

Asian American Businesses: The Impacts of Anti-Asian Racism

*Survey of Asian American Businesses**

**ASIAN AMERICAN
& PACIFIC ISLANDER
POLICY INITIATIVE**

UCLA Asian American
Studies Center

Photo: Lina Cheng

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** This is a preliminary analysis of the survey findings as of August 2021. A report with policy recommendations is forthcoming.*

FOREWORD

Asian American business owners and employees have been experiencing multiple negative impacts amidst the pandemic - including disproportionate financial loss and lower rates of government financial assistance. The negative effects of these multiple challenges have been further compounded by anti-Asian hate targeting both individuals and businesses. Of over 3,500 hate incidents in California reported to Stop AAPI Hate from March 2020 to June 2021, three out of ten (28.9%) occurred at the place of business. While this overall number provides an important broad context, it includes both experiences of Asian American business owners and employees as well as experiences of Asian American customers.

The Asian Business Association (ABA) Pandemic Impacts Survey provides crucial, in-depth and more nuanced information about the experiences of Asian American business owners and employees. The findings are stark: Two in five respondents have reported that anti-Asian racism had affected their businesses; and all Asian American businesses have been similarly impacted regardless of owner and business characteristics. They also illustrate that the negative impacts of anti-Asian hate targeting businesses do not only affect Asian Americans who own and/or work at these businesses, but they spill over to affect their families and communities.

The ABA report corroborates with Stop AAPI Hate's key findings, that the racism facing Asian American business owners and employees is systemic, institutionalized, widespread, and traumatizing. Clearly, we need effective and culturally- and linguistically- responsive recovery strategies developed with and for our Asian American communities.

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INTRODUCTION

The COVID-19 pandemic has had enormous economic and social impacts. Our previous research has documented the financial difficulties and hardships on Asian American businesses and their workers.¹ Restaurants and shops in Chinatown were among the first to feel the effects, with owners witnessing a decline as early as February 2020.² These enclave businesses also experienced deeper and more prolonged closures than others and a slower recovery. The devastation, however, has not been limited only to Chinatown businesses³, but has also been felt by other Asian American businesses struggling to stay afloat.⁴ The devastation is also apparent in the sizeable layoffs of employees⁵ and prolonged unemployment spells suffered by Asian American workers.⁶ The economic problems are compounded by multiple barriers to applying for and receiving governmental assistance.⁷ The pandemic also created social problems, particularly the rise of anti-Asian hate.

The origins of the pandemic and anti-Asian racism were very much centered around false beliefs that Chinese American businesses, particularly those in Chinatowns, were a source for the spread of the disease.⁸ This falsehood was reinforced and amplified by ex-President Trump's effort in March of 2020 to focus the blame on China and Chinese people, using xenophobic and racially loaded terms such as "Kung Fu Virus."⁹ By mid-April of 2020, three in ten Americans blamed China or Chinese people for the coronavirus epidemic, and blaming was witnessed by three in five Asian Americans.¹⁰ By mid-July 2020, the impact of Asian scapegoating appeared to have had a noticeable impact on race relations. Asian Americans, compared to other people of color, were more likely to be subjected to harassment and to fear violence because of their race.¹¹ The fear was pervasive, with eight-in-ten Asian Americans stating that violence against this population had increased during the pandemic and nearly half experiencing such violence.¹² Asian American businesses have remained a potential locus of anti-Asian behavior. Stop AAPI Hate's National Report states that one in three individuals experiencing an anti-Asian hate incident said it took place at a place of business.¹³ The available information, however, does not disaggregate the data by the ethnicity of the businesses.

Given continuing anti-Asian incidents, it is critically important that we have effective strategies and policies to ensure that Asian American businesses are safe places. This requires insights into the prevalence, nature and patterns of this unfortunate phenomenon. To better understand how the pandemic's social impacts on Asian American businesses, the Asian Business Association of Los Angeles and their consultants surveyed businesses across the Southern California region. The survey collected information on: business characteristics, owner characteristics, pandemic impacts, applying for and receiving assistance, and needs for recovery. The survey was conducted in April 2021 and received over 400 responses. Details of the method, sample and data can be found in the Technical Appendix.

