



# **“Family Achievements?”: How Wealth Trumps Education Among White and Black College Graduates**

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DOES COLLEGE LEVEL THE PLAYING FIELD? RACIAL AND ETHNIC DIFFERENCES  
IN FAMILY WEALTH AMONG COLLEGE-EDUCATED FAMILIES  
A Research Symposium at the St. Louis Federal Reserve Bank, May 25-26, 2016

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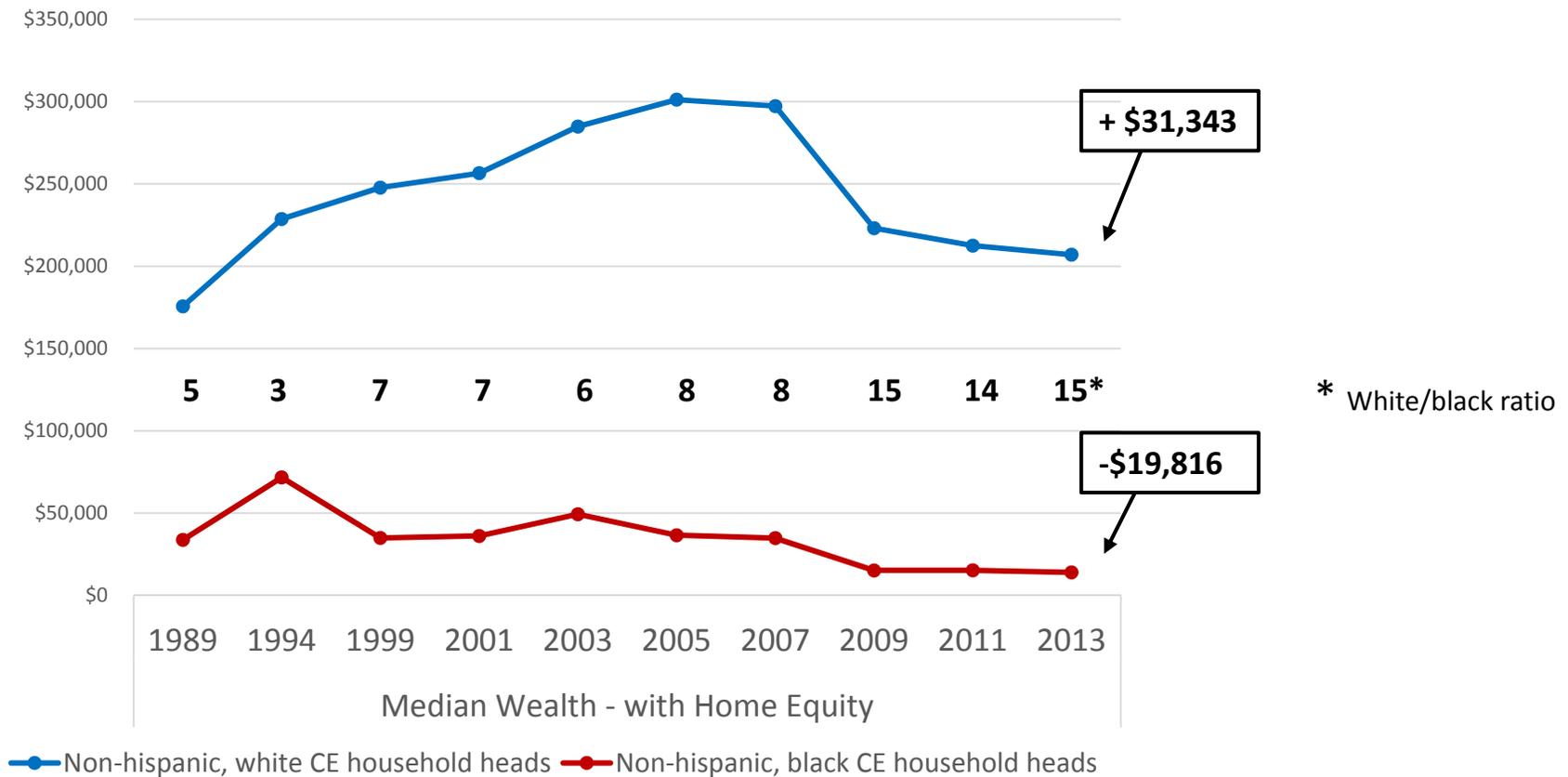
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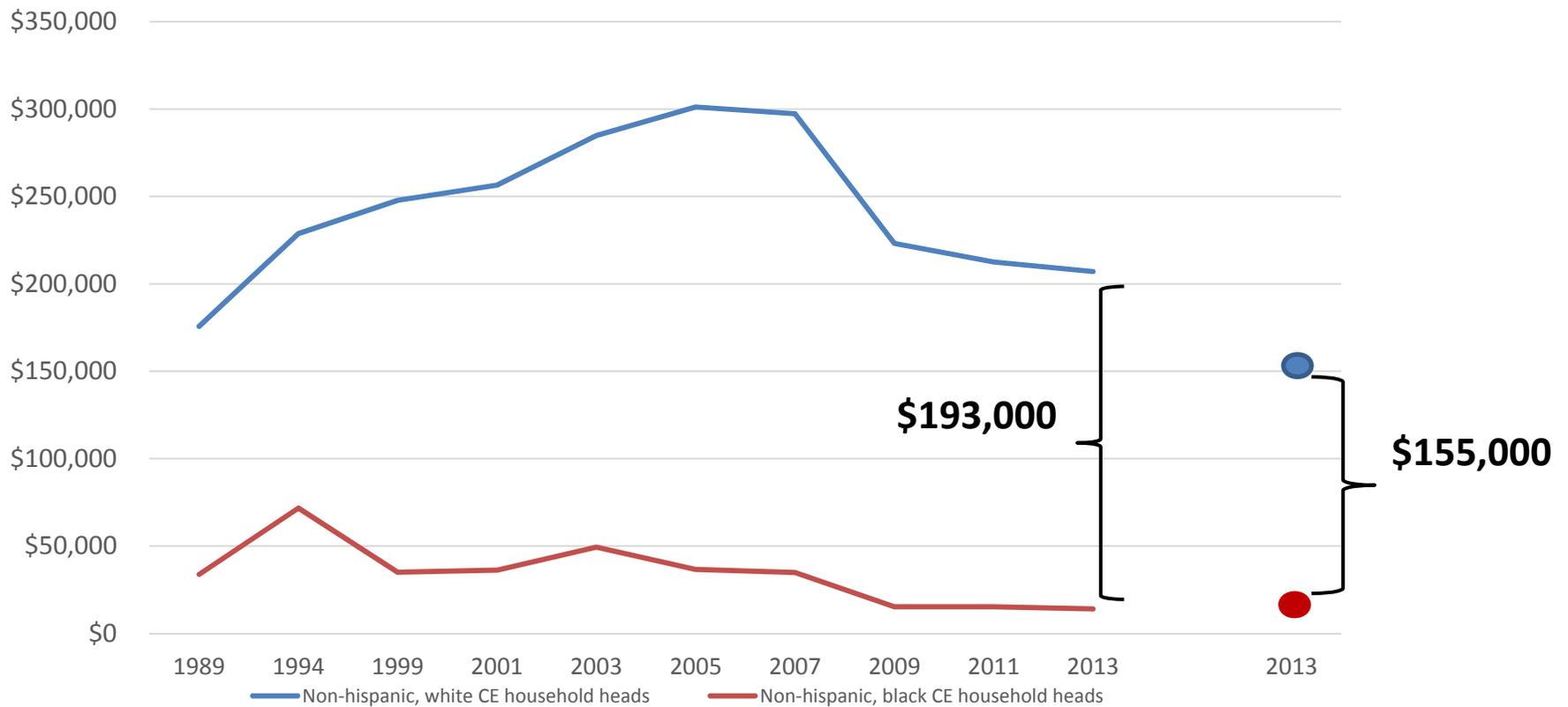
# Presentation Outline

