



COMPENDIUM ON THE STATE OF BLACK WEALTH IN AMERICA

A COLLECTION OF MATERIALS
OUTLINING THE FACTORS
CONTRIBUTING TO THE
SIGNIFICANT DISPARITIES IN
WEALTH BETWEEN AMERICAN
COMMUNITIES

PREPARED BY :



FSIC
Financial Services
Innovation Coalition



www.fsicoalition.org
info@fsicoalition.org

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PRESENTED BY FSIC AND SCL-GPI

BLACK MONEY MATTERS VI

THE NATIONAL PRESS CLUB

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Thursday, September 25, 2025
1:00 PM - 3:30 PM 2 Panels!

Can We Stop Black Wealth from Reaching Zero by 2053?

Panelists

In association with:



Black Money Matters VI Compendium

Table of Contents (Articles)

- 1. Median wealth of black Americans 'will fall to zero by 2053'1
- 2. New Jersey Disparity Study (2024)5
- 3. Median Wealth for Black Families in Boston is \$8.....7
- 4. Executive Summary: Connecticut’s Set-Aside Program, Disparity Findings, and the 2025 Legislative Response.....9
- 5. Labor Market Policies for Racial Equity11
- 6. The racial home ownership gap is wider now than in 1960, but a growing number of first time Black homebuyers has emerged.....14

Median wealth of black Americans 'will fall to zero by 2053', warns new report

Study predicts huge and growing gulf between white US households and everyone else could be disastrous for future of America's middle class

[*Jamiles Lartey*](#)

The Guardian

Wed 13 Sep 2017 07.00 EDT

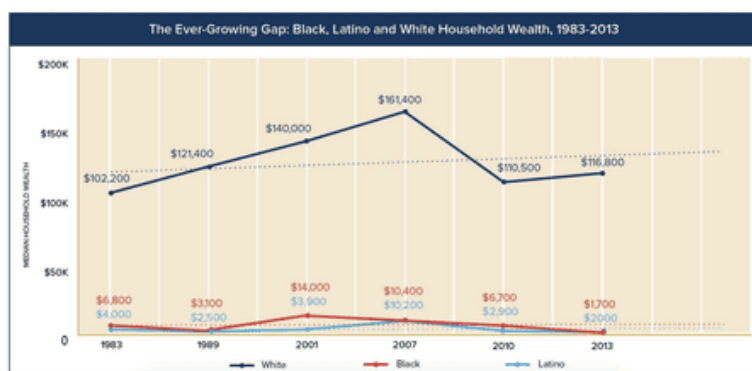
Growing up in the projects of Baltimore in the 1980s, things like savings accounts, stocks and bonds were completely foreign to Maysia Hamilton. Asked if her parents could have passed along some money to help her buy a car, go to school or put into a house, she can't help but chuckle. "No, that wasn't there. There was no wealth. My mother was working, she was providing – we weren't on the street begging – but there was no money in terms of 'here you go'. No money to pass down."

Three years from now, white US households are projected to own 86 times more wealth than black households.

Now 48, Hamilton is on the path to a different reality. Working as a medical office manager and earning her college degree, the mother of five manages to squelch away \$50 a month by furiously clipping coupons and being "extremely frugal".

"\$50 is definitely not my goal, but it's all I can do with the money that's going out," Hamilton said. And it's working: a decade after she began working with a financial coach, she is on track to have a positive net worth by March 2018. "I'm so driven to do that. It's important to me."

But Hamilton is in the minority, in execution if not intention. A new report calculates that median wealth for black Americans will fall to \$0 by 2053, if current trends continue. Latino-Americans, who are also experiencing a sustained downward wealth slide, will hit \$0 about two decades later, according to [the study](#) by [Prosperity Now](#) and the [Institute for Policy Studies](#). "By 2020, median black and Latino households stand to lose nearly 18% and 12% of the wealth they held in 2013 respectively, while median white household wealth increases by 3%," the report states. "At that point – just three years from now – white households are projected to own 86 times more wealth than black households, and 68 times more wealth than Latino households."



Source: Edward N Wolff, *Household Wealth Trends in the United States, 1962-2013*. Figures are in 2013 dollars and exclude durable goods

With the US set to become [“majority minority” by 2044](#), researchers say this spells major economic peril for the nation. “If the racial wealth divide continues to accelerate, the economic conditions of black and Latino households will have an increasingly adverse impact on the economy writ large, because the majority of US households will no longer have enough wealth to stake their claim in the middle class.”

