

RESEARCH REPORT

State and Local Approaches to the Chicago Region's Racial and Ethnic Wealth Inequity

K. Steven Brown

Marcela Montes

Hannah Hassani

November 2019



ABOUT THE URBAN INSTITUTE

The nonprofit Urban Institute is a leading research organization dedicated to developing evidence-based insights that improve people's lives and strengthen communities. For 50 years, Urban has been the trusted source for rigorous analysis of complex social and economic issues; strategic advice to policymakers, philanthropists, and practitioners; and new, promising ideas that expand opportunities for all. Our work inspires effective decisions that advance fairness and enhance the well-being of people and places.

Contents

Acknowledgments	iv
Executive Summary	v
State and Local Approaches to the Chicago Region’s Racial and Ethnic Wealth Inequity	1
Understanding the Racial and Ethnic Wealth Gap	2
Why Does the Racial and Ethnic Wealth Gap Matter to the Prosperity of the Chicago Region?	6
Narrowing the Racial and Ethnic Wealth Gap at the Local and State Level	8
Strategies to Build Black and Latinx Assets	9
Strategies to Reduce Black and Latinx Delinquent Debt	14
Bold Bets toward More Equitable Wealth-Building Structures and Policies	17
Looking Ahead	20
Notes	22
References	26
About the Authors	30
Statement of Independence	31

Acknowledgments

This report was funded by Searle Funds at The Chicago Community Trust. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute’s funding principles is available at urban.org/fundingprinciples.

A special thanks to Joanna Trotter of the Chicago Community Trust for her valuable insights, encouragement, and guidance throughout the development of the report. Erika Poethig and Tracey Rutnik of the Urban Institute provided direction in shaping the report’s framing and approach. We would also like to thank Donnie Charleston, Aaron Shroyer, Lesleigh D. Ford, and Emily Bramhall for their contributions and insights on prior versions of this report, as well as Signe-Mary McKernan, Diana Elliott, Justin Milner, and Alanna McCargo for their thoughtful review. Finally, we are grateful to Serena Lei, who helped prepare this report for publication.

Executive Summary

In Chicago, as in many metropolitan areas across the US, the growing racial and ethnic wealth gap reflects the limits on opportunity that hold back many residents of color. Foundational building blocks of economic prosperity such as owning a home or paying for college require not just income from a job, but access to capital. Without it, families face a ceiling on how much economic success they can achieve. The prosperity of the region, too, is capped when many of its residents are unable to be financially resilient, invest in their futures, and contribute to the economy.

In this report, we look at the effects of the racial and ethnic wealth gap nationally and in Chicago; explore which policies and practices created and continue to reinforce it; and present approaches that policymakers, practitioners, and other changemakers could consider to narrow the wealth gap in the Chicago region and in other regions across the country.

Understanding the Racial and Ethnic Wealth Gap

Wealth is the amount of assets a person owns minus the debt that they owe. So, policies and programs designed to close the racial and ethnic wealth gap should aim to build savings and assets and reduce rates of delinquent debt.

In 2016, the median net worth of white families in the United States was \$171,000—10 times that of Black families and 8 times that of Latinx families. Those gaps have grown over the past several decades and are expected to continue growing.¹

It's hard to estimate the size of Chicago's racial wealth gap because data about local wealth are limited. But research on homeownership, asset poverty, and debt and credit in Chicago strongly suggest that Black and Latinx residents are far less well off than white residents.

- In Chicago, the homeownership rate for Black families (35 percent) and Latinx families (43 percent) is lower than the rate for white families (54 percent).²
- The median home value for white homeowners is \$275,000, considerably higher than the median home value for Black homeowners (\$145,000) and Latinx homeowners (\$180,000) (Henricks et al. 2017).

- An estimated 67 percent of Black households and 71 percent of Latinx households do not have enough saved to live above the poverty level for three months, compared with 49 percent of all households.
- Predominantly white neighborhoods have a higher average credit score (732) than neighborhoods that are predominantly home to people of color (586).³

Chicago’s biggest challenges are rooted in social and economic inequity—in particular, racial and ethnic inequality. Racial and ethnic wealth gaps are the legacy of policies and practices intentionally designed to protect white families while denying opportunities to Black and Latinx families. That these gaps are so persistent over generations illustrates the harmful effects of structural racism, not of poor financial decisions by individual families.

Strategies to Disrupt the Racial and Ethnic Wealth Gap at the Local and State Level

No single solution exists for fixing the racial wealth gap, but we can begin to even the playing field by ensuring that Black and Latinx families also benefit from policies and programs designed to build assets and tackle debt, restructuring wealth-building supports so they benefit more people, and tearing down the barriers that create inequities by race.

To help Black and Latinx families build savings and assets, we highlight *policies and programs that have shown promise in increasing sustainable homeownership, savings, and entrepreneurship rates.*

- **Boost viable and sustainable homeownership and equity-building** among Black and Latinx households by investing in programs and targeted place-based interventions
- **Make savings go further** by continuing to support policies and programs that increase families’ liquid and long-term savings
- **Support the growth and success of entrepreneurs of color**, who often have unequal access to capital (Noel et al. 2019)

To reduce delinquent debt, we highlight *strategies to prevent high-risk, short-term, and predatory lending and to increase opportunities for responsible lending.*

- **Build on reforms of the regressive public fines and fees system**, which disproportionately affects low-income residents and communities of color, particularly Black communities⁴

- **Regulate discriminatory and predatory lending practices** to reduce overreliance on risky lenders
- **Increase access to responsible lending** and affordable credit

To ensure greater equity in building wealth, we highlight *bold strategies that aim to restructure wealth-building systems and tackle the long-standing effects of racial discrimination.*

- **Reimagine tax systems** to make them more equitable and help lower-income families dedicate more of their earnings to paying down debt and building assets
- **Pilot and learn from programs that seed investments for wealth building from a young age**, such as children’s savings accounts and baby bonds
- **Consider restorative strategies** that recognize the harmful effect of historical policies and practices that stripped many families of color of wealth and wealth-building opportunities

While many of these strategies require change at the federal level, cities and regions can make meaningful changes at the local level to narrow the racial wealth gap. One program or one policy or one organization alone will not be enough to tackle entrenched and long-standing inequities that have created this gap and that continue to widen it. Chicago changemakers in government, nonprofit, business, and philanthropy will need to work together, committed to narrowing this divide and building a more stable and vital region.

State and Local Approaches to the Chicago Region's Racial and Ethnic Wealth Inequity

Across the country, people and families of color—particularly those who are Black and Latinx¹—have less wealth than white people and have less access to capital. The deep chasm in wealth accumulation between racial and ethnic groups in America is referred to as the racial and ethnic wealth gap.

Although hard work, education, and a good job should be a path to economic prosperity, the racial and ethnic wealth gap reflects the limited opportunities that hold back many Black and Latinx families. Foundational building blocks of prosperity and wealth-building such as owning a home, paying for college, or starting a business require more than just income from a job; they require access to capital, in the form of either personal savings and assets or loans from a bank. Wealth disparities among Black and Latinx families across the country exacerbate other better-known economic inequalities, such as higher rates of poverty and lower incomes and educational attainment.

Policymakers and decisionmakers can begin to even the playing field by ensuring that policies and programs designed to build assets and tackle debt are responsive to the needs of Black and Latinx families, restructuring wealth-building supports so they benefit a broader group of people, and tearing down barriers that create inequities by race. The most impactful policies for closing the wealth gap will require major structural change and need to be adopted at the federal level or enacted with federal support. However, many city and state leaders in government, nonprofit, philanthropy, and business are exploring policies, tools, and strategies to narrow the wealth gap for their regions. This report describes the racial and ethnic wealth gap, with a particular focus on the Chicago region, and the importance of addressing the gap through a multifaceted strategy that weaves practice, policy, and structural interventions.

We begin with an overview of the role of wealth for economic security and describe the deep national-level disparities in wealth between white households and Black and Latinx households. We then lay out the state of play in Chicago. We close by highlighting approaches that policymakers, practitioners, and other changemakers could consider for turning the tide on the racial and ethnic wealth gap in both the Chicago region and other regions across the country.

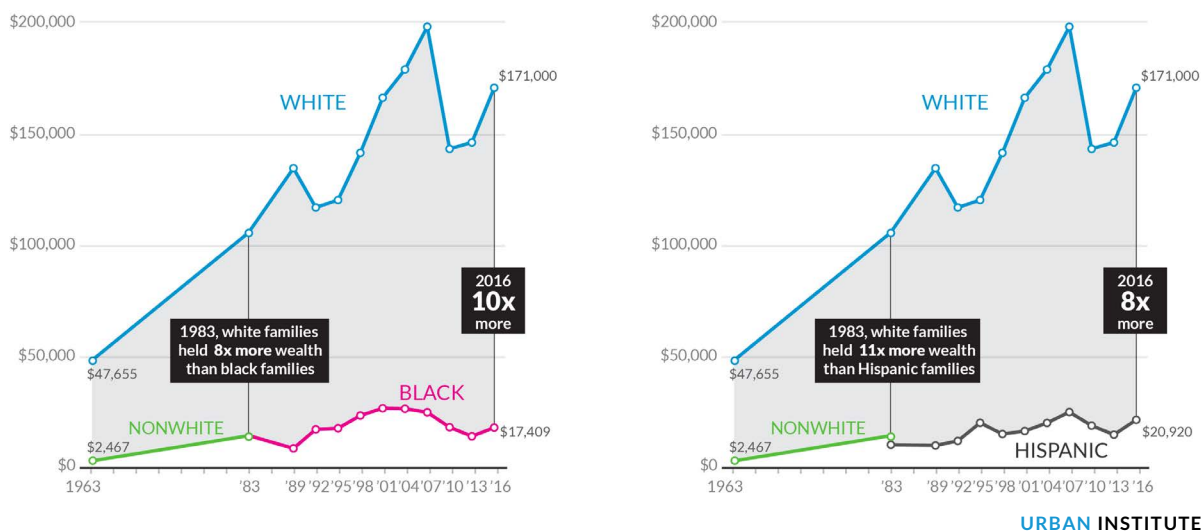
¹ Throughout this report, we use “Latinx” to refer to people of Latin American descent. In some cases, this differs from the language used by the research sources, but we see Latinx as a more inclusive term.

Understanding the Racial and Ethnic Wealth Gap

In America, we tend to associate wealth with affluence and higher incomes. While the two can go together, they are far from the same thing. Wealth is what people own (their assets) minus what they owe (their debts). Although steady and higher incomes can help increase wealth, people with high incomes can have low wealth or no wealth if their debts are higher than their assets. In the same vein, households with low and moderate incomes can accumulate assets (Mayer and Jencks 1989; McKernan et al. 2011). Wealth is a measure that applies to everyone and indicates financial security and access to opportunity.

