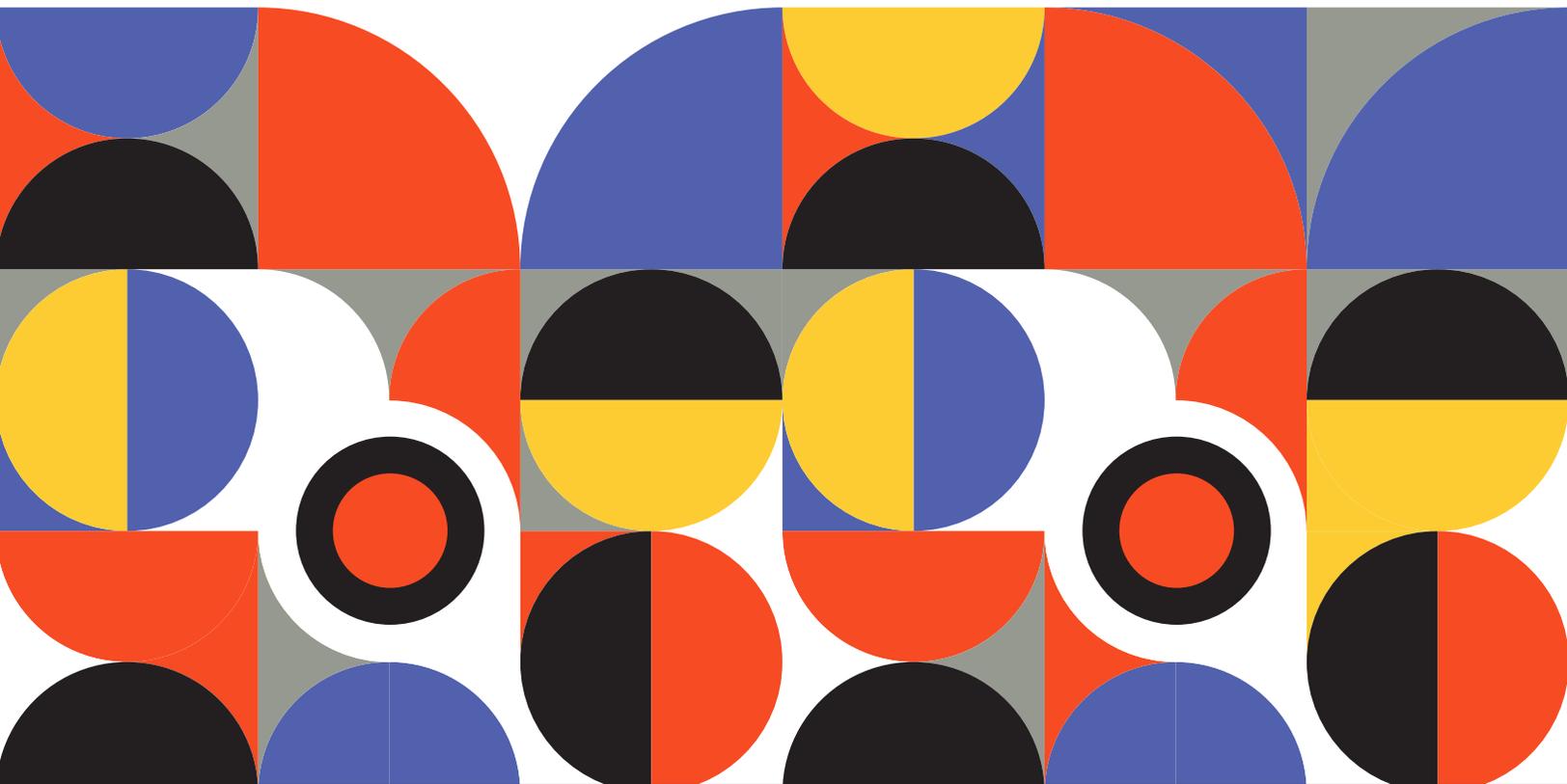


AMERICA'S OPPORTUNITY GAPS: BY THE NUMBERS

Systemic Barriers to Equality of Opportunity
for Black Americans and People of Color



U.S. CHAMBER OF COMMERCE

America's Opportunity Gaps: By the Numbers

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Black Americans and people of color

With the senseless death of George Floyd and the economic downturn brought on by COVID-19, there is renewed attention to the inequality and injustice in America. The U.S. Chamber of Commerce launched the Equality of Opportunity Initiative to address opportunity gaps that perpetuate broader inequalities in our society and hold back individual and business success and economic growth. In order to drive meaningful, measurable impact through public policy and private sector solutions, we must listen, learn and lead.

