



# South Asian Small Business in Little Bangladesh

Los Angeles, CA



## Market Research Report

South Asian Network | 2024

# PARTNERS

We thank our partners without whose support this report would not have been complete.



# TABLE OF CONTENTS

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<b>1. Introduction</b>	
a. Why this Report?	1
b. Brief History of Little Bangladesh	2
c. About the Study	3
<b>2. Report Themes</b>	
a. Demographic Information	4
b. Financial Landscape	6
c. The Small Business Owner Needs	8
<b>3. Recommendations</b>	
a. Community Re/Investment	10
b. Language Access	11
c. SABZ Business Counseling and Modeling Assistance	11
d. SABZ Growth Areas Portfolio Assistance	12
e. Community Education	12
<b>4. Acknowledgements</b>	14
<b>5. Resources</b>	15

# WHY THIS REPORT?

The Little Bangladesh neighborhood in Central Los Angeles is home to approximately 100 South Asian small businesses. Like other parts of the country, small businesses form the backbone of the South Asian American economy and make important contributions to the U.S. economy at large [1].

When such shops are located within Asian American and Pacific Islander (AAPI) neighborhoods, they often offer “a unique... character, catalyze local economies, and most importantly, fulfill the daily needs of local residents” [2]. In particular, South Asian American small businesses that provide South Asian goods and services—from restaurants to grocery stores—have a special legacy of “refuge or a memory of home” and cultural intimacy for South Asian customers across the U.S., according to the South Asian American Digital Archive (SAADA) [3].

Since 9/11, South Asian small business owners in the U.S. have endured racism and hate crimes ... conflicting with the ability to sustain their business.

Small businesses owned by communities of color in the U.S. also face a host of issues such as a lack of access to capital and resources and other disparities that make them at-risk or distressed [4]. The recent COVID-19 pandemic and ongoing anti-immigrant sentiment have only exacerbated these inequities [5]. Furthermore, since AAPIs are the most economically divided racial group – AAPI small business owners experience disparate levels of investment and success which pushes them to the lower end of the financial spectrum[6]. Especially since 9/11, South Asian small business owners in the U.S. have endured racism and hate crimes, including hateful customers, systemic discrimination by banks, difficulty finding allies, and lack of general community support [7], conflicting with the ability to sustain their business.

Small businesses in Los Angeles’ Little Bangladesh, too, face their own parallel and unique issues. It is crucial for those who work and live in the neighborhood that they receive the opportunity to change these issues through practices for sustainable economic growth.

1. <https://iaimpact.org/issue/innovation-and-entrepreneurship/>

2. [https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD\\_SmallBusinessReport\\_final\\_web.pdf](https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD_SmallBusinessReport_final_web.pdf)

3. <https://www.saada.org/tides/article/the-legacies-of-small-businesses>

4. <https://www.aasc.ucla.edu/resources/policyreports/covidimpactsonminoritybusiness.pdf>;

<https://www.brookings.edu/articles/businesses-owned-by-women-and-minorities-have-grown-will-covid-19-undo-that/>

5. <https://iaimpact.org/issue/innovation-and-entrepreneurship/>

6. [https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD\\_SmallBusinessReport\\_final\\_web.pdf](https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD_SmallBusinessReport_final_web.pdf)

7. Wang, C. (2018). The Impact of 9/11 on the Self-Employment Outcomes of Arab and Muslim Immigrants. *International Migration Review*, 52(2), 430-457. <https://doi.org/10.1111/imre.12292>

# BRIEF HISTORY OF LITTLE BANGLADESH

The Little Bangladesh neighborhood in Los Angeles began to take shape in the late 1970s and early 1980s, as Bangladeshi immigrants migrated to the area around the intersection of 3rd Street and Vermont Avenue. The neighborhood, predominantly Korean since the late 1960s, and now also Central American and Mexican, saw an influx of Bangladeshi immigrants seeking a sense of community that included social and economic opportunities. The Bangladeshi community in Los Angeles grew steadily throughout the 1990s, driven by factors such as family reunification policies, employment opportunities in various industries, and educational pursuits.

As the community expanded, businesses catering to Bangladeshi tastes and needs began to emerge, including restaurants, grocery stores, clothing boutiques, and travel agencies.

