

# WEALTH INEQUALITY

UPDATED THROUGH 2024:Q2 | NATIONAL

Raji Chakrabarti, Natalia Emanuel, and Thu Pham

## Takeaways | Wealth Inequality

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- Wealth is distributed disproportionately across demographic groups. People with the most wealth tend to have high incomes, be college graduates, be over 54 years old, and/or be white. We define wealth as a group's assets minus its liabilities.
- Growth in per household wealth since the pandemic has been especially pronounced for people under 40 years old, people in the bottom half of the wealth distribution, and the 20<sup>th</sup> to 60<sup>th</sup> percentiles of income earners. Per household wealth growth since the pandemic has been similar across racial and ethnic groups and across education groups.
- The sources of wealth growth across those groups with relatively rapid growth are not consistent. Under-40-year-olds were propelled by considerable growth in financial assets; the 20<sup>th</sup>-60<sup>th</sup> percentile income group by steady growth in both financial and real estate assets; and the bottom 50% wealth group by strong growth in financial assets paired with limited growth in total liabilities. Groups like the top income and wealth groups that saw rapid financial asset growth and lesser total wealth growth were generally held back by low real estate growth.
- Demographic wealth inequalities remain similar in 2024 as they were in 2019, despite comparatively rapid wealth growth among some of the least wealthy demographic groups.

# Full Report Highlights

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- **INFLATION**

Hispanic, middle- and upper-income, non-college-educated, younger, and rural households are experiencing lower inflation than the national average. Low-income, Northeastern, college-educated, and urban households are experiencing higher inflation than the national average. Both differences are much smaller than during 2021-22.

- **EARNINGS**

Veterans' weekly earnings have exceeded those of comparable non-veterans by the largest amount since the pandemic, with veterans earning 2.3% more than comparable nonveterans (conditional on employment) in August 2024.

- **EMPLOYMENT**

The LFP gap for AAPI workers relative to white workers has fallen to 1.07 percentage points, much lower than its level before the pandemic (4 percentage points in August 2019).

- **WEALTH INEQUALITY**

Growth in wealth after 2019 was faster for some groups with little wealth relative to population, but did not meaningfully reduce stark wealth inequalities across demographic groups.

## Data & Methods

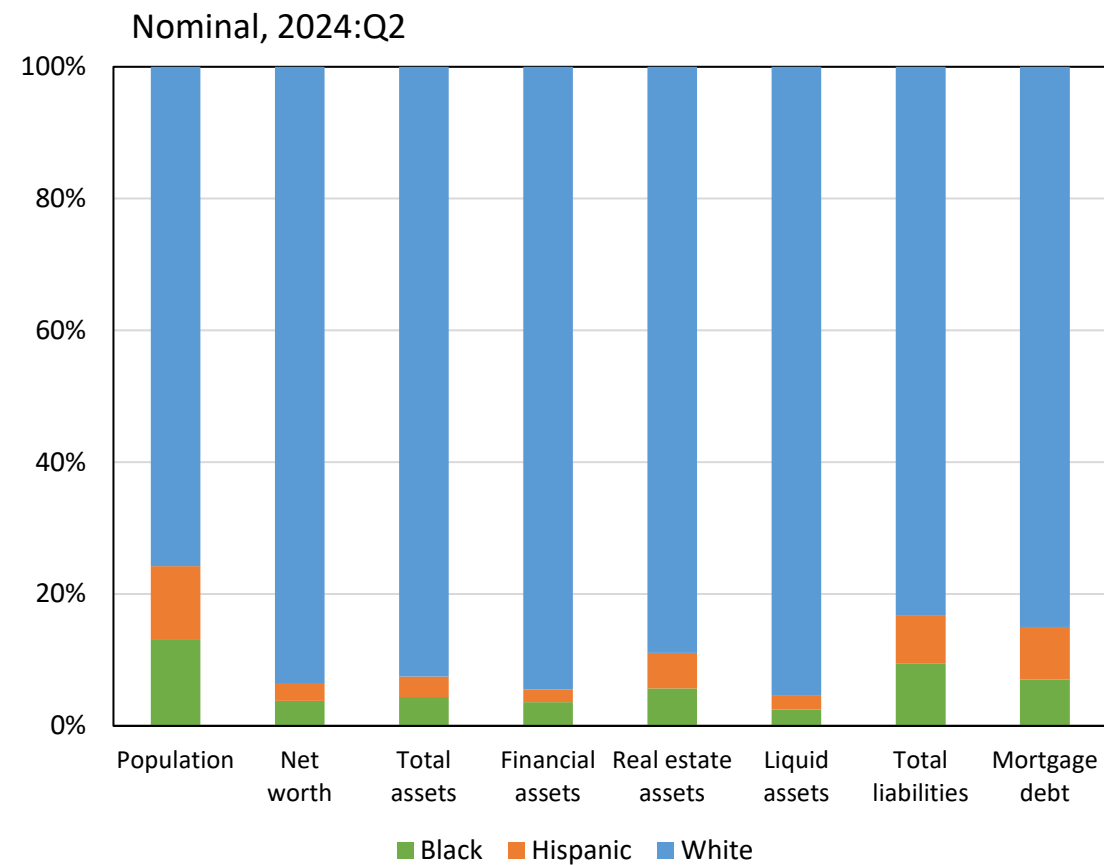
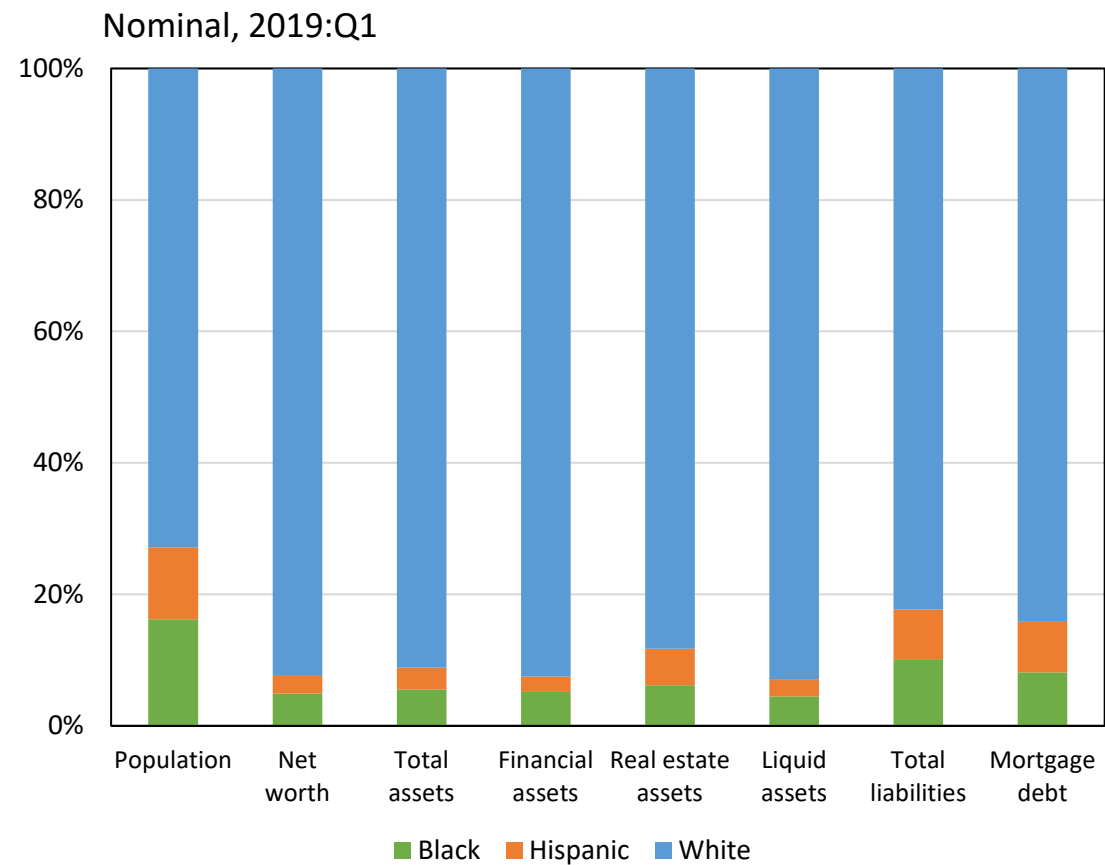
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- The Board of Governors of the Federal Reserve System publish the Distributional Financial Accounts (DFA) as a unique source of data on wealth holdings across demographic and economic groups.
- The DFA combine sectoral balance sheet data from the Financial Accounts with individual-level holdings from the Survey of Consumer Finances as described in Batty et al. (2019).
- We plot nominal, per household holdings by group in each wealth category in line charts and each group's share of total households and nominal wealth types in bar graphs.
- 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

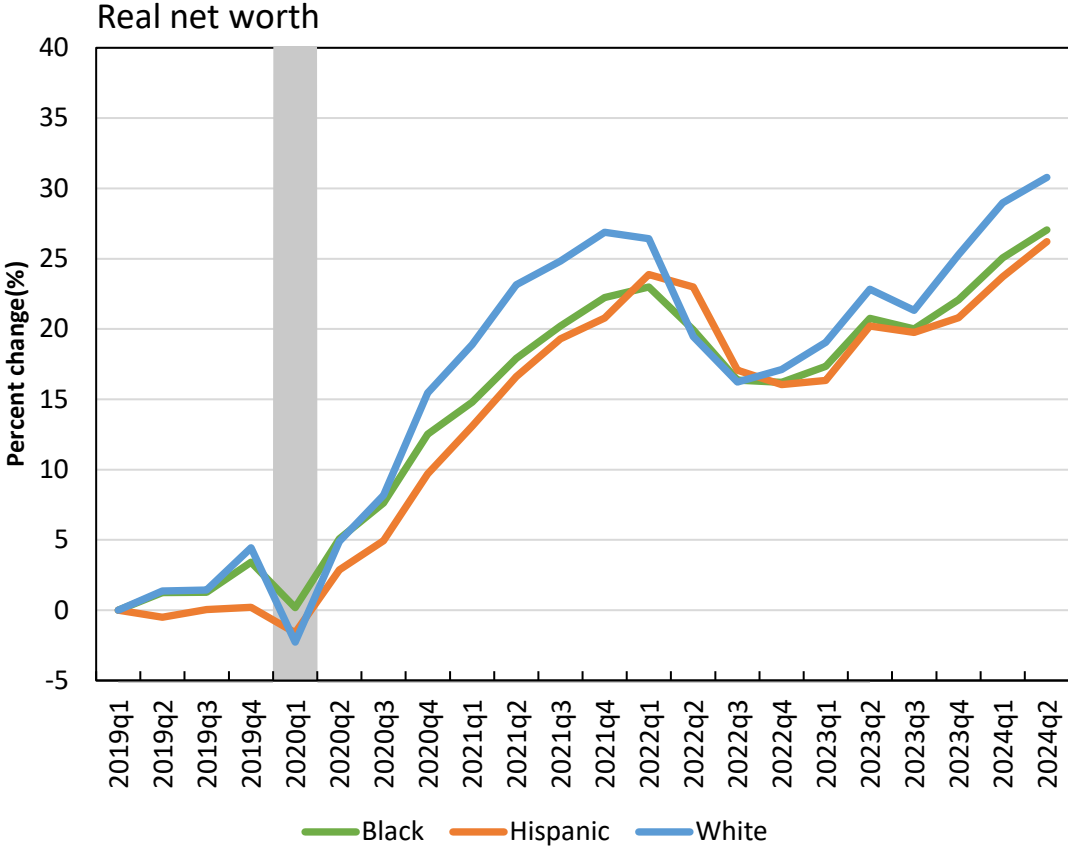
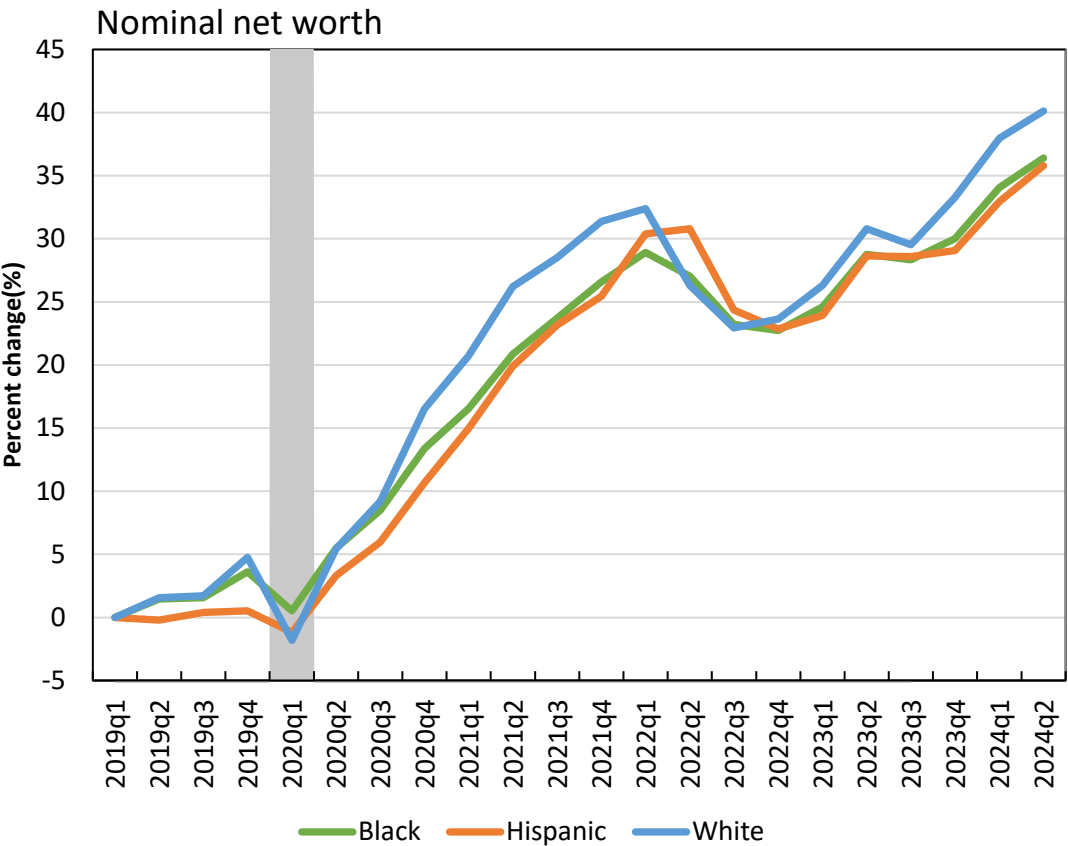
## Population and Ownership Shares by Race & Ethnicity



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

Note: "Net worth" is total assets less total liabilities. Note: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns.

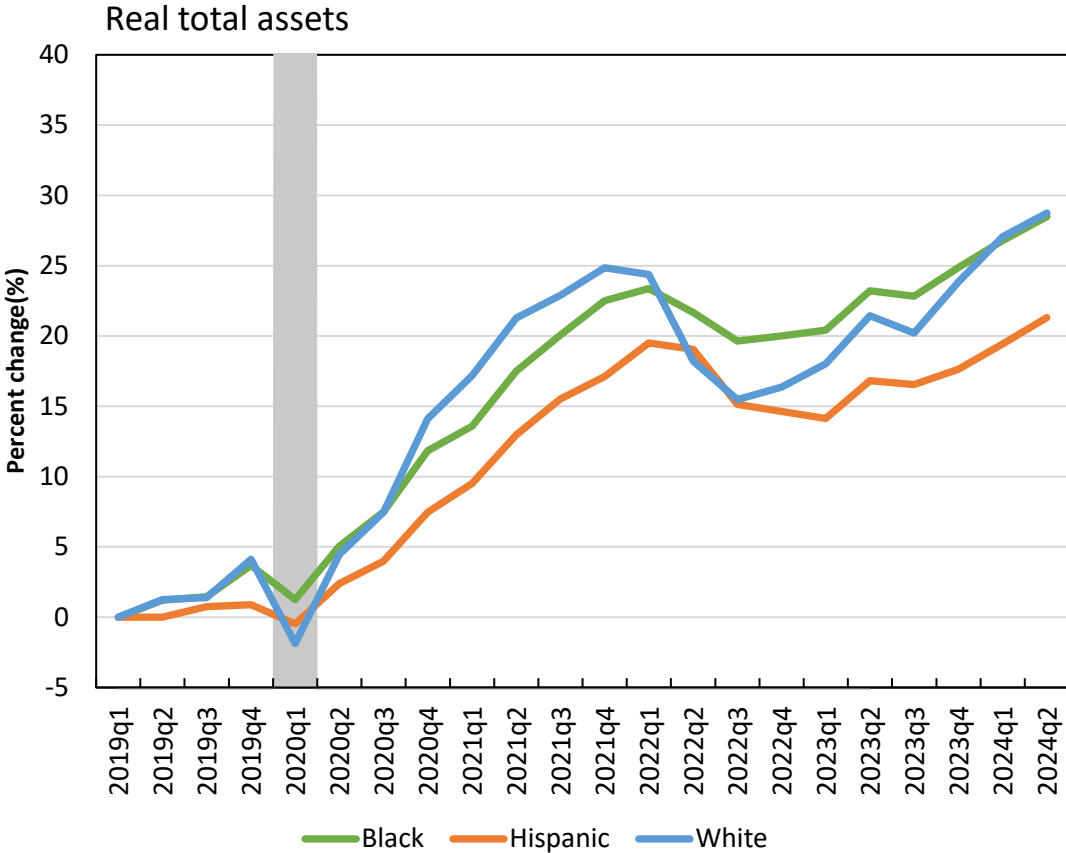
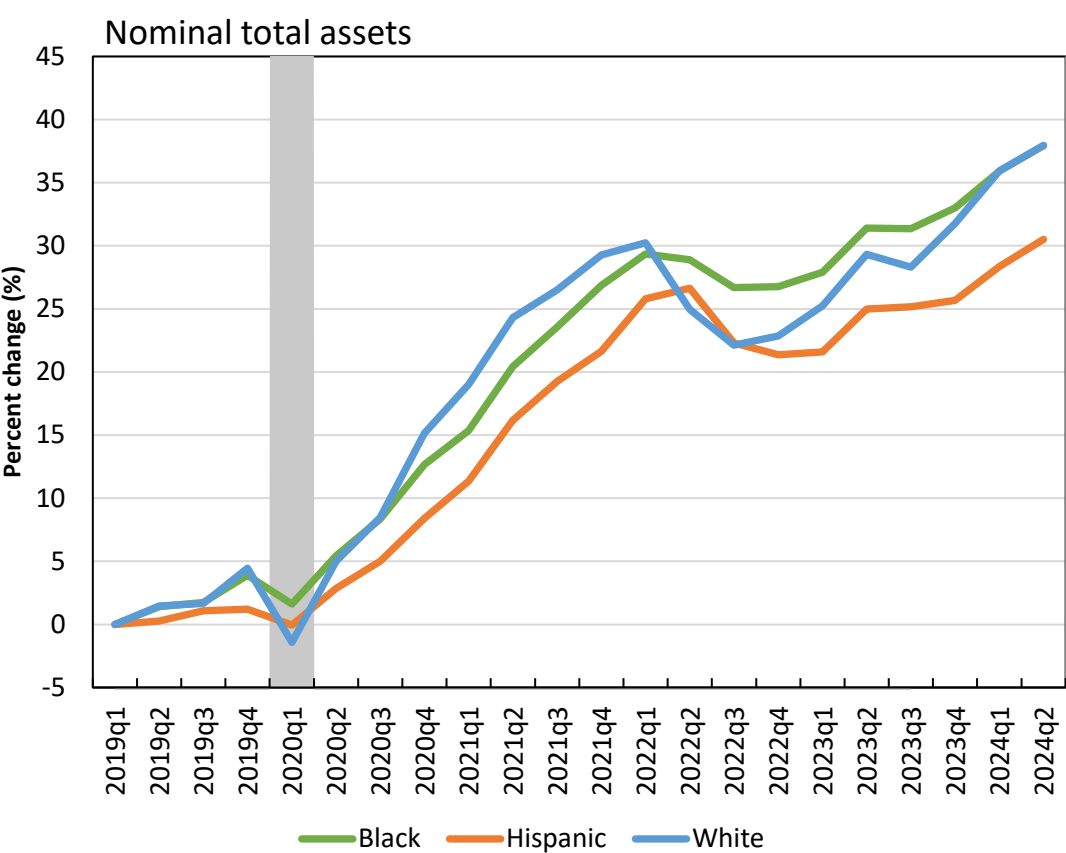
## Net Worth per Household by Racial and Ethnic Group



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

Notes: "Net worth" is total assets less total liabilities. Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. Shaded region indicates the COVID-19 recession.

## Total Assets per Household by Racial and Ethnic Group

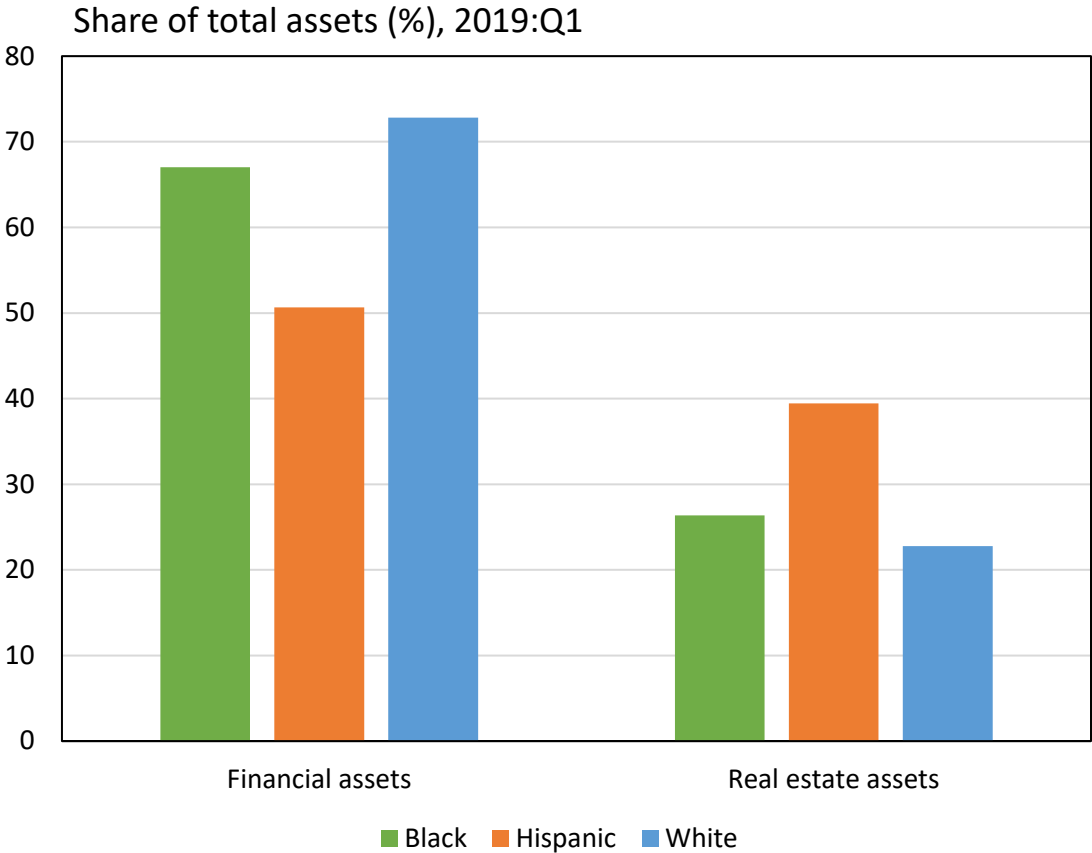


Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.

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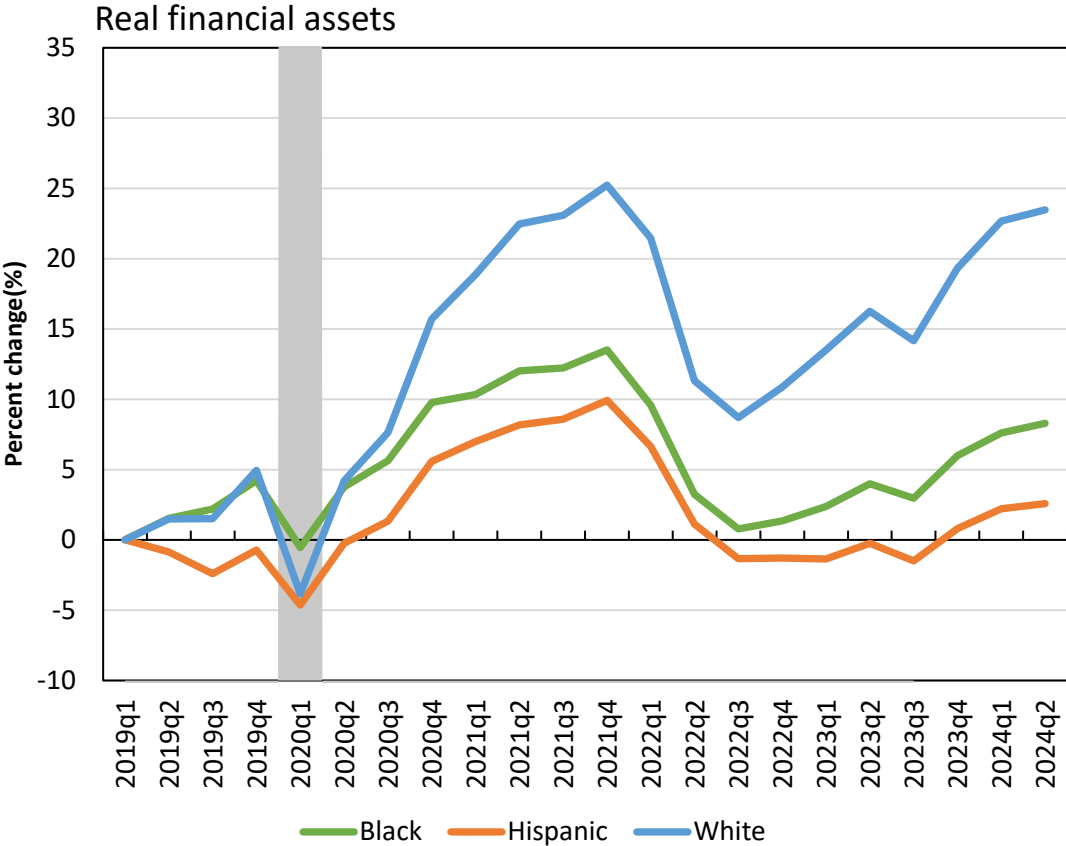
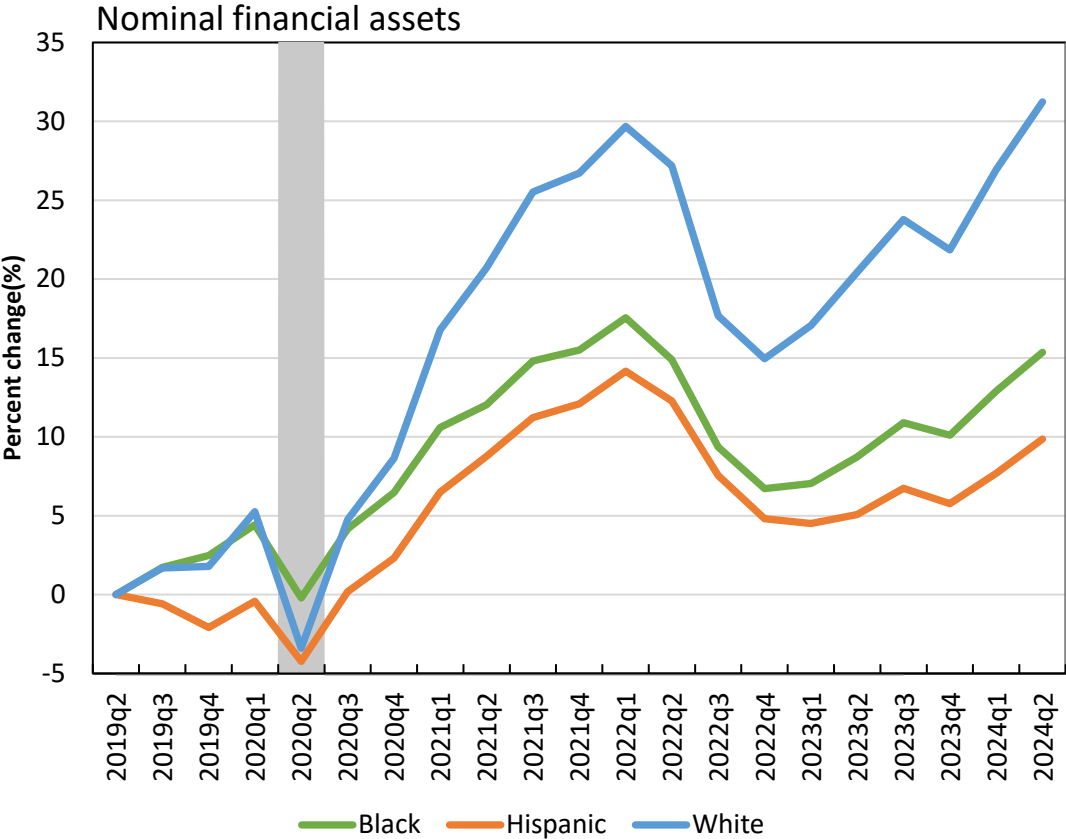
## Composition of Total Assets by Racial and Ethnic Group



Source: Distributional Financial Accounts via Federal Reserve.

Notes: Asian, American Indian, Pacific Islander, and other groups are excluded for sample size concerns. We include financial asset composition from 2019:Q1 as this is our pre-COVID, baseline period.

