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# **REINVENTING CHILDREN'S SAVINGS ACCOUNTS TO ADDRESS THE RACIAL WEALTH DIVIDE**

PROSPERITY  
**NOW**

# REINVENTING CHILDREN'S SAVINGS ACCOUNTS TO ADDRESS THE RACIAL WEALTH DIVIDE

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## **About Prosperity Now**

Prosperity Now ([prosperitynow.org](https://prosperitynow.org)) believes that everyone deserves the chance to prosper. Since 1979, we have helped make it possible for millions of people, especially people of color and those with limited incomes, to achieve financial security, stability and, ultimately, prosperity. We offer a unique combination of scalable practical solutions, in-depth research and proven policy solutions, all aimed at building wealth for those who need it most.

## Introduction

Michael Sherraden's seminal 1991 book, *Assets and the Poor: A New American Welfare Policy*, catalyzed a surge of interest in asset-building for low-income communities. Sherraden argued that conventional discussions about income inequality ignore the importance of assets, which provide a more complete picture of families' financial stability, or lack thereof. In the book, he proposed "Individual Development Accounts" (IDAs) as a strategy to help all individuals build wealth. Central to making IDAs work were incentives for low-income accountholders.<sup>1</sup>

In 2003, Prosperity Now (formerly known as the Corporation for Enterprise Development), along with the Center for Social Development at Washington University in St. Louis, the Aspen Institute's Initiative on Financial Security and New America, launched a multi-year national policy initiative known as the Saving for Education, Entrepreneurship and Downpayment (SEED) Initiative. The SEED Initiative was designed to demonstrate the potential of a compelling application of Sherraden's concept—IDAs for young people, or Children's Savings Accounts (CSAs).<sup>2</sup>

Since then, CSA programs have grown across the country, all with a primary focus on helping low-income children grow savings for asset-building purchases. By the end of 2017, 54 programs served 382,000 children in 32 states and Washington, DC.<sup>3</sup> Many policymakers and advocates have lauded CSAs as an effective tool to increase economic and social mobility for low-income children. Recent research finds that CSAs with a \$1,000 initial deposit increase parental expectations for their children's education and improve the early social-emotional development of disadvantaged children—as measured by tests of four-year-old children who have a CSA compared to a control group.<sup>4</sup>

At the same time, other policy entrepreneurs and scholars have questioned the capacity of CSAs with small levels of seed funding to have any long-term positive effects on the United States' unequal distribution of wealth, and particularly, the racial wealth divide. These arguments have centered on the small incentives offered by CSAs (at present), and cast doubt on the idea that CSAs with small initial deposits can have a positive effect on college attendance and graduation. Moreover, given unequal returns to college education for racial and ethnic minorities compared to Whites, just increasing college graduation rates for people of color is not likely to close the racial wealth divide.

## Findings and Conclusions

- The most common initial deposit for a CSA is \$50, an amount based on funding realities, not evidence of impact.

- Approximately 51% of children with CSAs are White, 27% are Latino, 11% are Black, 6.5% are Asian-American or Pacific Islander, 0.2% are American Indian or Alaska Native and four percent are other or multiracial.
- The historical asset-building scholarship acknowledged the racial wealth divide but did not develop policies to address the deep asset poverty of Black and Latino communities.
- With all CSA programs operated either by state and local governments or nonprofits—all with limited budgets—CSAs as currently constructed do not provide the incentives necessary to bridge the racial wealth divide or even significantly strengthen the wealth of most communities of color.
- To help CSAs have an identifiable impact on communities of color facing deep racial wealth inequality, policymakers should establish CSAs with larger initial deposits or greater wealth transfers.
- To increase their effectiveness as a strategy for building wealth and enhancing mobility, CSAs need to be complemented by progressive tax policy and other public policies that combat inequality rather than perpetuate it.

**THE MOST COMMON  
INITIAL DEPOSIT FOR A  
CSA IS**

**\$50**

### **Purpose, Scope and Terminology**

This brief argues for a reimagined CSA policy that addresses the racial wealth divide. We begin with a description of CSAs and then provide a brief overview of the racial wealth divide. Following that, we analyze what we know from both theory and practice about the impact of CSAs on the racial wealth divide. Finally, we close with several implications and conclusions.

