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Research Article

New Dimensions of Self-Employment among Asian Americans in Los Angeles and New York

C. N. Le

Abstract

This article uses census data from the 2006–08 American Community Survey to illustrate the range of Asian American entrepreneurial activities in the Los Angeles and the New York City areas and finds that Los Angeles self-employment is characterized by emerging high-skill “professional service” industries while New York continues to be dominated by low-skill traditional “enclave-associated” niches. Within these patterns, there are also notable interethnic and generational differences. I discuss their socioeconomic implications and policy recommendations to facilitate a gradual shift of Asian American entrepreneurship toward more professional service activities that reflect the demographic evolution of the Asian American community and the ongoing dynamics of globalization.

Introduction

Today, not surprisingly, the largest Asian American communities are located in the two most populated metropolitan areas in the United States: New York City and Los Angeles. Each location has a long history of being a point of arrival for Asian immigrants and a long-term settlement through succeeding generations. In many ways, Los Angeles and New York have become cities at the leading edge of racial/ethnic diversification, globalization, and transnationalism as they draw upon numerous constituency groups and forms of financial activity to bolster their political, economic, and cultural vibrancy (Logan, Alba, and Zhang, 2002; Ong, Bonacich, and Cheng, 1994). As described most notably by scholars such as Saskia Sassen (1990, 2001) and others, the second half of the twentieth century saw significant increases in the

growth of financial markets, complex interconnections between national economies, trade and corporate investment across national borders, a sophisticated telecommunication infrastructure, and just as important, immigration into and between “global cities” such as Los Angeles and New York. Combined with the emergence of a diverse set of economic actors (from multinational corporations to individual immigrant entrepreneurs), transnational social networks, and a general relaxing of federal trade policies (Logan, Alba, and Zhang, 2002; Portes, Haller, and Guarnizo, 2002), these outlines of globalization created conditions favorable to rapid development of immigrant self-employment and ethnic enclaves and communities.

Los Angeles and New York have been at the forefront of these globalization trends and, as a result, have experienced significant levels of entrepreneurship, particularly involving Asian Americans. Nonetheless, there are notable differences between the two metropolitan areas and the ways that Asian Americans have capitalized on their distinct landscapes through different forms of entrepreneurship. In terms of geographic traits, New York (at least within its five boroughs) tends to be more densely populated and spatially organized and has much more of a prototypically “urban” character. The Los Angeles metropolis is known for its sprawling topography and “suburban” feel to it. In spite of their differences in terms of spatial character, both metropolises contain large Asian American populations along with diverse and thriving forms of entrepreneurial activity. With this in mind, this study examines the demographic and socioeconomic characteristics of entrepreneurship among Asian American across the Los Angeles and New York metropolitan areas in order to determine what ways such activities are similar and different.

The contemporary dynamics and effects of entrepreneurship (aka self-employment), particularly among Asian Americans, have been the topic of considerable debate and research in recent decades, ranging from the motivations and structural factors that precipitate immigrant self-employment (Bates and Dunham, 1993; Zhou and Bankston, 1995), the mechanisms utilized by immigrant small business owners to maximize their economic success (Bonacich and Modell, 1980; Hum, 2002; Jiobu, 1988; Yoon, 1997), niches and industries in which certain Asian ethnic or gender groups are overrepresented (Dhingra, 2010; Kang, 2010; Rangaswamy,

2007), the effects of participation in ethnic enclaves by ethnic entrepreneurs and employees (Kesler and Hout, 2010; Logan, Alba, and Stults, 2003; Portes and Zhou, 1996; Sanders and Nee, 1987; Valdez, 2008), and community-level dynamics of entrepreneurial activities on particular localities (Fong, 2005; Hum, 2002; Logan, Alba, and Zhang 2002; Wong, 2005; Zhou and Cho, 2010). Further, the proliferation of predominantly Asian American ethnic communities, enclaves, and economies in major metropolitan areas around the country have brought even more attention to the political, economic, and cultural dynamics of entrepreneurship and its relationship to the contemporary geography of Asian American communities.

To analyze the contours of this issue, this study examines Asian American entrepreneurship by focusing on four areas of distinction: (1) examining differences between specific Asian ethnic groups—Chinese, Indians, Koreans, and Vietnamese; (2) delineating the types of entrepreneurial activities involved—low-skill traditional “enclave-associated” niches and emerging high-skill “professional service” industries; (3) differentiating between foreign-born versus U.S.-born generations within each ethnic group; and (4) comparing geographic differences between small businesses in the Los Angeles and New York City metropolitan areas. A more detailed understanding of these interrelated dimensions of Asian American entrepreneurship will help students and scholars of Asian American studies, policy makers, and the American public make more sense of the institutional-level mechanisms and consequences of globalization as they continue to unfold, and just as important, how they intersect with the continuing political, economic, and cultural emergence of the Asian American population.