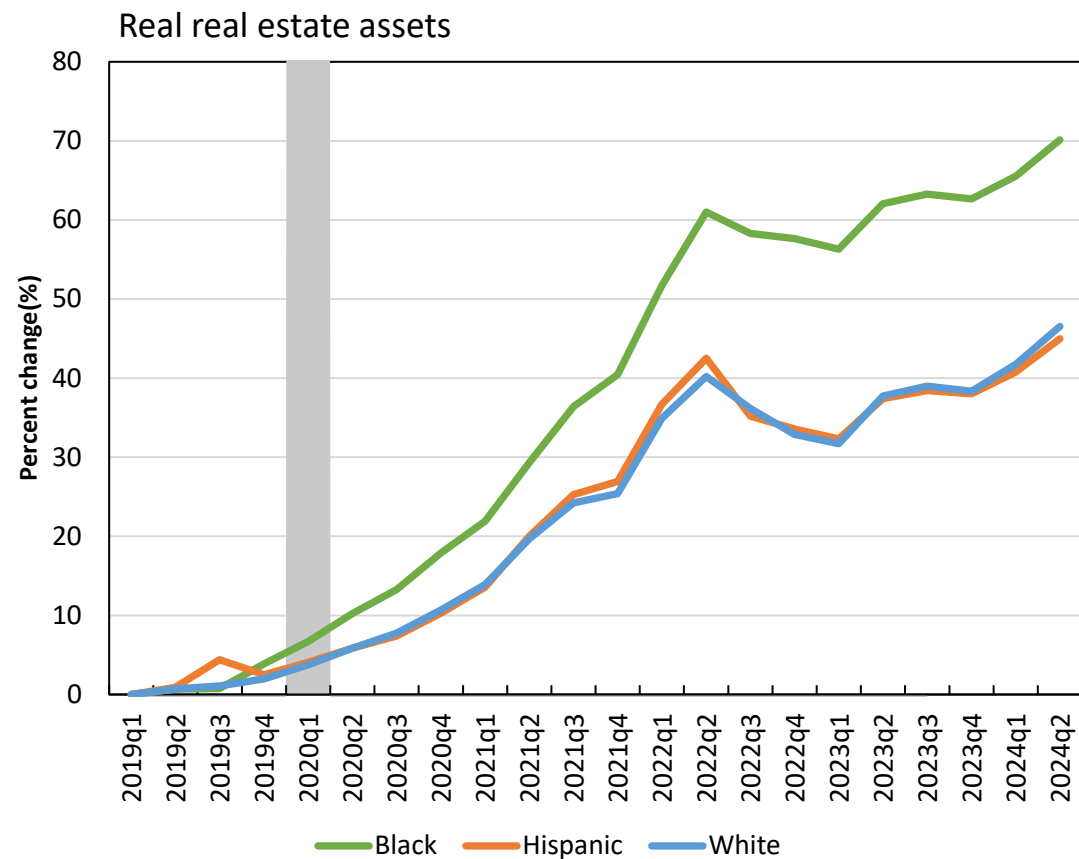
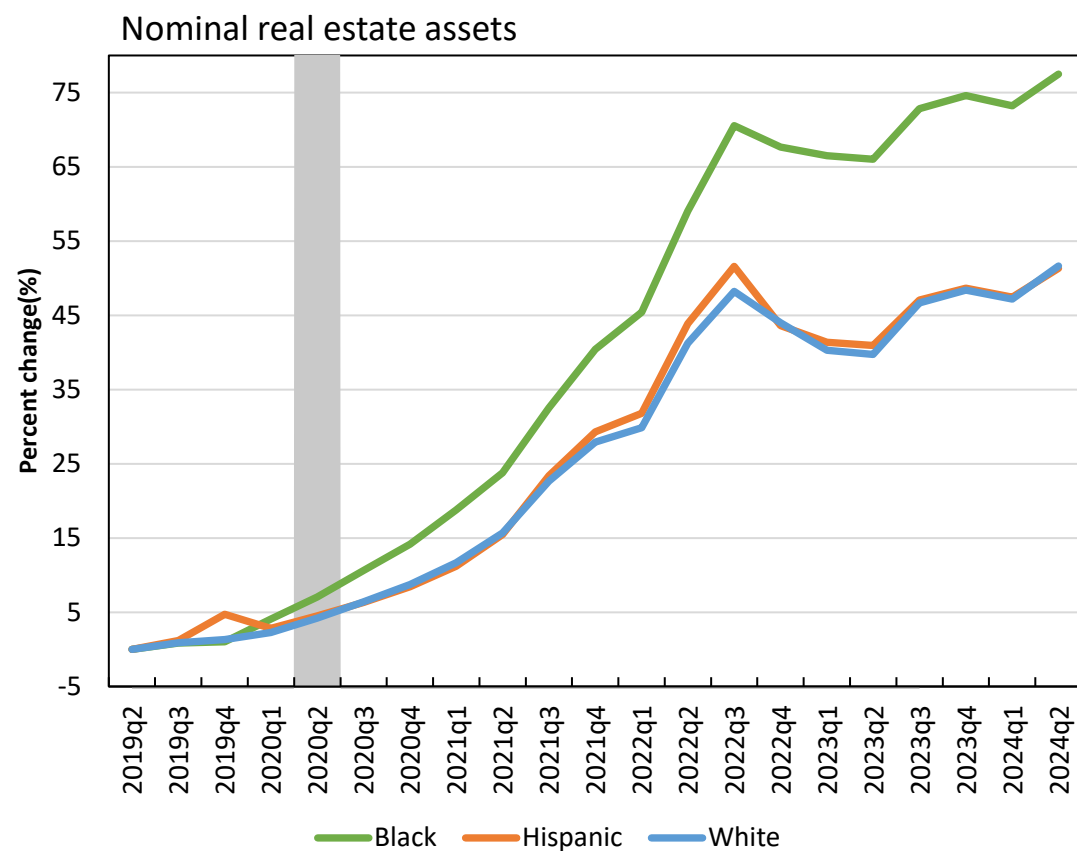
## Financial Assets per Household by Racial and Ethnic Group



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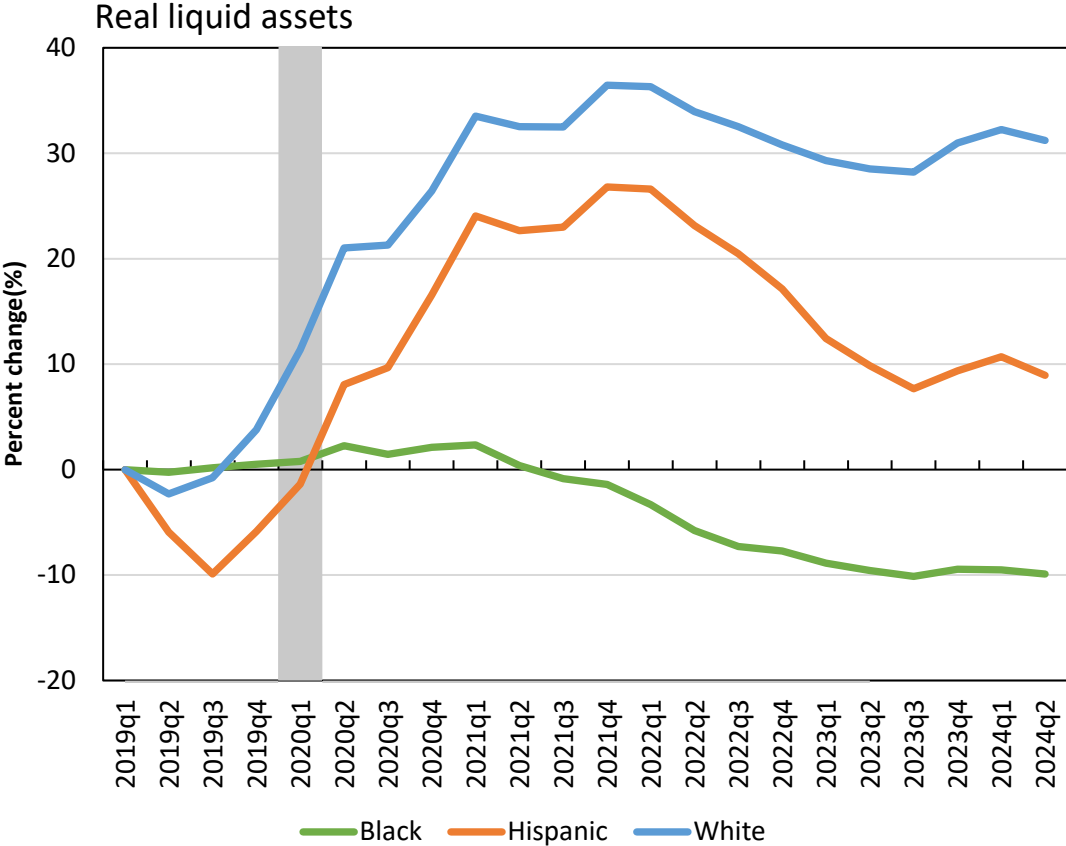
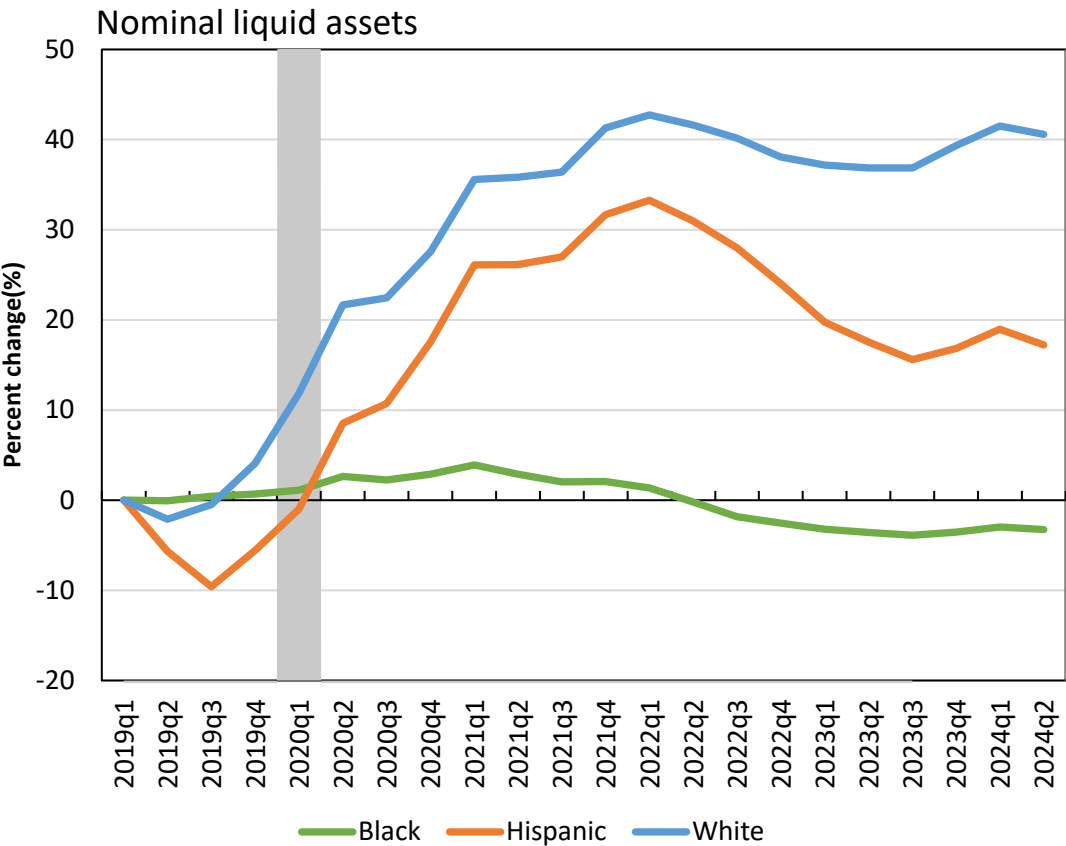
## Real Estate Assets per Household by Racial and Ethnic Group



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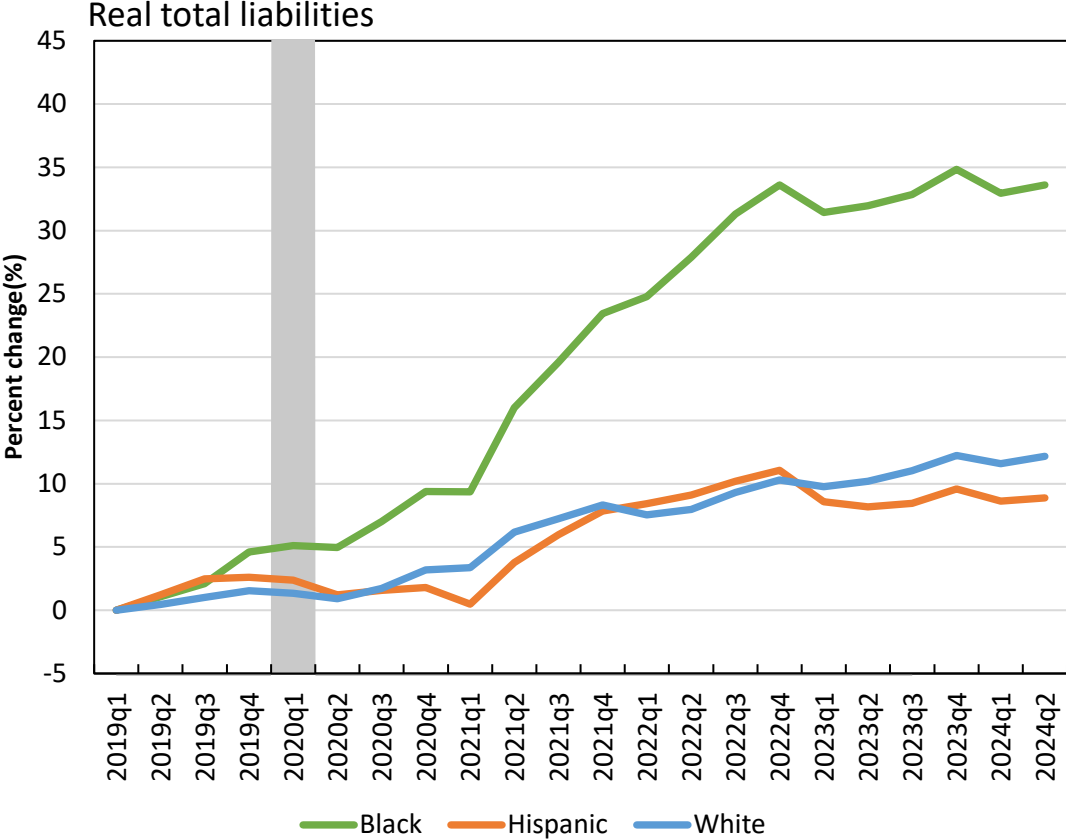
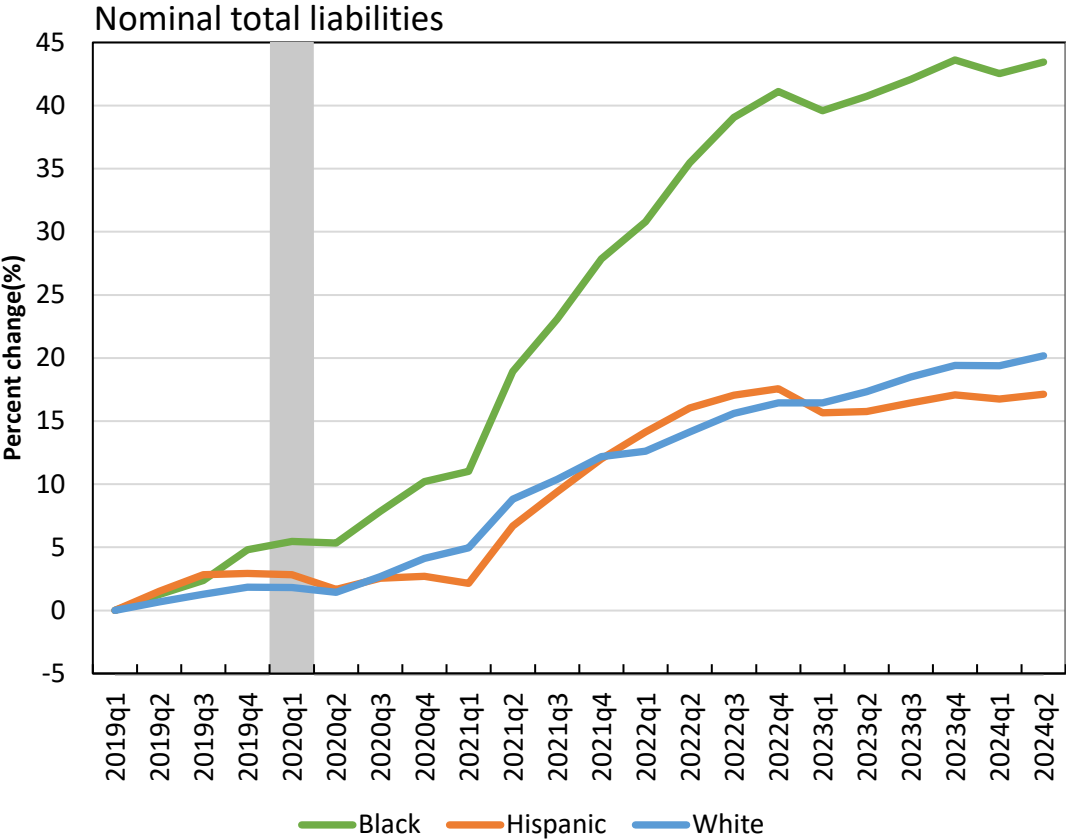
## Liquid Assets per Household by Racial and Ethnic Group



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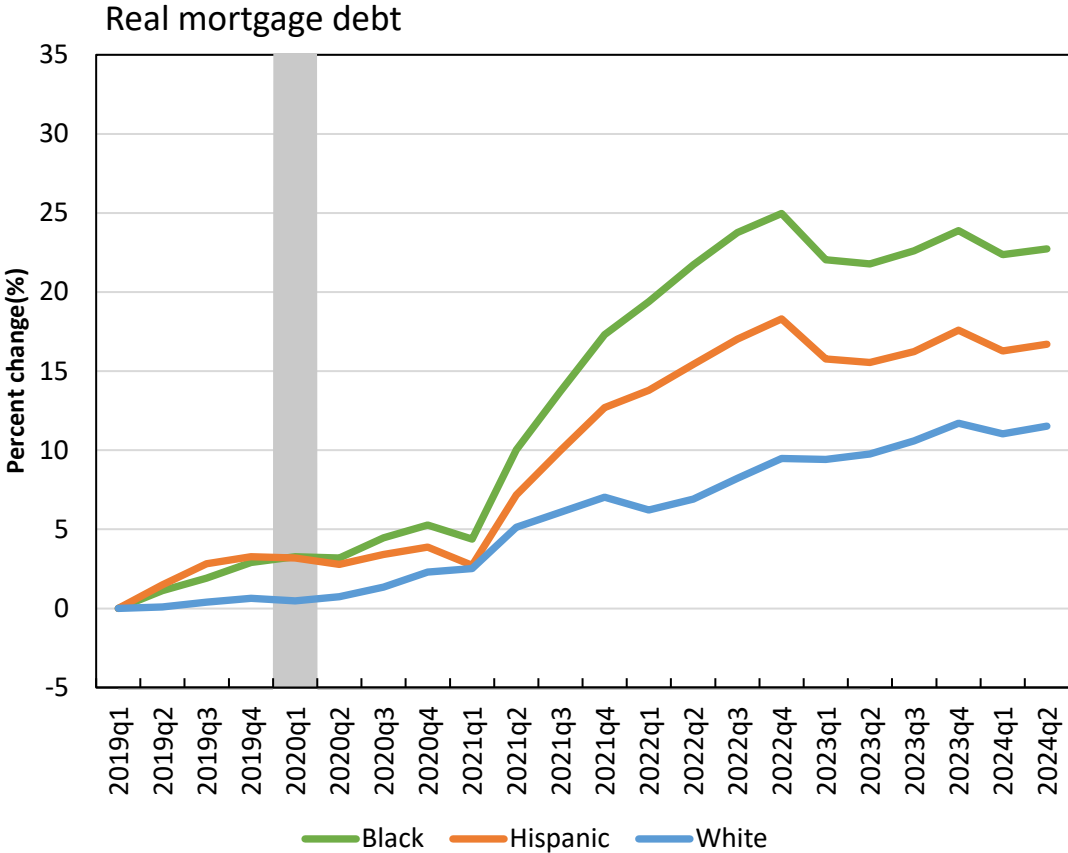
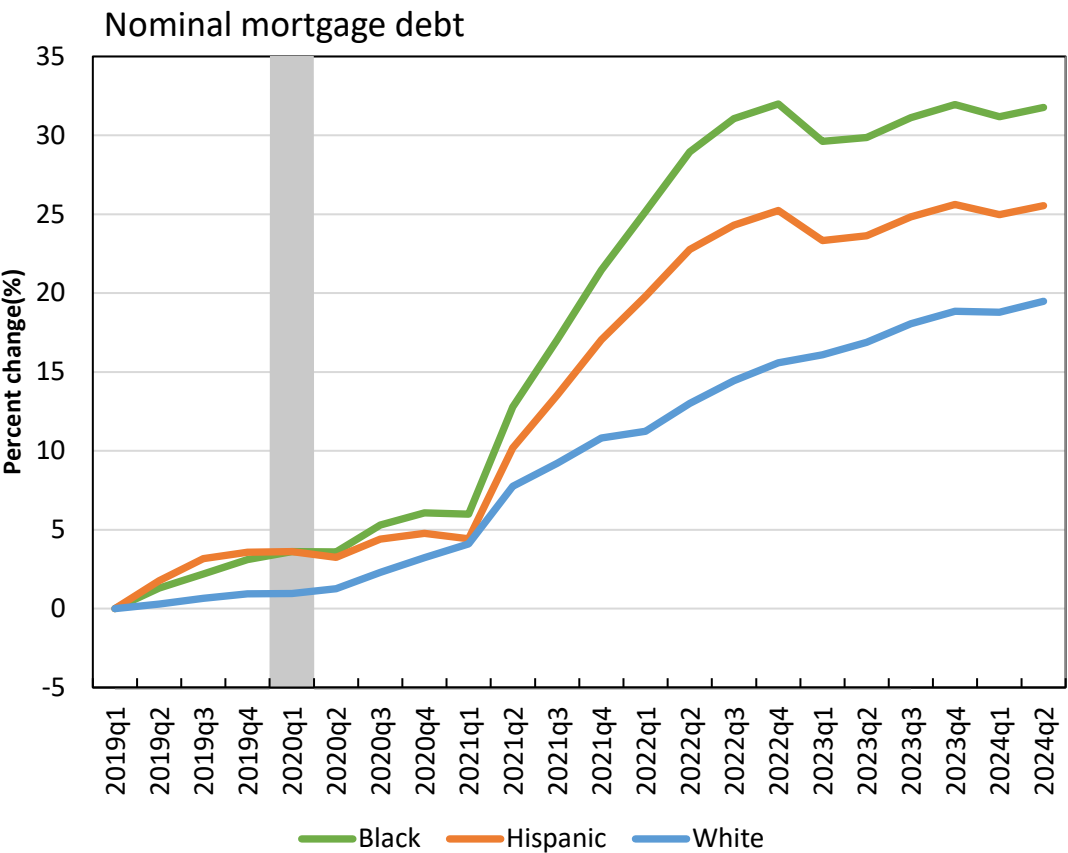
## Total Liabilities per Household by Racial and Ethnic Group



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

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## Mortgage Debt per Household by Racial and Ethnic Group



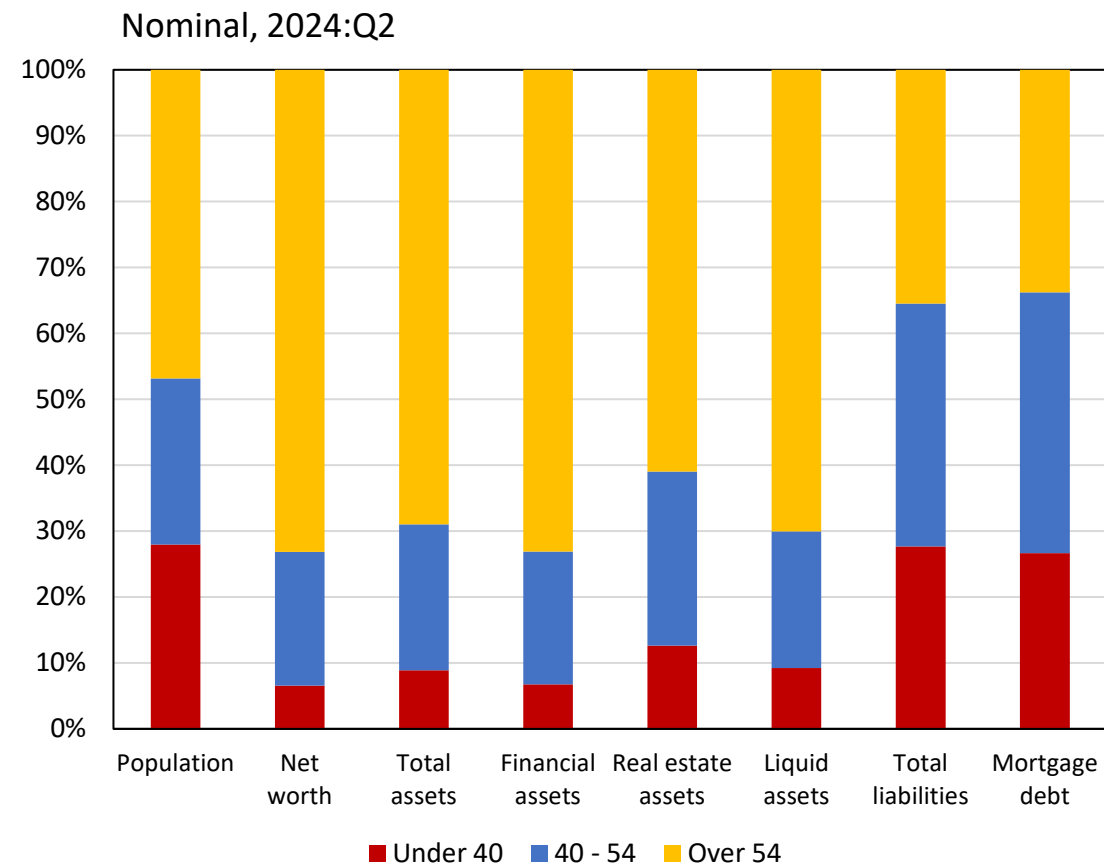
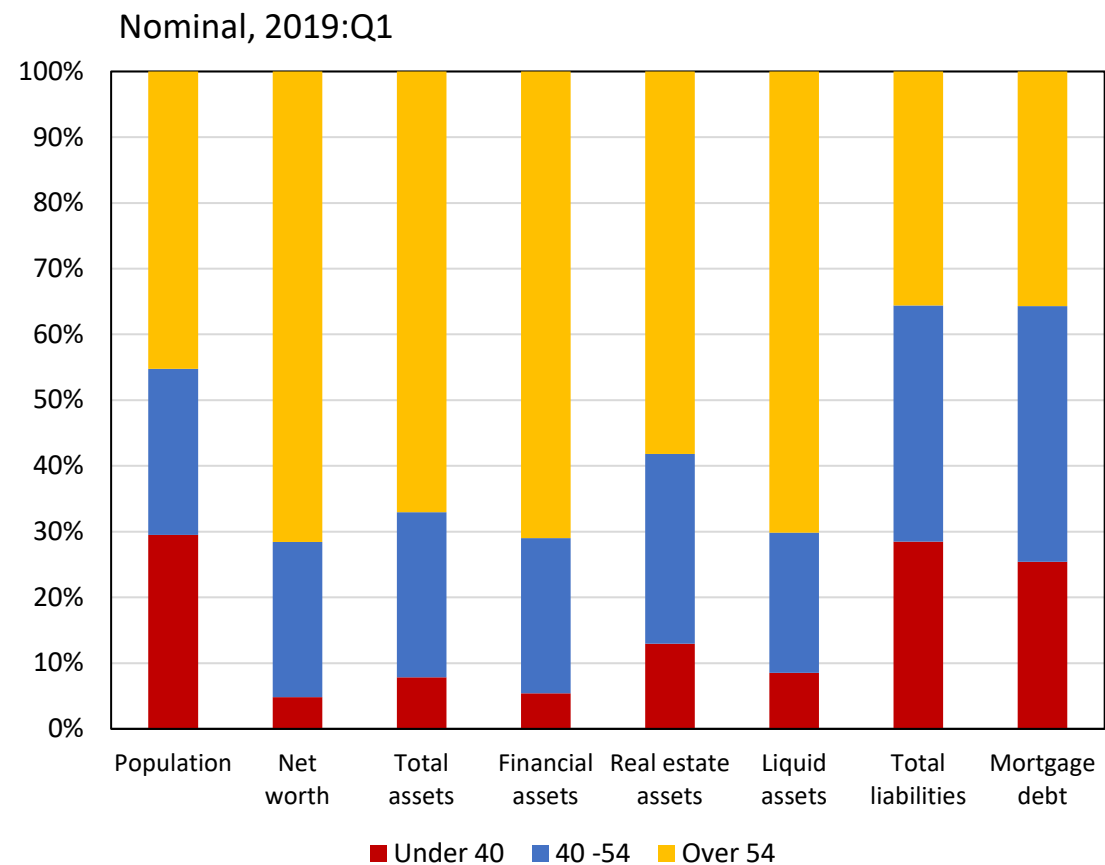
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# WEALTH INEQUALITY

BY AGE

## Population and Ownership Shares by Age Group

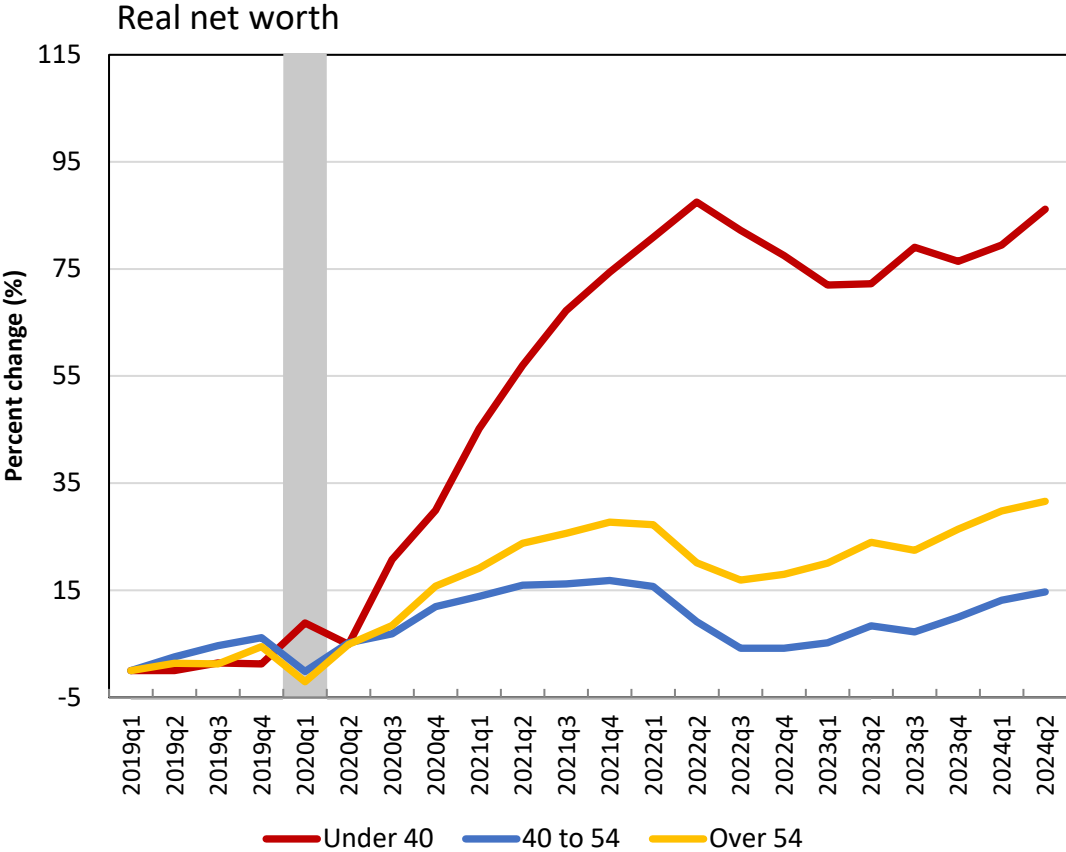
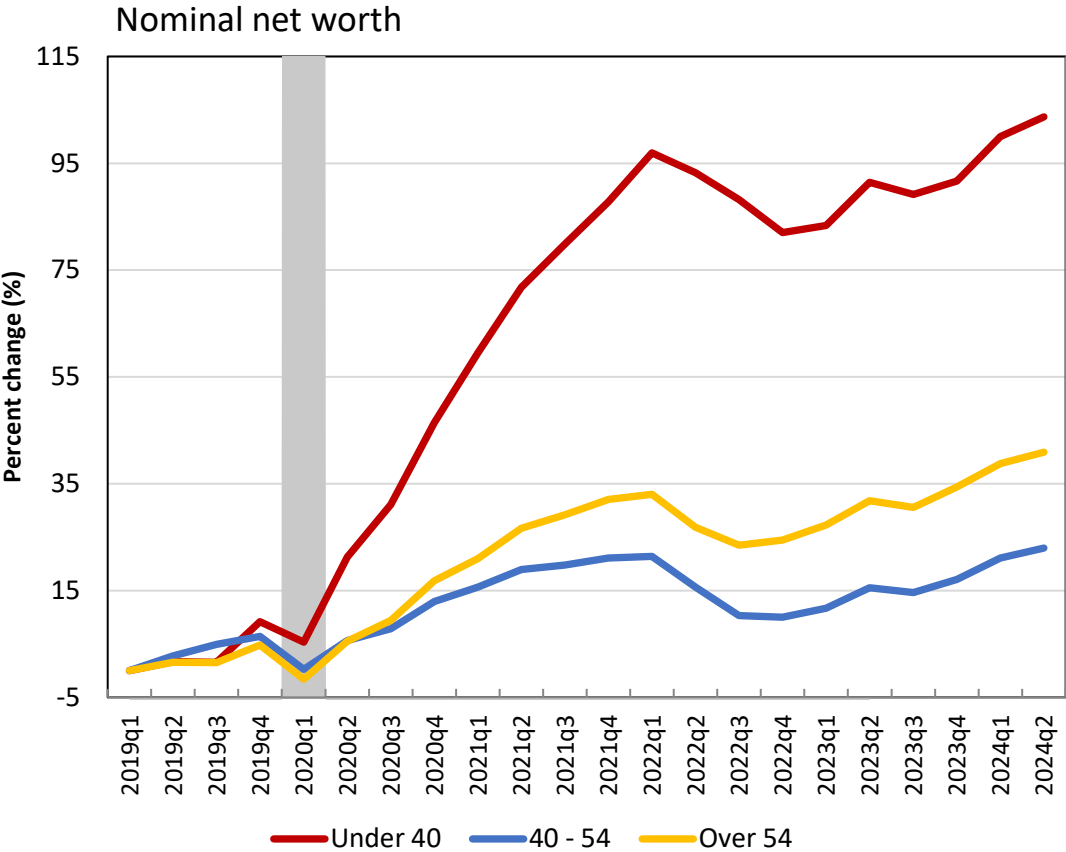


Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.

