

114TH CONGRESS
1ST SESSION

H. RES. 159

Expressing the sense of the House of Representatives that the current record breaking wealth gap is a national problem for the nation's economic security, and that broad-based, generational and systemic inequities continue to distort economic progress and opportunity for tens of millions of Americans -especially low and middle-income Americans and communities of color.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2015

Ms. MAXINE WATERS of California (for herself, Ms. NORTON, Mr. MEEKS, Mr. RANGEL, Ms. FUDGE, Mr. CLYBURN, Mr. THOMPSON of Mississippi, Ms. CLARKE of New York, Mr. BUTTERFIELD, Ms. LEE, Mr. LEWIS, Mrs. BEATTY, Mr. TED LIEU of California, Mr. RICHMOND, Ms. BASS, Ms. KAPTUR, Ms. DELAURO, Ms. MOORE, Mr. AL GREEN of Texas, Mr. CLAY, Ms. JACKSON LEE, Ms. WILSON of Florida, Mr. CUMMINGS, Mr. JEFFRIES, Mr. HASTINGS, Mr. CLEAVER, Mr. MCDERMOTT, Ms. CHU of California, Mr. VARGAS, Ms. SLAUGHTER, Mr. POCAN, Ms. PLASKETT, Mr. NADLER, Mr. VEASEY, Ms. SEWELL of Alabama, Mrs. WATSON COLEMAN, Mr. RUSH, Ms. ADAMS, Mr. THOMPSON of California, Mr. HINOJOSA, Mr. MCGOVERN, Mr. CARSON of Indiana, Mr. DELANEY, Ms. SCHAKOWSKY, Mr. VAN HOLLEN, Mr. SERRANO, Mr. ELLISON, Ms. EDWARDS, Mr. JOHNSON of Georgia, Mr. DAVID SCOTT of Georgia, Ms. BROWN of Florida, Mr. LYNCH, and Ms. KELLY of Illinois) submitted the following resolution; which was referred to the Committee on Education and the Workforce

RESOLUTION

Expressing the sense of the House of Representatives that the current record breaking wealth gap is a national problem for the nation's economic security, and that broad-based, generational and systemic inequities con-

tinue to distort economic progress and opportunity for tens of millions of Americans -especially low and middle-income Americans and communities of color.

Whereas wealth is the difference between the value of a family's assets and debts, and is considered a measure of a family's ability to buy a home, start a businesses, sustain emergencies, fund educational goals, provide intergenerational inheritance, and save for retirement;

Whereas wealth inequality has reached a record level high and has become a central concern over whether the United States is on a sustainable economic path;

Whereas, in 1983, when the Federal Reserve first started collecting wealth data, upper-income household wealth was \$318,000, middle-income household was \$94,300 and lower-income household wealth was \$11,400;

Whereas, since 1983, upper-income household wealth has doubled to \$639,400, middle-income household wealth has risen by roughly \$2,000 to \$96,500 and lower-income household wealth has decreased by over \$2,000 and is currently \$9,300;

Whereas upper-income household wealth is currently 6.6 times higher than the wealth of middle-income households and is nearly 70 times that of the Nation's lower-income households;

Whereas the wealthiest 20% of the population holds over 80% of the Nation's wealth and the top 1% possess approximately 37% of the Nation's wealth;

Whereas households in the bottom 10% declined from having no wealth in 1963 to being roughly \$2,000 in debt in 2013;

Whereas the current wealth gap between upper-income households and the rest of the country is the widest gap experienced in 30 years since the Federal Reserve began collecting this data;

Whereas the decline in wealth of the Nation's middle and lower class has not been shared equally across demographic groups and the wealth gap between communities of color and Whites, commonly known as the racial wealth gap, is also widening;

Whereas according to the Federal Reserve Bank of St. Louis, the average wealth level for White households is \$134,000—as compared to \$91,000 for Asians, \$14,000 for Latinos, and \$11,000 for African-Americans, which makes the median wealth of White households 13 times the median wealth of Black households, and more than 10 times the median wealth of Latino households;

Whereas the median liquid wealth for African-American households is \$200, \$340 for Latinos, \$19,500 for Asians, and \$23,000 for whites;

Whereas, in 2013, White households had \$100,000 more in liquid retirement savings than African-American or Latino households, who held roughly \$19,000 and \$12,000 in liquid retirement savings, respectively;

