

The Socioeconomic Attainments of Asian Americans

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In this chapter, we summarize what is known about the socioeconomic attainments of Asian Americans. By socioeconomic attainment, we refer to the possession of scarce economic resources and social characteristics that are valued in society. Measures of socioeconomic attainment typically include (but are not limited to) education, occupation, hourly wages, annual earnings, household income, poverty status, home ownership, and wealth holdings. Socioeconomic attainment is extremely important because it is a major determinant of one's overall well-being.

THE STUDY OF SOCIOECONOMIC INEQUALITY AND ASIAN AMERICANS

Socioeconomic attainment is complex and may be studied in the context of a variety of different research questions. In this chapter, our overarching theoretical concern is assessing whether Asian Americans endure systematic racial discrimination in the American labor market. That is, the single most significant theoretical issue in our analysis is whether Asian Americans consistently face a socioeconomic disadvantage in the

American social stratification system due to their racial status as a nonwhite minority. Because of the difficulty of directly measuring racial discrimination, sociologists and economists have often adopted an indirect, residual approach: There is plausible evidence for racial discrimination if non-Hispanic whites receive higher socioeconomic rewards than do Asian Americans despite an equivalent level of productivity-related skills, work effort, and educational credentials. This issue is obviously significant for understanding the well-being of Asian Americans, but it is also important for providing a broader perspective on the nature of racial inequality in contemporary American society.

Our secondary objective is simply to describe the various patterns of socioeconomic attainments among Asian Americans. When compared to the large number of studies on other racial and ethnic minorities, reliable statistical analyses of the socioeconomic attainments of Asian Americans are few. Asian Americans are still a relatively small demographic group that has not received much attention in quantitative research. They are rarely oversampled in the major social

and economic surveys. Many of the data sets that are used in the study of racial inequality do not contain sufficient numbers of Asian Americans for multivariate statistical analysis. Further compounding this problem is the fact that some scholars in the field of Asian American studies have shown little interest in statistical studies of even the sparse data that do exist. As a result, many of even the most basic aspects of the socioeconomic characteristics of Asian Americans remain as yet unknown.

We focus on statistical studies that are based on large, nationally representative data sets, such as the U.S. decennial censuses. This approach is reasonable given that our theoretical concern is to make generalizations about the broad patterns of social stratification processes that affect racial inequality. Although we recognize that the information provided by personal interviews can significantly enrich the study of racial inequality, the details of such individual accounts cannot be easily generalized and would take us beyond the space limitations of this chapter. The statistical analysis of nationally representative data is more straightforward because it succinctly and directly facilitates generalizations about basic patterns of racial inequality in terms of average tendencies for demographic groups. In this chapter, our main data source is the 2000 U.S. Census, which provides up-to-date information on a variety of social and economic characteristics for Asian Americans as a racial category as well as for particular Asian ethnic groups.

A major challenge facing any discussion of the socioeconomic attainments of Asian Americans is that they are a heterogeneous group. Generalizations about Asian Americans as an overall category may not apply to certain subgroups of Asian Americans, such as those defined by ethnicity and nativity. In other words, there are significant socioeconomic differences across various subgroups of Asian Americans. When reviewing research in this area, one must therefore be careful to specify to which group of Asian Americans the findings refer. In this chapter, we seek to assess general patterns of socioeconomic attainments

among Asian Americans while paying attention to the heterogeneous nature of this broad racial category.

Another research complication is temporal change. Generalizations about the socioeconomic characteristics of Asian Americans depend not only on which subgroup is being considered, but also on the time period. Because the underlying sources of racial inequality and the demographics of Asian Americans are constantly evolving, the researcher needs to clarify the time period to which the statistical results refer. Generalizations about patterns of racial inequality in the past do not necessarily apply to more recent data.

Despite the research challenges, the socioeconomic attainments of Asian Americans are an important issue that must not be ignored. Not only is it crucial for understanding the well-being of Asian Americans, but it also generates new insights into the nature of racial inequality in modern America. Previous research on racial inequality in the United States has focused mostly on African Americans and Hispanics, but Asian Americans are an additional minority whose demographic size is rapidly increasing and whose visibility in modern America continues to expand. The socioeconomic attainments of Asian Americans thus represent another important case study that provides a broader perspective of the degree to which the American stratification system is open to minorities.

Educational Attainment

In general, Asian Americans have had high levels of educational attainment. Part of the explanation for this is the Immigration Act of 1965, which not only allowed Asian Americans to immigrate to the United States in large numbers but also favored immigrants with relatively high levels of education. With the exception of refugees from Vietnam and other parts of Southeast Asia following the Vietnam War, Asian American immigrants have tended to be highly educated due to the selective stipulations of immigration laws (Xie & Goyette, 2004).

The offspring of more educated people tend to become more educated themselves. This general pattern is a well-known sociological principle. The 1.5 generation (i.e., persons who came to the United States when they were young children) and the native born who have highly educated parents thus tend to obtain more education than others (including other Asian Americans) whose parents are not so highly educated.

Another sociological principle that serves to increase educational attainment among 1.5-generation and second-generation Asian Americans is that immigrant parents tend to be selective in terms of socioeconomic motivation (Goyette & Xie, 1999). As a result, immigrants tend to have high aspirations and expectations for their children's economic success. Because the overwhelming majority of Asian Americans have immigrant parents, Asian Americans as a whole tend to have higher educational attainment in part due to the encouragement and admonitions of their highly motivated immigrant parents.

An additional factor is that Asian families tend to be more "authoritarian" than American families, which tend to place a greater emphasis on individualism. Whereas American parents tend to be more supportive of their children's wishes and of helping them to "make their own decisions," Asian parents are more likely to believe that their role is to push their children to do what is "best" even when their children may have other individual proclivities. Immigrant Asian American parents thus tend to be more demanding of their children's educational performance, and they typically expect and demand that their children go to college regardless of their children's wishes.

Recent studies of the assimilation of immigrants have proposed that the persistence of ethnic cultures may sometimes improve the socioeconomic attainments (including the educational attainment) of immigrant children who are raised in the United States (Portes & Zhou, 1993; Zhou, 1997a; Zhou, 1997b). For example, traditional Asian values that emphasize the importance of family contribute to Asian immigrant children's educational attainment—a subject we will return

to later in this chapter. The general pattern of selective acculturation into American society has been referred to as *segmented assimilation* (e.g., Hirschman, 2001; Zhou & Bankston, 1998). In contrast to the classical view of assimilation in which increasing acculturation into American society is associated with a corresponding increase in socioeconomic status, the segmented assimilation perspective proposes that the retention of ethnic values and practices may sometimes improve the socioeconomic attainments of immigrants and their children.

The retention of ethnic values and practices also facilitates the development of an ethnic community that further enhances the adjustment and thus the socioeconomic attainments of immigrant families. The ethnic community provides information, jobs, and other social and economic resources that help immigrant families to adjust successfully to American society. These resources are especially important for immigrants who settle near inner-city areas where schools are often underfunded, crime rates are high, and unemployment and other social problems are more commonplace (Portes & Rumbaut, 2001; Suarez-Orozco & Suarez-Orozco, 2001; Waldinger, 2001). In such social settings, full assimilation would mean "downward assimilation." Thus, according to the segmented assimilation perspective, immigrants are better off selectively embracing elements of mainstream society that are useful for attaining socioeconomic status while avoiding the negative influences of contemporary American urban life.

In Table 4.1, we present statistics that compare Asian Americans to whites and blacks in performance on scholastic aptitude tests that were administered to a nationally representative sample of eighth graders by the National Center for Education Statistics in 1988. The figures indicate the average score in terms of standard deviation units (multiplied by 100) from the national mean. With a score of 17, whites are only slightly above the national average on the 1988 math test, whereas African Americans are appreciably below it (with an average score of -61). Asian Americans have an average math score of 44, well above the

Table 4.1 Aptitude Test Scores Among Eighth Graders by Race and Ethnicity, 1988

	Verbal Test 1988	Math Test 1988
Whites	17	17
Blacks	-53*	-61*
All Asians	16	44*
Chinese	22	74*
Japanese	25	62*
Filipino	9	16
Korean	48*	87*
South Asian	54*	73*
Southeast Asian	-10*	28

SOURCE: Xie and Goyette's calculations based on the National Education Longitudinal Study of 1988 for their book *Asian Americans: A Demographic Portrait* (Xie & Goyette, 2004).

