

RESEARCH REPORT

Intergenerational Wealth Transfers: Do Expectations of Leaving an Inheritance Differ Between Black and White Families?

Michael Neal

Amalie Zinn

Marokey Sawo

Linna Zhu

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Intergenerational Wealth Transfers: Do Expectations of Leaving an Inheritance Differ Between Black and White Families?

The Black-White wealth divide is significant and enduring. Previous research has attributed a portion of the broader Black-White wealth disparity to intergenerational wealth transfers, including inheritances.¹ Black families are less likely than White families to receive an inheritance.²

To understand this difference among Black families relative to White families, this report compares the expectations of leaving a sizeable estate across Black and White families. People's expectations can be an accurate predictor of their future behavior (Roth and Wohlfart 2020).³ As a result, it is hypothesized that the Black-White difference in expectations of leaving an inheritance should correlate with the gap in families receiving an inheritance. That is, a family expecting to leave an inheritance would be able to do so, and in turn, a surviving family would receive that inheritance.

But despite the evidence suggesting that Black families are less likely to receive an inheritance, this report finds that Black and White families are similarly as likely as White families to expect to leave a sizeable estate. And the lack of financial resources does not appear to dampen Black families' expectations. However, evidence indicates a significant decline in the share of families, Black families in particular, expecting to leave a sizeable estate as they age. Senior families, those headed by someone age 55 and older, are less likely to expect to leave a sizeable estate to surviving heirs than younger families.

The expectations of senior families may be less aspirational and a more accurate predictor of behavior. However, the large gap between Black senior families' expectations of leaving a sizeable estate and the share receiving an intergenerational wealth transfer suggests the expectations of Black families are not materializing, amplifying the need to better understand the occurrences that keep expectations from being fulfilled. In this report, we identify several frictions, including barriers to wealth building and leakages in wealth transfer that may be hindering these transfers.

The report is organized as follows. We first describe the data used for our analysis. The next section provides a background on the broader racial wealth divide, followed by a section that explores the

disparities in intergenerational wealth transfers more broadly. We then present the analysis of Black-White trends in the expectations of leaving a sizeable estate and follow this by an assessment of the mechanisms that may contribute to the apparent mismatch between expectations and reality. And in the final sections, we suggest areas of future work before concluding.

Data Used In This Report

This analysis relies on the Survey of Consumer Finances (SCF) from 2019.⁴ The SCF is a cross-sectional survey of US families, conducted every three years. It includes questions on families' balance sheets, pensions, income, and demographic characteristics. The 2019 survey included about 6,500 families, and it did not include a panel element. Just prior to the publication of this report, the 2022 SCF was released. We plan to publish another piece that explores similar outcomes using the 2022 data.

The SCF is sponsored by the Federal Reserve Board in cooperation with the Department of Treasury and is widely considered to be the “gold standard” to capture wealth in the United States, particularly because the survey oversamples households likely to hold high levels of wealth, which is important as a large share of the total wealth in US is held by a small number of households (Pfeffer et al. 2016). At the same time, this also implies that Black households are underrepresented in the middle and upper parts of the aggregate wealth distribution (Bartscher et al. 2022).

The SCF asks a series of questions on both the receipt and expectation of receiving an inheritance. And it also queries respondents about the respondent's expectation of leaving wealth for heirs as well. It's important to note that the question on whether one plans to leave an inheritance is not precise. Specifically, the SCF asks if one (or one's partner) expects “to leave a sizable estate to others,” to which a respondent can answer “yes,” “possibly,” or “no.” The survey does not define sizable estate, nor does it ask the respondent to do so. The survey also asks each respondent to rank how important it is for them and their spouse to leave “an estate or inheritance to their surviving heirs.” In our analysis, we use “leaving a sizable estate” as a proxy for an inheritance.

Our research focuses on the flow of inheritances, and while we find a difference in intention to give and probability of receipt, there are some caveats to this work, particularly given our data source and related constraints. For example, there is an unclear relationship between expecting to leave a sizable estate and leaving one. In addition, respondents can answer either yes, no, or possibly in response to the question making it difficult for researchers to determine whether this occurred.

Paths to Accumulating Wealth

Wealth provides flexibility, opportunity and in times of stress, safety. However, the typical Black family has significantly less wealth than the typical White family. In 2019, the median Black family had a net worth (total assets minus liabilities) of \$24,100 compared to \$189,100 for the median White family.⁵ Lower wealth for Black families in aggregate reflects relatively less net worth for Black families at each point in the wealth distribution (table 1).

