



# Austin Area Minority Business Project

Evaluation Report  
Year 1

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July, 2018



**HACER**

## About Hispanic Advocacy and Community Empowerment through Research (HACER):

HACER's mission is to provide the Minnesota Latino community with the ability to create and control information about itself to affect critical institutional decision-making and public policy. General support for HACER has been provided by the Minnesota Council of Nonprofits (MCN) and Minnesota-based philanthropic organizations.

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### **We are grateful to all who contributed to the making of this report:**

Thank you to all of those who offered support to complete this report, especially those who were interviewed and HACER staff and interns.

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## BACKGROUND INFORMATION

The Austin Area Minority Business Project (AAMBWP) is a program funded by Bank of America to stimulate entrepreneurship and economic vitality in Austin, MN by reducing legal barriers in immigrant status and business. In doing so, it improves local economic development, empowers underrepresented community members, improves accessibility to social services, and increases civic engagement.

The program is currently being implemented by Immigrant Law Center of Minnesota (ILCM), Development Corporation Of Austin (DCA), and the pro bono team of Ballard Spahr<sup>1</sup>. ILCM assists immigrants by improving or acquiring legal status for individuals and families, DCA supports community and economic development through immigrant business services, addressing common owner and employee issues, and Ballard Spahr provides comprehensive pro bono legal services<sup>2</sup>. For the first semester of the program, Latino Economic Development Center (LEDC) provided the services that are now offered by DCA.

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### EVALUATION QUESTIONS

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The following evaluation report studies the following evaluation questions:

1. **Overall Project** - Who seeks assistance from this project and for what purpose?
2. **Overall Project** - To what extent is the current project strategy sustainable?
3. **Overall Project** - To what extent is the model used in this project replicable in minority populations?
4. **Employment and Entrepreneurship** - How can this project assist in increasing local employment?
5. **Commerce** - To what extent does this project directly or indirectly stimulate the development of local businesses and commerce?
6. **Real Estate** - How does this project affect the efficient use of local real estates?
7. **Public Health** - To what extent does this project make improvements in public health in underrepresented communities?
8. **Civic Engagement** - How does this project help with community integration and engagement in local initiatives and leadership?

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<sup>1</sup> Ballard Spahr and Lindquist & Vennum merged in 2018

<sup>2</sup> Legal services in the areas of employment law, business law, real estate law, and high-need areas of immigration law.



## EVALUATION METHODS

### SCREENING SURVEY

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In late 2017 and early 2018, HACER administered screening surveys to gather information about Austin Area Minority Business Project clients. Included in the survey were questions regarding client demographics, homeownership, health insurance, employment, and entrepreneurship. Responses were aggregated and analyzed in an effort to understand the needs of Austin's immigrant community and evaluate the effectiveness of Austin Area Minority Business Project services. Using this information, HACER concluded how the Austin Area Minority Business Project might be improved to better serve its beneficiaries.

### FOCUS GROUPS

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On May 1st and 2nd, HACER facilitated one business services and three legal services focus groups in Austin, MN to gather information about clients' experience with the Austin Area Minority Business Project. The twelve participants in the legal services focus groups were asked to discuss topics including program experience, short-term and long-term impacts of the program, community relationships, and recommendations for program improvement. The four participants in the business services focus group were asked to discuss the same topics, in addition to business barriers and local supply chains. HACER recorded these focus groups and proceeded to draw conclusions about client needs and the impact of the Austin Area Minority Business Project from the responses.

### PUBLIC RECORDS

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During the development of this evaluation, HACER collected information from public records to compare with the results of the screening survey. The main source consulted was the American Community Survey at [www.factfinder.census.gov](http://www.factfinder.census.gov).



## OVERALL PROJECT

### Who seeks assistance from this project and for what purpose?

In order to determine the profile of the project clients, HACER used information collected from the screening survey.

#### CLIENTS BY SERVICE OFFERED

The AAMBP served 80 clients in total with the following services:

- 64 clients interested in immigration services only
- 6 clients interested in business services only
- 5 clients interested in immigration legal services and business services
- 5 clients didn't specify any service

#### CLIENTS DEMOGRAPHICS BY SERVICE OFFERED

The profile of clients receiving immigration legal services differs from that of clients receiving business services from AAMBP. Below are the dominant variables for demographic characteristics, including age, gender, and race/ethnicity (See Appendix for more detail).

	IMMIGRATION LEGAL SERVICES	BUSINESS SERVICES
Number Clients Served	69 clients	11 clients
Age	33% 25-34 years old	45% 25-34 years old
Gender	55% female	55% male
Race/Ethnicity	67% Asian/Pacific Islander	64% Hispanic/Latino
Years Living in US	30% 1-2 years, 30% 5-10 years	45% more than 10 years
US Status	42% applying for legal permanent residence	55% citizen or legal permanent resident
Highest Level of Education	49% some high school or less	45% high school diploma or equivalent
Household Annual Income	36% \$25,000 to \$49,999	36% \$25,000 to \$49,999

Table 1 Demographic Information by Service Provided

In regards to clients' locations (See Figure 1), the program predominantly serves people who live in Austin (71%). However, it also serves people in Albert Lea (22%), Rochester (3%), Clarks Grove (3%), Winona (1%), and Kellogg (1%).

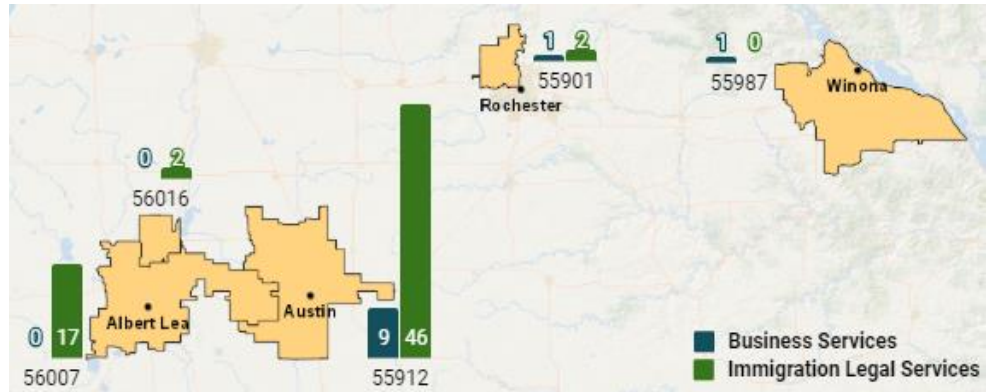


Figure 1 Clients Location

### CLIENTS SOCIOECONOMIC INFORMATION

It is important to analyze socioeconomic variables of the clients served by AAMBP in order to understand their backgrounds and needs, and create strategies that better serves them.

