

Exploring Cultural Influences on Retirement Planning Among Asian Americans

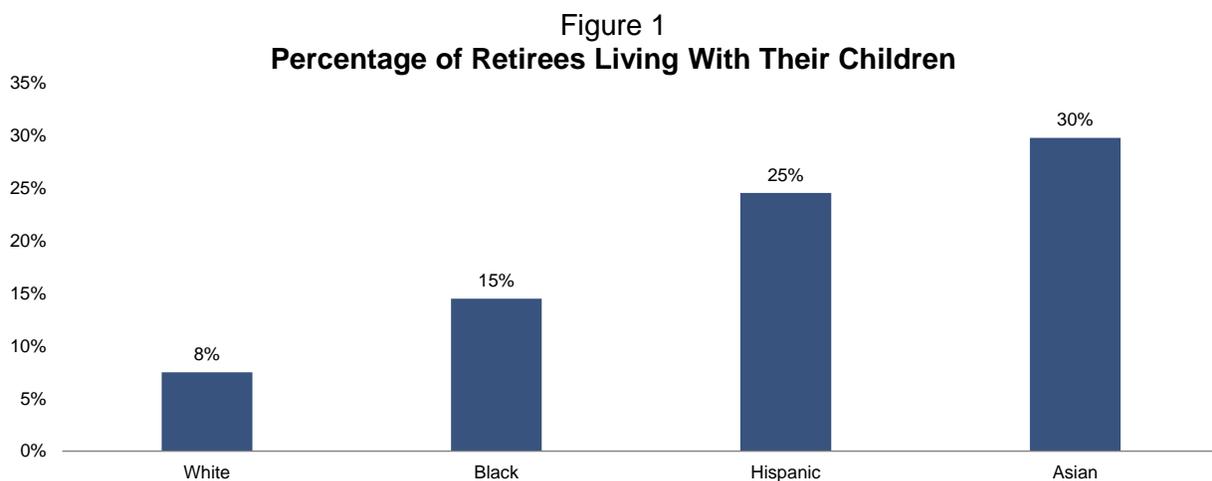
In many Asian American households, it is a cultural norm to care for parents during their retirement years. This responsibility is often handed down from one generation to the next, with many Asian Americans observing their parents caring for their grandparents and expecting to do the same in the future. In fact, a 2020 report found 62 percent of Asian American caregivers were providing care to parents, a higher likelihood than any other racial group.¹

This *Fast Fact* examines the retirement culture of Asian Americans and its impact on retirement preparations by analyzing the living arrangements of both retirees and workers and the value and ownership of retirement assets. It then compares these statistics with those for other racial groups. The analysis was conducted using the 2023 Survey of Income and Program Participation (SIPP).²

Retirees

For this analysis, retirees are defined as individuals ages 60 or older who are not currently employed, while workers are defined as individuals ages 25 or older who are currently employed. In addition, SIPP asks each respondent to indicate their race and whether they are of Hispanic origin. Individuals are categorized into four racial groups based on their responses: (1) those who identify as White and are not of Hispanic origin (White), (2) those who identify as Black and are not of Hispanic origin (Black), (3) those who identify as Asian and are not of Hispanic origin (Asian), and (4) those of Hispanic origin (Hispanic). Although Hispanic is not a race, it is important to examine this group separately due to potential cultural differences in retirement planning.

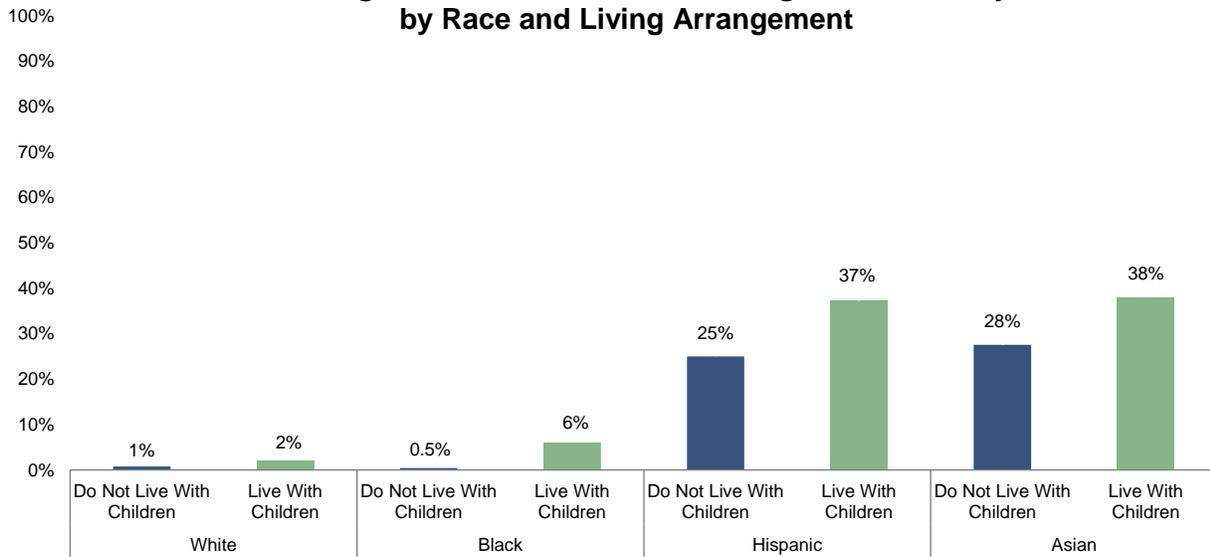
Among retirees who had children, 11 percent were living with them. Figure 1 illustrates the percentage of retirees with children who were residing with them, categorized by race. Thirty percent of Asian retirees with children reported living with them, followed by 25 percent of Hispanic retirees, 15 percent of Black retirees, and 8 percent of White retirees.