- Long-term wealth trends among college educated households and impact of large financial gifts/inheritances (PSID)
- Wealth transfers among college educated households and association with wealth holdings in 2013 (PSID 2013 Family Roster and Transfers Module)
- Processes/mechanism of wealth transfers shaping wealth trends (IASP Levering Mobility study)
- Discussion of results

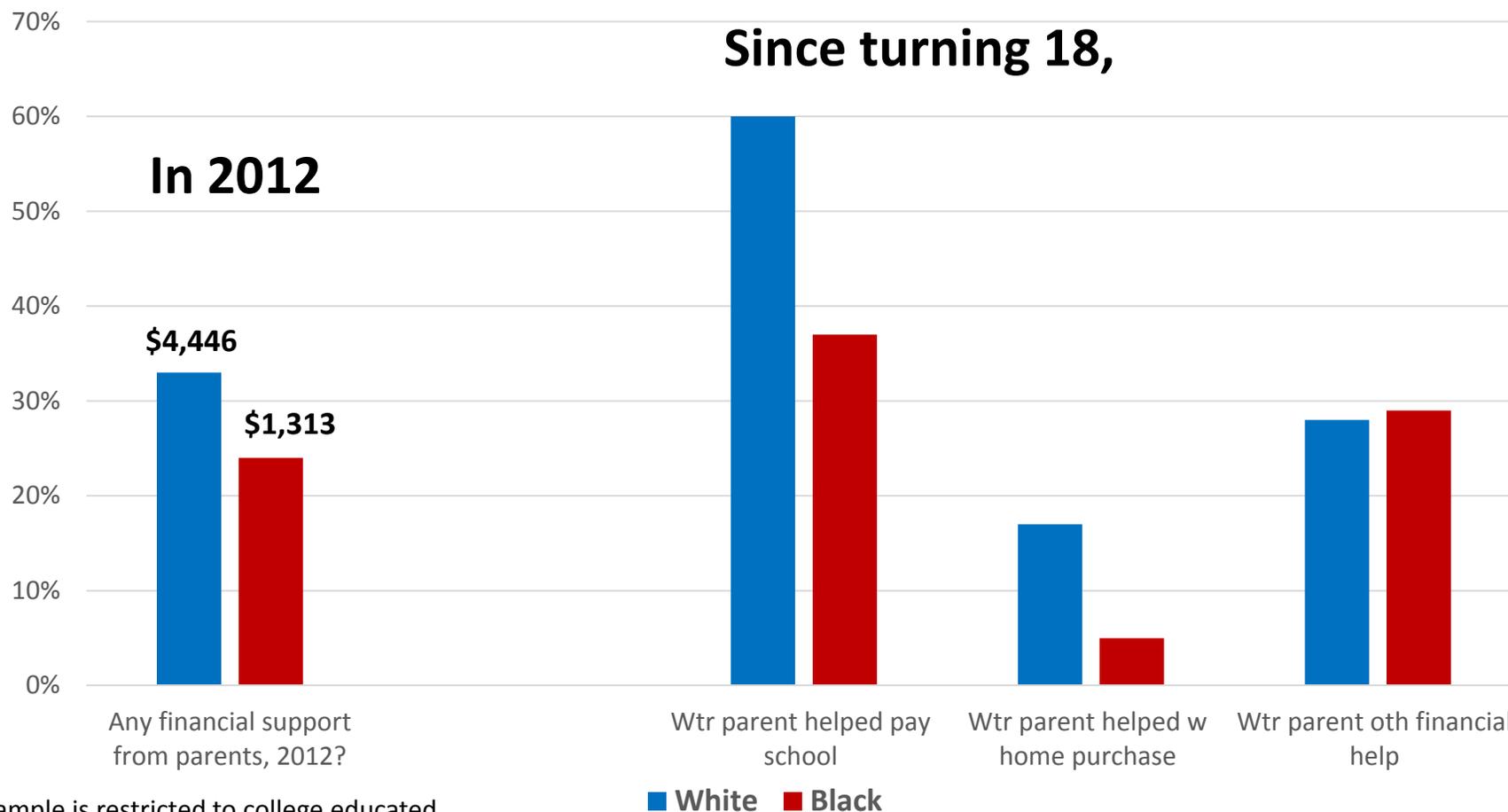
# Median Net Wealth, College Graduates 1989-2013



