



CHECK THE COLOR LINE

2009 INCOME REPORT

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EQUALITY OF OPPORTUNITY.

Along with liberty, it is perhaps the most widely held value in the United States. It is the ideal that our nation strives to achieve for every aspect of society, from education to employment.

But how far are we from achieving our ideal in the nation as a whole, and within individual states? And how will we know when we have achieved equality of opportunity?

The *Check the Color Line* series of reports and fact sheets will address what is often a sore or difficult topic for many in this nation to discuss—racial inequity. We are by now accustomed to government research, academic scholars, private foundations and nonprofit organizations documenting racial disparities for many decades across a range of indicators, including income¹, educational attainment², homeownership³, accumulation of wealth⁴, health status and access to healthcare services⁵, incarceration⁶ and employment⁷. And without a doubt, some are left dispirited or disillusioned by the continued progress left to be made, or even the need for a discussion at all.

To promote a new dialogue *Check the Color Line* will address three key questions: What causes racial inequity, how serious is it both nationally and within states, and most importantly, what promising proposals have been tried or advanced to overcome it?

Moving forward to eliminate inequity demands a new understanding of the reasons for the persistent gap between whites and people of color, and a critical assessment of what can be done now to close the gap. Too often, instead of addressing the institutional and structural causes of these inequitable outcomes in communities of color, the reasons for these failures have been attributed solely to personal responsibility, poor choices and inadequate work ethic. Despite the importance of equality in the United States, the reality remains that many families of color in the United States have been unable to share in opportunities for advancement and growth. And given that the national population is projected to grow increasingly diverse with each passing year, incremental or stagnated progress on these basic inequities will do little to stem racial and ethnic polarization for future generations.

This first report in this series on racial and ethnic disparities focuses on economic opportunity as measured by median family-income levels. It examines some of the structural and institutional causes of these disparities, and then provides compelling data on economic gaps between whites and people of color on the national and state levels. The report concludes by identifying a range of research-informed, state-level policy solutions to produce more equitable outcomes by removing the structural barriers to opportunity currently experienced by too many people of color. Future reports and fact sheets, including a forthcoming *Race & Recession* report, will examine education, homeownership, employment and other areas of well-being and opportunity.

Economic opportunity for all families is critical to the future of our country, yet employment discrimination and other economic barriers continue to limit opportunities for families of color. Fortunately, state policymakers can help reduce these barriers and ensure that all hard-working families have the opportunity to earn enough to achieve economic success.

By analyzing the 2007 American Community Survey data, this report begins by examining racial and ethnic income disparities between racial and ethnic groups, and presents this data for the nation and by state. The key findings of this report are that the median income of families of color continues to lag behind that of white families, that this disparity can be found in states across the country and that significant income disparities within the population are concealed by the typical consolidation of diverse ethnic Asian groups under one “Asian” heading.

In fact, to reach parity between white median income and that of Latinos, Blacks and American Indians, even the handful of so-called “best-performing” states must close an income gap of 10 to 33 percent. And in the “worst-performing” states, the median income for families of color languish below half of what the median white family earns.

This report does not stop at presenting this data, however. It examines the structural causes behind these disparities and what actions state policymakers can take to remove barriers to opportunity for families of color. Specifically, this report addresses the following questions:

1. Why is equal opportunity important for our states and nation?
2. What are the causes of income inequality?
3. How great is income inequality nationally and by state?
4. What state policies can help improve opportunities for people of color?

The answers to each of these questions are presented in the following sections.

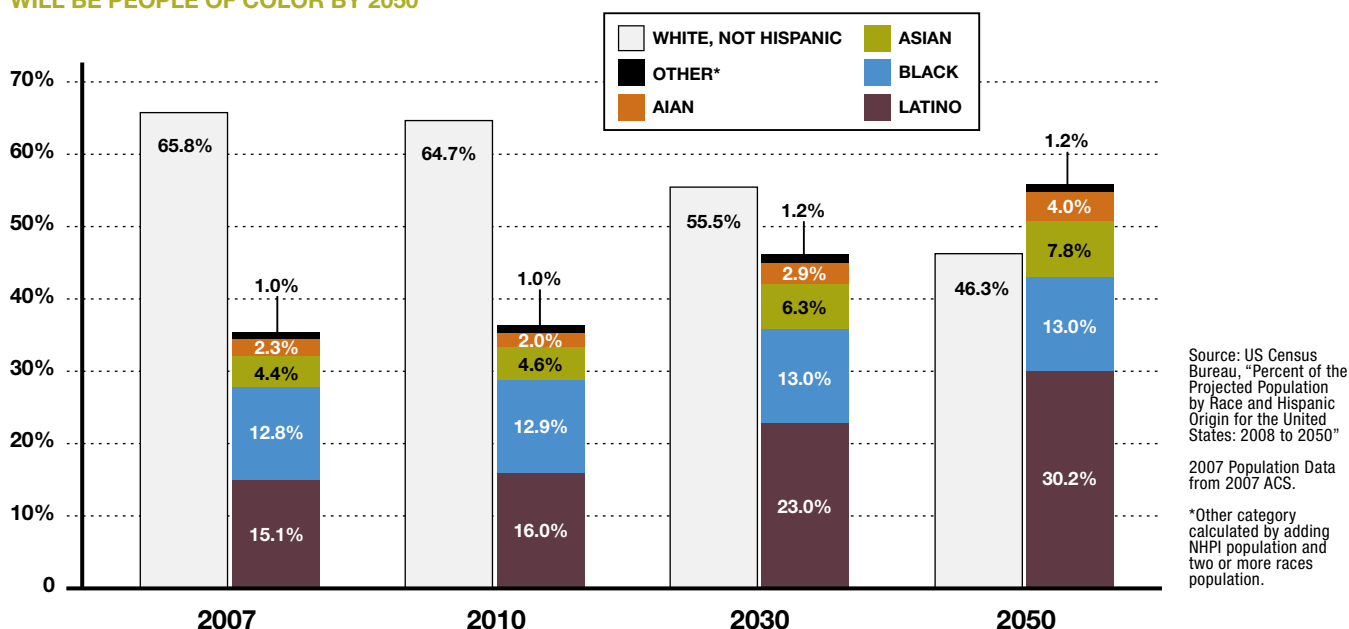
I. WHY IS EQUAL ECONOMIC OPPORTUNITY IMPORTANT FOR OUR STATES AND NATION?

Structural barriers to economic well-being are important to people of color and the population generally, for the following reasons:

- **Equal opportunity is a fundamental shared value.** Although our nation has made important strides toward equal opportunity, people of color continue to face fewer opportunities than whites. This inequality persists in access to education, employment, healthcare and other areas, as discussed throughout this report.
- **Equal opportunity for people of color is in everyone's interest.** People of color currently make up a third of the U.S. population; therefore, addressing barriers to economic success for these groups is essential not only for people of color but to our national economy as a whole. And although the widespread dismantling of public benefits programs often rely upon racial stereotypes of poverty to win approval during the policymaking process,⁸ such results affect not only people of color, but also all lower- and middle-income people, who also suffer from government retrenchment in social services. A focus on racially equitable policy is therefore in the interest of all disadvantaged groups.
- **Limited group opportunities can lead to economic, social and political disengagement.** Persistent income disparities combined with an absence of effective, remedial programs and policies can powerfully reduce the economic, social, and political aspirations, expectations and opportunities of people of color.

• **People of color are a growing part of our nation's population.** The Census Bureau estimates for 2007 showed that approximately one-third of U.S. residents—102.5 million people—were people of color. Four states—California, Hawaii, New Mexico and Texas—as well as the District of Columbia and more than 300 counties have a majority population of people of color. Although the overall U.S. population increased 7.2 percent between 2000 and 2007, the population of people of color rose by 22.7 percent during the same period. Between 2010 and 2050, people of color are projected to grow from 35 percent to approximately 54 percent of the U.S. population (see Figure 1), making their impact on the U.S. workforce economy even more significant.

FIGURE 1: HALF THE U.S. POPULATION WILL BE PEOPLE OF COLOR BY 2050



II. WHAT ARE THE CAUSES OF INCOME INEQUALITY?

Earning levels are a product of multiple factors. For example, access to quality education is a key driver to employment access, particularly at higher wage levels. Geographic proximity to well-paying jobs is also essential. In these and other examples, a combination of economic and social forces have created structural barriers to economic opportunity that continue to limit economic opportunities for people of color in the United States, as discussed below.

It is also important to stress that different racial and ethnic groups and subgroups may follow different paths to lower earnings—some of which are also described below. There are no one-size-fits-all explanations for income inequality; therefore, it is important for policymakers to investigate and understand the specific causes of inequality in their communities as much as possible.

