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#### **Title**

Asian American Small Business Owners: Inequitable Access to Government COVID-19 Relief

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In the spring of 2021, IGS launched a two-year Diversity and Entrepreneurship Fellowship Program. Cal-in-Sac Fellows conducted original research focused on the challenges and opportunities facing women- and POC-owned small businesses and diverse entrepreneurs in California. This series includes Op-Eds, blogs, policy briefs and other research products that capture key findings of the students' research. Learn more at <https://igs.berkeley.edu/matsui-center/fellowships/cal-in-sacramento>.

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## **Asian American Small Business Owners: Inequitable Access to Government COVID-19 Relief**

By Minh Anh Van

With the [Delta Variant of the coronavirus](#) continuing to spread across the U.S., small businesses across the country continue to experience uncertainty and loss, as government relief is much needed. Many studies have raised the concern that minority-owned businesses have had a hard time accessing the relief offered from the government due to systemic barriers. However, what is not widely available is comparative analysis of how small business owners of different ethnicities are faring. Below I present case studies of three businesses located in the Chino Valley area to illustrate the diverse impacts of the pandemic on Asian American small business owners.

### **Businesses Suffered Due to The Pandemic, Inadequate Amount of Government Relief**

The most common experience among small business owners during the pandemic was a [decline in revenue](#).

Charles Liang is one of many Asian American business owners that experienced a decline in revenue as a result of the pandemic. He started his business True Food Organic in 2015 and first launched the product in 2018. Charles sells organic vegan supplements. Before the pandemic, Charles was expanding the business internationally; however, with the COVID-19 restrictions, all those efforts got shut down. A similar decline happened to his domestic sales, as the stores and shows where his products were displayed got closed down. Charles' business lost over 70% in revenue.

In spite of experiencing a dramatic loss in revenue, Charles did not receive the PPP loan. He was offered an SBA commercial loan, but he was not happy with the situation because while the PPP loan can be forgivable, the SBA commercial loan is not. Charles added that he never got adequate responses from the SBA on why he did not receive the help he thought he deserved, and he said that the SBA was not transparent enough to small business owners throughout the application process: "We don't know why [for] some businesses, it is so hard to get the money, [and for] some businesses, it is easier [...] We have no idea what their qualification process [is nor] how they process [the application]."

### **Businesses Thriving over the Course of Pandemic, Received Government Relief**

Although the pandemic took a toll on the majority of small businesses financially, in certain industries, [many small businesses thrived](#).

Eastvale Banners & Design by Susie Pinedo is one of them. Susie started the business back in 1997-1998. Over the course of the pandemic, Susie earned 6-10 times more than in normal years, with help from both government assistance and people needing print services from senior yard signs to food labels to COVID-19 related printings. She shares, "It was our best year."

When one of her printers broke, because she did not qualify for financing from the printing companies, she applied for and got an SBA loan to buy a new printer. When her business was hurting, she received the PPP loan, which kept the business afloat. “Honestly, I did not think I would get it, but I did get it,” Susie elaborated. She continued, “I was just lucky that there was a lender in the bank that was willing to literally hold [my] hand and walk [me] through it. Not everybody had that because everybody was pretty much left on their own trying to figure out how to apply.” Both the loans with the surge of printing needs did not only save her business but helped it thrive.

### **Businesses Started during the Pandemic, Not Eligible for Government Relief**

Despite the difficult situations that people across the world faced, [442,324 new business applications were filed across California](#) in 2020 (a 21.7% increase from 2019).

The owners of Pet Wants Chino Hills, Jesse and Marijane Chuang, were one of those applicants. Pet Wants provides healthy pet food options. The couple initially planned on launching in the beginning of 2020, but then the pandemic happened. Consequently, they delayed the launch to August 2020. Marijane shares that her business is doing pretty well because many people started to become pet owners over the course of the pandemic. However, unlike businesses that were started before the pandemic, Pet Wants was not eligible for any government relief loans.

These three case studies illustrate vast differences in how Asian American small business owners from the Chino Valley area experienced the pandemic. They also raise questions about program eligibility and implementation, and they reveal the gaps that need to be filled to ensure all businesses in need are able to benefit from COVID-19 government relief programs.