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Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families

Overall, 1 in 4 Black households and 1 in 7 Hispanic households in the U.S. either had no wealth or were in debt in 2021

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How we did this

Pew Research Center conducted this study to understand how the economic downturn in the COVID-19 pandemic affected the wealth of U.S. households during the pandemic. We also emphasize how the financial impact varied across poorer and richer households and within and across racial and ethnic groups.

This analysis is based on data from the U.S. Census Bureau's 2020, 2021 and 2022 [Surveys of Income and Program Participation](#) (SIPP), the latest three years the survey was conducted. The estimates of wealth from these three surveys refer to the month of December in 2019, 2020 and 2021. SIPP collects detailed information on the economic and demographic characteristics of U.S. households. It is one of few surveys that report on the values of assets and liabilities (debt) held by households. SIPP offers the largest sample sizes compared with other surveys of household wealth.

The COVID-19 outbreak affected data collection efforts by the U.S. government in its surveys, limiting in-person data collection and lowering response rates. Both the 2020 and 2021 SIPP surveys were affected. It is possible that some measures of economic outcomes and how they vary across demographic groups are impacted by these changes in data collection.

Terminology

Household **wealth** or **net worth** is the value of assets owned by every member of the household minus their debt. The terms are used interchangeably in this report. Assets include owned homes, vehicles, financial accounts, retirement accounts, stocks, bonds and mutual funds, and more. Debt refers to home mortgage loans, education loans, credit card balances, and any other loan or credit extended to the household. Net worth is negative when debt levels are greater than asset values. ([Refer to the methodology](#) for more details.)

“Poorer,” “more solvent,” “wealthier” and “richer” refer to a household’s **wealth status relative to other households of the same race and ethnicity**. **Poorer** households rank in the bottom 25% when compared with other households of the same race and ethnicity; **more solvent** households place from the 25th up to and including the 50th percentile; **wealthier** households from the 50th up to and including the 75th percentile; and the **richer** are in the top 25%. The bottom 1% and the top 1% are excluded prior to the ranking so extreme values do not affect estimates for poorer and richer households.

Lower, middle and upper wealth tiers refer to a household’s **wealth status relative to all other households in the U.S.** The **middle wealth tier** consists of households whose wealth lies between one-quarter to four times as much as the median wealth of U.S. households – between \$41,700 and \$667,500 in 2021. Households in the **lower wealth tier** had wealth less than \$41,700, and households in the **upper wealth tier** had wealth more than \$667,500. The wealth tier boundaries vary across years. (Dollar amounts are expressed in December 2021 prices.)

Middle-income households are those with an income that is two-thirds to double that of the U.S. median household income, after incomes have been adjusted for household size and difference in the cost of living across areas. This was about \$4,800 to \$14,300 monthly in December 2021, for a household of three. **Lower-income** households had incomes less than \$4,800, and **upper-income** households had incomes greater than \$14,300. The income tier boundaries vary across years. (Dollar amounts are expressed in December 2021 prices.)

Households are grouped by the race and ethnicity of the survey reference person, or the household head. **White**, **Black** and **Asian** include those who report being only one race and are not Hispanic. **Multiracial** includes non-Hispanics of two or more races. **Hispanics** are of any race. American Indian or Pacific Islander households are not covered in our analysis because of small sample sizes.

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Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families

Overall, 1 in 4 Black households and 1 in 7 Hispanic households in the U.S. either had no wealth or were in debt in 2021

The economic downturn caused by the COVID-19 pandemic put the financial security of U.S. households at risk. The initial shock caused about 25 million workers to [lose their jobs within three months](#), from February to April 2020, and it took about two years for the nation's [employment level to fully recover](#). [Workers' earnings also took a hit](#) as [consumer prices began to increase](#) sharply in 2021.

Even so, American families made strong financial gains during the pandemic. The [typical U.S. household saw its wealth increase by 37% from 2019 to 2022](#), after inflation, according to a recent report from the Board of Governors of the Federal Reserve System. Wealth, or net worth, is the difference between the value of assets owned by households and their debt level, and it is a key indicator of financial security.

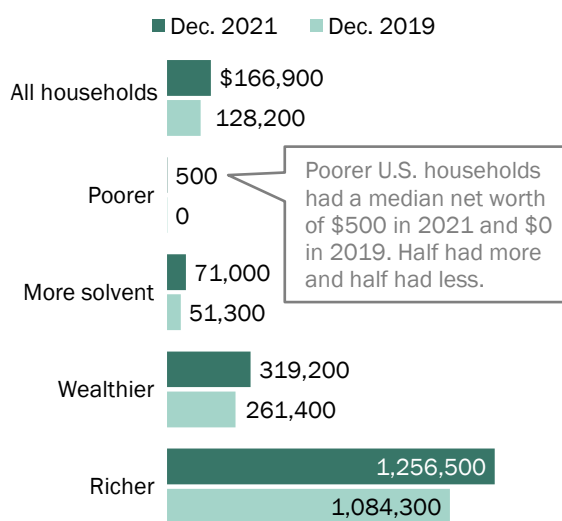
Our new analysis examines changes in the wealth of poorer and richer families during the pandemic. We also focus on differences within and across racial and ethnic groups on these and other dimensions.

We use the latest [Survey of Income and Program Participation](#) (SIPP) data from the

U.S. Census Bureau. Its larger sample size – about four times that of the Federal Reserve's [Survey of Consumer Finances](#) – allows for a deeper analysis of the well-being of demographic groups.

Despite gains for most families, poorer U.S. households had little to no wealth either before or after the pandemic

Median wealth of U.S. households in December 2021 prices, by wealth quartile



Note: Households are ranked by their wealth and divided into four groups (quartiles). "Poorer" households rank in the bottom 25%, "more solvent" ones rank from the 25th to the 50th percentile, "wealthier" ones rank from the 50th to the 75th percentile, and "richer" households are in the top 25%. The bottom 1% and the top 1% are excluded before quartiles are formed. Values are rounded to the nearest \$100.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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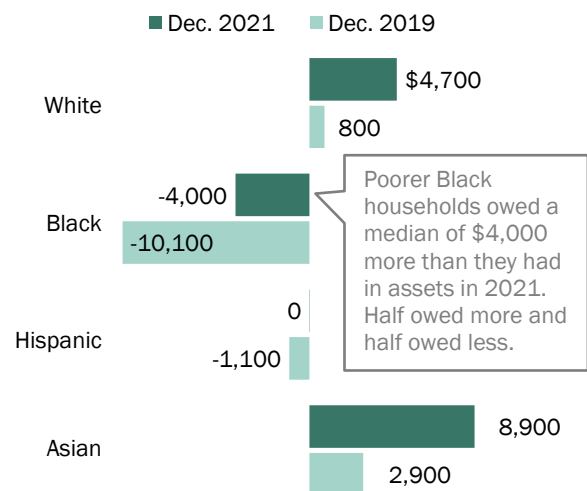
We start by dividing households into four groups: “Poorer,” “more solvent,” “wealthier” and “richer.” They represent a quarter each of the household population, with poorer households ranking in the bottom 25% in wealth and richer households ranking in the top 25%. We exclude the poorest 1% and the richest 1% prior to the ranking. The following are our key findings.

Changes in wealth for poorer and richer households

- **Poorer U.S. households were likely to be in debt both before and after the pandemic.** In December 2021, half of these households had a net worth of \$500 or less, a modest gain from December 2019 when half had a net worth of zero or less – that is, they either had no wealth or owed more than the value of their assets. (Dollar amounts are expressed in December 2021 prices.)

Debt is still prevalent among poorer Black households, but it is not as high as before the pandemic

Median wealth of poorer U.S. households within racial and ethnic groups, in December 2021 prices



- **Households with more wealth saw sizable gains in their net worth from 2019 to 2021.** More solvent households gained \$19,700, wealthier households gained \$57,800 and richer households added \$172,200 to their net worths, at the median.
- **The wealth of U.S. households overall increased during the pandemic.** The typical American household had a net worth of \$128,200 in 2019. By 2021, this had increased 30% to \$166,900.

Despite pandemic-era financial gains, debt remains the norm among poorer Black households

- **Poorer Black households trimmed their debt level,** from \$10,100 in 2019 to \$4,000 in 2021 at the median. But they largely remained in the red two years into the pandemic, unlike poorer White, Hispanic and Asian households.

Note: Households are ranked by their wealth within each racial and ethnic group and divided into four groups (quartiles). “Poorer” households rank in the bottom 25%. The bottom 1% and the top 1% are excluded before quartiles are formed. Values are rounded to the nearest \$100. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race.

Source: Pew Research Center tabulations of the U.S. Census Bureau’s 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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- **Poorer Hispanic households neared financial solvency in 2021.** Their median net worth stood at \$0 in 2021, compared with a net debt of \$1,100 in 2019. But the financial gain for them was more limited than among other poorer households.
- **Poorer Asian households had more wealth than other poorer households** in both 2019 and 2021. Their median wealth in 2021 – \$8,900 – was almost twice the median wealth of poorer White households.

