



Closing the Opportunity Gap: Building Equity in Oklahoma

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Overview

I. Key Concepts

- ✧ Measuring 'race' and wealth
- ✧ What is the wealth gap?
- ✧ Historical roots of the gap

II. Measuring the Racial Wealth Gap in Oklahoma

1. Foundational Assets
2. Generative Assets
3. Regenerative Assets

III. Closing the Gap

Measuring 'Race' & Wealth

Ethnicity:	<input type="checkbox"/> Hispanic or Latino	<input type="checkbox"/> Not Hispanic or Latino	
Race:	<input type="checkbox"/> American Indian or Alaska native	<input type="checkbox"/> Asian	<input type="checkbox"/> Black or African American
	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> White	

- ✧ Racial categories are not *fixed* or *essential* demographic markers
- ✧ 'Race' is constructed by social, cultural, & political forces
- ✧ There is no direct causal relationship between race and wealth

What is Wealth?

- ✧ **Wealth is distinct from income**

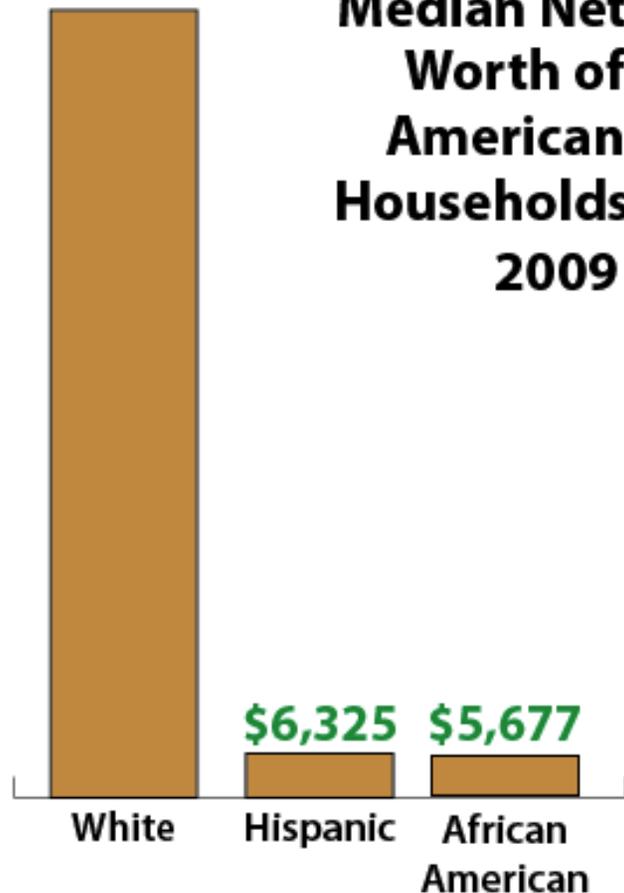
- ✧ This changes our conception of poverty
- ✧ **Income** poverty vs. **asset** poverty

- ✧ **Wealth is measured in terms of assets**

- ✧ Tangible financial assets (i.e. savings account, property)
- ✧ Intangible assets (i.e. education, health)

\$113,149

Median Net Worth of American Households 2009



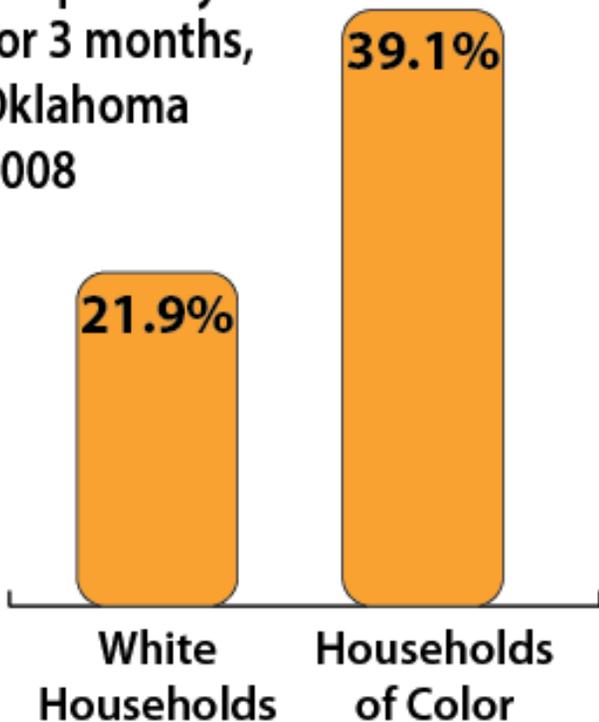
Source: Pew Research Center, 2011
"Wealth Gaps Rise to Record Highs Between Whites, Blacks, Hispanics"

What is the Wealth Gap?

Assets - Liabilities = Net Worth

White households possess **18x** more wealth than Hispanic households and **20x** more wealth than African American households

Households without sufficient net worth to subsist at the poverty level for 3 months, Oklahoma 2008

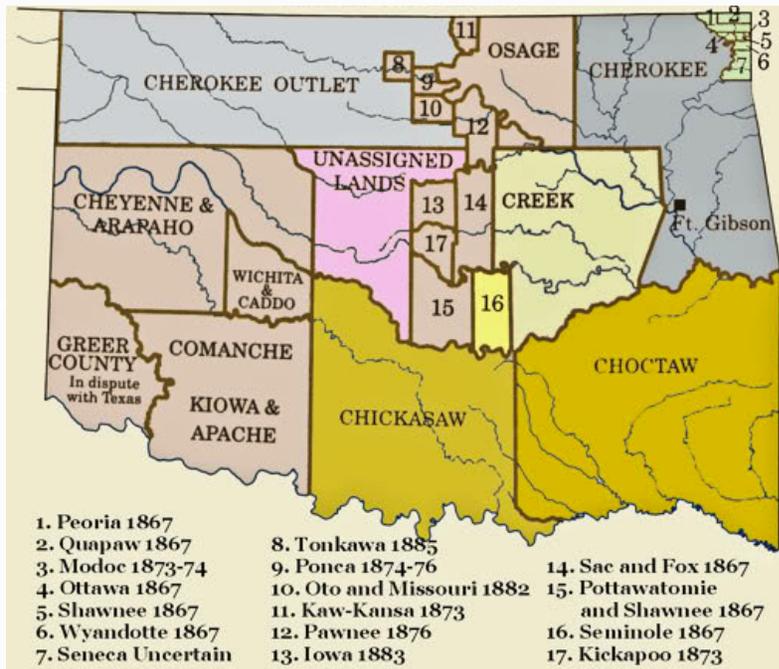


Source: Survey of Income and Program Participation, 2008 Panel, Wave 4. Washington, DC: U.S. Department of Commerce, Census Bureau, 2009