The authors cite the legacy of discriminatory housing policies, an “upside down” tax system that helps the wealthiest households get wealthier, and the economic effects of mass incarceration as among the root causes for the discrepancy.

“The middle class didn’t just happen by market forces, and the whiteness of the middle class didn’t just happen by market forces. Both were intentional,” said Dedrick Asante-Muhammad, a senior fellow at [Prosperity Now](#) and one of the report’s authors.

“African-American households are making ‘middle-income money’ – but have the wealth of a white high-school dropout”. ~Dedrick Asante-Muhammad

Take homeownership, which has long been the primary means by which Americans of modest and middle-class income are able to build generational wealth. After the broken promise of [“40 acres and a mule”](#) to newly freed slaves, virtually nothing was done to endow black Americans with a share of the wealth generated by centuries of slave labour – the same labour that, directly or indirectly, helped to build most of the wealth enjoyed by white Americans.

So black Americans started off generations behind, only to encounter the [redlining](#) and [racially restrictive housing covenants](#) of the early-to-middle 20th century, which prevented the sale of many homes to black Americans, and isolated them together in communities that lost value as white residents fled to the suburbs.

“The majority of white Americans weren’t middle class until the 1930s or 40s,” Asante-Muhammad told the Guardian. “Then there was mass investment to create an American middle class – but it was a white American middle class.”

Programs such as the [GI bill](#), which offered returning WWII veterans generous lending terms to buy houses, helped turn the US into a home-owning middle class society – from which black

Americans were functionally excluded. In his 2005 book [When Affirmative Action was White](#), Ira Katznelson notes that of the first 67,000 mortgages insured by the GI Bill, fewer than 100 were taken out by non-white people.

Recent economic crises have widened this wealth gap, according to the report, as communities of colour took the brunt of the economic hit. Black median wealth has never recovered from the [2001 recession](#), nor Latino median wealth from the [2008 financial collapse](#). White median wealth, on the other hand, was left unaffected in 2002, and began rebounding just two years after the speculative housing bubble began to implode.

“Unfortunately home values don’t come back in the same way in black communities when things happen,” said Althea Saunders-Ranniar, a financial coach and advisor in Baltimore, Maryland, where about 95% of her clients are black.

One of the things Asante-Muhammad and his co-authors found extremely important was focusing on [inequality of wealth](#) as opposed to [income](#), because they felt it was a more accurate test of middle-class status.

“You find first-generation, even second-generation African-American and Latino households that have professional jobs and are making ‘middle-income money’ – but they have the wealth of a white high-school dropout,” Asante-Muhammad said. “They’re not truly part of a middle class – which would mean financial stability, money to weather challenging economic situations, or money to invest in the economic opportunities of their children.”

The solution, he said, is to “invest in a 21st-century American middle class. We need to make sure, for the first time, that we are investing in a middle class that includes communities of colour. This generally hasn’t been done before.”

Despite all the institutional and historical barriers, Hamilton remains determined to make the lift – even if those investments never come. “I’m mad because I didn’t start 20 years ago, but it’s OK. I dare not be selfish and not pass this knowledge down to my kids, ones who I know have a chance.”

She hopes to pass more than simply knowledge down, and is on track to come up with a down payment for a modest home by late 2018. “In 20-30 years, even if they still have to pay the mortgage, I can tell them: ‘It’s yours. This is *yours*.’”

UPDATE NOTE: Since the study was released in 2017 there have been several follow-ups and updates. Here is a summary.

The Road to Zero Wealth & Follow-Ups Summary

The Institute for Policy Studies’ 2017 report, [The Road to Zero Wealth](#), examined long-term trends in racial wealth inequality in the United States. Using household wealth data, the report projected that, if current trajectories continued, median Black household wealth could approach

zero by 2053, with Latino household wealth following a similar path soon thereafter. The analysis emphasized the structural drivers of these disparities, including unequal access to homeownership, wage gaps, and higher debt burdens.

Subsequent reports have revisited and expanded on these findings. [*Dreams Deferred* \(2019\)](#) provided updated data and highlighted the role of wealth concentration among the top one percent in exacerbating racial disparities, while [*Ten Solutions to Bridge the Racial Wealth Divide* \(2019\)](#) proposed a set of policy interventions ranging from Baby Bonds to expanded housing access. More recent analyses by partner organizations, such as the [*National Community Reinvestment Coalition's The Racial Wealth Gap 1992 to 2022*](#), and Federal Reserve economists in [*Greater Wealth, Greater Uncertainty* \(2023\)](#), have incorporated data through 2022, indicating that substantial racial wealth gaps persist despite broader economic changes. Collectively, these studies affirm the durability of wealth inequality across racial groups and underscore the importance of sustained, structural policy responses.

