Chinatown Impact Study

State of Neighborhood Small Businesses (2022)

A comprehensive economic and social impact study, looking at small business challenges and actions for recovery.

July 2022
ABOUT THE STUDY

Building off of our Chinatown: State of Neighborhood Small Businesses Survey (2021), Welcome to Chinatown conducted an in-depth study to quantify Manhattan Chinatown’s historic economic exclusion; assess its enduring strengths and emerging vulnerabilities; and determine policy and programmatic recommendations our organization could employ to strengthen the Chinatown small business community to keep Chinatown open for generations to come.

Welcome to Chinatown commissioned HR&A for the study.

Timeline:

- **Feb 2022: Kickoff**
- **March 2022: Focus Groups with Fellow Community Based Organizations**
  - Small Business Canvassing
- **April 2022: Small Business Email Surveying**
  - Small Business Focus Groups
- **Jul 2022: Study Released**
  - Community Listening Sessions
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Chinatown Study Area

For all analysis of Chinatown, HR&A defined the neighborhood according to the DRI Chinatown study area, shown on the map below in blue. The study area is comprised of 12 U.S. Census Tracts: 2.01, 2.02, 6, 8, 14.02, 16, 18, 25, 27, 29.01, 29.02, and 41.

Source: Esri Business Analyst
Chinatown Context

Chinatown is an iconic NYC neighborhood with unique cultural significance. At one point, it was known as the largest concentration of ethnic Chinese in the western hemisphere.

Chinatown in 2020: 67K residents (55% AAPI), 38K workers, up to 4K businesses
Chinatown Business Ecosystem

Chinatown is a small business hub – 94% of businesses have under 20 employees – and serves as a culinary and cultural destination, a community gathering place, a food distribution hub, and a source of affordable goods and services.
Chinatown Visitation

Chinatown is a major NYC destination that drew 25.6M visitors in 2019.

Source: SafeGraph – a data source derived from anonymized mobile devices that measures total visitors and visits to storefront businesses and destinations.

Note: For all analysis of Chinatown, HR&A defined the neighborhood according to the NYS Downtown Revitalization Initiative (DRIs) Chinatown study area, which is comprised of 12 U.S. Census Tracts and shown above in blue.
Chinatown Visitation

Chinatown serves a broad range of consumers, including Chinatown residents, Lower Manhattan office workers, other NYC residents, and regional visitors and tourists.

VISITORS TO CHINATOWN STOREFRONT BUSINESSES (2019)

- **Visitors & Tourists**: 22.8%
- **Chinatown Residents**: 20.7%
- **Other NYC Residents**: 41.3%
- **Lower Manhattan Workers**: 15.3%

*Source: SafeGraph*
2. Disproportionate impacts of disasters on Chinatown’s Small Businesses
Timeline of Disasters

Over the past 20 years, Chinatown has suffered disproportionately from major disasters.

- **9/11** (Sept 2001)
- **Hurricane Superstorm Sandy** (Oct 2012)
- **COVID-19 Pandemic** (Mar 2020 - Present)

Photo credits: (top left) Jami Gong/NBC News; (top right) Justin Lane/EPA/Shutterstock; (bottom left) www.angryasianman.com; (bottom right) Wong Maye/EPA

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Impacts of 9/11

The events of September 11th, 2001 devastated Chinatown and reduced access to the neighborhood, affecting residents and visitors alike.

6 weeks
2 subway lines skipped the neighborhood

4 months
without full-service phone and network lines

20 years
living and working with the barriers created by Park Row’s closure

Photo credit: Jami Gong/NBC News
Impacts of Park Row’s Closure

Since 9/11, the eastern half of Park Row around NYPD headquarters – from the Manhattan end of the Brooklyn Bridge to Chatham Square – has been a no-traffic security zone. Combined with the Brooklyn Bridge, this creates a mental and physical barrier between Chinatown and Lower Manhattan, a major source of consumers.

Sources: (map) Esri Business Analyst, Documented NY, The New York Times
Note: The blue “Chinatown boundary” above reflects the DRI Chinatown study area, which is comprised of 12 U.S. Census Tracts. HR&A used this study area for all analysis of Chinatown.
Photo credit: Janet Babin / WNYC
Economic Impacts of 9/11

9/11 has had devastating and enduring impacts on Chinatown’s economy.

Two weeks after 9/11, 3/4 of Chinatown workers were jobless.

More than 7,500 (20%+) were still unemployed months later, representing 10% of all NYC jobs lost.

The fashion manufacturing industry relocated. Over 115 garment factories closed permanently, resulting in over 6,000 jobs lost.

Access to Aid

Early rounds of aid from the SBA were restricted to the immediate blocks surrounding Ground Zero, and initial rounds of FEMA funding were limited to below Canal Street.

FEMA rejected 70% of loss claims in Chinatown due to inability to provide required documentation.

The Chinatown business community lost $500M in the year following 9/11 but received only $60M in loans & grants.

Source: Angie Koo, “Post-Disaster Small Business Recovery and Resilience in Chinatown, NYC”, Pratt Institute, Feb. 2020
Impacts of the SARS Epidemic

The 2003 SARS epidemic stigmatized Chinatown, despite Chinatown having no reported SARS cases.

SARS hurts New York’s Chinatown
Citing the flu-like illness and Sept. 11, 84 percent of those polled said business has suffered.

