Investment, Saving and Borrowing for Children

Trends by Wealth, Race and Ethnicity, 1998-2016

Nina Bandelj, University of California, Irvine, nina.bandelj@uci.edu

Angelina Grigoryeva, University of Toronto, angelina.grigoryeva@utoronto.ca

Author Biographies

Nina Bandelj is Professor of Sociology and Associate Vice Provost for Faculty Development at the University of California, Irvine. An economic sociologist, Bandelj has published widely on how social relations, culture, power and emotions influence economic and organizational processes, including investment and debt, inequality, globalization, postsocialist transformations, and ideas about economy. Bandelj's most recent book is *Money Talks: Explaining How Money Really Works* (2017, with Frederick Wherry and Viviana Zelizer).

Angelina Grigoryeva is an Assistant Professor in the Department of Sociology at the University of Toronto, Canada. Her research examines changes in household economic lives in the context of financialization and implications for wealth and gender inequality. Her research has been published in the *American Sociological Review* and *American Journal of Sociology*, among others. She received her Ph.D. in Sociology with a certificate in Demography from Princeton University.

Abstract

This study examines the link between wealth inequality and families' financial investment, saving and borrowing for the sake of children. Using the 1998-2016 Survey of Consumer Finances data, we show that American families have increasingly engaged in financially more intensive parenting but that there are substantial differences by wealth and race/ethnicity. Over time, White families above median wealth accumulate more financial assets and education savings as well as less education debt for children. In contrast, Black and Hispanic families across the wealth distribution have low financial assets and education savings for children. In addition, for Black families across the wealth distribution education debt has grown to substantial amounts. These findings suggest that the contemporary norm of intensive parenting has unequal financial manifestations, which have likely contributed to the widening of wealth and racial inequalities, especially between White and Black child households.

Keywords: children, parenting, wealth, race/ethnicity, investment, debt, education

Wealth inequality increased dramatically over the past decades in the United States (Pfeffer and Schoeni 2016), and it increased the most for families with children, compared to any other type of household (Gibson-Davis and Percheski 2018). To contribute to the understanding of these trends, we focus in this paper on families' financial behavior, specifically their monetary investment, saving and borrowing for the sake of children, which potentially lessen or augment intergenerational wealth differences. We ask: a) has financial investment, saving and borrowing by Americans for their children changed over the past couple of decades, and b) have those changes varied by wealth and race/ethnicity? While researchers have studied expenditures for children (Bianchi et al. 2004; Kornrich and Furstenberg 2013; Schneider, Hastings and LaBriola 2018), we call for a more comprehensive analysis of the economy of parenting. We argue that over the past decades, families with children have adopted *financially intensive parenting* practices: they have become increasingly engaged in financial investment, saving, and borrowing for children. However, the types of these financial behaviors (be it monetary investment, saving or borrowing), and amounts linked to them, have varied substantially across the wealth distribution and by race/ethnicity. Indeed, financially intensive parenting happens in a context of high racial wealth gaps in the United States (see Gibson-Davis and Hill, this volume). Based on nationally representative, cross-sectional data from the Survey of Consumer Finances (SCF), White child households' median net worth (assets minus debts) was $95,610 in 2016, which was 2% lower than in 1998. Black child households' median net worth was only $510 in 2016, and

has *decreased* from 1998 by a striking 90%.[1] Median net worth for Hispanic child households was $5,600 in 2016 and has *increased* by 75% since 1998.

To answer our first research question, analyzing SCF data (1998-2016), we find evidence of growing financial trends in parenting, as exemplified in increasingly higher a) accumulation of financial assets[2] under children's names or co-owned with children, b) education savings for children, and c) education debt taken on for children, in the period between 1998 and 2016. As concerns our second research question, we find that White families above median wealth have been investing significantly more financial assets and accumulating higher, tax-advantaged, education savings for their children over time. In contrast, Black and Hispanic families across the wealth distribution have low financial assets and education savings for children. In addition, for Black families across the wealth distribution education debt has grown to substantial amounts.

We proceed by reviewing research on important structural and cultural trends over the past decades, including those of wealth inequality among American households, financialization and growing indebtedness as well as the rising norms of intensive parenting. With this backdrop we then derive our propositions about the expected trends in financially intensive parenting of American child households. In the second part of the paper, we report on our SCF data and methods, followed by the presentation of findings on the trends in financial investment, saving and borrowing for children across wealth and race/ethnicity over the past couple of decades. We conclude with some stipulations about the potential consequences of documented trends for child inequality and potential solutions.

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[1] Throughout the paper, by Black we refer to those identifying in the Survey of Consumer Finances as non-Hispanic Black. Our data does not allow us to distinguish other racial/ethnic groups than White, non-Hispanic Black and Hispanic. We define child households as those with children age 24 or younger.

[2] While the term "assets" is often used as synonymous with wealth, we use it in a narrower definition that refers to financial assets for children as the data from SCF allow us to distinguish. Financial assets for children include checking accounts, certificates of deposit, and savings and money market accounts under children's names or co-owned with children.

Wealth Inequality Trends

As inequality in the United States increased on multiple dimensions over the past decades, inequality in wealth, an important outcome of social stratification (Killewald, Pfeffer and Schachter 2017), rose most starkly (Gibson-Davis and Hill, *this volume)*. Since the 1960s, net worth of the top 1 percent of the wealth distribution increased sevenfold, and those at the top 90th percentile saw their wealth increased fivefold. In contrast, families at the bottom 10th percentile went from having no wealth to negative net worth, meaning that they had more debts than assets (Urban Institute 2017). The Gini coefficient for the wealth distribution increased from .79 to .85 since the late 1980s (Pfeffer and Schoeni 2016).

Importantly, wealth inequality did not grow equally across various socio-demographic groupings, and two patterns are particularly relevant for the purposes of our study. First, wealth inequality increased most for families with children than any other type of households (Gibson-Davis and Hill, *this volume* ; Gibson-Davis and Percheski 2018). Families with children witnessed large increases in net worth in the top 10% and the rise of the parental top 1%, accompanied by declining levels of median wealth, suggesting that those at the bottom were losing ground. Second, racial/ethnic gaps in wealth are vast and growing, particularly after the Great Recession (Killewald, Pfeffer and Schachter 2017). The median wealth of White households is 10 times greater than that of Black households and 8 times that of Hispanic households. Notably, racial/ethnic disparities in wealth increase almost exponentially along the wealth distribution (Maroto 2016, Percheski and Gibson-Davis 2020). Moreover, wealth of Black and Hispanic households dropped precipitously after the Great Recession in 2007 (McKernan et al. 2014), and Black households, in particular, have witnessed continued declines

since then (Percheski and Gibson-Davis 2020). Indeed, Black-White household wealth gaps were smaller in 2004 than they were in 2016 (Wolff 2018). These existing and historical racial inequalities need to be considered when analyzing saving, investing, and borrowing for the sake of children.

Financialization and Increasing Indebtedness of Households

Since the focus of our paper is on financial behavior of families, it is important to place these in the context of broader trends of financialization of the U.S. economy (Krippner 2011; Davis and Kim 2015). While the early literature on financialization has mostly focused on activities of firms (Krippner 2005, Epstein 2005), more recent work pays attention to the financialization of everyday life (Martin 2002, Pellandini-Simanyi, Hammar and Vargha 2015), as well as consequence of financialization for inequality (Lin and Neely 2020). Scholars argue that availability of financial instruments has increased financial product consumption and leveraged investment (Davis 2009). Individuals have more aggressively pursued financial strategies, which comprise today's "finance culture" (Langley 2007, Fligstein and Goldstein 2015) and have become more tolerant of risk-taking and debt-reliance (Lea et al. 1993). Indeed, financialization has made various forms of credit more readily available to the broad swaths of the population, resulting in rising levels of households indebtedness in the U.S. since the 1970s (Dywer 2018).

Many researchers attribute the significant growth in how much debt American households owe to stagnant wages and declining purchasing power of the middle class, also known as "the middle class squeeze" (Wolff 2010, Leicht 2012, Porter 2012, Warren and Tyagi 2016). Scholars argue that the processes of deindustrialization and proliferation of liberal market oriented economic policies heightened labor market insecurity and economic instability while

weakening the state welfare protections (Rajan 2010, Carruthers and Kim 2011, Leicht and Fitzgerald 2014). This led to the rising economic pressures and fluctuations in household income that necessitate borrowing on credit for the groups whose wages have either been stagnant or in decline (Leicht and Fitzgerald 2006, 2014; Wolff 2010, 2012; Collins 2009; Montgomerie 2006, 2009; Bucks 2012; Porter 2012; Sullivan and Kaufman 2012; Warren and Thorne 2012). Indebtedness rises when households experience a shock, such as job loss, illness, or death (Pressman and Scott 2009), as credit has assumed a function of a social safety net (Prasad 2012). Indeed, Cohen (2017) finds that the social welfare system in the U.S. provides little support for the working-age population and children. Hence, middle class families are taking on increasing debt to manage the rising costs of key basic necessities, such as education, child care, or housing.

