

Public Sector Practice

COVID-19 and advancing Asian American recovery

Asian American communities have been disproportionately affected by the pandemic. Stakeholders in the public, private, and social sectors can help spur their recovery and promote greater equity.

This article was a collaborative effort by Elaine Dang, Samuel Huang, Adrian Kwok, Harrison Lung, Michael Park, and Emily Yueh.



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Editor's note: This article was updated on October 29, 2020 to reflect input from members of Native Hawaiian and Pacific Islander communities. Specifically, Exhibit 1 has been clarified, per guidelines from the U.S. Office of Management and Budget, to recognize Asian Americans, Native Hawaiians, and Pacific Islanders as distinct racial/ethnic groups.

The experiences of Asian Americans in the United States have been marked by a basic contradiction.¹ At 20 million strong—nearly 6 percent of the US population—they are a powerful economic force: nearly two million Asian American–owned small businesses generate \$700 billion in annual GDP and employ around 3.5 million people.² Asian Americans have been part of the country's tapestry dating back to the 1800s. But despite wide-ranging contributions to US society, they have historically been overlooked. Indeed, the common perception of Asian Americans as the “model minority,” excelling and assimilating, has led many people to not view them as marginalized at all. This dynamic often excludes them from diversity initiatives, leading to underrepresentation in business and politics and leaving many without support in navigating persistent language barriers.³

The COVID-19 pandemic's comparatively deep impact on Asian Americans—and other communities of color—has exposed the gap between perception and reality. A look beneath the top-line numbers reveals that the Asian American community is not a monolith: Asian Americans have some of the widest variances in corporate success, educational attainment, and income. The community's workers disproportionately hold high-contact essential jobs that place them at greater health risk. Asian-owned businesses are overrepresented in sectors that have been hardest hit by COVID-19. Further, the pandemic has

exacerbated anti-Asian xenophobia and racism, which have historically acted as barriers to equity.

As the country's stakeholders in the public, private, and social sectors look toward recovery, the Asian American community will be a critical engine. The Asian American population is projected to become the largest immigrant group (38 percent of immigrants) in the United States by 2055, so raising awareness of the community and addressing inequities within the group are increasingly urgent.⁴ Gaining a greater understanding of Asian Americans—the true picture of their experiences, strengths, and challenges—is vital (see sidebar “A primer on the Asian American experience in the United States”).

This article aims to do the following:

- Equip stakeholders in the public, private, and social sectors as well as individuals with a set of demographic data on Asian Americans
- Identify disparities, exposed by COVID-19, that have affected Asian Americans
- Share actionable opportunities for private and public leaders to achieve equity for Asian Americans during the COVID-19 recovery and for individuals to contribute to the dialogue—actions that could also support all groups experiencing a disproportionate impact from the crisis

The Asian American population is projected to become the largest immigrant group in the United States by 2055.

¹ For the purposes of this article, we define the Asian American community as Asians, Native Hawaiians, and Pacific Islanders who hail from roughly 50 countries in the Asia–Pacific region, speak more than 100 languages, and now reside in the United States.

² “Small business,” National Council of Asian Pacific Americans, aapiern.org.

³ Buck Gee and Denise Peck, “Asian Americans are the least likely group in the U.S. to be promoted to management,” *Harvard Business Review*, May 31, 2018, hbr.org.

⁴ Gustavo López, Eileen Patten, and Neil G. Ruiz, “Key facts about Asian Americans, a diverse and growing population,” Pew Research Center, September 8, 2017, pewresearch.org.

A primer on the Asian American experience in the United States

To correct commonly held misconceptions about the Asian American community's socioeconomic outcomes, public and private leaders must gain an understanding of the history of Asians in the United States.¹

Asian Americans have historically been omitted from the national discourse, in part because of exclusionary immigration policies and xenophobia. For example, the Chinese Exclusion Act of 1882 was the first law in US history to prevent immigration solely on the basis of ethnicity, and in the early 1900s, states enacted laws that banned all Asians from owning land or from marrying outside their race. Legal exclusion and widespread racism culminated in the internment of American citizens of Japanese descent during World War II.

