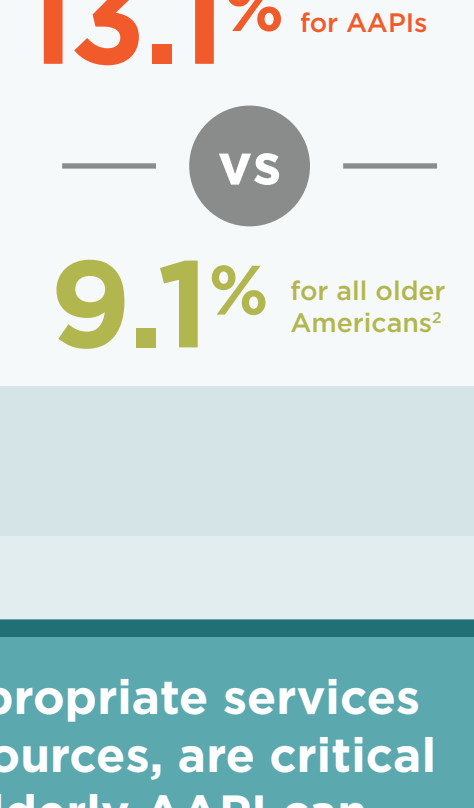


# FINANCIAL FINDINGS FOR AAPI SENIORS AND THEIR FAMILIES

Little research has focused on older Asian American and Pacific Islanders (AAPIs) and their unique financial capability needs. This growing percentage of the US elderly population is often overlooked — with researchers placing blame on sample sizes too insignificant to warrant study, but more so because the model minority stereotypes foster false perceptions that all AAPIs are economically and socially successful.

Compared to the general poverty population, the Asian American poor population is older with higher rates of senior poverty. **In 2012, the poverty rate for Asians and Pacific Islanders age 65 and older was 13.1%, as compared to 9.1% for all older Americans.** Statistics show that between 2009 and 2014, poverty increased among Asian American and Pacific Islander elderly populations at an alarming rate — 40% and 191%, respectively.<sup>1</sup>

