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Need for Data to Support AAPI Community & Economic Development

A Policy Brief

Why Data on AAPI Communities is Needed

Misconceptions and stereotypes about the Asian American and Pacific Islander (AAPI) community persist among policy makers. This contributes to the AAPIs being underserved in critical areas such as community and economic development. AAPIs are often referred to as a “model minority”, but that label, like any one, while it has its truths and strengths, masks the rich diversity and the diversity of challenges and disparities found within the AAPI community. The need for specific data about the AAPI population and subpopulations is repeatedly identified as a cross cutting policy issue that impacts access to funding and appropriate allocation of resources.

The collection, analysis and presentation of full and accurate data on AAPIs is key because federal government programs and services rely on data to develop funding priorities. However, most federal agencies either do not collect the necessary data, collect incomplete data on race or ethnicity or fail to separate the data by ethnic group. As a result, policy decisions about the AAPI community consistently miss two general characteristics of the community that are relevant and important to the decision making process:

The AAPI community is diverse. At an estimated 11 million, Asian and Pacific Islanders (AAPIs) comprises 4% of the nation’s population.ⁱ Largely as a result of immigration, AAPIs are the fastest growing group in the United States. Hailing from different countries, AAPIs represent a wide cultural and language diversity that encompasses 50 ethnic subgroups and 100 language groups.ⁱⁱ Moreover, significant differences exist because some AAPIs have only recently arrived while others have lived in the United States for generations. As a result, any aggregate data on AAPIs obscures large socioeconomic differences among the subgroups.

The AAPI community occupies the extreme ends of the socioeconomic spectrum. AAPIs are among both the most highly and poorly educated and both the highest income and the lowest wage earners. While the median AAPI income is higher than national median, the poverty rates of certain Southeast Asian groups, i.e., Laotians (35%), Cambodians (43%), and Hmong (65%) in 1989 are far above the national poverty rate of 13%.ⁱⁱⁱ Yet the popular perception, fueled by the model minority myth, is that AAPIs have successfully assimilated into the American mainstream. Unfortunately, the view also has driven public policy toward AAPIs, resulting in the needs of certain communities, such as recently-arrived Southeast Asian and long-established Native Hawaiian and Pacific Islander groups, to be overlooked.

Data Identifies the AAPI Communities Requiring Program Support and Resource Allocation for Community and Economic Development

AAPI communities, particularly linguistically-isolated and economically-distressed neighborhoods that require community and economic development support, are overlooked because data are lacking or deficient. Without the data, federal programs and activities are not directed toward assisting AAPI communities, nor are they monitored for language and cultural competence. Additionally, the absence of data burdens AAPI community development corporations (CDCs), who must conduct their own needs assessment to justify funding from government agencies and private funders.^{iv}

Recommendations:

- *The Census Bureau should establish a minimum population threshold in public use microdata sample (PUMS) data that is lower than the current level at 100,000. Alternatively, the Bureau can undertake a special tabulation of AAPI communities and make the findings available for public use.*

Census data reveal that there are concentrations of poor AAPI households (reporting incomes under \$10,000) living in central cities; however, census data only reports such data where the population numbers exceed a minimum population threshold level of 100,000. Because the AAPI population is already relatively small compared to the national population (4%) and geographically dispersed such that they often are not the dominant ethnic group in a neighborhood^v, they will not be detected in high concentrations under the current data collection method. Unless the data are collected and reported for small populations, poor AAPI households will be overlooked for community and economic development assistance.

The Census Bureau has not lowered the minimum population threshold lower than 100,000, citing reasons of confidentiality and data quality. *Federal agencies should explore how to balance confidentiality with the need for specific data on AAPIs to be released. For example, data can be reported, but annotated as having failed data quality standards. Alternatively, where population numbers may fall below a certain threshold, and not reported for data quality reasons, suppressed data should be made available to researchers with the standard assurances of confidentiality.*

- *Federal government agencies involved in community and economic development work should:*
 - *Assess the adequacy of agency data collection requirements to identify gaps in reporting on AAPI program utilization.*
 - *Require the collection of data disaggregated by respective AAPI ethnic groups to assist in evaluating whether federal programs are appropriately reaching AAPI communities.*
 - *Provide support to local governments and CDCs to conduct needs assessments of AAPI communities.*

By collecting data on AAPI communities, particularly disaggregated data, local governments and CDCs will be better prepared to provide linguistic and culturally competent services to the AAPI ethnic groups living in the region.