NOTE: Verbal and math test scores are in the scale of 0.01 standard deviation among a cohort of eighth graders.

* $p < .01$.

national average, and their advantage is statistically significant (i.e., beyond the margin of error) relative to whites and African Americans.

It should be noted, however, that Table 4.1 also shows that ethnic differences among Asian Americans are considerable. In terms of the 1988 math test, the Filipino and Vietnamese students were not statistically different from white students, whereas Chinese, Japanese, Korean, and South Asian students scored much higher than any of the other racial and ethnic groups. Furthermore, Asian Americans as a group did not score higher than whites on the 1988 verbal test (which is probably the negative consequence of having immigrant parents). Table 4.1 shows that, whereas Koreans and South Asians did outscore whites on the verbal test, the other Asian American ethnic groups did not (or at least their above-average differences were not statistically significant). In fact, Vietnamese are the only Asian American group whose average 1988 verbal test score was below the national average (although it was not as low as that of African Americans).

Similar patterns can be found in average SAT scores in the academic year 2000–2001. Asian American students planning to attend college scored slightly lower than their white peers on verbal SAT exams (501 versus 528) but higher than

blacks and Hispanics (at 430 and 460, respectively). On math SAT tests during that same year, Asian Americans scored higher than all other groups, with an average score of 566, compared to whites' average of 531. Asian Americans in high school also report higher grade point averages than do whites, often a quarter of a standard deviation above whites. Asian American 8th and 10th graders in the National Educational Longitudinal Survey (NELS) reported grade point averages of 3.2 and 3.0 on a 4-point scale, compared to 2.9 and 2.7 for whites.

Asian Americans take more advanced math and science courses than do other race and ethnic groups. In 1998, the National Council of Educational Statistics reported that 74% of Asian high school graduates had taken some advanced science courses and that 56% of them had taken some advanced math courses. The comparable percentages for white high school graduates are 64% and 45%. However, there is no Asian-white difference in the likelihood of taking advanced English courses.

Asian Americans seem to have fewer behavioral problems in schools. The percentages of students in grades 7–12 who had ever been expelled or suspended from school in 1999 were 13% for Asians, 15% for whites, 20% for Hispanics, and 35% for

blacks. Asian American students are absent from school fewer days than are whites. It is possible that Asian Americans receive higher grades than other groups because teachers reward them for better behavior in schools and classrooms.

Asian Americans' success in elementary and secondary schools has been attributed to attitudes and behaviors of both Asian American children and their parents that seem to promote educational achievement. As was discussed above, Asian American parents expect their children to achieve higher education than the parents of other racial groups. Data from the NELS show over a third of the mothers and fathers of Asian 10th graders expect their children to achieve some graduate education compared to less than a fifth of parents of whites. Further, Asian American children themselves expect to achieve more education than their white, black, and Hispanic peers. Over 20% of Asian 10th graders in this same study reported expecting a Ph.D. compared to 14% or less among blacks, Hispanics, and whites. It has been suggested that parents of Asian Americans perceive effort rather than ability as the key to children's educational attainment, in contrast to white American parents. To achieve the goals that parents set for them and they set for themselves, Asian American children report doing, on average, close to one hour more of homework per week than do white children.

Not surprisingly, the statistical results from the 2000 U.S. Census clearly indicate that native-born Asian Americans have substantially higher levels of educational attainment than whites and African Americans. Table 4.2 shows the rates of high school graduation and college graduation for persons aged 25–64 on the 2000 U.S. Census. For this cohort, 87% of whites and 77% of African Americans completed high school, and 29% of whites and 15% of African Americans also completed college. Among native-born Asian Americans, 93% completed high school and 45% completed college.

Foreign-born Asian Americans are, however, more heterogeneous. Table 4.2 shows that their high school graduation rate is 82%, whereas their

college graduation rate is 46%. Therefore, relative to whites, foreign-born Asian Americans are somewhat less likely to have graduated from high school but they are also substantially more likely to have completed college. This latter finding is not contradictory. It simply indicates that foreign-born Asian Americans are quite diverse in terms of their levels of completed educational attainment.

Table 4.2 also shows significant ethnic differences. Among native-born Asian Americans, Chinese, Koreans, and Asian Indians have the highest levels of college graduation—over twice that for whites. Although not quite as large as those for native-born Chinese, Koreans, and Asian Indians, the high school and college completion rates for native-born Japanese, Filipino, other Asians and multiethnic Asians are also higher than those for whites.¹ On the other hand, the Vietnamese are the one group among native-born Asian Americans that is less likely than African Americans to complete high school. Nonetheless, native-born Vietnamese are still more likely than African Americans to complete college (although at a rate lower than whites).

As we have already noted, foreign-born Asian Americans are quite heterogeneous in their levels of educational attainment, and substantial variability among the foreign-born is also evident among and between ethnic groups. For example, the rate of high school graduation among foreign-born Chinese is only slightly higher than that of African Americans, but the rate of college graduation among foreign-born Chinese is nonetheless much higher than that of whites. Foreign-born Vietnamese and other Asians have substantially lower rates of high school graduation than African Americans, whereas multiethnic Asians have the same rate of high school graduation as African Americans. Compared to African Americans, foreign-born Vietnamese are slightly more likely to complete college but they are significantly less likely to complete college than whites. On the other hand, foreign-born Japanese, Filipinos, Koreans, and Asian Indians all have substantially higher levels of educational attainment than do whites at both the high school and college levels.

Table 4.2 High School Completion and College Degree Attainment Among 25- to 64-Year-Olds by Race and Ethnicity, 2000

<i>Race/Ethnicity and Nativity</i>	<i>High School (%)</i>	<i>College (%)</i>
Whites	87	29
Blacks	77	15
Native-Born Asians		
All	93	45
Chinese	96	67
Japanese	97	52
Filipino	92	36
Korean	94	61
Asian Indian	90	63
Vietnamese	74	25
Other Asian	81	37
Multiethnic Asian	96	42
Multiracial Asian	90	29
Foreign-Born Asians		
All	82	46
Chinese	80	50
Japanese	95	51
Filipino	91	48
Korean	90	46
Asian Indian	89	66
Vietnamese	65	20
Other Asian	67	30
Multiethnic Asian	77	39
Multiracial Asian	79	34

SOURCE: Authors' calculations based on the 1% (for whites and blacks) and 5% (for Asians) Public Use Microdata Sample from the 2000 U.S. Census.

In sum, Asian Americans as a whole (especially among the native born) tend to have higher average levels of educational attainment than do whites and African Americans. This general pattern in part derives from having parents who tend to have higher levels of educational attainment themselves.² However, there is significant variability among Asian Americans, especially among the foreign born who, as a whole, are more likely not to have completed high school than whites. In addition, certain ethnic groups—especially the Vietnamese and other Asians—tend to have high proportions who did not complete high school, and the Vietnamese are also less likely than whites

to complete college. Thus, while Asian Americans as a general category have higher levels of educational attainment and are more likely to complete college than whites, there is significant variability among Asian Americans both within and between the various ethnic groups.³

Labor Force Characteristics

Tables 4.3 and 4.4 show statistics on labor force characteristics by race, ethnicity, and nativity (i.e., whether foreign born or native born), respectively, for men and women aged 21–64 in the 2000 U.S. Census. Earnings refer to income obtained

through labor market participation during 1999. Earnings thus include self-employment and wage and salary income, but do not include other types of income such as welfare payments, dividends, rents, or the incomes of other family members. Wages refer to earnings divided by total hours worked in the labor market during 1999.⁴ The first three columns in Tables 4.3 and 4.4 present the means for hours worked per week, hourly wages, and annual earnings.