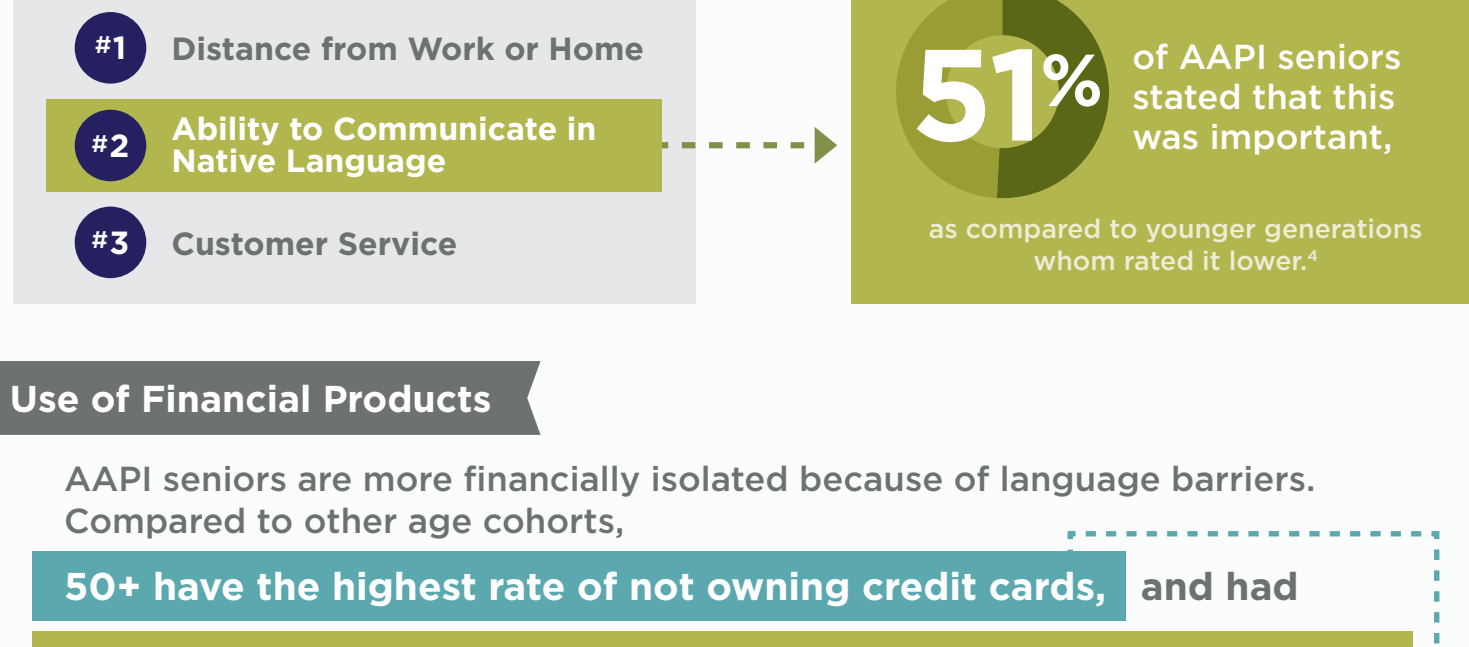


The National Coalition for Asian Pacific American Community Development (CAPACD) conducted original research, and reviewed existing literature, to identify three factors that are essential to improving AAPI senior financial stability.

Brought to you by **NATIONAL CAPACD** **AARP** Real Possibilities

## FINDING #1 Language- and culturally-appropriate services and products, from trusted sources, are critical to ensure that low-income, elderly AAPI can participate in the financial mainstream.

Limited English proficiency not only creates linguistic and economic isolation for many low-income AAPI seniors seeking financial services and products, but it also contributes to greater vulnerability to fraud, scams and predatory alternative financial products and services.<sup>3</sup>

