

Financial Well-being in Relation to Education and Race

Adriana Chavez, Victor Ortiz, Karla Ortiz, Lorena Vazquez, Nia Burnett

Background

College is often framed as the best way to achieve socio-economic mobility. Americans owe 1.5 trillion dollars from student loans.^[1] Our team explored if there is a relationship between financial well-being and education. To take our analysis a further step, we explored if education bridged the racial economic gap.

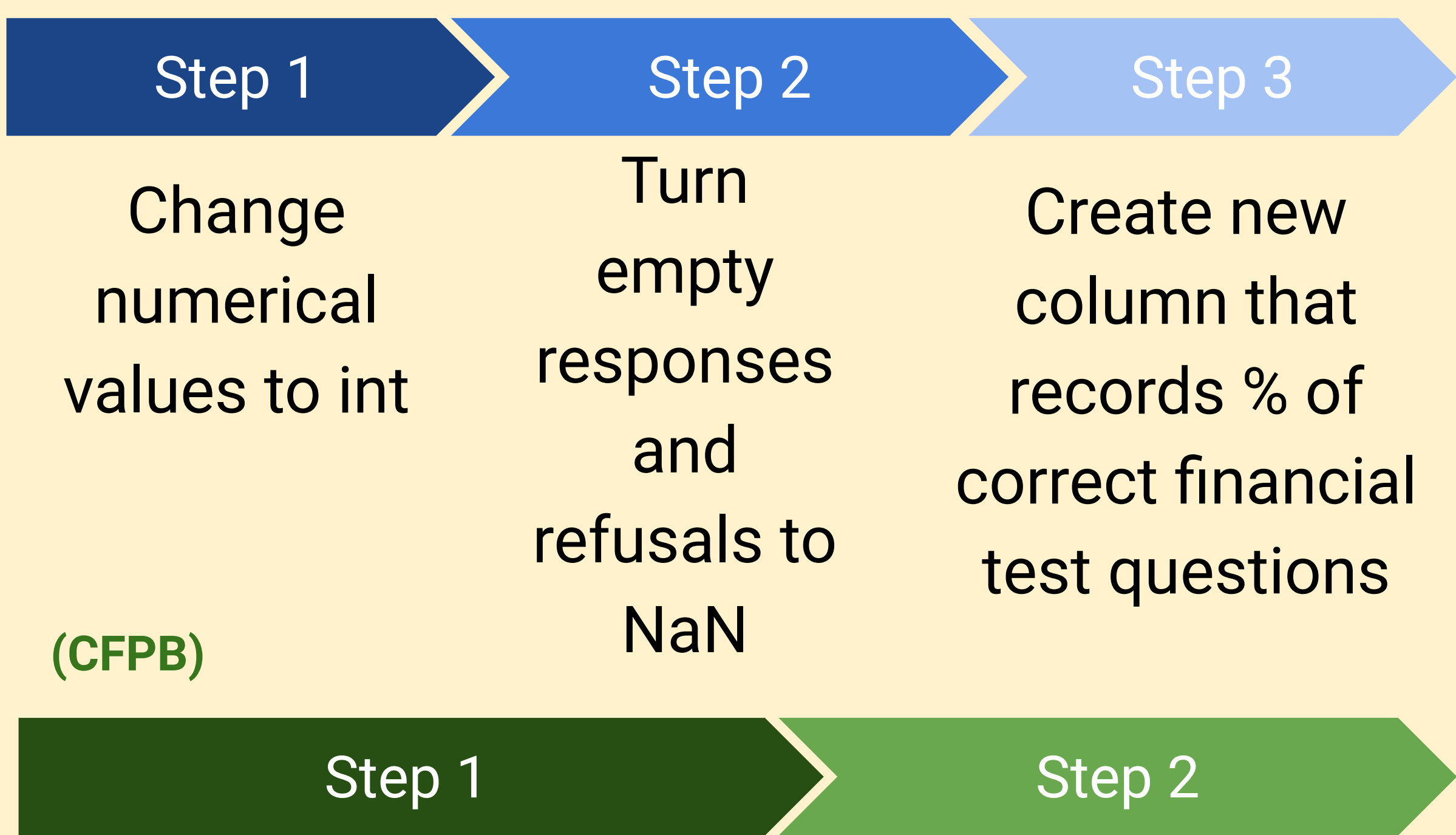
Data



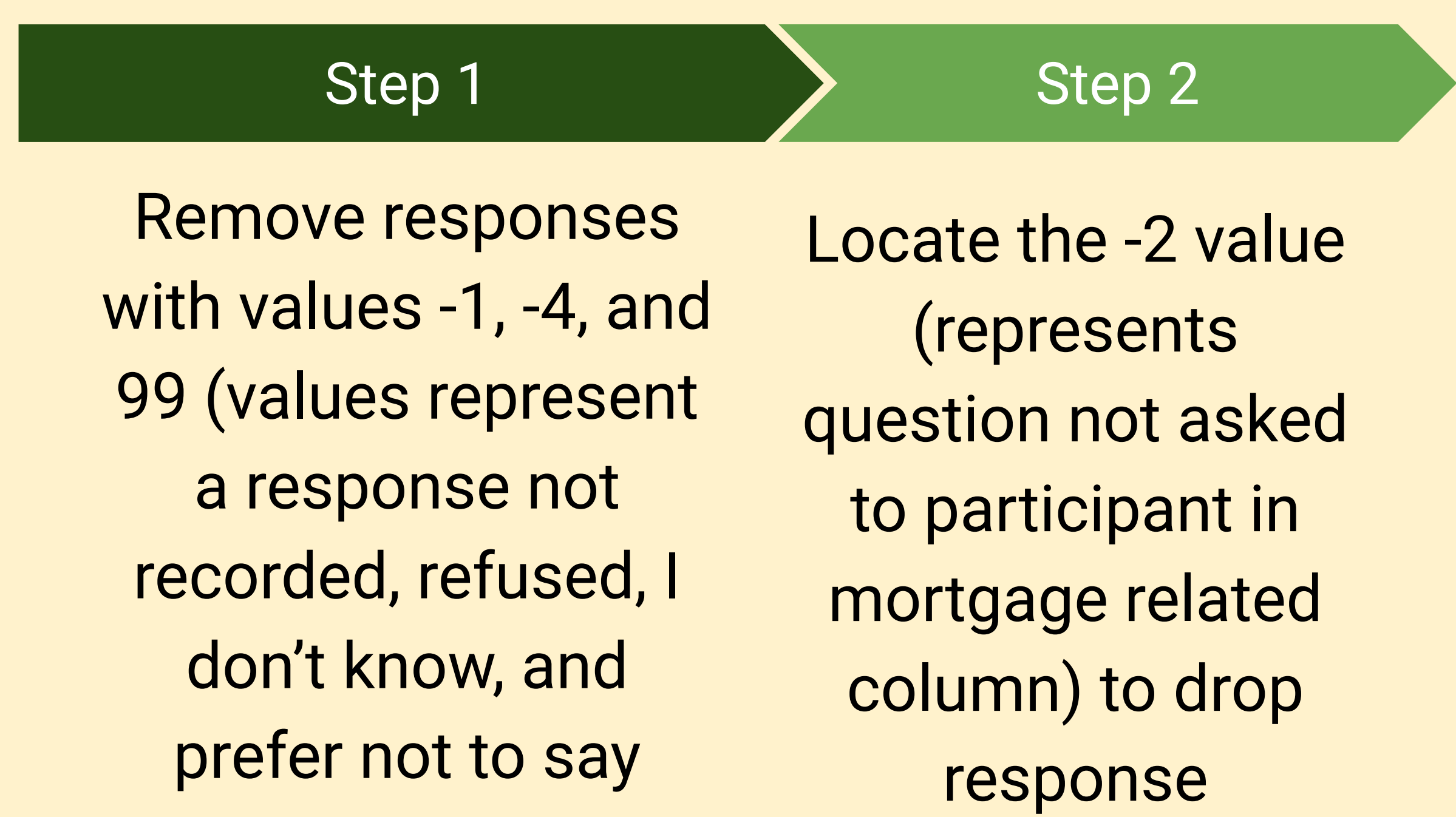
- 2018 National Financial Capability Study published by Financial Industry Regulatory Authority (FINRA)
- 2017 National Financial Well-Being Survey conducted by the Consumer Financial Protection Bureau (CFPB).