The analysis in this brief relies on White, Black and Hispanic/Latino household data. The terms “Black” and “White” refer to respondents of surveys who identified as a non-Hispanic Black or White person, respectively. Latinos include everyone who identified as Hispanic or Latino and may be of any race. We recognize that this categorization glosses over the importance of race and phenotypic characteristics within the Latino population.<sup>5,6</sup>

Moreover, this paper does not address disparities experienced by other racial and ethnic minorities, including Asian Americans and Pacific Islanders, American Indians and Alaska Natives, or Middle Eastern and North African people.<sup>7</sup> These populations are worthy of study, and other research has documented similar wealth disparities among some of these groups.<sup>8,9</sup> Unfortunately, these racial disparities are beyond the scope of this paper, which focuses on the three largest racial or ethnic groups in the United States.

This paper also does not address wealth disparities by gender, though they are intertwined with the racial wealth divide.<sup>10</sup> Sociologist Mariko Chang argues, “Unless the gender wealth gap closes, the racial wealth gap cannot close.”<sup>11</sup> We recognize the need for continued research on women, gender and sexual minorities<sup>12</sup>—especially those who are also people of color—to better understand how their wealth holdings impact the racial wealth divide. Unfortunately, such a discussion is also beyond the scope of this paper.

## What Are CSAs?

CSAs are long-term savings or investment accounts that help children and their families—especially those from low-income families—build savings for the future. To help accounts grow, children receive incentives such as initial deposits and savings matches from third parties (e.g. government entities or nonprofits); and family, friends and the children themselves also make contributions.



### OPEN ACCOUNT

Accounts—opened as early as birth or kindergarten—are seeded with initial deposits.



### GROW SAVINGS

Accounts grow through family contributions and incentives, such as savings matches.



### ATTEND COLLEGE/ TRAINING

Savings help pay for postsecondary education.



### GRADUATE

Children with a college account with \$500 or less are 4x more likely to graduate.

Account funds are restricted until children reach adulthood, and savings are usually used to pay for postsecondary education, though some programs allow other asset purchases, such as a home or a small business. The goals of most CSA programs are to build a college-going identity in children,<sup>13</sup> provide some of the financial means to pursue postsecondary education and increase enrollment and completion of postsecondary education.

CSAs currently serve 382,000 children in 32 states and the District of Columbia. CSA programs range in size from small, community-based programs to universal programs at the city and state level. A randomized control trial in the state of Oklahoma finds that having a CSA with an initial deposit of \$1,000 results in improved early social-emotional development among disadvantaged children, improved parents’ expectations for their children’s education and lower maternal depression rates.<sup>14</sup>

To make the case for CSAs, many CSA advocates and practitioners point to research by Willie Elliott from the University of Michigan that concludes that low-income children with \$500 or less in a college savings account are three times more likely to go to college and



four times more likely to graduate than their peers without dedicated savings.<sup>15</sup> It is important to note, though, that Elliott’s research is based on an analysis of secondary data on families who had college savings—not those who had received CSAs. This should not be interpreted as a definitive conclusion about small-dollar CSAs.<sup>16</sup>

