



2025 MINNESOTA JOINT DISPARITY STUDY Task 2.7 Group Definitions Report

Prepared for:

Minnesota Department of Administration
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Saint Paul MN 55155

In association with:

Minnesota Department of Transportation, Minnesota State Colleges and Universities, University of Minnesota, Metropolitan Airports Commission, Metropolitan Council, Mosquito Control District, Hennepin County, Ramsey County, City of Bloomington, City of Brooklyn Park, City of Minneapolis, City of Rochester, City of Saint Paul, Hennepin Healthcare System and Saint Paul Public Schools

Final Report
June 2025

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TASK 2.7 GROUP DEFINITIONS. Summary Report — Executive Summary

To plan the next tasks in the 2025 Minnesota Joint Disparity Study, Keen Independent Research (Keen Independent) examined the basis for the racial, gender and other groups included, whether definitions should be refined, and whether any new groups should be added. Keen Independent performed a literature review, analyzed Census Bureau data and interviewed local experts. This work was performed from June through August 2024. Without such a review, the groups in the 2025 Study would be largely the same as in the 2017 Minnesota Joint Disparity Study. Due to limits of data, only race and gender groups are included in the full utilization, availability and disparity analyses.

The Summary Report presents overall results. Nine appendices provide additional technical information by group.

Results of this research indicate:

- All groups in the 2017 Study be included in the 2025 Study;
- Definitions and names for certain racial groups be refined;
- Analysis of persons with substantial disabilities be expanded to persons with disabilities in general;
- Analysis of veterans be expanded to include a sub-analysis for service-disabled veterans (based on USDOT certification);
- LGBTQ+-owned businesses be added to the study in a limited form (ownership based on LGBTQ+ certification); and
- Analysis of people from the Middle East and North Africa be added to a future study once there are sufficient data.

1. Results of Keen Independent review of group inclusion for 2025 Minnesota Joint Disparity Study

Groups in 2017 Study	Support for continued inclusion	Groups in 2025 Study
Racial groups		
African Americans	Yes	Black Americans
Asian Americans	Yes	Asian-Pacific American* South Asian Americans
Hispanic Americans	Yes	Hispanic Americans
Native Americans	Yes	American Indians
	New	Middle Easterners and North Africans (not 2025 but in future study)
Gender group		
Women	Yes	Women
Other groups (not included in full disparity analyses)		
Persons with a substantial physical disability	Yes	Persons with a disability
Veterans	Some	Veterans
	New	Service-disabled veterans
	New	Members of LGBTQ+ community

* Includes Central, East and Southeast Asian Americans and Native Hawaiians and Pacific Islanders

TASK 2.7 GROUP DEFINITIONS. Summary Report — Introduction

Task Background

In spring 2024, the Minnesota Department of Administration (“Admin”) and Keen Independent discussed adding a demographic research task to Phase 2 of the 2025 Minnesota Joint Disparity Study. For this task, the study team would consider which groups of business owners to include in the Phase 2 research tasks and how those groups might be defined. Such a review would allow Admin and participating entities to examine reasons for inclusion of additional groups, not including a group, refinement of definitions of groups and disaggregation of a group into subgroups.

A major goal of this research was to identify groups in Minnesota that might be likely to experience discrimination and explore the nature of that discrimination.

Timeline. In June 2024, Admin issued a contract amendment approving this expansion of Task 2.7 Marketplace Analysis in the 2025 Study scope of work. Keen Independent began this subtask in June and completed a draft preliminary report in August 2024.

Methods. Keen Independent compiled and reviewed related reports, Census and other data, and other information to complete this report. Keen Independent also interviewed local experts who we identified through online research and referrals.

Based on this information, Keen Independent assessed (a) whether there is evidence of discrimination against groups of individuals based on their immutable personal characteristics as it pertains to business creation and success in Minnesota, (b) available data sources for businesses for each group, and (c) how groups might be defined.

Report Content

This Summary Report and its supporting appendices are the product of this preliminary research. The Summary Reports considers (a) refinement of the definitions of groups currently in the scope of the study (and possibly subcategories of groups) and (b) any additions to the groups currently included in the scope of the study.

This review considered what might be possible given available data and whether the changes or additions would add to the overall comprehensiveness and strength of the study given the standards of legal review likely to be applied to any refined or additional groups.

Note that this analysis of inclusion does not mean that any groups of business owners would be excluded from the analyses in the 2025 Study. Rather, those businesses might just be grouped as “majority-owned” or a group of business owners included in a total for a particular analysis. Any group for which results are not specifically examined and reported would still be in the overall data.

Details and supporting evidence for each group are included in the appendices to this summary report.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Should 2017 groups be in 2025 Study?

The 2017 Study examined the utilization of different groups in the contracts of each of the nine entities participating in that study and compared those results with what might have been expected from the analysis of firm availability for those contracts (disparity analyses). Keen Independent also examined quantitative and qualitative information for each group in the Minnesota (or Twin Cities metro area) marketplace. Such information was relevant to determining whether there was evidence consistent with race or gender discrimination against a particular group of businesses.

Those groups included in the full disparity analyses described above were:

- African American-owned firms;
- Asian American-owned firms;
- Hispanic American-owned firms;
- Native American-owned firms; and
- White woman-owned firms.

In addition, Keen Independent examined whether there was evidence of discrimination for two other groups of business owners in the Minnesota (or Twin Cities metro area) marketplace:

- Businesses owned by persons with a substantial physical disability; and
- Businesses owned by veterans.

Conclusions

Minority-owned businesses. Keen Independent concludes that there is evidence of racial discrimination supporting continued inclusion of each of the groups of minority-owned businesses examined in the 2017 Study (African American-, Asian American-, Hispanic American- and Native American-owned firms). Each of these groups was included in the full disparity analyses in the 2017 Study and can be included in those same

types of analyses in the 2025 Study. Certain naming conventions have changed, including using “Black Americans” rather than “African Americans” (no change in meaning).

Keen Independent separately examined definitions of each of these groups as well as whether additional racial groups should and could be included. Results of these analyses are discussed in the following pages.

White woman-owned firms. Keen Independent concludes that there is evidence of gender discrimination supporting continued inclusion of white woman-owned firms (and for some analyses, woman-owned firms in general) in the 2025 Study.

Keen Independent identified no issues concerning definitions of white woman-owned companies that had to be examined in Task 2.7.

Businesses owned by persons with a substantial physical disability.

Keen Independent also concludes that there is evidence of discrimination against persons with substantial disabilities, including business owners.

Note that any preference related to businesses owned by persons with substantial disabilities, if challenged, would be subject to the rational basis standard of review. This standard is more easily met by a government agency that operates such a program (see the legal framework discussed in Keen Independent’s Phase 1 Summary Report and in Appendix N of that report).

Businesses owned by veterans. There is very limited evidence of discrimination against veterans in starting and successfully operating a business. However, there is some evidence of discrimination affecting service-disabled veterans.

Keen Independent concludes that businesses owned by veterans as well as the subset owned by service-disabled veterans should be included in the 2025 Study. Only the rational basis review standard of legal review would apply to this group.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Because there is support for continuing to include the groups in the 2017 Study in the analyses in the 2025 Study, Keen Independent explored whether definitions of those groups should be refined and whether any groups should be disaggregated or differently combined.

Starting with minority- and woman-owned firms, Keen Independent found no reason to adjust the definition of woman-owned businesses (or white woman-owned businesses). However, there are reasons to consider refining the definitions of each group of minority-owned businesses, as discussed in the following pages. We examine groups of business owners in the following order:

- Asian Americans;
- Black Americans;
- Hispanic Americans; and
- Native Americans.

Keen Independent presents recommendations for refinement for each group and in some cases, subgroups.

Keen Independent also recommends new ways to refer to each group of business owners in the 2025 Study.

Note that the results presented in this Summary Report do not necessarily mean that there is evidence of discrimination sufficient to support eligibility of any group for any future programs. The results also do not necessarily mean that any public entity participating in the study would change its programs, including group definitions, program eligibility or program certification.

Asian American-owned Businesses

In the 2017 Study, Asian American-owned businesses in Minnesota included those owned by the following groups:

- East Asian Americans (Chinese American, Japanese American and Korean American, for example);
- Southeast Asian Americans (including those owned by people in the Minnesota Hmong, Karen, Vietnamese and Filipino communities;
- South Asian Americans (people with roots in Indian, Pakistan, Bangladesh and other Subcontinent Asian countries); and
- Pacific Islanders (people with roots in the islands of the Pacific, not including Native Hawaiians, who were grouped with Native Americans in the 2017 Study).

The 2017 Study did not include in the definition of Asian American business owners those with ancestry from Southwest Asia (e.g., Turkey, Iraq, Iran, Saudi Arabia) or Central Asia (defined on next page; included as “majority-owned businesses in the 2017 Study). We consider these two issues below. The pages that follow consider potential disaggregation of certain groups of Asian American-owned firms.

Consideration of potential racial discrimination against Southwest Asian American-owned firms. In the U.S. Office of Management and Budget (OMB) March 2024 Statistical Policy Directive No. 15 (SPD 15), the federal government for the first time recognized people from the Middle East and North Africa as a “race” for purposes of federal data collection and analysis.

Keen Independent’s recommendations for consideration of businesses owned by people from Southwest Asia is included in the discussion of Middle Eastern and North African business owners later in this Summary Report.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Consideration of potential racial discrimination against Central Asian American-owned firms. The 2024 OMB SPD 15 recognized the similarity of Asian Americans with roots in Central Asia and Asian Americans with ancestry in East Asia. It refined ancestries included in “Central Asian” and redefined Asian Americans as including “individuals with origins in any of the original peoples of Central or East Asia,” along with Southeast Asians and South Asians. (OMB made these changes after soliciting input from thousands of individuals.)

Central Asians include Afghans, Kazakhs, Kyrgyz, Tajiks, Turkmen and Uzbeks who immigrated to the United States and their descendants. (For purposes of the 2025 Disparity Study, the group includes Mongolians as well, a group for which Keen Independent could find no clear federal delineation between Central and East Asian.)

There are few Central Asian Americans in Minnesota and little local information related to this group. Based on Census Bureau American Community Survey (ACS) data for 2018-2022, there may be only about 400 Central Asian American-owned businesses in the state.

Nationally, there is evidence that some Asian Americans do not consider Central Asians such as Afghans and Kazakhs to be “Asian.”¹ Because of the history of the region, some of the residents of countries such as Kazakhstan are Europeans from Russia or other countries. Some Afghans might identify as South Asian Americans or Middle Easterners.

However, many Central Asian Americans who racially identify as Asian Americans (rather than as “Russians,” for example) might have the same physical appearance as an East Asian American in the view of other groups. It is unlikely that anti-Asian discrimination by non-Asian Americans in the United States would negatively affect an East or Southeast Asian American but not affect a Central Asian American who identifies as “Asian American.”

The study team also considered whether it could analyze Central Asian American-owned businesses as a separate group, but there appear to be too few Central Asian American-owned businesses in Minnesota for this analysis to be workable.

Keen Independent recommends the following:

- The definition of Asian American-owned firms in the 2025 Disparity Study be modified to add businesses owned by people who identify as Asian with ancestry from Central Asia, a refinement from the 2017 Study.

¹ Reference the Pew Asian doc.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Consideration of whether potential racial discrimination differs for South Asian American-owned businesses compared with other Asian American-owned firms. Keen Independent found evidence that racism in this country may differ for South Asians compared with anti-Asian discrimination against East Asians and Southeast Asian Americans.

Immigrants from South Asia share a history that differs from East Asian Americans and Southeast Asian Americans. Immigrants began entering the United States in the 1800s from what was then known in the West as British India (partition of India and Pakistan did not occur until independence after World War II). Those immigrants included Hindu, Sikh, Muslim and other South Asians. The discrimination against South Asians in the United States came with the first wave of immigration, some of it codified into law.

Within the South Asian community in Minnesota, people with roots in India are the largest group and most businesses are owned by Indian Americans. There are also businesses owned by Pakistani Americans, Nepali Americans and other Subcontinent Asian Americans.

There are data on firm ownership that will support inclusion of South Asian American-owned businesses as a group in the full disparity analyses for participating entities. For example, certification as a DBE under the Federal Disadvantaged Business Enterprise (DBE) Program includes South Asian American-owned firms as a group, so these data can be one source of identifying ownership. Federal regulations in Title 49 CFR Part 26 define South Asian American-owned businesses, which is also helpful to the study.

Keen Independent recommends:

- Disaggregation of South Asian American-owned businesses from other Asian American-owned firms in the 2025 Study (to the extent possible given available data sources and adequate sample size).

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Consideration of whether potential racial discrimination differs for Southeast Asian American-owned businesses compared with East Asian American-owned firms. Minnesota has a history as a destination for many groups of immigrants from Southeast Asia. Hmong, Karen, Vietnamese and other Southeast Asian refugees and their descendants represent large communities in Minnesota. There are more people with Hmong ancestry than another other Asian American group in Minnesota and Minnesota has the largest Hmong population of any state other than California.

Support for refugees has been a cultural value in the state, including support from state and local governments. Many Karen refugees fleeing ethnic oppression in Myanmar (formerly Burma) came to Minnesota. Minnesota also has a large population of people who emigrated from Vietnam or are children or grandchildren of Vietnamese immigrants. Filipino Americans are also a large component of the Southeast Asian American community in Minnesota.

To recognize cultural and other differences between people with ancestry from countries such as East Asian countries such as China, Japan and Korea and people with roots in countries from the Philippines to Myanmar, the U.S. government and many other researchers often refer to two major groups: East Asian Americans and Southeast Asian Americans.

Keen Independent reviewed whether there is evidence that anti-Asian discrimination in the United States differs in a material way for East Asian Americans and Southeast Asian Americans, or any particular ancestry group within these subgroups. The evidence suggests that it is similar both in practice and, historically, in U.S. law.

Although Southeast Asian Americans may see themselves as different from Central or East Asian Americans, and vice-versa, there is evidence that groups perpetrating anti-Asian bias do not.

Anti-Asian bias and resulting anti-immigration laws signed into law in the early 1900s were designed to broadly exclude East Asians and Southeast Asians from coming to the United States (with certain differences for people from the Philippines, which was a U.S. territory). There is little evidence from U.S. laws that legalized anti-Asian discrimination that such discrimination differed for people from East Asia compared with Southeast Asia.

Support for disparity analyses for Central and East Asian American- and Southeast Asian American-owned firms as a group.

There is commonality in anti-Asian discrimination affecting Asian Americans with Central Asian, East Asian and Southeast Asian ancestry. This argues for performing the utilization, availability and disparity analyses for Central, East Asian and Southeast Asian American-owned firms as a group. Some comments in the interviews for Task 2.7 supported continued aggregation of these groups.

There are also data about ownership of such firms to support this work, but very little data that would help distinguish between East Asian American- and Southeast Asian American-owned firms in Minnesota.

Keen Independent recommends:

- Including East, Central and Southeast Asian American-owned businesses as one group in the utilization, availability and disparity analyses in the 2025 Study.
- Defining this group as Asian-Pacific American-owned businesses in the 2025 Study.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Support for additional quantitative and qualitative analyses that distinguish between East Asian Americans and Southeast Asian Americans. There are important differences in the economic conditions and opportunities for entrepreneurship for Hmong Americans, Karen Americans, and certain other groups of Southeast Asian Americans compared with other groups of Asian Americans. Based on review of available data, relatively more business owners face language barriers, have limited financial assets and face other obstacles to operating a business among members of the Hmong and Karen communities compared with Asian Americans of different ancestry.

Across groups of Central, East and Southeast Asian Americans, there may be additional challenges for immigrants compared with individuals born in the United States. If so, business assistance programs could be specifically tailored to those challenges.

Keen Independent recommends:

- Using Census Bureau data for the Minnesota marketplace as well as in-depth interviews with business owners to further explore any additional challenges for certain groups of Southeast Asian Americans and other Asian Americans. These results may provide insights into how business assistance might be best tailored to the needs of certain subgroups.
- Performing the above quantitative and qualitative analyses to identify any differences in challenges based on whether the business owner is an immigrant to the United States.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Native Hawaiian and Pacific Islander-owned Businesses

The 2024 Office of Management and Budget SPD 15 identified Native Hawaiians and Pacific Islanders as a racial category. Before changes in the 1997 SPD No. 15, Pacific Islanders were combined with Asian Americans as one racial group in the standards for federal data collection and analysis.

In the Federal DBE Program, East Asian Americans, Southeast Asian Americans and Pacific Islanders are one group of business owners (Asian-Pacific Americans) for purposes of certification. Most disparity studies focused on operation of the Federal DBE Program use this definition. Definitions governing the Federal DBE Program group Native Hawaiian-owned firms with American Indian- and Alaska Native-owned firms (“Native American-owned businesses”).

In the 2017 Study, Keen Independent’s analyses of utilization, availability and potential disparities for Asian American-owned businesses included those owned by Pacific Islanders. Analyses for Native American-owned firms in the 2017 Study included Native Hawaiian-owned companies.

Census Bureau ACS data for 2018–2022 show that there were about 3,000 Native Hawaiians and Pacific Islanders living in Minnesota (based on first mention of race/ethnicity). These same data indicate that there may be fewer than 10 businesses owned by Native Hawaiians and Pacific Islanders in the state.

This small number of businesses owned by Native Hawaiians and Pacific Islanders requires them to be included in other racial categories for analysis. Keen Independent recommends:

- Continued inclusion of Pacific Islander-owned businesses with Asian-Pacific American-owned firms in the 2025 Study.
- A shift of Native Hawaiian-owned businesses from all Native American-owned firms (approach in the 2017 Study) to maintain the link to Pacific Islander-owned businesses (consistent with the Native Hawaiian and Pacific Islander racial category defined in SPD 15). This means that the group of Asian-Pacific American-owned firms would also include any Native Hawaiian-owned companies identified in the study.

Because of the very small number of firms owned by Native Hawaiians and Pacific Islanders in Minnesota, shifting their groupings would have little or no effect on the results for Asian-Pacific Americans. More detail is provided in the supporting appendices.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Black American-owned Businesses

In Minnesota, there are nearly equal numbers of Black people who are descendants of enslaved people in the United States and immigrants from Africa and their children. Minnesota has been a destination for sub-Saharan African refugees, especially Somalis. Minnesota has the largest Somali American population of any state in the country. The state also has a large population of immigrants and their families from Ethiopia, Kenya, Liberia and Nigeria and smaller numbers of people with ancestry from other sub-Saharan African countries.

The 2017 Study performed utilization, availability and disparity analyses for African American-owned businesses as a whole. (Note that “Black American” and “African American” are used interchangeably in this discussion.) The qualitative research in the 2017 Study collected information about any unique circumstances of sub-Saharan African-owned firms.

Anti-Black racism is well documented in the United States since before its founding. In practice and codified into law, this discrimination has been rooted in skin color.

Consideration of whether potential racial discrimination differs for sub-Saharan African-owned businesses and other Black-owned businesses. Keen Independent examined whether there was evidence that anti-Black discrimination experienced by Black people who are descendants of enslaved people in the United States is absent or differs for Black immigrants from sub-Saharan Africa and their children.

Some comments from experts interviewed as part of Task 2.7 highlighted perceived differences in resources and experiences of sub-Saharan Africans who immigrated to the United States, but that there were commonalities concerning racism and its effects. One comment suggested that differences narrowed for second- or third-generation Somali Americans when compared with people who are descendants of people enslaved in the United States. There is evidence that supports

the conclusion that anti-Black racism by non-Black groups is based on skin color rather than nationality. Skin color is also the basis of historic anti-Black discrimination codified into past laws in the United States.

Further, data sources about ownership of firms does not support separate identification of sub-Saharan African-owned businesses and other Black-owned businesses in Minnesota. There is recognition, including certification, of Black-owned businesses but no separate certification as a Somali- or Ethiopian-owned business, for example.

Keen Independent recommends:

- Inclusion of Black American-owned firms as a group in the utilization, availability and disparity analyses in the 2025 Study.

Support for additional quantitative and qualitative analyses that explore any differences in barriers for sub-Saharan African and other Black American business owners. Research indicates important differences in conditions for immigrants from sub-Saharan Africa that could affect business ownership and success, including differences among groups of immigrants. These include language barriers for some groups but not others, differences in educational achievement, and very large differences in capital available to start and operate a business.

This could affect business assistance needs of different groups of Black American business owners and delivery of those programs.

Keen Independent recommends:

- Quantitative analysis of marketplace conditions as well as in-depth interviews with business owners to further explore challenges that are specific to Somali Americans, Ethiopian Americans and other immigrants from sub-Saharan Africa as well as recognizing that there are some groups of Black immigrants who may have greater resources to become business owners.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Hispanic American-owned Businesses

Of Latino² business owners in Minnesota who reported ancestry in the American Community Survey, more than one-half indicated Mexican ancestry and less than one-half identify ancestry as a country in Central America, South America, the Caribbean or Europe. The non-Mexican American Latinos in Minnesota include roughly equal number of people with roots in Ecuador, El Salvador, Guatemala and Puerto Rico with smaller numbers with ancestry from more than 50 other countries (based on 2018–2022 ACS data).

The 2017 Study performed utilization, availability and disparity analyses for Hispanic American-owned firms as a group. Keen Independent considered whether the 2025 Study should attempt to disaggregate utilization, availability and disparity analyses into two groups of Hispanic American-owned businesses: Mexican American-owned businesses and other Latino-owned businesses.

Consideration of whether potential racial discrimination differs for Mexican American-owned businesses and other Hispanic American-owned businesses. The original anti-Latino discrimination in the United States was anti-Mexican, largely beginning with the tension in the 1840s between the existing Mexican residents (now U.S. citizens) and non-Mexican residents in the western territories acquired in the Mexican-American War. Mexican Americans were subject to race-based segregation, violence and mass deportations from the 1840s through the 1950s, with other racial discrimination continuing today. This discrimination did not typically distinguish between Mexican Americans and other Latinos. For example, anyone perceived to be “Mexican” in

the United States could be rounded up and repatriated by state and local agencies and non-profit and private organizations during one of the mass deportations in the 1900s.

There is evidence that anti-Latino discrimination continues to broadly impact Hispanic Americans regardless of specific country of ancestry. Some of the comments from experts interviewed as part of Task 2.7 were consistent with this view, while others suggested that discrimination may vary by Latino ancestry. One interviewee suggested that a business owner who is known to be Chilean, for example, might face less negative stigma than a business owner who is known to be of Mexican ancestry. Some Mexican Americans who identify as Indigenous perceive that they are affected by greater levels of discrimination in the United States, which mirrors such discrimination within Mexico.³ In addition interviewees indicated that a business owner who is an immigrant and/or has language barriers may face disadvantages that a native-born Latino business owner might not.

Keen Independent also explored whether there were data to separate Latino-owned contractors and vendors awarded participating entity contracts into Mexican American-owned and other Latino-owned businesses. Keen Independent did not find data sources to comprehensively identify business ownership by Latino ancestry.

Keen Independent recommends:

- Inclusion of Hispanic American-owned firms as a group in the utilization, availability and disparity analyses in the 2025 Study.

² We use the terms “Hispanic” and “Latino” interchangeably as described in Appendix C.

³ Some studies have found that Mexican Americans with darker skin are more likely to report that they have experienced discrimination. See Ortiz, V. and Tilles, E. (2012).

Racial Identity and Racial Treatment of Mexican Americans, Race Soc Probl. 2012 April 4(1) Retrieved August 20, 2024, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3846170/pdf/nihms470196.pdf>

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

Support for additional quantitative and qualitative analyses that explore any differences in barriers for Mexican American business owners and other Latino business owners, as well any differences for immigrant and non-immigrant business owners.

Keen Independent's research indicated the possibility that barriers for Latino-owned businesses could differ based on the ancestry of the Latino business owner as well as whether an individual was native-born or an immigrant to the United States.

As with other groups, this could affect business assistance needs and required delivery methods for different segments of the Hispanic American business community in Minnesota.

Keen Independent recommends that:

- Quantitative marketplace analyses that use Census Bureau data as well as in-depth interviews with business owners further explore challenges that separately consider Mexican American and other Latino business owners.
- Keen Independent also separately consider outcomes for immigrant and non-immigrant business owners, and those with language barriers.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definitions of MBE groups

American Indian and Alaska Native-owned Businesses

The 2024 OMB SPD 15 identified American Indians and Alaska Natives as a racial category.

In the 2017 Study, Keen Independent completed analyses of utilization, availability and potential disparities for Native American-owned firms. This grouping included American Indian- and Alaska Native-owned companies as well as any Native Hawaiian-owned companies.

As discussed previously in this Summary Report, Keen Independent recommends grouping any firms owned by Native Hawaiians with those owned by Pacific Islanders. This means that any Native Hawaiian-owned firms would no longer be grouped with firms owned by American Indians or Alaska Natives.

Census Bureau American Community Survey data for 2018–2022 show that there were about 3,000 businesses owned by Minnesotans who identified as American Indian or Native American ancestry. There were no Alaska Native-owned firms in these data.

In sum, Keen Independent recommends:

- Inclusion of American Indian- and Alaska Native-owned businesses in the 2025 Study without Native Hawaiian-owned firms in that group.
- Discontinued use of “Native American” as a group name, as Native Hawaiians are now grouped elsewhere. Keen Independent proposes to use “American Indian-owned businesses” in tables, with acknowledgement and inclusion of any Alaska Native-owned firms in that group if any are identified in the data.

Because of the very small number of firms owned by Native Hawaiians in Minnesota, if this change had been made in the 2017 Study, it would have had little or no effect on the results for Native American-owned firms.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definition of woman-owned firms

Keen Independent reviewed studies about barriers for women and woman-owned firms in the United States and Minnesota that were produced since the 2017 Study. The Task 2.7 research for women also included interviews with local experts. As in the 2017 Study, there is evidence of gender-based discrimination supporting continued inclusion of woman-owned businesses in the 2025 Study.

Keen Independent did not identify reasons to alter the analysis of any gender-based disparities in the 2025 Study.

Keen Independent recommends:

- No changes to the definition or approach used to conduct marketplace, qualitative and utilization, availability and disparity analyses of women, woman-owned firms and white woman-owned businesses.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definition of veteran-owned/SDVOSB firms

Keen Independent examined literature about discrimination or other barriers affecting veterans related to business ownership and success for veteran-owned firms.

In performing this research, Keen Independent identified a subset of veterans that might face additional barriers: service-disabled veterans. The potential for a disability incurred while in military service is high and the federal government provides a process that documents both disability status and severity for veterans. The potential disabilities include but extend beyond the “substantial physical disabilities” currently recognized as a source of disadvantage in the State Targeted Group Small Business Program Procurement Program.

Minnesota state law currently recognizes service-disabled veterans in the Minnesota Veterans Preference Act. The State’s Veteran-owned Small Business Procurement Program includes service-disabled veterans but makes no special provisions for that group. A service-disabled veteran and non-service-disabled veteran are treated similarly when applying for or participating in the program.

Of the approximately 300,000 veterans in Minnesota, about 79,000 have service-connected disabilities. Although there are federal and State of Minnesota protections for service-disabled veterans, there is evidence that this group is affected by discrimination. There is federal certification of Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) and directory of SDVOSB-certified firms.

Keen Independent recommends:

- Quantitative and qualitative research of marketplace conditions include service-disabled veterans in addition to veterans and persons with disabilities in general.
- Utilization, availability and disparity analyses track utilization of firms identified by the state or federal government as owned by service-disabled veterans.
- Using the federal definition of service-disabled veteran, which is established in 38 U.S. Code 101(16). It states that the disability needs to be incurred or aggravated in the line of duty in active military service. The U.S. Department of Defense (USDOD) establishes ratings of disability on a percentage basis. There is no minimum percentage disability for a firm to be certified as a service-disabled veteran-owned small business concern under the Service-Disabled Veteran-Owned Small Business (SDVOSB) program. SBA size standards are used to determine whether the firm is “small.” USDOD maintains a directory of SDVOSBs.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Definition of persons with disabilities

The State’s TG Program currently includes businesses owned by persons with a substantial physical disability. Other disabilities do not currently qualify a business owner for certification as a TG business.

Keen Independent examined the merits of more broadly examining businesses owned by people with a disability.

Definitions of persons with disabilities and classification of types of disabilities in federal and state law continue to evolve. For example, the Minnesota Human Rights Act (MHRA), which includes protection for persons with disabilities, states that, “A disabled person is any person who has a physical, sensory, or mental impairment which materially limits one or more major life activities.”⁴ MHRA also includes persons with a history of impairment or perceived as impaired. This definition would encompass more Minnesota business owners than allowed under the current scope of disability in the State TG Program. Federal definitions typically also recognize unapparent disabilities.

Keen Independent researched whether there was evidence that people with disabilities who do not fit the “substantial physical disability” criteria face discrimination due to their disability. There is evidence that people with such disabilities can be subject to discrimination.

Keen Independent recommends:

- Quantitative and qualitative research of marketplace conditions include research on people with disabilities without the limitation of “substantial physical disability.” The quantitative research would include analysis of any statistical disparities in business outcomes for persons with disabilities.⁵
- Responses to Census Bureau questions in the American Community Survey concerning sensory, physical, mental, self-care, and go-outside-home disabilities be considered to identify business owners with a disability.⁶

Considering the likelihood that the rational basis standard of legal review would apply if there were a need to defend a program that considers disability, the above analyses would typically be sufficient information to consider such a program. Therefore, as in the 2017 Study, Keen Independent would not collect data about disability status of the business owner in the availability survey.

⁴ Minn. Stat. section 363A.03.13 (2023).

⁵ We note that although service-disabled veterans would fall under persons with disabilities, we recommend analyzing them as their own category because they have a federal certification and may experience unique barriers described in Appendix I.

⁶ Note that The Census Bureau is considering further refining ACS questions concerning disability, which might provide richer data in future years.

TASK 2.7 GROUP DEFINITIONS. Summary Report — Addition of LGBTQ+-owned businesses

Some disparity studies throughout the country are examining whether there is evidence of discrimination against business owners based on their sexual orientation and gender identity and expression. Keen Independent's 2020 disparity study for the State of Colorado is one example.

Based on feedback obtained in Phase 1 of the study, including from community stakeholders, Keen Independent reviewed whether there was a need to include LGBTQ+-owned businesses in the 2025 Study.

Keen Independent examined information about discrimination and other barriers affecting individuals who are lesbian, gay, bisexual, transgender or queer (LGBTQ+), especially as related to business ownership and success. According to the Williams Institute at UCLA School of Law, Minnesota is home to about 210,000 LGBT⁷ individuals age 13+. ⁸ Williams Institute further estimates that LGBT people are about 4 percent of Minnesota's population.

The evidence of discrimination against LGBTQ+ people is strong and well-documented, both nationally and within Minnesota. There is substantial national, and some state-specific evidence of discrimination based on sexual orientation, gender identity/expression, or both.

The evidence includes anti-LGBTQ+ discrimination that leads to negative economic outcomes for the LGBTQ+ population. There is evidence of economic disparities across subgroups, including for gay men, as described in Appendix G.

Although data for LGBTQ+ business owners are limited, there is national research that shows disparities in key indicators for LGBTQ businesses compared with non-LGBTQ+ businesses.

There are some sources of information that might identify LGBTQ-owned businesses that have been certified as such. However, there are severe data limitations, including in available Census Bureau data.

Keen Independent recommends:

- Quantitative research of marketplace conditions includes business owners in same-sex households (an approach that uses ACS data available at this time).
- Qualitative research includes questions about any discrimination based on sexual orientation and gender identity/expression and that relevant trade associations and businesses be included in in-depth interviews.
- Utilization, availability and disparity analyses track of firms that are LGBTQ-certified.

⁷ Although we use LGBTQ+ in this report, the report we reference here used LGBT. In general, we use the terms the report authors use to avoid making assumptions.

⁸ LGBT People in the United States Not Protected by State Nondiscrimination Statutes. (April 2020) The Williams Institute, UCLA, Los Angeles, CA. Retrieved June 11, 2024, from

<https://williamsinstitute.law.ucla.edu/wp-content/uploads/LGBT-ND-Protections-Update-Apr-2020.pdf>

TASK 2.7 GROUP DEFINITIONS. Summary Report — Future addition of Middle Easterners and North Africans

The U.S. OMB introduced “Middle Eastern and North African” as a new race/ethnic category for the federal government on in the March 28, 2024, SPD 15.⁹ Americans of “Middle Eastern and North African,” or MENA, descent include people of Arab descent, such as Lebanese and Syrian, people of non-Arab descent, including Iranian and Turkish, and people of North African descent, such as Algerian and Moroccan.¹⁰ MENA also includes Israelis. In sum, MENA ancestry encompasses many different countries, languages, ethnicities and religions.

The Census Bureau will begin collecting data on Middle Eastern and North African people as a racial/ethnic group. Without this racial/ethnic identification option, most MENA people have recorded race as “white” in past Census Bureau research.

Keen Independent examined American Community Survey data about Minnesota residents based on answers to ancestry questions to develop a rough estimate of the MENA population and number of business owners in Minnesota. Using ACS data for 2018-2022, there are about 33,000 residents and 1,800 business owners. More-reliable information about the MENA population will be available from future years of American Community Survey data.

Participating entities do not collect information about MENA-owned businesses at this time.

There is evidence of discrimination affecting people Middle Eastern and North African residents in the United States and in Minnesota. This discrimination is complex, and sometimes based on anti-Muslim and anti-Arab discrimination, which can negatively affect non-Muslim and non-Arab Middle Easterners and North Africans. There is also evidence of anti-Semitic discrimination against Jewish Israelis. While not all Minnesotans of MENA ancestry are Jewish or Muslim, MENA Minnesotans are more likely to experience discrimination and be the targets of anti-Jewish or anti-Muslim hate crimes according to local research identified by Keen Independent.

Keen Independent recommends:

- Participating entities that collect information about race/ethnicity add Middle Eastern and North African-owned as a racial/ethnic category.
- The 2025 Study include any evidence of discrimination against MENA-owned businesses that emerges from the qualitative research.
- Any recommendations regarding enhanced business assistance in the 2025 Study include review of organizations or programs focused on MENA-owned businesses.

⁹ Marks, Rachel and Jones, Nicholas et. al. (2024). What Updates to OMB’s Race/Ethnicity Standards Mean for the Census Bureau. United States *Census Bureau*. Retrieved on May 29, 2024 from: <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

¹⁰ Ennis, Sharon and Mehrgol Tiv, et.al. (2024). Examining Racial Identity Responses Among People with Middle Eastern and North African Ancestry in the American Community Survey. Center of Economic Studies. Retrieved on May 29, 2024, from: <https://www2.census.gov/library/working-papers/2024/adrm/ces/CES-WP-24-14.pdf>

APPENDIX A. Asian-Pacific Americans — Introduction

The 2017 Minnesota Joint Disparity Study examined quantitative results, including disparity analyses, for Asian Americans and Asian American-owned businesses as a group. The 2017 Study analyses of potential disparities between the utilization and availability of Asian American-owned companies in participating entity contracts reported results for all Asian American-owned businesses.

Appendix A briefly considers whether there is evidence for continued inclusion of Asian American-owned businesses in the 2025 Study and considers some of the diversity of the Asian American population and business owners in Minnesota. The study team then explores the literature regarding the largest groups of Asian American people in Minnesota: East and Southeast Asian Americans (including Central Asian Americans) and South Asian Americans. This appendix also provides information about Native Hawaiians and Pacific Islanders.

National Overview

There is substantial evidence of discrimination in many facets of life for Asian Americans and Pacific Islanders in the United States. This evidence is extensive and challenging to succinctly summarize, particularly because the term “Asian American and Pacific Islander” encompasses a great diversity of groups of people originating from different parts of the world. Many previous policies and laws were enacted in response to specific subgroups of Asian Americans and Pacific Islanders throughout

American history. Examples of such policies and discriminatory practices affecting Asian Americans and Pacific Islanders include the following.

- State-level anti-miscegenation laws preventing people of Asian descent from marrying white people propagated throughout the United States in the late nineteenth and early twentieth century.¹ (Minnesota never had a law prohibiting interracial marriage.)
- During the same time, many states, including Minnesota, enacted “alien land acts” that prevented immigrants of Asian descent from owning or leasing property.² These laws affected the ability of members of the Asian community to own and operate businesses.
- Borrowers of Asian descent may have more difficulty securing loans. For example, prospective homeowners of Asian descent have higher rates of denial for mortgages despite having higher credit scores on average than white Americans.³ A brief from the Council of Economic Advisors also concludes that there is evidence of present-day discrimination in credit access for Asian American borrowers, including in applications for Paycheck Protection Program (PPP) lending from 2020 to 2021.⁴

¹ Sohoni, D. (2007). “Unsuitable suitors: Anti-miscegenation laws, naturalization laws, and the construction of Asian identities”. *Law & Society Review*, 41 (3): 587–618. doi:10.1111/j.1540-5893.2007.00315.x.

² Burling, J. (2021). For decades, the government discriminated against Asian immigrants’ right to earn a living and hold property. Pacific Legal Foundation. <https://pacificlegal.org/government-discriminated-against-asian-immigrants-right-earn-a-living-hold-property/>

³ Zhu, L., Zhu, J., & Goodman, L. (2021). Asian Americans face systemic higher mortgage denial rates despite having stronger credit profiles. Urban Institute. <https://www.urban.org/urban-wire/asian-americans-face-systemic-higher-mortgage-denial-rates-despite-having-stronger-credit-profiles>

⁴ Council of Economic Advisors, Executive Office of the President (2024). Racial Discrimination in Contemporary America. <https://www.whitehouse.gov/cea/written-materials/2024/07/03/racial-discrimination-in-contemporary-america/>

A. Asian-Pacific Americans — Introduction

Federal and State Law

Information about the nature of racial discrimination against Asian Americans can be gleaned from the laws that seek to prevent it. Federal and state law prohibit discrimination based on race, color, national origin and other personal characteristics, each important to protecting the rights of Asian Americans in Minnesota.

Protections against discrimination in federal law. The Civil Rights Act of 1964 is landmark federal legislation to protect Asian Americans⁵ and other racially minoritized groups. It prohibited discrimination based on race, color, religion, sex or national origin with respect to employment, public accommodations and federally funded programs. The Fair Housing Act of 1968 extended protections against race discrimination to housing.

Protections against racial discrimination in Minnesota law. The Minnesota Human Rights Act (MHRA) enacted in 1967 prohibits discrimination in employment, public accommodations, public services, housing, credit, education and certain other activities based on race, color, national origin and certain other personal characteristics.

⁵ In the Civil Rights Act of 1964, “Asian,” refers to a person “having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Philippine Islands, and

Samoa.” 28 CFR 42.402 Definitions. Legal Information Institute. Cornell Law School. <https://www.law.cornell.edu/cfr/text/28/42.402>

A. Asian-Pacific Americans — Definitions and data sources

Who is considered Asian in the United States can vary based on definition and data sources used.

Federal Definitions

The U.S. Census has seven minimally required race and ethnicity categories included in its reporting, two of which are relevant here.

Asian. In 2024, the U.S. Office of Management and Budget (OMB) slightly updated its definition of “Asian” as “individuals with origins in any of the original peoples of Central or East Asia, Southeast Asia, or South Asia, including, for example, Chinese, Asian Indian, Filipino, Vietnamese, Korean, and Japanese” (previous definitions included the terms “Far East” and “Indian Subcontinent,” which were replaced by “Central or East Asia” and “South Asia”).⁶ The 2020 American Community Survey 50-Year Estimates published data for more than 20 groups classified as Asian in the United States, including Bangladeshi, Burmese, Hmong, Indonesian, Pakistani, Taiwanese and Thai.⁷

Native Hawaiian or Pacific Islander (NHPI). OMB defines “Native Hawaiian or Pacific Islander” as “individuals with origins in any of the

original peoples of Hawaii, Guam, Samoa, or other Pacific Islands, including, for example, Native Hawaiian, Samoan, Chamorro, Tongan, Fijian, and Marshallese.”⁸

Although Asian and NHPI are separate racial categories per the Census, there is a history in the United States of reporting economic and demographic data for these two groups combined. In the 1980s, the Census used Asian and Pacific Islanders as a racial category, which was later split into Asian and NHPI.⁹ In Minnesota, data on Asians and NHPI are often combined due to the very small size of the NHPI population in the state.¹⁰ Here, we use the term Asian-Pacific Americans (APA) to be consistent with the Federal DBE program (discussed on next page).

Other Terminology

During the civil rights unrest of the 1960s, students at the University of California Berkeley coined the term “Asian American” to politically unite peoples of Asian descent in the United States.¹¹ Due to the groupings of Asians with Native Hawaiians and Pacific Islanders in the Census, the term “Asian American and Pacific Islander” or AAPI grew in popularity among scholars and advocacy organizations.¹²

⁶ Marks, R., Jones, N., and Battle, K. (2024). What updates to OMB’s race/ethnicity standards mean for the Census Bureau. *U.S. Census Bureau*. <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

⁷ U.S. Census. (2020). “American Community Survey 5-Year estimates: Asian alone by selected groups.” <https://data.census.gov/table?q==ACSDT5Y2020.B02015>

⁸ Marks, R., Jones, N., and Battle, K. (April 8, 2024). What updates to OMB’s race/ethnicity standards mean for the Census Bureau. *U.S. Census Bureau*. <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

⁹ EDSITEment. (n.d.). National Endowment for the Humanities. Asian American and Pacific Islander heritage and history in the U.S. <https://edsitement.neh.gov/teachers-guides/asian-american-and-pacific-islander-heritage-and-history-us>

¹⁰ Macht, C. (February 2024). Minnesota economic disparities by race and origin. *Minnesota Department of Employment and Economic Development*. https://mn.gov/deed/assets/24-02MN_tcm1045-435939.pdf

¹¹ Kambhampaty, A.P. (2020). “In 1968, these activists coined the term ‘Asian American’—and helped shape decades of advocacy.” *Time*. <https://time.com/5837805/asian-american-history/>

¹² Kaur, H. (2023). Why some have mixed feelings about the terms Asian American and AAPI. *CNN*. <https://www.cnn.com/2023/05/01/us/asian-american-aapi-terms-history-cec/index.html>

A. Asian-Pacific Americans — Definitions and data sources

This appendix deliberately covers APA broadly because these groups in the United States are often grouped together in data or in federal programs, particularly those focusing on business (which we describe next). We understand the complexities and great diversity within APA experiences and provide information on subgroups within APA throughout the appendix as available.

Federal DBE Program

There is support for inclusion of APA-owned businesses in U.S. Department of Transportation-funded contracts through the Federal Disadvantaged Business Enterprise (DBE) Program. U.S. Congress has determined that minority and women business owners (including Asian Americans and Pacific Islanders) may be presumed to be socially and economically disadvantaged and eligible to participate in the program if they do not exceed certain business size and net worth eligibility limits. In Minnesota, the program applies to USDOT-funded contracts awarded by agencies including MnDOT, Met Council and MAC.

Regulations in Title 49 Code of Federal Regulations (CFR) Part 26 govern operation of the Congressionally mandated program. Regulations identify two groups of Asian American-owned firms eligible for certification as DBEs and eligible for the program:

- Asian-Pacific American-owned firms: Businesses owned by persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Northern Mariana Islands, Samoa,

Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong; and

- Subcontinent Asian American-owned firms: Businesses owned by persons whose origins are from India, Pakistan, Bangladesh, Bhutan, Maldives, Nepal or Sri Lanka.

The Federal DBE Program also recognizes Native Hawaiian-owned firm owners as socially and economically disadvantaged. However, Native Hawaiian-owned firms are included under Native American-owned firms in 49 CFR Part 26.¹³ Asian-Pacific American, Subcontinent Asian American and Native Hawaiian-owned businesses all count as DBEs because they are affected by discrimination across the United States that “poses a barrier to full and fair participation in surface transportation-related businesses of women business owners and minority business owners.”¹⁴

Data Sources

There are substantial data from the U.S. Census Bureau and other federal agencies about APA and APA-owned businesses. Because the Federal DBE Program separately certifies Asian American-owned firms as Asian-Pacific American-owned and Subcontinent Asian American-owned, there are data to help identify ownership of these two groups of Asian American-owned companies. There are no available certifications for businesses owned by Southeast Asian Americans separate from East Asian Americans. There are also Census data, such as from the American Community Survey, for individuals about national origin and whether the individual is an immigrant to the United States.

¹³ We discuss evidence of discrimination against Native American/American Indian people and businesses in Appendix D.

¹⁴ Infrastructure Investment and Jobs Act (Public Law 117-58-Nov. 2021). <https://www.govinfo.gov/content/pkg/PLAW-117publ58/pdf/PLAW-117publ58.pdf>.

A. Asian-Pacific Americans — Evidence of discrimination and other barriers

Because APA constitutes individuals of many different nationalities and cultural backgrounds, we present evidence of discrimination and other barriers by groups and note where some barriers may apply to multiple groups. We begin this section with an overview of population and demographics in the U.S. and in Minnesota.

Overall Population and Demographics

In the United States overall, there are more than 700,000 people categorized as Native Hawaiian or Pacific Islander and about 20 million people categorized as Asian.¹⁵ The largest groups within the Asian racial category include:

- Chinese (4.1 million);
- Indian (4.1 million);
- Filipino (2.9 million);
- Vietnamese (1.9 million); and
- Korean (1.5 million).¹⁶

There are nearly 300,000 Minnesotans categorized as Asian with Hmong (about 96,000), Indian (about 51,000), Chinese and Vietnamese (each about 27,000) as the largest groups.¹⁷

Educational attainment. About 58 percent of Asians and 20 percent of Native Hawaiians in the United States have a bachelor's degree or higher.¹⁸ The percentage of Asian adults with a bachelor's degree in Minnesota is slightly lower at about 49 percent (Census data on Minnesota Native Hawaiians and Pacific Islanders' educational attainment were not available).¹⁹

We note that there is substantial variability in educational attainment between groups categorized as Asian. For example, in the United States overall, more than 70 percent of Indian adults attain a bachelor's degree whereas about 10 percent of Bhutanese adults attain a bachelor's degree.²⁰ Such differences in educational attainment follow similar patterns in Minnesota.

