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Empowering Asian-Owned Businesses in the Greater Boston Area

Recommendations for Growing AAPI Business
Ecosystems and Access to Funding

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Executive Briefing

Asian American and Pacific Islander (AAPI) people are often stereotyped through the model myth minority as high achievers focused on STEM careers. This stereotype, coupled with the extreme income inequality within the AAPI community, hides Asian poverty from the public view. Several communities within the Greater Boston Area have large populations of these ignored AAPI people.

Organizations like the Asian American Civic Association (AACA) aim to help these communities find resources and support to build stronger, more economically prosperous communities. To do so, the AACA's Asian Business Mentorship & Training (ABTM) program helps AAPI entrepreneurs grow their businesses. Successful small businesses bring money into these communities and allow people to prosper.

To address gaps in the AAPI small business ecosystem and increase access to funding for AAPI-owned businesses, this policy analysis study explores several policy options and provides a final recommendation to reach these goals. They were assessed according to political feasibility, administrative feasibility, effectiveness, and sustainability upon developing these alternatives. Ultimately, to grow the business ecosystems of AAPI business owners and increase access to funding, a twofold policy should be implemented.

The first part of the policy recommendation addresses engagement in the larger business community. AAPI-owned businesses should engage more with local and regional Chambers of Commerce. The Expanding Business Ecosystem & Networks policy recommends the AACA and ABTM program partner with the Greater Boston Chamber of Commerce's Economic Inclusion Initiative to hold events and bring more AAPI business owners into the Chamber. This will raise awareness of AAPI entrepreneurs in the local business communities and bridge social capital to expand the support networks and business ecosystems of the AAPI business community. Combining these pre-existing network resources with the ABTM program is a low-cost, low-risk policy that only stands to benefit AAPI small businesses.

The second part of the policy recommendation is to create a Knowledge Hub. The Knowledge Hub will be a section of the AACA website that provides resources for small businesses, including grants, loan and financing information, specialized translation services, and even potentially open government and corporate contracts available for bids. Centralizing and simplifying this information will be an excellent resource for small businesses. This policy would have minimal administrative costs associated with creating and maintaining the webpage. However, the assistance to local businesses and potential business is invaluable. For any potential or current business owner, this resource can grow a small business by increasing access to funding opportunities and, therefore, building wealth within the community.

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Section I: Problem-Barriers for Business

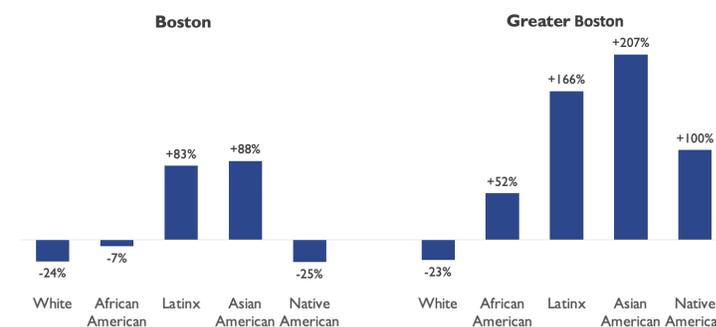
The Greater Boston area has become a landing spot for many Asian American and Pacific Islander (AAPI) immigrants. They are the fastest-growing demographic in the region. Yet, the AAPI poverty rate is two times higher than the white poverty rate in Greater Boston and three times higher within Boston.¹ To support their economic prosperity, the question must be asked: ***what economic barriers are Asian-owned small businesses facing in the greater Boston area?***

AAPI business owners face both individual and business-based economic barriers that stifle the growth and success of their businesses. This analysis will consider available data and trends at the national, state, and local levels to identify barriers AAPI business owners face. To address this question, background and context need to be established as to what factors lead to this inequality.

In the United States, white people make up the largest demographic, comprising 76.3% of Americans.² Asian Americans and Pacific Islanders combine to make up only 6.1%.³ Narrowing the scope to the Commonwealth of Massachusetts reveals significant growth in the AAPI community as a percentage of the state's population. The AAPI community makes up 7.2% of the people throughout the state, compared to 80.6% white.⁴ In Boston, the percentage of AAPI grows to 10%, compared to 52% white.⁵ Though the white population stays roughly the same in Malden, the Asian community makes up over a quarter of the City's population.⁶ Similar to the previous communities but, in striking contrast to the national picture, Quincy has 60% of residents identifying

Asian Americans are the fastest growing racial group in Greater Boston.

Percent change, 1990 - 2019.



Source: 2019 1-year American Community Survey.

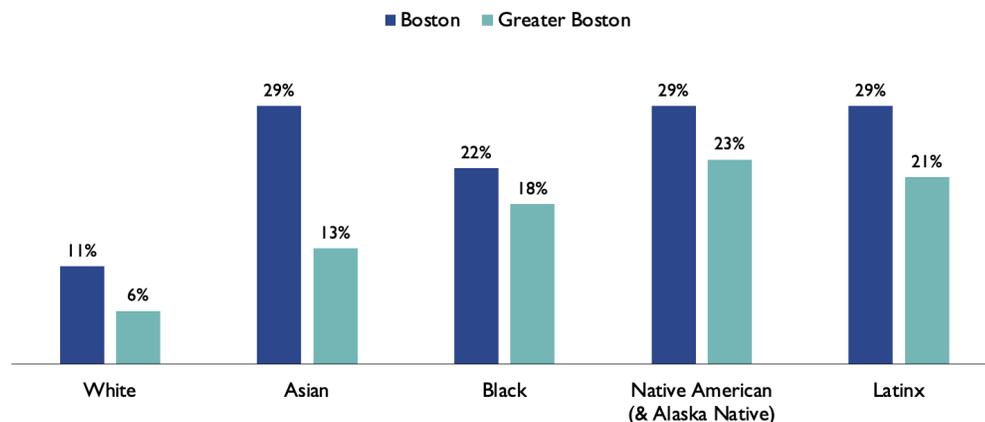
BOSTON INDICATORS

as white, while 30% identify as AAPI.⁷ People of Asian and Pacific Islander descent are settling in communities in and around Boston, and are the fastest-growing racial group in this area.