Other key findings about the state of wealth inequality among U.S. households

- **About one-in-four Black households overall (24%) had no wealth or were in debt in 2021**, compared with about one-in-ten U.S. households (11%). Still, this was an improvement over 2019 for Black households, when 29% were in this situation.
- **Among Black households, richer households held 90% of overall group wealth in 2021, greater than among other racial and ethnic groups.** This share was no less than 75% among other groups. These shares do not factor in the wealth held by the [richest 1% of households, who alone hold a large share of total household wealth](#).
- **Racial and ethnic gaps in wealth remained large through the pandemic.** White households had 13 times as much wealth as Black households in 2019, at the median, and nine times as much in 2021. They also had five times as much wealth as Hispanic households in 2021 and three times as much as multiracial households. But Asian households had more wealth than White households in 2021.
- **The wealth gap between White and Black households is greater among lower-income households.** In 2021, lower-income White households had 21 times as much wealth as lower-income Black households at the median. In contrast, middle- and upper-income White households had three times as much wealth as their Black counterparts.
- **The wealth of lower- and middle-income households overall increased at a greater rate than the wealth of upper-income households from 2019 to 2021.**

Why did household wealth increase during the pandemic?

It would not have been surprising if household wealth had *fallen* because of the economic slowdown during the pandemic. The [median income of U.S. households decreased by 2.5% from 2019 to 2021](#), after adjusting for inflation, according to the U.S. Census Bureau. Thus, households might have been expected to draw down their savings amid a [rise in long-term unemployment](#).

However, several factors helped to turn the expected narrative on its head. For one, the [CARES Act provided for tax credits](#), or **stimulus payments**, to U.S. households. As a result, the [after-tax income of the typical U.S. household increased 3.5% from 2019 to 2021](#), according to Census Bureau estimates. The stimulus payments were designed to provide [greater relief for lower- and middle-income families](#) and are credited with a [reduction in the poverty rate](#) in 2020.

The pandemic itself helped households boost their savings initially by [driving a reduction in consumption](#). This was likely the result of social distancing and the closure of restaurants, shops and other businesses. Relatedly, research shows U.S. households had [saved about \\$2.3 trillion more during 2020 and the first half of 2021](#) than what they might have saved at pre-pandemic trends. That is upwards of \$15,000 for each household, on average.

Households also benefited from rising home prices, which [increased 31% from December 2019 to December 2021](#). At the same time, [mortgage rates fell to historic lows](#), giving homeowners an opportunity to reduce the size of interest payments. And, after an initial decline, [stock prices resumed an upward climb](#), ending 2020 and 2021 at higher levels than the previous year.

These broader economic trends help explain two other findings of this analysis:

- **The values of most assets owned by households either increased or were unchanged** from 2019 to 2021.
- Overall, **the gains in asset values offset any increase in household debt** during the pandemic.

The trends that supported wealth building from 2019 to 2021 have either reversed direction or turned less favorable. The before-tax income of U.S. households fell 2.3% from 2021 to 2022, in inflation-adjusted dollars. [After-tax income decreased even more](#) – by 8.8% – due to the end of stimulus payments.

Households did not curtail spending in response to the sharp decrease in after-tax income. [Expenditures by U.S. households increased](#) by 9% from 2021 to 2022, running ahead of the 8% rate of inflation. This increase in spending appears to have been supported by [running down the additional savings](#) accumulated in 2020 and 2021.

The rise in asset values also moderated in 2022. [Home prices increased](#) by 5.7% from December 2021 to December 2022, but that was a fraction of the 18.9% increase seen in 2021. [Mortgage rates doubled](#), from 3.1% at the end of 2021 to 6.4% at the end of 2022, and [stock prices tumbled](#) 19.4%

over the year. However, it is important to note that the latest available estimates in our analysis are for December 2021 and do not capture the impact of economic developments in 2022.

Our data source

This analysis is based on data from the U.S. Census Bureau's 2020, 2021 and 2022 [Surveys of Income and Program Participation](#) (SIPP), the three latest surveys. In addition to details on the income and demographic characteristics of U.S. households, SIPP reports on the values of assets and liabilities (debt) held by households.

Data on wealth in the SIPP refers to the December of the year preceding the survey date. For example, wealth estimates for 2021 in this report are from the 2022 SIPP and refer to December 2021.

The samples in SIPP consist of more than 21,000 households in the 2020 survey, nearly 24,000 in 2021, and more than 17,000 in 2022. These samples are much larger than in the Federal Reserve's Survey of Consumer Finances (SCF), which covered 5,783 and 4,602 families in 2019 and 2022, respectively. Thus, unlike the SCF, SIPP makes it possible to analyze trends for smaller demographic groups, say, poorer and richer Black, Hispanic and Asian households. While the latest estimates from SIPP refer to December 2021, they are near in date to the estimates for 2022 from the SCF and yield full insight into trends during the pandemic.

Nonetheless, sample sizes for American Indian or Pacific Islander and multiracial households in SIPP are small. We do not present estimates for American Indian or Pacific Islander households because their sample size is as low as 130 in the 2022 SIPP and only as high as 182 in the 2020 SIPP. Estimates for multiracial households are reported but have large sampling errors. Thus, **we only report estimates for multiracial households overall**. For instance, while we report the share of multiracial households that were, say, homeowners in 2021 – 45% – we do not report the value of home equity for multiracial homeowners.

[Refer to the methodology](#) for more details on SIPP and specifics on the data it collects on wealth.

Explore this report

In the following chapters, we take a closer look at the following topics:

- [How wealth differs within specific racial and ethnic groups](#)
- [Gaps in wealth across racial and ethnic groups](#)
- [How wealth and wealth gaps vary by income](#)
- [The assets households own and the debts they carry](#)

1. Wealth gaps within racial and ethnic groups

In this chapter, we focus on the differences in wealth between richer and poorer members of each racial and ethnic group we studied. Our key findings are:

- The disparity in wealth between richer and more solvent households is most pronounced among Black Americans and Hispanics.
- The richer 25% of households in each group hold 75% or more of wealth within that group – not counting the top 1%, who alone hold a large share.
- Wealth disparities on both counts largely edged down during the pandemic.

The range of wealth within racial and ethnic groups

The wealth divide across poorer and richer households in the United States varies from one racial and ethnic group to another.

Although poorer **Black households** saw an improvement in their finances from 2019 to 2021, they were likely to be in debt in both years. Their debt level, beyond what they held in assets, stood at \$10,100 in 2019 and \$4,000 in 2021 at the median.

More solvent Black households had a modest median net worth of \$6,700 in 2021, but this was more than double their wealth in 2019. Wealthier and richer Black households had \$79,700 and \$414,200 in 2021, respectively, and both groups saw gains over the pandemic.

What counts as poor or rich varies by the racial and ethnic identity of a household

Median wealth of U.S. households in December 2021 prices, by wealth quartile within each racial and ethnic group

	Poorer	More solvent	Wealthier	Richer
White				
Dec. 2021	\$4,700	128,400	435,600	1,507,800
Dec. 2019	800	99,100	368,500	1,338,800
Black				
Dec. 2021	-4,000	6,700	79,700	414,200
Dec. 2019	-10,100	2,400	59,100	327,300
Hispanic				
Dec. 2021	0	18,600	122,800	528,100
Dec. 2019	-1,100	10,700	95,300	484,200
Asian				
Dec. 2021	8,900	149,900	607,100	1,814,000
Dec. 2019	2,900	81,400	455,800	1,473,600

Note: Households are ranked by their wealth within each racial and ethnic group and divided into four groups (quartiles). “Poorer” households rank in the bottom 25%, “more solvent” ones rank from the 25th to the 50th percentile, “wealthier” ones rank from the 50th to the 75th percentile, and “richer” households are in the top 25%. The bottom 1% and the top 1% are excluded before quartiles are formed. Values are rounded to the nearest \$100.

Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes.

Source: Pew Research Center tabulations of the U.S. Census Bureau’s 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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Poorer **Hispanic households** were neither solvent nor in debt in 2021, when their median net worth stood at zero. Hispanic households that were more solvent had a net worth of \$18,600 in 2021, wealthier Hispanic households had \$122,800, and richer Hispanic households held \$528,100. From 2019 to 2021, the net worth of more solvent Hispanic households increased by 74%, greater than the increase for wealthier Hispanic households (29%).

Poorer **Asian households** had a modest amount of wealth in 2021 – \$8,900 – but it was three times what they had in 2019. It was also notably more than the net worth of poorer Black and Hispanic households. The wealth of Asian households also rises steeply up the wealth ladder, with more solvent Asian households having \$149,900 and the richer holding \$1.8 million in 2021 at the median.

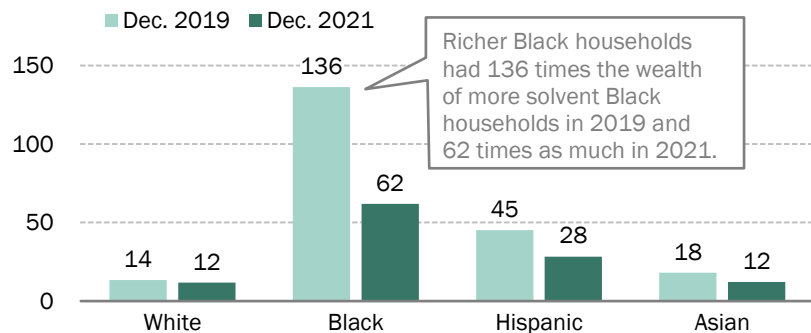
The percentage increase in wealth from 2019 to 2021 was greater among less rich Asian households: 84% for the more solvent, 33% for the wealthier and 23% for richer households.

