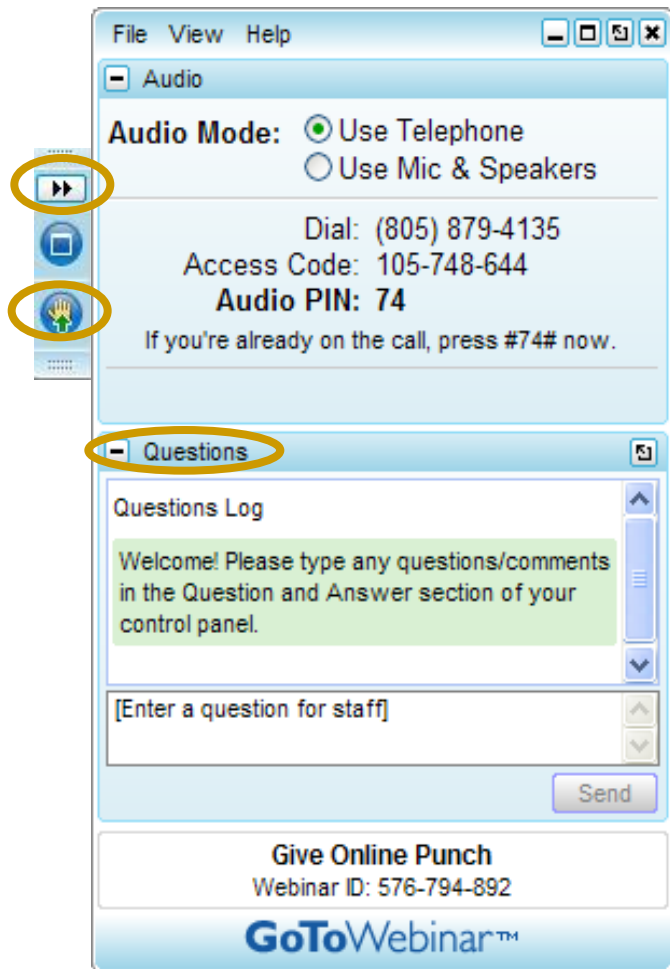




# **“The Widening Racial Wealth Gap & The Future of Our Economy”**

*Thanks for joining! We'll be starting shortly.*

# Your Control Panel



## Raise Your Hand

To ask a question or make a comment, click the “Raise Hand” button in your Control Panel. We will call on you.

## Questions Pane

Send us questions using the questions pane. Look here also for answers to some questions.

## Minimize

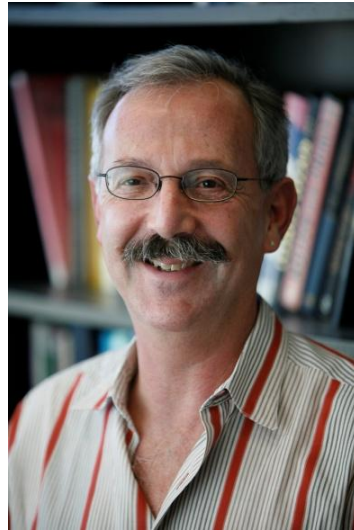
To get the control panel out of your way, click on the minimize button. Click on it again to restore the controls.

