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AMERICAN MUSLIMS' PERCEPTIONS TOWARD TRANSFORMING ISLAMIC BANKING SYSTEM

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Abstract

In the past three decades, the number of Islamic financial institutions has grown from one in 1975 to over 300 today in more than 75 countries. However, there are relatively few Islamic financial institutions in the United States. The current study investigated the acceptance level of Islamic banking practices among American Muslims. A needs assessment component that could be used in marketing Islamic banking products was developed and executed. One hundred two Muslims, both native-born Americans and émigrés from around the world--having conventional banking relationships constituted the responding population in this needs assessment survey. This quantitative study showed strong interest on the part of Muslim banking customers in having more information about Islamic Finance and banking, with the likelihood of many of them becoming customers of Islamic banking institutions. From the data obtained in this study, it can be inferred that: (1) most likely customers of Islamic banking in USA are aged 35-54, with an annual income of $50,000 to $150,000, and having origins in the Middle East; and (2) through a careful and deliberate educational program on Islamic Finance and banking, Muslims could be influenced and guided to establish Islamic banking relationships.

Keywords: Islamic banking, Islamic finance, Perception, Adoption, USA

INTRODUCTION

Thirty years ago, Islamic banking was unheard of in mainstream American--it was considered “wishful thinking” by those in the United States who desired to engage in banking that was in accord with Islamic principles (Ahmad H, 2002). Recent developments in Middle Eastern markets have created attractive prospects for foreign companies seeking substantial investments (Al-Omar & Abdel-Haq, 1996), including banking that is in accord with Islamic principles.

This new attitude of investment is driven by the overall size of the Islamic investment market and Muslim capital, estimated at $830 billion (Ali, 2010). Islamic financial institutions exist in more than 75 countries, with worldwide assets totaling in excess of $250 billion. An additional 250 Islamic mutual funds have assets of $300 billion (Booner, 2005). These enormous accumulations of wealth in the Middle East are largely the product of recent developments in the oil markets.

The relatively recent growth in Islamic banking institutions is due to both the recent rise in significant oil revenues, and to fact that the majority of Islamic banks were started in the 1970s and 1980s (Cizakca, 1993). Islamic banking institutions reached their peak after 20 years of existence (El-Gamal, 1997). Kazdin (2003) offered the following analysis of Islamic banking:

“Before addressing the possible reasons behind the popularity of the Islamic banking system, it is important to emphasize that Islamic banks generally operate within three different types of environment: (1) those that function in countries adopting Islamic *Shariah* principles (e.g., Iran, Pakistan, and Sudan); (2) those that function in predominantly Muslim countries along with conventional banks (Arab and Muslim countries); and those that function in predominantly non-Muslim countries along with conventional banks (Western countries)”
(p. 523). In short, new Islamic wealth has underscored the development of new Islamic banking institutions.

Islamic banks in non-Muslim countries typically serve the local Muslim population, although there are few Islamic banks in these Muslim population centers (Trejo, 2010). The Chicago Metropolitan Area (Greater Chicago Area) is an example of a large metropolitan area in the United States in which a large concentration of Muslims has settled. Chicago--the largest city in Illinois with a metropolitan area population of 9.5 million, the third most populous metropolitan region in the United States (Smith, 2010)--has virtually no Islamic banking presence (Trejo, p. 2).

By contrast, in 2009, the Greater Chicago Area had over ninety Islamic cultural organizations, most of them attached to an Islamic center or a mosque (Smith, 2010). The estimated population of Muslims in Cook County and the collar counties is 500,000, almost 5%

of the total population of the region (General Social Survey, 2000; Gallup, 2000). The nationalities of Muslims includes areas of origin as diverse as the Indo-Pak-Bangladesh subcontinent; Arabic-speaking countries of North Africa and the Middle East; East European countries of Albania, Bosnia, and surrounding states; and Turkey, Iran, Malaysia, Indonesia, Afghanistan, and sub-Saharan Africa (Institute of Islamic Banking & Insurance, 2010). In addition to Caucasian- and Hispanic-American Muslims, Chicago has the largest concentration of African-American Muslims in the United States . In short, the Muslim community in Chicago is diverse, speaking a variety of languages and representing a variety of complexions, races, and areas of (ethnic) origin).

