

WEALTH

UPDATED THROUGH 2023:Q3 | NATIONAL

Raji Chakrabarti, Natalia Emanuel, and Ben Lahey

Takeaways | Wealth

- Wealth is distributed disproportionately across demographic groups. People with the most wealth tend to have high incomes, be college graduates, be over 55 years old, or be white. We define wealth as a group's assets minus its liabilities.
- Growth in wealth since the pandemic has been especially pronounced for white people, people under 40 years old, people in the bottom half of the wealth distribution, the college educated, and the 20th to 60th percentiles of income earners.
- Groups with less wealth than their population share in 2019 often had relatively rapid growth in real estate assets since the pandemic while groups with more wealth than their population share in 2019 often had relatively rapid growth in financial assets in the ensuing years. Three notable exceptions are White households, the college educated, and the top 0.1% of wealth holders, who experienced relatively rapid growth in both real estate and financial assets despite having more wealth than their population shares in 2019.
- Demographic wealth inequalities remain similar in 2023 as they were in 2019, despite comparatively rapid wealth growth among some of the least wealthy demographic groups.

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Full Report Highlights

- **INFLATION**
Housing inflation is driving most of the demographic inflation differences, in particular the higher inflation of the poorest 40% and of households headed by people under age 25.
- **EARNINGS**
The Black earnings gap is slowly but consistently shrinking for both Black men and women, though it remains large.
- **EMPLOYMENT**
Gaps in employment and unemployment rates across different racial and ethnic groups have come close to pre-pandemic levels, but convergence has stalled, and in some cases reversed slightly.
- **CONSUMER SPENDING**
The lower income, the less educated, and the young experienced a significantly faster recovery in spending since the pandemic. The spending recovery among the young (25-34) has weakened considerably over this year, with their spending on gas and restaurants having stalled in real terms.
- **WEALTH**
Growth in wealth after 2019 was faster for some groups with little wealth relative to population – especially in real estate holdings – but did not meaningfully reduce stark wealth inequalities across demographic groups.

Data & Methods

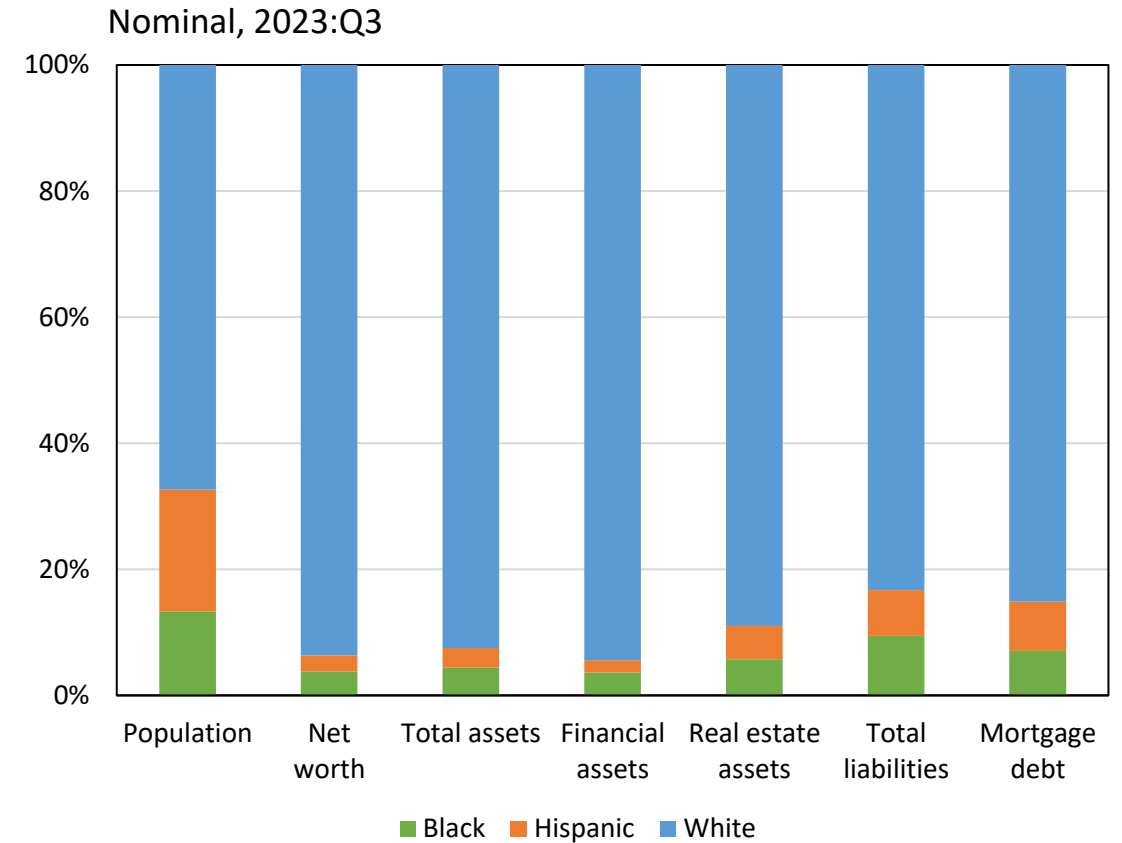
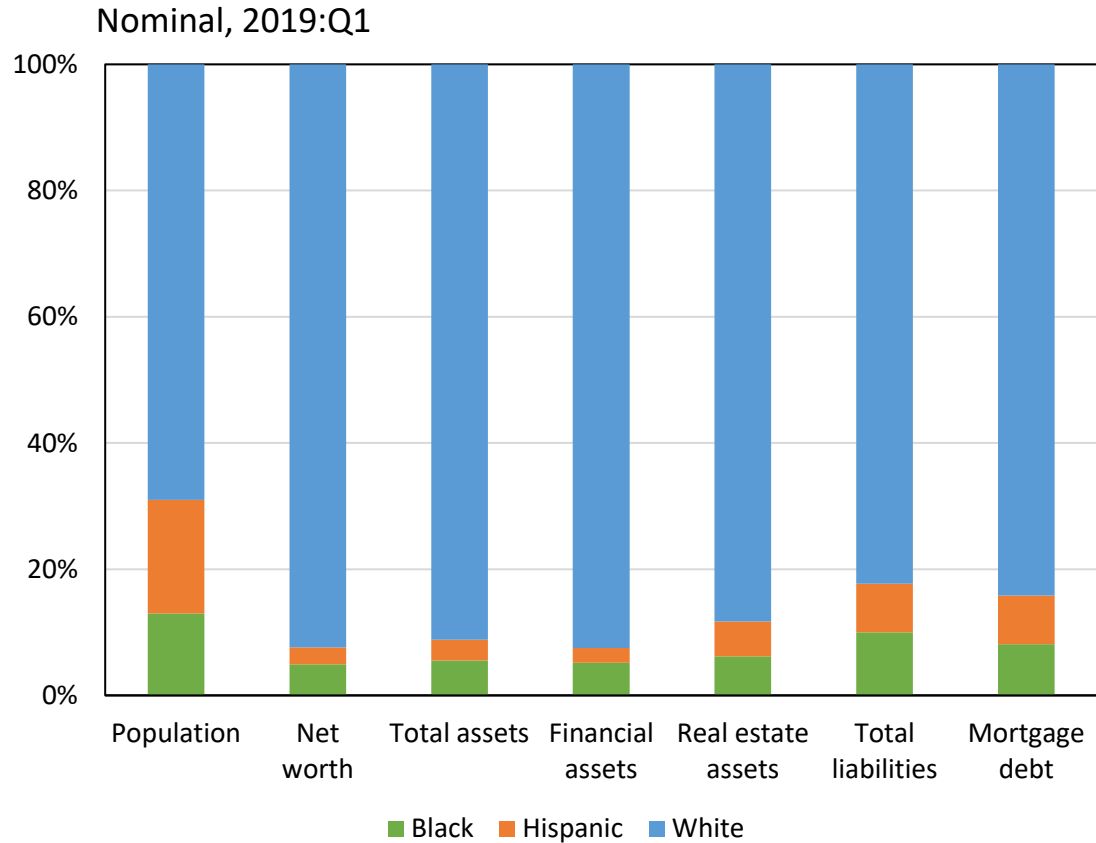
- The Board of Governors of the Federal Reserve System publish the Distributional Financial Accounts (DFA) as a unique source of data on wealth holdings across demographic and economic groups
- The DFA combine sectoral balance sheet data from the Financial Accounts with individual-level holdings from the Survey of Consumer Finances as described in Batty et al. (2019)
- We plot nominal holdings by group in each wealth category in line charts and each group's share of population and nominal wealth types in bar graphs, drawing on the Current Population Survey for demographic population data.
- Where possible we also present real holdings by deflating each group's holdings using [demographic price indices](#) created by the authors.

WEALTH

BY RACE & ETHNICITY

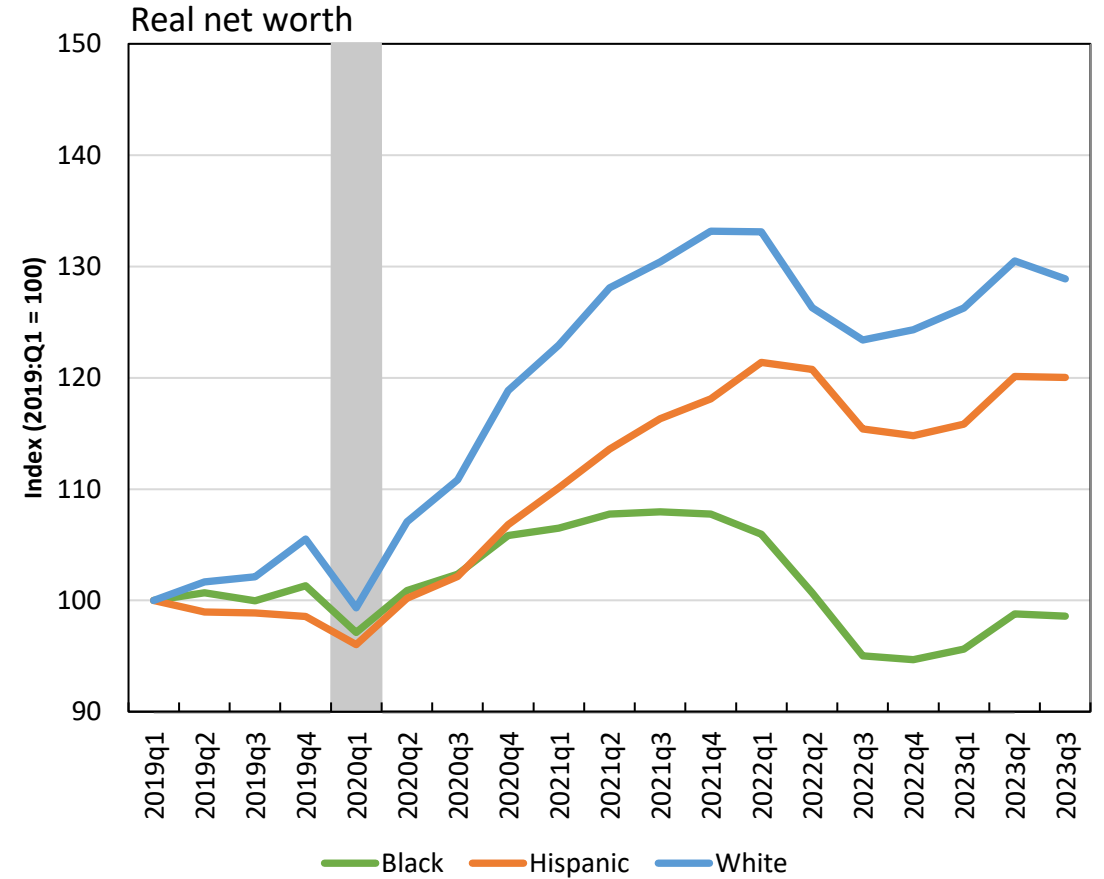
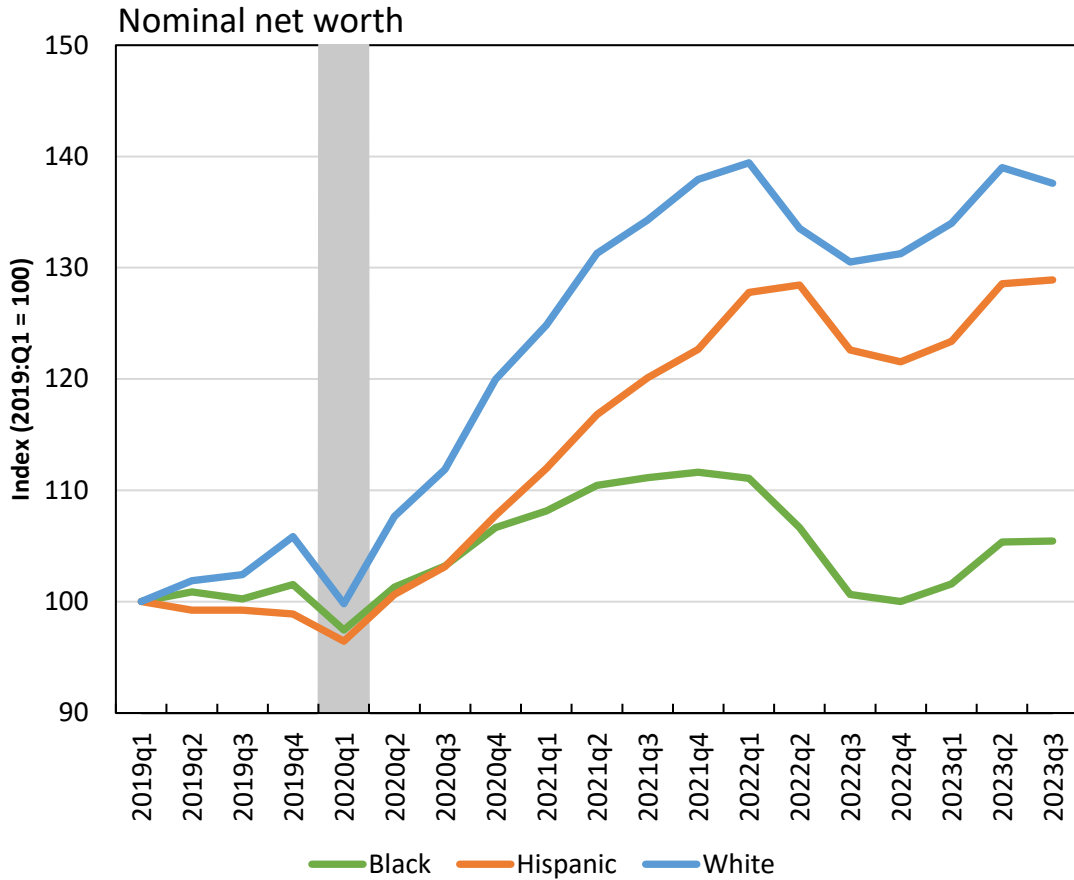


Population and Ownership Shares by Race & Ethnicity



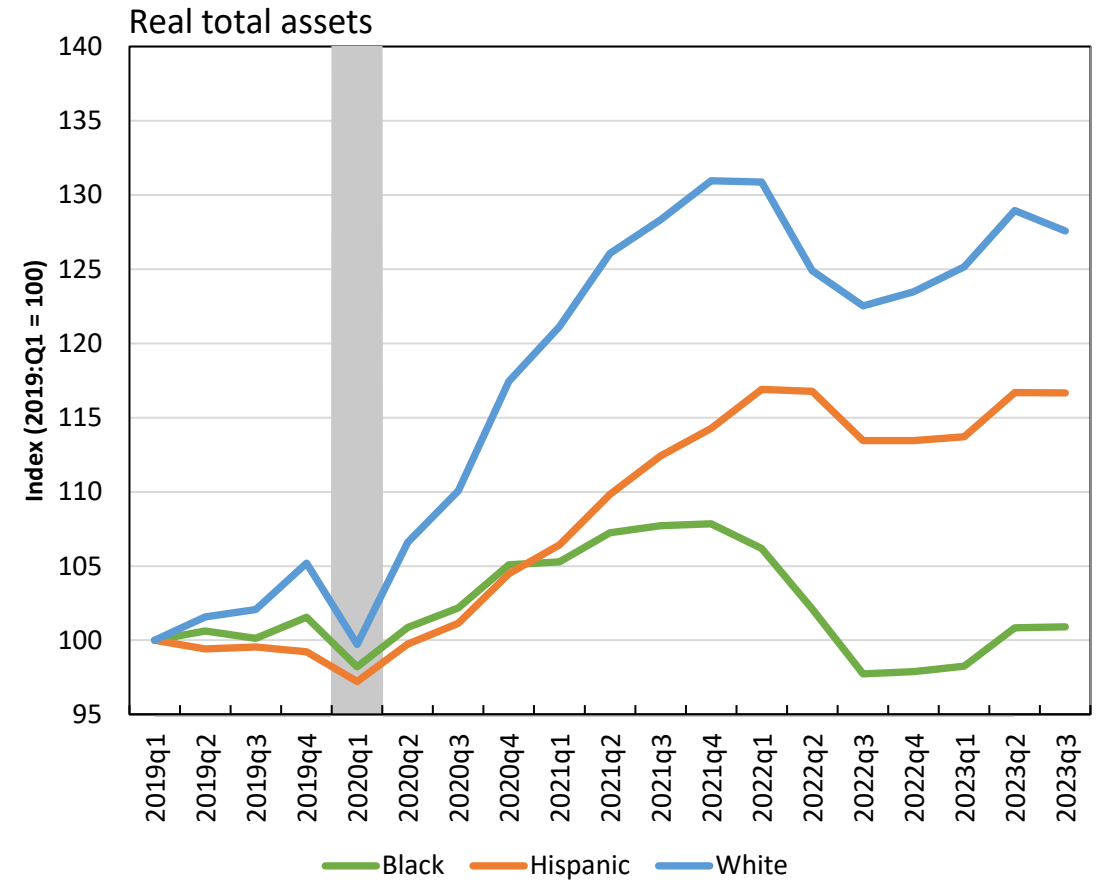
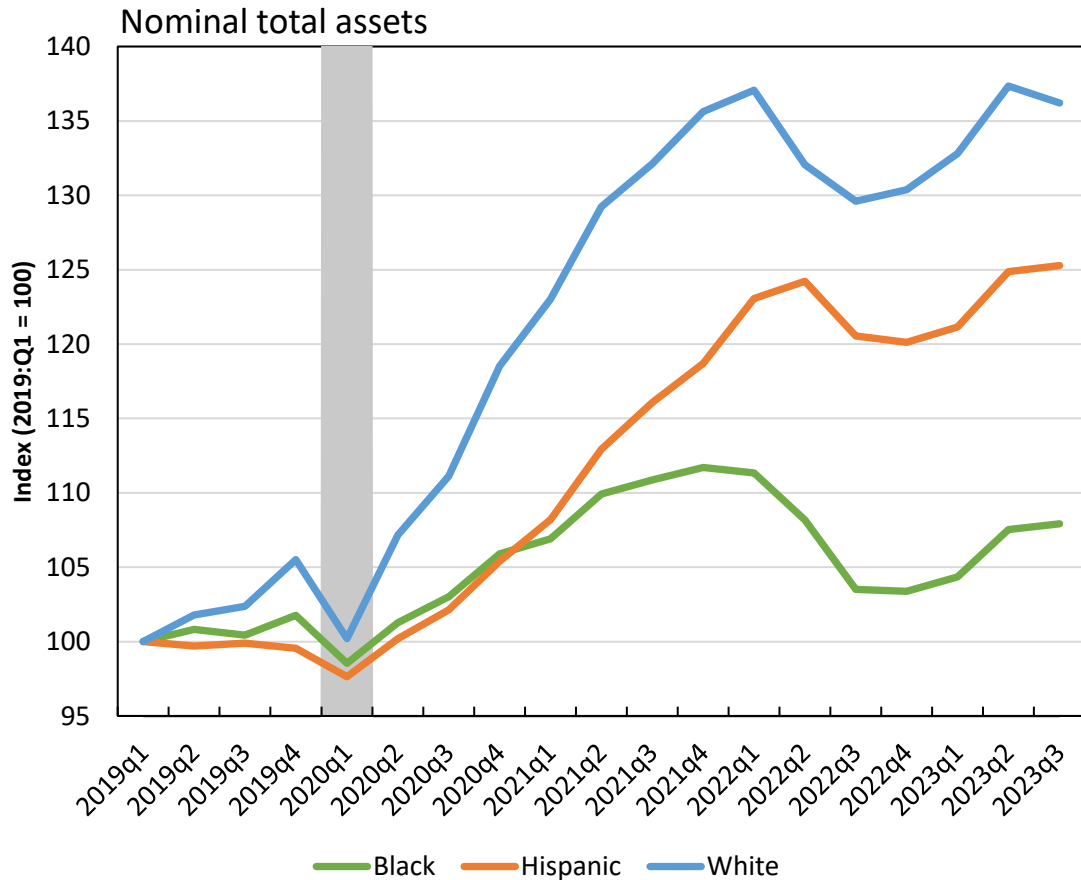
Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics, and authors' calculations. "Net worth" is total assets less total liabilities. Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.

Net Worth by Racial and Ethnic Group



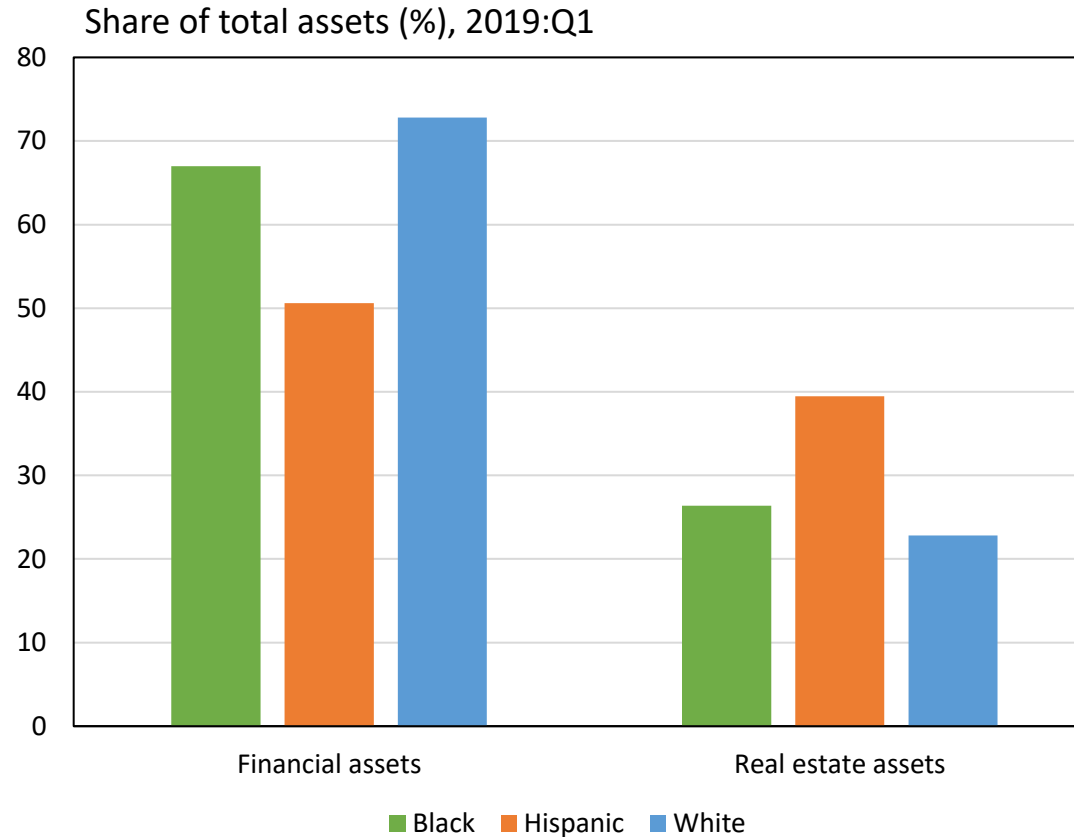
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Total Assets by Racial and Ethnic Group



Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics, and authors' calculations. Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.

