

The Road to Zero Wealth:

How the Racial Wealth Divide is Hollowing Out

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WELCOME



Carmen Shorter

Senior Manager for Learning

Contact: cshorter@prosperitynow.org

 @CarmenShorterDC

Housekeeping

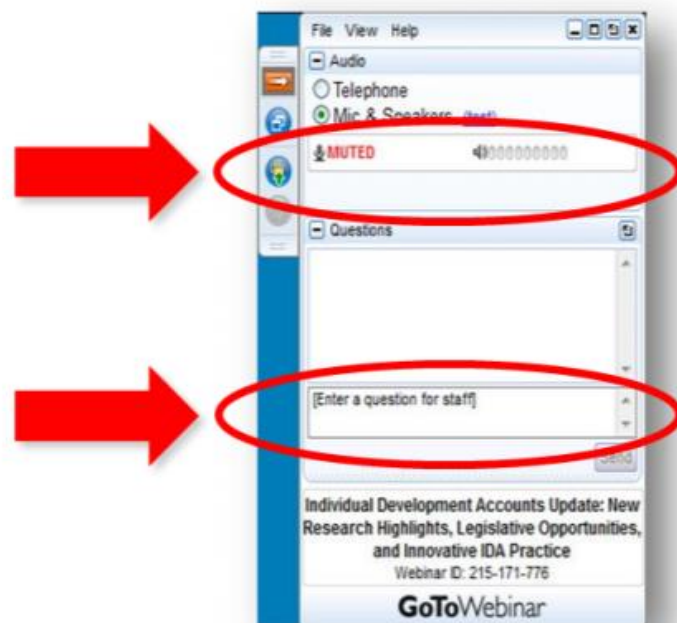
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Prosperity
Backgating is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.

OUR UNIQUE PROMISE



We **open doors to opportunity** for those who have been kept off the path to prosperity.



We **help people build wealth** by making sure they have what they need to build a better future.



We **enable meaningful mobility** through research, policies and solutions.


AGENDA

- § Income Inequality vs. Wealth Inequality
- § The Racial Wealth Divide: Past & Present
- § The Racial Wealth Divide in the Trump Era
- § Racial Wealth Inequality Beyond Black and Latino Families
- § The Disconnect Between Income & Wealth
- § Government Boosts and Blocks to Wealth-Building
- § What Can be Done to Address Racial Wealth Inequality

PRESENTERS




Emanuel Nieves

Senior Policy Manager
Contact: enieves@prosperitynow.org
 @Emannieves




Dedrick Asante-Muhammad

Senior Fellow, Racial Wealth Divide
Contact: dasantemuhammad@prosperitynow.org
 @DedrickM




Solana Rice

Director, State & Local Policy
Contact: srice@prosperitynow.org
 @SolanaRice




David Meni

Federal Policy Intern
Contact: dmeni@prosperitynow.org
 @TheDavidMeni



Vanna Cure

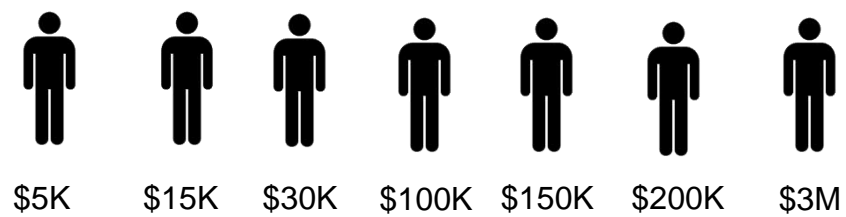
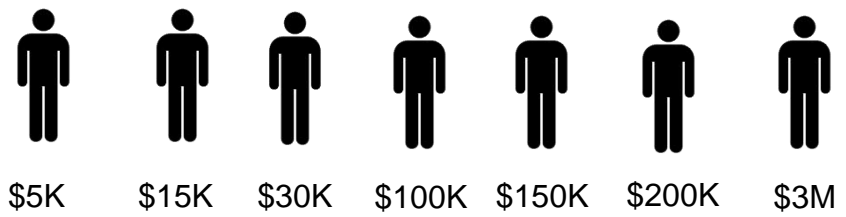
Senior Advocacy Manager
Contact: vcure@prosperitynow.org
 @Vanna_the_Cure