# Your Speakers & Topics



Meizhu Lui, Director,  
Closing the Racial  
Wealth Gap Initiative

**What is the Racial  
Wealth Gap?**



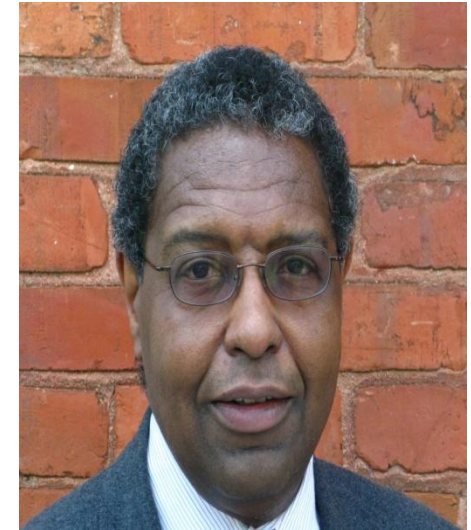
Tom Shapiro,  
Director, IASP

**New Report –  
Racial Wealth Gap  
up 4X**



Jose Garcia,  
Associate Director,  
Research & Policy,  
Demos

**People of Color  
and Debt**



William Darity,  
Professor, Duke  
University

**African Americans  
and the Racial  
Wealth Gap**

# Meizhu Lui

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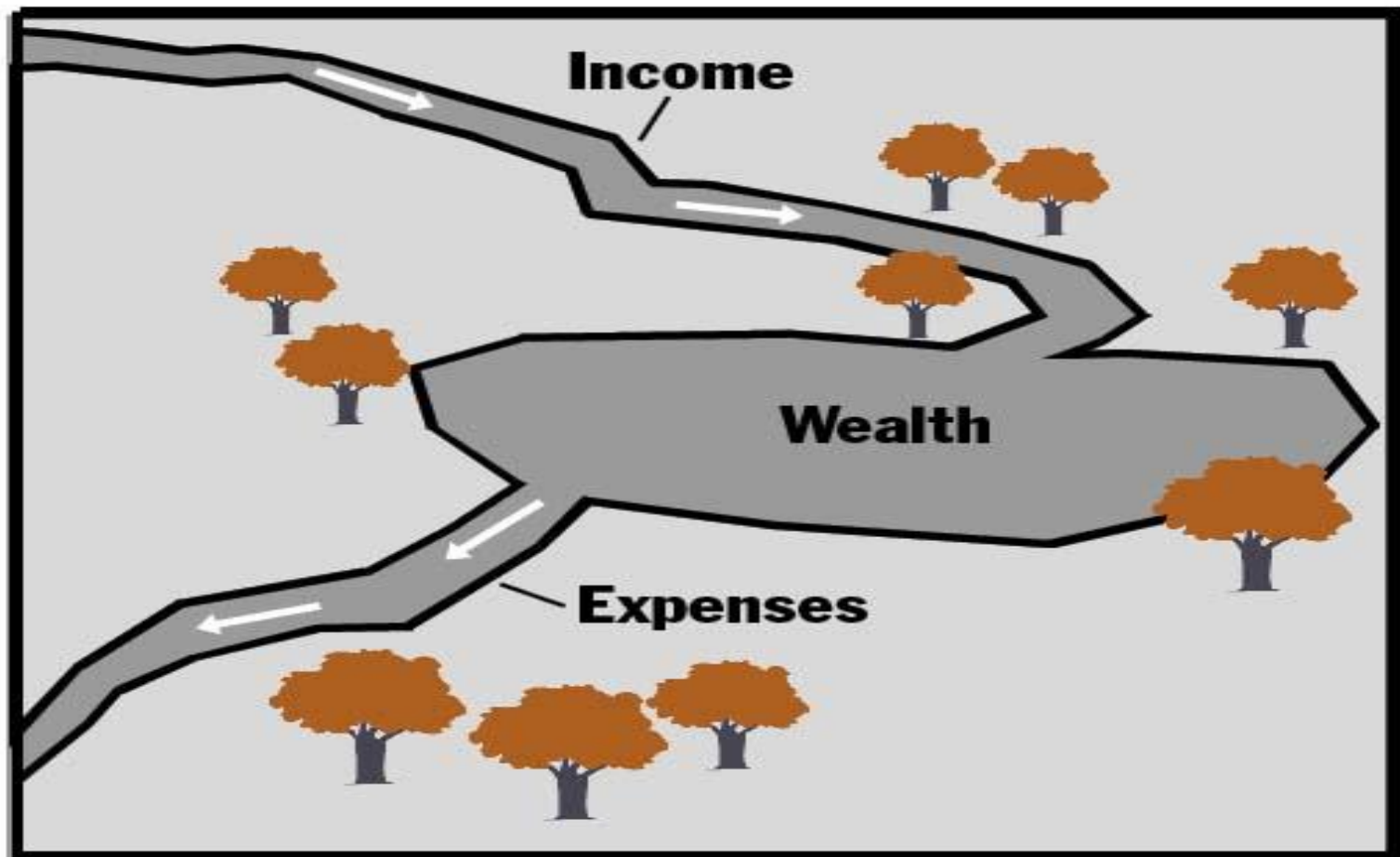
Meizhu is the Director of the Closing the Racial Wealth Gap Initiative, a national effort to close the gap in wealth between people of color and Whites, at the Insight Center for Community Economic Development.

Meizhu describes herself as a “professional troublemaker!” She was a food service worker for 15 years and a rank and file union activist in AFSCME, becoming the first Asian to be elected President of a local union in Massachusetts. Previously, she was the Executive Director of United for a Fair Economy, which helped launch a public conversation about growing economic inequality and the racial wealth gap.

# What's the Difference Between Income & Wealth

Think of a running stream that flows through a lake.

- *Income* is the money that flows into the lake.
- *Expenses* is the money that flows out.
- If there's anything left over, that's your *Assets*.



