

What Happened When Henry Yao Almost Went Bust

His customers cherished his small business — and him — more than he ever knew.

By **Corina Knoll**

Dec. 25, 2020

It was time, perhaps, to go.

Henry Yao, the proprietor and sole employee of a tiny military surplus store on Manhattan's Lower East Side, was considering the black hole of the summer gaping before him. Whatever magic a charismatic salesman could conjure had little use without tourists or foot traffic.

Mr. Yao, 57, had held out for what he believed would surely be a reinvigorated city, continuing to pay the \$6,500 monthly rent with a loan from an understanding sister. The uncertainty created by the pandemic tormented him. Trust in hope? Perish because of it?

Sales at his shop, Army & Navy Bags, had never been robust, even before East Houston Street emptied. He had focused less on margins and more on simplicity: sturdy bags, upbeat service.

He did not have a long legacy like the famed smoked fish shop Russ & Daughters next door. He had arrived from China as a teenager and held myriad jobs around the city — ironing pants at a sewing factory, waiting tables, delivering belt buckles — before working at the storefront and finally taking it over.

For 13 years, he had been a beloved figure, another small business owner folded into the local framework. He liked the straight talk of New Yorkers and loved anything baseball. Especially the Mets.

Maybe you, too, have a Mr. Yao. A familiar fixture at a restaurant or bodega or bookstore or coffee shop. Someone who sells you a slice of pizza, repairs your shoes, cuts your hair, remembers your face. A sight of comfort in your usual territory.



"New Yorkers have power. They are the best," said Henry Yao. He holds a backpack in his shop. Kirsten Luce for The New York Times

Maybe you take them for granted. Maybe you will notice when they are gone.

The fates of these small business owners and employees have been in the hands of a virus that has refused to retreat. Many have seen dreams drown in debt, livelihoods gone dark.

An estimated one-third of New York City's more than 200,000 small businesses may never reopen. Altogether they will leave a staggering void.

Individually, it will mean dramatic shifts in ways that cannot be quantified. Because how do you measure the toll of lost connection in a neighborhood?

'You're just a kid'

There were two things customers could be pretty certain about any time they walked into Army & Navy Bags. Henry Yao would be there, and he would be kind.

He had no staff, so sometimes a friend watched the counter if he had to step away. Otherwise, Mr. Yao worked every day, even weekends, with a four-hour commute back and forth from his upstate home.

First-time visitors would be caught off-guard by Mr. Yao's charm. He would offer up a compliment, which led to an exchange.

"It was like I had already known him; it was a weird familiar energy," Gabriel Rivera, 27, recalled about encountering Mr. Yao a few years ago.

Mr. Rivera, a photographer, lived in the East Village and soon found himself arriving on laundry days, waiting out the spin cycle with Mr. Yao while swapping tales over a bagel and coffee.

"He's just really accepting and easy to talk to — it's kind of as simple as that," said Adele Thibodeaux, a writer who has known Mr. Yao for four years. They liked to show each other amusing videos and talk about their families. When Mx. Thibodeaux, 28, came out as transgender, Mr. Yao did not quite grasp the change in pronouns, but he tried to understand.

"Our lives are incredibly different, but I'm receptive to him, and he's receptive to me," Mx. Thibodeaux said.

A natural storyteller, Mr. Yao captivated those in his orbit with tales of martial arts feats. "You know how good I am?" he liked to begin when talking about his younger days. "I can run on the wall. One, two, two-and-a-half steps, turn over, kick three times in the air and land. I'm not exaggerating! I know, you hardly believe, right?"

Some shoppers could be brusque, even racist, indignant that a Chinese-American man was selling U.S. military gear. They would barge in, shout slurs, insist everything was junk. Others haggled shamelessly.

"No, these are good prices," Mr. Yao would say with a smile. Then he would throw them off. "Hey, you're a good-looking guy!"

The ability to disarm helped make Mr. Yao a mentor, and his store a destination for the young with time to spare.

There was Rey Contreras, who wandered in drunk one night. He wanted to purchase T-shirts at wholesale prices for his own business. Mr. Yao would not budge.

