

As we move into **Week 5 of the 14-Week Equity Challenge**, we are wondering how people are feeling, any thoughts they may have, other resources we may not know about, etc. Please share your thoughts, feedback, and ideas with us by emailing [william@uwgn.org](mailto:william@uwgn.org) or [dtaylor@niagara.edu](mailto:dtaylor@niagara.edu).

There is a measure of poverty that gets little news coverage but may better capture the scope and depth of financial hardship facing communities. ALICE stands for Asset Limited Income Constrained Employed. This simply means that those who fit in the ALICE category are living above the federal poverty level but are still struggling to make ends meet – and they are often only one unexpected medical bill or car repair away from a financial crisis. In Erie County, over 40% of families are stuck in this cycle of financial hardship. Moreover, 60% of people of color (Asian, Black, Hawaiian, Hispanic, American Indian/Alaska Native, and/or two or more races) households in WNY have incomes below the ALICE threshold – again, they earn above the federal poverty level, but struggle to afford basic household necessities. In comparison, only 36% of white households in WNY fall below the ALICE threshold. To learn more about ALICE in New York, go to: <https://unitedforalice.org/demographics/new-york>.

The often-referred-to wealth gap is the serious (and growing) gap in wealth and standards of living between a nation's wealthiest and poorest citizens. And, the *racial wealth gap* in the United States is absolutely staggering. According to the U.S. Federal Reserve, white families have an average net worth of more than \$983,000, compared to Black families with an average net worth of \$143,000 and Hispanic families with an average net worth of \$166,000. Using the median score (a better indicator as it is not driven by the most extreme wealthiest of families), we see family wealth of \$188,000, \$24,100, and \$36,000, respectively. The average Native American household has 8 cents of wealth for every dollar of wealth for the average white American household.

Contributing to the wealth gap are factors like income inequality, earnings gaps, homeownership rates, retirement savings, student loan debt, and inequitable asset-building opportunities. By any measure, the racial wealth gap in the United States is growing, and it is holding people of color back simply because of the color of their skin.

This week's content examines wealth, income and economic opportunity in the United States. Our primary focus this week is on understanding how this came to be by looking at the bigger picture of overall wealth inequality that has grown from the seeds and history of racism and discrimination. Before we share the resources for this week, however, we want to distinguish between two important terms that are often confused.

While it can have a range of meanings, **income** typically refers to the sum total of wages, salaries, interest payments, profits, rental income, and any other earnings received. For the majority of people under age 65, we are pretty much talking about wages or salaries. For the majority of people ages 65 and over, income primarily comes from pensions, social security and/or investments.

**Wealth** is a measure of the value of all the assets (e.g., money, property, retirement accounts, vehicles, other possessions) a person owns minus their debts or liabilities. For the wealthiest of Americans, income makes up a very small portion of their wealth.

Khan Academy offers a short five-minute video if you want to learn more about the differences between wealth and income. Watch it here: <https://www.youtube.com/watch?v=o5-T52bh-eQ>.

If you've looked ahead to our weekly themes for the remainder of the Challenge, you see that we have included affirmative action in the week dedicated to Education. Of course, this is a direct response to the recent U.S. Supreme Court decision effectively eliminating the use of affirmative action in college admissions. And, while it certainly has a home in Week 10, it has also contributed greatly to what is now an absurd discrepancy in wealth and economic success. We strongly recommend that you listen to the "White Affirmative Action" podcast episode in the Listen section below.

*Questions for reflection and discussion:*

What are the consequences of growing racial income inequality?

What significance does this have for wealth building across generations?

## **READ**

### **[Study Debunks Widely Held Beliefs About Income Inequality](#)**

Read this article, originally published in the New York Times, that debunks a number of widely held beliefs and hypotheses about income inequality and that explores the disproportionate impact that race has on black boys. (About a 5-minute read)

### **[Systematic Inequality and Economic Opportunity](#)**

Eliminating racial disparities in economic well-being requires long-term, targeted interventions to expand access to opportunity for people of color. (About an 8-minute read)

### **[Rethinking the So-Called Skills Gap](#)**

Unemployment, income inequality, and a host of other economic challenges have all been blamed on the so-called "skills gap." But addressing this gap requires first correcting a fundamental misdiagnosis of the problem that has plagued so-called "low-skill" workers. (About a 4-minute read)

## **WATCH**

### **[Netflix Series Explained – Racial Wealth Gap](#)**

Interested in seeing how the economic and wealth disparity developed over our nation's history? Watch this episode of Netflix's Explained, "The Racial Wealth Gap." In this episode: U.S. Senator Cory Booker and others discuss how slavery, housing discrimination and centuries of inequality have compounded to create a racial wealth gap. (About 16 Minutes).

### **[Wealth Distribution in the U.S.: How Much do the Top 10% Own?](#)**

Wealth is what a family owns, minus what they owe. In this one-minute video, see how \$96.1 trillion in total American family wealth was distributed among the U.S. population of 129 million families in 2019. Please note that these 2019 data do not capture the impact of the COVID-19 pandemic on families' economic well-being and wealth. (About 1 Minute)

### **[How to Reduce the Wealth Gap between Black and White Americans](#)**

Wealth equity strategist Kedra Newsom Reeves provides a short history on the origins and perpetuation of racial wealth inequality in the U.S. -- and outlines four ways financial institutions can expand opportunity for Black individuals, families, entrepreneurs and communities. (About 13 Minutes)

## **LISTEN**

### **[Without Slavery, would the U.S. be the Leading Economic Power?](#)**

Cornell University history professor Edward Baptist argues that forced migration and subsequent harsh treatment of slaves in the cotton fields was integral to establishing the United States as a world economic power. WBUR *Here and Now* host, Jeremy Hobson, speaks with Baptist about his book, [The Half Has Never Been Told: Slavery and the Making American Capitalism](#). (About 15 minutes)

### **[White Affirmative Action](#)**

We return this week to one of our favorite podcasts. In this episode (Episode 13 of the *Seeing White* series), titled “White Affirmative Action,” John Biewen, Deena Hayes-Greene (of the Racial Equity Institute) and Chenjerai Kumanyika do a deep dive on the U.S. government programs and support that have been earmarked for the benefit of particular racial groups. They state that “... history is clear. White folks have received most of the goodies.” (About 48 minutes)

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## **RESOURCES:**

### **[The National Equity Atlas](#)**

The National Equity Atlas offers the most detailed report card on racial and economic equity. It equips policymakers and movement leaders with actionable data and strategies to advance racial equity and shared prosperity. It also offers a summary that describes how your selected city, region, or state is doing on several key indicators in comparison to the national trends. Click on “Data Summaries” under the Research Tab. Please note that state level seems to offer the most complete and consistent data.

### **[The Fiscal Policy Institute \(FPI\)](#)**

If you wish to turn the lens specifically on New York State, you can access data trends around wealth inequality by going to The Fiscal Policy Institute (FPI) an independent, nonpartisan, nonprofit research, and education organization committed to improving the public policies and private practices to better the economic and social conditions of all New Yorkers.