In coming years, families of color will make up the majority of the population in the United States (Colby and Ortman 2015). Yet families of color face significant wealth inequality. In 1983, white families had approximately eight times the median wealth of Black families and 11 times the wealth of Latinx families (figure 1). More than two decades later, these numbers had barely budged. In 2016, the median net worth of white families in the United States was \$171,000—10 times that of Black families and 8 times that of Latinx families.⁵

FIGURE 1
Median Family Wealth by Race or Ethnicity, 1963–2016



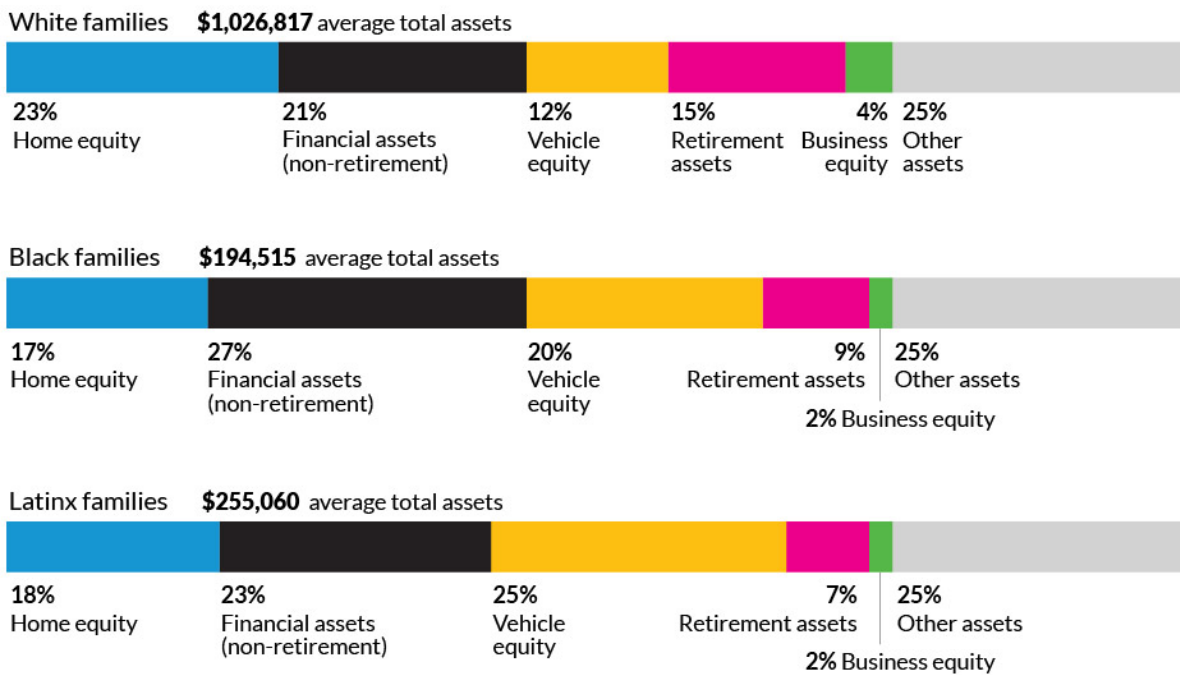
Source: Signe-Mary McKernan, Caroline Ratcliffe, C. Eugene Steuerle, Caleb Quakenbush, and Emma Kalish, “Nine Charts about Wealth Inequality (Updated),” Urban Institute, October 5, 2017, <http://apps.urban.org/features/wealth-inequality-charts/>. Data taken from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983–2016.

Notes: 2016 dollars. No comparable data are available between 1963 and 1983. Black/Hispanic distinction within nonwhite population available only in 1983 and later.

To better understand the effects of the racial and ethnic wealth gap, we must account for the differences between the amount and distribution of assets and debt held by specific groups. Figure 2 illustrates that, on average, white households have more assets than Black and Latinx households and tend to have more diverse asset holdings, including home equity, retirement assets, inheritances, and business equity. The assets that Black and Latinx households do hold tend to be more concentrated in financial accounts (including savings) and other possessions (such as cars) compared with white households. And among homeowners, Black and Latinx households draw a larger proportion of their wealth from home equity (37 and 39 percent of all assets compared with 32 percent; see Dettling et al. 2017).

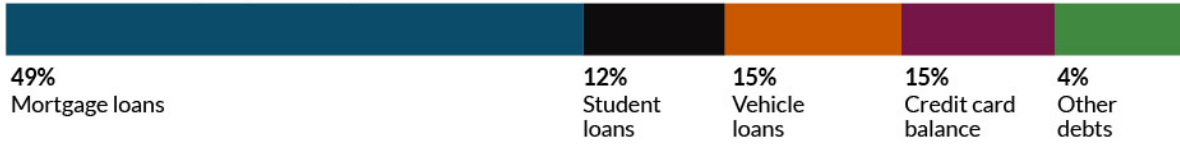
FIGURE 2
Asset and Debt Composition of White, Black, and Latinx Families

Asset

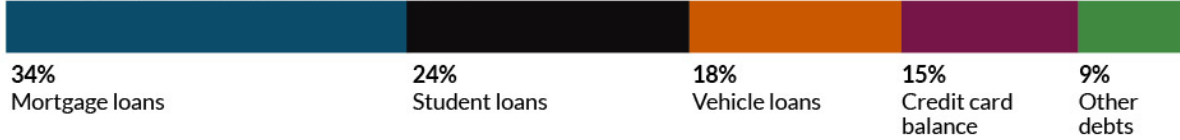


Debt

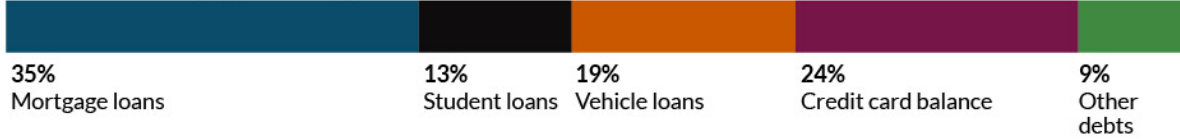
White families **\$107,481** average total debts



Black families **\$54,991** average total debts



Latinx families **\$63,333** average total debts



URBAN INSTITUTE

Source: Survey of Consumer Finances, 2016.

Wealth often transfers across generations (Pfeffer and Killewald 2018; Shapiro and Wolff 2001). These intergenerational transfers of wealth create an advantageous starting point throughout the life course, from allowing children to live in high-opportunity neighborhoods and paying for education to earlier homeownership, asset building, and debt reduction as adults. Direct transfers matter as well. Research has shown that Black and Latinx families are less likely to receive large gifts and inheritance than white families (McKernan et al. 2011; Wilhelm 2001). For instance, only 13 percent of college-educated Black families receive an inheritance larger than \$10,000 compared with 44 percent of college-educated white families (Taylor and Meschede 2018).

Black- and Latinx-owned businesses are starting up and growing at faster rates than white-owned businesses, but businesses owned by white people still outnumber businesses owned by Black and Latinx people (Austin 2016; Haynes 2010; Lichtenstein 2014). Black and Latinx small businesses tend to start with less capital on hand, making them less able to weather the downturns that many small businesses face as they establish themselves (Orozco et al. 2019). This unequal access to capital also contributes to the smaller size of firms owned by Black and Latinx entrepreneurs and diminishes their ability to draw wealth from business ownership (Klein 2017).

When it comes to debt, white families hold substantially more debt than Black or Latinx families (figure 2). But because white families have more assets than debt relative to Black and Latinx families, they have more wealth overall.⁶ While high levels of debt can be financially damaging, debt can also help people build wealth. For instance, taking on debt to buy a home is a way to build equity and save money over time. Even if taken on for positive reasons, debt that cannot be repaid or delinquent debt can inhibit savings and access to credit and make families more vulnerable to severe financial consequences in the face of a job loss or unexpected medical need (Braga, McKernan, and Hassani 2019; Collins and Gjertson 2013). Many households have no positive assets and might even have more debt than assets. Such deep disparities elevate why asset building and reduction of “bad” and delinquent debt are critical approaches for tackling wealth inequality.

BOX 1

The Racial and Ethnic Wealth Gap: How Did We Get Here?

Racial and ethnic wealth gaps are the legacy of policies and practices intentionally designed to support economic prosperity for white families while denying opportunities to Black and Latinx families. That these gaps persist over generations illustrates the harmful effects of structural racism, not the outcome of poor financial decisions by individual families (Kijakazi et al. 2019). We call out examples in three policy areas below.

Homeownership

From the 1930s to 1960s, when race-based housing discrimination was legal, Black homebuyers were frequently denied the traditional financing available to white buyers. Many were forced to turn to risky seller contracts, where they would pay the property owner in installments. Buyers accumulated no equity until the contract was fully paid, which was difficult given the high interest rates on the monthly installments. Buyers who defaulted would be left with nothing. In the 1950s and '60s, between 75 and 95 percent of the homes sold to Black families in Chicago were sold on contract (Orenstein et al. 2019).

Black and Latinx homeownership rates and equity increased from the 1970s through the 1990s. However, during the great recession of 2008, Black and Latinx families lost many of the gains they had made. These households, which were targeted by subprime mortgage lending, were hit hard by foreclosures and lost valuable home equity (Choi et al. 2019; Kijakazi et al. 2019).

Employment

Hiring and pay discrimination against people of color were fairly common—and mostly legal—until the 1960s (Kijakazi et al. 2019). Recent research shows that, dating back to 1990, white applicants received, on average, 36 percent more callbacks from job interviews than black applicants and 24 percent more callbacks than Latino applicants with the same qualifications (Quillian et al. 2017). Other research has consistently shown that applicants with ethnic-sounding names receive fewer interviews

than those with white-sounding names (Bertrand and Mullainathan 2004). Racial and ethnic wage gaps are also persistent (Paul et al. 2018). In 2015, Black and Latinx men were earning average hourly wages of \$15 and \$14, respectively, compared with \$21 for white men.¹ The same dataset shows that the hourly wages of Black and Latinx women are considerably lower than those of white and Asian women.

Higher Education

The GI Bill was proposed as a race- and ethnicity-neutral program to offer higher education opportunities for all people who had served in World War II. Giving power to local authorities to administer the bill's benefits, however, allowed racism and segregation to influence implementation. Black veterans were steered away from four-year colleges and higher-wage job sectors to vocational programs and underresourced black colleges, which often led to lower-pay sectors with fewer opportunities for mobility (Humes 2006). Intended as a vehicle for upward mobility, the GI Bill instead widened Black racial disparities in educational attainment that persist today (Katznelson 2005).

Why Does the Racial and Ethnic Wealth Gap Matter to the Prosperity of the Chicago Region?

The Chicago region faces acute challenges with Black and Latinx wealth disparities. Data on local-level wealth are limited, making it difficult to estimate the size of the region's racial wealth gap.⁷ But the best available research on homeownership, asset poverty, and debt and credit strongly suggests that Black and Latinx Chicago residents are far less well off than white Chicago residents.

In Chicago, the homeownership rate for Black and Latinx families is 35 percent and 43 percent, respectively, compared with 54 percent of white households (CFED 2017).⁸ Black and Latinx Chicago homeowners also are not reaping the same level of benefits from home equity as white Chicago homeowners (Henricks et al. 2017). The gaps in both homeownership and home value can be attributed in part to the legacy of racist structural practices and policies that have fueled the region's high Black-white and Latinx-white segregation (Acs et al. 2017).