These businesses not only served the local Bangladeshi population but also became cultural hubs where people could gather, socialize, and maintain connections to their homeland. Given the strong presence of Bangladeshi-owned businesses, religious institutions, and community organizations, Little Bangladesh became a well-known cultural enclave within Koreatown by the early 2000s. The area was not only frequented by Bangladeshi immigrants, but also attracted visitors and tourists looking for South Asian culture and cuisine.

In 2010, the Los Angeles City Council officially designated a four-block stretch spread across two-and-a-half square miles between New Hampshire Avenue and Vermont Avenue as “Little Bangladesh.” South Asian Network (SAN) played a central role in organizing the Bangladeshi denizens to advocate for the designation of “Little Bangladesh” at the time, alongside other Little Bangladesh community advocates. The designation recognized the area’s significance as a cultural, commercial, and political center. It also provided a sense of identity and pride for residents, and small business owners, who sought to promote economic development and tourism. Despite facing ongoing challenges such as gentrification, rising rents, and cultural assimilation, Little Bangladesh and its residents have continued to thrive as a vibrant and resilient community. Its residents have worked tirelessly to preserve their cultural heritage, support local businesses, and address the needs of newcomers.

Today, through the rich and diverse experiences of Bangladeshi Americans, Little Bangladesh remains an essential part of the cultural meaning of Los Angeles. In order to better support the continued vitality of the businesses in Little Bangladesh, SAN initiated a research project to examine the businesses that are the lifeblood of this dynamic population.



SAN's Deputy Director, Hina Ahmad scoping locations for the new office in 2023

# ABOUT THE STUDY

This research project is spearheaded by South Asian Network (SAN) to understand the demographic composition, challenges, and needs of small businesses in Little Bangladesh. SAN defines “small businesses” as enterprises that have between five to ten employees and make an annual revenue of less than half a million dollars. Specifically, the project aims to explore what resources sustain and retain these South Asian small businesses in the neighborhood. The report focuses on the longevity of these small business owners, as well as an owner’s financial literacy, choices, and constraints. Ultimately, this research seeks to improve the economic conditions of small businesses in Little Bangladesh through a holistic lens to address any needs from business counseling and financial education to capital access and technical assistance needs.

This report uses quantitative methods to understand the needs of South Asian small businesses in Little Bangladesh. SAN designed a comprehensive survey in December 2023 and collected the surveys from February 2024 to May 2024.

Prior to conducting each survey, SAN provided exploratory information sessions with South Asian small business owners to explain the objective of the survey and to answer any questions or concerns about their participation. SAN offered these information sessions in Bangla to ensure optimum understanding.

Some owners used the time to inquire about support for their business, seeking information about the financial literacy agencies and commercial lease rent increases, rather than about the survey itself—which also demonstrated the need of this research project. Out of the informational sessions, 30% were conducted via phone calls; the rest were through in-person conversations. Following, some owners agreed to fill out the survey the same day, whereas some required extra time and requested the SAN staff to set up a later date and time to complete the survey.

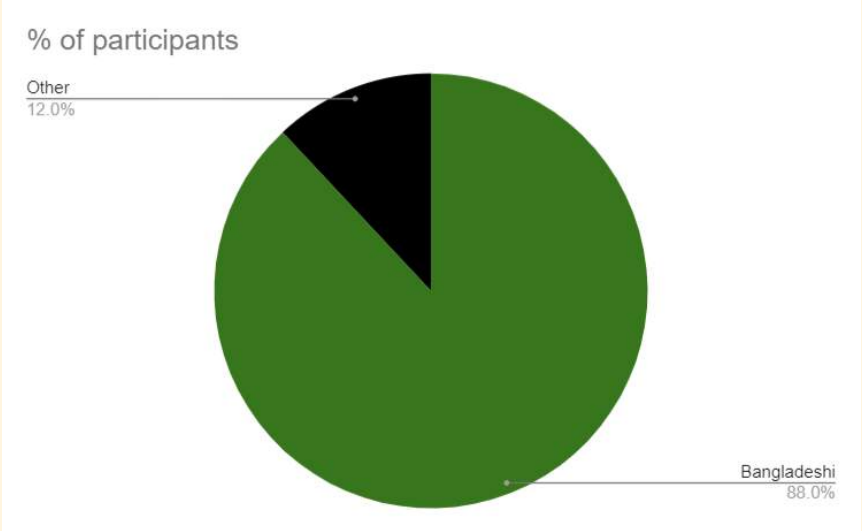
In total, out of the approximately 100 South Asian small businesses in Little Bangladesh, SAN successfully gathered responses from 32 small businesses.



