

Emerging Stories from the Equitable Wealth Initiative Research

November 10, 2022

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Presentation Outline

1. Project Background
2. Survey Results
3. Emerging Themes
4. Next Steps
5. Q and A

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Image Source: Trev Adams 2019. pexels.com

Project Background

Our Research is One Component of the Equitable Wealth Initiative

- Racial Wealth Gap Primer
- Collaborative Qualitative Research
 - Partnering with community-based organizations
 - Compensating participants
 - Sharing preliminary findings with participants as part of the analysis



Image Source: Monstera 2020. pexels.com



The Black-White Wealth Gap

The Black-White wealth gap refers to the **gap in average wealth holdings between White and Black households**. As “**perhaps the most glaring legacy of American slavery and the violent economic dispossession that followed,**” the Black-White wealth gap dates back to legal restrictions, codified beginning at the country’s founding and perpetuated thereafter, that limited opportunities for Black Americans to own property or assets.

Source: Trymaine Lee. “How America’s Vast Racial Wealth Gap Grew: By Plunder.” The New York Times, August 14, 2019.

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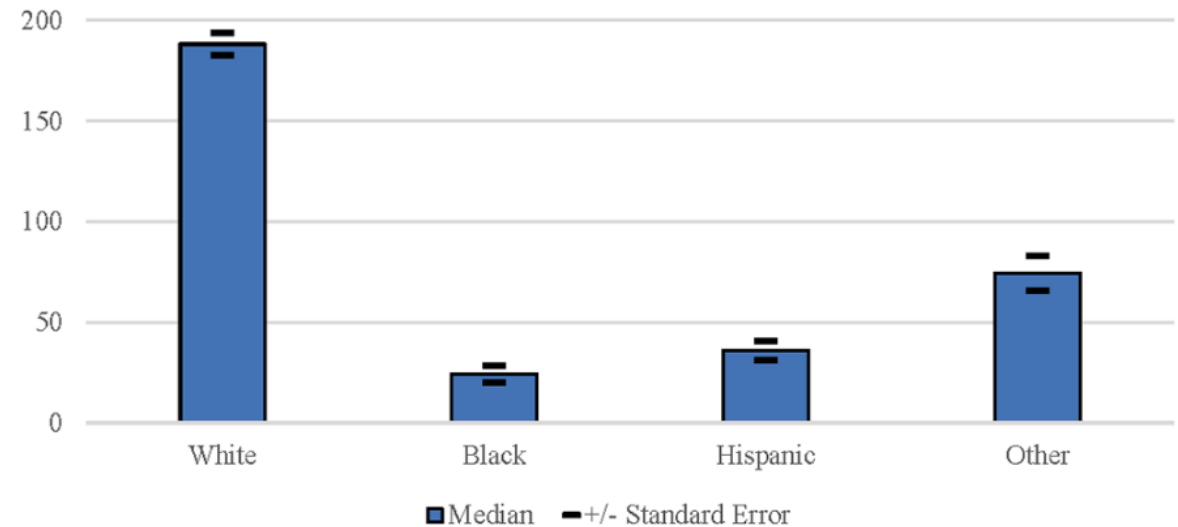
Image Source: Trev Adams 2020. pexels.com

How Large is the Racial Wealth Gap?

Black Households in the U.S. have **\$0.13** for every **\$1.00** of wealth held by White households

Source: White House. "Biden-Harris Administration Announces New Actions to Build Black Wealth and Narrow the Racial Wealth Gap." White House Fact Sheet, June 1, 2021.

Median net worth of households by race in the 2019 Survey of Consumer Finances



Source: Neil Bhutta et al. "Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances." Federal Reserve Bank Field Notes, September 2020.