• **Unequal access to quality education.** Research shows that schools with higher minority, low-wage or limited English-proficient populations are more likely to employ inexperienced teachers⁹ with fewer qualifications than predominantly white schools, and to lack college preparatory classes and an adequate student-to-counselor ratio.¹⁰ In addition, anti-immigrant rhetoric, a perceived lack of English

proficiency and other racial and ethnic stereotypes can affect a student of color's ability to reach their educational goals, as a study of Hmong women found.¹¹ Often, children of color are also disciplined more harshly than white children for similar or less-serious offenses. When combined, these factors limit the educational attainment that is essential for employment and earnings growth.¹²

- **Geographic location of low- and high-wage jobs.** Low-wage jobs are more likely to be located in high-minority communities, where living-wage and/or high-wage jobs are rarely found. From a national perspective, low-wage jobs are more prominently found in Southern states, particularly in areas with a high concentration of Black families.¹³ At the state level, people of color tend to live in segregated urban areas that lack jobs and the adequate transportation networks necessary to connect residents to areas of high job availability.¹⁴ Inadequate transportation infrastructures in American-Indian reservations have also contributed to a lack of jobs for Native Americans.¹⁵ Overall, people of color experience clear geographic disadvantages when it comes to employment opportunities that affect their economic outcomes.¹⁶

- **Employment discrimination and social isolation limit opportunities.** A history of racial segregation has resulted in the social isolation of many people of color, and as a result, families face barriers in accessing the social networks that are essential for identifying and securing employment opportunities.¹⁷ Research also demonstrates that even when job applicants have equal qualifications, white candidates are more likely to be hired than people of color.¹⁸ Similarly, occupational segregation and workplace discrimination in promotion practices disproportionately affect workers of color, particularly Blacks, Latinos, and women. As some sociologists have argued, “[w]ord of mouth recruiting—where employers ask for recommendations from their current workers or from other employers, or from members of their social networks—is the most prevalent form of filling jobs and tends to reinforce the racial, ethnic, and gender composition of the workforce”.¹⁹

- **Tax breaks are less accessible to low-wage families of color.** For example, the rules governing eligibility for the child tax credit include a combination of factors (such as income level, and family and employment status) that disproportionately limit access for families of color. As a result, on average, this credit provides eligible white families \$83 more than Latino families, and \$157 more than Black families.²⁰ Similarly, the Earned Income Tax Credit (EITC), often considered one of the most effective policies in history for lifting children out of poverty,²¹ has failed to reach many eligible families of color. A recent survey revealed that 73 percent of white parents were aware of the credit (and therefore are more likely to claim it), whereas only 68 percent of Black families and 27 percent of Latino families knew of the credit.²²

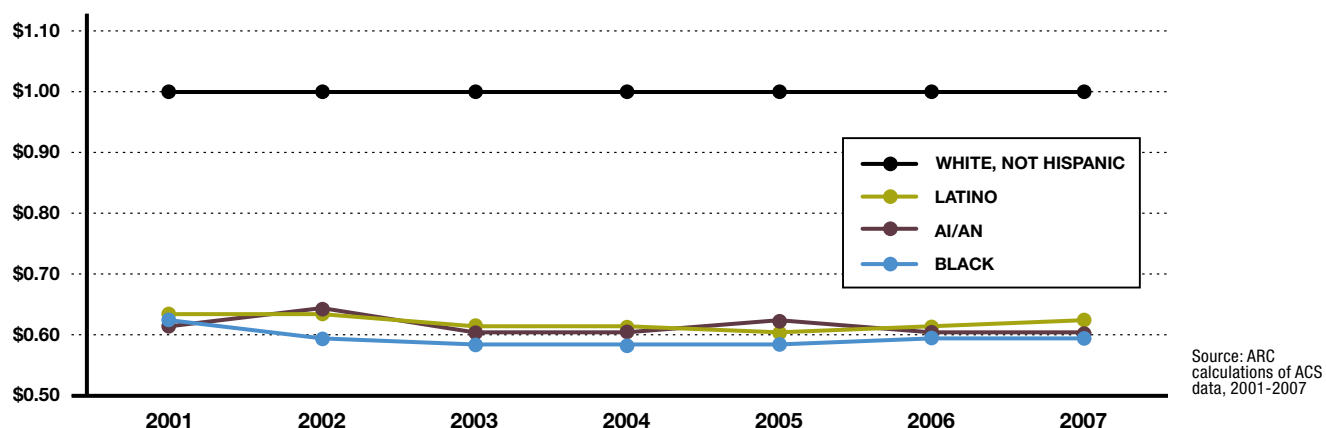
- **Reduced employee benefits and economic downturns have a greater effect on low-wage families of color.** For the reasons stated above, families of color are more likely to hold part-time, temporary or low-wage jobs, and these are the jobs that are least likely to offer employee benefits and most likely to be downsized during a recession.²³

As a result of these economic barriers and others, families of color face much greater challenges when they are attempting to access and keep full-time work that pays a livable wage. The evidence of these barriers can be seen in income disparities both nationally and among the states.

III. HOW GREAT IS INCOME INEQUALITY NATIONALLY AND BY STATE?

The national median household income for families of color lags well behind that of white families (with the exception of Asian families, as discussed below). The median family income for families of color has typically been approximately 61 percent of the median family income for white families. Data from the American Community Survey (ACS) suggest that there has been no progress on this ratio at the national level from 2001 to 2007 (See Figure 2).

FIGURE 2: NATIONAL MEDIAN FAMILY INCOME DISPARITIES BY RACE AND ETHNICITY



The 2007 ACS data reveal that among the states with the largest communities of color, there is significant variation in how much families of color earn compared to whites (see Table 1). These data demonstrate that Black, Latino and American Indian/Alaskan Native (AI/AN) families have far lower median incomes than white families, and even the “best-performing” states have a considerable gap to close for these communities.

MEDIAN HOUSEHOLD INCOME BY RACE AND ETHNICITY, 2007

RACIAL OR ETHNIC GROUP	MEDIAN HOUSEHOLD INCOME	MEDIAN HOUSEHOLD INCOME (AS A PERCENTAGE OF NATIONAL WHITE HOUSEHOLD INCOME)	RANGE OF STATE VARIATION (AS A PERCENTAGE OF STATE WHITE HOUSEHOLD INCOME)*
WHITES	\$68,083	100%	100%
LATINOS	\$42,074	62%	38% to 73%
BLACKS	\$40,259	59%	48% to 67%
ASIANS	\$77,046	113%	84% to 130%
AI/AN	\$40,310	59%	44% to 92%

* Note: These ranges are representative of the top 20 states with the largest populations of each race/ethnicity.

For Asian families, the income story is more complicated. As a national average, these families have higher incomes than whites, earning \$1.11 for every dollar earned by white families. (Note that the figure conceals differences between particular Asian ethnic groups or data variations by state.).

Asian families earn less than white families in a number of states. Even when accounting for the margin of error in the District of Columbia, for example, median family income for Asians is at most 50 percent of the median white family income. The evidence also indicates considerable variation across nationality-based subcategories of the Asian-American community (see Appendix C: “Methodology Used for this Report” for further discussion). As discussed later, this report presents data for Asian-American ethnic groups in selected states (see Figure 8), and recognizes that these variations call for further study.

The following pages present more detailed state data by racial and ethnic group.

LATINO FAMILY INCOME

In 2007, the national median family income for Latinos was \$42,074, or 62 percent of the median white family income. Data from the ACS suggest that there has been no progress on this national measure during this decade, with Latino families earning a high of 63 percent of the median family income for whites in 2001 and 2002, and a low of 60 percent in 2005 (see Figure 1).

Comparisons by state reveal a significant variation of income levels, as expressed in Figure 3. The map incorporates 39 states and the District of Columbia into two contiguous groups based on the ratio of median family incomes of Latino and white families. The remaining 11 states were omitted from the map due to statistical uncertainty;²⁴ however, their income estimates and margins of error are included in Appendix A.

The bar chart in Figure 4 provides additional information on Latino family income for the 20 states with the largest Latino populations. The numbers in bold type present the income gap as Latino earnings per dollar earned by whites. The green bars represent median annual income levels for Latino families. The gray bars represent additional median annual income for white families.

