

Women Investing In Real Estate

W.I.R.E is Fire

NAREB 2024 National Conference

New Orleans, Louisiana

And Data

is the Match
needed

To Empower
African
American
Women



Presenters

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Profile of the African American Woman

What do we mean by a profile?

- describes a group's characteristics, such as age, income, education, and history.
- used to understand the composition or behaviors and provide more relevant services or marketing.

When we discuss the profile of the African American Woman, we are discussing those variables that you, as real estate professionals, underwriters, bankers, and policy makers need to know about her/yourself:

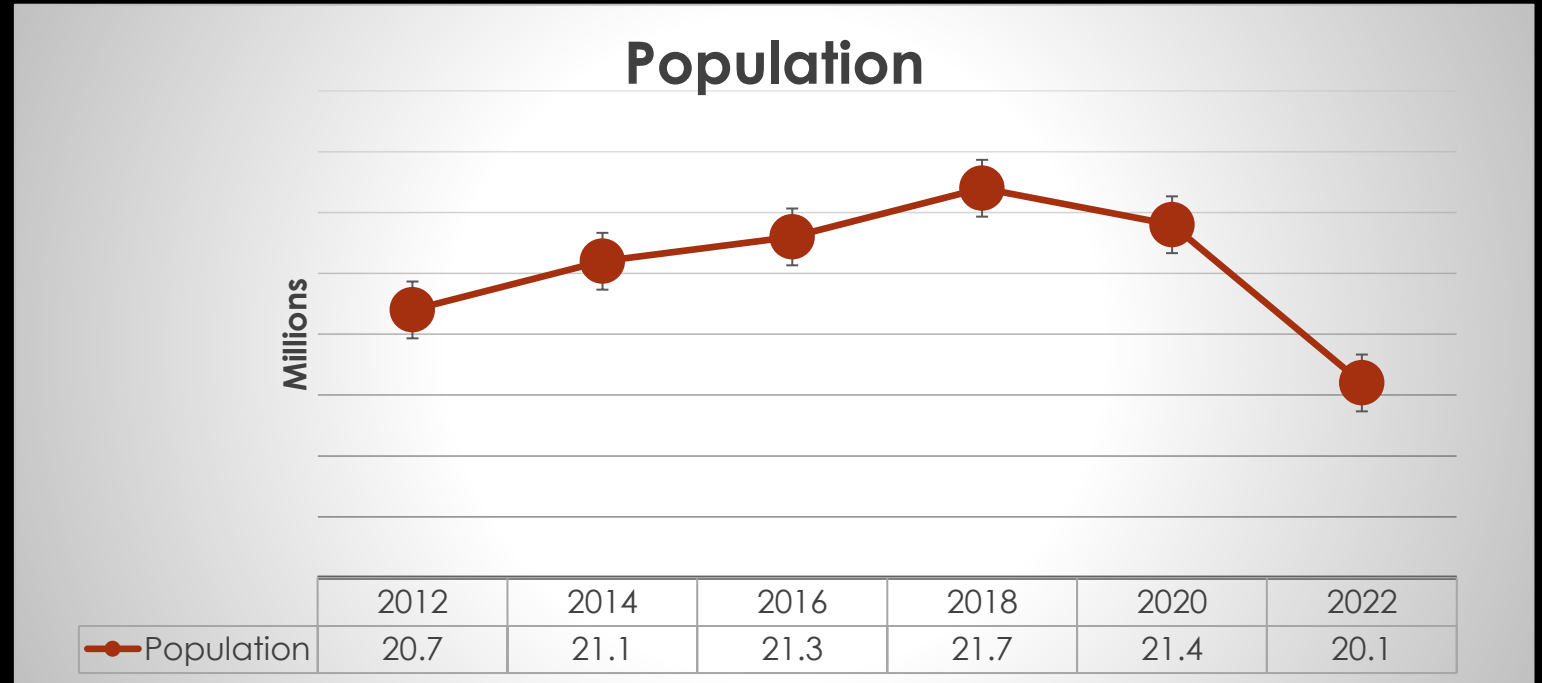
*as products are created or updated

*as policy is developed or modified



Her Population

- Percent of US Population 6.3%
- Percent of all women: 12.5%
- Percent of African Americans: 52%