# The median family of color owns **16 cents** for every white family's dollar

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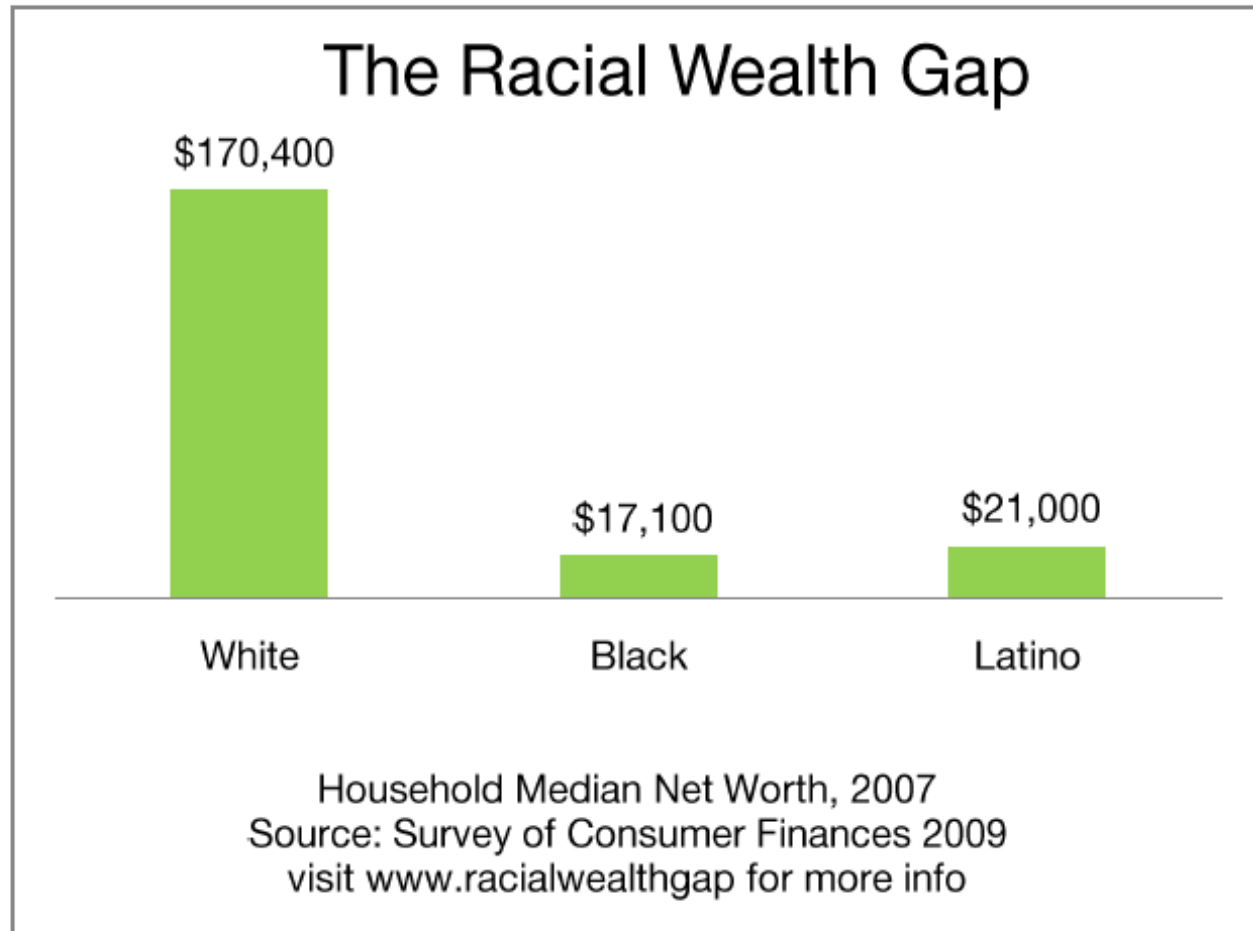
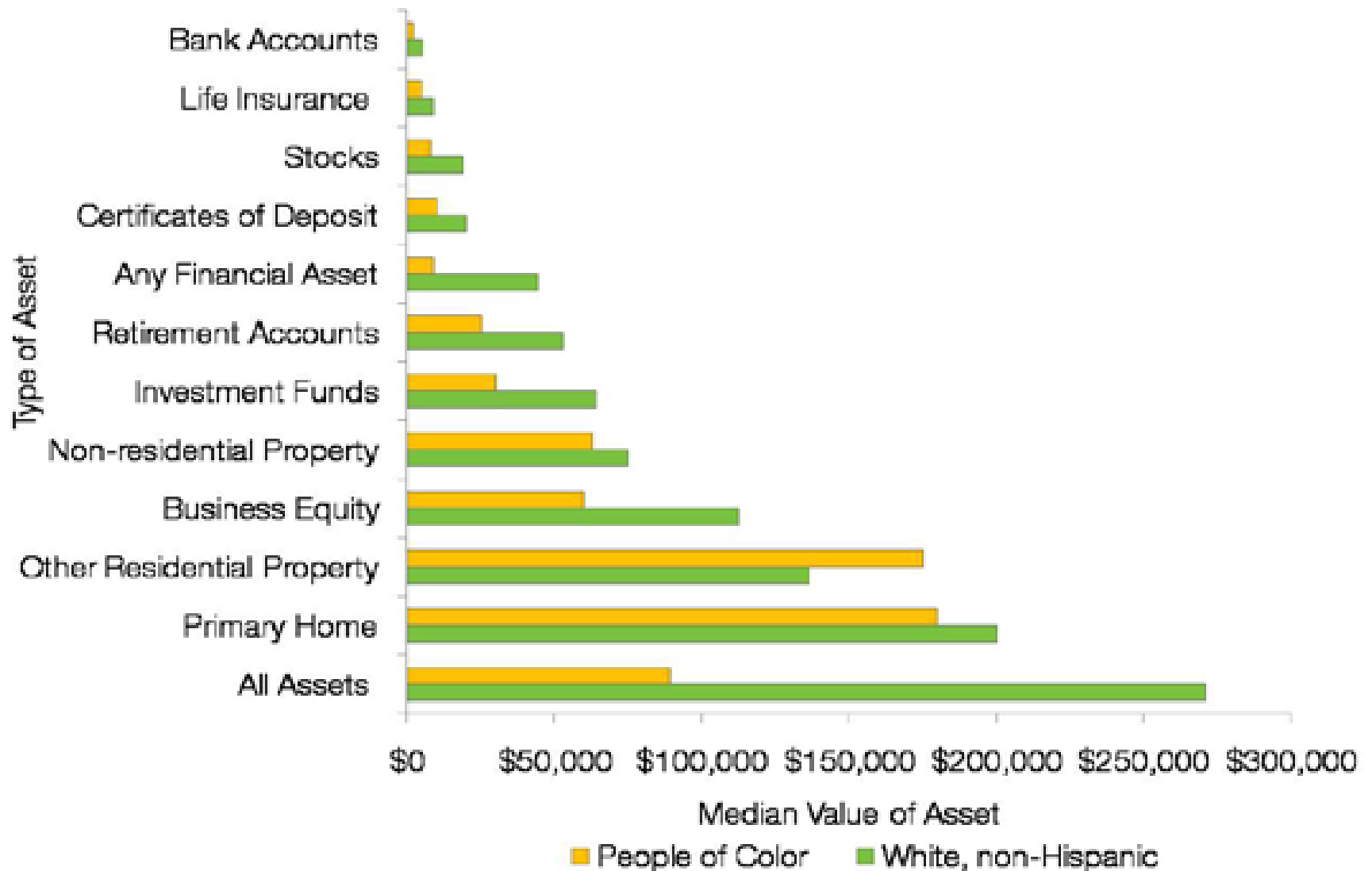