Wealth holding among **White households** largely mirrors the pattern among Asian households. Poorer White households were a step above insolvency in 2021, with a median net worth of \$4,700, compared with \$800 in 2019. More solvent White households typically had \$128,400 in 2021, and richer White households were mostly millionaires, with a median net worth of \$1.5 million.

In percentage terms, the increase for more solvent White households (30%) was greater than the increase for wealthier (18%) and richer (13%) White households.

Wealth inequality within racial and ethnic groups in the U.S. narrowed during the pandemic

*Ratio of the median wealth of **richer** households in a racial and ethnic group to the median wealth of **more solvent** households*



Note: Households are ranked by their wealth within each racial and ethnic group and divided into four groups (quartiles). “More solvent” households rank from the 25th to the 50th percentile and “richer” ones are in the top 25%. The bottom 1% and the top 1% are excluded before quartiles are formed. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes.

Source: Pew Research Center tabulations of the U.S. Census Bureau’s 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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One way to measure **wealth inequality within a group** is to take the ratio of the wealth of richer households in that group to the wealth of more solvent households. By this measure, wealth inequality within all racial and ethnic groups examined narrowed from 2019 to 2021. (We do not measure the ratio of the net worth of richer to poorer households because poorer Black and Hispanic households have either negative or zero net worth.)

Among Black households, richer households had 62 times as much wealth as more solvent households in 2021. This was a significant decrease from a ratio of 136 in 2019. Likewise, the ratio of the wealth of the richer to more solvent among Hispanic households decreased from 45 in 2019 to 28 in 2021.

This ratio is smaller among White and Asian households, but it edged down within each group during the pandemic – from 18 in 2019 to 12 in 2021 among Asian households and from 14 to 12 among White households.

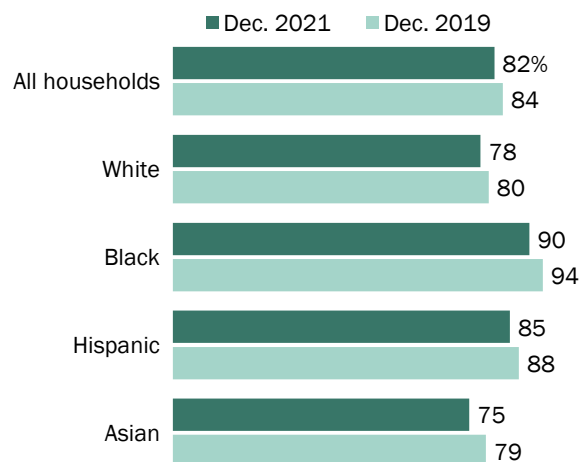
The share of racial or ethnic groups' wealth held by richer households, not counting the top 1%

Considering the large disparities in wealth within all racial and ethnic groups, it is not surprising that rich households in each group hold most of the total wealth among a group. But their share inched downward during the pandemic.

Among all U.S. households, the richer 25% of households held 82% of the wealth in 2021, not counting the wealth in

Richer U.S. households in a racial or ethnic group hold most of their group's total wealth

*% of total wealth of a group held by **richer** households in that group*



Note: Households are ranked by their wealth within each racial and ethnic group and divided into four groups (quartiles). "Richer" households rank in the top 25%. The bottom 1% and the top 1% are excluded before quartiles are formed. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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the hands of the top 1%.¹ This share was less than in 2019, when it stood at 84%, but it is large by any standard.

Uneven wealth distribution is more pronounced among Black and Hispanic households.

Within these two groups, the richer 25% of households held 90% and 85% of total wealth in 2021, respectively. These shares were somewhat less among White (78%) and Asian (75%) households in 2021. Only Black and White households experienced a statistically significant *decrease* in the share of wealth held by richer households among them from 2019 to 2021.

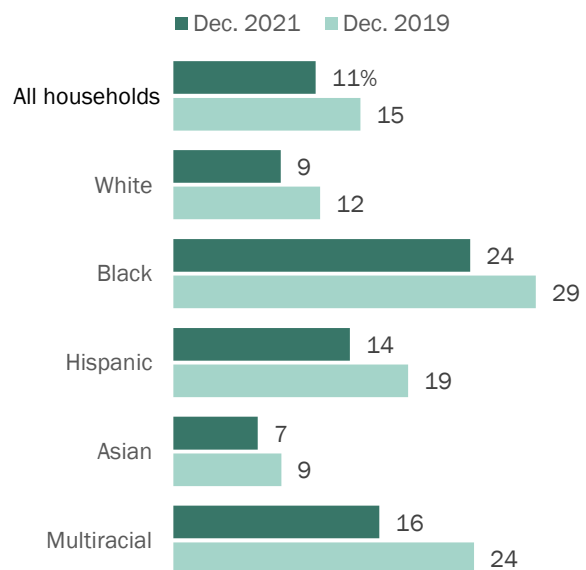
Households with no wealth or in debt

About one-in-ten U.S. households (11%) either had no wealth or were in debt – owing more than the combined value of their assets – in 2021. This was an improvement over 2019, when 15% of households were in this position.

Black households were the most likely to be in this situation: 24% of them either had no wealth or were in debt in 2021. The shares of Hispanic (14%) and multiracial (16%) households with no wealth or in debt were similar in 2021. For these groups, the situation in 2021 was either the same as or an improvement over 2019. White and Asian households were the least likely to have no wealth or be in debt in 2021 (9% and 7%, respectively).

About 1 in 10 U.S. households have no wealth or are in debt, while 1 in 4 Black households are in this state

% of households that have no wealth or owe more than the combined value of their assets



Note: Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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¹ Estimates by the Board of Governors of the Federal Reserve System show that the richest 1% of households [hold about one-third of total household wealth](#) in the U.S.

2. Wealth gaps across racial and ethnic groups

The increase in the wealth of U.S. households from 2019 to 2021 was spread widely across racial and ethnic groups. Despite improved fortunes, Black, Hispanic and multiracial households trailed White and Asian households by large margins from the following perspectives, both before and after the pandemic:

- Their wealth relative to the wealth of White and Asian households.
- The shares of households that are in the middle or upper tiers of wealth.

How wealth varies by race and ethnicity

Asian households overall had more wealth than other households two years since the start of the pandemic. In 2021, Asian households had a median net worth of \$320,900, compared with \$250,400 for White households. The median net worth of Hispanic households (\$48,700) and Black households (\$27,100) was much less.

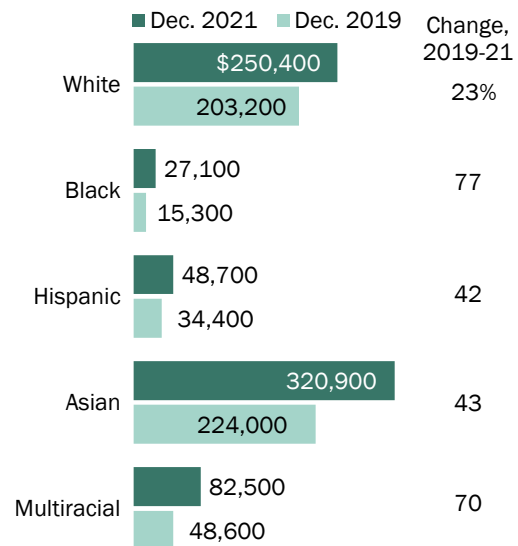
In dollar amounts, **the wealth gap between White households and Black and Hispanic households increased** from 2019 to 2021. For example, in 2019, the typical White household had \$168,800 more in wealth than the typical Hispanic household. This gap increased to \$201,700 in 2021.

In percentage terms, Black (77%), Hispanic (42%), Asian (43%) and White (23%) households all experienced strong gains in median wealth from 2019 to 2021.

What factors might explain the large wealth gaps across racial and ethnic groups that have endured for decades, if not longer?

White and Asian households have vastly more wealth than other households

Median wealth of U.S. households in December 2021 prices, by race and ethnicity



Note: The median divides households into halves, half with more wealth than the median and the other half with less. Values are rounded to the nearest \$100. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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With respect to Black households, evidence points to the role of slavery and post-slavery practices, such as segregation, that created [disparate opportunities for wealth accumulation](#). For Hispanic households, the [relative youth of the population](#) and [immigration status](#) play a role. In turn, these factors likely contribute to the lower rates and sizes of [inheritances received by Black and Hispanic households](#) in comparison with White households.

Asian households overall have more wealth than other households partly because of the [higher level of education among Asian adults](#). In 2021, 61% of Asians ages 25 and older had a bachelor's degree or higher level of education, compared with 42% of White adults. As a result, [the typical Asian household has a much higher income](#) than other households, with more potential for building wealth. But the Asian American population is very diverse, and [income varies widely across Asian origin groups](#). As shown in the [following chapter](#), lower-income Asian households had less wealth than lower-income White households in 2021.

