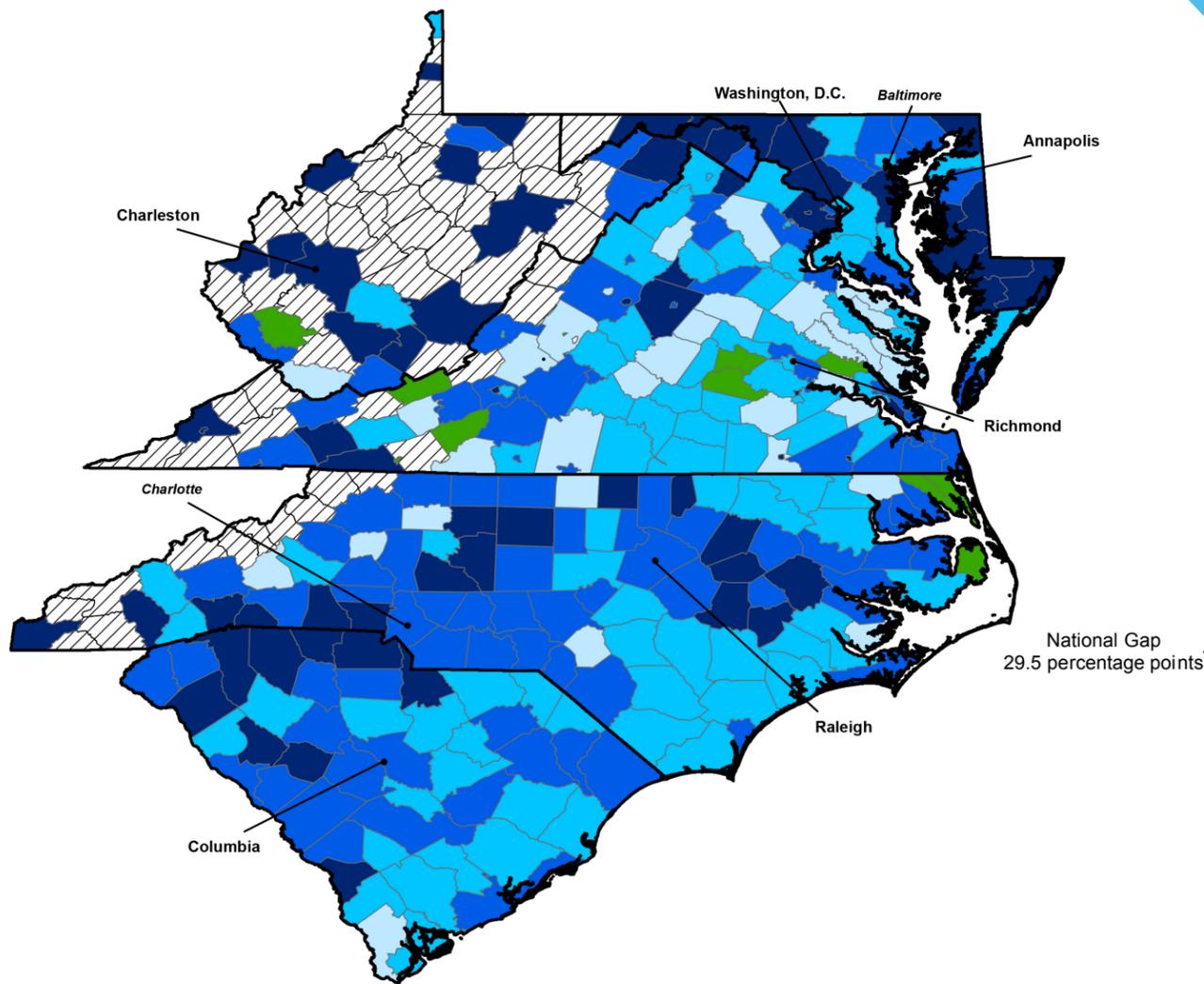


5th District Footprint

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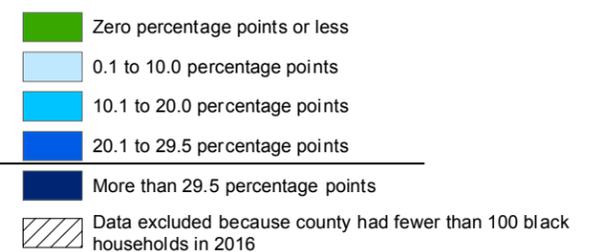


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The Black Homeownership Gap by County, 2016 (Percentage Point Difference)



Note: The black homeownership gap is calculated by subtracting the percentage of black residents who own their home from the percentage of non-Hispanic white residents who own their home. County-level data are excluded if there were fewer than 100 black households represented in the county data.

Source: U.S. Census Bureau
2012-2016 American Community Survey,
5-Year Estimates, Tables B25003B and B25003H.

The Black Homeownership Gap in the Fifth District: How Does Your County Compare?

