

# Black and Brown in New Jersey:

## The Garden State's Shameful Racial Wealth Gap

Racial financial inequities in New Jersey were established by design.

As highlighted in our recent report *Erasing New Jersey's Red Lines*, our shameful racial wealth gap in the state reflects generations of systemic barriers to financial opportunities, rooted in slavery, that continue to impact the lives of our state's Black and Brown residents. At the same time, public policies have helped white individuals build assets through subsidies to homeownership and employer-based savings plans that are often not available to their Black and Brown peers.

This data brief examines some of the financial disparities between Black and Latina/Latino residents of New Jersey and white residents of the state that have led to New Jersey's stark racial wealth gap. Our findings highlight inequities that existed before the start of the pandemic and that are being exacerbated today by the disproportionate health and economic impacts facing communities of color. During these challenging times, we must commit more than ever to support our Black and Brown communities in building generational wealth that has been denied to them for too long.



# New Jersey's Shameful Racial Wealth Gap

Today in New Jersey, a majority of our Black and Brown residents have virtually no safety net to weather the economic storm that has hit the state and the nation. Wealth provides opportunity for mobility and financial stability in times of need. The vast racial wealth gap in New Jersey means that white New Jerseyans are likely to have a financial cushion during these challenging times, while Black and Brown residents of the Garden State are more likely to be struggling to make ends meet as the COVID-19 pandemic continues on. With almost no financial safety net, the typical Black and Brown resident is much more vulnerable to economic devastation due to the health crises and job losses facing so many during the pandemic.

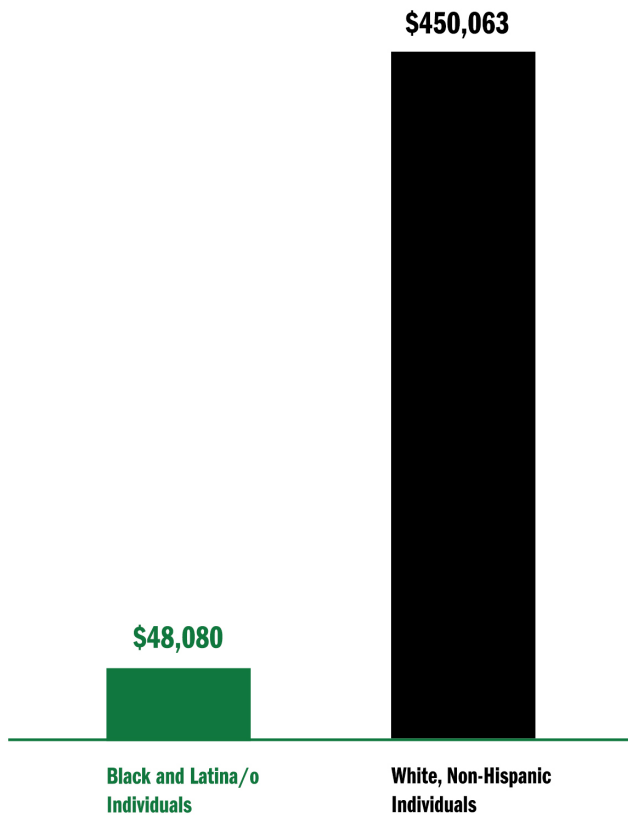
The vast gap between the typical wealth of Black and Brown New Jerseyans and white residents of the state reveals the pervasive and shameful disparity in financial security in our state.

## Median Net Worth



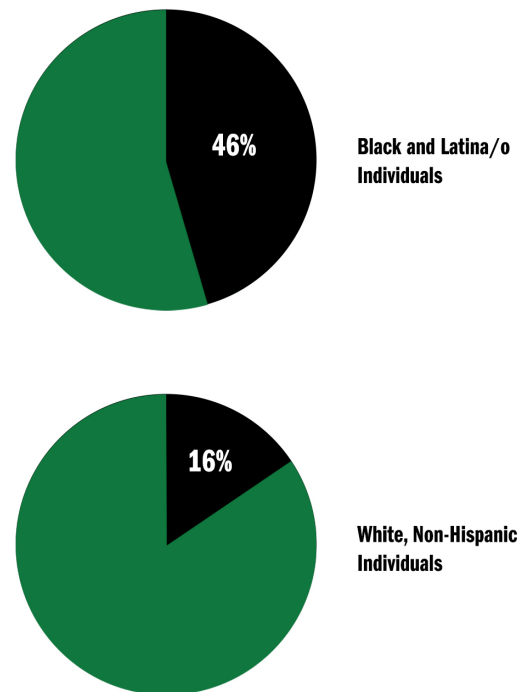
## Mean Net Worth

The average white person in the Garden State has almost ten times the wealth of the average Black or Latina/Latino resident.



