

# Five Years, Five Lessons



(Source: Federal Reserve, Survey of Consumer Finances, 2013; see [www.stlouisfed.org/hfs](http://www.stlouisfed.org/hfs) for more info)

- 1) **What Recovery?** *The Great Recession wiped out 20 years of family wealth accumulation, taking us back to 1989. But the recoveries have been very uneven. In general, older, better educated, and white/Asian families (“thrivers”) have more than recovered their wealth while, in general, younger, less educated and non-white families (“strugglers”) have not.*
- 2) **Is Demography Destiny?** *These demographic factors have always mattered, but they appear to matter more than a generation ago. Thrivers are buoyed by tailwinds, while strugglers face headwinds in their efforts to build wealth, resulting in a massive shift in wealth from strugglers to thrivers since 1989.*
- 3) **The Other Diversity Challenge.** *The balance sheets of struggling families general share three characteristics—too much wealth in homeownership, too little savings/liquidity, and too much debt.*
- 4) **A Post-Racial America?** *Between 1992 and 2013, college-educated whites saw their wealth soar by 86 percent while college-educated blacks saw theirs plummet by 55 percent. This has little to do with financial behavior, and more to do with structures, institutions, and policies.*
- 5) **Mind the Gap?** *Attention to structures, demographics, diversification, place, and early investments will help build wealth, but not necessarily close wealth gaps—but that’s OK.*