

**POWER OF THE PURSE**

# **How Sub-Saharan Africans Contribute to the U.S. Economy**



# Power of the Purse: How Sub-Saharan Africans Contribute to the U.S. Economy

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

**CONTENTS**

---

Executive Summary.....	<b>1</b>
The Spending Power and Tax Contributions of African Immigrants.....	<b>3</b>
Filling Gaps in the Labor Force.....	<b>8</b>
Communities Benefitting from African Immigration.....	<b>13</b>
Beyond Economics—Political Participation.....	<b>16</b>
Conclusion.....	<b>17</b>
Methodology Appendix.....	<b>18</b>
Endnotes.....	<b>20</b>

# Executive Summary

---

**T**his research brief – part of a series from New American Economy (NAE) on the earning and spending power of immigrants – examines a small, yet growing segment of the U.S. immigrant population: The roughly 1.7 million African immigrants living in the United States in 2015. Our study follows the example of others<sup>1</sup> in defining “African immigrants” as individuals born in Sub-Saharan Africa, a region that includes all of the continent’s countries except for Algeria, Egypt, Libya, Morocco, and Tunisia.<sup>2</sup> These immigrants hail from across the African continent, although five countries – Nigeria, Ghana, Kenya, Ethiopia, and South Africa – account for over half of the Sub-Saharan Africans living in the United States today.

There has been comparatively little research on African immigrants due, in part, to the population’s relatively small size, and the fact that substantial African immigration to the United States is a recent phenomenon. There is evidence, however, that the influence of the African immigrant population appears to be growing, making our work particularly relevant now. Between 2010 and 2015, the number of African immigrants in America more than doubled—rising from roughly 723,000 people to more than 1.7 million.

Between 2010 and 2015, the number of African immigrants in America **more than doubled**—rising from roughly **723,000** people to more than **1.7M**.

To better understand the African immigrant community’s contributions to the U.S. economy, we present a detailed analysis of the most recent available demographic and socioeconomic data, including from several national surveys and censuses such as the 2015 American Community Survey. In particular, we take a close look at socioeconomic data that other research tends to overlook, such as spending power and tax contributions.

Sub-Saharan African immigrants have **higher levels of educational attainment** than the U.S. population as a whole, and are more likely to have earned their degree in a Science, Technology, Engineering, and Math, or **STEM**, field.

Our findings suggest that African immigrants punch well above their weight in many respects. For example, they naturalize at high rates. They attain higher levels of education than the overall U.S. population as a whole, and are more likely to have earned their degree in a Science, Technology, Engineering, and Math, or STEM, field. They also make meaningful contributions to several vital sectors of the economy – including healthcare – where employers have persistent challenges finding enough workers.

## KEY FINDINGS

► **African immigrant households contribute billions of dollars to the U.S. economy through their spending and tax payments.**

African immigrants earned **\$55.1 billion** in 2015. Their households paid **\$10.1 billion** in federal taxes and **\$4.7 billion** in state and local taxes – giving African immigrants an estimated spending power of more than **\$40.3 billion** that year.

► **African immigrants boast higher levels of education than the overall U.S. population, with a particular focus on Science, Technology, Engineering, and Math.**

**40 percent** of African immigrants have at least a bachelor's degree—making them **30 percent** more likely to achieve that level of education than the U.S. population overall. Of this group, about one in three, or **33.4 percent**, have STEM degrees, training heavily in demand by today's employers.

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

In 2015, almost three out of every four African immigrants, or **73.4 percent**, were in the prime of their working years, falling between the ages of 25 and 64. Less than half of the U.S.-born population fell into that age bracket.

► **African immigrants make meaningful contributions to our economy as entrepreneurs.**

In 2015, the country was home to over **90,000** foreign-born entrepreneurs from Africa. A large share of this group worked in the broader transportation sector, and **5,700** were working in real estate and accounting industries.

► **A large share of African immigrants is working in the healthcare sector, a segment of our economy that is already facing unprecedented levels of demand.**

In 2015, the number of open healthcare positions in our economy far exceeded the number of unemployed workers with experience in the field.<sup>3</sup> This makes the contribution of African immigrants particularly important. In 2015, almost **30 percent** of Africans in the workforce were employed in the healthcare and services industry, compared to just **13 percent** of the U.S.-born working population overall.

PART I

# The Spending Power and Tax Contributions of African Immigrants

**A**frican immigrants contribute billions of dollars to the U.S. economy. To gain insight into how significant these contributions are, we calculated the spending power and tax payments of African immigrant households. For the purposes of this report, as we have done for others, “spending power” is calculated as total household income minus federal, state, and local tax payments.<sup>4</sup>

Our analysis of income data from the U.S. Census shows that African immigrants had an annual spending power of approximately \$40.3 billion in 2015. For comparison, this is roughly equal to the annual revenue of PricewaterhouseCoopers and Deloitte in 2015.<sup>5</sup>

The spending power of African immigrant-led households in 2015 was **roughly equal** to the revenue of PricewaterhouseCoopers and Deloitte in 2015.

This spending power is concentrated in the states with the largest African populations. In Texas, for instance, African immigrants hold \$4.7 billion in spending power. They hold \$4.6 billion in California. And in Maryland and New York, their spending power tops \$4.0 billion and \$3.4 billion, respectively. In fact, despite their relatively small numbers, households led by foreign-born Africans hold spending power greater than \$1 billion in a total of 12 U.S. states. This group includes states as varied as Georgia, Virginia, and Minnesota. (See Figure 1.)

The spending power of African immigrant households allows them to support U.S. businesses as consumers. But as our data shows, African households are not only contributing to our economy as customers, but as taxpayers as well. In 2015, African households paid \$4.7 billion in state and local taxes. In fact, in nine U.S. states—a group including Texas, Georgia, Virginia, and New Jersey—their total tax contribution exceeded half a billion dollars in 2015. (See Figure 2.)

**In nine U.S. states—a group including Texas, Georgia, Virginia, and New Jersey—the total tax contributions of African immigrant households exceeded half a billion dollars in 2015.**

The taxes African immigrants pay support programs at both the federal and state and local levels. In 2015, African immigrants paid more than \$4.6 billion in state and local taxes, funds that are often used to support public services and local schools. They paid \$10.1 billion in federal taxes that year as well, providing a vital infusion to entitlements like Medicare and Social Security. Based on their wage earnings, in fact, we estimate that they paid \$5.8 billion to Medicare and \$1.6 billion to Social Security in 2015 alone.

Although our data does not allow us to isolate how much African immigrants drew down in benefits from Social Security or Medicare in 2015, recent studies have

In 2015, African immigrants earned **\$55.1B.**



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

**\$10.1B** went to federal taxes...

Leaving them with **\$40.3B** in remaining spending power.

#### ENTITLEMENT CONTRIBUTIONS

African immigrants also contribute to our country's entitlement programs. In 2015, through taxes on their individual wages, immigrants contributed **\$5.8B** to Medicare and **\$1.6B** to Social Security.

