



# Wealth and Retirement Savings in the U.S. and the Role of COVID-19

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



## Institute for Economic Equity

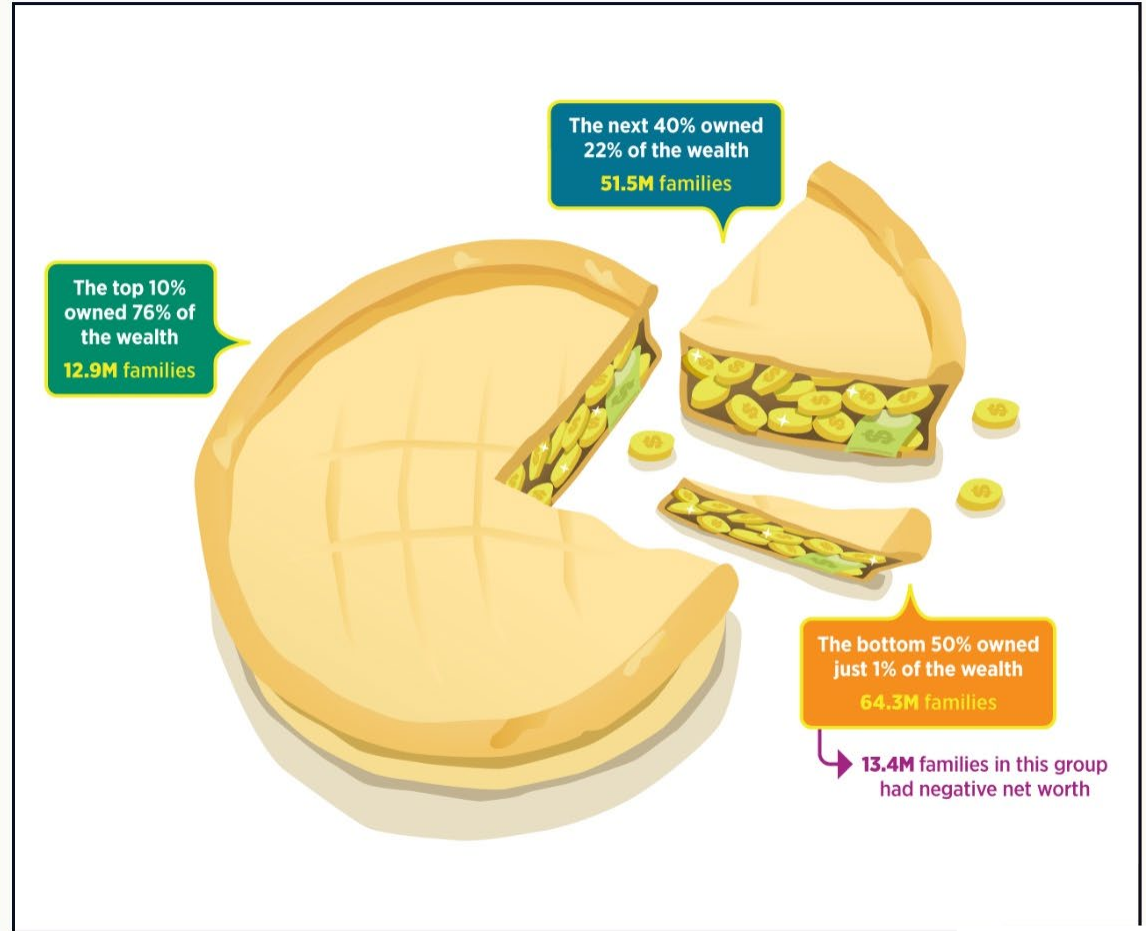
Seek to promote a more equitable economy  
that works for all.

## Wealth

What a family  
owns less what  
they owe



# Overall Wealth Inequality



# Black Family Wealth in 2019



12



Black families had just 12 cents in median wealth for every dollar of white family wealth