Entrepreneurship and the Role of Location and Globalization

Since Asian immigrants first arrived in the United States back in the mid-1800s, self-employment has been a commonly used mechanism to achieve socioeconomic mobility, social status, and personal autonomy. In addition to working as gold miners, railroad workers, and farmers, many of these early Chinese Americans opened their own small businesses, operating general stores and trading posts, farm stands and groceries, restaurants, and other services (Chan, 1991). In this process and in cities such as San Francisco, Los Angeles, and New York, they created the first identifiable Asian American enclaves, featuring a burgeoning variety of

small businesses. After the landmark Immigration and Nationality Act of 1965, established Asian enclaves in Los Angeles and New York experienced significant growth, and as more immigrants from China, South Korea, India, the Philippines, and Viet Nam arrived during the 1980s, new enclaves such as satellite Chinatowns in Sunset Park and Flushing, an Indian enclave in Elmhurst/Jackson Heights, and Koreatown in New York, along with Little Saigon, Filipinotown, and Koreatown in the Los Angeles area were established or expanded. Nonetheless, the use of entrepreneurship as a tool of economic mobility and survival among Asian immigrants remains. Today, self-employment plays a significant role in the socioeconomic mobility of many Asian immigrants.

Data and Methodology

Data comes from the U.S. Census Bureau's 2006–8 American Community Survey (ACS) that represents a 3 percent stratified and weighted data set created by combining 1 percent samples from the 2006, 2007, and 2008 ACS. With a sample size of approximately 8.7 million individual respondents, the 2006–8 ACS combines a large and robust sample size with a relatively recent sampling frame and is therefore the best choice for systematic and comparative demographic analyses of racial/ethnic minority groups, in this case Asian Americans. Nonetheless, the main limitation of the 2006–8 ACS (and of cross-sectional data in general) is that because it only represents a "snapshot" of data at one particular time rather than a longitudinal study, it can miss issues of causality and temporal sequence.

The sample population is limited to employed respondents twenty-five to sixty-four years of age, commonly used by scholars to represent the period of most active labor force participation. Type of employment is categorized as paid employee or self-employed, as measured by respondents answering affirmatively that they were self-employed in their own business (incorporated or not incorporated), professional practice, or farm. Some scholars note that the census's definition of self-employment may miss those who earn income from being self-employment but who do not identify themselves as being self-employed (i.e., employees of their own companies), or those who are clandestinely self-employed. While acknowledging its limitations, I use the more strict aforementioned definition of those who self-identify as being self-employed.

The research also makes several key distinctions within the sample population. First, the analysis distinguishes between those Asian Americans who are foreign-born versus those who are U.S.-born. Second, rather than treating Asian Americans as one monolithic category, the analysis provides separate results for the four Asian American ethnic groups with the highest rates of self-employment (Chinese, Indian, Korean, and Vietnamese), using the "RACE" variable in the ACS data set, which represents self-reported racial identity. In addition, because the census's "RACE" variable only includes respondents identifying a single racial identity, multiracial Asian Americans are not included in the analysis. This has little impact on the foreign-born sample (as it is less probable for a first-generation Asian immigrant to be multiracial) but might have an effect on the overall characteristics of the U.S.-born sample, because the census reports that, as of 2000, 14 percent of all those who claim at least partial Asian ancestry are multiracial. Nonetheless, to avoid having to make potentially arbitrary decisions about a minimum Asian percentage in order to be included in the sample, and whether or not multiracial Asian Americans culturally and politically identify more with monoracial Asian Americans than with their non-Asian ancestry, I include only monoracial Asian Americans. However, as multiracial Asian Americans become a more prominent sector of the overall Asian American population, they will need to be factored into future research.

Further, to demonstrate that self-employment can no longer be considered a single all-encompassing category, entrepreneurship is divided into two categories: (1) industries conventionally associated with Asian ethnic enclaves (e.g., garment, restaurants, groceries, retail, and personal services); and (2) those located in professional service industries (e.g., law, medicine, real estate, financial services, and computer consulting). Following the lead of John Logan, Richard Alba, and Thomas McNulty (1994), I classify industries as enclave associated if they are generally characterized by relatively low wages, involve mainly manual labor, require low levels of education and professional training, and are commonly found in Asian ethnic enclaves around the United States (a list of specific industry definitions is available upon request). Some scholars limit the consideration of enclave businesses to those that are located in ethnic enclave communities, such as Chinatown,