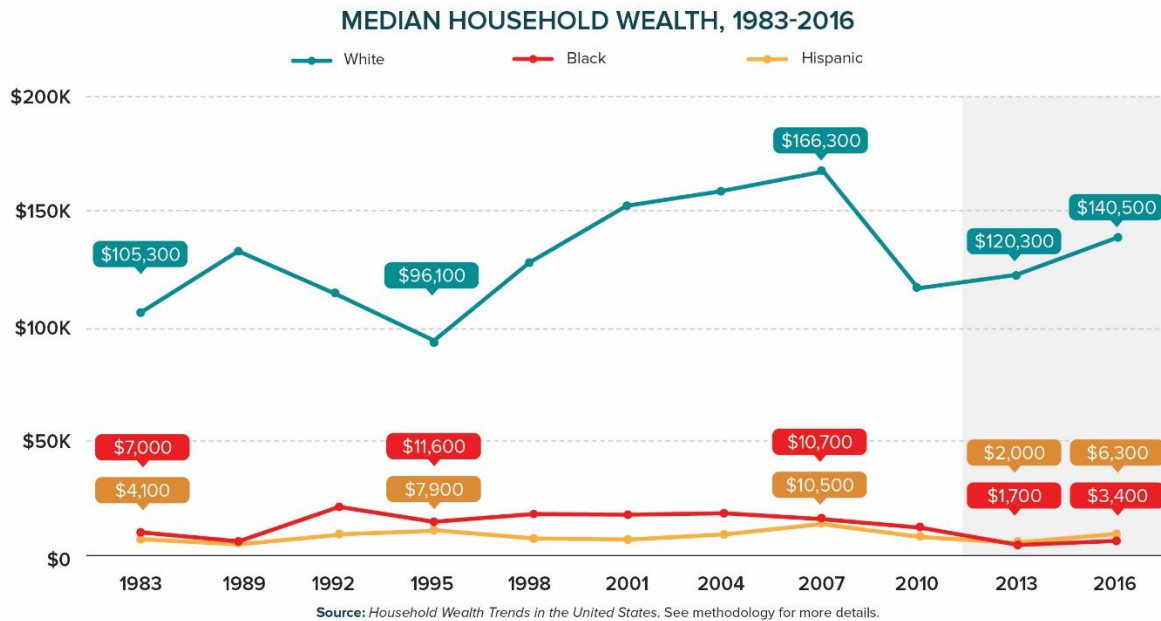
## What is the Racial Wealth Divide?

The racial wealth divide is the measure of wealth disparity between Whites and historically disenfranchised racial and ethnic groups. In this paper, the “racial wealth divide” refers to the absolute differences in wealth (assets minus debt) between White households and Black and Latino households. According to the 2016 Survey of Consumer Finances, the median White household has \$140,500 in wealth. By contrast, the median Black household has \$3,400 in wealth, and the median Latino household has \$6,300.<sup>17</sup>

Prosperity Now’s report, *The Road to Zero Wealth*, found that White households in the middle-income quintile (those earning between \$37,201 to \$61,328 annually) own nearly eight times as much wealth (\$86,100) as middle-income Black earners, who have \$11,000 in wealth, and 10 times as much wealth as middle-income Latino earners, who hold \$8,600.<sup>18</sup>

Contrary to the perception that the mid-20<sup>th</sup> century civil rights movement ended U.S. racial inequality, the racial wealth divide has grown since the 1980s. Between 1983 and 2016, median Hispanic household wealth increased by \$2,200, from \$4,100 to \$6,300. During that same time, the median Black household wealth decreased by \$3,600, from \$7,000 to \$3,400. By contrast, the median White household’s wealth has grown by \$35,200, from \$105,300 to \$140,500.<sup>19</sup>

If the past 33 years were to repeat, median Latino household wealth would rise by \$3,400, for a total of \$9,700 in 2049. Median Black household wealth would decrease by half of where it stands, totaling just \$1,700 by 2049. For White households, such a repeat would result in their median wealth rising to \$186,900 in 2049.<sup>20</sup>



Thomas Piketty—author of the influential book *Capital in the Twenty-First Century*—and other economists have theorized that the United States’ underlying economic mechanisms are designed to perpetuate inequality. In the United States, capital (real property, bonds, stocks and other assets) is growing at a rate significantly higher than the economy itself, making the rich richer and the poor poorer.<sup>21</sup> Since the fastest-growing wealth is in the hands of Whites, the divide is likely to grow instead of close.

The racial wealth divide was built on pervasive discrimination against Black, Indigenous and other people of color. This discrimination is not solely a product of slavery and Jim Crow laws. Rather, public policies in the 20<sup>th</sup> century that helped to build the White middle class were never made equally available to communities of color. Examples of this discrimination abound, from the exclusion of farmworkers and domestic workers from coverage under the Social Security Act of 1935<sup>22</sup> to the exclusion of G.I. Bill benefits for veterans of color.<sup>23</sup>

In fact, these discriminatory policies continued after civil rights-era legislation passed. Various presidential administrations of both major political parties did not adequately enforce the Fair Housing Act of 1968 to ensure equal housing opportunity. A 2013 study conducted by the Department of Housing and Urban Development and the Urban Institute used “pair testing”—in which one White person and another person of color pose as equally qualified home seekers—and found that housing providers showed Whites more units, as well as offered them lower prices.<sup>24</sup> The researchers conducted these tests more than 8,000 times in 28 different metropolitan regions, proving that housing discrimination is a national problem, not a regional malady.