CNN Money, 04/28/2003

N.Y.’s Chinatown hard-hit by fear
These days the fear of SARS is hurting nearly all businesses in New York’s Chinatown, from stores and restaurants to city tour operators. NBC’s Brian Williams reports.

Brian Williams, NBC News, 04/25/2003

In Chinatown, An Outbreak Of Fear; Herb Shops and Rumors Thrive on Virus Panic


Photo credit: James Estrin/The New York Times
Impacts of Superstorm Sandy

Chinatown experienced a four-day blackout, disrupting neighborhood businesses and putting elderly residents at risk.

Among major federal and NYC aid programs, only 28 businesses received aid in Chinatown ZIP codes (which also encompass Tribeca and SoHo).

Many Chinatown businesses were still paying off 9/11 recovery loans and could not take on new debt. Onerous documentation requirements were also barriers. Much of this aid only became available years after the disaster.

### Chinatown Recipients of Selected Sandy Business Recovery Programs

<table>
<thead>
<tr>
<th>Source</th>
<th>Program</th>
<th>Availability Date</th>
<th>NYC Recipients</th>
<th>Chinatown Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal (SBA)</td>
<td>Physical Disaster Loan + Economic Injury Loan</td>
<td>Immediately after disaster</td>
<td>1,287</td>
<td>6</td>
</tr>
<tr>
<td>NYC (CDBG-DR)</td>
<td>Business Loan &amp; Grant</td>
<td>2013</td>
<td>352</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Business PREP</td>
<td>2017</td>
<td>560</td>
<td>13</td>
</tr>
</tbody>
</table>

Sources: Angie Koo, “Post-Disaster Small Business Recovery and Resilience in Chinatown, NYC”, Pratt Institute, Feb. 2020; NYC Sandy Funding Tracker
Photo credit: Lori Zimmer / CUNY
Note: SBA loan recipients are as of 2 years after Sandy; NYC aid recipients are to date.
Impacts of COVID-19 on Businesses

Compared to NYC, Chinatown suffered slightly more during the Great Recession and significantly more during the pandemic, which – unlike disasters such as 9/11 or Sandy – has been prolonged and relentless. Chinatown lost 26% of its jobs from 2019 to 2021, compared to 14% citywide and 13% in downtown Flushing.

Source: Emsi. Jobs data excludes the self-employed and excludes the “government” 2-digit NAICS code to capture only private sector, nonprofit, educational, and institutional jobs.
Note: “Downtown Flushing” comprises 8 U.S. Census Tracts that form the core area of the neighborhood’s Chinatown: 797.01, 797.02, 849, 853, 855, 865, 869, and 871.
The three largest private sector industries in Chinatown – accommodation and food services, healthcare and social assistance, and retail trade – all lost jobs during the pandemic and are the lowest paid industries in NYC.

These workers are more economically vulnerable, as many are older, immigrants, and/or lack a college degree.
Impacts of COVID-19 on Businesses

Chinatown’s businesses fared worse than the City’s as a whole. From 2019 to 2021, Chinatown lost 57% of food services jobs (compared to 45% citywide) and 28% of retail jobs (compared to 18% citywide).

Source: Emsi (jobs data excludes the self-employed). The “food services” industry is a subset of “accommodation and food services” and includes food service contractors; caterers; mobile food services; drinking places (alcoholic beverages); full-service restaurants; limited-service restaurants; cafeterias, grill buffets, and buffets; and snack and nonalcoholic beverage bars.
Impacts of COVID-19 on Food Service Business Visitation

COVID-19 impacted visitation to Chinatown food service businesses before other neighborhoods. Visitation began dropping in early February, whereas visitation elsewhere, such as nearby areas of Nolita and the East Village, began dropping in early March.

Sources: SafeGraph, Eater NY

Visits to Food Service Establishments (Jan - May 20')

3/16/20 – NYS shuts indoor dining, forcing restaurants into takeout and delivery only

Sources: SafeGraph, Eater NY
Impacts of Anti-Asian Bias and Violence

The Chinatown community has been impacted by the unique stressors of anti-Asian hate. Some businesses are concerned that stigma will prevent some customers from ever returning.

9,081 reports of anti-Asian incidents in the U.S. received from March 19, 2020 to June 2021.

Hate Crimes and Pandemic Lead More Asian Americans to Seek Therapy

A growing number of Asian Americans have overcome a cultural stigma attached to seeking mental health treatment, experts said.

Lack of Aid During COVID-19

Compared to NYC as a whole, Chinatown businesses received a disproportionately small amount of federal Paycheck Protection Program (PPP) loan dollars in 2020 and 2021.

Sources: Emsi, HR&A analysis of PPP loan data from the U.S. Small Business Administration
* Jobs consider all workers in Chinatown and NYC, not just workers employed by businesses that received PPP loans.
Lack of Aid During COVID-19

Government programs that use income by ZIP code to determine eligibility have disqualified some Chinatown businesses. NYC’s $35M LMI Storefront Loan excluded businesses in ZIP code 10013, which has a high median income due to Tribeca and SoHo households, even though Chinatown incomes are much lower.