Note: "Net worth" is total assets less total liabilities.

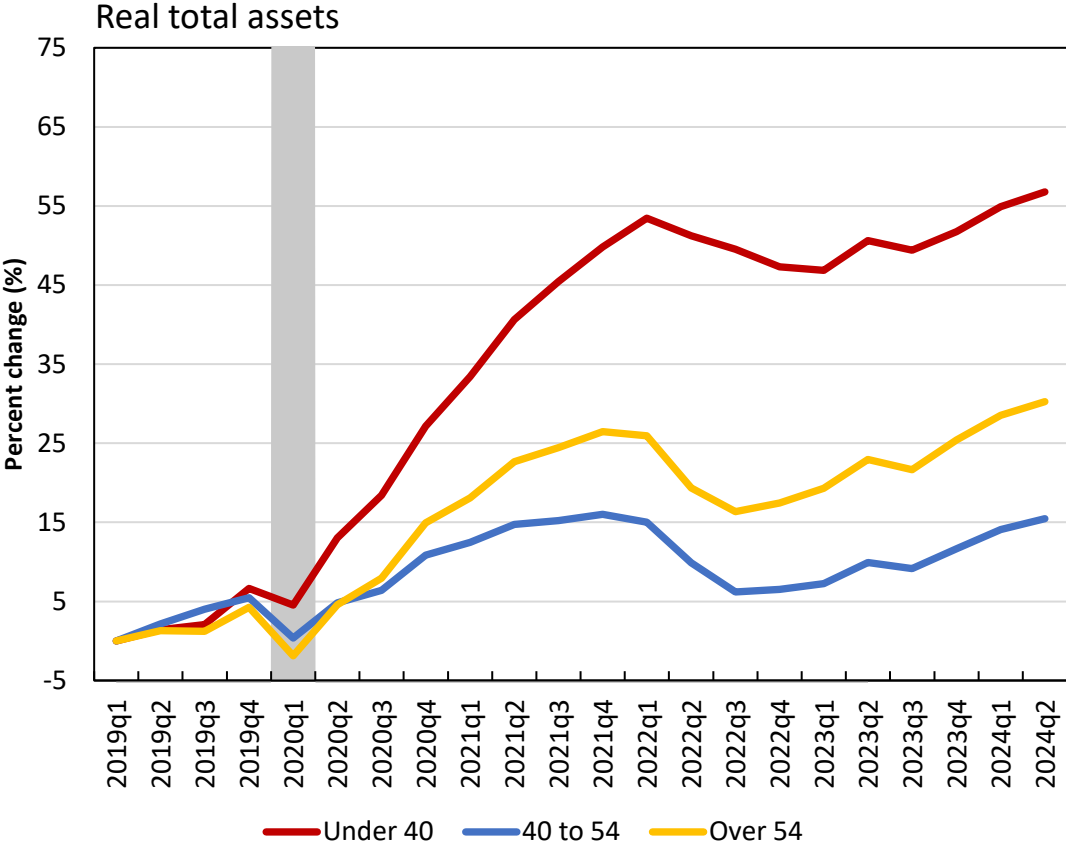
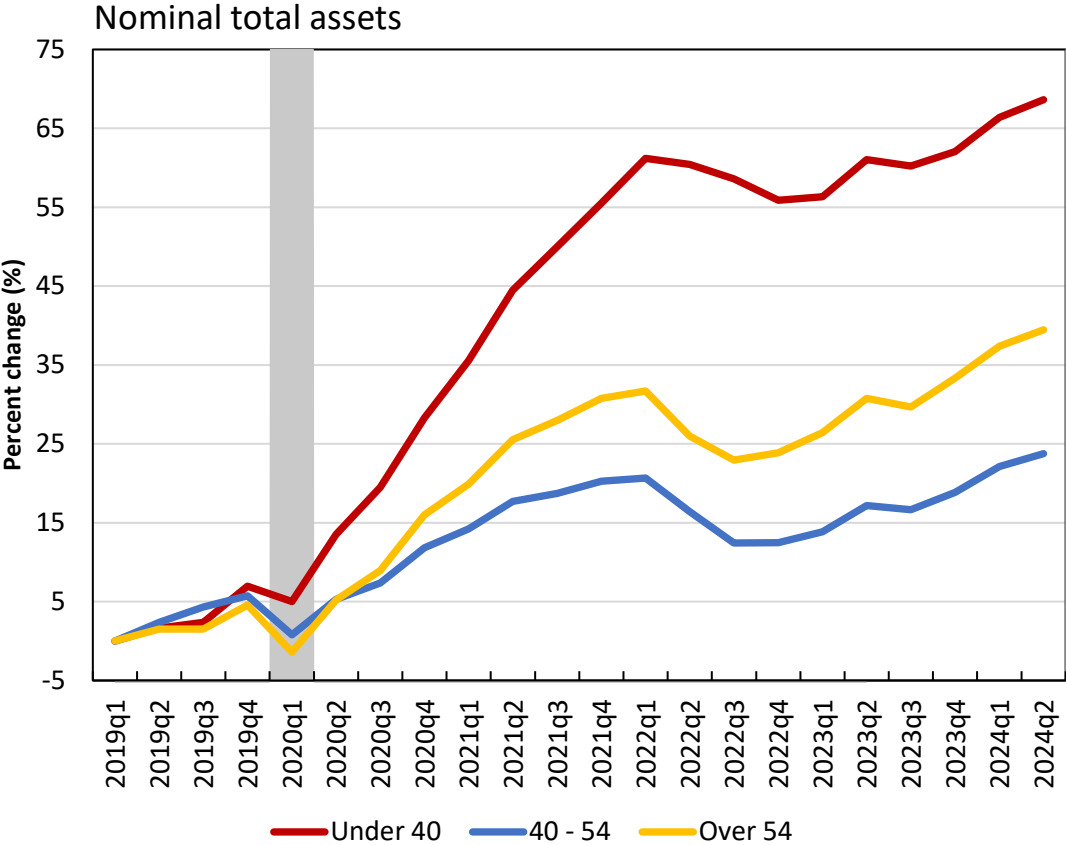


# Net Worth per Household by Age Group



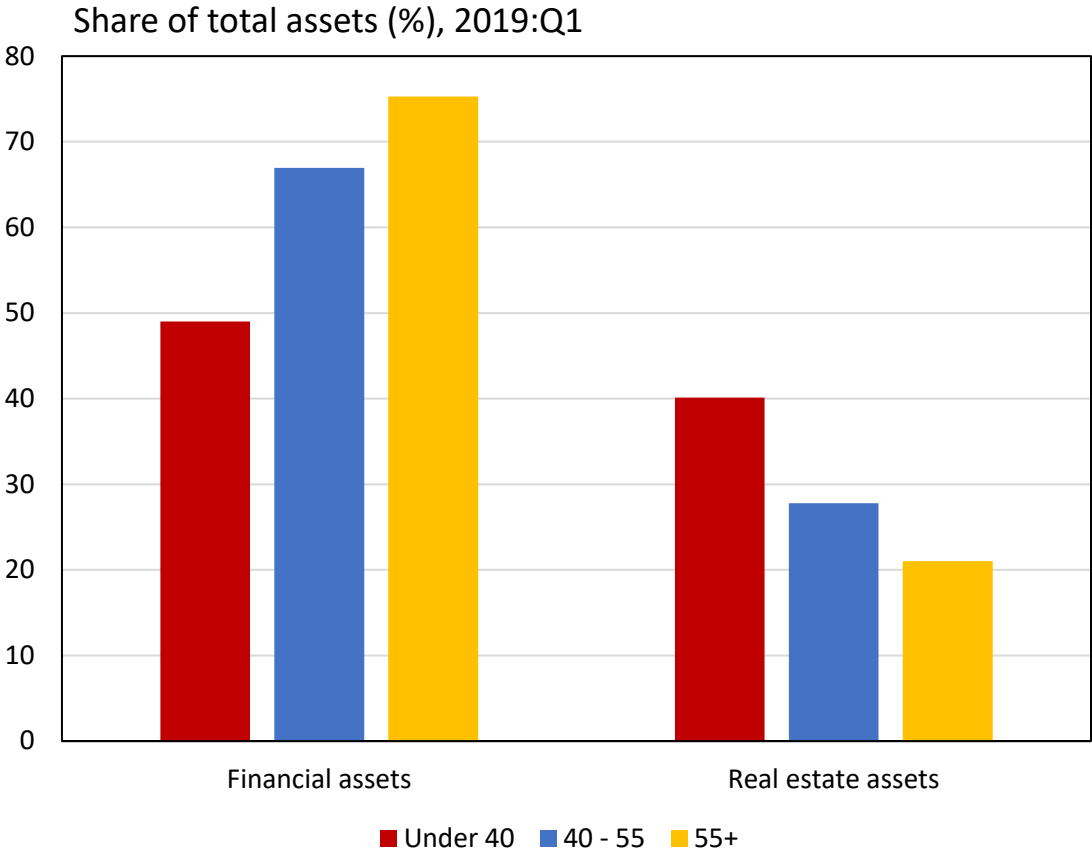
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.  
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### Total Assets per Household by Age Group



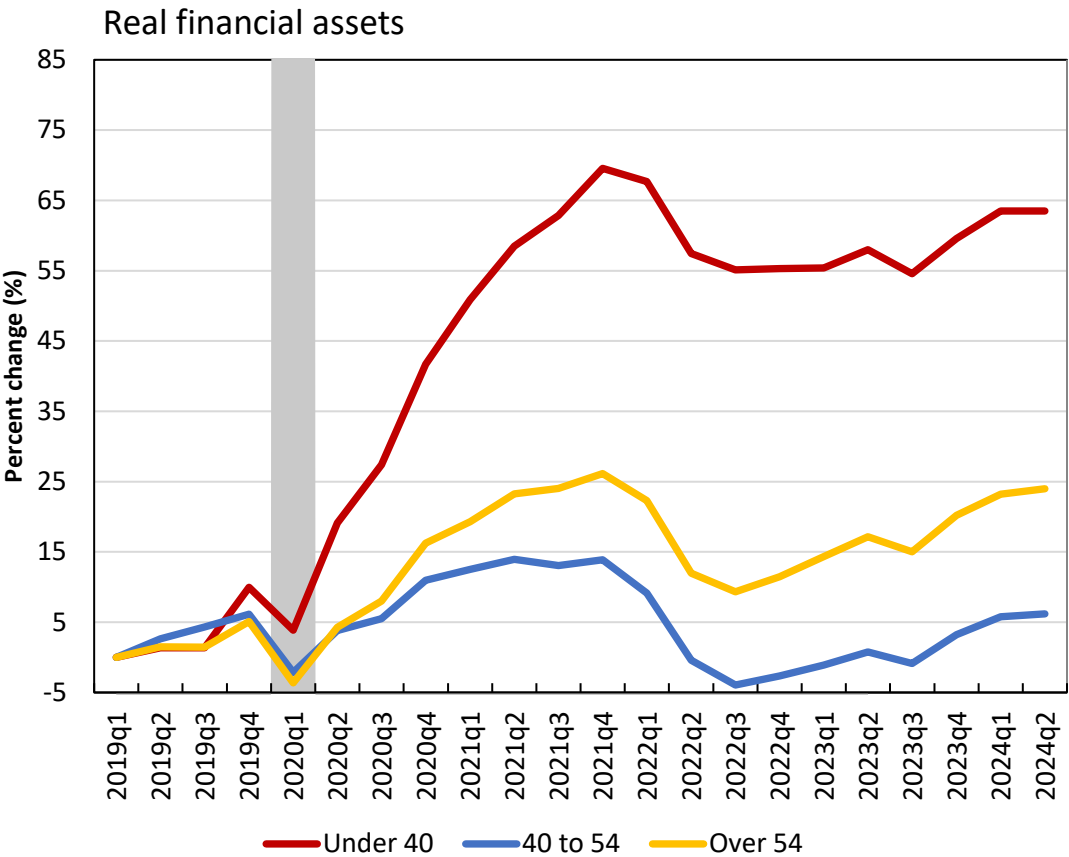
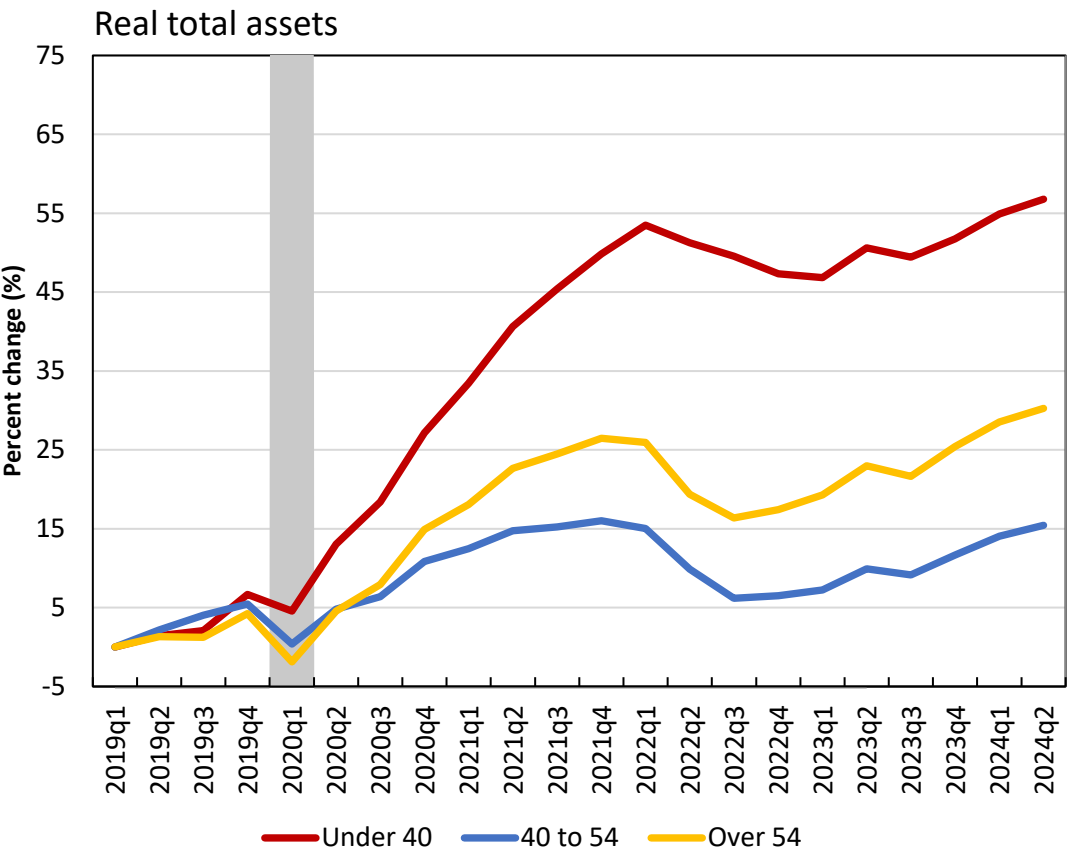
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.  
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Composition of Total Assets by Age Group



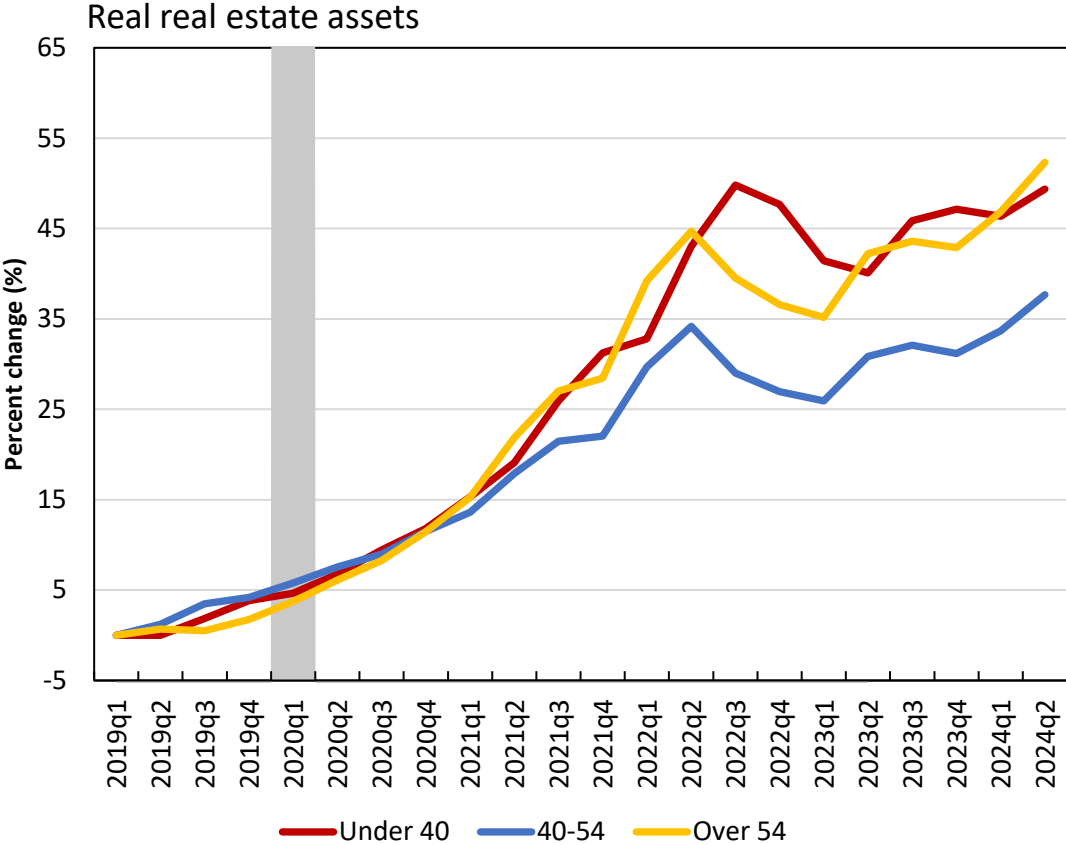
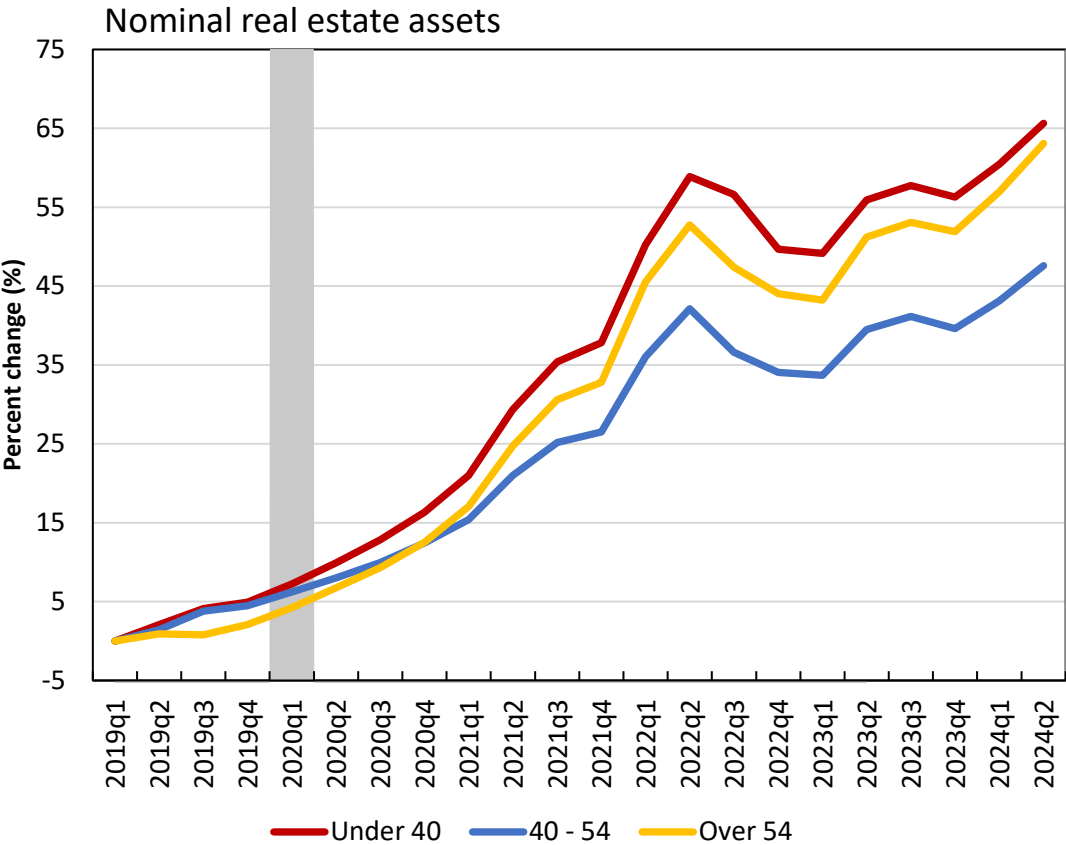
Source: Distributional Financial Accounts via Federal Reserve.  
Note: We include financial asset composition from 2019:Q1 as this is our pre-COVID, baseline period.

## Financial Assets per Household by Age Group



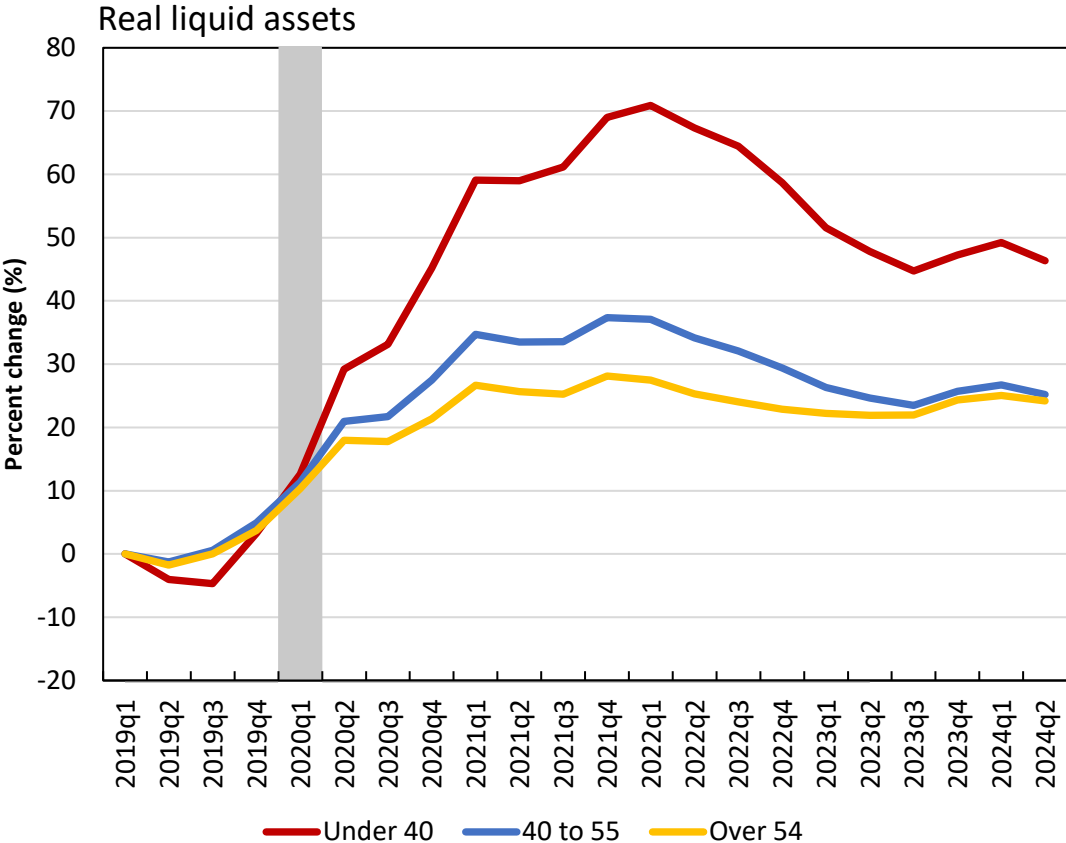
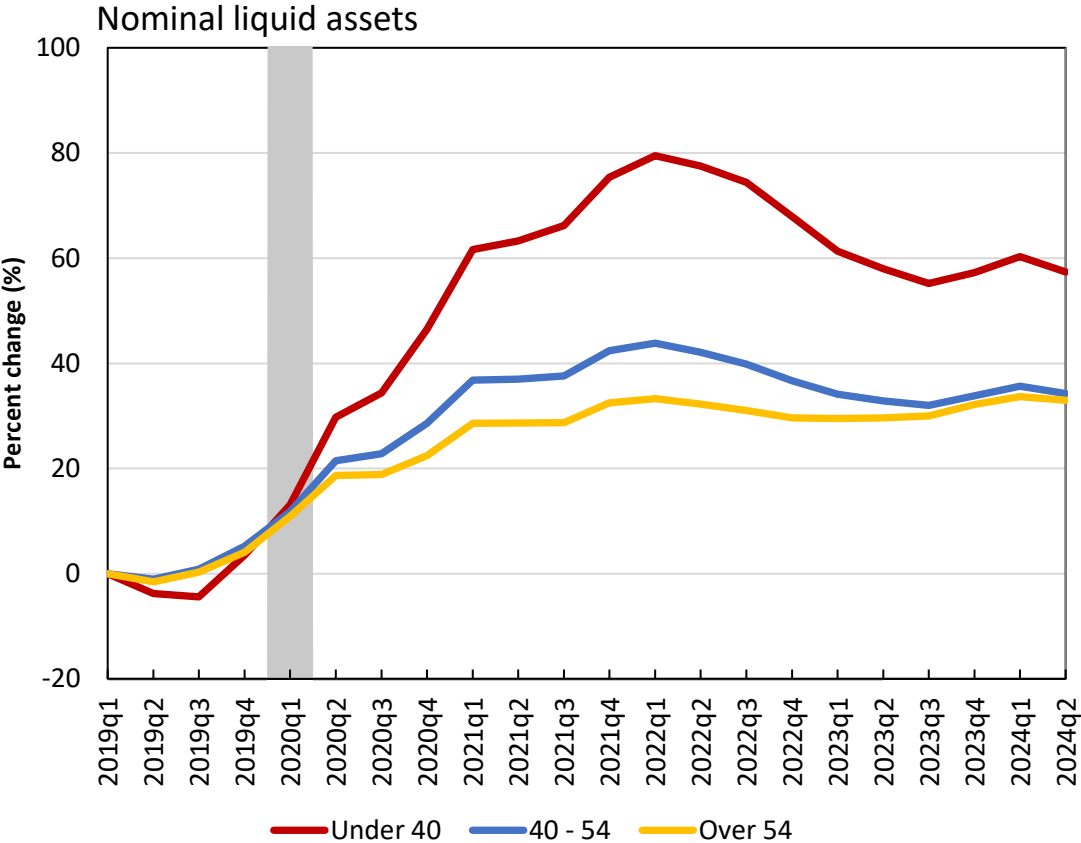
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.  
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## Real Estate Assets per Household by Age Group



