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# Revisiting works on Asian American wealth and inequality through **Graphics**

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Asian Americans are internally diverse, with a rich set of cultural differences and also a varied set of challenges -- suffering from systematic economic disparities, which too often go unacknowledged. With support from the Ford Foundation, the UCLA Asian American Studies Center (AASC) and the UCLA Center for Neighborhood Knowledge (CNK) have been able to conduct pioneering research on wealth inequality among Asian Americans. The goal is to uncover patterns that can guide the formulation of policies as programs that ensure financial security for all.

Over the years, AASC and CNK has produced important findings, reported in thousands of lines of text. The following pages visually represent some of the major findings relating to the theme of wealth and financial security -- defined as having enough assets to address short-term needs (unemployment spells, health and other emergencies) and long-term investments (education, retirement).

For complete findings and further discussion, please refer to the source materials listed alongside each set of graphics. In addition to these, other reports produced on topics of wealth and inequality can be found in previous volumes of AAPI Nexus and in the series of reports produced for the Ford Foundation's Building Economic Security Over a Lifetime Initiative.

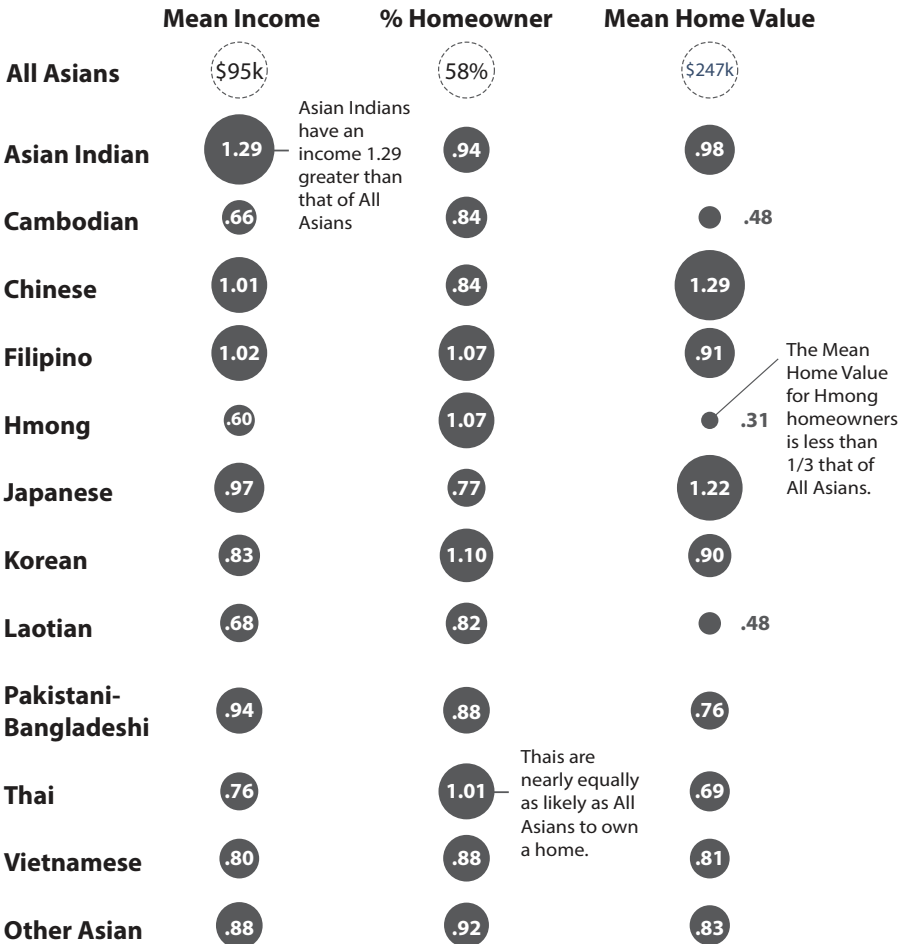
# How are Asian American households faring financially?

**What are some of the factors influencing wealth prospects? What are challenges to building economic security?** Asian Americans are often stereotyped as doing well, relative to other racial groups; however, it has been shown that well-being and the degree of economic prospects can vary widely between ethnic groups.

## NATIONALLY

A look at a few elements of wealth -- notice that greater income does not always translate into greater homeownership or home values.

