



## Policy Insights 2019: Examining Racial and Gender Wealth Inequity

Jhumpa Bhattacharya, Insight Center for Community Economic Development

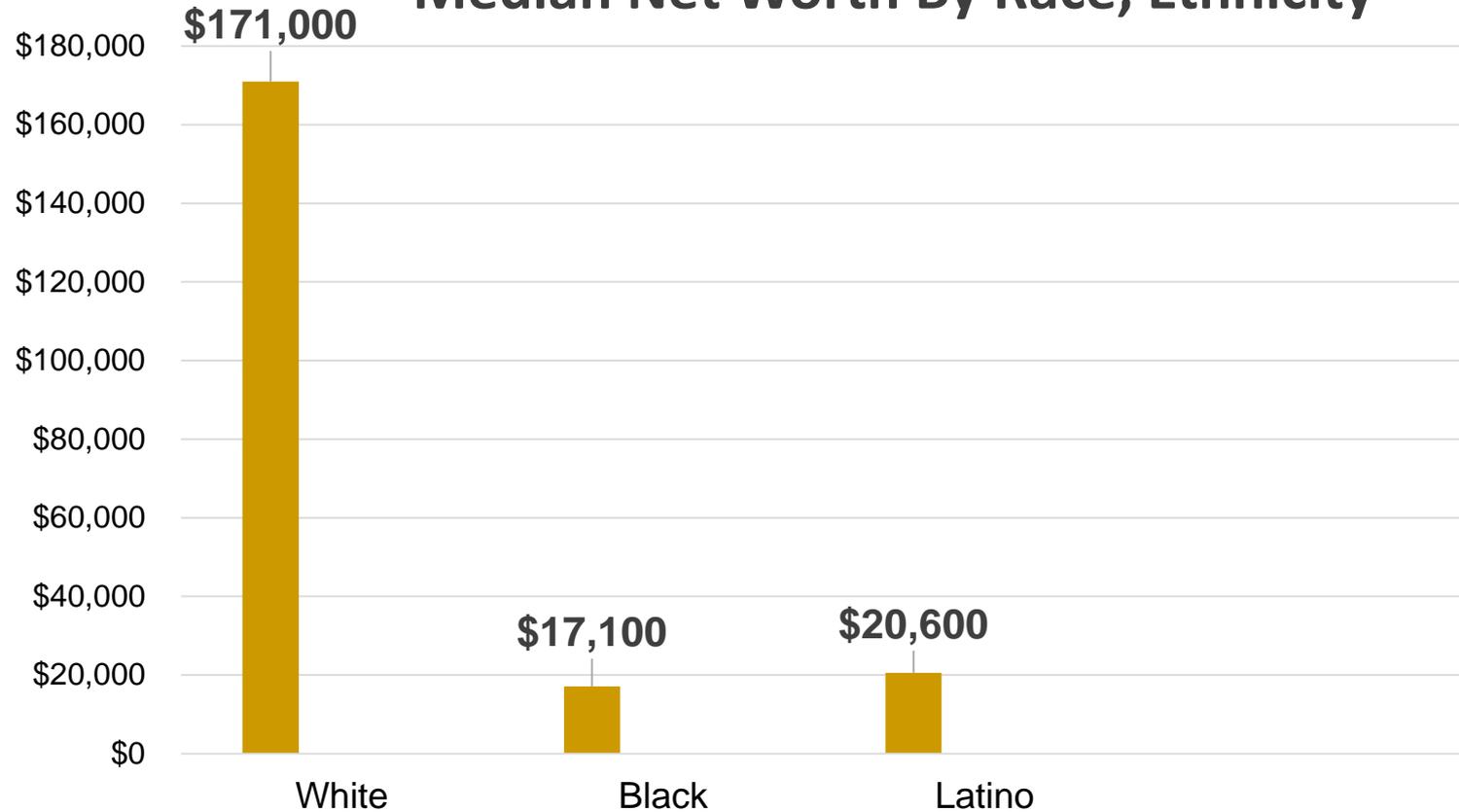
# BEHIND THE CURTAIN: THE CREATION OF WEALTH

Wealth, what you own minus what you owe, is the key to ensuring economic security and enables families to build a better future.

