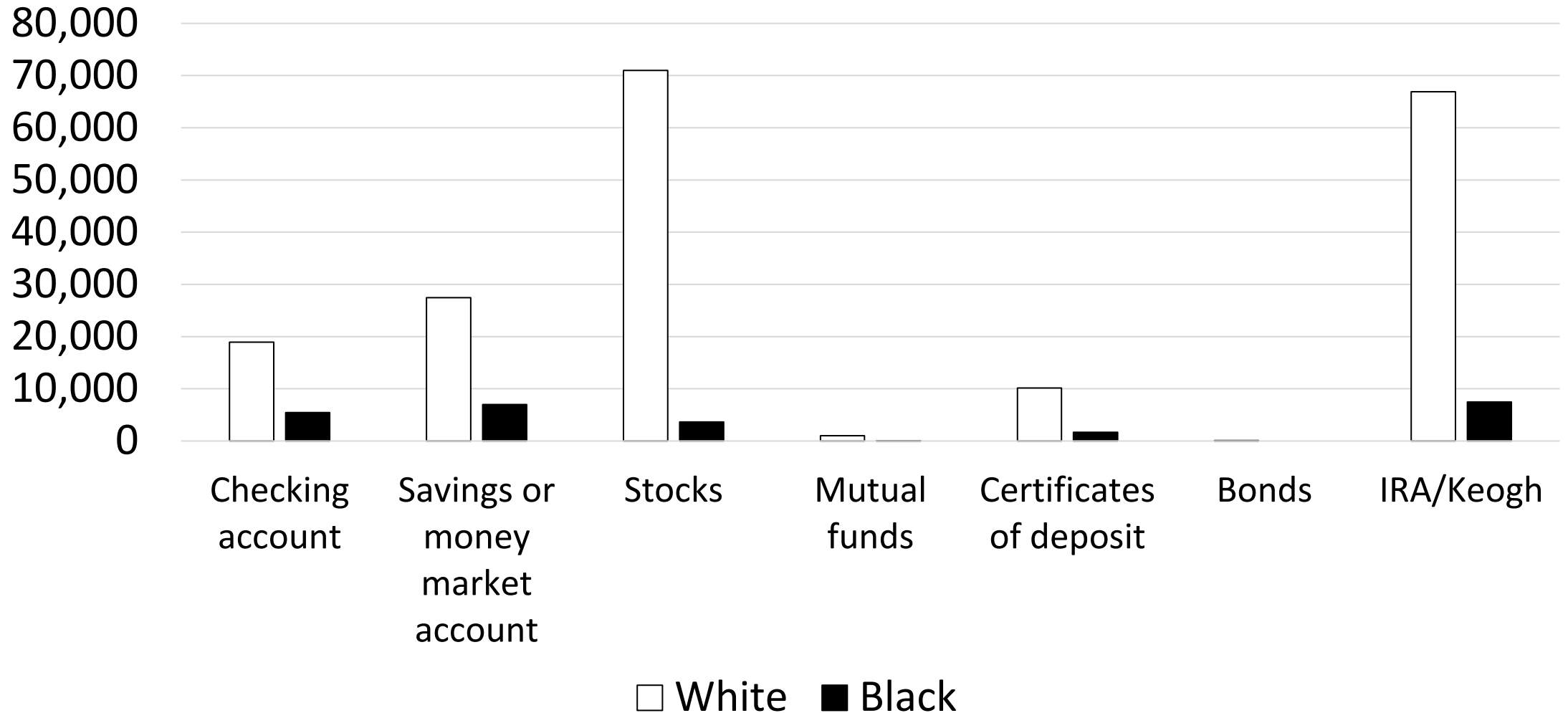


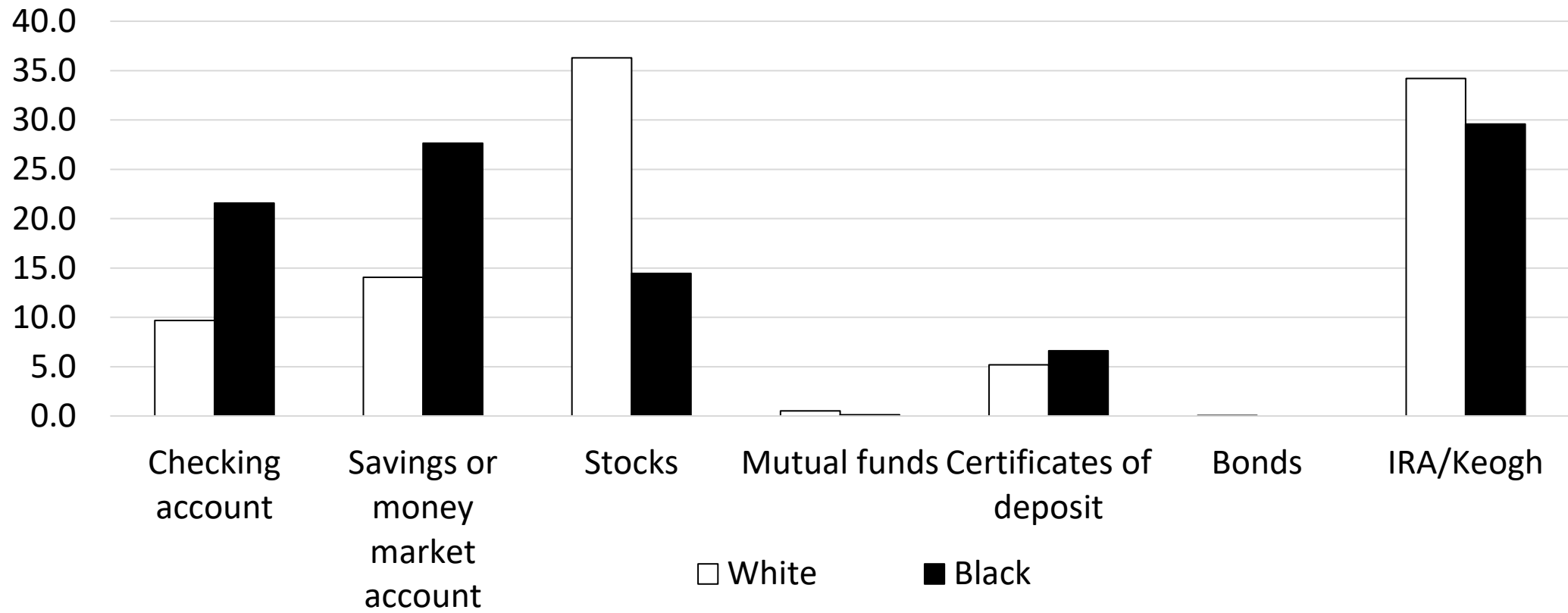
Making a Case for Culture: Race, Wealth, and the Legacies of Inequality

