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Equitable Wealth Initiative

May 2023

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United Way
of Greater Philadelphia
and Southern New Jersey



Introduction

The Equitable Wealth Initiative (EWI) centers history, narratives, research, and data to inform a more robust discussion about addressing racial wealth inequities in Philadelphia as integral to building a healthy, robust regional economy.

The multiyear initiative leverages two interrelated components:

A Wealth Ecosystem Roundtable

The six-month engagement focused on developing shared language and understanding of racial wealth inequities.

A Mixed-Methods Research Approach

This includes a qualitative study of residents' experiences with and access to wealth-building tools.

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This slide deck provides an overview of the roundtable engagement with ecosystem actors from May 2022 to October 2022.

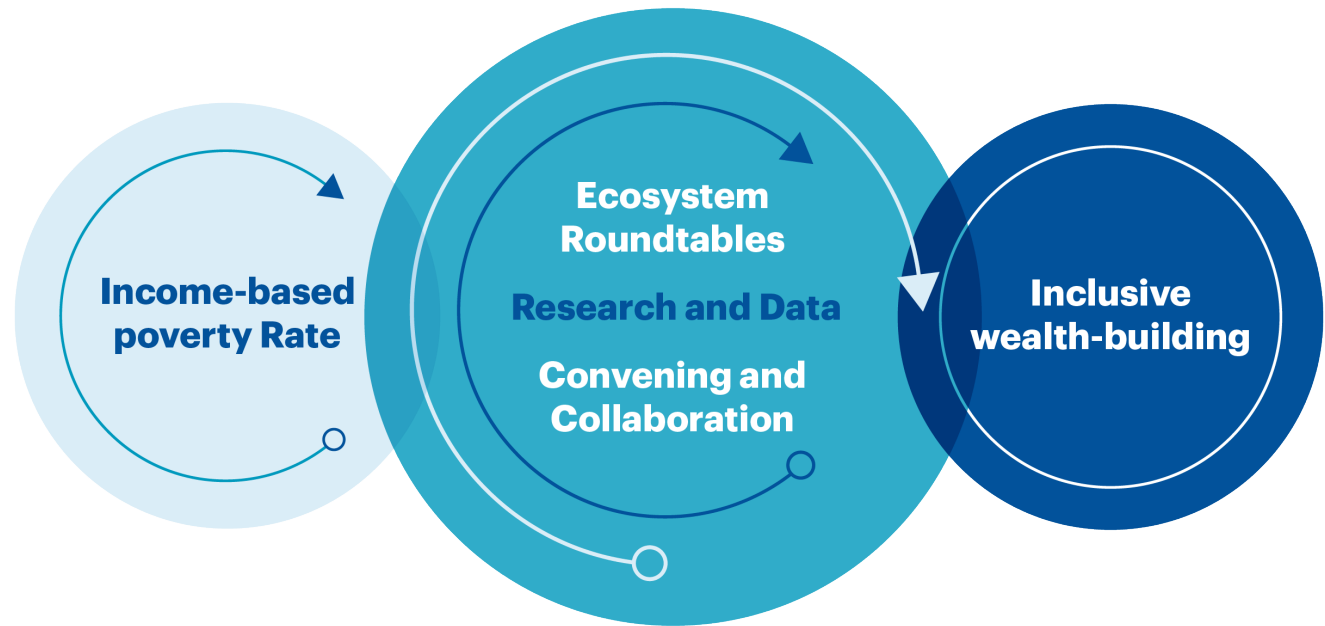
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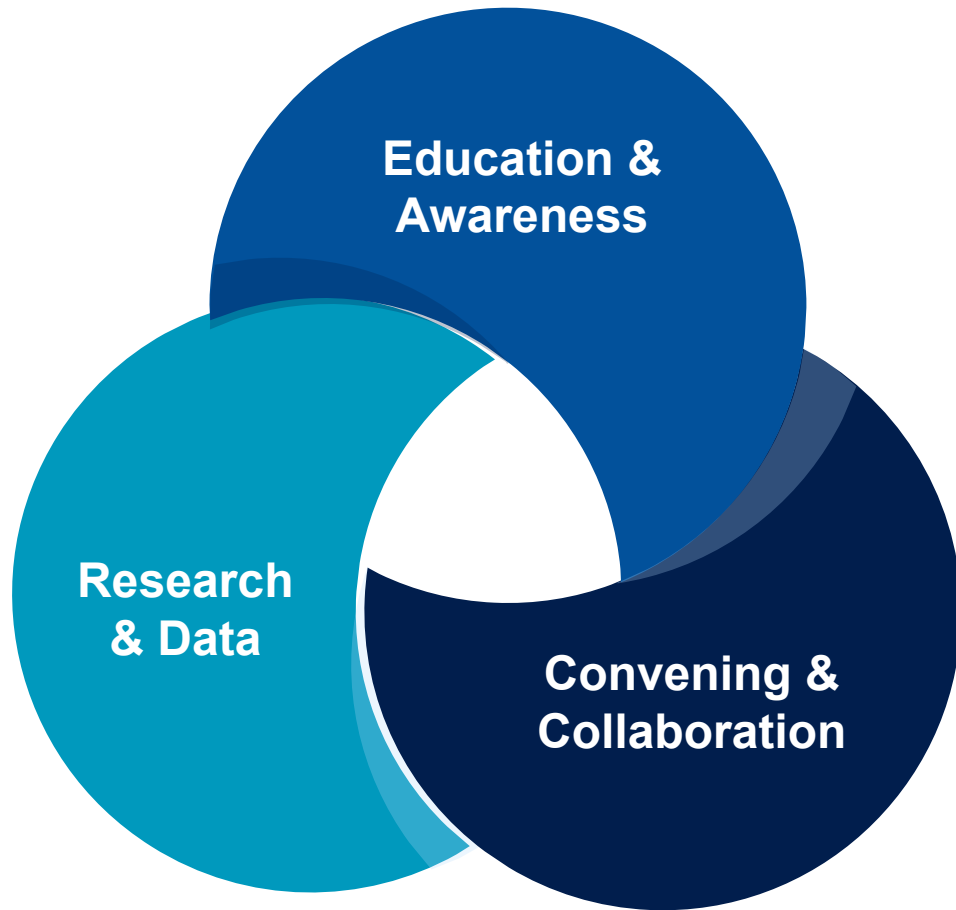
Purpose

