



# THE STATE OF ASIAN AMERICAN, NATIVE HAWAIIAN AND PACIFIC ISLANDER (AANHPI)-OWNED BUSINESSES IN CALIFORNIA: 2024

AN EVALUATION OF BUSINESS,  
FINANCIAL, AND ECONOMIC  
CONDITIONS



## AUTHORS:

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# FOREWORD

The Asian Business Association Foundation commissioned this study to evaluate the economic, commercial, and community dynamics of Asian, Native Hawaiian, and Pacific Islander (AANHPI) -owned businesses in post-pandemic California. Using federal datasets, survey instruments, geographic information systems (GIS) maps, and economic modeling software, the authors build a comprehensive profile of AANHPI businesses in the state and provide an unrivaled examination of significant issues and challenges they face today. The report's findings are compelling and are key to fostering meaningful dialogue and solutions to help our diverse business community continue to grow and succeed. It is our hope that this study can be a cornerstone for more research and scholarly work on this vital subject in the years ahead.



We believe the future of the AANHPI business community continues to remain bright despite the challenges of the COVID-19 pandemic and marketplace barriers, both past and present. Elected officials, government agencies, and the greater business community have an essential role to play. With more business sector data and analysis available, local and state resources can be targeted to help AANHPI proprietors who need it most, and meaningful partnerships and programs should be followed to build a more inclusive economy.

A handwritten signature in black ink, appearing to read 'Jason Paguio', written over a light grey background.

Jason Paguio

President & CEO, Asian Business Association Foundation



# EXECUTIVE SUMMARY

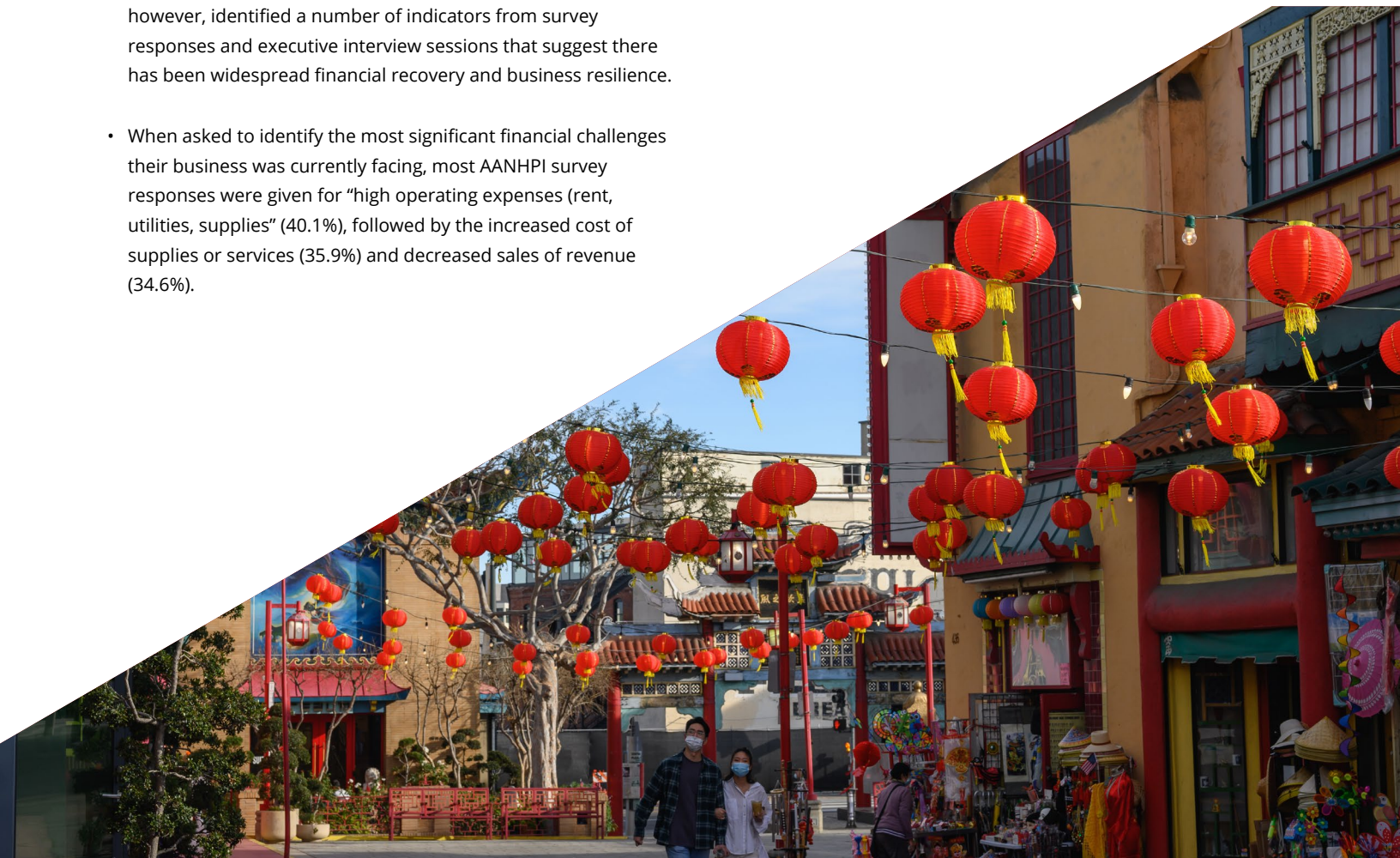
Due to a number of key challenges, Asian American, Native Hawaiian and Pacific Islander (AANHPI) -owned businesses in the country had a more complex and longer recovery from the COVID-19 pandemic than non-AANHPI-owned businesses. The pandemic disrupted small enterprises nationwide, with California AANHPI enterprises among the hardest hit. Despite California's economic recovery, more research is needed on the unique post-pandemic recovery trajectory of AANHPI firms. This knowledge gap makes it difficult to determine whether these firms receive equitable support and resources compared to non-AANHPI firms, and whether they are regaining their pre-pandemic financial and operational stability. Using federal datasets, economic modeling software, survey instruments, and executive interviews, we evaluated the economic relationships, fiscal health and operational stability of AANHPI businesses in post-pandemic California.





## OVERALL, OUR KEY FINDINGS ARE:

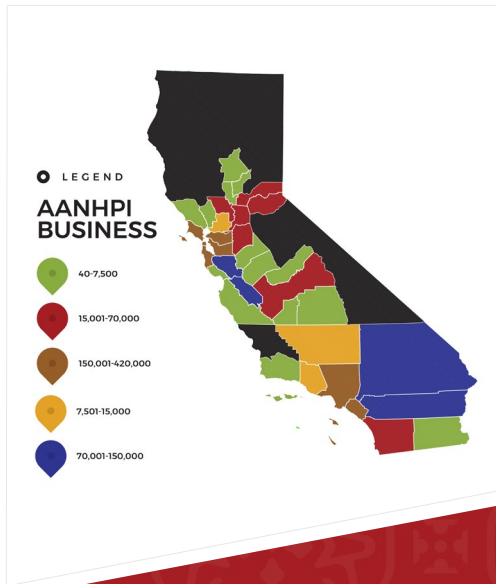
- AANHPI-owned businesses are a significant participant in the state economy, comprising nearly a quarter (22.4%) of all businesses in the state, which is more than double their share nationally. Statewide, AANHPI firms employ 1.2 million workers.
- AANHPI establishments have a total economic impact of \$200.7 billion in California, which includes all direct, indirect and induced effects on employment, labor income, and economic output.
- Most AANHPI firms in the state are concentrated in five key industries – health and social assistance (17%), accommodation and food services (16%), professional scientific and technical services (13%), retail (10%), and wholesale trade (10%). Immigration plays a major factor in business sector choices.
- AANHPI business owners had a disproportionately negative experience during the COVID-19 pandemic, and were challenged with significant revenue declines, technological adaptation issues, racism, and financial uncertainty. Our investigation, however, identified a number of indicators from survey responses and executive interview sessions that suggest there has been widespread financial recovery and business resilience.
- When asked to identify the most significant financial challenges their business was currently facing, most AANHPI survey responses were given for “high operating expenses (rent, utilities, supplies” (40.1%), followed by the increased cost of supplies or services (35.9%) and decreased sales of revenue (34.6%).
- Most survey participants indicated a growth mindset; the top answer choice for primary goals for the remainder of the year was for expanding their customer base (38.9%), followed by launching new products or services (36.5%), and increasing sales or revenue (35.4%).
- On the issue of support and resources most sought by California AANHPI-owned businesses, the top response chosen by participants was marketing and advertising support (26.3%), with business mentoring or coaching (18.9%), and technology or digital tools (13.9%) trailing.
- We saw a clear indication that most AANHPI businesses have improved since pre-pandemic levels — overall, three-quarters of respondents said their operations were “somewhat better” (47.6%) or “significantly better” (28.4%) than pre-pandemic levels.



- The main barrier to recruiting new employees across all regions was “high cost of living,” underscoring California’s housing affordability crisis.
- Across the board, AANHPI business owners in the state identified inflation as the single most important problem facing their business today, mirroring the sentiment of small businesses nationwide.
- When asked how concerned they were about safety on their business premises, more than 80% of survey participants had some level of concern. Those who said they were “very concerned” or “extremely concerned,” ranged from 20%-29%, varying by region.
- Many of the participants in our executive interview sessions referenced their family as a significant source of inspiration and support in ongoing business operations. Families played roles in different ways for participants, including financial support, emotional support, passed down business operations, and mentorship.
- Business referrals and networking within the AANHPI community were mentioned in many of the executive interviews. Participants mentioned the importance of starting their business focused solely on building a customer base upon business origination within their AANHPI community and expanding it through marketing and word-of-mouth.
- Among our suggested policy and programmatic priorities for future consideration for community and business leaders include enhancing marketing partnerships and placement, promoting intergenerational business transfer programs, expanding access to capital, and multilingual financial literacy programs.
- For municipal and state government officials, we encourage evaluating the creation of a business resiliency fund, public improvements to urban commercial corridors, and investing



# INTRODUCTION AND BACKGROUND



1 "COVID Public Health Emergency." U.S. Department of Health and Human Services. U.S. Department of Health and Human Services, January 4, 2023. <https://www.hhs.gov/coronavirus/covid-19-public-health-emergency/index.html>.

2 Lee, Lynda. "Who Owns America's Businesses?" United States Census Bureau. United States Census Bureau, January 4, 2023. from <https://www.census.gov/library/stories/2023/01/who-owns-Americas-businesses.html>.

3 U.S. Census Bureau, U.S. Department of Commerce, and U.S. Census Bureau, "Nonemployer Statistics by Demographics series (NES-D): Statistics for Employer and Nonemployer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, and Counties: 2021," 2021. Economic Surveys, ECNSVY Nonemployer Statistics by Demographics Company Summary, Table AB2100NESD01, 2021, accessed on August 25, 2024, <https://data.census.gov/table/ABS NESD2021.AB2100NESD01?q=AB2100NESD01>.

4 bid.

5 U.S. Census Bureau, U.S. Department of Commerce, and U.S. Census Bureau, "Nonemployer Statistics by Demographics series (NES-D): Statistics for Employer and Nonemployer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, and Counties: 2021," 2021. Economic Surveys, ECNSVY Nonemployer Statistics by Demographics Company Summary, Table AB2100NESD01, 2021, accessed on July 25, 2024, <https://data.census.gov/table/ABS NESD2021.AB2100NESD01?q=AB2100NESD01>.

6 bid.

7 U.S. Census Bureau, U.S. Department of Commerce, and U.S. Census Bureau, "Nonemployer Statistics by Demographics series (NES-D): Statistics for Employer and Nonemployer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, and Counties: 2021," 2021. Economic Surveys, ECNSVY Nonemployer Statistics by Demographics Company Summary, Table AB2100NESD01, 2021, accessed on July 25, 2024, [https://data.census.gov/table/ABS NESD2021.AB2100NESD01?q=AB2100NESD01&g=\\$3100000](https://data.census.gov/table/ABS NESD2021.AB2100NESD01?q=AB2100NESD01&g=$3100000).

8 bid.

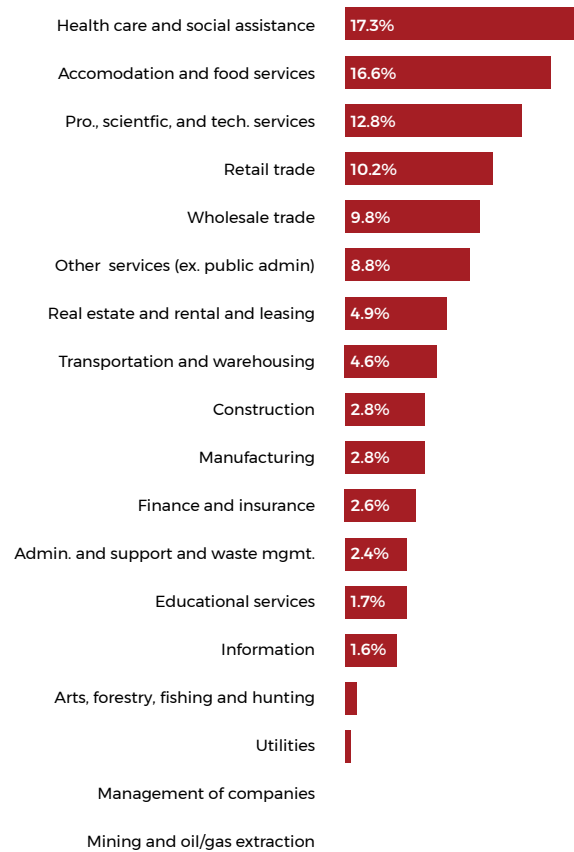
This study was conducted to facilitate greater insight and understanding of the commercial and economic challenges and contributions of AANHPI-owned firms in California, an emerging but limited area of scholarly research. The primary focus of our investigation is exploring public policy and business ownership issues the AANHPI business community has been confronted with since the end of the COVID-19 pandemic, which began in early 2020 and symbolically ended with the expiration of the federal Public Health Emergency for COVID-19 on May 11, 2023. <sup>1</sup>Few research efforts have been completed in this area of public policy nationally, and even fewer have focused on state or regional business communities. As one of the nation's largest and most diverse states, California is an ideal place for an economic research investigation of AANHPI-owned businesses, which are the largest minority business owner population in the United States<sup>2</sup>.

