BEHIND THE CURTAIN:
THE CREATION OF WEALTH
The great force of history comes from the fact that we carry it within us, are unconsciously controlled by it... History is literally present in all that we do.

James Baldwin
Racial wealth disparities are today’s version of yesterday’s segregation and policy decisions.

White families had over a 30 year head start in building wealth through homeownership.

- **1933 Homeowner’s Loan Corporation**: 1 million homeowners helped, from foreclosure not one Black homeowner helped.

- **1935 Social Security**: Blacks and Latino farm and domestic workers were excluded from benefits (65% of black workers excluded).

- **1937 FHA**: FHA openly counseled and supported segregation—between 1930 and 1950, 60% of homes purchased in U.S. were financed by FHA, yet less than 2% were made to non-white home buyers.
The lives and labor of enslaved African Americans transformed the United States into a world power. Yet they received no recognition or payment for what they created. By 1860 four million enslaved people produced well over 60 percent of the nation’s wealth, and the slave trade valued them at $2.7 billion. Selling an enslaved person provided ready cash, explaining in part why roughly 600,000 people were sold in the domestic slave trade. This vast wealth, in human form, affected the entire nation.

Source: Smithsonian Institution National Museum of African American History & Culture
Employment is Not the Great Equalizer

Median wealth by employment/labor force status and race, SIPP 2011

Source: Umbrellas Don’t Make it Rain: Why Studying and Working Hard Isn’t Enough for Black Americans
Family Income is Not the Great Equalizer

Median wealth by income quintiles and race, SIPP 2011

Source: Umbrellas Don’t Make it Rain: Why Studying and Working Hard Isn't Enough for Black Americans
BLACK PARENTS MORE LIKELY TO USE LIMITED RESOURCES TO INVEST IN THEIR CHILDREN’S EDUCATION.

Median income and net worth of parents who provided financial support for their adult children’s college education.
Black adults who received financial support from parents to pay for college:

- **Income**: $58,583
- **Wealth**: $17,300
- **Homeownership**: 62%
- **College Degree**: 66%

Black adults who received no financial support from parents to pay for college:

- **Income**: $40,336
- **Wealth**: $3,000
- **Homeownership**: 35%
- **College Degree**: 11%
White adults who received financial support from parents to pay for college

- **Income**: $105,281
- **Wealth**: $74,000

White adults who received no financial support from parents to pay for college

- **Income**: $73,646
- **Wealth**: $26,006

- **Homeownership**: 74%
- **College Degree**: 68%
- **Homeownership**: 60%
- **College Degree**: 25%
Black women have high levels of student debt, which greatly hinders their ability to gain wealth.

**Median Wealth of Women with a Bachelor’s Degree**

**AGE 20-29**
- Married: $7,700
- Single: $-11,000

**AGE 30-39**
- Married: $-25,000
- Single: $0
A College Degree Yields Higher Wealth for White Women

Median Wealth of Women with a Bachelor’s Degree

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A graduated federally funded trust account that provides a leg up to the wealth poor at early adulthood
Offer employment as a guaranteed right of the federal government