To ensure the dialogue is productive and substantive and the solutions are targeted and effective, we must start with a strong foundation of facts and a meaningful understanding of the data. We compiled this research to show the magnitude of opportunity gaps in six key areas: Employment, Education, Entrepreneurship, Criminal Justice, Health, and Wealth Disparity. This research will help inform our work as we seek to make the American promise of equal opportunity for all a reality.

Executive Summary

Education

- **Education gaps at all levels** (early childhood, k-12, postsecondary, and on-the-job) continue to exist, resulting in skills and employment gaps.
- Racial disparities in learning begin even **before formal schooling**.
- The “achievement gap” for children starts shortly after birth, with early learning experiences **varying considerably based on parents’ income level**.
- In everything from the number of words a young child hears to access to resources like museums or libraries, there is a **strong correlation between socioeconomic status and early learning**. For example, average math scores for Black students entering kindergarten are 21% lower than those of white students.
- The rate of Black American **children living in poverty is more than double that of white children**, which means these disparities are distributed unequally across racial lines.
- **60%** of Black students in America **attend a high-poverty, majority-minority school**. Similarly, majority-minority school districts have **far fewer resources** than do majority-white districts. The average per pupil spending in high-poverty, non-white school districts is \$1,500 less than the national average.
- Only **one in five** Black 4th graders are **reading on grade level** compared to half of the white students. Just **14%** of Black 8th graders are on **grade level in mathematics**, 20% below the rate for all students combined.
- As students get older, **roughly 45% of Black students receive no formal education beyond high school** and only 15.3% receive a bachelor’s degree, compared to more than 23% of white students.

Employment

- For the past four decades, Black **unemployment rates** have been consistently **twice as high** as white unemployment.
- Across **six major categories of occupations** ranked by 2019 median weekly earnings, **23% of Black workers were employed in the lowest earning groups** (manual labor and service occupations) and 25.7% in the highest earning groups (management, professional, and technical occupations). For white workers, the percentages are 13.3% and 50.4%, respectively.
- In 2019, **Black American representation** in “**high earning management and professional occupation**” roles were **under concentrated at 8.9%**, less than their 12% representation in the workforce overall. For the same group, median weekly earnings for white men was \$1,538 and for Black men the median was \$1,167.
- At the same time, **disparities in earnings** along racial and gender lines are evident across similar occupations and education levels.

- Black and Hispanic workers with a bachelor's degree and higher had lower median weekly earnings (\$1,065 and \$1,101 respectively) than Asians and whites (\$1,465 and \$1,342).
- COVID-19 has **exacerbated these differences**. Black unemployment rose to 16.8% in May, up from 6.0% in January 2020, as compared to white unemployment which was 12.4% in May and 3.1% in January. During the pandemic, Black (23%) and Latino (24%) workers were more likely than white (15%) and Asian Americans (13%) to have been laid off.
- **Discrimination** in the hiring process also **continues to be an issue**. On average, white applicants receive 36% more callbacks than similarly qualified Black Americans.

Entrepreneurship

- Entrepreneurship plays an important role in building wealth in families, communities, and economies, but the **opportunity** to start and grow a business is **not equal for white and Black Americans**.
- Black Americans are **underrepresented among entrepreneurs**, representing 12% of the U.S. labor force but only 9.4% of business owners. They also are less likely than white Americans to launch businesses, and **when they do**, those businesses tend to **have lower revenues and fewer employees**.
- Research has shown that these disparities can be explained in large measure by persistent **gaps in access to financial capital** and what's commonly referred to as **human capital** (education and experience).
- Black-owned non-employer businesses are **less than half as likely to get financing** as white-owned firms; as a result, Black entrepreneurs are nearly three times more likely to have business growth and profitability negatively impacted by a lack of financial capital.
- Given that 70.6% of Black entrepreneurs rely on personal and family savings for financing, lower family wealth overall drives more of a divide in access to capital.
- In addition, Black Americans hold **higher levels of student debt**, which has been shown to inhibit entrepreneurship by discouraging risk and inhibiting access to capital.
- The **economic fallout from the pandemic has hit Black-owned and Hispanic-owned firms particularly hard**, exacerbating these trends. The number of Black-Americans who are self-employed in the U.S. dropped by a staggering 41% from February to April while the number of Latinx entrepreneurs dropped 32%, compared to a 17% drop for whites.
- Black- and Hispanic-owned businesses are at **higher risk of disruption and loss** due to the pandemic.
- **Closing racial divides** in entrepreneurship would **provide a significant infusion of jobs and economic growth**.
- A recent study found that if the number of people-of-color-owned firms was proportional to labor force participation, the U.S. would **add more than 1.1 million businesses**, supporting an estimated **nine million additional jobs** and adding **nearly \$300 billion** in workers' income.

- A separate study estimated that more equitable access for the Black community to tools businesses need would **generate an additional \$8 trillion in U.S. GDP growth**.

