

The racial wealth gap, economic justice and COVID-19

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Overview

- I. The history of the racial wealth gap
- II. economic justice and courts
- III. Racial disparities worsened by COVID-



PART I

The history of the racial wealth gap



“The the absolute difference in wealth holdings between the median households among populations grouped by race or ethnicity.”

Definition of the racial wealth gap by Brandeis University



“The *median* net worth of white households (\$171,000) is *ten times* the median net worth of Black households (\$17,600) and eight times that of Latinx households (\$20,700).”

Center on Budget and Policy Priorities

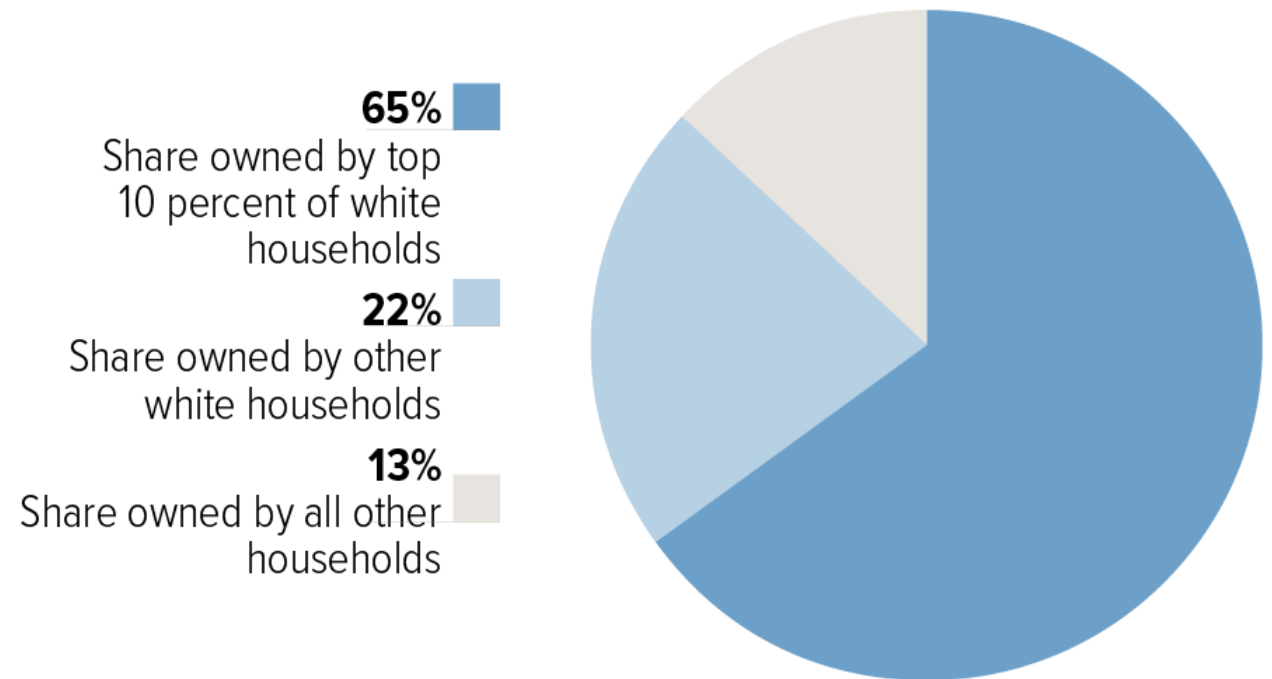


growing wealth inequality

- Average wealth has increased over the past 50 years, but it has not grown equally for all groups.
- Between 1963 and 2016, families near the bottom of the wealth distribution (those at the 10th percentile) went from having no wealth on average to being about \$1,000 in debt,
- Those in the middle more than doubled their wealth,
- Families near the top (at the 90th percentile) saw their wealth increase fivefold.
- The wealth of those at the 99th percentile—in other words, those wealthier than 99 percent of all families—grew sevenfold.