Statement of the Problem

Given the challenges facing Islamic banking and finance, Islamic banking is developing at a remarkable pace. In the past three decades, the number of Islamic financial institutions has grown from one in 1975 to over 300 today in more than 75 countries. They are concentrated in the Middle East and Southeast Asia (with Bahrain and Malaysia the biggest hubs), but are also beginning to appear in Europe and the United States. Total assets worldwide are estimated to exceed $830 billion, and are growing at an estimated 15 percent annually (Ali, 2010).

Generally, people's attitudes towards utilizing Islamic financial products and services is the main obstacle in the development of the Islamic banking system in the West. According to Dixon, "The West has failed to adopt a positive attitude towards the needs of Islamic banks" (1992, p. 22).

Purpose of the Study

The central problem in this investigation is: to determine the perceptions of Muslim banking consumers (those who have a banking relationship or who use bank products) on establishing an Islamic bank relationship;

Specifically, this study utilized a survey instrument (questionnaire) developed for the current investigation that will seek answers to the following question:

Procedures

This study employed the following procedures:

1. A comprehensive survey was made of the literature and related research in the following topical areas:
   (a) Islamic Banking: Finance Concepts and Procedures

(b) *Riba*, Interest, and Usury
(c) Conventional Banking and Islamic Banking: Comparison and Contrast
(d) Islamic Banking Practices
(e) Islamic Banking and Financial Opportunities
(f) Islamic Banking and Finance in the United States

2. A 34-item questionnaire was developed, that includes the following parts:
   (a) 5 questions describing the responding Muslim population: Age, gender, ethnicity, religion, total household income, and professional relationship to Islamic finance.
   (b) 29 questions related to the following areas of Islamic banking: Product perception, awareness of principles and concepts, product knowledge, product acceptance, and brand values of Islamic finance.
3. Prior to its utilization in this study, the questionnaire was reviewed by 7 individuals in the academic and banking communities. These reviews helped refine the instrument.
4. A respondent population of 102 Islamic banking consumers in the Chicago Metropolitan Area was identified as participants in this study; they signed a consent form prior to participation and were not compensated.
5. The questionnaire was made available to each participant in person.
6. The results from the questionnaire were tabulated and recorded.
7. Upon completion of each questionnaire, the data was subject to statistical treatment and analysis utilizing standard SPSS and excel statistical applications.
8. Findings and conclusions were determined from the analysis of data obtained in this study.
9. Recommendations and suggestions for further research were made.

LITERATURE REVIEW

A review of literature and related research was consequently undertaken to investigate work that had been done previously in this area and to ascertain the need for the current study. The review of literature and research revealed no extant studies dealing directly with the topic of the current investigation. However, there is a body of research and publication in areas providing a relevant context for factors that could predispose perceptions of subjects involved in the current study, as well as a context for assisting in the possible establishment of Islamic banking practice Islamic finance is one of the most rapidly growing areas of international finance today. Islamic banks currently manage between US$200 and $300 billion, an amount that has been increasing between 12 and 15 percent each year. With over a billion adherents worldwide, Islam is the world's fastest growing major religion, potentially making Islamic finance an even more lucrative market. Mukesh P. Shah, CEO of Cube Graphics LLC, notes two major reasons for the increasing popularity of Islamic finance: "The growth of Islamic finance is linked to the surge in petrodollars and the related opportunity for financial institutions to create Islamic financial products” (Khan, 2007, p. 29).

Western banks have already taken notice. In the United Kingdom, for example, both HSBC and Lloyds TSB began to offer Islamic mortgages in 2005. Muslims make up 3percent of the British population, but in some cities, such as Leicester, they make up as much as 20 percent. However, according to Shah, Islamic finance still remains a niche market. Part of the reason for this lies in the lack of standard regulation, particularly across borders. Islamic financial institutions have been able to enter international markets successfully, currently managing $700 billion in assets (Khan, p. 37).

The size of Islamic financial dealings affects local markets in some countries, like Malaysia, Bahrain, and Indonesia. However, its impact on international financial markets can still only be regarded as 'developing' given its current small size (El Qorchi, 2005). In addition to meeting Islamic Code requirements and satisfying the needs of Muslim customers, the expansion of Islamic financial services to customers around the world has been helped by the growth in information technology and by the 'new legislation' passed in many countries, both of which have made the movement of funds more flexible and created a 'window of opportunity' for Islamic banks and financial institutions (Al Muzaini, 2005). Although few in number and slow to develop, there is strong demand for Islamic investment products.