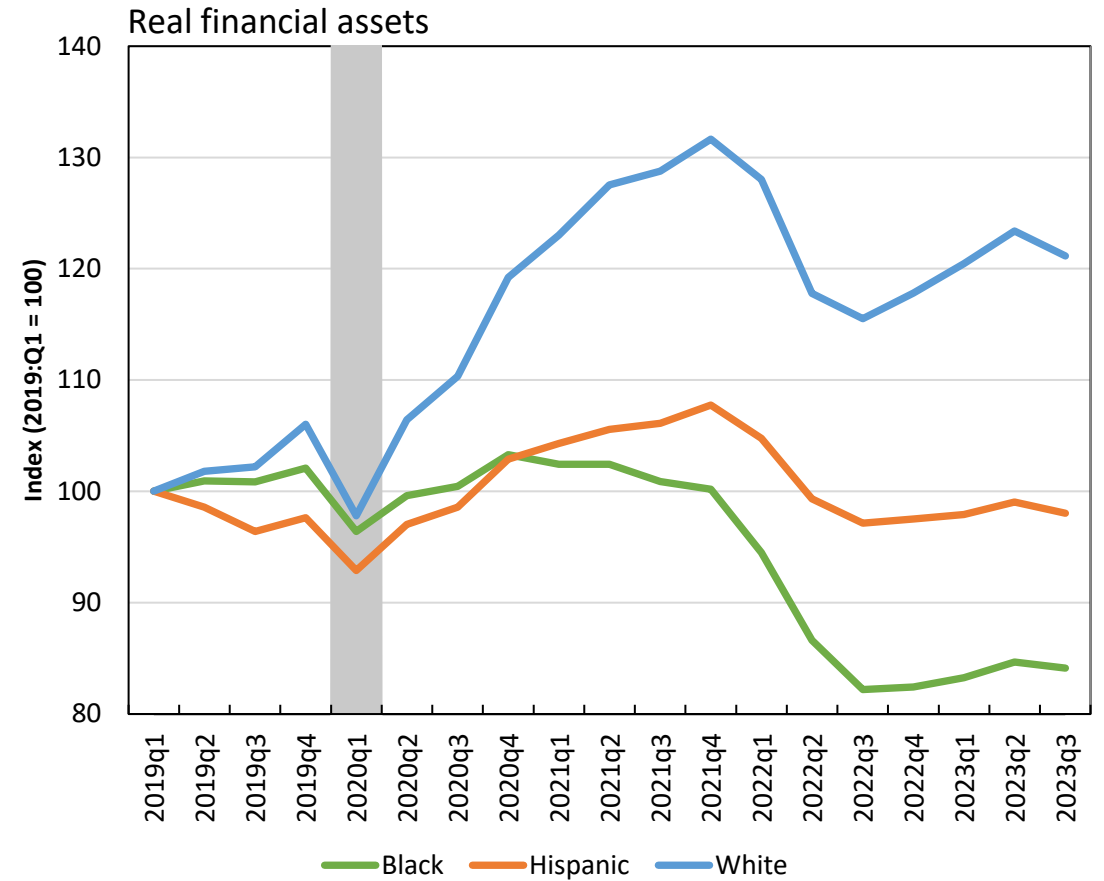
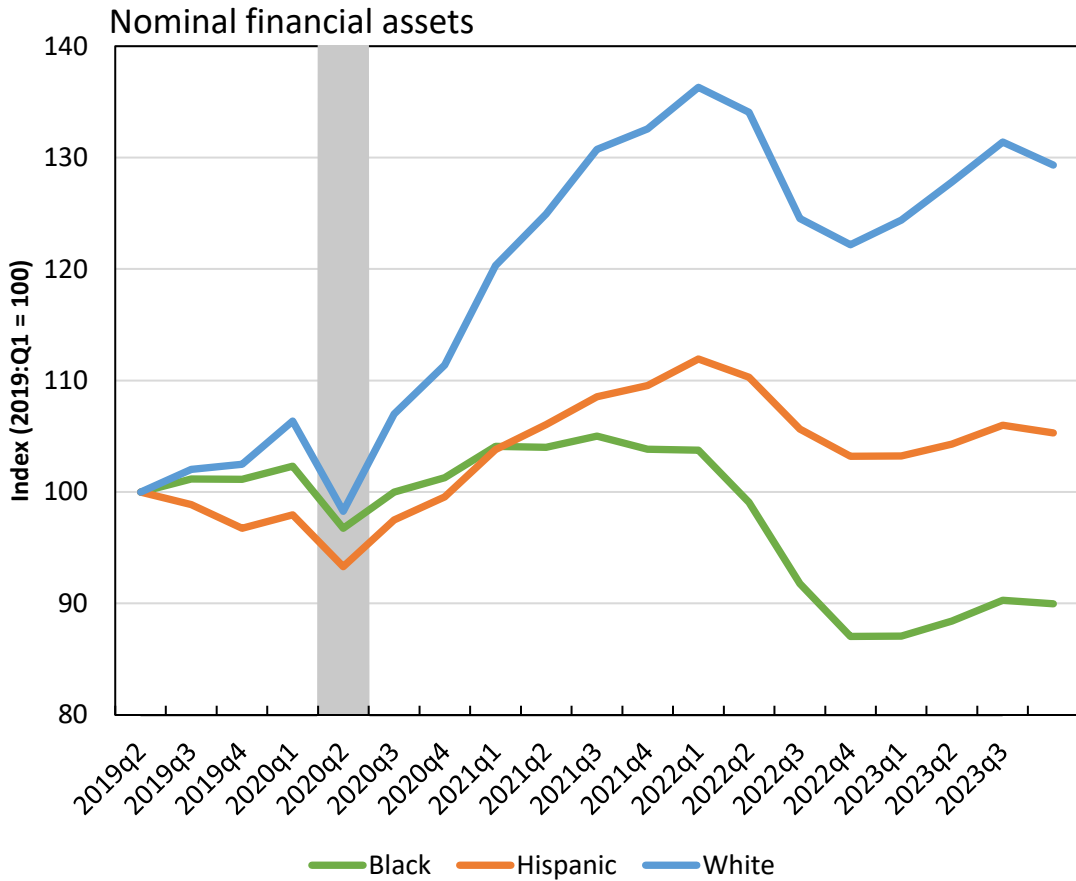
Composition of Total Assets by Racial and Ethnic Group



Source: Distributional Financial Accounts via Federal Reserve.

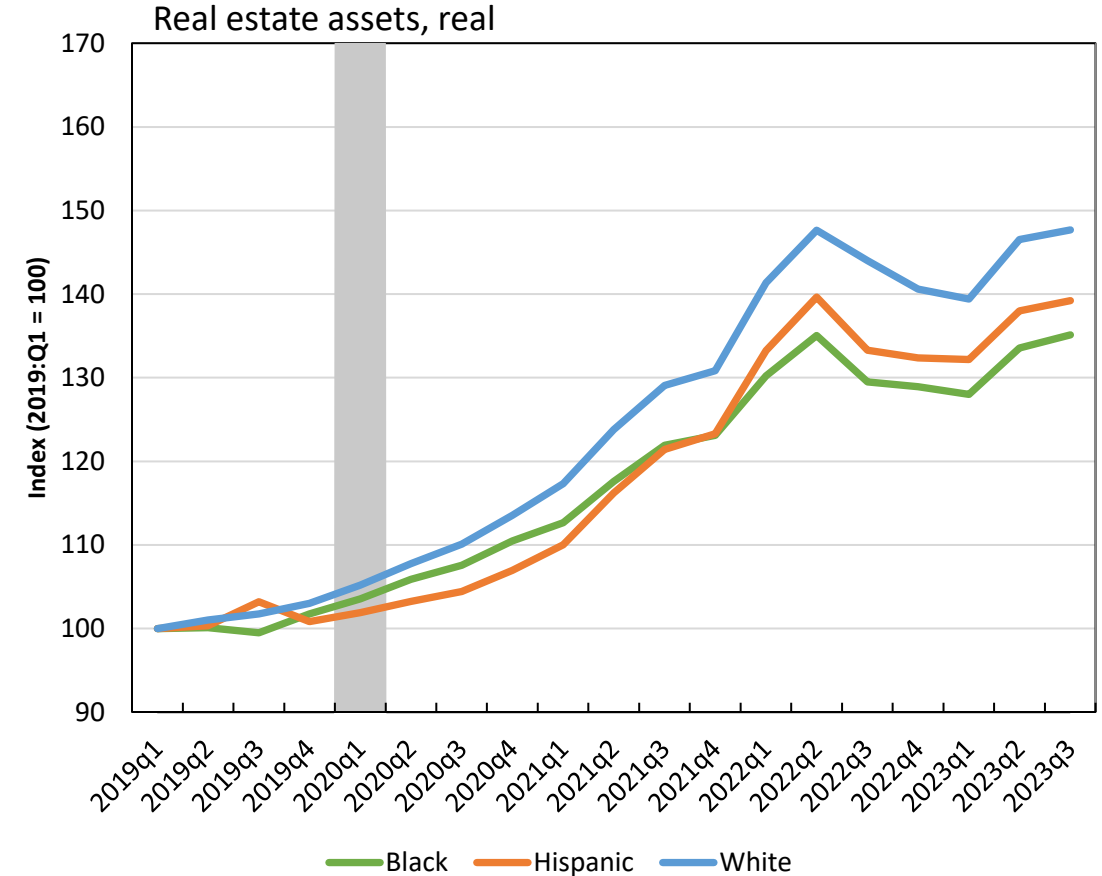
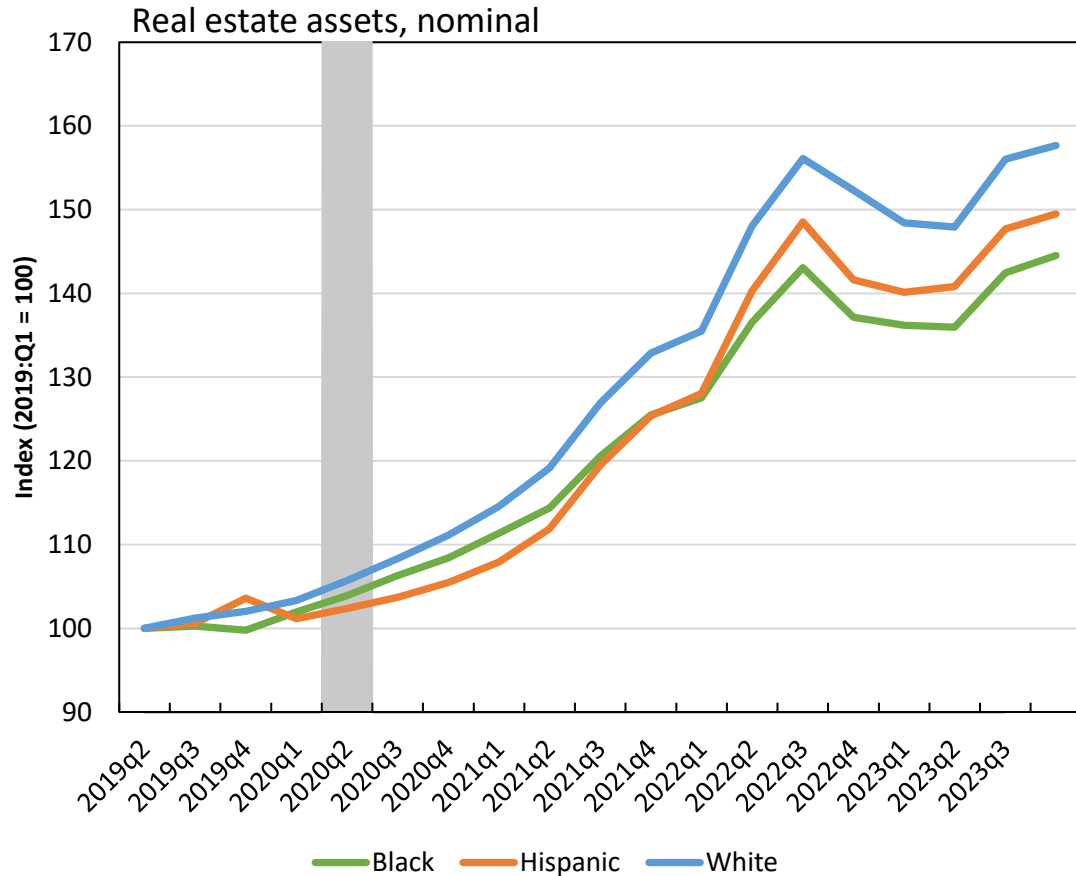
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Financial Assets by Racial and Ethnic Group



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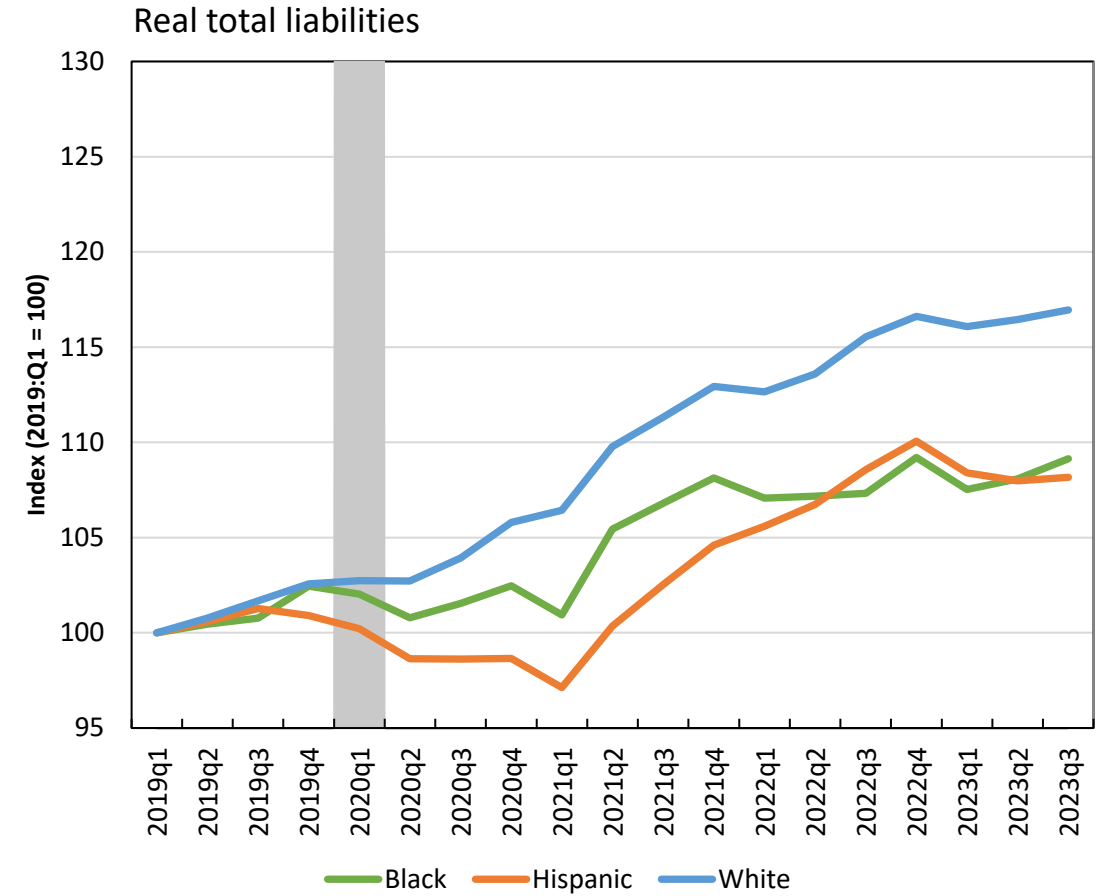
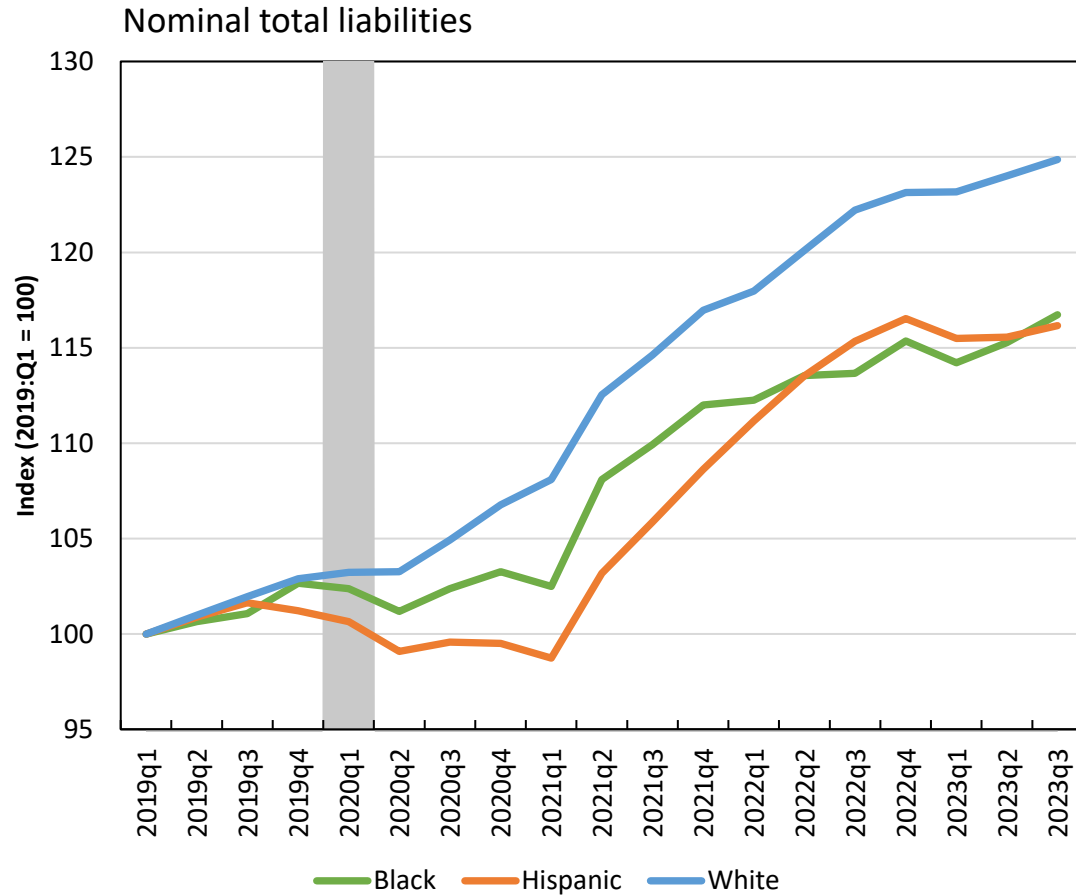
Real Estate Assets by Racial and Ethnic Group



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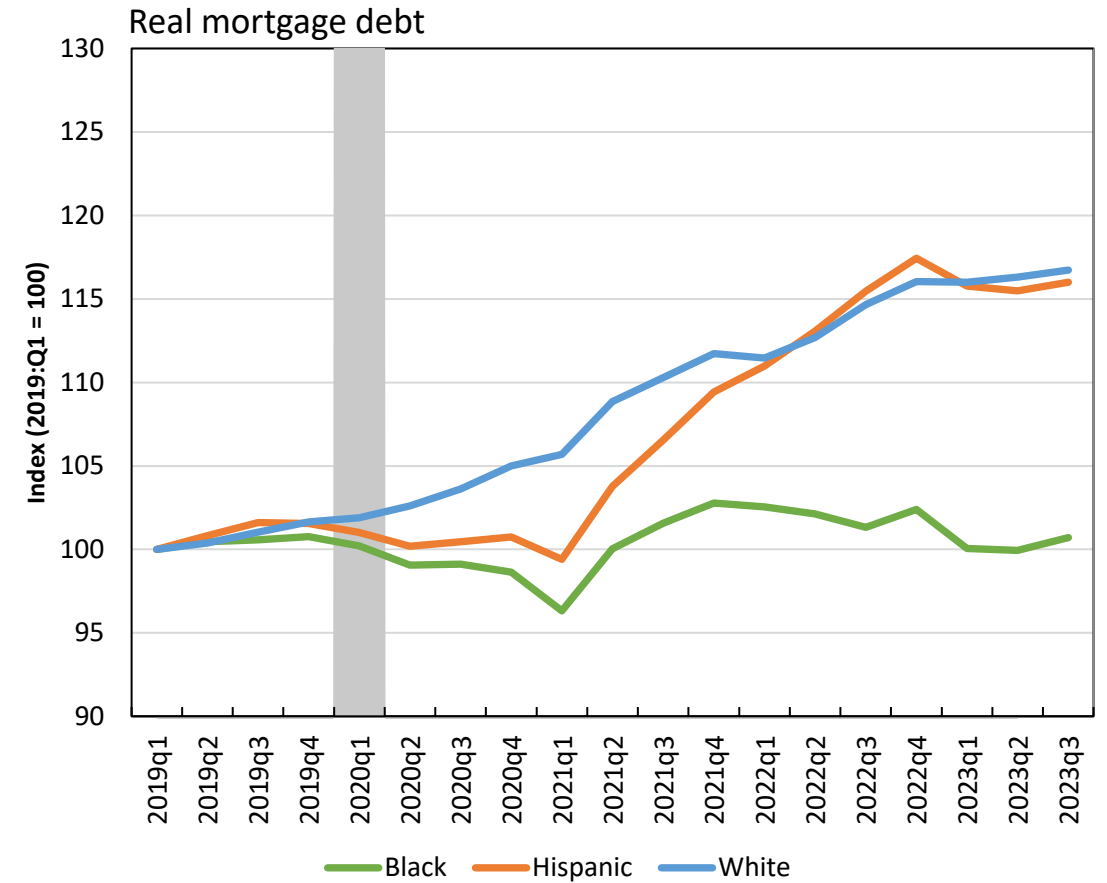
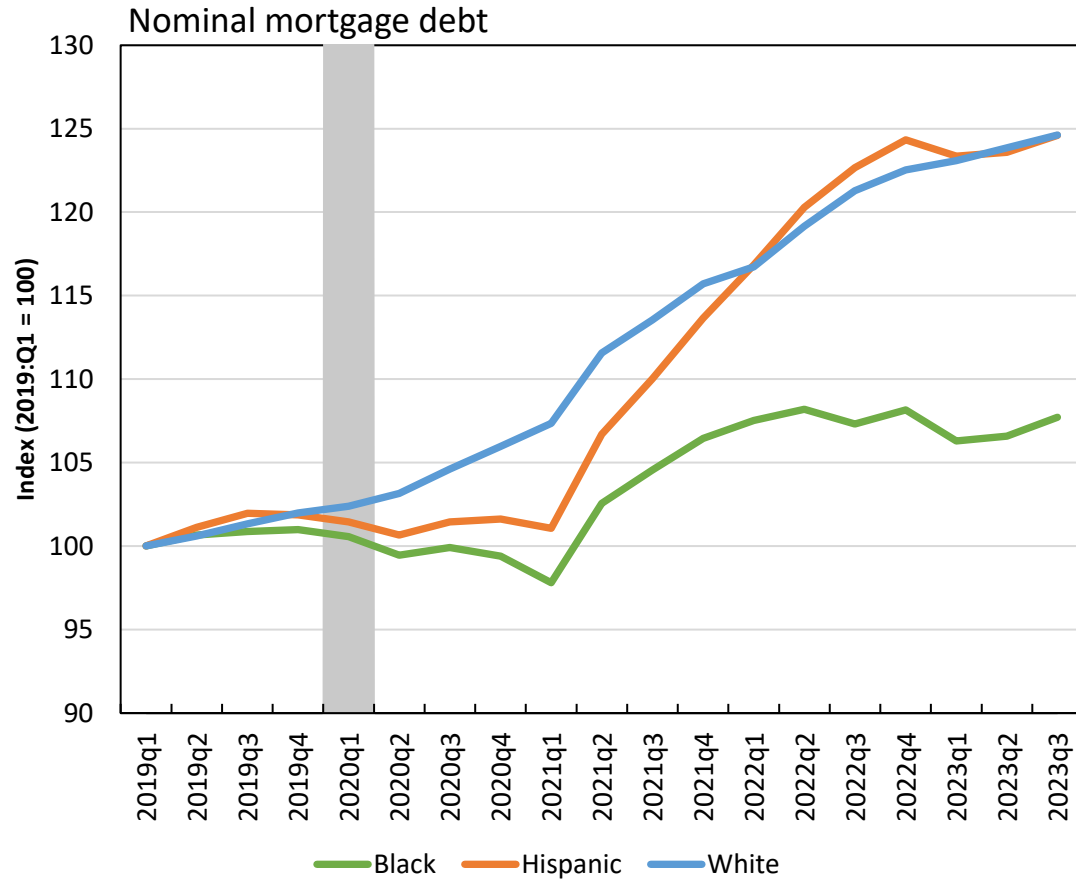
Total Liabilities by Racial and Ethnic Group



Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics and authors' calculations.

Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.

Mortgage Debt by Racial and Ethnic Group



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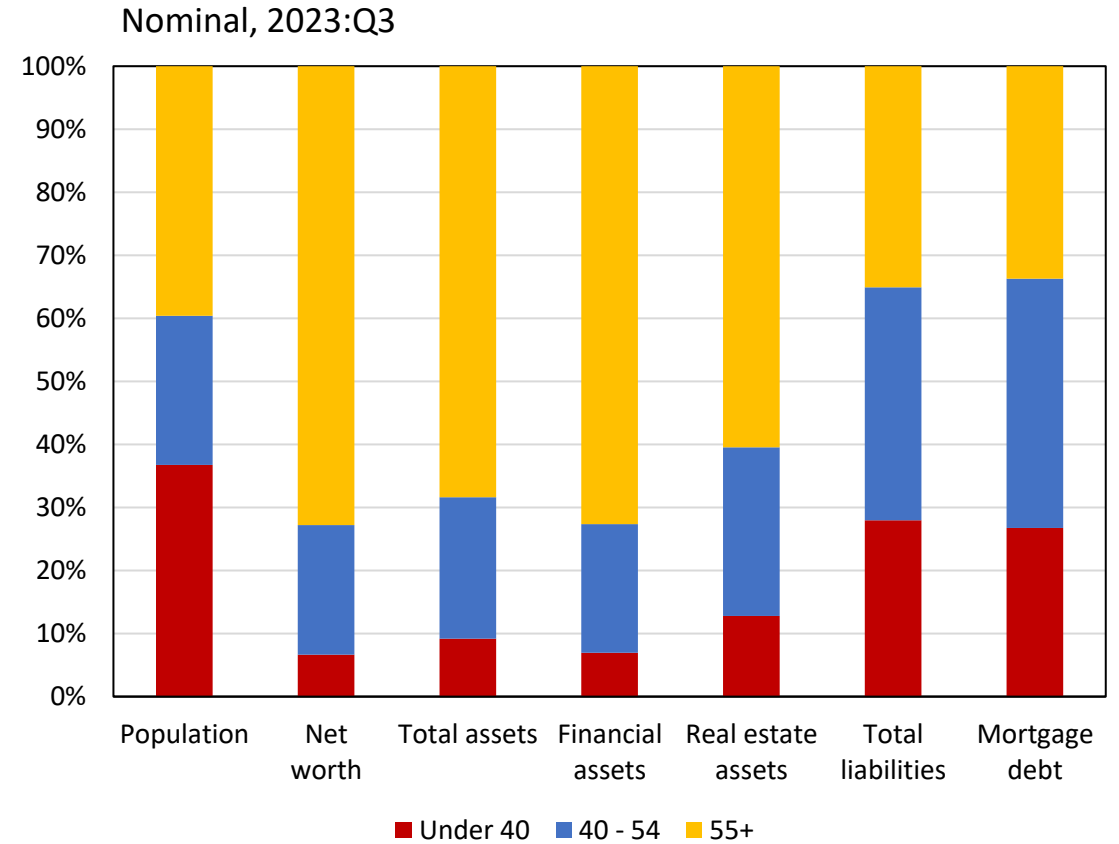
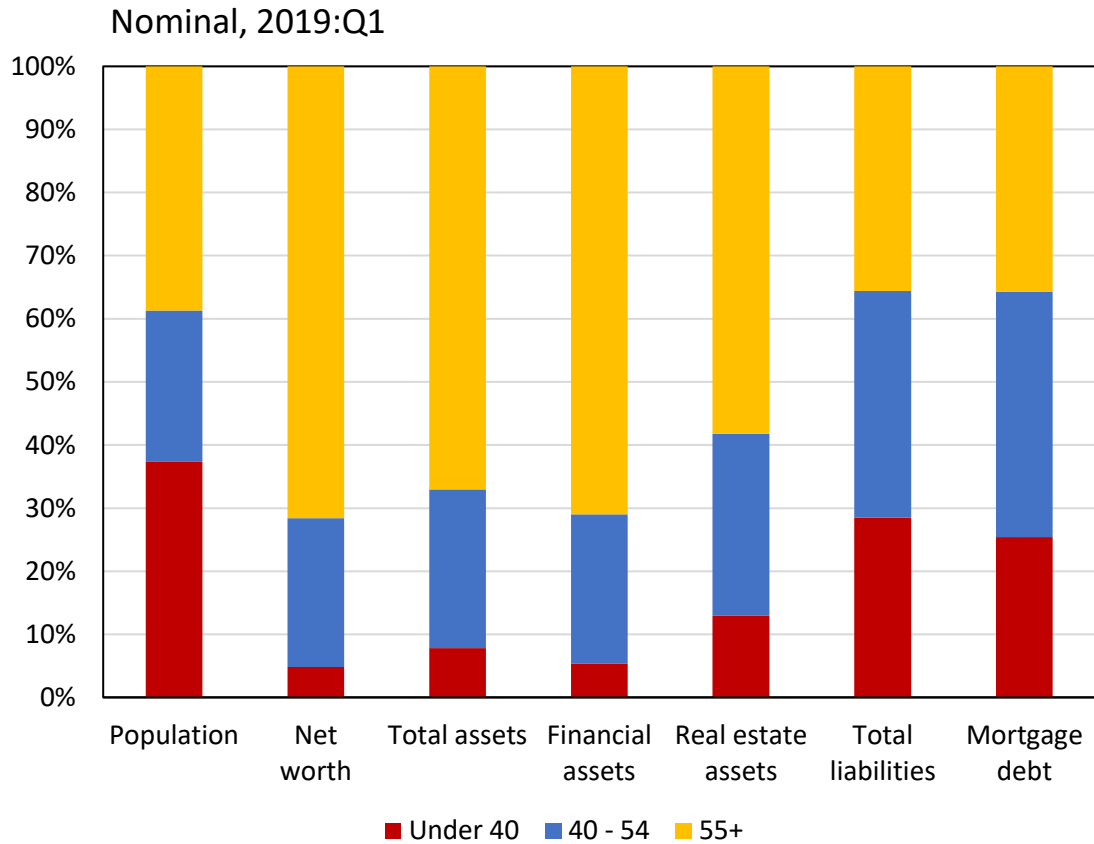
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WEALTH

BY AGE

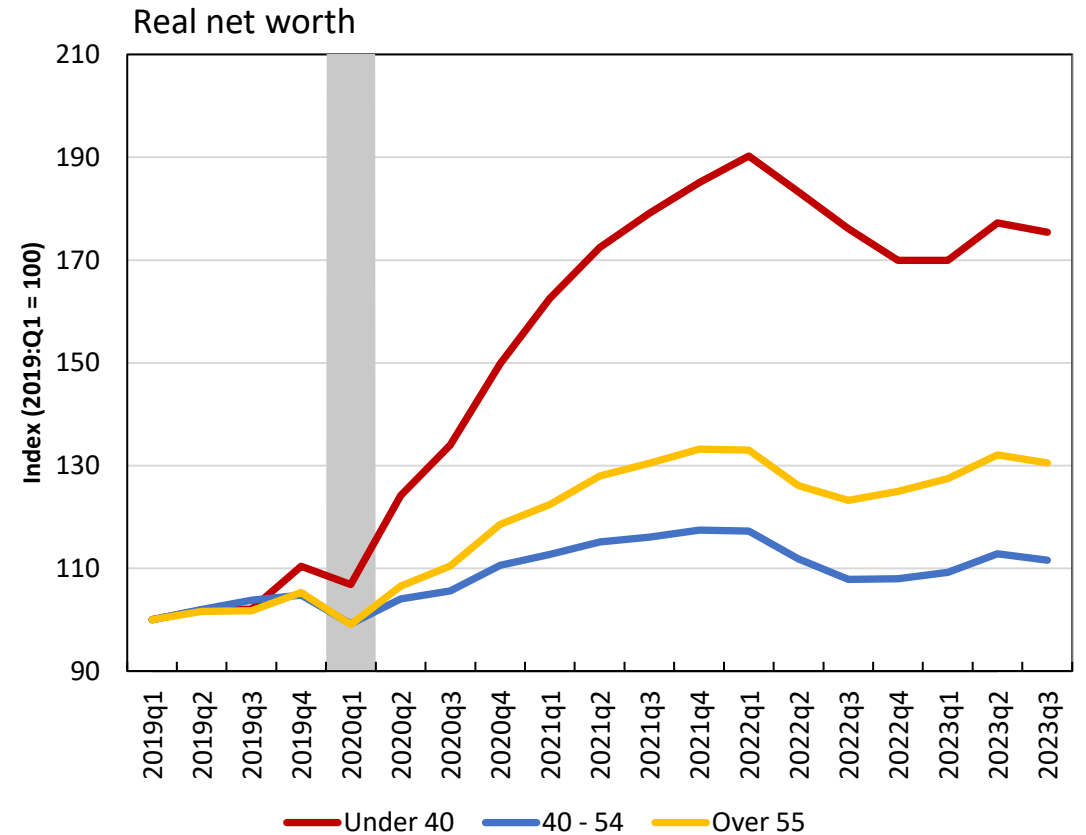
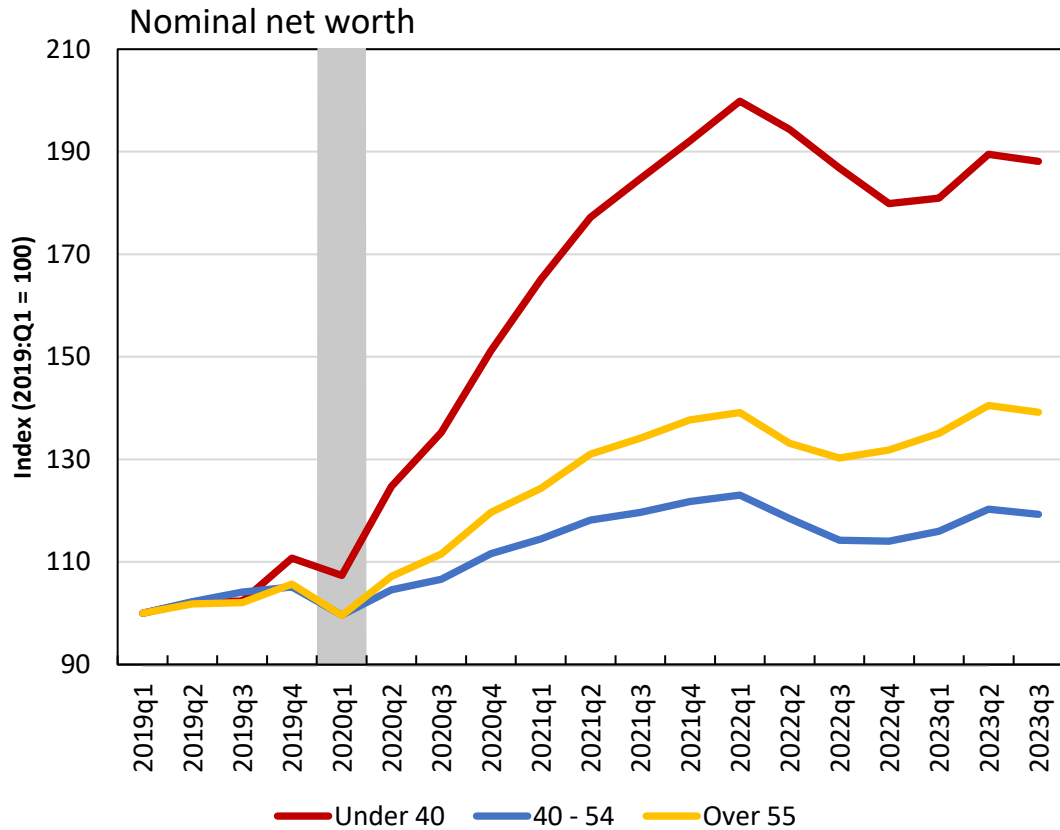


Population and Ownership Shares by Age Group



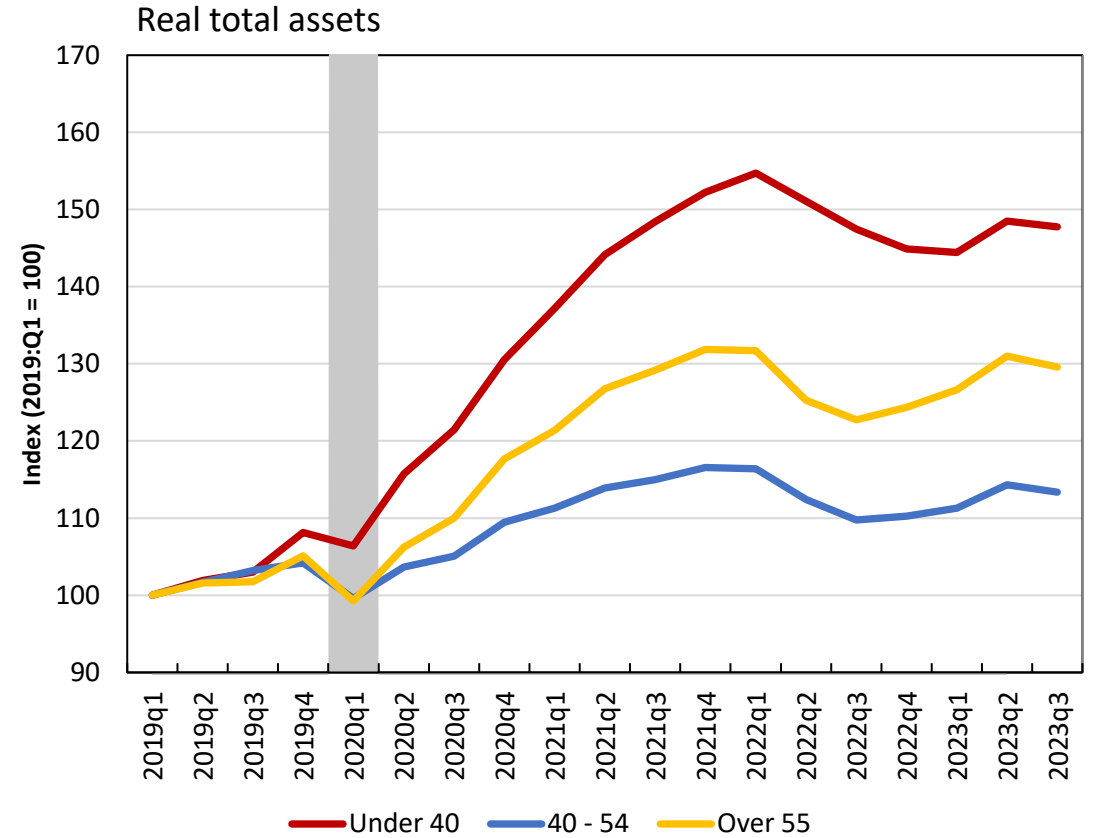
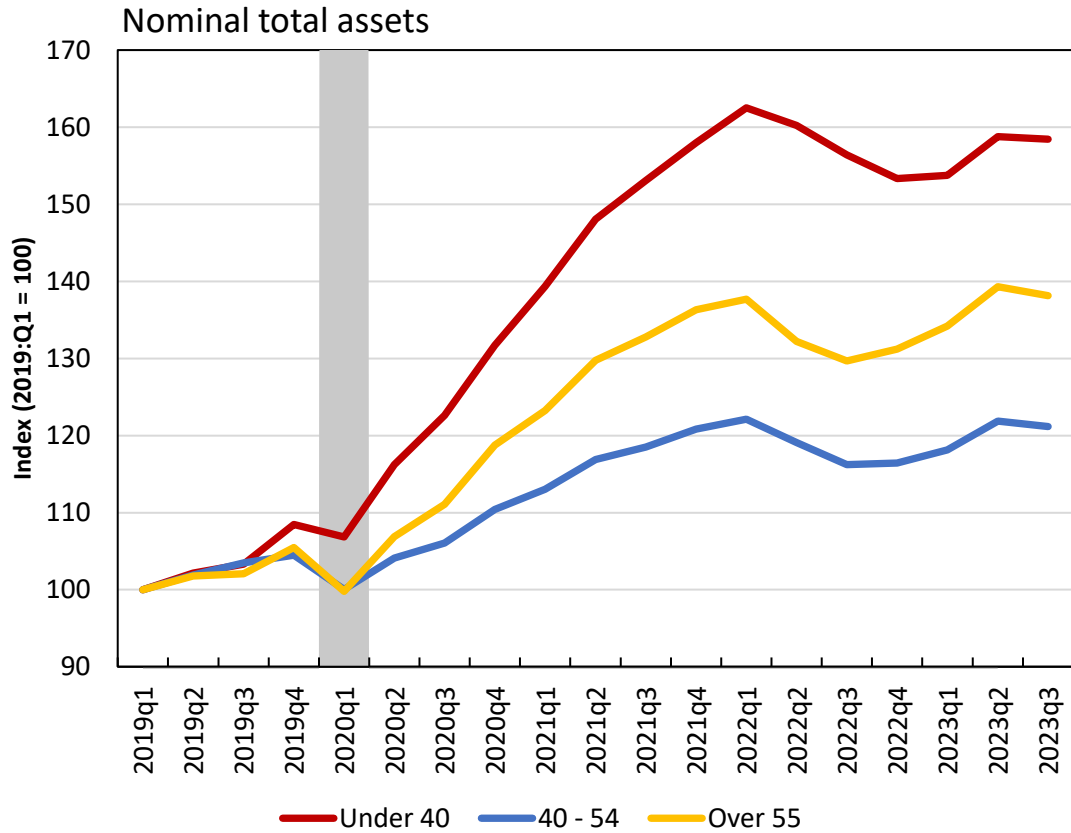
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Net Worth by Age Group



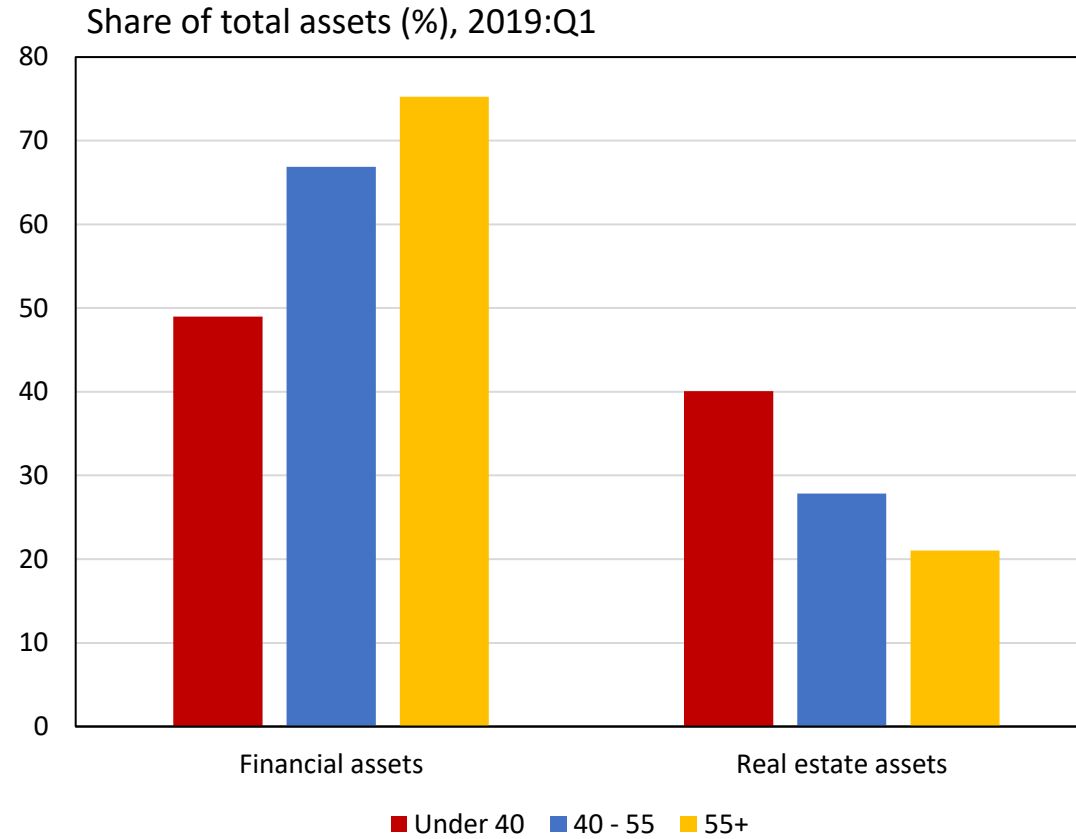
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Total Assets by Age Group



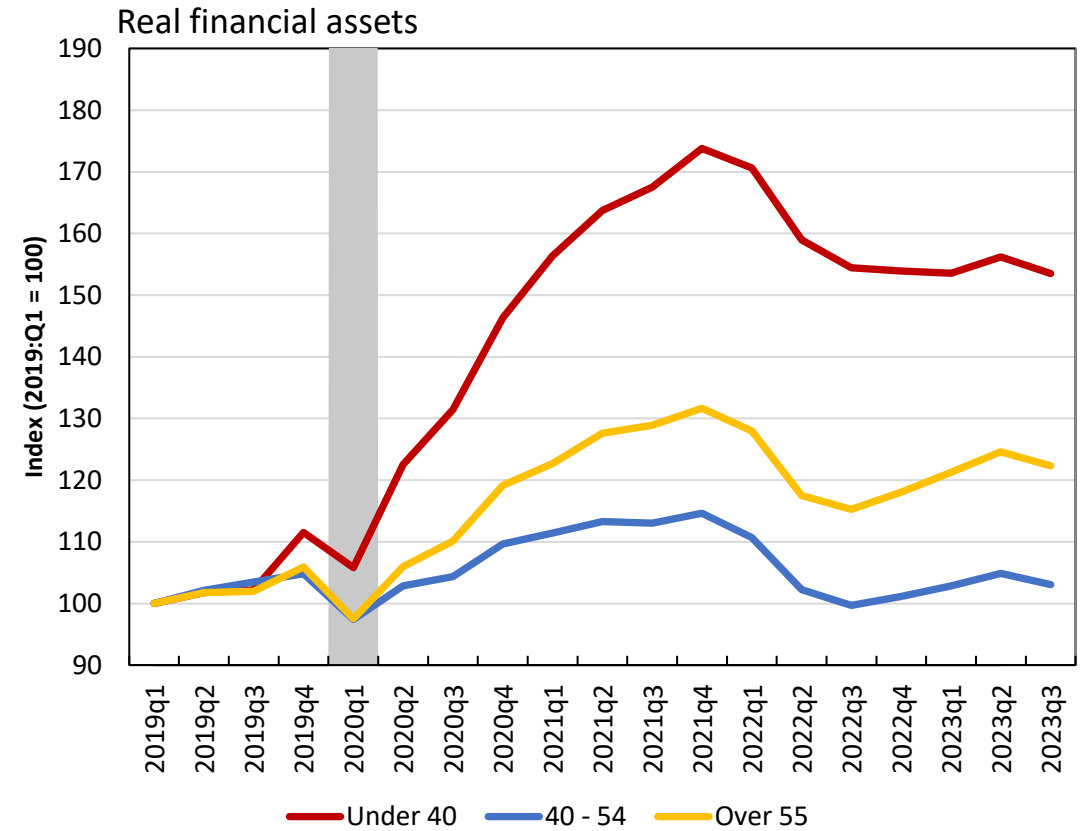
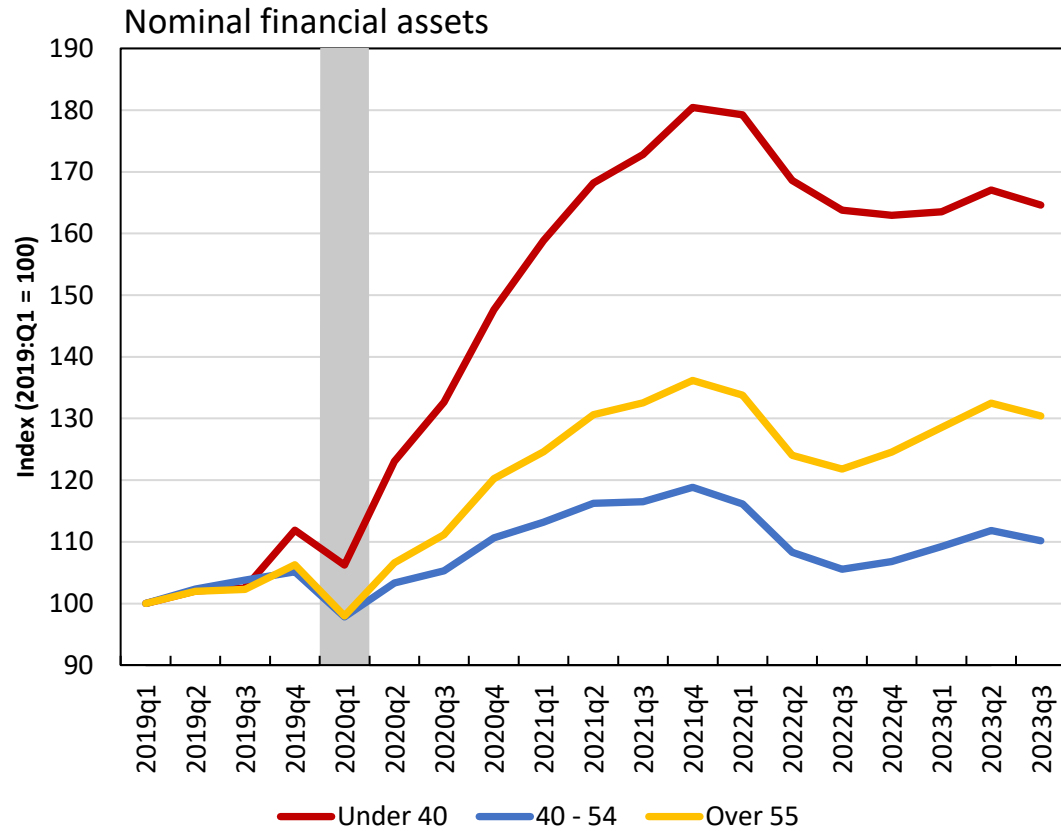
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Composition of Total Assets by Age Group



