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.

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

Source: American Community Survey, 2015
Barriers to Wealth Building

**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 ABLE (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.

**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.

**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.

**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.

**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).