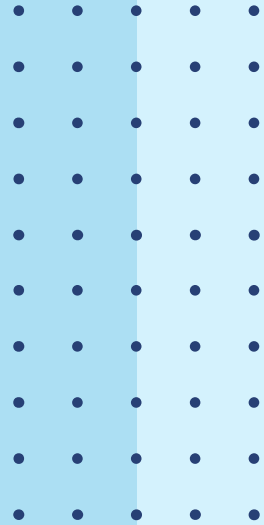


The Racial Wealth Gap

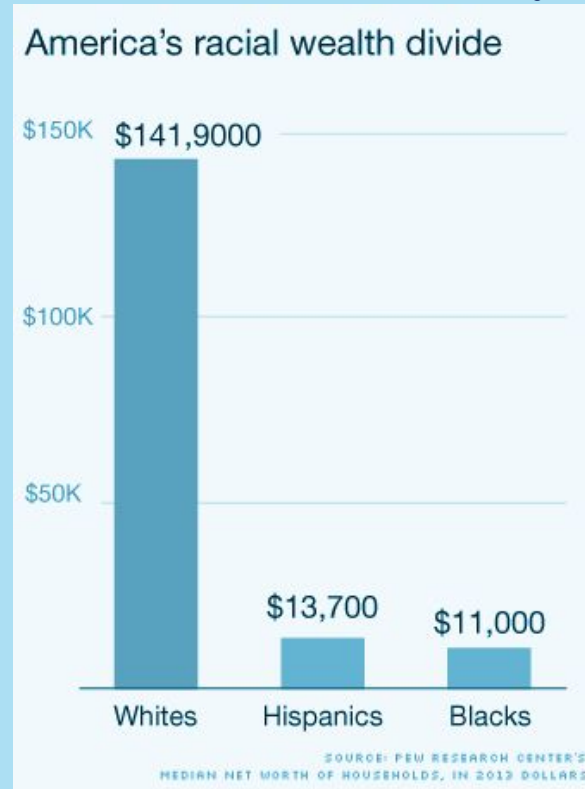
Crista Acquavella



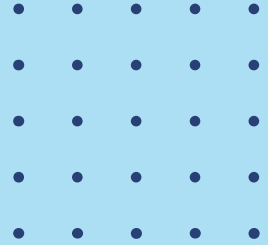
Defining the Issue

- **Systemic inequalities have kept people of color from having economic success in all sorts of ways**
 - Homeownership, loans, median income
- **This inequality has persisted for generations but has continued to increase**
 - Deeply rooted in segregation, slavery, and long-term discriminatory policy
- **A very difficult issue**
 - Has immediate and long-term effects such as hurting minority generational wealth

Net Worth of Households in 2013



Where did the wealth gap issue start?



1

SLAVERY 1776-1865

Unpaid labor, Jim Crow laws, inter-generational white wealth, denied economic opportunity

2

SEGREGATION 1900-1964

Limited education and employment, redlining, wealth devaluation, little bank and other financial service accessibility