Across the country, multiple financial institutions—including but not limited to large, national banks—targeted Black and Latino families with exploitative lending practices. Racially discriminatory practices are likely ubiquitous across U.S. financial services and evident in the most basic of financial products.<sup>25</sup> These institutions systematically marketed subprime loans to Black and Latino families, failing to disclose long-term interest rates, using schemes like “teaser” rates and conducting other misleading or downright fraudulent practices.<sup>26</sup>

## What Does Theory Say About CSAs and the Racial Wealth Divide?

Sherraden’s *Assets and the Poor* established the theoretical foundation for the asset-building movement and CSAs. What does his theory and later theoretical research suggest about the impact of CSAs on the racial wealth divide?

### Individual Development Accounts and the Racial Wealth Divide

In *Assets and the Poor*, Sherraden plainly states the cause of racial wealth inequity: “social and economic institutions have systemically restricted asset accumulation among blacks.”<sup>27</sup> He argues that Black Americans have never had “equal access to institutions that facilitate” wealth-building and that, “If there is a culture of poverty, in my view, it is

fundamentally asset-based.”<sup>28</sup> Yet, while recognizing the highly unequal distribution of assets by race, Sherraden’s proposal for IDAs and a new welfare policy based on asset accumulation and investment—as opposed to income and consumption—did not develop asset-building policy focused on bridging racial wealth inequity. Rather, Sherraden’s proposals were aimed at meeting other goals, such as increasing the national savings rate, investment, capital accumulation and productivity.



The historical asset-building frame **RECOGNIZED THE RACIAL WEALTH DIVIDE**, but did not develop policies that would address **THE DEEP ASSET INSTABILITY of BLACK AND LATINO COMMUNITIES.**



## CSAs, Saving for College and the Racial Wealth Divide

The CSA field has evolved such that most programs currently in operation are designed to help participants—most of whom are from low-income households—start saving for postsecondary education. While a college education purports to serve as “the great equalizer” in our society, it does not do so in practice.<sup>29</sup> First, besides Willie Elliott’s research on small-dollar savings dedicated to education (which has limited implications for CSAs), there has been no research on the impact of small-dollar CSAs on college attendance or graduation. Second, even among college graduates, wealth accumulation is unequal by race. The median White adult who attended college has 7.2 times more wealth than the median Black adult who attended college and 3.9 times more wealth than the median Latino adult who attended college.<sup>30</sup>

Indeed, new research suggests that expanding educational opportunity, in and of itself, fails to close the racial wealth divide much. Researchers at Brandeis University and Demos conclude that if racial disparities in college graduation rates were equalized, the wealth gap between Black and White households would only decrease by one percent, and the corresponding gap between Latino and White households would only decrease by three percent.<sup>31</sup>

Because Black students disproportionately come from low-wealth communities, they borrow more and at much higher rates to receive the same college degrees as their White classmates.<sup>32</sup> With less student loan debt to pay off after graduating, White graduates have a head start on building wealth compared to Black college graduates.

Moreover, Black people are not able to convert their college degree into the same job opportunities as their White peers. For example, one study found that Black college graduates aged 22-28 have an unemployment rate nearly twice as high as their equally credentialed peers overall.<sup>33</sup> Even Black college graduates who attend highly selective colleges and universities or who major in science, technology, engineering and mathematics (STEM)—touted as vital to work in “good jobs” with high salaries and benefits—suffer from high unemployment and underemployment rates.<sup>34,35</sup>

The researchers from Brandeis and Demos conclude that only a combination of raising college completion rates *and* equalizing returns to education can decrease the racial wealth gap more significantly.<sup>36</sup>

