

FACTS & FIGURES

From the Economic Policy Institute

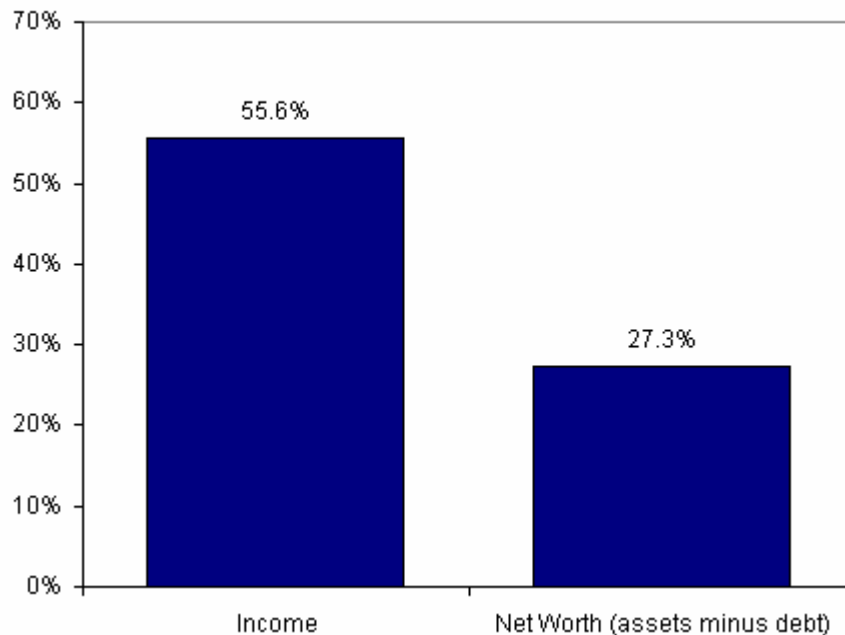
This fact sheet does not yet include 2005 income data, to be released in late August.

African Americans

Income trends

For every dollar of whites' income, minorities receive only 56 cents.
For every dollar of net worth that whites control, minorities control only 27 cents.

White and Minority Income and Net Worth Compared



Source: Bernstein (2006).

Wealth and net worth

- ❖ Though the racial income gap compressed in the 1990s, we should not lose track of the magnitude of the gap. Even with this improvement, black median income never reached two-thirds of whites. And even if these favorable trends (from the perspective of closing the racial gap) of the latter 1990s had persisted at the same rate, it would have taken until 2054 for the black/white income gap to close.
- ❖ Blacks were the only race/ethnic group to see a growth in poverty-level wage earners over the 2000-05 period, despite the progress from 1996 to 2002. This growth in low-wage work occurred among both men and women.
- ❖ In 2004, 13% of white households and 29.4% of black households had zero or negative net worth. The median white household's wealth was \$118,300, but the median black family had only one-tenth as much, or \$11,800.
- ❖ Among African American households headed by someone 47-64, 39% fall short of the minimum wealth considered necessary for an adequate retirement. The comparable percentage for whites is 24.1%.

Unemployment trends

- ❖ In 2005, only 48.2% of black households owned their own homes, while 72.7% of white households did.
- ❖ Home ownership has risen for all racial groups since 1999: it's up 1.9 percentage points for blacks.
- ❖ In 2005, the unemployment rate for African Americans was 10%, more than twice that of whites (4.4%). For the first quarter of 2006 (seasonally adjusted) it was 9.2%, but still almost twice that of the rate for whites (4.7%).
- ❖ On average, the difference in unemployment rates between African American college graduates and those with less than a high school degree was close to 10 percentage points.
- ❖ From 2001-06 (first quarter for each year), the unemployment increase for African Americans was 1.1 percentage points—the highest for any racial group.
- ❖ In 2005, African Americans comprised 28.4% of the long-term unemployed (six months or more of joblessness).

Depth of poverty

- ❖ Given their lower income, poverty rates for minorities are consistently higher than those of whites. The rate for African Americans, for example, was at least three times that of whites through 1989. Now, there's only slight improvement. As of 2004, the African American rate (24.7%) was more than double that of whites (10.8%).
- ❖ From 2000 to 2004, the poverty rate for black households grew by 3.5 percentage points from 19.3% to 22.8%. This follows a period from 1995-2000, when the poverty rate for black households dropped by 7.1 percentage points.
- ❖ Children in single-mother families are at high risk of lengthy poverty spells. This probability is particularly high for African American children of single mothers with less than a high school degree; these children have almost a 90% chance of spending at least five out of their first 10 years poor.
- ❖ For young (16-24-year-old) persons with no more than a high school degree (and no longer enrolled in school), black men with this profile lost all of the gains they made in the 1990s. The poverty rate of young black men with the characteristics fell about 6 points, from 30% to 24%, between 1995 and 2000 before heading back up to 30% by 2004.

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