



Asset Funders *Network*

# ACCELERATING *IDEAS* into ACTION

**May 2-4, 2017 • Indianapolis, IN**



Plenary:

# The Financial Lives of American Families

Daria Sheehan Citi Foundation

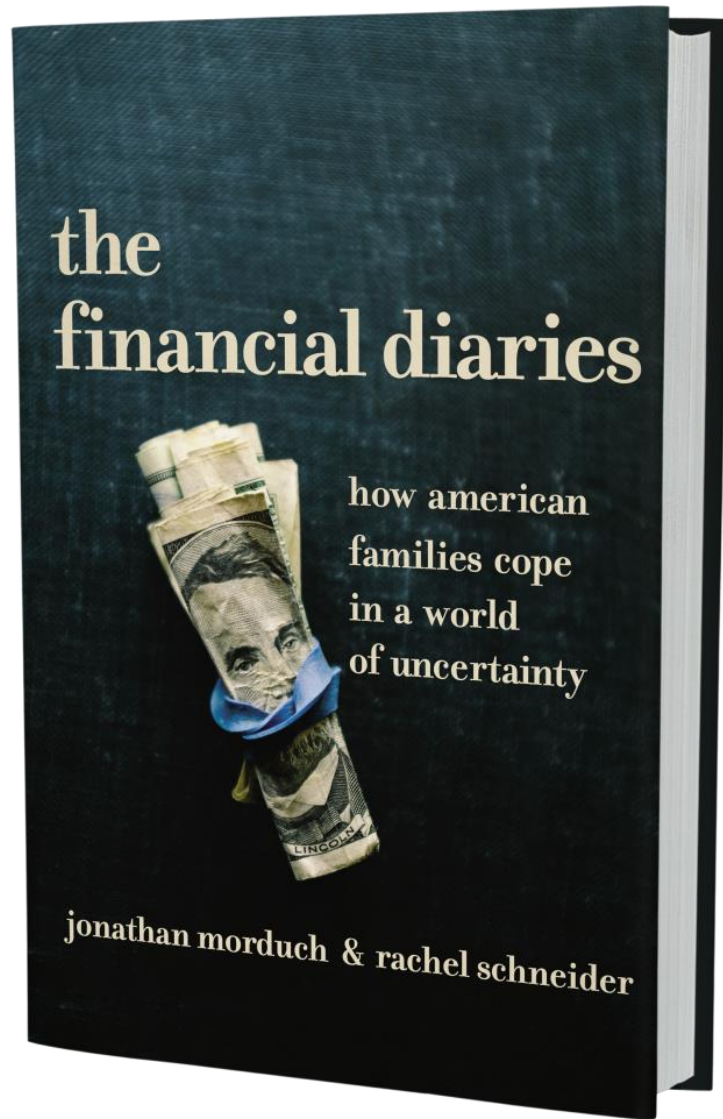
*Moderator*

Rachel Schneider Center for Financial Services Innovation

Cathie Mahon National Federation of Community Development Credit Unions

Saru Javaraman Restaurant Opportunities Centers United

*#ideasintoaction*



Jonathan Morduch, NYU

Rachel Schneider, CFSI

**U.S.**  
Financial  
Diaries

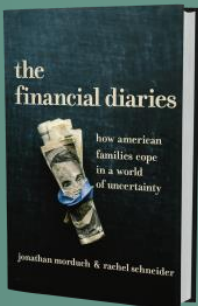
the

Job or college?

Buy or rent?

Have a baby?

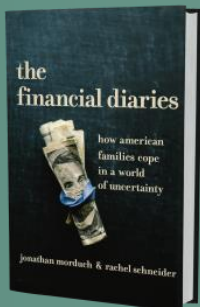
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# Slow & Steady



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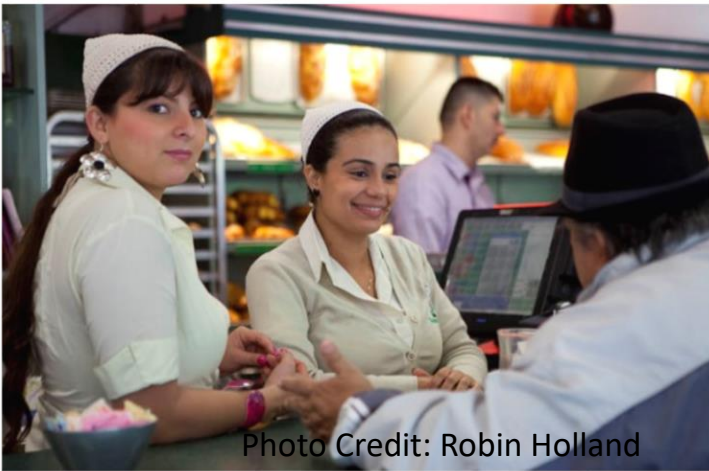
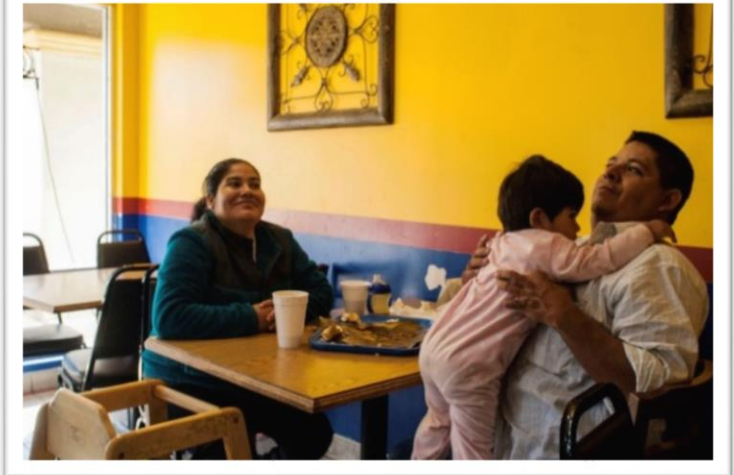


