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Understanding Black Americans' Views on Work, Wages & Wealth

A Summary of BEA Foundation Research

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Understanding Black Perspectives



Over [80 percent of Black Americans](#) believe that our economic system needs major changes or to be rebuilt completely for Black Americans to be treated fairly. It is often said that experience is the best teacher. Yet this data makes clear that the experiences and perspectives of Black Americans are too often overlooked in our economic policies and systems.

To that end, **the Black Economic Alliance Foundation — the nation’s leading organization harnessing the collective expertise and influence of Black business leaders to build economic prosperity for the Black community, with a specific focus on work, wages, and wealth — recently collaborated with Deloitte & Touche LLP to assess Black Americans’ views on pathways to economic opportunity and success** through a survey of more than 2,500 participants of all racial backgrounds (“survey respondents”), as well as online diary-style interviews with 35 Black participants (“participants”).¹ Only direct quotes from participants are used throughout to highlight the lived experiences of Black Americans in their own words.

With this research, broken down into four key areas—[affordable housing](#), [entrepreneurship](#), [jobs and the workforce](#), and [voting rights](#)—**the BEA Foundation provides leaders from all sectors—private, philanthropic, and public alike—with first-person insights that can inform their efforts to advance Black economic prosperity and wealth-building.**

We began with a simple yet rarely asked question: What does economic success look like to Black Americans? We found for Black respondents that success means being able to provide for their family; to live comfortably, with little to no debt; to have a good job with quality benefits; and to have the ability to start their own business. In this, Black Americans measured economic success in much the same way that all Americans do.

But while Black and white respondents more or less agreed on the finish line, there was less alignment on how best to get there or where they were starting from.

This makes sense. Today, more than 41 percent of Black Americans are economically insecure, nearly double that of white Americans (21 percent).² The median white family has \$188,000 in wealth, compared to just \$24,000 for the median Black family, a gap of [roughly 8-to-1](#). And, since the 1980s, the wealth gap [has increased](#); without major intervention from the public, private, and social sectors, Black people are expected to [fall further behind](#) in the coming years.

These realities were reflected in the views of Black respondents, who look to the economy with equal parts skepticism and hopefulness. So, while the vast majority of Black Americans believe that the country's economic systems require an overhaul, they also see in them, and in entrepreneurship especially, promising paths to upward mobility. Indeed, [nearly 60 percent](#) of Black adults think that supporting Black-owned businesses is an extremely or very effective tactic to help Black people move toward economic equality.

Black Americans experience every day in countless ways how the economy can either hasten or hinder their own economic opportunity. This research is intended to help policymakers and decisionmakers across sectors advance Black economic prosperity and wealth-building by taking those experiences and related perspectives into account.

¹ For complete methodology, see the [Methodology](#) section.

² Defined as those whose incomes are up to 200% below the national poverty line; calculations based on the U.S. Census Bureau's [Current Population Survey Detailed Tables for Poverty](#), 2021.

The page features a white background with decorative colored bars at the top and bottom. The top bar consists of three segments: teal, orange, and dark blue. The bottom bar also consists of three segments: orange, teal, and dark blue. The text 'Affordable Housing' is centered in a bold, dark blue font.

Affordable Housing

To this day, homeownership is considered the linchpin to economic prosperity in the United States—the primary way by which people build wealth and set their family and future generations up for success. Unfortunately, America is facing a crisis of (un)affordable housing that is only getting worse. A staggering [80 percent of homes](#) are not affordable for the median income earner, compared to the roughly half of the homes for sale that the median earner could afford as recently as 2016.

For Black Americans, the situation is even more dire: the current homeownership gap is [wider](#) now than it was during the period of the Jim Crow laws. Only [6.9 percent](#) of Black renter households can afford the median-priced home, the lowest point in years.

Even when controlling for differences in neighborhood quality, home values in majority-Black Census tracts are [26 percent](#) lower than home values in majority-white Census tracts. All of this adds up to [\\$235 billion in lost valuation](#) for homeowners in majority-Black neighborhoods. And, amid [high rental prices](#), more than half of all Black renters are [cost-burdened](#), meaning that they spend more than 30 percent of their income on rent, making it even less likely that they will be able to save up to buy a home.