The sample includes Asian American businesses in Southern California consisting of a diverse set of businesses. The respondents are distributed over the major economic sectors and not dominated by any one industry. Nearly all the businesses in the sample are small businesses, operating with fewer than twenty employees. Most businesses have no more than four employees including the owner. Just under half of the sample includes businesses that have been in operation for less than ten years. About a third of businesses have been operating for more than twenty years. Between a quarter to a third of the businesses are part of a larger ethnic and co-ethnic network of customers, employees, and suppliers. Three out of four businesses are immigrant-owned and nearly half are owned by women. Half of business owners are between the ages of 35 and 54, and the next largest category is composed of those 55 or older. Chinese, Filipino, Japanese, Korean, and Vietnamese were the largest groups of owners. The rest of the brief is organized into three parts: (1) Prevalence, Causes and Nature of Anti-Asian Racism; (2) Commonalities Among Impacted Asian American Businesses; and (3) Intersection with Personal and Family Anti-Asian Impacts.

The survey's major findings are the following. Like other Asian Americans, a large majority of Asian American business people believe that they have been unjustly made scapegoats for COVID-19. They believe that the worsening race relations are anchored in the politicization of pandemic, particularly ex-President Trump's racially charged rhetoric. Anti-Asian racism has compounded the COVID-19 pandemic impacts on Asian American businesses, inflicting psychological, physical and financial damage on Asian American businesses, the owners and their staff. The impacts of anti-Asian racism on businesses intersect with the effects beyond the business sector. Overall, the results demonstrate how profound and pervasive anti-Asian racism has become.

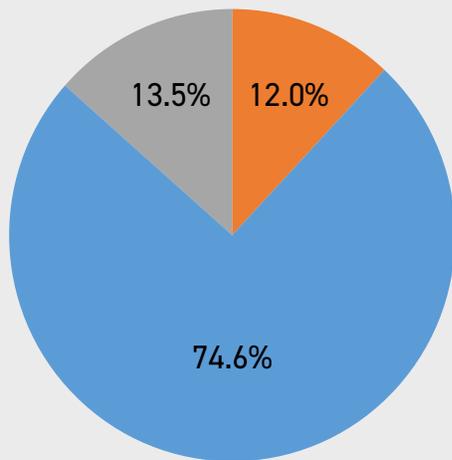
PREVALENCE, CAUSES AND NATURE OF ANTI-ASIAN RACISM

This project’s survey of Southern California Asian businesses found that three out of four respondents felt that anti-Asian racism has become more prevalent since the start of the pandemic. This is consistent with findings from the other surveys cited in the previous section, which indicates that Asian American business owners are not immured with the deterioration in race relations during the pandemic.

When asked about what individuals thought was the cause of this change in attitudes and behavior towards Asian Americans, participants cited the politicization of blaming the virus as the two leading causes. The most frequent response (by nearly a quarter) given by the participants was the blaming of the pandemic on China or Chinese people for the virus. Over one in six specifically named Donald Trump as the cause. Approximately one in seven cited other politicians or the media.

Over two in five respondents reported that anti-Asian racism had affected their businesses. The effects took on many different forms, including harassment, vandalism, assault, or targeted theft. Impacts however include an array of more subtle forms that could be considered equally disruptive or traumatic. The most frequent response was this toxic climate created fear among the staff. Anti-Asian racism forced one in six businesses to change their operations due to safety concerns. Finally, a tenth of the businesses reported a decline in business due to biased avoidance of Asian people and spaces.

