Overview of Racial Wealth Inequality
Building High Impact Nonprofits of Color
Racial Inequality has always had economic inequality at its foundation.

“The foundation of racial inequality is racialized economic inequality and the foundation of economic inequality is wealth inequality.”

Race and Economics in the US

Racial Inequality has always had economic inequality at its foundation.
How The Civil Rights Movement is Remembered
The Reality of the End of the Civil Rights Movement
Economic Justice: A Forgotten Aspect of the Civil Rights Movement

Goals of The Freedom Budget

- Abolition of poverty
- Full employment
- Full production / high economic growth
- Adequate minimum wage
- Farm income parity
- Guaranteed income for those who can’t work
- Decent homes for all
- Modern health services for all
- Full educational opportunity for all
- Better social security and welfare
- Equitable tax and money policies
INCOMES OVER TIME

Figure 1. 
Real Median Household Income by Race and Hispanic Origin: 1967 to 2012

[Graph showing income over time for different races and Hispanic origins]

Note: Median household income data are not available prior to 1967. Implementation of 2010 Census population controls began in 2010. For information on recessions, see Appendix A.

The Growing Racial Wealth Divide

MEDIAN HOUSEHOLD WEALTH, 1983-2016

Income and Wealth

Middle-Wealth Economic Security Is Unequally Distributed Along Racial Lines

- **Latino**
  - Earning less than $18,420: $0
  - $18,420-$37,200: $437
  - $37,201-$61,368: $8,600
  - $61,369-$104,508: $45,720
  - More than $104,509: $159,570

- **Black**
  - Earning less than $18,420: $0
  - $18,420-$37,200: $350
  - $37,201-$61,368: $11,038
  - $61,369-$104,508: $49,500
  - More than $104,509: $185,110

- **White**
  - Earning less than $18,420: $0
  - $18,420-$37,200: $3,000
  - $37,201-$61,368: $39,700
  - $61,369-$104,508: $49,500
  - More than $104,509: $444,502

**Median Wealth by Income Quintiles and Race**

- **Low**
  - $0
- **Middle Wealth**
  - $68,000
- **Upper**
  - $204,000

The Disconnect Between Education & Wealth

MEDIAN HOUSEHOLD WEALTH BY RACE AND EDUCATION LEVEL

<table>
<thead>
<tr>
<th>Level</th>
<th>Median Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than HS</td>
<td>$5</td>
</tr>
<tr>
<td>HS Diploma/GED</td>
<td>$100</td>
</tr>
<tr>
<td>Some College/2-Year Degree</td>
<td>$700</td>
</tr>
<tr>
<td>4-Year Degree</td>
<td>$37,600</td>
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<tr>
<td>Advanced Degree</td>
<td>$95,900</td>
</tr>
<tr>
<td>White</td>
<td>$181,220</td>
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<tr>
<td>Black</td>
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<td>$5,800</td>
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<tr>
<td>White</td>
<td>$15,000</td>
</tr>
<tr>
<td>Black</td>
<td>$1,720</td>
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<tr>
<td>Latino</td>
<td>$64,200</td>
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<tr>
<td>White</td>
<td>$31,000</td>
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<tr>
<td>Black</td>
<td>$1,200</td>
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<tr>
<td>Latino</td>
<td>$60,549</td>
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<tr>
<td>White</td>
<td>$32,600</td>
</tr>
<tr>
<td>Black</td>
<td>$1,720</td>
</tr>
</tbody>
</table>

Narratives Shape Our Reality

The **MYTH**: There is a system that works, and communities of color are doing something wrong

- In their finances
- On the job
- Personal decisions

The **TRUTH**: Our economy is designed to reward the wealthy and leave others behind

- An upside down tax system
- Residential economic segregation
- Lack of investment in disenfranchised communities
Dr. King on “Sophisticated Rationalization”

“The majority of white Americans consider themselves sincerely committed to justice for the Negro. They believe that American Society is essentially hospitable to fair play and to steady growth toward a middle-class utopia, embodying racial harmony. But unfortunately this is a fantasy of self-deception and comfortable vanity.”

“Depressed living standards for Negroes are not simply the consequences of neglect. Nor can they be explained by the myth of the Negro’s innate incapacities, or by the more sophisticated rationalization of his acquired infirmities (family disorganization, poor education, etc.). They are a structural part of the economic system in the United States.”

“The larger economic problems confronting the Negro community will only be solved by federal programs involving billions of dollars…”
3 Ways to Address the Racial Wealth Divide

**Identify, Develop and Implement, and Advocate**

- **Identify** the ways the racial wealth divide effect communities you care about, work with or are some part of your life

- **Develop and Implement** policies and procedures that can best address the racial economic inequality that is found throughout the economy

- ** Advocate** for policies and procedures that will bridge the racial wealth divide