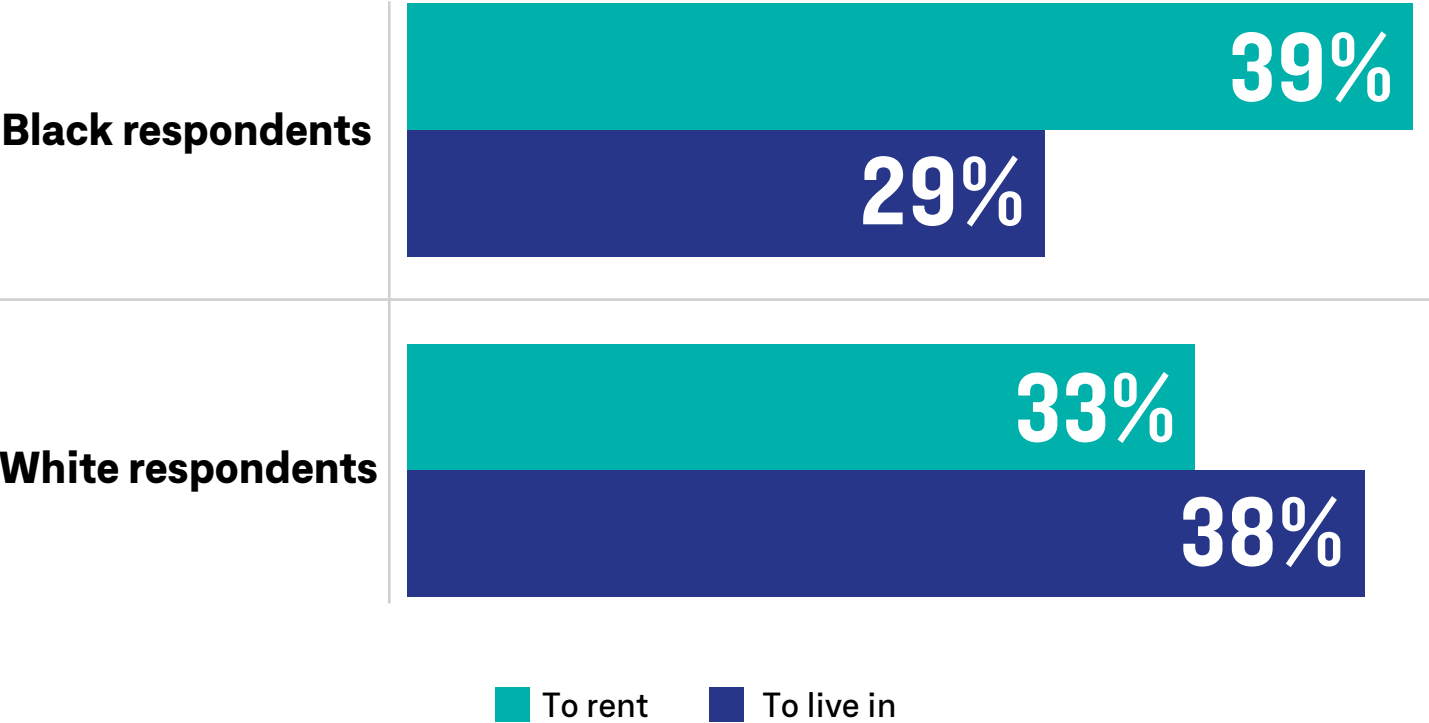
Interest rates have skyrocketed. It has made affording a home so much more difficult than it was in the past. And now rental prices are starting to do the same. Rent in my area used to be around \$1,000. It has now reached \$1,500+ for some of the most basic homes. People are finding it difficult to stay afloat.

— Terrence L. ³

³ All quotes included in this report are taken directly from Black participants during our research. Identifying information has been abbreviated to protect their privacy. For more information, see the [Methodology](#) section.

Only one-third of Black respondents in our survey owned their homes, compared to roughly half of white respondents, a smaller gap than the [nationwide average](#). And yet, Black respondents were less likely, on average, to say they'd use a financial windfall to buy property to live in. Instead, they were **more likely to use that cash to purchase an investment property that they could rent out to others**. This reflects our survey findings elsewhere—namely, that Black Americans value entrepreneurship and a community-centric approach to building wealth.