The numbers show that the number of African American women in the us has been on the decline since 2019. However, that is not the entire story. This count only includes women identifying as African American alone. Those that are biracial/multiracial or chose not to provide racial or gender information are not include What these numbers don't show is the population

The largest age group of African American Women are those over the age of 65 followed by those between the ages of 35 to 44.

The \$ indicates that this is the largest age group that purchase homes.

Age

Age Group	Percent
Under 5 years	5.7
5 to 9 years	6.0
10 to 14 years	6.7
15 to 19 years	6.6
20 to 24 years	7.1
25 to 29 years	7.0
30 to 34 years	7.7
35 to 44 years	13.5 \$
45 to 54 years	12.2
55 to 64 years	12.3
65 and older	14.8

West

- Black Women Total: 3,593,033
- Median Age: 32.6
- Range: 24.4 – 38.9
- 4.5% of all population
- 49% of black population
- 9% of all women

Midwest

- Black Women Total: 3,662,329
- Media Age: 31.5
- Range: 23.6 - 36-5
- 5 % of all population
- 52% of black population
- 10% of all women

Recognizing that the we are not all the same, break out numbers by regions. These regional distributions are provided by the Census Bureau.



Northeast

- Black Women Total: 3,473,415
- Median Age: 33.6
- Median Range: 25.0 – 39.7
- 6% of all population
- 52% of black population
- 13% of all women

South

- Black Women Total: 23,752,412
- Median Age: 35.0
- Median Range: 35.0 - 40.4
- 10% of all population
- 52% of black population
- 19% of all women

As you review these numbers, think about how your region compares with the national data



African American Women: Household Composition and Status in 2022

There is a difference between families and households. Families assume that all members are related, a household does not bear that assumption.



