

The evident wealth gap between white and black Americans comes as a surprise to many in this day and age, but it is well documented. A study by the Institute for Policy Studies and the Corporation for Economic Development found that the average black household needs 228 years to amass the same amount of wealth held by their white counterparts today (Holland, Joshua). In the publication *Wealth Patterns Among the Top 5% of African-Americans*, Natella, et al. cite data from the Federal Reserve Board's 2010 Survey of Consumer Finances which found overall net worth to be 7.9 times higher for white Americans. However, even amongst the wealthiest African-American families, it is interesting to note that their investing habits are significantly different from their white peers. Most notably, wealthy African-Americans invest more conservatively and have the largest percentage of their wealth invested in real estate.

Not only do African -Americans overcome the significant wealth gap, but their efforts to obtain wealth are not only difficult in terms of financing, but also still face issues of racial discrimination. While housing discrimination is illegal and egalitarian beliefs regarding race are thought to be widely held in America, it is evident that discrimination is part of the DNA of the American real estate housing market. Black renters are told about and shown fewer homes and apartments than their white counterparts, according to a 2013 study by the Urban Institute and Department of Housing and Urban Development. This is clearly not a geographical issue as the study covered at least 28 varying metropolitan areas.

What is more detrimental is the penalty that many middle class African-Americans pay for living in areas that are predominantly black, a penalty that comes in form of the value of their property. This demonstrates that regardless of wealth or social status, there is a substantial effect on the property values of those African-Americans who choose to own homes in neighborhoods

that are predominantly inhabited by other African-Americans. Real estate has for long been a preferred investment in the African-American community, owing to its lower perceived risk level and its usefulness for intergenerational wealth transfer. It appears however, that the real estate market penalizes integration and that African-Americans inevitably lower their equity by investing in real estate.

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