Criminal Justice

- **Black Americans comprised 27% of all individuals arrested in America in 2016**, about twice their proportion of the total population. In Washington, D.C., 2019 data showed that despite making up 46.5% of the city's population, Black Americans composed 72% of the people stopped by police. Even when no arrests are made, Black Americans are 21% more likely to experience some form of physical force during interactions with the police.
- Black Americans are **more likely** than white Americans to **be arrested**. Once they are arrested, they are **more likely to be convicted**. And once convicted, they are **more likely to experience lengthy prison sentences**.
- Black Americans comprise 13% of the U.S. population, but **34% of the incarcerated population**, and Black Americans are incarcerated in state prisons at 5.1 times the rate of white Americans.
- It is also harder for Black Americans to bounce back economically after incarceration. A criminal conviction limits employment prospects as well as access to housing and public assistance. Re-entry into the labor market is especially challenging. A criminal record, gaps in education and employment, and the stigma of incarceration limit opportunities. Having a prior conviction **reduces employer callback rates** by 50% for white male applicants and **up to 65%** for Black men.

Health

- Black Americans have markedly worse health outcomes than white Americans.
- Black patients are **2 to 3 times as likely to die** of preventable heart disease and stroke than white patients. They also have **higher rates** of cancer, asthma, influenza, pneumonia, diabetes, HIV/AIDS, and homicide.
- This trend has been pronounced during the pandemic. While Black Americans comprise 13% of the population, based on available COVID-19 case data, they account for 22% of coronavirus cases, with a significantly higher rate of hospitalization and death. When adjusted for age, the **COVID-19 death rate** for Black people in the United States is **3.6 times that for whites**.
- **Social determinants of health**—the conditions in which people are born, grow, live, play, learn, work, and age—have a tremendous impact on the health of individuals. Using emergency room visits as a proxy, analysis has concluded that social determinants of health were associated with low primary care access and high emergency room department utilization.
- Access to primary care helps people live longer, healthier lives. In areas of the country where there are more primary care providers per person, death rates for cancer, heart disease, and stroke are lower, and people are less likely to require hospitalization.

- Additionally, U.S. adults who have **primary care** physicians **accumulate 33% lower healthcare-related costs**. Race is associated with these access-to-care disparities, with Black Americans adversely and disproportionately impacted by poor access to healthcare.
- A racial **gap in health insurance** also exists.
- In 2018, **54.4% of Black Americans had private healthcare insurance** provided by an employer or union, purchased directly or TRICARE – compared to 74.8% for whites, 73.1% of Asians, and 49.6% of Hispanics, according to the Census Bureau.

Wealth Disparity

- There are significant racial disparities in wealth in America.
- At \$171,000, the **net worth of a typical white family is nearly ten times greater than that of the average Black American family** (\$17,150).
- In addition, Black Americans are **much more likely to experience poverty**: 21% of Black Americans and 8% of whites live below the poverty level, though there have been improvements in recent years.
- **Wealth disparities are reflected in everything from retirement planning to homeownership to net worth**. While 60% of white families contribute to retirement accounts, only about 33% of Black American families hold assets there. A recent report showed that Black Americans had balances of \$30,000 in their retirement accounts, while white women and men had balances of \$60,000 and \$101,000, respectively.
- As a result, **Black Americans are at substantially greater risk of being poor in retirement**.
- According to a 2016 Federal Reserve report, however, **growth in homeownership increased** from 70.5% to 75.6% for white Americans between 1989 and 2007. Over the same period, Black American homeownership rose from 42.4% to 49.3%.

Introduction

Racial inequality has existed in the United States since its independence over 200 years ago. First, with the slave trade, then with segregation laws, and finally with discriminatory laws and practices that did not allow Black Americans and other minorities to operate in society with a level playing field. Although a lot of effort has gone into creating a more equitable system in recent decades, stark disparities still exist. This paper provides a background for continued discussion about potential solutions by highlighting data in six key areas: Employment, Education, Entrepreneurship, Criminal Justice, Health, and Wealth Disparity. While significant changes will not happen overnight, real change towards equality of opportunity in the United States is imperative for the country's social and economic well-being.

Employment

For the vast majority of Americans, employment is a critical determinant of family income and plays a role in a family's ability to build wealth across a generation. The importance of a job to a family and a community is evident.