Data Cleaning

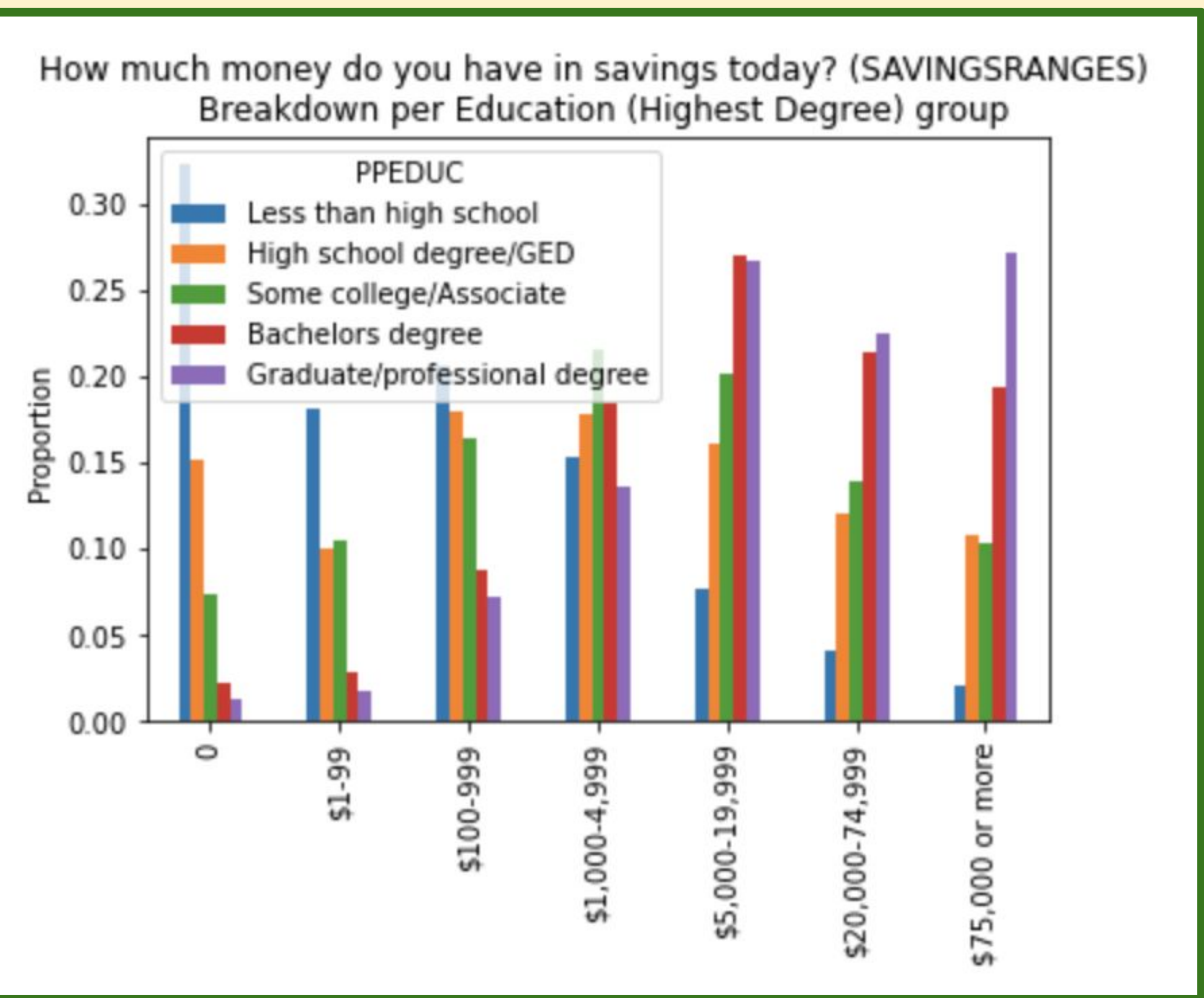