However, the increase in population does not directly result in an economically thriving community. Nationally, 10.3% of white people live in poverty. That number shrinks in Massachusetts to 7.4%.⁸ The opposite is true of Asians, however. The national poverty rate for Asians is just under 12% but in Massachusetts grows to 14%.⁹ While this may seem insignificant, it is notable that the two populations have opposing trajectories within the same parameters. It is also important to underscore the median income amongst the two populations in Massachusetts. White people have a median income of \$90,000 but Asians jump up to \$104,000.¹⁰ These two sets of data seem to contradict each other. The idea that Asians are at a higher median income but also a higher rate of poverty signifies a much higher disparity between incomes within a racial group. This phenomenon of extreme disparity among Asian income levels is documented.¹¹ Perceived high-income levels within the AAPI community coupled with the stereotype of Asians as the 'Model Minority,' which paints all Asians as highly educated, STEM-focused high-achievers, often leads to poverty in the AAPI community being overlooked.¹² It also means that AAPI business-owners may not be the target of economic and small business initiatives.

Asian poverty is 2x White poverty in Greater Boston and 3x White poverty in Boston.

Poverty rates by race/ethnicity: Boston vs. Greater Boston. 2019.



Source: 2015-2019 American Community Survey 5-year Estimates.

Language Barriers

According to the Immigrant Learning Center, three out of the ten largest immigrant groups in the Greater Boston Area are Asian descent, specifically from China, India, and Vietnam.¹³ Evidence indicates that language barriers could serve as an obstacle for these communities. Approximately 41% of immigrants from China speak English proficiently, and more than three-quarters of immigrants from India speak English well or very well--similarly to 30% of immigrants from Vietnam.¹⁴ Even though these numbers are higher than other immigrant groups, it proves that a majority of these Asian communities are not proficient in English. Since English is the most spoken language in the Greater Boston area, this could make important tasks difficult, such as negotiating a bank loan or filing legal paperwork.

Education Levels

The Immigrant Learning Center reports that immigrants from China are among the best-educated, with almost 14% holding doctoral degrees.¹⁵ Similarly, immigrants from India often have higher levels of education, with more than half of Indian immigrants earning a graduate degree.¹⁶ Statistics state that about one-quarter of immigrants from Vietnam have a four-year degree or higher and rank fourth in doctoral degree holders among the ten largest immigrant groups.¹⁷ These findings suggest that access to education may not be a prominent factor in contributing to the economic barriers AAPI communities face in the Greater Boston Area.

Access to Funding

The government funding AAPI-owned businesses receive or do not receive another indicator of the barriers Asian entrepreneurs in Boston's face. The Small Business Credit Survey concludes, "firms of color, particularly Asian-owned firms, were more likely than white-owned firms to have unmet funding needs."¹⁸ During the height of the pandemic, many businesses used the Paycheck Protection Program (PPP) - an SBA-backed loan that helped businesses keep their workforce employed during the pandemic. The pandemic exposed some of the difficulties that AAPI businesses face when applying for funding. A Small Business Majority survey found over 58% of AAPI entrepreneurs stated they had trouble with federal, state, and local relief

programs targeted to support small businesses. Some of the barriers cited by the survey included language barriers, challenging application processes, and a lack of banking relationships.¹⁹ Participants reiterated these challenges during the AACA-Techniques of Policy Analysis Focus Group (Appendix C).

The pandemic hit all sectors hard, especially AAPI businesses. In MA alone, there was a drop of 60% of small businesses in the food and accommodation sector. 14.8% of AAPI entrepreneurs in MA work in this sector. Much of the work of these and other AAPI businesses cannot be performed from home, demonstrating their need for PPP funding during the pandemic.²⁰ There was a lack of data identifying how these businesses received funding targeted toward AAPI communities in the research stage. This deficiency might be a symptom of the lack of understanding of this issue.

In addition to government financing opportunities, AAPI business owners are less likely to access private funding sources. According to national data, Asian business owners are less likely than white business owners to use a bank, credit union, online lender, finance company, or community development financial institution as a financial services provider, and nearly twice as likely not to use any financial service,²¹ indicating that they rely more on personal capital. This aligns with the cultural aversion to taking on debt, which is present in many Asian communities, as discussed by the Focus Group participants (Appendix C). When Asian entrepreneurs do apply for financing, white-owned businesses are more likely to be approved for all the funding requested.²²

English language proficiency is a barrier to success on both the business and individual levels. More than half of Asian-owned businesses in the US described their businesses as immigrant or refugee-owned businesses.²³ English may not be the first language of these entrepreneurs, explaining why Asians, more than any other racial group, found the process of applying for funding at a large bank difficult.²⁴ Although specific data listing limited budget due to limited English language skills in MA was not available, nearly 70% of the Asian population in MA are

foreign-born,²⁵ indicating many AAPI business owners in MA are immigrants who may face similar barriers to funding due to the language they speak.