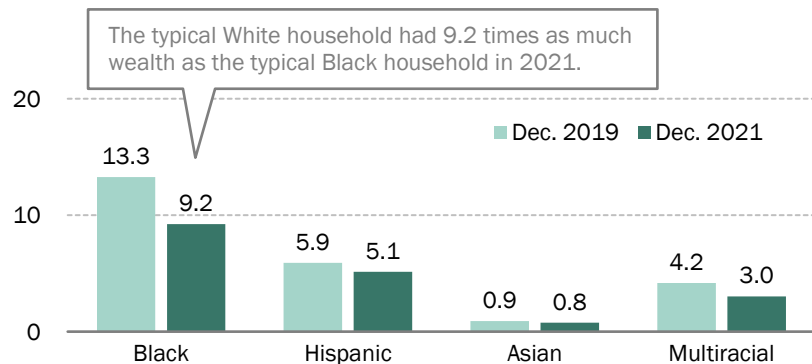
The wealth of White households relative to the wealth of other households

In 2021, the typical White household had 9.2 times as much wealth as the typical Black household – \$250,400 vs. \$27,100. This ratio stood at 13.3 in 2019, prior to the onset of the pandemic.

White households also had significantly more wealth than Hispanic households (5.1 times) and multiracial households (3.0 times) in 2021. But the median wealth of White households was about 20% less than that of Asian households.

White U.S. households have significantly more wealth than all but Asian households

Ratio of the median wealth of White households to the median wealth of other households



Note: The median divides households into halves, half with more wealth than the median and the other half with less. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes. Ratios are computed before the estimates of wealth are rounded.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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The wealth gaps between White households and Black and Hispanic households in 2019 and 2021 are in line with recent history. But the apparent shrinking of racial and ethnic wealth gaps during the pandemic stands in contrast with what happened during the Great Recession of 2007-09.

In the Great Recession, the median wealth of White households jumped to nearly 20 times the wealth of Black households and 15 times that of Hispanic households. The key factors then were a sharp decline in home prices and a steep rise in home foreclosures, non-events during the pandemic. Black and Hispanic households saw more harm from these developments during the Great Recession because housing is a more valuable part of their collection of assets.

Households in the lower, middle or upper tiers of wealth

How does the wealth of a household compare with *all other* U.S. households? What shares of households are in the middle tier of wealth, and what shares are in the lower or upper tiers?

To address these questions, we grouped U.S. households into three tiers of wealth. The **middle tier** consists of households whose wealth lies between one-quarter and four times the median wealth of U.S. households – between \$41,700 and \$667,500 in 2021. Households in the **lower tier** had wealth less than \$41,700 in 2021, and households in the **upper tier** had wealth more than \$667,500.

Fewer than half of U.S. households (44%, or 59 million) were in the middle tier in 2021. This was so despite the wide range of the middle tier – those near the top had 16 times as much wealth as those near the bottom. At the same time, about a third of households (32%, or 43 million) were in the lower wealth tier, and about a quarter (23%, or 31 million) were in the upper tier.

Only 45% of Black households were in either the middle or upper wealth tiers in 2021, the lowest share among the groups examined. The majority of Black households (55%) were in the lower wealth tier in 2021 – that is, they had less than \$41,700 in wealth. A somewhat greater share of Hispanic households (52%) were in the middle or upper wealth tier, and 48% were in the lower wealth tier.

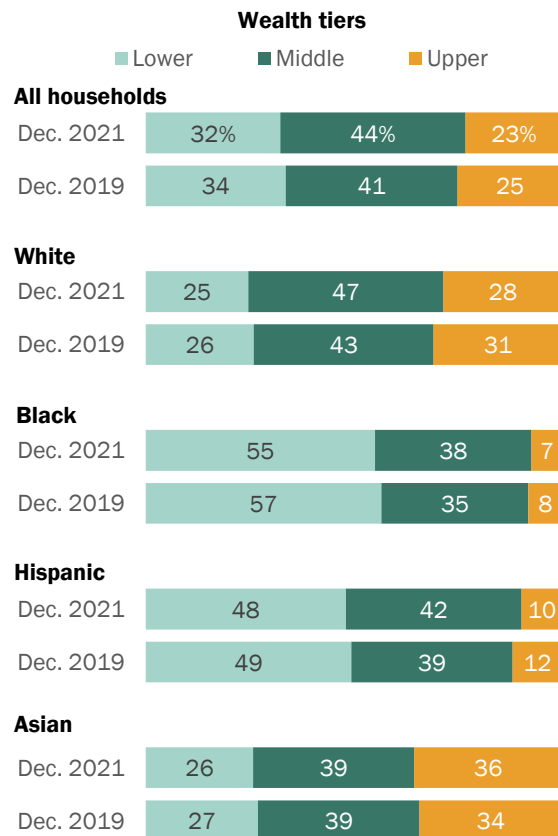
In contrast, **more than 70% of White and Asian households were in either the middle or upper wealth tier.** Roughly one-third of Asian households (36%) were in the upper tier alone, with a net worth of more than \$667,500 in 2021. Slightly more than a quarter (28%) of White households were in the upper tier.

Increases in household wealth during the pandemic did lead to a **more equal distribution of wealth.** The share of households in the middle tier increased from 41% in 2019 to 44% in 2021. Meanwhile, the shares of households in the lower and upper wealth tiers edged down by 2 percentage points each.

A similar shift to the middle was seen in Hispanic and White households, whose shares in the middle wealth tier increased by 3 to 4 points from 2019 to 2021. However, no such change was experienced by Asian households, with their share in the middle wealth tier holding at 39%.

Black households are twice as likely as White and Asian households to be in the lowest wealth tier

% of U.S. households in each wealth tier



Note: Households in the middle tier have wealth between one-quarter to four times the median U.S. wealth. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. Shares may not total 100% due to rounding.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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3. How wealth and wealth gaps vary by income

The wealth of a household depends in part on its income. Here, we look at the wealth of lower-, middle- and upper-income households in the United States and examine whether wealth gaps across racial and ethnic groups are different within each income tier. We find that:

- Overall, lower- and middle-income households experienced faster growth in their wealth than upper-income households during the pandemic.
- Wealth gaps between White households and Black and Hispanic households are greater among lower-income households.

The wealth of U.S. households by income tier

There is a wide gulf between the wealth of lower- and upper-income U.S. households. In 2021, the typical upper-income

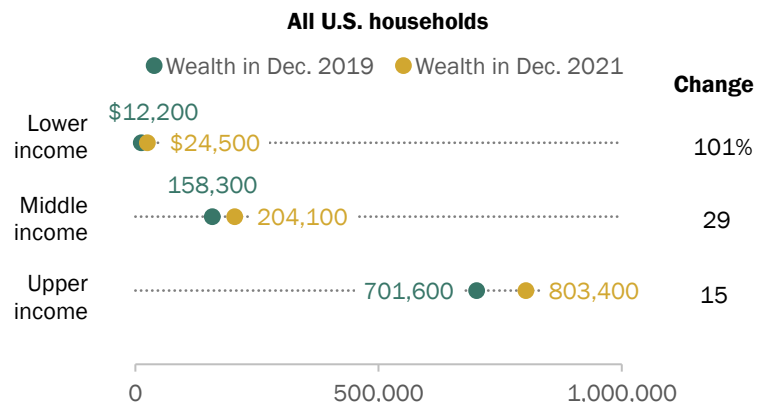
household had a median net worth of \$803,400. This was 33 times as much as the wealth of the typical lower-income household (\$24,500). The wealth of middle-income households stood at \$204,100, only about one-fourth the wealth of upper-income households.

The separation between upper- and lower-income households was even greater in 2019, when upper-income households had 58 times as much wealth. But **the wealth of lower-income households increased at a faster rate during the pandemic** – 101% vs. 15% for upper-income households.

Middle-income households saw their net worth increase by 29% from 2019 to 2021.

Wealth of upper-income households is far higher than that of lower- and middle-income households

Median wealth of U.S. households in December 2021 prices, by income tier



Note: Households are assigned to income tiers based on their size-adjusted income. Middle-income households are those whose size-adjusted household income is two-thirds to double the national median size-adjusted household income. Lower-income households have incomes less than two-thirds of the median and upper-income households have incomes that are more than double the median. Values are rounded to the nearest \$100.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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In our analysis, “middle-income” households are those with an income that was two-thirds to double the national median income. This was about \$4,800 to \$14,300 monthly in December 2021 for a household of three. “Lower-income” households had incomes less than \$4,800, and “upper-income” households had incomes greater than \$14,300. The [income it takes to be middle income varies by household size](#), with smaller households requiring less to support the same lifestyle as larger households. (Dollar amounts are expressed in December 2021 prices.)

Lower-income households

The median wealth of each income tier conceals **considerable variation across racial and ethnic groups within each tier.**

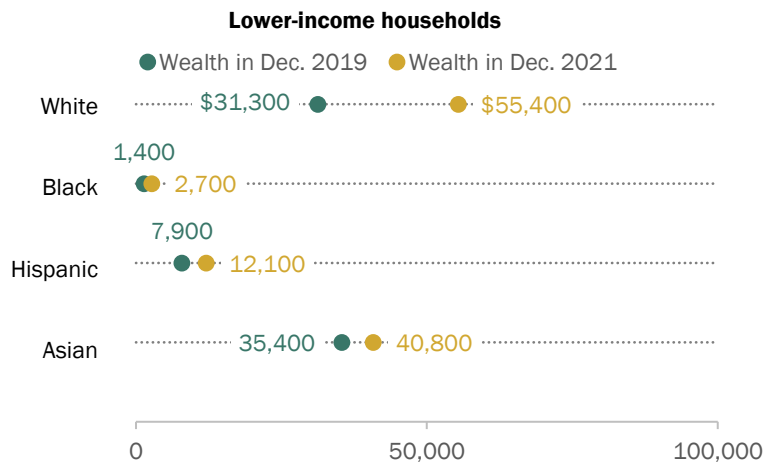
In 2021, the typical lower-income White household had a net worth of \$55,400, while the typical lower-income Asian household had \$40,800. The net worth of lower-income Black and Hispanic households was much less. Black households – with a median net worth of \$2,700 – were barely above water financially, and lower-income Hispanic households held only \$12,100 in net worth.

