



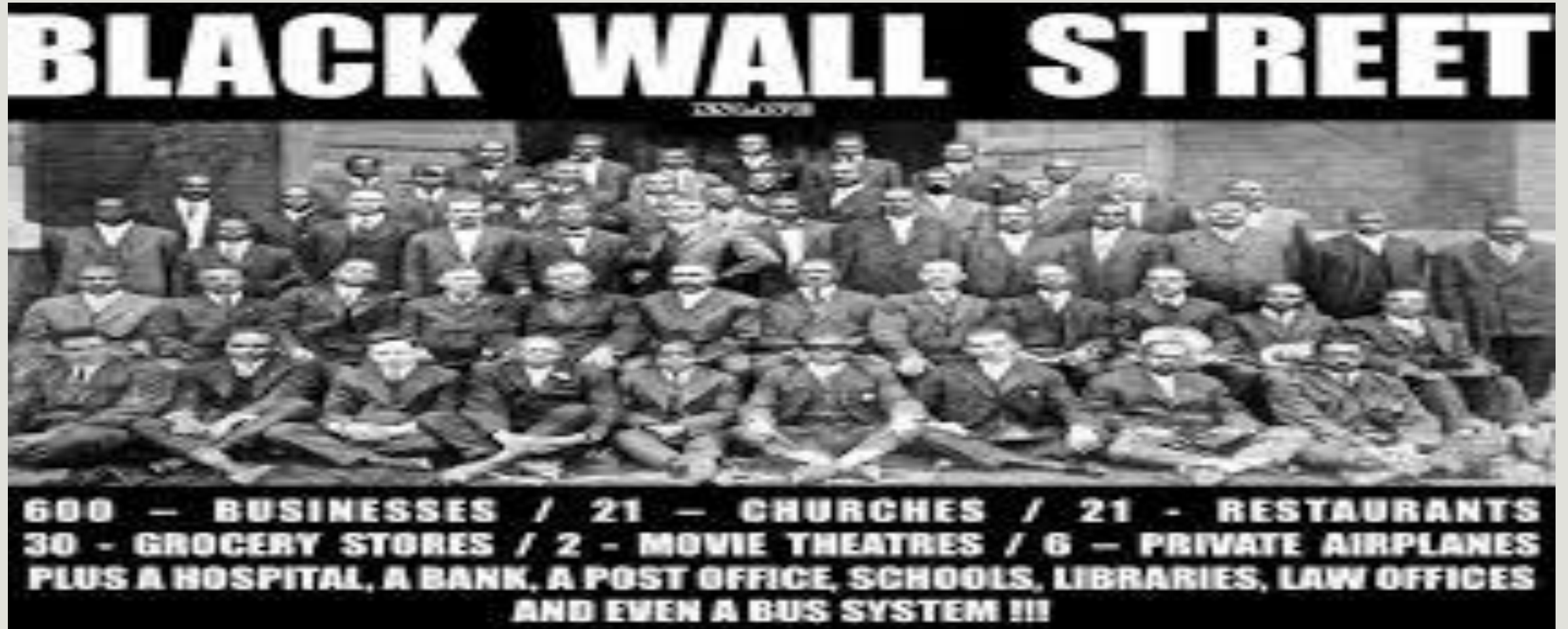
Racial Wealth Gap

SOCIAL AND ECONOMIC IMPACTS TODAY AND BEYOND



Presenter: Delegate Pam Queen
February 2021

Tulsa, Oklahoma (Race Riot of 1921)



