

UCLA

AAPI Nexus: Policy, Practice and Community

Title

Are Asian Americans and Pacific Islanders Age Fifty and over Financially Secure?

Permalink

<https://escholarship.org/uc/item/5mz4x9xh>

Journal

AAPI Nexus: Policy, Practice and Community, 13(1-2)

ISSN

1545-0317

Authors

Kwok, Daphne

Tanap, Ryann

Publication Date

2015

DOI

10.17953/1545-0317.13.1.91

Copyright Information

This work is made available under the terms of a Creative Commons Attribution-NonCommercial-NoDerivatives License, available at

<https://creativecommons.org/licenses/by-nc-nd/4.0/>

Peer reviewed

Resource Paper

Are Asian Americans and Pacific Islanders Age Fifty and over Financially Secure?

Daphne Kwok and Ryann Tanap

Abstract

This article presents the work of AARP and the economic security of the Asian American and Pacific Islander (AAPI) community fifty years and older. The authors recognize the lack of existing AAPI data, but with the results from a recent AARP study the article lends a nuanced perspective of economic security for two specific ethnic groups: Chinese Americans and Filipino Americans. The use of AARP's survey fills a gap in existing data sets. With this study, it's evident that AAPIs are not all economically secure, and more disaggregated data is needed to further understand their current state of finances, and needs and wants, in order to contribute to a higher quality of life for aging AAPIs.

Introduction

The Asian American and Pacific Islander (AAPI) population is the second-fastest-growing segment of the fifty and over population in the United States. AAPIs fifty and over are expected to grow from 4.3 million to 13.2 million over the next forty years (U.S. Census Bureau, 2012b). Due to the *model minority myth*—used to describe AAPIs as a group that has attained economic success in comparison to other minority groups—many factors are often overlooked by policy makers, media, community organizations, and agencies. The fast-growing AAPI population is extremely diverse, with many ethnicities, native languages, differing experiences with English, distinct needs, and varying levels of *acculturation*—or cultural adaptation to another culture. All of these factors, which have been masked by aggregated data, show the existence of an incomplete picture of the economic well-being of AAPIs, particularly those fifty years and over.

This article takes a look at AAPIs in the context of economic security by combining U.S. Census data with AARP's specialized research. Existing data sets, aside from AARP's survey, have smaller sample sizes for those fifty years and older. They also do not address questions on economic security, which are largely impacted by several factors. To address a gap in existing research, we first take a look at AAPI spending power. We then dive deeper to reveal economic insecurity, high poverty rates, and dependence on supplemental income. Second, we focus in on Chinese Americans and Filipino Americans, the largest AAPI groups in the United States. Through a 2013 AARP research study,¹ we took a look at various factors that contribute to economic security including education, income, and employment; lifestyle; acculturation; sources of information for products and services; and important services. It is from this more detailed data, specific to those between the ages of fifty and seventy-five, that we were able to further understand differences in economic security among these two ethnic groups.

AAPIs

Spending Power among AAPIs

AAPIs as a whole are often assumed to be financially well-off. AAPIs fifty and over even have the highest household spending power in comparison with other racial/ethnic groups. Per consumer unit, the average annual expenditure for AAPIs fifty and over is \$60,466 (U.S. Bureau of Labor Statistics, 2012). This is significantly higher than other fifty and over groups; the African American/black expenditure is \$35,013, the Hispanic/Latino expenditure is \$38,693, and the non-Hispanic white expenditure is \$53,096 (ibid.).² Because AAPI households may comprise of more than one generation, their expenditures may appear to be much higher in comparison to other fifty and over groups. Thus, a high household spending power does not necessarily mean high economic status.

AARP took a closer look at California and New York, two U.S. states with high concentrations of AAPI populations. AAPI *buying power*, or disposable personal income, in both California and New York is expected to grow faster than any other population segment. In 2012, the buying power for AAPIs residing in California was \$237 billion. By 2017, that number is expected to rise to \$318 billion (AARP Research, 2012). Across the country in New York, AAPI buying power as of 2012 was \$63 billion. By 2017, that number is also expected to rise to \$89 billion (ibid.). AAPI buying power is increasing, as can be said for the two states with

very high AAPI populations. However, these numbers do not reflect the reality for many ethnic groups within the AAPI community.