DIFFERENT FORMS OF ECONOMIC INEQUALITY

Average

VS

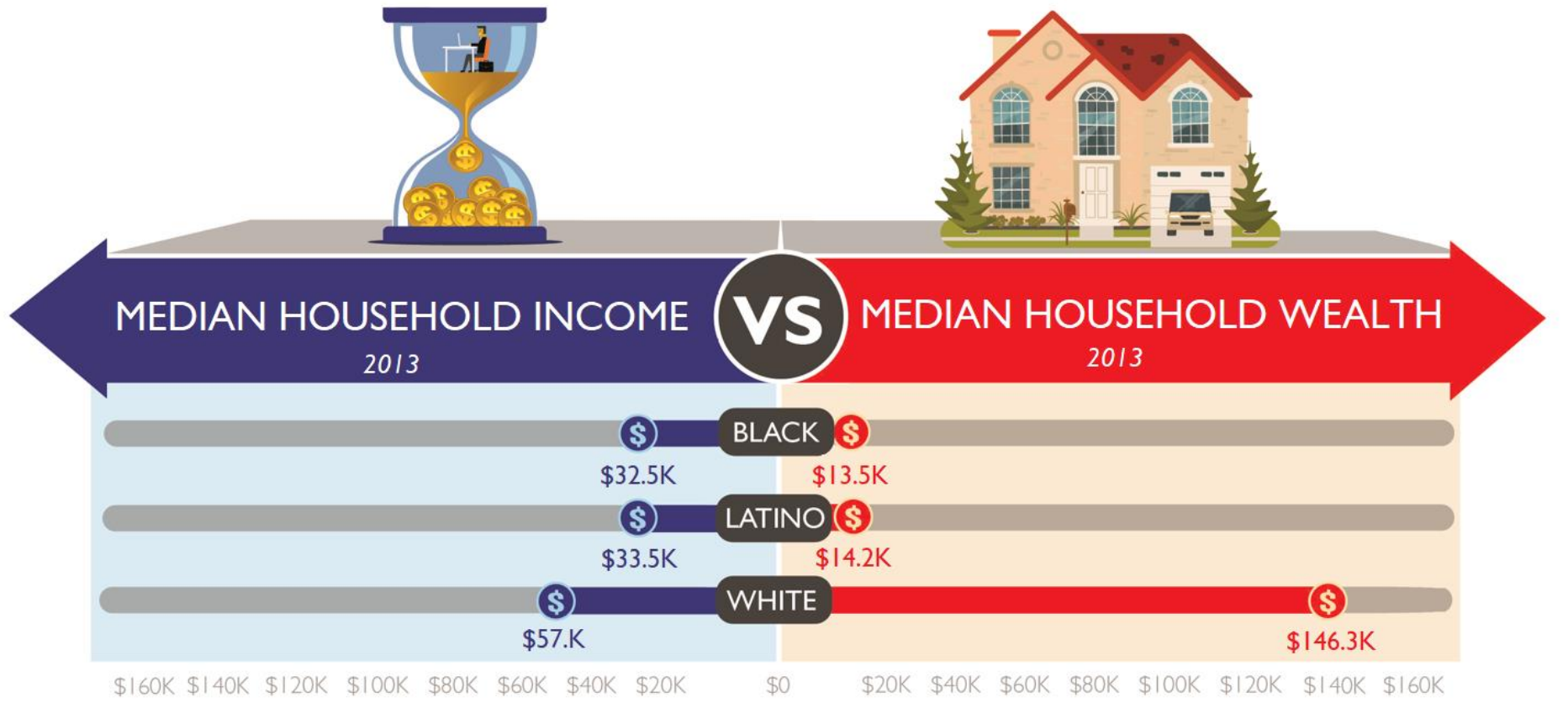
Median



Sum of values divided by 7
Average = \$500K

50% Below 50% Above
Median = \$100K

DIFFERENT FORMS OF ECONOMIC INEQUALITY



Source: U.S. Census Bureau, Survey of Consumer Finances, 2013. Data for Black and Latino households are based on the 2013 Survey of Consumer Finances, which is based on data from 2010. Data for White households are based on the 2010 Survey of Consumer Finances. All data are in thousands of dollars and are considered as estimates.