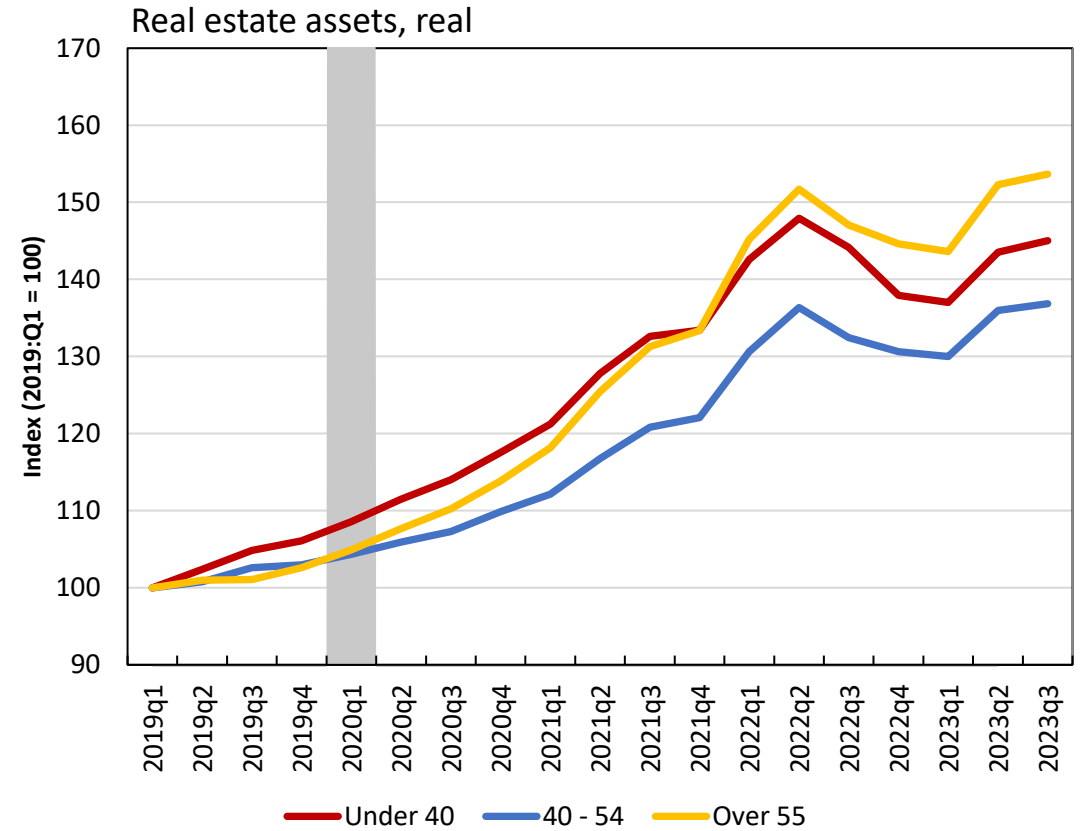
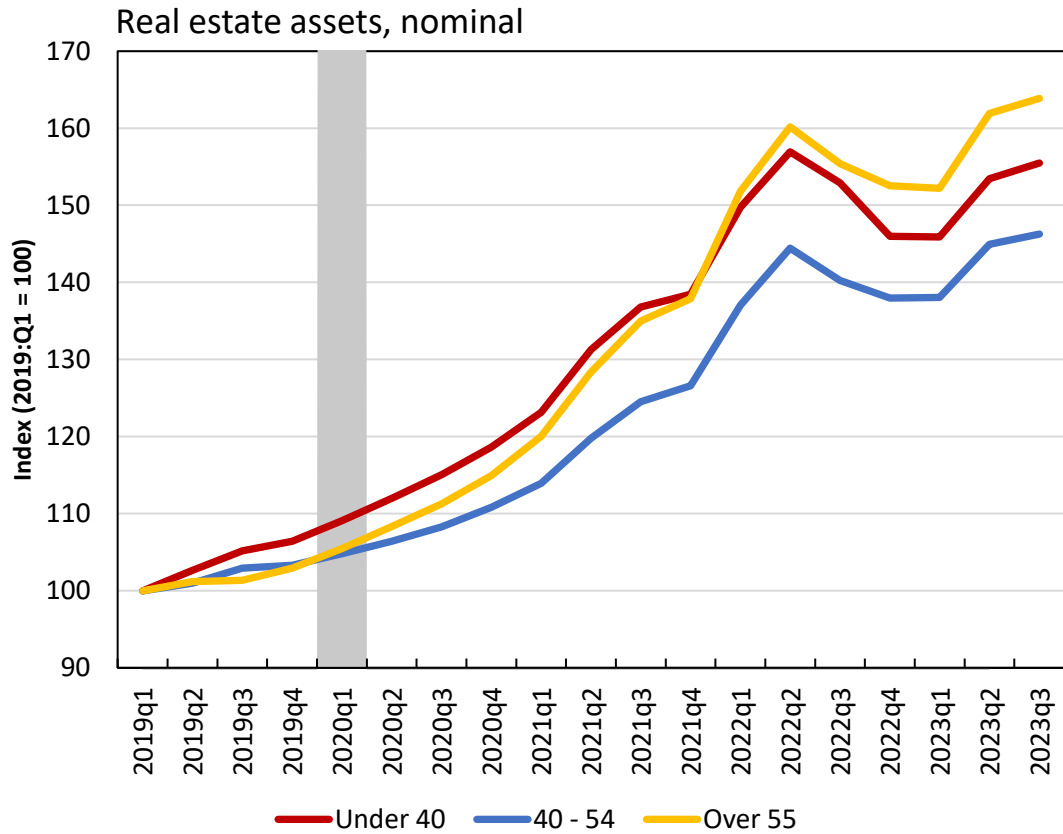
Source: Distributional Financial Accounts via Federal Reserve.

Financial Assets by Age Group



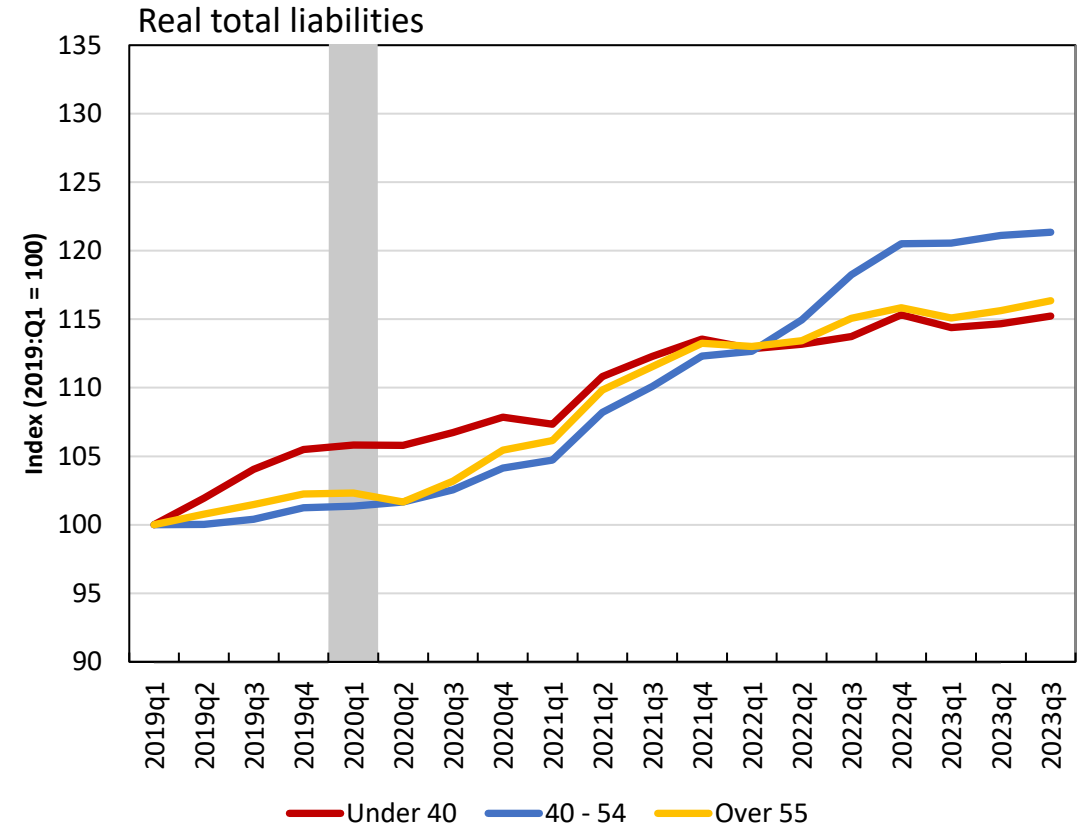
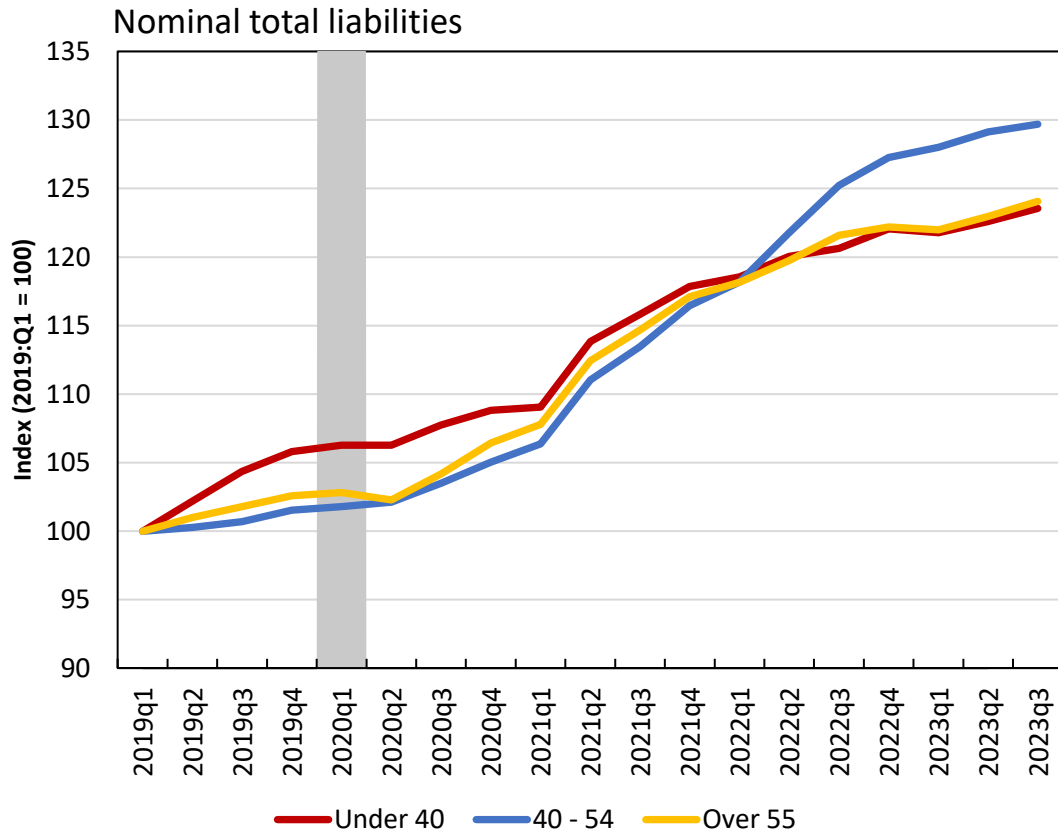
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Real Estate Assets by Age Group



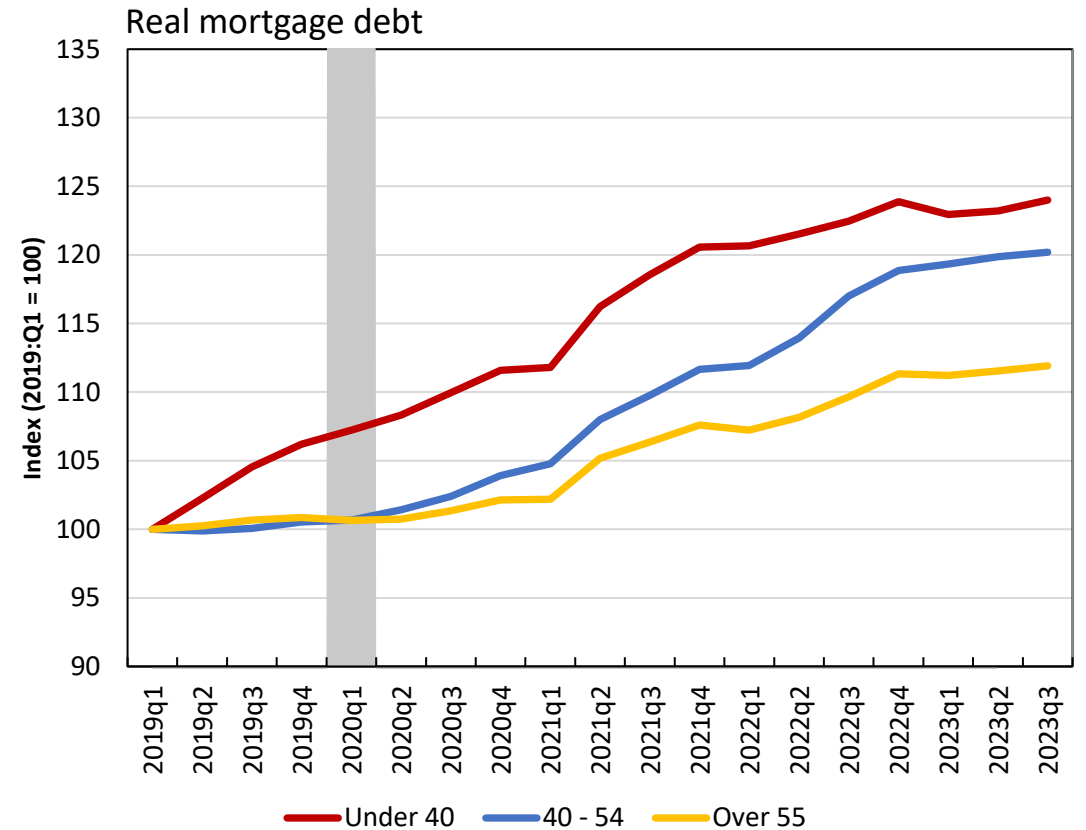
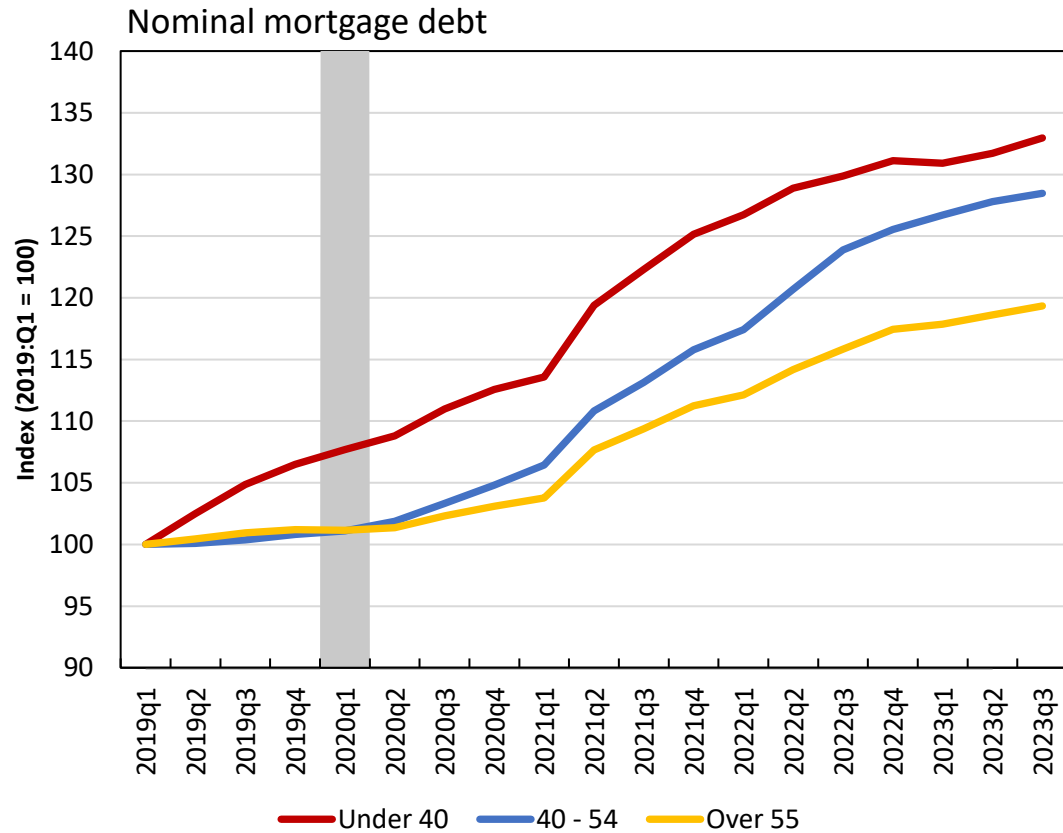
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Total Liabilities by Age Group



Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics, and authors' calculations.

Mortgage Debt by Age Group

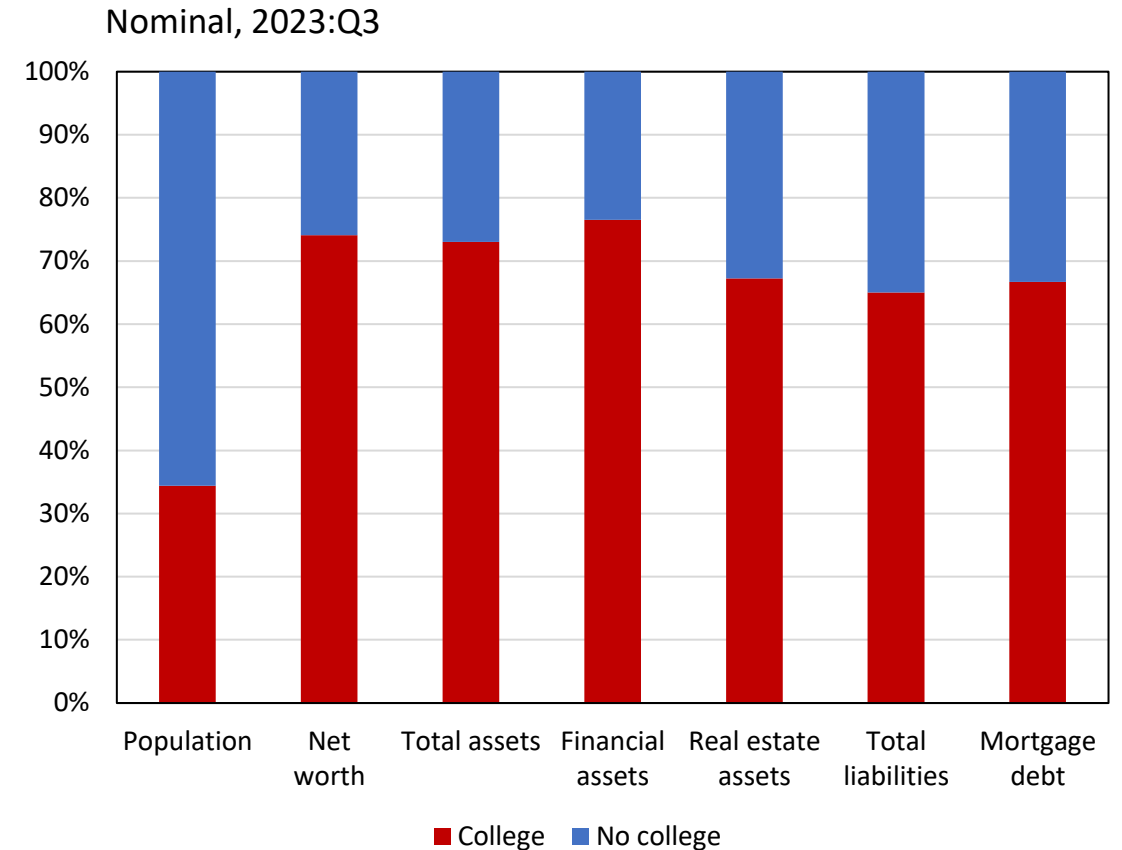
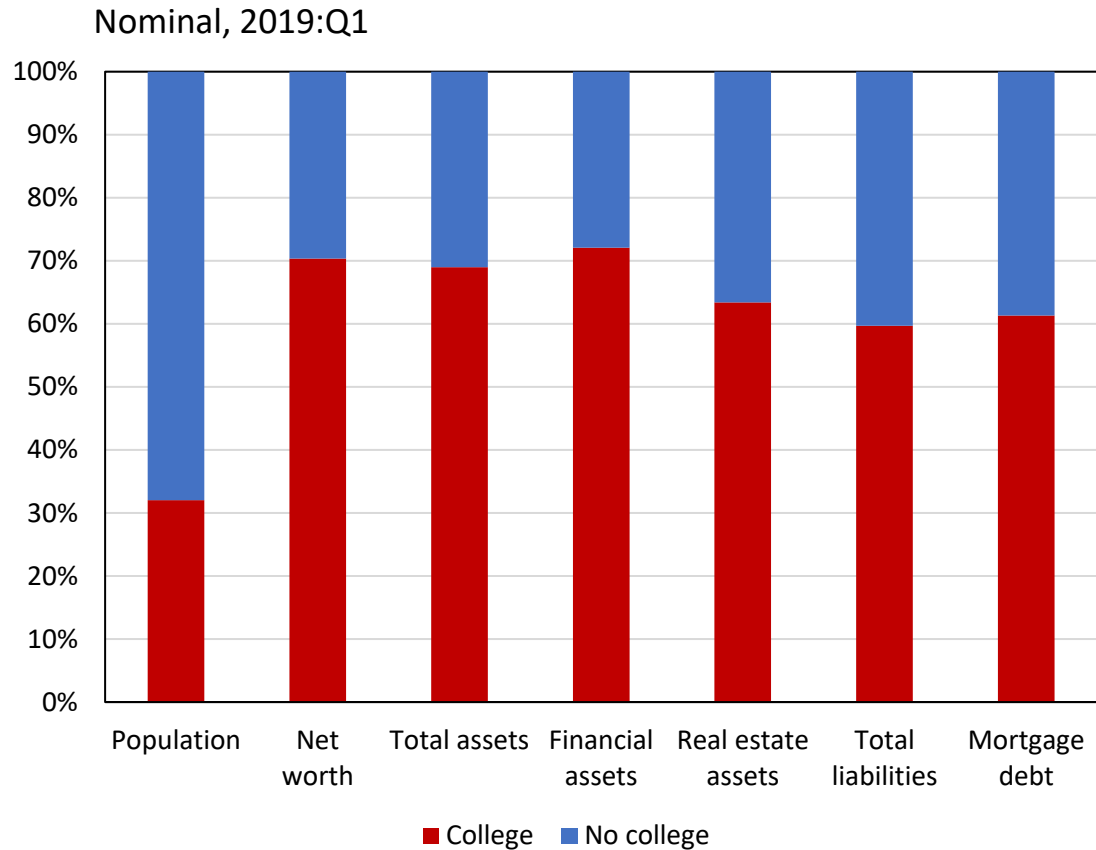