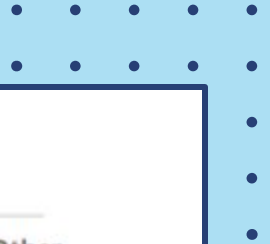
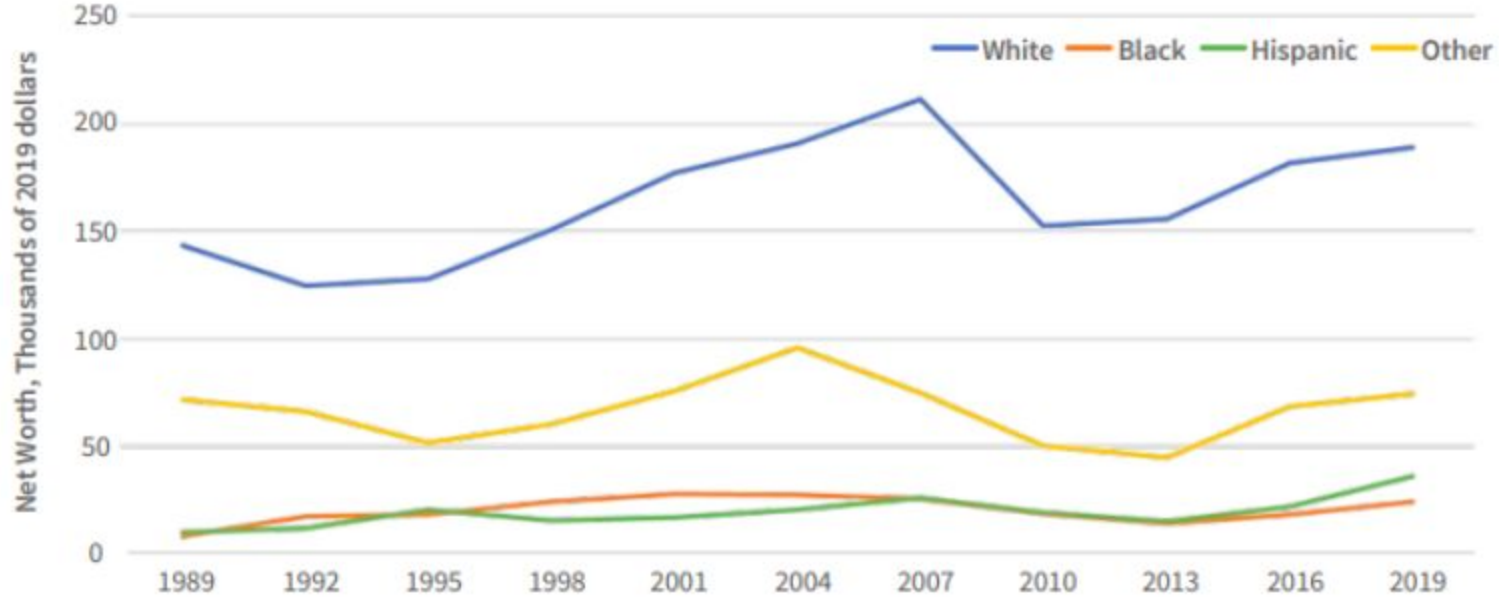


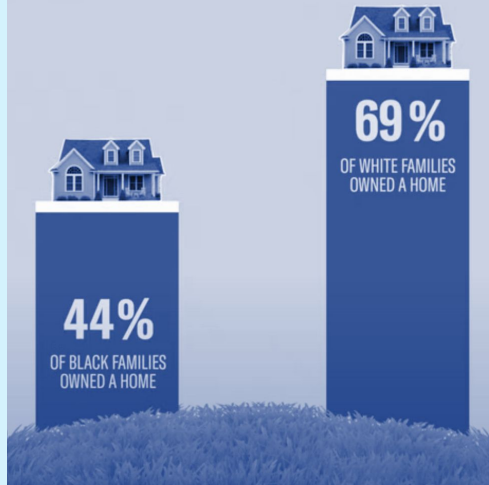
Figure 1. Racial Wealth Gaps Over Time



Source: U.S. Treasury

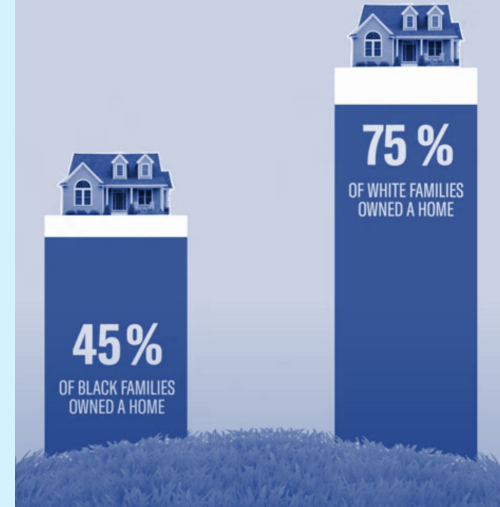
Homeownership

1976



- In 1976, the gap was 25%
- By 2022, the gap increased by 5%

2022



**BLACK
APPLICANTS**

1.8X

**LATINO
APPLICANTS**

1.4X

**MORE LIKELY TO BE DENIED
LOANS THAN WHITE APPLICANTS**



LOAN APPLICATION

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: Hard Money Loan Reverse Mortgage Other

