Growth and Diversity of Asian American Nonprofit Organizations

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INTRODUCTION

In societies with free association among individuals, civil society developments constitute the foundation and fabric of its people. Civil society generally refers to actions individuals voluntarily take in various forms, at different levels of collectiveness, and under diverse institutional settings— all with the goal of bringing positive changes to a relevant community. These actions are distinctively different from government or market activities, but they are becoming increasingly inter-related and inter-dependent. Public policies may facilitate civil society developments. One example is providing the regulatory framework with sufficient incentives to encourage the formation of publicly accountable nonprofit organizations to carry out good work. In the U.S., different types of nonprofit organizations are formed everywhere to advance a multiplicity of causes, so much so that the terms civil society and nonprofit organizations are frequently used interchangeably.

In Asian American communities, civil society is very much part of communal life since the early history of immigration. In earlier times of exclusion and isolation, Asian American nonprofit organizations might perform significant de facto self governance roles for an ethnic community. In recent decades of a more open society and accommodating public policy, different types of Asian American organizations can be instrumental in promoting greater political and economic integration with society at large. Yet, very little is known about Asian American nonprofit organizations (NPOs) as a group. The purpose of this chapter is to provide an overview of these or-
ganizations in major U.S. metropolitan areas — guided by a simple research question: What is the pattern of development of Asian American nonprofit organizations? The pattern of development includes the size of this segment of nonprofits, their history, the distribution among different functional types as well as among diverse ethnic groups, and some general financial situation of these organizations.

It is a well-established fact that nonprofit organizations play an increasingly important role in contemporary U.S. society (Salamon 1999). Various theories have been advanced to explain the rationale for the existence of the nonprofit sector. One theory argues that the rise of nonprofit organizations is a result of government failure — analogous to the justification for a government to exist due to market failure (Weisbrod 1988). As the private market fails to produce some goods and services because of the incompatibility between market incentives and the nature of public goods and services, so are some other goods and services that a government, even a democratically selected one, may fail to produce equitably. In a society with heterogeneous public interests and public decision by majority rule, only collective goods (including public goods) that meet majority interests may get provided. In the absence of any alignment with majority interests, public goods that are local to either a geographic area or to a community of any particular characteristic may need to find alternative provision mechanisms. Individuals that share the same local public interests may engage in self-organizing to form voluntary and nonprofit agencies to provide local collective goods. Resources for these nonprofits may come from within the same community, outside the community, or even the larger government sector, particularly when these local public interests overlap with the larger context of government policy initiatives.

The community interests of different racial and ethnic groups can be considered an example of such local collective goods. In this case, the collective goods are local to different ethnic groups. As a community, Asian Americans are comprised of significant immigrant population of diverse ethnicity. There are at least two general immigrant concerns for these Asian Americans — economic survival in the adopted country and maintaining a distinctive cultural identity and heritage. Helping immigrants to survive economically includes or-
ganizing nonprofits to teach English as Second Language (or English for Speakers of Other Languages), providing employment services or services to those who need help in taking care of themselves — like low-income households, the youth, and the elderly. Maintaining cultural identity may take the form of setting up ethnic language schools to teach U.S.-born Asian American children, forming nonprofits to promote ethnic art, music, dance, and other aspects of the immigrant home culture. As Asian American communities grow, they may learn to adopt more mainstream organizing strategies. One consequence is the development of Asian American nonprofits that promote Asian American interests in the context of the larger society — including advocacy groups, professional associations, funding intermediaries, and private foundations.

Thus, Asian American nonprofit organizations can generally be categorized into four functional types. These categories are:

1. Religious organizations. These are primarily churches and temples.

2. Cultural organizations. These organizations promote and preserve an ethnic group’s cultural identity, including home-country language schools, traditional arts, dance, or music groups, and other general cultural organizations — for instance, associations based on the last name of an ethnic Chinese subgroup.

3. Service organizations. These agencies provide primarily one or more types of social services like English classes, health services, youth programs, or senior housing projects. These services have the overall objective of helping immigrants participate more productively in the economy.

4. Public interest organizations — these are advocacy groups, professional organizations, civic organizations, and private foundations and various public interest funds. The central theme among them is to enhance the voice of their respective Asian American constituency through organizing, financing, holding forums, sponsoring activities, or other appropriate means.

Among these four functional types of Asian American nonprofit organizations, there is also heterogeneity of community interests. Because of the nature of religious and cultural activities — especially in
the use of native languages and the meaning of identity, it is likely
that a religious or cultural organization serves a specific Asian ethnic
group. A social service or public interest organization operates in the
larger societal context in terms of its funding sources or sphere of in-
fluence, and thus may not be bounded as much by similar language
and cultural particularities. A Vietnamese American may not attend
a Chinese church but participate in an English class conducted at an
Asian American social service agency. The following empirical sec-
tions may shed some light on whether the distribution of Asian
American nonprofits reflects this pattern of heterogeneity.

The remainder of this chapter is organized into three parts. The
first part describes the data, which come primarily from IRS tax
forms. This is a rich source of information with some major limita-
tions. The second part presents a profile of the Asian American non-
profit organizations in the sample. The major findings are that Asian
American nonprofit organizations are numerous but few compared to
all nonprofits, they are young and diverse — both ethnically and
functionally — and they are concentrated in a small number of met-
ropolitan areas. The third part examines the factors associated with
the functional types (religious, cultural, service and public interest)
and with organizational size as measured by total assets and annual
revenue. The results indicate that Asian American religious organi-
sations tend to have a longer history, are more likely to be found in
suburban middle class communities, as well as in metropolitan areas
with a more diverse ethnic population, and a relatively less active
general population in community organizing. The opposite is true
for secular Asian American organizations as a group. The pattern is
less consistent among the three types of secular Asian American or-
ganizations. Regarding organization size, more established Asian
American nonprofits, pan-Asian American organizations, and those
located in communities with larger Asian American populations tend
to have more financial resources.