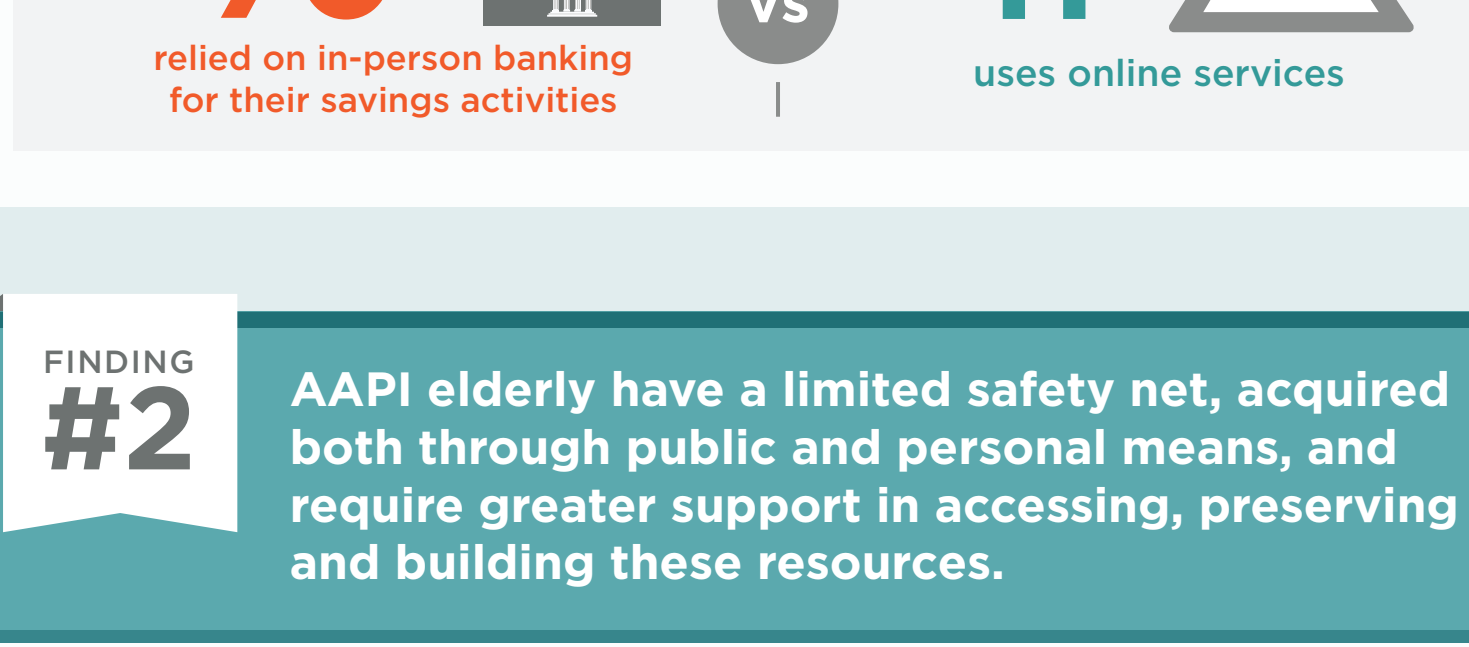
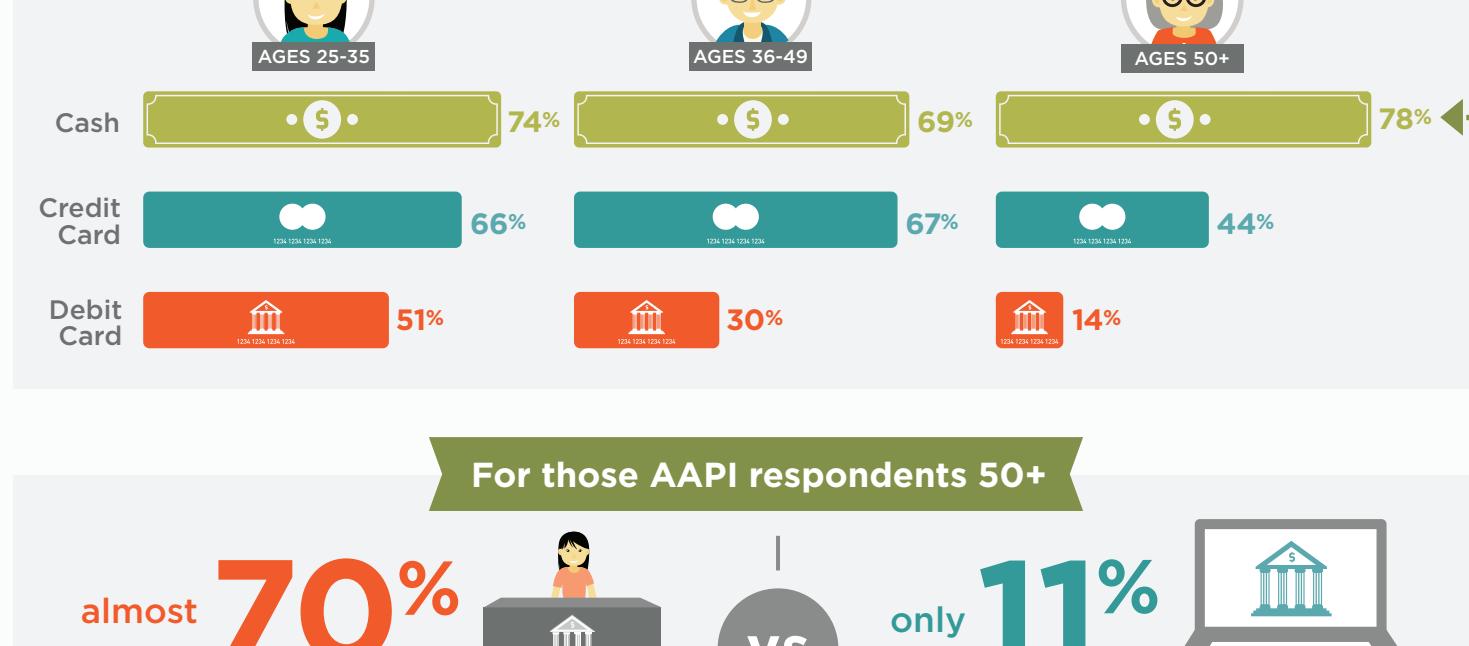