Source: 2023 Survey of Income and Program Participation (SIPP).

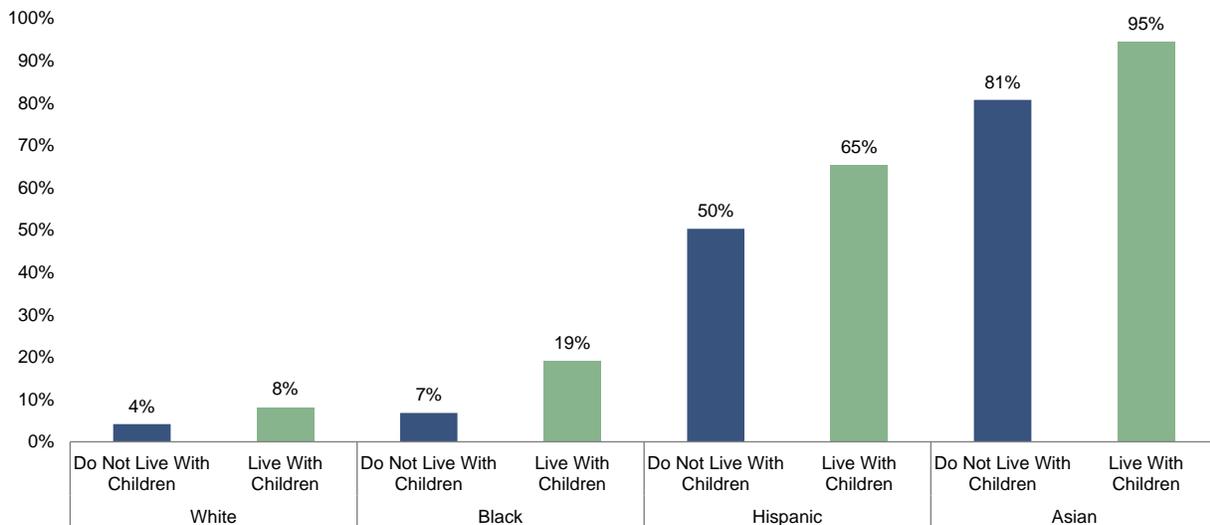
Figure 2 shows the percentage of retirees with children born outside of the United States by race and living arrangement, while Figure 3 presents the percentage of retirees with limited English proficiency by race and living arrangement. Higher percentages of both retirees born outside of the United States and retirees with limited English proficiency were found among those living with their children compared with those who were not living with their children. For example, 95 percent of Asian retirees living with their children were born outside of the United States, compared with only 81 percent of those not living with their children. Additionally, Asian retirees exhibited the highest concentration of both individuals born outside of the United States and those with limited English proficiency among all racial groups in the same living arrangement, with 38 percent of Asian retirees living at home facing a language barrier.

Figure 2
Percentage of Retirees With Limited English Proficiency,
by Race and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

Figure 3
Percentage of Retirees Born Outside of the United States,
by Race and Living Arrangement



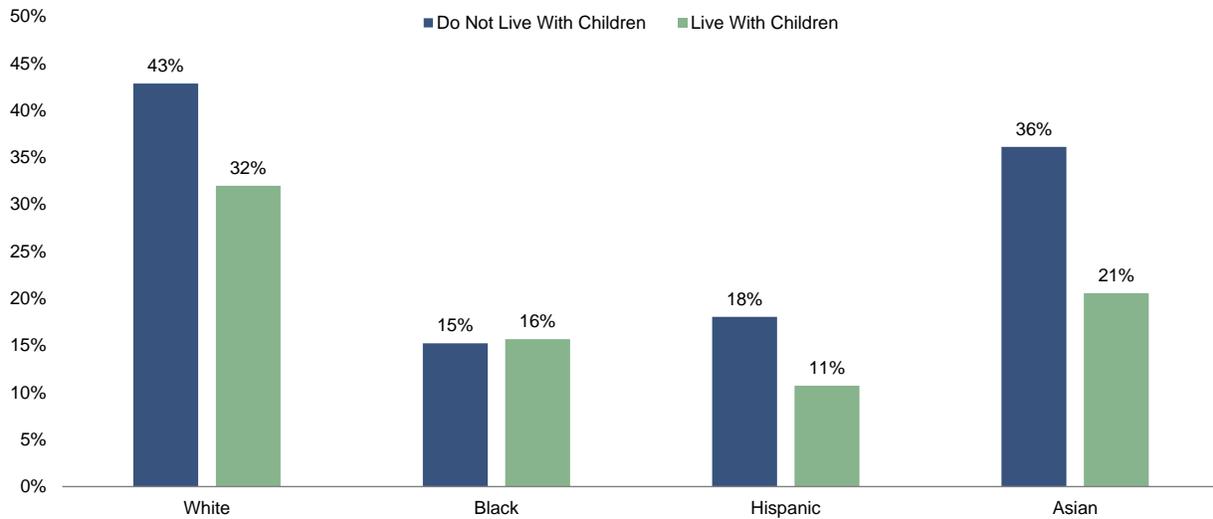
Source: 2023 Survey of Income and Program Participation (SIPP).