Redlining, which prevented Black families from securing mortgages for homes outside certain neighborhoods, contributed to Chicago's high rates of segregation (Acs et al. 2017). Contract buying, a type of predatory home lending widely used in the 1950s and 1960s, stripped an estimated \$3 billion to \$4 billion of wealth from Black families living in Chicago during that time (George et al. 2019). Finally, Chicago neighborhoods with high concentrations of Latinx and Black households were disproportionately affected by the 2008–10 foreclosure crisis, resulting in loss of wealth for families and increased neighborhood blight (Acosta-Cordova 2017; Henricks et al. 2017).⁹

Another barrier to homeownership and other avenues of wealth building is the lack of access to high-quality financial products and affordable credit. Statewide data show many Black and Latinx households in the region tend to be unbanked or underbanked.¹⁰ According to the Urban Institute's Financial Health of Residents dashboard, predominantly white neighborhoods in Chicago have a higher average credit score (732) than neighborhoods that are predominantly home to people of color (586).¹¹ Moreover, 71 percent of Latinx households and 67 percent of Black households in Chicago are in liquid asset poverty, meaning they would fall below the poverty level within three months if they lost their source of income (CFED 2017). This statistic puts the risk of a job loss or a medical emergency in stark terms for the majority of Chicago's Black and Latinx households. Household savings, even at a small scale (\$250–\$749), are critical for ensuring families are ready to face unexpected life changes and financial shocks (McKernan et al. 2016).¹² Without savings, families who face an unexpected financial shock or expense, tend to turn to predatory payday or auto title lenders, which are costly and sap financial resources (McKernan et al. 2016; Theodos and Compton 2010).

The prosperity of the region, too, is capped when many of its residents lack significant access to capital and are unable to be financially resilient, invest in their futures, and contribute to the local economy and tax base (Donahue et al. 2017; Noel et al. 2019; Poethig et al. 2018). The racial and ethnic wealth gap extracts similar costs—putting limits on the region's economic prosperity, vitality, and potential. For instance, Black and Latinx businesses in Chicago grew between 2007 and 2012, but Black and Latinx business owners are still underresourced and underserved by the larger business and lending communities (Next Street and Community Reinvestment Fund 2019). Moreover, the boom in investment that has benefited downtown Chicago did not reach neighborhoods on the West and South Sides (Nolan and Adams 2019; Theodos, Hangam, et al. 2019).

A dedicated focus on reducing Chicago's racial and ethnic wealth gap is critical to ensure Chicago's future as a thriving region. Efforts to narrow the region's racial and ethnic wealth gap will require a long-term and sustained commitment to a multifaceted strategy that includes more specific data on the racial and wealth disparities in the region, a plan to scale programs and policies that help Black and Latinx residents build wealth, and support for comprehensive structural reforms that address the root causes and consequences of this widening gap. A targeted focus on reducing Chicago's racial and ethnic wealth gap complements other critical efforts in the region to even the economic playing field, including initiatives to reduce concentrated poverty and create more opportunities for upward mobility.

Many are heeding the call to action. The Metropolitan Planning Council, in its 2019 Policy Priorities for the City of Chicago, recommended advancing a racial equity framework, noting that private and public policies and programs built the divides and therefore bear a responsibility to correct the

course.¹³ The Chicago Community Trust is prioritizing narrowing the racial wealth gap to ensure access to opportunity and prosperity for all Chicago residents. The new mayoral administration is also making steps to advance greater equity, appointing the city's first chief equity officer who is tasked with tackling inequities across sectors and has promised more equitable spending in all neighborhoods.¹⁴ The Cook County government has also prioritized equity in its most recent strategic plan, and the county board president has formed a Racial Equity Leadership Council to help support the administration's work on equity.¹⁵ Chicago changemakers in government, nonprofit, business, and philanthropy have the opportunity to embrace these recent commitments and build a more stable and vital region.

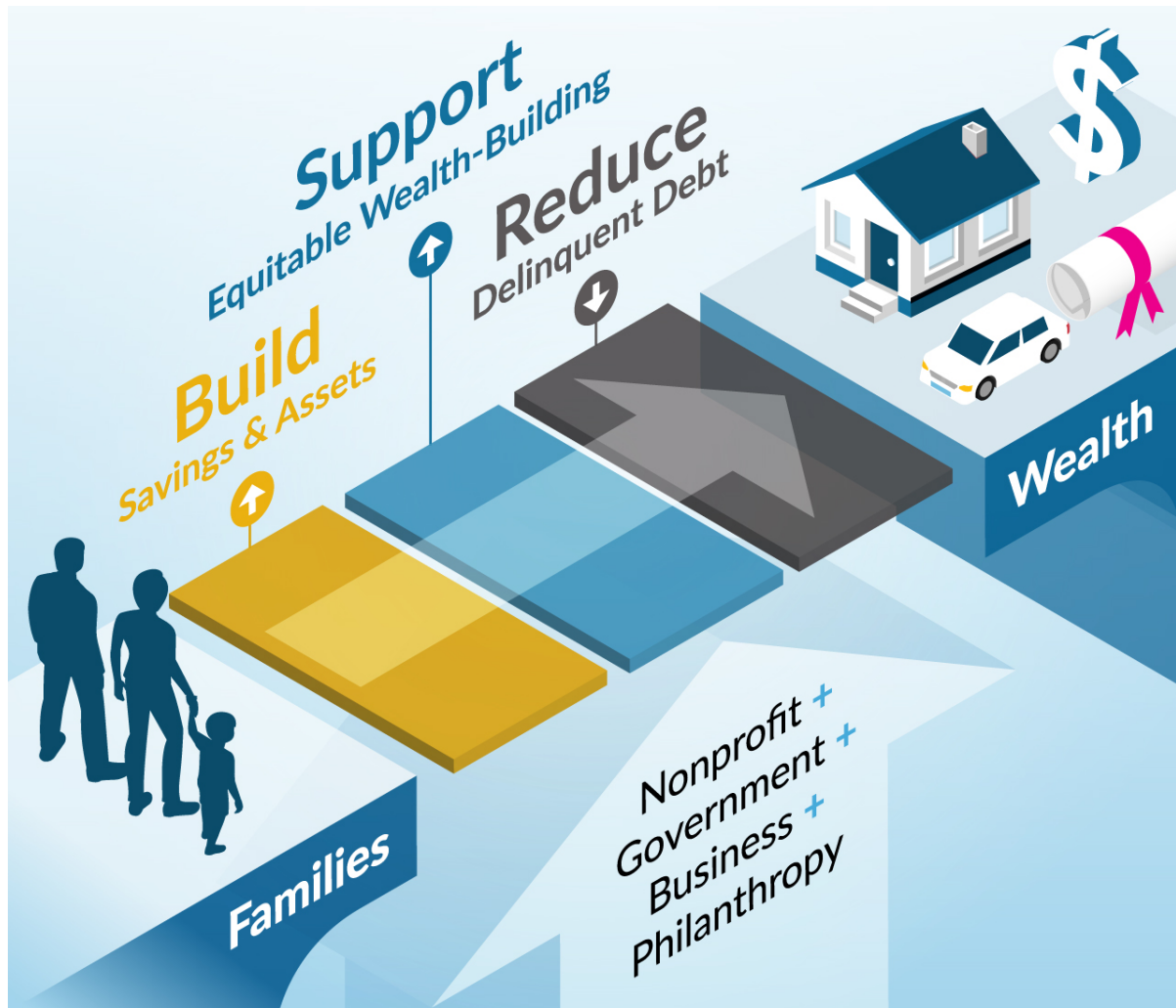
Narrowing the Racial and Ethnic Wealth Gap at the Local and State Level

To begin addressing a challenge as great as the racial and ethnic wealth gap, local and state changemakers will need to take a multifaceted approach. No single program or policy will be able to solve the issue; rather, leaders should consider the highest and best use of their resources and capacities to build steps that will begin to bridge the gap.

This section focuses on policies and programs that achieve two outcomes: help Black and Latinx families build savings and help those families reduce rates of delinquent debt (figure 3). Some strategies we raise have a strong body of evidence while others are emerging and may need further study.

Even as we highlight these approaches, we recognize that focusing on policies and practices that place the burden on individuals and their behaviors will not close racial and ethnic wealth gaps (Darity et al. 2018). In the final section, we elevate structural reforms and approaches that would enable more equitable wealth-building mechanisms.

FIGURE 3
Solving the Chicago Wealth Gap for Black and Latinx Families



URBAN INSTITUTE

Strategies to Build Black and Latinx Assets

Assets can protect people from financial shocks, create financial stability, and help families invest in their futures. Assets can be built, given, or inherited, and their value can grow over time.

For this discussion, it is important to distinguish assets from income. Assets are resources that people own that hold value, such as savings, homes, and retirement accounts. Income is the flow of resources, often from wages, salaries, or capital gains, and it is typically spent on current consumption (box 2). As noted earlier, people with high incomes can have low wealth or no wealth if their debts are higher than their assets.

Income is an important input toward financial security. Income and wealth are positively correlated, yet income growth does not guarantee wealth growth (Hamilton et al. 2015; Wolla and Sullivan 2017). We are not discounting income as a critical part of wealth building; instead, we are focusing on strategies that have a higher likelihood to result in increased assets.

Asset-building policy and programming could include promoting the accumulation and preservation of financial wealth, property, and human capital. We highlight policies and programs that have shown promise in increasing sustainable homeownership, savings, and entrepreneurship rates among Black and Latinx households. We complement promising practices and policies with considerations applicable to the Chicago context.

BOX 2

What about Income?

Most Americans obtain their income from employment. But, as recent survey results show, employment does not guarantee financial security (Braga, Brown, and McKernan 2019).

Black and Latinx families accumulate wealth more slowly than high-income white families (Hamilton et al. 2015). Conversely, white families with lower incomes and education levels accumulate wealth more quickly than people of color with higher incomes and education (Hamilton et al. 2015).

Higher incomes can facilitate access to wealth-building vehicles, such as homeownership and retirement accounts. Higher incomes also support the ability to take on and manage debt. Local and state leaders can increase incomes and the overall financial security of Chicago families by

- promoting living wage employment with access to benefits to ensure a stable income floor (Conway and Dawson 2016);
- supporting efforts to improve access to and completion of postsecondary credentials, accounting for the need to reduce debt burden among students of color;
- encouraging efforts to increase worker voice and improve the quality of jobs in the region (Bivens 2018); and
- advancing progressive tax policy reform to supplement income and reduce tax burdens for lower-income families (Leachman et al. 2018).

BOOST AFFORDABLE AND SUSTAINABLE HOMEOWNERSHIP

As Chicago's Black and Latinx residents continue to face barriers accessing affordable homeownership, city and state leaders can leverage Chicago's network of affordable housing community leaders to tackle the city's legacy of segregation and redlining.

Continued support for pre- and post-homeownership counseling and education makes sense and pays off (Li et al. 2016; Myhre and Watson 2017; Turner et al. 2019). Pre-homeownership counseling and education help consumers get ready to buy homes and increase the likelihood that homeowners will keep their homes at reasonable mortgage rates. These programs increase awareness of key supports such as down payment assistance, which usually comes in the form of grants or low-interest loans and is particularly helpful for people who can afford mortgage payments but have little money saved. Pre-purchase homeownership education and counseling also have shown positive results when combined with the provision of high-quality financing products.¹⁶ The Chicago Housing Authority's Choose to Own Homeownership Program, which provides prospective homebuyers a housing subsidy to cover their mortgage payment, often partners with community organizations such as Neighborhood Housing Services of Chicago to provide homeownership education services.¹⁷

Postpurchase homeownership and counseling can prevent loan re-default and foreclosures (Temkin et al. 2014). These programs also help participants with financing and refinancing options. An analysis of foreclosure mitigation education and counseling services in Tennessee found that the amount of money households saved by avoiding foreclosure surpassed the cost of providing the services (Brown 2016).