TABLE 1
Net Worth Quartiles, by Race and Ethnicity of Respondents

	Non-Hispanic Black	Non-Hispanic White
First quartile	\$450.00	\$38,800.00
Second quartile	\$25,200.50	\$188,020.00
Third quartile	\$117,623.75	\$571,000.00

Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

While the Black-White wealth divide has narrowed⁶ it remains wide. For example, in 1989, the median net worth for White family, \$143,560, was 17 times that of the median Black family, \$8,550.⁷ As of 2019, the median White family has approximately eight times the wealth as the median Black family. And recent reports suggest that differences in the composition of wealth holdings for Black families relative to White families may have helped close the wealth divide further in 2022.⁸

TABLE 2
Black-White Differences in Aggregate Balance Sheet Items, 2019

	Percent Holding		Conditional Median	
	White	Black	White	Black
Assets	100%	99%	\$306,360	\$53,000
Financial assets	99%	98%	\$49,150	\$5,500
Nonfinancial assets	95%	79%	\$225,000	\$69,500
Debt	78%	74%	\$79,000	\$27,500
Median debt/ median assets			26%	52%

Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

In aggregate, the Black-White wealth disparity partly reflects gaps in assets. Approximately all White families and Black families owned financial assets, like checking accounts and vehicles. However, the disparities in the value of holdings, conditional on having any financial asset, is large. In 2019, the median asset holdings for White families owning financial assets was \$306,360 while the conditional median value of holdings among Black families was \$53,000. These gaps in assets are reflected in both financial assets and nonfinancial ones. Among financial assets, White households are similarly likely as Black ones to own any assets, but conditional on owning financial assets, the median White family owned significantly more than the median Black family, \$49,150 and \$5,500 respectively. Among nonfinancial assets, White families were more likely to own any type of nonfinancial asset and, conditional on owning the asset, the median White family owned more than the median Black family.

The Black-White disparity also reflects differences in debt owed. However, these inequalities must be viewed relative to assets. As table 2 illustrates, White and Black families are similarly likely to own any type of debt. And, conditional on owning any debt, the median White family owes more debt than the median Black family. However, relative to median total assets, the amount of debt held among White families is less than that of Black families.

These results suggest two critical insights. The first is that Black families often have more debt relative to assets. Even if Black families can achieve asset-ownership their debt burden limits their wealth relative to White families.

In addition, Black families are more likely to be excluded from financial activities. The smaller proportion of Black families with debt partly reflects their inability to access the financing needed to access the asset. For example, Black households are less likely to own their home relative to Whites.⁹ The lack of homeownership is partly due to Black applicants being more likely to be denied a mortgage relative to White applicants.

The disparities over time may reflect differences in the types of assets or debt held. For example, White families are more likely to invest in riskier assets such as stocks that can also yield a higher return.¹⁰ In contrast, Black families disproportionately invest in safer, but lower returning, assets such as universal life insurance.^{11,12} More recently, Black investors were more likely to invest in riskier crypto assets¹³ and the value of these assets fell significantly in 2022. But at the same time, rising house prices combined with a declining stock market in 2022, may have helped shrink the Black-White wealth divide in 2022 as well.¹⁴

Although Black families are less likely to own any type of debt, they are more likely to specifically have education installment debt.¹⁵ And the median amount of education installment debt held was

greater for Black families than for White ones. In 2019, Black families were 10 percentage points more likely to have education installment debt than White families, 30.2 percent v. 20.0 percent. In addition, the median education debt for Black families was \$30,000, compared to \$23,000 for White families. Education debt doesn't just limit wealth directly, like other forms of debt, it can limit access to other wealth-building assets like homeownership (Blagg et al. 2022) or even labor market outcomes¹⁶.

The Role of Intergenerational Wealth Transfers

Intergenerational wealth transfers propagate racial wealth disparities. White families are more likely to pass down wealth to future generations, while the Black families were less able to accumulate and sustain wealth for intergenerational transfer.

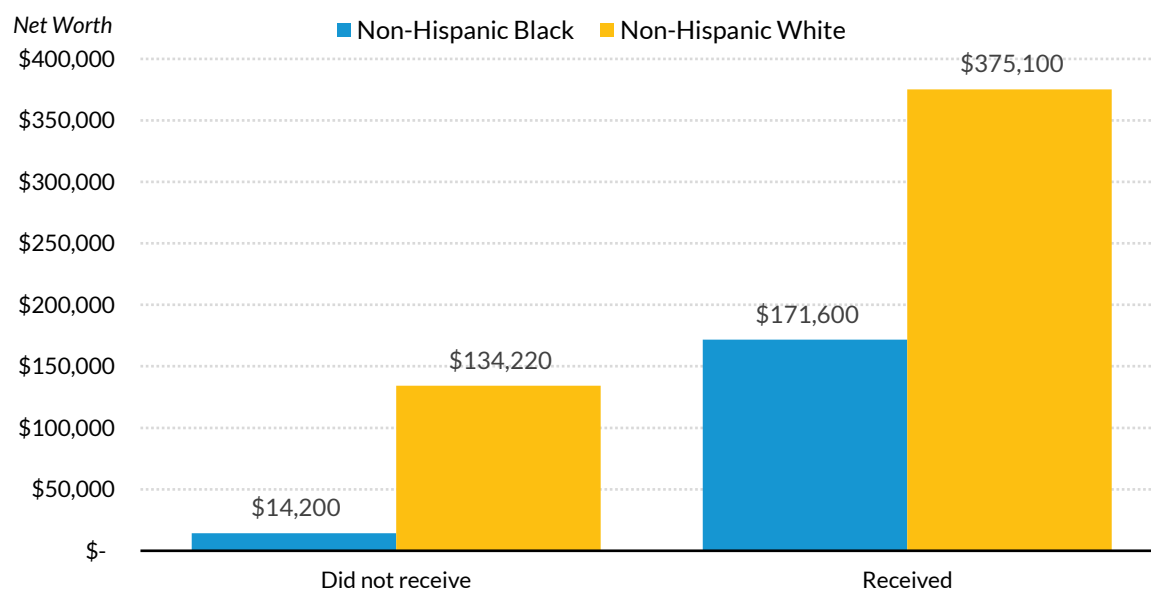
One example of this comes from homeownership, such as when parents provide down payment assistance to their children to help them purchase a home. This example suggests that intergenerational wealth transfers can help address the key barriers to the broader racial wealth divide. First, they can increase assets held by families receiving them. Second, they can provide the resources needed to obtain other assets, potentially with less debt.

