Setting Roots in Rocky Soil: The State of AAPI-Owned Businesses in Massachusetts
ACKNOWLEDGEMENTS

This report would not be possible without vital contributions from the Asian Community Fund Steering Committee chaired by Paul Lee, and research guidance and analysis from the Institute for Asian American Studies at UMass Boston under the leadership of Director Professor Paul Watanabe and Assistant Director Shauna Lo. We are grateful to ABEC’s Research Committee co-chairs, Renee Inomata and Ramesh Advani, and committee members, Jobelle Mesa, Dan Park, Joe Suyemoto, and Vince Lau. Thank you to the organizations that helped disseminate the survey, provided space for the focus groups, and assisted with outreach, including but not limited to: Boston Chinatown Neighborhood Center, Boston Little Saigon, Boston OKTA Korean Business Association, Cambodian Mutual Assistance Association of Greater Lowell, Chinese Culture Connection, Greater Malden Asian American Community Coalition, Harvard Ed Portal, India Society of Worcester, Japanese Boston Support Line (JB Line, Inc), Massachusetts Asian Restaurant Association, Massachusetts Growth Capital Corporation, Massachusetts Supplier Diversity Office, Southeast Asian Coalition of Central Massachusetts, VietAID, and Women of Color Entrepreneurs. Thank you to Ramesh Advani, Renee Inomata, Dan Park, Joe Suyemoto, and Vince Lau for moderating the focus groups. Finally, we are grateful to the AAPI businesses that took the time to share their experience through this study.

AUTHORS

LEAD AUTHOR
Anne Kiyono Calef

CO-AUTHORS
Nicole Filler
Tara Nguyễn Kan

EDITORS
Qingjian (Q.J.) Shi, Asian Business Empowerment Council
Danielle Kim, Asian Community Fund
Sandy Kendall, The Boston Foundation
Luc Schuster, Boston Indicators

GRAPHIC DESIGN
Sheila Vo

PHOTOGRAPHY
Lee-Daniel Tran
ABOUT THE ASIAN BUSINESS EMPOWERMENT COUNCIL (ABEC)

WHO WE ARE

ABEC supports AAPI businesses to overcome systemic inequities and increase opportunities for economic growth and success.

WHAT WE DO

Advocate
Acting as a champion for AAPI businesses in the public sphere, advancing policies that remove barriers and promote growth.

Build
Advancing AAPI business' growth through funding, resources, and workforce solutions, propelling them to the next chapter.

Educate
Bridging the knowledge gap by giving AAPI businesses the tools they need to sustain, grow, and scale.

Collaborate
Bringing together stakeholders, partners, and AAPI entrepreneurs to expand networks, increase visibility, and foster collaboration to amplify economic inclusion.
You might be surprised to learn that the earliest recorded Asian-owned business in Boston dates back over 150 years to the 1850’s, when Ar-Showe opened a tea shop, in a location now just steps from Boston City Hall. By the turn of the 19th century, Chinese restaurants and laundries dotted Harrison Avenue, in what is now known as Boston’s Chinatown.¹ Yet, it wasn’t until 2022, more than a century later, that the first Massachusetts AAPI-led statewide organization advocating for Asian businesses emerged in the form of the Asian Business Empowerment Council (ABEC).

This report is driven by the absence of updated, accurate, and disaggregated data that truly mirrors the stories we hear AAPI businesses voice and live on the ground. We know all too well that when the data doesn’t reflect the lived experiences of AAPI businesses, resources do not get allocated to those in need.

Despite overcoming significant challenges, from exclusionary policies to hate-based violence, in the last two decades alone, the number of AAPI-owned businesses has surged by 187%. However, this report is a stark reminder that the widely consumed narrative that all AAPI businesses are uniformly successful overlooks the vast diversity and unique challenges within the AAPI community. The findings in this report offer data on how businesses vary across sectors, English language acquisition, immigration history, and more. These insights underscore the significant opportunities that still remain in supporting the growth of AAPI-owned businesses.

Forming the Asian Business Empowerment Council (ABEC) was one step to providing AAPI businesses with a central hub to lift their voices and connect to resources that fuel their growth as valuable contributors to the Massachusetts economy. While AAPI-owned businesses have taken root, it’s crucial to recognize and address different realities and needs that exist and build equitable opportunities for all.

I invite you to join us in making the policy and practice recommendations a reality. Together, we can ensure that the vibrant tapestry of our AAPI communities is recognized, celebrated, and supported.