DATA

In spite of the emerging importance of ethnic nonprofits, re-
search on these organizations has only begun recently. Michael
Cortes (1998) explored various data sources for research on Hispanic nonprofits in the U.S. He made use of the application for tax-exempt status and nonprofit tax returns (Form 990); both were filed with the U.S. Internal Revenue Service. The data used in Cortes (1998) is available at the IRS upon request. Recent advances in information technology, especially via the internet, have rendered similar information accessible on a few websites. This study makes use of these free and electronically accessible data sources (e.g. website of National Center for Charitable Statistics and www.guidestar.org) to provide an overview of Asian American nonprofit organizations in the U.S. Since Form 990, the tax return filed by nonprofits receiving annual revenue of $25,000 or more, is filed on a voluntary basis, compliance and data quality may not be carefully audited. However, Froelich, Knoepfle, and Pollak (2000) and Bielefeld (2000) demonstrated the research utility of these completed tax returns. After comparing the information in Form 990 with audited financial statements of selected nonprofits, Froelich, Knoepfle and Pollak (2000) concluded that the financial information, especially balance sheet and income statement information, contained in Form 990 was generally reliable.

This chapter examines Asian American nonprofit organizations in U.S. major metropolitan areas. Asian American nonprofit organizations here refer to nonprofits with the mission of serving directly and primarily Asian Americans, and that are run by Asian Americans, either as executive directors or as board members of the organization, or both. Thus, neither nonprofit organizations that serve Asian Americans but have no significant Asian American representation as board members or as the executive director, nor non-Asian American serving organizations with Asian American executive directors are included in this study. Metropolitan areas are used because minority and immigrant populations are likely to be concentrated in these areas. More specifically, Consolidated Metropolitan Statistical Area (CMSA) is used as the definition for metropolitan areas. This is the most inclusive metropolitan area concept used by the Census Bureau. This study collects information from the 10 largest CMSAs as measured by total population.

CMSA demographic data is obtained from the 1990 and 2000 census. The Guidestar database of nonprofits allows interactive
searches for these organizations within the same approximate coverage of CMSAs. This study assumes that a fifty-mile area surrounding the zip codes of a central city is big enough to cover most of the Asian American nonprofit organizations in the corresponding metropolitan area. Another challenge is to identify Asian American nonprofits in the electronic archives. In this study, these organizations are identified by their names bearing such classification or subgroups as Asian, Cambodian, Chinese, Japanese, Korean, Vietnamese, Indian, Filipino, and similar terms.

Asian American nonprofit organization data for this study is collected from the website www.guidestar.org, because it also includes location information of nonprofits that do not file Form 990, especially religious organizations. This website also provides the key information of when a nonprofit organization is granted tax-exempt status or when it was formed. Even though the Asian American nonprofits included in this study are not exhaustive of all such organizations — smaller ones are particularly excluded — the search on this website provides the most comprehensive count of them from one single source. According to a local directory of human services for Asian Americans (Asian American Federation of New York 2003), there are 85 to 90 Asian American human service agencies in the New York metropolitan area. Almost the same number (83) of Asian American service organizations are identified in this study. A comparison of the Boston data with a local directory of Asian American organizations in Massachusetts (Asian American Resource Workshop 2001) shows that the local directory has 219 Asian American community organizations whereas the www.guidestar.com archive search resulted in 112 Asian American nonprofit organizations. A breakdown of the four functional types of organizations shows that the Boston Asian American organizations in this study amount to 47 to 55 percent of the same type of organizations in the local directory. If local directories are complete, this is an improvement over the general undercount of small nonprofit organizations as reported in O’Neill (2002). As much as two-thirds of 501(c)3 nonprofits had annual revenue less than $25,000 in 1997 (Arnsberger 2000) and thus were not included in the IRS Form 990 database for that year. Thus, the sample in this study is a reasonable representation of medium to large Asian
American nonprofit organizations in the respective metropolitan areas.

PROFILE OF ASIAN AMERICAN NONPROFIT ORGANIZATIONS

ASIAN AMERICAN POPULATION AND NONPROFIT ORGANIZATIONS

Figure 1 and Tables 1 and 2 summarize the relevant U.S. census data and findings from examining the data on Asian American nonprofit organizations available at the website www.guidestar.org. They provide an overview of the ethnic and functional diversity of Asian American nonprofit organizations in major U.S. metropolitan areas. This section begins with a general discussion of the distribution and history of these organizations in relation to the distribution of the Asian American population.

The Asian American population grew rapidly in the 1990s. Figure 1 shows the size of the Asian American population and the number of Asian American nonprofit organizations in the ten largest metropolitan areas. In 2000, Los Angeles (1.7 million), New York (1.4 million), and San Francisco (1.3 million) have the largest Asian American population, each accounting for 7 to 18 percent of the total population. The other metropolitan areas are far behind with less than 400,000 Asian Americans, or 2 to 6 percent of the total population. It is not surprising that 70 percent of the Asian American nonprofits in the sample are located in these three metropolitan areas. Los Angeles has the most numerous Asian American nonprofits (about 820), in comparison with New York (about 470), San Francisco (about 360), and the other 7 metropolitan areas which has less than 100 to 200 each. This concentration is even more pronounced for older Asian American nonprofits. Both Figure 1 and the high correlation coefficient of 0.93 strongly confirm the finding that metropolitan areas with larger Asian American populations have more Asian American nonprofits.

The top full panel of data in Table 1 shows the youth of most of the existing Asian American nonprofits. In each of the ten metropolitan areas, between 45 to 60 percent of Asian American nonprofits were formed in the 1990s. Another 20 to 30 percent have their ori-
gins in the 1980s, and 10 to 25 percent in the 1970s. The average age of Asian American nonprofits in this study is less than twenty years. The median age is 12 years. Some of the Asian American nonprofits formed in the last fifty years may have ceased to exist, but this information is not available in the data for this study.