There is little disagreement that inheritances or other forms of intergenerational wealth transfer disproportionately benefit White families and play an explanatory role in the Black-White wealth inequity.¹⁷ White families were nearly three times as likely as Black families to have received at least one inheritance, 29.9 percent, relative to Black families, 10.1 percent.¹⁸ In addition, 17.1 percent of White families expect to receive an inheritance in the future while only 6.0 percent of Black families believe the same occurrence will happen to them.

Research indicates that inheritance, bequests and in-vivo transfer account for more of the racial wealth divide than any other behavioral, demographic or socioeconomic indicator (Hamilton and Darity Jr. 2017). Meanwhile, another study confirms that they play a role but suggests that intergenerational transfers account for only 14 percent of the wealth disparity between White and Black families (Sabelhaus and Thompson 2023). They also point to lifetime earnings, pension assets and education as key determinants of the Black-White wealth divide. This finding is consistent with research suggesting that large gifts and inheritances received over the past 10 years account for 12 percent of the difference in wealth between White and Black people (McKernan et al. 2012). However, these income, wealth and education outcomes correspond with the Black-White inheritance gap (Jones and Neelakantan 2022). Higher levels of one's education, the education of their parents, and their income play are all statistically significant and boost the likelihood of receiving an inheritance. Most notably,

the race of the person receiving the inheritance boosted the likelihood of receiving an inheritance the most and had the strongest statistical significance (Jones and Neelakantan 2022).

FIGURE 1
Median Net Worth by Race/Ethnicity and Receipt of Inheritance



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Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.
<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

Figure 1 suggests that receiving an inheritance corresponds with greater wealth. The median net worth for Black families not receiving an inheritance was less than the median net worth for White families that received an inheritance. In addition, the median net worth for Black families that did not receive an inheritance was less than the median net worth for Black families that did receive an inheritance. And the median net worth for Black families that received an inheritance exceeded the median net worth of White families that did not receive an inheritance.

However, of the Black and White families who had similar experiences with intergenerational transfers, the median net worth for White families exceeded the median for Black families (\$375,100 v. \$171,600 respectively). The median net worth for Black families that did not receive an inheritance was less than that of White families that received an inheritance. And similarly, the median net worth among Black families that did not receive an inheritance was less than the median net worth among White families that did not receive an inheritance. These results also suggest that while receiving an

inheritance and the amount received coincide with greater wealth, race appears to play an important role in wealth accumulation as well.

The Importance of Expectations in Predicting Future Behavior

Economic theory has developed a role for expectations (Muth 1961)¹⁹ These expectations can have important implications for economic behavior. For example, if individuals expect inflation to increase, they may anticipate that the central bank will raise interest rates to combat inflation, which could lead to higher borrowing costs and slower economic growth. Similarly, if individuals expect a recession, they may reduce their spending and investment, which could lead to a self-fulfilling prophecy (Muth 1961).

At the same time, a central theme of behavioral economics is the presence of an intention-action gap, an inconsistency between what people say they plan to do and what they actually do (Feng et al. 2019; Thaler and Shefrin 2023). In financial planning, there are two intention-action gaps. The first one occurs when many potential clients who would like to get plans written fail to do so. The second occurs when many who get plans written but fail to implement them. The causes of these gaps can hinder the fulfillment of one's expectations. And in this case, keep families, Black families in particular, from leaving an inheritance.

Racial Trends in Expectations of Leaving an Inheritance

The evidence indicates that Black families are less likely to receive an inheritance or other intergenerational wealth transfer and this racial disparity has implications for the Black-White wealth divide. However, receipt of an inheritance does not simply occur on its own. Rather, it is the product of decisions made in an early generation to leave one. In this framework, the share expecting to leave an inheritance, or a sizeable estate in this instance, should inform the share receiving an inheritance.