# Median Net Wealth 2013, without Inheritance

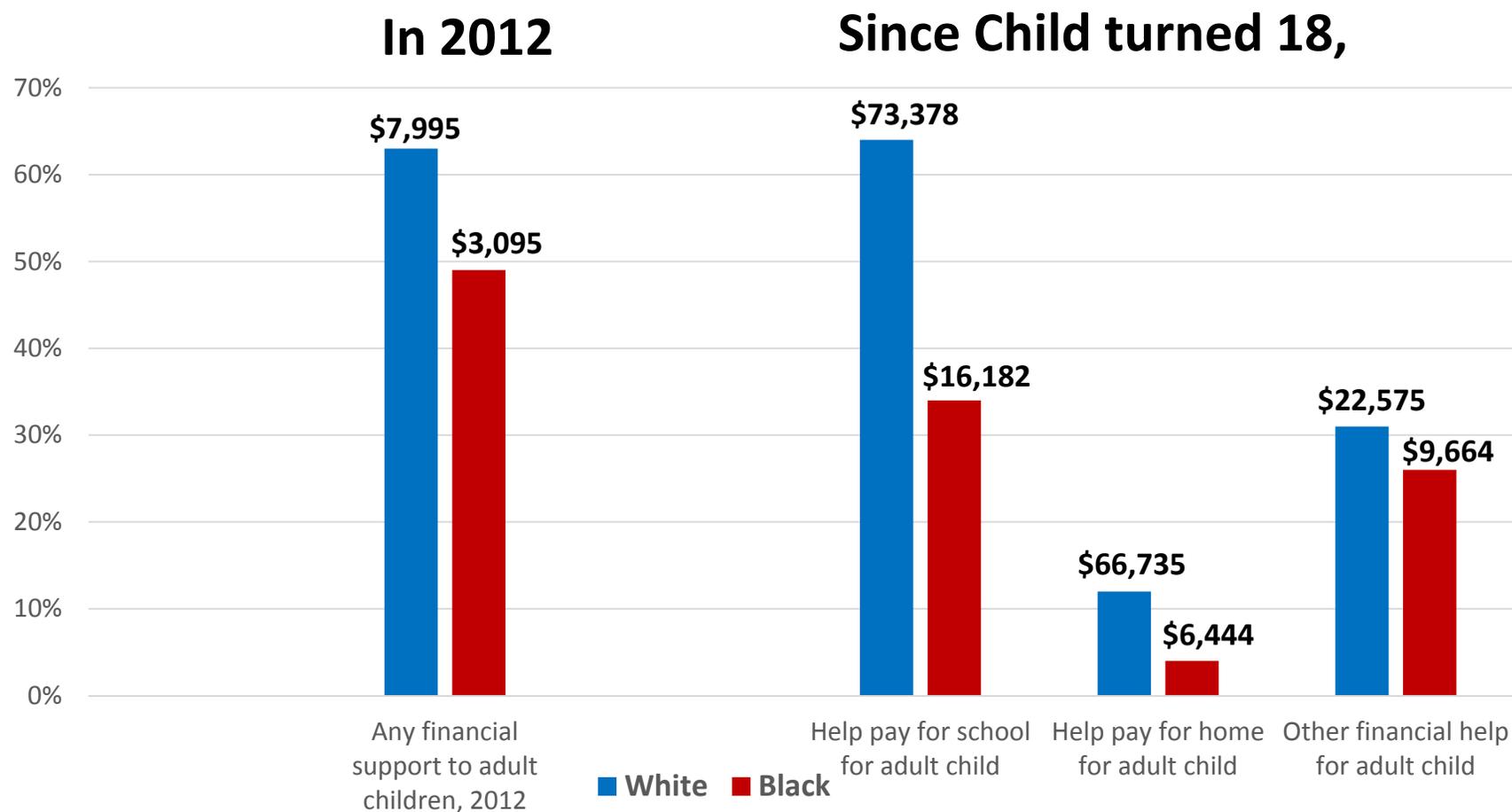


# Financial Transfers into the Household



The sample is restricted to college educated households, defined by either the PSID head's or wife's attainment of a Bachelor's degree or higher.

# Financial Support of Adult Children



The sample is restricted to college educated households, defined by either the PSID head's or wife's attainment of a Bachelor's degree or higher.

