



# Pandemic Exacerbated Racial/Ethnic Wealth Gaps and Hardship Disparities: Implications for Early Development

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# KEY FOCUSES

## US HOUSEHOLDS WITH YOUNG CHILDREN

1

Evidence on racial/ethnic wealth gaps

2

Wealth gaps manifest in material hardship disparities

3

Impact on young children's well-being: the "Chain of Hardship"

# OVERVIEW OF STUDY SAMPLE: RAPID NATIONAL HOUSEHOLD SURVEYS

Households with at least one child under 6 years old, began April 6, 2020, currently ongoing

**15-minute paid questionnaires** completed via computer or smartphone in English or Spanish

Surveyed more than **19,000 families** in all 50 states

National sample in terms of **geography, income, race and ethnicity**

6,903 households  
April 2020 – October 2022

96% respondents are women

Geographic Regions:  
26% Midwest  
17% Northeast  
32% South  
25% West

Race/Ethnicity:  
7% Black  
12% Hispanic/Latino(a)  
72% White  
9% other racial/ethnic groups

Income Levels:  
29% below 200% FPL  
32% between 200%-400% FPL  
39% at or above 400% FPL



# Racial/Ethnic Wealth Gaps: Historically and During the COVID-19 Pandemic

# LONG-STANDING RACIAL/ETHNIC WEALTH GAPS

Figure 2. Wealth Gaps Persisted and Widened Slightly in 2022, Despite Faster Growth in Wealth for Black and Hispanic Families

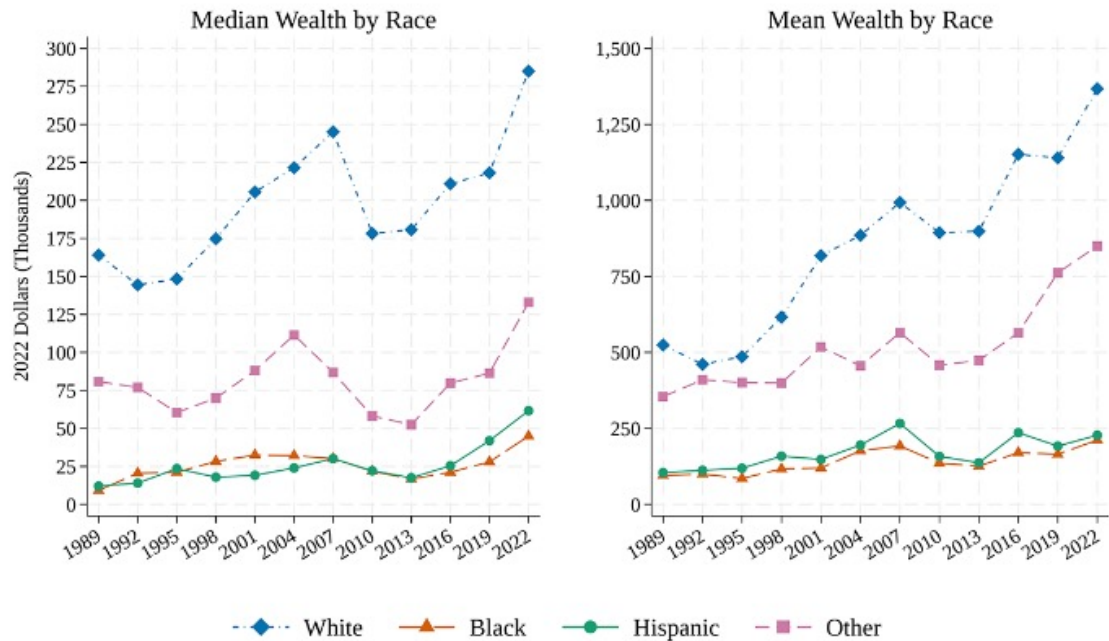
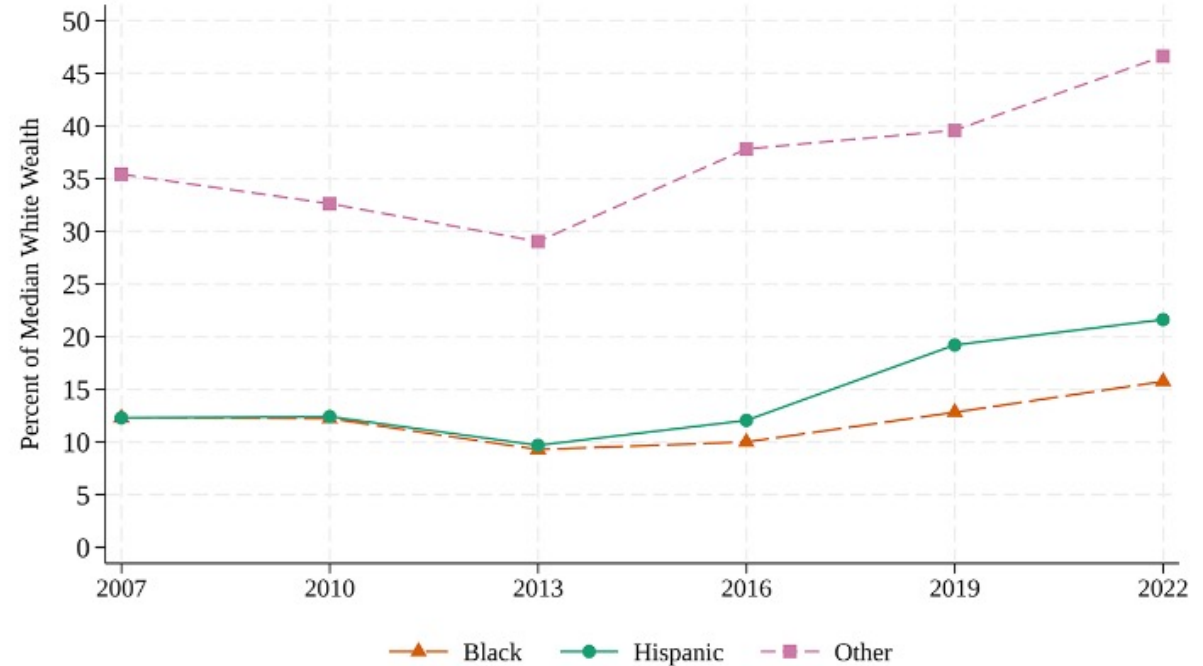


