



Wealth In America

Demographic Divisions and the Continuing Impact of COVID-19

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These views are my own and not necessarily those of the Federal Reserve Bank of St. Louis, the Federal Reserve system, or the Federal Reserve Board of Governors.

Wealth

What a family owns less what they owe

Education

Parents' Resources

Race/Ethnicity and Gender

Birth year

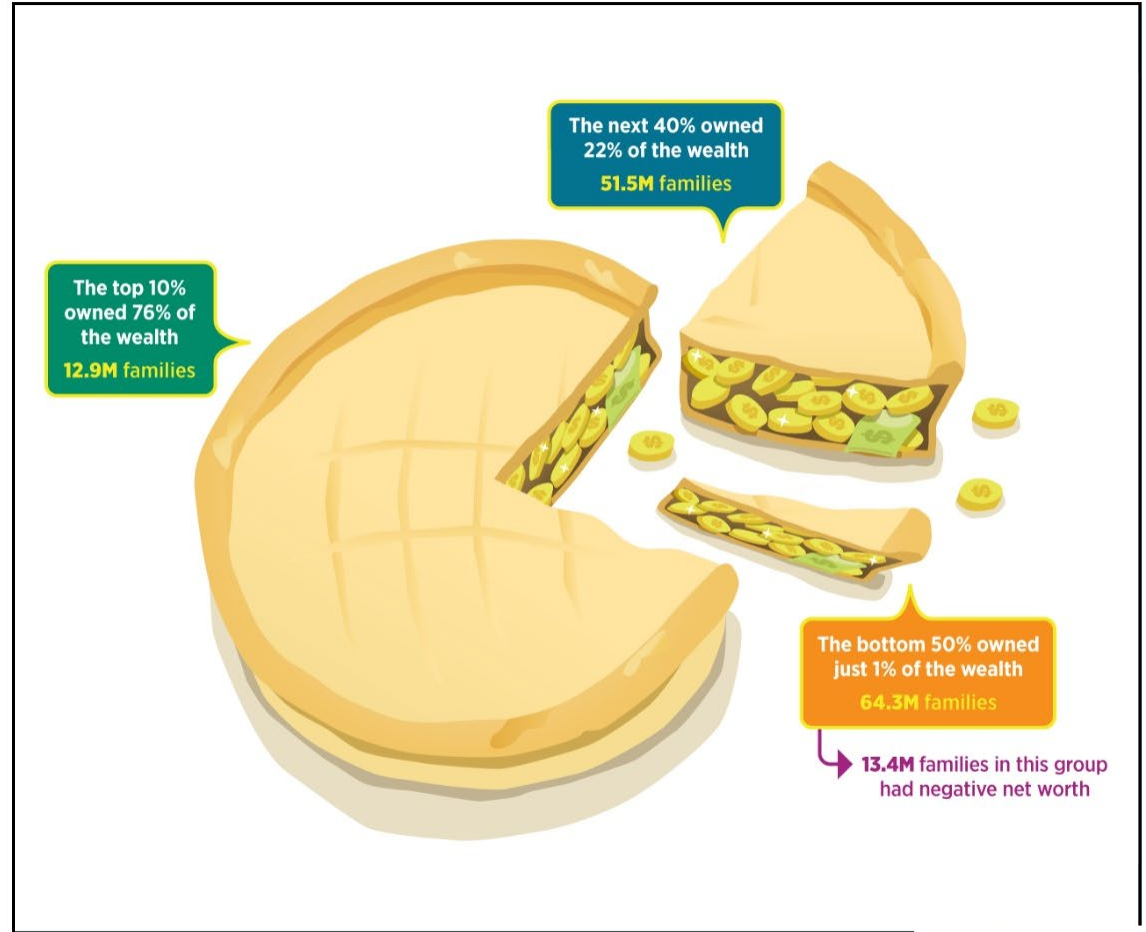


Overall Wealth Inequality



Source: [Kent and Ricketts \(December 2020\)](#), using the Survey of Consumer Finances.