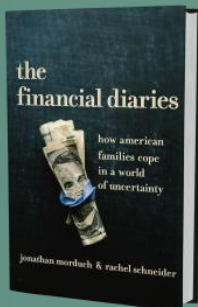
Photo Credit: Robin Holland



Photo Credit: Demetrius Freeman



Photo Credit: Juan Carlos



# Household Diaries

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Diaries



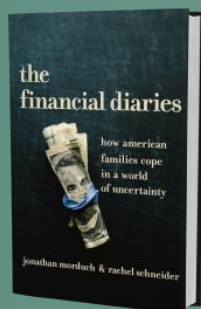
FORD FOUNDATION

*Working with Visionaries on the  
Frontlines of Social Change Worldwide*

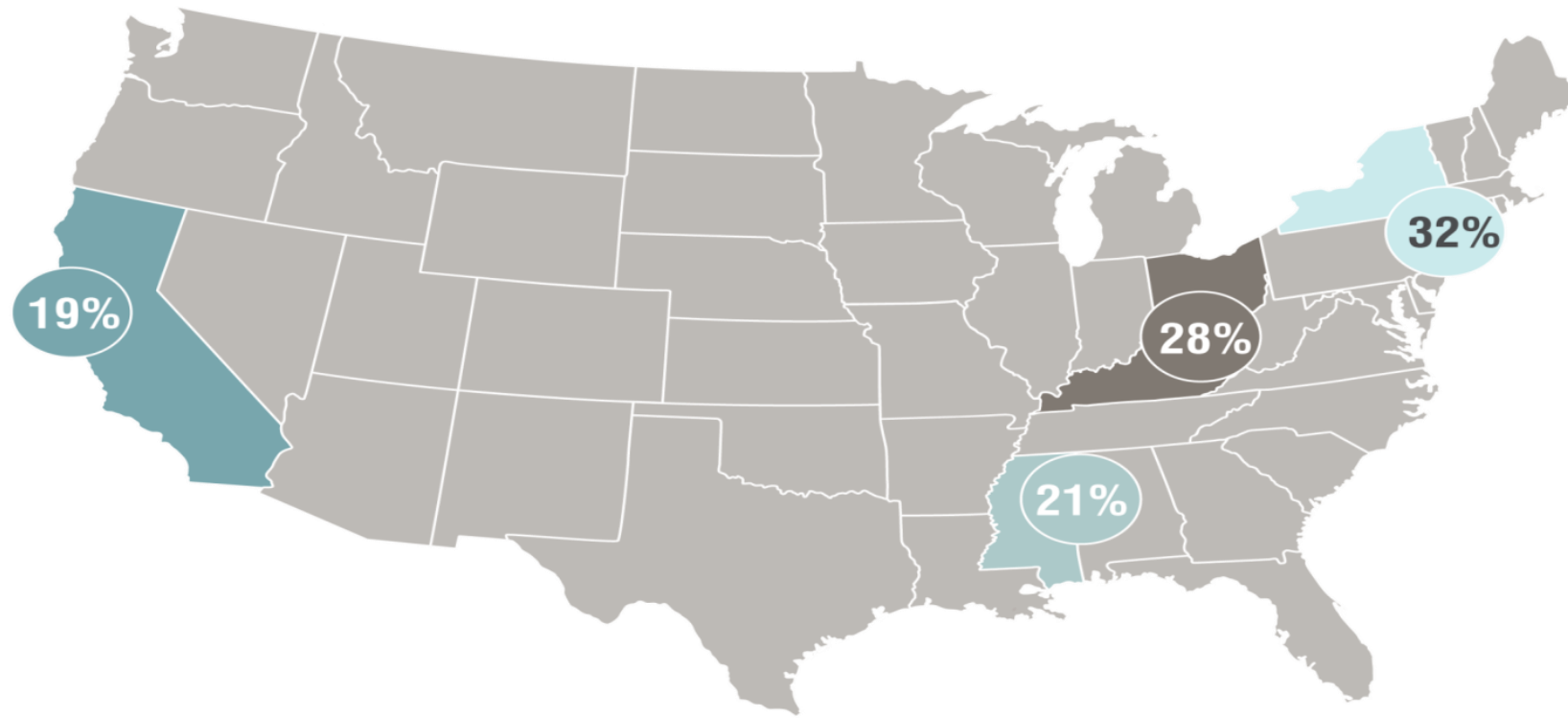
Citi Foundation



OMIDYAR NETWORK™



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### CALIFORNIA

San Jose & environs  
Urban & rural  
46 hh; 78 adults

### EASTERN MISSISSIPPI

Rural  
50 hh; 87 adults

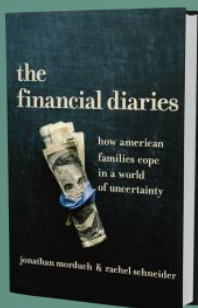
### OHIO/KENTUCKY

Cincinnati & environs  
Small town & rural  
69 hh; 130 adults

### NEW YORK CITY

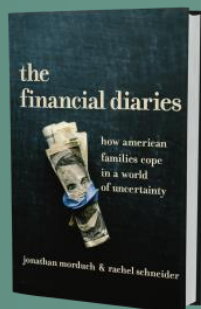
Brooklyn & Queens  
Urban  
79 hh; 158 adults

# 235 Households



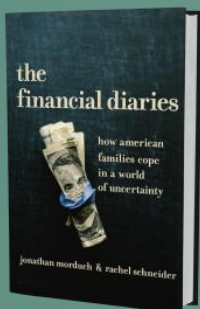
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Diaries





# Snapshot vs. Movie

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Diaries

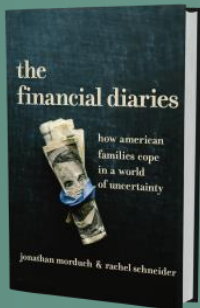
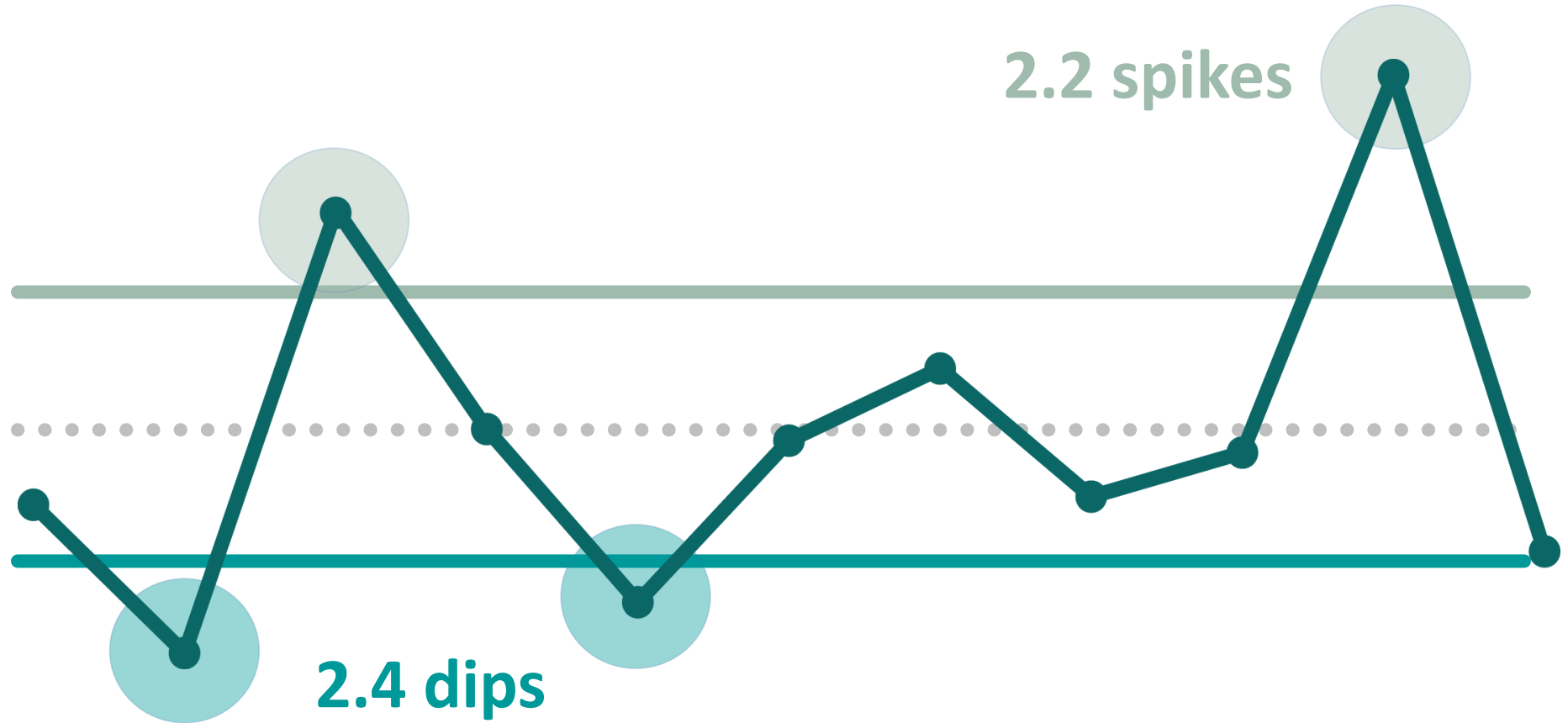