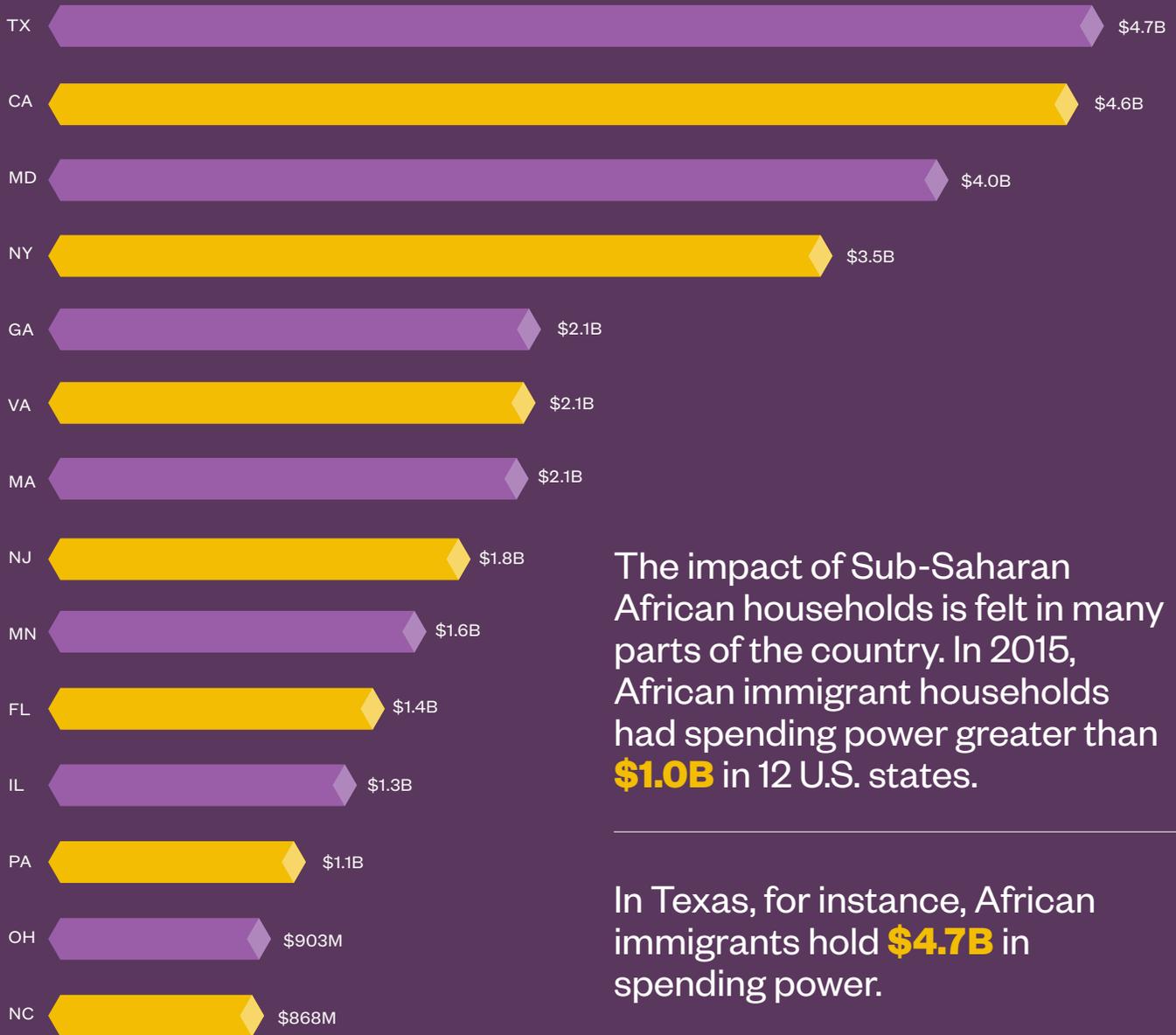


Medicare



Social Security

FIGURE 1: STATES WHERE AFRICAN IMMIGRANT HOUSEHOLDS HAD THE GREATEST SPENDING POWER, 2015

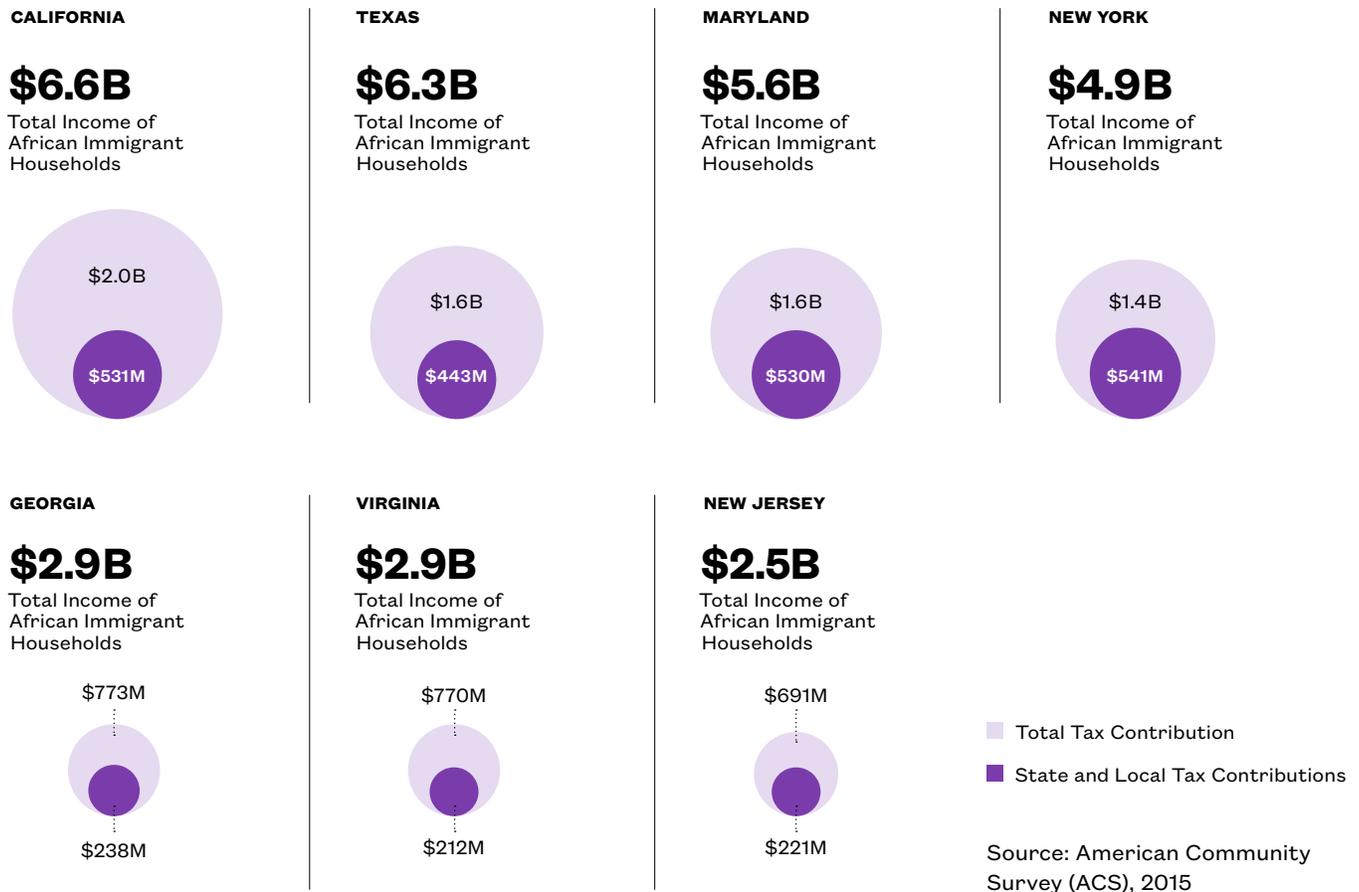


The impact of Sub-Saharan African households is felt in many parts of the country. In 2015, African immigrant households had spending power greater than **\$1.0B** in 12 U.S. states.