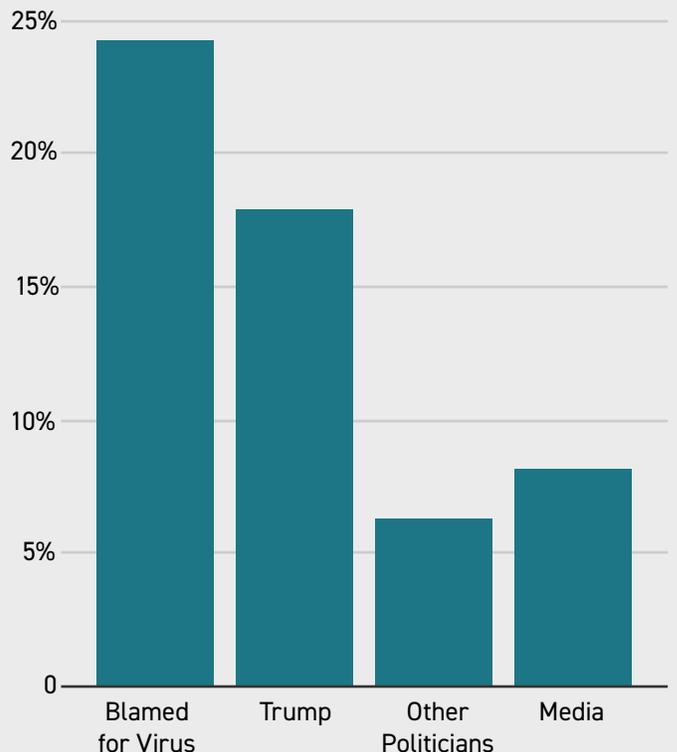
Anti-Asian Racism



- Anti-Asian does exist prior to pandemic, or less prevalent or not changed during pandemic
- Anti-Asian racism has become more prevalent since the start of the pandemic
- Not sure, don't know or nor response

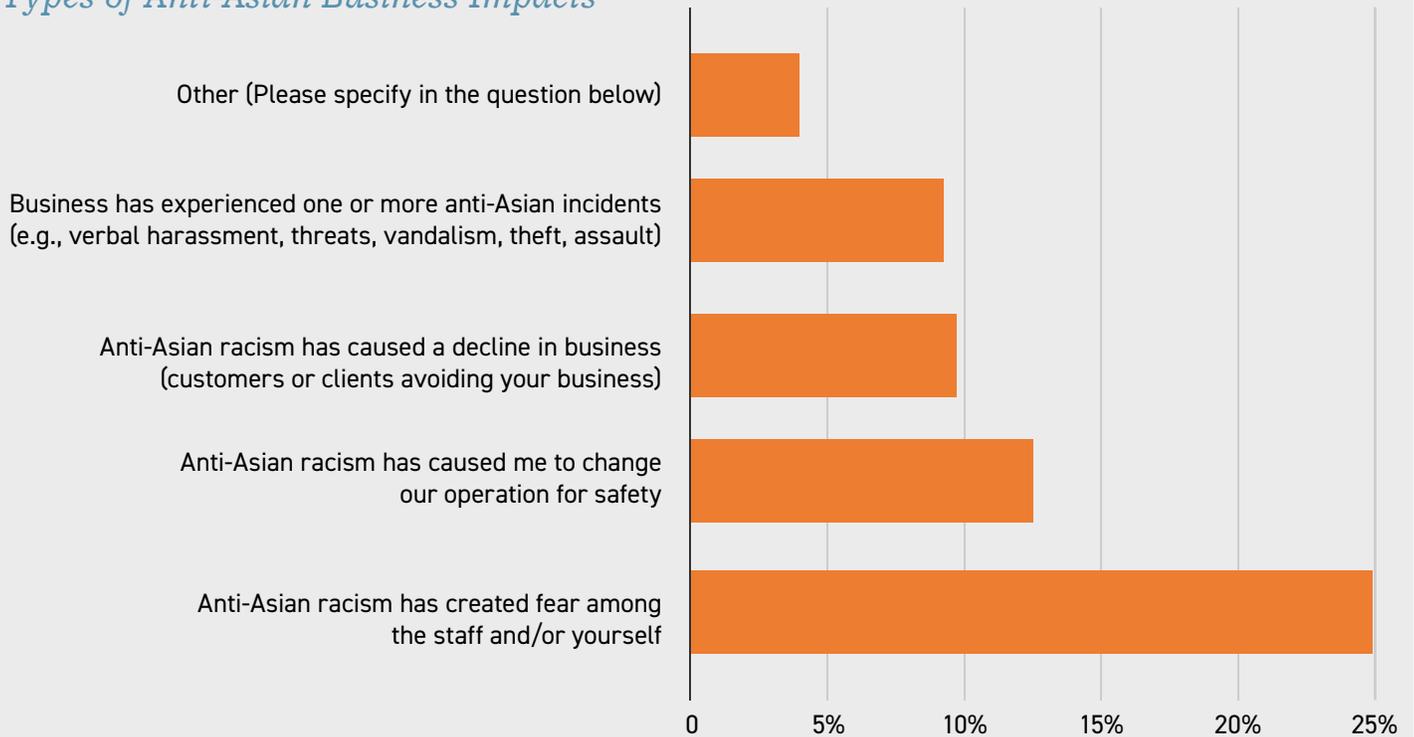
Source: ABA Pandemic Impacts Survey 2021

