



# Identifying Solutions to Address Wealth Inequities: A Conversation with Government, Business, and Nonprofit Leaders

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# Agenda

- Welcome and Research Overview
  - Madeline Brown, Urban Institute
  - Mingli Zhong, Urban Institute
- Fireside Chat
  - Kilolo Kijakazi, Social Security Administration
  - Myra Jones-Taylor, Urban Institute (moderator)
- Panel Discussion
  - Shena Ashley, Capital One Foundation
  - Janis Bowdler, US Department of the Treasury
  - Alex Camardelle, Atlanta Wealth Building Initiative
  - Signe-Mary McKernan, Urban Institute (moderator)

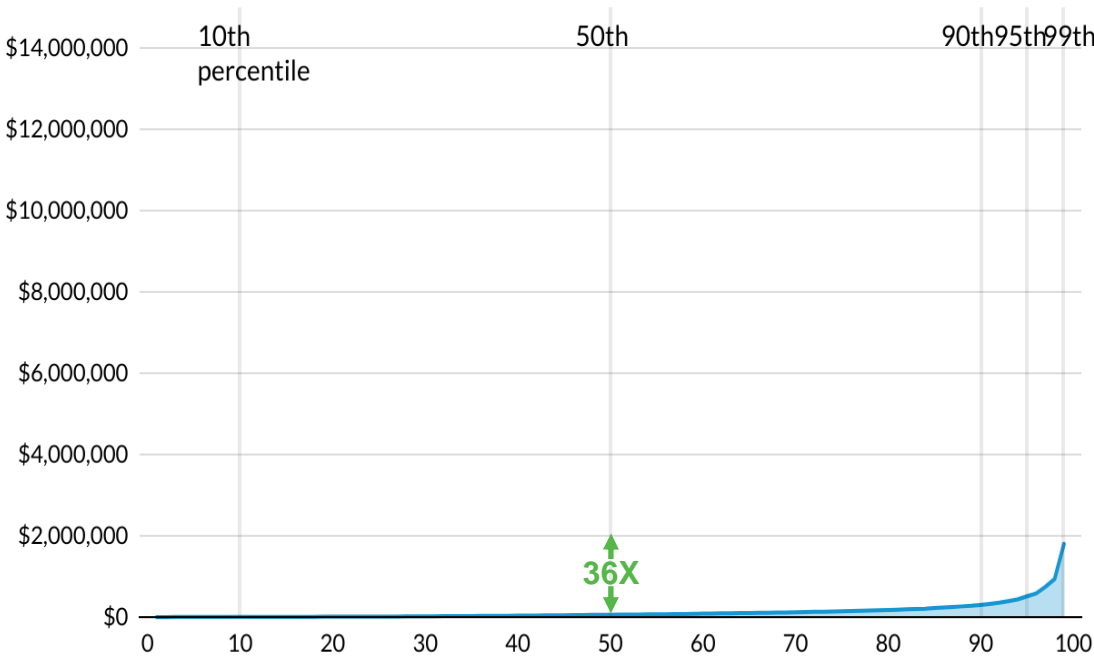


# Nine Charts about Wealth Inequality in America

# Trends in Wealth Inequality

# 1. Wealth is increasing but so is inequality.

Distribution of Family Wealth, 1963