From "The Complexity of Asian American Wealth: Ethnicity, Immigration, and Within-Group Disparities" by R.V. Patraporn, P.M. Ong, and C. Pech (2015)



## Building wealth and investing in the future

For the typical household, housing assets are a major component of wealth. The **median home equity for All Asians is about \$110k**. U.S.- and Chinese-born Asians have higher numbers than this; however, **many foreign-born ethnic groups fall below this figure**.

From: "Diversity and Disparity in Home Equity among Asian Americans" by C. Pech, J. Chhea, and P.M. Ong (2015)

### Home equity values by country of origin



**China** \$200k  
**USA** \$130k



**All Asians** \$110k  
**Korea** \$110k  
**India** \$100k  
**Vietnam** \$100k



**Other** \$83k  
**Southeast Asia** \$80k  
**Philippines** \$50k

## Comparing sources of wealth

**Wealth** is equivalent to one's **gross assets** minus one's **debts**. **Assets** can include financial assets (can be quickly converted to cash) and tangible assets (homes, vehicles, other real estate). **Debt** can include mortgages, vehicle debt, credit cards, medical debt, student loan debt, among others.

From: "The Color of Wealth in Los Angeles" by M. De La Cruz-Viesca, Z.X. Chen, P. M. Ong, D. Hamilton, W.A. Darity Jr. (2016)

### A look at wealth among Los Angeles AAPI

#### Who is most likely to...

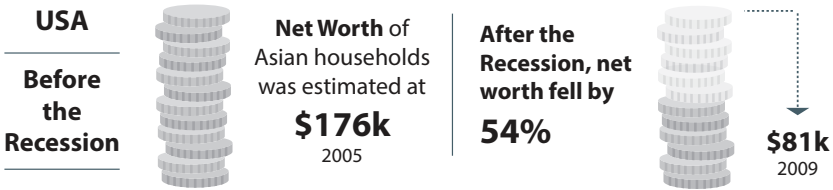
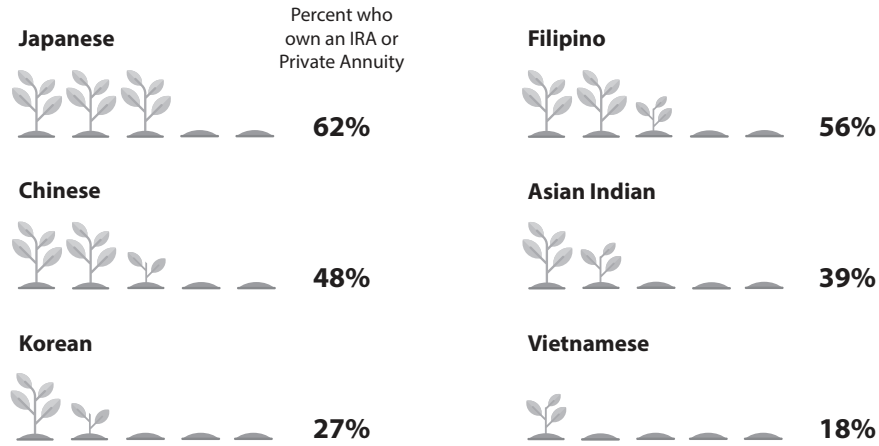
|                     | Use formal banking systems? |                 | Own stocks?                      | Have various forms of debt? |              |                 |
|---------------------|-----------------------------|-----------------|----------------------------------|-----------------------------|--------------|-----------------|
|                     | Checking Account            | Savings Account | a major asset in wealth building | Credit Card                 | Student Loan | Automobile Debt |
| <b>Chinese</b>      | 85%                         | 82%             | 48%                              | 17%                         | 14%          | 18%             |
| <b>Japanese</b>     | 93%                         | 86%             | 61%                              | 42%                         | 8%           | 20%             |
| <b>Korean</b>       | 81%                         | 58%             | 24%                              | 29%                         | 16%          | 25%             |
| <b>Vietnamese</b>   | 55%                         | 37%             | 10%                              | 24%                         | 13%          | 11%             |
| <b>Filipino</b>     | 84%                         | 75%             | 42%                              | 48%                         | 16%          | 28%             |
| <b>Asian Indian</b> | 86%                         | 77%             | 60%                              | 26%                         | 5%           | 12%             |

**Another** look at wealth among Los Angeles AAPIs

### Planning for retirement

There is **wide variation among Asian ethnic groups** when it comes to saving for retirement. Different groups own an IRA or private annuity at different rates, having these assets can affect current wealth and the accumulation

From: "The Color of Wealth in Los Angeles"



From: "The Color of Wealth in Los Angeles"

### Challenges to building wealth and security

Homes are a major source of wealth and the housing crisis dramatically affected Americans' wealth. The relative effect of the crisis on households varied between native- and foreign-born Asians and also varied widely between different immigrant groups.