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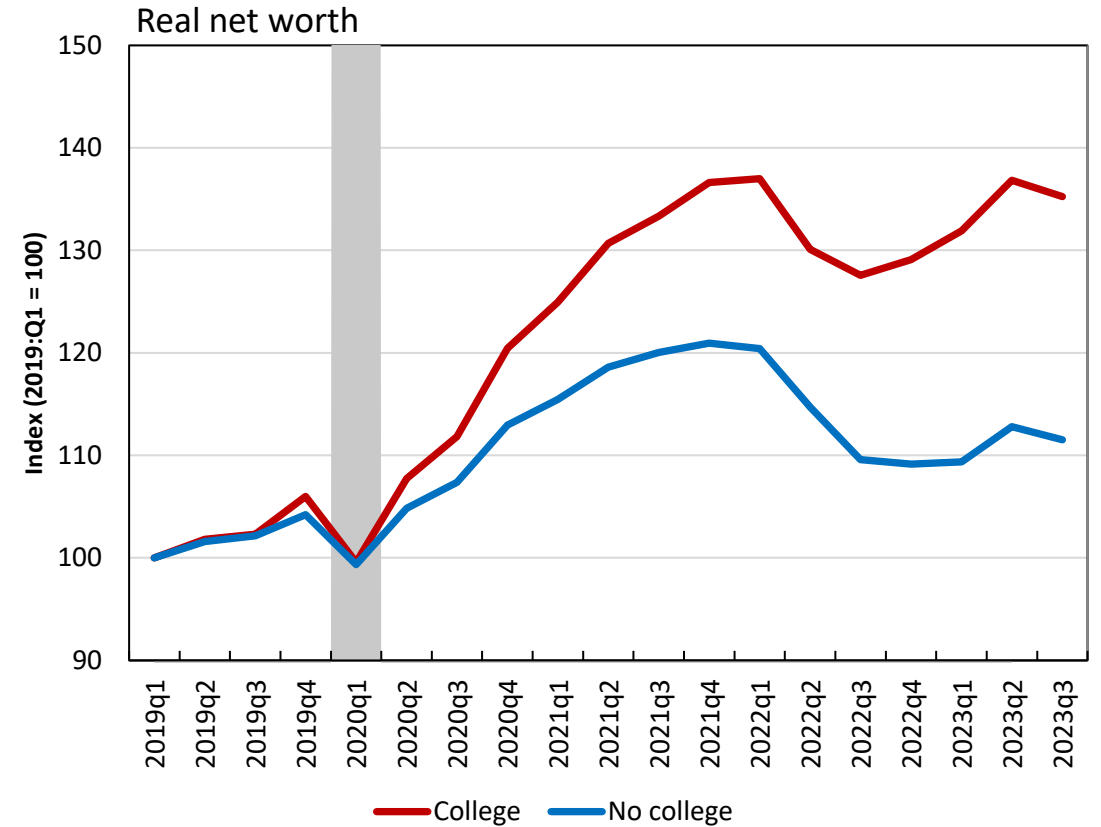
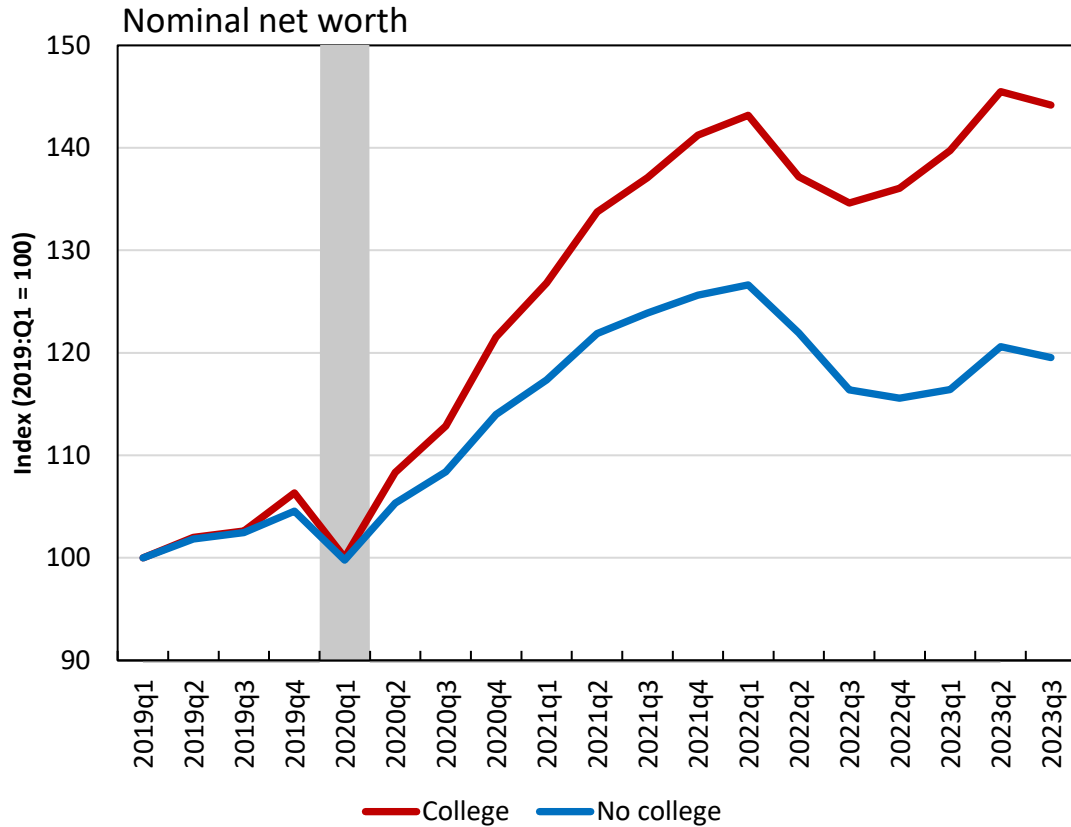
WEALTH
BY EDUCATION

Population and Ownership Shares by Education Group



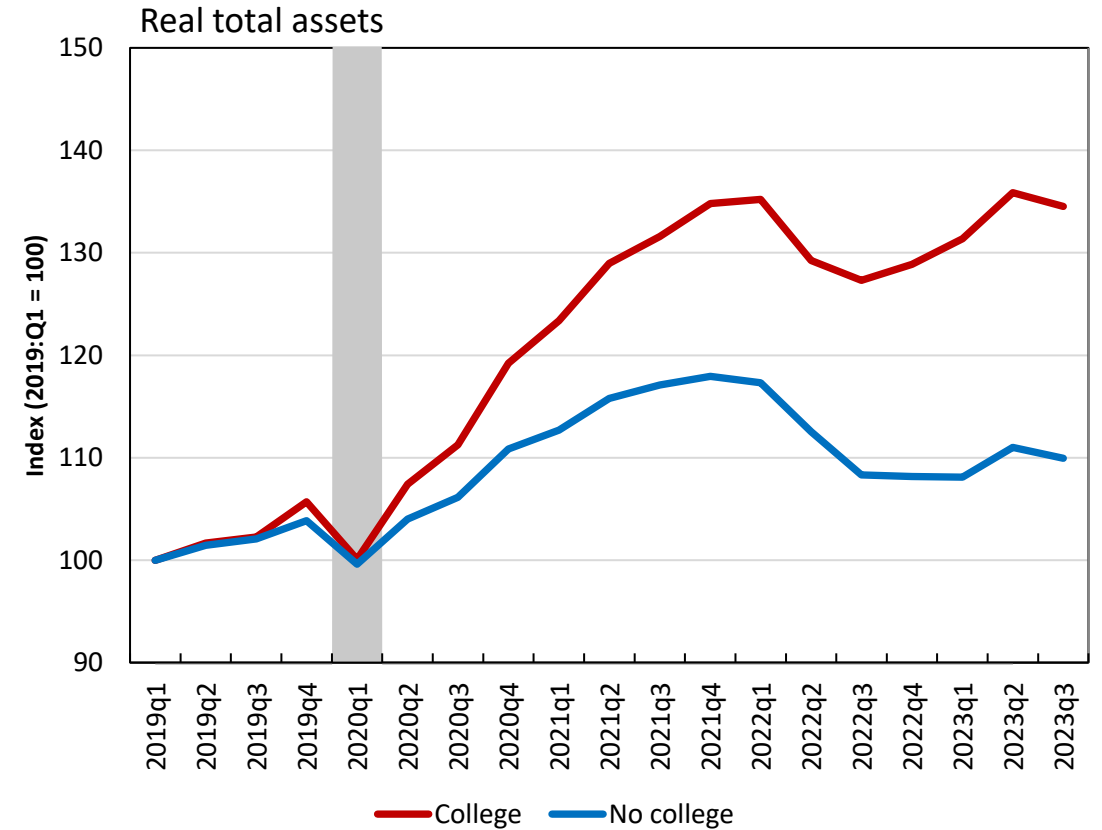
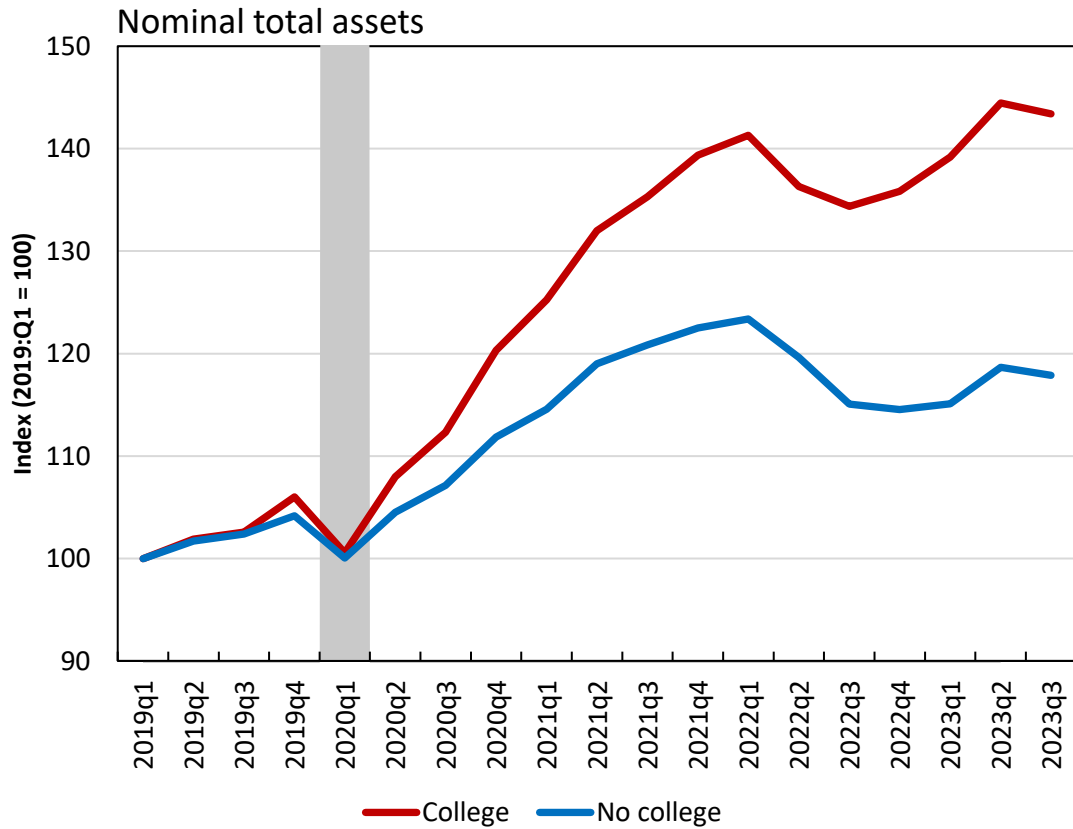
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Net Worth by Education Group



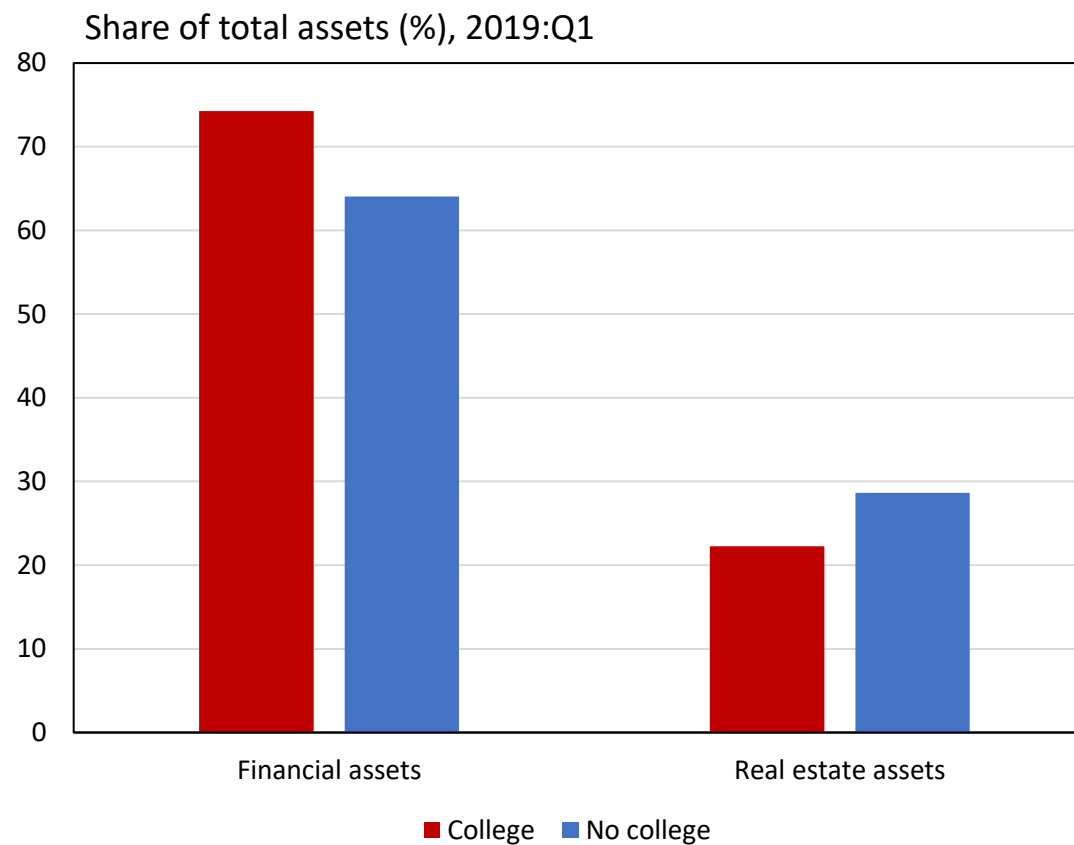
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Total Assets by Education Group



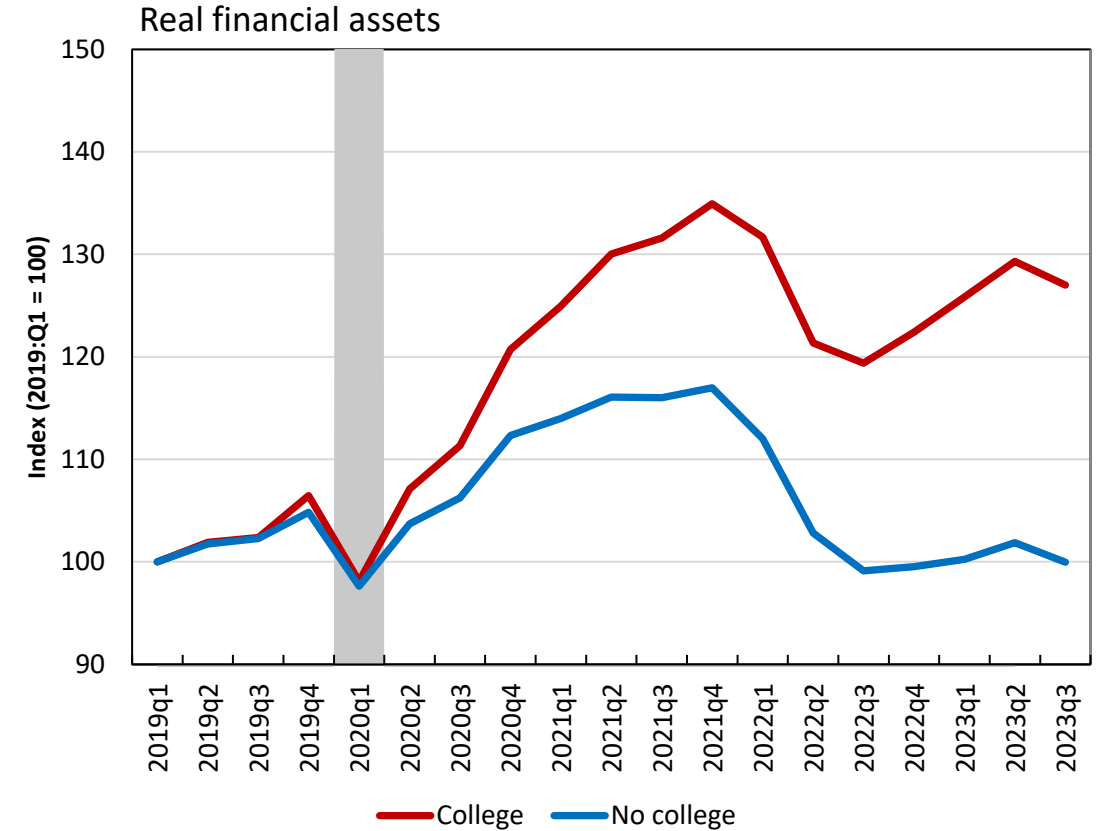
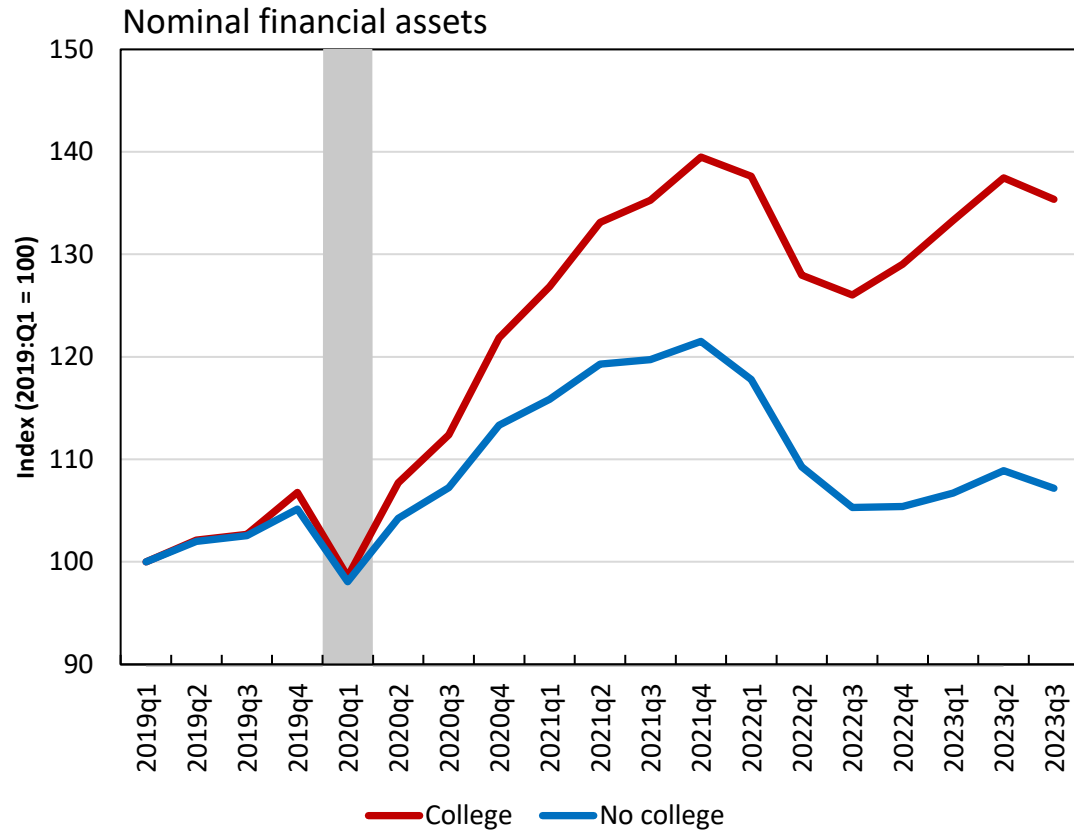
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Composition of Total Assets by Education