FIGURE 3: STATE COMPARISONS OF LATINO MEDIAN FAMILY INCOME AS A PERCENTAGE OF WHITE MEDIAN FAMILY INCOME

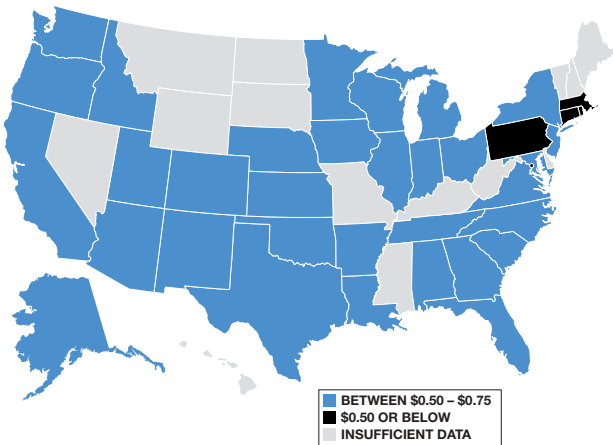
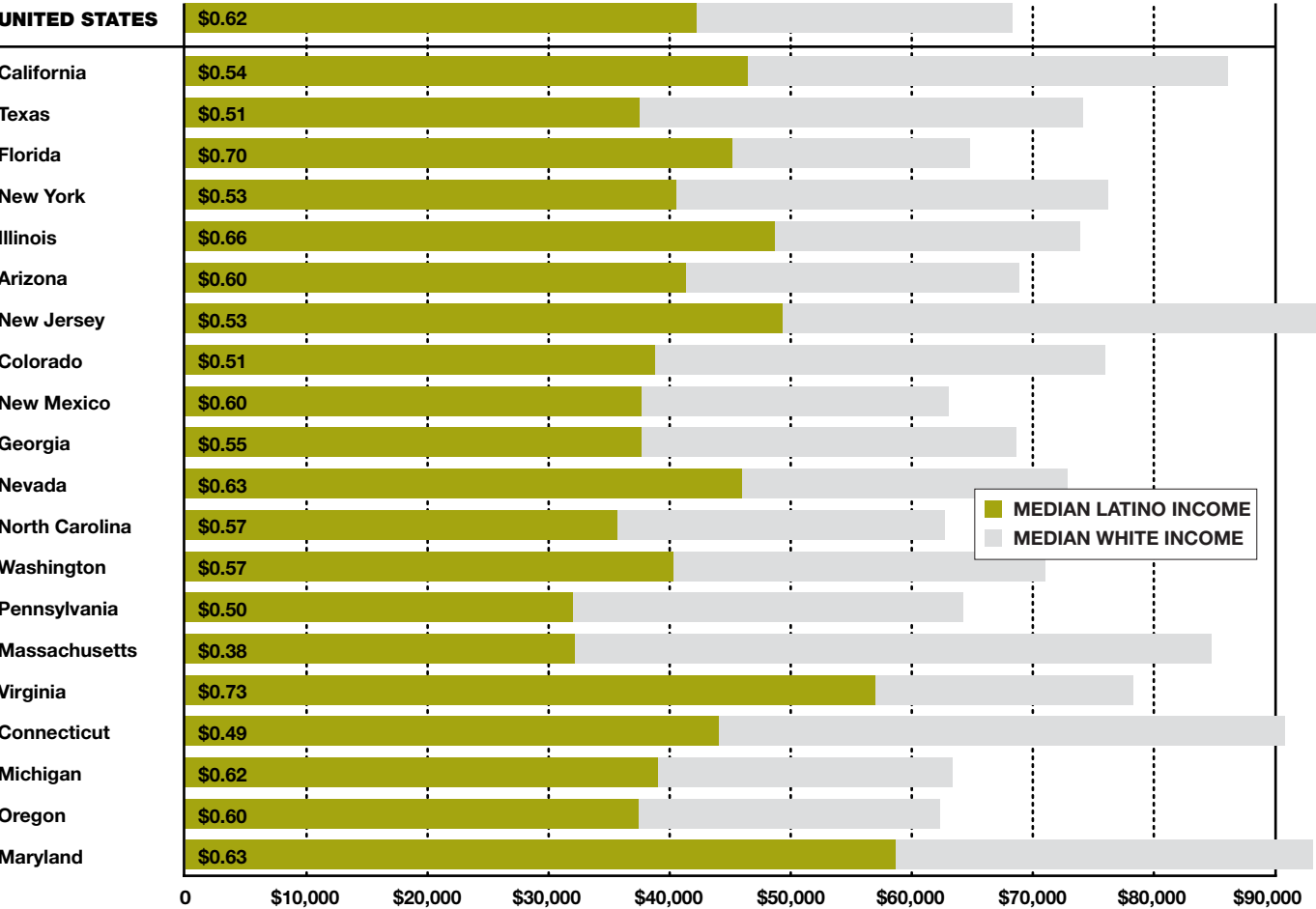


FIGURE 4: COMPARISON OF LATINO AND WHITE FAMILY INCOME LEVELS FOR THE 20 STATES WITH THE LARGEST LATINO POPULATIONS*



BLACK FAMILY INCOME

In 2007, the national median family income for Blacks was \$40,259, or 59 percent of the median family income for whites. Data from the ACS suggest the gap on this national measure has widened during this decade, with Black families earning a high of 62 percent of the median family income of whites in 2001, and a low of 58 percent in 2004 and 2005 (see Figure 1).

Comparisons by state reveal significant variations of income levels, as expressed below in Figure 5. The map incorporates 40 states and the District of Columbia into three contiguous groups, based on the ratio of median family incomes of Black and white families. The remaining 10 states were omitted from the map due to statistical uncertainty;²⁵ however, their income estimates and margins of error are included in Appendix A.

The bar chart in Figure 6 provides additional information on Black family income for the 20 states with the largest Black populations. The numbers in bold type present the income gap as Black earnings per dollar earned by whites. The green bars represent the median annual income levels for Black families. The gray bars represent additional median annual income for white families.

FIGURE 5: STATE COMPARISONS OF BLACK MEDIAN FAMILY INCOME AS A PERCENTAGE OF WHITE MEDIAN FAMILY INCOME

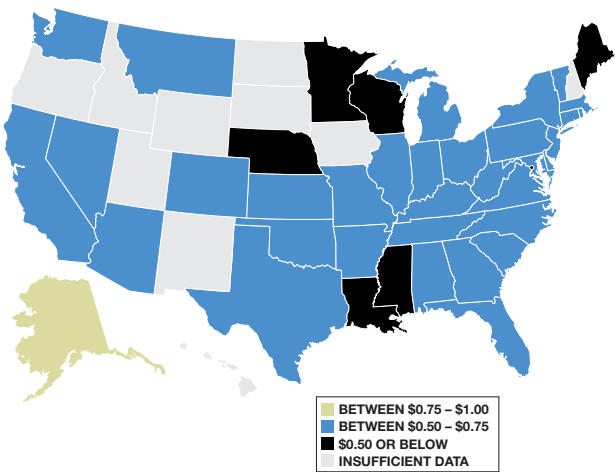
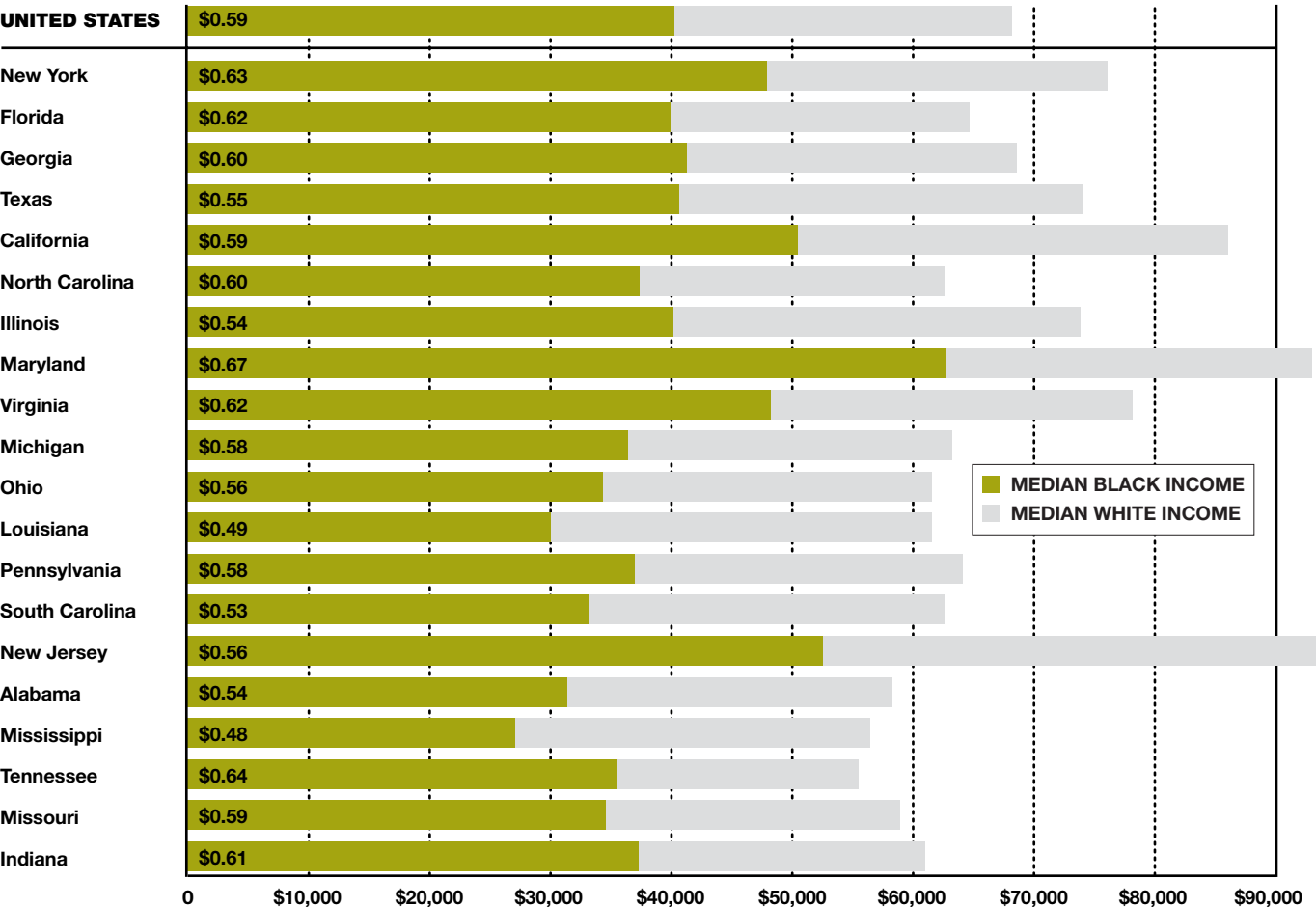


FIGURE 6: COMPARISON OF BLACK AND WHITE FAMILY INCOME LEVELS FOR THE 20 STATES WITH THE LARGEST BLACK POPULATIONS*



ASIAN FAMILY INCOME

In 2007, the national median family income for Asians was \$77,046, or 113 percent of the median family income for whites. Data from the ACS suggests the gap on this national measure has largely remained steady during this decade, with Asian families earning 111 percent of the white median family income in 2001, 2005 and 2006. Still, it is critical to note that these figures mask a sometimes wide difference between various Asian ethnicities (see “Comparisons of Selected Asian Groups”), and call attention to the need for more comprehensive data collection within all Asian-American communities.

Comparisons by state also reveal some variation of income levels, as expressed below in Figure 7. The map incorporates 27 states into two contiguous groups, based on the ratio of median family incomes of Black and white families. The remaining 23 states and the District of Columbia were omitted from the map due to statistical uncertainty;²⁶ however, their income estimates and margins of error are included in Appendix A.