To proxy the decision to leave an inheritance, this brief reports on the expectations of Black and White families to leave a sizeable estate to others. We would expect that a smaller share of Black families relative to White families expect to leave a sizeable estate. This assumed result would be consistent with the relative share of Black families receiving an inheritance.

Analysis of data from the 2019 Survey of Consumer Finances, which illustrated that Black families were nearly one-third as likely to receive an intergenerational wealth transfer, also indicates that Black

and White families are similarly likely to expect to leave or possibly leave a sizeable estate. And among those who responded with the strongest expectation, the share of Black families, 35.9 percent, and the share of White families, 34.1 percent, expecting to leave a sizeable estate were similar (table 3).

TABLE 3
Plans to Leave an Inheritance, by Race/Ethnicity

Response to “Do you expect to leave a sizable estate to others?”

	Yes	Possibly	No
Non-Hispanic Black	35.9%	26.2%	37.8%
Non-Hispanic White	34.1%	25.3%	40.6%

Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

The expectation of leaving a sizeable estate may have been stronger among Black families, relative to White families, because a larger proportion of Black families believe that leaving an estate or inheritance to heirs is important. And as illustrated by table 4 below, the larger share of Black families believing in the importance of leaving an estate or an inheritance reflects a relatively greater share of Black families, 35.0, than White families, 22.0, who believe it to be “Very Important.”

TABLE 4
Importance of Leaving an Estate or Inheritance to Heirs, by Race/Ethnicity

	Very important	Important	Somewhat important	Not important	Respondent and spouse disagree
Non-Hispanic Black	35.0%	27.4%	25.1%	12.5%	0.1%
Non-Hispanic White	22.0%	27.4%	31.2%	18.5%	0.7%

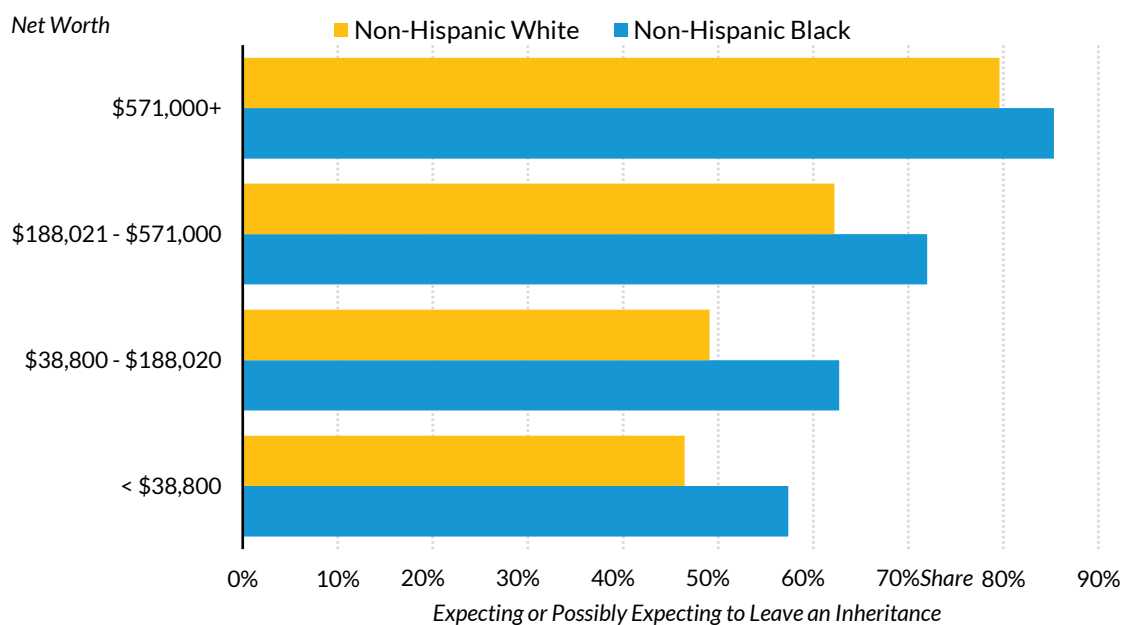
Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

Greater wealth in one generation boosts the likelihood that a family plans to or possibly plans to leave a sizeable estate. Figure 2, which uses the median within White quartiles of wealth, confirms these indicates that both Black and White families with greater wealth are more likely to indicate a desire to leave a sizeable estate. But not only do the plans of leaving a sizeable estate rise with wealth, within each quartile Black families are more likely to plan to or possibly plan to leave a sizeable estate.