Alternative financing products are also viable options for potential homebuyers who do not qualify for traditional financing, though more evidence is needed on their effectiveness (Turner et al. 2019). For instance, Home Partners of America, a Chicago-based organization, offers rent-to-own agreements where renters who cannot afford a down payment enter an agreement that allows them to buy their rental house within a set period (Turner et al. 2019). [Safe Rate](#), a newcomer to the market, offers what is known as a shared equity mortgage, which protects borrowers in economic distress by automatically lowering mortgage payments if neighborhood home values fall. For these mortgages, lenders receive an extra payment if home prices rise again or if the homeowner sells the house (Theodos, Stacy, et al. 2019).¹⁸

To expand the pool of those who are eligible for mortgages and credit products, lenders could also explore taking rental payment history into account to assess creditworthiness of potential mortgage borrowers and consider exploring use of alternative credit and cash flow data for evaluating

homebuyers for mortgage credit (Goodman and Zhu 2018). Churchill Mortgage is one lender that has gone in this direction.¹⁹

Finally, public-private investment approaches could target home affordability and equity gaps by leveraging publicly owned land and small developer subsidies to help upgrade housing stock across the region.²⁰ Detroit's Rehabbed and Ready Program, a public-private partnership between the city, Detroit Land Trust Bank, Quicken Loans, and Home Depot, increases affordable housing stock by subsidizing renovations of vacant distressed properties.²¹

ENSURE FINANCIAL SECURITY THROUGH HOUSEHOLD SAVINGS

Programs and policies that incentivize lower-income households to save, such as savings accounts that match personal savings for specific investments—homes, businesses, and an education—have demonstrated effectiveness in increasing short-term savings and reducing use of riskier alternative financing (McKernan et al. 2017; Mills et al. 2019). Many local governments and nonprofit agencies offer matched savings options. The District of Columbia recently launched a \$1.3 million matched savings program for low-income residents.²² Chicago LISC provides an array of financial inclusion services, such as coaching and access to affordable credit and savings products, through its network of 10 financial opportunity centers. The financial opportunity centers network has helped hundreds of clients improve their credit scores and net worth.²³ Employers are also providing employees access to tools and products that support financial security. [Working Credit](#), a Chicago-based nonprofit, contracts with employers to provide employees tools to strengthen their credit profiles.

Though programs that help families save are important, they have not demonstrated significant impact in reducing wealth gaps at a large scale (Flynn and Mabud 2019). Additionally, the ability to build and maintain savings does not rest solely on personal choices. Structural and systemic barriers—such as high costs associated with opening and maintaining a bank account, scarcity of bank branches in lower-income communities, and pervasive discriminatory practices baked into our financial systems and services—are also important to address (Brown et al. 2019; Brown and Braga 2019).

Although the Chicago region has work to do in this area, leaders can build on networks and infrastructures that for years have worked to connect families to mainstream financial institutions. United Way of Metro Chicago is working to increase access to affordable banking options through the program Bank On. This national program helps families and individuals find banking options that have low opening deposits (\$25 or less), no minimum balance requirement, low monthly fees (zero or less than \$5), and no hidden fees. A recent pilot study of Bank On use across the country showed that 72 percent of its accounts were opened by customers new to the financial institution, signaling the

program's success in either engaging previously unbanked customers or reengaging customers in the financial mainstream (CFE Fund 2017). Finally, recent legislative victories such as the Illinois Banking Initiative,²⁴ which focuses on financial inclusion and access for the unbanked and underbanked in the region, have generated momentum that will ideally complement programmatic efforts like Bank On.

SUPPORT THE GROWTH AND SUCCESS OF BUSINESS OWNERSHIP

Successful entrepreneurship and small business ownership present a key opportunity to build assets and grow wealth. Households that own businesses are more likely to have higher wealth than households that do not own businesses (Haynes 2010).

Black- and Latinx-owned businesses are starting up and growing at faster rates than white-owned businesses, but businesses owned by white people still outnumber businesses owned by Black and Latinx people (Austin 2016; Haynes 2010; Lichtenstein 2014). However, significant barriers hinder Black and Latinx entrepreneurs from building and growing businesses and, subsequently, their wealth. For example, higher levels of wealth acquired through private transfers from family or kin networks are associated with higher rates of entrepreneurship (Darrity et al. 2018). As indicated earlier, Black and Latinx families are less likely to benefit from inter-generational wealth transfers. Unequal access to capital results in a diminished ability to weather the downturns many small businesses face as they establish themselves and contributes to the smaller size of firms owned by Black and Latinx entrepreneurs, thus diminishing their ability to draw wealth from business ownership (Klein 2017; Orozco et al. 2019).

Whether at the programmatic or the policy level, state and local approaches that focus on capital access for business startup and sustainability activities could improve equitable entrepreneurship outcomes among Black and Latinx communities (Austin 2016). Some local governments have created loan programs to encourage entrepreneurship. Charlottesville, Virginia, recently enacted a business equity fund to provide loans to businesses owned by people considered socially disadvantaged, which the city defines as “those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as members of a group.”²⁵ The fund offers low-interest, up-to-five-year loans of \$5,000 to \$25,000 to these businesses and has lower eligibility criteria than traditional lenders. Other localities, including Chicago, have turned to inclusive public procurement and contracting policies and practices to ensure minority-owned businesses have more equitable access to government contracts.²⁶

At the state level, more support of community development financial institutions (CDFIs), often relied upon by entrepreneurs of color for low-risk patient capital, could increase the ability of entrepreneurs of color to start and sustain small businesses (Theodos, Seidman, and Edmonds 2017).

Some CDFI state coalitions, including New York's, have advocated to create a state version of the federal CDFI fund. Small state equity grant programs that provide sources of patient capital to CDFIs, such as New York's Empire State Development CDFI program or Minnesota's Emerging Entrepreneur's program, do exist (Theodos, Seidman, and Edmonds 2017).

Business ownership can also be realized through employee ownership approaches, which range from worker cooperatives to employee stock ownership plans.²⁷ The transfer of small business ownership from retiring owners to long-term employees is one way of to establish an employee-owned business and in turn create wealth for the employees turned owners.²⁸ Concerned Capital in Los Angeles has helped several small business owners conduct this type of transfer.²⁹ In Chicago, a coalition including Manufacturing Renaissance, World Business Chicago, LISC, the State Treasurer's Office, Safer Foundation, and the Cook County Bureau of Economic Development, has recently built [Re/Cast](#), which aims to help companies interested in entering this type of transfer process.³⁰

Local leaders in Chicago are poised to strengthen the region's network of resources that support increased entrepreneurship among Black and Latinx residents. For instance, the Chicago Neighborhood Opportunity Fund could connect resources going into a booming downtown to areas not getting the same level of investment (Theodos and Gonzalez 2019). The fund, created in 2016, is made up of fees collected from developers requesting bonus floor space for downtown construction projects. So far, the fund has provided \$23 million in capital to 174 businesses on the West and South Sides. Another promising development is the expansion of the JPMorgan Chase Entrepreneurs of Color Fund. This fund will increase access to credit and technical assistance for small businesses in the Chicago region.³¹

Strategies to Reduce Black and Latinx Delinquent Debt

Delinquent debt (unpaid debt that is past due) builds up, negatively affects credit scores, and decreases a person's financial opportunities and access to broader financial systems (Bae and Goyal 2009; Berkowitz and White 2004; Federal Trade Commission 2013; Traub 2013).

Programs that help low-income families manage delinquent debt have shown promise (Moulton et al. 2016). Local Interventions for Financial Empowerment through Utility Payments or LIFT-UP, implemented in five cities, offered debt restructuring to give participants longer terms and more lenient repayment arrangements, individualized financial counseling, financial incentives, and ongoing support. Increasingly, employers are prioritizing financial security and access to affordable credit by providing employees benefits such as access to small-dollar loans and financial education tools.³²

Some banks are experimenting with credit products with more affordable terms than typical payday loans, limited application fees, and requirements that the consumer build savings to cover future expenses (McKernan et al. 2016; McKernan, Ratcliffe, and Quakenbush 2015). The National Credit Union Administration created a federal Payday Alternative Loans program for credit union members across the country.

Although programmatic solutions like LIFT-UP and affordable credit pilots are critical, they are not enough to counteract the racist and predatory structures and policies that have contributed to the prevalence of delinquent debt among Black and Latinx households. We highlight approaches and solutions local and state leaders could leverage to target the systemic roots and drivers of delinquent debt among Black and Latinx households. Some strategies aim to prevent high-risk, short-term, and predatory lending while others look to increase opportunities for responsible lending.

BUILD ON PUBLIC FINES AND FEES REFORM

Many states, cities, local courts, and police departments have increased their dependence on the revenue generated from fees and fines for civil and criminal infractions, like parking and traffic violations, missed court appointments, and parole violations (Harris et al. 2017; Liu, Nunn, and Shambaugh 2019). Because no single set of federal laws governs the issuance of legal financial obligations, states, municipalities, and other localities have significant leeway on how these fines and fees are structured (Harris et al. 2017). As a result, a large amount of consumer debt is owed to local governmental entities for either civil infractions like parking and traffic violations or for fees associated with the criminal and justice system (Harris et al. 2017; Liu, Nunn, and Shambaugh 2019). This fees and fines system disproportionately affects low-income and low-wealth residents of color who pay a higher percentage of their incomes or savings to pay these fines (US Commission on Civil Rights 2017).³³

Ending the injustice of fees and fines requires a broad yet detailed knowledge of a jurisdiction's debt collection practices and problem areas. Municipal and state governments should seek to understand which debts are causing difficulties for residents and how the debts differ by race and ethnicity—and then work with residents to relieve them of this debt or at least make it more manageable (Moulton et al. 2016). Doing so can reduce financial strain. San Francisco was the first city to set up a financial justice project to assess and reform how fees and fines affect the city's residents. San Francisco has pushed several reforms since 2016, including lifting \$32 million in debt from criminal justice fees for 21,000 people exiting the criminal justice system and, most recently, clearing all driver's license suspensions for people who miss traffic court dates.

Chicago recently made strides in this area. In 2018, a ProPublica study found that the City of Chicago had received \$2.8 billion from 54.4 million parking tickets since 1996.³⁴ Eight of the 10 zip codes with the most accumulated ticket debt per adult were majority Black.³⁵ Although these neighborhoods only account for 22 percent of all the tickets issued in the time frame, they account for 40 percent of the debt. Further exacerbating the effect of these fees and fines are hefty penalties for unpaid debt, such as driver's license suspensions or prohibitions from working in municipal jobs.