Reasons for Anti-Asian Hate



Source: ABA Pandemic Impacts Survey 2021

Types of Anti-Asian Business Impacts



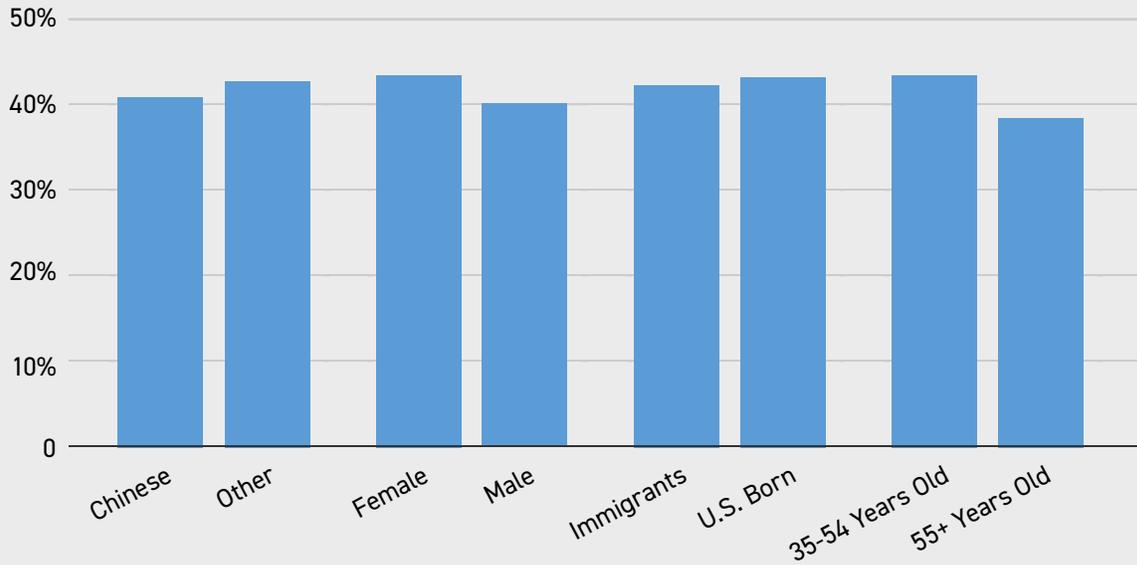
Source: ABA Pandemic Impacts Survey 2021

COMMONALITIES AMONG IMPACTED ASIAN AMERICAN BUSINESSES

One important finding from the survey is that anti-Asian incidences impacted many demographic subgroups (See graph on page 5). Although Trump and others targeted Chinese people, the percent of Chinese respondents reported to have been adversely affected is roughly equal to that of non-Chinese respondents, and although not statistically significant, was actually slightly lower. The survey also shows similarities between males and females, immigrants and U.S. born individuals, and those between 35-54 years old and 55 plus.¹⁴ These results indicate that the animosity was racialized, thus affecting all Asian American businesses, regardless of ethnicity, gender, nativity and age.