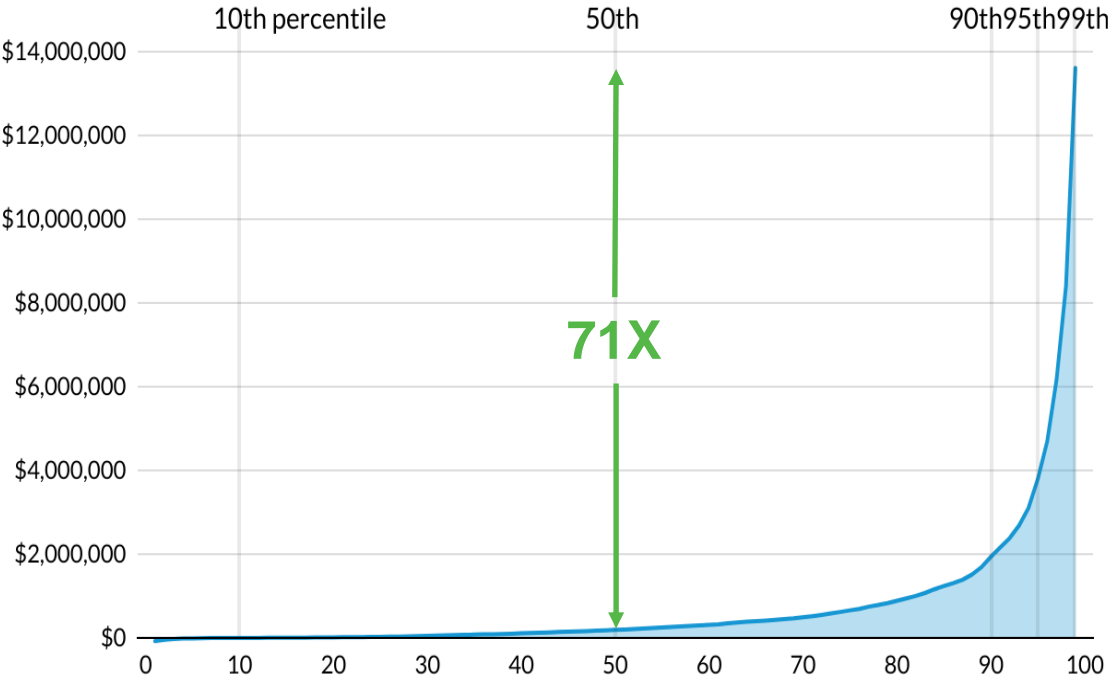


Source: Urban Institute calculations from the Survey of Financial Characteristics of Consumers 1962, the Survey of Changes in Family Finances 1963, and the Survey of Consumer Finances 1983–2022.

Notes: 2022 dollars. We used inflation adjustment factors from *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*. No comparable data are available between 1963 and 1983.

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Distribution of Family Wealth, 2022



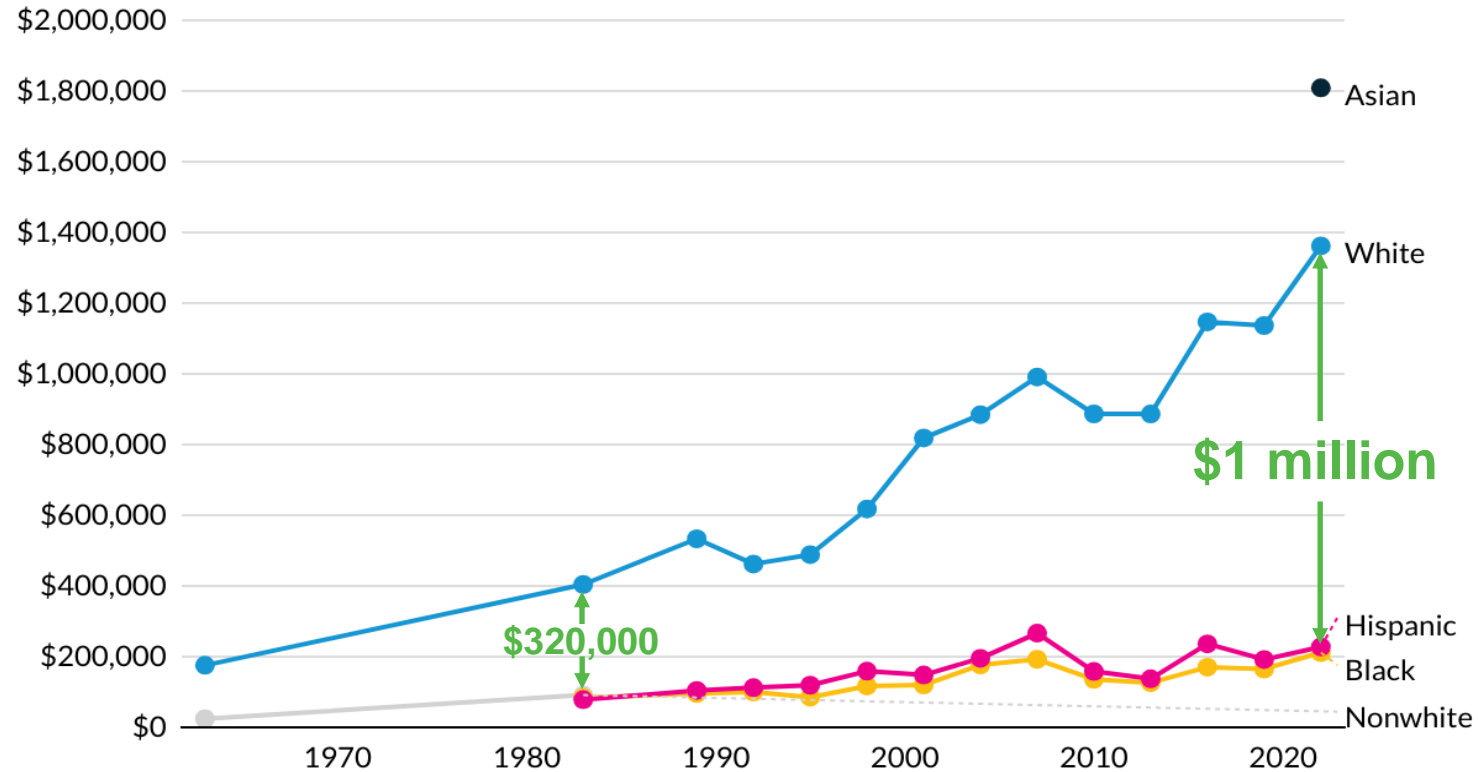
Source: Urban Institute calculations from the Survey of Financial Characteristics of Consumers 1962, the Survey of Changes in Family Finances 1963, and the Survey of Consumer Finances 1983–2022.