The tide began to turn with the Immigration Act of 1965—a hard-won result of the broader civil rights movement. Millions of Asian immigrants were welcomed into the country, and many of them entered high-skill occupations. In the 1970s, successive waves of refugees escaping conflict in Southeast Asia resettled in the United States. More recently, additional highly skilled workers, including South Asians, arrived through the H1B visa process. These multiple waves of immigrants, hailing from more than 50 countries, contribute to the broad range of socioeconomic outcomes seen today and underscore the group's multifaceted nature.

During the pandemic, xenophobia against Asian Americans has risen again.

Efforts to explicitly tie COVID-19 to China have stoked racial animus toward Asian Americans that harks back to previous chapters in United States history, when immigrants were scapegoated for broader socioeconomic misfortunes.

¹ For more, see "Asian Americans then and now," Asia Society, asiasociety.org; and *Asian Americans*, Public Broadcasting Service, pbs.org.

Key demographic data for decision makers

Asian American immigrants and their descendants are diverse both culturally and socioeconomically (Exhibit 1). A deeper look at the Asian American community highlights potential blind spots in business-decision and policy making, as well as in broader inclusion and equity efforts.

The impact of COVID-19 on Asian American lives and livelihoods

COVID-19 has had a massive impact on all segments of US society. Asian Americans have suffered disproportionately across a number of metrics.

Certain parts of the community have been at higher risk of infection and death, and rising xenophobia has worsened mental health. Asian Americans experienced an earlier decline in business and employment and—without targeted policy and business action—may recover more slowly.

Impact on health

There is a lack of accurate, disaggregated data on Asian Americans, which is crucial in assessing the health impact of COVID-19 on the Asian American population.⁵ While the aggregated Asian American death rate from COVID-19 is similar to that of white Americans, significant disparities emerge at the subgroup level.⁶ For example, Pacific Islanders

⁵ Namratha Kandula and Nilay Shah, "Asian Americans invisible in COVID-19 data and in public health response," June 16, 2020, *Chicago Reporter*, chicagoreporter.com.

⁶ "The color of coronavirus: COVID-19 deaths by race and ethnicity in the U.S.," APM Research Lab, July 8, 2020, apmresearchlab.org.

Exhibit 1

Wide variance in the demographics and experiences of Asian Americans, Native Hawaiians, and Pacific Islanders (AANHPI) should inform the creation of COVID-19 recovery efforts.

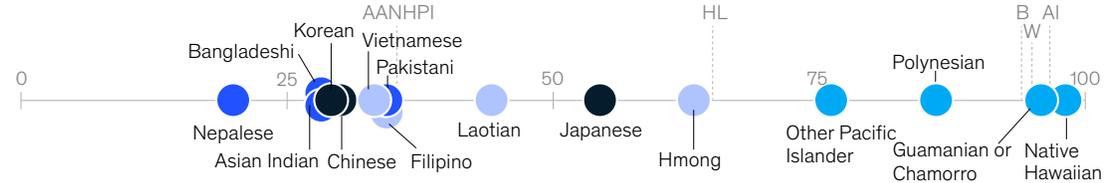
The AANHPI community is not a demographic monolith

AANHPI census distribution, %

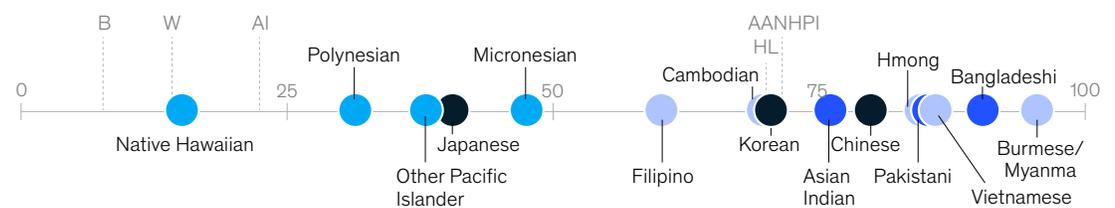
East Asian	35	Southeast Asian	31	South Asian	26	Native Hawaiian or Pacific Islander	8
Chinese ¹	23	Filipino	15	Asian Indian	22	Other Pacific Islander	3
Japanese	8	Vietnamese	10	Pakistani	3	Polynesian	2
Korean	4	Burmese/Myanma	2	Bangladeshi	1	Micronesia	1
		Cambodian	1	Nepalese	< 1	Native Hawaiian	1
		Hmong	1			Guamanian or Chamorro	< 1
		Laotian	1			Samoan	< 1
		Thai	< 1				
		Indonesian	< 1				

Macro race key: **AANHPI** Asian American, Native Hawaiian, and Pacific Islander **AI** American Indian **B** Black **HL** Hispanic Latino **W** White

Born in the United States,² %



Households where English is not the primary language,² %



¹US Census data reflect the combination of two categories: "Chinese (except Taiwanese)" and "Taiwanese." The data do not contain further segmentation for these groups.

