

Frequently Asked Questions about Our Analyses of Wealth

Common questions about the Urban Institute's study of how wealth inequality has changed over the past half-century, including how changes have differed by race and ethnicity.

What is wealth, and how is it measured?

For this study, wealth (also referred to as net worth) is total assets minus total liabilities. Assets are the sum of financial assets (such as bank accounts, stocks, bonds, and 401ks or IRAs) and nonfinancial assets (such as homes and real estate, businesses, and vehicles). Liabilities include both unsecured debt (such as credit card balances) and secured debt (such as mortgages and vehicle loans). Wealth includes only private command over resources: we do not include Social Security wealth or try to quantify future streams of Medicare, for example.

This study uses the [Survey of Consumer Finances \(SCF\)](#), which is sponsored by the Board of Governors of the Federal Reserve. The SCF is often considered the gold standard for studying wealth in the United States. It comprehensively measures many assets and debts, including less-captured items such as the value of certain kinds of pensions and life insurance on the asset side, and loans secured against retirement accounts and life insurance policies on the liabilities side.

How does this study define race and ethnicity?

This study uses the SCF's racial and ethnic categories defined within the published SCF bulletin data in order to maintain as much consistency as possible between the years of the data. Before 1998, people were allowed only one response to the question of race/ethnicity. Since 1998, people have been able to give more than one response (e.g., identify as both black and Hispanic). Following the Federal Reserve Board's classification of race/ethnicity, people who report multiple races are classified as "other or multiple races."

This study doesn't look at wealth held by Asian Americans and other groups. The SCF does not have a large enough sample of Asian Americans to draw conclusions about that population's wealth. Though overall Asian American wealth is likely to be more similar to white families than to black or Hispanic families¹ the Asian American population is diverse, and groups within the diverse Asian American population are among the country's poorest.

¹ Median household wealth in 2010 was \$83,500 for Asian Americans, compared with \$68,529 for all US adults, according to Pew Research Center's [calculations](#) using the SIPP.