AAMBP serves a diversity of clients who speak 13 different languages and come from 17 different countries. Most clients served by the program speak Karen or Spanish, and come from Burma or Mexico respectively (See Figure 2 and 3).

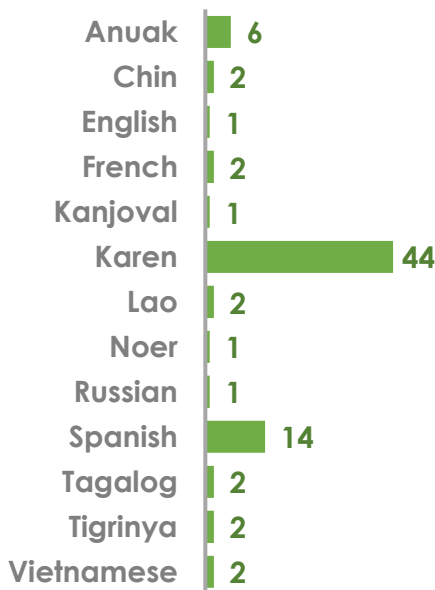


Figure 2 Clients Language

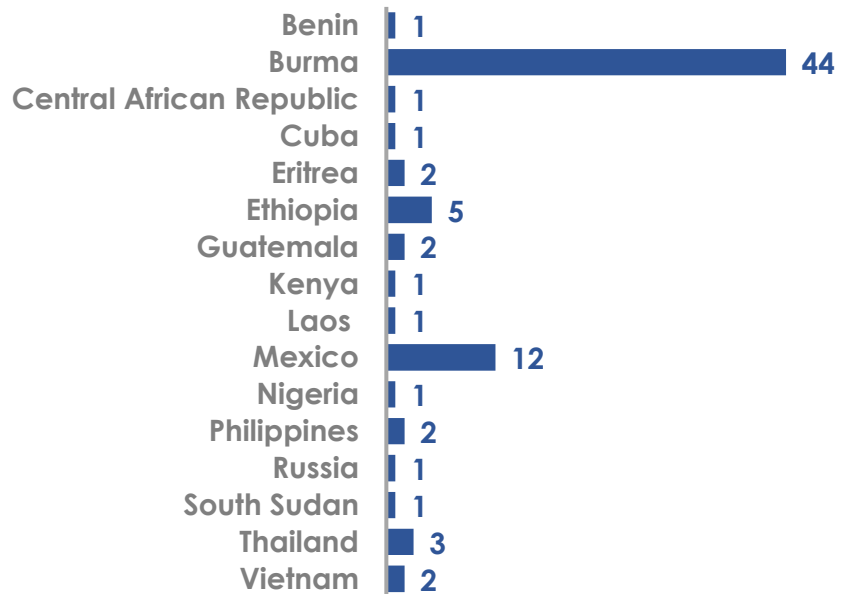


Figure 3 Clients Country of Origin

Regarding English proficiency, 40% of clients reported that they do not speak/understand English fluently (See Figure 4) – most of these clients' native language is Karen (66%) or Spanish (13%) (See Table 2).

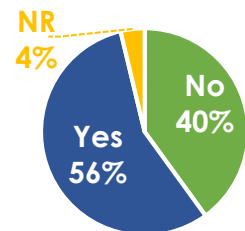


Figure 4 Clients English Proficiency

Anuak	Chin	French	Karen	Spanish	Tagalog	Vietnamese
3%	6%	3%	66%	13%	3%	6%

Table 2 Native Language Distribution of Non-English Fluent Clients

Regarding education, most clients have either some high school education or less (48%) or a high school diploma or equivalent (31%) (See Figure 5). Of those clients that reported having some high school education or less, 42% have some elementary school or less, 21% have some middle school, and 38% have some high school education.

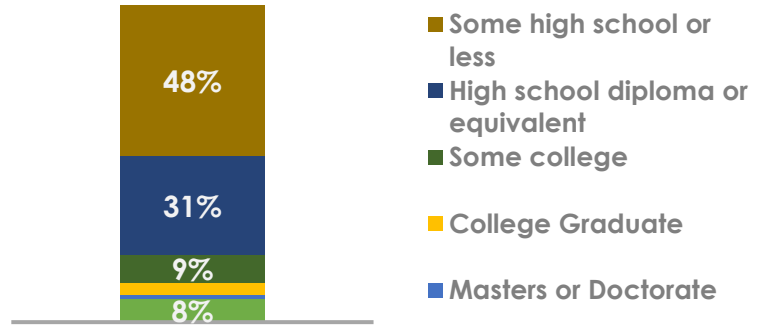


Figure 5 Clients Highest Education Level

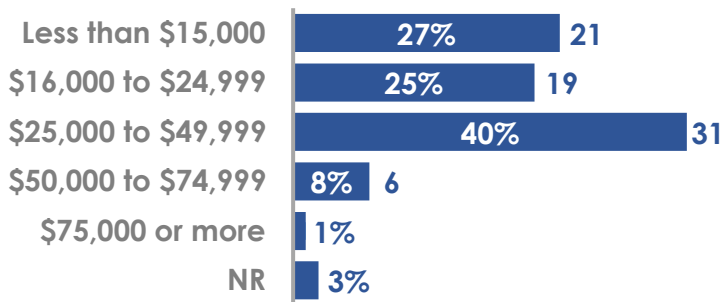


Figure 6 Clients Household Income

Most participants (40%) reported having an annual income between \$25,000 and \$49,999 before taxes (See Figure 6). Comparing the breakdown of minimum education level and household income (see Figure 7), the only clear trend is that as education level increases, the portion of clients with a household income between \$25,000 and \$49,999 increases.

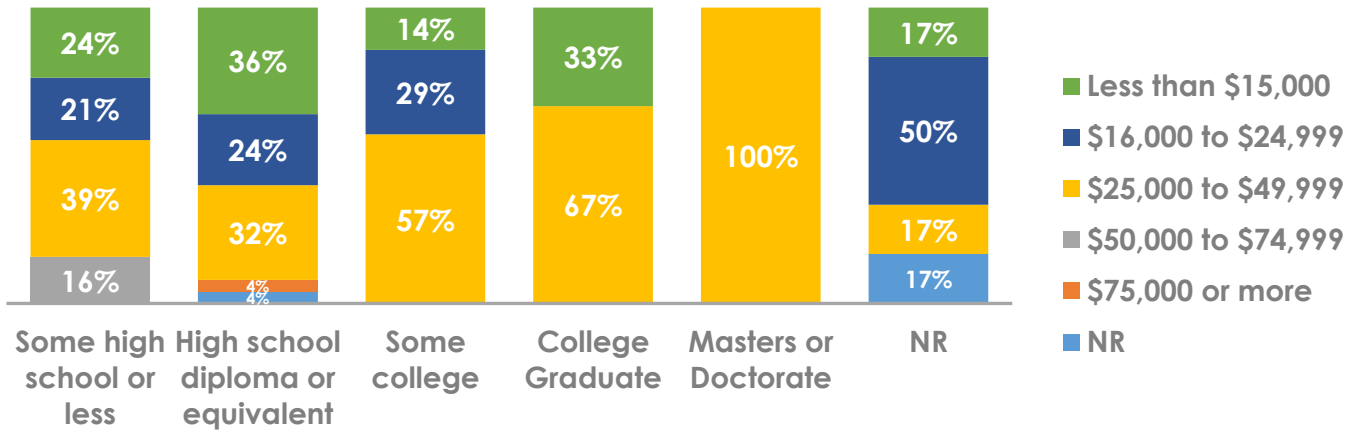
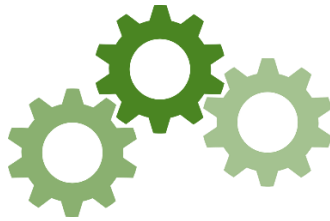