The most recent data from the U.S. Census Bureau found that AANHPI-owned companies are meaningful contributors to the greater national economy; in 2021, there were approximately 3.2 million AANHPI-owned businesses in the United States, comprising nearly 1 out of 10 (9.3%) of all companies in the country<sup>3</sup>. The Survey further found that AANHPI firms generate \$1.1 trillion annually from business receipts (combined sales, revenue, or value of shipments), employ 5.01 million workers, and produce an annual payroll of \$225 billion<sup>4</sup>.

In California, the Census Bureau counted approximately 943,135 <sup>5</sup>AANHPI-owned businesses in 2021, which employ 1.2 million workers, generate \$41.1 billion in sales activity, and have an annual payroll of \$65.9 billion. AANHPI-owned enterprises comprise 22.4% of all businesses in the state, more than double the share of AANHPI-owned enterprises nationally. <sup>6</sup>Most of these entities are geographically concentrated in the San Francisco Bay Area and urban enclaves of Southern California (see Figure 1). <sup>7</sup>Looking at business ownership by gender, we see that 40.6% of AANHPI firms are woman-owned, compared to all other firms in the state (38.9%).

Statewide, AANHPI-owned businesses with employees are primarily concentrated in five main industry categories (see Chart) – health care and social assistance (17%), accommodation and food services (16%), professional, scientific, and technical services (13%), retail trade (10%), and wholesale trade (10%). Few are in educational services, arts and entertainment, or agriculture.



Chart 1: AANHPI-Business Establishments  
by NAICS 2017 Classification, 2021

Immigration is likely an influential factor in the business sector choices of AANHPI entrepreneurs; according to the Census Bureau, 71% of all AANHPI business owners in California were born outside of the United States (compared to 37% of all business owners in the state being foreign-born).

<sup>9</sup> Restaurants and retail businesses often have lower barriers to entry compared to more technical and highly skilled business sectors, and for first-generation Americans, these types of businesses often help meet important cultural needs and market demand from their diaspora community. These types of businesses can also be more successfully financed through non-traditional means, such as loans from friends and family and personal savings, compared to other capital-intensive businesses that require formal bank loans. For more technical and skilled businesses, we do know there are higher levels of undergraduate and graduate degree-attainment among Asian Americans than all other Americans<sup>10</sup>, and immigrants from Asia have a higher educational attainment rate than both foreign-born and native-born American adults.

<sup>11</sup>Immigrants are a driving force in high-tech entrepreneurship in America; according to a July 2022 report, roughly half (48%) of tech start-up firms with a valuation of \$1 billion or more in the San Francisco Bay Area were founded by immigrants<sup>12</sup>.

It is important to note that our investigation is inclusive and evaluates the complete universe of AANHPI businesses, which includes non-employer firms. The Census Bureau defines non-employer firms as “businesses with no paid employment or payroll, annual receipts of \$1,000 or more (\$1 or more in the construction industries) and filing IRS tax forms for sole proprietorships (Form 1040, Schedule C), partnerships (Form 1065), or corporations (the Form 1120 series).”

<sup>13</sup>Entrepreneurship takes many forms, and many non-employers today are tomorrow’s job creators. Most businesses in California are non-employer firms, and there are significantly more AANHPI non-employer firms than employer firms (see Table 1). Overall, 51.7% of all businesses are minority-owned in California<sup>14</sup>.

Table 1: AANHPI-Business Establishments by NAICS 2017 Classification, 2021

Race or Ethnicity	All Firms	Non-Employer Firms	%	Firms with Employees	%
White (Non-Hispanic)	2,012,730	1,552,000	45%	460,730	62%
Asian	917,863	748,000	22%	169,863	23%
Hispanic/Latino (Non-White only)	865,497	784,000	23%	81,497	11%
Black or African American	280,014	265,000	8%	15,014	2%
American Indian and Alaska Native	66,093	56,500	2%	9,593	1%
Native Hawaiian and Other Pacific Islanders	25,272	23,000	1%	2,272	0%



# LITERATURE REVIEW & PROBLEM

9 American Community Survey (ACS) 5-Year Estimates Public Use Microdata Sample (PUMS), 2022, accessed through the United States Census Bureau's Microdata Access Tool (MDAT). Variables observed were Nativity, Class of Worker, Selected Geographies – California, Asian recode, Native Hawaiian recode, Other Pacific Islander recode. <https://data.census.gov/>.

10 Budiman, Abby, and Neil Ruiz. "Key Facts about Asian Americans, a Diverse and Growing Population." Pew Research Center. Pew Research Center, April 29, 2021. <https://www.pewresearch.org/short-reads/2021/04/29/key-facts-about-asian-americans/>.

11 Hanna, Mary, and Jeanne Batalova. "Immigrants from Asia in the United States." Migration Information Source. Migration Policy Institute, March 10, 2021. [https://www.migrationpolicy.org/article/immigrants-asia-united-states-2020#Age\\_Education\\_Employment](https://www.migrationpolicy.org/article/immigrants-asia-united-states-2020#Age_Education_Employment).

12 Anderson, Stuart. 2022. Immigrant Entrepreneurs and U.S. Billion-Dollar Companies. Arlington: National Foundation for American Policy. <https://nfap.com/wp-content/uploads/2022/07/2022-BILLION-DOLLAR-STARTUPS.-NFAP-Policy-Brief.2022.pdf>.

13 "Nonemployer Statistics by Demographics Methodology." United States Census Bureau. Accessed July 1, 2024. <https://www.census.gov/programs-surveys/abs/technical-documentation/NESDmethodology.html>.

14 United States Census Bureau (2021).

15 U.S. Census Bureau, U.S. Department of Commerce, and U.S. Census Bureau, "Annual Business Survey: Financing Characteristics of Businesses: 2021," 2021. Economic Surveys, ECNSVY Annual Business Survey Module Characteristics of Businesses, Table AB2100MCB01, 2021, accessed on September 25, 2024, <https://data.census.gov/table/ABSMCB2021.AB2100MCB01?q=AB2100MCB01>.

16 Ibid.

More context and background are required to explain why a post-pandemic investigation of AANHPI businesses is of interest or appropriate for evaluation. Past policy researchers and business surveys have provided mounting evidence of a uniquely negative and challenging pandemic experience for AANHPI proprietors nationally.

According to national data from the 2021 Annual Business Survey from the US Census Bureau, AANHPI business owners were much more likely to report that their business sales decreased significantly due to the pandemic compared to business owners overall (28.5% and 31.2% vs. 21.4%, respectively) (see Table 2)<sup>15</sup>. When asked about their business's financial health, a greater number of AANHPI proprietors expressed they were somewhat or very concerned than business owners overall (see Table)<sup>16</sup>.

Table 2: Change in Business Sales Due to the Coronavirus Pandemic, Annual Business Survey, 2021

Answer Choices	Asian	Native Hawaiian/ Pacific Islander	All
<b>Business sales increased significantly due to the Coronavirus Pandemic</b>	5%	4%	5.1%
<b>Business sales increased somewhat due to the Coronavirus Pandemic</b>	13.1%	11.9%	13.5%
<b>Business sales had little to no change due to the Coronavirus Pandemic</b>	24.8%	27.7%	31.7%
<b>Business sales had little to no change due to the Coronavirus Pandemic</b>	28.3%	25.4%	28.3%
<b>Business sales decreased significantly due to the Coronavirus Pandemic</b>	28.5%	31.2%	21.4%

17 Battisto, Jessica et al. 2021. State of the Older Entrepreneur During COVID-19. New York: Federal Reserve Bank of New York. <https://www.newyorkfed.org/medialibrary/FedSmallBusiness/files/2021/45-entrepreneurs-aarp-report>.

18 Cheng, Alycia, Jonathan Ong, and Paul Ong. 2021. Asian American Businesses: Identifying Gaps and Supporting Recovery. Los Angeles: Asian American Studies Center at UCLA. [https://knowledge.luskin.ucla.edu/wp-content/uploads/2021/09/ABA\\_Survey\\_Brief\\_Recovery21.pdf](https://knowledge.luskin.ucla.edu/wp-content/uploads/2021/09/ABA_Survey_Brief_Recovery21.pdf).

19 Vasquez, Vince, et al. 2024. The State of Asian & Pacific Islander-Owned (API) Businesses in San Diego County: 2021-2022. San Diego: Asian Business Association of San Diego. [https://www.abasd.org/\\_files/ugd/4ec783\\_161549328140490baa4650cfcb0a235b.pdf](https://www.abasd.org/_files/ugd/4ec783_161549328140490baa4650cfcb0a235b.pdf)

20 Marte, Jonnelle. "Asian-American Businesses Suffer Outsized Pandemic Toll." Reuters News Service, April 14, 2021. <https://www.reuters.com/business/finance/asian-american-businesses-suffer-outsized-pandemic-toll-2021-04-14/>.

21 The most current data available from the 2017 Annual Business Survey (ABS) found that 72.4% of Asian business owners nationally identified personal and/or family savings as a source of start up funds for their business, compared to 66.8% of Native Hawaiian and other Pacific Islanders, 64.5% of all business owners, and 65.1% of non-minority business owners. Fewer Asian and Native Hawaiian and Pacific Islanders indicated using a business loan from a bank or financial institution than non-minority business owners or business owners overall (14.3% and 12.2% compared to 17.5% and 16.6%, respectively). Lastly, nearly a quarter of Native Hawaiian and other Pacific Islanders identified using personal or business credit cards for start up capital (23.8% combined), which is significantly higher than response rates observed from Asian, non-minority business owners and all business owners (13.8%, 14.2% and 14.2%, respectively). ABS Dataset ABSCB2017.AB1700CSCB01.

Table 3: Concerns About Business Financial Health, Annual Business Survey, 2021

Answer Choices	Asian	Native Hawaiian Pacific Islander	All
<b>Not that concerned about the business's financial health</b>	19.4%	25.6%	31.3%
<b>Somewhat concerned about the business's financial health</b>	43.6%	32.8%	41.3%
<b>Very concerned about the business's financial health</b>	37%	41.6%	27.4%

Other reports have similar findings. A March 2021 report from the Federal Reserve Bank of New York and the Association of American Retired Persons (AARP) revealed that AANHPI-owned businesses nationwide experienced earlier and more severe drops in revenue in March 2020 (60% decline)<sup>17</sup> compared to businesses overall (approximately 50% decline). Furthermore, approximately 90% of small Asian-American businesses lost revenue in 2020, which is greater than the 85% reported for African American firms, 81% for Latinos, and 77% for White business owners. The study also found that older Asian entrepreneurs (aged 45+) experienced higher rates of revenue losses and more significant declines in active business ownership compared to their White, African American, and Latino peers. More germane to our report, a 2021 survey of more than 400 Asian and Pacific Islander-owned firms in Southern California also found that survey respondents experienced more severe losses to their businesses and operating capacity than California businesses<sup>18</sup>. Lastly, a survey of San Diego County Asian and Pacific Islander companies circulated from August through September 2021 found that nearly half (48.3%) of survey respondents identified a longer timeline for their company to return to normal operating levels ("more than six months") than statewide or national respondents (42.1% and 38.1%, respectively)<sup>19</sup>.

Several specific issues compounded the impact on AANHPI business owners during the pandemic. First, many AANHPI proprietors faced greater exposure to government mandates and subsequent revenue declines due to being overrepresented in the hospitality (restaurants et al.) and personal care (nail and hair salons, dry cleaners, et al.) business sectors, which endured strict and prolonged operating restrictions during the pandemic<sup>20</sup>. In addition, due to prevalent non-traditional business start-up funding sources like friends and family and personal credit cards, some AANHPI businesses lacked a formal relationship with a major bank at the time and were thus ineligible for the initial round of state and federal pandemic-related financial aid programs<sup>21</sup>.

22 "NYC Asian Communities Hit Earlier and Harder by COVID-19." Mastercard Center for Inclusive Growth. Mastercard Center for Inclusive Growth, February 8, 2021. <https://www.mastercardcenter.org/insights/article/nyc-asian-communities-hit-earlier-and-harder-by-covid-19>.

23 "Combating Hate Crimes against Asian American and Pacific Islander Communities." The Community Policing Dispatch. United States Department of Justice, April 1, 2021. [https://cops.usdoj.gov/html/dispatch/04-2021/asian\\_hate\\_crimes.html](https://cops.usdoj.gov/html/dispatch/04-2021/asian_hate_crimes.html).

24 Vasquez, The State of Asian & Pacific Islander-Owned (API) Businesses in San Diego County: 2021-2022, 23.

AANHPI businesses, like all business communities in the U.S., include immigrants and those with limited English fluency. These types of establishments are among those that commonly lacked fundamental technology integration (no pay-by-app options, established accounts with delivery app companies, and no website or social media presence) prior to the pandemic. When most businesses and individuals were concerned about survival and compliance, there was little time to adapt and shift business operations, which resulted in measurable revenue declines.

For example, an analysis of sales transaction data released in early February 2021 by the Mastercard Center for Inclusive Growth found that businesses located in Asian American neighborhoods in New York City saw more significant declines in restaurant spending and consumer spending in 2020 compared to spending levels in New York City overall<sup>22</sup>. Consumer spending fell weeks earlier in Manhattan's Chinatown and Flushing (a majority-Asian population neighborhood) than the city overall, which may likely be linked to xenophobic fear and discriminatory treatment of Asian-owned businesses at the time. Researchers at the time found that, due to a combination of language barriers, higher dependence on cash, and a limited online presence, Asian restaurants in New York City were less prepared to transition to digital transactions, take-out orders, and delivery during the pandemic, resulting in more considerable revenue losses.

Others have also documented the rise of anti-Asian hate, racism, discrimination, and xenophobia that was pervasive throughout the pandemic due to intense political rhetoric and social media misinformation about the source and cause of the COVID-19 outbreak<sup>23</sup>. A 2021-2022 policy report evaluating AANHPI-owned businesses in San Diego County found that more than one out of ten (10.1%) AANHPI proprietors surveyed reported being racially harassed or discriminated against during the pandemic<sup>24</sup>. Furthermore, roughly a quarter (23.5%) reported they didn't know or were unsure, and 66.4% reported they were not victims.

