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AAPI Nexus: Policy, Practice and Community

Title

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Permalink

<https://escholarship.org/uc/item/5w26v3kk>

Journal

AAPI Nexus: Policy, Practice and Community, 9(1-2)

ISSN

1545-0317

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Publication Date

2011

DOI

10.36650/nexus9.1-2_101-112_Shih

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Working but Poor in New York City

Howard Shih

Summary

This policy brief summarizes the methodology and key findings of the Asian American Federation's report, *Working but Poor: Asian Americans in New York City*. The report marked the first time Asian American poverty in New York City was examined in detail using the new American Community Survey (ACS) Public Use Microdata Sample. The report also uses two definitions to examine struggling Asian Americans, the official poverty thresholds traditionally used and a concept of low-income families defined as families living below twice the federal poverty thresholds. After a summary on the methodology of the report, the brief will cover the findings and recommendations through three issue areas: improving job opportunities for working-age Asian Americans, building skills to help Asian American children broaden their future opportunities, and helping seniors in need of access to the social safety net. The brief concludes with an overview of Asian American poverty from a national perspective and discussion of future areas of study.

Introduction

Even before the economic crisis of 2008, community organizations that serve Asian Americans had trouble attracting their fair share of funding (Gupta and Ritoper, 2007; Sim, 2002). One cause of this funding gap is that poverty in the Asian American community is largely hidden from the general public. This lack of awareness can be traced to a variety of reasons. The success stories of some Asian Americans have created a model minority myth that masks the real need felt by many other Asian American families. Asian Americans in poverty are also reluctant to seek government assistance, partly because of cultural or immigration concerns but also because antipoverty programs in recent years have been focusing on employment. Many Asian American families, as we shall see, are already fully employed and left out of many initiatives. Finally, reports on poverty in New York City often gloss over the issue

of poverty in the Asian American community largely because the headline numbers hide large portions of the Asian American community that are trapped in poverty.

In 2008, the Asian American Federation issued a report entitled *Working but Poor: Asian American Poverty in New York City*. The report tells the story of a productive, hard-working population that nevertheless remains poor for most of their lives, trapped at the bottom of the economic ladder. Release of new ACS data provided an opportunity to examine the characteristics of poor and low-income Asian Americans, inform policy discussions, and create a foundation for tracking the conditions of Asian Americans in the city over time. This policy brief will cover the methodology of our report and outreach, some key findings of our report, and policy considerations based on those findings. The brief will conclude with a discussion of Asian American poverty nationally and outline some future research needs.

Methodology

Because the report sought to shed light on Asian Americans in need, the federation chose to examine Asian Americans who are considered low-income and those who lived below the official poverty line, going beyond the standard reports on poverty. We also chose to compare Asian Americans with non-Hispanic whites in order to challenge the belief that Asian Americans are a model minority.

The report used the 2006 ACS Public Use Microdata Sample. This data set allowed us to take a detailed look at the characteristics of the Asian American population in need. The usual pretabulated products from the U.S. Census Bureau (available on their American Factfinder Web site) only report data for those living below the official poverty threshold and only for selected characteristics.

In creating the report, the federation decided on key characteristics that differentiated low-income Asian Americans from the rest of the low-income population in New York City, based on our knowledge of the challenges our member agencies face when serving Asian Americans in need. For example, we highlighted English proficiency because English-language classes run by our member agencies are oversubscribed in New York City.

Finally, a key component of our program was outreach. The federation sought to publicize the report through existing networks and relationships in order to maximize the impact of the

report. Accordingly, we held a community briefing cohosted by the United Way of New York City and the Human Services Council on October 30, 2008. We reached out to member agency directors, nonprofit leaders, foundation program officers, and government representatives. The federation also held a donor briefing. Attendees included past donors to the federation as well as two members of the mainstream media. As a result of this meeting, My9 and Fox5 stations in New York City ran a ten-minute local news segment that used the data of the report and stories of individuals in the community. All these outreach activities culminated in the New York State governor's office hosting a meeting with the federation, community leaders, and various other nonprofit organizations to discuss ways the state could better serve the Asian American community and its members who are in need.

