Challenges for Little Tokyo Businesses During COVID-19

**OVERVIEW**
- 60% - 70% loss in sales
- Over 50% closed temporarily
- 20+ permanently shut down
- Over 50% are non-native English speakers
- Health & safety guidelines rapidly changed

**LEGACY BUSINESSES**
- Most remained open during shelter-at-home period
- Over 40% are 60+ years of age (at-risk population)
- Constantly adjusting to fluctuating health codes
- Forced to pivot to online sales and marketing to stay competitive

**NEEDS**
- Rent forgiveness
- Cash flow
- Grants or low-interest loans
- Translated materials from the City, County, & State
- Accessible e-commerce training
Clients Served in 2021
BUSINESS TYPES AND PREFERRED LANGUAGES

- **Japanese**: 75%
- **English**: 50%
- **Spanish**: 25%
- **Korean**: 0%
- **Other**: 21.9%
- **Restaurants, Cafes & Bars**: 29.5%
- **Retail**: 17.6%
- **Educational Services**: 14.3%
- **Personal Care Services**: 3.8%
- **Professional Services**: 10.0%
- **Arts & Entertainment**: 2.9%
2021

A month-by-month breakdown of entrepreneurship in Los Angeles County
Little Tokyo Cosmetics moves out of Japanese Village Plaza one month after its 50th anniversary

This legacy business credited with introducing Shiseido to American consumers finally closed its Little Tokyo location permanently after 50 years of operation. Many Japanese immigrants shopped with owner Chizuko ‘Cindy’ Shiono, who provided fluent Japanese language customer service for decades.

Deemed a non-essential business, the stylish cosmetics shop was forcibly closed for months by government mandates throughout the pandemic. Serving a mostly senior audience considered most at risk during the pandemic, the owner, herself at risk, found that identifying a safe business model to operate under was a time-consuming and ultimately fruitless endeavor.

Despite attempts at social media, e-commerce and an updated contactless Point of Sale system, the owners finally gave up on their struggles to renew their lease, though they hope to return to the neighborhood when circumstances improved.
A temporary solution to the closure of indoor dining during the summer of 2020 thanks to the Al Fresco program (temporary outdoor dining permits) has become a permanent fixture in the neighborhood. In February 2021 outdoor dining resumed after a two month shutdown that turned J-town into a ghost town for the holidays.

The county’s revised Health Officer Order reinstated previous restrictions on outdoor dining: requiring servers to wear masks and face shields, limiting restaurants to 50% of patio capacity, limiting tables to no more than six people from the same household, and requiring tables to be at least eight feet apart.

As of January 2022 ‘temporary’ outdoor dining continues to be made an option for restaurants providing on-site dining options.
Bunkado kicks off their year-long 75th anniversary celebration

In 2020 Bunkado was forcibly closed for four months, and again for the entire month of January 2021. Since 1946, outside of World War II incarceration of Americans of Japanese descent, Bunkado has never been closed for more than one week, and that was during the chaos of the 1992 civil unrest. Not only did the business lose income during the pandemic, they had the weight of responsibility for the safety of their mostly senior employees and customers. It was stressful to juggle these concerns and to make decisions of when and how to re-open.

The store had a simple website built in 2002 that had never been updated. To compete in the e-commerce space, the online store required a complete overhaul. With the help of four community members donating over 400 hours of their time, the website had a soft launch in November 2020 and kept the business afloat, allowing Bunkado to have a successful 75th anniversary celebration in 2021.

Launching original Bunkado products for the first time in their history, the oldest gift shop in Los Angeles now boasts its own product line, which includes a t-shirt, digital zine, 5 piece stationary set, and furoshiki, with more to come.
There’s an old Japanese saying that businesses are usually run into the ground by the second generation,” Suzuki laughed. “I just want to make sure that that doesn’t happen on my watch.”

LA Mag reports that 116 downtown LA businesses shuttered in 2021.

In Little Tokyo we report the number at 25+.

Small business grants and forgivable loans finally begin to reach mom & pop businesses

[LOCAL]  GENESIS GRANT
15 clients receive $5000 grants from Genesis LA

[STATE]  CA RELIEF GRANT
Over 50 clients are approved for the CA relief grants awarding businesses $5K, $20K, or $25K in funding

[FEDERAL]  PAYCHECK PROTECTION PROGRAM
Over 200 clients receive PPP 1 forgiveness and nearly all are approved for PPP 2
Each restaurant prepared over 100 meals per delivery date. Delicious meal options included tempura zaru soba, unajuu, grilled salmon, and teriyaki beef donburi served 3 days a week on Mondays, Wednesdays and Fridays.

“Making 100+ meals was new to us and we wanted to put together something everyone would enjoy,” relayed Julie Blakely of Oomasa. “After the first order went out, we were relieved and felt more confident preparing all the meals. It became easier each week, and we are very grateful we were given this opportunity for (eleven) weeks.”

