Immigrant Older Adults:

Economic Security, Asset Holding, Financial Access, and Public Policy

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Immigrant Older Adults: A Growing and Economically Vulnerable Population in the U.S.

Immigrant older adults face particular situations that create unusual social and economic challenges, yet this group is also under-recognized, with relatively little research and policy discussion. This paper addresses the special social and economic circumstances of immigrant older adults, and suggests policy and research directions.

Immigrant older adults are a growing population. The proportion of foreign-born individuals among older adults (ages 65 or older) has continuously risen since the 1990s: from 8.6% in 1990 to 10.8% in 2003, and to 11.5% in 2007 (Borjas, 2009; He, Sengupta, Velkoff, & DeBarros, 2005). It is projected to increase to 19 % in 2050 (Passel & Cohn, 2008). Immigrant older adults are a diverse population. In terms of immigration status, immigrant older adults consist of several groups: naturalized citizens (foreign-born individuals who became citizens); legal permanent residents (non-citizens who have been granted permission to reside permanently in the U.S. and to apply for naturalization after meeting certain requirements); and refugees and asylees (individuals admitted to the U.S. who are unable or unwilling to return to their own countries due to persecution or a well-founded fear of persecution) (Congressional Budget Office, 2004).[1] The majority of immigrant older adults are naturalized citizens, 69.5% in 2010

[1] In addition to these three categories, foreign-born individuals include legal temporary residents (e.g., students or those with temporary work visas) and undocumented immigrants (individuals who stay without legal immigration status). A very low proportion of immigrant older adults (estimated at 2 percent) are undocumented, while older people are also unlikely to be temporary visitors, such as students, visiting scholars, and diplomats (Passel & Clark, 1998).

(the author's calculation based on U.S. Census Bureau (n.d.)). Immigrant older adults are diverse in terms of birth place: 35% came from Latin America, 29% from Asia, 28% from Europe, and 6% from other regions (the author's own calculation based on U.S. Census Bureau (n.d.)). The proportions from non-European countries rose dramatically after the passage of the Immigration Act of 1965. The Act removed the quota system in immigration policy that restricted immigration from non-European countries. As a result, the proportions of Asians and Hispanics have increased among immigrants (Espenshade, Fix, Zimmerman, & Corbett, 1996-1997; Keely, 1971).

Immigrant older adults are also an economically vulnerable population. Although immigrant older adults are diverse in terms of their economic position in the United States, they are on average worse off in comparison with their native counterparts. Immigrants' median earnings are lower than their native counterparts with comparable educational attainment because foreign education credentials are seldom recognized as comparable to credentials obtained in the US (De Jong & Madamba, 2001; Syed, 2008). As a result, immigrants' lifetime earnings are lower than their native counterparts (Borjas, 1994), which results in lower Social Security benefits during old age. Furthermore, a higher proportion of immigrant older adults than native older adults are not eligible for Social Security benefits, as the former are less likely to have contributed to the Social Security system for 40 quarters (10 years) or more. Some immigrant older adults are ineligible for Social Security benefits because although they have worked in the United States for longer than 10 years, they had worked without proper immigration documentation (Borjas, 2009; Rupp, Strand, & Davies, 2003). An inferior position in the labor market also reduces immigrant older adults' chance of receiving retirement benefits through employment. Participation rates in employment-based retirement plans (e.g., pension and 401(k) plan) are high among workers with management and professional occupations and low among those in service industry (Bureau of Labor Statistics, 2009). Considering that the proportion of immigrants with managerial or professional jobs are lower and those with service jobs are higher than native-born individuals (U.S. Census Bureau, n.d.), the percentage with private retirement benefits is likely low among immigrant older adults.