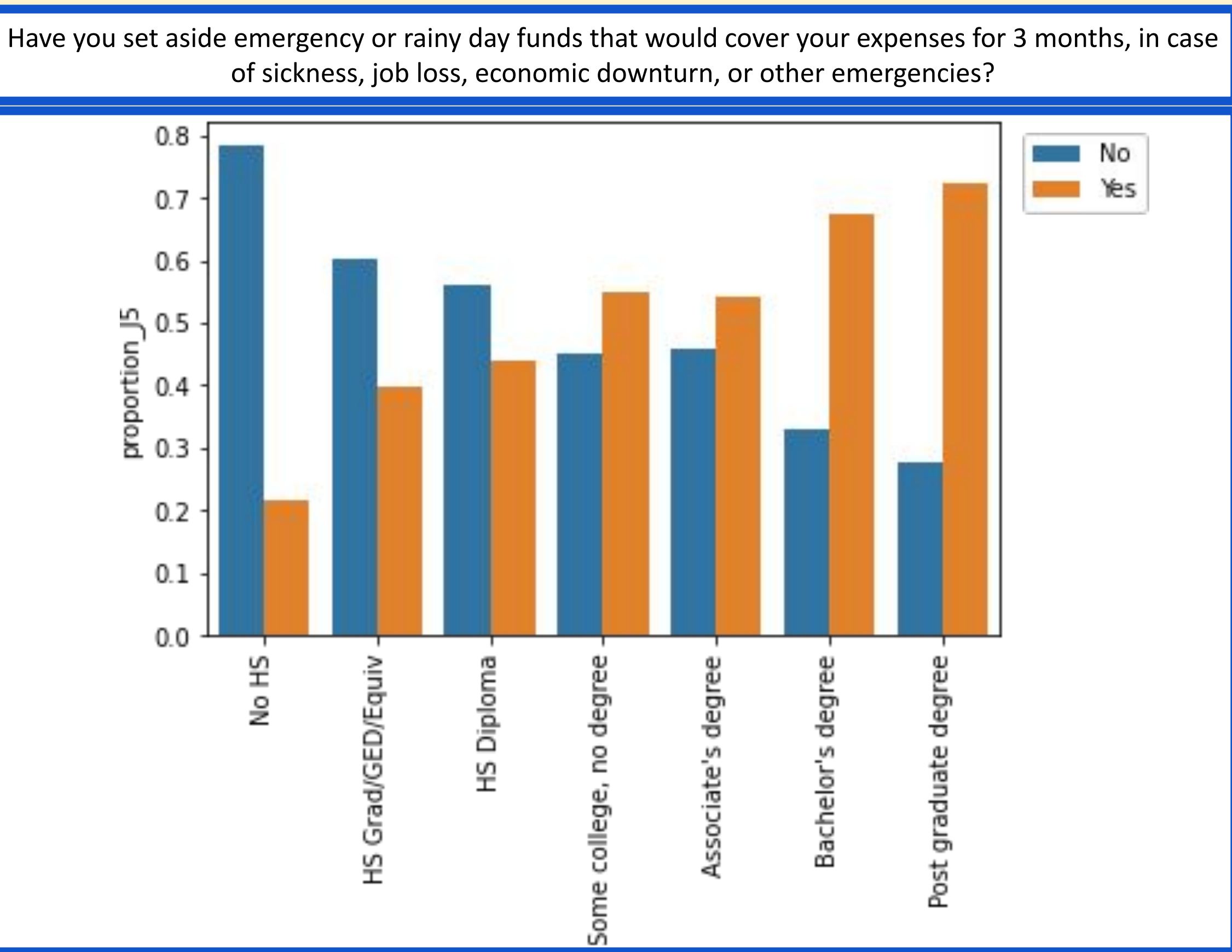
(FINRA)