Still, Mr. Contreras liked Mr. Yao's demeanor and began to pop in weekly. He listened to Mr. Yao talk about life and what he had learned along the way. Mr. Contreras had grown up with a father in jail and hungered for the kind of edifying advice he had missed out on.

"Henry always told me to save my money, don't spend it, don't party as much, have one girl because he's been with his wife forever," said Mr. Contreras, 28.



The shop is located next to the popular Russ & Daughters, which often has a line that stretches past its door. Kirsten Luce for The New York Times

Others made similar connections, sometimes in surprising ways. Like the high schooler who, trying to impress his friends, grabbed a stool, waved it around and accidentally shattered Mr. Yao's glass counter. Mr. Yao taped everything back together and somehow got the teen to promise to improve his grades in exchange for kung fu lessons.

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And then there was Eddie Reisenbichler, a troubled boy who was home-schooled and had started to explore the neighborhood. Eddie had grown up with a father who locked him, his mother and six siblings in their apartment — the details of which would surface in a documentary one day.

At the time, Mr. Yao knew none of this. Eddie was merely the boy who waited outside the store before it opened and tried to shoplift when he thought Mr. Yao wasn't looking.

"You're just a kid," is all Mr. Yao would say without anger. The boy became a young man, and the young man became a friend who never forgot the lesson.

"It really does show Henry's sense of humanity because he didn't know who I was or how I grew up," said Mr. Reisenbichler, who is now 22 and works at a vintage shop. "He didn't know a single thing about me, but he still came to me with respect."

Help from his friends

Mr. Yao never fully realized the depth or span of his reach. He never saw the Yelp reviews that raved about the "tiny little hole-in-the-wall shop with the absolute sweetest man alive." He did not realize that he had slowly created a community willing to come to his aid if he should ever need it.

Then, on July 14, just when Mr. Yao figured he was in his last month of operation, came a shifting of the stars.

That's when Mx. Thibodeaux launched a GoFundMe campaign for Mr. Yao, tossing in the first grand. Mr. Yao had never heard of crowdfunding. He was touched.

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A week later, Nicolas Heller stopped in. Known as New York Nico to his 500,000 Instagram followers, he had heard of Mr. Yao's struggle from Mr. Rivera. Adding the fund-raising link to his profile, Mr. Heller wrote up a post with a photo of Mr. Yao in his usual blue-and-white striped shirt. Unfamiliar with Instagram, Mr. Yao posed good-naturedly by his pegboard wall of bags.

An hour passed. Suddenly a line began to form outside.

It had not been obvious to Mr. Yao's patrons that he might be in need. In devastating times, when everyone is hurting, it can be hard to absorb the details. But now they were here, waiting in 90-degree heat for a man who had turned a casual purchase into a memory.

Henry is the most genuine shop owner I've ever met. Henry always remembers who I am and the stories I shared. Henry and I once talked for hours near the duffel bags. Henry is a treasure, his store a landmark.

It went on like that for a few weeks or so, hundreds posting praise on social media and snatching up what was left of Mr. Yao's inventory, even winter coats. Mr. Yao scrambled about, sweaty and beaming and marveling at the affection. The fund-raiser soared to more than \$25,000.

"I never expect that kind of good to come from everybody," Mr. Yao said. "New Yorkers have power. They are the best."

The outpouring astonished his family. He still recalls with a rush of pride how his usually reticent son, Nicholas, hugged him with admiration.

"I just didn't know the extent to which his heart reached out to people," Nicholas, 20, would later say.



Henry Yao does not sell his goods online but relies on word of mouth and his salesmanship. Kirsten Luce for The New York Times

The thank-you cheesecake

Mr. Yao had been the kind of boy who hustled, entering kung fu tournaments to win his family rice and eggs, sometimes even a chicken. The youngest of four, he was a top student and a star at badminton and volleyball. After high school, he took a factory job that paid 10 cents a day.

At 19 years old, he and his mother left China's Guangdong Province for New York, with the rest of the family arriving later. Although he worried about his scant knowledge of English, opportunity, he felt, unfurled before him.