# DEMOGRAPHIC INFORMATION

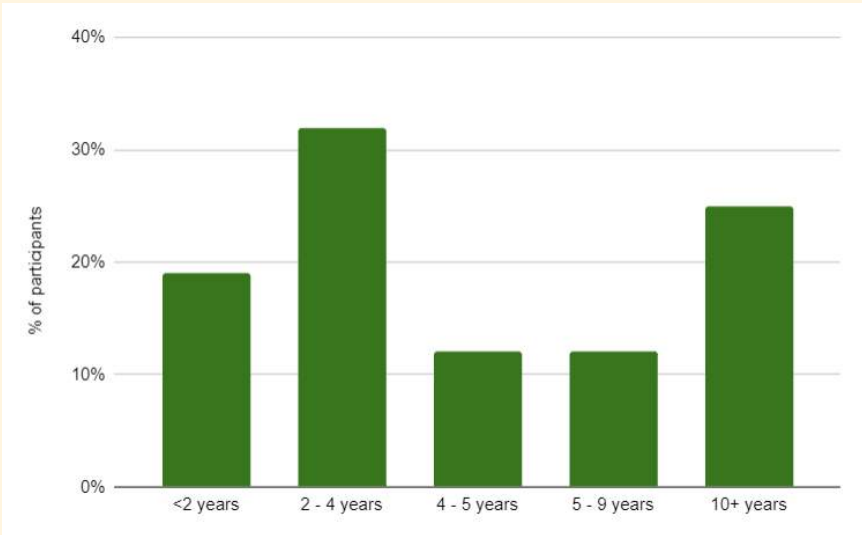
88% of survey respondents were of Bangladeshi ethnicity (fig. 1). Other respondents were: Indian, Iranian, Latinx, or Nepali. One in five (19%) survey respondents were women and 3% were LGBTQ+ as well.

Figure 1: Respondents' ethnicity



In terms of the longevity of businesses in Little Bangladesh, it varied (fig. 2). A notable presence of businesses (25%) in the neighborhood were established for over a decade. However, newer ventures also contributed significantly to the local economy. Nearly a third (32%) had been open for 2-4 years, and 19% had been open for less than 2 years.

Figure 2: Number of years in business



Additionally, language also played a key factor in the neighborhood's small businesses. A significant majority of business owners (92%) preferred conducting business in Bangla/Bangladeshi.

Surveyed businesses represented a diverse range of industries, including ethnic grocery stores, restaurants, retail shops, beauty salons, and IT services. The businesses were predominantly in the service sector, with the largest percentage of respondents being from the retail (40%) and food service (22%) sectors. Figure 3 shows the percentage of businesses by sector that participated in our survey in Little Bangladesh.

Figure 3: Type of Business

Type of Business	% of Participants
Retail	40%
Food Services	22%
Beauty Services	16%
Professional Services	16%
Other Services	6%



Small Businesses in Little Bangladesh, L.A.



# FINANCIAL LANDSCAPE

To meet the project's objective, the survey questions elicited responses on the South Asian business owners' financial standing and needs. In terms of their motivation for opening a small business, the survey found that a large majority of respondents (81%) opened their small business to build wealth for themselves and their families. Additionally, three out of four (75%) of owners wanted to open their business to be their own boss. Last, over half of small business owners (53%) shared they were passionate about the services or goods provided at their store.

Yet, Little Bangladesh South Asian small business owner's dreams were difficult to sustain due to financial concerns. First, owners faced different financial barriers in operating their businesses. One in three (32%) shared that covering month-to-month cash flow proved a major obstacle (fig. 4.1). Additionally, one in three (29%) have been struggling with finding avenues to increase their revenue without incurring debt (fig. 4.2).