Also included in Tables 4.3 and 4.4 (in the last three columns) are the percentages of each group that are professionals, managers, and self-employed. Professionals are highly skilled occupations that typically require specialized training or licensed accreditation (operationalized with the U.S. census data in Table 4.7). Managers in our analysis refer to persons in a managerial occupation who are employees (i.e., not self-employed) in a for-profit company. Our definition of managers thus excludes self-employed proprietors, unpaid family workers, and persons in government or the nonprofit sector. For this reason, our results indicate employment in the more competitive managerial hierarchy of the private sector.

Results for Men

We report the results for men in Table 4.3. The first column shows that the average hours worked per week is generally similar across whites, African Americans, native-born Asian Americans, and foreign-born Asian Americans. The average earnings is \$46,000 for whites, \$43,000 for native-born Asian Americans, and \$45,000 for foreign-born Asian Americans, but it is substantially lower for African Americans (\$30,000). The average hourly wage is \$23 for whites, \$22 for native-born Asian Americans, and \$24 for foreign-born Asian Americans, with African Americans trailing at \$18.

Both native-born and foreign-born Asian Americans have higher levels of professional employment (33% and 34%, respectively) than whites (21%) and African Americans (13%). Strong claims of severe racial discrimination

against Asian Americans in the managerial sector have been made (Ong & Hee, 1993; Woo, 2000), but our results in Table 4.3 indicate only a slight difference in managerial employment between whites and Asian Americans (8% for whites versus 7% for either native-born or foreign-born Asian Americans). As for self-employment, the rate is highest among whites (13%) and lowest among African Americans (6%), with Asian Americans in between (12% for the foreign born and 8% for the native born).

Table 4.3 shows some significant differences across various Asian ethnic groups. Among the foreign born, average wages and earnings of the Vietnamese, other Asians, multiethnic Asians, and multiracial Asians are lower than those for whites and are only slightly higher than those for African Americans. Relative to whites, average wages and earnings are significantly higher for foreign-born Japanese and Asian Indians. The average wages and earnings for foreign-born Chinese, Filipinos, and Koreans tend to be fairly similar to those for whites.

As has been noted elsewhere (Iceland, 1999; Xie & Goyette, 2004; Zeng & Xie, 2004), foreign-born Japanese are notable for very high average wages and earnings. An extraordinarily large percentage of them are managers (21%). These results probably derive from the business practices of large Japanese corporations, which routinely send their upper-level white-collar employees to work in their branch offices and subsidiaries, including those overseas (Fang, 1996). Many, if not most, of these Japanese corporation managers will return to Japan after their scheduled stay in the United States.

Among native-born Asian American men, Table 4.3 shows that average wages and earnings for most ethnic groups are lower than those for whites. The only groups that have higher mean wages and earnings are the Chinese and Japanese. These findings partly derive from the younger age structure (hence fewer years of labor force experience) among most native-born Asian Americans—an important factor we adjust for in analysis later reported in Table 4.6.

Table 4.3 Labor Force Characteristics of Male Workers, 2000

<i>Race/Ethnicity and Nativity</i>	<i>Hours Per Week</i>	<i>Wages (\$/hour)</i>	<i>Earnings (\$1000)</i>	<i>Professionals (%)</i>	<i>Managers (%)</i>	<i>Self-Employed (%)</i>
Whites	44	23	46	21	8	13
Blacks	42	18	30	13	3	6
Native-Born Asians						
All	42	22	43	33	7	8
Chinese	43	28	56	46	9	10
Japanese	43	26	53	36	8	11
Filipino	40	19	33	27	6	4
Korean	42	21	40	44	8	8
Asian Indian	41	22	39	45	8	6
Vietnamese	38	15	24	24	5	5
Other Asian	41	17	30	28	7	5
Multiethnic Asian	40	20	38	32	7	6
Multiracial Asian	42	19	36	23	6	8
Foreign-Born Asians						
All	43	24	45	34	7	12
Chinese	43	24	45	40	8	12
Japanese	45	37	73	37	21	11
Filipino	41	22	38	27	4	5
Korean	45	25	45	30	8	27
Asian Indian	44	29	59	50	9	12
Vietnamese	42	19	34	23	3	10
Other Asian	42	20	35	23	5	11
Multiethnic Asian	43	21	39	28	6	13
Multiracial Asian	43	21	40	24	6	12

SOURCE: Authors' calculations based on the 1% (for whites and blacks) and 5% (for Asians) Public Use Microdata Sample from the 2000 U.S. Census.

NOTE: The first three columns are restricted to male workers with reported nonzero hours worked per week and nonzero weeks worked last year. Earnings refer to annual earnings in 1999. The last three columns are restricted to those active in the civilian labor force.

Table 4.3 indicates that self-employment rates tend to decline substantially between the immigrant generation of the foreign born and their native-born offspring. For example, self-employment is 27% among foreign-born Korean men but only 8% for native-born Korean men. Among foreign-born Asian Indians, self-employment is 12% but it is only 6% among native-born Asian Indians. These differences in part reflect social mobility out of the small businesses of the immigrant, parental generation to better-paying, white-collar (and

sometimes professional) employment among many of their native-born offspring.

Results for Women

The corresponding statistics for women are shown in Table 4.4. One noticeable pattern is that Asian American women—both native born and foreign born—appear to consistently outperform white women on a number of socioeconomic indicators in the labor force. Relative to white women,

Table 4.4 Labor Force Characteristics of Female Workers, 2000

<i>Race/Ethnicity and Nativity</i>	<i>Hours Per Week</i>	<i>Wages (\$/hour)</i>	<i>Earnings (\$1000)</i>	<i>Professionals (%)</i>	<i>Managers (%)</i>	<i>Self-Employed (%)</i>
Whites	37	16	27	27	5	8
Blacks	38	16	24	19	3	3
Native-Born Asians						
All	38	19	31	35	7	5
Chinese	39	22	39	45	9	6
Japanese	39	21	36	39	6	6
Filipino	37	18	27	29	7	3
Korean	38	19	30	42	8	4
Asian Indian	37	20	28	47	7	4
Vietnamese	36	15	20	28	6	4
Other Asian	37	14	23	31	5	5
Multiethnic Asian	38	18	30	32	7	4
Multiracial Asian	38	17	26	26	5	6
Foreign-Born Asians						
All	39	19	29	32	4	8
Chinese	39	19	31	37	5	8
Japanese	37	19	28	32	6	10
Filipino	39	20	32	34	3	4
Korean	40	18	28	25	4	17
Asian Indian	39	21	35	44	5	7
Vietnamese	38	15	23	19	2	10
Other Asian	38	16	23	20	3	6
Multiethnic Asian	39	20	30	29	4	10
Multiracial Asian	38	17	26	25	4	8

SOURCE: Authors' calculations based on the 1% (for whites and blacks) and 5% (for Asians) Public Use Microdata Sample from the 2000 U.S. Census.

NOTE: The first three columns are restricted to female workers with reported nonzero hours worked per week and nonzero weeks worked last year. Earnings refer to annual earnings in 1999. The last three columns are restricted to those active in the civilian labor force.

Asian American women clearly tend to have higher average hourly wages and higher earnings.⁵ They are also more likely to be employed in a professional occupation. These conclusions hold true for both the native born and the foreign born across all of the Asian ethnic groups except Vietnamese, other Asian, and multiracial Asian women.

Regarding managerial employment, Table 4.4 indicates that foreign-born Asian American women have a slightly lower percentage than do white women (4% versus 5%, respectively), while

native-born Asian American women have a somewhat higher percentage (7%). As was the case with men, native-born Asian American women are clearly less likely to be self-employed than are foreign-born Asian American women, suggesting that the offspring of the immigrant generation often move out of employment in family businesses. The rate of self-employment among native-born Asian American women is 5%, lower than that for either white women or foreign-born Asian American women (both at 8%).

