

Five Years, Five Lessons



Center for
**HOUSEHOLD
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- 1) What Recovery?** *The Great Recession wiped out 20 years of family wealth accumulation, taking us back to 1989. But the recoveries have been very uneven. In general, older, better educated, and white and Asian families (“thrivers”) have more than recovered their wealth while, generally, younger, less-educated and non-white families (“strugglers”) have not.*
- 2) Is Demography Destiny?** *These demographic factors have always mattered, but they appear to matter more now than a generation ago. Thrivers are buoyed by tailwinds, while strugglers face headwinds in their efforts to build wealth – resulting in a massive shift in wealth from strugglers to thrivers since 1989.*
- 3) The Other Diversity Challenge.** *The balance sheets of struggling families generally share three characteristics – too much wealth in homeownership, too little savings/liquidity, and too much debt.*
- 4) A Post-Racial America?** *Since 1992, college-educated whites saw their wealth soar by 86 percent while college-educated blacks saw theirs plummet by 55 percent. This has less to do with differing financial behaviors and choices, and more to do with how institutions and policies shape opportunities.*
- 5) Mind the Gap?** *Attention to institutions, demographics, diversification, place, and early investments will help build wealth, but not necessarily close wealth gaps – and that’s OK.*



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