²Selected subgroups reflected.

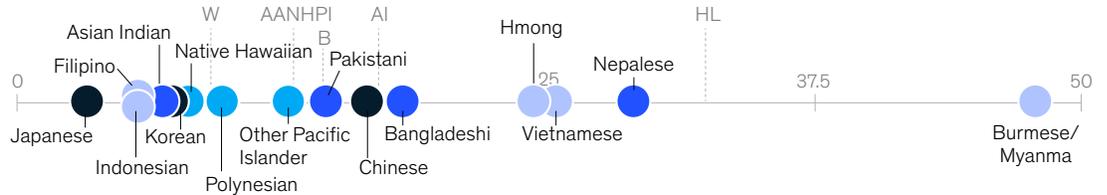
Source: 2018 American Community Survey 1-year estimates, US Census Bureau

Exhibit 1 (continued)

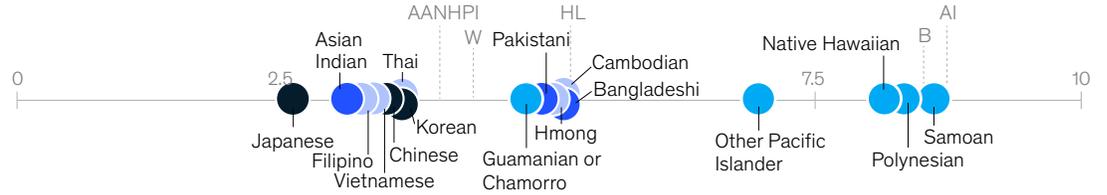
Wide variance in the demographics and experiences of Asian Americans, Native Hawaiians, and Pacific Islanders (AANHPI) should inform the creation of COVID-19 recovery efforts.

The AANHPI community experiences a wide range of socioeconomic outcomes

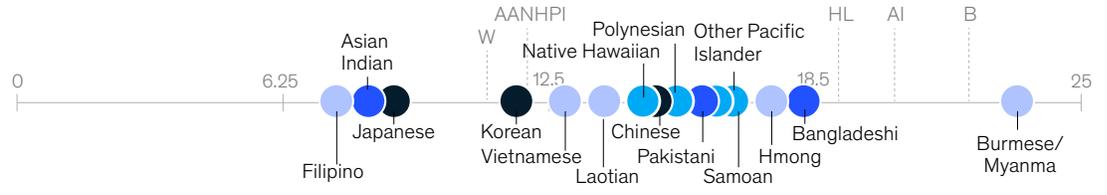
Education level less than high-school diploma,² %



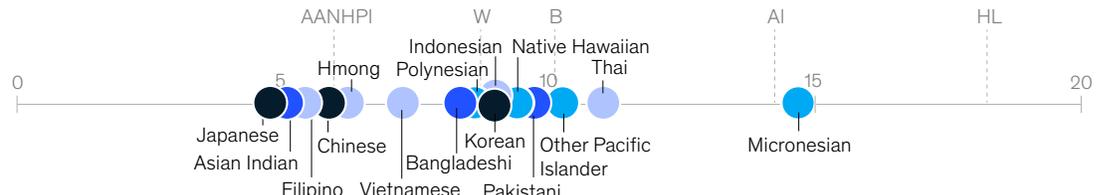
Unemployed,² %



Income below poverty rate,² %



Individuals without health insurance,² %



Currently, Asian Americans have the highest within-group income inequality in the United States.

The **top 10%** of earners had **10.7x** the income of the **bottom 10%** compared with the **national average of 8.7x**

¹ US Census data reflect the combination of two categories: "Chinese (except Taiwanese)" and "Taiwanese." The data do not contain further segmentation for these groups.

² Selected subgroups reflected.