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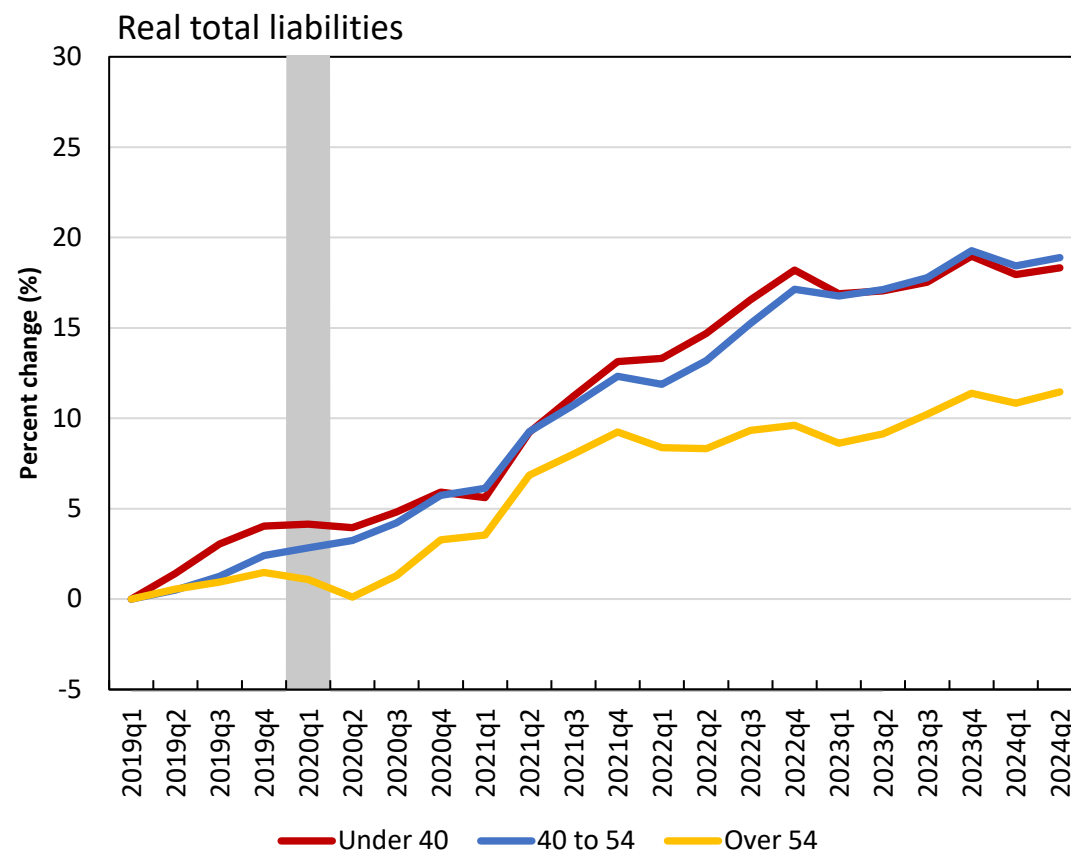
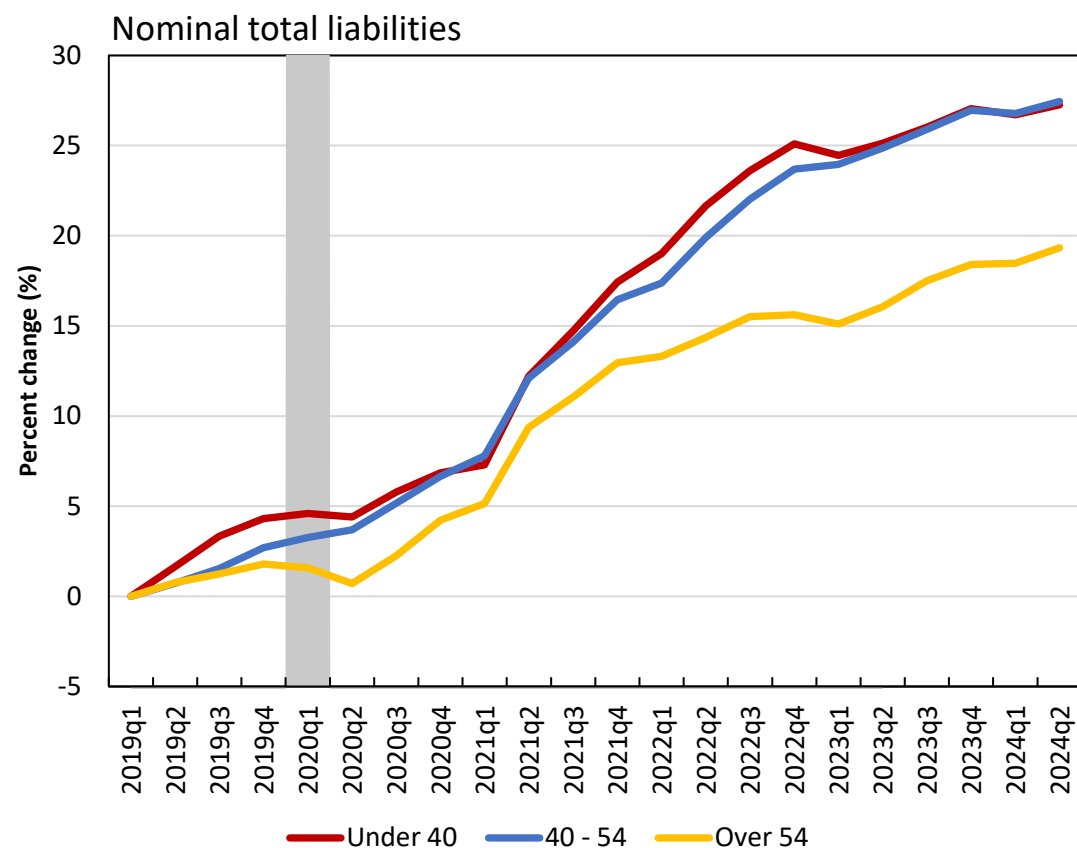
## Liquid Assets per Household by Age



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

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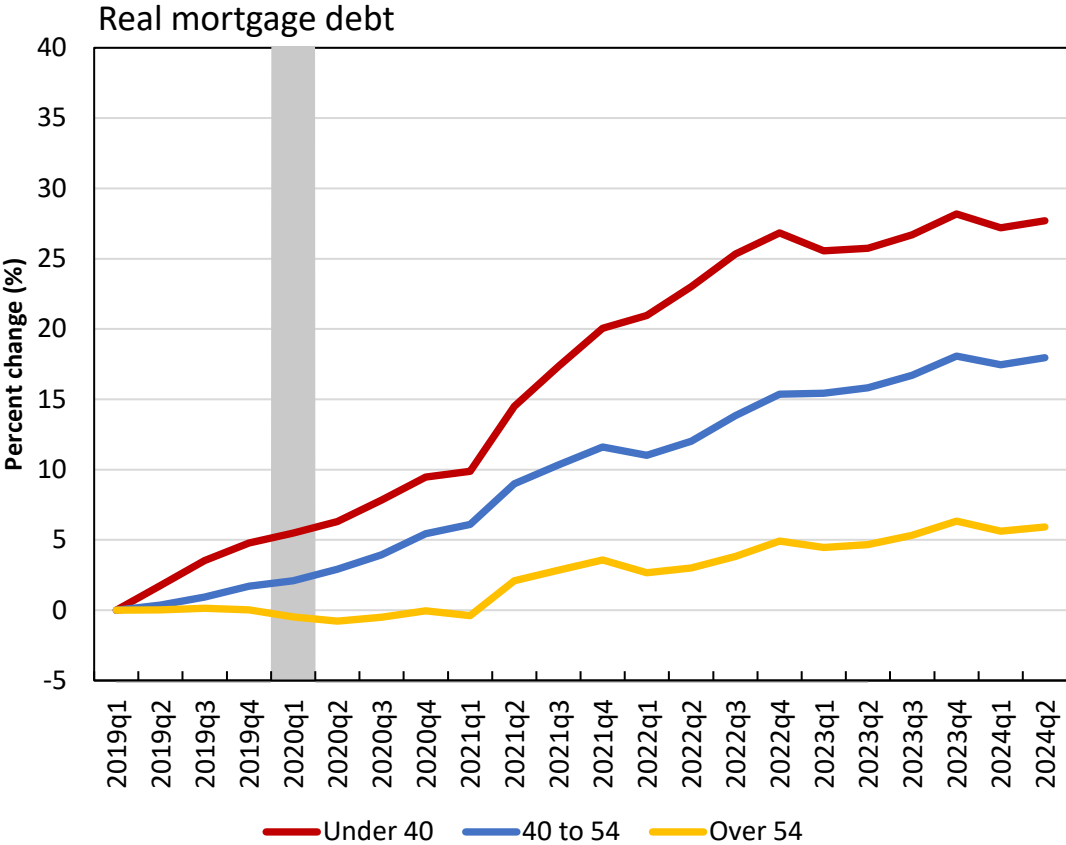
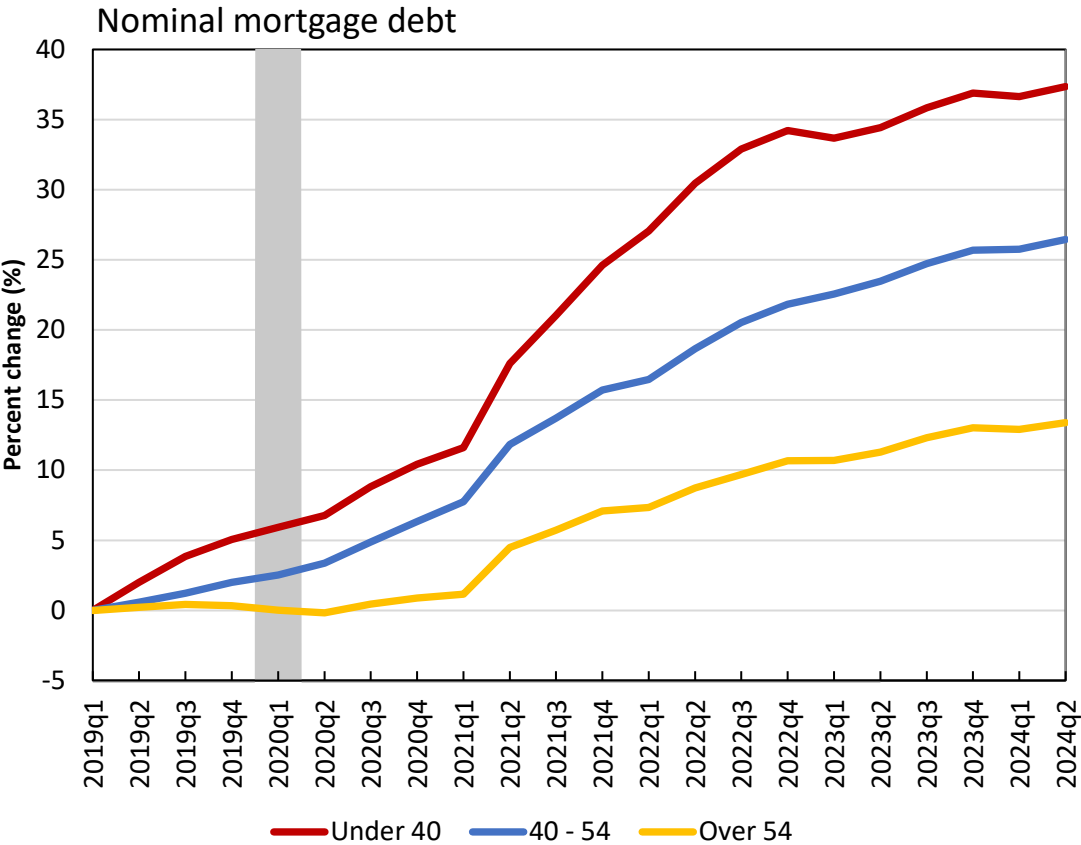
## Total Liabilities per Household by Age Group



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## Mortgage Debt per Household by Age Group



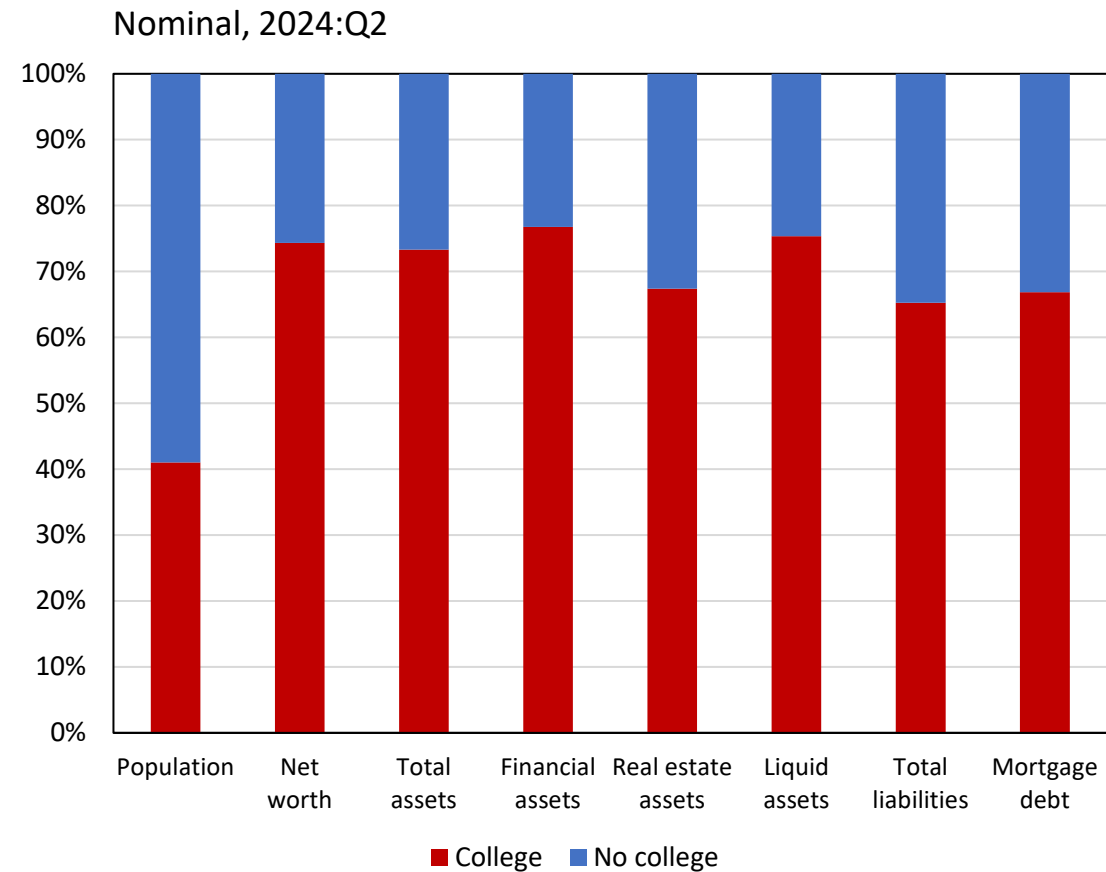
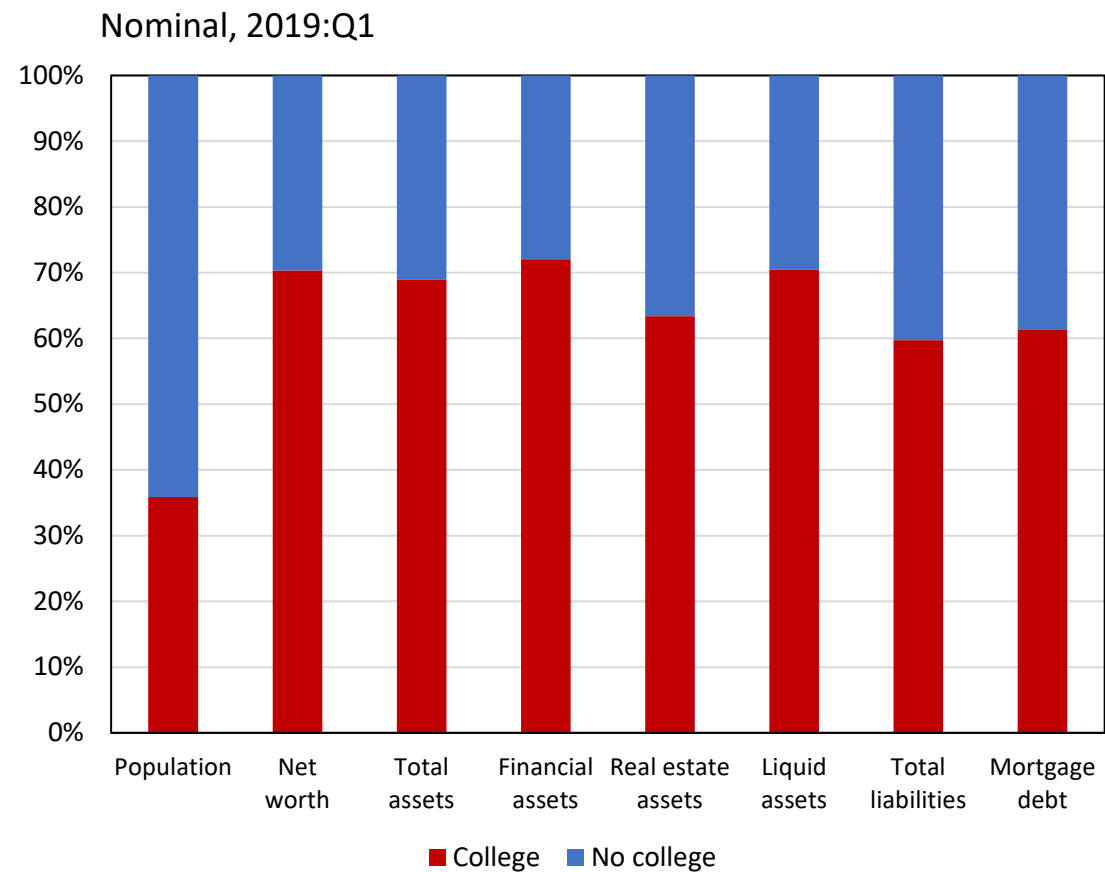
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# WEALTH INEQUALITY

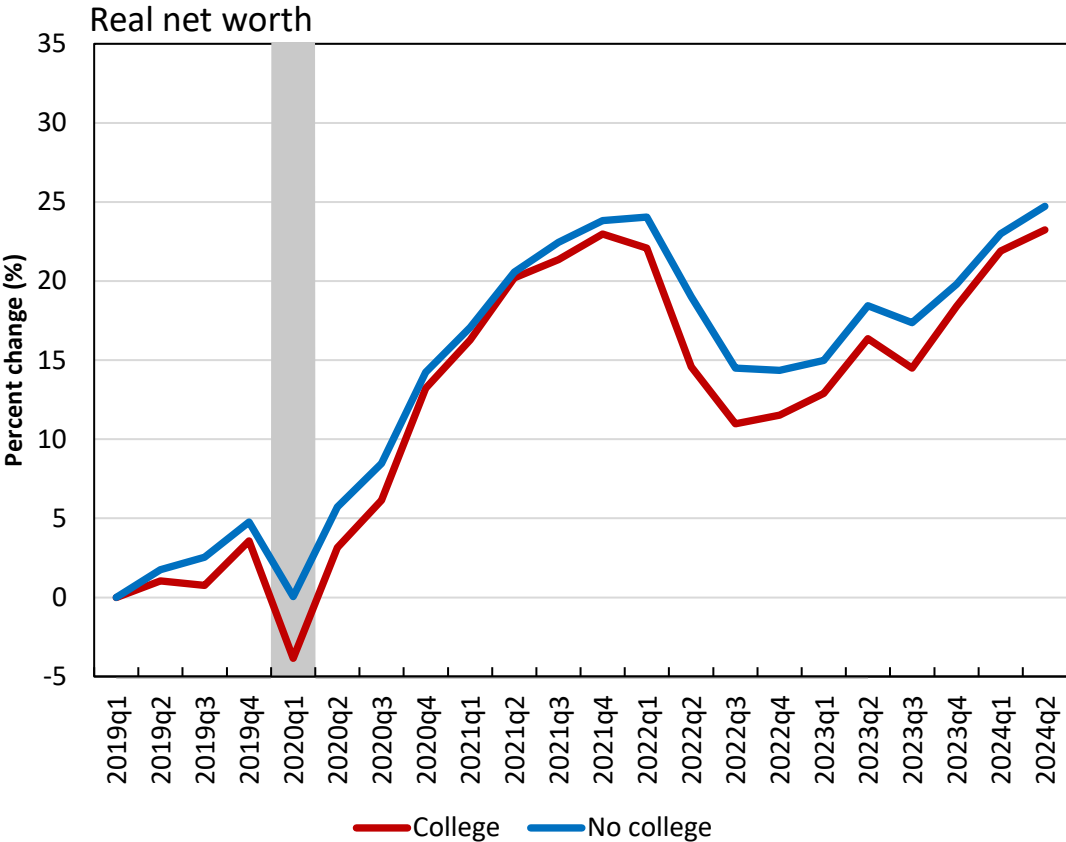
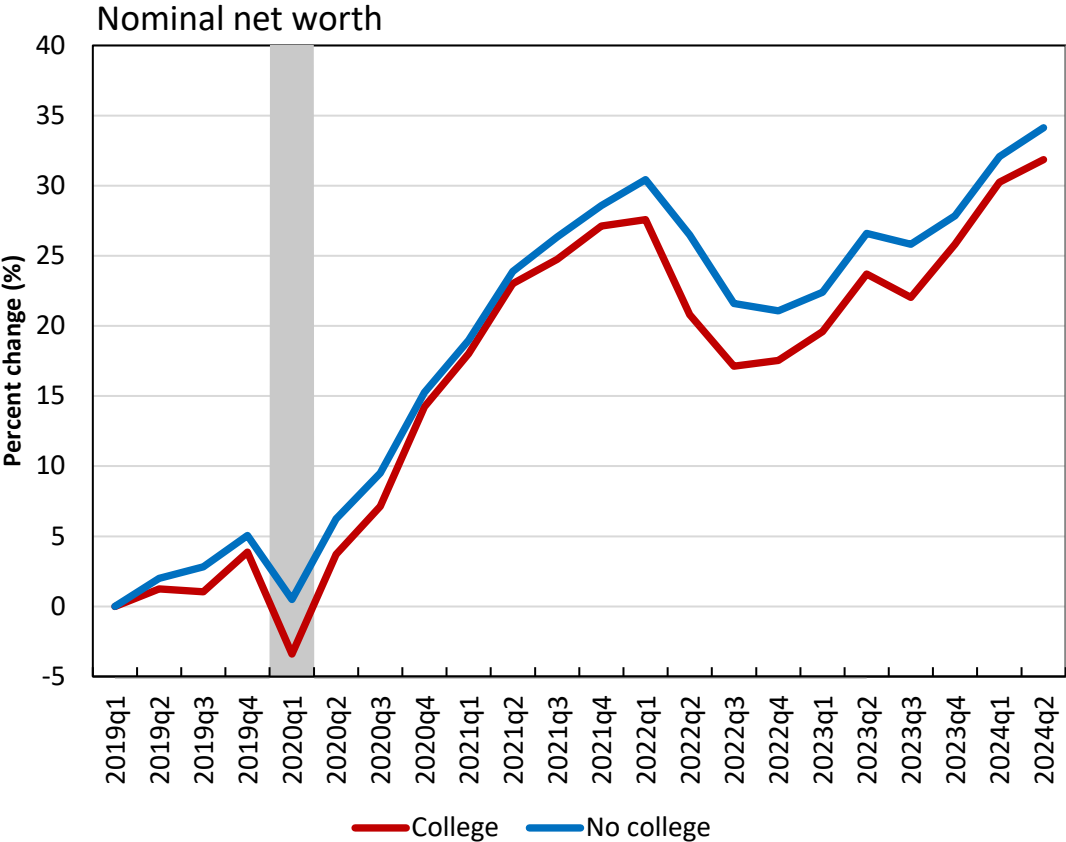
BY EDUCATION