Asset poverty in Oklahoma

✧ The asset poverty rate for households of color in Oklahoma is **nearly double** the rate for White households

Historical Roots of the Gap



- ✧ Homestead Act (1862)
- ✧ Large scale redistribution of land from autonomous tribes and people of color, to white farmers and settlers

THE OSAGE INDIAN MURDERS



The true story of a multiple murder plot
to acquire the estates of wealthy
Osage Tribe members

Historical Roots of the Gap

- ✧ Osage Reign of Terror (1920s)
 - ✧ Mineral holdings were violently stripped from Osage members



Historical Roots of the Gap

✧ Tulsa Race Riot (1921)

✧ In a single day, hundreds of homes, banks, and businesses in North Tulsa were destroyed



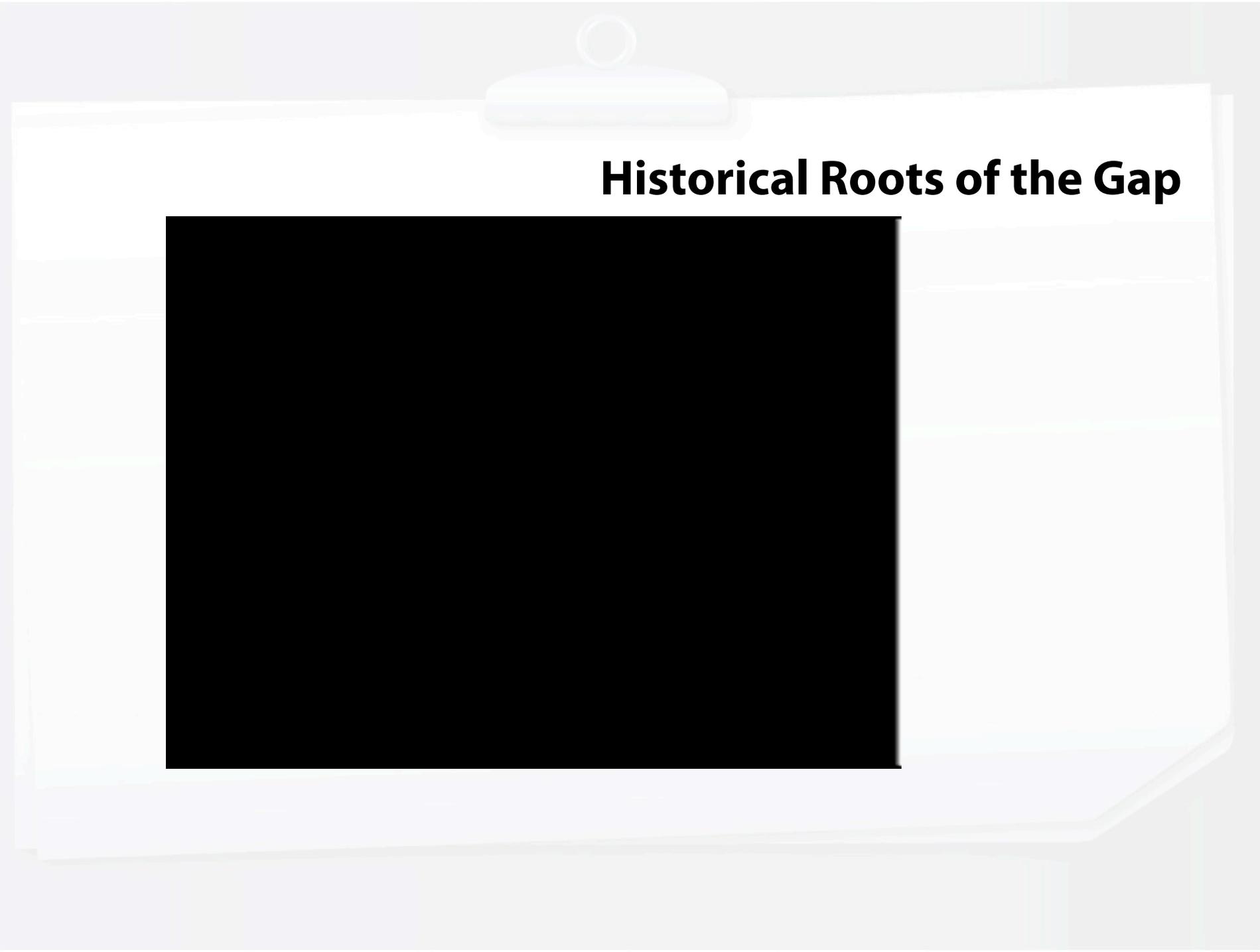
✧ G.I. Bill



Historical Roots of the Gap

✧ Mortgage interest deduction





Historical Roots of the Gap

Historical Roots of the Gap

✧ Intergenerational **Wealth** Transfers

Grandparents A

House on 20 acres

Your parents: Paid for your college & law school

You earn significant income & build assets

Grandparents B

\$35,000

Your parents: Paid the downpayment on your house

You rent the house for monthly income

II. Measuring the Racial Wealth Gap

- 1 Foundational Assets** (health, education, transportation)
Prerequisites to employment that generates income
- 2 Generative Assets** (employment, income)
The cash flow that enables financial security and asset-building
- 3 Regenerative Assets** (savings, homeownership)
Assets that generate wealth without labor