Figure 3. The Ratios of Wealth Between White and non-White Families Remained Unequal



Source of Figures:

Aladangady, A., & Chang, A. C. (2023). Greater Wealth, Greater Uncertainty: Changes in Racial Inequality in the Survey of Consumer Finances.

# WEALTH



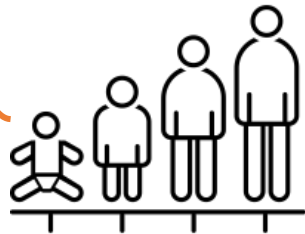
**Assets**  
Liquid assets, Home equity, Retirement accounts, Investments,



Ongoing Discrimination & Racism



Racial/Ethnic Income Disparities



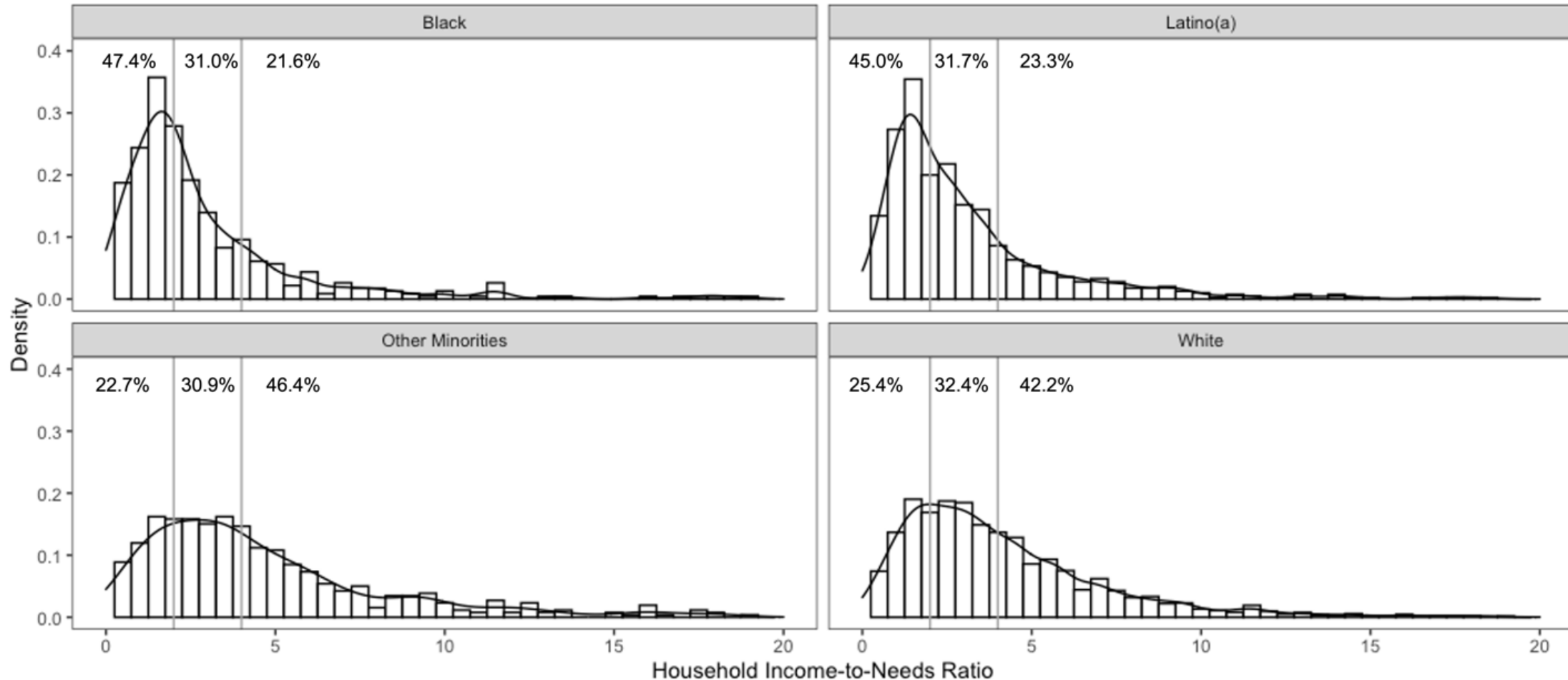
Historical & Systemic Oppression: Slavery, Jim Crow Law, Violence & Sanctions, Redlining, Discriminatory G.I. bill, Economic Exploitation via Early Colonialism, Anti-Immigration