On December 2018, prompted by the ProPublica article and inspired by the San Francisco financial justice project, Chicago initiated the Fines, Fees & Access Collaborative to discuss ticket costs, accessibility of payment plans, late penalties, the role of debt collectors, and the effect of license suspensions on employment. Although much work remains to be done, in September 2019 the city council approved broad reforms of the city's punitive ticket and debt collection system.³⁶

CURB PAYDAY LENDERS

People who do not have access to traditional banking institutions often turn to high-risk, short-term loans and alternative financial institutions when they face a financially disruptive event or when they cannot make it to their next paycheck (McKernan, Ratcliffe, and Quakenbush 2015). Payday lenders make small, short-term loans to households that are due for repayment on the borrower's next payday, making the window of time for repayment incredibly short. These loans are often accompanied by exorbitant interest rates. In Illinois, the rate for payday loans typically reaches 400 percent.³⁷ The high costs associated with payday loans mean that borrowers will spend much more of their income paying interest and fees, stripping them of resources that could be spent building wealth.

Some regions have enacted reforms that might be useful in the Chicago and Illinois context. In 2018, Ohio passed the Fairness Lending Act, bipartisan legislation made possible through wide voter support for reform and a multisector coalition that included business leaders, media, government, clergy, and grassroots support.³⁸ Ohio's new law will make small-dollar loans significantly less costly and provide borrowers with more time to repay loans (a couple of months instead of weeks). Colorado has also made progress in this area. The state requires payday lenders to offer repayment in installments and cap the interest rates on those installments. Although interest rates remain high—still in excess of 100 APR—Colorado residents are paying 42 percent less to repay the full cost of these loans (Pew Charitable Trusts 2013).

Bold Bets toward More Equitable Wealth-Building Structures and Policies

Policies that expand access to education, increase incomes, strengthen homeownership, grow business ownership, and support financial inclusion all could substantially build wealth for people of color and strengthen communities and the region. However, the size of the gap and its effects—and the fact that it is still growing—demands bold, ambitious solutions equal to the tremendous challenge at hand.

To make any significant progress in reducing and eventually closing the racial and ethnic wealth gap, changemakers need to consider what it would take to restructure our country's wealth building and financing mechanisms. Real change can come from building structures and policies that benefit a broader group of people, reckoning with the effects of long-standing racist policies and practices, and lifting up people of color. The evidence on approaches of this nature and scale is limited. Below we highlight some of the most promising ideas and interventions proposed by leading researchers, policymakers, and practitioners, and in particular elevate levers relevant for state and local leaders.

ENSURE EQUITABLE TAXATION

Advancing more equitable federal taxation could have a significant impact on reducing wealth gaps.³⁹ But states and cities have the power to reimagine their tax systems to make them more equitable and help lower-income families dedicate more earnings to paying down debt and building assets.

The Institute for Taxation and Economic Policy ranks Illinois's tax system as the eighth-most regressive in the nation, driven by the state's flat income tax structure, lack of taxes on retirement and inheritances, and state and local bases for sales taxes (Wiehe et al. 2018). The analysis shows that households earning less than \$22,000 a year pay 14.4 percent of their incomes in state and local taxes, compared with 9.4 percent for those making between \$231,500 and \$537,400, and 7.4 percent for those making more than \$537,400. Illinois's lower-income residents tend to be disproportionately Black or Latinx, and the gap only widens in the Chicago region (Henricks et al. 2017; Rynell and Buitrago 2018). But there are several bright spots in Illinois tax structure, such as the state's refundable earned income tax credit. Efforts are also under way to change the state's flat income tax structure via a constitutional amendment.⁴⁰

Delaware, Minnesota, and Washington, DC, pursued progressive tax structures to lower the burden on low-income taxpayers, who tend to pay a higher proportion of their earnings in income taxes than higher-income individuals (Leachman et al. 2018). In Minnesota, the share of income paid in state and local taxes goes up as income rises, from 8.7 percent for families earning less than \$25,400 to 10.1 percent for families earning more than \$573,500.

Reforming how assets, such as property, are taxed could be a straightforward strategy for narrowing the wealth gap in Illinois and Chicago. State and municipal property tax relief for people with lower wealth levels could be better targeted by designating specific communities as eligible for property tax abatements or reductions. These zones can be based on historical patterns of disinvestment consistent with previously redlined districts. In Detroit, this type of program has improved home values in designated communities (Hodge and Komarek 2016). Some states and localities administer real estate transfer taxes and target them to high-end home sales. These “mansion taxes” are graduated so the tax rate is higher for higher-value properties (Leachman and Waxman 2019). New York has a flat-rate mansion tax, but it levies an additional tax of 1 percent of the sales value for properties of \$1 million or more. Washington, DC, levies a higher real estate transfer tax for properties that sell for more than \$400,000. New Jersey, Connecticut, and Vermont have similar graduated state systems in place.

INVEST DIRECTLY IN THE NEXT GENERATION

To ensure all children have access to economic opportunity, regardless of the circumstances into which they are born, some policymakers and scholars are proposing the use of universal, federally funded trusts or baby bonds (Hamilton and Darity 2010; Zewde 2018). A national baby bonds program would provide all children with a federal savings account or savings bond at birth based on their families’ wealth and/or income.⁴¹ Baby bonds would seed capital for newborn children, later providing an endowment that each recipient would access starting at age 18 and could use for a range of asset-building activities, including homeownership, business ownership, and education without debt. Scholars have estimated such a program would constitute up to 3 percent of the federal budget and provide children with an average \$25,000 seed investment, with children in low-wealth families receiving more and children in high-wealth families receiving less (Hamilton and Darity 2010). Baby bonds would complement other economic support programs, such as Social Security, to provide a more comprehensive capital finance stream from cradle to grave.

Congress has introduced various legislative proposals over the years, but no national or local baby bonds proposal has ever been implemented in the United States.⁴² Even so, we can learn a lot from state and local children’s saving accounts (CSAs), which provide seed capital to children in a similar way as baby bonds would and have demonstrated promising outcomes (Butrica 2015). The impact evaluation of the SEED Oklahoma Children Development Accounts program, the first randomized controlled study of CSAs in the United States, showed that SEED program children score higher in socioemotional development and their mothers report higher educational expectations for their children than children and mothers from the control group (Beverly, Clancy, and Sherraden 2016).

The use of CSAs has grown over the past 20 years; more than 400,000 children across 34 states and the District of Columbia have some type of CSA in 2018 (Butrica 2015; Markoff, Loya, and Santos 2018).⁴³ Typical child savings accounts are purposed to cover educational costs and do not tend to offer the same wide range of wealth-building and wealth-accelerating opportunities that baby bonds would. Government funding for CSAs is limited; philanthropy, community organizations, individual donors, and businesses contribute a large proportion of financing.⁴⁴

Evidence and enthusiasm for CSAs and baby bonds are growing. The Illinois legislature's recent passage of children's savings account legislation could offer an important learning opportunity and infrastructure to provide more targeted needs-based support.⁴⁵ However, there is more to learn about the long-term effects of established children's savings accounts and a need to run pilots (either at the federal or local level) to test the baby bond program idea (Kijakazi et al. 2019; Zewde 2018).⁴⁶

OFFER RESTITUTION

One of the most powerful and debated strategies for addressing historical inequities and the repercussions of past discrimination is direct compensation. Known as restitution, reparations, satisfactions, or redress, these restorative strategies recognize that historical policies and practices have wronged a specific group of people.

Restitution is not a new idea. Germany paid restitution to victims of the Holocaust, and more recently, the victims of former Congolese warlord Thomas Lubanga Dyilo received restitution.⁴⁷ In the Congolese case, victims receiving restitution were shown to benefit socially and have improved mental health, greater economic activity, and an improved sense of community (Dutton and Ni Aolain 2018). In the United States in 1988, Japanese Americans who were put in internment camps during World War II, received a formal apology and a payment of \$20,000 from the US government.⁴⁸ Chicago has demonstrated how restitution could work on the local level. In 2015, the city established a \$5.5 million reparations fund for victims of a decades-long system of police torture inflicted by the former police commander.⁴⁹ Although the payments (up to \$100,000 per victim) are not connected to wealth and financial well-being, this reparations fund could be an example for how to build a case that connects financial restitution to a process that reckons directly with past injuries.

Regarding wealth, the national conversation about restitution has focused on paying Black people reparations for slavery and the legacy of institutional racism that has followed, including Jim Crow Laws, redlining, and contract buying. In "The Case for Reparations," Ta-Nehisi Coates argued that contract leasing should be considered alongside slavery a way in which wealth has been denied and taken from Black people, and a justification for why restitution should occur.⁵⁰ Many people who were

denied wealth through discrimination and contract leasing are still alive. Over the past 30 years, some congressional legislators have sought to establish a commission to examine the long-standing effects of slavery and study different reparations proposals, but to date have not been able to significantly move this forward.⁵¹

More recently, state legislators have brought the reparations debate to state capitols.⁵² In New York, California, and Vermont, state legislators have introduced bills and resolutions to apologize and recognize the pernicious effects of slavery and explore reparations. Texas legislators took a slightly different approach by introducing a bill supporting a congressional bill introduced by a Texas House representative. Although, the political challenges to advance restitution proposals are significant, there is growing interest from local and national leaders to pursue opportunities to consider restitution more fully as a viable proposal.⁵³

Looking Ahead

Wealth is a key indicator of economic security and growth. Wealth and access to capital allows individuals and families enough stability and agency to define their livelihoods and contribute to their community's economy.

Tackling the deep and entrenched racial and ethnic wealth disparities in this country will require a multifaceted approach that includes programmatic, policy, and structural interventions. Changemakers will not see results overnight. Efforts that ensure Black and Latinx families benefit from policies and programs designed to build assets and savings, advance reform that addresses pervasive levels of delinquent debt, and restructure wealth-building supports so that they benefit more people, will be important to achieve progress. Changemakers will also need to reckon with and address the long-standing effects of this country's history of racist policies and practices and account for the advantages that wealth has afforded white families over several generations.

Federal interventions will achieve the most scale. This does not mean that local and state changemakers are devoid of levers and resources to reduce racial and ethnic wealth inequities in their communities. Chicago leaders can build and learn from existing efforts that have sought to help people of color build wealth. The region has an expansive social services and community organizing sector with a long-track record for empowering families who have been historically marginalized and excluded from wealth-building opportunities. From connecting the unbanked to mainstream financial services to successfully advocating for public fines and fees reform, Chicago's social service providers and

community organizers can continue to be strong expert partners to the state and municipal governments, which are increasingly prioritizing equitable policies and systems. Moreover, the coalition of actors working toward narrowing the wealth gap can be broadened to actively include Chicago's extensive philanthropic community and business sector, which could dedicate resources to pilot innovative wealth building programs and structures.

While a robust foundation for change exists in the Chicago region, there is much room for improvement and innovation. For instance, if multiple sectors in the region are to come together to address the racial and ethnic wealth gap, more reliable and accessible data on local wealth disparities by race and ethnicity is critical. More accessible and reliable data disaggregated by race, ethnicity, and country of origin, will result in a sharper understanding of the magnitude of the problem and provide changemakers to develop interventions targeted at specific populations with measurable goals that can be tracked over time.

Local and state changemakers in government, nonprofit, business, and philanthropy must also challenge the systems and policies that have prevented people of color from building wealth at the same scale and rate as white people, learn from what has not worked, scale what has worked, and build the political will to advance more equitable wealth building structures.