## Percent with Zero or Negative Net Worth

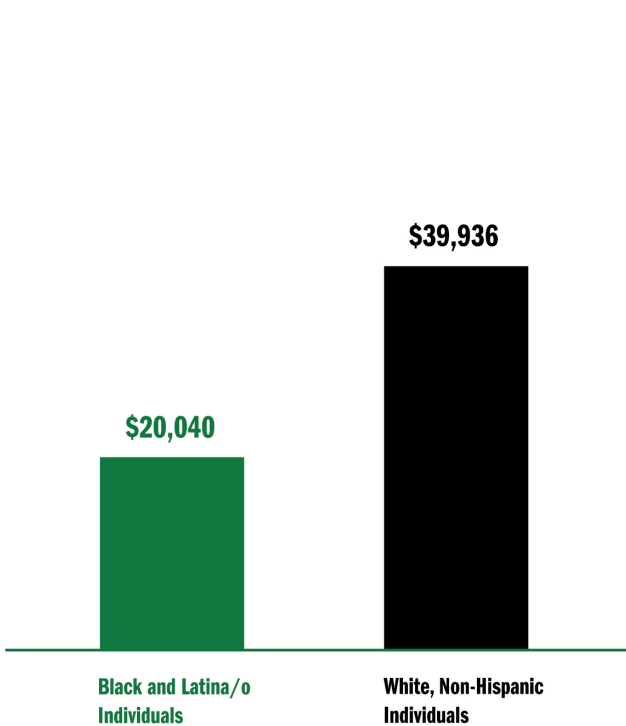
Almost half of Black and Brown Garden State residents have no savings or owe more than they own.



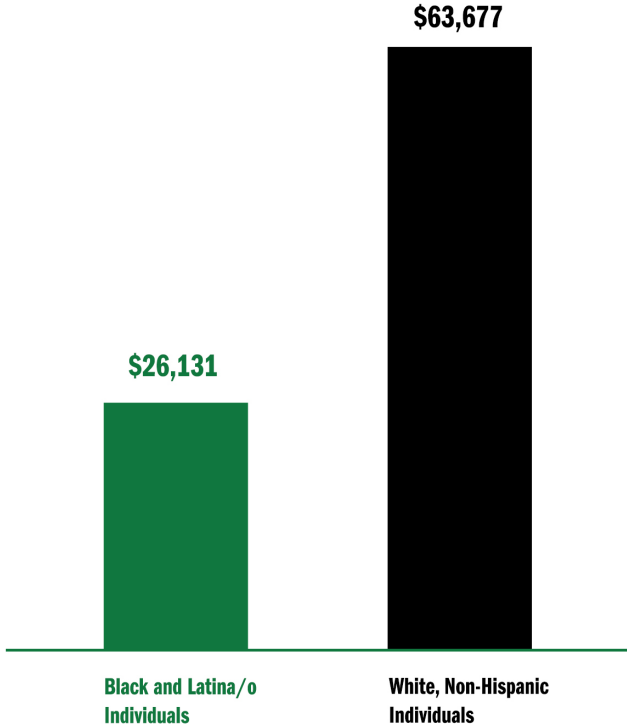
# Black and Brown New Jerseyans Were Struggling to Make Ends Meet Even Before the Pandemic

Even before the economic crisis brought about by the pandemic, Black and Brown New Jerseyans were struggling with insufficient incomes in an expensive state.

## Median Annual Income



## Mean Annual Income



## Barriers to Savings and Asset Building

### One-in-four Black and Brown New Jerseyans do not have a bank account



### Black and Brown New Jersey residents are less likely to live in owned home



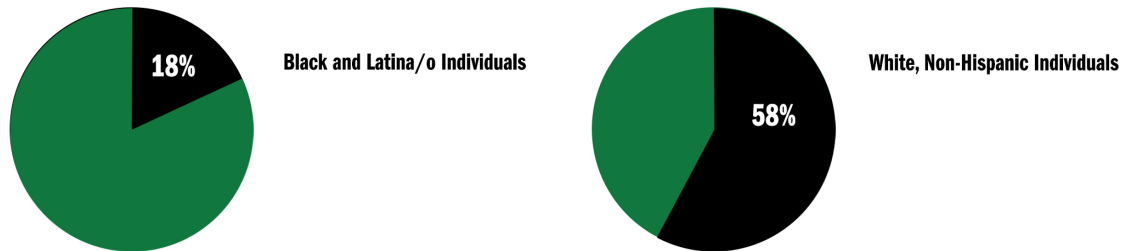
\*White, Non-Hispanic Individuals

\*Black and Latina/o Individuals

# An Enormous Racial Gap in Retirement Savings in New Jersey

The long-term economic security of New Jersey’s Black and Brown residents is extremely precarious. Less than 20 percent have any retirement savings account and their average retirement savings would not cover even a year of retirement. Without a doubt, our employer-based retirement savings system is failing New Jersey’s Black and Brown people.

## Less than one in five Black and Brown New Jerseyans have any retirement savings account



## Mean Retirement Account Value

The average retirement savings of white Garden State residents is over ten times that of their Black and Brown peers.



Note: Retirement accounts include defined-contribution retirement accounts such as 401ks, 403bs, as well as IRA and Keogh accounts.

### About this data analysis

The findings in this analysis were conducted by the New Jersey Institute for Social Justice using Wave 4 of the 2014 Survey of Income and Program Participation (SIPP). Findings represent a cross-section of New Jersey residents in December 2016 ages 15 and above. All analysis is conducted at the individual level. The word “typical” is used to refer to median in this document, while “average” refers to mean.

All results reveal statistically significant differences between white individuals compared to Black/Latina/Latino individuals. Results are presented for Black and Latina/Latino individuals jointly in order to increase confidence in estimates, although results retain statistical significance for Black and Latina/Latino New Jersey residents compared to white individuals in the state when Black and Latina/Latino residents are analyzed separately.

Upcoming NJISJ analyses and a forthcoming report will present data from the recently released 2018 SIPP Panel covering calendar year 2017.