Five years later, Qing Guo Yao became a citizen. Became Henry Yao.

He had dived into the work force, even doing housework for a family and teaching kung fu to a group of wealthy businessmen.

After running a one-hour photo store in Queens and a gift shop in the Bronx, neither of which fared well, Mr. Yao eventually made his way to the military surplus store.

It was 2007, and by then Mr. Yao was married with three children, living in a two-bedroom co-op in Bayside, Queens. But he was spending the weeknights with his ailing father who lived in a public housing development on the Lower East Side. Mr. Yao's mother had died years earlier, and his father required an oxygen machine for the fluid in his lungs. Mr. Yao ran his errands, bathed him, slept beside him, listened to him gasp for air.

At the time, Mr. Yao was working as an umbrella salesman, and one of his clients was Zygmunt Majcher, the owner of Army & Navy Bags. Mr. Majcher, a Polish immigrant who told Mr. Yao the place had been in his family since 1959, offered him a job.

With Mr. Yao at the helm, sales shot up. Rothco, the store's wholesale supplier, thanked Mr. Yao with a cheesecake and a Smith & Wesson watch.

A handful of years later, Mr. Majcher was ready to retire.

Mr. Yao signed the lease.

'He really missed his store'

The moment Mr. Yao took over, it felt as if Amazon and online shopping exploded. A store without a website was no match.

Still, he kept his prices low, believing they drew return customers. The cost of goods, utilities, property taxes, insurance and merchant fees meant sometimes his cut at the end of the month was a few hundred dollars.

Thankfully, his wife, Shirley, thrived on finding inexpensive ways to nurture the family. She kept a sharp eye on the electric bill, bought dented cans of food and overripe produce at a discount, trimmed Mr. Yao's hair herself and sent him to work with a plastic container of lime chicken broth, which he sipped to keep hunger at bay.

Patrons often suggested Mr. Yao join the digital fray. But he could not afford the inventory a website would require, nor did he have the time or space.

Besides, his business ran on personal interactions — a demonstration of the bells and whistles on a backpack, a direct assurance of quality, an endearing exclamation of “Are you kidding me?” or “You make my day!” thrown in.

When nonessential businesses were shut down in the city for several months, Mr. Yao spent the days driving his daughter Hilary to her job as a pharmacist, playing poker with his children, watching baseball, brooding.

“He really missed his store — you could see it every day,” said Hilary, 25. “His battery just runs on talking to people.”

Mr. Yao had moved his family a decade ago to Wappingers Falls in upstate New York. There he opened another military surplus shop, this one in a strip mall next to a highway. His daughter Ashley, 27, was in charge of that operation, which barely broke even.

The Manhattan location, with its bustling sidewalk, remained the best chance to make money.

But also, Mr. Yao loved the vibrancy of the Lower East Side and the life he had carved out within it.

When retail stores were finally allowed to reopen, Mr. Yao appeared on East Houston Street outside his dusty window display of beanies and aviator glasses as if nothing had changed.

“It felt so good that he was back, and the store was open, and we would get to see him every day,” recalled Johanna Shipman, the general manager of Russ & Daughters. “I was just so happy we would get to have him in our lives still.”

The impossible year

On a Wednesday in December, Mr. Yao arrived shortly after 10 a.m. to pull up the steel security door to Army & Navy Bags, the green exterior of which was tagged with spray paint long ago. He was bundled in long johns and sweatpants, a polo, two sweaters and a vest. But, as usual, he changed into brown flip-flops, because his feet ran warm.

Inside, the store was little more than a short hallway jammed with bags and hats and jackets. Fluorescent lights shined down on mats that covered the chipped tile.

Once the heat was cranked on, Mr. Yao looked at the previous day's credit card receipts. Just \$229. He wrote the figure in a red notebook he had kept ever since he started back with Mr. Majcher. The amount that first day — Sept. 1, 2007 — was \$550. And the rent was about half what it is now.