Lower-income White

households saw their net worth increase by \$24,100 during the pandemic, a sizable step up from \$31,300 in 2019. But lower-income Black, Hispanic and Asian households did not experience significant changes in wealth from 2019 to 2021.

Lower-income White households saw sizable gains in wealth during the pandemic

Median wealth of lower-income U.S. households in December 2021 prices



Note: Households are assigned to income tiers based on their size-adjusted income. Lower-income households have incomes less than two-thirds of the national median size-adjusted household income. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. Values are rounded to the nearest \$100.

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Middle-income households

In 2021, the median net worth of middle-income Asian (\$309,000) and White (\$255,100) households exceeded the net worth of Black (\$74,400) and Hispanic (\$100,800) households by large margins.

Middle-income Asian households' net worth increased by \$136,600 from 2019 to 2021. Meanwhile, the net worth of White and Hispanic households in this income tier increased by \$47,100 and \$37,400, respectively.

The wealth of middle-income households is considerably greater than the wealth of lower-income households.

Middle-income Black

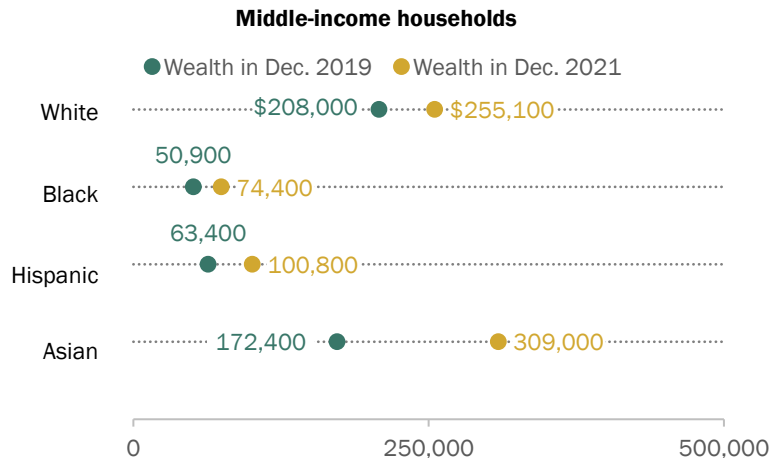
households had 28 times as much wealth as lower-income households in 2021, although this is more a consequence of the very low level of wealth among lower-income Black households. Middle-income Hispanic and Asian households had about eight times as much wealth as their lower-income counterparts in 2021, and middle-income White households had about five times as much.

Upper-income households

The wealth of upper-income Asian and White households hovered around the million-dollar mark in 2021 – Asian households had \$1.1 million and White households had \$923,300 at the median. These two groups were also about as wealthy as each other in 2019.

Asian households, already among the wealthiest middle-income households, saw big gains in pandemic

Median wealth of **middle-income** U.S. households in December 2021 prices



Note: Households are assigned to income tiers based on their size-adjusted income. Middle-income households are those whose size-adjusted household income is two-thirds to double the national median size-adjusted household income. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. Values are rounded to the nearest \$100.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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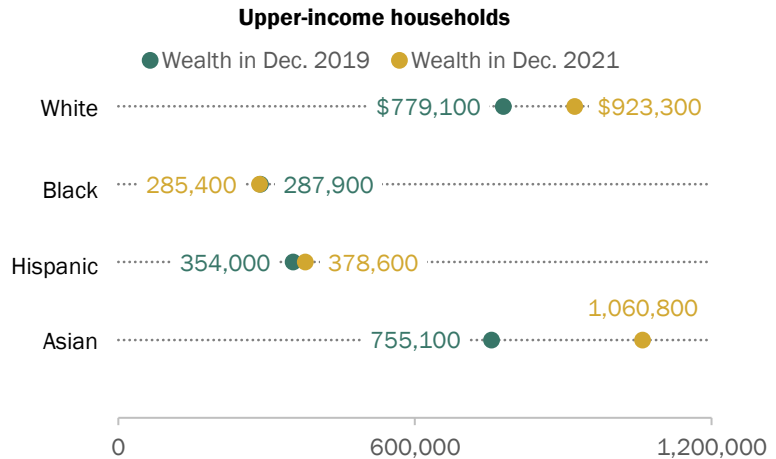
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The net worth of upper-income Hispanic households was close to \$350,000 in both 2019 and 2021. Upper-income Black households had a net worth of about \$285,000 in both years.

The rise in median household wealth from the middle to the upper income tier is remarkably similar across racial and ethnic groups. Upper-income White, Black, Hispanic and Asian households all had between three to four times as much wealth as their middle-income counterparts in 2021. The balance was similar in 2019, when upper-income households had anywhere from four to six times as much wealth as middle-income households, depending on race and ethnicity.

Upper-income Asian households hit the million-dollar mark in wealth in 2021 during the pandemic

*Median wealth of **upper-income** U.S. households in December 2021 prices*



Note: Households are assigned to income tiers based on their size-adjusted income. Upper-income households have incomes more than double the national median size-adjusted household income. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. Values are rounded to the nearest \$100.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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Racial and ethnic wealth gaps by income tier

Differences in wealth between White households and Black and Hispanic households do not go away even among those with similar levels of income. And these gaps can still be large.

Most notably, **the median wealth of lower-income White households was about 21 times the median wealth of lower-income Black households** in 2021. This was not much different than in 2019, when White households had about 22 times as much. In the lower income tier, White households also had about five times as much wealth as Hispanic households in 2021.

Sizable racial and ethnic gaps in wealth persist among middle- and upper-income households. In these two tiers, White households had about three times as much wealth as Black households and double to triple the wealth of Hispanic households in 2021. These ratios were no different than in 2019.

There were no significant differences in wealth between White and Asian households in any income tier in either 2019 or 2021.

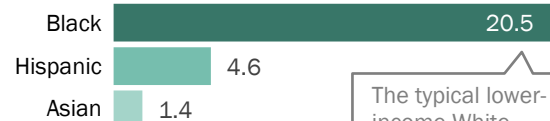
Overall, the persistence of wealth gaps across White households and Black and Hispanic households within the same income tiers underlines the role of other factors in creating these gaps. As noted, this list includes, but is likely not limited to, the [role of slavery and post-slavery practices](#), [differences in age across groups](#), [immigration status](#), and [differences in inheritance patterns](#).

The gaps in wealth within income tiers are compounded by the fact that Black and Hispanic households are much more likely than White and Asian households to be in the lower income tier and much less likely to be in the upper income tier. For example, a related study by the Center estimates that [41% of Black adults and 40% of Hispanic adults lived in lower-income households in 2021](#), compared with 24% of White adults and 22% of Asian adults. Thus, low levels of wealth are much more prevalent among Black and Hispanic households than among White and Asian households.

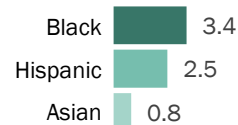
The wealth of Black and Hispanic U.S. households trails that of White and Asian households with similar incomes

Ratio of the median wealth of White households to the median wealth of other households, December 2021

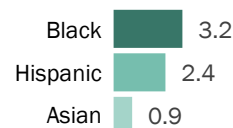
Lower-income households



Middle-income households



Upper-income households



The typical lower-income White household had 20.5 times as much wealth as the typical lower-income Black household in 2021.

Note: Households are assigned to income tiers based on their size-adjusted income. Middle-income households are those whose size-adjusted household income is two-thirds to double the national median size-adjusted household income. Lower-income households have incomes less than two-thirds of the median and upper-income households have incomes that are more than double the median. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2022 Survey of Income and Program Participation (SIPP). "Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families"

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4. The assets households own and the debts they carry

Most households own a combination of physical and financial assets. Physical assets include items such as a home, a car or jewelry. Financial assets include checking and savings accounts, retirement accounts, and stocks, among others. Our focus in this chapter is on the importance of the various assets to household portfolios and the debt households have taken on to either acquire assets or for other purposes. We find:

- **An owned home is typically the most valuable asset for U.S. homeowners.** Black and Hispanic homeowners typically derive a higher share of their wealth from owned homes than White and Asian households.
- But **Black and Hispanic households trail White and Asian households in ownership of assets** such as homes, retirement accounts, and bonds, stocks and mutual funds by notable margins.
- **One-in-ten Black, Hispanic and multiracial households owned no assets** other than a vehicle or a checking account in 2021.
- **The values of most asset holdings either increased or were unchanged** from 2019 to 2021.
- **The increase in asset values offset any increase in household debt** during the pandemic, increasing net worth.