DIFFERENT FORMS OF ECONOMIC INEQUALITY

MEDIAN HOUSEHOLD WEALTH 2013

WITH DURABLE GOODS

WITHOUT DURABLE GOODS



\$13,500

BLACK

\$2,072

\$14,200

LATINO

\$1,761

\$146,300

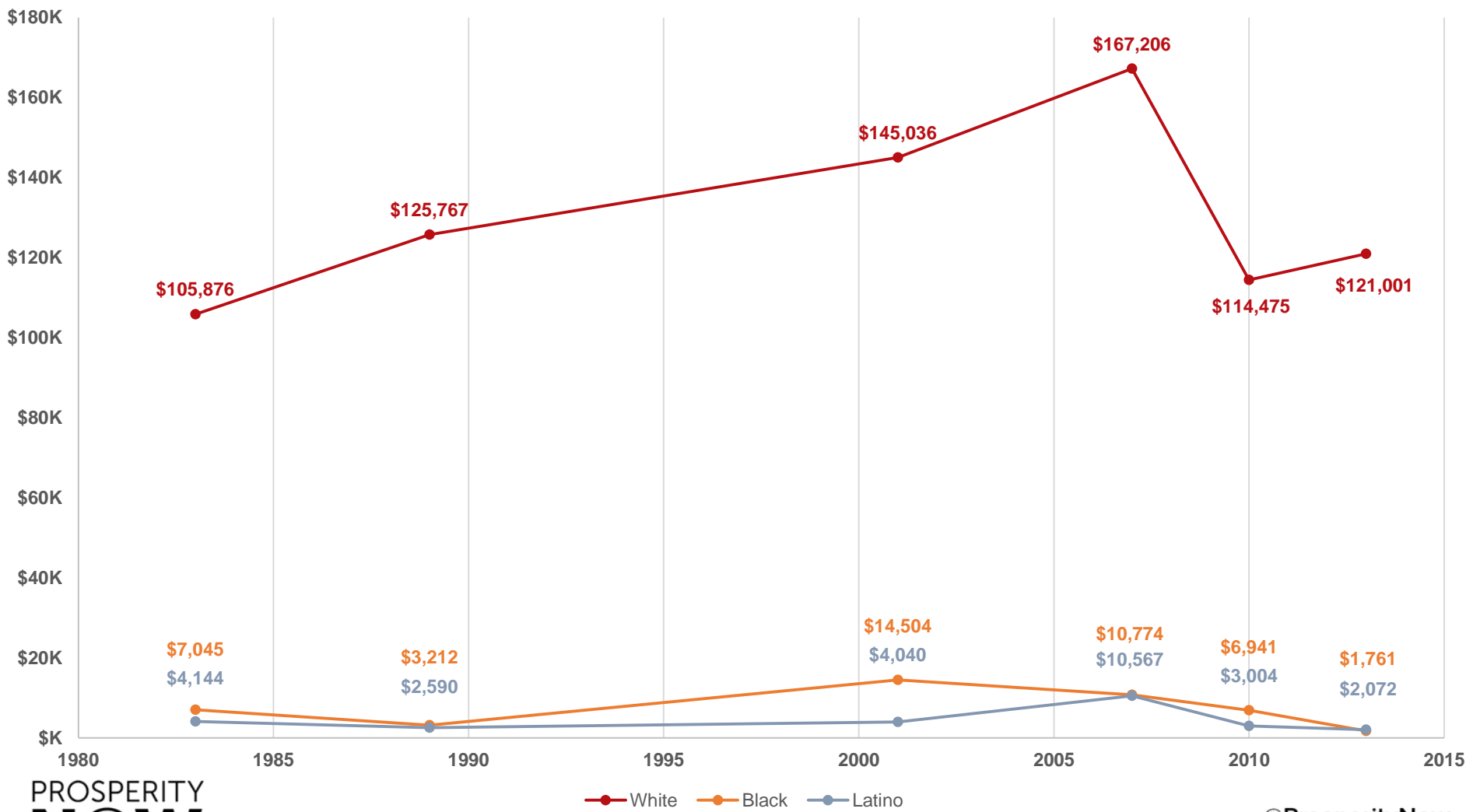
WHITE

\$121,001

Source: Federal Reserve Bank of St. Louis, Survey of Consumer Finances, 2013. Data for Black, Latino, and White households. Values are in thousands of dollars.