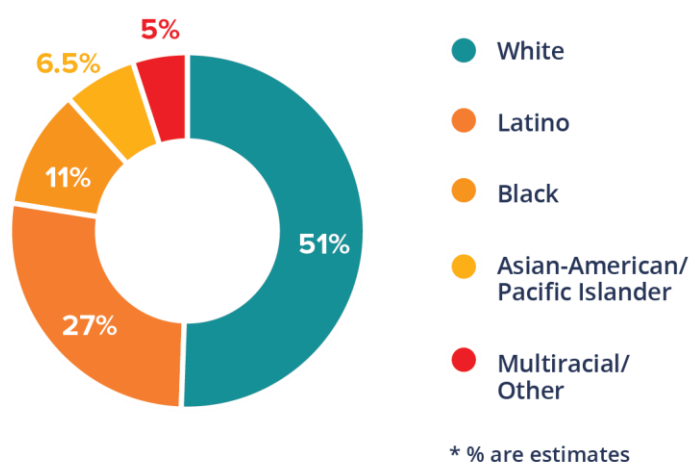
## What Can Practice Tell Us About CSAs and the Racial Wealth Divide?

In addition to the theoretical foundations for CSAs, the growth of the CSA field has resulted in a wide-ranging body of practical experience and a plethora of CSA models, all of which can help clarify the extent to which CSAs affect the racial wealth divide.

### Who Owns a CSA?

As noted earlier, there are more than 382,000 children in the United States who own a CSA. These CSAs are offered by one of 54 CSA programs in operation across the country. More than 85% of these programs are small and enroll fewer than 2,000 savers per year. On the other hand, seven CSA programs cross the “2,000 participants per year” threshold and account for nearly 90% of all CSA participants.

**CHILDREN WITH CSAs BY RACE\***



Based on unpublished research by Prosperity Now, using both survey data on CSA savers (where available) and estimates of CSA savers based on demographic data (where survey data is not available),<sup>37</sup> we find that approximately 51% of children with CSAs are White, 27% are Latino, 11% are Black, 6.5% are Asian or Pacific Islander, 0.2% are American Indian or Alaska Native and four percent are “other” or multiracial. Compared to the overall U.S. population, Latinos are overrepresented, while Black people are slightly underrepresented in the CSA participant population.

The skewed racial and ethnic demographics of CSA participants reflect the nascent children’s savings field and the somewhat random nature of where the few large-scale programs are located. For example, Nevada College Kick Start has enrolled 170,000 children—44% of the total children with CSAs. Forty-two percent of Nevada College Kick Start participants are Latino, driving the overrepresentation of Latinos among CSA holders.

Another large program, the Harold Alfond College Challenge in Maine, has 80,000 participants—94% of whom are White. San Francisco’s Kindergarten to College (K2C), the first universal, public CSA program in the country, opens CSAs for all incoming public-

school kindergartners in the City of San Francisco. Of their 31,000 participants, 27% are Latino and 36% are Asian or Pacific Islander. Black people represent only seven percent of participants.

## CSA Incentive Structure

In addition to who is served by CSAs, it is important to examine what level of wealth-building incentives are available with the accounts. Given the lack of a national policy and a field dominated instead by state and local programs, it is unsurprising that most CSA programs offer modest wealth-building incentives.

The most generous initial deposit in a CSA program is the \$500 “seed” provided by Maine’s Harold Alfond College Challenge program. But Maine’s CSA program is an outlier. According to Prosperity Now’s most recent survey of the CSA field, the most common initial deposit amount for CSA programs is \$50.<sup>38</sup>

Since the positive social-emotional development in CSAs—as demonstrated in the SEED OK program—come at the \$1,000 initial deposit level, even Maine’s initial deposit could be too small to positively affect child development. Prosperity Now has defined “middle-class wealth” as a range between \$70,200 to \$210,600 in 2016 dollars,<sup>39</sup> so incentives would need to be much greater to lift Black and Latino families to middle-class wealth.

Initial deposits are the most common incentive type; 70% of programs offer it. Two-thirds of CSA programs offer at least two types of incentives. Slightly more than half, or 52%, of programs offer savings matches, which provide a dollar-for-dollar match—up to a certain amount per year—on participant savings. The modest incentives provided by most programs do not advance wealth-building to a point that impacts the racial wealth divide.