FIGURE 2

Share Expecting or Possibly Expecting to Leave a Sizable Estate, by Race/Ethnicity and Net Worth



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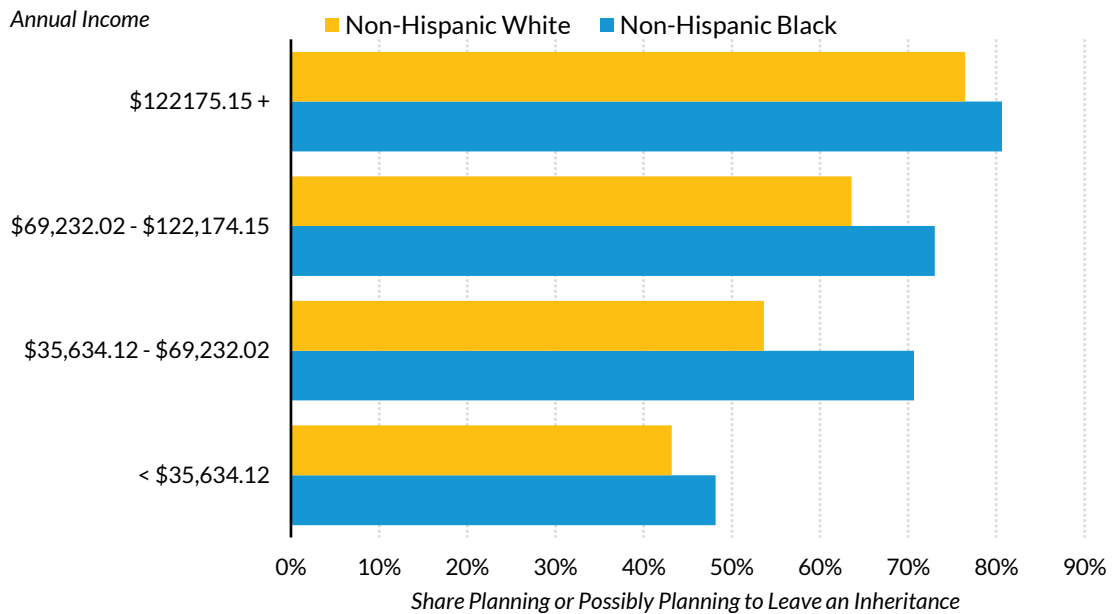
Source: Urban Institute Analysis of 2019 Survey of Consumer Finances. <https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

Figure 2 uses quartiles of White net worth to illustrate another point. Since Black families have less wealth at each of these quartiles, then it suggests that their plans to leave or possibly leave a sizeable estate are not related to lower intentions, but that they have less wealth to begin with. Another way to say it, if Black families had net worth equal to White families, the share with plans to leave a sizeable estate would be even greater.

Similarly, the likelihood of having plans or possible plans to leave a sizeable estate rise with income. But across White income quartiles, Black families are more likely to expect or possibly expect to leave an inheritance than their White counterparts (figure 3). Like wealth, the White quartiles also highlight that a lack of plans or possible plans to leave a sizeable estate are not related to intent, but rather to their lower likelihood of populating higher-income quartiles.

FIGURE 3

Share Expecting or Possibly Expecting to Leave a Sizable Estate, by Race/Ethnicity and Income



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Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

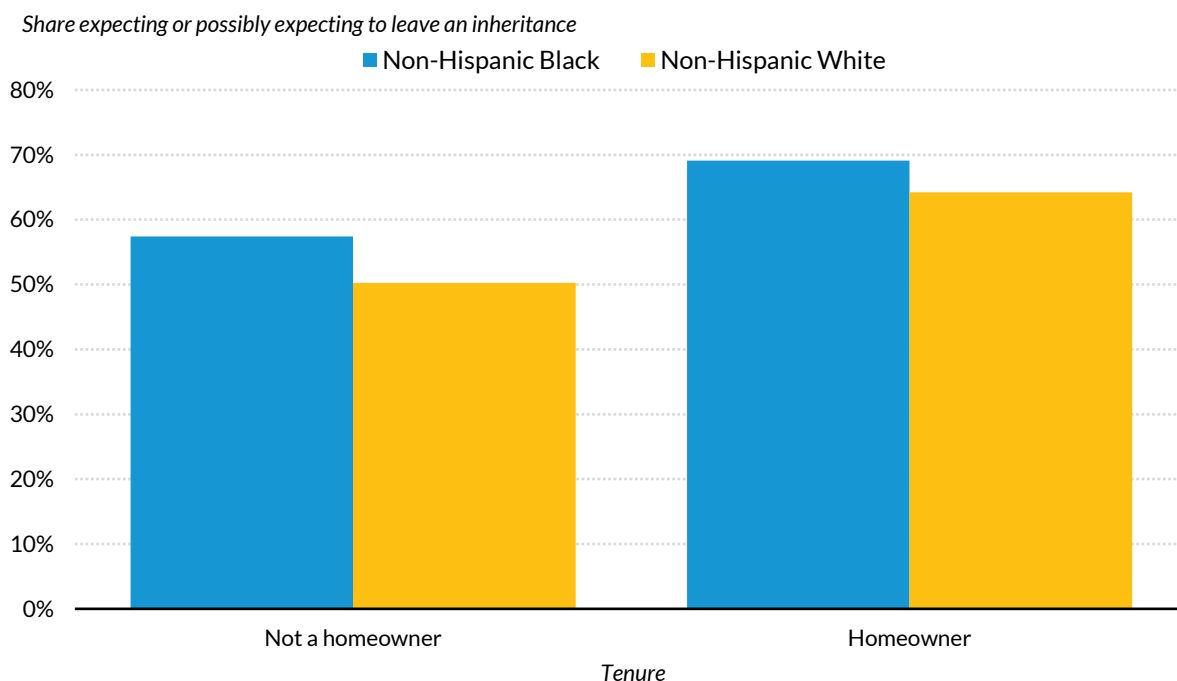
<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

