Revisiting "Black–Korean Conflict" and the "Myth of Special Assistance"

Korean Banks, US Government Agencies, and the Capitalization of Korean Immigrant Small Business in the United States

Tamara K. Nopper

Conflict between African Americans and Korean immigrant entrepreneurs has received a great deal of attention, especially after the 1992 Los Angeles Riots (Chang 1994; Ong, Park, and Tong 1994; Abelmann and Lie 1995; Min 1996; Yoon 1997; Chang and Diaz-Veizades 1999; Kim 1999; Kim 2000; Prashad 2001; Sexton 2010). One source of contention is the claim put forth by some African Americans that Korean immigrants receive special deals from banks and the US government to establish businesses (Min 1996; Chang 1999; Chang and Diaz-Veizades 1999; Kim and Kim 1999; Lee 2002). This article addresses how scholars refute what some call a "myth" of special assistance with the counter-claim that Koreans are disadvantaged when it comes to accessing resources from financial and government institutions and thus rely primarily on co-ethnic support.

I interrogate this counter-claim of Korean self-sufficiency by drawing attention to the established Korean banking industry in the United States and its collaboration with US government agencies dedicated to business development. Drawing from interviews with forty bankers and employees of US government resource partners as well as government and banking data, I provide details about the Korean banking industry and examples of its (informal) partnerships with government agencies. I also show how *typification*—the process by which those with resources and power perceive and assess ethnic groups, which partially determines the socioeconomic outcomes of those groups (Portes and Rumbaut 1996, 85)—informs specific programs. I focus on Korean banking in Los Angeles and New York, the US cities that are home to the largest concentrations of Korean immigrants and Korean business (Min 1996, 46–47; US Bureau of the Census 2002b), paying particular attention to small-business lending and transnational banking practices. Also documented is how the Minority Business Enterprise Centers (MBECs) and Small Business Development Centers

Tamara K. Nopper holds a PhD in sociology and serves as adjunct lecturer at the University of Pennsylvania and Temple University. Her areas of research focus on the racial wealth gap, immigrant and minority entrepreneurship, urban economic development, and Black–Asian relations.

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(SBDCs), resource partners of the Minority Business Development Administration (MBDA) and the Small Business Administration (SBA), respectively, work in Los Angeles to connect with the local Korean community and, in the process, partner with banks. Findings reveal symbiotic relationships between Korean banks and the government institutions that benefit them, which ultimately are advantageous for Korean immigrant business owners as well as working-class Koreans. The next section describes the disparities between Korean-owned firms and Black-owned firms and explores the debate regarding special assistance.

Racial Disparities in Business and the "Myth" of Special Assistance

By 1980, Koreans had become one of the ethnic groups most concentrated in small business (Light and Bonacich 1988, 7). By 1990, the census revealed that almost 25 percent of Koreans in the workforce were self-employed, an increase of almost 100 percent from the previous decade (Yoon 1997, 17). Consistent with the national growth in business ownership, the number of Korean firms grew a little over 16 percent between 1997 and 2002, the last years for which census data on Korean business ownership were collected at the time my interviews were conducted.[1] As of 2002, Koreans had an ownership rate that was 74 percent higher than their overall population size, making them one of the most concentrated ethnic groups in entrepreneurship. Despite being less than 0.5 percent of the US population, Koreans own 1 percent of all US firms, 14 percent of Asian-owned firms, and 4 percent of businesses owned by people of color (US Bureau of the Census 2002b; Yu, Choe, and Han 2002, 13; Reeves and Bennett 2004, 1; Office of Advocacy 2007, 5, 32).

Korean entrepreneurs' status as both nonwhite and immigrant has led many to wonder why they, compared to other racial minorities, have been able to use small business as a route to social mobility. In particular, this query has been raised by African Americans in whose neighborhoods Koreans have set up shop. Although African Americans own a larger number of firms than Koreans—1,197,567 compared to 157,688—the statistics for the former group lag behind those of Korean entrepreneurs in significant ways. First, Korean-owned firms have higher average receipts than African American–owned firms. In the case of nonemployer firms, average receipts are $20,708 and $56,320 among African American–owned businesses and Korean-owned businesses, respectively. The gap is less pronounced when comparing average receipts for employer firms; nevertheless, Korean-owned firms still have higher average receipts of $723,473 compared to $696,158 for Black-owned firms. Second, this disparity in average receipts is underscored by the fact that African Americans have only an 8 percent employer–firm ratio, which is the ratio of total employer firms to total firms, whereas Koreans have a ratio of 36 percent—the second highest among Asian business owners. Finally, although African Americans, at a little under

13 percent of the total US population, constitute a group twenty-six times the size of the Korean population and own almost eight times the number of businesses, they generate less revenue proportionally. The total number of Black firms generate only $89 billion in revenue—a little under twice the amount of revenue generated by Korean-owned firms (US Bureau of the Census 2002a, 2002b; Reeves and Bennett 2004, 1; Office of Advocacy 2007, 7, 11).

The greater financial success experienced by Korean firms compared to African American firms also happens on the local level. Los Angeles, New York, and their surrounding areas are home to a large percentage of the total number of Korean firms and African American firms nationally. In the greater statistical area of Los Angeles, Long Beach, and Riverside, home to the largest number of Korean firms and third-largest number of Black firms, Koreans own 38,261 firms that generate about $15 billion in receipts, whereas African Americans own 70,346 firms that generate only $6.4 billion. The largest number of Black businesses and second-largest number of Korean businesses are located in the greater statistical area of New York/Newark/Bridgeport. There, Black firms total 155,274 and generate $9.5 billion in receipts whereas Korean firms total 29,447—only one-fifth the number of Black firms in the same area—yet generate a little under the same amount in receipts at $8 billion (US Bureau of the Census 2002a, 2002b).

Such disparities raise questions regarding the sources of Koreans' business capital. As academic research has documented (Ando 1988; Bates 2000; Oliver and Shapiro 2008), Black concerns regarding racial discrimination from mainstream banks are common; some African Americans claim that banks and government agencies are more receptive to Koreans and non-Blacks. As Cheng and Espiritu (1989, 527) describe:

> Many blacks find it difficult to obtain loans from banks to finance their business ventures. Thus, faced with a proliferation of Korean-owned stores in their neighborhood, blacks often question the source of Korean monies. Their resentment stems from the perception that the banking and business system have favored Korean immigrants while refusing access to the potential black businessperson.