Figure 7 Clients Household Income by Highest Education Level

Other indicators used in this evaluation to identify the socioeconomic status of program participants include possession of a driver's license, bank account, and credit card. Most clients reported that they did not have a driver's license (61%) or a credit card (66%). However, a majority of clients (73%) reported having a bank account.

	Driver's License	Bank Account	Credit Card	% Driver's License	% Bank Account	% Credit Card
No	49	20	48	61%	27%	66%
Yes	31	53	25	39%	73%	34%
<b>Total</b>	<b>80</b>	<b>73</b>	<b>73</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

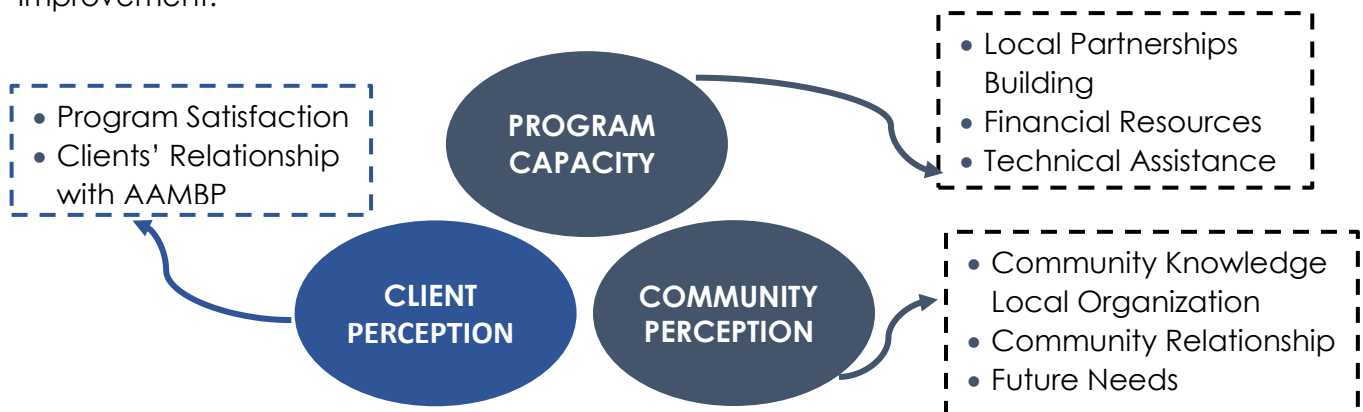
Table 3 Clients Possession of Driver's Licenses, Bank Account and Credit Card



## OVERALL PROJECT

### To what extent is the current project strategy sustainable?

Sustainability can be viewed through different lenses. For AAMBP, this evaluation considered three fundamental aspects to evaluate if the project strategy is sustainable: program capacity, client perception, and community perception. For the first year of the program, the client perception component was evaluated through focus groups conducted by HACER with program participants – the other two components will be evaluated at the end of the program. Understanding clients' perception informs the program's assets and opportunities for improvement.



### CLIENTS PERCEPTION

Through focus group conducted with current and former AAMBP clients, HACER identified clients' perception of the immigration legal services and business services they received from the program.

#### IMMIGRATION LEGAL SERVICES

Overall, focus group participants reported positive experiences with the legal services they received from AAMBP. They described staff members as friendly and welcoming people who communicate effectively and actively solve their problems; this includes clearly explaining application processes, answering questions, and clarifying document language. One participant stated, "Every question, everything we want to know, they were able to explain it well." As a result, focus group participants are highly satisfied with the legal services provided by AAMBP.



## **BUSINESS SERVICES**

Focus group participants also reported positive experiences with the business services they received from AAMBP. They described interactions with DCA staff as comfortable and satisfying. Additionally, they appreciated staff members' support and flexibility in terms of scheduling and identifying business needs and potential resources. One participant mentioned, "The staff helping us is there to support us and resolve any doubts that we might have. [The staff] is flexible in regards to our schedule and in the way [they] approach us."

In addition to these positive program experiences, however, focus group participants highlighted several problems, especially with LEDC, the organization previously responsible for providing business services in partnership with AAMBP. Problems with LEDC included ineffective communication and lack of accountability, due in part to inaccuracies in information provided to clients. One participant recalled, "[LEDC] will give me an appointment, and when I arrived the office was closed." Some information was also not provided to clients at all, such as the process to obtain business certifications. Another participant explained, "I had to take an exam to obtain the certification for my business, but when I took it I didn't know how to answer."



## OVERALL PROJECT

### To what extent is the model used in this project replicable in minority populations?

To determine the replicability of the AAMBP in other minority populations, this evaluation analyzes three components: program success in minority communities, cultural relevance, and program impact.



### PROGRAM SUCCESS

In order to determine program success, this evaluation considers three indicators: number of businesses created, number of changes in immigration status, and number of participants retained.

According to information provided by DCA, 1 of the 11 clients served has started a business, and the program is currently serving 7 clients seeking business-related services. It is important to consider that the clients currently being served need time to comply with the requirements to open their business.

Regarding clients' immigration status, ILCM reported that 25 clients have achieved a change in their immigration status, 2 clients did not achieve a change of status, and 40 clients have unresolved cases<sup>3</sup>. Case duration depends on each client and the immigration status they want to achieve. Citizenship cases take an average of 14 months or more, family-based residency cases take 10-12 months, refugee cases take 4 months, and DACA renewal cases can take less than a month to resolve.

<sup>3</sup> ILCM reported only on 67 clients.

## CULTURAL APPROPRIATENESS

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Participants reported that program staff and interpreters effectively reduced language barriers by offering explanations and guidance in their native language. For example, one participant noted, "My mom doesn't really understand English that much, but she can pick up a few words, [but the lawyer helping us] talked slow so my mom could understand and so she would be comfortable." Other participants reported having a language barrier that makes them feel insecure, especially when trying to understand business-related terminology.