Homeownership is often the largest asset on the balance sheet of the household sector and one that many families hope to leave to their subsequent generations. Black households, regardless of tenure status, are more likely to expect or possibly expect to leave an inheritance (figure 4). But Black families are less likely to be homeowners than White households. This indicates that Black families’ plans to leave a sizeable estate reflects their lower homeownership rates rather than their intent to leave or possibly leave a sizeable estate.

So far, this report has assessed the rubric that “wealth begets wealth.” Trends among key indicators of net worth, income and homeownership all suggest that Black families intend to leave a sizeable estate. But Black families are less likely to be homeowners, have less income, and lower net worth.

FIGURE 4

Share Expecting or Possibly Expecting to Leave a Sizable Estate, by Race/Ethnicity and Tenure Status



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Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

However, the intention of leaving a sizeable estate is lower among older families than younger ones. Among Black families where the reference person for the survey is under the age of 55, 75.1 percent of them expect to or possibly expect to leave a sizeable estate (table 5). However, the proportion of Black families where the respondent is 55 or older and intending to or possibly intending to leave a sizeable estate, drops significantly to 42.9 percent, a 32.2 percentage point gap.²⁰

TABLE 5

Intention to Leave Inheritance, by Age and Race

	Black households		White households	
	Under 55	55+	Under 55	55+
Expecting or possibly expecting to leave inheritance	75.1%	42.9%	65.3%	53.6%

Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

While a smaller share of older White families also plans or possibly plan to leave a sizeable estate, that decline is much smaller. And still more than half of senior White families, 53.6 percent, plan to or possibly plan to leave a sizeable estate.

TABLE 6

Receipt of and Expectation to Leave an Inheritance, by Age and Race

	Black Households		White Households	
	Under 55	55+	Under 55	55+
Received an inheritance	7.2%	15.5%	18.6%	40.7%
Expecting or possibly expecting to leave inheritance	75.1%	42.9%	65.3%	53.6%

Source: Urban Institute Analysis of 2019 Survey of Consumer Finances.

<https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Debt;demographic:racecl4;population:all;units:have>.

Since seniors are typically closer to end-of-life, the expectations among this group should more accurately reflect the actual transmission of a sizeable estate across generations. Similarly, the overall share of families who have received an intergenerational wealth transfer, including an inheritance, may be low because older generations are still living. Taken together, the share of senior families expecting to leave a sizeable estate and the share receiving any intergenerational wealth transfer may better reflect the wealth transmission across generations.

Table 6 illustrates that the gap between the share of senior White families receiving an inheritance and the share expecting or possibly expecting to leave a sizeable estate is 12.9 percentage points. While the share expecting to leave a sizeable estate is 11.7 percentage points lower among senior White families relative to younger White families, the share receiving an inheritance is 22.1 percentage points greater, than that of younger White families.

These trends occur among Black families as well. But the decline in the share of Black senior families expecting or possibly expecting to leave a sizeable estate relative to younger Black families is nearly three times that of White families, 32.2 percent and 11.7 percent respectively. In addition, the increase in the share of Black senior families receiving an inheritance relative to younger Black families is approximately one-third the increase among White families, 8.3 percent and 22.1 percent, respectively. Despite a larger decline in the share of Black senior families expecting or possibly expecting to leave a sizeable estate, the modest increase in share of Black senior families receiving an inheritance results in a larger mismatch between receipt of an inheritance and expectations of leaving a sizeable estate than among White senior families.

Potential Barriers to Wealth Transfers

Black families are similarly as likely as White families to expect to leave a sizeable estate, but the proportion of Black families receiving an inheritance is less than that of White families. Several factors may inform the larger mismatch between Black families' intentions and their actions. First, over the course of their lives, Black families may not adequately plan to leave a sizeable estate. This may be due to occurrences, like recessions, that are outside of their control. Second, even if a family plans appropriately, frictions in the transfer process may hinder an inheritance.

