

Discussion – Differential Access to Financial and Human Capital Markets

Damon Jones

University of Chicago

Diversity, Inclusion, and Inequality: Implications for Retirement Income Security and Policy
Pension Research Council Symposium
March, 2023

Comment Number 1: Racial Inequality and Retirement Research

- Pleased to see more attention and research focusing on racial inequality in this space
- All the papers do a great job documenting differences in outcomes across groups
 - Financial inclusion
 - Impacts of housing returns on retirement outcomes
 - Delinquency in debt
- General trend across fields?
 - Not new topics per se
 - Broader set of researchers studying them

Comment Number 2: Racial Inequality versus Racial Stratification

- What is Race?

Comment Number 2: Racial Inequality versus Racial Stratification

- What is Race?
 - Endogenous
- What are the root causes of racial inequality?

Comment Number 2: Racial Inequality versus Racial Stratification

- What is Race?
 - Endogenous
- What are the root causes of racial inequality?
 - Innate?
 - Exogenous?
 - Historic?
 - Ongoing?
 - Political
- The answers to these questions have important bearing on the solutions

Comment Number 2: Racial Inequality versus Racial Stratification

- What is Race?
 - Endogenous
- What are the root causes of racial inequality?
 - Innate?
 - Exogenous?
 - Historic?
 - Ongoing?
 - Political
- The answers to these questions have important bearing on the solutions
 - Stratification economics framework
 - Power differentials
 - Limits of human capital and markets

Comment Number 3: Financial Inclusion

- Very helpful overview of the literature
- Is inclusion just access and availability or about take-up and outcomes?
- Discussion of the literature on predatory inclusion
- What is the balance of public versus private solutions to issues of inclusion
- What are examples of successful interventions?

Comment Number 4: Housing Returns and Retirement

- Great combination of data sets
- Conditional on return to housing, why do you think there are differential impacts on retirement outcomes?
 - The paper raises preferences? Evidence?
 - Is it about the choice sets?
- Technical Q: is it okay to control for purchase price?
- How much overlap is there in location?
- Another neighborhood measure: AARP livability index

Comment Number 5: Delinquency and Retirement

- Again, a great use of administrative data
- Implications for debate surrounding student loan debt
- More dollars in debt held by White borrowers, but higher rates of delinquency for people of color
- Important for thinking about the burden of debt
 - Some have argued that debt burdens are overstated, if you ignore probability of paying off the debt
 - Assumes that paying off debt is a worse outcome than being delinquent on that debt during retirement