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

#ideasintofaction
Jonathan Morduch, NYU
Rachel Schneider, CFSI
Job or college?
Buy or rent?
Have a baby?
Slow & Steady
235 Households

**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
Becky and Jeremy
Average Income

+ 25%

- 25%

2.2 spikes

2.4 dips
Sometimes Poor
Average Income

70% with no income spike

30% when income is below average

30% of income and spending spikes align
Now Soon Later
A Hidden Inequality
The “Game” of *Real* Life
The Right Money at the Right Time
Smooth and Spike
Align Inflows and Outflows
Balance Structure and Flexibility
Enhance Control
Jonathan Morduch, NYU
Rachel Schneider, CFSI
Plenary:

How Philanthropy is Confronting the Racial Wealth Gap

Don E. Baylor, Jr. The Annie E. Casev 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

#ideasintoaction
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**
- **$58,583**

**WEALTH**

- **$74,000**
- **$17,300**

- **74%** HOMEOWNERSHIP
- **68%** COLLEGE DEGREE

- **62%** HOMEOWNERSHIP
- **66%** COLLEGE DEGREE

**INSIGHT:**

Center for Community Economic Development
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.

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.
ACCELERATING IDEAS into ACTION

May 2-4, 2017 • Indianapolis, IN
Plenary:
Education as an Asset

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

Darrick Hamilton  The New School

Zakiva Smith  Lumina Foundation

#ideasintoaction
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
Research Brief Series

Women, Race & Wealth

Volume 1, January 2017

Authors: Khaing Zaw, Jhumka Bhattacharya, Anne Price, Darrick Hamilton, and William Darity, Jr

Samuel DuBois Cook Center on Social Equity and Insight Center for Community Economic Development
### TABLE 1: MEDIAN WEALTH OF WOMEN BY FAMILY STRUCTURE, COLLEGE EDUCATION AND RACE, 2013

<table>
<thead>
<tr>
<th></th>
<th>No Bachelor's Degree</th>
<th>With Bachelor's Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BLACK</td>
<td>WHITE</td>
</tr>
<tr>
<td>Married*</td>
<td>$25,000</td>
<td>$117,200</td>
</tr>
<tr>
<td>Single Females</td>
<td>$600</td>
<td>$8,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>AGE</th>
<th>No Bachelor's Degree</th>
<th>With Bachelor's Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MARRIED</td>
<td>SINGLE</td>
</tr>
<tr>
<td></td>
<td>BLACK</td>
<td>WHITE</td>
</tr>
<tr>
<td>20-29</td>
<td>$4,000</td>
<td>$13,000</td>
</tr>
<tr>
<td>30-39</td>
<td>$12,000</td>
<td>$33,450</td>
</tr>
<tr>
<td>40-49</td>
<td>$22,501</td>
<td>$60,000</td>
</tr>
<tr>
<td>50-60</td>
<td>$38,000</td>
<td>$166,000</td>
</tr>
<tr>
<td>60+</td>
<td>$89,500</td>
<td>$344,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Coping with an Emergency Expense
2015 Survey of Household Economics and Decision-making (SHED)

<table>
<thead>
<tr>
<th>Income level</th>
<th>How would you pay for a $400 emergency expense?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25k</td>
<td>Wouldn't be able to cover it</td>
</tr>
<tr>
<td>$25k - $50k</td>
<td>Would have to borrow or sell something</td>
</tr>
<tr>
<td>$50k - $75k</td>
<td></td>
</tr>
<tr>
<td>$75k - $100k</td>
<td></td>
</tr>
<tr>
<td>Over $100k</td>
<td></td>
</tr>
</tbody>
</table>

Less than $25k 28%
$25k - $50k 47%
$50k - $75k 44%
$75k - $100k 38%
Over $100k 36%

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

Coping ability (3 months) by race/ethnicity

SHED 2015

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

<table>
<thead>
<tr>
<th>Economic achievement</th>
<th>W/O Education help</th>
<th>W/ Education help</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Whites</td>
<td>Blacks</td>
</tr>
<tr>
<td>College degree (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24.84%</td>
<td>11.20%</td>
<td></td>
</tr>
<tr>
<td>Graduate education (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.14%</td>
<td>2.81%</td>
<td></td>
</tr>
<tr>
<td>Homeownership (%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60.30%</td>
<td>35.23%</td>
<td></td>
</tr>
<tr>
<td>Income (Median)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>73,646</td>
<td>40,336</td>
<td></td>
</tr>
<tr>
<td>Net worth (Median)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26,006</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>n (unweighted)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>586</td>
<td>449</td>
<td></td>
</tr>
</tbody>
</table>

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)

"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)
ACCELERATING IDEAS into ACTION

May 2-4, 2017 • Indianapolis, IN