The emergence of Islamic banking in recent decades is considered as one of the most important trends in the financial world, with an increase in the scope of Islamic financial activities being anticipated. As indicated earlier, the average world-wide growth rate in the size of the assets of Islamic banks and institutions has been 24% over last five years, suggesting a high demand for establishing more Islamic banks and institutions in Islamic and other countries (Al Bahar, 2005).

While this is implied or suggested by current figures and trends, there is a relative dearth of data on international business carried out by Islamic banks and financial institutions. For instance, at the present time, there is no data available on cross-border Islamic financing, on the amount of international Islamic-to-Islamic financial transactions, and on real estate investment based on Islamic principles in developed countries. The lack of relevant data on corporate information in the Islamic finance industry can hamper the development of a sophisticated secondary securities market and limit or restrict the emergence of a vigorous primary securities market. The absence of appropriate aggregate data makes it virtually impossible to compare Islamic banks across countries, something which, with the absence of common reporting and accounting standards, complicates the work of supervisors of institutions in the Islamic finance industry (El Qorchi, 2005).

Islamic banking has been making headway into an increasing number of Western countries. This is indeed a trend that is likely to carry on, as oil-exporting nations continue to accumulate wealth, GCC and South East Asian Islamic financial markets develop further, and companies in Western nations keep on competing to attract international investors (*Islamic Finance and Global Financial Stability*, 2010).

The history of Islamic finance in the United States began with the grassroots efforts of American Finance House-LARIBA, which in 1987 began offering *Shariah* compliant home financing products. LARIBA is a finance lender in Pasadena, California that began using investment capital from individual American Muslims to provide home financing to other American Muslims. As early as 1993 a major international bank worked with both a US mortgage bank and a key Islamic bank to structure an Islamic home finance program. In 1997 the United Bank of Kuwait (UBK), operating in the United States as a Federal branch under the National Bank Act, applied to the Office of the Comptroller of the Currency (OCC) for guidance on a *Shariah*-compliant *ijara* (lease-to-purchase) home financing product it sought to offer to US customers. This program was named Al-Manzil. Abdulkader Steven Thomas, who made the request on UBK's behalf, said of its importance: "The pioneering regulatory interpretations obtained by the United Bank of Kuwait have begun to open both the door to scalable funding for Islamic finance in America, the development of securitization, including participation by the government sponsored entities" (Man, p. 67).

In 1999 the OCC issued guidance to UBK that approved *murabaha* (cost-plus-profit) home financing products. Al-Manzil began offering its home financing products in California. Thomas explained that the program took a longer time than most to become established because there was a lot of "customer training" required educating customers about the features of the Islamic product, since it was newly developed and unfamiliar to consumers. However after this initial period UBK expanded the Al-Manzil program to eleven states, and financed small ticket commercial properties as well as single-family homes. However in 1999 UBK merged with Ahli United Bank and, because the U.S. operation was the banks smallest, Ahli made a strategic decision to leave the U.S. market in 2000. At that point Al-Manzil had provided financing for sixty homes. Mauer (2000). The Al-Manzil program was also in place in the United Kingdom and its operation continues today under the successor bank. Since UBK left the market, no bank offering Islamic products has operated under the National Bank Charter or the supervision of the OCC. For this reason the Office has issued no further guidance on Islamic products. However the state regulators that supervise the state-chartered bank providers--Devon Bank and University Islamic Financial Corporation--have followed the guidance of the OCC's interpretive letters on *ijara* and *murabaha* products in granting approval for these financing facilities, since state-chartered banks must comply with national regulations in addition to any further regulations mandated under state law. On the financing side, one of the most important developments for Islamic finance was Freddie Mac's 2001 decision to buy Islamic mortgages from LARIBA via its cash window. This represented the first type of securitization for Islamic mortgages, and provided a large-scale source of funding for providers. At this time Freddie Mac and Fannie Mae, which began purchasing *ijara* products in 2003, are effectively the sole investors in Islamic mortgage products in the United States. As government-backed entities, both invest in Islamic mortgages as part of their mandate to expand access to home ownership to underserved populations. Currently all of the providers of Islamic home financing sell their mortgage contracts to either Freddie Mac or Fannie Mae. These sales also represent the only form of securitization presently available for Islamic mortgages in the U.S. market.

METHOD

The study afforded the opportunity to identify correlation with age, gender, ethnicity, household income, banking relationship, and professional relationship to Islamic finance of participants with each of the following areas of Islamic banking: Product perception, awareness of principles and concepts, product knowledge, product acceptance, brand values of Islamic finance.

