



State of Asian American and Pacific Islander Business: Spring 2022 Survey

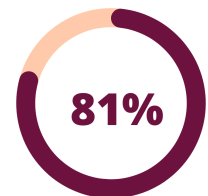
- Increases in job growth and revenue are clearly being felt broadly across the economy, including among AAPI-owned businesses in California and Texas.
- Access to credit and trust in financial and government institutions are high among respondents.
- Although respondents reported negative impacts on businesses due to the Covid-19 pandemic, they also reported recent growth in revenue and hiring as well as high business confidence.
- Half of respondents reported at least one experience of racism, including disrespect, blame for the Covid-19 pandemic, and verbal harassment, highlighting the ongoing and pressing need to address these challenges in our communities.

50% of AAPIs reported at least one experience of racism, including disrespect, blame for the COVID-19 pandemic, and verbal harassment

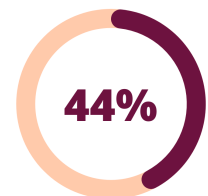


Trust & Access to Capital National Survey: Spotlight on AAPI Small Business Owners

- Most AAPI entrepreneurs lack confidence they could finance unexpected operating expenses or go after growth opportunities including contracts, marketing campaigns, or hiring additional workers.
- The capital needs of many of these entrepreneurs could be met by Community Financial Institutions (e.g. CDFIs and Minority Depository Institutions), but these sources of capital and guidance are not familiar to most AAPI entrepreneurs.
- AAPI small business owners know, like and trust the Small Business Administration more than any other segment of small business owners. The SBA should use its new-found position of trust to connect business owners to private sector resources including Community Financial Institutions, responsible FinTech lenders, and banks that can meet their needs.



81%
of AAPI respondents trust the Small Business Administration (SBA)



44%
of AAPIs are unable to fund an unexpected 5K business expense



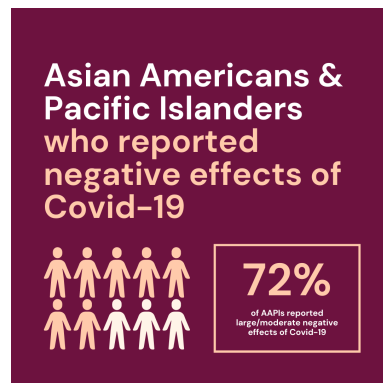
Overall Findings

Impact of Covid-19

- Majority of respondents across both surveys reported negative effects of Covid-19, ranging from catastrophic to moderately negative.
- About 12-13% reported little to no effect of Covid-19 across both surveys.
- More than 1 in 6 reported positive effects of Covid-19 in the national survey, whereas less than 1 in 4 reported positive effects of Covid-19 in the regional surveys.
- Overall optimistic with a majority reporting that 'business is back' or that 'business will survive till end of year'.

Access to Capital & Trust

- About 1 in 4 did not need additional credit or financing in the last year.
- Over 2 in 5 respondents were able to get all the credit or funding they needed.
- About 4 in 5 respondents trust the Federal Government and/or the Small Business Administration (SBA).
- Many AAPI small business owners lack awareness of minority depository institutions (41%) and CDFIs (44%).
- Though trust in the government is high and around 40% were able to fulfill their funding needs, many respondents still lack access to sufficient capital to maintain or grow their business.



How to Improve Traditional Banking Relationships or Access to Capital

- The regional surveys reveal what banks could do to improve their relationships with AAPI small business owners, including: improve processes, better lending terms, better communication/more transparency, less fees, and better rates.
- These surveys together reveal possible recommendations for improving access to capital through both making traditional banking more accessible and raising awareness of alternatives to traditional banking.
- Anti-AAPI discrimination not discussed in the national survey, so regional survey brings a crucial look into how race has affected business, and how race-fueled violence is still prevalent.