¹⁵ U.S. Census. (2023). "American Community Survey 1-Year estimates: Race." <https://data.census.gov/table?q==ACSDT5Y2020.B02015>

¹⁶ U.S. Census. (2020). "American Community Survey 5-Year estimates: Asian alone by selected groups." <https://data.census.gov/table?q==ACSDT5Y2020.B02015>

¹⁷ U.S. Census. (2020). "American Community Survey 5-Year estimates: Asian alone by selected groups — Minnesota." <https://data.census.gov/table/ACSDT1Y2023.B02015?q=Minnesota%20asian>

¹⁸ U.S. Census. (2023). "American Community Survey 1-Year estimates: Educational Attainment."

<https://data.census.gov/table/ACSST1Y2023.S1501?q=S1501:%20Educational%20Attainment>

¹⁹ U.S. Census. (2023). "American Community Survey 1-Year estimates: Educational Attainment — Minnesota." <https://data.census.gov/table/ACSST1Y2023.S1501?q=S1501:%20Educational%20Attainment>

²⁰ National Center for Education Statistics. (2019). Indicator 27 snapshot: Attainment of a bachelor's or higher degree for racial/ethnic subgroups. https://nces.ed.gov/programs/raceindicators/indicator_rfas.asp

A. Asian-Pacific Americans — Evidence of discrimination and other barriers

Labor force participation and poverty. ACS 1-year estimates for 2023 indicate that about 85 percent of Asians in the United States aged 16 and older participate were in the labor force²¹ and about 10 percent had income at or below the federal poverty level in the past 12 months.²² About 51 percent of Native Hawaiians and Pacific Islanders over 16 were in the labor force²³ and about 16 percent had income at or below the federal poverty level.²⁴ The U.S. overall has 63 percent participation in the labor force and the poverty rate is about 11 percent.²⁵

In Minnesota, estimates show about 80 percent of Asians aged 16 and older are in the labor force²⁶ with about 8 percent having income at or below the federal poverty level.²⁷ About 19 percent of Native Hawaiians and Pacific Islanders have income at or below the federal poverty

level.²⁸ In Minnesota overall, 67 percent of residents participate in the labor force and about 9 percent are below the federal poverty level²⁹.

Overall Discrimination

Although bias and other discrimination can affect different groups categorized as Asian in different ways, some types of discrimination apply to multiple groups or across all groups. Here, we describe some of the overall evidence of discrimination against APA individuals.

Anti-Asian bias and violence. Recent events show a pattern of hate and violence toward APA groups in the United States. The COVID-19 pandemic fueled anti-Asian racism and discrimination with rhetoric that referred to coronavirus as the “Chinese virus.” The pandemic was a health crisis for all people, but for many Americans of Asian descent, it

²¹ U.S. Census. (2023). “American Community Survey 1-Year estimates: Sex by age by employment status for the population 16 years and over (Asian alone).” [https://data.census.gov/table/ACSDT1Y2023.B23002D?q=B23002D:%20Sex%20by%20Age%20by%20Employment%20Status%20for%20the%20Population%2016%20Years%20and%20Over%20\(Asian%20Alone\)](https://data.census.gov/table/ACSDT1Y2023.B23002D?q=B23002D:%20Sex%20by%20Age%20by%20Employment%20Status%20for%20the%20Population%2016%20Years%20and%20Over%20(Asian%20Alone))

²² U.S. Census. (2023). “American Community Survey 1-Year estimates: Poverty status in the past 12 months by sex by age (Asian alone).” [https://data.census.gov/table/ACSDT1Y2023.B17001D?q=B17001D:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20\(Asian%20Alone\)](https://data.census.gov/table/ACSDT1Y2023.B17001D?q=B17001D:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20(Asian%20Alone))

²³ U.S. Census. (2023). “American Community Survey 1-Year estimates: Poverty status in the past 12 months by sex by age (Native Hawaiian and Other Pacific Islander alone).” [https://data.census.gov/table/ACSDT1Y2023.B17001D?q=B17001D:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20\(Native%20Hawaiian%20and%20Other%20Pacific%20Islander%20Alone\)](https://data.census.gov/table/ACSDT1Y2023.B17001D?q=B17001D:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20(Native%20Hawaiian%20and%20Other%20Pacific%20Islander%20Alone))

²⁴ U.S. Census. (2023). “American Community Survey 1-Year estimates: Poverty status in the past 12 months by sex by age (Native Hawaiian and Other Pacific Islander alone).” [https://data.census.gov/table/ACSDT1Y2023.B17001E?q=B17001E:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20\(Native%20Hawaiian%20and%20Other%20Pacific%20Islander%20Alone\)](https://data.census.gov/table/ACSDT1Y2023.B17001E?q=B17001E:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20(Native%20Hawaiian%20and%20Other%20Pacific%20Islander%20Alone))

²⁵ U.S. Census. (2023). QuickFacts.

<https://www.census.gov/quickfacts/fact/table/MN,US/PST045223>

²⁶ U.S. Census. (2023). “American Community Survey 1-Year estimates: Sex by age by employment status for the population 16 years and over (Asian alone) — Minnesota.” [https://data.census.gov/table?q=B23002D:%20Sex%20by%20Age%20by%20Employment%20Status%20for%20the%20Population%2016%20Years%20and%20Over%20\(Asian%20Alone\)&g=040XX00US27](https://data.census.gov/table?q=B23002D:%20Sex%20by%20Age%20by%20Employment%20Status%20for%20the%20Population%2016%20Years%20and%20Over%20(Asian%20Alone)&g=040XX00US27)

²⁷ U.S. Census. (2023). “American Community Survey 1-Year estimates: Poverty status in the past 12 months by sex by age (Asian alone) — Minnesota.” [https://data.census.gov/table?q=B17001D:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20\(Asian%20Alone\)&g=040XX00US27](https://data.census.gov/table?q=B17001D:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20(Asian%20Alone)&g=040XX00US27)

²⁸ U.S. Census. (2023). “American Community Survey 1-Year estimates: Poverty status in the past 12 months by sex by age (Native Hawaiian and Other Pacific Islander alone) — Minnesota.” [https://data.census.gov/table/ACSDT1Y2023.B17001E?q=B17001E:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20\(Native%20Hawaiian%20and%20Other%20Pacific%20Islander%20Alone\)](https://data.census.gov/table/ACSDT1Y2023.B17001E?q=B17001E:%20Poverty%20Status%20in%20the%20Past%2012%20Months%20by%20Sex%20by%20Age%20(Native%20Hawaiian%20and%20Other%20Pacific%20Islander%20Alone))

²⁹ U.S. Census. (2023). QuickFacts: Minnesota.

<https://www.census.gov/quickfacts/fact/table/MN,US/PST045223>

A. Asian-Pacific Americans — Evidence of discrimination and other barriers

was a “crucible that exposed and exacerbated longstanding racial prejudices” against their communities.³⁰

There were 9,000 incidents of anti-Asian hate reported nationwide from March 2020 to June 2021. Around 63 percent of these incidents were reported by women.³¹ In 2020, the FBI saw a 77 percent increase in hate crimes against Asians compared to 2019.³² APA women are more likely than APA men to cite discrimination based on both race and gender as motivators behind hate crimes or violence they experience. APA women are more likely than men to report crimes to community hotlines or coalitions like Stop AAPI Hate, but they are less likely than men to report to law enforcement.³³

Stereotypes. Some groups categorized as Asians may be stereotyped as “forever foreigners” in the United States and/or are subjected to the “model minority myth.”

“Forever foreigner” stereotype. Some Asian groups report that other Americans perceive them as “forever foreign” based on assumptions about whether they are immigrants and their immigration status.³⁴

Two-thirds of Asian Americans are foreign-born — the highest percentage of any racial group in the United States (56% in Minnesota) and about 75 percent of Asian Americans speak a language other than English at home. Experiences with name mispronunciation, assumptions that they are not from the United States, racist comments about the foods they eat or traditions they have and comments they should “go back to their home country” are commonly reported among groups categorized as Asian.³⁵

“Model minority myth.” Scholars have long recognized the “model minority myth” as a tactic to pit racially minoritized groups against each other and paint Asian Americans and Pacific Islanders as a monolithic group.³⁶ The myth holds that because some groups of Asian descent have positive academic and economic outcomes, all other groups do too. Regardless of individuals’ own awareness of the myth, it has pervaded American society and reinforces stereotypes that do not align with the experiences of people of Asian descent.³⁷

³⁰ Vang, K. (May 29, 2024). For Asian Americans, the pandemic brought threats beyond the virus. *Star Tribune*. Retrieved June 3, 2024, from <https://www.startribune.com/for-asian-americans-the-pandemic-brought-threats-beyond-the-virus/600369553/>

³¹ Coalition of Asian American Leaders. (n.d.). Anti-Asian racism. *CAALMN*. <https://caalmn.org/anti-asian-racism/#:~:text=This%20past%20year%20we%20have,incidents%20were%20reported%20by%20women.>

³² U.S. Department of Justice. (2023). 2020 FBI hate crime statistics. *Justice.gov*. <https://www.justice.gov/crs/highlights/2020-hate-crimes-statistics>

³³ Lee, J., and Ramakrishnan, K. (2021). Anti-Asian hate affects upwards of 2 million adults. *AAPI Data*. <https://aapidata.com/blog/anti-asian-hate-2-million>

³⁴ Ruiz, N.G., Im, C., and Tian, Z. (2023). Asian Americans and the “forever foreigner” stereotype. *Pew Research Center*. <https://www.pewresearch.org/2023/11/30/asian-americans-and-the-forever-foreigner-stereotype/>

³⁵ Ruiz, N.G., Im, C., and Tian, Z. (2023). Asian Americans and the “forever foreigner” stereotype. *Pew Research Center*. <https://www.pewresearch.org/2023/11/30/asian-americans-and-the-forever-foreigner-stereotype/>

³⁶ Blackburn, S.S. (2019). What is the model minority myth? Southern Poverty Law Center: Learning for Justice. <https://www.learningforjustice.org/magazine/what-is-the-model-minority-myth>

³⁷ Ruiz, N.G., Im, C., and Tian, Z. (2023). Asian Americans and the “model minority” stereotype. <https://www.pewresearch.org/race-and-ethnicity/2023/11/30/asian-americans-and-the-model-minority-stereotype/>

A. Asian-Pacific Americans — Evidence of discrimination and other barriers

Discrimination in Minnesota. Two recent surveys studied discrimination in Minnesota compared to the national average: the “Discrimination in America” survey by Harvard University, National Public Radio and the Robert Wood Johnson Foundation in 2017; and APM Research Lab’s “Minnesota Diverse Communities Survey,” in 2021. In the 32 categories of discrimination the researchers studied, fifteen showed discrimination to be higher in Minnesota than national rates.³⁸

For example, the 2021 survey found:

- The proportion of Asian adults who believe that anti-Asian discrimination occurs in the housing market was 50 percent in Minnesota, compared to 29 percent nationally.
- The proportion of Asian adults who believe Asians are discriminated against in employment was 71 percent in Minnesota, compared to 45 percent nationally.
- The proportion of Asian adults who believe the police discriminate against Asians was 59 percent in Minnesota, compared to 34 percent nationally.³⁹

Although Anti-Asian violence and discrimination is not a recent phenomenon, there has been an influx of harassment, physical violence, discrimination and prejudice against Asian people since the COVID-19 pandemic. In Minnesota, for example, Asian-led small business revenue fell by 27 percent during the pandemic, more than any other demographic group.⁴⁰

Specifically, in Minneapolis, some Asian-owned businesses reported having their properties defaced with Nazi symbols.⁴¹ In Brooklyn Park, a Korean American man’s car was defaced with the phrase “China virus.”⁴² These examples and other incidents have been investigated as hate crimes or racial bias against Asian Americans in recent years.

³⁸ National Public Radio, the Robert Wood Johnson Foundation and Harvard T.H. Chan School of Public Health. (2017). Discrimination in America. *HSPH. Harvard*. Retrieved May 30, 2024, from <https://www.hsph.harvard.edu/horp/discrimination-in-america/>; APM Research Lab. (2021). Minnesota’s Diverse Communities Survey. *APM Research*. Retrieved May 30, 2024, from <https://www.apmresearchlab.org/mdc-survey>

³⁹ Helmstetter, C. (2021). Discrimination is common nationwide—and even more so for Black, Indigenous, Latinx and Asian Minnesotans. *APM Research Lab*. <https://www.apmresearchlab.org/blog/mdc-survey-discrimination-in-minnesota-and-us>

⁴⁰ Vue, K. (May 11, 2022). Minnesota businesses run by Asian Americans and Pacific Islanders were hit hard by the pandemic and a rise in hate crimes. An expo will try to

bring them back. *Sahan Journal*. <https://sahanjournal.com/business-work/minnesota-asian-american-pacific-islander-business-expo/>

⁴¹ Pan, H.J. (June 7, 2021). Asian Minnesotans say discrimination is on the rise, push to make prosecuting hate crimes easier. *Minnesota Reformer*. <https://minnesotareformer.com/2021/06/07/asian-minnesotans-say-discrimination-is-on-the-rise-legislature-unresponsive/>

⁴² Lee, K. (March 11, 2022). Anti-Asian hate is on the rise in Minnesota. *Twin Cities Public Television*. <https://www.tptoriginals.org/anti-asian-hate-rising-in-minnesota/>

A. Asian-Pacific Americans — Overview of groups that constitute APA in Minnesota

The term APA encompasses several different groups of people. We review the primary groups that comprise Minnesota's APA population and discuss evidence of discrimination specific to each group where it exists and is relevant.

South Asian Americans

South Asian is a category that can include people from South Asian backgrounds such as: Indian, Bangladeshi and Bengali, Bhutanese, Maldivians, Nepali, Pakistani and Sri Lankan.⁴³

Brief history of South Asian immigration. South Asians arrived in the United States as early as 1820 and continued to move across the nation throughout the early 20th century. In the early 1900s, South Asians, mostly Punjabi Sikh male laborers, worked on the railroads, farms, and labor mills with other Asian immigrants.⁴⁴

In 1911, the U.S. Immigration Commission referred to South Asians as the “least desirable race of immigrants thus far admitted to the United States.”⁴⁵ During this time, South Asians experienced racial violence and discrimination in many facets of life. With the Immigration Act of 1917, no immigrants from the so-called “Asiatic Barred Zone” were permitted

to enter the United States.⁴⁶ Several states in the western U.S. passed laws that prevented South Asians from owning or leasing land and many South Asians were driven out of their communities.⁴⁷ A 1923 U.S. Supreme Court ruling effectively barred South Asians from obtaining citizenship in the United States.⁴⁸

The alliance between India and the United States during World War II created opportunity for South Asian activists, who lobbied U.S. politicians to change immigration laws.⁴⁹ South Asian immigrants were allowed to apply for U.S. citizenship with the Luce-Celler Act of 1946 and the limits on immigrants from certain countries were abolished with the 1965 Immigration and Nationality Act, leading to increasing numbers of immigrants from India, Pakistan and Bangladesh.⁵⁰

Changes to immigration laws brought more South Asians to Minnesota for higher education degrees and professional jobs from 1965 into the early 1990s. South Asians, especially Indians, settled in the Twin Cities and Rochester.⁵¹ The Immigration and Nationality Act created new work opportunities, mostly for men, in technology, science and medicine in Minnesota and many employers gave South Asians employees permanent resident cards to keep them in Minnesota contributing to

⁴³ South Asian Americans Leading Together. (n.d.). “Demographic information.” <https://saalt.org/south-asians-in-the-us/demographic-information/>

⁴⁴ Lee, E. (2015). Legacies of the 1965 Immigration Act. *South Asian American Digital Archive*. <https://www.saada.org/tides/article/legacies-of-the-1965-immigration-act>

⁴⁵ Lee, E. (2015). Legacies of the 1965 Immigration Act. *South Asian American Digital Archive*. <https://www.saada.org/tides/article/legacies-of-the-1965-immigration-act>

⁴⁶ Office of the Historian (n.d.). The Immigration Act of 1924 (The Johnson-Reed Act). <https://history.state.gov/milestones/1921-1936/immigration-act>

⁴⁷ Lee, E. (2015). Legacies of the 1965 Immigration Act. *South Asian American Digital Archive*. <https://www.saada.org/tides/article/legacies-of-the-1965-immigration-act>

⁴⁸ Equal Justice Initiative (2023). U.S. Supreme Court rules Indian immigrants ineligible for citizenship. <https://calendar.eji.org/racial-injustice/feb/19>

⁴⁹ Lee, E. (2015). Legacies of the 1965 Immigration Act. *South Asian American Digital Archive*. <https://www.saada.org/tides/article/legacies-of-the-1965-immigration-act>

⁵⁰ Lee, E. (2015). Legacies of the 1965 Immigration Act. *South Asian American Digital Archive*. <https://www.saada.org/tides/article/legacies-of-the-1965-immigration-act>

⁵¹ Smith, K. (2017). Indian families in Minnesota are on edge after U.S. attacks. *Star Tribune*. <https://www.startribune.com/indian-families-in-minnesota-are-on-edge-after-u-s-attacks/415929434/?refresh=true>

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the economy.⁵² More South Asian businesses and organizations were established in the 1980s and 1990s throughout Minnesota.⁵³

Population size in Minnesota. In Minnesota, the most sizeable population of South Asians are from India or descended from people who immigrated from India. Estimates from the 2023 ACS show more than 51,000 Minnesotans of Indian descent, the second largest group of Asians in the state after Hmong.⁵⁴

Education and other socioeconomic indicators. South Asian groups in Minnesota, on average, have high education and income levels. For example, 83 percent of Indian American adults in Minnesota have a bachelor's or advanced degrees.⁵⁵ Indian Americans in Minnesota had a median household income of \$120,600, compared to \$75,900 for white Minnesotans.⁵⁶ There is substantial variation in the economic outcomes of subgroups of South Asians. For example, about 37 percent of Nepalese people have incomes below the poverty level.⁵⁷

Discrimination. Although some South Asians are financially successful, they may still face discrimination, including patterns specific to South Asians compared to other Asian American groups. Colorism plays a significant role in how South Asians are perceived, many of whom tend to have darker skin tones than other Asians Americans. For instance, many South Asian Americans in Minnesota reported discrimination based on the events of September 11, 2001.⁵⁸ “Brown” Asians have faced discrimination and violence due to their skin color, and harmful depictions of them as “terrorists” or “anti-American extremists.”⁵⁹

Many Americans may not even consider South Asians “Asian” due to colorism and stereotyping. A 2020 study published in *Ethnic and Racial Studies* argued that although South Asians in the United States may consider themselves Asian, “they may be significantly less likely to be racially assigned as Asian by Whites, Blacks, Latinos, and even by other Asians like Chinese, Japanese, and Koreans.”⁶⁰

⁵² Smith, K. (March 11, 2017). Indian families in Minnesota are on edge after U.S. attacks. *Star Tribune*. <https://www.startribune.com/indian-families-in-minnesota-are-on-edge-after-u-s-attacks/415929434/?refresh=true>

⁵³ Mathur, P. (Updated December 7, 2021). From the Ganges to Ten Thousand Lakes: Immigration from India to Minnesota. *MNopedia*. <https://www.mnopedia.org/ganges-ten-thousand-lakes-immigration-india-minnesota>

⁵⁴ U.S. Census. (2020). “American Community Survey 5-Year estimates: Asian alone by selected groups — Minnesota.” <https://data.census.gov/table/ACSDT1Y2023.B02015?q=Minnesota%20asian>

⁵⁵ Mathur, P. (Updated December 7, 2021). From the Ganges to Ten Thousand Lakes: Immigration from India to Minnesota. *MNopedia*. <https://www.mnopedia.org/ganges-ten-thousand-lakes-immigration-india-minnesota>

⁵⁶ Minnesota State Demographic Center. (2023). The economic status of Minnesotans 2023. *Minnesota Department of Administration*. https://mn.gov/admin/assets/Economic%20Status%20of%20Minnesotans%202023_tcm36-569572.pdf

⁵⁷ CAAL. (2020). Factors impacting the economic wellbeing of Asian Minnesotans. *CAALMN*. https://www.cura.umn.edu/sites/cura.umn.edu/files/2020-06/CAAL_brochureposter_bleeds-folds.pdf

⁵⁸ Vang, K. (2024). For Asian Americans, the pandemic brought threats beyond the virus. *Star Tribune*. <https://www.startribune.com/for-asian-americans-the-pandemic-brought-threats-beyond-the-virus/600369553/>

⁵⁹ Lee, J., and Ramakrishnan, K. (2020). “Who counts as Asian.” *Ethnic and Racial Studies*, 43 (10), 1733-1756.

⁶⁰ Lee, J., and Ramakrishnan, K. (2020). “Who counts as Asian.” *Ethnic and Racial Studies*, 43 (10), 1733-1756.

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South Asians may also have differing perceptions of discrimination than other Asian groups. For example, a 2023 Pew Research Study found that over 60 percent of the participants of Filipino, Chinese and Korean descent said that “discrimination against Asians is a major problem” whereas 44 percent of participants of Indian descent agreed with this statement.⁶¹ In another study, 50 percent of participants of Indian descent reported being discriminated against in the past one year, with discrimination based on skin color identified as the most common form of bias.⁶² Participants of Indian descent born in the United States were much more likely to report being victims of discrimination than their foreign-born counterparts.⁶³

Workplace discrimination. Workers of South Asian descent continue to face discrimination in their workplaces. With the rise of anti-Asian hate given some of the modern political rhetoric around immigrants, South Asians have been accused of stealing jobs from white Americans and performing work for lower wages.⁶⁴ South Asian participants in one study claimed they were overlooked for promotions or not being considered for leadership positions.⁶⁵

⁶¹ Ruiz, N.G., Im, C., and Tian, Z. (November 20, 2023). Asian Americans views of anti-Asian discrimination in the U.S. today. *Pew Research Center*. <https://www.pewresearch.org/2023/11/30/asian-americans-views-of-anti-asian-discrimination-in-the-u-s-today/>

⁶² Sumitra Badrinathan, S., Kapur, D., Kay, J., & Vaishnav, M. (2021). Social realities of Indian Americans: Results from the 2020 Indian American Attitudes Survey. Carnegie Endowment for International Peace. https://carnegie-production-assets.s3.amazonaws.com/static/files/files__Vaishnav_etal_IAASpt3_Final.pdf

⁶³ Sumitra Badrinathan, S., Kapur, D., Kay, J., & Vaishnav, M. (2021). Social realities of Indian Americans: Results from the 2020 Indian American Attitudes Survey. Carnegie

Endowment for International Peace. https://carnegie-production-assets.s3.amazonaws.com/static/files/files__Vaishnav_etal_IAASpt3_Final.pdf

⁶⁴ Stop AAPI Hate. (2024). Empowered/Imperiled: The Rise of South Asian representation and Anti-South Asian racism. <https://stopaapihate.org/wp-content/uploads/2024/10/24-SAH-SouthAsianReport-F.pdf>

⁶⁵ McMurtry, C.L., et al. (2019). Discrimination in the United States: Experiences of Asian Americans. *Health Services Research Special Issue: Experiences of Discrimination in America*, 54, 1419-1430.

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Central and East Asian Americans

East Asian is a broad category that can include people from Eastern Asian backgrounds such as Chinese, Japanese, Korean, Okinawan Taiwanese and Tibetan.⁶⁶

Central Asians in this country include Afghans, Kazakhs, Kyrgyz, Tajiks, Turkmen and Uzbeks who immigrated to the United States and their descendants. (For purposes of the 2025 Disparity Study, the group includes Mongolians as well, a group for which Keen Independent could find no clear federal delineation between Central and East Asian.) Keen Independent's analysis of 2018–2022 American Community Survey data indicate that there may be fewer than 1,000 Central Asian Americans in Minnesota and a very small number of Central Asian American-owned businesses in the state. Most of the discussion below is about East Asian Americans.

Brief history of East Asian immigration. East Asian immigration to Minnesota dates back to the mid-1870s, when Chinese immigrants to the United States fled racial violence on the West Coast. Chinese immigrant workers played a key role in building railroads across the country, including the Northern Pacific Railway that stretched from

Saint Paul to Seattle. About two-thirds of the Northern Pacific Railway workforce were Chinese.⁶⁷ In the late 1800s, Chinese immigrants established businesses such as restaurants and laundromats in the Twin Cities and in Greater Minnesota.⁶⁸ Racism and violence were prevalent. Anti-Chinese vandalism was common and Chinese people were often excluded from purchasing property in certain towns.⁶⁹

The Chinese Exclusion Act of 1882 (repealed in 1943) restricted the entry of Chinese people into the United States. Some scholars argue that the effects of xenophobic discrimination from the Act negatively impacted employment opportunities and set back immigrants in skilled labor.⁷⁰ In addition, the 1917 Immigration Act created literacy tests for immigrants and barred immigration from many other Asian countries. By the 1930s, Japanese and Koreans were also barred from entering the United States and from becoming naturalized citizens.⁷¹

⁶⁶ Asian Pacific Institute on Gender-Based Violence. (2022). Census data and API identities. *API-GBV.org*. <https://www.api-gbv.org/resources/census-data-api-identities/>

⁶⁷ Stimpson, A. (2023). Remembering the Chinese forerunners who built the Northern Pacific. *Rails to Trails Conservancy*. <https://www.railstotrails.org/trailblog/2023/may/05/remembering-the-chinese-forerunners-who-built-the-northern-pacific/#:~:text=An%20estimated%20two%2Dthirds%20of,valued%20workers%2C%E2%80%9D%20affirmed%20Dr.>

⁶⁸ Davey, K. J. (2023). Chinese-Americans in Minnesota: Overview. *Gale Family Library*. <https://libguides.mnhs.org/chinese-americans>

⁶⁹ Ratsabout, S. (2022). Immigrants and refugees in Minnesota: Connecting past and present. *MNopedia*. <https://www.mnopedia.org/immigrants-and-refugees-minnesota-connecting-past-and-present>

⁷⁰ Long, J., Medici, C., Qian, N., and Tabellini, M. (2022). The Impact of the Chinese Exclusion Act on the U.S. Economy. *Harvard Business School*.

⁷¹ Lee, E. (2021). Testimony of Erika Lee, PhD, Regents Professor of History and Asian American Studies and Director of the Immigration History Research Center at the University of Minnesota on “Discrimination and Violence Against Asian Americans.” *Committee on the Judiciary*. <https://docs.house.gov/meetings/JU/JU10/20210318/111343/HHRG-117-JU10-Wstate-LeeE-20210318-U23.pdf>

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The bombing of Pearl Harbor and entry of the United States into WWII in 1941 led to President Roosevelt's Executive Order 9066, which called for the removal of Japanese immigrants, their American children and their family members from the West Coast. More than 120,000 Japanese people were placed in American concentration camps.⁷²

There were about 50 Japanese Americans living in Minnesota at the start of WWII.⁷³ There were no camps in Minnesota. Various organizations in the state assisted with resettlement efforts that brought Japanese Americans to Minnesota beginning in 1942.⁷⁴ There were about 1,000 Japanese Americans in the state after the war.⁷⁵

By the 1970s, large groups of Korean immigrants had settled in Minnesota for education and job opportunities. Many Korean people were students, wives of American servicemen who had been stationed in Korea and orphans from the war adopted by Minnesota families.⁷⁶ Minnesota had been dubbed the "Korean adoptee homeland," with the highest number of Korean adoptees per capita in the United States.

⁷² Executive Order 9066. (1942). <https://www.archives.gov/milestone-documents/executive-order-9066>

⁷³ Hanson, K. (2018). St. Paul Resettlement Committee helped bring Japanese Americans to Minnesota in wake of World War Two camp policy. *MNopedia*. <https://www.minnpost.com/mnopedia/2018/03/st-paul-resettlement-committee-helped-bring-japanese-americans-minnesota-wake-world/>.

⁷⁴ There were 10 concentration camp sites across the United States: Heart Mountain in Wyoming, Tule Lake and Manzanar in California, Topaz in Utah, Poston and Gila River in Arizona, Granada in Colorado, Minidoka in Idaho and Jerome and Rowher in Arkansas. See: Executive Order 9066. (1942). <https://www.archives.gov/milestone-documents/executive-order-9066>

⁷⁵ Ratsabout, S. (2022). Immigrants and refugees in Minnesota: Connecting past and present. *MNopedia*. <https://www.mnopedia.org/immigrants-and-refugees-minnesota-connecting-past-and-present>

Population size in Minnesota. In Minnesota, the most sizeable population of East Asians are from China, Korea and Japan.

- Minnesota's Chinese American population is around 43,700 people About 50 percent of Chinese Minnesotans are foreign-born residents and 63 percent speak a language other than English at home.⁷⁷ Nearly half of employment-based immigrant visas in Minnesota are issued to workers from China and India.⁷⁸
- Approximately 28,000 Korean Americans live in Minnesota.⁷⁹
- The Japanese American population in Minnesota is about 12,600.⁸⁰

⁷⁶ Korean Institute of Minnesota. (2024). About us. *Korean Institute of Minnesota*. [https://www.koreaninstitute.org/copy-of-about-us#:~:text=The%20estimated%20figures%20for%20the,20%2C000%20\(1%2C2](https://www.koreaninstitute.org/copy-of-about-us#:~:text=The%20estimated%20figures%20for%20the,20%2C000%20(1%2C2)

⁷⁷ Minnesota Compass. (n.d.). Chinese population. *Minnesota Compass*. Retrieved June 4, 2024, from <https://www.mncompass.org/topics/demographics/cultural-communities/chinese>

⁷⁸ Liuzzi, A., and Li, A. (2024). The importance of data disaggregation: Minnesota's Asian communities. *Minnesota Compass*. <https://www.mncompass.org/data-insights/articles/importance-data-disaggregation-minnesotas-asian-communities>

⁷⁹ Minnesota Compass. (n.d.). Korean population. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/cultural-communities/korean>

⁸⁰ Minnesota Compass. (n.d.). Japanese population. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/cultural-communities/japanese>

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Socioeconomic information. East Asian Americans in Minnesota generally have relatively high educational attainment and relatively favorable economic indicators.^{81, 82,}

Discrimination. The COVID-19 pandemic gave rise to anti-Asian and Pacific Islander violence in general, but Chinese people were especially demonized with racist monikers that referred to coronavirus as the “China Virus.” For example, a man stole a woman’s food in a Saint Paul grocery store, saying she did not deserve the food because she was “the reason” behind the pandemic virus.⁸³ An apartment manager in Woodbury received threatening notes because the writer assumed he was Chinese. There were reports of cashiers refusing to serve East Asian American customers in Minnesota.⁸⁴ Violence and discrimination affected Asians broadly, but this prejudice was fueled, in part, by specific anti-Chinese rhetoric of the pandemic that condemned Wuhan, China and Chinese people.⁸⁵

About 80 percent of Koreans in Minnesota are foreign-born.⁸⁶ As mentioned, Korean adoption flourished during the Korean War. The Child Citizenship Act of 2000 granted citizenship to foreign-born

children adopted by U.S. families who met certain criteria. However, the law did not offer protections for those who were over 18, which affected thousands of adult adoptees born before February 27, 1983. This left “tens of thousands of adoptees, an estimated 18,600 of whom were adopted from Korea, without citizenship.”⁸⁷ Without documentation, it was much harder for Korean adoptees to navigate U.S. financial institutions, including starting a business and owning a home.

Korean adoptees in Minnesota have reported feeling discriminated against for being adopted and “looking foreign,” lost between cultures and “disconnected from society as a whole.”⁸⁸

⁸¹ CAAL. (2020). Factors impacting the economic wellbeing of Asian Minnesotans. *CAALMN*. https://www.cura.umn.edu/sites/cura.umn.edu/files/2020-06/CAAL_brochureposter_bleeds-folds.pdf

⁸² Minnesota Compass. (n.d). Chinese population. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/cultural-communities/chinese>

⁸³ Rao, M. (2020). Asian-Americans in Minnesota face insults, hostility during virus outbreak. *Star Tribune*. <https://www.startribune.com/asian-americans-in-minnesota-face-insults-hostility-during-virus-outbreak/569178982/>

⁸⁴ Rao, M. (2020). Asian-Americans in Minnesota face insults, hostility during virus outbreak. *Star Tribune*. <https://www.startribune.com/asian-americans-in-minnesota-face-insults-hostility-during-virus-outbreak/569178982/>

⁸⁵ Rao, M. (2020). Asian-Americans in Minnesota face insults, hostility during virus outbreak. *Star Tribune*. <https://www.startribune.com/asian-americans-in-minnesota-face-insults-hostility-during-virus-outbreak/569178982/>

⁸⁶ University of Minnesota’s Center for Urban and Regional Affairs and CAAL. (2018). Invisibility perpetuated: The complex economics of Asian Minnesotans. *CAALMN*. <https://caalmn.org/wp-content/uploads/2021/03/Invisibility-Perpetuated-the-Complex-Economics-of-Asian-Minnesotans..pdf>

⁸⁷ Foster Adopt Minnesota. (2024). Community statements: AAPI citizenship. *Foster Adopt MN*. <https://www.fosteradoptmn.org/about/community-statements/>

⁸⁸ Peng, E. (2024). In Minnesota, Korean American adoptees are reclaiming their identities. *MidStory*. <https://www.midstory.org/in-minnesota-korean-american-adoptees-are-reclaiming-their-identities/>

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Southeast Asian Americans

Southeast Asian is a broad category that can include people from Southeast Asian backgrounds such as Hmong, Vietnamese, Burmese, Karen, Lao (non-Hmong), Cambodian, Thai, Filipino, Indonesian, Malaysian, Bruneian, Mein, Singaporean and Timorese.⁸⁹ Many of Minnesota's largest Asian-immigrant populations such as Laotian, Burmese, Filipino, Vietnamese and Hmong are Southeast Asian.⁹⁰

Classifying Hmong as Southeast Asian. The Hmong people are a cultural community, with a significant presence in Minnesota (about 94,300 people as of 2021). Hmong Minnesotans are the largest Asian American community in the state.⁹¹

Classifying the Hmong population into a broader group of Asian Americans is complex and sometimes controversial. The 2020 United States Census classified the Hmong people as East Asian, with a note that many Hmong people identify as Southeast Asian. In response, the President and CEO of Hmong American Partnership in Saint Paul, May Yer Thao, stated, "While we appreciate the engagement the

Bureau has recently done with the Hmong community and the technical note that came as a result of some of those conversations, we are still deeply troubled that our communities remain misclassified as East Asian."⁹²

Sources like the Asian Pacific Institute on Gender-Based Violence,⁹³ the Southeast Asia Resource Action Center⁹⁴ and the Minnesota Hmong Chamber of Commerce⁹⁵ consider Hmong people as Southeast Asians. As discussed later in this literature review, many Hmong people feel connected to Southeast Asian heritage and culture because Hmong people fought on behalf of the United States in Laos during the Vietnam War. For some, classification as East Asian erases their "elders and veterans who sacrificed so much to get [them] here to this country."⁹⁶

There is strong support for classifying Hmong people in Minnesota as Southeast Asian, given research results on how people see themselves and how their experiences, traditions and histories align with others from Southeast Asia.

⁸⁹ Asian Pacific Institute on Gender-Based Violence. (2022). Census data and API identities. *API-GBV.org*. <https://www.api-gbv.org/resources/census-data-api-identities/>

⁹⁰ Minnesota Compass. (n.d.). Minnesota's Asian immigrant populations. *Minnesota Compass*. <https://www.mncompass.org/asian-minnesotans>

⁹¹ Minnesota Compass. (n.d.). Hmong population. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/cultural-communities/hmong>

⁹² Southeast Asia Resource Action Center. (2023). SEARAC urges more inclusive Census data. *SEARAC*. <https://www.searac.org/press-room/searac-urges-more-inclusive-census-data/>

⁹³ Asian Pacific Institute on Gender-Based Violence. (2022). Census data and API identities. *API-GBV.org*. <https://www.api-gbv.org/resources/census-data-api-identities/>

⁹⁴ Southeast Asia Resource Action Center. (2023). SEARAC urges more inclusive Census data. *SEARAC*. <https://www.searac.org/press-room/searac-urges-more-inclusive-census-data/>

⁹⁵ Solina, S. (2024). Hmong community among groups pushing for change in U.S. Census. *Kare 11*. <https://www.kare11.com/article/news/local/breaking-the-news/hmong-community-among-groups-pushing-change-in-census/89-006d22ee-0494-4dc5-8776-878a4c85219b>

⁹⁶ Associated Press. (2024). Armenians, Hmong and other groups feel US race and ethnicity categories don't represent them. *US News and World Report*. <https://www.usnews.com/news/best-states/florida/articles/2024-05-27/armenians-hmong-and-other-groups-feel-us-race-and-ethnicity-categories-dont-represent-them#:~:text=Given%20their%20history%20fighting%20in,Asian%20after%20the%2020%20census.>

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Brief history of Southeast Asian immigration. Years after the Chinese Exclusion Act and other legislation that excluded East Asians (discussed in the next section of this literature review), the Immigration and Nationality Act of 1965 established paths for family reunification and eliminated country-of-origin quotas. In addition, the refugee crisis in the 1970s caused many Asian and Pacific Islander groups to settle in Minnesota. This included the Hmong and Lao people who fought on behalf of the U.S. Central Intelligence Agency against communism in Laos.⁹⁷

The Indochina Migration and Refugee Assistance Act of 1975 signed by President Ford granted special access to Southeast Asian refugees, who began arriving in Minnesota around fall of 1975.⁹⁸ Minnesota Governor Wendell R. Anderson created the Indochinese Resettlement Task Force that December.⁹⁹ Since then, Minnesota became home to many Hmong, Lao, Karen and Vietnamese people.

In 1980, the Refugee Act established a definition of “refugee status” for the first time in the United States. The Act also created the Office of Refugee Resettlement.¹⁰⁰

By 2005, many Karen people, the second largest ethnic nationality group in Burma, had come to the United States as refugees. Since 1949, government insurgency and persecution in Burma caused people to flee in mass. By 1996, nearly all Karen people had fled oppression, and many moved to the United States as refugees.¹⁰¹ Karen and Burmese are different ethnic groups and can speak different languages. They are often grouped together in data sources (e.g., Minnesota Compass) as “Burmese” since both groups resided in Burma, but many Karen people faced persecution by the Burmese and choose to distinguish themselves as their own group, when possible.¹⁰² In 2019, an estimated 12,000 Karen immigrants lived in Minnesota.¹⁰³

Note that some of the data in the following pages refer to the Burmese population (which in Minnesota, are mostly Karen people).

⁹⁷ Immigration and Nationality Act of 1965. (1965). <https://www.gpo.gov/fdsys/pkg/STATUTE-79/pdf/STATUTE-79-Pg911.pdf>

⁹⁸ H.R.6755 - Indochina Migration and Refugee Assistance Act (1975). *94th Congress*. <https://www.congress.gov/bill/94th-congress/house-bill/6755>

⁹⁹ Ratsabout, S. (2022). Immigrants and refugees in Minnesota: Connecting past and present. *MNopedia*. <https://www.mnopedia.org/immigrants-and-refugees-minnesota-connecting-past-and-present>

¹⁰⁰ S.643 - Refugee Act of 1979 (1980). *96th Congress*. <https://www.congress.gov/bill/96th-congress/senate->

[bill/643#:~:text=Refugee%20Act%20of%201980%20%2D%20%3DTitle,resettlement%20and%20absorption%20of%20those](#)

¹⁰¹ Minnesota Council on Asian Pacific Minnesotans. (2019). Karen. *MN Council on Asian Pacific Minnesotans*. https://mn.gov/capm/assets/2019%20Report%20-%20Emerging%20Communities%20Report%20-%20Insert%202_tcm1051-443982.pdf

¹⁰² Minnesota Department of Human Services. (n.d.). Introduction to the Karen. *MN House*. https://www.house.mn.gov/comm/docs/nLMA_6GxEezIM-kPX0ExQ.pdf

¹⁰³ Minnesota Council on Asian Pacific Minnesotans. (2019). Karen. *MN Council on Asian Pacific Minnesotans*. https://mn.gov/capm/assets/2019%20Report%20-%20Emerging%20Communities%20Report%20-%20Insert%202_tcm1051-443982.pdf

A. Asian-Pacific Americans — Overview of groups that constitute APA in Minnesota

Population size in Minnesota. Minnesota is home to the third-largest population of Southeast Asian Americans of any state in the country, at around 115,000 people.¹⁰⁴

Whereas Hmong people only make up 1.4 percent of the national Asian population, they comprise 27 percent of Minnesota’s Asian population.¹⁰⁵ Some scholars have dubbed the Twin Cities of Minneapolis and Saint Paul as the “Hmong capital of the world.”¹⁰⁶ In addition, Minnesota has the largest concentration of Hmong businesses in the United States.¹⁰⁷ Excluding Hmong, data from 2018 to 2022 show that around 6,900 Laotian immigrants live in Minnesota, with the majority residing in the Twin Cities.¹⁰⁸

Aside from a few statistics that differentiate Hmong and Laotian people by population and business ownership, much scholarship and data discuss Hmong and Laotian people together and among a broader Southeast Asian population. Currently, it is difficult to find detailed data specific to Hmong people.

For other Southeast Asian communities, data from 2018 to 2022 show:

- Minnesota is home to about 23,300 Filipino Americans. About 41 percent are foreign-born.¹⁰⁹
- Minnesota has around 22,200 Vietnamese immigrants and their U.S.-born children.¹¹⁰
- Minnesota has about 5,410 Thai immigrants and their U.S.-born children.¹¹¹

More than 90 percent of Southeast Asians in Minnesota speak a language other than English at home. About 85 percent of Burmese and 54 percent of Vietnamese speak English “less than very well.”¹¹²

¹⁰⁴ Southeast Asia Resource Action Center and Asian Americans Advancing Justice. (2020). Southeast Asian American journeys: A national snapshot of our communities. SEARAC. https://www.searac.org/wp-content/uploads/2020/02/SEARAC_NationalSnapshot_PrinterFriendly.pdf

¹⁰⁵ Helmstetter, C. (2021). Discrimination is common nationwide—and even more so for Black, Indigenous, Latinx and Asian Minnesotans. *APM Research Lab*. <https://www.apmresearchlab.org/blog/mdc-survey-discrimination-in-minnesota-and-us>

¹⁰⁶ Vang, C. Y. (2010). *Hmong America: Reconstructing community in diaspora*. Urbana, IL: University of Illinois Press.; Ito, R. (2020). Not a white girl and speaking English with slang: Negotiating Hmong American identities in Minneapolis-St. Paul, Minnesota, USA. *Multilingua* 40 (3).

¹⁰⁷ Minnesota Hmong Chamber of Commerce. (2024). Membership and partnership. *MN Hmong Chamber*. <https://mnhmongchamber.org/membership/>

¹⁰⁸ Minnesota Compass. (n.d.). Laotian immigrants. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/immigration/laotian-immigrants>

¹⁰⁹ Minnesota Compass. (n.d.). Filipino population. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/cultural-communities/filipino>

¹¹⁰ Minnesota Compass. (n.d.). Vietnamese immigrants. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/immigration/vietnamese-immigrants>

¹¹¹ Minnesota Compass. (n.d.). Thai foreign-born population (excluding Hmong and Burmese). *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/immigration/thai-immigrants>

¹¹² CAAL. (2020). Factors impacting the economic wellbeing of Asian Minnesotans. *CAALMN*. https://www.cura.umn.edu/sites/cura.umn.edu/files/2020-06/CAAL_brochureposter_bleeds-folds.pdf

A. Asian-Pacific Americans — Overview of groups that constitute APA in Minnesota

Education and other socioeconomic indicators. American Community Survey data for 2018 to 2022 show that about 65 percent of Burmese and Karen adults in Minnesota had not graduated high school and that nearly 40 percent of Laotian immigrants had not graduated high school.¹¹³ These figures compare to data that show that only 6 percent of all Minnesota adults aged 25 years or older do not have a high school diploma.¹¹⁴

In 2022, Burmese Minnesotans had a median household income of \$25,823.¹¹⁵ In 2015, about 43 percent of Southeast Asian households in Minnesota were cost-burdened,¹¹⁶ compared to around 32 percent of all Minnesotans and approximately 28 percent of all Asian Americans in the state.¹¹⁷

Discrimination. Minnesota 8, or MN8, is an advocacy group working to address the discrimination against Southeast Asians in Minnesota. MN8 states that the U.S. war in Vietnam affected Southeast Asia and displaced entire communities and that, in the United States, Southeast Asians live in “underfunded and over-policed neighborhoods” that face violence and poverty.

MN8 outlines three specific types of discrimination that Southeast Asians face:

- Southeast Asians are targeted by Immigration and Customs Enforcement (ICE) for detention and deportation;
- Southeast Asians face structural barriers that make it harder for them to voice their opinion or participate politically; and
- Southeast Asians struggle to access economic, mental health and community resources due to historical trauma, poverty, violence and structural racism.¹¹⁸

¹¹³ Minnesota Compass. (n.d.). By immigrant group. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/immigration?proportion-of-adults-working#1-6186-g>

¹¹⁴ Minnesota Compass. (n.d.). Minnesota, educational attainment among adults. *Minnesota Compass*. <https://www.mncompass.org/profiles/state/minnesota/educational-attainment>

¹¹⁵ CAAL. (2020). Factors impacting the economic wellbeing of Asian Minnesotans. *CAALMN*. https://www.cura.umn.edu/sites/cura.umn.edu/files/2020-06/CAAL_brochureposter_bleeds-folds.pdf

¹¹⁶ Here, cost-burdened refers to households who pay more than 30 percent of their income for all housing costs.

¹¹⁷ CAAL. (2020). Factors impacting the economic wellbeing of Asian Minnesotans. *CAALMN*. https://www.cura.umn.edu/sites/cura.umn.edu/files/2020-06/CAAL_brochureposter_bleeds-folds.pdf

¹¹⁸ MN8. (n.d.). What problems are MN8 investigating? *Minnesota 8*. <https://minnesota8.org/work/what-we-do/>

A. Asian-Pacific Americans — Overview of groups that constitute APA in Minnesota

Native Hawaiians and Pacific Islanders

In the United States Census, Native Hawaiian and Pacific Islander (NHPI) refers to “individuals with origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands, including, for example, Native Hawaiian, Samoan, Chamorro, Tongan, Fijian and Marshallese.”¹¹⁹

In addition to federal and state agencies combining data for NHPI individuals with Asians, organizations such as Asian American and Pacific Islander Data and Asian and Pacific Islander American (APIA) Vote also group Pacific Islanders with Asian Americans.¹²⁰

The Federal Disadvantaged Business Enterprise (DBE) program considers businesses owned by Pacific Islanders under its certification of Asian-Pacific American-owned firms (in 49 CFR Part 26). Native Hawaiian-owned firms are included under “Native American” businesses in the Federal DBE Program.