Likelihood of Using a Cash Windfall to Purchase Property to Rent Out vs. to Live In



Source: BEA/Deloitte & Touche, LLP Research Study

Indeed, while **homeownership** was the fourth most popular wealth-building method (out of 10 options) for white survey respondents, it was the **second least popular for Black survey respondents**.

While single-family homes were seen as the goal, participants raised **concerns regarding the additional cost burden that comes with homeownership**, such as insurance and repairs. They cited these costs as potential barriers to homeownership.



Home ownership is optional when it comes to building wealth because ownership of a property in and of itself doesn't guarantee wealth. A house can be a liability OR an asset depending on how you use it.

— **Jetuwr D.**

Benefits of owning a home

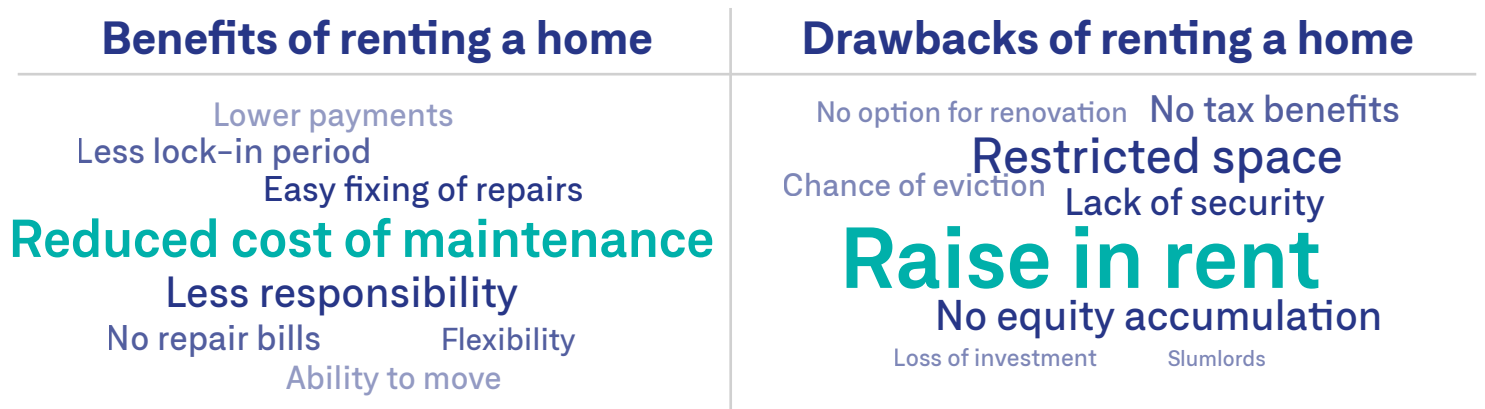
Generational gift
 Status **Sell** **Rent** Reputation
 Family foundation
Passive income
 Space Tax benefits
 Stability **Equity** Resell

Drawbacks of owning a home

Insurance Responsibility
 Repairs Uncertain economy
 Improper tenants
High maintenance
 Improper mortgage payments
Cost of mortgage
 Unexpected expenses

Source: Generated based on interview participants' direct quotes

However, all participants also reported that rental affordability was at least as bad or worse in their area than for-sale housing affordability, with renting carrying its own benefits and drawbacks.