(CFPB)

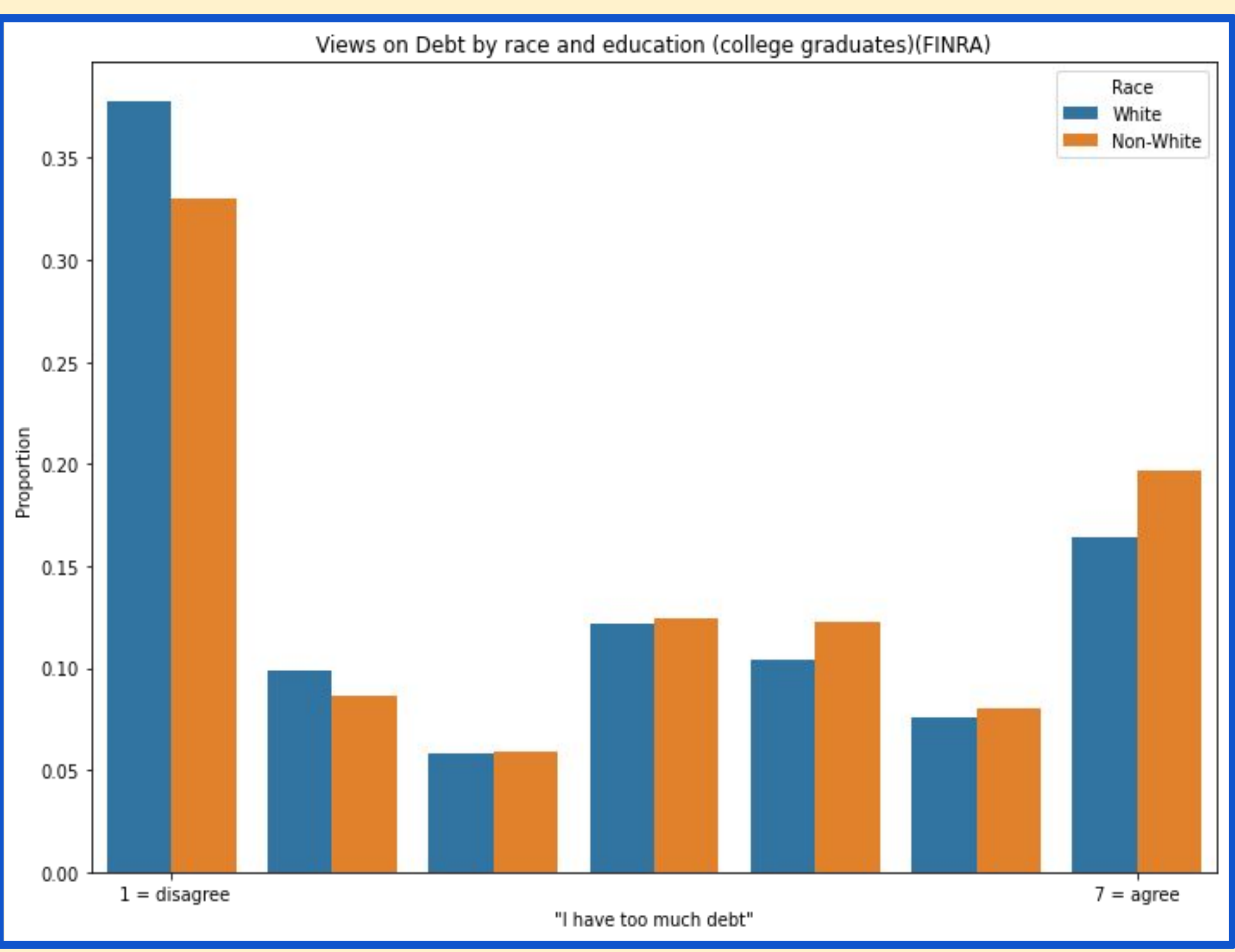
