Tax Reform and Housing Affordability for Aspiring Homeowners

Affordable housing and homeownership are fundamental to economic stability and community well-being, and understanding the impact of U.S. housing tax policy on Black communities is crucial for driving equitable change. They both also feel out of reach in Black communities across the country.

When the next administration comes into power, one of their first items of business will be the reform or extension of the 2017 Trump tax cuts. As part of that tax fight, Color Of Change is launching a campaign to update the federal tax code to make housing more affordable and support first-time homebuyers.

Why We Care:

39% of Black families are homeowners, compared to 70% for White families, illustrating a long-standing divide that is fueled by systemic barriers.

(U.S. Census Bureau)

Black applicants are 80% more likely to be denied a mortgage compared to their White counterparts, reflecting persistent discrimination in lending practices.

(AP News)

In 2022, **Black first-time homebuyers made up only about 3%** of all first-time buyers, while **White first-time buyers accounted for around 88%.**

(National Association of Realtors, (2022 Home Buyer and Seller Generational Trends Report)

Black homeowners' property tax burden is 10% to 13% higher than for white homeowners. Local property tax applied to the over-assessed value of Black-owned homes is 10% to 13% higher than for white-owned homes

(Brookings)

In 2019, the mean and median net worth of White families was 6-8 times that of Black families, highlighting systemic economic disparities. This gap translates to approximately $150,000 to $200,000.

(Federal Reserve, Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances)

In 2019, White households had 13 times as much wealth as Black households at the median, and nine times as much in 2021.

(Pew Research Center)

Real estate appraisers often undervalue Black-owned homes by 21% to 23%. Homes in Black neighborhoods are valued 21% to 23% below what their valuations would be in non-Black neighborhoods, which lowers sale prices (Brookings, for social posts also cite Andre M. Perry individually). Racial inequality in appraised values increased an additional $20,000 in 2022.

(Eruca's Appraised Update).