Notes: 2022 dollars. We used inflation adjustment factors from *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*. No comparable data are available between 1963 and 1983.

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## 2. Wealth gaps by race and ethnicity are large.

Average Family Wealth, by Race and Ethnicity, 1963–2022

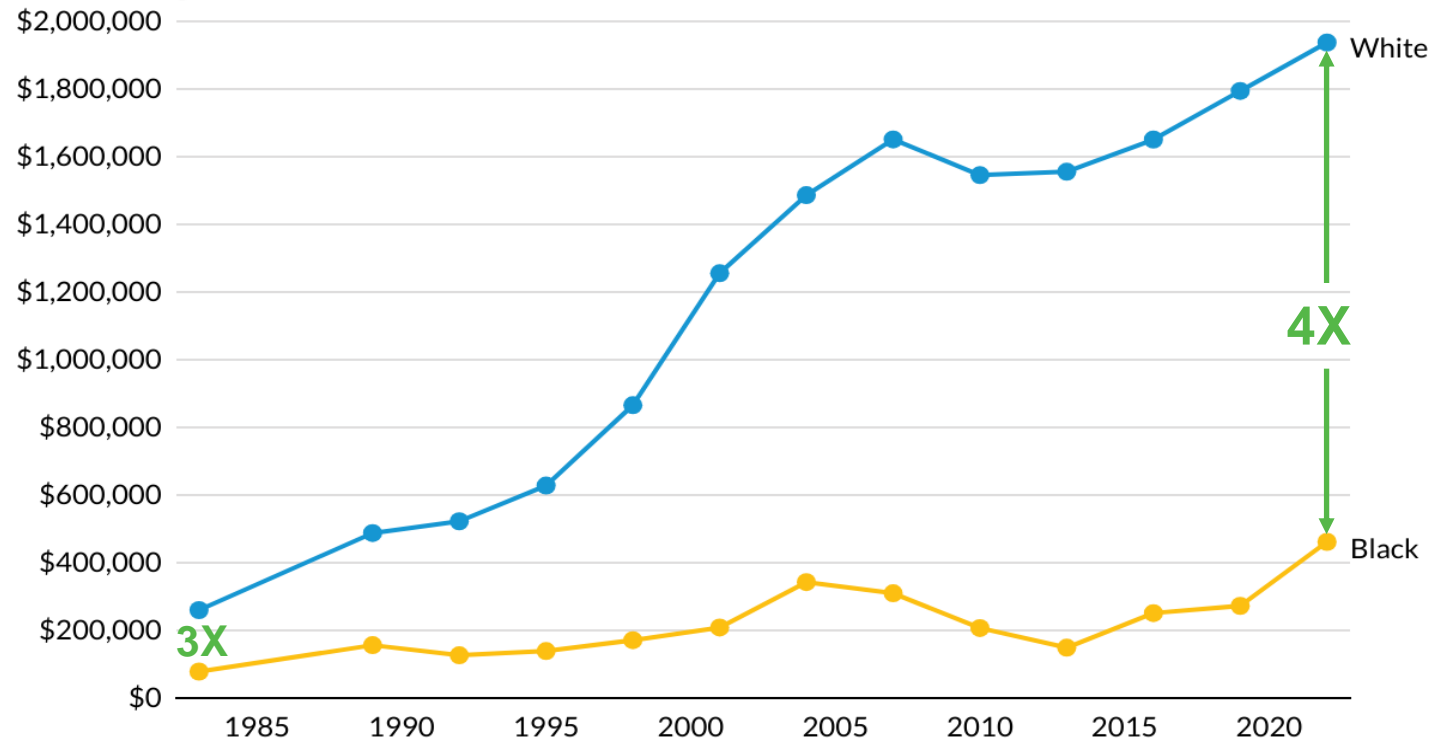


**Source:** Urban Institute calculations from the Survey of Financial Characteristics of Consumers 1962, the Survey of Changes in Family Finances 1963, and the Survey of Consumer Finances 1983–2022.