To better understand retirees who live with their children and the nature of their living arrangements, it's important to examine their preparations for retirement, specifically in terms of their retirement assets. Retirement

assets include assets held in 401(k) plans, 403(b) plans, Thrift Savings Plan accounts, individual retirement accounts (IRAs), and Keogh plans. Defined benefit plans are not included in this analysis. Figure 4 illustrates the retirement asset ownership rates among retirees with children by race. Overall, retirees who were not living with their children had higher retirement asset ownership rates across all racial backgrounds. Notably, Asian retirees experienced the largest disparity in ownership rates: 36 percent of those not living with their children reported owning retirement assets, compared with 21 percent of those living with their children, a 15 percentage point difference. In contrast, the differences for White retirees and Hispanic retirees were smaller, at 11 and 7 percentage points lower, respectively.

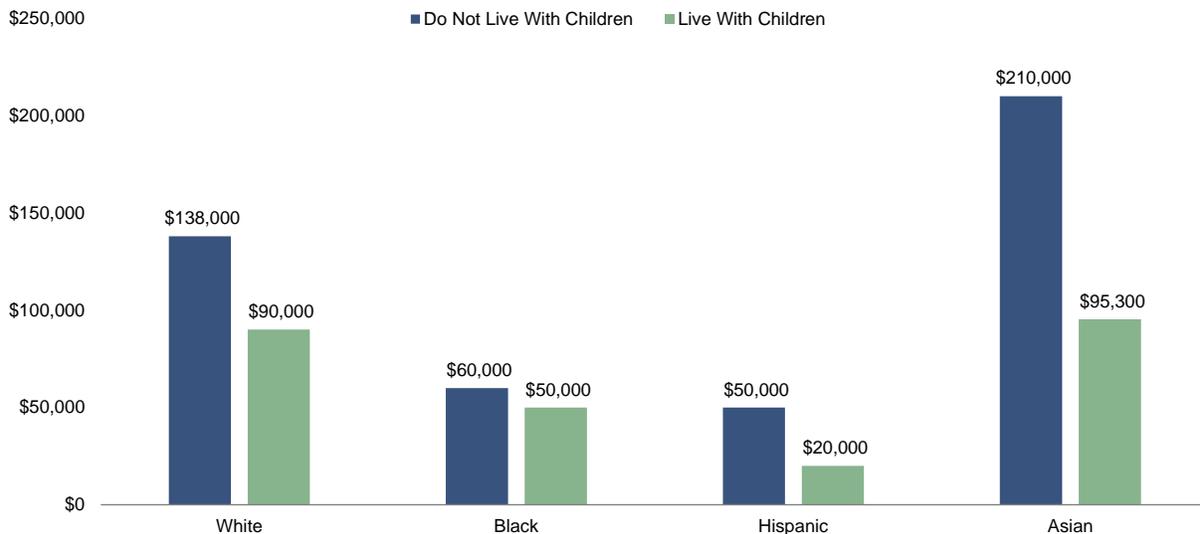
A similar trend is highlighted in Figure 5, which presents median retirement asset values by race and living arrangement. Among retirees with children who owned retirement assets, those not living with their children had higher median asset values across all racial groups. For instance, the median retirement asset value for Asian retirees not living with their children was \$210,000, compared with \$95,300 for those living with children. This represents a difference of 120 percent, the largest difference observed among the racial groups.

Figure 4
Retirement Asset Ownership Rate, by Race, Ethnicity, and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

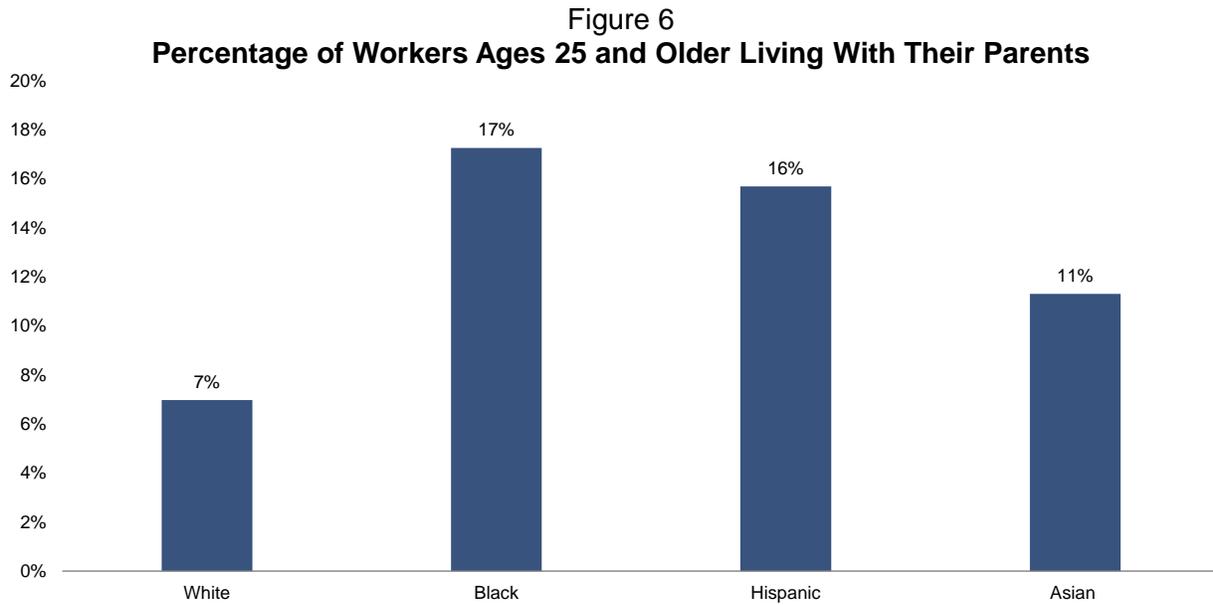
Figure 5
Median Retirement Asset Value By Race and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