These listed factors were some of the significant identified reasons why large numbers of AANHPI-owned businesses in the country had a more complex and longer financial recovery timeline from the pandemic than all other non-AANHPI-owned businesses. The pandemic disrupted small firms nationwide, with California AANHPI firms among the hardest hit. Despite California's economic recovery, more research is needed on the unique post-pandemic recovery trajectory of AANHPI establishments. This knowledge gap makes it difficult to determine whether these firms receive equitable support and resources compared to non-AANHPI firms, and whether they are regaining their pre-pandemic financial and operational stability. Without a thorough evaluation of their current economic health and access to resources, policymakers and community business leaders lack both the information needed to determine whether interventions are required and the data to develop targeted interventions that promote the long-term sustainability of AANHPI businesses. This project will investigate the economic relationships, fiscal health, and operational stability of AANHPI establishments in California.

# ECONOMIC IMPACT OF AANHPI-OWNED BUSINESSES IN CALIFORNIA

25 For more on the IMPLAN input-output modeling methodology, visit the IMPLAN methodology webpage at <https://support.implan.com/hc/en-us/articles/360038285254-How-IMPLAN-Works>.

26 The State of Diverse Businesses in California (Sacramento: Beacon Economics, 2023), <https://calasiancc.org/wp-content/uploads/2023/09/CalAsian-Chamber-Minority-Small-Businesses-Impact.pdf>.

As part of our research study, we took a closer look at the economic and workforce dynamics of AANHPI-owned businesses through the prism of econometric modeling software. Understanding the “ripple effects” of jobs created and revenue generated from AANHPI businesses in the greater California economy can help provide meaningful metrics for economic literature. Further quantifying the AANHPI firm and worker data we have highlighted in this study can also bring greater understanding and awareness to the value of the data to the public, community leaders, and elected officials in a more relevant way, and one which lends itself well within the public policy process.

We evaluated AANHPI employer and non-employer datasets from the United States Census Bureau’s Nonemployer Statistics by Demographics series (NES-D) using IMPLAN, the best-in-class “input/output” econometric modeling software program available. Input/output models are an econometric technique that explores economic relationships within a geographic area. An “economic impact” or “multiplier effect” is created when new dollars are recirculated in an economy, indirectly supporting more jobs and additional business activities. In economic literature, “indirect effects” refer to those impacts that result as businesses procure goods and services from other companies (and, in turn, these businesses buy goods and services from others). “Induced effects” refer to the impacts when workers spend their wages on goods and services (and, in turn, the effects associated with these expenditures continue to circulate through a local economy)<sup>25</sup>.

Using IMPLAN, we created a series of models to explore the economic conditions and relationships of AANHPI businesses on the statewide and regional levels. These models help further understanding of the unique economic contributions of AANHPI enterprises and the complex economic interdependence between geographic regions in California.

First, we looked at AANHPI businesses statewide and their overall economic impact. We obtained current employment data from the 2021 NES-D dataset and sorted for all Asian, Native Hawaiian, or Other Pacific Islander enterprise data. Using the 2017 North American Industry Classification System (NAICS) codes, we categorized labor data and assigned industry earnings, labor, and output values in IMPLAN based on the most common and comprehensive business categorizations for AANHPI businesses identified through prior business surveys and research. We adjusted our figures for inflation and reflected 2024 dollars. Our model found that AANHPI businesses in California have a total employment impact of 1.9 million employees in the state (direct, indirect, and induced combined), generating \$127.9 billion in total labor income annually. Notably, our model found that AANHPI businesses produce \$200.7 billion in total statewide economic impact, which exceeds economic impact estimates published before our report <sup>26</sup>.

Table 4: Economic Impact of California AANHPI-Owned Businesses Statewide, 2024

Impact	Employment	Labor Income	Value Added	Output
Direct	1,230,120	\$65,051,291,000	\$97,956,982,473	\$175,059,219,645
Indirect	373,353	\$33,766,424,982	\$51,376,029,878	\$95,035,441,964
Induced	394,396	\$29,117,426,518	\$51,461,206,293	\$82,689,912,479
<b>TOTAL</b>	<b>1,997,869</b>	<b>\$127,935,142,500</b>	<b>\$200,794,218,644</b>	<b>\$352,784,574,088</b>

Our analysis also finds that AANHPI-owned businesses have a measurable effect on taxable sales in California. The IMPLAN model evaluated taxes across all applicable government jurisdictions, including federal (social insurance taxes, excise taxes, corporate profit taxes, personal income taxes, etc.), state (social insurance taxes, sales, and property taxes, corporate profits, personal taxes, et al.), cities, and special districts. We found that AANHPI-owned businesses generated \$52.9 billion in total tax receipts (direct, indirect, and induced tax receipts combined) (see Table 5).

Table 5: Total Tax Revenue Generated by California AANHPI-Businesses by Jurisdiction, 2021

Impact	Cities	Counties	State	Total
Direct	\$2,819,510,097	\$2,164,897,643	\$9,014,030,535	\$29,147,375,656
Indirect	\$562,893,065	\$434,567,175	\$3,061,573,963	\$11,673,219,854
Induced	\$929,325,119	\$714,431,424	\$3,612,822,651	\$12,153,326,759
<b>TOTAL</b>	<b>\$4,311,728,282</b>	<b>\$3,313,896,242</b>	<b>\$15,688,427,148</b>	<b>\$52,973,922,268</b>

Of particular interest was the magnitude of local and state sales tax receipts generated by AANHPI enterprises, particularly given the disproportionate share of AANHPI-owned retail businesses, restaurants, and other food and beverage companies, all of which have taxable sales in the state. Sales tax revenue is also collected by municipal general funds, which is used to pay for road repair, parks, libraries, police and fire services, among others. Our IMPLAN model found that AANHPI-owned companies generated \$6.97 billion in state sales tax, \$202.5 million in county sales tax, and \$1.66 billion in city sales taxes in 2021. In comparison, California's sales and use tax revenue from all businesses and sales transactions totaled \$66.1 billion in fiscal year 2021<sup>27</sup>.



## MULTI-REGIONAL INPUT-OUTPUT ANALYSIS

27 California Department of Tax and Fee Administration, Annual Report 2021 (Sacramento: CDTFA, 2021), 8, <https://www.cdtfa.ca.gov/formspubs/pub306-2020-21.pdf>.

28 For more information on MRIO analyses, read Clouse, Candi. "MRIO: Introduction to Multi-Regional Input-Output Analysis." IMPLAN. IMPLAN, June 28, 2017. <https://support.implan.com/hc/en-us/articles/115009713448-MRIO-Introduction-to-Multi-Regional-Input-Output-Analysis>.

Next, we used IMPLAN to develop a Multi-Regional Input-Output (MRIO) model of AANHPI firms to provide a more in-depth look at the AANHPI business community. MRIO models offer a more detailed look at economic activity, industry linkages, and regional trade dynamics that a statewide analysis cannot produce, and they also help reveal the “spillover effects” of financial activity, like sales and labor costs, from one geographic area to another<sup>28</sup>. Our principal interest in conducting an MRIO economic analysis of AANHPI-owned businesses was to create a more representative economic model of AANHPI establishments in the state using regional-level inputs sourced from the Census Bureau to reflect the regional differences in business sector composition, wages, and employment.

In the responses to our statewide survey, we noted differences grouped by geography, particularly responses from the San Francisco Bay Area, San Diego, the Inland Empire, and Los Angeles/Orange County. For comparable research purposes, we choose to group and divide AANHPI businesses into geographic areas based on metropolitan statistical areas (MSAs), with a particular emphasis on Southern California due to the size of the business population there – the Los Angeles-Long Beach-Anaheim MSA, the San Diego-Carlsbad MSA, and the Riverside-San Bernardino-Ontario MSA. We also combined the San Francisco-Oakland-Fremont MSA with the San Jose-Sunnyvale-Santa Clara MSA to create a San Francisco Bay Area region (see MSAs highlighted in green in Figure 2). These MSAs account for 87% of all AANHPI-owned enterprises in the state, making them a logical geographic grouping for economic analysis. All other companies in other areas were combined into an “All Other California” geographic area.

Like our statewide analysis, we used the most current employment and labor income data from the Census Bureau’s NES-D database, sorted it by our defined geographic regions, and used IMPLAN for econometric modeling. The following table highlights the resulting total employment, labor income, value added (economic impact), and output data statewide and by geographic region from our MRIO analysis (direct, indirect, and induced effects combined). Overall, using an MRIO IMPLAN analysis we find that AANHPI firms in California have a \$157.7 billion economic impact, supporting a total of 1.6 million jobs statewide.

Figure 2: Metropolitan Statistical Areas Included in IMPLAN Multi-Regional Input-Output Economic Analysis



Table 6: Total Economic Impact Dynamics of AANHPI Businesses by Geography, MRIO IMPLAN Analysis, 2024

	Employment	Labor Income	Value Added	Output
<b>Los Angeles / Orange County</b>	1,006,964	\$59,658,681,696	\$95,671,067,829	\$168,414,954,08
<b>San Francisco</b>	348,830	\$27,984,037,082	\$41,595,630,940	\$64,045,341,274
<b>San Diego</b>	116,473	\$5,461,634,760	\$8,398,303,918	\$15,726,136,210
<b>Inland Empire</b>	114,980	\$4,909,833,602	\$6,892,831,293	\$13,275,324,817
<b>All Other CA</b>	100,003	\$3,666,419,584	\$5,149,429,316	\$9,942,766,879

In comparing IMPLAN analyses, it is evident that the economic figures generated from the MRIO analysis are smaller than the ones in our statewide data input dataset. Due to federal data record limitations, the AANHPI business data available by MSA is a smaller sample size than the statewide data sample, which affects the inputs we place into IMPLAN for the MRIO analysis. Still, this is a representative model of proprietor economic impact and should be included in policy conversations about AANHPI's economic presence and participation in California.



# STATEWIDE SURVEY

29 For our survey methodology and data limitations, see Appendix A.

30 California AANHPI business owner ethnic composition was evaluated within the Census Bureau's Microdata Access Tool (MDAT) and accessed May 28, 2024, <https://data.census.gov/mdat>.

While Census Bureau datasets and out-of-state surveys and research can help inform and guide our investigation, we needed current, statewide data on AANHPI enterprises to develop a baseline understanding of their economic, fiscal, and operating conditions. The statewide survey is also intended to inform follow-up regional survey work and executive interviews of AANHPI business owners within the state, which will take a closer look at more personal and community-level issues impacting enterprises.

With this in mind, from late April through early June 2024, we surveyed AANHPI business owners (small and medium-sized establishments) in California, as part of a statewide report evaluating the economic and business conditions of AANHPI-owned businesses. The twenty-question survey used a digital survey panel instrument for response collection and distribution, and covered diverse topics such as business ownership, geography, industry, employee count, revenue changes, fiscal health, financial challenges, and business operation strategies. We ultimately gathered 1,081 usable survey responses, achieving a comparable sample size with a 95% confidence level and a 3% margin of error. Using the most current U.S. Census Bureau data, survey responses were weighted using statistical software (SPSS) to adjust our sample to reflect the demographic composition and geographic dispersion of AANHPI-owned businesses in the

## Background & Profile

First, we asked respondents to identify “which race or ethnicity best describes you,” providing a list of the most common statewide AANHPI business owner ancestry categories found in the United States Census Bureau’s 2022 American Community Survey 5-Year Estimates Public Use Microdata Sample for California.<sup>30</sup> Our weighted survey responses reflect the statewide AANHPI business owner’s racial and ethnic demographic profile (see Table 7).



Table 7: Survey Responses to the Question,  
“Which race or ethnicity best describes you?”

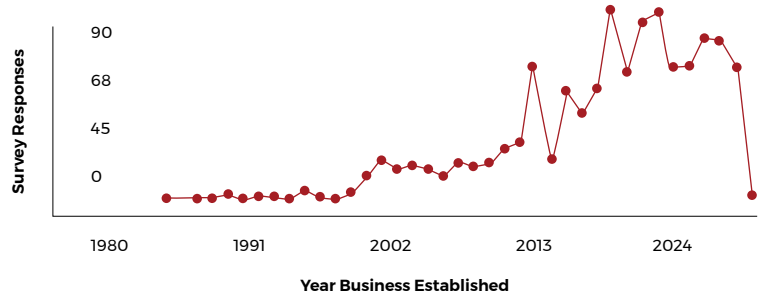
Answer Choices	Frequency	Valid Percent
Chinese	275	26.2%
Asian Indian	113	10.7%
Filipino	130	12.4%
Vietnamese	110	10.4%
Korean	153	14.5%
Japanese	74	7.0%
Native Hawaiian /Pacific Islander	24.8%	27.7%
Other Asian or Pacific Islander origin	133	12.7%
Multiple Asian and Pacific Islander origin	38	3.6%
Other	3	0.3%
Prefer Not to Say	2	0.2%
N	1053	

When asked which year their business was established (see Chart 2), most respondents indicated their business was created in 2014 (mean 2013.84), and the median year in our sample was 2015. The earliest founding date provided was 1980, and the most recent was early 2024.

31 Dixon, Greg. "California Zip Codes." California State Geoportal. November 30, 2021. <https://gis.data.ca.gov/maps/CDEGIS::california-zip-codes>.

32 "TIGER/Line Shapefile, 2020, Nation, U.S., Core Based Statistical Areas (CBSA)." United States Census Bureau. November 1, 2022. <https://catalog.data.gov/dataset/tiger-line-shapefile-2020-nation-u-s-core-based-statistical-areas-cbsa>.

Chart 2: Survey Responses to the Question, "Which year did you establish your business?"



We asked respondents to provide the zip code where their business is located or headquartered, and used GIS software to spatially display their location and their overlapping counties and MSAs from GIS shapefiles sourced from the State Geoportal website<sup>31</sup> and Data.gov<sup>32</sup>. Regionally, we see most AANHPI business establishments located in Southern California and the San Francisco Bay Area (see Table 8). The weighted MSA composition of our sample (see Table 9) matches the most current public data available for California at the Census Bureau.

Table 8: Survey Response by Region

Region	Frequency	Percent
Los Angeles / Orange County	484	46.0%
Inland Empire	90	8.6%
San Francisco	318	30.2%
Central Coast	19	1.8%
San Diego	53	5.0%
Central Valley	71	6.7%
Other CA	12	1.2%
Unknown	5	0.5%
<b>N</b>	<b>1053</b>	



33 "Frequently Asked Questions." U.S. Small Business Administration Office of Advocacy. March 1, 2023. <https://advocacy.sba.gov/wp-content/uploads/2023/03/Frequently-Asked-Questions-About-Small-Business-March-2023-508c.pdf>.