**Debts & Liabilities**

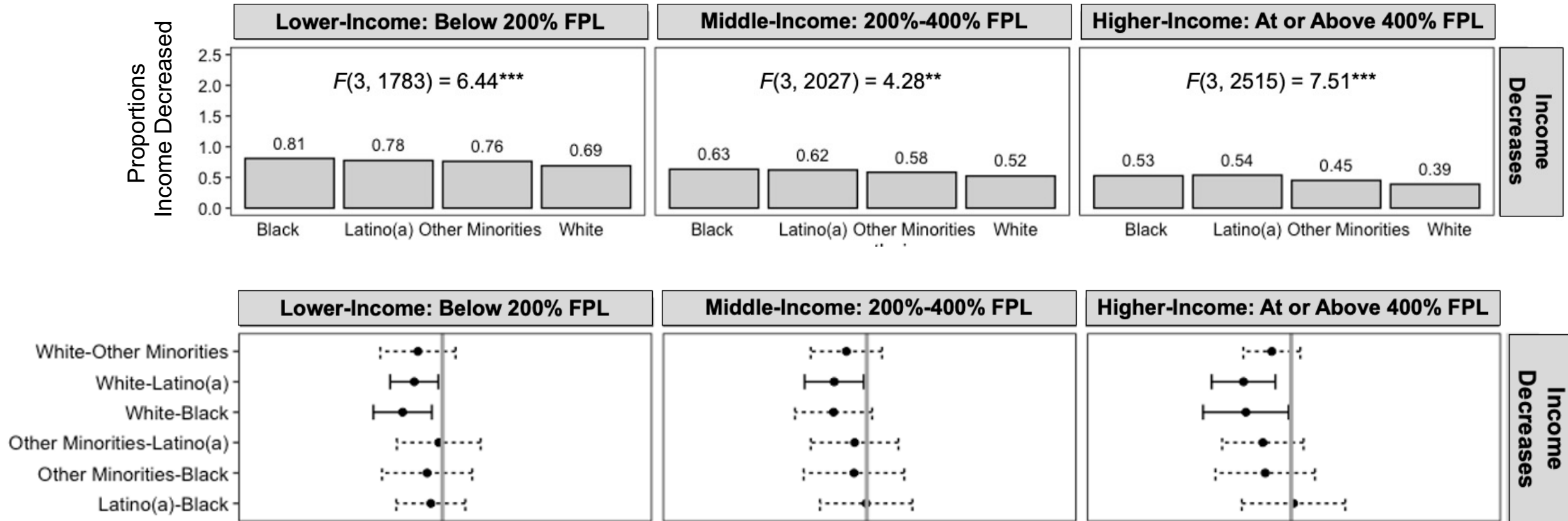
- High-interest mortgages/loans
- More harmful debts or liabilities
- Involve legal system