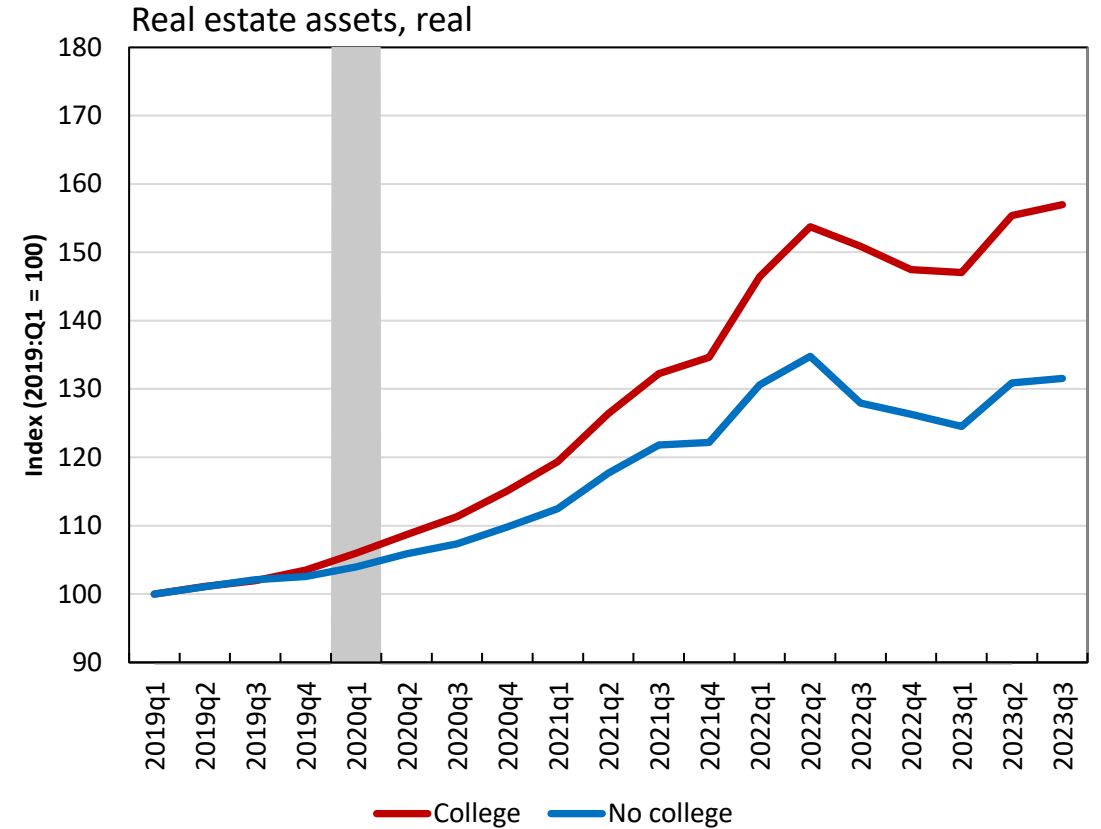
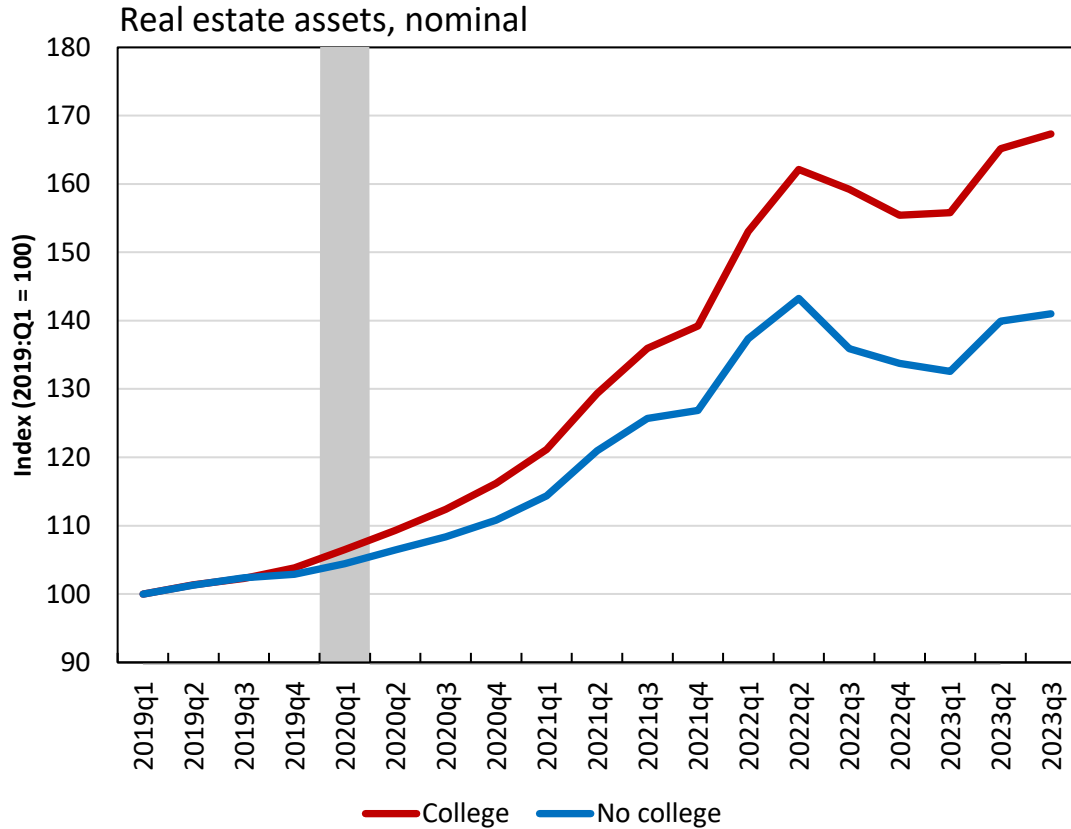
Sources: Distributional Financial Accounts via Federal Reserve.

Financial Assets by Education Group



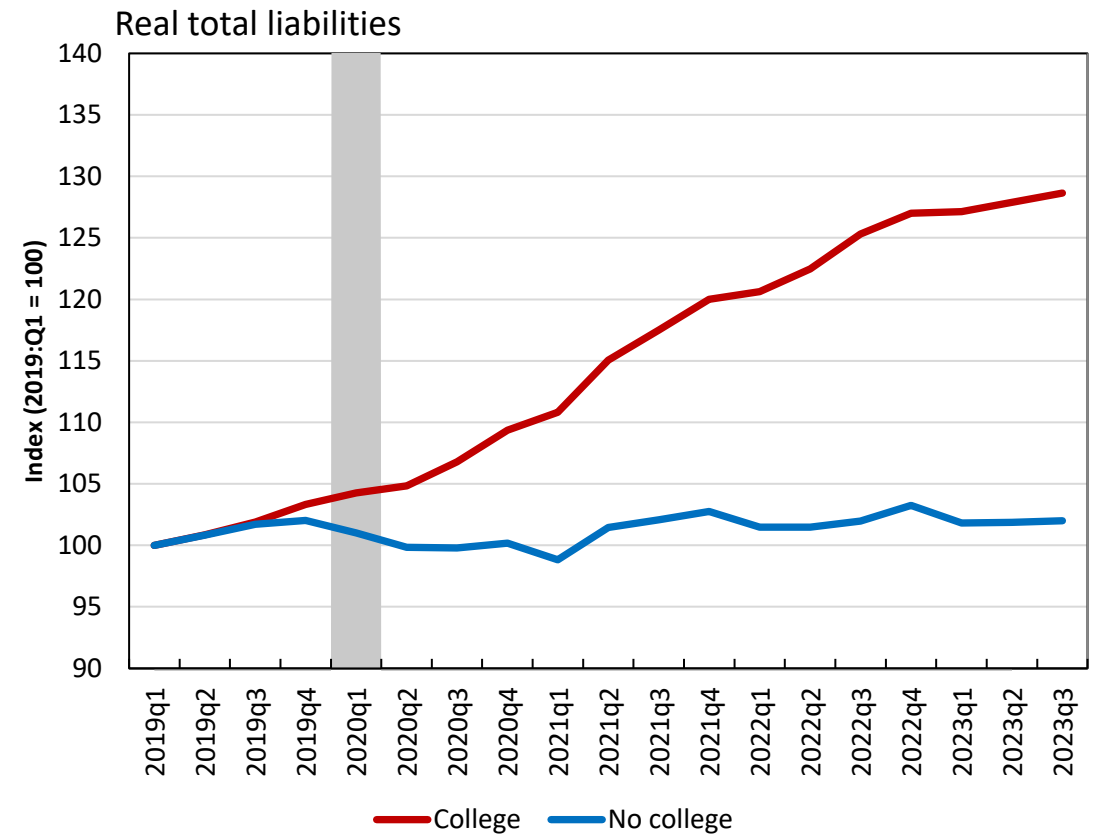
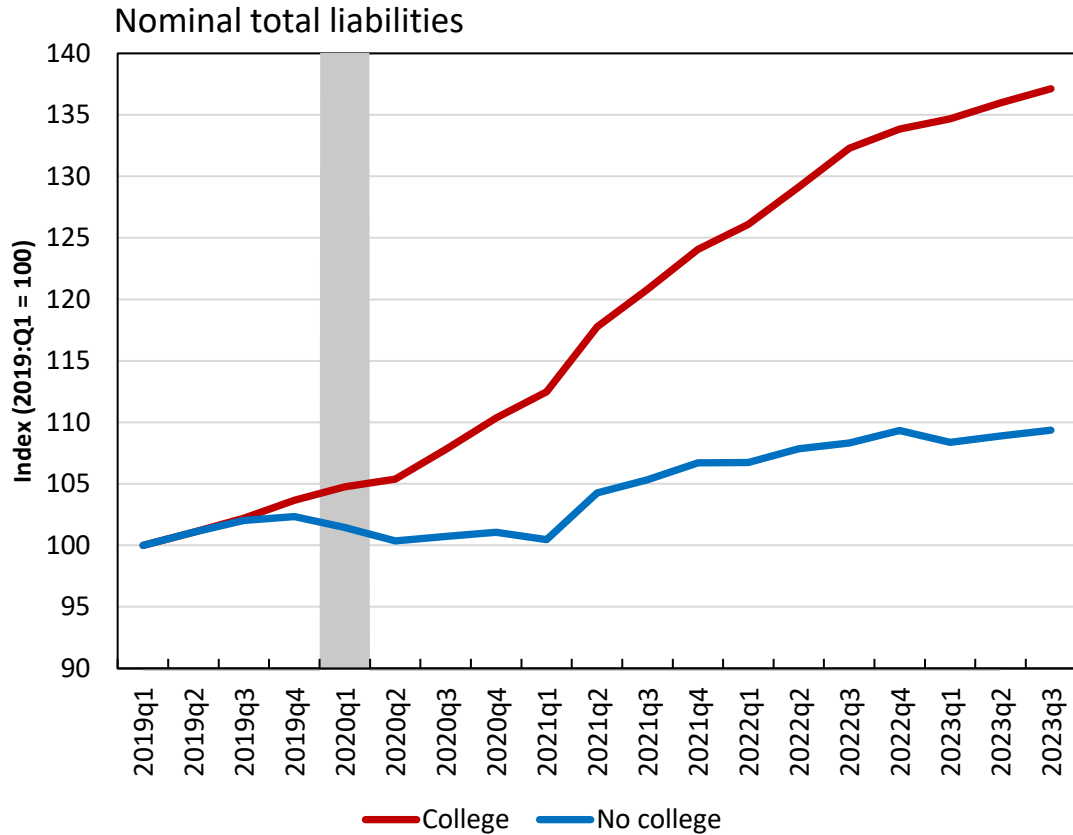
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Real Estate Assets by Education Group



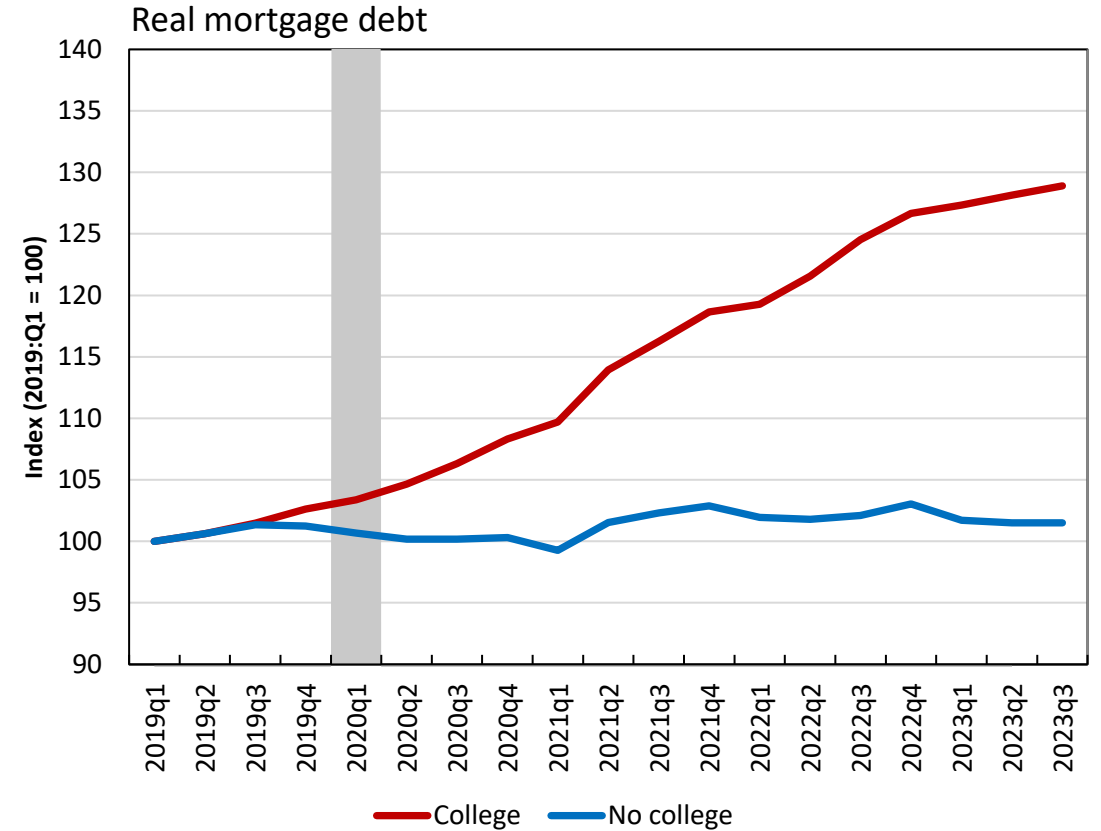
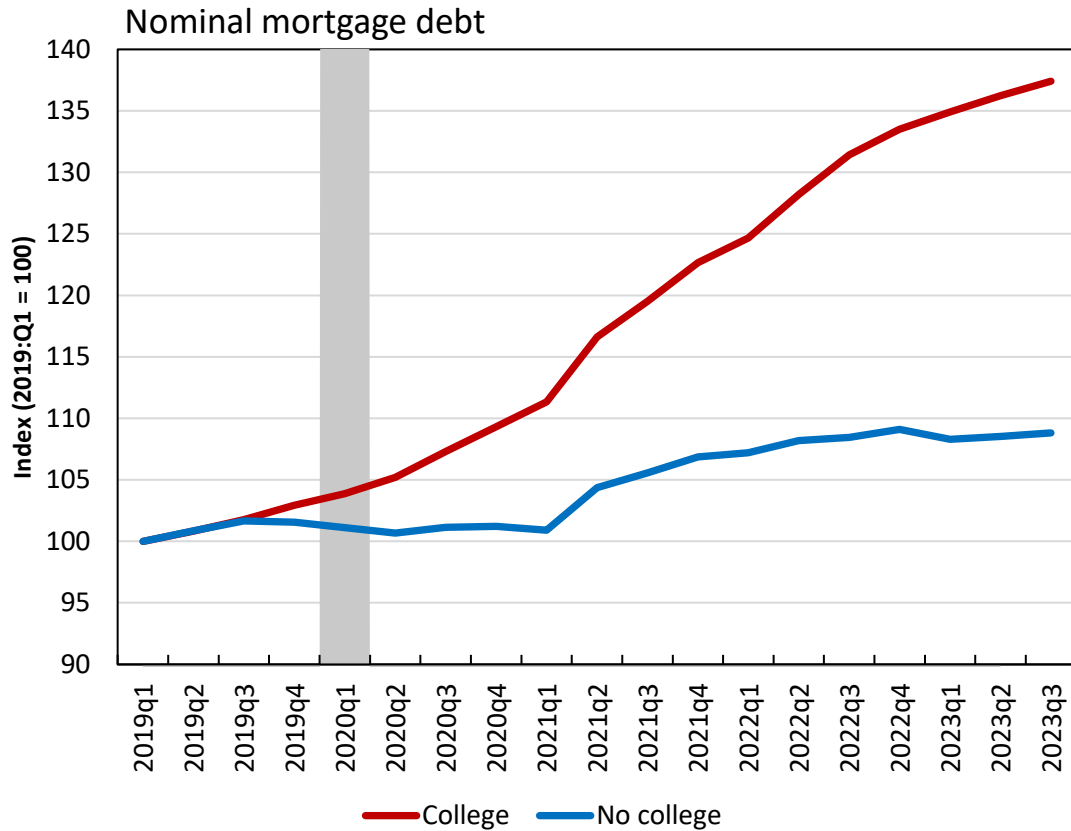
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Total Liabilities by Education Group



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Mortgage Debt by Education Group



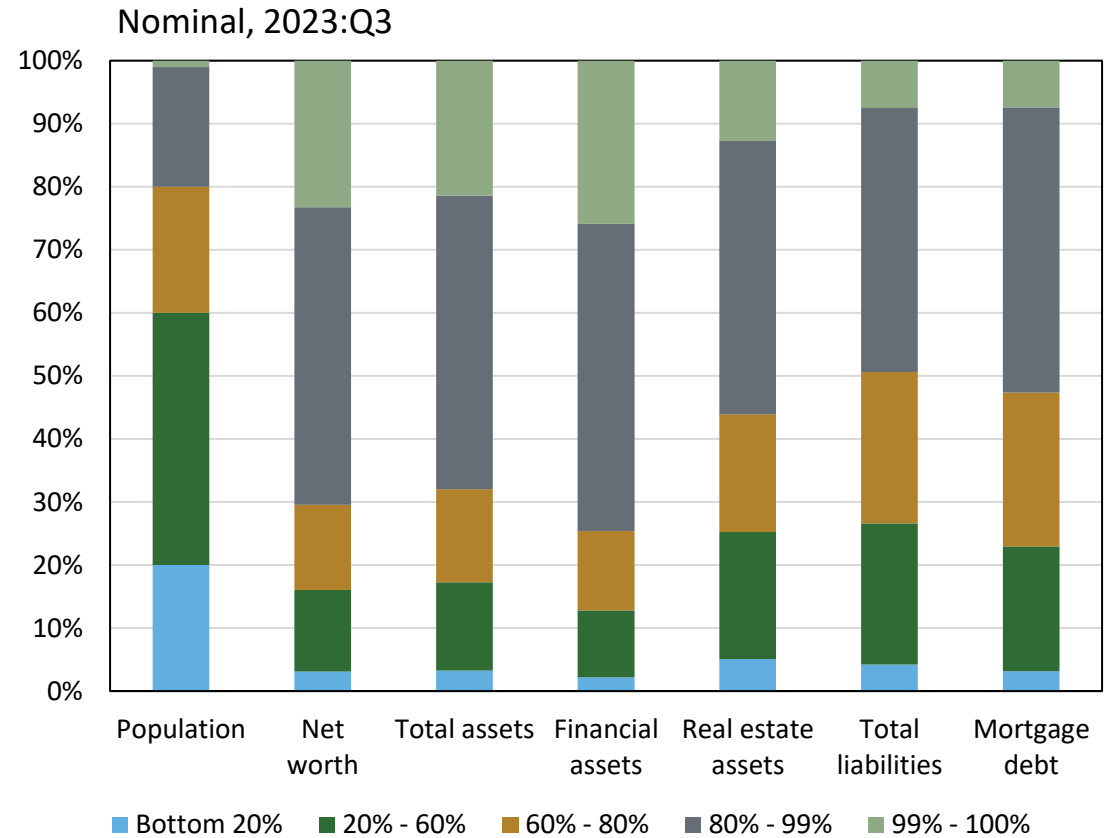
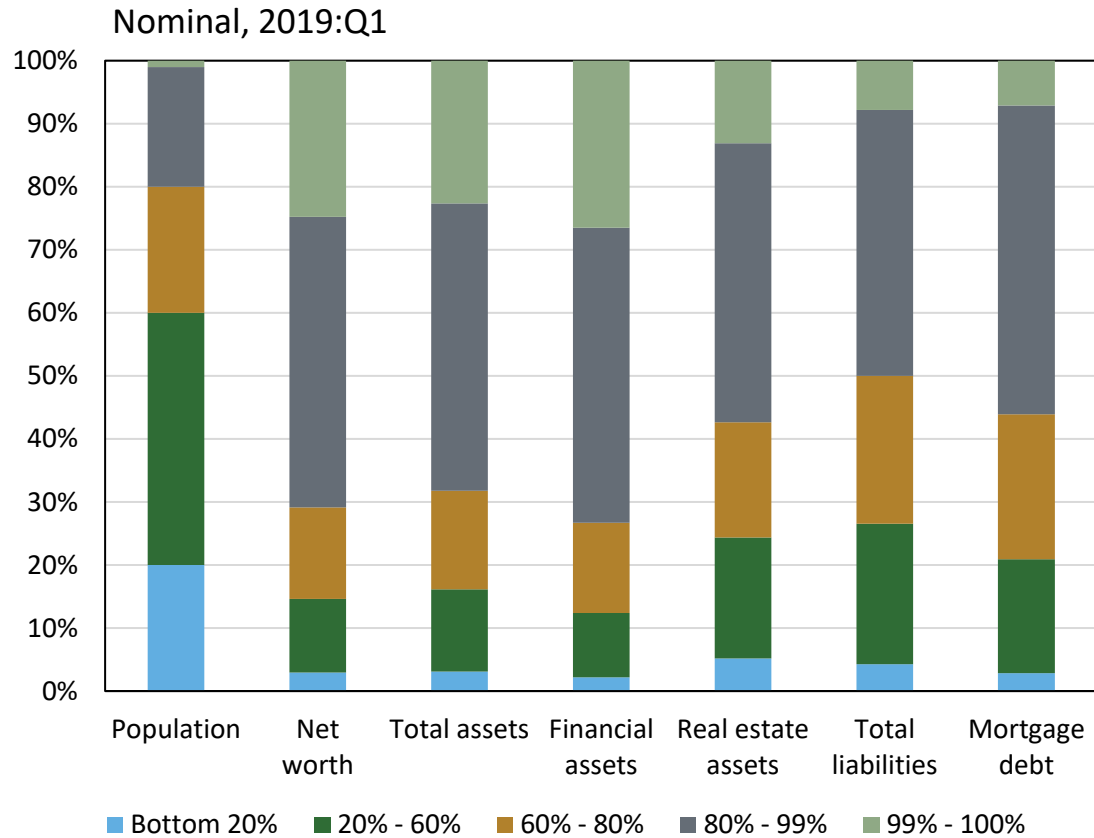
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WEALTH

BY INCOME PERCENTILE

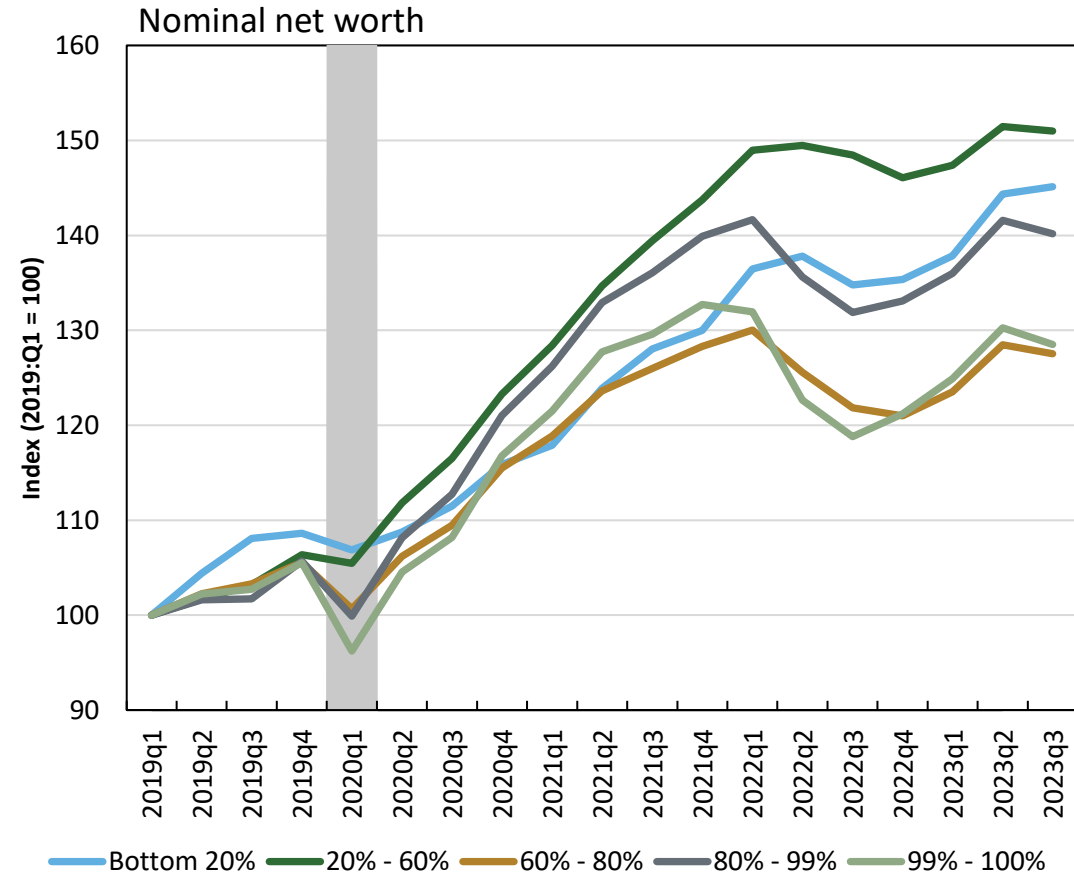


Population and Ownership Shares by Income Percentile



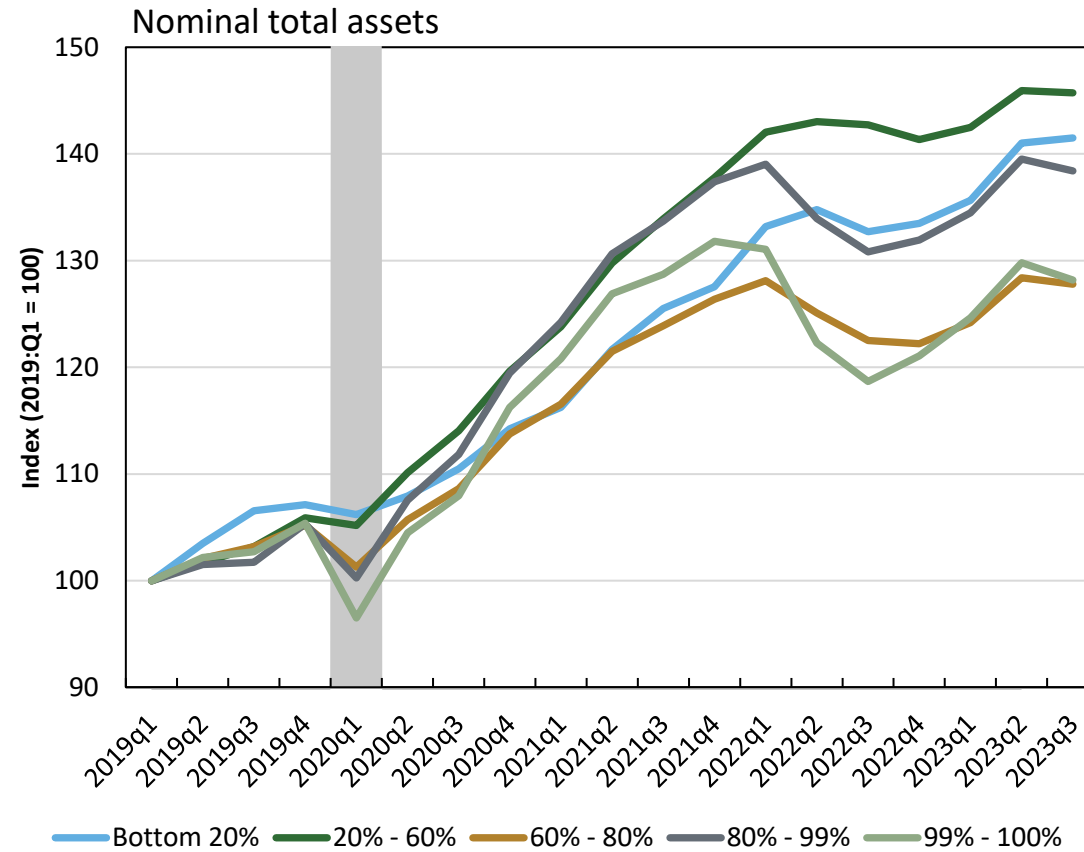
Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics and authors' calculations. "Net worth" is total assets less total liabilities.

