



*“Education through  
Struggle”* mural at the  
UCLA Asian American  
Studies Center

# Color of Wealth in Los Angeles

2016 CIC Annual Training Conference

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April 8, 2016

UCLA Asian American Studies Center

# Importance of Examining Wealth Inequality

- Wealth is an indicator of economic opportunity, security, and overall wellbeing
- Most studies primarily use income as a measure of economic well-being and fail to capture inherited assets that measure long-term financial security.
- Income is the measure of your monetary compensation paid for work.
- Wealth, on the other hand, is far more complex. Wealth is the sum of the values of all assets owned by an individual—home, cars (less depreciation), stocks, bonds, just about anything that can be sold is an asset.

## **+ Assets**

### **Financial assets**

Liquid assets (assets that can be quickly converted into cash): Checking or savings accounts, money market funds, certificates of deposit, government savings bonds, stocks

Other financial assets: Individual retirement accounts, private annuities value, business equity net value

### **Tangible assets**

Home, vehicles, other real estate

## **– Debts**

Credit card debt

Medical Debt

Student loans

Installment loans

Loans from family and friends

### **Secured debt**

Mortgage, Vehicle debt

**Wealth (net worth) = Assets - Debts**

# The Great Recession and The Racial Wealth Gap (SIPP

Data)

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	Year		
	2005	2009	2011
<b>Median Net Worth (\$2011)</b>			
White	\$142,335	\$119,152	\$111,740
Black	\$12,840	\$6,081	\$7,113
Asian	\$176,225	\$81,291	\$92,259
Hispanic	\$19,228	\$6,668	\$8,113
<b>Relative Holdings per \$1</b>			
<b>White Wealth</b>			
Black	\$0.09	\$0.05	\$0.06
Asian	\$1.24	\$0.68	\$0.83
Hispanic	\$0.14	\$0.06	\$0.07

# National Asset Scorecard and Communities of Color

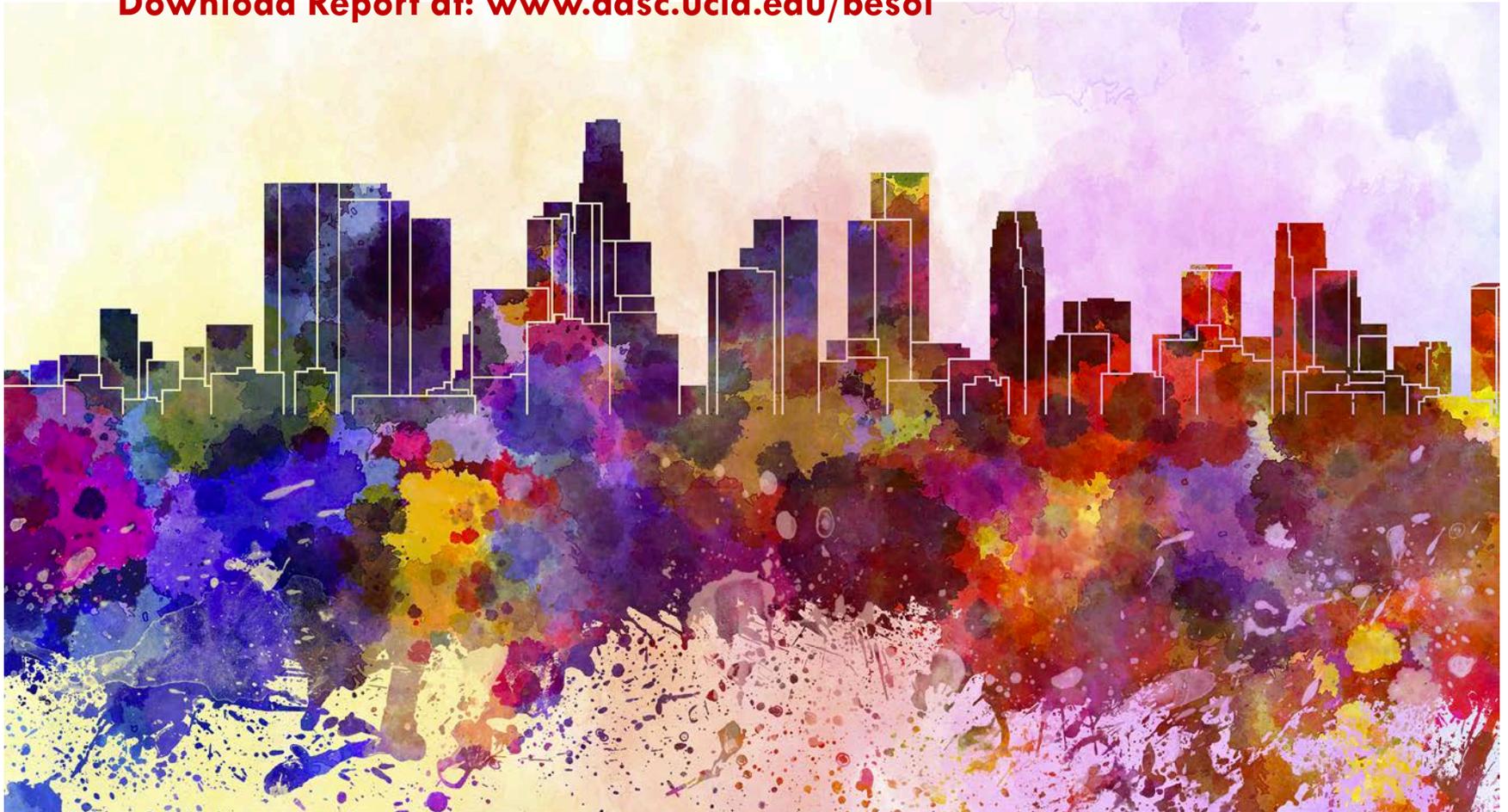
- The NASCC is a research initiative that included the design and implementation of a piloted survey in targeted metropolitan areas to provide insights about the asset and debt positions of racial and ethnic groups.
- Developed to address the need for further analysis at a more local level with more precisely defined ethnic categories. For example, Indigenous groups are often hidden altogether in nebulous catchall category of “other”. Data was collected for American Indians, but unable to collect data for Alaskan Natives & Native Hawaiians.
- Four metropolitan areas were chosen Los Angeles, CA, Miami, FL, Tulsa, OK and Washington, DC.