# Becky and Jeremy

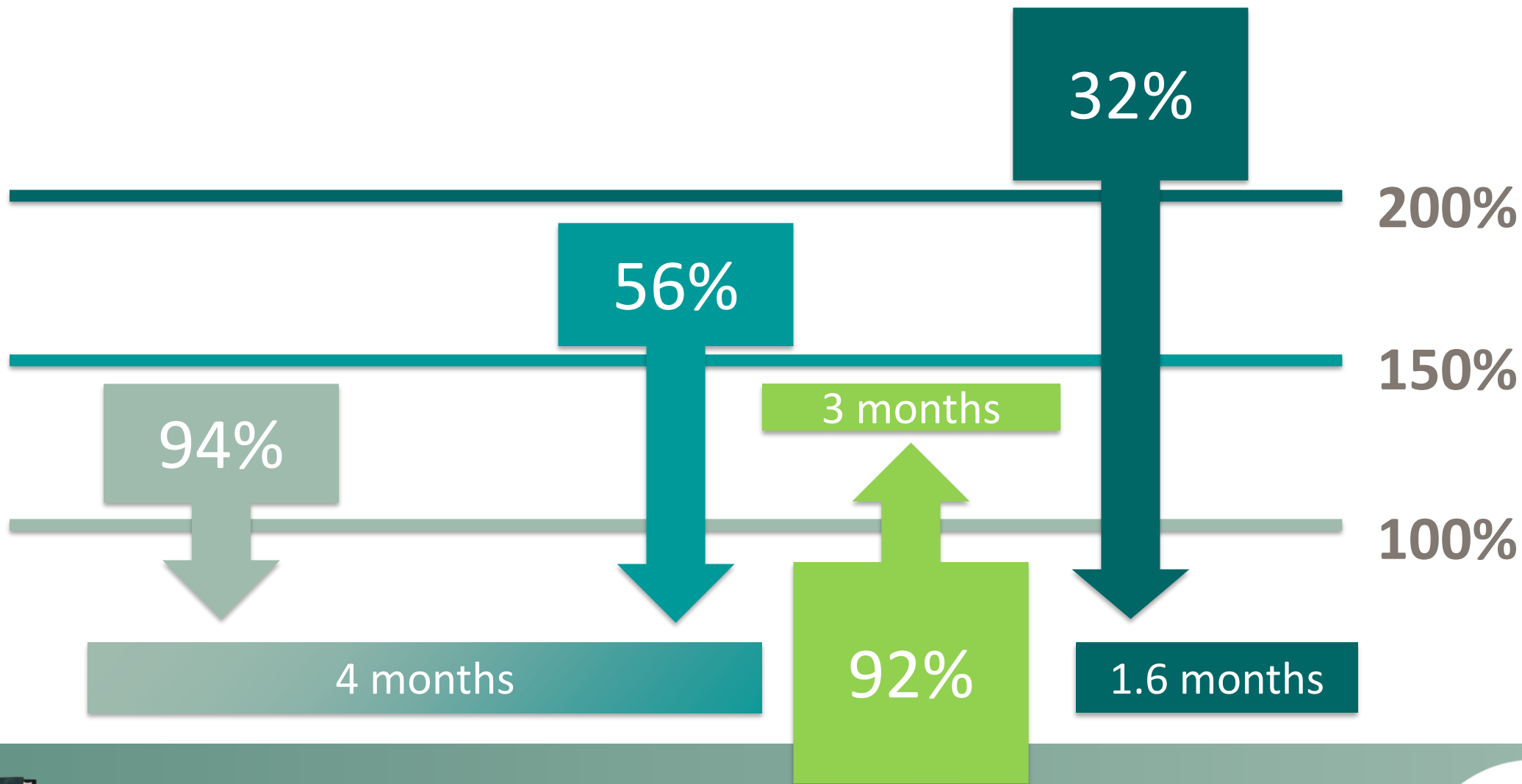
**U.S.**  
Financial  
Diaries



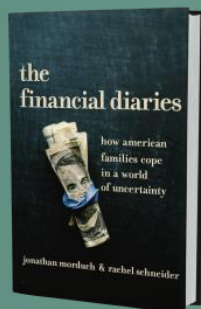
+ 25%  
Average  
Income  
- 25%



**U.S.**  
Financial  
Diaries

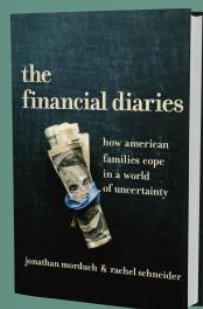
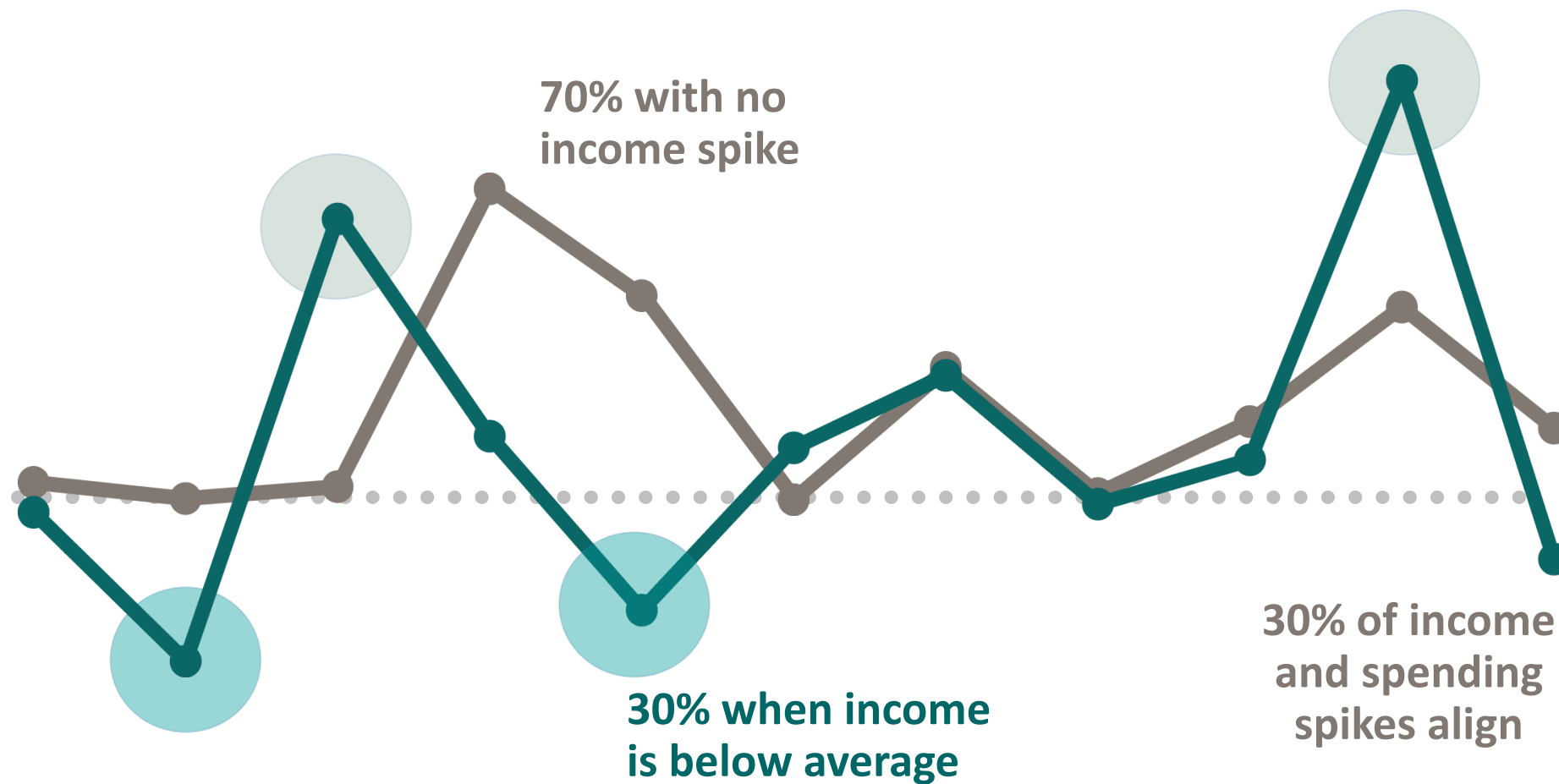


Sometimes Poor



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Financial  
Diaries

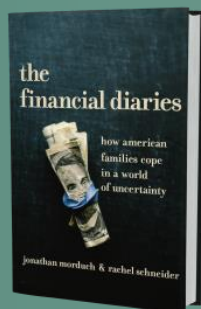
Average  
Income



**U.S.**  
Financial  
Diaries

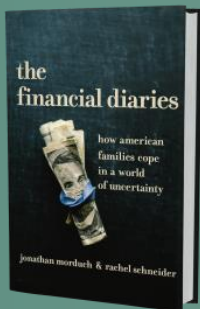


Now Soon Later



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Financial  
Diaries

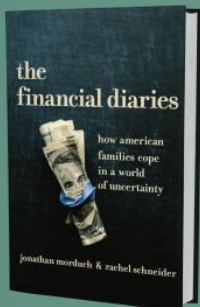
EARNING AND SPENDING	Steady	OKAY	OKAY
	Unsteady	STRUGGLING	OKAY
		Weak	Strong
		COPING MECHANISMS	