and with this definition, thus exclude Korean businesses located in minority urban areas. For my purposes, I focus on the types of businesses (e.g., educational skills required, amount of physical labor involved, and working conditions) rather than the location of the business. Therefore, I refer to these businesses as enclave associated, although many could also be categorized as middleman minority enterprises. Conversely, I classify industries as professional service if they are characterized by relatively high wages and good working conditions, require high levels of education and professional training, and generally involve more mental than physical labor. In categorizing these two types of industries, inherently there is some degree of arbitrariness in determining which specific industries should be classified as enclave associated, professional service, or both or neither. However, the final categorizations are consistent with the consensus of research on Asian American self-employment. Finally, the sample draws comparisons between respondents who live in either the Los Angeles (includes Long Beach, Orange County, and Riverside) versus the New York (includes Nassau County as well as Bergen-Passaic, Jersey City, Middlesex-Somerset-Hunterdon, and Newark all in New Jersey) metropolitan areas.

In analyzing why Asians (and other racial/ethnic minorities) engage in self-employment and to what extent self-employment is associated with being less assimilated, scholars in sociology and other academic disciplines have put forth theoretical explanations that can be roughly categorized into four main conceptual categories: labor-market discrimination, ethnic resources, class resources, and structural opportunities. To capture potential motivations to be self-employed due to labor-market discrimination, I also include “no high school degree” and “limited English fluency” (operationalized as the self-reported answer of “does not speak English” or “speaks English but not well” to the census question of “How well does each person speak English?”). Ethnic resources are more difficult to measure, but I include being married with spouse present (as many self-employed Asian Americans use spouses and other family members as unpaid workers). Further, Asian ethnicity is also included as an independent variable for a combined model that includes all four Asian ethnic groups, to again test for a potential ethnic resource influence (i.e., net of other factors, are one or more Asian ethnic groups more likely to be

self-employed than the control group?). To test for potential class resource influences on being self-employed, I include being U.S.-born and having a college degree as independent variables. As previously discussed, type/industry of entrepreneurship is represented by the “enclave-associated industry” and “professional industry” independent variables. Categorization as an enclave-associated industry represents a potential ethnic resource because the businesses included in this category are disproportionately located in ethnic enclaves. Enclave-associated businesses can also exemplify the structural opportunities theory of entrepreneurship, because these types of businesses (generally retail, garment, grocery stores, restaurants, and personal services) offer relatively easy entry but also high risks of failure. Conversely, categorization as a business in a professional industry generally implies a class resource influence because such businesses require more human capital. Other independent variables include being male and age.

I first present descriptive statistics on demographic and socioeconomic characteristics of self-employment disaggregated by metropolitan area and within each metro area, into foreign- and U.S.-born, for each of the four Asian ethnic groups included in the sample. Second, I use logistic regression to analyze factors associated with being self-employed after controlling for a variety of independent variables, again separately for each of the four Asian ethnic groups across the Los Angeles and New York metropolitan areas. Finally, a second set of logistic regression results looks at factors associated with being self-employed either in an enclave-associated industry or a professional service industry across the Los Angeles and New York metropolitan areas.

Results

Descriptive Statistics

Table 1 presents several sets of descriptive results related to entrepreneurship among Asian Americans across generation, Asian ethnicity, industry of self-employment, location, and type of employment (paid or self). For the sake of brevity, I highlight the most notable findings. Specifically, results from Table 1 show that in the Los Angeles metropolitan area, Korean Americans have the highest rates of being self-employed, reinforcing previous research (Le, 2007; Min, 2008). In terms of type of entrepreneurship, Korean

Americans are heavily represented in traditional enclave-associated industries (e.g., garment, groceries and restaurant, retail, and personal services) while Indian Americans have the highest proportion in emerging professional service industries such as legal and medical offices, financial services, and consulting. An astounding 77 percent of self-employed foreign-born Indian Americans in the Los Angeles area have at least a college degree, further reinforcing their professional background and nature of their entrepreneurship. Presumably as a function of their high rates of professional industry entrepreneurship, Indian Americans also have by far the highest median personal income at \$70,480.

