

Personal Finance

A First-Generation Refugee Interviews a Second-Generation Immigrant

by Kao Kalia Yang



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I am Kao Kalia Yang. I was born in a Hmong refugee camp in Thailand. My family came to

America in 1987, when I was six. I grew up in St. Paul. For most of my life in America, my family of eight lived in a 900-square-foot house built in 1895. The walls were rotting with mold. Bad heating and the Minnesota cold created drafts that kept us quivering and coughing as one season shifted into another.

We were poor. My mom and dad's educations had been terminated by heavy bombs falling onto their schoolhouses during the 1970s secret war in Laos. In America, they worked as assemblers in a factory, putting together small engine parts for car brands they didn't recognize.

Once or twice a year the company sent forms home about a pension plan. None of us knew much about pension plans. We needed every penny to ensure that the bank account didn't hit negative too often. (Mom suffered terrible migraines when the overdraft notices came in their tiny envelopes.) My sister and I, as kids and then teenagers, looked at the forms and picked the least amounts to contribute to these plans. We said, "One day we will be your 401(k). Please don't worry too much." It was not a promise but a declaration of desire to be there with them through the life that we knew, if we were lucky, would come.

Rudy Hokanson, CFA, grew up in Milwaukee, Wisconsin. A granduncle who had immigrated to America from Sweden adopted Rudy's father, who came to the United States when he was 11. It was understood that Rudy's father would always remain close to his new father and mother and help care for them, if not financially, then in any other way they needed. Rudy's

mother was born and raised in Milwaukee. Rudy worked five years in the Lutheran minis-

try and subsequently almost 30 years as a Wall Street equity analyst.

Rudy likes to think about the big issues. Although I came here as a refugee and he is a second generation immigrant, I know he will understand why a new American might struggle to comprehend U.S. expectations and will answer my questions thoughtfully on pensions, savings, and 401(k)s.

Kalia: Were you your mom and dad's 401(k)?

Rudy: No, my father and mother had savings, and my father—a lawyer for the Veterans Administration after WWII until he retired—had a government pension. That was what is called a defined-benefit plan. The benefit was defined: the amount of the monthly check was known. The 401(k) became popular in the early 1980s as more companies realized they couldn't afford to offer pensions with defined benefits. In different periods of history, savings, income, and retirement have taken different forms. The 401(k) is a defined-contribution plan. Your contributions to it and the contributions of your employer are defined, but what you get out when you retire depends on what stocks you invest it in and how well they do. Today, even many government workers do not have guaranteed monthly checks but a form of a 401(k).

Kalia: Imagine for a bit how your life would have changed if you had been your parents' 401(k).

Rudy: There is no easy answer. My father chose to work for the VA because he sought security. Attempts to run his own practice and the Great Depression taught him that risk of failure is real. He didn't like to borrow. If there had been a more secure position than a U.S. government job, he probably would've taken it. I don't know whether his livelihood would've been better or worse if he were a risk taker. As someone who had to adjust to a new country and family at age 11, he did what he thought was necessary.

Kalia: Are your children your pension plan?

Rudy: I hope not, but as a family we're here for each other. We're trying to plan for ourselves, and we hope that we won't need to depend financially on them.

Kalia: Are Americans afraid of dependence, even within the family structure? And how does that relate to their financial choices?

Rudy: Many Americans view financial independence as a sign of success. There is a myth that we all must be self-sufficient. If you're "self made," you're admired. If you must receive charity, it better be temporary. However, as many people are living longer and running through their savings, the dependence of parents upon adult children is causing changes. Concern about older people who cannot support themselves is forcing many families and communities to reexamine mutual dependence.

Kalia: How does one develop a level perspective—reconcile different ways of thinking about financial independence and mutual dependence?

Rudy: People should use common sense. Finance is more than money. At its best, it's stewardship. The steward must know how to balance needs and resources. There's no free money. A responsible steward knows that health care, housing, food, and discretionary spending must be planned and saved for. A level perspective of finance means being responsible.

Kalia: My concern is about "responsibility." Hmong refugees have their understanding of responsibility. What do Americans mean by it?

Rudy: That depends. Some people believe they are responsible for themselves alone and think that only when people are self-sufficient are they productive and contributing members of society. For me, responsibility means finding a way to care for each other while allowing the individual to find self-respect in being productive. "Responsible" comes from "respond." Responding to others gives meaning to life. That is why personal finance and stewardship are linked.

Kalia: How do new Americans become responsible stewards? Is there a game we should use for practice? Is Monopoly the model of American stewardship?

Rudy: The best practice for anything is showing respect and listening. People are different. Being responsible is partly about doing right by others. Being responsible about finances benefits the people around you. As a first-generation immigrant, my father believed job security and a pension were very important. I never needed to worry about his finances. Today teaching financial literacy is helping young people be independent and also more responsible to others.

Kalia: What are three lessons you have learned about money as a financial analyst and citizen that are important for immigrant and refugee communities to know?

Rudy: One, regardless of advertisements or peer pressure, consumption doesn't bring happiness. Two, savings with some plan is necessary. And three, sharing, giving, and enjoying the benefits we receive multiply our blessings. We can be both responsible and free. I realize, though, that the issues for refugees and immigrants may be different since immigrants generally come for economic gain and refugees come for political freedom. Those differences may affect their attitudes about financial independence and responsibility.

Kalia: What three important insights can we, as refugees and immigrants, share?

Rudy: Refugees and immigrants have a true sense of community and of responsibility for each other. Their thankfulness is important for other Americans to see. I'm most impressed by the smiles, the heartfelt gratitude for the essence of life that refugees and immigrants demonstrate—especially in this country. It makes me aware that the things I worry about are often foolish. It reminds me to hold the joy they hold.

The moldy house I grew up in no longer exists. We moved out in 2003 because I went to Columbia University on full scholarship, and I could take out academic loans to help my mom and dad. They made a down payment on a house 40 minutes from St. Paul on a small acreage. We had to move because the house was full of lead, and my baby sister had astronomical levels of lead poisoning. She couldn't tell her 5's from her 3's from her g's. The house went on the market for \$13,000. Nobody bought it. Habitat for Humanity took it over.

The American safety net in my life is academic scholarships. It is Toys for Tots. It is Meals on Wheels. It is church basements full of used clothing. It is conversations with men like Rudy, second-generation immigrants, who have a firmer footing on the finances of the American world and are willing to share insights with first-generation refugees like me.

This year, a new house rises on the St. Paul site. A family of four from Ethiopia will live there. I give them a copy of my book. Inside its cover, I write, "So the dreams of your children can grow in the place where mine were planted. So your family can share in the hopes of a bigger humanity. Because we belong to our stories."

The Hmong heart of me grows as I begin to realize the aspirations and the need of the people who taught me that life is about journeying with those we love as far as we can, as best as we know how, because we will always be each other's safety in a world full of nets.

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