Source: Generated based on interview participants' direct quotes

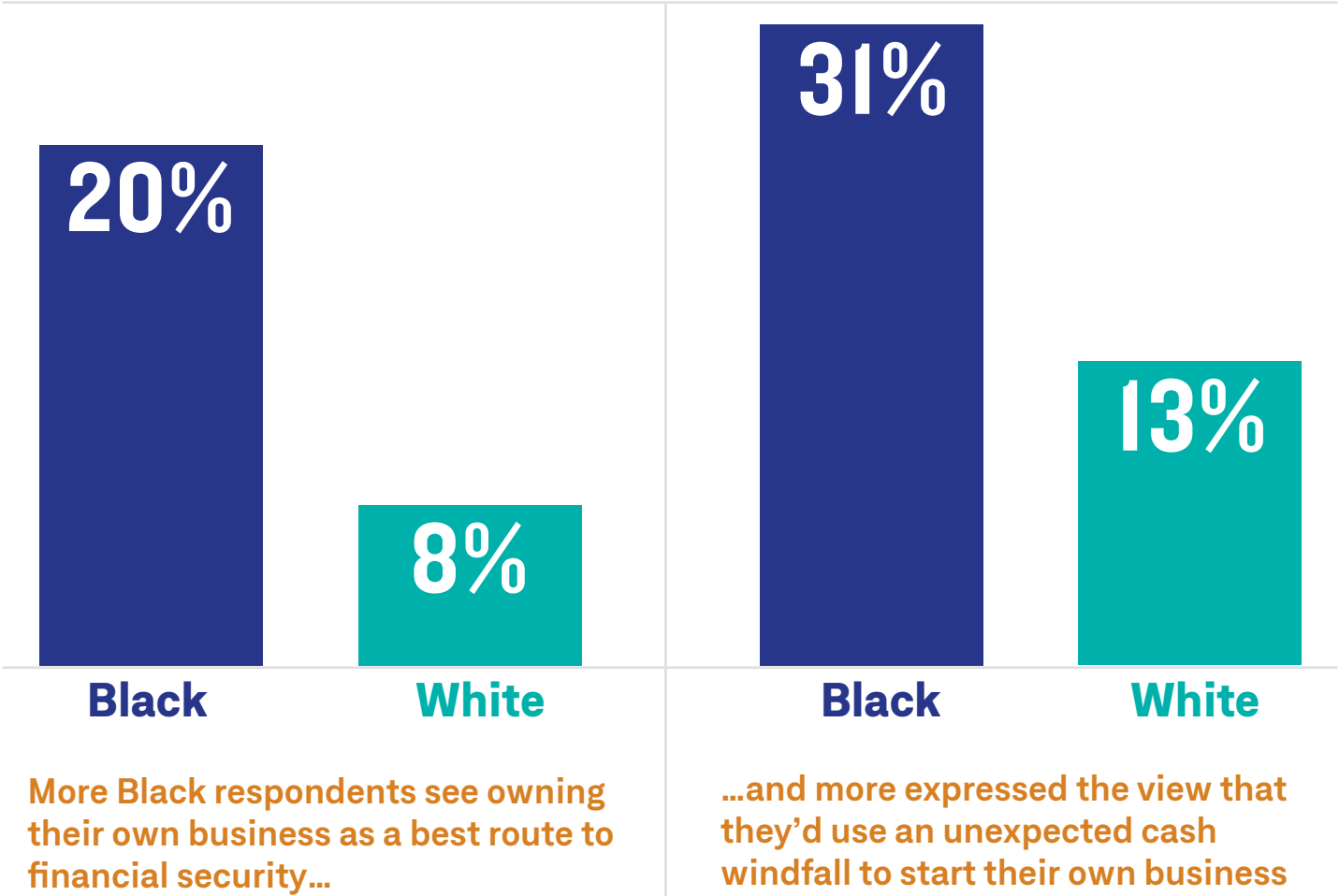
Finally, **only two out of 10 participants reported being familiar or very familiar with different programs that assist with housing affordability** such as housing-related tax credits, down payment assistance, and special bank programs.

The page features a white background with decorative colored bars at the top and bottom. The top bar is composed of three segments: teal, orange, and dark blue. The bottom bar is composed of three segments: orange, teal, and dark blue. The word "Entrepreneurship" is centered in a large, bold, dark blue font.

Entrepreneurship

The COVID-19 pandemic ushered in a [surge of entrepreneurial activity](#)—one which has been particularly strong [for Black Americans](#). This entrepreneurial spirit is nothing new: for decades now, Black people have turned to entrepreneurship as a means to make a living and better their lives. They do so despite facing countless barriers and challenges unique to Black entrepreneurs—ranging from [higher interest rates](#), more burdensome [lending requirements](#), fewer [formal networks](#), and more.

Our research backs this up. In our survey, **Black respondents were more entrepreneurial than their white counterparts**. For instance, 20 percent of Black respondents ranked entrepreneurship as the surest path to economic success, compared with only 8 percent of white respondents. Similarly, Black respondents were more than twice as likely as white respondents to say that they would use an unexpected financial windfall to start their own business. Again, this corresponds with what we found with regard to Black respondents preferring property ownership for its rental potential.