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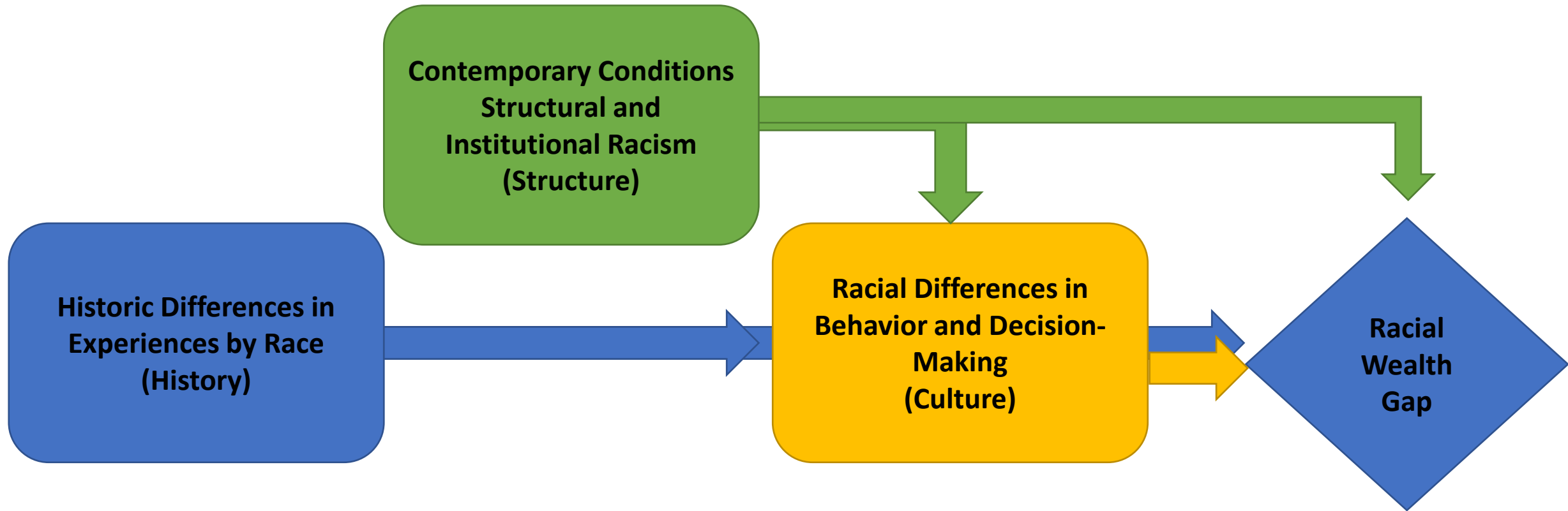
Average Amount in Assets by Race



