



THE STATE OF
BLACK RHODE ISLAND

Policy Research for the Prosperity of RI's Black Communities

For Immediate Release

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The State of Black Rhode Island Releases Homeownership Report

Group presents policy recommendations to increase rate of Black homeowners in R.I.

Providence, R.I. (June 17, 2022) — Disparities in homeownership for Black Americans have persisted over time, but in Rhode Island, the rate of Black homeowners lags behind the national figure. However, the implementation of policy recommendations outlined in the newly released [The State of Black Rhode Island: Homeownership Report](#) can help to reduce, and possibly eliminate, these disparities.

The State of Black Rhode Island is a collaborative, community-based research project involving the Brown University School of Public Health and United Way of Rhode Island. The project was developed by Dr. Akilah Dulin, an associate professor at the Brown University School of Public Health, and the Homeownership Report included authors Katelyn Starks, Malina Yago, and Kobi Dennis.

“Homeownership is one component of the American dream and it is critical that more Black Rhode Islanders have access to homeownership,” said Akilah Dulin, Ph.D. “Our report not only presents some of the reasons why gaps in homeownership persist for Black Rhode Islanders, but also specific policies that can reduce structural barriers to homeownership for Black Rhode Islanders.”

According to the report, while 62% of all Rhode Islanders own their home, just 34% of Black Rhode Islanders are homeowners. Nationwide, 42% of Black people own homes. This disparity exacerbates Black families’ ability to become and remain housing stable, and negatively impacts the ability to manage a household budget as monthly mortgages are consistent over time, while rents tend to increase. Lower rates of homeownership also prevent Black people from building equity, as home values usually increase and mortgage principles are paid down.

Home values account for a large percentage of people’s wealth. From 2012 to 2018, Black people who purchased homes were able to build \$44 billion in equity. While this appears substantial, had Black ownership rates matched at least their share of the country’s population, Black homeowners would have built an additional \$93 billion in equity.

“For far too long, there have been federal, state, and organizational policies designed to make it difficult for Black people to purchase homes, including redlining and racism in mortgage practices,” said Adama Brown, Ph.D., director of research and data analytics for United Way. “Black people are more likely to be denied home loans or offered loans with higher interest rates despite their creditworthiness — this is not equitable, and we need to ensure change.”

Even with the same application profile, Black people are significantly more likely to be denied loans than White mortgage applicants with the same credit score. In 2020, nearly 10% of Black Rhode Island applicants were denied, whereas 6% of White applicants were denied.

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To increase the rate of Black homeownership in Rhode Island, the report presents a number of policy recommendations. Among them are creating financing programs for Black homebuyers with lower credit scores, expanding the capacity of local Community Development Networks, and increasing access to programs offered through the Federal Housing Administration and Housing and Urban Development that target lending to Black people.

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