48% - Single, never married

↳ +13% divorced

↳ + 7% widowed

27% - Married

↳ 3% separated/not divorced

25% Women led/no spouse

↳ of those 13.5% with children < 18

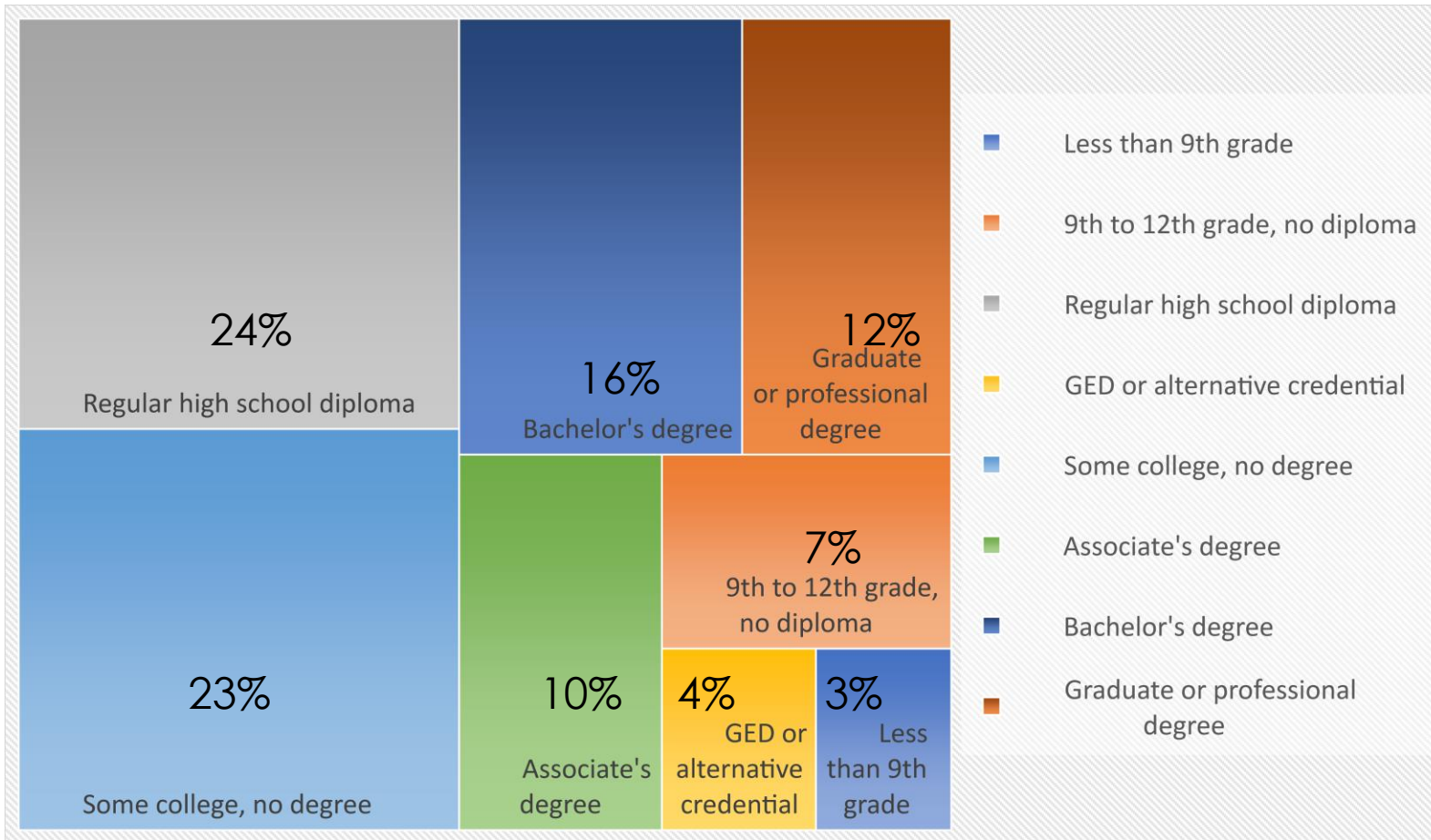
Breadwinning Mothers: unmarried working mothers and those that are married with an absent spouse AND those who earn as much or are married, making more than their husband AND serve as co-breadwinners.

66% sole or co-bread winners

↳ 41% sole breadwinners

*She depends on support for economic viability

Education Attainment



Across all races of women, we are seeing a rising enrollment in vocational and trade programs

- Less expensive than 4-year degree
- Targeted vocation
- Income goals met earlier

Profile of the African American Woman

← Workforce Participation Rates

percentage of the population that is either employed or actively seeking employment.