Gaps in Small Business Ecosystems

Non-financial support networks are also integral to small business ecosystems. National Coalition for Asian Pacific American Community Development data on the sources of business advice and capital for AAPI business owners in their membership concluded that local non-profit organizations are the third-largest source of direction among respondents ([Appendix A](#)). One report surveying Asian Immigrant business owners in Greater Boston relayed data on types of municipal service support used by this population ([Appendix B](#)). However, the largest category, “other,” reflected responses from those unaware of municipal services and those who relied on the local Chamber of Commerce or other community-based organizations,²⁶ making it difficult to discern to what extent services are used. This analysis identified economic barriers to AAPI individuals and businesses by comparing data on income, rent averages, language proficiency, educational levels, and access to public and private funding and support systems. Although non-profits and other small business support resources exist in Greater Boston, not all AAPI entrepreneurs are able to take advantage of these services.

Section II: Goals and Objectives

The AACCA strives to be a beacon of hope for the population they serve while enabling them to be successful learners, productive workers, participating citizens, and community leaders. Efforts to meet these goals include providing limited-English-speaking and economically-disadvantaged people with education, occupational training, and social services to increase long-lasting economic self-sufficiency. One of these programs is the Asian Business Training & Mentorship (ABTM) program.²⁷ With the AACCA's mission and values in mind, the goal of the paper is to provide an informed and well-researched policy recommendation that can:

- Identify gaps in the existing AAPI small business support ecosystem and formulate policies to address them
- Increase access to funding support for AAPI organizations down to local communities

The final recommendation must be effective, sustainable, and feasible to achieve these goals. This recommendation will take advantage of the robust networks in the Greater Boston area that can increase the AACCA's capacity while engaging with community members on a larger scale.

The first step in this process is to work with AACCA staff (Andrew Goldberg, Director of the ABTM program) to successfully determine areas of improvement and identify obstacles faced by AAPI business owners. This is achieved through focus groups, direct feedback from Mr. Goldberg, and consistent communication. There must be an understanding of what programs the AACCA is currently running and learns what collaborations are already in place--this includes partnerships on the city, state, and federal level. This understanding will enable final recommendations to best address gaps in programming. Moreover, it is necessary to identify barriers to success for AAPI-owned businesses in Greater Boston to create policy solutions that best address or circumnavigate these barriers.

Measurable outcomes that would determine if the policy alternatives have aided in meeting the project's previously stated goals include: an increase in collaboration and partnerships with existing City, state, and Chamber of Commerce programs, an increase in holistic program participation and engagement, increased awareness amongst the Greater Boston area regarding AACCA's programs and services

Section III: Potential Solutions

Organic Growth (Status Quo)

Organic growth encourages the continuation of current processes. This option does not increase funding sources or support networks for AAPI businesses beyond existing resources. Word of mouth will grow awareness of the ABTM program. As knowledge of the program circulates in the community, future AAPI entrepreneurs will step forward to utilize the program and grow the alumni of business owners to continue word of mouth and organic growth. This option is minimal risk for political pressure and requires no additional partnerships. The program may continue to be tweaked using a lesson learned model but requires limited if any, other resources. Without taking on additional partners to amplify awareness for the program, the word-of-mouth visibility will likely lead to slow and, at times, even stagnant growth.

Contract Bidding Workshops

To increase the number of AAPI-owned businesses receiving government and corporate contracts, the AACA can act as a conduit to provide information about City, state, federal, and private bid-contract opportunities and assist them with the application and bidding process through regular workshops. As Boston utilizes affirmative action strategies to help fulfill their outstanding contracts, the assistance would help make sure that the minority-owned business would be well documented in the bidding process. The City currently awards at least 25% of contracts to minority and women-owned businesses in any fiscal year.²⁸ By utilizing existing City,²⁹ state,³⁰ and Greater Boston Chamber of Commerce³¹ resources and bringing these technical experts in to conduct workshops, the administrative burden on the AACA will lessen. Moreover, the AACA can provide multilingual and cultural expertise to connect AAPI business owners with these contract opportunities. As City, state, and Chamber offices are already offering these resources to increase diversity in awarding government contracts. They should be interested in connecting directly with AAPI entrepreneurs through these workshops.

Business Classes

The Business Class policy option encourages a partnership with local community colleges and universities to facilitate some of the learning required for the Asian Business & Mentorship Training program. With the assistance of colleges and universities, program participants would take select courses to help augment the current program's learning objectives. The ABTM program is not an MBA program, thus limiting its capacity to provide access to non-degree classes, such as finance and legal studies. ABTM participants will be given equitable access to said resources through this partnership. At the same time, university students gain experience in an unfamiliar field, and the two groups can develop business relationships and expand their networks, which would be beneficial for both parties. This benefit and more participants in public settings may bring greater awareness to the program and help push the ABTM program forward.

Additionally, the AACA and its mentorship & training program could greatly benefit from the data and research that is collected from the educational institutions, which could potentially diversify the thought leadership centered around AAPI business economic development. This option would likely require a significant amount of startup time. Depending on the college's level of interest, the program participants may be working with the college's schedule to enroll in courses. If a college is receptive, they may be able to create a plan that can coincide with the program.