- ### Top Three Reasons for Selecting Financial Institutions
- #1 Distance from Work or Home
  - #2 Ability to Communicate in Native Language
  - #3 Customer Service

**51%** of AAPI seniors stated that this was important, as compared to younger generations whom rated it lower.<sup>4</sup>

## Use of Financial Products

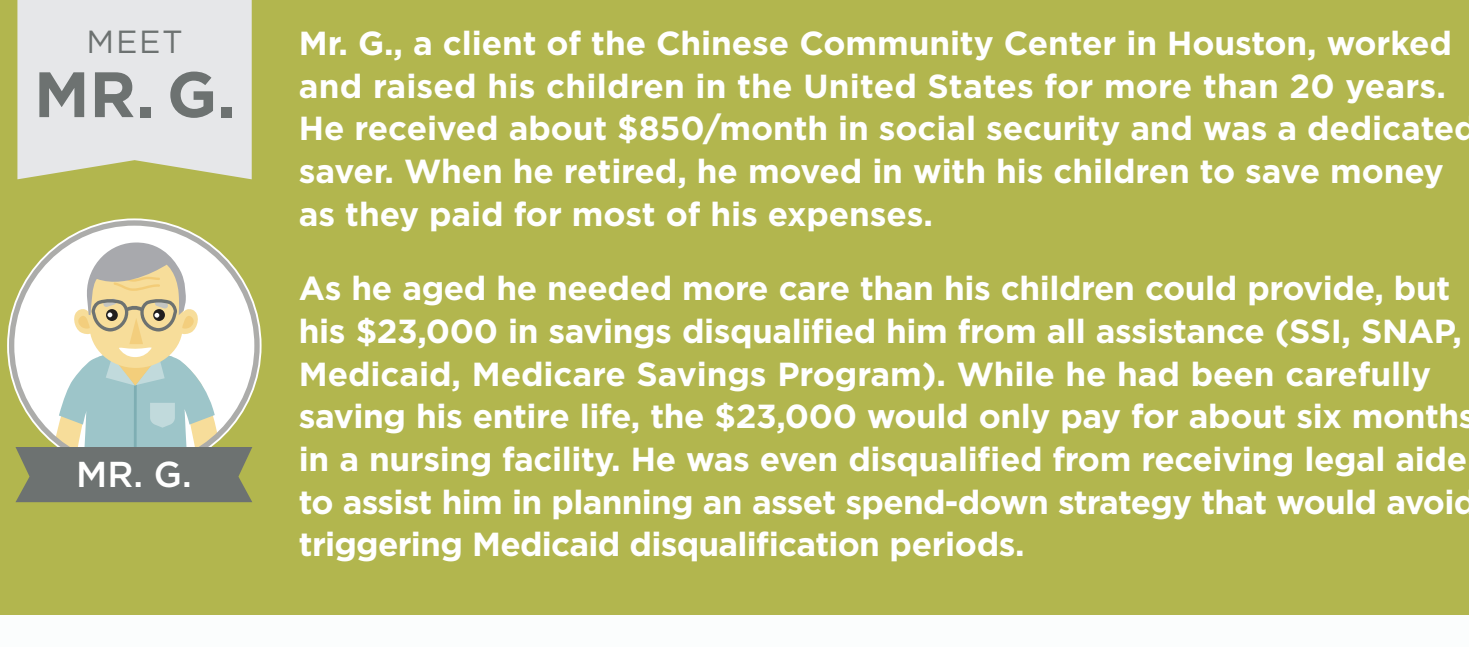
AAPI seniors are more financially isolated because of language barriers. Compared to other age cohorts, **50+ have the highest rate of not owning credit cards, and had the highest rate of using cash for daily transactions and paying bills.**



For those AAPI respondents 50+ **almost 70%** relied on in-person banking for their savings activities vs **only 11%** uses online services

## FINDING #2 AAPI elderly have a limited safety net, acquired both through public and personal means, and require greater support in accessing, preserving and building these resources.

