

# The Asian American and Pacific Islander Workforce

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## **Presentation to the U.S. Equal Employment Opportunity Commission: Supporting Data**

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*Disclaimer: The author alone is responsible for the content.*

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# Equal opportunity is a national goal

- Ensuring that Asian American and Pacific Islander workers have equal opportunity is important to both individuals and the nation. Individuals should be free from discrimination in hiring, pay, and promotion. Society benefits by using everyone's talents to maximize national productivity and innovation.
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# Introduction

- Key points on the Asian American and Pacific Islander (AAPI) work force.
  - Literature on ethnic/racial disparity
  - Concluding Remarks
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# Key Empirical Points

- The workforce has grown rapidly over the last quarter century and will continue to grow more rapidly than the total work force over the next century.
  - It is a very heterogeneous work force by levels of human capital, class, nativity and ethnicity, which is a byproduct of US immigration policies.
  - The AAPI workforce is also unevenly distributed by geography and economic sector.
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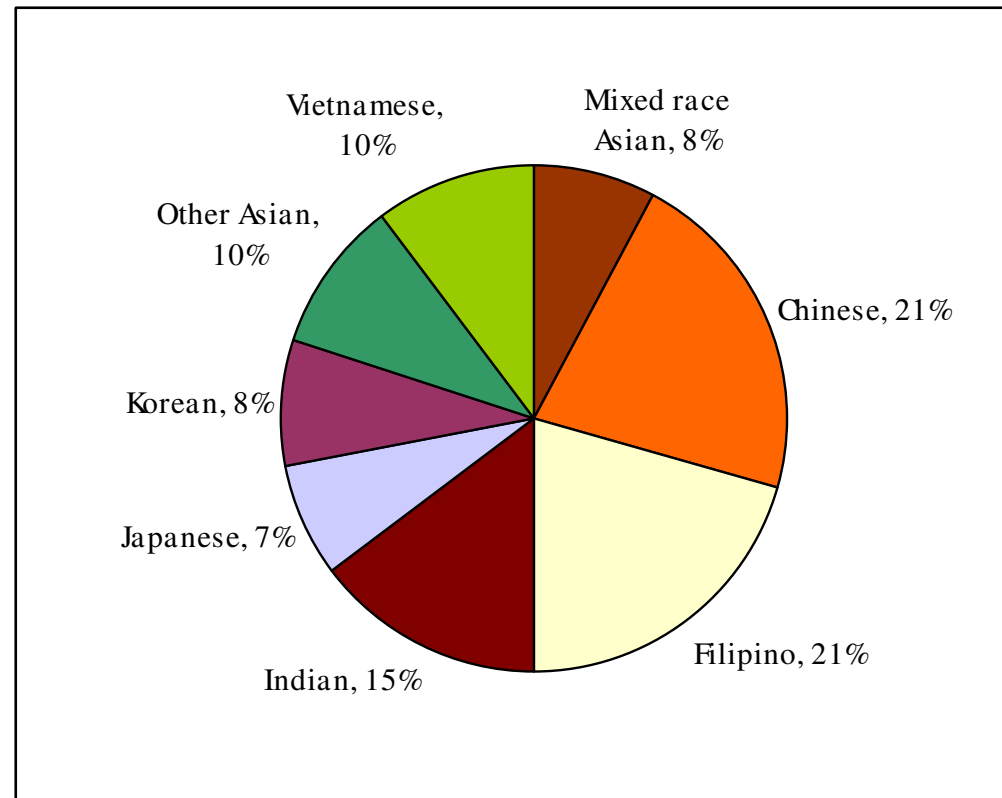
# Size of the AAPI Workforce

- Between 1980 and 2005, the AAPI working-age population grew 10 times faster than the total working-age population (by nearly 300% compared to 29%).
  - In 2005, over 9.2m AAPIs were between 16-64, and 6.5m AAPIs were in the labor force.
  - Projections for 2005 to 2030 show that the AAPI working-age population will grow over 4 times faster than the total working-age population (62% compared to 14%).
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# Ethnic Distribution

- The Asian American workforce is ethnically diverse.
- Approximately 6% of employed AAPIs in 2006 are Pacific Islander.

Figure 1. Ethnic Distribution of AA Workforce



Source: ACS 2006

# Nativity and Language Proficiency

- AAPIs are also diverse in nativity and culture.
- Roughly three-quarters of Asian American workers are foreign born. Over a fifth of all AA workers are recent immigrants.
- 72% of Asian American and 28% of Pacific Islander workers speak a language other than English at home.

