. Physicians and Surgeons

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<sup>2</sup> 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.

<sup>2</sup> US Department of Labor, 2010-11, *Occupational Outlook Handbook*, <http://www.bls.gov/oco/ocos074.htm>

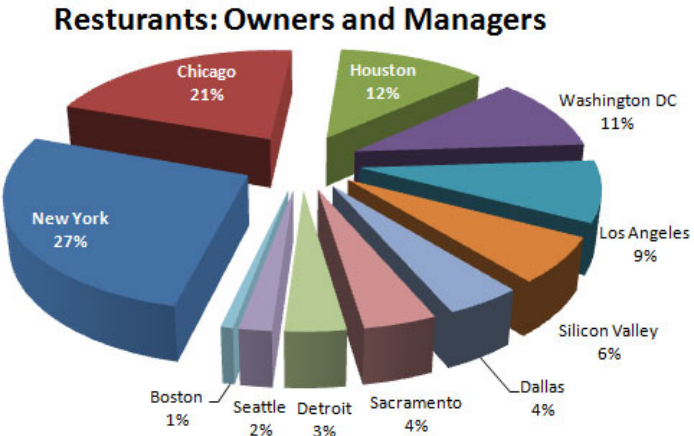


Similar to the trend for overall MOMBs, almost half of the Muslim physicians and surgeons are concentrated in the two major cities of New York and Chicago, as shown below. A large number of physicians work in hospitals, but few manage their own private clinics. We counted 2,660 physicians and surgeons 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.



**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](http://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](http://zabihah.com). The other half were either not reported or did not serve Halal food.

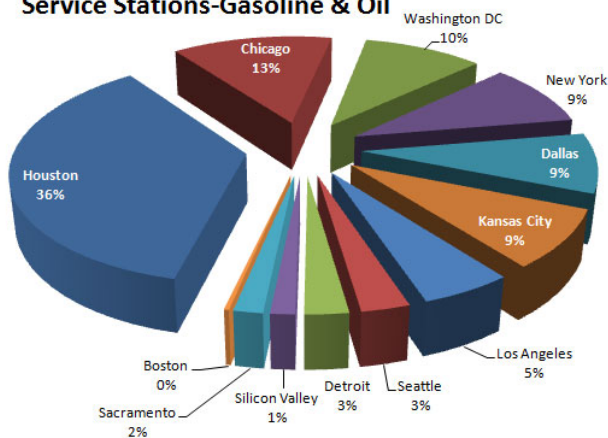
“The data indicate that certain entrepreneurs and professionals are doing better in some metropolitan areas or industries than others”

### 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”

**Service Stations-Gasoline & Oil**



### 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)