Additionally, while AAPI aggregate income for age fifty and over is high, AAPIs sixty-five and over are more at risk for economic insecurity compared to the total U.S. population that is sixty-five years and over (U.S. Census Bureau, 2012a). For example, AAPIs have a higher likelihood of being on food stamps and living in poverty. They are also less likely to have retirement income from pensions or other retirement plans.

Economic Insecurity among AAPIs

Based on disaggregated data, AAPI ethnic groups do not have a single range for economic status. As seen in Figure 1, many groups actually appear to be among the most economically distressed in the United States. Lower incomes for the AAPI sixty-five and over community also correlates to a high need for health insurance, housing, and supplemental income (Blacker, 2013, 1).

For example, among the largest AAPI populations, the Chinese (\$27,193), Vietnamese (\$27,111), and Korean (\$21,382) have lower median household incomes relative to the total U.S. population sixty-five and over, which is \$33,906 (*ibid.*). It should be noted that AAPIs tend to live in extended, or multigenerational, households. Because these groups, like most AAPI groups, are culturally known to have extended households with incomes used to support several individuals, they are among the most impoverished of AAPIs.

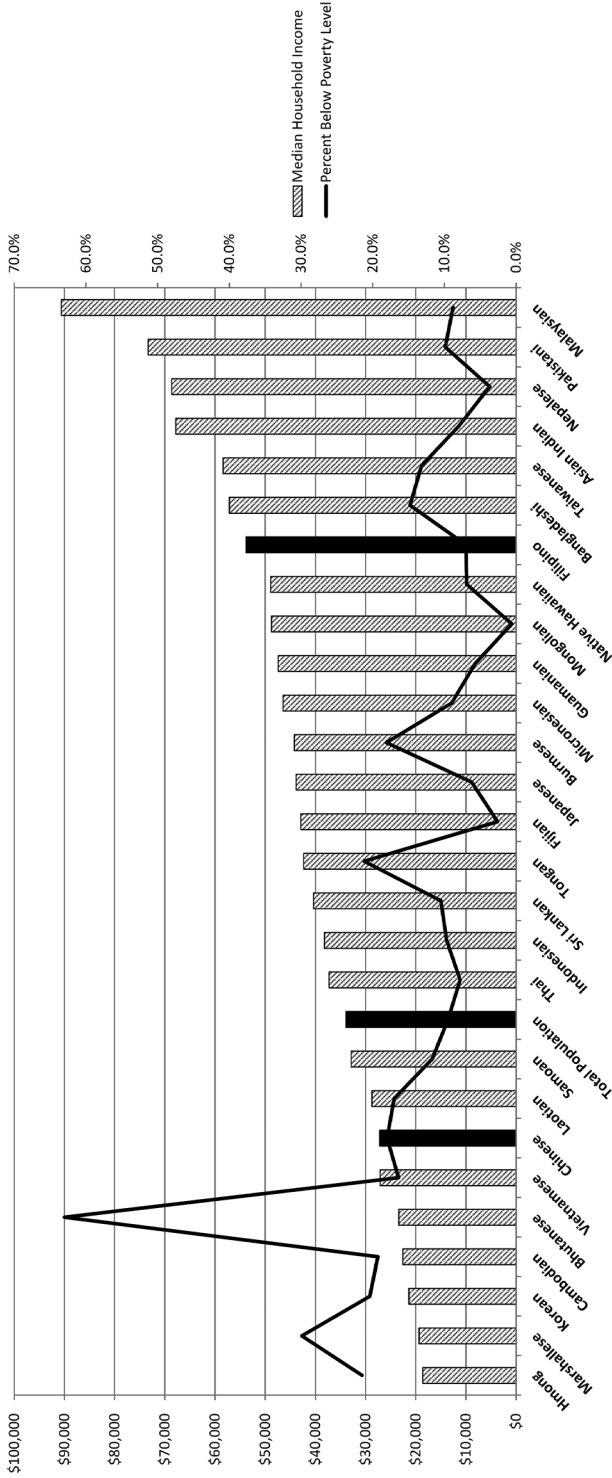
Poverty among Specific Ethnic Groups

Poverty levels for those sixty-five years and over differ across ethnic groups. Many AAPI ethnicities live below the poverty level, which is also demonstrated in Figure 1.

