

# The Winners Are...Older, White, Rich People

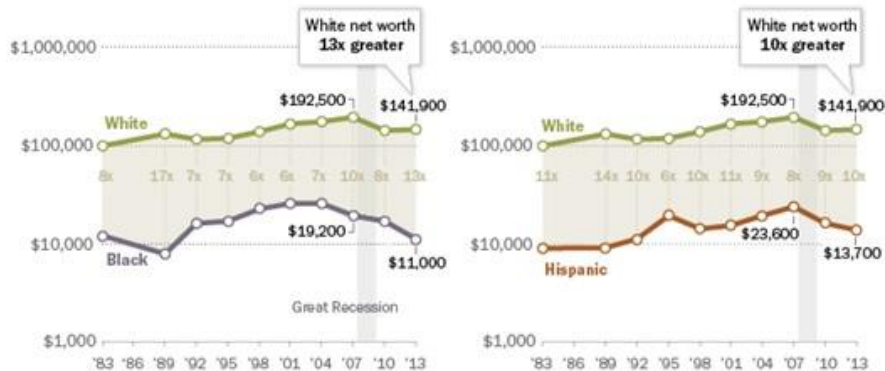
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Tuesday, 16 December 2014 15:28

As data from the Federal Reserve Board’s [Survey of Consumer Finances](#) for the years 2010–13 becomes available, it continues to spotlight how uneven the recovery from the depths of the Great Recession has been. According to the [Pew Research Center’s analysis](#), “the...gap between blacks and whites has reached its highest point since 1989. [...] The current white-to-Hispanic wealth ratio has reached a level not seen since 2001.”

## Racial, Ethnic Wealth Gaps Have Grown Since Great Recession

Median net worth of households, in 2013 dollars



Notes: Blacks and whites include only non-Hispanics. Hispanics are of any race. Chart scale is logarithmic; each gridline is ten times greater than the gridline below it. Great Recession began Dec. '07 and ended June '09.  
Source: Pew Research Center tabulations of Survey of Consumer Finances public-use data

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This adds to a growing body of data showing that despite improvements in the American economy as a whole, the gap between economic “winners” and “losers” has been growing and poses real challenges to our nation’s welfare.

The Federal Reserve Board’s [September quarterly bulletin](#) reported, “Only families at the very top of the income distribution saw widespread income gains” while “families at the bottom of the

income distribution saw continued substantial declines in average real incomes between 2010 and 2013.” As the Pew Research Center noted:

“From 2010 to 2013, the median wealth of non-Hispanic white households increased from \$138,600 to \$141,900, or by 2.4 percent. Meanwhile, the median wealth of non-Hispanic black households fell 33.7 percent, from \$16,600 in 2010 to \$11,000 in 2013. Among Hispanics, median wealth decreased by 14.3 percent, from \$16,000 to \$13,700. For all families—white, black and Hispanic—median wealth is still less than its pre-recession level.”

Earlier this year, the Pew Charitable Trusts reported that [a similar disparity existed when generational data was examined](#).

“Generation X has experienced exceptional stickiness at the top and bottom of the income ladder. Among Gen Xers raised at the bottom of the income ladder, half remain stuck there and nearly three-quarters never reach the middle. There is similar stickiness at the top: Nearly 7 in 10 Gen Xers who are on the top income rung in their 30s were raised by parents who were also above the middle in their 30s.”

In a prior report [analyzing data gathered by the U.S. Census Bureau](#), the Pew Research Center found that “from 2009 to 2011, [the mean wealth of the 8 million households in the more affluent group rose](#) to an estimated \$3,173,895 from an estimated \$2,476,244, while the mean wealth of the 111 million households in the less affluent group fell to an estimated \$133,817 from an estimated \$139,896.”

In February, [the Brookings Institution reported](#), “The latest U.S. Census Bureau data confirm that, overall, big cities remain more unequal places by income than the rest of the country...big-city rich households are somewhat richer (\$196,000 versus \$192,000), and big-city poor households are somewhat poorer (\$18,100 versus \$21,000)” than the nation as a whole.

It’s clear that a significant and growing gap separates our nation along a number of fault lines. But political and thought leaders are sharply separated about what it means to our national future. President Obama [called the Wealth Gap](#) “the defining challenge of our time. We have to make our economy work for every working American.” The Cato Institute’s Mencken Research Fellow P.J. O’Rourke believes there is [no problem with this picture at all](#): “Proposing to close the ‘wealth gap’ is worse than silly...wealth brings great benefits to the world. Rich people are heroes.” Lastly, Robert B. Reich, Chancellor’s Professor of Public Policy at the University of California at Berkeley, sees it as vitally important. [“The economy won’t really bounce back until America’s surge toward inequality is reversed.”](#)

How we as a nation answer this question will shape our futures. Will we choose a future of great, growing, and enduring difference between the haves and the have-nots, or one with a more equal sharing of our nation’s great wealth?