Source: BEA/Deloitte & Touche, LLP Research Study

During more in-depth conversations, **Black participants emphasized the connections between entrepreneurship and community building, and noted the overall importance of small businesses.**

Q) In your opinion, are small businesses important to your local community? Why or why not



It helps grow the **local economy**, provides **employment**, promotes community pride, and it is a smaller **environmental footprint**.

– Alberta J.



They serve as an **inspiration** to your fellow neighbors and community members that going after their dreams is possible.

– Annette R.



It provides **valuable services** to the members of the community and has a lot of **positive impact** on the vibrancy and influx of residents, which further **develops** the community.

– David J.



They stimulate the local **economy** and give back more than corporations.

– Sharilyn W.



They are important when it comes to **pride**. It feels good to be able to support my fellow neighbors' dreams.

– Tyla M.



They help generate **income** by creating jobs that capitalize on niche needs and skill sets.

– Jetuwr D.



It is easier to network and have a family feel. And small businesses are usually run by owners who live in the community and want to see the **community flourish**.

– Stacy F.



Yes, because they help **pay employees** and spend money at other local businesses.

– Elaine S.



I know that my support to these businesses is vital to keep them going, which ultimately keeps our community **harmonious**.

– Tayla C.

This entrepreneurial spirit notwithstanding, many hurdles remain. Black Americans comprise roughly 14 percent of the population, yet they only own [2 percent of employer firms](#). While disheartening on the surface, this disparity represents an opportunity for cross-sector leaders: If the percentage of employer-owned firms by Black people were at parity with the percentage of Black people in this country, we would have nearly [800,000 more Black businesses](#) and millions more jobs added to the economy.

Of course, business ownership is heavily influenced by individual and family wealth—two assets that Black people have at a small fraction of the rate as their white counterparts. This, combined with smaller business sizes, fewer years in business, and pervasive racial discrimination, makes it much more difficult for Black business owners to finance their businesses.



I am not wealthy. I do not have access to funds and my credit isn't great. I'm not considered a good investment to most lenders because my debt-to-income ratio is terrible, thanks to student loans. I just want an investor. I need help.

— Katrina J.

In addition to financial challenges, our entrepreneur participants **spoke of the need for non-financial resources to bolster their endeavors**. Many highlighted the lack of awareness and utilization of resources from state or local government agencies that serve small and medium-sized businesses.

Making these public resources more known and available to Black entrepreneurs can yield significant dividends, providing them with the knowledge, guidance, and networking opportunities necessary for their ventures to flourish.



The first challenge was not really knowing how to start a business, and then not understanding the different laws. Following others who really didn't know what they were doing, we all just went along and learned day by day.

– Stacy F.

Finally, we asked participants several questions about the impact of their small business ownership on different elements of their life, including an [oft-overlooked component](#) of entrepreneurship: mental health. Notably, **all participants reported being in a better position for economic success as a result of business ownership and most reported increased earnings since starting their businesses.** However, the impact of entrepreneurship on mental health was more mixed, with respondents equally reporting both positive and negative impacts.



I'm much happier than I've ever been. I'm more organized. I'm more clearly focused. I have more self-confidence. Because I'm executing the things that I said I would always execute on.

– Jetuwr D.



I can honestly say owning my own business has declined my mental health. You know, you're constantly worrying about if you're good enough, why you're not good enough, why you can't get certain sales or reach certain clientele, it doesn't feel good...you have a mirror to your face every day...

– Tyla M.



[Having] a small business has impacted my mental health in both positive and negative ways. Starting out, it was mostly negative because I was taking a little bit of money that I did have, investing it into this business, and not seeing much of a return...I'm just now getting to a place where I'm starting to see more of the return of my investment and I'm now starting to feel happier...So it's a lot of good and bad, but I will say that the financial hardships of starting out is very tough on a person mentally.

– Tayla C.

The page features a white background with decorative colored bars at the top and bottom. The top bar is divided into three segments: teal, orange, and dark blue. The bottom bar is divided into three segments: orange, teal, and dark blue. The title 'Jobs and the Workforce' is centered in a large, bold, dark blue font.