Income
is not
Wealth

INCOME DOES NOT EQUAL WEALTH



Mike Makes
\$150,000 A Year

Investing

Budget

Side Hustle

Materialistic

At The End Of Every Year,
Mike Is Left With...
\$0



Adam Makes
\$50,000 A Year

Investing

Budget

Side Hustle

Materialistic

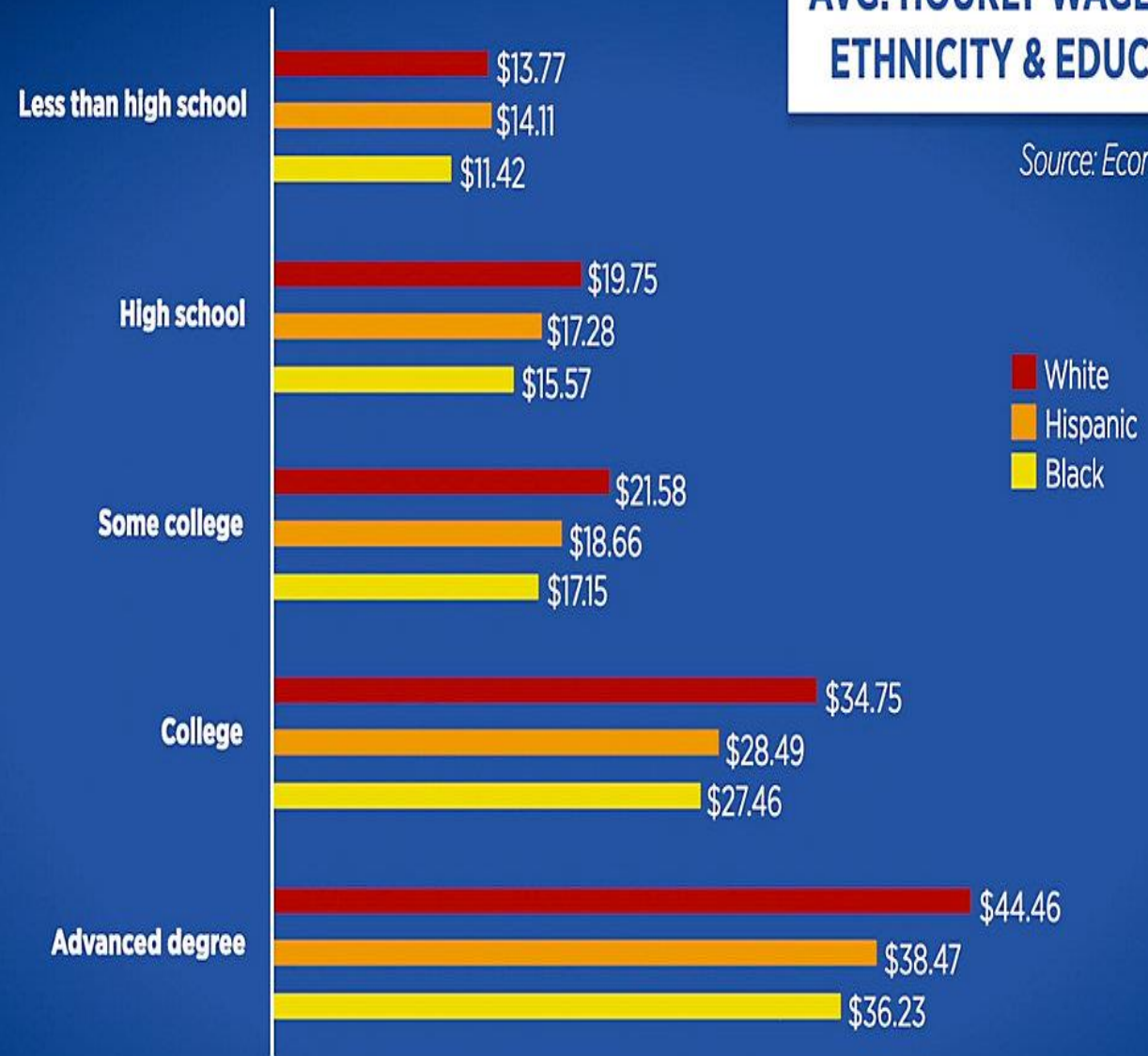
At The End Of Every Year,
Adam Is Left With...
\$20,000