Sources: American Community Survey (ACS) 2010 & 2020 5-Year estimates, Chinatown NYC, Esri Business Analyst, Real Estate Weekly, (right news clip) Sydney Pereira, Gothamist, 1/3/21 Note: For all analysis of Chinatown, HR&A defined the neighborhood according to the DRI Chinatown study area, which is comprised of 12 U.S. Census Tracts and shown above in red.
Lack of Aid During COVID-19

The lack of eligibility for the LMI Storefront Loan came despite City analysis showing that Chinatown’s Canal Street suffered from some of the highest storefront vacancies in NYC before and during the pandemic.

Sources: NYC DCP, “Retail Activity in NYC: COVID Recovery Across 24 Neighborhoods”; NYC SBS

* Active businesses include those that NYC DCP surveyors noted as Open. Inactive businesses include those that surveyors noted as Closed, Vacant, or Unknown.

Note: The 12 retail corridors in red boxes were eligible for Phase 1 or Phase 2 of the LMI Storefront Loan program, which both determined eligibility using ZIP code median income. The 12 other retail corridors, including Canal Street, were only eligible for Phase 3, which determined eligibility using more granular U.S. Census Tract median income. All the Canal Street businesses surveyed fell within ZIP code 10013 - a higher income ZIP code, as shown on the previous page - and were therefore excluded from Phases 1 and 2.
Lack of Aid During COVID-19

A variety of additional factors have created barriers to access to aid.

- Language barriers to government services and regulatory compliance
- Less access to financial expertise and fewer relationships with major banks
- Cash-based operations with limited financial records
- Lower digital literacy and access

- Early in the pandemic, translated materials were often released just as funds were running out
- Businesses had difficulty understanding applications and providing all documentation
- 2/3 of immigrant-owned businesses rely on personal savings and friends or family for capital
- Early aid was distributed through banks, which prioritized existing customers
- Cash-only operations impede providing required documentation and lower likelihood that a business will apply for aid
- Businesses had difficulty navigating digital resources and online applications


Photo credits: (far left) (middle left) Branille / Wikimedia Commons; (middle right) Myla H., Foursquare; (far right) David Paul Morris / Bloomberg
Impacts of COVID-19 on Storefront Visitation

As of late 2021, visitation was still down 50% in Chinatown. The impacts have been especially severe for food service businesses, given that NYC’s Asian-owned businesses have been shown to do significantly less business online. Weekday office workers are also unlikely to return in the same numbers long-term.

Source: SafeGraph

Note: The y-axis has been removed from the charts above because the data is not normalized for bias.
3. TOP 4 ONGOING CHALLENGES
Facing Chinatown’s Small Businesses
Challenge 1: Rising Costs and Thinning Margins

Operating costs are increasing rapidly, including rent, labor, and supply costs. Yet many Chinatown businesses feel unable to raise prices due to consumer expectations of affordability and some low-income customers.

**Real estate costs have been rising rapidly**

Average Retail NNN Rent per SF/Year (2010-21)

- +39% retail rent PSF/Year (2010-19)
- +110% property taxes PSF/Year (2010-19)

When Chinatown businesses were asked about top 3 challenges:

- 60% said rent costs
- 42% said labor costs

Sources: CoStar, PLUTO via NYC Department of City Planning, Small Business Impact Short Survey
Challenge 2: Declining Consumer Base

Even prior to COVID-19, Chinatown’s local Chinese resident consumer base was declining and aging as wealthier residents moved in. COVID-19 has resulted in a drop in visitation in other consumer segments: office workers, tourists, and regional visitors.

<table>
<thead>
<tr>
<th>Chinatown has been losing Chinese residents, and those remaining are aging</th>
<th>COVID-19 created a sharp drop in office workers, tourists, and other visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>-22% (-10.5K) decline in Asian population from 2010 to 2020*</td>
<td>-48% decline in visitation to storefront businesses (Dec. ‘21 vs. Dec. ‘19)</td>
</tr>
<tr>
<td>+21% (+2.8K) increase in seniors (age 65+)</td>
<td>57% of businesses concerned about getting customers in 2022, vs. 43% in 2019</td>
</tr>
</tbody>
</table>

Sources: American Community Survey (ACS) 2010 & 2020 5-Year estimates, Small Business Impact Survey
* 95% of the 10.5K Asian population that Chinatown has lost since 2010 are people of Chinese descent (which does not include people of Taiwanese descent).
Photo credit: James Estrin/The New York Times
Challenge 3: Loss of Chinatown Businesses and Succession Challenges

Many business owners are aging, and many do not have succession plans. COVID-19 and other stresses have led to further loss of Chinatown businesses, risking the erosion of the neighborhood’s culture and identity.

Closing of Jing Fong’s original, large location in 2021

The East Broadway Mall’s lease dispute and rise in vacancy, headlined by the closure of the 1,000-seat dim sum restaurant 88 Palace

Photo credits: (left) Andrew Seng / The New York Times; (right) Akemi Tamanaha / AsAmNews
Challenge 4: Barriers to Technology Adoption

Digital adoption among Asian-owned businesses is well below the NYC average, which made it more difficult for them to pivot to socially distanced operations during COVID-19.

In 2020, only 3% of transactions were digital in Chinatown, hobbling sales in a socially distanced city.

47% of Chinatown businesses open 10+ years stated using technology was a top challenge, vs. 7% of businesses open <10 years.

Delivery apps like Uber Eats and social media like WeChat have become essential for many Chinatown restaurants during the pandemic.