Asian American nonprofits amount to less than 1 percent of the total number of nonprofits in 7 of the 10 largest metropolitan areas. Even in the three largest Asian American communities, Asian American nonprofits are only 1 percent (New York), 2 percent (San Francisco), or 3 percent (Los Angeles) of the total number of nonprofits in the respective area (Figure 1). Although the proportion of nonprofits organized and run by Asian Americans is much lower than that of the metropolitan population of Asian descent, there are proportionally more Asian American nonprofits than Hispanic-Latino nonprofits in each of the same metropolitan areas (Hung 2007). The languages used among Asian Americans are more diverse than the primarily Spanish and Portuguese commonly used among the Hispanic-Latino population. Despite the stereotype of Asian American being the model minority, many in the population need social services as well (Cheng and Yang 2000). The services also need to be provided in a culturally competent way (Zhan 2003). These Asian American organizations may be more prepared to deliver culturally competent services. The much larger Hispanic-Latino population may also be served by mainstream nonprofits with bilingual staff, or by Hispanic-Latino run nonprofits that are larger than the typical Asian American organizations. These differences partly explain the more numerous Asian American nonprofits relative to Hispanic-Latino organizations.
Figure 1. Asian American Population and Nonprofit Organizations in the Ten Largest Metropolitan Areas 2000

<table>
<thead>
<tr>
<th>Metropolitan Areas</th>
<th>Total Population</th>
<th>Asian American Population</th>
<th>Asian American NPOs</th>
</tr>
</thead>
<tbody>
<tr>
<td>N.Y.</td>
<td>1800</td>
<td>53.8%</td>
<td>34.3</td>
</tr>
<tr>
<td>L.A.</td>
<td>1700</td>
<td>51.0%</td>
<td>32.4</td>
</tr>
<tr>
<td>Chicago</td>
<td>1600</td>
<td>49.8%</td>
<td>31.2</td>
</tr>
<tr>
<td>D.C.</td>
<td>1500</td>
<td>48.0%</td>
<td>29.7</td>
</tr>
<tr>
<td>San Frw</td>
<td>1400</td>
<td>45.0%</td>
<td>28.0</td>
</tr>
<tr>
<td>Philly</td>
<td>1300</td>
<td>42.0%</td>
<td>26.2</td>
</tr>
<tr>
<td>Boston</td>
<td>1200</td>
<td>39.0%</td>
<td>24.3</td>
</tr>
<tr>
<td>Detroit</td>
<td>1100</td>
<td>36.0%</td>
<td>22.4</td>
</tr>
<tr>
<td>Dallas</td>
<td>1000</td>
<td>33.0%</td>
<td>20.7</td>
</tr>
<tr>
<td>Houston</td>
<td>900</td>
<td>30.0%</td>
<td>18.8</td>
</tr>
</tbody>
</table>

Table 1. Distribution of Asian American Nonprofits by CMSA

<table>
<thead>
<tr>
<th>CMSA</th>
<th>LA</th>
<th>N.Y.</th>
<th>S.F.</th>
<th>D.C.</th>
<th>CHI</th>
<th>BOS</th>
<th>PHIL</th>
<th>HOU</th>
<th>DAL</th>
<th>DET</th>
<th>Total %</th>
<th>Total N (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>824</td>
<td>469</td>
<td>365</td>
<td>213</td>
<td>117</td>
<td>106</td>
<td>91</td>
<td>92</td>
<td>74</td>
<td>51</td>
<td>100.0</td>
<td>2404</td>
</tr>
<tr>
<td>% among the 10 CMSAs (a)</td>
<td>34.3</td>
<td>19.5</td>
<td>13.2</td>
<td>8.9</td>
<td>4.9</td>
<td>4.5</td>
<td>3.8</td>
<td>3.8</td>
<td>3.1</td>
<td>2.1</td>
<td>100.0</td>
<td>2404</td>
</tr>
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</table>

Ethnicity (b)

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>L.A.</th>
<th>N.Y.</th>
<th>S.F.</th>
<th>D.C.</th>
<th>CHI</th>
<th>BOS</th>
<th>PHIL</th>
<th>HOU</th>
<th>DAL</th>
<th>DET</th>
<th>Total %</th>
<th>Total N (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pan Asian</td>
<td>8.1</td>
<td>16.3</td>
<td>20.5</td>
<td>19.5</td>
<td>16.4</td>
<td>17.8</td>
<td>18.7</td>
<td>11.0</td>
<td>12.2</td>
<td>7.8</td>
<td>14.4</td>
<td>338</td>
</tr>
<tr>
<td>Chinese</td>
<td>20.3</td>
<td>28.9</td>
<td>35.5</td>
<td>30.7</td>
<td>25.8</td>
<td>45.8</td>
<td>22.0</td>
<td>38.5</td>
<td>27.0</td>
<td>39.2</td>
<td>28.0</td>
<td>673</td>
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<tr>
<td>Japanese</td>
<td>8.8</td>
<td>4.9</td>
<td>11.5</td>
<td>4.2</td>
<td>9.5</td>
<td>2.8</td>
<td>6.6</td>
<td>5.5</td>
<td>5.4</td>
<td>7.8</td>
<td>7.5</td>
<td>186</td>
</tr>
<tr>
<td>Korean</td>
<td>47.5</td>
<td>41.3</td>
<td>18.9</td>
<td>26.0</td>
<td>37.9</td>
<td>15.9</td>
<td>37.4</td>
<td>13.2</td>
<td>29.7</td>
<td>27.5</td>
<td>35.5</td>
<td>853</td>
</tr>
<tr>
<td>South Asian</td>
<td>2.3</td>
<td>2.8</td>
<td>3.3</td>
<td>9.3</td>
<td>4.3</td>
<td>6.9</td>
<td>3.7</td>
<td>12.1</td>
<td>6.6</td>
<td>9.8</td>
<td>3.9</td>
<td>54</td>
</tr>
<tr>
<td>Southeast Asian</td>
<td>13.0</td>
<td>5.8</td>
<td>10.4</td>
<td>10.2</td>
<td>6.8</td>
<td>16.8</td>
<td>12.1</td>
<td>19.8</td>
<td>18.9</td>
<td>7.8</td>
<td>11.1</td>
<td>266</td>
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</tbody>
</table>

Functional types (c)

