

# The Racial Wealth Gap and Where We Live

**The median African American household has less than ten cents of wealth for every dollar of wealth owned by the median white family. The U.S. has a history of unjust housing policies that contribute to the racial wealth gap in the United States:**

- ✦ Following World War II, suburban communities specifically designated for whites—some called “Levittowns”—were built, excluding people of color.
- ✦ These segregated communities spread like a disease across the country and helped foster patterns of racial discrimination in housing that still exists today.
- ✦ Federal policies contributed to housing discrimination. The Federal Housing Administration instituted policies that routinely denied low-interest loans to non-whites returning from World War II.
- ✦ Zoning practices also contributed as streets and communities could be divided by race.
- ✦ On an individual level, homeowners would routinely avoid selling to people of color, and bankers would not approve inexpensive mortgages for them.
- ✦ Housing discrimination has affected families in many ways. For example, it prevented people from acquiring wealth through rising home values and kept children in poorly financed schools where their education could suffer.
- ✦ The effects of these practices exacerbated the tragic legacy of racism throughout our nation.

**Bottom Line: We must recognize the devastating impact racism has had on our nation.**



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# Racial disparity isn't becoming a thing of the past—it's growing.

**White households on average now earn 20 times more than the typical black family and 18 times more than the average Hispanic family. This is three times more than in 2008.**

- ✱ The typical black household had \$5,677 in wealth—defined as assets minus debts—in 2009. The typical Hispanic household had \$6,325 in wealth, and the typical white household had \$113,149.
- ✱ The housing collapse, which began in 2006, had a devastating impact on a high number of minority families because of historical factors.
- ✱ From 2005 to 2009, inflation-adjusted median wealth fell by 66% among Hispanic households and 53% among black households, compared with just 16% among white households.

## What can you do?

- ✱ Encourage Congress to increase the funding and staffing levels for HUD's Office of Fair Housing and Equal Opportunity.
- ✱ Promote anti-predatory lending legislation, which is designed to eliminate unfair and deceptive practices of lending money with excessive fees or insurance costs that target the elderly, low-income and communities of color.
- ✱ Visit [www.networklobby.org](http://www.networklobby.org) to find out more and to contact your Members of Congress.

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