The study methodology is quantitative research utilizing a research instrument developed for this study (Market Survey--Finance Industry: The Islamic Way). Prior to its utilization in this study, the instrument was developed by the researcher and reviewed with 7 individuals in the academic and banking communities. These reviews helped refine the instrument by clarifying specific areas of Islamic banking practices and products to be surveyed. A sample of 102 Muslim consumers with banking relationships in the Chicago Metropolitan Area formed the respondent group for this study. Respondents (subjects) selected from a listing of Muslim residents in the Chicago Metropolitan Area who had a banking relationship (with a conventional bank). Each participant signed a participation/consent agreement describing the study project, their expected time commitment, and confidentiality. Participants were not compensated. Each participant was free to withdraw from the study at any time. Participants will be offered a summary of the study at its conclusion.

Upon completion of the surveys, the data was subjected to statistical treatment and analysis to: 1. Describe the data (subjects' responses to survey items, noted in the section 'Demographic Data' in Chapter Four); 2. Determine if the data was reliable (i.e., if the data demonstrated consistency in the measurements obtained, noted in the section 'Reliability', in Chapter Four); 3. Determine if there are any relationships between the subjects' responses and their (subjects') likelihood of entering in an Islamic banking relationship.

The guiding research question was further developed into a series of discrete questions and null hypotheses, and the following statistical treatments were employed: 1. Describing demographic data in terms of measures of central tendency/frequency distributions. 2. T-test p for non-equal variances (.000), using Levene's Test for Significance (P) at the .050 level. 3. Univariate Analysis of Variance (used with one dependent variable) at the .010 level.

In addition, *post hoc* tests, i.e., looking at data, after the initial analysis, for patterns in subgroups that were not specified *a priori* (sometimes referred to as 'data dredging' in business contexts). Additional statistical treatment were used: 1. Scheffe Test at the .05 level 2. Simple ANOVA--one-way analysis of variance.

RESULTS

The subjects chosen represented a sample of convenience: 102 Muslims residing in The Chicago Metropolitan area having a banking relationship (N = 102). Each respondent completed a survey instrument developed for this study consisting of 34 items, grouped into four categories: Product Perception, Product Awareness, Product Knowledge, and Brand Values. Additionally, each subject responded to five demographic questions. Statistical treatment was undertaken:

(1) to describe the data (subjects' responses to survey items, noted in the section Demographic Data);
(2) to determine if the data was reliable (i.e., if the data demonstrated consistency in the measurements obtained, noted in the section reliability; and if the subjects understood the questions); and
(3) to determine if there are any relationships between subjects' responses and their (subjects') likelihood of entering in to an Islamic banking relationship.

Demographic Data

Research questions 1 and 2 (Likelihood to Use IF, Understanding and Awareness of IF)

Is there significant difference between subjects who did or did not use Islamic Finance (IF)

(1) With regard to their Likelihood to Use score?

Null hypothesis: With regard to their Likelihood of Use score, there is no significant difference between subjects who did or did not use IF.

(2) With regard to their Understanding and Awareness score?

Null hypothesis: With regard to their Understanding and Awareness score, there is no significant difference between subjects who did and did not use IF.

Statistical treatment

T-test p for non-equal variances (.000), using Levene's Test for Significance (P) at the .050 level.

Results:

1. There is significant difference between two groups (a lower score is desirable).

[Null hypothesis for question (1) rejected].

2. There is significant difference between those who have used IF and those who have never used IF.

[Null hypothesis for question (2) rejected].

3. Those who have never used IF have lower Understanding and Awareness scores.
4. Those who have used IF would likely use IF again.

Research Questions 3, 4 (Age)

(3) Is there significant difference among the 3 age groups with regard to their likelihood of using IF?

Null hypothesis: There is no significant difference among the 3 age groups with regard to their likelihood of using IF.

(4) Is there significant difference between males and females with regard to their likelihood of using IF?

Null hypothesis: There is no significant difference between males and females with regard to their using IF.

Statistical treatment

Univariate Analysis of Variance (used with one dependent variable) at the .010 level.

Results

1. There is significant difference with respect to age (among the three age groups).
2. There is no significant difference with respect to gender (between males and females).

Research Questions 5, 6 (Gender, Age)

(5) Is there a significant interaction between gender and age such that there is a differential effect on their (subjects) using IF?

Null hypothesis: There is no significant interaction between males and females with regard to age.

(6) Which groups are significantly different from which other groups?