Unemployment

Black unemployment was at a near-historic low of 5.8% in February 2020, reflecting in part tight labor markets and a prolonged period of economic growth. Nevertheless, for the past four decades, **Black unemployment rates have been consistently been around [twice](#) as high as white unemployment.**

The economic repercussions of COVID-19 have had a disproportionate impact on unemployment for Black Americans and other communities of color. According to the [Bureau of Labor Statistics' monthly Employment Situation Summary issued on June 5, 2020](#), Black unemployment rose to 16.8% in May, up from 6.0% in January 2020; in comparison, the unemployment rates for white Americans was 12.4% in May up from 3.1% in January. For Black youth, ages 16-24, the May unemployment rate was 30.2%, compared to 23.6% for white youth. For the 25-54 age group, the Black unemployment rate was 14.7% compared to 10.3% for whites Americans.

Employment by occupation type

There continues to be a strong pattern of racial disparities of employment concentrations across occupations. Black workers are more concentrated in occupations that pay less, are less likely to offer paid sick leave, health insurance, or retirement benefits. When you look at cross tabulated data from the [Current Population Survey](#) for 2019 with the Equal Employment Opportunity Commission (EEOC)'s Occupation codes, you find that Black American workers are employed across all occupations in higher numbers and proportions today than in the past, making up 12% of the total workforce. However, significant disparities in concentration remain, and these

disparities suggest lost potential economic productivity and total output than could be achieved if the full productive potential of all workers were developed.

By occupation groups, non-Hispanic white (hereafter “white”) workers comprise the majority of workers in each occupation group at 60.8% of all workers, while non-Hispanic Black (hereafter “Black”) workers accounted for 12.0% (Hispanics, 18.3% and Asians and others comprise 8.9% of all workers). Disparate concentrations within an occupation are suggested when the proportion of a race or ethnic group in an occupation are greater or less than that group’s overall share of workers. For the *high earning “management and professional occupation”* category in 2019, white workers comprised 69.5% of workers in that occupation group, Blacks 8.9%, Hispanics 10.2%, and Asians or others 11.4%. In the *lowest earning “services occupations,”* whites comprised 49.3%, Blacks 16.8%, Hispanics 24.4% and Asian or others 9.5%. **Comparatively, Black and Hispanic workers are relatively more concentrated in lower skill and lower paid occupations and less concentrated in higher skill, higher earning occupations than whites.** This disparity can be seen even more when you look at numbers across six major categories of occupations ranked by 2019 median weekly earnings (*management and professional, \$1250; technicians and skilled trades, \$880; production and transportation, \$698; sales and office administrative, \$654; manual laborers, \$594; and service occupations, \$480*) 23.0% of Black workers were employed in the lowest earning groups (service occupations) and 25.7% in the high earning management and professional occupations group. In comparison, 13.3% of white workers were employed in the lowest earning service occupation group and 50.4% of the non-Hispanic white workers were employed in the highest earning management and professional group. Among Hispanics, who may identify with any race, 21.9% of Hispanic workers were employed in service occupations and 19.2% of them were employed in the high earning management and professional group. For other occupation groups, the proportions of Black (non-Hispanic) workers in 2019 were technicians and skilled trades, 8.4%, production and transportation, 13.6%, sales and office administrative 24.8% and manual laborers 4.6%.

Wage Gaps

Disparities in earnings along racial and gender lines are evident across similar occupations and education levels. For example, within the *high earning “managerial and professional occupations”* group in 2019, the median weekly earnings for white men was \$1,538 and for Black men the median was \$1,167. For white women the median was \$1,077 and for Black women it was \$1,000. For Hispanic men, \$1,250 and for Hispanic women \$889.

In general, workers with higher levels of education earn more regardless of race and ethnicity. However, wage disparities at similar educational attainment levels were also evident when you cross-tabulated the [Current Population Survey](#) data for 2019 with the Equal Employment Opportunity Commission (EEOC)’s Occupation codes. The [data](#) show gaps in the earnings of workers with similar levels of educational attainment by race and ethnicity. For example, Black and Hispanic workers with a bachelor’s degree and higher had lower median weekly earnings (\$1,065 and \$1,101 respectively) than Asians and whites (\$1,465 and \$1,342).

Skills gaps / Gaps in access to workforce training

Over the last 40 years, American jobs have been shifting from blue-collar (manufacturing, transportation and utilities, wholesale and retail trade, natural resources, and construction) to skilled-services (government services, education services, consulting and business services, financial services, healthcare services, leisure and hospitality services, and personal services), with the majority of jobs in all 50 states being middle-skilled, or jobs that require some postsecondary education but not a bachelor's degree. [According to the National Skills Coalition](#), nearly half of job openings between 2014-2024 will be middle-skilled, while only 32% of job openings during that time frame will be high-skill jobs, which require a bachelor's degree or more, and 20% will be for low-skill positions. This study was conducted pre-pandemic.