Source: 2018 American Community Survey 1-year estimates, US Census Bureau

are two to three times more likely to be diagnosed with the virus compared with the average in three states.⁷ In San Francisco, Asian Americans accounted for 13.7 percent of cases but 52 percent of deaths.⁸ In Nevada, Asian Americans are dying at more than twice the rate of white Americans.⁹

Discrimination and mental health. Asian Americans have been the target of a unique rise in racist rhetoric and discrimination (see sidebar “Anti-Asian experiences in healthcare”). Since the beginning of the outbreak, organizations have documented at least 1,900 hate incidents across 46 states, one-third of Americans reported witnessing other individuals blame Asian Americans for the outbreak,¹⁰ and reports of anti-Asian violence and assaults have been on the rise.¹¹

Research has found that both overt racism and microaggressions can worsen mental health. These incidents are already having a notable effect on the Asian American community’s mental health. Crisis Text Line, a nonprofit group that provides free mental-health support via text message, saw a 39 percent increase in texts from Asian Americans in the first quarter of 2020. The community faced similar discrimination during the SARS outbreak in 2002,¹² and studies found that this stigmatization may have discouraged affected populations from seeking care, resulting in underreported illnesses and worse health outcomes.

These mental-health challenges are complicated by additional barriers: many providers don’t offer language services for Asian patients, and mental-health treatment is often stigmatized in the Asian American community.¹³ As a result, only 5.8 percent of Asian Americans sought any type of mental-health services or resources, compared with 19 percent of white Americans.¹⁴

Asian American essential workers. Approximately two million Asian Americans—a higher proportion than their share of the US population—are putting themselves at risk as frontline and essential workers (Exhibit 2). This is especially true in healthcare, where Asian Americans exceed their share of the population in 72 percent of high-contact essential occupations in medical fields. Additionally, Asian American personal-appearance workers (such as cosmetologists and barbers) are employed at a relatively high rate at some of the first businesses to reopen their doors in the wake of COVID-19.

Impact on livelihoods

The Asian American business community has been particularly disrupted by a double hit of xenophobia and lockdowns. Asian American-owned businesses were some of the earliest to

Anti-Asian experiences in healthcare

Chen Fu, MD, one of the first attending physicians on the COVID-19 floor in his New York hospital, shared the difficulty of being an Asian American physician. “I remember when I was on my way to the hospital to work on the COVID-19 floor, someone yelled ‘dirty Chinese’ to me. It brought to light the dual identity I feel to be both celebrated as a healthcare professional and vilified as an Asian American.” He and fellow Asian healthcare workers have experienced discrimination at the hospital.

Dr. Fu shared, “An Asian colleague was attending to a patient who had trouble breathing. In the middle of his breathlessness, the patient managed to say, ‘I don’t want an Asian nurse.’ It is distracting when you are trying to help someone with all of your power and that person doesn’t want your help.”

⁷ “Written statement for the record for the hearing entitled ‘The disproportionate impact of COVID-19 on communities of color,’ United States House of Representatives Committee on Ways and Means,” Asian & Pacific Islander American Health Forum, May 27, 2020, apiahf.org; note that disaggregated data on AANHPI COVID-19 death rates are unavailable in many states.

⁸ As of May 5, 2020; for more, see “High mortality from COVID-19 among Asian Americans in San Francisco and California research brief,” Asian American Research Center on Health, asianarch.org.

⁹ “The color of coronavirus,” APM Research Lab.

¹⁰ “Hate incidents,” AAPI Emergency Response Network, aapiern.org.

¹¹ “Reports of anti-Asian assaults, harassment and hate crimes rise as Coronavirus spreads,” Anti-Defamation League, June 18, 2020, adl.org.

¹² Bobbie Person et al., “Fear and stigma: The epidemic within the SARS outbreak,” *Emerging Infectious Diseases*, February 2004, Volume 10, Number 2, pp. 358–63, ncbi.nlm.nih.gov.