Types of assets owned by U.S. households

The vast majority of U.S. households have a **bank account or a vehicle**. In 96% of households in 2021, at least one person had a financial account, such as a checking or savings account. The ownership rate varied from 90% among Black households to 99% among Asian households. The likelihood of owning a vehicle of any type ranged from 68% among Black households to 87% among White households. ([Refer to the methodology](#) for specifics on household assets and debt.)

In 2021, 62% of U.S. households lived in homes they owned as their primary residence. But **homeownership** is less common among Black, Hispanic and multiracial households. In 2021, 40% of Black households, 47% of Hispanic households and 45% of multiracial households owned their primary residence. In the same year, 70% of White households and 58% of Asian households lived in homes they owned.²

² Some [estimates of homeownership rates from SIPP data differ from the estimates reported by the Census Bureau](#) from [Current Population Survey \(CPS\)](#) data. According to the Census Bureau, 66% of U.S. households lived in owned homes in 2021. The Census Bureau also reported homeownership rates of 74% for non-Hispanic White households and 44% for Black households in 2021, both 4 percentage points greater than the estimates from SIPP. It should be noted that the Census Bureau's classification of Black homeowners does not exclude Hispanics.

Ownership of financial accounts and vehicles is widespread across racial and ethnic groups, but homeownership or holding retirement accounts varies

% of U.S. households that own a given asset, December 2021

	All	White	Black	Hispanic	Asian	Multiracial
Financial accounts	96%	98	90	91	99	96
Vehicles	83	87	68	77	80	82
Primary residence	62	70	40	47	58	45
Retirement accounts	60	66	46	44	68	52
Bonds, stocks and mutual funds	31	35	18	16	47	27
Business equity	15	15	9	16	16	14
Rental properties	7	7	5	6	13	7
Other real estate	8	10	5	4	6	9
Other assets	25	29	20	13	25	20
<hr/>						
No assets other than a vehicle or checking account	6	5	10	11	5	11

Note: Financial accounts include checking, savings and money market accounts and certificates of deposit. Vehicles include cars, trucks, vans, motorcycles, boats and recreational vehicles. Primary residence includes mobile homes. Retirement accounts include IRAs, Keogh accounts, Thrift Savings Plans and 401(k) accounts. Rental properties include real estate and equipment. Other assets include educational savings accounts, jewelry, artwork, coins, collectibles, cash life insurance policies, etc. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes. Source: Pew Research Center tabulations of the U.S. Census Bureau's 2022 Survey of Income and Program Participation (SIPP).

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Ownership of **retirement accounts**, such as individual retirement accounts (IRAs) and 401(k) accounts, is about as prevalent as homeownership. Overall, 60% of U.S. households had at least one person with a retirement account in 2021. About two-thirds each of Asian (68%) and White (66%) households had retirement accounts, as did a bit more than four-in-ten Black (46%) and Hispanic (44%) households and about half of multiracial households (52%).

About one-third of White households (35%) and nearly half of Asian households (47%) possessed **bonds, stocks and mutual funds** in 2021. About one-in-four multiracial households had these assets, but only about one-in-five or fewer Black and Hispanic households did.

Ownership of **business equity, rental properties or other real estate** is less commonplace. For instance, only about one-in-ten or fewer households owned a rental property or other real estate in 2021, no matter their race or ethnicity.

Not every U.S. household has a variety of assets. In 2021, 6% of households had no assets other than either a checking account or a vehicle. Some 5% each of White and Asian households had this narrow array of assets, along with about 10% each of Black, Hispanic and multiracial households.

The rates of asset ownership, or the likelihood of having no assets other than a car or a checking account, were largely unchanged from 2019 to 2021.

The value of assets owned by households

An owned primary residence and a retirement account are the two most valuable assets for U.S. households. In 2021, homeowners typically had \$174,000 in equity in their homes. (Equity is the difference between the value of the home and the debt on that home.) Similarly, the typical retirement account was valued at \$76,000 in 2021. As noted, about eight-in-ten households possessed at least one of these assets in 2021; 44% had both.

Financial accounts and vehicles, the two most widely owned assets, held less value in 2021 – \$10,000 and \$15,200 at the median for households with these assets, respectively. Bonds, stocks and mutual funds were typically worth \$26,400 in 2021. For households that owned them, rental properties (\$200,000) and other real estate (\$100,000) were valuable, but their overall importance fades because only about 7% to 8% of U.S. households own either one. The value of other assets stood at \$20,000.

These overall patterns also describe the portfolios of White, Black, Hispanic and Asian households.

Several key differences emerge when looking across racial and ethnic groups. Asian homeowners held more equity in their homes in 2021 than White, Black and Hispanic homeowners. Retirement accounts owned by Asian and White households were from four to five times as valuable as those owned by Black and Hispanic households. Notable gaps in asset values across racial and ethnic groups also exist on other fronts, such as the values of financial accounts and bonds, stocks and mutual funds.

The values of most asset holdings either increased or were unchanged from 2019 to 2021 for all racial and ethnic groups studied.

Owned homes – a key asset for U.S. households – increased in value during the pandemic, as did most other assets

Median values of assets among U.S. households that own each asset type, in December 2021 prices

	All	White	Black	Hispanic	Asian
Financial accounts					
Dec. 2021	\$10,000	13,400	2,500	5,000	23,500
Dec. 2019	7,100	9,800	2,100	3,300	18,400
Vehicle equity					
Dec. 2021	15,200	16,800	9,000	12,700	18,800
Dec. 2019	7,700	8,900	3,900	5,700	10,100
Equity in primary residence					
Dec. 2021	174,000	180,000	113,000	150,000	340,000
Dec. 2019	141,000	150,500	90,100	115,000	249,500
Retirement accounts					
Dec. 2021	76,000	100,000	21,900	25,000	100,000
Dec. 2019	70,500	92,200	26,400	27,100	98,500
Bonds, stocks and mutual funds					
Dec. 2021	26,400	32,500	6,400	5,000	30,200
Dec. 2019	26,700	32,500	6,000	8,900	29,300
Business equity					
Dec. 2021	10,000	12,000	5,000	6,000	10,500
Dec. 2019	10,800	10,800	2,700	5,400	24,900
Rental properties equity					
Dec. 2021	200,000	200,000	158,000	181,000	300,000
Dec. 2019	162,700	162,700	86,800	130,200	325,500
Other real estate equity					
Dec. 2021	100,000	100,000	50,000	80,000	150,000
Dec. 2019	59,100	69,400	23,900	32,500	36,500
Other assets					
Dec. 2021	20,000	23,200	12,000	10,000	21,000
Dec. 2019	21,700	22,800	8,700	16,300	22,800

Note: Financial accounts include checking, savings and money market accounts and certificates of deposit. Vehicles include cars, trucks, vans, motorcycles, boats and recreational vehicles. Primary residence includes mobile homes. Retirement accounts include IRAs, Keogh accounts, Thrift Savings Plans and 401(k) accounts. Rental properties include real estate and equipment. Other assets include educational savings accounts, jewelry, artwork, coins, collectibles, cash life insurance policies, etc. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. Values are rounded to the nearest \$100. Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP). "Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families"

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The importance of home equity

Home equity looms large in household wealth. In 2021, the median net worth of U.S. households overall stood at \$166,900, counting all assets. But their median net worth *without* home equity included was only \$57,900.

This is generally true – if home equity is excluded, median wealth decreases by about half or more for all racial and ethnic groups. For the typical Black household, net worth falls to \$8,300, down from \$27,100. For the typical Hispanic household, it falls to \$18,300, from \$48,700.

A related question is each asset's relative contribution to household wealth, among households that own that asset.

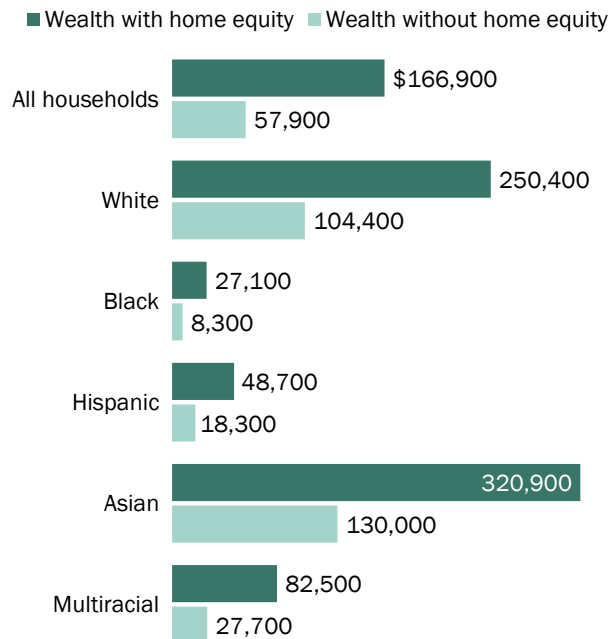
How much an owned home contributes to wealth varies across homeowners. Among U.S. homeowners overall – that is, households that own their primary residence – home equity accounted for a median of 45% of their net worth in 2021. (Half of U.S. homeowners derived more than 45% of their wealth from home equity alone, the other half derived less.)

Home equity is especially important for

Black and Hispanic homeowners. In 2021, they derived 63% and 66% of their net worth from home equity, respectively, at the median. Meanwhile, home equity was typically a comparatively modest share of White (41%) and Asian (45%) homeowners' net worth.