It allows us to live with dignity and security and can be passed down from generation to generation.



## Median Net Worth By Race, Ethnicity



Source: Survey of Consumer Finances, 2016

**Racial wealth injustices are the result of historic bias and racism in public policy, regulations and practice. It will take bold structural changes to close it.**



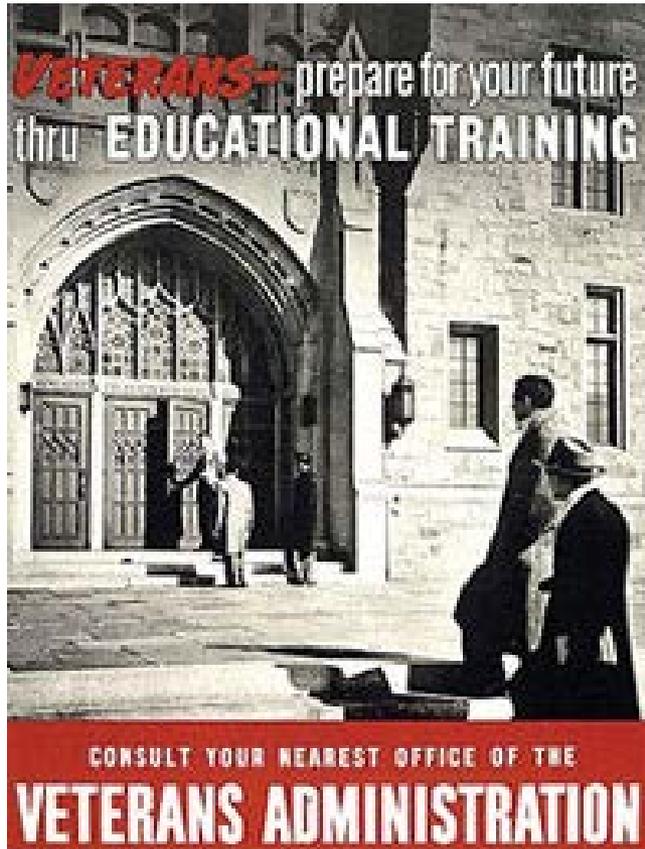
# White families had a 30 year head start in building wealth through homeownership



❖ **1935 Social Security:** Blacks and Latino farm and domestic workers paid in, but were excluded from benefits

❖ **1937 FHA:** First federal agency to openly counsel and support segregation-Between 1930 and 1950, 3 in 5 homes purchased in U.S. were financed by FHA, yet less than 2% were made to non-white home buyers