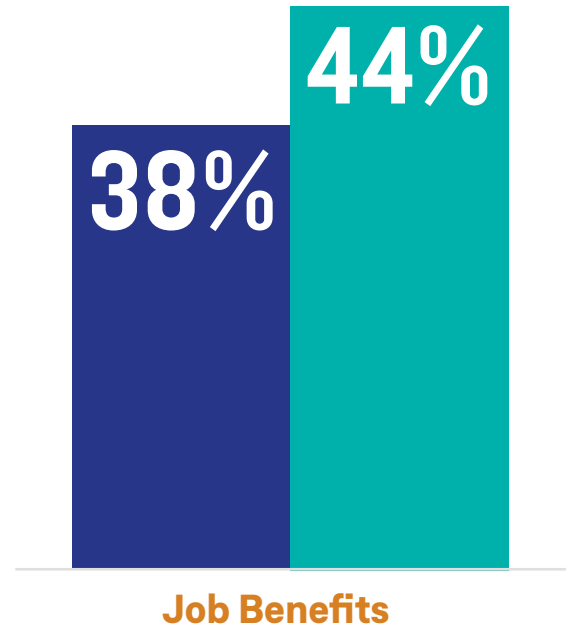
Jobs and the Workforce

The job prospects available to Black and white Americans vary widely. When accounting for employment status, the median earnings for Black men amount to [just 67 cents](#) for every dollar a white man makes—a gap that is even more pronounced [for Black women](#). Moreover, Black Americans are highly concentrated in certain occupations, with [nearly half](#) of Black private-sector employees working in just three industries: health care, retail, and accommodation and food service.

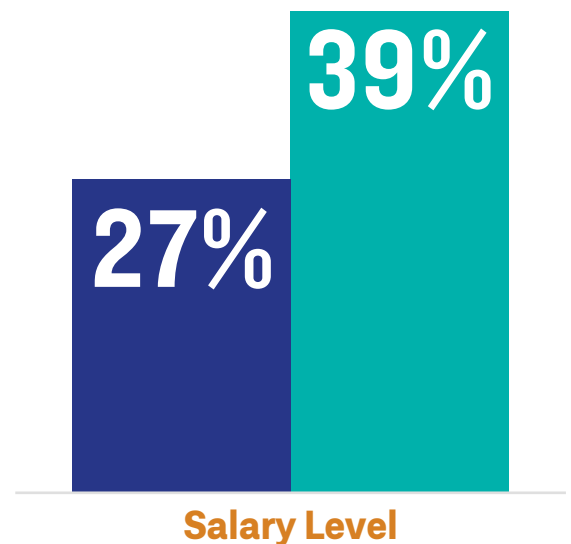
Differences in educational attainment do not explain these disparities either. The employment rate for Black workers with some college completion is [similar](#) to the employment rate for all workers who have only a high-school diploma. This inequity is also visible in the Black unemployment rate, which for decades has been roughly [twice as high](#) as the white unemployment rate. And the jobs that are available to Black people? They provide far fewer benefits and [less stability](#).

Consequently, Black and white respondents in our survey held divergent views on the value of their jobs and whether or not their current employment situation would serve their long-term interests. Specifically, **Black respondents were less likely to believe that their job benefits and salary levels would set them up for future economic success.**

38% of Black survey respondents believed that their current employee benefits would set them up for future economic success compared to **44% of white survey respondents**



27% of Black survey respondents believed that their current salary level would set them up for future economic success compared to **39% of white survey respondents**



Source: BEA/Deloitte & Touche, LLP Research Study

During our more in-depth interviews, we asked about preferred methods of job searching. In general, Black participants favored online platforms dedicated to job hunting, such as Indeed, Monster Jobs, and Zip Recruiter, as well as leveraging their own professional and personal networks.

Black participants also ranked government resources—such as state employment agencies and workforce development centers—as less useful than job search platforms that they were more familiar with. This is particularly noteworthy when considering that Black Americans are much more [reliant on smartphones](#) and mobile-friendly browsing than white Americans. As a result, there is significant potential for interventions that seek to enhance the mobile presence and accessibility of government-supported employment centers to better serve Black job seekers.

When questioned about what the future of work looks like, our participants expressed a **strong desire to explore and transition into high-growth fields**, such as cybersecurity, space technology, and the startup industry writ large. This presents both a challenge and an opportunity: Black Americans continue to be underrepresented in these occupations, yet the prominence of these fields and the jobs available within them will only grow in the years to come.