Figure(s) 4: Financial barriers for the Owners

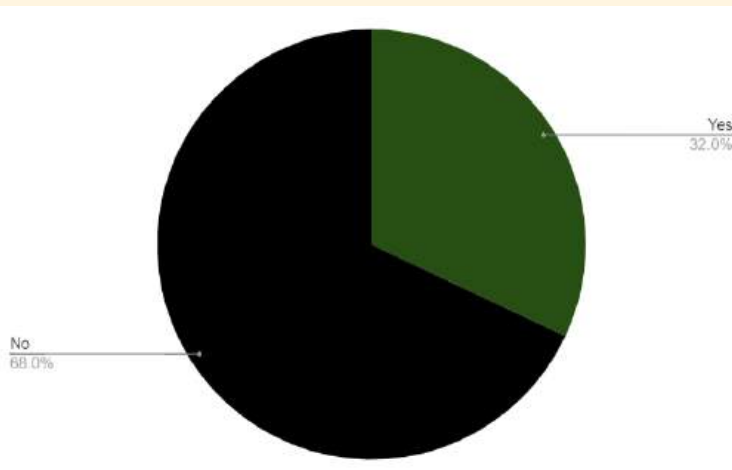


Figure 4.1: Struggle with Cash Flow

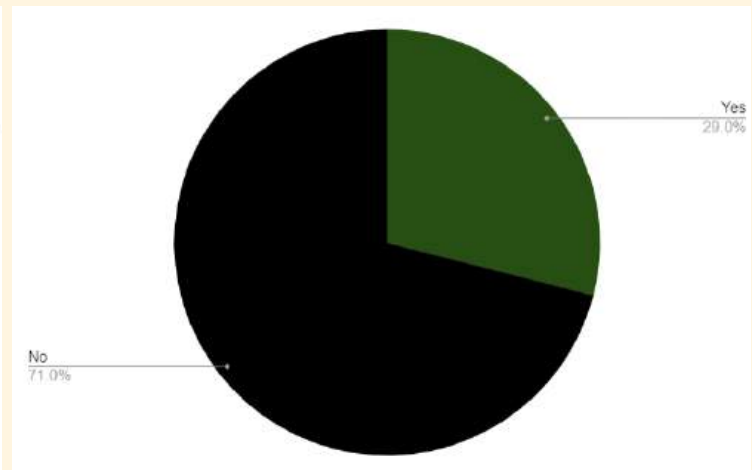


Figure 4.2: Struggle with Increasing Revenue Without Debt

Some of the key findings that helped us better understand the financial landscape were as follows:

# **01**

## **Struggling to Keep Doors Open**

Furthermore, we found that sole proprietor and family owned/operated businesses, women-owned businesses, and LGBTQ+ owned businesses were struggling the most to keep their doors open.

# **02**

## **Active in seeking out Financial Support and Advice**

Small business owners in the neighborhood were also actively trying to seek out financial support and advice. They responded that they had sought out government agencies in the past. Nearly three out of four (72%) received their initial financial resources and business advice from the Local City Small Business Office, while two out of three (69%) from the Local Chamber of Commerce.

# **03**

## **Support from Local Organizations**

Others sought out other financial institutions. Two out of three (63%) small business owners turned to banks, while over half (59%) received support from the local non-profit organizations. The resources were used primarily to sustain their businesses. Almost half (44%) of the respondents shared that they had used the resources for buying inventory, investing in marketing, and capital to grow their business. Another 16% used the local organizations for business advice.



# THE SMALL BUSINESS OWNER NEEDS

Nearly two-thirds (63%) of the small businesses surveyed wanted to increase their financial resources and understand the financial planning process. This includes knowing how to seek loans/grants from public agencies on the County, State, and Federal levels. Additionally, nearly three out of four (72%) of the participants shared that they want the government and community organizations to help with availing grants and loans for community space improvement. One owner responded with, “I know how to run my business. So, if I get a grant I am very much capable to run my business smoothly.” Another respondent shared, “I just opened my business and need help (loan) to make it profitable.”

Additionally, nearly one third (28%) of the business owners wanted to increase their customer base. One survey respondent said, “I am good with my current business situation, and it would be good if I get more clients.” One out of three respondents also wanted a loan capital between \$50,000–\$100,000 to sustain or grow their business operations (fig. 5).