## PROGRAM IMPACT

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Focus group participants were asked to discuss short-term and long-term impacts of the services provided by AAMBP. HACER recorded and analyzed participant responses in order to conclude how the immigration legal services and business services impacted their lives.

### IMMIGRATION LEGAL SERVICES

Overall, focus group participants reported that ILCM provided them with a better understanding of the process to change their immigration status and offered thorough support with applications. In the short-term, clients better understood their applications and unfamiliar vocabulary. Participating in AAMBP helped them feel more comfortable and confident with the process, encouraging perseverance to continue working towards their goals.

In the long-term, focus group participants expressed desire to help their families and other community members obtain their legal permanent residence or citizenship. One participant explained how applying for citizenship would allow them to get a job and pay for green card renewals for other family members. Others maintained that AAMBP services can help them get a job and stabilize their lives. Additionally, many focus group participants showed interest in learning English to expand future opportunities, and noted that AAMBP has been helpful in referring them to language schools.

### BUSINESS SERVICES

Clients receiving business services from DCA through AAMBP now believe that they have the security, confidence, and courage to ask for help. The largest benefits focus group participants have experienced are increased understanding of the process to create a business and more knowledge about different aspects of owning a business. One participant explained, "When I talk with [DCA staff], I feel confident that I can succeed. I just have to be focused and achieve my goals step-by-step." Clients also reported that DCA staff frequently offers ideas and solutions to address the challenges they face, and treats them in a friendly and respectful manner.

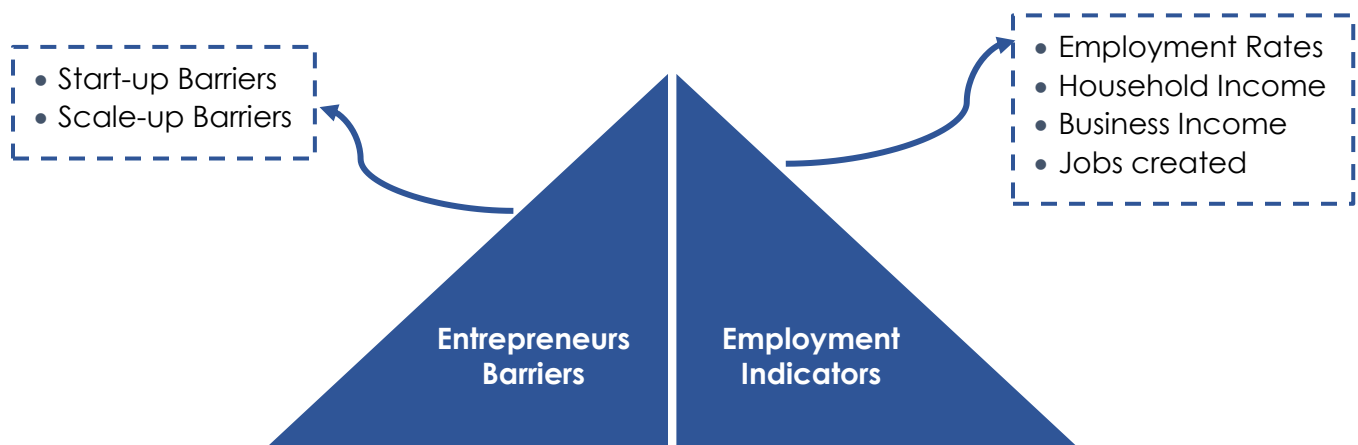
In the long-term, focus group participants believe that receiving services from AAMBP will allow them to achieve more stability. One participant stated, "I believe that we could achieve our businesses stability and have [our business] well-placed because we have the support of the program." DCA encourages them to be patient, keep working hard, and put all of their efforts into their business. Eventually, program participants want their businesses to be well-established and profitable with a strong clientele.



## EMPLOYMENT & ENTREPRENEURSHIP

### How can this project assist in increasing local employment?

To determine how AAMBP can support local employment, this evaluation explores the barriers that entrepreneurs have to start and scale-up their businesses. It also measures local employment indicators to provide more context for each of the areas served by the program.



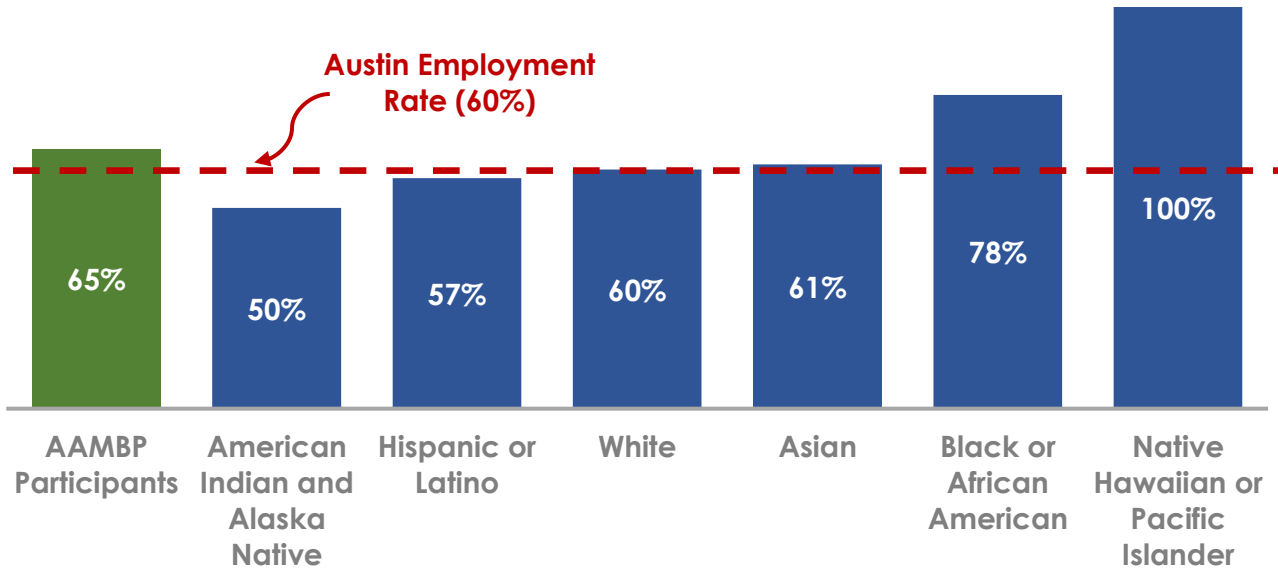
### SCALE-UP AND START-UP BARRIERS

Some of the challenges that clients perceive to start-up their business are the regulations, licenses, and certifications required to do so. A focus group participant recalled applying for a business license and being rejected without receiving any feedback for adjustments to make to his application before reapplying. "I never got an explanation of what I was doing wrong or why the license was denied."