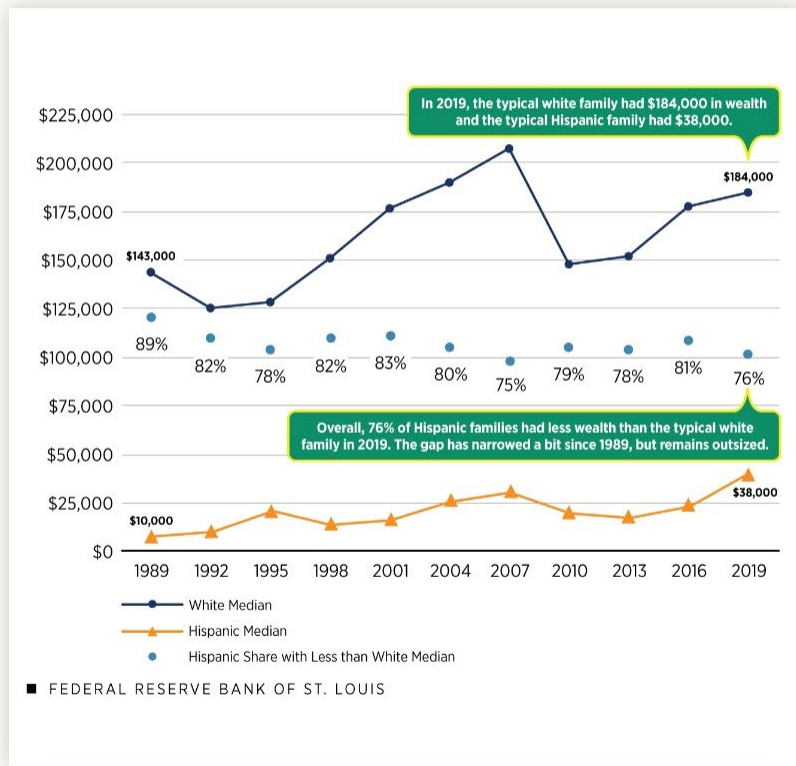
35%



35% of Black families had retirement savings in DC plans; 57% of white families did



# Hispanic Family Wealth in 2019



21



Hispanic families had just 21 cents in median wealth for every dollar of white family wealth

32%



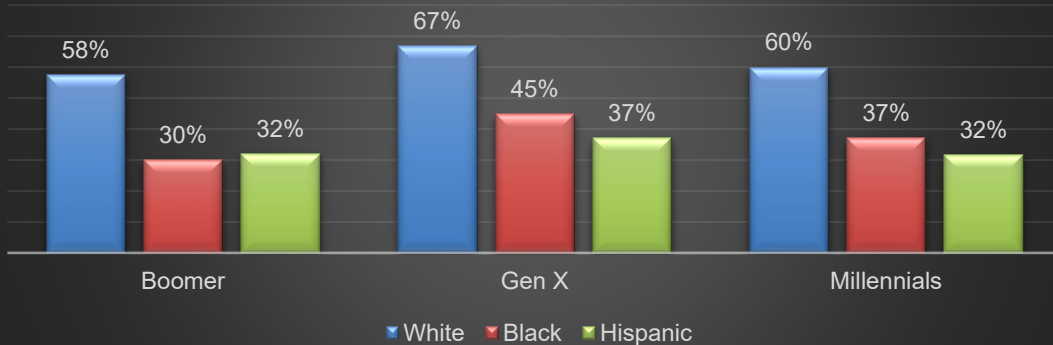
32% of Hispanic families had retirement savings in DC plans; 57% of white families did

Retirement  
Preparedness in 2019

# Racial and Ethnic Gaps Across Generations

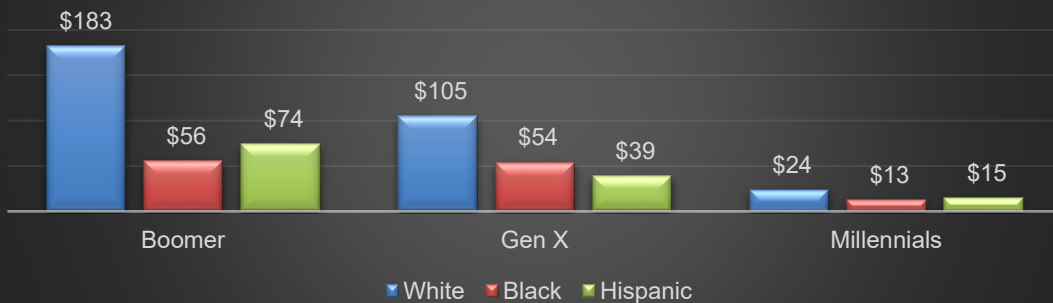
Source: Kent's calculations using  
the Survey of Consumer Finances.

