“Our history is contained in the homes we live in”

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Reinventing Our Communities
Federal Reserve Bank, Philadelphia
2 October 2018

Survey of Consumer Finances, IASP Analysis, 2016

- Black: $17,150
- Hispanic: $20,720
- White: $171,000
Wealth Holdings, Same Families from 1984-2015 (2015 Dollars)

PSID, IASP Analysis, 1984-2015
Arden, for community purposes, in the activities of which corpo-
ration or association residents of Innis Arden No. 2 shall
have the right to participate, subject to reasonable restrictions
and requirements imposed by such corporation or association.

14. **RACIAL RESTRICTIONS**...No property in said addi-
tion shall at any time be sold, conveyed, rented or leased in
whole or in part to any person or persons not of the White
or Caucasian race. **No person other than one of the White or
Caucasian race** shall be permitted to occupy any property
in said addition or portion thereof or building thereon except
a domestic servant actually employed by a person of the White
or Caucasian race where the latter is an occupant of such
property.

15. **ANIMALS.** No hogs, cattle, horses, sheep, goats, or
or similar livestock shall be permitted or maintained on said
property at any time. Chicken hens, pigeons, rabbits and other
similar small livestock, not exceeding a total of twenty-five
in number, shall be permitted but must be kept on the premises
of the owner. No noxious vermin shall be kept on the
premises.
What if…

...The homeownership rate was the same among African Americans and Latinos as among whites?

...Home equity investments created the same wealth gains for African Americans as they do for whites?
Median Wealth
After Equalizing Homeownership Rates

- Latino families (any race)
  - Wealth gap decreases 28%

- Black families
  - Wealth gap decreases 31%

- White families

- Median Wealth before Equalizing Homeownership Rates
- Increase in Wealth after Equalizing Homeownership Rates

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Demos
Median Wealth
After Equalizing Returns to Homeownership

Latino families (any race)

Black families

White families

Wealth gap decreases 40%

Wealth gap decreases 16%

Median Wealth before Equalizing Homeownership Rates
Increase in Wealth after Equalizing Homeownership Returns
FIGURE 1. HOUSING TENURE BY RACE/ETHNICITY

2.4% 2.2% 3.7% 3.8% 6.2%

27.3% 55.0% 52.9% 42.2% 51.1%
31.2% 15.9% 15.3% 19.6% 16.6%
39.1% 25.4% 29.7% 34.4% 26.2%

WHITE AFRICAN AMERICAN LATINO ASIAN OTHER RACES

Owned with mortgage Owned without mortgage Rented Occupied without payment of cash rent and student housing

Authors’ calculations of Consumer Expenditure Survey (2015).
Mortgage Interest Deduction Estimated Returns and Percentage of Benefits from the Deduction by Race/Ethnicity for Households with Mortgages (2015)

<table>
<thead>
<tr>
<th></th>
<th>Estimated Number of Tax Returns with Deduction</th>
<th>Estimated Percentage of Tax Returns with Deduction</th>
<th>Percentage of Total Benefits from Deduction</th>
<th>Percentage of Homeowners by Race/Ethnicity</th>
<th>Percentage of Households by Race/Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>25,910,000</td>
<td>77.2%</td>
<td>77.9%</td>
<td>76.5%</td>
<td>67.4%</td>
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<tr>
<td>Black</td>
<td>2,350,000</td>
<td>7.0%</td>
<td>6.2%</td>
<td>8.5%</td>
<td>12.8%</td>
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<tr>
<td>Hispanic/Latino</td>
<td>2,850,000</td>
<td>8.5%</td>
<td>7.3%</td>
<td>9.2%</td>
<td>12.9%</td>
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<tr>
<td>Asian</td>
<td>1,940,000</td>
<td>5.8%</td>
<td>7.2%</td>
<td>4.1%</td>
<td>4.7%</td>
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<td>Other Races</td>
<td>530,000</td>
<td>1.6%</td>
<td>1.5%</td>
<td>1.7%</td>
<td>2.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>33,580,000</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Calculations based on percent by race/ethnicity within income groups among homeowners with mortgages only, i.e. those who could potentially benefit from MID.
Current vs. Equitable Share of Mortgage Interest Deduction Benefit

Note: An equitable share assumes the MID benefit is proportional to the distribution of households by race and ethnicity.