An African American commentator writing for the Black-owned paper the *Los Angeles Sentinel* expresses this belief: "Asians who have literally taken over certain businesses in the black community have the decided advantage because from all indications, the banks are making special dispensations in order to make loans to these new-comers to this nation" (quoted in Cheng and Espiritu 1989, 527). This sentiment among African Americans, as well as other aspects of tension between Blacks and Asian American entrepreneurs, had been studied before the early 1990s (Cheng and Espiritu 1989; Min 1990). Yet spectacles of racial and economic conflict, such as the 1990 boycott of Korean stores by Black New Yorkers in Flatbush and the 1992 Los Angeles Riots, pushed "Black–Korean conflict" into the sociological mainstream. Thus many scholars have continued to analyze the allegation that immigrants—in this case, Koreans—receive special assistance from banks and the government to finance their firms while African Americans are discriminated against in the lending process (Min 1996; Chang 1999; Chang and Diaz-Veizades 1999; Kim and Kim 1999; Lee 2002).

Several researchers challenge the claim that Korean immigrants receive special assistance. For example, Lee (2002, 189) calls the allegation "fallacious" and a "common stock story" and reminds us that "critical investigation of stock stories reveals that they are often based on misinformation" (149). To support her claim, Lee points out that among her sample of seventy-five African American, Jewish, and Korean merchants owning stores in New York and Philadelphia, only Black merchants reported receiving loans from banks or government agencies (149). Chang (1999, 52) describes a series of "myths" that have "played an important role in exacerbating confrontations." He responds to "*Myth 1: Korean Americans are receiving special loans and assistance from the government*" by stating, "This is absolutely false. Korean Americans do not receive any special loans or assistance from the government" (52; italics in original). It is unclear whether Chang draws this conclusion from his interviews with the thirty-four Korean merchants in South Central Los Angeles to which he refers at the beginning of his essay (41) because he simply states that the myth is false.

Min (1996, 99) argues that such "myths" exemplify the "'scapegoating' of Korean merchants." Referring to boycotts of Korean stores in the early 1990s, Min describes how Black boycott leaders pointed a finger at the government and banks for encouraging Koreans to open stores in Black neighborhoods (101, 103). In response to this allegation, Min points out that previous research reveals that a relatively small number of Koreans take out loans (101–102). Chang and Diaz-Veizades (1999) report that a survey of 165 African Americans in Los Angeles conducted shortly after the 1992 Los Angeles Riots found that a substantial portion of respondents expressed belief that Korean merchants receive "special help from financial institutions and government agencies that enable their small businesses to succeed . . . *even though Korean Americans do not receive any special loans or assistance from government agencies or financial institutions*" (38, 44; emphasis added). They counter, "In fact, recent Korean immigrants are often refused loans from financial institutions because of government red tape, their insufficient US credit history, and their lack of information about Small Business Administration loans" (44). Similarly, Kim and Kim (1999, 30) conclude, "We find no evidence that major American banks, big corporations, or government agencies . . . have actively helped or assisted Korean immigrants to enter small business in inner-city minority communities."

To combat this myth of special assistance, scholars argue that Koreans are generally disadvantaged when it comes to accessing resources from financial and government institutions and "have instead relied heavily on their own resources and those of their ethnic group" (Kim and Kim 1999, 30). Ethnic resources commonly cited in the literature as sources of Koreans' capital and business information include private economic arrangements, rotating credit associations, loans between individuals, better prices on goods, tips on how to run a business, and ties to overseas manufacturers. Ethnic institutions, such as Korean American media, churches, and business organizations, are also frequently mentioned as important conduits of information and co-ethnic networks (Min and Jaret 1985; Light and Bonacich 1988; Light, Kwuon, and Zhong 1990; Min 1996; Lee 2002). Finally, scholars point out that many Koreans use their own savings either earned in the United States or brought with them from South Korea. Regarding imported human and financial capital, studies detail how a significant portion of the first wave of Korean immigrants—those who entered between 1965 and 1980—came from South Korea's urban middle class, originated from the country's largest cities, had completed four years of college, and held professional, managerial, or administrative occupations in Korea. Although most had been exposed to a business environment in South Korea, few had engaged in small business before their arrival (Min 1988, 2; Min and Song 1998, 53–54). Due to the growth of the South Korean economy and the relaxation of restrictions on the amount of capital with which emigrants may depart (Kim 1981), Korean immigrants "have been able to arrive to the United States with more money than they have previously been allowed to bring" (Min and Kolodny 1999, 135).

Research Problems

Claims against the myth of special assistance have focused on immigrant disadvantage in terms of accessing financial and government resources. Yet the preoccupation with disadvantage obscures the reality that many Koreans do receive capital and other resources from banks and US government agencies. Research, of course, has investigated whether Korean immigrant entrepreneurs receive loans from financial institutions or the US government (Bates 1994; Bates 1997a, 1997b; Lee 2001). However, most studies rely on Korean immigrants to report sources of capital (Bates 1994; Bates 1997a, 1997b; Lee 2002), with only a handful interviewing Korean bankers and government agency employees (Light and Bonacich 1988; Chin, Yoon, and Smith 1996; Park and Kim 2008; Nopper 2009, 2010a). It is possible that Koreans may minimize their use of banks and government resources in order to maintain a popular self-image of Korean culture as self-sufficient (Lee 1999, 116; Park 1999, 71). Furthermore, in some studies in which Korean bank usage is confirmed (Bates 1994, 1997a, 1997b), the focus is usually on borrowing; thus other forms of institutional support that Koreans may use go unexplored. Additionally, only a small number of studies mention Korean banks (Kim 1981; Light and Bonacich 1988; Chin, Yoon, and Smith 1996; Light 2002; Park and Kim 2008; Nopper 2009, 2010a). Where they do appear, they are usually depicted as an intra-ethnic resource (Light and Bonacich 1988), or get attention when discussing the capitalization of the burgeoning post-1965 Korean export-import industry in the United States or the establishment of Koreatown in downtown Los Angeles (Light and Bonacich 1988; Chin, Yoon, and Smith 1996; Light 2002).

When studies examine contemporary Korean banking in the United States, therefore, it is usually in regard to the financing of large-scale development projects, some of which are initiated by overseas investors, and the negative impact on Korean small businesses and working-class residents of gentrifying neighborhoods (Park and Kim 2008). While class diversity and conflict are well documented by scholars of Korean immigrant business and labor (Abelmann and Lie 1995; Louie 2001), in Korean immigrant entrepreneurship studies, middle-class and working-class Koreans are presumed to be disadvantaged when it comes to accessing capital or other resources from Korean banks and government agencies (Nopper 2009, 2010b). Both Korean small businesses and working-class Koreans are viewed as displaced by the growth of Korean banking due to the negative consequences of large-scale development projects in Koreatowns (Park and Kim 2008). While concerns about displacement and rising costs of living have a material basis and are certainly significant for many reasons (KIWA 2009), the ways in which Korean banks and US government agencies work with Korean small-business owners as well as with working-class Koreans have not received adequate attention.