# A Hidden Inequality

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Diaries

# the Game of **Real Life**



The “Game” of *Real* Life

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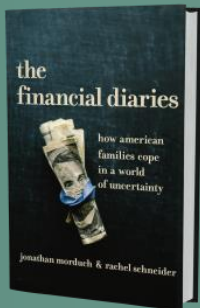
# The Right Money at the Right Time

Smooth and Spike

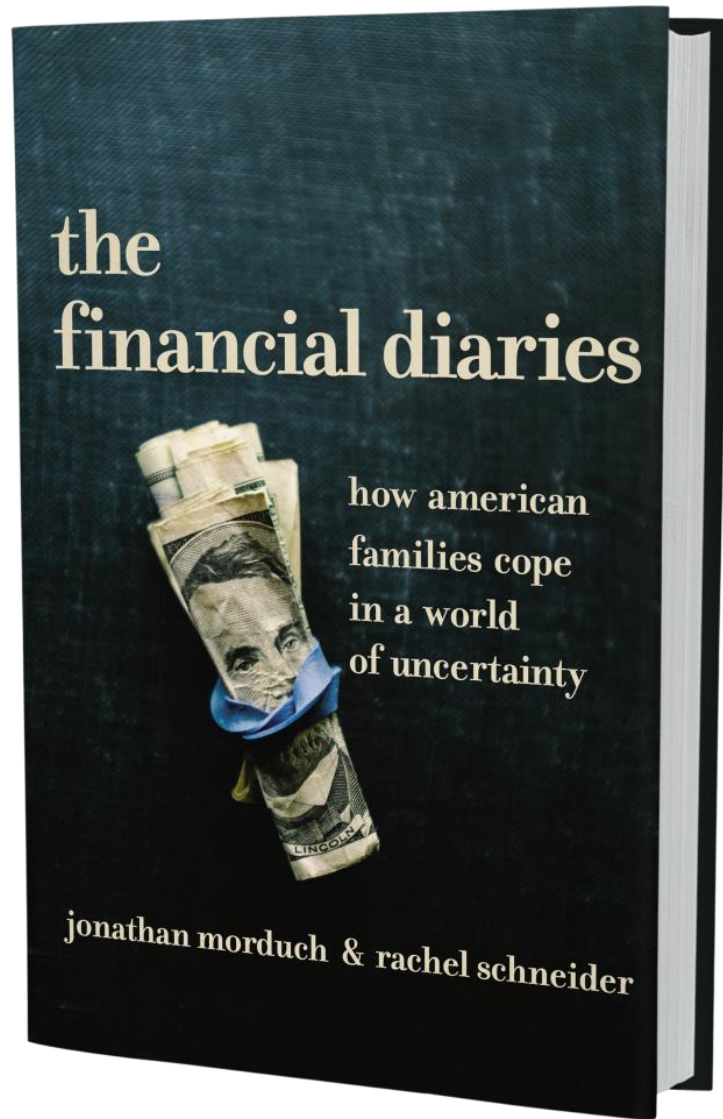
Align Inflows and Outflows

Balance Structure and Flexibility

Enhance Control



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Diaries



Jonathan Morduch, NYU

Rachel Schneider, CFSI





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# Plenary: How Philanthropy is Confronting the Racial Wealth Gap

Don E. Baylor, Jr. The Annie E. Casey Foundation  
*Moderator*

Anne Price Insight Center for Community Economic  
Development

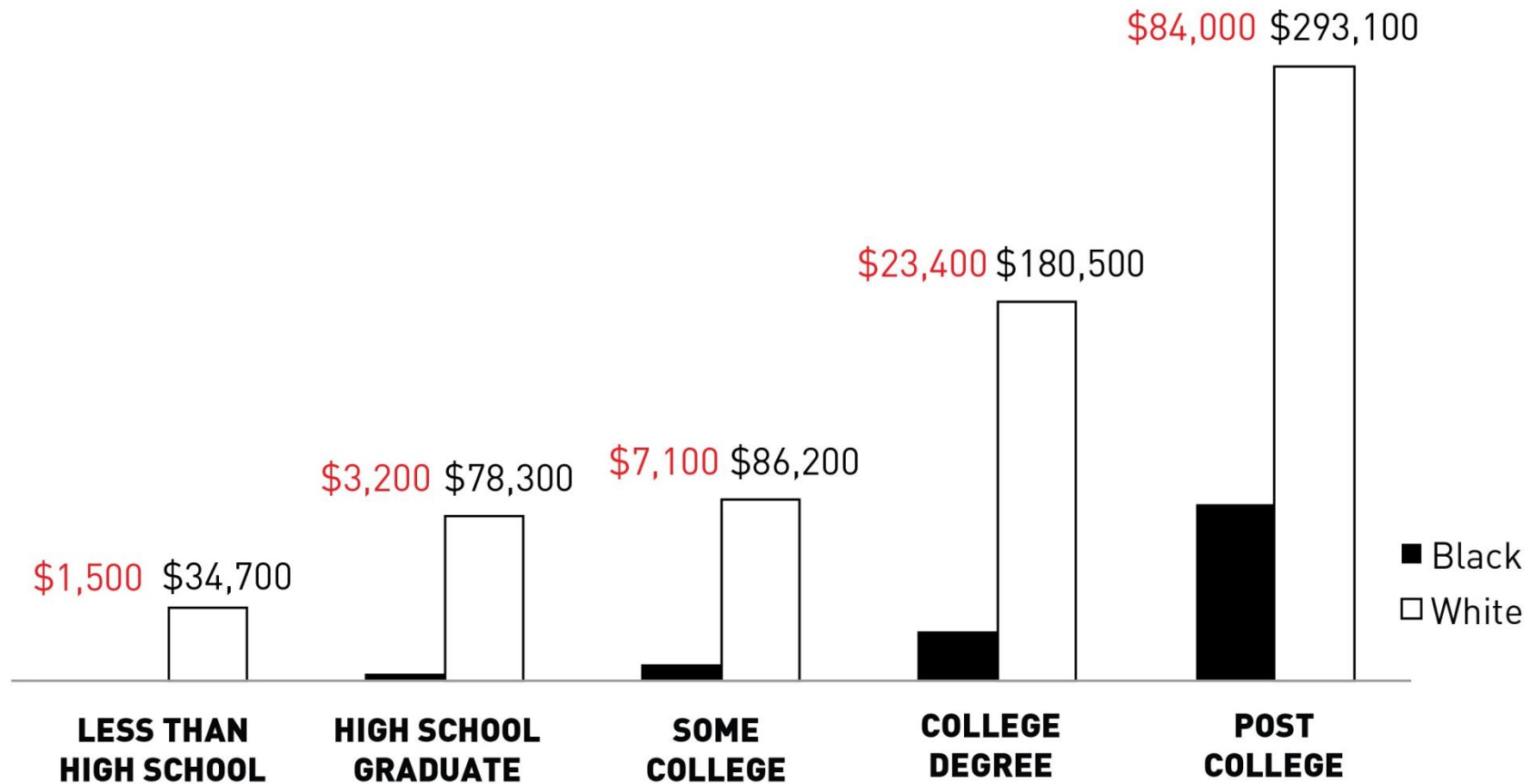
Dr. Manuel Pastor University of Southern California, Program  
for Environmental and Regional Equity

David Fukuzawa The Kresge Foundation

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BEHIND THE CURTAIN:  
THE CREATION OF WEALTH





# Education is not the Great Equalizer

Median wealth by educational level and race, SIPP 2011

Source: Umbrellas Don't Make it Rain: Why Studying and Working Hard Isn't Enough for Black Americans