Other researchers examining indebtedness of households point to its cultural dimensions, namely the changing understandings of the legitimacy of debt and financial engagement, as well as how maintaining or upgrading one's lifestyle through consumption has resulted in households taking on more debt. Such status driven accounts of indebtedness rely on classical sociological insights that social groups are differentiated through 'lifestyles' marked by various consumption patterns (Weber 1946), and that people signal their wish to emulate groups with a higher social status through conspicuous consumption and the ostentatious display of wealth (Veblen 1899; cf. Bagwell and Bernheim 1996, Ritzer 2001, Trigg 2001). Scholars document that people will often overleverage before reducing their consumption (Ritzer 1995, Frank 1999, Trigg 2001, Fligstein and Goldstein 2015), and that rising income inequality amplifies the increase in household debt via conspicuous consumption (Ritzer 1995; Schor 1998, 2007; Barba and Pivetti 2009; Wisman 2013). In line with this, Kerwin and colleagues (2009) find that Black and Hispanic people use a greater share of their income on visible goods than White people to signal their household's

economic position. Examining the cultural dimensions of debt, scholars note that Americans have become "overspent" (Schor 1998), or caught "the luxury fever" (Frank 1999), influenced by media images of the super-rich lifestyle, and misconceptions that the wealthy are their appropriate reference category (Ritzer 1995, Wiseman 2013). Status consumption is related to household indebtedness because, in many cases, the only means through which consumers can furnish the increases in (conspicuous) consumption is through the use of credit (Manning 2000).

Importantly, financialization of the economy has been an unequal process (Lin and Neeley 2020). That is, while access to financial products and services has generally widened, families of color compared to White families face differential access to financial markets, including banking and the credit market, often because of the state exclusionary policies and financial companies' discriminatory practices rooted in the long history of racial inequality in the United States (Seamster and Charron-Chenier 2017, Baradaran 2019). Furthermore, as financial markets have become more complex, racial/ethnic inequalities in terms, conditions, and types of financial products and services has widened (Dwyer 2018; Rona-Tas and Guseva 2018). For instance, evidence from audit studies and observational research shows that Blacks and Hispanics experience not only higher rejection rates, but they also receive less favorable terms when securing mortgages than do Whites with similar socio-demographic characteristics and similar credit history (for a review, see Pager and Shepherd 2008). Moreover, research shows that monetary sanctions imposed on people convicted of crimes in the United States and consequent legal debt create a disproportionate burden for racial minorities (Harris, Evans and Beckett 2010), which would contribute to racial wealth gap. In addition, parents who are more likely to have contact with the criminal justice system and a history of incarceration, and who are

disproportionately Black, are also more likely to accummulate child support debt (Turetsky and Waller 2020).

The Rise of Intensive Parenting

Our aim is to connect macro-economic changes in financialization and indebtedness to the world of families and parenting. Scholars and practitioners alike have debated ways of contemporary parenting, proposing that a cultural shift has been underway toward intensive parenting, or a more child-centered and time-intensive approach to raising children. Initially, researches suggested that it is mostly mothers of middle and upper-middle class background who practice intensive parenting (Hayes 1996; Bianchi, Robinson and Milkie 2006; Nelson 2010; Ramey and Ramey 2010; Elliott, Powell and Brenton 2015). Subsequently, studies documented that mothers and fathers alike have been spending increasingly more time with children (Sayer, Bianchi, and Robinson 2004) but they also point out that the absolute amount of time and how it is spent vary between more or less educated parents (England and Srivastava 2013; Kalil, Ryan and Corey 2012; Sayer, Bianchi, and Robinson 2004). This is related to Lareau's (2003) influential study, which distinguished between different styles of parenting across social class, with middle- and upper-class parents practicing concerted cultivation (or organization of children's time and activities to help them become adept at institutional life) and lower-class parents practicing natural growth (or letting children structure their own time) (cf. Calarco 2014; Weiniger, Lareau, and Conley 2015).

Still, other research has countered the claim that intensive parenting is a sign of cultural capital of well-to-do parents, finding that parents of lower classes also exhibit such behavior (Chin and Phillips 2004; Waller 2010; Edin and Nelson 2013). To adjudicate between these

perspectives, Ishizuka (2019) designed a survey experiment to gauge contemporary parenting standards using a nationally representative sample of parents, with variation across class groups. Ishizuka presented respondents with various vignette scenarios that reflected the more or less intensive parenting norm, such as a preference for structuring a child's time and enrolling a child in extracurricular activities compared to a perception that parents should let their child entertain themselves when bored. Ishizuka (2019, 31) concluded that "parents of different social classes express remarkably similar support for intensive mothering and fathering across a range of situations, whether sons or daughters are involved." Even if not examining actual parenting practices, Ishizuka's study clearly pointed to the prevalence of the intensive parenting norm across socio-economic groups.

Researchers have also asked how race and ethnicity may impact parenting. While Lareau (2003) compared Black and White families, she did not identify significant differences between those in their parenting approach, with class differences prevailing. Recent studies of Black mothers (Dow 2019, Moore 2011, Turner 2020) also point to their intensive parenting. Beyond the Black and White comparison, researchers found that immigrant parents of Hispanic and Latinx background tend to have higher educational expectations for their children than native-born parents (Kao and Tienda 1994, Goyette and Xie 1999, Glick and White 2004, Feliciano and Lanuza 2016), which would suggest their focus on investing in children's education.

Financially Intensive Parenting

Our paper advances research on intensive parenting by developing a perspective in the economy of parenting and turning the focus to financial behaviors and consequences of the intensive parenting norm, or, what we call, financially intensive parenting. Studies have found that richer

families spend increasingly more money on children (Kornrich and Furstenberg 2013; Schneider, Hastings and LaBriola 2018). These studies suggest that well-to-do families are propelled by a motivation to maintain economic privilege and hoard economic and other status advantages in light of high economic inequality (Doepke and Zilibotti 2019; Schneider, Hastings and LaBriola 2018).

We look beyond spending for children to consider a variety of financial behaviors that parents engage in for the sake of their kids, including financial investment, savings and borrowing on credit. Here we apply the social meaning of money and relational work in economy perspectives (Zelizer 1994, Bandelj et al. 2017, Bandelj 2020), which assert that money is imbued with meaning and deployed differently in different social relationships. More specifically, people earmark money, or "assign different meanings and designate separate uses for particular kinds of monies" (Zelizer 1989, 343) and they engage in "affirmation of social relations through economic activity" (Bandelj 2020, 11). As such, we can expect the growing norm of intensive parenting to result in an increasing use of various monies earmarked for children to affirm the special relationship between parents and their children.

Indeed, over the past decades the repertoire of financial instruments that parents can use for the sake of their children has widened. Such instruments include various financial products, like stocks, bonds, mutual funds, money market accounts, that parents set up under their children's names. In addition, parents can take advantage of special financial instruments related to children's education, including 529 Savings Plans. These plans resulted from the creation of the Internal Revenue Code (IRC) Section 529 in 1996 in response to some states' efforts to help parents meet the demands of rising college tuition (Holden 2002, Ma 2005). 529 Savings Plans allow parents to allocate pre-tax money earmarked for children's education into financial

instruments, usually mutual funds, managed by financial firms hired by state governments. Reports show that the amount of assets put aside in 529 plans grew to a record $329 billion as of year-end 2018, with the number of accounts opened rising to more than 13.8 million (College Savings 2020).

Moreover, there are credit-related instruments that parents can use to support children, primarily investment in children's education. These include Parent Loans for Undergraduate Students (PLUS loans), offered by the federal government through the Federal Student Aid Office, which have become increasingly popular since the 1990s (Grigoryeva 2015, NCES 2016). Friedman (2019) reports that in 2019 the balances in Parent PLUS loans reached almost $89 billion. Parents can also take on loans from private lenders to support enrollment of their children in college (Friedman 2019).

Given the wide range of financial instruments available to parents, our goal is to investigate whether, over time, parents have increasingly engaged in financial behaviors that reflect their prioritization of children and investment in their education, and how these trends may vary by wealth and race/ethnicity. Therefore, we test three hypotheses. Our first hypothesis is that financially intensive parenting has grown in the past two decades, as exemplified in increasingly higher a) share of financial assets under children's names or co-owned with children in light of all household assets, b) absolute amount of financial assets under children's names or co-owned with children, b) education savings for children, and c) education debt taken on for children. Our second hypothesis is that financially intensive parenting behaviors will vary by wealth position. Specifically, given structural constraints in wealth (Pfeffer and Schoeni 2016; Maroto 2016; Killewald, Pfeffer and Schachter 2017), we expect parental financial behaviors that include investment and saving activity for children to be more pronounced among above

median wealth households and parental financial behaviors that rely on borrowing on credit to be more pronounced among below median wealth households. Our third hypothesis is that financially intensive parenting will differ across racial/ethnic groups with Black and Hispanic families accumulating significantly less financial assets and savings for children than White families.

Data and Methods

To document trends over time and across racial/ethnic groups in how families of different wealth status engage in financial investment, savings and debt for the sake of children, we use data from the nationally representative, cross-sectional triannual Survey of Consumer Finances (SCF) and we focus on the survey waves from 1998 to 2016.[3] The SCF is among the best sources of data on a wide range of household financial activities (Keister 2014, 350), including saving, investing, and borrowing financial activities associated with investment in children. Also, the SCF collects detailed socio-demographic data, thus making it possible to disaggregate trends in financial activities for the sake of children by wealth and race/ethnicity.

All analyses focus on families with at least one child (coresident or non-coresident), 24 years of age or under. This age threshold is chosen because as part of our analyses, we examine parental borrowing for children's education, which is mostly earmarked for college. For the other outcomes we examine, our results are robust to 18 as the children's age threshold. For education debt, because the SCF does not collect information about for whose education this debt is

[3] Although the data for debt goes back to 1989, we present analysis for the period of 1998 to 2016 for all outcomes in the interest of consistency. Our conclusions remain the same when we extend analysis for debt to 1989.

accrued, we analyze only families with children where the household head is above age 40 (following other studies using SCF data, e.g. Akers and Chingos 2014), in order to exclude from the analysis families where parents are most likely paying off their own student loan debt rather than borrowing for children's education. In all of our analysis, we focus on three racial/ethnic groups: Whites, Blacks, and Hispanics. We do not analyze trends for other racial/ethnic groups (e.g. Asians or Native Americans) because these are not distinguished in the SCF data.