Qingjian (Q.J.) Shi
INTRODUCTION

The number of Asian-owned businesses has surged by 187% over the last two decades. These businesses now contribute over $3.9 billion in payroll to the Massachusetts economy, marking a remarkable 300% increase from their contributions in 2002.

The majority of AAPI-owned businesses were founded by immigrants, driven by the pursuit of the “American Dream.” Their impact extends beyond vibrant ethnic enclaves like Boston’s Chinatown, Dorchester’s Fields Corner, and Lowell’s Little Cambodia; it reaches the main streets and back roads throughout Massachusetts. Despite facing significant challenges—ranging from limited access to financial resources and technical assistance —AAPI businesses have demonstrated unwavering grit and resilience. However, upon detailed analysis, it’s clear that not all AAPI-owned businesses have thrived equally. Significant opportunities remain to maximize the growth of AAPI-owned businesses.
Asian American and Pacific Islander (AAPI)-owned businesses are present in every sector—from consulting and tech firms to warehousing and nail salons—and make up a large share of Main Street businesses. Their rapid growth outpaces total business growth in Massachusetts in the same period (27 percent) and Asian population growth in Massachusetts from 2000 to 2020 (112 percent). While Asian Americans represent approximately 7 percent of the total Massachusetts population, more than 11 percent of our locally owned restaurants, beauty salons, laundry services, and retail shops are owned by Asian Americans.

This report draws on data from a survey and focus groups conducted by the Asian Business Empowerment Council (ABEC) to better understand the challenges and opportunities of AAPI-owned businesses in Massachusetts. Conducted in Fall 2023, ABEC worked closely with community-based organizations to disseminate the survey and recruit focus group participants. The survey had 221 respondents, with roughly 82 percent completing the survey in English (181 respondents), 9 percent in Vietnamese (20), 8.6 percent in Chinese (19), and 0.5 percent in Khmer (1). Survey respondents were spread out across industries and the state, with approximately one-third based in Boston. Nine focus groups were conducted with 62 attendees in February and March 2024. Focus groups included businesses located throughout the Boston, Lowell, Cambridge, Malden, Quincy, Springfield, and Worcester areas. All told, there were 262 unique participants in the survey and focus groups. Participants came from 20 different AAPI ethnic communities, the majority identifying as Chinese, Vietnamese, Korean, Indian, or Cambodian.

**Asian Business Empowerment Council Survey Respondents by Sector**

Analyzing data from ABEC’s survey and focus groups, this report provides a deeper understanding of the diverse experiences making up the vibrant AAPI-owned business community in Massachusetts.

The report is organized into four sections:

**BUSINESS CONDITIONS**
How are AAPI-owned businesses faring today and how does this vary by subgroups?

**CHALLENGES FACING AAPI-OWNED BUSINESSES**
What challenges do AAPI businesses face, including bias and discrimination, and how did challenges shift during the pandemic?

**OPPORTUNITIES TO SUPPORT AAPI-OWNED BUSINESSES**
What opportunities are available for AAPI-owned business growth and what resources would help scale and grow AAPI-owned businesses?

**POLICY AND PRACTICE RECOMMENDATIONS**
How can AAPI-owned businesses be better supported to contribute more to the Massachusetts economy?
BUSINESS CONDITIONS
ABEC survey and focus group data revealed that AAPI businesses were roughly split on whether business conditions had worsened or improved in the past year. However, reported business conditions varied greatly by sector and the business owner’s educational attainment and nativity. For example, over 40 percent of businesses in the Accommodation & Food Services and Other Services (including nail salons, dry cleaners, and other personal care services) sectors reported that business conditions were worse or much worse than they were 12 months prior, compared to just 17 percent of business owners in Professional, Scientific, and Technical Services. Beauty or nail salon businesses were particularly likely to report that business conditions had worsened—with 58 percent saying that business was worse or much worse than 12 months ago. In contrast, 63 percent of AAPI-owned businesses in management, scientific, and technical consulting services were the most likely to say that business conditions had improved.

Business conditions in the past 12 months varied by sector
Share of business owners who reported that business conditions had become worse, improved, or stayed about the same in the past 12 months by business sector.