Table 9: Survey Response by Metropolitan &amp; Micropolitan Statistical Area

MSA	Frequency	Percent
<b>Los Angeles-Long Beach-Anaheim</b>	484	46.0%
<b>San Francisco-Oakland-Hayward</b>	213	20.2%
<b>Riverside-San Bernardino-Ontario</b>	90	8.6%
<b>San Jose-Sunnyvale-Santa Clara</b>	90	8.6%
<b>San Diego-Carlsbad</b>	53	5.0%
<b>Sacramento-Roseville-Arden-Arcade</b>	41	3.9%
<b>Fresno</b>	13	1.2%
<b>Oxnard-Thousand Oaks-Ventura</b>	15	1.5%
<b>Bakersfield</b>	11	1.1%
<b>Vallejo-Fairfield</b>	6	0.6%
<b>Modesto</b>	4	0.3%

The Small Business Administration<sup>33</sup> defines a small business as establishments with fewer than 500 employees. Most businesses employ 50 employees or less (51.4%), and nearly all (93.2%) respondents in our sample are small businesses (see Table 10), with few (6.8%) identified as medium-sized businesses, which the SBA defines as those enterprises with 500 to 1,500 employees. Regionally, Inland Empire respondents were more likely to be larger employee sizes compared to all other regions.



Table 10: Survey Responses to the Question, “How many employees do you currently employ?”

Answer Choices	Frequency	Percent
None	15	1.4%
1-10	183	17.3%
11-20	150	14.2%
21-40	100	9.5%
41-50	95	9.0%
51-100	188	17.9%
101-250	138	13.1%
251-500	113	10.7%
More than 500	72	6.8%
N	1053	

When asked to identify their business’s primary industry (see Table 11), the top answer choice was retail (15.5%), followed by food service (13.5%), and manufacturing (9.3%). Few indicated they work in the non-profit sector (1.4%) or digital media and marketing (1%).



Table 11: Survey Responses to the Question,  
“What is the primary industry of your business?”

Answer Choices	Frequency	Percent
Other	16	1.5%
Retail	163	15.5%
Food Service	142	13.5%
Technology	88	8.4%
Healthcare	53	5.1%
Manufacturing	98	9.3%
Professional Services	79	7.5%
Beauty & Personal Care	76	7.2%
Arts, Entertainment & Recreation	48	4.6%
Construction & Real Estate	27	2.6%
Education & Training	29	2.8%
Transportation & Logistics	45	4.3%
Agriculture & Forestry	22	2.1%
Wholesale Trade	30	2.9%
Financial Services	55	5.3%
Hospitality	29	2.8%
Nonprofit Sector	15	1.4%
Environmental Services	26	46.0%
Digital Media & Marketing	11	1.0%
N	1053	

Table 12: Survey Responses to the Question,  
“How has your revenue changed in the past year?”

Answer Choices	Frequency	Percent
Increased significantly (greater than 25%)	255	24.20%
Increased somewhat (1-25%)	576	54.70%
Stayed about the same	114	10.80%
Decreased somewhat (1-25%)	83	7.90%
Decreased significantly (greater than 25%)	18	1.70%
Prefer not to say	7	0.60%
<b>N</b>	<b>1053</b>	

One area of particular interest to us in this investigation was the types of challenges faced by AANHPI-proprietors in California - which were among the most prevalent and persistent? When asked to identify the most significant financial challenges their business was currently facing (see Table 14), the most responses were given for “high operating expenses (rent, utilities, supplies” (40.1%), followed by the increased cost of supplies or services (35.9%), and decreased sales of revenue (34.6%). To alleviate these financial challenges, top marks were given to “diversifying revenue streams” (28.2%), followed by “increasing prices for products and services” (24.1%), and “cost-cutting measures” (13.5%), which includes choices like layoffs and cutting operating hours (see Table 15). LA/OC and SF Bay Area respondents were more likely to indicate the need to increase prices than other regions. San Diego and Inland Empire respondents had a higher response rate to “applying for grants or government assistance.”

Table 13: Survey Responses to the Question,  
“What would you rate the overall fiscal health of your business?”

Answer Choices	Frequency	Percent
Very healthy	364	34.6%
Somewhat healthy	517	49.1%
Neutral	95	9.0%
Somewhat concerned	47	4.5%
Very concerned	2	0.2%
<b>N</b>	<b>1024</b>	<b>97.3%</b>



Table 14: Survey Responses to the Question, "What is the biggest financial challenge your business is currently facing? (Select up to three)."

Answer Choices	Total Response	Percentage
High operating expenses (rent, utilities, supplies)	422	40.1%
Increased cost of supplies or services	378	35.9%
Decreased sales or revenue	364	34.6%
Accessing capital or credit	346	32.9%
Repaying debts or loans	331	31.4%
Cash flow management	228	21.7%
Adapting to new business models with financial implications	217	20.6%
Insurance costs	180	17.1%
Taxes and government fees	103	9.8%
Labor costs (including wages, training, and benefits)	93	8.8%
N	2662	





Table 15: Survey Responses to the Question, “What has been your primary financial strategy to mitigate these challenges?”

Answer Choices	Frequency	Percent
Diversifying revenue streams (e.g., introducing new products/services)	297	28.2%
Increasing prices or fees for products/services	254	24.1%
Cost-cutting measures (e.g., reducing hours of operations, layoffs)	142	13.5%
Seeking external financing (loans, investors)	133	12.7%
Applying for grants or government assistance	100	9.5%
Renegotiating terms with suppliers or creditors	46	4.4%
Implementing more efficient processes or technologies	47	4.4%
Focusing on higher margin products or services	30	2.9%
Other	3	0.3%
<b>N</b>	<b>1053</b>	



### Goals, Priorities & Challenges

Turning to more forward-looking questions, we asked respondents to list their primary business goals for the remainder of the year (see Table 16). Most survey participants indicated a growth mindset; the most popular response choices were to expand their customer base (38.9%), followed by launching new products or services (36.5%), and increasing sales or revenue for their enterprise (35.4%). In our responses, we saw another indicator that workforce recruitment and retention are not a primary focus for businesses in California – only 7.9% indicated they plan to “invest in employee training and development.”

Table 16: Survey Responses to the Question, “What are your primary business goals for the remainder of the year? (Please select all that apply).”

Answer Choices	Response Count	Percentage
Expand the customer base	410	38.9%
Launch new products or services	384	36.5
Increase sales or revenue	373	35.4%
Improve profitability	326	31.0%
None of the above	308	29.2%
Reduce operating costs	298	28.3%
Expand into new markets or locations	277	26.3%
Enhance digital or online presence	269	25.5%
Strengthen supply chain resilience	167	15.9%
Invest in employee training and development	83	7.9%
Other	7	0.7%
Invest in employee training	93	8.8%
Achieve sustainability or social impact goals	0	0.0%
N	2902	



On the issue of support and resources most sought by AANHPI-owned establishments, the top response chosen by participants was marketing and advertising support (26.3%), with business mentoring or coaching (18.9%), and technology or digital tools (13.9%) trailing (see Table 17).

Table 17: Survey Responses to the Question, "What kind of support or resources would most benefit your business right now?"

Answer Choices	Frequency	Percentage
Marketing and advertising	277	26.3%
Business mentoring or coaching	199	18.9%
Technology or digital tools	146	13.9%
Financial assistance (e.g., grants, low-interest loans)	142	13.5%
Access to new markets or networks	114	10.8%
Legal or regulatory guidance	61	5.8%
Workforce training and development programs	60	5.7%
Support for mental health and well-being	33	3.1%
Infrastructure improvement (e.g., Internet access, utilities,	15	1.4%
Other	5	0.5%
<b>N</b>	<b>1053</b>	

Economic recession fears have persisted among small business owners nationwide, and California AANHPI proprietors are no exception. When asked what their greatest anticipated challenge for the near future (see Table 18), the most favored response was "economic downturn or recession" (18.5%). Interestingly, increasing competition was the second-ranked answer choice (16.8%), a theme we also explored in our later regional survey as part of this project. Few are concerned about workforce shortages or labor issues (2.4%). Nevertheless, there is a clear indication that AANHPI business owners in the state are optimistic about the challenges that they expect to face; an overwhelming majority indicated they were "somewhat confident" (50%) or "very confident" (30.7%) in their businesses ability to meet the future challenge (see Table 19).



Table 18: Survey Responses to the Question, “What is the greatest challenge you anticipate your business will face in the near future?”

Answer Choices	Frequency	Percentage
Economic downturn or recession	195	18.5%
Increasing competition	177	16.8%
Supply chain issues	162	15.4%
Technological changes or disruptions	142	13.4%
None of the above	140	13.3%
Changes in consumer behavior	87	8.3%
Access to financing or capital	67	6.4%
Regulatory or policy changes	52	4.9%
Workforce shortages or labor issues	25	2.4%
Other	7	0.7%
<b>N</b>	<b>1053</b>	

Table 19: Survey Responses to the Question, “How confident are you in your business’s ability to meet this future challenge?”

Answer Choices	Frequency	Percentage
Very confident	323	30.7%
Somewhat confident	526	50.0%
Neutral	111	10.5%
Somewhat not confident	69	6.6%
Not confident at all	16	1.5%
Unsure at this time	8	0.8%
<b>N</b>	<b>1053</b>	





### COVID-Pandemic Impact

A significant area of our investigation is the pandemic-related experiences AANHPI business owners had in California – much of the research done in this area is nationally focused or limited to other states. When asked to identify “what specific challenges your business faced during the pandemic,” nearly half (46.6%) stated they had health and safety concerns for both their employees and customers (see Table 20). Other significant responses we received were a decrease in customer demand (36.4%), followed by adapting to remote work digital business operations (34.1%), and financial strain (31.3%). Also, like prior survey findings on the topic, roughly one out of ten (6.6%) of respondents indicated they encountered “racism, anti-immigrant rhetoric, or other discriminatory remarks and behavior” during the pandemic.

Table 20: Survey Responses to the Question, “What specific challenges did your business face during the pandemic? (Select all that apply).”

Answer Choices	Response Count	Percentage
Health and safety concerns for employees and customers	491	46.6%
Decrease in customer demand	383	36.4%
Adapting to remote work or digital business operations	359	34.1%
Financial strain	330	31.3%
Navigating government restrictions and lockdowns	311	29.5%
Staffing issues	294	27.9%
Supply chain disruptions	284	27.0%
Accessing emergency financial aid or loans	214	20.3%
Mental health and well-being of the business owner and employees	159	15.1%
Racism, anti-immigrant rhetoric, or other discriminatory remarks and	69	6.6%
Other	2	0.2%
N	2896	

34 U.S. Small Business Administration, Disaster Assistance Update Nationwide COVID EIDL, Targeted EIDL Advances, Supplemental Targeted Advances, (Washington, DC, U.S. Small Business Administration, 2022) [https://www.sba.gov/sites/default/files/2022-04/COVID-19%20EIDL%20TA%20STA\\_04282022\\_Public-508.pdf/](https://www.sba.gov/sites/default/files/2022-04/COVID-19%20EIDL%20TA%20STA_04282022_Public-508.pdf)

Another topic we explored was the degree to which pandemic-related financial assistance programs were used or were helpful to AANHPI proprietors in California. When asked whether their business applied for financial assistance programs during the pandemic (see Table 21), most respondents (51.3%) indicated they received Economic Injury Disaster Loans (EIDL), which are low-interest loans distributed by the U.S. Small Business Administration (SBA). The observed EIDL response rate is significantly higher than what has been reported for state-based recipients from the SBA overall (roughly 600,000 EIDL recipients in California out of 4.25 million small businesses in the state)<sup>34</sup>. However, we would note that AANHPI businesses are overrepresented among service-based businesses, retail establishments, and manufacturing businesses, which were more acutely impacted by the economic and financial repercussions of the pandemic and related government restrictions placed on companies and individuals. Other popular responses among respondents were state or local government grants or loans (40.2%), followed by the federal Paycheck Protection Program (PPP) (39.3%).

Table 21: Survey Responses to the Question, “Did your business apply for any financial assistance programs during the pandemic? If so, which ones? Please select all that apply.”

Answer Choices	Response Count	Percentage
Economic Injury Disaster Loan (EIDL)	540	51.3%
State or local government grants/loans	423	40.2%
Paycheck Protection Program (PPP)	414	39.3%
Private grants or loans	390	37.0%
Employee retention tax credits	260	24.7%
Did not apply for any assistance	135	12.8%
Other	1	0.1%
N	2163	



As a follow-up question, we explored whether the financial assistance that business owners received was sufficient to meet their needs during the pandemic (see Table 22). Most respondents (49.6%) stated the assistance was enough, while roughly four out of ten (38.6%) indicated it was sufficient. Few (6.2%) expressed that more was needed.

Table 22: Survey Responses to the Question, “Was the financial assistance you received sufficient to meet your needs during the pandemic?”

Answer Choices	Frequency	Percentage
Yes	406	38.6%
Somewhat	522	49.6%
No	65	6.2%
I prefer not to say	18	1.7%
I did not apply for assistance	41	3.9%
N	1053	

Another area of interest in this research study was to understand whether AANHPI business owners have financially or operationally recovered from the pandemic or whether they were lagging in their recovery compared to their non-AANHPI counterparts. We focused our limited survey questions on business operations, as there is more existing research and findings on the financial topic. We saw a clear indication that most AANHPI businesses have improved since pre-pandemic levels (see Table 23)—overall, three-quarters of respondents said their operations were “somewhat better” (47.6%) or “significantly better” (28.4%) than pre-pandemic levels.



Table 23: Survey Responses to the Question, “Was the financial assistance you received sufficient to meet your needs during the pandemic?”

Answer Choices	Frequency	Percentage
Significantly better	299	28.4%
Somewhat better	501	47.6%
About the same	155	14.7%
Somewhat worse	67	6.4%
Significantly worse	26	2.4%
Not applicable (business started post-pandemic)	5	0.5%
<b>N</b>	<b>1053</b>	

Along with the topic of pandemic business operations, we were interested in learning to what degree marketplace adaptation occurred among the AANHPI business community. We first asked respondents whether they had to change their strategy or business model in response to the pandemic and, if so, to indicate what changes were made (see Table 24). More than four out of ten respondents said they either introduced new products and services (46.1%) or shifted their employees to remote work (43.5%). Few (8.7%) noted that they reevaluated their supply chain or vendors, which may indicate there was more of a focus on business survival and urgent, immediate operational shifts during the pandemic.