THE RACIAL WEALTH DIVIDE: PAST & PRESENT

MEDIAN HOUSEHOLD WEALTH: 1983-2013

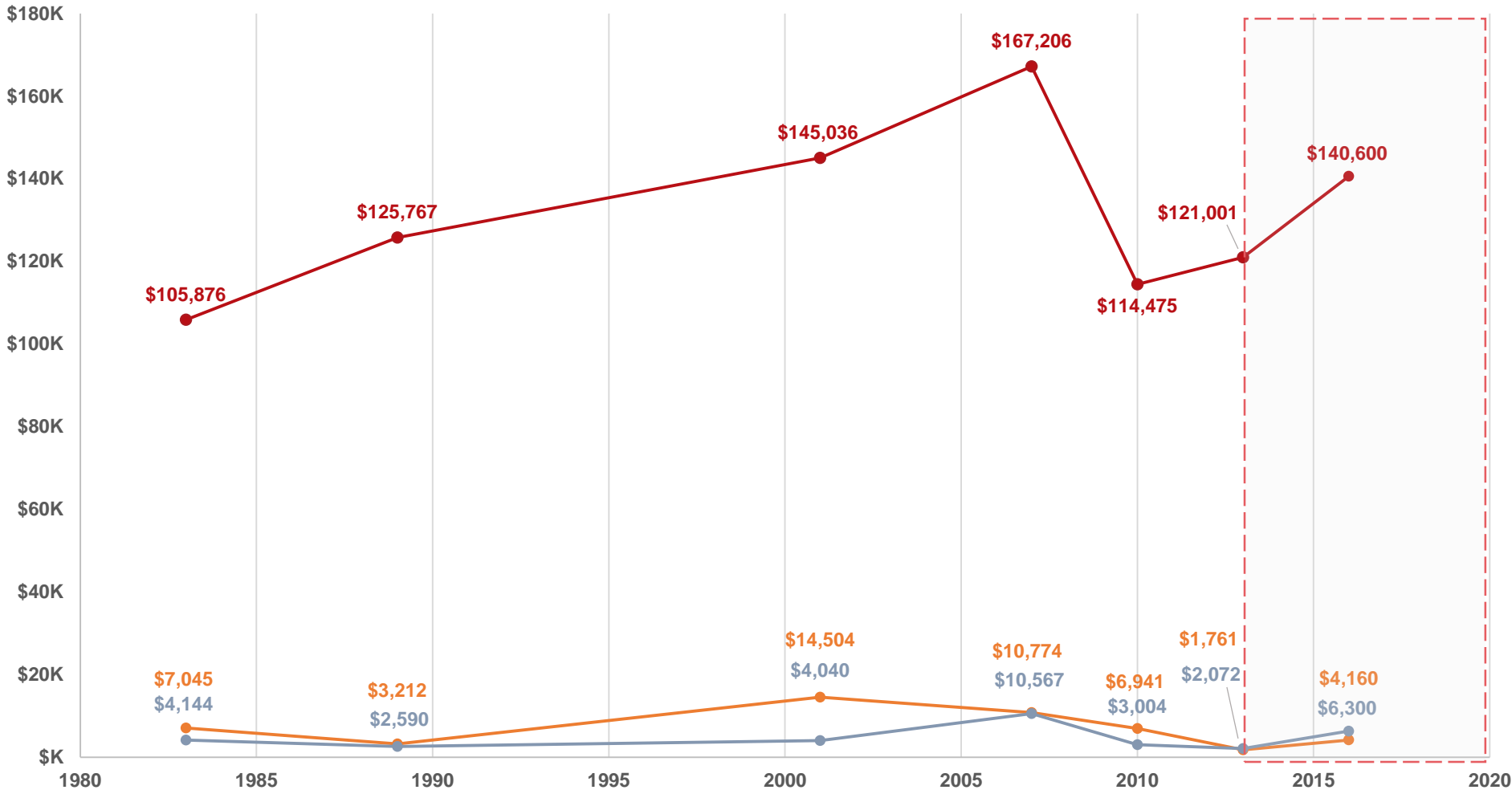


Source: www.prosperitynow.org

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THE RACIAL WEALTH DIVIDE: PAST & PRESENT