Report Findings and Recommendations

Overall, Asian American New Yorkers were much more likely to live in poverty than non-Hispanic whites. In the 2006 ACS, Asian American poverty and low-income rates were 18.5 percent and 40.5 percent, respectively, compared with 10.8 percent and 23.8 percent for non-Hispanic whites and 19.3 percent and 38.8 percent for the total city population.

A parity index analysis of poverty rates and low-income rates is more revealing for the Asian American community. Comparing 2000 and 2006 data shows that although blacks and Hispanics improved their relative positions to that of non-Hispanic whites, Asian Americans did not improve their standing. A higher parity index for poverty rates in 2006 means that the Asian American poverty rate was higher in 2006 relative to that of non-Hispanic whites. The analysis suggests that whatever policies or economic conditions that helped reduce poverty in New York City from 2000 to 2006 failed to help Asian Americans as much as other race and ethnic groups. (See Table 1, next page)

Extending the analysis to children (those under 18 years of age), working-age residents (age 18 to 64), and seniors (those 65 years of age or older) shows a variety of changes in poverty between 2000 and 2006. Asian Americans of working age had comparable changes in poverty and low-income rate parity indices compared with blacks and Hispanics. For children and seniors, Asian Americans fared relatively worse than blacks and Hispanics.

Table 1. Parity Index Analysis of Poverty and Low Income Rates

Total Population	2000	2006	Percent Change
Parity Index for Poverty Rate (Normalized to Non-Hispanic Whites)			
Asian	1.63	1.71	5%
Black	2.14	2.13	-1%
Hispanic	2.57	2.56	0%
Parity Index for Low-Income Rates (Normalized to Non-Hispanic Whites)			
Asian	1.70	1.70	0%
Black	1.86	1.78	-4%
Hispanic	2.32	2.23	-4%
Working Age Population			
Parity Index for Poverty Rate (Normalized to Non-Hispanic Whites)			
Asian	1.71	1.62	-5%
Black	2.16	2.14	-1%
Hispanic	2.63	2.53	-4%
Parity Index for Low-Income Rates (Normalized to Non-Hispanic Whites)			
Asian	1.92	1.87	-3%
Black	1.98	1.93	-3%
Hispanic	2.56	2.50	-2%
Children			
Parity Index for Poverty Rate (Normalized to Non-Hispanic Whites)			
Asian	1.39	1.75	26%
Black	2.04	2.23	10%
Hispanic	2.43	2.62	8%
Parity Index for Low-Income Rates (Normalized to Non-Hispanic Whites)			
Asian	1.59	1.65	4%
Black	1.82	1.72	-5%
Hispanic	2.13	2.07	-3%
Seniors			
Parity Index for Poverty Rate (normalized to non-Hispanic whites)			
Asian	2.05	2.30	12%
Black	2.03	1.46	-28%
Hispanic	2.62	2.19	-16%
Parity Index for Low-Income Rates (normalized to non-Hispanic whites)			
Asian	1.12	1.03	-8%
Black	1.16	1.06	-8%
Hispanic	1.50	1.38	-8%

Source: U.S. Census Bureau, Census 2000 Summary File 4; 2006 American Community Survey Public Use Microdata Sample

The poverty experiences of Asian American New Yorkers, and perhaps of the immigrant population in general, suggest several implications for policies and programs to increase economic opportunity for low-income Asian American New Yorkers. These recommendations seek to address three key issues that may help to explain the differences seen in the parity index analysis: low-income Asian Americans are more likely to be working in ethnic-enclave economies and unable to access the full range of economic opportunities that the city offers, low-income children tend to live in two-parent, linguistically isolated households, and Asian American seniors often are missed by many of the social safety nets that alleviate senior poverty in the United States.