According to a data brief by the National Asian Pacific Center on Aging, in 2010, the poverty threshold for the U.S. population sixty-five years and over was an annual income of \$10,458 (*ibid.*, 2). About 9.5 percent of this age group is below this poverty level. However, this is not true for AAPI ethnic groups. Some of the largest and older AAPI populations have higher rates of poverty than the total U.S. population sixty-five and over (*ibid.*).

For example, 20.4 percent of the Korean sixty-five and over community lives below the poverty level; the same is true for 18 percent of Chinese and 16.4 percent of Vietnamese ethnic groups (*ibid.*). These are significant contrasts from the 9.5 percent of the total U.S. population.

Figure 1. Percent Below Poverty Level and Median Household Income by AAPI Ethnicity Sixty-Five Years and Older



Source: Blacker, Karen. 2013. "Asian Americans and Pacific Islanders in the United States Aged 65 Years and Older: Economic Indicators." National Asian Pacific Center on Aging (NAPCA) Data Brief 1(4): 1-2.

Social Security among AAPIs

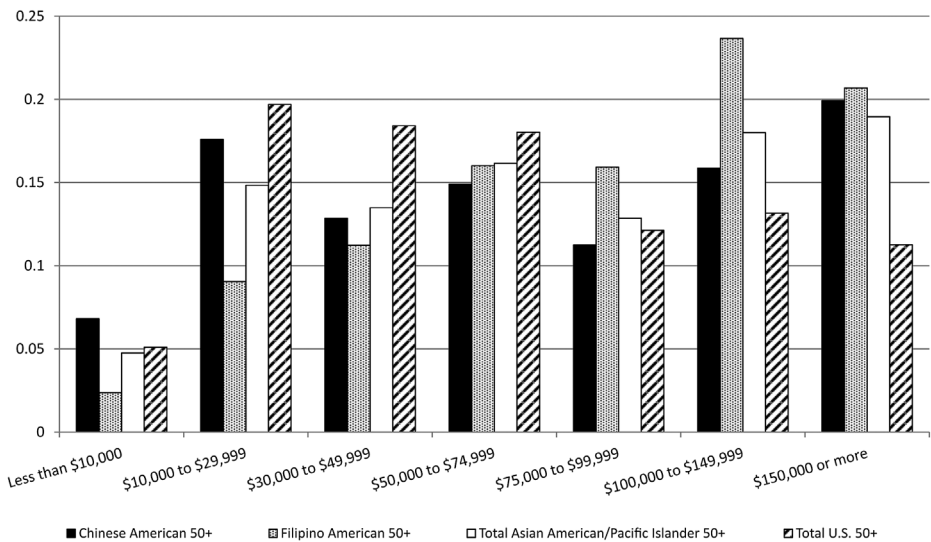
It is estimated that Social Security keeps 19 percent of older AAPIs out of poverty (Caldera, 2010). Among AAPI ethnicities, average Social Security incomes range from \$2,659 to \$10,867 a year (Blacker, 2013, 6). Additionally, the median income of those in families with a Social Security income is \$15,557 (Caldera, 2010). Because a majority of older AAPIs are recent immigrants facing limited resources and language barriers, they also have lower median Social Security incomes. Thus, AAPIs not only receive lower benefits, but also are likely to share those benefits with larger families. Once disaggregated, data on AAPIs shows a more accurate reading of specific ethnic groups.

A Closer Look at Chinese Americans and Filipino Americans

AARP’s History

Chinese and Filipino ethnicities were identified by AARP’s Multicultural Leadership department as first priority segments. They are the largest two out of the six main AAPI ethnic groups in the United States. Together, Chinese Americans and Filipino Americans represent 43 percent of the total AAPI fifty and over population.