Our analysis focuses on a range of financial activities for children that cover investments, saving, and borrowing. First, we examine financial assets under children's name or co-owned by children, where financial assets include checking accounts, certificates of deposit, and savings and money market accounts, and we examine both the absolute amount and as a share out of total household assets. Our second variable of interest is the amount of savings in state-sponsored education savings plans such 529 plan, which is available in the SCF since the 2001 wave.[4] An important advantage of these two measures is that they capture long-term savings earmarked for children, with consequences for children's attainment and well-being. Also, it is worth noting that both measures can be conceptualized as saving and investing simultaneously.

Next, in addition to saving and investing, we examine borrowing related to children. Our main focus is on debt accrued in education loans as a type of debt that is earmarked specifically toward long-term investment into children. Additionally, we also consider, in supplementary analyses, mortgage debt and credit card debt. We acknowledge that the SCF data do not let us distinguish to what extent mortgage and credit card debt are driven by investment into children as compared to other motives. However, research shows that schools are an important

[4] If education savings accounts are reported as co-owned with children, then they are also included in the measure of financial assets co-owned with children. Notably, among families with children with some (i.e., non-zero) education savings, the vast majority (68%) do not co-own education savings accounts with children.

consideration in residential choices, and parents are willing to pay a premium for neighborhoods with better schools (Owens 2016). Evidence also shows that good school neighborhoods have been increasingly more expensive (Killewald, Pfeffer and Schachter 2017; Johnson 2006; Shapiro 2004, 2017), which, for most families, would necessitate taking on more mortgage debt to afford to reside in such neighborhoods (Frank 2007, Warren and Tyagi 2016). Similarly, although credit card debt is not earmarked directly for children, parents may use this type of loans to fund expenditures on children, shown to be on the rise (Kornrich and Furstenberg 2013; Schneider, Hastings and LaBriola 2018). For all debt categories, we focus on absolute amounts. All dollar values are in 2016 US dollars.

Our analysis also incorporates a range of demographic attributes. Our main variable of interest is household wealth, measured as all assets minus all debts (Killewald, Pfeffer and Schachter 2017).[5] To examine trends by wealth, we divide the wealth distribution into two categories: above and below the median wealth (or top and bottom halves of the wealth distribution), where the median wealth splits are computed for the full sample. This categorization scheme is admittedly crude, but it ensures that the (unweighted) number of racial/ethnic minorities within each wealth category is large enough for making meaningful statistical inference. Descriptive statistics show that in 2016 only 19% of non-Hispanic Blacks and 23% of Hispanic families with children fall above median wealth for these racial/ethnic groups, while this number is 54% of non-Hispanic White child households. Therefore, in some of our analyses for Whites, we distinguished also the top 20 and top 5 percent of the wealth distribution. Other demographic variables include household income, education (measured by

[5] Following Gibson-Davis and Percheski (2018), we exclude the value of vehicles because their resale value is far less than the consumption value. Our results remain the same when the value of vehicles is included towards a household's net worth.

four dichotomous variables for high school degree, some college, college degree, or advanced degree, with less than high school being the reference category), number of children under 25 in the family, family structure (with two-parent households as the reference category and two dichotomous indicators for single-parent family and all other families, where the latter includes, among others, households where multiple generations co-reside); age of the household head and its square term divided by 100, and gender of the respondent (a dichotomous variable with 1=male).[6,7] Appendix A includes all variable definitions and descriptive statistics.

Our analysis proceeds in two steps. First, we present descriptive trends in financial activities disaggregated by wealth separately for each of the racial/ethnic group in our analysis on the pooled SCF data across all survey years. Second, we examine the trends by wealth and race within the multivariate framework. For each of the racial/ethnic group, we again pool the SCF data across all survey years and predict the outcome variables with an interaction term between household position in the wealth distribution and survey year, the main effects of these variables, and sociodemographic controls. In all of these analyses, we exclude the value of wealth components we use as outcomes from the estimates of absolute net worth and the median wealth splits.[8] Additionally, in all of our analyses, we follow previous research and apply weights to account for the oversampling of wealthy households in SCF.

[6] For the individual-level socio-demographic attributes, we use the characteristics of the respondent reporting for the household. Because characteristics of all family members are reported by the respondent, we use his/her characteristics to minimize reporting errors. Our results remain substantively the same when we use average values between the respondent and the spouse (e.g., average educational attainment) or highest values of one of the spouses (e.g., highest level of education).

[7] Data on children's attributes in the SCF are collected only for coresident children. Because non-coresident children (e.g., in college) and information on their characteristics is missing in the SCF, we do not include any characteristics of the children in the models presented. Our results remain the same when we control for coresident children's attributes (e.g., age of the youngest coresident child).

[8] Our results remain the same when the wealth measures does not exclude the values of wealth components used as our outcomes.

Findings about Financial Activities for Children Across Wealth and Race/Ethnicity

We first document sizable differences in net worth for White, Black and Hispanic child households, as well as different trends over time. Based on the nationally representative SCF data, as exhibited in Tables 1 and 2, the White child households' median net worth was at $95,610 in 2016, which was 2% lower than the amount in 1998. In contrast, this figure was $510 for Black child households in 2016, and that reflected a substantial decrease of 90% in Black child household median wealth since 1998. To compare, the median wealth for Hispanic child households was $5,600 in 2016, and has *increased* by 75% since 1998. Moreover, the share of White families with children above median wealth (calculated on the basis of data for all families) increased from 52% in 1989 to 54% in 2016. In this period, the share of Black and Hispanic families above median wealth (calculated on the basis of data for all families) has hovered at around 19% and 23% respectively.

[Tables 1 and 2 about here]

Descriptive Trends

Our examination of descriptive trends in monies earmarked for financial investment, saving and borrowing for children shows that these have generally increased in the period we examine, from 1998 to 2016. The increasing trends are evident across wealth distribution and across racial groups, pointing to a prevalence of a common cultural norm of investment in children. However, in many ways these financial trends are also different across wealth and across race/ethnicity, reflecting structural resource inequalities that dictate the absolute amounts of investment that can be made, on the one hand, and amounts of debt that is accrued, on the other hand.

As concerns financial assets under children's names (e.g. checking accounts, certificates of deposit, and savings and money market accounts), all child families in our sample, across wealth position, have allocated a progressively larger share of their assets toward children over time (Figure 1). They have also allocated increasingly more monies in absolute terms (Figure 2). However, the disparities in the actual amount of these assets are dramatic across wealth of families. While below median wealth child households have increased from about $78 (in 1998) to about $242 (in 2016), the increases for above median wealth families have been orders of magnitude larger, starting off at $238 (in 1998) and increasing to $5,520 in 2016. Moreover, racial/ethnic differences in the amount of financial assets under children's names are stark, especially for above median wealth families. Here, White families *above* median wealth have increased financial assets for children from $361 (in 1998) to $6,528 (in 2016). (As Appendix B shows, the size of these assets is even further pronounced for the top 5% in terms of wealth for White child households, which hold on average around $30,000 under children's names in 2016.) In contrast, the amount of financial assets under children's names for Black and Hispanic child households *above* median wealth stand at $784 and $1,622 respectively in 2016 (Figure 2C and 2D), rising from almost no such assets in 1998.

[Figures 1 and 2 about here]

Education savings accounts (mostly 529 college savings plans), became available in the dataset after 2000. As documented in Figure 3, these savings plans quickly took off as a feature of investment in children but only for above median wealth child households, and specifically for above median White childhoods. For instance, White families above median wealth have an

average of around $10,000 in education savings accounts for children in 2016, compared to those below median wealth, where these savings have stagnated since 2001 around $40 (Figure 3B). (As Appendix B shows, these savings are very large among top 5% of White families, with around $55,000 in those accounts). Among Hispanics, increases over time are statistically significant, with no differences between families above and below median wealth. Among Blacks, amounts in 529 Savings plans are quite negligible, and differences across the wealth distribution and over time for Black families are not statistically significant.

[Figure 3 about here]

Regarding education debt (Figure 4), we find that it has significantly increased for above median as well as below median wealth child households but has increased more substantially for below median wealth families. Moreover, education debt has increased substantially for Black child households, with values around $14,000 per household in 2016, for both above and below median wealth families. For comparison, average education debt for White above median child households is considerably lower, around $5,800 in 2016, which is consistent with the fact that education savings (Figure 3) for this group have been increasing over time. Among Blacks and Hispanics, increases over time are statistically significant, with no significant differences between those above and below median wealth. Differences between Blacks and Whites in education debt are not statistically significant but Hispanics have significantly lower education debt than Whites.

[Figure 4 about here]

Regression Results

Next, we examine trends in financial investment, saving and borrowing for children in a multivariate framework. Regression results are very consistent with our descriptive findings, showing that financially intensive parenting has become more pronounced over the past two decades.[9] Specifically, for financial assets under children's names as share of all family's assets the year coefficient is positive and statistically significant for all families (Table 3, Panel A). This is consistent with our proposition that the norm of financially intensive parenting has been growing for all child households. Indeed, there is no evidence that families above median wealth have been more engaged in prioritizing children in the share of financial assets allocated to them than families below median wealth. Moreover, we note increasing trends over time across racial/ethnic groups even if in absolute terms the share of assets allocated for children in Black and Hispanic families is less than in White families. As concerns the actual amounts of these assets (Table 3, Panel B), there is significant growth in financial assets for children for top 50% wealth families for all racial/ethnic groups over time. Still, all else equal, White families above median wealth allocate about $411 more per year in financial assets under children's names, while this figure is much lower at around $43 for Black families, and $88 for Hispanic families. These differences across racial/ethnic groups are statistically significant.

