

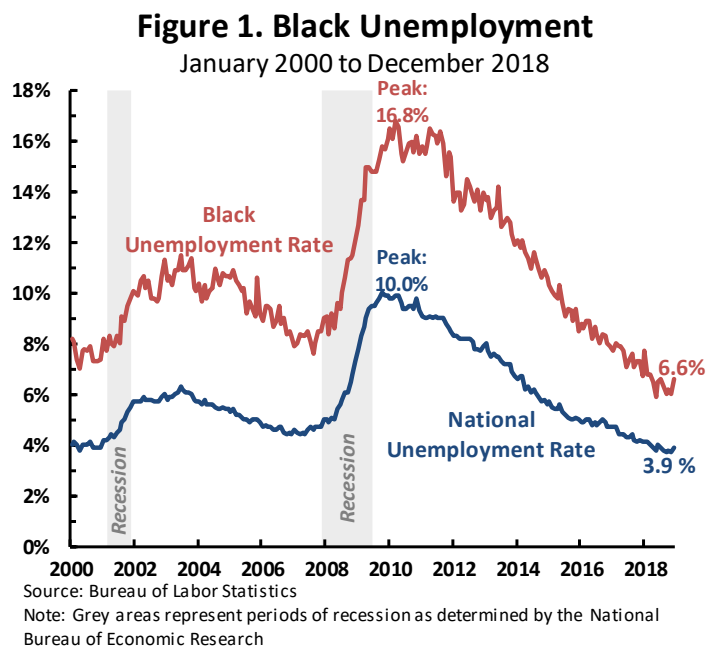
The Economic State of the Black Community in America

In the more than 50 years since Dr. Martin Luther King, Jr. laid out his dream for our nation, black Americans have made substantial economic progress. They have seen significant gains in incomes and wealth, and currently benefit from the decade-long economic recovery from the Great Recession. However, black Americans still lag far behind in key measures of economic well-being. Although progress is evident, the United States still falls short of Dr. King's vision of a nation in which race does not determine one's economic destiny.

Employment

Recent unemployment rates for black workers have reached historic lows.

- The black unemployment rate rose to a **high of 16.8 percent** during the Great Recession. By the end of the Obama administration, it was slashed by more than half. Since then it has fallen an additional 1.1 percentage points.
- The current black unemployment rate of **6.6 percent** remains the **highest** among all racial groups and **nearly double** the rate for white workers.¹
- Today, the gap between black and white unemployment rates has **narrowed to 3.2 percentage points**, due in large part to an overall strong demand for workers.



Income

Black families still earn far less than white families and all families nationwide.

- The median household income for black households was about **\$28,000 less** than for white households and about **\$21,000 less** than for all households in 2017. While the white median household income reached a new high in 2017, the black median is **still below** its peak in 2000 (see Figure 3).²
- Median weekly earnings for full-time black workers were only **\$712 per week** in the last quarter, **about 80 percent** of the national median.³
- Black women earned **61 cents for every dollar** earned by white men in 2017, **worsening** from 63 cents in 2016. The gender wage gap across all races is 80 cents on the dollar.⁴

Economic Mobility

Black children experience far less upward mobility than white children.

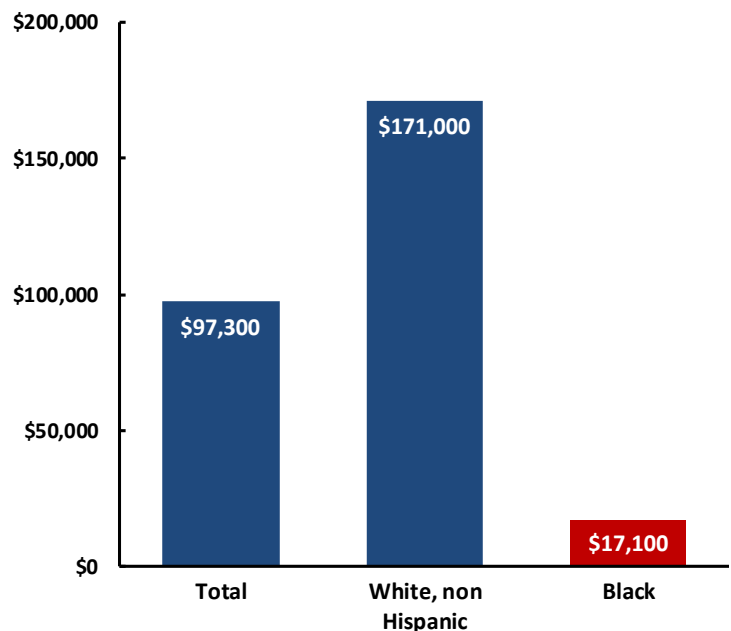
- For every one hundred black children who grow up in the bottom fifth of the income distribution, **less than three** will make it to the top fifth as adults. White children are more than four times as likely to move from the bottom to the top fifth (see Figure 4).
- Black children are more downwardly mobile—**less than one in 10** black children growing up at the top will stay there as adults, compared to one in six white children.⁵
- In 2017, **nearly one-third** of black children grew up in poverty, compared to slightly more than one in 10 white children.⁶ Children growing up in poverty tend to experience worse health, education, and economic outcomes than other children.
- Only **one in five** black Americans had a bachelor’s degree, compared to over one in three white Americans in 2017.⁷