In Texas, for instance, African immigrants hold **\$4.7B** in spending power.

In California, Maryland, and New York, the spending power of African immigrant households topped **\$3.0B** in 2015.

FIGURE 2: EARNINGS AND TAX CONTRIBUTIONS OF SUB-SAHARAN AFRICAN IMMIGRANTS IN KEY STATES, 2015



indicated that immigrants are likely net contributors to both programs.<sup>6</sup> One recent NAE study, for instance, found that from 1996 to 2011 immigrants contributed \$182.4 billion more to Medicare’s Hospital Insurance Trust Fund than was expended on their benefits.<sup>7</sup>

Ola Ayeni, an African immigrant entrepreneur and business leader, in many ways demonstrates the sort of economic contribution that many Sub-Saharan immigrants have made to their local communities in recent years. When Ayeni was 26, he immigrated to the United States from Nigeria on a family-sponsored visa, with big dreams to found his own business. Although he had wanted to be an entrepreneur since elementary school, where he had sold school supplies to his classmates, Ayeni was not sure exactly what his company would be.

In 2007, a restaurant that Ayeni and his family frequented in Chicago suddenly closed. Ayeni was puzzled. The restaurant had always seemed crowded. He tracked down the owner and learned that the restaurant had struggled because it was often empty during the weekdays. Ayeni did some digging and realized many Chicago restaurants faced similar challenges. “There was a real need here,” Ayeni says. “More than one in five Chicago restaurants ultimately closes.”

That gave Ayeni his big entrepreneurial idea. He decided to start a firm that would help restaurants with everything from online marketing and social media to targeted VIP coupons and discounts. His first major firm, Dining Dialog, became a success, with more than \$1 million in revenue.

A few years later, he founded Eateria, which he still runs today. Providing support with digital marketing, Eateria is a comprehensive tool for restaurants to expand their customer base. The company has already won numerous awards. Microsoft's BizSpark program – which provides technology, support, and visibility to promising start-ups – awarded Eateria \$60,000. In 2012 and 2013, Ayeni also received an Arch Grant from St. Louis, Missouri – a \$50,000 award designed to attract promising start-ups – and he and his family relocated to the city. Now Eateria is profitable with customers all over the United States and a growing employee count.

**Nigerian immigrant Ola Ayeni's first major start-up firm, Dining Dialog, became a success, with more than **\$1M** in revenue.**

Ayeni is proud of how his firm helped one restaurant grow from four to nine locations. Another large client used Eateria's software to sell 112,000 gift cards in just six weeks. "We hope that within three years, our tools will be the de facto choice of the restaurant industry," Ayeni says. In the meantime, Ayeni is doing his part to help other workers in St. Louis gain the skills they need to succeed in a rapidly evolving economy. Ayeni founded Claim Academy, an intensive program that teaches coding and Web development skills to mid-career professionals. So far Claim has placed 95 percent of its graduates in related jobs after graduation.

PART II

# Filling Gaps in the Labor Force

**B**y virtue of their relative youth, education, and skills, African immigrants contribute significantly to local economies across the United States.

The African immigrant population is, on average, younger than both the overall foreign-born and U.S.-born populations. In 2015, only 6.7 percent of African immigrants were older than age 65, compared to 14.9 percent of the U.S.-born population. African immigrants are overwhelmingly of prime working age, with 73.4 percent – or close to 1.3 million people – falling between the ages of 25 and 64. By comparison, less than half of the U.S.-born population falls into that age band, a reality that has created strain in recent years on everything from the housing market to our country’s entitlement programs. (See Figure 3.)

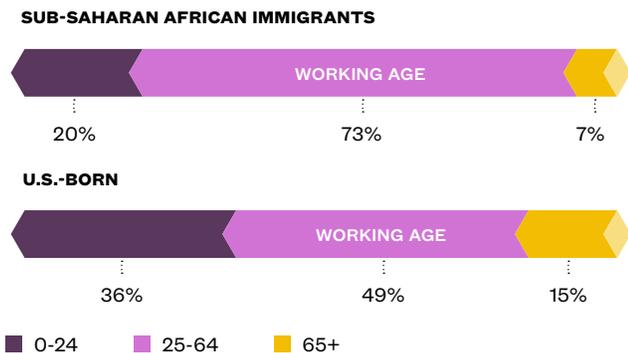
That relative youth allows the African immigrant population to contribute significantly to the labor force.

In 2015, only **6.7%** of African immigrants were older than age 65, compared to **14.9%** of the native-born population.

According to the U.S. Census, more than three out of every four African immigrants above the age of 16 are active in the labor force – meaning, they are either working or actively seeking work.<sup>8</sup> In other words, African immigrants are much more likely to be contributing to the U.S. workforce than they are to be disabled, sick, or still in school.

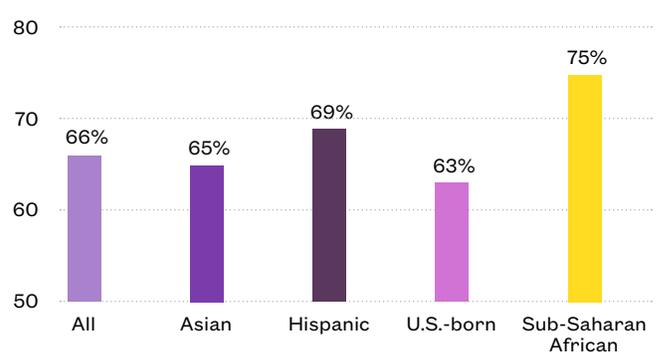
The labor force participation rate of African immigrants is much higher than that of both the U.S.-born population (62.6 percent) and the overall foreign-born population (66.0 percent). It is also higher than other immigrant groups, including both Asian and Hispanic immigrants.

FIGURE 3: AGE BREAKDOWN OF SUB-SAHARAN AFRICAN IMMIGRANTS AND U.S.-BORN POPULATIONS, 2015



Source: American Community Survey (ACS), 2015

FIGURE 4: LABOR FORCE PARTICIPATION OF SELECTED IMMIGRANT GROUPS, 2015



Source: American Community Survey (ACS), 2015

It is worth noting that these high labor force participation rates also extend to foreign-born African women. Female African immigrants have a higher labor force participation rate than other female immigrant groups. In 2015, in fact, 69.2 percent of African immigrant women older than age 16 were in the labor force. This compared to 58.6 percent of native-born women and 55.5 percent of immigrant women in the same age group in 2015.