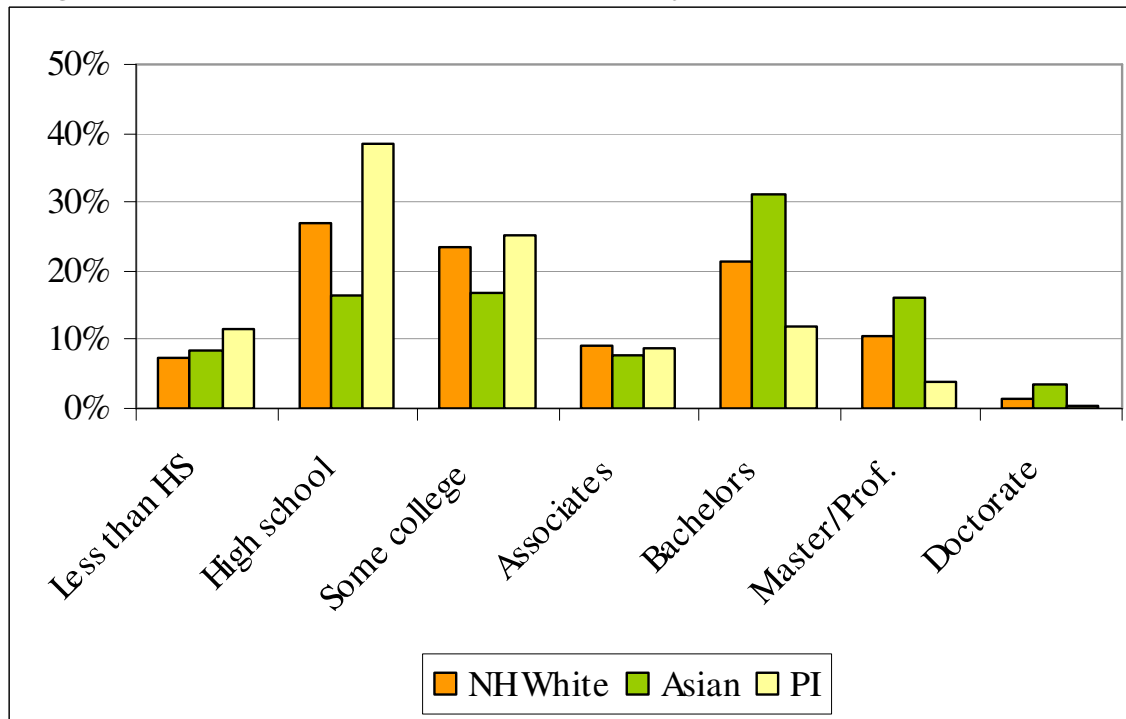
Figure 2. Nativity and Language Proficiency by Race

	NH White	Asian	PI
<b>Nativity</b>			
<b>Native born</b>	95.3%	27.7%	85.3%
<b>FB - 10 years or less</b>	1.5%	22.0%	5.7%
<b>FB - Greater than 10 years</b>	3.2%	50.2%	9.0%
<b>Speaks another language at home</b>	6.1%	71.5%	28.1%
<b>Ability to Speak English</b>			
<b>Very well</b>	72.2%	56.5%	70.7%
<b>Well</b>	17.7%	27.7%	20.1%
<b>Not well</b>	8.7%	13.7%	8.1%
<b>Not at all</b>	1.4%	2.2%	1.1%

Source: ACS 2006

# Human Capital

Figure 3. Educational Attainment by Race



Source: ACS 2006

- Compared to non-Hispanic (NH) Whites, AA workers are slightly over-represented at the bottom end and noticeably over-represented among higher levels of education.
- PI workers are less likely to have more than a college education.



# Geographic Distribution

- AAPIs are concentrated in large metropolitan areas, with 43%-44% living in seven metropolitan areas, compared to only 18% of the general population.
- These areas tend to have higher paying jobs as well as higher costs of living compared to the rest of the country.

