

Racial Disparities in Equity Ownership

The wealth workers hold in company equity differs sharply by race.

Based on "[Distribution of Equity Compensation Based on Race](#)," The Shares Laboratory of the Rutgers Institute for the Study of Employee Ownership and Profit Sharing (October 2023). Joo Hun Han, Felice B. Klein, Joseph Blasi, Douglas L. Kruse, William Castellano, and Adria Scharf.

Equity compensation—stock-based pay such as stock grants and stock options—can be an important source of wealth accumulation. Yet the data show that equity ownership is distributed unevenly across racial and ethnic groups.

Snapshot

- The average value of company stock held differs dramatically. Black workers report holding only 2% of the average equity value held by white workers, while Hispanic workers report about 27% of white workers.
- Average equity value: \$204,728 (White), \$4,479 (Black), \$55,560 (Hispanic).
- Black and Hispanic workers report receiving company stock grants at 3% vs. 8% for White workers.

Equity and Earnings by Race, 2022

	White	Black	Hispanic	Blacks as a % of Whites	Hispanics as a % of Whites
Own Company Stock	20%	19%	18%	95%	90%
Average Value of Ownership Stake	\$204,728	\$4,479	\$55,560	2%	27%
Granted Shares of Company Stock (past year)	8%	3%	3%	38%	38%
Granted Stock Options (past year)	8%	2%	5%	25%	63%

Notes: Analysis of the 2022 General Social Survey of employed adults in private for-profit companies. Own company stock: Respondent answered "yes" to the question "Do you own stock in the company where you work?" Granted shares of company stock: Shares provided by the employer through mechanisms such as restricted stock, an

Employee Stock Ownership Plan (ESOP), a stock bonus plan, or similar stock-based compensation plans. Granted stock options: The right to purchase company stock at a predetermined price.

Key Takeaways

- These patterns suggest racial disparities in equity ownership may be driven less by whether workers hold some amount of stock and more by how much equity they hold.
- Much of the disparity appears to be driven by very large ownership stakes, which are more common among white respondents.

Research-to-Practice Hub Brief

EOHUB.RUTGERS.EDU



RUTGERS-NEW BRUNSWICK

**Institute for the Study of Employee
Ownership and Profit Sharing**

School of Management and Labor Relations