Additional barriers raised by focus group participants were economic in nature. One participant explained, "We have tried to request a loan, but it is not easy. As we don't have a social security, we don't get loans." Another client interviewed described initially creating a business as challenging because money for the business was spent out of his own pocket.

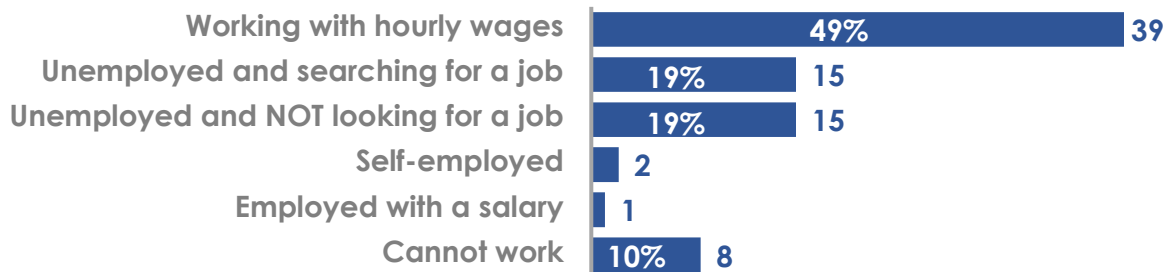
## EMPLOYMENT STATISTICS

The average employment rate in Austin is 60%<sup>4</sup>; a racial/ethnic breakdown<sup>5</sup> of this indicator shows that the American Indian and Hispanic populations in Austin have employment rates below the average. Meanwhile, the Black and Native Hawaiian populations have employment rates above the average, and the White and Asian populations have employment rates very close to the average (See Figure 8). According to the screening survey, the employment rate for AAMBP clients is 65%.



*Figure 8 Austin Employment Rate by Race*

Though AAMBP clients have an employment rate above the average in Austin, it is also important to consider the type of employment they have. Most clients served by AAMBP are working for hourly wages, while only one of the eighty participants is employed with a fixed salary (See Figure 9).



*Figure 9 Clients Employment Status*

<sup>4</sup> Weighted average of Employment/Population Ratio by race

<sup>5</sup> 2016 American Community Survey (factfinder.census.gov)

Regarding household income, the American Community Survey reports an annual average of \$42,268<sup>6</sup> in Austin, MN. Racial/ethnic breakdowns<sup>7</sup> for this indicator only report information about Hispanic, White, and Asian populations. Hispanic and White populations both have household incomes below average in Austin, but Hispanics have the lowest household income of all racial/ethnic groups identified in this evaluation (see Figure 10). In terms of AAMBP clients, survey responses indicate that 52% of them have a household income below \$24,999 and 40% between \$25,000 and \$49,999 (Figure 6, Page 6).

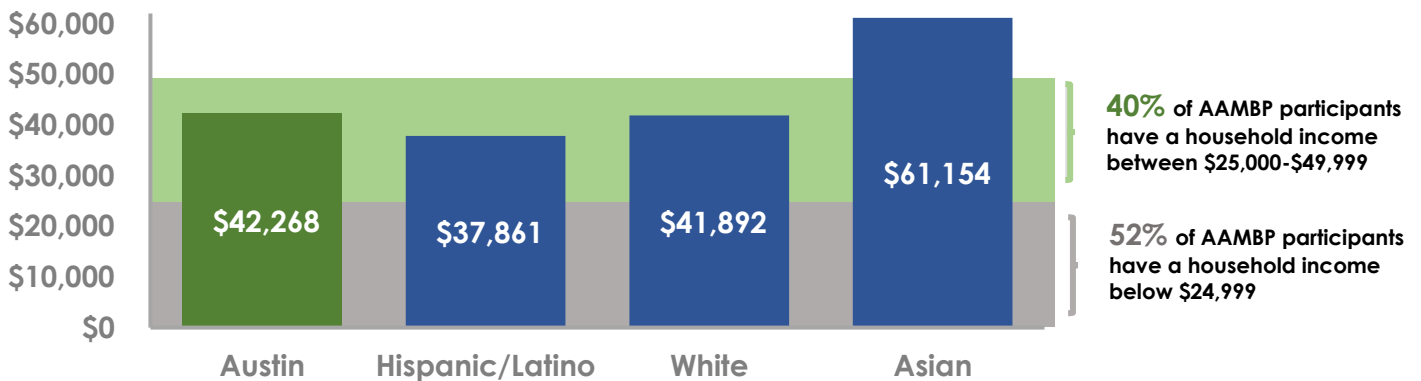


Figure 10 Clients Household Income vs Austin Household Income by Race

Four clients seeking business services from AAMBP reported that their business income is less than \$25,000 annually, and other business services clients didn't report any figure on the screening survey. In addition, DCA noted that only 1 business of the 11 served by the program has created more than one job thus far.

<sup>6</sup> 2015 American Community Survey (factfinder.census.gov)

<sup>7</sup> Ibid.



## COMMERCE

### **To what extent does this project directly or indirectly stimulate the development of local businesses and commerce?**

This evaluation measures the development of local business and commerce by analyzing indicators with information about the business outcomes that AAMBP clients achieve. Such indicators include:

- Number of businesses started
- Number of business retained
- Number of business sold
- Dollars invested in the community
- Create and Support of local supply chains

This evaluation discusses businesses started and dollars invested in the community, while the final AAMBP evaluation will consider the number of business retained and number of businesses sold. Moreover, it wasn't possible to identify the creation or support of local support chains, as this will be more evident at the end of the program.

According to information provided by DCA, only one program participant has created a business so far. Two clients also made capital investments of \$125,000<sup>8</sup> to either support the growth of their current business or secure a venue for their future business.

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<sup>8</sup> One client invested \$75,000 and other \$50,000



## REAL ESTATE

### How does this project affect the use of local real estates?

This evaluation considers four indicators to measure how the project influences the use of local real estate: participants' homeownership rates, number of relocations, reasons for relocations, and commercial lease initiation.

The screening survey asked AAMBP participants if they owned a home, and only 26% of them responded "Yes" (see Figure 11). Considering that 66.3% of occupied housing units in Austin were owner-occupied and 33.7% were renter-occupied in 2016, AAMBP participants are 2.5 times less likely to own a home than the average Austin population.