# The Color of Wealth in Los Angeles

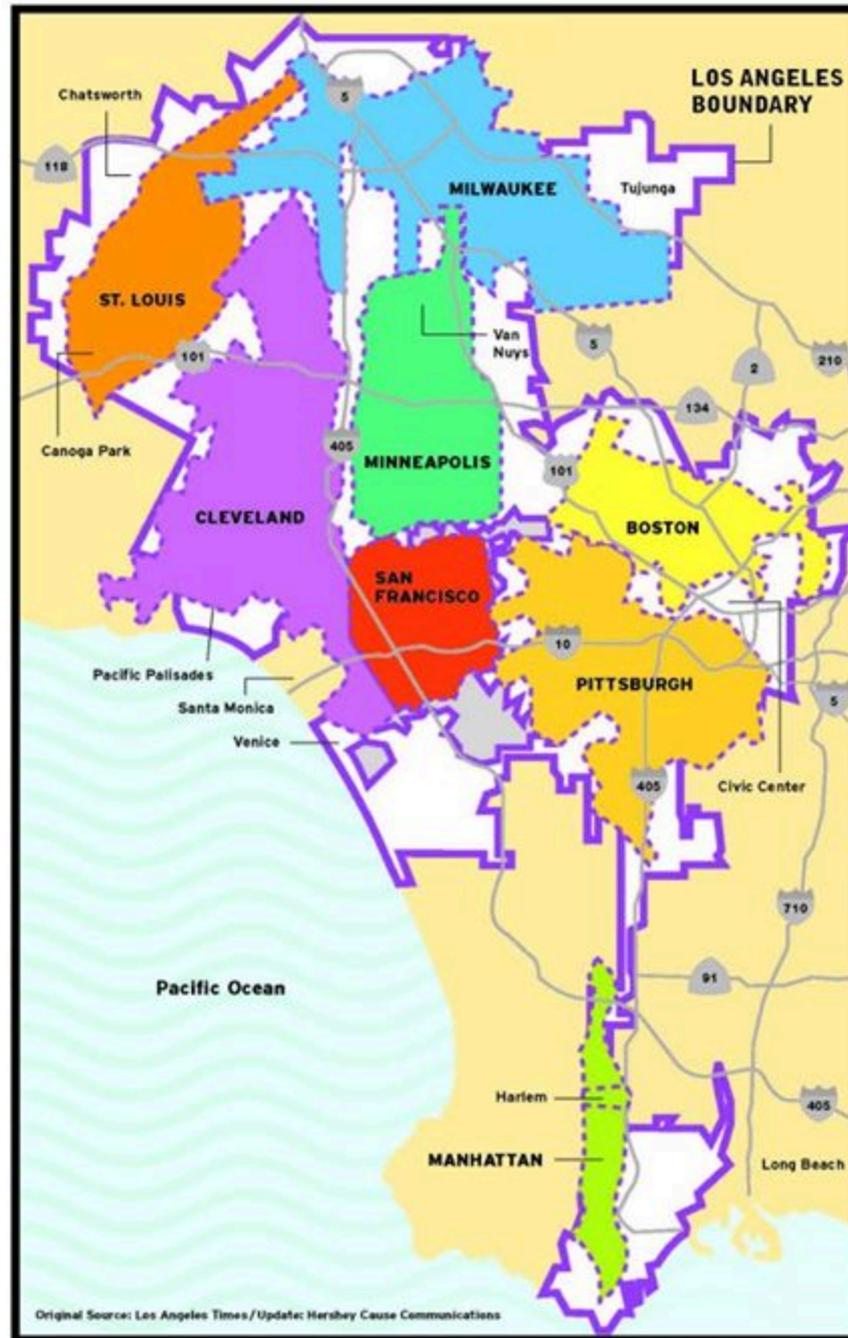
by Melany De La Cruz-Viesca, Zhenxiang Chen, Paul M. Ong, Darrick Hamilton & William A. Darity Jr.