Research Working Group

This policy alternative recommends the establishment of an AAPI Research Working Group. Bringing together representatives from community-based organizations (AACA, Quincy Asian Resources, Inc., etc.), local governments (Quincy, Malden, Boston Mayor's Office of Economic Opportunity and Inclusion), and academia (to start: Northeastern's D'Amore-McKim School of Business and School of Public Policy and Urban Affairs, and UMass Boston's Asian American Studies Program), this research working group would work to increase understanding of the AAPI community and AAPI businesses in Greater Boston. This working group can become an institutionalized support network connecting these groups, research future policy initiatives, and serve as an incubator for business ideas through DMSB students. To ensure this research

working group is sustainable and effective, partnering with existing AAPI research initiatives would increase the feasibility of this alternative. Potential partners include The Asian Community Fund at The Boston Foundation and the Boston Federal Bank—two institutions that have previously published reports and studies emphasizing the knowledge gap regarding AAPI research. To ensure the research group remains equitable and that the work represents the community, ABTM program participants should work closely with researchers to provide direct feedback and qualitative data. ABTM program participants have more insight and connection to the AAPI immigrant population, which can aid in collecting accurate data.

Many stakeholders should be included in this working group, which could prove challenging, especially to have an official from each city government as a permanent member. Formal approval would be required from management at each stakeholder group; informal approval would be needed from key members of the local AAPI business community to increase buy-in and trust among the larger community.

Expanding Business Ecosystems & Networks

Incentivizing business networks to connect with AAPI-owned businesses can generate revenue, increase AAPI business visibility, and bridge existing business support resources. The Greater Boston Chamber of Commerce is a significant business network with an abundance of resources; it represents the collective voice of the business community and shapes the future of commerce, and enhances the quality of life for everyone.³² Since Asian-owned businesses face unique struggles, their business networks should be aware of those barriers and proactive in creating solutions and cultivating support. The Greater Boston Chamber of Commerce has launched an Economic Inclusion initiative that aims to engage with the larger business community and invest in efforts to combat racial, ethnic, and gender-based wealth gaps.³³ This resource emphasizes empowering marginalized communities and their businesses.

This policy alternative proposes that the AACA and ABTM program partner with the Greater Boston Chamber of Commerce's Economic Inclusion initiative. This partnership would include regularly hosting events that are open to Chamber members and non-members, attracting AAPI

business owners and encouraging their membership in the Chamber of Commerce. This collaboration would expand AAPI entrepreneurs' business ecosystems and support networks. The administrative burden on the AACCA would lessen by relying on existing Chamber event staff. Furthermore, suppose ABTM participants and alumni are or become members of the Greater Boston Chamber of Commerce. They can serve as AAPI ambassadors and bridge business communities and bring more AAPI business owners into the Chamber support network. This policy alternative aligns with the Chamber's commitment to enriching the community. The Chamber's Economic Inclusion initiatives attract and retain diverse talent, entrepreneurs, and future leaders, and decrease the income gap for minority business enterprises and their communities.³⁴

These are outcomes that current Boston political changemakers not only find appealing but are committed to themselves. For instance, Mayor Wu--a former restaurant owner and legal services attorney, has experience in providing legal advice to low-income small business owners. These inclusive initiatives should be expanded to more localized chambers of commerce in Boston, Malden, and Quincy. The AACCA should also increase its collaboration efforts and partner with the Economic Inclusion initiative to aid in programming, including the Pacesetters program and City Awake.

Knowledge Hub

This alternative proposes the creation of a 'Knowledge Hub' on the AACCA's website where AAPI entrepreneurs can find information relating to City (Boston, Malden, Quincy) funding and bidding opportunities, state funding, small business resources, the contact information for local chambers of commerce, banks, and bank employees the AACCA has relationships with, specialized translation services, and other community-based organizations such as the Massachusetts Growth Capital Corporation. While the target audience is AAPI entrepreneurs, this web page must provide information beyond only AAPI-focused groups, as AAPI business owners need to bridge social capital across small business networks to continue growing. The AACCA should share this resource beyond ABTM program participants and new business-oriented contacts with all members. The only formal approval needed will be from the AACCA.

However, the AACA will need to build and update the webpage on their website. The Knowledge Hub needs to be publicized, widely shared, and updated promptly to have the most impact.

Section IV: Criteria for Assessing Alternatives

Several criteria were used to assess the alternatives available and evaluate each policy recommendation. The first criterion used was political feasibility to analyze the possibility of the policy being adopted and implemented in the political field. This criterion was chosen to try to understand how the political realm in Greater Boston would react to these alternatives, including public opinion and the likelihood of stakeholder approval. Many of the alternatives are race-specific programs, which can sway political and public opinion, and thus political feasibility. Administrative Feasibility considers who oversees the implementation of these alternatives and what institution will direct the changes, as well as cost, ease of implementation, and time and personnel required to keep the program running. It is important to evaluate how possible it was to have leadership and people working towards an alternative. Without that being feasible, the policy might not be successful or even get off the ground.

Effectiveness evaluates how well the problem is addressed, how many people are reached, and what impact they feel from the policy. This is one of the most beneficial criteria when assessing alternatives because it predicts how well the issue will be resolved. It was not enough to solve the problem and reach a wider audience and help as many people as possible. The last criterion on the policy matrix is sustainability. Sustainability measures the lasting impact it will have on the problem as well as if the alternative will be able to be maintained long term. It was crucial to analyze sustainability because creating a policy that makes a lasting impact on the community it seeks to reach is essential to how effective the policy is. This report aims to help AAPI-owned businesses in the greater Boston area, if the alternatives recommended are not sustainable, then they are not worth investing in.³⁵

Section V: Evaluation of Potential Solutions

Policy Matrix		Evaluation Criteria			
		Political Feasibility	Administrative Feasibility	Effectiveness	Sustainability
Policy Alternatives	Organic Growth (Status Quo)	high	high	low	medium
	Access to Government Contracts	high	medium	medium	low
	Business Classes	medium	low	medium	medium
	Research Working Group	medium	low	medium	high
	Expand Business Ecosystems & Networks	medium	high	medium	high
	Knowledge Hub	high	medium	medium	high

Organic Growth (Status Quo):

- **Political Feasibility:** The status quo requires no commitments from or persuasion of new actors and would not cause enough of a stir to draw any public political pushback.
- **Administrative Feasibility:** The status quo requires no administrative changes to keep the ABTM program running.
- **Effectiveness:** The status quo would not dramatically increase the number of people the ABTM program reaches; class sizes and program capacity is limited without an increase in staffing or expanding the program. Thus the number of people reached is limited. Although those who participate in the ABTM program likely see significant impact on their own businesses.

