Decades of deregulation allowed reckless and greedy Wall Street banks and financiers to capsize the global economy in 2008. The consequences of their actions, the Great Recession they caused, and the limitations and failures of the public policy response was long-lasting economic pain for most people — and for people of color to an even greater extent — with rising unemployment and poverty and a loss of household wealth, income, and homeownership.

The following charts show those losses for most families as well as the fact that the very richest recovered more quickly and have captured the lion’s share of the economic gains over the past 10 years. Big banks and wealthy investors have been able to seize a greater share of U.S. income and wealth at the expense of middle- and lower-income families.

The Great Recession and the slow recovery reinforced the economic racism that makes it harder for people of color to get ahead. Black and Latinx families faced a protracted economic downturn that was more severe than for average white families. Even a decade later, Black families have not recovered from the economic losses and Latinx families are barely ahead of where they were in 2008. The richest 1 percent of families saw their incomes rise by 27 percent and bank profits rebounded nearly 800 percent over the past decade.
Cost of the 2008-2010 Financial Crisis

Real Family Income of Top 1% Climbs Much More After Crisis

Source: Piketty & Saez 2018 update

99%  Top 1%  Top 0.1%
Cost of the 2008-2010 Financial Crisis

Share of Income to Top 5% Rises Post-Crisis, Share to Bottom 60% Declines

Source: Census Bureau
Cost of the 2008-2010 Financial Crisis

Top 5% Households’ Income Falls Less, Rebounds More than Median and Lower-Income Households

(Real household income 2018 dollars)

- Median
- Bottom Quintile
- Top 5% Households’ Income

Source: Census Bureau
Cost of the 2008-2010 Financial Crisis

Median Household Net Worth Falls — Median White Wealth Rises to 10X Black, 8X Latinx
(thousands 2016 dollars)

Source: Federal Reserve SCF

Financial Crisis

2007-2016 -14%
2007-2016 Black -30%
Latinx -16%

Median White Wealth Rises to 10X Black, 8X Latinx

Source: Federal Reserve SCF
Cost of the 2008-2010 Financial Crisis

Wealthiest Net Worth Rebounds, Middle- & Low-Wealth Net Worth Evaporates
(quartiles of household wealth, thousands 2016 dollars)

2007-2016
+9% (-$188K)
<25%: -93% (-$1.3K)
25-50%: -37% (-$23K)
2007-2016
$2,387.5

Source: Federal Reserve Survey of Consumer Finances

$1.6  $55.4  $2.2  $55.5  $1.4  $62.8
$1,771.9
$1,818.8
$2,198.8
$2,060.5
$1,930.0
$1,930.0
$1,930.0

Bottom 25%  25-50%  Top 10%

AFR EF
Americans for Financial Reform Education Fund
Cost of the 2008-2010 Financial Crisis

Banks, Wall Street Traders, Investment Funds Reap Record Profits

($ billions after tax profits)

<table>
<thead>
<tr>
<th>Year</th>
<th>Profits After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>$11.0</td>
</tr>
<tr>
<td>2002</td>
<td>$35.3</td>
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<tr>
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<tr>
<td>2014</td>
<td>$74.1</td>
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<tr>
<td>2015</td>
<td>$76.6</td>
</tr>
</tbody>
</table>

2007-16
+$67.8B
+766%

Source: Bureau of Economic Analysis NIPA 6.19D
Cost of the 2008-2010 Financial Crisis

Corporate Profits Rapidly Bounce Back, Grow Steadily
($ billions quarterly after tax profits)

Source: BEA, FRED database
Cost of the 2008-2010 Financial Crisis

Stock Market Performance, Dividend Payments to Shareholders Rapidly Recover

By 2019, Stocks Triple, Dividends Up 50% from Pre-Crisis Levels

Source: Federal Reserve FRED database
Cost of the 2008-2010 Financial Crisis

Stock Market Mainly Benefits the Very Richest
Stockholding Grows for Top 10% Families, Ownership and Value Fall for Most

Source: Federal Reserve SCF (direct and indirect stock holding, household income quintiles, thousands 2016 dollars)
Cost of the 2008-2010 Financial Crisis

White Families Maintain Stockholdings and Value Rises; Black, Latinx Families Lose Stockholdings and Value

Source: Federal Reserve SCF (direct and indirect stock holding; thousands 2016 dollars for those with holdings)
Cost of the 2008-2010 Financial Crisis

Foreclosures Rise Five Fold — Remain Over 1M Homes Annually for Years

Source: Attom Data Solutions
Cost of the 2008-2010 Financial Crisis

Black-White Homeownership Gap Grows Since 2008; Black Homeownership Lower than it was in 2000

Source: Census Bureau
Cost of the 2008-2010 Financial Crisis

Real Median Real Home Equity Drops Far More for Black, Latinx Homeowners

Source: Federal Reserve SCF (thousands 2016 dollars)
Unemployment Doubled — Remained Higher for 5 Years for Black, Latinx People

Financial Crisis

Source: Bureau of Labor Statistics
Cost of the 2008-2010 Financial Crisis

Long-Term Unemployment (> 6 mos.) Soars, Highest Rates for Blacks, Latinx People

Source: Economic Policy Inst.
Cost of the 2008-2010 Financial Crisis

Poverty Rate Climbs More Steeply for Black, Latinx People, Takes Years to Decline

Source: Census Bureau