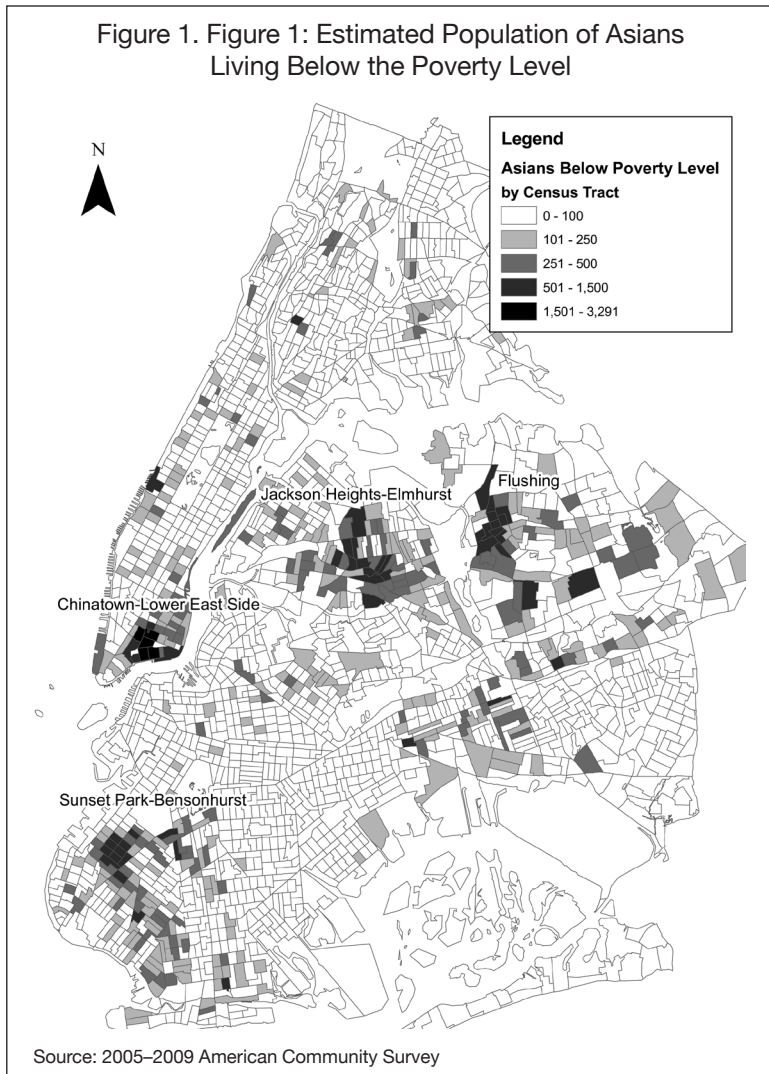
Low-Income Asian American Workers in Enclave Economies

The characteristics of working-age Asian American New Yorkers show that obtaining employment is not the primary challenge that faces poor Asian Americans. Rather developing job skills to seek work beyond the ethnic-enclave economies is a major barrier. Working-age Asian American New Yorkers were more likely to be among the working poor than the general city population in that age group. Almost half (47%) of working-age Asian Americans below the poverty level were participating in the labor force in 2006, compared with 42 percent of all working-age adults. The unemployment rate of working-age Asian Americans in poverty was 16 percent, compared with 27 percent for all poor New Yorkers in that age group.

Poor and low-income Asian Americans were more apt to work full time (35 or more hours a week) than the city's low-income population overall. Almost one-third (31%) of working-age Asian Americans in poverty worked full time, compared with less than one-fourth (24%) of all poor working-age adults. Among low-income working-age adults, 57 percent of Asian Americans and 52 percent of all New Yorkers worked full time.

Although employment is less of an obstacle to working-age Asian Americans in poverty, the quality of the jobs held remains a challenge. Recently released data from the 2005–2009 ACS confirms the physical ties that many poor Asian Americans have to the ethnic-enclave economies. Geographically, Asian American New Yorkers living in poverty were clustered around the four major ethnic enclaves. The most famous is the working-class Chinatown

and Lower East Side neighborhoods of Manhattan. In addition, Flushing in Queens and Sunset Park and Bensonhurst in Brooklyn have large populations of Asian Americans in poverty. The Jackson Heights and Elmhurst neighborhoods in Queens were home to many South Asians as well as to Chinese who were living below the poverty level. The Asian American poor cluster in these neighborhoods so that they may live close to sources of jobs and services. There also exists an alternative network of commuter vans



that connects the three major ethnic enclaves of Chinatown, Sunset Park, and Flushing that complements the extensive mass-transit network already in the city.