# The GI Bill was the single greatest instrument for widening racial inequities in postwar America

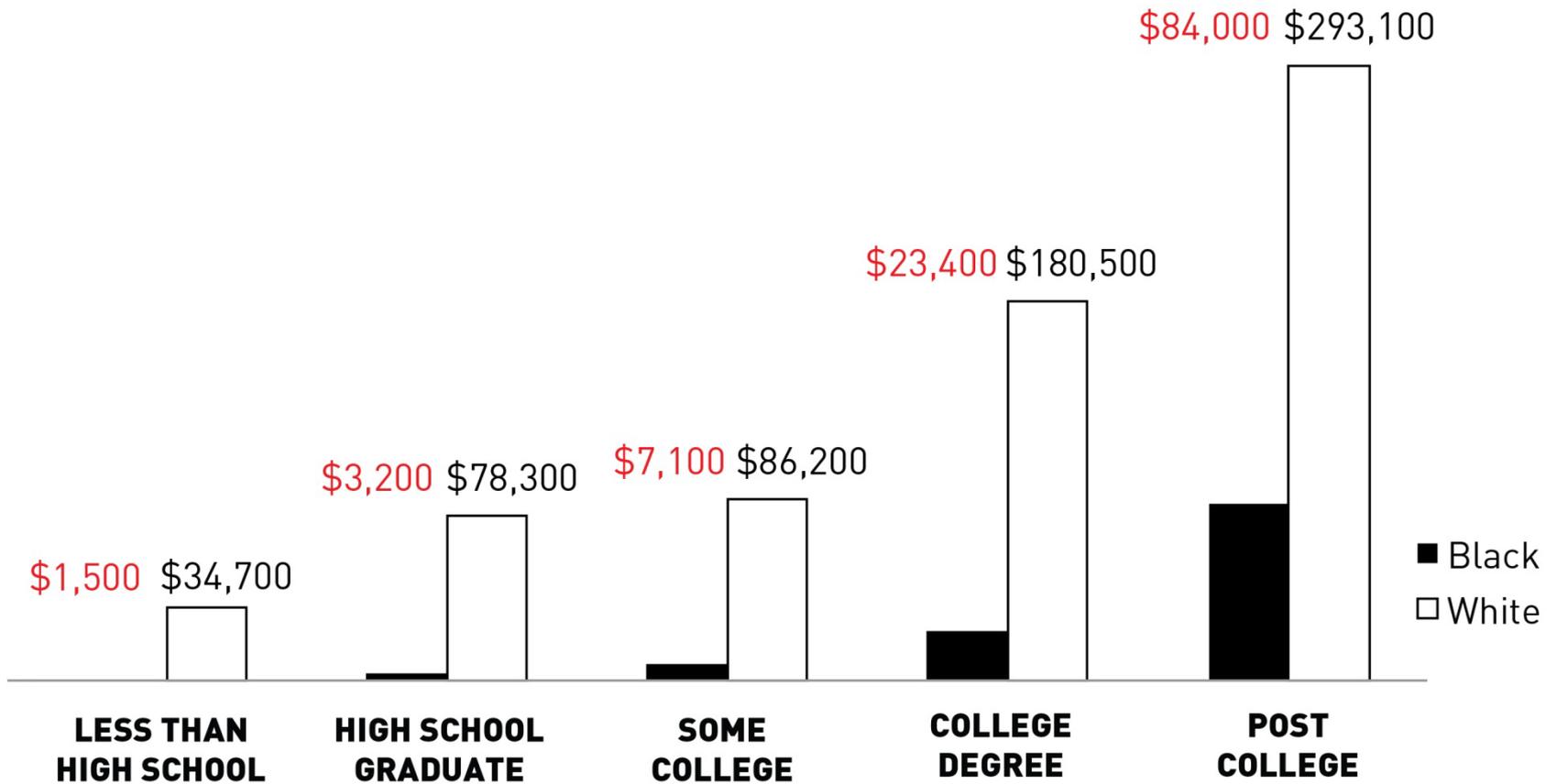


The largest federal public benefits program in history, and a low-cost route to wealth creation

- Paid college tuition
- Low interest home mortgages
- For every dollar invested, the GI Bill returned \$7 dollars to the nation