Accordingly, it is not surprising that immigrant older adults' income is lower than that of native older adults. The income gap between native and immigrant older adults was estimated at 30% in 2007. Native-immigrant difference in income is explained by lower rates of immigrant older adults with income from Social Security benefits (71.2 % versus 91.0%, respectively), other types of retirement income (e.g., pension, 21.9% versus 40.0%), and investment income (e.g., interests from savings accounts, 20.1 % versus 34.1%) (Borjas, 2009). As a result, a much higher portion of immigrant older adults rely on public assistance (e.g., Supplemental Security Income) than their native counterparts (Borjas, 2003; Hu, 1998). Despite income from public assistance programs, immigrant older adults' poverty rate is much higher than native older adults (16.8% versus 9.8% in 2009) (the author's calculation based on U.S. Census Bureau (n.d.)).

Economic gaps among immigrant older adults should also be noted. Older noncitizens are at higher risk of experiencing economic hardship than their naturalized counterparts. In order to acquire citizenship, immigrants must pay processing fees and pass a citizenship examination, which imposes considerable burden on low-income and less-educated immigrants (Nam & Kim, In Press; Yang, 1994). Accordingly, the naturalization rate is higher among immigrants with economic and social advantages than those without, as reflected in lower poverty rates among naturalized older adults than older noncitizens: the poverty rate is 15.0% among naturalized older citizens and 20.8% among older noncitizens in 2009 (U.S. Census Bureau, n.d.). Recent immigrants are also an at-risk group. For a typical older immigrant who has lived in the U.S. for less than ten years, an average annual income is estimated to be only $6300, while a comparable salary for an older immigrant who has lived in the U.S. for more than ten years is $18,400 (Borjas, 2009). Poverty rates are also much higher among recent immigrants (less than 10 years) than established immigrants (40 or more years in the U.S.) (24.8% versus 9.6%) (U.S. Census Bureau, n.d.).

Considering the low levels of income and high poverty rates among immigrant older adults, especially noncitizens and recent immigrants, savings and assets are needed to maintain economic security. However, there is little empirical evidence about asset ownership among immigrants and even less on immigrant older adults (Newberger, Rhine, & Chiu, 2004). Little empirical evidence exists on immigrant older adults' ownership rates of home, financial assets, and vehicles and values of their total assets. Similarly, previous studies rarely investigated whether and how immigrant older adults' asset ownership differs from that of native older adults and what has caused native-immigrant gaps in wealth. Theoretical and empirical studies on younger immigrants suggest, however, that immigrant older adults may have lower levels of asset ownership than their native-born counterparts on average. To expand our knowledge on this topic and develop intervention plans for economically vulnerable immigrant older adults, this chapter first summarizes theoretical literature on immigrants' asset accumulation with a focus on institutional barriers to financial capacity. Second, this report reviews existing empirical studies on assets among younger immigrants and a small number of studies on immigrant older adults. Since asset accumulation at younger ages affects wealth levels during older ages, knowledge on younger immigrants' asset accumulation should provide useful information on immigrant older adults. The chapter concludes with suggestions for future research and policy development.

Institutional Barriers to Financial Capability among Immigrants

Despite growth in numbers and economic vulnerability of immigrant older adults, U.S. society has paid little attention to economic issues confronted by this group. Except for a few special categories of immigrants, such as refugees, the U.S. government has not developed policies to facilitate immigrants' settlement and adjustment. The financial sector has rarely adopted measures to address immigrants' unique needs and remove barriers to financial participation among immigrants.

U.S. Government Policies Toward Immigrants

Throughout its history, the United States has rarely adopted government policies to facilitate immigrants' settlement and incorporation into their new country. Instead, policy discussion has focused mainly on how many immigrants should be admitted and what types of immigrants should be permitted in the country. In addition, policy debates and decisions are often based on a cost-benefit calculation of immigration. When benefits from immigrants are estimated to outweigh cost, the United States opens its door to newcomers, as shown in the first 100 years of U.S. history. Similarly, the United States closes its doors when the cost seems to exceed the benefits, as was the case in the period between 1924 and 1965 (Bloemraad, 2006b; Borjas, 1999; Espenshade et al., 1996-1997; Martin & Midgley, 2010).