**Notes:** 2022 dollars. Until 1983, the surveys categorized all people of color as “nonwhite.” The Survey of Consumer Finances began disaggregating data for Black and Hispanic families starting in 1983 and for Asian families starting in 2022. We used inflation adjustment factors from *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*. No comparable data are available between 1963 and 1983.

### 3. The wealth gap widens with age.

Average Family Wealth among People Born between 1943 and 1951, by Race, 1983–2022



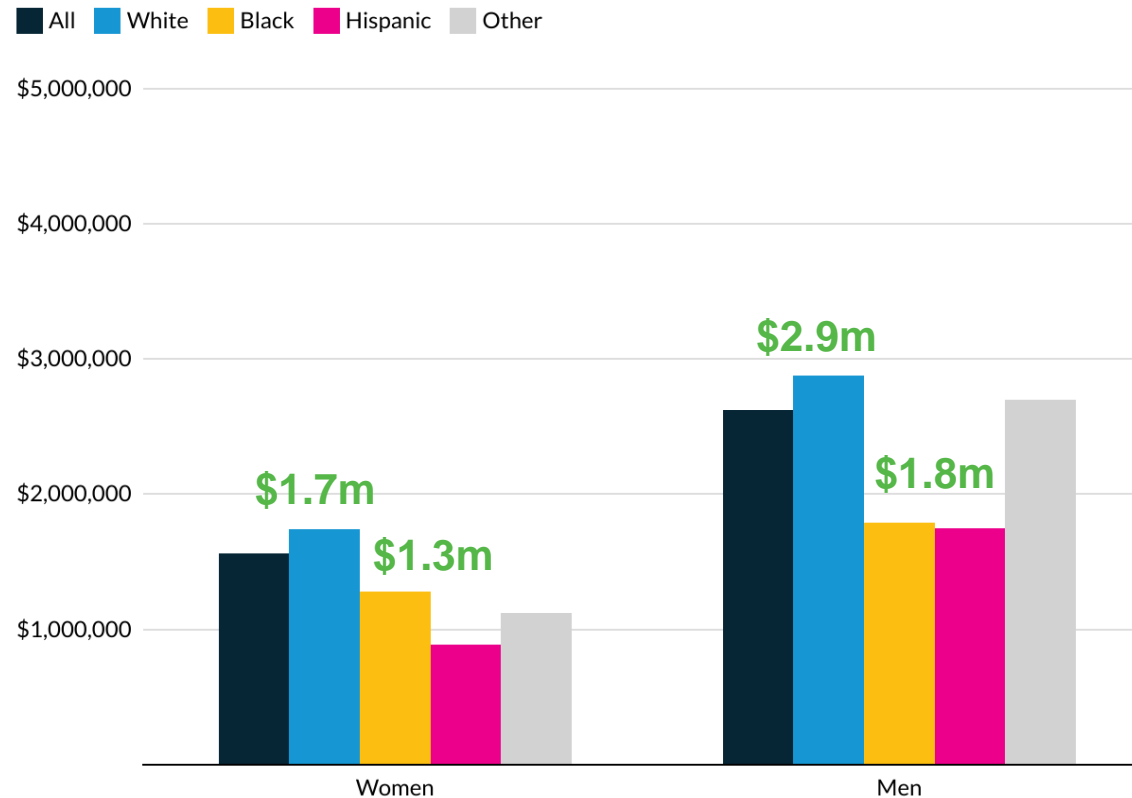
Source: Urban Institute calculations from the Survey of Consumer Finances 1983–2022.

Notes: 2022 dollars. The Hispanic sample size is too small to show. Age is the head of household’s age. In 2022, these people were ages 71 to 79, and in 1983, they were ages 32 to 40. We used inflation adjustment factors from *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*.