We Focused Our Research on Four Issues in Three Buckets

Income and Assets

1. Mortgage Refinancing

Extractive Policies

2. Student Debt

3. Criminal Legal Debt

Intergenerational Wealth Mechanisms

4. Tangled Titles

Methodology



Survey Results

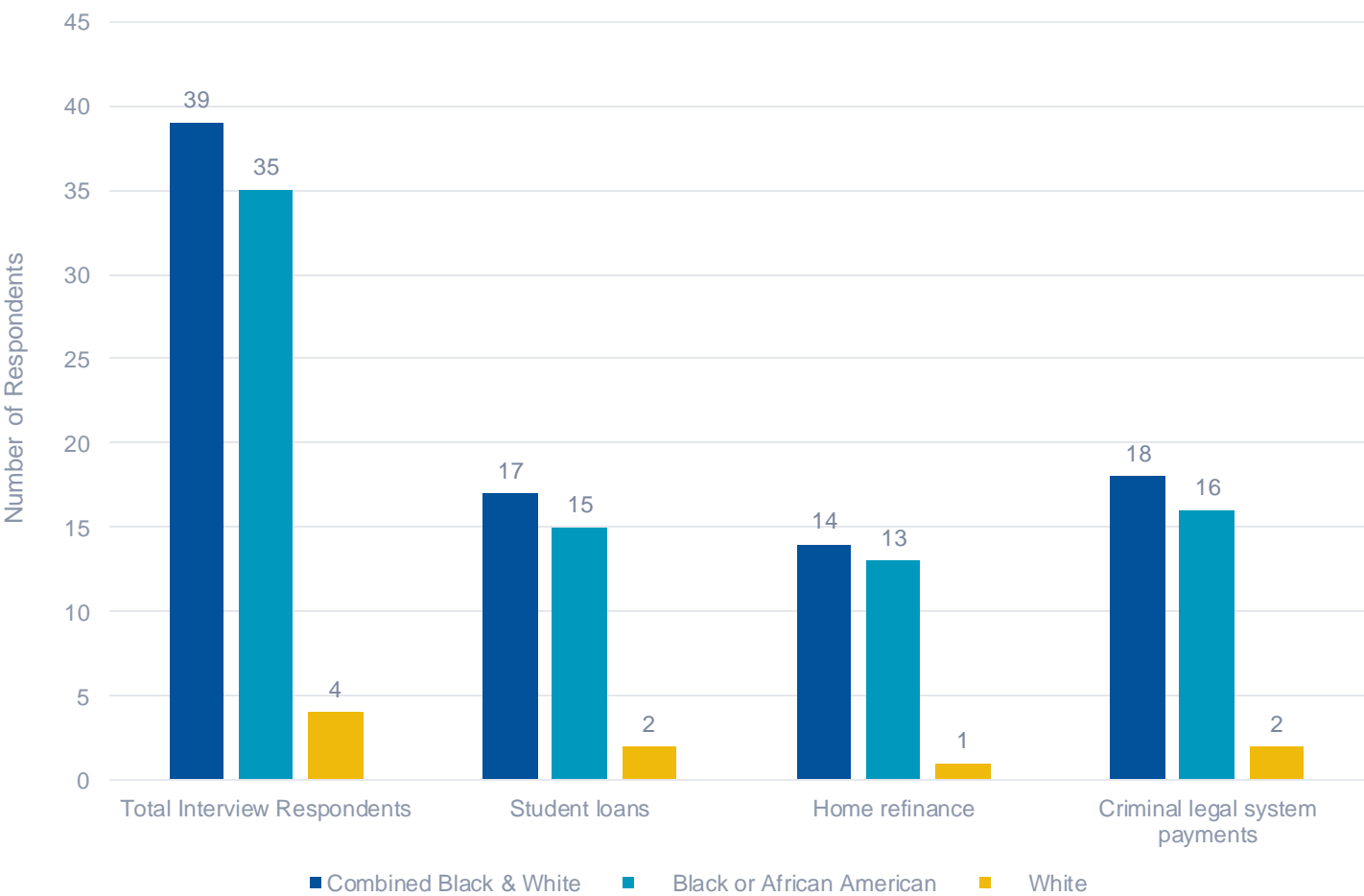
The Typical Interviewee is a Middle-Aged Black Woman