Reham Fagiri is one example of a female African immigrant making a difference in the workforce. Growing up in Khartoum, Sudan, Fagiri, the co-founder and CEO of AptDeco, an online marketplace for buying and selling furniture, closely watched her parents. Her father, a professor of civil engineering, also found time to run a firm designing bridges. Her mother, a professor of environmental studies, worked for the family’s architecture business, too. “So you can see, entrepreneurship has always been big in my family,” Fagiri laughs. “Even as a child, I knew I eventually wanted to start my own business.”

In 2000, at the age of 16, Fagiri left Khartoum to pursue an undergraduate degree in electrical engineering at the University of Maryland. After graduating, she took a job at Goldman Sachs as an engineer and analyst. She loved her job, but she knew what she really wanted to do: “build something from scratch,” she says.

In 2013, Fagiri decided what her entrepreneurial venture would be. She had just graduated from the Wharton School of Business at the University of Pennsylvania and was preparing to move to New York City. “I was trying to sell my furniture on Craigslist and as a single female, it felt unsafe and uncomfortable to have all these random strangers coming to my house,” she says. Talking with classmates, she realized that almost everyone in her graduating class was complaining about the hassle involved with trying to sell furniture. The idea for AptDeco was born. Now the company creates a simple and safe way to buy and sell used and new furniture, by taking care of every step in the process. “Solving a problem everyone faces,” Fagiri says, “is incredibly fulfilling.”

Today, AptDeco features brands including Ikea and Restoration Hardware. It is available in New York City and Washington, D.C., but Fagiri eventually plans to

scale the company globally. “This service is needed in every single metropolitan center in the world – from London, to Dubai, to Johannesburg – so we eventually hope to bring AptDeco to the world,” she says.

## African immigrants are also considerably more likely than the U.S.-born population to hold a graduate degree, with almost **one out of every six** achieving that level of education.

While Reham shows how African immigrants can slot into the workforce and create jobs for others, she also demonstrates another key trait of the African immigrant population in America: Their high average levels of educational attainment. In 2015, 40.0 percent of African immigrants held a bachelor’s degree or higher, while the equivalent figures for the U.S.-born and overall immigrant population were 30.9 percent and 29.7 percent, respectively. African immigrants were also considerably more likely than the native-born population to hold a graduate degree. Almost one out of every six African immigrants had that level of education in 2015, compared to 11.4 percent of natives. (See Figure 5.)

FIGURE 5: EDUCATION ATTAINMENT OF IMMIGRANT GROUPS, 2015

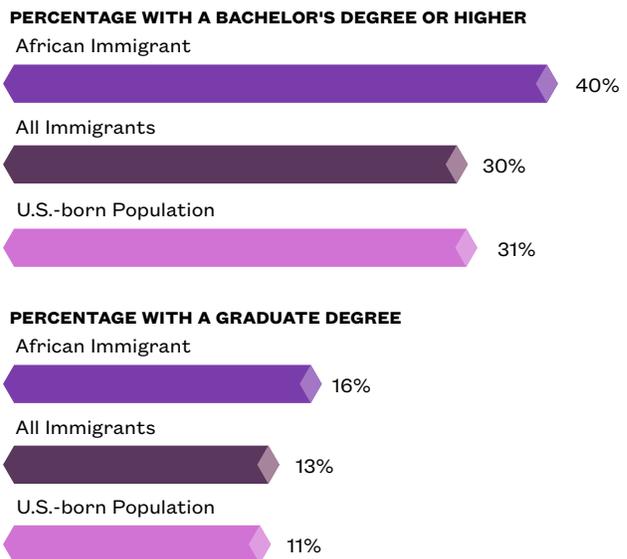


FIGURE 6: SHARE OF SELECTED COLLEGE-EDUCATED POPULATIONS WITH STEM DEGREES, 2015

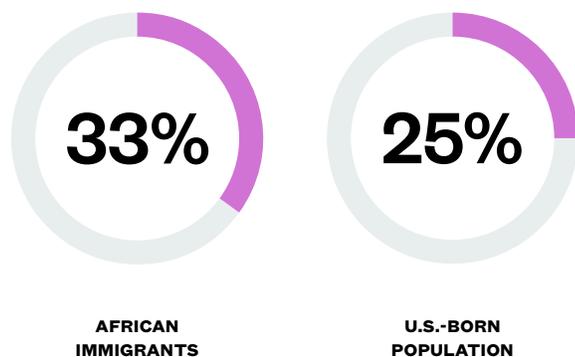
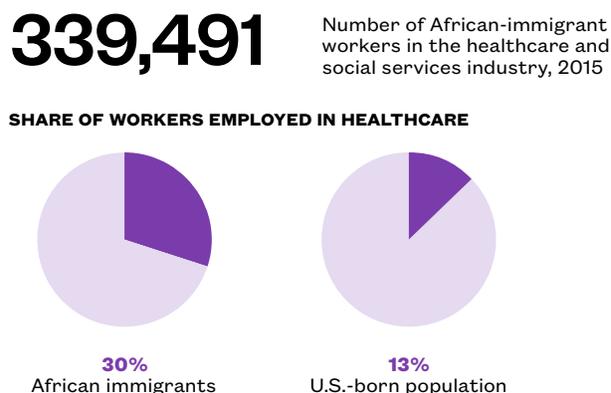


FIGURE 7: AFRICAN IMMIGRANTS ARE MORE THAN TWICE AS LIKELY THAN THE U.S. POPULATION OVERALL TO WORK IN HEALTHCARE



Our work also shows that Sub-Saharan African immigrants with a college degree are also considerably more likely than the broader population to have studied the Science, Technology, Engineering, and Math (or STEM) fields that help U.S. employers remain competitive. More than one in three African immigrants in the country with a college degree, or 33.4 percent, majored in a STEM field. The equivalent figure for the U.S.-born population is 25.2 percent.

These high rates of educational attainment can be explained, in part, by the large share of African immigrants who come to the United States through the diversity visa program. This program – a lottery system whose purpose is to encourage immigration from countries with historically low rates of immigration to the United States – requires all applicants to have at least a high school degree, or a minimum of two years of experience working in a field that requires two or more years of vocational training.<sup>9</sup> Thus, similar to skilled worker visas, the diversity visa program attracts immigrants with relatively high levels of education and valuable skill sets. This includes African immigrants with degrees in STEM fields where employers frequently struggle to find enough qualified workers.

Of course, many African immigrants in the United States exceed these minimum requirements and have much higher levels of educational attainment. Compared to other developed countries such as the United Kingdom and France, the United States benefits from disproportionately high-skilled African immigration. In

2000, for example, the United States was the destination for 59 percent of Nigeria’s high-skilled immigrants and 47 percent of those from Ghana.<sup>10</sup> In addition to their high levels of education, 70 percent of African immigrants arrive in the United States with full fluency in English, a significant advantage on the job market that also helps ease their assimilation into American society.<sup>11</sup>

While African immigrants fill jobs in various sectors of the U.S. economy, the industry that feels the greatest impact from their presence is healthcare. In 2015, almost three out of every 10 employed African immigrants worked in the broader healthcare and social services industry—meaning they were more than twice as likely as the U.S. working population overall to hold jobs in this field. (See Figure 7.) Of this group of African immigrant workers, a significant share, or roughly 24 percent, were working as nursing, psychiatric, and home health aides. Another 19 percent worked as registered nurses, while five percent were physicians or surgeons.