As we have already noted, the Vietnamese, other Asian, and multiracial Asian women tend to deviate from the general pattern of having higher socioeconomic attainments than white women. Both native-born and foreign-born Vietnamese and other Asian women have average wages and earnings that are usually less than whites. While native-born Vietnamese and other Asian women are slightly more likely to be professionals than whites, the foreign born are less likely. Both native-born and foreign-born multiracial Asian women have slightly higher average wages than whites but slightly lower average earnings and rates of professional employment.

DO ASIAN AMERICANS FACE RACIAL DISCRIMINATION IN THE LABOR MARKET?

According to the overeducation hypothesis of Hirschman and Wong (1984), Asian Americans are said to suffer racial discrimination due to receiving lower socioeconomic returns on their educational attainment than do whites. The labor market is predicted to racially discriminate against Asian Americans in the sense that they must make a greater investment in education in order to achieve comparable wages or earnings with whites. If this hypothesis is true, then the socioeconomic attainments of Asian Americans are not as high as they would be absent racial discrimination in the labor market. In other words, as argued by Feagin and Feagin (1993, p. 354), "perhaps the clearest indicator of continuing discrimination is the fact that the incomes of Japanese [and other Asian] Americans are lower than they should be, given this group's high level of education."

Foreign-Born Asian Americans

To properly evaluate Hirschman and Wong's (1984) overeducation hypothesis, it is necessary to distinguish different types of schooling. In particular, a handicap that is typically faced by foreign-born and foreign-educated Asian Americans is that the economic value of their Asian educational credentials is often severely discounted (in comparison

with American educational credentials) in the American labor market. The lower returns to foreign schooling do not clearly represent racial discrimination, however, if Asian Americans with American educational attainment obtain similar socioeconomic rewards as do whites.

There are three main reasons for the lower economic value of foreign schooling. First of all, American employers are unfamiliar with foreign universities. Second, training in certain educational fields is to some extent nontransferable across societies (e.g., law, business, education) due to cross-national variation in the cultural and institutional bases of these fields. Third, the quality of some foreign universities may actually be low by American educational standards.

In a recent study based on data from the 1990s, Zeng and Xie (2004) compare the earnings of three groups of Asian American male workers: (a) foreign-born Asian Americans who were schooled in Asia; (b) foreign-born Asian Americans whose highest level of educational attainment was obtained in the U.S.; and (c) native-born Asian Americans (who may be assumed to have been schooled in the U.S.). Zeng and Xie find that only the first group (i.e., foreign-born Asian Americans who were schooled in Asia) was systematically underpaid (on average, about 16% less) relative to comparable native-born whites (as well as other Asian Americans), who were otherwise similar in terms of educational level and demographic characteristics.

These results should not be generalized too widely because the Zeng and Xie study does not include women, part-time workers, or older workers. Nonetheless, for prime-age (ages 25–44) male workers, Zeng and Xie (p. 1106) argue, "the identification of foreign-educated immigrants as the only disadvantaged group among Asian Americans in this study suggests that Asian Americans' earnings disadvantage is rooted in human capital differences between U.S.-educated workers and foreign-educated workers rather than in race-based discrimination." In other words, in the contemporary American labor market, the earnings disadvantage of foreign-educated Asian

Table 4.5 Comparison of Native-Born Whites (NBW) and Foreign-Educated Asian American Immigrants (FEAI) Among 25- to 44-Year-Old Male Workers, 1990

<i>Variables</i>	<i>NBW</i>	<i>FEAI</i>
Median Annual Earnings (in thousands of dollars)	29	24
Mean Years of Schooling	14	14
Less Than High School (%)	5	6
High School Below (%)	33	28
Some College (%)	31	30
College Graduates (%)	20	26
Masters and Ph.D. (%)	10	11
Mean Age	34	36
Mean Years of Experience	15	16
Living in Urban Areas (%)	80	97
Speaking English Less Than Very Well (%)	0	54
Median Years of Stay in the U.S.	—	7
Ethnicity (%)		
Chinese	—	16
Filipino	—	26
Japanese	—	8
Asian Indian	—	17
Southeast Asian	—	16
Other Asian	—	16

SOURCE: Zeng and Xie's (2004) calculations based on the 0.1% (for whites) and 5% (for Asians) Public Use Microdata Sample from the 1990 U.S. Census.

NOTE: — = data inapplicable.

American prime-age male workers seems to derive from the lower value of their Asian educational credentials rather than from racial discrimination per se.

Another relevant factor discussed by Zeng and Xie (2004) is work experience. In addition to education, years of work experience in the U.S. labor force tend to increase one's productive work skills and upward mobility. Asian Americans who are foreign educated often find that their work experience in Asia is severely discounted in the U.S. labor force. The earnings disadvantage of foreign-educated Asian American immigrants tends to decline as they accumulate more work experience in the U.S. labor force. Typically accompanying the U.S. work experience are better English language skills, an improved understanding of American labor market practices, and wider social networks

that can provide information and contacts for obtaining better jobs.

We report some statistics for prime-age male workers studied by Zeng and Xie (2004). As shown in Table 4.5, foreign-educated Asian American men are more likely than native-born white men to be college graduates or to have graduate degrees. Foreign-educated Asian American men also tend to be slightly older and to have more years of total labor force experience. Nonetheless, annual earnings tend to be lower for these Asian American men. As more fully discussed by Zeng and Xie, these results may be interpreted as reflecting the discounted value that the American labor market places on education and work experience that were obtained in Asia. This discounting may be partly related to the large proportion of this group that reports that they speak English less than "very well" (see Table 4.5).

We do not know whether Zeng and Xie's conclusion is applicable to whites, that is, whether foreign-born and foreign-educated white immigrants are similarly disadvantaged. The literature on this topic is relatively recent and scant. At this stage of the research on this issue, the reduced economic value of foreign education and work experience seems to be a more plausible interpretation of the lower earnings of Asian American immigrants than is the racial discrimination view as espoused by the overeducation hypothesis. However, more research comparing the wages of foreign-educated white and Asian American immigrants is needed before any strong conclusions may be drawn. Investigating whether Asian American immigrants encounter some form of systematic racial discrimination in the contemporary labor market should be the subject of further social scientific inquiry.

Native-Born Asian Americans

There is considerable evidence to support the view that Asian Americans, even those who were native born, faced systematic racial discrimination in the labor market during the period before the civil rights movement of the 1960s. Using data from the 1940 U.S. Census, Sakamoto, Liu, and Tzeng (1998) find that native-born Chinese and Japanese American men faced a substantial racial disadvantage (relative to native-born white men with similar education, years of experience, and region of residence) in obtaining employment in higher-paying occupational sectors. A substantial net racial penalty (after taking into account education, experience, region of residence, and years of military service) is also evident in the wages and earnings of native-born Asian American men in the 1940 and 1950 U.S. Census data (Sakamoto & Kim, 2003; Sakamoto, Wu, & Tzeng, 2000). These studies consistently find that native-born Asian American men endured systematic racial discrimination in the labor market because they received lower returns on their educational attainment as predicted by Hirschman and Wong's (1984) overeducation hypothesis.

Data from the post-civil rights period, however, usually do not support the contention that native-born Asian Americans face systematic racial discrimination, especially since the 1990s. For example, using data from the 1990 U.S. Census, Sakamoto, Wu, and Tzeng's (2000) analysis finds no net racial earnings penalty for native-born Chinese and Japanese American men. Similar conclusions regarding the wages, earnings, or occupational attainment of native-born Asian American men are reported by Ko and Clogg (1989), Iceland (1999), Sakamoto and Furuichi (1997), Sakamoto and Kim (2003), Xie and Goyette (2004), and Zeng and Xie (2004) using census data from 1980 and onward. Sakamoto and Yap (2004) find no net racial penalty for the wages of either native-born Asian American men or women in the Current Population Survey data from 1994 to 2002. Given these results, we believe that the bulk of the careful statistical evidence to date indicates that the overeducation hypothesis does not apply to native-born Asian Americans in recent decades (i.e., the post-civil rights period). In other words, these studies suggest that native-born Asian Americans have, for the most part, achieved approximate equality with respect to whites in terms of socioeconomic outcomes in the contemporary U.S. labor market.