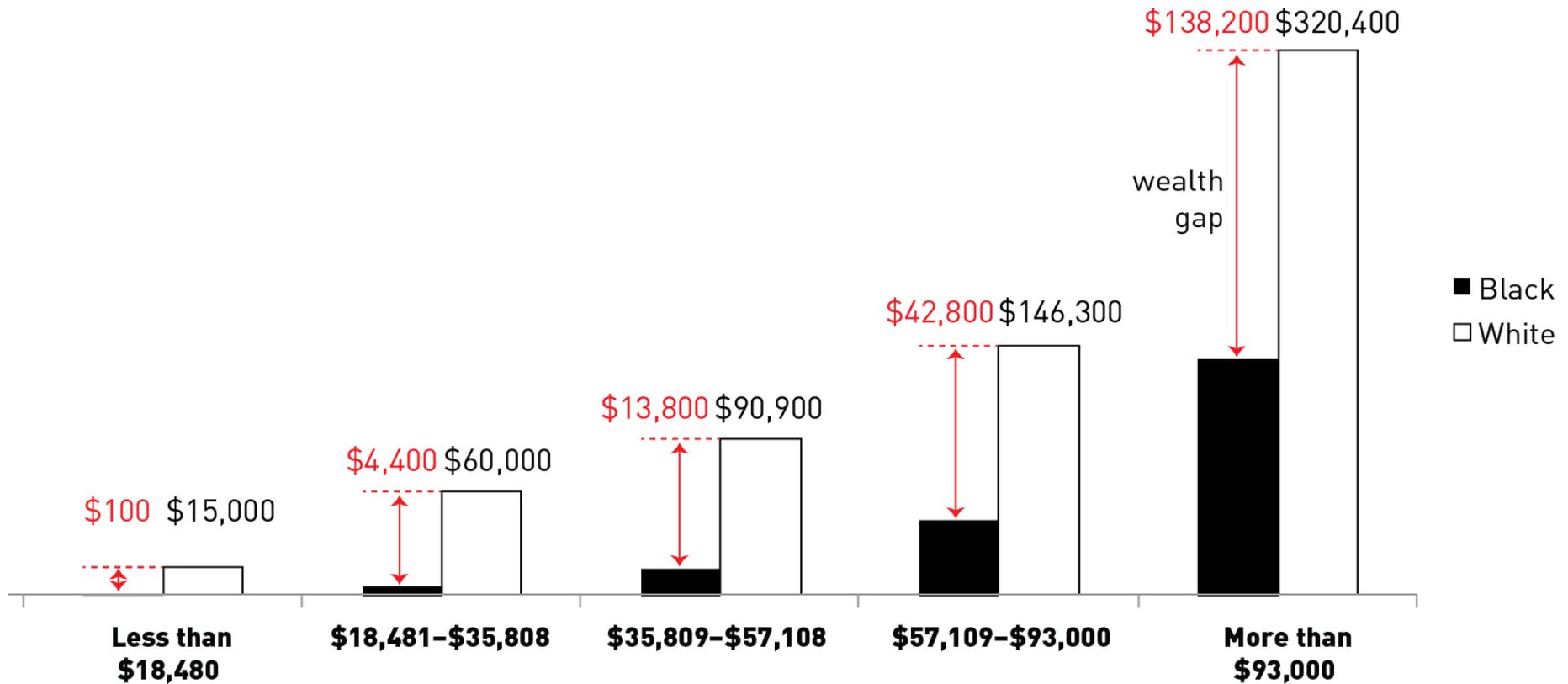
**but...**

Discrimination in college admission and housing markets prevented most soldiers of color from using the benefits, and thus prevented an accumulation and transfer of wealth to future generations.



# Education is not the Great Equalizer

Median wealth by educational level and race, SIPP 2011



# Family Income is Not the Great Equalizer

Median wealth by income quintiles and race , SIPP 2011



**Black mothers have the least amount of wealth to draw from to provide assistance to their children.** While single white mothers have a median wealth of \$3,000, Black single mothers experience the largest wealth disadvantage, with a median wealth of zero.

**A college degree fails to yield significant wealth gains for Black women.** Black women have far less wealth than white women regardless of level of education. Single white women without a college degree have \$3,000 more in median wealth than single Black women with a college degree.

Single white women with a bachelor's degree have **7x** the wealth of Black women with a degree.

**Increased age does not translate into wealth for Black women.** Older, single Black women (60+) with a college degree have a mere **\$11,000 in wealth**, which is in stark contrast to the **\$384,400 in median wealth** among older single white women with a bachelor's degree.

Source: Women, Race and Wealth Research Brief

Authors: Khalng Zaw, Jhumpa Bhattacharya, Anne Price, Darrick Hamilton, and William Darity, Jr

Samuel DuBois Cook Center on Social Equity and Insight Center for Community Economic Development

# Present Day State Sponsored Wealth Extraction



“Officers appear to see some residents, especially those who live in Ferguson’s predominantly African-American neighborhoods, less as constituents to be protected than as potential offenders and sources of revenue.”

**FERGUSON POLICE DEPARTMENT REPORT**

Department of Justice