Diversity in the workplace

Though numerous workplace diversity and inclusion initiatives have emerged over the years, disparities still exist. The [Proceedings of the National Academy of Sciences](#) analyzed hiring data from 1990 to 2015 and found that **racial discrimination in the hiring process is significant in breadth and consistent over 25 years. On average, white applicants receive 36% more callbacks than equally qualified Black Americans** and 24% more callbacks than Latinos. Central to the results of this [study](#) is the notion that the vast majority of hiring is subject to very little oversight, and compensatory policies that address racial bias reach a small fraction of hiring overall. Therefore, because this [study](#) only examines discrimination at the point of hire, it does not account for later points in the employment relationship, such as in wage setting, promotions, or termination decisions, which are also subject to racial biases.

The business case for diversity in the workplace has continued to gain traction over the years and has, in many ways, informed diversity training programs, and initiatives practiced today. According to [Global Diversity Management: An Evidence-Based Approach](#), there is a robust empirical confirmation that successful diversity management, and a resulting improvement in organizational performance, are positively correlated.

Education

Early Childhood

Racial disparities in learning begin even before formal schooling. Research by developmental psychologists has proven that early learning experiences vary considerably based on a parents' income level. Since the rate of Black American children living in poverty is more than [double that](#) of white children, these disparities are distributed unequally across racial lines. A famous [study](#) by the University of Kansas scholars Hart and Risley shows that children in families with professional parents are exposed to 30 million more words before age three than children in poverty. Other studies show that middle-class children are more likely to have access to learning opportunities such as museums or libraries.

These differences have significant consequences for vocabulary and cognitive development and leave students with lower socioeconomic status (SES) far behind their high SES peers on early reading and math skills. According to a [study](#) by Burkham and Lee, average math scores for Black students entering kindergarten are 21% lower than that of white students. There is a [strong correlation](#) between socioeconomic status and kindergarten learning: three-quarters of the highest SES quartile kindergarten students achieve above-median math scores compared to only one-quarter of the lowest SES quartile.

K-12

Differences in proficiency rates between white and Black students dubbed the "achievement gap," persist in K-12 education. According to the [National Assessment of Educational Progress \(NAEP\) 2019](#), or the Nation's Report Card, only one in five Black 4th graders are reading on grade level compared to half of the white students. Just 14% of Black 8th graders are on grade level in mathematics, 20% below the rate for all students combined. Moreover, the achievement gap in mathematics has widened in the past 30 years: white 4th graders' mathematics proficiency rates have risen twice as much as Black 4th graders since 1990.

This achievement gap persists through high school graduation. While the [high school graduation rate](#) for the nation has risen to an all-time high of 85%, the graduation rate for Black students is a full 10% below that of white students (79% compared to 89%).

This gap in student achievement can, in part, be attributed to the difference in schooling environments for white and Black students. **Black students are [twice as likely](#) to attend high-poverty schools than their white peers**, and only 8.4% of white students attend high-poverty, non-white schools compared to 60% of Black students. **Said differently, over half of Black K-12 students in the United States attend schools where the majority of students are low-income, students of color.**

These non-white districts receive far fewer resources per year when compared with majority-white districts. The average per-pupil revenue for non-white, high-poverty districts is more than \$1,500 [less than the national average](#). This means the average school that a Black student attends has a much tighter budget for paying staff, purchasing instructional materials, repairing school building infrastructure, and more. Unsurprisingly, these school-type differences have an impact on learning. The average raw math score for Black students in low-poverty, majority-white schools on the NAEP is 20 points higher than the average score for Black students in high-poverty schools (275 and 255, respectively).

Postsecondary

Many Black students reach postsecondary education behind their peers. ACT, the organization that administers one of the nation's college admissions standardized tests, publishes [College Readiness Benchmarks](#) that forecast a student's reasonable chance of being successful in first-

year college courses. In 2018, only 11% of Black students met three benchmarks compared to 48% of white students. Over half of Black college students require remedial coursework, meaning their degrees and future earnings are pushed farther down the road while they relearn what should have been taught during their K-12 careers. This difference is [reflected in graduation rates](#) for Black college students, which are lower than their white peers across all types of degrees and institutions. [Educational attainment](#) for **Black Americans is also below the national average, with roughly 45% receiving no education beyond high school and only 15.3% receiving a bachelor's degree (8.4% less than whites).**

Entrepreneurship

Entrepreneurship plays an influential role in building wealth in families, communities, and economies. According to the [most recent U.S. Census data](#), there are 2.6 million Black-owned businesses in the United States. That number represents a 34.5% increase from 2007-2012. Almost 95% of these businesses are [sole proprietorships](#) which have no paid employees. This compares to 71% of white-owned businesses. The largest percentage (19.2) is in the healthcare and social assistance sector. While Black-owned businesses are overwhelmingly non-employers, they [collectively employ](#) over a million people and generate over \$104 billion in annual sales.