2019 60.1

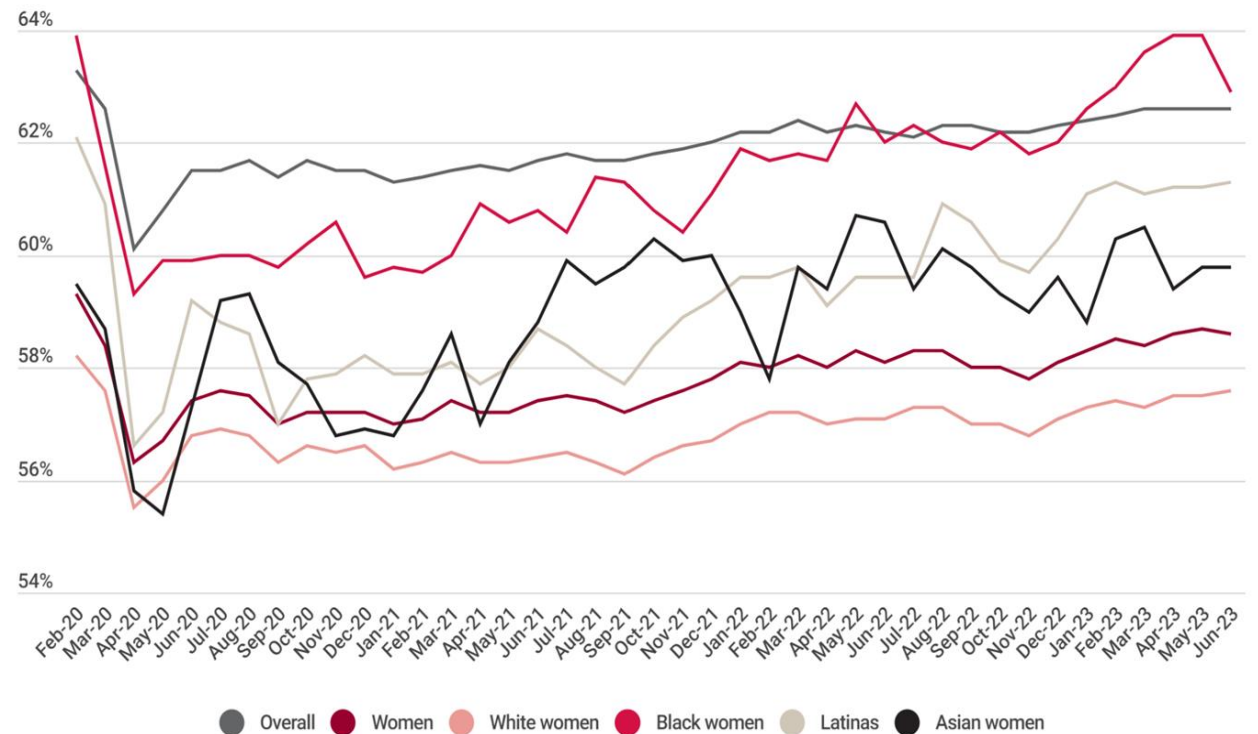
2020 54.5

2021 57.4

2022 58.7

2023 62.9

Black women consistently have higher labor force participation rates than other demographics of women



Source: U.S. Bureau of Labor Statistics, Current Population Survey. The overall labor force participation rate is for people ages 16 and older, other rates are for women ages 20 and older. Data for Asian women are not seasonally adjusted. Latinas may be of any race.

Her Representation in Professional Categories



Management,
professional, and
related
occupation
10.2%



Service
Occupations
16.8%



Sales and Office
Occupations
13.1%



Natural resources,
construction, and
maintenance
7.4%



Production,
transportation,
and material
moving
18.2%

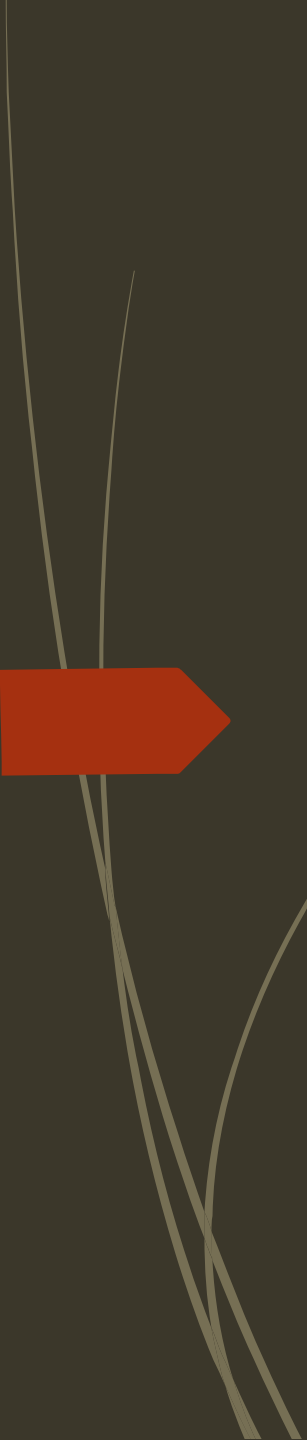


Entrepreneurship

Given the challenges faced in the corporate world, more and more African American Women are following the entrepreneurial path.