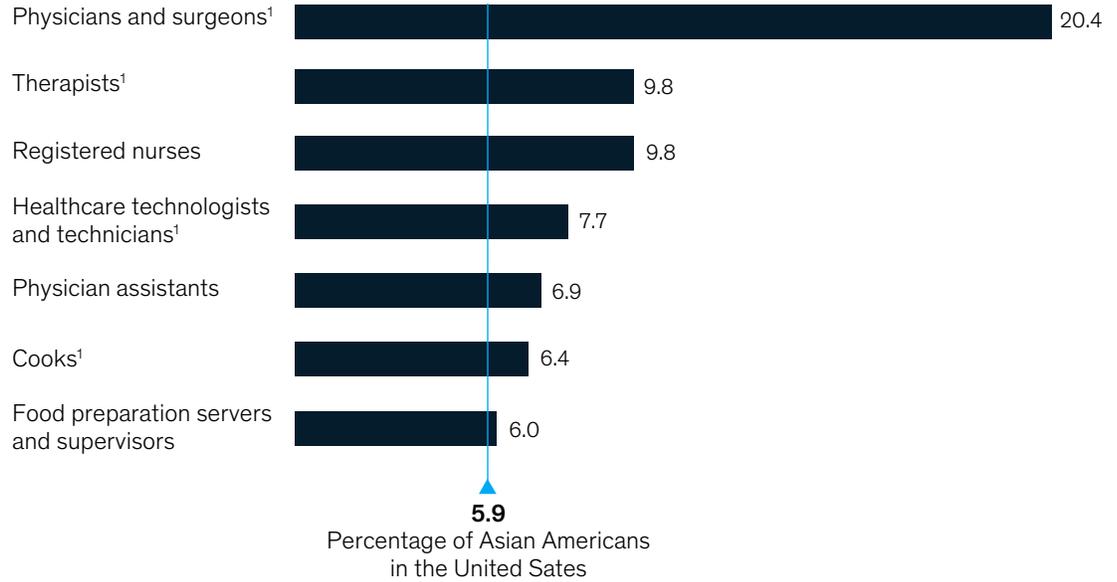
¹³ Elizabeth J. Kramer et al., “Cultural factors influencing the mental health of Asian Americans,” *Western Journal of Medicine*, September 2002, Volume 176, Number 4, pp. 227–31, ncbi.nlm.nih.gov.

¹⁴ Emily Pond, “Mental health care access low among Asian Americans,” *Psychiatry Advisor*, January 29, 2020, psychiatryadvisor.com.

Exhibit 2

During COVID-19, a high proportion of Asian Americans have been working in high-contact essential roles.

Representation of Asian Americans in high-contact essential roles, %



¹ Consists of only high-contact essential roles as defined by McKinsey Global Institute, representing ~50 to 75 percent of total roles within the category.

Source: US Bureau of Labor Statistics; McKinsey Global Institute LaborCube



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Anti-Asian experiences in the restaurant industry

Mary Wong and Tony Nguyen co-own OMG Tacos, a fast-casual restaurant in Dallas. Ms. Wong shared a disheartening story of overt racism she experienced since the pandemic hit: “One day a customer walked in and asked one of our non-Asian employees if he had COVID-19. When asked why, the customer pointed at one of our Asian employees and said, ‘Because you work with him.’ It stings.”

Wong and Nguyen joined a vibrant online community of Asian American restaurant entrepreneurs in Dallas who rallied to support one another during COVID-19. Group cofounder Vu Ly shared that many businesses “experienced a decrease in sales and foot traffic that started even before the lockdowns—almost as if people were afraid to go to any Asian-owned establishment.”

experience declines in business (see sidebar “Anti-Asian experiences in the restaurant industry”). A full month before nationwide lockdowns began, misguided fears of the virus effectively shuttered businesses in many Asian American cultural districts—despite few confirmed COVID-19 cases in those areas.¹⁵

Asian-owned businesses are overrepresented in some of the hardest-hit sectors. Asian-owned businesses make up 26 percent of accommodations and food service, 17 percent of retail trade, and 11 percent of education-services businesses¹⁶—sectors that have sustained some of the worst economic effects from COVID-19 (Exhibit 3).¹⁷

On employment, analysis of past economic downturns suggests that Asian Americans experience more serious and prolonged rates of unemployment. During the 2008–09

downturn, Asian American unemployment rates nearly doubled.¹⁸ Early data shows this pattern of unemployment rates being repeated during COVID-19: Asian American unemployment rates increased by more than 450 percent from February to June 2020, revealing a greater rate of increase than that of other racial groups.¹⁹ More alarmingly, while overall unemployment dropped in May 2020, it in fact grew 0.5 percentage points for Asian American workers and 0.1 percentage points for Black workers.²⁰