Black-owned firms account for 9.4% of all U.S. firms. By comparison, Black Americans make up 12% of the country's labor force. This disparity in labor force participation and business ownership is reflected in entrepreneurship statistics for a range of non-white ethnic groups. **If the number of people-of-color-owned firms was proportional to labor force participation, the United States would have more than 1.1 million more businesses supporting an estimated 9 million jobs.**

Black Americans are [less likely](#) than their white counterparts to launch new businesses. When they do, Black-owned businesses, [on average](#), have lower revenues, hire fewer employees, and are more vulnerable to economic shocks like COVID-19. The difference can be explained by a persistent [gap in access](#) to human capital – education, experience – and financial capital.

More equitable access for the Black community to the tools businesses need to survive and thrive could also [generate an additional \\$8 trillion in GDP growth](#) for the United States, spurred by increases in economic output and consumer spending and savings in social services and healthcare costs.

Human Capital

There is a positive correlation between education and entrepreneurship. With over 60% of businesses failing within five years, education and skilling are increasingly important determinants of business longevity. Importantly, the level of educational attainment for Black American business owners has [increased](#) over the past three decades.

Unfortunately, gains in educational attainment are coupled with significant growth in student debt. Almost 40% of Black American adults between the ages of 25 and 55 hold student debt, compared

to 30% of whites and Latinos. [Debt levels](#) are higher, too, with Black Americans holding on average \$43,725 in student debt compared to \$31,367 for whites and \$32,075 for Hispanics. [Research](#) suggests that student debt reduces entrepreneurial activity. Higher debt levels may particularly discourage the creation of Black-owned businesses.

Education is one piece of the puzzle, but networks, connections, mentorship, and role models can be equally important. There is evidence that growing up in a household with an entrepreneur produces 11-38% better business outcomes. While 23.3% of white business owners [worked in a family member's business](#), just 12.6% of Black business owners have a similar experience.

Financial Capital

Entrepreneurship can be a catalyst for economic mobility. While white Americans have nearly ten times the wealth of Black Americans, the [median wealth gap decreases](#) to three when comparing the wealth of white business owners to Black business owners. The [median net worth](#) of Black business owners is 12 times higher than Black nonbusiness owners.

According to the most recent version of the [American Business Owner survey](#), Black American owned businesses have required significantly more startup money out of the pockets of the owners than white-owned businesses. Entrepreneurs rely primarily on [three sources of startup capital](#): personal and family savings (63.9%), personal credit cards (10.3%), and bank loans and lines of credit (17.9%). **Black entrepreneurs are nearly [three times more likely](#) as white entrepreneurs to have business growth and profitability negatively impacted by a lack of capital.** Lower family wealth removes an [essential financing option](#) that 70.6% of Black entrepreneurs rely on to get businesses off the ground: personal and family savings.

Lower wealth also [results](#) in lower credit scores, which reduces access to financing options, pushing Black entrepreneurs towards lower-financed ventures with lower survival rates. In the most recent small business credit study, **Black-owned non-employer firms were [less than half as likely](#) to get financing as their white-owned competitors.** With more limited personal and family savings, Black business owners are also [more likely](#) to rely on credit cards, which puts them at a disadvantage because of the higher cost of capital.

Criminal Justice

Policing

The killing of George Floyd on Memorial Day highlighted the fact that many Black Americans commonly felt that their interactions with police are often incredibly different from those of their white neighbors. [Nationwide data](#) reviewed by the National Association of Criminal Defense Lawyers showed that in 2016 Black Americans comprised 27% of all individuals arrested in America, about twice their proportion of the total population. Black youth made up 35% of juvenile arrests in 2016, despite only accounting for 15% of the total youth population.

Disparities are particularly acute in cities. Data released by the Metropolitan Police Department for 2019 showed that despite making up 46.5% of the D.C. population, Black Americans composed 72% of the people stopped. These [disparities exist](#) in every police district in D.C. but are particularly acute in those parts of the cities with a higher white population (i.e., Georgetown, Cleveland Park, etc....). These disparities mean that Black Americans have far more interactions with police than white Americans.

Despite the lack of data on the use of force, a [report](#) by ProPublica indicates that young Black males are shot dead by police at a rate 21 times greater than young white males. Even when no arrests are made, Black Americans are 21% [more likely to experience some form of force](#) during interaction with the police. Interactions that end in an arrest are just the entry to a criminal justice system that can help perpetuate substantial racial inequalities.

Sentencing

In the United States, Black Americans are [more likely](#) than white Americans to be arrested; once they are arrested, they are [more likely](#) to be convicted; once convicted, they are more likely to experience lengthy prison sentences. Black Americans are incarcerated in state prisons 5.1 times the rate of white Americans. In five states (Iowa, Minnesota, New Jersey, Vermont, and Wisconsin), the disparity is more than 10 to 1. In Oklahoma, the state with the [highest](#) Black incarceration rate, 1 in 15 Black males ages 18 and older is in prison.

