# Online appendix for "Changes in the Distribution of Black and White Wealth Since the US Civil War"

## A    Alternative representation of Black and white wealth

In this appendix section, we provide alternative visualizations of the development of Black and white wealth since Emancipation.

**Comparison Black share with top 0.1% share of national wealth**    Figure A.1 compares Black wealth share in total national wealth with the wealth share of the wealthiest 0.1% Americans (which are mostly white).[9] Not only is the wealth share of the top 0.1% significantly larger than the share of Black wealth, it has also grown much faster than Black wealth during the last several decades. Such patterns provide an additional perspective on the recent growing divergence of the racial wealth gap.

**The white-to-Black wealth gap in logs**    Figure A.2 presents our per capita white-to-Black wealth gap of Figure 3 in logs. This figure highlights once again how the most rapid decline in the wealth gap occurred in the first 30 years after Emancipation. Afterwards, wealth convergence slowed down in the first decades of the 20th century, resumed between 1930 and 1980, and stalled thereafter.

**White share with positive wealth by region, 1860 and 1870**    In Table A.1 we present the white share with positive wealth during 1860 and 1870 by region (South vs. Non-South). While white shares of positive wealth in non-Southern countries decreased by around 8 percent, Southern wealth holders decreased by more than 13 percent. This is again in line with history, as Emancipation led to the total nullification of all slave wealth which hit wealthy Southerners the most, see Figure 1a and Figure 1b.

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[9]National wealth shares are provided by Piketty, Saez, and Zucman (2018).

Figure A.1: Black share of national wealth vs. top 0.1% share of national wealth
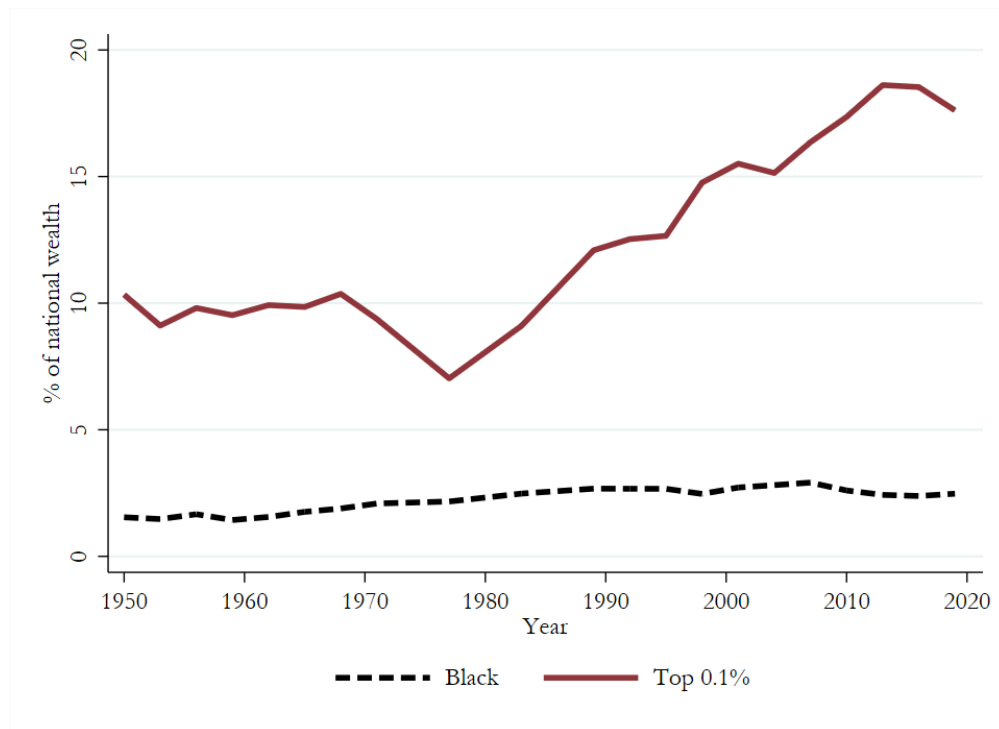


Notes: The black solid line presents the Black share of total national wealth during 1950-2020. The red solid line presents the national wealth shares of the top 0.1% wealthiest Americans. Data sources: SCF+ and Piketty et al. (2018).