Moreover, with the exception of Light and Bonacich's (1988) *Immigrant entrepreneurs: Koreans in Los Angeles, 1965–1982*, few studies have interviewed those working for government agencies regarding their support of Korean business. Since the book was published in 1988, there is little mention in the literature of how Korean immigrants utilize US government programs or how agencies partner with Korean banks. Finally, because the attention given to banks and government agencies has been minimal, we do not know how projects targeting Koreans are informed by *typification*—the processes by which those with resources and power perceive and evaluate ethnic groups (Portes and Rumbaut 1996, 85). While the valorization of Asians and Koreans as self-sufficient "model minorities" is a popular scholarly focus (Kim 2000; Prashad 2000, 2001), only a few studies (Nopper 2010a) have explored how such assumptions relate to perceptions of Asian immigrants as disadvantaged minorities deserving of institutional assistance. Yet more research needs to consider how the typification of Asians and Koreans manifests in material institutional support.

Overall, the preoccupation with disadvantage among those attempting to counter the myth of special assistance has limited the attention given to financial and government institutions as sources of capital, business information, and networks among Korean immigrants. Instead, we are left to deduce that Koreans finance their firms through human capital and social capital, the latter being "closed systems of social networks inherent in the structure of relations between persons and among persons within a collectivity" (Zhou and Bankston 1996, 2000). Simply put, the dominant assumption is that Koreans unable to independently finance their businesses can rely on "supportive peer and community subgroups that assist in the creation of successful firms by providing customers, loyal employees, and financing" (Bates 1997b, 50). Such an account depicts Korean immigrants as simultaneously marginalized and self-sufficient. In some cases, this sentiment posits Koreans as operating outside market relations and the purview of the state, as in Chang and Diaz-Veizades's (1999) cryptic claim that Koreans draw from "internally generated capital" (31). While ethnic support cannot be discounted, the preoccupation with Korean social organization and self-reliance ignores the role of dominant institutions in shaping the economic inequalities that concern Black critics of Korean entrepreneurship. By failing to look at banks and government institutions, we inadvertently conclude that racial disparities in socioeconomic mobility are primarily caused by differences in culture, adaptive strategies, and social organization. Bogan and Darity (2008, 2000) speak to the negative impact this conclusion has for African Americans: "Much of the 'social capital' literature addressing African American entrepreneurship concentrates on African American culture as the primary reason for the paucity of Black entrepreneurs."

Research Focus

My study addresses these research problems by examining how Korean banks and US government agencies, individually and in collaboration, make resources available to Korean immigrant entrepreneurs. The first section describes the contemporary Korean banking industry, paying particular attention to small-business lending and to the advantages that Koreans get from using Korean banks. The second section focuses on collaborations between Korean banks and resource partners of two government agencies: the Minority Business Development Agency (MBDA) and the Small Business Administration (SBA). Such collaborations specifically target Korean immigrants and ultimately benefit the Korean banking industry. I also describe how the typification of Korean immigrants as simultaneously insulated, underserved, and deserving informs efforts to diversify Korean banks' niche market and expand Korean networks beyond members of the ethnic group. Finally, attention is given to how institutions work with Korean immigrants, who, for a variety of reasons, may not be "good on paper" (Nopper 2009, 2010b).

Data and Methods

Primary data come from semistructured interviews with forty respondents representing government resource partners and Korean banks. Interviews were conducted between 2004 and 2006 and focused primarily on activities in Los Angeles or New York. "Korean banks," defined here as those that are run by boards comprised of at least 50 percent Korean or Korean American individuals, have Koreans in senior management positions, and explicitly identify Korean Americans as their target market in promotional materials; they may be chartered in either South Korea or the United States. Sources used to identify banks and employees include business publications, Korean business directories, US government sources, Internet search results, and snowball sampling. During the period of data collection, eleven out of the fourteen Korean banks I identified as operating in the United States were included in my study; twenty-eight bank employees were interviewed. Because of limited funding, only thirteen interviews were conducted in person, with the remaining fifteen conducted over the telephone. The bank sample includes commercial and business lenders, international trade officers, credit analysts, SBA lenders, and Community Reinvestment Act (CRA) and compliance officers as well as a few in managerial positions.

Also included in the sample are five employees from the Minority Business Enterprise Center (MBEC) in downtown Los Angeles and seven employees from the Small Business Development Centers (SBDCs) in Los Angeles. Both MBEC and SBDCs are resource partners of the MBDA and the SBA, which, respectively, are the only federal agency dedicated to minority business development and an independent federal agency dedicated to small business development. As resource partners, the MBECs and the SBDCs are tasked with representing their agencies' programs and guidelines, educating the public about business development, providing one-on-one business advising, explaining government programs, and serving as intermediaries between clients and banks. Descriptive statistics about business patterns and banks come from the US Census Bureau, the Federal Deposit Insurance Corporation (FDIC), the SBA Office of Advocacy, the Federal Financial Institutions Examination Council, and the National Information Center.

The Contemporary Korean Banking Industry

As a post-1965 phenomenon, Korean banking in the United States is related to the contemporary growth of the Korean immigrant population. During the Cold War, the United States and the Soviet Union "became locked in a contest for political hegemony" which led to "a series of wars involving both countries but fought in territories that belonged to neither" (Liu and Cheng 1994, 75). To protect its interests, the United States began to strategically incorporate into its sphere of influence some of the Asian countries whose nationals it had previously excluded and in which it had wreaked military havoc, thus "laying the foundations for the economic relations that would channel the flow of capital, technology, and people between Asia and itself" (Liu and Cheng 1994, 75). The 1965 Immigration Act, which repealed certain restrictions to entry, allowed more Koreans and other previously excluded groups to enter the country in larger numbers. The overwhelming majority of first-generation Korean immigrants—who comprise 78 percent of the total Korean population in the United States—entered the country after 1980; about 28 percent immigrated between 1965 and 1979 (Reeves and Bennett 2004, 9–10).

A few South Korean banks opened locations in the United States during the 1970s to finance Korean business activity—in particular, the export-import and retail industries in which Korean immigrants were concentrating (Kim 1981; Light and Bonacich 1988; Chin, Yoon, and Smith 1996). Korean banks were also vehicles to invest in specific areas, as in the case of Koreatown Los Angeles (Light 2002). In 1978, the International Banking Act was passed, making it easier for foreign banks to offer retail banking by permitting them to be eligible for FDIC insurance (Aharony, Saunders, and Swary 1985, 493). Despite the "more stringent set of regulations on their activity," foreign banks were able to "launch a major competitive initiative in the market for domestic retail banking services" (Aharony, Saunders, and Swary 1985, 496). By 1986, "the foreign bank presence in the United States had surpassed the US bank presence in foreign countries in terms of the value of assets, but not in terms of the number of offices" (Grosse and Goldberg 1991, 1095). By 1988, South Korea had the thirteenth-highest total assets among fifty-seven countries with foreign bank offices in the United States (Grosse and Goldberg 1991, 1099). Of course, not all Korean banks in the United States are foreign-owned; some, including many that are part of my sample, were established by Korean Americans during the 1980s or the 1990s (Dymski et al. 2010, 181).