Overall Wealth Inequality



Demographic snapshot: Bottom 50%



75% of Black families; 67% of Hispanic families; 41% of white families



56% of women-headed families (vs. 44% of men)



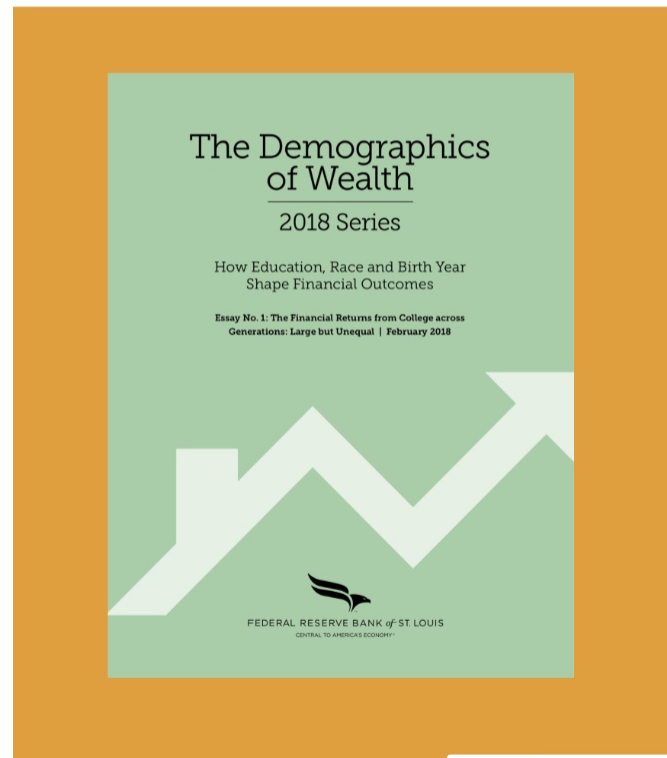
79% of those with GED or < high school; 58% of those with at most high school; 31% with bachelor's or more

Source: [Kent and Ricketts](#) (December 2020) using the Survey of Consumer Finances.

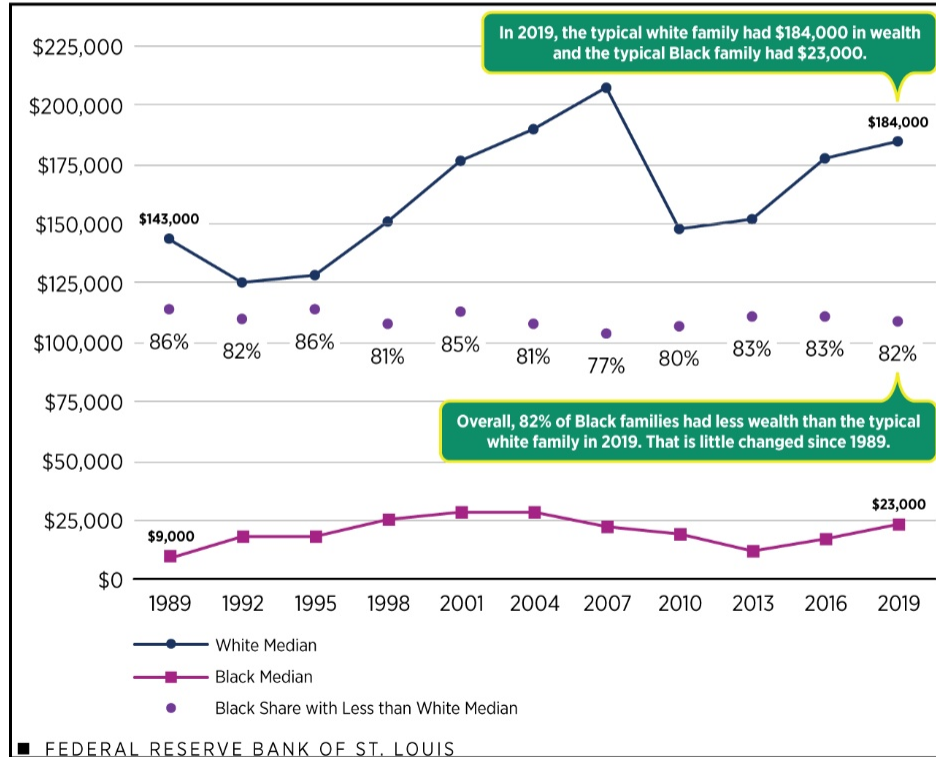
Note: Unit of analysis is families; characteristics are taken from the survey respondent, generally considered to be the most financially knowledgeable person.