Figure 8

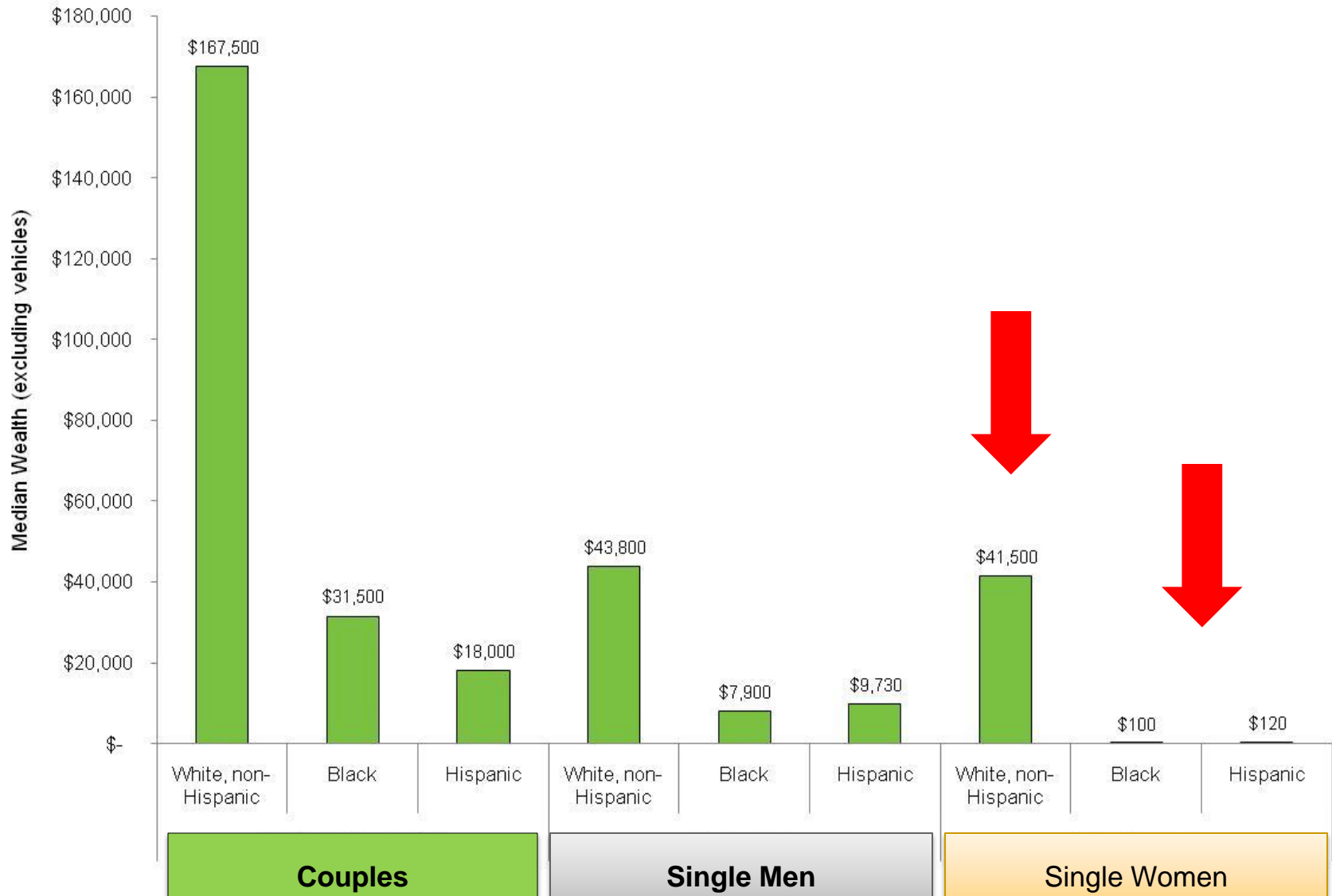
## The Color of Wealth



Source: Federal Reserve, 2007 Survey of Consumer Finances

# The Wealth Gap for Women of Color

Figure 1. Racial Differences in Median Wealth (excluding vehicles) by Household Type, Ages 18-64, 2007.



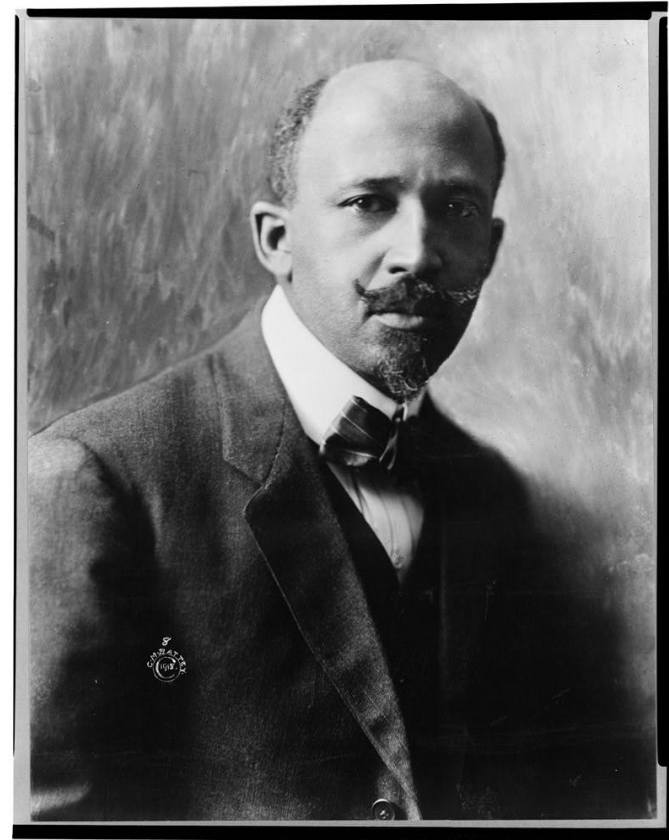


# Race & Wealth

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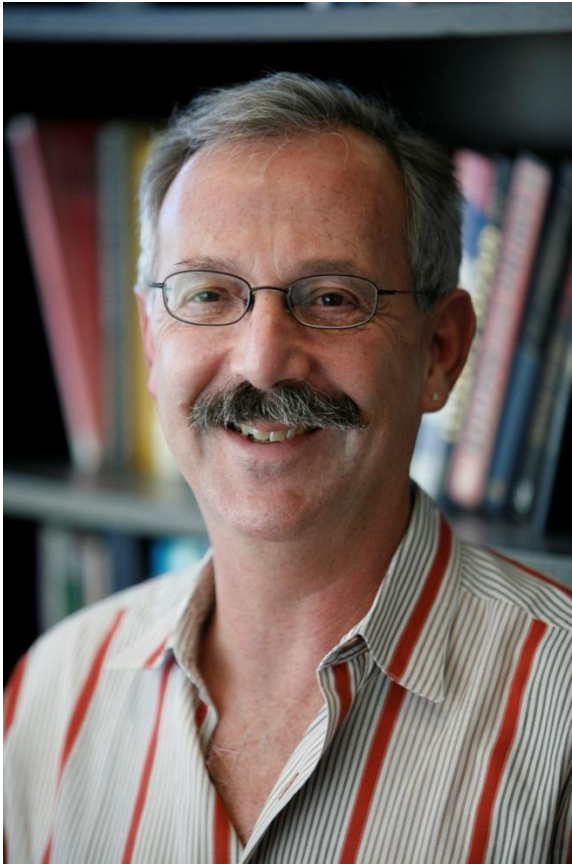
“To be a poor man is hard, but to be a poor race in a land of dollars is the very bottom of hardship.”

