

ASIAN AMERICANS AND PACIFIC ISLANDERS, LIKE OTHER GROUPS, SUFFERING PANGS OF SLOWING ECONOMY



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The story of Americans of Asian and Pacific Islander descent, whether U.S.- or foreign-born, is most often cast as a classic American success story of how, through diligence and grit, everyone can climb the ladder of success. The true story, as new research shows, is far more complex and less rosy, however. [*Stuck in Neutral*](#), published today by the Economic Policy Institute, reexamines how Asian American and Pacific Islanders have fared in the United States through economic ups and downs. It concludes that if we look beyond a few exceptions that tend to skew the averages, economic data reveal that Asian Americans are struggling with the same wage stagnation that afflicts other Americans.

“There’s a widespread perception that Asian Americans and Pacific Islanders have some degree of immunity to the impact of the economy, but the data show otherwise,” said co-author Algernon Austin, who directs EPI’s Project on Race, Ethnicity, and the Economy. “Once we take factors such as education and household size into account, what emerges is not differences but similarities in the economic challenges faced by Asian Americans and other Americans.”

The new study reveals an exceptionally wide diversity in background and experiences among Asians in the U.S., differences that must be taken into account when drawing comparisons, whether among Asian groups or between Asians and others. At the more prosperous end of the scale are Asian Americans of Japanese and Indian descent, whose median income in 2005 was above the overall national median. Emigrés and their descendants from these countries tend to be more highly educated and to work in professional or technical occupations, as their higher income shows.

The picture is quite different for those whose roots are in Southeast Asia or the Pacific Islands, and whose lower educational levels generally relegate them to lower-skilled, service sector jobs. In 2005, median annual wages for men of Southeast Asian or Pacific Islander descent were roughly \$20,000 lower than those of Asian Americans from Japan or South Asia. The picture is similar for women; compared to the highest-median Japanese women, Vietnamese women, for example, earned \$11,000 less.

One feature common to all Asian and Pacific Islander groups is a gender-based income gap, although its size varies significantly. This gap is widest among the Japanese and South Asian groups; among Japanese Americans, for example, the annual median income for women in 2005 was about \$20,000 (roughly 38%) lower than for men. The gender gap is narrowest among those who hail from the Philippines, again because of differences unique to that group. For women in this group, annual median income was about \$4,000, or 12%, less than that of men.

“Filipinas in the U.S. are doing comparatively better than other Asian and Pacific Islander women not because they have found a way to break the glass ceiling, but because of a higher concentration of more highly educated women – in this case nurses –

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who emigrated to the United States,” said co-author Marlene Kim, an economist at the University of Massachusetts/Boston.

A comparison of the income of Asian American and Pacific Islander households to that of other Americans can also be misleading, as the report notes. While Census data show that the median household income for Asian and Pacific Islander families is about \$6,000 higher than for whites (\$75,922 versus \$69,937), this seeming advantage must be tempered by an understanding by the fact that Asian families tend to be larger and to include more workers than white families. Research which compares income *per person* rather than per household finds that the income advantage remains with whites.

Despite the differences noted above, the economic trends for Asians and Pacific Islanders are much like those for other Americans. For example:

- Real (i.e., inflation-adjusted) earnings growth has followed national trends, trailing far behind productivity growth from 2000-2007.
- Like other racial and ethnic groups, Asian Americans and Pacific Islanders experienced gains in family income that were much stronger during the 1990s business cycle of recession and recovery than in the 2000s cycle.
- Although unemployment is lower among Asians than whites (3.3% versus 3.9% in 2007), the employment rate – the share of Asians and Pacific Islanders in the workforce – declined by 0.4% between 2000 and 2007.
- For Asians and Pacific Islanders in the U.S., the odds of living in poverty – 4.7 percentage points higher than among whites in 2000 – rose between 2000 and 2007.

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