Wealthiest 10 Percent of White Households Own Two-Thirds of U.S. Wealth

87 percent of wealth owned by white households

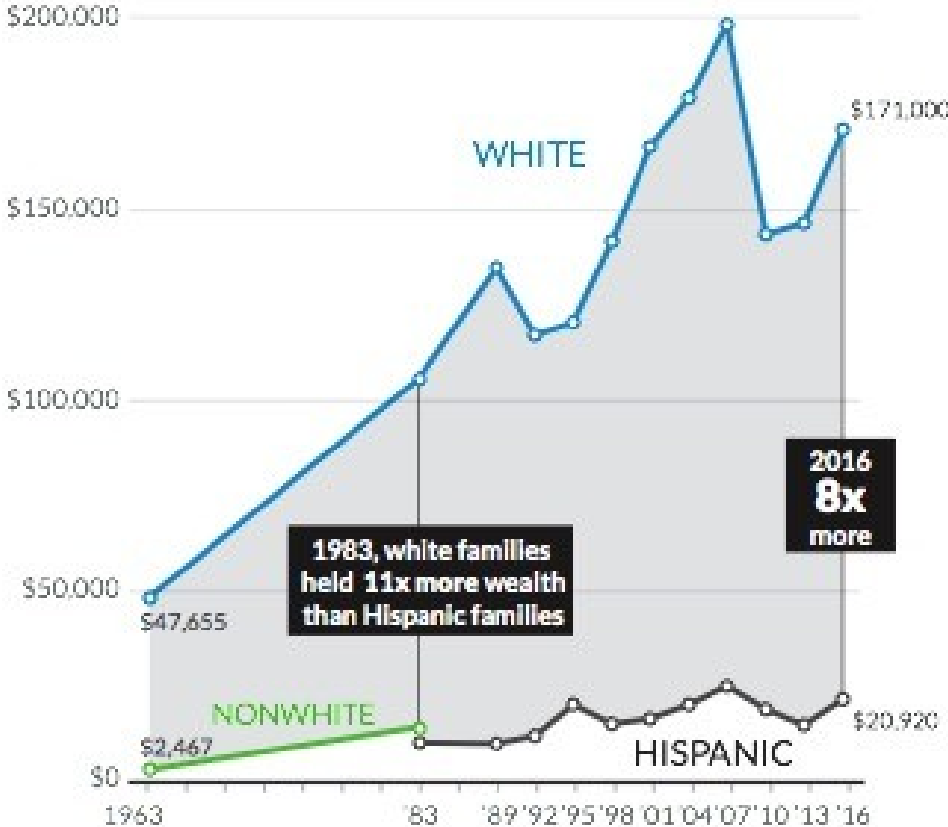
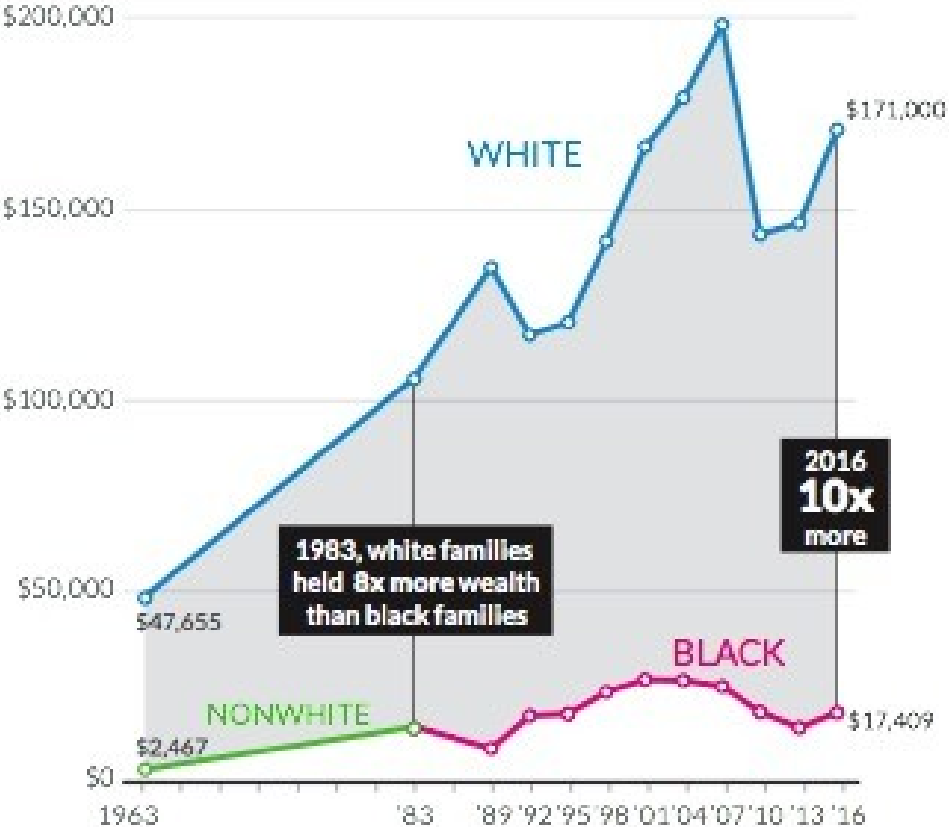


Source: Federal Reserve's Survey of Consumer Finances

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG



Median Family Wealth by Race/Ethnicity, 1963–2016



Source: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983–2016.

Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later.



Average Accumulated Real Lifetime Earnings at Ages 58-62 for People Born 1950-54, by Gender and Race/Ethnicity

Source: Melissa Favreault, Urban Institute's tabulations from the 2008 Survey of Income and Program Participation matched to Summary Earnings Records through 2012.

Notes: 2015 dollars. These people are ages 58-62 in 2012. Excludes people outside US for more than 10 years of adulthood; this is especially important for Hispanics, who are more likely foreign born. Earnings are accumulated using assumed interest rates from the OASDI trustees report.