FIGURE 7: STATE COMPARISONS OF ASIAN MEDIAN FAMILY INCOME AS A PERCENTAGE OF WHITE MEDIAN FAMILY INCOME

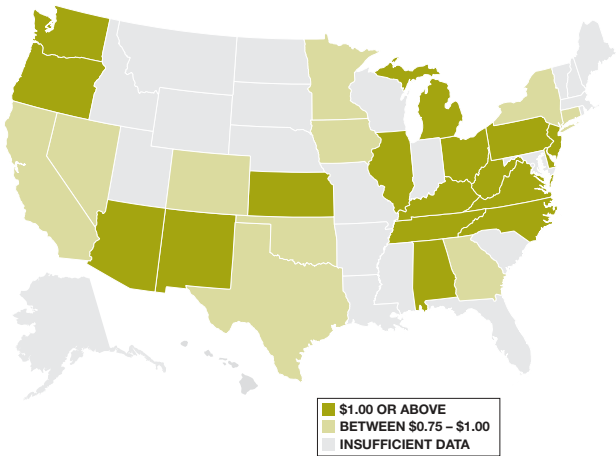


FIGURE 8: MEDIAN FAMILY INCOME AND INCOME RATIO BY ASIAN GROUPS

	GROUP INCOME	WHITE INCOME	INCOME RATIO	MARGIN OF ERROR
CALIFORNIA				
ASIAN INDIAN	\$100,118	\$81,940	\$1.22	+/- \$0.04
CAMBODIAN	\$43,263	\$81,940	\$0.53	+/- \$0.07
CHINESE	\$83,256	\$81,940	\$1.02	+/- \$0.02
FILIPINO	\$81,266	\$81,940	\$0.99	+/- \$0.02
HMONG	\$36,162	\$81,940	\$0.44	+/- \$0.09
JAPANESE	\$93,819	\$81,940	\$1.14	+/- \$0.05
KOREAN	\$64,973	\$81,940	\$0.79	+/- \$0.04
LAOTIAN	\$54,589	\$81,940	\$0.67	+/- \$0.13
VIETNAMESE	\$61,680	\$81,940	\$0.75	+/- \$0.03
NEW JERSEY				
ASIAN INDIAN	\$100,767	\$88,480	\$1.14	+/- \$0.05
CHINESE	\$111,797	\$88,480	\$1.26	+/- \$0.09
FILIPINO	\$105,899	\$88,480	\$1.20	+/- \$0.07
KOREAN	\$73,523	\$88,480	\$0.83	+/- \$0.11
NEW YORK				
ASIAN INDIAN	\$70,500	\$72,336	\$0.97	+/- \$0.06
CHINESE	\$50,300	\$72,336	\$0.70	+/- \$0.03
FILIPINO	\$98,467	\$72,336	\$1.36	+/- \$0.10
KOREAN	\$54,252	\$72,336	\$0.75	+/- \$0.07
TEXAS				
ASIAN INDIAN	\$79,534	\$69,863	\$1.14	+/- \$0.09
CHINESE	\$84,881	\$69,863	\$1.21	+/- \$0.08
FILIPINO	\$78,757	\$69,863	\$1.13	+/- \$0.09
VIETNAMESE	\$50,907	\$69,863	\$0.73	+/- \$0.05

Note: For a more complete table of all available state and national figures for ethnic Asian subgroups, please see Appendix B.

AMERICAN INDIAN AND ALASKA NATIVE (AI/AN) FAMILY INCOME

In 2007, the national median family income for American Indian and Alaska Native (AI/AN) families was \$40,310, or 59 percent of the median family income for whites. Data from the ACS suggests there has been no progress on this national measure during this decade, with AI/AN families earning a high of 61 percent of the median family income for whites in 2001, and a low of 60 percent in 2003, 2004, 2006 and 2007 (see Figure 1).

Comparisons by state reveal significant variation in income levels, as expressed below in Figure 9. The map incorporates 21 states into three contiguous groups based on the ratio of the median family incomes of AI/AN and white families. The remaining 29 states and the District of Columbia were omitted from the map due to statistical uncertainty;²⁷ however, their income estimates and margins of error are included in Appendix A.

The bar chart in Figure 10 provides additional information on AI/AN family income for the 20 states with the largest AI/AN populations. The bold type numbers in bold type present the income gap as AI/AN earnings per dollar earned by whites. The green bars represent median annual income levels for AI/AN families. The gray bars represent additional median annual income for white families.

FIGURE 9: STATE COMPARISONS OF AI/AN MEDIAN FAMILY INCOME AS A PERCENTAGE OF WHITE MEDIAN FAMILY INCOME

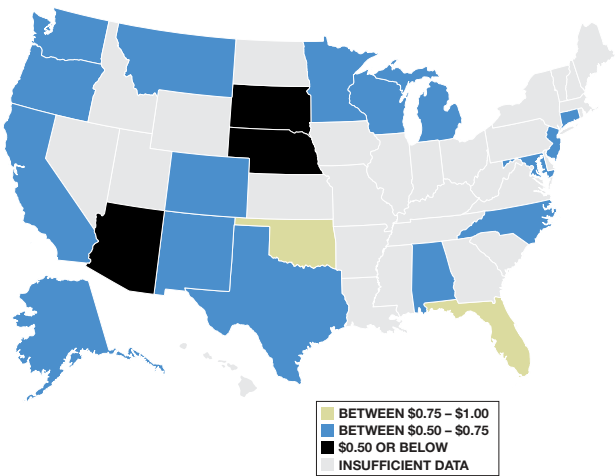
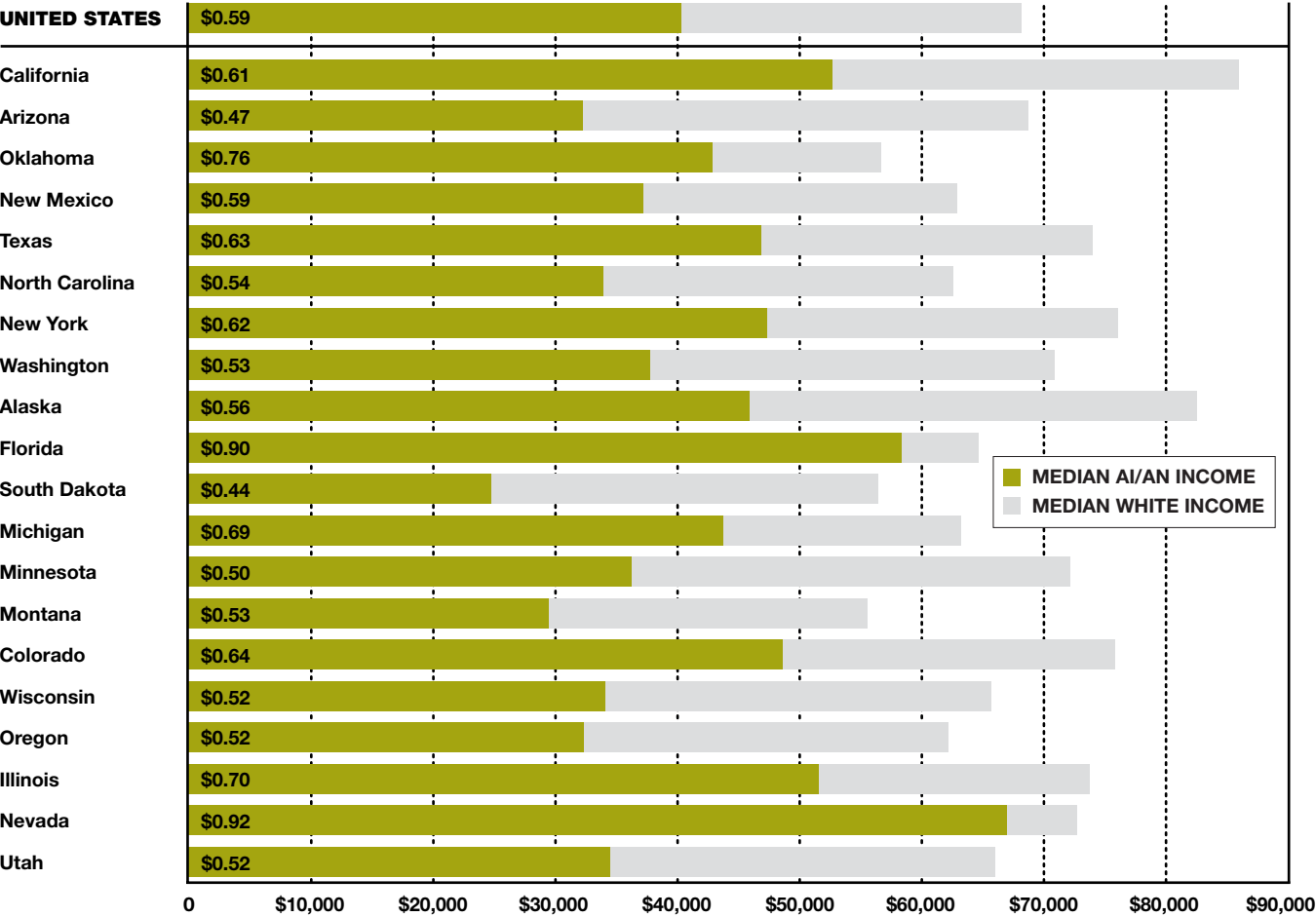


FIGURE 10: COMPARISON OF AI/AN AND WHITE FAMILY INCOME LEVELS FOR THE 20 STATES WITH THE LARGEST AI/AN POPULATIONS*



IV. WHAT STATE POLICIES CAN HELP IMPROVE OPPORTUNITIES FOR PEOPLE OF COLOR?

The disparities discussed in the previous section hold significant implications for all of America's families. Families of color represent a large and growing part of the U.S. population, and they will need greater assistance overcoming structural barriers to economic stability and success if the nation is to live up to its promise of equal opportunity. State and national policymakers can play a significant role in enhancing these opportunities, and the following section identifies specific tools for doing so.