## CSA Program Design

Finally, the way in which CSA programs are designed may also create disparate outcomes for demographic groups. For example, 74% of CSA programs use an opt-in enrollment system, in which children, parents or guardians must actively sign up for the program to receive its benefits. Some of the most vulnerable families—such as low-income, immigrant parents who may have limited English proficiency or those with less financial knowledge—may have trouble signing up for a CSA program or receiving all its benefits. A 2017 study of the SEED OK program found that “lower levels of program knowledge were associated with lower rates of account holding and smaller savings amounts among Blacks and Hispanics.” The researchers called for the “development of policy designs and communication tools” targeted for households of color.<sup>40</sup>

To better serve children of color, CSA programs should be designed with a racial wealth equity lens that encourages historically marginalized communities to take advantage of

CSA incentives and create CSAs that can influence the deep racial wealth divide. To achieve this goal, programs should be opt-out and include targeted, culturally competent communication and more substantive initial deposits for low-wealth households.

### CSA Target Populations

At the program level, a few CSA programs are designed specifically to target children of color. For example, Springboard to Opportunities (STO) in Jackson, Mississippi connects families living in affordable housing with resources and programs with the focus of advancing positive economic mobility. STO added CSAs to their “radically resident-driven” service model in the summer of 2017. Using program funds, STO currently manages 100 CSAs opened for resident children with \$50 initial deposits. All the CSA savers with STO are Black or mixed-race Black. CSAs with this level of initial deposit may influence the future aspirations of the individual participants, though they are not adequate to address the challenge of widespread asset poverty in communities of color.

Similarly, St. Louis College Kids and Lansing SAVE are examples of programs that primarily serve (and provide incentives for) Black Americans—since the public-school systems in St. Louis, Missouri and Lansing, Michigan do so as well. At the household level, these programs are assisting individual families of color, but their scale—at the city level instead of statewide—and incentives are still far too modest in the context of the racial wealth divide.

### Implications

A review of both the theoretical foundations of CSAs and the experience from current practice suggest that at the \$1,000 level, CSAs are an effective tool for increasing social-emotional development and college expectations. However, given the demographics of participants currently served by CSAs, the current scale of the movement and the modest incentives currently offered to participants, CSAs are not able to impact the racial wealth divide.

CSAs—as currently structured—are not designed to address the economic challenges facing communities of color that confront the racial wealth divide. Moreover, we do not know definitively at what level a CSA can effectively increase college attendance and graduation rates for Black and Latino people.

To help CSAs have an identifiable impact on communities of color facing deep racial wealth inequality, policymakers should establish CSAs with larger initial deposits or greater wealth transfers. For example, the Annie E. Casey Foundation found that a universal, progressive CSA program established in 1979 with investments of \$7,500 for low-wealth households and declining on a sliding-scale to \$1,250 for high-wealth households would have had such an effect. The White/Black racial wealth divide for young families would have fallen by 23%, while the White/Latino divide for young families would have fallen by 28%.<sup>41,42</sup>



To have a significant impact on **BLACK AND LATINO** wealth-building, CSAs need to be **BIGGER AND BOLDER**. They should also be used in tandem with a **PROGRESSIVE TAX POLICY** that combats inequality rather than perpetuates it.

Similarly, proposals for “baby bonds,” which are like traditional CSAs in terms of account structure and usage (though an order of magnitude larger in terms of wealth subsidies), would make larger dents in closing the racial wealth divide and addressing racial economic inequality and instability. Scholars Darrick Hamilton and Sandy Darity, two of the most visible advocates of baby bonds, have proposed giving extremely low-wealth households \$50,000 per child and incredibly wealthy households \$500.

Although the baby bond proposal doesn’t explicitly mention race, its progressive investment in low-wealth communities ensures that communities of color facing the racial wealth divide will greatly benefit. As a result, it would have a dramatic impact on the racial wealth divide. The median household wealth for Black families is \$3,400, so most Black children would receive baby bonds that multiply their household wealth many times over.

Finally, Willie Elliott from the University of Michigan has argued that, “in order to make CSAs a true tool for fighting wealth inequality, they must be combined with a significant wealth transfer.”<sup>43</sup> He recommends expanding Pell Grants or overhauling the tax code to facilitate such a wealth transfer. Elliott’s proposals illustrate the promise of CSAs to be a tool in the arsenal to combat racial economic inequity.