**In 2015, almost three out of 10 employed African immigrants worked in the broader healthcare and social services industry—meaning they were more than twice as likely as the U.S. working population overall to hold jobs in the field.**

The high proportion of African immigrants working in healthcare is significant to the U.S. economy, as it is projected to be one of the fastest-growing industries in the next decade.<sup>12</sup> Healthcare employers also frequently struggle with labor shortages. One recent NAE report found that in 2014, employers advertised 4.4 open healthcare jobs online for every one unemployed American healthcare worker.<sup>13</sup> As the country’s 45.6 million baby boomers age and demand more care, these shortages are likely to become greater.

Given the large share of African immigrants with STEM degrees, it is little surprise that this population is also overrepresented in STEM occupations. In 2015, 6.5 percent of the foreign-born African population – or more than 73,000 workers – held STEM jobs. Although still a small percentage, this meant African immigrants with employment were more likely to hold STEM jobs than U.S.-born workers. This is important, given the shortages the industry has faced in recent years.<sup>14</sup> (See Figure 8.)

African 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 13,000 postsecondary teachers in the United States were African immigrants. That meant that foreign-born African residents with at least a bachelor’s degree were

20 percent more likely to be employed in postsecondary education roles than the high-skilled U.S.-born population. We highlight several other professions that African immigrants gravitate towards at higher rates than similarly skilled natives in Figure 9 on the following page.

For some healthcare occupations, the spread is particularly notable. African immigrants with a high school degree or less, for instance, are roughly six times more likely than similarly skilled natives to take on nursing, psychiatric, or home health aide roles. Among the population with at least a bachelor’s degree, African immigrants are almost three times more likely than the U.S.-born to work as registered nurses.

Finally, a substantial number of African immigrants, or 90,700 people in total, are entrepreneurs, a group that not only fills gaps in the workforce, but also creates opportunities for American workers. Among this group, the transportation industry predominates, with one in four self-employed African immigrants working in either truck transportation or taxi and limousine service. An additional 3,500 self-employed African immigrants work in real estate, and a roughly equal number work in accounting, tax preparation, bookkeeping, and payroll services.

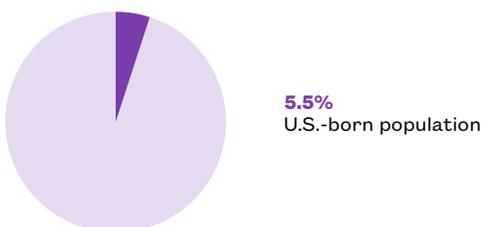
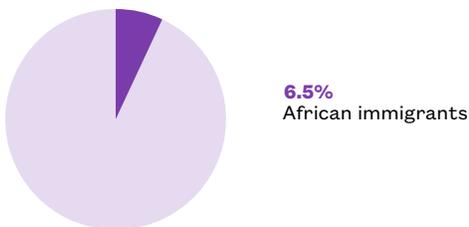
Tashitaa Tufaa, an African immigrant business owner in Minneapolis, knows very well the role that his community plays in the transportation sector. Growing up on a farm in Ethiopia, Tufaa says he and his 13 brothers and sisters often dreamed of the United States. “It was such a powerful country in our minds,” Tufaa says, “a place where people were safe and achieving their dreams.” Achieving one’s dreams is certainly something Tufaa knows a lot about. At the age of 24, he was able to immigrate to America as a political asylee. Today, after years of hard work, a firm he founded in 2003 using his wife’s minivan and a single taxicab has grown to a school bus company generating \$15 million in revenue each year.

Today, after years of hard work, a firm **Ethiopian immigrant Tashitaa Tufaa** founded in 2003 using his wife’s minivan and a single taxicab has grown to a **transportation firm generating \$15M** in revenue per year.

FIGURE 8: AFRICAN IMMIGRANTS IN STEM JOBS, 2015

**73,803** Number of African-Immigrant STEM workers

SHARE OF WORKERS EMPLOYED IN STEM JOBS



**FIGURE 9: SELECTED PROFESSIONS THAT ATTRACT LARGER SHARES OF AFRICAN IMMIGRANTS THAN NATIVES, BY EDUCATION LEVEL, 2015**

**High School Degree or Less**

Occupation	Number of Less-Skilled African Immigrant Workers	Share of Workforce, Less-Skilled Africans	Share of Workforce, Less-Skilled Natives	How Much More Likely are Less-Skilled African Immigrants to Work in Role?
<b>Nursing, Psychiatric, and Home Health Aides</b>	32,502	11.9%	1.9%	<b>6.3x</b>
<b>Maids and Housekeeping Cleaners</b>	16,290	6.0%	1.5%	<b>4x</b>
<b>Taxi Drivers and Chauffeurs</b>	16,930	6.2%	0.3%	<b>20.7x</b>
<b>Personal Care Aides</b>	14,858	5.5%	1.4%	<b>3.9x</b>

**Bachelor’s Degree and Above**

Occupation	Number of High-Skilled African Immigrant Workers	Share of Workforce, High-Skilled Africans	Share of Workforce High-Skilled Natives	How Much More Likely are High-Skilled African Immigrants to Work in Role?
<b>Registered Nurses</b>	46,663	10.3%	3.9%	<b>2.6x</b>
<b>Postsecondary Teachers</b>	13,240	2.9%	2.4%	<b>1.2x</b>
<b>Physicians and Surgeons</b>	15,720	3.5%	1.6%	<b>2.2x</b>

His journey certainly was not always an easy one. When Tufaa arrived in the United States in 1992 as a college-educated immigrant, the only job he could find initially was as a dishwasher—making just \$5.35 per hour. In the decade that followed, he often took on multiple positions at once—putting in long hours as everything from a janitor to a taxi driver. In 2003, however, Tufaa decided to take on a new challenge. That year, Tufaa began a campaign going door-to-door, trying to convince hospitals and schools to let him—and his new, one-person company—transport needy patients or students in his taxicab. “Some people simply laughed at me,” he recalls, “but one person was willing to take a chance.” That person, a school district transportation director, agreed to let Tufaa drive three homeless students to school who did not fit into the school bus schedule. Within three years, Tufaa’s firm, Metropolitan

Transportation Network (MTN), was buying its own school buses— paying for them with cash up-front before vendors learned to take the company seriously.

No one makes that mistake today. Today, Tufaa’s firm is one of the largest bus companies in Minnesota, and it employs roughly 400 people during the school year. Tufaa cites one employee as a source of particular pride: an Iraq War veteran he hired as a mechanic several years ago, even though he did not have much experience. That person today now works as fleet manager, one of the most important jobs at MTN. Tufaa says he knows many other African immigrants want to replicate his example. In recent years, he has mentored other immigrants— some from as far away as Arizona—hoping to start their own transportation firms. “I wanted to pay back this society for all it has given me,” he says, “and I know so many other refugees and immigrants feel the same.”

