

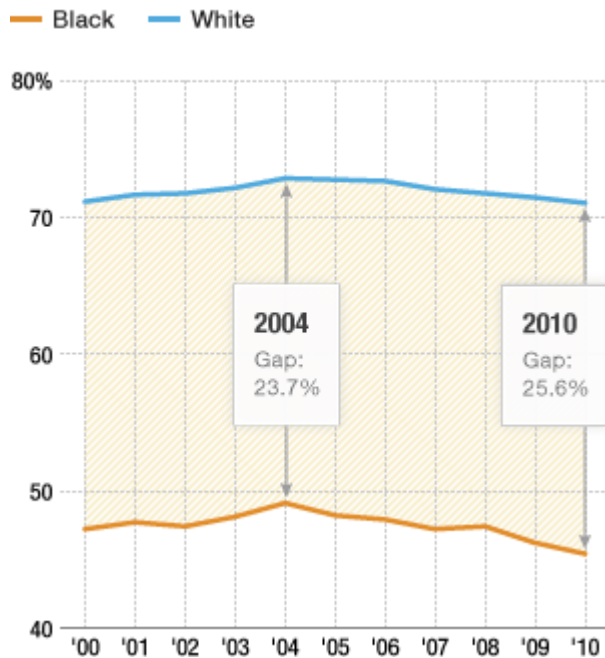
Racial Gap In Homeownership Widens In U.S. Slump

by [Alex Kellogg](#)

In U.S. Housing Slump, A Gap Grows

The gap between black and white Americans who own their homes shrank to its smallest in 2004 but has widened since.

Homeownership rates by race, 2000-2010



Source: U.S. Census Bureau
Credit: Alyson Hurt/NPR

When Clyde Jackson's wife took a \$6 hourly pay cut several years ago, it was the beginning of his rapid descent from two-time homeowner to renter in an apartment complex in the working-class Washington, D.C., suburb of Greenbelt, Md.

Jackson, 51, is an African-American father of three who works for a local government sanitation agency. In December, he lost a three-bedroom brick home to foreclosure. He purchased the house for \$245,000 in 2004.

He has separated from his wife and now lives in a two-bedroom apartment. Jackson had to downsize so much that his 16-year-old son and 18-year-old daughter — both from a prior relationship — were forced to share a room.

"That was the biggest hurt of all," Jackson says. "When you build up something, and then all of the sudden you lose it. Yeah, it takes a toll on you."

Recession Erases Gains By Blacks

Experts say the Great Recession is erasing slow but steady economic gains made by blacks in recent decades. The foreclosure crisis is having a particularly devastating impact, they say, erasing years of racial progress.

Recent data show blacks are losing their homes — and their wealth — at a far faster pace than whites. A [study by the Pew Research Center](#) found that as of 2009, the median wealth of a white family was 20 times greater than that of the average black family. That's the largest gap since the government began collecting the data a quarter of a century earlier.

Blacks are nearly twice as likely as whites to have already lost their homes, according to the [Center for Responsible Lending](#). The nonprofit advocacy group also estimates that as many as a quarter of all blacks who bought a home just before the recession hit may lose it.

Research shows blacks typically have more wealth tied up in their homes, which means they tend to fall further down the economic ladder when they lose them. And black homeowners are far more likely to have been pushed into a subprime loan or pay a higher interest rate than whites with a similar income or credit history.

Middle-Class Area, And Many Foreclosures

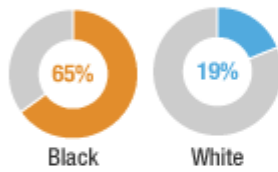
Prince George's County, Md., the affluent black suburb of Washington where Jackson lives, is a startling example of the phenomenon. Even though foreclosure rates are slowing nationwide, Prince George's is suffering one of the worst foreclosure crises of any county in the D.C. area.

Prince George's is the wealthiest majority-black county in the United States, according to census data:

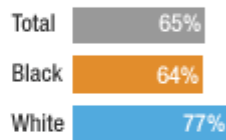


PRINCE GEORGE'S COUNTY, MD.