<table>
<thead>
<tr>
<th>Functional Types</th>
<th>LA</th>
<th>N.Y.</th>
<th>S.F.</th>
<th>D.C.</th>
<th>CHI</th>
<th>BOS</th>
<th>PHIL</th>
<th>HOU</th>
<th>DAL</th>
<th>DET</th>
<th>Total %</th>
<th>Total N (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious NPO</td>
<td>52.1</td>
<td>42.4</td>
<td>38.8</td>
<td>42.9</td>
<td>47.5</td>
<td>34.0</td>
<td>26.8</td>
<td>20.6</td>
<td>27.1</td>
<td>26.4</td>
<td>40.5</td>
<td>972</td>
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<tr>
<td>Cultural NPO</td>
<td>16.1</td>
<td>24.2</td>
<td>20.7</td>
<td>20.0</td>
<td>27.6</td>
<td>26.0</td>
<td>20.5</td>
<td>27.5</td>
<td>33.5</td>
<td>25.3</td>
<td>21.4</td>
<td>515</td>
</tr>
<tr>
<td>Service NPO</td>
<td>12.1</td>
<td>17.8</td>
<td>25.0</td>
<td>18.7</td>
<td>14.9</td>
<td>20.0</td>
<td>16.8</td>
<td>21.0</td>
<td>20.6</td>
<td>25.3</td>
<td>16.6</td>
<td>399</td>
</tr>
<tr>
<td>Public Interest</td>
<td>19.7</td>
<td>15.6</td>
<td>15.3</td>
<td>17.6</td>
<td>10.8</td>
<td>16.0</td>
<td>31.6</td>
<td>30.8</td>
<td>18.7</td>
<td>23.1</td>
<td>24.5</td>
<td>516</td>
</tr>
</tbody>
</table>

(Chi-Square Tests: p < 0.05)

(a) Chi-Square Tests: p < 0.05

(b) Chi-Square Tests: p < 0.01

(c) The total N for all historical periods is smaller than that for all ethnicity or all functional types because the year of formation for about 20 organizations cannot be determined.
Pan-Asian American and Ethnic Nonprofits

If heterogeneity of community interests is the basis for organizing nonprofit organizations to substitute for government failure, the extent of ethnic diversity among Asian American nonprofit organizations would further highlight the significance of these agencies in fulfilling unmet needs that escape government or mainstream nonprofit organizations’ attention. The second full panel of data in Table 1 shows the distribution of different ethnic Asian American nonprofits in the ten largest metropolitan areas in 2000. The top full panel of data in Table 2 shows the period of formation for these ethnic Asian American nonprofits.

Pan-Asian American nonprofit organizations are organized to promote the interests of all Asian Americans, rather than focusing on a specific ethnic group. Pan-Asian American, Southeast Asian, and South Asian nonprofits are the youngest among Asian American nonprofits; about 60 percent of them were organized in the 1990s. Almost the same percentage of each of the three groups was formed in the 1970s (9-12%) and 1980s (23-24%). Southeast Asians and South Asians are relatively new immigrant groups compared with the East Asian groups of Japanese, Chinese, and Koreans. The recent emergence of pan-Asian American organizations can be attributed to the time it takes for the rise of the U.S.-born and English-speaking generation of Asian Americans, who are likely to be the most active organizers of pan-Asian American nonprofits. While most ethnic nonprofits focus on the needs of the first generation immigrants and their families, some second generation middle-class Asian Americans see the merits in joining ethnic organizations as well. To offset the perception or stereotype of being “foreign” in a primarily white environment in Dallas, second generation Korean Americans and Indian Americans separately organized their own ethnic associations to preserve a balance between their heritage and economic class. They celebrate both ethnic and American holidays, and conduct service projects with first generation ethnic associations as well as with mainstream community organizations (Dhingra 2003).

Researchers continue to debate whether pan-Asian American activism is an outgrowth of the civil rights movement in the 1960s or in-
fluenced by the more radical approach of the contemporary black liberation movement (Omatsu 1994). In any case, establishing nonprofit agencies was an important institutionalization process at the beginning stage of the pan-Asian American movement (Geron 2003). Most of the pan-Asian American nonprofits played primarily advocacy roles from addressing anti-Asian American sentiments to promoting Asian American political representation at multiple levels of government (Lien 2001).

In each of the ten metropolitan areas, pan-Asian American nonprofits constitute about 8 to 20 percent of existing Asian American organizations. That is, on average, 8 to 9 out of every 10 Asian American nonprofits are organized to promote the spiritual, cultural, economic, and political interests of specific ethnic Asian groups rather than to further pan-Asian American interests. There are actually fewer truly pan-Asian American nonprofits than the number reported here, since the Asian American identification in some of the nonprofits' names might be used to reflect the intentionally inclusive nature of the organizations, while the actual clientele is still primarily one ethnic group. The pan-Asian American movement may actually benefit from the diversity of Asian ethnic community activism, especially in the form of nonprofit organizations, by bringing them into an alliance with a unifying goal. It may be more difficult for pan-Asian American activists to directly engage the diverse ethnic Asian communities because of language and cultural differences. The seemingly few pan-Asian American nonprofits may not signal inadequate pan-Asian American activism if significant numbers of individual ethnically based organizations are affiliated with pan-Asian American nonprofits. The effectiveness of pan-Asian American movements at the organizational level or the extent of such inter-organizational linkages needs further research. However, there is some evidence that partnerships with pan-Asian American organizations may not always be on an equal footing, and ethnic organizations may find it necessary to form additional coalitions based on other kinds of shared identity like gender or class (Advani 1997).

Among the current ethnic Asian American nonprofits, proportionally more Japanese American nonprofits were among the oldest organizations in the largest metropolitan areas. The distribution of
their origin over the three decades since 1970 has been steady, at about 20 to 25 percent. But they are not as numerous as the other ethnic groups, primarily because of the absence of substantial Japanese immigration in recent years. Only 27 percent of Japanese American nonprofits were organized in the 1990s, compared with 50 to 60 percent for all the other ethnic Asian nonprofits. The Japanese American nonprofits nevertheless continued to advocate for the community. For instance, the Japanese American Citizens League, beginning in the 1970s, played an active role in seeking redress for the internment of Japanese Americans during World War II (Kitano and Maki 2003). Some of its leaders were also instrumental in founding other Asian American professional organizations like the Asian Pacific American Librarians Association (Yamashita 2000).