The Road to Zero Wealth & Follow-Ups Sources

- **The Road to Zero Wealth (IPS, 2017)**
 - Projected median Black household wealth could fall to zero by 2053; Latino wealth soon after.
 - Highlighted drivers: homeownership inequality, wage gaps, debt burdens.
 - Full report: ips-dc.org/report-the-road-to-zero-wealth
- **Dreams Deferred (IPS, 2019)**
 - Updated data to 2016.
 - Linked racial wealth inequality to wealth concentration among the top 1%.
 - Report: ips-dc.org/report-dreams-deferred
- **Ten Solutions to Bridge the Racial Wealth Divide (2019)**
 - Policy proposals: Baby Bonds, affordable housing, higher wages, etc.
 - Report: ips-dc.org/report-racial-wealth-divide-solutions
- **Recent Data Updates**
 - NCRC: [*The Racial Wealth Gap 1992 to 2022*](#)
 - Federal Reserve: [*Greater Wealth, Greater Uncertainty* \(2023\)](#)
 - Show persistence of racial wealth gaps despite broader economic shifts.



NEW JERSEY DISPARITY STUDY

A Study on the Availability and Utilization of Small, Minority, Women, and Service-Disabled Veteran-Owned Businesses

January 2024

In January 2024, Governor Phil Murphy and Treasurer Elizabeth Maher Muoio announced the release of a comprehensive [statewide disparity study](#) examining public contracting opportunities for Minority and Women-Owned (MWBE) businesses in New Jersey. The study, conducted by Mason Tillman and Associates, LLC (MTA) and overseen by the Office of Diversity and Inclusion (ODI), within the Department of the Treasury, reviewed more than 1.2 million records and 240,000 contracts awarded between July 1, 2015 and June 30, 2020 from over 60 State contracting agencies, authorities, commissions, colleges, and universities relating to goods and services, professional services, and construction.

MTA performed extensive community outreach, working with business organizations throughout the state – including the African American Chamber of Commerce, the Statewide Hispanic Chamber of Commerce, the New Jersey Diverse Business Council, the Alliance of Asian Architects, and the New Jersey Veterans Chamber of Commerce – to ensure consideration of views from minority-, woman-, and service-disabled veteran-owned businesses, as well as small businesses from across New Jersey. In September of 2021, over 500 businesses attended six virtual community meetings held in all regions of the State.

Commissioned by the Murphy Administration, the disparity study was designed to evaluate the participation of MWBEs in the State's multi-billion dollar contracting universe and determine if additional programs are warranted to create a more equitable business environment in New Jersey. Based on the data that MTA received, key findings from the study include:

- **Statistically significant disparities were found in contracting with Minority Business Enterprises** – including specifically in contracting with businesses owned by Black Americans, Asian Americans, and Hispanic Americans – for formal prime contracts in construction, professional services, and goods and services and for informal prime contracts across all industries studied. For example:
 - **Black Americans represent 9.19% of the available construction businesses and received 0.14% of the dollars on construction contracts valued over \$65,000 and up to \$5,710,000.**
 - **Asian Americans represent 6.43% of the available construction businesses and received 2.03% of the dollars on construction contracts valued over \$65,000 and up to \$5,710,000**
 - **Hispanic Americans represent 11.65% of the available construction businesses and received 1.51% of the dollars on construction contracts valued over \$65,000 and up to \$5,710,000.**
- **Statistically significant evidence that the State underutilizes Woman Business Enterprises** for formal prime contracts in construction, professional services, and goods and services and for informal prime contracts across all industries studied. For example:
 - **Woman Business Enterprises represent 24.48% of the available construction businesses and received 8.73% of the dollars on construction contracts valued over \$65,000 and up to \$5,710,000. This underutilization is statistically significant.**
 - **Women Business Enterprises represent 37.75% of the available professional service businesses, but received only 9.91% of the dollars on prime professional service contracts valued from \$40,000 to \$800,000.**
- **The study found statistically significant disparities in subcontracts awarded by State contracting agencies to Minority Business Enterprises in the construction industry**, including specifically businesses owned by Black Americans and Asian Americans. The study also found statistically significant disparities in subcontracts awarded by State contracting agencies for professional services to businesses owned by Black Americans and Hispanic Americans and to Woman Business Enterprises, including businesses owned by Caucasian females. Conversely, the study found statistically significant overutilization of businesses owned by non-minority males across all areas studied.