# IN RAPID DATA: INCOME DISPARITIES

Histogram of Household Income-to-Needs Ratio by Race/Ethnicity



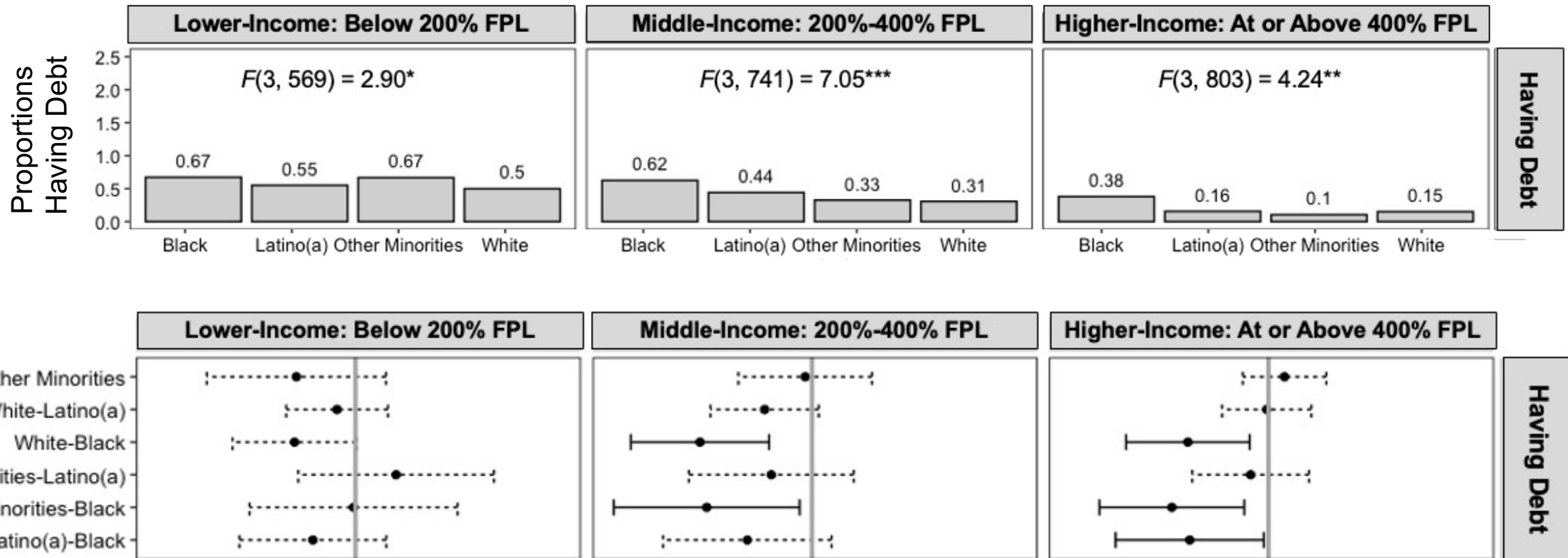
# IN RAPID DATA: PANDEMIC INCOME CHANGES



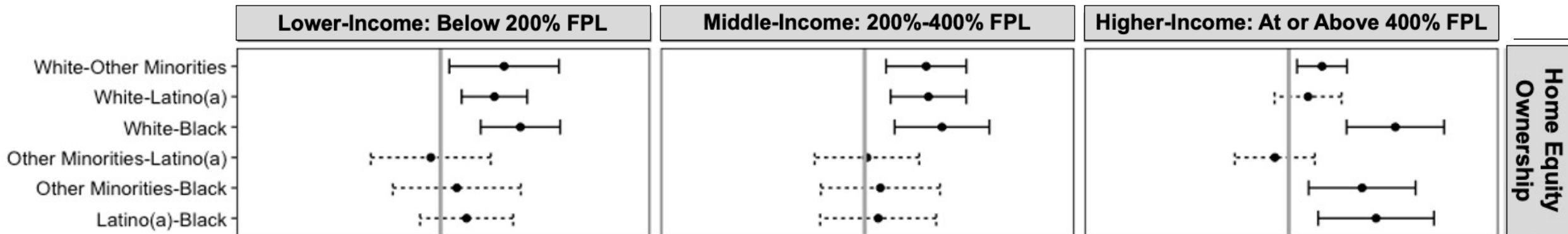
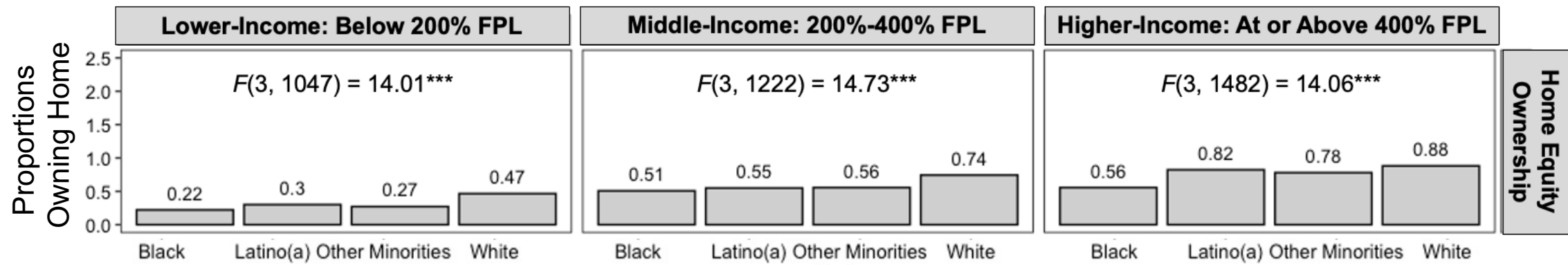
**Income  $\neq$  Wealth**