BA

BUSINESSGAINS

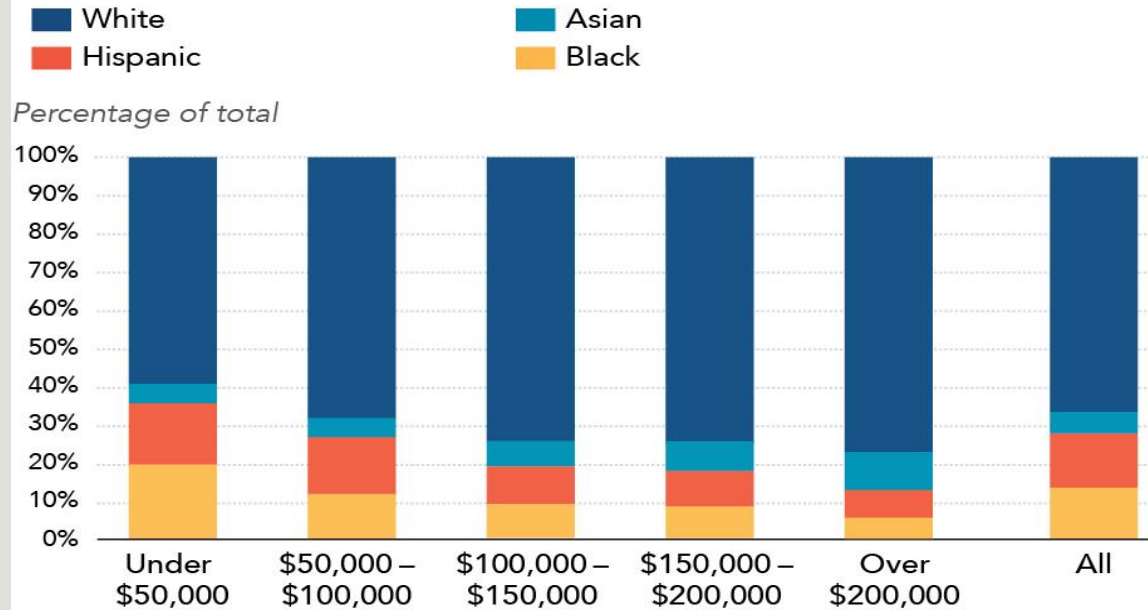
AVG. HOURLY WAGES BY RACE / ETHNICITY & EDUCATION, 2018

Source: Economic Policy Institute



Tax Burden is more for Low-Income Households

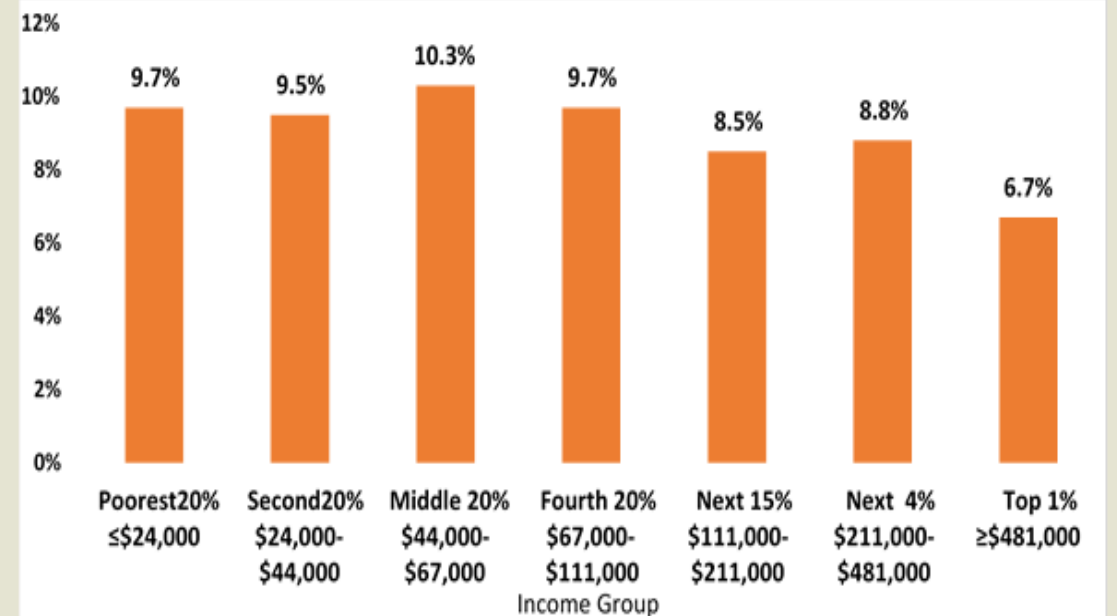
Composition of Low- and High-Income Households By race or ethnicity, 2018



Source: US Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplement, Table HINC-01: Selected Characteristics of Households, by Total Money Income in 2018, September 2019.

