



SACRAMENTO ASIAN PACIFIC CHAMBER OF COMMERCE

Supporting the “Pathways to Prosperity” Recovery Agenda

Eight Asian Pacific Islander (API) Business Facts to Know:

1. Minority populations are growing faster than non-minorities in the United States and will become the majority population by ~2045.¹
2. API Americans are the fastest-growing ethnic group in the U.S.²
3. API consumer-buying power in the U.S. is projected to grow 32% to \$1.3 trillion in 2023. California represents one-third of the U.S. share (\$337 billion annually) of consumer buying power, 4x the next closest state (New York).³
4. Nearly half (46%) of all businesses in California are minority-owned, second in the U.S. only to Hawaii.⁴
5. Small businesses created 59% of all net new jobs (249,508) in California in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding 176,744 net new jobs (42% of total job gain).⁵
6. The average API-owned business in California has eight employees.⁶
7. Minority-owned business enterprises (MBEs) are 2x as likely to export, 3x more likely to have international operations, and 6x more likely to transact business in a language other than English.⁷
8. More than 20% of API-owned small businesses are family-owned.⁸

The SacAsian Chamber is one of 53 formal partners of the **California Asian Pacific Chamber of Commerce (CAPCC)**. CAPCC is the largest statewide ethnic chamber in California. It represents the interests of ~600,000 Asian Pacific Islander (API)-owned businesses in the state that generate \$181 billion in annual revenue and employ over 910,135, with an annual payroll over \$26 billion. CAPCC advocates for policies, legislation and programs that help California's API-owned businesses reach new markets and provide growth opportunities. Its economic development programs and staff provides access, education, and opportunity to employers for healthy and resilient California communities.

The Eight API Business Challenges:

California's return to economic growth depends upon the recovery of the small business sector, which represents the vast majority of net new job creation. Yet small businesses face significantly greater barriers to growth at their scale, including high healthcare costs, government regulation, tax burden and compliance,

¹ Minority Business Agency, Federal Department of Commerce

² Federal Census, 2019

³ Nielsen Company, Asian American Consumer Survey, 2019

⁴ Federal Census Business Survey (2012)

⁵ California Economic Development Department

⁶ Federal SBA, Annual Survey of Small Business Entrepreneurs, 2016

⁷ Minority Business Agency, Federal Department of Commerce

⁸ Ibid

capitalization and cash flow, HR and contracting, and managing the tension between quality and growth, as self-reported by small business owners.⁹ For MBEs, these obstacles are amplified by cultural and language barriers, historic race and ethnicity policy decisions, and location traits that place minority enterprises and their communities in persistent competitive disadvantage. To rectify this, special attention is needed from policy makers in government, business, and community sectors to assure equal opportunity and access to all. Because API businesses start from a competitive disadvantage when compared to non-minority enterprises, investments and policy changes aimed at supporting minority owned enterprises **must be fast-tracked** in California.

SacAsian joins with CAPCC and its statewide partners in the belief that to achieve a truly inclusive economic recovery in California that leverages the knowledge, skills and entrepreneurial talents of all, policymakers must enact changes that improve **employment (E)**, **ownership (O)**, **location (L)**, and **participation (P)** of minority-owned businesses. Specifically, SacAsian is fighting for:

1. Pathways for minority career exploration in **business entrepreneurship**, especially within advanced economy sectors. (E/O)
2. Pathways to connect minority entrepreneurs and enterprises to **local innovation hubs** and research-focused universities and their investment networks. (E/O)
3. Pathways through state and federal agencies for improved **international business** and trade match-making and deal flow. (E/O)
4. Pathways for improved **minority workforce participation** and advancement. (P/E)
5. Pathways for increased minority small business participation as a solution provider for government and corporate **supply chains**. (P/E)
6. Pathways for placement of high-quality **business technical assistance programs and financing** along with culturally-appropriate training programs within communities where high concentrations of minority populations reside. (L/E)
7. Digital pathways and investments that improve digital literacy, **digital skills**, and lower cost-of-access, especially in underserved communities where minority business populations historically are more concentrated. (L)
8. Pathways to key policy-setting bodies at the local, state and federal level to assure **minority participation** in decision-making and investment decisions that directly affects them and their communities. (P)

If enacted, these **eight Pathways to Prosperity** will accelerate California's recovery by increasing jobs, boosting new business formation and investment, expanding international trade and business connections, raising workforce readiness, and improving digital connectivity. These policy changes and investments **must be fast-tracked** by lawmakers, government agencies, education and corporate leaders to enable a rapid economic recovery for California and its people. The California Asian Pacific Chamber of Commerce, working with SacAsian and its 52 other API partners¹⁰ in every region of the state, will work tirelessly in 2020 to see that this eight-point agenda is achieved in policy and practice.

⁹ Index of Small Business Optimism, National Federation of Independent Businesses

¹⁰ See www.calasiancc.org for the list of MOU partners.