Because the barriers to opportunity faced by families of color are systematic, the efforts to reduce these barriers must be systematic as well. In identifying policies that can help reduce economic barriers for families of color, this analysis incorporates several criteria:

- **Broad-based and targeted policies are important.** In some instances, the economic barriers faced by families of color are the same as those faced by low-wage white families, and may be reduced through broad-based policies that affect all families equally. In other cases, families of color face greater challenges due to discrimination, institutional bias and lack of cultural understanding—policies must be targeted toward reducing these barriers and enhancing opportunities specifically among communities of color. Both types of policies are important for families of color, and are therefore included in this analysis.
- **Policies should be shaped by racial impact analysis.** Recently, legislators in Illinois, Iowa, and Oregon, among other states, have introduced bills to require racial impact analyses before the adoption of changes in criminal justice policy.²⁸ Similarly, states could conduct racial impact analyses to ensure that people of color are not left behind or disadvantaged by economic policies.
- **Policies must be informed by research.** Policies pursued must be informed by research and evaluation literature and by support from practitioners in the field.
- **Scale matters.** Policies must be of sufficient scope and scale to enhance economic opportunities. They should also increase access to public benefits and institutions for all.
- **Policies must be feasible and enforceable, with mechanisms in place to ensure accountability.** This includes political, administrative and economic feasibility.
- **Policies must focus on the key elements of economic opportunity.** Defined broadly, economic opportunity can mean many things. This analysis includes not only the opportunity to work, but also the ability to earn at a level that fully provides for basic needs, as well as the opportunity to build assets.

Based on these criteria, the following policies are identified as key to reducing structural barriers to economic opportunity for families of color.

>> Policies that provide the resources needed in order to obtain and keep a job. Job seekers must have fair access to the resources needed in order to obtain and keep a job. These include training and skill development, access to affordable housing near job centers and making quality childcare available to working parents. Although improving these resources for all low-wage families can benefit families of color, institutional discrimination and biases can impede the access that families of color have to these resources—therefore, targeting resources to communities of color is also important. State policymakers can enhance the following resources to increase opportunities for families of color.

1. Access to job training and higher-education affordability. For workers seeking to begin and advance a career, higher education can provide an essential stepping stone. Research shows that those who earn a community college degree make, on average, \$14,800 per year more than those with only a high school diploma, and college graduation adds \$28,800 in annual income.²⁹ However, the cost of higher education is a significant barrier to enrollment, particularly for Black, Latino and American-Indian students;³⁰ therefore, these students attend college at lower rates than whites.³¹

Other job training opportunities are also essential for worker advancement, but equal access remains a concern in this area as well. For example, an analysis of the Workforce Investment Act (WIA) adult training program showed that white workers were more likely to have access to job training than Black or Latino workers.³² For immigrant workers, limited language skills also present barriers to obtaining work. An estimated 30 million people in the United States have native languages other than English, and the changing economy requires more language skills for employment now than in previous generations.³³

SOME OPTIONS FOR STATE ACTION

States can improve access to higher education by reducing tuition costs and increasing need-based financial aid. One approach is to lower tuition and simultaneously increase need-based aid. Another approach is to maintain tuition levels and use the revenue generated by the higher tuition levels to expand need-based aid. This latter approach could be used to target financial aid to those students most in need, while minimizing the impact on state costs.³⁴ Research shows that expanding all financial aid expands college and university enrollment, but that the impact of need-based aid is significantly greater, given that this aid is focused on low-wage students for whom tuition levels present a greater barrier.³⁵ A recent study estimates that a \$1,000 increase in need-based aid can produce an 11.5-percent increase in college enrollment.³⁶

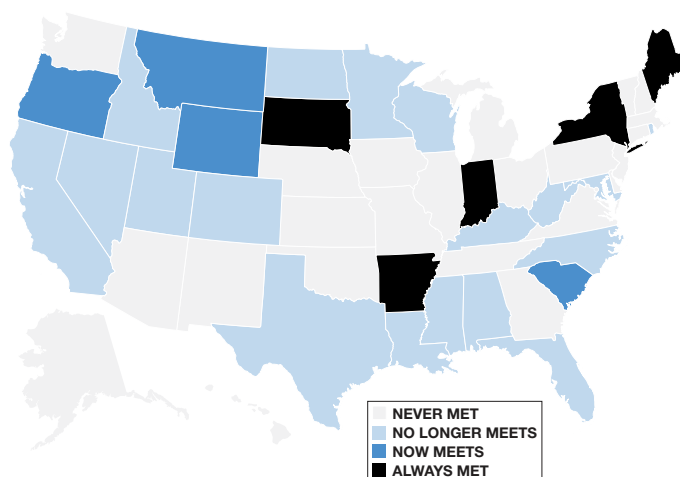
For adult English learners, research indicates that the most effective approach to learning is through a method known as Vocational English as a Second Language (VESL), which teaches English in the context of job-related tasks and terminology. This method appears to promote language acquisition more effectively than traditional approaches.

2. Childcare availability, quality and location.³⁷ Access to quality childcare is critical to parents seeking work opportunities, and it assists in essential brain development for young children.³⁸ However, the high cost of childcare creates significant barriers to families needing this assistance. Although the federal and state governments provide varied levels of childcare subsidies (see Figure 11), eligibility and funding limits leave large numbers of low-wage earners unable to afford childcare, and therefore facing a choice between leaving their children in unsafe environments and losing their jobs.³⁹

SOME OPTIONS FOR STATE ACTION

State policymakers can expand the availability of childcare support by investing in broader availability of childcare subsidies and providing adequate funding to avoid waiting lists for those who qualify. The specific mechanisms that states can utilize are expanding eligibility levels for subsidies, increasing the reimbursement rate for childcare providers, and reducing co-payments for parents.⁴⁰ In addition, states should consider the location in which subsidized childcare is available. Some communities of color express a cultural preference toward care provided in the home of a family member, friend or neighbor, and this consideration should be taken into account as states define the types of care eligible for subsidies.⁴¹

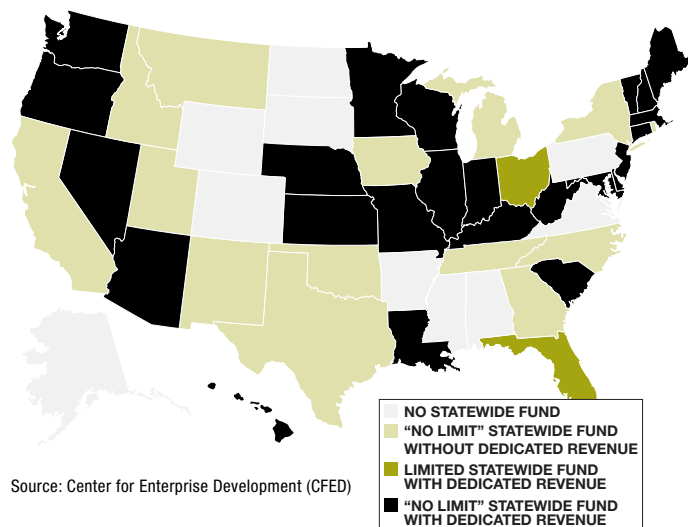
FIGURE 11: STATE PERFORMANCE IN MEETING FEDERAL BENCHMARKS (CHILD CARE PROVIDER REIMBURSEMENT RATES, 2001-2008)



Source: National Women's Law Center

3. Housing affordability and availability near job centers.⁴² The location of housing that is both affordable to low-wage workers and near areas of job growth is an essential element of economic opportunity.⁴³ The dearth of affordable housing near work poses a particularly great challenge to families of color.

FIGURE 12: STATUS OF STATE HOUSING TRUST FUNDS, 2007



SOME OPTIONS FOR STATE ACTION

Portable vouchers are widely considered to be the most effective and low-cost approach to expanding affordable housing in desirable neighborhoods.⁴⁴ Unfortunately, the success of this policy is limited by landlord discrimination against families who use these vouchers.⁴⁵ States can better leverage this successful federal program by passing and enforcing antidiscrimination legislation.

Voucher programs are also less effective for families when private markets fail to provide a sufficient affordable housing supply, such as multi-bedroom rental homes for large families. To assist families in managing this challenge, many states are choosing to fund affordable housing development directly through housing trust funds. These funds have been used to build or preserve tens of thousands of affordable homes across the country, and have the corollary benefit of creating thousands of jobs.⁴⁶ If targeted correctly, housing trust funds can play an important role in preserving mixed-income communities.⁴⁷ Research indicates that this type of policy, in concert with antidiscrimination legislation, plays an important role in state efforts to improve access to affordable housing.⁴⁸ Currently, 21 states operate housing trust funds that meet key standards of (a) assigning a dedicated revenue source and (b) allowing revenues to accrue without a funding cap.⁴⁹ (See Figure 12).

>> Policies to increase earnings and income retention. A large number of working families continue to face financial hardships despite being employed, because wage rates in many sectors do not provide enough for them to afford housing, healthcare, and other critical necessities.⁵⁰ People in these jobs, often referred to as the “working poor,” constituted one in four U.S. workers in 2002, and families of color are twice as likely as white families to be in this group.⁵¹ Therefore, to enhance earning opportunities for families of color, policymakers can pursue the following policy efforts that benefit all working poor families and can target these efforts to communities of color:

1. Minimum wage levels.⁵² Because families of color are more likely to earn at the minimum wage level, improvements in minimum wages hold particular benefits for these families. Research indicates that moderate increases in the minimum wage have positive benefits for minimum wage earners and those just above the minimum wage, and can be enacted without significant job loss, even during economic downturns.⁵³ The federal minimum wage increased to \$5.85 on January 1, 2008, and will increase to \$6.55 on July 24, 2008, and to \$7.25 on July 24, 2009.