Brief history of NHPI integration. Whereas immigrants from some Pacific Island nations such as Fiji came to the United States voluntarily, Native Hawaiians and some other Pacific Islanders were forced into

assimilation following the annexation of their countries as American territories (and, in the case of Hawaii, an eventual state). Hawaii was an autonomous kingdom prior to its annexation in 1898.¹²¹ Following annexation, many Native Hawaiians were placed in boarding schools designed to strip them of their language, culture and traditions in order to assimilate into American culture.¹²²

Islands constituting Samoa were divided into American Samoa and German Samoa as a result of the Treaty of Berlin in the late nineteenth century. German Samoa (now Samoa) has since gained independence and operates as a fully autonomous nation whereas American Samoa remains under U.S. control.¹²³

The Chamorro people, originating from Southeast Asia, settled Guam nearly 4,000 years ago.¹²⁴ After falling under Spanish control, Guam was ceded to the United States under the 1898 Treaty of Paris that ended the Spanish American War.¹²⁵

¹¹⁹ This group used to be referred to as “Native Hawaiian or Other Pacific Islander,” but “Other” was removed from the title in 2024. See: Marks, R., Jones, N., and Battle, K. (April 8, 2024). What updates to OMB’s race/ethnicity standards mean for the Census Bureau. *U.S. Census Bureau*. <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

¹²⁰ APIA Vote and APPI Data. (2020). 2020 state factsheet: Minnesota. *APIA Vote*. <https://apiavote.org/wp-content/uploads/Minnesota-2020.pdf>

¹²¹ The Hawaiian Islands. (n.d.). A brief history of the Hawaiian Islands. <https://www.gohawaii.com/hawaiian-culture/history>

¹²² Lee, J. (2022). U.S. recognizes history of forced assimilation in boarding schools. *Island News*. https://www.kitv.com/news/local/us-recognizes-history-of-forced-assimilation-in-boarding-schools/article_3f59f17e-d1c8-11ec-9822-633f95894887.html

¹²³ National Park of American Samoa. (n.d.). Frequently asked questions. National Park Service. <https://www.nps.gov/npsa/planyourvisit/frequently-asked-questions.htm>

¹²⁴ ¹²⁴ Herman, D. (2017). A brief, 500-year history of Guam. *Smithsonian Magazine*. (<https://www.smithsonianmag.com/smithsonian-institution/brief-500-year-history-guam-180964508/>)

¹²⁵ Herman, D. (2017). A brief, 500-year history of Guam. *Smithsonian Magazine*. (<https://www.smithsonianmag.com/smithsonian-institution/brief-500-year-history-guam-180964508/>)

A. Asian-Pacific Americans — Overview of groups that constitute APA in Minnesota

Population size in Minnesota. A 2022 report showed about 3,000 Native Hawaiians and Pacific Islanders (NHPI) live in Minnesota.¹²⁶ Keen Independent’s analysis of American Community Survey data for 2018–2022 indicate that there may be fewer than 10 businesses owned by Native Hawaiians and Pacific Islanders in the state.

Discrimination. As previously mentioned, NHPI individuals can be subject to discrimination that affects other Asian groups. The model minority myth, for example, harms people of NHPI descent as well and posits Asians as a monolithic group.¹²⁷ Other forms of discrimination unique to NHPs may stem from the fact that many were forced to assimilate into American culture and many living in U.S. territories do not have the same rights and protections as U.S. citizens.

¹²⁶ Asian Americans/Pacific Islanders in Philanthropy. (2022). Seeking to soar: Regional nonprofit snapshot, Minneapolis-St. Paul (Twin Cities). *AAPIP*. <https://aapip.org/wp-content/uploads/2022/05/Twin-Cities-Nonprofit-Snapshot-Final-04.26.pdf>

¹²⁷ Blackburn, S.S. (2019). What is the model minority myth? Southern Poverty Law Center: Learning for Justice. <https://www.learningforjustice.org/magazine/what-is-the-model-minority-myth>

A. Asian-Pacific Americans — Results from 2017 Minnesota Joint Disparity Study

The 2017 Minnesota Joint Disparity Study examined rates of business ownership by Asian Americans and receipt of contract dollars by Asian American-owned businesses. In the 2017 Study, data on workforce and business owners included Asian-Pacific Americans and Subcontinent Asian Americans. These groups were combined in the data pertaining to Asian American-owned businesses.

Quantitative Results

Overall, Keen Independent found no evidence of a disparity between utilization and availability of Asian American-owned firms in participating entity contracts (combined) in the 2017 Study. However, substantial disparities were identified for the following industries:

- Construction;
- Goods; and
- Other services.

Among minority-owned firms, Asian American-owned businesses received the most contracts (948) and the largest amount of contract dollars (\$51 million).

Qualitative Results

Keen Independent conducted interviews with Asian Pacific American and Subcontinent Asian American business owners and representatives. Select insights appear below.

- Several Asian American interviewees and business owners expressed that their businesses were often at a disadvantage in the marketplace, many citing the fact that their businesses were small.
- A few business owners expressed the importance of having access to networks and resources as an Asian American business owner.
- An Asian male business owner remarked that businesses like his were suffering greatly when compared to white woman-owned firms.
- One business owner worried that the results of the study would lead people to believe that Asian American-owned businesses do not have hurdles in the marketplace.

A. Asian-Pacific Americans — Comments from qualitative research

As part of the preliminary research in the 2025 Minnesota Joint Disparity Study, Keen Independent interviewed business owners and trade association representatives belonging to or familiar with the APA business community in Minnesota. We provide insights from those interviews below. (At the time of this report, Keen Independent was still conducting interviews with APA business owners.)

Diversity within AAPI

Interviewed participants commented on the great diversity of groups represented under the term Asian Americans. One interview participant explained that these diverse groups often have very different challenges and socioeconomic outcomes.

Language

One factor an interview participant pointed out as having a significant impact on an APA business owner's success is proficiency with English. For example, many of the forms and processes business owners need to complete to register their businesses are complex and require substantial reading comprehension skills in English.

Another comment pointed out that groups within the APA community may not be fully literate in their own languages, rendering translations less helpful than they may be for other groups.

Minnesota is home to 40 plus very unique groups that identify as having roots in what we consider Asia and the Pacific Islands...Alongside those variables you see significant differences in socioeconomic statuses. One of our most socioeconomically challenged communities would be our Karen community, which is our largest emerging refugee experience. Compare them to the Asian Indian community, which is our wealthiest community with a Median household income that surpasses a White Minnesota family.

Interview participant

[Asian] business owners face different challenges depending on generation, whether they're first generation or 1.5 generation, which has a high correlation with their ability to know and comprehend English and then communicate both verbally and in written English. This then has to do with their ability to understand how to navigate systems, how to navigate policies, processes and protocols, [know which] resources [are available] how to compete for either a grant or a government loan.

Interview participant

The Hmong and the Karen, a majority of those community members are not literate in their own native language so, even if you are translating materials, chances are that doesn't substantively do away with a language barrier. That is a huge obstacle in the AAPI population in Minnesota. If you look at the Hmong language, there are two dialects. There's green and there's the white. If you look at the Karen population, there are three or four dialects. In each of these groups, there's one language that is dominant but, depending on what part of the country you're from, you may not understand that main dialect either.

Interview participant

A. Asian-Pacific Americans — Comments from qualitative research

Disaggregation of Data

Interviewees remarked on disaggregation of data, commenting that although they understand why data for APA groups are often aggregated, disaggregating would help some communities.

Some comments pointed out the tension within the APA community regarding disaggregation. An interview participant claimed that some individuals in the business community may be against disaggregation of data. Because outcomes can be so stratified across groups counted as APA, the worry is that disaggregating data into these groups will make some groups (e.g., business owners of Chinese descent) less likely to receive continued support.

We understand the power of a shared political agenda or a shared policy agenda but we're not naïve enough to believe that there isn't tension between certain communities and that that tension can either be minimized or it can be aggravated depending on certain policy issues such as data disaggregation.

Interview participant

We have communities who are vehemently against data disaggregation... The wealthier Asian American communities ... [are] likely to be opponents of data disaggregation as well because they see [it] as government giving out fish instead of teaching people how to fish ... they argue that everyone should be looked at equally ... And then you have people who would absolutely benefit from data disaggregation ... the refugee experience who don't speak any English. Data disaggregation allows us to have a more nuanced understanding of how certain groups are doing.

Interview participant

APPENDIX B. Black Americans — Introduction

Appendix B considers whether there is evidence for continued inclusion of Black American-owned businesses in the 2025 Study and considers some of the diversity of the Black population and business owners in Minnesota. The study team then explores the literature regarding the two largest groups of Black people in Minnesota: African American descendants of persons enslaved in the United States¹ and sub-Saharan African immigrants and their children.

Note that Keen Independent uses “Black Americans” and “African Americans” interchangeably in this document. We also interchangeably refer to “Black-owned” and “African American-owned” businesses.

National Overview

The United States has a longstanding history of discrimination against Black Americans that has pervaded every aspect of American life. Beginning with chattel slavery, which became a widely accepted practice in the early days of America’s founding, through Jim Crow laws, the Civil Rights Movement and systemic police violence, Black Americans have been subject to some of the most horrific practices and policies. We provide a few brief examples of legalized discrimination against Black Americans.

¹ Nationally, 57 percent of African American adults say their ancestors were enslaved. Pew Research Center. (2022). “Race Is Central to Identity for Black Americans and Affects How They Connect With Each Other”. <https://www.pewresearch.org/race-and-ethnicity/2022/04/14/race-is-central-to-identity-for-black-americans-and-affects-how-they-connect-with-each-other/>

² Rael, P. (2016). A compact for the good of America? Slavery and the three-fifths compromise. Black Perspectives. <https://www.aaihs.org/a-compact-for-the-good-of-america-slavery-and-the-three-fifths-compromise/>

- During chattel slavery, Black Americans were legally considered three-fifths of a person such that states with large populations of enslaved persons could receive more representation in the U.S. House of Representatives.²
- Racial segregation and disenfranchisement were legally codified following the emancipation of enslaved Africans in the Jim Crow laws.³
- State-sponsored housing programs as part of the New Deal that were designed to address shortages deliberately excluded Black Americans and led to the practice known as “redlining.”⁴
- A brief by the Council of Economic advisors summarized recent evidence of racial discrimination in lending against Black individuals and Black-owned businesses, including in the Paycheck Protection Program between 2020 and 2021.⁵

³ American Experience (n.d.). Jim Crow laws. PBS. <https://www.pbs.org/wgbh/americanexperience/features/freedom-riders-jim-crow-laws/>

⁴ Gross, T. (2017). A ‘forgotten history’ of how the U.S. Government segregated America. NPR. <https://www.npr.org/2017/05/03/526655831/a-forgotten-history-of-how-the-u-s-government-segregated-america>

⁵ Council of Economic Advisors, Executive Office of the President (2024). Racial Discrimination in Contemporary America. <https://www.whitehouse.gov/cea/written-materials/2024/07/03/racial-discrimination-in-contemporary-america/> (Site inactive as of February 2025.)

B. Black Americans — Introduction

Federal and State Law

Laws protecting Black Americans against discrimination at the federal and state level are instructive to this study. Federal and state law prohibit discrimination based on race, color, national origin and other personal characteristics, each important to protecting the rights of Black Minnesotans.

Protections against discrimination in federal law. In addition to previous federal laws and the Thirteenth, Fourteenth and Fifteenth Amendments to the U.S. Constitution, the Civil Rights Act of 1964 is landmark federal legislation to protect Black Americans⁶ and other racially minoritized groups. It prohibited discrimination based on race, color, religion, sex or national origin with respect to employment, public accommodations and federally funded programs. The Fair Housing Act of 1968 extended protections against race discrimination to housing.

The U.S. Equal Employment Opportunity Commission (EEOC) defines race and color as they relate to discrimination. According to the EEOC, race discrimination involves “treating someone (an applicant or an employee) unfavorably because he/she is of a certain race or because of personal characteristics associated with race (such as hair texture, skin color or certain facial features). Color discrimination involves treating someone unfavorably because of skin color complexion.”⁷

⁶ In the Civil Rights Act of 1964, “Black, not of Hispanic Origin,” refers to a person “having origins in any of the Black racial groups in Africa.” This definition encompasses African Americans who are descendants of enslaved people in the United States and African immigrants. 28 CFR 42.402 Definitions. Legal Information Institute. Cornell Law School. <https://www.law.cornell.edu/cfr/text/28/42.402>

⁷ Race/Color Discrimination (2024). U.S. Equal Employment Opportunity Commission. <https://www.eeoc.gov/racecolor-discrimination>

Federal DBE Program. The federal support for Black-owned businesses in the Federal Disadvantaged Business Enterprise (DBE) Program, and the stated reasons for the program, are also instructive. U.S. Congress has determined that minority- and woman-owned businesses, including Black American-owned businesses, are affected by discrimination across the United States that “poses a barrier to full and fair participation in surface transportation-related businesses of women business owners and minority business owners.”⁸ In 2021, Congress reauthorized the Federal Disadvantaged Business Enterprise (DBE) Program to address the effects of such discrimination. In Minnesota, the program applies to U.S. Department of Transportation-funded contracts awarded by agencies including the Minnesota Department of Transportation, Metropolitan Airports Commission and Metropolitan Council.

The U.S. Department of Justice periodically examines whether there is evidence of race and gender discrimination that would support use of programs such as the Federal DBE Program. A recent example is from 2022,⁹ but the USDOJ published reports in 1996 and 2010. Such evidence has been part of the basis for Congressional approval of continued operation of the Federal DBE Program. The 2022 summary included substantial evidence of disparities in public agency utilization of African American-owned firms and qualitative evidence of discrimination against Black business owners.

⁸ Infrastructure Investment and Jobs Act (Public Law 117-58-Nov. 2021) <https://www.govinfo.gov/content/pkg/PLAW-117publ58/pdf/PLAW-117publ58.pdf>.

⁹ The Compelling Interest to Remedy the Effects of Discrimination in Federal Contracts: A Survey of Recent Evidence (2022). U.S. Department of Justice. <https://www.justice.gov/crt/page/file/1463921/dl?inline>

B. Black Americans — Introduction

Regulations in Title 49 Code of Federal Regulations (CFR) Part 26 govern operation of the Congressionally mandated program. To be certified for participation in the Federal DBE Program, a firm must be both socially and economically disadvantaged. In 49 CFR Section 26.5, “socially disadvantaged” means, in part, “any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of a group and without regard to his or her individual qualities. The social disadvantage must stem from circumstance beyond the individual’s control.” Black Americans are rebuttably presumed to be socially disadvantaged in 49 CFR Section 26.5. These regulations define Black Americans as including “persons having origins in any of the Black racial groups of Africa.”

Protections against racial discrimination in Minnesota law. The Minnesota Human Rights Act (MHRA) enacted in 1967 prohibits discrimination in employment, public accommodations, public services, housing, credit, education and certain other activities based on race, color, national origin and certain other personal characteristics.

There are other state laws concerning specific protections for Black Minnesotans. Examples follow.

CROWN Act. The CROWN, or “Creating a Respectful and Open World for Natural Hair” Act, passed in Minnesota in 2023, prohibits hair-based discrimination at work and school.¹⁰ An amendment to the MHRA, the CROWN Act defines “race” as including “traits associated with race, including but not limited to hair texture and hair styles such as braids, locs and twists.”¹¹

Minnesota African American Family Preservation and Child Welfare Disproportionality Act. At the time of this report, the most recent definition of African American applied in state statute was in the Minnesota African American Family Preservation and Child Welfare Disproportionality Act, which used the concept of “having origins in Africa.”¹² The Act seeks to eliminate certain disparities for Black Minnesotans in the State child protection system. The law raises the level of effort required for child protective services staff and judges to avoid removals of children from families and promote reunification of children with parents if temporarily removed.

State Targeted Group Business Program. Minnesota Administrative Rules 1230.0150 Subpart 24 define groups for the purposes of administering State small business procurement programs, including the TBG program. “Black American” is defined as an individual whose origin is any of the Black racial groups of Africa.”¹³

¹⁰ Payne-Patterson, J. (2023). The CROWN Act. Economic Policy Institute. <https://www.epi.org/publication/crown-act/>

¹¹ Wright, C. et. al. (2023). Minnesota Enacts the CROWN Act Prohibiting Discrimination Based on Natural Hair. Littler Workplace Policy Institute. <https://www.littler.com/publication-press/publication/minnesota-enacts-crown-act-prohibiting-discrimination-based-natural>

¹² Minnesota Statute section 260.63. Subd 4.

¹³ Minnesota Administrative Rules 1230.0150 Subp. 24. <https://www.revisor.mn.gov/rules/1230.0150/>

B. Black Americans — Definitions and data sources

Federal definitions of what “Black” means as a racial category have shifted over the years as terminology to identify this groups has evolved.

Changing Definitions

The United States has been conducting a decennial census since 1790. Names of racial categories have changed significantly over time. The history of categorizing Black and African Americans in terms of race is intertwined with racism, or discrimination against people based on their perceived physical characteristics, with skin color being the dominant feature. The recent history of U.S. Census definitions concerning Black and African Americans includes:

- “Black, African American or Negro” was used from 2000 until 2010.
- “Black or African American” appeared on the 2020 census.
- “Black or African American,” as defined as “Individuals with origins in any of the Black racial groups of Africa, including, for example, African American, Jamaican, Haitian, Nigerian, Ethiopian and Somali” was reported in 2024 as being used to the upcoming 2030 census.¹⁴

Census-takers commonly determined the race of the people they counted until 1950,¹⁵ which suggests that the Census reflected the perceived, or socially constructed, racial categorization that census takers projected unto members of the U.S. population. From 1960 on, people could choose their own race, which shifted the census from capturing perceived race to individual experience of racial identity.¹⁶ In the 2020 Census, participants who self-identified as “Black or African American” were prompted to write more about their origins, such as Nigerian, Jamaican or German.¹⁷ The trend in the Census has been towards increased self-description and greater emphasis on origins prior to an individual, or their ancestors, arrived in the United States.

Defining “Black” or “African American.” According to the National Institutes of Health, “Black is broader and more inclusive than African American; someone with your target audience could be born in Jamaica and live in the U.S. and identify as Black but not African American. Use of capitalized Black recognizes that language has evolved and, especially in the United States, the term reflects a shared identity and culture beyond skin color.”¹⁸

¹⁴ What Census Calls Us: A Historical Timeline (2020). Pew Research Center.: https://www.pewresearch.org/wp-content/uploads/2020/02/PH_15.06.11_MultiRacial-Timeline.pdf

¹⁵ What Census Calls Us: A Historical Timeline (2020). Pew Research Center. https://www.pewresearch.org/wp-content/uploads/2020/02/PH_15.06.11_MultiRacial-Timeline.pdf

¹⁶ What Census Calls Us: A Historical Timeline (2020). Pew Research Center. https://www.pewresearch.org/wp-content/uploads/2020/02/PH_15.06.11_MultiRacial-Timeline.pdf

¹⁷ What Census Calls Us: A Historical Timeline (2020). Pew Research Center. https://www.pewresearch.org/wp-content/uploads/2020/02/PH_15.06.11_MultiRacial-Timeline.pdf

¹⁸ What Census Calls Us: A Historical Timeline (2020). Pew Research Center. https://www.pewresearch.org/wp-content/uploads/2020/02/PH_15.06.11_MultiRacial-Timeline.pdf

B. Black Americans — Definitions and data sources

At the same time, it should be noted that the defining category “Black,” which will continue to be in use for the 2030 Census, was operative during a 70-year period that includes slavery, the abolishment of slavery on December 6, 1865, and beginning of the Jim Crow Era.

Though contemporary federal definitions of “Black” describe a “shared identity and culture,” it is inevitable that some will see the feature of dark skin pigmentation as a defining characteristic of being a “Black American,” or “Black,” in the United States.¹⁹

Some African Immigrants, such as Somalis, “do not find meaning or significance in phenotypical divisions based on race.”²⁰ When asked about their race, most Somali immigrants from Minnesota engaged in a 2018 study expressed ethnocentric identity, meaning that they see their Somali ethnicity as a defining trait, and do not “relate to the division between White and Black” that pervades U.S. culture.²¹ To some degree, race is a system forced upon African immigrants when they arrive in the United States. Even so, sub-Saharan African immigrants often experience the same discrimination in the United States as Black Americans regardless of whether they identify as “Black,” as discussed later in this appendix.

¹⁹ Hayow, F. (2018). Identity Choice of Somali College Students. St. Cloud State University Thesis.
https://repository.stcloudstate.edu/cgi/viewcontent.cgi?article=1184&context=engl_etds

²⁰ Hayow, F. (2018). Identity Choice of Somali College Students. St. Cloud State University Thesis.

Data Sources

As previously described, there are substantial data from the U.S. Census Bureau for Black or African Americans. Federal agencies also produce information for African American-owned businesses. The first minority business enterprise programs in the United States focused on Black-owned businesses, and there is long history of certification of African American-owned firms under federal programs, for state and local programs in Minnesota, and by other organizations.

There are also Census data of individuals about national origin and whether the individual is an immigrant to the United States.

There is very limited information about businesses owned by immigrants from sub-Saharan Africa as a subset of all companies owned by Black Americans. The organizations participating in the 2025 disparity study do not maintain data that distinguish between firms owned by immigrants from sub-Saharan Africa and other Black Americans.

https://repository.stcloudstate.edu/cgi/viewcontent.cgi?article=1184&context=engl_etds

²¹ Hayow, F. (2018). Identity Choice of Somali College Students. St. Cloud State University Thesis.
https://repository.stcloudstate.edu/cgi/viewcontent.cgi?article=1184&context=engl_etds

B. Black Americans — Evidence of discrimination and other barriers

Discriminatory treatment of Black Americans has been well-documented, from dehumanization to policing of hairstyles that “have been used to justify the removal of Black children from classrooms and Black adults from their employment.”²² In this section, we focus on discrimination against Black Minnesotans and bring in national evidence when appropriate.

Black Minnesotans and “The Minnesota Paradox”

Coined by Samuel Myers, Jr., a professor at the University of Minnesota, the term “The Minnesota Paradox” is a broad descriptor of the racial inequality particular to Minnesota. Dr. Myers Jr. argues that the crux of “The Minnesota Paradox” is that while Minnesota has some of the highest quality-of-life ratings in the United States for its overall population, those levels of quality-of-life ratings are not found for Black people in Minnesota.²³

Socioeconomic indicators. Economic, homeownership, health and other disparities for Black Minnesotans have been well-documented in the state.^{24 25 26}

²² Payne-Patterson, J. (2023). The CROWN Act. Economic Policy Institute. <https://www.epi.org/publication/crown-act/>

²³ Myers Jr., S. (2024). The Minnesota Paradox. University of Minnesota Hubert H. Humphrey School of Public Affairs. <https://www.hhh.umn.edu/research-centers/roy-wilkins-center-human-relations-and-social-justice/minnesota-paradox>

²⁴ Liuzzi, A. (2019). It’s been a decade since the Great Recession ended. How has Minnesota recovered? Minnesota Compass. <https://www.mncompass.org/data-insights/articles/its-been-decade-great-recession-ended-how-has-minnesota-recovered>

²⁵ Mattessich, P. (2020). The Minnesota Paradox revisited. Minnesota Compass. <https://www.mncompass.org/data-insights/articles/minnesota-paradox-revisited>

Police violence. The term “The Minnesota Paradox” entered shared use following the murder of George Floyd by a Minneapolis police officer during an arrest on May 25, 2020. It sparked protests against police brutality, and of profiling of Black men in particular, in Minneapolis and nationwide.²⁷

In June 2020, a court order, issued by the Minnesota Department of Human Rights, was signed by Hennepin County Court requiring the Minneapolis Police Department to implement structural changes. The court order acknowledged that “communities of color and indigenous communities [...] have suffered generational pain and trauma as a result of systemic and institutional racism and long-standing problems in policing.”²⁸ Following its investigation, the Minnesota Department of Human Rights found that the City of Minneapolis and the Minneapolis Police Department engage “in a pattern or practice of race discrimination in violation of the Minnesota Human Rights Act.”²⁹

Many scholars, policy makers and activists identified patterns of racial discrimination against Black Minnesotans a century earlier when, in 1920, Elias Clayton, Elmer Jackson and Isaac McGhee, all Black men,

²⁶ Hollis, J. (2020). Higher COVID-19 death rates among Black Minnesotans. Minnesota Compass. <https://www.mncompass.org/data-insights/articles/higher-covid-19-death-rates-among-black-minnesotans>

²⁷ “George Floyd: What happened in the final moments of his life.” (2020). BBC. <https://www.bbc.com/news/world-us-canada-52861726>

²⁸ Court Orders Minneapolis Police Department to Make Immediate Changes (2020). Minnesota Department of Human Rights. <https://mn.gov/mdhr/news-community/newsroom/#/detail/appld/1/id/435170>

²⁹ “History.” (2024). Minnesota Department of Human Rights. Retrieved on June 21, 2024, from: <https://mn.gov/mdhr/about/history/>

B. Black Americans — Evidence of discrimination and other barriers

were lynched in Duluth based on accusation of assault.³⁰ Similarly, the “long hot summer” of 1967 was marked by protests calling attention to police brutality against Black Americans.³¹ The Minnesota National Guard patrolled Plymouth Avenue in Minneapolis for over a week in response to the protests.³²

Other historical examples of anti-Black discrimination in Minnesota

This section outlines historical examples of race-based discrimination against Black people in Minnesota, some of which date to the founding of the state.

Enslaved people in Minnesota. Despite slavery being illegal in Minnesota since its founding in 1858, “officers stationed at Fort Snelling, fur traders and vacationing southerners brought enslaved people to the state.”³³ When Minnesota experienced a labor shortage in 1863, a steamboat escorted by the Union Army “brought over two hundred enslaved persons to St Paul.”³⁴

Discrimination despite the passage of the Equal Accommodations Act. In 1885, Minnesota passed the Equal Accommodations Act to

“guarantee Blacks equal access to all public places and hotels.”³⁵ The passage of this Act did not prevent discrimination.³⁶

Employment discrimination. Into the 20th Century, many white employers refused to hire Black Minnesotans, limiting their job opportunities to waiters, cooks, porters, stonecutters and bricklayers.³⁷ Relatedly, most labor unions barred Black workers from membership through the 1930s.³⁸

Lynching. Lynching was legal in Minnesota until 1921. An anti-lynching bill only entered law following the lynching of three Black men by a white mob in Duluth in 1920, which was referenced earlier.

Sundown towns and restrictive covenants. The term “sundown town” describes any organized jurisdiction that has historically excluded racial and ethnic minorities. Between 1890 and 1968, municipalities across the United States passed ordinances that allowed people of color to work in the city or town during the day but required them to leave before nightfall. Sundown towns supported their ordinances through tactics ranging from surveillance and signage to organized raids.³⁹ Sundown ordinances were often coupled with restrictive covenants,

³⁰ See for instance Jecka, N. (2021). A Century of Racism in Minnesota. Minnesota State University Mankato. <https://cornerstone.lib.mnsu.edu/jur/vol21/iss1/1/>

³¹ Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³² Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³³ Burnside, Tina (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³⁴ Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³⁵ Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³⁶ Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³⁷ Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³⁸ Burnside, T. (2024). African Americans in Minnesota. MNopedia. <https://www.mnopedia.org/african-americans-minnesota>

³⁹ Hswen, Y. et.al. (2023). Structural racism through sundown towns and its relationship to COVID-19 local risk and racial and ethnic diversity. *Preventive Medicine Reports*, 35. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10207838/>

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which limit how land can be used and by whom, and systemic denial of services in restaurants, motels, health care and housing to minorities.⁴⁰

In Minnesota, sundown towns spread through suburbanization, the population shift from cities or rural areas into suburbs, and often involved displacing Black and African American residents.⁴¹ While the U.S. Supreme Court decreed restricted covenants as legally unenforceable in 1948, their continued use within Minnesota led the State Legislature to prohibit new racial covenants in 1953 and deem all covenants illegal in 1962.⁴²

Redlining and the building of Interstate 94. Housing discrimination led to racially concentrated African American communities, which were disproportionately impacted when some majority Black neighborhoods were destroyed to make way for Interstate 94.⁴³ In 1956, Congress approved the Federal-Aid Highway Act to construct 41,000 miles of an interstate highway system.⁴⁴ I-94 in Minnesota was authorized in 1956 as part of that original interstate highway system and was completed in

1968.⁴⁵ During the building project, residents of the areas impacted were “forced to give up their homes, churches, schools, neighbors and valued social contracts to make way for the new highway.”⁴⁶ Black communities were especially affected: the Rondo neighborhood in Saint Paul, for instance, 300 of the 400 homes owned by Black residents were destroyed.⁴⁷ Black Minnesotans displaced by the building of I-94 then experienced systemic discrimination when trying to find new homes.⁴⁸

Taken together, sundown laws, restrictive covenants and the building of I-94 have contributed to generational housing and wealth inequities for Black Minnesotans. Despite the Fair Housing Act of 1968 and other legislation that banned housing discrimination, “evidence remains of real estate agents steering Black homebuyers to neighborhoods with higher shares of households of color.”⁴⁹

⁴⁰ Loewen, J.W. (2005). *Sundown Towns: A Hidden Dimension of Segregation in America* (New Press; New York, New York).

⁴¹ Loewen, J.W. (2005). *Sundown Towns: A Hidden Dimension of Segregation in America* (New Press; New York, New York).

⁴² Horowitz, B. et.al. (2021) Systemic racism haunts homeownership rates in Minnesota. Federal Reserve Bank of Minneapolis. <https://www.minneapolisfed.org/article/2021/systemic-racism-haunts-homeownership-rates-in-minnesota>

⁴³ Myers Jr., S. (2024). The Minnesota Paradox. University of Minnesota Hubert H. Humphrey School of Public Affairs. <https://www.hhh.umn.edu/research-centers/roy-wilkins-center-human-relations-and-social-justice/minnesota-paradox>

⁴⁴ Evans, F. (2023). How Interstate Highways Gutted Communities-and Reinforced Segregation. History. <https://www.history.com/news/interstate-highway-system-infrastructure-construction-segregation>

⁴⁵ Reicher, M. (2013). The Birth of a Metro Highway (Interstate 94). Steets MN. <https://streets.mn/2013/09/10/the-birth-of-a-metro-highway-interstate-94/>

⁴⁶ Reicher, M. (2013). The Birth of a Metro Highway (Interstate 94). Steets MN. <https://streets.mn/2013/09/10/the-birth-of-a-metro-highway-interstate-94/>

⁴⁷ McClure, J. (2024). Rondo Neighborhood. Saint Paul Historical. Retrieved on June 21, 2024, from: <https://saintpaulhistorical.com/items/show/160>

⁴⁸ Loewen, J.W. (2005). *Sundown Towns: A Hidden Dimension of Segregation in America* (New Press; New York, New York).

⁴⁹ Christensen, P. & Timmins, C, (2021). Sorting or Steering: The Effects of Housing Discrimination on Neighborhood Choice. National Bureau of Economic Research. <https://www.nber.org/papers/w24826>

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As an example, recent national research on racial discrimination in housing markets affecting African American and Hispanic households found that property managers were less likely to respond to potential renters who they might assume were Black and Latino (based on name) compared to potential renters who might be assumed to be white.⁵⁰ Property managers were less likely to respond to renters with Black- and Latino-sounding names than renters with white-sounding names.⁵¹

The researchers included results for 50 metro areas, and the Minneapolis-St. Paul metro area showed the fourth-largest gap in property managers' responsiveness to Black renters compared with white renters. The Minneapolis St. Paul metro area showed the 25th largest gap in property managers' responsiveness to Latino renter inquiries among the 50 metro areas.⁵²

Researchers also found a correlation between gaps in responsiveness and the degree of housing segregation in the country. Their data linked what they called high racial segregation and a large gap in responsiveness for a racial minority. The Minneapolis-St. Paul metro area was one of the “high segregation” metro areas for Black households and was one of the “moderate segregation” metro areas for Hispanic households.⁵³ This fit a national pattern of racial bias in the property manager responses and overall racial segregation in those communities.

⁵⁰ Christensen, P., Sarmiento-Barbieri, I., & Timmins, C. (2021). Racial Discrimination and Housing Outcomes in the United States Rental Market. National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w29516/w29516.pdf

⁵¹ Christensen, P., Sarmiento-Barbieri, I., & Timmins, C. (2021). Racial Discrimination and Housing Outcomes in the United States Rental Market. National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w29516/w29516.pdf

⁵² Christensen, P., Sarmiento-Barbieri, I., & Timmins, C. (2021). Racial Discrimination and Housing Outcomes in the United States Rental Market. National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w29516/w29516.pdf

⁵³ Christensen, P., Sarmiento-Barbieri, I., & Timmins, C. (2021). Racial Discrimination and Housing Outcomes in the United States Rental Market. National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w29516/w29516.pdf

B. Black Americans — Overview of groups that constitute Black Minnesotans

Minnesota is home to more than 460,000 Black residents based on American Community Survey data for 2018–2022.

Black Minnesotans Who Are Not Immigrants

More than one-half of Black Minnesotans are descendants of enslaved people in the United States. Much of the historical information in the previous pages describes the experience of non-immigrant African Americans in Minnesota, with some history that is relevant to immigrants as well.

Black Minnesotans Who Are Immigrants

American Community Survey data for Minnesota for 2018–2022 indicated that there are about 170,000 Black people with ancestry from sub-Saharan Africa. Of that population, more than 60,000 people identify their ancestry as Somali. Among all immigrant groups of any race or ethnicity, Somalis are the largest immigrant group in Minnesota. One in three Somalis in the United States lives in Minnesota.⁵⁴

Immigrants and their families from Ethiopia, Liberia, Kenya and Nigeria also comprise large portions of the population with immediate ties to sub-Saharan Africa, with other Minnesotans from nearly every other country in sub-Saharan Africa.⁵⁵

Sub-Saharan Africa region. Sub-Saharan Africa refers to the regions of the continent of Africa that lie south of the Sahara. The term “sub-Saharan Africa” differentiates the region from North Africa, which is discussed elsewhere in this report. Sub-Saharan Africa is a non-standardized geographic region with organizations such as the World Health Organization and the World Bank varying in recognizing between 46 and 48 countries in the region.⁵⁶ Keen Independent found that most organizations group Somalia within sub-Saharan Africa.

Sub-Saharan immigration to the United States. About 90 percent of sub-Saharan African-born persons in the United States acquired permanent residence status since the 1990s.⁵⁷ The Immigration Act of 1990 introduced a Diversity Visa Lottery Program designed to increase the number of immigrants from countries underrepresented within the United States; immigrants from sub-Saharan countries such as Nigeria and Kenya have used the Diversity Visa Lottery Program to seek educational and financial opportunities in the United States.⁵⁸

⁵⁴ Abdi, C.M. (2018). The Newest African Americans?: Somali Struggles for Belonging. *The Contexts of Diaspora Citizenship*, 17. https://link.springer.com/chapter/10.1007/978-3-319-94490-6_2

⁵⁵ Abdi, C.M. (2018). The Newest African Americans?: Somali Struggles for Belonging. *The Contexts of Diaspora Citizenship*, 17. https://link.springer.com/chapter/10.1007/978-3-319-94490-6_2

⁵⁶ The World Bank and the United Nations categorize Somali as sub-Saharan African while the World Health Organization does not. See “African Region Countries” in World

Health Organization, <https://www.afro.who.int/countries> and “Sub-Saharan Africa” in The World Bank, <https://data.worldbank.org/country/ZG>

⁵⁷ Corra, M. (2023). Immigration from Africa to the United States: key insights from recent research. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10285403/>

⁵⁸ Benson, E.A. (2022). 10 African countries that receive the highest remittance inflows, according to latest stats. *Business Insider Africa*. <https://africa.businessinsider.com/local/markets/10-african-countries-that-receive-the-highest-remittance-inflows-according-to-latest/sm5qbn5>

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Sub-Saharan Africans in Minnesota. Sub-Saharan African immigrants to Minnesota speak many different languages, belong to diverse ethnic groups and practice religions ranging from Christianity to Islam to Ethiopian Orthodoxy and traditional faiths. Somalis are the largest group of immigrants in Minnesota and will be discussed in detail below.⁵⁹ Other sub-Saharan Africans in Minnesota most often describe their ancestry as Ethiopian, Kenyan, Liberian, Nigerian or as “African.”⁶⁰ The immigration trends of Ethiopians, Kenyans, Liberians and Nigerians in Minnesota are linked to the already discussed changes in U.S. immigration law since the 1990s. Most sub-Saharan immigrants in Minnesota live in the Twin Cities metro area.⁶¹

Somalis in Minnesota. The Somali people comprise one of the largest ethnic groups on the continent of Africa.⁶² The modern nation state of Somalia, or the Federal Republic of Somalia, is not the only home of the Somali people: there are Ethnic Somalis in the modern nation states of Ethiopia and Kenya, as well as across sub-Saharan Africa.⁶³ Somalis are predominantly Sunni Muslim, who speak Somali and Arabic.

During the 1960s, a small number of Somali students came to the United States to pursue education opportunities but many of them returned to Somalia upon completing their undergraduate or graduate degrees.⁶⁴ The collapse of the Somali state in the late 1980s triggered an ongoing civil war that has caused many Somalis to seek refuge in the United States. Scholars attribute Somali concentration in Minnesota to two factors: Minnesota’s strong economy in the 1990s and the presence of local voluntary agencies, or VOLAGS, as a robust refugee assistance network.⁶⁵ Many Somalis in Minnesota arrived as refugees with little to no economic resources and very limited education or proficiency in the English language.⁶⁶

In general, the Minnesota Somali community has a strong commitment to financially supporting family members still living in Somalia or other sub-Saharan countries of refuge.⁶⁷ Family remittances affect Somali refugees’ ability to accumulate financial assets.⁶⁸

⁵⁹ Minnesota’s African Immigrants. *Minnesota Compass* (2024). from: <https://www.mncompass.org/minnesotas-african-immigrants>

⁶⁰ Minnesota’s African Immigrants. *Minnesota Compass* (2024). from: <https://www.mncompass.org/minnesotas-african-immigrants>

⁶¹ “Minnesota’s African Immigrants.” *Minnesota Compass* (2024). Retrieved from: <https://www.mncompass.org/minnesotas-african-immigrants>

⁶² *Concise Encyclopedia of Languages of the World*. (2010).

⁶³ Summary and statistical report of the 2007 Population and Housing Census.” (2008). http://www.csa.gov.et/pdf/Cen2007_firstdraft.pdf

⁶⁴ Summary and statistical report of the 2007 Population and Housing Census.” (2008). http://www.csa.gov.et/pdf/Cen2007_firstdraft.pdf

⁶⁵ Summary and statistical report of the 2007 Population and Housing Census.” (2008). http://www.csa.gov.et/pdf/Cen2007_firstdraft.pdf

⁶⁶ Summary and statistical report of the 2007 Population and Housing Census.” (2008). http://www.csa.gov.et/pdf/Cen2007_firstdraft.pdf

⁶⁷ Summary and statistical report of the 2007 Population and Housing Census.” (2008). http://www.csa.gov.et/pdf/Cen2007_firstdraft.pdf

⁶⁸ “Measuring Minnesota Family Investment Program Performance for Racial/ Ethnic and Immigrant Groups. (2003). *Minnesota Department of Human Services*.

B. Black Americans — Overview of groups that constitute Black Minnesotans

Some Somalis do not necessarily view themselves as Black,⁶⁹ but there are experiences they may have that are common to people who identify as African American. For example, following the police-involved murder of George Floyd, Somali immigrants in the Twin Cities reported an increase in such negative emotions as fear, anxiety, nervousness and feelings of social isolation.⁷⁰

- A 2022 Pew Research Center study found that not only a majority of U.S.-born and immigrant Black adults perceive that being Black is important to their identity, but that there was no difference in the likelihood of feeling that way between U.S.-born and immigrant adults.⁷¹
- Researchers have shown that Somali men are treated similarly to African American men when encountering the criminal justice system.⁷²

- Somalis in Minnesota may experience hate crimes. Stories of “Somali Americans” hearing “racist comments” that hinge on being perceived as Black abound in local news.⁷³
- Many Somalis in Minnesota live in affordable public housing, which is often in racially segregated areas in the Twin Cities.⁷⁴ Scholars have shown that residential segregation often results in “de facto educational segregation.”⁷⁵

⁶⁹ See for instance Hussain, Halimo (2021). We need to unpack the damaging ‘Are Somalis black?’ rhetoric. Gal-Dem. <https://gal-dem.com/we-need-to-unpack-the-damaging-are-somalis-black-rhetoric/>

⁷⁰ Ekwonye A.U., Hearst M.O., & Buesseler H.M. (2021). Negative life events and meaning in life: Voices of Somali, Karen and Latinx immigrant and refugee communities in Twin Cities, Minnesota. Cited in Ekwonye A. U. and Truong, T. (2021). Searching and Making Meaning of the COVID-19 Pandemic: Perspectives of African Immigrants in the United States. *Journal of Humanistic Psychology* (Vol. 62, Issue1), <https://doi.org/10.1177/00221678211022442>

⁷¹ Cox, K. & Tamir, C. (2022). Race is Central to identify for Black Americans and Affects How They Connect With Each Other. Pew Research Center. <https://www.pewresearch.org/race-and-ethnicity/2022/04/14/race-is-central-to-identity-for-black-americans-and-affects-how-they-connect-with-each-other/>

⁷² Crosby, Dorian and Brazelton, Shenita (2017). The Disadvantages of African American and Somali Men in the US Criminal Justice System. Indiana University Press. 6(1). <https://www.jstor.org/stable/10.2979/spectrum.6.1.05>

⁷³ See for instance: Marohn, K. (2022). Reports of hate crimes up in Minnesota, but proving bias remains a challenge. Sahan Journal. <https://sahanjournal.com/news-partners/hate-crimes-up-minnesota-united-states-proving-bias-challenge/>

⁷⁴ Maltbie, C.S. (2023). Somali Immigrants in a Diverse Rural Community: An Ethnographic Study in Faribault, Minnesota. *ProQuest*. <https://www.proquest.com/openview/eefe10232e00fb6a354336aef2dc2d98/1?pq-origsite=gscholar&cbl=18750&diss=y>

⁷⁵ Walters, M. (1999). *Black Identities: West Indian Immigration Dreams and American Realities* (Cambridge, Mass.: Harvard University Press).

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Sub-Saharan African business owners in Minnesota. In 2015, there were 2,200 to 3,200 businesses owned by African immigrants in Minnesota.⁷⁶ Many of these businesses were in retail trade (35%), followed by transportation (14%) and health care, childcare and social assistance (12%). A 2010 CURA study estimated that there were 375 Somali-owned businesses in the Twin Cities at that time.⁷⁷ A report funded by the McKnight Foundation identified the following challenges for African immigrant business owners in Minnesota.

- African immigrants are more likely than other Black Minnesotans to own a small business and often find themselves “unable to build capacity because they do not have resources to grow and they cannot get funding because they are deemed as not having capacity.”⁷⁸
- Most surveyed African immigrant business owners (67%) identified difficulty in getting a loan as a major obstacle to starting their own businesses.⁷⁹
- Reported obstacles to starting a business include difficulty in getting a loan, obtaining licenses and navigating regulators.
- There was evidence of additional challenges for African immigrant women. For example, surveyed African immigrant women reported a lower level of financial assets than men. African immigrant women also reported that they “do not find the business development infrastructure in Minnesota or their city to be very helpful.”⁸⁰

⁷⁶ Corrie, B.P. (2015). The Economic Potential of African Immigrants in Minnesota. <https://www.immigrationresearch.org/system/files/AFM-Report2015.compressed.pdf>

⁷⁷ Corrie, B.P. (2015). The Economic Potential of African Immigrants in Minnesota. <https://www.immigrationresearch.org/system/files/AFM-Report2015.compressed.pdf>

⁷⁸ Corrie, B.P. (2015). The Economic Potential of African Immigrants in Minnesota. <https://www.immigrationresearch.org/system/files/AFM-Report2015.compressed.pdf>

⁷⁹ Corrie, B.P. (2015). The Economic Potential of African Immigrants in Minnesota. <https://www.immigrationresearch.org/system/files/AFM-Report2015.compressed.pdf>

⁸⁰ Corrie, B.P. (2015). The Economic Potential of African Immigrants in Minnesota. <https://www.immigrationresearch.org/system/files/AFM-Report2015.compressed.pdf>

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Socioeconomic Indicators

Minnesota Compass, a statewide resource for reliable data that pools findings from the American Community Survey conducted by the U.S. Census Bureau, provides data on Minnesota's Black communities to better understand the varying lived experience of African Americans, Somali Americans and immigrants from other sub-Saharan countries.⁸¹ Compared to their white counterparts, Black Minnesotans have:

- Lower median household income;
- Higher poverty rates; and
- Lower home ownership rates.

Household income. The median household income across all Minnesotans was estimated at \$84,313 in 2023.⁸² The median household income among all Black-headed households from 2017 to 2021 in Minnesota is \$51,500.⁸³ Data from 2017 to 2021 show:

- Kenyan- and Nigerian-headed households have incomes that are higher than the median for Black Minnesotans (Nigerian-headed households are a median of \$74,900; Kenyan-headed households are a median of \$69,600);

⁸¹ Minnesota Compass. The importance of data disaggregation: Minnesota's Black communities. (2024). <https://www.mncompass.org/data-insights/articles/importance-data-disaggregation-minnesotas-black-communities>

⁸² U.S. Census Quickfacts. Minnesota. (2022). United States Census Bureau. <https://www.census.gov/quickfacts/fact/table/MN/INC110222>

⁸³ Minnesota Compass. The importance of data disaggregation: Minnesota's Black communities. (2024). <https://www.mncompass.org/data-insights/articles/importance-data-disaggregation-minnesotas-black-communities>

- Liberian- and Ethiopian-headed households had a median household income closer to the median for all Black households (\$60,000 for Liberian; \$50,600 for Ethiopian);
- Non-immigrant African American-headed households have median incomes of \$44,000; and
- Somali-headed households' median income is \$33,900, which is about \$18,000 below the median of all Black Minnesotans.