- Sustainability: As more ABTM program alumni continue to grow their businesses, awareness of the program will grow organically through word-of-mouth, though slowly. The program modules can be adapted over time, but few additional resources would be needed to continue running the program.

Contract Bidding Workshops:

- Political Feasibility: Through her Sheltered Market Pilot Program, Mayor Wu has demonstrated her commitment to awarding government contracts to minority- and women-owned businesses.³⁶ However, there may be pushback against a workshop that targets AAPI business owners. It should be made clear that the workshops are open to all, even if the events are co-hosted by the AACA. There are also existing state and city resources to help minority-owned businesses bid on contracts. Therefore these groups should want to reach more AAPI business owners and partner with the ABTM program and the AACA to hold these workshops.
- Administrative Feasibility: Again, there are existing resources to help minority- and women-owned businesses navigate the contract bidding process, this option seeks to more proactively connect AAPI business owners with these resources. However, additional human and administrative resources will be needed on the part of the AACA/ABTM program to organize, promote, and host these regular workshops and a time commitment from the business strategists.
- Effectiveness: This is a simple policy option that will be highly effective because it will reach more people than are able to participate in the ABTM program and will have the added benefit of creating connections between workshop participants and leaders, from AAPI business owners to business strategists from the City, state, and Greater Boston Chamber of Commerce.
- Sustainability: The long-term impact is uncertain, but possibly low because there are a limited number of government contracts and thus a lower chance that the businesses will be awarded the contracts.

Business Classes:

- Political Feasibility: The political feasibility depends on the interest of professors at each university or community college and possibly the university administration to allow ABTM program participants to take part in classes without being enrolled in a degree program. There could be political pressure against the program if the program's funding stems from a race-based grant or if the program is publicly promoted as being for AAPI business owners only.
- Administrative Feasibility: Working with professors and university or community college administrations to organize these classes could be complicated, especially if the education institution doesn't typically offer non-degree classes.
- Effectiveness: While business classes will undoubtedly be helpful to those who do take part in them, if the program is limited to ABTM participants, then the reach will be limited, while the logistics of opening the program to a broader group are more complicated.
- Sustainability: Once the program is set up, it will be easier to manage and ABTM program participants and other AAPI business owners can take classes and continue to learn and benefit from these courses. Taking classes with non-AAPI business students will also allow them to meet other entrepreneurs, bridge social networks, and build their business ecosystems.

Research Working Group:

- Political Feasibility: The inclusion of stakeholders from different offices and organizations means this policy option could be less politically feasible as it will be more challenging to get so many actors on board. This option could be made more viable by starting with fewer actors and adding more over time or by creating a city-specific working group to start, such as a Quincy-focused working group with Quincy-based stakeholders. It is expected that current City of Boston officials would be interested in such a group under the current mayoral administration.

- *Administrative Feasibility*: With so many stakeholders, it will also be difficult to organize and coordinate regular meetings, though regular established meetings will make the group most effective. Hopefully, the administrative burden will lessen as the working group is institutionalized and becomes a part of each stakeholder's routine.
- *Effectiveness*: The effectiveness of the Research Working Group option is dependent on how the members of the group utilize the research gathered and one another's resources. If government officials guide group research to help with policy formation, that policy will have a bigger impact than simple data collection without corresponding actions. Partnerships with local universities could also yield both indirect and direct benefits for AAPI business owners; for example, a partnership with Northeastern's business school could enable business students to work directly with AAPI-owned businesses on business plans, strategies, or special projects.
- *Sustainability*: As the Research Working Group collects and analyzes more data about AAPI-owned businesses and the Greater Boston AAPI community, city officials who are members of the working group can use this knowledge to shape policies and programs, as can other involved community-based organizations. The impact of this group is expected to increase over time.

Expand Business Ecosystems & Networks:

- *Political Feasibility*: Given that the Greater Boston Chamber of Commerce's Economic Inclusion Initiative already exists, it can be assumed that the Chamber is committed to supporting the growth of its membership and engaging minority-owned businesses, including the AAPI community. A partnership with the AACA and ABTM program will help the Chamber better understand how to reach AAPI business owners. Holding events together will help to bring in this broader group. Given a large number of Asian-owned businesses in Boston, Malden, and Quincy, these city-specific Chambers of Commerce should also be open to similar initiatives.
- *Administrative Feasibility*: This policy option primarily suggests connecting existing resources; Chambers of Commerce often have an existing staff to help organize and

hold events, so the administrative needs for implementation are higher on the side of the AACA and ABTM program, especially if this policy option asks ABTM program participants and alumni to take part in these events and bring in their AAPI business owner networks. Effectiveness depends on buy-in among the AAPI business community.