Wealth

Black families’ wealth is significantly lower than that of white families.

- The median net worth for white families is **nearly 10 times** greater than for black families.⁸
- **Slightly over one-third** of black families have retirement accounts, compared to 60 percent of white families. Those with savings hold a median value of \$24,600, a third of that for white families.⁹
- **Less than half** of black families own their own homes, compared to almost three-quarters of white families.¹⁰ Home equity makes up a larger proportion of household net worth for black families.¹¹

Figure 2. Black Wealth
Median family net worth, 2016



Source: Federal Reserve Survey of Consumer Finances

Economic Power

Black Americans make significant contributions to the economy as job creators and consumers.

- Black-owned businesses employed **over a million people** and generated over \$104 billion in sales in 2016.¹²
- The black community accounted for a combined **\$1.2 trillion** in consumer spending in 2017, an amount that is projected to reach \$1.5 trillion by 2021.¹³

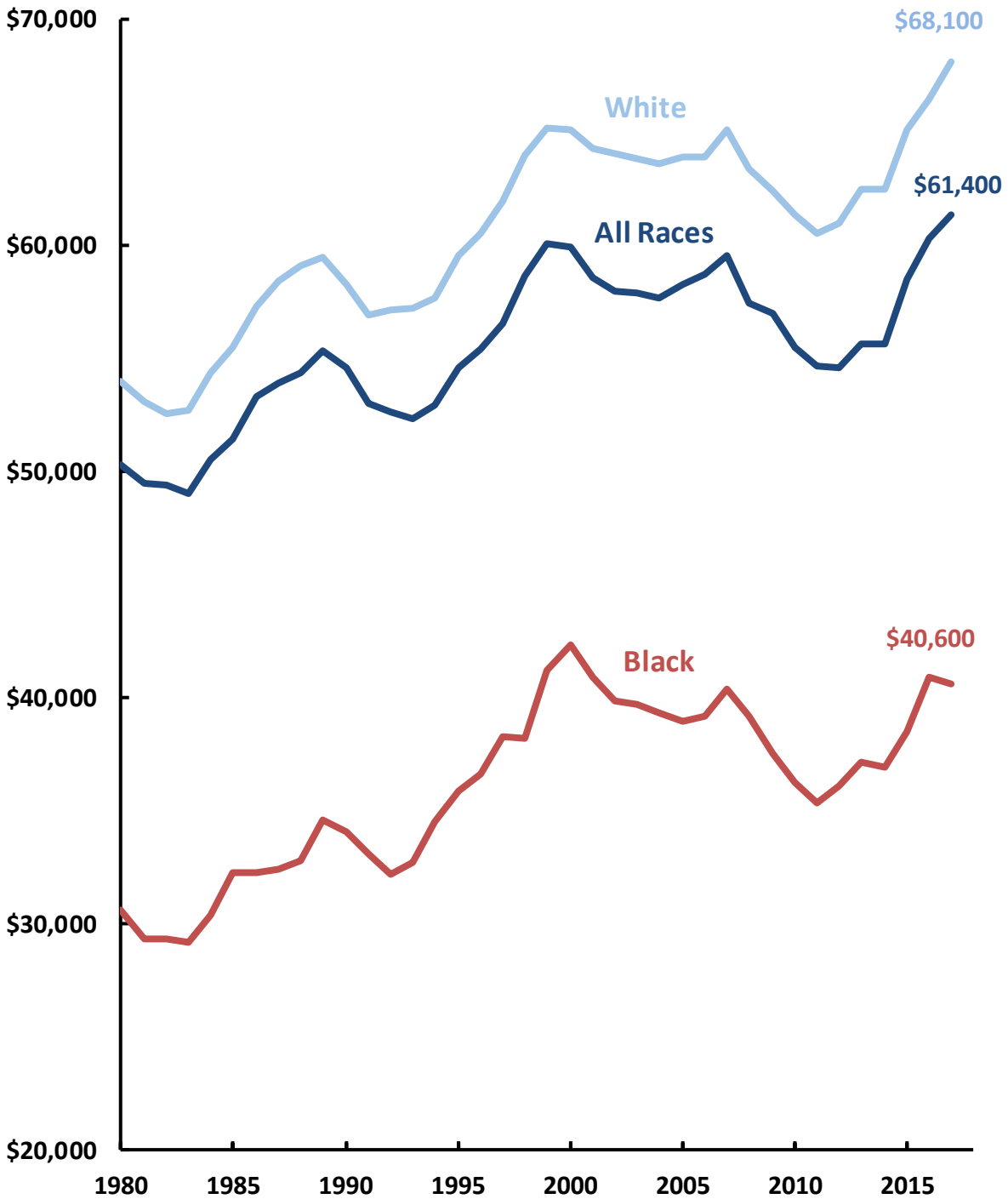
Current Measures of Economic Well-Being for the Black Population by State							
State	Black Share of State Population	Unemployment Rate		Median Household Income		Poverty Rate	
		Black	White, Not Hispanic	Black	White, Not Hispanic	Black	White, Not Hispanic
Alabama	26.8%	9.0%	4.6%	\$31,289	\$56,138	27.3%	11.6%
Alaska	3.0%	7.1%	5.4%	\$61,879	\$81,838	12.2%	7.6%
Arizona	4.4%	9.2%	4.7%	\$44,757	\$62,391	21.7%	10.1%
Arkansas	15.3%	9.2%	4.9%	\$30,530	\$49,890	27.6%	13.3%
California	5.7%	10.7%	4.9%	\$48,559	\$83,682	20.9%	9.0%
Colorado	4.1%	5.7%	3.8%	\$51,558	\$75,285	15.3%	8.2%
Connecticut	10.6%	9.8%	4.7%	\$46,474	\$85,122	15.7%	6.0%
Delaware	21.9%	7.8%	4.6%	\$44,980	\$69,271	20.8%	9.8%
District of Columbia	45.9%	12.3%	2.8%	\$42,161	\$134,358	25.8%	6.2%
Florida	16.2%	9.0%	4.5%	\$40,104	\$58,110	21.9%	10.1%
Georgia	31.6%	8.8%	4.3%	\$42,696	\$65,420	21.5%	9.8%
Hawaii	1.6%	9.1%	4.0%	\$54,501	\$77,472	13.9%	9.4%
Idaho	0.7%	NA	4.1%	\$27,868	\$53,711	50.1%	11.2%