Figure A.2: Wealth gap in logs
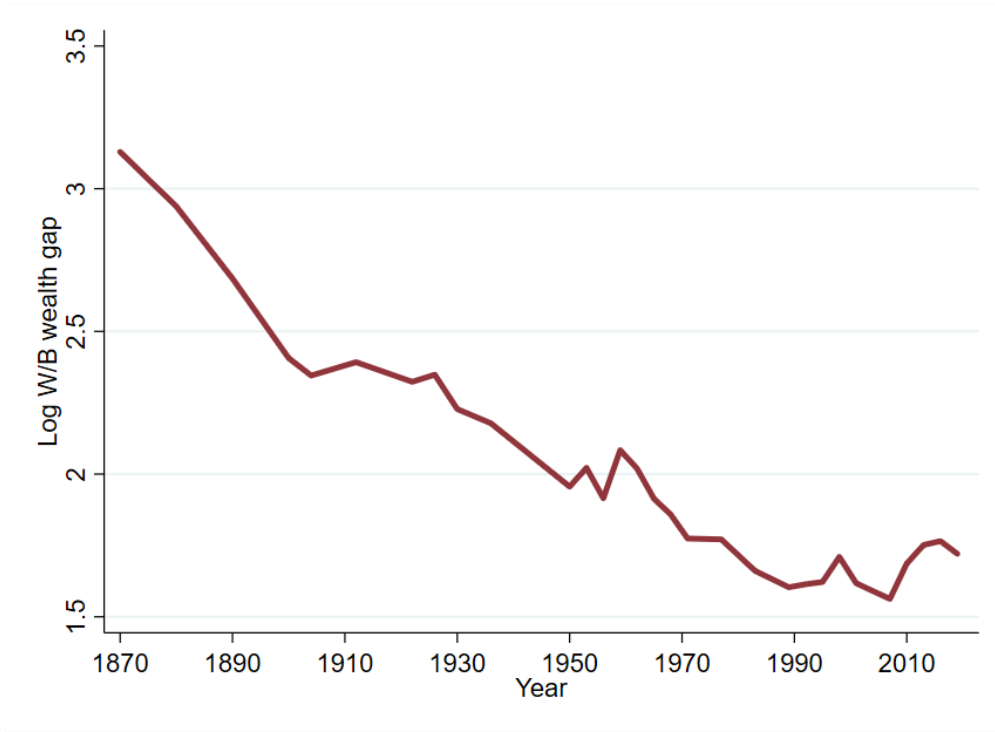


Notes: The per capita average white-to-Black wealth gap series in logs from 1860 to 2020. Data sources: Derenoncourt et al. (2022).

Table A.1: White share with positive wealth: South vs. Non-South

|                     | 1860   | 1870   | % Change |
|---------------------|--------|--------|----------|
| Benchmark white     | 86.4%  | 78.1%  | -9.6%    |
| White in South      | 89.8%  | 77.9%  | -13.3%   |
| White in Non-South  | 84.9%  | 78.2%  | -7.9%    |

Notes: White population share with positive wealth. The first row presents our benchmark results. In the second and third row, we divide the white population living in southern states and other states. *Data source*: Census.

# B  Imputing personal property

In Figure B.1 we present Black and white population shares with positive total wealth together with homeownership rates during 1860-2020. The share of Black households with positive wealth rose substantially between 1870 and 1950. At the beginning, less than 10% of Black households owned any form of wealth. By 1950, slightly more than 50% possessed a positive amount of wealth, and 80% by 2020. But when exactly, had the majority of Black households accumulated measurable wealth?

While we have full information on homeownership rates during 1860-2020, data availability on total wealth including information on different asset classes is scarce: We have information on personal property for 1860 and 1870 coming from the Census (including bonds, notes, and enslaved persons in 1860), but a complete picture of wealth by asset class is only available starting from 1950 onwards with the SCF+. For the years when we have data on both total wealth holdings and homeownership rates, we observe a difference between population shares with positive wealth shares and homeownership rates, for both racial groups. This indicates that a significant amount of Black and white Americans possessed personal property, without being a homeowner.

In light of the data gap between 1870 and 1950, we can only approximate this transition indirectly. We impute the shares of the Black and white population with positive wealth by exploiting socio-demographic characteristics of households with personal wealth both from the 1860 and 1870 census and the 1950 SCF+ survey wave. Specifically, we investigate the socio-demographic characteristics of a household head $i$ that had personal property, who lives in state $s$ in year $t$, *and does not possess housing wealth* using the following equation:

$$\text{Pers. prop}_{i,s,t||house_{i,s,t}=0} = \alpha + \beta X_{i,s,t} + \gamma_s + \varepsilon_{i,t}. \tag{1}$$

$X_{i,s,t}$ includes socio-demographic characteristics such as family size, gender, literacy, urban status, age (and its square), as well as labor market characteristics such as labor force status and occupational characteristics (farmer/laborer/professionals). $\gamma_s$ are state-level fixed effects.