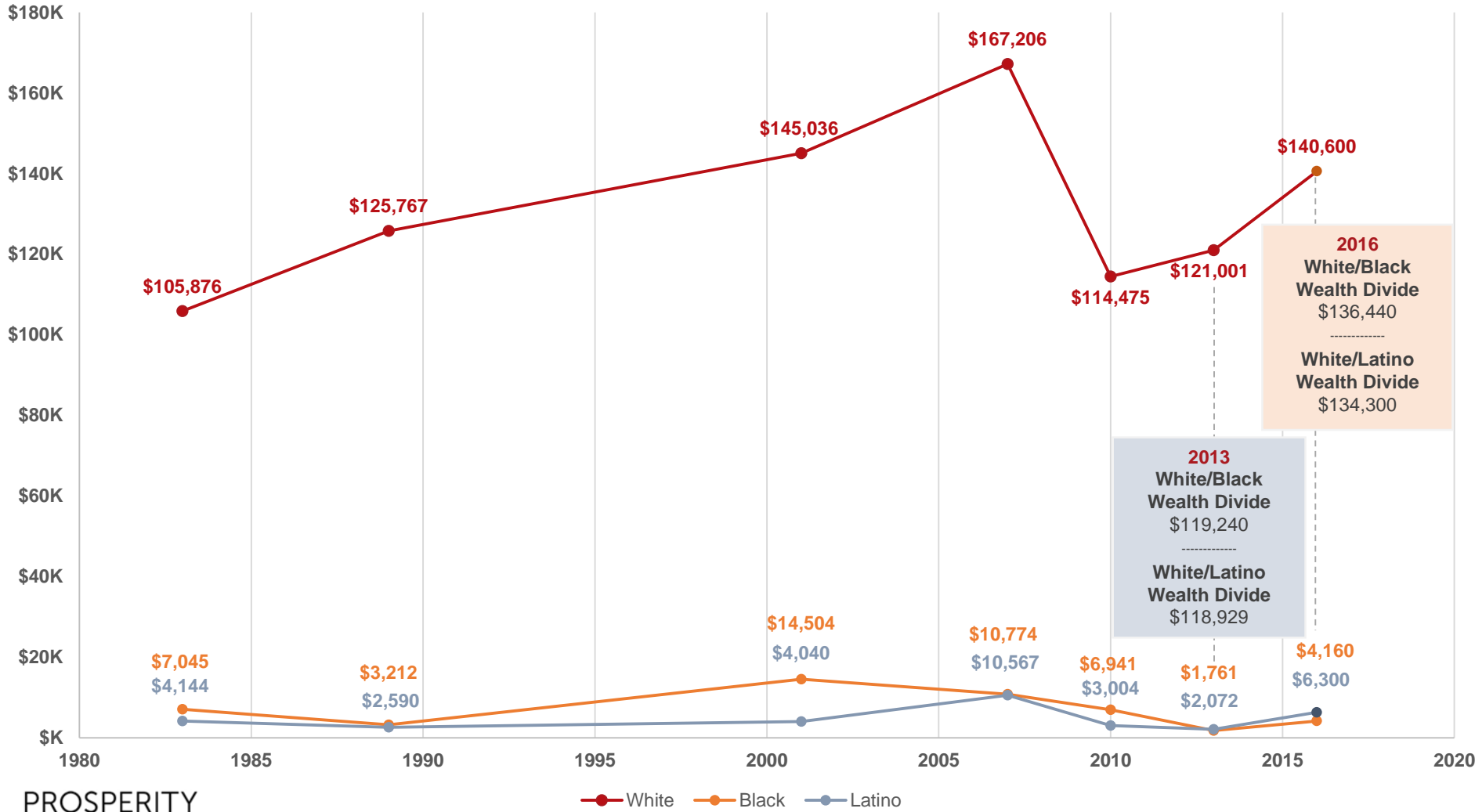
MEDIAN HOUSEHOLD WEALTH: 1983-2016



Source: 1989-2013: Wolff; 2016: Antonio Moore and Matt Bruenig
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THE RACIAL WEALTH DIVIDE: PAST & PRESENT

MEDIAN HOUSEHOLD WEALTH: 1983-2016



Source: 1989-2013: Wolff; 2016: Antonio Moore and Matt Bruenig
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THE RACIAL WEALTH DIVIDE: PAST & PRESENT

CHANGE IN MEDIAN HOUSEHOLD WEALTH: 1983 AND 2016

	Median Household Wealth in 1983	Median Household Wealth in 2016	% Change	Dollar Change
Black	\$7,045	\$4,160	-40%	-\$2,885
Latino	\$4,144	\$6,300	+52%	+\$2,156
White	\$105,876	\$140,600	+32%	+34,724

CHANGE IN MEDIAN HOUSEHOLD WEALTH: 2013 AND 2016

	Median Household Wealth in 2013	Median Household Wealth in 2016	% Change	Dollar Change
Black	\$1,761	\$4,160	+136%	+\$2,399
Latino	\$2,072	\$6,300	+204%	+4,228
White	\$121,001	\$140,600	+16%	+19,599

THE RACIAL WEALTH DIVIDE IN THE TRUMP ERA

The Racial Wealth Divide in 2020

“ If current long-term trends continue as they have been, Black households at the median are on track to see their wealth decline by an estimated 5% from where it stood in 2016. Median White and Latino household wealth would increase by an estimated 4-6%, respectively.

The Racial Wealth Divide in 2024

“ Current long-term trends suggest that median Black household wealth will decline by an estimated total of about 10% from where it stood in 2016. Median Latino and White household wealth would increase by an estimated 8-12%, respectively.

The Racial Wealth Divide Beyond 2024

“ If the past 33 years were to repeat themselves, by 2049 median Black household wealth would decrease by \$1,704 while median Latino wealth would increase by \$3,278. Median White household wealth would increase by \$46,112.

THE RACIAL WEALTH DIVIDE IN THE TRUMP ERA

Reaching Racial Wealth Equity

Assuming that median White wealth stopped growing *and* that **current trends of the past three years**

“ It would take the median Black household 95 years to catch up to the current median White household wealth.