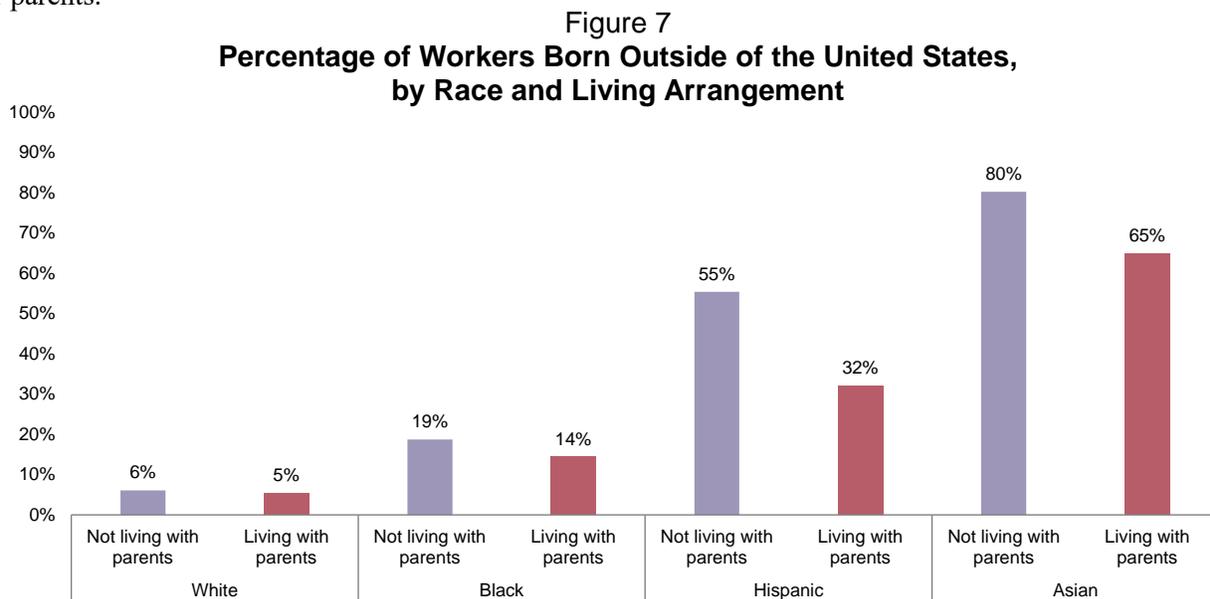
Workers

As shown in Figure 6, 17 percent of Black workers reported living with their parents, compared with 16 percent of Hispanic and 11 percent of Asian workers.



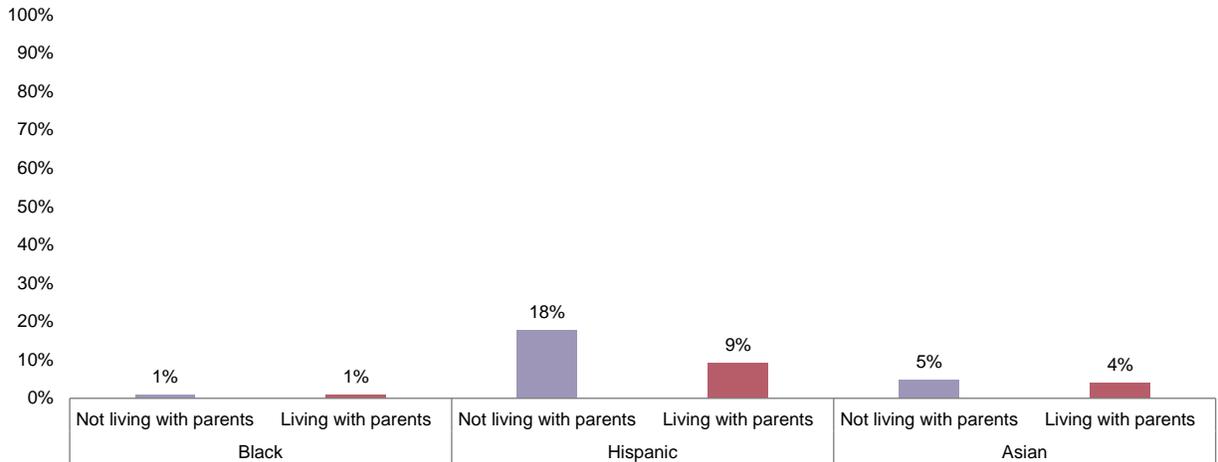
Source: 2023 Survey of Income and Program Participation (SIPP).