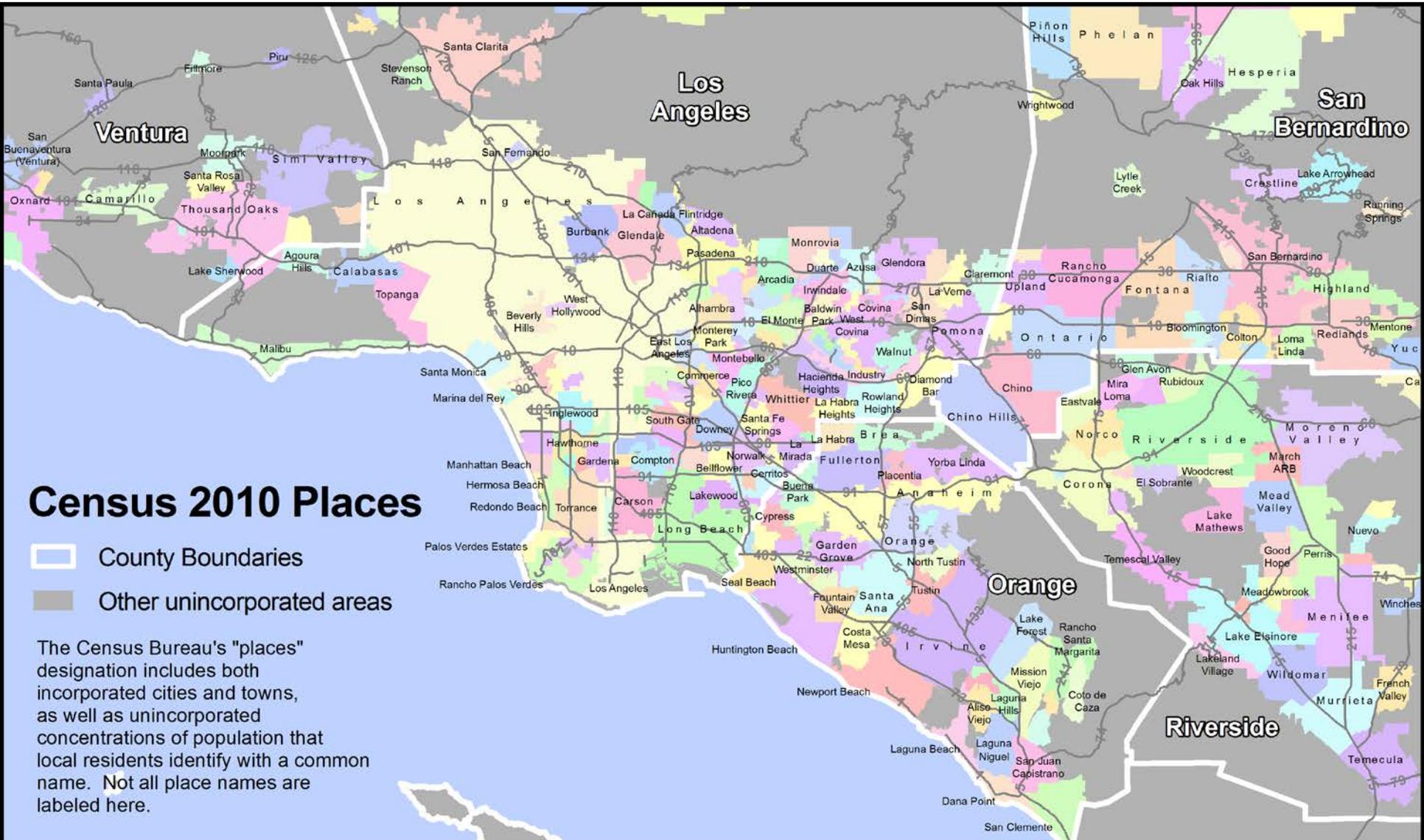
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**Download Report at: [www.aasc.ucla.edu/besol](http://www.aasc.ucla.edu/besol)**