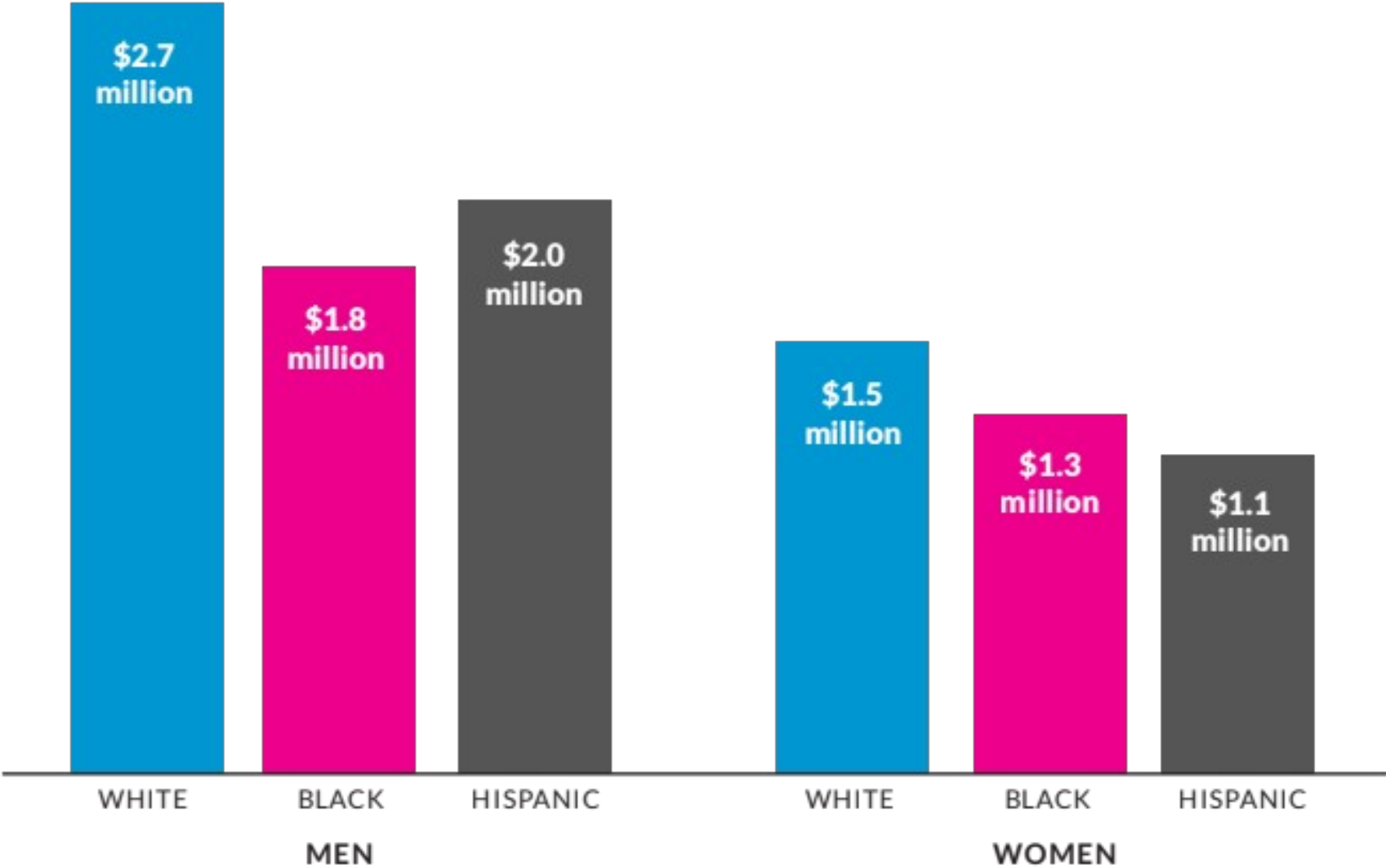
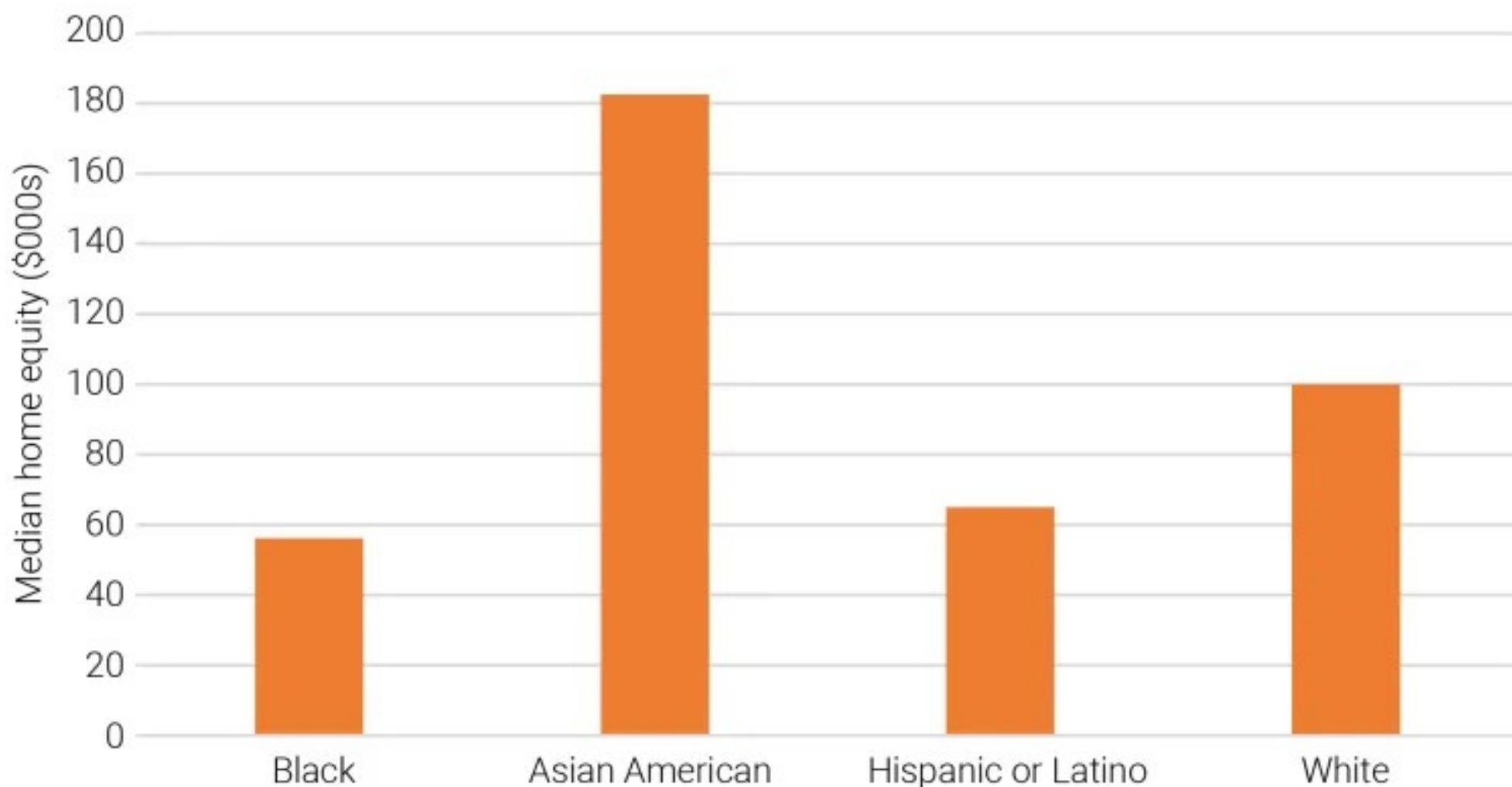