Wealth through a Demographic Lens

- 1 | Race and Ethnicity
- 2 | Education
- 3 | Age and Generation
- 4 | Gender

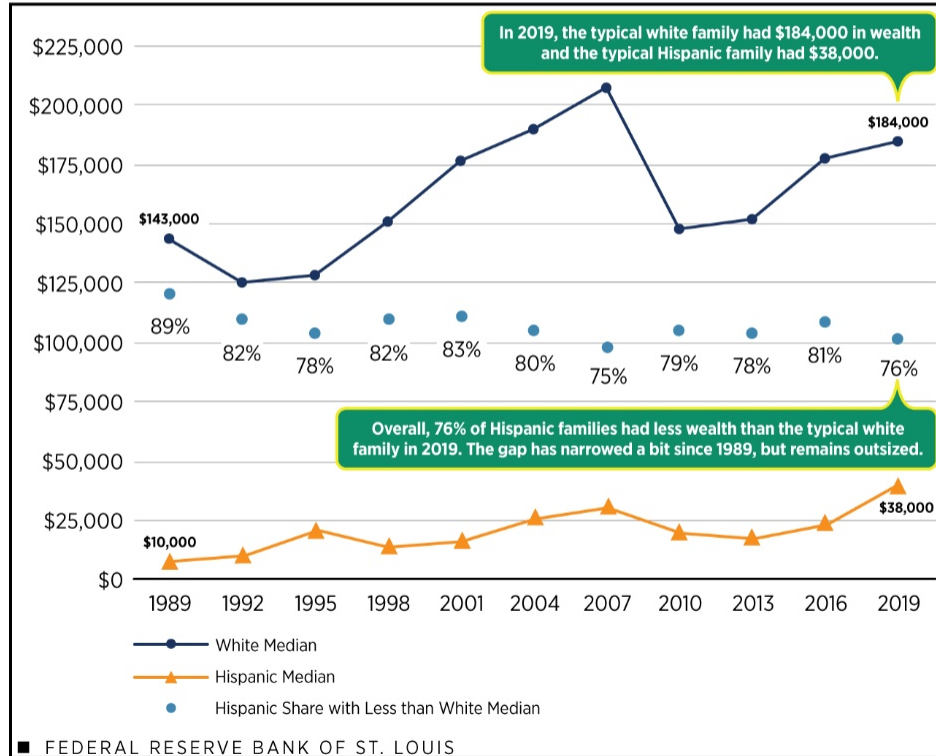


White and Black Family Median Wealth



- Despite gains, gaps remain wide and essentially unchanged
 - Black median wealth grew 32% from 2016
 - Black families owned \$0.12 per every dollar of white family median wealth
- Actual wealth remains low at \$23,000
- Blacks are less likely to own assets and have lower valued assets when they do
 - 45% of Black families owned their house
 - 35% had defined contribution retirement savings
 - 5% owned businesses

White and Hispanic Family Median Wealth



- Despite gains, gaps remain wide
 - Hispanic median wealth grew 60% from 2016
 - Hispanic families owned \$0.21 per every dollar of white family median wealth
- Actual wealth remains low at \$38,000
- Hispanics are less likely to own assets and have lower valued assets when they do
 - 48% of Hispanic families owned their house
 - 32% had defined contribution retirement savings
 - 6% owned businesses