Illinois	14.2%	15.3%	4.4%	\$36,755	\$70,712	26.2%	8.8%
Indiana	9.4%	10.1%	4.0%	\$33,415	\$57,327	27.0%	11.0%
Iowa	3.4%	9.3%	3.1%	\$30,840	\$60,447	32.3%	8.9%
Kansas	5.7%	9.8%	3.5%	\$36,048	\$60,007	26.1%	9.4%
Kentucky	8.1%	10.6%	5.0%	\$35,967	\$50,140	25.7%	16.0%
Louisiana	32.5%	10.3%	4.7%	\$28,222	\$57,217	33.1%	12.2%
Maine	1.2%	7.9%	4.1%	\$24,698	\$57,071	36.2%	10.2%
Maryland	29.9%	7.6%	4.1%	\$64,120	\$91,044	13.3%	6.3%
Massachusetts	7.8%	7.9%	3.9%	\$46,925	\$84,988	17.9%	6.8%
Michigan	13.8%	13.6%	4.5%	\$34,757	\$59,291	28.7%	10.8%
Minnesota	6.5%	8.3%	3.0%	\$38,147	\$71,863	28.2%	6.9%
Mississippi	38.0%	9.9%	5.1%	\$29,218	\$54,928	31.3%	11.9%
Missouri	11.4%	9.7%	3.9%	\$34,750	\$57,114	24.7%	11.2%
Montana	0.4%	NA	2.9%	\$42,040	\$54,715	12.7%	10.5%
Nebraska	4.6%	9.3%	2.6%	\$35,673	\$63,091	23.4%	8.1%
Nevada	9.2%	13.4%	5.0%	\$39,998	\$62,974	27.6%	9.1%
New Hampshire	1.7%	10.0%	3.7%	\$50,212	\$74,576	24.3%	7.0%
New Jersey	13.5%	9.6%	4.5%	\$50,395	\$91,454	18.1%	5.9%
New Mexico	2.1%	6.8%	5.1%	\$33,928	\$55,360	24.6%	12.1%
New York	15.8%	9.4%	4.1%	\$44,933	\$75,606	21.4%	9.3%
North Carolina	21.5%	8.4%	4.1%	\$38,320	\$60,263	22.0%	10.2%
North Dakota	3.1%	3.2%	2.4%	\$38,210	\$64,750	21.2%	7.9%
Ohio	12.4%	10.2%	4.2%	\$32,163	\$58,841	28.8%	10.7%
Oklahoma	7.3%	9.8%	4.4%	\$33,464	\$53,366	28.5%	12.6%
Oregon	1.9%	6.3%	5.0%	\$37,009	\$61,717	25.8%	11.5%
Pennsylvania	11.2%	10.6%	4.2%	\$37,535	\$62,889	24.8%	9.1%
Rhode Island	6.3%	9.9%	4.7%	\$37,781	\$71,295	24.3%	8.0%
South Carolina	27.0%	8.8%	4.5%	\$32,175	\$59,313	24.3%	10.5%
South Dakota	2.0%	NA	2.4%	\$27,054	\$60,204	17.8%	8.6%
Tennessee	16.7%	8.0%	4.3%	\$38,190	\$54,748	24.2%	12.1%
Texas	12.1%	8.2%	4.3%	\$45,092	\$72,361	19.0%	8.5%
Utah	1.2%	3.1%	3.2%	\$49,348	\$71,881	18.4%	8.1%
Vermont	1.3%	NA	3.7%	\$41,572	\$58,036	NA	11.0%
Virginia	19.2%	7.1%	3.8%	\$49,562	\$77,455	17.9%	8.2%
Washington	3.7%	7.3%	4.3%	\$49,300	\$73,362	19.5%	9.0%
West Virginia	4.0%	12.0%	6.4%	\$30,077	\$44,536	31.7%	18.2%
Wisconsin	6.4%	8.7%	2.9%	\$29,340	\$62,286	29.3%	8.7%
Wyoming	1.0%	NA	4.5%	NA	\$61,439	NA	9.4%