The slow recovery

Recovery from the pandemic may also be protracted for Asian American businesses, which have suffered from a lack of government and financial support—as have other groups. For example, roughly 95 percent of Black-owned businesses, 91 percent of Latino-owned businesses, 91 percent of Native Hawaiian— or Pacific Islander—owned businesses, and 75 percent of Asian-owned businesses have little chance of obtaining a Paycheck Protection Program (PPP) loan because fewer minority-owned businesses have existing relationships with a mainstream bank or credit union, a prerequisite to be approved.²¹

The language barrier also impedes many Asian Americans from participating in relief programs. Despite Executive Order 13166, which aims to provide “meaningful access” to federal agency resources for individuals with limited English proficiency,²² translation and language resources for businesses in the wake of COVID-19 are few. None of the four financial-relief services offered by the US Small Business Administration provide translations into Asian languages on their websites. Only PPP offers any level of Asian translation for application forms—and for just seven Asian languages, out of the more than 15 most commonly spoken in Asian households.²³

¹⁵Alexandra Olson and Terry Tang, “Misguided virus fears hitting Asian American businesses,” Associated Press, February 18, 2020, apnews.com.

¹⁶Annual Business Survey: Statistics for Employer Firms by Industry, Sex, Ethnicity, Race, and Veteran Status for the U.S., States, Metro Areas, Counties, and Places: 2017, US Census Bureau, updated May 19, 2020, data.census.gov.

¹⁷Small Business Pulse Survey, Responses by Geography and Sector: Week 6 (5/31-6/6), US Census Bureau, July 2, 2020, portal.census.gov.

¹⁸“Labor force characteristics by race and ethnicity, 2018,” US Bureau of Labor Statistics, October 2019, bls.gov.

¹⁹“Economic news release: Table A-2. Employment status of the civilian population by race, sex, and age,” US Bureau of Labor Statistics, updated July 2, 2020, bls.gov.

²⁰Jonnelle Marte, “Surprise U.S. unemployment rate drop leaves out blacks, Asians,” Reuters, June 5, 2020, reuters.com.

²¹Brian Thompson, “Getting help for minority-owned businesses shut out of PPP loan relief,” *Forbes*, May 12, 2020, forbes.com.

²²Executive Order no. 13,166, Federal Register, title 3, Volume 65, Number 159 (2000).

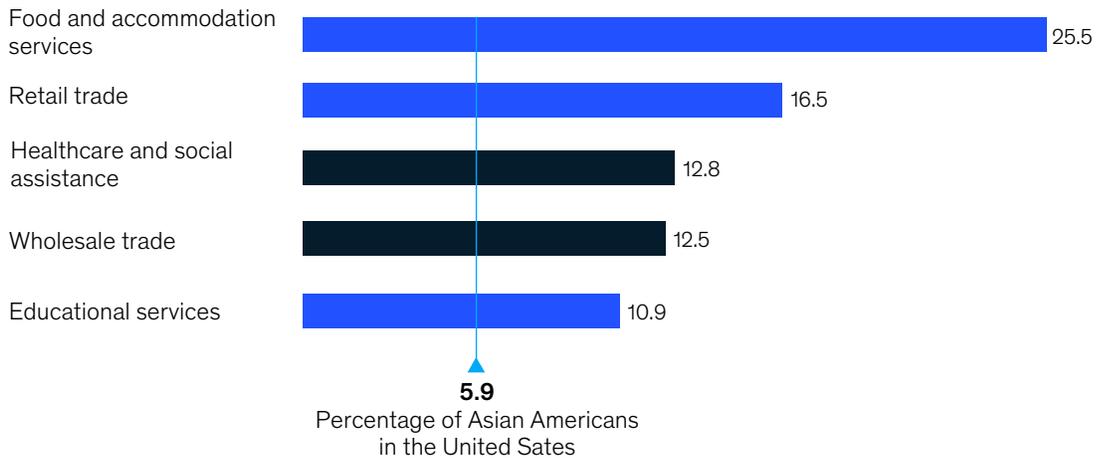
²³“Coronavirus recovery information in other languages,” US Small Business Association, sba.gov.