This disparity can also be seen when looking at reported business conditions by educational attainment. Overall, holding a college degree correlated to a rosier view of business conditions. Forty-two percent of Asian business owners with a college degree or greater reported that business conditions had improved, compared to just 26 percent of those without a college degree.
Setting Roots in Rocky Soil

It is important to note that AAPI communities are not evenly distributed across sectors, so worsened business conditions in one sector will have a disproportionate impact on certain AAPI communities. Nearly two-thirds of Asian nail salon owners in Massachusetts are Vietnamese and 60 percent of respondents identifying as Vietnamese reported that business conditions had worsened in the past year. Similarly, owners of Asian-owned dry-cleaning businesses are most likely to be Korean and 41 percent of respondents identifying as Korean also said business conditions had worsened in the past year.7 Respondents who identified as Indian or Chinese were more likely to report that business conditions had stayed the same or improved in the past year, which correlated with a larger share of respondents identifying as Indian or Chinese also reporting that their businesses were in the management, scientific, and technical consulting services sectors.

AAPI businesses whose owners indicated that they were immigrants were significantly more likely to report worsened business conditions in the past year than AAPI businesses whose owners are not immigrants. Approximately 41 percent of immigrant-owned businesses reported that business was worse or much worse than it was 12 months before, compared to just 21 percent of businesses whose owner did not identify as an

---

**Business owners with a college degree or higher were more likely to report improved business conditions.**

Share of business owners who reported that business conditions had become worse, improved, or stayed about the same in the past 12 months by educational attainment.

![Bar chart showing the share of business owners who reported worsened, improved, or stayed about the same in business conditions by educational attainment.](chart)

immigrant. This could be because of the sectors in which many immigrant business owners operate. A recent Boston Indicators study found, for example, that approximately 40 percent of Main Street business owners in Greater Boston were immigrants.8 Main Street businesses, including beauty and nail salons, restaurants, and retail establishments, generally have lower profit margins and more susceptibility to economic tumult.

Businesses whose owner is more comfortable in a language other than English were also more likely to report worsened business conditions. In 2019, approximately 78 percent of Asian Americans in Massachusetts spoke a language other than English at home and about 30 percent spoke English less than “very well.”9 AAPI businesses who work with their financiers, suppliers, and funders in a language other than English were more likely to report that business conditions were worse or much worse. More than two-thirds of respondents who took the survey in Chinese, Khmer or Vietnamese languages reported that business conditions had worsened, compared to just one-quarter of English-language respondents.

AAPI immigrant-owned businesses were more likely to report worsened business conditions than other AAPI-owned businesses.

Share of business owners who reported that business conditions had become worse, improved, or stayed about the same in the past 12 months by nativity.

![Bar chart showing the share of business owners who reported business conditions](source)

A lot of these applications are really, really hard to do. And if... you don’t have a background in writing grant proposals, and... if you’re starting out, you’re just learning the ins and outs of your business... and say, oh, I need to get you... all of my profit and loss, and I need to get you my balance sheet... some people are just like, I don’t know how I’m gonna get that, and then who’s going to help me be able to get that to you... It’s extremely overwhelming... for someone who maybe doesn’t read... or somebody who is English as second-language...

– Restaurant Owner, Springfield

Business owners who took the survey in Chinese, Vietnamese, or Khmer were more likely to report worsened business conditions.

Share of business owners who reported that business conditions had become worse, improved, or stayed about the same in the past 12 months by survey language.

If you’re an immigrant trying to work and English is your second language, you do not have access, you’re so busy... So I think, you know, of translating, even getting literature out to the community would be very good.

– Café Owner, Greater Boston
Top challenges faced by AAPI business owners

Share of business owners that selected a given challenge as a top concern.

- **Finding and retaining qualified and reliable employees**: 56%
- **Fewer Customers**: 52%
- **Wages keeping up with inflation**: 47%
- **Getting capital or funding**: 34%
- **Supply chain problems**: 27%

Respondents were allowed to select more than one response.


AAPI businesses confront an array of challenges as they strive to grow and scale. When asked to identify the top three obstacles their businesses faced in the past year, over half of respondents pointed to “finding and retaining qualified and reliable employees.” While this challenge resonates across small businesses, it hits AAPI-owned businesses particularly hard. MassINC’s recent survey of small business leaders revealed that Asian respondents were more affected by the struggle to fill positions than other racial groups. Nearly three-quarters of Asian business leaders said that it was somewhat or very difficult to hire new employees, compared to 60 percent of White business leaders and approximately half of Black and Latino business leaders.\(^{10}\) Asian business leaders also reported the greatest difficulty retaining current employees, with nearly 60 percent reporting retention to be difficult, whereas only about a third of White, Black, and Latino business leaders face similar difficulties.
“My brand is very Indian... So for me, when I’m hiring people, it would make sense to have like at least a few of them who are... coming from the same background represented... When someone else who’s not from South Asia presented my product, it was not taken in a very authentic basis... so then I realized, okay, this role requires someone from [the] same background. And this harder because... there’s a lot of visa issues around people who are coming from India here. So it’s very hard to find Indians who are ready to do part time [jobs]... If they are here, they’re already working in a tech company, which is being sponsored... and if they’re not working, they probably don’t have a visa.
– Small Business Owner, Greater Boston”