Southeast Asian nonprofits outnumbered Japanese American nonprofits in most of the top ten metropolitan areas. Because of the turmoil in their homelands and the circumstances of refugee resettlement, Vietnamese, Laotian, and Cambodian immigrants face particular socioeconomic and psychological challenges in adapting to life in the U.S. (Rumbaut 2000). Southeast Asian nonprofits played especially important roles in this lifelong process of adjustment (Pho, Gerson, and Cowan 2007). Because of the historical colonial relationship between the U.S. and the Philippines, Filipino organizations have a longer history than other Southeast Asian nonprofits. However, because of differences in economic class and homeland regions, Filipino organizations in the U.S. are far from being homogeneous (Espiritu 1996).

A surprising pattern is that Korean American nonprofits outnumbered their Chinese American counterparts in the ten metropolitan areas as a whole (35.5 % vs. 28%) as well as in half of them, including New York, Los Angeles, Chicago, Philadelphia, and Dallas. This is due to the large number of Korean churches set up in the 1990s in these metropolitan areas. In contrast, there are proportionally more Chinese American than Korean American nonprofits in DC-Baltimore, San Francisco, Boston, Detroit, and Houston, the same metropolitan areas where religious organizations do not dominate numerically. The rapid growth of Korean churches, mostly Protestant, was a transnational phenomenon beginning with the similar
growth in South Korea in the last few decades. In a study of Korean churches in New York City, Min (2000) argued that the large number of small to medium sized Korean ethnic churches were also convenient places where Korean immigrants maintained their cultural traditions, sought services through the pastoral ministry, and acquired social status for the selected few church leaders. These utilitarian functions are likely to prevail in other ethnic religious organizations as well, as in the case of some Hindu organizations that are part of the transnational development of Hindu nationalism in reproducing Hindu culture in the U.S. (Rajagopal 2000; Mathew and Prashad 2000).

South Asian nonprofits lag behind other Asian ethnic groups in their distribution across the metropolitan areas. According to Khandelwal (2002), South Asian organizations in New York City were mostly fragmented along a home country’s regional, religious, or cast boundaries. Early Indian American nonprofits in the 1960s and 1970s were formed by middle class professionals or well-off businessmen, in order to solidify social connections and to hold cultural events. Beginning only in the late 1980s and 1990s were there pan-South Asian organizations to address the advocacy and social services needs of the more diverse immigrants — especially women and youth. Among Indian American nonprofit organizations, significant diversity or even rivalry may exist. In the Los Angeles area, a Hindu Indian and a Muslim Indian organization were separately engaged in influencing homeland politics and defining Asian Indian identity in southern California (Kurien 2001). Likewise, Chinese American organizations in Chinatowns may also be caught in the middle of the political maneuvering between China and Taiwan, after the U.S. government established diplomatic relationship with the People’s Republic of China in 1973.

The fact that Asian American nonprofits can be classified based on ethnic identity reflects the heterogeneity of interests among Asian Americans. Using an ethnic group’s identity or country of origin in the title of the organization further shows that preserving ethnic and cultural uniqueness may be intentional among some of the ethnic Asian American groups. Yet, pan-Asian American organizations provide a channel for these diverse ethnic nonprofits to strive for a united
front in matters of common concern. This balance between heterogeneous group identities and unified community interests may also be illustrated in the distribution of the four functional types of Asian American organizations.

<table>
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Functional Types (a)

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Actual Number of Existing Organizations Formed in this Period

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<td>2383</td>
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(a) Chi-Square tests, p < 0.01

FOUR FUNCTIONAL TYPES OF ASIAN AMERICAN NONPROFITS

Asian American ethnic community organizations existed prior to the 1950s. Various ethnic organizations were instrumental in representing immigrants' social, economic, and political interests in the earlier political climate of exclusion and discrimination of ethnic minorities (Yu 1992; Lien 2001). In the early part of the twentieth century these organizations were probably one-stop places for immigrant activities — from finding a job, dealing with mainstream institutions outside the ethnic community, settling disputes, to seeking social and cultural enrichment. The growth of the federal and state governments in social services and the increasingly inclusive political climate in the second half of the twentieth century might have broken the monopoly of these few traditional ethnic organizations in community affairs. At the same time, the economy from division of labor might have encouraged the rise of different types of Asian American community organizations, with each type focusing primarily on one area of specialization. The development of nonprofit organizations in New York's Chinatown is an example of such changes inside and outside of an ethnic community (Kuo 1977). In addition, the differ-
entia! impact of the modern welfare state on ethnic organizations is confirmed by a national study of Indochinese refugee associations (Hein 1997). Direct public assistance to individual refugees tends to reduce the role of ethnic organizations. Privatization of public assistance, however, uses ethnic organizations as the middleman to deliver services to these refugees and thus enhances the prominence of these organizations.

By examining the type of programs outlined in the completed Form 990, we can determine the functional category to which an Asian American nonprofit organization belongs. However, because not all nonprofits report detailed program information, we can also examine the agency’s name and its mission statement to ascertain the agency’s functional category. The data for this study shows that, in general, existing Asian American religious organizations have a longer history than the other three types of Asian American nonprofits in these metropolitan areas. Twenty-eight (58%) of the 48 Asian American nonprofits formed prior to 1960 are religious organizations. More than 55 percent of the cultural, service, or public interest nonprofits were formed in the 1990s, whereas 48 percent of the religious organizations were formed in the same period. Likewise, 74 percent of the religious organizations were formed in the last two decades, whereas close to 80 percent or more of the cultural, service, or public interest nonprofits were formed in the same period (Table 2). For each of the four functional types of Asian American nonprofit organizations, successively more of them were formed over the last four decades. However, the proportion of these organizations formed for religious purposes has declined steadily from more than 60 percent to less than 40 percent during the last few decades, as more and more non-religious Asian American organizations are organized. This order of development may be attributed to the differences in the costs to organize and maintain different types of nonprofits. These costs may include not only the higher material and financial resources required to organize service agencies but also the increasingly sophisticated political skills necessary, especially in relation to the external community, to run effective public interest organizations.