[Table 3 around here]

[9] There are two difference between our descriptive and regression findings that relate to Hispanics, which may be due to the loss statistical power. For the amount of financial assets under children's names, the descriptive results indicate increases among all Hispanic families, and multivariate results indicate increases only for above-median wealth Hispanic families. For education savings, the descriptive results indicate increases across all Hispanic families, but the coefficient is not significant in the multivariate framework, indicating no increases.

Next, the take up of the education savings, mostly in 529 college savings plans, has increased significantly over time for White above median wealth child households (Table 4, Panel C). In contrast, Black child households have significantly less savings in 529 plans than Whites, but there seem to be no notable difference between Whites and Hispanics. There is some evidence that for Black families in the upper half of the wealth distribution, the education savings have been increasing over time, by about $105 per year. In comparison, this figure for White families in the upper half of the wealth distribution is more than six times larger, at around $623 per year, net of all covariates.

With regards to education debt (Table 3, Panel D), notably, in the models for all families and for each of the groups separately, the year coefficient is positive and statistically significant, indicating that education debt has increased substantially between 1998 and 2016 for all child households. The growth per year is the highest among Black households at about 690$ each additional year, compared to about $600 for Whites and $153 for Hispanics. In addition, consistent with descriptive analyses, the White and Black families have comparable amounts of education debt, while Hispanics have significantly less than Whites

To examine the role of wealth position further, we conducted a sensitivity analysis where we dropped families in the top 10 percent of the wealth distribution from our analytic sample to tests to what extent the trends we find for those above median wealth may be, in fact, driven by the most wealthy families. Importantly, the results remain substantively the same for the families in the top 11-50th percentile in wealth, compared to top 50% percentile in wealth. That is, similar to the findings reported in Tables 3 through 6, the trends for top 11-50th percentile in wealth are statistically significantly different from those for families below median wealth on three indicators: in terms of the growing amount of financial assets under children's names over time,

growing amounts of education savings over time, and lower education debt over time. This indicates that the rise of financially intensive parenting is not driven by only very wealthy families. In addition, as the results reported in Table 3 which differential between above and below median wealth show, the differences between below 50th percentile and the top 11-50th percentile in wealth households are not significantly different in the percent share of financial assets for children as share of all family's assets, which has increased for families across the wealth distribution. We suggest this points to a broad common trend of increasing financial prioritization of children over time.

Other Findings

Mortgage and credit card debt. In addition to education loans examined above, we also consider mortgage and credit card debt, with a caveat that they cannot be attributed directly to children (see the methodology section). In terms of mortgage debt, our descriptive analysis shows that families above median wealth have significantly higher mortgage debt, compared to those below median wealth, with $37,000 and $174,000, respectively in 2016. These differences between above and below median wealth hold across all racial/ethnic groups, even if absolute levels of mortgage debt are lower for Blacks and Hispanics compared to Whites. The multivariate analysis of mortgage debt shows that increases during the 1998 to 2016 period are only notable for White families, especially above median wealth White families. In fact, additional analysis reveals that these results are driven by families in the top 10% of the wealth distribution. In contrast, credit card debt shows significant declines over time across racial/ethnic groups in the 1998-2016 period, although it shows some increases over time for the above median wealth White

households.[10] Lack of overtime increases in credit card debt would be consistent with the idea that expenditures on children are mostly focused on long-term investment, such as for education, rather than short-term investment on consumer purchases. These analyses also show the limit of arguments about conspicuous consumption on credit as a major driver of household debt in the recent decades.

Sociodemographic attributes. It is important to note that education of the respondent is also an important determinant of financial investment, saving and borrowing for children. Especially taking on education savings, such as 529 plans is strongly related to holding an advanced degree for Whites and Blacks, but not pronounced for Hispanics. This suggest that understanding financial instruments is not only a matter of material resources but also a part of cultural capital. In addition, holding mortgage, education and credit card debt among child households across racial/ethnic groups is consistently related to education, with higher education associated with more debt.

Our analyses also show that single parent families among Blacks have a significantly higher share of financial assets devoted to children compared to other Black family forms, which is consistent with qualitative evidence uncovering the painstaking efforts of Black single mothers to parent their children, despite racism and structural disadvantages (Turner 2020). Another noteworthy finding is that when the man, compared to a woman, is responding to the survey on behalf of the household, we note significantly lower reported financial assets for children as share of all assets as well as the absolute amount of these assets in White families. Similarly, reported education debt is significantly lower and mortgage debt is significantly higher when the

[10] Analyses for mortgage and credit card debts are available upon request.

male is completing the survey for the White child household respondents. These gender differences are not notable for Black or Hispanic families.

Discussion

Our study examined the link between wealth inequality and families' financial behavior for the sake of children using the Survey of Consumer Finances data, from 1998 to 2016. We found evidence for our argument that, over the past couple of decades, American families increasingly practice financially intensive parenting, or engagement in financial investment, savings and borrowing for the sake of their children, in large part to finance children's education. In addition, we found that the types of financial instruments and amounts of money invested or borrowed vary significantly across wealth position of child households, in particular when we compare families below and above median wealth. Moreover, these activities differ significantly across race/ethnicity. Over time, White families above median wealth accumulate more financial assets and education savings as well as less education debt for children. This suggest that with greater education savings, such as in 529 plans, White wealthy families have been financing college for their children without having to take on significant parental college debt. In contrast, Black and Hispanic families across the wealth distribution have accumulated lower amounts of financial assets under children's names or co-owned with children. Moreover, Black families across wealth distribution have accumulated significant amounts of education debt, comparable to that of White families.

Scholars have documented the pervasiveness of the norm of intensive parenting (Ishizuka 2019). We place people's understandings of how to parent in the context of significant macro-economic changes, brought on by forces of financialization, globalization, deindustrialization,

the rise of the service sector, and the increasing prominence of precarious work (Kalleberg 2009). Americans today worry more about economic security than they did in the past (Cooper 2014) and college education is considered paramount to assure prosperity (Immerwahr and Foleno 2000). However, the costs of higher education have been increasing (Ramey and Ramey 2010, Carr 2013), and students and their families have come to rely on loans to pay for college education (Avery and Turner 2012, Houle 2014, Zaloom 2019), to a point where outstanding student loan balances are approaching one trillion dollars (Brown et al. 2014). All these structural changes have impacted how families' focus on investment in children, especially into children's education. Our analysis does show that in the past couple of decades parents, not only college students, have taken on significantly more debt to cover their children's college expenses. Moreover, parents have also intensified the use of other financial instruments that support the norm of intensive parenting, such as allocating financial assets under children's names, and establishing education savings, such as 529 plans.

Additionaly, we examined how this *financially intensive parenting* is impacted by wealth inequality (Gibson-Davis and Hill, this volume). Indeed, our analysis shows how unequal the consequences of financially intensive parenting are across the wealth distribution as well as racial/ethnic groups. It is the child households above median wealth, and especially White families above median wealth, that have been able to accumulate increasingly more financial assets that they earmark for their children as well as education savings that they can put toward their children's college education. Importantly, the education savings accumulated in 529 Plans provide tax advantages. And since monies in these 529 plans are highest among White families in the top 5 percent of the wealth distribution, who are able to invest thousands of dollars, they provide the most tax advantages to already rich families.

As concerns Black and Hispanic families' financial behavior for the sake of children, we find little differences across the wealth distribution of these families in the amount of financial assets they are able to put aside for children. But we do find evidence that these families increasingly prioritize children, just as White families, in the share of financial assets that they allocate toward children as compared to their overall assets. Still, these financial assets for children as well as education savings for children by the Black and Hispanic families are very low compared to what their White counterparts accumulate. In contrast, education debt for children has been increasing for families of all racial/ethnic backgrounds over the past two decades. Moreover, for Black families across the wealth distribution education debt has grown to substantial amounts. This is consistent with studies on PLUS loans, which show disproportionate take up of these government loans by Black families compared to other families. Cautioning, these studies conclude that "PLUS loans are becoming predatory for Black PLUS borrowers who are more likely to be low income and low wealth, and who will likely struggle to repay" (Fishman 2018, 7). Hence, debt for children's college education represents significant pressure on limited resources of Black families who, at the same time, lack accumulation of financial assets and education savings for their children, and who have already seen their wealth holding decrease substantially over the past couple of decades (Percheski and Gibson-Davis 2020) and are in a severely disadvantaged position compared to White families (Wolff 2018). Indeed, if Blacks take on education debt on predatory terms, as Seamster and Charron-Chenier (2017) argue, then what seems like a valuable investment in children with potentially favorable outcomes, is instead a liability with limited (or eliminated) longer-term benefits. Therefore, it is plausible that some of the devastating decline in Black child household wealth, 90% from 1998 to 2016 (Table 2), is related to the fact that taking on education loans for their children has

substantially depleted Black child household resources across generations. We hope that future research will more directly test this relationship.

While our research provides empirical evidence on the rise of financially intensive parenting, there are also limitations to our study. First, our analysis focuses on financial behaviors that we infer as related to long-term investing in children (e.g., education savings in 529 accounts, or financial assets under children's names). However, it is possible that parents consider many other financial activities as related to investing in their children. Mortgage for houses may be related to parental investment in good school neighborhoods (Frank 2007, Owens 2016) but cannot be directly attributed to investment in children. Also, we don't have information on child arrears. Moreover, we cannot distinguish conclusively whether certain education loans that households have are specifically for children's education. Hence, our workaround by restricting age of parents to 40 in the analysis of determinants of education debt is not ideal. Also, because the SCF collects data only on the actual financial activities and not on the meanings attributed to them, our analysis cannot directly address the process of the social meaning of money (Zelizer 1994) motivating parental behavior.

Conclusion

There is little doubt that inequality in the United States has substantially increased over the past decades. It is a much lesser known fact that both income inequality (Western et al. 2008) and wealth inequality (Gibson-Davis and Percheski 2018) rose faster among *households with children* than among those without children. To explain this, we contend, requires special attention to the inner workings of child households related to the economy of parenting. Specifically, we focused in this article on the trends in parental financial investment, saving and

borrowing for children over the past couple of decades, and we compared these trends by wealth of families and by their race/ethnicity.