Composition of Financial Portfolio by Race



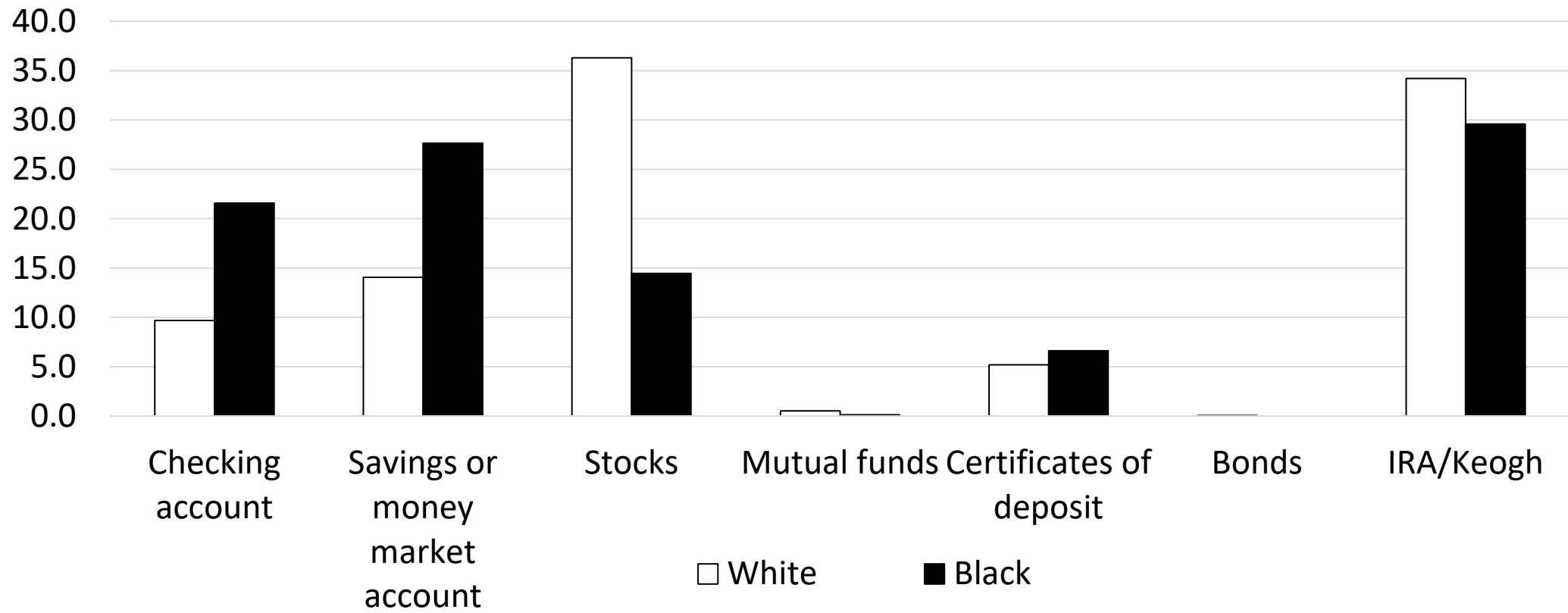
Overview of the Theory



Why the Lack of Culture?

