

December 2013

The Immigrant & Minority Small Business Connection



*Bridging the Gap Between
Small Business Owners and Support Providers*

**fund for
public
advocacy** 

Background

Opportunities for immigrant and minority small business development create significant economic opportunities for New York City, as foreign-born residents represent 37.2 percent of our City's 8.3 million population,ⁱ while people of color represent 67 percent.ⁱⁱ On a national scale, small businesses make up 49.2 percent of all private-sector employmentⁱⁱⁱ and small business owners are 18 percent foreign-born. Furthermore, 36 percent of NYC's more than 190,000 small businesses are owned by a foreign-born resident.^{iv} With New York City's unemployment rate hovering 9 percent, job creation must be a critical priority.

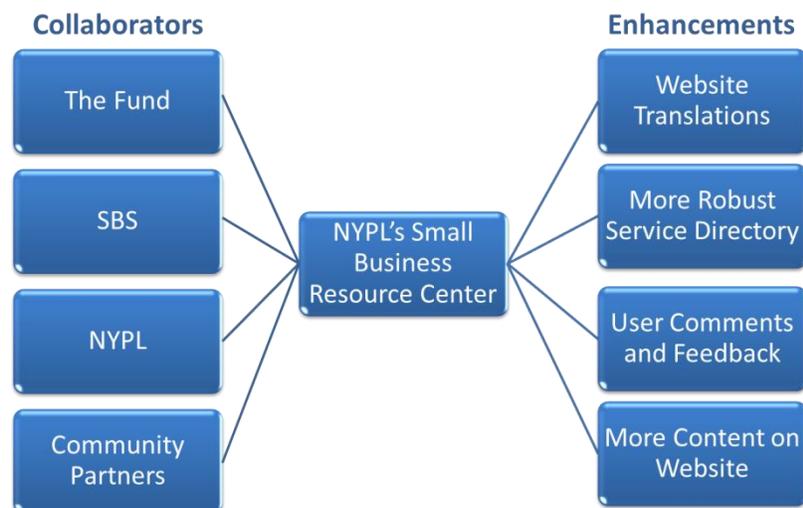
In 2011, the Fund for Public Advocacy surveyed 625 small businesses (over half immigrant and minority-owned) throughout the five boroughs and found that over 90 percent of small business owners surveyed did not receive support services to start, sustain or grow their business. However, over 75 percent desired these resources.^v As a result of these findings, the Fund for Public Advocacy partnered with the Center for an Urban Future to organize and execute five immigrant and minority small business panel discussions (one in each borough) to gain further insight and learn how the city can better assist the over 190,000 small businesses in New York City. One key recommendation echoed across all five events was the importance of bridging the communication gap between small business owners and technical support providers through proper awareness/community outreach regarding existing and new small business services.

After conducting extensive research to identify the existing resources and services available to small business owners and entrepreneurs in the City and coming across over 200 organizations that provide such services, the Fund met with several of them and quickly recognized these organizations had the capacity to serve more clients, but not nearly enough entrepreneurs coming through their doors.

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In response to our findings, the Fund for Public Advocacy partnered with the New York Public Library's Science, Industry and Business Library (SIBL) and the New York City Department of Small Business Services (SBS) on the Immigrant & Minority Small Business Connection initiative in 2013.

Over the past year, all three organizations worked together to enhance SIBL's online NYC Small Business Resource Center^{vi} and make it a more dynamic tool that caters to the cultural diversity of NYC small business owners and entrepreneurs. The online center now provides a single access point (in multiple languages) for small business



owners and entrepreneurs seeking to learn more about and connect to existing NYC business resources.

As the premier public business library, SIBL was an ideal partner for this project. With their comprehensive list of business resources for small business owners and entrepreneurs, established networks and knowledgeable staff, SIBL provided an excellent foundation for the initiative.

The New York City Department of Small Business Services is dedicated to making it easier for small business owners to conduct business in NYC by providing direct assistance through their many programs and tools such as NYC Business Solutions and NYC Business Express. This city agency offers many useful business courses, workshops and trainings to help small business owners achieve their goals. Considering SBS' knowledge and background, they were a key partner who helped enhance SIBL's online Small Business Resource Center with their own useful documents, making them more widely accessible.

A partnership with SIBL and SBS allowed different stakeholders to come together and work toward our common goal of giving NYC's small business owners and entrepreneurs the tools they need to succeed and create jobs.

Engaging Small Business Owners at Their Doorstep

This initiative relied heavily on an effective outreach plan to ensure small business owners and entrepreneurs are aware of the enhanced online NYC Small Business Resource Center and its connection to existing support services in the city. The Fund and its partners developed an engagement campaign with the most important piece being the local street teams (The Viney Group and New York Cares) that visited about 2,150 small businesses in all five boroughs (2,000 and 150, respectively) to help make business owners aware of the online resource center. In addition, the Viney Group surveyed 500 of the small businesses visited to gather more information on their needs and usage of local small business resources and services.