Cost-benefit calculations also affect who is admitted. The "public charge" doctrine has been one of main principles in immigration policy throughout U.S. history. One of the first federal immigration policies, the Immigration Act of 1882, included the public charge doctrine: the Act prohibited immigrants who are suspected of not being able to support themselves and at risk of becoming public charge (on welfare) from entering into the United States. As such, fiscal burden from immigration has been a core issue in immigration-related discussion (Borjas, 1999; Edwards, 2001; Espenshade et al., 1996-1997).

In contrast to its concern about who to be admitted in the country, U.S. society has rarely paid attention to immigrants after their entry. It was assumed that immigrants have the skills and resources necessary for adjustment into new environments if they gained permanent residency through employment. Those who came through family unification are expected to rely on their kin for financial and other help. As such, the U.S. government has kept a laissez-faire approach to immigrants (Bloemraad, 2006b; Espenshade et al., 1996-1997).

One exception is special assistance to refugees' transition into American life. The Refugee Act of 1980 established a funding mechanism of federal grants to state and local governments and private voluntary agencies (e.g., co-ethnic community organizations) for services to refugees. Refugees also receive Refugee Cash Assistance, medical assistance, employment training, and English classes. However, even these U.S. policies have been developed with the assumption that refugees need only temporary asylum and will return to their original countries after the emergency is over (Bloemraad, 2006b; Espenshade et al., 1996-1997; Leibowitz, 1983; Padilla, 1997).

Furthermore, anti-immigrant policy development in the last few decades has added barriers to immigrants' integration into the United States while threatening their economic security. The most prominent anti-immigrant legislation in recent history is the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA, P.L. 104-193; commonly known as the welfare reform act): PRWORA imposed eligibility restrictions on public assistance programs against noncitizens. In contrast to the pre-welfare reform era when legal permanent residents had the same rights to public assistance programs as citizens, immigrants' access to public benefits depend upon citizenship status, timing of entry into the United States, length of time in the U.S., and state of residence. After welfare reform, noncitizens are eligible for Supplemental Security Income (SSI) only if they received SSI at the time of the enactment of PRWORA (August, 1996) or if they came to the U.S. before welfare reform (pre-enactment immigrants) and became disabled after welfare reform. Temporary Assistance for Needy Families (TANF) and Medicaid are available to noncitizens who came before welfare reform or have lived in the U.S. for 5 or more years if they are post-enactment immigrants (those who came after welfare reform) (Nam, 2011; National Immigration Law Center, 2002). It should be noted that PROWA imposes more restrictive eligibility rules on SSI on which immigrant older adults heavily rely on (Hu, 1998; Van Hook & Bean, 1999) than TANF that serves mostly children and their families. Accordingly, noncitizen eligibility restrictions likely have more negative impacts on immigrant older adults than their younger counterpart.

Challenges in Asset Accumulation among Immigrants

As shown above, the U.S. government has not played an active role in immigrants' settlement and adjustment into the new country. At the same time, the private financial sector has made little effort to address immigrants' special needs (e.g., linguistic barriers) for financial integration in the United States. Furthermore, structural barriers and discriminatory practices in banks, credit markets, real estate and mortgage businesses have damaged immigrants' opportunities to save and accumulate assets in their new country. Accordingly, native-immigrant disparities in asset ownership cannot be fully explained by differences in individual characteristics (e.g., lower level of formal educational attainment among immigrants resulting in low earnings and income).