## Conclusion

The racial wealth divide is the manifestation of centuries-long, insidious policies and practices in our nation's history—from the extermination of Indigenous communities, to chattel slavery, to the theft of Black-owned land,<sup>44</sup> to the expulsion of Mexicans and Mexican-Americans during the 1920s and 1930s,<sup>45</sup> to the environmental racism that poisoned Flint, Michigan's water supply,<sup>46</sup> to mass incarceration<sup>47</sup> and more. It is naïve to think that one modest policy solution can ameliorate this gargantuan issue.

CSAs do not close the racial wealth divide nor significantly address the challenges of racial economic inequality that most communities of color face because they were never designed to do so. To address the divide, policymakers should reimagine CSAs as a significant asset-building tool targeted towards historically disenfranchised communities of color. Increasing the initial deposit and savings matches in CSAs would require that policymakers embrace a far more progressive tax agenda. To allow more flexibility in wealth-building for people of color, CSAs should also explicitly permit accountholders to use the money for any asset-building purchase, not just postsecondary education.

Finally, CSAs can have the greatest impact on racial wealth inequality if they are used in concert with bold policy proposals that address the racial wealth divide from other angles. Going to college wouldn't be as much of a financial burden for Black and Latino students if our tax code counteracted inequality instead of perpetuated it. A college degree for a Black or Latino graduate would matter more if she didn't face discrimination and bias in the job market compared to her White peers.

Ultimately, to bridge the racial wealth divide, our country will need to rethink all our economic policies and reorient them to address racial economic inequality. It took lots of calculated, malicious and thoughtless harm from multiple institutions to create the racial wealth divide. Only equal countervailing power will undo it.

## Endnotes

- <sup>1</sup> Michael Sherraden, *Assets and the Poor: A New American Welfare Policy*, Armonk: NY: M.E. Sharpe, Inc., 1991.
- <sup>2</sup> For more information on SEED, see Deborah Adams et al. [Lessons from SEED: A National Demonstration of Child Development Accounts](#) (Washington, D.C.: Prosperity Now, 2010).
- <sup>3</sup> Shira Markoff, Monica Copeland, Diego Quezada. [The Movement Takes Off: The State of the Children's Savings Field 2017](#). (Washington, D.C.: Prosperity Now, 2018).
- <sup>4</sup> Sandra Beverly, Margaret Clancy and Michael Sherraden. [Universal Accounts at Birth: Results from SEED for Oklahoma Kids](#) (St. Louis: Center for Social Development, 2016).
- <sup>5</sup> According to a [Pew Research study](#) focused on Afro-Latinos, 18% said they were Black, 39% said they were White or White in combination with some other race, and 24% volunteered that their race was Hispanic. These findings reflect the complexity of race among Latinos as well as the colonial history of Latin America, when Indigenous Americans, White Europeans and slaves from Africa interacted with each other.
- <sup>6</sup> Black and darker-skinned Latinos have worse mental and physical health outcomes than White and lighter-skinned Latinos. Mental health and financial well-being share strong correlations. One study found that darker-skinned Mexicans and Cubans face higher levels of discrimination in the labor market than their lighter-skinned counterparts. See: Adolfo G. Cuevas et al. "Race and Skin Color in Latino Health, An Analytic Review" from the *American Journal of Public Health* and Rodolfo Espino and Michael M. Franz. "Latino Phenotypic Discrimination Revisited: The Impact of Skin Color on Occupational Status" from *Social Science Quarterly*.
- <sup>7</sup> In January 2018, the Census Bureau announced that it [would not add](#) a Middle Eastern or North African (MENA) category to the 2020 census. For more information on this population, see: Mattea Cumoletti and Jeanne Batalova's ["Middle Eastern and North African Immigrants in the United States"](#) from the Migration Policy Institute.
- <sup>8</sup> Meizhu Lui, Barbara Robles, Betsy Leondar-Wright, Rose Brewer, and Rebecca Adamson, with United for a Fair Economy, *The Color of Wealth: The Story Behind the U.S. Racial Wealth Divide*, The New Press (New York, London), 2006.
- <sup>9</sup> Christian E. Weller and Jeffrey Thompson. ["Wealth Inequality Among Asian Americans Greater Than Among Whites."](#) Center for American Progress. December 20, 2016.
- <sup>10</sup> Single Black women only have a median wealth of \$300 to their names, while single White women have a median wealth of \$28,900. Much of the research on the women's wealth gap only compares women of color to men of their racial/ethnic background or to White women. More complete gender equity would be achieved if women had wealth equal to that of White men. See Mariko Chang's "Women and Wealth: Insights for Grantmakers" from the Asset Funders Network from Spring 2015.
- <sup>11</sup> Alison Perlberg. ["Shortchanged: Women and the wealth gap."](#) Clayton Institute for Gender Research. Stanford University. April 4, 2011.
- <sup>12</sup> For more information on gender and sexual minorities, please see Rafael M. Diaz et al. ["The Impact of Homophobia, Poverty and Racism on the Mental Health of Gay and Bisexual Latino Men: Findings from 3 US Cities."](#) *American Journal of Public Health*. Vol. 91, No. 6 (2001). 927-932 and ["Paying an Unfair Price: The Financial Penalty for Being LGBT in America."](#) Center for American Progress and the Movement Advancement Project. November 2014.
- <sup>13</sup> This goal is problematic in that it implicitly says that the problem with poor people is their lack of aspiration or ambition rather than their socioeconomic condition and structural inequality.
- <sup>14</sup> Sondra G. Beverly, Margaret M. Clancy, and Michael Sherraden, "The Early Positive Impacts of Child Development Accounts," CSD Research Brief 15-08, January 2015.
- <sup>15</sup> William Elliott, Hyun-a Song and Ilsung Nam. ["Small-Dollar Children's Savings Accounts, Income and College Outcomes."](#) Center for Social Development. No. 13-06, 2013
- <sup>16</sup> Several research studies of leading CSA programs, such as Kindergarten to College in San Francisco, Prosperity Kids in Albuquerque, NM and Promise Indiana, are currently underway and should contribute to our understanding of the impact of small-dollar CSAs.
- <sup>17</sup> Emanuel Nieves and Dedrick Asante-Muhammad. [Running in Place: Why the Racial Wealth Divide Keeps Black and Latino Families from Achieving Economic Security](#). (Washington, DC: Prosperity Now, 2018).
- <sup>18</sup> Dedrick Asante-Muhammad, Emanuel Nieves et al. [The Road to Zero Wealth: How the Racial Wealth Divide is Hollowing Out America's Middle Class](#) (Washington, DC: Prosperity Now, 2017).
- <sup>19</sup> Nieves and Asante-Muhammad, *Running in Place*.
- <sup>20</sup> Ibid.