1. Foundational Assets: Health

- ✧ Health is your most fundamental asset
- ✧ Poor health lowers quality of life, inhibits employment, and drains income
- ✧ Measuring the health gap
 - ✧ Childhood health
 - ✧ Smoking & obesity
 - ✧ Chronic disease
 - ✧ Access to & quality of Care

Childhood Health

Prenatal care
in the
1st trimester

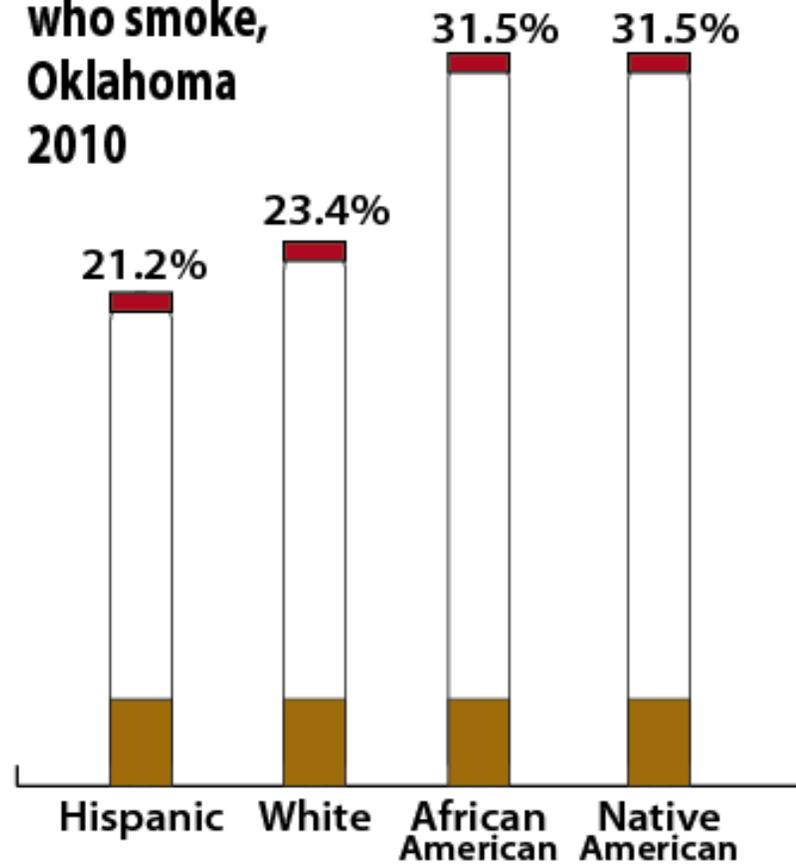


Vaccinated
by age 2



Smoking

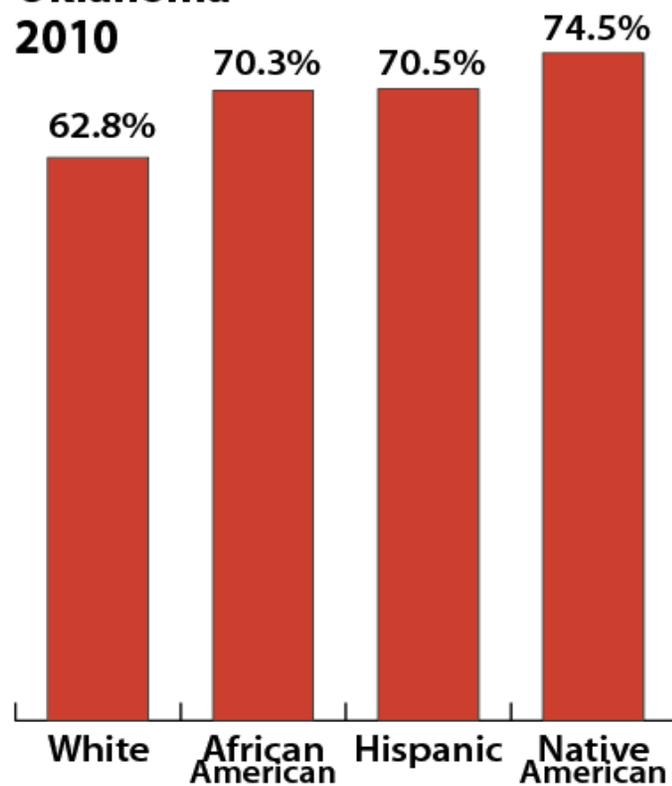
Percentage of adults
who smoke,
Oklahoma
2010



Source: Centers for Disease Control and Prevention

Obesity

**Percentage of obese adults,
Oklahoma
2010**



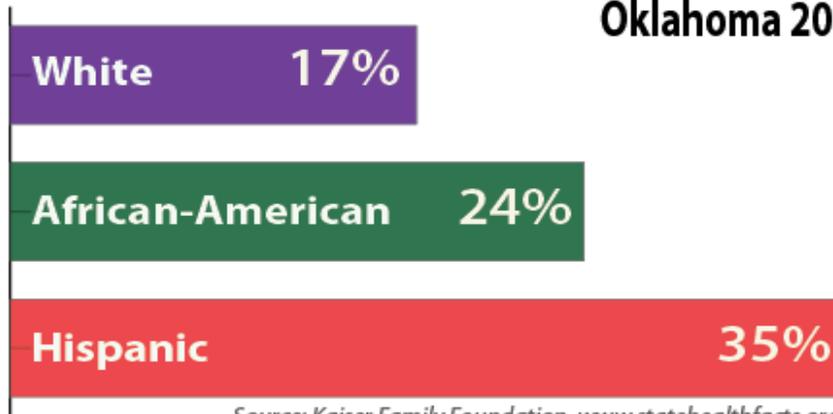
Source: Centers for Disease Control and Prevention

Chronic Disease

- African-American residents are more likely than White and Hispanic residents to develop **cancer** and die from the disease
- African-American residents have the highest mortality rate for **heart disease** and are more than twice as likely to die from **diabetes** as White residents
- Native Americans (15.1%) and African-Americans (14.7%) have the highest prevalence of **diabetes**

