

# The Racial Wealth Gap: Rooted in Land and Home Ownership

## Executive Summary 2024



Over 140 individuals gathered for The Big Conversation 10th Community forum on January 28, 2024 at Middleham and St. Peter's Parish. The purpose was to explore how to dismantle racism with a focus on land and home ownership, a major factor contributing to the racial wealth gap. The session began with the documentary, "Explained/Racial Wealth Gap" on the history and impact of the racial wealth gap. Local historian Michael Kent shared how the racial wealth gap has impacted families and communities in Southern Maryland. A panel shared their experience and views on land and housing factors contributing to the racial wealth gap in the region. The panelists were Kip At Lee, Chairman of Calvert Concept Charitable Corporation (C4), Jessica Sullivan, a long time Maryland resident and mortgage loan consultant, and Sam Thomas, a local, fully licensed realtor and lifelong resident with deep family roots in Calvert County. In breakout groups, attendees listened attentively and shared their experiences, stories and ideas. Attendees reconvened to hear the principal points from each small group. After the event, attendees were to complete an online exit survey. The survey responses and small group feedback are the basis of this executive summary which summarizes the main points of what was learned and what can be done to address the racial wealth gap in Southern Maryland.

### **Key Findings:**

#### **The breadth and depth of the racial wealth gap in Southern Maryland and the efficacy of governmental and nonprofit programs to address it**

Many African American participants were aware of the racial wealth gap and shared their own stories of how it affected them and their families. Many White participants, even those who knew of its existence, were surprised by its extent. The documentary presented data on the wealth gap; for example, median Black household-wealth is \$17,600 vs. White household wealth is \$171,000 (a ratio of 1:10) and it is growing. Panelists presented information about local programs and organizations like C4 and the Maryland Mortgage Program (MMP) designed to reduce the racial wealth gap. Discussions included the lack of knowledge about, and the availability of some of the governmental programs.

#### **The perceived influence of elected officials and other governmental entities in either increasing or decreasing the wealth gap in Southern Maryland**

The participants came to understand both the historical and institutional impact of the racial wealth gap in Southern Maryland through the documentary and personal stories. They voiced concern about the level of knowledge and commitment of elected officials and governmental entities such as: zoning, housing, planning, and growth commissions. Participants heard and discussed the effects, both negative and positive, that local policies could have on the racial wealth gap. Although the commissioners from all three counties were invited, only one County Commissioner (Charles County) attended. The need for more equitable tax policies and more affordable housing were seen as possible solutions that could be promoted by governmental structures. They questioned the availability of established governmental programs such as MMP and other government funded mortgage help programs.

#### **The importance that lack of financial literacy has in perpetuating the racial wealth gap and the need for education to promote financial literacy**

The lack of financial literacy was identified most often by participants in the small group discussions as a major contributor to the racial wealth gap. Financial literacy is the possession of skills and knowledge that allow an individual to make informed decisions regarding their personal financial management, budgeting and investments. Barriers to financial literacy such as lack of trust in the financial system, unfair and unclear loan practices, questionable appraisal practices, lack of role models and mentors, and a preference for secrecy around financial issues were also discussed.

Another barrier arising from not understanding property laws and finance is “heir property”. Heir property is a legal term in the United States for land or housing that is owned by two or more people, usually people with a common ancestor who has died without leaving a will. It is an informal transferring of ownership of land/home from one person to another or from one generation to another. Generally, all of the heirs of the departed landowner have a say on the property or own the land “in common”. It is the leading cause of involuntary land loss among African Americans and a problem in Southern Maryland. This unstable form of ownership limits a family’s ability to build generational wealth and hampers the efforts of nonprofits and cities to revitalize neighborhoods.

## **Suggestions for Action:**

### **Elected Officials and Other Government Structures**

Influencing local elected officials and governmental structures were seen as important tools in reducing the racial wealth gap. Attendance at and input to BOCC meetings, zoning, housing, planning and growth commissions were seen as ways to influence the policies adopted such as better planning for housing, utility and public transportation availability. Voting for candidates who are committed to positive policies was also seen as an important factor in holding the government accountable.

### **Spread of information, both individual and community wide**

White participants stressed the need to educate themselves, their families and friends about the presence and extent of the racial wealth gap in Southern Maryland. Participants stressed the need to support and volunteer with programs like C4. They felt there was a need to better disseminate information about organizations like C4 and mortgage assistance programs. Before promoting mortgage assistance programs such as MMP, participants felt that a review was needed to better understand the lack of availability of these programs and the remedies needed to improve availability in Southern Maryland. Participants expressed a need to identify and hold accountable those who perpetuate the racial wealth gap.

### **Improving Financial Literacy**

Participants felt there was a need for increased access to financial literacy education through a number of settings, both formal and informal. This personal knowledge could be gained formally in academic settings, businesses and workplaces, mentoring and certainly by parents in the early years. Formal classes at the high school level in all 3 counties would prepare youth to value opening a bank account, managing credit cards and major purchases like a house. It was suggested that formal financial education would go a long way to “level the playing field” and improve the wealth gap.

Brought to you by the founder, Middleham and St. Peter’s Parish with **The Big Conversation Partners in Dismantling Racism and Privilege in Southern MD** including: Accokeek Foundation, All Saints Episcopal Church, Baltimore Mediation, Calvert County Public Schools, Calvert Concept (C4), CalvertHealth, Calvert Interfaith Council, Community Mediation Centers of Calvert, Charles and St. Mary’s Counties, College of Southern Maryland, Concerned Black Women of Calvert Co, Emmanuel SDA Church – St. Leonard, Historic Sotterley, Inc., Grey-Ray American Legion Post, NAACP Branches of Calvert, Charles and St. Mary’s Counties, Patuxent Friends (Quaker) Meeting, Piscataway Park, Public Libraries of Calvert, Charles, and St. Mary’s Counties, Remnant Center of Excellence, Inc., St. Mary’s College of Maryland, St. Mary’s Co. Health Department and St. Mary’s Co. Public Schools, Salisbury University School of Social Work. 3/20/24