My dream professional position [is]...to be a cybersecurity analyst...because of the pay rate and the challenge and the ability to work anywhere in the world. For me, [what's keeping me from this goal] would be time and money. I don't have enough time to really commit to the study, and I don't have the money to pay for the certifications because of my schedule.

— Lamonte N.

Average Likelihood of Use in Job Search



Source: BEA/Deloitte & Touche, LLP Research Study

Finally, Black participants showed a **clear preference for remote work options and flexible hours**, particularly in the post-COVID era, which contrasts with the types of jobs in which Black Americans are typically concentrated, as noted above.



I believe that jobs need to pay a lot more, while simultaneously honoring work-life balance for employees.

– Tayla C.

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Voting Rights

Voting and civic participation are fundamental to ensuring that the policies, practices, and programs that can lead to Black economic advancement are actually put into place. Research shows that the *Voting Rights Act of 1965* (VRA), the landmark piece of federal legislation that prohibits racial discrimination in voting, spurred significant increases in Black voter turnout and [helped reduce income inequality](#) between Black and white Americans.

Unfortunately, the Supreme Court’s 2013 ruling in *Shelby County v. Holder* nullified key aspects of the VRA—a decision with [devastating consequences for Black voters](#). From 2021 through 2022, 21 states have [enacted 42 restrictive voting laws](#); in 2023 alone, at least 11 states have already [enacted 13 restrictive voting laws](#). These laws have prompted widespread polling closures, new limits on voter registration and early voting, and many other burdensome rules and regulations. In addition to betraying our nation’s core democratic principles, the undercutting of the VRA and the restrictive laws that followed have [negatively impacted](#) Black wages relative to white wages.

It’s no surprise, then, that Black respondents in our survey **did not feel that politicians, and politicians’ preferred policies, had as much impact on their economic success** as white respondents did. When asked to rank the importance of politicians on their ability to achieve economic success, Black respondents ranked them as the second *least* important of the seven options given. In contrast, white respondents ranked politicians as the third *most* important to their economic success.

Despite having less confidence in the ability of elected officials to deliver meaningful change, a significant majority of Black survey respondents (83 percent) reported voting in the last four years—**underscoring that Black Americans appreciate the importance of the electoral process**. In interviews, Black participants highlighted areas of improvement for the voting process, most frequently choosing additional polling places, paid time off to vote, and access to early/multi-day voting systems as reforms that would increase turnout.

Participants also expressed an overarching **sentiment that the political system disproportionately benefits the wealthy at the expense of Black interests**—a perception borne out by the [data](#). Participants expressed the view that politicians’ actions often diverge from the concerns and priorities of the average American.

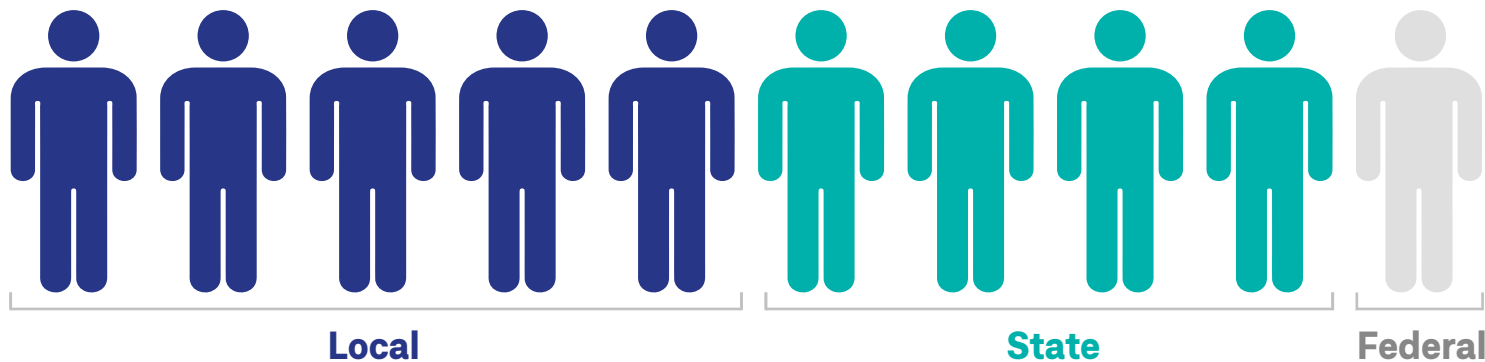


I think that most politicians have their own interests more at heart than their constituents'. Considering how many lobbyists exist and the amount of capital at stake for external companies and how they have the ability to sway the actions of many politicians...I think it's very obvious that other wants come first for most politicians.