PART III

# Communities Benefitting from African Immigration

The arrival of a population that is highly educated and willing to fill critical healthcare roles would obviously be good news for many U.S. cities. Having a relatively young population with high levels of education helps metropolitan areas remain competitive and attractive to potential employers. Many rural communities also struggle to find enough doctors to care for their population, despite having an older population with potentially greater healthcare needs.<sup>15</sup>

The geographic distribution of Sub-Saharan African immigrants suggests which communities may have felt their positive economic impact most heavily. Texas is home to the largest number of African immigrants, with almost 12 percent of the total African immigrant population – 206,000 people – living in the Lone Star State. New York, Maryland, and California also are home to more than 130,000 African immigrants each. (See Figure 10.) While these states are home to a large portion of the African immigrant population, it is important to note that this could be changing. All 50 states saw increases in their African immigrant population between 2000 and 2015.

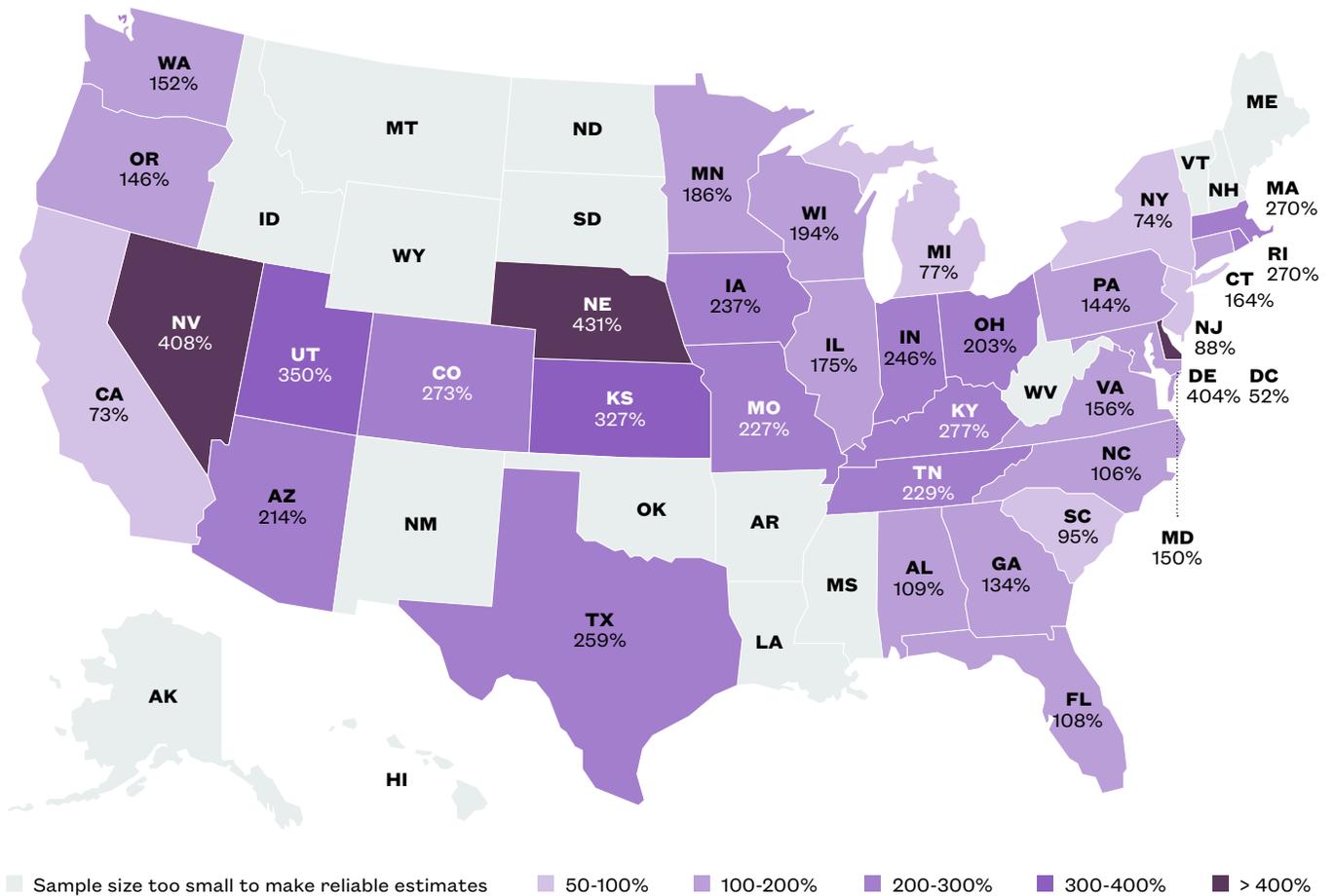
**All 50 states** saw increases in their African immigrant population between 2000 and 2015—a potential boon to their economies given this group’s education level and tax contributions.

Part of the recent shift is due to African immigration being a relatively recent phenomenon. Significant numbers of African immigrants only started to arrive in the United States about three decades ago. And more than 63 percent of the African immigrant population arrived in the United States after 2000. As the map on page 14 shows, in many states, the number of African immigrants more than tripled between 2000 and 2015. This influx is already changing the demographics of the overall foreign-born population in the United States.<sup>16</sup>

**FIGURE 10: TOP 10 STATES WITH THE LARGEST AFRICAN IMMIGRANT POPULATIONS, 2015**

State	Sub-Saharan African Population	Percentage of Total African Population
Texas	206,772	11.8%
New York	150,424	8.6%
Maryland	146,092	8.4%
California	138,654	7.9%
Georgia	95,422	5.5%
Minnesota	93,070	5.3%
Massachusetts	92,008	5.3%
Virginia	83,864	4.8%
New Jersey	67,128	3.8%
Illinois	63,499	3.6%

FIGURE 11: GROWTH IN NUMBER OF SUB-SAHARAN AFRICAN IMMIGRANTS, 2000-2015



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

FIGURE 12: METROPOLITAN AREAS WITH THE LARGEST POPULATIONS OF AFRICAN IMMIGRANT RESIDENTS, 2015

2015 Metropolitan Area	Sub-Saharan African Population	Share of Population
Washington-Arlington-Alexandria, DC-VA-MD-WV	191,149	<b>3.2%</b>
New York-Newark-Jersey City, NY-NJ-PA	183,070	<b>0.9%</b>
Houston-The Woodlands-Sugar Land, TX	91,228	<b>1.4%</b>
Atlanta-Sandy Springs-Roswell, GA	89,328	<b>1.6%</b>
Dallas-Fort Worth-Arlington, TX	85,956	<b>1.2%</b>
Minneapolis-St. Paul-Bloomington, MN-WI	78,106	<b>2.2%</b>
Boston-Cambridge-Newton, MA-NH	69,615	<b>1.4%</b>
Chicago-Naperville-Elgin, IL-IN-WI	56,085	<b>0.6%</b>
Los Angeles-Long Beach-Anaheim, CA	52,630	<b>0.4%</b>
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	48,918	<b>0.8%</b>

The Washington, DC metro area is home to more than **191,000** African immigrants, a group whose entrepreneurship has been credited with helping to revitalize the city.