“Retaining and hiring is really, really difficult. We’re in food industry, and I think the turnover rate is pretty high... It’s been hard... You want to scale and you want to build, but you cannot do that when you don’t have a strong foundation. And in order for us to be able to... build a strong foundation, we just need reliable people.
– Restaurant Owner, Springfield”
The challenges faced by AAPI businesses exhibit a nuanced landscape, influenced by firm size and sector. Service sector businesses, including nail salons, dry cleaners, and restaurants, grappled the most with customer-related issues. These businesses operate on the frontline engaging directly with patrons, presenting unique challenges. Service sector and health care businesses were also most likely to cite “wages keeping up with inflation as a top challenge.” Firms with lower revenues were more likely to cite getting capital or funding as a top challenge, and firms with higher revenues were more likely to cite supply chain concerns. One focus group participant described the challenges they face as a restaurant owner: “I’m in the service industry. So a lot of times, for small business like our size, we tend to have a lot of newbies that... we are hiring, so it’s not so much of the mature workforce in that industry. They tend to kind of go [on] to, like, larger companies... more famous restaurants or things like that.”

Extensive research has documented the surge in anti-Asian racism and discrimination during the COVID-19 pandemic. Although the prevalence of such incidents has decreased from the pandemic’s peak, approximately one in five ABEC survey respondents still reported negative impacts from anti-Asian attitudes or behaviors in the past 12 months. However, it’s crucial to recognize that these rates vary significantly across different sectors. For instance:

- In the Health Care and Social Assistance sector, around 15 percent of AAPI-owned businesses reported negative impacts related to anti-Asian attitudes or behaviors in the last year. This is a substantial improvement compared to the alarming 55 percent during the height of the pandemic.

- The Accommodation and Food Services sector continues to experience high rates of anti-Asian attitudes or behaviors. Approximately 27 percent of businesses in this sector reported negative experiences in the past 12 months. In contrast, only 13 percent of AAPI businesses in Professional, Scientific, and Technical Services faced similar challenges.

Moreover, AAPI-owned businesses that reported negative impacts due to anti-Asian attitudes and behaviors were more likely to experience worsened business conditions overall.

“I was attacked as I walked from work to transportation.”

“Simply lack of comfort and safety in day to day.”

“Clients left our business because I am Asian, I [am] the business owner [and] they said COVID was Asian people’s fault.”

– ABEC Survey Respondents
Approximately 10 percent of survey respondents cited racism, discrimination, or bias as significant challenges while operating as AAPI-owned businesses.

Anti-Asian behaviors and/or attitudes increased significantly during the COVID-19 pandemic.

Share of Asian business owners who reported a negative impact from anti-Asian attitudes or behaviors during the height of the COVID-19 pandemic (March 2020 to March 2022) and in the last 12 months (Sept. 2022 to Sept 2023).

"I think that there is a stereotype that Asian developers do shoddy construction, [that] they want to make a quick buck, [that] they do illegal construction... I have to go the extra mile sometimes... but we never complain about... stereotyping... it’s just like something we have to go through.

– Architect Describing Anti-Asian Bias in Middlesex County

I am currently looking for a new location, I’m looking to move out of the city where I am and maybe into more of a suburban area. So I reached out to a place that sounded really great. And the property owners got back to me and said, we are very hesitant to add another Asian business to this block because we already have Thai and Japanese and... that was disheartening.

– Bakery Owner, Middlesex County

I think we are fortunate to be able to [hire] displaced people, immigrants and refugees. And being able to create a safe place where they learn the new skill, provide English as a 2nd language, connect them to healthcare and education for themselves and their kids... And I think it’s also important for us to make sure that we pay them decently enough so that they don’t have to work three jobs.