Demographics of Business Surveyed

- The Fund for Public Advocacy and its partners surveyed 500 small business owners in the five boroughs:
 - Bronx – 139
 - Queens – 138
 - Brooklyn – 104
 - Manhattan – 80
 - Staten Island – 39
- Nearly 37 percent of the business surveyed were retail
- Nearly 41 percent of the business owners surveyed have been operating for 10 or more years, while nearly 32 percent for 0-3 years.
- Over half of the small business owners surveyed (56%) reported being born outside of the United States and nearly 70 percent identified themselves as a person of color.
- Just over half of the respondents (51.4%) reported a primary language that was not English
- Over half of the respondents did not wish to reveal their business' annual revenue, but of the 44 percent that did respond, nearly 20 percent made less than \$150,000 a year.

Notable Findings

- About 80 percent of those surveyed reported not being W/MBE certified, yet (as mentioned above) over half of the respondents reported being born outside of the U.S. and nearly 70 percent identified themselves as a person of color.
- Over 50 percent (56.2%) of the businesses surveyed do not have a website for their business
- Most (85%) respondents reported accessing the internet on a daily basis, however 84 percent have never visited the New York Public Library's online NYC Small Business resource Center.
- About 74 percent of the respondents did not receive support services to start, sustain or grow their business and nearly 69 percent were not aware of existing free services in the city.
- When asked what services would help support their businesses, respondents reported needs in the following areas:
 - 1) Marketing/Publicity/Website
 - 2) Accounting/Bookkeeping
 - 3) Business Planning
 - 4) Financing
- Roughly 31 percent of those surveyed were interested in being contacted by an existing small business development organization that could help them in their area of need.

Qualitative Observations

The following are qualitative observations by our street team's (the Viney Group) street ambassadors:

- Business owners in Bay Ridge and Brighton Beach, Brooklyn and East Tremont, Bronx were very receptive to the information provided.
- Younger demographic of business owners (18-35 years) seemed more open to learning about free support services and resources in the city.
- Latino communities responded very positively to the mentioning of the New York Public Library.
- In communities with the most out-of-business storefronts, almost all those who were still operating and approached were willing to take information from street ambassadors and respond to the survey.
- Respondents who have been operating for 10 or more years were less interested in using technology to sustain and/or grow their business.
- Small business communities that were difficult to survey included the following:
 - Hillside, Queens
 - Bushwick, Brooklyn
- During the government shutdown, street ambassadors were often turned away due to small business owners' frustration with government.

Supporting Immigrant & Minority Small Business Owners

Immigrants alone currently make up 36 percent all small business owners in NYC and in New York State, minority-owned business enterprises (MBEs) represented 16.3 percent of total businesses and

generated \$66.9 billion in revenue,^{vii} so it is important that New York City work to reach those populations and give them the tools they need to build, sustain and grow their businesses.

The following recommendations were developed by the Fund for Public Advocacy, in partnership with the New York Public Library's Science, Industry and Business Library (SIBL) and the NYC Department of Small Business Services:

- 1) Tackle the issues affecting small business owners through an integrated approach that involves public/private partnerships.
- 2) Develop a pilot program surrounding website development/marketing/publicity, involving a partnership with private tech companies (*e.g.* Google) and community-based organizations providing small business support services.
- 3) Work in partnership with the City, State and local community-based organizations to raise awareness surrounding MWBE (Minority and Women-Owned Business Enterprise) certification
- 4) Work with existing NYC networks to organize targeted outreach to small businesses (*e.g.* The New York City Business Networking Group).
- 5) SBS and NYPL continue partnership to strategically and effectively support small businesses together.

Endnotes

ⁱ NYC Department of City Planning, Population Division. “The Newest New Yorkers: Characteristics of the City’s Foreign-Born Population, 2013 Edition.” http://www.nyc.gov/html/dcp/pdf/census/nyy2013/nyy_2013.pdf.

ⁱⁱ U.S. Census Bureau. “State and County Quick Facts” <http://quickfacts.census.gov/qfd/states/36/3651000.html>. (2010)

ⁱⁱⁱ U.S. Census Bureau, SUSB, CPS; International Trade Administration; Bureau of Labor Statistics, BED; Advocacy-funded research, Small Business GDP: Update 2002-2010, www.sba.gov/advocacy/7540/42371.

^{iv} Fiscal Policy Institute. “Immigrant Small Business Owners: A Significant and Growing Part of the Economy.” <http://www.fiscalpolicy.org/immigrant-small-business-owners-FPI-20120614.pdf>. (June 2012).

^v The Fund for Public Advocacy. “Immigrant Entrepreneurs: Paving the Way for Job Creation in New York City.” <http://fundforpublicadvocacy.org/wp-content/uploads/2012/08/Immigrant-Small-Business-Report.pdf>. (February 2012).

^{vi} New York Public Library. NYC Small Business Resource Center. <http://www.nypl.org/smallbiz>

^{vii} Empire State Development, Division of Minority and Women’s Business Development. Annual Report 2010. <http://www.esd.ny.gov/MWBE/Data/2010AnnualReport2010.pdf>