Figure 2. Black and Latino or Hispanic homeowners have less housing equity

Median home equity (home value less outstanding mortgage balance) by race



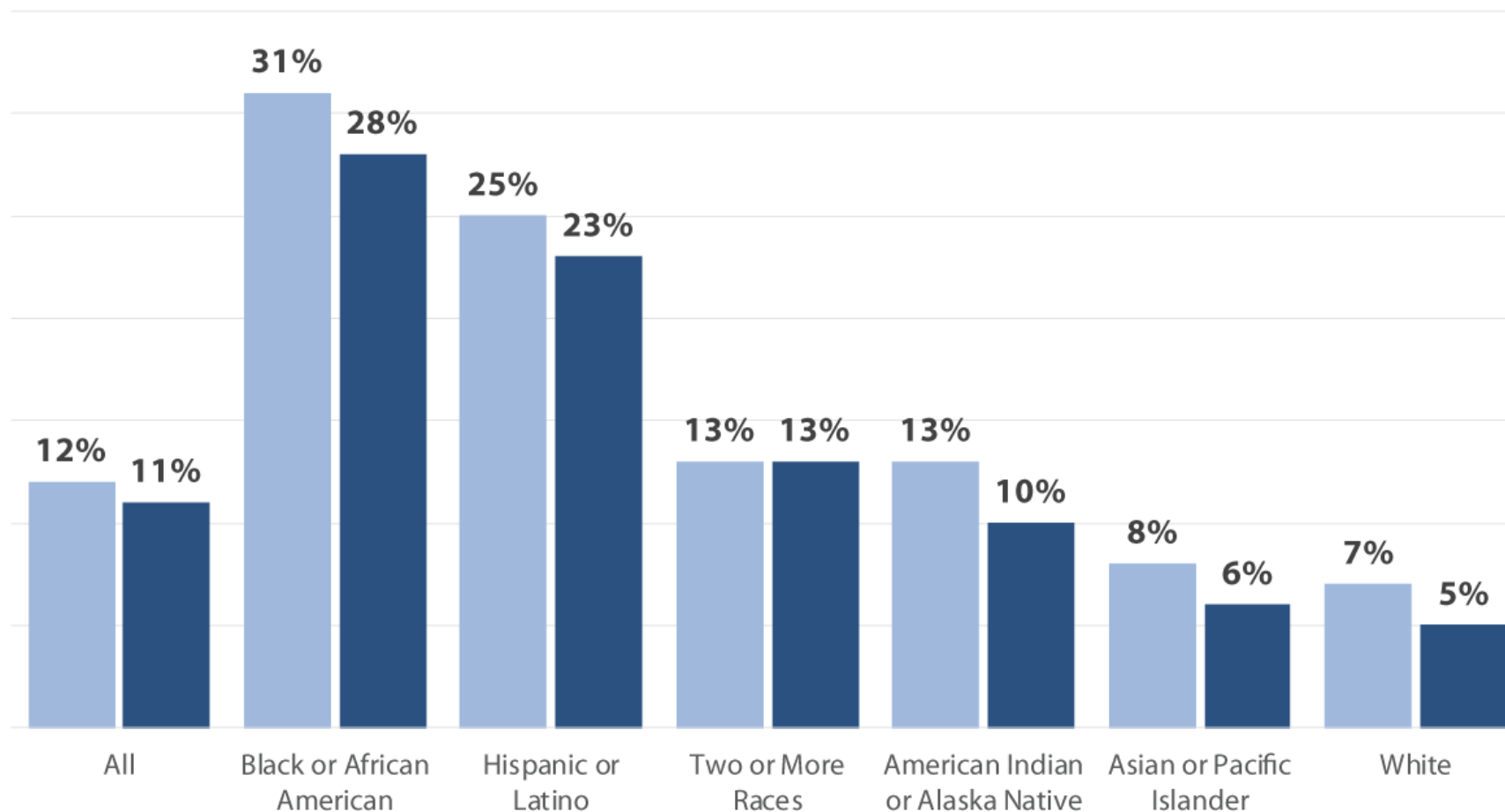
Source: SIPP 2015. All groups are mutually exclusive (e.g. Black non-Hispanic, Hispanic includes all races).

BROOKINGS



Despite improvement Black and Latino children in Oklahoma are still more likely to live in concentrated poverty

Percent of children living in concentrated poverty



2008 - 2012 2013 - 2017

Source: U.S. Census Bureau, 2013-17 American Community Survey.



Impact on families

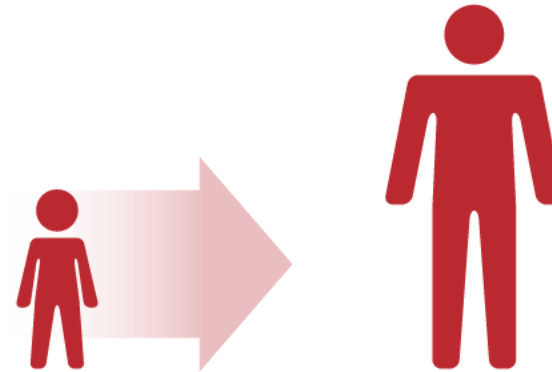
- Currently, one in five Oklahoma children live in households with an income of \$25,926 for a family of two adults and two children.
- African-American children in Oklahoma are nearly six times more likely to live in concentrated poverty than white children.
- Latino children are more than four times as likely. While disparities for Black and Latino children are similar to national trends.
- American Indian kids in Oklahoma are two times more likely to live in concentrated poverty than white kids, compared to a national average of seven times as likely.

Higher Income for Poor Children Expected to Boost Work and Earnings Later in Life

\$3,000 annual increase in income to poor children before age 6 associated with increase in work hours when they become adults

+\$3,000
a year

+135
working hours
a year



For each \$3,000 a year in added income that children in a poor family receive before age 6...

...their working hours rise by 135 hours a year between ages 25 and 37, and their annual earnings rise by 17%.

Source: Greg J. Duncan, Kathleen M. Ziol-Guest, and Ariel Kalil, "Early-Childhood Poverty and Adult Attainment, Behavior, and Health," *Child Development*, January/February 2010, pp. 306-325

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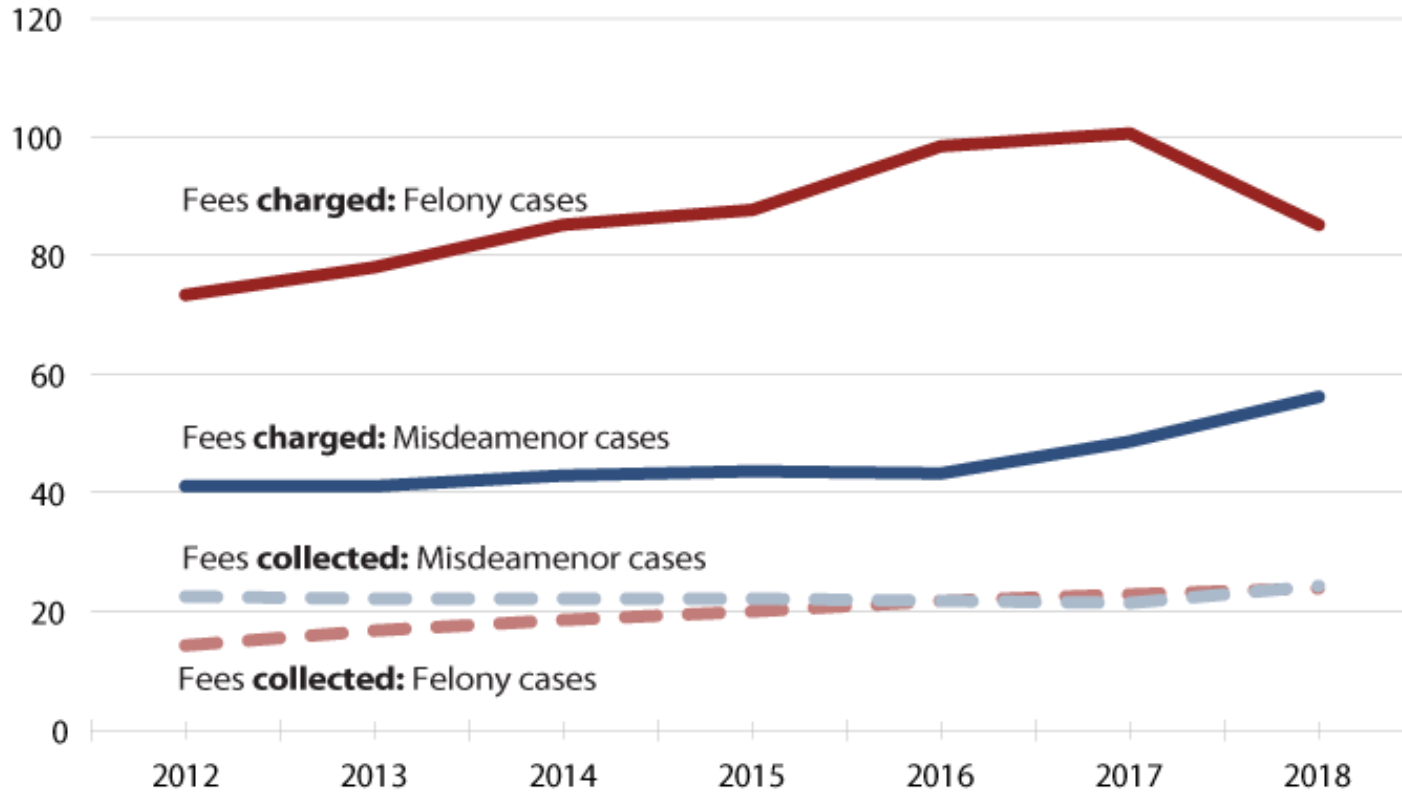
PART 2