Source: JEC Democratic staff analysis based on 2017 American Community Survey 1-Year Estimates

Note: Black refers to African American or Black not in combination with any other race. White, Not Hispanic refers to White not in combination with any other race without Hispanic or Latino ethnicity. In certain states, data are not available (denoted by NAs)

Figure 3. Median Household Income

Adjusted to 2017 dollars, 1980 to 2017

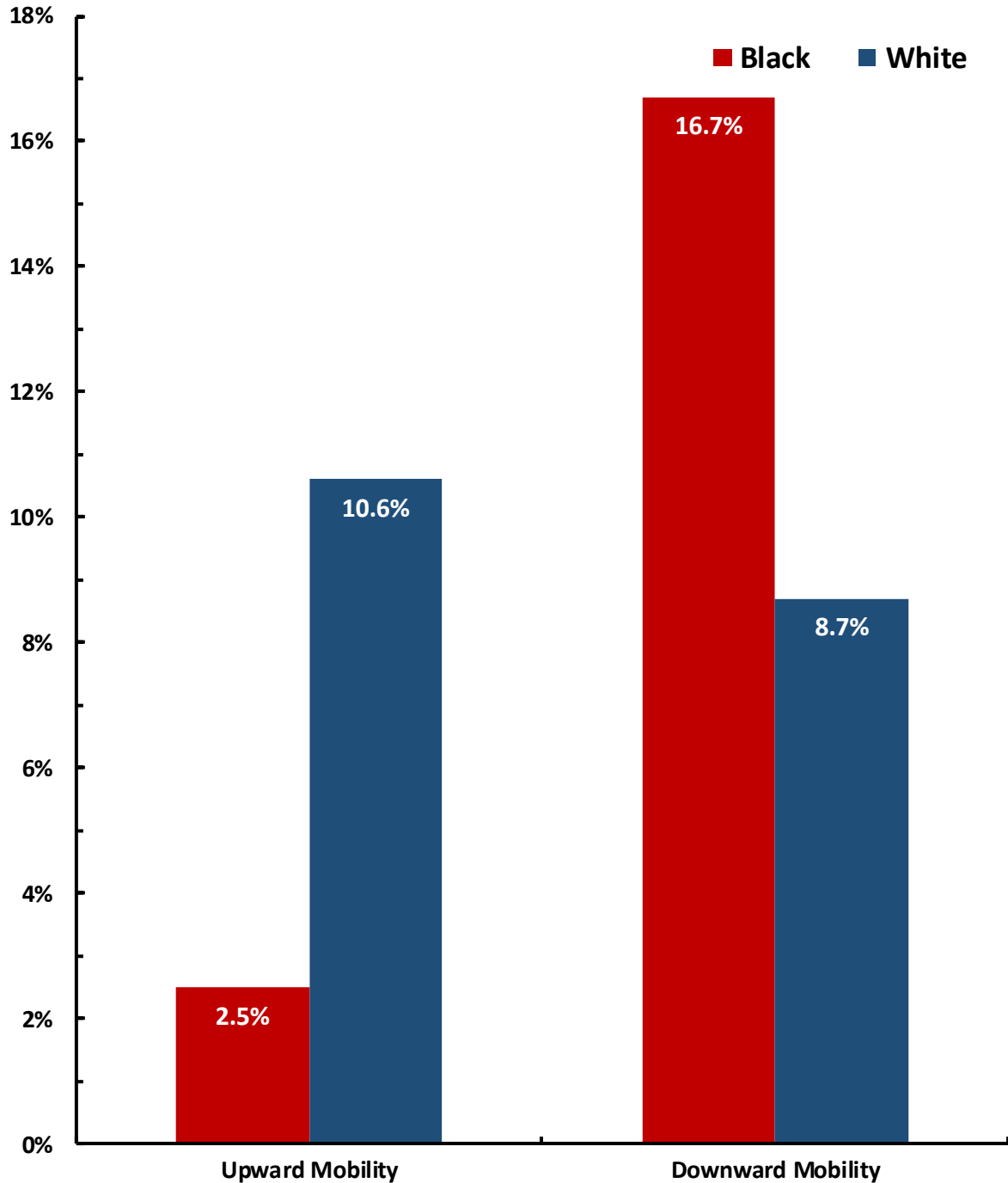


Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement

Notes: "White" refers to "White Alone, not Hispanic" for 2002 to 2017 and "White, not Hispanic" for 1980 to 2001; "Black" after 2001 refers to "Black alone or in combination"; income data labels rounded to nearest hundred dollars; 2013 figures are averages of data using new and old methodologies

Figure 4. Economic Mobility

Share of U.S. Individuals Now Aged 36-41 Who Moved from the Bottom Quintile to the Top, or Vice Versa



Source: Chetty et al. (2018)

Note: Upward mobility refers to the percentage of children who go from the bottom quintile of the income distribution to the top quintile. Downward mobility refers to the percentage who go from the top quintile to the bottom.

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- ¹ Bureau of Labor Statistics, "[Employment status of the civilian population by race, sex, and age.](#)"
