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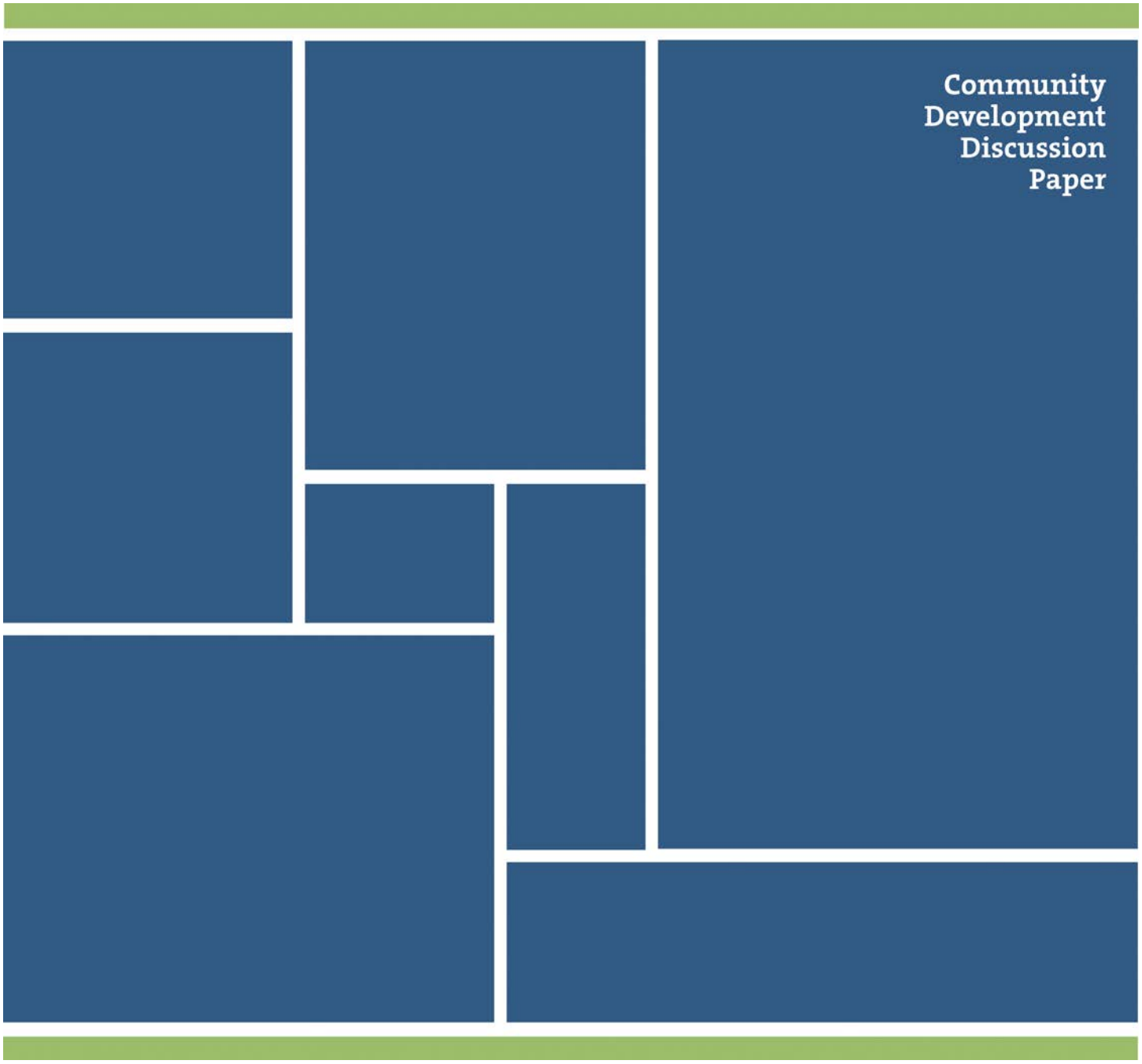

Wealth Inequalities in Greater Boston: Do Race and Ethnicity Matter?

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Abstract

New data collected for the Boston metropolitan statistical area (MSA) as part of the National Asset Scorecard for Communities of Color (NASCC) survey provide detailed information on financial assets that allow analysis to extend beyond the traditional black-white divide. Targeting US-born blacks, Caribbean blacks, Puerto Ricans, Dominicans, and other Hispanics, findings underscore the large racial and ethnic disparities in financial wealth, even after controlling for demographic and socioeconomic status. Further, some notable differences between Boston's communities of color highlight the importance of detailed analyses for research on the racial wealth gap. In particular, among nonwhite communities, Dominicans report comparatively low asset levels and high debt, while Caribbean blacks report relatively higher levels of wealth. Altogether, these findings point to the need for wealth building opportunities in communities of color and further investigation of the causes and consequences of financial disparities between groups of color disaggregated by ancestral origin.

