**Title: Project proposal on the role of informal financial sectors in Ethiopia- *‘Iqqub”* and *‘iddir’ and beyond***

1. **Introduction**

**Ethiopians began** to **migrate to America** after the passage of the 1980 Refugee Act. The Refugee Act was the first formal policy the United States adopted toward the African refugees. **Ethiopians** have been the most heavily represented group from Africa admitted to the United States between 1982 and 1994. Since then millions of Ethiopians fled from Ethiopia and ended up to USA, middle east and European countries. When we see regional distribution of Ethiopians in USA, most of Ethiopian immigrants are living in DC, Maryland, Virginia, Minnesota, Atlanta, California states.

Ethiopians do have culture of using informal financial services as they call it *‘Iqqub”* and *‘iddir’* for many decades back despite having formal financial sectors (eg, banks and insurances).

* ***‘Iqqub”*** is an informal financial sector and the way it works is that people are organized into groups and they save money in a pool weekly, bi-monthly and monthly based on trust. Then each member of *‘Iqqub”* will get cumulated money when his/her turn comes. *‘Iqqub”* is used as an insurance and use the money for bigger investments; could be for building house, buy car, furniture and pay for tuition etc. *‘Iqqub”* is also serve as financial institution where members can have easy access to lending. But if they go to banks to lend money, the requirements and process of getting loan is so lengthy and most of the time they don’t get it. That is why most Ethiopians still rely on *‘Iqqub”* to improve their life as they get money in lump sum that can be used for reasonable investment.
* ***‘Iddir’*** is another form of informal financial sector and people living in one village of Ethiopia save **small** money to be used when member of their family died, then *‘iddir’* will pay some money for the family for funeral service and also they get other solidarity support from *‘iddir’* members.

So, when Ethiopians are migrating to USA, they are adopting this support system of *‘Iqqub”* and *‘iddir’ for two reasons;*

* *the first one to create good networks with other Ethiopian communities so that they will learn how they can easily adapt to the new environment in USA and*
* *when they first come to America some of them are coming through informal channel and they are doing informal jobs. And other portions come to USA as visitors and visa restrictions inhibit them to engage in formal jobs. This means they don’t have access to formal financial sector. So, the only way out for them to survive is by using iqqub as a saving means and it is also being used as their insurance if something bad happens to them then Ethiopian communities will support the person/family.*

1. **Research approach**

I will be contacting with Ethiopian communities and friends in my network and interview them with sets of structured open-ended questions.

Interview guiding questions I will be asking are

* **Migrating to USA:** When and how did you arrive to USA? Who supported you financially when you come to USA? Why do you come here?
* **Living condition:** Did you come here by yourself or with family members? Where did you stay when you arrive to USA? How did you find friends?
* **Saving groups:** Is there Ethiopian immigrant saving circles/groups in USA? What is the name of that saving groups? Do you save money in USA? How many members do these savings have? How much money do you save (monthly, weekly)? How does saving groups work in USA? Why do you want to join this saving groups? Are there risks associated with informal groups? Who joins one of these groups and who doesn’t? Are you still part of saving groups? Why?
* **Job:** How did you find jobs in USA? What is your first job? What type of job are you working at? Who helped you to get a job? Are you working part-time or full-time job? How many jobs are you working at? Other than your job, do you do anything else to earn money? Do you have business, or do you have plan to open business?
* **Business:** do you know of Ethiopian diasporas that own business in USA? How do you start those business?
* **Remittance:** do you send money to your families back home? What do they do with the money? Do you know of any examples where immigrants send money for a project in your home village? How does remittance could help community? Do you plan to return to Ethiopia, or will you stay here after you retire? Do you invest in businesses back home?
* **Bank Account:** Do you have bank account and a credit card? What are advantages and disadvantages of using formal banks vis-à-vis informal groups?
* **Change in livelihood:** how do you think that immigrants have improved this community (USA)?
* **Synergy with in-born USA citizens:** What do you think that immigrants could share with non-immigrants so that they can contribute for USA prosperity?

**1st Interview with Mrs Tsedey**

Tsedey came to USA in June 3, 2006 with immigrant visa after she got an opportunity of diversity visa. She came with her husband. When she comes to USA her families supported her in financing for air ticket. When she first came, she stayed at her cousin’s house in New York for two months. During her stay in New York, her cousin got a job for her at Ethiopian restaurant and she worked for almost 2 months part time. Then she moved to Minnesota with her husband and settled there since then. After she moved to Minneapolis, she studied nursing and now she is a registered nurse and working in one hospital. She only has one job.

As Tsedey explain, there are two types of saving circles used by Ethiopian immigrants in Minnesota *‘Iqqub”* and *‘iddir’* mainly adopted by Christian church community. However, she is only part of *‘Iqqub” for the past two years* where she and her husband save 2000 USD per month*.* There are 11 members in the *‘Iqqub”* group where she belongs, and her turn comes every 11 months and she received 22,000 USD as a lump sum. She used *‘Iqqub”* money to buy new car and also pay for mortgage. The way of payment modality for *‘Iqqub”* is that she opens separate bank account to deposit the monthly payment of *‘Iqqub”* for the reason that by the time she receives 22,000 USD and trying to put it in the bank, the bank gets suspicious of depositing all that money at once. So, she doesn’t mix her main account with *‘Iqqub”* account. So *‘Iqqub”* is part of her saving (she calls it obligatory saving) and collected money will be used for big investments as she mentioned.

Selam1 doesn’t have any business neither here nor in Ethiopia. But she knows other Ethiopians that own businesses they are running (eg, Ethiopian restaurants, mini stores) in Minnesota and she doesn’t know how they open up these businesses. Most of these Ethiopian businesses hire Ethiopian new immigrants that is what most new immigrants are doing in USA. She said, “if we take Agelgil Ethiopian restaurants in Minneapolis, there are a couple of Ethiopian’s working there as cashiers, waiters and cooks”. Selam1 sends money (180 USD) to her family every month and they use it to meet for their daily needs such as buying food, paying for medical bills and of course they use the money to pay for *‘Iqqub”* and *‘Iddirs’ back in Addis Ababa*. This makes her satisfied and the money that she sends supports her family. She doesn’t have any plan for retirement as yet but what she is thinking is that she will be back to Ethiopia with her family at some stage of her life and settle there.

Selam1 do also have bank accounts and credit card as well. She explained the advantage and disadvantage of using Banks and Iqqub. She said that putting money in bank gives more safety and it also makes transaction easier in USA because most transactions in America are made online. For that purpose, having to use bank is more beneficial. She added that on the other hand low interest rate for the money that she puts in the bank doesn’t encourage her to put more money in the bank. On the contrary when she wants to lend money from banks, she is paying 3.6% interest rate and that is high compared to the interest rate she gets from the bank by depositing money. When she explains the other disadvantage of using banks in USA is that banks give her credit card and encouraged to use it. So, when she wants to buy something, she uses credit card most of the time and spend much of the money in the credit card. Because she is not paying cash that is more visual, when she uses credit card she is tempted to spend as much and eventually she will finish all the money in the card. That is making her indebted because she has to return the money back to the bank.

When Selam1 explains about *‘Iqqub”*, it has more benefit than using banks for the reason that it promotes obligatory saving once she entered to saving groups so that she has to discipline herself on how to use money economically. She also added that when she is using *‘Iqqub”*, there is no interest rate attached to it- she gets back what she saved. Besides she gets her accumulated money timely when her turn comes. *‘Iqqub”* serve as a platform for social interaction and enhance networking with other fellow Ethiopians in USA. When she explains the only disadvantage with *‘Iqqub”* is that a year ago she served as *‘Iqqub”* leader once that she was responsible collecting money from members. And one of the members didn't gave her monthly payment on time so she had to chase him up. Iqqub is more of a social thing and when they are nominating members based on trust and having confidence that the each of the member will not be quitting monthly contribution until the term ends. Most of the times ‘Iqqub” members are very close friends and having good trust on them. Before they start ‘Iqquib’ all members will agree upon amount of money per slot or each person needs to contribute and on what interval should they pay the money (in most cases it is monthly). As everyone in the group doesn’t have same level of financial capacity some members may say they can pay half of the slot, in that case they need to come up with another person that is able to pay for the remaining half slot. And the other individuals that can pay full slot will pay for a slot. In Selam1s case she and her husband pay 2000 USD/slot/month and they term of one cycle as she said is 11 months. Selam1 is a registered nurse and she is main bread winner for her family and she and her husband afford to save 2000 USD/month. In unfortunate situation, if someone can’t pay then that person will not receive his cumulated money on his turn until the cycle ends and after all other members received their cumulated money on their own turn, then he will be given the portion he contributed until he quits. That is how it works. As Selam1 said, she didn’t want to be leading *‘Iqqub”* for that term, but she was nominated by *‘Iqqub”* members. Iqqub is very traditional saving system in Ethiopia, most Ethiopians know how it works because every Ethiopian was part of this saving group at least once in their lifetime.