Results reported in Table 4.6 shed further light on this issue using data for native-born, full-time workers in the 1960 and 2000 U.S. Censuses. The column labeled *Observed* refers to the ratio of mean earnings among Asian Americans to mean earnings among whites. A ratio less than 1.0, therefore, indicates that mean Asian American earnings are less than mean white earnings, while a ratio greater than 1.0 indicates that mean Asian American earnings are greater than mean white earnings. The *Adjusted* column in Table 4.6 refers to this ratio after statistically taking into account education and work experience (among both Asian Americans and whites). The overeducation hypothesis would be supported to the extent that the adjusted ratios are less than 1.0, indicating that Asian Americans are receiving lower earnings than whites within the same levels of education and work experience.

Table 4.6 Asian-to-White Earnings Ratios for Native-Born, Full-Time Workers

Ethnicity	1960		2000	
	Observed	Adjusted	Observed	Adjusted
All Asians				
Men	0.98	0.94**	1.14***	1.04**
Women	1.04	1.02	1.32***	1.17***
Chinese				
Men	0.99	0.94	1.35***	1.12***
Women	1.10	1.07	1.65***	1.35***
Japanese				
Men	1.00	0.95*	1.19***	1.00
Women	1.04	1.02	1.37***	1.15***
Filipino				
Men	0.79**	0.87*	0.93*	1.00
Women	0.86	0.88	1.09**	1.09**
Korean				
Men			1.15*	1.13*
Women			1.24**	1.20**
Asian Indian				
Men			1.10	1.09
Women			1.34***	1.20***
Vietnamese				
Men			0.87	1.08
Women			0.83	0.97

SOURCE: Xie, Yu, and Kimberly A. Goyette. "Ratio of Asian Americans' Earnings to Whites' Earnings: Observed and Adjusted for Education and Experience, 1959–1999." In *A Demographic Portrait of Asian Americans*. ©2004 Russell Sage Foundation, 112 East 64th Street, New York, NY 10021. Reprinted with permission.

NOTES: Xie and Goyette's calculations based on the 1% Public Use Microdata Sample from the 1960 and 2000 U.S. Censuses for their book, *A Demographic Portrait of Asian Americans*. Analysis was restricted to full-time and year-round workers with positive earnings who were 21–64 years old.

* $p < .05$. ** $p < .01$. *** $p < .001$.

In Table 4.6, the findings for 1960—which is before the passage of the historic Civil Rights Act of 1964 outlawing racial discrimination in the labor market—support the overeducation hypothesis for Asian American men. For example, the ratio is 0.95 for Japanese American men and 0.87 for Filipino American men, indicating that their net racial disadvantages were 5% and 13%, respectively. Table 4.6 also shows that for Asian American men as a whole, the ratio is 0.94, a net racial disadvantage of 6%.

Results for 2000, however, are inconsistent with the overeducation hypothesis. All of the adjusted

ratios for men are greater than 1.0. Indeed, the ratio is 1.04 for Asian American men as a whole, meaning that they receive a 4% "bonus" relative to white men. This latter result may derive from the greater propensity for Asian American men to obtain degrees in more lucrative fields such as science and engineering (Xie & Goyette, 2003). The 4% bonus may also reflect the higher proportions of Asian Americans who live in urban areas or in California, Hawaii, and New York, where the cost of living tends to be higher. Thus, the 4% bonus probably does not really reflect a higher rate

of pay for Asian American men relative to white men living in similar localities and having a similar type of degree.

In Table 4.6, there is no support for the overeducation hypothesis for Asian American women. First of all, Asian American women in 1960 had earnings ratios that were not statistically different from 1.0. For 2000, the adjusted ratio is 1.17 for Asian American women as a whole. This finding indicates that native-born, full-time Asian American female workers earn 17% more than do full-time white female workers who have similar levels of education and work experience in 2000. Contrary to the expectation of the overeducation hypothesis, Asian American women are now being paid more than white women with comparable educational attainment and work experience rather than suffering a penalty for being a racial minority. The sources of this 17% bonus for Asian American women require further research.

In sum, native-born Asian American men clearly faced a net racial disadvantage in the period before the Civil Rights Act of 1964. This negative effect of being a racial minority is consistent with the overeducation hypothesis, which posits that Asian Americans face racial discrimination in the labor market due to lowered returns on their educational attainment. In the period after the Civil Rights Act, however, there is no clear evidence that native-born Asian American men systematically face a net racial disadvantage in terms of wages, earnings, or occupational attainment.⁶ Similarly, the labor market outcomes of native-born Asian American women are not disadvantaged relative to white women. Taken together, in terms of the basic processes of labor market stratification, native-born Asian Americans appear to have achieved at least approximate equality with white workers in the post-civil rights period.

OCCUPATIONAL DISTRIBUTIONS IN 1960 AND 2000

Table 4.7 shows the percentage of workers who are Asian American in 41 major occupations using the

1960 and 2000 U.S. Census data. In 1960, 0.5% of the U.S. workforce was Asian American, whereas, by 2000, the proportion had grown to 4.1% (last row). Therefore, occupations with more than 0.5% Asian Americans in 1960 had an overrepresentation of Asian Americans. Similarly, occupations with more than 4.1% Asian Americans in 2000 had an overrepresentation of this racial minority.

In 1960, Asian Americans were clearly overrepresented in certain professional and technical occupations such as life scientists (3.6%), architects (1.5%), and physicians and dentists (1.4%). At that time, Asian Americans were also overrepresented in several lower-status occupations including textile operators (1.1%), farmers and farm laborers (1.1%), and cleaning and food service workers (1.1%). The index of dissimilarity, which measures the extent to which Asian Americans are more concentrated in certain occupations than are non-Asian Americans, was 18.6% in 1960. This means that 18.6% of Asian Americans would need to change their occupations in order for their occupational distribution to be the same as the occupational distribution for non-Asian Americans.

In 2000, the index of dissimilarity declined only slightly, to 18.1%, indicating almost no convergence between the occupational distributions of Asian Americans and non-Asian Americans over this time period. While Asian Americans remained overrepresented in some professional occupations in 2000 as in 1960, they also extended their overrepresentation to other higher-status professional occupations such as physical scientists (15.3%), mathematicians (11.1%); nurses (6.2%), engineers (9.9%), and accountants (6.1%). Asian Americans in 2000 were also overrepresented in a few lower-status occupations including textile machine operators (10.1%), cleaning and food service workers (4.7%), and personal service workers (5.1%).

Occupational changes between 1960 and 2000 do indicate, however, some movement out of several lower-paying occupations and into several higher-paying occupations. For example, in 2000, Asian Americans were no longer overrepresented in the farmers and farm laborers

Table 4.7 Percent Asian Americans in Occupation, 1960 and 2000

<i>Occupation</i>	<i>1960</i>	<i>2000</i>
Life scientists	3.6	14.7
Physical scientists	0.7	15.3
Social scientists	0.3	4.3
Mathematicians	0.6	11.1
Engineers	0.9	9.9
Architects	1.5	6.9
Physicians, dentists, and related practitioners	1.4	13.6
Nurses, dietitians, and therapists	0.7	6.2
Elementary and pre-school teachers	0.4	1.9
Secondary and vocational teachers	0.5	2.8
Post secondary teachers	1.7	8.7
Health technicians	0.6	5.4
All other technicians	0.7	4.3
Computer specialists	—	13.2
Writers, artists, and entertainers	0.4	4.1
Lawyers and judges	0.3	2.7
Librarians, archivists, and curators	0.5	3.5
Social and recreation workers	0.9	2.3
Religious workers	0.2	4.0
Accountants and financial analysts	0.8	6.1
Administrators and public officers	0.5	2.4
Managers and proprietors	0.6	4.1
Sales workers, retail	0.4	4.8
Sales workers, other	0.5	3.8
Clerical workers	0.5	3.8
Bookkeepers	0.5	3.8
Secretaries	0.6	2.3
Mechanical workers	0.5	2.5
Carpenters	0.5	1.3
Electricians	0.3	1.5
Construction workers	0.3	1.0
Craftsmen	0.3	4.7
Textile machine operators	1.1	10.1
Metalworking and transportation operators	0.3	2.3
Other operators	0.3	4.0
Labors, except farm	0.4	2.1
Farmers and farm laborers	1.1	1.5
Cleaning and food service workers	1.1	4.7
Health service workers	0.2	3.3
Personal service workers	0.5	5.1
Protective service workers	0.1	1.8
Total	0.5	4.1
Index of Dissimilarity	18.6	18.1

SOURCE: Xie, Yu, and Kimberly A. Goyette. "Percent Asian American in Occupation, 1960–2000." In *A Demographic Portrait of Asian Americans*. ©2004 Russell Sage Foundation, 112 East 64th Street, New York, NY 10021. Reprinted with permission.