W.E.B. Dubois, 1903



# Tom Shapiro, Ph.D.

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Tom directs the Institute on Assets and Social Policy and is the Pokross Professor of Law and Social Policy at The Heller School for Social Policy and Management, Brandeis University.

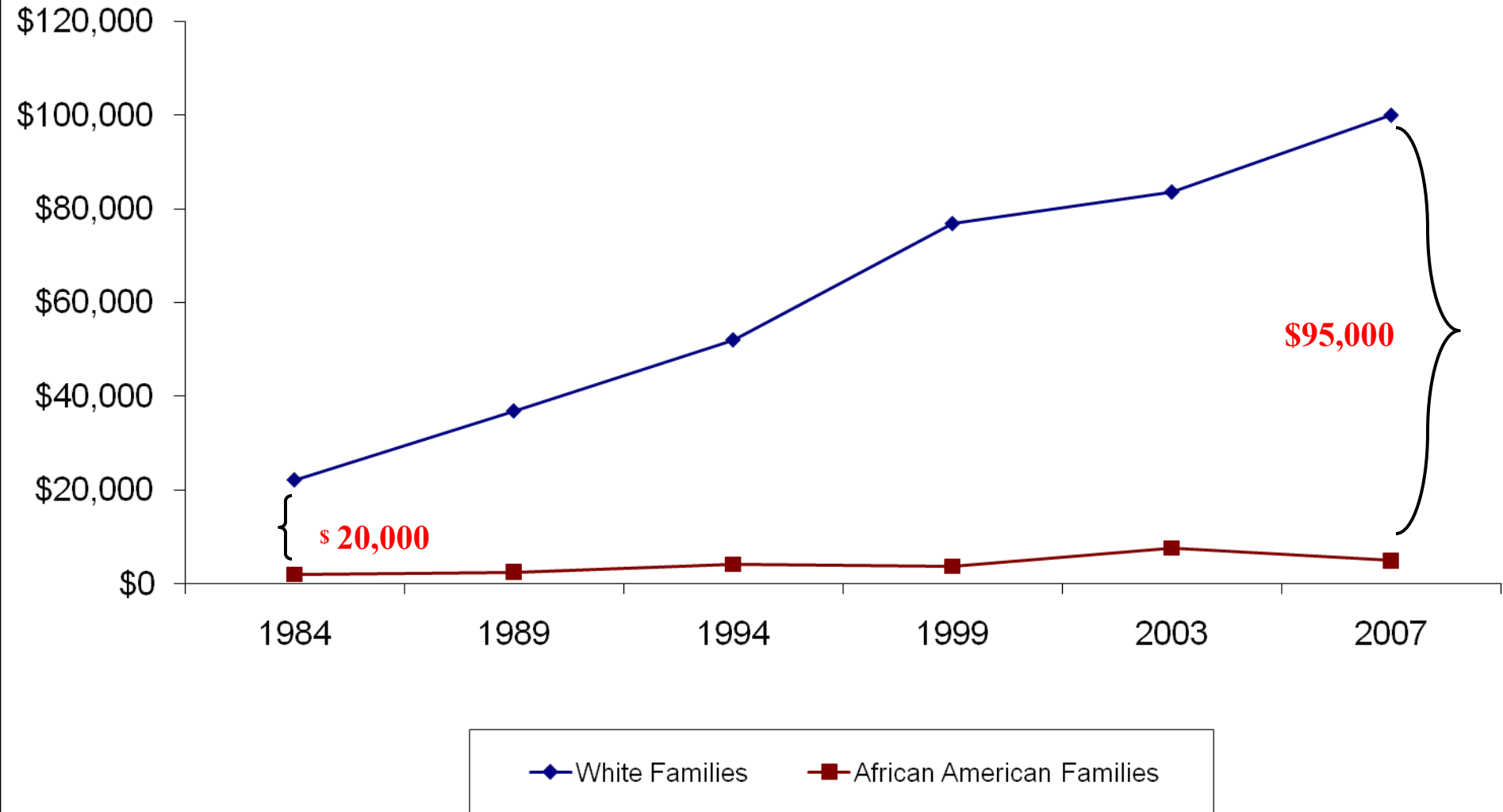
He is a leader in the asset development field with a particular focus on closing the racial wealth gap, and the author of *Black Wealth, White Wealth* (with Melvin Oliver) and *The Hidden Cost of Being African American*.