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Introduction

Economic inclusion for all US citizens should be a critical social policy goal. The predominant approach to ensuring economic inclusion for US families focuses on income. Income, however, addresses a different aspect of financial well-being than wealth. Income can be seen as a stream of resources for a family's day-to-day expenses, whereas wealth is a stock of resources that a family can draw upon when the income stream is reduced or shut off for a period of time. Wealth also provides funds to invest in education, business creation, home purchase, and savings for retirement, all of which iteratively can be used to generate more wealth via savings from asset income. Thus, wealth is critical for long-term financial security and family well-being.

It is still very important to address income disparities, but focusing solely on income is insufficient when thinking about families' long-term opportunities. While it is true that income may allow families to save and then generate wealth over time, most racial wealth disparities do not come from differences in flow-savings generated from their income.[1] A focus on wealth, rather than income, highlights the multigenerational impact of the transmission of wealth and the effect of policies that have systematically increased racial wealth disparities. Over time, government policies have widened the racial divide by helping white families build wealth through homeownership, job stability, retirement funds, and education, while excluding many communities of color (see Lui et al. 2005; Katznelson 2005; Oliver and Shapiro 2006; Hamilton and Darity 2010).

Over the past decades, a plethora of research has documented the magnitude and scope of racial wealth disparities in the United States (for example, Conley 2009; Oliver and Shapiro 2006; Gittleman and Wolff 2000; Krivo and Kaufman 1999). In fact, racial wealth inequality has always been much wider than racial income inequality, and this gap has grown over time (McKernan et al. 2013; Tippett et al. 2014). Overall, a typical black household earns roughly 60 percent of the typical white household but has only 5–10 percent of its wealth

[1] A review of the economic literature (Hamilton and Chiteji 2013) shows that inheritances, bequests, and intrafamily transfers account for more of the racial wealth gap than any other demographic or socioeconomic indicators, including education, income, and household structure.

(Shapiro et al. 2014). Moreover, differences exist between and within communities of color, but those differences have largely gone unstudied.

In this paper we document racial and ethnic wealth disparities among households in the Boston metropolitan statistical area (MSA) using a survey created by the National Scorecard for Communities of Color (NASCC). [2] NASCC collects detailed data on assets and debts for subpopulations by race, ethnicity, and country of origin. The NASCC survey addresses two shortcomings of other national datasets that collect asset and debt data: (1) lack of information for specific urban geographic areas within which asset and debt prices and products will vary less than in the larger national geographical context; and (2) lack of specificity about respondents' ethnicity/ancestral origin—important data given that people's financial positions vary to due to varied historical and ongoing experiences. Because relevant geographic distinctions exist within asset markets and variations exist in racial composition across geographies, the NASCC survey was designed to collect data at the level of the metropolitan statistical area. The major goal of this paper is to fill the void concerning the relationship between ancestral origin and wealth-building experience in specific geographic contexts, using the Boston MSA as a case study. Importantly, if we find differences across country of origin, this may both suggest both different causes of the wealth disparity and, relatedly, different remedies.

Background

Based upon self-reported race and ethnicity, over the past five decades the United States has become considerably more diverse. As of 2014, the non-Hispanic white population accounted for only 60 percent of the total population in the United States. Since 2000, the non-Hispanic white population has increased by only 1 percent, while the black and Hispanic populations grew 21 and 57 percent, respectively. As is true for many other regions in the

[2] The NASCC project is made possible by the generous support of the Ford Foundation's Building Economic Security over a Lifetime (BESOL) initiative and the Federal Reserve Bank of Boston. William A. Darity Jr. and Darrick Hamilton serve as primary investigators; Kilolo Kijakazi served as the Ford Foundation's program officer. The NASCC–Boston project manager is Ana Patricia Muñoz.

country, population growth in the Boston MSA has been driven almost entirely by growth in communities of color.

The Boston MSA, home to 4.6 million residents, accounts for almost one-third of New England's population[3] and has experienced noteworthy demographic changes. Specifically, the non-Hispanic white population actually declined 3 percent between 2000 and 2012.[4] During the same period, the number of Asian and Hispanic residents in the Boston MSA increased 58 percent, and the number of non-Hispanic blacks increased 33 percent.[5] According to recent estimates, Hispanics accounted for 10 percent of the total population, up four percentage points since 2000. The proportion of non-Hispanic black residents in the Boston MSA rose from 6 to 7 percent.[6]

The nationality and ethnic breakdown within these broadly defined racial and ethnic groups is a distinctive feature of the Boston MSA. According to the 2012 US census, of the 368,133 black residents in metropolitan Boston, 34 percent (126,200) are foreign born and 10.5 percent (38,686) are of Hispanic origin.