There were 40,000 people incarcerated in prison or jail for a drug offense in 1980. Now, the United States has seen an 1100% increase to over 500,000 people imprisoned. In 2015, [more than one in four](#) people arrested for drug law violations was Black, although white people are [more likely](#) than Black people to sell drugs and about as likely to consume them. 6.6% of white adolescents and young adults (aged 12 to 25) sold drugs, compared to just 5% of Black adolescents. [From 1995 to 2005](#), Black Americans comprised approximately 13% of drug users but 36% of drug arrests and 46% of those convicted for drug offenses.

[Pre-trial detention](#) is more likely to be imposed on Black defendants because of income inequality. Pre-trial detention contributes to disparities because those people are more likely to be convicted and sentenced to longer prison terms. Over 555,000 people are held in local jails because they are unable to pay the bail amount. The median bail amount for felonies is \$10,000. That is eight months' income for the typical detained person.

Re-Entry

600,000 individuals are released from prison annually. A criminal conviction [limits employment prospects](#) as well as access to housing and public assistance programs. Re-entry into the labor market is especially challenging. A criminal record, gaps in education and employment, and the stigma of incarceration limit opportunities. Having a record [reduces employer callback](#) rates by 50% for white male applicants, but up to 65% for Black men. Formerly incarcerated people are [unemployed](#) at a rate of over 27%. Black women are hit especially hard: [Unemployment](#) for

formerly incarcerated white men is 14 percentage points higher than the general population, but 37 percentage points higher for Black women. Those employed generally find themselves in low-skill jobs with few benefits (if any) and little room for advancement. Offenders generally are unable to secure professional and legal licenses. Black Americans comprise 13% of the U.S. population, but 40% of the incarcerated population.

The majority of U.S. states strip voting rights for convicted felons. In 2016, 6.1 million individuals were [unable to vote](#) as a result of felony disenfranchisement rules. Not only do Black individuals experience a [higher rate of felony disenfranchisement](#) than white individuals, but Black registered voters who live in a state with lifetime disenfranchisement laws are 12% more likely not to cast a vote. White register voters in the same states are only 1% more likely not to vote. Thus, felony disenfranchisement exponentially affects the Black community.

Health

Race is associated with several [healthcare access disparities](#). Minority patients have markedly worse health outcomes than white patients, with Black Americans having the most significant differences. Black patients are 2 to 3 times as likely to die of [preventable heart disease and stroke](#) than white patients. They also have [higher rates](#) of cancer, asthma, influenza, pneumonia, diabetes, HIV/AIDS, and homicide. The reasons for these disparities are many, complex, and intertwined.

Over the past quarter-century, there has been increased recognition that improving health requires consideration of other external factors that significantly influence health. Health outcomes are driven by an array of elements, including underlying genetics, health behaviors, social and environmental factors, and healthcare. Health behaviors, such as smoking, diet, and exercise, and social and economic factors, are the primary drivers of health outcomes. These behaviors are often shaped by social and economic factors and further exacerbated by obstacles such as lack of health insurance, language-related barriers, disabilities, inability to take time off work to attend appointments, geographic and transportation-related barriers, and a shortage of primary care providers.

Taken together, [social determinants of health](#)—the conditions in which people are born, grow, live, play, learn, work, and age—have a tremendous impact on the health of individuals. Economic status, education, employment, neighborhood, and physical environment, food security, and social support networks affect health profoundly.

Disparities in Primary Care

To take a targeted look at how inequality of opportunity exists in healthcare, a discrete and telling data point is the relationship (or lack thereof) with a designated primary care provider.

Access to primary care helps people live longer, healthier lives. In areas of the country where there are more primary care providers per person, death rates for cancer, heart disease, and stroke are lower, and people are less likely to require hospitalization. Urban and rural communities

that have an adequate supply of primary care providers experience lower infant mortality, higher birth weights, and immunization rates at or above national standards, despite social disparities. Additionally, U.S. adults who have primary care physicians [accumulate 33% lower healthcare-related costs](#). Using emergency room visits as a proxy, analysis has concluded that social determinants of health such as food security, transportation access, and unemployment rates were associated with low primary care access and high emergency room department utilization.

Access to Health Insurance

Employment also has an impact on healthcare outcomes. Black and Hispanic women are over-represented in the low-wage service sector, which, according to a Census Bureau [study](#) and data from the National Compensation Survey, has the lowest access to healthcare and paid leave. According to another U.S. Census Bureau [study](#) on healthcare coverage in the United States, in 2018, 55.4% of Black Americans had private healthcare insurance provided by an employer or union, purchased directly or TRICARE, compared to 74.8% of whites, 73.1% of Asians, and 49.6% of Hispanics.