Based on analyses of nationally representative samples of U.S. households collected by the Survey of Consumer Finances we found evidence of rising financially intensive parenting behavior across American families between 1998 and 2016. But we also found evidence of substantial inequality across families, depending on their wealth position and on their racial/ethnic background, in the type of financial parenting activities they engage in, and the amounts they invest, save or borrow for the sake of their kids. White families above median wealth have been putting aside significant amounts of assets under children's names, and accumulating education savings, which give them sizable tax advantages. On the other hand, Black and Hispanic families have significantly lower amounts of such assets in child-investment oriented financial instruments, even if they have progressively increased assets that are dedicated to children as a share of all assets. Furthermore, Black and White families across wealth distribution have accumulated significant amounts of education debt for their children. But Black families have less resources with which to repay the debt, and Black college graduates have lower earnings than Whites, limiting their ability to pay back loans. This suggest to us that the growing norm of intensive parenting across class and race – a valiant effort of families to try to do everything they can for their children – may, paradoxically, disadvantage children from minority households as it likely contributes to the growing intergenerational disparities in wealth inequality in America, most significantly between wealthy White child households and less well endowed Black child households (Gibson-Davis and Hill, this volume; Percheski and Gibson-Davis 2020).

Ultimately, it appears that the price of parenting for American parents these days seems to be increasingly high, but not only in terms of the actual dollars invested, saved or taken on credit for the sake of children. Rather, the high price of parenting is also borne by the society as a whole because of the significant inequality that results from the fact that some families benefit from investment into their children, while others, trying equally hard to give their children opportunities these children deserve, further deplete their very limited resources. Consequently, when individual families attempt wholeheartedly to do everything they can for their children, including engaging in financially intensive parenting, the unintended societal consequences of such behavior mean that many children are left behind. Regrettably, the state and federal policies that financialize education, such as 529 plans and federal PLUS loans as well as linking of school funding to property taxes, have likely widened disparities across families. This is because such policies encourage privatization of educational costs by individual families, but deep structural inequalities across wealth and race have rigged the equality of opportunity in this education race. Structural reforms that call for better public funding of education from K through college are necessary if we are to see any systemic change that enshrines a collective responsibility for education and investment in all of our children.

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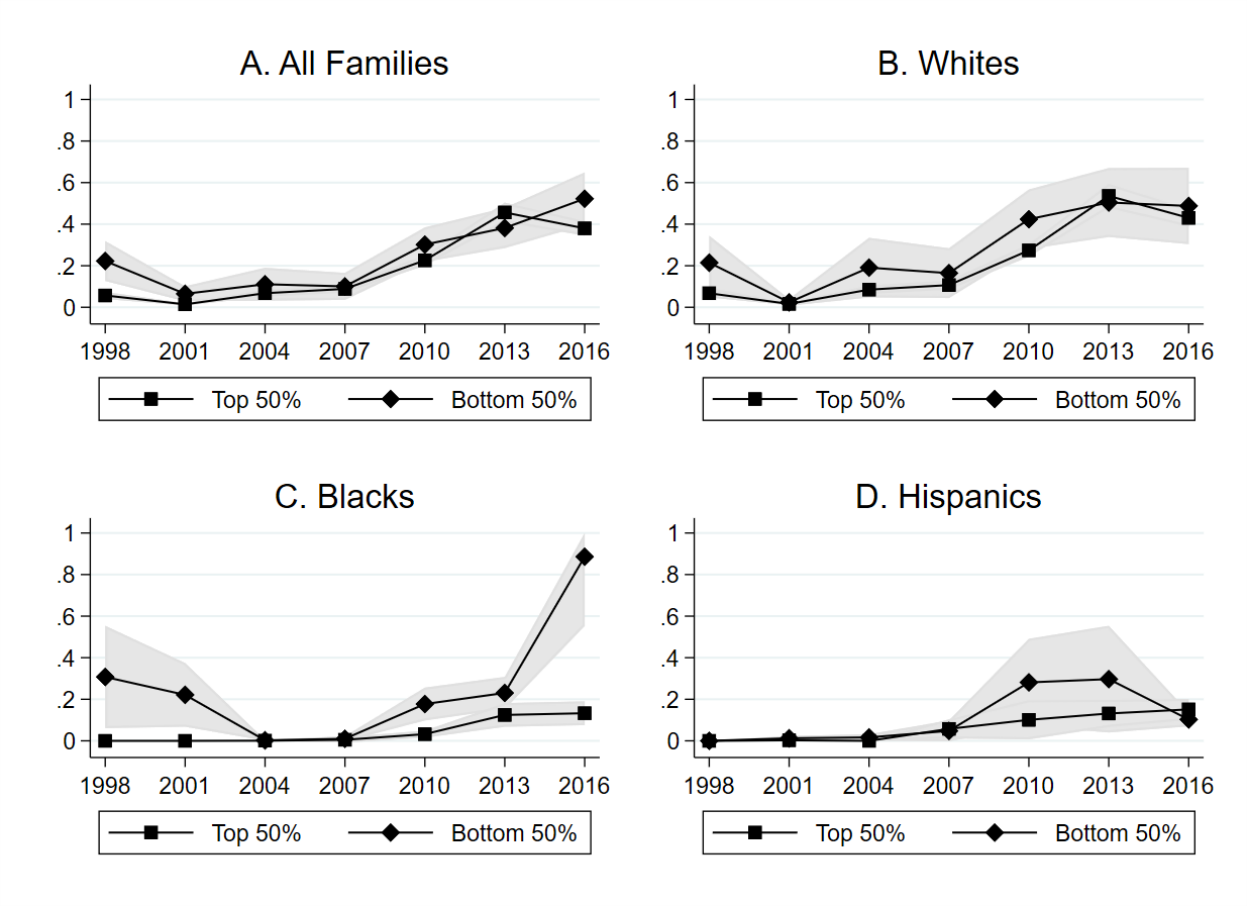
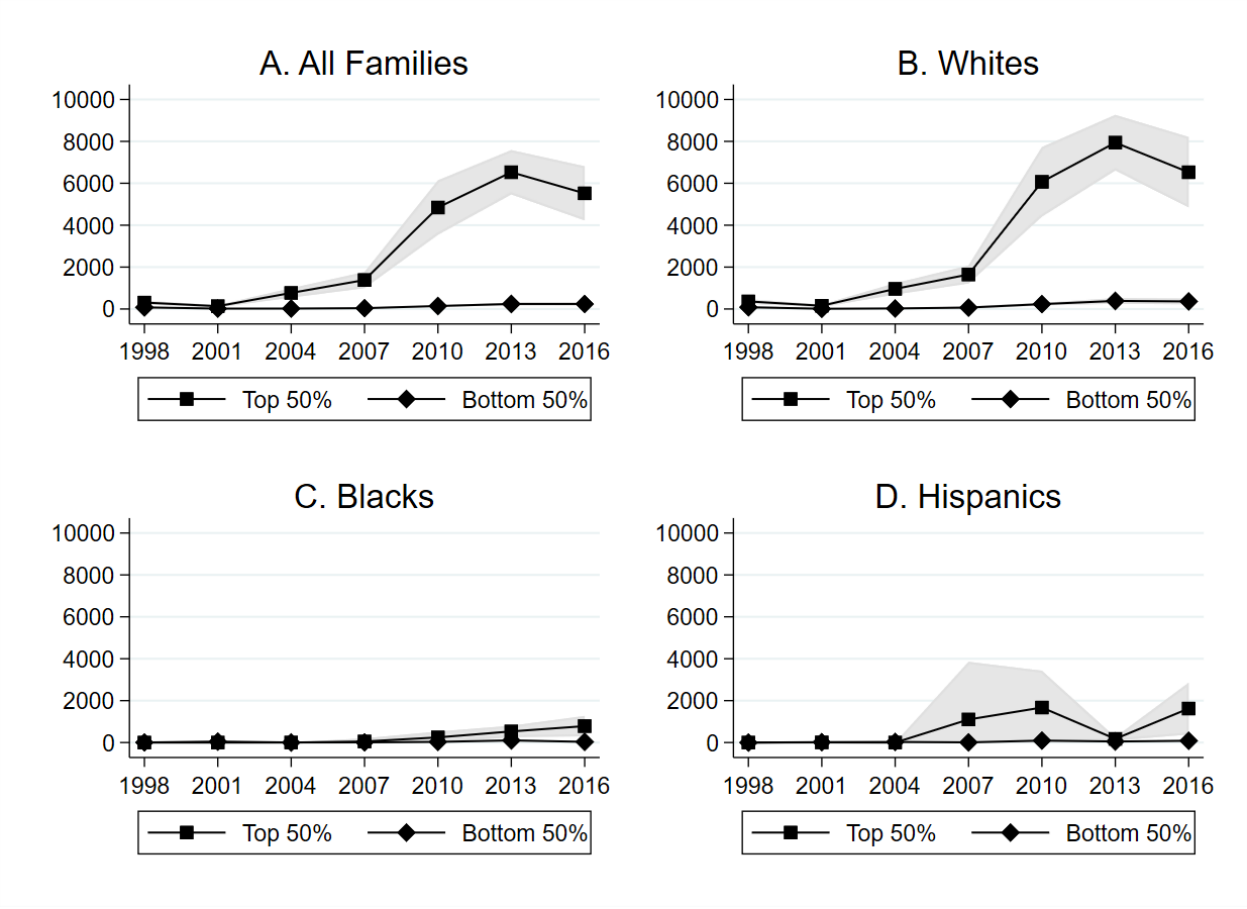
Figure 1. Financial Assets Under Children's Names (as Share of All Assets)



