

Chapter Four: Assistance for Small Business, Dislocated Workers and Residents

Major Findings

- Despite extensive outreach, only 237 Chinatown businesses received SBA loans, totaling \$14 million. The majority (61%) of Chinese businesses received less than \$50,000 in loans, while the average loan for all approved businesses in New York City was \$80,000.
- Many relief agencies established Canal Street as the northern boundary of the area within which residents and businesses were eligible for aid. Thus, while the areas north and south of Canal Street were similarly affected, only those south of Canal Street qualified for financial assistance. Essentially, then, this measure potentially excluded nearly 10,000 garment workers from receiving financial assistance and limited support available to Chinatown businesses.
- Safe Horizon provided a total of \$3,107,845 in temporary cash assistance to 5,119 affected workers in Chinatown. The average amount of relief was \$546 per person.

The objective of this chapter is to demonstrate the extent of economic difficulties facing businesses and workers, by documenting various short-term public and private financial relief and recovery assistance efforts in Chinatown. Given that many of the affected businesses and workers north of Canal Street were not eligible to receive this assistance, the needs of the entire community have not been addressed. More importantly, this chapter seeks to explore the extent to which this financial relief has helped to alleviate the longer-term issues of unemployment and underemployment among many Chinatown workers and residents.

The following sections outline the aid provided by various organizations to affected businesses and individuals in Chinatown.

I. Assistance for Affected Small Businesses

In the aftermath of September 11th, many small businesses suffered cash-flow difficulties. To help business owners meet resulting short-term capital needs, the U.S. Small Business Administration (SBA) and other public and private entities offered programs and funding. In addition, funds were established to assist unemployed workers and residents.

1. *U.S. Small Business Administration (SBA)*

The SBA has issued over 4,000 business disaster loan applications in Chinatown. According to the Federation's analysis of SBA data as of February 26, 2002, the SBA received a total of 1,831 completed emergency loan applications from the four ZIP code areas covering Chinatown. The SBA approved 810 (or 44%) of these applications in the four ZIP codes. Out of this figure, however, only 237 Chinatown businesses received loans. According to SBA, the average loan is an estimated \$80,000, and the interest rate is 4% for up to 30 years. Out of the 237 businesses that received SBA loans, totaling \$14 million, 144 of the

firms, or 61% of them, obtained less than \$50,000 in SBA loans, while 40 received SBA loans of less than \$10,000.

2. *Asian Americans for Equality (AAFE) and Renaissance Economic Development Corporation*

AAFE launched a community relief program to help small business owners in Chinatown and the neighboring vicinity access private, public, and emergency funds. As of January 2002, AAFE had assisted 71 small businesses to obtain over \$1.01 million in grants, loans, and wage subsidies through The September 11th Fund and Seedco. These businesses were primarily in the retail, food service, and garment industries. Seventy percent of the aid was in the form of loans, 24% in wage subsidies, and 7% in grants.

3. *Office of the Manhattan Borough President*

A total of 70 small businesses in Chinatown received recovery grants of \$1,500 each from the Office of the Manhattan Borough President. The total amount disbursed among these companies was \$105,000. Recipients intended to use the grant money primarily in three categories: rent, payroll/salary/wages, and utilities.

4. *Empire State Economic Development Corporation (ESDC) and New York City Economic Development Corporation (EDC)*

Jointly administered by the ESDC and EDC, the WTC Disaster Recovery Loan Program was established in September 2001. Working with private banking institutions, the program provides bridge loans of up to \$100,000 within three days of application to businesses and not-for-profit organizations that suffered economic injury or physical damage. In addition, in February 2002, ESDC and EDC launched the World Trade Center Business Recovery Grant Program to assist businesses and non-profit organizations on or south of 14th Street. Data on Chinatown recipients of the bridge loan and grant programs are not available to the Federation at this time.

II. Financial and Job Training Assistance for Unemployed Workers

The adverse impact of September 11th on businesses created a job crisis in Chinatown. The affected individuals were primarily blue-collar and service sector employees who worked in restaurants, garment factories, and retail stores, with average wages under \$12 per hour. To assist this relatively low-income, dislocated population group, several funds, as well as job training programs, were developed.