Figure 5: Range of Loan Required

Range of Loan Required	% of Participants
<\$10,000	3%
\$10,000 - \$50,000	16%
\$50,000 - \$100,000	34%
Over \$100,000	13%
I do not currently need a loan	34%

Of the respondents who said they wanted to avail loans for their need of financing, three out of four (76%) respondents said they would purchase equipment or inventory. Over half (52%) said they wanted to expand the business operation.

The research also highlights that small business owners have faced difficulties in accessing loans from financial institutions. The leading barriers came out to be high interest rates on loans (84%), burdensome loan requirements (32%), and the lack of applying due to the presumption that the business owners will not get accepted for a loan (16%) (fig. 6).

Figure(s) 6: Barriers to Accessing Loans

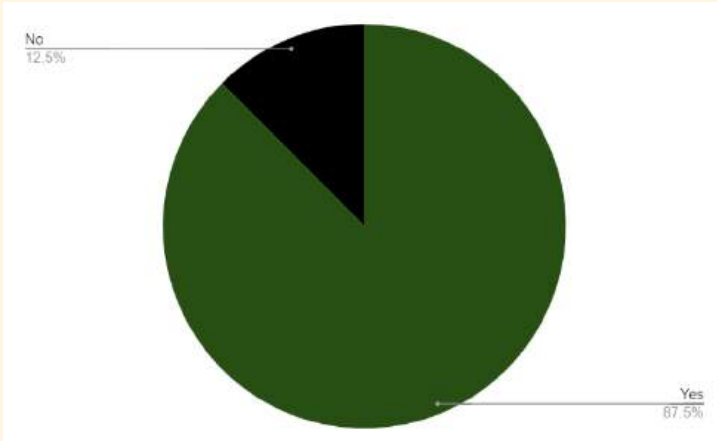


Figure 6.1: High Interest Rates

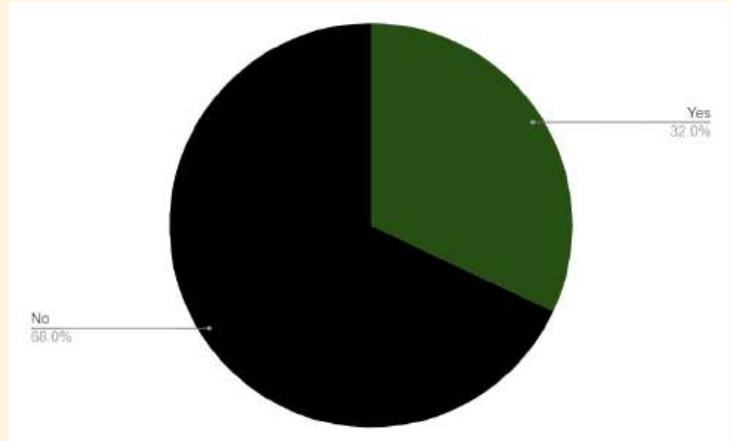


Figure 6.2: Burdensome Loan Requirements

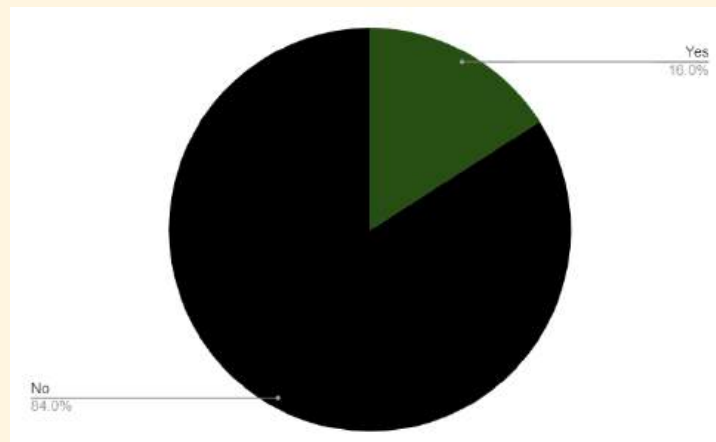


Figure 6.3: Assumed Rejection for Loan Application

**Making commercial lease payments on time was another concern reported by small business owners. Though 41% of the business owners surveyed had no difficulty in making payments on time, nearly one out of three (28%) owners said that they had to borrow money from a friend or someone else to make the payments on time.**

# RECOMMENDATIONS

Small businesses are important to the local community in terms of adding more local jobs, circulation of money in the local economy, forging a tight-knit community, and are better for the environment. Through the aforementioned data, it is apparent that the South Asian small business owners in Little Bangladesh would benefit from education on, and increased access to, financial resources. Information on how to grow their business and further their financial stability is imperative.