POOR PAY MORE IN TAXES AS SHARE OF INCOME

Maryland State & Local Taxes
As a Share of Family Income In 2015
Elderly Taxpayers Excluded



SOURCE: Institute On Taxation And Policy

2020-2021 Biggest Tax Breaks

The Motley Fool

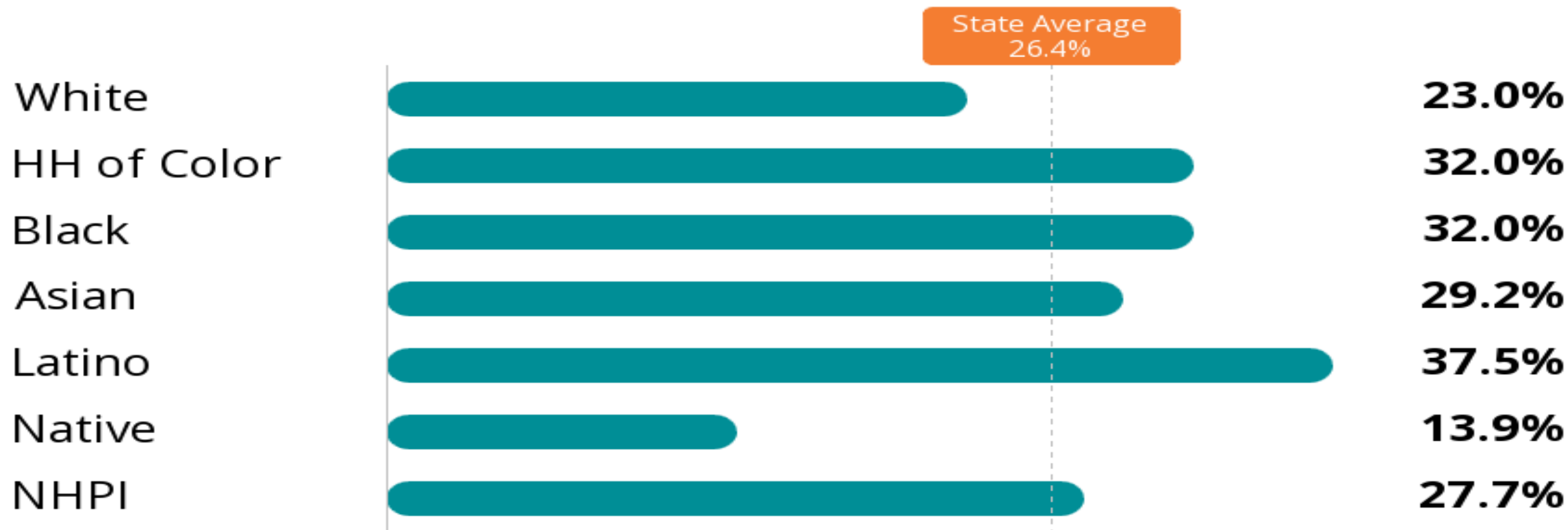
Individual
Wealth Creation

- Homeownership
- State and Local Tax (SALT) Deductions
- Retirement Plan Savings
- Federal Tax Credits
 - Mortgage Interest Deductions
 - State and Local Tax (SALT) Deductions
 - Earned Income Tax Credit
 - Child Tax Credit
 - Retirement Plan Savings