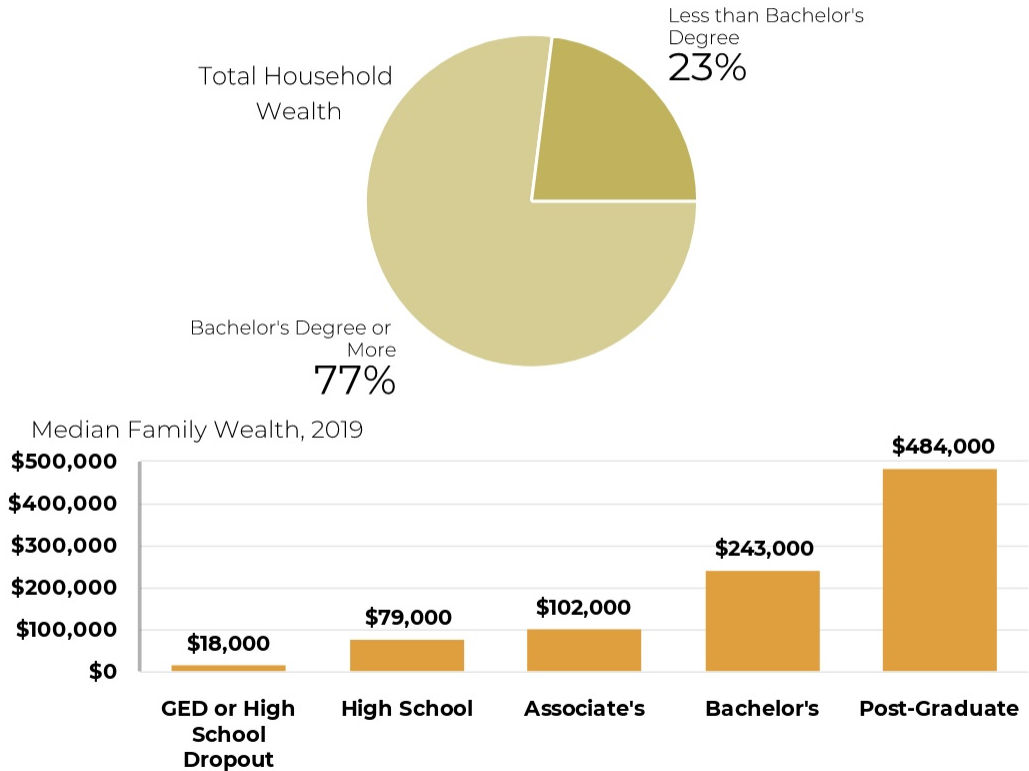
Large Educational Divisions

Highly educated families (39% of families) have considerably more wealth at the median

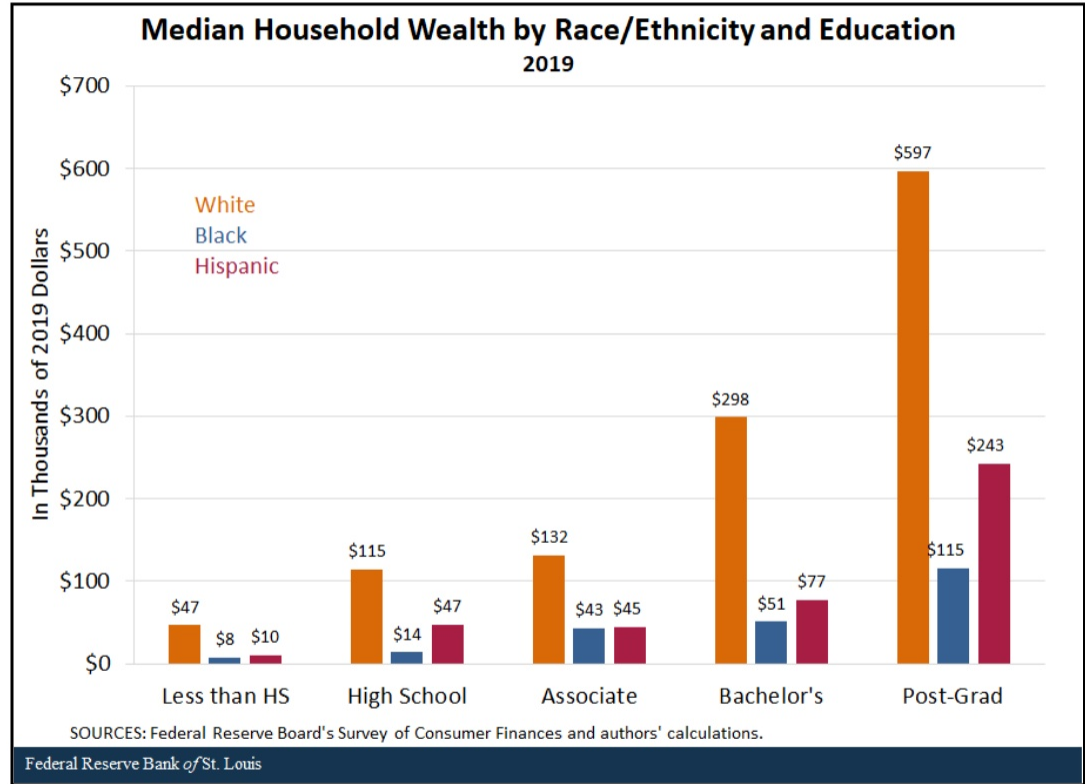
Gains (between 2016 and 2019) were largest in percentage terms for those with at most a high school diploma