SAN plans to start a program called SABZ (South Asian Business Support Program) as a hub for the South Asian small business community, where owners/entrepreneurs can get training, coaching, technical assistance, and/or access to capital. SABZ is a Persian word that etymologically means “green.” The objective of this program is to support the South Asian small businesses to overcome their struggles, and to provide them with the financial and technical resources that will help them to sustain and grow their ventures and create better opportunities for business owners and entrepreneurs to operate. SAN’s mission is to enhance the lives of South Asian community members, and our goal with the SABZ program is to increase economic opportunity for South Asian small business owners. SABZ services will be provided by SAN’s multilingual and culturally competent staff for the South Asian community, which is not readily available to the community otherwise.

There are multiple factors that lead to a successful business regardless of its size, ranging from access to capital to strategic and financial planning. In order to thrive, SAN’s SABZ program makes the following recommendations below.

## COMMUNITY RE/INVESTMENT

### 01

#### Community Development Initiatives:

- Establish partnerships with community organizations to deliver these informational sessions and workshops.
- Invest directly in community development initiatives and programs that support economically disadvantaged small businesses, such as the SABZ program.
- Prioritize funding for organizations that have established trust and relationships within the South Asian small business community.

### 02

#### Regulations:

- Preserve, enforce, and enhance current requirements for financial institutions to invest in economically disadvantaged small businesses (as outlined in the National CAPACD guidelines) [8].
- Monitor compliance and actively engage with policymakers to ensure these regulations are effectively implemented.

8. [https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD\\_SmallBusinessReport\\_final\\_web.pdf](https://www.nationalcapacd.org/wp-content/uploads/2019/03/CAPACD_SmallBusinessReport_final_web.pdf)

# **03**

## **Funding Streams:**

- Develop new and diverse funding streams to sustain and grow the community programs, like the SABZ program.
- Explore public-private partnerships, grants, and other innovative financing mechanisms to secure long-term funding.
- Forge a direct financial empowerment interface between the resources (CDFIs, Banks, policymakers/elected officials) and small business owners/entrepreneurs.

## **LANGUAGE ACCESS**

# **01**

## **Support Existing Organizations:**

- Support community organizations that offer in-language programs, like the SABZ program, to provide accessible resources and services.

# **02**

## **Materials:**

- Provide in-language information on how to access capital from Community Development Financial Institutions (CDFIs), government grants, and other funding sources.
- Translate and disseminate educational materials on financial planning, business management, and other relevant topics.

## **SABZ BUSINESS COUNSELING AND MODELING ASSISTANCE**

# **01**

## **Business Model Reflection:**

- Tailor the creation of business models for new businesses, including those with under five years of operation.
- Provide specific business model evaluations for businesses operating for six or more years to help them adapt to changing market landscapes.

# **02**

## **E-commerce and Digital Transformation:**

- Support understanding of online shopping trends and the feasibility of adding e-commerce capabilities to brick-and-mortar small businesses.
- Assist with building the capacity and infrastructure to integrate e-commerce into existing business models.

## **03**

### **Marketing and Growth Strategies:**

- Provide information on customized social and ethnic media marketing, price structures, and store information to help businesses lead towards growth.
- Offer guidance on diversifying, sustaining, and growing clientele.

## **04**

### **Legal Assistance:**

- Provide legal assistance with contracts, leases, and other legal matters to support small business owners.

## **SABZ GROWTH AREAS PORTFOLIO ASSISTANCE**

## **01**

### **Comprehensive Resource Hub:**

- Position the SABZ program as a critical and comprehensive resource for marginalized South Asian small businesses to empower and support their operations and growth.
- Provide guidance on starting and growing a business, accessing capital and applying for grants/loans, developing business plans, implementing social media marketing, diversifying and growing the customer base, and navigating legal matters.

