Black homeownership matters. Homeownership inequity is a primary driver of the racial wealth gap in New Jersey – one of the highest in the nation. Unfortunately, Black New Jerseyans lack the same access to homeownership and wealth gains from homeownership afforded to white people in the state. Today, just 38.4% of Black New Jersey households own homes compared to 75.9% of white New Jersey households. In addition, the typical white family in New Jersey has $132,000 in home equity, while the typical Black family rents so they have $0 in housing wealth. Black households that do own homes face substantial barriers to wealth-building through homeownership and thus enjoy significantly fewer financial benefits from their investment than their white peers do.

Our report Black Homeownership Matters: Expanding Access to Housing Wealth for Black New Jerseyans examines the present-day barriers that limit Black New Jerseyans’ access to and financial rewards from homeownership. These barriers include the racial wealth gap itself, which limits access to homeownership; high housing costs; higher home lending costs, including a lack of access to fair credit; and credit scoring systems. Even when Black New Jerseyans are able to overcome these obstacles and purchase homes, Black families’ homes are often undervalued due to ongoing segregation and are more vulnerable to foreclosure.

While the state and federal governments have taken swift and meaningful action to address urgent housing needs for renters and homeowners during the pandemic, more must be done to address racial disparities in homeownership in New Jersey. Existing state homeownership programs do not sufficiently meet Black New Jerseyans’ needs and should be better targeted to address the specific barriers to homeownership faced by Black families.

Our report presents the following policy proposals that offer solutions for addressing current barriers to homeownership for Black families in New Jersey:

1. New Jersey must ensure that state homeownership programs meet Black New Jerseyans’ needs by taking the following actions:
   a. Create first-generation homebuyers’ programs
   b. Provide greater levels of down-payment assistance
   c. Form stronger connections with real estate industry partners who serve Black communities
   d. Improve collection of demographic data for existing program participants

2. The state must commit to combatting home appraisal discrimination by passing A1519/S777.

3. New Jersey must help Black homeowners avoid foreclosure.

4. New Jersey must increase and protect successful programs to expand affordable housing.

5. Lenders should develop targeted assistance programs for Black homebuyers.