Tseday’s life has changed dramatically after coming to USA. Moreover, her kids are having better future and she is also living well. She contributed for American prosperity in many ways; she pays tax and provide nursing service for Minneapolis community. Therefore ‘Iqqub” is still viable saving option in USA too among Ethiopian communities helping them to build assets.

**2nd interview with Mr Baye**

Baye came to USA in August 14, 2018 alone when he has been admitted as a graduate student at Brandeis University. The reason why he wanted to study in USA is to get quality education and he is financed by Open Society Foundation (OSF). When he first arrived in USA, he landed at a hotel in Waltham. He has some friends that he knows from Ethiopia and they are the ones who guided him in finding hotel and later to get a house for long term lease.

Baye doesn’t know about immigrant saving groups functioning in USA as yet because he hasn’t yet established interaction with Ethiopian communities in Boston because he doesn’t go to church often. So, he doesn’t know name of saving circles. Baye is receiving stipend from Open Society Foundation (OSF) monthly and from that he is saving small amount of money every month (300 USD). Baye doesn’t have job in USA but he knows some Ethiopians running restaurant businesses and some are running uber in Massachusetts mainly in Boston and Cambridge. He doesn’t own business of his own but from the information that he got from friends he knew that those Ethiopian’s with businesses are working hard and save money and start their own business. Most Ethiopians in USA don’t want to lend money from banks to start business. As Baye said, America is built on credit and once a person started receiving loan he will continue to receive more and at the end he will end up in too much debt with high interest rate so he will end up paying debts for the rest of his life. So, if a person lend money from bank, he needs to return the money back in short period of time to minimize interest rate.

Baye is sending money to his family every month (from 100-150 USD) and they use it for daily expenses like paying for rent, buying food items mainly. He also knows some Ethiopians send money to Ethiopia to run community projects and businesses and on his part, he sent 240 USD for Tigray Development Association (TDA). TDA is a development association established 25 years ago with the aim of rehabilitating rural Tigray community by establishing water projects, building health posts and schools. TDA is supported mainly by association members and also Tigray regional state government. He believes that remittance help Ethiopian community in a way that it supports community project activities, Ethiopian government gets foreign exchange from remittances and also it supports daily needs of family. Baye doesn’t want to stay in USA until retirement, his plan is to return back to Ethiopia after getting some experience working here. Baye hasn’t reach to a point that he set up his own business in Ethiopia and but in the future, he has a plan to do so poultry farm/business so that he will be able to support his family from earning of that business.

Baye came to USA legally as a student so he has bank account and credit card. Baye has been here close to a year so haven’t seen much change in his life but he underlined that most Ethiopian immigrants are hardworking, and they are supporting their families back home. They are also contributing their part for American economy. Immigrants come with rich and positive saving culture that they are apply it in America that support Ethiopian-American communities as a cushion. Besides that, most Ethiopian immigrants can easily adapt to new environment and harmoniously living with USA citizens. When he cites an example, he said that he has a Ethiopian friend who came here 2 years ago and now he owns an Uber taxi and establish his own income from scratch.

**3rd interview with Mr Tagel**

Tagel is 43 years old Ethiopian American man and arrived at USA in July 2007. He first came to USA with immigrant visa after he wins diversity visa lottery. When he came to America his uncle covered his flight expenses and also supported him financially until he settled in USA and got a job. As he explained the reason why he came here was in search of better job and future. He came to America by himself and when he arrived in Minneapolis he stayed with his close friend for a month. His friend helped him to get a job and connected him with few other Ethiopians living in same city. He started working in store and now he is working as a post man for USPS full time. He is currently doing one job that is at USPS.

There are Ethiopian immigrant saving groups in Minneapolis as he said but he is not part of any of those groups. He said he is not socially active; he only has few Ethiopian friends. He also mentioned that Ethiopian men are not that active when it comes to saving groups (*‘Iqqub’* and *‘Iddir’*) as Ethiopian women do. He is single as yet so don’t have much role in saving groups.

He said that he is saving money (up to 1100 USD every month) and put the money in the bank. He has bank account and credit card as well. He sends money (250-400 USD) to his mom every 3-4 months during holidays. She is using the money for house renovation and save some of the money for herself. He said his mom has got her own monthly income, but he is sending her money because that gives him more peace of mind. His mom is regularly supporting adopted children and she is also using the money for those children. However, his mom back in Ethiopia is part of both *‘Iqqub’* and *‘Iddir’* as it is part of a social domain and part of platform for networking and share their experiences to other members of saving group members.

He knows a couple of Ethiopian owned restaurants in Minnesota because he went to those restaurants sometimes to get a service. But he said he is not close to restaurant owners so could not say much about them on how they started these businesses. He doesn’t have businesses of his own so far, but he does have plan to open business (plan to buy taxi) in Minneapolis so that can render Uber taxi service as part time job.

Even though he is not part of immigrant saving groups in USA, when he was in Ethiopia, he knew how saving groups work. So, when he is doing comparative analysis of saving groups with banks, he said both of them have got its own advantage and disadvantages. Advantage of saving groups - *‘Iqqub’* is encourage members to save more money once members are committed to it. *‘Iqqub’* members receive money in lump sum that helps them to invest it in something meaningful. Besides that, saving groups foster more social cohesion among members and can be used as a platform to discuss variety of issues. That is part of building social capital. The only cons of *‘Iqqub’* is that the foundation of pulling its members is based on mutual trust so most of the time there is less legal backing. So in uncertain situation when a member is found to be defaulted from paying his/her share especially after receiving his turn of collected money, it might take lengthy time to make the person pay the money back to other members of the group that he owed to. Whereas when a person is using formal bank, there is no risk for the money he put in the bank. On the other hand, in most cases interest rate of bank for the money that he put is very small that does not encourage people to save money in the bank.

He believes that he has contributed to America’s economy as he is paying taxes and rendering postal service by working for USPS. When he explains what immigrants could share to non-immigrants; he said immigrants are willing to work in any type of jobs and are filling the gap where non-immigrants are not willing to work on. Immigrants also comes with sets of skills and apply it in USA; for example, they introduced Ethiopian traditional food to American public, immigrant saving groups and other support systems that is serving as a cushion in times of unfortunate situations happen among Ethiopian community. So, Ethiopians feel more safer when they live near to their communities that is why we see good number of Ethiopians around DC, Maryland and Virginia.

***4th Interview with Mr Yohannes***

Yohannes came to USA in May 2016 with an immigrant visa. He came to USA by himself even though he is married and have 2 children and his family are still living in Ethiopia. When he came to America his friend supported him by hosting him in his place for 3 months. Yohannes is a deaf man and I was able to interview him with support of his friend with sign language. So Yohannes has many Ethiopian American friends here in the USA. He is not part of immigrant saving groups in America. But he saves money in the bank, he is saving up to 2300 USD every month as he is planning to open business (guest house) in Ethiopia.

Being as a deaf when he first come to USA, he got a job at deaf rehabilitation center in Boston assuming a position of community officer. He is licensed community service provider. His main role is to give prescribed drugs to mentally retarded deaf people. His hosted friend helped him to get a job at rehabilitation center. He is so much connected to deaf community in Boston and Cambridge. Besides that, Uber taxi work makes him to get connected to a variety of people.

Since from the past 18 months he bought a good car with 25,000 USD and driving Uber taxi on his part time and daily he is getting from 200-500 USD/day from Uber. But he is still working on rehabilitation center full time. So, he is taking Uber taxi service as his business in America to supplement his income. He also knows some Ethiopian Americans that own restaurant, pub and Uber taxi businesses in Boston.

When he speaks about remittance, he sends money (500 USD/month) to his wife and children and also sending up to 400 USD to his brothers every three months. They are using the money to pay for house rent, buying food items, paying medical bills and school fees for his children. His wife is member of saving groups in Ethiopia, so she makes monthly contribution (she pays 50 USD for *‘Iqqub’* and very small money for *‘Iddir’*). He also thinks that his remittance money is also helping Ethiopian government in getting foreign exchange.

He contributed to America’s public by rendering service to disabled people in rehabilitation center and transportation service to wider public. He also pays tax for the government; he meets his responsibility. He also benefited by coming to USA in a way that now he is having good and reliable income that makes him to support his family that are living in Ethiopia. In the future he has a plan to bring his wife and children to USA for them to have better future for the kids.

In the short term he doesn’t have plan to get back to Ethiopia but in the long run he will get back and it all depends on all his dreams comes true in a way of setting his own business (build a guest house in Addis Ababa). And after he make sure that his business starts to generate income. But so far, he doesn’t start investing money in Ethiopia, he is rather saving money to set the foundation for his business (to buy land in Addis Ababa).