The bottom panel in Table 1 shows the distribution of the four functional types of Asian American nonprofits in the 10 metropolitan areas.
tan areas in 2000. In six of them — New York, Los Angeles, Chicago, Philadelphia, Detroit, and Dallas, the distribution of nonprofits among the four functional categories are very similar. Religious nonprofits constitute the single largest group (38 to 52%). Asian American nonprofits that promote culturally and ethnically distinctive identities are the second largest group (16 to 27%), followed by service-oriented nonprofits (12 to 25%) and public interest organizations (11 to 20%). The implication for participation in the political arena is significant for the Asian American communities in these six metropolitan areas. Sirola, Ong, and Fu (1998) argued that Asian American community-based organizations can play significant roles, although are not always able to do so, in lobbying for favorable local economic development policies — especially when the relative size and the economic hardship facing the Asian American population do not immediately catch the attention of policy makers. If advocacy groups, professional organizations, civic organizations, and private foundations, all part of public interest Asian American nonprofits, are the most prepared to mobilize the respective ethnic community, are there enough of them to effectively represent the voice of Asian American communities? These public interest organizations, or Asians Americans who are part of these organizations, may need to join forces with other Asian American nonprofits, especially service agencies, in order to make their voices heard. The numerous Asian American religious organizations, different from their African American counterparts, are unlikely to be very vocal and active in the political arena. Talking politics at the Sunday pulpit is a rarity in Asian American churches, even though some claim that Hindu organizations may mingle their religious and cultural focus with Hindu nationalism (Mathew and Prashad 2000).

For the remaining four metropolitan areas — DC-Baltimore, San Francisco, Boston, and Houston — the distribution of Asian American nonprofits among the four functional categories is more even. While religious organizations constitute close to or more than 40 percent of all Asian American nonprofits in the other six metropolitan areas, none of the functional types exceed 35 percent in this second group of metropolitan areas. Religious organizations still constitute a significant portion (20 to 30%) of all Asian American nonprofits, al-
though they are not as overwhelming as in the other seven metropolitan areas. There are relatively more cultural organizations (33.6%) than any other type of Asian American nonprofits in the Boston area. In the Houston area, there are roughly the same number of religious, cultural, service, and public interest organizations. Asian American public interest organizations are proportionally more numerous in San Francisco (33.6%) and DC-Baltimore (30.8%) than in the other top ten metropolitan areas. This last observation may be attributed to the influence of the general progressive atmosphere in San Francisco (Deleon 1992) and the agglomeration effect of the concentration of federal government agencies and other public and non-profit headquarters in the DC area.

FACTORS FOR THE PATTERN OF FUNCTIONAL TYPES AND THE FINANCES OF ASIAN AMERICAN NONPROFIT ORGANIZATIONS

The remaining sections of this chapter report the results of further statistical analysis, beginning with factors differentiating Asian American nonprofit organizations by functional type (religious, cultural, service and public-interest), and then factors associated with the finances of these organizations. Factors for the functional type of an Asian American nonprofit organization include location in larger or smaller metropolitan areas, suburban or central city location, the extent of community organizing at the metropolitan area level, Asian American ethnic diversity in a metropolitan area, social economic characteristics of Asian Americans at the 3-digit zip code level, and an organization’s attributes including its ethnic identity and history.

Although 70 percent of Asian American nonprofits are located in Los Angeles, New York, or San Francisco metropolitan areas, different functional types are not equally likely to locate in these top three areas. Religious organizations are so numerous everywhere that the pattern of their distribution between the above three metropolises and the other seven metropolitan areas remains uncertain. Cultural or service organizations are less likely to locate in the top three areas, whereas public interest organizations are just the opposite. One explanation is that both cultural and service organizations serve a local
Asian American community, but a lot of the public interest organizations, such as foundations or professional associations, may serve a wider regional or national clientele. Thus, these public interest organizations are more likely than cultural or service agencies to locate in the three largest metropolitan areas. Religious organizations are more likely to be found in the suburban areas, where land may be more abundant for a congregation of a large number of worshippers. Service or public interest organizations as a group or separately are more likely to locate in city centers, where the majority of their target clientele may reside. Asian American public interest organizations are also more likely to locate in metropolitan areas where community organizing in the general population is more active, as measured by the larger number of nonprofit organizations per 1,000 residents. This same pattern also holds for Asian American cultural organizations, but not necessarily for service organizations. On the other hand, religious organizations tend to stay away from metropolitan areas with active community organizing, and concentrate instead in areas with more diverse Asian American ethnic populations. Secular Asian American nonprofits as a group serve a more homogeneous population than the religious organizations do. But it is unclear whether the extent of ethnic homogeneity of the clientele among Asian American cultural, service, and public interest organizations is the same or not.

Religious organizations also tend to locate in middle class communities. They are less likely than the secular Asian American nonprofits to locate in more well-off areas characterized by Asian American households with higher levels of both education and home ownership. Asian American churches or temples are also less likely to be found in very poor neighborhoods characterized by higher percentages of Asian Americans below the poverty line and unemployed. The socioeconomic context of the local Asian American community does not seem to have any observable relationship with the presence of cultural organizations, but it has mixed effects on service and public interest organizations. As a group, Asian American service or public interest organizations are more likely to locate in poorer Asian American communities with high poverty and high unemployment rates. Moreover, Asian American service organizations are more likely to locate in communities with higher concen-
trations of foreign-born Asian Americans and those who do not speak English well. But public interest organizations are less likely to locate in these areas. This may indicate that most of these service organizations are there to assist Asian American immigrants to integrate economically to the larger community by providing English classes, job training, and similar services in the same community clients reside. But a sufficiently large number of the public interest organizations may be situated in communities where their leaders reside, many of whom may be second generation Asian Americans and fluent in English.

In terms of organizational attributes, Asian American service and public interest organizations as a group or separately are more likely to have a pan-Asian American focus. Asian American religious organizations are distinctively organized along the lines of ethnic identities. This is consistent with the earlier observation that Asian American churches and temples are located in more ethnically heterogeneous communities. Pan-Asian American religious organizations hardly exist, primarily because religious activities are conducted in each ethnic group's native language or dialect. The data is not conclusive regarding whether the cultural organizations in this study are more pan-Asian American than ethnic-based, or vice versa. Asian American religious organizations are more likely than their secular counterparts to be formed in earlier rather than later decades of the twentieth century. Both cultural and service organizations are more likely to be formed in recent decades. The ambiguity of the historical pattern of public interest organizations can be attributed to the large number of civic organizations formed in the 1960s, such as the local offices of the Japanese American Citizens Leagues and the Chinese American Citizens Alliance, as well as the rise of more contemporary advocacy and professional organizations in recent decades.