College “sticks” across generations:

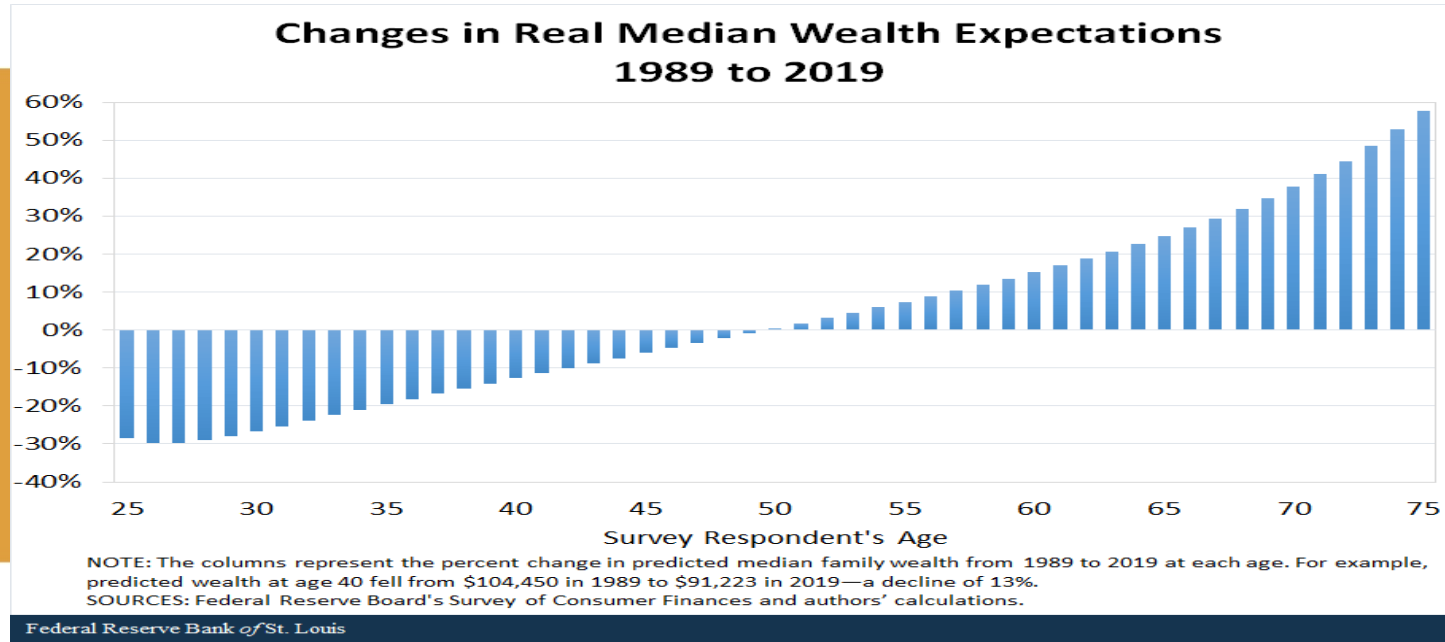
61% of respondents have a bachelor's degree if a parent does too, but only about 1/4 are first-generation graduates



Racial and Ethnic Wealth Gaps Persist Despite Educational Gains



Older (Younger) Families of Today Have More (Less) than Families of the Same Age 30 Years Ago



Sources: Kent and Ricketts (coming next week!) using the Survey of Consumer Finances.

Gender Wealth Gap



7% of women-headed families are millionaires
(17% of men)

55 \$\$\$\$

Overall gap; female median wealth per \$100 of male survey respondent wealth, regardless of marital status.



14% of women-headed families have no wealth or
are in debt (8% of men)

Note: Unit of analysis is families; characteristics are taken from the survey respondent, generally considered to be the most financially knowledgeable person.