Among U.S.-born Asian Americans in the Los Angeles area, rates of self-employment are lower for each of the four Asian ethnic groups compared to their foreign-born counterparts, with U.S.-born Korean Americans showing the largest decline. Indian Americans have the highest rates of being self-employed among the U.S.-born, at almost 14 percent. The patterns in terms of type of entrepreneurship also mirror that of the foreign-born—Korean Americans have the highest rates of having a business in an enclave-associated industry while Indian Americans have the highest rates in the professional service industry. Interestingly, regardless of industry, among those who are self-employed, all four U.S.-born Asian American ethnic groups are much more likely than their foreign-born counterparts to have at least a college degree, with Indian Americans again having the highest rate at 95 percent. In the New York metropolitan area, the results show more mixed findings for rates of self-employment and earnings among the foreign-born across ethnic groups. Again, Korean Americans have the highest rate of being self-employed at 26 percent—almost identical to their foreign-born Los Angeles counterparts. Interestingly, among the foreign-born in New York, Vietnamese Americans had the second-highest self-employment rates, much higher than that for Chinese Americans or Indian Americans. Foreign-born Vietnamese Americans are also the most likely to be located in an enclave-associated industry while conversely, foreign-born Indian American entrepreneurs have the highest proportion of being located in a professional service industry, the highest rates of college-degree attainment, and the highest median personal income. In regard to U.S.-born Asian Americans in the New York area, U.S.-born Vietnamese Americans have the highest rates of entrepreneurship in the New York area (although

Table 1: Characteristics of Self-Employment by Asian Ethnic Group, Nativity, and Metropolitan Area (2006–08)

	Chinese	Indian	Korean	Vietnamese
Los Angeles Metro				
<i>Foreign-born</i>				
Sample N	5,333	1,432	2,740	2,613
Total % Self-Employed ^d	14.9 ^c	14.5 ^c	26.9	12.5 ^c
SE: % Enclave Industry ^g	37.6 ^c	37.2 ^c	57.3	39.9 ^c
SE: % Professional Industry ^h	26.4	43.5 ^c	13.6	24.8
% College Degree (SE/PE)	56.9 ^c /58.8 ^c	76.8 ^c /80.8 ^c	53.4 ^g /59.7 ^{c,d}	35.9/37.4 ^c
Median Personal Income (SE/PE) ^f	\$37.9 ^{c,d} /\$42.7 ^d	\$70.5 ^{c,d} /\$60.0 ^d	\$40.0/\$40.0 ^c	\$32.4 ^g /\$38.5 ^{c,d}
<i>U.S.-born</i>				
Sample N	986	147	360	219
Total % Self-Employed ^d	8.6	13.6 ^c	12.5	10.5
SE: % Enclave Industry ^g	27.1	10.0	44.4	34.8
SE: % Professional Industry ^h	52.9	70.0	22.2 ^c	34.8
% College Degree (SE/PE)	82.4/81.8	95.0/82.7	71.1/79.4	56.5/62.2
Med. Personal Income (SE/PE) ^f	\$67.4 ^g /\$60.0 ^d	\$54.8/\$63.3	\$49.3/\$57.2	\$41.5/\$49.8 ^c
New York Metro				
<i>Foreign-born</i>				
Sample N	5,866	5,541	1,703	345
Total % Self-Employed ^d	10.5 ^c	10.8 ^c	26.4	18.6 ^c
SE: % Enclave Industry ^g	48.4 ^c	50.5 ^c	59.2	62.5 ^c
SE: % Professional Industry ^h	23.7	28.4 ^c	14.3	10.9
% College Degree (SE/PE)	44.4 ^c /47.0 ^c	60.1 ^{c,d} /68.0 ^{c,d}	52.3 ^g /64.4 ^{c,d}	35.9/48.4 ^c
Median Personal Income (SE/PE) ^f	\$26.7 ^c /\$38.8	\$42.5 ^{c,d} /\$54.0 ^d	\$40.0/\$42.7 ^c	\$31.7 ^g /\$45.0 ^{c,d}
<i>U.S.-born</i>				
Sample N	941	355	205	93
Total % Self-Employed ^d	6.7	7.6 ^c	14.1	16.1
SE: % Enclave Industry ^g	22.2	18.5	27.6	33.3
SE: % Professional Industry ^h	42.9	59.3	51.7 ^c	46.7
% College Degree (SE/PE)	87.3/79.0	85.2/77.7	82.7/83.0	86.7 ^g /59.0 ^d
Med. Personal Income (SE/PE) ^f	\$78.0 ^d /\$60.0 ^d	\$55.5/\$58.9	\$50.0/\$53.4	\$42.1/\$65.2 ^c

^a Source: U.S. Census Bureau, American Community Survey, 2006–8 combined sample.

^b Universe: all employed persons 25 to 64 years of age.

^c Difference between Los Angeles and New York counterparts is significant at the .05 level.

^d Difference between self-employed and paid employee counterparts is significant at the .05 level.

^e SE: self-employed, PE: paid employee.

^f In thousands of dollars.

^g Enclave: percentage of all self-employed in one of the following industries: grocery/restaurant, garment, personal services, and retail.