The national origin of most Hispanics in the Northeast departs from the pattern in the rest of the United States. In the country as a whole, Mexicans account for more than two-thirds of the Hispanic population, whereas they account for less than 7 percent in the Boston metro area. In the 2012 census, the two largest Hispanic groups in the Boston MSA were Puerto Ricans and Dominicans, who represented 29 and 23 percent of the Hispanic population, respectively.[7] Puerto Ricans arrived in the region in great numbers after World War II. According to Hernandez (2006), as the original population of Hispanics with a significant presence in New

[3] The Boston MSA includes the following counties: Essex, Middlesex, Norfolk, Plymouth, and Suffolk in Massachusetts and Rockingham and Strafford in New Hampshire.

[4] All population figures come from the 2012 American Community Survey one-year estimates. The share of the non-Hispanic white population declined from 81 percent in 2000 to 74 percent in 2012.

[5] As of 2012, there were 3,435,332 non-Hispanic white residents, 329,500 non-Hispanic black residents, 318,181 Asians and Pacific Islanders, and 444,517 Hispanics in the Boston MSA. These categories do not include mixed-race individuals with the exception of Hispanics/Latinos, who may be of any race. Most Hispanics self-identify as "other race" in the US census.

[6] U.S. Census projections at the national level estimate that by 2030 non-Hispanic whites will account for 55 percent of the nation's population. Hispanics and non-Hispanic blacks will represent 22% and 13%, respectively. Unfortunately, population projections at the state level by race and ethnicity are not available.

[7] In the United States in 2012, Puerto Ricans and Dominicans accounted for 9.4 percent and 3.1 percent of the Hispanic population, respectively.

England, Puerto Ricans were instrumental in laying the groundwork for the metropolitan area's Hispanic community. As US citizens, Puerto Ricans were spared problems with visas, had legal access to social services, and had the right to vote. It was not till the 1980s that the Hispanic population of Boston began to diversify as Dominican immigrants began to arrive (Uriarte et al. 2003). Central Americans from El Salvador are the most recent arrivals.

Compared with Asians and Latin Americans, black immigrants from the Caribbean and Africa are still a relatively small group, accounting for less than 10 percent of 40 million immigrants nationwide and for 15 percent of nearly 775,000 foreign-born residents in the Boston area. But roughly one-third of blacks in the Boston MSA were immigrants, compared with nearly nine percent nationwide.

Two groups living in the Boston metropolitan area whose numbers are on the rise are Haitians and Cape Verdeans. Close to 9 percent of all Haitians living in the United States—about 75,600—reside in the Boston MSA. The concentration of Cape Verdeans is even greater, with about 45 percent of the 87,000 Cape Verdeans living in the United States residing in the Boston metro area. The earliest wave of Haitian immigrants began to arrive in Massachusetts as early as 1950 (Jackson 2011). The numbers of Cape Verdeans increased after 1965 and especially after independence in 1975, when many relocated to New England (Gibau 2008).

Growing racial wealth inequality

While the nation and Boston have become more racially and ethnically diverse, wealth continues to be divided sharply along color lines. According to recent estimates, black households own just 6.4 percent and Latino households just 7.5 percent of the wealth owned by white households (Sullivan et al. 2015). These wealth disparities have deep roots in historic injustices such as redlining, school segregation, the racially uneven application of the GI Bill and federal home loan subsidies that built the white middle class after World War II (Katznelson 2005; Lui et al. 2005; Oliver and Shapiro 2006; Hamilton and Darity 2010), discriminatory access to credit, especially in the housing mortgage market (Oliver and Shapiro 2006), the failure to grant former slaves forty acres and a mule (Darity 2008), and many other conditions that continue to affect social practices and policies today.

The growing racial wealth gap has been the focus of a number of studies. For example, Shapiro et al. (2013) followed the same households over a quarter century and found that the gap between white and black wealth increased threefold during that period. Not only did the Great Recession deepen racial and ethnic wealth disparities (Kochhar et al. 2011; Tippett et al. 2014), postrecession economic recovery has also been slower for blacks and Hispanics than for their white counterparts (Kochhar and Fry 2014; Tippett et al. 2014).

These disparities exist and persist across generations. Tracing the wealth gap between grandparents and their grandchildren, the black-white median wealth ratio shows that the grandparents of the typical black child have only about eleven cents of wealth for every dollar held by grandparents of the typical white child (Chiteji 2010). And the nation as a whole suffers from the same pattern of wealth disparity as Boston displays.

Factors influencing wealth accumulation and racial wealth inequality

Correlates of family wealth are complex. Conventional research indicates that wealth is determined, in part, by age (life cycle factors), inheritances, in vivo transfers, educational attainment and income, and family demographics such as marital status. Life cycle theory (Modigliani and Brumberg 1954) states that with increasing age, individuals and households increase their savings as they are focused on expected future consumption needs, especially during retirement when labor no longer provides a source of income. There is evidence that the racial wealth gap grows sharply with age. As McKernan et al. (2013) found, whites in their thirties had about three and half times the wealth of their black counterparts. In their sixties, the same white households had seven times more wealth than the same group of black households. These findings point to unequal opportunities for whites and blacks to grow wealth over the life course.