35 COVID-19 and E-commerce: A Global Review, (New York: United Nations, 2021) [https://unctad.org/system/files/official-document/dtlstict2020d13\\_en\\_0.pdf](https://unctad.org/system/files/official-document/dtlstict2020d13_en_0.pdf).

Table 24: Survey Responses to the Question, “Have you had to change your business model or strategy in response to the pandemic? If yes, please indicate the changes made (select all that apply).”

Answer Choices	Response Count	Percentage
Introduced new products or services	485	46.1%
Shifted to remote work for employees	458	43.5%
Enhanced health and safety protocols	420	39.9%
Altered hours of operation	386	36.7%
Increased online sales or services	352	33.4%
Adjusted marketing strategies	320	30.4%
Reevaluated supply chain or vendors	92	8.7%
Other	1	0.1%
<b>N</b>	<b>1053</b>	

Lastly, we explored the extent to which AANHPI proprietors have made lasting business operation changes and investments since the pandemic, with a particular focus on technology. Others have identified that businesses that relied mostly on customer foot traffic and lacked an online or social media presence or app-based payment systems had a more challenging financial time during the pandemic than those more tech-savvy establishments<sup>35</sup>. Our survey found that a significant number of AANHPI businesses have made meaningful tech and innovation-related changes to their business since the pandemic (see Table 25), including digital payment systems (46.1%), customer relationship management (CRM) software (44.9%), remote work tools (42%), and social media for marketing purposes (41%).



Table 25: Survey Responses to the Question, “What technologies or innovations have you adopted to support your business since the pandemic? Please select all that apply.”

Answer Choices	Response Count	Percentage
Digital payment systems	485	46.1%
Customer relationship management (CRM) software	473	44.9%
Remote work tools (e.g., video conferences, collaboration software)	442	42.0%
Social media for marketing	432	41.0%
E-commerce platforms	373	35.4%
Automation or productivity tools	296	28.1%
Health and safety technologies (e.g., contactless services)	256	24.3%
None	18	1.7%
<b>N</b>	<b>2775</b>	

This statewide survey provides evidence of the AAANHPI business community's resilience and adaptability in navigating post-pandemic challenges and highlights important marketing, financial assistance, and business mentoring needs. As noted earlier, our survey also informed our executive interviews of AANHPI business owners and the development of a regional survey questionnaire.

## REGIONAL SURVEYS

36 We used the Census Bureau's Microdata Access Tool to evaluate ethnicity of AANHPI business owners by Public Use Microdata Areas (PUMA) for the counties contained within the MSAs in our dataset and compared them to the ethnicity composition in our survey sample by MSA.

Our statewide survey identified some underlying factors within the California AANHPI business community that demand a regional look - the outsized presence of Los Angeles, Orange County, and the San Francisco Bay Area; meaningful differences in statewide survey questions by region; and geographic clusters of industry presence and participation. There are also specific local and community issues and themes that we wish to explore, which would require a supplementary survey questionnaire to follow the statewide survey we conducted. We set out to complete a regional survey shortly after thoroughly evaluating our statewide responses.

Thus, from mid-August through early September 2024, we surveyed Asian American, Native Hawaiian, and Pacific Islander business owners (small and medium-sized establishments) in key California metropolitan statistical areas as a follow-up to our statewide survey. The twenty-question survey used a digital survey panel instrument for response distribution and collection. It focused on regional and community topics such as public safety, community services, and local economic health. The statewide survey conducted earlier in the year informed our geographic targeting and questionnaire development process. We targeted four significant geographic concentrations of AANHPI businesses in the state - San Diego County, the Inland Empire (San Bernardino and Riverside Counties), Los Angeles & Orange Counties, and the San Francisco Bay Area (Alameda, Contra Costa, San Francisco, San Mateo, Marin, Santa Clara and San Benito Counties). Quality control measures were used to verify survey response accuracy, and responses were evaluated by their county-level racial, age, and gender composition using the most current U.S. Census Bureau data available. We gathered 810 usable survey responses that reflect the regional AANHPI business owner demographics and profile of the respective

### Profile & Background

First, we asked respondents which race or ethnicity best describes them (see Table 26) The answer choices provided broadly reflect the ethnic composition of AANHPI business owners by MSA, found in the Census Bureau's 2021 American Community Survey 5-Year Estimates Data<sup>36</sup>.

Table 26: Survey Responses to the Question “Which race or ethnicity best describes you?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Asian Indian	10%	6%	2%	6%	8%
Chinese	13%	30%	16%	25%	30%
Filipino	32%	13%	5%	15%	11%
Japanese	6%	7%	9%	6%	6%
Korean	6%	12%	25%	1%	9%
Multiple Asian and Pacific Islander origin	4%	4%	5%	14%	2%
Native Hawaiian	10%	2%	7%	6%	12%
Other	4%	3%	4%	3%	2%
Other Asian origin	3%	7%	0%	4%	3%
Pacific Islander	7%	4%	2%	6%	4%
Prefer Not to Say	1%	2%	2%	0%	1%
Vietnamese	6%	11%	23%	16%	12%



Next, we asked survey participants about their employee count (see Table 27). Like our statewide survey, more than 90% of our sample met the criteria to be considered small business owners (fewer than 500 employees). It should be noted, however, that our regional surveys have more micro-employers (fewer than ten employees) and non-employers than the statewide survey sample. This may be partly due to the geographic targeting for our surveys, which made meeting survey quotas more difficult and time-consuming, resulting in much smaller employers in our sample. In contrast, the statewide poll had no such restrictions but did require weighting due to geographic and ethnic oversampling.



Table 27: Survey Responses to the Question “How many employees do you currently employ?”



Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
None	8%	10%	14%	7%	12%
1-10	29%	36%	59%	33%	28%
11-20	13%	9%	5%	14%	12%
21-40	8%	9%	5%	15%	8%
41-50	8%	6%	0%	7%	6%
51-100	11%	7%	2%	4%	13%
101-250	10%	7%	4%	8%	8%
251-500	6%	10%	4%	3%	8%
More than 500	8%	7%	7%	10%	6%

Regarding our AANHPI businesses by industry, our regional survey responses (see Table 28) reflected similar responses, with retail, food service, and manufacturing taking most of the top spots, with some exceptions. In the San Francisco Bay Area, technology is the second top-ranked answer choice, tied with professional services. In the Inland Empire, technology surpasses manufacturing as the third-ranked industry choice for respondents.

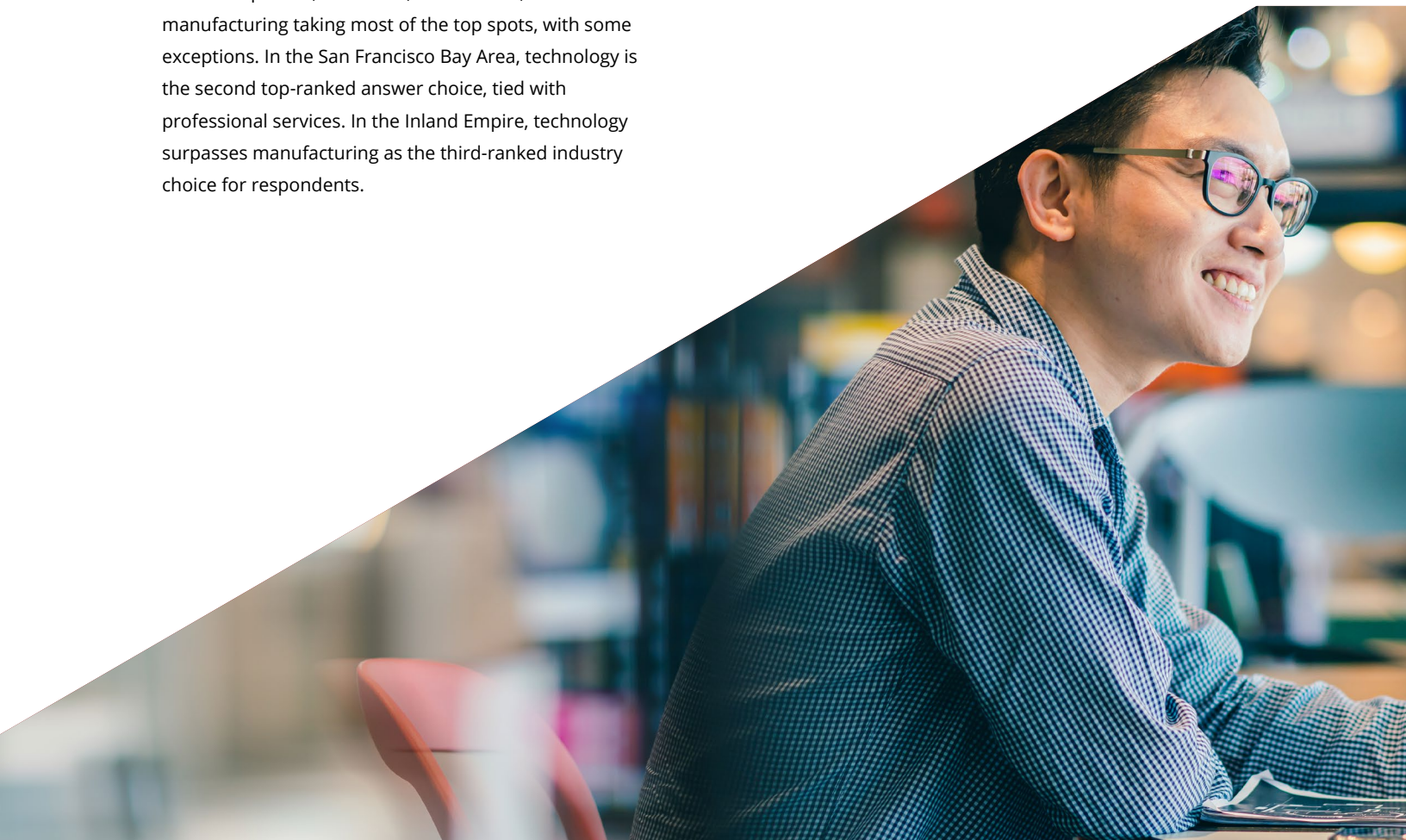


Table 28: Survey Responses to the Question, “What is the primary industry of your business?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Food Service	15%	17%	21%	14%	18%
Retail	12%	11%	18%	14%	10%
Manufacturing	9%	10%	11%	12%	6%
Technology	11%	11%	4%	8%	12%
Other	5%	8%	13%	8%	6%
Professional Services	10%	6%	9%	4%	12%
Healthcare	9%	7%	2%	7%	6%
Arts, Entertainment & Recreation	6%	5%	4%	3%	2%
Financial Services	3%	5%	4%	6%	4%
Construction & Real Estate	5%	4%	5%	3%	5%
Wholesale Trade	2%	4%	4%	1%	2%
Digital Media & Marketing	3%	4%	0%	4%	1%
Beauty & Personal Care	4%	2%	2%	0%	3%
Education & Training	1%	3%	0%	7%	5%
Hospitality	1%	1%	2%	1%	2%
Transportation & Logistics	3%	2%	2%	7%	4%
Nonprofit Sector	1%	2%	0%	0%	1%
Agriculture & Forestry	0%	2%	2%	0%	0%
Environmental Services	0%	2%	0%	1%	1%



From examining our statewide survey responses and other small business surveys, it became evident that understanding what types of businesses were in our sample could help provide more context to the responses we received. We asked respondents to select from a list of significant categories of business types (e-commerce, brick and mortar, in-person or online services, et al.), and we divided responses by region (see Table 29). Some interesting variations in response by geography emerged – “online retail/e-commerce” was the top choice for survey participants in the Inland Empire and San Francisco Bay Area (33% and 23%, respectively). In comparison, brick-and-mortar retail was the number one answer choice for LA/OC and San Diego (27% and 29%, respectively). The Inland Empire and LA/OC have significant in-person, service-based businesses compared to respondents in San Diego and the San Francisco Bay Area (30% and 28% vs 14% and 21%, respectively).

Table 29: Survey Responses to the Question, “What type of business do you operate? Select all that apply.”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Brick-and-Mortar Retail	32%	30%	21%	29%	19%
Online Retail/E-commerce	33%	27%	23%	25%	23%
Hybrid (Brick-and-Mortar + Online)	24%	18%	16%	15%	17%
Service-Based Business (In-Person)	30%	19%	27%	14%	21%
Service-Based Business (Online)	15%	19%	16%	16%	16%
Food and Beverage	15%	14%	14%	8%	17%
Manufacturing	8%	14%	14%	4%	5%
Wholesale/Distribution	7%	10%	11%	3%	5%
Franchise	3%	6%	4%	0%	5%
Home-Based Business	6%	9%	7%	10%	7%
Non-Profit Organization	4%	3%	2%	1%	3%
Freelance/Independent Contractor	14%	11%	0%	12%	10%
Other	5%	9%	9%	1%	5%

### Economic & Business Health

We asked our regional survey participants a series of questions exploring major business, fiscal, and community issues that were not covered in our statewide survey, to expand our investigation and area of research. For benchmarking purposes, we modeled our queries from The MetLife & U.S. Chamber of Commerce’s Small Business Index, which tracks responses from small business owners via online interviews each quarter to provide a current view of small business perspectives and business trends<sup>37</sup>. As the Small Business Index is a national survey with responses available by region, we compared our responses to those from the Western region of the U.S..<sup>38</sup>

Turning to local economic conditions, we asked our respondents how they would rate the overall economic health of their local area (see Table 30). We observed strong positive responses across all regions, with most responses all indicating the health is “very good” or “somewhat good.” San Diego AANHPI proprietors gave the strongest remarks, followed by the Inland Empire. In contrast, the Small Business Index’s Western survey respondents gave significantly lower marks, with less than half indicating the health as somewhat good or very good (20% and 9%, respectively), and more than a 1/3 indicating it was poor (28% somewhat poor and 8% very poor, respectively). This variance in response may be due in part to the strength of California’s urban economies and a post-pandemic recovery that has been in part fueled by a tourism boom and the growth of high-tech industries. Other Western states have experienced more modest economic growth and activity since the pandemic, and fewer high-wage, high-growth businesses compared to California.