Lack of Liquidity and Financial Cushion

63%


A horizontal row of 11 stylized human figures. The first 7 figures are a darker orange color, and the remaining 4 figures are a lighter, faded orange color. This visual representation corresponds to the 63% statistic.

of Americans in 2019 would handle a \$400 emergency expense with cash

25%

A horizontal row of 11 stylized human figures. The first 3 figures are a darker orange color, and the remaining 8 figures are a lighter, faded orange color. This visual representation corresponds to the 25% statistic.

of Americans skipped medical treatment due to lack of affordability

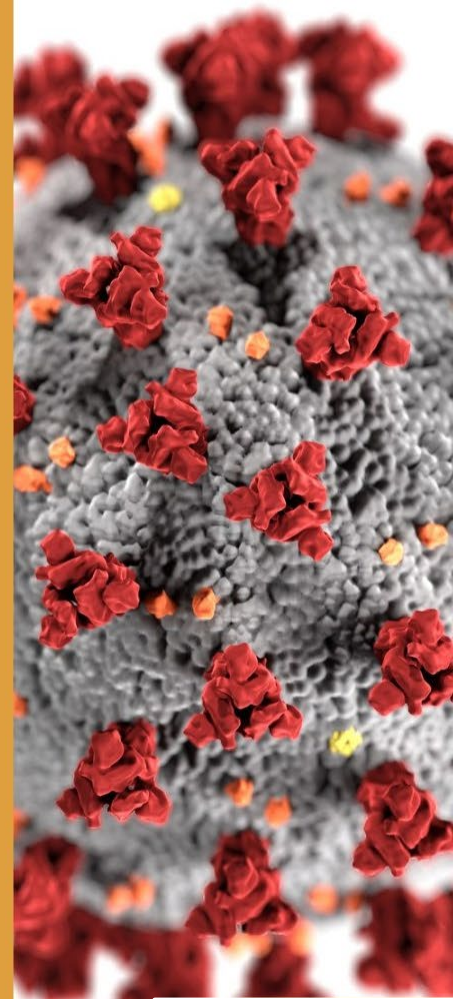
A close-up, black and white photograph of a dandelion seed head, showing the intricate structure of the seeds and their common fluff. The seed head is positioned on the left side of the frame, partially obscured by the large white text.

“Wealth inequality in America has grown tremendously... to the point where the top 10% of families... own 76% of the wealth pie. The bottom half... own only 1% of the pie.”

Let's test your knowledge!

COVID-19 Recession

- 1 Who has been more affected by job loss, men or women?
- 2 Economists often refer to recoveries in alphabetic terms. Is the current recovery most like a K, L, V or other?
- 3 How has families' wealth been affected?





COVID-19 Recession

Precarious Position

Many women, BIPOC families, and less-educated people continue to face daily challenges.

Lower Wealth/Wages

Hard-Hit Industries

Lack of Benefits

Care Responsibility

Lack Stability

?

doing more with less



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For working women, 3 outcomes...

1) Laid off or quit

Pushed out
Financial challenges

2) Essential
work, not from
home

Health risk
Care and domestic
responsibilities

3) Work from
home

Care and domestic
responsibilities



“ I wish I had the energy to scream. All my energy just goes into getting through every day, until I can go to sleep. I have three kids, all in virtual schools since March, and work full time. And it just feels like failing, every day, at everything I do. And I just want to change, want to be by myself for one minute. I don't know how to keep doing this. But there isn't really another option. ”

“ I'm going to [bleep] lose my mind if something doesn't happen soon. ”

“ God, every day I think I can't do this again, but then I do. I get it, I get up and I do it. Because that's just what parents do, right? ”

Employment Situation February 2021 vs 2020

2.3M

WOMEN DROPPED FROM LABOR FORCE

6.2%

UNEMPLOYMENT RATE

2M

MORE WOMEN UNEMPLOYED



Recovery is very much ongoing

An Equitable Recovery

The most negative employment effect on those with fewest economic resources

Center low-wealth groups, particularly women of color, in recovery efforts

Invest in care infrastructure

Enhance family-friendly work policies and benefits

Look beyond the "average" American and take wholistic approach



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 - U.S. Bureau of Labor Statistics.
 - U.S. Census Bureau.
-
- Pictures from Unsplash, Beautiful.ai and Pinterest.



How does your community compare?