# Drivers of Wealth Inequality

# 4. Differences in lifetime earnings widen wealth gaps.

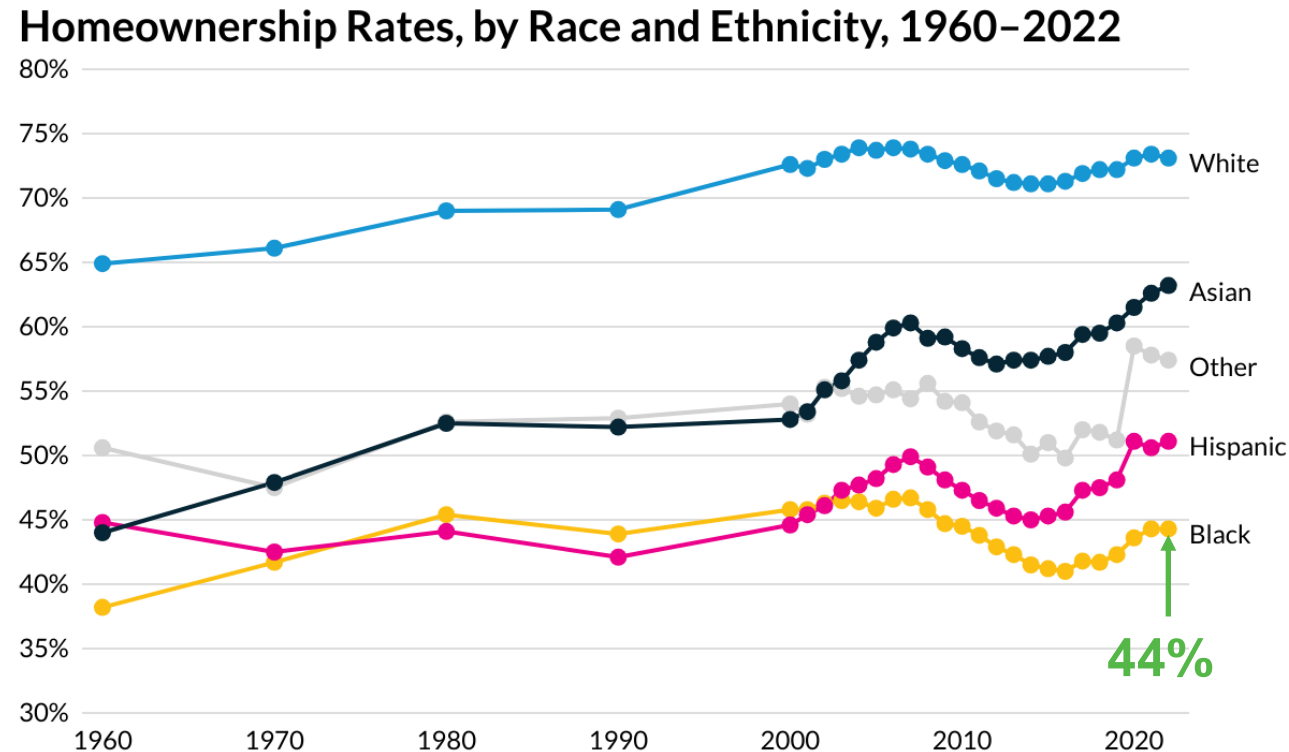
Average Lifetime Earnings among All People Born from 1960 to 1964, by Race or Ethnicity and Gender, in 2022



Source: DYNASIM4 Run 1004.

**Notes:** 2022 dollars. This figure reflects people born from 1960 to 1964 living in the US in 2022. It excludes people living outside the US for more than 10 years and undocumented immigrants. Lifetime earnings are calculated between age 18 and 2022 and are inflation adjusted to 2022 dollars. This chart uses the terms men and women to describe gender, though the majority of the source data for DYNASIM were collected using male/female labeling. The authors are using terms associated with gender because gender, as a social construct, is what shapes a person's experiences in society. "Bachelor's degree" includes people who completed at least four years of college. "No bachelor's degree" includes people who completed three years of college or less education. "Other" includes respondents who identified as non-Hispanic and another race or two or more races.

# 5. Exclusionary homeownership policies have benefited white households at the expense of households of color, particularly Black households.