## **02**

### **Addressing Key Challenges:**

- Leverage the data gathered from the small business needs assessment survey to tailor the portfolio of resources.
- Address the key challenges identified, such as managing cash flow and finding avenues to increase revenue without incurring debt.

## **COMMUNITY EDUCATION**

## **01**

### **Empowering Small Businesses:**

- Helping South Asian small business owners become more financially competent and capable will create a positive impact on the local economy.
- Facilitate open dialogues and feedback loops to better understand the needs and challenges faced by the South Asian small business community.

## 02

### Outreach and Engagement:

- Organize a business fair for South Asian small businesses to present the findings from the small business needs assessment survey.
- Facilitate networking opportunities for entrepreneurs and businesses with lenders, policymakers, and other stakeholders.

## 03

### Research:

- Support further participatory research to understand small business and worker needs and to disseminate the findings with community members

**About the organization:** SAN has earned the community's trust by virtue of supporting and providing essential services to the South Asian community including business owners and operators for more than three decades. SAN's staff includes immigrants and second generation South Asian-Americans who are culturally aware of the norms and nuances of diverse South Asian culture(s) and also speak almost all major South Asian languages.





# ACKNOWLEDGEMENTS

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## Research

- Mohammed Sufian – Operations Manager, South Asian Network
- Sirat Kaur – Community Organizer, South Asian Network
- Hina Ahmad – Deputy Director, South Asian Network
- Shakeel Syed – Executive Director, South Asian Network

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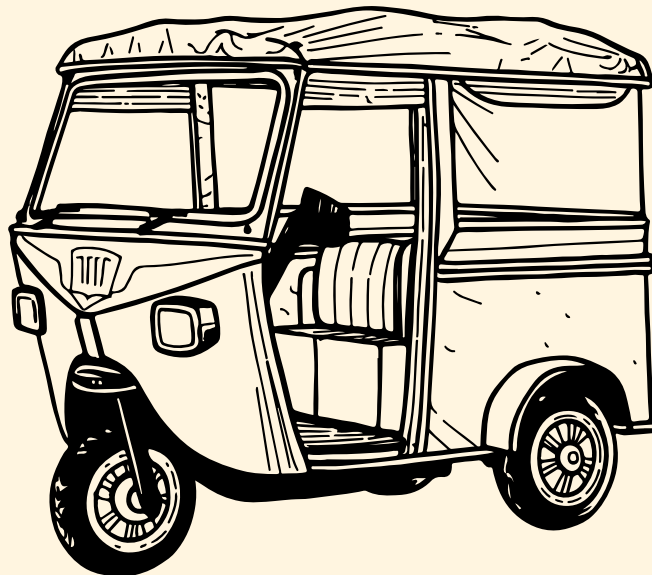
## Graphic Design

Sirat Kaur

Note: All photos in this report are the property of South Asian Network.

# RESOURCES

- National CAPACD (<https://www.nationalcapacd.org/>)
- Kaiser Permanente Charitable (<https://about.kaiserpermanente.org/>)
- Small Business Development Center (<https://smallbizla.org/>)
- LA County Economic Development Corporation (<https://laedc.org/>)
- Economic Development LA County (<https://economicdevelopment.lacounty.gov/>)
- South LA CDFI Consortium (<https://slacdfi.org/>)
- Inclusive Action LA (<https://www.inclusiveaction.org/>)
- API Small Business Collaborative (<https://www.apisbp.org>)







“This report is a dream realized. The hopes and aspirations of South Asian small business owners/operators in Little Bangladesh are in it. I invite you to browse it and see that South Asian small businesses are only asking for fairness and equity to compete and succeed. I want to invite private foundations and public agencies to invest in helping small businesses and partner with SAN to make the local economy thrive.

SAN is proud to launch SABZ (South Asian Business Support Program), a resource hub providing access to capital, technical assistance, training and coaching to small business owners/operators and entrepreneurs in Little Bangladesh and beyond. SABZ will be staffed by multilingual and culturally competent staff that’s otherwise not available to our business community.

I appreciate all the participants in partnering with SAN to conduct this first ever needs assessment of South Asian small business community in Little Bangladesh.”

- Shakeel Syed, Executive Director, South Asian Network

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