The roundtable engagement provided a space for key actors in the Philadelphia ecosystem to examine how historical policies, current practice, and harmful narratives contribute to ideas about racial wealth inequality.

“We aim to spark a new conversation around wealth inequality in Philadelphia.”



Vision for the EWI



- Educate and develop a shared understanding and vocabulary around wealth creation in Philadelphia using a racial equity lens.
- Identify the roles that institutions and structural racism play in limiting opportunities for people of color to build wealth.
- Examine current policies, programming, and funding in the Philadelphia ecosystem to inform a shift in priorities and approaches.

A later phase of this work will include creating a shared vision for strategies to address the racial wealth gap in Philadelphia.

Why Philadelphia?



[View more Philadelphia data in this profile.](#)

Persistent Poverty

Philadelphia is among the nation's poorest big cities. As of 2019, the poverty rate is **24.34 percent**.

However, a closer look at the poverty rate in Philadelphia also shows significant disparities among racial groups.

Poverty Rate³

All	24.34%
Families living in poverty	19.15%
White	16.55%
Black or African American	29.23%
Asian	23.32%
American Indian or Alaskan Native	24.16%
Hispanic or Latino	37.47%

An Increasing Wealth Divide

Wealth creates the ability to draw down saving during economic shocks such as a job loss or life events; invest in assets such as a home or a business; and gain access to credit and capital.

In Philadelphia, **58.5 percent** of White residents, **48 percent** of Black and African American residents, and **44.5 percent** of Hispanic or Latino residents own their homes.