# About the Study

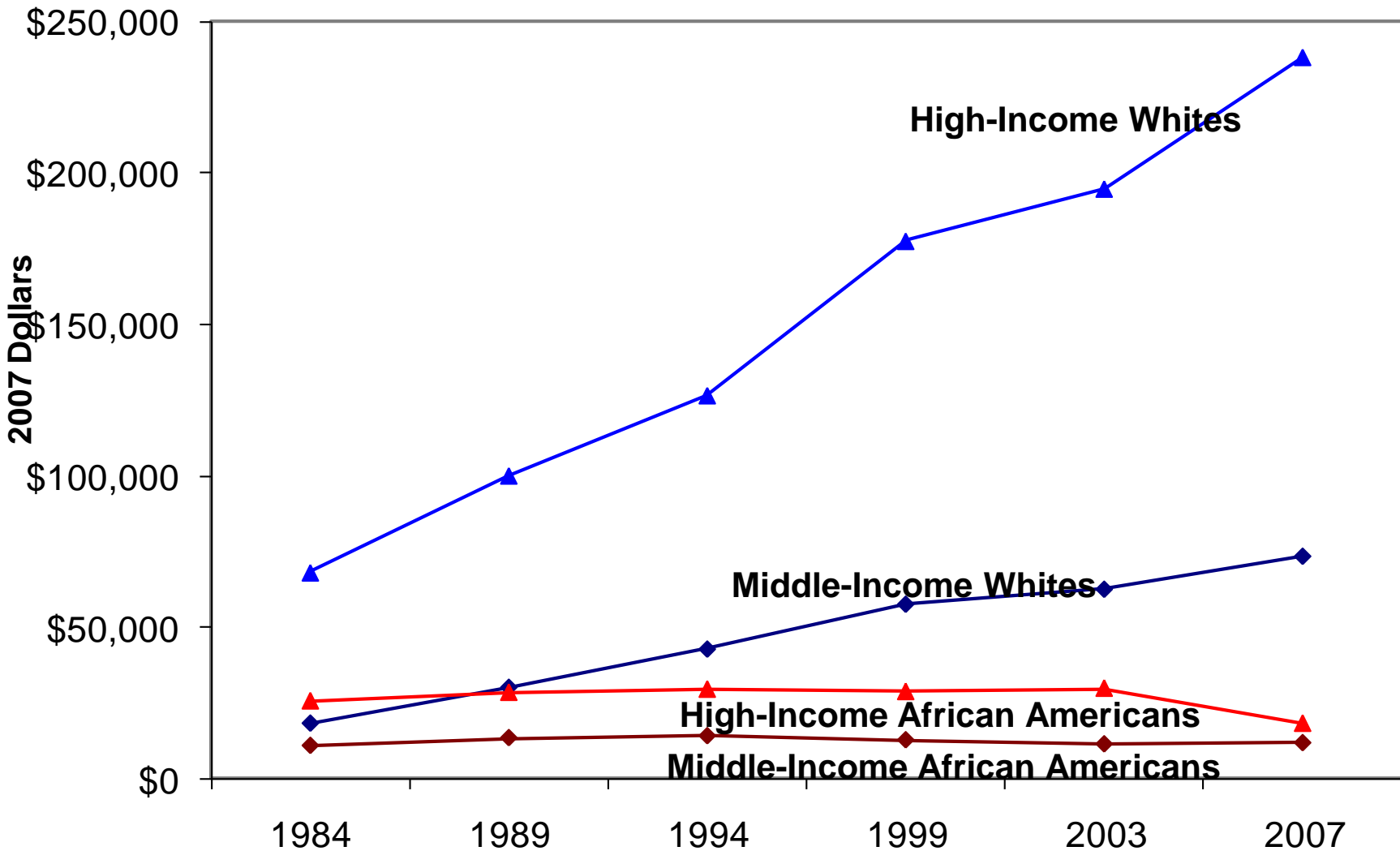
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- ❖ Followed the wealth holdings of the same cohort of families from 1984-2007.
- ❖ Compared wealth of white and African American families.
- ❖ First in a series that audits the racial wealth gap over the past generation.