The comprehensive nature of the study provides a strong foundation to work with lawmakers and the business community to identify responsive state action and establish new initiatives to address disparities in state contracting that will build on the initiatives already undertaken by the Murphy Administration.

BUILDING A MORE EQUITABLE ECONOMY – The Murphy Administration has continuously led by the principle of building a *stronger and fairer* New Jersey. With the lessons from the Disparity Study in hand, the Administration is eager to work with partners to build on the initiatives undertaken to date, which include:

Promoting the Growth of Small Businesses Through Matchmaking and Mentorship: An Annual Business Matchmaking Event – hosted by the Department of the Treasury and the Chief Diversity Officer in partnership with the Business Action Center – was enacted with the signing of [A-3424/S-144](#) in 2023 (P.L. 2023, c. 165) to connect small businesses with representatives of federal, state, and local government agencies and contractors. Coupled with the mentorship program being established by the Business Action Center under a new law enacted in late 2023 ([A-4751/S-3400](#)), this measure is advancing the efforts of the Murphy Administration to increase awareness and access to public contracting opportunities for minority-, women-, veteran-, and LGBTQ+-owned businesses.

Streamlining the Business Certification Process: In 2020, the Department of the Treasury adopted new enhanced business regulations to create a more streamlined and business-friendly process for certifying minority- and women-owned businesses. The regulations and enhancements:

- allow businesses to apply for multiple certification types through a single application and for a single fee, saving applicants who qualify for multiple categories potentially hundreds of dollars;
- create an elongated five-year certification period rather than requiring yearly recertification;
- establish reciprocity with other certification entities, importantly the federal Disadvantaged Business Enterprise;
- allow for provisional certification, which is particularly helpful to newer companies who may not have all the requisite documentation available;
- establish a clear-cut process for applicants to challenge a certification denial; and
- add assistance for businesses seeking certifications, via a dedicated website, help line, and instructional videos.

Supporting Socially and Economically Disadvantaged Businesses: In early 2024, Governor Murphy signed a new law, [A-2146/S-855](#) (P.L. 2023, c. 300), directing the Department of the Treasury to establish contracting agency procurement goals for socially and economically disadvantaged businesses. The law also requires each contracting agency to submit an annual report to the Department of the Treasury concerning the contracts each agency awards, a move that will ultimately help agencies reduce the prevalence of disparities moving forward.

Increasing the Delegated Purchasing Authority for State Agencies: Governor Murphy signed A-5930/S-3968 (P.L. 2021, c. 412) which gives agencies more flexibility to utilize small, minority-, women-, veteran-, and LGBTQ+-owned businesses by permitting Treasury's Division of Purchase and Property (DPP) to gradually [increase the delegated purchasing authority for goods or services](#) by state agencies and departments from \$46,000 to \$250,000. The law also allows DPP to grant one-time delegated purchasing authority of up to \$1 million under certain circumstances.

Improving the Statewide Data Collection Process: In January 2023, the Office of Diversity and Inclusion launched a statewide web-based Supplier Diversity Management System (SDMS) to collect real-time vendor, contract, and diverse spending data, and increase agency awareness and response time.

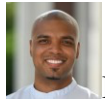
Expanding Opportunities for Disabled Veteran-Owned Businesses: Governor Murphy signed legislation, [S-2249/A-4211](#), (P.L. 2023, c. 273) that decreases the number of disabled veteran-owned businesses required to designate a set-aside contract from three to two. The original "Set-Aside Act for Disabled Veterans' Businesses" had established a goal for contracting agencies to set aside at least three percent of their contracts for disabled veterans' businesses. However, the act was underutilized because, in order to set aside a contract, the law required at least three qualified disabled veteran business enterprises be reasonably likely to bid for that contract. Now, only two are required, increasing public contracting opportunities for disabled veteran-owned businesses.

Supporting LGBTQ+-Owned Businesses: Governor Murphy signed [Executive Order 295](#) to establish a state certification for LGBTQ+-owned businesses, joining California, Massachusetts, and Pennsylvania as only the fourth state to adopt the designation. This certification expands access to public and private contracting opportunities and encourages businesses to identify as LGBTQ+-owned in their marketing and advertising.

Encouraging Business Certification: To eliminate a hurdle in applying for state certification, the State Treasurer's Office waived the \$100 filing fee previously required for each eligible business certification.

NEXT STEPS: The Murphy Administration looks forward to engaging stakeholders and working with our legislative partners to take responsive state action in promoting equitable contracting practices.