Obviously, he has bank account and credit card as well. When he explained how his life have been improved in USA, he said that back in Ethiopia his income was very small that is hardly enough to cover all his and family expenses and luckily, he got diversity visa lottery and came to USA in 2016. Since then he is working two jobs and he is working up to 16 hours a day and is getting good income. So, he can easily cover his expenses in USA and support his family back at home regularly. Moreover, he is also saving good money (about 2300 USD/month) so that he will set up his own business in Ethiopia. That means he is planning to create wealth and that will generate income. He has got a big dream for the future. He said he is more stable and sees better future for his family.

**5th Interview with Mrs Meaza**

Meaza came to USA in October 2007 with an immigrant visa. She came to USA alone. When she came to USA her mom covered her flight expenses and she landed in Atlanta to her Auntie’s house. She stayed with her Auntie’s house for 13 months, but she couldn’t find a job in Georgia then she moved to Maryland to her friend’s house. Then she took short courses on nursing assistance. Since then she started working as a nursing assistance and after stayed 6 months to her friend’s house, she rented her house and live by herself. She brought her husband in July 2014 and since then she gave birth to two kids. The reason why she wanted to come to USA is aspiring to have better income and future for her family. Meaza has got Ethiopian American friends Maryland, Virginia and DC.

There are immigrant saving groups - *‘Iqqub’* in Maryland and she is part of that group. She is saving 300 USD/month and there are 8 members and each of them are contributing same amount. The group doesn’t have a name specific to it, as she said they call it *‘Iqqub’*. This saving group works in a way that all members of the group come together and agree on frequency and amount of payment. So, every member signed an agreement form and it is been clearly mentioned on the form that each member of the group is obliged to pay 300 USD every month. And each member of the group will know when he/she is expecting to receive 2400 USD, then they will plan a head on what do with the money and how they can persistently continue saving 300 USD for eight months. Then they will start saving on first date of the month. That is how they started running *‘Iqqub’*. She wanted to join *‘Iqqub’* for the reason that she will discipline herself in saving money persistently and also it has cerate platform to meet her friends regularly. She said so far, she didn’t see any risks with *‘Iqqub’*. All group members are Ethiopian American women and most of them are married women and attend in same churches. Some of them are women where she is working together as nurse assistants. She is still part of this saving group for the past 3 years.

She found a nurse assistance training and jobs with the support and guidance of her friend that she hosted her because she was also doing same job. She works full time as a nurse assistant. Her husband is working on Uber that is how they support their two children. She doesn’t have plan to open business currently her main focus now is to raise kids and continue working as nurse assistance, but her husband is running own business (Uber). Yes, she knows some Ethiopians Americans running mini markets in Maryland but what she heard from friends is that these individuals receive loans from banks and opened small stores by specializing in Ethiopian food items.

Regarding remittances, she sends 150-200 USD every 4 months to her mom. And her mom is using that money to pay for medical bills, and other social services (including *‘Iqqub’* and *‘Iddir’*). Her mom is on process of getting her immigrant visa as well, so she is using the money to pay for DNA testing and other expenses related to her process at USA Embassy. Meaza doesn’t want to return to Ethiopia even in the future because she believes that staying here makes her feel safer and will be good for her kids as well. She neither have a plan to set up and invest in Ethiopia.

Meaza have bank account and credit card. When she narrates the benefit of using Bank, she said that having good credit history builds your credit score so she can lend money from the bank. She is using *‘Iqqub’* money to repay her car loan and in the future she and her husband wants to buy a house through mortgage so it can cover for initial payment for the mortgage.

She thinks that coming to America is such a blessing for her and other Ethiopians because it opens up better opportunity for better paying jobs and she is leading quality life in USA (in terms of housing, education, medication) that she didn’t had in Ethiopia.

**6th Interview with Mr Henok**

Henok came to USA in November 2005 with a student visa and he got a scholarship that cover his expenses. He came to USA by himself and stayed with his cousin for a month in Silver Spring. After he finished his study he remained here. He is a registered nurse, so he is working in one hospital in Silver Spring. He knows that there are immigrant saving groups in his hometown, but he is not part of any of them. He said, “in Ethiopian culture it is mostly women which are interested to be part of saving groups like “Iqqub” and “Iddir” even back at home and I think the reason is that Ethiopian women are more active socially with neighbors than men. In rare instances Ethiopian American men can be part of saving groups mainly in office with other colleagues. Here in America we are working with few Ethiopians in same offices and men are not inclined to set up immigrant saving groups in offices that we work on”.

He studied nursing at University of Maryland and started working in one clinic. While he was working as a nurse, he upgrades himself to registered nurse and currently he is working in one hospital full time. Henok is having one job and he doesn’t do other jobs to supplement his income because he is satisfied with his level of income to make a living (around 95 K per annum). He recently bought a house with mortgage. He is not married and don’t have children. Henok doesn’t have business as yet but his plan for the future is to buy two good cars to be used for Uber taxi service by hiring drivers. He also has a plan to buy a good house in Addis Ababa and rent it to get reliable income for his retirement.

Henok knows restaurant businesses owned and run by Ethiopian Americans in Maryland but he doesn’t know the details how they started those businesses and how they got initial capital kick start.

When Henok speaks of remittances he regularly sends money (300 USD/month) to his mom that is living back at home. He also bought a house for his mom 5 years ago. As he explained his mom is sick woman, so she is using the money to pay for medical bills, buying food items and also for other social activities (that includes *‘Iddir’* and *‘Iqqub’*). Even though Henok is not so much involved in ‘Iqqub’ and ‘Iddir’, he supports other Ethiopian Americans when they are in trouble (got sick and part of their family got died here). This is not a regular saving group but rather it is occasional support system that has been ingrained among Ethiopian community living in America. He thinks his remittance is helping his family (mom and his siblings) back at home and Ethiopian government may also benefit from foreign currency earning from remittance. He doesn’t have plan to return to Ethiopia after his retirement because he thinks that he is living good in America, but he wants to regularly go to Ethiopia and stay for a while and get back here.

Henok has bank account and credit card. He is of the opinion that using formal Banks make him to be connected to American system and he is building up credit score so whenever he wants to lend money, he can easily get money and use it for anything he wants to invest it on. In the future he wants to buy two Uber taxi’s and make those as a side business to boost up his income and probably can also be used as supplemental retirement plan. On the other hand, he sees immigrant saving groups involve risks of loosing the money if one or some of the members remain to be defaulters and most of these groups are informal, so it doesn’t have legal ground. That is why he doesn’t want to be part of this group and he is opted to use formal banking system to save money. Henok firmly believed that his life has changed by being here because he got good paying job in America unlike the case of Ethiopia where most of graduate students don’t have job and youths are very desperate from time to time. As He said “if I was in Ethiopia, I would be one of those educated but unemployed youth. But by being in America he is now able to support his mom and himself and having better future that is why most of Ethiopian’s wants to migrate to USA”.

He also said that he is contributing to prosperity of America by rendering medical service to American public and paying taxes for the government. So, the benefit is mutual as he is also benefiting from America and given an opportunity to upgrade his professional carrier and get decent income.

**7th Interview with Mr Getachew**

Getachew came to USA in September 2012 with a short visit and lived with his niece house in Maryland for 3 months. Before he came to USA, he was a chef at Hilton Hotel in Addis Ababa and Hilton hotel send him for a meeting to DC and he stayed here. He is married and have three children but when he first came here, he came to USA alone. After he arrived at USA he started working as pizza delivery person and he met with some friends that he uses to work at Hilton Addis Ababa. After 3 months he moved to Arlington, Virginia and he started working at Capital Hilton Hotel in Washington DC as a full time Chef. He also works part time as waiter in same hotel to supplement his income. After two years he managed to bring his wife and his three children to USA. He has some Ethiopian friends that came to USA and settled long time ago, so he didn’t have a problem in getting friends.

Getachew and his wife are part of *‘Iqqub’* in Virginia, they save 1800 USD/month. He has been to this *‘Iqqub’* groups for the past 18 months. His wife is working in one store. This saving group *(‘Iqqub’*) has 9 slots. The saving group works by identifying potential trusted members that have reliable job and permanent address. Members normally have something in common; either they meet up regularly in church services and/or they work together or are neighbors, so they know each other well. This is the foundation for members in building trust and decide to continue with saving. Then they nominate a leader that will be responsible to collecting money from members monthly and give collected money to the person on his/her turn. Money will be collected on specific date of the month and in Getachew’s case he gives 1800 USD on 15th of every month. He wanted to join the saving group as it disciplines him to save money regularly but if he puts same money to the bank, he may use it any time. So, *‘Iqqub’* is basically obligatory saving and is good to discipline a person to save more. The only risk associated with *‘Iqqub’* is that some members couldn’t be able to save money after they started it. In that case it gives more job for *‘Iqqub’* leader because he/she will be chasing up defaulters and push them to pay. It gets even more complicated if the defaulter has already taken collected money at first and defaults later because the person has to return the money back. He and his wife are using ‘*Iqqub*’ money to pay for mortgage.