Access to & Quality of Care

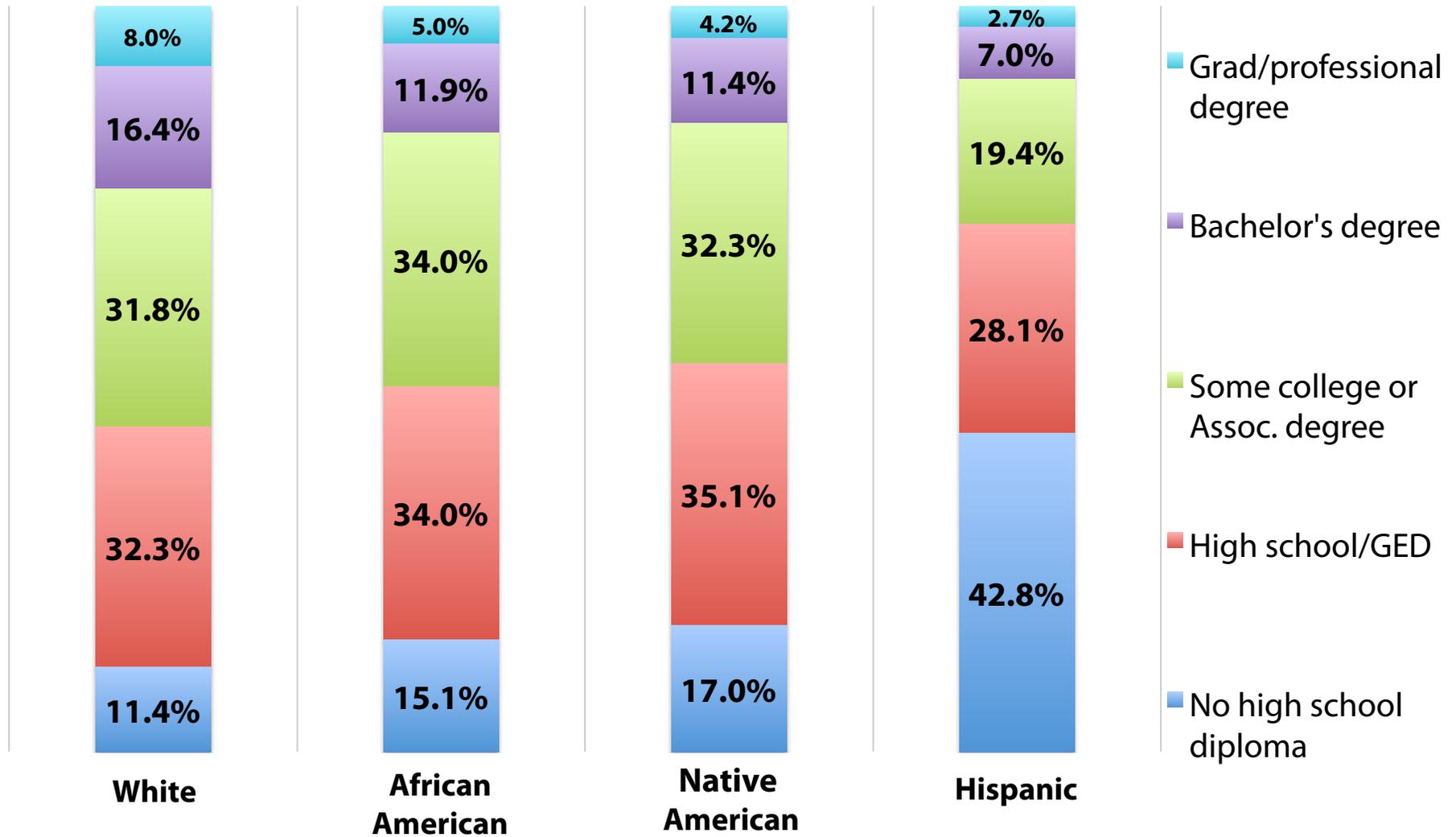
Percentage of nonelderly adults who are uninsured,
Oklahoma 2010



Source: Kaiser Family Foundation, www.statehealthfacts.org

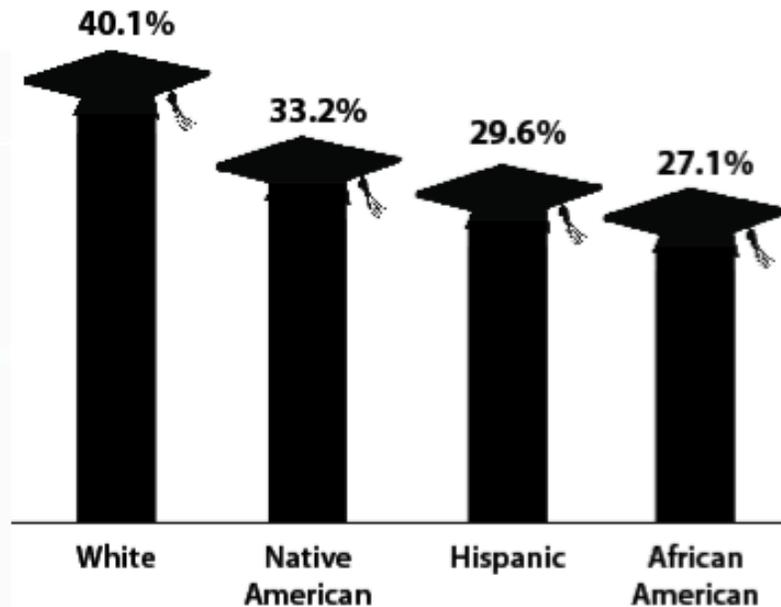
- Hispanic adults have the highest rate of uninsurance
- Treatment disparities also contribute to the health gap
- Even insured adults face barriers, i.e. underinsurance, low incomes, lack of transportation, time off work, availability of PCP