The intent to leave a sizeable estate is higher among Black families across key wealth indicators, but Black families are less likely to have the larger amounts of wealth and income or to have achieved homeownership relative to White families. In addition, the share of Black families expecting to leave a sizeable estate declines significantly among older Black families.

These wealth inequities partly reflect choices made by Black families relative to White families. But they are also rooted in institutional racism that limited Black families' access to wealth and the valuations of their wealth holdings. Institutional racism refers to the ways in which the structures, systems, policies, and procedures of institutions in the US are founded upon and then promote, reproduce, and perpetuate advantages for White people and the oppression of BIPOC communities and people.²¹ Policies and organizational procedures are both mechanisms of and key tools for combating racism within a given institution.

They may also erode expectations as a Black person ages. If Black senior families had greater wealth, they would be even more likely to plan to leave a sizeable estate. For example, the Black senior homeownership rate is 59 percent according to the 2019 Survey of Consumer Finances. Although this is greater than the 36 percent homeownership rate for Black families younger than 55, it is significantly below the 84 percent rate among White senior households.

The significant decline in plans to leave a sizeable estate with age motivates an opportunity to address the systems that support the broader Black-White wealth gap. Eliminating these barriers should close this racial wealth divide and potentially increase the share of Black families that leave an inheritance.

The mismatch between the proportion of families expecting to leave a sizeable estate and the share receiving an inheritance raises the importance of ensuring deed and title rights that better protect the transfer of assets across generations. For example, heirs' property is a form of property ownership by which one's descendants inherit an interest of a property.²²

In addition, Black people are less likely to have legally binding wills or trusts that preserve deed and title rights for the next generation. As of 2023, 29 percent of Black Americans had a will compared to 39 percent of Whites.²³ A will also facilitates the intergenerational transfer of property and wealth.

Without a will, it is often required that one's assets go through a probate process, which can be costly— between 3 and 8 percent of the value of the estate—²⁴and time consuming, and may not end up fully honoring the deceased's wishes. One barrier to estate planning may be the upfront cost of a lawyer. State and local funding or assistance for estate planning, particularly geared towards low-income communities, can help more people feel empowered to have a legally binding will.

Areas for Future Research

Black families were one-third less likely to receive an intergenerational wealth transfer than White families. However, the expectations of Black families to leave a sizeable estate, a proxy for an inheritance, is on par with White families. More evidence to understand which factors contribute to this mismatch, and data on how much families expect to leave in a sizeable estate as well as similar analysis using longitudinal data, can help policymakers zero in on the best corrective actions.

The significant decline in plans to leave a sizeable estate with age motivates an opportunity for greater financial coaching and planning. Although financial education may not help to address this trend (Darity Jr et al. 2018), enhanced financial coaching could help. Coaches commonly work with individuals and couples to address their personal situations and help them work toward their goals. On the other hand, financial educators provide education that meets the needs of a group.²⁵ Access to a financial coach may help all families, but Black families may especially benefit as they seek to leave a sizeable estate to subsequent generations.

While we were able to examine the relationship between receipt of inheritance and intent to leave an inheritance, we were not able to examine the relationship between receipt of inheritance and actually leaving an inheritance, nor could we fully understand the relationship between intent or expectation to leave an inheritance and actually leaving one. Future research should explore these relationships and potentially employ panel data or smaller surveys to further investigate this mismatch and quantify these relationships.

Additionally, our research focuses on the incidence of inheritance as opposed to amount. More research should be done to investigate changes in the amount of wealth as well, as opposed to only

incidence. Focusing on changes in the amount of wealth can help policymakers determine the best and most effective amounts and thresholds for programs like baby bonds, for example.

Conclusion

The Black-White wealth divide is significant and enduring and rooted in structural racism. Research illustrates that the racial disparity in inheritances is a key contributor to broader racial wealth inequality. However, Black and White families appear similarly likely to expect or possibly expect to leave a sizeable estate. This similarity between Black and White families remains even for the strongest intentions of leaving a sizeable estate and among many measures of financial resources.

Financial coaching may help Black families plan for leaving an inheritance. In addition, addressing frictions in the transmission of wealth across generations may be of greater importance. This will require addressing the barriers that undermine the transfer of assets such as heirs' property and wills. Future research that more deeply explores these issues and their potential contribution to disparities in intergenerational wealth transfers is warranted. Such research can more precisely quantify the problem and better target the solution.