Figure 2. Chinese American and Filipino American Household Income



Source: U.S. Census Bureau 2012a. (Prepared by AARP Research).

When looking at Chinese American and Filipino American households fifty years and over by income bracket in Figure 2, it is evident that the data is different from that for AAPIs fifty and over (U.S. Census Bureau, 2012a). About 18 percent of Chinese Americans, and 7 percent of Filipino Americans, age sixty-five and older, are living below the poverty level (Blacker, 2013, 2). Additionally, it is estimated that 5.2 percent of Chinese Americans sixty-five and older are uninsured; for the Filipino American community, 4.6 percent are uninsured (*ibid.*, 3). These numbers uncover the realities older AAPIs face, and should not be disregarded.

Study Background

A distinct gap in existing data sets prevents a more complete understanding of the economic security of AAPIs. To address this gap, in 2013 the AARP Research Center conducted a study on Chinese Americans and Filipino Americans ages fifty to seventy-five³ in Los Angeles, San Francisco, and New York. AARP seeks to serve the fast-growing AAPI market, with an initial focus on Chinese American and Filipino American communities. Through our study we found that disaggregated data of both Chinese Americans and Filipino Americans revealed a more nuanced understanding of AAPIs. Disaggregated data of these ethnic groups is necessary in understanding all factors that contribute to economic security, and for many older AAPIs, insecurity (AARP Research, 2013).⁴

Chinese Americans

Education, Income, and Employment

Our research revealed that for Chinese Americans educational and household income levels are polarized. When looking at educational attainment, 41 percent of Chinese Americans had a high school education or less. Additionally, only 45 percent of Chinese Americans had four years of college or more. Of those who provided a response, household income levels are also on both sides of the scale, with 39 percent having less than \$30,000 and 33 percent having more than \$75,000. Polarization in education and household income is more pronounced in New York than in Los Angeles and San Francisco. Of the 48 percent that are still employed, 79 percent are employed full time, and 21 percent are employed part time. Employment for those fifty to sixty-four in particular was 59 percent. With polarized education and household income levels, as well as high unemployment rates, 54 percent of Chinese Americans fifty and over were classified as vulnerable, or having lower incomes (AARP Research, 2013).

Lifestyle

Most Chinese Americans (79 percent) live with their spouses. Additionally, of those who provided a response, 47 percent reported having two generations living in a single household. More than 90 percent claimed that they retain primary responsibility for their household financial support (of those who provided a response). Not only are Chinese American households multigenerational, it is the older populations (who are generally in the age range for retirement) who are the head breadwinners. Despite the seeming financial burden, research showed that, among respondents, there was a very low perceived intention of returning to their home country (*ibid.*).

Acculturation

The majority of the Chinese fifty to seventy-five population retains a high dependency on their native tongue, especially among those who are less educated, have lower incomes, and are more recent arrivals to the United States. The average age of arrival of respondents in this age group was thirty-two years, with 98 percent born outside of the United States. It was also reported that 82 percent spoke only, or mostly, Chinese (Cantonese or Mandarin) at home. Additionally, of those not born in the United States, 44 percent reported that they spoke English very well or well, with only 42 percent reporting they read English very well or well. The aging Chinese community, comprised largely of immigrants, has experienced low levels of acculturation (*ibid.*).

Sources of Information for Products and Services

When asked how they like to receive information, most want printed product and service information to be either in Chinese (50 percent) or bilingual (34 percent). The Internet, friends/family, and newspapers were their main sources for receiving information. Looking more closely, the majority prefer Chinese or bilingual, even among the most educated and acculturated. The 50 percent who prefer printed products and service information in Chinese are those with lower income, with less education, who stated to have arrived in the United States later in life, and who are predominant Chinese speakers (*ibid.*).

Important Services

Overall, Chinese American respondents reported having strong family values. When asked what is needed to live a “good life,” they indicated that independence and not being a burden on the next generation was very important. Other factors for a high quality of life were

health, financial independence, family, security, housing, and mobility. They desire services that align with their values (health, security, and family) and empower them to live a confident and independent life. Among the five highest service needs were:

1. Health/medical insurance for all ages (including younger family members);
2. Medicare supplemental health insurance for people age sixty-five and over;
3. Keeping personal records safe and accessible;
4. Protection against consumer fraud / identity theft; and
5. Discounts on prescription drugs, vision, and dental (ibid.).