## Population and Ownership Shares by Education Group



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

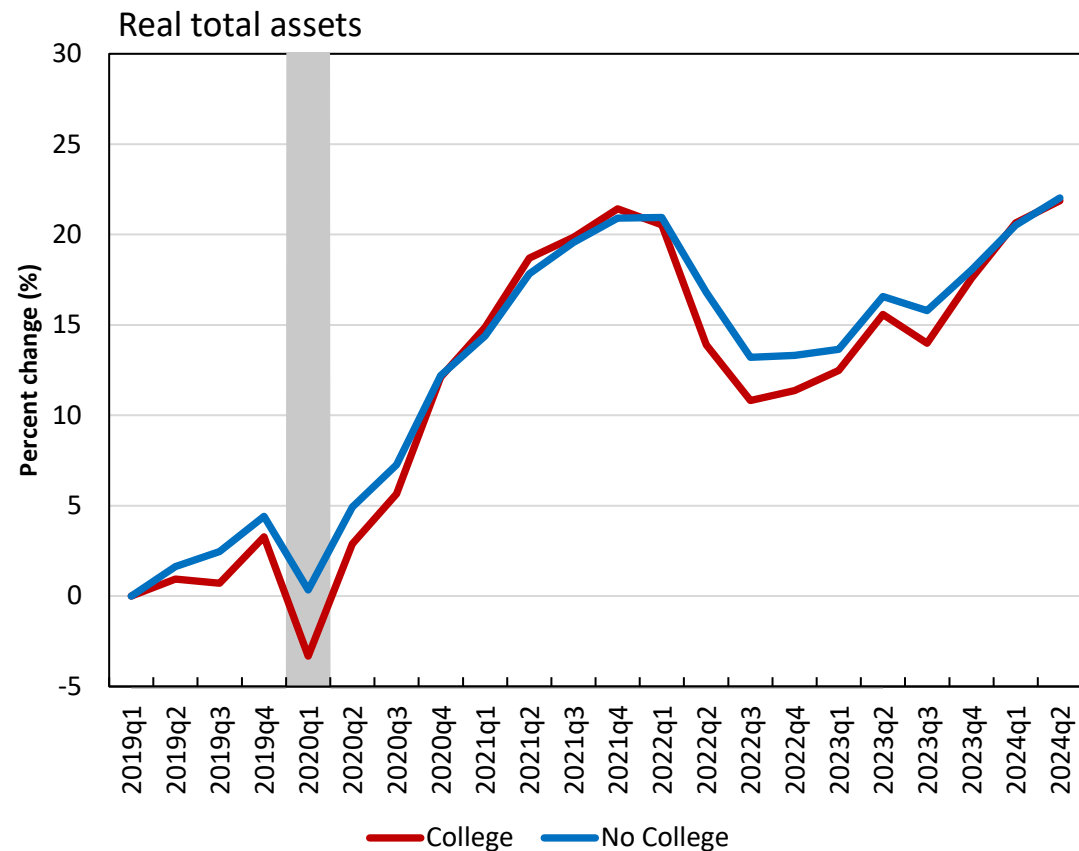
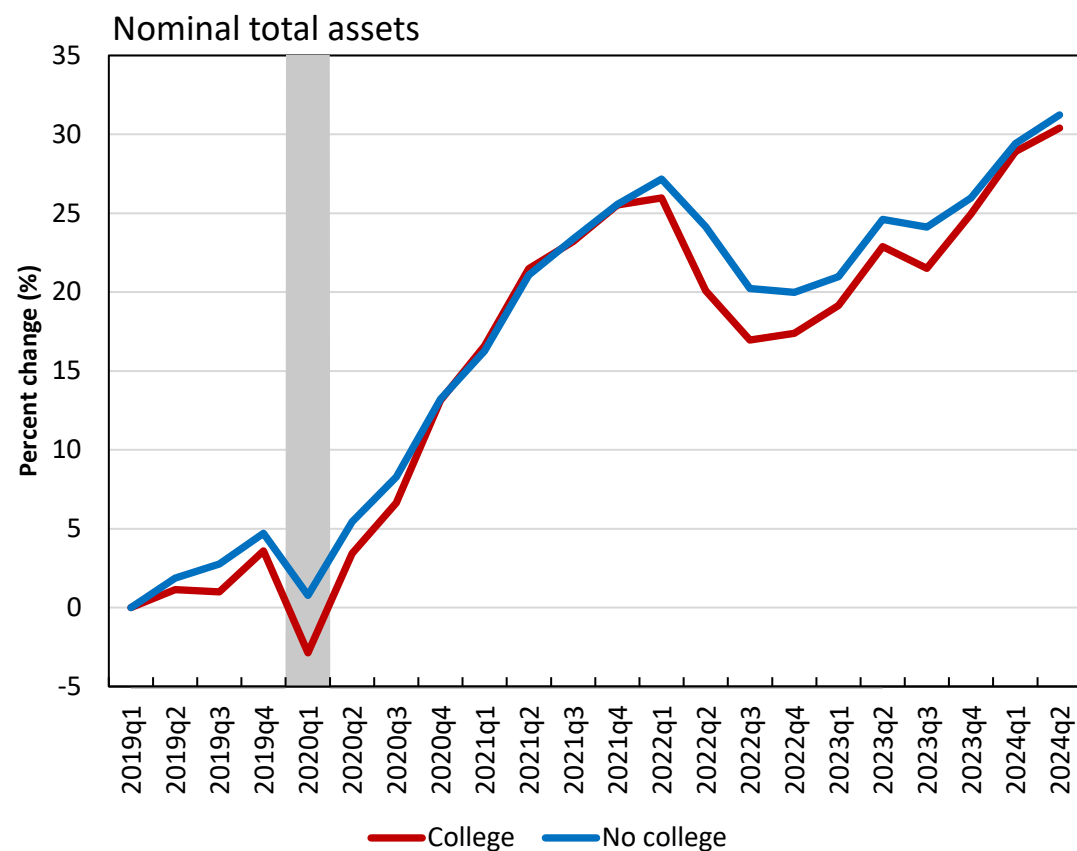
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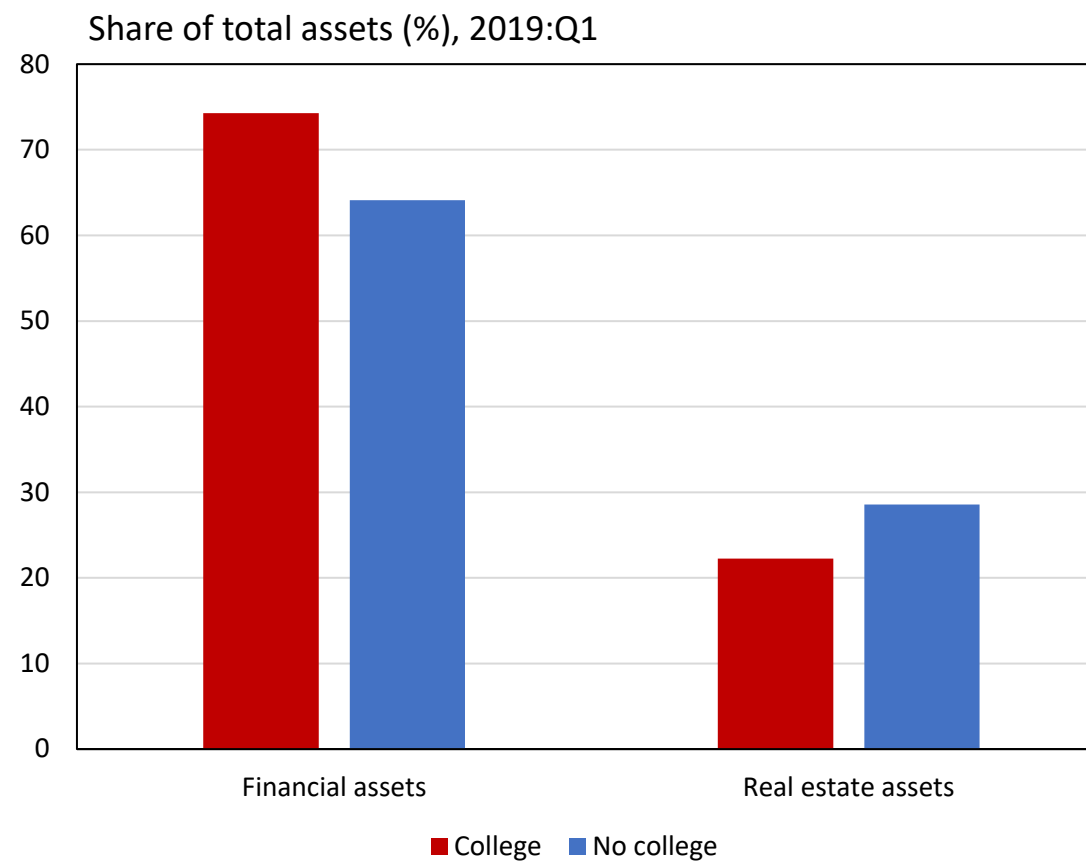
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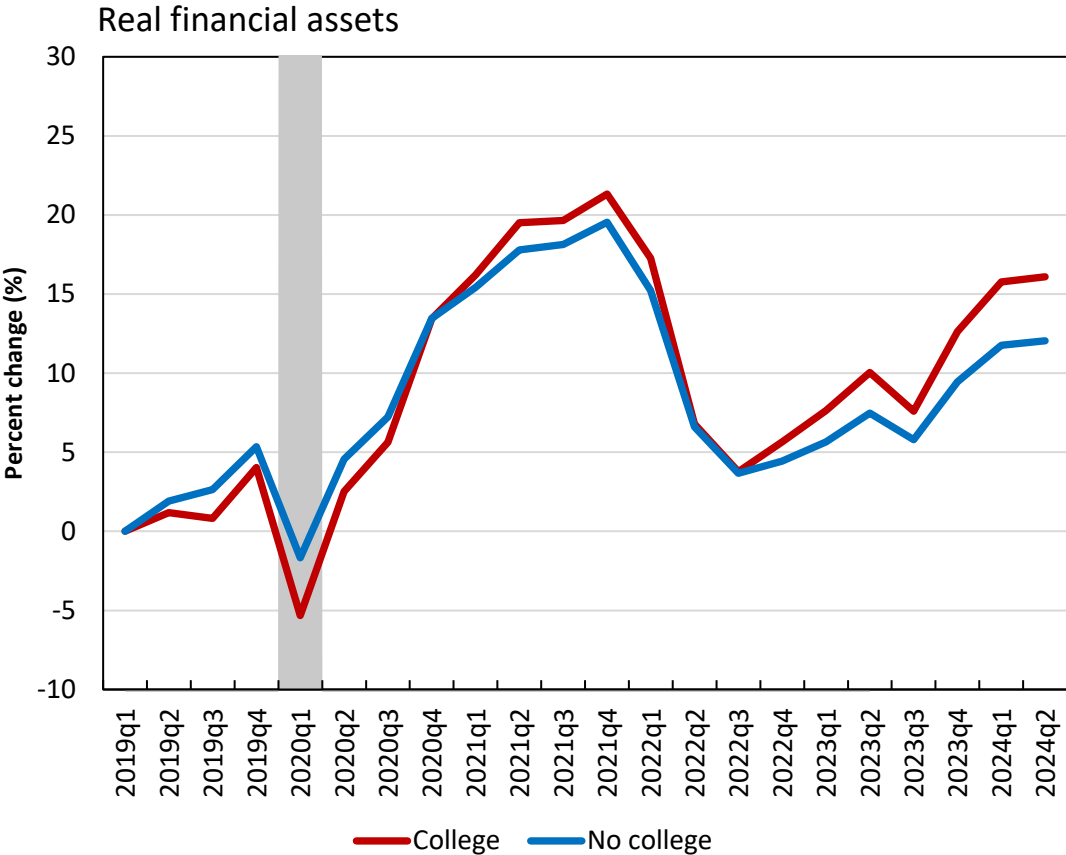
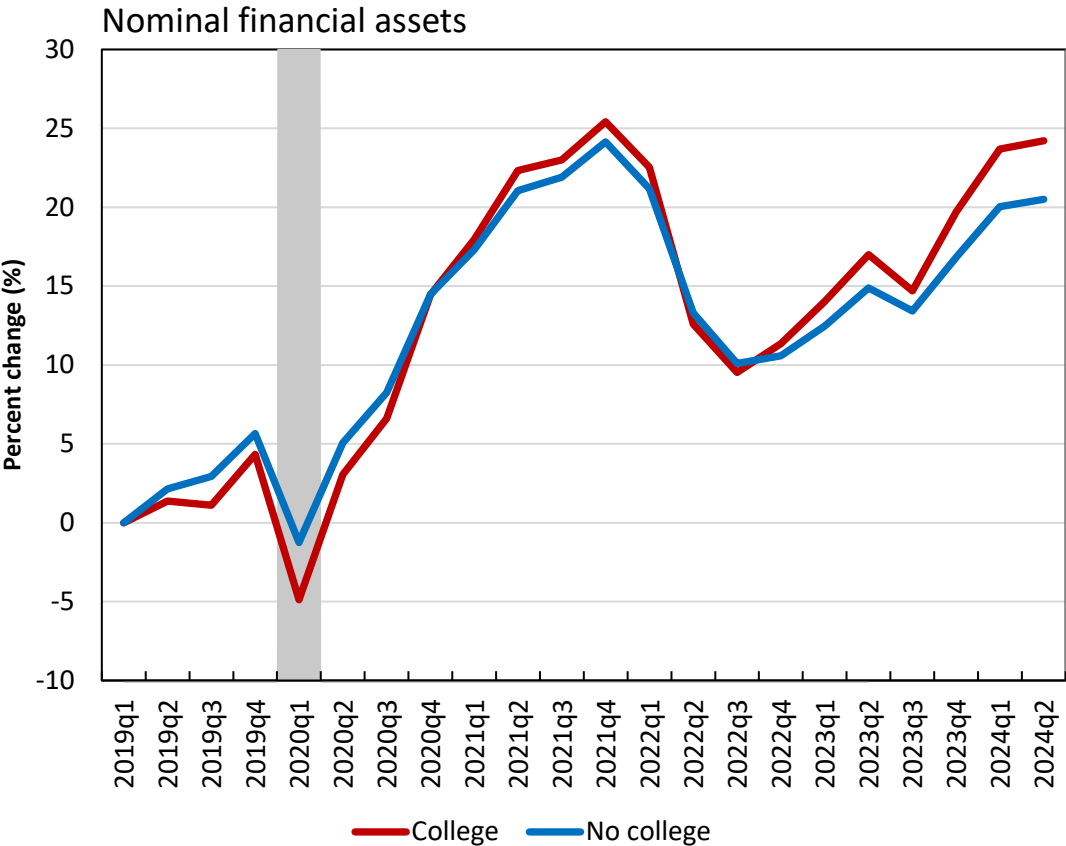
## Composition of Total Assets by Education



Source: Distributional Financial Accounts via Federal Reserve.

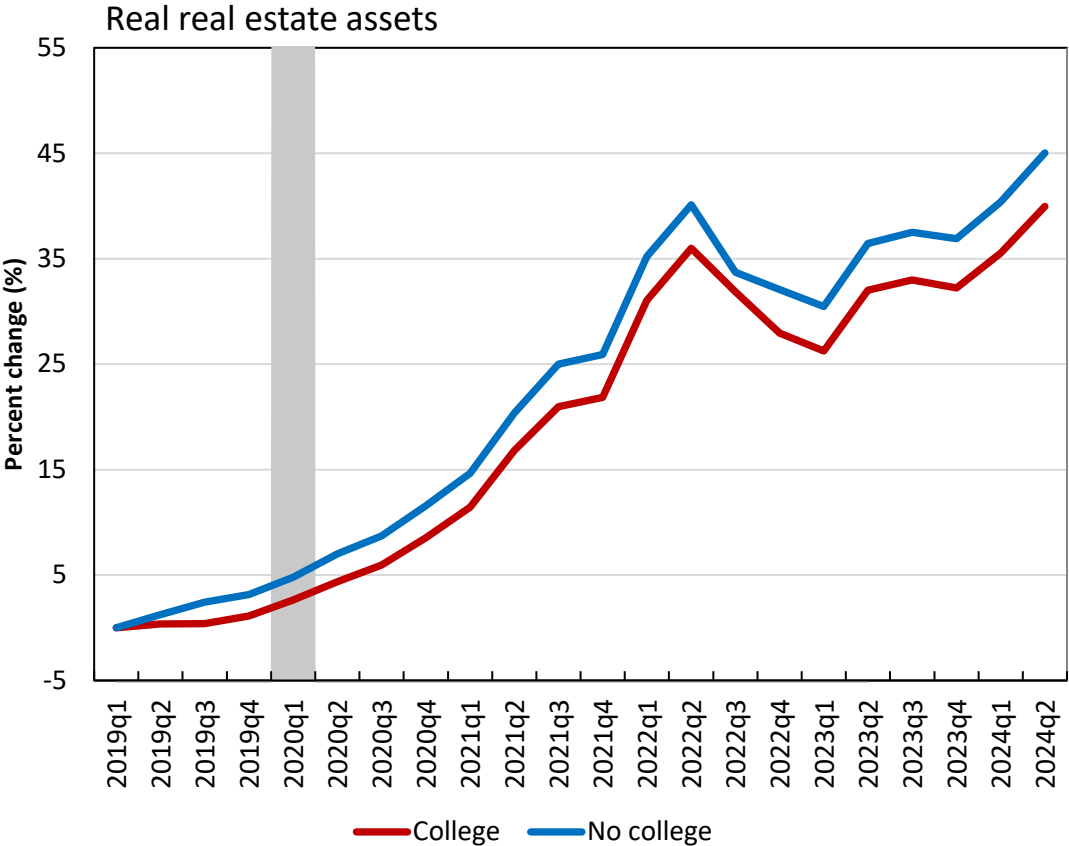
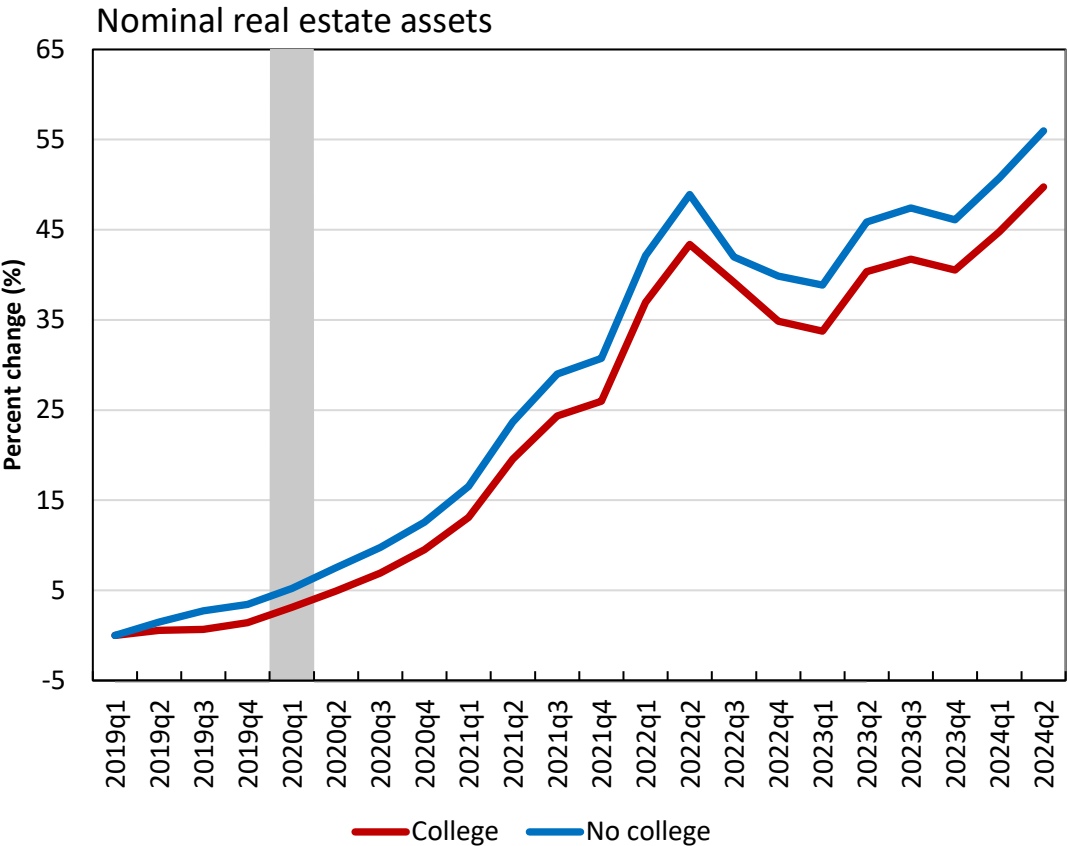
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## Financial Assets per Household by Education Group



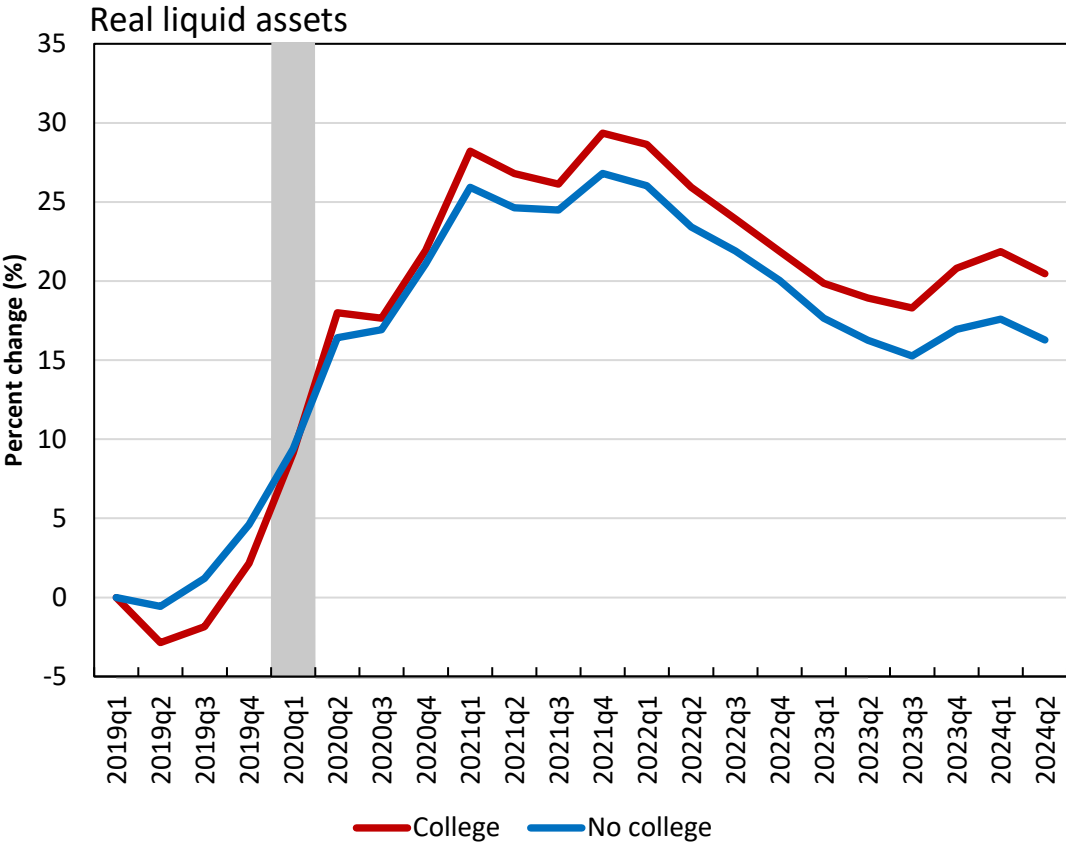
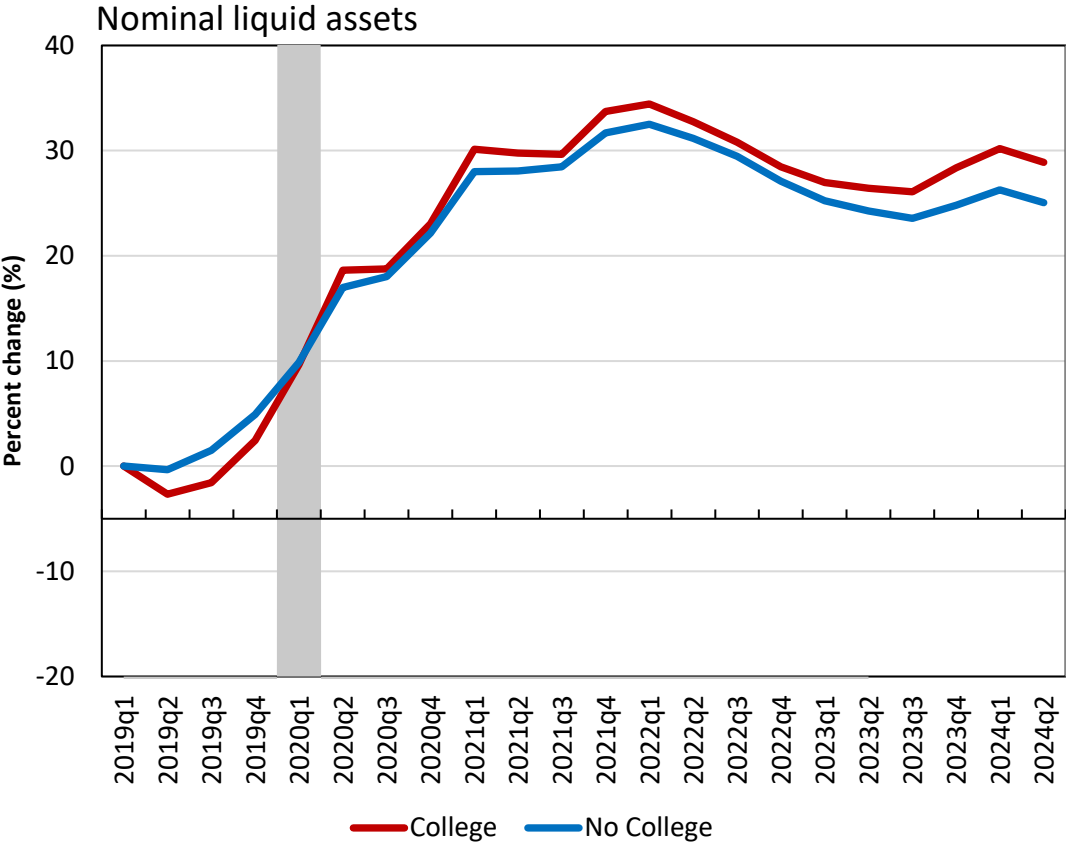
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.  
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## Real Estate Assets per Household by Education Group



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## Liquid Assets per Household by Education Group

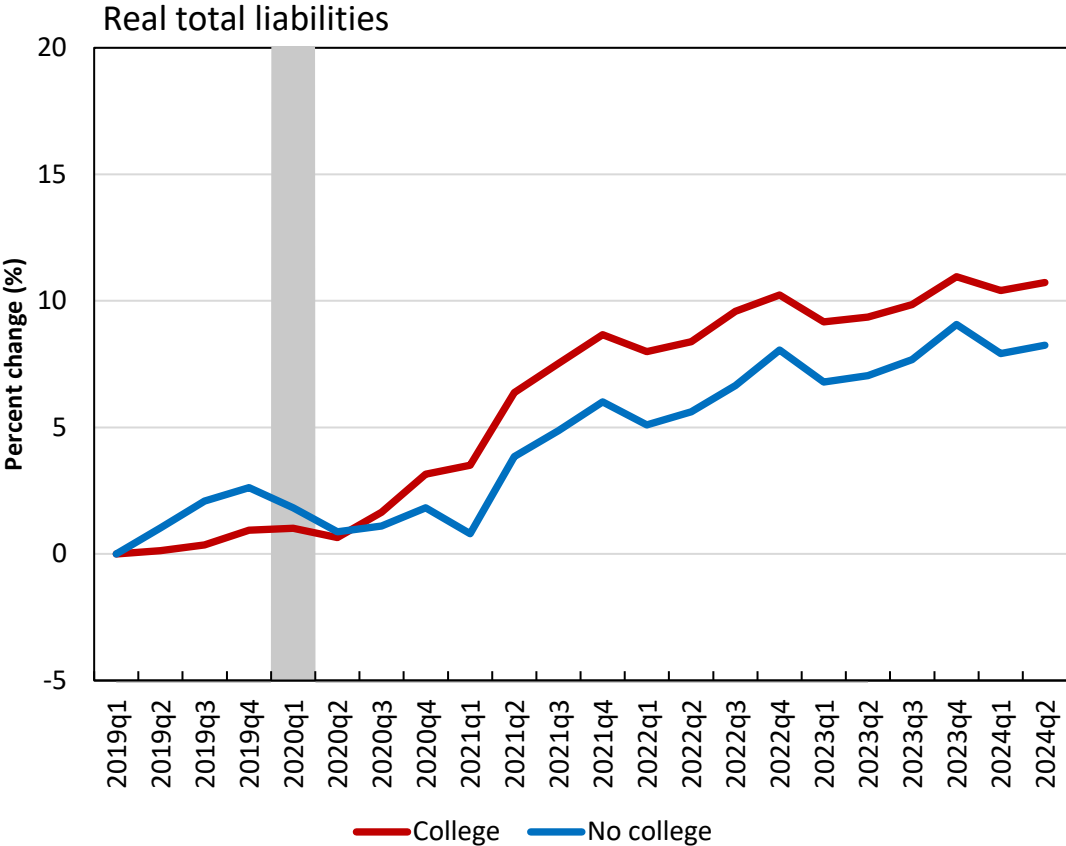
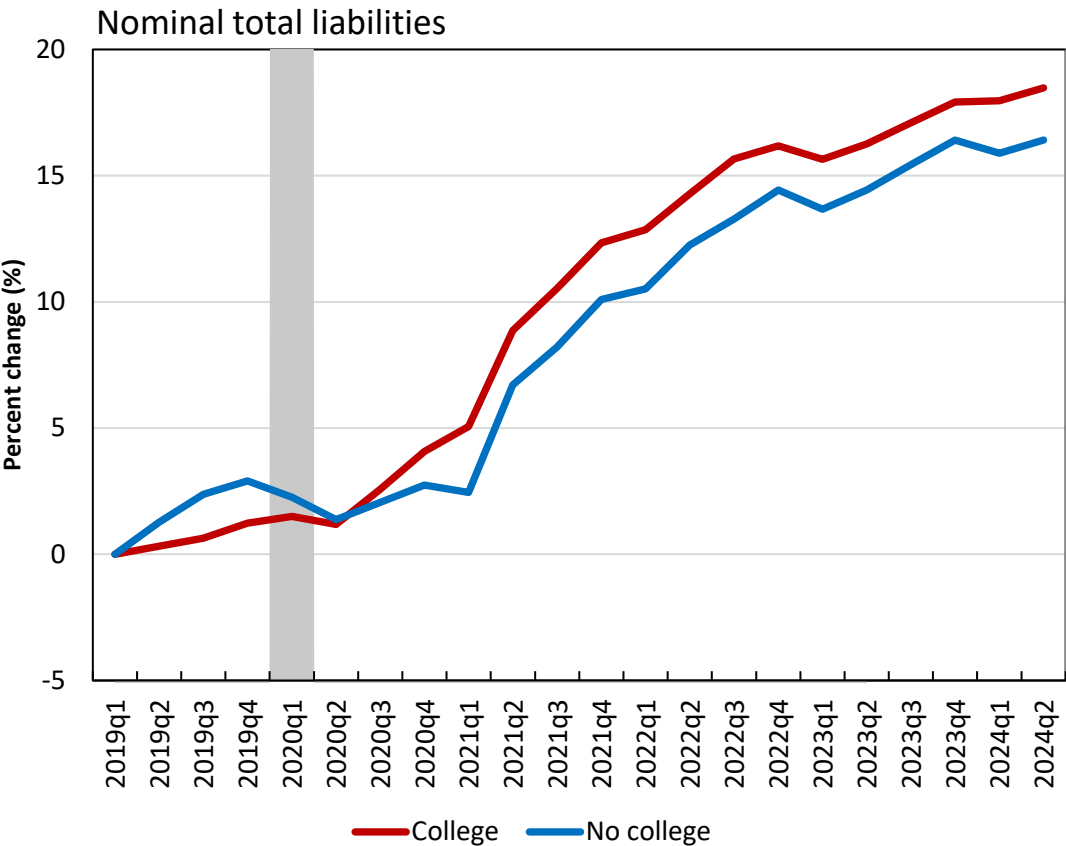


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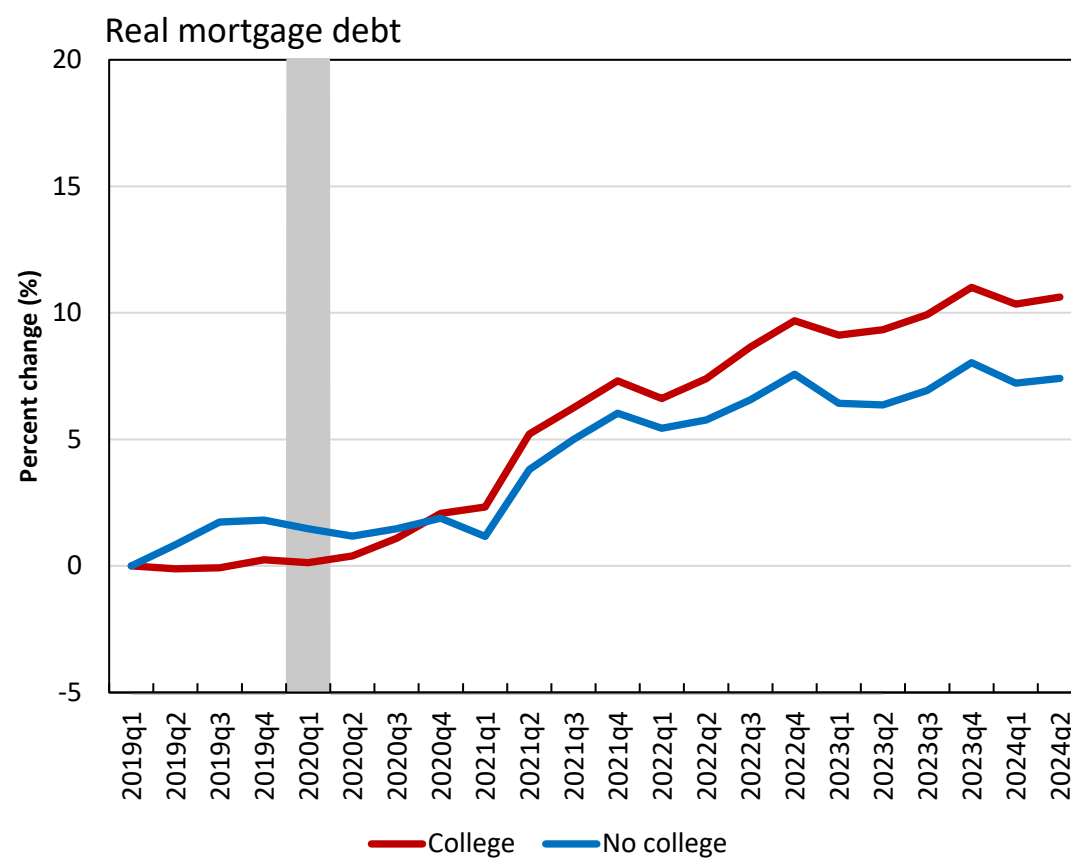
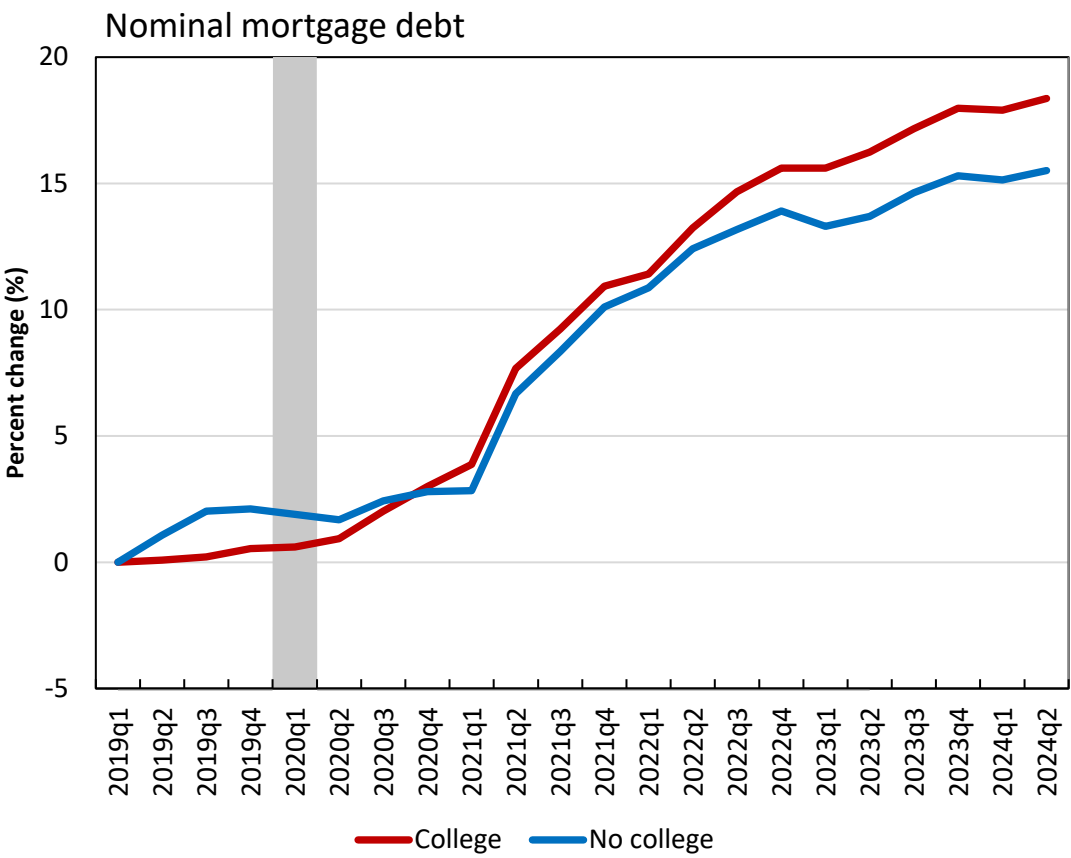