Homeownership is both an investment decision with financial risk and a powerful tool for wealth-building as homeowners accrue equity with each mortgage payment. The path to homeownership, however, has not been barrier-free for all Americans. Discriminatory lending practices, which systematically limited lending based on race — referred to as “redlining” — historically limited black homeownership. This discrimination, coupled with other forms of social and economic disenfranchisement, has resulted in a persistent gap between the percentage of black homeowners and white homeowners in the U.S.¹ Commonly referred to as the black homeownership gap, this disparity has remained relatively unchanged in the U.S. over the past four decades, despite the passage of the Fair Housing Act 50 years ago. This issue of *5th District Footprint* explores the question: Where do black homeownership gaps exist in Fifth District counties as of 2016?

The black homeownership gap is important because of the way it contributes to the broader racial wealth gap. In 2017, the Federal Reserve System Board of Governors reported that nationwide white families had a median net worth of \$171,000, while black families had a median net worth of \$17,600 — a \$153,400 difference.² When we drill down further to examine the racial difference in mean net housing wealth, it becomes clear that black families are not only less likely to own their home, but if they do own their home, it will, on average, be less than half the value of a white family’s home (\$94,400 compared to \$215,800).³

The national gap between non-Hispanic white and black homeownership was 29.5 percentage points in 2016 (71.4 and 41.9 percent, respectively).⁴ When aggregated as the Fifth District, the District of Columbia, Maryland, North Carolina, South Carolina, Virginia and West Virginia slightly lead the country in black homeownership. The Fifth District black homeownership gap is 25.5 percentage points, with a non-Hispanic white homeownership rate of 73.6 percent and a black homeownership rate of 48.1 percent. This means the homeownership rate among black residents of the Fifth District is about 6.2 percentage points above the national black homeownership rate (48.1 percent compared to 41.9 percent). The Fifth District has a higher percentage of black residents than the U.S. as a whole (22.8 percent compared to 12.6 percent), which makes this topic that much more relevant in the Fifth District.

Of the Fifth District states and the District of Columbia, all states except for West Virginia have a smaller black homeownership gap than the nation.⁵ Within the Fifth District, the District of Columbia and West Virginia have lower black homeownership rates than the nation (35.9 and 41.5 percent, respectively, compared to 41.9 percent). In Maryland, North Carolina, South Carolina, Virginia, West Virginia and the District of Columbia, 234 of the combined 359 counties (65.2 percent) have a smaller black homeownership gap than the nation. These counties include some areas with large black populations, including the District of Columbia, Baltimore City and Prince George’s County, Maryland, and Petersburg City and Richmond City, Virginia.⁶

On the map, counties with a black homeownership gap less than zero are shaded green. This indicates that in the respective county, the black homeownership rate is higher than the non-Hispanic white homeownership rate. Those with a gap greater than zero are shaded blue and the shading darkens as the gap gets larger. Counties filled in with hash marks have fewer than 100 black households as of 2016. Data for these counties was excluded because calculating the homeownership rate for such a small population may be misleading.

Gaps in Maryland go as high as 45.8 percentage points in Allegany County, a northwest county in the state. In North Carolina, the smallest gaps are below zero percentage points in Dare, Camden and Currituck Counties (-10.1, -4.7 and -1.3 percentage points, respectively). All South Carolina counties have black homeownership gaps greater than zero and they range from 4.9 percentage points in Jasper County to 37.5 percentage points in Greenwood County. Virginia is home to two independent cities with higher black homeownership rates than non-Hispanic white homeownership rates: Lexington and Galax (-14.4 and -6.3 percentage points, respectively). Both cities have a relatively small number of black households and the story of black homeownership in these localities may intersect with Virginia’s historically higher levels of black wealth and homeownership relative to other states.⁷ The 24 West Virginia counties for which data are available have black homeownership gaps ranging from 9.9 percentage points (McDowell County) to 60.6 percentage points (Putnam County).

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1 While this *Footprint* issue focuses on the disparity between non-Hispanic white and black homeownership rates, it is important to note that additional racial and ethnic minority groups — including Hispanics, Asian Americans and Native Americans — may also face homeownership disparities and that different Fifth District counties have varied racial and ethnic compositions.

2 Detting, Lisa J., Joanne W. Hsu, Lindsay Jacobs, Kevin B. Moore and Jeffrey P. Thompson. “Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finance.” FEDS Notes, Board of Governors of the Federal Reserve System.

3 Ibid.

4 All homeownership rates and gaps contained in this piece, including the national statistics, are derived from data contained in Tables B25003B and B25003H from the U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

5 The 2016 black homeownership gaps for the District of Columbia, Maryland, North Carolina, South Carolina, Virginia and West Virginia are 12.9 percentage points, 25.6 percentage points, 27.0 percentage points, 23.1 percentage points, 25.4 percentage points and 32.5 percentage points, respectively.

6 In “Race and Economic Opportunity in the United States: An Intergenerational Perspective,” Raj Chetty, Nathaniel Hendren, Maggie R. Jones and Sonya R. Porter identify three neighborhoods in Prince George’s County, Maryland, as high upward mobility neighborhoods for low-income black men: College Park, New Carrollton and Greenbelt.

7 Lexington City, Virginia, has 287 black households and Galax City, Virginia, has 167 black households. Lombard, Hamilton. “Why are Black households wealthier in Virginia?” *StatChat*, Demographics Research Group at the University of Virginia, March 28, 2016.