- The “culture of poverty” narrative came out of work by Oscar Lewis and Daniel Moynihan
- These works argued that being poor and being Black exposed individuals to “pathologies” and non-normative value systems that perpetuated a “culture of poverty” over generations (Small et al. 2010)

Composition of Financial Portfolio by Race



Culture in the Prior Racial Wealth Gap Literature

- Risk aversion (Choudhury 2001; Gutter and Fontes 2006; Hanna et al. 2010; Yao et al. 2005)
- Personal lending practices (Chiteji and Hamilton 2002; Heflin and Pattillo 2002)
- Ideal financial behavior (Rucks-Ahidiana 2017)
- Financial toolkit (Rucks-Ahidiana 2021)

Ideal Financial Behavior	Black (ref: Latinx)	White
Financial planning horizon: Moderate (ref: short)	+0.18**	+0.25***
Financial planning horizon: Long	+0.15*	+0.40***
Risk willingness: Average (ref: low)	+0.24***	+0.46***
Risk willingness: High	+0.30***	+0.38***
Response to financial emergencies: Borrow	=	+0.21**
Response to financial emergencies: Use savings	=	+0.48***
Response to financial emergencies: Postpone bills	=	+0.27*
Response to financial emergencies: Reduce spending	-0.37***	-0.60***
Response to financial emergencies: Work more	=	-0.47***