<u>Inheritances and in vivo transfers</u>

Inheritances and in vivo transfers play a fundamental role in explaining the significant portion of the wealth gap that remains even after controlling for standard factors such as age,

income, and education (Gittleman and Wolff 2000; Lerman 2005; Shapiro et al. 2013). For example, after controlling for income and demographic factors, Blau and Graham (1990) found that almost three-quarters of the black-white wealth gap could not be explained. Further review of the economic literature by Hamilton and Chiteji (2013) revealed that inheritances, bequests, and intrafamily transfers account for substantially more of the racial wealth gap than any other demographic or socioeconomic indicators, including education, income, and household structure (see, for example, Blau and Graham 1990; Menchik and Jianakoplos 1997; Conley 2009; Chiteji and Hamilton 2002; Charles and Hurst 2003; Gittleman and Wolff 2007).

Shapiro et al. (2013) estimate that among the families their study followed for 25 years, whites were five times more likely to inherit than African Americans (36 percent to 7 percent, respectively). In addition, among those receiving an inheritance, whites received about ten times more wealth than African Americans. Again, this confirms the persistent, generational effects of lack of wealth and the cumulative effect of lack of asset-building opportunities of nonwhite families.

Education

Education has been associated with higher wealth holdings and plays an important role in influencing wealth variations within racial/ethnic groups. However, some research also shows that the racial/ethnic wealth gap changes little when education is taken into account (Gittleman and Wolff 2000; Shapiro et al. 2013).[8] In fact, a recent report demonstrates that white families whose head dropped out of high school have a median wealth that is about one-third higher than black families whose head graduated from college (Hamilton et al., 2015).

Nevertheless, black families are very committed to education. A recent report by Nam et al. (2015) presents evidence that black parents with more limited resources display a greater inclination to provide financial support for their adult children's education than their white counterparts. The report finds that the median wealth of black parents who provide financial support for their children's higher education is about one-third of the $74,000 median wealth

[8] Shapiro et al. 2013 show that educational attainment gaps account for 5 percent of the racial wealth gap.

value of white parents who did not provide financial support, and only about 15 percent of the $168,000 median wealth value for white parents who did provide financial support.

An increase in income helps white households accumulate wealth more than it helps black households. Shapiro et al. (2013)'s longitudinal study examining the same households over 25 found that every dollar increase in average income adds $5.19 in wealth for white households, while it adds only $0.69 in wealth for African American households at the respective medians of the wealth distributions. The median wealth for black households is substantially lower than the median for whites, and this difference in wealth return to income decreases to $1.16 when wealth levels are equal. However, this importance difference in wealth returns for equal income remains and contributes to a much smaller wealth growth for black households. These results suggest that it is not the increase in income per se that generates the increase in white households' wealth. Other factors that are unrelated to changes in income determine these vastly disparate wealth outcomes. Another dramatic indication of the wealth gap is the fact that white families whose head is unemployed have about twice the median wealth of black families whose head is employed full time (Hamilton et al. 2015). It is clear that while policies to reduce racial and ethnic income and employment gaps are important, they are not sufficient to address racial wealth disparities.

Family structure

Family structure and kinship relationships play a role in wealth accumulation. When individuals provide financial support to parents and siblings, it lowers their ability to generate and maintain savings, which in turn lowers their wealth accumulation. Poverty among extended family has detrimental effects on levels of wealth, which may compound the difficulties black families face in closing the wealth gap with white families (Hamilton and Chiteji 2000; Heflin and Pattillo-McCoy 2000). As for marital status and income class, Gittleman and Wolff (2000) find that neither has much power to explain the racial wealth gap. Interestingly, although marriage does not play much of a role in wealth accumulation for African Americans, it has a significant effect in wealth growth among whites (Shapiro et al. 2013).

Savings habits

Some researchers argue that the wealth gap can be explained in part by racial variations in asset ownership, but it is not evident that there are racial differences in savings behavior once income is taken into account (Gittleman and Wolff 2000; Keister and Moller 2000). Economists ranging from Milton Friedman (1957), Marjorie Galenson (1972), and Marcus Alexis (1971) found that, after accounting for household income, blacks had a slightly higher savings rate than whites. A few decades later, Gittleman and Wolff (2004), using the Panel Study on Income Dynamics (PSID), confirmed that, after controlling for household income, blacks actually had a mild savings advantage in comparison with whites.