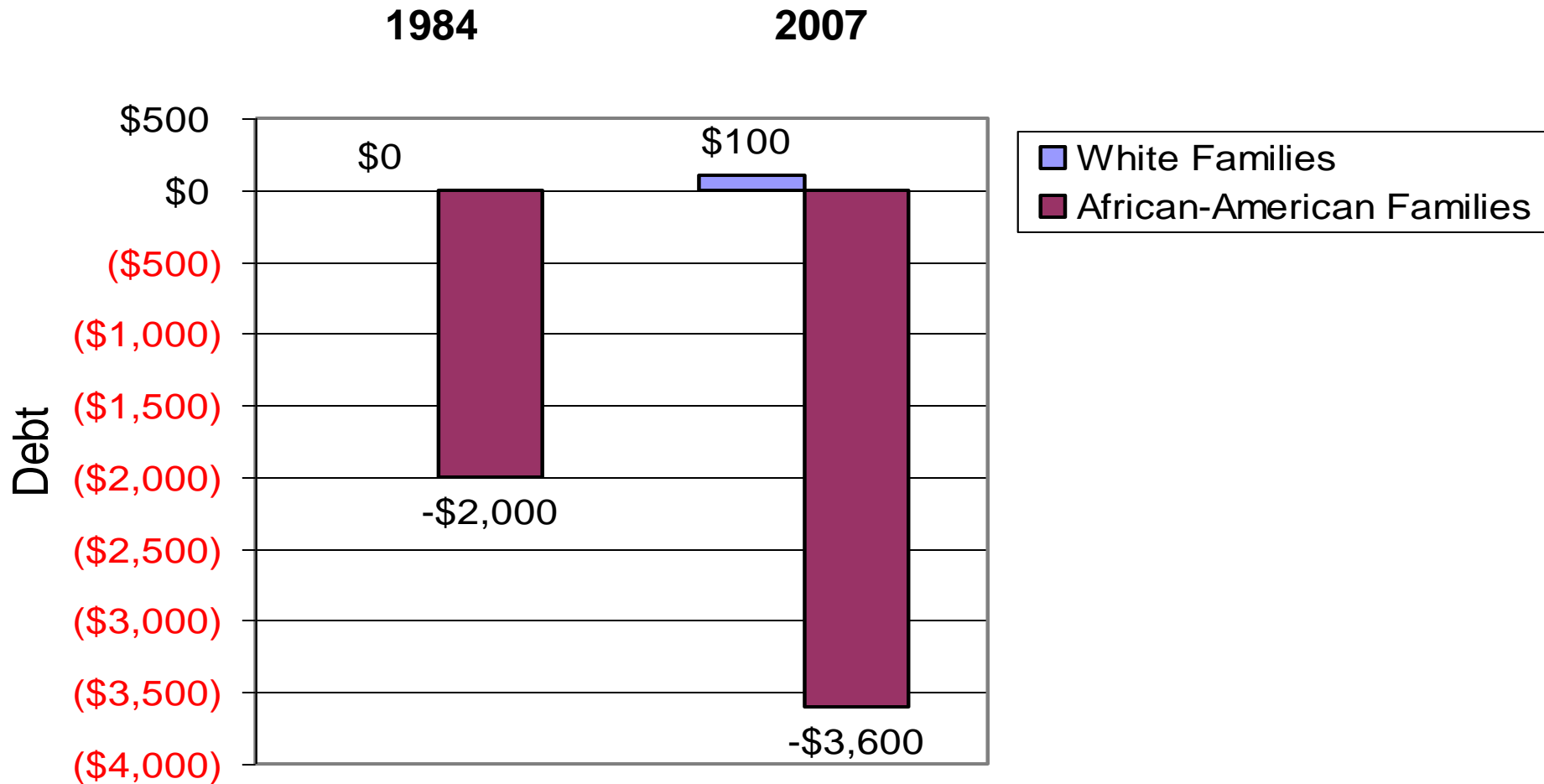
**Figure 1 Median Wealth Holdings 1984-2007  
(Not including home equity)**



**Figure 2: 1984-2007 Median Wealth Holdings by  
Income in 1984  
(Not including home equity)**



# Figure 3: Bottom 10 Percent of Wealth Holdings 1984 and 2007



# Main Findings

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❖ The wealth gap between whites and African Americans **increased more than 4 times, from \$20,000 to \$95,000.**

❖ **Middle-income white households had greater gains** in financial assets than high-income African Americans; by 2007, they had accumulated \$74,000, whereas the average high-income African American family owned only \$18,000.

❖ In 2007, **one in ten African-Americans had negative wealth of at least \$3,600**, almost doubling since 1984.

❖ At least 25% of African-American families **had no assets** at all to turn to in times of economic hardship.

# Discussion

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❖ Jose is the Associate Director for Research and Policy at Demos. At Demos, Jose is responsible for providing statistical and policy analysis for the Economic Opportunity Program on issues such as household debt and assets. He is co-author of *Up to Our Eyeballs: How Shady Lenders and Failed Economic Policies are Drowning Americans in Debt*.



❖ Sandy is Professor of Public Policy Studies and Professor of African and African American Studies and Economics at Duke University. His research focuses on inequality by race, class and ethnicity, stratification economics, schooling and the racial achievement gap, North-South theories of trade and development, skin shade and labor market outcomes, the economics of reparations, the Atlantic slave trade and the Industrial Revolution, doctrinal history and the social psychological effects of unemployment exposure.



# How do we close the gap?

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❖ Community-wide strategies (i.e. CRA)

❖ Baby Bonds

❖ Portfolio shift in public investment, tax policy reform

❖ Financial Regulation (i.e. CFPA)

# Questions?

A screenshot of a GoToWebinar interface. The window title is "File View Help". There are two main sections: "Audio" and "Questions".  
The "Audio" section has the following text:  
**Audio Mode:**  Use Telephone  Use Mic & Speakers  
Dial: (805) 879-4135  
Access Code: 105-748-644  
**Audio PIN: 74**  
If you're already on the call, press #74# now.  
The "Questions" section has a "Questions Log" with a scroll bar. The log contains the text: "Welcome! Please type any questions/comments in the Question and Answer section of your control panel." Below the log is a text input field containing "[Enter a question for staff]" and a "Send" button. A red circle highlights the "Questions" section header, and another red circle highlights the text input field.  
At the bottom of the interface, it says "Give Online Punch Webinar ID: 576-794-892" and the "GoToWebinar™" logo.

# Thank You!

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