

STATE OF AAPI BUSINESS

Business Owners in California and Texas Express
Confidence Despite COVID Challenges

SPRING 2022



INTRODUCTION

The Asian American, Native Hawaiian, and Pacific Islander (AAPI) community has contributed its entrepreneurial spirit to American society for generations, driving job growth, innovation, and the wealth and prosperity of the United States. The AAPI community encompasses a diverse range of ethnicities and experiences and an equally broad representation in businesses and industries across American cities and states.

The National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship (National ACE) Spring 2022 Survey helps capture some of this rich experience and provides insight into the opportunities and challenges faced in 2022 by AAPI business owners in California and Texas, the two states with the largest numbers of employer minority-owned businesses.[1] The Asian minority business enterprises group is overrepresented relative to their share of the U.S. population.[2] According to the Minority Business Development Agency, the U.S. Census Bureau estimated nearly 2.7 million Asian American and Native Hawaiian and Pacific Islander-owned firms in 2018. Of those, 21.7 percent had paid employees, a significantly higher proportion compared to approximately 6.6 percent among all other minority firms, and a slightly higher proportion compared to 20.6 percent among non-minority firms.[3]

The ongoing COVID-19 pandemic and resulting backlash against AAPI communities remain sources of great concern. However, National ACE's survey "Trust and Access to Capital," fielded in 2022 with Reimagine Main Street, U.S. Black Chambers, Inc., U.S. Hispanic Chamber of Commerce, and Public Private Strategies, revealed that minority small business owners have a high level of trust—81 percent among AAPIs—in federal agencies, such as the Small Business Administration. The National ACE Spring 2022 findings reveal an even higher level of trust in financial institutions, with most respondents reporting satisfactory access to credit and expressing confidence about the future, despite often-significant setbacks attributed to the pandemic.

[1] Minority Business Development Agency. September 2021. The Contribution of Minority Business Enterprises to the U.S. Economy, U.S. Department of Commerce. Prepared by MacroDyn Group, available at: [The Contribution of MBEs to US Economy Report - September 2021.pdf \(mbda.gov\)](#)

[2] In 2018, AAPI-owned firms comprised 8.6 percent of all firms in the United States, while the population of AAPIs (alone or in combination with one or more other races) represented approximately 7.2 percent of the total U.S. population.

[3] AB1800NESD01 Nonemployer Statistics by Demographics Series (NES-D): Statistics for Non-Employer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, and Metro Areas: 2018 (Release Date 2021-12-16). See: <https://www.census.gov/data/developers/data-sets/nesc.html>