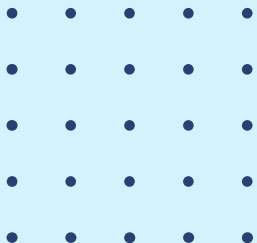
Loan Amount: \$ _____

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

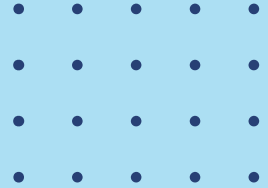
Property Address: _____

Property Type: New Construction Existing Home Rental Property Other

Purpose of Loan: Purchase Refinance Home Equity Other

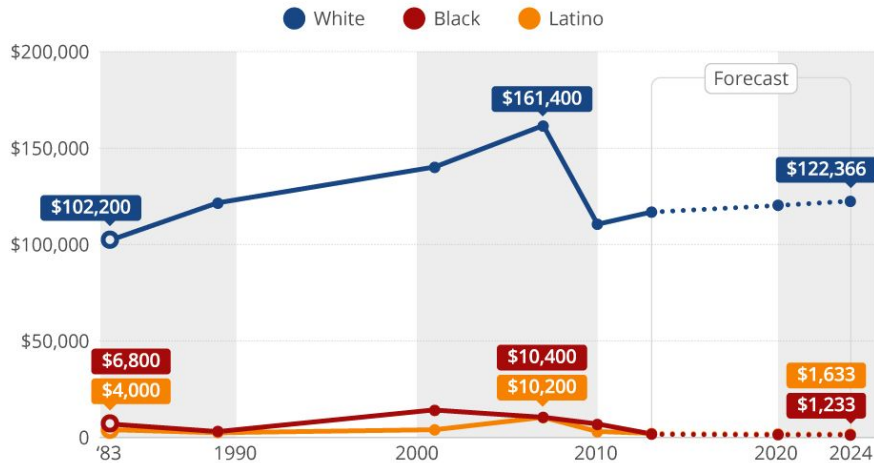


Median Income



Racial Wealth Inequality Is Rampant In The U.S.

Median household wealth by race/ethnicity in the United States (1983–2024)

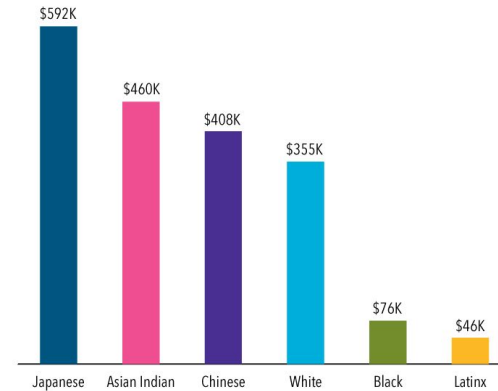


© StatistaCharts Source: Prosperity Now & Institute For Policy Studies

statista

In the Los Angeles Area, Black and Latinx Californians Have Significantly Less Wealth Than Do Other Groups