2020	08-09-2020	08-30-2020	08-31-2020
234.24	SALE \$580.93	SALE \$410.06	SALE \$855.20
020	08-11-2020	09-1-2020	09-02-2020
41.42	SALE \$1838.51	SALE \$422.78	SALE \$378.53
2020	08-13-2020	09-03-2020	09-04-2020
96.54	SALE \$676.84	SALE \$215.01	SALE \$366.97
-2020	08-15-2020	09-05-2020	09-06-2020
130.13	SALE \$915.67	SALE \$347.25	SALE \$461.51
-2020	08-17-2020	09-07-2020	09-08-2020
17.47	SALE \$955.56	SALE \$225.51	SALE \$521.36
-2020	08-19-2020	09-09-2020	09-10-2020
57.26	SALE \$552.03	SALE \$667.06	SALE \$269.16
-2020	08-21-2020	09-11-2020	09-12-2020
83.41	SALE \$456.84	SALE \$640.23	SALE \$814.91
-2020	08-23-2020	09-13-2020	09-14-2020
651.16	SALE \$260.95	SALE \$451.73	SALE \$582.03
-2020	08-25-2020	09-15-2020	09-16-2020
341.36	SALE \$562.98	SALE \$837.23	SALE \$733.31
-2020	08-27-2020	09-17-2020	09-18-2020
02.0	SALE \$410.06	SALE \$410.06	SALE \$770.99

Henry Yao records the day's sales in a red notebook he has kept for years. Kirsten Luce for The New York Times

"Yesterday we lost money," he said. But he started writing a check for \$496.94 for his weekly merchandise order.

Supplies are a game of chance, Mr. Yao said. The store must look full and offer variety, not to mention all the clothing sizes. Recently, a customer plunked down his credit card for a coat in a medium. It was not in stock.

"That hurt," Mr. Yao said. He worried about the chain effect: You can't afford enough merchandise, you lose customers, you fold.

It helped that his wife got a position as a bank teller and had health insurance, a benefit they previously never had. At 5-foot-9 and slim with only slight hints of gray in his hair, Mr. Yao said he was healthy, although he smoked 10 cigarettes a day — more when sales are bad — and was "on the edge" of diabetes.

About 11 a.m., a man entered, interested in a pair of green gloves.

"Go ahead, try it, you will love it," Mr. Yao insisted. "They're only \$10, but they last."

First sale of the day.

Fifteen minutes passed until another customer walked in. He was tall and burly and offered no greeting. He peered into the glass display at a dog tag. "Those chains — you don't have that in black?" he asked.

Mr. Yao did not. So, he tried to make conversation. "Where did you get your bomber jacket?"

"A store in the Bronx." The man was gruff, not up for small talk.

But Mr. Yao kept chatting.

He talked about how, decades ago, he subleased a store in the Bronx to multiple vendors and made enough to cover the rent while he ran a gift shop in the center. After nine months, he lost it all in an electrical fire.

Mr. Yao mentioned his siblings, that he worried about them discovering his history of troubles.

The man was intrigued. "What is that, pride?" he asked.

Mr. Yao nodded. "Foolish pride."

"There you go," the man said. "Sometimes you gotta put that in your back pocket."

They talked about the Bronx, streets they knew, past jobs, their children. Mr. Yao's hours at the store meant he was not around for everything. It all went so fast. The man shook his head. His daughter was 18. "I remember when she was learning how to walk," he said.

Snow began to fall outside. About 45 minutes had passed.

"Henry," the man said before he left. He enunciated the name, etching it into his memory. "Henry. I'll remember you."

The day wore on with small transactions here and there, a total of \$425 at close. It was not great, but Mr. Yao was thankful to still have a cushion from the July sales and the GoFundMe, although he knew he could not expect a flurry of support like that again.

In January, he will reassess his future as a storefront. For now, he is not anxious about his prospects. He made it through an impossible year. It stoked his confidence, affirmed his love for what he does, revealed relationships, cemented bonds.

And surely, someone with such fortune, someone so rooted and entrenched in his corner of the city, someone like Mr. Yao, can survive?

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A version of this article appears in print on , Section A, Page 1 of the New York edition with the headline: Kindness Is Paid Back When He Needed It Most