Getachew is working two jobs as chef and waiter in Capital Hilton currently but in the future, he has a plan to buy two Uber taxi as a side business. He said that is an easy thing to start as a business if one has seed money to buy good cars and driver. As a chef he is also thinking to open a restaurant in the future but there is lengthy process in getting license, difficult to get good place to work and it requires higher initial investment. He knows some Ethiopian diasporas that own restaurant business in USA/Virginia. They started those businesses by lending money from Banks to start and most of the time those people who are running restaurants knows how to run restaurants with very good customer handling and nicer service.

When he speaks about remittance, he sends 400 USD every 3 months to his old and sick mom and his siblings and they use the money mainly to cover medical bills and school fees for his nieces and nephews. His family back in Ethiopia don’t have any business. But he has two rented houses in Addis, so he takes it as business because it generates more income. He normally goes to Ethiopia every two years, but he is not sure to spend his retirement time in Ethiopia.

Getachew do have bank account and credit card. When he explained how his life has changed after coming to USA, he now has good income and his children will have better future. He also admits that life in USA is challenging but if one works hard, he/she can have decent and better life as he is now. Besides he also thinks that there are more opportunities in USA because one can get loan to startup businesses, but the business idea needs to be feasible.

**8th Interview with Ms Tiginesh**

Tiginesh came to USA in August 2018 with a student visa to pursue her master’s degree at Brandeis University. Brandeis University covered her tuition fee through Heller school scholarship program, and she covered the remaining costs that is required for her stay in USA (living cost, insurance, her flight). Tiginesh came to USA by herself. Initially she stayed with an Ethiopian friend who is also studying at the Heller school, and then she rented her own space. She finds friends coming from different countries in campus, so she didn’t had problem in getting to know new people because campus environment created a good platform as every student gathered in campus.

Tiginesh is a student and she doesn’t know much about immigrant saving groups in USA. She knows that saving groups like *‘Iqqub’* and *‘Iddir’* are functioning well in Ethiopia where most of Ethiopians are part of saving groups. She also knows how saving groups works back at home though she was not part of it. She added that saving groups in Ethiopia encourages Ethiopians to save more money as once a person is committed to it (be part of *‘Iqqub’*) then he/she has to finish it till the round ends. When she elaborates “’*Iqqub’* is sort of obligatory saving and at the end members of saving groups will have good money that they can use it for bigger investments. But if a person save money in the bank, he/she will not be that disciplined to continue saving especially when they need money most of them tend to go to bank and take it out. And if one continues like this, he/she will not be saving money at the end.” In Ethiopia most people coming from different walks of life (merchants, civil servants, business owners etc) get members of saving groups for the mentioned reasons. She thinks that especially merchants and business owners in Ethiopia are using *‘Iqqub’* as their major saving scheme for the reason that once they get lump sum of money, they use that money to expand or diversity their businesses.

When Tiginesh described about jobs, she was working on campus in Heller school on part-time during academic year. That was her first job in USA. Currently she is doing internship at UNDP, which is an opportunity she found through the Heller school. She applied on Brandeis student job portal and she competed and got a job, so no one helped her to get a job. She got it with her own effort. That was her only job she was working. Tiginesh doesn’t have plan to open business at least in the short run. Her plan is to get decent job in USA after graduation and settle here. She doesn’t know Ethiopian diaspora owned businesses in USA.

When she speaks about remittances, she is not sending money to her families back at home because she is a student, so she doesn’t have enough money to support her family. Hopefully in the future when she gets good professional job, she will send money to her mom that lives in Addis Ababa.

Tiginesh does have bank account and credit card as well. Well immigrants have contributed to the American economy in several ways; by contributing their knowledge, labor and cultural values which brings adds diversity to the USA. Moreover, when immigrants send money to their families in Ethiopia that supports families financially and boost up foreign currency reserve for Ethiopian government as well. So, having immigrants in the USA is benefiting hosting nation (USA) by having more skilled labor from all over the world that brings more innovation that in turn uplifts American socio-economy at large. Immigrants brings diversity of ideas, knowledge and experiences that could help enrich and contribute to the prosperity of the country that is how America was built on diversity and synergy of people.

**9th interview with Mrs Selam**

Selam1 came to USA in 2003 with a tourist visa and stayed with one of her aunties that live in Chicago then she stayed here. Before she came to USA, she was on scholarship doing her masters in Belgium. As she said she was paid stipend in Belgium to cover living expenses. She came direct from Belgium to USA, so she didn’t have a problem to cover her expenses to come to USA. So Selam1 came to America by herself. Since then she is living in USA.

Yes, there are immigrant saving groups (*‘Iqqub’*) in Chicago and they simply call it *‘Iqqub’*, there is no other name given to it. There are 10 slots each slot has a value of 1500 USD, so the total amount of money each person is covering a slot will receive 15,000 USD. There are 14 members in their *‘Iqqub’*; of these 6 persons pay full slot that is 1500 USD/person/month and 8 members pay half of a slot (750 USD/person/month). Frequency of payment is once in a month. This *‘Iqqub’* group works by identifying and gathering all likeminded and very close friends that live close to each other. All of the members are Ethiopian descents (Ethiopian Americans). Then they nominate one person to serve as a leader that can take a responsibility of gathering all members once in a month to collect money. When they meet up, they also discuss about social life and problems if there is. So, they are close friends and share their experiences and problems. *‘Iqqub’* is also seen as a platform for get together and build up their social bondage. When a problem happens on their member, they will be the one that come to the person to solve his/her problem in any way possible.

Selam1 wanted to join *‘Iqqub’* group for the reason that she is not good at saving money having worked for so many years (16 years) she doesn’t have much, so she decided to join the group so that she started to discipline herself in saving money. She has got a plan to buy a house with mortgage and she needs money to pay for down payment. She started *‘Iqqub’* in June 2018. She said the only risk associated with *‘Iqqub’* is that if some members could not pay their share in cases of financial burden that may disrupt their plan. So, making the defaulter to repay the money he took will take some time. Because the group is built on trust and they haven’t experience it so far. The main criteria in joining *‘Iqqub’* group is that members should know each other and have trust on one another because they are taking risks by joining informal groups. However, the benefit outweighs its risks.

Selam1 is an economist and she work in one small company. When she first arrived at USA she works as a cashier for one store part time and her auntie helped her to get this job. Currently she only works one job. Selam1 doesn’t have business yet but in the future, she is planning to work as a consultant/adviser for part- time on top of the job she is having now. That will supplement her income. Yes, she knows Ethiopian diasporas owning restaurant business in Chicago, but she doesn’t know how they started those businesses.

When she talks about remittance, she sends money (300 USD) to her parents every month that are living in Ethiopia. And they use the money to cover for medical bills, buying food and used for other social activities including *‘Iqqub’* and *‘Iddir’*. Her parents do have a taxi in Addis Ababa, and she was the one who bought them in 2014, so they get daily income from the taxi. Selam1 didn’t marry yet and her short-term plan is to get married and buy a house in USA. She normally goes to Ethiopia every 2-3 years to visit her parents, but she doesn’t have plan to return back to Ethiopia and live there when she retires. Her investment that she made in Ethiopia so far is buying a taxi for her parents so that they do have reliable income and trying to make them financially independent.

Selam1 do have bank account and credit card with Bank of America. She said using banks do have advantage in a way that it helps her to get easily assimilated to American system because every transaction in this country is done using credit/debit card. In doing so she is building credit score so she will be qualified to get a loan when she wants to buy a house. She can easily get credit. *‘Iqqub’* doesn’t give her that type of benefit as it is informal financial service so it doesn’t have any legal backing. She thinks by living in America her life has changed in a way that she is got professional job and earn good. Now she is able to support her family. Had she been in Ethiopia she could not be doing this because level of income in Ethiopia is lower and life is expensive. Besides as a young professional person it is really difficult to buy a house and even car in Ethiopia because it is very expensive and civil servants can’t afford them. But in America there is credit scheme that make citizens to own assets. Moreover, quality of life that Ethiopian American are leading in this country is much better than in Ethiopia. She thinks that she is contributing to American economy by paying taxes and also invest her knowledge and skills.

**10th Interview with Mr Yonas**

Yonas came to USA in 2011 with an immigrant visa and started living with his wife. He lives in Seattle, Washington state. When he came to USA his wife supported him financially by buying flight ticket. The reason he wanted to come to USA is to live with his wife as she lives here and also to lead better life. He said there are many Ethiopian Americans living in Seattle, so wherever Ethiopians are living together there is immigrant saving groups mainly *‘Iqqub’*. So, there is *‘Iqqub’* in Seattle and he is part of it. Every month he saves 1000 USD/month. There are 10 members in the *‘Iqqub’* and each contribute same amount of money (1000 USD/month). This *‘Iqqub’* was established 4 years ago but he joined the groups 3 years ago. This *‘Iqqub’* groups was established among Christians that attended in same church, so they know each other very well. They frequently meet up every week during Sunday service. So, they are very close and built good level of trust among themselves. When they start new round of *‘Iqqub’*, they first elect a leader that is responsible in organizing members once in a month and collect money. Then the leader gives collected money to the person for his turn. For example, if person that receive first collected money is expected /should pay 1000 USD/month for the remaining 9 months and it is a must. Because he can’t get away after taking 10,000 USD at the first round. All members of the groups clearly know their responsibility when they first decided to join the group to avoid defaults as it affects other members as well. If a person defaults it will erode level of trust on that person and he will be made to pay back the money he took. He said luckily, they didn’t encounter this type of situation that is why the group sustained for the past four years.