Household Median Net Worth by Race and Ethnicity, 2014



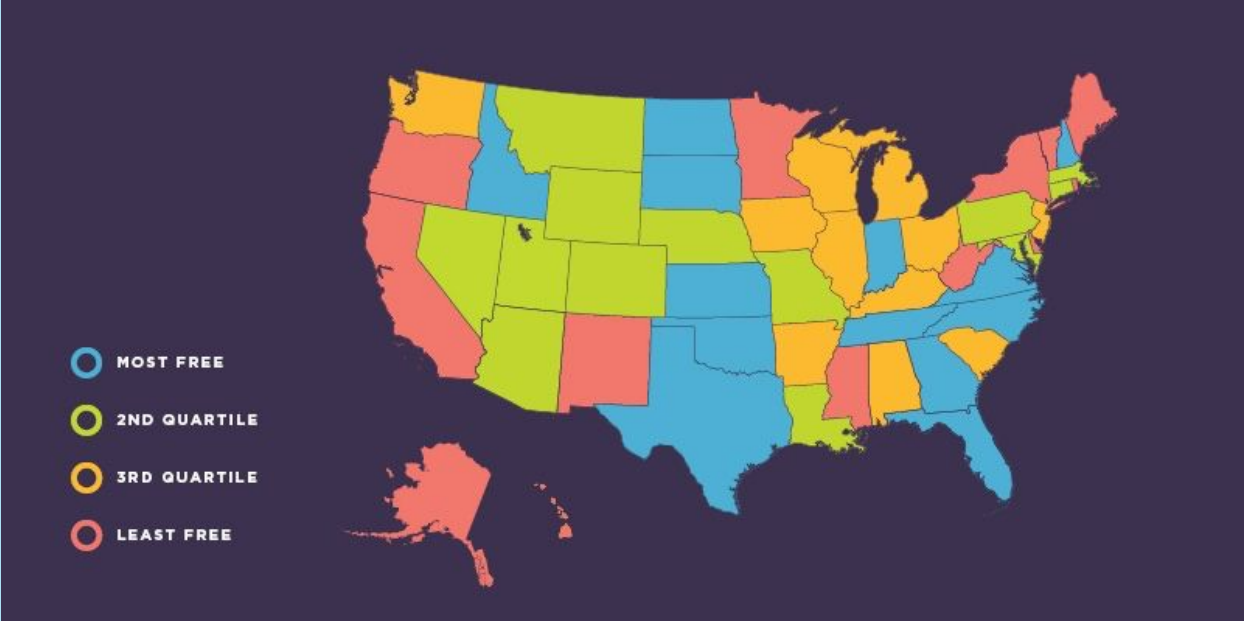
Note: Data are for Los Angeles and Orange counties.

Source: 2014 National Asset Scorecard and Communities of Color survey. See Melany De La Cruz-Viesca et al., *The Color of Wealth in Los Angeles* (Duke University, The New School, the University of California, Los Angeles, and the Insight Center for Community Economic Development: March 2016).

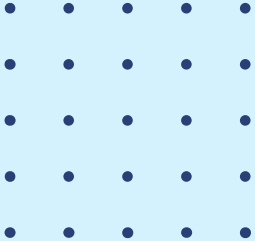


California Budget & Policy Center
Independent Analysis. Shared Prosperity.

Regulations



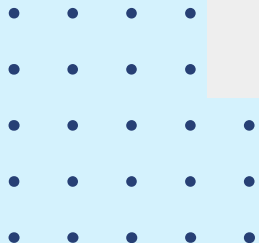
Source: Fraser Institute



How do we fix this?

CHANGING CORPORATE ENVIRONMENTS

- Tiktok trend asking black women if they would prefer to be interviewed by a white man or a white woman and almost all said **white man**
- While obviously both genders contribute to uncomfortable situations for POC, **white feminism** has caused further distrust
 - “Blind spot” ... not intentional
- Many POC perceive that white women are conditioned into thinking that acting like a white man will gain their seat at the table forming **competition**



How does the government fix this?

EDUCATION REFORM & HOUSING

- Incorporating financial literacy in classrooms
- Funding CTE programs in under resourced communities
- Creating lower tuitions or providing more scholarship (FASFA or institutional aid) to students of color

-
- Investing in affordable housing initiatives
 - Subsidized housing
 - Down payment assistance programs
 - Fair housing laws