Drilling down to the metropolitan area level, there are also several communities that appear to benefit from substantial amounts of African immigrant immigration. The Washington, DC metro area is home to more than 191,000 African immigrants, a group that makes up 3.2 percent of the city's population, the largest such share in the country. The entrepreneurship of this population has been credited with reshaping parts of the city, as well as the local culinary scene. In the 1990s, the Shah-U Street neighborhood was largely in decline, having never fully recovered from riots in the late 1960s.<sup>17</sup> Ethiopian immigrants bought up dilapidated buildings, opening coffee shops and ethnic restaurants. Today, the area around "Little Ethiopia," as the restaurant corridor is sometimes called,<sup>18</sup> is one of the most popular neighborhoods for young professionals and diners.<sup>19</sup> Other metropolitan areas with a relatively large share of African immigrant residents include Minneapolis, Atlanta, and Columbus, Ohio. (See Figure 12.)

PART IV

# Beyond Economics— Political Participation

**A**lthough they are hardly the group that receives the most attention, foreign-born voters in recent years have been gaining influence at the ballot box. In 2015, 20 million naturalized immigrants were eligible to vote nationwide. By 2020, that figure is projected to grow to 21.2 million. While African immigrant voters still remain a small part of the overall foreign-born voting population, one thing is clear about this group: The evidence shows that they are one of the most politically engaged immigrant groups in the United States.

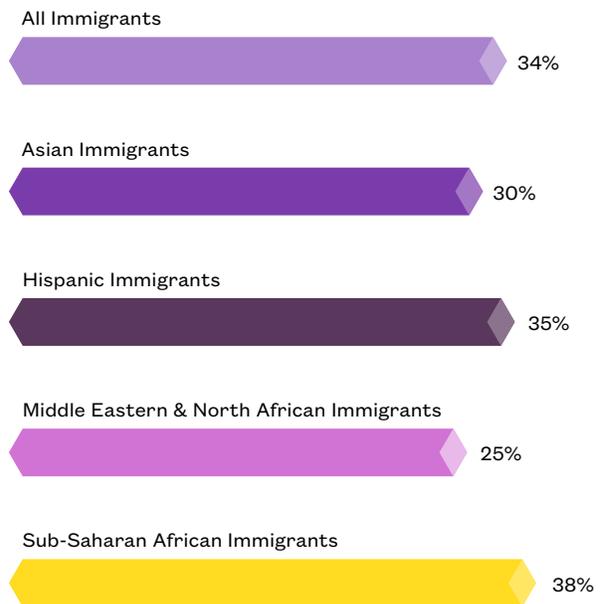
**By 2020, a projected 21.2M naturalized immigrants will be eligible to vote in elections.**

In 2015, 53.2 percent of African immigrants were naturalized U.S. citizens – a figure higher than the naturalization rate of Hispanic immigrants, which was at 35 percent that year. A full 38 percent of eligible African immigrants voted in the 2014 election. This was slightly higher than the equivalent participation rates of immigrants overall, which was at 34 percent that year. It was also higher than the voting rate among either Asian or Hispanic immigrants that year. (See Figure 13.) In fact, the turnout rate of naturalized African immigrants is only slightly lower than that of native-born citizens, who voted at a rate of 43 percent in 2014.

As the African immigrant community continues to expand and put down roots in the United States, their influence and participation in the American political

process and elections is likely to grow accordingly. In cities that have been home to large African populations for decades – namely Minneapolis, Minnesota, and Clarkston, Georgia – African immigrants have run for local government and been elected to city council positions.<sup>20</sup> In 2016, Ilhan Omar won election to a seat in the Minnesota House, making her the country’s first Somali-American legislator.<sup>21n</sup>

**FIGURE 13: VOTING RATE OF SELECTED IMMIGRANT GROUPS, 2014**



Source: Current Population Survey (CPS), 2014

# Conclusion

---

**D**espite its relatively small size, the Sub-Saharan African immigrant population contributes significantly to the U.S. economy. In 2015, immigrants from the region contributed \$14.8 billion in total tax revenue to federal, state, and local governments. They also held \$40.3 billion in spending power, allowing them to exert significant purchasing power in cities from Columbus, Ohio, to Washington, DC. Their outsized role in the healthcare industry also makes them a small, but important, component of our workforce. By 2024, the healthcare industry is projected to add more jobs than any other segment of our economy.<sup>22</sup> Already, there are far too few trained workers to fill such roles, setting the United States up for a caregiver shortage as the baby boomers age.

America's 1.7 million African immigrants are already helping power the U.S. economy, and they are certain to bolster even more businesses and communities in the years to come. Any sound, sensible immigration policy cannot overlook those economic contributions. Nor should policymakers overlook the economic power of America's immigrant population as a whole.

**Any sound, sensible immigration policy cannot overlook the economic contributions of our country's 1.7M African immigrants, who help support our healthcare sector and the tax base.**

# Methodology Appendix

---

The report used the 2015 American Community Survey (ACS) 1-year data from Integrated Public Use Microdata Series (IPUMS) to quantify the tax contributions and spending power of Sub-Saharan African Immigrants.<sup>23</sup> The demographic data across different years are also obtained from ACS 1-year data between 2000 and 2015.

The main population of interest in the report is the Sub-Saharan African immigrant population, defined as the population born in Sub-Saharan Africa, a region that includes all of the continent's countries except for Algeria, Egypt, Libya, Morocco, and Tunisia. Economic contributions of immigrants from these five countries will be included in our Middle East and North Africa (MENA) purchasing power report.

In this report, we defined spending power as the disposable income left over to African immigrant households after subtracting federal, state and local taxes from household incomes. We first aggregated household income by state as well as by income quintile, and then calculated state and local tax contributions based on the tax rates estimated by the Institute on Taxation and Economic Policy.<sup>24</sup> For federal tax contributions, we used the data released along with a report from the Congressional Budget Office in 2015 and calculated the federal tax contributions of each household based on the federal tax bracket that they fell within.<sup>25</sup> After that, we obtained spending power by subtracting federal and state and local tax contributions state by state. A household is defined as an African immigrant household if the head of that household is a Sub-Saharan African immigrant.

Social Security and Medicare contributions are drawn from taxes on an individual's wage earnings.<sup>26</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 estimated Medicare and Social Security contributions based on wage and salary data provided at the individual level in the ACS. For self-employed individuals, we used 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>27</sup> We used a flat tax rate of 12.4 percent to estimate Social Security contributions and 2.9 percent to capture Medicare contributions. This estimates the total amount that immigrants and their employers contributed in 2015.<sup>28</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.

In the political participation section, the voting rate among African immigrants who are eligible voters are calculated from the Voter Supplement in the 2014 Current Population Survey (CPS). Eligible voters are defined as citizens aged 18 or older.

## Voting Estimates

The registration rate among foreign-born AAPI eligible voters is calculated from the Voter Supplement in the Current Population Survey (CPS) for the years 2008, 2010, 2012, and 2014 using the IPUMS database. AAPI eligible voters are defined as AAPI citizens age 18 or older.