Sources: Asian American Federation of New York, Mastercard Center for Inclusive Growth, Small Business Impact Short Survey
Photo credits: (left) Jaap Arriens/NurPhoto via Getty Images; (right) Andrew Harrer/Bloomberg
4. RECOMMENDATIONS
To Keep Chinatown Open For Generations To Come
Vision: Keep Chinatown open for generations to come

How we’ll achieve this:

- Preserve the legacy of this symbolic neighborhood while refreshing its image to reattract a broad base of business-sustaining customers

- Leverage inherent resilience and adaptability of immigrant-owned businesses to embrace new technologies and business models

- Retain cornerstone businesses while fostering a new generation of entrepreneurs

- Encourage the City to pilot new, creative strategies in Chinatown, given the neighborhood’s unique significance to NYC and the outsized impacts of COVID-19
Context: Welcome to Chinatown’s Current Initiatives

Welcome to Chinatown’s work to date to begin to address critical challenges facing Chinatown and lay the groundwork for recommendations in this report.

**Longevity Fund**  
Chinatown Small Business Grants

**Meet Chinatown**  
Chinatown Digital Directory

**The Sik Faan Fund**  
Gift a Meal Program

**Made in Chinatown**  
Merchandise Design Program

**Care for Chinatown**  
Outdoor Dining Beautification Program
Welcome to Chinatown’s projects underway begin to address critical challenges facing Chinatown and lay the groundwork for recommendations in this report.

1. Small Business Innovation Hub
   - Empower local entrepreneurs
   - 1:1 to large group workshops
   - Creative workspace
   - Tourism

2. Meet Chinatown Directory 2.0
   - Wayfinding
   - Mobile app
   - Community based loyalty program
Context: NYC’s Economic Recovery Plans

NYC’s recently released Rebuild, Renew, Reinvent recovery blueprint identified a variety of strategies to support small business recovery that Welcome to Chinatown’s work can build upon.

**Chinatown is a natural location to pilot the City’s new neighborhood-specific small business support strategies, given the neighborhood’s unique cultural and economic significance to NYC and the outsized impacts of COVID-19. Several initiatives in the “Support Small Businesses” section of the recovery blueprint are especially relevant to Chinatown:**

- **Overhaul how City government interacts with small business** – Through “Small Business Forward” Executive Order Two, reform existing business regulations and ensure that local businesses face fewer needless fines and penalties.

- **Help small businesses grow** – Offer free tax prep for small business owners and freelancers, expand small business outreach, and expand the Small Business Resource Network to provide business owners with business technology upgrading and assistance.

- **Promote BIPOC and immigrant entrepreneurship** – Launch the Small Business Opportunity Fund to meet the financing needs of local businesses and address critical gaps in access to capital; invest in language access and resources for immigrant-owned businesses.

- **Invest in Neighborhoods** – Target commercial corridors in LMI neighborhoods for public realm improvements, working closely with local business groups through NYC SBS and DOT.

- **Pursue M/WBE Procurement Reforms** – Among other reforms, dramatically upgrade M/WBE oversight, data collection, and compliance to improve outcomes.

Source: Rebuild, Renew, Reinvent: A Blueprint for New York City’s Economic Recovery

Photo credit: City of New York
### Summary of Recommendations and Potential Roles for Welcome to Chinatown

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>WtC’s Primary Role Over Time</th>
<th>Rationale for WtC’s Primary Role</th>
</tr>
</thead>
</table>
| **1. Help Businesses Adopt Digital Tools** | Action – Short-Term | • Digital design, marketing, and media savvy  
• Strength of corporate partnerships  
• Small Business Innovation Hub can host program  
• Short-term wins |
| **2. Help Businesses to Expand Their Business Models** | Action – Short-Term | • Strength of corporate partnerships  
• Focus on innovative business support  
• Small Business Innovation Hub can host program  
• Short-term wins |
| **3. Support Succession Planning for Legacy Businesses** | Action – Medium-Term | • Intergenerational focus  
• Focus on innovative business support |
| **4. Support a Generation of New Businesses** | Action – Medium-Term | • Intergenerational focus  
• Focus on innovative business support  
• Small Business Innovation Hub can host program |
| **5. Reattract Customers to Chinatown Through Digital and Physical Placemaking** | Action – Medium-Term (Digital)  
Advocacy – Long-Term (Physical) | • Digital placemaking:  
  • Digital design, marketing, and media savvy  
  • Focus on innovative business support  
  • Physical placemaking |
| **6. Support the Brooklyn Bridge Manhattan and Reimagining Park Row Projects** | Advocacy – Long-Term (Physical) | • Physical placemaking |
| **7. Improve Access to Aid and Success in Navigating Regulations** | Advocacy – Medium-Term | • Many existing players in the technical assistance space  
• Mayor has already highlighted as a priority |
| **8. Create Affordable Commercial Space** | Advocacy – Long-Term | • Heavy lift to take on property subleasing and management functions  
• Could be an idea for WtC to pursue in the future |
1. Help Businesses Adopt Digital Tools

CHALLENGE

- 47% of surveyed Chinatown businesses over 10 years old cited “using technology” as a top challenge, versus only 7% of businesses under 10 years old. As of 2020, digital adoption among Asian-owned businesses was also well below the NYC average (see page 26).

- COVID-19 amplified the importance of adopting digital tools to thrive. Tools such as delivery apps, contactless payment, point-of-sale systems, and social media marketing allowed businesses to pivot.