Homeownership is a key component of the wealth of U.S. households

Median wealth of U.S. households with or without home equity, December 2021



Note: Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes. Values are rounded to the nearest \$100.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2022 Survey of Income and Program Participation (SIPP). "Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families"

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Other assets are less important contributors to wealth for U.S. households. Retirement accounts represented 27% of household net worth, at the median, among households in which at least one person owned a retirement account. Ubiquitous assets such as financial accounts and vehicles contributed only a median of 5% to total net worth. Equity in other forms of real estate is notable, but only for the small share of households holding those assets.

Majorities of Black and Hispanic homeowners derive about 60% or more of their wealth from equity in their primary residence

Median value of an asset's share in household wealth, computed among U.S. households that own each asset type, December 2021

	All	White	Black	Hispanic	Asian
Financial accounts	5%	5	4	6	8
Vehicles	5	5	8	10	4
Primary residence	45	41	63	66	45
Retirement accounts	27	29	25	20	23
Bonds, stocks and mutual funds	5	6	3	3	8
Business equity	3	3	2	7	2
Rental properties	20	18	—	—	—
Other real estate	10	10	—	—	—
Other assets	4	4	7	3	3

Ownership of their primary residence accounted for a median of 45% of total net worth for homeowners in 2021. For half the homeowners, the share was more than 45% and, for the other half, the share was less than 45%.

Note: Financial accounts include checking, savings and money market accounts and certificates of deposit. Vehicles include cars, trucks, vans, motorcycles, boats and recreational vehicles. Primary residence includes mobile homes. Retirement accounts include IRAs, Keogh accounts, Thrift Savings Plans and 401(k) accounts. Rental properties include real estate and equipment. Other assets include educational savings accounts, jewelry, artwork, coins, collectibles, cash life insurance policies, etc. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Hispanics are of any race. American Indian or Pacific Islander and multiracial not shown because of small sample sizes. For the same reason, shares of rental properties and other real estate are not shown for Black, Hispanic and Asian households.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2022 Survey of Income and Program Participation (SIPP).

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The debt level of households

In 2021, about three-in-four households, no matter their race or ethnicity, held at least some debt. They may have financed a home purchase with a mortgage, taken a loan to pay for a college education, or had a balance on their credit card to pay for goods and services.

Loans that use an asset as a guarantee, such as a home mortgage, are known as **secured debt**. Loans without such a guarantee, such as credit card balances, are known as **unsecured debt**.

Slight majorities of U.S. households carried at least one form of debt in 2021 – 54% had secured debt and 56% had unsecured debt.

The share of households with secured debt ranged from 44% among Black households to 57% among White and Asian households. These differences are likely tied to differences in homeownership rates across groups.

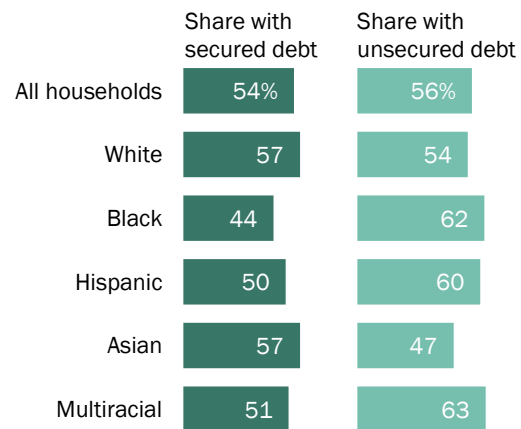
About six-in-ten Black, Hispanic and multiracial households had unsecured debt, as did 54% of White households and 47% of Asian households. These shares were about the same as in 2019, before the pandemic.

In 2021, the median **total debt level** of U.S. households overall stood at \$21,000. The debt held by White (\$26,800) and Asian (\$33,000) households was greater than the debt held by Black (\$10,000) and Hispanic (\$12,000) households. White households experienced a statistically significant decrease in debt during the pandemic, from a median of \$32,500 in 2019 to \$26,800 in 2021.

The **level of secured debt**, when it is held, is much higher. In 2021, U.S. households that held secured debt owed \$103,000 at the median. The level of secured debt did vary across racial and ethnic groups. Wealthier groups, such as White and Asian households, had from \$100,000 to

Slim majorities of U.S. households have either secured or unsecured debt

% U.S. households with secured or unsecured debt, December 2021



Note: Secured debts are loans secured by an asset, such as a home mortgage. Unsecured debt includes credit card balances, etc. A household may have either one or both types of debt, or no debt at all. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes. Source: Pew Research Center tabulations of the U.S. Census Bureau's 2022 Survey of Income and Program Participation (SIPP). "Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families"

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Household debt was largely unchanged during the pandemic

Median value of debt held by U.S. households that own each kind of debt, in December 2021 prices

	Total debt		Secured debt		Unsecured debt	
	Dec. 2021	Dec. 2019	Dec. 2021	Dec. 2019	Dec. 2021	Dec. 2019
All households	\$21,000	23,900	103,000	105,200	8,000	8,700
White	26,800	32,500	110,700	113,900	8,000	9,200
Black	10,000	13,000	50,000	43,400	9,200	9,800
Hispanic	12,000	14,800	75,000	68,400	7,500	7,600
Asian	33,000	23,900	200,000	186,600	6,000	8,700
Multiracial	19,200	25,000	---	---	---	---

Note: Median values of secured and unsecured debt are estimated for households owning each kind of debt. The median of total debt is computed over all households. Secured debts are loans taken to acquire an asset, such as a home mortgage. Unsecured debt includes credit card balances, etc. A household may have either one or both types of debt. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes. Levels of secured and unsecured debt are not shown for multiracial households because of small sample sizes. Values are rounded to the nearest \$100.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP). "Wealth Surged in the Pandemic, but Debt Endures for Poorer Black and Hispanic Families"

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\$200,000 in secured debt. Secured debt levels among Black (\$50,000) and Hispanic (\$75,000) households that held some were less than those levels.

Typical Black and Hispanic households with unsecured debt had **unsecured debt levels** of \$9,200 and \$7,500 in 2021, respectively. Asian households – the least likely to hold this type of debt – had \$6,000, at the median, and White households owed \$8,000.

Household debt levels, whether secured or unsecured, were mostly unchanged during the pandemic. The lone exception was a decrease in the level of unsecured debt among White households, from \$9,200 in 2019 to \$8,000 in 2021, the only statistically significant change. Nonetheless, other observed changes in unsecured debt – which point to a decrease, except among Asian households – are consistent with [the decrease in consumption levels](#) in 2020 and the [decrease in college enrollment](#), which may have reduced the number of education loans.

How high is household debt?

The degree to which debt weighs upon the financial health of a household depends on the ability of that household to pay back the debt. From this perspective, a key indicator is the level of the debt in relation to the value of assets owned by the household, or the **debt-to-assets ratio**.

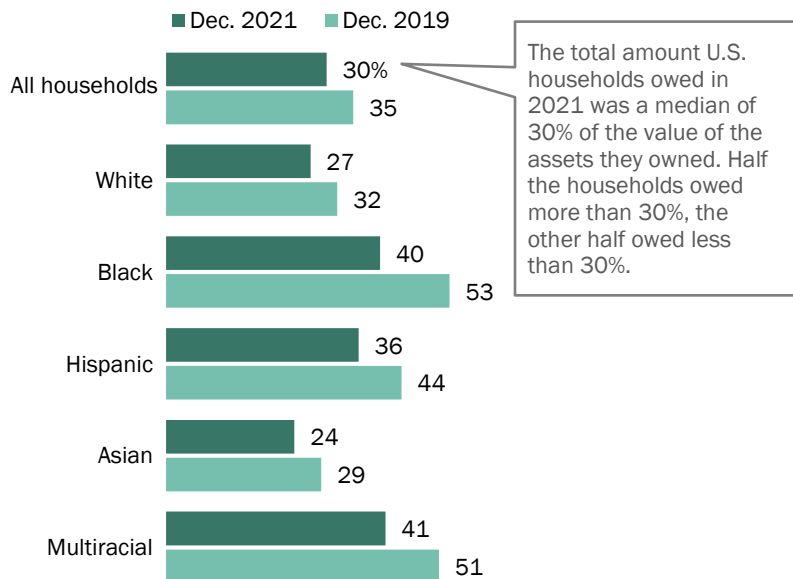
By this indicator, **U.S. households became more financially solvent during the pandemic**. In 2021, the total debt of U.S. households represented 30% of the value of their assets at the median. This proportion was down from 35% in 2019.

Black and Hispanic households also cut their debt load by notable margins. The median debt-to-assets ratio for Black households fell from 53% in 2019 to 40% in 2021. The ratio for Hispanic households dropped from 44% to 36% over this period. Nonetheless, they remained among the more indebted of racial and ethnic groups, by this indicator.

White and Asian households are among the most financially solvent, with debt-to-asset ratios of 27% and 24% in 2021, respectively. That is so despite the fact they hold more debt than other households, a reflection of their higher levels of wealth.

The debt of U.S. households, compared with the value of their assets, fell during the pandemic

Median level of the total debt of U.S. households as a share of the total value of their assets



Note: Total debt includes secured and unsecured debt. Ratios were calculated for households that owed debt and had positive asset values. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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A related indicator of the financial solvency of a household is the size of its debt compared with its annual flow of income, or the **debt-to-income ratio**. This is relevant, say, for assessing the ability of a household to manage credit card debt, or other similar types of debt.