NOTES: Xie and Goyette's calculations based on the 1% PUMS from the 1960 U.S. Census and 1% Public Use Microdata Sample and 5% Public Use Microdata Sample from the 2000 U.S. Census for their book, *A Demographic Portrait of Asian Americans*. Analysis was restricted to workers aged 21–64. The shaded area represents professional occupations. — = data unavailable.

occupation but instead became underrepresented. Asian American overrepresentation as cleaning and food service workers was substantially reduced over this time period. Asian American representation in lower-paying white-collar occupations—including elementary and preschool teachers, social and recreation workers, librarians, and secretaries—was also low in 2000 as compared to 1960. Because many of these latter occupations tend to employ mostly women, these occupational shifts are probably part of the source of the higher earnings of Asian American women relative to white women in 2000.

The Glass Ceiling Hypothesis

The so-called glass ceiling hypothesis postulates that Asian Americans face a racial disadvantage in obtaining employment in managerial positions. In this strand of research, the focus is not on the socioeconomic returns to education and work experience in the labor market broadly construed, but rather in a particular segment that may be generally referred to as the managerial hierarchy. The glass ceiling hypothesis predicts that this particular segment remains resistant to Asian Americans due to a preference for white managers who are believed to be more competent administratively and more compatible with white workers. One of the earliest references to this hypothesis is attributable to Hirschman and Wong (1981, p. 496), who commented that Asian Americans “are permitted to occupy certain ‘occupational niches’ which . . . allow for somewhat higher socioeconomic status than other minority groups, but there remains a ceiling on advancement into positions of authority or institutional power.”

A study of this issue was completed by the U.S. Commission on Civil Rights using the 1980 U.S. Census data. According to their results for native-born men aged 25–64 (U.S. Commission on Civil Rights, 1988, p. 153), the odds of being employed as a manager were 28% lower for Chinese, 43% lower for Filipinos, and 30% lower for Japanese (relative to native-born, non-Hispanic white men).

These results were derived after taking into account the effects of education, years of work experience, region of residence, marital and disability status, self-reported English-language proficiency, and industry of employment. Because they pertain to native-born men, these findings cannot be easily explained as deriving from the handicap of foreign educational credentials, foreign work experience, or the presumed unfamiliarity with American culture. These negative effects may therefore be interpreted as evidence of a racial disadvantage against Asian American men in obtaining employment as a manager.

Other quantitative studies of the glass ceiling hypothesis are reviewed by Woo (2000, pp. 52–64). These studies use data on detailed occupational categories, governmental agencies in specific municipalities, or particular firms from certain geographic areas such as California’s Silicon Valley. As discussed by Woo, bivariate statistics from these reports frequently indicate lower levels of employment of Asian Americans in upper managerial positions.

Many of these studies have limitations, however, that compromise the extent to which they provide convincing evidence of a discriminatory racial disadvantage for Asian Americans in obtaining managerial jobs. With the exception of the aforementioned study by the U.S. Commission on Civil Rights (1988), these reports do not take into account the effects of nativity. Without more precise information and analysis, the underrepresentation of Asian American immigrants as managers in large firms may be at least partly attributed to their characteristics as immigrants rather than to their race. These disadvantages may include limited English language skills, a lack of American educational credentials (i.e., as was studied by Zeng and Xie in their analyses of the earnings of Asian American immigrants), and a reduced familiarity with American culture or with the social norms that are critically important for competence as a manager. To be sure, the significance of these factors may sometimes be exaggerated (Woo, 2000, pp. 33–35). Nonetheless, nativity status is an important confounding variable that has not been

adequately taken into account in most of the previous studies of the glass ceiling hypothesis.

Another limitation of many of these studies is that they are based on a small number of firms, governmental agencies, or occupational groups. For this reason, their results do not permit generalization to the managerial hierarchy as a whole. Individuals may self-select into particular firms or specific jobs, and thus do not constitute samples that are representative of the labor force. Furthermore, the analysis of managerial job attainment should not be totally isolated from the study of higher-paying professional occupational attainment because the two processes may be interrelated. One interpretation of Asian Americans' high representation in the professions is that some Asian Americans may voluntarily choose professional careers over the more risky career trajectory of climbing up the managerial hierarchy.

As we noted above, our results from the 2000 U.S. Census data (as shown in Tables 4.3 and 4.4) do not indicate that native-born Asian Americans are substantially less likely to be employed as managers in for-profit companies. Although those results are significant, they do not constitute a thorough analysis of the glass ceiling hypothesis. First, they are based on bivariate statistics that do not take into account the higher educational attainments of native-born Asian Americans. Second, our results refer to employment in any managerial occupation and are not limited to upper-level managerial positions. It is still possible that Asian Americans may face a racial disadvantage in obtaining jobs as upper-level managers, especially in large corporations.

In sum, we believe that the glass ceiling hypothesis identifies an important issue about the possible persistence of racial discrimination in a particular sector of the labor market. We argue, however, that the hypothesis needs to be further studied using more refined multivariate statistical methods and more recent, nationally representative data that provide better information about employment in the managerial hierarchy in the labor force as a whole. Future research should also

investigate whether Asian Americans face a persistent racial disadvantage in particular segments of the managerial hierarchy such as upper-level positions, especially those in major corporations.

Family Characteristics and Poverty Status in 2000

One conclusion that is suggested from our foregoing results and discussion is that Asian Americans have effectively used education as a channel for higher socioeconomic attainment. However, education normally occurs early in the life course, when an individual is still young and dependent on parents for both financial and emotional support. Past sociological research has shown that educational attainment is strongly affected by parents' emotional encouragement and financial support. Hence, high educational attainment among Asian American youth reflects in large part the heavy investment of Asian parents in their children. Seen in this light, the strategy of social mobility through education is more a family strategy than an individual strategy. If education is a main route to success among Asian Americans, the family is the main engine that drives them along that route. Thus, our knowledge of Asian Americans' socioeconomic attainments would be incomplete without some consideration of the Asian American family.

In the first column of Table 4.8, we present the percentage of persons living in families headed by a married couple. We call such families *husband-wife families*. Note that a husband-wife family is not the same as a nuclear family, although it encompasses a nuclear family, which includes only a married couple and their own children. An elderly woman who lives with her daughter and her son-in-law is considered to live in a husband-wife family. We intend the living arrangement in a husband-wife family to measure the stability and resourcefulness—both emotional and material—of family life that are commonly associated with marriage. For each racial and ethnic group, we present two numbers, one for all persons regardless of age and one for children under age 18. We want to

separate out children because previous research shows that they are vulnerable to negative consequences of living in families headed by single parents or nonparent adults.

Table 4.8 shows that the percentages living in husband-wife families are higher among Asian Americans than among whites and African Americans. For all persons, the percentage is 73%

among Asians, compared to 67% among whites and 40% among blacks. For children, the percentage is 84% among Asians, compared to 78% among whites and 40% among blacks.