**62%** of Asian headed households lack incomes that allow basic economic security<sup>5</sup> (calculated based on the cost of basic and necessary living expenses that allow seniors to age in their homes, without relying on public assistance programs, loans or gifts)

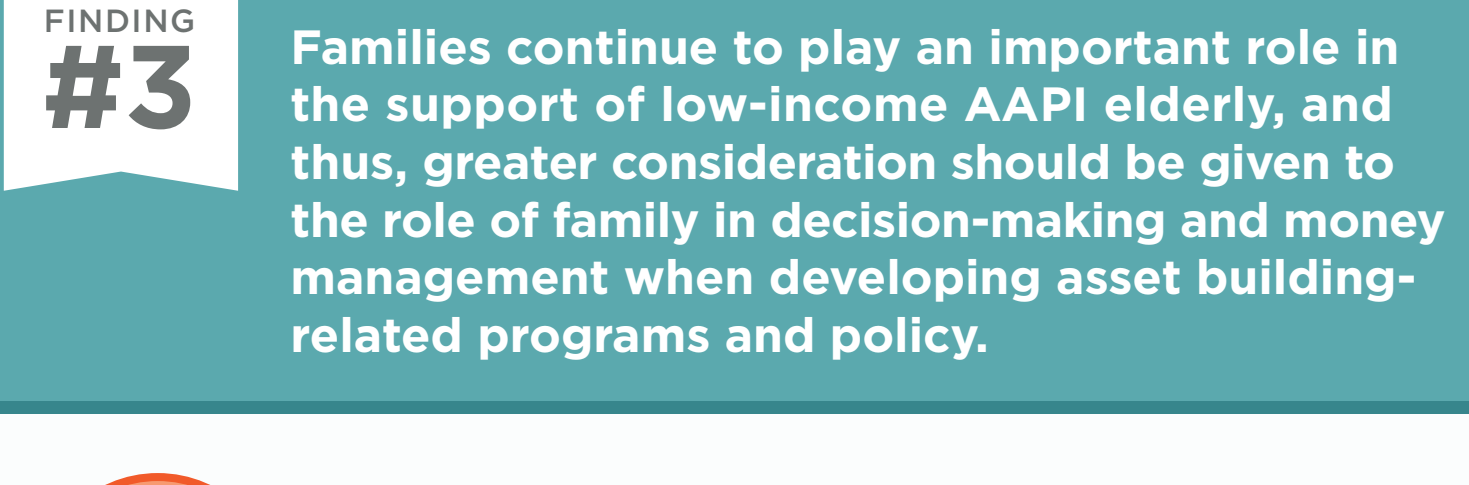


Further, asset limit criteria often applied to state and federal assistance programs can prevent seniors from achieving financial stability.

**MEET MR. G.** Mr. G., a client of the Chinese Community Center in Houston, worked and raised his children in the United States for more than 20 years. He received about \$850/month in social security and was a dedicated saver. When he retired, he moved in with his children to save money as they paid for most of his expenses.