- Use of digital tools, including for accounting and bookkeeping, help businesses maintain records important for applying for government relief.

STRATEGIES

Offer a digital bootcamp for Chinatown businesses with targeted outreach to older owners.

- Assess businesses’ existing digital tools, train owners and staff on best practices, and help create websites, social media profiles, and app accounts.

- Bring on-site, pro-bono or low-cost technical support to busy business owners; technicians with language fluency could be staffed via corporate partnerships with delivery apps and tech companies.

- Create a multilingual webpage or short guide (online and print) such as Boston’s Delivery & Takeout Guidebook, which offers advice to small brick-and-mortar food businesses and retailers.

- Offer centralized professional services to assist businesses having difficulty adopting digital tools.

- Create a directory of experts and volunteers who can provide bookkeeping, marketing, design, and other services, or on-demand assistance with tool adoption or troubleshooting.

- Corporate partnerships might provide a subsidized suite of commonly used tools and services (accounting, payroll, POS, etc.), discounted hardware or software, and training for small businesses. Empower by GoDaddy is one partnership that has helped small businesses navigate COVID-19.

IMPLEMENTATION (Action – Short-term)

Lead entity: WtC

WtC’s potential role: Host bootcamp and centralized services out of the Small Business Innovation Hub; facilitate corporate partnerships; lead outreach to businesses

Potential partners:

- Corporates (e.g., GoDaddy, Mastercard, American Express, Google, Hungry Panda, Gorillas, DoorDash, Square, etc.)
- CBOs (e.g., Chinatown Partnership, AAFE, etc.)
2. Help Businesses to Expand Their Business Models

CHALLENGE

- Chinatown businesses are limited in raising prices, as elderly and low-income customers rely on inexpensive goods and services and many consumers expect Chinatown offerings and Asian cuisine to be affordable or high value-per-dollar.

- Given rapidly rising costs of real estate, labor, and supplies, Chinatown businesses – especially legacy businesses – need to expand revenue sources to survive and thrive.

- Chinatown’s consumer base has declined due to a shrinking local Chinese population and – since COVID-19 – loss of office workers, AAPI stigma, and public safety concerns.

STRATEGIES

Help businesses expand sales to less price-sensitive customers:

- **Facilitate direct sales to corporate employers**
  - (similar to Audible’s activities in Newark, NJ) and institutions (similar to UPenn’s Economic Inclusion program) through catering and supply contracts, as well as local workers with less price sensitivity than existing customers.

- **Secure outposts for off-site sales at high-volume locations**
  - (e.g., events venues such as Barclays Center, pop-up or permanent food markets, such as Smorgasburg and Dekalb Market).

- **Provide marketing support to help businesses succeed with these new customer bases.**
  - Help businesses expand their product lines:
    - Share strategies to maximize businesses’ brand and location (e.g., selling apparel, offering specialty grocery items, etc.)

**Improve Chinatown businesses’ access to $30 billion in annual City contracts:**

- Advocate for the City to implement M/WBE reforms included in its recovery blueprint.
- Explore the possibility of a Chinatown small business consortium that can collectively apply as an M/WBE supplier to overcome qualification barriers, such as lack of insurance.

IMPLEMENTATION (Action – Short-term)

Lead entity: WtC

WtC’s potential role: Tee up corporate/institutional partnerships; secure pop-up outposts; provide technical assistance to help businesses expand their offerings (via the Small Business Innovation Hub); advocate for M/WBE reform and explore an M/WBE consortium

**Stakeholders and partners:**

- Corporate and institutional purchasers
- Outpost and market operators
- Mayor’s Office of M/WBE
3. Support Succession Planning for Legacy Businesses

**CHALLENGE**

- Chinatown’s legacy businesses are core to the neighborhood’s character and attraction of visitors, yet many owners are aging and lack succession plans. Many say they do not want their children to continue to work in the taxing food services or retail industries.

**STRATEGIES**

Support the conversion of legacy businesses into worker-owned cooperatives. Worker-owned co-ops can benefit owners, employees, and the community more broadly. Business owners sell their company to employees at a fair market price, which helps to preserve jobs, accrue wealth to owners, and offer workers an opportunity to share in future business growth. This can help sustain neighborhood character by retaining well-loved existing businesses.

**Actions for implementing worker-owned co-ops include:**

- Connect with Employee Ownership NYC at the NYC Department of Small Business Services along with leading advocacy organizations, such as Working World and ICA Group, to identify ways to engage legacy businesses.
- Conduct outreach to legacy businesses and employees to share information about worker-owned co-ops.
- Create an investment fund – through philanthropy and/or City funds – that supports buyouts and conversion of small businesses into worker-owned enterprises.
  - Build upon funding from Employee Ownership NYC ($10,000 per business).
  - Connect with successful models elsewhere for lessons learned, such as the Main Street Phoenix Project and the Project Equity Employee Ownership Program.
- Potentially create a holding corporation or collective for multiple businesses, increasing efficiency and formality of decision-making and operations.