There is some ethnic variation among Asian Americans. Most notable is that only 65% of all Japanese, the most assimilated Asian group, live in husband-wife families. However, the percentage of

Table 4.8 Family Characteristics, 2000

	Percentage in Husband- Wife Families	Percentage in Multigeneration Families	Mean Family Size	Mean Family Income (\$1000)	Median Family Income (\$1000)	Income-to- Needs Ratio
Panel A: All Persons						
Whites	67	5	3.5	70	55	3.3
Blacks	40	14	3.9	45	35	2.4
All Asians	73	15	4.2	77	61	3.2
Chinese	73	15	3.9	82	63	3.3
Japanese	65	5	3.2	91	74	3.7
Filipino	73	22	4.4	81	70	3.5
Korean	74	10	3.7	71	53	3.1
Asian Indian	80	14	4.0	94	70	3.5
Vietnamese	72	16	4.7	65	52	2.8
Other Asian	74	19	5.3	56	44	2.4
Multiethnic Asian	72	13	4.3	78	64	3.3
Multiracial Asian	66	11	4.1	71	55	3.1
Panel A: Children (Ages 0–17)						
Whites	78	7	4.4	68	52	3.0
Blacks	40	18	4.4	39	29	2.0
All Asians	84	17	4.8	74	57	3.0
Chinese	88	19	4.5	82	63	3.2
Japanese	88	7	4.1	98	80	3.8
Filipino	82	27	5.0	77	67	3.3
Korean	88	11	4.2	73	56	3.1
Asian Indian	92	18	4.6	91	66	3.4
Vietnamese	81	17	5.1	59	45	2.5
Other Asian	82	21	6.1	49	38	2.0
Multiethnic Asian	84	15	4.7	80	65	3.3
Multiracial Asian	77	13	4.4	72	56	3.1

SOURCE: In *A Demographic Portrait of Asian Americans*. ©2004 Russell Sage Foundation, 112 East 64th Street, New York, NY 10021. Reprinted with permission.

NOTES: Xie and Goyette's calculations based on the 1% (for whites and blacks) and 5% (for Asians) Public Use Microdata Sample from the 2000 U.S. Census for their book, *A Demographic Portrait of Asian Americans*. Mean family size, mean family income, median family income, and income-to-needs ratio were computed for individuals in each group. Family income and income-to-needs ratio were based on 1999 family income.

Japanese children living in husband-wife families is very high, at 88%. Similarly high percentages are evident in Table 4.8 for Chinese, Korean, and Asian Indian children. Although the percentages for Filipino and Vietnamese children are slightly lower, they are still higher than that for whites and are over twice the percentage for African American children. The only Asians with a somewhat low percentage of husband-wife families are the multiracial Asians, who are similar to whites in this regard.

The overall picture that emerges from these numbers is that an overwhelming majority of Asian Americans, especially Asian American children, live in families headed by married couples and thus derive benefits from this form of family living arrangement. For example, relative to single-parent families, children from husband-wife families tend to have better educational performance and fewer behavioral problems and are less likely to live in poverty (e.g., McLanahan & Sandefur, 1994). Previously, we discussed the higher educational and motivational selectivity of Asian immigrant parents as a source of the higher educational attainment of Asian American children, but an additional factor is their greater chances of being raised in husband-wife families.

The second column of Table 4.8 presents the percentage of persons living in multigenerational family households. A family household is considered multigenerational if family members living in the same household are related to each other by blood and belong to three or more generations. An archetypical example of a multigenerational family consists of children, parents, and grandparents. Because we do not specify marital status, parents and grandparents in such a multigenerational family can be single, married, divorced, or widowed.

That elderly parents live with adult married children is a cultural tradition that has long been practiced in many Asian societies. While this practice is less prevalent among Asians in America than Asians in Asia, it is still evident. Table 4.8 shows that high percentages of Asian Americans live in multigenerational families. Among all Asian

Americans, the percentage is 15%; among Asian American children, the percentage is 17%. These numbers are much higher than those among whites (5% and 7%, respectively) and are very similar to those among blacks (15% and 18%, respectively).

The high rate of multigenerational families among African Americans, however, should be interpreted differently from that among Asian Americans. Among African Americans, multigenerational households form in the context of a high poverty rate and a low level of husband-wife families. For Asian Americans, the proportion of husband-wife families is quite high, and their poverty rate is about one half that of blacks (which is discussed further in the next paragraphs in regard to Table 4.9). For African American families, the high prevalence of multigenerational families occurs in the context of economic and child-rearing constraints, whereas for Asian Americans, it reflects more the continuation of a traditional cultural practice and supplementary resources to children.

Multigenerational living arrangements vary by Asian ethnicity. The prevalence of living in multigenerational families among Japanese is low, even lower than among whites, both for all persons and for children. The rate is very high among Filipinos (22% for all persons and 27% for children), other Asians (19% for all persons and 21% for children), and Vietnamese (16% for all persons and 17% for children). One reason that a high proportion of Asians live in multigenerational families is cultural, as noted earlier. Another reason is economic, because pooling resources across multiple generations saves money and reduces economic risk. A third reason is related to immigration. Recent immigrants may initially reside with relatives before establishing households of their own.

The third column in Table 4.8 reports family size—the number of immediate family members living in the same family household. It shows that, except for Japanese, Asians live in larger families than whites and blacks. Note that family size is affected by the confluence of many factors, chief among which are the marital status of the

Table 4.9 Poverty Rates by Race, Ethnicity, and Nativity, 2000

<i>Race, Ethnicity, and Nativity</i>	<i>Poverty Rate</i>
Whites	9
Blacks	24
Native-Born	
All Asians	11
Chinese	11
Japanese	5
Filipino	7
Korean	12
Asian Indian	10
Vietnamese	18
Other Asian	26
Multiethnic Asian	9
Multiracial Asian	11
Foreign-Born	
All Asians	13
Chinese	14
Japanese	16
Filipino	6
Korean	15
Asian Indian	10
Vietnamese	15
Other Asian	22
Multiethnic Asian	16
Multiracial Asian	16

SOURCE: Authors' calculations based on the 1% (for whites and blacks) and 5% (for Asians) Public Use Microdata Sample from the 2000 U.S. Census.

household head, the number of children (i.e., fertility), and the presence or absence of elderly adults. However, we know that fertility among Asian Americans is relatively low (Xie & Goyette, 2004). Thus, the larger family size on average among Asians is not due to their having more children per family but due to their higher rate of stable marriages and higher rate of having elderly persons live with married adult children. Thus, it is not surprising that there is a correspondence, across Asian ethnicities, between the percentage living in multigenerational families and family size, with Filipinos, Vietnamese, and other Asians at the high end, and Japanese at the low end in both measures.

Family living arrangements have direct consequences for economic well-being. This is true because the family is usually the basic unit at which both income and consumption are shared. Everything else being equal, it is economically more efficient to live in a larger family due to economies of scale—the general economic principle that the per-unit cost of a commodity (such as a given food item) tends to decline as a larger total quantity is consumed.

The fourth and fifth columns of Table 4.8 show the mean and median family incomes. The results indicate that Asian Americans have a higher mean (as well as a higher median) family income than whites or African Americans. For example, the mean family income is \$70,000 for whites and \$77,000 for Asian Americans. For blacks, the mean family income is substantially lower (\$45,000).

As has already been discussed, however, Asian Americans tend to have larger family sizes than whites. Mean family income is therefore not a direct indicator of economic well-being in terms of income per person. To indicate the latter, we use the mean income-to-needs ratio, which is given in the last column of Table 4.8. The income-to-needs ratio refers to a family's income divided by the official poverty income threshold that is based on the family's size and composition. A larger ratio indicates that the family has greater economic well-being in that it has more income relative to its basic needs based on its size and composition.⁷

Table 4.8 indicates that the mean income-to-needs ratio for Asian Americans is 3.2 whereas for whites it is 3.3. These results, therefore, show that, although whites have a lower mean family income than Asian Americans, whites nonetheless have greater economic well-being in the sense of having more income per person in their families (adjusted as well for family composition). Among children, however, the income-to-needs ratios for whites and Asian Americans are equivalent (3.0), indicating that Asian American children on average have economic well-being at par with that of white children. The children with the lowest levels of economic well-being are African American and other Asian (both with income-to-needs ratios of 2.0).