Philadelphia County						Survey respondents					Interview respondents				
Race and ethnicity	Total population	% of total	Median age	Female %	Male %	Total respondents	% of total	Median age	Female %	Male %	Total respondents	% of total	Median age	Female %	Male %
Total	1,581,531	--	34.6	52.7	47.3	252	--	37	63.1	36.5	39	--	47.0	84.6	12.8
Black or African American	654,092	41.4	34.4	54.3	45.7	120	47.6	44	76.7	22.5	35	89.7	48.0	85.7	11.4
White	622,027	39.3	36.9	51.4	48.6	71	28.2	32	43.7	56.3	4	10.3	43.5	75.0	25.0
Asian	117,274	7.4	33.6	52.4	47.6	37	14.7	35	56.8	43.2	n/a				
Hispanic or Latino	238,112	15.1	27.9	50.4	49.6	18	7.1	34	44.4	55.6	n/a				
American Indian or Alaska Native	5,255	0.3	34.6	48.6	51.4	7	2.8	37	71.4	28.6	n/a				
Native Hawaiian or Pacific Islander	588	0.0	35.4	65.5	34.5	2	0.8	30.5	50	50	n/a				
Some other race	114,988	7.3	29.8	50.8	49.2	8	3.2	35	62.5	37.5	n/a				
Two or more races	67,307	4.3	24.9	52.1	47.9	6	2.4	36.5	50	50	n/a				

Source: 2022 Equitable Wealth Initiative Survey, The Federal Reserve Bank of Philadelphia, United Way Foundation, and the University of Pennsylvania. American Community Survey 5-Year Estimates (2016–2020), accessed October 2022, data.census.gov/cedsci/all?q=ACS.

Note: Race variables throughout the presentation include those of any ethnicity, while the Hispanic or Latino variable includes those of any race. These variables are not mutually exclusive, and therefore do not equal the total population count. Percentages may not sum to 100 due to rounding.

Interviewees Who Responded “Yes” to Issue-Based Questions



Sources: 2022 Equitable Wealth Initiative Survey, The Federal Reserve Bank of Philadelphia, United Way Foundation, and the University of Pennsylvania.
Notes: The analysis for each issue-based question only includes respondents who responded to these questions on the survey, and excludes respondents who did not provide a response. Among interview respondents, the student debt sample contains 36 respondents; the mortgage refinancing sample contains 33 respondents; and the criminal legal fines or fees sample contains 39 respondents.

Emerging Themes

Interviews Surfaced Several Themes

- Definitions of wealth **ranged widely**
- Financial goals focus on **stability**
- **Family obligations** limit wealth accumulation and create stress
- Information from lenders is often **opaque**
- . . . but the **process of taking on debt was straightforward**
- For some, **homeownership is wealth**; for others, it's a **liability**
- Participants want to **leave something for their heirs**
- Participants **expressed regret** about past decisions

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Image Source: Shiva Smyth 2018. pexels.com

Personal Definitions of “Wealth” and “Wealthy” Varied

*“I think wealth is freedom, to be honest. Growing up, we never went hungry, we never starved or anything like that, but it was a struggle for my parents. . . . **Wealth to me is freedom to just do what you like.** You get your needs, but you also get your wants.”*

- Grace, 33, Black

“I define wealth as knowledge because I've realized that there was a gap between being rich and being wealthy.”

- Brenna, 37, Black

*“More **money in stocks and investments** and investing in appreciating assets, like real estate instead of depreciating assets, like cars.”*

- Erica, 33, Black

*“When I think of wealth, I think of [the] United States empire [as] wealthy, like **Bill Gates is wealth**-- Those are the types of people that I think of when I think of wealth, and I have no desire to be like those people, so it really doesn't attract me.”*

- Perla, 32, Black

Participants' Financial Goals Focus on Stability

*“Actually, just to **be able to be comfortable** when I retire, to **be able to help my grandchildren** as they go off to college...I don't really require a lot of money.”*

- Althea, 69, Black

*“I feel the job I have, the money is good but it's not good enough. It's not like I'm staying in a flow. I'm still living check to check. I don't want to live from check to check. **I want to be able to be comfortable** in how I want to live.”*

- Tarana, 34, Black

Family Obligations Limit Wealth Accumulation and Create Stress

*“Honestly thinking about my parents are getting older and I want to say being a financially sound one in the family. My brothers as well, . . . I think about taking care of them when they're older too. **Sometimes I do think about how they'll affect my retirement and how I'll be set up to be able to help them also, but not put me at a disadvantage.**”*

- Grace, 33, Black

“We’ve had disagreements about what we should do. Some people feel like he did what he did and it’s his problem. But I think, ‘no, we’re a family. And just because he’s incarcerated doesn’t mean I’m going to treat him any different from my nephew who’s in college. . .’

We used to talk about investing in a family business or a vacation home. But we don't talk about that now because the focus is on when he comes home.”