– Patrice C.

Notably, participants were more optimistic about the potential for change at local levels of government.

9 out of 10 participants believed that state and local levels of government were most important



Source: BEA/Deloitte & Touche, LLP Research Study



I feel like Black Americans have more of an opportunity to make change by voting and participating locally. If local government is aligned with our community goals, then we can push everything else up to a state and national level.

– Shae W.



The changes that I see in my neighborhood are due to those politicians that are actively fighting for Black people's rights. I see how my community has developed for the better and I see how my community pushes Black businesses to thrive and be showcased in the community so that we can be supported and maintained in order to be able to provide for our families.

– Tyla M.



I think a lot happens at the state level that people don't realize. I do think that local and national politics are important. But states have direct control over elections, and there's so much that states impact in terms of public policy that are not touched on the local or even the national level... I think having more Black Americans in state politics is vital in making sure that our interests are represented, and our votes count.

– Jessica P.

Lastly, participants **expressed the need for government programs to focus on more expansive, longer-term wealth-building** products that support the middle class.



Most policies aren't really applicable to me or are things I wouldn't qualify for. For example, we don't have kids, and many policies related to economic success are for folks who are struggling or don't have access to certain things that I do already have access to [but must maintain] to be successful.

– Patrice C.



...politicians don't really focus on improving the economic lives of people like me.

– Jessica P.

What Comes Next

Black Americans understand the power of the economy because we feel its impact on our lives, every day. Indeed, there is no one who knows the importance of wealth-building more than those who have been denied the opportunities to do so—a reality that Black Americans have faced for centuries, and which continues to be true to this day. It makes sense, then, that the overwhelming majority of Black people in the U.S. agree that the nation’s economic system needs major changes to give them an equal shot at success.

Even so, Black people have never given up on the American Dream, or weakened in our drive to realize it. But ensuring Black Americans prosper economically requires leaders to first understand Black people’s perspectives and lived experiences. Only then can leaders develop effective interventions and investments that will lead to economic prosperity and wealth-building across the Black community.

With this in mind, we hope that cross-sector leaders take the perspectives in this report and incorporate them into decisions moving forward.

Methodology

To more strategically develop solutions tailored to the Black American community, the BEA Foundation collaborated with Deloitte & Touche LLP to leverage its extensive research capabilities to conduct a broad-based research survey, layered with more targeted, online diary-style interviews. The goal of these efforts was to extract real-life data across a broader demographic group on the meaning of economic prosperity – and methods of attaining it – as well as dive deeper with a subset of Black participants into topics such as affordable housing, entrepreneurship, jobs and the workforce, and voting rights, which are all critical to wealth generation.

The broad-based survey of 2,553 adult Americans engaged a diverse range of self-identified demographics (e.g., ethnicity, age, gender, education, household income, and region). The survey took place over 25 days from October 20, 2022 to November 14, 2022, and was conducted over dScout, which is a digital survey and ethnographic research tool. Each respondent was compensated for their participation.

The survey provided both a broad dataset as well as a framework to determine which survey respondents were best fit for the follow-up interviews that dove deeper to bring to life the chosen participants' lived realities. This second step – conducted earlier this year, also over dScout – immersed several dozen unique Black participants in a series of multiple-choice questions, open response questions, and video submissions to better understand how they defined economic prosperity and how they viewed the relative importance of specific topics on attaining said economic prosperity.

The online diary-style interviews focused on Affordable Housing took place from January 12, 2023 to February 9, 2023.

The online diary-style interviews focused on Entrepreneurship took place from October 26, 2022 to February 9, 2023.

The online diary-style interviews focused on Jobs and the Workforce took place from January 30, 2023 to February 13, 2023.

The online diary-style interviews focused on Voting Rights took place from December 8, 2022 to February 9, 2023.