Figures 7 and 8 illustrate the percentages of workers born outside the United States and the percentages of workers with limited English proficiency, categorized by race and living arrangement. In contrast to Figures 2 and 3, which indicate that retirees living with their children were more likely to have been born outside of the United States and face language barriers, a different trend emerges among workers. Specifically, workers living with their parents were less likely to have been born outside of the United States and to struggle with language barriers. For example, the percentage of Asian retirees born outside of the United States was 14 percentage points higher among those living with children compared with those who were not. Conversely, the percentage of Asian workers born outside of the United States was 15 percentage points higher among those who were not living with their parents.



Source: 2023 Survey of Income and Program Participation (SIPP).

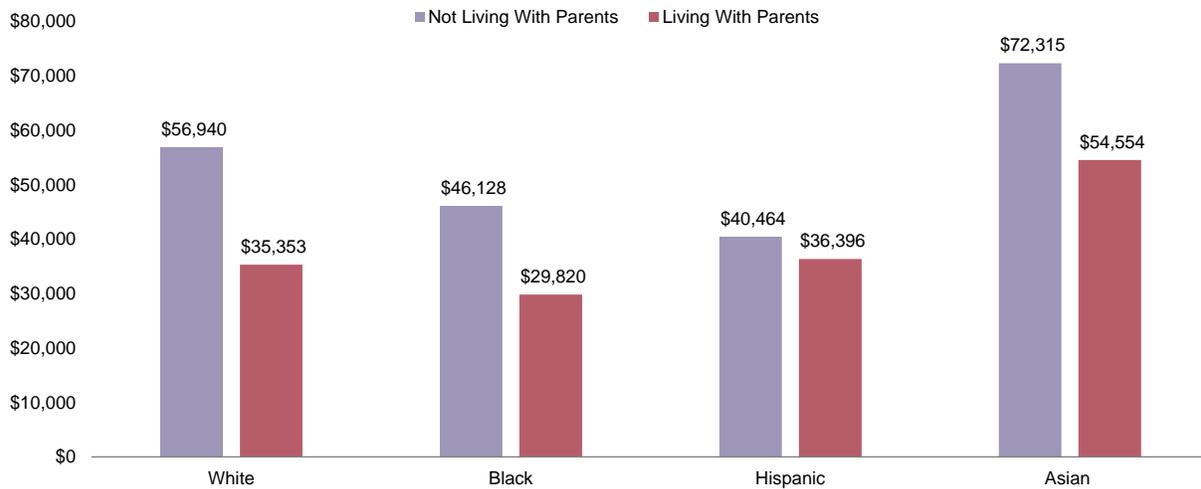
Figure 8
Percentage of Workers With Limited English Proficiency,
by Race and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

To determine the nature of the living arrangements of workers living with their parents, it is crucial to examine their financial status. Figure 9 shows the median earned income by race and living arrangement. Across each racial group, individuals who were not living with their parents tended to have higher median earnings. Notably, Asians reported the highest median earnings in each living arrangement.

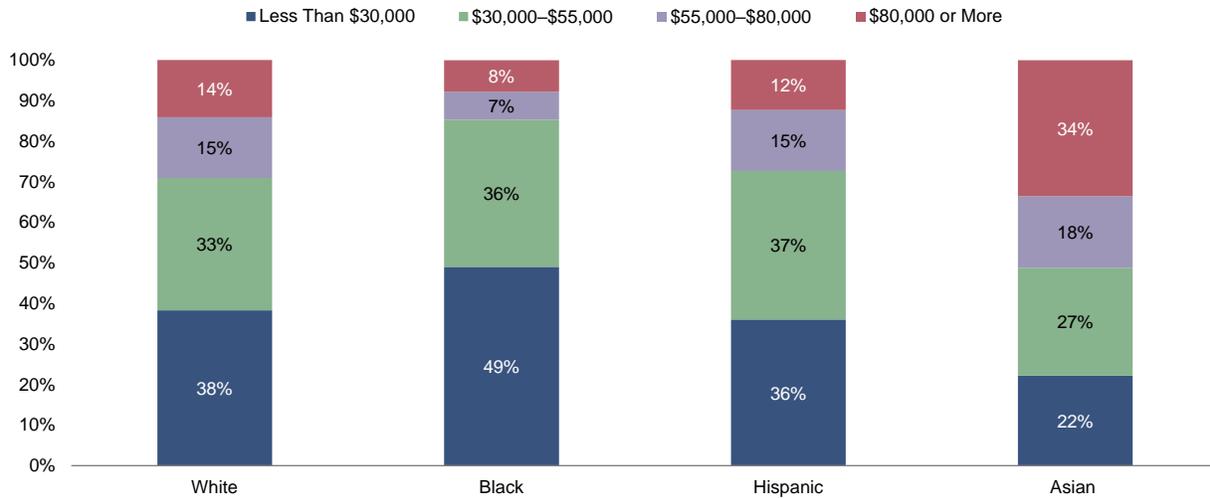
Figure 9
Median Earned Income, by Race and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

Figure 10 illustrates the earned income distribution of workers who live with their parents by race. It is observed that, while there was a higher concentration of workers in the lower income groups in other racial groups, the income distribution was more diverse among Asian workers living with their parents. For example, 38 percent of White workers living with their parents were earning less than \$30,000 annually, while only 22 percent of Asian workers fell into that income bracket. Meanwhile, there was a lower concentration of workers with higher incomes in the other racial groups. For instance, 12 percent of Hispanic workers who were living with their parents earned \$80,000 a year or more, compared with 34 percent of Asian workers. This finding suggests that Asian workers are more likely to live with their parents due to cultural obligations rather than financial reasons.