With a few exceptions (Park and Kim 2008; Nopper 2009, 2010a, 2010b), studies about Korean business activity after the 1992 Los Angeles Riots—especially those that address conflict with African Americans—give less attention to banks. This is a noticeable absence since Korean banking has grown since the first wave of post-1965 Korean immigration, as has the range of services available for small and minority businesses offered by government and private organizations (Nopper 2010b). During data collection, I identified fourteen Korean banks operating in the United States, with eleven of them included in my study. At the time of this writing, one of the banks included in my original sample had failed and sold its assets to another bank in the sample. Additionally, one bank was bought by another bank in the sample. Table 1 shows the banks that I studied and excludes the two banks that closed. As the table indicates, the bank headquarters (or American subsidiary headquarters) are concentrated in Los Angeles and New York. The specific zip codes in which the headquarters and most bank holding companies are located are in the "financial districts"

Table 1. Korean Banks in the United States as of December 31, 2009

		Location (City and Zip Code)		Organization and Staff			Amount in Thousands (USD)	
Bank	Year Founded*	Headquarter Offices	Holding Company	US Branches	SBA Offices, Business Loan Centers, or Loan Production Offices **	Full-Time Staff	Total Assets	Deposits in Domestic Offices
A	2002 (1986)	Los Angeles 90010	Los Angeles 90010	19	3	273	2,190,165	1,761,619
B	1982	Los Angeles 90010	Los Angeles 90010	27	2	468	3,155,992	2,754,082
C	1994 (1989)	Los Angeles 90010	Los Angeles 90010	20	2	337	3,224,876	2,449,949
D	1991	Los Angeles 90010	Los Angeles 90010	10	2	137	667,456	576,621
E	1980	Los Angeles 90010	Los Angeles 90010	24	5	400	3,431,942	2,833,908
F	1996	Fort Lee, NJ 07024	New York 10001	3	3	63	392,790	347,734
G	2006 (1990)	New York 10001	Seoul	16		206	988,906,	886,146
H	2002 (1984)	New York 10001	Seoul	18	1	222	1,076,579	949,405
All				137	18	2,106	15,128,706	12,559,464

Sources: Federal Financial Institutions Examination Council 2009, National Information Center 2010, and bank websites.
* Earliest year given indicates when original bank was established that eventually became the bank in the sample
** Excludes SBA Department Offices

of Koreatowns in downtown Los Angeles and midtown Manhattan. Most of the branches for each bank are concentrated in the cities or states in which the bank headquarters are based, but several of the banks whose main branches are based in Los Angeles have branches in New York and vice versa. Many banks have SBA, international trade, and commercial loan departments, as well as non-branch offices such as SBA loan offices, loan centers, or loan production offices. Non-branch offices allow banks to conduct face-to-face lending in cities in which branches might not be established. Many of the non-branch offices are in areas that have a relatively large or burgeoning Korean American community but do not necessarily have a concentration of Korean banks. For example, there are non-branch offices in Chicago, Dallas, and Seattle.

Compared to that of large “mainstream” banks, the total amount of assets for Korean banks is relatively small, with the total for the eight banks in Table 1 being a little over $15 billion. However, keeping in mind African Americans’ concerns about the advantages Korean immigrants receive from banks, we might consider that these eight Korean banks have $7 billion more in assets than the forty-two Black financial institutions registered as minority institutions with the FDIC (FDIC 2009). Put another way, forty-two Black banks have only 53 percent of the total assets of eight Korean banks.

Koreans as Target Market

Because of restrictions stipulated in the 1974 Equal Credit Opportunity Act, identification data (such as race or gender) for nonmortgage loans, which include most small-business loans, is not to be collected and thus is unavailable to researchers. However, nearly all of the bankers interviewed reported that Koreans make up the overwhelming majority (80 to 90 percent) of their clientele; the two others estimated that Koreans comprised 50 to 60 percent. Unlike large banks that are, according to respondents, beginning to "discover" immigrant communities, Korean banks were established to target this market, a point illustrated by bank websites and brochures that openly express interest in Korean clientele and feature pictures of Koreans and East Asian Americans. Decisions regarding where to open bank branches or non-branch offices are often determined by the size of the Korean population in a given location. Indeed, one bank employee mentioned that his bank tracks the cities Korea Airlines serves so as to identify areas attracting more Koreans. Regardless of location strategies, all of the banks offer and promote services that are relevant to immigrants, such as remittances and international trade. Furthermore, all of the Korean banks with retail services (e.g., checking accounts and loans) encourage small-business ownership by emphasizing business lending and SBA guaranteed loans. International trade and lending primarily serve Korean immigrant entrepreneurs located in cities in which bank branches and offices are located. Lending is marketed towards, but not restricted to, small-business owners.

Small-Business Lending

According to loan officers, Korean applicants are concentrated in small retail and service businesses, wholesale, and, increasingly, manufacturing; this pattern is consistent with national trends of Korean business (US Bureau of the Census 2002b). These loan officers reported that the retail and service businesses include dry cleaners, laundromats, delis, liquor stores, restaurants, fish stores, hardware stores, gas stations, clothing stores, and nail salons. While most applicants seek capital for businesses, a growing number are pursuing commercial mortgages or loans for commercial development or real-estate management companies. Additionally, more Koreans are opening franchises, a growing trend in Asian and immigrant communities (Rangaswamy 2007). Still considered a small business by the SBA, a franchise is therefore eligible for the guaranteed loan program offered by the agency. When I asked an SBA loan officer at a Los Angeles bank if Koreans entering franchise ventures was a relatively new trend, he replied, "No, actually. I think it started about five to six years ago, maybe seven years ago. More and more. Before that, Koreans were generally into convenience stores, dry cleaners. And seems like recently they have been moving towards franchise businesses." This assessment indicates that Korean banks are helping Korean immigrants forge relatively new patterns of entrepreneurship.

Increasingly, banks are working with Korean immigrants who have more capital than recent immigrants as well as aspirations beyond the labor-intensive small businesses in which Koreans are known to concentrate (US Bureau of the Census 2002b). As one loan officer explained, recent immigrants tend to own different businesses, and require different amounts of capital, than established immigrants do: "300,000 to a couple of million, businesses related to first-generation immigrants—corner stores, liquor store, supermarkets, dry cleaning." More established Korean immigrants want to "go from bodega to supermarkets." As he put it, "Everybody wants to own a supermarket." He explained that when clients have "up to a million in savings, the trend is they want to move away from labor-intensive business." Regardless of the type of business, banks report that loans for small businesses average $150,000. However, in some cases, the number is much higher. For example, one loan officer told me that his bank made a $2 million loan to a deli store owner.