First, existing studies identify immigrants' disadvantages in the labor market. On average, immigrants have a lower level of education and skills. Furthermore, their education and skills are discounted in the U.S. labor market because education and skills attained in foreign countries do have the same credentials as those obtained in the U.S. Many immigrants have language issues (e.g. accents and poor English proficiency) unless they immigrated at very young ages (Borjas, 1999; Martin & Midgley, 2010). Despite the labor market disadvantages of immigrants, the U.S. government has not provided any employment assistance, in contrast to the Canadian government (Bloemraad, 2006b). As a result, immigrants earn less than their native counterparts, even those with comparable human capital (Borjas, 1994; Congressional Budget Office, 2004). For example, in 2002, the median earnings for immigrant workers were about $27,000, whereas median earnings for native workers were about $36,000 (Congressional Budget Office, 2004). Although the native-immigrant earnings gap decreases as the number of years spent in the U.S. increases, it does not completely disappear among immigrants who came during their adulthood (Borjas, 1994). Reflecting disadvantages in the labor market, the income of immigrant families tends to be lower than native families; in 2001, the median income of immigrant families was $42,980, while the comparable statistic for native families was $54,686 (Congressional Budget Office, 2004). Since economic resources (income) and consumption level are two major determinants of asset accumulation (Beverly et al., 2008), consistently low earnings and income throughout the lifetime (Borjas, 1994) is expected to hinder immigrant older adults' savings and asset accumulation.

Second, the lack of access to mainstream financial services and credit markets also likely hampers financial management and asset accumulation among immigrant older adults (Rhine & Greene, 2006). The percentage of unbanked individuals (those without transaction bank accounts, such as checking or savings accounts) is much higher among immigrants (32.3%) than native-born individuals (18.5%), especially those from Mexico (53.3%) and Latin America (37.2%) (Rhine & Greene, 2006). The native-immigrant gap exists for other types of financial services, such as savings accounts, retirement savings, and stock ownership, with a much larger gap for sophisticated financial products; for example, the percentage of natives with stock ownership is more than twice that of immigrants (8.5% versus 20.0%) (Osili & Paulson, 2005; Paulson et al., 2006). Immigrants are instead more likely to use alternative financial services such as check-cashiers, which impose higher fees than mainstream services and do not improve credit scores (Joassart-Marcelli & Stephens, 2010; Paulson, Singer, Newberger, & Smith, 2006). Although socioeconomic disadvantages such as low education and low income explain a large portion of native-immigrant gap in connection to mainstream financial services, the gap remains even when these socioeconomic differences are taken into account (Osili & Paulson, 2005; Paulson et al., 2006; Rhine & Greene, 2006).

Immigrants are confronted with the same obstacles to mainstream financial services as are disadvantaged native-born individuals, but also have unique barriers related with their immigration status. Immigrants do not use mainstream financial services because of the high financial costs of banking services (e.g. high maintenance fees required for checking accounts and a minimum-balance requirement), poor or no credit history, and inconvenient locations and hours of operation (Joassart-Marcelli & Stephens, 2010; Newberger et al., 2004; Osili & Paulson, 2005; Rhine & Greene, 2006). Documentation requirements (e.g. Social Security number) discourage immigrants, especially undocumented immigrants, from opening a bank account and prohibit them from getting a mortgage from mainstream institutions. Although an increasing number of financial institutions accept alternative identification, such as the

Individual Tax Identification Number (ITIN) of the Internal Revenue Service and *matricula consular* (an identification card issued by non-U.S. governments including Mexican government), documentation requirements are not consistent across financial institutions, which likely confuses immigrants. In addition, conflicting messages from diverse government agencies also discourage financial institutions from broadening their practice of accepting alternative identifications. For example, the Treasury Department advises financial institutions not to depend on the ITIN when verifying identification of a foreign-born individual because the IRS issues ITINs without rigorous verification (Paulson et al., 2006). In addition, a substantial portion of immigrants do not know that they can open a bank account with alternative identification: 25% of immigrants from Latin America believe that they should present a Social Security number or driver's license to open a bank account (Paulson et al., 2006). Financial institutions are also more reluctant to accept alternative identifications when approving mortgages than opening bank accounts because it is not easy to check credit history without Social Security numbers (Gallagher, 2005; Paulson et al., 2006). Linguistic barriers and unwelcoming or intimidating atmospheres at financial institutions are also identified as barriers to financial incorporation (Osili & Paulson, 2005; Osili & Paulson, 2008).