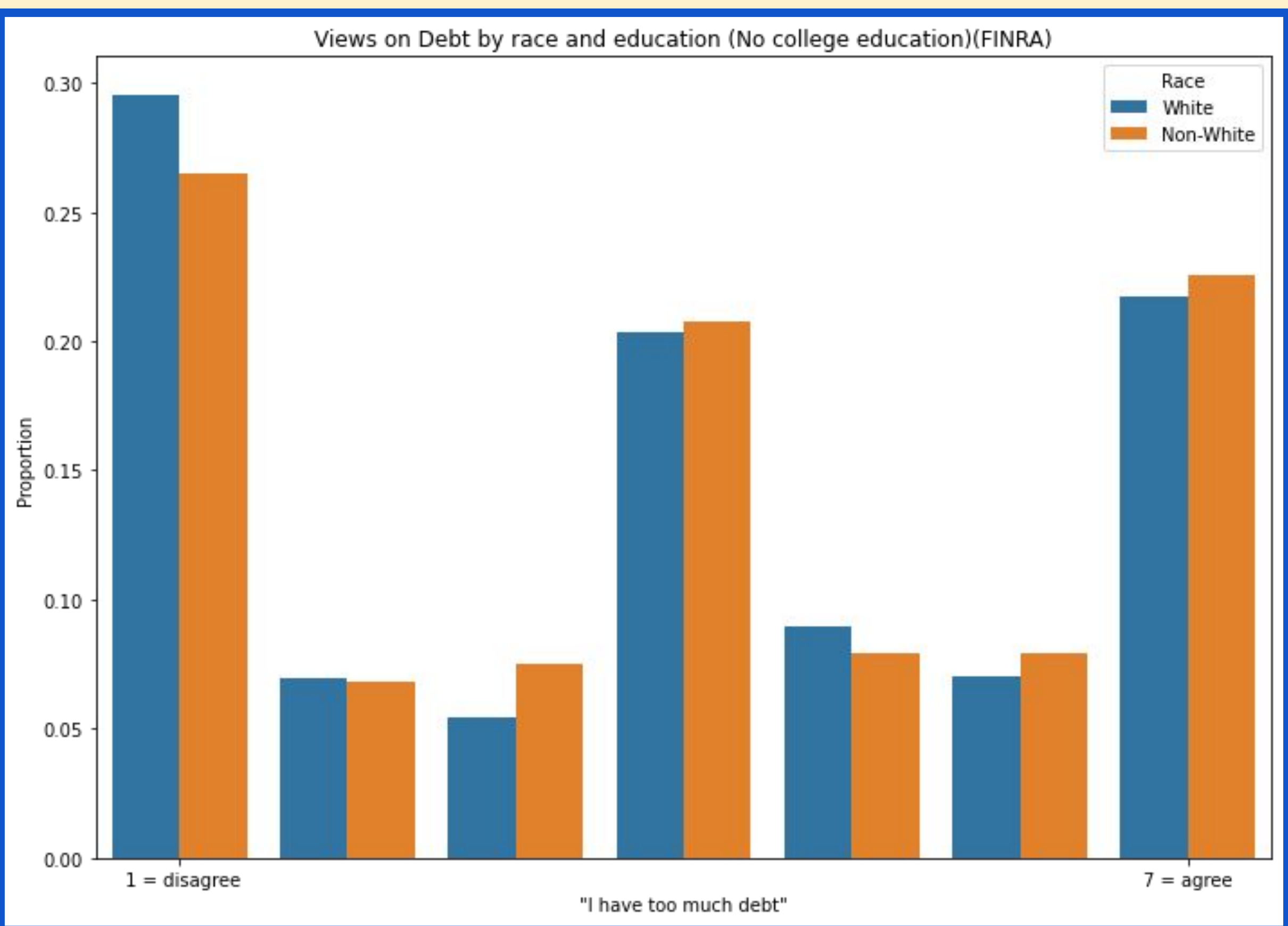