Poverty rates. The statewide poverty rate for all Minnesota households was 9.6 percent in 2023.⁸⁴ The median poverty rate for all Black Minnesotans is 17 percent. Except for Nigerian Minnesotan households, each major group of Black households in Minnesota had higher poverty rates than white households.⁸⁵

Housing. The statewide home ownership rate in 2021 was 73 percent.⁸⁶ All groups of Black households have a much lower home ownership rate. For example, the homeownership rate for Somali Minnesotans in 2024 was estimated at 12 percent.⁸⁷

⁸⁴ U.S. Census Quickfacts. Minnesota. (2022). United States Census Bureau. <https://www.census.gov/quickfacts/fact/table/MN/INC110222>

⁸⁵ Minnesota Compass. The importance of data disaggregation: Minnesota's Black communities. (2024). <https://www.mncompass.org/data-insights/articles/importance-data-disaggregation-minnesotas-black-communities>

⁸⁶ Prosperity Now Scorecard (2023). <https://scorecard.prosperitynow.org/data-by-issue#housing/outcome/homeownership-rate>

⁸⁷ Homeownership Rate in the United States (2024). Federal Reserve Bank of St. Louis. <https://fred.stlouisfed.org/series/RHORUSQ156N>

B. Black Americans — Results from 2017 Minnesota Joint Disparity Study

Keen Independent examined whether there were disparities between the utilization and availability of African American-owned businesses in participating entity contracts in the 2017 Minnesota Joint Disparity Study. The study also examined quantitative and qualitative information about conditions in the Minnesota marketplace. Quantitative results, including disparity analyses, examined Black Americans and Black American-owned firms as a group. Qualitative information explored experiences of Black Minnesotans, including Somali Minnesotans and other recent immigrants from sub-Saharan Africa.

Quantitative Data

In the 2017 Study, Keen Independent found disparities in the utilization of African American-owned businesses for contracts with each of the nine participating entities in the following industries:

- Construction;
- Professional services; and
- Goods.

Disparities for other services industry procurements were identified for eight of the nine entities.

Overall, just 0.6 percent of combined entity contract dollars went to African American-owned firms, even with contract equity programs in place for many of the entities (disparity index of 22, which indicates a substantial disparity).

The disparities found in participating entity contracts mirrored the disparities for African American-owned firms in the marketplace analyses performed in the 2017 Study. In Minnesota, there was a pattern of disparities for African Americans regarding entry and advancement into study industries as employees, business formation, access to capital and business success.

Qualitative Data

Through in-depth interviews and other qualitative research, the 2017 Study also identified anecdotal evidence of discrimination against Black people and African American-owned businesses. Select insights appear in the list below.

- Discriminatory lending practices persist in Minnesota with one interview participant indicating that “Black folks still can’t get a [business] loan.”
- One business owner remarked that he often hears racist comments about his workers, who are majority Black.

B. African Americans — Comments from qualitative research

As part of the early work in the 2025 Joint Disparity Study, Keen Independent interviewed local experts including members of organizations that represent Black-owned businesses in Minnesota. Members of the Keen Independent study team covered a range of topics with interview participants, including whether the study team should attempt to distinguish results for Black descendants of enslaved Africans and for African immigrants. We briefly summarize information from those interviews here and provide examples of comments to the right.

General Comments

Interviewees indicated that data should be disaggregated for African Americans and African immigrants, as possible, because the two groups experience different outcomes. One interviewee indicated that businesses run by native-born Black entrepreneurs and African immigrant entrepreneurs are categorically different and provide different services.

One Minnesota professional remarked that data should be disaggregated for Black immigrants and Black descendants of enslaved people; however, Black immigrants who are second and third generation living in the United States tend to “regress to the mean” and have similar experiences to other Black Americans.

Lack of Support from the State

Interview participants commented on the lack of support the State of Minnesota provides to Black communities in general and Black entrepreneurs in particular. Housing barriers, lack of access to social services and disinvestment in Black communities were highlighted as issues.

... we have to disaggregate [data] ... when you do look at the Black prosperity and success that does exist in Minnesota, it is primarily concentrated in the West African community. So, when [the State] starts tracking to say that Black people are making progress, [we can identify which communities] we're talking about.

Interview participant

... looking at Blacks requires you to differentiate, you know, between Blacks who are native born as opposed to Blacks who are foreign born. And it's really, really different in terms of the numbers and the supplies and the business organization, the types of things people specialize in.

Interview participant

Second and third-generation black immigrants regress to the mean. They're not moving up. Because they're treated like Blacks. So, their parents and their parents are often very disappointed, but this is not just immigrants from Africa, but also a significant issue related to immigrants from the Caribbean. Well, the parents make big sacrifices, and thus, heavily in education, and I mean, they work multiple jobs. They save money. The children go to public schools, and the teachers treat them like they're Black Americans.

Interview participant

The government has disrupted the economic prosperity of historically Black African American business owners by not investing in our cultural infrastructure or our capacity to grow.

Interview participant

APPENDIX C. Hispanic Americans — Introduction

In this appendix, Keen Independent reviews whether there is evidence for continued inclusion of Hispanic American-owned businesses in the 2025 Minnesota Joint Disparity Study and considers some of the diversity of the Latino population and business owners in Minnesota. The study team then explores the literature regarding Mexican Americans in Minnesota, including business owners, and other Latinos and Latino-owned companies.

We note that Keen Independent uses “Hispanic American” and “Latino” interchangeably in this report. When referring to specific studies or reports, we use the terms the original authors used to avoid confusing the authors’ intent.

¹Hale, K. (2024). The unstoppable growth rate of Latino-owned businesses in America. Forbes. <https://www.forbes.com/sites/korihale/2024/04/02/the-unstoppable-growth-rate-of-latino-owned-businesses-in-america/>

² “Undesirable Aliens Act of 1929 (Blease’s Law). (n.d.). Immigration History. <https://immigrationhistory.org/item/undesirable-aliens-act-of-1929-bleases-law/>

National Overview

Latino-owned businesses are growing at nearly twice the rate of all other businesses with more than 5 million businesses in the United States as of 2024.¹ Despite this rapid growth, there is substantial evidence of anti-Latino discrimination in the United States and in Minnesota that may still affect business owners. Below, we provide a few examples of legally codified discrimination historically and/or currently affecting Hispanic and Latino Americans.

- The Undesirable Aliens Act of 1929 made entering the United States through an unauthorized port illegal and allowed the government to severely restrict immigration from Mexico without enacting an outright ban.²
- Following the annexation of land that was formerly Mexico, the United States stripped many Mexican ranchers, farmers and residents of their land.³
- A brief from the Council of Economic Advisors summarized recent quantitative evidence of discriminatory lending practices affecting Latinos and presented quantitative analyses showing anti-Latino discrimination affecting prospective job applicants and workers.⁴

³Bender, S.W. (2018). Property rights. Oxford Bibliographies. <https://www.oxfordbibliographies.com/display/document/obo-9780199913701/obo-9780199913701-0036.xml>

⁴ Council of Economic Advisors, Executive Office of the President (2024). Racial Discrimination in Contemporary America. Retrieved August 1, 2024, from: <https://www.whitehouse.gov/cea/written-materials/2024/07/03/racial-discrimination-in-contemporary-america/>

C. Hispanic Americans — Introduction

Federal and State Law

Federal and state law prohibit discrimination based on race, color, national origin and other personal characteristics, each important to protecting the rights of Hispanic Minnesotans.

Protections against discrimination in federal law. The Civil Rights Act of 1964 is landmark federal legislation to protect Hispanic Americans⁵ and other racially minoritized groups. It prohibited discrimination based on race, color, religion, sex or national origin with respect to employment, public accommodations and federally funded programs. The Fair Housing Act of 1968 extended protections against race discrimination to housing.

Federal DBE Program. The federal support for Hispanic American-owned businesses in the Federal Disadvantaged Business Enterprise (DBE) Program, and the stated reasons for the program, are also instructive. U.S. Congress has determined that minority- and woman-owned businesses, including Hispanic American-owned businesses, are affected by discrimination across the United States that “poses a barrier to full and fair participation in surface transportation-related businesses of women business owners and minority business owners.”⁶

In the 2022 summary of the U.S. Department of Justice’s examination of evidence of racial/gender discrimination, substantial evidence of disparities in public agency utilization of Hispanic American-owned firms

was presented. The report also included qualitative evidence of discrimination against Latino business owners.

Regulations in Title 49 Code of Federal Regulations (CFR) Part 26 govern operation of the Congressionally mandated program. To be certified for participation in the Federal DBE Program, a firm must be both socially and economically disadvantaged. In 49 CFR Section 26.5, “socially disadvantaged” means, in part, “any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of a group and without regard to his or her individual qualities. The social disadvantage must stem from circumstance beyond the individual’s control.” Hispanic Americans are rebuttably presumed to be socially disadvantaged in 49 CFR Section 26.5. These regulations define Hispanic Americans as including “persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race.”

Protections against racial discrimination in Minnesota law. The Minnesota Human Rights Act (MHRA) enacted in 1967 prohibits discrimination in employment, public accommodations, public services, housing, credit, education and certain other activities based on race, color, national origin and certain other personal characteristics.

⁵ In the Civil Rights Act of 1964, “Hispanic,” refers to a person “of Mexican, Puerto Rican, Cuban, Central American or South American or other Spanish culture or origin, regardless of race.” 28 CFR 42.402 Definitions. Legal Information Institute. Cornell Law School. <https://www.law.cornell.edu/cfr/text/28/42.402>

⁶ Infrastructure Investment and Jobs Act (Public Law 117-58-Nov. 2021). <https://www.govinfo.gov/content/pkg/PLAW-117publ58/pdf/PLAW-117publ58.pdf>.

C. Hispanic Americans — Definitions and data sources

As with other racial categories, the meaning of the terms “Hispanic” and “Latino” has shifted over the years.

Defining “Hispanic” and “Latino”

Federal definitions of how the U.S. government collected and reported information about Hispanic Americans are instructive to this study.

Evolution of “Hispanic” racial/ethnic categories in the U.S. Census.

The U.S. decennial census first collected information about Hispanic Americans in 1930 with one question as to whether an individual was “Mexican.” At that time, an individual census-taker would indicate race or ethnicity based on their observation.

The 1980 Census produced the first relative accurate data collected on Hispanic Americans, when individuals filled out their own census forms. One question was “Is this person of Spanish/Hispanic origin or descent?” “Yes” answers included categories for “Mexican, Mexican-Amer., Chicano,” “Puerto Rican,” “Cuban,” and “Other Spanish/Hispanic. Each individual was asked a separate question about their race.⁷

Adoption of the term “Latino.” The 2000 Census added the term “Latino” alongside “Hispanic” following popularization of the term in the 1990s.⁸ Although it is currently used as a synonym in the Census (and

therefore, in this appendix), some argue that the terms are distinct, with Hispanic referring strictly to individuals with origins from Spain and Latino referring to individuals with origins from Latin American countries.⁹ The terms “Latinx” or “Latine” have emerged as gender-inclusive versions of Latino.¹⁰

Changes for the future adopted in 2024. In March 2024, the U.S. Office of Management and Budget (OMB) revised the description of “Hispanic or Latino” for future federal data collection. The revision defines “Hispanic or Latino” as “individuals of Mexican, Puerto Rican, Salvadoran, Cuban, Dominican, Guatemalan, and other Central or South American or Spanish culture or origin.”¹¹ For the first time, information on race and ethnicity is to be collected using one combined question. “Hispanic/Latino” will be one possible answer to the race/ethnicity question, treated the same was as Black/African American, for example.

⁷ Census History: Counting Hispanics (2010). Pew Research Center. <https://www.pewresearch.org/social-trends/2010/03/03/census-history-counting-hispanics-2/>

⁸ Martinez, D.E. & Gonzalez, K.E. (2020). "'Latino' or 'Hispanic'? The Sociodemographic Correlates of Panethnic Label Preferences among U.S. Latinos/Hispanics". *Sociological Perspectives*, 64 (3): 365–386. doi:10.1177/0731121420950371. S2CID 225258968.

⁹ Smith, K. (2021). *Latinx vs. Hispanic: A history of terms*. Facing Ourselves and History. <https://www.facinghistory.org/ideas-week/latinx-vs-hispanic-history-terms>

¹⁰ Smith, K. (2021). *Latinx vs. Hispanic: A history of terms*. Facing Ourselves and History. <https://www.facinghistory.org/ideas-week/latinx-vs-hispanic-history-terms>

¹¹ Marks, R., Jones, N., & Battle, K. (April 8, 2024). What updates to OMB’s race/ethnicity standards mean for the Census Bureau. *U.S. Census Bureau*. <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

C. Hispanic Americans — Definitions and data sources

Data Sources

There are substantial data from the U.S. Census Bureau and other federal agencies about Hispanic Americans and Hispanic American-owned businesses. This includes certification of companies as Hispanic American- or Latino-owned.

There are also Census data, such as from the American Community Survey, for individuals about national origin and whether the individual is an immigrant to the United States.

There is very limited information about businesses owned by subsets of Hispanic Americans by country of origin. The organizations participating in the 2025 Joint Disparity Study do not maintain data that distinguish between firms owned by Latinos with origins in Mexico compared with Latinos with origins in other countries, for example.

C. Hispanic Americans — Evidence of discrimination and other barriers

We begin this section with a brief overview of discrimination against Hispanic Americans in the United States overall and then provide evidence of discrimination specific to Minnesota.

National Context

The original anti-Latino discrimination in the United States was anti-Mexican, largely beginning with the tension in the 1840s between the existing Mexican residents (now U.S. citizens) and non-Mexican residents in the western territories acquired in the Mexican-American War.¹² Mexican Americans were subject to race-based segregation, violence and mass deportations from the 1840s through the 1950s, with other racial discrimination continuing today.

Discriminatory acts typically did not typically distinguish between Mexican Americans and other Latinos. For example, anyone perceived to be “Mexican” in the United States could be deported during the repatriation of the 1930s in response to scarcity of jobs for Americans.¹³

There is evidence that anti-Latino discrimination continues to broadly impact Hispanic Americans across many ancestries today. As is the case with other racial groups, colorism may be a factor in discrimination

against Latinos. Hispanic Americans with darker skin are more likely to report they have experienced discrimination, for example.¹⁴

Brief history of Hispanic Americans in Minnesota. People with roots in Latin America have been settling in Minnesota since the early 1900s. At this time, many were migrant farm workers from Mexico or Texas who faced issues obtaining U.S. citizenship.¹⁵ The sugar beet industry brought many Latinos to Minnesota to work on sugar beet farms in the 1920s and 1930s.¹⁶ New residents also settled in Minnesota communities like Saint Paul for jobs in the meatpacking and railroad industries.¹⁷

Since 1930, Mexican American workers across the country were deported through repatriation during the Great Depression and again in the 1950s.¹⁸ Individuals who appeared to be Mexican were rounded up and deported by state and local governments, non-profit institutions and private businesses, including people who were citizens and Hispanic Americans of non-Mexican ancestry. There is evidence that this affected Latinos in Minnesota.¹⁹

¹² National Park Service. (n.d.). The Mexican-American War. <https://www.nps.gov/places/the-mexican-american-war.htm>

¹³ Hendricks, T. (2024). Over 1 million were deported to Mexico nearly 100 years ago. Most of them were U.S. citizens. KQED. <https://www.kqed.org/news/12002189/over-1-million-were-deported-to-mexico-nearly-100-years-ago-most-of-them-were-u-s-citizens>

¹⁴ Gonzales-Barrera, A. (2019). Hispanics with darker skin are more likely to experience discrimination than those with lighter skin. Pew Research Center. <https://www.pewresearch.org/short-reads/2019/07/02/hispanics-with-darker-skin-are-more-likely-to-experience-discrimination-than-those-with-lighter-skin/>

¹⁵ Saldivar, S. (2022). Chicano Movement in Westside St. Paul. *MNopedia*. <https://www.mnopedia.org/thing/chicano-movement-westside-st-paul>

¹⁶ Saldivar, S. (2022). Chicano Movement in Westside St. Paul. *MNopedia*. <https://www.mnopedia.org/thing/chicano-movement-westside-st-paul>

¹⁷ Saldivar, S. (2022). Chicano Movement in Westside St. Paul. *MNopedia*. <https://www.mnopedia.org/thing/chicano-movement-westside-st-paul>

¹⁸ Kolnick, J. (2022). Minnesotanos: Latino journeys in Minnesota. *MNopedia*. <https://www.mnopedia.org/minnesotanos-latino-journeys-minnesota>

¹⁹ Kolnick, J. (2022). Minnesotanos: Latino journeys in Minnesota. *MNopedia*. <https://www.mnopedia.org/minnesotanos-latino-journeys-minnesota>

C. Hispanic Americans — Evidence of discrimination and other barriers

In the 1960s, Mexican Americans organized to combat pervasive discrimination. For example, a chapter of a national Chicano organization, the Brown Berets, formed in Saint Paul in 1969, raising funds for families in need and providing legal aid. They worked to end police harassment and increase educational opportunities and political representation for Chicanos.²⁰

Around the time same, uncertainty around work and citizenship led many Latinos to build their own communities and institutions, such as churches, unions, art collectives and service organizations in Minnesota. Increased Latino migration to Minnesota was tied to work. As more work opportunities became available, the Latino population grew. Latinos primarily worked in food processing, manufacturing, the service sector and construction.²¹

Most of the growth in the Hispanic American population in Minnesota came after 1990, when the Latino population rose from around 53,000 to more than 370,000.²² This growth occurred in large and small cities in

the state, including communities with jobs in meat- and poultry-packing facilities.²³

Some Hispanic Americans in Minnesota have faced issues with citizenship status and documentation papers. Organizations like Mujeres en Liderazgo and Mesa Latina formed in Minnesota to help Dreamers and undocumented persons with their citizenship status and other official documents like a driver's license.²⁴ In October 2023, a Minnesota law allowed all persons, regardless of immigration status, to obtain a driver's license.²⁵ The law permitted around 80,000 more Minnesotans to apply for a license, which is often necessary for employment, loan or housing applications.²⁶

As of 2023, Hispanic activists were working towards a fairer economy based on discrimination they perceive due to immigration status. Minnesota had approximately 81,000 undocumented residents who file taxes through an Individual Taxpayer Identification Number (ITIN), which is used for taxpayers without a Social Security number.²⁷ Some landlords, banks and utility companies do not accept ITINs. Even if

²⁰ Saldivar, S. (2022). Chicano Movement in Westside St. Paul. *MNopedia*. <https://www.mnopedia.org/thing/chicano-movement-westside-st-paul>

²¹ Kolnick, J. (2022). Minnesotanos: Latino journeys in Minnesota. *MNopedia*. <https://www.mnopedia.org/minnesotanos-latino-journeys-minnesota>

²² Kolnick, J. (2022). Minnesotanos: Latino journeys in Minnesota. *MNopedia*. <https://www.mnopedia.org/minnesotanos-latino-journeys-minnesota>

²³ Kolnick, J. (2022). Minnesotanos: Latino journeys in Minnesota. *MNopedia*. <https://www.mnopedia.org/minnesotanos-latino-journeys-minnesota>

²⁴ Kolnick, J. (2022). Minnesotanos: Latino journeys in Minnesota. *MNopedia*. <https://www.mnopedia.org/minnesotanos-latino-journeys-minnesota>

²⁵ ACLU Minnesota. (2023). Driver's Licenses for All. *ACLU Minnesota*. <https://www.aclu-mn.org/en/campaigns/drivers-licenses->

[all#:~:text=Minnesotans%20can%20now%20apply%20for,now%20apply%20for%20a%20license.](https://www.aclu-mn.org/en/campaigns/drivers-licenses-all#:~:text=Minnesotans%20can%20now%20apply%20for,now%20apply%20for%20a%20license.)

²⁶ ACLU Minnesota. (2023). Driver's Licenses for All. *ACLU Minnesota*. <https://www.aclu-mn.org/en/campaigns/drivers-licenses-all#:~:text=Minnesotans%20can%20now%20apply%20for,now%20apply%20for%20a%20license.>

²⁷ Legally, a person is considered "undocumented" if they are not a U.S. citizen or permanent resident of the United States, do not hold a valid visa to reside in the U.S., and/or have not applied for legal residency in the U.S. See: University of Illinois- Chicago. (n.d.). Definitions. <https://dream.uic.edu/educator-resources-2/educator-resources/definitions/>

C. Hispanic Americans — Evidence of discrimination and other barriers

applications accept an ITIN number, Hispanic residents in Minnesota report they faced discrimination in housing and lending when using this number instead of a Social Security number.²⁸ Some say they have faced higher rates on car loans and difficulties finding housing. In addition, some ITIN holders do not use their number on applications due to fears of discrimination and even deportation.²⁹

Minnesota Latinos were disproportionately affected by the COVID-19 pandemic. The pandemic created a “divided economy” for many Hispanic workers in Minnesota.³⁰ Those who worked in construction saw an initial boom in business as people stayed home and noticed construction, painting and contracting work they wanted completed in their homes. However, workers in food and agriculture, manufacturing, health care, cleaning, and those on the front lines were more likely to be laid off, have their hours cut or have to risk their health to continue working.³¹ Hispanic Minnesotans were more likely to work these types of jobs, which exposed them to financial hardship and health risks. Undocumented workers had less freedom to choose if they wanted to

work certain jobs because their immigration status prevented them from qualifying for federal pandemic relief.

This led to an uptick of Hispanic Minnesotans contracting COVID-19; the number of confirmed COVID cases for Hispanic Minnesotans was double the rate of white Minnesotans in 2021.³²

Past studies on discrimination in Minnesota. The Federal Reserve Bank of Minneapolis found housing disparities in Minnesota for Latinos. Homeownership among Latino households decreased from 51 percent in 1970 to 49 percent in 2019, which was lower than non-Hispanic whites (about 77%).³³ Federal Reserve Bank of Minneapolis analyses concluded that income and socioeconomic differences could only explain a portion of the disparities in homeownership rates for Hispanic Minnesotans.³⁴ After controlling for other factors, Hispanic households

²⁸ McVan, M. (2023). With many lofty goals already achieved, Latino groups push for economic inclusion. *Minnesota Reformer*.
<https://minnesotareformer.com/2023/09/22/latino-groups-push-for-economic-inclusion/>

²⁹ McVan, M. (2023). With many lofty goals already achieved, Latino groups push for economic inclusion. *Minnesota Reformer*.
<https://minnesotareformer.com/2023/09/22/latino-groups-push-for-economic-inclusion/>

³⁰ Peters, J., & Kaul, G. (2021). Too much work or not enough: Latinos in Minnesota describe one pandemic but two very different economies. *Sahan Journal*.
<https://sahanjournal.com/business-work/minnesota-latino-workers-pandemic-economy-unemployment/>

³¹ Peters, J., & Kaul, G. (2021). Too much work or not enough: Latinos in Minnesota describe one pandemic but two very different economies. *Sahan Journal*.

<https://sahanjournal.com/business-work/minnesota-latino-workers-pandemic-economy-unemployment/>

³² Peters, J., & Kaul, G. (2021). Too much work or not enough: Latinos in Minnesota describe one pandemic but two very different economies. *Sahan Journal*.
<https://sahanjournal.com/business-work/minnesota-latino-workers-pandemic-economy-unemployment/>

³³ Horowitz, B., Ky, K., Starling, L., & Tchourumoff, A. (2021). Systemic racism haunts homeownership rates in Minnesota. *Federal Reserve Bank of Minneapolis*.
<https://www.minneapolisfed.org/article/2021/systemic-racism-haunts-homeownership-rates-in-minnesota>

³⁴ The Bank’s findings discuss factors like credit, loan approval and generational wealth in homeownership disparities by race in Minnesota.

C. Hispanic Americans — Evidence of discrimination and other barriers

had homeownership rates 9 percentage points less than what might be expected.³⁵

The 2021 Minnesota’s Diverse Communities Survey by APM Research Lab found that Hispanic Americans in Minnesota perceived discrimination in employment, housing and police biases at higher rates than Hispanic Americans nationwide.³⁶

- Around 77 percent of Hispanic Americans in Minnesota perceived employment discrimination, compared to 59 percent of Hispanic Americans nationwide.
- About 67 percent of Hispanic Americans in Minnesota perceived housing discrimination, compared to 57 percent of Hispanic Americans nationwide.
- Approximately 77 percent of Hispanic Americans in Minnesota perceived police biases and discrimination, compared to 60 percent of Hispanic Americans nationwide.³⁷

Similar to many Asian Americans, Hispanic Americans as a group face discrimination based on perceived similarities. They have to continually combat stereotypes that they are foreigners, immigrants, in the United States illegally and/or cannot speak English well. Narratives that Hispanic Americans are “stealing American jobs” fuels prejudice and discrimination.³⁸

³⁵ Horowitz, B., Ky, K., Starling, L., & Tchourumoff, A. (2021). Systemic racism haunts homeownership rates in Minnesota. *Federal Reserve Bank of Minneapolis*. <https://www.minneapolisfed.org/article/2021/systemic-racism-haunts-homeownership-rates-in-minnesota>

³⁶ Helmsetter, C. (2021). Discrimination is common nationwide—and even more so for Black, Indigenous, Latinx and Asian Minnesotans. *APM Research Lab*. <https://www.apmresearchlab.org/blog/mdc-survey-discrimination-in-minnesota-and-us#LatinxMinnesotans>

³⁷ Helmsetter, C. (2021). Discrimination is common nationwide—and even more so for Black, Indigenous, Latinx and Asian Minnesotans. *APM Research Lab*. <https://www.apmresearchlab.org/blog/mdc-survey-discrimination-in-minnesota-and-us#LatinxMinnesotans>

³⁸ Adame, V. (2021). Profile: Historian Rodolfo Gutierrez says too many people stereotype Latinos as outsiders. *Minnesota Public Radio*. <https://www.mprnews.org/story/2021/10/12/profile-historian-rodolfo-gutierrez-says-too-many-people-stereotype-latinos-as-outsiders>

C. Hispanic Americans — Overview of groups that constitute Hispanic Minnesotans

There are more than 370,000 Minnesotans who are Hispanic based on Minnesota Compass estimates for 2023.

Ancestry

Keen Independent’s analysis of American Community Survey data for 2018–2022 indicates that more than one-half of Minnesota Hispanic Americans have Mexican ancestry, while estimates from other sources place this at two-thirds or more.³⁹ Other groups have ancestry in Central America (26,000), South America (24,000) or Caribbean (20,000, not including Black Latinos).⁴⁰ Other than Mexican Americans, there was no single ancestry group that comprised a large share of Minnesota Latinos.

The Minnesota Council on Latino Affairs reports that about one-third of Minnesota Latinos are immigrants to the United States.⁴¹

Anti-Latino Discrimination by Ancestry Group

Most of the information related to anti-Hispanic discrimination in Minnesota pertains to Latinos in general, or specifically to Mexican Americans. Keen Independent identified little information for other individual ancestry groups of Hispanic Americans in Minnesota.

National information. Nationally, there is evidence that Hispanic Americans are often discriminated against as a group. Differences between ethnic groups, immigration status, language proficiency and cultural traditions are disregarded by stereotypes and prejudices about Hispanic Americans generally. A study in the *American Sociological Review* explains how Hispanic Americans can be viewed as “socially illegal,” meaning society considers them “illegal,” even if individuals are legal U.S. citizens.⁴² Discrimination often does not differentiate between Mexican Americans and other Latinos.⁴³

³⁹ The Minnesota Council on Latino Affairs reports that two-thirds of Minnesota Latinos are of Mexican heritage based on 2019 ACS data. Minnesota Council on Latino Affairs. (2021). Portrait of Hispanic/Latinx in Minnesota. https://mn.gov/mcla/assets/10_12_21%20-%20Hispanic-Latinx%20in%20Minnesota%20Report_tcm1099-502857.pdf

⁴⁰ Minnesota Council on Latino Affairs. (2021). Portrait of Hispanic/Latinx in Minnesota. https://mn.gov/mcla/assets/10_12_21%20-%20Hispanic-Latinx%20in%20Minnesota%20Report_tcm1099-502857.pdf

⁴¹ Minnesota Council on Latino Affairs. (2021). Portrait of Hispanic/Latinx in Minnesota. https://mn.gov/mcla/assets/10_12_21%20-%20Hispanic-Latinx%20in%20Minnesota%20Report_tcm1099-502857.pdf

⁴² Flores, R. D. & Schacter, A. (2018). Who are the “illegals?” The social construction of illegality in the United States. *American Sociological Review* 83 (5): 839-868.

⁴³ Flores, R. D. & Schacter, A. (2018). Who are the “illegals?” The social construction of illegality in the United States. *American Sociological Review* 83 (5): 839-868.

C. Hispanic Americans — Results from 2017 Minnesota Joint Disparity Study

The 2017 Minnesota Joint Disparity Study examined quantitative results, including disparity analyses, for Hispanic Americans and Hispanic American-owned firms as a group. There was no disaggregation of Hispanic Americans or businesses owned by Hispanic Americans by country of ancestry.

The 2017 Study also collected and analyzed qualitative information from Hispanic American business owners, noting any differences in individual experiences due to immigration or ancestry as mentioned in the interview or survey.

C. Hispanic Americans — Comments from qualitative research

Keen Independent interviewed four experts on the Hispanic business community in Minnesota as part of the Task 2.7 research.

Assumption of Mexican Heritage

Interview participants indicated that different Hispanic groups may be perceived the same when it comes to discrimination in business. Comments reflected the perception that many assume all Latinos in Minnesota are Mexican and may also assume them to be undocumented immigrants.

One interviewee indicated that once someone knows more about the person, there may be differences in how they are treated, with some South Americans (e.g., from Chile) potentially treated better than Mexican Americans.

Barriers for Immigrants

According to interview participants, Latino immigrants may have more barriers than other Latinos. This is largely due to language barriers an immigrant might face and lack of familiarity with the business certification process.

Tailored Business Assistance

Interviewees also pointed out that business assistance for Latino business owners may need to be tailored, including whether services need to be bilingual, whether the business owner has a high level of education and experience, and other factors.

I don't think [Hispanic groups are treated differently]. I think that they would be perceived pretty much as a single in a single category, maybe Latino Hispanic, and maybe by default, Mexican right?

Interview participant

... there might be a feeling more prone to say, Well, South America, South American people are more well-prepared, whereas Mexicans are not, and they are Mexicans, have been, historically speaking, more portrayed as a threat to the United States. So once people who know about that yes, I guess, might be a difference, but not initially.

Interview participant

[For] some business owners that are maybe more recently immigrated to this country, there might be language issues that might limit their pool of clients.

Interview participant

[Spanish-speaking entrepreneurs] don't have the clear support, particularly when they need it in Spanish. They don't find so many people who are able to talk to them about, I don't know, loans, about registration processes or, say, marketing or business planning. So that is not there for them in Spanish.

Interview participant

APPENDIX D. American Indians — Introduction

The 2017 Minnesota Joint Disparity Study completed analyses of utilization, availability and potential disparities for Native American-owned firms. This grouping included American Indian- and Alaska Native-owned companies as well as any Native Hawaiian-owned companies. Here, we present evidence for the continued inclusion of these groups in the 2025 Minnesota Joint Disparity Study.

National Overview

Indigenous peoples inhabited the land that is now the United States tens of thousands of years before European settlers arrived.¹ In colonizing the land, settlers committed mass genocide of the Indigenous population and developed policies that stripped the Indigenous peoples of their land and denied them rights. Examples of such laws and policies include the following:

- The United States Constitution explicitly denied American Indians the right to American citizenship and the privileges that accompany it. For more than 100 years, American Indians were considered wards of the state.²

¹ Goebel, T., Waters, M.R., & O'Rourke, D.D. (2008). The late Pleistocene dispersal of modern humans in the Americas. *Science*, 319, 1497-1502. <https://doi.org/10.1126/science.1153569>

² Native American Rights Fund. (2024). The Indian Citizenship Act at 100 years old. *NARF Legal Review*, 49, 1. <https://narf.org/the-indian-citizenship-act-at-100-years-old/>

³ National Archives. (n.d.). Dawes Act (1887). <https://www.archives.gov/milestone-documents/dawes-act>

⁴ Anderson, R.T. (2016). Sovereignty and subsistence: Native self-government and rights to hunt, fish, and gather After ANSCA. *Alaska L. Rev.*, 33, 187-277. <https://digitalcommons.law.uw.edu/faculty-articles/49>

- The Dawes Act of 1887 gave the U.S. government license to break up Tribal lands.³
- The Alaska Native Claims Settlement Act of 1971 limited the hunting, fishing and land ownership rights of Alaska Natives.⁴
- So-called “Indian schools” stripped generations of American Indians of their languages and cultural traditions; effects of this forced assimilation can still be felt in American Indian communities today.⁵
- Because the government owns reservation land, many American Indians do not own their homes and cannot leverage their homes as assets.⁶
- Because of the slow bureaucratic processes involved in granting development permits, investors avoid developing on reservations and economic growth stagnates.⁷
- In 2010, the Department of Agriculture admitted to systematically denying American Indian farmers loans and agreed to pay \$680 million in damages.⁸

⁵ Lomawaima, K. T. (2006). “To Remain an Indian”: Lessons in democracy from a century of Native American education. United States: Teachers College Press.

⁶ Regan, S. (2014). 5 ways the government keeps Native Americans in poverty. *Forbes*. <https://www.forbes.com/sites/realspin/2014/03/13/5-ways-the-government-keeps-native-americans-in-poverty/>

⁷ Regan, S. (2014). 5 ways the government keeps Native Americans in poverty. *Forbes*. <https://www.forbes.com/sites/realspin/2014/03/13/5-ways-the-government-keeps-native-americans-in-poverty/>

⁸ “USDA awards Native Americans millions in discrimination suit.” *NPR*. <https://www.npr.org/2010/10/21/130723950/usda-awards-native-americans-millions-in-discrimination-suit>

D. American Indians — Introduction

Federal and State Law

Protections for American Indian and Alaska Native citizens have been established following hundreds of years of denial of rights.

Protections against discrimination in federal law. The 1924 Citizenship Act granted citizenship to American Indians, but did not include those born before 1924 or born outside of the country; these recognitions came with the Nationality Act of 1940.⁹

As with other groups, the Civil Rights Act of 1964 is landmark federal legislation to protect American Indians¹⁰ and other racially minoritized groups. It prohibited discrimination based on race, color, religion, sex or national origin with respect to employment, public accommodations and federally funded programs. The Fair Housing Act of 1968 extended protections against race discrimination to housing.

Amid growing concern that tribal governments were not subject to the U.S. Constitution, the Indian Bill of Rights was passed in 1968 to guarantee residents of reservations the same rights as U.S. citizens.¹¹

⁹ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*.
<https://www.house.mn.gov/hrd/pubs/indiangb.pdf>

¹⁰ In the Civil Rights Act of 1964, “American Indian or Alaska Native” refers to “A person having origins in any of the original peoples of North America, and who maintain cultural identification through tribal affiliation or community recognition.” 28 CFR 42.402 Definitions. Legal Information Institute. Cornell Law School.
<https://www.law.cornell.edu/cfr/text/28/42.402>

Protections against racial discrimination in Minnesota law. The Minnesota Human Rights Act (MHRA) enacted in 1967 prohibits discrimination in employment, public accommodations, public services, housing, credit, education and certain other activities based on race, color, national origin and certain other personal characteristics.¹²

In 2023, Minnesota passed a statute that bans the use of American Indian likenesses and traditional clothing as mascots in public schools. This ban will go into effect in 2025.¹³

¹¹ U.S. Commission on Civil Rights. (1972). American Indian Civil Rights Handbook.
<https://www2.law.umaryland.edu/marshall/usccr/documents/cr11033.pdf>

¹² Department of Human Rights. (n.d.). Minnesota Human Rights Act.
<https://mn.gov/mdhr/yourrights/mhra/>

¹³ Office of American Indian Education. (2023). American Indian legislation passed in 2023. Minnesota Department of Education.
<https://education.mn.gov/mdeprod/groups/educ/documents/hiddencontent/cm9k/mdgy/~edisp/prod082166.pdf>

D. American Indians — Definitions and data sources

Keen Independent presents federal definitions that characterize the American Indian and Alaska Native racial group. We provide rationale for discontinuing the use of the term “Native American” and discuss the recommended grouping of Native Hawaiians with Asian Americans and Pacific Islanders.

Defining “American Indian and Alaska Native” as a Race in the United States

Defining who is considered American Indian and Alaska Native is instructive to this study.

Federal definitions. “American Indian and Alaska Native” is one of the required reporting racial groups identified by the U.S. Office of Management and Budget in the 2024 Statistical Policy Directive No. 15.

The Census has updated the definition of American Indian and Alaska Native (AI/AN) to refer to people with “origins in any of the original peoples of North, Central, and South America, including, for example, Navajo Nation, Blackfeet Tribe of the Blackfeet Indian Reservation of Montana, Native Village of Barrow Inupiat Traditional Government, Nome Eskimo Community, Aztec, and Maya.”¹⁴

¹⁴ The phrase “who maintains tribal affiliation or community attachment” was removed from this definition in 2024. See: Marks, R., Jones, N., & Battle, K. (2024). What updates to OMB’s race/ethnicity standards mean for the Census Bureau. *U.S. Census Bureau*. <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

¹⁵ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. <https://www.house.mn.gov/hrd/pubs/indiagb.pdf>

Legally, if a person has some “American Indian blood,” they meet the definition of American Indian (tribal membership is no longer necessary to be considered American Indian).¹⁵ “Indian blood” generally refers to an individual having ancestors who lived in North America before its discovery by Europeans.¹⁶

Recommended definitions for Joint Disparity Study. As discussed in the Task 2.7 Inclusion Analysis Summary Report, Keen Independent recommends that the 2025 Minnesota Joint Disparity Study no longer use the broad “Native American term” and instead focus this analysis on American Indians. To the extent that any Alaska Native-owned firms are identified in the study, such firms can be grouped with American Indian-owned firms.

Though Native Hawaiians were previously included in the analysis with AI/AN, Keen Independent discusses why Native Hawaiians are better grouped with Pacific Islanders (who are also a very small group in Minnesota) in the 2.7 Summary Report.¹⁷

¹⁶ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. <https://www.house.mn.gov/hrd/pubs/indiagb.pdf>

¹⁷ 2.7 Appendix A provides an overview of discrimination against Native Hawaiians, along with other Asian American and Pacific Islander groups.

D. American Indians — Definitions and data sources

Data Sources

There are substantial data from the U.S. Census Bureau for American Indians and Alaska Natives as a group. Both the Census and the American Community Survey report on this group.

Federal, state and local agencies also produce information that identifies Native American-owned businesses, which in Minnesota are nearly all American Indian-owned.

There is a history of certification of American Indian-owned firms under federal programs, for state and local programs in Minnesota, and by other organizations.

Data specifically for American Indians and Alaska Natives in the United States or a state such as Minnesota can be difficult to locate. Some data categorize “American Indian” as “Native American,” some studies provide data on just American Indians (and do not mention Alaskan Native people) and others mention both American Indian and Alaskan Native as an aggregated group of analysis.

D. American Indians — Evidence of discrimination and other barriers

Here, Keen Independent provides evidence of discrimination and other barriers affecting American Indians and Alaska Natives in the United States broadly and in Minnesota. We provide evidence relating to discrimination across all facets of life, including business ownership. When discussing prior research, we use the terms used by the authors.

Population and Demographics

We use Census and other data to provide context around the American Indian and Alaska Native population in Minnesota.

Overall descriptors. The 2023 American Community Survey estimated a total of 4.4 million AI/AN individuals in the United States.¹⁸ The number of people in Minnesota who are of AI/AN ancestry, including those who also identify with another race, is about 114,800 individuals, approximately 2 percent of the state’s population based on Census data for 2017–2021.¹⁹

Education level. The American Indian and Alaska Native population face significant educational disparities. Just 17 percent of AI/AN adults have bachelor’s degrees or higher.²⁰

¹⁸ U.S. Census. (2023). “American Community Survey 1-Year estimates: Race.” <https://data.census.gov/table?q==ACSDT5Y2020.B02015>

¹⁹ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. <https://www.house.mn.gov/hrd/pubs/indiangb.pdf>

²⁰ U.S. Census. (2023). “American Community Survey 1-Year estimates: Educational Attainment.” <https://data.census.gov/table?q=Educational%20Attainment>

²¹ Minnesota Compass. (n.d.). By race and ethnicity. *Minnesota Compass*. R <https://www.mncompass.org/topics/demographics/race-ethnicity?american-indian>

For American Indian adults over the age of 25 in Minnesota (about 31,867 people):

- About 19 percent had less than a high school education, compared to about 3 percent of non-Hispanic whites; and
- Approximately 13 percent had completed a four-year degree or more, compared to around 41 percent of non-Hispanic whites.²¹

Socioeconomic information. Many American Indians and Alaska Natives experience economic and social discrimination that affects housing, income level and employment.

Income. In 2018, American Indians faced greater rates of unemployment in Minnesota than whites, 12.8 percent to 3.3 percent, respectively.²² That same year, the median income of an American Indian family in Minnesota was \$36,429, compared to \$71,415 for white families.²³

²² Dionne, J., Cooney, M. & Fernandez-Baca, D. (2022). 30-Year retrospective—Social and economic factors, American Indian health status in Minnesota. *Minnesota Department of Health*. <https://www.health.state.mn.us/communities/equity/reports/maihsr02socioeconomic.pdf>

²³ Dionne, J., Cooney, M. & Fernandez-Baca, D. (2022). 30-Year retrospective—Social and economic factors, American Indian health status in Minnesota. *Minnesota Department of Health*. <https://www.health.state.mn.us/communities/equity/reports/maihsr02socioeconomic.pdf>

D. American Indians — Evidence of discrimination and other barriers

Income influences an individual or a family's ability to purchase a home. In 2019, the homeownership rate for American Indians was around 49 percent, compared to about 77 percent for white Minnesotans.²⁴

Poverty. Compared to 8 percent of whites in Minnesota, 31 percent of American Indians fall below the poverty line.²⁵ Approximately 34 percent of American Indian children live in poverty. American Indians are also likely to experience homelessness. They make up about 8 percent of unhoused adults in Minnesota, even though they comprise a small portion of the state's population.²⁶

American Indians and Alaskan Natives who struggle financially are more likely to experience more adverse health outcomes as accessing and affording medical care, seeking preventative care, obtaining insurance and access to quality food are harder to secure.

Labor force participation. Most jobs for American Indians and Alaskan Natives in Minnesota are in industries like accommodation and food service, public administration, retail trade, manufacturing, healthcare and social assistance and educational services.²⁷

In Minnesota, American Indians comprise nearly all of the people and business owners in the combined group of American Indians, Alaska Natives and Native Hawaiians.

Workplace Microaggressions

A 2017 survey of led by the Harvard T.H. Chan School of Public Health found that about one-third of Native American adults in the United States reported personally experiencing racial discrimination in obtaining equal pay or being considered for promotions, applying for jobs, and a larger percentage reported that they have been the target of microaggressions, that they or a family member have experienced violence because they are Native American, or have been the target of racial slurs.²⁸

Adverse Health Outcomes

In the United States, AI/AN persons who live in federally recognized Tribes receive education and health care assistance through the Indian Health Service (IHS), a division of the U.S. Department of Health and Human Services (DHHS). DHHS's Office of Minority Health reports that urban AI/AN people have less access to hospitals, health clinics or

²⁴ Dionne, J., Cooney, M. & Fernandez-Baca, D. (2022). 30-Year retrospective—Social and economic factors, American Indian health status in Minnesota. *Minnesota Department of Health*. <https://www.health.state.mn.us/communities/equity/reports/maihsr02socioeconomic.pdf>

²⁵ Dionne, J., Cooney, M. & Fernandez-Baca, D. (2022). 30-Year retrospective—Social and economic factors, American Indian health status in Minnesota. *Minnesota Department of Health*. <https://www.health.state.mn.us/communities/equity/reports/maihsr02socioeconomic.pdf>

²⁶ Culture Care Connection. (n.d.). American Indian. *Culture Care Connection*. <https://culturecareconnection.org/cultural-responsiveness/american-indian/>

²⁷ Macht, C. (2024). Minnesota economic disparities by race and origin. *Minnesota Department of Employment and Economic Development*. https://mn.gov/deed/assets/24-02MN_tcm1045-435939.pdf

²⁸ Findling, M.G., et. Al. (2019). Discrimination in the United States: Experience of Native Americans. *Health Serv. Res.* 2019;54:1431-1441. <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/152924/hesr13224.pdf?sequence=3>

D. American Indians — Evidence of discrimination and other barriers

contract health services provided by IHS and Tribal health programs.²⁹ The Office of Minority Health also explains that AI/AN populations document a frequency of poor health and limited healthcare options.³⁰

American Indians in Minnesota “experience the worst social and health outcomes of any population.” Many adverse health outcomes are linked to social inequities like poverty and environmental factors.³¹

Environmental effects on health. Environmental factors affect the health of AI/AN populations. The Office of Minority Health cites cultural barriers, geographic isolation, low income, inadequate sewage disposal, lack of healthcare options and similar factors as culturally specific reasons why AI/AN people can face adverse health outcomes.³² In Minnesota, data from 2022 shows that over 15 percent of American Indians in the state do not have health insurance.³³

Leading diseases and other health concerns. Among AI/AN populations, the leading diseases and causes of death are heart disease, cancer, accidental death, diabetes and stroke.³⁴ As a community, they are at higher risk for suicide, obesity, substance abuse, sudden infant death syndrome, teen pregnancy, diabetes, liver disease and hepatitis. In 2019, the tuberculosis rate was seven times higher for AI/AN people compared to the white population (3.4 to 0.5 percent, respectively).³⁵

²⁹ Office of Minority Health. (2022). American Indian/Alaska Native health. *U.S. Department of Health and Human Services*. [https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

³⁰ Office of Minority Health. (2022). American Indian/Alaska Native health. *U.S. Department of Health and Human Services*. [https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

³¹ Culture Care Connection. (n.d.). American Indian. *Culture Care Connection*. <https://culturecareconnection.org/cultural-responsiveness/american-indian/>

³² Office of Minority Health. (2022). American Indian/Alaska Native health. *U.S. Department of Health and Human Services*. [https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

[health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

³³ Minnesota Compass. (n.d.). By race and ethnicity. *Minnesota Compass*. R <https://www.mncompass.org/topics/demographics/race-ethnicity?american-indian>

³⁴ Office of Minority Health. (2022). American Indian/Alaska Native health. *U.S. Department of Health and Human Services*. [https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

³⁵ Office of Minority Health. (2022). American Indian/Alaska Native health. *U.S. Department of Health and Human Services*. [https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

D. American Indians — Evidence of discrimination and other barriers

For American Indians in Minnesota:

- The premature death rate is more than three times higher than for white Minnesotans.
- They have the highest rate of diabetes for all racial and ethnic groups, at around 17.7 percent, compared to 8.4 percent of whites.
- Cancer is the leading cause of death, as American Indians in Minnesota are 78 percent more likely to die from cancer than whites.³⁶

Disability. Challenges for Native Americans in Minnesota are compounded by the prevalence of disabilities. About 21 percent of the Native American population has a disability, nearly twice that of the Minnesota population overall.³⁷

³⁶ Culture Care Connection. (n.d.). American Indian. *Culture Care Connection*. <https://culturecareconnection.org/cultural-responsiveness/american-indian/>

³⁷ Minnesota Compass (n.d.). All Minnesotans: By disability status. Minnesota Compass. <https://www.mncompass.org/topics/demographics/disability#:~:text=In%202022%2C%2012%25%20of%20Minnesotans,difficulty%2C%20and%20independent%20living%20difficulty.>

2012%25%20of%20Minnesotans,difficulty%2C%20and%20independent%20living%20difficulty.