Yonas is working on his own Uber taxi full time and his wife bought the taxi for him. Before he started working on Uber she was working in a store. His wife played major role in getting store job for him. Currently he is working only on Uber and he doesn’t do other job to supplement his income because he is working on Uber 12-14 hours/daily and he is earning good money (from 300-500 USD/day) from it, so he thinks there is no point to work for other job. He takes Uber taxi service as business and that is enough to cover his family living expenses and save money from it too. In the future he plans to buy 2-3 Uber taxi’s and expand his business.

He knows Ethiopian Americans that own Ethiopian restaurants and Uber taxi’s, but he doesn’t know how they started those businesses. He said most of Business owners are not open to share their experiences for other Ethiopian fellows. But he assumes that they may have received substantial amount of loan to open their business because initial cost of investment for restaurant business is higher.

Yonas send money to his family back in Ethiopia occasionally (3-5 months) and other poor people that he knows in Ethiopia. He also said he renovated two old houses for two very old and sick women (he sends 500 USD/women) because they don’t have any other support and he knows them and feel sympathy for them. So that can be taken as social/humanitarian support and he is doing that on his own will. So, the money that he makes in America helped him to lead better and decent life and also reached out to other poor people in Ethiopia. Yonas also occasionally support a church in Ethiopia by sending some money (400 USD) where he used worship at. He doesn’t have business in Ethiopia. When he retires, he wants to get back to Ethiopia with his wife and live there for the rest of his life.

Yonas has bank account and credit card as well. The advantage of formal banks is it makes transactions easier in USA because all payments here are done using credit/debit cards. He also saves some money in the bank as it is safer to put money there. So, when he wants to lend money, he can easily get credit. But for *‘Iqqub’* one would get what he already saved and there is no interest associated for the money he saves. Banks do have interest but at very minimal rate. He said “*’Iqqub’* is good for a person that could not save money in formal sector (he means not disciplined person), but if a person is determined to save money he can save it in Banks too and I don’t have problem for saving. The only reason for me joining *‘Iqqub’* is to get more social cohesion with his friends because when they meet up at *‘Iqqub’* place every month they also discuss other social issues”.

He thinks that he contributed for improved service sector (transportation sector) in Seattle and also pays tax for the government. So, he is doing in a more responsible manner and the benefit is mutual.

**11th Interview with Mrs Rahel**

Rahel came to USA in November 2002 with an immigrant visa. She came to USA with her younger brother but once she arrived in Washington DC, her dad hosted her, and they immediately went to Denver Colorado because that was the place her dad is living. She stayed two years in her dad’s place. When she came to USA, her dad supported her financially and guiding her how to get a job in Denver. What brought her to USA was by aspiring to have better future in USA.

Rahel said that there are many Ethiopians living in Denver and whenever Ethiopians are there one can find immigrant saving groups (‘Iqqub’ and ‘Iddir’) because it is culturally very well known among Ethiopians as social support system and have been adopted for decades back at home. Ethiopians also introduce these groups to USA. So, there is ‘Iqqub’ groups in Denver where she is part off for the past 5 years (since 2014). They started ‘Iqqub’ group with 15 members and all of them are very close friends that they often meet in church and live in same area. So, they build trust and know each other very well. When they start this saving group in 2014, each of the member were saving 600 USD/month and now it has reached to 1000 USD, but over time the members have reduced to 12. Three of saving group (‘Iqqub’) members moved out to another city so they couldn’t continue.

The saving group was started by identifying reliable friends that have consistence income. All members are willing to be part of the ‘Iqqub’ group and are committed to be abided by the rules set out by ‘Iqqub’ group. Members also agree on date of money collection and nominate ‘Iqqub’ leader. Most of the time, the first month collected money will be taken by leader that will be an incentive for the leader making him/her willing to take on responsibility and role as being a leader. For the remaining months, members will receive collected money on their turn. Members joined ‘Iqqub’ groups as it benefits them by encouraging and discipline them to save more money because once a person is committed to be part of ‘Iqqub’ group then he/she has to save agreed amount of money every month. All of the members do have saving in banks too as it makes formal transaction easier and also to build up their credit score. So, they save money as a side saving. Besides that, she got encouraged to be part of ‘Iqqub’ group so as to meet with her close friends very often when members come to save money. So, it makes her to build social capital.

She got a job with the help of her dad and her first job was to work in a store. She studied marketing management and upgrade herself and now she is working in one company as public relations officer full time. She is working in one job and spend more time with her family and friends. She got married and have two children, so she only works one jobs and spend much of her time with her family. Rahel doesn’t have business neither in USA nor in Ethiopia. And she is not sure of having one in the future too.

But she knows some businesses (restaurants and Uber) owned by Ethiopian Americans but she doesn’t know how they started those businesses. She assumed they may have taken some money from Bank (lend money) and start businesses. Unlike many Ethiopians, Rahel doesn’t send money to Ethiopia and when she explains most of her close relatives are living in USA, so there is no point to send money back at home. She doesn’t have plan to get back to Ethiopia for her retirement, she feels safe and good living here. Her husband is not Ethiopian descent, so she doesn’t see any reason that make her go back to Ethiopia and live there.

Rahel do have bank account and credit card. She underlined that her life has changed a lot by coming here when she came here, she had to work in menial jobs for long hours, but she could only made small money. She continued living like that for almost two years then she decided to join college and upgrade herself so that she will have better future and she made it. That decision made a big change in her life. So, USA made her to make this decision and her life has changed since then. She also thinks that she definitely is contributing to USA economy by paying tax and serving American public with her profession.

**12 Interview with Mrs Hiwot**

Hiwot came to USA in July 2004 with an immigrant visa after she got diversity visa lottery. When she came here her cousins supported her financially and she first arrived at Los Angeles and stayed in one of her cousin’s house for four years until she settled herself. She came alone to USA. Hiwot joined community college four weeks after her arrival so that she would get basic trainings. Her first job in USA was working in parking lot and she also worked as a cashier on one store. So, she met friends at college and at her workplaces. Her cousins lived in USA for more than two decades and do have many friends, now her sibling friends are also her friends.

Hiwot decided to come to USA aspiring to have better opportunity and more bright future that she didn’t get that opportunity back at home. Before she came here, she had good information how things are working out in USA and how one can lead better life. So, she knew that if a person gets educated and have technical expertise, then is a higher possibility of getting professional job and with level of income. After she finished college study, she studied radiology technology and got associate degree by now she is certified radiology technologies working full time and make good income. Hiwot got married and have two sons and bought a house as well. She said she fulfilled her dream and accomplished. Hiwot doesn’t have business for now but in the future, she is planning to buy an apartment for rent.

When she talks about saving groups, she said that there are many Ethiopians living in Los Angeles and there are immigrant saving groups where Ethiopian Americans take part in. She is part of Pasadena sister’s association where members meet up around church events at Virgin Mary Orthodox church. This association do also have saving activities like ‘Iqqub’, In the association they meet up every Sunday morning at church and discuss about social issues and every month they save some money for ‘Iqqub’. This association started in 2005 with saving of 500 USD/person/month and later on they raised the money to 1000 USD/person/month. In their ‘Iqqub’ there are 13 members. When we see profile of the members, they are very close friends to be part of the association and ‘Iqqub’ where they have more trust among themselves because they are saving money that doesn’t have legal ground. She also said that the association do also have other benefit by supporting members when they encounter any type of social and economic problem. She cited one example; one of ‘Iqqub’ member lost her young son three years ago, so the remaining members support a lady with problem emotionally, socially and financially by standing by her side for 3-4 weeks. They contributed money for funeral service and remain by her side for more than three weeks until she gets back to normal life.

Saving group works by organizing trusted and committed members willing to be part of Pasadena sisters association and ‘Iqqub’ group. Members should also have common value system in building social cohesion among themselves. As Hiwot said the association doesn’t have plan to include more members for the reason that the smaller the group is they become more attached and stronger. In this interview association and ‘Iqqub’ are being used interchangeably because ‘Iqqub’ is a subset of Pasadena sister’s association. Then they nominate leader that will be in charge of collecting ‘Iqqub’ money and chair meetings at church. Then members receive collected money on their turns.