Notes

- ¹ Signe-Mary McKernan, Caroline Ratcliffe, C. Eugene Steuerle, Caleb Quakenbush, and Emma Kalish, “Nine Charts about Wealth Inequality (Updated),” Urban Institute, October 5, 2017, <http://apps.urban.org/features/wealth-inequality-charts/>.
- ² “Local Outcome Report: Chicago, IL,” Scorecard, Prosperity Now, accessed October 16, 2019, <https://scorecard.prosperitynow.org/data-by-location#city/1714000>
- ³ Based on 2015 credit bureau and American Community Survey data. See Caroline Ratcliffe, Cary Lou, Diana Elliott, and Signe-Mary McKernan, “Financial Health of Residents: A City-Level Dashboard,” Urban Institute, accessed October 16, 2019, <https://apps.urban.org/features/city-financial-health/>.
- ⁴ Dan Kopf, “The Fining of Black America,” Priceonomics, June 24, 2016, <https://priceonomics.com/the-fining-of-black-america/>.
- ⁵ Median wealth may be a better measure than average wealth to compare whites to Blacks and Latinx because average wealth is skewed by the ultra-wealthy (e.g., billionaires), who are disproportionately white.
- ⁶ White families also have lower debt-to-asset ratios (nearly 1:10) than Black (1:3.5) and Latinx (1.4) families.
- ⁷ Reliable and accessible local-level wealth data is essential to better understand the racial wealth gap and how it varies by geography and over time. The key national sources are the Survey of Consumer Finances, the Panel Survey of Income Dynamics, and the Survey of Income and Program Participation. They capture the baseline size of the racial wealth gap and how the gap changes and can be changed. However, these data have limitations, such as not consistently measuring wealth for difference racial and ethnic groups or capturing wealth data below the state level. The best source of local data on the wealth gap is the National Asset Scorecard for Communities of Color. Administered by Duke University, the scorecard is only available for five US cities (Tulsa, OK; Boston, MA; Washington, DC; Miami, FL; and Los Angeles, CA) and was specifically designed to collect local data on the racial wealth gap; it includes data disaggregated by ethnicity and ancestral origin.
- ⁸ See also “Local Outcome Report: Chicago, IL,” Scorecard, Prosperity Now, accessed October 16, 2019, <https://scorecard.prosperitynow.org/data-by-location#city/1714000>.
- ⁹ See also Savannah Clement, “How Foreclosure Has Devastated Latino Chicago (and What We’re Doing to Help),” Latino Policy Forum blog, June 14, 2013, <https://www.latinopolicyforum.org/blog/how-foreclosure-has-ravaged-latino-communities-and-what-we-can-do-about-it>.
- ¹⁰ FDIC (Federal Deposit Insurance Corporation), “Share of U.S. Households without a Bank Account Continues to Drop,” press release, October 23, 2018, <https://www.fdic.gov/news/news/press/2018/pr18077.html>.
- ¹¹ Based on 2015 credit bureau and American Community Survey data. See Caroline Ratcliffe, Cary Lou, Diana Elliott, and Signe-Mary McKernan, “Financial Health of Residents: A City-Level Dashboard,” Urban Institute, accessed October 16, 2019, <https://apps.urban.org/features/city-financial-health/>.
- ¹² Nicole Levins, “Why Cities Should Care about Family Financial Security” Urban Institute, April 21, 2016, <https://www.urban.org/features/why-cities-should-care-about-family-financial-security>.
- ¹³ See “2019 Policy Priorities,” Metropolitan Planning Council, accessed October 30, 2019, <https://www.metroplanning.org/work/project/41>.
- ¹⁴ Chicago Tribune Staff, “Lori Lightfoot’s Top 4 Priorities as Chicago’s New Mayor,” *Chicago Tribune*, May 19, 2019, <https://www.chicagotribune.com/politics/ct-met-cb-lori-lightfoot-chicago-mayor-priorities-20190517-story.html>.

- ¹⁵ “Cook County Board President Toni Preckwinkle Announces Event Lineup for Inaugural Cook County Racial Equity Week,” Cook County Government, news release, September 2, 2019, <https://www.cookcountyil.gov/news/cook-county-board-president-toni-preckwinkle-announces-event-lineup-inaugural-cook-county>.
- ¹⁶ “The Evidence on Homeownership Education and Counseling,” *Evidence Matters*, Spring 2016, US Department of Housing and Urban Development, <https://www.huduser.gov/portal/periodicals/em/spring16/highlight2.html>.
- ¹⁷ Staff Editor, “Sweet Homecoming for New Homeowner and South Chicago Resident,” *Chicago Defender*, July 2, 2019, <https://chicago defender.com/sweet-homecoming-for-new-homeowner-and-south-chicago-resident/>.
- ¹⁸ Amir Sufi and Atif Mian, “Shared Responsibility Mortgages,” Washington Center for Equitable Growth, October 2019, <https://equitablegrowth.org/shared-responsibility-mortgages/>.
- ¹⁹ Churchill Mortgage, “No Credit Score Loan Process: Manual Underwriting,” accessed October 17, 2019, <https://www.churchillmortgage.com/No-Credit-Score-Manual-Underwriting>.
- ²⁰ See Linda Lutton, “Chicago Housing Commissioner: Vacant Lots Could Be Single-Family Homes,” WBEZ Chicago, July 15, 2019, <https://www.npr.org/local/309/2019/07/15/741138792/chicago-housing-commissioner-vacant-lots-could-be-single-family-homes>.
- ²¹ Laurie Goodman and Karan Kaul, “Is Detroit’s ‘Rehabbed and Ready’ Program the Answer to the City’s Appraisal Problem?” *Urban Wire* (blog), Urban Institute, October 4, 2015, <https://www.urban.org/urban-wire/detroits-rehabbed-and-ready-program-answer-citys-appraisal-problem>.
- ²² District of Columbia Government, “Mayor Bowser Announces \$1.3 Million Investment in Matchings Savings Program for District Residents,” news release, August 12, 2019, <https://dc.gov/release/mayor-bowser-announces-13-million-investment-matching-savings-program-district-residents>.
- ²³ For more information, see “Financial Opportunity Centers,” LISC Chicago, <http://www.lisc.org/chicago/our-work/economic-development/individual-economic-stability/financial-opportunity-centers/>.
- ²⁴ State of Illinois, “Gov. Pritzker Signs Legislation Expanding Access to Banking Services through New Bank On Initiative in Comptroller’s Office,” August 19, 2019, <https://www2.illinois.gov/news/release?ReleaseID=20501>.
- ²⁵ “Minority Business Program,” City of Charlottesville, Virginia, accessed October 17, 2019, <https://www.charlottesville.org/business/minority-business-program>.
- ²⁶ Elizabeth Reynoso and Kristen Scheyder, “Five Cities That Are Buying into Equity,” Living Cities blog, June 22, 2017, <https://www.livingcities.org/blog/1208-five-cities-that-are-buying-into-equity>.
- ²⁷ “What Is Employee Ownership?” NCEO (National Center for Employee Ownership), accessed October 17, 2019, https://www.nceo.org/what-is-employee-ownership#_Toc529288092.
- ²⁸ Joseph R. Blasi, Douglas L. Kruse, and Richard B. Freeman. *Having a Stake: Evidence and Implications for Broad-Based Employee Stock Ownership and Profit Sharing*, Third Way, February 1, 2017, <https://www.thirdway.org/report/having-a-stake-evidence-and-implications-for-broad-based-employee-stock-ownership-and-profit-sharing>.
- ²⁹ “Tomás Durán, Job Quality Fellow,” The Aspen Institute, May 21, 2019, <https://www.aspeninstitute.org/longform/job-quality-fellows-profile-series/tomas-duran/>.
- ³⁰ Alexia Elejalde-Ruiz, “Family-Owned Manufacturers Confront Succession ‘Crisis,’” *Chicago Tribune*, January 17, 2019, <https://www.chicagotribune.com/business/ct-biz-manufacturing-succession-planning-20190103-story.html>.
- ³¹ “JPMorgan Chase Expands Entrepreneurs of Color Fund to Drive Inclusive Economic Growth in Chicago’s South and West Sides,” JP Morgan Chase & Company, news release, July 19, 2018, <https://www.jpmorganchase.com/corporate/news/pr/eocf-economic-growth-chicago-south-and-west-sides.htm>.

- ³² See also Ben Horowitz, “How Small-Dollar Loan Programs Can Be a Big Benefit for Employees (and Their Employers),” *Community Dividend*, Federal Reserve Bank of Minneapolis, June 19, 2018, <https://www.minneapolisfed.org/publications/community-dividend/how-small-dollar-loan-programs-can-be-a-big-benefit-for-employees-and-their-employers>.
- ³³ See also Dan Kopf, “The Fining of Black America,” *Priceonomics*, June 24, 2016, <https://priceonomics.com/the-fining-of-black-america/>.
- ³⁴ David Eads and Melissa Sanchez, “The Ticket Trap: Where Chicago Issues Parking Tickets and Who Pays for Them,” *ProPublica Illinois*, last updated July 31, 2019, <https://projects.propublica.org/chicago-tickets/>.
- ³⁵ Melissa Sanchez and Sandhya Kambhampati, “How Chicago Ticket Debt Sends Black Motorists into Bankruptcy,” *ProPublica Illinois*, February 27, 2018, <https://features.propublica.org/driven-into-debt/chicago-ticket-debt-bankruptcy/>.
- ³⁶ Melissa Sanchez and Elliott Ramos, “Chicago City Council Approves Ticket and Debt Collection Reforms to Help Low-Income and Minority Motorists,” *ProPublica Illinois*, September 18, 2019, <https://www.propublica.org/article/chicago-city-council-approves-ticket-and-debt-collection-reforms>.
- ³⁷ Center for Responsible Lending, “Map of U.S. Payday Interest Rates,” February 14, 2019, <https://www.responsiblelending.org/research-publication/map-us-payday-interest-rates>.
- ³⁸ “Ohio a National Model for Payday Loan Reform,” *The Pew Charitable Trusts*, November 9, 2018, <https://www.pewtrusts.org/en/research-and-analysis/data-visualizations/2018/ohio-a-national-model-for-payday-loan-reform>; Nick Bourke, “The Ohio Legislature Got Payday Loan Reform Right,” *Opinion*, *The Pew Charitable Trusts*, October 29, 2018, <https://www.pewtrusts.org/en/about/news-room/opinion/2018/10/29/the-ohio-legislature-got-payday-loan-reform-right>.
- ³⁹ The United States has many asset-building and income-support policies in the form of tax benefits. The mortgage interest deduction policy and tax breaks on retirement accounts are examples of asset-building policies, while the earned income tax credit is a prominent income-support example. These federal-level tax breaks tend to favor wealthy white families, since use of these breaks depends on access to these asset-based mechanisms. In addition, many means-tested policies, such as the earned income tax credit, have asset limits, which have often discouraged people from accumulating assets for fear of losing critical safety net benefits. See C. Eugene Steuerle, Signe-Mary McKernan, and Caroline Ratcliffe, “Tax Reform Should Promote Saving Among Households with Less Wealth,” *Urban Wire* (blog), October 18, 2017, <https://www.urban.org/urban-wire/tax-reform-should-promote-saving-among-households-less-wealth>.
- ⁴⁰ Reuters, “Illinois Constitutional Amendment on Income Tax Rates Clears State Senate,” May 1, 2019, <https://www.reuters.com/article/us-illinois-tax/illinois-constitutional-amendment-on-income-tax-rates-clears-state-senate-idUSKCN1S74Q6>.
- ⁴¹ Dylan Matthews, “Study: Cory Booker’s Baby Bonds Nearly Close the Racial Wealth Gap for Young Adults,” *Vox*, February 1, 2019, <https://www.vox.com/future-perfect/2019/1/21/18185536/cory-booker-news-today-2020-presidential-election-baby-bonds>.
- ⁴² Great Britain had a baby bonds program in the early 2000s that is no longer in operation. Canada has a number of national-level children savings account programs geared for education costs. See more in Butrica (2015).
- ⁴³ See also the CSA program examples at “About CSAs,” *Prosperity Now*, accessed October 17, 2019, <https://prosperitynow.org/about-csas>.
- ⁴⁴ “The Movement Takes Off: The State of Children’s Savings Field 2017,” *Campaign for Every Kid’s Future*, *Prosperity Now*, accessed October 17, 2019, <https://prosperitynow.org/sites/default/files/resources/Movement-Takes-Off-State-Childrens-Savings-Field-2017.pdf>.