Wealth and Credit Access⁶ Philadelphia MSA (March 2021)

Median debt	\$74,989
Percent of residents with debt	75.50%
Percent of residents with student	27.10%
Percent of residents w/ mortgage debt	35.70%

³ Estimated Percent of All People/Families That Are Living in Poverty in 2015–2019. PolicyMap, www.policymap.com/newmaps#/ (based on U.S. Census Bureau data, accessed February 2022). For housing units, vacancy rates, and homeowners: Community Profile Report in 2015–2019. PolicyMap, www.policymap.com/newmaps#/ (based on U.S. Census Bureau data, accessed February 2022). For renters: Rental Housing Reports in 2015–2019. PolicyMap, www.policymap.com/newmaps#/ (based on U.S. Census Bureau data, accessed February 2022).
⁶ Data are from the Philadelphia Fed's Consumer Credit Explorer at <http://www.philadelphiafed.org/surveys-and-data/community-development-data/consumer-credit-explorer>.

Process

Building a Space for Learning and Leading

The engagement included an interdisciplinary group of 25 practitioners, funders, policymakers, and researchers. All participants had experience and/or a research interest in approaching community challenges through a racial equity lens.

Through prereading and personalized outreach to participants, the group was primed for candid, challenging, and impactful discussions. Setting the table in this way helped enhance and extend the learning as well as shape the agenda. We contracted with the leaders of the Maven Collaborative (formerly of the Insight Center) to design the sessions and authored the group agreements which helped ground and center complex, challenging, and emerging concepts.

Those agreements are:

- Stay engaged
- Experience discomfort
- Speak your truth
- Give each other grace
- Expect respect and accept nonclosure

Organizers



Samantha Porter

Senior Manager & Advisor, Community Engagement

Federal Reserve Bank of Philadelphia



Alicia Atkinson

Former Managing Director, Financial Empowerment

United Way of Greater Philadelphia
and Southern New Jersey

Participating Organizations

The goal of this engagement was to assemble a cross-sector group of experts, including community development leaders, funders, researchers, local government representatives, bankers, wealth management executives, and others. By collaborating across the ecosystem, we sought to set the table with diverse stakeholders.

- **Citizens Financial Group, Inc.**
- **City of Philadelphia**
- **City of Philadelphia Mayor's Office**
- **City of Philadelphia Office of Community Empowerment and Opportunity**
- **Community Legal Services**
- **Compass Working Capital**
- **Department of Planning & Development**
- **FHLBank Pittsburgh**
- **JPMorgan Chase & Co.**
- **Liberation in a Generation**
- **Local Initiatives Support Corporation (LISC)**
- **PEW Charitable Trusts**
- **Philadelphia Department of Revenue**
- **Philadelphia Energy Authority**
- **Philadelphia Federal Credit Union**
- **Philadelphia Housing Authority**
- **Philadelphia Lawyers for Social Equity**
- **ProMedica**
- **Reinvestment Fund**
- **United Way Worldwide**
- **University of Pennsylvania**
- **Women's Opportunities Resource Center**
- **Women's Way**

Timeline of Roundtable Engagements

Introduction
Grounding in History
and Narratives

May 2022

Education, Debt,
and the Racial
Wealth Divide

July 2022

The Role of Extraction and
Visioning Forward to Solutions
for the Racial Wealth Divide

October 2022



June 2022

Homeownership and the
Racial Wealth Divide

September 2022

The Labor Market, Income, and the
Racial Wealth Divide

November 2022

Final Event

[Equitable Wealth Symposium:
Local and National Solutions at Work](#)

Core Focus Areas

A Holistic Definition

Wealth has benefits beyond monetary amounts, including dignity, choice, and peace of mind. A more holistic definition of wealth incorporates these non-financial benefits. Using this lens, participants discussed how wealth impacts people and communities' health and vision of the world in the long term.

Foundational Levers

The foundational levers driving racial wealth inequality can often be tied to notions or beliefs that Black Americans are somehow less deserving or capable than other Americans, government policies throughout history, and wealth extraction, or the forceful transfer of resources or wealth from one group to another.

Examining Narratives

Narratives help individuals make sense of the world. Yet, these can also perpetuate stereotypes and harmful assumptions about groups of people. Conversations focused on how entrenched narratives can fuel misconceptions around the drivers of racial wealth inequality and fail to identify the systemic solutions at the root of racial wealth disparities.



What Is Wealth?