Hiwot explain benefits of being a member of Pasadena sisters association and ‘Iqqub’ is that when she is talks with her friends in ‘Iqqub’ she feels more relaxed and doesn’t feel lonely because she considers then as close sisters. All of ‘Iqqub’ members are Ethiopian descents. Most of ‘Iqqub’ members do have children and she have two sons, so when children meet, they talk about Ethiopian culture that they learn from their parents. As it has been said above at time of problem, all ‘Iqqub’ members stand by the women and all that strengthen social bondage.

Hiwot is sending money to her mom (250-350 USD/month) and one of her sick brother’s every month that are living in Ethiopia. Her families use the money to cover for living cost, medical bills and other social activities. Two years ago, when her brother was sick of kidney failure, she uses to send more money (she sends up to 3000 USD at once) for dialysis and to cover the cost for kidney transplant. She also said she is supporting Mexican immigrants stranded at USA boarder by collecting money and clothing from ‘Iqqub’ members.

She has bank account and credit card and that make transactions easier in America. She also added that her life has changed in USA because she builds family here and have assets and good and reliable income. She is also in a position to help her parents back at home and other destitute people in America.

**13th Interview with Mr Anbess**

Anbess came to USA in April 2012 with immigrant visa. His younger sister supported him financially when he came here. He also stayed to her place in Seattle, Washington. The reason he decided to come here is that to have better life in USA. Because back at home he was working as a driver for Spanish company, but the level of income was hardly enough to cover for basic need. He started working as Uber taxi driver and now he is driving big trucks that runs long distances full time and part time too and he is paid good. Three years after his arrival (in 2015), he bought two houses one for the family and the second one to be used as day care by hiring people. He already set up business in USA and that is doing well.

In Seattle there are many Ethiopians living there, so he meets most of his friends with the support of his sister because she lived more than 13 years in America, and she knows many people. He is part of ‘Iqqub’ group in Seattle and the group consists of 15 members. He is saving 2200 USD/month. He joined ‘Iqqub’ group in 2016. All of ‘Iqqub’ members are Ethiopian Americans that live in same county and village, so they know each other very well. When he discusses why he wanted to join ‘Iqqub’, he said that it is the most efficient support system (he calls it social safety net for Ethiopian descents) at the time of unfortunate situation happen. He gives his own example, in 2015 his mom came to USA with a tourist visa and stayed here because she had very chronic diabetes that cause kidney failure. For her being in America she started receiving treatment for prolonged period (more than a year) and in 2017 she passed away in his house. So, he had to take her body to Ethiopia, and he needed more than 10,000 USD and luckily enough, he was part of ‘Iqqub’, he was able to get the money from ‘Iqqub’ resolve the problem. Had it not been the case, it would have been difficult to get all that money all at once. He said this is one of benefit of ‘Iqqub’ and other benefit is that it makes him to discipline himself to save more money. Because once he is committed to ‘Iqqub’ he knows that he has to save 2200 USD no matter what. He added that ‘Iqqub’ makes him to have string bondage with members and that is how he built social capital in USA where everyone is busy enough and don’t have time for social life in a more meaningful way.

The risks associated with informal groups like ‘Iqqub’ is that some of the members could not be able to save money when they face some financial problem. He said if the person is trusted other members will agree to skip one month and make him/her pay two months saving the following month. That will still be a burden for the person, but it helps by giving more time. But he said the benefit outweighs the risk that is why ‘Iqqub’ members stick to it for years.

Anbess knows other Ethiopian diasporas that own business in USA and in Ethiopia and to start up their business most of them lend money from Bank with long term repayment. He also receives loan to buy the two houses. Anbess send money (500 USD) every two months to his retired dad that is living in Ethiopia. The money he is sending is used to renovate his dads house and bought a car for his own use. His family has a shop and grain mills for public use and from that they get good income. So, the remittance money has been used for maintenance of assets (house) mainly and saved to be used for the future. He is also financing his dad, mom and sister to go for vacation to Caribbean (Bahamas and Florida) two times a year. Anbess do have bank account and credit card obviously. So, apparently his life has changed way more than his life in Ethiopia, now he is considered as a pillar for the family especially in regard to financial sustainability and creating assets.

**14 Interview with Mrs Hiwot Belay**

Hiwot came to USA in January 2005 with an immigrant visa. When she came USA, her sister supported her financially and gave living space. She came to USA by herself. So, she stayed 17 months with her sister until she settled. She started working in a store part time and joined a Pima Medical Institute for undergraduate study and studied medical laboratory technician. Since then she started working in a health center in Las Vegas, Nevada. The reason why she came here is aspiring to have better professional carrier with decent life. She is currently working only one job and spend the rest of her time with family (husband and children).

Her sister connected her with friends and the workplace and college was a good platform in getting to know more friends. Hiwot is a Christian so most of her friends are attending same church as they often meet for prayer services. She started immigrant saving groups (‘Iqqub’) in 2015 with 9 church friends and each of them are saving 750 USD/person/month. As said ‘Iqqub’ members all some from church that regularly meet and very close to each other and all of them do have their own income even though they are married too. ‘Iqqub’ group is not only organized around money but the social activity and support system is highly important to support each other at times of problem. So, they often meet weekly in the church and discuss social topics. She said they also gathered around bible study every Saturday. They nominate a leader that will be in charge of setting agenda for discussion weekly and collect ‘Iqqub’ money from members and give it to the person on his turn. By doing so ‘Iqqub’ members are seen as family (sisters and brothers). These members are the ones who are actively engaged in ‘Iqqub’ year by year, so they are not accepting new members as they are cohesive enough. When she explains the benefit of being part of ‘Iqqub’, she said that now she is not feeling lonely and when she is stressed out with life or too much work she go to friends in ‘Iqqub’. Besides that, she has grown spiritually and feels that she has group of close friends that can stand by her side when she happens to be in problem.

Hiwot doesn’t have business either here in USA or in Ethiopia yet. There are Ethiopian Americans that own business in Las Vegas and as she said most of them are running restaurant business and Uber taxi’s, but she doesn’t know how they started those businesses. She assumes that they may have taken loans to start up business. Hiwot send money (350-400 USD) to her family back at home during Ethiopian holidays (3-4 times a year). Most of the time her families use the money to celebrate holidays and buy some clothes. She sends 300 USD to Ethiopian protestant church where she was attending in Ethiopia to contribute for church construction. She also sends 400 USD to support poor people in the church. She coordinated her friends in ‘Iqqub’ to do the same and raise additional 1800 USD and send the money back to same church so that identified poor people was organized to do small income generating schemes (open small businesses) to make them self-sufficient. So, the money was used to support poor church members and generate their own income.

Hiwot went to Ethiopia three times since she came here, but in the future, she is not sure of getting back to Ethiopia for her retirement. She has bank account and credit card as it is official financial system in USA and make transactions easier and also build her credit score. Hiwot thinks she is contributing to American prosperity socially and economically by serving American public with her profession and also pay taxes. So, she is happy with her life in America and when she compares what her life would have been if she stayed in Ethiopia she was working in Ethiopia/Addis Ababa but couldn’t support other people because her income was small.

**15th Interview with Mrs Lemlem**

Lemlem came to USA alone in 2011 with immigrant visa. When she came here her friend supported her financially and hosted Lemlem in her place. She stayed 7 months to her friend’s house in Virginia. Her friend guided her in getting restaurant job for Lemlem, she worked part time as a waiter in one of Ethiopian restaurant. She also worked in a store for 2 years.

Back in Ethiopia, Lemlem was serving in Orthodox church besides her normal job, so when she came to USA, she continued serving in one church in Virginia for Sunday morning services. There she met many Christian friends. Then eight of the church members including Lemlem organized immigrant saving group that is ‘Iqqub’ in 2016, since then they continued saving and each of the member are saving 800 USD/month/person for one slot. Like other ‘Iqqub’ group after members are organized, they nominate a leader that will have responsibility of collecting money from members and give it to a person on his/her turn. This ‘Iqqub’ group are visiting other Ethiopians that come to USA recently and didn’t have experience how to get job and invite them to come to church to support his/her spiritual life. The main reason she wanted to join the saving group is that her emotional, social and spiritual life will be stronger because living in USA is stressful and she needed close friends she can share her emotions and vent out problems. This makes her relieved from stress. In addition, having a couple of close friends are the people she can rely on at time of problems. Now she feels more secure by having them by her side and the money she is saving through ‘Iqqub’ is being used to invest it in something substantial. She is still part of ‘Iqqub’ group.

Lemlem found job through her friends support initially but once she joined church, she met her friends that were guided her in getting better job. She studied nursing and is currently working as a registered nurse in one clinic. Lemlem got married two years ago and have 1-year old son. So, her main focus now is taking raising her child and support her husband. So, she doesn’t have a plan to open business as yet and she doesn’t figure out what she can possibly do in the future when it comes to business.