– Focus Group Participant
“We actually did a program... for minority owned businesses... about projection and finance... and we dropped out after about two sessions for a number of reasons. We would love access to more services. When we get access to services, like education, we want it to be meaningful access.
– Focus Group Participant”
OPPORTUNITIES TO SUPPORT AAPI-OWNED BUSINESSES

The public and private sectors have a pivotal role to play in supporting AAPI-owned businesses. The accessibility and ease of navigating funding opportunities remains a top concern. When asked to select the top three types of assistance that would be most helpful to their business in the next 12 months, over two-thirds of AAPI business owners selected “getting access to or applying for grants.” Focus group participants also described difficulties in identifying funding supports and navigating the grant application process.

Top types of assistance requested

Share of business owners that selected a given type of assistance as helpful.

<table>
<thead>
<tr>
<th>Assistance</th>
<th>Share of Business Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting access to or applying for grants</td>
<td>68%</td>
</tr>
<tr>
<td>Finding and getting funding from new resources</td>
<td>35%</td>
</tr>
<tr>
<td>Getting access to or applying for low interest loans</td>
<td>31%</td>
</tr>
<tr>
<td>Digital, electronic, or internet marketing assistance</td>
<td>24%</td>
</tr>
<tr>
<td>Professional strategic planning advice or assistance</td>
<td>18%</td>
</tr>
<tr>
<td>Training on using social media to promote the business</td>
<td>18%</td>
</tr>
</tbody>
</table>

Respondents were allowed to select more than one response.

More than a third of respondents in ABEC’s survey voiced a critical need for support with “finding and getting funding from new resources.” Firms that typically conduct business with financiers and suppliers in languages other than English were more likely than others to request assistance finding new funding sources. MassINC’s 2024 small business leader survey found that Asian business leaders were most likely to cite the “complex application process” as a problem when applying for financing (32 percent) and 9 percent of Asian business leaders cited language access as a challenge.12 In ABEC’s focus groups, one immigrant small business owner explained her challenges in accessing financing: “I can speak English, but reading, especially the long financial legal stuff, is hard. Now, I cannot do, so I have my son to read. [And that’s how we were able to get a loan].”

“We tried to apply [to a] few grants but as a beginner [we did not get them] because they were looking for someone who [was] already established. This is not fair. And you know, we were a business for the first year, and we needed help [then]. After four years. I don’t need that much help. I may help others. Because I’m grown up already. And I had a business, I have a sale, you know, but now I don’t have [sales] but I have [expenses].”

– Retail Business Owner, Cambridge
Asian business owners were most likely to have difficulty navigating the funding application process.

Share of firms that said that the “complex application process” or “language access” has been a challenge when applying for financing by race.

When asked where they had received financial support in the past 12 months, over 40 percent of AAPI businesses said personal funds and 24 percent cited family or friends. AAPI businesses were less likely to select banks or similar lending institutions (16 percent) and outside investors that were not family or friends (3 percent).

Boston Indicators’ 2021 report, *The Color of the Capital Gap*, found that startups were more likely to rely on personal and family savings (64 percent) and were less likely to receive bank loans (17 percent) or venture capital (0.5 percent). ABEC’s survey similarly found that approximately two-thirds of AAPI owned startups relied on personal funds, but that share remained high as the business aged. Approximately 44 percent of AAPI-owned businesses that have operated for 11 to 20 years still relied on personal funds, as did 40 percent of businesses that had been open for more than 20 years.

![Graph showing sources of financial support](source)

Source: MassInc Survey of Small Business Owners. 2024.

**Sources of financial support**

Share of business owners that received financial support from a given source in the past 12 months.

<table>
<thead>
<tr>
<th>Source of Support</th>
<th>Share of Business Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner personal funds</td>
<td>41%</td>
</tr>
<tr>
<td>Local, state, or federal government</td>
<td>27%</td>
</tr>
<tr>
<td>Family and/or friends</td>
<td>24%</td>
</tr>
<tr>
<td>Banks or similar lenders and other loans</td>
<td>16%</td>
</tr>
<tr>
<td>Foundations, chambers of commerce, or other charitable or industry organizations</td>
<td>10%</td>
</tr>
<tr>
<td>Investors (not family or friends)</td>
<td>3%</td>
</tr>
</tbody>
</table>

Respondents were allowed to select more than one response.

