

African American Wealth Gap Continues Despite Gains in Employment and Income, March 2001

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Washington, DC, March 13, 2001 - The economic state of Black America has never been healthier, according to the National Urban League (NUL). Low unemployment rates and rising incomes have strengthened the economic status of African Americans, yet research indicates a significant wealth gap exists between African Americans and white Americans. The reason for the wealth gap: African Americans are introduced to investing later in life and direct a smaller portion of their income to long-term investments than do white Americans with similar incomes.

"One of the most glaring gaps between African Americans and mainstream America is the 'wealth gap,'" says Hugh Price, President of the National Urban League.

The NUL finds that the primary reason African Americans cite for not investing is a lack of investment knowledge (video clip). To help close that knowledge gap and to inspire African Americans to establish financial goals, the NUL, the Investment Company Institute Education Foundation (ICIEF), and the mutual fund industry have launched the Investing for Success program, a partnership designed to address the "investment knowledge gap" between African Americans and the U.S. population at large.

The Investing for Success program seeks to demystify the world of investing and encourage long-term financial planning that can support African Americans' efforts to save for their children's education and secure their own retirements.

The cornerstone of the program is a series of free, nationwide personal finance workshops. The NUL, ICIEF, a local NUL affiliate, and a local Investment Company Institute member company sponsor each workshop jointly. Neither the workshop presenters nor the materials promote any commercial products or services, or specific professions, firms, or individuals.

The Investing for Success program is designed to help African Americans reach a comfort level with investment decisionmaking, according to Pamela Everhart of Fidelity Investments.