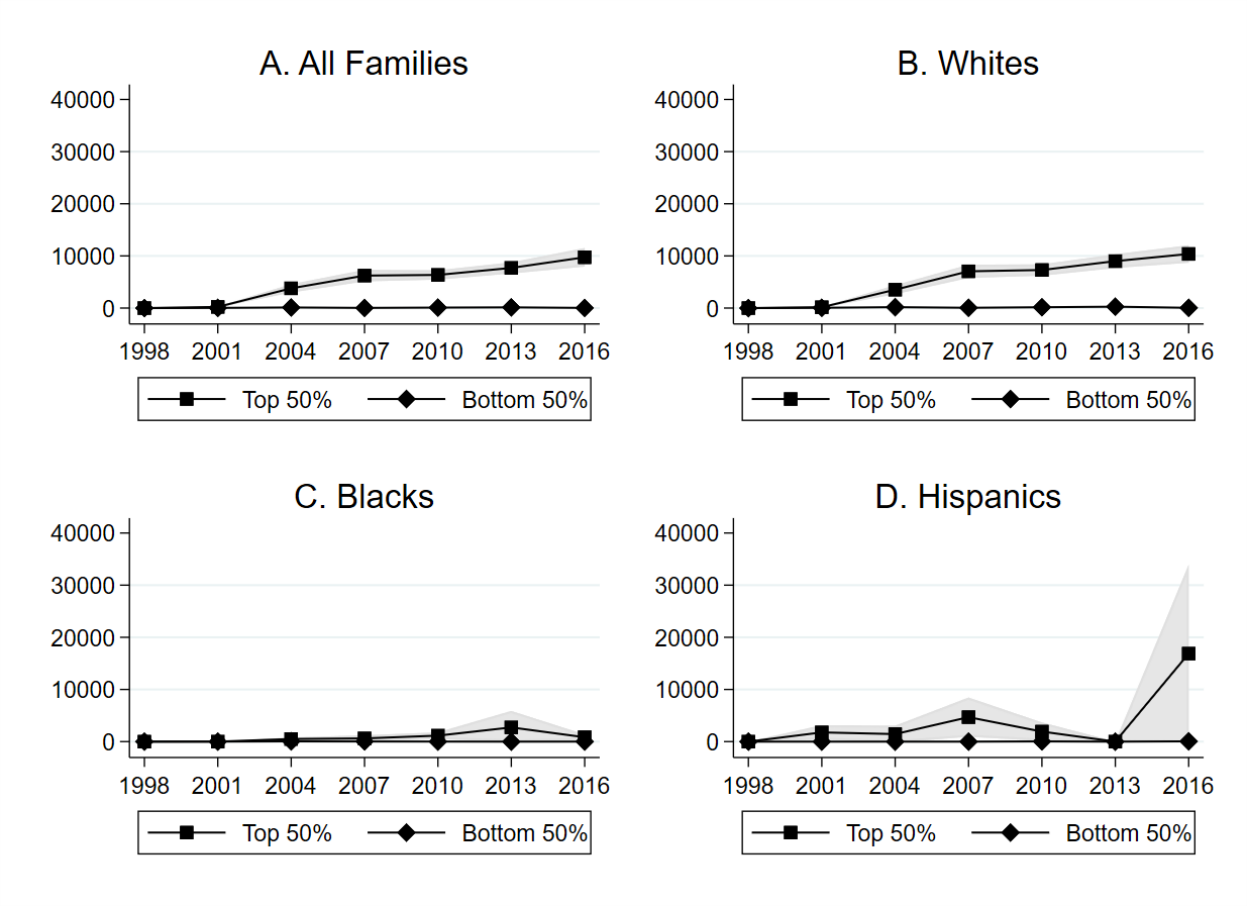
Notes: Means per year for families with children in the top 50% and bottom 50% on wealth distribution, with confidence intervals (shades). Among all families and within ethno-racial groups, increases over time are statistically significant for families above and beyond median wealth, with no statistically significant differences between the two. Differences between Blacks and Whites are not statistically significant. Differences between Hispanics and Whites are statistically significant.

Figure 2. Financial Assets Under Children's Names ($)



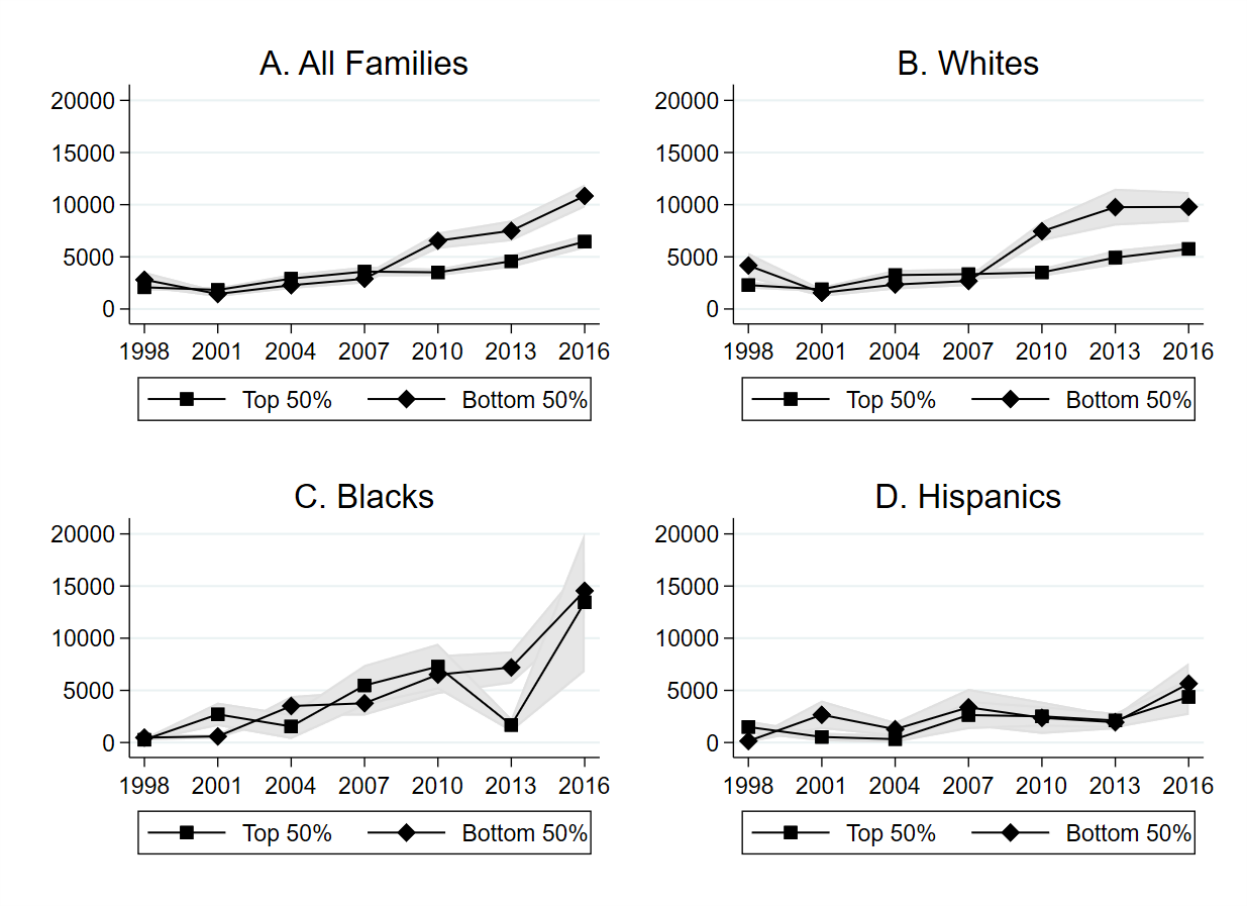
Notes: Means per year for families with children in the top 50% and bottom 50% on wealth distribution, with confidence intervals (shades). All dollar values are in 2016 US dollars. Among all families and within ethno-racial groups, increases over time are statistically significant for families above and beyond median wealth, and are greater for families above median wealth (except among Hispanics). Differences between Blacks and Whites are statistically significant. Differences between Hispanics and Whites are statistically significant.

Figure 3. Education Savings ($)



Notes: Means per year for families with children in the top 50% and bottom 50% on wealth distribution, with confidence intervals (shades). All dollar values are in 2016 US dollars. When all families are analyzed, increases over time are statistically significant only for families above median wealth. These trends are driven entirely by Whites. Among Blacks, differences across the wealth distribution and over time are not statistically significant. Among Hispanics, increases over time are statistically significant, with no differences between families above and beyond median wealth. Differences between Blacks and Whites are statistically significant. Differences between Hispanics and Whites are statistically significant. In the interest of visual comparability across outcomes, we present education savings trends starting with 1998. The values for 1998 are 0 since data on education savings are collected in the SCF only since 2001 (see the data and methods section).

Figure 4. Education Debt ($)



Notes: Means per year for families with children in the top 50% and bottom 50% on wealth distribution, with confidence intervals (shades). All dollar values are in 2016 US dollars. When all families are analyzed, increases over time are statistically significant, and they are greater for families below median wealth. These trends are driven entirely by Whites. Among Blacks and Hispanics, increases over time are statistically significant for families above and beyond median wealth, with no statistically significant differences between the two. Differences between Blacks and Whites are not statistically significant. Differences between Hispanics and Whites are statistically significant.

Table 1. Net Worth ($) for Child Households, SCF

	Whites	Blacks	Hispanics
1998	97,233	5,238	3,216
2001	122,614	9,078	2,574
2004	116,686	8,267	5,087
2007	132,014	2,259	10,422
2010	67,989	1,492	2,841
2013	84,087	0	1,660
2016	95,610	510	5,600
%change 1998-2016	-2	-90	75

Note: All dollar values are in 2016 US dollars.