Further evidence of poor and low-income Asian Americans' reliance on the ethnic-enclave economies can be seen in the types of occupations and industries that employ them. Poor and low-income Asian Americans were more likely than Asian Americans with higher incomes to work in service, production, transportation, and material-moving occupations. These occupational categories reinforce what our social-service agency partners have seen in the community. Poor and low-income Asian Americans are more likely to be employed as waiters, cooks, hairdressers, barbers, garment workers, taxi drivers, and warehouse workers. Food services, retail trade, manufacturing, construction, and other service-industry groups employed disproportionately large percentages of poor and low-income Asian Americans. These reflect the ethnic-enclave economies' reliance on restaurants, retail stores, garment industry, personal care services, and laundry services.

As part of our report, the federation made several types of recommendations to help address the needs of low-income working-age Asian Americans:

- Improving economic opportunities for immigrants addresses the primary causes of persistent poverty: low wages and limited employment opportunities. Building English ability, learning new job skills, and using existing skills and credentials better would help immigrants advance to superior jobs.
- Supporting economic development efforts in enclave economies that encourage a diversified, vibrant business community rather than a hypercompetitive, low-margin, narrow economy would help stabilize the local economy and raise wages and labor standards.
- Increasing the availability of low-income housing is critical for alleviating poverty. More than 90 percent of Asian households in poverty spend more than 30 percent of their income on housing costs, the commonly used threshold for affordable housing.

Children

We found that among children, family and language differences separated Asian American children in poverty from New

York City children in general. Roughly one in four Asian American children in New York City (25.6%) lived in poverty during 2006. Asian American children had a slightly lower poverty rate than all New York City children (28.3%) but a somewhat higher low-income rate (52.2% for Asian Americans compared with 51.1%).

The majority of Asian American children in poverty lived in a different family setting than poor New York City children as a group. More than half (55%) of Asian American children below the poverty level in 2006 lived in two-parent households in which only the father worked. An additional 15 percent lived in two-income, two-parent households. By contrast, among the general population, the majority (58%) of poor children lived in single-mother households, and slightly more than half of those mothers were employed. Asian American children in poverty were also less likely to live in households with all parents unemployed: less than one in eight poor Asian American children and about one in three of all children in poverty lived in such conditions.

Poor and low-income school-age Asian American children (ages 5 to 17) were about twice as likely to face language obstacles as school-age city children overall in those income categories. Almost one-third (32%) of poor school-age Asian American children were limited English proficient, compared with 15 percent of all city children in that age group, during 2006. For low-income school-age children, 28 percent of Asian Americans and 14 percent of all children had limited English skills. Almost half (49%) of Asian American children below the poverty level were in linguistically isolated households, compared with less than one-quarter (23%) of all children. In the low-income range, language isolation affected 44 percent of Asian American school-age children, double the rate for school-age children overall.

In our report, the federation made a series of recommendations to address the needs of low-income Asian American children. Many of the recommendations for working-age adults will positively improve conditions for many children; the following recommendations are targeted at the children and their parents specifically:

- Investing in child care, schools, and youth development programs in immigrant communities is essential to enabling working families to break out of poverty by enriching future opportunities for the next generation.

- Improve communications with immigrant parents to encourage them to enroll their children in these programs so youth can fully expand their resource repertoires beyond academic success.

Seniors

Seniors were the poorest of the three Asian American age groups in New York City. Almost one in three elderly Asian Americans (31.3%) lived in poverty during 2006. That poverty rate surpassed that of senior New Yorkers overall (19.4%) and all other race and ethnic groups in the city. Also in 2006, more than half (54.1%) of elderly Asian Americans were low-income, compared with 42.6 percent of all older New Yorkers.

Poor and low-income Asian American seniors, on the one hand, and seniors citywide, on the other, displayed major differences in household makeup. Almost two-thirds (64%) of elderly Asian Americans in poverty lived in households headed by married couples, compared with 27 percent of all poor New York City elders, during 2006. Only 28 percent of impoverished Asian American seniors lived in nonfamily households, compared with 59 percent of all city seniors in poverty. Although less than one-third (31%) of elderly Asian Americans in married-couple family households lived in poverty, the majority (58%) of older Asian Americans in nonfamily households were poor. More than four in five Asian American seniors in nonfamily households (83%) were low income.