- <sup>21</sup> Marc Lamont Hill. *Nobody: Casualties of America's War on the Vulnerable, from Ferguson to Flint*. (New York: Atria Books, 2016). 168.
- <sup>22</sup> Brad Plumer. "[A Second Look at Social Security's Racist Origins](#)". *Washington Post*. June 3, 2013.
- <sup>23</sup> Nick Kotz. "[When Affirmative Action Was White: Uncivil Rights](#)." *New York Times*. August 28, 2005.
- <sup>24</sup> Turner, Margery Austin et al. "[Housing Discrimination Against Racial and Ethnic Minorities 2012](#)." U.S. Department of Housing and Urban Development. Office of Policy Development and Research. June 2013.
- <sup>25</sup> Jacob Faber and Terri Friedline. "[The Racialized Costs of Banking](#)." *New America*. June 21, 2018.
- <sup>26</sup> Anju Chopra, Dedrick Asante-Muhammad, David Newville and Doug Ryan. *A Downpayment on the Divide: Steps to Ease Racial Inequality in Homeownership*. (Washington, DC: Prosperity Now, 2017).
- <sup>27</sup> Michael Sherraden. *Assets and the Poor: A New American Welfare Strategy*. M.E. Sharp, Inc. 1991. 131.
- <sup>28</sup> Ibid, 138-139.
- <sup>29</sup> David Rhode, Kristina Cooke and Himanshu-Ojha. "[The Decline of the 'Great Equalizer'](#)." *The Atlantic*. December 19, 2012.
- <sup>30</sup> Amy Traub, Laura Sullivan, Tatjana Meschede and Tom Shapiro. *The Asset Value of Whiteness: Understanding the Racial Wealth Gap*. (New York.: Demos, 2017).
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