D. American Indians — Overview of American Indian groups in Minnesota

Keen Independent provides a brief breakdown of the peoples included as American Indian and Alaska Native in Minnesota.

American Indians

In Minnesota, there are 11 federally recognized American Indian communities, seven of which are Anishinaabe (Chippewa, Ojibwe) and four of which are Dakota (Sioux) communities:

- Bois Forte Band of Chippewa;
- Fond du Lac Reservation;
- Gichi-Onigaming/Grand Portage Band of Lake Superior Chippewa;
- Leech Lake Band of Ojibwe;
- Mille Lacs Band of Ojibwe;
- Red Lake Band of Chippewa Indians;
- White Earth Reservation;
- Lower Sioux Indian Community;
- Prairie Island Indian Community;

- Shakopee Mdewakanton Sioux (Dakota) Community; and
- Upper Sioux Community.³⁸

Six of the Ojibwe/Chippewa bands (all except the Red Lake Band of Chippewa Indians) are governed by a central Tribal government, the Minnesota Chippewa Tribe.³⁹ There are also thousands of American Indians living in Minnesota who are affiliated with other federally recognized Tribes.⁴⁰

Brief history of American Indians in Minnesota. Archaeologists have documented human activity in Minnesota, dating back at least 9,000 to 12,000 years ago.⁴¹ By the 1600s, two main groups settled in what became Minnesota, the Dakota and the Ojibwe. Ho-Chunk, Cheyenne, Oto, Iowa and the Sac and Fox Tribes also have a history of establishing settlements in the state.⁴² Colonists began making contact with Tribes in Minnesota in the 1700s, later establishing treaties that were frequently coercive and resulted in loss of land and resources.⁴³ By the time Minnesota became a state in 1857, the United States had established treaties with American Indians that opened up most of the state for settlement.⁴⁴

³⁸ “Minnesota Indian Tribes.” (n.d.). <https://mn.gov/portal/government/tribal/mn-indian-tribes/>

³⁹ Minnesota Chippewa Tribe. (n.d.). “Home page.” <https://www.mnchippewatribe.org/>

⁴⁰ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. Retrieved June 6, 2024, from <https://www.house.mn.gov/hrd/pubs/indiangb.pdf>

⁴¹ Minnesota Historical Society. (n.d.) Native Americans. *Minnesota Historical Society*. <https://www.mnhs.org/fortsnelling/learn/native-americans>

⁴² Minnesota Historical Society. (n.d.) Native Americans. *Minnesota Historical Society*. <https://www.mnhs.org/fortsnelling/learn/native-americans>

⁴³ Stately, R.K. (2024). Minnesota Native American essential understandings for educators. Minnesota Shakopee Mdewakanton Sioux Community: Understand Minnesota Campaign and Native Governance Center. https://www.understandnativemn.org/wp-content/uploads/2024/01/2024_MN_Native_American_Essential_Understandings.pdf

⁴⁴ Mille Lacs Indian Museum and Trading Post. (n.d.). “Treaties.” <https://www.mnhs.org/millelacs/learn/treaties>

D. American Indians — Overview of American Indian groups in Minnesota

In 1863, tensions between the colonists and the Dakota came to a boiling point with the outbreak of the U.S.-Dakota War.⁴⁵ In the aftermath of the war, U.S. military forces executed hundreds of Dakota people and removed nearly 2,000 Dakota from their ancestral homes after holding them in a concentration camp.⁴⁶

Following an authorization by Congress in 1891, the Commissioner of Indian Affairs mandated that American Indian children attend boarding schools designed to assimilate them into white American culture.⁴⁷ Minnesota had 12 such schools where thousands of American Indian children had their hair cut, food rationed, native languages suppressed and cultural traditions reduced to making crafts to sell to whites.^{48 49} Children received strict punishments for any infractions and conditions were so bad that many Minnesota schools reported disease outbreaks.⁵⁰ A 1928 report that revealed the horrendous conditions of the schools

⁴⁵ Minnesota Historical Society. (n.d.). The US-Dakota War of 1862. Historic Fort Snelling. <https://www.mnhs.org/fortsnelling/learn/us-dakota-war>

⁴⁶ Minnesota Historical Society. (n.d.). The US-Dakota War of 1862. Historic Fort Snelling. <https://www.mnhs.org/fortsnelling/learn/us-dakota-war>

⁴⁷ Lajimodiere, D.K. (2016). The sad legacy of American Indian boarding schools in Minnesota and the U.S. MinnPost. <https://www.minnpost.com/mnopedia/2016/06/sad-legacy-american-indian-boarding-schools-minnesota-and-us/>

⁴⁸ Lajimodiere, D.K. (2016). The sad legacy of American Indian boarding schools in Minnesota and the U.S. MinnPost. <https://www.minnpost.com/mnopedia/2016/06/sad-legacy-american-indian-boarding-schools-minnesota-and-us/>

⁴⁹ Lomawaima, K. T. (2006). "To Remain an Indian": Lessons in democracy from a century of Native American education. United States: Teachers College Press.

⁵⁰ Lajimodiere, D.K. (2016). The sad legacy of American Indian boarding schools in Minnesota and the U.S. MinnPost. <https://www.minnpost.com/mnopedia/2016/06/sad-legacy-american-indian-boarding-schools-minnesota-and-us/>

prompted closures across the United States but the last of the so-called "Indian schools" did not close until the 1970s.⁵¹

In the 1950s, Indian termination policies enacted through House Concurrent Resolution 108⁵² forced American Indians across the United States, including Minnesota,⁵³ to move away from reservations and Tribal lands and assimilate into "mainstream American culture."⁵⁴ This resulted in increased American Indian populations in urban centers like Minneapolis.⁵⁵

In 1968, the American Indian Movement (AIM) began in Minneapolis. American Indian activists came together to protest federal Indian policy, high unemployment, inadequate housing, racism and discrimination, and advocate for reclamation of tribal land. In 1972, AIM marched on Washington, D.C., which attracted attention from the FBI and CIA. In 1973, a standoff between the FBI and American Indians at Wounded Knee, South Dakota lasted 71 days. Two people were killed, 12 people

⁵¹ Lajimodiere, D.K. (2016). The sad legacy of American Indian boarding schools in Minnesota and the U.S. MinnPost. <https://www.minnpost.com/mnopedia/2016/06/sad-legacy-american-indian-boarding-schools-minnesota-and-us/>

⁵² U.S. National Archives and Records Administration. (n.d.). Bureau of Indian Affairs records: Termination. *National Archives*. <https://www.archives.gov/research/native-americans/bia/termination>

⁵³ Nesterak, M. (November 1, 2019). Uprooted: The 1950s plan to erase Indian Country. *APM Reports*. <https://www.apmreports.org/episode/2019/11/01/uprooted-the-1950s-plan-to-erase-indian-country>

⁵⁴ Abbott, F. (n.d.). The American Indian Movement, 1968-1978. *Digital Public Library of America*. <https://dp.la/primary-source-sets/the-american-indian-movement-1968-1978>

⁵⁵ Stately, R.K. (2024). Minnesota Native American essential understandings for educators. Minnesota Shakopee Mdewakanton Sioux Community: Understand Minnesota Campaign and Native Governance Center. https://www.understandnativemn.org/wp-content/uploads/2024/01/2024_MN_Native_American_Essential_Understandings.pdf

D. American Indians — Overview of American Indian groups in Minnesota

were wounded and 1,200 people were arrested at Wounded Knee. AIM leaders were later tried in a Minnesota court and acquitted.⁵⁶

Today, more than 80 percent of American Indians in Minnesota live in the Twin Cities area or in Greater Minnesota outside Tribal lands.⁵⁷ English is the primary language of almost all American Indians in Minnesota and only small portion say they speak Native languages at home.⁵⁸

AI/AN Tribes. In 2022, there were 574 federally recognized AI/AN Tribes, eleven of which are recognized by the State of Minnesota. Many Tribes are not recognized at the state or federal level.⁵⁹ Court decisions have upheld that the power to determine Tribal membership resides within the Tribes themselves.⁶⁰

“Indian country” is a key concept in Indian law that describes areas in which the Tribe’s self-sovereignty applies and state powers are

restricted. Indian country can include “reservations, fee lands within the reservation, easements within reservations, any land held in trust for a Tribe or individual American Indian, and lands statutory designed by the federal government to be included in Indian country.” Indian country is legally established by congressional action, executive action or treaty provisions.⁶¹

We do not separate American Indians by Tribe in this appendix due to data suppression in the U.S. Census.⁶² The data needed to explain Tribal differences are not readily available, nationally or in Minnesota.⁶³

Alaska Natives

The 2020 Census reported that the Alaskan Native population in Minnesota was around 454 people.⁶⁴ Because the population is so small in Minnesota and is typically grouped with American Indians, little additional information is available.

⁵⁶ Gale Family Library. (n.d.). American Indian Movement (AIM): Overview. *Gale Family Library*. <https://libguides.mnhs.org/aim>

⁵⁷ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. <https://www.house.mn.gov/hrd/pubs/indiangb.pdf>

⁵⁸ Culture Care Connection. (n.d.). American Indian. *Culture Care Connection*. from <https://culturecareconnection.org/cultural-responsiveness/american-indian/>

⁵⁹ Office of Minority Health. (2022). American Indian/Alaska Native health. *U.S. Department of Health and Human Services*. [https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20\(Demographics\)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment](https://minorityhealth.hhs.gov/american-indianalaska-native-health#:~:text=Overview%20(Demographics)%3A%20This%20population,tribal%20affiliation%20or%20community%20attachment)

⁶⁰ Minnesota House Research. (2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. <https://www.house.mn.gov/hrd/pubs/indiangb.pdf>

⁶¹ Minnesota House Research. (February 2023). American Indians, Indian Tribes, and state government. *MN House Research Department*. Retrieved June 6, 2024, from <https://www.house.mn.gov/hrd/pubs/indiangb.pdf>

⁶² When a respondent indicates that they are AI/AN and another race, the Census suppresses their tribal identification. See U.S. Census Bureau. (2024). Data suppression. *United States Census Bureau*. <https://www.census.gov/programs-surveys/acs/technical-documentation/data-suppression.html>

⁶³ Minnesota Compass. (n.d.). Cultural communities methodology, profile exceptions: Native American cultural community profile. *Minnesota Compass*. <https://www.mncompass.org/topics/demographics/cultural-communities/methodology?native-american-cultural-community-profile>

⁶⁴ U.S. Census Bureau. (2020). Decennial Census: Total population, Minnesota — Alaska Native alone. <https://data.census.gov/table/DECENNIALDDHCA2020.T01001?q=Minnesota%20Alaska%20Native&g=040XX00US27>

D. American Indians — Results from 2017 Minnesota Joint Disparity Study

The 2017 Minnesota Joint Disparity Study examined rates of business ownership by Native Americans and receipt of contract dollars by Native American-owned businesses. In the 2017 Study, data on Native American workforce and business owners included Native Hawaiians (in addition to Alaska Natives) to the extent there were any such businesses in the data.

Quantitative Results

Native Americans accounted for less than 0.1 percent of total public contract dollars examined in the study (about \$3 million).

Keen Independent identified a broad pattern of substantial disparities between the utilization and availability of Native American-owned firms for procurement in each industry across participating entities.

Qualitative Results

Keen Independent collected interviews from Native American business owners and representatives. Select insights appear below.

- One Native American female business owner felt that she lacked credibility in her industry because of her identity and that others did not take her seriously.
- A Native American representative of an organization that offers training and other assistance to business owners claimed that Native Americans are often lacking the requisite skills needed to start a business.
- The poor education system that many Native Americans must endure was mentioned as a barrier to the success of Native Americans as business owners in Minnesota.

APPENDIX E. Middle Eastern and North African Americans — Introduction

The 2017 Minnesota Joint Disparity Study did not examine information about businesses owned by people with roots in the Middle East or North Africa (MENA). As part of the analysis of groups in the 2025 Study, Keen Independent considered evidence supporting inclusion of this group in the current or a future Minnesota disparity study.

Following a thorough literature review, there is not enough information to adequately discuss MENA business owners' experience in Minnesota. Keen Independent recommends that organizations across Minnesota implement the new federal guidelines of including MENA as a minimum reporting category to learn more about how MENA-owned businesses and any barriers to participation in public contracts.

National Overview

People of Middle Eastern and North African backgrounds have historically experienced discrimination in the United States despite many having been considered racially white in the U.S. Census. Because national data on individuals with MENA origins has not been widely collected, conducting research on these populations as a whole is challenging.¹ However, some evidence pertaining to specific groups exists and several practices and policies enacted at the federal level have led to discriminatory treatment of individuals with MENA origins.

¹Wang, H.L. (2022). The U.S Census sees Middle Eastern and North African People as white. Many don't. NPR. <https://www.npr.org/2022/02/17/1079181478/us-census-middle-eastern-white-north-african-mena>

²Zogby, J.J. (2020). Policies targeting Arabs and Muslims didn't just start with Donald Trump. Arab American Institute. <https://www.aaiusa.org/library/policies-targeting-arabs-and-muslims-didnt-just-start-with-donald-trump>

³Zogby, J.J. (2020). Policies targeting Arabs and Muslims didn't just start with Donald Trump. Arab American Institute. <https://www.aaiusa.org/library/policies-targeting-arabs-and-muslims-didnt-just-start-with-donald-trump>

Examples include:

- During the 1920s, the United States banned all immigration from many countries, including MENA countries.²
- The Nixon administration infiltrated Palestinian and Arab student groups and deported many of these students. Later, the Reagan administration criminalized support for certain Palestinian groups.³
- Following the terrorist attacks of September 11, 2001, the Patriot Act was passed, which gave the U.S. government substantial freedom to surveil American citizens. Many targets of that surveillance were citizens with MENA origins.⁴
- In 2017, a federal executive order enacted a three-month travel ban for seven countries (most of them MENA) and prohibited Syrian refugees from entering the country.⁵

⁴PBS News. (2021). Post-9/11 surveillance has left a generation of Muslim Americans in a shadow of distrust and fear. <https://www.pbs.org/newshour/nation/post-9-11-surveillance-has-left-a-generation-of-muslim-americans-in-a-shadow-of-distrust-and-fear>

⁵Immigration History. (2019). "Muslim travel ban." University of Texas at Austin Department of History. <https://immigrationhistory.org/item/muslim-travel-ban/>

E. Middle Eastern and North African Americans — Introduction

Federal and State Law

Although there are many examples of modern discriminatory policies and practices, individuals with MENA origins have equal protections under federal and state laws.

Protections against discrimination in federal law. As with other groups, the Civil Rights Act of 1964 granted equal protection under law for individuals with MENA origins.⁶ Broadly, the act prohibited discrimination based on race, color, religion, sex or national origin with respect to employment, public accommodations and federally funded programs. The Fair Housing Act of 1968 extended protections against racial discrimination to housing.

Protections against racial discrimination in Minnesota law. The Minnesota Human Rights Act (MHRA) enacted in 1967 prohibits discrimination in employment, public accommodations, public services, housing, credit, education and certain other activities based on race, color, national origin and certain other personal characteristics.

⁶ In the Civil Rights Act of 1964, people of MENA origins are considered “white,” which is defined as “a person having origins in any of the original peoples of Europe, North Africa

or the Middle East.” 28 CFR 42.402 Definitions. Legal Information Institute. Cornell Law School. <https://www.law.cornell.edu/cfr/text/28/42.402>

E. Middle Eastern and North African Americans — Definitions and data sources

In this section, Keen Independent provides definitions for MENA and notes the shift in how this group has been categorized in Census data.

Defining MENA

Definitions of who is considered Middle Eastern and North African are instructive to this study.

Federal definitions. The United States Office of Management and Budget (OMB) introduced “Middle Eastern and North African” as a new minimum reporting category on March 28, 2024.⁷ Americans of “Middle Eastern and North African,” or MENA, descent include people of Arab descent, such as Lebanese and Syrian, people of non-Arab descent, including Iranian and Turkish, and people of North African descent, such as Algerian and Moroccan.⁸

Other definitions used in research. Some researchers prefer to describe the MENA population as “Southwest Asian and North African,” or SWANA, as they argue that there is no consensus as to which countries constitute the “Middle East.”⁹

Keen Independent uses the term MENA because this reporting category will be included in data collection on federal forms, including the next U.S. census. MENA ancestry encompasses many different countries, languages, ethnicities and religions. While the geographic boundaries of the MENA region vary between such sources as the U.S. Census Bureau

and the United Nations Statistics Division. Figure E-1 below lists the ancestry that generally constitutes a MENA classification.

E-1. MENA ancestry

Ancestry typically included in MENA categorization	
Armenian	Lebanese
Algerian	Libyan
Alhucemas	Mauritanian
Arab or Arabic	Middle Eastern
Assyrian/Chaldean/Syriac	Moroccan
Bahraini	Muscat
Bedouin	North African
Berber	Omani
Egyptian	Palestinian
Emirati	Qatari
Iranian	Rio De Oro
Iraqi	Saudi Arabian
Israeli	Syrian
Jordanian	Trucial States
Kurdish	Tunisian
Kuria Muria Islander	Turkish
Kuwaiti	Yemeni

⁷ Marks, R. & Jones, N. et. al. (2024). What Updates to OMB’s Race/Ethnicity Standards Mean for the Census Bureau. United States *Census Bureau*. <https://www.census.gov/newsroom/blogs/random-samplings/2024/04/updates-race-ethnicity-standards.html>

⁸ Ennis, S. & Mehrgol T., et.al. (2024). Examining Racial Identity Responses Among People with Middle Eastern and North African Ancestry in the American Community

Survey. Center of Economic Studies. <https://www2.census.gov/library/working-papers/2024/adrm/ces/CES-WP-24-14.pdf>

⁹ Ibid. Ennis, S. & Mehrgol T., et.al. (2024). Examining Racial Identity Responses Among People with Middle Eastern and North African Ancestry in the American Community Survey. Center of Economic Studies. <https://www2.census.gov/library/working-papers/2024/adrm/ces/CES-WP-24-14.pdf>

E. Middle Eastern and North African Americans — Definitions and data sources

Data Sources

As mentioned, the U.S. Census has updated its race and ethnicity classifications to include MENA. However, because the Census Bureau only started asking if respondents had MENA origins and MENA has not yet been a required reporting category for race, limited data exist for the MENA population as a whole. Data on place of birth and immigration status have been collected by the Census.

The State of Minnesota does not have data on MENA business owners, as they would previously have been categorized as white.

E. Middle Eastern and North African Americans — Evidence of discrimination and other barriers

This section reviews national and state-level examples of discrimination against individuals with MENA origins. We again note the challenge in identifying this group and describing their experiences due to their previous categorization as white. The evidence provided in this section largely applies to Arabic, Muslim and Jewish populations in the United States, which do not all have MENA origins.

Population and Demographics

To contextualize this review, we first provide information on the MENA population size and characteristics in the U.S. and Minnesota.

U.S. population. The Census Bureau’s 2022 American Community Survey shows that nearly 4 million U.S. residents (just over 1% of the population) listed a Middle Eastern or North African ancestry.¹⁰

Minnesota population. It is difficult to capture the exact population of Minnesota residents of MENA descent. Between 1977 and 2024, the U.S. Federal Government defined the reporting category of “white” as anyone of European, North African or Middle Eastern descent. In the 2020 Census, for instance, “Lebanese” and “Egyptian” were listed as examples for the “white” box on the race question.”¹¹ Americans of MENA heritage, therefore, have been categorized as “white” or have

chosen to self-report as “Black or African American” or selected “other race.” MENA students are not officially tracked in federal education statistics. Lack of a MENA category also makes it difficult to track instances of racism and discrimination, both for law enforcement and in workplaces and universities.¹²

According to the 2020 Census, less than 1 percent of Minnesota residents have MENA ancestry and MENA business owners make up less than 1 percent of all business owners in Minnesota.¹³

Anti-Arab and Anti-Muslim Sentiment

Since the late 1970s and the War of Attrition, which involved “fighting between Israel and Egypt, Jordan and the Palestinian Liberation Organization (PLO),” Arab Americans “were periodically subjected to harassment at border crossings ... and negative stereotypes of Middle Eastern characters and of Islam have been common in U.S. film and television and in radio and newspaper commentaries.”¹⁴ Following the 9/11 attacks, “Arab Americans across the country were subjected to harassment and discrimination both in their communities and at the hands of the state agencies including racial profiling.”¹⁵

¹⁰ Ennis, S. and Mehrgol T. et.al. (2024). Examining racial identity responses among people with Middle Eastern and North African Ancestry in the American Community Survey. Center of Economic Studies. <https://www2.census.gov/library/working-papers/2024/adrm/ces/CES-WP-24-14.pdf>

¹¹ Zraick, K., et. al. (2024). No Box to Check: When the Census doesn’t reflect you. The New York Times. <https://www.nytimes.com/interactive/2024/02/25/us/census-race-ethnicity-middle-east-north-africa.html>

¹² Zraick, K., et. al. (2024). No Box to Check: When the Census doesn’t reflect you. The New York Times. <https://www.nytimes.com/interactive/2024/02/25/us/census-race-ethnicity-middle-east-north-africa.html>

¹³ U.S. Census Bureau (2020). Middle Eastern and North African Population by Detailed Group: 2020. <https://www.census.gov/content/dam/Census/library/stories/2023/09/mena-population/table-1-dhc-a-mena-population.jpg>

¹⁴ “Arab and other Middle Eastern Americans in the United States of America.” (2023). Minority Rights Group. <https://minorityrights.org/communities/arab-and-other-middle-eastern-americans/>

¹⁵ “Arab and other Middle Eastern Americans in the United States of America.” (2023). Minority Rights Group. <https://minorityrights.org/communities/arab-and-other-middle-eastern-americans/>

E. Middle Eastern and North African Americans — Evidence of discrimination and other barriers

Even though not all Arabs are Muslim and not all Muslims are Arabs, the stereotype of someone practicing Islam being linked to terrorist violence is a leading cause of discrimination in the United States.¹⁶

Muslim Minnesotans experience discrimination for perceived proximity to militant extremism in the region even if they are not of MENA ancestry.¹⁷ Examples of discriminatory acts follow.

- A mosque in Minnesota was bombed in 2017.¹⁸ Further incidents such as vandalism and arson have occurred at several Minnesota mosques in recent years.¹⁹
- In 2024, the Minnesota Senate People of Color and Indigenous (POCI) Caucus released a statement that Minnesotans “face harassment, discrimination, violence or even death due to their identification with, practice of, conversion to Islam, or mere perception as Muslim.”²⁰

¹⁶ “Arab and other Middle Eastern Americans in the United States of America.” (2023). Minority Rights Group. <https://minorityrights.org/communities/arab-and-other-middle-eastern-americans/>

¹⁷ Senate POCI Caucus. (2024). Minnesota Senate POCI Caucus Statement on International Day to Combat Islamophobia. <https://senatedfl.mn/minnesota-senate-poci-caucus-statement-on-international-day-to-combat-islamophobia/>

¹⁸ Simonson, A. (2022). 2 men face more than 14 years in prison for a Minnesota mosque bombing. CNN. <https://www.cnn.com/2022/04/13/us/minnesota-mosque-bombing-suspects-sentencing/index.html>

¹⁹ Alsharif, M. (2023). Minneapolis mosque fires heighten fears that incidents may have been motivated by hate. NBC News. <https://www.nbcnews.com/news/us-news/fires-minneapolis-mosques-heighten-fears-incidents-may-motivated-hate-rcna81379>

- Ilhan Abdullahi Omar, who has served as the U.S. representative for Minnesota’s 5th congressional district since 2019, has received several death threats throughout her political career.²¹ A Somali American Muslim woman, Omar has been targeted by White Nationalists primarily for being Muslim.²²

In light of rising violence against the Muslim community, the Minneapolis Commission on Civil Rights issued an official statement in 2020 condemning Islamophobia.²³

²⁰ Senate POCI Caucus. (2024). Minnesota Senate POCI Caucus Statement on International Day to Combat Islamophobia. <https://senatedfl.mn/minnesota-senate-poci-caucus-statement-on-international-day-to-combat-islamophobia/>

²¹ Nord, J. & Bierschbach, B. (2014). Allegations of threats, bullying follow Cedar-Riverside caucus brawl. MinnPost. <https://www.minnpost.com/politics-policy/2014/02/allegations-threats-bullying-follow-cedar-riverside-caucus-brawl/>

²² “Rep. Ilhan Omar on hit list of Coast Guard lieutenant arrested last week.” (2019). FOX 9. <https://www.fox9.com/news/rep-ilhan-omar-on-hit-list-of-coast-guard-lieutenant-arrested-last-week>

²³ Minneapolis Commission on Civil Rights. (2020). Resolution of the Minneapolis Commission on Civil Rights. <https://lims.minneapolismn.gov/Download/FileV2/24338/2020-1211-Resolution-denouncing-Islamophobia-and-anti-Muslim-discrimination.pdf>

E. Middle Eastern and North African Americans — Evidence of discrimination and other barriers

Anti-Semitic Sentiment

Anti-Jewish hate crimes are rising along with anti-Muslim hate crimes in the United States amid the Israel-Hamas war at the time of this report.²⁴ The Jewish Community Relations Council of Minnesota and the Dakotas released a statement in January 2024 that there have been “more than 700 bomb threats made to Jewish organizations” since October 7, 2023, with “more than half of those” since mid-December 2023.²⁵ While not all Minnesotans of MENA ancestry are Jewish or Muslim, MENA Minnesotans are more likely to experience discrimination and be the targets of anti-Jewish or anti-Muslim hate crimes.²⁶ This may be in part because of appearance rather than actual knowledge of one’s religion.

Ineligibility for MBE Certification

Entrepreneurs with MENA origins have some of the highest levels of self-employment, a proxy for business ownership.²⁷ Many of these entrepreneurs may start their own businesses because they lack other attractive employment opportunities.²⁸

Due to their history of being categorized as white, MENA business owners have largely been unable to participate in minority business certification, leaving many feeling left out.²⁹ The American-Arab Anti-Discrimination Committee launched a certification for MENA-owned businesses.³⁰

²⁴ Yancey-Bragg, N. (2024). Hate crimes reached record levels in 2023. Why ‘a perfect storm’ could push them higher. USA Today. <https://www.usatoday.com/story/news/nation/2024/01/05/hate-crimes-hit-record-levels-in-2023-why-2024-could-be-even-worse/72118808007/>

²⁵ Goldsmith, L. (2024). Antisemitic Incidents in Minnesota on the Rise. TC Jewfolk. <https://tcjewfolk.com/2024/01/30/antisemitic-incidents-in-minnesota-on-the-rise/>

²⁶ Goldsmith, L. (2024). Antisemitic Incidents in Minnesota on the Rise. TC Jewfolk. <https://tcjewfolk.com/2024/01/30/antisemitic-incidents-in-minnesota-on-the-rise/>

²⁷ Phillips, M. (2017). Middle Eastern immigrants are some of America’s top entrepreneurs. Vice. <https://www.vice.com/en/article/middle-eastern-immigrants-are-some-of-americas-top-entrepreneurs/>

²⁸ Phillips, M. (2017). Middle Eastern immigrants are some of America’s top entrepreneurs. Vice. <https://www.vice.com/en/article/middle-eastern-immigrants-are-some-of-americas-top-entrepreneurs/>

²⁹ Roberts, N. (2024). ‘It legitimizes us’: The minority businesses still fighting for recognition <https://www.theguardian.com/business/article/2024/aug/11/mena-entrepreneurs-minority-business-certification>

³⁰ American-Arab Anti-Discrimination Committee. (2024). Home page. <https://adc.org/>

APPENDIX F. Women — Introduction

Keen Independent examined information about discrimination or other barriers affecting women, especially as related to business ownership and success. Disparity analyses were included for woman-owned businesses in the 2017 Minnesota Joint Disparity Study and this section considers rationale for the continued inclusion of women as historically disadvantaged business owners in the 2025 Study.

National Overview

In the United States, women have historically experienced restrictions to voting, accessing healthcare, utilizing financial services and participating in many other activities that their male counterparts have long enjoyed. Such restrictions have created significant barriers to employment and economic success that persist long after legal decisions have reversed the initial discriminatory practices. The 20th Century came with reform, but many discriminatory practices against women were federally legal up until the mid-1970s.

Examples of legal discrimination against women in the United States include the following:

- Women lacked a guaranteed right to vote until the ratification of the 19th Amendment to the U.S. Constitution in 1920. Black and other racially minoritized women faced discriminatory state voting laws long after the 19th Amendment passed.¹
- Employers were not legally required to pay women equal salaries as men for the same work until the Equal Pay Act of 1963.² This bill took nearly 20 years to pass.³
- Women (e.g., mothers, pregnant people, trans women) lacked federal protection from employment discrimination until the Civil Rights Act of 1964 (Title VII).⁴
- Federally funded educational programs could deny admission to women until the Title IX of the Education Amendments of 1972 explicitly prohibited discrimination.⁵
- Prior to the adoption of the Equal Credit Opportunity Act in 1974, women could be denied credit cards based on their sex or marital status, especially if they did not apply with a male cosigner (generally a husband).⁶

¹ National Archives. (2022). 19th Amendment to the U.S. Constitution: Women's right to vote (1920). <https://www.archives.gov/milestone-documents/19th-amendment>

² Title 29 of the Equal Pay Act. (1963), 29 U.S.C. § 201 et seq.

³ National Archives. (2022). Women's rights timeline. <https://www.archives.gov/women/timeline#event-/timeline/item/house-resolution-5056-prohibiting-discrimination-in-pay-on-account-of-sex>

⁴ Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000d et seq.

⁵ Education Amendments Act of 1972, 20 U.S.C. §§1681 - 1688.

⁶ Kratz, J. (2023). On the basis of sex: Equal credit opportunities. National Archives. <https://prologue.blogs.archives.gov/2023/03/22/on-the-basis-of-sex-equal-credit-opportunities/>

F. Women — Introduction

Federal and State Law

Like other states, Minnesota has a history of discrimination against women that its residents and lawmakers have worked to reverse. Nonprofit organizations, labor unions and women's suffrage groups have made strides for women in the workforce and other areas of life impacting work.⁷

Past discriminatory policies and practices. Minnesota women in the nineteenth and early twentieth centuries were subject to restrictions on their voting, healthcare and employment.

- The Minnesota Woman Suffrage Association (MSWA) unsuccessfully campaigned for an amendment to the state constitution guaranteeing women's right to vote in 1893. Attempts by the MWSA to pass related legislation were similarly unsuccessful until the 19th Amendment passed.⁸
- Prior to the passage of the 19th Amendment, women in Minnesota were prohibited from serving on juries.

- Although there were not laws explicitly prohibiting women from serving in certain occupations in Minnesota, women were largely performing unpaid labor or relegated to lower wage jobs prior to the mid-twentieth century. During World War II, the labor force participation of women in Minnesota increased by more than 50 percent.⁹

In 1967, the Minnesota State Department of Human Rights was created to enforce the Minnesota Human Rights Act, which prohibits discriminatory employment, public service, housing and educational practices against women and others.¹⁰ The act has been amended several times to include definitions of sex and gender identity and protections based on pregnancy, sexual orientation and marital status.¹¹

⁷ Kucera, B. (2019). Chronology of Minnesota workers and their organizations. University of Minnesota Labor Education Service. https://carlsonschool.umn.edu/sites/carlsonschool.umn.edu/files/2019-10/MN%20Labor%20timeline_handout_2016_0.pdf

⁸ Minnesota Historical Society Library (2023). Women's suffrage in Minnesota: Overview. Gale Family Library. <https://libguides.mnhs.org/suffrage>

⁹ Kucera, B. (2019). Chronology of Minnesota workers and their organizations. University of Minnesota Labor Education Service.

https://carlsonschool.umn.edu/sites/carlsonschool.umn.edu/files/2019-10/MN%20Labor%20timeline_handout_2016_0.pdf

¹⁰ Minnesota Department of Human Rights. (n.d.). History. <https://mn.gov/mdhr/about/history/>

¹¹ Minnesota Department of Human Rights. (n.d.). History. <https://mn.gov/mdhr/about/history/>

F. Women — Introduction

Modern policies and practices. In recent years, Minnesota has sought to reverse past harms caused to its residents. Policies that affect women and their participation in the labor force cover topics such as abortion, paid family leave and transgender healthcare.¹² Examples of such policies from the last 30 years include:

- In 1995, the Minnesota State Legislature established the Labor Education and Advancement Program (LEAP) to provide funding to workforce development programs that support the pipeline of women into trades.¹³
- Minnesota passed a law in 1998 requiring employers to provide reasonable accommodations for nursing mothers needing to express breast milk.¹⁴ This was the first such law in the nation.¹⁵

¹² Edelman, A. (2023, April 29). “How Minnesota is becoming a laboratory in pushing progressive policy.” NBC News. <https://www.nbcnews.com/politics/politics-news/minnesota-becoming-laboratory-progressive-policy-rcna79816>

¹³ Labor Education and Advancement Program, Minnesota Sessions Law, Chapter 224 H.F. No. 1679 § 1 et seq. (1995). <https://www.revisor.mn.gov/laws/1995/0/Session+Law/Chapter/224/>

¹⁴ Nursing Mother, Minnesota Sessions Law, Chapter 369 H.F. No. 2759 § 181.939 et seq. (1998). <https://www.revisor.mn.gov/laws/1998/0/Session+Law/Chapter/369/>

¹⁵ Minnesota Legislative Reference Library. (n.d.). Minnesota women’s legislative timeline: Significant legislation passed by the Minnesota Legislature since women’s suffrage (1919-1920). Minnesota Legislature. <https://www.lrl.mn.gov/womenstimeline/details?recid=3>

¹⁶ Job Training Partnership Act, Minnesota Sessions Law, Chapter 1 S.F. No. 2 § 200.154 et seq. (1998). <https://www.revisor.mn.gov/laws/1998/1/1/>

- The 1998 Minnesota State Legislature allocated \$100,000 to the Women’s Association of Hmong and Lao (WAHL) to provide job training and placement to eligible Hmong and Laotian women.¹⁶ WAHL was the first Hmong women’s association in Minnesota.¹⁷
- The Women’s Economic Security Act passed in 2014 funds programs that assist women with training and placement into high-wage, high demand jobs, including STEM careers.¹⁸ It requires large state contractors to provide data certifying that they pay men and women equally for equal work.^{19 20}
- Although Minnesota did not have legal abortion until after the *Roe v. Wade* ruling, the state has since protected access to safe, legal abortions. The Protect Reproductive Options Act of 2023 guarantees the right to an abortion and places no conditions on the pregnancy to do so.²¹

¹⁷ Hmong Museum. (n.d.). Hmong women pioneers.

<https://hmongmuseummn.org/collection/hmong-women-pioneers/gaoly-yang/>

¹⁸ Women’s Economic Security Act, Minnesota Sessions Law, Chapter 239 H.F. No. 2536 § 13.552 et seq. (2014).

<https://www.revisor.mn.gov/laws/2014/0/Session+Law/Chapter/239/>

¹⁹ Women’s Economic Security Act, Minnesota Sessions Law, Chapter 239 H.F. No. 2536 § 13.552 et seq. (2014).

<https://www.revisor.mn.gov/laws/2014/0/Session+Law/Chapter/239/>

²⁰ Minnesota Department of Human Rights. (n.d.). History.

<https://mn.gov/mdhr/about/history/>

²¹ Protect Reproductive Options Act, Minnesota Statutes Chapter 4 H.F. No. 1 § 145.409 et seq. (2023). <https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/4/>

F. Women — Definitions and data sources

This section reviews definitions relevant to women and discusses data sources for information on women. We also briefly discuss the role of intersectionality in women’s experiences.

Defining “Women” in the United States

The term “woman” does not have a standard legal definition in the United States.²² Several individual states have developed bills that define “woman,” “female” and “sex” based on chromosomes, genitalia, ability to produce ova and other characteristics.²³ However, many of these definitions are exclusive of intersex and transgender individuals who may not neatly fit into categories based on biology.²⁴ Minnesota does not have such a definition legally codified.

²² Mailman, M. (2023). How many judges does it take to define “woman”. Newsweek. <https://www.newsweek.com/how-many-judges-does-it-take-define-woman-opinion-1845756>

²³ Ragar, S., Gainey, B., and Conlon, R. (2023). These states are narrowly defining who is “female” and “male” in law. NPR.

Data Sources

There are substantial data from the U.S. Census Bureau and other federal and state agencies about women and woman-owned businesses. This includes certification of companies as woman owned.

Note on Intersectionality

Whereas this appendix examines discrimination against women as a group, we note that sex intersects with many other relevant identities to form unique experiences, including:

- Race and ethnicity;
- Sexual orientation;
- Gender identity;
- Marital status;
- Parental status; and
- Religious affiliation.

Though both may share common themes, a Muslim woman, for example, will have vastly different experiences in the workplace than a non-Hispanic white woman. Throughout the next section on barriers women experience in the workplace and as business owners, we highlight areas where women with other intersecting identities may experience compounded effects of discrimination.

<https://www.npr.org/2023/05/03/1172821119/kansas-montana-tennessee-narrowly-define-sex-female-male-transgender-intersex>

²⁴ Ragar, S., Gainey, B., and Conlon, R. (2023). These states are narrowly defining who is “female” and “male” in law. NPR.

F. Women — Evidence of discrimination and other barriers

Women have faced challenges as workers and business owners ranging from microaggressions and sexual harassment to denial of startup capital. In this section, we discuss national and state-level research on four major categories of barriers to women's success in the workplace.

Population and Demographics

We use U.S. Census Bureau data to provide context around the gender composition of Minnesota's overall population, educational attainment and labor force participation.

Overall descriptors. The U.S. Census Bureau estimated the 2023 percentage of people in Minnesota who were women at 49.9 percent.²⁵ Over 80 percent of women in Minnesota are white.²⁶

Educational attainment. In line with national trends, Minnesota women have become more educated over time. More than 40 percent of Minnesota women aged 25 and older have a bachelor's degree or higher and nearly 95 percent have a high school diploma or higher.²⁷ These rates are slightly higher than for men (37% and 94%, respectively).

Labor force participation and poverty. About 65 percent of the Minnesota population of women aged 16 and older are participating in the labor force compared to about 71 percent of men.²⁸ More women live in poverty in Minnesota than men (11% vs. 9%).²⁹

²⁵ U.S. Census Bureau (2023). Population Estimates Program.
<https://www.census.gov/quickfacts/fact/table/MN,US/PST045223>

²⁶ U.S. Census Bureau. (2021). American Community Survey 2021 5-Year Estimates.
<https://data.census.gov/table/ACSDT5YSPT2021.B01001?q=Minnesota&t=-00&moe=false>

²⁷ U.S. Census Bureau. (2022). American Community Survey 2022 1-Year Estimates.
<https://data.census.gov/table/ACSST1Y2022.S1501?q=Minnesota&t=Educational%20Attainment>

²⁸ U.S. Census Bureau. (2022). American Community Survey 2022 1-Year Estimates.
<https://data.census.gov/table/ACSDP1Y2022.DP03?g=040XX00US27>

²⁹ U.S. Census Bureau. (2022). American Community Survey 2022 1-Year Estimates.
<https://data.census.gov/table/ACSST1Y2022.S1701?q=Minnesota&t=Income%20and%20Poverty>

F. Women — Evidence of discrimination and other barriers

Employment

Although equal employment laws and regulations prevent discrimination in hiring and pay, women continue to experience underrepresentation in certain fields and wage gaps across fields.

Male-dominated jobs. Historic social norms restricting the types of work women could perform results in gender disparities in certain fields. Occupations in which women are significantly underrepresented nationally include:

- Architecture and engineering;
- Protective services;
- Construction and maintenance;
- Manufacturing;
- Transportation and material moving; and
- Agriculture.³⁰

Researchers have long pointed to gender disparities in science, technology, engineering and mathematics (STEM) fields.³¹ Although representation of women in STEM jobs has improved, women are still underrepresented in physical science and computing jobs.³²

In Minnesota, women are underrepresented in the same types of occupations as national data show and are overrepresented in care and service-related jobs, which tend to pay less.³³

³⁰ U.S. Bureau of Labor Statistics. (2019). Women in the labor force: A databook. <https://www.bls.gov/opub/reports/womens-databook/2019/home.htm>

³¹ Blackburn, H. (2017). The status of women in STEM in higher education: A review of the literature 2007–2017. *Science & Technology Libraries*, 36(3), 235–273. <https://www.tandfonline.com/doi/pdf/10.1080/0194262X.2017.1371658>

³² Fry, R., Kennedy, B., & Funk, C. (2021). STEM jobs see uneven progress in increasing gender, racial and ethnic diversity. Pew Research Center, 1.

https://www.pewresearch.org/science/wp-content/uploads/sites/16/2021/03/PS_2021.04.01_diversity-in-STEM_REPORT.pdf

³³ Ewig, C., Montalvo, C. A., Marzec, J., & Ritter, J. (2024). 2024 status of women and girls+ in Minnesota. Center on Women, Gender and Public Policy, University of Minnesota Humphrey School of Public Affairs. <https://www.hhh.umn.edu/sites/hhh.umn.edu/files/2024-05/WFM-2024-Status-Report.pdf>

F. Women — Evidence of discrimination and other barriers

Wages. On average, women in the U.S. earn 82 cents for every dollar their male counterparts earn. Progress on closing the gender pay gap has been slow in recent years, as women were earning 80 cents to every dollar earned by men in 2002.³⁴ Women of color fare worse than white women. Below, we list average earnings for non-white women compared to every \$1 of pay for their white male counterparts.

- Asian women: 99 cents;
- Black women: 69 cents;
- Native Hawaiian and Pacific Islander: 65 cents;
- Native women: 59 cents; and
- Latina women: 57 cents.³⁵

Gender pay gaps are persistent, even in high-wage occupations. A recent report from the Pew Research Center highlighted that Black and Hispanic women receive the lowest pay for STEM-related jobs.³⁶

Women in Minnesota are more likely to work in low-wage jobs and on average earn 5 percent less than men.³⁷ Similarly to national trends, Minnesota women of color make even less than their white female counterparts on average.

³⁴ Kochhar, R. (2023). The enduring grip of the gender pay gap. Pew Research Center. <https://www.pewresearch.org/social-trends/2023/03/01/the-enduring-grip-of-the-gender-pay-gap/>

³⁵ American Association of University Women. (n.d.). Fast facts: The gender pay gap. <https://www.aauw.org/resources/article/fast-facts-pay-gap/>

³⁶ Fry, R., Kennedy, B., & Funk, C. (2021). STEM jobs see uneven progress in increasing gender, racial and ethnic diversity. Pew Research Center, 1.

https://www.pewresearch.org/science/wp-content/uploads/sites/16/2021/03/PS_2021.04.01_diversity-in-STEM_REPORT.pdf

³⁷ Ewig, C., Montalvo, C. A., Marzec, J., & Ritter, J. (2024). 2024 status of women and girls+ in Minnesota. Center on Women, Gender and Public Policy, University of Minnesota Humphrey School of Public Affairs. <https://www.hhh.umn.edu/sites/hhh.umn.edu/files/2024-05/WFM-2024-Status-Report.pdf>

F. Women — Evidence of discrimination and other barriers

The “second shift.” Arlie Hochschild coined the term “second shift” in her 1989 book about the societal expectation of women to complete domestic and caretaking tasks at home in addition to full-time paid work.³⁸ Although this expectation has modernized, its effects persist. Research has demonstrated that women continue to perform more household tasks than men, such as caring for children, grocery shopping and cooking.^{39 40}

Mothers are especially susceptible to these expectations compared to fathers. A majority of mothers in a recent study say they take on more of the childcare responsibilities in the household than fathers, who were more likely to say the responsibilities were equally shared.⁴¹ In the same study, mothers worried significantly more than fathers about their children’s safety, mental health, physical health, experiences in school and all other factors tested.⁴² As a consequence, some women cut their work hours, sacrifice promotions or quit their jobs to be caretakers.⁴³

³⁸ Hochschild, A. (1989). *The second shift: Working parents and the revolution at home*. Viking Penguin.

³⁹ Aragão, C. (2019). For many U.S. moms, pandemic brought increase in time spent caring for kids while doing other things. Pew Research Center. <https://www.pewresearch.org/short-reads/2022/10/11/for-many-u-s-moms-pandemic-brought-increase-in-time-spent-caring-for-kids-while-doing-other-things/>

⁴⁰ Schaeffer, K. (2019). Among U.S. couples, women do more cooking and grocery shopping than men. Pew Research Center. <https://www.pewresearch.org/short-reads/2019/09/24/among-u-s-couples-women-do-more-cooking-and-grocery-shopping-than-men/>

⁴¹ Minkin, R. & Horowitz, J. (2023). Parenting in America today. Pew Research Center. https://www.pewresearch.org/wp-content/uploads/sites/20/2023/01/PST_2023.01.24_parenting_REPORT.pdf

⁴² Minkin, R. & Horowitz, J. (2023). Parenting in America today. Pew Research Center. https://www.pewresearch.org/wp-content/uploads/sites/20/2023/01/PST_2023.01.24_parenting_REPORT.pdf

⁴³ Kutzner, T. D. (2019). Helping out supermom: Gender-aware policymaking & mothering in the twenty-first century American workforce. *Geo. J. Gender & L.*, 21, 171. <https://www.law.georgetown.edu/gender-journal/wp-content/uploads/sites/20/2020/01/Note-2.pdf>

F. Women — Evidence of discrimination and other barriers

Treatment in the Workplace

Women in the workplace may be subject to discrimination and external limitations to their advancement that their male counterparts do not routinely experience.