# How Many Major U.S. Cities Can Fit Inside Los Angeles City Limits?





# Census 2010 Places

- County Boundaries
- Other unincorporated areas

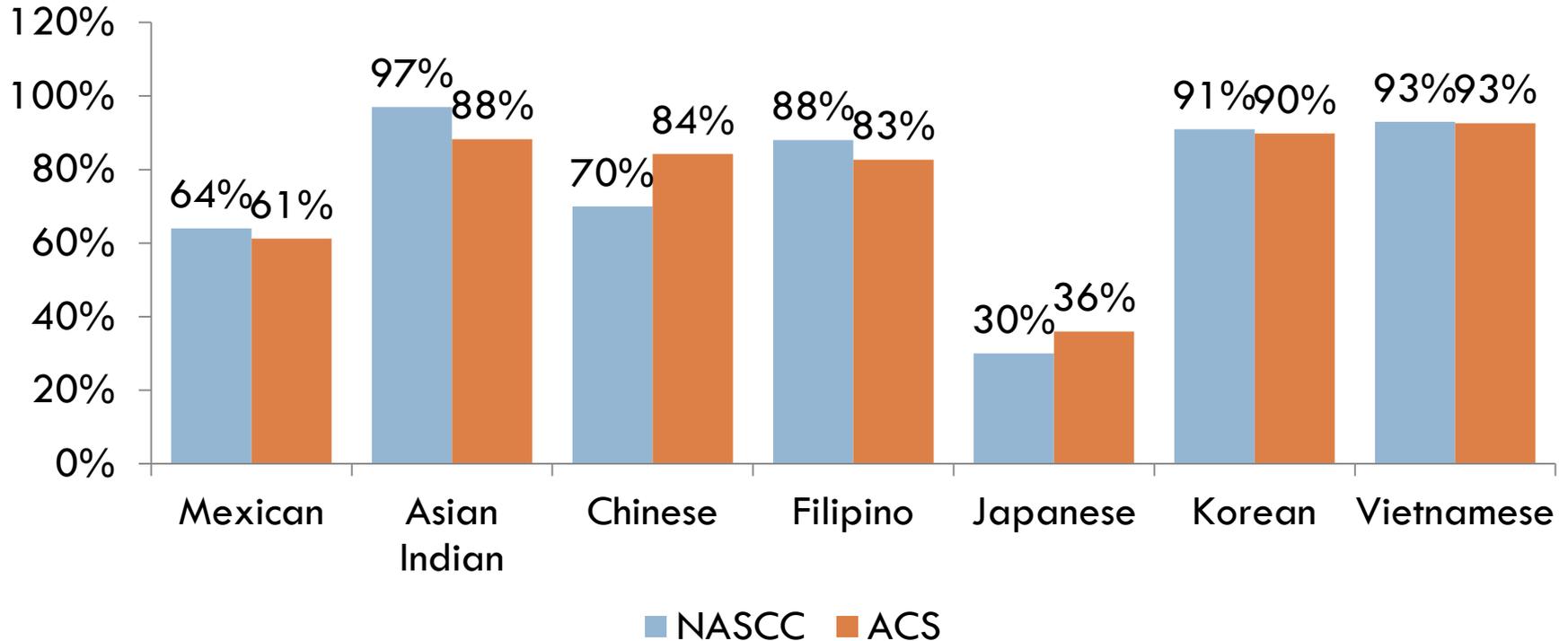
The Census Bureau's "places" designation includes both incorporated cities and towns, as well as unincorporated concentrations of population that local residents identify with a common name. Not all place names are labeled here.

# Los Angeles MSA Sample Characteristics

	Numbers of Observations	Bachelor's Degree or Higher	Married	Median Age	Median Family Income
White	56	56.9	49.4	63	95,000
U.S. Black	45	44.0	28.0	59	53,500
African Black	23	58.9	59.2	54	115,000
Mexican	100	17.8	45.3	45	50,000
Other Latino	31	45.7	37.0	62	40,000
Chinese	75	68.4	54.2	53	70,000
Japanese	68	68.6	48.5	63	75,000
Korean	77	57.1	58.0	57	60,000
Vietnamese	124	36.5	55.2	51	50,000
Filipino	42	76.7	52.7	59	80,000
Asian Indian	41	79.2	70.5	50	100,000

Source: NASCC survey, authors' calculations

# Percent Foreign-born by Ethnicity, NASCC Survey vs. ACS Survey



Source: NASCC Survey, authors' calculations and 2009-13 American Community Survey PUMS, Note: ACS estimates are for head of household in the Los Angeles MSA

# Percentage of Households Owning Any Type of Liquid Asset, Checking Account, or Savings Account

	Liquid Assets		Checking Account		Saving Account	
	Percent	Percentage point difference from whites	Percent	Percentage point difference from whites	Percent	Percentage point difference from whites
White	91.6	0.0	90.1	0.0	71.9	0.0
U.S. Black	62.3	-29.3***	68.1	-22.0**	55.5	-16.4
African Black	87.0	-4.6	80.3	-9.8	80.3	8.4
Mexican	53.8	-37.8***	47.1	-43.0***	39.8	-32.1***
Other Latino	61.3	-30.3***	54.6	-35.5***	44.0	-27.9**
Chinese	90.2	-1.3	85.3	-4.8	81.6	9.7
Japanese	93.3	1.7	93.3	3.2	86.4	14.5
Korean	88.8	-2.8	81.3	-8.8	57.8	-14.1
Vietnamese	70.2	-21.4***	54.8	-35.3***	37.4	-34.5***
Filipino	85.6	-6.0	83.7	-6.4	74.6	2.7
Asian Indian	95.0	3.4	86.2	-3.9	76.9	4.9

Source: NASCC survey, authors' calculations. Note: The difference in the percentage of nonwhites as compared with the percentage of white households is statistically significant at the \*\*\*99%, \*\*95%, \*90% level.

