

Written Testimony of Joyce Moy
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March 11, 2014

Thank you to Chairman Graves, Ranking Member Nydia Velazquez, Congresswoman Meng and Members of the Subcommittee for the opportunity to provide testimony on the needs, outreach and technical assistance to underserved small business communities.

I am Joyce Moy, Executive Director of the Asian and Asian American Research Institute at the City University of New York. I am speaking in my individual capacity, and the views that are expressed are my own. My area of focus is entrepreneurship and economic development. I have started and run businesses, and have been and continue to be a practitioner in entrepreneurship technical assistance and training, in addition to my teaching in the academy. I was the first and to date I believe am the only Asian American appointed as Director in the New York State Small Business Development Center (SBDC) system which is funded by the United State Small Business Administration and New York State. This was located at LaGuardia Community College, City University of New York. Later, in my capacity as the Director of Economic Development at the College, I oversaw not only the SBDC, but the federally funded Procurement Technical Assistance Center which works to help businesses secure federal, state and local contracts as well as corporate supplier diversity opportunities.

I will focus on several issues: 1) outreach to under-served business communities, in particular immigrant communities; 2) providing meaningful and effective technical assistance to these communities and 3) recommendations to ensure that we build capacity and meaningful and effective assistance to help these business communities thrive and grow.

Nationally, immigrant businesses make up 17% of small businesses, account for \$776 billion in revenues, and employ over 4.5 million workers or 14% of all small business employees.¹

In New York City, 48% of all small business owners are immigrants.² In the period 2000 to 2011, the neighborhoods with the highest concentrations of immigrants, according to the Census, showed growth of nearly 23% compared with the rest of New York City. In addition, the growth of employment of these small businesses increased by 11% vs. 4 % for the rest of New York City, and payrolls increased by 56% vs. 40 %.³

¹ Fiscal Policy Institute, Immigrant Small Business Owners: A Significant and Growing Part of the Economy, June 2012

² Fiscal Policy Institute, FPI's Immigration Research Initiative, October 2010.

³ Office of the New York State Comptroller, The Role of Immigrants in the New York City Economy, November 2013.

As is reflected in the businesses in New York City, 37% of New York City's population is foreign born, and in counties such as Queens, it is nearly half. Over 73% of the Asian population is foreign born, and 31% of New York City's Black population is foreign born, while 41.2% of the Hispanic population is foreign born. This highlights the need for culturally, linguistically and technically competent services to these businesses if they are to grow.

Increasingly, there has been outreach to the immigrant communities in various languages. Many agencies provide workshops on the services they provide in language. However, if there is not a culturally and linguistically appropriate service provider when the business owner arrives at a technical assistance center or other organization for assistance, all the outreach would be for naught.

To be fair, SBA and other federal agencies have tried to partner with community based organizations that may have the cultural and linguistic capacity they see as needed. However, these organizations are often not given adequate support, financial and otherwise, so they lack resources and the training needed to assist the immigrant business owner in a meaningful and effective way. Many rely on volunteers who do not have adequate training. This may not only lead to assistance which is not sufficiently effective, but can in fact be detrimental.

Let me cite one of many examples. When the SBDC at LaGuardia Community College was founded in response to 9/11 so as to get more resources into New York City, I immediately discovered that immigrant business owners were facing difficulties and not able to get the assistance they needed. I built a team that not only had the business skills and training needed, but spoke, English, Spanish, Korean and three dialects of Chinese.

In reading the Chinese newspaper, I learned of a restaurant that employed 11 people, in Chinatown. One of the owners had gone for assistance at a SBA site established in Chinatown to assist business owners, partnering with a community organization. He waited in the rain, snow and cold numerous times, and was so frustrated after being turned away over and over again for improper documents that he said he cried so much that he only had dry tears to cry. When we located him with the assistance of the reporter we learned that he was turned away because he was told by volunteer English/Chinese translator at the SBA site that he had to have "a majority owner" rather "the majority of owners" sign the documents. The owner and the translators did not understand the difference between "a majority owner," meaning an owner with more than 50% ownership, as opposed to "the majority of owners." This company had 7 equal owners, so they needed the signatures and information of 4 owners out of the 7. Without an understanding of the business context, the volunteers could not possibly have understood this, and it is clear they did not have the training, although they did have the cultural and language skills. Fortunately with our intervention, he was able to obtain \$75,000 in assistance.

In my capacity as Director of the LaGuardia SBDC, I conducted a series of workshops on starting a business, legal structures and taxation, marketing and financing for business. When I presented this at an Asian American women's business organization, I found in the audience the entire staff of a community based organization that had just partnered with SBA in Chinatown. The staff was there so that they could get uniform training on the issues that were presented. Because we presented real nuts and bolts, this training was needed to get everyone on the same

page. Today, it is still clear that community partners coming on line, do not have much needed and standardized training available to them. Quality control is imperative. Many of the SBA and other agencies have partners who have varying degrees of knowledge, training and capacity. Again, the cultural and linguistic competence alone is not sufficient without the business knowledge. If these services are to be offered, they should come with a degree of quality control, and the government agencies can not only play a role in ensuring this, but I believe it is ethically bound to do so.

So in conclusion: The outreach and services to the under-served immigrant business population must be both meaningful and effective.

1. Culturally and linguistically appropriate outreach alone is not sufficient. There must be culturally and linguistically appropriate service providers.
2. Community partners need better support and resources.
3. Uniform and standardized training is needed across the range of technical assistance providers. We must build the capacity of our partners, and ensure quality across the board for the organizations and their volunteers.

Thank you to the Subcommittee for this opportunity to present this testimony. I would be happy to take questions.