Finally, Asian American immigrant seniors who recently arrived were much more likely to be living in poverty. More than half of Asian American immigrant seniors who arrived between 2000 and 2006 lived in poverty, compared to slightly more than one-quarter of Asian American immigrant seniors who arrived before the year 2000. Many of these most recent arrivals do not have access to Social Security or Medicare.

In our report the federation recommends:

- Educating workers to file income-tax returns and pay due employment taxes in order to establish a work history would enable workers to invest in the Social Security system for their future retirement. Many workers in the enclave economy who choose not to file income taxes put themselves at risk to be living in poverty when they retire.
- Enabling elderly Asian American immigrants to benefit fully from the social safety net that has protected the

general elderly population is vital to combating poverty among elderly Asian American and to nurturing their well-being.

- Providing opportunities for active Asian American seniors to participate in the economy and community as workers or paid volunteers would increase earning opportunities and enrich their quality of life. The Senior Community Service Employment Program provides subsidized, part-time community service employment and work-based training for low-income adults age fifty-five or older who have poor employment prospects. Participants are paid at the highest minimum-wage standard, whether federal, state, or local, and mostly work part time. The program's goal is to place 30 percent of participants into unsubsidized jobs. The Foster Grandparent Program is another example of engaging active seniors and includes a stipend.

National Implications and Future Work

The Asian American Federation submitted this paper to encourage other Asian American organizations to utilize public data to examine the issue of poverty in their region and to advocate for informed policy changes in order to help those in need.

Nationally, Asian Americans had a higher poverty rate than non-Hispanic whites. A parity index analysis of 2005–2009 ACS data shows that, nationally, the Asian American poverty parity index was 116, compared to 172 for New York State. The Asian American poverty rate was 10.9 percent nationally compared to 15.4 percent in New York State, compared with 9.4 percent nationally and 9.0 percent in New York for non-Hispanic whites. New York State is sadly not unique. Thirty-six other states had Asian American poverty parity indices greater than 116. Five states had higher parity indices than New York State: Minnesota, Rhode Island, Massachusetts, Wisconsin, and Utah.

Although our analysis focused on New York City, many of the same issues are faced by Asian Americans across the country. The focus on improving job opportunities for working-age Asian Americans, building skills to help Asian American children broaden their future opportunities, and helping seniors in need access the social safety net are all generally applicable to Asian Americans nationally. However, a number of factors may differentiate New York City Asian Americans in poverty from their counterparts nationally. Poor Asian American New Yorkers are predominately working-

class economic migrants with a strong history of immigration. As a result, Asian American New Yorkers benefit from a network of community-based organizations focused on helping them navigate and adapt to life in the United States. In other parts of the country, some Asian American communities are refugees, who fled political and social turmoil in their home countries. Often they are resettled in areas far away from other Asian American communities and have to build their own support infrastructure. Examples of these groups include the Burmese and Bhutanese, who have seen large increases in refugees granted residency in the United States during the latter half of the 2000s. The federation found Burmese refugee communities in Albany and Buffalo, New York, during our 2010 census outreach campaign. Another factor of differentiation is that there exists a strong dichotomy between New York City and the surrounding suburbs. Low-income Asian Americans are more likely to live in New York City while more well-off Asian Americans are attracted to the suburbs. By contrast, in California, Asian Americans are less concentrated in the urban core and have a more balanced income distribution between the urban core and the suburbs.

In the future, the federation plans to update our *Working but Poor* report with new data from the ongoing ACS. We look to address new topics, such as health insurance coverage among the poor and low-income Asian Americans, and revisit the analyses in the first report to track how the community is doing.

Notes

1. The Urban Institute defines *low-income* as less than twice the federal poverty level. Urban Institute, "Low-Income Working Families: Facts and Figures." <http://www.urban.org/publications/900832.html> (accessed August 8, 2008).
2. *Linguistic isolation* is defined as including all members of a household in which no adults (people age 14 or older) speak English only or speak English very well.

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