When wealth is accumulated, it allows us to live and retire with **greater dignity, freedom, and peace of mind** and for our communities to be **prosperous, resilient, and vibrant**. Wealth allows us to provide future generations with the freedom to dream big and become all they truly can be. It also means being **healthy**, and knowing that your family, networks and communities are healthy, **spiritually whole, and contributing**. To achieve these forms of wealth, the practices and policies that deny and limit the accumulation of wealth and the extraction of wealth must be addressed head-on.

Deepening Understanding of the Foundational Levers of the Racial Wealth Divide

Three core concepts were presented:

- **Impacts of Racism:** The discussion centered on how racism exists within policies and the economy and the impact it has on Black neighborhoods, Black-owned companies, Black-led institutions, and Black communities.
- **Government Policies:** The discussion focused on historical government programs and policies (e.g., FHA loans, the GI Bill, the Social Security Act) and the disparate impact many had (and continue to have) on Black and brown communities.
- **Wealth Extraction:** This term describes when sources of wealth, including labor, land, and other assets, are forcefully transferred from one group to benefit another group disproportionately and sometimes exclusively. The discussion centered around various forms of wealth extraction in the public and private sectors that target and strip wealth from marginalized communities.

To bring in each person's unique lived experience in the space, a series of breakout conversations were held in small groups. Participants were asked to think through how historical federal policies have impacted their families, communities, and neighborhoods. Some quotes are shared on the following slides.



“My grandmother came from Jamaica to work as a domestic; because of her occupation, she was unable to benefit from historical policies like ... Social Security.”

The perspective of a participant who noted how her family was not able to benefit from New Deal policies



“My grandfather used the GI Bill to go to college, establish a career, and buy a home, then paying for five children to go to college on a single salary.”

The perspective of a participant who noted how access to certain government programs allowed his family to build wealth

Examining Narratives

Personal Responsibility and the “Bootstraps” Narrative

What this means:

The idea that that anyone can escape poverty and accumulate wealth by working hard and lifting themselves up — or tugging on their “bootstraps.”

How this narrative can cause harm:

The narrative assumes that financial instability and poverty are the result of moral failings, bad choices, and individual behaviors. This fails to examine and reconsider the systems, policies, and programs that individuals participate in that can play a role in exacerbating disparities and deepening poverty. Solutions often focus on “fixing” individual behavior.

Beliefs about Blackness and the Anti-Blackness Narrative

What this means:

These beliefs make assumptions about how deserving or capable Black Americans are. They perpetuate stereotypes, discrimination, and oppression.

How this narrative can cause harm:

Racism reinforces the notion that racial wealth disparities between Black and White households arise from differences in abilities, culture, values, skills, and behavior. History has many examples of racist policies within institutions and systems causing harm and excluding Black Americans from opportunities to build wealth, including racial covenants.



When thinking about their personal experience with student loan debt, they described the lifting of the emotional and mental burden that happened when they finally paid off their debt.

It was through this connection to their personal story that they were able to see how critical the nonfinancial elements of wealth really are.

When the leaders of the Maven Collaborative first introduced the holistic definition of wealth to the group, some participants found it difficult to process this definition and understand its nonfinancial elements. One participant who particularly struggled with this definition had a breakthrough nearly three months later during our third roundtable around education and student debt.

Specific Subject Area Sessions

These sessions focused on unpacking the policy areas that are traditionally considered key solutions for racial wealth inequality — **homeownership**, **education**, and **employment**. Each session provided topical research and, when applicable, highlighted findings specific to Philadelphia. The groups discussed local practices, programs, and initiatives currently attempting to confront a systemic issue or challenge related to these three issue areas.

Homeownership

Despite a historically high Black homeownership rate, Philadelphia's Black homeowners face many barriers that threaten the potential of housing to equal material wealth (Whiton, Ding, and Singleton, 2022). The session covered the journey of homeownership from disparities in acquiring a home, to those in refinance, (DeMaria, 2022) to maintaining a home's value in Philadelphia.

Education

Data shows that greater educational attainment does not equal Black workers' ability to grow wealth (Hamilton and Darity, 2015). During this session, the presenters and participants discussed topics such as the relationship between the racial wealth gap, student financial aid, and college access (Levine and Ritter, 2022); racial disparities in student debt holdings; current approaches to financing tuition; and the disparate income and labor market outcomes tied to higher education between Black and White households.