Other Advantages of Korean Banks

While not all Korean loan applicants have the same resources to bring to their banking experience, Korean banks nevertheless work to make banking easier for Korean immigrants in several ways. As I have detailed elsewhere (2009), Korean banks work to replicate the culture of Korean banking common in South Korea, employ primarily Korean staff members who are fluent in Korean, and make materials available in Korean. Most importantly, Korean banks engage in relationship banking, which "is the conduct of banking business on the basis of personalized bank-customer relations, broad-based information exchanges between borrowers and lenders, and in some cases banks' roles as informal advisors" (Li et al. 2001, 1935). While banks serving racial minorities and low-income groups tend to engage in relationship lending more than traditional financial institutions do (Moulton 2007; Peek 2007), banks that are part of an international network may provide extra opportunities for relationship lending, demonstrating that "Korean banks' international ties are another plus" (Palmeri 2003). Relevant to African Americans' concerns that Koreans receive special advantages, Korean banks may ameliorate a few of the disadvantages immigrants face by collateralizing overseas property and verifying business and credit histories in the other countries in which their banks operate.

A few banks included in my study offered this opportunity, with some banks labeling it as "a loan product." For example, one bank's website promotes "loans collateralized with real estate in Korea," explicitly targeting "new immigrants to the United States who may be underserved by most domestic financial institutions due to local credit weaknesses." Another bank offers "Korea Desk," a program that targets "customers who are interested in moving to the United States for education, immigration, or investment" by offering "loans with collateral in Korea." Collateral can include real estate in South Korea, including "[an] apartment, single family home, or commercial building," or deposit accounts in one of the bank's branches in South Korea.

Because the verification process requires having offices of the same bank in both countries, it was primarily South Korean–chartered banks that could offer this opportunity. Both of the foreign-owned banks included in Table 1, for example, make it a point to mention on their websites that they have over 1,000 branches operating in South Korea and other overseas locations. However, some Korean American banks are working to offer this transnational opportunity; a few respondents noted that their banks plan to open branches in South Korea, which would facilitate overseas collateralization. This institutional advantage may become increasingly relevant for the Korean banking and small-business communities in the United States since, as bankers reported, more Korean Americans are looking to buy South Korean property.

Koreans are not the only ethnic group who can lessen their disadvantage in the United States by drawing from an international network. The practice is also common among Chinese banks in the United States, which constitute "the largest ethnic banking sector in the USA, if not the world" (Li et al. 2001, 1924). Regardless of the size of the sector, all banks with overseas operations may establish transnational ties. However, the ability to take advantage of an international network of banks requires one to have either the documents, status, and finances required to travel and purchase property elsewhere or the transnational ties that are verifiable by financial institutions. This reality has implications for certain pockets of the Korean immigrant community, particularly those who, due to their destitution, contribute to the economic diversity of the second wave of Korean immigrants (Abelmann and Lie 1995; Louie 2001). Additionally, and relevant to Black concerns about Koreans' access to capital, it means that only those people of color with verifiable property and experiential ties elsewhere—a prerequisite that excludes most African Americans—may take advantage of this institutional opportunity to counter their disadvantage in the United States.

Collaborations between Korean Banks and US Government Agencies

Increasingly, US federal agencies dedicated to business development rely on resource partners to work directly with the public in their efforts to encourage "financial literacy." The Fair and Accurate Credit and Transactions Act, passed in December 2003, called for the establishment of a "Financial Literacy and Education Commission" tasked with improving "the financial literacy and education of persons in the United States through development of a national strategy to promote financial literacy and education" (US Congress 2003). Coordinated by the Department of the Treasury's Office of Financial Education, the Commission counts the SBA, as well as other federal departments, as members (US Department of Treasury 2010). Shortly before the act's passage, at a symposium about the "unbanked market" sponsored by the FDIC in Washington, DC, Texas Congressman Ruben Hinojosa delivered a speech regarding the need for public-private partnerships to ensure the availability of financial literacy programs despite government budget constraints. As he put it, "Too often access to traditional financial literacy programs is limited by scarce government resources. Consequently, taking advantage of partnerships using community groups and private industry can be a tremendous advantage" (FDIC 2003).

As this section shows, banks, government agencies, and community organizations collaborate to reach Korean immigrants from a variety of class backgrounds. I examine the work of two US government resource partners by focusing on offices located in downtown Los Angeles Koreatown: the Los Angeles MBEC and the Asian Pacific Islander Small Business Program, which are hereafter referred to as the LA MBEC and the API SBP, respectively. I explore how, despite efforts to work with a broad section of people, the LA MBEC and the API SBP support Korean immigrants in particular ways. Also discussed is how the typification of Korean immigrants as insulated, underserved and deserving informs specific programs as well as efforts to diversify Korean banks' clientele and Koreans' networks.

The Los Angeles Minority Business Enterprise Centers (LA MBEC) and Korean Banks: "A Win-Win Situation"

To distinguish its focus from that of the SBA, which works with small-business owners of any race, the MBDA recently transitioned to working with "minorities" who have considerable money in existing businesses, extensive management experience, or whose firms may make significant economic impact, especially in employment. As is the case with many resource partners, the LA MBEC partners with business programs at local universities and colleges to provide face-to-face business advising, educational workshops, and networking opportunities. Although the LA MBEC is a partner of the University of Southern California (USC), it is located in Koreatown in the same zip code where many of the Korean bank headquarters and main branches reside.

Several staff members described the benefits of operating in the same neighborhood. When asked if Korean banks are receptive to working with the LA

MBEC, a business advisor replied, "Yeah, that's where our strongest relationships are" and listed a few nearby banks as examples. Another employee mentioned a recent lunch meeting he had with a loan officer from a Korean bank. Staff members have working relationships with a range of bank employees; for example, they negotiate with loan officers on behalf of their clients and can also contact people in high supervisory positions to discuss their services or request financial support for a program.

According to one employee, working with Korean banks is helpful for Korean clients. He explained, "One of the things we also know is that the Korean community in and of itself is very difficult to reach. I don't want to say insulated but they like to do business with each other, including the Korean banks." The LA MBEC's collaboration with Korean banks, then, is not only due to convenience in terms of physical proximity but also indicative of efforts to reach and serve Korean immigrants "on Koreans' terms." Presuming that Koreans "like to do business" with each other, the MBEC helps facilitate co-ethnic support by strengthening its relationship with Korean banks. Given that reportedly 50 percent of the LA MBEC's clients are Korean, relationship building with Korean banks on behalf of its clients helps expand the network of co-ethnic sources of capital beyond the Korean institutions emphasized in the existing literature (Min 1996; Lee 2002).