- ⁴⁵ Peter Hancock, "House Bill Would Start College Savings Accounts for All Newborns in Illinois," *Chicago Sun-Times*, April 3, 2019, <https://chicago.suntimes.com/2019/4/3/18621808/house-bill-would-start-college-savings-accounts-for-all-newborns-in-illinois>.
- ⁴⁶ Benjy Sarlin, "Racial Wealth Gap Is Vast: 2020 Democrats Have Plans to Close It," NBC News, May, 20, 2019, <https://www.nbcnews.com/politics/2020-election/racial-wealth-gap-vast-2020-democrats-have-plans-close-it-n1007051>.
- ⁴⁷ See "Judgment on the Appeals against the 'Decision Establishing the Principles and Procedures to Be Applied to Reparations' of 7 August 2012 with AMENDED Order for Reparations (Annex A) and Public Annexes 1 and 2," International Criminal Court, March 3, 2015, <https://www.icc-cpi.int/Pages/record.aspx?docNo=ICC-01/04-01/06-3129>.
- ⁴⁸ See Civil Liberties Act of 1987, H.R. 442, 100th Cong. (1987), <https://www.congress.gov/bill/100th-congress/house-bill/442>.
- ⁴⁹ Peter C. Baker, "In Chicago, Reparations Aren't Just an Idea. They're the Law," *Guardian*, March 8, 2019, <https://www.theguardian.com/news/2019/mar/08/chicago-reparations-won-police-torture-school-curriculum>.
- ⁵⁰ Ta-Nehisi Coates, "The Case for Reparations," *Atlantic*, June 2014, <https://www.theatlantic.com/magazine/archive/2014/06/the-case-for-reparations/361631/>.
- ⁵¹ See Commission to Study and Develop Reparation Proposals for African-Americans Act, H.R. 40, 115th Cong. (2017), <https://www.congress.gov/bill/115th-congress/house-bill/40>; Donna Owens, "Veteran Congressman Still Pushing for Reparations in a Divided America," NBC News, February 20, 2017, <https://www.nbcnews.com/news/nbcblk/rep-john-conyers-still-pushing-reparations-divided-america-n723151>; and Sheryl Gay Stolberg, "At Historic Hearing, House Panel Explores Reparations," *New York Times*, June 19, 2019, <https://www.nytimes.com/2019/06/19/us/politics/slavery-reparations-hearing.html>.
- ⁵² Teresa Wiltz, "Talk of Reparations for Slavery Moves to State Capitols," Stateline (blog), Pew Charitable Trusts, October 3, 2019, <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2019/10/03/talk-of-reparations-for-slavery-moves-to-state-capitols>.
- ⁵³ Sheryl Gay Stolberg, "At Historic Hearing, House Panel Explores Reparations," *New York Times*, June 19, 2019, <https://www.nytimes.com/2019/06/19/us/politics/slavery-reparations-hearing.html>.

References

- Acosta-Cordova, Miguel. 2017. *The Latino Neighborhood Report: Issues and Prospects for Chicago*. Chicago: Great Cities Institute, Institute for Research on Race and Public Policy, University of Illinois
- Acs, Gregory, Rolf Pendall, Mark Treskon, and Amy Khare. 2017. *The Cost of Segregation: National Trends and the Case of Chicago, 1990–2010*. Washington, DC: Urban Institute.
- Austin, Algernon. 2016. *The Color of Entrepreneurship: Why the Racial Gap among Firms Costs the U.S. Billions*. Washington, DC: Center for Global Policy Solutions.
- Bae, Kee-Hong, and Vidhan K. Goyal. 2009. "Creditor Rights, Enforcement, and Bank Loans." *Journal of Finance* 64 (2): 828–60.
- Berkowitz, Jeremy, and Michelle J. White. 2004. "Bankruptcy and Small Firm's Access to Credit." *RAND Journal of Economics* 35 (1): 69–84.
- Bertrand, Marianne, and Sendhil Mullainathan. 2004. "Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination." *American Economic Review* 94 (4): 991–1013.
- Beverly, Sondra G., Margaret M. Clancy, and Michael Sherraden. 2016. "Universal Accounts at Birth: Results from SEED for Oklahoma Kids." St. Louis, MO: Center for Social Development.
- Bivens, Josh. 2018. *Recommendations for Creating Jobs and Economic Security in the U.S.* Washington, DC: Economic Policy Institute.
- Braga, Breno, K. Steven Brown, and Signe-Mary McKernan. 2019. "Working to Make Ends Meet during Good Economic Times." Washington, DC: Urban Institute.
- Braga, Breno, Signe-Mary McKernan, and Hannah Hassani. 2019. "Delinquent Debt Decisions and Their Consequences Over Time." Washington, DC: Urban Institute.
- Brown, K. Steven, and Breno Braga. 2019. "Financial Distress among American Families: Evidence from the Well-Being and Basic Needs Survey." Washington, DC: Urban Institute.
- Brown, Scott R. 2016. "The Influence of Homebuyer Education on Default and Foreclosure Risk: A Natural Experiment." *Journal of Policy Analysis and Management* 35 (1): 145–72.
- Butrica, Barbara A. 2015. *A Review of Children's Savings Accounts*. Washington, DC: Urban Institute.
- CFED. 2017. *Racial Wealth Divide in Chicago*. Washington, DC: CFED.
- CFE (Cities for Financial Empowerment) Fund. 2017. *The Present and Future of Bank On Account Data: Pilot Results and Prospective Data Collection*. New York: CFE Fund.
- Choi, Jung Hyun, Alanna McCargo, Michael Neal, Laurie Goodman, and Caitlin Young. 2019. *Explaining the Black-White Homeownership Gap: A Closer Look at Disparities across Local Markets*. Washington, DC: Urban Institute.
- Colby, Sandra L., and Jennifer M. Ortman. 2015. "Projections of the Size and Composition of the U.S. Population: 2014 to 2060." Current Population Report P25-1143. Washington, DC: US Census Bureau.
- Collins, J. Michael, and Leah Gjerdtson. 2013. "Emergency Savings for Low-Income Consumers." *Focus* (Institute for Research on Poverty, University of Wisconsin–Madison) 30 (1): 12–17.
- Conway, Maureen, and Steven L. Dawson. 2016. "Restore the Promise of Work: Reducing Inequality by Raising the Floor and Building Ladders." Washington, DC: Aspen Institute.
- Darity Jr., William, Darrick Hamilton, Mark Paul, Alan Aja, Anne Price, Antonio Moore, and Caterina Chiopris. 2018. *What We Get Wrong about Closing the Racial Wealth Gap*. Durham, NC: Samuel DuBois Cook Center on Social Equity at Duke University; Oakland, CA: Insight Center for Community Economic Development.

- Dettling, Lisa, Joanne Hsu, Lindsay Jacobs, Kevin Moore, and Jeffrey Thompson. 2017. "Recent Trends in Wealth-Holding by Race and Ethnicity: Evidence from the Survey of Consumer Finances." Washington, DC: Federal Reserve Board of Governors.
- Dutton, Anne, and Fionnuala D. Ni Aolain. 2018. "Between Reparations and Repair: Assessing the Work of the ICC Trust Fund for Victims under Its Assistance Mandate." Available at SSRN: <https://ssrn.com/abstract=3254972>.
- Federal Trade Commission. 2013. "How Credit Scores Affect the Price of Credit and Insurance." Washington, DC: Federal Trade Commission.
- Flynn, Andrea, and Rakeen Mabud. 2019. *Ford Foundation Racial Wealth Gap Evaluation: Summary of Findings*. New York: Roosevelt Institute.
- Goodman, Laurie S., and Jun Zhu. 2018. "What Fueled the Financial Crisis? An Analysis of the Performance of Purchase and Refinance Loans." *Journal of Fixed Income* 28 (1): 27–37.
- Hamilton, Darrick, and William A. Darity Jr. 2010. "Can 'Baby Bonds' Eliminate the Racial Wealth Gap in Putative Post-Racial America?" *Review of Black Political Economy* 37 (3–4): 207–16.
- Hamilton, Darrick, William A. Darity Jr., Anne E. Price, Vishnu Sridharan, and Rebecca Tippet. 2015. *Umbrellas Don't Make It Rain: Why Studying and Working Hard Isn't Enough for Black Americans*. New York: The New School.
- Harris, Alexes, Beth Huebner, Karin Martin, Mary Pattillo, Becky Pettit, Sarah Shannon, Bryan Sykes, Chris Uggen, and April Fernandes. 2017. *Monetary Sanctions in the Criminal Justice System*. Houston: Laura and John Arnold Foundation.
- Haynes, George W. 2010. "Income and Wealth: How Did Households Owning Small Businesses Fare from 1998 to 2007." Washington, DC: US Small Business Administration, Office of Advocacy.
- Henricks, Kasey, Amanda E. Lewis, Ivan Arenas, and Deana G. Lewis. 2017. *A Tale of Three Cities: The State of Racial Justice in Chicago*. Chicago: Institute for Research on Race and Public Policy.
- Hodge, Timothy R., and Timothy M. Komarek. 2016. "Capitalizing on Neighborhood Enterprise Zones: Are Detroit residents paying for the NEZ Homestead Exemption?" *Regional Science and Urban Economics* 61 (C): 18–25.
- Humes, Edward. 2006. "How the G.I. Bill Shunted Blacks into Vocational Training." *Journal of Blacks in Higher Education* 53:92–104.
- Katznelson, Ira. 2005. *When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America*. New York: WW Norton & Company.
- Kijakazi, Kilolo, K. Steven Brown, Donnie Charleston, and Charmaine Runes. 2019. *What Would It Take to Overcome the Damaging Effects of Structural Racism and Ensure a More Equitable Future?* Next50 catalyst brief. Washington, DC: Urban Institute
- Klein, Joyce A. 2017. *Bridging the Divide: How Business Ownership Can Help Close the Racial Wealth Gap*. Washington, DC: FIELD at the Aspen Institute.
- Leachman, Michael, Michael Mitchell, Nicholas Johnson, and Erica Williams. 2018. *Advancing Racial Equity with State Tax Policy*. Washington, DC: Center on Budget and Policy Priorities.
- Leachman, Michael, and Samantha Waxman. 2019. *State "Mansion" Taxes on Very Expensive Homes*. Washington, DC: Center on Budget and Policy Priorities.
- Li, Wei, Bing Bai, Laurie Goodman, and Jun Zhu. 2016. *NeighborWorks America's Homeownership Education and Counseling: Who Receives It and Is It Effective?* Washington, DC: Urban Institute.
- Lichtenstein, Jules. 2014. "Demographic Characteristics of Business Owners." Issue Brief 2. Washington, DC: US Small Business Administration, Office of Advocacy.