13,528 Meals served to seniors residing in low income housing properties across Little Tokyo

16 Little Tokyo legacy restaurants supported through the program.

65 Weeks of delivery by LTSC staff and community volunteers.
Delicious Little Tokyo

Delicious Little Tokyo 2021 is Go Little Tokyo’s (Go LT) main event produced annually by the Little Tokyo Community Council (LTCC).

**COMMUNITY** Delicious Little Tokyo is an opportunity to highlight businesses and how valuable they are to the community.

**PARTNERSHIP** Under the direction of LTCC and Go LT, LTSC assisted with the coordination of small business participation in this three-weekend event.

**SMALL BUSINESS** 13 small businesses participated in the 6th annual Delicious Little Tokyo.
While brick and mortar small businesses suffered with increasing overhead, many home based entrepreneurs took advantage of furloughs, reduced commute times and government stimulus to work on and grow their companies during the pandemic.

For Gardena based couple Carol and Keith Kimura, both of whom are in their 60s and were furloughed from their jobs, they saw the silver lining in being able to focus full time on their budding entrepreneurial journey.

They focused on researching manufacturing options for their product, the K-Stand, and secured a patent for their plastic mold design with the support of Craig Tomita, consultant at CMTC at the time. While sales were down due to cancelled festivals, they were able to utilize this down time to improve operations and examine their costs in detail. This allowed them to restructure their work flow, pricing system, marketing plans and successfully apply for a small business loan.

When life gives you lots of time at home with your spouse... launch a small business!
As part of LTSC’s small business incubation program, Michelle K. Hanabusa, pictured left, launched her first dedicated store space in December 2018 on the historic First Street as a pop-up shop. Now two years later, UPRISERS has signed its first long term lease and is preparing to open a storefront retail space in the Arts District of Los Angeles.

Nearly three years since Michelle launched in Little Tokyo, LTSC continues to support Michelle’s mission as a community-focused small business owner. From facilitating a historic zine collaboration between 75-year old small business Bunkado and UPRISERS, to assisting Michelle in successfully applying for everything from Pandemic Unemployment Assistance (PUA) to the LISC Small Business Resiliency for Entrepreneurs of Color Fund, it’s the goal of LTSC’s small business program to ensure that UPRISERS reaches legacy small business status in the Japanese American community someday.

“When I first started as an entrepreneur, LTSC opened my eyes beyond the e-commerce world to experience a store front opportunity in the heart of Little Tokyo/DTLA (an area I consider my second home). It expanded my vision for where I wanted to take my business moving forward. The importance of community, collaboration, and supporting local, is something I’ve learned from (small business consultant) Mariko and carry this out in my day to day in all aspects for UPRISERS.”
In coordination with the LTSC Real Estate Department and Little Tokyo Community Council, LTSC’s Small Business Program convened a socially-distanced feedback session for businesses located on 1st Street in Little Tokyo. During this meeting, the owners/representatives were able to share their concerns for the neighborhood as well as learn about LTSC’s new project planned for FSN (First Street North).
Our partnership between our small business program and the Rafu Shimpo kicked off in 2018 when volunteer contributor Mieko Beyer wrote the first Nikkei Entrepreneur Spotlight highlighting entrepreneurship in the JA community.

Since then, there have been 12+ in-depth articles dedicated to highlight Nikkei entrepreneurs and an annual holiday guide produced at the end of the year to support shopping local.

Mieko is one of 100+ that have volunteered to support the LTSC small business program over the years. With only two full time staffers working on small business assistance, we’re grateful for all the help we can get!

“\nI enjoy learning about the different entrepreneurs and their stories. Everyone is so multi-faceted and interesting. It’s also such an interesting view into diverse Nikkei heritage storylines and other histories/identities as well.” - Mieko Beyer

NOVEMBER 2021

Rafu Shimpo holiday guide

Lillian Rowlett
Kikuné Care Packages, connecting people to the traditions and culture of Japan through locally-made, artisanal foods via home delivery.

"During the pandemic, Japan Post, the company Kikuné Care Packages uses to deliver its packages, suddenly announced that they would no longer be shipping to many countries, including the U.S. She could have been devastated for us, but we believe that every problem has a solution if you look hard enough. All we knew was that we didn’t want to go out of business, and so we delivered the packages that had come to mean so much to our community. Although a logistical nightmare, we were able to find an alternative solution that we’ve been using this fall and remains nimble in the face of ever-changing challenges."

Michelle Hanabusa
UPOWNERS, entrepreneur with a purpose platform.

“We were doing a few pop-ups a week that turned into a business we were first started. Once COVID hit, we had to find ways to operate 100% digitally.”

