

Working but Poor: Asian American Poverty in New York City



Asian American Federation



Working but Poor: Asian American Poverty in New York City



Asian American Federation

October 2008

Funding for the Report by
C.J. Huang Foundation
Ong Family Foundation
United Way of New York City

Data Citations from this report should include the following acknowledgment: “Data derived from analysis performed by the Asian American Federation Census Information Center.”

For more information about the report, please contact the Asian American Federation Census Information Center at (212) 344-5878 x 19 or howard.shih@aafederation.org.

Copyright © 2008 Asian American Federation

Executive Summary

Introduction

Asian American poverty in New York City is a serious, growing issue although it is largely unknown to the general public. The New York metropolitan area has the highest Asian poverty rate among the 10 metro areas with the most Asian residents, according to 2006 census information. The number of poor Asian New Yorkers also is increasing, as Asians are the fastest-growing major race or ethnic group in the city.¹

To increase understanding and encourage improvements, the Asian American Federation is providing the first detailed report on Asian New Yorkers in poverty based on 2006 and 2000 U.S. Census Bureau data. This report is designed to inform policy discussions and create a foundation for tracking conditions of low-income² Asians in the city over time.

National Asian population statistics help cast Asians as the model minority. According to the 2006 American Community Survey (ACS), median household income for Asians nationwide was \$63,642, higher than \$52,375 for non-Hispanic whites. However, the poverty rate among Asians nationwide was almost 11 percent, higher than 9 percent for non-Hispanic whites. New York City presents greater contrasts between Asians on the one hand and non-Hispanic whites.

Key Findings

Asians in Poverty in New York City Have a Distinctive Set of Traits and Circumstances.

- **Asian New Yorkers are much more likely to live in poverty than non-Hispanic whites. Being near-poor is more common for Asians than for non-Hispanic whites, blacks and the population at large.** In New York City in 2000, nearly 1 in 5 Asians (19.6 percent, or 152,674 people) lived below the poverty level and 40.9 percent (318,981) lived below twice the federal poverty level (in the low-income bracket). Those figures surpassed an 11.5 percent poverty rate and 24.0 percent low-income rate for non-Hispanic whites. Asians were less likely to be poor than New Yorkers at large, who had a 21.2 percent poverty rate, but Asians' low-income rate exceeded 39.8 percent for city residents overall.

¹ New York City's Asian population of 963,295 represented 12 percent of city residents in 2006, up from 10 percent in 2000. Major race groups defined by the White House Office of Management and Budget are American Indian, Asian, black, Alaska native, native Hawaiian, Pacific Islander and white. Hispanic origin is considered the major ethnic category.

² 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>. Downloaded August 8, 2008.

Executive Summary

- These patterns persisted in 2006, when poverty and low-income rates dropped somewhat for the entire population and for all race and ethnic groups. In 2006, Asian 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.
- In 2000 and 2006, New York City's Asian population had a higher percentage of near-poor³ people (21.3 percent in 2000 and 22 percent in 2006) than non-Hispanic whites (12 percent and 13 percent), blacks (19 percent and 19.4 percent), and the general population (18.5 percent and 19 percent).

The composition of New York City Asian households in poverty differs substantially from that of poor city households in general.

- The majority (56 percent) of Asian households in poverty in 2006 were led by married couples, compared with 26 percent of all poor city households.
- Among Asians that year, people in non-family households had the highest poverty rate (26 percent). However, in the general population, households headed by single women had the highest incidence of poverty (32 percent).

Asian immigrants arriving in the United States in this decade are more apt to be poor than recent New York City immigrants overall.

- In 2006, about three-quarters of Asian New Yorkers were immigrants, compared with slightly more than one-third of all city residents.
- Asians in New York City who immigrated from 2000 to 2006 had a higher poverty rate (28 percent) than all city immigrants arriving in that time frame (23 percent), suggesting higher economic hurdles for new Asian immigrants than other recent arrivals.

Poverty rates vary widely among Asian ethnic groups in New York City.

- The poverty rate ranged from 5 percent for Filipinos to 31 percent for Cambodians in 2000, the most recent year for which this information is available for all Asian ethnic groups.
- Besides Cambodians, ethnicities with poverty rates exceeding the overall Asian rate by at least one percentage point in 2000 were Bangladeshis (29 percent), Vietnamese (28 percent), Pakistanis (27 percent), Japanese (24 percent), Sri Lankan and Chinese (both 22 percent).
- At the other end of the spectrum of poverty rates, just above Filipinos, were Thais (10 percent), Taiwanese (16 percent), Indians and Koreans (both 17 percent).