Post Hoc Tests

Post hoc tests refers to looking at data, after the initial analysis, for patterns in subgroups of the sample that were not specified *a priori* (sometimes referred to as 'data dredging'). Each time a pattern in the data is considered, a statistical test if effectively performed.

Scheffe Test (age)

Statistical treatment: Scheffe Test

Scheffe Test at the .05 level. (Scheffe is a comparison technique used to make implicitly all possible pairwise and other comparisons. Scheffe is applicable if at least one comparison in a set of comparisons involves comparisons of three or more conditions).

Results

1. There is no significant difference between males and females with respect to age.
2. Groups that are significantly different from other groups:
   a. There is significant difference between young and middle age subjects.
   b. There is no significant difference between young and old subjects.
   c. There is no significant difference between middle age and old subjects.

Research question 7 (Age)

(7) Which subjects are more likely to use IF?

Results:

1. Middle age subjects are more likely than young subjects to use IF?
2. There is no significant difference with respect to age for males and female

(Understanding and Awareness score)

ANOVA (income)

Statistical Treatment: Oneway for Income

Simple ANOVA--one-way analysis of variance--was used to determine results for income

Research question 8: Which subjects are likely to use IFwith regard to income?

Results

1. There is no significant difference in use of IF with regard to income.

Scheffe (country of origin)

Statistical Treatment: Country of Origin

Scheffee at the .05 level was used to determine results for country of origin research question.

Research question 9: Which subjects are likely to use IF with regard to country of origin?

Results

Subjects whose country of origin is the Middle East are likely to use IF.

SUMMARY OF THE FINDINGS

The current study was undertaken to determine the acceptance level of Islamic banking practices among Muslims in the Chicago Metropolitan Area, focusing on individuals who have banking relationships. A respondent population of 102 Muslims constituted the respondent population. As a marketing research survey, results included specific information about demographic features of the subjects' gender, age, income, country of origin, and familiarity with Islamic finance and banking products. Noteworthy results include the following:

Demographics

a. 2/3 of subjects are age 35-54, considered a prime demographic for marketing banking products.
b. 70% of subjects are male.
c. 3/4of subjects cite the Middle East or the U.S. as their country of origin.
d. 3/4 of subjects earn $50,000 to $150,000 per annum.
e. 85% of subjects do not have experience with using Islamic finance

Validity and Reliability

Content validity of the survey was established, prior to its implementation, through an iterative review (2 rounds) by a panel of seven experts in the academic and banking industries. Validity was underscored through the use of Cronbach's Alpha, a statistical treatment that established reliability--consistency of a set of measurements obtained through the survey, as well as a measure of how well the subjects understood the terms in the survey, including the likelihood of their using Islamic Banking Products.

Results showed that subjects understood, to an extraordinarily high degree, what they were being asked to respond to--Islamic Finance and Banking--and that they likewise indicated their willingness to participate in Islamic Banking. Results were displayed in a 'normal' bell curve, demonstrating that the results from this sample of subjects (N = 102) were representative of the Muslim population in the Chicago Metropolitan Area.

Research Questions

The current study sought to determine responses(s) to the following general question:

What is the relationship, if any, between subjects' responses and their likelihood of entering into an Islamic banking relationship?

This general question generated the following specific research questions (listed below with their Null Hypotheses and results):

1. In the area of Likely to Use Islamic Finance, and Understanding and Awareness of Islamic Finance, is there a significant difference between subjects who did or did not use Islamic Finance with regard to their Likelihood to Use score?

Null hypothesis: With regard to their Likelihood of Use score, there is no significant difference between subjects who did or did not use Islamic Finance.

2. In the area of Likely to Use Islamic Finance, and Understanding and Awareness of Islamic Finance, is there is a significant difference between subjects who did or did not use Islamic Finance with regard to their Understanding and Awareness Score?

Null hypothesis: With regard to their Understanding and Awareness score, there is no significant difference between subjects who did and did not use Islamic Finance.

Results

Utilizing T-test p for non-equal variances (.000), using Levene's Test for Significance (P) at the .050 level,

a. There is significant difference between two groups (Null Hypothesis for question 1. is rejected).
b. There is no significant difference between those who have used Islamic Finance and those who have never used it (Null Hypothesis for question 2. is rejected).
c. Those who have never used Islamic Finance have lower Understanding and Awareness scores.
d. Those who have used Islamic Finance would likely use it again.

3. Is there significant difference among the 3 age groups of subjects with regard to their using Islamic Finance?

Null hypothesis: There is no significant difference among the three age groups with regard to their likelihood of using Islamic Finance.