“ It would take the median Latino household 171 years to catch up to the current median White household wealth.

Assuming that median White wealth stopped growing *and* that **current trends of the past 33 years**

“ It would take the median Latino household 2,055 years just to catch up to the current wealth median White households own today.

“ The wealth of Median Black households would never catch up to current median White household wealth. At this pace, median Black household wealth is on a path to hit zero by 2097.



Source: 1989-2013: Wolff; 2016: Antonio Moore and Matt Bruenig
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OVERLOOKED & UNACCOUNTED RACIAL WEALTH DIVIDE

Asian American Wealth: The Forgotten Racial Wealth Divide

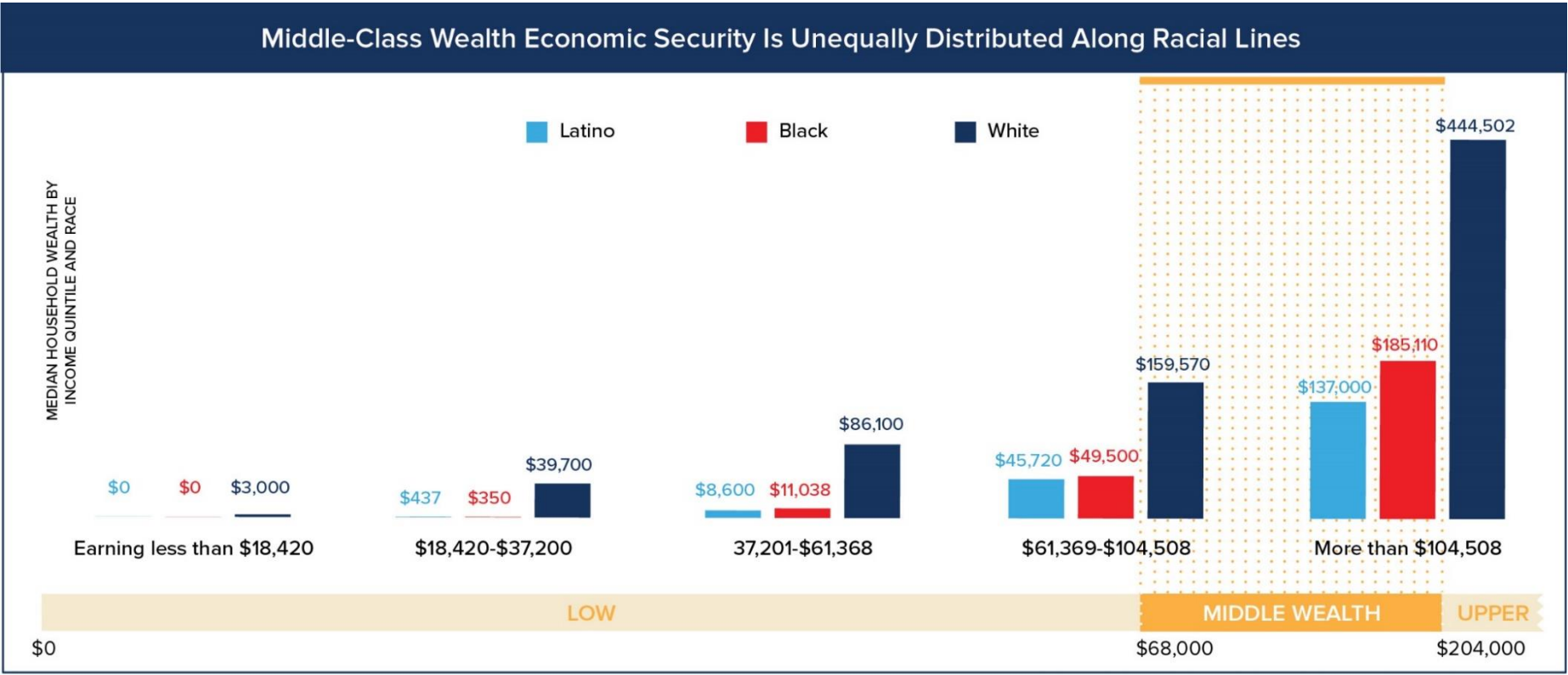
- “ Greater levels of wealth inequality within the Asian American community:
 - The richest 10% of Asian Americans held 168 times more wealth (\$1.4 million) than the poorest 20% of Asian Americans (\$9,300) while the richest 10% White households owned 121 times more wealth (\$1.2 million) than the poorest 20% White households (\$10,000).
- “ Overlooked racial wealth inequality between White and Asian American households:
 - Among the bottom half of the income distribution, White households own more than 2x the wealth (\$42,238) held by their Asian American peers (\$18,270).