Family and Language Differences Separate Asian Children in Poverty from New York City Children in General.

About one-fourth of Asian children in New York City live in poverty, and more than half are in the low-income bracket.

- Roughly 1 in 4 Asian children in New York City (25.6 percent) lived in poverty in 2006 – up from 22.6 percent in 2000. In the same time period, poverty rates also were relatively constant for children overall and for black, Hispanic and non-Hispanic white children in the city.
- In 2006, Asian children had a slightly lower poverty rate than all New York City children (28.3 percent) but a somewhat higher low-income rate (52.2 percent for Asians compared with 51.1 percent).

The majority of Asian children in poverty grow up in a different family setting than poor New York City children as a whole.

- More than half (55 percent) of Asian children below the poverty level in 2006 lived in two-parent households in which only the father worked.

³ An individual is considered near-poor if he or she lives in a family with income above the federal poverty threshold but below twice the federal poverty threshold.

Working but Poor: Asian American Poverty in New York City

- By contrast, among the general population, the majority (58 percent) of poor children lived with only their mother, and slightly more than half of those mothers were employed.

Poor and low-income school-age Asian children (age 5 to 17) are about twice as likely to face language obstacles as school-age city children overall in those income categories.

- Almost one-third (32 percent) of poor school-age Asian children limited English proficient, compared with 15 percent of all city children in that age group, in 2006. For low-income school-age children, 28 percent of Asians and 14 percent of all children had limited English skills.
- Almost half (49 percent) of Asian children below the poverty level were in linguistically isolated⁴ households, compared with less than a quarter (23 percent) of all children. In the low-income range, language isolation affected 44 percent of Asian school-age children, double the rate for school-age children overall.

Asian children have diverse poverty rates based on ethnicity.

- Child poverty rates in 2000 varied from 4 percent for Filipinos to 39 percent for Vietnamese.
- Other Asian ethnic groups with higher percentages of children in poverty than the city's Asian total population were Cambodians (37 percent), Bangladeshis (34 percent), Pakistanis (34 percent), and Chinese (28 percent).

Most Working-Age Asian New Yorkers Are Among the Working Poor.

Asian working-age adults (age 18 to 64) are more apt to be poor than non-Hispanic whites and more apt to be low-income than city residents overall in their age category.

- In 2006, working-age Asians had a poverty rate of 14.6 percent – higher than for non-Hispanic whites (10.1 percent) but lower than for the general population (15.9 percent), blacks (19.3 percent) and Hispanics (22.8 percent) in that age group.
- However, that year, the working-age Asian population had a higher low-income rate than the city's entire working-age population (35.1 percent compared with 32.8 percent).
- From 2000 to 2006, poverty rates decreased for the city's total working-age population and for all race and ethnic groups. During that time period, low-income rates rose for the general population and all other groups except blacks, for whom this rate stayed the same.

Working-age Asian New Yorkers are more likely to be among the working poor than the general city population in that age group.

- Almost half (47 percent) of working-age Asians below the poverty level and 71 percent of such Asians who were near-poor were participating in the labor force in 2006. These percentages compare with 42 percent and 68 percent, respectively, of all working-age New Yorkers.
- The unemployment rate of working-age Asians in poverty was 16 percent, compared with 27 percent for all poor New Yorkers in that age group. Only 8 percent of low-income working-age Asians were unemployed, compared with 11 percent of the general working-age population.
- Poor and low-income Asians 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 percent) of working-age Asians in poverty worked full time, compared with less than one-fourth (24 percent) of all poor working-age adults. Among low-income working-age adults, 57 percent of Asians and 52 percent of all New Yorkers worked full time.
- Poor and low-income Asians were more likely than Asians with higher incomes to work in service, production, transportation and material-moving occupations.
- Food services, retail trade, manufacturing, construction, and other service industry groups employed disproportionately large percentages of poor and low-income Asians.

⁴ 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.

Executive Summary

Levels of educational attainment are less associated with income categories for working-age Asians than for the general city population.

- In 2006, low-income status was more common for Asians with more-advanced schooling (a high school diploma or beyond) than for New York City's total working-age population in the same income brackets.
- Considering that working-age Asians were more educated than New Yorkers as a whole, there are indications Asians may be less able to transfer their educational credentials to the U.S. labor market.

Poverty rates among Asian working-age adults range by ethnic group.

- In 2000, more than one-fourth of working-age Bangladeshis, Cambodians and Japanese were living in poverty, compared with 5 percent of Filipinos and 10 percent of Thais.
- Only Filipino, Indian, Korean, Taiwanese and Thai working-age adults had lower poverty rates than that of the total working-age population in New York City.