Lemlem knows Ethiopian restaurants owned by Ethiopian Americans like restaurants, pubs, Uber taxi, Seven eleven. However, she doesn’t know how they started those businesses. Lemlem send money (250-300 USD) to her family occasionally 3-4 times a year and her families use the money to cover living expenses (buy food staff, paying for rent and medical bills and other social activities including ‘Iqqub’). In May 2017, she contributed 500 USD for construction of one church in rural area of Ethiopia. Lemlem is planning to open horticultural business in Ethiopia for the future so that she will have good income for her retirement. She also has bank account and credit card that is how her weekly salary is deposited to her account. Overall Lemlem thinks that by coming to USA she got opportunities to work and study and lead better life than she was living in Ethiopia. She is contributing to American prosperity by rendering her service, pay tax and is able to support other people in need. She also thinks that church is playing vital role in shaping young American community to be responsible and discipline such that they are very much connected and give helping hands for the poor and for needy. This rotates around financial, emotional and social needs and most of the time it has been overlooked. This is a place where friendship and networking are grounded in a more genuine way of that ‘Iqqub’ is part of the bigger picture.

**16th Interview with Mr Kassahun**

Kassahun came to USA in May 2012 for his daughter graduation. He came with his wife that lives in Seattle, Washington state and stayed in her place. He covered his expenses for himself and his wife. Though the main reason he came to united states is for his daughter’s graduation, however they (he and his wife) both stayed in USA for the reason that his wife was suffering from chronic diabetes and he suffered gout. So, his wife had been receiving treatment for more than 5 years but lately she passed away here in the USA. He is still living with his daughter in Seattle, he is on green card.

Kassahun is retired Ethiopian veteran from the former regime, so he has many friends that live in USA and still have strong connection with them. So, when he came here, he could easily meet with them. Kassahun is pension from the USA government and his children give him some money to him every month. He said there are immigrant saving groups (‘Iqqub’ and ‘Iddir’) in Seattle but he is not part of these groups. He saves money in banks, but he knows how ‘Iqqub’ and ‘Iddir’ works in America. He added that he actually had benefited from ‘Iddir’ when his wife died two years ago from diabetes complications. At that time his son and daughter who are citizens here are part of ‘Iddir’, they save money monthly. So, when their mother died, they were given 4000 USD from ‘Iddir’ and for the remaining 7000 USD the two children added to send their mother’s body to Ethiopia. As he explained about ‘Iddir’, his children are part of St Gabriel Ethiopian Orthodox church they contribute small money (20 USD/month) to ‘Iddir’.

Kassahun was working in parking for 17 months as a pert timer and his daughter helped him to get the job, but he quitted after that. He is not working now. So, parking was his only job in USA. His children are doing well, so they don’t want him to work. That means he is not planning to go other jobs, he just enjoyed life meeting his friends. He has a big store back in Ethiopia and a good house, so he rented both of them and get money. He considers that as a business. He doesn’t have plan to open business in America because what he has now is quite enough for him. He said yes there are Ethiopian diaspora who own business (restaurant and supermarket businesses) but he doesn’t know how they started those businesses. He assumes they may have taken big loan from banks to start those businesses.

Kassahun doesn’t send money to Ethiopia because all his immediate families and children are living in the USA. He often goes to Ethiopia every 18 months to see his house and store and visit his friends. He wants to live both in Ethiopia and USA as he feels like. He has bank account and credit card as well. That is the formal and safe way to save his money.

Kassahun thinks that immigrants (eg his children’s) life has changed a lot since they came to USA in a way that they upgraded their education and are having rewarding jobs in America. That is making his life much easier in the USA. He also feels that his children are contributing to America’s prosperity by paying tax and serving American public with their profession. He personally doesn’t contribute anything, but his children do.

**17th Interview with Mr Manaye**

Manaye came to USA in September 2009 with an immigrant visa. Manaye was veterinary doctor and after he came to United States, he studied human medicine and now he is a full-time physician working in a hospital in Georgia, Atlanta. He got married and have three children in USA. When he came here, he covered his expenses for his flight and related expenses in USA. He came here with a diversity visa and stayed with his sponsor/cousin for three months until he settled here. Manaye came here alone. His cousin helped him to meet with friends and got him a job at gas station. So, he started working in gas station full time and after 2 months he managed to get second job in a store. The he continued working in both places for two years.

Manaye said there are immigrant saving groups like ‘Iqqub’ and ‘Iddir’ in Georgia because there are many Ethiopians living same city. So, he joined ‘Iqqub’ group in 2012 and every month he was saving 1200 USD/month. The main reason for him to save money in ‘Iqqub’ is that he planned to continue his education. There are 12 members in ‘Iqqub’. Since then he continued ‘Iqqub’ group but now he and his wife saving 2500 USD/month. The ‘Iqqub’ group have got its own regulation and the main rules are every member of the group needs to save 2500 USD/month on 1st date of the month, members should have reliable income, and they should meet at least one time a month at Ethiopian Evangelical Church of Atlanta. As he said all members of the ‘Iqqub’ are attending same church that is a platform for them to know each other well and meet up there. So, every month every member of ‘Iqqub’ are giving to the leader and she give it to the person on his/her turn. He is talking highly about ‘Iqqub’ saying that it really made him to work hard to save more money on time. And the collected money he takes from ‘Iqqub’ is used for bigger investments that is more of life changing. The more he stayed in ‘Iqqub’, the stronger friendship he has with members in such busy schedule that he has in America. Had he not been in ‘Iqqub’ he will not have close friends.

Manaye is a physician working in a hospital in Georgia and he earns good money, so there is no need for him to do second job. His wife is also working and supporting. He only works in weekdays until 6 pm and the rest of the time he is spending with his family. He said there are some restaurants owned by Ethiopian diaspora in Georgia but doesn’t know owners of those restaurants. When he speaks of remittances, he is sending 350-400 USD/month to his family living in Ethiopia. He also sent 800 USD/year to a church in Ethiopia to support destitute children. And they are using it to pay for medical bills, buy for food staffs and to put aside as security money in times of hardship. Since he came to USA, he only went back to Ethiopia once in 2015. In the future when he retires, he wants to stay in America. He doesn’t have business neither in Ethiopia nor in United States so far.

He has bank account and credit card; this is a formal financial system to use because every transaction in America is online. He thinks that his life has changed for a better as he managed to study human medicine and get good paying job, and setup his family. Overall, he is living well and now he is supporting his family (mom and dad and siblings) and to some extent he is supporting poor children in Ethiopia. He also thinks that he is serving American public with his profession and he also pays tax.

**18th Interview with Mrs Tegitu**

Tegitu came to United States in December 2016 with an immigrant visa because her two daughters are citizens and living in Arlington, Virginia. Her daughters supported her financially when she came here by buying flight ticket and hosting her in America. She has some friends that live in same city and she often meet them.

There are immigrant saving groups (‘Iqqub’ and ‘Iddir’) in Arlington and she is a member of one ‘Iqqub’ group where all members coming from Ethiopian Orthodox Tewahido Church. She is working as a babysitter and earn some money from it. So, she saves 500 USD/month in ‘Iqqub’. There are 10 members in ‘Iqqub’ and the slot for one member is 1000 USD, but she can’t afford it so she hooks up with another person that save 500 usd/month. Saving group works by nominating a leader, agreeing among of money a slot can value and frequency of payment. She also said all members should come from Ethiopian Orthodox Tewahido Church and living in close proximity, so members know each other. The reason is that the more members know each other they build more trust that is the basis for them to continue with it.

Tegitu is not well educated, she completed high school in Ethiopia 30 years ago. So, the only job she could do comfortably here is babysitting. She is babysitting children full time as that is her only job. Tegitu doesn’t have business in United States, but she does have restaurant and pub in Ethiopia. She knows Ethiopian diasporas owning restaurants, Uber taxi and beauty salons in Virginia but she assumes that they may have received loan from banks or receives ‘Iqqub’ money to start up those businesses. She has a plan to do joint restaurant business in the future.

Tegitu is not sending money to other children that are still living in Ethiopia for the reason that they can live on her businesses that is operating for decades. She is planning to return back to Ethiopia after 4 years after she get her citizenship, so when she wanted, she can come back to United States and take a break here. Tegistu has bank account and credit card as it is the formal system where she can make transactions online. She said she doesn’t get these types of services from informal financial sector like ‘Iqqub’. She also thinks that her life hasn’t changed by coming to USA, but her children life has changed as they are graduates and working in a decent job and earn well too. Besides quality of life in USA is very good. She also thinks that she doesn’t contribute much in America, what she did so far is taking care of children since 2016.

**19th Interview with Mr Daniel**

Daniel came to USA in 2012 with an immigrant visa after he got diversity visa lottery. He covered his expenses when he came to USA and his friend hosted him in Silver Spring. He stayed in his friend’s house for 4 months until he got job and settled. His friend helped him to get full time job in a store and he was working as stoker. That was his first job in United States. In his part time he was also working as a waiter in one restaurant. Then he rented his own room and get out of his friend’s house after 4 months. He continued working those two jobs for two years then he got another job in a garage and is currently working as a mechanic.