- Liu, Patrick, Ryan Nunn, and Jay Shambaugh. 2019. *Nine Facts about Monetary Sanctions in the Criminal Justice System*. Washington, DC: Brookings Institution.
- Markoff, Shira, Rebecca Loya, and Jessica Santos. 2018. *Quick Guide to CSA Research: An Overview of Evidence on Children's Savings Accounts*. Washington, DC: Prosperity Now.
- Mayer, Susan E., and Christopher Jencks. 1989. "Poverty and the Distribution of Material Hardship." *Journal of Human Resources* 24 (1): 88–114.
- McKernan, Signe-Mary, Caroline Ratcliffe, Breno Braga, and Emma Cancian Kalish. 2016. "Thriving Residents, Thriving Cities: Family Financial Security Matters for Cities." Washington, DC: Urban Institute.
- McKernan, Signe-Mary, Caroline Ratcliffe, Gregory B. Mills, Mike Pergamit, and Breno Braga. 2017. "Family Savings Policy: Matched Savings Programs Show Promise for Financial Security and Upward Mobility." Washington, DC: Urban Institute.
- McKernan, Signe-Mary, Caroline Ratcliffe, and Caleb Quakenbush. 2015. "Small-Dollar Credit: Protecting Consumers and Fostering Innovation." Washington, DC: Urban Institute.
- McKernan, Signe-Mary, Caroline Ratcliffe, Margaret Simms, and Sisi Zhang. 2011. *Private Transfers, Race, and Wealth*. Washington, DC: Urban Institute.
- Mills, Gregory, Signe-Mary McKernan, Caroline Ratcliffe, Sara Edelstein, Michael Pergamit, and Breno Braga. 2019. "First-Year Impacts on Savings and Economic Well-Being from the Assets for Independence Program Randomized Evaluation." *Journal of Consumer Affairs*.
- Moulton, Stephanie, Danielle Harlow, Olga Kondratjeva, and Stephanie Casey Pierce. 2016. *Implementation and Impact Evaluation of Local Interventions for Financial Empowerment through Utility Payments (LIFT-UP)*. Madison, WI: University of Wisconsin–Madison, Center for Financial Security.
- Myhre, Marina L., and Nicole Elsasser Watson. 2017. "Housing Counseling Works." Washington, DC: US Department of Housing and Urban Development.
- Next Street and Community Reinvestment Fund, USA. 2019. *Assessing Chicago's Small Business Ecosystem*. Chicago: Chicago Community Trust.
- Nolan, Lauren, and Brent Adams. 2019. *Patterns of Disparity: Small Business Lending in Illinois*. Chicago: Woodstock Institute.
- Noel, Nick, Duwain Pinder, Shelley Stewart III, and Jason Wright. 2019. *The Economic Impact of Closing the Racial Wealth Gap*. New York: McKinsey & Company.
- Orenstein, Bruce, Janet Smith, Jack Macnamara, Samuel George, Amber Hendley, Jasson Perez, Alfonso Vaca-Loyola, Michelle Delgado, Maria Starck, Moses Timlin, Lena Townsell, Nick Zettel, and Sharon McCloskey. 2019. *The Plunder of Black Wealth in Chicago: New Findings on the Lasting Toll of Predatory Housing Contracts*. Durham, NC: Samuel DuBois Cook Center on Social Equity at Duke University.
- Orozco, Marlene, Iliana Perez, Paul Oyer, and Jerry I. Porras. 2019. *2018 State of Latino Entrepreneurship*. Stanford, CA: Stanford Graduate School of Business, Latino Entrepreneurship Initiative.
- Paul, Mark, Khaing Zaw, Darrick Hamilton, and William Darity Jr. 2018. *Returns in the Labor Market: A Nuanced View of Penalties at the Intersection of Race and Gender*. Washington, DC: Washington Center for Equitable Growth.
- The Pew Charitable Trusts. 2013. "Payday Lending in America: Policy Solutions." Washington, DC: The Pew Charitable Trusts.
- Pfeffer, Fabian T., and Alexandra A. Killewald. 2018. "Generations of Advantage: Multigenerational Correlations in Family Wealth." *Social Forces* 96 (4): 1411–42.
- Poethig, Erika, Solomon Greene, Christina Stacy, Tanaya Srin, and Brady Meixell. 2018. *Inclusive Recovery in US Cities*. Washington, DC: Urban Institute.

- Quillian, Lincoln, Devah Pager, Ole Hexel, and Arnfinn H. Midtbøen. 2017. "Meta-Analysis of Field Experiments Shows No Change in Racial Discrimination in Hiring over Time." *Proceedings of the National Academy of Sciences* 114 (41): 10870–75.
- Rynell, Amy, and Katie Buitrago. 2018. *The Illinois Poverty Update*. Chicago: The Heartland Alliance.
- Shapiro, Thomas M., and Edward N. Wolff, eds. 2001. *Assets for the Poor: The Benefits of Spreading Asset Ownership*. New York: Russell Sage Foundation.
- Taylor, Joanna, and Tatjana Meschede. 2018. "Inherited Prospects: The Importance of Financial Transfers for White and Black College-Educated Households' Wealth Trajectories." *American Journal of Economics and Sociology* 77 (3–4): 1049–76.
- Temkin, Kenneth M., Neil S. Mayer, Charles A. Calhoun, and Peter A. Tatian. 2014. *National Foreclosure Mitigation Counseling Program Evaluation: Final Report, Rounds 3 through 5*. Washington, DC: Urban Institute.
- Theodos, Brett, and Jessica F. Compton. 2010. *Research on Financial Behaviors and Use of Small-Dollar Loans and Financial Services*. Washington, DC: Urban Institute.
- Theodos, Brett, and Jorge Gonzalez. 2019. *Building Community and Wealth in Underserved Commercial Corridors: Chicago's Neighborhood Opportunity Fund*. Washington, DC: Urban Institute.
- Theodos, Brett, Eric Hangam, Brady Meixell, and Prasanna Rajasekaran. 2019. *Neighborhood Disparities in Investment Flows in Chicago*. Washington, DC: Urban Institute.
- Theodos, Brett, Ellen Seidman, and Leiha Edmonds. 2017. *State and Local Policy: A Critical Concern for CDFIs*. Washington, DC: Urban Institute.
- Theodos, Brett, Christina Plerhoples Stacy, Breno Braga, and Rebecca Daniels. 2019. *Affordable Homeownership: An Evaluation of the Near-Term Effects of Shared Equity Programs*. Washington, DC: Urban Institute.
- Traub, Amy. 2013. *Discredited: How Employment Credit Checks Keep Qualified Workers Out of a Job*. New York: Demos.
- Turner, Margery Austin, Solomon Greene, Corianne Payton Scally, Kathryn Reynolds, and Jung Choi. 2019. *What Would It Take to Ensure Quality, Affordable Housing for All in Communities of Opportunity?* Next50 catalyst brief. Washington, DC: Urban Institute.
- US Commission on Civil Rights. 2017. *Targeted Fines and Fees against Communities of Color: Civil Rights and Constitutional Implications*. Washington, DC: US Commission on Civil Rights.
- Wiehe, Meg, Aidan Davis, Carl Davis, Matt Gardner, Lisa Christensen Gee, and Dylan Grundman. 2018. *Who Pays? A Distributional Analysis of the Tax Systems in All 50 States*. 6th ed. Washington, DC: Institute on Taxation and Economic Policy.
- Wilhelm, Mark O. 2001. "The Role of Intergenerational Transfers in Spreading Asset Ownership." In *Assets for the Poor: The Benefits of Spreading Asset Ownership*, edited by Thomas M Shapiro and Edward N. Wolff, 132–61. New York: Russell Sage Foundation.
- Wolla, Scott A., and Jessica Sullivan. 2017. "Education, Income, and Wealth." St. Louis, MO: Federal Reserve Bank of St. Louis.
- Zewde, Naomi. 2018. "Universal Baby Bonds Reduce Black-White Wealth Inequality, Progressively Raise New Worth of all Young Adults." Working paper. New York: Center on Poverty and Social Policy at Columbia University.

About the Authors

K. Steven Brown is a research associate in the Center on Labor, Human Services, and Population and the Research to Action Lab at the Urban Institute. His work covers projects concerned with racial disparities in economic opportunity. His primary research focuses on employment, examining racial and gender differences in career pathways, barriers in access to work, and gaps in wages and earnings. Previously, he conducted research on segregation and homeownership and access to affordable housing. Before joining Urban, Brown was an analyst at Abt Associates, where he contributed to the Family Options Study of stable and affordable housing options for homeless families, including coauthoring the project's short-term impacts report. He also was a research assistant in Princeton University's Office of Population Research on projects related to affirmative action and access to higher education. Brown received his BA from Princeton University and his MA from Harvard University and is completing his PhD at Harvard, all in sociology.

Marcela Montes is a policy program manager in the Research to Action Lab. She works to ensure Urban's research is widely used by practitioners, advocates, and policymakers to improve economic mobility and inclusive growth in local communities. Montes manages Urban's engagement in the Shared Prosperity Partnership, a joint initiative of The Kresge Foundation, the Urban Institute, the Brookings Institution Metropolitan Policy Program, and Living Cities. Before joining Urban, Montes was a program manager in the Aspen Institute's Economic Opportunities Program, where she managed and contributed to multisite and multiyear research projects elevating the strategic approaches and outcomes of local nonprofit and community college-based workforce development programs and industry-focused intermediary organizations. Before that, Montes coordinated education projects at UnidosUS, including identifying promising practices for addressing the needs of Latino students in after-school programs. Montes received her BA in government and politics from the University of Maryland, College Park, and her MA in Latin American studies from Tulane University.

Hannah Hassani is a former research assistant in the Center on Labor, Human Services, and Population. Her research interests include asset accumulation and historical economic analysis. Previously, she studied migration and labor force participation with a special interest in women's employment. Hassani graduated from the George Washington University, where she earned a BS in economics and a BA in international affairs.

STATEMENT OF INDEPENDENCE

The Urban Institute strives to meet the highest standards of integrity and quality in its research and analyses and in the evidence-based policy recommendations offered by its researchers and experts. We believe that operating consistent with the values of independence, rigor, and transparency is essential to maintaining those standards. As an organization, the Urban Institute does not take positions on issues, but it does empower and support its experts in sharing their own evidence-based views and policy recommendations that have been shaped by scholarship. Funders do not determine our research findings or the insights and recommendations of our experts. Urban scholars and experts are expected to be objective and follow the evidence wherever it may lead.



500 L'Enfant Plaza SW
Washington, DC 20024

www.urban.org