Third, cultural factors also play a role. Immigrants' experience with financial institutions in their countries of origin affects their perception of mainstream financial services in the United States. Accordingly, immigrants from countries with fragile financial infrastructure distrust banks and credit unions and avoid services from these institutions. It is estimated that one-half to five-sixths of the native-immigrant gap in financial market participation is explained by the quality of financial institutions in countries of origin, after socioeconomic characteristics are controlled for. In addition, the quality of home country financial institutions has long-lasting effects on immigrants' bank account ownership, as indicated by its significant effect even after 18 years in the United States (Paulson et al., 2006). Religion and cultural belief sometimes impose barriers to financial incorporation among immigrants. For example, Muslims are not allowed to pay or receive interests by their religious tenets. Accordingly, standard financial products such as savings accounts and mortgages do not serve Muslim immigrants (Paulson et al., 2006).

Fourth, lack of financial knowledge and management skills may hinder immigrants' asset accumulation. In general, immigrants' educational attainment and English literacy are lower than their native counterparts, both of which are closely related to financial knowledge. The inability to grasp financial issues tends to hamper prudent financial management and obstruct building constructive relationships with mainstream financial institutions. Furthermore, it is not easy even for well-educated immigrants with English proficiency to understand complicated financial system and various financial products in a new country. A qualitative study indicates that low-income, low-educated immigrants have difficulties in understanding financial systems (e.g., the roles of credit history) and financial products (e.g., mortgage products) without financial guidance provided by community-based organizations (Patraporn, Pfeiffer, & Ong, 2010).

Fifth, the need for public assistance benefits likely prevents immigrants from accumulating assets, especially among immigrant older adults. Reflecting their economic disadvantage and need for welfare benefits, immigrant older adults' public assistance program participation rates are much higher than native older adults' (Fix & Passel, 1999; Hu, 1998). In order to be eligible for these public assistance programs, immigrants older adults' assets must remain below the limit set for each program (Nam, McKernan, & Ratcliffe, 2008; Neuberger & Greenstein, 2008). For this reason, older adults' pre-retirement savings amounts tend to decline as their likelihood of receiving public benefit increases (Neumark & Powers, 1998). A high level of need for public benefits is expected to reduce savings and asset accumulation among immigrants, especially those near or after retirement.

Empirical Evidence from Existing Studies: Immigrants and Assets

Asset Ownership among Immigrants in General

A small number of existing studies examine immigrants' asset ownership and their use of financial services (Newberger et al., 2004; Paulson et al., 2006). The majority of these studies, however, focus on younger immigrants, leaving immigrant older adults understudied. Existing empirical evidence show that immigrants have lower levels of asset ownership than natives for all types of wealth, reflecting institutional barriers to financial incorporation (Borjas, 2002; Cobb-Clark & Hildebrand, 2006; Hao, 2004; Paulson et al., 2006). Although much of the difference is explained by differences in socioeconomic status (Borjas, 2002; Cobb-Clark & Hildebrand, 2006) and native-immigrant gap decreases as the time in the U.S. increases (Amuedo-Dorantes & Pozo, 2002; Cobb-Clark & Hildebrand, 2006; Hao, 2004), the gap in wealth does not disappear completely even when socioeconomic characteristics and years in the United States are taken into account (Cobb-Clark & Hildebrand, 2006). Existing studies also show that immigrants' asset ownership differs greatly by age, age at immigration, race and ethnicity, and their country of origin (Borjas, 2002).