# Households Owning Stocks, an Individual Retirement Account, or Private Annuity

	Stocks		IRA or Private Annuity	
	Percentage of households owning these	Percentage point from white households	Percentage of households owning these	Percentage point from white households
White	40.7	0.0	63.6	0.0
U.S. Black	21.5	-19.3*	37.9	-25.7**
African Black	18.0	-22.7	48.5	-15.1
Mexican	7.6	-33.1***	15.0	-48.5***
Other Latino	7.3	-33.5***	8.2	-55.3***
Chinese	48.8	8.1	48.3	-15.3
Japanese	60.8	20.0**	62.3	-1.3
Korean	23.6	-17.1**	27.0	-36.6***
Vietnamese	9.9	-30.8***	17.7	-45.9***
Filipino	41.9	1.2	55.6	-8.0
Asian Indian	58.6	17.8	38.6	-25.0**

Source: NASCC survey, authors' calculations. Note: The difference in the percentage of nonwhites as compared with the percentage of white households is statistically significant at the \*\*\*99%, \*\*95%, \*90% level.

# Percentage of Households Having Various Types of Debt

	Credit Card		Student Loan		Medical Debt	
	Percentage of households having a credit card	Percentage point differences from white households	Percent	Percentage point differences from white households	Percent	Percentage point differences from white households
White	27.7	0.0	15.3	0.0	6.8	0.0
U.S. Black	57.3	29.6***	20.5	5.2	4.7	-2.2
African Black	64.7	37.0***	13.5	-1.8	3.4	-3.4
Mexican	34.2	6.5	12.4	-2.9	9.0	2.2
Other Latino	38.7	11.0	4.8	-10.4	4.1	-2.7
Chinese	16.7	-11.0	14.2	-1.1	0.001	-6.8**
Japanese	42.4	14.7	8.1	-7.1	2.0	-4.9
Korean	28.9	1.3	15.9	0.6	1.6	-5.2
Vietnamese	23.9	-3.8	12.9	-2.4	1.5	-5.4**
Filipino	47.9	20.2*	15.5	0.2	4.5	-2.4
Asian Indian	25.6	-2.1	4.5	-10.8*	0.001	-6.8

# Percentage of Households That Have Tangible Assets by Type of Asset

	House		Vehicle	
	Percentage of households owning a home	Percentage point from white households	Percentage of households owning a vehicle	Percentage point from white households
White	68.3	0.0	87.4	0.0
U.S. Black	41.5	-26.8*	72.2	-15.2**
African Black	42.9	-25.4*	99.9	12.6
Mexican	44.9	-23.4**	87.9	0.5
Other Latino	51.3	-17.0	93.9	6.5
Chinese	67.5	-0.8	97.4	10.0*
Japanese	63.7	-4.5	91.3	3.9
Korean	40.2	-28.1***	89.6	2.2
Vietnamese	53.0	-15.3	83.0	-4.4
Filipino	56.7	-11.6	99.9	12.6**
Asian Indian	40.4	-27.8**	99.6	12.2***

Source: NASCC survey, authors' calculations

Note: The difference in the percentage of nonwhites as compared with the percentage of white households is statistically significant at the \*\*\*99%, \*\*95%, \*90% level. The percentage of U.S. black households owning vehicles differed significantly when compared with African black households at the 95% level. All of the 23 African Black respondents and the 42 Filipino respondents reported someone in their family owned a vehicle.

# Percentage of White and Nonwhite Households Having Mortgage Debt

	Among all households		Among homeowners	
	Percent	Percentage Point Difference from white households	Percent	Percentage Point Difference from white households
<b>White</b>	46.2	0.0	67.7	0.0
<b>U.S. Black</b>	32.5	-13.7	78.4	10.7
<b>African Black</b>	32.7	-13.5	76.3	8.6
<b>Mexican</b>	34.6	-11.6	77.1	9.4
<b>Other Latino</b>	41.3	-4.9	80.5	12.8
<b>Chinese</b>	40.3	-5.9	59.7	-7.9
<b>Japanese</b>	37.4	-8.8	58.7	-8.9
<b>Korean</b>	26	-20.2**	64.6	-3.0
<b>Vietnamese</b>	36.2	-10.0	68.2	0.5
<b>Filipino</b>	49.9	3.7	88.1	20.4*
<b>Asian Indian</b>	24.2	-22.0**	59.8	-7.8

# Value of Assets Held by White and Nonwhite Households

	Liquid Assets		Total Assets	
	Median Value	Percentage of white household liquid assets	Median Value	Percentage of white household liquid assets
White	110,000	100.0	355,000	100.0
U.S. Black	200	0.2	30,000	8.5**
African Black	60,000	54.5	152,000	42.8
Mexican	0	0.0	5,000	1.4**
Other Latino	7	0.0	43,000	12.3*
Chinese	130,000	118.2	408,500	115.1
Japanese	140,000	127.3	595,000	167.6
Korean	3,000	2.7	28,400	8.0**
Vietnamese	500	0.5	40,000	11.3*
Filipino	80,000	72.7	243,000	68.5
Asian Indian	245,000	222.7	460,000	129.6