The NASCC dataset

The NASCC survey collected data on net worth, financial assets and behavior, and debt of narrowly defined racial and ethnic groups that typically are lumped together in larger categories in national surveys. The survey was implemented in five MSAs: Boston, MA; Los Angeles, CA; Miami, FL; Tulsa, OK; and Washington, DC. This paper focuses on data collected in early 2014 for the Boston MSA, where 403 households were surveyed, specifically targeting US-born blacks, Caribbean blacks (including Haitians), African immigrants (particularly Cape Verdeans), Puerto Ricans, and Dominicans. The survey also includes the omnibus categories "other" Hispanics, Asians, and whites. Respondents self-identified their race and ethnic identity.

Overall the demographic characteristics of the NASCC sample for Boston resemble those of the larger population residing in the Boston MSA, apart from the targeted oversampling of a few groups. For example, a smaller proportion of persons in the Boston MSA who identify as black were born in the US or Canada (45 percent) than in the NASCC sample (57 percent). In total, 39 percent of the Boston respondents were immigrants with an average age *at immigration* of 20, ranging from age 14 for the Puerto Ricans to 26 for other Hispanics.

Methods

This paper documents the degree of wealth disparity for detailed racial and ethnic groups residing in Boston after accounting for the typical wealth correlates. Specifically, our

analysis focuses on two related but distinct wealth measures: total household wealth, which mainly consists of home equity, and liquid wealth.

Total household wealth, the sum of all tangible and intangible financial assets minus all debt, indicates a household's capability to maintain or improve long-term financial security and well-being for all household members. We separately examine liquid wealth, the sum of checking and savings accounts, money market funds, certificates of deposit, and government bonds, excluding retirement accounts, which are indicative of only those assets that can readily be converted into cash. Liquid assets provide an indication of a family's ability to access financial resources quickly when needed—for example when facing a crisis such as a sudden loss of wages (e.g., due to leaving the workforce to care for a relative in need, or due to being laid off). While both wealth measures are related, they tap into different theoretical domains. Total family wealth is a measure of household long-term financial security whereas liquid assets indicate a household's ability to address short-term financial needs.

The following analyses are based on a subsample of the Boston NASCC study. Due to their low sample sizes, Asians, Cape Verdeans, and respondents not elsewhere specified with respect to their race and ethnicity were excluded, resulting in a total sample of 332 observations. The overall goal of these analyses is to determine the impact of race/ethnicity on wealth independent of demographic characteristics.

The analytic approach begins with descriptive data on the two dependent variables, total household wealth and total household liquid assets, for each of the six race/ethnic groups, as well as descriptions of the independent variables: age, marital status, and education. Multivariate analyses assess race and ethnic difference at the 25th, 50th, and 75th percentiles of the wealth distribution and are conducted with and without income as an independent variable.

Due to the high degree of skew in the wealth distributions, median estimates are often selected over mean estimates for comparisons across groups to establish group differences. In this study, we add analyses at the 25th and 75th percentiles to explore differences at the low, median, and high ends of the wealth distribution. Quantile regression analyses are conducted

to identify race and ethnic associations with the two different measures of wealth while controlling for age, education, and marital status.

Variables

The wealth measures in NASCC were modeled from the PSID and include the sum of seven asset types (business assets, checking and savings accounts, stocks, real estate other than the family's home, equity in the family's home, vehicles, and other assets) minus any debt. Liquid assets refer to wealth that can be readily converted to cash if needed. These include checking and savings accounts, money market funds, certificates of deposit, and government bonds.

The six self-identified race and ethnic groups included in these analyses are whites, US-born blacks, Caribbean blacks, Puerto Ricans, Dominicans, and other Hispanics. Due to low numbers of respondents on the wealth measures, Asians and Cape Verdeans were not included in the analyses.

Age and educational attainment, a dichotomous variable representing those with a college education, are representative of the household head. Marital status was dichotomized and represents married or partnered respondents as opposed to household heads who are single. [9]

Sample Description

Both asset measures vary substantially among NASCC-Boston respondents. At the 25th percentiles of the respective total wealth distributions, only whites have positive net worth, with estimates for Boston's communities of color ranging from $0 for Puerto Ricans to close to a negative $20,000 for Dominicans (see Table 1). At the median, substantial race and ethnic wealth disparities between whites and Boston's communities of color range from $235,500 for the gap between whites and Caribbean blacks to $247,500 for the gap between whites and

[9] While experience of divorce and widowhood may affect wealth holdings in ways that being single all along do not, the small sample size does not allow for these more nuanced analyses. Most respondents were either married (40%) or single, never married (30%).

Dominicans. For top wealth holders at the 75th percentile of the wealth distribution, the estimated wealth gaps increased to over $400,000. Among the communities of color, Caribbean blacks report the highest and Dominicans the lowest net worth for low, median, and high wealth holders.

Findings for liquid assets echo those for total wealth. At all wealth levels, white Bostonians have substantially more wealth than their nonwhite counterparts. In absolute terms, the liquid-asset disparities are smaller and are estimated at $2,000 for the low-wealth holders, roughly $20,000 at the median, and under $200,000 for high-wealth holders. Among the households of color, Caribbean blacks report the highest liquid-asset holdings and Puerto Ricans the lowest. (For more information on different types of asset holdings and debt, see Muñoz et al. 2015.)