Educational Attainment, 25 yrs. and older, Oklahoma 2008-2010



Source: U.S. Census Bureau, American Community Survey 2008-2010

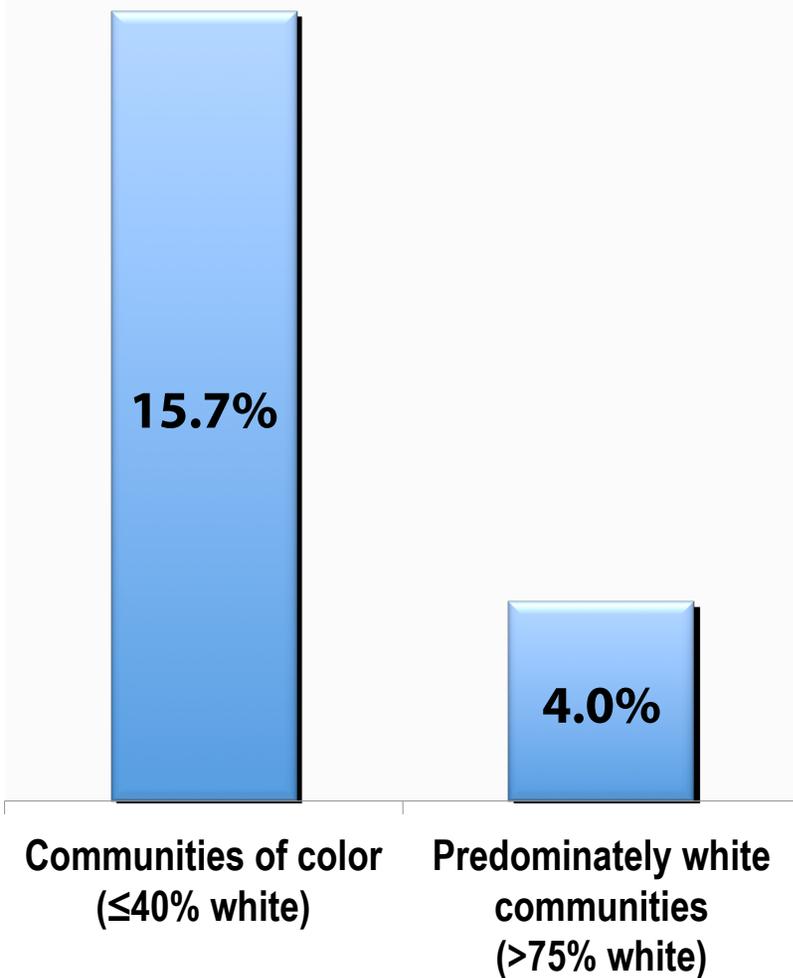
Education



**5-year Graduation Rates
for Full-time Equivalent Students,
by Race/Ethnicity, Oklahoma 2009**

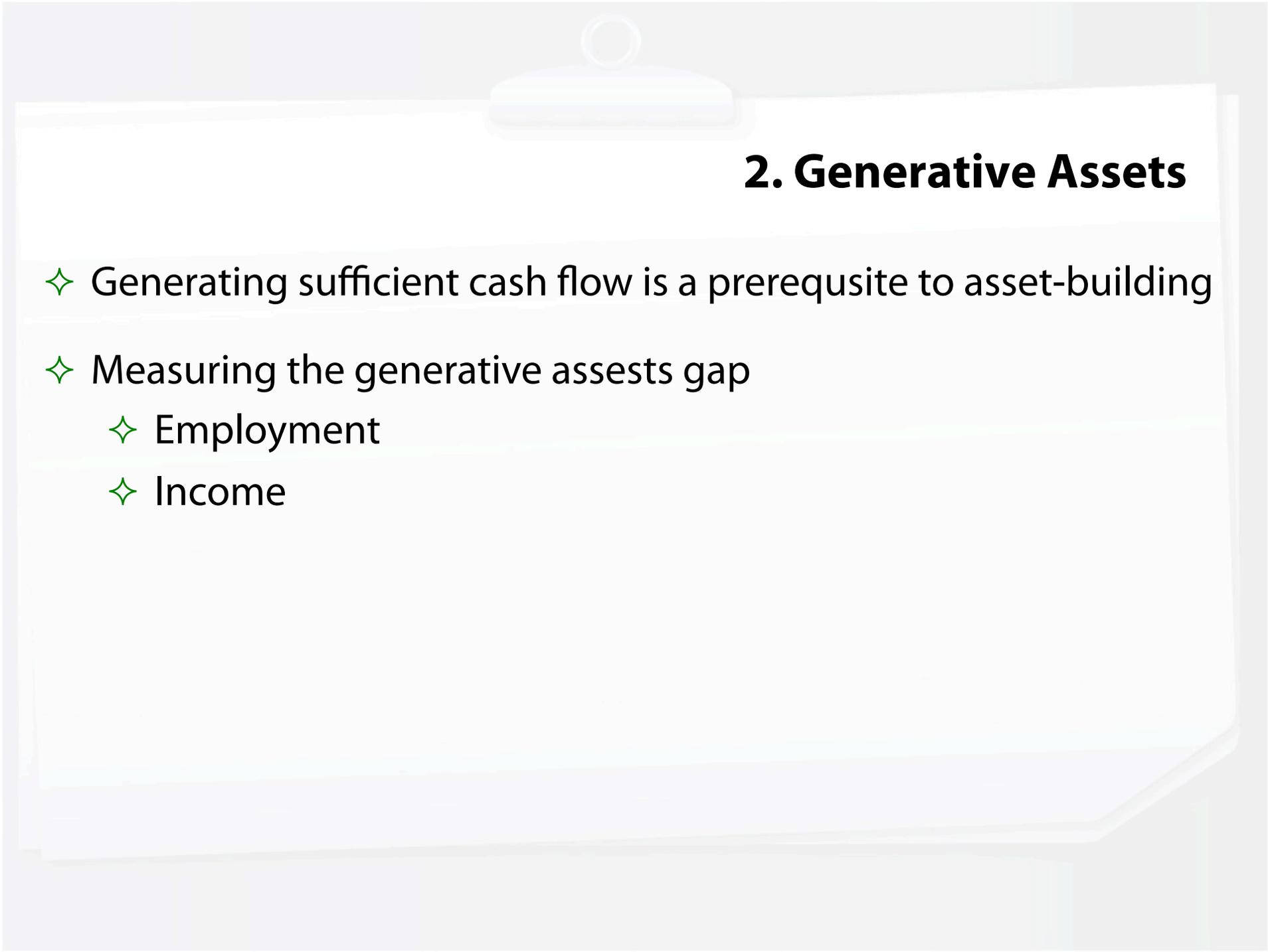
Source: www.CollegeResults.org, using the National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS)