Figure 10
Income Distribution Among Workers Living With Their Parents, by Race

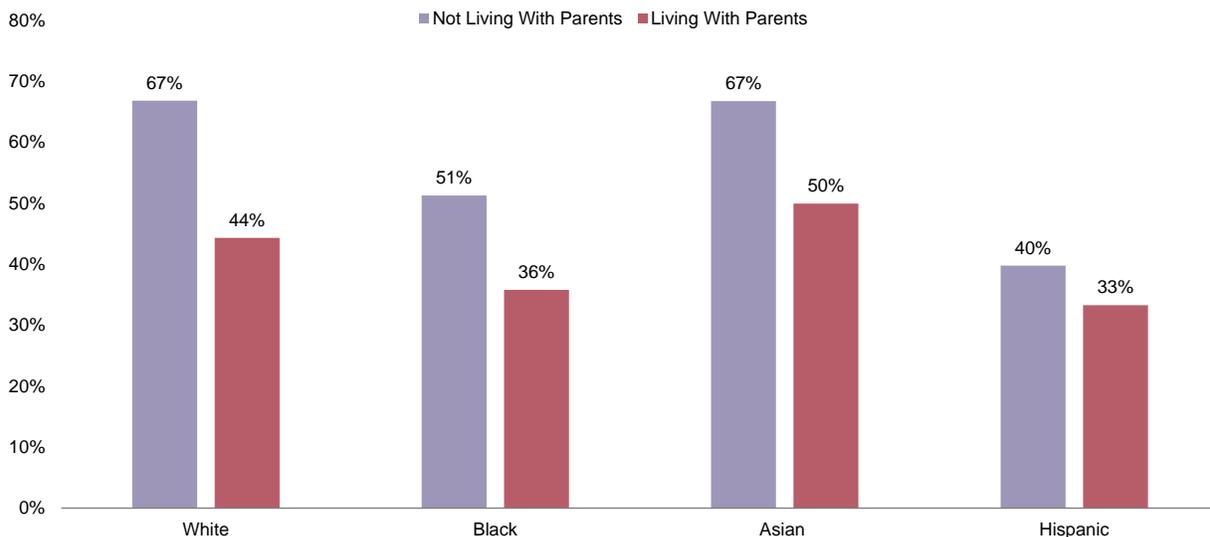


Source: 2023 Survey of Income and Program Participation (SIPP).

To understand how this living arrangement affects retirement preparations, retirement asset values and ownership are analyzed. Figure 11 shows that the retirement asset ownership rate among workers was lower for those living with their parents across all racial groups, with Asian workers having the highest ownership rates in each living arrangement. For instance, 50 percent of Asian workers who were living with their parents reported owning retirement assets, compared with 44 percent of White workers and 36 percent of Black workers.

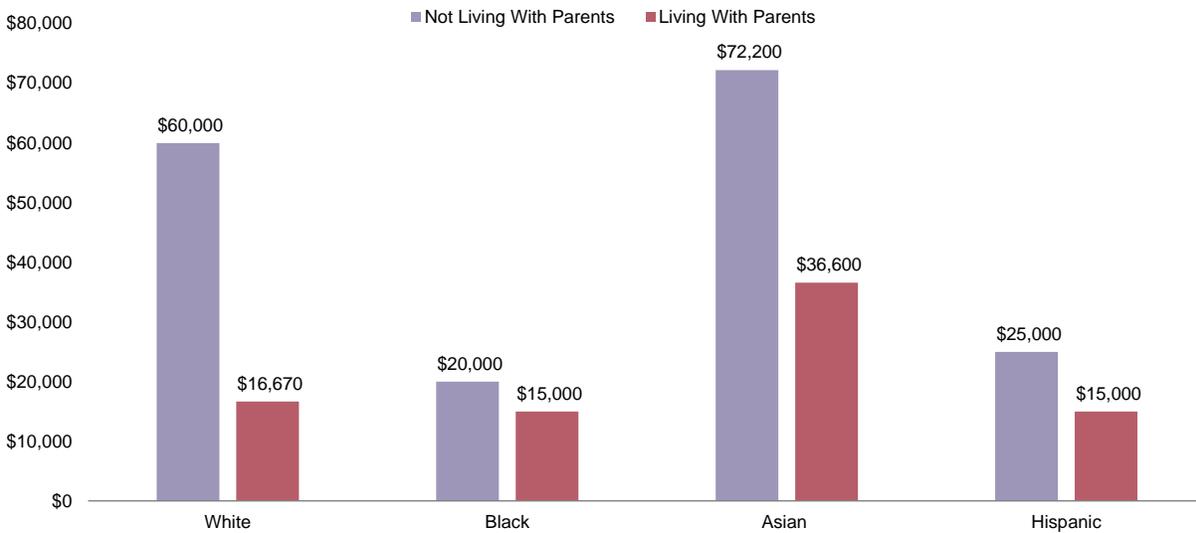
Figure 12 presents the median retirement asset values by race and living arrangement among those who own any assets. Consistent with the pattern seen in Figure 6, the median retirement asset value for workers living with their parents was lower across all racial groups. Again, Asian workers had the highest median asset value in each living situation, with those living with parents having a median retirement assets value of \$36,600, compared with \$16,670 for White workers.