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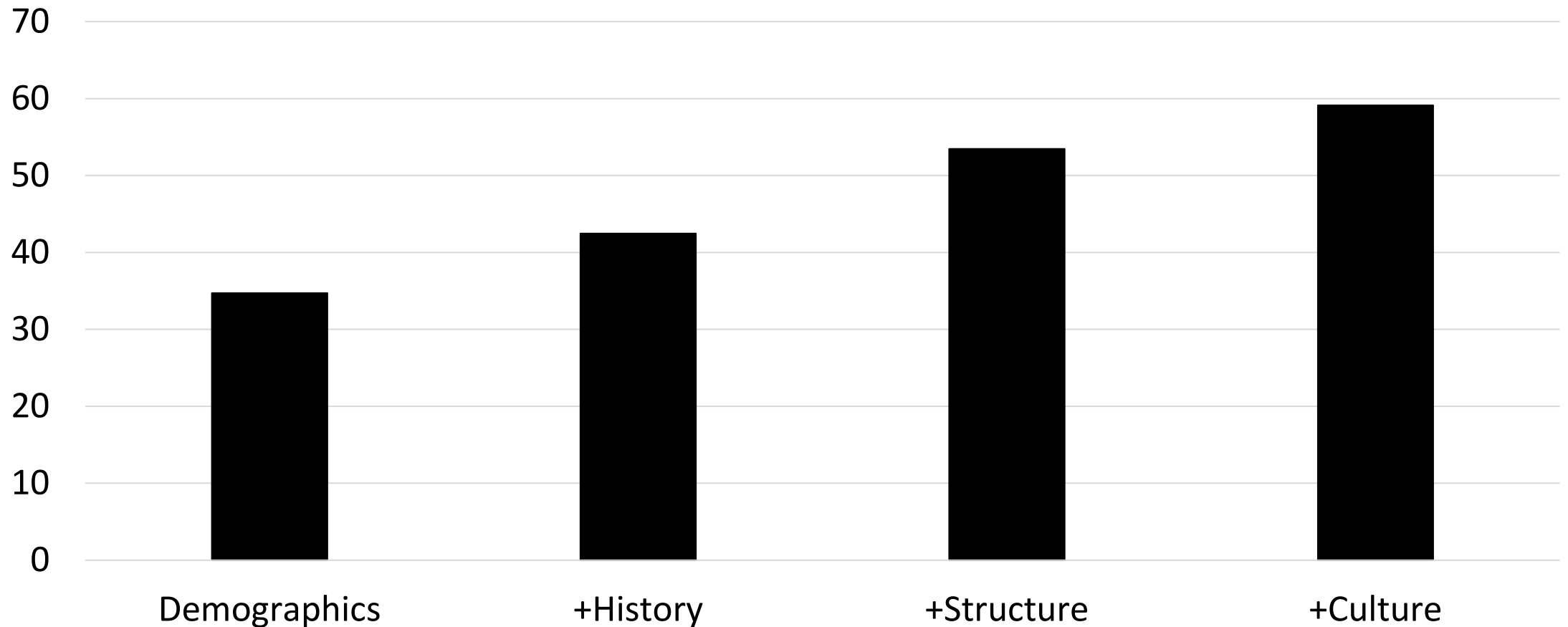
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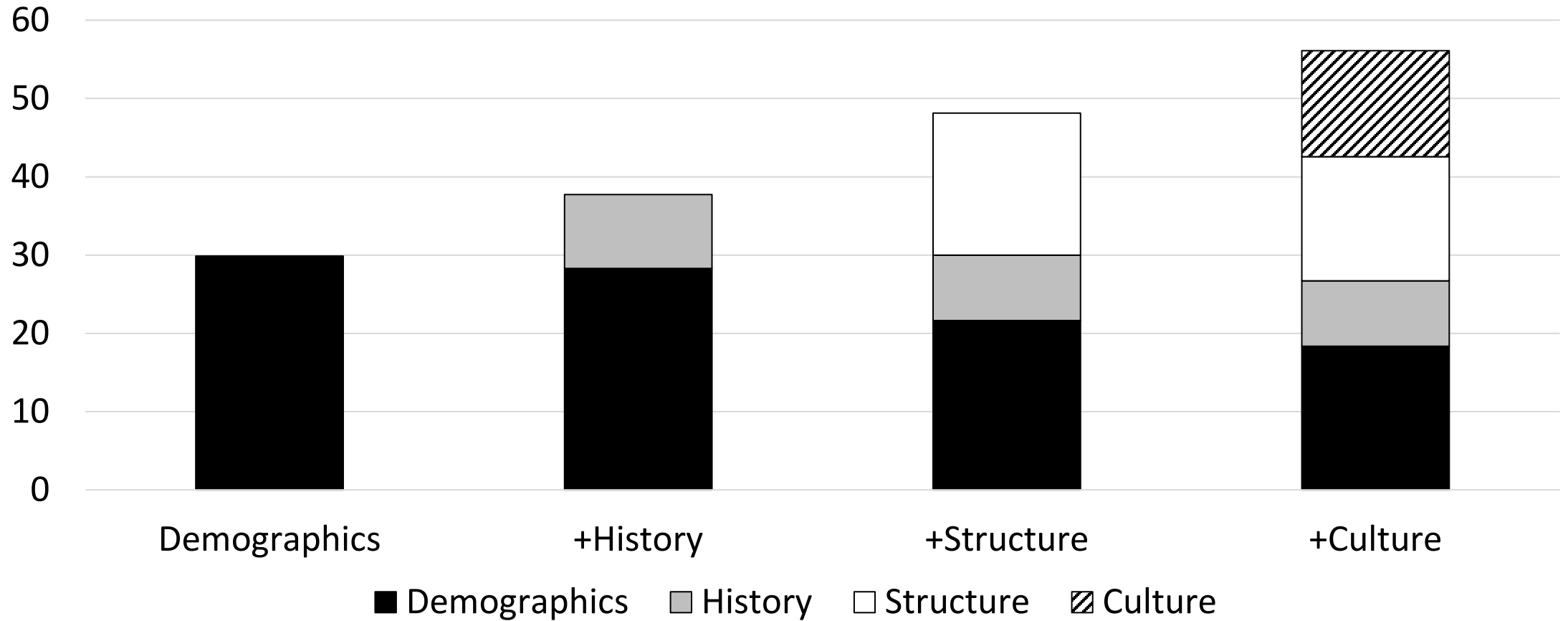
Decomposition Analysis

- How much do history, structure, and culture contribute to racial differences in asset holdings?
- Blinder-Oaxaca decomposition model
- Main focus: “endowments” or the “differences in characteristics”
- DV: Total assets (excluding home values)

Percent of Black-White Differential in Assets Explained by Differences in Characteristics