Our imputation method is as follows. First, we implement forward-looking predictions by estimating Equation (1) using 1870 census data for Black, and using 1860 census data for white. The reason why we do not use the 1870 census for white is due to the fact that in the aftermath of Emancipation, white wealth experienced a shock, especially slaveholders, and may not be representative for the post-Emancipation periods (Ager, Boustan, and Eriksson, 2021). We then use the estimated coefficients to impute the share of positive wealth holdings for $t \in [1900, \ldots, 1940]$[10]:

$$\hat{P}_t(\text{wealth} > 0) = (1 - \%\text{homeowner}_t) \cdot \text{Pers. } \hat{\text{prop}}_t + \%\text{homeowner}_t. \tag{2}$$

We are aware of the fact that the socio-demographics of property owners may have changed

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[10]We start our imputation in 1900, as census data during 1880-1890 does not have information on homeownership.

over time and the 1860/1870 characteristics may not be representative for the mid-20th century. Therefore, in a second step, we also compute backward-looking predictions by estimating Equation (1) using the 1950 data of the SCF+. In particular, we will provide imputation results for 1940, as the 1940-1950 period is characterized through important events such as the WWII, the New Deal era relief and social insurance policies, as well as GI Bill. All regression outputs are presented in Table B.1.

Figure B.1: Black and white shares with positive wealth, 1860-1870 and 1950-2020
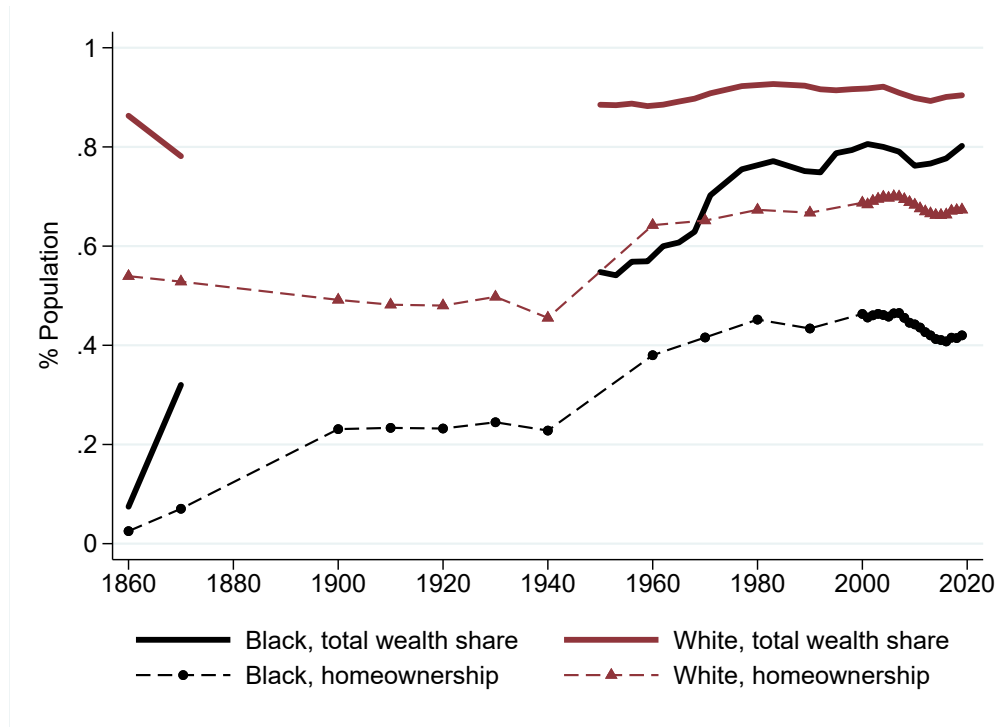


Notes: The solid black and red line present Black and white shares with positive wealth, respectively, during 1860-1870 (using census) and 1950-2020 (using SCF+). The solid red line with cross marks plots white homeownership rates from the census, and the line with dots shows Black homeownership rates from the census. Data sources: Census and SCF+.

Table B.1: Regression output for forward and backward imputation

| | Forward | | Backward | |
| | Black | White | Black | White |
| --- | --- | --- | --- | --- |
| Sample year | 1870 | 1860 | 1950 | 1950 |
| Family size | 0.12*** | 0.08*** | −0.13*** | −0.17*** |
| Male | 0.92*** | −0.15** | 0.64*** | 0.78*** |
| Farmer | −0.91 | 1.72*** | 1.44*** | 0.80*** |
| Laborer | −1.42 | 1.09*** | 0.40 | 0.50*** |
| Professional | −0.30 | 1.80*** | 1.23** | 1.27*** |
| Education | 0.27*** | 0.16*** | 0.17 | 0.61*** |
| Age | 0.06*** | 0.00 | 0.09** | 0.10*** |
| Age squared | 0.00*** | 0.00 | −0.001*** | −0.001*** |
| State fixed effects | yes | yes | yes | yes |
| Constant | yes | yes | yes | yes |
| Pseudo $R^2$ | 0.10 | 0.09 | 0.10 | 0.13 |

Notes: Regression output for property holders (none-homeowners) by race. For forward imputation for Black, we use 1870 census data and for white 1860 data. For backward imputation we use for both racial groups the 1949 wave of the SCF+. *,**, and *** present the significance level at 1%, 5%, and 10%, respectively. *Data source*: Census and SCF+.