^h Professional: percentage of all self-employed in one of the following industries: financial, insurance, real estate, scientific, management, education, and health.

their sample size is too small to make a conclusive determination), followed by U.S.-born Korean Americans. U.S.-born Vietnamese Americans are also the most likely to be located in an enclave-associated industry while U.S.-born Indian Americans have the highest proportion of professional service industry entrepreneurship.

Regression Results

Table 2 presents statistically significant factors that affect the likelihood of being self-employed by Asian group in the Los Angeles and New York metropolitan areas. Across the four Asian American ethnic groups (both foreign-born and U.S.-born) in the Los Angeles area, as expected, age and being male are positively associated with being self-employed for Chinese, Indians, and Koreans, with age further positively associated for Vietnamese. Interestingly, neither lack of a high school degree nor limited English fluency had any effect on being self-employed. Being married with spouse present has a positive effect for Chinese and Korean, suggesting that these groups likely still rely on their spouses in their entrepreneurial activities. Being U.S.-born is negatively associated for Chinese and Koreans as generally expected, although it has a positive effect for Indians, perhaps reflecting their higher rates of self-employment in professional service industries as incentive for second-generation participation in entrepreneurship. Finally, working in either an enclave-associated or professional service industry has a consistent positive correlation with entrepreneurship for all four ethnic groups.

The second half of Table 2 presents statistically significant factors that affect the likelihood of being self-employed for the four Asian ethnic groups in the New York metropolitan area. Similar to the results for their Los Angeles counterparts, being male has a strong positive association with being self-employed for Chinese, Indians, and Koreans, and age has positive effects for all four ethnic groups. Interestingly, for Koreans, having less than a high school education had a negative effect on being self-employed, which suggests that Koreans in New York generally do not engage in self-employment due to labor-market discrimination. Nonetheless, judging by the positive effect of married with spouse present and the negative effect of college-degree attainment, Korean entrepreneurs in New York appear largely to still be located in enclave-associated business activities. Being married with spouse

Table 2: Statistically Significant Factors Affecting the Likelihood of Self-Employment by Metropolitan Area and Asian Group (2006–08)

	Chinese	Indian	Korean	Vietnamese
Los Angeles Metro Area				
Intercept	-4.864	-6.672	-4.862	-4.144
Age	.048 ^d (.004)	.072 ^d (.008)	.058 ^d (.005)	.034 ^d (.006)
Male	.373 ^d (.076)	.616 ^d (.168)	.688 ^d (.092)	
No high school degree				
Limited English				
Married, spouse present	.276 ^d (.091)		.410 ^d (.107)	
U.S.-born	-.359 ^d (.126)	.759 ^d (.282)	-.366 ^c (.180)	
College degree or higher				
Enclave industry	.848 ^d (.094)	1.626 ^d (.219)	1.090 ^d (.103)	1.166 ^d (.139)
Professional industry	.812 ^d (.095)	1.492 ^d (.204)	.373 ^d (.137)	1.057 ^d (.158)
N	6,319	1,579	3,100	2,832
Chi-square (d.f.)	353 (9) ^d	172 (9) ^d	447 (9) ^d	121 (9) ^d
-2 Log Likelihood	4,751	1,128	3,053	1,993
New York Metro Area				
Intercept	-4.971	-4.916	-4.576	-4.533
Age	.045 ^d (.004)	.034 ^d (.005)	.061 ^d (.007)	.033 ^c (.014)
Male	.431 ^d (.085)	.689 ^d (.100)	.321 ^d (.117)	
No high school degree			-.904 ^d (.316)	
Limited English				
Married, spouse present			.341 ^c (.141)	.742 ^c (.338)
U.S.-born				
College degree or higher			-.321 ^c (.126)	
Enclave industry	.864 ^d (.105)	1.458 ^d (.115)	1.025 ^d (.131)	1.533 ^d (.313)
Professional industry	.480 ^d (.114)	.711 ^d (.124)	.560 ^d (.171)	
N	6,807	5,896	1,908	438
Chi-square (df)	236 (9) ^d	322 (9) ^d	264 (9) ^d	48 (9) ^d
-2 Log Likelihood	4,186	3,656	1,884	365

^a Source: U.S. Census Bureau, American Community Survey, 2006–8 combined sample.

^b Universe: 25 to 64 years of age and employed.

^c $p \leq .05$

^d $p \leq .01$

^e Unstandardized coefficients are shown with standard errors in parentheses.

present also has a positive effect for New York Vietnamese. Also as expected, working in either an enclave-associated or a professional service industry has a positive association with entrepreneurship for Chinese, Indians, and Koreans, with a further positive effect of enclave-associated industry for Vietnamese. Notably, being U.S.-born has neither a positive nor negative effect on self-employment for any ethnic group in the New York area, suggesting that there is little intergenerational difference for Asian American entrepreneurship in New York.

