WHY HOUSING MATTERS

The racial wealth divide is the result of a history of slavery, oppression, and the exclusion of people of color from wealth-building opportunities.

Today, the average net worth of Whites is 6x the average net worth of Blacks and Latinos.

INVESTING IN WHOM?

The federal government invests hundreds of billions of dollars on policies that help families build financial security. Much of those investments encourage homeownership—the Home Mortgage Interest Deduction is the largest among them.

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IT’S NOT A LEVEL PLAYING FIELD

The financial sector pushed housing deeper into the casino economy, and a bubble grew as housing prices were artificially inflated. When the bubble burst, families of color fell further than Whites because so much of their more limited assets were tied up in their homes.

DEFINITION: The Home Mortgage Interest Deduction allows taxpayers to reduce their taxable income by the amount of interest they pay on a home loan.

In 2003, the top 20% of U.S. households received nearly 80% of Home Mortgage Interest Deduction benefits. The top 5% alone received more than one-third of those investments.

INVESTING IN WHOM?

Policies that encourage homeownership as a means of financial security place communities of color in harm’s way—especially when the housing market spins into misfortune.

THE HOUSE DOESN’T ALWAYS WIN

Housing wealth is just over a quarter of total assets for Whites, but nearly half of total assets for Blacks and Latinos.

In the recession, Whites lost 7% of their assets... ...Blacks lost 27% of their assets... ...and Latinos lost 43% of their assets

The housing crash has left families of color less financially secure and less able to endure potential economic hardship.

Blacks and Latinos have debt equal to over half of their net worth, compared to just 17% for Whites.