Median Wealth for Black Families in Boston is \$8



From LinkedIn

[Durell Coleman • The Nonprofit Whisperer](#)

9/17/25 2 days ago

The median wealth for Black families in Boston is \$8. Not \$8,000. Not \$800. Eight. Dollars. White families in the same city: \$250,000. This isn't a typo. This is a Federal Reserve study. In the "Cradle of Liberty." In 2025.

How is this possible?

It's mathematically perfect systemic extraction:

STEP 1: Redlining (1930s-1968)

Black families couldn't buy in 98% of Boston. Trapped in Roxbury and Mattapan.

STEP 2: Urban Renewal (1950s-1970s)

Destroyed 25% of Black-owned homes for highways. I-95 split communities in half.

STEP 3: Blockbusting (1960s-1980s)

Scared white families into selling cheap. Sold to Black families at inflated prices with predatory loans.

STEP 4: Disinvestment (1970s-1990s)

Banks stopped lending. Cities stopped maintaining. Property values crashed.

STEP 5: Subprime Crisis (2000s)

53% of Black borrowers got subprime loans. Wells Fargo called them "mud people" loans internally.

STEP 6: Gentrification (2010s-Now)

Property values suddenly matter again. Just not for the families who held on.

Eight dollars is what's left after a century of extraction.

Another name for this is background dependence—being in a place where you don't own anything, where your landlord lives out of town, where every business that feeds you is owned by someone else. This is designed vulnerability.

But I'm not here just to tell sad stories. I'm here to shine a light on how we do something about it. Here's what gives me hope.

The Dudley Street Initiative got tired of the math. They organized. Got eminent domain powers.

The first community group in America to achieve this. Now they control 30 acres in Roxbury. 225 affordable homes. Permanently. Eight dollars isn't about our worth. It's how successful the extraction has been. The distance between \$8 and \$250,000 isn't effort.

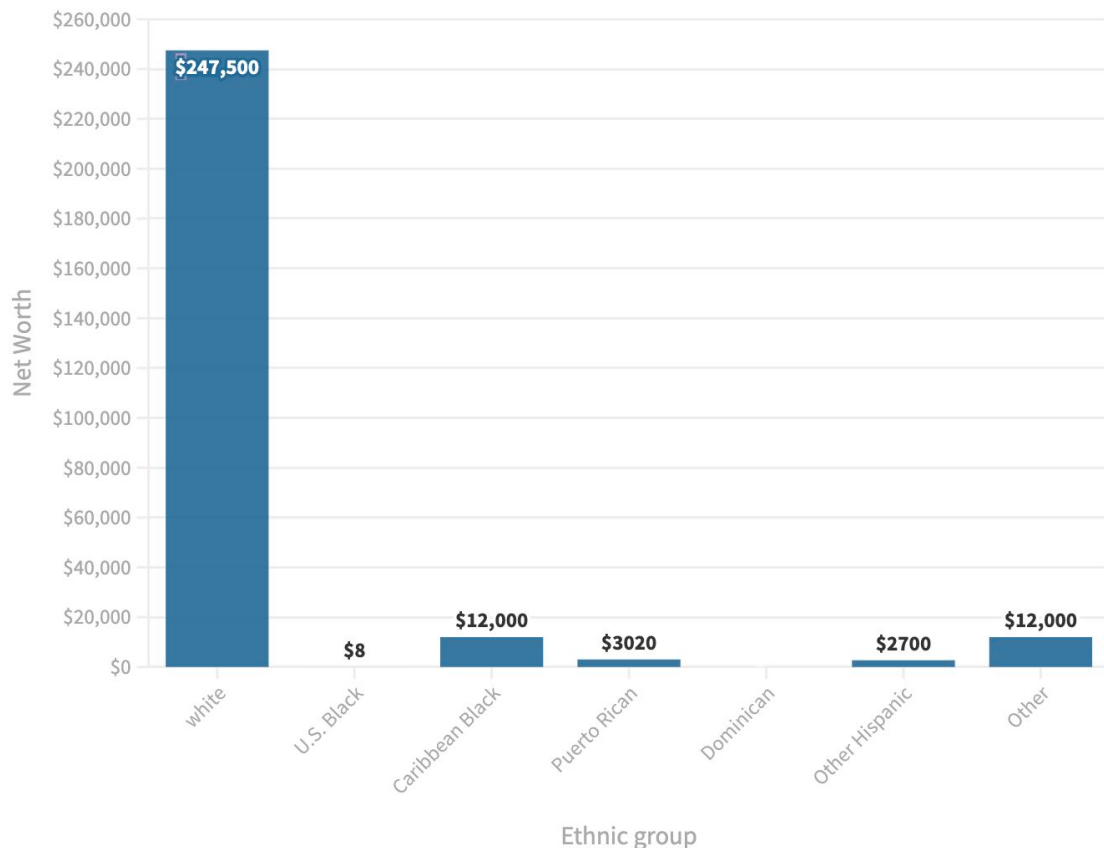
It's not about one group having worked harder than the other. Or one group being better or worse. It's about a system that must be seen for what it is if we want to win.