Table 3 presents a second set of regression results that look at factors associated with self-employment by metropolitan area and type of entrepreneurial industry (either enclave associated or professional service). These models highlight in more detail how the dynamics of self-employment differ between the traditional enclave-associated and more contemporary professional services small business sectors. Further, all four Asian ethnic groups are combined into one sample with dummy variables included for Chinese, Indians, and Koreans (Vietnamese are excluded as the reference group). The results show that in the Los Angeles area, age, limited English fluency, being Indian, and being Korean (the latter two in comparison to Vietnamese) have positive effects on self-employment in an enclave-associated industry. Conversely, being U.S.-born and college-degree attainment both have negative effects. These findings are generally expected, although perhaps the most notable finding is the one that is not statistically significant, namely that being male has no effect, in contrast to the three other models presented in Table 3. This finding suggests that in the Los Angeles area, women seem to be increasingly engaging in enclave-associated self-employment, perhaps as a form of gender succession. The results for factors affecting self-employment in professional service industries in the Los Angeles area, the data show that age, male, and college-degree attainment have positive effects while no high school degree and limited English fluency have negative effects. These findings are also generally expected, although again a notable (non)finding is that being U.S.-born has no statistically significant effect, indicating that in terms of professional service entrepreneurship in the Los Angeles area, foreign-born and U.S.-born Asian Americans participate in roughly equal measures.

Moving to the New York metropolitan area, the results

Table 3: Statistically Significant Factors Affecting the Likelihood of Self-Employment by Type of Industry and Metropolitan Area (2006–08)

	Los Angeles		New York	
	Enclave Associated	Professional	Enclave Associated	Professional Service
Intercept	-4.868	-6.207	-3.724	-7.020
Age	.038 ^d (.004)	.045 ^d (.005)	.034 ^d (.004)	.051 ^d (.005)
Male		.550 ^d (.094)	.489 ^d (.073)	.390 ^d (.103)
No high school degree		-.945 ^c (.376)		
Limited English	.454 ^d (.080)	-.973 ^d (.179)	.251 ^d (.089)	-.986 ^d (.221)
Married, spouse present	.260 ^d (.083)		.176 ^c (.086)	
U.S.-born	-.410 ^d (.150)		-.779 ^d (.188)	.443 ^d (.148)
College degree or higher	-.467 ^d (.078)	1.037 ^d (.127)	-.777 ^d (.079)	1.323 ^d (.155)
Chinese			-.952 ^d (.173)	
Indian	.381 ^c (.151)		-.649 ^d (.174)	
Korean	1.268 ^d (.106)		.434 ^c (.176)	
N	13,830	13,830	14,111	14,111
Chi-square (d.f.)	635 (10) ^d	378 (10) ^d	634 (10) ^d	333 (10) ^d
-2 Log Likelihood	6,447	4,298	6,388	3,719

^a Source: U.S. Census Bureau, American Community Survey, 2006–8 combined sample.

^b Universe: 25 to 64 years of age and employed.

^c $p \leq .05$

^d $p \leq .01$

^e Unstandardized coefficients are shown with standard errors in parentheses.

from Table 3 across both sets of industries generally mirror the results for the Los Angeles area, with one very interesting exception that in contrast to Los Angeles, being U.S.-born has a positive effect on professional service entrepreneurship in the New York area. This suggests that in New York, the emergence of professional service self-employment, for the moment, is a phenomenon that is still predominated by U.S.-born Asian Americans. As they pertain to professional service self-employment in the New York area, age, being male, being U.S.-born, and college-degree attainment are positively associated, while limited English fluency is negatively associated. Largely within expectations for enclave-associated self-employment, age, being male, limited English fluency, and being married with spouse are all positively associated, along with being Korean relative to Vietnamese as the reference group. Being U.S.-born, college-degree attainment, and Chinese and Indian ethnicity (again compared to Vietnamese) are negatively associated with enclave-associated self-employment.

Discussion: Entrepreneurship and Globalization

The results from the descriptive statistics and the regression analyses show that there are notable differences between Los Angeles and New York among discrete Asian ethnic groups in terms of their self-employment characteristics. This is particularly true among the U.S.-born generation: among those born in the United States, Indian Americans in the Los Angeles area and Vietnamese Americans in the New York area are the most likely to be self-employed. Self-employed Koreans are also the most likely to be located in traditional enclave-associated industries in the Los Angeles area, although in the New York area, Vietnamese are the most likely to be located in enclave industries. Perhaps the most consistent finding among the four Asian ethnic groups is that self-employed Indian Americans are the most likely to be college educated and to work in professional service industries, across generations and in metropolitan areas. These two factors—college education and working in professional service industries—undoubtedly contribute to the highest median personal incomes for Indian Americans.