This is not to claim that the MBEC is solely preoccupied with Korean clients or Korean banks. The office works with a range of banks within its network on behalf of all clients, and thus may send clients to non-Korean banks and encourage non-Korean clients to apply for loans at Korean banks. All staff members interviewed replied positively when asked if Korean banks were open to working with non-Korean clients. As one succinctly put it, Korean banks "don't discriminate against money." Asked if non-Koreans and specifically African Americans are hesitant about applying for loans at a Korean bank, a staff member replied that he never heard of African American clients being concerned about having to come to Koreatown. But he did mention that some might not approach Korean banks without having some advocacy from a business advisor. He also pointed out that some Korean banks have been more open than other Asian banks to finance non-Asian groups, including Blacks. Another staff member suggested that his office was helping Korean banks by expanding their clientele: "I think that one of the things we want to do is open up their, um, you know . . . diversify their business and have them interacting with non-Koreans. And the banks themselves want to do businesses with more non-Koreans themselves. It's just to diversify the risk."

He continued to describe the LA MBEC as a conduit between Korean banks in the neighborhood and a more diverse clientele base:

> So we take businesses to them. Businesses of *any* ethnicity. And that's one of the things that they like about us. We bring in Hispanic business-

> es, African American businesses to the Korean banks where typically they never had access to these businesses. So it helps them to diversify their portfolios. Get them loans.

One recent example is a Black entrepreneur who wanted to open a franchise of a popular Caribbean restaurant:

> We put the deal structure together for a client called ______. They have eighty stores on the East Coast. It's a[n] African American business. But they wanted the loan from—they came to our center looking for our loan. We knew the most favorable loans we could get them were from the Korean banks.
>
> *I see, so that's interesting. Because you're helping, also, then, like you said, Korean banks actually get a broader pool of applicants—*
>
> Right. And for that, they give us favorable rates. And we use that relationship and influence to help our clients the most we can.

Described by a staff member as "a win-win situation" for both institutions, the symbiotic relationship between the MBEC and Korean banks extends beyond lending. For example, an employee commented, "The president sometimes sponsors our programs."

> *When you say sponsors programs, what do you mean by that?*
>
> Well, I mean they give us sponsorship money. . . . And the bank president will come and speak. Talk about how to do business with the bank or how to get loans, that sort of thing.
>
> *Oh, so the bank president might donate some money but they also might be able to market their services.*
>
> Yeah, I mean they'll come and *talk*.
>
> *During the seminars?*
>
> Yeah.

It should be noted that these examples of the LA MBEC's relationships with Korean banks do not express a *formal* partnership. Although staff members emphasized that they shop around on behalf of their clients, they reported that Korean banks are the financial institutions with which the agency has the strongest relationships. The MBEC, then, contributes to the diversification and growth of the Korean banking industry. Given that Korean banks are generally interested in Korean community and business development, such efforts will ultimately benefit Korean immigrants.

LA MBEC Korean Fast Trac

Like other resource partners, the LA MBEC makes it a priority to educate the public about business development; thus it regularly offers Fast Trac, a course about the logistics of entrepreneurship. Unlike other services geared toward established firms, Fast Trac is open to start ups and growing businesses. In existence since around 2002, Fast Trac is offered twice a year for eight weeks each, with twenty participants permitted in a class. Designed as an accelerated business class similar to those offered by USC, it does not require USC tuition fees; students pay a total of $495 for the entire course. Upon completion, students are awarded a non-credit USC certificate. At the time of my study, Fast Trac was offered in only three languages: English, Spanish, and Korean.

The Korean-language Fast Trac class was described by LA MBEC staff as extremely popular. Only Korean *immigrants* are enrolled; no second-generation Koreans have participated, although they are eligible. Men and women participate in equal numbers. Students in the class either already own or want to open retail shops, gas stations, or service-oriented firms. Although students are expected to learn from a designated textbook, Fast Trac instructors are permitted to design about a third of the curriculum. In this case, the instructor, who has a PhD in management, tailors the curriculum to Koreans. Although the textbook and most handouts are in English, he teaches the class in Korean and creates case studies from the Korean business community. An older Korean man who was described by others as part of the "extended team," the instructor also serves as a conduit for the MBEC in terms of reaching the Korean community. He hosts a radio show that is syndicated on eight stations, fielding business questions from callers. Along with other staff members who are not Korean, he is regularly featured in Korean-language newspapers regarding his work with the LA MBEC. This exposure helps to advertise both Korean Fast Trac and the resource partner to the Korean community.

Korean Fast Trac has many benefits for students that may not be readily available to non-Korean minorities participating in the English-language version. First, it serves as a forum for intra-ethnic networking among Koreans. It also helps Koreans network with government agencies and those representing the financial infrastructure of Koreatown, which, for the most part, is shaped by Korean banks. For example, I was told that Korean bank presidents and loan officers sometimes come and give presentations to the course.

Despite the advantages Koreans may gain from Korean Fast Trac, those affiliated with the LA MBEC downplayed any overt marketing to Koreans. When I asked why a Korean-language Fast Trac was established, the idea that Koreans were being "underserved" was a common response. The direct supervisor of the LA MBEC's director, who is based at USC, described how, when visiting the city, the national director of the MBDA shared data indicating an imbalance between Asian businesses compared to that of "mainstream businesses." Because of the high concentration of Asian businesses in Los Angeles, it was determined that the LA MBEC should offer Fast Trac classes.

Additionally, many staff members cited the *location* of the MBEC as a reason for establishing Korean Fast Trac as opposed to a program in another Asian language. One business advisor stated:

> Our office is right in mid-Wilshire, which is the largest Korean community concentration and there's other centers who provide those services. . . . But in terms of proportion of business, I guess the Korean community is relatively larger but they're very young and they still have a lot of challenges compared to other Asian communities who've been here a lot longer.

Another employee reiterated that the location of the office influenced the decision to offer Fast Trac in Korean:

> Essentially when I was brought on board that was one of the things we thought about. We . . . had that on our minds because we *were* in Koreatown and there was a lot of demand from the Korean community. There was a lot of demand. That was the main reason. Especially here in Koreatown. There was a lot of demand. Now, obviously you know that Korean entrepreneurs, Koreans are the most likely of any ethnic background anywhere, anytime, anyplace, to be entrepreneurs. So, clearly that was a market that was being underserved. One of the things we also know is that the Korean community in and of itself is very difficult to reach. . . . So it made a lot of sense . . . a lot of Korean business owners would come in here and in order for us to actually adequately serve them—there's a trust issue firstly. Reaching across the bridge and the trust issues is the one thing. . . . And the second thing is for us to adequately service them.