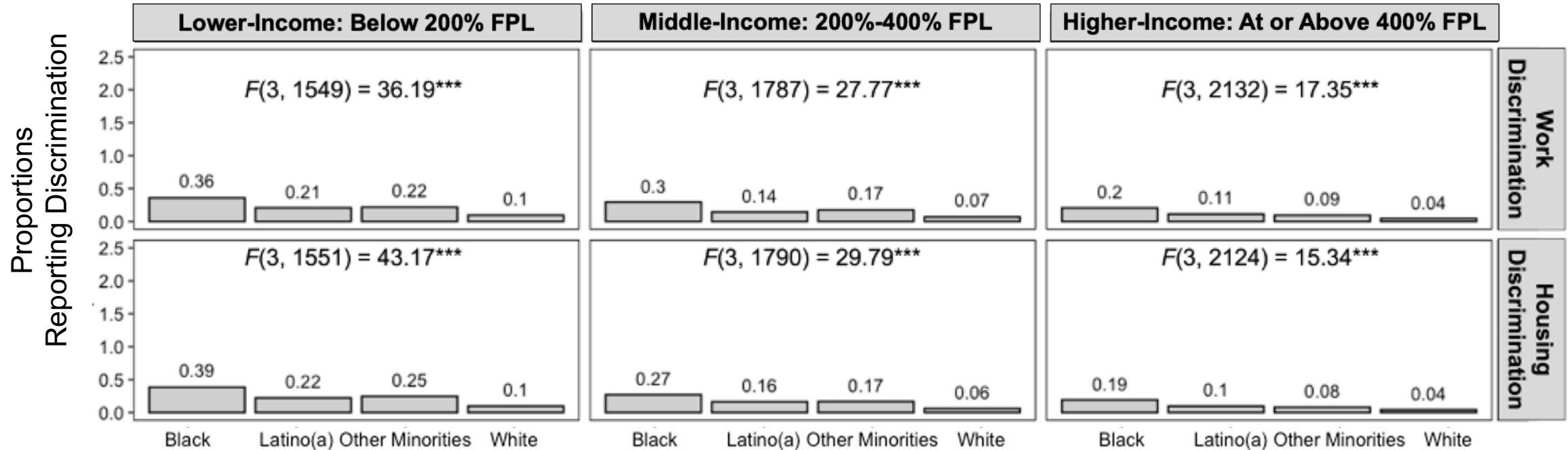
# IN RAPID DATA: HAVING DEBT



# IN RAPID DATA: HOME EQUITY



# IN RAPID DATA: DISCRIMINATION



Work Discrimination: Unfairly fired, not hired for a job, or denied a promotion because of race/ethnicity

Housing Discrimination: Unfairly prevented from moving into a neighborhood, neighbors making life difficult, or denied a mortgage/loan because of race/ethnicity

# WHAT PARENTS ARE SAYING

“Trying to decide if I am going to continue to pay rent to keep us in this neighborhood - and the inability to be able to afford to purchase a home in this neighborhood..... I have NO money for a down payment, none. My credit is getting stronger, but my debt-to-income ratio is still high, thus I qualify for no financing.....it's stressful to pay that rent every month and know that I will never own anything that is suitable for our family in our preferred neighborhood. All this, while on paper it looks like I make great money. After every cents is spent each month, it's hard to believe that I am a 6-figure earner.”