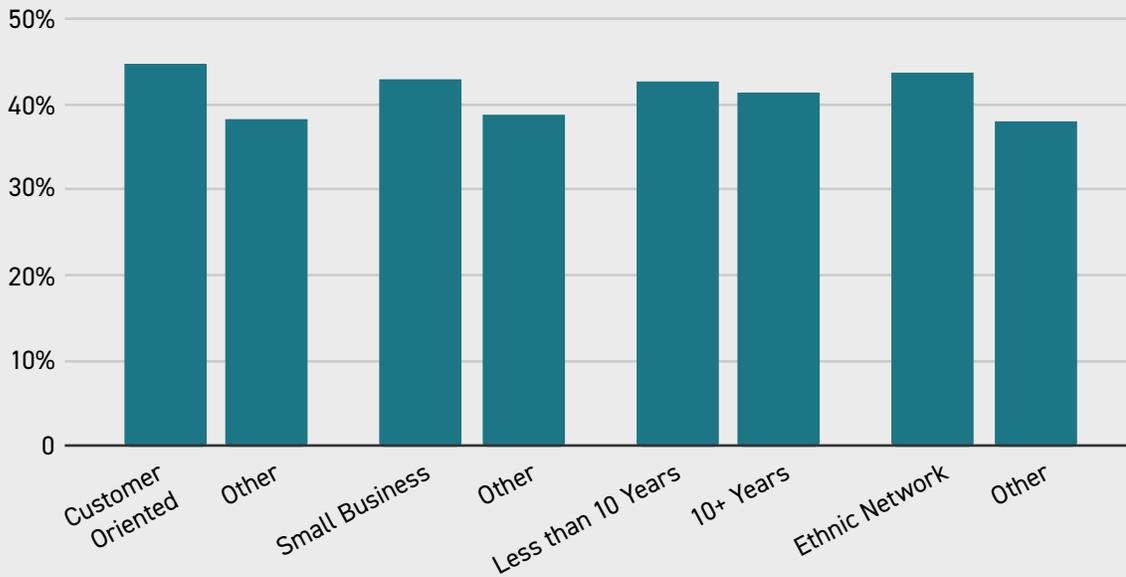
We also see similarities among businesses by establishment characteristics (See graph on page 5). Although customer-oriented business (e.g., restaurants, retailing, and hospitality) were more likely open to encounter substantial numbers of individuals, these businesses were only slightly more likely to experience anti-Asian incidents. Further analysis of the survey also shows similarities between smaller and larger establishments, newer and older ones, and within and outside of ethnic networks.¹⁵ As with the previous analysis by owner characteristics, the results here indicate that the animosity was not concentrated to any particular sector or establishment characteristics.