# Comparison of White and Nonwhite Household Median Net Worth

	Amount	Nonwhite household percentage of white household median net worth
White	355,000	100.0
U.S. Black	4,000	1.1**
African Black	72,000	20.3
Mexican	3,500	1.0**
Other Latino	42,500	12.0*
Chinese	408,200	115.0
Japanese	592,000	166.8
Korean	23,400	6.6**
Vietnamese	61,500	17.3*
Filipino	243,000	68.5
Asian Indian	460,000	129.6

# Percentage of White and Nonwhite Households That Own a Business

	Percentage	Percentage point difference from white households
White	11.7	0.0
U.S. Black	3.1	-8.6**
African Black	6.0	-5.7
Mexican	3.5	-8.2*
Other Latino	4.2	-7.5
Chinese	15.1	3.4
Japanese	10.8	-0.9
Korean	19.6	7.9
Vietnamese	2.4	-9.2**
Filipino	8.4	-3.3
Asian Indian	10.5	-1.1

# Households' Occupation Type

	Self-Employed		Public Sector		Private Sector	
	Percentage of households	Percentage point from white households	Percentage of households	Percentage point from white households	Percentage of households	Percentage point from white households
<b>White</b>	5.9	0	7	0	14.3	0
<b>U.S. Black</b>	6.6	0.7	11.2	4.2	6.6	-7.7
<b>African Black</b>	6.1	0.2	0	-7	7.9	-6.4
<b>Mexican</b>	6.6	0.7	9.5	2.5	10.6	-3.7
<b>Other Latino</b>	13.8	7.9	5.3	-1.7	18.1	3.8
<b>Chinese</b>	13.8	7.9	4.2	-2.8	16.3	2.0
<b>Japanese</b>	13.5	7.6	7	0	27.1	12.8
<b>Korean</b>	13.2	7.3	7.3	0.3	18.9	4.6
<b>Vietnamese</b>	5.6	-0.3	10.3	3.3	35.4	21.1***
<b>Filipino</b>	11.3	5.4	21.4	14.4	22.7	8.4
<b>Asian Indian</b>	9.4	3.5	1.1	-5.9***	35	20.7**

# Policy Implications

- As home values and savings accounts shrink, pensions decline, health and educational costs rise, wages and economic mobility remain stagnant, and benefits under Social Security continue to be severely threatened and limited, asset-building strategies are needed now more than ever.
- Policies and Government Programs are critical to closing the wealth divide and reducing poverty.
- CFED has noted, even with strong policies, it is more difficult to improve economic outcomes in states that have high levels of income inequality, a high cost of living and substantial demographic diversity.
- Need better data collection on indigenous AI, AN, and NH's to develop a more accurate narrative of how wealth inequality is impacting these communities.

# BUILDING A STRONG ASSET HOUSE



Center for  
Global Policy  
Solutions

**POLITICS**

## INDIVIDUAL ASSETS

Real Estate • Business • Private Insurance  
Savings/Checking/Retirement  
Stocks/Bonds/Mutual Funds

## COMMUNITY ASSETS

Kinship Networks • Culture • Community Non-profits  
Faith • Financial and Education Institutions

## ASSET BUILDING POLICIES

Progressive Tax Structure  
Progressive Education Policies and Incentives  
Preventive Health Programs and Incentives  
Progressive Safety-net Programs and Incentives  
Progressive Community Development Programs and Incentives  
Progressive Compensatory Measures  
Fair and Accessible Legal Justice Systems  
Progressive Employment Policies and Incentives

## SOCIETAL ASSETS

Social Security • Medicare • Universal Healthcare  
Unemployment/Wage Protection Insurance  
Quality Public Education • Citizenship

**BELIEFS/  
BEHAVIORS**

**MEDIA**

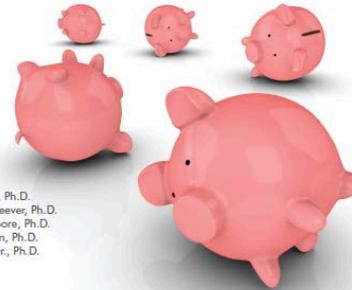


Duke University Center for Global Policy Solutions

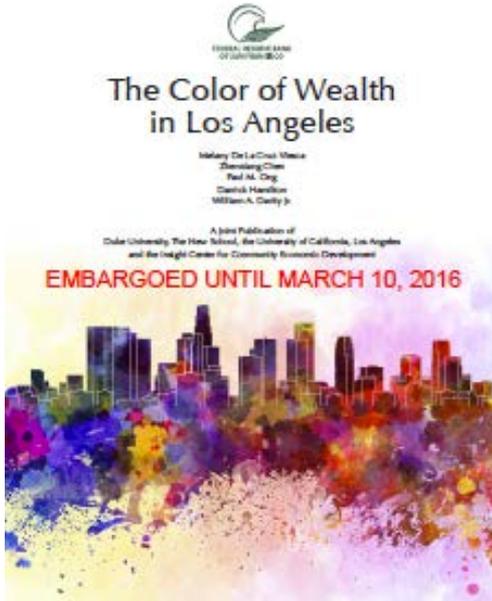
MAY 2014

# BEYOND BROKE

Why Closing the Racial Wealth Gap is a Priority for National Economic Security



Rebecca Tippett, Ph.D.  
Avis Jones-DeWeever, Ph.D.  
Maya Rockeymoore, Ph.D.  
Darrick Hamilton, Ph.D.  
William Darity, Jr., Ph.D.