Table 1. Descriptive Statistics for all Variables in the Models, by Race/Ethnicity

Dependent Variables	White (N=78)	US-Born Black (N=71)	Caribbean Black (N=51)	Puerto Rican (N=38)	Dominican (N=51)	Other Hispanic (N=43)
Total Wealth (25th percentile)	$28,500	–$3,000	–$1,425	$0	–$19,300	–$7,000
Total Wealth (median)	$247,500	$8	$12,000	$3,020	$0	$2,700
Total Wealth (75th percentile)	$478,000	$31,5000	$76,000	$36,000	$2,100	$34,900
Liquid Assets (25th percentile)	$3,000	$0	$75	$0	$0	$0
Liquid Assets (median)	$35,000	$700	$2,200	$20	$150	$900
Liquid Assets (75th percentile)	$200,000	$7,000	$20,000	$400	$1,600	$3,000
Independent Variables						
Age (mean)	54	54	49	44	43	50
Married	54%	25%	32%	18%	32%	34%
College	71%	57%	57%	26%	42%	43%

With an average age of 54, white and US-born blacks statistically are significantly older than Dominicans, whose average age is 43. While there is some variation in average age across the other groups, these are not statistically significant. White respondents also report the highest marital rate, 54 percent, compared to just 18 percent among Puerto Ricans, with the other race/ethnic groups falling in between. Further, educational attainment is highest for whites, with 71 percent reporting a college degree, compared to just 26 percent among Puerto Ricans, roughly 40 percent among Dominicans and other Hispanics, and over half for US-born and Caribbean blacks.

Based on a comparison with the national sample in the Survey of Consumer Finances (SCF), Boston's white population is substantially wealthier than their national counterparts ($247,500 median wealth, where the national median is $142,900). However, the median wealth for Boston's blacks and Hispanics tends to be lower than the national median. For example, according to the SCF, the national median for black household wealth is $11,030, while for Hispanciss the national median is $13,730 (authors' calculations). With housing prices among the highest in the nation, the comparatively low wealth of communities of color in Boston is especially troublesome.

According to the NASCC data, both white and nonwhite communities in Boston have more education than their national counterparts. Nationally, the share of families with at least a two-year college degree is just 27 percent for blacks and 19 percent for Hispanics. In the Boston NASCC sample, however, 57 percent of US-born blacks and Caribbeans and between 26 and 43 percent of the Hispanic groups report having attended college.

As shown above, white families in the NASCC-Boston study differ from families of color on age, marital status, and education — all variables that positively contribute to wealth building. To control for the impact of these differences on wealth, we conducted multivariate regression analyses to determine race and ethnic wealth disparities beyond these wealth correlates.

Multivariate Regression Analyses

Our analyses begin with depicting the proportions of white survey respondents and respondents of color at each of the three percentiles in the analyses. As we expected, a much larger proportion of white respondents are situated in the higher wealth percentiles, with around 80 percent of them (83 percent for total wealth, 79 percent for liquid assets) at or above the 75th percentile. In contrast, proportionately at least twice as many US-born blacks (30 percent), Caribbean blacks (32 percent), and other Hispanics (39 percent) are located in the 25th wealth percentile, estimated at –$1,000 when compared to whites. Puerto Ricans and Dominicans are in the 25th percentile at much larger proportions for liquid assets, 49 and 41 percent, respectively.

Table 2. Proportion of Boston's White Population and Communities of Color at Different Wealth Percentiles

Total Wealth (Percentile)	White	US-Born Black	Caribbean Black	Puerto Rican	Dominican	Other Hispanic
< 25th	14%	30%	32%	13%	39%	29%
25th–50th	3%	29%	12%	45%	47%	21%
50th–75th	22%	27%	40%	28%	8%	32%
> 75th	61%	14%	16%	14%	5%	18%
Liquid Assets (Percentile)						
< 25th	6%	26%	21%	49%	41%	29%
25th–50th	15%	27%	17%	33%	34%	23%
50th–75th	24%	31%	37%	6%	19%	33%
> 75th	55%	16%	25%	12%	7%	15%

Tables 1 and 2 show the striking differences in wealth among white families and families of color. To see if those differences are driven by differences in the demographic characteristics of age, education, and marital status, we conduct multivariate quantile regression analyses at the 25th, 50th, and 75th percentile that include age, education, marital status, and race/ethnicity. Dummy variables indicate whether the head of household is US-born black, Caribbean black, Puerto Rican, Dominican, or other Hispanic. We don't include an indicator for whites, which

means that the coefficient of the racial group reflects the difference in total household wealth (or liquid assets) as compared to whites after controlling for several covariates.