Businesses Experiencing Anti-Asian Incidences Owner Characteristics



Source: ABA Pandemic Impacts Survey 2021

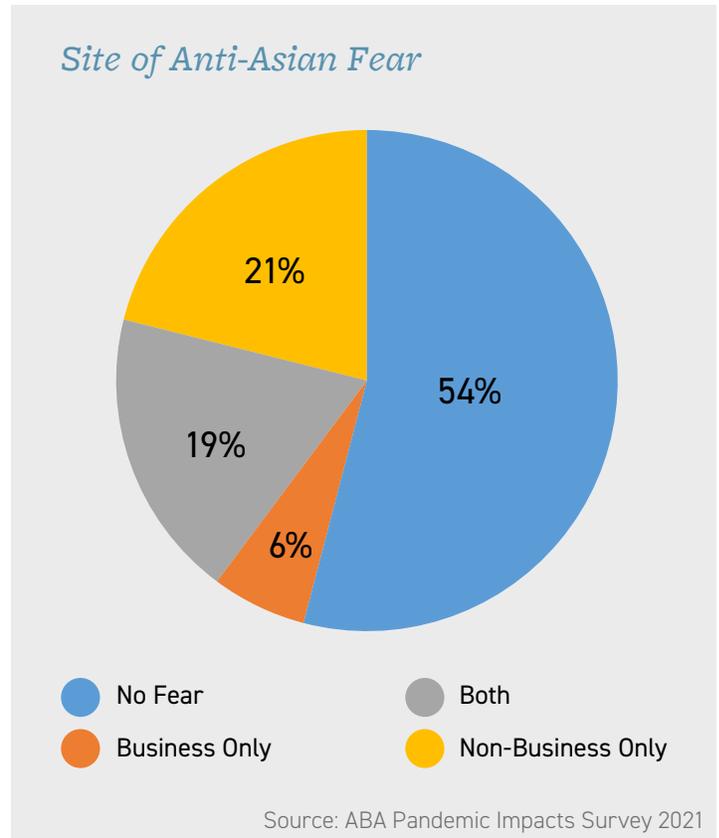
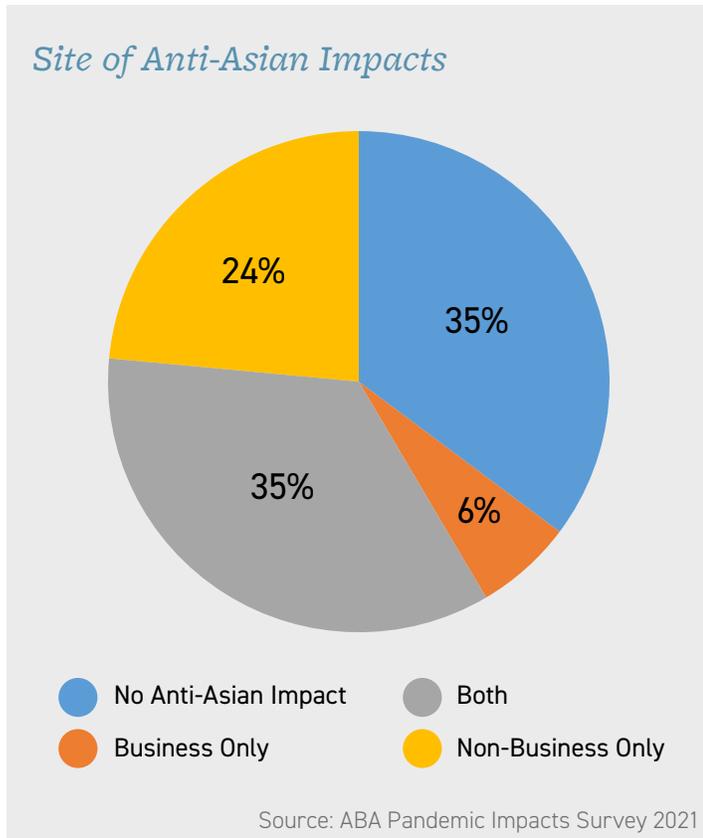
Businesses Experiencing Anti-Asian Incidences Establishment Characteristics