Homeownership Rate by Race in Maryland



Housing Cost Burden - Homeowners by Race in Maryland

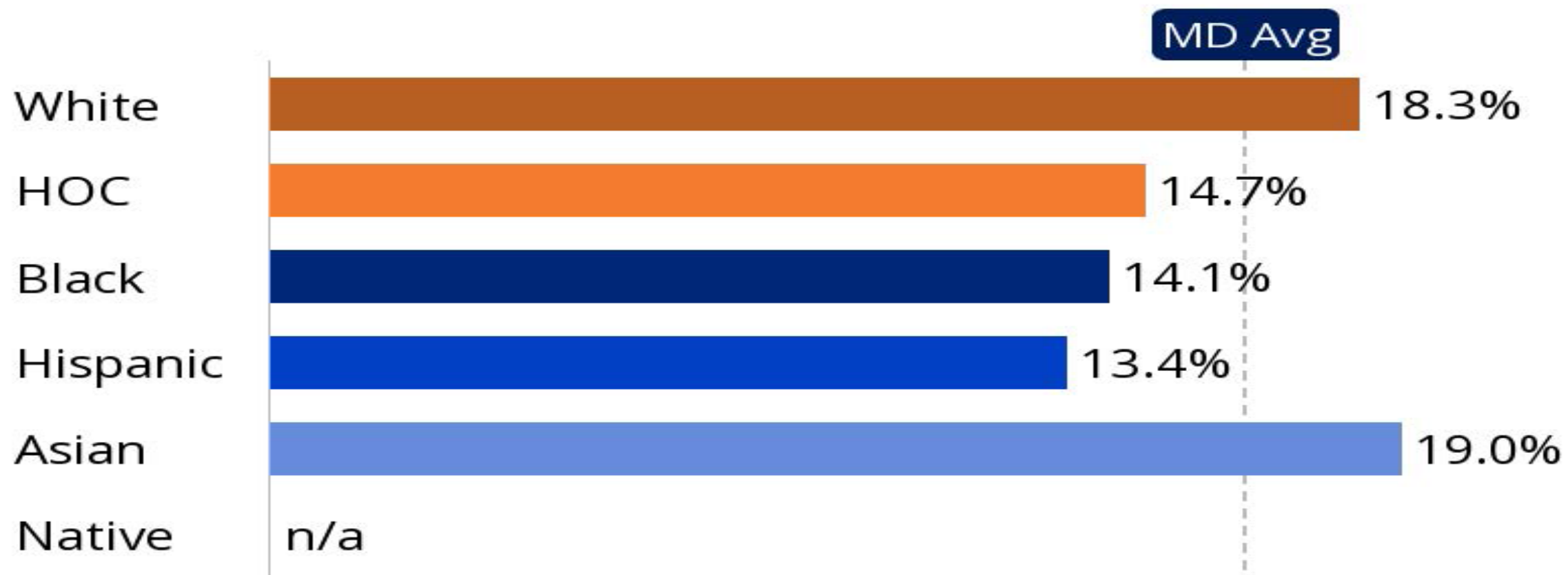


Households with Zero Net Worth by Race in Maryland

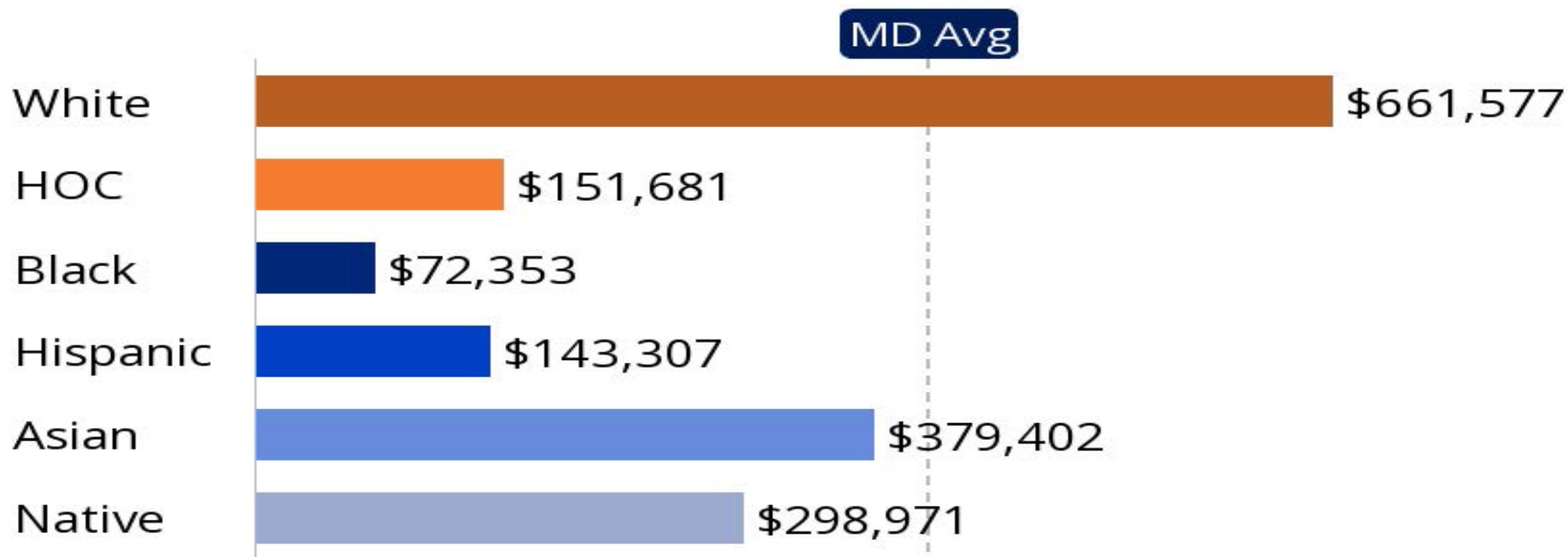
State Average
15.4%



Business Ownership by Race in Maryland



Business Value by Race in Maryland



Economic Impact of Closing the Racial Equity Gap (by 2050)

- ❑ \$8 trillion gain in GDP
- ❑ \$191 billion spent on food
- ❑ \$500 billion on housing
- ❑ \$52 billion on apparel
- ❑ \$259 billion on transportation
- ❑ \$77 billion on entertainment
- ❑ \$450 billion annual increase in Federal Tax Revenue
- ❑ \$100 billion annual increase in State and Local Tax Revenue

Source: **W.K Kellogg Foundation**

2021

Maryland
General
Assembly

Racial Economic