Table 2. Percent of Households Above Median Wealth for Child Households, SCF

	Whites	Blacks	Hispanics
1998	52	19	24
2001	54	17	17
2004	53	22	22
2007	52	22	25
2010	50	20	25
2013	53	17	20
2016	54	19	23

Table 3. Multivariate Regression Results

Panel A. Financial Assets Under Children's Names (Share of All Assets), 1998-2016

	ALL	WHITE	BLACK	Coef. Diff.	HISPANIC	Coef. Diff.
top 50% wealth *year	.002	.003	-.017		-.004	
	.006	.008	.018		.005	
year	.023***	.025**	.027+		.011***	+
	.006	.007	-.016		.003	
top 50% wealth	-.066	-.065	.116		-.060	
	.063	.070	.173		.057	
networth	-.002*	-.002**	-.001		.002	
	.001	.001	.015		.012	
Black	-.128*					
	.061					
Hispanic	-.188***					
	.046					
N	15,438	11,581	2,035		1,822	

Panel B. Financial Assets Under Children's Names ($), 1998-2016

	ALL	WHITE	BLACK	Coef. Diff.	HISPANIC	Coef. Diff.
top 50% wealth *year	361.450***	411.247***	43.044*	***	87.784+	***
	46.990	55.954	16.667		52.791	
year	12.369*	19.067*	1.520	+	-.898	*
	5.853	9.492	1.430		4.831	
top 50% wealth	-2233.021***	-2329.966***	-301.453*	***	-818.243	*
	327.492	365.544	119.934		551.113	
networth	191.442	169.735	92.646		907.644	
	152.574	156.885	81.715		815.045	
Black	-613.417***					
	116.074					
Hispanic	-522.003**					
	170.776					
N	15,438	11,581	2,035		1,822	

Panel C. Education Savings Accounts ($), 2001-2016

	ALL	WHITES	BLACKS	Coef. Diff.	HISPANICS	Coef. Diff.
top 50% wealth *year	594.216***	623.747***	105.624+	***	591.965	
	94.016	82.291	58.549		599.810	
year	-10.421	-5.494	4.093		1.042	
	7.477	11.089	6.413		20.946	
top 50% wealth	-2308.891**	-1992.757***	-1291.671		-8757.019	
	718.839	533.248	899.383		8525.532	
networth	199.028	379.100**	5273.897		-580.018	
	236.692	134.747	3505.392		5848.246	
Black	-762.136**					
	277.067					
Hispanic	385.027					
	980.627					
N	13,476	10,012	1,809		1,655	

Panel D. Education Debt ($), 1998-2016

	ALL	WHITE	BLACK	Coef. Diff.	HISPANIC	Coef. Diff.
top 50% wealth *year	-399.805***	-478.779***	-276.734		-6.386	**
	64.877	91.542	318.801		105.640	
year	550.895***	603.221***	686.082***		153.357*	***
	62.498	89.677	101.745		65.922	
top 50% wealth	-2033.948***	-1968.698**	-3412.741		-2362.32*	
	533.170	695.544	2241.933		938.107	
networth	-136.970***	-119.143***	-2524.323*	*	-485.016	
	21.440	19.559	1110.806		315.958	
Black	722.739					
	485.102					
Hispanic	-1202.716**					
	352.597					
N	9,625	7,858	937		830	

Notes: +p < .1; *p < .05; **p < .01; ***p < .001; two-tailed tests; standard errors below coefficients. All models control for absolute net worth, income, education (less than high school as the reference category, high school degree, some college, college degree, and advanced degree), number of children under 25 in the family, family structure (two-parent households as the reference category, single-parent family, and all other families), age of the respondent and its squared term, and gender (1=male). All dollar values are in 2016 US dollars. The coefficient difference columns indicate whether the regression coefficients for Blacks and Hispanics, respectively, are significantly different from that for Whites. Income (in $100,000s); Net worth (in $1,000,000s). Analysis of education debt is limited to families with children where the household head is above age 40 (see the data and methods section).

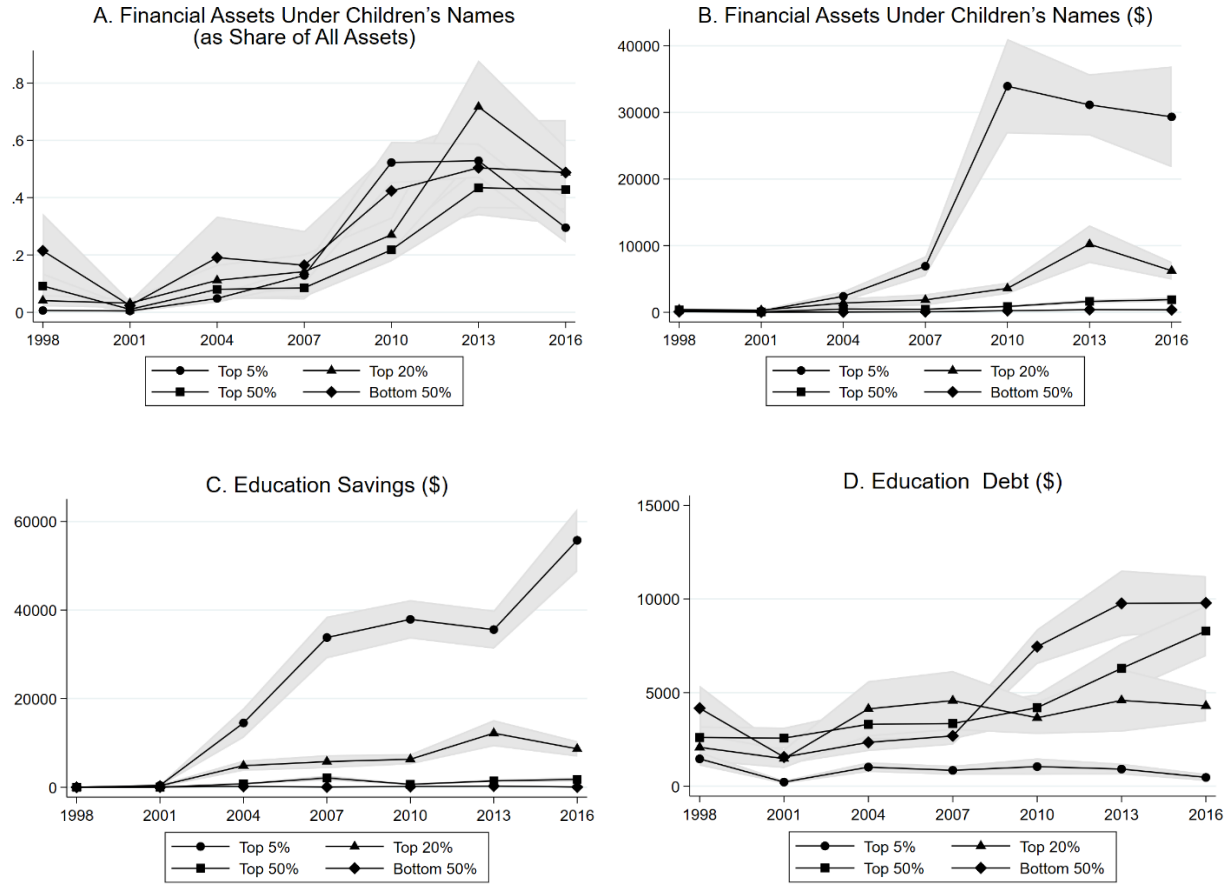
Appendix A. Descriptive Statistics

Variable	Measurement	Mean	SD
Assets under children's name ($)	Financial assets owned by or co-owned with children ($)	1255.400	23399.810
Assets under children's name (ratio)	Above as share of all assets %	0.219	2.661
Educational savings	Amount ($) in educational savings accounts	2403.104	29661.540
Mortgage debt	Amount of outstanding mortgage debt ($)	91757.950	158582.300
Education debt	Amount of outstanding education debt ($)	5259.436	19735.010
Above median wealth	Dummy indicator for families above median wealth	0.430	0.495
Wealth	Absolute amount of net worth defined as all assets minus all debts ($)	53361.330	3813542.000
Race and ethnicity	Respondent's race and ethnicity measured with four categories:		
	non-Hispanic White;	0.698	0.459
	non-Hispanic Black;	0.159	0.366
	Hispanic	0.143	0.350
Income	Household total income ($)	105567.300	314583.200
Education	Respondent's educational attainment measured with five categories:		
	less than high school (reference category);	0.129	0.336
	high school diploma;	0.326	0.469
	some college;	0.258	0.437
	college degree;	0.176	0.380
	advanced degree.	0.111	0.314
Children	Number of children under age 25 in the household	2.296	1.427
Family structure	Household type measured with three categories:		
	single adult;	0.251	0.434
	couple household (reference category);	0.675	0.469
	other (e.g., households where multiple generations co-reside).	0.074	0.262
Gender	Dummy for respondent being male	0.797	0.402
Age	Respondent's age in years	41.584	10.157

N=15,438

Notes: Descriptive statistics are provided for the sample of White, Black, and Hispanic families with at least one child (coresident or non-coresident) under age 25. Descriptive statistics for education savings accounts are for surveys years from 2001 to 2016 (N=73,682). For wealth, median value is provided. All dollar values are in 2016 US dollars.

Appendix B. Trends for White Child Households in the Top 5% and Top 20% of the Wealth Distribution



Notes: Means per year for White families with children in the top 5%, top 20%, top 50% and bottom 50% on wealth distribution, with confidence intervals (shades). All dollar values are in 2016 US dollars. In the interest of visual comparability across all outcomes, we present the education savings (Panel C) starting with 1998. The values for 1998 are 0 since data on education savings are collected in the SCF only since 2001 (see the data and methods section).