Joanna Menok
fifty change, social impact digital marketing, coordination services and events, creative director

“The hardest part about being a small business owner is being uncertain about where to go to get help and what helps I qualify for. Before getting help from the Nikkei startups team, I honestly didn’t know what to ask. It’s a big help to know where to turn and get help. Time is always the conundrum. What my business was suffering I couldn’t help anyone, not even myself.

So from my business is a bust! I had no idea what was next and began to wonder, is this the end of my business? What could I do within my industry during a pandemic? Of course there’s a virtual but by my business model depends on in-person interactions. How do I pivot in some extent with...

Mieko Beyer
Lilac and denim store online www.lilacandme.com
Learning how to do pop- up's as high end re

Darin Mak
CITYGIRL, a fashion brand located at 341 E. First St., Little Tokyo, online store

“We had to close our doors three months after our grand opening, which was really tough to deal with. Big thanks to Little Tokyo Service Center for working with us during the tough times. It was really great to see the community come together.”

Joe Miyasaka
JBD’s Daggy-ya, a ramen (noodles) and fried chicken (karaage) restaurant.

"I probably one of the largest obstacles faced as a small business owner was keeping myself and my staff healthy while serving customers in the new home landscape of COVID-19 pandemic. Of course there’s people with disabilities in the community. What are the best practices for not stuff to stay safe and healthy working in a tight kitchen like theirs?"

Miyoko Yamamoto
Organically, sustainable, bamboo chopsticks with a base and wax to eat in bamboo fiber trays.

"Protest is, which led to supply chain difficulties. The ports of Los Angeles and Long Beach have been negatively impacted by shipping operations looking to get their commodities through the port and most economical route to the U.S. Nevertheless, heightened purchasing needs during the pandemic have put a lot of pressure on the local economies. Many ports are in need of capacity to support the demand coming from the hospitals that frequent Los Angeles and Long Beach."

This situation in the port right now is including the increased port requirements, regulations, and lack of space due to the inability to swiftly take empties back are all contributing to the problem. Chopsticks is one of the companies to experience this setback. However, we are grateful to have patient customers."

Shuichi Yamamoto
Gakku Shokudo, a ceramic shop and gallery, 1770 N. Flower, Los Angeles.

"We started this space as a flexible space, serving part-time dispensers of many local artists and creatives, while hosting events. During the pandemic, we could not and did not feel comfortable hosting events, we had to diminish traffic. We considered closing down for a while. With changes in operation and support, we were able to keep going. Now we have opened up."

Sherry Yoshizawa
Headups is is truly billed as a Japanese spa with local and authentic and taste. www.headups.com

“I was turned to close down my salon by my customers. This was really hard for me because I couldn’t talk to anyone. After 20 years of working and interacting with 1-2 clients every day, this was my biggest challenge. I tried to do something to keep going for my business, so I decided to focus on marketing efforts to educate people about What’s a Japanese head spa? I started to do it’s own and launched a YouTube channel. I even started a class about head ups online and had customers from all around the world."

“This experience connected me with people from Canada, Russia, Vietnam, etc.”

Dana Kashiohara
Gakku Shokudo, a Japanese art gallery.

“Figuring out how to get online (social media, new website, etc.) was as quick as possible was a big challenge. The previous website wasn’t great representation of the store, so we spent a ton of time sculpting the new website and developing our social accounts to get out..."
Vaccinating Little Tokyo

One of the biggest lifts of the year was supporting local small business owners and essential workers for access and education around vaccinations and boosters.

MARCH 2021
VACCINATION CLINIC

With the assistance of White Memorial Hospital, LTSC administered 500 COVID-19 vaccinations shots to the local community. Of those 500 recipients, 145 were essential workers from Little Tokyo businesses.

DECEMBER 2021
BOOSTER CLINIC

With the assistance of the JWCH-Welsely Health Center, LTSC administered 137 booster shots to the local community. Of those 137 recipients, 38 were essential workers from Little Tokyo businesses.

TERASAKI BUDOKAN
HOSTS WALK UP CLINICS FOR LOCALS

Many essential workers utilize public transportation, and because of limited walk up locations available in Los Angeles, LTSC opened the doors of the Budokan to provide local access and support to the community.
UNHOUSED
- Downtown LA small business owners, including those in Little Tokyo, cite ongoing concerns around the expansion of Skid Row.
- With only reactive security options and no short/mid-term strategy or solution being offered, local entrepreneurs are struggling with how to engage with their unhoused neighbors.

INFLATION
- Shipping costs and frequent delivery delays have increased, causing inventories to deplete without adequate replenishment.
- Nearly all small business owners have increased prices from 2% to as high as 13%, citing a need for a small biz COVID surcharge to cover increasing costs of operations.

LABOR SHORTAGE
- As employees seek higher paying, safer jobs, small business owners struggle to fill positions.
- Quality service workers are seeking higher wages from larger employers, making it challenging for mom and pop businesses to compete.
Thank you for supporting small businesses!

Contact us with questions at littletokynosmallbiz@ltsc.org