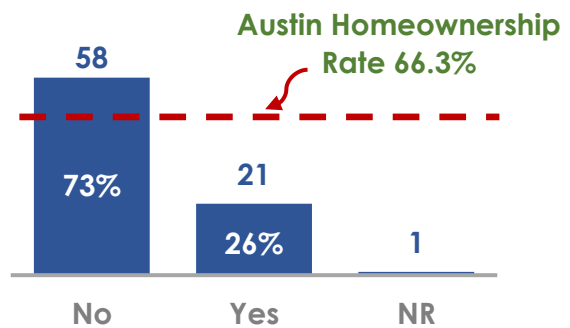


Figure 11 Clients Homeownership Rate vs Austin Homeownership Rate

Participants were also asked how many times they moved in the last year, and 53% responded that they hadn't moved. However, 34% of clients reported moving 1-2 times, and 11% reported moving 3 or more times in the last year (See Figure 12). The most popular reason for relocation was a change of job (42%), but 19% of those who moved did so due to a change in household size, and 8% did so because they couldn't afford the rent (see Figure 13). Everyone else reported "Other," and most described their reason for relocation as a desire to live closer to family. Clients explained, "My mother lives in MN; I want the family together," and "I moved to reunite with my family." Other reasons given for moving include marriage, building a business, and release from custody.

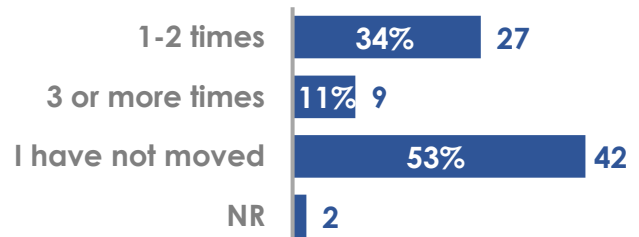


Figure 12 Number of Moving Times

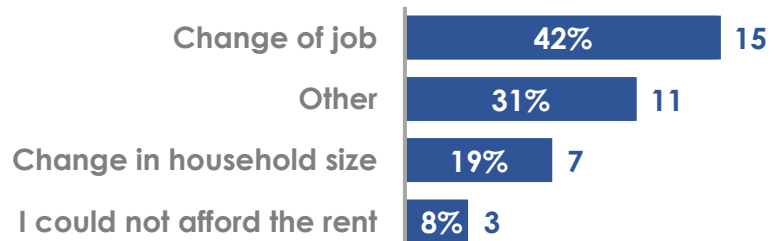


Figure 13 Reasons for Moving

Regarding commercial leases, DCA reported that two clients have initiated a commercial lease for their business.





## PUBLIC HEALTH

### To what extent does this project make improvements in public health in underrepresented communities?

This evaluation considers three indicators to measure how the program can make improvements in health access for the minority populations served: insurance status, insurance obstacles, and accessibility to health services information.

In the screening survey, 84% of AAMBP clients reported having health insurance. However, 91.3% of the civilian noninstitutionalized population<sup>9</sup> in Austin has health insurance and 8.7% does not<sup>10</sup> (see Figure 15), meaning AAMBP clients are below the average rates of coverage. Only 26% of the participants with insurance reported acquiring it through their job; other sources of health insurance coverage that participants reported include MNsure (24%), MNcare (18%), Ucare (6%), private health plan (5%), and other (1%) (See Figure 14).

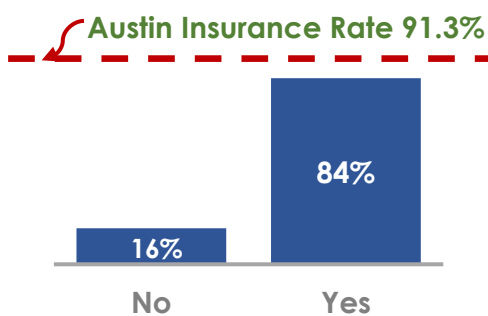


Figure 15 Clients Insurance Rate vs Austin Insurance Rate

Roughly half of people who reported not having insurance explained that a large obstacle is cost, and others found insurance confusing or could not get approved due to their immigration status.

Finally, most participants (86%) stated in the screening survey that it was easy for them to find information about health services in the community (See Figure 16).

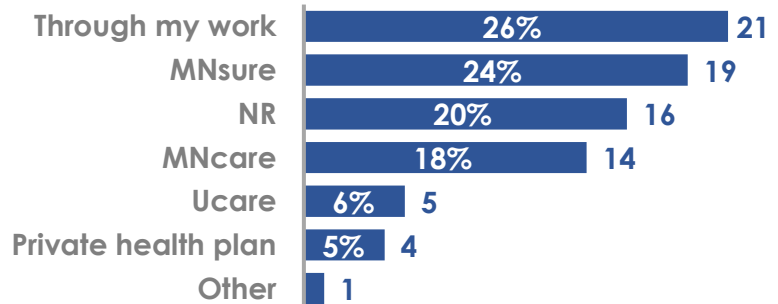


Figure 14 Means of Insurance Access

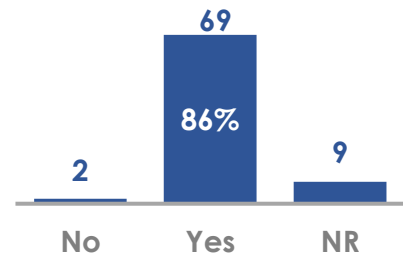


Figure 16 Is it easy for you to find information related to health in your community?

<sup>9</sup> "People 16 years of age and older residing in the United States who are not inmates of institutions (penal, mental facilities, homes for the aged), and who are not on active duty in the Armed Forces". (BLS Information. Glossary. U.S. Bureau of Labor Statistics Division of Information Services. February 28, 2008. Retrieved 2009-05-05.)

<sup>10</sup> U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates



## **CIVIC ENGAGEMENT**

### **How does this project help with community integration and engagement in local initiatives and leadership?**

In order to determine how AAMBP supports civic engagement in the community, participants were asked about their bonds with the community, their engagement in local initiatives, and the leadership roles they have held. Immigration legal services clients and business services clients were questioned separately.

#### **IMMIGRATION LEGAL SERVICES**

Among the legal focus group participants, community participation is not very high, and many who do participate usually do so through church or other cultural events. Most participants feel that their role in the community is to help and support others. One participant mentioned, "Part of our role is to let the newcomer know where they can find help." Participants have an overwhelmingly positive perception of sharing information learned through ILCM with other community members, and many refer friends and family who also need help. Another participant explained, "So when we go back to the community, we tell friends or family members, and other community members that we can get help [at ILCM] and we give them [the] phone number or address."

#### **BUSINESS SERVICES**

Participants in the business services focus groups also reported that their overall community participation is low; only a few of them attend community events, such as seminars or trainings. Clients said the biggest barriers to attend events were lack of availability and limited information about them. Participants also reported that they usually get informed about community events at their church.

The perception of sharing information learned through DCA with other community members is largely positive, and many refer others who express interest in opening a business. One participant mentioned, "I will mainly invite friends that want to open a business and give [them] DCA number." They also found that the best method of sharing information is word of mouth. Another participant raised, "I think that word of mouth is much easier for me. When people tell me about their project, I tell them what I have learned with DCA as well." However, AAMBP clients suggested that people can sometimes be reluctant to help each other or share information in the Latino community due to envy or jealousy.