Native American Wealth: The Unaccounted Racial Wealth Divide

- “ Scant data available to illustrate to the current state of wealth within the Native American community:
 - The last time Native American wealth was systematically measured was 17 years ago. Back then, the median net worth of Native households stood at just \$5,700

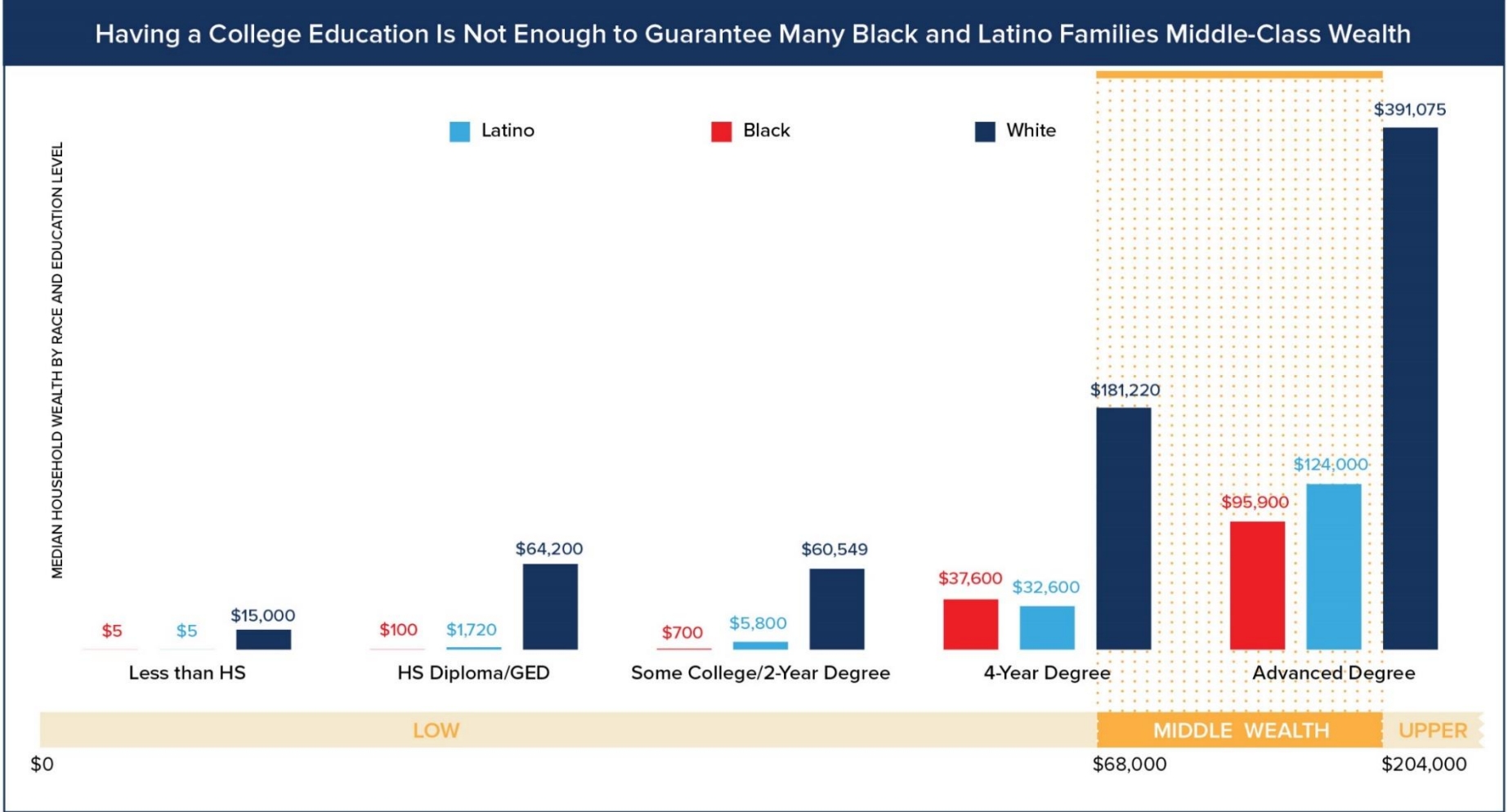


THE DISCONNECT BETWEEN INCOME & WEALTH



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014. Wealth figures depicted above exclude durable goods.