**IMPLEMENTATION (Action – Short-term)**

Lead entity: WtC working with NYC SBS, Working World, ICA Group

WtC’s potential role: Conduct outreach to businesses and employees; serve as an intermediary with advocacy organizations; raise capital for an investment fund and/or incubate a holding company

Stakeholders and partners:

- Local legacy businesses and workers
- Philanthropy
- NYCEDC or other source of City capital
4. Support a Generation of New Businesses

**CHALLENGE**

- New businesses struggle to raise capital, fund equipment and fit-out costs, and navigate City and State regulations.
- AAPI and other business owners of color, as well as the children of immigrants, face disproportionate barriers to the capital, information, resources, and professional networks required to start and scale a small business. According to the SBA Office of Advocacy, AAPI business owners are more likely than business owners of any other racial or ethnic group to use personal, friend, or family resources to finance their start-up costs.

**STRATEGIES**

Convene philanthropy, private investors, CDFIs, and the public sector to start an AAPI business investment fund, providing startup capital at low rates for new businesses locating in Chinatown.

Create an accelerator that supports AAPI entrepreneurs by offering guidance on accessing capital and developing business plans, mentorship from legacy owners, and a space for new business owners to convene. Examples include:

- Techstars NYC – while focused on tech – is a best-in-class accelerator that connects entrepreneurs with education and capital, with a focus on equity and inclusion.
- Union Kitchen’s Food Business Accelerator and Food Future Co’s Accelerator – while mostly focused on food production – offer programming on business planning, branding, growth strategy, and financing that could also be relevant to new Chinatown restaurants and other food service businesses.

**IMPLEMENTATION** (Action – Medium-term)

Lead entity: WtC
WtC’s potential role: Convene potential investors in business investment fund; host an accelerator at the Small Business Innovation Hub

- Fund investors, including philanthropy, private investors, CDFIs, and/or NYCEDC/City of New York
- Experienced entrepreneur mentors
5. Reattract Customers to Chinatown Through Digital and Physical Placemaking

**CHALLENGE**
- Since 9/11, the closure of Park Row and other physical barriers have reduced Chinatown’s connectivity to downtown. Smaller interventions like the removal of bilingual street signs have impacted the neighborhood’s identity.
- Chinatown needs strengthened attractions, placemaking investments, and marketing to renew and expand its consumer base of New Yorkers and tourists.

**STRATEGIES**

**Improve digital and physical placemaking to highlight the neighborhood’s unique offerings as a regional center of Chinese culture and commerce, improve points of access, and address community concerns about public safety.**

**Digital placemaking could include:**
- Partnering with NYC & Co. to create a new campaign promoting Chinatown and the Meet Chinatown app. (Currently, NYC & Co. only promotes Chinatown as part of a “The Asian Experience in NYC” webpage.) NYC & Co. could leverage ad space in NYC airports, on LinkNYC kiosks, and via global partner-owned and paid multimedia promotion.

**Physical placemaking could include:**
- Wayfinding and street navigation for pedestrians, tourists, and delivery drivers.
- Investing in destination uses, such as a cultural hub and larger retail spaces for events.
- Increasing the square footage of inviting parks and open spaces via targeted land use changes and investment, including the Brooklyn Bridge Manhattan project.
- Supporting the adoption and implementation of recommendations from the Design Trust for Public Space and NYC SBS in Neighborhood Commons: Plazas, Sidewalks & Beyond – namely, recommendations to empower CBOs in public realm management and activation.
- Investing in streetscapes, lighting, and accessibility improvements to create attractive, safe streets and public/open spaces for pedestrians.

**IMPLEMENTATION**

(Action – Medium-term (Digital); Advocacy – Long-term (Physical)

Lead entity: WtC, NYC & Company, Chinatown BID/Chinatown Partnership

WtC’s potential role: Coordinate digital placemaking strategies, anchored in

Stakeholders and partners:
- Property owners (especially those near placemaking sites)
- CBOs (spreading awareness of placemaking improvements and places of need)
- NYC & Co., NYCDOT, NYCEDC
6. Support the Brooklyn Bridge Manhattan and Reimagining Park Row Projects

**CHALLENGE**

- For more than a decade, Chinatown and other neighborhoods surrounding the Manhattan side of the Brooklyn Bridge have been divided by infrastructure and cut off from public spaces that once provided recreation, connection, and commerce. Current City plans will maintain this disconnection for another 20+ years.

- More than 7M tourists and locals walk the Brooklyn Bridge each year. As long as Park Row and the Brooklyn Bridge landing are inhospitable, Chinatown will be shut off from $100M of potential economic activity.

**STRATEGIES**

Support efforts by Brooklyn Bridge Manhattan and the Park Row Alliance to create 9 acres of public space around the Brooklyn Bridge and pedestrianize Park Row. This vision could create an active, inclusive destination that drives tourism to Chinatown, boosts local small business revenue by $150M+, and preserves and creates thousands of jobs.

**Support for physical placemaking through could include:**

- Raising awareness among Chinatown small businesses about opportunities unlocked by placemaking, such as outpost or pop-up markets and arts/culture events around the Brooklyn Bridge that draw new customers and capitalize on increased visitation.

- Use of Meet Chinatown digital wayfinding and mobile app to help pedestrians, tourists, and drivers reach small businesses from the Brooklyn Bridge.

- Driving press and publicity about placemaking through Welcome to Chinatown’s website, social media, in-person events, and the upcoming Small Business Innovation Hub.

- Over time, support of existing businesses and entrepreneurs, through the Small Business Innovation Hub, to attract visitors from Brooklyn Bridge Manhattan and leverage vending opportunities at the park and along Park Row.