- Mindy, 41, Black

Lenders Failed to Provide Clear Information to Borrowers . . .

*“The guy that owned this house was Russian...The people that I dealt with at the real estate agency were White, the inspector was White, and here comes this little Black girl that wants to buy a house. **They wrote up all kinds of documentation about how I could afford to buy this house, and none of it was true.** Before I knew it, they were handing me keys.”*

- Sheryl, 59, Black

““[My grandson] had taken out bank loans and his student loans and he had gotten money from Pell grant. Still, as we are driving down to the school, we're on the phone...because he had gotten some funds from the school to make sure that when he got there...we wouldn't be stopped like, "Oh, wait a minute, you didn't pay this. You didn't pay that. His meal plan, his room is not paid." It was like really scary.

*You're on the highway driving, you've dropped him off and you're still trying to tie up all of those loose financial strings . . . Even when we got there, we were in the student aid office meeting with them and making sure, "Okay, did he get it? **We didn't hear from you.**"*

- Kay, 65, Black

. . . But Many Participants Reported that the *Process* for Taking on Debt was Straightforward

*“After a while I went and found this other place, Mr. Cooper, and they helped me with the refinance process and **it was easy** and lowered my rate and it put me in a fixed rate which is what I wanted. I didn't want anything going up and down.”*

- Journee, 56, Black

*“Every time [I went through a broker or looked for a mortgage] was **very straightforward**. I had absolutely no problems in finding someone to hold a mortgage”*

- Rayna, 67, Black

For Some, Homeownership *is* Wealth; for Others, it's a Liability

*"I bought this house based on a relationship I was in. I was quite happy. I was living in a 3-bedroom apartment. It was just me. My daughter had moved out. I got involved in a relationship and this person had kids. It was not enough space. I was like, "Okay, well, we'll buy a house." It's not that I really wanted to buy a house because I was content in my apartment. We didn't get a lot of financial property information when I was growing up. Again, DIY, seat of my pants kind of thing. **Knowing what I know now, I wouldn't have bought this house.**"*

- Sheryl, 58, Black

"Homeownership means pride, it means having a sense that you own something. Meaning this is yours, you worked hard for it. At least that's my sense of it because that's what I did."

- Luciana, 44, Black

Participants Are Focused on Leaving Something to Their Children and Grandchildren

*"I will say that I've always wanted to just leave **something for my kids**. I have two boys, a 10-year-old and a 26-year-old. Just having a place for them that's theirs."*

- Amina, 46, Black

Interviewer: "At this stage of your life, how important is it for you to build up your assets?"

*Erica: "Really important because now **I want to leave a legacy for my daughter for when I'm gone**."*

- Erica, 33, Black

*"My grandmother would take people as they came up from down south and she would take care of them, so it kind of passed along to me. That was the other reason why I needed to have a house, it was **in order to help other people as they came along in order to raise them up and then help them move along**, so I did that."*

- Althea, 69, Black

Participants Expressed Regret About Past Decisions

"I'm paying a second mortgage, which I really regret getting, but there's nothing I can do about it now. I have to pay it off."

Interviewer: Tell me about that. How'd you end up with a second mortgage that you now regret?

"I wanted to get some major things done to the house. I think I could've held off on it instead of just getting that lump sum of money, which I'm still paying off. It's been a few years now."

- Justine, 64, Black

*"I feel not super great. I'm going to tell you why. When I graduated in 2008, that was when the bubble fell. I had dreams of a different job outside of the school district. I had dreams of moving, relocating, because I felt that a BS and my associate's is an AS, applied science, which means I can do it. Not an arts degree. I **figured the world would be at my feet. I applied for a job with the state and didn't get it.** . . . I had imagined myself somewhere in a semi-management position at least bringing home \$85,000 a year because of the degree alone. That's not what happened."*

-Delia, Black, 61

Next Steps

Other Issues We Plan to Examine

- Homeownership and repair programs
- Neighborhood issues
- Peer-to-peer payment apps as crucial service for incarcerated and formerly incarcerated people
- High use of credit unions, especially Police and Fire
- Health: medical debt and inability to work because of disability, caregiving for family members with compromised health; gaps between being disabled and getting on disability
- Interviewees' impressions of the role of race



Questions?