Although homeownership is the most prevalent type of asset among immigrants as well as among the native-born individuals, the percentage of homeowners among the former is much lower than among the latter (Borjas, 2002; Paulson et al., 2006). As with other economic indicators, the native-immigrant gap in homeownership decreases when disparities in socioeconomic factors are included in analyses. A large portion of the gap, however, remains unexplained when only socioeconomic factors are taken into account (Borjas, 2002). Distinct residency locations explain a larger portion of native-immigrant gap (Borjas, 2002), suggesting that lower homeownership rates among immigrants are caused by housing cost differences. Immigrants tend to live in high housing-cost areas compared to the native-born (Borjas, 2002; Paulson et al., 2006). The lack of immigration documents and credit history, essential qualifications for many mortgage programs, are also hypothesized to contribute to low homeownership rates (Gallagher, 2005; Paulson et al., 2006). No empirical studies have, however, tested this hypothesis. It is also of special interest that the native-immigrant gaps in homeownership rates have been increasing: the difference was estimated to be 12 percent-points in 1980 but 20 percent-points in 2000 (Borjas, 2002).

Homeownership rates are not identical across immigrant groups. The percentage of homeowners is higher among established immigrants than recent immigrants (Borjas, 2002; McConnell & Akresh, 2008) , while the homeownership rate is higher among naturalized citizens than noncitizens (Paulson et al., 2006). Immigrants fluent in English are more likely to own a house than those with limited English (McConnell & Akresh, 2008). The homeownership rate is also higher among immigrants from Europe than those from Latin America or Asia (Borjas, 2002; McConnell & Akresh, 2008; Newberger et al., 2004).

As in the case of homeownership, immigrants have a lower level of net worth than native-born individuals. Using data from the Survey of Income and Program Participation (SIPP), Cobb-Clark and Hildebrand (2006) find the median net wealth of natives is 2.5 times that of immigrants' among couples, whereas that of natives is three times immigrants' among single individuals. Their multivariate analyses also estimate that the native-immigrant gap is $21,000 among couples, and $16,700 among singles when demographic and socioeconomic characteristics are taken into account.

The native-immigrant gap in wealth among young adults is not as large as that observed in their older counterparts. Amuedo-Dorantes and Pozo (2002) compare wealth between young immigrants and young natives, using data from the 1979 Youth Cohort of the National Longitudinal Surveys (NLSY79). According to this study, young immigrants (28-35 years old) have comparable levels of asset ownership to their native counterparts in 1993 although their asset ownership is overall lower when they were younger (20 to 27 years old or in 1985). Predictions from multivariate analyses on the net wealth- and the financial wealth-to-permanent income ratios show that net worth and financial asset accumulations among immigrants are only slightly lower than those of natives when socioeconomic characteristics are controlled for: the average net wealth-to-permanent income ratio is predicted as 1.0 and the average financial asset-to-permanent income ratio is 0.27 among immigrants while comparable statistics among natives with the same socioeconomic characteristics are 1.3 and 0.43, respectively (Amuedo-Dorantes & Pozo, 2002). Smaller native-immigrant gaps in this study in comparison to those observed in other studies (Cobb-Clark & Hildebrand, 2006) may be explained by the fact that its sample consists of young immigrants who came to the U.S. before they entered the labor market; Amuedo-Dorants and Pozo’s study sample was first interviewed in 1979 when they were 14-21 years old; therefore, they are likely to have received education in the U.S. and acquired English language proficiency, which reduced their risk of being in a disadvantaged position in the labor market. This finding suggests the importance of age at immigration in asset accumulation as in case of other economic well-being indicators.

Existing studies confirm that the number of years in the U.S. makes a difference in immigrants' asset accumulation. The native-immigrant gap in net worth accumulation decreases as the number of years in the U.S. increases (Amuedo-Dorantes & Pozo, 2002; Hao, 2004). The length of stay in the U.S. also affects portfolio choices among immigrants, which affect the total amount of net worth: as the number of years in the U.S. increases, the proportion of real estate equity in immigrants' total wealth increases while that of financial equity decreases (Cobb-Clark & Hildebrand, 2006).