Reviewing the four major theoretical models of factors influencing why Asian Americans become self-employed, the regression results show generally that, in contrast to the early historical development of Asian American self-employment during the early twentieth century, labor-market discrimination seems to be

less of a factor in contemporary times in the Los Angeles and the New York areas and across all four Asian ethnic groups, although results from Table 3 still show that limited English proficiency is associated with self-employment in traditional enclave-associated industries in both metropolitan areas, net of other factors. Similarly, ethnic resources in the form of being married with spouse present (and the assumption that spouses contribute to self-employment as cheap or unpaid labor) still have some positive associations with being self-employed, particularly in enclave-associated industries in the Los Angeles and the New York areas, in particular for Chinese and Koreans in Los Angeles and for Koreans and Vietnamese in New York. Employment in an enclave-associated industry (as a rough proxy for structural opportunity theory) also continues to have a positive association with self-employment for all four Asian ethnic groups, as shown in the Table 2 results.

The most notable findings relate to the emergence of class resources as the focal point of Asian American entrepreneurship during the twenty-first century. Specifically, although the regression results for being U.S.-born and college-degree attainment on the likelihood of being self-employed are mixed for specific Asian ethnic groups (as shown in Table 2), the data from Table 3 clearly show that, net of other factors, being U.S.-born has a positive association for self-employment in professional service industries in New York and that college-degree attainment also has a positive effect in professional service entrepreneurship in the Los Angeles and the New York areas. In addition, college-degree attainment has a strong negative effect on enclave-associated self-employment in both metropolitan areas. These findings complicate the expectations that rates of entrepreneurship would fall as the Asian American population continues to become more college educated and U.S.-born. The more mixed picture, which emerges in this study of certain highly educated, U.S.-born Asian Americans entering into professional service entrepreneurship, deserves close attention from scholars going forward. These findings reflect the ways that Asian American labor-market participation, and self-employment in particular, mirrors the emerging contours and dynamics of the contemporary postindustrial / advanced industrial American economy, and the ongoing effects of globalization (Hu-DeHart, 1999; Kim, 2008; Portes, 2003; Wong, 2005; Zhou, 2004).

Taken together, the historical patterns of urban Asian

enclave activities that focus on garment manufacturing, groceries and restaurants, retail, and personal services are still a strong fixture among foreign-born self-employed Asian Americans, particularly in the New York metropolitan area. There seems to be a higher proportion of self-employed foreign-born Indians and U.S.-born Vietnamese in the Los Angeles area who are located in professional service industries compared to their New York counterparts, suggesting greater access in Los Angeles to class resources through ethnic and transnational networks.

The major difference in Asian American entrepreneurial patterns between these two cities is that professional service entrepreneurship is more prevalent in Los Angeles and traditional enclave-associated entrepreneurship is more widespread in New York. These patterns are most significant in higher rates of enclave-associated self-employment among foreign-born Chinese, Indians, and Vietnamese in New York and in higher rates of professional service self-employment among Indians in Los Angeles. Combined with regression results that show that being U.S.-born and college educated is positively associated with professional service self-employment, the future dynamics of entrepreneurship among Asian Americans appears to be increasingly focused on emerging high-skill, professional service entrepreneurial activities, especially in Los Angeles, with its more suburban setting and strong ties to Asia. However, while professional services in New York are also growing, the overall landscape of entrepreneurship in New York looks more traditional, as many of the enclave-associated enterprises filled by recent immigrants in the dense, urban areas of a high-immigrant-receiving city continue to thrive.

As several scholars have described (see Hum, 2006), much of the Asian American small businesses in New York are located in retail and services and are characterized by low wages, few formal benefits, poor working conditions, and unstable employment prospects. In comparison, and corresponding to its sprawling and decentralized geography, Asian American small businesses in the Los Angeles metropolitan area tend to be more diverse and polymorphic in nature and industry diversification. In particular, since the 1980s, ethnic enclaves in the Los Angeles area such as Chinatown, Little Manila, Koreatown,

and Little Saigon have been successful in leveraging their geographic proximity to Asia, the economic growth of Asian firms, and the transnational social networks of their ethnic entrepreneurs to attract and mobilize notable levels of global investment capital and stable immigrant labor streams in efforts to expand their businesses and, in many cases, redevelop their urban and suburban surroundings (see Aguilar-San Juan, 2005; Lin, 2008; Zhou and Cho, 2010). Although Asian American owners and small businesses in New York have also secured similar resources to expand their entrepreneurial activities, and exact dollar amounts of financial capital and investment are difficult to quantify and contrast, a broad overview of the range and scale of Asian American entrepreneurship between the two metropolitan areas suggests that the Los Angeles area has experienced the bulk of the recent growth, development, and expansion of Asian American self-employment, particularly related to professional services.