The U.S. Census Bureau defines a person to be poor if he or she lives in a household or family that has an income-to-needs ratio that is less than 1.0 (i.e., the family's income is less than its official poverty threshold given its size and composition). The poverty rate refers to the proportion of persons (for any given group) that lives in a household or family that is poor. Table 4.9 shows that, based on the 2000 U.S. Census, whites had a poverty rate of 9% whereas African Americans had a much higher poverty rate of 24%. For native-born Asian Americans, the poverty rate was 11% whereas for foreign-born Asian Americans it was 13%. Thus, contrary to simplistic presentations of the model minority image, a larger proportion of Asian Americans than whites live in poverty. However, poverty among Asian Americans is much closer to the white rate than to the African American rate.

The ethnic variation in the poverty rate across Asian Americans is substantial. The poverty rates for native-born Japanese and Filipinos are lower than that for whites, while the poverty rate for native-born multiethnic Asians is the same as that for whites. On the other hand, native-born Vietnamese have a high poverty rate (18%), whereas the poverty rate for other Asians is 26%, which is higher than that for blacks.

Poverty tends to be slightly higher among foreign-born Asian Americans than among native-born Asian Americans. Given the very high average wages and earnings of foreign-born Japanese men reported earlier in Table 4.3, the relatively high poverty rate of foreign-born Japanese (16%) may seem a little surprising, but it simply indicates the bifurcated nature of income among foreign-born Japanese. Similarly, foreign-born Chinese and Koreans have relatively high poverty rates (14% and 15%, respectively) despite having higher average wages than whites as shown in Tables 4.3 and 4.4. These results reveal a general pattern of economic polarization among Asian Americans: whereas a large portion of Americans have realized the "American dream" by achieving middle-class status, another substantial segment has been left behind and economically deprived. This

pattern is true both for Asian Americans as a whole and within each Asian American ethnicity. This class diversity of Asian Americans is often overlooked in the popular media's rush to proclaim Asian Americans a model minority.

Table 4.8 also shows that, in contrast to the other ethnic groups, the poverty rates for foreign-born Vietnamese and other Asians are actually significantly lower than those for their corresponding native-born groups. It is unclear whether it indicates a decline in economic well-being for second-generation Vietnamese and other Asians. Poverty among Asian Americans is clearly an important topic that is in need of much further research.

CONCLUSIONS

The study of socioeconomic inequality can be quite complex, particularly when the focus is on the degree to which racial discrimination may persist in the contemporary American labor market. Given the tremendous importance of this issue, however, we believe that it is imperative for social scientists to investigate all relevant data that may inform us about the extent of racial inequality and improve our understanding of the processes that generate it. Despite the research challenges that face the study of the socioeconomic attainments of Asian Americans, we have made significant improvements in recent years.

Like crime and other forms of social deviance, acts of racial discrimination will unfortunately always exist. The real question is not about their existence but about their extent and their consequences. Because any form of racial discrimination is "morally and legally wrong" (Farley, 1996, p. 32), it must always be combated with the vigilant application of civil rights laws.

However, the extent to which racial discrimination in the labor market is systematically practiced may differ markedly across societies, across racial groups within a society, and over time. Although the study of the socioeconomic attainments of Asian Americans is still relatively new, we would summarize the bulk of the evidence so far as indicating that most Asian Americans no longer face

extensive or systematic racial discrimination in the contemporary American labor market. While we do not doubt that many, if not most, Asian Americans may have had individual experiences with racial discrimination of one sort or another, the statistical evidence indicates that such incidences of racial discrimination against Asian Americans in the aggregate have limited impact on Asian Americans' socioeconomic outcomes.

In making this general conclusion, we hasten to add that it does not preclude the possibility that racial discrimination may still persist to some degree in highly specialized labor markets that are too small to affect the broad patterns of labor market stratification that can be monitored with statistical studies. For example, our review of statistical research cannot really rule out the possibility that racial discrimination against Asian Americans may still persist in some manner in such niche labor markets as those for fashion models, television actors, college presidents, or chief executive officers for the nation's largest corporations. In particular, the possibility of a glass ceiling against Asian Americans in the managerial hierarchy needs to be more carefully researched.

We also hasten to note that our overall conclusion—that most Asian Americans no longer face extensive or widespread racial discrimination in the contemporary American labor market—does not necessarily imply that other racial and ethnic minority groups do not face systematic racial discrimination. The histories, demographics, and class characteristics of Asian Americans differ substantially from those of other minorities such as African Americans, against whom discriminatory attitudes and acts still persist. For these reasons, it would be unwarranted to draw any conclusions from this chapter about the extent of racial discrimination that may be faced by racial and ethnic groups other than Asian Americans.

We furthermore emphasize the significance of continuing socioeconomic inequalities associated with particular groups of Asian Americans. For example, in our review of the statistical results, we found that Vietnamese Americans and other Asians have lower average socioeconomic

characteristics than do whites. We also found that foreign-educated Asian American immigrants tend to be disadvantaged relative to native-born whites. Such socioeconomic inequalities need to be considered further in both scholarly research and social policy.

Finally, although our results imply that American society has made important and laudable progress in enhancing racial equality of opportunity in recent decades (at least for Asian Americans), they do not imply that class inequality has been reduced. To the contrary, there is widespread consensus among economists and sociologists that class inequality (i.e., inequality in socioeconomic outcomes) has substantially increased in recent years (e.g., Levy, 1998; Morris & Western, 1999). It can be argued that increases in class inequality in the American labor market pose a serious threat to the fabric of our society (Krugman, 2002). As the results of this chapter have shown, for example, many Vietnamese and other Asians who have come to the United States without substantial educational or economic resources continue, in many cases at least, to be significantly disadvantaged in terms of socioeconomic characteristics. As we have seen, these disadvantages often continue to be evident among their native-born offspring. Such class inequalities need to be recognized, addressed, and ameliorated even if they are not rooted primarily in racial discrimination per se.

NOTES

1. *Other Asians* include all other Asian ethnic groups such as Cambodians, Laotians, Indonesians, Pakistanis, etc. *Multietnic Asians* refers to persons who report two or more Asian ethnicities (e.g., Chinese and Japanese) but who identify as only Asian in their racial category. *Multiracial Asians* refers to persons who identify themselves as Asian as well as some other racial category.

2. Future research should also investigate gender differences in educational attainment by race and nativity. For example, the gender differential in education among foreign-born Asian Americans may be greater than among native-born Asian Americans.

3. As discussed by Rubén Rumbaut, chapter 11 of this text, Cambodians, Laotians, and Hmong are other Southeast Asian American groups that tend to have low levels of educational attainment.

4. To limit the influence of extreme outliers that could result from measurement errors, we top-coded wages to \$400 per hour.

5. On most indicators, native-born Asian American women have lower average socioeconomic characteristics than native-born white men. However, we here focus on the contrast between Asian American women versus white women, because our primarily theoretical interest in this chapter is on racial (rather than gender) differences.

6. While a few studies argue that the overeducation hypothesis is still relevant in the post-civil rights period (e.g., Hirschman & Snipp, 2001), these studies are not restricted to the native born and usually confuse a net racial effect with the net effect of having foreign educational attainment (see Zeng and Xie, 2004, for further discussion and analysis of this issue). See Sakamoto and Yap (2004) for a critical review of the methodological shortcomings of previous statistical research on the overeducation hypothesis.

7. Composition refers to how many persons in the family are children and how many are adults. The poverty thresholds are slightly smaller when the proportion of children is greater for a given family size.

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