- Effectiveness: This policy option has the potential for high effectiveness, but it is dependent on how well the Chamber can work with the AACA to bring in members of the AAPI business community and if those AAPI business owners are open to joining or attending events.
- Sustainability: Holding regular events to continue to bring in and welcome AAPI business owners into Chambers of Commerce will bridge business support networks and, and bolster the broader business ecosystem over time.

Knowledge Hub:

- Political Feasibility: High political feasibility is anticipated for this alternative as the only formal approval needed will be from the AACA. The Knowledge Hub brings together existing, publicly available resources, so no public pushback is expected.
- Administrative Feasibility: The AACA will need to build the webpage on their website and will need to update links and resources over time. The site's translation into different Asian languages for accessibility could take time.
- Effectiveness: While the knowledge would provide an important collection of resources, it is still just a website with links to resources, so it has a less direct impact.
- Sustainability: This policy option has high sustainability because the webpage can live on the AACA website indefinitely and will continue to be relevant as long as resources and links are updated promptly.

Section VI: Trade-Offs

When deciding which of these policy options to recommend, the strengths and weaknesses of each option must be compared and assessed according to each criteria: political feasibility, administrative feasibility, effectiveness, and sustainability.

Although all alternatives have been considered holistically and their benefits and drawbacks took into account under each criterion, administrative feasibility is our main criterion. Estimates of cost, time and personnel required, and ease of implementation are all included under administrative feasibility. Options with higher administrative feasibility aim to connect and take advantage of existing resources (Expand Business Ecosystems & Networks and Contract Bidding Workshops), so they are lower cost and easier to implement. Alternatively, the Knowledge Hub option has higher administrative feasibility because it is a simple, low-cost option. The bulk of the work will be done upfront to set up the website, compared to the continual coordination of an ongoing program. Meanwhile, two of our options with medium political feasibility, Business Classes and Research Working Group, have low administrative feasibility because there are more actors involved, and the programs proposed by the policies are more complex. They would require more work and time to coordinate and organize.

Political and administrative feasibility is vital because policies with higher feasibilities are more likely to be approved and implemented; the effectiveness and sustainability of the option are irrelevant if the option cannot be implemented. All policy options included in this analysis have medium or high political feasibility. The least effective

Recommended Rank Order of Policy Alternatives:

1. Expand Business Ecosystems & Networks
2. Knowledge Hub
3. Contract Bidding Workshops
4. Research Working Group
5. Business Classes
6. Organic Growth (Status Quo)

options, Organic Growth and the Knowledge Hub, are also the most politically feasible because

they are the least innovative and are more passive, so will have less opposition and fewer stakeholders who need to approve the policy.

Following administrative and political feasibility, effectiveness and sustainability must be assessed. It is difficult to determine the effectiveness of a policy option as many depend on how the participants or stakeholders utilize the program. For example, if the research, trends, and data found by the Research Working Group are used by government officials to influence policy decisions, then the program will affect more people and make a more significant difference. The Research Working Group has a high sustainability score and will have the greatest impact over time, not when it is first established. This will take time to conduct, interpret, and analyze research and grow stronger relationships amongst group participants and stakeholders. Additionally, any policies that the research guides or influences will take time to shape and implement. The Knowledge Hub proposes a website that can reach many people, but it gathers and directs AAPI entrepreneurs and business owners toward resources rather than directly providing services; thus, it is less effective. However, it will not be challenging to keep the webpage online on the AACA's website and keep the resources and links updated, making it a durable, sustainable policy option.

Both the Business Classes and Contract Bidding Workshops policy options are limited based on the number of people that can benefit, lowering either their effectiveness or sustainability. The Business Classes option has higher sustainability as it could be a successful long-term program once established but is limited in the number of people it could reach because only a certain number of people will be able to commit to taking these classes, especially if only ABTM program participants have access to these classes. However, the business classes would have a high impact on those taking the classes, raising this policy alternative's effectiveness rating to medium. The Contract Bidding Workshops option through workshops connects existing resources and support networks with the AAPI business community. These workshops should be open to the public and held regularly to reach the highest number of AAPI business owners and increase the program's effectiveness. However, there will always be limited government

contracts, limiting the number of AAPI-owned businesses that can successfully bid on and receive this impact. Therefore, this policy option could have little long-term impact and sustainability.

Although the effectiveness rating of the Expand Business Ecosystem & Networks alternative is lower because effectiveness depends on the extent to which AAPI business community members are willing and open to joining Chambers of Commerce, this policy option takes advantage of existing resources and thus has higher political and administrative feasibility, as well as sustainability. The potential for city-specific Chambers to adapt similar programs increases the policy alternative's effectiveness and sustainability.

Section VII: Recommendation

The City of Boston lacks consistent support for growing Asian businesses. Due to the pandemic, business growth was reduced and is still in the process of recovering. There are different organizations that play an important role in the process of recovery and growth, such as the AACA, which has committed to significant work to address the gaps in AAPI-business support in Greater Boston. Therefore, the following recommendation should be considered to help support Asian businesses in the Greater Boston Area. The policy recommendation is twofold and focuses on connecting AAPI business owners with existing resources to grow business ecosystems, support networks, and increase their access to funding. While AACA is efficient at helping businesses that are currently in the ABTM program, the number of people who are receiving the help is limited. Without a solid framework for growth, the ABTM program eventually stagnates or takes a significant time to reach a larger population. This report recommends that, to solve this issue and continue to help AAPI businesses in Greater Boston grow, the AACA must seek new partners and proactively connect their AAPI clientele with existing support networks and funding resources.