Policy Implications

To facilitate more Asian American entrepreneurship in the Los Angeles and the New York metropolitan areas (and beyond to include new gateway destinations around the United States that are experiencing large increases in their Asian American population) in the age of ongoing globalization, scholars have outlined several policy recommendations that emphasize developing closer and mutually beneficial networks with other ethnic entrepreneurs, businesses, intermediary organizations / associations, and community institutions and smoother relationships with governmental business assistance and regulatory agencies (Hum, 2006). In the process, Asian American entrepreneurs can continue to modernize their business operations, including record keeping and labor compliance practices, which will allow them to shift away from traditional enclave-associated niches into more contemporary professional service industries.

Further, during times of financial recession, as the U.S. economy continues to stagnate, government funds to assist small businesses dwindle, and economic instability becomes the new "normal" for the foreseeable future, Asian American entrepreneurs should be freer to access foreign capital, particularly

from economies that are still expanding and have funds to invest, such as capital from China and India. Emerging research has described some examples in which Asian Americans and immigrants in general are increasingly leveraging their cross-border social and professional ties in efforts to utilize transnational financial resources and business opportunities (see Landolt, 2001; Portes, Haller, and Guarnizo, 2002; Varma, 2006; Wong, 2005; Zhou, 2004).

Policies that could facilitate the transnational entrepreneurial ties might take the form of easing government red tape and subtle racial barriers into foreign and domestic sources of investment (Fairlie and Robb, 2010), promoting more foreign tourism to Asian ethnic enclaves, and providing tax breaks to Asian American small business owners to reinvest their revenue to benefit the local community. Other measures could focus on greater integration of ethnic-focused businesses with nonethnic businesses and of the self-employed with paid employee businesses inside and outside of enclave areas. Other policy steps could ensure that neighborhood development plans include input from local and transnational Asian business owners, thereby increasing their stake in providing affordable social services and housing for longtime residents, many of whom are their customers. As long as the U.S. public recognizes that such examples of foreign investment will ultimately benefit their communities, this increase in transnational entrepreneurship fits well within the large history and contemporary dynamics of Asian American integration into the U.S. mainstream and puts Asian Americans at the forefront of demonstrating that globalization can have positive effects for the U.S. economy and society. Moreover, even though rates of self-employment and the business climate within traditional ethnic enclaves may fluctuate from year to year, professional service entrepreneurship is likely to increase in importance as a means toward attaining occupational and socioeconomic success for Asian Americans for the foreseeable future. Policy measures that not only welcome but also encourage these new forms of entrepreneurship must go beyond local considerations to include the new, larger transnational context of these businesses.

Conclusion

In the history of Asian American migration and settlement in the United States, entrepreneurship and community development have always been linked, and especially so in the largest immigrant-receiving cities of Los Angeles and New York. As the twenty-first century and the effects of globalization continue to evolve, the contours and dynamics of this relationship are taking on new forms and leading to diverse outcomes, particularly in complex “global cities” such as these.

This article provided an overview of the factors and dynamics associated with self-employment among Chinese, Indian, Korean, and Vietnamese entrepreneurs in the Los Angeles and the New York metropolitan areas. In emphasizing differences and unique characteristics across ethnic groups, generation, sector of entrepreneurship, and geographic area, descriptive and regression data shows that Koreans are still the Asian group most likely to be self-employed, albeit mainly in traditional enclave-associated industries while Indians and U.S.-born Asian Americans in general are increasingly overrepresented in high-skill professional service industries, and that professional service forms of self-employment seem to be more widespread in the Los Angeles area. To maximize the opportunities of globalization, I also discussed general strategies that will allow Asian Americans to leverage their transnational social and professional ties in order to expand their businesses and contribute to the economic and cultural vitality of their larger communities and to U.S. society as a whole.

Across different ethnicities and geographic locations, Asian American entrepreneurs, particular the U.S.-born generation, are increasingly using their transnational connections to further their structural assimilation into mainstream American society, whereas before, such connections were seen as liabilities in their quest to attain mobility and assimilation. As this study highlights, self-employment is not necessarily a last resort strategy associated with being less structurally assimilated, but is increasingly the first choice that reflects high levels of cultural and structural assimilation and is based on resources and opportunities located in metropolitan areas such as Los Angeles and New York that exemplify and set the trends of increasing demographic diversification and transnational convergence.

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