Notes

- ¹ Emily Moss, Kriston McIntosh, Wendy Edelberg and Kristen Broady, "The Black-white Wealth Gap Left Black Households More Vulnerable, December 8, 2020, <https://www.brookings.edu/blog/up-front/2020/12/08/the-black-white-wealth-gap-left-black-households-more-vulnerable/>.
- ² Jon Huntly and Victoria Osorio, "Budget Model: Inheritances by race," Penn Wharton, University of Pennsylvania, December 17, 2021, <https://static1.squarespace.com/static/55693d60e4b06d83cf793431/t/61bc9cd889e9d349c8d4965d/1639750872982/Inheritances+by+race.pdf>.
- ³ And empirical evidence in other fields also suggest the accuracy of expectations for behavior (see Warshaw and Davis 2012).
- ⁴ "Median Total Net Worth for Households, by Race/Ethnicity," Black Wealth Data Center, accessed September 10, 2023, <https://blackwealthdata.org/explore/assets>.
- ⁵ "Survey of Consumer Finances (SCF) data table, Board of Governors of the Federal Reserve System, accessed September 4, 2023, https://www.federalreserve.gov/econres/scf/dataviz/scf/chart/#series:Net_Worth;demographic:racecl4;population:1,2,3,4;units:median.
- ⁶ Yun Li, "Black families' net worth has grown more than other racial groups since COVID, but wealth gaps remain," CNBC. February 23, 2023, <https://www.cnbc.com/2023/02/23/black-families-net-worth-has-grown-since-covid-but-wealth-gap-remains-wide.html>.
- ⁷ Survey of Consumer Finances data table.
- ⁸ Yun Li, "Black Families' Net Worth Has Grown More than Other Racial Groups since Covid, but Wealth Gap Remains Wide."
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- ¹⁹ Muth argues that individuals are rational and use all available information to make unbiased, informed predictions about the future. This means that individuals do not make systematic errors in their predictions and that their predictions are not biased by past errors.
- ²⁰ Remy Samuels, “Retirement Racial Wealth Gap Disproportionately Impacts Black, Hispanic Americans.” PLANSPONSOR. June 7, 2023, <https://www.plansponsor.com/retirement-racial-wealth-gap-disproportionately-impacts-black-hispanic-americans/>. Note that White heads of household in their 50s’ median real wealth fell to roughly \$172,000 in 2019, from \$260,000 in 2000. In contrast, median real wealth for families with Black heads of household dropped even more significantly—to about \$24,000 from \$72,000 over the same time period.
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About the Authors

Michael Neal is a principal research associate in the Housing Finance Policy Center at the Urban Institute. Previously, he worked at Fannie Mae, where he was a director of economics in the Economic and Strategic Research Group. Before his service at Fannie Mae, Neal was assistant vice president at the National Association of Home Builders' Economic and Housing Policy department. As a housing economist, Neal has an in-depth knowledge of housing market trends and has provided expert analysis and commentary on housing to media outlets around the country. Previously, he worked at Congress's Joint Economic Committee, the Federal Reserve System, the Congressional Budget Office, and Goldman Sachs. Neal has a bachelor's degree in economics from Morehouse College and a master's degree in public administration from the University of Pennsylvania. Neal is a member of the Homeownership Working Group for Project REACH, serves on the advisory board for the Ashoka-Brookings Challenge, and works as an independent consultant for AlphaSights.

Amalie Zinn is a research assistant in the Housing Finance Policy Center. Before joining Urban, she interned for the Consumer Financial Protection Bureau, where she researched racial differences in mortgage denial rates across the United States. Zinn was also a research assistant for the Center for Healthy Minds' Mindful Policing project—a research initiative that investigated the effects of mindfulness on police officer stress levels—during which she spearheaded a cost-benefit analysis of the mindfulness training program. Zinn graduated Phi Beta Kappa from the University of Wisconsin-Madison with a BA in economics and French and a minor in public policy.

Marokey Sawo is a research associate in the Office of Race and Equity Research. Her research centers on questions of income and wealth distribution as they relate to gender, race, and economic policy. Before joining Urban, Sawo was an economic analyst at the Economic Policy Institute, where she conducted research at the national and state levels on the economic consequences of racism and misogyny. As a member of the Economic Analysis and Research Network (EARN) team at the Economic Policy Institute, she contributed to advancing progressive policies by producing research on systemic inequities and providing technical assistance to the state-focused organizations within EARN. Sawo was also previously a researcher at the Groundwork Collaborative, where she focused on the economics of anti-austerity at the federal level, varying unemployment insurance issues, and broader labor market conditions. Sawo holds a BA in economics from Vassar College and an MSc in economic theory and policy from the Levy Economics Institute of Bard College.

Linna Zhu is a senior research associate in the Housing Finance Policy Center. She conducts data-driven quantitative research on policy issues related to US mortgage finance, housing supply, and racial inequality. Zhu has published research articles on such topics as the Community Reinvestment Act, automated valuation models, artificial intelligence risk management, Asian American and Pacific Islander mortgage denial rates, small-dollar loans, housing supply, local planning responses, aging in place, and household finances among older Americans. Her research has been published in leading academic and policy journals, such as *Regional Science and Urban Economics* and *Cityscape*. She serves on the advisory board of the Design Thinking Executive Program at the University of California, Riverside, Extension. Zhu holds a BA in economics from Renmin University of China, an MS in finance from Johns Hopkins University, and a PhD in public policy and management from the University of Southern California.

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