- ▶ African American women were the fastest growing group of entrepreneurs in 2019.
- ▶ The number of businesses owned by Black Women accounted for 42% of all women who opened a new business between 2014-2021.
- ▶ A point of interest: the areas of self-employment include the retail/wholesale, health, education, government or social service sectors.
- ▶ This trend continued into 2021 where 17% of Black women were in the process of starting a new business.





In Sum:
She is the
foundation
of the Black
family AND
the
Economy

According to the U.S. Census Bureau, on average, Black women were paid 64% of what non-Hispanic white men were paid in 2021. Like Latinas and Native women, Black women experience a substantially wider pay gap than all women due to the compounded effect of racism and sexism

She impacts more than just the black economy. She impacts the TOTAL economy!

- ▶ bellwether of how economy is working, especially for women (NPWF)
- ▶ continue over-concentration in jobs with low pay and few benefits
- ▶ plays a foundational role as caregiver
- ▶ rebounds quickly from economic and social setbacks
- ▶ continued to experience wage disparities
- ▶ lack of support for caregiving

Economics and Politics: The AAW Buying and Purchasing Power

- The African American Woman's economic profile is strongly tied to the political arena.
- The best way to understand the current data and prepare for the future is to understand the context of the past.
- Past Wage, income and housing policies have impacted the progress of homeownership for the African American Woman.



The federal government's promotion of mortgage borrowing and lending to expand homeownership, has had intended and unintended consequences on African American Women and has spurred debate about the policies and how they affected low-income people.


Income of African American Women

American Housing Policy has had intended and unintended impact on African American Women.





