



Homeownership while black

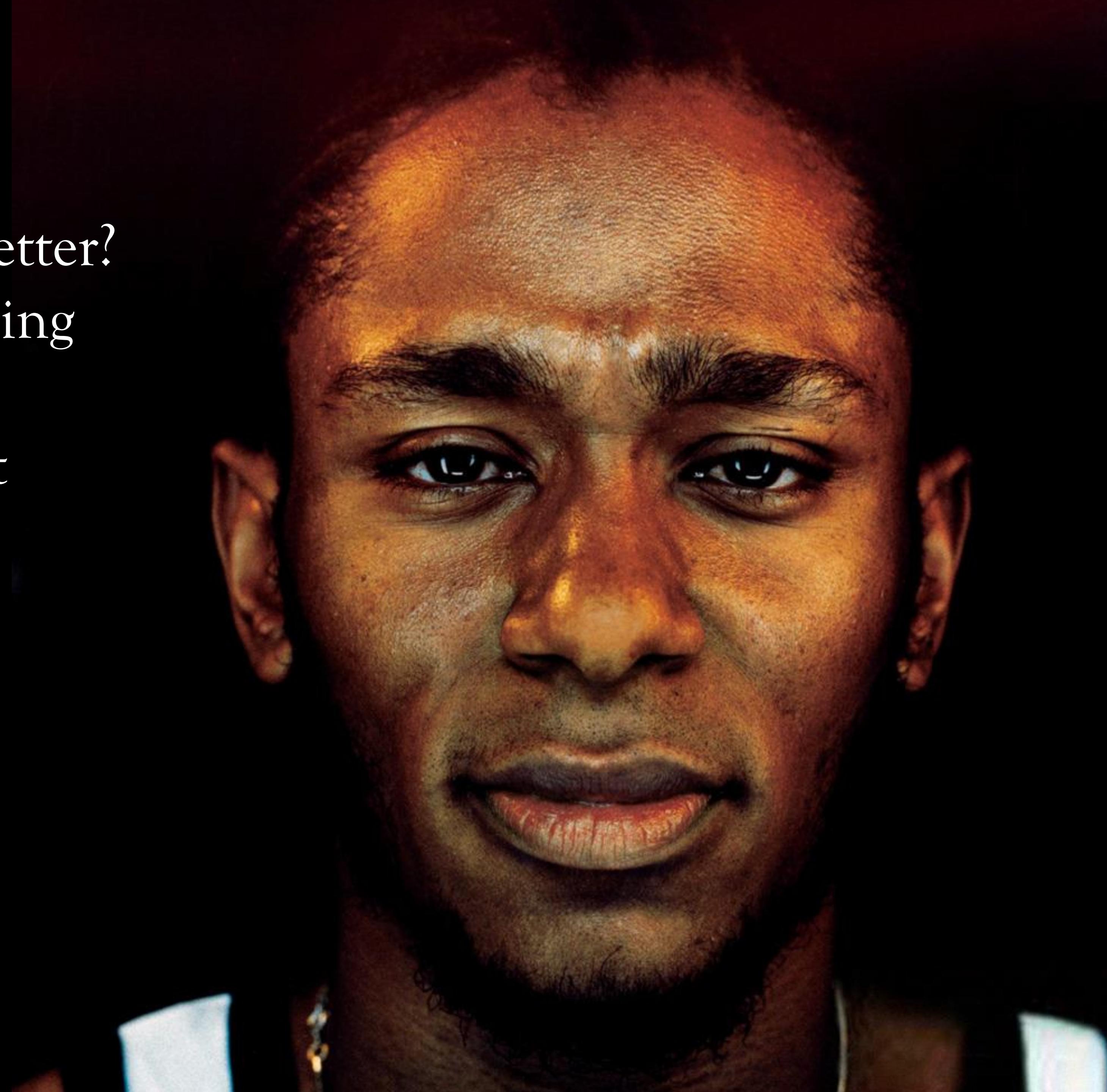
Examining the devaluation of assets in black neighborhoods

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December 5, 2018
Falk Auditorium

Then how do people get better?
Well, from my understanding
people get better
when they understand that
they are valuable