When a community owns its land collectively? No algorithm can steal it. No developer can displace it. No gentrification can price it out. We must build systems to counter the system and they must be systems rooted in our well-being.

Boston proved how low they could push us. Dudley Street proved we could push back.

What's your community's number? And what are you doing to change it?

Net Worth Of Households In Greater Boston



Executive Summary: Connecticut's Set-Aside Program, Disparity Findings, and the 2025 Legislative Response

Article summarized

Otte, E. (May 2, 2025). "Minority contractors say CT not following its own rules, proposed fix doesn't go far enough." [CT Mirror](#).

Synopsis

This reported piece examines longstanding shortfalls in Connecticut's statutory 'set-aside' program—which requires that 25% of state contracting dollars be reserved for certified small businesses and that one-quarter of that amount (6.25% of total) go to minority-, women-, veteran-, or disability-owned firms. It evaluates a 2025 bill drafted in response to the state's 2024 statewide disparity study. Contractors interviewed argue the proposal would not remedy structural barriers around bonding, pricing power, prompt payment, and accountability for prime contractors.

Key Findings from the Reporting

- Persistent under-utilization of Black-owned firms: Although ~14% of Connecticut construction firms are Black-owned, between 2017–2021 they received 0.57% of state contracts under \$1 million.
- Program characterized as 'aspirational': The statewide disparity study concluded the set-aside regime functions more as a goal than an enforceable requirement.
- Proposed policy shift in 2025: A bill would replace the fixed 25% set-aside with project-specific participation goals set by CHRO, add real-time monitoring, expand penalties, and withhold 2% of contract value pending compliance.
- Contractor critiques: Minority contractors contend the bill does not address bonding barriers, slow payments, price disadvantages, and accountability for primes.
- Agency positions: State officials caution that project-by-project goals could slow delivery; CHRO argues enhanced oversight is necessary.

Policy Context

Connecticut requires agencies to spend 25% of 'procurable dollars' with certified SBEs and, of that amount, 25% with MBEs (net 6.25% of total). The 2024 Connecticut Statewide Disparity Study provides the evidence base, and a 2025 bill analysis details the shift to project-specific goals.

Implications

Moving to availability-driven, project-specific goals aligns with constitutional prudence but risks diluting transparency. Bonding requirements and delayed payments disproportionately burden smaller firms. Concerns about 'fronts' and waiver misuse highlight need for stronger certification verification.

Limitations

The disparity study excluded public higher-education and quasi-public agencies, potentially understating disparities. Several quantitative figures were summarized through reporting rather than reproduced in full tabular context.

Recommendations

1. Codify prompt-payment with automatic interest and verification.
2. Pilot bond alternatives for small contracts.
3. Publish contract-level participation plans and results.
4. Tighten certification audits and sanction misrepresentation.
5. Expand capacity supports for small firms.

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RESEARCH REPORT

Labor Market Policies for Racial Equity

What Does the Evidence Tell Us about How to Ensure the Future of Work Does Not Replicate the Disparities of Today?

William J. Congdon Elisabeth S. Jacobs Marokey Sawo April 2024

Executive Summary

Black American workers' labor market outcomes today reflect the enduring consequences of centuries of US policies and practices, including those explicitly designed to obstruct Black workers' opportunities for economic security and upward mobility. Racial disparities between Black and white workers persist today across nearly every labor market outcome available: Black workers face higher rates of unemployment and underemployment, lower wages and earnings, lower rates of access to programs designed to support workers (e.g., unemployment insurance, paid leave), and lower rates of earnings growth over the course of a lifetime as compared with white workers.

These persistent gaps are not attributable to individual choices, nor are they explained by educational inequities alone. Indeed, some of the largest gaps in labor market outcomes are between white and Black workers with college degrees (Hamilton et al. 2021). Today's labor market outcomes for Black workers are the product of policy choices, unequal enforcement of employment protections in the face of ongoing discrimination in labor markets, and a lack of investment in individuals and communities harmed by discrimination. Ensuring that the future of work does not replicate the disparities of today will require a multipronged policy approach that tackles structural racism across the labor market.