# ADULTS WHO RECEIVED FINANCIAL SUPPORT FROM PARENTS TO PAY FOR COLLEGE

INCOME

**\$105,281**

WEALTH

**\$74,000**



**74%**

HOMEOWNERSHIP



**68%**

COLLEGE  
DEGREE



INCOME

**\$58,583**

WEALTH

**\$17,300**



**62%**

HOMEOWNERSHIP



**66%**

COLLEGE  
DEGREE





# **How philanthropy is closing the racial wealth gap**

**David Fukuzawa, Managing Director Health &  
Human Services, The Kresge Foundation**

Asset Funders Network Conference

Indianapolis, IN

May 4, 2017

# An urban opportunity framework



- **Low wealth individuals tend to live in low wealth neighborhoods**
- **Asset building strategies should be connected to community investment**

# A health and racial equity framework: root causes of poor health & low wealth



**Low income communities are targeted by extractive industries:**

- Usurious financial
- Rental housing
- Prisons/mass incarceration
- Low wage jobs
- Academia/research



**Low income communities suffer from multiple hidden taxes**

- Redlining
- Higher costs, lower quality in retail (esp food)
- Safety
- Fewer public transit options

# **There are real costs to segregation**

**Racial segregation and inequity are negatively associated with wealth building among people of color**

<http://www.urban.org/research/publication/cost-segregation>

# Less segregated communities are more prosperous

- More economically inclusive regions have higher black per capita and black median household income.
- More racially inclusive regions with lower levels of black-white segregation have higher black median household income, higher bachelor's degree attainment for both blacks and whites, and lower homicide rates
- Regions with lower levels of Latino-white segregation have higher overall life expectancy

Urban Institute, *The Cost of Segregation*, March 2017 (<http://www.urban.org/urban-wire/less-segregated-communities-arent-only-more-inclusive-theyre-more-prosperous>)



# If regional segregation in Chicago would fall to median

- Black per capita income would increase 12.4 percent (or \$2,455).
- The educational attainment rate for black and white residents would increase, with approximately 83,000 more adults completing a bachelor's degree. Of these graduates, 78 percent would be white and 22 percent would be black.
- The homicide rate would be 4.6 (instead of 6.6) per 100,000 people (as of 2010). In actual numbers, that decrease in segregation would have reduced the number of homicides in Chicago in 2010 from 553 down to 386, a decrease of 167.



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# Plenary: Education as an Asset

Rav Boshara Federal Reserve Bank of St. Louis  
*Moderator*

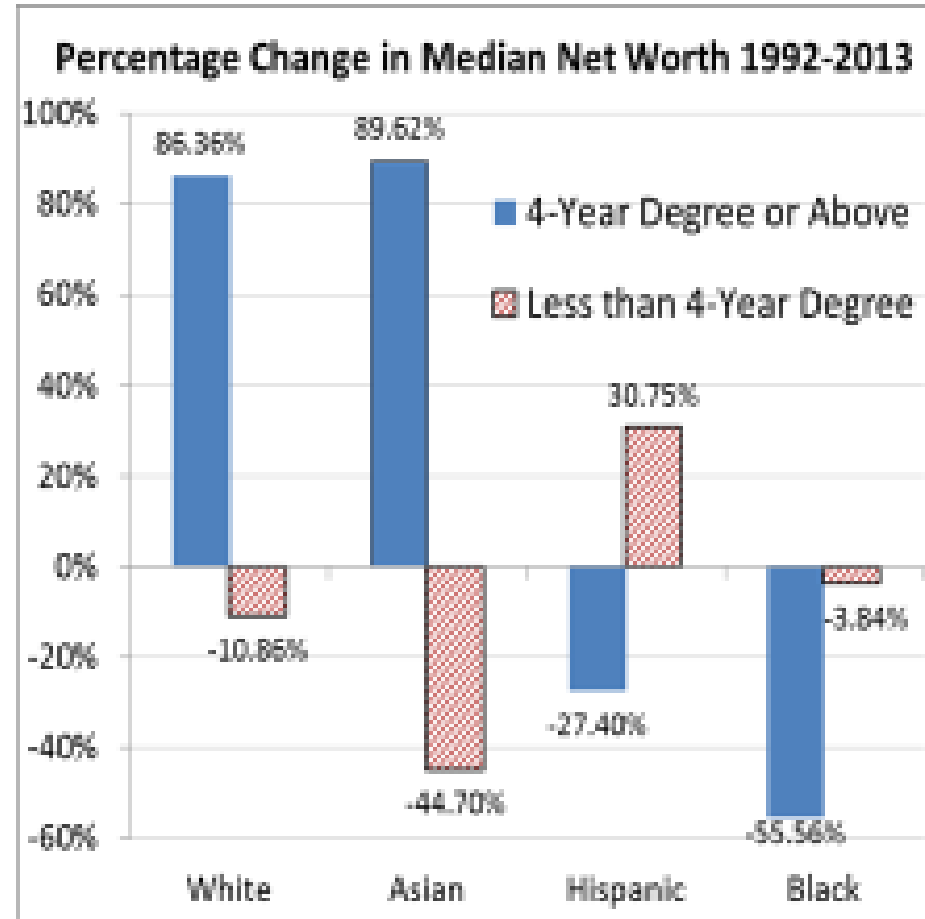
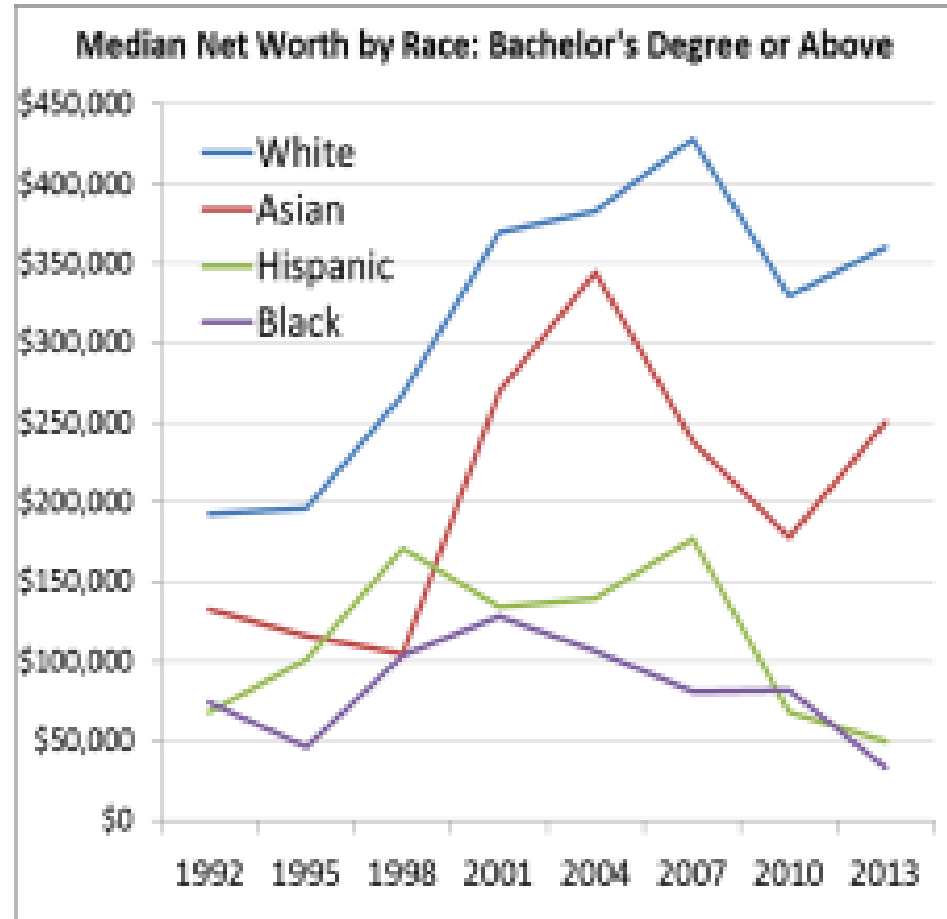
Darrick Hamilton The New School

Zakiva Smith Lumina Foundation

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# Race, Education, and Wealth

(Emmons and Noeth, 2015)