Economic justice and courts



Total court fines and fees charged and collected

\$ millions

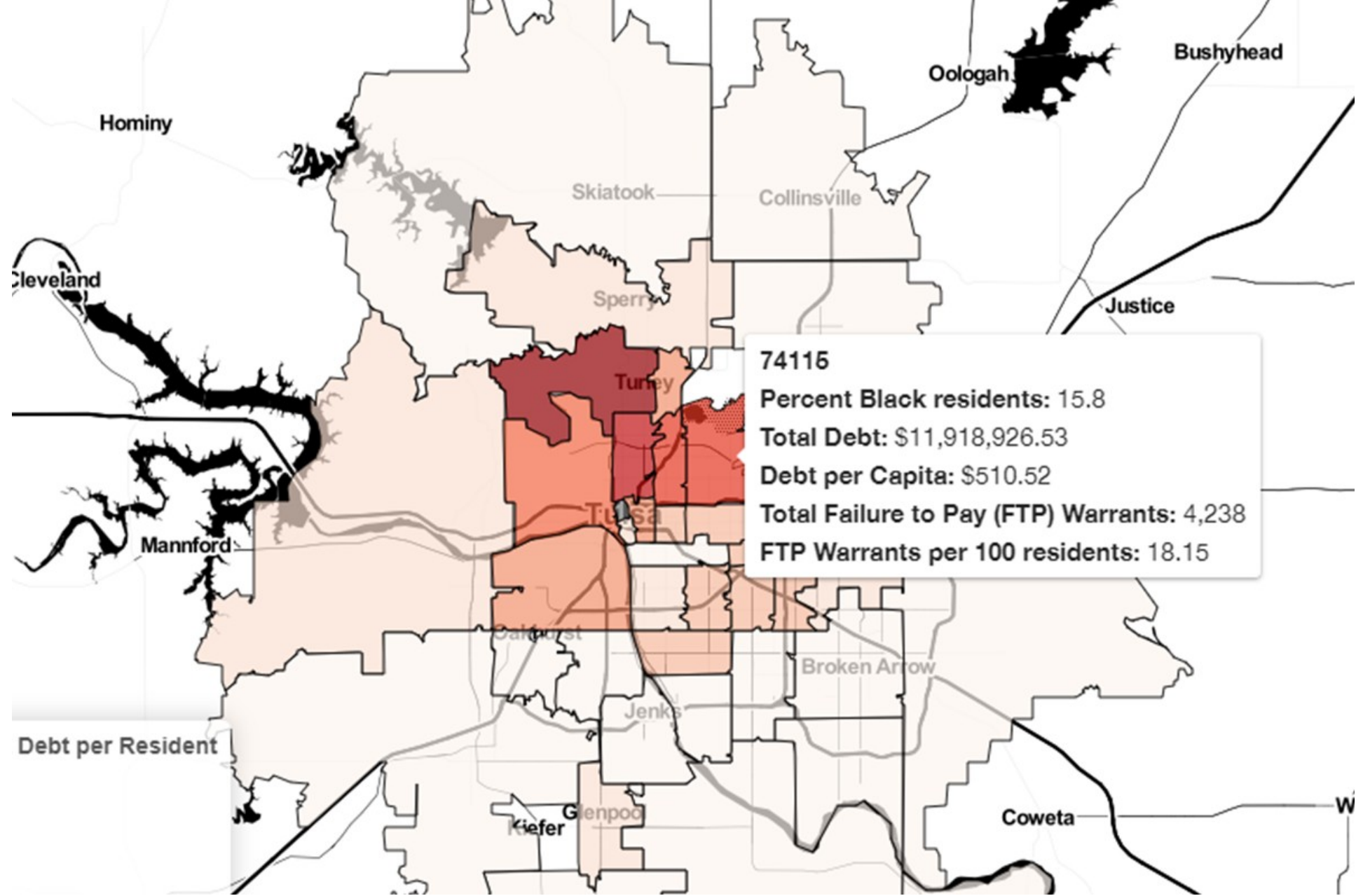


Source: Open Justice Oklahoma

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More than \$630 million in court debt remains outstanding from 2012-





Some predominantly Black, low-income Tulsa neighborhoods reported police stops more than 100x that of wealthy, predominantly White neighborhoods.

100x

Black Tulsans are...

17% 

of the population but make up...

35% 

of all people arrested.

Requiring police to function as debt collectors for Oklahoma's courts

- **worsens** racial disparities in policing,
- **wastes** valuable law enforcement resources, and
- **contributes** to Oklahoma's expensive incarceration crisis.