The reliance on personal or family resources for financing reveals multifaceted dynamics within the AAPI business community. Focus group participants spoke to a lack of familiarity and trust with securing capital from financial institutions. More often than not, traditional loan applications demand extensive financial documentation and eligibility hinges heavily on personal credit scores. For those with debt or minimal credit histories, securing a loan can be an uphill battle. Immigrant business owners, owners without a college degree, and respondents who completed the survey in an Asian language were more likely to turn to family or friends for funding. One focus group participant explained: “Before we reach out to strangers, we reach out in our own pockets, and then to our family, and then we reach out to strangers... but I think if those investor networks are made more available and accessible to us, you know, we will use them... I think some education for us and being more open to raising funds, reaching out for help [would] be very beneficial.”

“I think particularly in the Asian community, you don’t go to a bank because you don’t have a lending history. So you go to auntie and she gives you some of her, you know, retirement; you go to uncle and he gives you something from the shoe box in the closet, you know, and then when you have an opportunity to apply for something, you don’t have the paperwork to go with it.”

– Small Business Owner, Boston Chinatown

Why have they not [provided] more resources, like driven specifically for our community? Because... we’re really like driving a lot of commerce and a lot of income for the state, in terms of taxes and everything else... Why [are] we being so overlooked? Very underrepresented?

– Personal Services Business Owner, Boston

Less than a quarter of respondents received technical assistance in the past 12 months.

Share of business owners who received technical assistance in the past 12 months.


Despite the demand and desire for assistance, just 23 percent of survey respondents received some form of technical assistance (TA), such as coaching or help with a grant application, in the past year. This echoes findings from the 2024 MassINC survey, in which just 15 percent of Asian business leaders reported having received business coaching or advice in the past 12 months, the lowest rate of any racial group.14
The share of ABEC survey respondents who did receive TA remained steady across sectors, firm size, and primary language used with financiers, suppliers, and customers. However, only about 11 percent of business owners without a college degree accessed technical assistance. Businesses whose owners who did receive technical assistance were more likely to report improved business conditions in the past month, and nearly all found the assistance at least somewhat helpful.

Finally, contracting with anchor institutions still remains a largely untapped source of growth for AAPI businesses. These contracts often elude AAPI small businesses due to their size and demands. However, securing these contracts can significantly alter the growth trajectory of small businesses, despite the need for capital to fulfill large orders. According to MassINC’s 2022 survey, Asian-led businesses were the least likely of all racial groups to engage with anchor institutions, citing unawareness of opportunities or lack of capacity as the primary reasons for their lack of engagement.15

**Asian-owned businesses are less likely to work with anchor institutions than any other group.**

Share of business leaders that reported working with an anchor institution between 2020 and 2022 by race.

*Source: MassInc Survey of Small Business Owners. 2022.*
POLICY AND PRACTICE RECOMMENDATIONS

Based on the survey and focus group data collected, here are some recommendations to support AAPI-owned businesses in the Commonwealth.

Invest in language- and culture-specific technical assistance

Prioritizing investment in technical assistance (TA) specifically designed for AAPI businesses will significantly improve business conditions. About one in four of ABEC’s survey respondents accessed TA in the past year, despite its proven benefits. Nearly half of Asian business leaders who did not receive TA said that they were unfamiliar with TA, and nearly 40% did not know any providers.16 Existing TA services have not maximized their reach to AAPI businesses and targeted outreach is needed. Ensuring that TA services are culturally and linguistically responsive, and tailored to AAPI businesses’ needs can be achieved by investing in AAPI community-based organizations, who are often the first and only institutions that have developed trust with AAPI immigrant entrepreneurs; however, they have limited resources to provide business support. Collaboration and coordination between mainstream TA providers and AAPI-serving organizations can enhance the ecosystem’s capacity to support AAPI entrepreneurs holistically. Recognizing some of these needs, ABEC has been facilitating the convening of TA advisors to discuss the importance of trust and culturally informed TA for AAPI businesses.

“Collaboratives are really helpful... and also [having] someone, a regular person [that] you talk to, so you develop the trust. I think trust was a big issue... so that it’s someone that you can talk to, that you can tap into, and when you need them when you’re hiring, you may use them all the time.”

– Professional Services Business Owner, Boston
Expand access to AAPI and non-AAPI networks

Focus group participants emphasized the importance of networks to access new revenue sources, widen the customer base, secure new contracts, and meet diverse advisors and mentors. Respondents also spoke to the importance of connecting with other AAPI businesses for peer support, shared experiences, and a sense of belonging. As one focus group participant explained, “I think Asian businesses, maybe the community as a whole, isn’t as well networked... There is a market that you’re around, but you have to be networked to know that exists.”