# REINFORCING INEQUALITIES, VULNERABILITIES AND OBSTACLES TO SOCIAL MOBILITY

- Income disparity
- Wealth disparity
- Unemployment/underemployment
- Income, work hours, and expense volatility
- Risk shift from corporate and government social insurance to household and individual private insurance
- Budgetary shortfall and vulnerability to predatory finance
- Exposure to economic downturns
- Intergenerational transfers of affluence and poverty
- Wealth stripping via municipal fees, fines, and debt
- Mass incarceration
- Socio-psychological stress via stigma, overexertion, macroaggression, stereotype threat, and implicit bias



## **Umbrellas Don't Make it Rain: Why Studying and Working Hard Isn't Enough for Black Americans**

Darrick Hamilton  
William Darity, Jr.  
Anne E. Price  
Vishnu Sridharan  
Rebecca Tippett

**THE NEW SCHOOL**

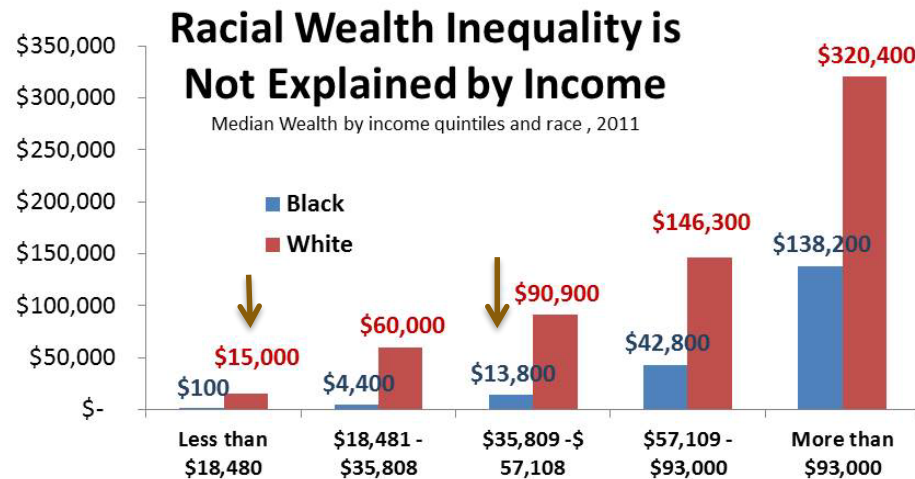
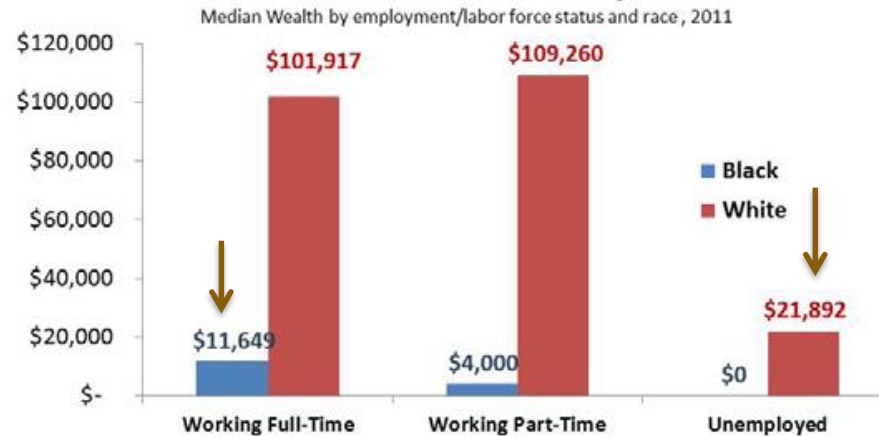


Duke Center for Social Equity



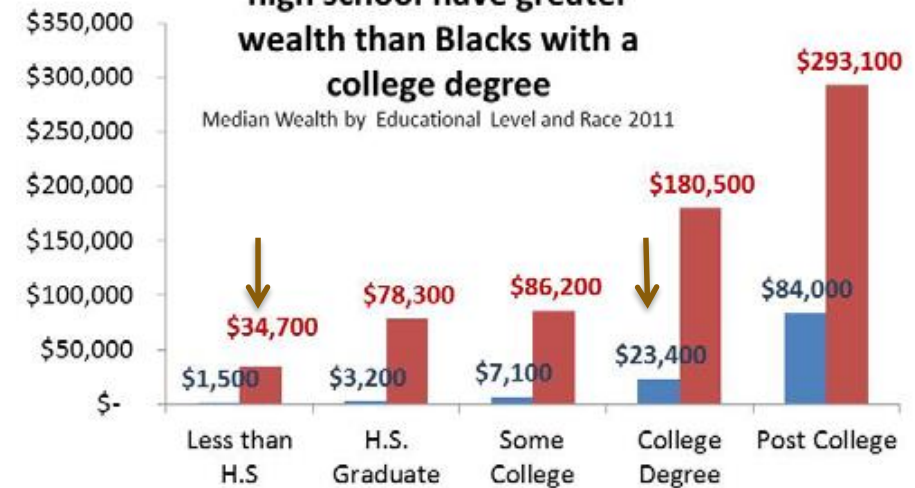


## Hard Work Isn't Enough to Close the Racial Wealth Gap



## Studying hard is not enough

Whites who dropped out of high school have greater wealth than Blacks with a college degree



Research Brief Series

# Women, Race & Wealth

Volume 1, January 2017

*Authors: Khaing Zaw, Jhumpa Bhattacharya, Anne Price, Darrick Hamilton, and William Darity, Jr*  
Samuel DuBois Cook Center on Social Equity and Insight Center for Community Economic Development

# INTERSECTION OF RACE, GENDER, AGE, EDUCATION AND WEALTH (PSID 2013)

TABLE 1: MEDIAN WEALTH OF WOMEN BY FAMILY STRUCTURE, COLLEGE EDUCATION AND RACE, 2013

No Bachelor's Degree			With Bachelor's Degree		
	BLACK	WHITE		BLACK	WHITE
Married*	\$25,000	\$117,200	↓	\$45,000	\$260,000
Single Females	\$500	\$8,000	↙	\$5,000	\$35,000

TABLE 3: MEDIAN WEALTH OF WOMEN BY AGE, FAMILY STRUCTURE, COLLEGE EDUCATION AND RACE, 2013

No Bachelor's Degree					With Bachelor's Degree				
	MARRIED		SINGLE		MARRIED		SINGLE		
AGE	BLACK	WHITE	BLACK	WHITE	BLACK	WHITE	BLACK	WHITE	
20-29	\$4,000	\$13,000	\$0	\$2,000	\$7,700	\$18,700	\$-11,000	\$3,400	↓ ↓
30-39	\$12,000	\$33,450	\$0	\$0	\$-20,500	\$97,000	\$0	\$7,500	
40-49	\$22,501	\$60,000	\$1,000	\$3,006	\$12,000	\$195,000	\$6,000	\$25,000	↙
50-59	\$38,000	\$155,000	\$2,000	\$8,200	\$198,000	\$430,000	\$9,500	\$117,500	
60+	\$89,500	\$344,700	\$12,000	\$60,000	\$424,000	\$778,000	\$11,000	\$384,400	