Source: ABA Pandemic Impacts Survey 2021

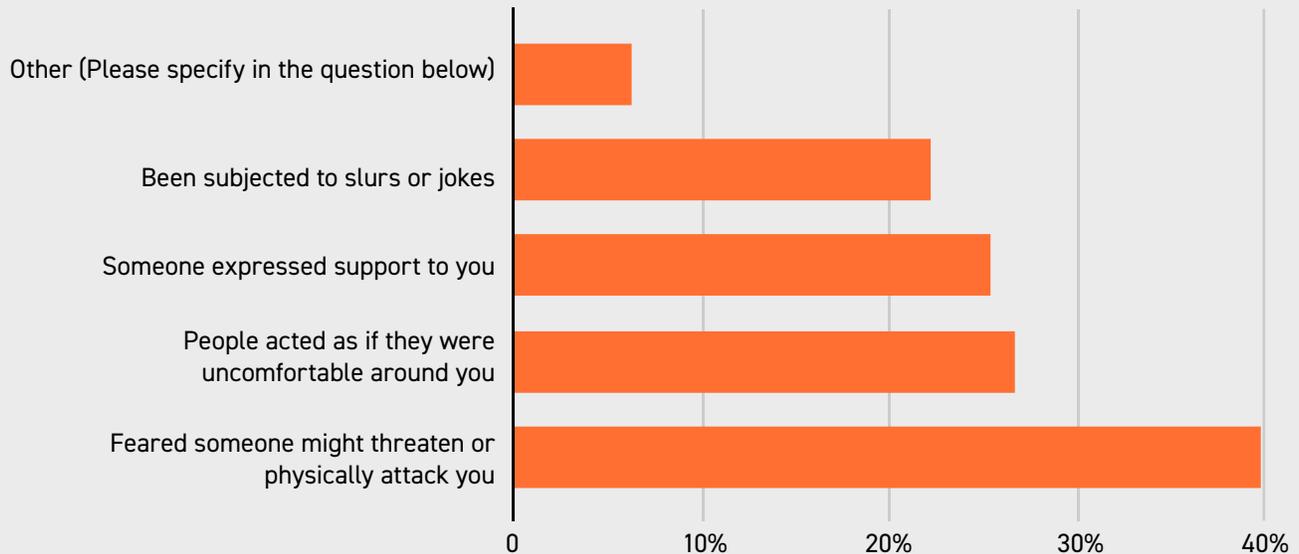
INTERSECTION WITH PERSONAL AND FAMILY ANTI-ASIAN IMPACTS

Anti-Asian racism is not just confined to the respondents' businesses. About three-fifths reported that either they or family members were adversely affected. In other words, the impacts were much more pervasive than those tied to their work. One-quarter reported effects outside but not inside of their businesses. This is not surprising since there are more chances of encountering racial animus. On the other hand, very few respondents reported that anti-Asian racism affected only their business but not personal and family lives.



One commonality of anti-Asian impacts in the business and non-business spheres is fear. Nearly two-fifths said that they or their families personally fear being threatened or physically attacked. Roughly half of these also stated that anti-Asian racism also created fear at the worksite. More troubling is the prevalence of anti-Asian behavior. Over one-fifth of the respondents or their family were subjected to racial slurs or jokes. Among these, one-third also stated that their business suffered from at least one anti-Asian incident (e.g., verbal harassment, threats, vandalism, theft, assault).

Personal and/or Family Experiences



Source: ABA Pandemic Impacts Survey 2021

RECOMMENDATIONS

Addressing racism at the place of business is critically important to ensuring economic viability and social fairness. AAPI owners, their employees and their customers should not be subjected to bigoted hatred, nor live in fear while earning a living. Racially motivated incidents are appalling regardless of location, but those occurring in places of businesses have unique challenges. It is important, therefore, to develop programs and resources specifically for AAPI businesses to address anti-AAPI hate incidents. This should be done by trusted organizations that have a long track history of working with and advocating for AAPI businesses. At the same time, AAPI businesses and their associations can contribute to the broader effort to combat racism. This includes supporting the collection of information on anti-AAPI incidences by Stop AAPI Hate and other community organizations, encouraging efforts to improve the ability of law-enforcement and other public agencies to track anti-AAPI hate incidences, and demanding the prosecution of perpetrators of anti-AAPI hate. Finally, it is important to build bridges between AAPI businesses and other communities to create a more inclusive and diverse nation.

ACKNOWLEDGMENTS

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Land Acknowledgment

The authors acknowledge the Gabrielino/Tongva peoples as the traditional land caretakers of Tovaangar (the Los Angeles basin and So. Channel Islands). We pay our respects to the Honuukvetam (Ancestors), 'Ahihirom (Elders) and 'Eyoohiinkem (our relatives/relations) past, present and emerging.

Disclaimer

The views expressed herein are those of the authors and not necessarily those of the University of California, Los Angeles or ABC/ABA of Los Angeles. The authors alone are responsible for the content of this report.