**IMPLEMENTATION**

(Advocacy – Long-term Physical)

Lead entities: WtC, Brooklyn Bridge Manhattan, Park Row Alliance

WtC’s potential role: Support organizations on placemaking and advocacy

Stakeholders and partners:

- CBOs (spreading awareness of placemaking improvements)
- Outpost and market operators
- Business and property owners along Park Row
7. Improve Access to Aid and Success in Navigating Regulations

**CHALLENGE**

- Difficulty accessing low-cost aid and navigating regulations are among the top issues facing Chinatown small businesses. Language barriers, lack of lender relationships, lack of legal departments to handle intensive paperwork, low digital literacy, and reliance on cash operations are some of the greatest hurdles.

- There is no apparent one-stop-shop for Mandarin- or Cantonese-speaking business owners to understand business regulations and permitting. Organizations such as USPAACC, the Chinese Chamber of Commerce, and the Chinatown Manpower Project offer business services but are not one-stop-shops.

- COVID-19 aid failed to adequately serve Chinatown’s businesses. Guidance and materials were initially not translated; by the time they were, many funds were oversubscribed. A focus on loans rather than grants reduced the utility of aid, as many businesses were reluctant to take on additional debt.

**STRATEGIES**

Advocate for policy changes to better connect Chinatown businesses with support:

- Advocate for the City to offer in-person live Mandarin and Cantonese translators to assist small businesses.

- Advocate for the simplification of City regulations for small businesses, especially restaurants – a key strategy identified in Mayor Adams’ Recovery Blueprint.

- Advocate for changes to the current structure of aid at the city, state, and federal levels to offer more relief grants rather than loans.

Offer technical assistance to the community, building upon existing resources:

- Help businesses access existing resources by offering translation services and conducting outreach to raise awareness of available resources – including technical assistance from SBS and CBOs, as well as access to capital via Renaissance Economic Development Corporation and other CDFIs.

- Consider offering technical assistance workshops and a “one-stop” service hub.

- Assemble a list of local CPAs, lawyers, and other advisors who provide services in Mandarin and Cantonese.

**IMPLEMENTATION**

(Advocacy – Medium-term)

Lead entity: Local CBOs, NYCSBS

WtC’s potential role: Advocate for simplification of regulations; connect businesses to existing resources; offer technical assistance at the Small Business Innovation Hub

Stakeholders and partners:

- Chinatown Partnership
- CDFIs

Photo description: Welcome to Chinatown with Wo Hop Next Door
Photo credit: Lunar
8. Create Affordable Commercial Space

**CHALLENGE**
- Rising real estate costs were the greatest challenge cited by Chinatown businesses surveyed. From 2010 to 2019, rents increased by 39% and property taxes by 110% in Chinatown.

- Rising rents, a rapidly changing retail environment, and COVID-19 have caused a proliferation of vacant storefronts in Chinatown. A NYC DCP survey of 24 retail corridors found Canal Street had the highest share (57%) of “inactive” storefronts in 2020.

**STRATEGIES**
Advocate for City support for tools to create affordable commercial space in Chinatown, such as:
- Provide low-interest loans and tax credits to property owners who acquire vacant properties or refinance existing properties and agree to limit rents.
- Provide capital and financing for a local CBO to acquire and sublease affordable space.
- Offer property tax relief for storefronts that are vacant or at risk of vacancy.

Affordable commercial spaces created by these programs could include:
- Spaces occupied by legacy cornerstone businesses.
- Vacant spaces that can be repurposed into pop-up “incubators,” offering low-cost or free, short-term leases to reduce barriers to entry, build visibility for entrepreneurs, and allow businesses to test the market – similar to Memphis’ Open on Main initiative.
- Larger spaces that can be used for multi-tenant markets with both legacy and new businesses – similar to Essex Market, an NYCEDC-managed space on the Lower East Side housed within Essex Crossing, which cross-subsidizes rents so that businesses with lower profit margins can still afford to operate there.
- City-owned buildings with vacancies or existing spaces for which the leases can be renegotiated, such as East Broadway Mall.

**IMPLEMENTATION** (Advocacy – Long-term)
Lead entity: NYC EDC, SBS, HPD (for buildings with rent-regulated housing units)
WtC’s potential role: Advocate for policies; reach out to target tenants and landlords; potentially manage affordable storefront space

Stakeholders and partners:
- Property owners
- Tenants, including legacy tenants and new AAPI-owned businesses
- CBOs
THANK YOU

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- Neighborhood Core Block Association
- NYC Hospitality Alliance
- Too Good To Go
- UA3

