

MUSLIM IMMIGRANTS

Hurt by Recession but Not Complaining

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The Pew Research Center's 2011 survey of Muslim Americans shows that in spite of being hard hit by the recession, Muslims living in the United States are somewhat more positive about their financial situation than other Americans.

In 2007, family income among Muslim Americans was roughly comparable with that of the population as a whole. Among adults nationwide, 44 percent reported household incomes of \$50,000 or more annually, as did a comparable number of Muslim American adults (41 percent). At the highest end of the income scale, Muslim Americans were about as likely to report household incomes of \$100,000 or more as were members of the general public (16 percent for Muslims compared with 17 percent among the general public). Roughly one-third of both Muslim Americans (35 percent) and adults nationwide (33 percent) reported household incomes of less than \$30,000 annually.

Harder Hit

In 2011, the pattern has changed significantly. The survey suggests that Muslims living in the United States have been hit harder by the recession than the general public. From 2007 to 2011, Muslim Americans experienced a significantly sharper decline in income than Americans overall. In particular, the number of Muslims who make less than \$20,000 per year increased by 14 percentage points (from 17 percent to 31 percent), whereas no significant change in the percentage of the general public below that threshold is detectible by the Pew survey data (22 percent in 2011, 20 percent in 2007).

Additionally, the survey suggests that although overall employment levels for Muslim Americans and the general public are comparable, underemployment is more common among Muslims. Nearly one in three Muslims (29 percent) is either unemployed and looking for work (17 percent) or working part-time but preferring to have full-time

employment (12 percent). In contrast, a total of 20 percent of adults surveyed nationwide are unemployed or underemployed. Homeownership has also declined for Muslim Americans.¹

The finding that Muslim Americans—a largely nonwhite immigrant group—have struggled to weather the recession is consistent with the results of a recent Pew Research Center report on the recession's impact on the wealth of U.S. households. That report found that, from 2005 to 2009, the median net worth of black, Hispanic, and Asian households fell much more sharply than the net worth of non-Hispanic white households.²

What may be surprising is that, despite a decline in financial well-being across a variety of measures, American Muslims are somewhat more positive about their financial situation than the general public. (See "Muslims Somewhat More Satisfied with Their Finances than General Public.")

U.S. Muslims Somewhat More Satisfied with Their Finances than General Public

Self-Ratings of Personal Financial Situation, 2007 and 2011

Percent of respondents	Muslims			General Public		
	2011	2007	Change	2011	2007	Change
Excellent shape	12	8	4	5	8	-3
Good shape	34	34	0	33	41	-8
Only fair shape	38	37	1	40	36	4
Poor shape	15	15	0	21	14	7
No answer	1	6	-5	1	1	0

Source: 2011 *Muslim American Survey* (Washington, DC: Pew Research Center, 2011). General public answers from 2011 based on Pew Research Center survey conducted June 15 to June 19, 2011. General public answers from 2007 based on Pew Research Center survey conducted February 7 to February 11, 2007.

Over the last four years, the portion of U.S. adults who rate their financial situation as “excellent” or “good” has dropped from 49 percent to 38 percent. No such decrease has been found among Muslim Americans despite the fact that many report a lower family income now than four years ago. Instead, the percentage of Muslim Americans surveyed who rate their financial situation positively has remained relatively stable over the last four years.

Subgroup Differences

Though Muslim Americans overall rate their financial situation more positively than the general public, that is not true for all subgroups. As one might expect, Muslims with higher household income are generally more satisfied with their financial situation than those with lower incomes. However, even when there is no measurable difference in income levels, certain subgroups are more satisfied than others.

In particular, third-generation Muslim Americans—Muslims born in the United States to U.S. natives—assess their financial situation more negatively than other Muslim Americans do. Only 30 percent of third-generation Muslim Americans surveyed rate their financial situation as excellent or good, compared with 51 percent of immigrant Muslims and 47 percent of the children of immigrants. First- and second-generation American Muslims rate their financial situation more favorably than third-generation American Muslims, even though they are no more likely than third-generation Muslims to have high family incomes (above \$50,000) or to own their own homes, and no less likely to be underemployed.³

Since the more positive view of personal finances is limited to Muslims who have not been in the country for multiple generations, part of the variation might be tied to their past experience in less wealthy countries of origin. Most Muslim immigrants to the United States come from places that have significantly lower per capita gross domestic product than the United States. In fact, according to 2009 estimates from United Nations Statistics Division,

Despite a decline in financial well-being, American Muslims are somewhat more positive than others.

the median per capita GDP for the top 10 home countries is just \$1,254.

That possibility is reinforced by the high number of Muslims who say life is better in the United States than in Muslim-majority countries. Two-thirds (68 percent) of foreign-born Muslims say the quality of life for Muslims is better in the United States than in most Muslim countries, a viewpoint that is consistent with their attitudes toward financial opportunity. Indeed, Muslim Americans are more likely than the general public to believe that people can get ahead through hard work. In 2011, three-quarters of all Muslim Americans surveyed (74 percent)—and 72 percent of foreign-born Muslims—said they believe in the effects of hard work, compared with less than two-thirds of the general public (62 percent).

Since almost two-thirds of Muslims living in the United States are immigrants (63 percent), the patterns prevalent among immigrant Muslims affect the patterns seen among Muslims as a whole. But it appears that Muslim immigrants view their financial situation differently both from Muslims whose families have been in the country for multiple generations and from the general public.

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Endnotes

- ¹ The 2007 survey of American Muslims was conducted only among households with a landline telephone. The 2011 survey of American Muslims was conducted using both cell phones and landlines. The inclusion of cell-phone users in the 2011 survey sample could potentially have affected the income profile of Muslim Americans, since cell-phone-only respondents tend to be younger and less affluent than respondents who are reachable by landline. However, even among respondents reached by landline phone, the percentage making under \$30,000 annually has increased since 2007.
- ² The report, “Wealth Gaps Rise to Record Highs Between Whites, Black and Hispanics,” was based on the Pew Research Center’s analysis of data from the U.S. Census Bureau’s 2005 and 2009 administrations of the *Survey of Income and Program Participation* (SIPP).
- ³ Third-generation Muslim Americans are predominantly African American (59 percent), though less than 5 percent of all third-generation Muslims identify themselves as members of traditionally black denominations such as the Nation of Islam.

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