Yet despite these recent actions by Congress and several state legislatures, the minimum wage increases still amount to a poverty wage. Even if the minimum wage was increased to \$7.25 immediately, a full-time worker with two children would earn \$2,100 less than the federal poverty line. Although eight states have a minimum wage of \$7.25 or higher, no state provides a family living wage that accounts for the actual costs of living at the local level. One living-wage calculator developed at Pennsylvania State University accounts for the most basic budget based on family size for every county and state in the nation.⁵⁴ Using this calculator, the lowest living wage required to support a family of three is in Mississippi at \$13.66 per hour, and the highest is in the District of Columbia at \$22.41 per hour.

SOME OPTIONS FOR STATE ACTION

State policymakers can enhance wage levels by adopting state minimum wages that are higher than the federal minimum wage. Eleven states and the District of Columbia have enacted state minimum wages that will consistently exceed these federal changes. Twenty more states will accelerate the adoption of the 2009 federal minimum wage.⁵⁵

2. Target tax relief for low-wage workers.⁵⁶ Black and Latino workers are less likely than white workers to qualify for or be informed of tax credits for which they are eligible. Policymakers can therefore improve economic opportunities for families of color by expanding tax credits for low-wage workers and improving outreach and access to quality tax information. The federal Earned Income Tax Credit (EITC) is a broadly successful tax credit that helps 4 million people—including 2 million children—to rise out of poverty each year.⁵⁷ This extra income not only helps families, but also brings millions of dollars into local economies.

SOME OPTIONS FOR STATE ACTION

States can provide a state EITC to supplement the federal EITC. States can also make the state tax credit refundable (like the federal EITC), thereby increasing tax refunds for low-wage working families. Over half of states with state income taxes have established state versions of this tax credit to build on the federal credit.⁵⁸ State policymakers can continue expanding these credits to enhance economic opportunity for all low-wage families.

States can also expand the impact of federal and state EITCs through improved outreach. Up to 25 percent of eligible families have not been claiming the EITC,⁵⁹ resulting in an estimated \$12 billion of refunds that go unclaimed each year.⁶⁰ Enhanced outreach can improve these revenues. In Iowa, for example, the state legislature appropriated \$200,000 to improve EITC outreach in 2006. The following year, EITC claims rose 30 percent in Des Moines alone, bringing in an additional \$2.6 million to hardworking families and the local economy.⁶¹

>> Policies that will help build assets. Black, Latino and Asian families are less likely to be homeowners than white families, and have significantly fewer financial assets.⁶² One estimate showed that in 2004, families of color owned \$0.13 in assets for every \$1.00 held by white families.⁶³ Although opportunities to earn are one factor that drives the accumulation of assets, policies that encourage and protect asset development also play a role. Such policies should include the following:

1. Protection against predatory mortgage lending.⁶⁴ Eighty-eight percent of foreclosures are experienced by families living in their primary residence. Predatory mortgage lenders take advantage of uninformed borrowers or those with limited credit histories by using unfair lending practices such as negative amortization (which occurs

SOME OPTIONS FOR STATE ACTION

Early in this decade, a first wave of state laws were passed to combat predatory mortgage lending. These laws were focused on equity-stripping practices such as loan flipping and abusive credit insurance requirements. However, they did not address whether lenders were assessing borrowers' ability to repay the loans they were securing, so now states are beginning to enact a second wave of protections regarding these requirements. North Carolina, Ohio, Maine and Minnesota have taken a lead in defining new protections, and provide models for other states to follow.⁶⁹

when a monthly loan payment is less than the interest accrued and the unpaid interest is added to the total amount owed) and prepayment penalties. These practices can strip a family's hard-earned home equity, and can lead to mortgage foreclosure.⁶⁵ Every year, predatory mortgage lenders cost U.S. families an estimated \$9.1 billion.⁶⁶ Latino homebuyers are twice as likely as white homebuyers to be subject to the most expensive mortgage products,⁶⁷ and Blacks are three times as likely to receive these subprime loans.⁶⁸

“When people ask me what my legislative priority is, I tell them it is the broader issue of redressing disparities. Inequalities exist across issues of education funding, access to quality healthcare, access to transportation, and economic opportunities. It is important to address these issues, but also the underlying racial inequities that produce these disparities.” — Illinois State Senator Kwame Raoul



FAMILY INCOME AND RATIO BY RACE—BLACK AND LATINO

	MEDIAN INCOME			LATINO		BLACK	
STATE	WHITE	LATINO	BLACK	INCOME RATIO	MARGIN OF ERROR	INCOME RATIO	MARGIN OF ERROR
UNITED STATES	\$68,083	\$42,074	\$40,259	\$0.62	+/- \$0.01	\$0.59	+/- \$0.00
ALABAMA	\$58,218	\$32,680	\$31,363	\$0.56	+/- \$0.04	\$0.54	+/- \$0.02
ALASKA	\$82,447	\$51,592	\$71,159	\$0.63	+/- \$0.23	\$0.86	+/- \$0.14
ARIZONA	\$68,658	\$41,200	\$44,481	\$0.60	+/- \$0.10	\$0.65	+/- \$0.06
ARKANSAS	\$51,573	\$30,800	\$29,278	\$0.60	+/- \$0.08	\$0.57	+/- \$0.05
CALIFORNIA	\$85,837	\$46,277	\$50,440	\$0.54	+/- \$0.03	\$0.59	+/- \$0.02
COLORADO	\$75,751	\$38,629	\$48,873	\$0.51	+/- \$0.11	\$0.65	+/- \$0.06
CONNECTICUT	\$90,494	\$43,916	\$50,878	\$0.49	+/- \$0.05	\$0.56	+/- \$0.03
DELAWARE	\$75,147	\$34,988	\$44,920	\$0.47	+/- \$0.11	\$0.60	+/- \$0.07
DISTRICT OF COLUMBIA	\$162,636	\$45,760	\$42,862	\$0.28	+/- \$0.04	\$0.26	+/- \$0.03
FLORIDA	\$64,595	\$44,989	\$39,923	\$0.70	+/- \$0.02	\$0.62	+/- \$0.01
GEORGIA	\$68,439	\$37,549	\$41,245	\$0.55	+/- \$0.02	\$0.60	+/- \$0.01
HAWAII	\$78,460	\$57,254	\$58,144	\$0.73	+/- \$0.31	\$0.74	+/- \$0.19
IDAHO	\$56,599	\$37,192	\$40,495	\$0.66	+/- \$0.64	\$0.72	+/- \$0.39
ILLINOIS	\$73,685	\$48,525	\$40,146	\$0.66	+/- \$0.03	\$0.54	+/- \$0.02
INDIANA	\$60,900	\$37,501	\$37,255	\$0.62	+/- \$0.05	\$0.61	+/- \$0.03
IOWA	\$60,901	\$38,000	\$26,417	\$0.62	+/- \$0.17	\$0.43	+/- \$0.11
KANSAS	\$64,209	\$34,430	\$39,994	\$0.54	+/- \$0.09	\$0.62	+/- \$0.06
KENTUCKY	\$51,830	\$39,516	\$31,761	\$0.76	+/- \$0.07	\$0.61	+/- \$0.04
LOUISIANA	\$61,480	\$38,871	\$30,063	\$0.63	+/- \$0.03	\$0.49	+/- \$0.02
MAINE	\$57,164	\$40,275	\$22,589	\$0.70	+/- \$0.07	\$0.40	+/- \$0.04
MARYLAND	\$92,790	\$58,434	\$62,555	\$0.63	+/- \$0.04	\$0.67	+/- \$0.02
MASSACHUSETTS	\$84,460	\$32,071	\$48,604	\$0.38	+/- \$0.10	\$0.58	+/- \$0.06
MICHIGAN	\$63,146	\$38,894	\$36,374	\$0.62	+/- \$0.03	\$0.58	+/- \$0.02
MINNESOTA	\$72,082	\$40,313	\$32,912	\$0.56	+/- \$0.06	\$0.46	+/- \$0.04
MISSISSIPPI	\$56,384	\$45,151	\$27,071	\$0.80	+/- \$0.03	\$0.48	+/- \$0.02
MISSOURI	\$58,834	\$41,589	\$34,594	\$0.71	+/- \$0.05	\$0.59	+/- \$0.03

FAMILY INCOME AND RATIO BY RACE—BLACK AND LATINO (CONTINUED)