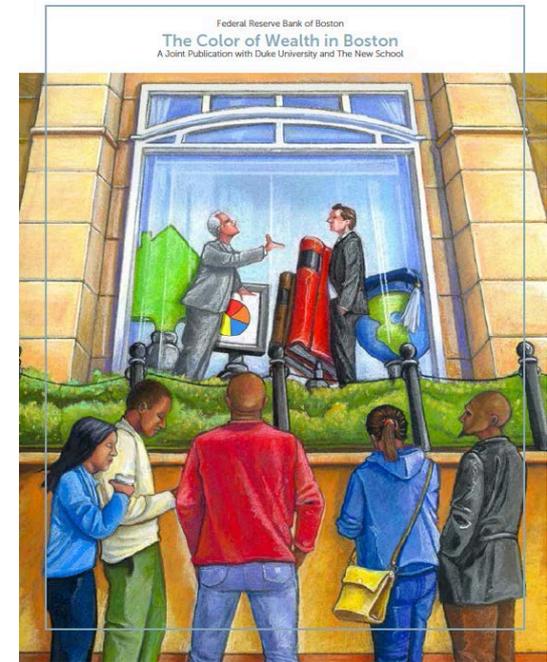


## The Color of Wealth in Los Angeles

History De La Cruz, Maria  
Zhou, Qing  
Paul M. Ong  
Darrick Hamilton  
William A. Darity Jr.

A Joint Publication of  
Duke University, The New School, the University of California, Los Angeles  
and the Insight Center for Community Economic Development

EMBARGOED UNTIL MARCH 10, 2016



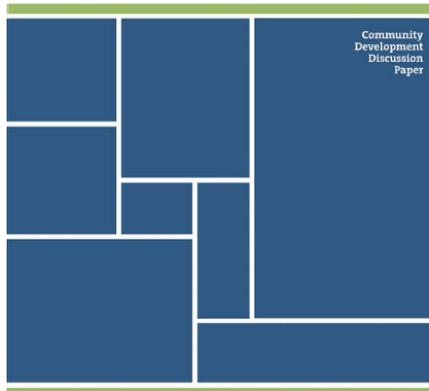
Federal Reserve Bank of Boston  
The Color of Wealth in Boston  
A Joint Publication with Duke University and The New School



April 2015  
No. 2015-02

Financial Resources in Kinship and Social Networks: Flow and Relationship to Household Wealth by Race and Ethnicity among Boston Residents

Tajana Meschede, William Darity Jr., and Darrick Hamilton



Community  
Development  
Discussion  
Paper



April 2015

## Umbrellas Don't Make it Rain: Why Studying and Working Hard Isn't Enough for Black Americans

Darrick Hamilton  
William Darity, Jr.  
Anne E. Price  
Vishnu Sridharan  
Rebecca Tippett



**BOOTSTRAPS ARE FOR BLACK KIDS:**  
Race, Wealth, and the Impact of Intergenerational Transfers on Adult Outcomes

RESEARCH BRIEF

September 2015

Yunju Nam, Ph.D., University at Buffalo, State University of New York  
Darrick Hamilton, Ph.D., The New School  
William A. Darity, Jr., Ph.D., Duke University  
Anne E. Price, M.A. The Insight Center for Community Economic Development

THE NEW SCHOOL



Duke Center for Social Equity



INSIGHT  
CENTER FOR COMMUNITY ECONOMIC DEVELOPMENT



# ASSETS & OPPORTUNITY SCORECARD



A&O INITIATIVE

DATA BY ISSUE

DATA BY STATE

RESOURCES

NEWSROOM

ABOUT

CFED

DONATE

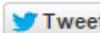
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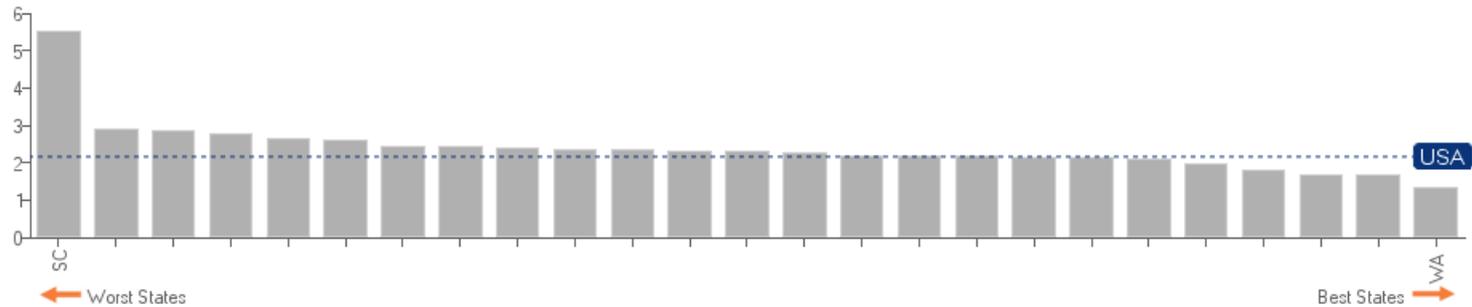
<http://assetsandopportunity.org/scorecard/>