Quantile regression analyses at the 25th (–$1,000), median ($4,150), and 75th ($136,000) percentiles of the total wealth distribution identify notable differences among Boston's communities of color when compared to their white counterparts (see Table 3). At the 25th percentile, significant differences can only be found for US blacks and Dominicans when controlling for age, education, and marital status. In contrast, at the median of the wealth distribution, when those factors are controlled for, all communities of color have significantly less wealth than their white counterparts, a pattern that holds true for the 75th percentile as well. Surprisingly, although the sign of the control variables is positive, none of the control variables that are typically associated with higher wealth holdings are significantly correlated with wealth independent of the race and ethnic population groups.

Table 3. Quantile Regression Analysis of Total Wealth

Total Wealth	25th Percentile, –$1,000 Coefficient (Standard Error)	50th Percentile, $4,150 Coefficient (Standard Error)	75th Percentile, $136,000 Coefficient (Standard Error)
US-Born Black	–37,100* (15,174)	–232,737*** (33,630)	–293,518* (166,019)
Caribbean	–33,414.3 (17,744)	–233,557*** (39,327)	–286,021* (135,673)
Puerto Rican	–29,429 (17,841)	–227,592*** (39,541)	–268,419* (136,412)
Dominican	–42,700* (17,572)	–236,271*** (38,946)	–301,610* (134,358)
Other Hispanic	–35,543 (19,084)	–230,961*** (42,297)	–302,555* (145,920)
Age	242.86 (327)	302.6316 (724)	1,981.74 (2,496)
Married	9,429 (11,510)	30657.89 (25,509)	150,324 (88,005)
College	3,571 (10,831)	10,342.11 (24,005)	32,121 (82,813)
_cons	14,171 (21,822)	215,487 (48,365)	240,066 (166,853)
Pseudo R^2	.021	.1148	.2501

*p<.05; **p<.01; ***p=.001

Generally, the findings for liquid assets (see Table 4) parallel those for total wealth, although there are some notable differences. Membership in any one of Boston's communities of color included in this study is associated with significantly and substantially fewer liquid assets at low, middle, and higher levels of liquid assets. Again, age, marital status, and education do not have significant impacts on liquid assets, counter to our expectations. Regardless, our results demonstrate that all the communities of color in this study have substantially fewer liquid assets than their white counterparts. As expected, our estimates of the asset differences are greatest at the higher percentiles.

Table 4. Quantile Regression Analysis of Liquid Assets

Liquid Assets	25th Percentile, $0 Coefficient (Standard Error)	50th Percentile, $1,200 Coefficient (Standard Error)	75th Percentile, $25,000 Coefficient (Standard Error)
US-Born Black	–2,807** (1,041)	–32,700*** (6,401)	–149,474*** (26,435)
Caribbean	–2,802* (1,134)	–32,700*** (6,969)	–144,625*** (28,888)
Puerto Rican	–2,811* (1,256)	–32,850*** (7.721)	–150,112*** (32,004)
Dominican	–2,992** (1,134)	–32,850*** (6,968)	–150,175*** (28,882)
Other Hispanic	–2814.16* (2,814)	–32,850*** (8,117)	–149,988*** (33,647)
Age	–.26 (22)	0 (134)	6.15 (557)
Married	899 (757)	2,150 (4,652)	23,442 (19,284)
College	190 (730)	2,700 (4,484)	28,352 (18,588)
_cons	2,822 (1,481)	32,850 (9,105)	150,020 (37,743)
Pseudo R^2	.0044	.0448	.1782
N	256	256	256

$^{+}$p<.1. ; *p<.05; *p<.01; ***p=.001

Limitations

These analyses are limited by two leading factors: relatively small sample size and missing information values for the composite wealth measures. As a result, certain racial and ethnic wealth differences are not statistically significant and certain racial and ethnic groups of interest could not be included in these analyses. In addition, critical variables in studying wealth disparities—family wealth and intrafamily wealth transfers—are not available in the study.

Discussion

Despite the limitations of the data, these results provide a first look at race and ethnic wealth disparities in the Boston MSA and underscore the enormous disparities in wealth between Boston's non-Hispanic whites and communities of color, which, as is true for the United States as a whole, is substantially larger than the income disparities between these groups. In addition, wealth disparities between whites and communities of color grew along the wealth distribution. The results of the regression analyses show that there are significant wealth differences across all of the racial/ethnic groups at the low-wealth end of the spectrum. However, many more white households than households of color are located at the higher-wealth end of the spectrum, and as we know from previous research, whites tend to stay in the high-wealth quintiles when households are studied over their life course or between generations (Conley and Glauber 2007). In short, it is more difficult for households of color to attain higher wealth levels, and once they are able to grow wealth, it is more difficult for them to maintain it.