	MEDIAN INCOME			LATINO		BLACK	
STATE	WHITE	LATINO	BLACK	INCOME RATIO	MARGIN OF ERROR	INCOME RATIO	MARGIN OF ERROR
UNITED STATES	\$68,083	\$42,074	\$40,259	\$0.62	+/- \$0.01	\$0.59	+/- \$0.00
MONTANA	\$55,557	\$33,388	n/a	\$0.60	+/- \$0.19	n/a	n/a
NEBRASKA	\$61,378	\$34,811	\$25,644	\$0.57	+/- \$0.15	\$0.42	+/- \$0.09
NEVADA	\$72,614	\$45,831	\$47,287	\$0.63	+/- \$0.09	\$0.65	+/- \$0.05
NEW HAMPSHIRE	\$75,469	\$52,299	\$65,426	\$0.69	+/- \$0.66	\$0.87	+/- \$0.40
NEW JERSEY	\$93,290	\$49,189	\$52,485	\$0.53	+/- \$0.03	\$0.56	+/- \$0.02
NEW MEXICO	\$62,858	\$37,538	\$51,710	\$0.60	+/- \$0.24	\$0.82	+/- \$0.14
NEW YORK	\$75,965	\$40,426	\$47,865	\$0.53	+/- \$0.02	\$0.63	+/- \$0.01
NORTH CAROLINA	\$62,506	\$35,540	\$37,382	\$0.57	+/- \$0.03	\$0.60	+/- \$0.02
NORTH DAKOTA	\$60,273	\$27,144	\$57,270	\$0.45	+/- \$0.64	\$0.95	+/- \$0.39
OHIO	\$61,485	\$38,053	\$34,311	\$0.62	+/- \$0.03	\$0.56	+/- \$0.02
OKLAHOMA	\$56,637	\$33,568	\$33,887	\$0.59	+/- \$0.07	\$0.60	+/- \$0.04
OREGON	\$62,096	\$37,334	\$36,847	\$0.60	+/- \$0.40	\$0.59	+/- \$0.24
PENNSYLVANIA	\$64,037	\$31,915	\$36,944	\$0.50	+/- \$0.03	\$0.58	+/- \$0.02
RHODE ISLAND	\$77,363	\$37,608	\$44,246	\$0.49	+/- \$0.17	\$0.57	+/- \$0.10
SOUTH CAROLINA	\$62,465	\$34,405	\$33,256	\$0.55	+/- \$0.03	\$0.53	+/- \$0.02
SOUTH DAKOTA	\$56,371	\$35,552	\$32,964	\$0.63	+/- \$0.88	\$0.58	+/- \$0.53
TENNESSEE	\$55,406	\$36,596	\$35,430	\$0.66	+/- \$0.04	\$0.64	+/- \$0.03
TEXAS	\$73,882	\$37,410	\$40,619	\$0.51	+/- \$0.03	\$0.55	+/- \$0.02
UTAH	\$65,919	\$41,136	\$48,394	\$0.62	+/- \$0.28	\$0.73	+/- \$0.17
VERMONT	\$61,940	\$56,404	\$38,925	\$0.91	+/- \$0.05	\$0.63	+/- \$0.03
VIRGINIA	\$77,996	\$56,774	\$48,170	\$0.73	+/- \$0.03	\$0.62	+/- \$0.02
WASHINGTON	\$70,806	\$40,165	\$44,064	\$0.57	+/- \$0.07	\$0.62	+/- \$0.04
WEST VIRGINIA	\$47,011	\$32,248	\$26,878	\$0.69	+/- \$0.09	\$0.57	+/- \$0.06
WISCONSIN	\$65,618	\$42,366	\$30,246	\$0.65	+/- \$0.05	\$0.46	+/- \$0.03
WYOMING	\$65,921	\$52,766	\$46,651	\$0.80	+/- \$0.44	\$0.71	+/- \$0.27

FAMILY INCOME AND RATIO BY RACE—ASIAN AND AMERICAN INDIAN

STATE	MEDIAN INCOME			ASIAN		AMERICAN INDIAN/ ALASKA NATIVE	
	WHITE	ASIAN	AMERICAN INDIAN	INCOME RATIO	MARGIN OF ERROR	INCOME RATIO	MARGIN OF ERROR
UNITED STATES	\$68,083	\$77,046	\$40,310	\$1.13	+/- \$0.01	\$0.59	+/- \$0.01
ALABAMA	\$58,218	\$71,186	\$33,722	\$1.22	+/- \$0.22	\$0.58	+/- \$0.11
ALASKA	\$82,447	\$63,436	\$45,881	\$0.77	+/- \$0.14	\$0.56	+/- \$0.04
ARIZONA	\$68,658	\$71,450	\$32,268	\$1.04	+/- \$0.07	\$0.47	+/- \$0.03
ARKANSAS	\$51,573	\$50,422	\$48,659	\$0.98	+/- \$0.35	\$0.94	+/- \$0.20
CALIFORNIA	\$85,837	\$82,214	\$52,643	\$0.96	+/- \$0.01	\$0.61	+/- \$0.05
COLORADO	\$75,751	\$66,575	\$48,611	\$0.88	+/- \$0.09	\$0.64	+/- \$0.07
CONNECTICUT	\$90,494	\$87,478	\$53,369	\$0.97	+/- \$0.07	\$0.59	+/- \$0.04
DELAWARE	\$75,147	\$88,563	\$69,821	\$1.18	+/- \$0.17	\$0.93	+/- \$0.44
DISTRICT OF COLUMBIA	\$162,636	\$100,431	n/a	\$0.62	+/- \$0.19	n/a	n/a
FLORIDA	\$64,595	\$64,940	\$58,326	\$1.01	+/- \$0.05	\$0.90	+/- \$0.16
GEORGIA	\$68,439	\$66,793	\$48,640	\$0.98	+/- \$0.05	\$0.71	+/- \$0.14
HAWAII	\$78,460	\$79,259	\$55,071	\$1.01	+/- \$0.05	\$0.70	+/- \$0.53
IDAHO	\$56,599	\$49,196	\$31,993	\$0.87	+/- \$0.20	\$0.57	+/- \$0.18
ILLINOIS	\$73,685	\$81,991	\$51,547	\$1.11	+/- \$0.05	\$0.70	+/- \$0.17
INDIANA	\$60,900	\$63,594	\$49,038	\$1.04	+/- \$0.15	\$0.81	+/- \$0.22
IOWA	\$60,901	\$56,212	\$47,298	\$0.92	+/- \$0.08	\$0.78	+/- \$0.10
KANSAS	\$64,209	\$72,344	\$46,609	\$1.13	+/- \$0.08	\$0.73	+/- \$0.17
KENTUCKY	\$51,830	\$65,297	\$26,441	\$1.26	+/- \$0.25	\$0.51	+/- \$0.35
LOUISIANA	\$61,480	\$67,052	\$31,987	\$1.09	+/- \$0.19	\$0.52	+/- \$0.14
MAINE	\$57,164	\$50,245	\$24,523	\$0.88	+/- \$0.29	\$0.43	+/- \$0.24
MARYLAND	\$92,790	\$92,705	\$60,792	\$1.00	+/- \$0.04	\$0.66	+/- \$0.12
MASSACHUSETTS	\$84,460	\$84,398	\$50,063	\$1.00	+/- \$0.07	\$0.59	+/- \$0.29
MICHIGAN	\$63,146	\$81,097	\$43,735	\$1.28	+/- \$0.06	\$0.69	+/- \$0.07
MINNESOTA	\$72,082	\$63,796	\$36,281	\$0.89	+/- \$0.08	\$0.50	+/- \$0.06
MISSISSIPPI	\$56,384	\$41,790	\$48,581	\$0.74	+/- \$0.28	\$0.86	+/- \$0.33
MISSOURI	\$58,834	\$64,565	\$40,070	\$1.10	+/- \$0.16	\$0.68	+/- \$0.17

FAMILY INCOME AND RATIO BY RACE—ASIAN AND AMERICAN INDIAN (CONTINUED)

STATE	MEDIAN INCOME			ASIAN		AMERICAN INDIAN/ ALASKA NATIVE	
	WHITE	ASIAN	AMERICAN INDIAN	INCOME PROPORTION	MARGIN OF ERROR	INCOME PROPORTION	MARGIN OF ERROR
UNITED STATES	\$68,083	\$77,046	\$40,310	\$1.13	+/- \$0.01	\$0.59	+/- \$0.01
MONTANA	\$55,557	\$46,786	\$29,504	\$0.84	+/- \$0.64	\$0.53	+/- \$0.07
NEBRASKA	\$61,378	\$80,550	\$21,654	\$1.31	+/- \$0.38	\$0.35	+/- \$0.12
NEVADA	\$72,614	\$65,223	\$66,879	\$0.90	+/- \$0.06	\$0.92	+/- \$0.22
NEW HAMPSHIRE	\$75,469	\$70,625	\$39,632	\$0.94	+/- \$0.24	\$0.53	+/- \$0.47
NEW JERSEY	\$93,290	\$103,454	\$57,936	\$1.11	+/- \$0.03	\$0.62	+/- \$0.15
NEW MEXICO	\$62,858	\$78,741	\$37,190	\$1.25	+/- \$0.23	\$0.59	+/- \$0.06
NEW YORK	\$75,965	\$61,450	\$47,284	\$0.81	+/- \$0.02	\$0.62	+/- \$0.10
NORTH CAROLINA	\$62,506	\$66,087	\$33,982	\$1.06	+/- \$0.08	\$0.54	+/- \$0.08
NORTH DAKOTA	\$60,273	\$86,380	\$31,821	\$1.43	+/- \$0.69	\$0.53	+/- \$0.10
OHIO	\$61,485	\$76,728	\$49,346	\$1.25	+/- \$0.09	\$0.80	+/- \$0.16
OKLAHOMA	\$56,637	\$51,462	\$42,902	\$0.91	+/- \$0.12	\$0.76	+/- \$0.04
OREGON	\$62,096	\$70,113	\$32,377	\$1.13	+/- \$0.15	\$0.52	+/- \$0.05
PENNSYLVANIA	\$64,037	\$72,191	\$39,773	\$1.13	+/- \$0.08	\$0.62	+/- \$0.19
RHODE ISLAND	\$77,363	\$61,547	\$30,606	\$0.80	+/- \$0.22	\$0.40	+/- \$0.18
SOUTH CAROLINA	\$62,465	\$63,667	\$29,822	\$1.02	+/- \$0.20	\$0.48	+/- \$0.11
SOUTH DAKOTA	\$56,371	\$66,120	\$24,823	\$1.17	+/- \$0.25	\$0.44	+/- \$0.07
TENNESSEE	\$55,406	\$62,674	\$40,532	\$1.13	+/- \$0.10	\$0.73	+/- \$0.21
TEXAS	\$73,882	\$72,258	\$46,863	\$0.98	+/- \$0.04	\$0.63	+/- \$0.04
UTAH	\$65,919	\$54,537	\$34,496	\$0.83	+/- \$0.13	\$0.52	+/- \$0.15
VERMONT	\$61,940	\$56,680	n/a	\$0.92	+/- \$0.28	n/a	n/a
VIRGINIA	\$77,996	\$90,205	\$53,943	\$1.16	+/- \$0.05	\$0.69	+/- \$0.19
WASHINGTON	\$70,806	\$71,653	\$37,798	\$1.01	+/- \$0.05	\$0.53	+/- \$0.09
WEST VIRGINIA	\$47,011	\$126,455	n/a	\$2.69	+/- \$0.78	n/a	n/a
WISCONSIN	\$65,618	\$66,513	\$34,135	\$1.01	+/- \$0.13	\$0.52	+/- \$0.06
WYOMING	\$65,921	n/a	\$42,036	n/a	n/a	\$0.64	+/- \$0.25