Whereas wealth in America is primarily accumulated through home equity and making home ownership an important strategy of financial stability and moving families out of poverty, especially for middle class families and communities of color;

Whereas in 2007, homeownership accounted for 65% of middle-income household wealth and 32% for upper-income household wealth;

Whereas, prior to 2007, for African-American households, homeownership constituted 92% of their wealth and 67% of Latino household wealth, compared to 58% of wealth for White households;

Whereas the current unprecedented wealth gap was fueled by the Great Recession of 2007–2009 when home prices fell by 24%, \$10 trillion was lost in the stock market, almost 5 million homes fell into foreclosure, and the Nation experienced general financial decline;

Whereas during the Great Recession, upper-income household wealth declined by 17%, while middle-income household wealth declined by 39%, and low-income household wealth declined by 41%;

Whereas the Great Recession had the most profound impact on African-Americans whose wealth declined by approximately 52%, and Latino households whose wealth declined by 66%, compared to a 16% decrease in wealth for White households;

Whereas the Great Recession reduced the value of homes disproportionately for minorities as the average real home values for Latino homeowners decreased nearly \$100,000 or 35% and nearly \$69,000 or 31% for African-American homeowners, while the average home values for White homeowners fell 15% over this same period;

Whereas upper-income households have largely recouped much of their losses from the Great Recession, while middle- and lower-income households and people of color have yet to experience the effects of the Nation's economic recovery;

Whereas 95% of economic gains during the recovery period from the Great Recession went to the top 1% of the population;

Whereas, during the recovery, the median wealth of White households increased by 2.4% from \$138,600 to \$141,900, while the median wealth of African-American households fell 33.7%, from \$16,600 to \$11,000 and the median wealth for Latino households decreased by 14.3%, from \$16,000 to \$13,700;

Whereas upper-income families were largely able to weather the storm of the Great Recession due to an ability to invest in the stock market and other financial products, which have been the primary source of much of the Nation's gains in wealth since the economic crisis;

Whereas, in 2007, the wealthiest 20% of households held 15% of their wealth in investments, stocks, and other similar financial products, the wealthiest 1% of households held 25% of their wealth in investments and stocks, and middle-income households held just 3% of their wealth in similar stocks, investments, and other financial products;

Whereas wages and income largely determine a family's ability to invest in the stock market;

Whereas middle- and low-income households and communities of color have experienced wage stagnation requiring them to spend the majority of their income on everyday items and basic needs, as opposed to investment in the stock market, which has recovered and generated wealth more quickly than the housing market;

Whereas, since 1979, middle-wage workers' hourly wages have risen 6%, low-wage workers' wages have decreased

5%, and upper-wage workers have experienced a 41% wage increase;

Whereas, from 1980–2013, households with the top 1% of income experienced wage growth at a rate of 138%, while wages of households in the bottom 90% experienced wage growth at a rate of 15%;

Whereas, CEOs now make 296 times what a typical worker earns;

Whereas income inequality also falls along racial lines as during the years of economic recovery, the median income of minority households fell 9% compared to a decrease of just 1% for White households, leaving minority households with less money to replenish savings and invest in the stock market even after the Great Recession;

Whereas President Barack Obama has stated that the growing inequality in our country and lack of upward mobility for the middle class is the “defining challenge of our time”;

Whereas Federal Reserve Chair, Janet Yellen, has warned that income inequality is a “very serious problem”;

Whereas a September 2014 study by Harvard Business School, titled, “An Economy Doing Half Its Job” stated that the growing disparity between the very wealthy and the lower and middle classes is no longer sustainable;

Whereas in a draft statement, the Group of 20 finance officials, commonly known as G–20, for the first time warned that growing income inequality could harm economic growth; and

Whereas economists at the International Monetary Fund have argued that higher inequality is correlated with lower and less, long-lasting growth: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) recognizes that all families need to be eco-
3 nomicallly secure to create opportunities for their
4 children and the Nation’s next generation;

5 (2) recognizes that wealth and income inequal-
6 ity hurt economic growth and risks economic secu-
7 rity for individual families, our communities, and the
8 Nation as a whole;

9 (3) supports the elimination of the wealth gap
10 and the racial wealth gap as national economic secu-
11 rity priorities; and

12 (4) acknowledges that Congress has a responsi-
13 bility to implement thoughtful, proven and prag-
14 matic policy strategies to eliminate the wealth gap
15 and the racial wealth gap.

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