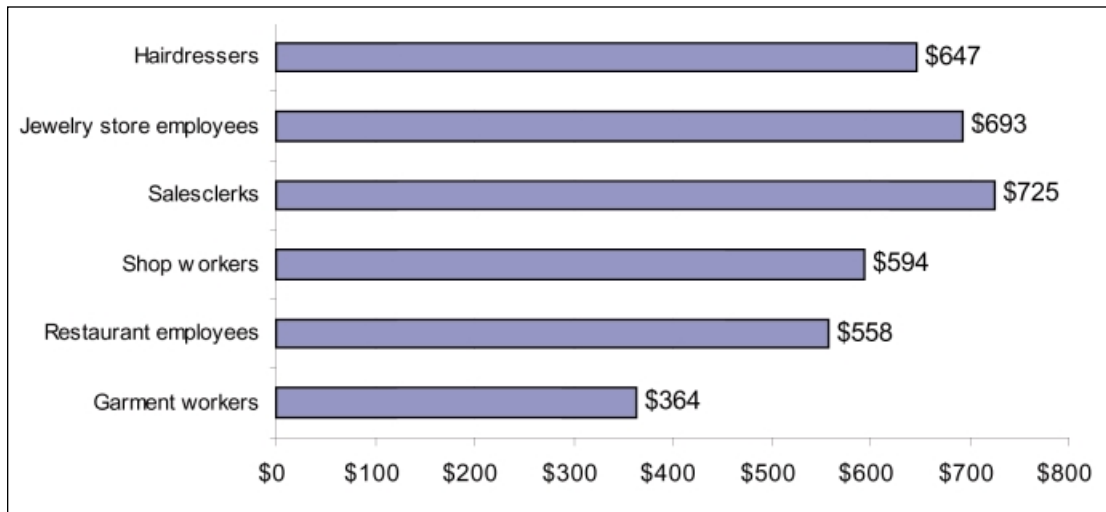
1. *Safe Horizon*

Safe Horizon provided a total of \$3,107,845 in temporary cash assistance to 5,119 unemployed workers in Chinatown in the aftermath of September 11th. This support was made available to employees working south of Canal Street. The funding was intended to cover a two-week period of lost wages; the average amount of relief provided for each affected worker was \$546.⁵⁰

Figure 4.1 shows the different aid amounts received by the most affected occupational groups from Safe Horizon.

⁵⁰ Based on assistance amounts to 4,449 Safe Horizon aid recipients (141 Worth Street and 62 Mott Street); this does not include the 700 recipients from the Pier 94 site.

Figure 4.1: Average Aid Received/Person



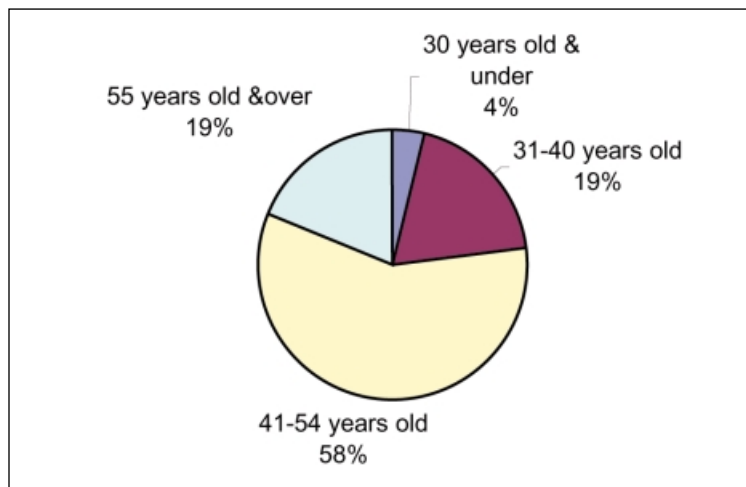
Source: Safe Horizon

2. Chinatown Manpower Project

In January 2002, a total of 194 unemployed individuals applied for job training through Chinatown Manpower Project (CMP). The majority of these applicants were women (77%). The largest barrier to employment was English language ability, with 71.13% facing communication challenges. This is consistent with the demand for English as a Second Language (ESL) classes by 84% of all CMP training applicants. Other significant employment obstacles include low-level job skills (reported by 59% of job seekers) and age (affecting 11.86% of all respondents). Home attendant training and computer training were requested by 45% and 29% of the applicants, respectively.