Population (2010)



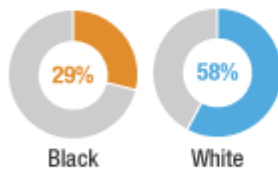
Homeownership Rate (2005-2009)



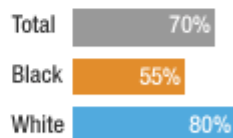
Median household income: \$69,545

MARYLAND (STATEWIDE)

Population (2010)



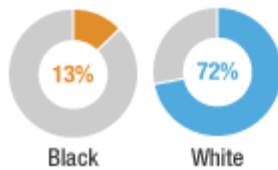
Homeownership Rate (2005-2009)



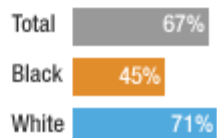
Median household income: \$69,193

UNITED STATES (NATIONWIDE)

Population (2010)



Homeownership Rate (2005-2009)



Median household income: \$50,221

Source: U.S. Census Bureau
Credit: Alyson Hurt/NPR

According to state housing data from the end of June, among Maryland's 24 counties, roughly 38 percent of all homes that were in some stage of foreclosure this year are in Prince George's.

Prince George's enjoys a degree of iconic status among blacks in Washington, and along the East Coast. It is by far the wealthiest majority-black county in the nation. Median household income peaked at \$71,696 in 2008, according to the census. That makes Prince George's wealthier than roughly 90 percent of all counties in the United States.

"Seeing that rate of foreclosure in Prince George's does represent a problem for the whole nation," says Bill Sermons, research director at the Center for Responsible Lending. "It's one of the few counties in the country where it's become more affluent as it's become blacker. ... There were a lot of communities within that community that were very solid, middle-class communities."

Sermons points out that the national black-white home ownership gap reached an all-time low of 23.7 percentage points in 2004. But as of 2010, it is as big as it's been in 15 years, at 25.6.

Such glacial gains and losses are hugely consequential, Sermons says, as they have a pronounced impact even on blacks who aren't at risk of losing their homes.

"That's suppressing the amount of equity they have in their homes," he says, "and it's taking away opportunities for mobility."

A Proud County, With A Problem

Nevertheless, talking publicly about losing your home is so taboo in Prince George's that nonprofit groups say it affects how often people ask them for help.

Residents say black Americans tend to be more private — and here, more prideful. After all, they say, people moved to Prince George's to do better, not worse.

Prince George's is one of the few counties that became wealthier as they became more black. Many black residents came here from Washington, D.C., in the 1980s and '90s, when the capital was poorer and more dangerous. In more recent years, as D.C. has whitened at a faster clip, some say poorer blacks have been pushed into Prince George's, creating tensions with its more affluent, longtime residents.

The county was also targeted heavily by subprime lenders — more so than any other county in Maryland, according to state housing data. More mortgage fraud cases have resulted in convictions here than in any other county in Maryland, according to the State's Attorney's Office for Prince George's County. A special mortgage fraud office was set up here several years ago because of concerns about the high number of subprime mortgages being pushed in the county.

One fraud scheme, which involved a black couple convincing people they could help them stay in their homes, only to run off with their money, was so egregious it entered local folklore. It is widely regarded as one of the biggest mortgage fraud scams in the region's history.



Alex Kellogg/NPR

Clyde Jackson (right) poses for a photo with his son, Clyde Jr., outside their new two-bedroom apartment in Greenbelt, Md. Jackson lost his three-bedroom home to foreclosure in December.

Residents of Prince George's also admit that they might have a chip on their shoulder. Many of D.C.'s suburbs are among the richest in the nation, yet the county's residents say it has never gotten the retail stores, the public services or the recognition that nearby wealthy white suburbs do.

"When you compare the kind of development, businesses, tax base that those areas have, as compared to Prince George's ... it doesn't make a lot of sense," says Erek Barron. The 37-year-old attorney with his own legal practice serves on the board of the Maryland Legal Aid Bureau and the Pro Bono Resource Center of Maryland. Both are local nonprofits that help people stay in their homes.

Golf Course In Foreclosure

On a recent tour of his neighborhood of fancy townhouses that once fetched nearly \$400,000, Barron couldn't pass a handful of houses at a time without pointing out a foreclosure. One is a unit within a stone's throw of his front door.

Barron says his neighborhood is made up mostly of people who've "made it" — doctors, accountants, well-paid government workers and the like.

But he and others admit that some residents here were trying too hard to keep up with the Joneses, buying more home than they could afford.

Several minutes away, in an even more upscale neighborhood of more established black families, he points out a golf course sprinkled with tall weeds. The golf course went into foreclosure last year.

"When you live in a golf course community and the golf course is in foreclosure, it's a huge problem," he says.