Similar to asset ownership among natives (Keister, 2000; Oliver & Shapiro, 1995; Shapiro, 2004), race and ethnicity among immigrants matter (Hao, 2004). White and Asian immigrants' net worth level is much higher than that of Black and Hispanic immigrants' throughout adulthood (ages between 25 and 75) (Hao, 2004). Asset accumulation differs by country of origin. Immigrants from Europe have the highest levels of net worth among immigrants, followed by those from Asia. Median net worth among immigrants from Mexico, Central and South America, and the rest of the world (primarily the Middle East and Africa) is much lower than European and Asian immigrants (Cobb-Clark & Hildebrand, 2006; Hao, 2004).

Asset Ownership among Immigrant Older Adults

Only few existing studies on asset ownership among immigrant older adults show financial vulnerability of this population. Using a sample of older Mexican Americans, Burr and colleagues (2011) find gaps in homeownership rates between natives and immigrants and between naturalized citizens and noncitizens, similar to studies with a younger sample (Paulson et al., 2006). The homeownership rate is 67.6% among native Mexican older adults and 40.9% among immigrant Mexican older adults. Differences in homeownership remain significant after demographic, economic, and metropolitan characteristics are considered: the likelihood of owning a home is significantly lower among Mexican naturalized citizens and noncitizens than their native counterparts (Burr et al., 2011). Using data from a nationally representative sample, Sevak and Schmidt (2007) report that immigrant older adults' homeownership rate and net worth are lower in a statistically significant way than native older adults. Using data collected from low-income Asian immigrant older adults in a supported employment program, Nam and colleagues find that only 15% of respondents regularly save and their vehicle and long-term savings ownership rates are around 35%. They also show that the probabilities of owning a bank account, long-term savings, and vehicle is significantly lower among later-age immigrants (those who immigrated at age 55 or older) than those who came to the United States at younger age when demographic and family characteristics are controlled for (Nam, Lee, Huang, & Kim, 2013).

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Summary and Recommendations

This chapter demonstrates the economic vulnerability of immigrant older adults. In comparison to native older adults, immigrants have lower rates of Social Security benefits and private retirement benefits due to labor market disadvantages imposed upon immigrants at earlier lives. As a result, a higher portion of immigrant older adults have an income below poverty thresholds than their native counterparts. Among immigrant older adults, noncitizens, recent immigrants, older-age immigrants, and those from non-European countries (members of racial and ethnic minority groups) are more vulnerable economically.

There is little empirical research on savings and asset accumulation among immigrant older adults. Only few empirical study have detailed assets among immigrant older adults (Burr et al., 2011; Sevak and Schmidt, 2007; Nam et al. 2013). Institutional barriers to financial incorporation, however, suggest a low level of wealth among immigrants at later stages of their lives. The U.S. government has not developed active resettlement policies for immigrants, except for refugees (Bloemraad, 2006a; Espenshade et al., 1996-1997). The private financial sector has not been committed in removing obstacles in using mainstream financial services experienced by immigrants although an increasing number of banks, credit unions, and mortgage companies started to adopt innovative measures to expand their business into immigrant communities (Gallagher, 2005; Paulson et al., 2006). As a result, immigrants' asset ownership is lower than their native counterparts, even those with comparable socioeconomic characteristics (Borjas, 2002; Cobb-Clark & Hildebrand, 2006). Since savings and asset ownership at a later stage of life are affected by those at earlier stages, it is expected that low levels of accumulated assets at a younger age result in insufficient savings and assets among immigrant older adults.