In contrast to Asian American religious organizations, Asian American secular nonprofits tend to be younger, more pan-Asian American in focus, and are more likely to be found in central city well-off central cities or low-income communities within metropolitan areas with a more homogeneous ethnic population and a relatively more active general population in community organizing. The seemingly contradictory location pattern of secular Asian American
nonprofits in both wealthy and poor communities is actually consistent with not only the different operational modes of different types of nonprofits, but also the well-established bimodal distribution of Asian Americans of diverse socioeconomic background. A significant segment of Asian Americans is highly educated and wealthy, who are more likely to be the leaders of public interest organizations. Some other significant segments of the Asian American population are relatively less educated and poorer, and are more likely to be the clients of service organizations.

The location pattern of secular Asian American nonprofits generally applies to Asian American service and public interest organizations as a group, except for the ethnic homogeneity context and the wealth variable. At the level of individual functional types, the location pattern of cultural, service, and public interest organizations is less consistent. However, metropolitan location, the general population's community activism, socioeconomic context, pan-Asian American identity, and a nonprofit's history still account for some of the differences among these three types of Asian American nonprofits. The homogeneity of community interest is the only non-factor.

FINANCES OF ASIAN AMERICAN NONPROFIT ORGANIZATIONS

The descriptive results in earlier sections are based on the number of organizations, which is one measure of the size and diversity of Asian American nonprofit organizations. The finances of these organizations may also provide some measure of their scale of operation. Although the information in the completed Form 990 is not audited by the Internal Revenue Service, studies cited earlier show that the financial information is generally reliable — especially at the aggregate level. Out of the approximately 2,400 Asian American nonprofits included in this study, less than 750 of them have filed Form 990 or Form 990 EZ. Much fewer of them has sufficient financial data for statistical analysis. The data indicate that, excluding religious organizations, less than half of the Asian American nonprofits in the study have annual revenue in excess of $25,000. The percent with financial data varies with functional type: 49 percent for cultural organizations, 56 percent for service organizations, and 45 percent for
public-interest organizations. Although religious organizations are
not required to file Form 990 or 990EZ, sixty-seven of them have done
so anyway. Some of them are para-church organizations or have sig-
nificant service components. Taking into consideration organizations
not included in this study, it is likely that smaller organizations con-
stitute the majority of Asian American nonprofits in these metropol-
itan areas. Whether smaller organizations together have greater
impact than their larger counterparts on the Asian American com-
munity requires further research.

The key financial measures reported here include average total
asset, average total revenue, average government support, and aver-
age net income. Net income is the difference between total revenue
and total expense. These financial measures are five-year averages
from 1998 to 2002 for each Asian American nonprofit organization
with the available data. A very small number of them also include
2003 data. Form 990, but not Form 990EZ, reports broad categories of
funding sources, including the amount of government support. Table
3 presents a comparison of the means of these financial variables
among different categories of Asian American nonprofits. Not all the
results are statistically significant. While the average total asset of
the 714 Asian American nonprofits just exceeds $1 million, half of
them have less than $86,000 in total asset. Similarly, while their aver-
age annual revenue is about $800,000 — half of which comes from
government sources — half of these Asian American nonprofits have
less than $90,000 in annual total revenue. Since this study includes
only medium and large nonprofits, the average and median financial
measures of the size of all Asian American nonprofits are likely to be
significantly lower.

For the more than 700 larger Asian American nonprofits with fi-
nancial data in the sample, there are statistically significant financial
differences between two broad functional types, between metropoli-
tan locations, and between pan-Asian American and ethnic organi-
zations. Financially, Asian American service and public interest
organizations as a group are larger than their religious and cultural
counterparts. This observation is supported by both means compar-
ison and regression analysis that isolate the impact of different fac-
tors. These service and public interest organizations’ average
revenue, average net income, and average government support are each three to six times that of the religious and cultural organizations as a group. This is consistent with earlier suggestions that it takes more resources to provide services through service agencies or to act as an effective voice through public interest organizations than to promote spiritual enrichment or cultural preservation. In fact, government funding plays a significant role in this development as it contributes 60 percent of the average total revenue of these service and public interest organizations but only 20 percent of the same for cultural and religious organizations. However, the differences in average total asset are not statistically significant, nor are the differences of all financial measures among the four individual functional types of Asian American nonprofits. Although all the financial measures of Asian American nonprofits in the top five metropolitan areas are larger than those in the second-tier of the top 10 metropolitan areas, only the difference in average total revenue is statistically significant.

Asian American nonprofits in the Los Angeles, New York, San Francisco, DC, or Chicago metropolitan areas receive, on average, three times the revenue of their counterparts in Philadelphia, Boston, Detroit, Dallas, or Houston. Pan-Asian American nonprofits, although they are fewer in number, are three to five times larger than the ethnic organizations in terms of the average total asset, average total revenue, and average government support. Regression analysis confirms this larger scale of operation on the part of Pan-Asian American nonprofit organizations. This pattern is similar to the comparison between the fewer but larger Hispanic American organizations and their more numerous but generally smaller Asian American counterparts (Hung 2007).

There are other possible factors for the variations in the financial size, as measured by total asset or annual revenue, of Asian American nonprofit organizations in the top 10 metropolitan areas. These factors may include organizational attributes, management capability, and community context. Organizational attributes are clearly the most dominant factors for the differences in Asian American nonprofit finances. In addition to functional type and ethnic identity discussed above, more established organizations uniformly have more total assets as well as higher annual revenue, which attest to the sus-
tainability and effectiveness of these nonprofits. The ability to solicit government financial support, to generate a surplus in the form of net income, and the expense on fundraising activities can be used as measures of a nonprofit's management capacity to run a successful operation. While larger Asian American nonprofit organizations may get more government support, run larger surpluses, and spend more on fundraising, their management capacity is not necessarily superior to smaller organizations in enhancing Asian American nonprofit organizations' financial position in terms of total asset or total revenue.