Workplace discrimination. Research has consistently demonstrated that women continue to experience gender-based discrimination in the workplace. In a national 2017 study conducted by Pew Research Center, 42 percent of women reported a discriminatory event, including earning less money than counterparts, experiencing slights and having their competence challenged, compared to 22 percent of men.⁴⁴ The same study found that although women and men reported that sexual harassment in the workplace was still an issue (36% and 35%, respectively), women were more than three times as likely to report experiencing it.⁴⁵

Limited advancement opportunities. National and state-level research has demonstrated that women often encounter a “glass ceiling” preventing them from advancement in their careers. A qualitative study of Minnesota women administrators in education, business/industry and government reported that participants identified the following barriers to their career advancement:

- Racial discrimination (reported by Black women);
- Exclusion from the “old boys’ network”;
- Negative attitudes toward women;
- Lack of upward mobility in their jobs; and
- Lack of professional networking opportunities.⁴⁶

⁴⁴ Parker, K. & Funk, C. (2017). Gender discrimination comes in many forms for today’s working women. Pew Research Center. <https://www.pewresearch.org/short-reads/2017/12/14/gender-discrimination-comes-in-many-forms-for-todays-working-women/>

⁴⁵ Parker, K. & Funk, C. (2017). Gender discrimination comes in many forms for today’s working women. Pew Research Center. <https://www.pewresearch.org/short-reads/2017/12/14/gender-discrimination-comes-in-many-forms-for-todays-working-women/>

⁴⁶ Coleman, J. E. (1998). Barriers to career mobility/advancement by African-American and Caucasian female administrators in Minnesota organizations: A perception or reality? <https://files.eric.ed.gov/fulltext/ED423590.pdf>

F. Women — Evidence of discrimination and other barriers

Business Ownership and Operation

Women entrepreneurs face additional barriers when establishing new businesses. From understanding complex tax codes to having business mentors who can provide advice along the way, women business owners must navigate systems from which they have been historically excluded.

National statistics. About 22 percent of businesses in the U.S. are woman-owned. Of those, nearly 83 percent are owned by white women.⁴⁷ Woman-owned firms earn half of male-owned firms, on average (\$1.6 million compared to \$3.2 million).⁴⁸

Research has found gender differences in reasons for business closures. Whereas lack of profitability is the most frequently cited reason for closure of businesses owned by men and women, woman-owned businesses were more likely to report business closure due to pandemic-related factors than their counterparts.⁴⁹ Women in this study were also more likely than men to report business closure due to

family and personal obligations, highlighting the disproportionate nature of caretaking duties along gender lines.⁵⁰

Minnesota statistics. About one-third of businesses in Minnesota are woman-owned with the largest concentrations in the personal care, retail trade and real estate industries.⁵¹ About 6 percent of Minnesota businesses are owned by women of color, 3 percent are owned by immigrant women and 1 percent are owned by women with disabilities.⁵²

⁴⁷ Hait, A. W., (2021). Number of women-owned employer firms increased 0.6% from 2017 to 2018. https://www.census.gov/library/stories/2021/03/women-business-ownership-in-america-on-rise.html?utm_campaign=20210329msacos1ccstors&utm_medium=email&utm_source=govdelivery

⁴⁸ Hait, A. W., (2021). Number of women-owned employer firms increased 0.6% from 2017 to 2018. https://www.census.gov/library/stories/2021/03/women-business-ownership-in-america-on-rise.html?utm_campaign=20210329msacos1ccstors&utm_medium=email&utm_source=govdelivery

⁴⁹ Elam, A., Hughes, K. D., & Samsami, M. (2023)/ GEM 2022/23 women's entrepreneurship report: Challenging bias and stereotypes. Global Entrepreneurship Monitor. <https://www.gemconsortium.org/reports/womens-entrepreneurship>

⁵⁰ Elam, A., Hughes, K. D., & Samsami, M. (2023)/ GEM 2022/23 women's entrepreneurship report: Challenging bias and stereotypes. Global Entrepreneurship Monitor. <https://www.gemconsortium.org/reports/womens-entrepreneurship>

⁵¹ Ewig, C., Montalvo, C. A., Marzec, J., & Ritter, J. (2024). 2024 status of women and girls+ in Minnesota. Center on Women, Gender and Public Policy, University of Minnesota Humphrey School of Public Affairs. <https://www.hhh.umn.edu/sites/hhh.umn.edu/files/2024-05/WFM-2024-Status-Report.pdf>

⁵² Ewig, C., Montalvo, C. A., Marzec, J., & Ritter, J. (2024). 2024 status of women and girls+ in Minnesota. Center on Women, Gender and Public Policy, University of Minnesota Humphrey School of Public Affairs. <https://www.hhh.umn.edu/sites/hhh.umn.edu/files/2024-05/WFM-2024-Status-Report.pdf>

F. Women — Evidence of discrimination and other barriers

Self-reported challenges faced by women business owners.

Research has highlighted specific challenges women business owners report experiencing. Accessing funding, identifying mentors and building a network, securing funding and getting credited for their work were themes that appeared in one nationally representative study of women business owners.⁵³ Women CEOs approached by Business News Daily echoed these themes in reporting the following challenges to entrepreneurship they experienced:

- Defying social expectations;
- Accessing funding;
- Struggling to be taken seriously;
- Owning their accomplishments;
- Building a support network;
- Balancing business and family life; and
- Coping with fear of failure.⁵⁴

Racially minoritized women business owners. Challenges to business ownership are compounded by racial factors. In a study of women business owners, women of color perceived significantly more challenges to business ownership than their white peers in:

- Securing capital;
- Understanding the tax code;
- Identifying eligible procurement opportunities in the public and private sectors;
- Managing business relationships with corporate legal advisors and certified public accountants;
- Understanding accounting regulations;
- Recruiting and retaining a qualified workforce;
- Networking; and
- Maintaining work-life balance.⁵⁵

⁵³ Mattis, M. C. (2004). Women entrepreneurs: out from under the glass ceiling. *Women in management review*, 19(3), 154-163.

⁵⁴ Uzialko, A. (2023). Challenges faced by women entrepreneurs—plus some of the most successful women to follow. *Business News Daily*.
<https://www.businessnewsdaily.com/5268-women-entrepreneur-challenges.html>

⁵⁵ Loveline, A. A., Uchenna, O. I., & Karubi, N. P. (2014). Women entrepreneurship in Malaysia: An empirical assessment of the challenges faced by micro and small business owners in Kuching-Sarawak. *International Journal of Humanities Social Sciences and Education*, 4(1), 48-58.

F. Women — Evidence of discrimination and other barriers

Access to Capital

National studies have reported that woman-owned businesses struggle with access to capital. Fewer than 15 percent of all businesses funded by venture capital have at least one woman on the team.⁵⁶ Women are also less frequently on investment teams; a recent report estimates that more than 92 percent of all investors are men.⁵⁷

Women in Minnesota also experience barriers to accessing capital. Organizations like WomenVenture, which is supported by the Minnesota Department of Employment and Economic Development, seek to address the lack of access to capital by providing funding, education and professional development to women business owners.⁵⁸ More than 2,500 entrepreneurs received support through this program in FY2022.⁵⁹

⁵⁶ Elam, A., Hughes, K. D., & Samsami, M. (2023)/ GEM 2022/23 women's entrepreneurship report: Challenging bias and stereotypes. Global Entrepreneurship Monitor. <https://www.gemconsortium.org/reports/womens-entrepreneurship>

⁵⁷ Elam, A., Hughes, K. D., & Samsami, M. (2023)/ GEM 2022/23 women's entrepreneurship report: Challenging bias and stereotypes. Global Entrepreneurship Monitor. <https://www.gemconsortium.org/reports/womens-entrepreneurship>

⁵⁸ Minnesota House of Representatives. (n.d.). WomenVenture. https://www.house.mn.gov/comm/docs/xF3PPRXNCEafPI5-G-_XQA.pdf

⁵⁹ Minnesota House of Representatives. (n.d.). WomenVenture. https://www.house.mn.gov/comm/docs/xF3PPRXNCEafPI5-G-_XQA.pdf

F. Women — Results from the 2017 Minnesota Joint Disparity Study

Keen Independent conducted the 2017 Minnesota Joint Disparity Study and identified evidence of barriers for women business owners.

Quantitative Results

The following are some examples of the disparities identified in 2017 Minnesota Joint Disparity Study.

Business ownership rates. Keen Independent found that women working in the following industries were less likely to be business owners than men:

- Construction (15% compared to 27%);
- Professional services (13% compared to 16%); and
- Goods (3% compared to 7%).⁶⁰

Disparities in contract awards. Keen Independent examined procurements of participating entities in Minnesota totaling \$12 billion. Of those contract dollars, about 7 percent went to white woman-owned business enterprises (WBEs). Given that about 12 percent of firms available for work in Minnesota were WBEs, this indicated a substantial disparity in utilization of white woman-owned companies in public sector contracts.

We note that Keen Independent examined white woman-owned business as their own category to isolate any potential effects of gender. Businesses owned by racially minoritized women were categorized as minority-owned business enterprises (MBEs), which include businesses owned by racially minoritized men.

Construction. White woman-owned firms received about 8 percent of entity contract dollars, less than the 11 percent expected from the availability analysis, indicating a substantial disparity.

Professional services. About 8 percent of entity professional services contract dollars went to WBEs, substantially less than the 13 percent that might be expected from the availability analysis.

Goods. The largest disparity was identified in entity procurement of goods with about 6 percent of entity contract dollars going to WBEs compared to a 13.6 percent availability benchmark.

Other services. About 5 percent of entity contract dollars went to WBEs providing other services. Compared with an availability benchmark of about 8 percent, this indicated a substantial disparity.

Qualitative Results

Comments from interviews and surveys conducted with representatives of businesses owned by women in Minnesota reflected perceptions that the playing field is not level for woman-owned businesses. Representatives of businesses owned by women reported barriers to the success of woman-owned businesses, including:

- Misogyny and male-dominated industries;
- Discrimination specific to women (e.g., being set up to fail at a task, exclusion from industry events, sexual harassment); and
- Mistrust of firms owned by women.

⁶⁰ Ownership rates for businesses providing other services were similar among men and women in this study (12% compared to 14%).

F. Women — Comments from qualitative research

As part of research in 2025 Minnesota Joint Disparity Study conducted for this preliminary assessment, Keen Independent conducted interviews with members of organizations that represent woman-owned businesses in Minnesota. We briefly summarize select insights from those interviews here. Additional information can be found in Appendix J.

Disparities in Industries

Interview participants identified industries including construction in which women and women business owners are rare.

Apprehension About Loss of Programs

An interview participant mentioned a fear of losing DBE programs that support woman-owned businesses due to a perception that they are simply around to “meet quotas.”

Exclusion Due to Intersecting Identities

Several interview participants discussed other identities and commented on how they intersect with gender. One commented that women who identify as lesbians or trans are not necessarily embraced by the women business community in Minnesota.

We [find that we] just don't have females ... when they did a deep dive about all the females in that are working construction as a whole.

Interview participant

I'm really worried about losing our programs [that support women and people of color] ... I think that happens [with] goals being perceived as quota.

Interview participant

Just because you may be a lesbian and a woman doesn't necessarily mean that you would be welcome at WBENC (Women's Business Enterprise National Council) events or if you are trans you may not be able to get certified. People shouldn't have to pick one aspect or another as it relates to their identity to have access to certifications, especially if they're required to provide money, resources and interact with these other organizations where their presence may not necessarily be welcome

Interview participant

APPENDIX G. LGBTQ+ Americans — Introduction

Keen Independent examined information about discrimination and other barriers affecting individuals who are lesbian, gay, bisexual, transgender or queer (LGBTQ+), especially as related to business ownership and success. This group was not included in the 2017 Minnesota Joint Disparity Study analyses. We note that although the Federal DBE program does not have a specific certification for LGBTQ-owned businesses, there is currently a certification of LGBTQ-owned businesses by the National LGBT Chamber of Commerce.

National Overview

Negative attitudes about homosexuality, bisexuality and gender non-conformity or gender-crossing have a long-standing history in the United States. Stigma made secrecy and shame the norm for most LGBTQ+ people in the United States and anti-LGBTQ+ bias was entrenched in public policies, health care and more. Examples are shown to the right:

- Laws criminalizing homosexuality in the United States date back to the arrival of European colonists and were still on the books in 14 states when the Supreme Court found them unconstitutional in 2003.¹
- Between 1993 and 2011, openly gay and lesbian individuals were prohibited from serving in the U.S. military.² Transgender troops continued to be banned until 2021.³
- The American Psychiatric Association pathologized LGBTQ+ individuals as “sexual deviants” until the early 1970s. Updates to the Diagnostic and Statistical Manual continued to include diagnoses that allowed sexual orientations other than heterosexuality to be approached as treatable mental conditions persisted until 2013.⁴
- LGBTQ+ couples lacked a federal right to marry until 2015.⁵
- Until 2020, employment discrimination against LGBTQ+ people was legal in many states and LGBTQ+ people lacked federal protection against employment discrimination.⁶

¹ Holpuch, A. (July 21, 2023). The Supreme Court struck down sodomy laws 20 years ago. Some still remain. *The New York Times*. <https://www.nytimes.com/2023/07/21/us/politics/state-anti-sodomy-laws.html>

² Human Rights Campaign (n.d.) Repeal of “don’t ask, don’t tell.” <https://www.hrc.org/our-work/stories/repeal-of-dont-ask-dont-tell>

³ Philipps, D. (January 25, 2021). As Biden lifts a ban, transgender people get a long-sought chance to enlist.” *The New York Times*. <https://www.nytimes.com/2021/01/25/us/biden-transgender-ban-military.html>

⁴ Robles, R., Real, T., & Reed, G. (2021). Depathologizing Sexual Orientation and Transgender Identities in Psychiatric Classifications. *Consortium Psychiatricum*, 2(2), 45-53. <https://doi.org/10.17816/CP61>

⁵ Sherman, M. (June 26, 2015). Supreme Court declares nationwide right to same-sex marriage. *AP News*. <https://apnews.com/article/lifestyle-courts-marriage-supreme-court-of-the-united-states-united-states-government-9e1933cd1e1a4e969ab45f5952bbb45f>

⁶ Movement Advancement Project. (n.d.) Employment nondiscrimination. https://www.lgbtmap.org/equality-maps/employment_non_discrimination_laws

G. LGBTQ+ Americans — Introduction

Minnesota State Law

Although Minnesota was often ahead of other states in granting legal protections to LGBTQ+ people, discrimination was legal on many fronts until relatively recent times. For example:

- Discrimination based on sexual orientation and gender identity in employment, housing and public accommodations was legal in Minnesota until 1993;⁷
- Homosexual activity was illegal until 2001 when the state Supreme Court ruled the law unconstitutional, but the law criminalizing homosexuality was not repealed until 2023;^{8 9}
- Same-sex couples could not marry in Minnesota until 2013;¹⁰

- Conversion therapy was legal in Minnesota until barred by executive order in 2021 and by the legislature in 2023;^{11 12} and
- The “gay and trans panic defense” (defendants arguing the panic they felt when learning their victim was LGBTQ+ was an excuse for violence) was not outlawed in Minnesota until 2024.¹³

Despite civil rights advances pertaining to sexual orientation over the past 30 years, LGBTQ+ individuals experience discrimination in many domains. The study team describes evidence of disadvantages and potential discrimination faced by LGBTQ+ people later in this appendix.

⁷ Minnesota State Law Library. (n.d) Lesbian, gay, bisexual and transgender (LGBT) law. <https://mncourts.libguides.com/LGBT>

⁸ Court strikes down Minnesota sodomy law; Ventura administration may fight state impact. (May 21, 2001). *ACLU*. <https://www.aclu.org/press-releases/court-strikes-down-minnesota-sodomy-law-ventura-administration-may-fight-state-impact>

⁹ Spreyregen, M. (May 23, 2023). Minnesota and Maryland repeal antiquated sodomy laws. *LGBTQ Nation*. <https://www.lgbtqnation.com/2023/05/minnesota-maryland-repeal-antiquated-sodomy-laws/>

¹⁰ Minnesota legalizes gay marriage: Gov. Mark Dayton signs bill into law. (February 2, 2016). *Huffpost*. https://www.huffpost.com/entry/minnesota-gay-marriage-legal_n_3275484

¹¹ Riley, J. (July 15, 2021). Minnesota governor signs executive order banning conversion therapy. *MetroWeekly*. <https://www.metroweekly.com/2021/07/minnesota-governor-signs-executive-order-banning-conversion-therapy/>

¹² Minnesota lawmakers approve conversion therapy ban, protection for gender-affirming care. (April 21, 2023). *CBS News*. <https://www.cbsnews.com/news/minnesota-lawmakers-approve-conversion-therapy-ban-protection-gender-affirming-care-abortion-rights-refuge-bill/>

¹³ Lazine, M. (May 29, 2024). Minnesota finally bans the LGBTQ+ panic defense. *LGBTQ Nation*. <https://www.lgbtqnation.com/2024/05/minnesota-finally-bans-the-lgbtq-panic-defense/>

G. LGBTQ+ Americans — Definitions and data sources

Here, we explain the terminology used in this appendix and describe data sources and limitations. We also provide an overview of the main demographic characteristics of Minnesota's LGBTQ+ population.

Terminology

Terms related to sexual orientation and gender identity vary in scope and specificity. Acronym variations may directly or indirectly include intersex or asexual individuals (e.g., LGBTQIA, LGBTQI+) or may adopt shorter variations (e.g., LGBT). In some cases, authors use shorter variations with a plus symbol (+) to imply inclusion of additional groups often marginalized on the basis of sexual orientation or gender identity (e.g. LGBT+). When describing literature in this analysis, the study team uses the acronym used by the author. The study team uses LGBTQ+ when the material we summarize describes sexual orientation and gender identity minority groups as a whole.

Data Sources

Data on the LGBTQ+ population are limited, as described below.

Federal data sources. Starting in 2021, the American Community Survey (ACS) included questions about same-sex couples who are married or living together. Information on transgender people and LGBTQ+ individuals who are single or do not live with partners is not currently available through ACS.

At the time of Keen Independent's research (2024), the Census Bureau was testing questions about sexual orientation and gender identity for the American Community Survey.¹⁴ If the tested questions are adopted on an ongoing basis, ACS will be a source in the future for understanding information for socioeconomic, labor and other information disaggregated sexual orientation and gender identity groups.

Population size and composition. According to the Williams Institute at UCLA School of Law, Minnesota is home to about 210,000 LGBT individuals age 13+.¹⁵ The Williams Institute further estimates that LGBT people are about 4.1 percent of Minnesota's population and that LGBT are disproportionately female (59%) and about a decade younger on average (38) than Minnesotans overall (49).¹⁶

Available data sources do not provide estimates of specific LGBTQ+ subpopulations in Minnesota (e.g. lesbians, gay men, bisexual women, bisexual men, transgender women, transgender men). However, data discussed later in this section do provide some insight on the question of whether privileges associated with being male mitigate against disadvantages associated with sexual orientation and gender identity for gay, bisexual or transgender men.

Trade association representatives interviewed for this study noted that data about LGBTQ+ people can be negatively impacted by reluctance to self-identify due to sexism, homophobia and transphobia.

¹⁴ Russell, J. (February 16, 2024). Finally, the Census Bureau will ask questions about LGBTQ+ people. *LGBTQ Nation*. <https://www.lgbtqnation.com/2024/02/finally-the-census-bureau-will-ask-questions-about-lgbtq-people/>

¹⁵ LGBT People in the United States Not Protected by State Nondiscrimination Statutes. (April 2020) The Williams Institute, UCLA, Los Angeles, CA.

<https://williamsinstitute.law.ucla.edu/wp-content/uploads/LGBT-ND-Protections-Update-Apr-2020.pdf>

¹⁶ LGBT Demographic Data Interactive. (January 2019). The Williams Institute, UCLA School of Law. <https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats/?topic=LGBT&area=27#about-the-data>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Here, Keen Independent summarizes studies broadly related to anti-LGBTQ+ discrimination followed by a sample of evidence of anti-LGBTQ+ discrimination by specific topics and groups. The section ends with discussion of evidence specific to LGBTQ+ Minnesotans.

Discrimination and Barriers in the United States

A 2017 survey designed by Harvard T.H. Chan School of Public Health, the Robert Wood Johnson Foundation, and National Public Radio found that the majority of LGBTQ individuals said they had experienced discrimination based on sexual orientation or gender identity and that experiences with discrimination were pervasive across many domains. The study found high incidences of reported:

- Threats and non-sexual harassment (57%);
- Slurs (57%) and microaggressions (53%);
- Sexual harassment (51%) and violence (51%);
- Harassment related to bathroom use (34%);
- Discriminatory treatment in:
 - The courts (26%);
 - Encounters with police (26%);
 - Housing (22%);
 - Clinical health care settings (16%);
 - Pay and promotions (22%); and
 - Applying for jobs (20%).¹⁷

¹⁷ Casey, L. S., Reisner, S. L., Findling, M. G., Blendon, R. J., Benson, J. M., Sayde, J. M., & Miller, C. (2019). Discrimination in the United States: Experiences of lesbian, gay, bisexual, transgender, and queer Americans. *Health Services Research*, 54, 1454–1466. <https://doi.org/10.1111/1475-6773.13229>

The study found that LGBTQ racial/ethnic minorities were twice as likely as LGBTQ whites to experience discrimination when applying for jobs and interacting with the police.¹⁸

In 2020, a survey conducted by the National Opinion Research Center at the University of Chicago on behalf of the Center for American Progress found high rates of discrimination reported by LGBTQI+ individuals.¹⁹

- More than one in three LGBTQI+ adults reported facing some kind of discrimination compared to fewer than one in five non-LGBTQI+ adults.
- Reports of discrimination were higher for LGBTQI+ people of color and persons with disabilities (nearly one in two) and for transgender individuals (more than half).
- Half of LGBTQI+ adults reported experiencing workplace discrimination or harassment.
- Nearly one-third of LGBTQI+ adults reported experiencing housing discrimination or harassment.
- About 78 percent of LGBTQI+ adults reporting taking at least one action to avoid discrimination, such as hiding personal relationships, making decisions about where to work, avoiding police officers, avoiding medical care or changing the way they dressed.

¹⁸ Casey, L. S., Reisner, S. L., Findling, M. G., Blendon, R. J., Benson, J. M., Sayde, J. M., & Miller, C. (2019). Discrimination in the United States: Experiences of lesbian, gay, bisexual, transgender, and queer Americans. *Health Services Research*, 54, 1454–1466. <https://doi.org/10.1111/1475-6773.13229>

¹⁹ The Center for American Progress survey used “LGBTQI+” including “I” for intersex.

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(Note that the literature describes a mental health, health and economic “cost of the closet” involved with hiding personal information to avoid discrimination.²⁰)

- More than one-half of LGBTQI+ adults and eight of ten transgender adults reported that recent debates about restricting the rights of LGBTQI+ people moderately or significantly affected their mental health or safety.²¹ These debates have been sparked by nationwide anti-LGBTQ+ policy efforts, which are discussed next.

Anti-LGBTQ+ legislation. Despite civil rights progress in recent decades, LGBTQ+ people have been targeted by a growing wave of restrictive legislative efforts. In 2022, state legislators introduced 315 anti-LGBTQ bills, a record number at that time.²² Anti-LGBTQ+ legislative activity increased in 2023 to a new record, 520 bills,²³ and was sustained in 2024 with 516 anti-LGBTQ+ bills introduced in 41 state legislatures.²⁴ In 2023, in response to “unprecedented” increases in legislation targeting LGBTQ+ rights, Human Rights Campaign declared a national state of emergency for LGBTQ+ people for the first time in its 40-year history.²⁵

Proposed bills have included efforts to:

- Prohibit updating gender information on birth certificates and driver’s licenses;
- Ban drag shows and other forms of public expression of LGBTQ+ identity;
- Limit access to books and information about LGBTQ+ people;
- Ban access to public accommodations such as locker rooms and bathrooms for transgender people;
- Restrict school participation in activities or facilities, prohibit discussion of LGBTQ+ people at school and force outing of students by educators;
- Exempt businesses on religious exemption grounds from non-discrimination laws including in employment and health care;
- Ban marriage for LGBTQ+ people and overturn local non-discrimination laws; and
- Prohibit gender-affirming care for transgender people.²⁶

²⁰ McNeil, O. and Watson S. (October 2, 2020). How LGBTQ economic equality benefits everyone. https://lgbtq-economics.org/2020/10/02/how-lgbtq-economic-equality-benefits-everyone/#_edn8

²¹ Medina, C. and Mahowald, L. (January 12, 2023). Discrimination and barriers to well-being: the state of the LGBTQI+ community in 2022. <https://www.americanprogress.org/article/discrimination-and-barriers-to-well-being-the-state-of-the-lgbtqi-community-in-2022/>

²² Yurcaba, J. (January 26, 2023). Less than 10% of 2022’s anti-LGBTQ state bills became law, report finds. *NBC News*. <https://www.nbcnews.com/nbc-out/out-politics-and-policy/less-10-2022s-anti-lgbtq-state-bills-became-law-report-finds-rcna67619>

²³ Peele, C. (May 23, 2023). Roundup of anti-LGBTQ+ legislation advancing in states across the country. from <https://www.hrc.org/press-releases/roundup-of-anti-lgbtq-legislation-advancing-in-states-across-the-country>

²⁴ Mapping attacks on LGBTQ rights in U.S. state legislatures in 2024. <https://www.aclu.org/legislative-attacks-on-lgbtq-rights-2024?state=&impa>

²⁵ Rubin, A. (June 6, 2024). Exclusive: anti-LGBTQ+ legislative agenda momentum slows in U.S. *Axios*. <https://www.axios.com/2024/06/06/anti-lgbtq-bills-us-2015-2024>

²⁶ Mapping attacks on LGBTQ rights in U.S. state legislatures in 2024. <https://www.aclu.org/legislative-attacks-on-lgbtq-rights-2024?state=&impact=>

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Not all of these legislative efforts succeed, but many do. In 2022, 29 anti-LGBTQ+ bills became state law.²⁷ In 2023, state lawmakers passed 90 anti-LGBTQ+ laws.²⁸ As of early June 2024 when many state legislative sessions had closed, state lawmakers had passed 37 anti-LGBTQ+ laws in 2024.²⁹

As noted previously, the introduction of anti-LGBTQ+ bills and surrounding debates can have a negative impact on LGBTQ+ people whether or not those bills pass. Calls to LGBTQ+ crisis hotlines have increased alongside anti-LGBTQ+ legislative efforts. For example, the Rainbow Youth Project, a nonprofit that offers crisis response and counseling services to at-risk LGBTQ+ youth said hotline calls increased 40 percent in 2023 over the prior year and that the top reason cited by callers was anti-LGBTQ+ “political rhetoric.”³⁰

Anti-LGBTQ+ hate groups and hate crimes. Anti-LGBTQ+ legislative activity has been accompanied by increased rates of hate groups and hate crimes. Southern Poverty Law Center notes that the number of anti-LGBTQ hate groups in the United States increased by one-third in 2023. The FBI’s annual crime report for 2022, the most recent year available, showed a 14 percent increase in anti LGBTQ hate crimes based on sexual orientation and a 33 percent increase in anti-transgender incidents specifically from 2021 to 2022.³¹

Hate crimes motivated by sexual orientation and gender identity bias disproportionately target people of color and transgender people.³² The study team addresses crimes targeting transgender people, which frequently impact transgender people of color, in greater detail later.

Also of note, research has found that LGBTQ men have higher odds than LGBTQ women of experiencing LGBTQ-related violence.³³ The FBI hate crime statistics show 1,075 incidents targeting gay men and 622 targeting lesbians.³⁴ This is one of several indicators that men may face steeper disadvantages for non-conforming sexual orientation or gender identities/expression.

²⁷ Yurcaba, J. (January 26, 2023). Less than 10% of 2022’s anti-LGBTQ state bills became law, report finds. *NBC News*. <https://www.nbcnews.com/nbc-out/out-politics-and-policy/less-10-2022s-anti-lgbtq-state-bills-became-law-report-finds-rcna67619>

²⁸ Rubin, A. (June 6, 2024). Exclusive: anti-LGBTQ+ legislative agenda momentum slows in U.S. *Axios*. <https://www.axios.com/2024/06/06/anti-lgbtq-bills-us-2015-2024>

²⁹ Rubin, A. (June 6, 2024). Exclusive: anti-LGBTQ+ legislative agenda momentum slows in U.S. *Axios*. <https://www.axios.com/2024/06/06/anti-lgbtq-bills-us-2015-2024>

³⁰ Meckler, L., Natanson, H. and Harden, J. (March 12, 2024). In states with laws targeting LGBTQ issues, school hate crimes quadrupled. *The Washington Post*. <https://www.washingtonpost.com/education/2024/03/12/school-lgbtq-hate-crimes-incidents/>

³¹ Luneau, D. (October 16, 2023). FBI’s annual crime report – amid state of emergency, anti-LGBTQ+ hate crimes hit staggering record highs. HRC. <https://www.hrc.org/press-releases/fbis-annual-crime-report-amid-state-of-emergency-anti-lgbtq-hate-crimes-hit-staggering-record-highs>

³² GLAAD Media Reference Guide: 11th Edition. <https://glaad.org/reference/hate-crime/>

³³ Casey, L. S., Reisner, S. L., Findling, M. G., Blendon, R. J., Benson, J. M., Sayde, J. M., & Miller, C. (2019). Discrimination in the United States: Experiences of lesbian, gay, bisexual, transgender, and queer Americans. *Health Services Research*, 54, 1454–1466. <https://doi.org/10.1111/1475-6773.13229>

³⁴ Community Relations Services, U.S. Department of Justice (October 30, 2023). 2022 FBI Hate Crimes Statistics. <https://www.justice.gov/crs/highlights/2022-hate-crime-stats>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Employment. Evidence shows discrimination against LGBTQ+ people in hiring and in the workplace. A 2020 study that used a controlled experiment to assess for bias against “out” LGBTQ+ job applicants found a significant pattern of hiring discrimination against candidates who were identifiably LGBTQ+ in their application materials.³⁵

The 2020 Center for American Progress study found that LGBTQI+ people have higher rates of employment but lower incomes and are less likely to work in certain occupations than non-LGBTQI+ people. For example, 7 percent of LGBTQI+ people reported that they work in construction, manufacturing or agriculture compared to 15 percent of non-LGBTQI+ people.³⁶

Occupational segregation may reflect decisions to avoid industries that are perceived as more prone to discrimination or to prefer occupations with conditions more welcoming to LGBTQ+ people.³⁷

Concealing sexual orientation to shield against discrimination can lead LGBTQ+ people to choose jobs with higher task independence leading to occupational segregation, with negative financial consequences.³⁸

The Williams Institute at the UCLA School of Law reported that:

- 46 percent of LGBTQ people said they had experienced workplace discrimination, with 9 percent indicating it had occurred in 2020;
- 26 percent of LGBTQ employees said they had been sexually harassed at work;
- 21 percent of LGBTQ workers said they had been physically attacked on the job; and
- Rates of workplace discrimination and harassment were higher for LGBTQ employees of color.³⁹

³⁵ Bryant-Lees, K.B. and Kite, M.E. (2021), "Evaluations of LGBT job applicants: consequences of applying “out”", *Equality, Diversity and Inclusion*, Vol. 40 No. 7, pp. 874-891. <https://doi.org/10.1108/EDI-01-2019-0048>

³⁶ Casey, L. S., Reisner, S. L., Findling, M. G., Blendon, R. J., Benson, J. M., Sayde, J. M., & Miller, C. (2019). Discrimination in the United States: Experiences of lesbian, gay, bisexual, transgender, and queer Americans. *Health Services Research*, 54, 1454–1466. <https://doi.org/10.1111/1475-6773.13229>

³⁷ Carnegie, M. (June 2022). The big LGBTQ+ wage gap problem. *BBC*. <https://www.bbc.com/worklife/article/20220603-the-big-lgbtq-wage-gap-problem>

³⁸ Carnegie, M. (June 2022). The big LGBTQ+ wage gap problem. *BBC*. <https://www.bbc.com/worklife/article/20220603-the-big-lgbtq-wage-gap-problem>

³⁹ Avery, D. (September 8, 2021). Half of LGBTQ workers have faced job discrimination, report finds. *NBC News*. <https://www.nbcnews.com/nbc-out/out-news/half-lgbtq-workers-faced-job-discrimination-report-finds-rcna1935>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Education, poverty and home ownership. Research shows that discrimination against LGBTQ+ people begins early and predisposes LGBTQ+ people to lasting socioeconomic disadvantages in addition to hiring and workplace discrimination previously discussed.

- Harassment and discrimination at school contribute to more frequent absenteeism and lower grades for LGBTQ students.⁴⁰
- LGBTQ students are less likely to finish school and pursue higher education.⁴¹ LGBTQ students who do attend college pay more out of pocket and have more debt than non-LGBTQ students.⁴²
- LGBTQ graduates are less likely than non-LGBTQ graduates to have full-time jobs one year after graduating.⁴³
- LGBTQ workers have higher poverty rates than non-LGBTQ workers.⁴⁴
- Home ownership rates among LGBTQ populations are lower (16%) than for heterosexual people (60%).⁴⁵

⁴⁰ McNeil, O. and Watson S. (October 2, 2020). How LGBTQ economic equality benefits everyone. https://lgbtq-economics.org/2020/10/02/how-lgbtq-economic-equality-benefits-everyone/#_edn8

⁴¹ Carnegie, M. (June 2022). The big LGBTQ+ wage gap problem. BBC. <https://www.bbc.com/worklife/article/20220603-the-big-lgbtq-wage-gap-problem>

⁴² McNeil, O. and Watson S. (October 2, 2020). How LGBTQ economic equality benefits everyone. https://lgbtq-economics.org/2020/10/02/how-lgbtq-economic-equality-benefits-everyone/#_edn8

⁴³ Carnegie, M. (June 2022). The big LGBTQ+ wage gap problem. BBC. <https://www.bbc.com/worklife/article/20220603-the-big-lgbtq-wage-gap-problem>

⁴⁴ McNeil, O. and Watson S. (October 2, 2020). How LGBTQ economic equality benefits everyone. https://lgbtq-economics.org/2020/10/02/how-lgbtq-economic-equality-benefits-everyone/#_edn8

⁴⁵ National Academies of Sciences, Engineering, and Medicine; Division of Behavioral and Social Sciences and Education; Committee on Population; Committee on Understanding the Well-Being of Sexual and Gender Diverse Populations; White J., Sepúlveda M.J., Patterson C.J., editors. Understanding the well-being of LGBTQI+ populations. Washington (DC): National Academies Press (US); October 21, 2020. 10, Economic Well-Being. <https://www.ncbi.nlm.nih.gov/books/NBK566083/>

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“The myth of gay affluence.” Some authors have noted that popular portrayals of gay people in the media and the visibility of wealthy LGBTQ+ celebrities have perpetuated a “myth of gay affluence” that obscures the disadvantages facing LGBTQ+ people. These disadvantages have been well-documented.⁴⁶

The notion that LGBTQ+ people are well-off may stem from the expectation that the advantages that accrue to men in general would mitigate against discrimination on the basis of sexual orientation and gender identity for gay, bisexual and transgender men. However, data specific to men in the LGBTQ+ population reveal substantial barriers.

- LGBTQ males have higher odds (at a statistically significant 95% confidence interval) reporting experiences with discrimination than LGBTQ females (transgender-inclusive) when applying to jobs, seeking equal pay and promotions.⁴⁷

- Gay men earn less than straight men with similar qualifications in similar roles. Some studies have shown that gay men face a substantial wage gap (4% to 11% less than straight men).^{48 49 50}
- With few exceptions, studies regarding wage gaps for LGBTQ+ workers document that LGBTQ+ workers overall, including men specifically, earn less than comparable non-LGBTQ workers.^{51 52}

A trade association representative interviewed by the study team commented that the exclusion of LGBTQ+ people from supplier diversity program on the basis that some white gay men might be affluent reflects a different standard of decision making than is applied to other demographic groups such as veterans or people with disabilities. These groups may also include affluent white men.

⁴⁶ Raab, B. (May 31, 2013). The truth about gays and money. *NBC News*. <https://www.cnbc.com/2013/05/31/the-truth-about-gays-and-money.html>

⁴⁷ Casey, L. S., Reisner, S. L., Findling, M. G., Blendon, R. J., Benson, J. M., Sayde, J. M., & Miller, C. (2019). Discrimination in the United States: Experiences of lesbian, gay, bisexual, transgender, and queer Americans. *Health Services Research*, 54, 1454–1466. <https://doi.org/10.1111/1475-6773.13229>

⁴⁸ Carnegie, M. (June 2022). The big LGBTQ+ wage gap problem. *BBC*. <https://www.bbc.com/worklife/article/20220603-the-big-lgbtq-wage-gap-problem>

⁴⁹ McNeil, O. and Watson S. (October 2, 2020). How LGBTQ economic equality benefits everyone. https://lgbtq-economics.org/2020/10/02/how-lgbtq-economic-equality-benefits-everyone/#_edn8

⁵⁰ HRC Foundation. (2021). LGBTQ+ wage gap. <https://hrc-prod-requests.s3-us-west-2.amazonaws.com/Wage-Gap-Appendix.pdf>

⁵¹ One notable exception to a substantial body of studies that consistently find a wage penalty for gay men found a wage premium. The author discusses this result as anomalous and hypothesizes about possible causes and notes the need for additional research. Studies conducted since this one continue to find a wage penalty. (See <https://hbr.org/2017/12/gay-men-used-to-earn-less-than-straight-men-now-they-earn-more>)

⁵² National Academies of Sciences, Engineering, and Medicine; Division of Behavioral and Social Sciences and Education; Committee on Population; Committee on Understanding the Well-Being of Sexual and Gender Diverse Populations; White J., Sepúlveda M.J., Patterson C.J., editors. *Understanding the well-being of LGBTQ+ populations*. Washington (DC): National Academies Press (US); October 21, 2020. 10, Economic Well-Being. <https://www.ncbi.nlm.nih.gov/books/NBK566083/>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

LGBTQ+ immigrants and asylum seekers. The evidence presented above about discrimination at the national level includes specific examples illustrating how discrimination can be amplified for LGBTQ+ people who are also marginalized on the basis of race or ethnicity. Immigration and asylum seeking are additional dimensions of intersectionality of particular importance for some LGBTQ+ individuals.

The Williams Institute estimates that about 31,000 LGBTQ+ asylum seekers came to the U.S. between 2012 and 2017. LGBTQ+ asylum seekers face added barriers and challenges related to the level of stigma, violence and discrimination against LGBTQ+ in their countries of origin and cultural communities. Homosexuality is criminalized in 69 countries and is punishable by death in 11. Almost all immigration interviews with LGBTQ asylum seekers (98%) found a positive basis for fear of persecution and/or torture.^{53 54}

⁵³ The Williams Institute. (2021). Asylum applications to the U.S. by LGBT people. <https://williamsinstitute.law.ucla.edu/publications/lgbt-asylum-applications/>

⁵⁴ The Williams Institute. (2021). Asylum applications to the U.S. by LGBT people. <https://williamsinstitute.law.ucla.edu/publications/lgbt-asylum-applications/>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Transgender bias. The 2017 Harvard/Johnson Foundation/NPR survey notes that trans people may be discriminated against based on sexual orientation, gender identity or both and that the motivation for the discrimination, whether sexual orientation or gender identity, may not be distinguishable. Study authors also note that drawing conclusions about transgender separately from lesbian, gay, bisexual and queer adults is difficult because the groups are not mutually exclusive.

In the same study, researchers found high rates of discrimination affecting trans people in housing and health care. About 22 percent of transgender adults reported avoiding health care due to anticipated discrimination, 22 percent report they have been told or felt they would be unwelcome in a neighborhood, building or housing development because they are transgender and 27 percent have thought of moving because of discrimination they faced where they live.⁵⁵

A 2022 survey of more than 90,000 transgender people in the United States found pervasive anti-trans bias that negatively impacts many aspects of life. Some examples are listed to the right.

- About 24 percent of transgender individuals did not see a doctor when they needed to due to fear of mistreatment;
- About 10 percent of transgender adults and 23 percent of transgender teens report that their immediate families are unsupportive or very unsupportive of them being transgender;
- More than one in ten of transgender adults said that a family member was violent toward them growing up;
- About 8 percent of transgender people were kicked out of the house when they were growing up because they were transgender;
- Nearly one-third of transgender adults have experienced homelessness; and
- Thirty percent of respondents had been verbally harassed in the prior year due to their gender identity or expression.⁵⁶

⁵⁵ The Williams Institute. (2021). Asylum applications to the U.S. by LGBT people. <https://williamsinstitute.law.ucla.edu/publications/lgbt-asylum-applications/>

⁵⁶ James, S., Herman, J. Durso, L. and Heng-Lehtinen R. (February 2024) Early insights: a report of the 2022 US. Transgender survey. National Center for Transgender Equality.

https://transequality.org/sites/default/files/2024-02/2022%20USTS%20Early%20Insights%20Report_FINAL.pdf

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Socioeconomic indicators. Socioeconomic indicators reflect substantial barriers for transgender people. A 2021 LGBTQ+ Community Survey for HRC Foundation, which found a wage gap for all LGBTQ+ individuals relative to non-LGBTQ+ people, noted that transgender women have the largest wage gap, just 60 cents per dollar earned by U.S. workers overall.⁵⁷ A 2019 study by the Williams Institute documents that poverty rates are higher for LGBT people collectively than non-LGBT people but that transgender people have the highest rates of poverty (29.4%).⁵⁸

Anti-trans legislation. As evident in the list of types of anti-LGBTQ+ legislative proposals provided earlier in this section, many bills and policy debates have targeted transgender people. Gender affirming care for trans people as recommended by major medical groups such as the American Academy of Pediatrics, the American Medical Association, the American Academy of Child and Adolescent Psychiatry and more than 20 others, has been particularly politicized.⁵⁹

Violence and hate crimes. Indicative of the extent of backlash and hate targeted toward people whose gender identities and expression are marginalized, transgender people are facing what has been widely described as epidemic of violence.⁶⁰ The HRC Foundation reports that at least 335 transgender and gender non-confirming people were killed between 2013 and 2023 and notes that the number is likely higher as many deaths go unreported, misreported or reported with victims misgendered.⁶¹ Among the 33 victims in 2023, Black trans women were disproportionately represented.⁶² The National Coalition of Anti-Violence Programs also reports that people of color and transgender people are disproportionately targeted by hate crimes motivated by anti-LGBTQ+ bias. The group found that 91 percent of LGBTQ+ homicide victims during the 2019 pride season (May–June 2019) were Black and 64 percent of them were Black transgender women.⁶³

⁵⁷ HRC Foundation. (2021). LGBTQ+ wage gap. <https://hrc-prod-requests.s3-us-west-2.amazonaws.com/Wage-Gap-Appendix.pdf>

⁵⁸ Badgett, M.V. Lee, Choi, S.K, Wilson, B.D.M (October 2019). LGBT poverty in the United States: A study of differences between sexual orientation and gender identity groups. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/National-LGBT-Poverty-Oct-2019.pdf>

⁵⁹ Alfonseca, K. (December 28, 2023). Record number of anti-LGBTQ legislation filed in 2023. *ABC News*. <https://abcnews.go.com/US/record-number-anti-lgbtq-legislation-filed-2023/story?id=105556010ct=>

⁶⁰ Keller, J. (November 20, 2023). HRC Foundation report: epidemic of violence continues; transgender and gender nonconforming people still killed at disproportionate rates in 2023. <https://www.hrc.org/press-releases/hrc-foundation-report-epidemic-of-violence-continues-transgender-and-gender-nonconforming-people-still-killed-at-disproportionate-rates-in-2023>

⁶¹ Keller, J. (November 20, 2023). HRC Foundation report: epidemic of violence continues; transgender and gender nonconforming people still killed at disproportionate rates in 2023. <https://www.hrc.org/press-releases/hrc-foundation-report-epidemic-of-violence-continues-transgender-and-gender-nonconforming-people-still-killed-at-disproportionate-rates-in-2023>

⁶² Keller, J. (November 20, 2023). HRC Foundation report: epidemic of violence continues; transgender and gender nonconforming people still killed at disproportionate rates in 2023. <https://www.hrc.org/press-releases/hrc-foundation-report-epidemic-of-violence-continues-transgender-and-gender-nonconforming-people-still-killed-at-disproportionate-rates-in-2023>

⁶³ GLAAD Media Reference Guide: 11th Edition. <https://glaad.org/reference/hate-crime/>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Differences in Outcomes for LGBTQ-Owned Businesses

In 2021, the Federal Small Business Credit Survey (SBCS), a national survey of small businesses conducted annually by the Federal Reserve banks, included questions that identified LGBTQ-owned businesses for the first time. Analysis of LGBTQ-owned business data in the SBCS by the Center for LGBTQ Economic Advancement and Research (CLEAR) and Movement Advancement Project (MAP) found that outcomes differed for LGBTQ-owned businesses compared to non-LGBTQ businesses, as shown on the right side of this page.