- Enrollment in higher education reflects the state's demographics, with the exception of Hispanic students
- However, there are still significant gaps in graduation rates from 4-yr colleges and universities



Transportation

- Households in communities of color are nearly **4x** as likely as households in predominately white communities to report having no access to a vehicle

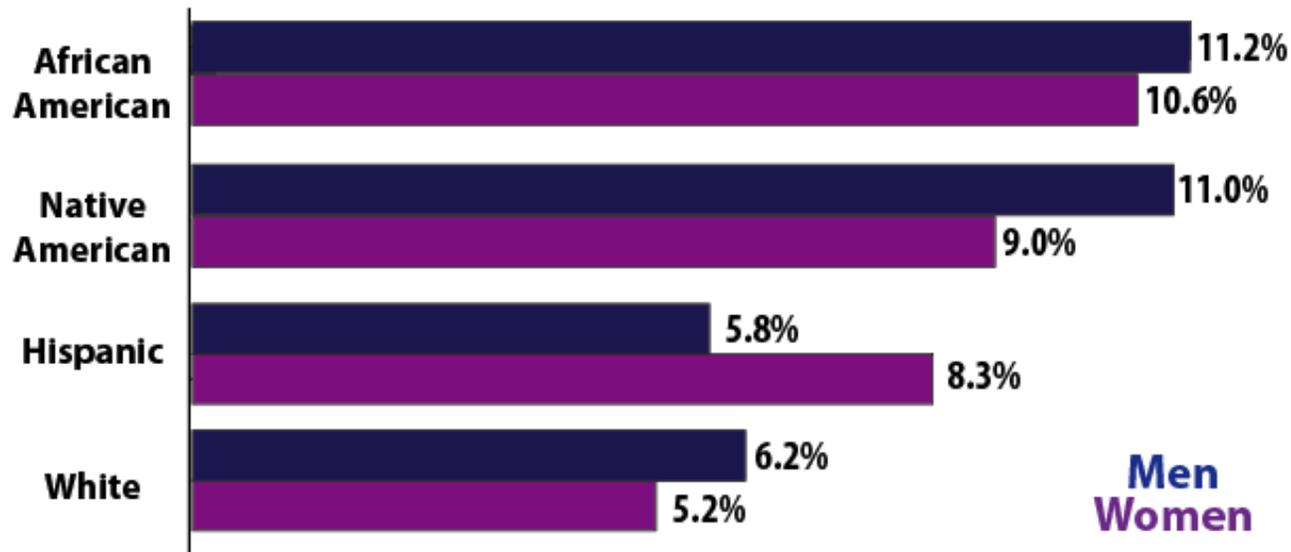


2. Generative Assets

- ✧ Generating sufficient cash flow is a prerequisite to asset-building
- ✧ Measuring the generative assets gap
 - ✧ Employment
 - ✧ Income

Employment

Unemployment Rate in Oklahoma by Sex and Race/Ethnicity, 2008-2010

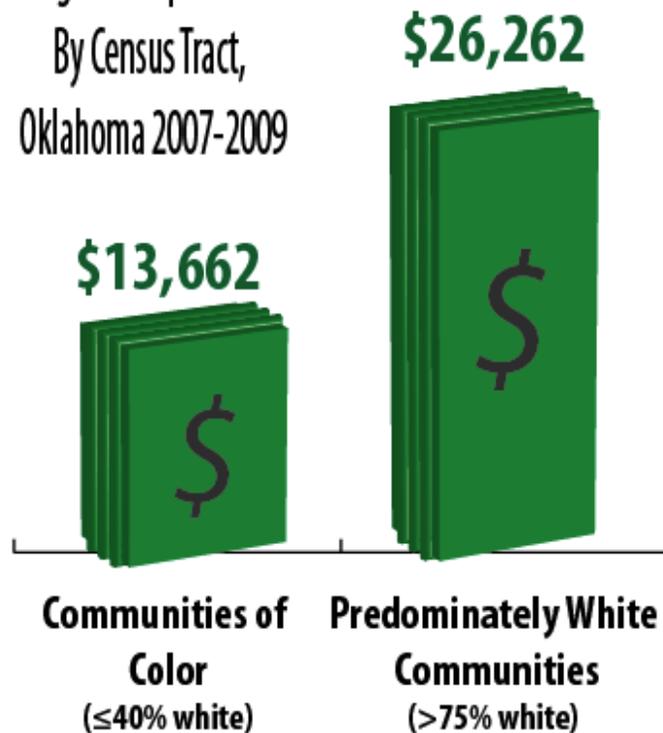


Source: U.S. Census Bureau, 2008-2010 American Community Survey 3-Year Estimates, Unemployment rate for the working age population (16 - 64 yrs)

- Native American and African American workers are unemployed at **nearly twice the rate** of White workers

Income

Average Per Capita Income
By Census Tract,
Oklahoma 2007-2009

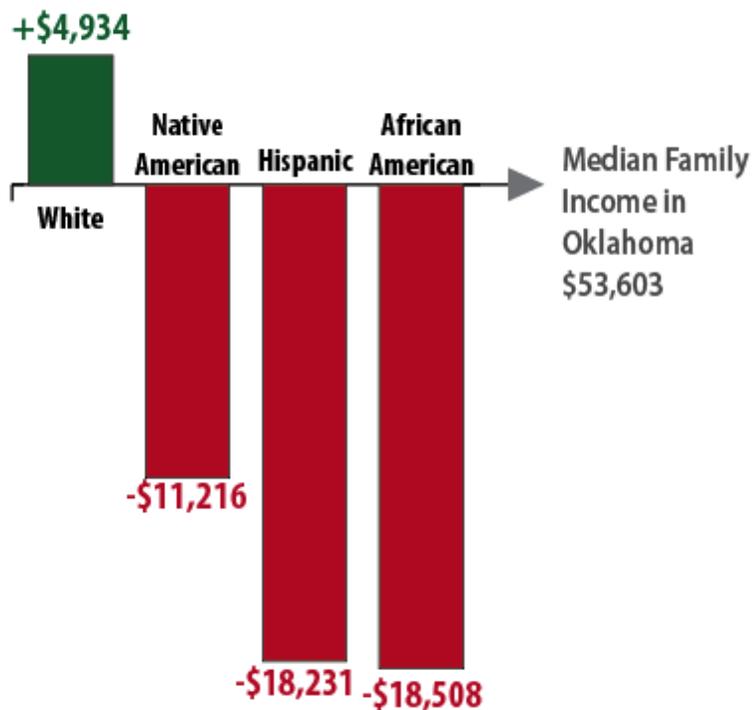


- Predominately white communities earn nearly **twice as much income per capita** as communities of color