APPENDIX B

FAMILY INCOME AND RATIO BY RACE – ASIAN GROUPS

	ASIAN SUBGROUP INCOME	WHITE INCOME	INCOME RATIO	MARGIN OF ERROR
UNITED STATES				
ASIAN INDIAN	\$92,925	\$68,083	\$1.36	+/- \$0.01
BANGLADESHI	\$42,152	\$68,083	\$0.62	+/- \$0.02
CAMBODIAN	\$50,250	\$68,083	\$0.74	+/- \$0.02
CHINESE	\$78,258	\$68,083	\$1.15	+/- \$0.01
FILIPINO	\$83,126	\$68,083	\$1.22	+/- \$0.01
HMONG	\$45,791	\$68,083	\$0.67	+/- \$0.01
JAPANESE	\$88,037	\$68,083	\$1.29	+/- \$0.01
KOREAN	\$63,905	\$68,083	\$0.94	+/- \$0.01
LAOTIAN	\$56,610	\$68,083	\$0.83	+/- \$0.03
PAKISTANI	\$61,794	\$68,083	\$0.91	+/- \$0.02
TAIWANESE	\$91,460	\$68,083	\$1.34	+/- \$0.04
THAI	\$61,950	\$68,083	\$0.91	+/- \$0.03
VIETNAMESE	\$59,435	\$68,083	\$0.87	+/- \$0.01
CALIFORNIA				
ASIAN INDIAN	\$108,173	\$85,837	\$1.26	+/- \$0.02
CAMBODIAN	\$38,776	\$85,837	\$0.45	+/- \$0.04
CHINESE	\$85,404	\$85,837	\$0.99	+/- \$0.01
FILIPINO	\$86,105	\$85,837	\$1.00	+/- \$0.01
HMONG	\$45,116	\$85,837	\$0.53	+/- \$0.02
JAPANESE	\$94,317	\$85,837	\$1.10	+/- \$0.02
KOREAN	\$69,364	\$85,837	\$0.81	+/- \$0.02
VIETNAMESE	\$62,837	\$85,837	\$0.73	+/- \$0.01
FLORIDA				
ASIAN INDIAN	\$75,362	\$64,595	\$1.17	+/- \$0.04
FILIPINO	\$65,403	\$64,595	\$1.01	+/- \$0.04
GEORGIA				
ASIAN INDIAN	\$80,891	\$68,439	\$1.18	+/- \$0.05
HAWAII				
FILIPINO	\$69,270	\$78,460	\$0.88	+/- \$0.02
JAPANESE	\$90,090	\$78,460	\$1.15	+/- \$0.02
ILLINOIS				
ASIAN INDIAN	\$89,368	\$73,685	\$1.21	+/- \$0.04
CHINESE	\$82,184	\$73,685	\$1.12	+/- \$0.03
FILIPINO	\$86,908	\$73,685	\$1.18	+/- \$0.03
KOREAN	\$76,566	\$73,685	\$1.04	+/- \$0.03

FAMILY INCOME AND RATIO BY RACE – ASIAN GROUPS (CONTINUED)

	ASIAN SUBGROUP INCOME	WHITE INCOME	INCOME RATIO	MARGIN OF ERROR
MARYLAND				
ASIAN INDIAN	\$107,510	\$92,790	\$1.16	+/- \$0.03
MASSACHUSETTS				
CHINESE	\$93,579	\$84,460	\$1.11	+/- \$0.04
MICHIGAN				
ASIAN INDIAN	\$95,698	\$63,146	\$1.52	+/- \$0.06
NEVADA				
FILIPINO	\$67,879	\$72,614	\$0.93	+/- \$0.06
NEW JERSEY				
ASIAN INDIAN	\$106,921	\$93,290	\$1.15	+/- \$0.02
CHINESE	\$110,805	\$93,290	\$1.19	+/- \$0.03
FILIPINO	\$115,766	\$93,290	\$1.24	+/- \$0.04
KOREAN	\$81,282	\$93,290	\$0.87	+/- \$0.05
NEW YORK				
ASIAN INDIAN	\$75,870	\$75,965	\$1.00	+/- \$0.02
CHINESE	\$49,711	\$75,965	\$0.65	+/- \$0.02
FILIPINO	\$98,250	\$75,965	\$1.29	+/- \$0.04
KOREAN	\$57,074	\$75,965	\$0.75	+/- \$0.04
PENNSYLVANIA				
ASIAN INDIAN	\$91,656	\$64,037	\$1.43	+/- \$0.06
CHINESE	\$72,575	\$64,037	\$1.13	+/- \$0.08
TEXAS				
ASIAN INDIAN	\$85,302	\$73,882	\$1.15	+/- \$0.02
CHINESE	\$79,553	\$73,882	\$1.08	+/- \$0.04
FILIPINO	\$82,665	\$73,882	\$1.12	+/- \$0.04
VIETNAMESE	\$60,622	\$73,882	\$0.82	+/- \$0.02
VIRGINIA				
ASIAN INDIAN	\$108,250	\$77,996	\$1.39	+/- \$0.04
KOREAN	\$66,126	\$77,996	\$0.85	+/- \$0.03
WASHINGTON				
CHINESE	\$77,472	\$70,806	\$1.09	+/- \$0.04
FILIPINO	\$72,846	\$70,806	\$1.03	+/- \$0.04
VIETNAMESE	\$54,246	\$70,806	\$0.77	+/- \$0.03

METHODOLOGY USED FOR THIS REPORT

In comparing states by individual racial and ethnic group income, this analysis takes into consideration the 2007 American Community Survey's margins of error on its estimates of median family income. Due to insufficient data, it was necessary to exclude certain states with unreliably wide margins of error from the comparative analysis. For example, the survey's random sample of American Indian and Alaska Native (AI/AN) respondents in Maryland yields a median family income of \$0.59 on the dollar, with a 90-percent margin of error of +/- \$0.29, whereas the corresponding figure in South Dakota is \$0.40, with a comparatively narrow margin of error of +/- \$0.05. Using median income data for each racial and ethnic group, we have placed states into the following four contiguous groups, which are graphically displayed in the corresponding U.S. maps:

- \$1.00 or above the median income for whites
- Between \$0.75 and \$1.00 of the median income for whites
- Between \$0.50 and \$0.75 of the median income for whites
- \$.50 or below the median income for whites

For Latinos, Blacks and Asians, states whose median incomes fell within three percentage points of a group's boundaries were included in that group. For example, Blacks in Alaska make \$0.86 for every \$1.00 earned by whites, with a margin of error of \$0.13, giving them an upper and lower range of \$0.99 and \$0.73, respectively, but placing them in the "Between \$0.75 and \$1.00" group. For American Indians and Alaska Natives, a buffer of five points within the group boundaries was permitted. This report also provides bar graphs of the income disparities in the top 20 states most populated by the given race or ethnic group. Appendix A presents tables showing the median family income data and margins of error for each group in all 50 states and the District of Columbia, and Appendix B provides the same information for the available Asian subgroup data.

DEFINITIONS

Family: A family consists of a householder and one or more other people living in the same household who are related to the householder by birth, marriage or adoption.

Median Family Income: The ACS includes the incomes of all members 15 years old and over related to the householder. The statistical average family size is slightly more than two adults and one child under the age of 18. The median family income is the figure at which half of the families in the state sample earned more, and half of the families earned less. For each state, we divided the median family income for each racial group by the median family income for whites in that state to determine comparative income. For example, in New York, dividing the median family income for Asians of \$61,450 by the median family income for whites of \$75,965 shows that Asian families in that state earned \$.84 per \$1.00 of the median white family income.

Race and Ethnicity: Throughout this report, non-Hispanic whites are referred to as whites. The U.S. Census defines Latinos as an ethnicity, not a racial group, and references to Latinos include Latinos and Hispanics of all racial groups. Among U.S. racial minorities, Asians have the third-largest population, but the more-established Asian communities, such as Japanese and Chinese, tend to have better outcomes on quality-of-life indicators than do Southeast-Asian communities that have immigrated more recently to the United States. At times, certain Asian communities have better outcomes than white communities. Therefore, the average outcomes across all Asian groups should not be interpreted as a representation of the outcome for any particular Asian community or nationality.

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The Applied Research Center (ARC) is a nonpartisan, nonprofit racial-justice think tank and home for media and activism with offices in Oakland, New York City and Chicago. Founded in 1981, ARC investigates the hidden racial consequences of public policy initiatives, and develops theoretical frameworks to support people and institutions in communities, government and academia that are working for racial equity. Find us at www.arc.org.

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