Although the SBCS survey did not provide additional detail specific to Minnesota, it did estimate that 7 percent of small businesses in Minnesota are LGBTQ-owned.⁶⁴

Nationally (using methods noted on the left side of this page) LGBTQ businesses were more likely than non-LGBTQ businesses to report:

- Their businesses were less than 10 years old (64% vs 47%).
- Their annual revenues were less than \$500,000 (74% vs. 58%).
- Their businesses were in poor financial health (28% vs. 20%).
- They had suffered financial losses in 2020 (61% vs. 48%).
- Their businesses were medium or high credit risks (41% vs. 31%).
- They had experienced all types of financial challenges (difficulty paying operating expenses, uneven cash flow and weak sales) in the past year.
- They had received none of the Paycheck Protection Program COVID relief funding they applied for (17% vs. 10%) and were less likely to receive full forgiveness for their 2020 PPP loans (78% vs. 88%).
- They had received none or only some of the business financing for which they applied.
- Reasons they had been denied financing included that lenders do not approve financing for “businesses like theirs” (33% vs. 24%).⁶⁵

⁶⁴ Duster, C. and Gamble, J. (June 7, 2024). Father of transgender teen attacked in school says attackers should face criminal charges. *CNN News*. <https://www.cnn.com/2024/06/07/us/cobalt-sovereign-minnesota-transgender-student-reaj/index.html>

⁶⁵ Watson, S., Casey, L. Goldberg, N. and Broisman, B. LGBTQ-owned small businesses in 2021. <https://www.lgbtmap.org/file/LGBTQ-Small-Businesses-in-2021.pdf>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Discrimination and Barriers for LGBTQ+ Minnesotans

Although data regarding LGBTQ+ Minnesotans are limited, the Williams Institute at the UCLA School of Law provides state-level LGBT data and demographic information based on aggregated Gallup survey data collected between 2012 and 2017. Additionally, there is other research regarding social and economic indicators for the LGBTQ+ population in the state.

Williams Institute data. The Williams Institute dashboard provides some evidence, primarily socioeconomic indicators, that suggests the challenges facing LGBT Minnesotans are similar to challenges documented nationally. For example:

- LGBT Minnesotans are more than twice as likely (21%) as non-LGBT Minnesotans (10%) to have food insecurity; and
- LGBT Minnesotans are more likely to have incomes below \$24,000 (19%) than non-LGBT Minnesotans (13%).⁶⁶

⁶⁶ LGBT Demographic Data Interactive. (January 2019). The Williams Institute, UCLA School of Law. <https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats/?topic=LGBT&area=27#about-the-data>

The Williams Institute data provide some information related to the intersection of gender and LGBT status. Examples include:⁶⁷

- LGBT Minnesotans appear to be somewhat more likely to be unemployed (5%*) than non-LGBT Minnesotans overall (4%), but LGBT men are much more likely to be unemployed (8%*) than are non-LGBT men (3%).
- LGBT men also appear to be more likely to be food insecure (13%*) and low income (<\$25,000; 15%) compared to non-LGBT men in Minnesota (9% food insecure; 12% low income).
- LGBT women, despite lower rates of unemployment, have higher rates of food insecurity (26%) and incomes below \$24,000 (22%) compared to non-LGBT women (11% for food insecurity and 14% low income).

Because filtering on gender within the Minnesota data set results in small sample sizes for some indicators, results indicated by the Williams Institute as unstable estimates due to small sample sizes are noted with an asterisk (*) in the list above.

Wilder Research analysis for the 2018 Minnesota homeless study documented another dimension of socioeconomic insecurity for LGBTQ Minnesotans: disproportional representation of LGBTQ Minnesotans within the state's homeless population (11%).⁶⁸

⁶⁷ LGBT Demographic Data Interactive. (January 2019). The Williams Institute, UCLA School of Law. <https://williamsinstitute.law.ucla.edu/visualization/lgbt-stats/?topic=LGBT&area=27#about-the-data>

⁶⁸ Wilder Foundation (2018). People who identify as LGBTQ. <https://www.wilder.org/mnhomeless/results/lgbtq>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Other data. Other data for Minnesota are reviewed below.

LGBTQ+ youth. There is evidence that discrimination against LGBTQ+ Minnesotans starts early. For example, data from 2021 and 2022 reports show that:

- 73 percent of LGBTQ youth in Minnesota have experienced sexual orientation or gender identity-based discrimination;⁶⁹
- 90 percent of LGBTQ youth report that recent politics have negatively impacted their well-being.⁷⁰
- The majority of LGBTQ students in Minnesota regularly hear anti-LGBTQ comments at school;⁷¹
- Most LGBTQ students experienced anti-LGBTQ verbal harassment, physical harassment or assault at school;⁷² and
- Many reported discriminatory policies and practices in their schools and lack of access to school resources and support.⁷³

⁶⁹ The Trevor Project (2022). The 2022 national survey on LGBTQ youth mental health: Minnesota. <https://www.thetrevorproject.org/wp-content/uploads/2022/12/The-Trevor-Project-2022-National-Survey-on-LGBTQ-Youth-Mental-Health-by-State-Minnesota.pdf>

⁷⁰ The Trevor Project (2022). The 2022 national survey on LGBTQ youth mental health: Minnesota. <https://www.thetrevorproject.org/wp-content/uploads/2022/12/The-Trevor-Project-2022-National-Survey-on-LGBTQ-Youth-Mental-Health-by-State-Minnesota.pdf>

⁷¹ GLSEN (2021). School climate for LGBTQ students in Minnesota. https://maps.glsen.org/wp-content/uploads/2023/02/GLSEN_2021_NSCS_State_Snapshots_MN.pdf

⁷² GLSEN (2021). School climate for LGBTQ students in Minnesota. https://maps.glsen.org/wp-content/uploads/2023/02/GLSEN_2021_NSCS_State_Snapshots_MN.pdf

Anti-LGBTQ+ legislation. Minnesota legislative activity has targeted LGBTQ+ people in recent years. In 2024, legislators introduced 18 anti-LGBTQ+ bills.⁷⁴ All 18 bills were defeated⁷⁵ and Minnesota lawmakers took at least one protective action (passing a conversion therapy ban in 2023).⁷⁶

A Minnesota trade association representative interviewed for this study pointed out that the wave of anti-LGBTQ+ bills nationwide has brought domestic refugees to Minnesota as people ‘fleeing’ other states seek safety for themselves and their children.

National surveys show that anti-LGBTQ+ policy debates take a toll on LGBTQ+ people as described earlier in this report. The negative impact would be expected to apply to LGBTQ+ Minnesotans regardless of whether the anti-LGBTQ+ bills pass. Both national and state-level evidence also shows that the nationwide wave of anti-trans bills has been particularly damaging on LGBTQ+ youth mental health.⁷⁷

⁷³ GLSEN (2021). School climate for LGBTQ students in Minnesota. https://maps.glsen.org/wp-content/uploads/2023/02/GLSEN_2021_NSCS_State_Snapshots_MN.pdf

⁷⁴ ACLU. (June 7, 2024) The ACLU is tracking 18 anti-LGBTQ bills in Minnesota. <https://www.aclu.org/legislative-attacks-on-lgbtq-rights-2024?state=MN>.

⁷⁵ ACLU. (June 7, 2024) The ACLU is tracking 18 anti-LGBTQ bills in Minnesota. <https://www.aclu.org/legislative-attacks-on-lgbtq-rights-2024?state=MN>.

⁷⁶ Alfonseca, K. (December 28, 2023). Record number of anti-LGBTQ legislation filed in 2023. *ABC News*. <https://abcnews.go.com/US/record-number-anti-lgbtq-legislation-filed-2023/story?id=105556010ct=>

⁷⁷ Steiner, A. (March 20, 2023). How anti-trans legislation elsewhere is affecting LGBTQ youth mental health in Minnesota. *MinnPost*. <https://www.minnpost.com/mental-health-addiction/2023/03/how-anti-trans-legislation-elsewhere-is-affecting-lgbtq-youth-mental-health-in-minnesota/>

G. LGBTQ+ Americans — Evidence of discrimination and other barriers

Health and well-being. State-level data align with national evidence of discrimination impacting services as fundamental as health care for LGBTQ+ people. About 36 percent of lesbian and gay Minnesotans report discrimination by health care providers.⁷⁸

Violence and hate crimes. The U.S. Department of Justice reports that 20 percent of Minnesota hate crimes in 2022 were motivated by sexual orientation bias and 5 percent were based on gender identity bias.⁷⁹ High-profile incidents in 2023 include the shooting of a transgender woman at close range and a shooting at a queer and trans punk rock show that left one person dead and six injured.⁸⁰

In 2024, headlines emerged about a group assault in a Minnetonka high school bathroom that left a transgender teen needing reconstructive surgery for severe injuries.⁸¹

⁷⁸ MacArthur, N. Dufal, J. and Call K. (March 22, 2023). Examining discrimination and health care access by sexual orientation in Minnesota.
<https://www.shadac.org/news/SOGI-discrimination-MNHA>

⁷⁹ U.S. Department of Justice (2022). Minnesota: hate crimes incidents in 2022.
https://www.justice.gov/d9/2024-01/minnesota_hate_crimes_incidents_2022.pdf

⁸⁰ LGBTQ activists in Minnesota want prosecutors to treat the killing of a trans woman as a hate crime. (December 11, 2023). *The Associated Press*.

<https://www.nbcnews.com/nbc-out/out-news/lgbtq-activists-minnesota-want-prosecutors-treat-killing-trans-woman-h-rcna129043>

⁸¹ Duster, C. and Gamble, J. (June 7, 2024). Father of transgender teen attacked in school says attackers should face criminal charges. *CNN News*.
<https://www.cnn.com/2024/06/07/us/cobalt-sovereign-minnesota-transgender-student-reaj/index.html>

G. LGBTQ+ Americans — Comments from qualitative research

This section synthesizes information provided to the study team through interviews with Minnesota industry representatives about LGBTQ+ business ownership and success.

Barriers Identified

Interviewees reported that they had observed multiple barriers facing LGBTQ+ entrepreneurs and businesses in Minnesota.

Discrimination in accessing capital. A trade association representative noted that there is no protection in State law against discriminating against LGBTQ+ people in business funding. Another recounted an example of a Two-Spirit business owner who was denied bank financing because they asked about how to indicate their gender identity.

Documentation. Interviewees noted that LGBTQ+ entrepreneurs may be declined financing due to birth certificates, official identification documents and credit reports not matching, an issue that particularly impacts transgender people.

Education and training. Interviewees explained that lack of business education or preparation can hold back LGBTQ+ entrepreneurs. Explaining that formal business education for LGBTQ+ is unusual, a trade association representative commented, “Of all the [LGBTQ+] entrepreneurs I work with, I think one has a degree in finance; everybody else has a dream.”

Interviewees explained that LGBTQ+ people in Minnesota tend to be young and frequently come to entrepreneurship as a fallback or survival strategy after facing discrimination and other barriers in employment.

... we ask [business in our programs] questions like, ‘how has your queer identity or your LGBTQ plus identity plus your person of color identity impacted your ability to get to do things?’ A huge piece is around access to financing. One of our businesses gave the example that they are Two-Spirit owned business in Greater Minnesota, and they were actually turned away from a bank specifically because they asked about, where do I put my Two-Spirit identity.

Interview participant

We know that folks that are transgender and gender expansive ... have the hardest time [gaining equitable access] because of issues of their birth certificates not matching their IDs, their IDs not matching the name that's on their credit report. All of these types of things have significant impacts an individual's ability to be able to secure funding, which is really important from a business perspective.

Interview participant

The SBA does a great job, but they also don't have a specific program for LGBTQ-owned businesses. People can fall into the economically disadvantaged business areas [or other areas], but it's not specifically named and that means that there's not training programs that are open specifically for people who identify as LGBTQ+ startups or LGBTQ+-owned businesses.

Interview participant

One of the things that I hear a lot is that sometimes [LGBTQ+ people in Minnesota] are starting businesses because they're experiencing harassment in the workplace, so they have to turn their side hustle into their main hustle.

Interview participant

G. LGBTQ+ Americans — Comments from qualitative research

Zero-sum game supplier diversity arguments. A trade association representative interviewed by the study team dismissed fears that adding LGBTQ+ businesses to supplier diversity programs would dilute their impact. Interviewees noted that LGBTQ+ people are diverse in other dimensions of their identities but do not always feel comfortable parsing or hiding their identities to gain access to certification or support for eligible demographic groups (see discussion in next point), so including LGBTQ+ business in supplier diversity programs is necessary but also can increase diversity in contracting on multiple dimensions.

“Covered by existing programs” arguments. One interviewee reported having heard suggestions that LGBTQ+ people should leave aspects of their identities “at the door” to gain access to supplier programs. Another pointed out that just because a lesbian is a woman doesn’t mean she will feel welcome at WBENC (Women’s Business Enterprise National Council) events, nor should she have to spend money and resources with a group that may not feel welcoming in order to gain access to certification. Interviewees noted that trans people might not be able to get certified through existing programs recognized in Minnesota.

Company size related to RFPs and lack of crafting subcontracting incentives to promote diverse businesses. Interviewees pointed to one example of a Minnesota entity breaking a project that could have been sourced as a single large project into smaller components and insisting that prime contractors bring in diverse tier two and three suppliers. They note that the LGBTQ+ community lacks legacy businesses that have had an opportunity to grow large enough for tier one contracting and will benefits from intentional public contracting that can help them gain access to tier two and three subcontracting.

The other thing that we hear a lot is, ‘If we expand [targeted business programs] into LGBTQ+, who's next?’ It's not pie, it's contracting. We know that [diverse businesses] are more valuable together.

Interview participant

I was once asked in [a meeting about disparities for LGBTQ+ owned businesses] ‘Why can't LGBTQ+ folks[who are multiply-certified] just leave part of their identity at the door [to overcome disparities in financing and contracting]?’”

Interview participant

Just because you may be a lesbian and a woman doesn't necessarily mean that you would be welcome at WBENC (Women's Business Enterprise National Council) events or if you are trans you may not be able to get certified. People shouldn't have to pick one aspect or another as it relates to their identity to have access to certifications, especially if they're required to provide money, resources and interact with these other organizations where their presence may not necessarily be welcome ... if the prime focus of their identity, where they feel most whole and welcome, is the LGBTQ community.

Interview participant

LGBTQ+ businesses don't have as many legacy businesses that have been around for a long time that have been certified, much like African American businesses and women-owned businesses. You have to build the critical mass of these larger businesses that can become tier ones then to do tier two business with other LGBTQ+ businesses. That's part of the reason we have so many small and micro businesses is because there's still the building of that critical mass so that they can be big enough to be tier one businesses.

Interview participant

G. LGBTQ+ Americans — Comments from qualitative research

Omission from supplier diversity efforts discouraging proposals.

Interviewees noted that when LGBTQ+ people do not see their identities listed in supplier diversity efforts in RFPs and contract opportunities, but other demographic groups that have faced barriers are included, LGBTQ+ people often conclude that proposing on the opportunity is unlikely to be worth the effort.

Lack of data on disparity as a self-perpetuating cycle. One trade association representative described a cycle in which the lack of data about LGBTQ+ disparities is the reason people are not included in supplier diversity studies and programs and the lack of inclusion of LGBTQ+ people in supplier diversity studies and programs causes the lack of data to continue.

The City has a target market program but they also specifically have and articulate programs for women-owned and minority-owned businesses, so what ends up happening is folks look at these programs and they read up on them online and when they see specific identities carved out as having different or special access and they're [demographic is] not listed. The presumption is that there's no opportunity for them there and I think that's a big issue.

Interview participant

It's this whole chicken and egg situation. They'll say, 'well, we can't, provide resources and funding because we don't know what the data is, but then we intentionally exclude you, so we don't know what the data is.' My tracking and belief is this is what has been the situation with the disparity study in Minnesota. Even though we have anecdotal situations and circumstances that we can provide, when we have the formal data from a disparity to be able to go to, it makes it much easier for them to be able to move forward to include us in those different programs.

Interview participant

APPENDIX H. Persons with Disabilities — Introduction

Keen Independent examined information about discrimination or other barriers affecting people who have physical and mental disabilities, especially as related to business ownership and success. Minnesota's Targeted Group Program (TG) is open to small businesses owned by persons with a "substantial physical disability." Other disabilities do not currently qualify a business owner for certification as a TG business.

National Overview

Keen Independent's review of the literature provides strong evidence that stereotypes and misunderstandings about persons with disabilities, along with disabling environments and lack of accommodations, have resulted in the well-documented exclusion of persons with disabilities in virtually every major facet of public life. Examples include employment, housing, social and public spaces, voting, health care, education and transportation.^{1 2 3 4}

The severity of stigma and discrimination surrounding disability in U.S. history has been evident in a range of public policies such as:

- Legal compulsory sterilization in 25 states from 1907 to 1927;⁵
- "Ugly laws" permitting arrest based on disfigurement or disability legal as recently as 1974;⁶
- Institutionalization (until a 1999 court decision, *Olmstead v. L.C. and E.W.*, ruled that unjustified segregation of persons with disabilities was illegal);⁷ and
- School segregation or exclusion from public education.⁸

¹ Parker Harris, S., Gould, R., and Mullin, C. (2019). ADA research brief: Experiences of discrimination and the ADA (pp. 1-6). Chicago, IL: ADA National Network Knowledge Translation Center. https://adata.org/research_brief/experience-discrimination-and-ada

² Samuelson, K. (October 3, 2022). Widespread bias, discrimination directed toward people with disabilities who seek health care. *Northwestern Now News*. <https://news.northwestern.edu/stories/2022/10/health-care-discrimination-people-with-disabilities/>

³ Thornton, K. (December 5, 2023). How America's broken promise to millions of students became the status quo. *Mother Jones*. <https://www.motherjones.com/politics/2023/12/how-americas-broken-promise-to-millions-of-students-became-the-status-quo/>

⁴ Alderton, M. (June 26, 2020). Nearly 30 years after the ADA, the nation's transit agencies report successes and shortfalls. *The Washington Post*. <https://www.washingtonpost.com/local/trafficandcommuting/nearly-30-years-after->

[ada-nations-transit-agencies-report-successes-and-shortfalls/2020/06/25/76e102d8-af22-11ea-8758-bfd1d045525a_story.html](https://www.washingtonpost.com/local/trafficandcommuting/nearly-30-years-after-ada-nations-transit-agencies-report-successes-and-shortfalls/2020/06/25/76e102d8-af22-11ea-8758-bfd1d045525a_story.html)

⁵ Temple University College of Education and Human Development Institute on Disabilities. (n.d.). Disability rights timeline. <https://disabilities.temple.edu/resources/disability-rights-timeline>

⁶ Ibid.

⁷ Carmel, J. (July 22, 2020). 'Nothing about us without us:' 16 moments in the fight for disability rights. *The New York Times*. <https://www.nytimes.com/2020/07/22/us/ada-disabilities-act-history.html>

⁸ Temple University College of Education and Human Development Institute on Disabilities. (n.d.). Disability rights timeline. <https://disabilities.temple.edu/resources/disability-rights-timeline>

H. Persons with Disabilities — Introduction

Federal and State Law

The U.S. Congress first took action to protect persons with disabilities with Section 504 of the Rehabilitation Act of 1973 (Section 504), which prohibited discrimination in federally funded programs. In 1990, the Americans with Disabilities Act (ADA) further prohibited discrimination on the basis of disability in all facets of public life. These landmark civil rights acts provided persons with disabilities legal recourse against discrimination but substantial barriers, discussed later in this section, persist.

Discrimination on the basis of disability status was legal in Minnesota until 1973, when the Minnesota State Act Against Discrimination was amended and renamed the Minnesota Human Rights Act.⁹

The Minnesota State Legislature acknowledged and apologized for its history of state-sponsored discrimination against persons with disabilities in a 2010 resolution. The resolution documented that the State of Minnesota had:

- Inappropriately institutionalized people with disabilities;
- Forced people with disabilities into unpaid labor;
- Subjected people with disabilities to punitive and experimental medical procedures;
- Routinely sterilized women with disabilities without their consent;
- Traumatized “tens of thousands” of Minnesotans with disabilities and their families.¹⁰

⁹ Minnesota Department of Human Rights. History.
<https://mn.gov/mdhr/about/history/>

¹⁰ Laws of Minnesota 2010, Resolution 4, 1-2

H. Persons with Disabilities — Definitions and data sources

Defining Persons with Disabilities

Definitions of persons with disabilities and classification of types of disabilities continue to evolve.¹¹ The study team explored definitions of disability in legislation, data and literature with a focus on any distinction between persons with physical and mental impairments.

Federal and state legislation. Both Section 504 and the ADA apply to persons with physical or mental impairments that substantially limit one or more major life activities, persons with a history of such impairments and persons perceived as having such an impairment.¹²

The ADA Amendments Act of 2008 (ADAAA) amended both the ADA and the Rehabilitation Act of 1973 broadening coverage to include people with many types of impairments. The ADAAA defined the term “physical or mental impairment” as any:

- Physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more body systems; and
- Any mental or psychological disorder, such as intellectual disability, organic brain syndrome, emotional or mental illness, and specific learning disabilities.¹³

The Minnesota Human Rights Act (MHRA), which includes protection for persons with disabilities, states that, “A disabled person is any person who has a physical, sensory, or mental impairment which materially limits one or more major life activities.”¹⁴ MHRA also includes persons with a history of impairment or perceived as impaired.

Federal contract equity programs make no distinction as to eligibility for persons with a physical versus a mental impairment, thus appearing to be inclusive of both. Federal DBE Program eligibility for persons with disabilities is based on case-by-case evaluation of the social and economic disadvantages faced by persons with disabilities at an individual level. Small Disadvantaged Business designation relies on evidence of economic and social disadvantage, which may stem from an “identifiable disability” but does not define “identifiable disability.”¹⁵ The U.S. Department of Transportation describes social disadvantage as potentially stemming from “disability” without the word “identifiable” and indicates that many people with disabilities, “especially persons with severe disabilities,” may be socially and economically disadvantaged.¹⁶

¹¹ National Disability Rights Network (October 2021). Count everyone, include everyone: the need for disability inclusion and representation in federal data. <https://www.ndrn.org/resource/count-everyone-include-everyone/>

¹² Disability Rights and Education Fund (n.d.). A comparison of ADA, IDEA and Section 504. <https://dredf.org/legal-advocacy/laws/a-comparison-of-ada-idea-and-section-504/>

¹³ U.S. Equal Employment Opportunity Commission (March 25, 2011). Questions and answers on the final rule implementing the ADA Amendments Act of 2008.

<https://www.eeoc.gov/laws/guidance/questions-and-answers-final-rule-implementing-ada-amendments-act-2008>

¹⁴ Minn. Stat. section 363A.03.13 (2023).

¹⁵ 13 CFR 124.103(c)(2).

¹⁶ Office of Civil Rights, U.S. Department of Transportation. (updated January 5, 2016). *Appendix E to Part 26 – Individual determinations of social and economic disadvantage*. <https://www.transportation.gov/civil-rights/appendix-e-part-26-individual-determinations-social-and-economic-disadvantage?lightbox=true>

H. Persons with Disabilities — Definitions and data sources

Unapparent disabilities. Some frameworks describe certain disabilities as “unapparent.”¹⁷ The National Education Association provides this definition of unapparent disabilities: “physical, mental, or neurological conditions that can limit or challenge a person’s movements, senses, or activities, and can impact that person’s ability to learn or work.”¹⁸

Terminology reflecting whether disabilities are apparent or not is useful in recognizing the potential for disabilities that might otherwise not be evident. Unapparent disabilities can be debilitating, prevalent and subject to discrimination. Both physical and mental or emotional disabilities can be unapparent, so discussions that use “apparent/unapparent” terminology cannot be assumed to equate “apparent” to “physical” and “unapparent” to “mental or emotional.” For example, epilepsy, diabetes and chronic pain are physiological but also unapparent. Some mental or neurological conditions may be unapparent, while others may be easily observed.

Unapparent disabilities are prevalent. A study from the Coqual (formerly the Center for Talent Innovation) found that 62 percent of white-collar employees who met the federal definition for a physical or mental

disability reported that their disability was invisible to others.¹⁹ Additionally, 26 percent reported that their disability was “sometimes visible ... depending on the circumstances.”²⁰

The Society for Human Resource Management cautions that employees with unapparent disabilities may be vulnerable to discrimination due to misjudgments of their behavior.²¹

Data Sources

Federal population data sources including the American Community Survey (ACS), Current Population Survey (CPC) and Centers for Disease Control collect data about six functional types of disability: hearing, vision, cognitive, ambulatory, self-care, and independent living.²² These categories do not separate physical from mental impairments. Cognitive, self-care and independent living categories all may include both cognitive and physical disabilities. Researchers regard the six questions regarding disability as limited measures that do not account for the full population of people defined as disabled under the ADA.²³

¹⁷ The study team notes that some sources may use the terms “visible/invisible” or “hidden,” but “apparent and unapparent” are recommended terms that avoid the negative connotations of invisibility or purposeful secrecy. See: Disability: IN (January 5, 2022). “Non-apparent disability” vs. “hidden” or “invisible disability” – which term is correct? The Disability Inclusion Blog. <https://disabilityin.org/mental-health/non-apparent-disability-vs-hidden-or-invisible-disability-which-term-is-correct/>

¹⁸ Alvarez, B. (August 18, 2021). What to know about invisible disabilities. NEA Today. <https://www.nea.org/nea-today/all-news-articles/what-know-about-invisible-disabilities>

¹⁹ Sherbin, L. Kennedy, J. Jain-Link, P. and Ihezie, K. (2017). Disabilities and Inclusion. Coqual (formerly CTI) website chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://coqual.org/wp-content/uploads/2020/09/CoqualDisabilitiesInclusion_KeyFindings090720.pdf

²⁰ Sherbin, L. Kennedy, J. Jain-Link, P. and Ihezie, K. (2017). Disabilities and Inclusion. Coqual (formerly CTI) website chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://coqual.org/wp-content/uploads/2020/09/CoqualDisabilitiesInclusion_KeyFindings090720.pdf

²¹ Gonzales, M. (October 27, 2023). Supporting invisible disabilities in the workplace. <https://www.shrm.org/topics-tools/news/all-things-work/invisible-disabilities>

²² National Disability Rights Network (October 2021). Count everyone, include everyone: the need for disability inclusion and representation in federal data. <https://www.ndrn.org/resource/count-everyone-include-everyone/>

²³ Liuzzi, A. (July 26, 2022). 32-year anniversary of the Americans with Disabilities Act. <https://www.mncompass.org/data-insights/articles/32-year-anniversary-americans-disabilities-act>

H. Persons with Disabilities — Evidence of discrimination and other barriers

In the remainder of this appendix, the study team discusses evidence of discrimination and other barriers for persons with disabilities. Unless otherwise specified, “persons with disabilities” is used where the source does not distinguish between physical and mental disabilities or is inclusive of both.

Despite advances in legal protection over the past three to five decades, persons with disabilities continue to face substantial barriers to full and equitable inclusion. Inequities stem from factors such as stereotypes, inaccessible environments and communications and policies.

Stereotyping, Stigma, Misjudgment and Prejudice

Stereotypes about persons with disabilities include thinking of persons with disabilities as limited or “partial” people, burdened or suffering a tragic existence or abnormal.²⁴ People with disabilities may be presumed to be helpless and incompetent.²⁵

Some workers who have unapparent disabilities may choose not to disclose them to avoid prejudice and discrimination, but concealing unapparent disabilities comes with risks too. In the workplace, employees who seek to avoid negative associations by not disclosing their disabilities may be perceived as lazy, incompetent or antisocial.²⁶

Stigma related to mental illness is particularly strong and accompanied by risks of discrimination. A 2016 study explaining that mental health stigma is universal, states, “There is no country, society or culture where people with mental illness have the same societal value as people without a mental illness.”²⁷

A Minnesota survey in 2022 found that 86 percent of participants believe people with developmental disabilities in Minnesota experience discrimination.²⁸

Policies

Laws and regulations can limit opportunities. For example, earning limits and the risk to eligibility for Social Security Insurance, Social Security Disability Insurance and Medicaid are major barriers to labor force participation for many persons with disabilities.²⁹

²⁴ Block, L. (n.d.) Stereotypes about people with disabilities. <http://www.disabilitymuseum.org/dhm/edu/essay.html?id=24> (accessed date).

²⁵ Shakespeare T. (2013). Facing up to disability. *Community eye health*, 26(81), 1–3.

²⁶ Gonzales, M. (October 27, 2023). Supporting invisible disabilities in the workplace. <https://www.shrm.org/topics-tools/news/all-things-work/invisible-disabilities>

²⁷ Rössler W. (2016). The stigma of mental disorders: A millennia-long history of social exclusion and prejudices. *EMBO reports*, 17(9), 1250–1253. <https://doi.org/10.15252/embr.201643041>

²⁸ MN Governor’s Council on Developmental Disabilities (April 3, 2022). 2022 Minnesota general population survey of attitudes towards people with developmental disabilities. <https://mn.gov/mnddc/extra/customer-research/MN-Attitudinal-Tracking-FFY2022-Report/MN-Attitudinal-Tracking-FFY2022-Report.pdf>

²⁹ National Partnership for Women and Families (July 2022). Systems transformation guide to economic justice for disabled people: jobs and employment. <https://nationalpartnership.org/wp-content/uploads/systems-transformation-guide-disability-economic-justice-jobs-employment.pdf>

H. Persons with Disabilities — Evidence of discrimination and other barriers

Disabling Environments

Buildings and transportation infrastructure that are inaccessible to people who use mobility devices or have physical mobility impairments are a common example. In some cases, buildings offer stairs but lack elevators. In other cases, barriers begin even before persons with disabilities arrive at school, training locations or worksites. Moving from home to school, training, job interviews or work can be impeded by inaccessible sidewalks and transportation infrastructure. For example, Minnesota Department of Transportation reports that 44 percent of state sidewalks and 54 percent of state curbs are not ADA compliant.³⁰

Minnesota's building code incorporates specifications from the ADA but compliance in existing construction is not required unless or until a renovation to an inaccessible portion of a building takes place.³¹ The allowance for existing barriers to persist until renovation triggers compliance is not specific to Minnesota, so a large backlog of inaccessible public spaces exists nationwide. For example, a 2020 study found that 63 percent of public schools in the United States have barriers that limit access for people with disabilities.³²

³⁰ Minnesota Department of Transportation (2022). Performance measurement dashboard: ADA compliance. <https://www.dot.state.mn.us/measures/ada-compliance.html>

³¹ Minnesota Council on Disability (July 8, 2019). Barrier removal and building codes. <https://www.disability.state.mn.us/2019/07/08/barrier-removal-and-building-codes/>

³² Tatum, S. (July 24, 2020). Majority of public schools have physical barriers that limit access for people with disabilities: report. ABC News. <https://abcnews.go.com/Politics/majority-public-schools-physical-barriers-limit-access-people/story?id=71897126>

³³ ADA National Network (2018). Mental health conditions in the workplace and the ADA. <https://adata.org/factsheet/health>

Physical spaces can also present barriers for persons with mental impairments.³³ For example, noisy environments that lack private work or break space can be barriers for workers with certain mental health conditions or intellectual disabilities. The U.S. Department of Labor lists several examples of environmental modifications as reasonable accommodations that can enable employees with mental health conditions to perform their jobs.³⁴ Similarly, the U.S. Equal Employment Opportunity Commission notes that workstations in open areas may be barriers for workers with intellectual disabilities or attention deficit disorder.³⁵

Inaccessible Communications

Communication barriers negatively affect persons with visual, auditory and cognitive impairments.³⁶ Examples of such barriers include auditory-only messages, written messages with no Braille or in small print and overly complex or jargon-filled language.

³⁴ Office of Disability Employment Policy, U.S. Department of Labor (n.d.). Accommodations for employees with mental health conditions. [https://www.dol.gov/agencies/odep/program-areas/mental-health/maximizing-productivity-accommodations-for-employees-with-psychiatric-disabilities#:~:text=Addition%20of%20room%20dividers%2C%20partitions,\(such%20as%20telephone%20volume\).](https://www.dol.gov/agencies/odep/program-areas/mental-health/maximizing-productivity-accommodations-for-employees-with-psychiatric-disabilities#:~:text=Addition%20of%20room%20dividers%2C%20partitions,(such%20as%20telephone%20volume).)

³⁵ U.S. Equal Employment Opportunity Commission (n.d.). Persons with intellectual disabilities in the workplace and the ADA. <https://www.eeoc.gov/laws/guidance/persons-intellectual-disabilities-workplace-and-ada>

³⁶ Centers for Disease Control (n.d.). Common barriers to participation experienced by people with disabilities. <https://www.cdc.gov/ncbddd/disabilityandhealth/disability-barriers.html>

H. Persons with Disabilities — Evidence of discrimination and other barriers

Social and Economic Disparities

Data demonstrate disparities in socioeconomic and labor market outcomes for persons with disabilities.

National data. Nationally, socioeconomic and labor market indicators reveal substantial disparities for people with disabilities, including both physical and mental impairments.

- **Hiring discrimination.** Discrimination on the basis of disability has accounted for 30 to 37 percent of U.S. Equal Employment Opportunity Commission lawsuits in each of the last five years.³⁷ Negative ideas about mental health conditions are one of the most prevalent barriers to employment for people with psychiatric disabilities.³⁸
- **Discrimination at work.** A survey of 3,570 white collar workers found that 34 percent of those with disabilities reported experiences of discrimination or bias at their current employer.³⁹ Bias experienced by persons with

disabilities at work includes having their intelligence and credentials underestimated (42%) or being insulted (31%).⁴⁰ For people with mental health conditions, workplace discrimination is even more frequent than for persons with other disabilities.⁴¹

- **Unemployment.** Among working age people, the unemployment rate is 12 percent for persons with disabilities compared to 5 percent for those without disabilities.⁴² Low employment rates appear too common across different types of disabilities. People with both mild and severe mental health disorders are more likely to be unemployed than people with no mental health disorders.⁴³ A study of adults with intellectual and developmental disabilities found the unemployment rate in this population to exceed 20 percent.⁴⁴

³⁷ Gilbride, K. (2023). Office of General Counsel Fiscal Year 2023 Annual Report. U.S. Equal Opportunity Employment Commission website https://www.eeoc.gov/office-general-counsel-fiscal-year-2023-annual-report#_Toc160002157

³⁸ Parker Harris, S., Gould, R., and Mullin, C. (2019). ADA research brief: Experiences of discrimination and the ADA (pp. 1-6). Chicago, IL: ADA National Network Knowledge Translation Center. https://adata.org/research_brief/experience-discrimination-and-ada

³⁹ Sherbin, L. Kennedy, J. Jain-Link, P. and Ihezie, K. (2017). *Disabilities and Inclusion*. Coqual (formerly CTI) website chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://coqual.org/wp-content/uploads/2020/09/CoqualDisabilitiesInclusion_KeyFindings090720.pdf

⁴⁰ Sherbin, L. Kennedy, J. Jain-Link, P. and Ihezie, K. (2017). *Disabilities and Inclusion*. Coqual (formerly CTI) website chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://coqual.org/wp-content/uploads/2020/09/CoqualDisabilitiesInclusion_KeyFindings090720.pdf

⁴¹ Parker Harris, S., Gould, R., and Mullin, C. (2019). ADA research brief: Experiences of discrimination and the ADA (pp. 1-6). Chicago, IL: ADA National Network Knowledge Translation Center. https://adata.org/research_brief/experience-discrimination-and-ada

⁴² Casale, O. (September 2023). The labor force experience of Minnesotans with disabilities. the Minnesota Department of Employment and Economic Development website, <https://mn.gov/deed/newscenter/publications/trends/september-2023/disability.jsp>

⁴³ Brouwers, E.P.M. Social stigma is an underestimated contributing factor to unemployment in people with mental illness or mental health issues: position paper and future directions. *BMC Psychol* 8, 36 (2020). <https://doi.org/10.1186/s40359-020-00399-0>

⁴⁴ Siperstien, G., Parker, R.C., Drasscher M. (July 2013). National snapshot of adults with intellectual disabilities in the labor force. *Journal of Vocational Rehabilitation* 39 (2013) 157–165 DOI:10.3233/JVR-130658

H. Persons with Disabilities — Evidence of discrimination and other barriers

- **Poverty.** Among working age people, the poverty rate for persons with disabilities in the United States is 25 percent compared to 10 percent of those without disabilities.⁴⁵
- **Labor force participation.** Labor force participation (being employed, self-employed, currently seeking work or recently seeking work) among persons with disabilities is low.⁴⁶ Only about 25 percent of persons with disabilities are in the labor market; 75 percent are not.⁴⁷ In comparison, about 68 percent of persons *without* disabilities are *in* the labor force; 32 percent are not.⁴⁸ Persistent long-term challenges to employment for persons with disabilities and structural barriers contribute to this gap.

State-level indicators. Data for Minnesota demonstrate the difficulty that persons with disabilities have achieving the same socioeconomic and labor market outcomes of other Minnesota residents.

- **Unemployment.** In Minnesota, the unemployment rate for working age persons with disabilities is more than double that of those without disabilities.⁴⁹
- **Poverty.** The poverty rate for working age persons with disabilities is more than triple the rate for those without disabilities.⁵⁰ The poverty rate for *employed* workers with disabilities is more than twice that of workers without disabilities.⁵¹
- **Subminimum wage prevalence.** The practice of paying disabled people less than the minimum wage is legal in 36 states, including Minnesota. The U.S. Commission on Civil Rights has called for an end to the practice. In Minnesota, 44 percent of persons with disabilities are employed in subminimum wage jobs, a rate that is disproportionately high compared to other states.⁵² Minnesota ranks third (behind two much larger states) in the number of subminimum wage employees.⁵³

⁴⁵ Casale, O. (September 2023). The labor force experience of Minnesotans with disabilities. Minnesota Department of Employment and Economic Development. <https://mn.gov/deed/newscenter/publications/trends/september-2023/disability.jsp>

⁴⁶ Labor force participation and employment rates are distinct measures. Unemployment rates do not include those who have ceased seeking employment and are therefore no longer considered labor force participants.

⁴⁷ Office of Disability Employment Policy, U.S. Department of Labor. Disability Statistics (April 2024). <https://www.dol.gov/agencies/odep>

⁴⁸ Office of Disability Employment Policy, U.S. Department of Labor. Disability Statistics (April 2024). <https://www.dol.gov/agencies/odep>

⁴⁹ Casale, O. (September 2023). The labor force experience of Minnesotans with disabilities. Minnesota Department of Employment and Economic Development. <https://mn.gov/deed/newscenter/publications/trends/september-2023/disability.jsp>

⁵⁰ Casale, O. (September 2023). The labor force experience of Minnesotans with disabilities. Minnesota Department of Employment and Economic Development. <https://mn.gov/deed/newscenter/publications/trends/september-2023/disability.jsp>

⁵¹ Casale, O. (September 2023). The labor force experience of Minnesotans with disabilities. Minnesota Department of Employment and Economic Development. <https://mn.gov/deed/newscenter/publications/trends/september-2023/disability.jsp>

⁵² Minnesota Task Force on Eliminating Subminimum Wages (March 1, 2022). Initial Background Brief: Subminimum Wage Use, Concerns, Trends Among States, and Resources. https://mn.gov/deed/assets/TFESW%20Initial%20Background%20Brief-accessible_tcm053-527663.pdf.

⁵³ Minnesota Task Force on Eliminating Subminimum Wages (March 1, 2022). Initial Background Brief: Subminimum Wage Use, Concerns, Trends Among States, and Resources. https://mn.gov/deed/assets/TFESW%20Initial%20Background%20Brief-accessible_tcm053-527663.pdf.

H. Persons with Disabilities — Evidence of discrimination and other barriers

Intersectionality

Disabilities are present in every demographic group, but disability rates are higher in some groups than others. When disability combines with factors such as age, race/ethnicity, sex or sexual orientation, people can experience the compounding effects of multiple forms of bias.

National data illustrate how the disadvantages faced by some demographic groups are compounded by challenges related to being disabled. For example:

- African American adults with disabilities in the U.S. are 22 percent less likely to be employed than persons of other races who have disabilities.⁵⁴
- African American adults with disabilities in the U.S. are 51 percent more likely to experience poverty than persons of other races who have disabilities.⁵⁵
- American Indian/Alaska Native and Black women with disabilities are less likely to be employed (30% and 32%) than women with disabilities overall (36%), men with disabilities (38%), nondisabled women (70%) and nondisabled men (79%).⁵⁶

⁵⁴ Center for Research on Disability (n.d.). 2024 Annual disability infographic: social inequities experienced by African Americans. <https://www.researchondisability.org/sites/default/files/media/2024-03/2024-aa-infographic-v7-final.pdf>

⁵⁵ Center for Research on Disability (n.d.). 2024 Annual disability infographic: social inequities experienced by African Americans. <https://www.researchondisability.org/sites/default/files/media/2024-03/2024-aa-infographic-v7-final.pdf>

⁵⁶ National Partnership for Women and Families (July 2022). Systems transformation guide to economic justice for disabled people: jobs and employment. <https://nationalpartnership.org/wp-content/uploads/systems-transformation-guide-disability-economic-justice-jobs-employment.pdf>

- About 31 percent of women with disabilities who are employed are economically insecure (living below 200% of the federal poverty level). This rate is higher than for other groups of employed people including nondisabled women (20%), disabled men (23%) and nondisabled men (17%).⁵⁷

Data about the experiences of persons of color with disabilities in Minnesota show similar compounding effects of disadvantages when race and ethnicity combine with disability. For example, this evidence documents that access to capital needed for financing a new business is likely to be particularly difficult for persons with disabilities who are also members of racially or ethnically minoritized groups. Persons of color with disabilities in Minnesota are more than five times as likely as persons with disabilities who are white to encounter unfair treatment or barriers when applying for credit cards or loans and more than ten times as likely to encounter unfair treatment or barriers when applying for mortgage or home equity loans.⁵⁸

⁵⁷ National Partnership for Women and Families (July 2022). Systems transformation guide to economic justice for disabled people: jobs and employment. <https://nationalpartnership.org/wp-content/uploads/systems-transformation-guide-disability-economic-justice-jobs-employment.pdf>

⁵⁸ Market Response International. (September 2023). *The One Minnesota baseline quantitative survey: Phase II intersectionality study for the Minnesota Council on Developmental Disabilities*. <https://state.mn.us/mnddc/extra/customer-research/2023-GCDD-Intersectionality-Study-Research-Report.pdf>

H. Persons with Disabilities — Evidence of discrimination and other barriers

Treatment as Entrepreneurs

A 2022 study by the National Disability Institute (NDI) found that barriers in the labor market such as discrimination and lack of accommodations make self-employment an important option for the population who identify as disabled. Among participants in the labor force, persons with disabilities are more likely to be self-employed (17%) than are persons without disabilities (11%).⁵⁹ Based on analysis of the 2019 American Community Survey, NDI estimated that at least 1.8 million persons with disabilities in the U.S. own small businesses.⁶⁰

Many participants in the NDI study reported barriers to entrepreneurship such as discrimination, difficulty financing business startups, networking and receiving relevant and accessible training and business assistance due to their disabilities.⁶¹ The study documents low expectations, negative stereotypes and misconceptions stemming from ableism as barriers for disability-owned business enterprises (DOBEs). The majority of NDI survey respondents (61%) agreed or strongly agreed with the statement, “I have to demonstrate superior knowledge to be taken seriously as a business owner with a disability.”⁶² The study also documented barriers for DOBEs related to accessing capital.

⁵⁹ National Disability Institute (April 2022). Small business ownership by people with disabilities. <https://www.nationaldisabilityinstitute.org/reports/small-business-ownership-pwd-challenges-and-opportunities/>

⁶⁰ National Disability Institute (April 2022). Small business ownership by people with disabilities. <https://www.nationaldisabilityinstitute.org/reports/small-business-ownership-pwd-challenges-and-opportunities/>

⁶¹ National Disability Institute (April 2022). Small business ownership by people with disabilities. <https://www.nationaldisabilityinstitute.org/reports/small-business-ownership-pwd-challenges-and-opportunities/>

⁶² National Disability Institute (April 2022). Small business ownership by people with disabilities. <https://www.nationaldisabilityinstitute.org/reports/small-business-ownership-pwd-challenges-and-opportunities/>

H. Persons with Disabilities — Results from the 2017 Minnesota Joint Disparity Study

Keen Independent evaluated potential barriers for persons with substantial physical disabilities as part of the 2017 Minnesota Joint Disparity Study.

Quantitative Results

The study found that persons with disabilities in Minnesota are more likely than other groups to own businesses in the study industries, but business owners with disabilities earn less than other business owners in Minnesota.

The 2017 Study found disparities in home ownership for persons with disabilities (which can impact the ability to finance a business startup).

Qualitative Results

During the 2017 Study, representatives of businesses owned by persons with physical disabilities provided information about their experiences.⁶³ Qualitative information found that persons with disabilities:

- Encountered difficulty obtaining financing and bonding;
- Found building relationships with public entity representatives challenging and reported losing jobs because other firms benefited based on “who they know;”
- Experienced incidents of bias;
- Lost bids on unfair or baseless grounds such as being dismissed for being too small;
- Having to expand and contract their business, their services or the territories in which they operate to stay viable;
- Functioning primarily on small contracts;
- Facing issues with untimely payment; and
- Encountering barriers to using mobility devices at job sites.

⁶³ Participants were primarily identified through state certification records. Certification eligibility is and was open only to owners with substantial physical disabilities.

H. Persons with Disabilities — Comments from qualitative research

This section synthesizes information provided to the study team through interviews with Minnesota contacts familiar with the business environment for persons with disabilities in Minnesota including business owners, trade association contacts and a disability policy expert. Interviews also included national trade association representatives familiar with issues and trends related to businesses owned by persons with disabilities in the United States.

Keen Independent conducted these interviews in 2024.

Barriers Identified

Interviewees reported that they had observed multiple barriers facing entrepreneurs and business owners with disabilities in Minnesota.

Minnesota’s definition of “disability” for TG programs. Interview participants commented on the nature of the definition of “disability” in the State’s Targeted Business Program as overly narrow and not aligned with use in the disability community or in public policy. Interviewees reported that this results in many disabled business owners being uncertain about whether or not they would qualify for certification. One business owner and member of a national disability rights group also described Minnesota’s narrow definition of disabilities as unaligned with the ADA and practices in other states..

Substantial physical disability’ is an almost meaningless phrase. We don’t use that in our best practices in disability public policy because, what is a physical disability is actually really unclear... It’s not near anything you would consider ‘plain language’ or obvious to interpret.

Interview participant

We have a strong number of business owners who are autistic and I don’t know where they would fit [in the State DBE program]. They seem like they would be an obvious category [to qualify.]

Interview participant

I don’t agree with Minnesota [on the definition of disability]. I think they’re 50 years behind the times. It’s a total embarrassment to the disabled community.

Interview participant

... right now, currently, Minnesota doesn’t include a service-disabled veteran business as a DBE and it also doesn’t include [people with] disabilities, so there’s a big disconnect between the Federal Department of Transportation and the State.