Overall, staff members of the LA MBEC did not publicly express the belief that Koreans are receiving an advantage by having a program that is Korean-language specific. Rather, comments suggest Koreans are typified as insulated and underserved and thus deserving of institutional support. Employees verbalized a need to be *accountable* to the people in the neighborhood without fully addressing the fact that a resource partner of a federal agency was placed in the *hub of Korean banking* in Southern California and, indeed, in the country. When I asked explicitly if Fast Trac classes were racially based, a few LA MBEC employees gently corrected me and claimed that classes are not organized according to race or ethnicity per se, but more by language. Several employees pointed out to me that Fast Trac classes were also available in English and Spanish. If business owners did not speak or want to speak Spanish or Korean they would by default end up in the English-language Fast Trac. When I inquired, "Have you ever worked with other groups other than Koreans and Latinos?" I was told, "Not specifically. Not in a training sense. Everybody else typically would go through our English Fast Trac."

> *So do you think that you're kind of focusing on one minority group or racial group versus another or is it more of an issue of language?*
>
> On a need basis, we try to serve the diverse community as we can. But it's a very small center. We have very limited resources. So we happen to find the person who will be able to deliver Fast Trac in the Korean language or coordinate with the Korean community. So it's not like we have a chunk of money to serve the community, we have very little funds. Mostly we provide regular service for diverse community in English *and* Spanish and we've been serving [the] African American community so we also have had a Chinese staff [member] before and she also served the Chinese community. We happen to have a Korean Fast Trac; doesn't mean that we're not serving other Asians or minorities.

Overall, staff members were quick to deny that the Korean Fast Trac class is ethnically or racially focused; instead, they emphasize that the class is language-specific. The correlation between speaking Korean and the likelihood that one is ethnically Korean was not acknowledged by respondents.

Whatever the case, the existence of Korean Fast Trac suggests that the LA MBEC takes the language needs of Korean business owners seriously and is willing to provide services based on how Koreans purportedly "like" to conduct business. This belief about Korean business owners replicates social-capital arguments that champion Koreans' presumed self-sufficiency; nevertheless, such assumptions may, to a degree, hold certain advantages for the ethnic group. Although some other groups may have their language needs met, their Fast Trac experience might not be as useful in terms of analyzing case studies that speak to their racial experiences and networking with banks in the neighborhood. While Fast Trac is an example of federal government efforts to make resources available to Korean immigrant entrepreneurs, its services are presented as not targeting any specific group and partially determined by the resource partner's location. Consistent with other government agencies' "new color-blind approach," which takes race into account without addressing racial disparities (Nopper 2011), the expressed accountability to Koreans was coupled with a failure to interrogate racial politics in terms of how the MBEC came to be located in Koreatown in the first place.

Asian Pacific Islander Small Business Program (API SBP)

Whereas most Small Business Development Centers (SBDCs) across the country are affiliated with colleges and universities, the API SBP works as a collaborative federation. It was also specifically designed to work with Asian communities. As members of a federation, different Asian community organizations house API SBP sites under the direction of one administrative office that employs a director and a programming person. When interviews were conducted, five community organizations representing Chinese, Filipinos, Japanese, Koreans, and Thais comprised the federation. A staff member of one of the organizations explained that the collaborative model allows groups to come together and apply for larger amounts of funding. The API SBP officially launched in 1999, although conversations and networking began about four years earlier. The federation contracts with an economic development corporation in Van Nuys, California, which also provides SBDC services. According to a person affiliated with the API SBP, the 1992 riots in Los Angeles were the "real catalyst" for the program. At that time, a Korean community organization, one of the few social-service nonprofits addressing property losses among Koreans, began to focus on entrepreneurship and economic development.

When discussions about the federation began, the current director of the API SBP served as a board member of the Korean community organization that houses its Koreatown site. The business advisor at the Koreatown site has been in his position for about a year but worked for the organization for several more. He reports that although 60 percent of the individuals who use his organization's general services are Latino—a figure indicative of the residential diversity of Koreatown Los Angeles (KIWA 2009)—about 90 percent of the SBDC clients are Korean immigrants, with the remaining 10 percent comprised of "Caucasians, African Americans, and Hispanics."

Along with providing business counseling and entrepreneurship workshops, the API SBP also sponsors small-business expos. One purpose is to provide advisees with the opportunity to network beyond their ethnic groups and to introduce them to bankers, corporate executives, and government agency representatives. A concern for Korean insularity was expressed by the business advisor, who stressed, "*They're limited to dealing with other Koreans*." Whereas some employees of the LA MBEC implied that Korean immigrants are purposefully "insulated," as in the statement that they "like to do business with each other," the API SBP staff I interviewed appear to view this insulation as an indicator of their marginalization as Asian immigrants. Their preoccupation, then, was addressing the issue of language access among Korean clients. Indeed, language access was the primary reason given for why the unique model of the API SBP is necessary. While the organizations in the federation serve people of any ethnicity who want to use their services, all of the workshops and literature are available in Asian languages specific to the community organizations' targeted constituencies. As one API SBP staff member mentioned, there is not enough US government material about small-business development available in a variety of languages. The business advisor at the Koreatown site echoed this sentiment:

> You know, if you're an immigrant here, you don't speak the language, if you haven't been to college yet, you don't know where to find the resources. And you find some comfort and trust in an organization that sort of speaks your language, understands your culture, and has other services that help you as well. In our case, [the organization] has been here for thirty-plus years providing a number of services for the community so we have a long-standing name and trust factor within the community. So it's easier for us to be able to reach Koreans and Korean American business owners because we already have a standing with them. And if you were to do a traditional form of SBDC for Koreans, it wouldn't be *as effective* in reaching the masses of people who need our services.

Additionally, one individual affiliated with the program told me that many Asians do not want to go to community colleges for services. According to him, Asians resist the community college model because many of them do not understand the concept of going to "the government" for small business support; in some Asian countries, he said, only large industrial businesses interact with the state. Although the respondent was identifying contextual factors that influence a purported Korean immigrant worldview towards the government—in this case, the preference among some Asian governments to work with large companies as opposed to small businesses—such comments inadvertently typify Korean immigrants as a marginalized group *importing self-reliance*, and therefore deserving of ethnic-specific programs that introduce them to working with the government in their new environs.

As a resource partner of the SBA, the API SBP also helps clients prepare business plans and seek capitalization. This process involves advising clients from working-class backgrounds, who constitute a growing segment of the Korean American population (Abelmann and Lie 1995; Louie 2001). Although SBDC officers are trained by the SBA and are knowledgeable of its guaranteed lending programs, many respondents reported that they shop around for the best financial packages for their clients. The process often involves developing relationships with banks and loan officers. Such reliance on banks requires SBDC advisors to cultivate relationships with financial institutions receptive to immigrants, regardless of whether SBA funding is available. For example, the API SBP advisor in Koreatown informed me that he works with "most" Korean banks in the neighborhood.