37 "Index Steady As Optimism Over Future Hiring and Revenue Stay High." Small Business Index. United States Chamber of Commerce, Accessed September 24, 2024. <https://www.uschamber.com/sbindex/summary>.

38 States include California, Oregon, Washington, Idaho, Montana, Utah, Colorado, Nevada, Arizona, New Mexico, Wyoming, Alaska, and Hawaii.

Table 30: Survey Responses to the Question, "How would you rate the overall health of the economy in your local area?"

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	Small Biz Index
Very good	31%	24%	14%	30%	23%	9%
Somewhat	28%	29%	36%	34%	32%	20%
About average	28%	34%	39%	25%	28%	36%
Somewhat poor	11%	10%	7%	10%	14%	28%
Very poor	3%	3%	4%	1%	3%	8%

Next, we asked respondents to rate the overall health of their business (see Table 31). Across all observed regions, most AANHPI proprietors gave positive remarks, expressing their business health as "somewhat good" or "very good." Inland Empire respondents gave the most positive remarks (34%), and SF Bay respondents gave the fewest positive remarks (22% as "very good"). Overall, Small Business Index respondents from the Western U.S. states gave more positive reviews about their business health than every observed region but San Diego.

Table 31: Survey Responses to the Question, "How would you rate the overall health of your business?"

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	Small Biz Index
Very good	34%	25%	14%	30%	22%	26%
Somewhat	27%	33%	36%	34%	33%	34%
About average	31%	30%	39%	25%	33%	31%
Somewhat poor	8%	10%	7%	10%	10%	6%
Very poor	0%	2%	4%	1%	2%	2%



## Staffing & Workforce

Regarding business staffing, most survey participants shared that they have retained the same level of staffing over the past year (see Table 32), similar to the Small Business Index respondents, but to a smaller degree. Two notable exceptions are San Diego and Inland Empire AANHPI proprietors, who expressed that they have significantly increased staff compared to their peers or Index respondents (39% and 40%, respectively).

We asked survey participants to identify the main barriers to recruiting new employees and gave a list of prevalent causes identified in prior research and surveys. The top answer choices from respondents among all observed regions was “high cost of living,” underscoring California’s housing affordability crisis and the effects of rampant inflation (see Table 33). Other top choices include “high salary expectations,” and a lack of qualified candidates.



Table 32: Survey Responses to the Question, “Over the past year, would you say you have: increased staff, retained the same size staff, or reduced staff?”

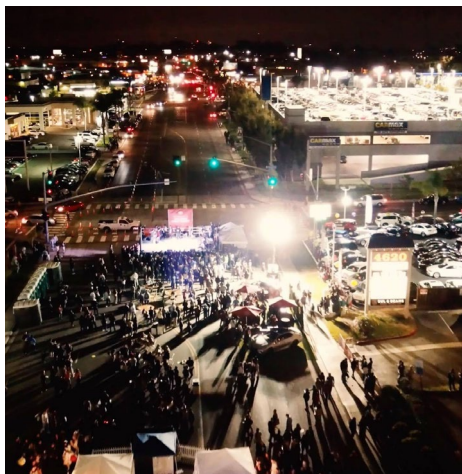
Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	Small Biz Index
Increased staff	39%	31%	29%	40%	34%	15%
Retained the same size staff	49%	58%	57%	48%	54%	73%
Reduced staff	12%	11%	14%	12%	13%	11%

Table 33: Survey Responses to the Question, “What are the main barriers to recruiting new employees in your local area (select all that apply)?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
High cost of living	46%	48%	52%	51%	48%
High salary expectations	41%	38%	43%	22%	39%
Lack of qualified candidates	29%	24%	29%	26%	25%
High competition for talent	29%	25%	20%	29%	17%
Insufficient applicant pool	15%	19%	18%	15%	15%
Inadequate local training programs	17%	16%	7%	15%	17%
Don't Know/Does not apply to my business	14%	13%	14%	10%	11%
Other	1%	2%	1%	1%	1%

Table 34: Survey responses to the question, “What strategies do you use to retain your employees (select all that apply)”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Creating a positive work environment	55%	51%	59%	37%	46%
Offering flexible work arrangements	44%	42%	64%	30%	39%
Offering competitive salaries	26%	40%	34%	45%	33%
Providing benefits (healthcare, retirement plans)	38%	38%	32%	37%	32%
Offering training and development opportunities	48%	35%	25%	32%	32%
Regular recognition and rewards	24%	20%	18%	10%	16%
Other	3%	4%	0%	3%	4%



As a follow up question, we asked AANHPI business owners “what strategies do you use to retain your employees,” and provided a number of answer choices (see Table 34). The top response across most regions was to create a positive work environment, followed by offering flexible work arrangements. Some regional differences emerged – the top choice among San Diego-based survey participants was “offering competitive salaries” (45%), and the second ranked choice for Inland Empire survey participants was “offering training and development opportunities” (48%). The response frequency from San Diego County underscores the challenges of the housing crisis and inflation have placed upon employers in the region<sup>39</sup>. To theorize on the response choice from the Inland Empire sample group, there may be a shortage of highly skilled labor, and a lower cost of living may result in less of an urgent priority to raise worker wages and benefits.

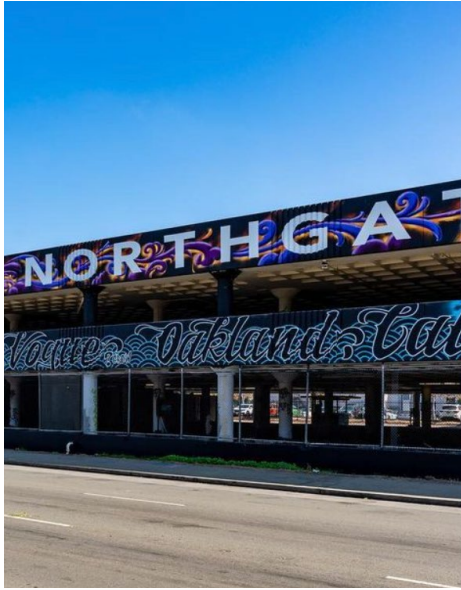
39 San Diego Regional Economic Development Corporation, "Economy in Crisis: Local Housing Market Stays Hot, Unaffordable Despite COVID," San Diego Regional EDC Blog, accessed August 13, 2024, <https://www.sandiegobusiness.org/blog/economy-in-crisis-local-housing-market-stays-hot-unaffordable-despite-covid/>; Olivia Sandusky, "San Diego Among Top U.S. Cities with Biggest Inflation Problem: WalletHub," Fox 5 San Diego, published August 22, 2023, <https://fox5sandiego.com/news/business/san-diego-among-top-u-s-cities-with-biggest-inflation-problem-wallethub/>.

## Business Outlook & Competition

With a look toward the future, we asked survey participants to identify actions their business will need to take in the next six months (see Table 35). Responses varied by region, however the most popular response provided was "increase marketing or sales," with approximately four out of ten respondents in each area sharing this view. Second among the list for most regions was "develop online sales or websites," however in the San Francisco Bay Area "identify and hire new employees" was the second ranked choice instead. Inland Empire AANHPI proprietors also had hiring new staff as their third ranked choice, suggesting both areas are experiencing growth in sales and revenue on a greater level.

Table 35: Survey responses to the question, "In the next six months, do you think this business will need to do any of the following? Please select all that apply"

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Increase marketing or sales	45%	41%	54%	38%	39%
Develop online sales or websites	41%	29%	39%	32%	27%
Obtain financial assistance or additional capital	24%	31%	16%	26%	19%
Identify new supply chain options	29%	27%	18%	29%	25%
Identify and hire new employees	37%	23%	27%	16%	29%
Make a capital expenditure	17%	18%	9%	12%	17%
Identify potential markets for exporting goods or services	17%	13%	14%	16%	15%
None of the above	5%	11%	0%	8%	13%
Cancel or postpone a planned capital	9%	10%	5%	10%	11%
Permanently close this business	4%	8%	7%	0%	4%



We also inquired about marketplace competition, and the degree to which AANHPI business owners are seeing competition change from smaller or local companies. This survey question is aimed at identifying shifts in the marketplace – an increasing number of local or small competitors suggests a growing, healthy local economy, whereas fewer local or small competitors could signal barriers to entry for businesses, saturation, or consolidation. Our survey question asked respondents to compare their business to six months ago, and whether competition from smaller or local companies was less, more, or about the same (see Table 36). Overall, the greatest share of responses from each region was for “more competition,” which stands in contrast to the Small Business Index Western states sample, which shared that competition mostly “stayed the same” (56% vs 42%, respectively). We would note that responses varied by region on the question of whether there was “less competition”; a closer look at the data identified businesses reporting less competition primarily belonged to a handful of industries – food service, technology, retail, and professional services.

Table 36: Survey responses to the question, “What strategies do you use to retain your employees (select all that apply)”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	Small Biz Index
More competition	48%	47%	37%	43%	44%	29%
Stayed the same	28%	35%	50%	29%	36%	56%
Less competition	25%	18%	13%	29%	20%	14%

## Financial Health & Revenue

Another area of investigation we sought was the financial viability and health of AANHPI establishments in the state, particularly compared to non-AANHPI businesses (see Table 37). When asked “how comfortable are you with your company’s current cash flow situation,” 70% or more of respondents in each region expressed they were either “somewhat comfortable” or “very comfortable,” which is a greater magnitude than the “comfortable” responses from the benchmark Small Business Index sample. This is a good indicator of strong fiscal management and steady sales and revenue.

Table 37: Survey Responses to the Question, “How comfortable are you with your company’s current cash flow situation?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	Small Biz Index
Very comfortable	22%	22%	12%	23%	19%	16%
Somewhat comfortable	50%	49%	63%	56%	52%	45%
Not very comfortable	22%	25%	23%	14%	24%	31%
Not at all comfortable	6%	3%	2%	7%	5%	9%



As a follow-up question, we asked respondents to project future revenue trends (see Table 38). Most survey participants in each region reported that they expect 2025 revenue to increase, a clear signal that sales and revenue growth are rising. Interestingly, nearly 2/3rds of respondents in the Inland Empire said 2025 revenues will increase, which is similar to the response frequency from the Small Business Index sample, and much higher than all other regions. This may underscore significant economic growth and activity in Riverside and San Bernardino Counties, as well as population growth and consumer behavior.

Table 38: Survey Responses to the Question, “Looking forward to one year, do you expect next year’s revenue to increase, decrease, or stay the same?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	Small Biz Index
Increase	64%	53%	45%	52%	51%	71%
Stayed the same	13%	28%	34%	29%	24%	18%
Decrease	23%	19%	21%	19%	26%	7%

## Business Challenges



Next, we looked at major business-related problems that AANHPI-owned enterprises face in California. As a benchmark survey, we used the National Federation of Independent Business’s (NFIB) Small Business Economic Trends survey, a nationwide survey of NFIB members which is updated monthly, and provides insight on a range of relevant business, economic and financial topics<sup>40</sup>. We asked our respondents, “what is the single most important problem facing your business today,” and compared the response frequency by those collected by the NFIB in August 2024 (see Table 39)<sup>41</sup>. Across the board, AANHPI business owners in the state identified inflation as their top business problem, mirroring the response rate from the NFIB survey. Other top ranked problems that respondents shared were taxes, poor sales, and cost of labor. Interestingly, while NFIB survey participants expressed “quality of labor” as their second ranked problem from the list, this issue was nowhere to be found among AANHPI business owners. To theorize why, it may be that AANHPI business owners are more likely to source employees from known, trusted friends and family members with shared values, and thus have fewer labor-related issues. It should also be noted that many of the industries which a sizable portion of AANHPI businesses participate in do not require the same specialized skills or technical expertise that other industries require. Lastly, this may be more evidence of a nexus between AANHPI proprietors and their physical presence in urban economies, where a large highly skilled and globally talented labor force is readily available. Other markets outside California where cost of living and housing costs are much lower may have fewer skilled and qualified workers available, stymying everyday small business owners.

40 "Small Business Optimism Index." NFIB. National Federation of Independent Businesses, Accessed August 1, 2024. [https://www.nfib.com/news-article/monthly\\_report/industry-report-july-2024/](https://www.nfib.com/news-article/monthly_report/industry-report-july-2024/)

41 William C. Dunkelberg and Holly Wade, Small Business Economic Trends (Nashville, NFIB, August 2024) <https://strgnfibcom.blob.core.windows.net/nfibcom/SBET-August-2024.pdf>.

Table 39: Survey Responses to the Question, "What is the single most important problem facing your business today?"

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay	NFIB
<b>Inflation</b>	22%	30%	21%	27%	27%	24%
<b>Taxes</b>	17%	15%	13%	16%	9%	13%
<b>Poor sales</b>	8%	13%	13%	11%	17%	8%
<b>Cost of labor</b>	17%	11%	16%	11%	16%	9%
<b>Finances &amp; interest rates</b>	11%	11%	11%	12%	7%	4%
<b>Competition from large businesses</b>	6%	5%	11%	12%	8%	5%
<b>Cost/availability of insurance</b>	4%	5%	4%	1%	4%	6%
<b>Quality of labor</b>	7%	4%	7%	3%	5%	21%
<b>Other (please</b>	0%	3%	4%	1%	2%	1%
<b>Government regulation</b>	8%	3%	2%	4%	7%	8%

## Public Safety

Another issue that observers and policymakers have raised recently is public safety in California. News stories and dramatic surveillance videos have shown “smash and grab” retail theft occurring at stores across the state and reducing property and violent crime is at the forefront of legislative and policy conversations in Sacramento. To move beyond the headlines and the political rhetoric, we wanted to hear directly from AANHPI business owners on their experiences and perceptions of public safety.

When asked how concerned they were about safety on their business premises, more than 80% of survey participants in each region had some level of concern (see Table 40). We would highlight those who said they were “very concerned” or “extremely concerned,” which combined ranged from 20% of responses (San Diego) to 29% (Inland Empire). While we find these survey responses to be meaningful, greater scrutiny and consideration should be given to those respondents with much more elevated levels of concern (“very concerned” and “extremely concerned”).

