WEALTH INEQUALITY
UPDATED THROUGH JUNE 2023 | NATIONAL

Raji Chakrabarti, Natalia Emanuel, and Ben Lahey
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.

Growth in wealth since the pandemic has been especially pronounced for Hispanic people, people under 40 years old, people in the bottom half of the wealth distribution, the college educated, and the top 1% of income earners.

Groups with less wealth than their population share in 2019 had relatively rapid growth in real estate assets since the pandemic while groups with more wealth than their population share in 2019 had relatively rapid growth in financial assets in the ensuing years. An exception is the college educated, who experienced relatively rapid growth in both real estate and financial assets despite having more wealth than their population share 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.
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 since the pandemic has been especially pronounced for Hispanic people, people under 40 years old, people in the bottom half of the wealth distribution, and the top 1% of income earners.
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 INEQUALITY
BY RACE & ETHNICITY
Population and Ownership Shares by Race & Ethnicity

Nominal, 2019:Q1

Nominal, 2023:Q2


Notes: "Wealth" is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.
Wealth by Race Group


Notes: “Wealth” is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.
Data through 2023 Q2

Total Assets by Race Group

Nominal Total Assets

Real Total Assets


Notes: “Wealth” is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.
Composition of Total Assets by Race

Share of total assets (%), 2019:Q1

Sources: Distributional Financial Accounts via Federal Reserve.
Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.
Financial Assets by Race Group


Notes: “Wealth” is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.
Real Estate Assets by Race Group


Notes: "Wealth" is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.
**Total Liabilities by Race Group**

**Nominal Total Liabilities**

**Real Total Liabilities**


Notes: "Wealth" is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.
Mortgage Debt by Race Group


Notes: “Wealth” is assets less liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.
Population and Ownership Shares by Age Group

Nominal, 2019:Q1

Nominal, 2023:Q2


Notes: "Wealth" is assets less liabilities.
Wealth by Age Group

Nominal Wealth

Real Wealth


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Total Assets by Age Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Composition of Total Assets by Age Group

Share of total assets (%), 2019:Q1

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


Notes: "Wealth" is assets less liabilities. Shaded region indicates the COVID-19 recession.
Real Estate Assets by Age Group

Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Total Liabilities by Age Group

Nominal Total Liabilities

Real Total Liabilities


Notes: "Wealth" is assets less liabilities. Shaded region indicates the COVID-19 recession.
Mortgage Debt by Age Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Population and Ownership Shares by Education Group


Notes: "Wealth" is assets less liabilities.
Wealth by Education Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Total Assets by Education Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Composition of Total Assets by Education

![Chart showing the share of total assets by education, with financial assets and real estate assets compared for College and No College categories.]

Sources: Distributional Financial Accounts via Federal Reserve.

Data through 2023 Q2
Financial Assets by Education Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Real Estate Assets by Education Group


Notes: "Wealth" is assets less liabilities. Shaded region indicates the COVID-19 recession.
Total Liabilities by Education Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Mortgage Debt by Education Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
WEALTH INEQUALITY
BY INCOME
Population and Ownership Shares by Income Group

Nominal, 2019:Q1

Nominal, 2023:Q2


Notes: “Wealth” is assets less liabilities.
Wealth by Income Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Total Assets by Income Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Composition of Total Assets by Income Group

Share of total assets (%), 2019:Q1

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


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Real Estate Assets by Income Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Total Liabilities by Income Group

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

Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.
Mortgage Debt by Income Group


Notes: “Wealth” is assets less liabilities. Shaded region indicates the COVID-19 recession.

Notes: "Wealth" is assets less liabilities.
Wealth by Income Group


Note: “Wealth” is assets less liabilities.
Total Assets by Wealth Group


Note: “Wealth” is assets less liabilities.
Composition of Total Assets by Wealth Group

Share of total assets (%), 2019:Q1

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

![Graph showing nominal financial assets over time for different wealth groups.](image)


Note: “Wealth” is assets less liabilities.
Real Estate Assets by Wealth Group


Note: “Wealth” is assets less liabilities.
Total Liabilities by Wealth Group

Nominal Total Liabilities


Note: “Wealth” is assets less liabilities.
Mortgage Debt by Wealth Group

Selected Housing Market Series

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