4. Is there significant difference between males and females with regard to their likelihood of using Islamic Finance?

Results

Utilizing Univariate Analysis of Variance (used with one dependent variable) at the .010 level,

e. There is significant difference with respect to age (among the 3 age groups).

f. There is no significant difference with respect to gender (between males and females).

5. Is there a significant interaction between gender and age such that there is a differential effect on their (subjects) using Islamic Finance?

Null hypothesis: There is no significant interaction between males and females with regard to age.

6. Which groups are significantly different from which other groups?

Results to questions 5 and 6 involved the use of *post hoc* tests, which refers to looking at data, after the initial analysis, for patterns in subgroups that were not specified *a priori* ('data dredging').

Results

Utilizing Scheffe Test at the .05 level,

g. There is no significant difference between males and females with respect to age.

h. Groups that are significantly different from other groups:

   (1) There is significant difference between young and middle age subjects.

   (2) There is no significant difference between young and old subjects.

   (3) There is no significant difference between middle age and old subjects.

7. Which subjects are more likely to use Islamic Finance?

Results

Utilizing Scheffe Test at the .05 level,

i. Middle age subjects are more likely than young subjects to use Islamic Finance.

j. There is no significant difference with respect to age for males and females (Understanding and Awareness score).

8. Which subjects are likely to use Islamic Finance with respect to income?

Results

Utilizing Simple ANOVA--one-way analysis of variance,

k. There is no significant difference in use of Islamic Finance with regard to income.

9. What subjects are likely to use Islamic Finance with regard to country of origin?

Results

Utilizing Scheffe at the .05 level,

l. Subjects whose country of origin is the Middle East are likely to use Islamic Finance.

CONCLUSIONS

The results obtained from the study survey presented patterns of responses that lend themselves to informed consensus about the demographics of the Muslim population in the Chicago Metropolitan Area in regard to their potential for establishing an Islamic banking relationship. These results, first introduced in the previous Chapter, also revealed that the results of the study have a high degree of reliability, such that they can be considered representative of the Muslim population in the Chicago Metropolitan Area that has a banking relationship.

Demographic data revealed that the subjects were primarily male, age 35-44, from the Middle East, and earn between $50,000 and $150,000 annually. More than half of the subjects indicated a general familiarity with and awareness of Islamic Finance and Islamic economics, although most had not had an Islamic banking relationship, nor did were they aware of Islamic banking products available to them. Similarly, subjects had some awareness of or familiarity with specific Islamic banking products, although most did not have direct experience with them as consumers.

Subjects indicated that they would consider an Islamic banking relationship, that they valued Islamic banking products that were Shariah compliant, and that participation in Islamic banking made sense to them as part of their being Muslim. Subjects indicated they were satisfied with their conventional banking relationship; at the same time, most were interested in having a banking honest, transparent business culture was important in their choice of a financial institution or product. They thought that both conventional and Islamic financial institutions held this promise.

From the results, it can be concluded that the potential for Islamic banking in the Chicago Metropolitan Area is significant. Target market for Islamic banking would include the Muslim population in general, both men and women, with a likelihood of initial consumer participation to be those of Middle East origin earning $50,000 to $150,000 per annum and who had previous experience with Islamic banking. The study showed strong interest on the part of Muslim banking consumers in knowing more about Islamic Finance and banking, with the likelihood of many of them becoming customers of Islamic banks.

RECOMMENDATIONS FOR FURTHER RESEARCH

The results of the current study have suggested the opportunity for several future studies. The first study is the duplication of this study in other geographic markets. It would be important to understand if the factors that would determine Islamic banking relationships by American Muslims are specific to the Chicago Metropolitan Area or if they transcend geographic boundaries. Therefore, future studies could be conducted in other metropolitan areas, starting with those that have significant Muslim populations, for example, Detroit, Southern California, and New York. In addition, studies can be conducted in other large metropolitan areas with growing Muslim populations, as well as in less densely populated areas.

A second research study that is recommended is of clients of conventional banks and financial institutions that might consider adding Islamic banking products (adding an 'Islamic window') to their portfolio of products and services in order to attract Muslim consumers.

A third research study is to duplicate this study in the Chicago Metropolitan Area, as well as in other areas where it would be initially conducted, in order to determine similarities and differences in consumer attitudes about Islamic banking over time--in effect, conducting longitudinal studies and comparing the results of those studies with baseline data and results.

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