- Mos Def, *Fear Not of Man*



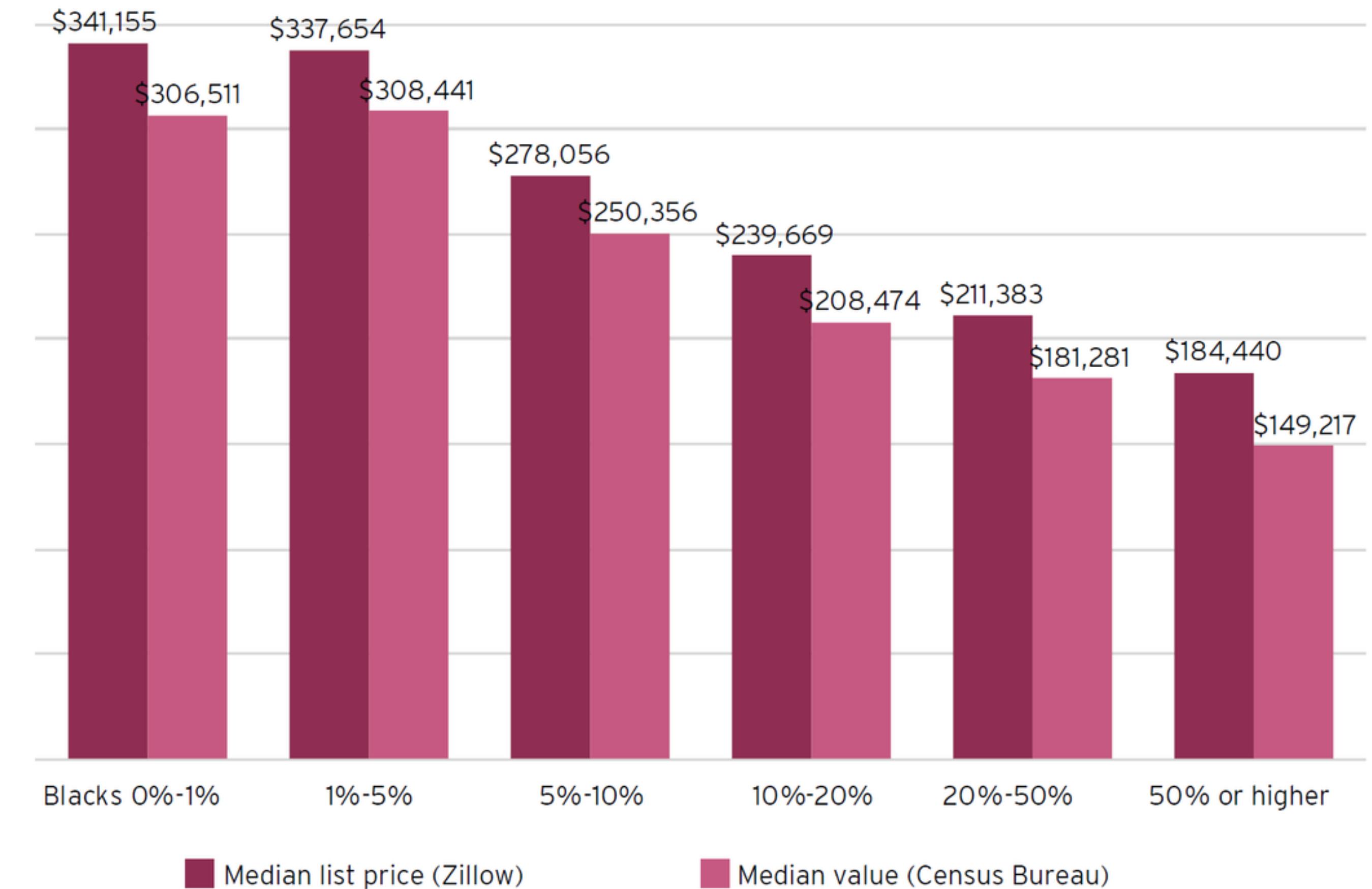


Homes in black neighborhoods are worth less, on average, than homes in <1% black neighborhoods

FIGURE 1

Neighborhood median home value by black population share

U.S. metropolitan areas, 2012-2016



Source: Authors' analysis of Zillow and 2016 American Community Survey 5-year estimates

Can we explain this difference in value?



Can we explain this difference in value?

\$

Absolute price
difference



Can we explain this difference in value?



Absolute price
difference



Structural
characteristics

Can we explain this difference in value?