# Coping with an Emergency Expense

2015 Survey of Household Economics and Decision-making (SHED)

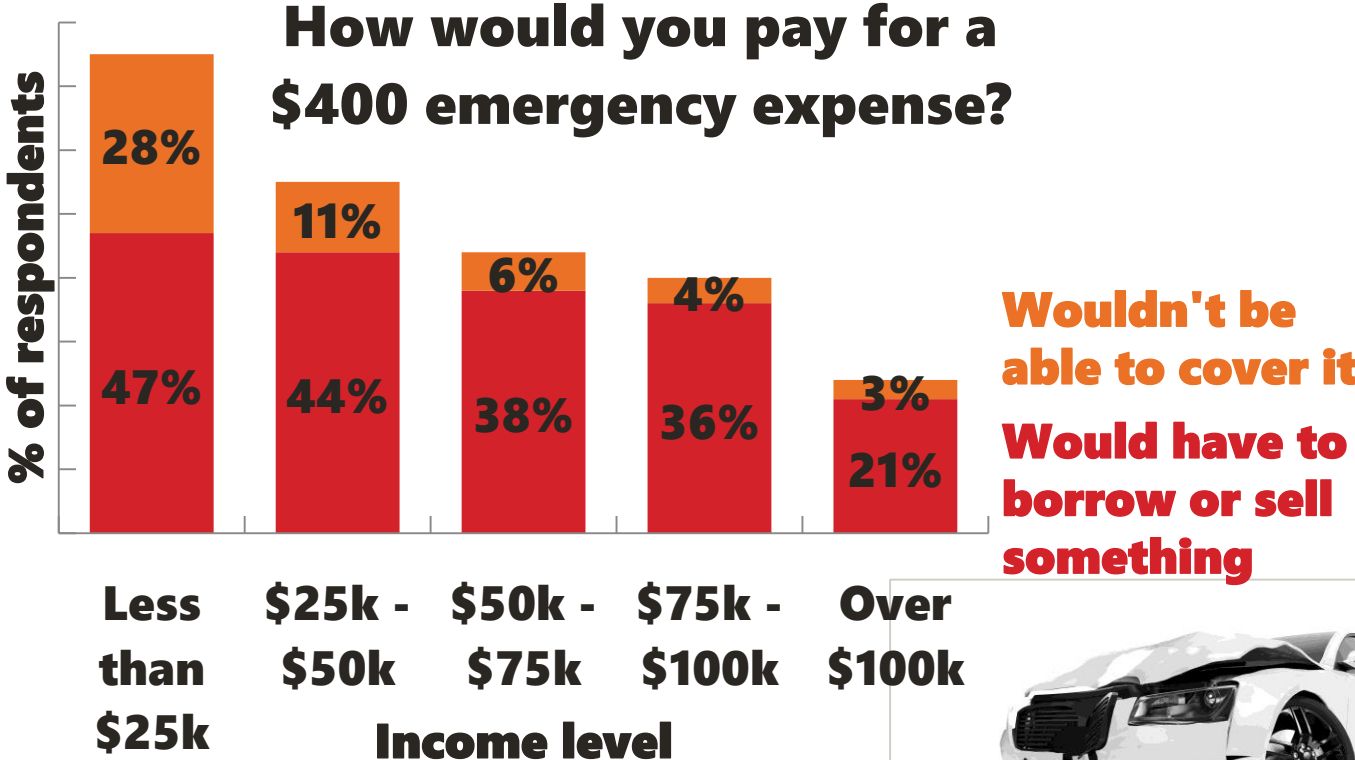
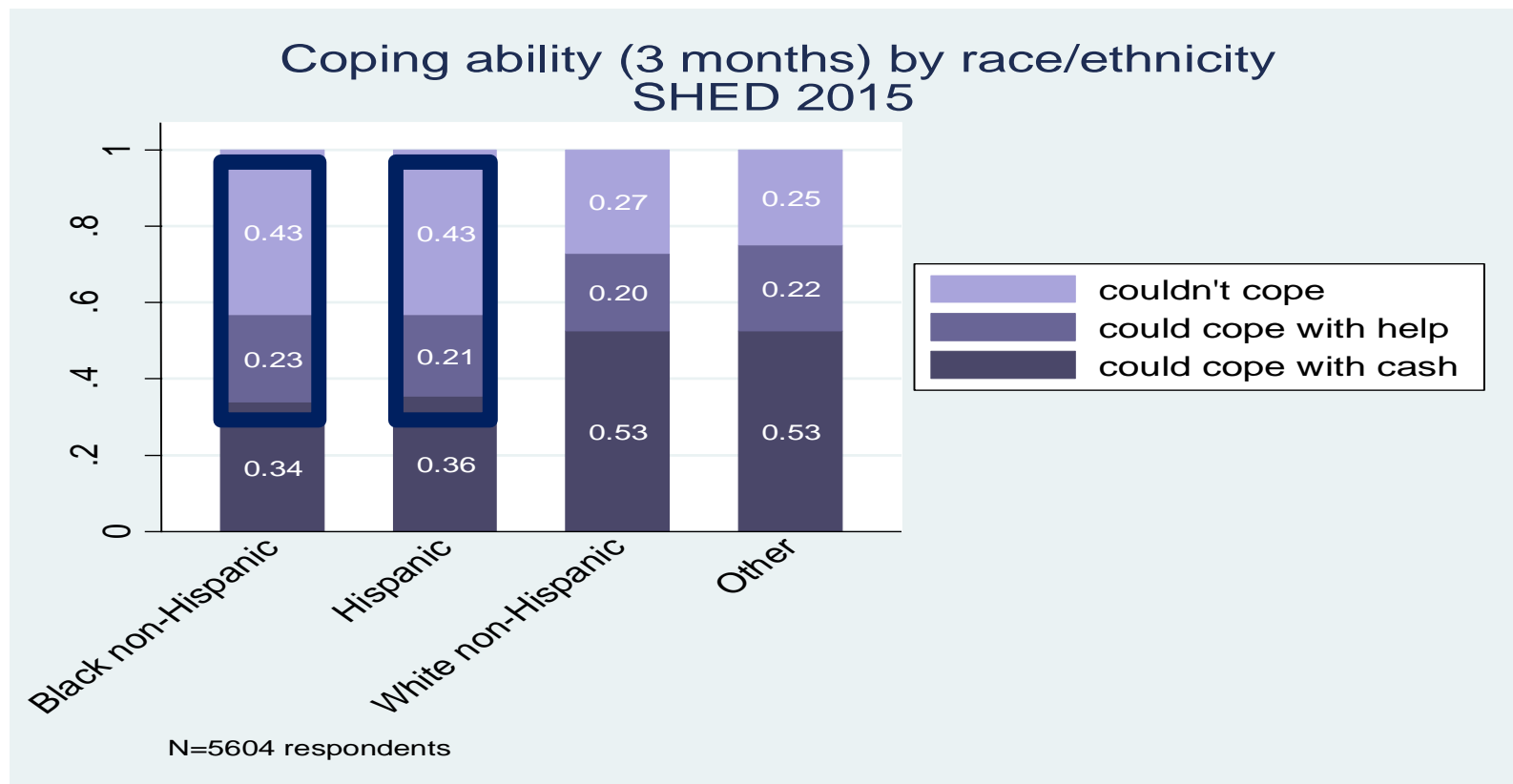


Table produced by William Darity, Jr., Darrick Hamilton, Bradley Hardy, and Jonathan Morduch

## BLACK AND LATINO RESPONDENTS REPORT LESS ABILITY TO MEET EXPENSES WITH INCOME LOSS FOR THREE MONTHS



**Table produced by William Darity, Jr., Darrick Hamilton, Bradley Hardy, and Jonathan Morduch**



## **BOOTSTRAPS ARE FOR BLACK KIDS:**

Race, Wealth, and the  
Impact of Intergenerational  
Transfers on Adult Outcomes

### RESEARCH BRIEF

September 2015

Yunju Nam, Ph.D., University at Buffalo, State University of New York

Darrick Hamilton, Ph.D., The New School

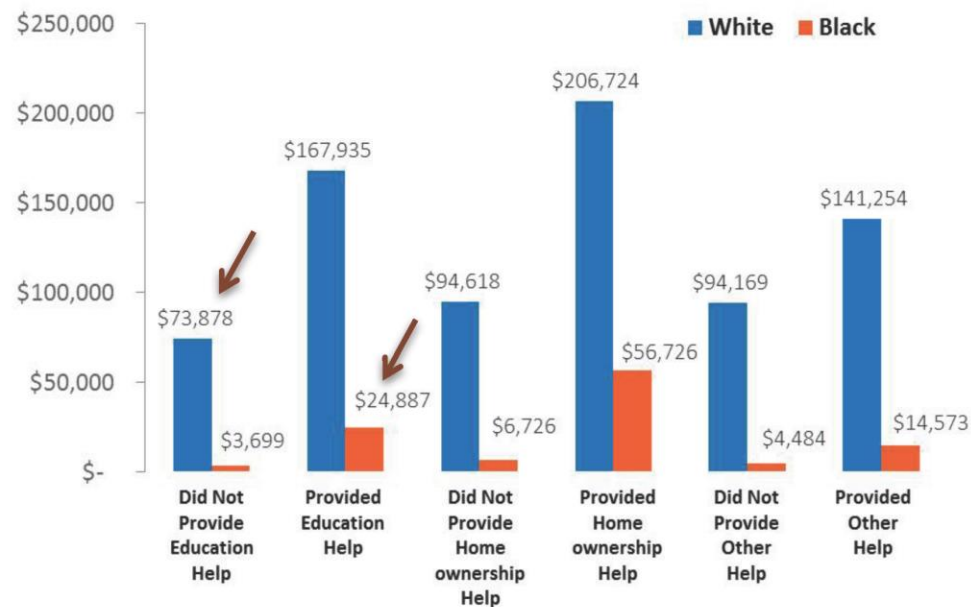
William A. Darity, Jr., Ph.D., Duke University