Source: U.S. Census Bureau, 2007-2009 American Community Survey 3-Year Estimates, Average per capita income in the past 12 months (in 2009 inflation-adjusted dollars) by census tract

Income

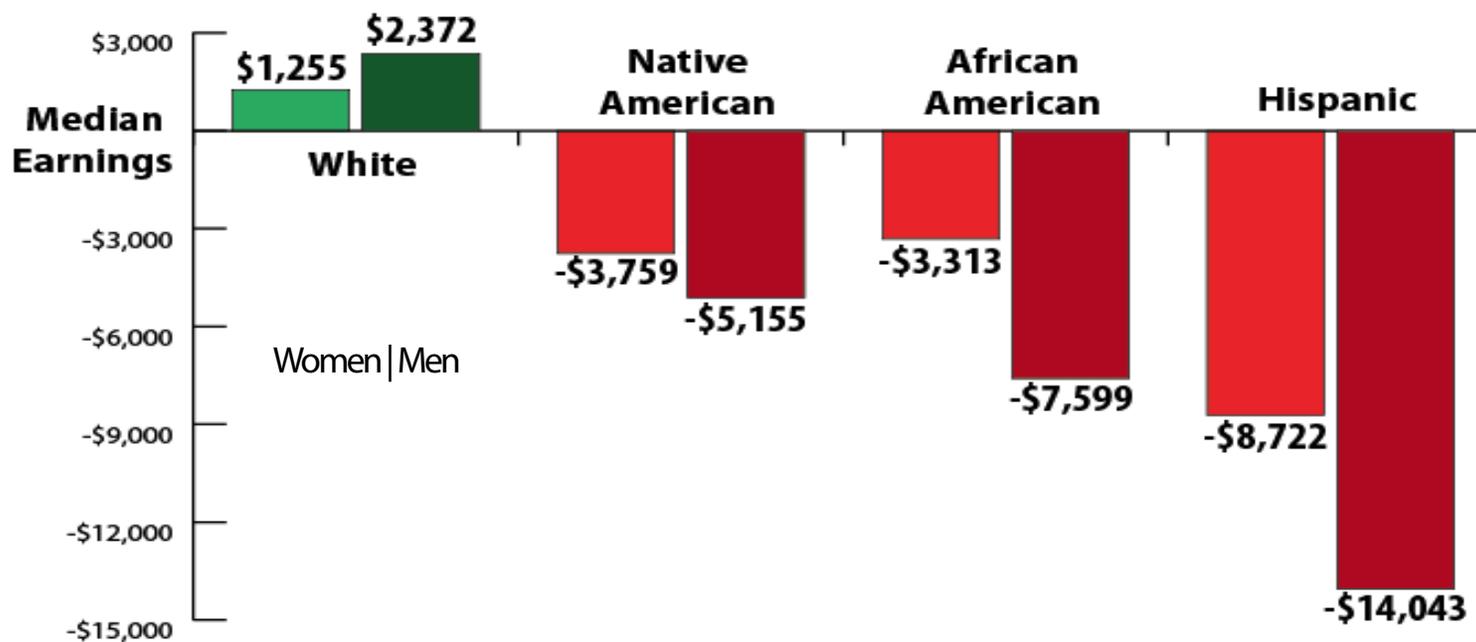
Median Family Income Gap by Race/Ethnicity, Oklahoma 2008-2010



- Families of color earn between **\$11k and \$19k less** than the state's median family income

Source: U.S. Census Bureau, 2008-2010 American Community Survey 3-Year Estimates
Median family income in the past 12 months (in 2010 inflation-adjusted dollars)

Median Earnings Gap for Full-Time Year-Round Workers in Oklahoma by Sex by Race/Ethnicity, 2008-2010



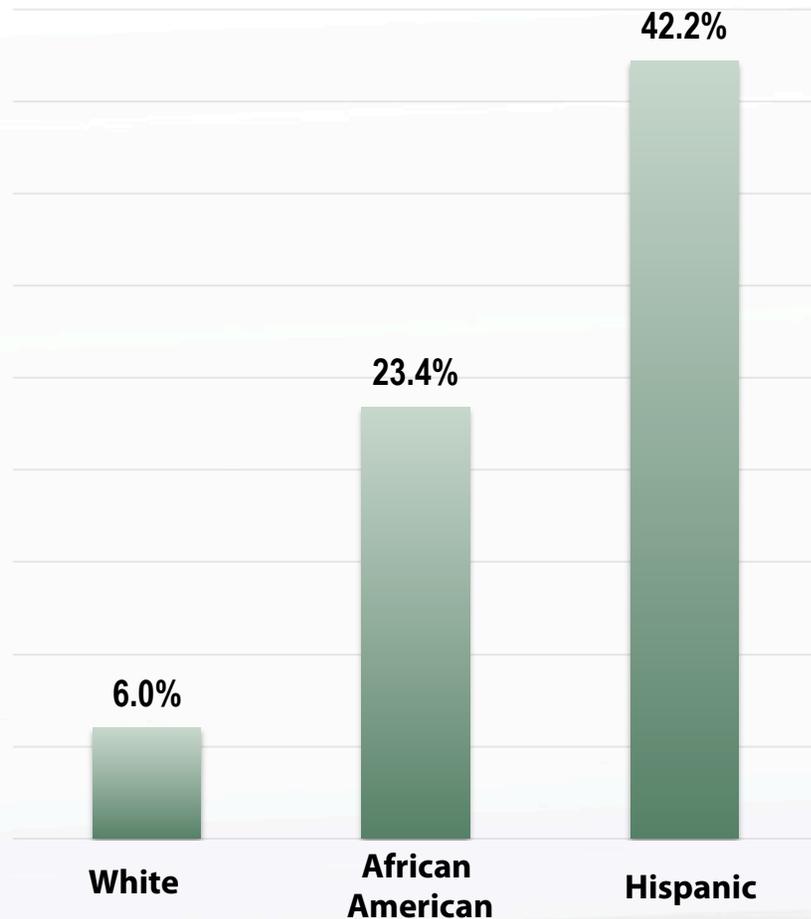
Source: U.S. Census Bureau, 2008-2010 American Community Survey 3-Year Estimates, Median earnings in the past 12 months (in 2010 inflation-adjusted dollars) by sex by work experience for the population 16 years and over with earnings in the past 12 months

