

# The State of Asian American/Pacific Islander Small Business in Washington

## UNTAPPED BUSINESS POTENTIAL IN ASIAN AMERICAN & PACIFIC ISLANDER COMMUNITIES

Despite the recession and the huge disparities in access to capital, the number of Asian American and Pacific Islander businesses in Washington continues to rise. Along with that rise comes an opportunity for Washington to better its economy and job market. Based on the latest data, the growth of small business in Asian American and Pacific Islander communities has outpaced the average growth for all small business in Washington. Between 2002 and 2007, the increase of Asian American and Pacific Islander firms represented 7% of the total increase in Washington and grew at a rate far higher than the rate of growth across all firms.

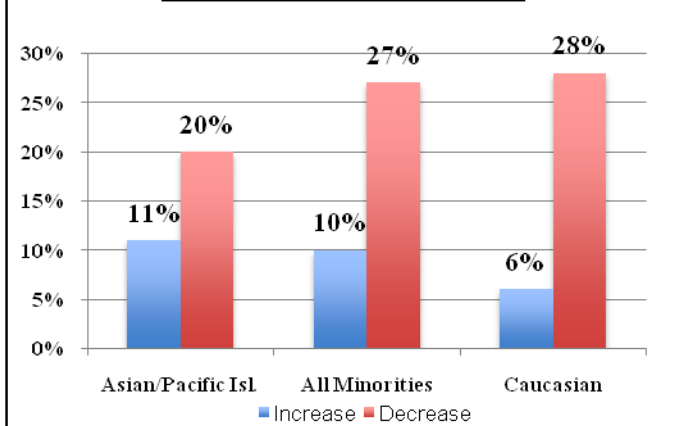
**Increase in Number of Firms in Washington**

	2002	2007	% Increase
<b>Asian</b>	26,890	37,402	39.1%
<b>Pacific Islander</b>	728	1,236	69.8%
<b>All</b>	467,290	551,784	18.1%

\*As projected by the U.S. Census Bureau 2007 Survey of Business Owners

In 2007, the receipts for Asian American and Pacific Islander firms totaled over \$12.6 billion. Asian American firms saw a huge rate of increase in receipts at 74.7%. This rate of increase in receipts is nearly twice as great as the rate of increase in number of firms (39.1%). Moreover, the rate of increase in receipts for all small businesses in Washington was only 40.5%.

**Percentage of Firms Whose Number of Employees Increased/Decreased**

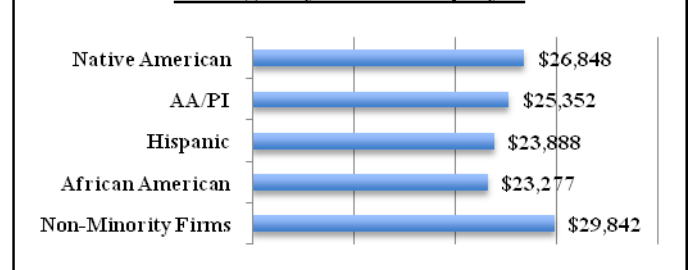


\*over the three months preceding March 2010; Washington Minority Small Business Survey – April 2010

## INCREASED EMPLOYMENT BY ASIAN AMERICAN & PACIFIC ISLANDER OWNED BUSINESS

Asian American and Pacific Islander business communities hire and retain significant numbers of employees at competitive salaries throughout Washington. Asian American and Pacific Islander firms are the most likely to hire between 11 to 100 full time employees and the cumulative decreases in employment (% increase minus % decrease) for Asian American and Pacific Islander firms (-9%) and minority businesses (-17%) are less than the decrease for Caucasian businesses (-22%).

**Average Payroll Per Employee**



\* Minority Business Development Agency's 2008 Report

Moreover, Asian American and Pacific Islander businesses were able to hire more employees than Caucasian businesses in early 2010. Moreover, 69% of Asian American and Pacific Islander businesses reported no change in their number of employees during this time, while only 66% of Caucasian businesses reported no change. These numbers are indicative of the strength of Asian American and Pacific Islander businesses and communities. They highlight the communities' ability to withstand the impact of the current economic downturn without having to resort to discharging employees.

**Distribution of Firms by Race/Ethnicity and Number of Full-Time Employees**

	Asian/Pac.	Caucasian
<b>None</b>	12%	20.6%
<b>1 Employee</b>	22%	18.7%
<b>2 Employees</b>	18%	13.1%
<b>3-5 Employees</b>	18%	13.1%
<b>6-10 Employees</b>	10%	16.8%
<b>11-20 Employees</b>	14%	11.2%
<b>21-100 Employees</b>	6%	5.6%