- A Black mother in April 2021

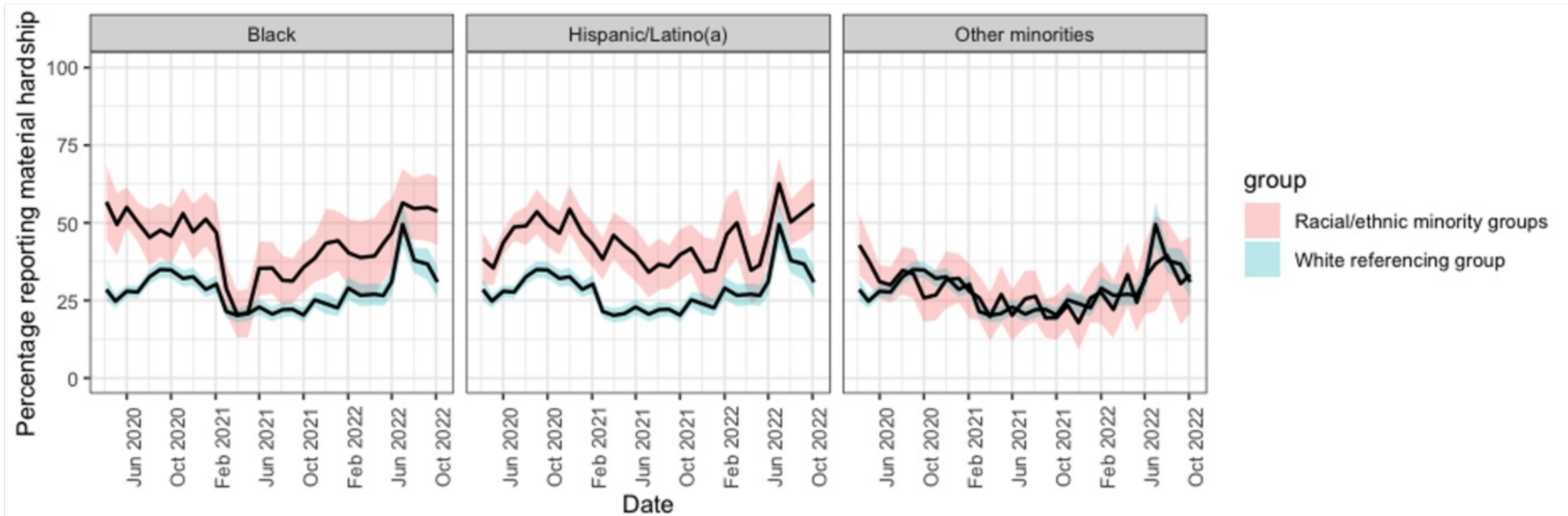


# From Wealth Gaps to Material Hardships



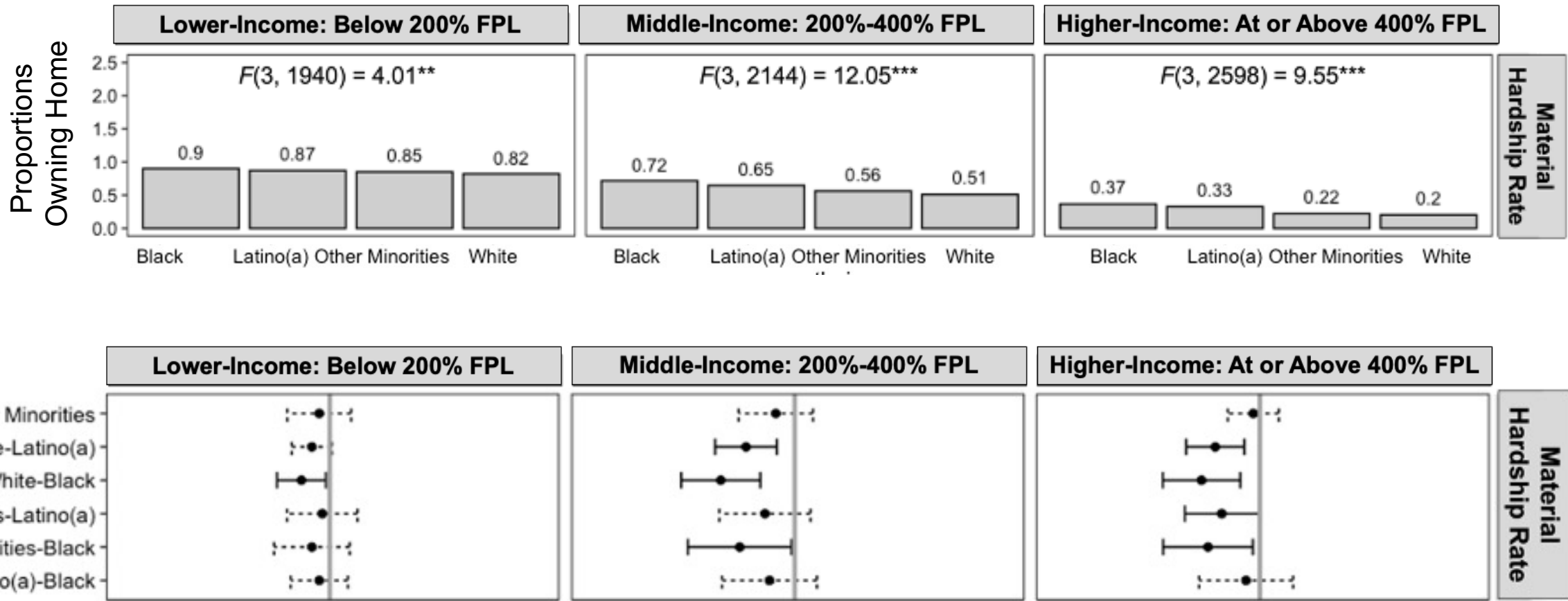
# MATERIAL HARDSHIP

Difficulty paying for basic needs: food, housing, utilities, child care, healthcare, and well-being needs.



