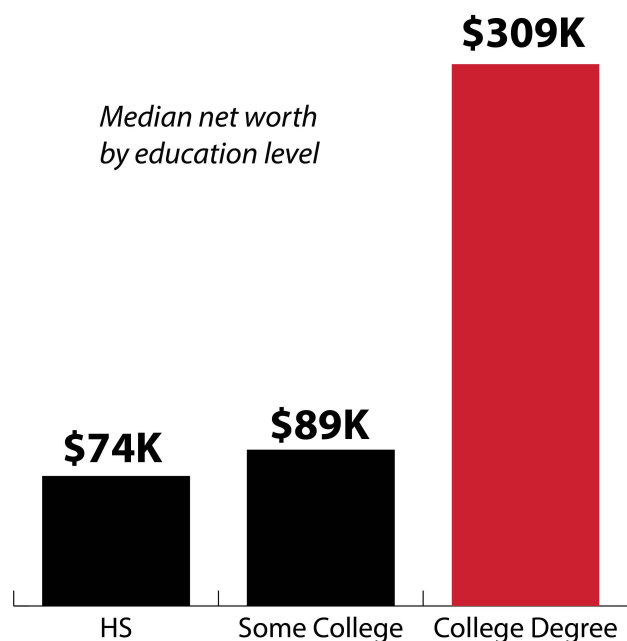


# The Truth About: The Educational Wealth Gap



## Income and Wealth Go Hand-in-Hand

Americans continue to earn more income as they scale the ladder of education. The **earnings gap** between college-educated Americans and those with just a high school diploma continues to widen over time. Income and wealth are not one-in-the-same but **feed into each other**. As wealth accumulation gradually ensures an individual's ability to manage everyday living expenses and given the positive correlation between wealth and additional education, pursuing higher education may bolster American's chances for accumulating such wealth.

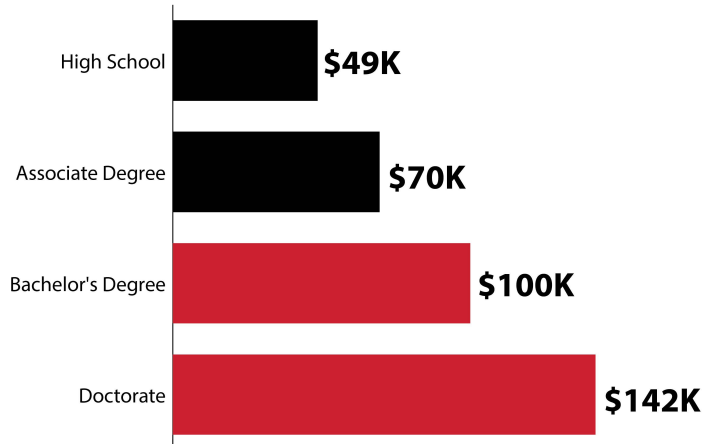


Note: Percentiles are calculated using data based on 5,777 U.S. households  
Source: Survey of Consumer Finances (2019)

## The Racial Wealth Gap Persists for Many

There are **many reasons** for the racial wealth gap. Since wealth compounds over time and is handed down over generations, wealth inequality persisted as many **minorities could not participate in the expansion of intergenerational wealth**. Other reasons for this inequality correlate with the **type of degrees** Black Americans often earn, such as social work and public administration, fields that tend to pay less.

*Median household income by educational attainment*

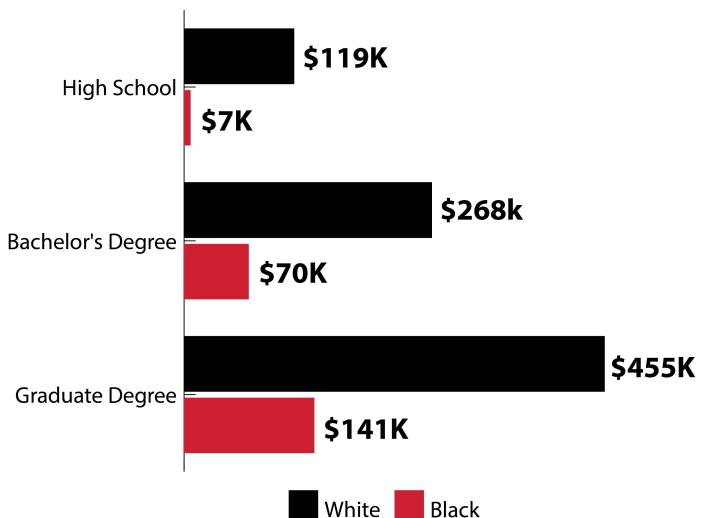


Note: Data is rounded by the nearest thousand  
Source: U.S. Census Bureau (2019)

## Higher Education Builds Substantial Wealth

Although correlation is not always causation, additional education provides Americans with the skills and credentials needed to enter the marketplace and compete for higher-paying jobs. Additional factors complicate wealth including **"assortive mating"** where educated people tend to marry other educated people, which compounds income and wealth. Additionally, Americans with more education tend to be in **better health** which, allows them to **work longer and live longer** -- generating more income to build wealth even further.

*Median household networth by race and education*



Note: 2014 Survey of Income and Program Participation  
Source: Cook Center on Social Equity (2018)