<https://abala.org>



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TECHNICAL APPENDIX

Survey Platform

The project investigated Google Forms, SurveyMonkey, and Qualtrics as possible platforms for the survey. Due to resource limitations, Qualtrics was not a viable option due to its cost. The additional functionality it offered was not essential for this project. SurveyMonkey had serious limitations in terms of the number of viewable responses in the free version. In evaluating the free version of Google Forms, it was determined that it was adequate and more suitable for this project due to greater capacity and capabilities which would facilitate expanding the survey to other groups. Ease of implementation and user familiarity with the platform were two key points leading to the selection of Google Forms.

Questionnaire Development

A survey instrument was developed based on stakeholder priorities and based a review of other preexisting surveys (Census Household Pulse Survey of Small Businesses, Pew Research Center's June 2020 Survey of Adults, and Urban Institute's Survey of AAPI Organizations) and Stakeholders to allow for direct comparison for select questions.

In consultation with ABA, we selected the following topics: the impacts of the pandemic, access to relief and assistance, recovery plans, anti-Asian hate and business characteristics. The resultant questions were initially tested internally for readability, clarity, organization and time to complete. We also reviewed the instructions for clarity as well as to assure confidentiality. We then transcribed the questionnaire into Google Forms, ensuring that there was an explicit option stating "Not sure or don't know" or the option to opt out for each question. The Google Forms survey was tested and evaluated by the ABA board and a group of small business owners and other stakeholders, with modifications made based on their responses and the time required to complete the survey. We also assessed whether questions were deemed too intrusive.

Survey Sample and Outreach

Individuals from three different groups were invited to participate in the survey. The first was a group consisting of ABA members. The second was an email list for individuals that attended webinar sessions or reached out to ABA regarding CA Relief Grants. The third was an email list which included ABA's extended network of interested parties. This includes organizations and individuals (small businesses, large corporations, public agencies, nonprofits and others) who have some contact or connection with ABA but are not formal members of ABA. Large corporations, public agencies and unnecessary duplicates were removed from lists. Names were cleaned and standardized and duplicates were removed. Records with missing information (e.g. names), businesses identified as corporations, organizations, media and non-US entities were also removed. People who were already in one of the other lists were removed to make the lists mutually exclusive. To focus on Asians, we consulted the U.S. Census Bureau's Decennial Census Surname files which assign the probability that a given individual is of a certain race based on their surname based on the 2010 and 2000 enumeration. For example, about 98% of individuals with the surname Zhuang are Asian alone.¹⁶ We applied this to the lists and kept the ones with a probability of at least 40%. However, this method has limitations, especially for those with Spanish surnames. The selected individuals were invited by email to fill out the survey along with an opportunity drawing for one of five \$50 gift cards. Potential respondents were reminded an additional two times, then notified of a last call before the surveys were closed.

Data Cleaning and Assembly

The responses were downloaded from Google Forms in spreadsheet form which was re-encoded as a dataset suitable for analysis. For multiple choice questions, answers were given as strings corresponding to one of the answers and re-encoded as integers. The question asking for a percentage as a response was also encoded as an integer, by hand when required. Checkbox responses were given by Google Forms in

the form of a string with the selected responses as substrings separated by commas. This was re-encoded as separate individual questions for each checkbox option. The industry of each business was provided as an open-ended response, and these were re-encoded by hand to the nearest matching NAICS code. Other open-ended questions were encoded into categories based on key terms.

To account for multiple submissions from the same respondent, weights were assigned to each record. Because submissions by the same person sometimes contained different answers, weights were used instead of eliminating duplicate entries. We also did not want to eliminate responses from potential individuals with more than one business or establishment. Records were considered duplicates when they met one of the following criteria: 1) all answers were the same, 2) the name of the person was the same, 3) the name of the company was the same or 4) the email address provided was the same. The first criterion was able to find matches even when no name, company name, or email was given. These entries were then confirmed to have identical responses to open-ended questions. The other criteria found matches even when there were differences in the other answers provided.

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Russell Jeung Ph.D., Aggie Yellow Horse, Ph.D., Tara Popovic, and Richard Lim
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