Figure 11
Retirement Asset Ownership of Workers, by Race and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

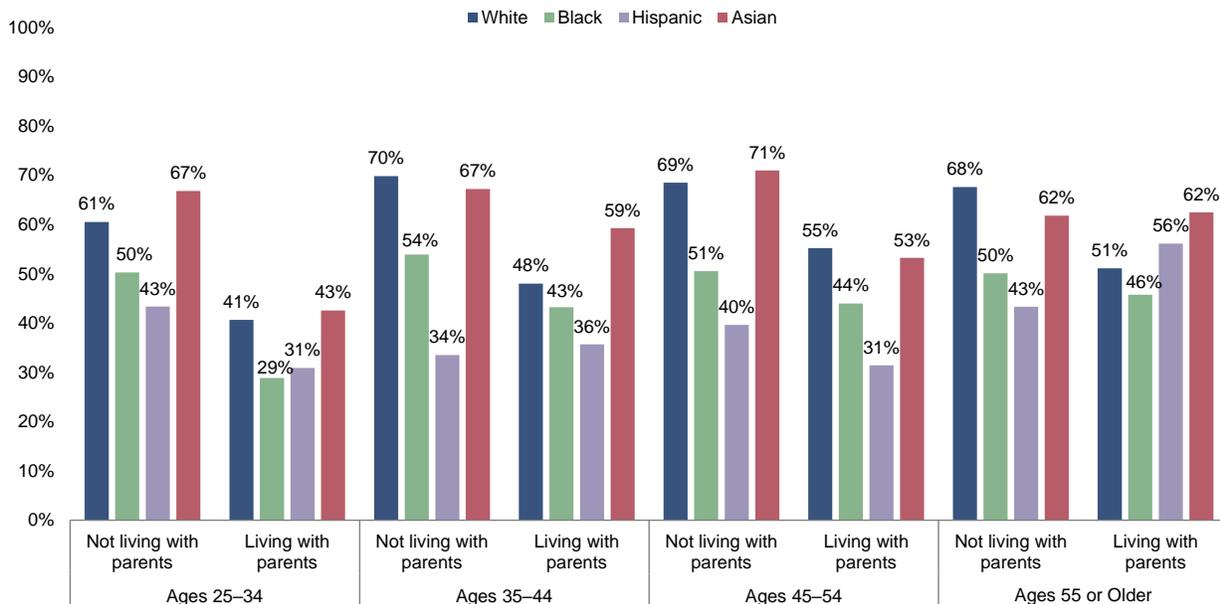
Figure 12
Median Retirement Assets, by Race and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

With a high concentration of young people among workers living with their parents, an age comparison can provide a better look into retirement preparation. Figure 13 shows retirement asset ownership rates by age, race, and living arrangement. However, workers who were not living with their parents had a higher retirement asset ownership rate across all age and racial groups, with Asian American workers having the highest ownership rate among those living with their parents, except among those ages 45–54.

Figure 13
Retirement Asset Ownership, by Age, Race, and Living Arrangement

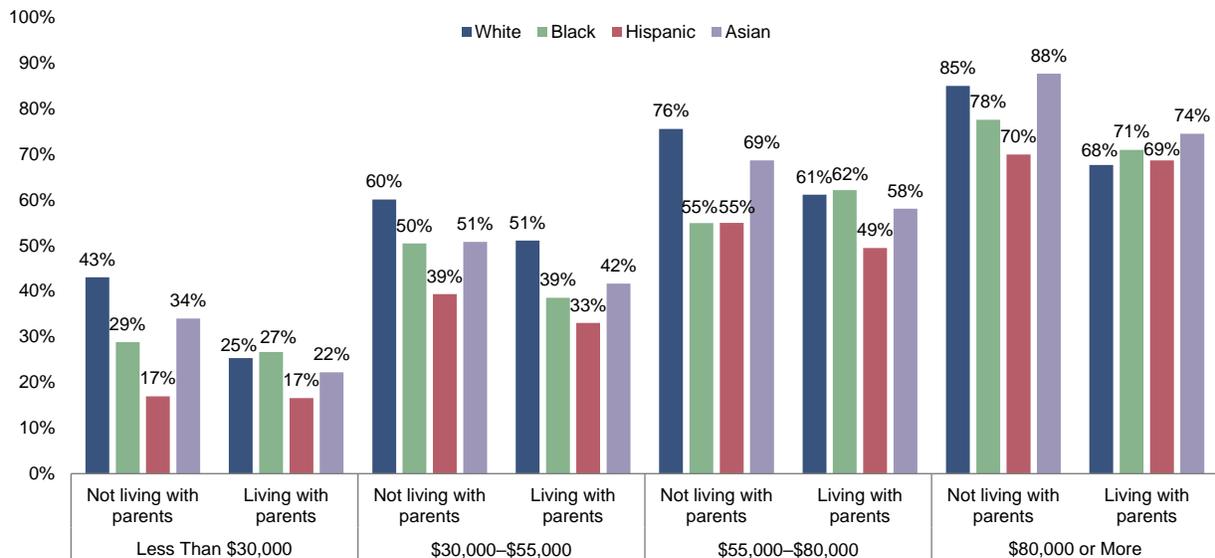


Source: 2023 Survey of Income and Program Participation (SIPP).