Net Worth by Income Percentile



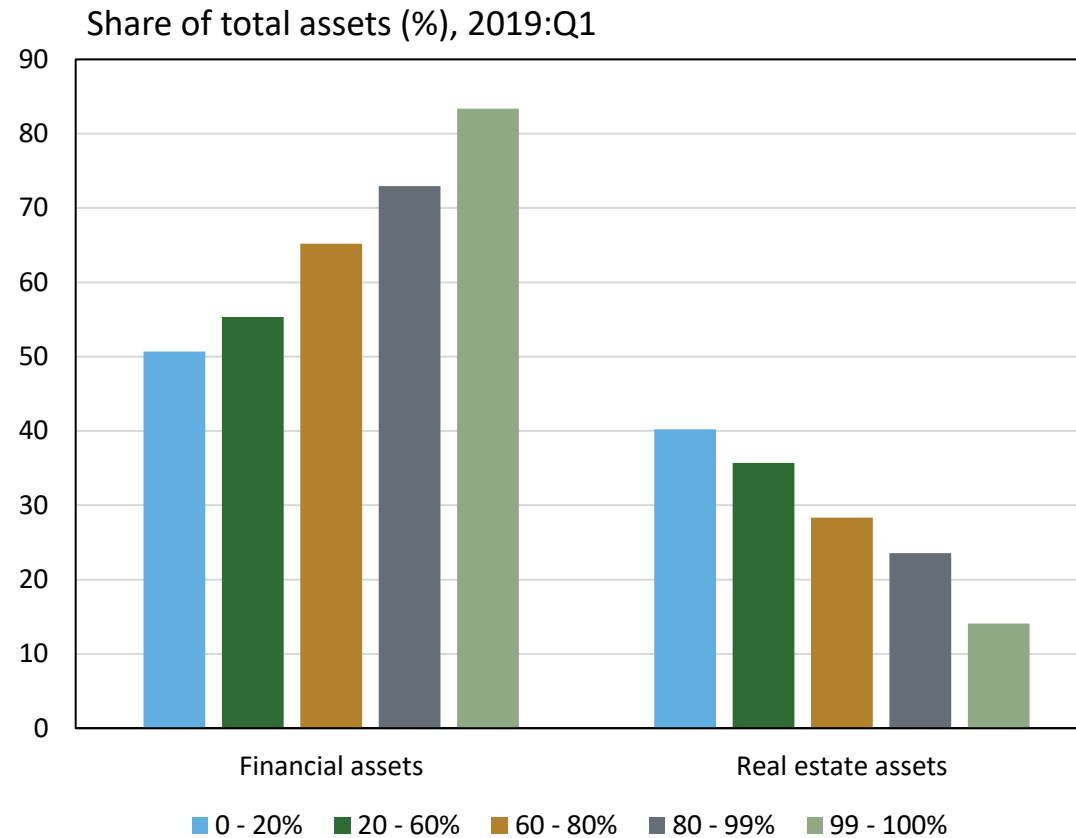
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Total Assets by Income Percentile



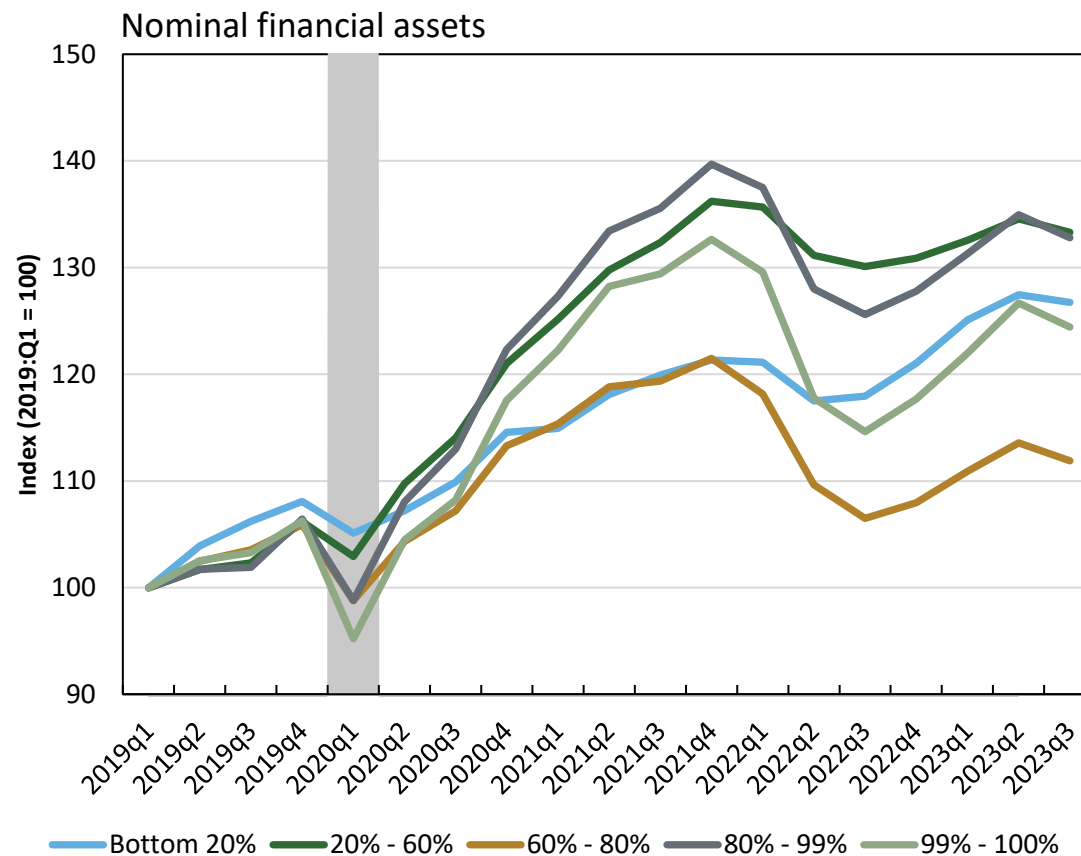
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Composition of Total Assets by Income Percentile



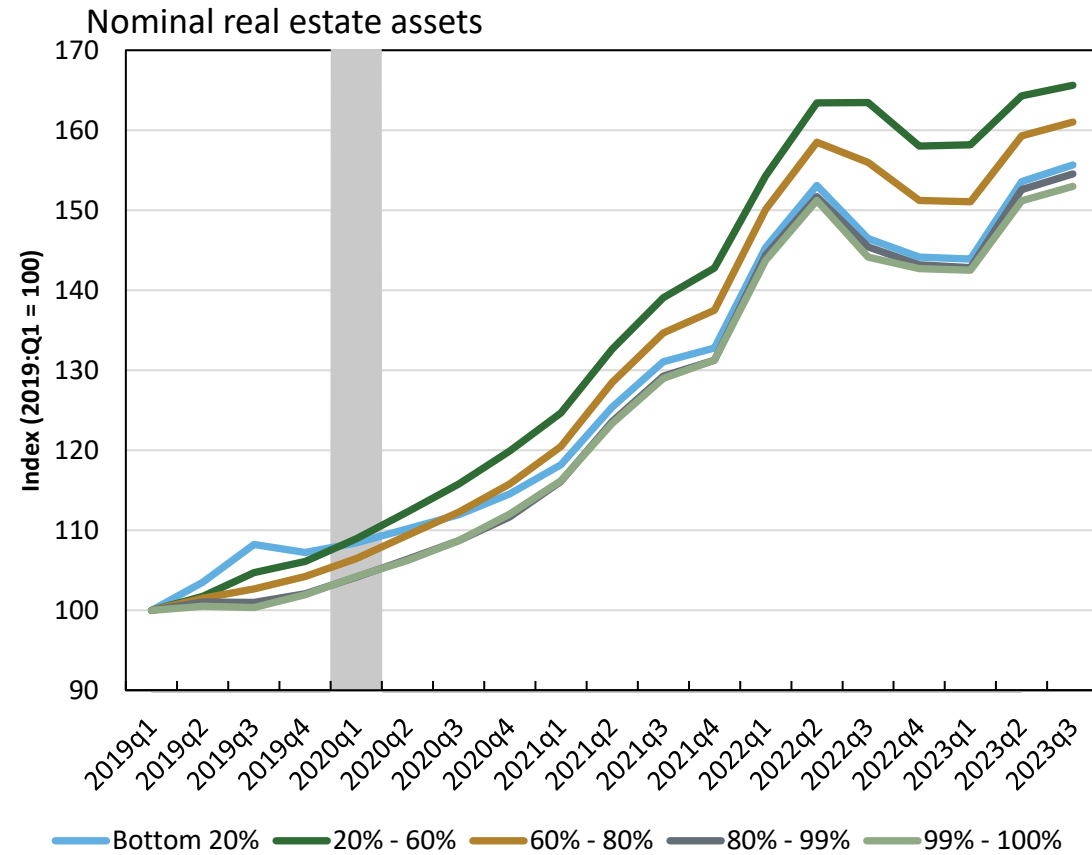
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Financial Assets by Income Percentile



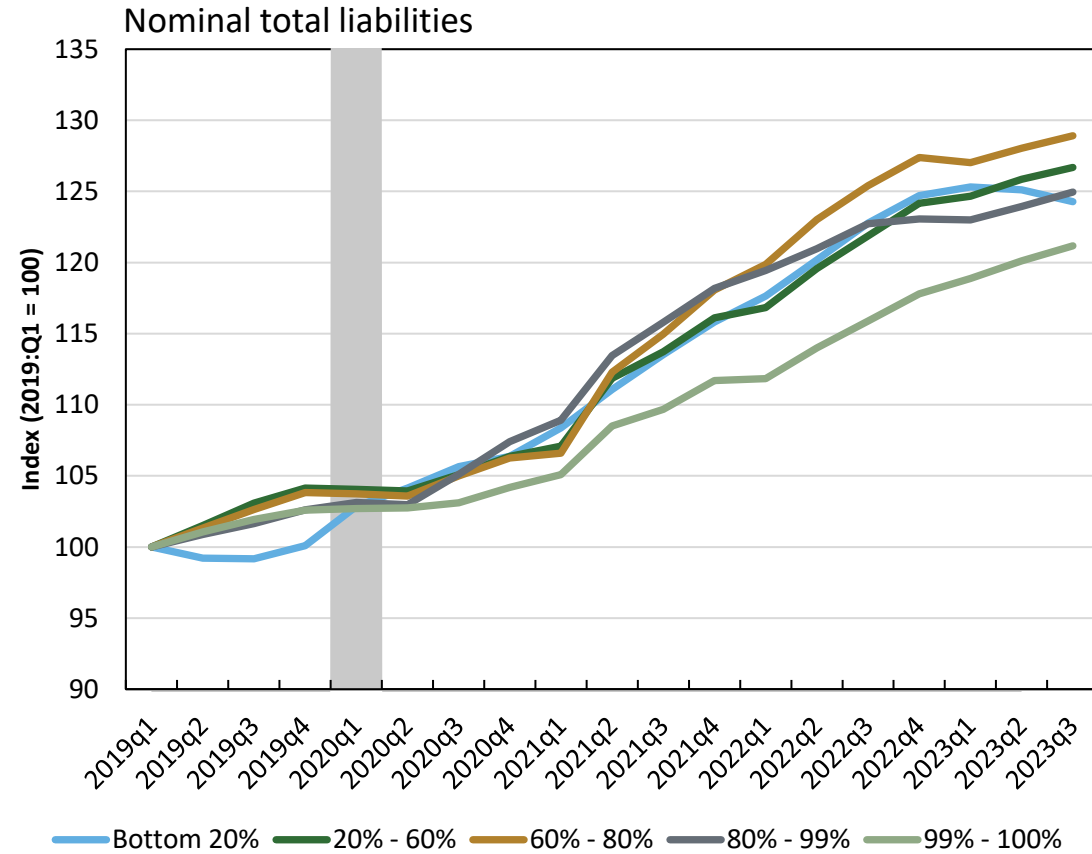
Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics, and authors' calculations.

Real Estate Assets by Income Percentile



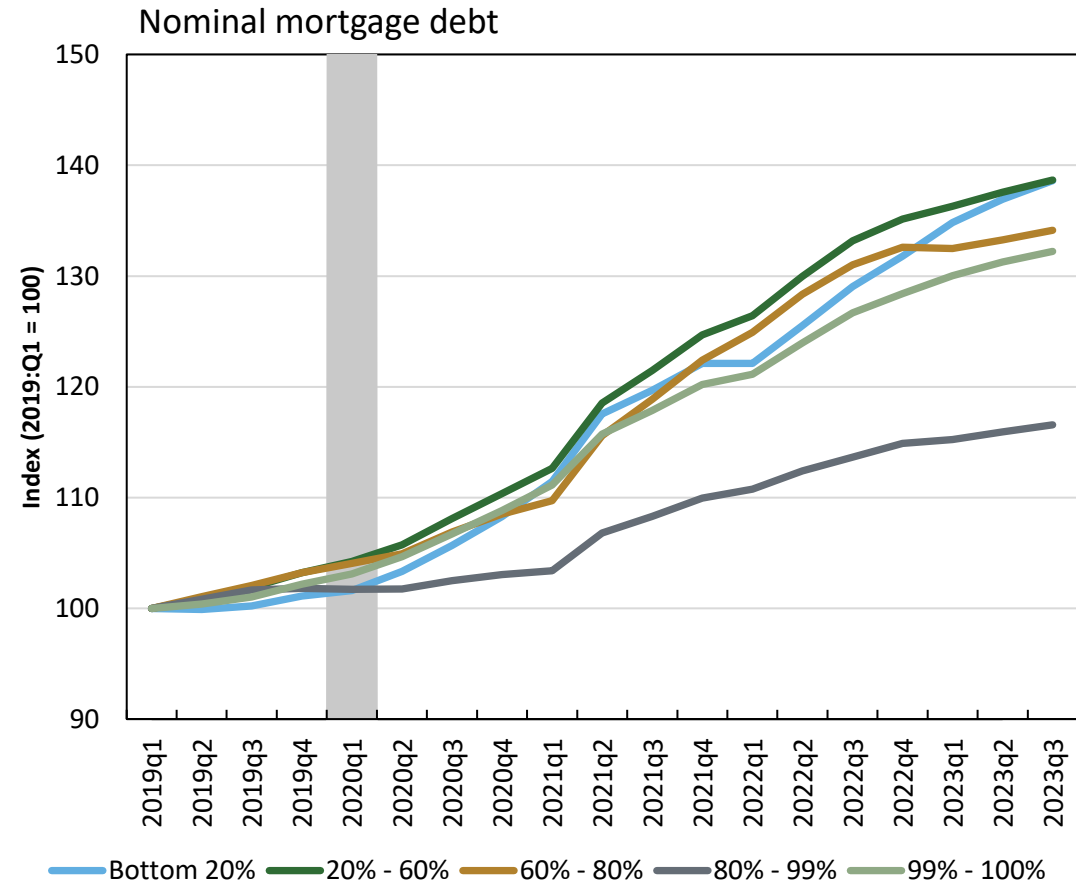
Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics, and authors' calculations.

Total Liabilities by Income Percentile



Sources: Distributional Financial Accounts via Federal Reserve, Current Population Survey via IPUMS, Consumer Price Index via Haver Analytics, and authors' calculations.

Mortgage Debt by Income Percentile



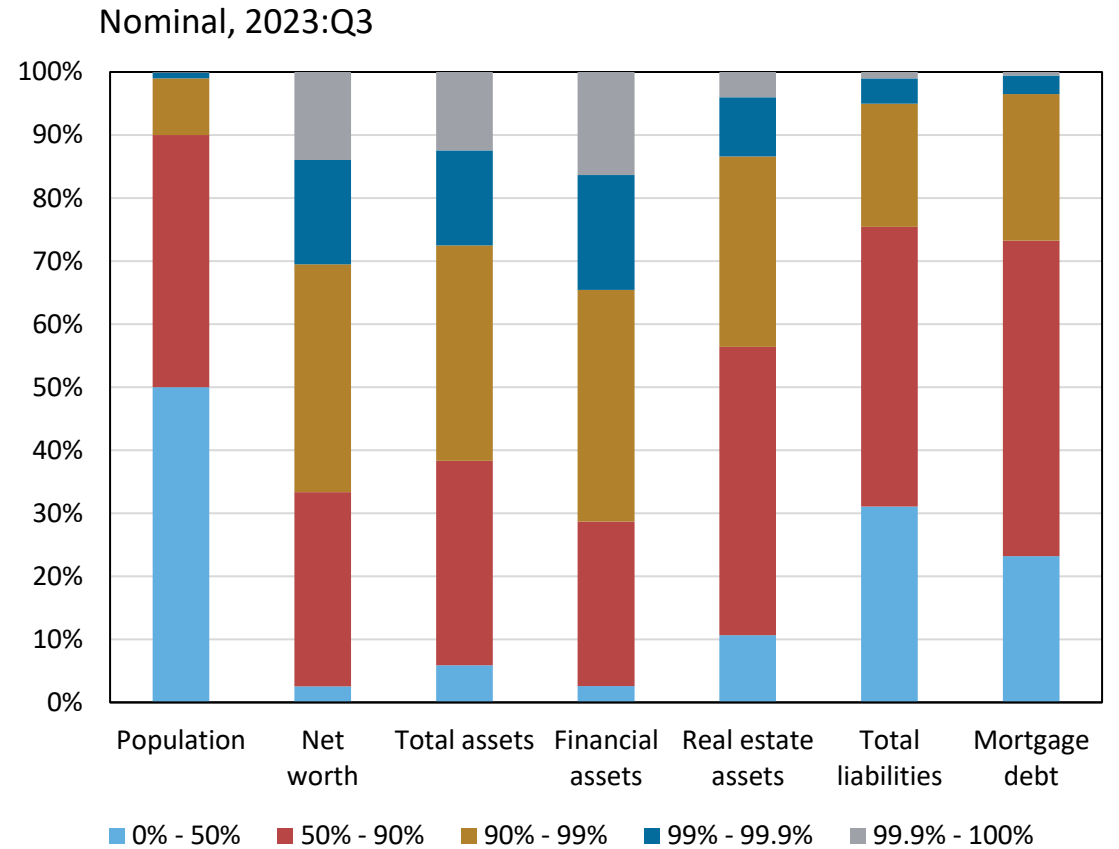
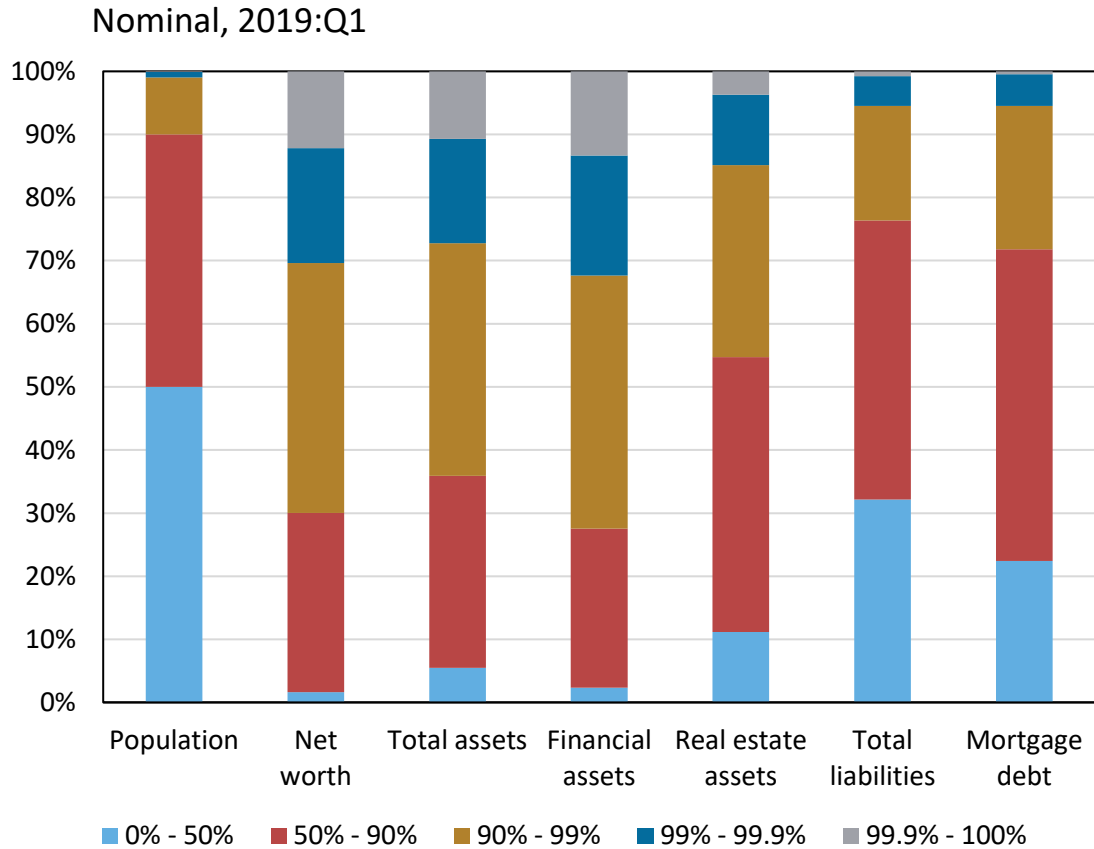
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WEALTH