St. Louis MSA Snapshot



Demographics

- 48% male
- 74% NH white
- Age: 39
- 34% (at least a bachelor's degree)



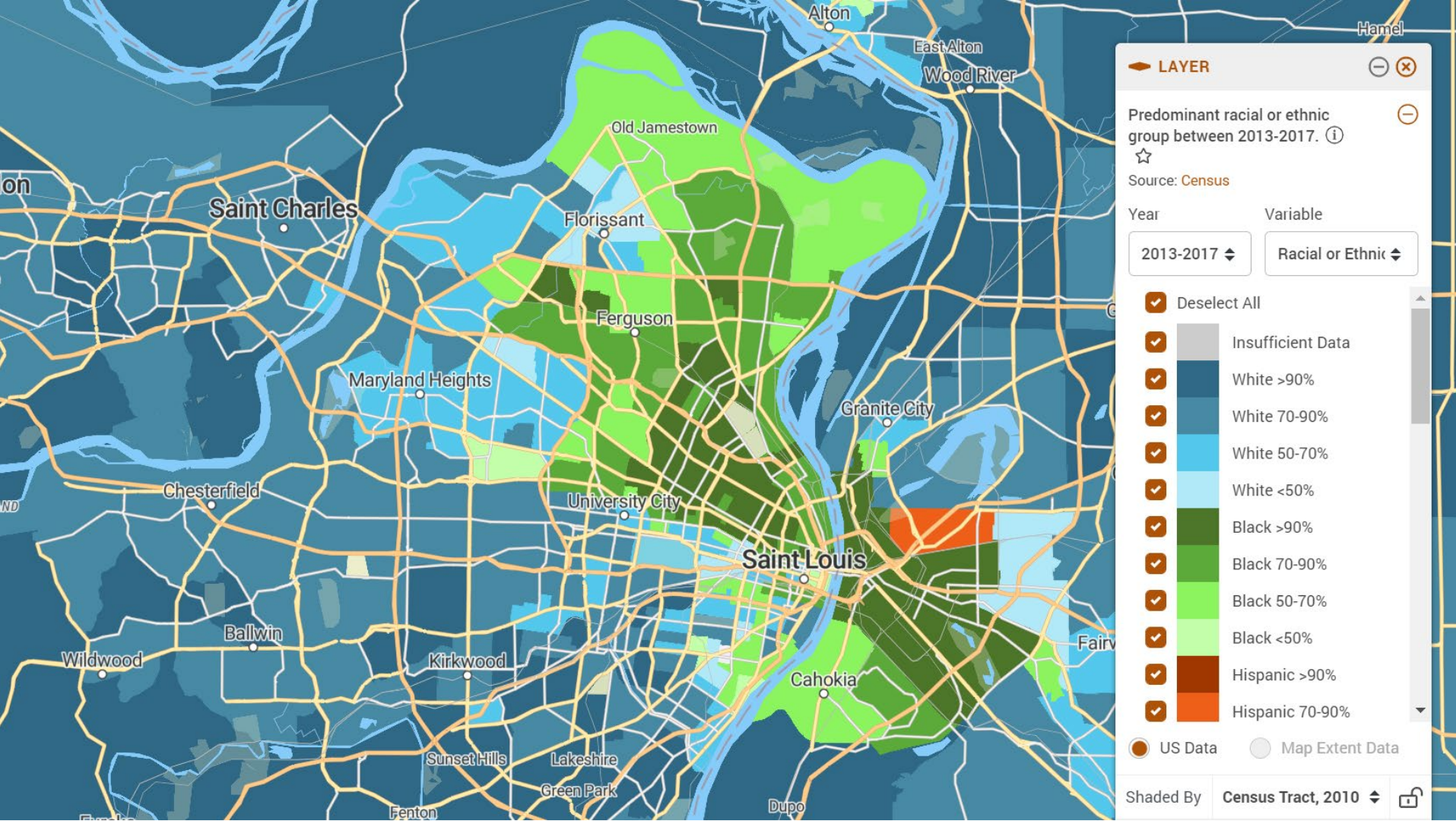
Finances

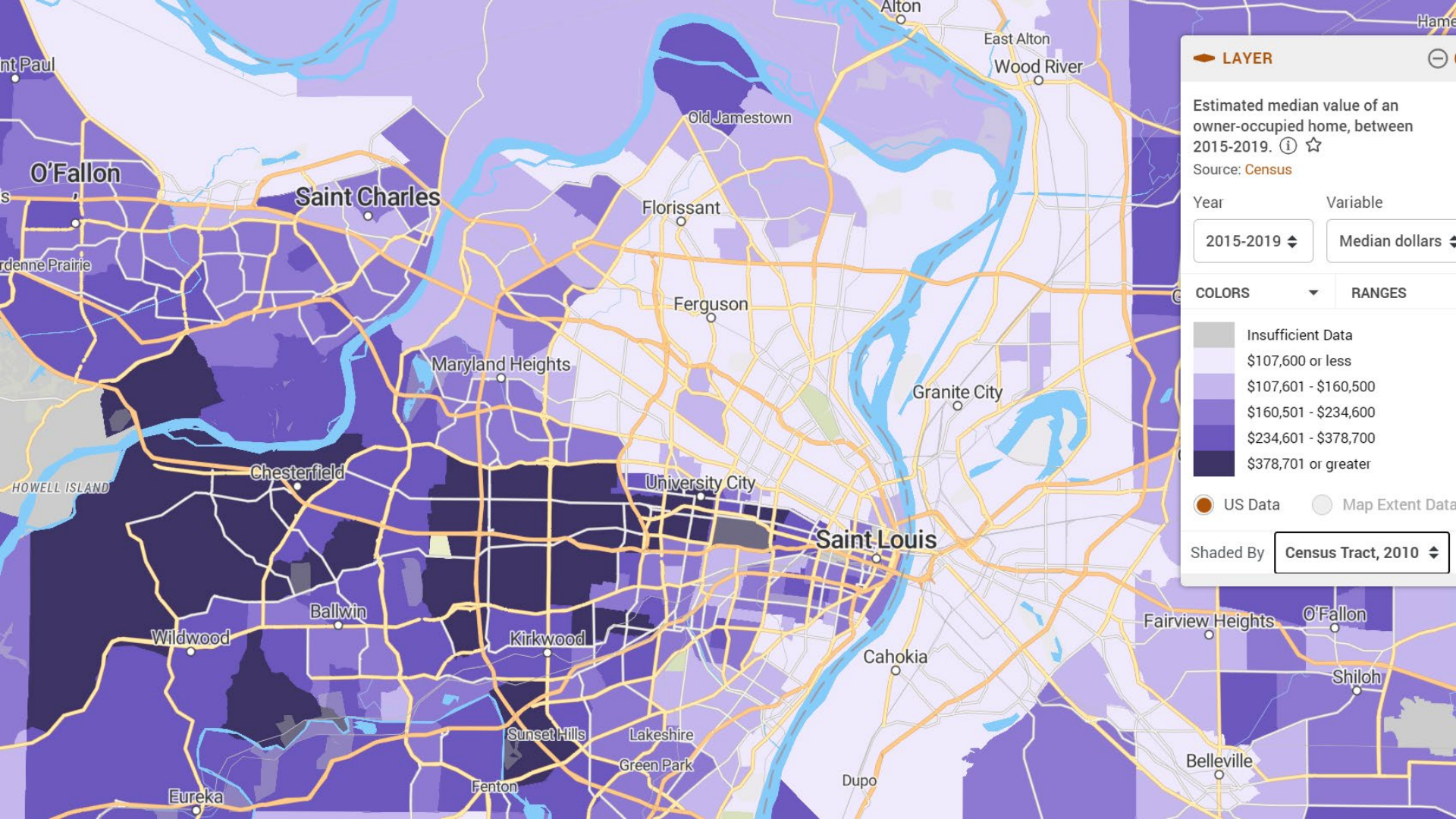
- \$82,100 (family income)
- \$29,800 (single female with children)
- \$172,700 (median house value)



Unemployment

- 5.9% as of December 2020
- (3.3% in February 2020)
- 9.7% male (Dec.)
- 5.8% female (Dec.)





LAYER

Estimated median value of an owner-occupied home, between 2015-2019. ⓘ ☆

Source: [Census](#)

Year

2015-2019

Variable

Median dollars

COLORS

RANGES

- Insufficient Data
- \$107,600 or less
- \$107,601 - \$160,500
- \$160,501 - \$234,600
- \$234,601 - \$378,700
- \$378,701 or greater

US Data

Map Extent Data

Shaded By

Census Tract, 2010