

The Financial vulnerability of Asian American and Pacific Islanders during the COVID-19 pandemic

Kyoung Tae Kim¹, Sunwoo T. Lee², & Olivia Valdes³

Abstract

This research brief examines the financial vulnerability of Asian American and Pacific Islander (AAPI) adults during the COVID-19 pandemic, using two approaches. Using the pooled data from the 2012-2021 state-by-state National Financial Capability Study and AAPI oversample survey data of the National Financial Capability Study (NFCS), we investigated how financial vulnerability differed across a 12-year period for AAPI adults and how it compared with that of other racial/ethnic groups. Financial vulnerability was measured based on five factors; (1) inability to come up with \$2,000, (2) overdrafting, (3) no emergency savings, (4) having difficulty in paying bills and expenses, (5) credit card revolving. The mean score of financial vulnerability was the lowest for the AAPI group consistently over survey years and we found a similar pattern in five financial vulnerability variables. In addition, we tested the level of financial capability within the sample of AAPI respondents to examine differences within the AAPI population. Our findings indicated that among AAPI respondents, those with East Asian heritage were less fragile than AAPI adults from other heritage groups. This study provides insights into how the economic well-being of US households has been influenced during the COVID-19 pandemic, especially for those who identify as AAPI.

¹ Associate Professor, Department of Consumer Sciences, University of Alabama. E-mail: ktkim@ches.ua.edu

² Assistant Professor, School of Administrative Studies, York University. E-mail: sunwool@yorku.ca

³ Associate Principal Research Analyst, FINRA Investor Education Foundation. E-mail: Olivia.Valdes@finra.org