Education and Savings



Both datasets show that populations with more education are better able to afford an unexpected expense due to a greater tendency to save.

Education and Race

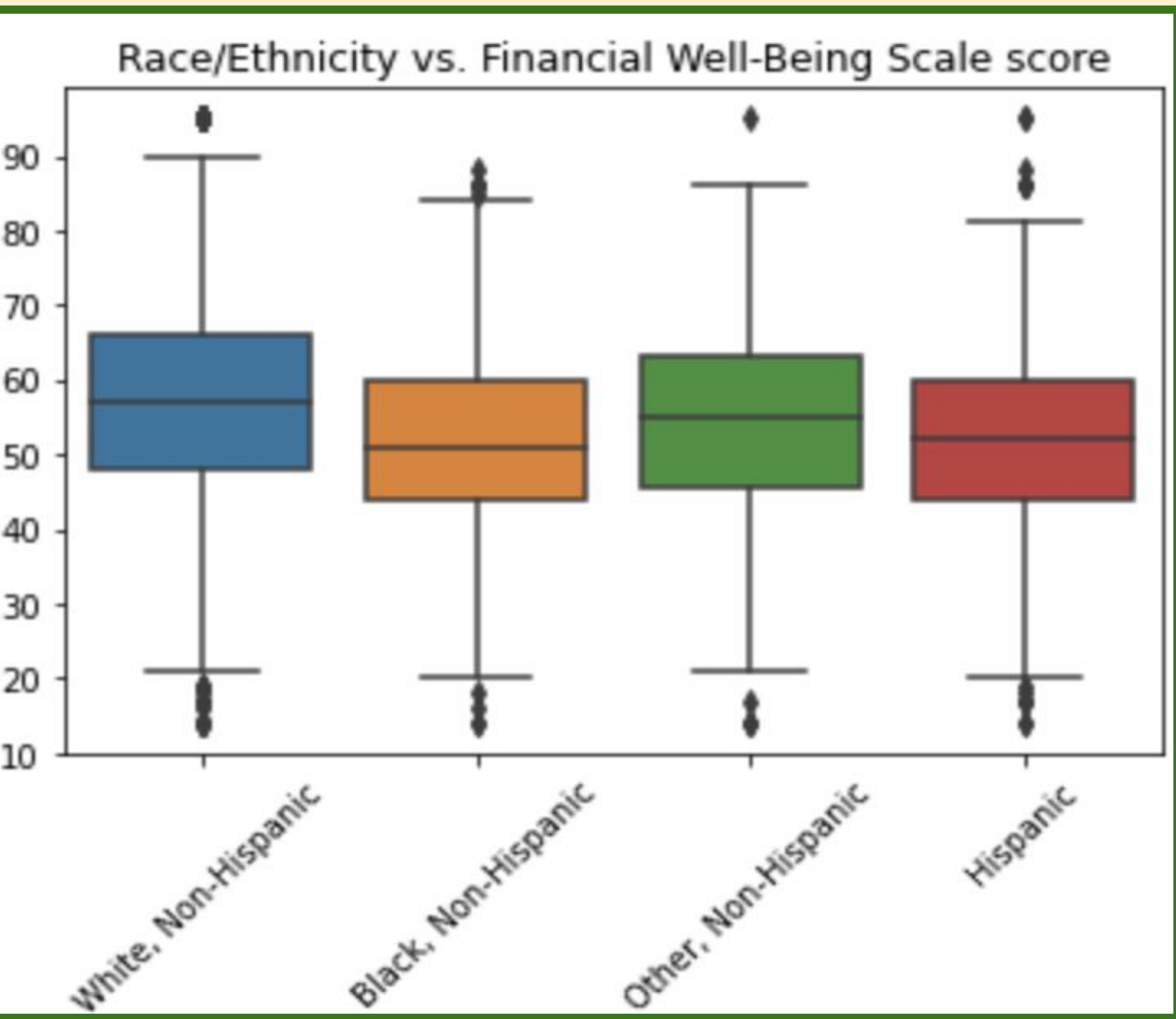
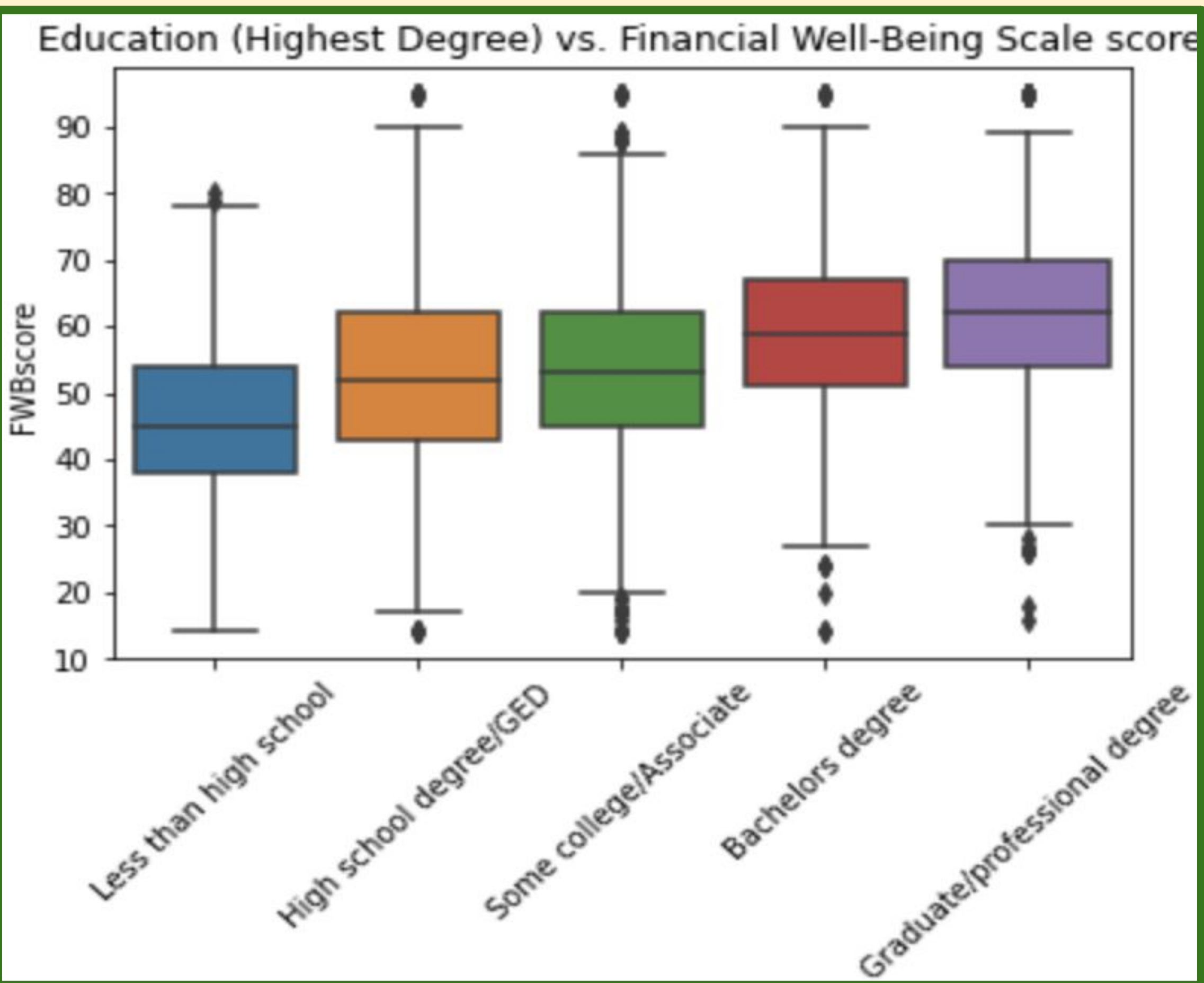


Education improves the amount of debt respondents perceive as having. There is still a gap between the white and non-white respondents with a college degree. More non-white college graduates express having “too much debt.”

Conclusion

- Individuals with a higher education have better financial well-being.
- Education alone is not enough to overcome racial economic disparities.

Financial Well-being



The median financial well-being scores increased with higher levels of education, but we see that Black and Hispanic groups have a lower median than the other racial groups.