Table 40: Survey Responses to the Question, “How concerned are you about the safety of your business premises?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Not at all concerned	17%	18%	23%	16%	16%
Slightly concerned	25%	32%	25%	25%	26%
Moderately concerned	27%	19%	29%	36%	29%
Very concerned	16%	16%	13%	10%	16%
Extremely concerned	13%	11%	7%	10%	9%
Not applicable to my business	3%	5%	4%	4%	4%



Next, we asked survey participants how concerned they were about public safety in their community (see Table 41). Across all regions, we saw an uptick in responses for those expressing they were “very concerned” compared to our prior question about business premise safety, which suggests that while most AANHPI business owners do not have significant concerns about their business’s public safety, they do have greater safety concern and awareness to what is happening in their community.

Table 41: Survey Responses to the Question, “How concerned are you about public safety in your community?”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Not at all concerned	16%	12%	23%	22%	14%
Slightly concerned	29%	37%	32%	25%	24%
Moderately concerned	29%	25%	23%	32%	36%
Very concerned	15%	18%	20%	18%	20%
Extremely concerned	12%	8%	2%	4%	6%

### Public Improvements



Lastly, we asked respondents what public improvements they would like to see in their community that would help support their business and business growth, providing more than fifteen answer choices (see Table 42). Across three regions, business owners selected “improved public transportation options (e.g., bus, trains, shuttles)” as their #1 choice (Inland Empire, LA/OC, and San Diego). San Francisco Bay Area respondents instead chose “increased police presence and patrols” as their first choice (34% of all regional respondents), which was among the highest ranked selections for all regions apart from the Inland Empire. We would also note that “upgraded utilities (e.g. electricity, water, Internet)” was in the top three for businesses in every region. We find these responses eye-opening and reflective of business owners in dense, populated urban areas where adequate infrastructure and mobility are essential to serve new and existing customers and are integral to the success and viability of their own businesses.



Table 42: Survey Responses to the Question, “What local public improvements would you like to see in your community to better support your business and its growth? (Select all that apply)”

Answer Choices	Inland Empire	LA	OC	San Diego	SF Bay
Improved public transportation options (e.g., bus, trains, shuttles)	37%	42%	29%	40%	33%
Increased police presence and patrols	25%	30%	23%	21%	34%
Upgraded utilities (e.g., electricity, water, internet)	36%	31%	13%	26%	28%
Greater support for local startups and small businesses	19%	23%	41%	16%	22%
Increased street cleaning and maintenance	26%	22%	25%	8%	27%
Better street lighting	36%	23%	21%	19%	25%
More green spaces (parks, trees, landscaping)	29%	23%	16%	12%	19%
Incentives for new businesses	19%	18%	23%	15%	25%
Improved waste management and recycling facilities	14%	18%	18%	11%	20%
Improved healthcare facilities	15%	19%	13%	10%	13%
Development of commercial areas	15%	14%	20%	11%	12%
More community events and festivals	21%	14%	18%	18%	12%
Enhanced emergency services and response times	19%	13%	11%	10%	20%
More recreational facilities (gyms, sports complexes)	17%	11%	9%	10%	11%
Improved public libraries and community centers	15%	11%	11%	7%	12%
Support for local arts and culture	21%	19%	14%	14%	11%
None of the above	6%	8%	8%	7%	5%
Other	1%	1%	1%	0%	1%

## EXECUTIVE INTERVIEWS

In addition to our business owner surveys, our investigation included executive interview sessions with AANHPI business owners statewide, in partnership with AANHPI business chamber organizations. The purpose of these interviews was to expand our scope of qualitative data and document the challenges and choices that AANHPI entrepreneurs face in our state, that are not visible or readily apparent in survey responses or federal datasets.



### Methodology

Our interviews comprised fifteen open-ended questions and covered an array of topics, including business origination and inspiration, cultural influence, community and government support, workforce challenges, and discrimination. Semi-structured interviews have several advantages that supplement quantitative surveys. The interviews conducted provide an opportunity for participants to offer more detail and nuance on complex topics, as well as a broader context for relevant themes such as business ownership. We also asked our participants for their business name, industry, and business location solely for research purposes and data analysis.

Interviews were recorded, with participant consent, for note-taking and transcribing purposes. We then conducted content and thematic analyses on the transcriptions and notes of these interviews to identify key trends in the AANHPI business community.

From mid to late August 2024, paid executive interview sessions were advertised in the Asian Business Association of San Diego's weekly member newsletter over the course of four weeks. Through consultation with the client and thorough internet research, we also identified fourteen additional active AANHPI business organizations in California with a published contact email address. We sent two emails to each organization sharing with them the session advertisement and our stated goals and objectives for the executive interviews. We offered a \$75 gift card reward as an incentive for participation. Ultimately, we successfully completed twenty-one interview sessions.

## Key highlights of executive interviews:

### *Demographics*

- The participants in our interviews are primarily located in Southern California. Most businesses are located in San Diego County (50.0%), followed by Los Angeles County (25.0%), and Riverside County (5.0%). Beyond Southern California, interview participants were located in the San Francisco Bay Area (10.0%), Napa County (5.0%), and Fresno County (5.0%).

### *Industry Representation*

- The largest primary industries include Food & Beverage (28.6%), Technology (9.5%), Beauty Salons (9.5%), and Health Practitioners (9.5%). The industries of our interview participants largely reflect the overrepresentation of AANHPI-owned businesses in key industries in the state (see Table 43).

### *Cultural Influence and Family Support*

- Many of the participants in these interviews referenced their family as a significant source of inspiration and support in ongoing business operations. Families played roles in different ways for participants, including financial support, emotional support, passed down business operations, and mentorship.
- Referrals and networking within the AANHPI community were mentioned in many of the participant interviews. Numerous participants mentioned the importance of starting their business focused solely on building a customer base upon business origination within their respective AANHPI community and expanding it through word-of-mouth and marketing efforts.

### *Challenged, but Resilient*

- Participants cited various and multiple challenges in operating their respective businesses. Primarily, navigating government regulation, securing access to capital and financing, and dealing with competition with large companies were the top challenges mentioned.
- Despite the noted challenges from participants, they have also shown resiliency and innovation in navigating financial hurdles and overcoming marketplace and cultural barriers, their ability to adapt to changing circumstances, learn from setbacks, and maintain a positive outlook.

### *Optimism for the future of the AANHPI Community, despite some concerns about own business*

- The proprietors interviewed expressed optimism about the future of their community, overall, and the continued growth of AANHPI businesses in California. Participants mentioned increased recognition of their respective culture, growing community, innovation, advocacy, and greater representation.
- Despite general optimism for the overall business sector, some participants cited numerous challenges and anxiety in their own business operations and achieving the goals in the long term.

## Cultural Influence and Family Support

Participants expressed the importance of family, community, and networking in several questions in the interview session. First, we asked the participants to describe in detail the origination of their business and secondly, the cultural influence on their business. They were driven by different motivations that included the financial necessity to relocate to the United States from a foreign country, personal passion and fulfillment, and meeting community needs. The diverse motivations provided reflect the unique experiences within the AANHPI community.

Some participants said they started their businesses to meet financial and familial needs. After the COVID-19 pandemic, one business cited the need to find “side hustles,” while another started the business for their family that migrated to the United States only several years prior. A separate participant cited a medical incident of a family member that inspired her to open an acupuncture and health practice.

When asked about the importance of cultural heritage, respondents cited their community and heritage as motivation to start their business. In particular, participants in the food and beverage industry cited they wanted to conserve and expand their cultural heritage through their business origination and operations. One participant mentioned that she wanted to create a “welcoming space” that celebrates Pacific Islander culture through food, while another participant stated she wanted to provide a “taste of home” in her food business. A third food and beverage business owner mentioned that her mission was to create opportunities back home in the Philippines by expanding the food market in the United States and the supplier pool in her native country. In addition, a business owner of a beauty salon identified a gap in services to Pacific Islanders in haircare and wanted to share his expertise and cultural heritage to provide specified services.

Cultural heritage was also cited in how some participants acted themselves in conducting business operations. One respondent stated, “the way I was raised in terms of the respect, the Filipino culture, the way you treat your elders and others, translates to how I speak to people on the phone and maintain professionalism.”

Our interview also asked participants about the level of community support, helpful organizations, and government support they experienced. Many participants spoke about the importance of word-of-mouth referrals and networking within their communities to attract new customers and build relationships. One beauty salon owner in Los Angeles mentioned his customer base was primarily driven by referrals and that his Pacific Islander community has been largely responsible for its growth.

Table 43: Industry Breakdown of Interview Participants

Industry	Count	(%) Share
Food & Beverage	6	28.6%
Technology	2	9.5%
Beauty Salons	2	9.5%
Health Practitioner	2	9.5%
Non-profit	2	9.5%
Janitorial Services	1	4.8%
Fitness	1	4.8%
Retailer	1	4.8%
Commercial Photography	1	4.8%
Agriculture	1	4.8%
Professional Services	1	4.8%
Museum	1	4.8%



There were mixed responses specific to the level of organizational and government assistance that their business has received. Most participants said they were aware of and received help from a variety of business organizations. Some of these include women-networking business groups, the Asian Business Association of San Diego (ABASD), San Diego Asian Pacific Islander Coalition (SD API), the National Indigenous Women's Resource Center, and the Disabled Farmers and Ranchers Network. One business owner stated that working with SD API and ABASD was "very helpful in navigating the landscape as a newcomer," while another stated that she was "very grateful for ABASD because there are so many resources."

There were fewer business owners who said they received government assistance than organizational assistance. This finding is due to a number of factors, including the difficulty in navigating the processes to receive government assistance and the lack of awareness of existing programs. Six business owners we interviewed acknowledged they received government assistance and one applied. Two of the participants received government assistance during the COVID-19 pandemic through the Paycheck Protection Program (PPP) loans and the Economic Injury Disaster Loan (EIDL). Of those who did not receive government assistance, but applied for a grant, said the process was stressful for her and that "she made a mistake and was disqualified during the process." Others who did not receive assistance said they financed on their own through family or personal bank

## Challenged, but Resilient

Our research team asked two questions to business owners related to the challenges they experience. First, we asked, "what unique challenges have you faced as an AANHPI business owner in California," and, second, "how have you navigated these challenges, and what strategies or solutions have you found to be most effective?" The primary challenges faced by the participants in this study can be categorized into several key areas that can intersect. We used descriptive coding from the interviews to identify these hurdles, as shown in the table below. Descriptive coding assigns descriptive labels to the qualitative data we collected to identify related content (see Table 44).

The most cited challenges business owners in our interviews experience were related to regulation, compliance, and permitting. These comprised almost a quarter of the challenges cited. One beauty salon business owner told us: "running a business from home was hard due to zoning regulations and permits. That was very difficult for me, very stressful. Sometimes, I went to bed crying out of stress and exhaustion."

One food truck owner we interviewed mentioned only one challenge, which was navigating regulations. One health practice owner said, "she is not very familiar with regulations and they seem to change often after year." Labor laws were also cited by one participant who told us "as a business owner, even though we are the only ones here doing all the work, legally if anyone else is on staff they are not able to keep any of the tips even though they are doing all the work."

Access to capital and financing was the second most cited challenge in our interviews. This topic is widely known as one of the top challenges for AANHPI business owners across the United States<sup>42</sup>. In fact, "access to capital is the number one issue for AAPI small businesses," according to Chiling Tong, president and CEO of the National Asian & Pacific Islander American Chamber of Commerce & Entrepreneurship<sup>43</sup>. Many participants said that they lacked the necessary capital to start their business and invest in the equipment they needed to run their operations. This lack of capital is compounded by other challenges related to inflationary pressure, the rising cost of equipment and business costs since the COVID-19 pandemic.

These challenges interplay with some of the disadvantages of being located in California that the participants highlighted. Business owners underscored the expensive cost of rent and equipment, in addition to high tax rates compared to other states. One cleaning services business owner stated that "the problem is that people expect to pay for cleaning services for the same amount they've paid in the past, despite rising product costs."

42 U.S. Chamber of Commerce. "AAPI Small Businesses Face Familiar Challenges and Some Unique Ones." [Small Business]. April 10, 2023. <https://www.uschamber.com/small-business/aapi-small-businesses-face-familiar-challenges-and-some-unique-ones>.

43 Ibid.

Underlying these primary challenges, few respondents cited language as a barrier in navigating the regulatory environment and applying for government assistance. While not as prevalent as other challenges identified in the interviews, racism and discrimination was mentioned by a few participants. One responded that "some people are more hesitant to come to you because you're Chinese because people are racist or afraid if you don't speak English fluently. Chinese is considered inferior and awful in the U.S." We would note that while not all respondents indicated active or recent discriminatory behavior, there was a common acknowledgment and sometimes resignation of the existence and prevalence of racism and discrimination in the marketplace.

Table 44: Descriptive Coding of Unique Challenges Faced by AANHPI Business Owners

Unique Challenges	Mentions Count	(%) Share
Regulations/compliance/permitting	7	23.3%
Capital/financing	5	16.7%
Competition with larger companies	4	13.3%
Rising cost of rent/goods/equipment	4	13.3%
Language/cultural barriers	3	10%
Accessing customer base	3	10%
Logistics/inventory	2	6.7%
Workforce development	1	3.3%
Lack of experience	1	3.3%

One common theme among participants was their ability to adapt to changing circumstances. Participants relied on the community and organizational support they received to navigate the regulatory environment and network and build broader customer pools. The following examples highlight the array of solutions AANHPI business owners implemented to keep their operations running.



- One food manufacturer said she “got lucky” in meeting a trade commissioner at a Filipino Chamber event in San Diego. The commissioner then introduced her to other superstore chain owners, who agreed to carry her products.
- Another technology business owner said he became flexible with client requests to differentiate his business from the competition.
- A separate business owner adapted to a challenging business environment by offering discounts for those who refer other customers to his beauty salon.
- A retailer in our interview said he recalibrated his product offering to match consumer preferences.

### **Optimism for the Future of the AANHPI Community, Despite Some Concerns on Own Business**

We also investigated the participants’ long-term goals, the advantages and disadvantages of being located in California, and their outlook for the AANHPI community over the next ten years. Overall, the AANHPI business owners interviewed expressed optimism about the future of their community and the continued growth of AANHPI businesses in California. Several key themes emerged regarding their outlook, including increased visibility and recognition, growing community and networks, and representation.

Starting on the question regarding the long-term goals of the participants, there was a pattern in responses that indicated a strong sense of ambition and ingenuity. Business owners discussed new strategies to increase their customer base, expand plans, and maintain community connections. Multiple food and beverage owners mentioned that they wanted to expand their product offering and expand the number of stores that carry their product. Specifically, one business owner stated that “non-Asian buyers say the market base for Asian food is growing, so they may need a specific section for Asian products.” Others were more aspirational in their plans, where one stated he wanted to touch the lives of millions of people through his non-profit.