## Total Liabilities per Household by Education Group



Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.  
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# Mortgage Debt per Household by Education Group

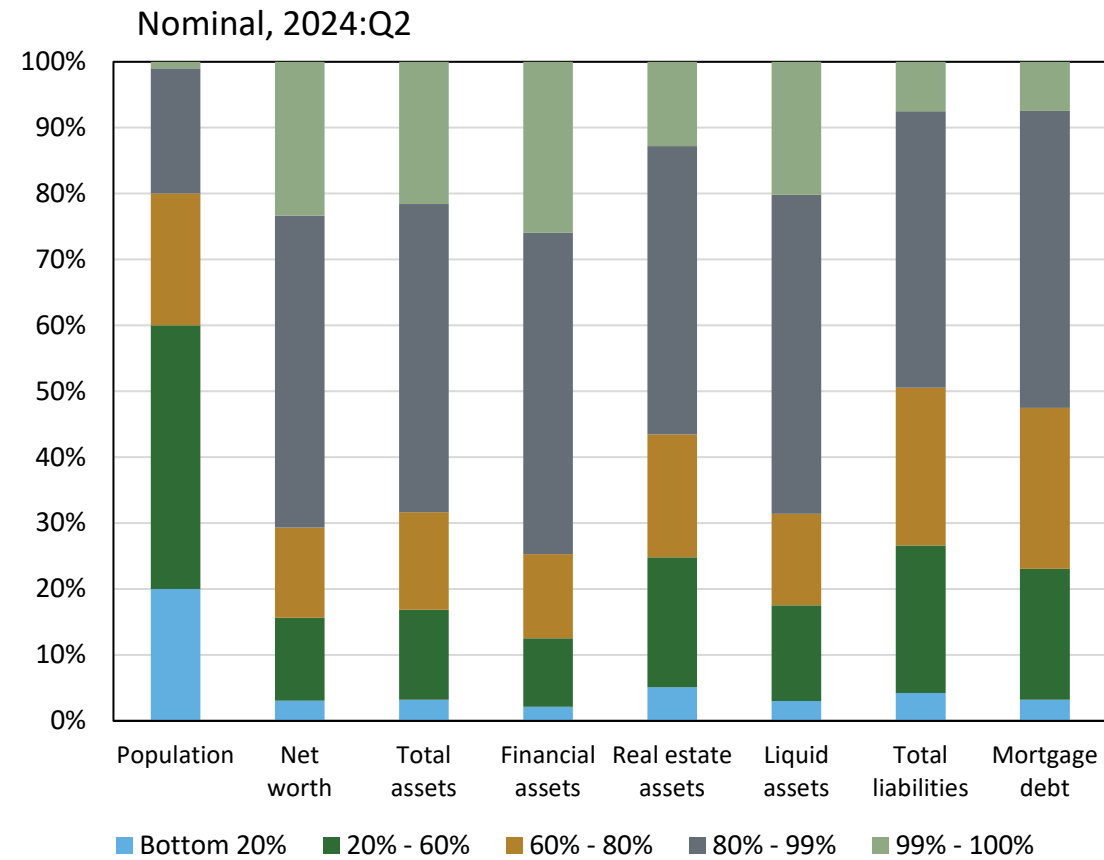
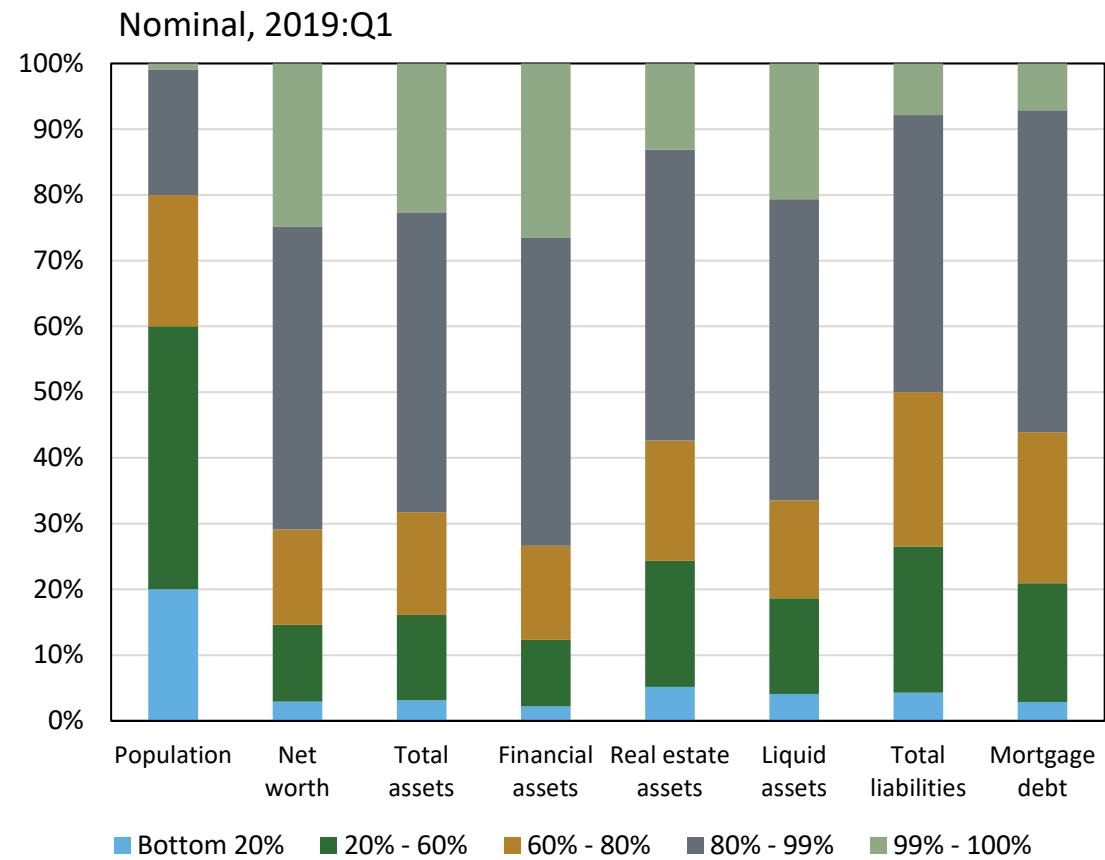


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# WEALTH INEQUALITY

BY INCOME PERCENTILE

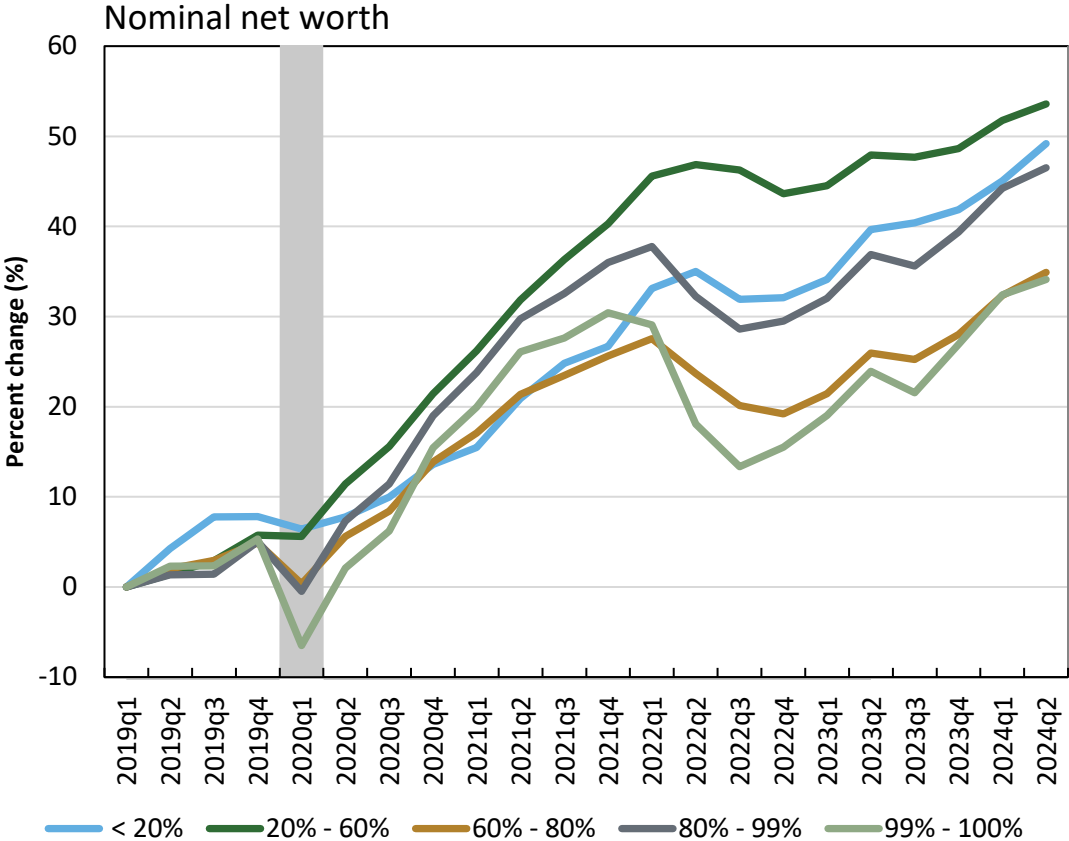
## Population and Ownership Shares by Income Percentile



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

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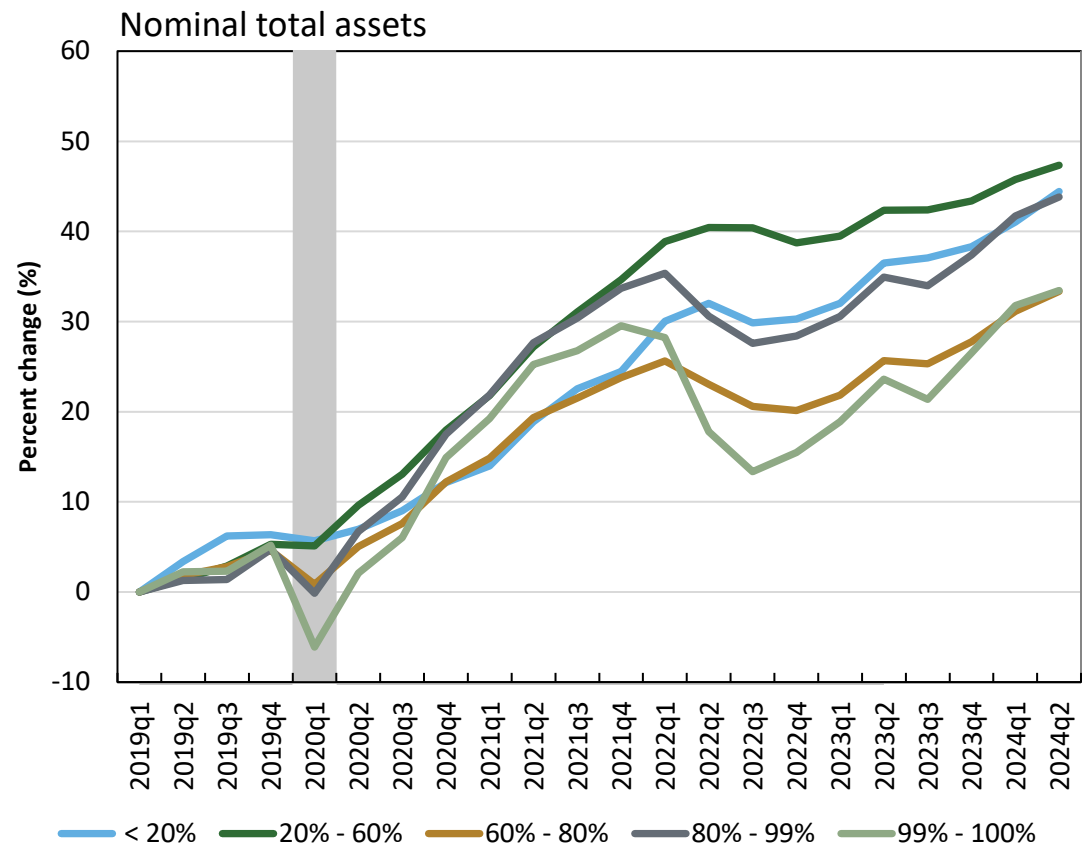
## Net Worth per Household by Income Percentile



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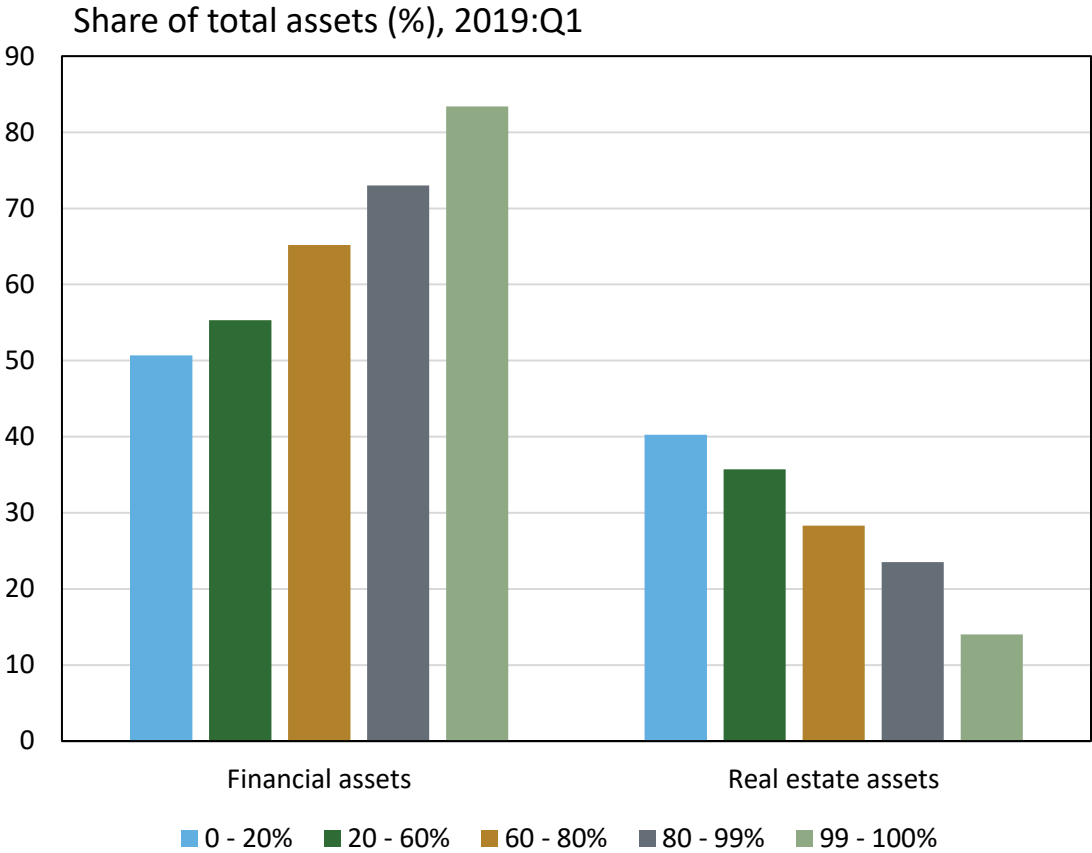
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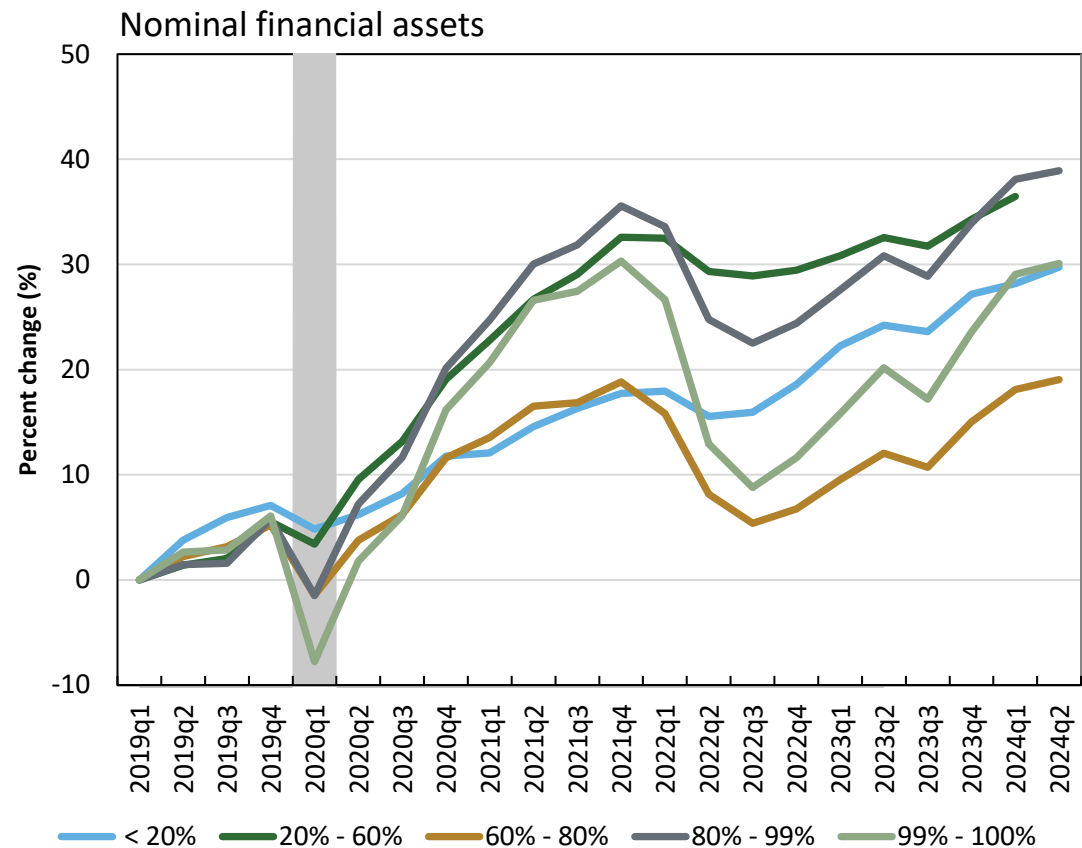
## Composition of Total Assets by Income Percentile



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## Financial Assets per Household by Income Percentile

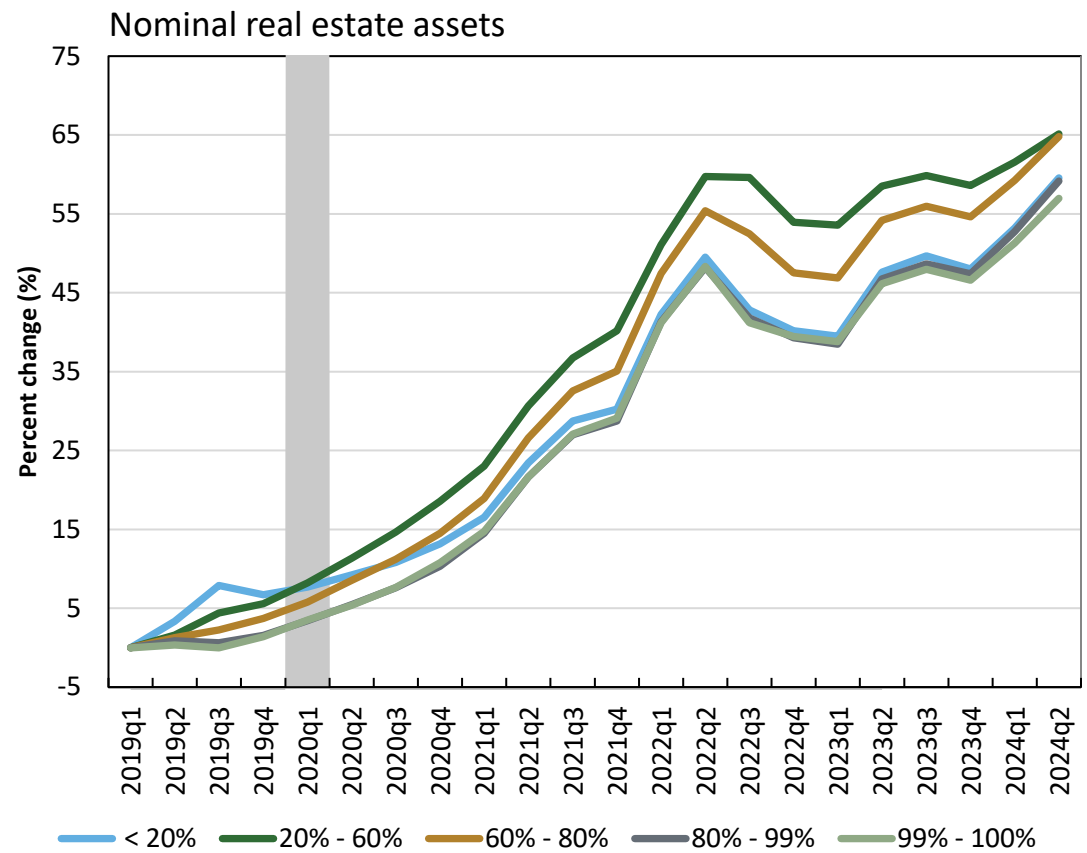


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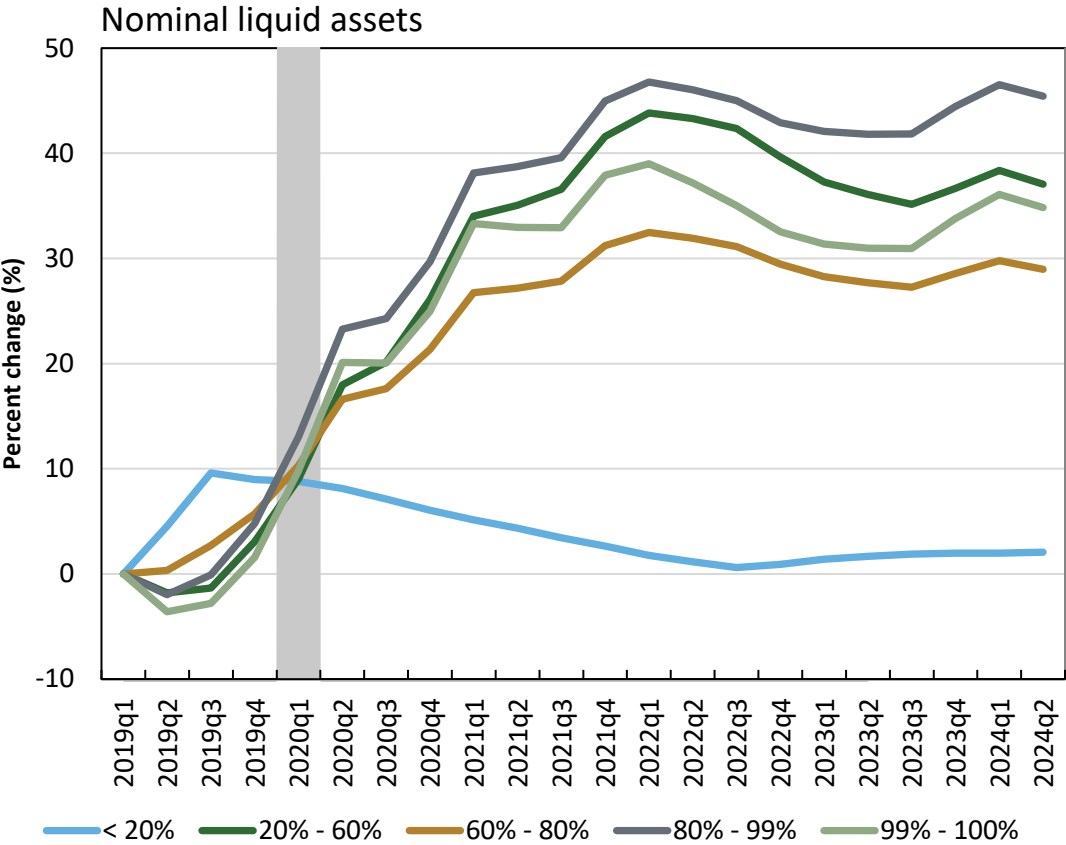
## Real Estate Assets per Household by Income Percentile



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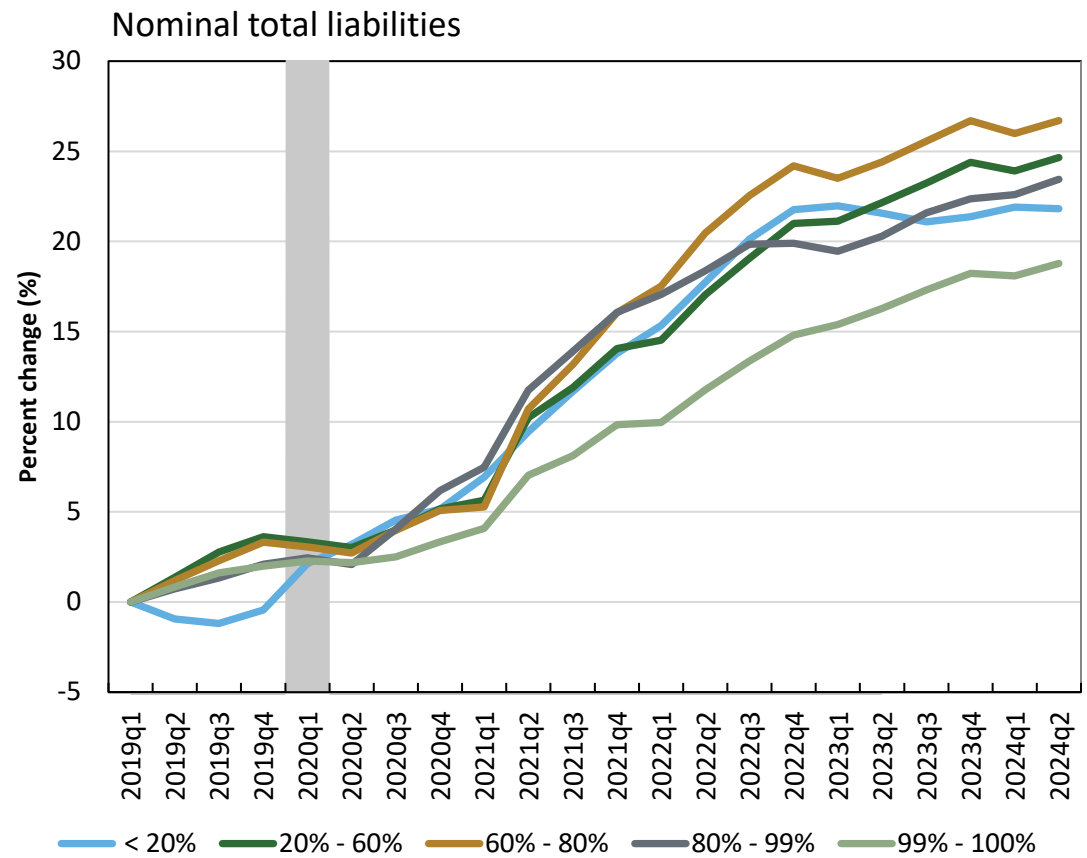
## Liquid Assets per Household by Income Percentile



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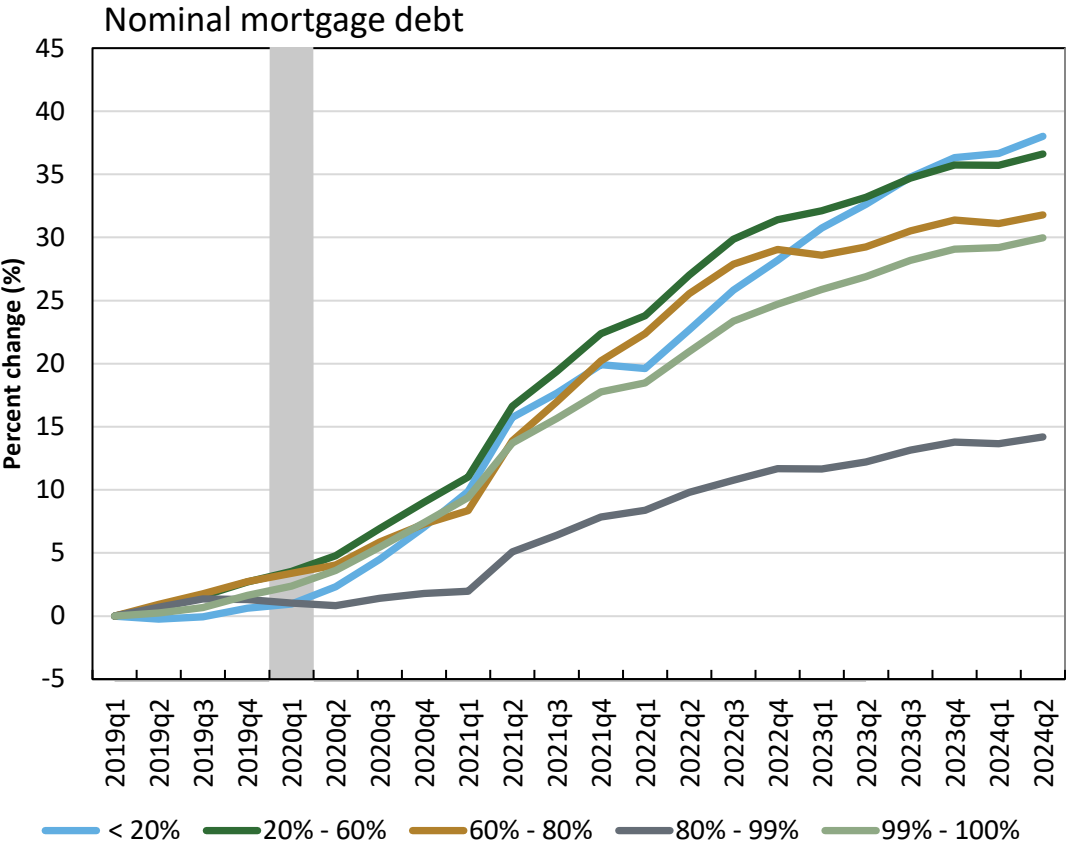
### Total Liabilities per Household by Income Percentile