- ² Fontenot et al, "[Income and Poverty in the United States: 2017](#)," U.S. Census Bureau; Bureau of Labor Statistics, "[Historical Income Tables: Households](#)," (Table H-5).
- ³ Federal Reserve Bank of St. Louis, "[Median weekly earnings \(current dollars\) of full-time wage and salary workers by AGE, SEX, AND RACE, not seasonally adjusted.](#)"
- ⁴ U.S. Census Bureau, "[Historical Income Tables: People](#)," (Tables P-38 and P-40).
- ⁵ Chetty et al, "[Race and Economic Opportunity in the United States: An Intergenerational Perspective](#)" (March 2018).
- ⁶ U.S. Census Bureau, "[Historical Poverty Tables: People and Families - 1959 to 2017](#)," (Table 3).
- ⁷ JEC Democratic staff analysis based on the 2017 American Community Survey 1-year estimates. American FactFinder Table S1501.
- ⁸ Federal Reserve, "[2016 Survey of Consumer Finances.](#)"
- ⁹ [Ibid.](#)
- ¹⁰ U.S. Census Bureau, "[Quarterly Residential Vacancies And Homeownership, Third Quarter 2018](#)" (October 30, 2018).
- ¹¹ Dettling et al, "[Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances](#)," Federal Reserve (September 27, 2017).
- ¹² U.S. Census Bureau, "[2016 Annual Survey of Entrepreneurs.](#)" Businesses only include those with paid employees.
- ¹³ Nielsen, "[Black Impact: Consumer Categories Where African Americans Move Markets](#)" (February 15, 2018); Nielsen, "[African-American Women: Our Science, Her Magic](#)" (2017).