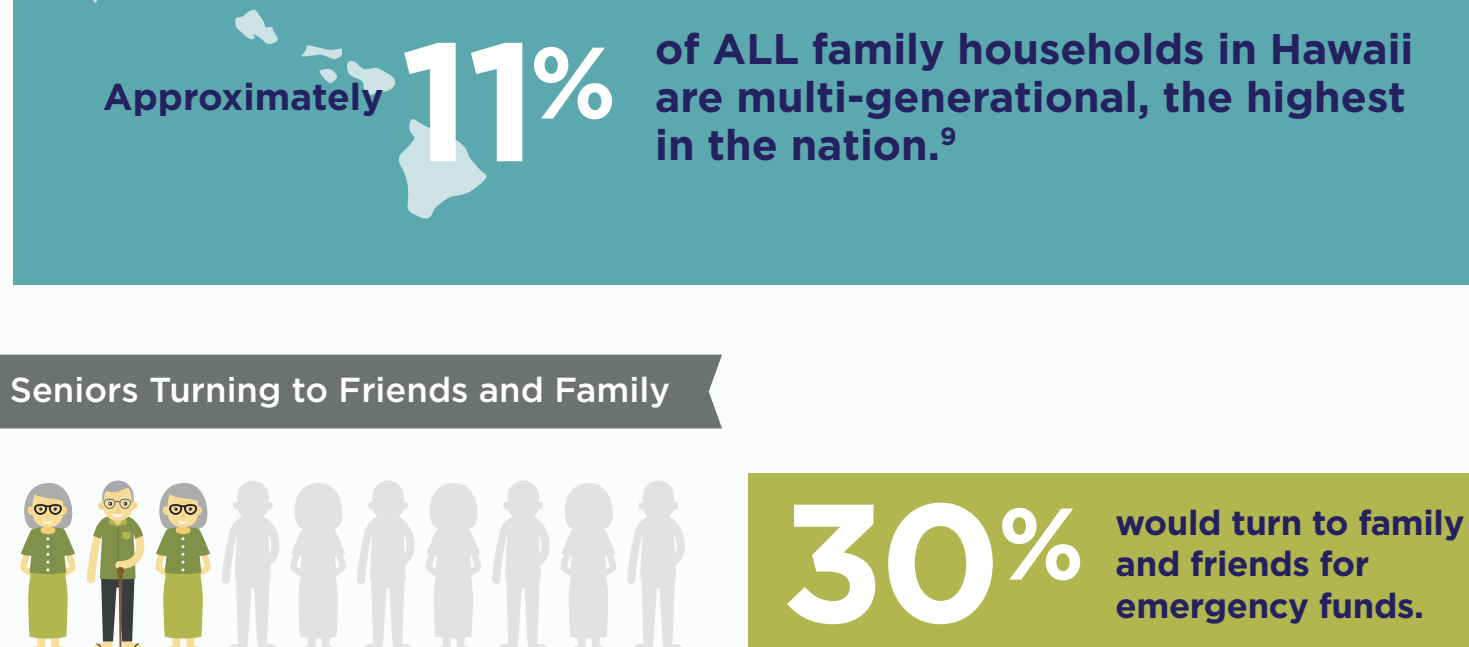
As he aged he needed more care than his children could provide, but his \$23,000 in savings disqualified him from all assistance (SSI, SNAP, Medicaid, Medicare Savings Program). While he had been carefully saving his entire life, the \$23,000 would only pay for about six months in a nursing facility. He was even disqualified from receiving legal aid to assist him in planning an asset spend-down strategy that would avoid triggering Medicaid disqualification periods.