Anne E. Price, M.A. The Insight Center for Community Economic  
Development



**Figure 3: Median Parental Wealth**

By type of financial support and race, 2013



**Table 1: Children's Economic Achievement by Parents' Financial Support for Education by Race**

	W/O Education help		W/ Education help	
Economic achievement	Whites	Blacks	Whites	Blacks
College degree (%)	24.84%	11.20% ***	67.89%	65.87%
Graduate education (%)	8.14%	2.81% **	27.27%	27.88%
Homeownership (%)	60.30%	35.23% ***	73.95%	62.14%
Income (Median)	73,646	40,336	105,281	58,583
Net worth (Median)	26,006	3,000	74,000	17,300
n (unweighted)	586	449	299	54

Note: W/O indicates "Without" and W/ indicates "With."

\* indicates  $p < 0.1$ ; \*\* indicates  $p < 0.05$ ; \*\*\* indicates  $p < 0.01$

# MULTI-GENERATIONAL HOUSEHOLDS



Two- and three-family homes

- Decrease housing costs
- Source of emergency funds
- Intergenerational support
- Familial asset

# DEFINING CLASS POSITION IN TERMS OF WORK



**“Working class means you don’t have substantial savings. Everything is contingent on you going to work.”**

**(Nathalie, 50-year old Caribbean black elementary school principal )**

# IMPORTANCE OF WORK

“We’re not well [off] enough that if something were to happen to me ... we could survive for [no] more than six months tops. It’s all dependent on me waking up and going to work and getting paid every other week. *There’s no investments. There’s no businesses.* It’s just me getting up everyday ... People might look at my salary and think I’m doing very well, but *it’s all contingent on me going to work.*”

(Nathalie, 50-year old Caribbean black elementary school principal

REGINE O. JACKSON, D.  
HAMILTON, AND W.  
DARITY. 2015. “LOW  
WEALTH AND ECONOMIC  
INSECURITY AMONG  
MIDDLE-CLASS BLACKS IN  
BOSTON”  
THE FEDERAL RESERVE  
BANK OF BOSTON,  
COMMUNITY  
DEVELOPMENT ISSUE  
BRIEF

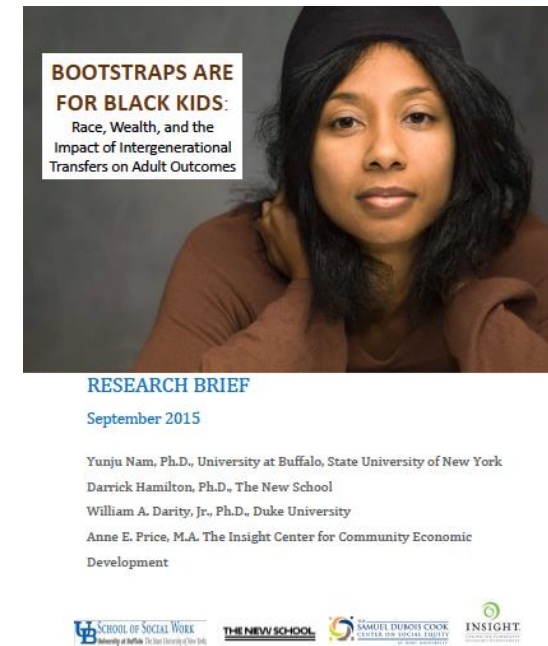
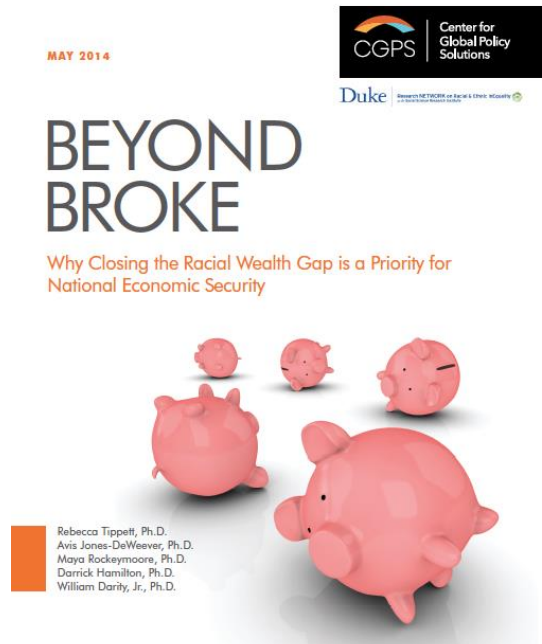
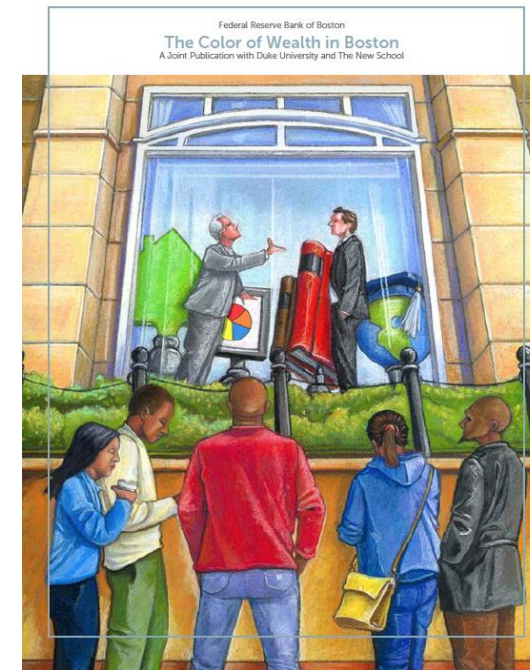
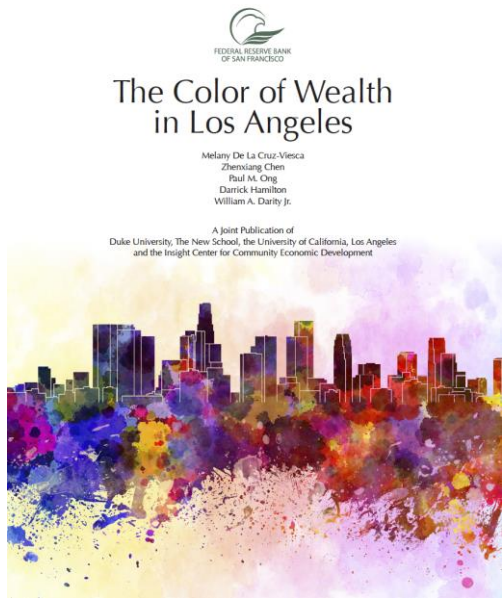
# IMPORTANCE OF WORK OVERTIME DEFINED AS AN ASSET

**“I’m fortunate to have a job where I can work overtime, you know. If I foresee certain things like that need to be paid, I can just work more, um, so I’m fortunate in that regard. But that’s basically it. ... If I made more money I wouldn’t have to work overtime. I just have the opportunity to work overtime, where others do not.”**

**(Sabine, 45-year old Caribbean black transit police officer)**

**REGINE O. JACKSON, D.  
HAMILTON, AND W.  
DARITY. 2015. “LOW  
WEALTH AND ECONOMIC  
INSECURITY AMONG  
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BRIEF**









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