Among young adults (age 16 to 24) in New York City, poor and low-income Asians are more apt to be in school and less likely to be disconnected from employment or education than youths at large or in other race or ethnic groups.

- Only 11 percent of poor young Asian adults were not in the work force or school in 2006.
- Twice as large a proportion (22 percent) of the general impoverished youth population and 20 percent or more of poor blacks, Hispanics and non-Hispanic whites were not working or in school.

Senior Citizens Are the Most Economically Vulnerable Asian Age Group.

Seniors are the poorest Asian age group in New York City.

- Almost 1 in 3 elderly Asians (31.3 percent) lived in poverty in 2006. That poverty rate surpassed that of senior New Yorkers overall (19.4 percent) and all other race and ethnic groups in the city.
- Also in 2006, more than half (54.1 percent) of elderly Asians lived below twice the poverty level, compared with 42.6 percent of all older New Yorkers. Hispanic seniors had a higher low-income rate (56.9 percent) than elderly Asians while seniors in other race and ethnic groups had lower rates.

Poverty among Asian senior citizens (age 65 or older) is a rapidly growing problem.

- New York City's elderly Asian population ballooned 46 percent from 2000 to 2006. In the same time frame, the city's total senior population rose 6 percent.
- In that six-year period, among elderly New Yorkers, the poverty rate for Asians increased by one-third (from 23.6 percent to 31.3 percent). The extent of that jump far exceeded senior poverty-rate growth for non-Hispanic whites (from 11.5 percent to 13.6 percent) and the general population (from 17.6 percent to 19.4 percent). Meanwhile, poverty rates declined for black and Hispanic seniors from 2000 to 2006.

Asian seniors' income status varies broadly among ethnic groups.

- In 2000, more than a quarter of Bangladeshi, Chinese and Korean seniors lived in poverty. Some 38 percent of elderly Bangladeshis were poor.
- Less than 9 percent of Filipinos and Taiwanese and 8 percent of Japanese seniors lived below poverty level.

Poor and low-income Asian seniors on the one hand and seniors city-wide on the other hand display major differences in household makeup.

- Almost two-thirds (64 percent) of elderly Asians in poverty lived in households headed by married couples, compared with 27 percent of all poor New York City elders, in 2006. Only 28 percent of impoverished Asian seniors lived in non-family households, compared with 59 percent of all city seniors in poverty.
- While less than a third (31 percent) of elderly Asians in married-couple family households lived in poverty, the majority (58 percent) of older Asians in non-family households were poor. More than 4 in 5 Asian seniors in non-family households (83 percent) lived below twice the poverty level.

Working but Poor: Asian American Poverty in New York City

Similar gaps in language abilities separate Asian elders from New York City's overall senior population.

- The vast majority (91 percent) of poor senior Asian New Yorkers in 2006 had limited English ability, compared with 56 percent of all poor seniors. An elderly Asian's specific English-skill level correlated closely with income status.
- Some 45 percent of Asian seniors who did not speak English at all and 35 percent of those who did not speak English well were living in poverty. At the other end of the spectrum, 5 percent of elderly Asians who spoke English very well were poor.
- Three-quarters of Asian seniors living below the poverty level were in linguistically isolated households, compared with less than a half (49 percent) of all elderly New Yorkers.

Across immigration and citizenship categories, elderly Asians are more likely to be poor than the general senior population.

- Virtually all Asian seniors (97 percent) in New York City in 2006 were foreign-born, compared with 44 percent of city seniors overall.
- Among native-born residents, naturalized citizens and non-citizens, elderly Asians had higher poverty rates than seniors at large.
- Poverty rates for senior Asian immigrants were similar regardless of their decade of entry.

Policy Considerations

The poverty experiences of Asian New Yorkers, and perhaps of the larger immigrant population, suggest several implications for policies and programs to reduce poverty.

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 better using existing skills and credentials would help immigrants advance to superior jobs.

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.

Educating workers to file income tax returns and pay due employment taxes to establish a work history would enable workers to invest in the Social Security system for their future retirement.

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.

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.

Expanding health insurance coverage and making health care more linguistically accessible and culturally appropriate are important to poor and low-income Asian immigrants.

Enabling elderly Asian immigrants to benefit fully from the social safety net that has protected the general elderly population is key to combating poverty among elderly Asian and nurturing their well-being.

Providing opportunities for active Asian seniors to participate in the economy and community as workers or paid volunteers would increase earning opportunities and enrich their quality of life.



Asian American Federation
120 Wall Street, 3rd Floor
New York, NY 10005
Tel: (212) 344-5878
Fax: (212) 344-5636
Email: info@aafederation.org
Website: www.aafederation.org