Over half (58%) of the training applicants were 41 to 54 years old. Older workers (55 and older) and those 31 to 40 years old were equally represented, at 19% each. This older population is the most difficult to train.

Figure 4.2: Applicant Age Groups



Source: Chinatown Manpower Project

3. Chinese-American Planning Council (CPC)

CPC, the oldest and largest multi-social service organization assisting New York's Chinese American community, served a total of 1,055 Chinatown workers and residents from December 10, 2001 to February 15, 2002. CPC provided support in the following areas: applications to obtain Medicaid benefits, applications for Federal Emergency Management Agency (FEMA) aid, Red Cross applications for air humidifiers, referrals for job training, mental health services, and information on general access to relief.

From January 14, 2002 to February 15, 2002, CPC reached out to 63 businesses, providing them with Safe Horizon grant information. A vast majority of CPC's clients were affected individuals from businesses located south of Canal Street.⁵¹ Consistent with other analyses, the garment industry with 642 people, was the most widely represented of all sectors. Seventy-three people from the next largest group, the restaurant industry, also sought services with CPC during this time.

III. Other Assistance and Relief Efforts in Chinatown

Affected families and individuals in the community have also received assistance from various entities, including monies from the government, as well as from private, faith-based, and community-based relief agencies. The following groups provided assistance to the Chinatown community:

1. Federal Emergency Management Agency (FEMA)

At the Chinatown Community Center at 62 Mott Street, FEMA set up a relief station on September 19, 2001. As of January 21, 2002, a FEMA official reported that over 23,000 affected individuals, families, and businesses had inquired about different types of relief services, including rental assistance, disaster unemployment benefits, small business loans, and counseling services.

⁵¹ This figure is based on the Chinese American Planning Council data of clients served post-September 11th.

2. Other Relief Agencies

New York State Department of Labor reported that a total of 2,055 unemployed workers in the four ZIP codes (10002, 10012, 10013 and 10038) covering Chinatown received disaster unemployment assistance (DUA) and unemployment assistance (UA) in November 2001.⁵² Of this figure, 1,005, or 49%, were Asian American workers.

The World Vision Fund, a Christian charity organization, offered cash assistance totaling about \$300,000 to 430 Chinatown employees who worked north of Canal Street. Each worker received approximately \$700.

TzuChi Buddhist Foundation distributed a total of \$157,125 in cash grants to 813 individuals at the Chinatown Community Center. Representing primarily garment factories, restaurants, jewelry shops, and travel agencies, these individuals received between \$50 and \$400 as a one-time grant.

Catholic Charities, through **Chinese Staff and Workers Association**, provided a total of \$300,000 to 100 individuals who worked north of Canal Street.

3. American Red Cross

The American Red Cross provided financial assistance to individuals in the four Chinatown ZIP codes.⁵³ The Red Cross provided financial assistance in the following categories: emergency relief, rent/mortgage and grocery subsidies, family maintenance allowances, and personal living, housing and furnishing, health and mental health needs.

Conclusion

In the wake of September 11th, funds and programs were established to help affected businesses, workers, and residents. Initial aid had a limited impact on Chinatown for several reasons. First, the eligibility criteria for many programs were based on business or residential location south of Canal Street. While businesses, workers, and residents throughout Chinatown were similarly affected by September 11th, many programs could not reach out to those north of Canal Street. Second, the assistance efforts by the government, public, and private entities have helped some businesses, families, and individuals to make ends meet, but only on a short-term basis. Many Chinese family households have immediate and extended family members; thus, the assistance that these households receive must spread further. Finally, little is being done to address the long-term impacts on dislocated workers and unemployed workers in Chinatown, a population that is difficult to absorb in the current economy.

⁵² This represents relief provided in November 2001 only; there are no cumulative data to date on emergency unemployment assistance and unemployment assistance.

⁵³ Red Cross provided aid for both Chinese and non-Chinese recipients in these ZIP codes, based on information available as of January 15, 2002. In addition, although the bulk of the aid was granted to those who were economically impacted (e.g., lost jobs or wages), relief funds provided to those who were residentially impacted (e.g., lost homes or suffered damage to homes) are also substantial.