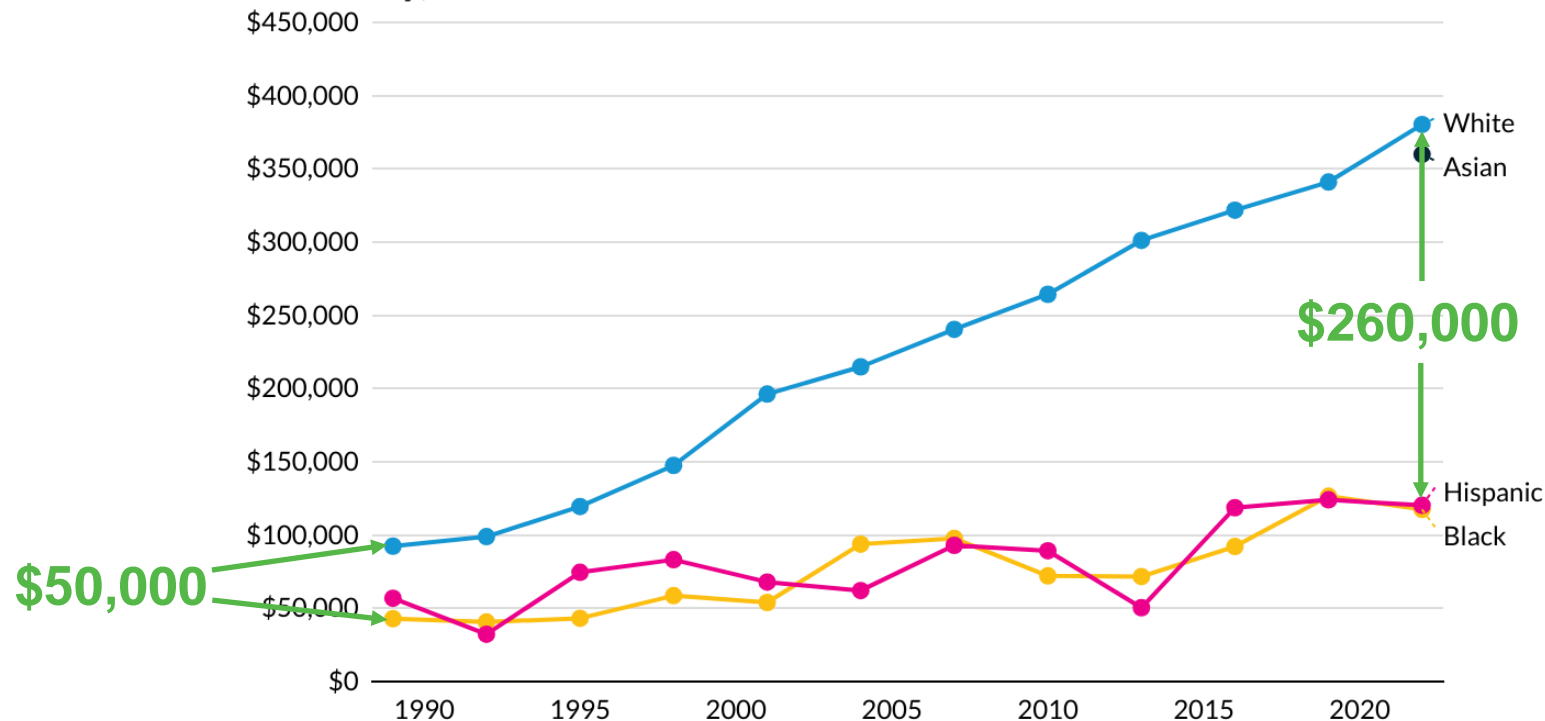


Source: Decennial census and the American Community Survey.

Notes: Data for 2020 should be interpreted with caution; because of restrictions imposed during the COVID-19 pandemic, survey results for that year may not have the same level of quality as those from other years. "Other" includes respondents who identified as non-Hispanic and another race or two or more races.

# 6. Because of differential access and earnings, Black and Hispanic families have less retirement savings than white families.

Average Family Liquid Retirement Savings (If Positive), by Race and Ethnicity, 1989–2022