BY WEALTH PERCENTILE

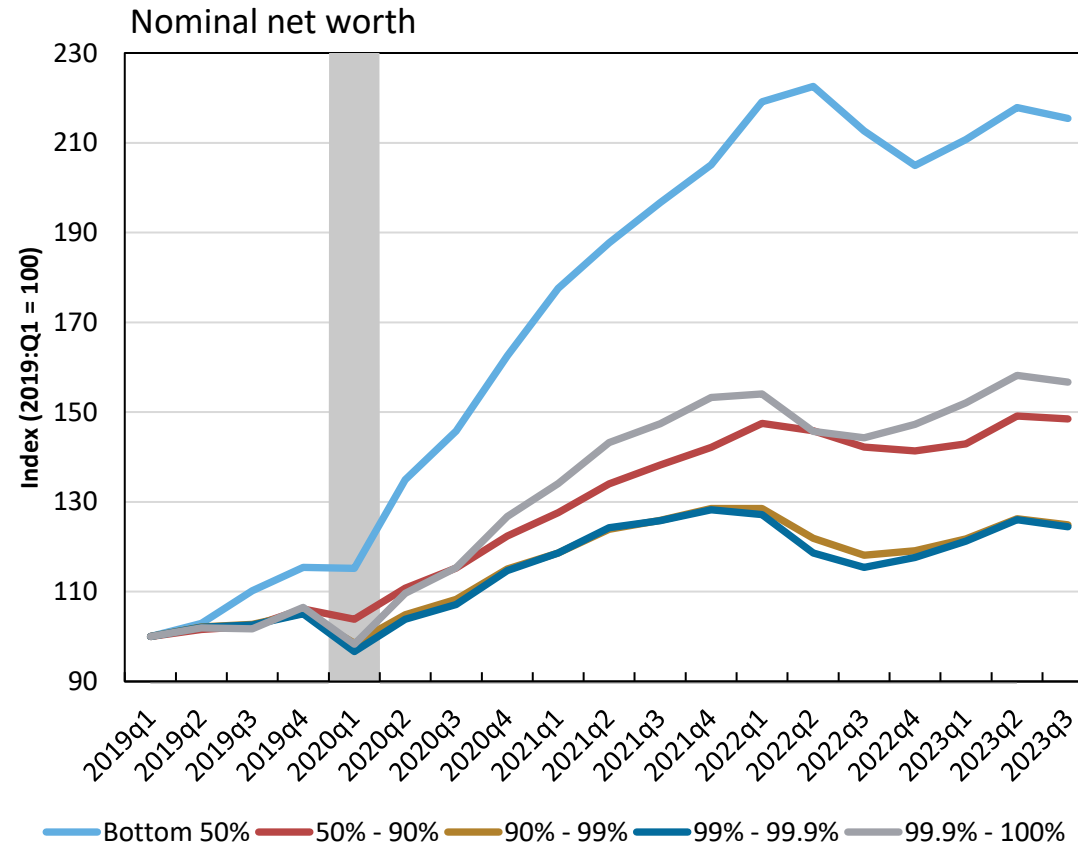


Population and Ownership Shares by Wealth Percentile



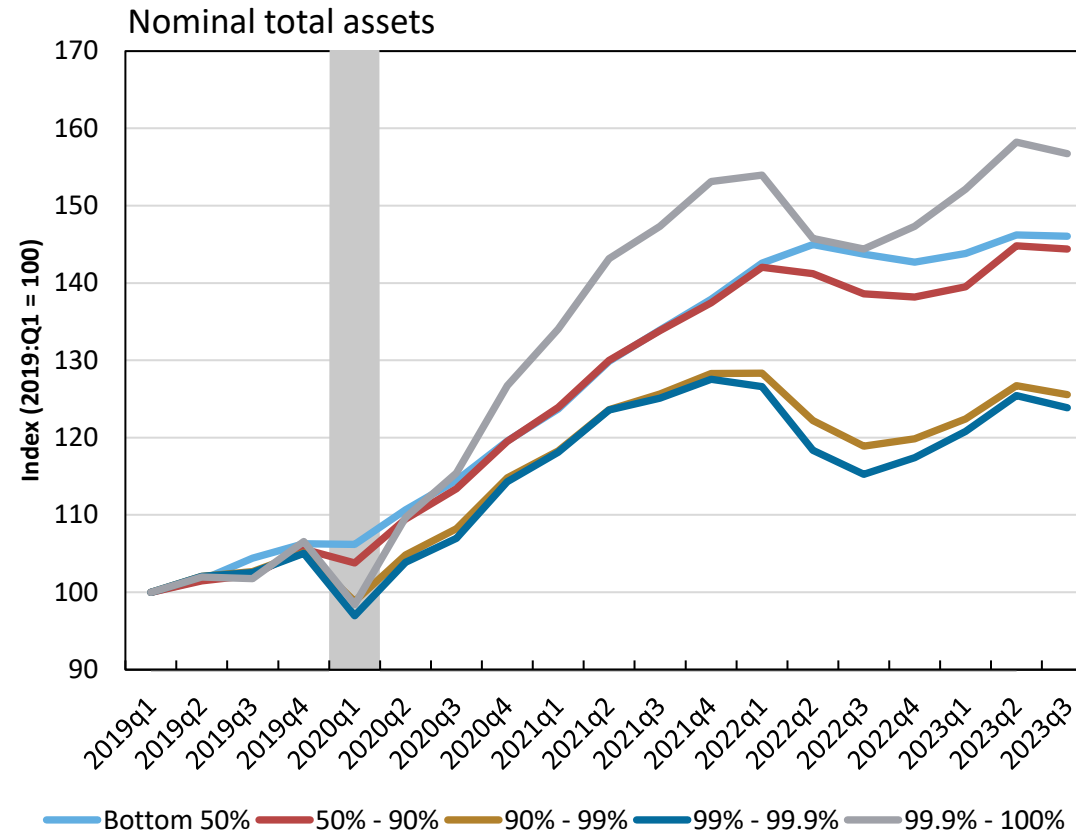
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Net Worth by Wealth Percentile



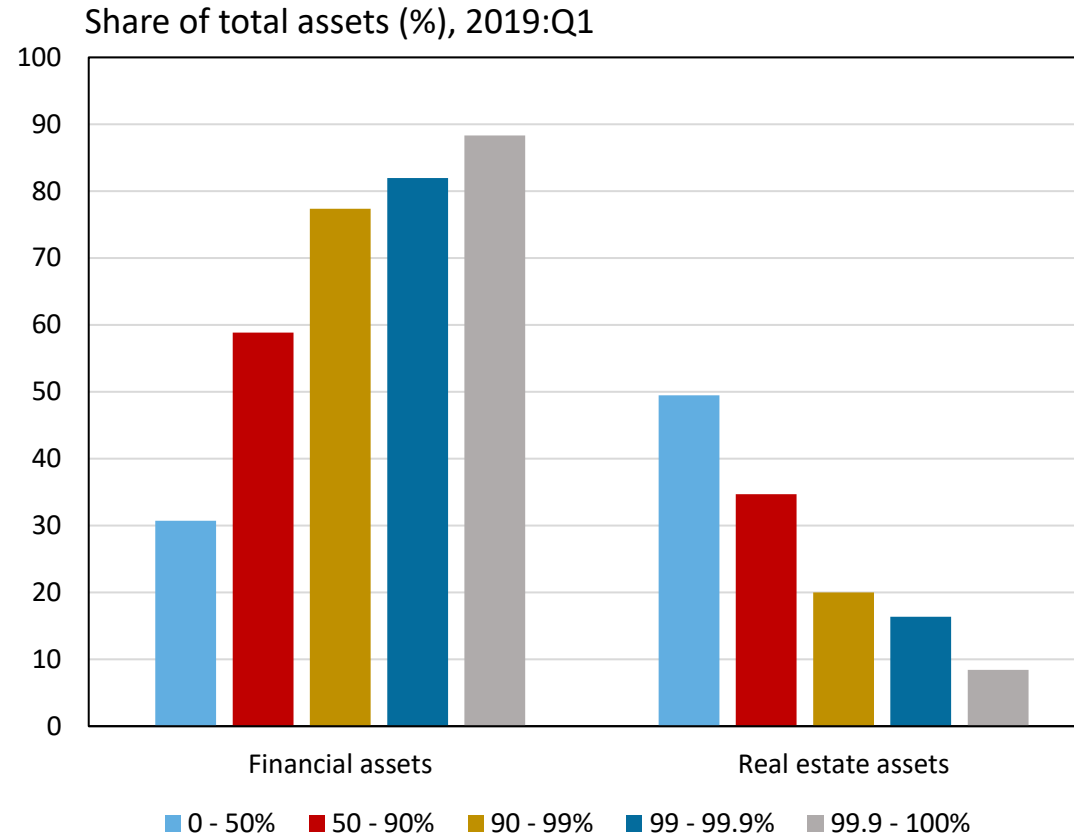
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Total Assets by Wealth Percentile



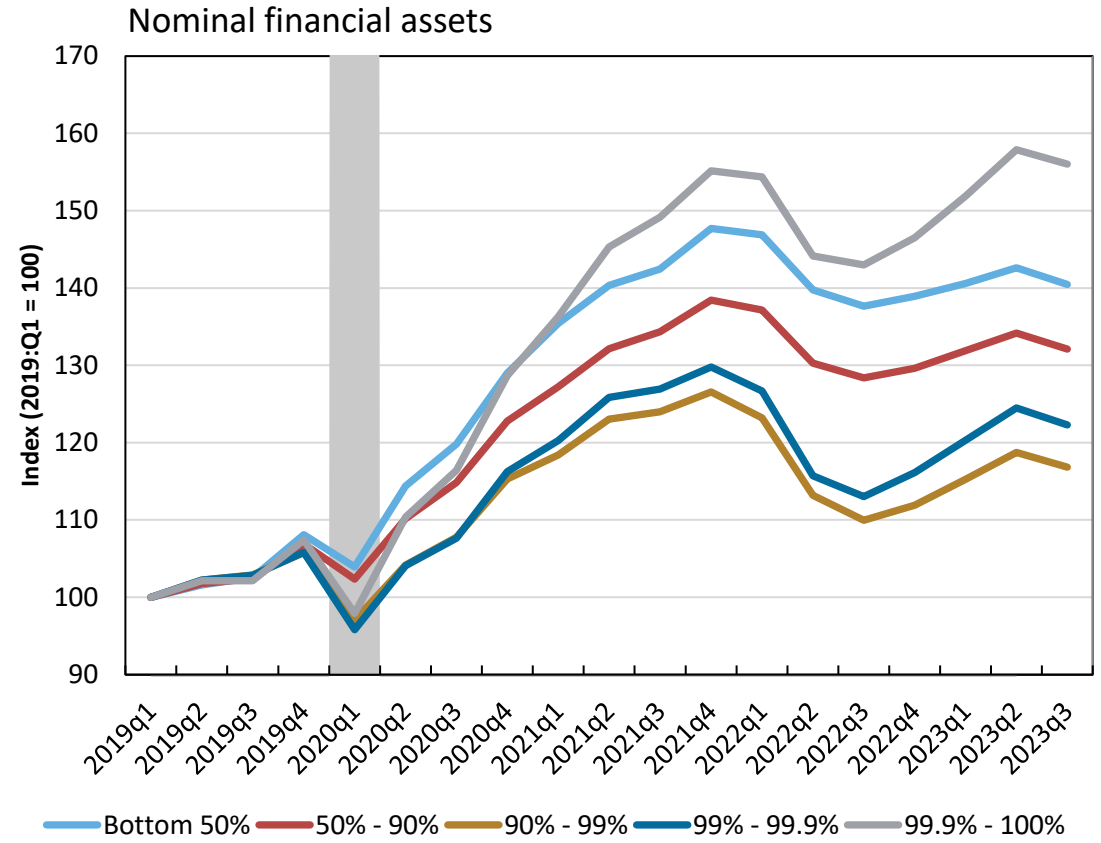
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Composition of Total Assets by Wealth Percentile



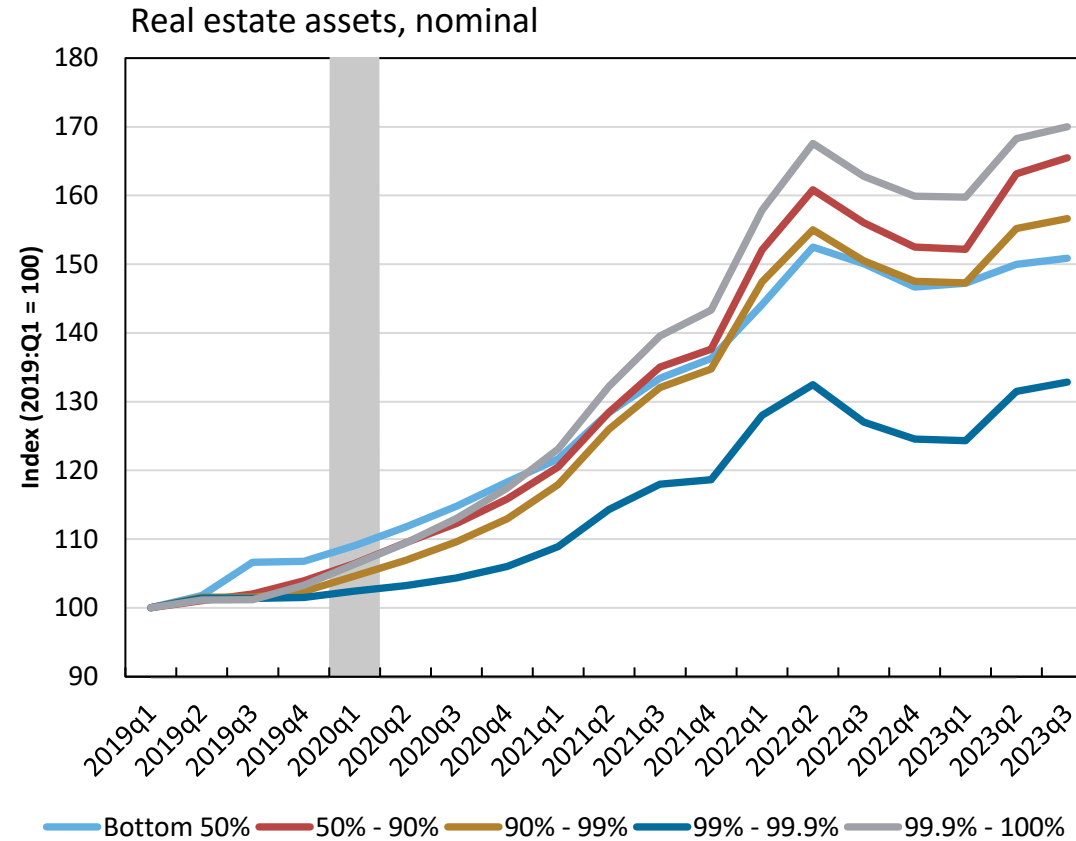
Source: Distributional Financial Accounts via Federal Reserve.

Financial Assets by Wealth Percentile



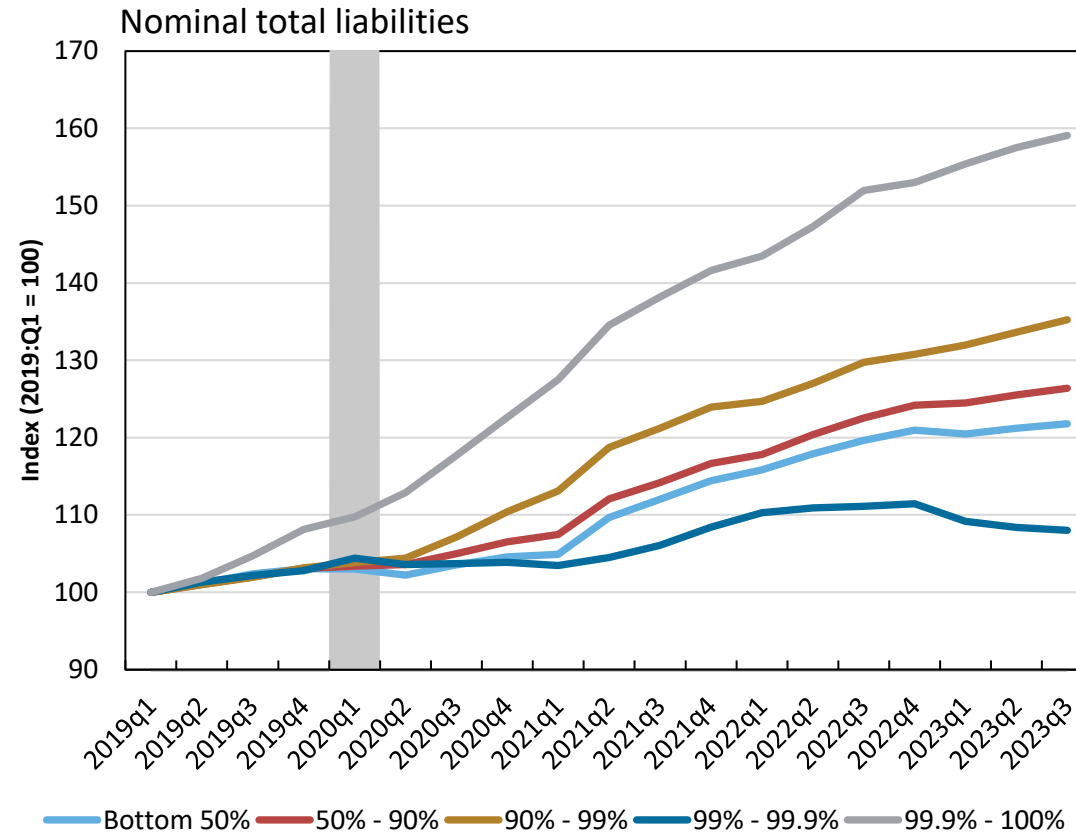
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Real Estate Assets by Wealth Percentile



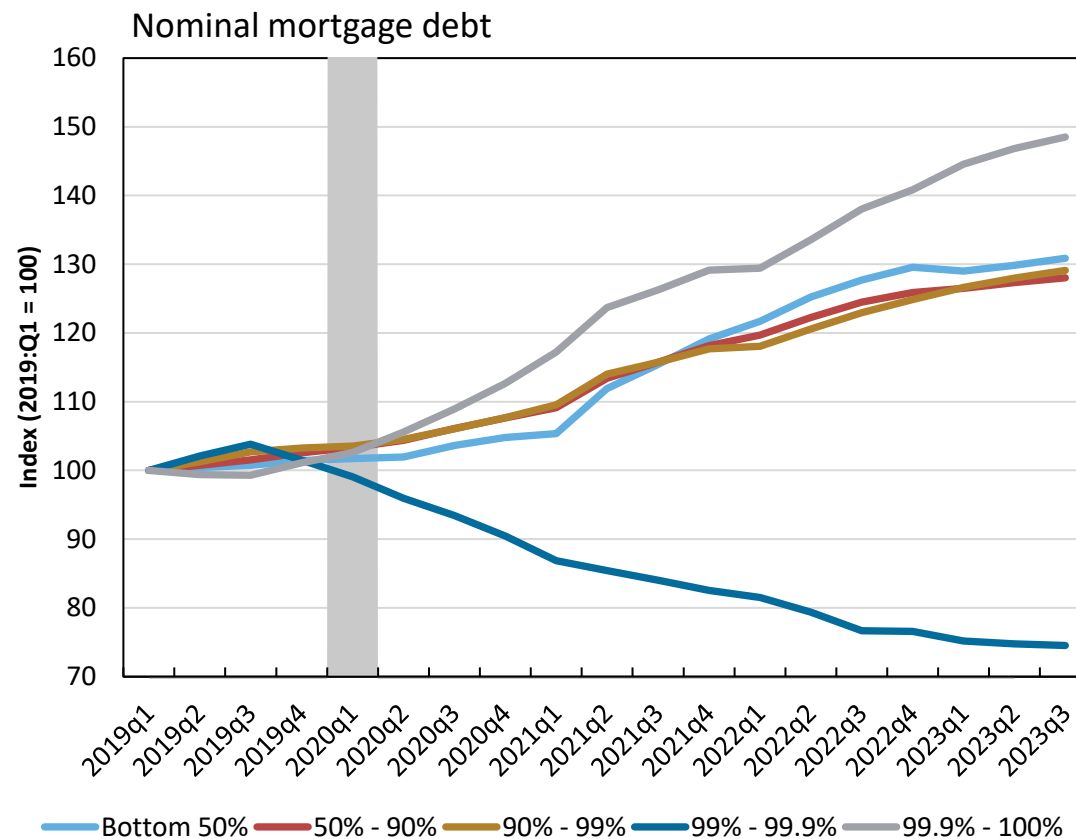
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Total Liabilities by Wealth Percentile



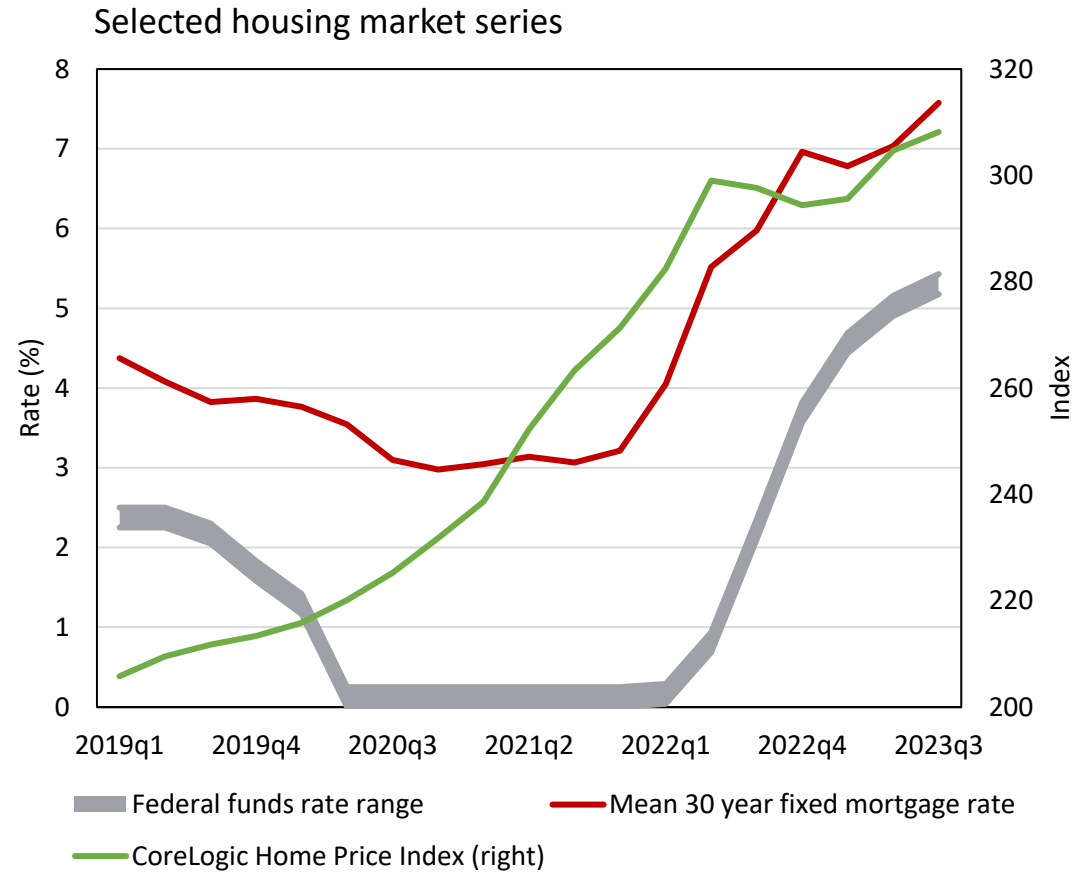
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Mortgage Debt by Wealth Percentile



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Selected Housing Market Series



Sources: FRED via Federal Reserve Bank of St. Louis; CoreLogic.