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$1 More
12 pearls
177 Jewel Store
278 Pharmacy Inc
46 Mott Street Lane
79 Studio LLC
80 Madison Supreme Laundromat
91 Canal E Bike
ABA
ABC Ball Bond Agency, Inc
Adam 31 Grocery
America East Hua Yi Inc
ANL Express
Aisien Ramen
B’s Beauty Salon Inc
Bangkok Centre Grocery
Bayard Meat Market
Bayard Sushi
Best Spa Inc
Bespoke Jewelry
Bo Feng Hong Grocery Store
Breakroom
Buddha Bodai
Canal Body Work
Canal Street Market
Chan Chen Grocery
Chinatown Fair Inc
Chinatown Fresh Meat & Grocery
City Street Bakery
Coco
Color me mine Tribeca
Da Hing Plants
Dr. Clari
Dreamers Coffee House
Dreamy Trading Inc
East Broadway Pharmacy
Eodyas
Eggies
Eva Diamond Corp
Eye Genius
F + R Trading Inc
Famous Schuam
Flamtech
Fukang Reflexology Center Inc
G & J Florist Inc
GingerChi
Go Believe Bakery
Golden Diner
Golden Unicorn
Good Field Trading Co Inc
Grand Tax Imports
Great Neck Healthy
Green perfume
Gus Trains Inc
Hair Plus Design
Happy J.T Trading Inc
Happy Li Trading Inc
Henry Restaurant Supplies
Hing Tai Inc
HK Wonton Garden
HKY Ginseng Inc
Hung Lee Corp
Insight Comprehensive Medical PC
JHC Wireless
Jia Jia 99 Cents & Up
Jing Fong
Joax Jewel INC
K & E Jewelers
K.K. Discount Store
Kelly Hair Salon
Kore Coffee
Kwan Fa Inc
Kwek’s Food King
L&F Group Inc
Lanterne Lab
Law Office of H. Rebecca Chan, PLLC
Lay Win Herbal Inc
Ling Ling Beauty inc
Little Herb Shop
Lucky Hester Corner Grocery
Lurel Trading Inc
M star cafe Inc
MAMA group INC
Mamma One Bakery Inc
May’s Beauty Box Inc
Milk and Cream
MMI Laundromat Inc
Mulberry Pharmacy
Murberry Amalon Inc
Nail Friend INC
New China Beauty Salon
New Jays Seafood Inc
New JS Discount Inc
New Tyk Ginsing Herbs E7A
New Wen Zhou Wireless
New Wing Inc
Newgen Pharmacy
NY 101 Wireless
Ocean Wine
Off the Bridge
Pasterl Grill & Noodles
Pearl River Mart
Peking Duck House
Pell Salon
Physio rehab
Pinklady Cheese Tart
Po Wing Hong
Polar Bear Sign Inc
Pull Xing Trading Inc
Qe Printing
Rephresh
Round K
Sandy Tung
Shanghai Trading Inc
Shang Hai New Hong Kong Barber Shop
Sherman/Kiks/Forgtment/The Ground
Shnghai 21 Inc
Silkroad Cafe
Snooove Global Inc
Spongie Cafe
Sun Hop Lee Inc
Sun Sai Gai
Sun Tung Fat Meats Inc
Sun’s Organic Garden
Thallicious
Thaison Vietnamese Restaurant
The Dough Club
The Little One
The Sill
Ting’s Gift Shop
Tu Quynh Pharmacy
Uncle Lou
US NY Sign Inc
W. K
Wah Yeung
Wing Fung Hong
Wo Hop Inc
Wok Wok
World Wine Group Inc
Yai Creation
Yi Fa
Yuan & Me Books
Yuki Sushi
YYL Hair Design
Zoking Jewelry Company

*businesses opted to remain anonymous
APPENDIX
Survey Respondents: Business Category

The majority of survey respondents were retail businesses, followed by restaurants and bars.

Source: Small Business Impact Survey (2022)
HRBA Advisors, Inc.
More than half of respondents had been in business for over 10 years.

Source: Small Business Impact Survey (2022)
HR&A Advisors, Inc.
Most respondents were over 40 years old, and 15% were over 60 years old.

Source: Small Business Impact Survey (2022)
HRBA Advisors, Inc.
42% of respondents did not state that they spoke English. (Canvassers can confirm whether this aligns with their experiences on the ground.)

Source: Small Business Impact Survey (2022)
Note: Question permitted multiple responses; total >100%
Business Survey Responses: Top 3 Challenges

Businesses identified rent costs, getting enough customers, and access to/cost of labor as top challenges. Concerns about getting enough customers and city regulations rose most significantly during COVID.

Source: Small Business Impact Survey (2022)
Rent costs, customers, and access to/cost of labor surfaced as the top three challenges.

Source: Small Business Impact Survey (2022)
HR&A Advisors, Inc.
Business Survey Responses: Top 3 Challenges (2022) by Respondent Age

Oldest business owners (age 60+) were more concerned about using technology than others. Younger business owners (under 40) were more concerned about labor than others, and least concerned about access to capital.

Source: Small Business Impact Survey (2022)
Business Survey Responses: Top 3 Challenges (2022) by Years in Business

The majority of businesses that are over 10 years old were concerned about using technology. Younger businesses were more concerned about getting enough customers and access to/cost of labor.

Source: Small Business Impact Survey (2022)

HR&A Advisors, Inc.
Businesses identified financial support as top ways to support business, including grants, low-interest loans, and affordable commercial space.

Source: Small Business Impact Survey (2022)
HR&A Advisors, Inc.
Business Survey: Top 3 Ways to Support Businesses by Sector

All types of businesses had the strongest interest in funds for operating cost gaps. Restaurants had stronger interest in funds for capital improvements and affordable daycare/healthcare compared to other businesses, while retailers had stronger interest in affordable commercial space.

Source: Small Business Impact Survey (2022)
HR&A Advisors, Inc.
Business Survey: Top 3 Ways to Support Businesses by Respondent Age

Older respondents had significantly more interest in assistance with technology compared to others. Owners under 40 had significantly more interest in easing regulatory requirements than others.

Source: Small Business Impact Survey (2022)