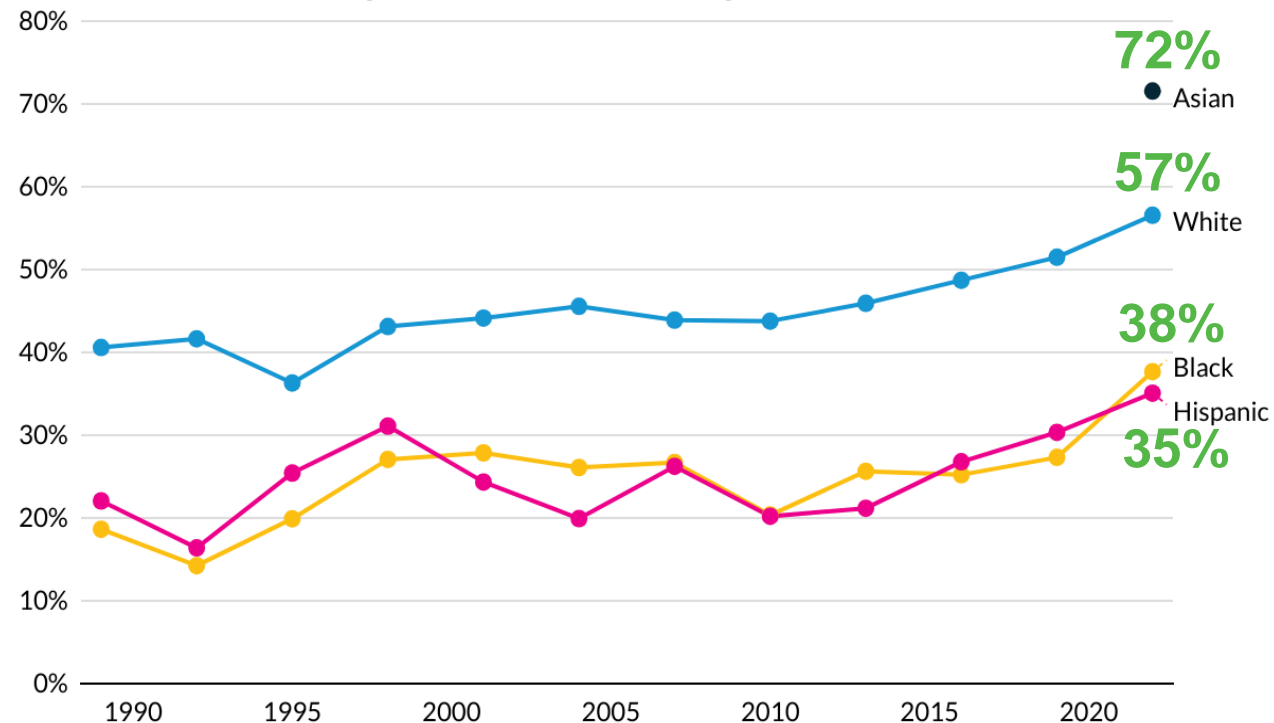


Source: Urban Institute calculations from the Survey of Consumer Finances 1989–2022.

Notes: 2022 dollars. Liquid retirement savings include money in accounts such as 401(k)s, 403(b)s, and IRAs. We estimate averages and medians for families only if their liquid retirement savings are positive. “Other” includes non-Hispanic respondents who identified as another race or two or more races. We used inflation adjustment factors from *Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances*.

# 7. Black and Hispanic families are less likely than white families to have emergency savings.

Share of Households with Emergency Savings Equal to at Least One Month's Income, by Race and Ethnicity, 1989–2022

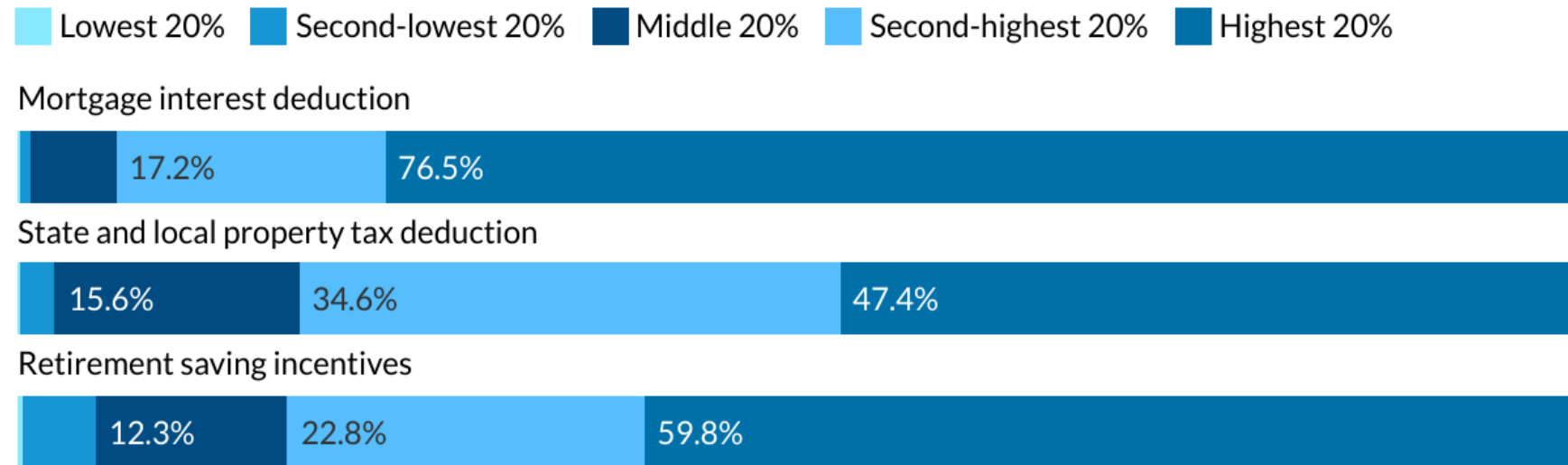


Source: Urban Institute calculations from the Survey of Consumer Finances 1989–2022.

Notes: Emergency savings is liquid assets including money market accounts, checking accounts, savings accounts, call accounts, and prepaid cards. Income includes wage income, Supplemental Security Income, disability payments, alimony, insurance reimbursements, tax refunds, disbursements from scholarships and loans, government payments, settlements of legal claims, real estate, and lottery winnings. We follow the literature in using one month of income as the threshold (CFPB 2022, Farrell et al. 2019, and Sabat and Gallagher 2020).

