



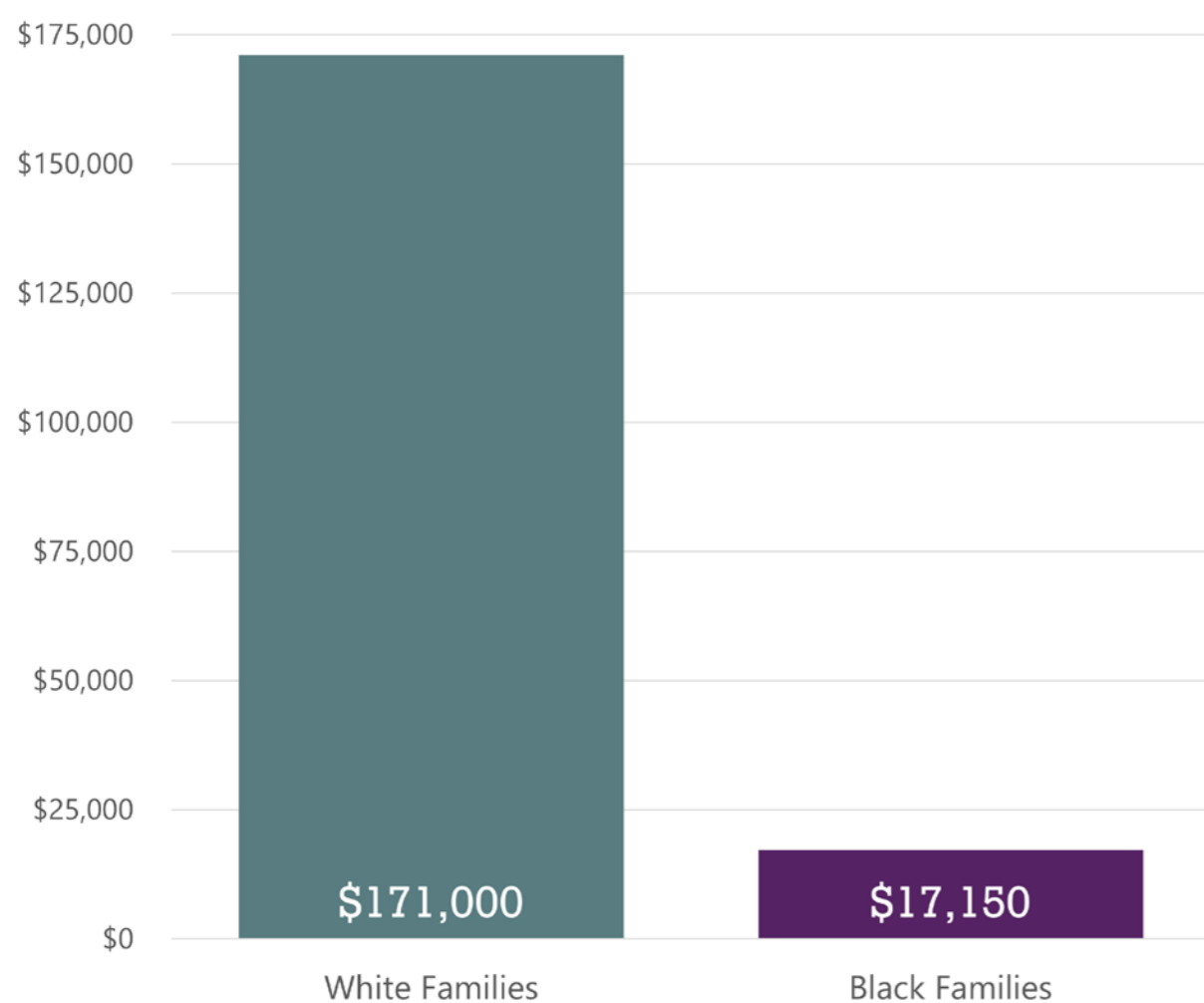
Introduction

Sufficient wages are critical for Ohioans' financial security. **Low wages worsen** longstanding and deep-rooted race and gender wage and wealth gaps. As wage gaps perpetuate year after year, they compound what is called **the wealth gap**. The wealth gap refers to the **difference in average net worth** between different groups. Wealth gaps are impacted by earnings, but also include debt and assets. Wealth gaps are shaped by the United States' **history of racism and sexism**.

Ending intimate partner violence (IPV) will require that employers pay sufficient wages for their employees to support themselves and their families. It will also require policymakers to take steps to close the wage and wealth gaps. These actions are key to prevention because they focus on reducing risk factors and increasing protective factors for IPV perpetration.

Racial & Gender Disparities in Wealth

In 2016, the median net worth of white families in the U.S. was nearly 10X higher than the median net worth of Black families



Black people of all education levels, employment statuses, income brackets, ages, marital statuses, and parenting statuses have less wealth than their white peers

As with most social inequities, individuals and communities who face multiple intersecting forms of oppression and discrimination are the most negatively impacted by the wealth gap.

Poverty does not cause intimate partner violence (IPV). Rather, the same conditions that create poverty also create the risk factors for IPV.

