



# Disability and the Racial Wealth Gap

**Disability is a natural part of the human experience.**

The Americans with Disabilities Act (ADA) defines disability as a physical or mental impairment that substantially limits one or more major life activities. Disabilities can be **visible**, **invisible**, and **acquired**.

**1 in 10 people in the Chicago region have a disability.**

Chicago Region



## The Racial Wealth Gap Defined

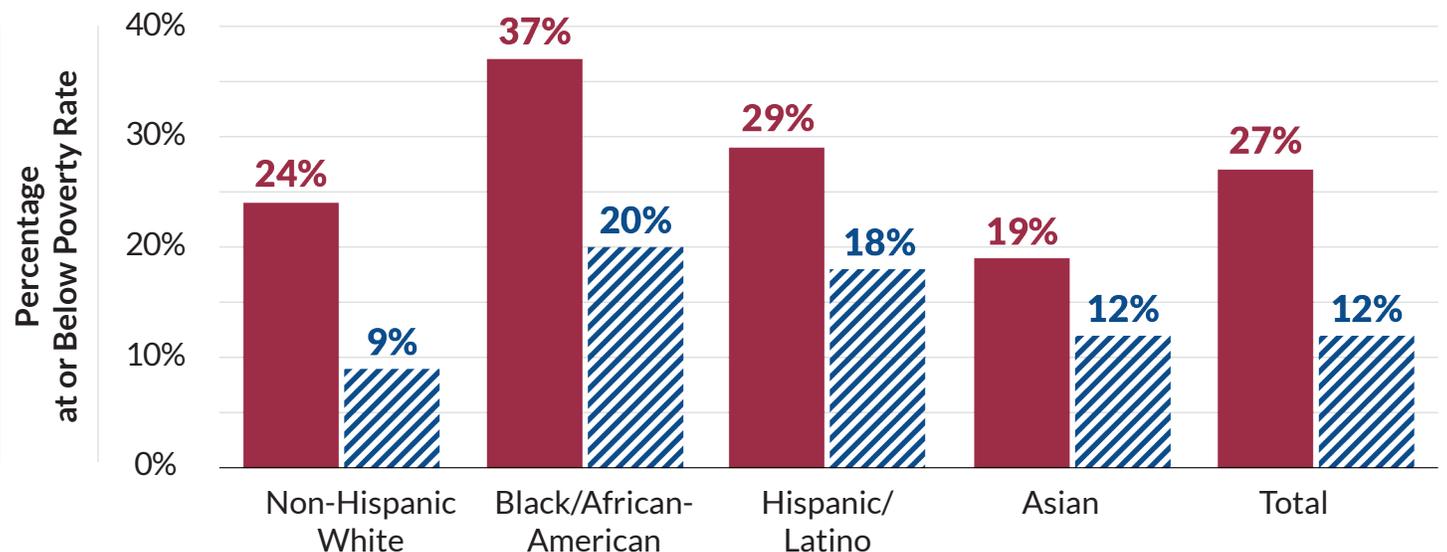
In the Chicago region, there are over **400,000 people of color** with disabilities. Wealth is defined as *assets plus income minus debts*. Nationally, white household wealth is **10x** that of Black households and **8x** that of Latinx households.



Segregation, discrimination, and long-term disinvestment in communities of color have created a growing racial wealth gap – particularly for people with disabilities.

## Poverty Rate by Disability Status and Race

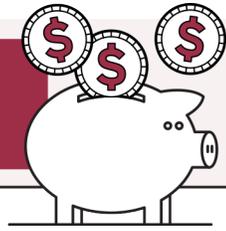
With Disability No Disability



Source: American Community Survey, 2015

# Barriers to Wealth Building

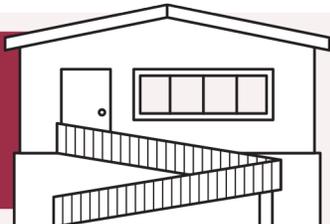
Fewer than 1% of eligible people with disabilities have signed up for ABLÉ accounts



## The Ability to Save

Living in poverty makes wealth accumulation all but impossible. When households live paycheck-to-paycheck, they do not have the opportunity to save for a down-payment on a home or build their personal savings – two of the most common mechanisms for wealth building. While **8,000,000 people** with disabilities nationally are eligible for tax-advantaged savings accounts under the ABLÉ (Achieving a Better Life Experience) program created in 2016, only **40,000** have signed up. A major reason is the fear that savings will prevent individuals with disabilities from accessing benefits.

70% of accessible housing stock is in majority white neighborhoods



## Finding Affordable and Accessible Housing

Although homeownership is the primary vehicle for wealth accumulation in American households, it is not always a viable option for many people with disabilities. **Around 70%** of accessible housing stock in Chicago is located in majority white neighborhoods with higher-than-average rent and property values.

\$10,000 in assets to qualify for a personal care assistant



## Independent Living and Productivity

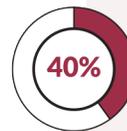
In Illinois, many people with disabilities require home care services provided by the state in order to live independently. For example, a person with disabilities may require a personal care assistant to get ready to go to work. However, the non-exempt asset threshold to qualify for these services is extremely low – **\$10,000** for an individual over 18. **This threshold means that working and saving to build assets can mean losing the very benefits that make work possible.**

## Access to Bank Services

Being banked is critical for a household's ability to build wealth, build good credit, and have access to affordable loan options. People with disabilities are disproportionately under-banked and unbanked – people of color with disabilities are more severely impacted.

### Underbanked and unbanked

Black people with disabilities



White people with disabilities

Rates of under-banked and unbanked status for people with disabilities is **48% compared to 20%** for people without disabilities. For Black people with disabilities, that rate climbs to **67%, compared to 40%** for white people with disabilities.

## Your Next Step: Inform and Act.

If we are going to close the racial wealth gap, we can and must provide pathways for wealth building for people with disabilities, especially those of color. A prosperous region is an inclusive region.

To learn more, go to [www.disabilitiesfund.org](http://www.disabilitiesfund.org).