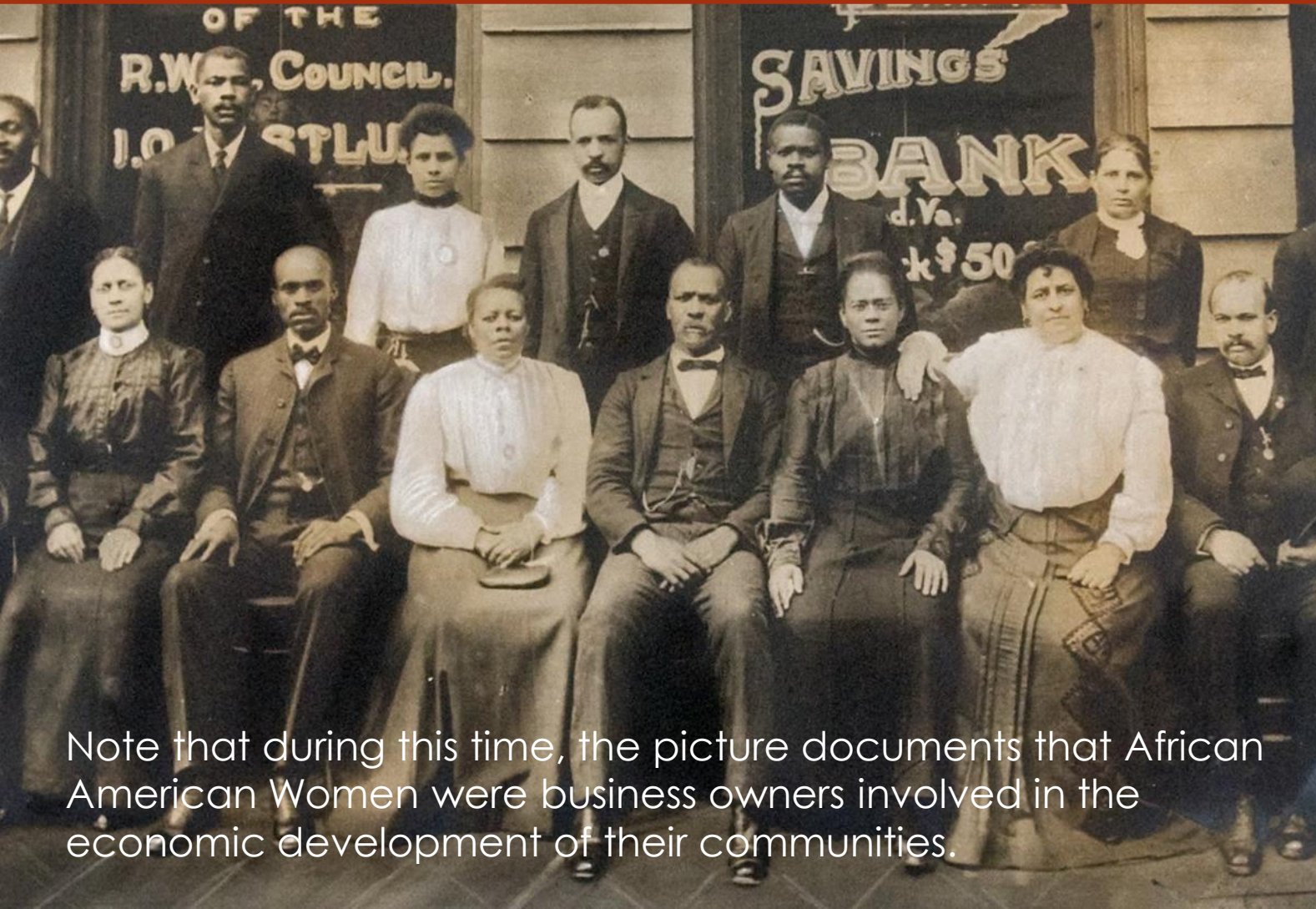
Jim Crow



To look at how it has impacted AAW let's go back to the beginning and start with Jim Crow 1865-1920. After slavery, as African Americans moved from the plantations to cities, State Laws confined them to domestic, service and agriculture work, the same that they had done in slavery,

During Jim Crow – 1865-1920, some state laws fined Black people if they worked in any occupation other than farming or domestic servitude.

1920's Black Wall Street



Note that during this time, the picture documents that African American Women were business owners involved in the economic development of their communities.

- ▶ Slavery and Jim Crow laws forced Blacks to remain in low-income jobs which caused their value in the workforce to be low and limited. Many of these policies remain today.

Despite these laws, Black communities thrived until the 1920s. The Greenwood District known as Black Wall Street, Bronzeville, Chicago, Hayti Durham ,NC., Sweet Auburn in Atlanta, West Ninth Street in Little Rock, Farish Street in Jackson, MS, and others flourished

- ▶ Perhaps because there were few laws at that time governing urban development, or they were ignored for years

1930 Great Depression Need For Affordable Housing

- ▶ 1920-1929 was known as the Roaring '20s, a period when the stock market was inflated, consumer spending was at an all-time high leading to the stock market crash of 1929 and the beginning of the Great Depression in 1930. The movement of African Americans to the cities continued and jobs remained in domestic and farming low-wage positions
- ▶ The Federal Government became directly involved in the creation of Housing policy due to spiked needs of the poor during the Great Depression to promote affordable housing for lower-income people.
- ▶ Great Migration movement of Black Americans from rural to urban cities. African American Women still worked in domestic jobs.



1934 Creation of FHA

The first housing policy enacted was the creation of the Federal Housing Administration (FHA). The low wages earned in domestic and agricultural jobs left African Americans out of this first affordable housing program.

The Act provided mortgage insurance to private lenders to promote construction of new homes and to create jobs, a direct effort to promote affordable housing for low-income people.

Black wage earners were primarily left out of this affordable housing group because they mostly remained agriculture and domestic workers.