In this report, we review how historical and contemporary policy choices in the US have contributed to these racial disparities. We also identify a corresponding set of policy changes, suggested and supported by evidence on how these changes are key building blocks toward building an economy in which Black workers can attain better labor market outcomes. Given the breadth of topics covered, the report is not comprehensive, but it attempts to provide an evidence-backed framework for understanding three key drivers of labor market outcomes where reforms can significantly expand opportunities:

- **Labor demand** determines both the number of jobs available and affects the wage rate that employers are willing to pay.
- **Workers' rights** includes worker protections with respect to pay and scheduling, as well as the right to collective bargaining.
- **Worker support programs** ensure workers against the inevitable interruptions to

work, such as job loss or a caregiving responsibility that requires time away from work.

Labor Demand

Strong labor demand is crucial for creating opportunities in the labor market, leading to job growth, wage increases, and improved employment prospects for workers. The key policy levers for labor demand are fiscal and monetary policy.

Implications and Directions for Policy

Policy directions for racial equity include the following:

- Policymakers should prioritize fiscal and monetary policies that support full employment and reduce racial disparities in labor market outcomes.
- Fiscal policy measures can affect racial disparities in labor outcomes through their effects on overall demand and the design of specific programs.
- Fiscal policy can also directly pursue reforms to address disparities in programs like unemployment insurance that contribute to unequal outcomes for Black workers.
- Monetary policy should consider the impact on racial disparities in employment and earnings.

Worker Rights and Protections

Labor market policy aims not only to ensure job availability but also to guarantee the quality of available jobs. Quality factors include wages, hours, and worker empowerment. Key worker rights and protections policy areas include wage and hour policy and collective bargaining.

Implications and Directions for Policy

Policy directions for racial equity include the following:

- The US federal minimum wage, which has been stagnant since 2009 at \$7.25 per hour, has eroded in value over time. Raising the minimum wage to \$15 per hour would benefit millions of workers, with Black workers being disproportionately affected.
- Fair Workweek policies, including notice, compensation, and voice rights, have shown promise in enhancing worker well-being and reducing income volatility.
- Policies to make it easier for workers to form unions and to bargain collectively, as well as more robust enforcement of existing labor laws protecting workers' rights to organize would particularly benefit Black workers. Collective bargaining has proven to be an important avenue through which unionized Black workers have attained better outcomes and working conditions.

Worker Support Programs

Worker supports are designed to ease the economic shock triggered by job loss or the need to be temporarily away from work to care for a loved one. Key worker support policies include unemployment insurance and paid family and medical leave.

Implications and Directions for Policy

Policy directions for racial equity include:

- Expanded and equalized UI benefit levels, durations, and eligibility under a federalized system would close gaps in access and generosity between Black and white workers, and it would allow UI to be a more meaningful source of income replacement during times of job loss, provide workers with sufficient time to look for new employment best matched to their skills, and act as a more effective macroeconomic stabilizer by helping boost aggregate demand.
- Universal access to paid family and medical leave using a social insurance model would significantly expand access to income support during caregiving for Black workers.
- A federal paid family and medical leave policy using a social insurance model would set a national “floor” to buffer against state-level economic and political forces that systematically disadvantage Black workers.

Taken together, these policy considerations offer a framework for addressing racial disparities in the labor market. By prioritizing equity and inclusion in policy design and implementation, policymakers can dismantle systemic barriers Black workers face and foster shared prosperity for all. Through structural reforms and targeted interventions, we can create a more equitable and inclusive labor market, paving the way for a more just and prosperous future.

The racial home ownership gap is wider now than in 1960, but a growing number of first-time Black homebuyers has emerged

February 28, 2025 | By [Kevin Haas](#) | [Rock River Current](#),



Felicia Parham looks out the window of her home on Tuesday, Feb. 25, 2025, in Rockford. She purchased her first home earlier this month. (Photo by Kevin Haas/Rock River Current)

By Kevin Haas
Rock River Current
[Get our free e-newsletter](#)

ROCKFORD — Felicia Parham kept her eye on the housing market for years before she decided she could no longer wait on the sidelines.

The 41-year-old mental health therapist became a first-time homebuyer on Feb. 11, closing on the purchase of a three-bedroom, two-bathroom home in central Rockford.

She said escalating prices and an expectation mortgage rates weren't going to return to their sub 3% level any time soon pushed her to move now.