Figure 14 illustrates the rates of retirement asset ownership by income level, race, and living arrangement. Generally, workers who were not living with their parents exhibited higher ownership rates across all income and racial groups. Among those in the highest income group who were living with their parents, Asian workers

showed the highest retirement asset ownership rate at 74 percent. This may indicate that they are better prepared than others, possibly due to the prior expectation of caring for their parents.

Figure 14
Retirement Asset Ownership, by Income, Race, and Living Arrangement



Source: 2023 Survey of Income and Program Participation (SIPP).

Conclusion

Multigenerational households are a common living arrangement for many Asian Americans. This *Fast Fact* examines this aspect of the culture and how it impacts retirement preparations by analyzing the value and ownership of retirement assets of both workers and retirees, while comparing them across racial groups.

Thirty percent of Asian retirees with children reported living with them, the highest share compared with other racial groups. Additionally, Asian retirees experienced the most significant disparity in retirement assets ownership rates: 36 percent of those not living with their children vs. 21 percent of those living with their children, a 15 percentage point difference. This disparity could partially be due to the language barrier, as Asian retirees who were living with their children had the highest concentration of individuals with low English proficiency of all racial groups. According to EBRI’s research, 15 percent of individuals who struggled with English reported owning retirement assets compared with 43 percent of those who spoke English very well and 56 percent of those who only spoke English.³ Moreover, a significant percentage of Asian retirees living with their children were born outside of the United States, which suggests they may be less familiar with the country. These factors, along with cultural influences regarding elderly care as a rite of passage, may explain why many Asian retirees choose to live with their children.

Asian workers had the highest median income and retirement asset values, as well as ownership rates, compared with other racial groups in similar living situations. Interestingly, a significantly higher percentage of high-income earners among Asian workers live with their parents compared with those in other racial groups. This suggests that those living with their parents are less likely to do so for financial reasons, such as sharing living costs. Instead, it is more likely motivated by cultural norms or the desire to assist their parents with daily tasks. The Census Bureau estimates that the percentage of American-born Asians will more than double by 2060 compared with 2016.⁴ And despite research indicating an increase in multigenerational households over the past decade,⁵ these second and third generations of Asian Americans may be less inclined to live with their children during

retirement than their parents' generation, as they assimilate into American culture and face fewer language barriers.

Asian workers were the least affected by living in multigenerational households, as their incomes, retirement asset values, and asset ownership rates were high compared with other racial groups. Nonetheless, this arrangement is not unique to this community. Seventeen percent of Black workers and 16 percent of Hispanic workers were also living with their parents. This situation can negatively impact one's ability to retire comfortably, as those living with their parents are generally less likely to own retirement assets, regardless of race, age, or income. For example, 78 percent of Black workers in the highest income group who were not living with their parents reported owning retirement assets, compared with 71 percent among those who were. Employers and benefits designers could support employees caring for their parents by offering financial planning seminars or programs and workplace flexibility to help workers stay on track for career development and a successful retirement.

This report was written by Samita Thephasit, EBRI Research Associate, with assistance from the Institute's research and editorial staffs. Any views expressed in this report are those of the author and should not be ascribed to the officers, trustees, or other sponsors of EBRI, Employee Benefit Research Institute-Education and Research Fund (EBRI-ERF), or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

Endnotes

¹ National Alliance for Caregiving and AARP, "Caregiving in the U.S. 2020: A Focused Look at Family Caregivers of Adults Age 50+," November 2020. Available at <https://www.aarp.org/content/dam/aarp/ppi/2021/05/caregiving-in-the-united-states-50-plus.doi.10.26419-2Fppi.00103.022.pdf>.

² U.S. Department of Commerce. Bureau of the Census. *Survey of Income and Program Participation (SIPP): 2023*. Washington, DC: U.S. Census Bureau, 2025. Available at <https://www.census.gov/programs-surveys/sipp.html> The U.S. Census Bureau describes SIPP as "a nationally representative longitudinal survey that provides comprehensive information on income, employment, household composition, and participation in government programs."

³ Thephasit, Samita, "The Importance of English Proficiency in Financial Wellbeing," *EBRI Fast Fact*, no 495 (Employee Benefit Research Institute, March 14, 2024). Available at <https://www.ebri.org/publications/research-publications/fast-facts/content/the-importance-of-english-proficiency-in-financial-wellbeing>.

⁴ Vespa, Jonathan, Lauren Medina, and David M. Armstrong, "Demographic Turning Points for the United States: Population Projections for 2020 to 2060," *Current Population Reports*, U.S. Census Bureau, Washington, D.C., 2020. Available at <https://www.census.gov/content/dam/Census/library/publications/2020/demo/p25-1144.pdf>.

⁵ Washington, Chanell, Thomas Gryn, Lydia Anderson and Rose M. Kreider, "Several Generations Under One Roof," *America Counts: Stories Behind the Numbers*, U.S. Census Bureau, Washington, D.C., 2023. Available at <https://www.census.gov/library/stories/2023/06/several-generations-under-one-roof.html>.