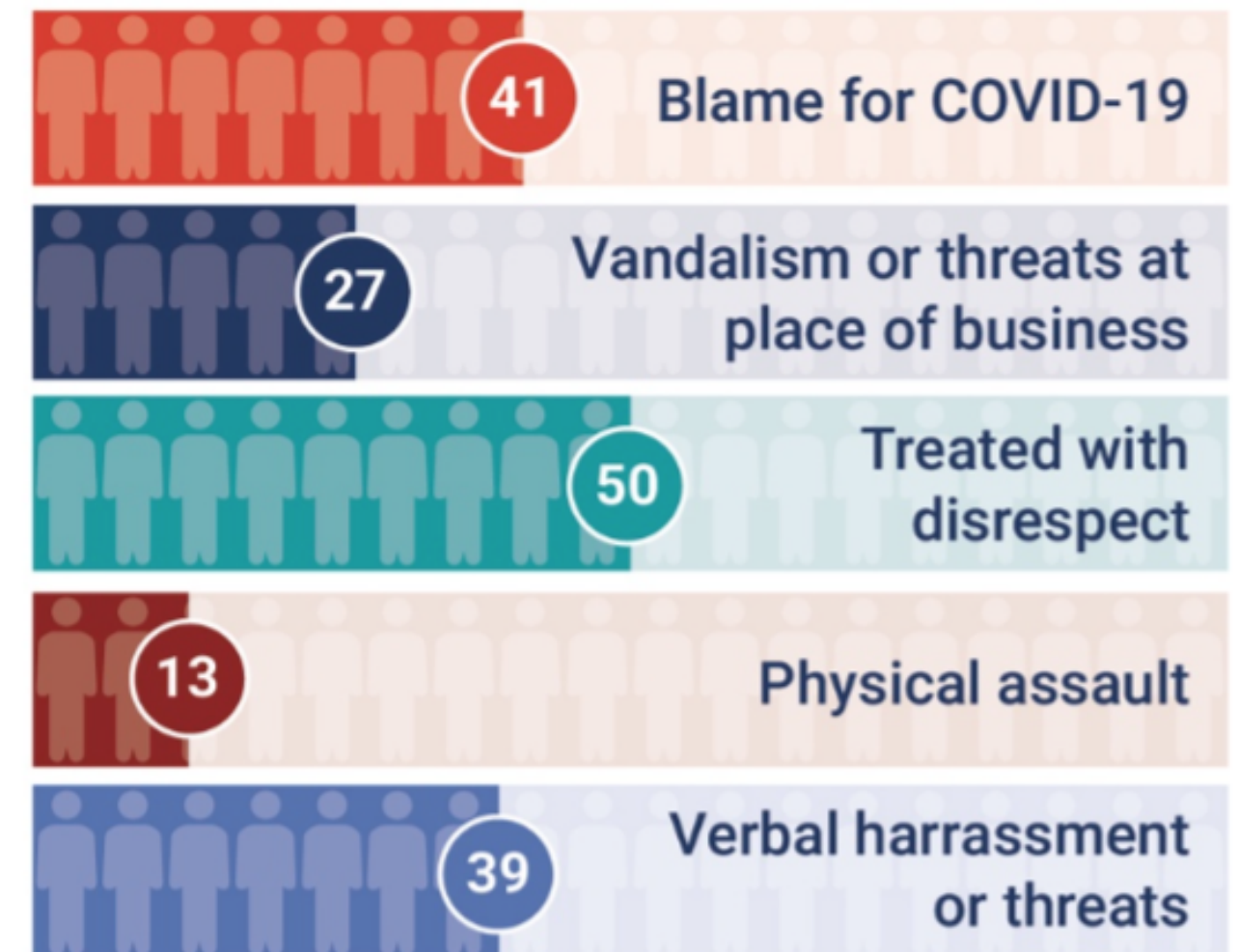
KEY FINDINGS

The National ACE Spring 2022 Survey results reveal both the challenges and opportunities facing AAPI business owners in the coming years.

- 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.

Overall, the National ACE Spring 2022 Survey demonstrates a vibrant and resilient community of AAPI business owners who continue to contribute to the entrepreneurial spirit of the United States and create opportunities for a brighter future.