**Between 2007 and 2013, Asian immigrant families saw a 35% loss in home equity.**

Homeowners from India, Southeast Asia (Cambodia, Laos, Thailand), and Vietnam saw a **40% or greater loss in equity.**

Homeowners from the Philippines suffered the **highest loss in equity at a 78% drop in value.**

From: "Diversity and Disparity in Home Equity among Asian Americans"



## FINANCIAL HEALTH AMONG AAPI ELDERLY

### Income from Assets

Financial security among the elderly is important as it can impact quality of life. Having **income from assets** can be used as a reasonable proxy for holding wealth-producing assets. This income can help to tell us about **financial security among the elderly** and their access to financial resources other than Social Security.

From: "Wealth Heterogeneity among Asian American Elderly" by P.M. Ong, C. Pech, and J. Chhea (2016)

Among AAPI Elderly

**only 35%**

**draws income from assets**



Among Asian American elderly, **Taiwanese** are the most likely to **own homes** while **Cambodians, Hmongs, and Laotians** have the lowest rate of homeownership.



**83%** of Taiwanese elderly own a home



**Only 47%** of Cambodian, Hmong, and Laotian elderly own a home

## Challenging the stereotype of a “model minority”

Asian Americans as a “model minority” is based upon the assumptions that Asians as a group are doing well, relative to others. This simplistic stereotype belies the fact that while some Asians are doing well in some aspects of wealth and security, there is wide variation in the circumstances and the challenges faced by different groups and segments of this population. The myth obscures the challenges of disadvantaged groups, creating the danger of a policy discourse that can become deaf to their needs.

Policies and programs to close the wealth gap need to be culturally and linguistically appropriate, developed upon strategies that tap into existing community institutions and practices. Moreover, efforts must prioritize the disadvantaged.

### **All figures are drawn directly from the following research:**

De La Cruz-Viesca, M., Chen, Z., Ong, P. M., Hamilton, D., & Darity Jr., W. A. (2016). "The Color of Wealth in Los Angeles." Federal Reserve Bank of San Francisco.

Ong, P.M., Pech, C., and Chhea, J. 2016. "Wealth Heterogeneity among Asian American Elderly."

Patraporn, R.V., Ong, P.M., Pech, C. 2015. "The Complexity of Asian American Wealth: Ethnicity, Immigration, and Within-Group Disparities."

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### **For additional research on related topics of wealth and financial security:**

AAPI Nexus Journal "Special Issue on Wealth Inequality and Asian American Pacific Islanders" (Vol. 13: 1&2): <http://www.uclajournals.org/toc/appc/13/1-2>

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Ong, P.M., Pech, C., and Pfeiffer, D. "The Foreclosure Crisis in Los Angeles," in *California Policy Options, 2014*, edited by Daniel J. B. Mitchell, Los Angeles: UCLA Luskin School of Public Affairs, pp. 31-51.

Ong, P.M. and Patraporn, R.V. "Asian Americans and Wealth," in Jessica Gordon Nembhard and Rhonda Williams, editors, *Wealth Accumulation and Communities of Color in the U.S.*, University of Michigan, 2006, pp. 173-190.

Patraporn, V., Ong, P.M. and Houston, D. "Closing the Asian-White Wealth Gap?," *Asian American Policy Review*, Volume 18, 2009.

Patraporn, R.V., Tran, L.D., & Ong, P. M. (2015). "Risks and Rewards in Wealth Building: Asian American Homeownership and Foreclosure Pre and Post Housing Boom in East San Gabriel Valley, California." In UCLA Asian American Studies Center, AAPI Nexus: Asian Americans & Pacific Islanders Policy, Practice and Community (Vol. 13, pp. 122-148). Los Angeles: UCLA Asian American Studies Center Press.

Pfeiffer, D., Wong, K., Ong, P.M. and De La Cruz-Viesca, M. "Ethnically bounded homeownership: qualitative insights on Los Angeles immigrant homeowners' experiences during the U.S. Great Recession," *Housing Studies*, forthcoming, published online 14 Jul 2016

UCLA Asian American Studies Center Policy Reports for the Ford Foundation's Building Economic Security Over a Lifetime Initiative.

### **Icons:**

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