

# Study: Homeownership Can Help Close The Racial Wealth Gap Across Greater Houston

Census figures have shown for decades a wealth gap between whites and minorities across the country and Greater Houston. A recent study finds a contributing factor is where they live: Whites have a much higher rate of home ownership compared to African Americans and Latinos.

By: [Florian Martin](#), April 06th, 2015 05:05 AM

Erica Jackson has just moved into her house in Cypress with her two boys. Despite a well-paying job, it's the first home that the 36-year-old has been able to purchase – thanks to a counseling agency called [Neighborhood Assistance Corporation of America](#).

The group helped her to control her spending, deal with her student loan debt and save more money every month.

“I just feel stable,” Jackson said. “I feel like I’m part of the whole American Dream, you know, and responsible.”

While Jackson has made it, many other African Americans are still struggling to buy a home.

Nationwide, 72 percent of white households own homes. But only 44 percent of African American and 47 percent of Latino households own their house, according to the [U.S. Census Bureau](#).

Across Greater Houston, the disparity is similar.

One reason is that African Americans and Latinos are more likely to earn lower incomes compared to whites.

But imagine if they had the same rate of homeownership.

[A recent report by Brandeis University](#) and the advocacy group Demos looks at that scenario.

“African American wealth would grow a little over \$32,000 and the wealth gap between whites and blacks would narrow by 31 percent,” said Tom Shapiro, who directs the [Institute on Assets and Social Policy at Brandeis University](#). He helped create the Racial Wealth Audit, a research tool that was used to conduct the study.

He said for Latino households the median wealth would grow by \$29,000 and narrow the wealth gap to whites by 28 percent.

“Homeownership is really the largest investments that most American families have and it’s by far the biggest item in their wealth portfolio,” said John Henneberger with the Austin-based [Texas Low Income Housing Information Service](#).

That’s why acquiring a home is one of the goals by the United Way’s Thrive initiative, which aims to guide people out of poverty by bundling different services.

“Not only are there financial advantages to owning a home with the tax incentives, etc.,” said Amy Corron, who directs the Thrive initiative. “But you have financial stability for your family as well, because you have a permanent asset.”

Corron said the vast majority of her clients are Latinos and African Americans. Henneberger said a major reason why minorities are so much less likely to be homeowners than whites is economic segregation, which is especially pronounced in Houston and in other cities across Texas.

“The segregation of people of color into neighborhoods where home equity does not accumulate as fast, where foreclosure rates are often higher, where property values remain low, basically prevents people from being able to accumulate assets, and assets are the essential thing that allows the next generation to be able to afford a home,” Henneberger said.

He said to change that, the pattern of housing segregation must be eliminated.

“The city needs to not locate affordable housing opportunities targeted to people of color exclusively in low-income neighborhoods of color,” Henneberger said. Back in Cypress, Erica Jackson said she now lives in a mostly white neighborhood. And she said so far that hasn’t been a problem.

“I was a little leery, to be honest, like I didn’t know how my neighbors were gonna... This is Texas and I’m from up north, so... But my neighbors here have been very nice,” Jackson said.

Certainly, the Houston Texans wreath outside her door will help the integration process.