Findings also highlight important differences between race/ethnic groups. While all the communities of color in the study have substantially lower levels of household wealth, in Boston, Dominicans have the lowest total wealth and Puerto Ricans the lowest liquid asset levels. In contrast, Caribbean blacks, including a large proportion of Haitians, report the highest levels for both wealth measures, which may be explained, in part, by the Haitian community's time of immigration and settlement in Boston. Jackson (2011) suggests that the two- and three-decker homes widely available at low cost in some Boston neighborhoods in the 1970s helped to stabilize the Haitian community, creating a new class of homeowners and landlords (see also

Jackson 2007). These homes have become multigenerational households that fulfill basic housing needs for newer arrivals and are an additional resource for those experiencing financial crises. They are also revenue-generating assets that create rental income and equity. Newer arrivals, such as Dominicans, may not have had the same wealth-building opportunities. Since family wealth and intergenerational wealth transfers are not included in the study, our findings point to the need for additional research. Additional research is also needed to better understand the documented disparities and their impact on the racial and ethnic groups studied here.

Access to asset-building opportunities is critical for the financial well-being and long-term economic security for all families. Examples of successful asset-building policies include the GI bill, which, by providing low-cost access to home ownership and education, helped build the white middle class. Unfortunately those opportunities were not extended to communities of color. Previous research has established that increasing incomes and savings rates alone will do little, if anything, to reduce existing racial wealth disparities (Gittleman and Wolff 2000). Due to the impact of transfers of family wealth across generations and within generations, racial wealth disparities will continue to reproduce themselves unless policies begin to provide alternatives for this process. Our findings regarding Boston's troubling racial wealth disparities underscore the need for asset-building opportunities in Boston's communities of color.

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Appendix: NASSC Methodology

The NASCC is a research initiative that includes 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 at a detailed ancestral-origin level. The study is able to delve beyond information about the net-worth position of broadly defined ethnic groups such as Hispanics or Asians and instead collects asset and debt information on more specifically defined groups, such as Mexicans, Puerto Ricans, and Cubans or South Asian Indians, Chinese, Filipinos, Koreans, Vietnamese, and Japanese respondents. In addition, the study provides information on Native Americans disaggregated by tribal affiliation and black Americans disaggregated by ancestral origin, whether of long-standing US ancestry or from the Caribbean or more recently arrived from the African continent. To date very little is known about the asset positions of these more narrowly identified subgroups, particularly those with Native American and Asian heritage.

The survey was conducted in the Boston MSA and in four other metropolitan areas (Los Angeles, CA; Miami, FL; Tulsa, OK; and Washington, DC). The criteria for choosing a metro area for sampling were primarily ethnic plurality and other intangibles such as geographical representation, area size, and access to certain ethnic groups that might be hard to identify in an urban context. The survey instrument was designed primarily to obtain information about respondents' assets, liabilities, financial resources, and the personal savings and investment activity. Additional areas of inquiry included remittance behavior—sending assets or other resources abroad—and support for relatives elsewhere in the United States. Respondents were also asked for information on home ownership, foreclosure experiences, and the equity status of their homes. The survey also solicited additional information that might be particular to the financial experiences of lower-wealth individuals, such as the use of payday lenders, and it also collected basic demographic information found in most surveys, such as age, sex, educational attainment, household composition, nativity, income, family background, etc.

For consistency with an existing national dataset, the asset and debt module of the questionnaire replicated questions used in the PSID. For the questions that were not related to assets and debts, the NASCC survey replicated many questions found on the Multi-City Study of

Urban Inequality, a cross-sectional four-city survey aimed at gathering socioeconomic differences across ethnic and racial groups that was conducted in the early 1990s.

The average survey lasted 39 minutes. Various sampling techniques were utilized in order to obtain an ethnically plural sample consisting of the targeted ethnic groups. The techniques included directory-listed landline samples from census tracts where those ethnic groups were known to reside; cell phone random-digit dialing samples drawn from rate centers that cover targeted ethnic-group ZIP codes; samples drawn from targeted ZIP codes based on billing address; and the use of surname-based lists targeting specific national-origin groups. In sum, 59,311 personalized advance letters were sent, 64,154 telephone numbers were dialed 337,085 times to obtain 2,343 completed surveys.

Race and ethnic identity for this study were based on self-identification on the part of the family respondent best qualified to discuss family financial matters. The statistics in the sample utilized weights that were anchored on family characteristics in the US Bureau of the Census's American Community Survey to generate results representative of specific ethnic group characteristics in the respondent's metropolitan area of residence. Overall, the unweighted NASCC sample is not dissimilar from the weighted NASCC sample, suggesting the specific ethnic-group observations in the particular metropolitan areas in the study are fairly representative of their populations at large. Finally, the study was primarily designed to compare specific ethnic and racial groups within the same metropolitan area. An advantage of this approach is the implicit control with regard to asset and debt pricing and products associated with particular geographic areas.