Like the LA MBEC, these collaborations operate with an informal *quid pro quo* ethic:

> A number of Korean banks are involved in that program in various ways. You know, number one, they *fund* many of our programs. And two, we refer a lot of our clients over to Korean banks.
>
> *And so you found Korean banks really receptive to API Small Business Center?*
>
> Um, in many ways, yes. I know it wasn't just Korean customers, Korean clients who get assistance from Korean banks. There's also non-Korean Asian Pacific Islanders who received some loans—loan products from Korean banks.

As this comment suggests, there is a consistent working relationship between the Koreatown API SBP site and the Korean banking industry headquartered in the area. Like other SBDCs, the API SBP must supplement the funding it receives from the SBA. Therefore, it not only needs Korean banks to be receptive to its clientele; it depends on them to stay in operation. In turn, Korean banks build relationships with the API SBP and those it serves; this helps Korean financial institutions connect with their targeted market and simultaneously diversify their clientele.

Conclusion

This article investigated one dimension of Korean–Black conflict: the claim from African Americans that Korean immigrant entrepreneurs receive special assistance from banks and the government to open their businesses. I explored how social scientists have responded to this charge, which they call a myth, with the counter-claim that Korean immigrants are disadvantaged when it comes to accessing capital and other resources from banks and the American government. Challenging the preoccupation with Koreans' self-reliance, as well as the tendency to treat Korean institutions as simply intra-group resources, I investigated whether Korean banks and the US government are involved in the capitalization of Korean small businesses. Although both have grown since the first wave of post-1965 Korean immigrant enterprise (Nopper 2010b), Korean banks and government institutions dedicated to small and minority businesses have received minimal attention by those challenging the myth of special assistance. Yet I found that both types of institutions, individually and in collaboration, provide capital and other resources, including business information and networking opportunities both within and outside their ethnic groups, to Korean immigrants.

I did not—nor did I expect to—find any bank loans or government loan packages earmarked for only Koreans. Nevertheless, Korean banks target Koreans for small business loans and also offer relationship lending, which includes the opportunity to draw from overseas property and verifiable ties in order to mitigate the limitations of their credit and business histories in the United States. Additionally, US government resource partners created specific programs targeting Korean immigrants; yet their staff members, for the most part, downplayed the possibility that Koreans were receiving relative advantages. Instead, they emphasized the location of government offices in Los Angeles Koreatown's financial district and typified Koreans as underserved, insulated, and deserving of special programs without acknowledging the ways in which their programs targeted that specific ethnic group. Collaborations between banks and government agencies also grow the Korean banking industry, which, given its primary focus on the Korean market, ultimately targets Korean immigrants. Despite class conflict among Koreans, which Korean banks and some government agencies exacerbate by financing or working with large companies and Koreans with stronger financial histories (Park and Kim 2008), both institutions actively work to assimilate Koreans into a network of banks, government resources, and private industry.

Although my study did not seek to compare banking and government agency practices among Blacks and Koreans, I want to consider some of the ways in which the latter may benefit from ethnic banking and US government institutions while African Americans do not. First, Korean banks have more assets than Black banks, a disparity underscored by the much smaller number of Korean banks. Second, ethnic banking, particularly foreign-owned institutions, provides additional mechanisms by which immigrants may use transnational ties as leverage toward financial opportunities in the United States. Thus, even if they possessed the same total assets as Korean banks, Black banks would still be at a disadvantage because of the impact of racial slavery on the transnational ties of African Americans. Simply put, Black banks cannot serve as the same gateway to the global economy or help mitigate African American disadvantage in the same way that immigrant ethnic banks can.

Third, Koreans benefit, to a degree, from the *concentration* of Korean banks in major urban centers. Although this concentration is also indicative of Korean banks' relative lack of institutional dominance and integration compared to larger, "mainstream" banks, it is still beneficial for Koreans in a few ways. Some government agencies direct their outreach to ethnic communities toward locations with a concentration of banks and businesses (Nopper 2011). As this study showed, one resource partner targeted Koreans because its office was located in Koreatown; in other cases, government agencies purposefully housed themselves in Korean community organizations based in their neighborhoods. Conversely, although "nearly half of all metropolitan Blacks (48%) live under conditions of hypersegregation" (Massey 2004, 9), Black neighborhoods do not serve as financial enclaves that benefit the growth of Black business locally or throughout a region. My point is underscored by the fact that Los Angeles Koreatown has a residential population that is majority Latino, not Korean (KIWA 2009, 9), but nevertheless serves as a hub for financial services and government resources for Korean business throughout Southern California as well as transnational banking between the United States and South Korea. In other words, Koreatown is significant not because of a concentration of Korean residents—which it still has to a degree (KIWA 2009, 9)—but rather because it is home to a *concentration of institutional resources* promoting Korean business development.

Finally, Koreans are positively typified as *deserving* of resources. Whereas African Americans' difficulty achieving social mobility has often been "explained" by invoking presumed Black pathologies (Bogan and Darity 2008), Koreans' marginal status was never associated with group deficiencies. Rather, respondents claimed that Korean insularity was due to a preference for working with others in the same ethnic group, being newcomers to the country and thus lacking language skills or familiarity with US institutions, and a self-sufficiency rooted in pre-migrant experiences. Unlike African Americans who are demonized for using government resources or making demands on the state (Roberts 1997), Korean immigrants were depicted as *underserved* and thus needing government support; in some cases, they reportedly received resources *because* they demanded them. While it is possible that some respondents may not actually believe what they said, their statements demonstrated a typification that coexisted with, and thus most likely informed, specific initiatives to grow Korean business.

In conclusion, Korean immigrants benefit, to varying degrees, from the growing Korean banking industry and its partnerships with US government agencies. This finding challenges the preoccupation with co-ethnic support among those seeking to refute the myth of special assistance. While Korean banks and government agencies serve clients of all races and ethnicities, the growth of Korean banking has generated additional opportunities specifically for Koreans of varying class backgrounds and residential histories in the United States to mitigate the disadvantages normally associated with the minority or immigrant experience. Future research needs to assess racial disparities within the minority banking industry and their relation to government support and business ownership. And given that more mainstream large American banks are vying for the immigrant and Asian American market (Reckard 2007), as some bankers mentioned, future research also needs to ascertain whether US banks are capitalizing on Korean immigrants and, if so, what this process looks like. It is important to note, however, that I am not suggesting that we study these practices in order to replicate them among Blacks and their institutions. Rather, I think that the more we learn about how the immigrant and Asian American markets are both imagined and materially dealt with by banks and US government agencies, the better we can engage the legitimate concerns among African Americans regarding the relative disadvantages they experience as (potential) small-business owners in a globalized economy.

NOTE

1. The Survey of Business Owners is conducted by the US Census Bureau every five years and the last year of collection for which the data is now available to the public was in 2007. I chose to restrict the reporting of comparative business patterns by race to the 2002 data since that was the latest information available at the time I collected my data—including conducting the interviews discussed here—between 2004 and 2006.

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