Filipino Americans

Education, Income, and Employment

Our research revealed that among Filipino Americans, education and household income levels are quite high, overall. Only 10 percent have a high school education or less, whereas 67 percent had at least four years of college or more. Of those who provided a response, household income levels were not as polarized as Chinese Americans; 22 percent had a household income less than \$30,000, whereas 47 percent had more than \$75,000. Of the 51 percent that are still employed, 83 percent are employed full time, and 17 percent are employed part time. Employment for those between the ages of fifty to sixty-four was even higher, at 64 percent. At this particular stage in life, a majority of Filipino Americans were classified as not vulnerable, or having higher incomes (ibid.).

Lifestyle

Similar to Chinese Americans, a majority of Filipino Americans (66 percent) live with their spouses. Of those who provided a response, 49 percent reported having two generations in a household, and 14 percent reported having at least three generations in their household. This confirms that Filipino American households tend to be multigenerational as well. At least 85 percent reported that they retain primary responsibility for household financial support (of those who provided a response). A substantial minority (29 percent) are quite likely to return to live in the Philippines. However, when broken down further, that percentage is largely attributed to those with lower incomes, and not those with college educational attainment (ibid.).

Acculturation

Filipino Americans are bicultural and bilingual. While they have a high command of the English language, many retain their native tongue. About 91 percent of respondents were born in the Philippines, with most of them arriving in the United States in their thirties. Tagalog is the major native tongue, particularly among the younger, more acculturated respondents. Other Filipino dialects, including Ilocano, were also indicated as native languages. It was reported that 66 percent speak Filipino and English equally or more English at home. Those who spoke mostly Filipino were generally females, older arrivers in the United States, and single-generation households. High income and education, as well as arriving in the United States at a younger age, determined higher use of English; of those not born in the United States, 87 percent reported being able to speak English very well or well, and 95 percent reported being able to read English very well or well (ibid.).

Sources of Information for Products and Services

When asked how they'd like to receive information, most Filipino Americans preferred printed product and service information to be in English (70 percent). The Internet is a major source, followed by friends/family for receiving information. These source preferences were largely determined by income, education level, and English speaking ability. A further breakdown shows that while 70 percent preferred printed information to be in English, 30 percent preferred Filipino or bilingual materials. Those who preferred the latter had lower incomes, were less educated, and arrived in the United States later in life (ibid.).

Important Services

When asked what is needed to live a "good life," Filipino Americans indicated that they see health and mental fitness, a cohesive and mutually supportive family, and protection as three foundational aspects of their lives. Additionally, Filipinos value faith and spirituality when it comes to aging. Among the five highest service needs were:

1. Health/medical insurance for all ages (including younger family members);
2. Keeping personal records safe and accessible;
3. Services to help children/grandchildren succeed in education and career;

4. Medicare supplemental health insurance for people age sixty-five and over; and
5. Protection against consumer fraud / identity theft (ibid.).

Summary

The AAPI fifty and over cohort is expected to increase by more than 200 percent from 4.3 million to 13.2 million over the next forty years. We, as a community and a nation, must understand the economic situation and implications that affects this particular community. The AAPI community is not a monolithic one, as there are different ethnicities and languages, different levels of English proficiency, separate needs, and varying levels of acculturation. Though some research exists for AAPIs as a whole, AARP's more nuanced research on two ethnic groups in particular, Chinese Americans and Filipino Americans, fills a gap and demonstrates that specialized research is required in order to understand and support the aging AAPI community in their needs and wants. This will also aid in conversations surrounding other minority groups who may experience similar resource inaccessibility and barriers in the United States. More disaggregated data can and should be used to inform policy makers, media, community organizations, and agencies in order to advance the well-being of all Americans fifty years old and over.