# 8. Federal tax policies fail to help families with low incomes build wealth.

## Share of All Asset-Building Tax Subsidies Families Received in the 2022 Calendar Year, by Income Quintile

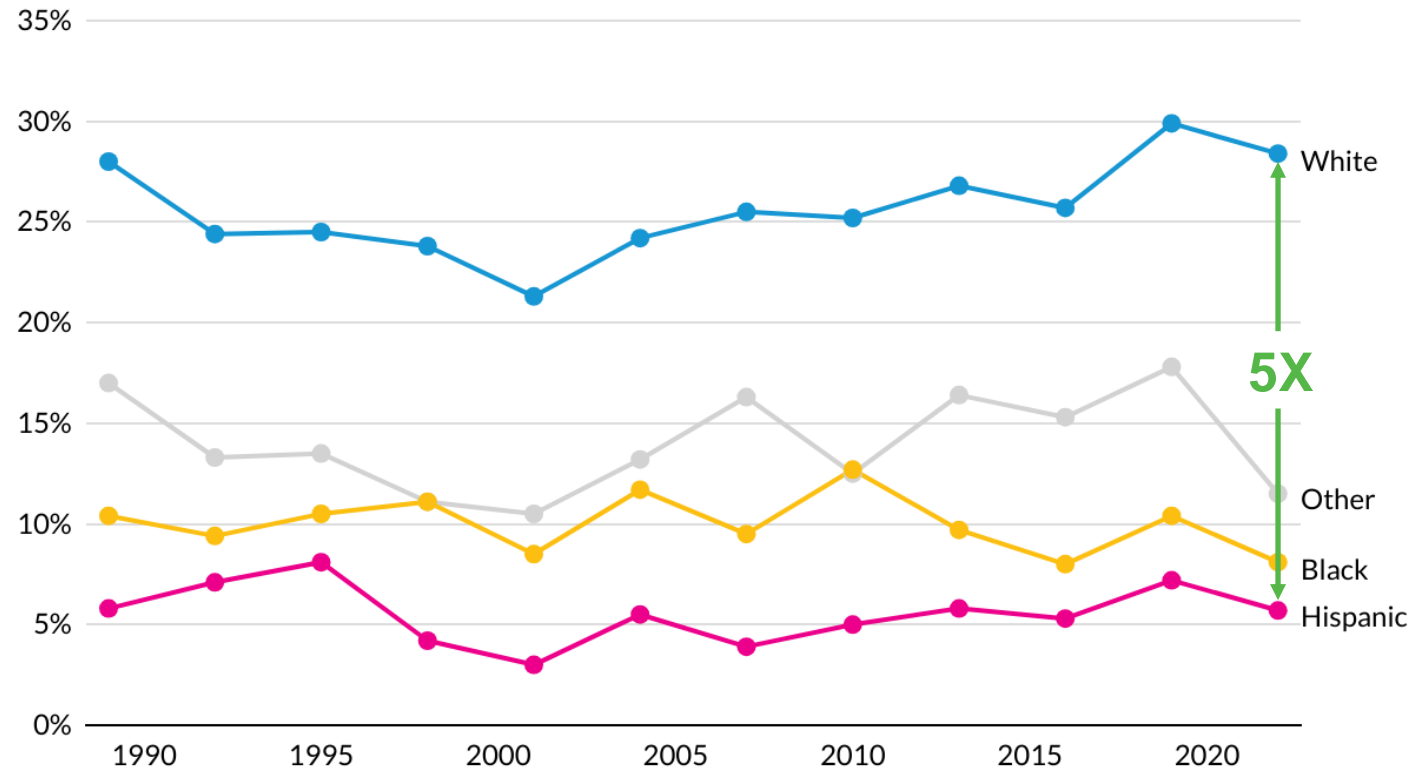


**Source:** Updated estimates are from Steuerle and colleagues (2014). Shares of benefits by income quintile are from Tax Policy Center tables T22-0214, T22-0218, and T22-0264, and total dollar values are calculated from Treasury FY 2024 Tax Expenditures.

**Notes:** 2022 dollars. B = billion. “Income” refers to the Tax Policy Center’s “expanded cash income” measure, which is described in Rosenberg (2013). Tax expenditure for retirement saving incentives calculated using a present value approach.

# 9. White families are more likely to receive an inheritance than families of color.

Share of Households That Received an Inheritance, by Race and Ethnicity, 1989–2022



Source: Survey of Consumer Finances 1989–2022.

Notes: Share that received an inheritance includes families who indicated having ever received an inheritance or having been given substantial assets in a trust or some other form. “Other” includes non-Hispanic residents who did not identify as white or Black.

# Promising federal policies to narrow racial wealth gaps

- Establish universal [early-life wealth-building accounts](#) scaled to parents' wealth.
- Develop [universal sponsored retirement savings accounts](#).
- [Reform safety net program asset tests](#).
- [Limit the mortgage interest tax deduction](#), and use the revenues to provide a credit for first-time homebuyers.
- Institute [national reparations policies](#).



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