Several risk factors for IPV are related to economic and financial security. They range from personal factors to conditions affecting our entire society.

Economic Risk Factors for IPV Perpetration

- **Societal:** Income inequality
- **Community:** Neighborhood poverty, diminished economic opportunities, high unemployment rates
- **Relationship and Individual:** Economic stress

Strengthening household financial security and strengthening supports for workers and families are two ways to reduce risk for IPV perpetration in Ohio.



Black women in Central Ohio have a median net worth that is lower than both Black men and women of other races.

The wealth gap is driven largely by **systemic and historical discrimination**. Black families in the U.S. had their wealth (the products of their labor) stolen from them under slavery while white families accumulated massive amounts of wealth from Black people's forced labor.

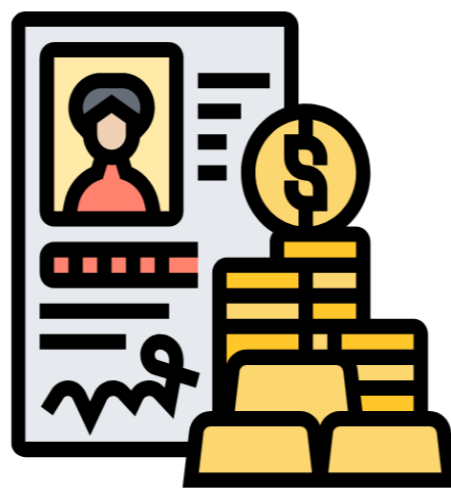
After the Civil War, Black families were prevented from building wealth due to Reconstruction and Jim Crow policies. These discriminatory practices included redlining and exclusion from many New Deal policies. In addition, the sharecropping system and racialized violence like the Tulsa Race Massacre of 1921, lynching, and the rise of the Ku Klux Klan continued the legacy of stealing and destroying Black wealth.^{253,254} **Black families have only had meaningful access to means for building wealth within the last few decades.**

The Impact of COVID-19 on Black Workers' Ability to Build Wealth

The COVID-19 pandemic presents a significant threat to Black families' wealth for several reasons. First, Black folks are more likely to work in public facing jobs, which puts them at higher risk for contracting the virus. Additionally, Black workers are more likely to become unemployed or unattached to the labor force and have returned to work more slowly.²⁵⁷ Each of these outcomes can negatively impact Black families' financial security and ability to build wealth.

The Role of Inheritance in Reinforcing the Wealth Gap

White people are more likely to receive an inheritance and their inheritance is likely to be worth more when compared to a Black person's inheritance.^{255,256} Research demonstrates that differences in inheritance prevalence and amounts between racial groups are the largest contributors to the wealth gap.



Inherited money generally accumulates over generations, benefiting white families who have had more time to build and pass on wealth across generations. Black Americans have had fewer generations to build wealth. Moreover, Black Americans face more legal and societal barriers to wealth accumulation.

Wealth Gap Barriers and Opportunities

Barriers

- Black families have a median net worth that is 1/10th of white families. This difference has accumulated over generations.
- Wage and wealth gaps are driven by systemic, societal-level factors and cannot be addressed solely with relatively easy policy solutions.
- Financial instability makes people vulnerable to predatory lending and the COVID-19 pandemic has made most the under-resourced populations much less economically secure.

Opportunities

- Employers have an opportunity to help close the wage and wealth gaps by providing sufficient, equitable wages for all workers.
- Policymakers can take meaningful action by passing legislation addressing the wage and wealth gaps.
- Ohio's regulations around payday lending are considered a national model in borrower protection.

Wealth Gap Policy Recommendations and Action Items

Raise the minimum wage and eliminate the tipped minimum wage

Strengthen protections against predatory lending

Increase protections and enforcement against wage theft

Provide reparations to Black Americans

The Role of Wages, Predatory Lending, and Wage Theft

Persistent gender and racial wage gaps, as well as **exploitative practices** such as predatory lending and wage theft worsen wealth gaps over time. In 2016, for every dollar earned by a white man, white women earned \$0.76, Black women earned \$0.64, and Latina/x/e women earned \$0.61 in Ohio.²²² The most **influential factors** in reinforcing racial and gender wage gaps include **discrimination, unequal access** to opportunities and representation across industries, **unpaid care work**, and **disparities in educational attainment**.

Predatory lending negatively impacts individuals' wealth and overall financial security. Predatory lending refers to "imposing unfair and abusive loan terms on borrowers".²⁵⁸ Predatory lenders tend to target **under-resourced populations** including women and people of color.²⁶⁰ Predatory lending causes borrowers to end up in a **cycle of debt** that can result in financial disaster. Borrowers may lose their home or pay more money in interest than the original amount borrowed. **Predatory lenders profit** at the expense of borrowers who are often unable to access more affordable credit or may be unaware of lending practices.²⁵⁹

Wage theft is another discriminatory practice that can decrease financial stability. Wage theft occurs when workers are underpaid or simply not paid for their work at all. **Wage theft disproportionately occurs in low-wage and tipped wage industries.** It is estimated that 217,000 Ohio workers experience wage theft annually.¹⁶⁸

References can be found at <https://www.odvn.org/intersecting-pandemics/>