COVID-19 Disparities

This sweeping disproportionate impact of the coronavirus on communities of color in the United States—particularly on Black Americans—has exposed these disparities in health even further and highlighted the significant impact that social determinants of health inflict. While Black Americans comprise 13% of the population, based on available [COVID-19 case data](#) linked to race/ethnicity, they account for 22% of coronavirus cases, with a significantly higher rate of hospitalization and death.

Overall, based on available [data](#), the age-adjusted COVID-19 death rate for Black people in the United States is 3.6 times that for whites. In every age category, Black people are dying from COVID at roughly the [same rate as white people](#) more than a decade older. A close study of COVID-19's impact on Black Americans dispels previously held truths about the disease. Whereas younger people were said to face less risks of succumbing to the disease, Black Americans aged 35-44 years old are dying from coronavirus at nine times the rate of white Americans. According to a recent [Harvard Center for Population and Development Studies report](#), in all age strata, COVID-19 mortality rates were higher for racial/ethnic minorities compared to white Americans, but nowhere were these differences starker than in younger adults (24-54 years old). The closest convergence is for the 85 and older age group, of which Black Americans are dying at nearly twice the rate as white Americans.

Wealth Disparity

According to the most recent [Federal Reserve Survey of Consumer Finances \(SCF\) findings](#), nearly one in five black households have zero or negative net worth, compared to 9% of white households. On average, **Black American families hold [one-tenth](#) of the wealth of white American families**. In 2016, the median net worth of a white family was \$171,000, whereas the

median net worth of a Black household was \$17,150. Even for the [wealthiest Americans](#), the racial wealth gap is still quite large: the median net worth for the top 10% of white families is \$1,789,300, relative to \$343,160 for wealthy Black families. While both have experienced gains in the past few decades, Black American wealth is actually growing at a faster rate. Starting at ~\$8,000 in 1989, Black American net worth peaked at \$26,000 in 2001. This compares to \$135,000 in 1989 and peaking at \$199,000 in 2007 for white Americans. Black American families have only now started to recover from the last recession. The new recession we are entering promises to make a recovery even more difficult.

Poverty is a factor of income and wealth. In [2018](#), 22% of Black Americans did not earn enough in wages to live above the poverty line, compared to 9% of white Americans. Even after programs targeted to reduce or eliminate poverty outside of wages, there has been little improvement in recent years.

There is also a substantial distinction in both how wealth is held across financial assets and the value of those holdings. While commercial banking products are relatively similar, investment products show a significant difference. For example, in 2016 ([according to the same SCF](#)), around 18% of white households held stocks (averaging \$363,000) while only approximately 5% (averaging \$76,000) of Black households did. Also, only 11% of white Americans held savings bonds (averaging \$10,000), which Black Americans held only 4% of their wealth as savings bonds (with an average of \$4,000).

The use of retirement accounts also highlights these disparities. **[While 60% of white families contribute to retirement accounts, only about 33% of Black families hold assets there.](#)** This could also be due to a lack of access to employer-sponsored retirement plans and other factors affecting retirement readiness. According to the [AARP Policy Institute](#), Black, Asian, and Hispanic workers between ages 18-64 were less likely than white workers to have an employer-sponsored retirement plan. The Joint Economic Committee of the U.S. Congress published a [report](#) on retirement insecurity that highlights racial and gender disparities in retirement readiness, which reflects in part disparities in career earnings, access to benefits, and lower savings rates for those with access to defined contribution retirement accounts. The study presented data for defined contribution retirement account balances at ages 55-64, which showed Hispanic women and men with balances of \$25,000 and \$23,000 respectively; Black women and men with balances of \$30,000, and white women and men with balances of \$60,000 and \$101,000.

Non-financial assets follow a similar pattern, but the largest for both is homeownership. According to the [Federal Reserve](#), 2016, Growth in homeownership increased from 70.5 % to 75.6% for white Americans between 1989 and 2007, with a 66% increase in value. Black American homeownership rose from 42.4% to 49.3% for the same period, with that value more than doubling. However, the imminent recession has the ability to erase those gains, given that people of color [more vulnerable](#) when the overall economy declines.

The other side of wealth, debt, is another story. Black American families are now as likely as white families to hold debt (77.1% and 77.5%, respectively). While the percentage of families holding debt around the same, however, white households hold more than 2.4 times as much debt as Black households.

Conclusion

The inequality of opportunity has left a lasting mark on the United States and has had a disproportional impact on people of color. The path forward requires us to take a step back and reevaluate how we look at equal access to things like employment, education, starting a business, health services, financial services, and justice. If we are to protect the United State's social and economic fabric, we must work diligently to address these long-standing racial disparities.

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