Equity Agenda

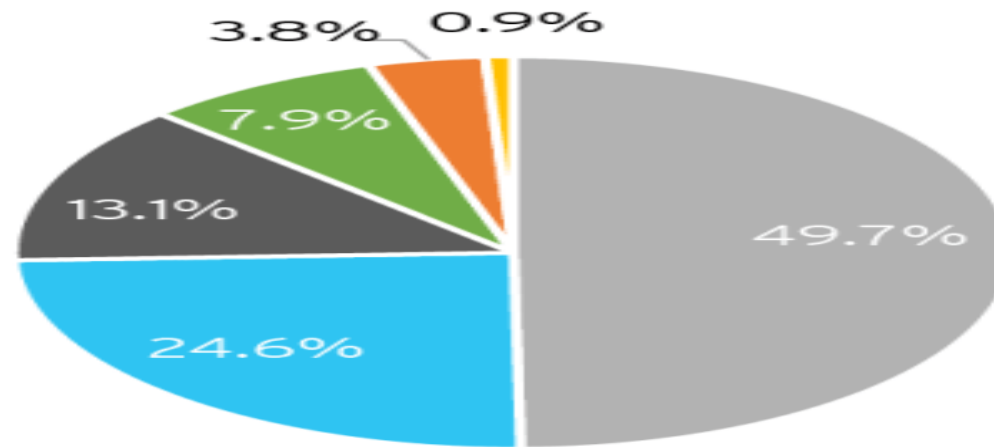
Policy to Address Racial Wealth Disparities

- Alternate methods of creditworthiness
- Tax-free Saving Account for down payment for homeownership
- Increase Minority Business in State Contracting
- Increase Access to TEDCO Builder's Fund for Minority Business
- Develop Equity Scorecard of Minority participation on Boards and Contracts

Projected U.S. Population by Race (2045)

FIGURE 1

Racial profile of U.S. population, 2045



White* Hispanic Black* Asian* Multiracial* Other*

* Non-Hispanic members of race

Source: William H Frey analysis of U.S. Census population projections released March 13, 2018 and revised September 6, 2018

B | Metropolitan Policy Program
at BROOKINGS



Priorities for State Legislators

Close the Racial Equity Gap