The New Deal



Initiated Labor Standards

New Deal-1938 – The Fair Labor Standards Act of 1938 mostly excluded African American Workers from receiving these benefits by exempting many domestic agricultural and service occupations, trapping families in poverty.

The New Deal of 1938 created Fair Labor standards including social security but excluded many domestic, agricultural, and service occupations held by Black people.

Even today agricultural and domestic workers remain some of the least protected employees in the US.



Resulting Outcomes Of Housing Policy 1934-49

Discrimination and residential segregation hamper the ability of African American home buyers to build equity.

Being constrained in their residential options to African American neighborhoods decreases the chances for AA to acquire assets that appreciate as quickly as it does for a white homeowner with more options

The outcome of Black people's exclusion in housing policy up to this point resulted in discrimination and segregation, confining Blacks to slum and blighted neighborhoods with few options for improvement or movement to other communities. This was due to wages being restricted to low-income jobs and not being wanted in white communities.

To address discrimination and segregation issues, NAREB was created in 1947 to secure better and equal housing options.



NAREB is the oldest minority professional trade association in America. It was formed out of a need to secure the right to equal housing opportunities regardless of race, creed, or color. Since its inception, it has participated in legislative activities, to establish fair housing for all.

Two local NAREB boards, founded in the 1920s in Harlem (NYC) and Dearborn (Chicago), represent the oldest, continuously active REALTIST © organizations that came out of the National Business League (NBL) and predate NAREB.



Housing Act of 1949

- ▶ The continued migration from plantations to the cities and migration of whites from the farms to cities for industrial jobs combined with the lack of city investment, resulted in the need to revitalize cities. The 1949 Housing Act allowed cities to demolish deteriorating housing stock and clear slum areas for revitalization. The problem with this housing policy was that more units of housing were removed than were replaced causing overcrowding and making the housing needs for Blacks even more difficult.

The Act :

Allowed increased use of FHA by White veterans not Black veterans.

Removed more units of housing than it replaced, displacing mostly minorities.

Made single-family housing unaffordable for minorities and low-income people.

The new housing subsidy programs initiated in the 1968 Housing Act promoted selling homes to Whites in the suburbs and selling existing homes to Blacks in the inner city that needed repair. This resulted in deteriorating inner-city neighborhoods, and redlining.

1968 Housing Act

The 1968 Act initiated 2 new housing subsidy program, Section 235 for buyers and Section 236 for renters.

The program discriminated against Blacks because whites were sold homes in the suburbs and Blacks were sold existing homes often in need of repair in the inner city.

The program made communities vulnerable to panic selling and racial turnover known as "White Flight", often resulting in abandoned or deteriorated neighborhoods.

1968 Fair Housing Act

- ▶ After the death of Martin Luther King and Robert Kennedy in 1968, tensions were high, and housing problems due to segregation and discrimination exploded into riots. The Fair Housing Act aimed to right the wrongs of biased housing policy
- ▶ The law prohibited the refusal to rent, sell; negotiating and deceptively denying the availability of housing, refusing to make home mortgage loans, intimidation and threatening based on membership in a protected class, the African American Woman with children are within this group.





Cranston-Gonzalez National Affordable Housing Act

- The Housing Act of 1990 –set national goals to increase homeownership.
- The Act fell short of its stated goals primarily because of subprime lending that led to foreclosure.
- Subprime borrowers often have poor credit scores, high debt-to-income ratios, and incomplete credit history.
- These characteristics indicate many of the barriers that African American Women face in the homebuying process.

This 1990's Housing policy stated housing goals to get people into a house but not how to stay in the home. Low-income borrowers with poor credit and other issues received subprime loans. These were barriers that were and still today impact AAW in the homebuying process.

Policy Changes that have Impacted African American Women's Homeownership Quest

Equal Credit Opportunity Act of 1974 – allowed for women to secure credit as an independent.

Impact of the Pandemic – negatively impacted the African American Woman's health adding stress, anxiety and sometimes death (3x)

Rising Interest rates, housing prices and inflation negatively impacted the African American Woman during the pandemic.