3. Regenerative Assets

- ✧ These assets yield income not earned directly through labor
- ✧ Measuring the regenerative assets gap
 - ✧ Savings & Investment
 - ✧ Homeownership

Banking

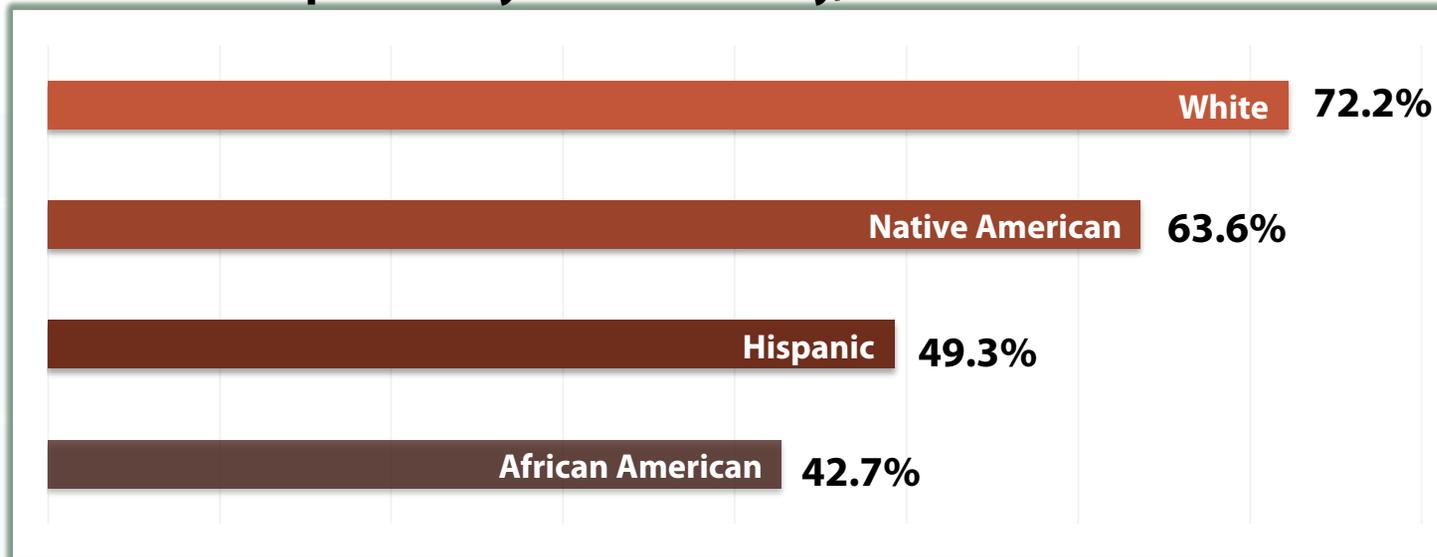
Percent of Households that are Unbanked in Oklahoma, 2009



- Just under **half** of Hispanic households are unbanked
- Just under a **quarter** of African-American households are unbanked

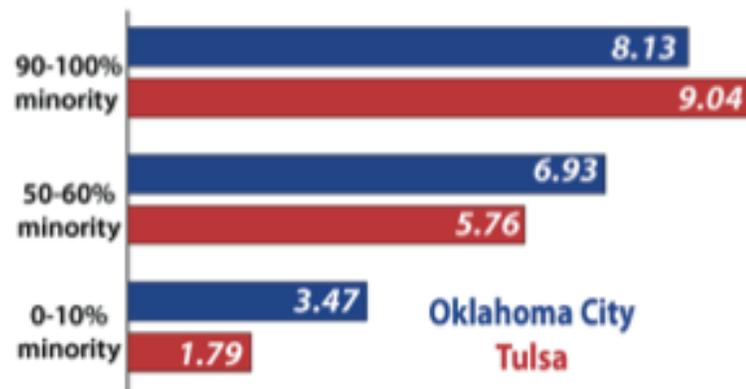
Homeownership

Homeownership Rates by Race/Ethnicity, Oklahoma 2010



- Just under **half** of Hispanic and African American households own homes
- Between 1970 and 2004, the gap in homeownership rates between White and African American residents of Oklahoma City more than doubled

Foreclosure rates by census tract, 2010-2011



III. Closing the Gap

1. Foundational Assets

- ❑ Invest in early childhood health
- ❑ Expand health coverage and improving access
- ❑ College completion initiatives targeting students of color and colleges/universities
- ❑ Broaden public transportation infrastructure
- ❑ Control the cost of borrowing to boost vehicle ownership

2. Generative Assets

- ❑ Invest in Workforce Oklahoma
- ❑ Reform discriminatory policing tactics and sentencing policies & reduce overincarceration
- ❑ Reduce hiring discrimination in the private sector

III. Closing the Gap

3. Regenerative Assets

- ❑ Encourage use of traditional financial sector and encourage traditional banks to expand into underserved communities
- ❑ Homeowner education, foreclosure prevention, and homebuyer assistance