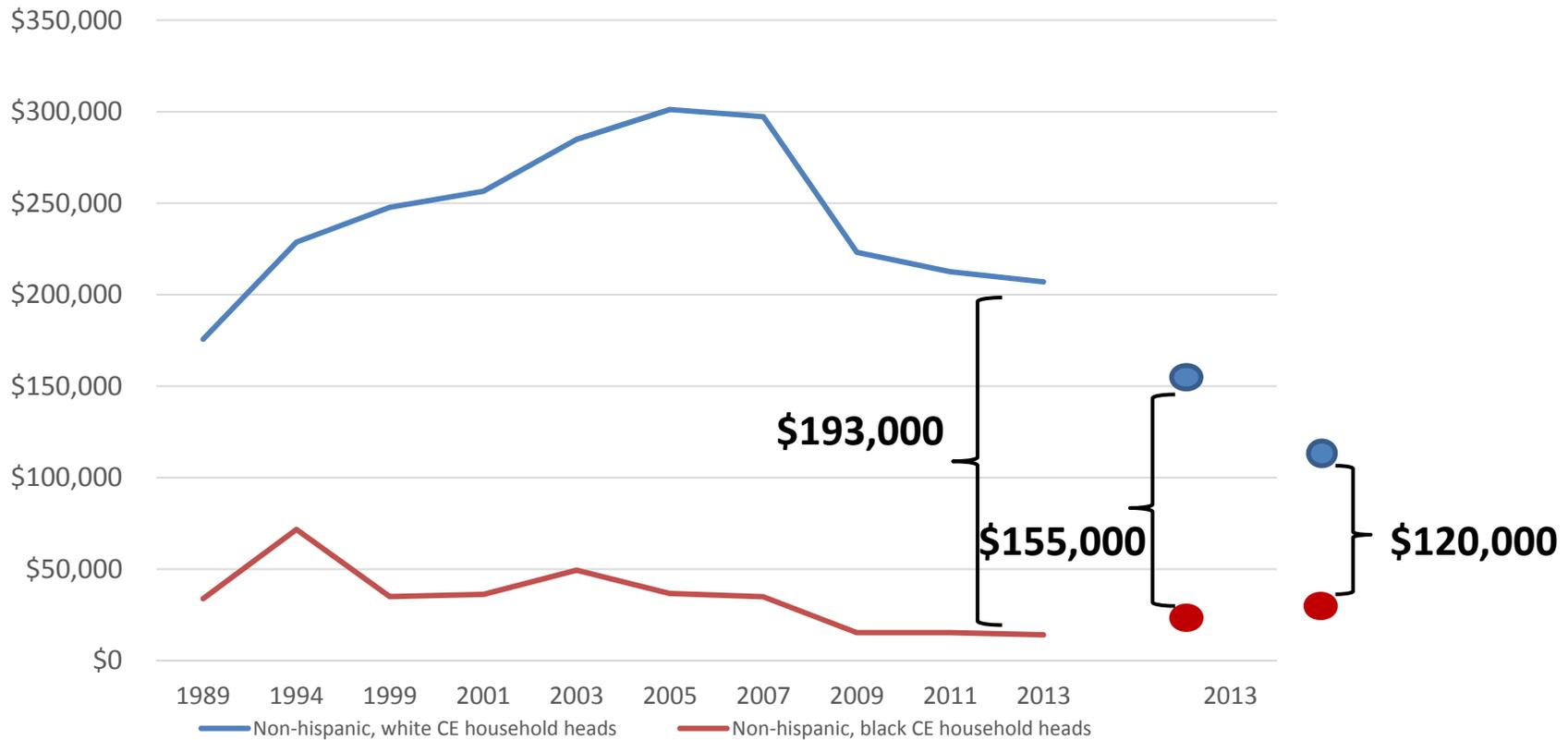
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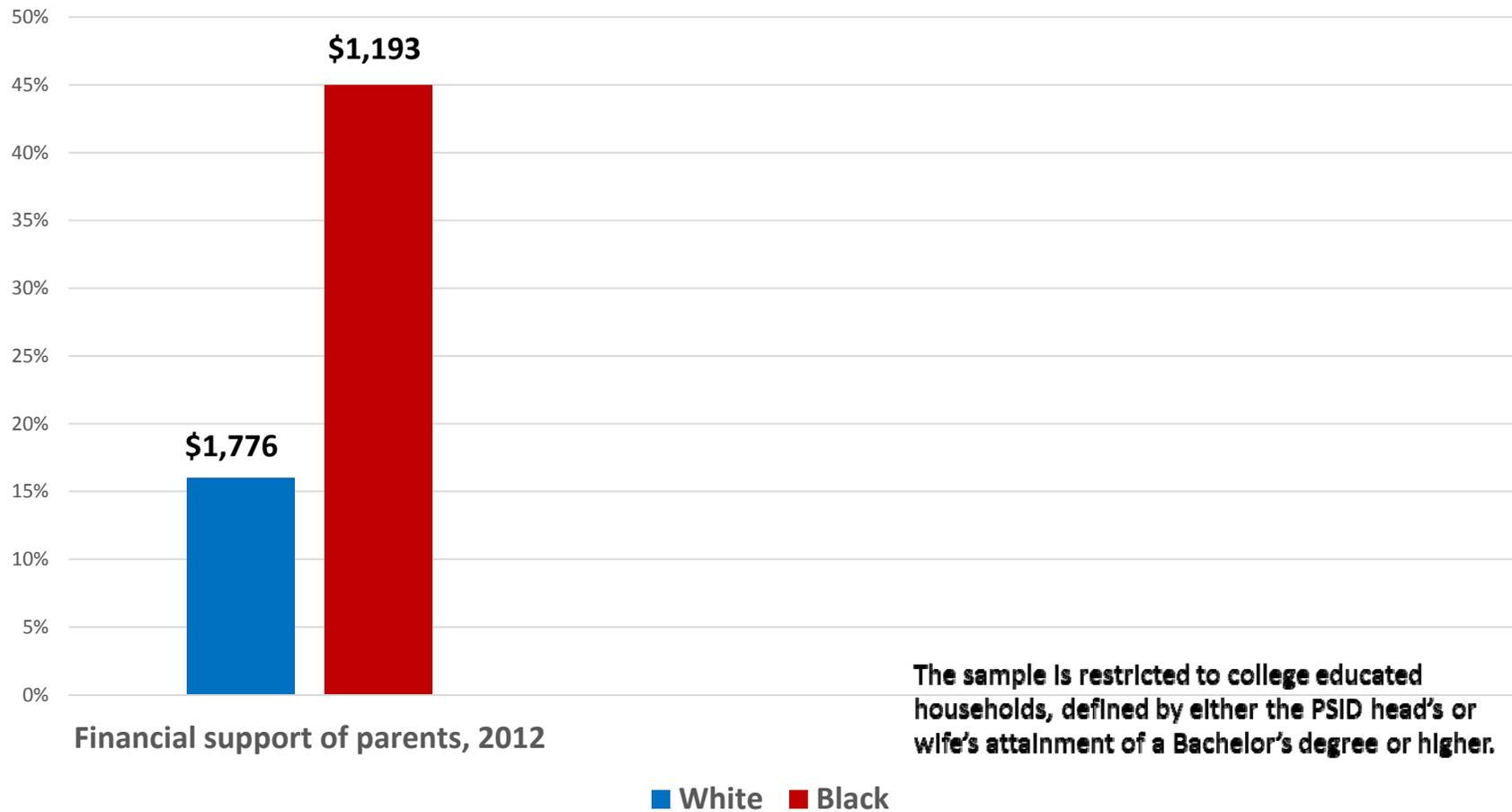
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# Median Net Wealth 2013, no Inheritance or Wealth Transfer



# Financial Support of Parents



# Family Financial Transfers and Net Wealth (IHS transformed), estimated by OLS

Only significant associations are shown

Note: \* $p < .05$ ; \*\*  $p < .01$ ; \*\*\*  $p < .001$ . The sample is restricted to college educated households, defined by either the PSID head's or wife's attainment of a Bachelor's degree or higher.

	Model 1
Demographics	Coefficient
Age (head) in 2013	0.51***
Age (head) in 2013, squared	-0.003***
Married in 2013	2.76***
Race	
Black (head)	-4.64***
Transfers into Households	
Parents help school	1.07**
Parents help home	1.69**
Parent help other	-1.90***
Transfers out of Households	
Help of parents in 2012	-0.26*
Help child other	0.34*
Adj. R2	0.24
N	2,797

# Similar achievements, very different outcomes

- Scullys, white couple, two children
  - Down payment
  - Inheritance

- Bazark Family, black couple, two daughters
  - Recession
  - Loss of employment

- Cotes Family, black couple with two children
  - Timing of career change
  - Selling CA home pre-recession

# Thank you!

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