(A) Trend of Material Hardship Rates by Race/Ethnicity

# MATERIAL HARDSHIP



Black and Latino(a) families experience more material hardships, regardless of household income levels

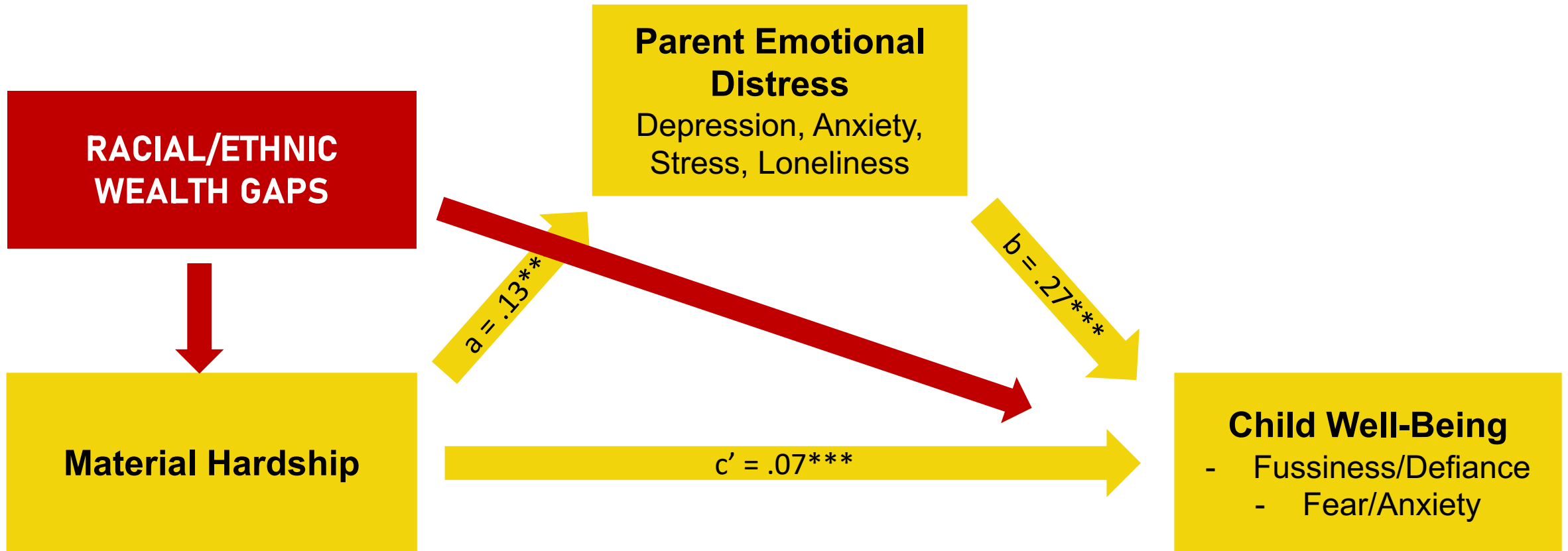


# Implications on Early Childhood Development





# THE "CHAIN OF HARDSHIP"



# IMPLICATIONS FOR POLICIES & PROGRAMS

- Reducing material hardships
  - Employment security, flexible work arrangement
  - Expand unemployment benefits, Child Tax Credits, and other benefits
  - Addressing racial/ethnic disparities in relevant policymaking:
    - Removing benefits accessibility barriers
    - Equal Employment Opportunity
    - Holding corresponding agencies accountable
- Recognize hardships among Black & Latino middle-to-higher-income families
  - Expanding benefits eligibility to middle-income households
  - Addressing child care equity, affordability, and accessibility issues
  - Closing wealth gaps via taxation
  - Reverse racially/ethnically discriminative and exploitative tax policies

# ACKNOWLEDGEMENT



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