

The Immigrant Development Center (IDC) is a non-profit community development corporation located in Moorhead, Minnesota. Established in 2003, its purpose is to provide economic development opportunities for low-income immigrants. The mission is to build the capacity of business and economic skills within the immigrant population, ultimately leading to economic self-sufficiency.

IDC is currently engaged in entrepreneurial training programs with the goal of developing and building the base of entrepreneurship among refugees and immigrants by giving them the tools to open and sustain a business in the United States. We provide translation and interpretation services in multiple languages (English, Somali, Arabic, Swahili and Brava-tribal language) that includes entrepreneurship workshops, coaching to prepare a business plan, guidance during start-up or expansion, and access to financial products.

The clients served by IDC are economically and socially disadvantaged low-income immigrants, including women entrepreneurs, new citizens and refugees, many of whom speak little or no English. Most new immigrants and refugees in the Fargo Moorhead area arrived with few assets, lacking language skills or connections in the community, but many had owned a business in their home country, or have advanced degrees. Most have little or no knowledge of the English language. Cultural difference can be overwhelming for new immigrants or refugees who are seeking to start a new life, stabilize their family, or simply conform to the culture.

The majority of entrepreneurs we train at IDC trained were prior business owners in their home countries but recognized a need for additional training, specific to American business practices and procedures, understanding the U.S financial system as well as assistance in determining business feasibility to ensure there is a sufficient market to support their business plan, and to access business loans.

From this background, many of our clients are likely to be self-employed, as this provides an important means to improve their socioeconomic standing. However, raising funds for their business presents a significant challenge. Personal assets are often the main source of business financing and start-up capital, and language barriers and religious tenets prohibiting loans can hinder entrepreneurial behavior.

Another challenge that puts this particular demographic at a disadvantage is their lack of credit history and the herculean struggle of developing credit history which is a major requirement for accessing capital/funding from the banks. The traditional banking system requires specific criteria be met to open bank accounts and qualify for a loan. Meeting these criteria presents a significant hardship for immigrants/refugees who are seeking funds for business ventures.

Due to the factors enumerated above this demographic are vulnerable and have often times fallen victim to predatory lending because of their limited access to mainstream banking. Low-income households have difficulty securing financing and are most commonly denied loans due to debt-to-income ratios, poor credit history, lack of collateral and incomplete credit applications.

With the enactment of this bill, the micro, small, and medium-sized enterprise (MSME) sector, the backbone of society, would be bolstered. Small enterprises contribute to local and national economies and to the sustenance of livelihoods, especially among groups in vulnerable situations

When the bill is enacted, it will be viewed as fostering diversity, inclusion, and equity.