Absolute price
difference



Structural
characteristics



Neighborhood
amenities

Devaluation

-\$48,000 | ↓ 23%

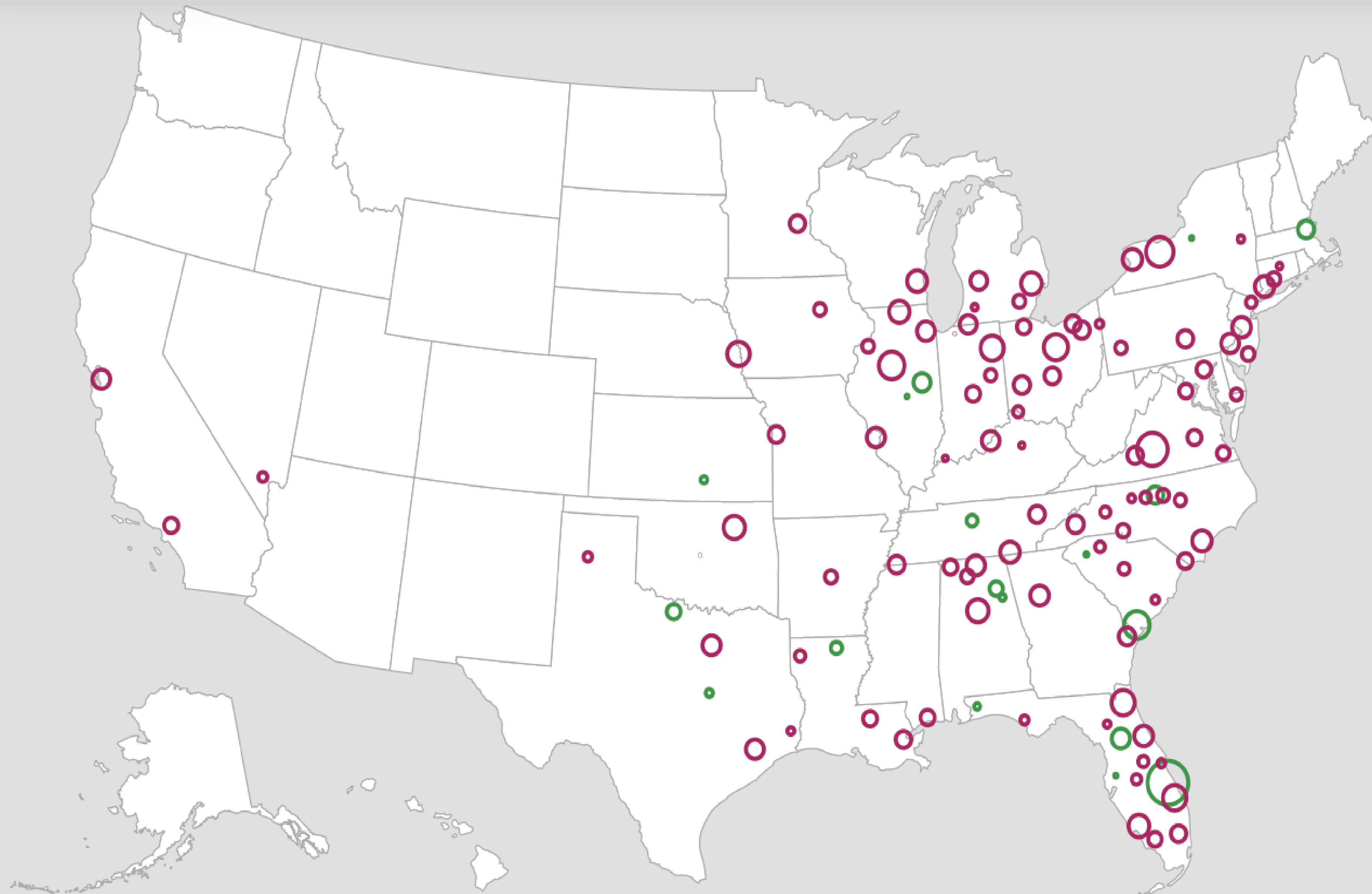
on average, compared to homes in neighborhoods
which are <1% black

Devaluation

\$156 billion

in cumulative losses

Devaluation



Comparing home values in majority black neighborhoods with those where less than 1% of residents are black

Devaluation: Comparable homes in majority black neighborhoods are worth less ↘



Appreciation: Comparable homes in majority black neighborhoods are worth more ↗



Devaluation and appreciation are represented by percent difference between comparable homes. Hover over metro areas for detail on the magnitude of devaluation.

Homes in black neighborhoods are significantly devalued in many metro areas

Metro Area	Valuation of homes in black neighborhoods
Example areas with <u>negative</u> valuation of homes in black neighborhoods	
Lynchburg, VA	-81%
Rochester, NY	-65%
Jacksonville, FL	-47%
Detroit-Warren-Dearborn, MI	-37%
Pittsburgh, PA	-12%
Example areas with <u>positive</u> valuation of homes in black neighborhoods	
Nashville-Davidson-Murfreesboro-Franklin, TN	+10%
Wichita Falls, TX	+16%
Boston, MA	+23%
Champaign-Urbana, IL	+25%
Hilton Head Island-Bluffton-Beaufort, SC	+58%

Devaluation

\$156 billion

in cumulative losses

What is \$156 billion?

What is \$156 billion?



4.4 million black-owned businesses

Source: Stanford Institute for Economic Policy Research

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8.1 million four-year degrees

Source: National Center for Education Statistics

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Replace pipes in Flint, MI nearly **3,000** times

Source: American Water Works Association

What is \$156 billion?



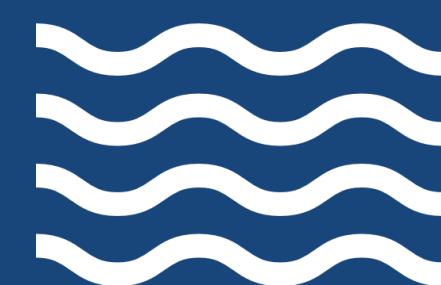
4.4 million black-owned businesses

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8.1 million four-year degrees

Source: National Center for Education Statistics



Replace pipes in Flint, MI nearly **3,000** times

Source: American Water Works Association



97% of the damage of Hurricane Katrina

Source: National Oceanic and Atmospheric Administration

There is nothing wrong with Black people
that ending racism can't solve.

Know Your Price



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