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## Mortgage Debt per Household by Income Percentile



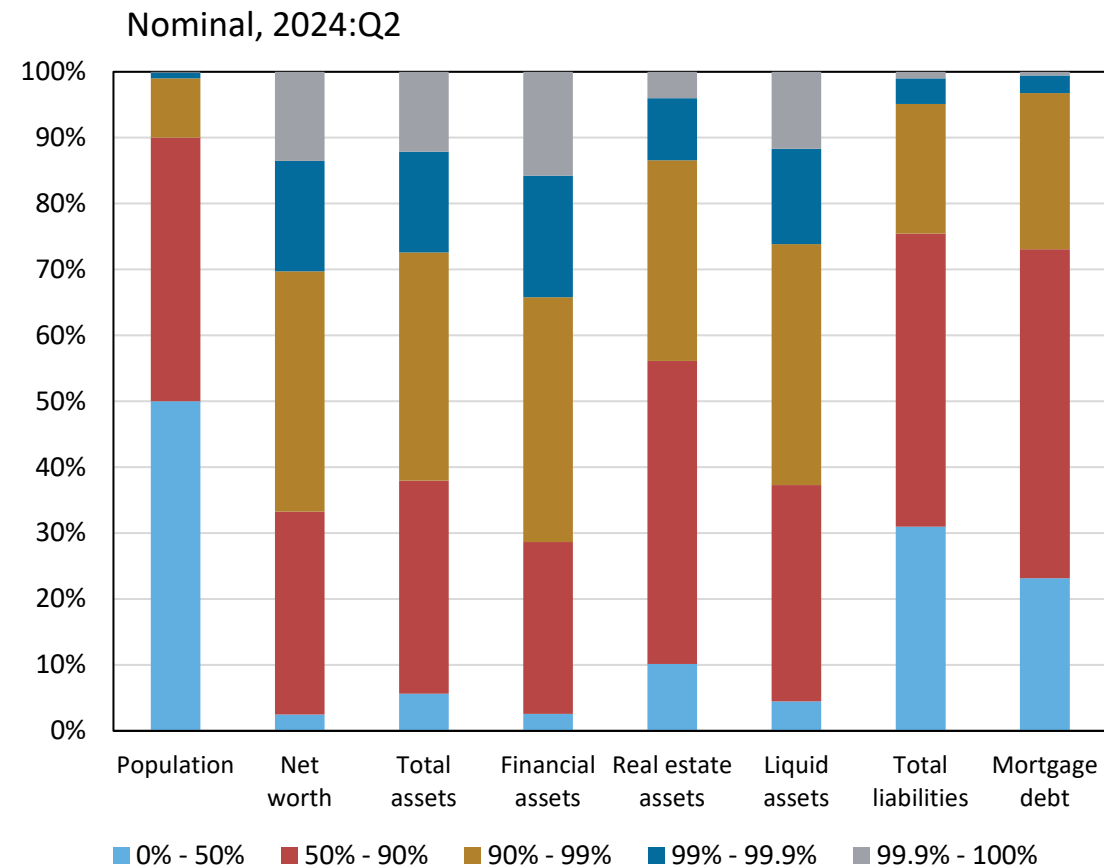
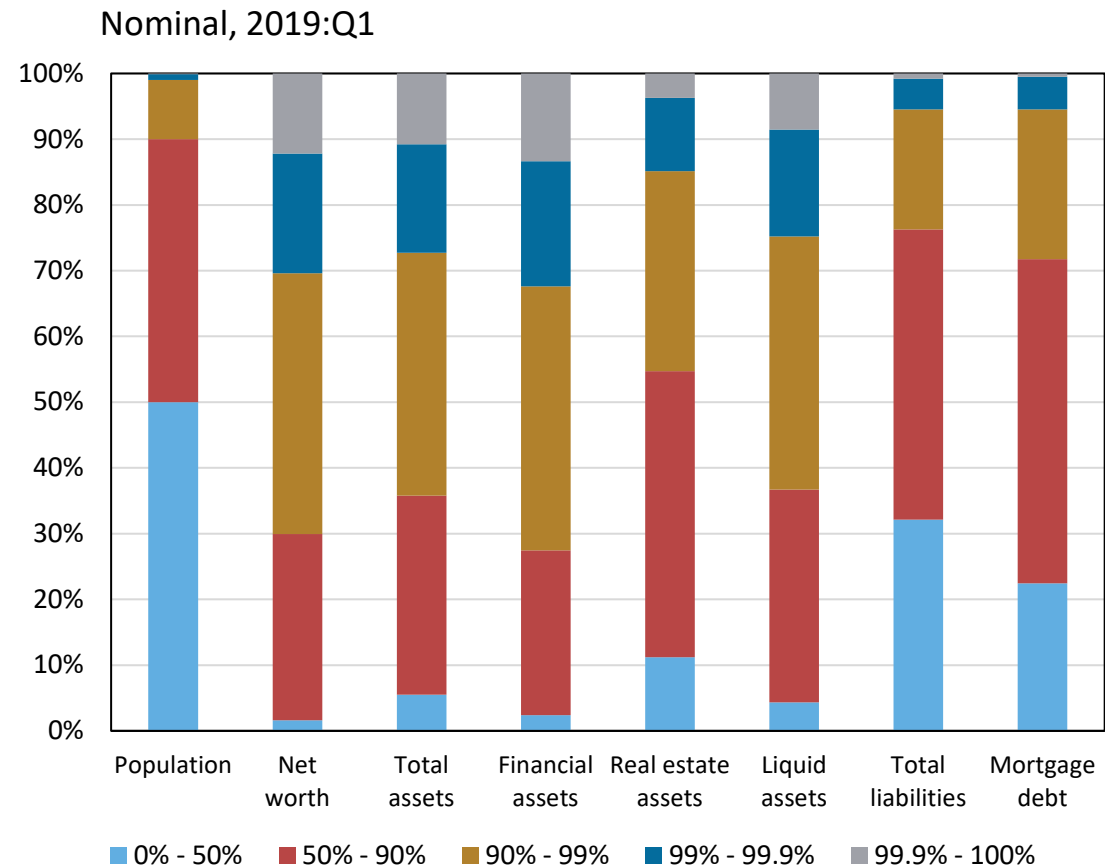
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BY WEALTH PERCENTILE

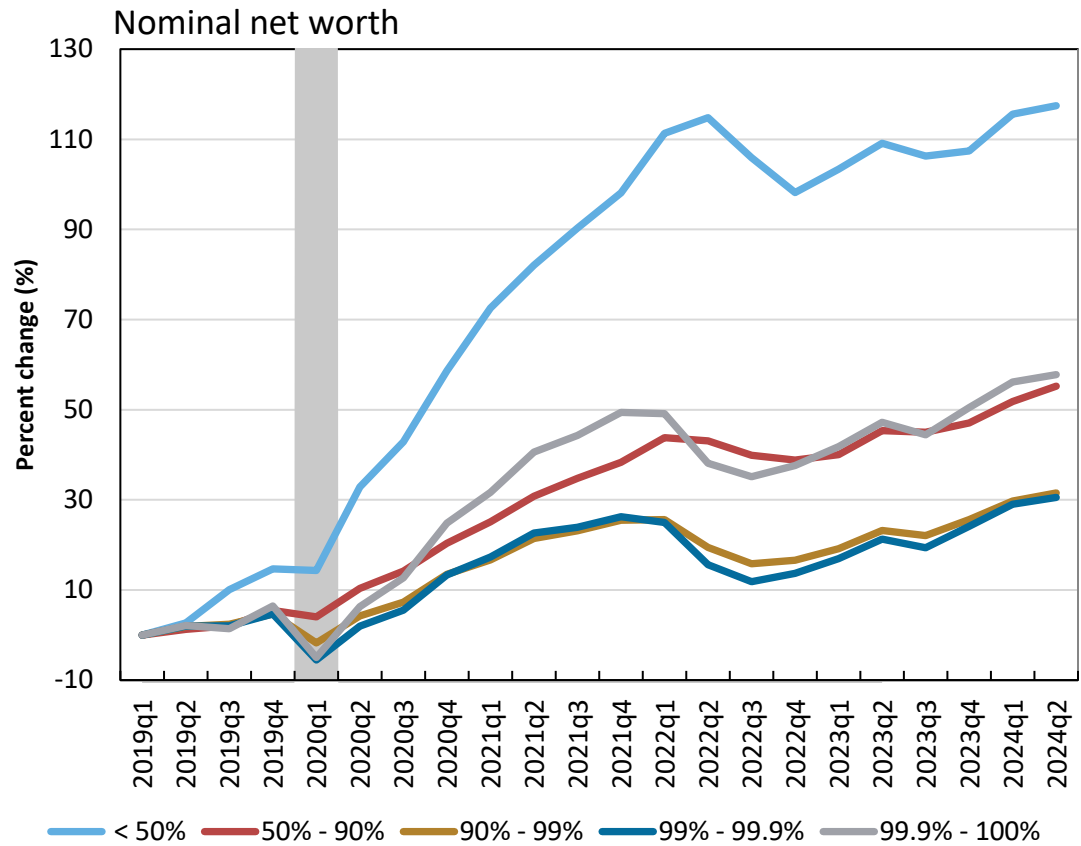
## Population and Ownership Shares by Wealth Percentile



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

Note: "Net worth" is total assets less total liabilities.

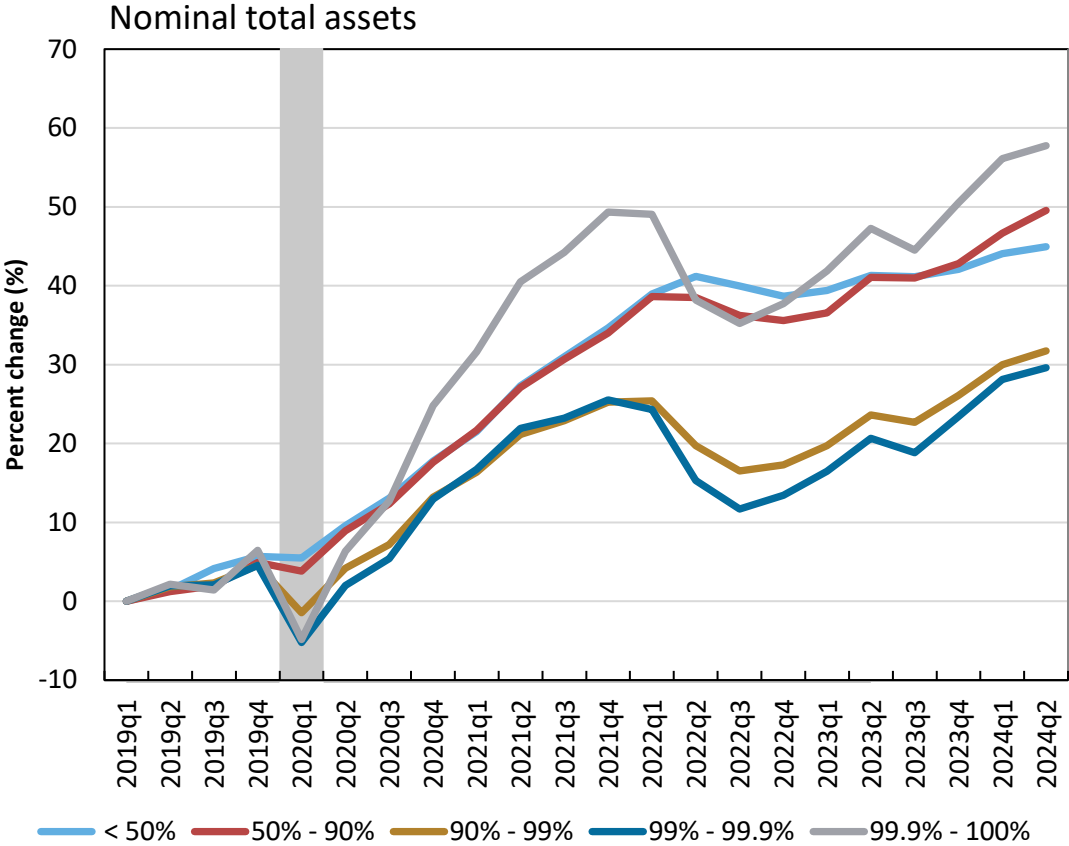
## Net Worth per Household by Wealth Percentile



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

Notes: "Net worth" is total assets less total liabilities. Shaded region indicates the COVID-19 recession.

## Total Assets per Household by Wealth Percentile

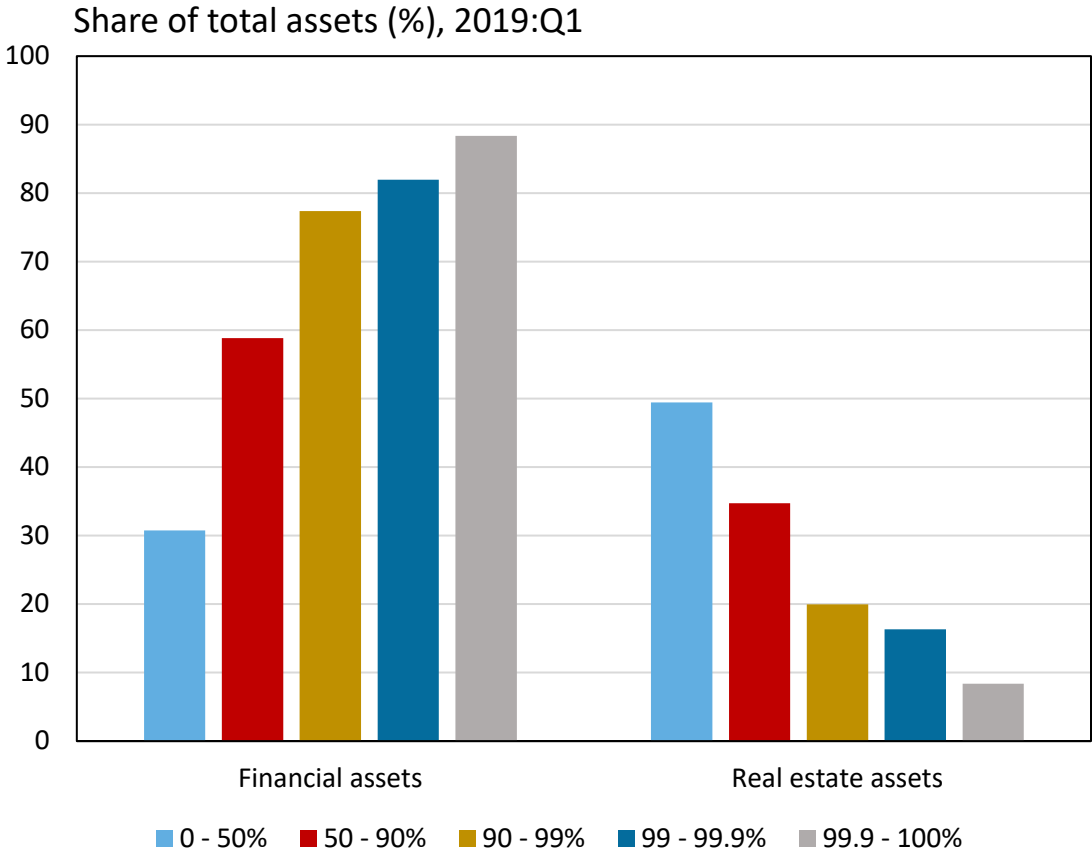


Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.

Note: Shaded region indicates the COVID-19 recession.

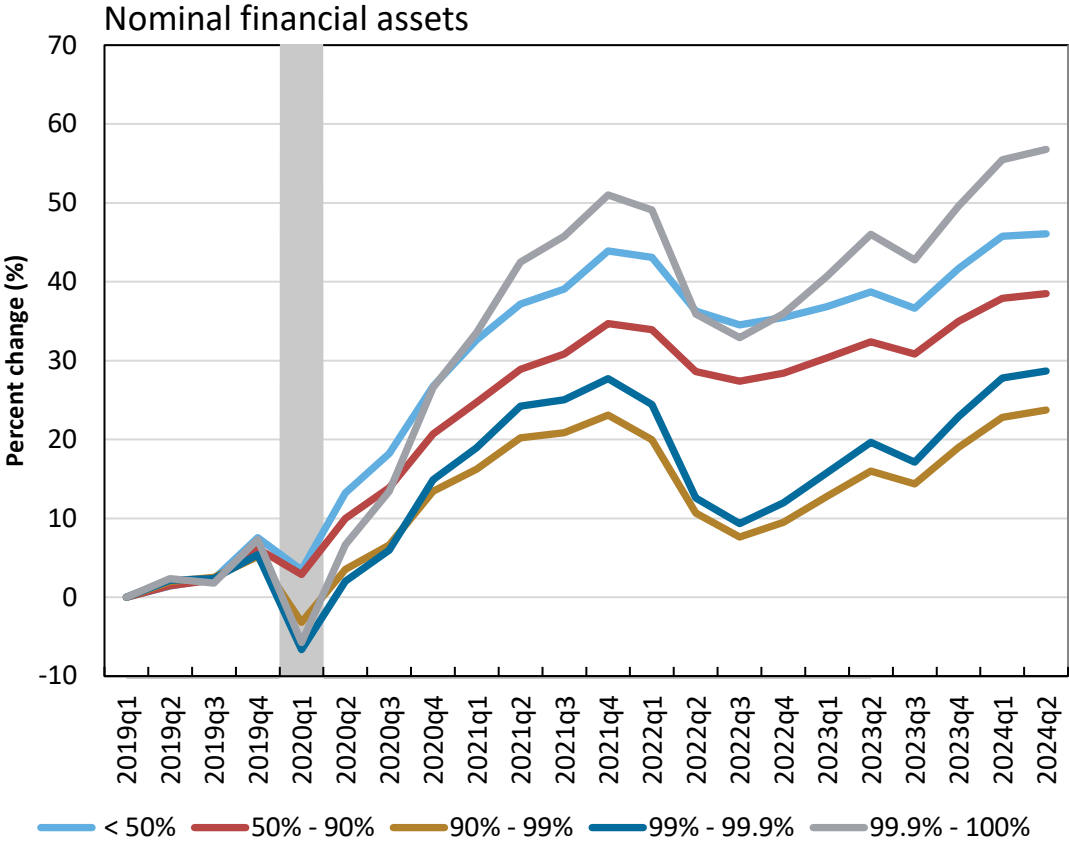


## Composition of Total Assets by Wealth Percentile



Source: Distributional Financial Accounts via Federal Reserve.  
Note: We include financial asset composition from 2019:Q1 as this is our pre-COVID, baseline period.

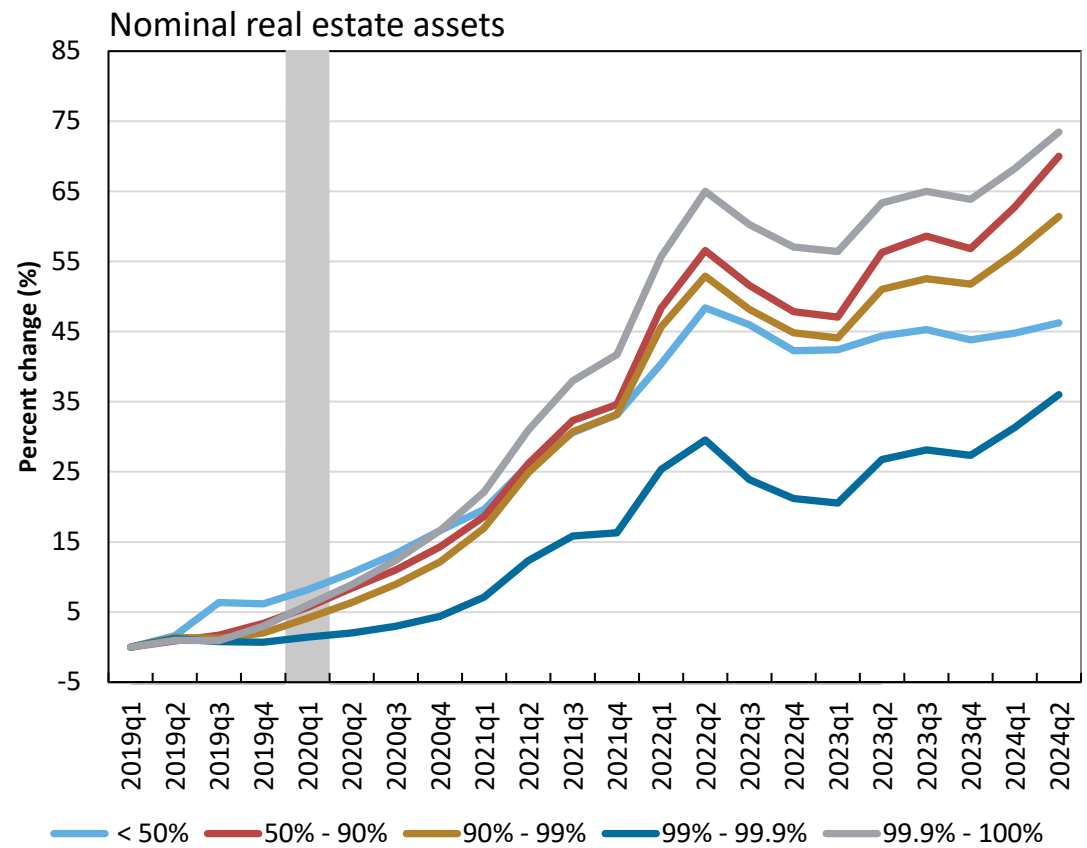
## Financial Assets per Household by Wealth Percentile



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

Note: Shaded region indicates the COVID-19 recession.

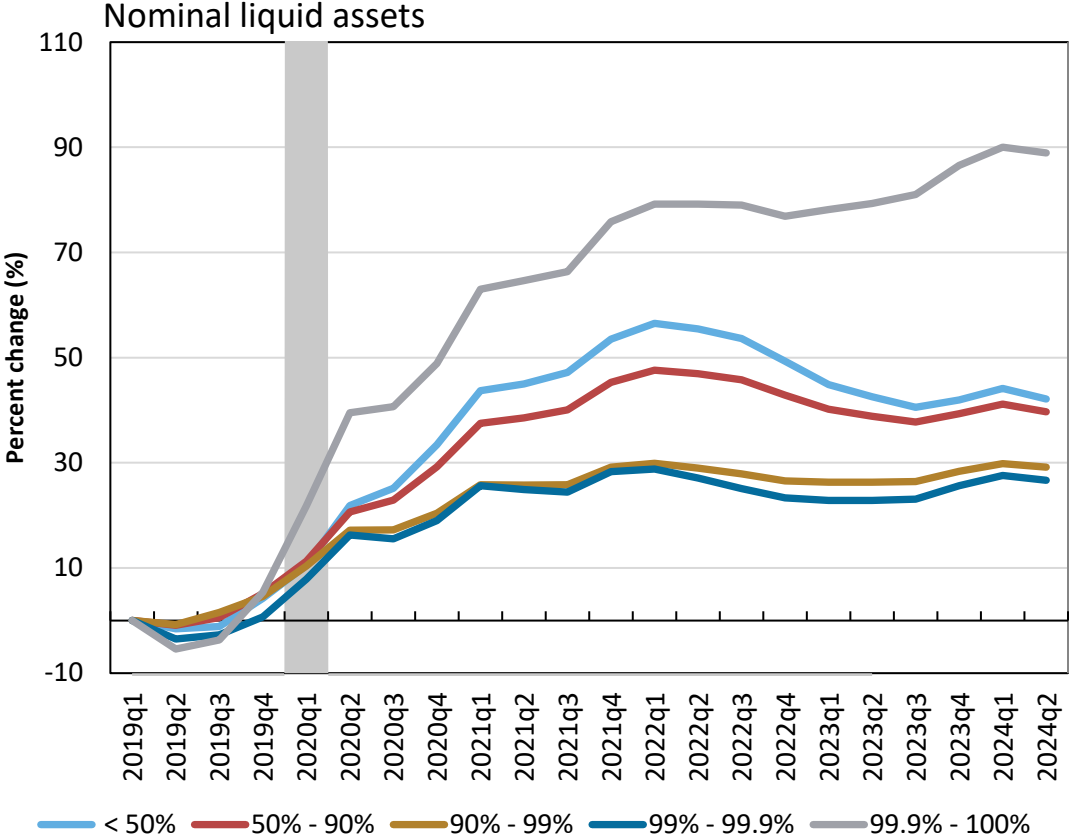
## Real Estate Assets per Household by Wealth Percentile



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

Note: Shaded region indicates the COVID-19 recession.

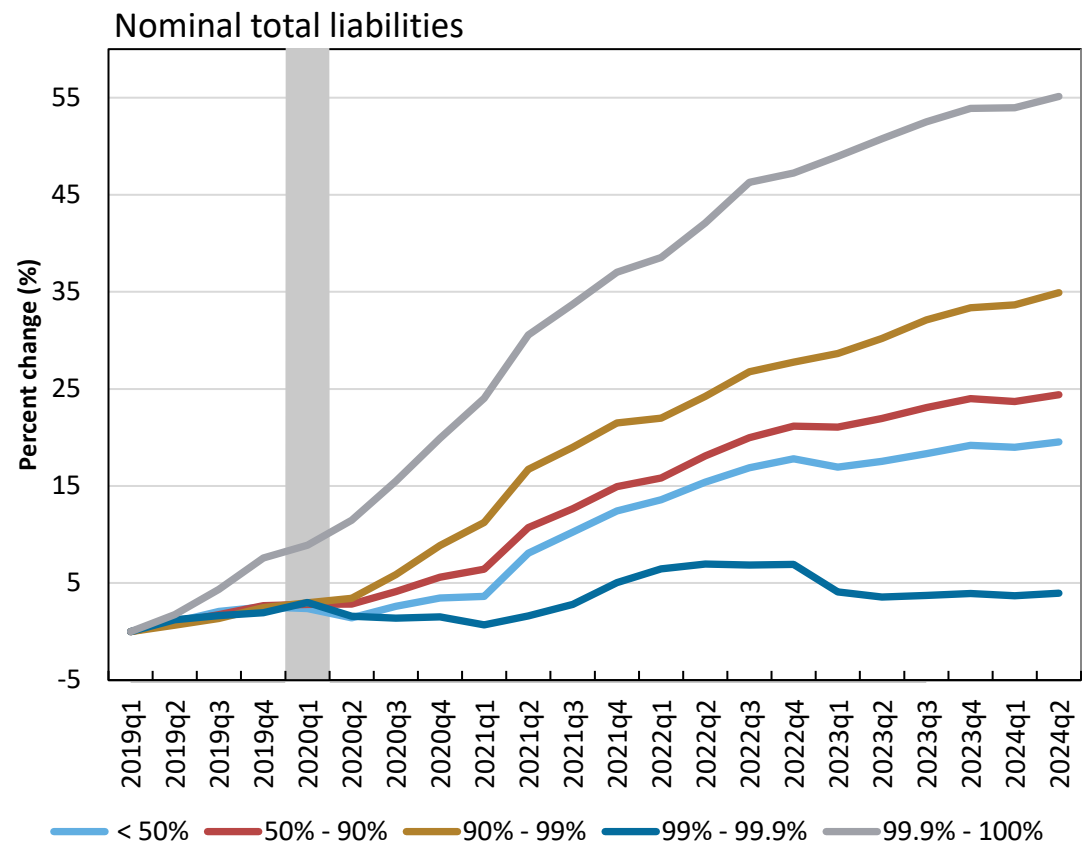
## Liquid Assets per Household by Wealth Percentile



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

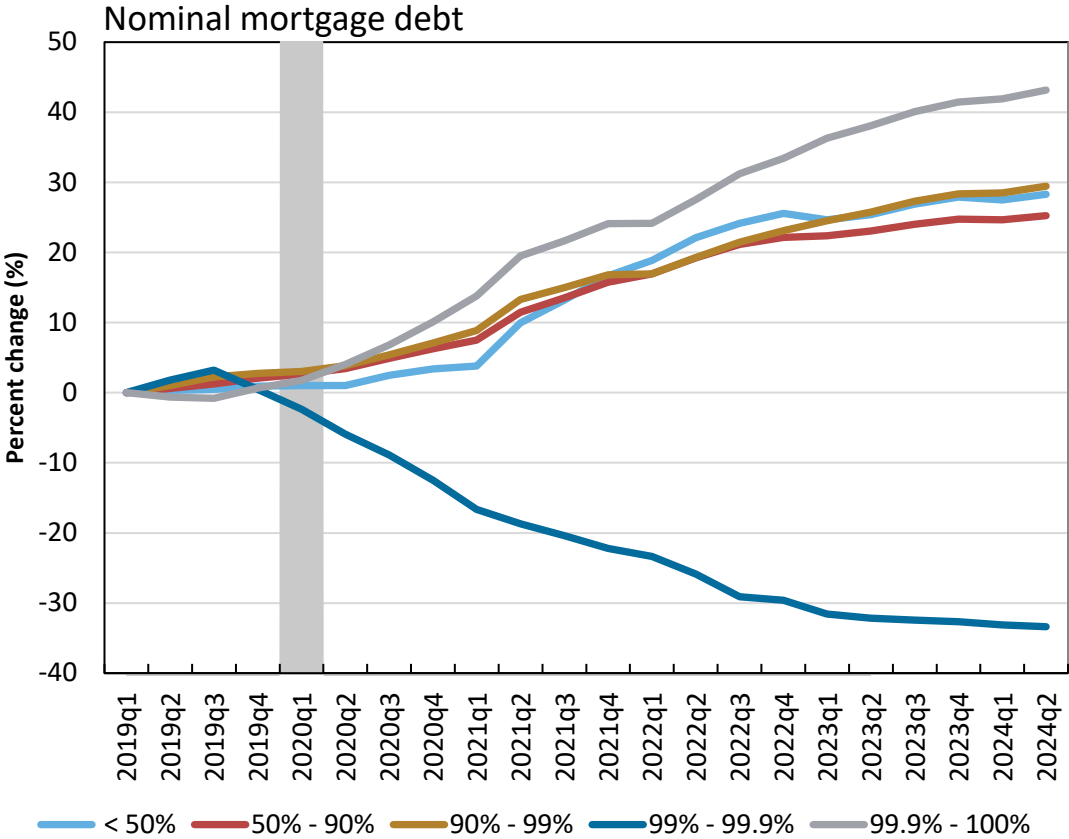
Note: Shaded region indicates the COVID-19 recession.

Total Liabilities per Household by Wealth Percentile



Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.  
Note: Shaded region indicates the COVID-19 recession.