Breaking into networks and forging connections with large institutions can also be difficult for AAPI business owners encountering bias or discrimination. Therefore, addressing anti-Asian bias and the assumption that all Asian businesses are successful remains a critical priority.
Increase access to small business loans, grants, and forms of non-traditional lending

ABEC survey data highlights a lack of institutional financing and external investor support for AAPI businesses. Employing culturally competent, multilingual/multicultural professionals to connect and build awareness of financial products and services can widen accessibility for AAPI communities. Working in coordination with AAPI-serving community-based organizations on financial education is also key. Microloans and targeted grants can bridge the gap for AAPI businesses struggling with traditional financing. Streamlining and simplifying application processes could lead to increased participation and ultimately, a higher rate of successful applications.

One focus group participant explained, “I’ve gotten grants... and it’s been... life changing. So I’ve been leaning into it a lot more. But... grant writing is so intensive and take so much time, and you don’t necessarily know that you’re going to get any money from it.”
Significantly increase anchor institution spending with AAPI businesses

Large public and private institutions must take the initiative to actively engage with AAPI-owned firms, thereby empowering AAPI business owners to break into new business networks and significantly enhance their business capacity. In fiscal year 2022, approximately 5.4 percent of state contracts went to minority-owned businesses. While a significant improvement from years prior, this share is still significantly lower than the share of the population that identifies as a person of color. Removing the citizenship or permanent residency as a requirement for minority-owned business certification can also be a game-changer for AAPI immigrant-owned businesses.

Advance language access and inclusion

Language access is undeniably critical for AAPI communities. The survey results highlight stark differences in business conditions and experiences of anti-AAPI incidents among respondents who took the survey in Chinese, Khmer, or Vietnamese compared to those who completed it in English. These respondents also found language assistance particularly beneficial. This disparity underscores the necessity of multilingual data collection and outreach. By providing engagement opportunities in languages other than English, we can capture the diverse experiences within AAPI communities and ensure that the needs of all AAPI businesses are met.
APPENDIX

GLOSSARY

**Anchor Institutions:** Anchor institutions are large, place-based, public or private entities that are often mission-driven. Examples of anchor institutions include universities, hospitals, local and state government, and large employers.

**Main Street Businesses:** Main Street businesses are locally owned, often small businesses that give local downtowns and commercial centers their character. They are often brick-and-mortar establishments.

**Startup:** Startups are newly established businesses.

**Technical Assistance:** Technical Assistance (TA) comprises services provided directly to business owners to help them increase their capacity. TA can take many forms, including, 1:1 coaching, assistance with a specific task such as applying for a grant, or workshops.

BROUGHT TO YOU BY

ASIAN BUSINESS EMPOWERMENT COUNCIL
AT THE BOSTON FOUNDATION
END NOTES


2 Throughout the report, we use AAPI, Asian and Asian American interchangeably depending on the language used by the cited source.


4 Percent change in Asian population in Massachusetts is derived from 2000 and 2020 Decennial Census data.


6 While most of the respondents identified as ethnicities normally associated with South Asia (e.g., Bangladeshi, Indian), East Asia (e.g., Chinese, Taiwanese, Japanese, Korean), and Southeast Asia (e.g., Vietnamese, Cambodian), a small number of respondents identified as Pacific Islander. We use Asian American Pacific Islander (AAPI) when referring to survey respondents to capture the diverse experiences included in the sample.

7 Share of dry-cleaners that identify as Korean from Watanabe, Paul, et al. Share of Korean business owners that reported declining business conditions from ABEC survey data.


9 Lo, Shauna. “Asian Americans in Massachusetts including Boston and other selected cities: Data from the 2020 Decennial Census and American Community Survey.” University of Massachusetts Boston Institute for Asian American Studies. 2022. https://scholarworks.umb.edu/cgi/viewcontent.cgi?article=1047&context=iaas_pubs


12 Ibid.


14 Mass Inc Polling Group, 2024.


16 Mass Inc Polling Group, 2024.


18 According to the 2020 Census, 6.5% of the Massachusetts population identified as Black alone, non-Hispanic, 7.2% as Asian or Pacific Islander alone, non-Hispanic, 0.1% as American Indian or Alaska Native alone, non-Hispanic, 12.6% as Hispanic of any race, and 4.7% as two or more races.