

Why Do a Racial Wealth Gap Study?

“There will never be a post-racial America if the wealth gap persists.” - Darik Hamilton, The New School.

Executive Summary

The path to economic opportunity has been paved in Multnomah County and the United States for some, but not all. These inequities inhibit our region’s ability to make the most of the talents of every person, which harms us all.

Social justice is chief among the County’s core values. The County believes everyone in our community should share equally in opportunity, regardless of what they look like, where they come from, what they believe in, or who they love. To that end, the County aims to address the root causes of poverty, especially with attention to race, so that everyone in our community can live prosperously.

A study of the “Color of Wealth in Multnomah County” would provide insights to policy makers who seek to address barriers to equitable attainment of wealth and assets related to race, and support the County’s racial justice agenda. Understanding our local racial wealth gap must be a community effort. Multnomah County aims to be part of the solution, working in tandem with its community partners.

“... recognition that the creation and perpetuation of racial inequities has been baked into government, and that racial inequities across all indicators for success are deep and pervasive. We also acknowledge our obligation to respond to the historical and political context of policies and practices that created systems of inequality that have contemporaneous impacts...” - Multnomah County Workforce Equity Plan

The Challenge

Racial inequality can impede efforts to build wealth, leading to cycles of poverty, particularly for racial minorities. Research shows these communities experience poverty at higher rates nationwide. The Portland metro area lacks a body of research on local racial wealth barriers, which makes it difficult to develop community-specific policy and program solutions.

The local community would benefit from a study examining the asset and debt positions of racial and ethnic groups in Multnomah county. The result of such work would help to improve the overall social well-being of this community by reducing poverty and improving intergenerational mobility, family stability, economic opportunity, security and help people access to more opportunities.

The primary source of wealth for most Americans with positive net worth is the transfer of resources, especially inheritance and bequests, within a family. These transfers account for more of the wealth position of Americans than any other demographic or socioeconomic measure, including education, income and household structure.

Most information on wealth and debt is not collected at the local level and considers only broad demographic categories. To better understand and address the needs of local residents, we need to know what racial disparities are prohibiting people from acquiring wealth in the County.

“If average Black family wealth continues to grow at the same pace it has over the past three decades, it would take Black families 228 years to amass the same amount of wealth White families have today.” - Institute for Policy Studies and CFED, 2016.

Strategies

As part of its ongoing effort to help residents acquire assets and build wealth, the Multnomah Idea Lab (MIL), plans to gather detailed demographic information on people experiencing poverty in the tri-county region, including:

- Racial and ethnic subgroups
- Age
- Sex
- Educational attainment
- Household composition
- Nativity
- Income
- Family background

The survey also will gather information about assets, liabilities, financial resources, personal savings and investment activities, among other things.

The survey method will be modeled on the National Asset Scorecard for Communities of Color. The MIL will partner with:

- Prosper Portland (funder)
- Economic Security Project (funder)
- Portland State University (PSU) Survey Research Lab
- Duke University, the New School and PSU (researchers)
- Federal Reserve Bank (technical assistance)
- Community organizations
- Members of the business community
- Local jurisdictions

The MIL will:

- Fundraise for the study
- Project manage the conducting of the study
- Convene and facilitate community organizations to create meaning and context for the data and the study release

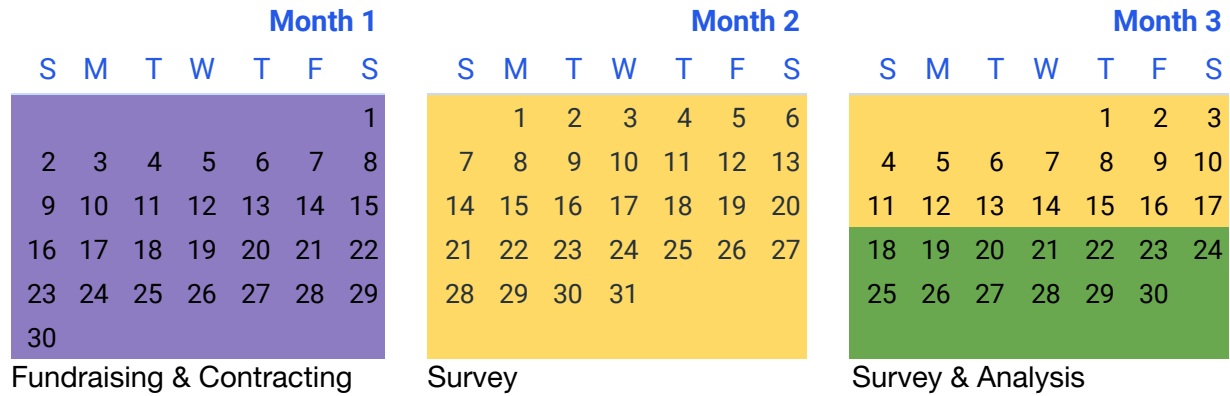
The resulting report will provide reliable information to grassroots organizations to support their efforts to address racial disparities. The report will also provide a set of tangible, implementable policy proposals that target the identified factors that drive wealth-related racial barriers in Multnomah County.

The report is modeled on the series “Color of Wealth” and is the first of its kind. It provides:



- Access to effective local data currently unavailable;
- Insight into the barriers to racial wealth equity that policy makers who work at the local level do not have; and,
- New and expanded measures of wealth within local communities of color.

Timeline



Budget

Expense	Amount
Survey (PSU)	\$82,000
Analysis (researcher participation)	\$37,500
Stipends (community member participation)	\$10,000
Total	\$129,500

Potential Funding Partners

Oregon Community Foundation
 Meyer Memorial Trust
 Collins Foundation
 NW Health Foundation

Multnomah County Health Department
 Northstar Foundation
 Oregon Business Council
 City of Portland

