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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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COVID-19 Relief & Recovery: Vietnamese American businesses in San Jose's Little Saigon

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Background

Growing up, my family and I often frequented San Jose's Little Saigon business district, which serves as the hub for the city's Vietnamese community. There, you were essentially immersed in Vietnamese culture with storefronts and retail signs often only written in Vietnamese, business owners and cashiers who knew very little English, and an abundance of Vietnamese restaurants, retail stores, and other small businesses to choose from.

Throughout California, there are similar ethnic enclaves full of rich culture and history. We know these ethnic enclaves as the many Chinatowns, Little Italy, Japantowns, Koreatowns, and Little Saigons scattered throughout California. Its residents are primarily those of similar-identifying ethnic backgrounds and have made a home, away from home. Small businesses are what give these communities their unique identities and distinguish the region as its own business district. San Jose's Little Saigon and the surrounding community, in particular, is home to one of the largest Vietnamese populations in the state and country.

Introduction

In the past year, COVID-19 has had severe financial impacts on small businesses that serve as a critical part of the community. Limited business operations and low consumer activity have either forced many of these businesses to close, scale down, or leave them hanging by a thread. On top of the economic challenges imposed by COVID-19, these small businesses have encountered additional disadvantages and barriers in the face of COVID-19, including but not limited to: language barriers, lack of accessible resources, and technological gaps. On the road to relief and recovery, the financial impacts COVID-19 has had on the community are long-lasting and there is a need to guide these businesses to become more resilient for the future.

Federal Relief: Payment Protection Program

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed in March 2020 and was intended, in part, to provide direct federal assistance and relief to small businesses across the country. The [Paycheck Protection Program \(PPP\)](#) established by the CARES Act authorized billions in funds to small businesses for payroll, mortgages, rent, and utilities. As national outcry grew due to the lack of transparency regarding PPP loans, the Small Business Administration released data regarding the Payment Protection Program under a [Freedom of Information Act request](#).

As the Small Business Administration made PPP data public, search tools (like those created by [FederalPay.org](#) and [VC Star](#)) began emerging, allowing anyone to easily lookup and view which businesses received PPP loans. While these search tools provided useful, user-friendly information about loan amounts and top borrowers by state and counties, there was a lack of accessible visual tools that mapped the same data.

The basis of this research project focused on mapping PPP recipients of the San Jose Little Saigon business district using an entry-level, user-friendly spreadsheet tool provided by Google Earth Outreach.¹

In a September 2020 [Local Economic Impact Report](#) by Yelp, San Jose was ranked 5th nationwide in permanent and temporary closures per 1,000 businesses. Among [San Jose's 55,000 small businesses](#), over half are immigrant-owned and more than 60% are “owned by business owners of color.” These small businesses makeup over “97% of all active businesses and generate nearly 43% of all employment” in the city. These statistics reveal the vital role that minority small businesses play in not only the identity and well-being of the immediate community but to the city as a whole.

Local Relief: The City of San Jose and Local Organizations

At the local level, the City of San Jose and local organizations set up their own grant programs to provide additional support for small and micro-businesses. The City of San Jose established [three relief programs](#) for small businesses: Community Development Block Grant-funded (CDBG) Microenterprise Grants, allocation of federal COVID-19 relief funds for small business grants/loans, and allocation of federal COVID-19 relief funds for small child care facilities in high-need neighborhoods. According to [Michelle McGurk](#), who is part of the city's emergency operations center, these grant programs were created to support micro-businesses that would otherwise not qualify for federal relief programs.

Local organizations like the [Silicon Valley Community Foundation](#) set up a \$1.5 million [Silicon Valley Strong Small Business Grant](#) for small business relief in San Jose, with \$10,000 grants going to 142 businesses. Outreach programs for the grant included multi-language applications, outreach to ethnic chambers of commerce, and expansive public postings. The grant program targeted specific zip codes—95116, 95122, and 95127—with the highest COVID-19 rates in Santa Clara County, and Downtown zip codes—95112 and 95113—that have been impacted by event cancellations. According to a [city memorandum](#), these zip codes were identified as San Jose's “highest need neighborhoods” and home to “numerous small business owners of color, immigrant-owned businesses, women-owned businesses, and micro-businesses.”

Analyzing the impact in San Jose's Little Saigon

While the data alone give a glimpse of the relief that the Paycheck Protection Program and other relief programs have brought to the city, anecdotal evidence tells a different story of how economic relief has played out in San Jose's Little Saigon. Much of the challenges that small businesses in San Jose's Little Saigon faced boiled down to eligibility requirements and the unique circumstances these businesses were in.

In a [February 2021 article](#) about San Jose's largest Vietnamese mall, owner Nancy of Lac's Skincare & Cosmetics describes her ineligibility for federal assistance due to the small size of her business with only one part-time employee. For Nancy, she was left with not taking a salary as she

¹ To access this map:

- (1) Download and open [Google Earth Pro](#) on your computer
- (2) Download the [mapping file](#)
- (3) Open the file by double-clicking
- (4) Google Earth should populate with the markers automatically

sought out relief programs amidst low consumer activity at the time. This sentiment of hopelessness and difficulty stems from the “complicated and slow process to receive funding relief” and is shared among other “business owners who aren’t native English speakers or face technology barriers,” according to [President David Duong of the Vietnamese American Business Association](#). When it comes to San Jose’s relief outreach programs, David Duong criticizes the shortcomings of the outreach as “a lot of Vietnamese Americans are still struggling with understanding where, how or who to reach out to to apply and seek assistance.” Doung cites that lack of information sharing on “platforms frequented most by older Vietnamese people, such as Vietnamese radio and TV stations.”

The challenges of these language barriers are further amplified by the technology barriers faced by Vietnamese small businesses owners who either know very little English and/or lack the necessary support to help them navigate relief resources. At the height of the pandemic, food and retail businesses across the country pivoted to delivery apps like DoorDash, Uber Eats, and Postmates to stay afloat. [Atkinson Tran, President of the non-profit Vietnamese American Roundtable \(VAR\)](#), noted how many Vietnamese American small businesses lacked the “technology infrastructure,” such as online ordering and delivery services, that would allow them to “cope with operating in a pandemic world.”

As San Jose’s Little Saigon begins recovering from the pandemic with a return to consumer activity, the pandemic has exposed the vulnerability of Vietnamese-owned businesses in the face of crisis. While these small businesses shared the financial burden encountered by other small businesses nationwide, these burdens were amplified by the nature of being a minority-owned business with language and technological barriers. There is a need to adapt and optimize outreach efforts to these businesses and assist in the recovery and modernization of these minority-owned businesses to become more resilient.

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“The typical businesses owned and operated by ethnic minorities in this county, of course, are restaurants. And often they are more than a business,” King said. “They are a reflection of the communities that we serve. It adds a lot to vitality and they are a local neighborhood watering hole that people gather in.”