THE DISCONNECT BETWEEN INCOME & WEALTH

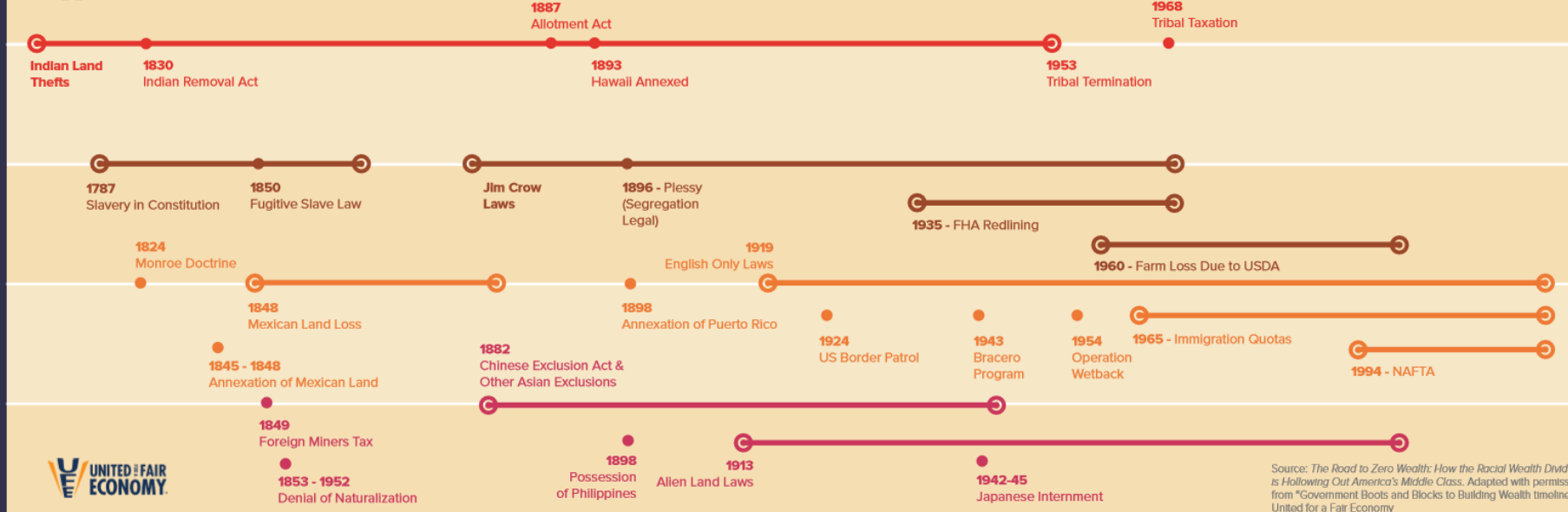
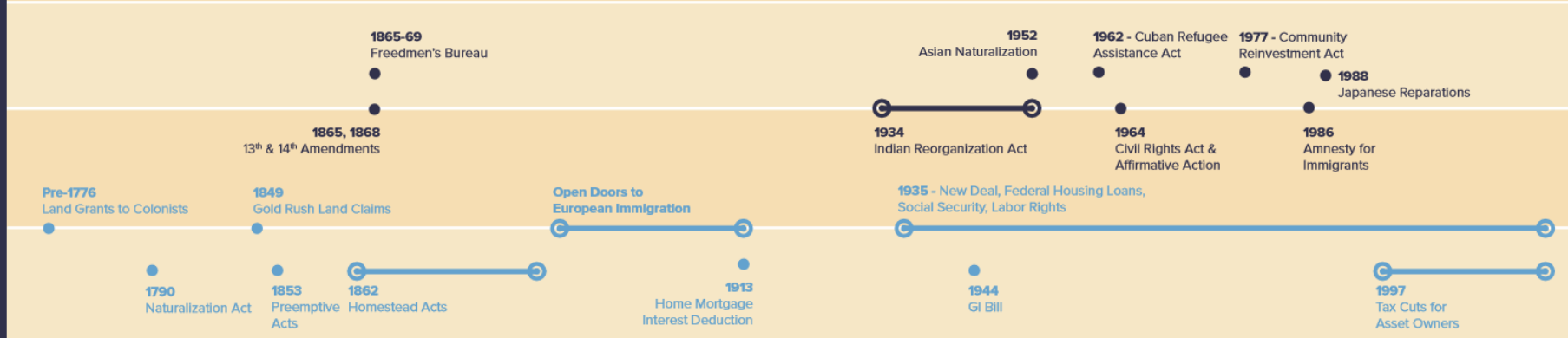


Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014. Wealth figures depicted above exclude durable goods.

GOVERNMENT BOOSTS AND BLOCKS TO BUILDING WEALTH

BOOSTS

BLOCKS



Source: *The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America's Middle Class*. Adapted with permission from "Government Boots and Blocks to Building Wealth timeline," by United for a Fair Economy