Acknowledgments

We would like to thank Yuko Araki, Senior Analytics and Insights Advisor, Advanced Analytics and Business Intelligence, AARP; Matrika Chapagain, Senior Research Advisor, AARP Research; Angela Houghton, Senior Research Advisor, AARP Research; and Xenia Montenegro, Former Team Lead/Senior Research Advisor, AARP Research.

Appendix

Our study was conducted in two phases. The first phase was done through twelve qualitative focus groups with a total of eighty-six respondents. Participants were male and female, ages fifty to seventy, and self-identified as Chinese or Filipino. All participants were residents of Los Angeles, San Francisco, or New York—these three areas have the highest concentration of Chinese Americans and Filipino Americans. Focus groups were conducted in Chinese (Mandarin and Cantonese) and Taglish (a combination of Tagalog and English) (AARP Research, 2013). The second phase consisted of quantitative phone interviews, twenty-seven minutes in length, with a sample size of $N = 1,527$. About 90 percent of the interviews were

conducted in language for Chinese (Mandarin or Cantonese). A mix of English and Taglish were used for interviews with Filipinos. The screening criteria for this particular phase were males and females ages fifty to seventy-five, self-identified as Chinese or Filipino, and residents of Los Angeles, San Francisco, and New York.

Notes

1. A visual representation of the AARP findings for this particular study (listed in the References section of this article) can be found in AARP's Report, "Are Asian Americans and Pacific Islanders Financially Secure? An AARP Report about the Economic Well-being of AAPIs Age 50+." This fifty-nine-page report was released in December 2014 and consists mostly of tables and graphs. It was released alongside two other reports: "Caregiving among Asian Americans and Pacific Islanders Age 50+: An AARP Report," published November 2014 and "The Health and Healthcare of Asian Americans and Pacific Islanders Age 50+: An AARP Report," published January 2015.
2. For these racial/ethnic groups, "consumer units" generally represent a family or a household.
3. Ages fifty to seventy-five includes those who are working and those who are not working, as a limitation.
4. See Appendix.

References

- AARP Research. 2012. Asian Population Quick Fact Sheets. <http://member.aarp.org/politics-society/advocacy/info-05-2012/Asian-quick-fact-sheets.html> (accessed on September 23, 2015).
- _____. 2013. "Chinese and Filipinos in Los Angeles, San Francisco and New York." Report of primary research among Chinese Americans and Filipino Americans age 50 to 75, 2013.
- Blacker, Karen. 2013. "Asian Americans and Pacific Islanders in the United States Aged 65 Years and Older: Economic Indicators." *National Asian Pacific Center on Aging Data Brief* 1(4): 1-7.
- Caldera, Selena. 2010. "Social Security: A Key Retirement Income Source for Minorities." *AARP Policy Institute Fact Sheet*.
- U.S. Bureau of Labor Statistics. 2012. Consumer Expenditure Survey, 2012 (prepared by the AARP Public Policy Institute).
- U.S. Census Bureau. 2012a. American Community Survey, Public Use Micro-data Samples, 2012 (prepared by AARP Research).
- _____. 2012b. National Population Projections, Population Division, 2012.

DAPHNE KWOK is the Vice President of Multicultural Leadership for Asian American and Pacific Islander Audiences at AARP. She leads efforts to engage and integrate the interests of AAPIs age fifty and over into the organization. Daphne currently serves on President Obama's Advisory Commission on AAPIs and counsels the president and federal government on issues impacting the community. She chaired the commission from 2010 to 2014. Prior to AARP, Daphne served as the Executive Director of Asians and Pacific Islanders with Disabilities of California; Angel Island Immigration Station Foundation; Asian Pacific American Institute for Congressional Studies; and OCA—Asian Pacific American Advocates.

RYANN TANAP is an Asian American and Pacific Islander Audience Consultant for Multicultural Leadership at AARP. She assists with marketing, research, writing, and event planning. Outside of AARP, she is a mental health and wellness advocate. Ryann completed the Coro Fellowship in Public Affairs and Global Playground's Thailand Teaching Fellowship. She served as editor-in-chief and blog director for Pilipino American Unity for Progress (UniPro).