**\*Primarily uses ACS and SIPP data**

# Asset Poverty by Race



Asset poverty by race describes the disparity in asset poverty between white households and households of color. Asset poverty is significantly higher for households of color, indicating that these households are more vulnerable to a financial crisis or a sudden loss of income. For example, the asset poverty rate for households of color in South Carolina is 5.5 times higher than for white households.



## Asset Poverty by Race, 2011

State	Asset Poverty, White Households (%)	Asset Poverty, Households of Color (%)	Ratio
United States	18.7%	40.7%	2.18
Alabama	18.2%	36.1%	1.98
Alaska	—	—	—
Arizona	24.0%	40.0%	1.67
Arkansas	25.9%	—	—
California	20.6%	34.1%	1.65
Colorado	18.7% *	—	—
Connecticut	20.8% *	—	—
Delaware	15.1% *	—	—
District of Columbia	—	—	—
Florida	18.5%	40.0%	2.16
Georgia	21.6%	47.3%	2.19
Hawaii	—	17.7% *	—
Idaho	27.0%	—	—
Illinois	16.4%	43.0%	2.62
Indiana	20.5%	43.0% *	2.10
Iowa	20.5%	—	—

### Definition

Ratio of the asset poverty rate of white, non-Hispanic households to households of color (Black or African-American; Asian; Hispanic or Latino; other races), 2011.

Calculated by dividing the higher value by the lower value, i.e., the asset poverty rate of households of color divided by white households.

A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

Data are point estimates produced from a national survey with relatively small samples for some states, which can result in imprecise estimates and ranks. States are not ranked on this measure due to insufficient data at the state level. For more information on how we measured precision and to download margin of error data for each state, see [here](#).

### Source

Survey of Income and Program Participation, 2008 Panel, Wave 10. Washington, DC: U.S. Department of Commerce, [Census Bureau](#), 2013. Data calculated by Haveman Economic Consulting.

"—" indicates that no data is available, or data is suppressed due to a margin of error that is greater than 50% of the estimate.

# Conclusion

- **NASCC contributes new insights not available from other surveys**
- Collects unique asset data not elsewhere collected, particularly in a local context
- Demonstrates ethnic differences among Asian ethnic groups
- Reframe the Wealth Narrative: NASCC data combined with the unique histories of communities of color in Los Angeles, allows us to identify potential factors influencing wealth accumulation and position
- Selectivity Factor for certain immigrant racial groups
- The Color of Wealth report reveals a nuanced story of race and wealth in Los Angeles

# THANK YOU!

## Thanks to the:

- ❑ **Ford Foundation Building Economic Security Over a Lifetime Initiative**
- ❑ **Duke University Research Network on Race and Ethnic Inequality**
- ❑ **Census Information Center Program**
- ❑ **U.S. Census Bureau**



# Methodology



- **Goals:**
  1. provide implicit control of asset and debt pricing and products
  2. analyze the wealth of groups hidden in broadly defined “non-white” categories
  3. examine asset and debt attributes particular to communities of color
  4. **Provide a template for a more permanent data collection infrastructure**
  
- **Limitations: (1) Statistical Power, (2) External validity and (3) Examines only Private Assets**

**NATIONAL ASSET SCORECARD & COMMUNITIES OF COLOR**  
**SCREENER SURVEY DRAFT**  
**2/1/2013**

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# NASCC Survey Weights

- Weights anchored on ACS Census data to indentify representativeness:
  - ▣ within metro area ethnic group characteristics
  - ▣ metro area characteristics
  - ▣ ethnic group characteristics across all metro areas
- Unweighted results fairly similar to weighted results
  - fairly representative survey

# Sampling Strategies

- Survey Languages
  - ▣ English, Spanish, Korean and Vietnamese
- Average interview: 39 minutes
- Directory-listed landline targeted to census tracts
  - ▣ Advance letters sent
  - ▣ Switched to higher incidence areas later in the study
- Cell phone RDD samples drawn from rate centers based on billing ZIP codes
- Surname and other commercial lists
  - ▣ E.g. Latinos, Africans, Native Americans, Asian Indian, Chinese, Filipinos, Japanese, Korean, Vietnamese, and Portuguese surnames used

## Some Lessons Across Five Metro Areas

32

- **Variation within broadly defined ethnic categories**
- **Income inequality pales in comparison to wealth inequality**
- **Asset Markets are Local: An ethnic group's relative asset position may vary across geography**
- **Homeownership varied across MSA and may not be the only driver of wealth**
- **Substantial asset variation across and within MSAs with Blacks and Mexicans persistently at the bottom**