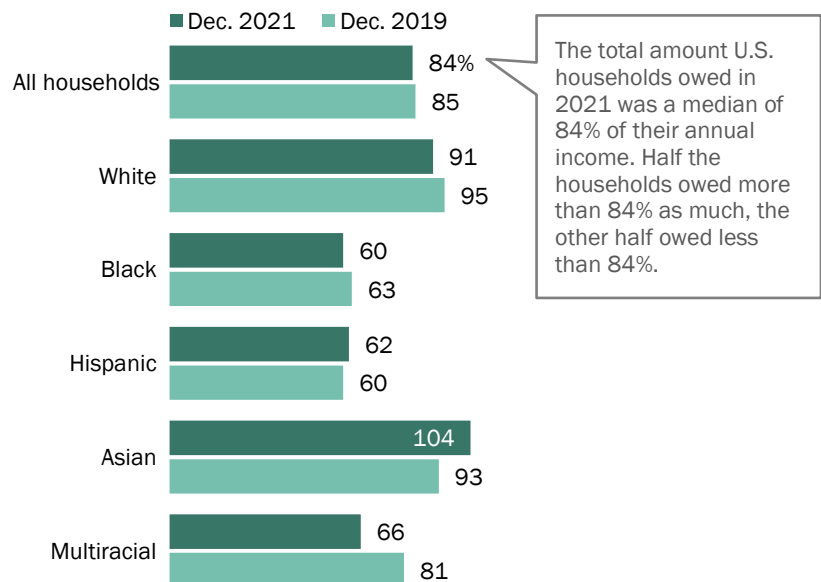
Overall, the total debt of U.S. households was about 85% as much as their annual income in both 2019 and 2021, showing no movement during the pandemic.

Notably, higher-income households, such as White and Asian households, tend to carry more debt in relation to their income than other households. Their debt-to-income ratios stood at 91% and 104% in 2021, respectively. This ratio was about 60% each among Black and Hispanic households in 2021.

In part, this may be due to differences in access to credit across racial and ethnic groups. Black and Hispanic households are [more likely to be denied a home mortgage](#), have [less access to other forms of credit](#), or, generally, are [more likely to be “unbanked”](#) in the face of several hurdles.

The debt of U.S. households, relative to their income, was largely unchanged in the pandemic

Median level of the total debt of U.S. households as a share of their annual income



Note: Total debt includes secured and unsecured debt. Ratios were calculated for households that owed debt and had positive income. Households are grouped by the race and ethnicity of the survey reference person. White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander not shown because of small sample sizes. Annual income is estimated as 12 times the level of the reported monthly income in December 2019 and December 2021.

Source: Pew Research Center tabulations of the U.S. Census Bureau's 2020 and 2022 Surveys of Income and Program Participation (SIPP).

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Find related reports online at <https://www.pewresearch.org/topic/economy-work/income-wealth-poverty/>.

Methodology

Data source

Pew Research Center’s analysis in this report is based on data from the U.S. Census Bureau’s 2020, 2021 and 2022 [Surveys of Income and Program Participation](#) (SIPP). These are the three latest years in which SIPP was conducted. It is a nationally representative survey that focuses on the income of U.S. households and their participation in government programs. SIPP is a longitudinal survey that interviews participants multiple times over a four-year period.

Once each year, SIPP gathers [data on asset ownership and the value of assets and debts held by households](#). All values refer to the last day of the preceding year. For example, the wealth estimates from the 2022 SIPP refer to the net worth of households as of Dec. 31, 2021. Data on wealth is collected at both the household level, e.g., the value of the primary residence, and at the individual level, e.g., the balance in a checking account. If household-level values are not available for an item, we sum individual level estimates across all members of a household to obtain estimates for the household.

The samples that we analyze consist of more than 21,000 households in the 2020 SIPP, nearly 24,000 in 2021, and more than 17,000 in 2022. But sample sizes for American Indian or Pacific Islander households are small – as low as 130 in the 2022 SIPP and only as high as 182 in the 2020 SIPP. Thus, we do not present estimates for American Indian or Pacific Islander households.

Estimates for multiracial households are reported but have large sampling errors. Their sample size is 361 in the 2020 SIPP and 249 in the 2022 SIPP. Thus, we only report estimates for multiracial households overall. For instance, while we report the share of multiracial households that were, say, homeowners in 2021 – 45% – we do not report the value of home equity for multiracial homeowners.

The COVID-19 outbreak affected data collection efforts by the U.S. government in its surveys, limiting in-person data collection and lowering response rates. Both the 2020 and 2021 SIPP surveys were affected. It is possible that some measures of economic outcomes and how they vary across demographic groups are impacted by these changes in data collection.

SIPP, along with the [Survey of Consumer Finances](#) (SCF) and the [Panel Study of Income Dynamics](#) (PSID), is one of the leading sources of data on household wealth. A key advantage of SIPP is that it offers a much larger sample size. Thus, major racial and ethnic groups, such as White, Black, Hispanic and Asian households, are better represented.

But SIPP, compared with the SCF, is less accurate in estimating the wealth of the very richest households in the U.S. For this reason, we exclude the top 1% in some of our analysis. This has little to no effect on estimates of median levels of wealth, but it means our estimates of the share of wealth held by richer households in the U.S. are understated. Conversely, our estimates of the share of wealth held by poorer households are overstated. This effect could be large, as the Board of Governors of the Federal Reserve System estimates that the richest 1% of households hold about one-third of total household wealth in the U.S. There are numerous other differences between SIPP and the SCF, such as the capture of less commonly held assets and liabilities, which can drive a wedge between estimates from the two surveys.

Assets and liabilities included in SIPP

Assets

Financial accounts	Savings, money-market deposit accounts, certificates of deposit, checking accounts and similar accounts at financial institutions.
Vehicles	Cars, trucks, vans, motorcycles, boats, RVs and other recreational vehicles.
Owned home	The household's primary residence, including mobile homes.
Bonds, stocks and mutual funds	Interest-earning assets like government-backed securities or municipal or corporate bonds and stocks and mutual funds.
Retirement account	Individual Retirement Accounts (IRAs), Keogh accounts, Thrift Savings Plans and 401(k) accounts.
Stake in a business	Ownership of a business as an investment or a business owned as a job.
Other real estate	Other real estate assets.
Rental properties	Rental properties such as residential, commercial, industrial or land rental properties or equipment that is rented out (e.g., tractors and computers).
Other assets	Assets such as educational savings accounts, financial investments such as coins, collectibles, jewelry, artwork, mortgages paid to him/her, other loans owed to him/her, and royalties; annuities; trusts; or cash life insurance policies.

Liabilities

Secured debt	Debt on assets like primary homes, vehicles, rental properties, other real estate or businesses.
Unsecured debt	Debt not secured by an asset, such as debt from credit cards, educational loans or medical expenses.
Credit card debt	Debt from credit cards.
Educational debt	Debt from education loans.
Medical debt	Value of unpaid medical bills.
Other debt	Debt from various loans, such as those obtained through a bank or credit union, money owed to private individuals, debt held against mutual funds or stocks, and all other debts.

Source: U.S. Census Bureau, SIPP Users' Guides (<https://www.census.gov/programs-surveys/sipp/guidance/users-guide.html>).
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Race and ethnicity

White, Black and Asian include those who report being only one race and are not Hispanic. Multiracial includes non-Hispanics of two or more races. Hispanics are of any race. American Indian or Pacific Islander households are not covered in our analysis because of small sample sizes.

Household head

A household is a group of people who occupy a housing unit together, excluding group quarters or other nonpermanent residences. In SIPP, the householder, or the reference person, is typically the first person listed as the owner or renter of the housing unit. In our analysis, households are grouped by the race and ethnicity of the reference person.

Income

Household income is the sum of monthly earnings and income received by all household members ages 15 and older. It also includes Supplemental Security Income payments received by children younger than 15. Transfers received by household members from government programs, such as Temporary Assistance for Needy Families (TANF), the Supplemental Nutrition Assistance Program (SNAP), and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), are also included in their income. Income in SIPP is reported on a monthly basis. Our analysis uses the income reported for the month of December in each year. Annual income is estimated as 12 times the income in December.

Adjusting for inflation

The data on income and wealth are adjusted for inflation using the [Consumer Price Index for All Urban Consumers](#) (CPI-U) as reported by the Bureau of Labor Statistics. We use the CPI-U for the month of December in each year. All dollar amounts in the report are expressed in December 2021 prices.

Defining income tiers

“Middle-income” households are those with an income that is two-thirds to double the national median income. This was about \$4,800 to \$14,300 monthly in December 2021 for a household of three. “Lower-income” households had incomes less than \$4,800 and “upper-income” households had incomes greater than \$14,300. (Dollar amounts are expressed in December 2021 prices.)

The [income it takes to be in the middle-income tier varies by household size](#), with smaller households requiring less to support the same lifestyle as larger households. We also adjust income for [differences in the cost of living by geographic region](#), using the same procedures as the [Center's previous work on the American middle class](#).

Statistical testing

Estimates from SIPP are subject to sampling error. Differences in estimates between racial and ethnic groups or between years are tested for statistical significance using the [replicate weight files for SIPP](#), following the Census Bureau's guidance. All tests for statistical significance are conducted using 95% confidence intervals.