## Mortgage Debt per Household by Wealth Percentile



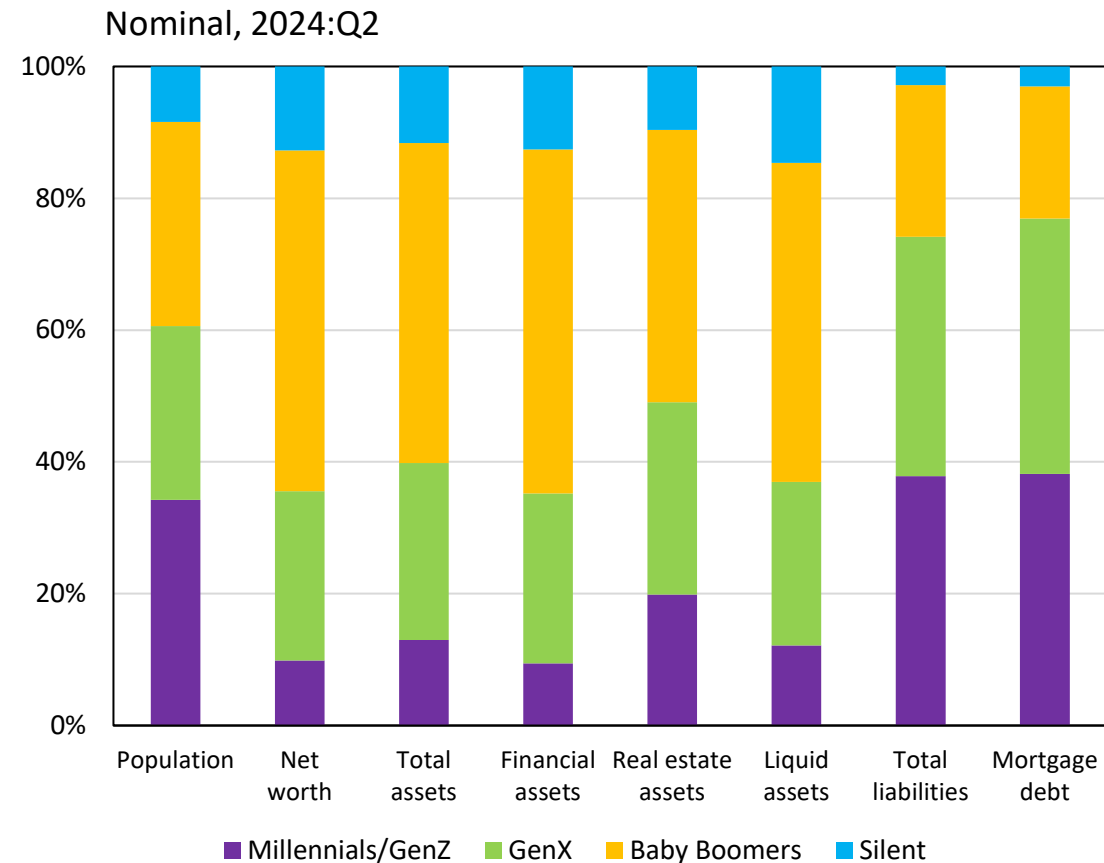
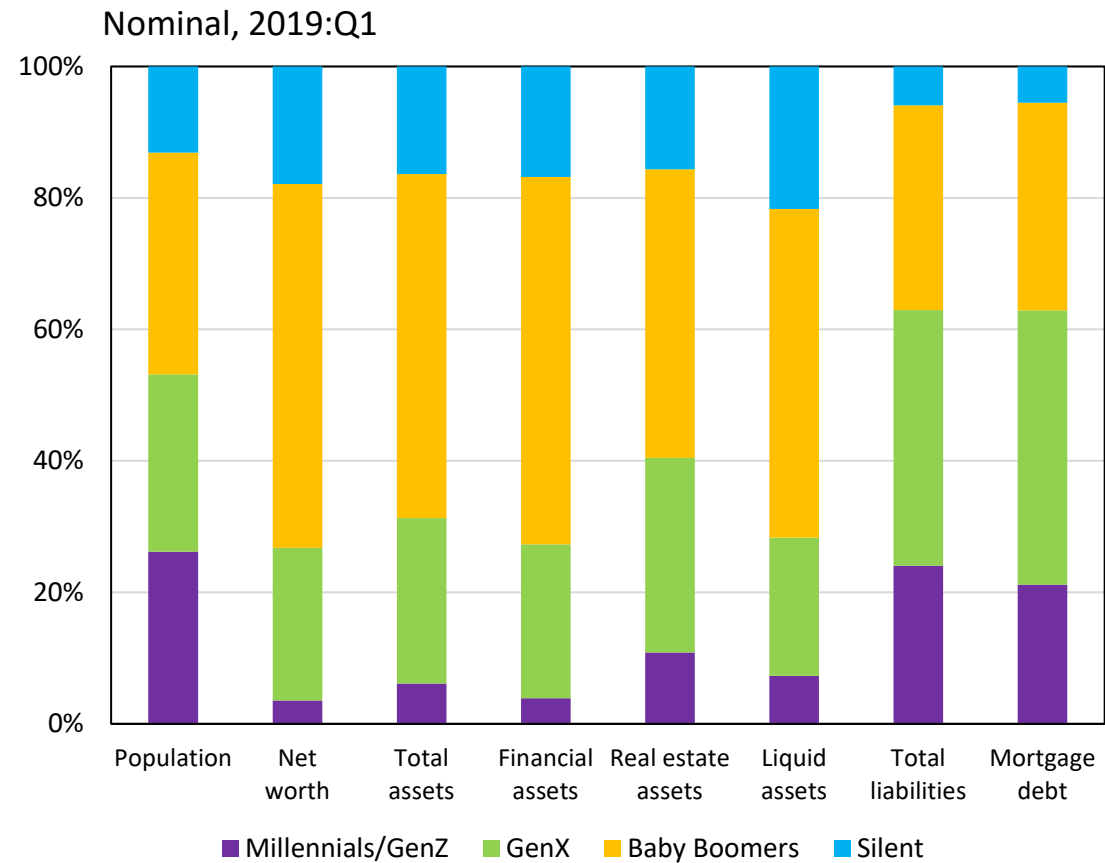
Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.

Note: Shaded region indicates the COVID-19 recession.

# WEALTH INEQUALITY

BY GENERATION

## Population and Ownership Shares by Generation

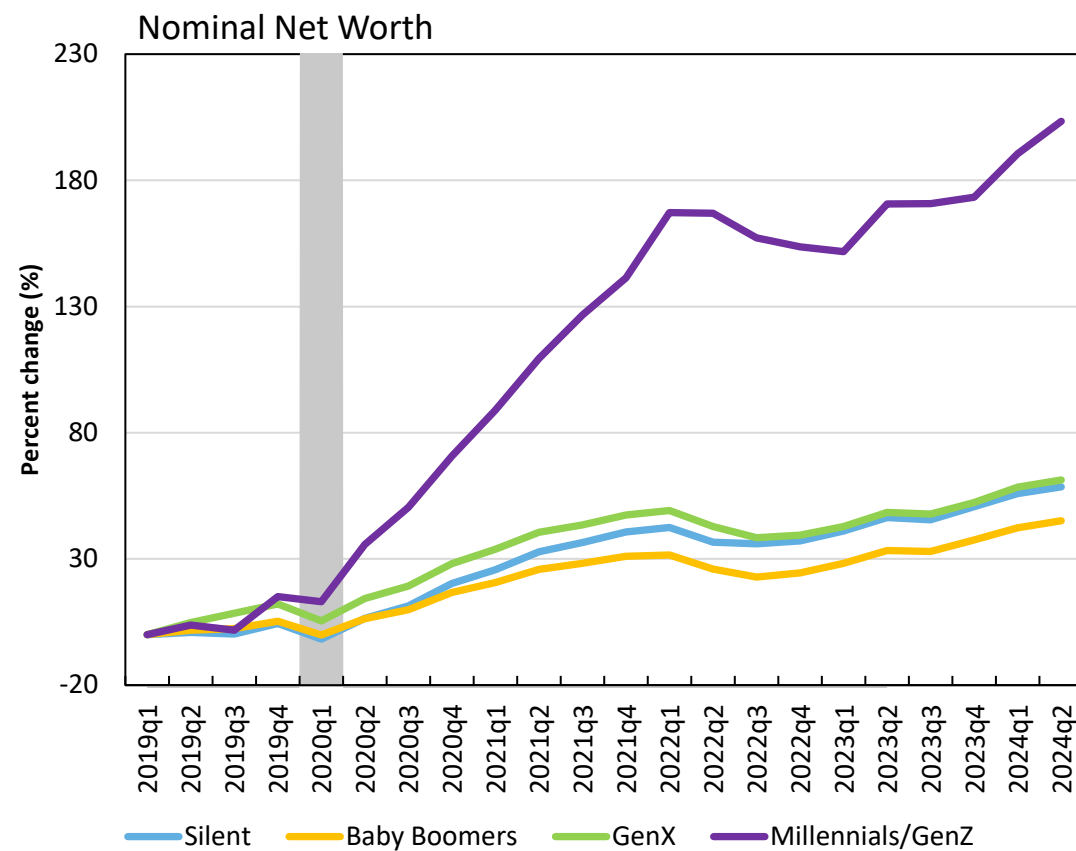


Sources: Distributional Financial Accounts via Federal Reserve, Consumer Price Index via Haver Analytics, and authors' calculations.

Note: "Net worth" is total assets less total liabilities.



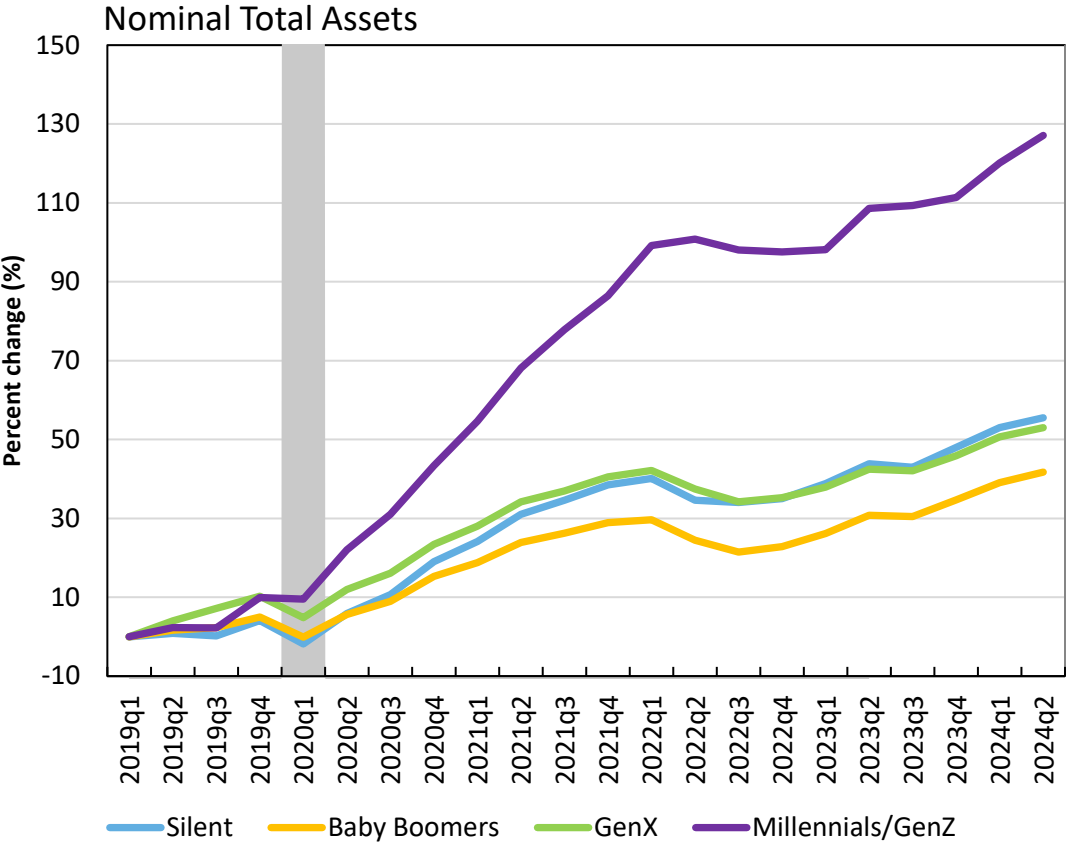
## Net Worth per Household by Generation



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

Notes: "Net worth" is total assets less total liabilities. Shaded region indicates the COVID-19 recession.

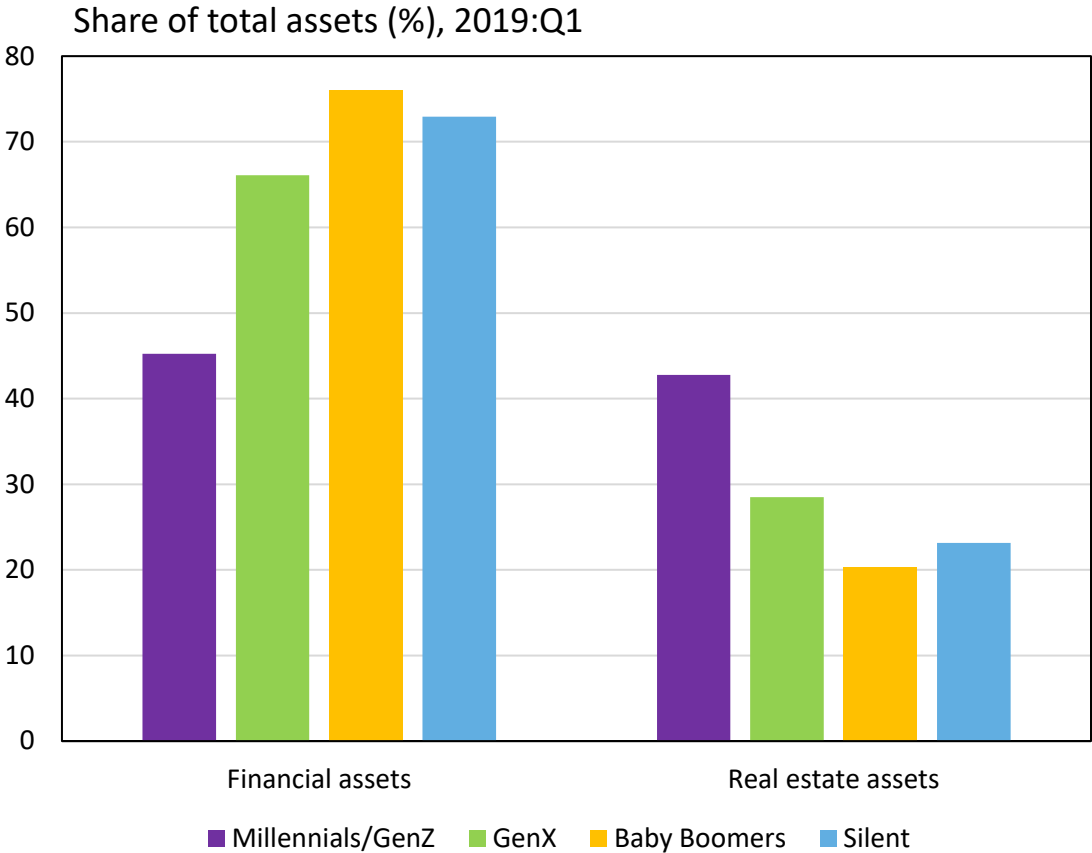
## Total Assets per Household by Generation



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

Note: Shaded region indicates the COVID-19 recession.

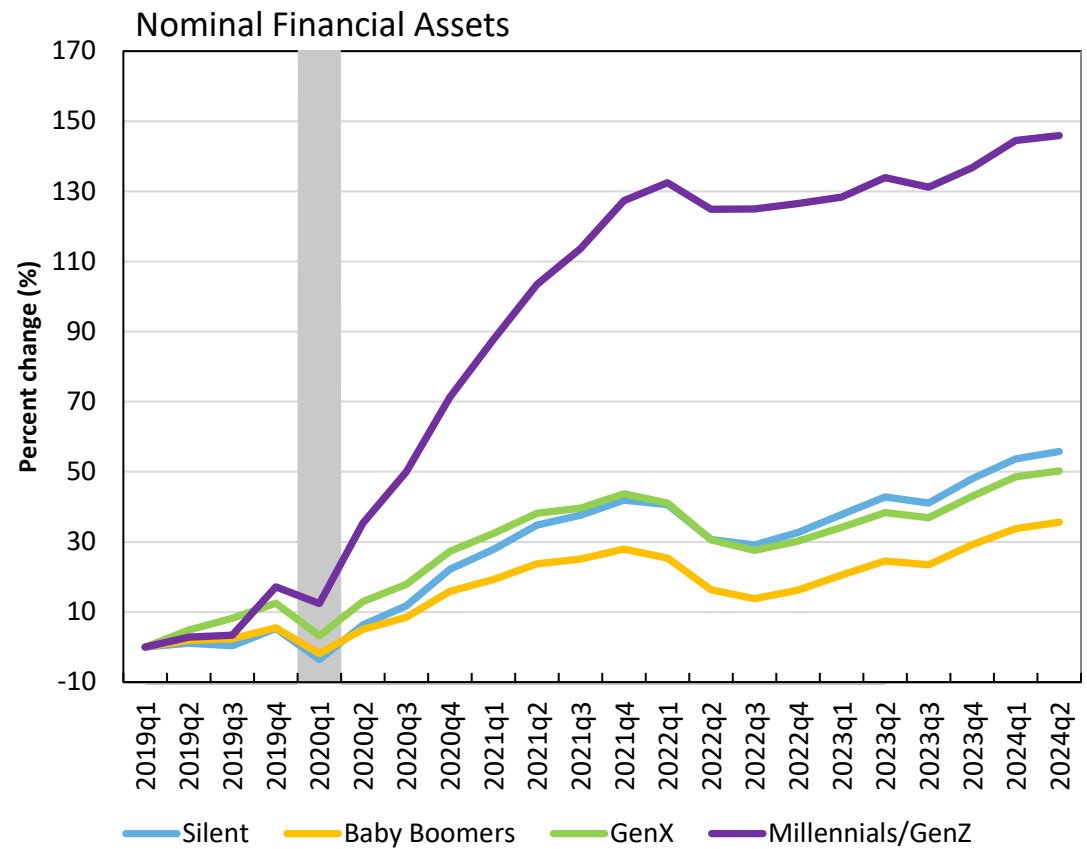
## Composition of Total Assets by Generation



Source: Distributional Financial Accounts via Federal Reserve.

Note: We include financial asset composition from 2019:Q1 as this is our pre-COVID, baseline period.

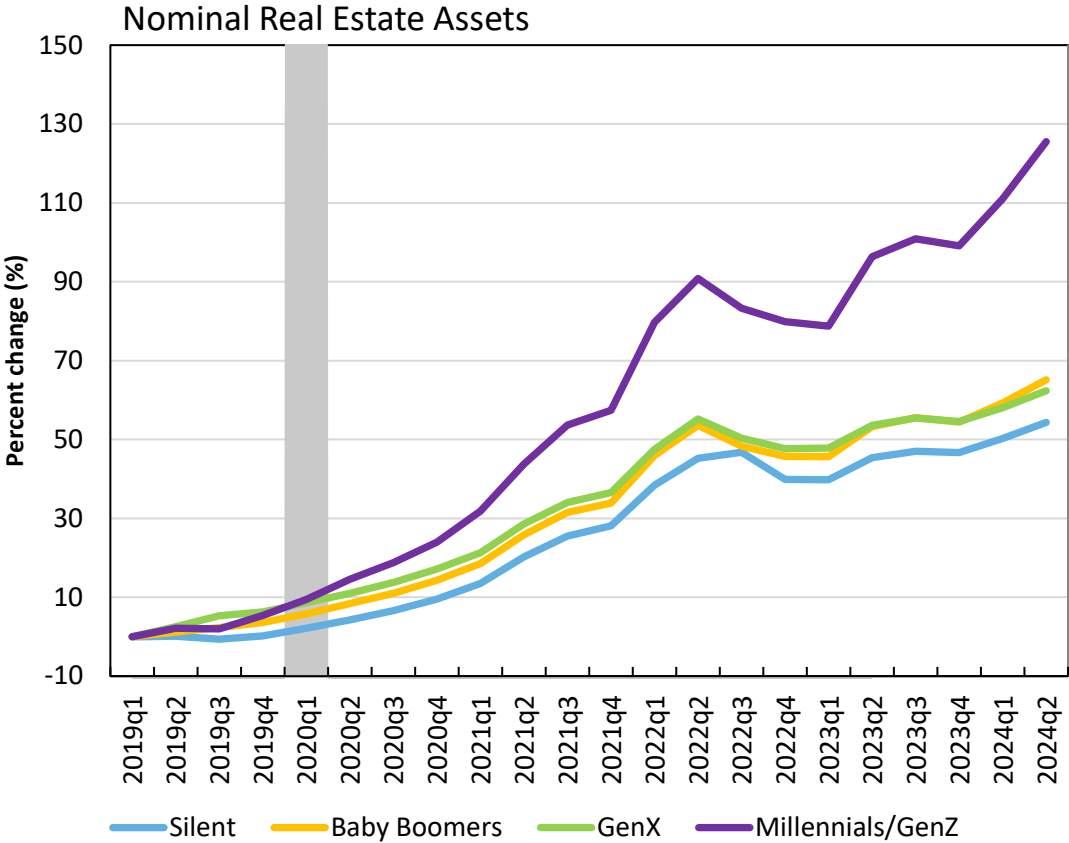
## Financial Assets per Household by Generation



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

Note: Shaded region indicates the COVID-19 recession.

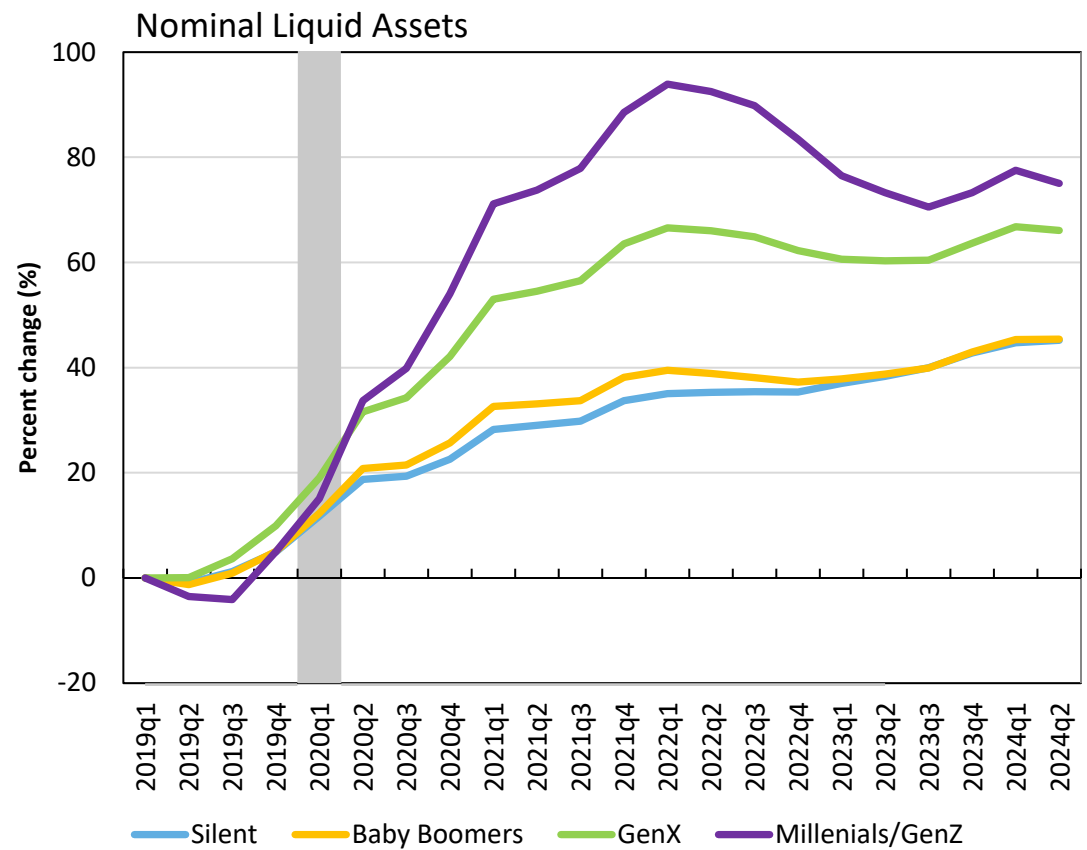
## Real Estate Assets per Household by Generation



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

Note: Shaded region indicates the COVID-19 recession.

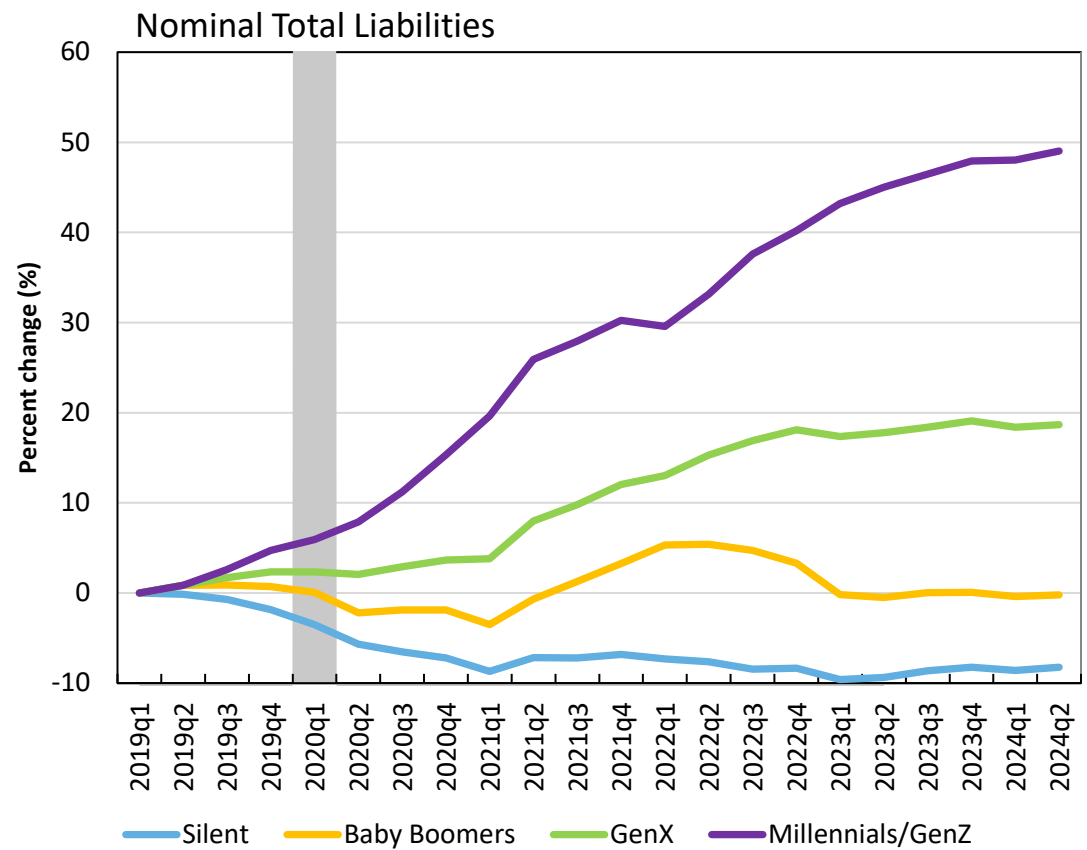
## Liquid Assets per Household by Generation



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

Note: Shaded region indicates the COVID-19 recession.

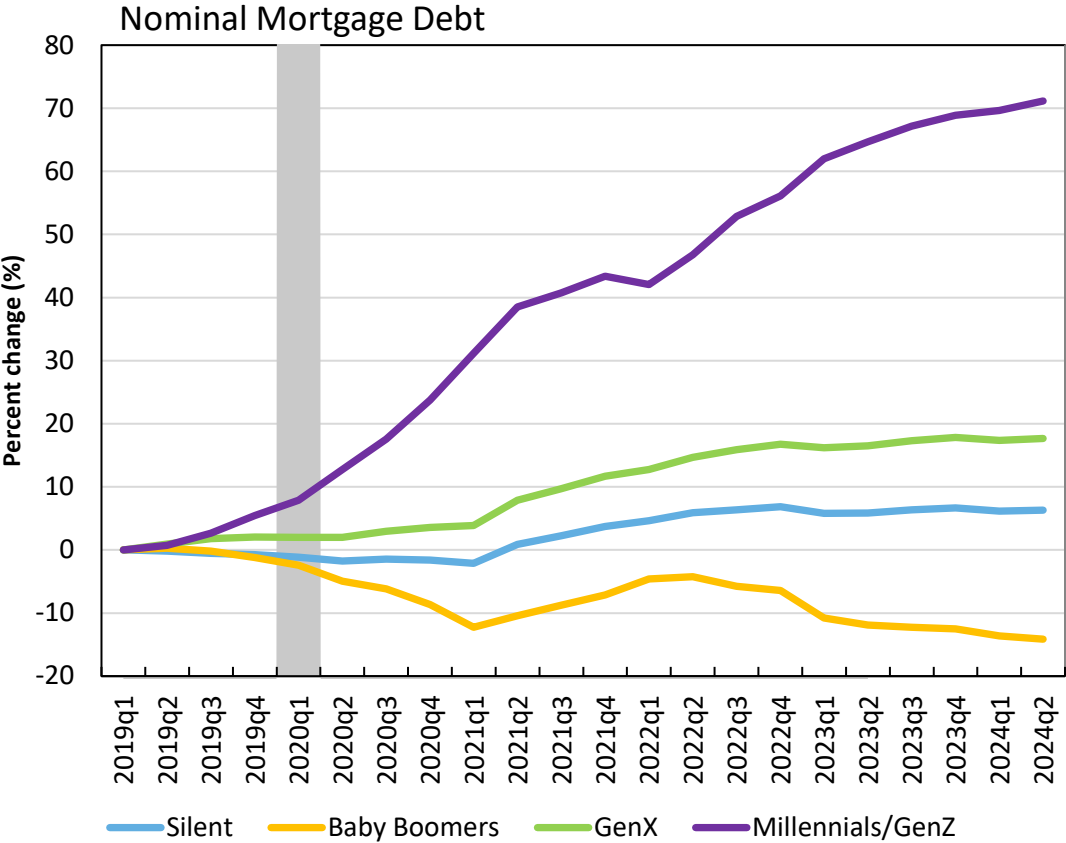
## Total Liabilities per Household by Generation



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

Note: Shaded region indicates the COVID-19 recession.

## Mortgage Debt per Household by Generation



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

Note: Shaded region indicates the COVID-19 recession.