- *Federal programs should support research on AAPI community development needs and the impact of federal programs on AAPI communities by:*
 - *Providing resources for community-based research into AAPI community development needs, and increasing data collection and analyses about underrepresented Asian Americans and Pacific Islanders.*
 - *Implementing White House Initiative recommendations requiring all federal departments to conduct systematic reviews of all federal data collection instruments, and all sampling and analytical methods in order to maximize the inclusion of Asian American and Pacific Islander sub-populations.*
 - *Coordinating with the Census Bureau to produce relevant reports and studies on issues central to AAPI community development. The Census Bureau should also provide funding to APA Census Information Centers (CICs) to generate community reports.*
 - *Analyzing the impacts of the welfare and immigration reform laws of 1996. We are particularly concerned about the impacts of this reform on immigrant and refugee APA communities.*



Data is Needed to Address Lack of Low-Income Resident Access to Adequate and Affordable Housing

Data are needed to address the needs of low-income AAPIs seeking adequate and affordable housing – an issue that policy makers often are unaware affects the AAPI community. But based on the scarce data available, it is clear that some AAPIs are facing an urgent housing problem. Among all groups, including non-AAPIs, Native Hawaiians have been identified as the group that experiences the most severe housing shortage in the nation.^{vi} In certain cities, high percentages of AAPI households are dependent on subsidized housing. In Seattle, more than 10 percent of AAPI households and in Boston, over 20 percent of such households relied on subsidized housing.^{vii} More data are needed to fully understand how pervasive the problem is for AAPIs nationally to find affordable and adequate housing.

With more information, AAPI CDCs will also know where to target its efforts to help low-income residents secure affordable housing. The CDCs offer a range of services, including developing affordable housing, working to preserve existing housing, assisting low-income residents with rental and mortgage financing and providing education on tenant rights.^{viii}

Recommendations:

- *HUD should collect and evaluate data pursuant to the recommendations of the President's Advisory Commission on Asian Americans and Pacific Islanders to ensure that its federally assisted programs are effectively reaching AAPIs. Data support evaluation as to whether AAPIs are receiving housing assistance, and*

the reasons for any findings that they do not. According to a Los Angeles study, few AAPIs lived in public housing projects or low-income housing developed with tax credits or received rental subsidies.^{ix} With the data, HUD should be able to make the necessary assessments, e.g., whether grants provided under the HOME Investment Partnership Program to state and local governments are reaching neighborhoods where AAPI low-income residents lack access to adequate and affordable housing or whether the Section 8 program that gives subsidies for low-income renters is benefiting needy AAPIs.

- Federal agencies, including HUD, should hold state and local jurisdictions receiving federal pass-through funds accountable for ensuring equitable services to APA communities. This includes requiring state and local jurisdictions to investigate and identify APA community development needs and to ensure that these needs are reflected in required plans such as HUD's Consolidated Plan; and that programs, strategies and funds are allocated to address these needs.
- When HUD collects housing data, i.e., low income renters, home owners, home ownership rates, rent burden, quality of housing, household size, and mortgage data, the agency should disaggregate the data so that specific ethnic group trends can be analyzed. At present, data are lacking to fully understand and address the nature of and reasons for specific housing problems such as substandard housing and overcrowding that are faced by certain ethnic groups. For example, does HUD evaluate whether the AAPI community files federal Fair Housing complaints? What is the extent of housing discrimination or predatory lending in the AAPI community? Are there barriers that result in an underrepresentation of AAPI complaints?
- *Data collected pursuant to the Home and Mortgage Disclosure Act should also include disaggregated data on AAPIs.* The data will address subtle institutional discriminatory practices such as lending that cannot be as easily detected as overt housing discrimination.
- *Data on Federal Low Income Housing Tax Credit projects should include disaggregated data on AAPI ethnic groups.*