The only relevant contextual factor is the size of the Asian American population in a 3-digit zip code area where the Asian American nonprofits are located. Both the average total asset and total revenue of these organizations are larger in communities with more Asian Americans. This may be a demand factor since more resources are needed to serve a larger clientele. Or, it could be a supply factor. In areas with more Asian Americans, Asian American nonprofits may receive more financial support from them. Both the supply and demand factors may exist simultaneously, although testing the relative effect of the two factors is beyond the scope of this chapter. No other contextual factor is relevant. In particular, wealthier Asian American communities do not necessarily contribute more money to their local Asian American organizations. This is a fundraising challenge for these nonprofits.

These results reinforce the importance of pan-Asian American organizations and more established Asian American nonprofits. They are the most robust factors in understanding the nature of different functional types of Asian American organizations as well as their financial positions. Asian American service and public interest nonprofits as a whole are more likely to be younger and have a pan-Asian American focus. Older organizations and pan-Asian American nonprofits, on average, tend to have larger annual revenue and total assets. More established pan-Asian American service organizations have the largest annual revenue among Asian American nonprofits.
Table 3. Comparison of Means Among Different Categories of Asian American Nonprofit Organizations (*** p < 0.01)

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<th>Category</th>
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<th>N</th>
<th>Average Total Assets</th>
<th>N</th>
<th>Average Total Revenue</th>
<th>N</th>
<th>Average Total Government Support</th>
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<td>100,881**</td>
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<td>794,622**</td>
<td>559</td>
<td>409,895**</td>
<td>722</td>
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CONCLUDING REMARKS

This chapter presents a general profile of Asian American nonprofit organizations in the 10 largest U.S. metropolitan areas. The heterogeneous collective interests that give rise to nonprofit organizations in general apply equally well to account for the presence of Asian American nonprofits in this chapter. Asian American nonprofits in the ten largest U.S. metropolitan areas were primarily formed in the last few decades of the twentieth century — largely in response to the diverse needs of the rapidly growing Asian American population. Significant ethnic and functional diversity exist among Asian American nonprofit organizations. As a group, they remain a numerically insignificant part of the nonprofit sector.

Nevertheless, the functional types reflect the heterogeneity of needs — from spiritual enrichment and cultural preservation within Asian American communities, to fostering economic assimilation and cultivating Asian American voices in relation to the larger society. These nonprofits together play a balancing act between facilitating political and economic integration while maintaining separate Asian American identities. Asian American religious organizations are clearly different from their secular counterparts in terms of their ethnic identities, the ethnic heterogeneity and socioeconomic context of
the client base, the activism of the larger community, as well as geographic location. Although pan-Asian American organizations are few in numbers, their scale of operation is actually larger, at least in financial terms, than the other Asian American ethnic nonprofits. It is not a coincidence that Asian American service or public interest organizations tend to have a pan-Asian American focus.

With continued growth of the Asian American population in the foreseeable future, Asian American nonprofits will likely increase in both number and organization size. Some projections of the growth of foreign-born Asian Americans suggest that adult immigrants will continue to constitute a significant proportion of the Asian American population. The Asian American population, unlike their Hispanic-Latino American counterpart, will not grow to the point of becoming a significant clientele of mainstream organizations, except for communities where Asian Americans are the largest minority group. To the extent that the religious, cultural, service, or public interest needs of foreign-born Asian Americans are not met by existing mainstream organizations (public, private, or nonprofit), the demand for ethnic based organizations will persist. The result may be either the expansion of existing ethnic-based Asian American nonprofit organizations or the creation of new organizations — especially in new settlement areas outside of traditional central city enclaves. As Asian American organizations expand into communities with Asian American populations that are less concentrated than their counterparts in traditional central city enclaves, there are both opportunities and challenges. The physical boundaries of an ethnic enclave are no longer there. Existing mainstream organizations in these communities can be both collaborators and competitors in meeting various needs of the local Asian American population. Race relations in a more mixed community is inevitably a potential issue.

Pan-Asian American nonprofit organizations are, by far, few and new. The maturing of the Asian American population with the growing U.S. born generation will provide an expanding pool of human and financial resources for the development of pan-Asian American organizations. Therefore, pan-Asian American and ethnic-based organizations are both likely to grow. The challenge is whether they will grow separately and independently, or in some coordination
with each other — making use of the strengths of both types of Asian American nonprofit organizations to advance the Asian American community. One determinant for the pattern of growth can be the extent of shared common interests relative to the differences among the ethnic communities they serve. A related factor is the development of ethnic and pan-Asian identities in the Asian American population. Given the continued importance of Asian American nonprofit organizations, more research is necessary to understand how these nonprofits function and impact inside and outside Asian American communities.

Notes

i These websites have begun to charge data access fees for funded research. Free access to data for unfunded research is subject to website approval.

ii The Census Bureau definition of these CMSAs is:
   New York—Northern New Jersey—Long Island, NY—NJ—CT—PA CMSA
   Los Angeles—Riverside—Orange County, CA CMSA
   Chicago—Gary—Kenosha, IL—IN—WI CMSA
   Washington—Baltimore, DC—MD—VA—WV CMSA
   San Francisco—Oakland—San Jose, CA CMSA
   Philadelphia—Wilmington—Atlantic City, PA—NJ—DE—MD CMSA
   Boston—Worcester—Lawrence, MA—NH—ME—CT CMSA
   Detroit—Ann Arbor—Flint, MI CMSA
   Dallas—Fort Worth, TX CMSA
   Houston—Galveston—Brazoria, TX CMSA

iii Both the NCCS and guidestar.org websites allow interactive search up to 50 miles of a zip code.

iv Searching for Indian nonprofits requires distinguishing between American Indian and Asian Indian organizations, only the latter is included in the results.

v Please see Hung (2005) for a full discussion of the regression models and detailed analysis.

vi Based on personal communication with Professor Paul Ong, who has calculated some projections of the Asian American population based on U.S. Census data.