Source: Human Rights Watch



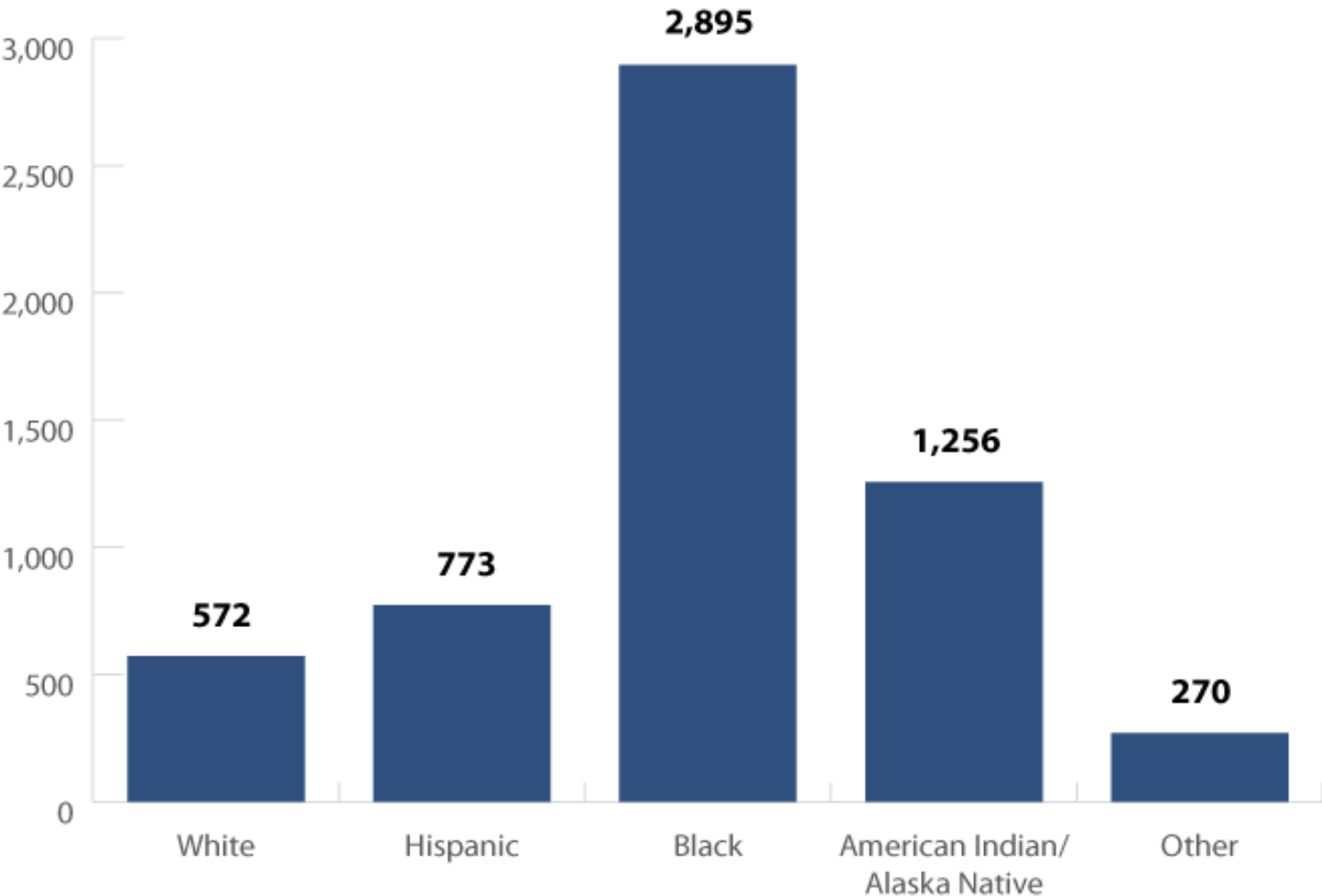
10x

Justice-involved Oklahomans are **10 times more likely** to experience homelessness than the state average.



Oklahoma imprisonment rates by race/ethnicity,

Number of people incarcerated per 100,000 people in that racial/ethnic group as of June 30, 2020

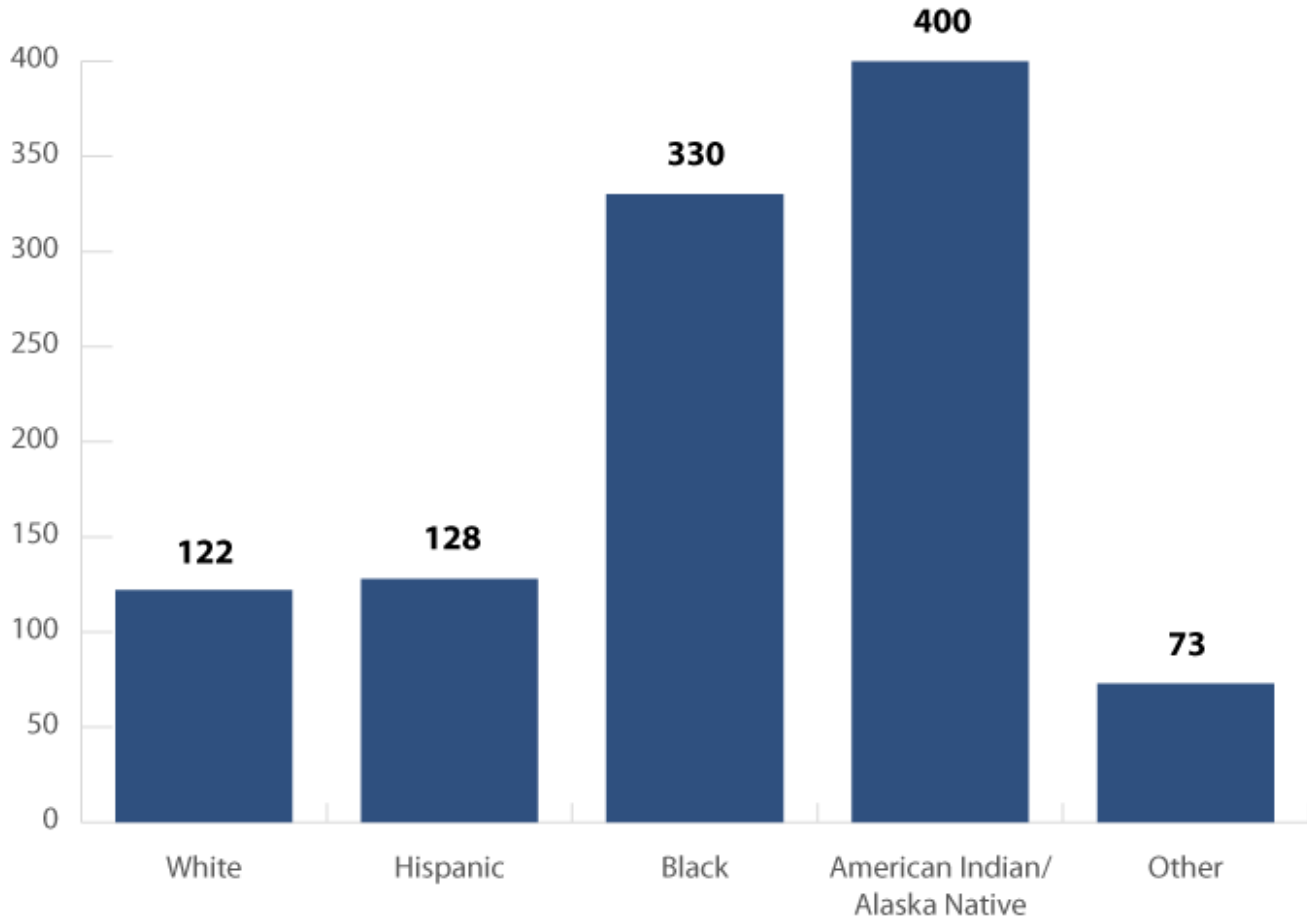


Source: Open Justice Oklahoma analysis from Oklahoma Department of Corrections data