Exhibit 3

In the wake of COVID-19, the Asian American business community will be critical to economic recovery and employment growth.

Asian-owned businesses account for a high proportion of the following sectors, %

■ Sectors that have been hard hit by COVID-19



1 Asian-owned business for every **6** Asian adults, compared with the US average of 1 for every 8.4 adults

25% of Asian-owned businesses employ more than 1 person, compared with 13% of all US businesses

Source: 2017 Annual Business Survey, US Census Bureau; 2016 Issue Brief, US Small Business Administration, Office of Advocacy

The recovery of Asian American businesses will be integral to the revival of entrepreneurship and employment in the country as a whole.²⁴ In particular, the Asian American business community outperforms the national average on business ownership and employment. When asked why so many Asian Americans chose to be entrepreneurs, Mary Wong of OMG Tacos explained, “Our parents immigrated here to give us better opportunities. We personally saw them work so hard through so many challenges, and many still don’t have the resources to retire comfortably. We do it for them.”

A catalyst for change

COVID-19 has illuminated ways in which Asian Americans have been overlooked or excluded. Addressing these issues will take a concerted and sustained effort by stakeholders in the public, private, and social sectors, as well as efforts by individuals outside of the workplace. To support this mission, we have compiled a three-part list of actions for each group to consider in creating a more equitable environment.

²⁴“Small business,” National Council of Asian Pacific Americans, aapiern.org.

Asian American unemployment rates increased by more than 450 percent from February to June 2020, revealing a greater rate of increase than that of other racial groups.

1

Equitable public representation

Stakeholders in the public and social sectors have the opportunity to shape and implement better and more nuanced policy for Asian Americans. To promote longer-term equity for Asian Americans, agencies can take immediate actions toward relief and recovery:

- When serving constituents, the organization gathers data that disaggregate Asian subgroups to extract insights on the unique effects of COVID-19 and the subsequent recovery on these subgroups.
- The organization has designated an employee to track and oversee Asian American inclusion as recovery initiatives are developed, in coordination with efforts that support other underserved groups.
- The organization offers both verbal and written language assistance for all of its services and resources in Asian languages that are spoken by a meaningful number of people.
- The organization has taken concrete steps to combat anti-Asian rhetoric in public dialogue—for example, by actively denouncing anti-Asian slurs.

2

Inclusive and diverse business culture

In the private sector, stakeholders can harness this moment to engage Asian Americans, both within their organizations and among their consumers. We encourage companies to reflect on how they can include Asian Americans in their workplace-diversity efforts and serve a largely untapped population by taking several actions:

- The company has taken concrete steps to combat implicit bias, microaggressions, and overt xenophobia toward Asian American employees—for example, establishing clear inclusion guidelines in the workplace targeted toward Asian Americans, or implementing diversity and inclusion training that actively includes dialogue on Asian American issues for all employees.
- An employee resource group for Asian American colleagues offers robust mental-health support or office events based around the effects of the pandemic.
- The company has expanded access to and consumption of its services among Asian Americans—for example, by providing accessible language translation, tailoring credit offerings to Asian American small-business needs, and advertising to Asian American consumers.
- The company has implemented targeted efforts to support Asian-owned businesses—for example, by committing to supplier-diversity goals.



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- The company has plans to measure Asian American representation in its overall diversity and inclusion strategy, especially in executive positions, acting to ensure these leaders contribute to COVID-19 recovery and reimagination.
- Individuals have encouraged employers or policy makers to collect disaggregated data and initiate diversity efforts.
- Consumers have supported Asian small businesses and cultural centers during the COVID-19 recovery.
- Individuals have confronted instances of racism and discrimination.
- The mental health of fellow Asians has become a priority.

3

Engaged dialogue

Individuals of all backgrounds have a critical role to play in sustaining an ongoing dialogue, holding organizations accountable, and supporting the Asian American community. Here are some steps they can take:

- Individuals have engaged peers (Asian and non-Asian) to raise awareness of inequalities experienced by the Asian American community.

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The authors wish to thank Michael Chui, Jocelyn Grahame, Jo Gupta, Vincent Huang, Anthony Luu, Myles Mann, Richard Shin, Michelle Sing, Zoey Wilkinson, Lareina Yee, and Toby Yi for their contributions to this article.

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