## Retirement Savings



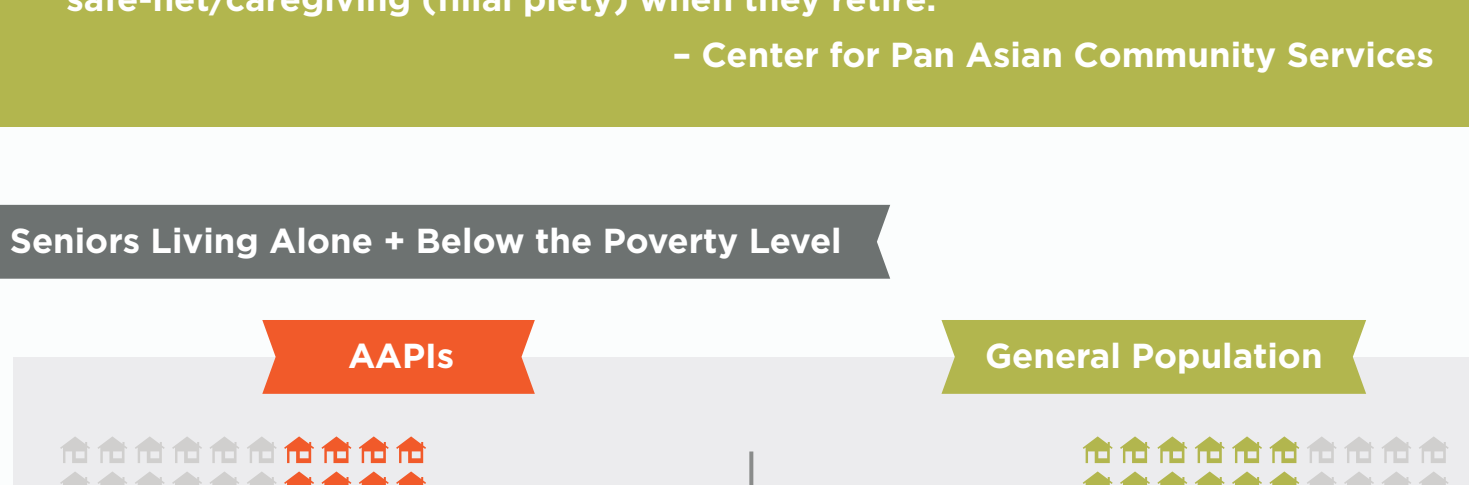
## Access to Affordable Senior Housing

With **36%** of AAPI seniors reporting they lived in rental housing, access to affordable housing was cited as a primary factor that significantly influenced financial security for AAPI seniors.<sup>5</sup>



## FINDING #3 Families continue to play an important role in the support of low-income AAPI elderly, and thus, greater consideration should be given to the role of family in decision-making and money management when developing asset building-related programs and policy.

**AAPIs are more likely than any other ethnic group to be living in a multi-generational household.<sup>8</sup>**



Approximately **11%** of ALL family households in Hawaii are multi-generational, the highest in the nation.<sup>9</sup>

## Seniors Turning to Friends and Family



"Many AAPI senior clients that our organization serves are first-generation immigrants and refugees. In addition to language and cultural barriers, they face limited resources and lack of information on financial literacy and access to the aging network. We have seen many of them retire first and try to figure out how to sustain self-sufficiency afterwards. Also we find many AAPI seniors spend their financial resources for their grown-up child(ren) rather than prepare their own retirement and expect him/her (them) to provide safe-net/caregiving (filial piety) when they retire."  
- Center for Pan Asian Community Services

## Seniors Living Alone + Below the Poverty Level



## The make-up of an AAPI household reveals the necessity of a whole-family, multi-generational approach to creating household financial capability.

## OPPORTUNITIES FOR ACTION

Increase language and cultural accessibility at financial institutions.

Develop financial products that meet both short- and long-term financial needs of seniors.

Protect and expand the social safety net programs<sup>1</sup> to include greater numbers of AAPI seniors.  
<sup>1</sup>SSI, food stamps, adult day health care centers, etc.

Invest in programs that integrate financial capability with other social services targeted toward seniors and their families, including health, caregiver services, and family programming.

In Partnership With  
UCLA Asian American Studies Center · UCLA Center for Study of Inequality · Chinese American Service League · Little Tokyo Service Center · Asian Americans for Equality · Seattle Chinatown International District Preservation and Development Authority · Asian Services in Action · Seattle Community Center · Center for Pan Asian Community Services, Inc. · East Bay Asian Local Development Corporation · Hawaiian Community Assets

SOURCES  
<sup>1</sup>2009 and 2014 American Community Surveys  
<sup>2</sup>2012 American Community Survey  
<sup>3</sup>National CAPACD, Senior Financial Capability Survey (2015)  
<sup>4</sup>National CAPACD, Financial Services Survey (conducted in 2013 and 2014)  
<sup>5</sup>Wider Opportunities for Women (WOW), "Living Below the Line: Economic Insecurity and Older Americans" (2015)  
<sup>6</sup>Wu, Ke Bin. (2012). "Sources of Income for Older Americans Fact Sheet", AARP Public Policy Institute.  
<sup>7</sup>Ishimatsu, Josh, "Spotlight on AAPI Poverty", National CAPACD, 2013  
<sup>8</sup>Taylor, Paul, Jeffrey Passel, Richard Fry, Richard Morin, Wendy Wang, Gabriel Velasco, and Daniel Dockterman.  
<sup>9</sup>Lofquist, Daphne A. (2012). Multigenerational Households: 2009-2011, American Community Survey Briefs. US Census Bureau.