\* Washington Minority Small Business Survey – March 2009

Washington State Commission on Asian Pacific American Affairs

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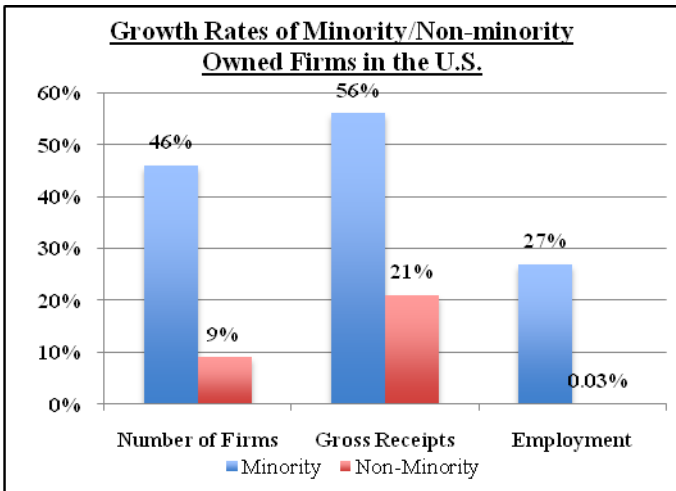
Mission: To improve the well-being of APAs by ensuring their access to participation in the fields of government, business, education, and other areas.

Special Thanks to: Kathryn Kuhlenberg • Legislative Lawyering Project • Seattle University School of Law • Fred T. Korematsu Center for Law & Equality

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## HOW CAN WASHINGTON TAP INTO THE POTENTIAL OF ASIAN AMERICAN & PACIFIC ISLANDER BUSINESSES?

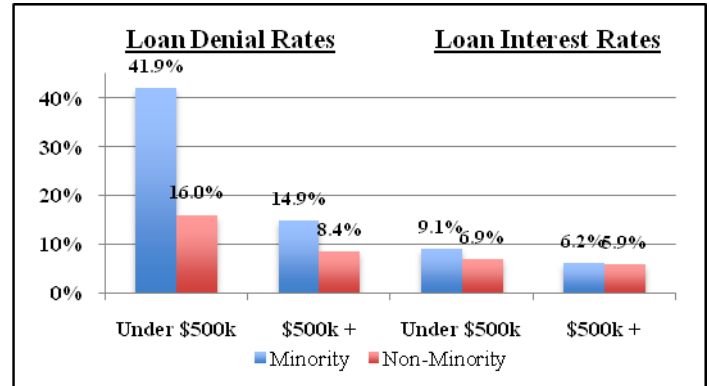
Unfortunately, there is little to no data available on the amount of support that Asian American and Pacific Islander small businesses in Washington are receiving, which makes it very difficult to determine if current programs are successful. In spite of this void, there is data reflecting the huge growth and importance of Asian American and Pacific Islander and other minority business to the state and national economy.



\* Minority Business Development Agency's 2008 Report

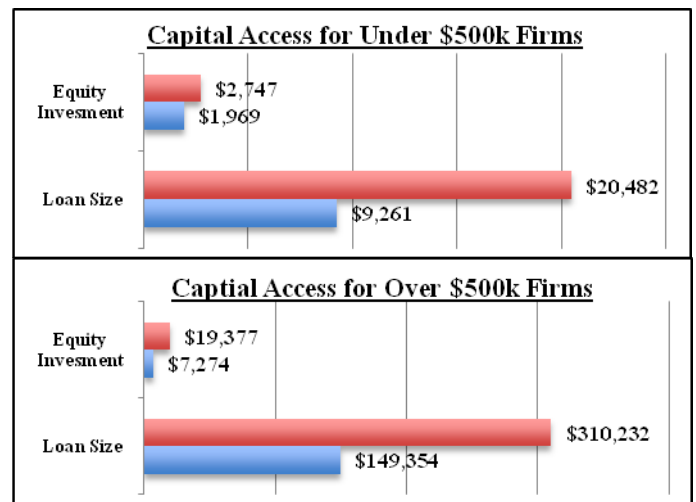
Within Washington, Asian American and Pacific Islander firms look to the Office of Minority and Women Business Enterprises (OMWBE) for certification for government contracts and financing and to local chambers and non-profits for advice, training, and support. Currently, the OMWBE has certified 2,491 women or minority owned businesses, or 1%, of the 229,682 women and minority owned business in Washington. In 2002, minority firms received 3.2% of all contracts awarded. Beyond this, there is very little data or demographic breakdown of the firms receiving certification, financing, and support through OMWBE, other agencies, or nationwide. This makes it difficult to know how much support Asian American and Pacific Islander communities receive. It is readily apparent however, that Asian American and Pacific Islander small business owners face great challenges, but consistently persevere and operate successful enterprises that employ many individuals and greatly contribute to the state and national economies.

Nationally, Asian American and Pacific Islander business owners have access to programs that may be able to provide financing, contracts, training, and other support. The Minority Business Development Agency (MBDA) is the major contributor and their latest report (at left) shows the successes of minority firms and is consistent with the data collected in Washington.



\* Minority Business Development Agency's 2008 Report

Despite this growth, according to a recent release based on data from the U.S. Census Bureau's 2002 Survey of Business Owners, inadequate capital access continues to be an important constraint to the growth of minority business. In 2006, the MBDA provided \$103 million in contracts and \$128 million in financing to Asian American and Pacific Islander firms, but that was not nearly enough to eliminate the disparity of access. In spite of this, Asian American and Pacific Islander firms continue to grow and make significant economic contributions.



\* Minority Business Development Agency's 2008 Report

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