Oklahoma imprisonment rates by race/ethnicity, females only

Number of people incarcerated per 100,000 people in that racial/ethnic group as of June 30, 2020



Source: Open Justice Oklahoma analysis from Oklahoma Department of Corrections data



PART 3

Racial disparities worsened by COVID-19



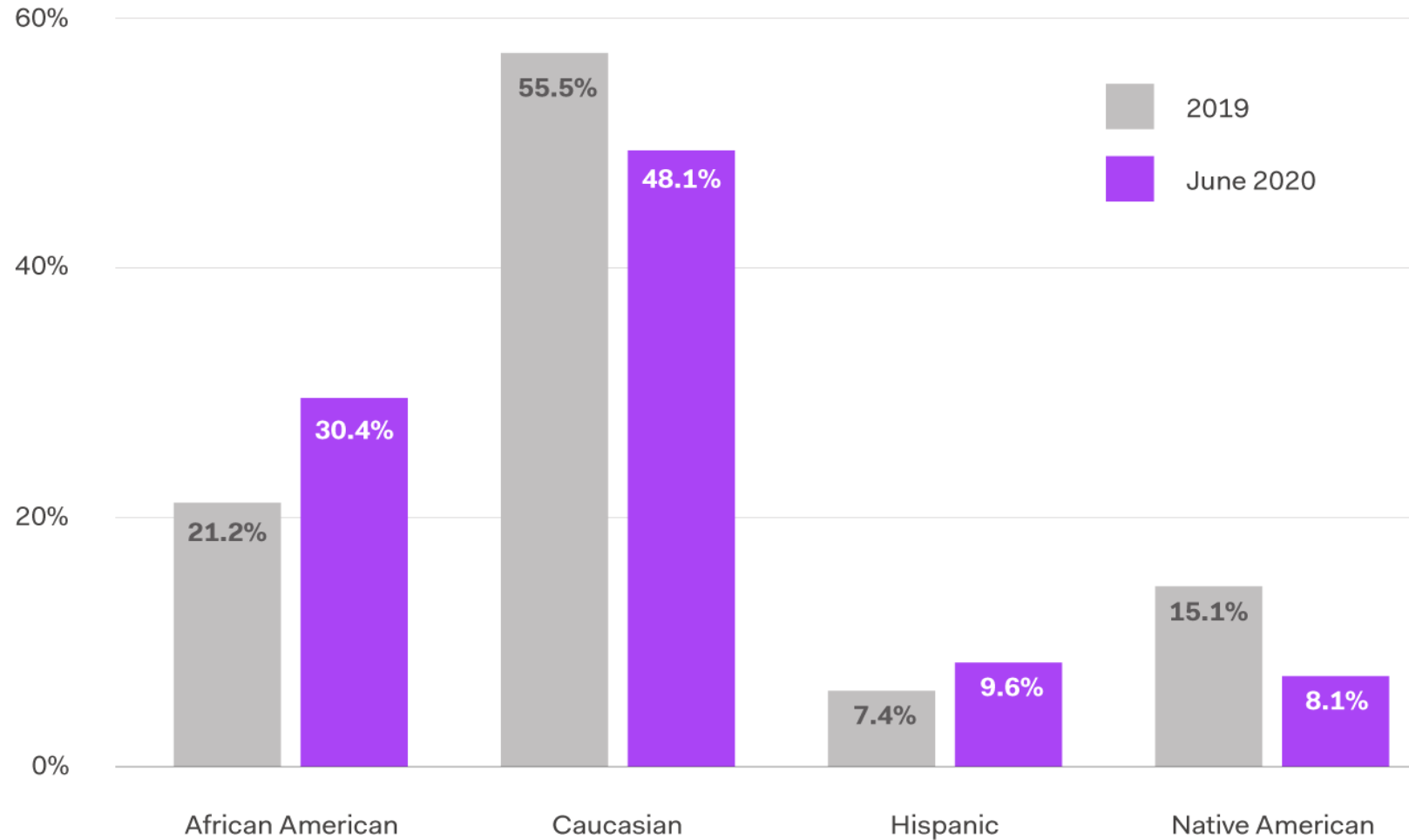
2x

The rate Black men died of COVID-19 is **2x higher than the rate of Covid-19 death among white men.**