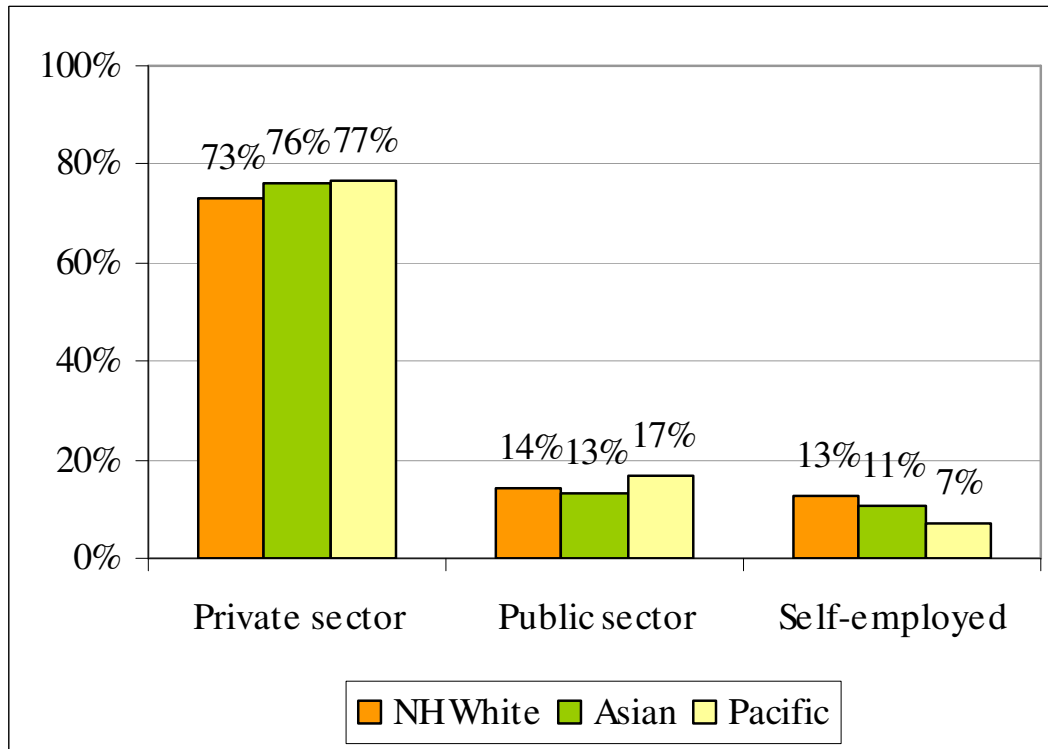
Figure 4. Geographic Distribution of AAPIs by metropolitan areas

	% of AA population	% of PI population	% of Total population
Los Angeles	12.9%	6.6%	4.3%
New York	12.3%	1.2%	6.3%
San Francisco	6.7%	4.9%	1.4%
Honolulu	3.8%	25.4%	0.3%
Chicago	3.6%	0.5%	3.2%
Seattle	2.7%	3.6%	1.1%
Houston	2.2%	0.9%	1.9%
<b>Total</b>	<b>44.1%</b>	<b>43.1%</b>	<b>18.4%</b>

Source: ACS 2006

# Economic Sector

Figure 5. Economic Sector by Race



Source: ACS 2006

- Contrary to popular beliefs, Asian Americans are less likely to be self-employed than NH Whites.
- Asian Americans are on par with NH Whites in public sector work; 17% of Pacific Islanders work in this sector.

# Occupation

- Compared to NH Whites, AAs are more likely to be employed in the scientific/technical professions and are less likely to be managers.
- Pacific Islanders are more likely to be employed in blue collar and service jobs.

Figure 6. Occupational Category by Race

	NH White	Asian	PI
<b>White collar workers</b>	26.8%	24.1%	27.1%
<b>Blue collar workers</b>	16.0%	11.3%	18.8%
<b>Managers</b>	11.3%	9.7%	6.2%
<b>Service workers</b>	10.1%	12.6%	16.1%
<b>Health care workers</b>	7.0%	9.9%	5.7%
<b>Scientific/ technical professionals</b>	5.7%	13.9%	3.1%
<b>Business professionals</b>	4.7%	5.9%	2.6%
<b>Other professionals</b>	9.1%	6.7%	7.6%
<b>Other</b>	9.4%	6.0%	12.7%

Source: ACS 2006

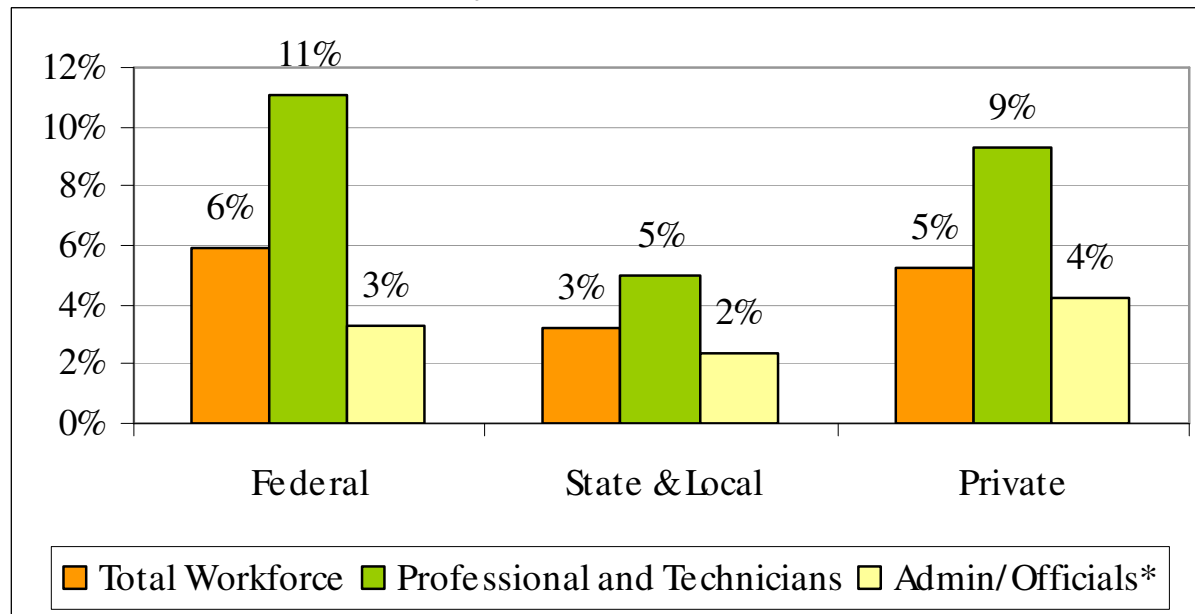
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# Managers