While we addressed the disadvantages participants highlighted earlier in this report section, they also listed many advantages to having their business located in California. Multiple participants cited the state's economic vibrancy, demographic diversity, large customer pool, and quality of life. One beauty salon owner in San Diego said, "California provided me with a customer base, lots of demand for my services." There was broad resolve among our interview participants to continue to have a business located in California, and overall more advantages were listed than disadvantages to having a business in the state.

Lastly, we asked the participants about their outlook on the AANHPI community over the next years in California. While there was general optimism, some participants hoped there would be more done to improve the environment for business owners. Some examples of optimism include the following excerpts:

- "I see some communities doing well, thriving."
- "Asian population is growing, so they are influencing the market, especially food."

The following are responses that hope for improvement:

- "I see California being more respectful towards different cultural businesses, getting stronger than we are already, it is a whole lot better than it was 15 years ago."
- "For Pacific Islanders in California, we could have better opportunities for funding, training, hopefully, more loans and grants to help run their businesses."
- "Hope there will be more business owners that represent us."



The interviews with AANHPI business owners in California revealed a broad range of experiences and perspectives, and provided much needed context and color to our surveys and datasets. While we observed that participants faced common challenges, such as financial constraints, market competition, and cultural barriers, they also demonstrated persistence and flexibility to changing conditions, and were uncommonly engaged with their community networks for marketplace and organizational support.



## FUTURE RESEARCH

While this report establishes new policy-relevant metrics and greater clarity to the conditions of AANHPI-owned firms in the state, more research should be conducted to expand the volume of data and knowledge in this field, which is limited. The AANHPI business sector is diverse, growing, and has significant representation in key industries. Updated, high-quality research investigations are essential for revealing subgroup insights, identifying important financial or ownership trends, and monitoring for systemic barriers or inequities in the marketplace.

We see value in a longitudinal study of AANHPI proprietors in the state, one that tracks business development, revenue and sales trends, and workforce needs over time. As AANHPI firms are largely first-generation Americans that are heavily concentrated in only a few industries and mostly located in urbanized economies, their business arc is unique in California, which we believe requires a continuous, individualized focus from a research and policy lens. They may also be economically vulnerable to future “black swan” exogenous events that are financially catastrophic to some business segments and geographies more than others. Thus, an ongoing research investigation could provide more meaningful data to policymakers and community leaders eager to understand the extent of business-related problems, and whether interventions may be justified.

We also know from our investigation that each AANHPI ethnic subgroup is different, and has its own rich history, traditions, and community needs. Future researchers should consider in-depth investigations into both major and minor AANHPI ethnic subgroups, which should include focus groups and executive interviews and intercept surveys into ethnic commercial and community corridors. The diverse nature of the AANHPI business community requires a more disaggregated approach, which allows individual stories and experiences to be heard and represented in the data. Moreover, a multilingual approach is also desirable, one which depends less on computer and Internet access and computer literacy to complete online surveys or executive interviews, but rather meets business owners where they are at, and where they are more comfortable and likely more revealing to investigators.

## POLICY RECOMMENDATIONS

From our research findings, we make the following key policy recommendations to community and business leaders, as well as decision makers in local and state government. While not exhaustive, these recommendations are among those policy tools and interventions that we believe should be prioritized for future study, consideration and implementation, to advance economic inclusivity in the state.

### *Enhancing Marketing Partnerships and Placement*

- We heard and saw from AANHPI firms the ardent desire for more marketing programs and support, to increase their sales and commercial visibility. Marketing, however, should not be relegated to only once-a-year cultural holidays and special events. We encourage local leaders to expand their thinking on marketing AANHPI businesses and take a more integrated approach with existing local and regional marketing and branding efforts. Tourism authorities should also take note, and engage AANHPI business owners on their marketing goals and activities, and incorporate them into programming and placement opportunities. The “face” of California businesses in advertisements to visitors should reflect the demographic reality of minority-majority business ownership. How public dollars are used to shape public perceptions matter.

### *Creating a Business Resiliency Fund*

- While we share and acknowledge the supporting data indicating broad resiliency within California AANHPI businesses, we are mindful that there are shuttered businesses that permanently closed during the pandemic that are not a part of our datasets, and others that are struggling financially and/or operationally today. This is not a phenomenon unique to Asian, Native Hawaiian or Pacific Islander owned enterprises. Ongoing business support, however, could help build resiliency for new and existing firms, and lead to positive business outcomes. We encourage cities, counties, and the state of California to consider establishing Business Resiliency Funds, to help educate, train and equip economically vulnerable business owners with anti-fragile tools and techniques to prepare for the next disaster or economic event. This should be done in partnership with business organizations and integrated into existing civic efforts to plan for natural disasters.

### *Creating Access to Capital and Multilingual Financial Literacy Programs*

- It is important to note that government decisions to hastily establish business assistance programs like PPP during the melee of the early days of the pandemic led to inequity in eligibility standards and where aid dollars were delivered. Breaking down structural barriers, cultural factors and discrimination in access to capital takes time, and sustained efforts are what is required to made progress in facilitating greater financial literacy and opportunity to a diverse and dynamic business community. We advise local and state governments to evaluate the effectiveness of existing financial literacy programs for business owners, and the performance measures used to determine effectiveness in engaging multilingual business owners of color. Existing banks and other financial institutions should partner with municipalities, set goals and pool resources together to improve banking and lending relationships with diverse communities, and combat language barriers and discrimination in lending.

#### *Public Improvements to Urban Commercial Corridors*

- With most AANHPI business owners in urbanized areas, mobility of goods and customers is vital to commercial success. We identified the high interest of public transportation improvements among our survey respondents, and would encourage more community engagement, partnerships and surveys by transit agencies to ensure that all business owner voices are reflected in public decision-making, not just the largest and most prominent business and chamber stakeholders. We would also include the consideration of AANHPI commercial corridors for road repair and improvements, and multi-modal transportation options for customers and residents. San Diego's Convoy Asian Cultural District and the transformation of its main commercial road to include widened sidewalks, bike lanes and more transit improvements following a community plan update with robust AANHPI business participation and feedback comes to mind. rs with anti-fragile tools and techniques to prepare for the next disaster or economic event. This should be done in partnership with business organizations and integrated into existing civic efforts to plan for natural disasters

#### *Promoting Intergenerational Business Transfer Programs*

- With so many first-generation AANHPI business owners in the state, greater thought should be given to establishing mentorship and support programs for second- and third-generation proprietors taking over their family businesses. Programs should focus on success strategies for business modernization, financial literacy and technological adaptation, to ensure that businesses can continue to grow. With many small business owners struggling under economic uncertainty, inflation and marketplace changes, transferring and retaining business ownership and family traditions to the next generation should be a viable choice for more California entrepreneurs in the future. Small business ownership thriving and succeeding is a good indicator of a strong economy and fair marketplace.

#### *Investing in Public Safety and Anti-Discrimination Solutions*

- There is merit in expanding public safety measures, including funding local and state anti-hate public awareness campaigns, more community policing programs to build relationships and trust between law enforcement and business members, and addressing the law enforcement officer recruitment and retention crisis in the state, particularly in urban cities. AANHPI proprietors also stand to gain from additional staffing and resources to sufficiently empower local and state civil rights divisions where business owners can report discrimination and hate incidents, and swift responses to incidents can be met. Strategies to systematically inform and educate new and existing business owners on anti-hate resources and hotlines should be considered by municipalities.

#### *Expanding Data Collection and Research on Minority Owned Businesses*

- Our report is in many ways a testament to the value of data and data-informed decision making. Current and relevant data, particularly on the local and state level, requires on-going investments that build upon existing research methods and models. Federal datasets are less reliable and useful for localized analysis and must be supplemented with additional data. We believe with the growth of minority-owned businesses in the state should follow additional resources for business ownership research and analysis, to monitor, at a minimum, for marketplace and regulatory barriers.

## APPENDICES

This report provides new insight, dimension and perspective to the state of AANHPI-owned businesses in California. There is considerable evidence that suggests that AANHPI proprietors have largely recovered from the pandemic and made significant strides in business development and growth since that time. Their economic contributions to the state are measurable, and significant. We also see hallmarks of business resilience and strength. Still, we have highlighted the challenges and barriers that AANHPI entrepreneurs face and identified the potential for targeted interventions that can foster greater economic inclusivity in the state.

Moving forward, we believe that further research is needed to evaluate the progress of AANHPI enterprises in post-pandemic California, and more business development resources should be concentrated on marketing, capital, and marketplace opportunities. Fostering greater community dialogue on racism, discrimination, and systemic barriers can also help our state heal from the past and build social cohesion and equity that are becoming less common in the world today. The future of AANHPI businesses in the state is bright, but it will require a sustained commitment to economic inclusivity from policymakers, business leaders and community members alike. While rare, such social compacts do emerge, usually after catastrophic and historical events. It is our hope that the pandemic may be such a turning point in time for California and the AANHPI business community, and all underserved and underrepresented business communities.



# APPENDICES

## Appendix A: Research Limitations and Survey Methodology

It is important to recognize some limitations in our data collection and datasets that could affect the overall findings, conclusions and applicability of our research.

Our data primarily comes from publicly available federal government datasets and other secondary sources. While they are the most comprehensive and accurate business owner databases available in the United States, they may not fully capture the entire universe of AANHPI business establishments in California due to data limitations. The Annual Business Survey and the Nonemployer Statistics by Demographics series have data collection and methodology limitations which make them less than comprehensive, particularly with segmented data. While we used the most current datasets available, there is a lag in when the data points were captured, and when they are reported, and there may be small but significant changes in the data over that time which we are not fully capturing or accounting for.

For our digital survey instrument and survey collection we utilized SurveyMonkey, an online survey platform that is commonly used for marketing, social science and professional survey research and analysis. For survey targeting of California AANHPI proprietors we used SurveyMonkey Audience, an online audience panel and market research tool which uses data-quality controls to screen prospective survey respondents from a global panel of more than 335 million people. We targeted our sample to only those audience panel members previously identified as Asian or Pacific Islander residents of California (or in the case of our regional survey, the MSAs of interest) that are managers or business owners of small or medium-sized businesses. We additionally screened our respondents in our survey, asking them to confirm that they are “a California business owner of Chinese, Korean, Vietnamese, Native Hawaiian, Pacific Islander, or other Asian descent.” We asked respondents to provide the zip code of their business location, and removed all subsequent non-California responses and blank entries from our sample.

We used non-randomized survey samples, due to the cost and infeasibility of random sampling AANHPI business owners in California. While random sample surveys using live telephone interviewers is the premier standard for surveying in social science research, it is more feasible on a local level where a comprehensive and current business owner directory dataset with landline and cell phone numbers may be available. We have experience in developing a random sample of API business owners in San Diego County in 2021, building our own proprietary dataset, however extraordinary time was spent building the target population dataset from public record requests and yellow page listings, which we found would be infeasible for us to replicate and scale on a statewide level for this report. After our review, we also found that California lacks an existing comprehensive statewide dataset of this type for social science use. Responses to our statewide survey are weighted to reflect demographic and geographic composition of AANHPI business owners using statistical software (SPSS), but our regional survey is not, due to concerns of skewing responses from small regional samples we collected. We verified the AANHPI ethnic composition of our regional survey participants based on the most current ACS 5-Year Estimates for the corresponding counties.

Our executive interview outreach used best efforts to conduct a statewide outreach, but our sample has a disproportionate number of San Diego AANHPI business owners participating, as well as restaurant and hospitality sector proprietors. While we also advertised the availability of trained multilingual interviewers and a telephone option for interviews, our sample does not include surveys in languages other than English, nor does it capture responses from those that lack computer literacy or access to a smart phone.

Lastly, while this is a report investigating AANHPI business owners in post-pandemic California, we are unable to capture responses and data from those businesses which shuttered and closed permanently during the pandemic, or those that have moved out of state since the start of the pandemic.

# APPENDICES

## **About the Asian Business Association Foundation**

The Asian Business Association Foundation (ABAF) is a 501(c)(3) nonprofit organization dedicated to strengthening underserved Asian American, Native Hawaiian, and Pacific Islander (AANHPI) communities through leadership and education. For more than 20 years, the ABAF has provided community and culturally specific programming for leadership education and development, economic equity and advancement through no-cost technical assistance for minority business enterprises, and scholastic scholarships for high school, college and university students.

Building upon its services as a Small Business Development Center, ABAF provides no-cost technical assistance through its Asian and Pacific Islander Economic Equity Advancement Program. The program provides business development and capacity building educational services for minority business enterprises at no-cost.

## **About Vince Vasquez**

Vince Vasquez is the President and CEO of Policycraft Institute LLC, a public policy think tank based in Carlsbad, California. Vince has 20 years of experience in public policy research and writing, survey design and economic data analysis. He has previously authored policy papers and economic impact reports on a number of California business sectors and issues, including wineries, breweries, business improvement districts, and Asian and Pacific Islander-owned businesses in San Diego County. He has provided data research and analysis consulting for San Diego-based Asian and Pacific Islander community leaders and organizations in support of civic initiatives, including the municipal redistricting process, community development issues and Get Out the Vote (GOTV) campaigns.

Vince earned his Bachelor of Arts in Political Science from the University of California, San Diego (UCSD) and a Master of Arts in Business Administration from National University.

## **About AAPI Data**

AAPI Data is a leading research and policy organization producing accurate data to shift narratives and drive action toward enduring solutions for Asian American, Native Hawaiian and Pacific Islander communities. AAPI Data aspires to transform public and private systems to ensure that all AA and NHPI communities are recognized, valued and prioritized.

## **About CAAPIA**

The California Commission on Asian and Pacific Islander American Affairs (CAPIAA) was established in 2002 and is charged with elevating the political, economic, and social issues of Asian and Pacific Islander Americans (APIA) in California.

The Commission advises the Governor and the Legislature on how to best respond to views, needs, and concerns of the state's diverse and complex APIA communities. Additionally, the commission provides assistance to policymakers, state agencies, departments, and commissions to develop appropriate responses and programs that meet the needs of APIA communities, including focus on cultural language sensitivity, and hate incident and hate crime prevention measures.



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