"I felt like with the market being that is, the increase of home prices in my opinion would only get worse," Parham said. "I just felt like now was the time to strike while the iron is hot. I didn't see home (prices) getting any lower."

Parham is part of a growing number of Black homeowners who are buying for the first time, according to new data [reported this week by Zillow](#). It shows that 62% of Black homebuyers bought their first home in 2024, rising 27 percentage points since 2021 after a sharp drop amid the coronavirus pandemic. Comparatively, first time homebuyers make up 44% of the overall market, down from 50% in 2023, according to Zillow's data.

The rise in first-time Black homebuyers is significant because the gap in the home ownership rate between Black and white families is higher now than it was when it was legal to refuse to sell someone a home because of their race, religion or national origin. That gap threatens to exacerbate racial economic disparity if not closed, real estate and advocacy groups say.

The gap between white and Black home ownership stood at 28.2 percentage points in 2022, according to the most recent American Community Survey data. The gap was 27 points in 1960, eight years before the Fair Housing Act prohibited discrimination in housing.

The most recent data shows Black home ownership stands at 44%, up about 2 percentage points in the past decade. But the gains were higher among other racial groups in that time period, according to data from the National Association of Realtors. White home ownership stands at 72% and it's at an average 65% for all races. The gap widened because Black families on average didn't benefit as much from the economic recovery after the 2008 financial crisis, according to an analysis by the Urban Institute.

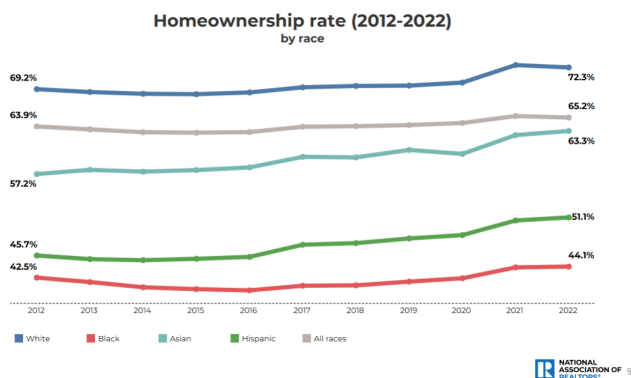
The uptick in Black home ownership is small but an important positive trend, said Conor Brown, CEO of the NorthWest Illinois Alliance of Realtors, which highlighted the data in its most recent monthly report.

"This increment, though slight, signifies a positive movement toward home ownership within the Black community," he said. "And a new influx of more Black Realtors in the Rockford market, both younger and female, may change those opportunities."

Home ownership is considered a key factor in both personal financial gain and generational wealth for families.

"They're trying to create (generational wealth) for their families, because maybe they didn't have it growing up. Now they definitely see the importance of it moving forward in life," said Felicia Esmond, a Realtor with Dickerson & Nieman who is one of just about two dozen Black Realtors in Boone, Winnebago and Ogle counties.

Homeownership Trends by Race in the Last Decade



This chart created by the National Association of Realtors shows home ownership rates by race since 2012. (Image via National Association of Realtors)

There is an estimated total of 25 total African-American Realtors out of 999 total in the three-county region, making up 2.5% of the area's Realtors, according to the NorthWest Illinois Alliance of Realtors.

Esmond, who is Parham's Realtor, said she seen local evidence of the uptick in Black homebuyers, including several sales this year.

"It's definitely increased," Esmond said. "I think they're seeing the value of paying their mortgage versus paying someone else's mortgage."

Reversing the gap in home ownership, advocacy groups such as the Urban Institute say, will involving addressing housing supply issues, an equitable finance system and outreach to mortgage ready renters.

“Despite affordability challenges, Black first-time home buyers are demonstrating a strong commitment to home ownership, a key driver of generational wealth,” Orphe Divounguy, a senior economist for Zillow, said in this week’s report. “While income disparities and saving difficulties continue to delay home buying for Black households, programs like down payment assistance, first-time buyer tax credits and flexible lending options have helped increase access.”

Parham, even with her research of the market and the support of her parents and her Realtor, said the leap to buy a home was still scary. But she trusts it was the right move at the right time.

“I’m scared as hell, but I serve a God that is bigger than all my fears and anxieties so I totally put my trust in him,” she said. “I smile every day when I wake up knowing this is mine, something I will keep and have forever.”

This article is by [Kevin Haas](#). Email him at khaas@rockrivercurrent.com or follow him on X at [@KevinMHaas](#) or Instagram [@thekevinhaas](#) and Threads [@thekevinhaas](#)