We also estimate the number of new AAPI voters who will become eligible to vote in 2020, either by turning 18 or through naturalization, as well as the total number of AAPI voters in 2020. The estimates of newly eligible voters include all AAPI citizens age 12-17 in 2014 (thereby becoming voting age by 2020). Applicable mortality rates of the AAPI population are also applied to the AAPI voters who were already eligible in 2014 to project the number of voters surviving to 2020. In addition, we estimate newly naturalized AAPI citizens using data from the Department of Homeland Security's Yearbook of Immigration Statistics. We make the projections by averaging the total number of new naturalizations for each state for every two-year period between 2007-2014. Estimates of total AAPI voters in 2020 include AAPI citizens age 18 or older in 2014, discounted by AAPI's average mortality rates by age brackets, summed to the pool of newly eligible AAPI voters. We also use the same methodology to estimate the number of foreign-born AAPI eligible voters in 2020.

# Endnotes

---

- 1** Zong, Jie, and Jeanne Batalova. "Sub-Saharan African Immigrants in the United States." Migration Policy Institute. October 30, 2014. Accessed April 05, 2016. <http://www.migrationpolicy.org/article/sub-saharan-african-immigrants-united-states>.
- 2** "Countries and Other Areas." U.S. Department of State. Accessed April 05, 2016. <http://www.state.gov/p/af/ci/>.
- 3** "Reports: The Contributions of New Americans" (Partnership for a New American Economy, August 3, 2016), <http://www.renewoureconomy.org/reports/>.
- 4** See, for example: Partnership for a New American Economy. "New Americans in Toledo." December 08, 2015. <http://www.renewoureconomy.org/research/new-americans-toledo/> and "New Americans in Salt Lake County." March 31, 2016. <http://www.renewoureconomy.org/research/new-americans-salt-lake-county/>
- 5** "America's Largest Private Companies, 2015." Forbes. Accessed April 05, 2016. <http://www.forbes.com/largest-private-companies/list/#tab:rank>.
- 6** Stephen Goss et al., "Effects of Unauthorized Immigration on the Actuarial Status of the Social Security Trust Funds," Actuarial Note (Baltimore, MD: Social Security Administration, Office of the Chief Actuary, April 2013), [https://www.ssa.gov/oact/NOTES/pdf\\_notes/note151.pdf](https://www.ssa.gov/oact/NOTES/pdf_notes/note151.pdf).
- 7** Leah Zallman, "Staying Covered: How Immigrants Have Prolonged the Solvency of One of Medicare's Key Trust Funds and Subsidized Care for U.S. Seniors" (Partnership for a New American Economy, August 2014), <http://www.renewoureconomy.org/wp-content/uploads/2014/08/pnae-medicare-report-august2014.pdf>.
- 8** The labor force includes all individuals above the age of 16, who are working, actively seeking work, and who are not incarcerated or serving in the military. Individuals who are students, receiving disability benefits, retired, or not actively looking for work are not considered to be in the labor force.
- 9** "The Diversity Visa Process." U.S. Department of State, Bureau of Consular Affairs. Accessed Feb 18, 2016. <http://travel.state.gov/content/visas/en/immigrate/diversity-visa/entry.html>.
- 10** Capps et al. "Diverse Streams"
- 11** Ibid.
- 12** "Industry Data: GDP by Industry." U.S. Bureau of Economic Analysis (BEA). April 21, 2016. Accessed June 09, 2016. <http://www.bea.gov/iTable/iTable.cfm?ReqID=51>.
- 13** "Who Will Care for Our Seniors?" (New American Economy, September 2016), [http://www.renewoureconomy.org/wp-content/uploads/2016/09/NAE\\_Seniors\\_V4-.pdf](http://www.renewoureconomy.org/wp-content/uploads/2016/09/NAE_Seniors_V4-.pdf).
- 14** "Not Coming to America: Why the U.S. Is Falling Behind in the Global Race for Talent" (Partnership for a New American Economy and The Partnership for New York City, May 2012), [www.renewoureconomy.org/sites/all/themes/pnae/not-coming-to-america.pdf](http://www.renewoureconomy.org/sites/all/themes/pnae/not-coming-to-america.pdf).
- 15** "Life Support: The Shortage of Physicians in America's Rural Counties and How Foreign-Born Doctors Can Help" (Partnership for a New American Economy, September 2015), <http://www.renewoureconomy.org/wp-content/uploads/2015/09/lifesupport929-1.pdf>.

- 16** Anderson, Monica. "Statistical Portrait of the U.S. Black Immigrant Population." Pew Research Center, Social Demographic Trends. April 09, 2015. Accessed April 03, 2016. <http://www.pewsocial-trends.org/2015/04/09/chapter-1-statistical-portrait-of-the-u-s-black-immigrant-population/>.
- 17** Jenny Holm, "Conflict Cuisines: A History of Ethiopian Food In D.C.," DCist, accessed December 16, 2016, [http://dcist.com/2015/03/dc\\_conflict\\_cuisines\\_ethiopian.php](http://dcist.com/2015/03/dc_conflict_cuisines_ethiopian.php).
- 18** Dena Levitz, "D.C.'s Essential Ethiopian Restaurants," Eater DC, September 16, 2015, <http://dc.eater.com/maps/best-ethiopian-restaurants-dc-map>.
- 19** "Washington, D.C. Travel Guide: U Street Corridor," Fodor's Travel, 2016, <http://www.fodors.com/world/north-america/usa/washington-dc/neighborhoods/u-street-corridor>.
- 20** Rao, Maya. "Warsame to bring rising Somali clout to Minneapolis City Hall," Star Tribune, November 17, 2013. Accessed: April 12, 2016. Jenny Holm, "Conflict Cuisines: A History of Ethiopian Food In D.C.," DCist, accessed December 16, 2016, [http://dcist.com/2015/03/dc\\_conflict\\_cuisines\\_ethiopian.php](http://dcist.com/2015/03/dc_conflict_cuisines_ethiopian.php). and Watts, Ken. "Clarkston celebrates diversity at swearing-in," Cross-Roads News, January 10, 2014. Accessed April 12, 2016. <http://crossroadsnews.com/news/2014/jan/10/clarkston-celebrates-diversity-swearing-/>
- 21** Doualy Xaykaothao, "Omar Wins MN House Seat; Nation's First Somali-American Lawmaker," MPR News, November 8, 2016, <http://www.mprnews.org/story/2016/11/08/first-us-somali-lawmaker-ilhan-omar-elected-mn-house>.
- 22** "Employment Projections: 2014-24 Summary," Bureau of Labor Statistics Economic News Release, 2015, <http://www.bls.gov/news.release/ecopro.nr0.htm>.
- 23** University of Minnesota, "IPUMS-USA," 2014 2005, [www.ipums.org](http://www.ipums.org).
- 24** "Who Pays? 5th Edition," Institute on Taxation & Economic Policy, January 2015, <https://itep.org/whopays/>.
- 25** Congressional Budget Office, "The Distribution of Household Income and Federal Taxes, 2011" 17, no. 4 (November 2014): 695.
- 26** 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).
- 27** Ibid.
- 28** Ibid.

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.