1. Expand Business Ecosystem & Networks

To bring awareness to the AAPI business community and aid with expanding AAPI business ecosystems, the AACA and ABTM program should begin working closely with the Greater Boston Chamber of Commerce. This recommendation asks the Greater Boston Chamber of Commerce Economic Inclusion Initiative to partner with the AACA and ABTM program and recommends the organizations' host joint events to bring more members of the AAPI business community into the Chamber's network and bridge social capital to expand business ecosystems of AAPI business owners. This policy takes advantage of existing Chamber resources and networks and will benefit AAPI business community members, the AACA, and the Chamber. There is little risk to the AACA in pursuing this policy and establishing a partnership with the Greater Boston Chamber of Commerce.

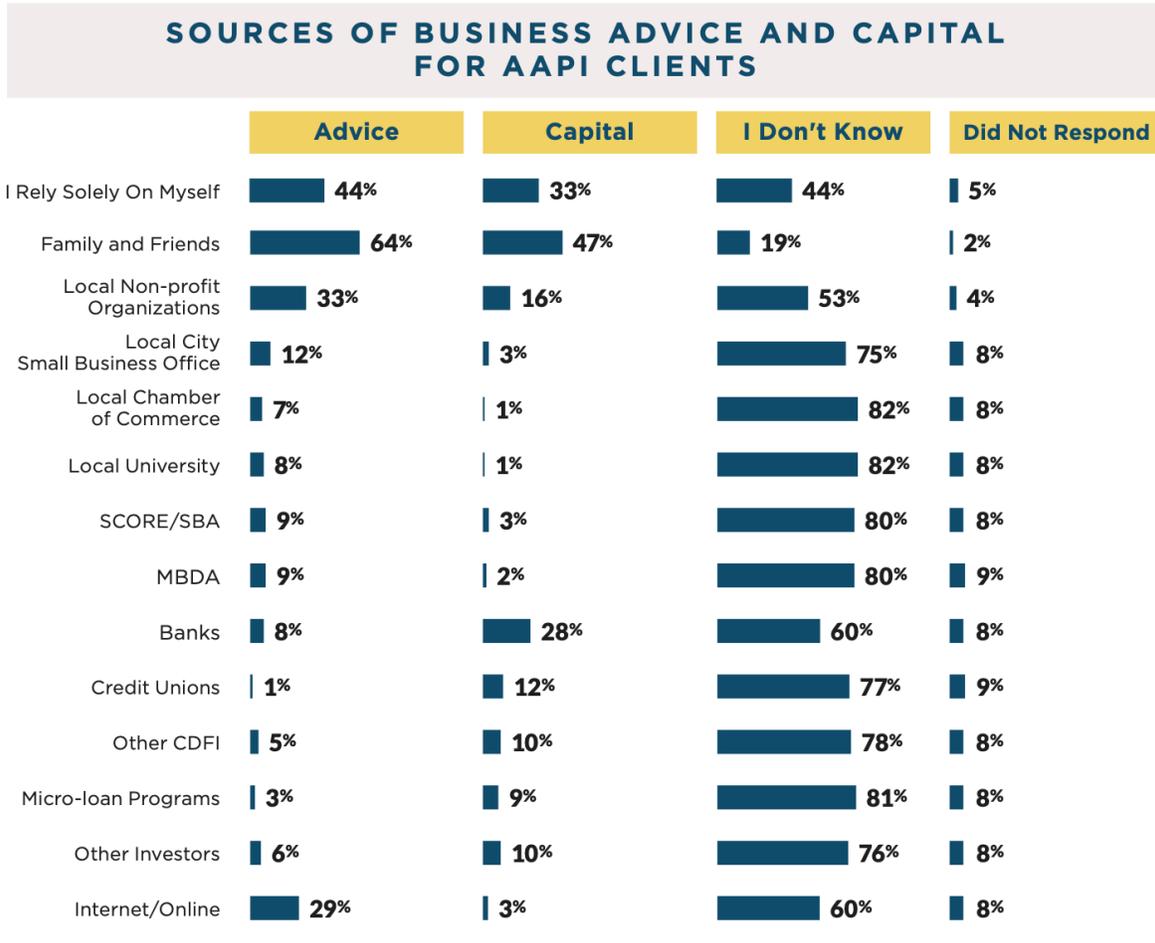
2. Knowledge Hub

The second part of this recommendation entails building a webpage on the AACA website. This is a low-cost, low-risk policy that will provide access to many helpful information and resources. Offering the tool in multiple languages will benefit AAPI business owners even more. Currently, the AACA does not provide this information on its website. If implemented, the AACA will make essential resources, such as bank loans and government funding information, access to a population that could benefit greatly. The AACA has already created and maintained a website, so it should use existing resources and personnel to expand upon the website. They have to make a Knowledge Hub and oversee updating and maintaining this new web page.

A measure of success of this policy recommendation would be increasing accessibility of funding resources and expanding business networks to those in the AAPI business community who are often left out or overlooked. This policy recommendation combines two feasible, effective, and sustainable courses of action to achieve these goals. This recommendation will not fix all the issues surrounding inequality within the AAPI community in Greater Boston, but it does offer opportunities for the AACA and ABTM program to take steps to bridge networks and bolster the ever-growing AAPI business community.

