

Why Black Millennials Can't Seem to Get Ahead

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You could call them Millenials, Generation Y or simply Millenial Generation. These are terms referring to people born between the early years of 1980s and 2000s. Compared to their white counterparts, colored millenials are at a disadvantage as far as wealth creation is concerned.

Mel Jones, writing in the *Washington Monthly*, explains the reasons behind the wealth gap prevalent in young black Americans notwithstanding the fact that they are more educated than their fellow white peers. Jones also says that black Americans have more work opportunities than whites. One would therefore be at pains to understand why millenials of color do not become wealthy.

Jones attributes the widening gap to the direction of money flow. White millennials depend on their parents to provide them with financial help. This is the kind of assistance that helps these Americans, who are now in their mid thirties and early forties, to own assets.

Aside from not owning assets, black Americans give financial help to their parents and other family members. According to Tom Shapiro, a sociologist, black and brown millennials do not own a lot of transformative assets. Home ownership is one of the best examples of transformative assets.

Jones notes that there are no signs of changes in this scenario. Blacks and Hispanics do not expect to receive much support financially from their parents. However, their parents look forward to receiving support from their children. White parents hardly expect such help which is the exact opposite. According to studies conducted in the past, most colored people cannot save money as adults. Their income goes towards supporting their family members.

Even after the death of a family member, the disparity does not change. In reference to an observation made by the Institute on Assets and Social Policy, Jones writes that white Americans have a higher likelihood of acquiring an inheritance as compared to black Americans. The institute equates the likelihood to be at 36 percent for whites and seven percent for blacks.

At the same time, even in instances where both white and black millennials receive an inheritance, the one belonging to a black individual is ten times less that of a white American. To make the matters worse, black millennials have a high likelihood of going into debt once a member of their family passes on. Funeral costs force some families to seek for ways of raising funds to give the departed family member a decent burial. (read more)