Variable Set Results

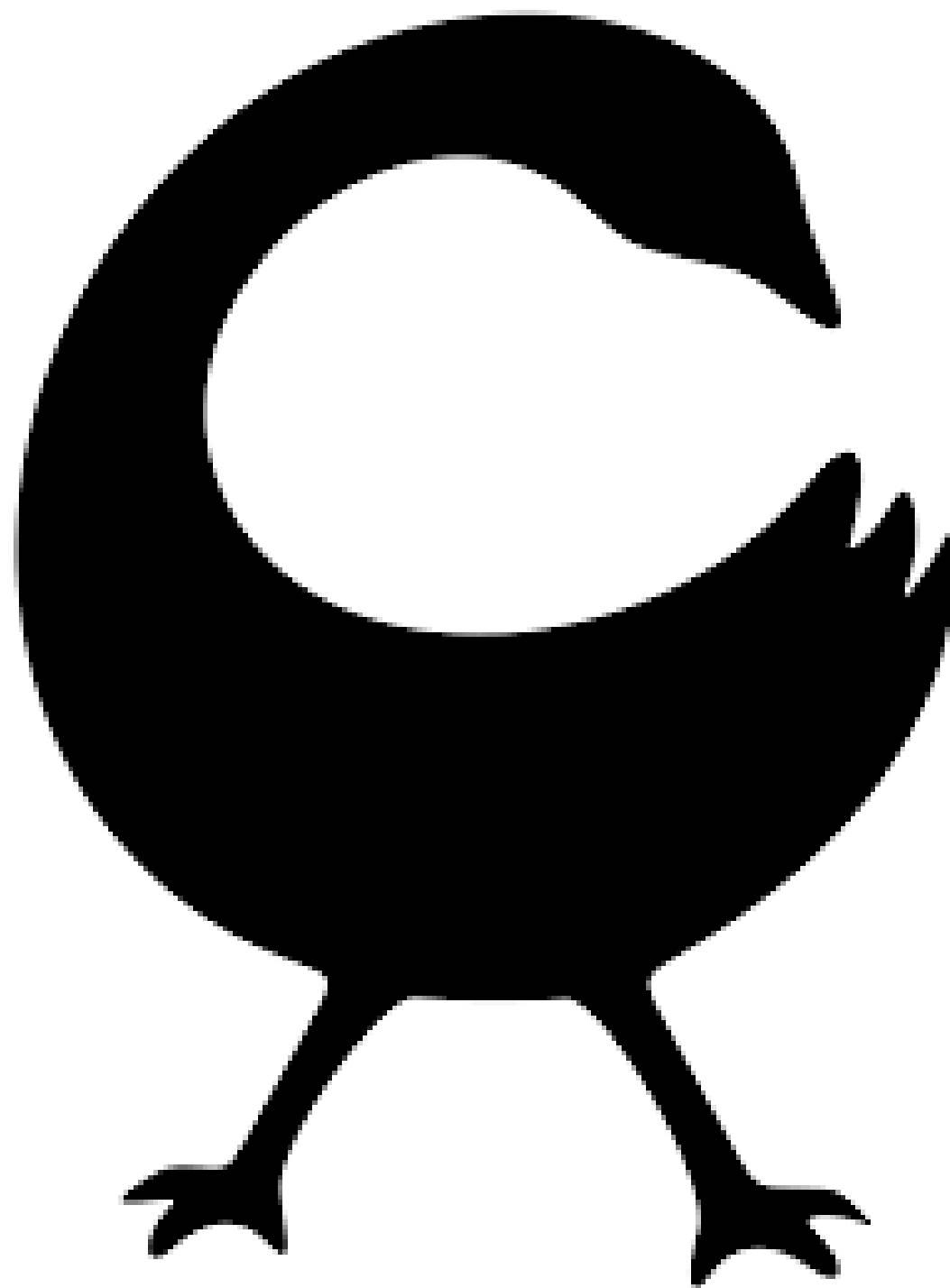


Take Aways

- Culture contributes, but it is not the only contribution
- This is why we need to ADD culture to the conversation along with history and structure
- We should use culture in context to move beyond victim blaming

Sankofa

- Reaching back to move forward



Thank you!

- zrucks-ahidiana@albany.edu
- Rucks-Ahidiana, Zawadi. 2017. “Cultural implications of historical exclusion for the racial wealth gap: How ideal financial behavior varies by race.” *American Journal of Cultural Sociology* 5(1-2): 68-89.
- Rucks-Ahidiana, Zawadi. 2022. “Race and the Financial Toolkit: Bridging Cultural Theories to Understand Behavior and Decision Making in the Racial Wealth gap.” *Sociological Inquiry* 92(2): 388-416.

Survey of Consumer Finances

- 2019 dataset
- History: Amount inherited
- Structure: Total income, amount needed for emergency savings
- Culture: Risk aversion, acceptable reasons to borrow money, attitudes towards savings
- DV: Total assets
- Controls: Race, age, education, gender, marital status, children under 18, survey year