## Share of Families with Retirement Savings in DC Plans in 2019

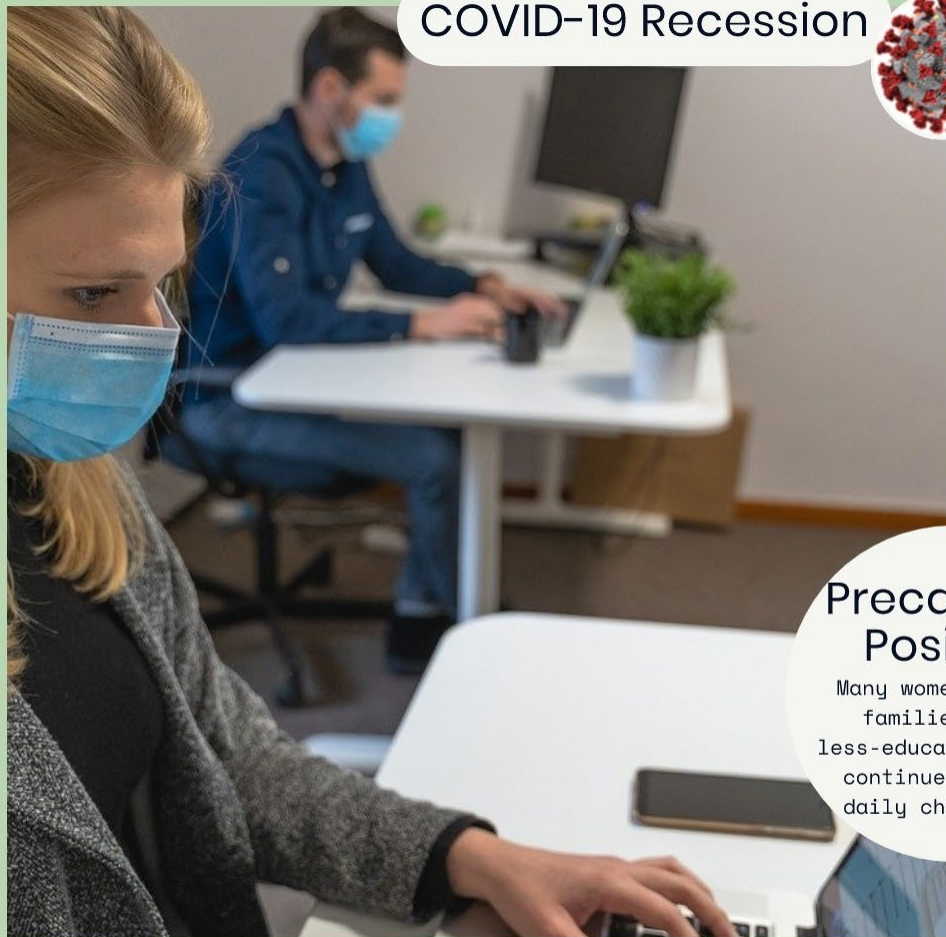


## Share of Families with Retirement Savings in DC Plans

Rounded to Nearest \$1,000; 2019\$



## 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

?

As of July 2020 and  
March 2021

## Retirement and Financial Instability

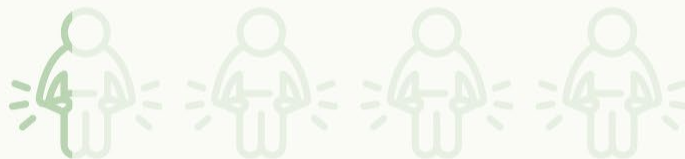
For many families (less  
educated, Black or  
Hispanic, women,  
younger) the recovery is  
still very much ongoing.

# 33%



of unemployed Americans (still looking for a job) would handle a \$400  
emergency expense with cash or its equivalent (vs. 76% of employed)

# 9%



of non-retired Americans cashed out and/or borrowed from retirement  
accounts (7% whites; 10% Hispanics; 16% Blacks)

# 29%



of adults said it has been somewhat or very difficult to pay for usual  
household expenses during the pandemic



# An Equitable Recovery

The most negative employment effect on those with fewest economic resources

Center low-wealth groups in recovery efforts

Think creatively about retirement

Invest in care infrastructure and Enhance family-friendly work policies and benefits

Look beyond the “average” American and take wholistic approach



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# References and Data Sources

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- U.S. Census Bureau Household Pulse Survey, Week 27: March 17-29, 2021. [Link](#).

- Pictures from Unsplash and Beautiful.ai.