- A fifth (20%) of NH White managers are chief executives compared to only 16% of Asian Americans and 0.4% of Pacific Islanders.
  - Asian American managers (12%) are more likely computer or information systems managers than NH Whites (6%).
  - Asian American (9%) and Pacific Islander (0.6%) managers are less likely to be among the top 10% of highest earning managers compared to NH Whites (11%).
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# Managers (cont.)

Figure 7. Proportion of AAPI Workers in Managerial and Professional Positions by Sector



\* For federal level, "Senior Pay level" was used.

Source: U.S. Equal Employment Opportunity Commission 2005-2006

AAPIs are under-represented among managers in both the private and public sector, and the gap between their share of the labor force and management is most noticeable in federal government.

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# Factors Affecting Labor Market Outcome

- Overall, the empirical evidence, based on analyses of large-scale data sets, indicates that Asian Americans do not perform as well in the labor market after accounting for individual and contextual factors.
  - Individual factors which may affect performance include:
    - education
    - place of education
    - nativity
    - years in the U.S. for immigrants
    - English language ability
    - gender
    - and other observable personal characteristics.
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## Factors (cont.)

- Analyses based only on individual factors produce mixed results in detecting disparity relative to non-Hispanic Whites.
  - When examining contextual factors, such as geographic location and sector of employment, the results are more likely to show that Asian Americans do not earn as much and are less likely to move into top management than non-Hispanic Whites, *ceteris paribus*.
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## Factors (cont.)

- There are also distinctive gender differences in the results. Generally, there is a disparity among males, but not among females. An interpretation of the latter is that AA females experience the same gender barriers as non-Hispanic White females.
  - There also appears to be a generational difference, with U.S. born Asian American workers less likely to experience disparities.
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# Interpretation of Racial/Ethnic Disparity

- Analysis of Asian American labor-market status is complicated by the fact that the majority of Asian American workers are immigrants. The empirical research shows that language and nativity have strong influences on earnings and on the probability of being in top management. There are competing interpretations of the findings.
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# Interpretation of Racial/Ethnic Disparity

- One interpretation is that Asian Americans do not have the types of cultural-specific skills and abilities related to productivity in the U.S. In this case, the observed outcomes are driven by rational economic forces and decision making.
  - Another interpretation is that the cultural and linguistic characteristics may not be related to productivity but represents prejudice that is not justified by simple economic factors.
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# Racial/Ethnic Disparity (cont)

- While the above empirical research are useful at testing for unexplained racial and ethnic disparity, this approach provides only limited insights into the underlying labor-market practices that produce differential outcomes. Testimony and qualitative evidence of discriminatory experiences can complement the quantitative results. However, some of the evidence may be influenced by sample selection bias. Another interesting approach is using audit studies. One such study indicates that internet applicants with Asian surnames are less likely to be invited to be interviewed than those with equal qualification but a non-Asian surname.
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# Discrimination and Stereotypes

- Another explanation for the ethnic/racial disparities is discrimination.
- At least 43% of AAs reported having experienced being discriminated against.
- However, AAs were perceived by other racial groups to experience the least discrimination.
- A 2002 study found that Asian participants' performance declined when participants were exposed to blatant Asian stereotypes.

Sources: Lee, Taeku (2000). Racial attitudes and color line(s) at the close of the twentieth century. In Paul Ong (Ed), *Transforming race relations*. Los Angeles, CA: LEAP and UCLA Asian American Studies Center.

Shih, Margaret et al (2002). Stereotype performance boosts: The impact of self-relevance and the manner of stereotype activation. *Journal of personality and social psychology*, 83(3): 638–647.

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# Concluding Remarks

- One reason for the lack of conclusive evidence is a paucity of research on Asian American and Pacific Islander workers and discrimination. Clearly, more research is needed, but in my opinion, the available studies indicate that Asian Americans and Pacific Islanders face some race-based barriers rooted in both individual prejudices and institutionalized biases.
  - The lack of research is particularly noticeable for Pacific Islanders.
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