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.
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

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.
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.
Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.
Financial 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.
Real Estate Assets by Racial and Ethnic Group


Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.
Total Liabilities by Racial and Ethnic Group


Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.
Mortgage Debt by Racial and Ethnic Group


Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.
Population and Ownership Shares by Age Group

Net Worth by Age Group

Total Assets by Age Group

Composition of Total Assets by Age Group

Share of total assets (%), 2019:Q1

Source: Distributional Financial Accounts via Federal Reserve.
Financial Assets by Age Group

Real Estate Assets by Age Group

Total Liabilities by Age Group

Mortgage Debt by Age Group

WEALTH
BY EDUCATION
Population and Ownership Shares by Education Group

Net Worth by Education Group

Total Assets by Education Group

Composition of Total Assets by Education

Share of total assets (%), 2019:Q1

Sources: Distributional Financial Accounts via Federal Reserve.
Financial Assets by Education Group

Real Estate Assets by Education Group

Total Liabilities by Education Group

Mortgage Debt by Education Group

WEALTH

BY INCOME PERCENTILE
Population and Ownership Shares by Income Percentile

Net Worth by Income Percentile

Total Assets by Income Percentile

Composition of Total Assets by Income Percentile

Source: Distributional Financial Accounts via Federal Reserve.
Financial Assets by Income Percentile

Real Estate Assets by Income Percentile

Total Liabilities by Income Percentile

Nominal total liabilities

Mortgage Debt by Income Percentile

WEALTH

BY WEALTH PERCENTILE
Population and Ownership Shares by Wealth Percentile

Net Worth by Wealth Percentile

Total Assets by Wealth Percentile

Composition of Total Assets by Wealth Percentile

Source: Distributional Financial Accounts via Federal Reserve.
Financial Assets by Wealth Percentile

Real Estate Assets by Wealth Percentile

Total Liabilities by Wealth Percentile

Mortgage Debt by Wealth Percentile

Selected Housing Market Series

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

Notes:

- Federal funds rate range
- Mean 30 year fixed mortgage rate
- CoreLogic Home Price Index (right)

Legend:

- Rate (%)
- Index

Graph labels:

- Rate (\%)
- Index

Time periods:

- 2019q1
- 2019q4
- 2020q3
- 2021q2
- 2022q1
- 2022q4
- 2023q3

Graphs:

- Selected housing market series