An appraisal below the contract price in a home sale may result in a higher required down payment for a homebuyer or prevent a prospective buyer from purchasing a home simply because they were black.

Impact of Natural Disasters Home Owners

Weather disasters are occurring more frequently causing housing prices to rise and increasing insurance costs. Federal Disaster Relief Assistance at minimal or no cost is often out of reach for African American homeowners because they do not have clear title to the property, a program requirement

Rising Purchasing Costs

Rising Insurance Costs due to more frequent disaster events and global warming.

Those who need it most often have no access to disaster relief funds due to a lack of clear property title




National Applicant Comparison 2018-2022

Source: HMDA Data

Other: Asian and other ethnic groups whereby data collected is not specifically identified

	2018	%	2019	%	2020	%	2021	%	2022	%
Black	303,470	19%	345,553	2%	452,405	16%	562,224	33%	406,946	17%
White	901,794	56%	1,651,068	76%	1,573,769	57%	243,893	14%	1,467,328	61%
Hispanic	259,821	16%	297,804	14%	428,822	15%	498,290	30%	329,066	14%
Other	144,374	9%	186,031	8%	334,360	12%	386,082	23%	204,334	8%
Total	1,609,459	100%	2,169,456	100%	2,789,356	100%	1,690,489	100%	2,407,674	100%

A shining spot is that the African American Woman rebounded first from the pandemic as indicated by the 33% in 2021. This was due to her resilience, strength, and entrepreneurship highlighted earlier in the presentation. She has always had income from nontraditional sources to supplement her income in the lowest paid professions.



Policies and Resources have and can add to the Resilience of the African American Woman

Special Purpose Credits in the form of downpayment Assistance Programs and, the establishment of foreclosure prevention standards to strengthen retaining a home

Foreclosure Prevention Mortgage Standards – created under the CFPB imposed new requirements on lenders and servicers to ensure homeowners get a fair chance at getting a loan modification.

Home Equity/Reverse Mortgages (HECMS)-allow homeowners to convert their equity to income received as a lump sum, a fixed monthly payment, or a line of credit.

Artificial Intelligence benefits are stated to be improved accuracy, faster processing and fairer underwriting of loans . However, the CFPB warned that AI benefits should be questioned and tested to protect African American Women against harm.

Resources for African American Women to Preserve Homeownership

- ▶ Estate Planning, preparing wills, and clearing up title issues are important to the African American Woman in preserving homeownership
- ▶ Heir property is most predominant among African American landholders and has been a significant driver of African American land loss in the US.
- ▶ Heir property with a cloudy title can not be used as collateral for a mortgage, or other types of government programs that require proof of ownership.
- ▶ NAREB has initiated the Building Black Wealth Tour to address these issues in over 100 cities in 2023-2025, which includes attorneys and other land use professionals to address heirship issues.

Family Trusts and Wealth Preservation

- The trust fund is an estate planning tool whose primary purpose lies in planning how an individual's assets will be handled after death.
- Trusts can be beneficial for lower-income families. Building wealth starts with preserving it.
- African American women must consider building generational wealth from the moment of their home purchase.
- They must maintain, own, and control how to dispense their assets and other accumulations upon death to preserve generational wealth.



A group of people, likely African American women, are shown from the chest up, with their hands raised in a gesture of solidarity or support. The background is a soft, out-of-focus light color. The text is overlaid on the image in a white, sans-serif font.

In Conclusion: African American Women MUST Consider Building Generational Wealth

- She is the foundation of the black family and the black economy
- We have to support her
- W.I.R.E. is fire and W.I.R.E. is critical because of the need to nurture, support educate and invest in black women is essential to the future of the Black community.
- Based on where we are as a people and the state of our community, it is in her hands.



W.I.R.E is Fire

As you can see our fore mothers have lit the fire, and provided us a rich history of data and resilience

The question is: How are you going to continue to keep the fire burning.