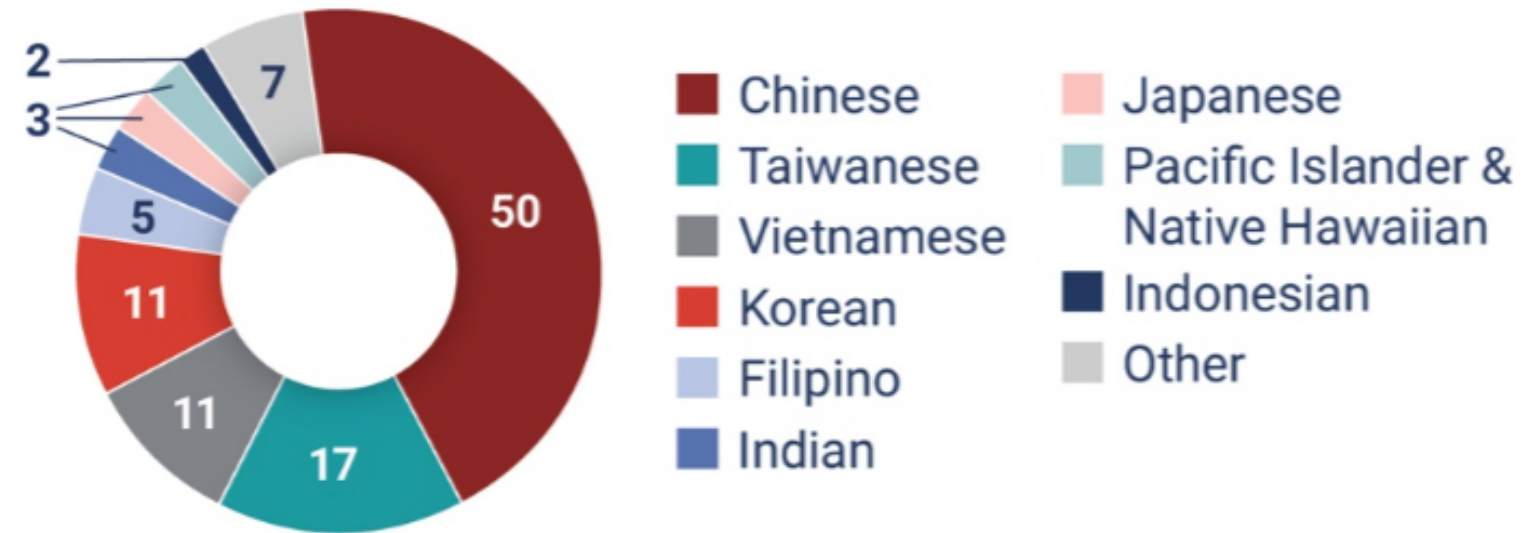
Experience at least once with any of the following, attributed to race (percentages)



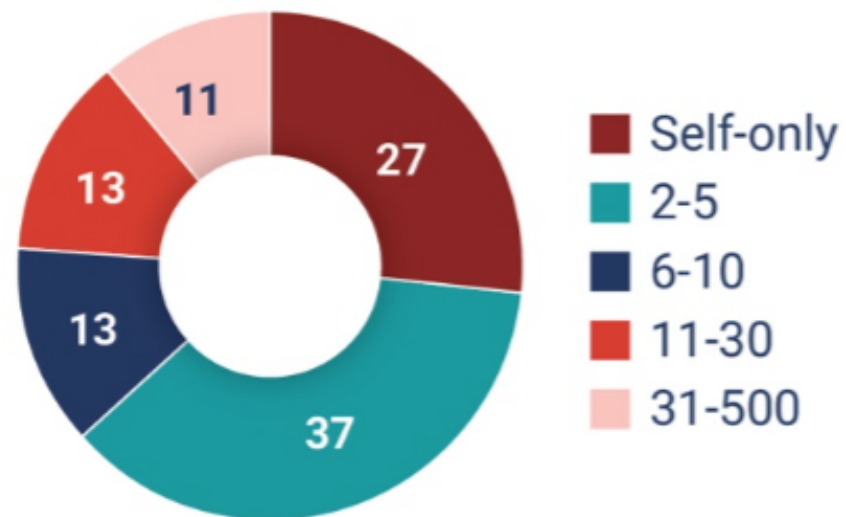
METHODOLOGY

The Spring 2022 National ACE survey of AAPI small business owners was conducted online from March 10 – April 30, 2022 to capture how businesses have fared amid the global pandemic and the rise in anti-AAPI incidents. The opportunity to participate in the survey was publicized by National ACE and its partners. A total of **516 AAPI business owners responded to the survey**, including 198 with businesses in Northern California, 170 in Southern California, and 148 in Texas.

Ethnic background (percentages, multiple responses possible)



Number of employees (percentages)



Business sector of all respondents (percentages)