Although our understanding of the topic is far from perfection, the data and discussion in this chapter lead to the following policy implications: First, it is urgent to remove institutional barriers to financial incorporation and asset-building among immigrants. The government should develop and adopt financial policies to facilitate immigrants' settlement and financial incorporation into the U.S. financial system. For example, government guidelines on alternative identifications would reduce confusion both among immigrants and financial institutions, and would encourage immigrants to open transaction accounts, to use mainstream financial services, and to apply for mortgages. Financial institutions should also develop innovative financial products and services for immigrants. For example, culturally sensitive products (e.g., special mortgages for Muslims and credit building and check programs for those without Social Security numbers) and services (e.g., telephone interpretation services for non-native speakers) would facilitate immigrants' adjustment to U.S. financial system.

Second, asset-building programs for vulnerable immigrant older adults should be developed. These programs should reach out to noncitizens, recent immigrants, immigrants at later life stages, and those from non-European countries. Asset-building programs can encourage immigrants near retirement to open and save into retirement savings accounts, such as Individual Retirement Accounts, so that they can prepare for their retirement. The asset-building programs may provide financial education and financial planning services to facilitate immigrant older adults' savings.

Third, asset-building programs should be developed in collaboration with community-based organizations (CBOs) serving immigrants. These CBOs have developed culturally-sensitive programs that promote financial integration and financial security among low-income immigrants (Patraporn et al., 2010; Paulson et al., 2006). Since these CBOs know how to work with immigrant communities and what works for economically disadvantaged immigrants, their experience and knowledge will facilitate the development of effective programs. In addition, they have built trusted relationships with their immigrant clients, which will facilitate the implementation of asset-building programs developed for immigrant older adults.

The lack of empirical evidence calls for further research on assets and financial capacities among immigrant older adults. This paper identifies the following research agenda to expand our understanding of the topic and facilitate future development of policies. First, we should learn asset ownership and financial capabilities among immigrant older adults to answer the following questions: How many assets and what type of assets do immigrant older adults own?; What percentage of immigrant older adults have an access to mainstream financial services, such as bank accounts and credit cards; What is level of financial knowledge among immigrant older adults in general?: and What percentage of immigrant older adults have economic resources enough for retirement? Second, we should understand why immigrant older adults' asset ownership is lower than their native counterpart, especially those related to institutional barriers to financial capabilities. Existing evidences suggest that institutional settings in the United States (e.g., public policies and rules in the financial sector) have imposed challenging environments for immigrants in building assets and financial capabilities in the new country although demographic and socioeconomic characteristics have contributed to native-immigrant disparities in asset ownership. Accordingly, it is imperative to figure out institutional barriers unique to immigrant older adults in achieving financial capabilities and long-term economic security and how these unique conditions interact with common issues shared with native older adults. For example, we should understand how the lack of English proficiency limits immigrant older adults' access to financial services and how it exacerbates the issue of accessibility caused by complex U.S. financial systems even native older adults have hard time to understand. It is well-documented that asset eligibility rules in public assistance programs discourage low-income older adults from accumulating assets (Neumark & Powers, 1998). What is unknown is how these asset limits affect savings and asset accumulation among immigrant older adults who are in higher needs of Medicaid and SSI than their native counterparts eligible for Medicare and Social Security benefits. Third, we should understand diversity among immigrant older adults. That is to say, we should identify immigrant older adults at high risk of experiencing economic insecurity and financial exclusion and their unique conditions barring them from financial integration and capabilities. Noncitizens, immigrants who came at late life stage, undocumented immigrants, immigrants with limited English proficiency, and immigrants from non-European countries are identified as high-risk groups. We, however, do not know how different each group from other high-risk groups and what common and unique barriers these diverse groups of immigrant older adults have. In-depth understanding of distinct groups of immigrant older adults is pre-requisite for the developing of effective intervention strategies. Last but not least, we should collect information on innovative interventions (e.g., alternative identifications and financial education designed for immigrants) and evaluate their effectiveness. As briefly mentioned, financial institutions and community organizations have developed new programs and practice methods to meet unique needs of immigrants. We should identify promising approaches, assess effects of these innovative approaches, and disseminate findings of these evaluations.

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