Interview participant

Minnesota’s definition is unique ... I would love to know how they’re deciding who is severely disabled enough because to me, you’re really setting yourself up for a lawsuit right there. [Minnesota’s definition is] basically saying to somebody, ‘sorry you’re not disabled enough to apply for this.’ I would tread very carefully if that was a definition that I was working with personally. Especially these days when there is scrutiny on positively discriminating within programs like these.

Interview participant

H. Persons with Disabilities — Comments from qualitative research

Accessibility barriers. Interviewees sometimes pointed out that vendor enrollment and procurement portals and platforms are often inaccessible to people with disabilities. They also noted that disabling environments such as inaccessible buildings can pose barriers for suppliers with disabilities.

Buyer ignorance or biases. Interviewees noted that many buyers lack basic understanding and comfort working with people with disabilities, which can consciously or unconsciously result in favoring suppliers without disabilities. Similarly, buyers may be daunted by the “extra work” of accommodating suppliers with disabilities. Stigma and negative stereotypes can lead to distrust that business owners with disabilities will be able to perform reliably in meeting contract deliverables.

Education and training. One interviewee familiar with disability-owned enterprises nationwide explained that lack of business education or preparation can hold back entrepreneurs who have disabilities. He observed that people with disabilities frequently face discrimination and other barriers in traditional employment which becomes the impetus to move to entrepreneurship as a survival strategy. This path to business start-up means they did not pursue education and training opportunities to help prepare them for business formation and growth.

Financial disincentives. A disability policy expert in Minnesota explained that income caps for maintaining Social Security benefits, Medicaid eligibility and other federal and state disability support services and eligibility can function as disincentives for potential entrepreneurs who are disabled. For example, saving even a few thousand dollars to support a business start up plan could put benefits at risk. Combined with the “disability tax,” the higher overhead costs associated with providing one’s own accommodations as a self-employed person, the prospect of losing disability benefits can make business startups a steep a risk for many persons with disabilities.

Accessibility [is a barrier for business owners who have disabilities]. If a supplier is required to register in a procurement portal or a supplier portal, that portal may not be accessible to everybody, so they may just walk away from that opportunity.

Interview participant

...if you work with the State, many state buildings are not that accessible, so you may not be able to literally get into the building that you are working in with that agency ...

Interview participant

The more you are able to fit in and integrate yourself without standing out, the less criticized, challenged or rejected, you’ll be. So if you are a deaf person and can read lips and you don’t use sign language and you don’t ask for captioning and all of those things and you just kind of play along, people will probably like you a lot even if you’re not getting the same level of access as you would want or deserve ... People don’t need the extra thing to worry about like, ‘Is this going to be a pain in the butt?’

Interview participant

We see folks ... that may not have prepared themselves to be an entrepreneur. They’re really starting over from scratch. They may not have taken business courses or understand what that looks like to be an entrepreneur. They’re really just trying to survive.

Interview participant

The ‘disability tax’ is a way of explaining that] disabled business owners have to contract a person to do administrative support for them, to help functioning or coordinating their services ... or other kinds of assistance ... and typically people just don’t consider [that.]

Interview participant

H. Persons with Disabilities — Comments from qualitative research

Zero-sum game supplier diversity arguments. A member of a national disability rights group whose business is certified as both disability-owned and service-disabled veteran-owned noted that the idea that adding demographic groups to Minnesota’s targeted business groups would take opportunities away from existing groups is a misperception. The interviewee noted that Minnesota is not meeting its current targeted business goals with eligible suppliers now, which means that contracts that could be going to other suppliers facing barriers are instead going to large businesses that are not disadvantaged.

Omission from supplier diversity efforts discouraging proposals.

One interviewee noted that not listing persons with disabilities in defined audiences for contracting programs can create the impression for business owners with disabilities that it will not be worth the effort to pursue the work.

[The State’s] only been able to spend 18% of the 20 or 25% budget for targeted businesses, so there's a gap. They still need [to contract] the services and the products, so if the State can't find it in the targeted groups, then they go to large companies. Targeted groups, the women, the minority of veterans don't understand that ... they see it as [people with disabilities potentially] taking their market share.

Interview participant

Procurement organizations not including or spelling out disability within their audiences [can be a barrier]. If my portal recognizes minority-owned businesses and women-owned businesses but doesn't recognize other communities then I would most likely, if I were a person with a disability, think twice about doing business with that company.

Interview participant

APPENDIX I. Veterans and Service-Disabled Veterans — Introduction

Keen Independent examined literature about discrimination or other barriers affecting veterans related to business ownership and success. Minnesota's Small Business Procurement Program currently offers a preference in state purchasing and contracting to certified businesses owned by veterans or veterans with service-connected disabilities.¹

The potential for a disability incurred while in military service is high and the federal government provides a process that documents both disability status and severity for veterans. Therefore, Appendix I discusses veterans overall and includes an examination of veterans with service-connected disabilities as a distinct population.

Federal and Minnesota State Law

A variety of federal and state laws implicitly recognize the potential for unfair treatment or bias against veterans or service-disabled veterans by prohibiting discrimination against these groups.

Federal law. The federal government has incorporated veterans' rights and protections in a number of laws. In some cases, federal benefits for veterans may be intended to honor their service. In other cases, the

laws prohibit discrimination against veterans. Some laws pertain to all veterans and others are specific to service-disabled veterans.

Examples of federal programs and protections that pertain to all veterans include the Vietnam Veterans' Readjustment Assistance Act and the Fair Housing Act.

- The Vietnam Veterans' Readjustment Assistance Act (VEVRAA) is an anti-discrimination statute that applies to federal contractors. Federal contractors must not discriminate against veterans including those with service-connected disabilities.²
- Veterans both with and without service-related disabilities may receive loans under the Fair Housing Act (FHA).³ However, veterans without service-related disabilities are not considered a protected class under the FHA.⁴
- Title VII of the Civil Rights Act of 1964 prohibits discrimination against veterans with service-connected disabilities.⁵

¹ Minnesota Department of Administration. (2023). Minnesota's small business procurement program. <https://www.health.state.mn.us/data/rules/manual/docs/seminar/2023smallbusiness.pdf>

² U.S. Department of Labor (n.d.). Vietnam Era Veterans' Readjustment Assistance Act. Office of Federal Contract Compliance Programs. <https://www.dol.gov/agencies/ofccp/vevraa#:~:text=The%20Vietnam%20Era%20Veterans%20Readjustment,promote%2C%20and%20retain%20these%20individuals.>

³ Veterans United. (n.d.) FHA vs VA Loan: Key differences and which is better. Veteransunited.com. <https://www.veteransunited.com/education/va-loans-vs-fha-loans/>.

⁴ Stohler, N. (2024). The relationship between military status and fair housing laws. Azibo. <https://www.azibo.com/blog/military-status-and-fair-housing-laws#:~:text=Veterans%20are%20not%20considered%20a,them%20specific%20anti%20discrimination%20protections..>

⁵ U.S. Equal Employment Opportunity Commission. (n.d.). Protections against employment discrimination for service members and veterans. EEOC. <https://www.eeoc.gov/sites/default/files/2022-11/Final%20Interagency%20Veterans%20Resource%20Doc%2011.9.22.pdf>.

I. Veterans and Service-Disabled Veterans — Introduction

The federal government protects the right of service-disabled veterans to gain access to healthcare, military and disability benefits, proper housing, financial opportunities and protection from workforce discrimination. Some federal laws that provide anti-discrimination protections for veterans are specific to those who are service-disabled. Other federal laws that protect people with disabilities from discrimination are inclusive of service-disabled veterans. For example:

- The Americans with Disabilities Act of 1990 (ADA) prohibits employers from discriminating against otherwise eligible candidates, including veterans, with disabilities. Not providing service-disabled veterans with reasonable accommodations is also prohibited under the ADA.
- The Rehabilitation Act of 1973, Section 503 contains a provision prohibiting discrimination against service-disabled veterans.⁶
- The Uniformed Services Employment and Reemployment Act (USERRA) provides protections for veterans with a service-connected disability. USERRA is a requirement for employers to provide reasonable accommodations for veterans with service-connected disabilities.⁷

⁶ Office of Federal Contract Compliance Programs. (n.d.). Section 503. <https://www.dol.gov/agencies/ofccp/section-503>

⁷ U.S. Department of Labor. (n.d.). USERRA – Uniformed Services Employment and Reemployment Rights Act. Dol.gov. <https://www.dol.gov/agencies/vets/programs/userra>.

⁸ Minn. Stat. 197.48

Minnesota law. State law protects the rights and honors the service of veterans and service-disabled veterans. The Minnesota’s Attorney General outlines the state laws that protect service-disabled veterans from employment discrimination both the private and public sectors.

- The Minnesota Veterans Preference Act (VPA) gives veterans and service-disabled veterans a limited preference in hiring for Minnesota public employment positions.⁸
- The Minnesota GI Bill gives eligible veterans, current military, National Guard and Reserve members up to \$15,000 towards higher education. Funding may be applied to on-the-job training, apprenticeships, licensing or certifications.⁹
- Minnesota provides veteran protections and benefits across multiple sectors including public employment, education rights, contracting rights, discrimination, motor vehicle licensing, professional licenses and public records.¹⁰

Other topic areas with protections for veterans include motor vehicle licenses and registration, professional licenses and public records.¹¹ The State offers many programs geared towards assisting veterans returning to civilian life, including loans and grants for education, assistance for health and disabilities, a homelessness prevention program, veteran suicide prevention and assistance for families.

⁹ Minnesota Department of Veterans Affairs. (n.d.). Minnesota GI Bill. Mn.gov. <https://mn.gov/mdva/resources/education/minnesotagibill/>.

¹⁰ Attorney General of Minnesota. (n.d.). Veterans and servicemembers. Mn.us. <https://www.ag.state.mn.us/Consumer/Handbooks/VetHnbk/CH2.asp>.

¹¹ The Disabled American Veterans of MN. (n.d.). Legislative advocacy. Davmn.org. <https://davmn.org/our-programs/legislative-advocacy/>.

I. Veterans and Service-Disabled Veterans — Introduction

Federal veteran-owned and service-disabled veteran-owned business programs. As of 2023, the Small Business Administration (SBA) authorizes all veteran-owned small businesses (VOSBs) and service-disabled veteran-owned small businesses (SDVOSBs) through the National Defense Authorization Act for Fiscal Year 2021, Public Law 116-283.¹²

The purpose of the VOSB and SDVOSB certifications was to “assist U.S. veterans who own a business” and help them gain access to federal loans.¹³ USDOD further defined the certification purpose as to “increase the VOSB and SDVOSB industrial base” and “improve prime and subcontracting opportunities.”¹⁴ USDOD has listed a sub reason for the veteran certification as “sacrifices made by veterans in the service of the US should be recognized at all levels of the government.”¹⁵

Certification gives veterans and service-disabled veterans access to pursuing sole-source and set-aside contracts with the Department of Veterans Affairs (VA) and the VA’s Vets First Program. The Service-

Disabled Veteran Opportunities in Small Business Act requires federal agencies to award at least 3 percent of its contracts and subcontracts to service-disabled veterans.¹⁶

Under the federal regulations, VOSBs must:

- Have at least 51 percent veteran ownership;
- Be registered as a small business with the System for Award Management (SAM); and
- Meet the SBA’s small business size standards.^{17 18}

There are similar requirements for SDVOSBs and the service-disabled veteran must have their disability determined by the Department of Veteran Affairs or the Department of Defense.¹⁹ SDVOSBs must have daily operations and management of the business controlled by the service-disabled veteran (or by a spouse or permanent caregiver of the veteran if the disability is permanent or severe).²⁰

¹² 87 FR 73400.

¹³ Government Services Exchange. (n.d.). Veteran-owned small business certification. Government Services Exchange. <https://governmentsexchange.com/services/veteran-owned-small-business-certifications/>.

¹⁴ Office of Small Business Programs. (n.d.) Service-disabled veteran-owned small business. United States Department of Defense. <https://business.defense.gov/Socioeconomic-Programs/SDVOSB/>.

¹⁵ Office of Small Business Programs. (n.d.) Service-disabled veteran-owned small business. United States Department of Defense. <https://business.defense.gov/Socioeconomic-Programs/SDVOSB/>.

¹⁶ Office of Small Business Programs (n.d.). Service-disabled veteran-owned small business. Department of Defense. <https://business.defense.gov/Socioeconomic-Programs/SDVOSB/>.

¹⁷ U.S. Small Business Administration (n.d.). Veteran small business certification (VetCert). SBA. <https://veterans.certify.sba.gov/>.

¹⁸ SBA small business size standards depend on the North American Industry Classification System (NAICS) code the small business is registered in. The size standards per NAICS code are expressed as millions of dollars per year or number of employees in the small business. For example, Sector 23, Construction NAICS codes are in millions of dollars per year, such as \$45 million per year for residential remodeling. Sector 31-33 Manufacturing codes are expressed in number of employees, such as 750 for rice milling. See https://www.sba.gov/sites/default/files/2023-06/Table%20of%20Size%20Standards_Effective%20March%2017%2C%202023%20%282%29.pdf for more information.

¹⁹ National Veteran Small Business Coalition. (n.d.). Requirements to be an SDVOSB. Nvsbc.org. <https://nvsbc.org/sdvosb/>.

²⁰ National Veteran Small Business Coalition. (n.d.). Requirements to be an SDVOSB. Nvsbc.org. <https://nvsbc.org/sdvosb/>.

I. Veterans and Service-Disabled Veterans — Introduction

State veteran-owned and service-disabled veteran-owned business

programs. To be registered as a veteran- or service-disabled veteran-owned small business in Minnesota, it must meet the following:

- 51 percent owned and operated by a veteran or a service-disabled veteran (as determined by the Minnesota Department of Veterans Affairs); and
- The veteran or service-disabled veteran must be in charge of daily operations.²¹

Minnesota has varying options for veterans to certify with the state.

The State of Minnesota's Small Business Procurement Program offers certified veterans (including service-disabled) up to 6 percent preference for selling to the State.²²

²¹ Minnesota Department of Administration (n.d.). Veteran-owned small business procurement program. Mn.gov. <https://mn.gov/admin/business/vendor-info/oep/sbcp/vo/>.

²² Minnesota Department of Administration. (2023). Minnesota's small business procurement program. <https://www.health.state.mn.us/data/rules/manual/docs/seminar/2023smallbusiness.pdf>.

I. Veterans and Service-Disabled Veterans — Definitions and data sources

This section reviews definitions relevant to veterans and discusses data sources for information on veterans.

Definitions

Definitions for veteran and service-disabled veteran are relevant here.

Veteran. Veteran status is recognized in federal and state legislation. Title 38 U.S.C. section 101 (2) defines veteran as a “person who served in an active military, naval, air or space service, and who was discharged or released therefrom under conditions other than dishonorable.”²³

Service-disabled veteran. A “service-connected” disability is defined in 38 U.S.C. section 101 (16) as “...with respect to disability or death, that such disability was incurred or aggravated, or that the death resulted from a disability incurred or aggravated, in line of duty in the active military, naval, air or space service.”²⁴ The Department of Veterans Affairs explains a service-connected condition as an “illness or injury that was caused by – or got worse because of – your active military service” and further specifies that the condition “affects your mind or body.”²⁵

The Department of Veterans Affairs assigns a disability rating between 0-100, increasing in increments of 10 based on severity.²⁶ Ratings are determined within the “Schedule of Rating Disabilities,” or Title 38 U.S.C. 1155. Severity ratings are determined by the bodily system affected by the disability.²⁷

²³ 38 U.S.C. section 101 (2).

²⁴ 38 U.S.C. section 101 (16).

²⁵ The Department of Veterans Affairs. (n.d.). Eligibility for VA disability benefits. Va.gov. Retrieved August 14, 2024, from <https://www.va.gov/disability/eligibility/>.

Data Sources

Data for veterans and service-disabled veterans are available from state and federal resources. The United States Census Bureau (U.S. Census) has information for veterans nationally as well as veteran status in Minnesota. The U.S. Census provides the data about the number of veterans and veterans as a percentage of the total Minnesota population as well as the number and proportion of veterans by sex.

The United States Department of Labor (Department of Labor) identifies veteran employment statistics. The Department of Labor provides information on unemployment rates for male and female veterans as well as the difference between unemployment for service-disabled veterans and veterans without disabilities.

The Housing Assistance Council in coalition with Veterans Data Central identify statistics for each state with demographic information. Data include rates of poverty, home ownership and homelessness and numbers of veterans in Minnesota with disabilities.

The Minnesota Department of Veterans Affairs has a map of veterans within each county of Minnesota. It has a detailed breakdown of costs of living and employment status.

Much of the data include information about both veterans and service-disabled veterans. Data sources typically distinguish between disabled veterans and nondisabled veterans.

²⁶ The Department of Veterans Affairs. (n.d.). About disability ratings. Va.gov. Retrieved July 2, 2024, from <https://www.va.gov/disability/about-disability-ratings/>.

²⁷ 38 U.S.C. section 1155.

I. Veterans and Service-Disabled Veterans — Definitions and data sources

Population Size and Composition

As of 2020, Minnesota's population was approximately 5.7 million. Of its total population, about 6 percent, roughly 300,000, identified as veterans, which is similar to the presence of veterans in the United States population.^{28 29}

Minnesota's veteran population is comprised primarily of men (92%), the majority of whom are 65 or over (52%)³⁰

Minnesota's veteran population is less racially and ethnically diverse than Minnesota's population overall and less diverse than the veteran population in the United States as a whole. About 92 percent of veterans in Minnesota identify as non-Hispanic white compared to about 77 percent of the Minnesota population overall.^{31 32}

Veteran-owned businesses. U.S. SBA data for Minnesota shows 533,344 small businesses employing over 1.3 million employees.³³ Veterans own 30,733 of those firms. However, many veteran-owned firms have only one employee or are solely run by the owner. Of the 30,000+ veteran-owned firms in Minnesota, only 6,273 had employees other than the owner.³⁴

Service-disabled veterans. About 31 percent of Minnesota veterans, roughly 79,000, have service-connected disabilities, a share similar to the United States overall (30%).³⁵

²⁸ U.S. Census Bureau. (2020). Minnesota. Census.gov. <https://data.census.gov/profile/Minnesota?g=040XX00US27>.

²⁹ U.S. Department of Labor. (2024). Veteran unemployment rates. Dol.gov. <https://www.dol.gov/agencies/vets/latest-numbers#:~:text=Veteran%20Unemployment%20Rate%20was%203.2,from%203.4%25%20the%20prior%20year>.

³⁰ U.S. Department of Veterans Affairs. (2019). Minnesota. Va.gov. https://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Minnesota.pdf.

³¹ U.S. Department of Veterans Affairs. (2019). Minnesota. Va.gov. https://www.va.gov/vetdata/docs/SpecialReports/State_Summaries_Minnesota.pdf

³² United States Census Bureau. (2020). Minnesota: 2020 Census. Census.gov. <https://www.census.gov/library/stories/state-by-state/minnesota-population-change-between-census-decade.html>.

³³ U.S. Small Business Administration. (2021). 2021 Small business profile: Minnesota. SBA.gov. <https://advocacy.sba.gov/wp-content/uploads/2021/08/Small-Business-Economic-Profile-MN.pdf>.

³⁴ U.S. Small Business Administration. (2021). 2021 Small business profile: Minnesota. SBA.gov. <https://advocacy.sba.gov/wp-content/uploads/2021/08/Small-Business-Economic-Profile-MN.pdf>.

³⁵ USA Facts. (2022). Veterans in Minnesota. Usafacts.org. <https://usafacts.org/topics/veterans/state/minnesota/#:~:text=In%202022%2C%2030.70%25%20of%20Minnesota,12.90%25%20of%20the%20nonveteran%20population.&text=with%20any%20disability-,In%202022%2C%2030.70%25%20of%20Minnesota%20veterans%20had%20a%20disability%20compared,12.90%25%20of%20the%20nonveteran%20population>.

I. Veterans and Service-Disabled Veterans — Evidence of discrimination and other barriers

Although returning to civilian life and starting a business is complex. Individuals returning from military service may face challenges due to their career path gaps, limited access due to dishonorable discharge or employment discrimination based on stereotypes and perceptions. But veterans with an honorable discharge have many opportunities to rejoin the workforce, pursue education and access financing to fund training programs, college tuition or business start-up costs.

Mixed Social and Economic Outcomes

Socioeconomic data show a mix of relative advantages and disadvantages for Minnesota's veteran population. For example:

- **Income.** Veteran income is lower than the median for the state (\$67,719 versus \$76,409).³⁶ The unemployment rate for veterans in Minnesota matches the overall state unemployment rate at 3.9 percent.³⁷
- **Homelessness.** Veterans do not make up a large portion of the homeless population in Minnesota. Of the estimated 10,522 people experiencing homelessness per night in Minnesota, 290 are veterans (3%).³⁸

³⁶ Housing Assistance Council. (2022). Supporting veterans in Minnesota. Veterans Data. <https://veteransdata.info/states/2270000/MINNESOTA.pdf>.

³⁷ Housing Assistance Council. (2022). Supporting veterans in Minnesota. Veterans Data. <https://veteransdata.info/states/2270000/MINNESOTA.pdf>.

³⁸ Wilder Research (2024). Minnesota homeless study: 2023 Study Results. Wilder Research. <https://www.wilder.org/mnhomeless/results>.

³⁹ Minnesota Housing. (2021). Disparities report: 2021. MHFA. <https://www.homemn.org/mn-housing-statistics>.

⁴⁰ Housing Assistance Council. (2022). Supporting veterans in Minnesota. Veterans Data. <https://veteransdata.info/states/2270000/MINNESOTA.pdf>.

- **Home ownership in Minnesota.** Veterans (80%) are more likely than the average Minnesotan to own a home (72%).^{39 40}
- **Veteran living conditions.** Veterans are less likely to face “major problems” such as affordability, quality or stability in their living conditions than Minnesotans overall. About 16 percent of veterans in Minnesota face major living condition issues such as affordability, crowding or quality.⁴¹ In comparison, 26 percent of Minnesotans overall are living in housing with affordability or stability problems.⁴²
- **Financial benefits.** Minnesota offers many programs with financial benefits for veterans. Most programs, including income tax credits for military service, health and insurance benefits and special grants to prevent homelessness, are applicable to both veterans and service-disabled veterans.⁴³ State programs specific to service-disabled veterans include short-term financial assistance for housing, utility insurance and other expenses and a property tax reduction program.⁴⁴

⁴¹ Housing Assistance Council. (2022). Supporting veterans in Minnesota. Veterans Data. <https://veteransdata.info/states/2270000/MINNESOTA.pdf>.

⁴² Minnesota Department of Health. (2019). Housing. MN.gov. <https://www.health.state.mn.us/docs/communities/titlev/housing.pdf>.

⁴³ My Army Benefits. (n.d.). Minnesota military and veterans benefits. Myarmybenefits.com. <https://myarmybenefits.us.army.mil/Benefit-Library/State/Territory-Benefits/Minnesota>.

⁴⁴ VA Disability Group. (n.d.). 100% State Benefits – Minnesota. Vadisabilitygroup.com. <https://vadisabilitygroup.com/minnesota-state-benefits-for-100-disabled-veterans/>.

I. Veterans and Service-Disabled Veterans — Evidence of discrimination and other barriers

Returning from Service

A common barrier for returning veterans is the gap between finishing secondary school and beginning their civilian careers. Although the military has many transferrable skills, the process of transferring may pose difficulties for veterans. Veterans who do not have knowledge of, or access to, training may experience initial difficulty when rejoining the workforce.⁴⁵

Discrimination. Some employers view the career gap that military service occupies negatively and may unfairly scrutinize the ability of veterans who do not enroll in higher education after service to perform jobs.⁴⁶

Some research has documented perceptions of discrimination among veterans in the workplace based on their service. In one study of pre- and post-9/11 veterans, participants reported that employers made negative comments related to their experience in combat.⁴⁷ Perceptions

of discrimination led about a quarter of individuals in the study to not disclose their veteran status on a job application.⁴⁸

Renting. Some veterans report experiencing barriers finding landlords who will rent to them based on concerns that veterans will return to service and break their leases early.⁴⁹ Additionally, some service-disabled veterans may experience discrimination in the housing rental market based on their disabilities.⁵⁰ Although denying an individual the opportunity to rent based on their disability is illegal under the Fair Housing Act, landlords may still deny an application from a disabled veteran and may also not take the steps to provide reasonable accommodations for service-disabled veterans.⁵¹

⁴⁵ Moore, C.L. and Wang, N. (2016). A national benchmark investigation of return-to-work outcome rates between African American, Native American or Alaska Native, Latino, Asian American or Pacific Islander, and Non-Latino White veterans served by state vocational rehabilitation agencies: Application of bootstrap data expansion. *Journal of Vocational Rehabilitation* 45 (2016). <https://content.iospress.com/download/journal-of-vocational-rehabilitation/jvr818?id=journal-of-vocational-rehabilitation%2Fjvr818>.

⁴⁶ Moore, C.L. and Wang, N. (2016). A national benchmark investigation of return-to-work outcome rates between African American, Native American or Alaska Native, Latino, Asian American or Pacific Islander, and Non-Latino White veterans served by state vocational rehabilitation agencies: Application of bootstrap data expansion. *Journal of Vocational Rehabilitation* 45 (2016). <https://content.iospress.com/download/journal-of-vocational-rehabilitation/jvr818?id=journal-of-vocational-rehabilitation%2Fjvr818>.

⁴⁷ Keeling, M., Kintzle, S., & Castro, C.A. (2018). Exploring U.S. veterans' post-service employment experiences. *Military Psychology*, 30 (1), 63-69. <https://doi.org/10.1080/08995605.2017.1420976>

⁴⁸ Keeling, M., Kintzle, S., & Castro, C.A. (2018). Exploring U.S. veterans' post-service employment experiences. *Military Psychology*, 30 (1), 63-69. <https://doi.org/10.1080/08995605.2017.1420976>

⁴⁹ U.S. Department of Veterans' Affairs (n.d.). VA housing assistance. <https://www.va.gov/housing-assistance/>.

⁵⁰ Service Members Civil Relief Act Centralized Verification Service. (n.d.). Can a disabled veteran be evicted? SCRA. <https://www.servicememberscivilreliefact.com/blog/can-a-disabled-veteran-be-evicted/>.

⁵¹ Service Members Civil Relief Act Centralized Verification Service. (n.d.). Can a disabled veteran be evicted? SCRA. <https://www.servicememberscivilreliefact.com/blog/can-a-disabled-veteran-be-evicted/>.

I. Veterans and Service-Disabled Veterans — Evidence of discrimination and other barriers

Less than honorable discharge. The social stigma of a less than honorable discharge poses barriers to entry for individuals returning to civilian life. Stereotyping an individual based on their discharge status can affect their ability to gain employment.

Employers who investigate a less than honorable discharge may uncover private information about the individual, including their sexuality, disability status and other information.⁵²

Assistance. Minnesota, like many other states, has services to help veterans enter the workforce upon returning to civilian life, including training programs, informational sessions and funding for veterans to find a career outside of the military.

The Minnesota Department of Veterans Affairs, for example, offers many programs for reintegration support. The agency offers post-deployment training and programs focused on guiding veterans through the reintegration process, events for returning veterans, assistance developing work plans for returning veterans and information and support for veterans returning with a disability or post-traumatic stress disorder.⁵³

Some community colleges and public colleges and universities offer programs for returning veterans to transition them back into college education or offer training to assist veterans in finding apprenticeship or other trade programs.⁵⁴ Additionally, universities and colleges may offer returning scholarship and financial aid opportunities for veterans.⁵⁵

Minnesota State University has information networks available for veterans interested in returning to college following their service completion. The University offers classes and programs for veterans on military education benefits and how they may be transferred to education and careers paths.⁵⁶ Minnesota State also allows veterans college credit for transferrable skills attained during military service.⁵⁷

Minnesota has a Higher Education Veterans Program aimed at removing barriers to veteran enrollment. The Minnesota GI Bill also addresses veterans aiming to go for higher education benefits and grants eligible individuals up to \$10,000 for Higher Education, on-the-job training, apprenticeships or to get licenses or certification.⁵⁸

⁵² Nagele-Piazza, L. (2018). Think before asking about a veteran's discharge status. SHRM. <https://www.shrm.org/topics-tools/employment-law-compliance/think-asking-veterans-discharge-status#:~:text=Federal%20and%20state%20laws%20prohibit,%2Dthan%2Dhonorably%20discharged%20veterans.>

⁵³ Minnesota Management and Budget. (2022). State of Minnesota's efforts to employ and support veterans. Minnesota Management and Budget. <https://mn.gov/mmb-stat/reports/2021/FY-2021-Veterans-Report.pdf>.

⁵⁴ Minnesota Department of Veterans Affairs. (n.d.). On the job training and apprenticeship programs. Mn.gov. <https://mn.gov/mdva/resources/employment/ojtapprnticeship.jsp>.

⁵⁵ Minnesota State University (n.d.). Veterans Resource Center. Mnsu.edu. <https://www.mnsu.edu/university-life/campus-services/veterans/veterans-resource-center/>.

⁵⁶ Minnesota State University. (n.d.). Resources for veterans and service members. Minnesota.edu. <https://www.minnstate.edu/military/>.

⁵⁷ Minnesota State University. (n.d.). Resources for veterans and service members. Minnesota.edu. <https://www.minnstate.edu/military/>.

⁵⁸ My Army Benefits. (n.d.). Minnesota military and veterans benefits. Myarmybenefits.com. <https://myarmybenefits.us.army.mil/Benefit-Library/State/Territory-Benefits/Minnesota>.

I. Veterans and Service-Disabled Veterans — Evidence of discrimination and other barriers

Minnesota has a “Veteran-Owned Small Business Procurement Program.” Certified veteran-owned businesses may be eligible for up to 12 percent preference in selling products or services to the Minnesota government.⁵⁹

Minnesota’s CareerForce, a program of the Minnesota Department of Employment and Economic Development, provides resources to assist veterans with career development including finding appropriate trainings, assisting with pre-hiring materials and access to job postings and information.⁶⁰

⁵⁹ Minnesota Department of Administration (n.d.). Veteran-owned small business procurement program. Mn.gov. <https://mn.gov/admin/business/vendor-info/oep/sbcp/vo/>.

⁶⁰ My Army Benefits. (n.d.). Minnesota Military and Veterans Benefits. Myarmybenefits.com. <https://myarmybenefits.us.army.mil/Benefit-Library/State/Territory-Benefits/Minnesota>.

Intersectionality

Women. The veteran population in Minnesota is predominantly male (nearly 92 percent of all veterans). The total female veteran population in Minnesota is 3,719 compared to 51,031 male veterans.⁶¹ Being a woman in a male-dominated environment can have many well-documented ill effects, including tokenism, isolation and harassment.⁶² Female veterans may experience disparities when accessing VA healthcare, benefits and insurance.⁶³

Native American veterans experience particular disadvantages after returning to civilian life. Native American veterans have more difficulty accessing VA hospitals and obtaining transportation to get medical treatment. Native American veterans with a service-connected disability often develop additional health disparities due to a lack of access.⁶⁵

⁶⁵ Korshak, L. *et al.* (2018). American Indian/Alaska Native veterans fact sheet. Va.gov. https://www.va.gov/HEALTHEQUITY/docs/American_Indian_Heritage_Month_Fact_Sheet.pdf.

I. Veterans and Service-Disabled Veterans — Evidence of discrimination and other barriers

LGBTQ+ veterans. LGBTQ+ individuals experience discrimination and disadvantages within their own veteran social networks and through outside discrimination. Military attitudes towards individuals who identify as LGBTQ+ have historically isolated and stigmatized such individuals during service and when they return to civilian life.

Article 125 of the Uniform Code of Military Justice criminalized homosexual sex by military members and resulted in the discharge of about 2,000 service members between 1951 and 2013.⁶⁶ The “Don’t Ask, Don’t Tell,” (DADT) policy discharged more than 14,000 LGBTQ+ individuals dishonorably since its inception.⁶⁷ LGBTQ+ individuals with a dishonorable discharge are not considered veterans legally. A dishonorable discharge eliminates veteran protections and can affect employment, loans and financing, access to housing and eliminates access to VA healthcare and insurance.⁶⁸

Since 2012, service members have been able to apply to have discharge records reviewed and upgraded and references to sexual orientation removed, but relatively few veterans have applied. The DADT impacted the ability of LGBTQ+ veterans to afford legal fees and costs of record recovery associated with appealing a dishonorable discharge.^{69 70} LGBTQ+ veterans also experience being denied service at VA hospitals, fewer loan approvals and more rejections for disability claims.⁷¹

A presidential proclamation granting clemency to service members convicted of consensual relations under Article 125 was announced in late June, 2024.⁷² Initial information about the clemency offer indicate that discharged service members will be able to apply online for a certificate of clemency, which will then enable them to begin the process of having discharges upgraded and take steps to recover lost pay and benefits.^{73 74}

⁶⁶ Rogers, K. (June 26, 2024). Biden pardons veterans convicted of having gay sex. *The New York Times*. <https://www.nytimes.com/2024/06/26/us/politics/biden-pardon-veterans-gay-sex.html>

⁶⁷ Mahowald, L. (2022). LGBTQ+ military members and veterans face economic, housing, and health insecurities. *American Progress*. <https://www.americanprogress.org/article/lgbtq-military-members-and-veterans-face-economic-housing-and-health-insecurities/>.

⁶⁸ Mahowald, L. (2022). LGBTQ+ military members and veterans face economic, housing, and health insecurities. *American Progress*. <https://www.americanprogress.org/article/lgbtq-military-members-and-veterans-face-economic-housing-and-health-insecurities/>.

⁶⁹ Wang, S., Martinez, L. and Haslett, C. (June 26, 2024). President Biden pardons veterans convicted under regulation used to keep LGBTQ members from serving. *ABC News*. <https://abcnews.go.com/Politics/president-biden-pardon-veterans-convicted-regulation-lgbt-members/story?id=111418033>

⁷⁰ Mahowald, L. (2022). LGBTQ+ military members and veterans face economic, housing, and health insecurities. *American Progress*.

<https://www.americanprogress.org/article/lgbtq-military-members-and-veterans-face-economic-housing-and-health-insecurities/>.

⁷¹ Mahowald, L. (2022). LGBTQ+ military members and veterans face economic, housing, and health insecurities. *American Progress*. <https://www.americanprogress.org/article/lgbtq-military-members-and-veterans-face-economic-housing-and-health-insecurities/>.

⁷² Rogers, K. (June 26, 2024). Biden pardons veterans convicted of having gay sex. *The New York Times*. <https://www.nytimes.com/2024/06/26/us/politics/biden-pardon-veterans-gay-sex.html>

⁷³ Rogers, K. (June 26, 2024). Biden pardons veterans convicted of having gay sex. *The New York Times*. <https://www.nytimes.com/2024/06/26/us/politics/biden-pardon-veterans-gay-sex.html>

⁷⁴ Miller, Z. (June 26, 2024). Biden pardons potentially thousands of ex-service members convicted under now-repealed gay sex ban. *The Hill*. <https://thehill.com/homenews/ap/ap-politics/ap-biden-pardons-potentially-thousands-of-ex-service-members-convicted-under-now-repealed-gay-sex-ban/>

I. Veterans and Service-Disabled Veterans — Evidence of barriers for service-disabled veterans

Veterans returning to civilian life with a service-connected disability encounter different barriers than veterans and non-veterans without disabilities. Evidence across public and private sectors based on income, health, housing and other social indicators finds that service-disabled veterans face substantial challenges, including discrimination, which can negatively impact their business ownership and success.

Social and Economic Barriers

Socioeconomic data reveal substantial barriers for service-disabled veterans. For example:

- **Unemployment.** The unemployment rate nationally for service-disabled veterans was 6 percent as of 2023, higher than other groups.⁷⁵
- **Workforce participation.** Veterans with more severe disabilities are less likely to be in the workforce. A disability rating of 60 or higher decreases the likelihood of a veteran being in the workforce.⁷⁶
- **Occupational segregation.** National employment data show evidence of occupational segregation for veterans with a service-connected disability.⁷⁷

⁷⁵ Bureau of Labor Statistics. (2024). Employment situation of veterans – 2023. BLS.gov. <https://www.bls.gov/news.release/pdf/vet.pdf>.

⁷⁶ Bureau of Labor Statistics. (2024). Employment situation of veterans – 2023. BLS.gov. <https://www.bls.gov/news.release/pdf/vet.pdf>.

⁷⁷ Bureau of Labor Statistics. (2024). Employment situation of veterans – 2023. BLS.gov. <https://www.bls.gov/news.release/pdf/vet.pdf>.

Employment

National evidence. Service-disabled veterans may experience discrimination when applying for jobs or from unfair treatment within the workplace. For service-disabled veterans, discrimination in the workforce can appear in the hiring process, opportunities for advancement and promotions or refusal to make reasonable accommodations.⁷⁸ In some cases, service-disabled veterans may be passed over in favor of other individuals who are less qualified.⁷⁹

Employment discrimination lawsuits in Minnesota. The history of discrimination against service-disabled veterans in Minnesota is evident in lawsuits in the state that have involved both government and private employers.

⁷⁸ Nicholas Kaster. (n.d.). Military discrimination/USERRA. No company is too big to play fair. Nka.com. <https://www.nka.com/minneapolis/employee-rights/discrimination/military-discrimination-userra/>.

⁷⁹ Bruyere, S.M. (2019). Employment and disability: Issues, innovations, and opportunities. *Labor and Employment Relations Association Series*. 3339-Article%20Text-4973-1-10-20200110.pdf

I. Veterans and Service-Disabled Veterans — Evidence of barriers for service-disabled veterans

For example, the City of St. Paul has been sued by individuals for alleged discrimination against veterans and service-disabled veterans in violation of the Minnesota Veterans Preference Act.⁸⁰ In 2018, the United States Justice Department settled against the Minneapolis Police Department, which had refused to hire a veteran because of their service-connected disability and diagnosis of post-traumatic stress disorder.⁸¹ In 2020, the Minnesota Department of Human Rights settled a lawsuit brought by a service-disabled veteran against the Marathon Petroleum Corporation's St. Paul Park Refinery.⁸² The corporation violated the Minnesota Human Rights Act when it refused to allow a service-disabled veteran to bring their service dog to work.⁸³

Stigma

Service-disabled veterans encounter stigmas and stereotypes relating to their service and their physical or mental disability status. Service-disabled veterans with apparent physical disabilities may encounter hesitation and pushback from employers and healthcare providers while getting necessary accommodations.

The social stigma of actual or perceived unapparent disabilities is also a factor in understanding discrimination against service-disabled veterans. Following the Gulf War eras I and II, there was a social concern over veterans with post-traumatic stress disorder (PTSD), traumatic brain injuries (TBI) and other mental health diagnoses including anxiety, depression, suicidal ideations and other symptoms.⁸⁴

About 11 to 20 percent of Gulf War era I and II veterans suffer from PTSD.⁸⁵ Additionally, 17 to 19 percent of Gulf War I and II veterans suffer from TBIs, which can lead to other mental health conditions later in life.⁸⁶ Perceptions and stigma against TBIs and PTSD can affect how employers view a veteran as well as how the public may view them.

A staff person for a national disability rights organization interviewed by the study team noted that service-disabled veterans may face fears among buyers in contracting that post-traumatic stress disorder could inhibit their ability to fulfill their contractual obligations.

⁸⁰ Brunswick, M. (2016). St. Paul has been found violating state law or hiring veterans. *Star Tribune*. <https://www.startribune.com/st-paul-has-been-found-violating-state-law-for-hiring-veterans/366274271/>.

⁸¹ United States Department of Justice. (2018). Justice Department reaches agreement with the City of Minneapolis to resolve disability and genetic information discrimination complaint. Office of Public Affairs. <https://www.justice.gov/opa/pr/justice-department-reaches-agreement-city-minneapolis-resolve-disability-and-genetic>.

⁸² Putz, T. (2020). Minnesota Department of Human Rights settlement with employer that refused to allow an employee to bring service animal to work. Minnesota Department of Human Rights. <https://mn.gov/mdhr/news/?id=1061-418906>.

⁸³ Putz, T. (2020). Minnesota Department of Human Rights settlement with employer that refused to allow an employee to bring service animal to work. Minnesota Department of Human Rights. <https://mn.gov/mdhr/news/?id=1061-418906>.

⁸⁴ Rudstam, H. and Whitcom, J. (2019). Welcoming (all) veterans into our workplaces: The employment of veterans with disabilities. Employment and disability: i=Issues, innovations, and opportunities. 3339-Article%20Text-4973-1-10-20200110.pdf.

⁸⁵ Rudstam, H. and Whitcom, J. (2019). Welcoming (all) veterans into our workplaces: The employment of veterans with disabilities. Employment and disability: i=Issues, innovations, and opportunities. 3339-Article%20Text-4973-1-10-20200110.pdf..

⁸⁶ Rudstam, H. and Whitcom, J. (2019). Welcoming (all) veterans into our workplaces: The employment of veterans with disabilities. Employment and disability: i=Issues, innovations, and opportunities. Retrieved June 17, 2024, from 3339-Article%20Text-4973-1-10-20200110.pdf.

I. Veterans and Service-Disabled Veterans — Evidence of barriers for service-disabled veterans

Transition to Civilian Life

Service-disabled veterans may experience barriers transitioning from military service to civilian life. Although there are many programs aimed at assisting service-disabled veterans returning to the civilian workforce with offering job preparation and training, access to these programs and other compound issues may arise.

Some employers report that service-disabled veterans, although capable of performing the work with some assistance, are unprepared to compete for employment opportunities, lacking polished resumes or interview skills.⁸⁷ Skills such as leadership and problem solving learned during military service are often transferrable, but employment gaps and limited professional training may hinder career growth and opportunities for service-disabled veterans.

⁸⁷ Wolfe, A.R. (2022). Veteran reintegration and compliance strategies used by financial services industry hiring managers. Walden University. <https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=15188&context=dissertations>.

⁸⁸ Emens, E.F. (2021). Disability admin: The invisible costs of being disabled. *Minnesota Law Review*. https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3944&context=faculty_scholarship.

Medical Care and Benefits

Service-disabled veterans may experience discrimination attempting to receive medical care or medical benefits. Service-disabled veterans can get medical care from VA hospitals and benefits from the VA itself, but receiving the necessary care can be time consuming and difficult.⁸⁸ Some service-disabled veterans reported not receiving any benefits from the VA due to administrative barriers including denial of benefits requests and being denied for Medicaid and other insurance to afford medical care.⁸⁹

Service-disabled veterans may also encounter barriers in healthcare services. They may have poor access to healthcare, experience delays in healthcare services, be mistreated by healthcare professionals or have their health concerns ignored altogether.⁹⁰

⁸⁹ Emens, E.F. (2021). Disability admin: The invisible costs of being disabled. *Minnesota Law Review*. https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=3944&context=faculty_scholarship.

⁹⁰ Wu, L. *et al.* (2018). Disabilities status, health insurance, and medical hardship among veterans. *Social Work in Public Health*. https://www.researchgate.net/profile/Liyun-Wu/publication/329326816_Disabilities_Status_Health_Insurance_and_Medical_Hardship_among_Veterans/links/5c0b50d0a6fdcc494fe1eb56/Disabilities-Status-Health-Insurance-and-Medical-Hardship-among-Veterans.pdf.

I. Veterans and Service-Disabled Veterans — Results from 2017 Minnesota Joint Disparity Study

Keen Independent evaluated potential barriers for veterans as part of the 2017 Minnesota Disparity Study. The study did not separately consider service-disabled veterans.

Quantitative Results

The study found that veterans in Minnesota are more likely than other groups to own businesses across study industries. Notable findings are summarized below.

- Nearly 27 percent of veterans in Minnesota were self-employed, similar to the overall rate of self-employment among Minnesota workers.
- No substantive difference was found in median home value between veteran and non-veteran homeowners.
- No substantive difference was found in average yearly earnings between veteran and non-veteran business owners.

Qualitative Results

Comments from interviews with trade association representatives and business owners highlighted the importance of programs in Minnesota that assist veteran-owned businesses. Interview participants were mixed in terms of their thoughts on whether the playing field was equal for veteran-owned and non-veteran-owned businesses. Highlights from interviews are included below.

- One interviewee commented that the State needs to do more outreach to veteran-owned businesses to get them certified.
- A few interview participants indicated that they are only contacted when a contract has a DBE goal and without DBE goals, they are overlooked.
- Interviewees reported some difficulty breaking into markets with established players.

I. Veterans and Service-Disabled Veterans — Comments from qualitative research

As part of Task 2.7 of the 2025 Study, Keen Independent interviewed representatives of groups that work with veterans. We present insights below and examples of comments to the right.

Bias Against Older Veterans

An interviewee commented that veterans, particularly Vietnam-era, have experienced discrimination in the past. He noted that since 1991, veterans have typically found a more welcoming environment upon returning from service, but suggested a case-by case evaluation of circumstances facing each individual veteran would be more appropriate than universal assumption of disadvantages.

Questions of Competence

Another interviewee indicated that organizations that may be contracting with veterans may question their competence due to factors like disability or experiencing post-traumatic stress.

Case-by-Case Support

When considering whether veterans and service-disabled veterans should receive different types of business development support, one interviewee expressed that all service-disabled veterans should receive support. Additionally, veterans should be supported on a case-by-case basis because many of them will have experienced barriers and discrimination even if they are not service-disabled.

And right now, currently, Minnesota doesn't include a service-disabled veteran business as a DBE and it also doesn't include [people with] disabilities, so there's a big disconnect between the Federal Department of Transportation and the State.

Interview participant

I went in the army in 1975. My peers prior to that who went to Vietnam, when they came back, America hated us. I got spit on, and I didn't go to Vietnam, and I got spit on and yelled at in Philadelphia in my uniform. They were very discriminated against when they came back from war. America hated them. They didn't like it. There is so much data that depending which city, which town, which state you came back to, how bad you were discriminated against... If you were successful in starting your business, you didn't dare associate that you were a veteran that you had served until 1991. There's other pockets in the last 40 years. But it is case-specific.

Interview participant

[For] a service-disabled veteran pursuing a contract, [who] perhaps has post-traumatic stress, the question would come up from the procurement organization whether this will be an issue in fulfilling that contract.

Interview participant

Service-disabled veterans should have different support, different priority and contracting processes ... but some veterans should have the opportunity to prove that they should [be certified as disadvantaged], because they have had discriminatory experiences and face barriers that are different ... there needs to be a process that allows that.

Interview participant