



# WEALTH INEQUALITY: IT'S AN AMERICAN PROBLEM

Wealth in America? We've all got a reason to be mad. With new data from the Center on Assets, Education, and Inclusion, we have evidence that wealth inequality creates similar extreme disparity within all racial groups. Everyone at the bottom struggles. It's time to reframe the American wealth narrative into one every American has a stake in.

## WEALTH VS. INCOME—WHAT'S THE DIFFERENCE?

When considering financial inequality, it's important to see a household's whole picture

**WEALTH:**  
Sum of a household's financial assets

Including:

- SAVINGS
- HOME AND SMALL BUSINESS EQUITY
- INVESTED ASSETS

**Negative wealth:**  
More debt than assets

**INCOME:**  
Sum of earned wages and capital income

Most of wealthy Americans' personal income comes from capital income

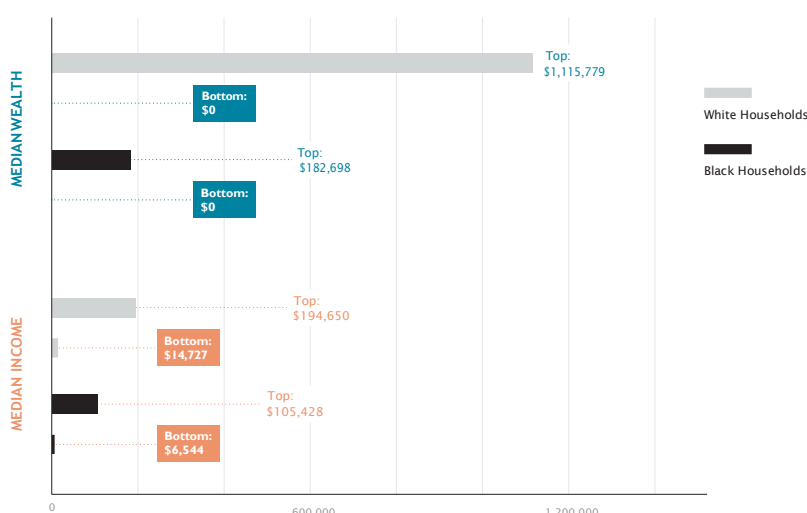
- BUSINESS PROFITS
- DIVIDENDS
- TAX-EXEMPT INTEREST

All other Americans' personal income comes mostly from earned wages

## WEALTH IN AMERICA—IT'S NOT AS EVEN AS YOU'D THINK

The differences between income and wealth prove that inequity is rampant across and among racial groups

Disparities Between the Top and Bottom 20% of Both the Wealth and Income Distributions of White and Black Households



While wealth and income are both *higher* among White households, the differences between the top and bottom 20% of households of both races is **very similar**

## VIEW FROM THE TOP: A CLOSER LOOK AT THE TOP 20% OF WEALTH AND INCOME DISTRIBUTIONS

Households at the top of America's wealth distribution have substantially more wealth *and* income

Regardless of racial group examined, compared to households in the bottom 20% of their wealth and income distributions, White or Black households in the top 20% of wealth and income distributions consistently have

About 5x as much wealth  
About 3x as much income

## EXTREME INEQUALITY IS HURTING ALL OF US

The distribution of wealth in America isn't a question of us against them—it's a matter of us working together to create greater opportunity for all.

The top 20% of wealth and income distributions among White households has



▶ 76% of White household wealth

▶ About 1,400x as much wealth as the bottom 20% of White households

▶ More than 6x the avg. wealth of Black households in the top 20%



▶ The bottom 20% of White households holds <1% of White household total wealth

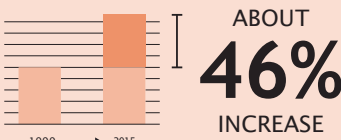


▶ <10% of White wealth is owned by the bottom 60% of White households

2015 median wealth among White households, compared to median wealth in 1999



White households in the top 20% of wealth distributions:



While **decreasing** among those in bottom 20%

Though branded as un-American, the idea of redistributing wealth is completely consistent with our collective narrative. The Homestead Act and the GI Bill were the last real examples of initiatives that built wealth for average Americans. We need the collective will and vision to dream big once more, demanding more from ourselves and our politicians.

**INEQUALITY WON'T GO AWAY ON ITS OWN—TAKE A STAND TODAY.**

### LEARN MORE

<https://ssw.umich.edu/r/white-wealth-inequality>

<https://aedi.ssw.umich.edu>