## RECOMMENDATIONS

Finally, focus group participants were asked to provide recommendations for how AAMBP can better serve them. Immigration legal services clients and business services clients were questioned separately.

### **IMMIGRATION LEGAL SERVICES**

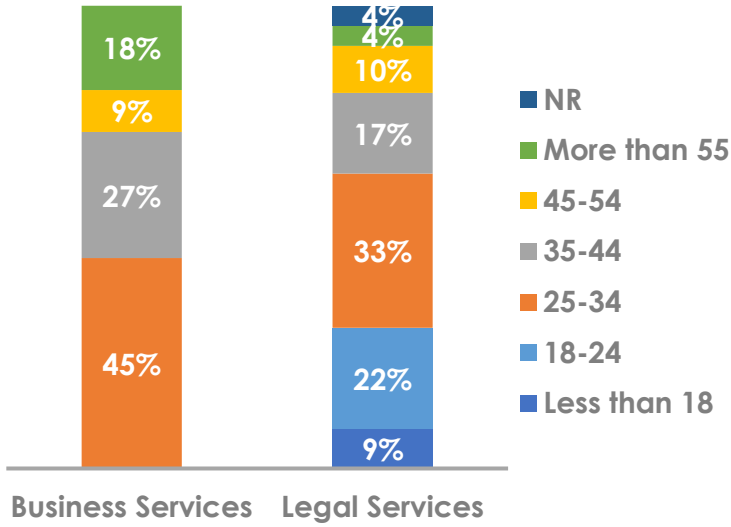
Many focus group participants said that they had no suggestions or recommendations for the legal services provided by the AAMBP, reporting general satisfaction. Those that did have recommendations highlighted a need for more interpreters or multi-lingual staff to help clients with low English proficiency. One participant also suggested having community workshops for immigrants in Austin in order to discuss immigrant needs and share ideas.

### **BUSINESS SERVICES**

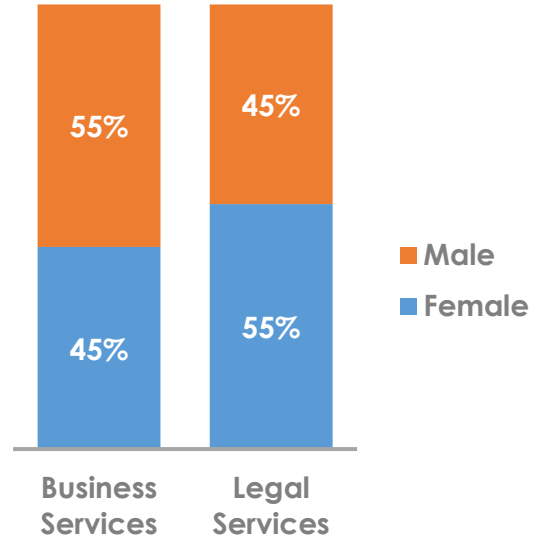
Some focus group participants recommended that DCA have more meetings and events so as to engage more people in the community, along with more time to talk with DCA staff to get help and learn about the program. They proposed networking events, financial education, and financial assistance as potential ways to meet other entrepreneurs and learn more about creating a business. One participant also suggested that the program could be more heavily publicized to attract more people in the community. Others went on to say they get much of their information from their social networks, which could help AAMBP and DCA understand how to successfully do more outreach.