There are informal saving groups in Silver Spring, and he joined ‘Iqqub’ group in 2015 and he is saving 1000 USD/month. He managed to join that ‘Iqqub’ group in *Salo Giorgis Ethiopian Orthodox Church* where all members of ‘Iqqub’ group are attending. There are 11 members in Daniel’s ‘Iqqub’ group. So, when they start new round of saving for a year, they nominate leader that is responsible for collecting money from members. Each member of the group recieves 11,000 USD/year. He decided to join this ‘Iqqub’ group as it is making him to save more money and discipline himself to limit his expenses because he knows that he has to save 1000 USD/month for ‘Iqqub’ after making other mandatory expenses for rent, food and other every month.

Daniel was able to get a job in America with the support of his friend where he stayed with, then he got to know the system well. He now has more friends they informed him the way to other better jobs. That is how he got this garage job in full time. Daniel send money (250 USD) to his family every 3-4 months for them to use it for Ethiopian holidays. He sent money (2200 USD) to his younger brother to pay for college once. This remittance money is helping his brother to upgrade himself so that he will have better future, because any investment on education is not waste of money it will reward him in the future.

He is not supporting much other community members in Ethiopia. Daniel doesn’t invest in business as yet with the level of his current income. In the future he is planning to have his own garage for the fact that he knows how to run that type of business. He is studying mechanical engineering so for that he is using ‘Iqqub’ money to cover for tuition fees. Daniels knows that there are many restaurants owned by Ethiopian diasporas in Silver Spring. When he answered how those people managed to open restaurant businesses, they may have taken loan from banks to start it. Daniel wants to return back to Ethiopia and want to engage in a garage business in the future. He has bank account and credit card that is how he made transactions and payments online. He thinks that immigrant’s life has improved a lot by coming to United States. When he cited his life, he said he now has quality life by having regular income and saves money and also supports his family. Had he been in Ethiopia, this will not happen because his income was hardly enough to support himself let alone to support his family.

**20th Interview with Mr Dagmawi**

Dagmawi came to United States in February 2017 with a visitor visa but after he arrived here, he signs up for asylum. He covered all his flight expenses when he came here. He is living in Silver Spring. When he arrived in Silver Spring, he stayed in his friend’s house for three months. After he got a job and he moved out and rented a room. His first job was working as a waiter in a restaurant and after 7 months, he started working as a store cashier as part timer (second job). Daniel came to USA alone, and after he came here his hosting friend helped him to get friends and jobs.

Daniel knows about immigrant saving groups like ‘Iqqub’ and ‘Iddir’ operating in Silver Spring, but he is not part of any of the saving groups. But he knows how ‘Iqqub’ groups are working in USA; identifying members that know each other well, amount of money per slot, frequency of saving (weekly, bimonthly and monthly) that depends on their income level and type of business they are doing. Most people doing business save weekly but majority of Ethiopians that are working professional and other jobs saves monthly. But for him he is not in a position to save money now, because his earning is small that is enough to cover his monthly expenses. He doesn’t have spare money. Hopefully when he gets better job, he will surely join one of ‘Iqqub’ groups in his area.

He said there are some Ethiopian restaurants in Silver Spring owned by Ethiopian diasporas, but he doesn’t know how they started these businesses. He assumed that they might have taken loan to start restaurant business.

Dagmawi is not sending money to his family that are living in Ethiopia, as he mentioned above, he doesn’t have spare money that he put aside. He has bank account and credit card too. When he speaks about change in his life after he came to USA, he said he had better life in Ethiopia and earning well because he was working in one international organization as an IT specialist. But now he is working menial jobs simply to survive and pay his bills, but in the future, he is aspiring to continue his education so that he will be doing professional job. That will make him to get good paying jobs. But so far, he is not enjoying his life in United States yet.

**­­­­­­­­­­­­­­Summary:** **My observation from the 20 interviews**

Most Ethiopians are longing to come to USA as they aspire better future for themselves and families because most Ethiopians do have entrepreneurial mentality and hard working as well. So, most Ethiopians come to America have succeeded in life. There is also high tendency of support system that serve as a social insurance through *‘Iqqub”* and *‘iddir’*. Besides that, especially newcomers don’t have health insurance and at the time of unfortunate situation (if Ethiopian fellow got sick), all other Ethiopians are asked to contribute money to cover for his/her medical expenses. One interviewer mentioned one Ethiopian singer came to USA some years back and he got seriously sick, but he doesn’t have health insurance. So, other Ethiopian Americans open go fund me account for him so that every Ethiopians could contribute money for him and now the money has reached 45,000 USD. That I know of in person. So, it is not only *‘Iqqub”* and *‘iddir’* that is traditional support system for Ethiopians in America, but also money contributions for health is also playing an important role in saving life.

The other observation that I see from the two interviews is that most Ethiopians don’t have any intention to remain in USA for the rest of their life. Because they are highly attached to their families back at home and consistently send money to their families back at home. And social cohesion with other Ethiopian American fellows is so strong as well and they feel that when newcomer arrive to any state of America, they have quick response in getting in contact with him/her and trying to guide the person to easily assimilate to the system. That is how they are securing jobs easily especially in big cities. The other observation I noticed is that they promote their culture wherever they go and most of them upgrade themselves for betterment of their life. That is why most Ethiopians assume better positions in America. So, overtime one can see visible positive changes in their life.

**Analysis by theme**

**Migration to USA:** most Ethiopians made it here often with an immigrant visa and others come to USA with a visitor visa and stayed in United States. The main reason for most Ethiopians’ remains in America is that they are leading better life compared to their life back at home. Most of Ethiopian Americans are supporting their families and siblings by regularly sending money to them. That is luring other Ethiopians that are still living in Ethiopia.

**Living condition:** from my interview, most Ethiopians come to USA alone and stay in houses of their relatives, families and friends for few months until they get to know the system and got a job. Their hosting families and friends help them to get a job and connect newcomers to other Ethiopian communities. In such a way the transitioning process will not be that difficult for them. Almost all of them secure low-level jobs at first and later on they get good paying jobs mainly after taking short courses and upgrade themselves in American education system.

**Saving groups:** the most common immigrant saving groups operating among Ethiopian American diaspora is ‘Iqqub’ and ‘Iddir’. Of the two ‘Iqqub’ is quite common as it is considered as mandatory saving scheme and they see it as a good platform to regularly meet with Ethiopian communities in United States. Once a person is committed to ‘Iqqub’, then that person has to pay agreed amount of money every month until the term ends. On his/her turn the person receives collected money that is mainly big money and use it for big investments mainly like, paying for university tuition fee, mortgage, buying new car etc. ‘Iqqub’ is also serving as a cushion or safety net when any unfortunate situation happens in their life, they can easily access money from ‘Iqqub’.

**Jobs:** when Ethiopian immigrants first come to United States, they often dwell in one and two low level jobs full time and part time depending on type of jobs. They often work long hours to save money so that they can start their own life by renting rooms (as a roommate). For some time (up to two years) they continue doing that and, in the meantime, they start taking short and long courses. They change other better jobs once they get technical and professional certificates. Then their lifestyle starts to change, so they move out from small room to furnished room. And also, they start to join saving groups.

**Business:** There are certain business types most Ethiopian Americans are specializing in like; Ethiopian restaurants and bars, Uber taxi, few own stores (eg, 7 Eleven). When Ethiopians own businesses they hire mainly Ethiopians. But when we see proportion of Ethiopian diasporas, few proportions of them do own businesses in United States. Most of them are doing professional work or they are working in service sector. Ethiopian Americans are also establishing and running businesses in Ethiopia that they keep it as their retirement job.

**Remittances:** almost all of interviewed Ethiopian immigrants are regularly sending money to their families and siblings back in Ethiopia. The amount of money they send depends on their level of income and dire need of their families. So Ethiopian Americans success is being considered as a group/family success because when they come United States their families in Ethiopia support them financially to cover flight expenses. And when the newcomers settled in USA and start making good money, they support their families and siblings back at home. And remittance money that is regularly being send to Ethiopia is supporting families daily need (to buy food, paying for rent, tuition, to cover medical expenses) and sometimes they also support poor people in Ethiopia.

**Bank Account:** all Ethiopian immigrants do have bank account and credit card; they use it mainly to make online payments. Still informal financial system is also playing a pivotal role in building assets.

**Change in livelihood:** what I observe from this study is that when Ethiopian first come to United States, they are working long hours by working in low paying jobs just to pay for bills and settle here and also upgrade themselves. And at times goes by they secure better jobs and start to save money and support their families who are living in Ethiopia. So, they consider themselves as their life has improved a lot by comparing their situation in Ethiopia. That is attracting other Ethiopians to aspire to come to United State and live better life here. On the other hand, Ethiopian immigrants also feel that they are contributing to American prosperity by serving American public with their profession and also paying taxes, that is the rule of thumb for any immigrant to work under a given platform. They nurture new coming Ethiopian immigrants to secure job so that they support themselves and avoided unnecessary burden on American government.

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