Appendix

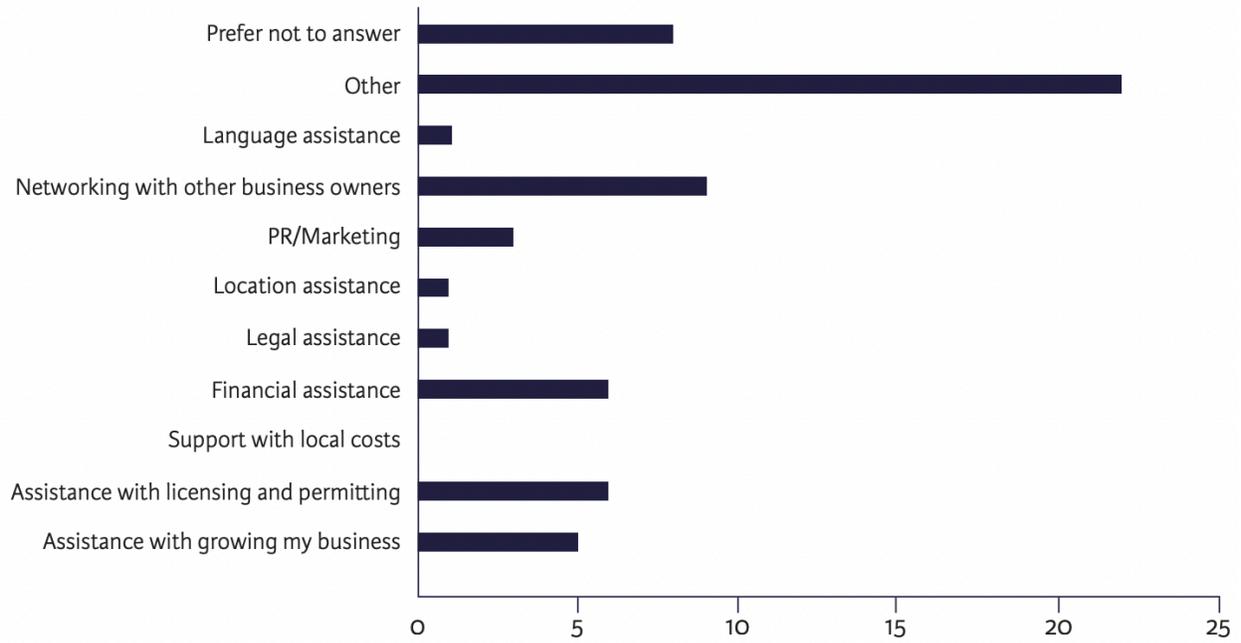
Appendix A: Sources of Business Advice and Capital for AAPI Clients



From: National Coalition for Asian Pacific American Community Development (CAPACD). (2019). *Small Business, Big Dreams: A Survey of Economic Development Organizations and Their Small Business Clients in Low-Income Asian American and Pacific Islander Communities*. https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD_SmallBusinessReport_final_web.pdf

Appendix B: Utilized Municipal Service Support (Pre COVID-19)

Utilized Municipal Service Support (Pre COVID-19)



From: Metropolitan Area Planning Council. (2021). *Regional Immigrant Entrepreneur Storytelling Project*. https://www.mapc.org/wp-content/uploads/2021/05/FINAL-Regional-Immigrant-Storytelling_English.pdf

Appendix C: Focus Group Observations and Takeaways

Focus Group Date & Time: March 9, 2022, 5:00pm

Topic: AACA Asian Business Training & Mentorship Program; Northeastern University Public Policy and Urban Planning Research Project

Focus Group Goal statement: Our goal as students was to learn about the AAPI small business owner experience within the Greater Boston area.

This paper concentrates on identifying gaps in the AAPI-small business ecosystem and bridging these gaps and increasing access to funding. The focus group with ABTM program alumni offered valuable quantitative information relating to these themes, which confirmed and provided context for the broader research of this paper.

One of the focus group participants, Thus, is a member of the Quincy Chamber of Commerce and found it to be a beneficial resource when she was first starting her business. She is even currently taking a business class through the Chamber. This is an example of a Chamber of Commerce successfully providing a support network for business owners and what we strive toward. Conversely, Tran's father was not invited to the Chamber of Commerce, so he didn't have access to this ecosystem. This narrative exemplifies the discrimination against AAPI business owners that have existed in the past and may still deter some AAPI entrepreneurs from joining – a reason to hold events and outreach specifically inviting AAPI business owners into Chambers of Commerce.

Furthermore, business ecosystems were key when applying for PPP loans during the earlier stages of the COVID-19 pandemic. Tran noted that she was able to apply for and receive a PPP loan because she was in contact with a representative from her bank, but others who did not have an established relationship with their bank were not able to apply. Banking relationships are integral to both access to funding and to supporting business ecosystems. AAPI business owners without these relationships may also have been more subject to misinformation surrounding PPP loans, deterring them from applying because they did not have access to an established resource to obtain trusted information. The misinformation one of the focus group participants referred to also provides context to data we found about lower numbers of minority-business owners applying for and receiving PPP loans compared to white business owners. Participants agreed that the access to and relationships with other Asian-American business owners and experts as mentors and teachers had been a primary benefit of the ABTM program. It can be inferred that these participants and other AAPI business owners would benefit from a broader business ecosystem and support network.

Another interesting theme from the focus group that confirmed prior research was the discussion surrounding the tendency to be debt averse in AAPI cultures. This propensity aligns with data regarding low utilization of loans and other financing opportunities. It is certainly not the only barrier to financing but a significant cultural factor that may need to be addressed in a more educational manner. If there is more transparency and understanding about business

debt, what is good debt and what is not, etc., this could start to shift community- and cultural perspectives. Business classes could provide a starting point for this transition.

We're grateful to all of the participants for their time and for sharing their experiences and perspectives so thoughtfully and openly.

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