Data on Small, AAPI Minority-Owned Businesses and Data on the AAPI Labor Market

AAPI businesses play an important role in the community and economic development of low-income communities. The prevailing public perception is that AAPI-owned businesses are profitable and successful. Indeed, the Small Business Administration reported that AAPI-owned businesses nationally grew at a phenomenal rate, suggesting that business owners are reaping economic success.^x However, based on the few studies that exist on AAPI businesses, a different situation emerges. According to the LEAP Public Policy Institute and the UCLA Asian American Studies Center, **AAPI businesses in Los Angeles are formed because the owners were unable to find work due to discrimination barriers in the mainstream economy.** The businesses primarily concentrate in small service and retail businesses where the failure rate is high, the profit margins are low, and business hours are long. Dependent on unpaid family labor or immigrant workers who are low skilled or have limited English proficiency, the businesses are often unable to improve the wages, benefits or working conditions for their employees. Also, they are unable to access mainstream resources offered by American financial institutions because of their lack of knowledge and experience with credit and the lack of language services.

The existence of the LEAP and UCLA study suggests that AAPI businesses in cities nationwide may face similar issues. In general, data are lacking on AAPI small businesses across the country. Among the relevant data that could be examined is the educational attainment, linguistic ability, and recency of arrival of AAPI small business owners, as these factors impact the success rate of AAPI businesses, and would help determine appropriate small business development strategies. Concurrently, no data exist to gauge AAPI businesses' access to federal programs and services or the barriers they may be encountering to gaining access. Nor does data exist to monitor the effectiveness of technical assistance rendered to the APA businesses.

Recommendations:

- *The Small Business Administration (SBA) should fund research on (1) the labor market barriers that lead AAPIs to start their own businesses or seek employment with AAPI-owned businesses and (2) issues of access to federal programs and services that AAPI-owned businesses encounter to expanding their businesses.* For instance, AAPI-owned businesses may require language support with applying for loans or more assistance with sustaining a business than with initiating a business. Ethnic-specific data are

critical because of differences such as the fact that certain groups concentrate in specific types of businesses.

- *Federal agencies should commission a study to answer the following questions: How do welfare reforms and welfare-to-work programs work to successfully transition recent, non-English speaking residents into the labor market? Are entry-level employees trapped in the submarket of ethnic businesses and enclaves with little opportunities to escape poverty and enter the mainstream economy?*
- *The Small Business Administration (SBA) should conduct an economic census of AAPI businesses with the assistance of language support, i.e., translated surveys. Also, the census should not overlook businesses with small staffs since many AAPI businesses likely employ fewer than five employees. Evaluation should look into the following issues: Does the SBA understand the needs of small business operating in ethnic sub-markets, and have programs that effectively reach these businesses? Are AAPI businesses reflected in current SBA programs? Are there barriers to SBA programs?*
- *SBA should collect disaggregated data on AAPI businesses (which currently are aggregated with Native American firms). The agency can use the data to evaluate whether its programs are reaching AAPI-businesses proportionate to their representation among minority and women-owned businesses.*
- *SBA should continue to collaborate with AAPI organizations to collect data on whether its community outreach efforts are reaching diverse ethnic groups within the AAPI community*
- *Government agencies should use data to track whether Community Development Block Grants being used for economic development are assisting AAPI-owned businesses and employing AAPI workers.*

Endnotes

- i “The Asian Population: 2000,” U.S. Bureau of the Census (Feb. 2002).
- ii President’s Advisory Commission on Asian Americans and Pacific Islanders, [A People Looking Forward: Action for Access and Partnerships in the 21st Century](#), Interim Report to the President and the Nation, (Jan. 2001), p.7
- iii [Building Capacity: The Challenges and Opportunities of Asian Pacific American Community Development](#), A Report to the National Coalition for Asian Pacific American Community Development, The Urban Institute, (Oct. 2000), p.i; hereinafter cited as the [Urban Institute Report](#).
- iv President’s Advisory Commission on Asian Americans and Pacific Islanders, [A People Looking Forward: Action for Access and Partnerships in the 21st Century](#), Interim Report to the President and the Nation, Executive Summary, (Jan. 2001), p.75
- v Urban Institute Report, p. 13.
- vi President’s Advisory Commission on Asian Americans and Pacific Islanders, [A People Looking Forward: Action for Access and Partnerships in the 21st Century](#), Interim Report to the President and the Nation, (Jan. 2001), p.86
- vii Urban Institute Report, p.5
- viii Urban Institute Report, p. 5
- ix Beyond Asian American Poverty, pp. 101-103.
- x “Minorities in Business,” Office of Advocacy, U.S. Small Business Administration, Washington, D.C. (1999), p. 16.

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