# APPENDIX

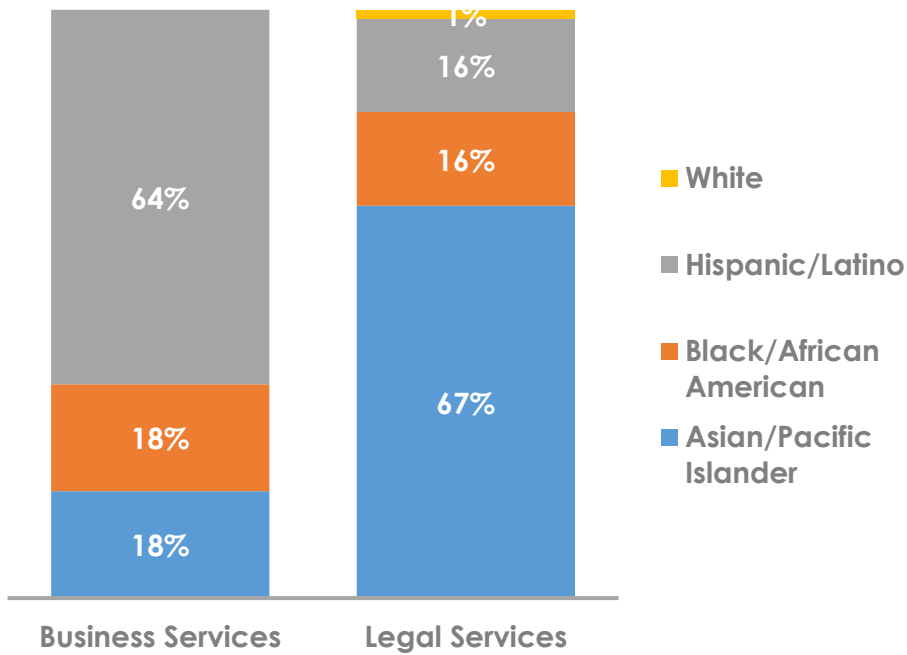
Services Used by Age Breakdown



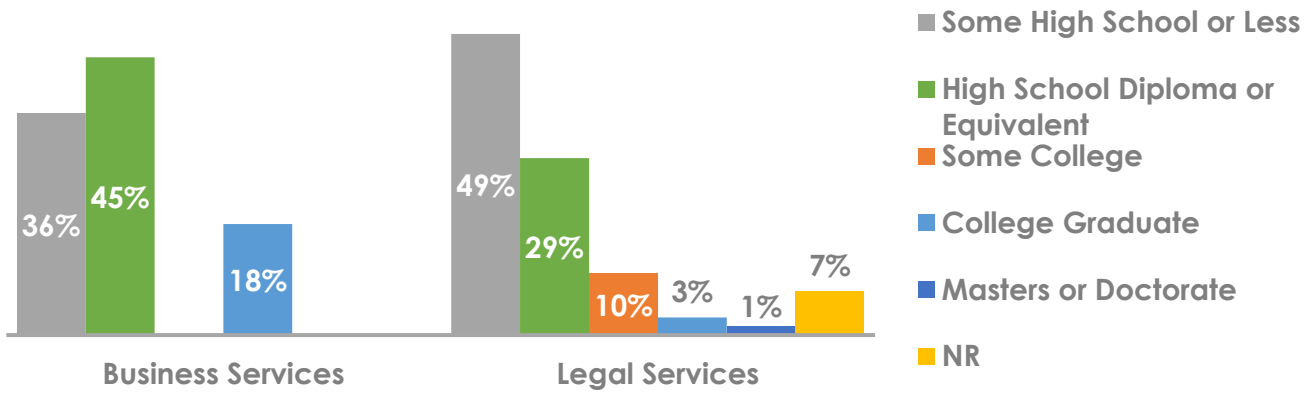
Services Used by Gender Breakdown



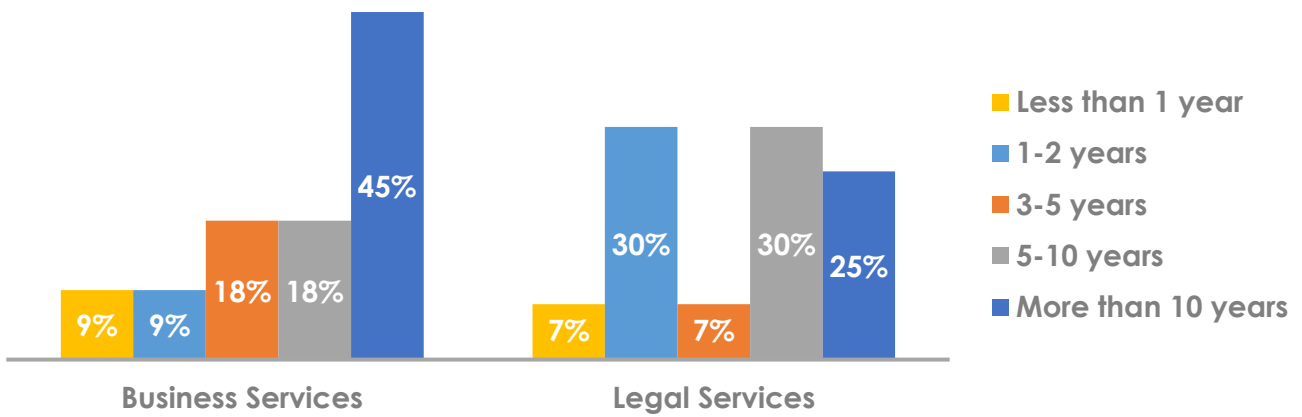
Services Used by Race/Ethnicity Breakdown



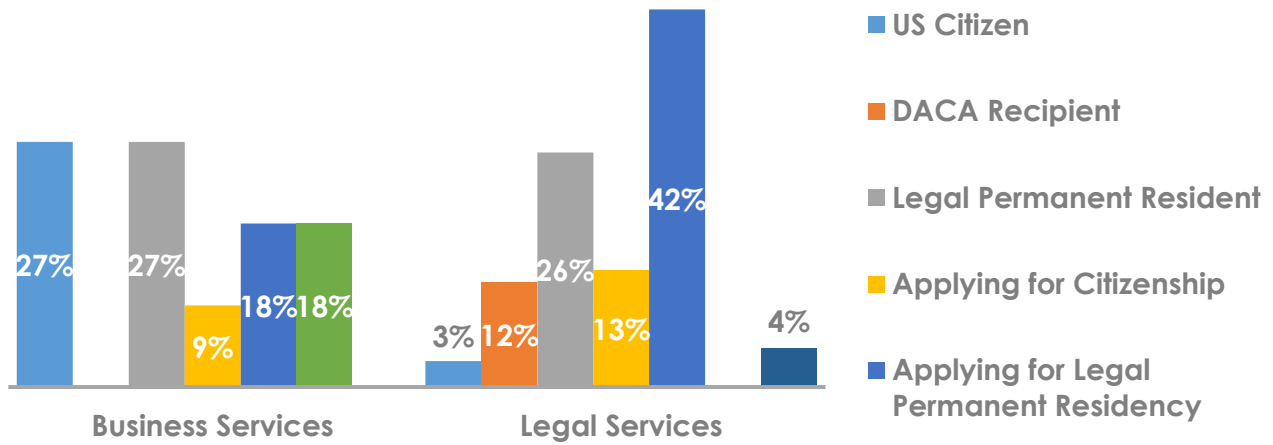
### Services Used by Education Level



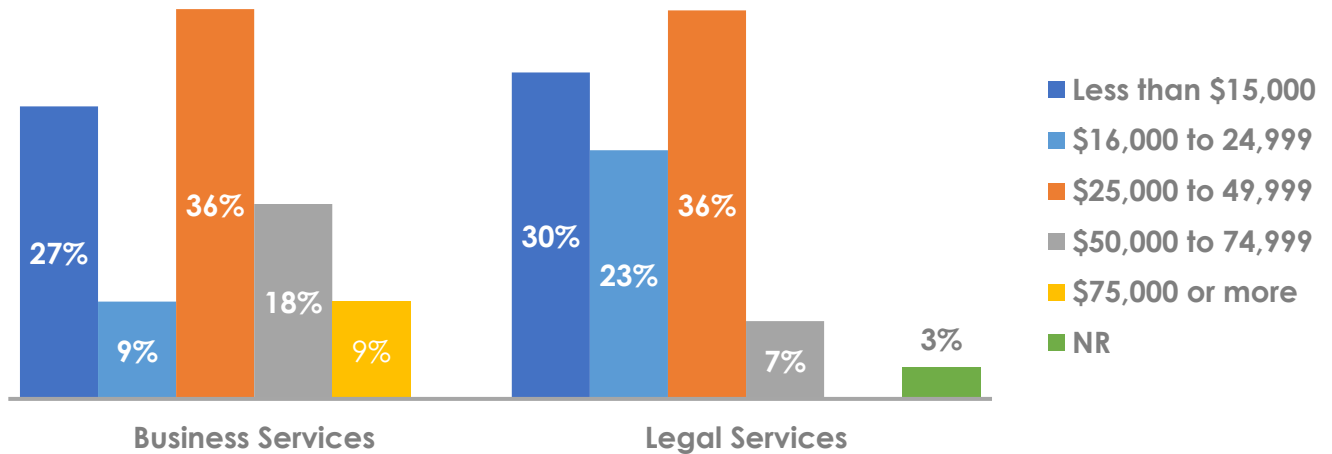
### Services Used by Years Living in US



### Services Used by Immigration Status<sup>11, 12</sup>



### Services Used by Annual Household Income



<sup>11</sup> 16 surveyees in the category "I am applying for legal permanent residency" took an older survey in which the classification was "I have a Green Card/ I am going to request a Green Card."

<sup>12</sup> 4 surveyees in the category "I am a DACA recipient" took an older survey in which the classification was "I have DACA/DAPA/ I am going to request a DACA/DAPA."