Appendix C. Multivariate Regression Results (Full Models)

Table C1. Regression for Financial Assets Under Children's Names (Share of All Assets)

	ALL	WHITE	BLACK	Coef. Diff.	HISPANIC	Coef. Diff.
top 50% wealth *year	.002	.003	-.017		-.004	
	.006	.008	.018		.005	
year	.023***	.025**	.027+		.011***	+
	.006	.007	-.016		.003	
top 50% wealth	-.066	-.065	.116		-.060	
	.063	.070	.173		.057	
networth	-.002*	-.002**	-.001		.002	
	.001	.001	.015		.012	
income	.002	.002	.003		-.001	
	.001	.001	.012		.009	
high school	.039	.147	-.461+	*	.114	
	.067	.085	.278		.079	
some college	-.029	.038	-.356		.018	
	.061	.063	.287		.036	
college	.097	.173*	-.449	*	.542	
	.072	.068	.279		.360	
advanced degree	.110+	.211**	-.378	*	.082	
	.064	.068	.272		.072	
# of children	.042+	.027	.155		-.025*	*
	.025	.018	.116		.010	
single parent	-.060	-.129+	.148*	**	.001	
	.051	.074	.064		.090	
other family	-.049	-.020	.058		-.124**	
	.059	.102	.163		.034	
age	.004	.005	-.008		.012+	
	.012	.016	.034		.007	
age squared	-.008	-.011	.011		-.013*	
	.013	.016	.036		.006	
male	-.343***	-.408**	-.293		-.120	+
	.085	.131	.119		.085	
Black	-.128*					
	.061					
Hispanic	-.188***					
	.046					
constant	.212	.237	.174		-.124	
	.309	.392	.887		.254	
N	15,438	11,581	2,035		1,822	
R-squared	0.006	0.006	0.018		0.007	

Notes: +p < .1; *p < .05; **p < .01; ***p < .001; two-tailed tests; standard errors below coefficients. All dollar values are in 2016 US dollars. The coefficient difference columns indicate whether the regression coefficients for Blacks and Hispanics, respectively, are significantly different from that for Whites. Income (in $100,000s); Net worth (in $1,000,000s).

Table C2. Regression for Financial Assets Under Children's Names ($)

	ALL	WHITE	BLACK	Coef. Diff.	HISPANIC	Coef. Diff.
top 50% wealth *year	361.450***	411.247***	43.044*	***	87.784+	***
	46.990	55.954	16.667		52.791	
year	12.369*	19.067*	1.520	+	-.898	*
	5.853	9.492	1.430		4.831	
top 50% wealth	-2233.021***	-2329.966***	-301.453*	***	-818.243	*
	327.492	365.544	119.934		551.113	
networth	191.442	169.735	92.646		907.644	
	152.574	156.885	81.715		815.045	
income	589.549*	617.427*	6.878	*	155.534	
	278.901	299.824	26.877		300.041	
high school	-99.515	28.822	23.280		-7.387	
	76.281	127.756	26.255		89.265	
some college	-238.689*	-164.063	-8.123		-104.765	
	93.335	139.506	32.226		97.631	
college	1197.687*	1486.591*	-46.031	**	1224.506	
	469.944	583.445	36.803		1085.969	
advanced degree	2600.051**	3052.357**	327.794	**	91.815	**
	766.406	893.282	211.295		797.863	
# of children	268.618*	430.092*	-.025	*	-54.813+	*
	117.696	188.683	8.291		28.166	
single parent	-500.703**	-724.956**	26.433	**	-178.459	*
	162.439	236.117	44.478		127.673	
other family	-490.679***	-614.199**	-14.494	**	-258.887*	
	122.083	188.743	49.492		129.152	
age	67.753	120.097	6.478		56.974	
	64.453	85.544	5.312		44.007	
age squared	-73.785	-128.942	-5.415		-72.660	
	87.962	116.190	6.774		58.432	
male	-565.299**	-762.651*	43.395	*	-75.410	*
	205.267	337.202	43.619		66.412	
Black	-613.417***					
	116.074					
Hispanic	-522.003**					
	170.776					
constant	-1668.004	-3411.442*	-173.750		-818.609	
	1076.543	1443.472	113.040		669.38	
N	15,438	11,581	2,035		1,822	
R-squared	0.020	0.021	0.026		0.026	

Notes: +p < .1; *p < .05; **p < .01; ***p < .001; two-tailed tests; standard errors below coefficients. All dollar values are in 2016 US dollars. The coefficient difference columns indicate whether the regression coefficients for Blacks and Hispanics, respectively, are significantly different from that for Whites. Income (in $100,000s); Net worth (in $1,000,000s).

Table C3. Regression for Education Savings Accounts, 2001-2016 ($)

	ALL	WHITES	BLACKS	Coef. Diff.	HISPANICS	Coef. Diff.
top 50% wealth *year	594.216***	623.747***	105.624+	***	591.965	
	94.016	82.291	58.549		599.810	
year	-10.421	-5.494	4.093		1.042	
	7.477	11.089	6.413		20.946	
top 50% wealth	-2308.891**	-1992.757***	-1291.671		-8757.019	
	718.839	533.248	899.383		8525.532	
networth	199.028	379.100**	5273.897		-580.018	
	236.692	134.747	3505.392		5848.246	
income	1214.133*	692.695***	-1385.492	*	12837.52	
	550.208	199.311	947.753		11850.07	
high school	1.902	-60.320	118.305		-1177.175	
	243.192	191.859	91.638		1446.038	
some college	47.987	-101.124	270.478		-1293.556	
	273.477	218.816	236.517		2022.954	
college	2420.065***	3081.647***	405.797	***	-3809.014	
	448.958	525.440	247.090		4994.532	
advanced degree	7328.726***	7808.883***	1070.348*	***	9523.515	
	1398.919	1453.226	422.610		9600.796	
# of children	565.518***	764.985**	-18.385	**	320.887	
	155.816	230.944	40.822		303.165	
single parent	-136.510	-172.341	-244.592		612.693	
	397.506	604.260	236.252		1230.726	
other family	-1015.275***	-1360.487***	-333.004	**	80.972	+
	218.736	266.247	214.879		808.267	
age	190.897**	295.630**	88.890+	*	-301.355	
	68.368	91.041	49.525		354.860	
age squared	-215.730*	-326.149**	-116.439+		367.856	
	90.777	118.974	64.461		433.018	
male	-540.764	-369.056	157.208		-2027.520	
	414.132	677.943	136.074		1770.959	
Black	-762.136**					
	277.067					
Hispanic	385.027					
	980.627					
constant	-5725.357***	-8542.398***	-1085.986*		1449.595	
	1615.662	1927.163	528.299		4067.191	
N	13,476	10,012	1,809		1,655	
R-squared	0.048	0.050	0.257		0.235	

Notes: +p < .1; *p < .05; **p < .01; ***p < .001; two-tailed tests; standard errors below coefficients. All dollar values are in 2016 US dollars. The coefficient difference columns indicate whether the regression coefficients for Blacks and for Hispanics, respectively, are significantly different from that for Whites. Income (in $100,000s); Net worth (in $1,000,000s).

Table C4. Regression for Education Debt ($)

	ALL	WHITE	BLACK	Coef. Diff.	HISPANIC	Coef. Diff.
top 50% wealth *year	-399.805***	-478.779***	-276.734		-6.386	**
	64.877	91.542	318.801		105.640	
year	550.895***	603.221***	686.082***		153.357*	***
	62.498	89.677	101.745		65.922	
top 50% wealth	-2033.948***	-1968.698**	-3412.741		-2362.32*	
	533.170	695.544	2241.933		938.107	
networth	-136.970***	-119.143***	-2524.323*	*	-485.016	
	21.440	19.559	1110.806		315.958	
income	28.903	23.871	2825.56*	*	34.109	
	25.355	24.800	1271.427		315.935	
high school	2317.135***	2839.402***	477.621	**	1653.259*	
	309.94	381.328	656.467		727.541	
some college	4962.858***	5342.411***	4375.023***		1655.018***	***
	372.447	427.831	1153.092		457.143	
college	7229.264***	6896.75***	8846.068***		9255.891***	
	625.716	643.682	1446.127		2235.081	
advanced degree	10641.3***	9757.45***	21337.05***	**	9197.817**	
	944.271	990.839	4236.284		2659.26	
# of children	-82.046	127.140	-543.314*	*	-319.119**	*
	113.158	166.397	253.033		122.592	
single parent	-2638.098***	-3589.425***	-546.396	**	504.354	***
	334.806	396.967	999.052		640.093	
other family	922.084	130.673	2405.419		2607.218	
	602.190	656.698	1704.959		1601.18	
age	279.377	421.418+	-966.090+	*	1445.408**	*
	186.545	228.887	497.928		468.835	
age squared	-320.850*	-424.008*	691.094	*	-1356.981**	*
	161.168	195.085	428.300		422.633	
male	-957.015*	-1755.64***	364.423	+	1108.998	*
	401.191	442.010	1066.09		991.283	
Black	722.739					
	485.102					
Hispanic	-1202.716**					
	352.597					
constant	-6750.13	-10767.91	26437.81+		-38265.17**	
	5459.755	6752.411	14227.23		13185.18	
N	9,625	7,858	937		830	
R-squared	0.055	0.052	0.127		0.064	

Notes: +p < .1; *p < .05; **p < .01; ***p < .001; two-tailed tests; standard errors below coefficients. All dollar values are in 2016 US dollars. The coefficient difference columns indicate whether the regression coefficients for Blacks and for Hispanics, respectively, are significantly different from that for Whites. Income (in $100,000s); Net worth (in $1,000,000s).