Employment

This session focused on the labor market. Presentations explored the narratives associated with work and labor, occupational segregation, and the unemployment insurance system (Kuka and Stuart, 2022). Participants used this research to explore the limits of income alone to build long-term wealth.

Final Visioning Session

The final session began with a focus on the impact of wealth extraction and debt, understanding that localities have a unique role to play in interventions curbing debt and wealth extraction. Participants collectively envisioned what would it look like if racial wealth disparities were eliminated in Philadelphia. They were asked to consider and visualize a specific question:

How would your neighborhood look, smell, taste, and sound different if we were able to operationalize some of the ideas we have discussed and increase wealth for Black and brown folks there?



Equitable Wealth Symposium: Local and National Solutions at Work

Invited speakers focused explicitly on the systems and narratives that persistently extract wealth and erode financial stability, highlighted the research and data that have been explored, and elevated the approaches that are currently moving the needle on wealth building for people of color.

The agenda featured contributors to the *Future of Wealth Building*, edited by Ray Boshara and Ida Rademacher, published in the fall of 2021.

View details and a recording of the event [here](#).



Lessons Learned

“Addressing racial wealth inequities requires communities to develop their muscle to hold collaborative spaces to grapple with nuanced and intersectional systemic issues. It requires participants at the collaborative table to have awareness and examine the narratives and mental models that may influence the solutions that can be crafted.

Through the EWI roundtable engagement model, we sought to strengthen the capacity in the Philadelphia ecosystem to do just that. Based on the facilitator’s reflection and participant surveys, we’ve summarized a few overall lessons learned and takeaways from the experience.”

- *EWI organizers*

The roundtables demonstrated the power of a collaborative learning network.

- The EWI created a safe space to fully examine and deepen their understanding of the systemic drivers of wealth inequality.
- Participants were encouraged to reflect on their own experiences related to historical policies, a sense of place, homeownership, education, and work. This created a powerful opportunity for self-reflection and a shared space for thinking about current and potential solutions.
- The experience that was shared highlighted stories of systemic privilege and disadvantage, and a few roundtable participants reflected that when we are trying to bring more attention to how systems have boosted White households' wealth and blocked Black households, both stories are important.

Leading with a holistic definition of wealth allowed participants to better understand stability and solve for systemic issues of racial wealth inequities.

- Throughout the engagement, stakeholders navigated conversations that centered traditional assets/wealth and themes around economic mobility, security, and prosperity, as well as discussing how the experiences of navigating systems in society create richer and more dignified experiences for some and not others.
- Participants spoke to the importance of financial assets, such as raising wages, expanding benefits, and decreasing extraction, by also centering a broader sense of community well-being. For example, participants reflected on how some of the programs they currently manage could be less driven by compliance and control, and instead create more choice, dignity, and autonomy.



“I would define wealth as the ability to feel stable, safe, and live with dignity and have a sense of well-being.”

The perspective of a participant in post roundtable evaluation. Many internalized the expanded definition of wealth that was presented in the opening session.

Narrative work resonated throughout the engagement and grounded the research and programmatic content.

- Postengagement evaluations showed that the narrative work resonated the most and the centering of the narratives felt like the most unique part of this experience. Many participants noted interest in continuing to explore the narratives and expanding this work to include members of their teams, organizations, and leaders.
- Many of the participants commented that they were looking at some of their current work differently and reflected on how the data, research, and narratives introduced empowered them to be a stronger advocate for countering harmful narratives within their respective spheres of influence.

Time together matters. The roundtables both strengthened existing and built new connections.

- The roundtables strengthened both formal and informal connections among the participants.
- Some used this time to galvanize new partnerships or brainstorm ideas. One example includes participants' collaboration on a report related to predatory lending practices that was later part of Philadelphia City Council briefing.
- At the conclusion of the engagement, many who responded to the survey rated “community with colleagues” as the biggest perceived value of the roundtables.



“The biggest value of the roundtables was the dialogue and building community around wealth — understanding how folks are doing the work throughout the city coming from different approaches.”

The perspective of a participant in the post roundtable evaluation.
Many cited strengthened relationships as a key benefit.

Next Steps



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