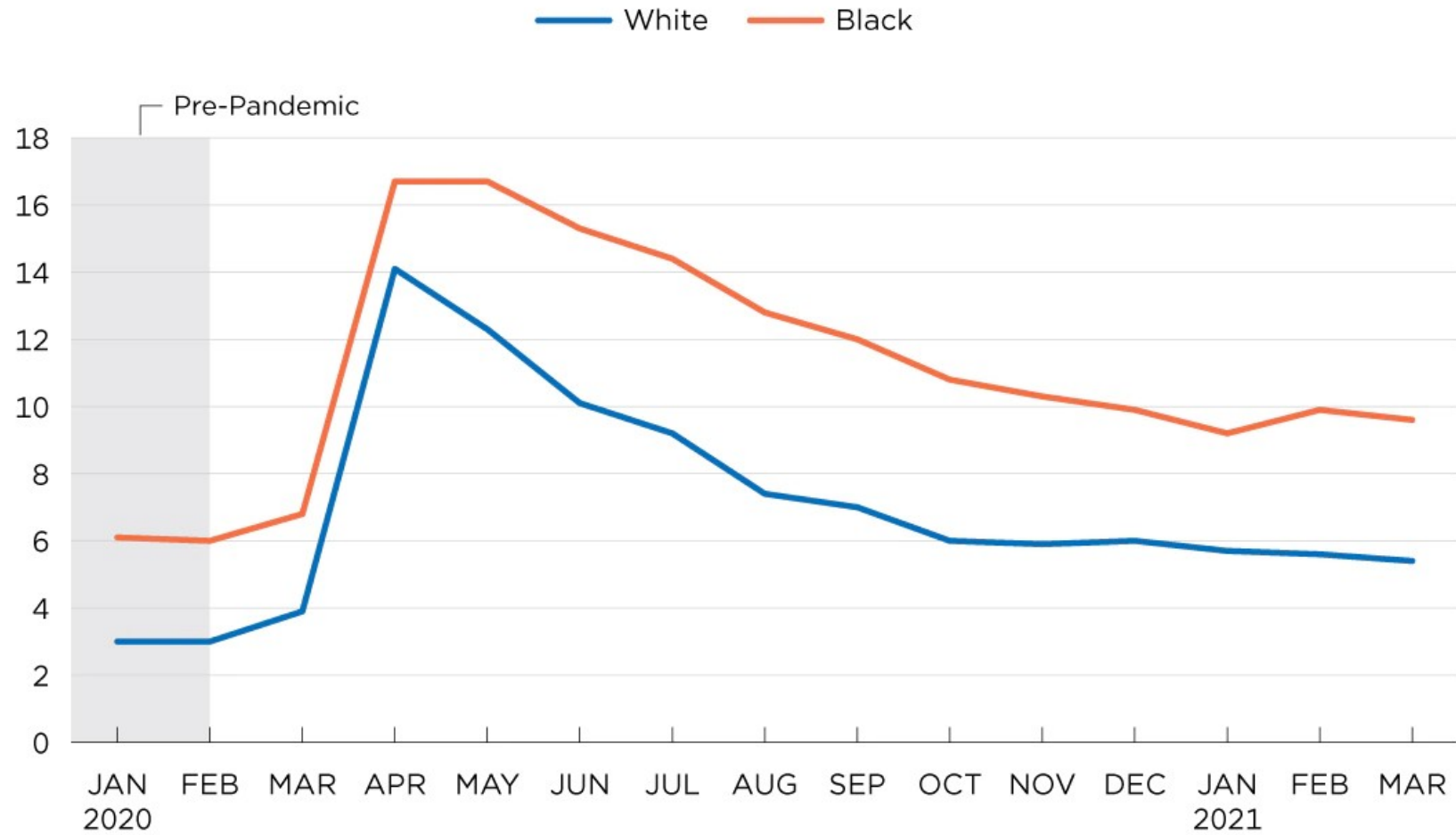
BLACK PEOPLE ARE BEING ADMITTED INTO PRISON DURING THE PANDEMIC AT HIGHER-THAN-USUAL RATES

Admissions in June 2020 compared to 2019 admissions



Unemployment Rate, by Race: 2020-2021

(In percent)



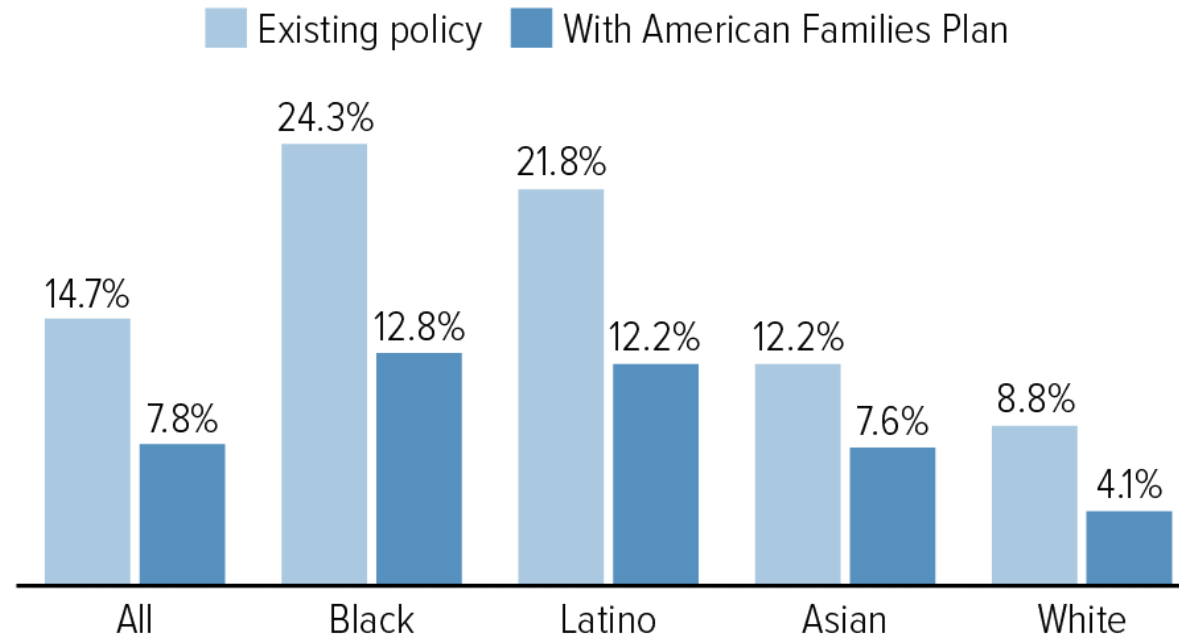
Note: White and Black Hispanics are included in these data.

Source: Current Population Survey, U.S. Bureau of Labor Statistics, January 2020-March 2021.



Key Provisions of American Families Plan Would Cut Child Poverty Nearly in Half and Substantially Reduce Racial and Ethnic Gaps in Child Poverty

Percent of children in poverty in 2022



Note: Figures use the Supplemental Poverty Measure. This analysis includes the effects of an expanded and fully refundable Child Tax Credit, expansion of the Earned Income Tax Credit for workers without children, the Child and Dependent Care Tax Credit, the Summer Electronic Benefit Transfer (EBT) Program and Pell Grants. Due to limitations of the Census data, the figures do not reflect program rules that limit eligibility for certain immigrants. This omission likely has little effect on most of the estimates shown here; the poverty reduction for Latino and Asian children, however, may be somewhat overstated.

Source: Sophie Collyer et al., “The Potential Poverty Reduction Effect of the American Families Plan.” Columbia University Center on Poverty and Social Policy, April 28, 2021.



Solutions

- **Target ARPA relief funds at lowest income rural and urban zip codes.**
- **Increase access to education and workforce training programs.**
- **Create a statewide effort to reduce the number of Oklahomans experiencing food and housing insecurity.**
- **Adequately fund courts and end reliance on fines and fees.**
- **End pretrial detention for low-level offenses.**



Thank you.

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