



**Asian American Federation  
of New York**

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**CHINATOWN STILL STRUGGLING TO RECOVER  
FROM SEPTEMBER 11<sup>TH</sup>-RELATED BUSINESS, JOB AND WAGE LOSSES,  
ASIAN AMERICAN FEDERATION RESEARCH SHOWS**

***Nonprofit Group Recommends Concerted Action to Spur Economic Revival***

**NEW YORK** – Chinatown's businesses and workers continue to suffer from severe, widespread effects of the September 11<sup>th</sup> attacks, and the community needs comprehensive solutions to revitalize.

The Asian American Federation of New York, a public policy leadership organization, announced these conclusions today as it released findings and recommendations summarized in a research report titled *Chinatown One Year After September 11<sup>th</sup>: An Economic Impact Study*.

"Our research shows that Chinatown continues to face an uphill struggle to recover from the devastating impact of September 11<sup>th</sup>," Cao K. O, executive director of the Asian American Federation, said at a press conference in Chinatown. "Aftereffects of the tragedy remain pervasive, in the form of unprecedented business losses, factory closings, unemployment and pay reductions, as well as traffic, parking and other infrastructure obstacles."

O added, "Overcoming these challenges and rebuilding Chinatown, along with the rest of Lower Manhattan, will require broad, coordinated public and private sector strategies that address specific community issues."

The Federation's new study follows and incorporates results of the organization's groundbreaking *Chinatown After September 11<sup>th</sup>* report, issued in April. The new report draws on numerous sources, including business and worker surveys, loan and grant data, and information from public and private relief agencies. Findings take into account experiences of more than 10,000 workers, and reflect collaboration with community, business, labor, policy and academic organizations.

Among key findings of the study:

- Chinatown's garment industry alone, which represented 10 percent of Chinatown's businesses and 40 percent of its jobs before September 11<sup>th</sup>, lost nearly \$500 million in the year following the attacks – strongly suggesting total Chinatown business losses of significantly more than half a billion dollars.
- More than one-fourth of Chinatown's garment factories closed in the year after September 11<sup>th</sup> – reducing the number of garment factories in the community from 246 to 181.
- Almost 60 percent of garment workers and 30 percent of restaurant employees who held jobs a year after September 11<sup>th</sup> were working fewer hours, or underemployed – reflecting little improvement in the last six months. Field research indicates many of the nearly 8,000 Chinatown workers who lost jobs in the three months following September 11<sup>th</sup> were still looking for work a year after the tragedy.

Citing these statistics, Dr. Shao-Chee Sim, director of research for the Federation, said: "The September 11<sup>th</sup> impact has been dramatic and acute for a worker population that has depended heavily on local business enterprises and the garment industry. Finding new jobs has been difficult and the outlook continues to be bleak for laid-off Chinatown workers, the majority of whom are women, aged 41 to 54, with limited work skills and English ability."

The Federation noted several government actions taken in relation to recommendations in its April report. However, the Federation pointed to a number of remaining critical gaps:

- The majority of Chinatown businesses surveyed said revenues last summer were down an average of 20 percent from the previous summer. In addition, most businesses did not expect to return to pre-September 11<sup>th</sup> revenue levels in the last quarter of this year.
- Less than \$60 million in public and private sector loans and grants was made available to Chinatown businesses in the year after September 11<sup>th</sup>, despite losses of almost \$500 million for the garment industry alone. Furthermore, payments to Chinatown businesses through the largest grant program averaged only \$9,700 – an amount equivalent to 1 1/2 months' rent for a typical business in the area.
- It would take roughly \$25 million to \$30 million in public and private funding to support community-based job-training and employment services for all Chinatown workers who lost jobs as a result of September 11<sup>th</sup>. However, nonprofit agencies that offer these services in Chinatown have received only \$1.7 million in assistance.

"More planning and comprehensive strategies are required to respond to job-creation needs, as well as needs related to specific industries," O said. "Chinatown and New York City as a whole will benefit from initiatives designed to engage Chinatown in the city's economic resurgence and also enhance Chinatown's role as a commercial hub, cultural magnet, and neighborhood with historic sites of interest. We are suggesting a number of action steps in the spirit of contributing to public discourse."

Specifically, the Federation called on city and state government agencies, along with the philanthropic community, to implement a series of recommendations to:

- Proactively stimulate business investment and sector-based economic growth.
- Support development and expanded availability of English as a Second Language (ESL) and worker-training programs.
- Foster contract and employment opportunities for Chinatown businesses and workers related to Lower Manhattan redevelopment.
- Boost Chinatown's attractiveness as a tourist destination through strategic marketing and investment in the community's cultural amenities and physical infrastructure.
- Include Chinatown in strategies for promoting New York as host city for the 2012 Olympics.

The Federation's research on September 11<sup>th</sup> effects on Chinatown represents collaboration with The Federal Reserve Bank of New York, The Fiscal Policy Institute, and The Ralph and Goldy Lewis Center for Regional Policy Studies at the University of California, Los Angeles.

The research studies are part of an extensive September 11<sup>th</sup> Relief, Recovery and Rebuilding Initiative that the Federation launched in 2001 to address Asian American community needs in the wake of the tragic events. Major supporters of the initiative include The American Express Foundation, Cathay Bank, the JPMorgan Chase Foundation, the McCormick Tribune Foundation, The September 11<sup>th</sup> Fund, and the William Randolph Hearst Foundation.

The Asian American Federation of New York is a not-for-profit organization that provides public policy and community service leadership to identify and meet the critical needs of Asian Americans in the New York metropolitan area. The New York City-based Federation serves the Asian American community by analyzing issues, voicing common concerns, advocating for responsive policies, offering financial and management assistance, coordinating service delivery, and creating unified, community-wide initiatives. The Federation, which began operations in 1990, has a membership of 36 community agencies that provide health and human services to diverse populations. For more information, visit [www.aafny.org](http://www.aafny.org) or call 212-344-5878.

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