2024

Lexington Black Prosperity Initiative: Addressing Lexington's Equity Gap

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Spring Semester 2024 Capstone in Public Administration

Introduction

The equity gap between Black Americans and white Americans is a persistent social issue. This equity gap presents itself in a variety of measures – wealth accumulation, homeownership, healthcare, educational achievement, financial stability, and more. A few selected statistics on the national equity gap are highlighted below.

According to the Federal Reserve Bank of Minneapolis, the difference in dollars is striking: average per capita wealth of white Americans was $338,093 in 2019 but only $60,126 for Black Americans, a difference of $277,967 (McKay, 2022). Between 1870 and today, there have been significant changes in the ratio of wealth between Black and white Americans due to changing cultural and societal factors, as illustrated by data collected by the National Bureau of Economic Research (NBER) in 2022. Initially, between 1900 and 1930, the closing of the racial wealth gap was slow, decreasing by just 0.3% per year. However, between 1960 and 1980, the pace of racial wealth convergence increased significantly, with the gap decreasing each year by about 1.5%. However, since 1980, the racial wealth gap has widened. Two key factors identified by the NBER for the widening of the gap were, 1) slowdown in the rate of growth of Black Americans' wages; and 2) a higher rate of price appreciation on assets owned by white Americans relative to Black Americans over the last 70 years.

A cornerstone of white Americans' ability to accumulate wealth has been their access to homeownership. According to data collected by U.S. Bank, about 75% of Americans' wealth is tied to the value of their homes. Further, white Americans have been able to pass this wealth onto their children and grandchildren, exacerbating the gap in wealth. Historically, however, these options have been limited for Black Americans, due to outright restrictions on home ownership from a combination of redlining, restrictive deeds and covenants, realtor discrimination, and other government-sponsored programs (Gross, 2017). Although these practices were outlawed in 1968 by the passage of the Fair Housing Act, the damage done by these policies and practices continue to affect wealth accumulation today.

Another key to white Americans' ability to accumulate wealth has been small businesses. In a 2024 Brookings Institution report, Perry et al. (2024) utilized the Census Bureau's Annual Business Survey to understand Black-owned businesses in the country and their recent trends. The authors found that the overall share of Black-owned businesses are disproportionately low relative to their share of the U.S. population. In 2021, Black Americans represented 2.7% of employers, yet made up 14.4% of the population. Comparatively, white Americans owned 82% of employer businesses and made up 72.5% of the population. The report found that, to reach parity with white Americans' business ownership, it would take 80 years of the rate of growth seen in 2021, the largest percentage increase in a single year since 2017.

Racial Disparities In Lexington and Kentucky

As with the rest of the country, there are striking racial disparities between Black and white residents of Lexington. Data collected by CivicLex in 2018 shows that the poverty rate for Black Lexingtonians is double that of white Lexingtonians and median household income for Black households is half that of white households. Additionally, the data show that in 2023 16.3% of Lexington's Black population was classified as extremely low income (ELI), with annual household incomes less than $23,850. This percentage is the highest of any racial group in the city.

In terms of home ownership, Black households own their own home at less than half the rate of white households. In raw numbers, 31% of Black Lexingtonians own their home compared to 65% of white Lexingtonians (Roberts & Sutherland, 2023). As with the rest of the country, Lexington was affected by racially discriminatory housing policies prior to 1968. Between 1945 and 1960, 15,546 suburban lots were developed, but Black households were only able to access 225 of these lots, concentrated in two small subdivisions. This amounts to less than 1.5% of all homes built in the housing boom following World War II.

The equity gap also affects rental housing. 16.3% of Lexington's Black population are classified as ELI, but there are not enough housing units to properly support this segment of the population. Data collected by CivicLex in 2023 show that, for every 100 ELI renters in Lexington, there are only 36 units available. In 2018, only about 6,000 ELI units were available in the city while the number of needed ELI units was nearly 18,000.

The equity gap also presents itself in education data for Lexington. Data collected by CivicLex in 2023 show that less than 50% of Fayette County Public School's Black students were ready for the transition out of high school, including both academic and career readiness. This compares to nearly 75% of white students in Fayette County Public Schools. Looking at all of Fayette County, over 75% of Black and white residents had a high school diploma. However, nearly 50% of white residents had a bachelor's degree or higher, while less than 25% of Black residents had the same level of educational attainment.

Health data collected on state-wide trends also present various aspects of the equity gap. Again, as a whole, Black Kentuckians experience poorer health outcomes than white Kentuckians. According to data compiled by the Cabinet for Health and Family Services for their 2021 Kentucky Minority Health Status Report, Black Kentuckians have a higher rate of diabetes, obesity, infant mortality, death by firearm, inadequate, late, or no prenatal care, preterm births, and cancer rates than white Kentuckians.

Neighborhoods throughout the city have also been affected by the equity gap over the past 150 years. By 1870, the city was nearly 50% Black and there were multiple thriving Black neighborhoods throughout the city and surrounding county. Starting in the 1920s, the city began enacting a variety of policies that enforced further segregation of the city, confining many Black residents to the northeastern or southeastern portions of the city. Additionally, restrictive covenants and practices by realtors created a landscape where very few Black residents were able to purchase homes outside of their current neighborhoods. As the Segregated Lexington website project highlights on their *What We Know* webpage, there is no definitive proof that redlining was used in Lexington. A variety of maps were created, but available documents do not state whether or not they were enacted. However, as CivicLex and Segregated Lexington point out, the most recently available redlining map, which classified neighborhoods as best, still desirable, definitely declining, or hazardous, overlaps nearly directly with the current racial makeup of the city. As a result, Lexington is becoming even more segregated. Between 1970 and 2014, the number of census tracts labeled as ‘racially/ethnically concentrated areas of poverty’ (tracts with individual poverty rates of more than 40% and a non-white population of more than 50%) more than doubled, going from four census tracts to ten tracts (Shelton, 2017, p. 3). In the same time period, census tracts labeled as ‘racially/ethnically concentrated areas of affluence’ (tracts with white population of more than 74% and median household income two times the city’s median) have increased nine times, going from zero census tracts to nine tracts (Shelton, 2017, p. 9).

Finally, the equity gap is apparent in business ownership. Data collected by Perry et al. (2024) show that Lexington’s population is 13.2% Black, but the Black-owned employer business share is 0.5%. The report also found that the Lexington-Fayette Metropolitan Area had the largest decline among metropolitan areas in the nation in Black-owned employer businesses from 2017 to 2021, at 68.1%. The authors developed an equity ratio system, where the closer to 1.0 a metropolitan area is, the closer the share of Black business ownership is to the share of the Black population. The median ratio nationwide in 2021 was 0.16; Lexington scored a 0.0. These numbers signify that nationally the share of Black business ownership is far lower than the share of Black population, but the problem is especially acute in Lexington due to our low score. Only two metropolitan areas in the country scored above a 1.0: Corvallis, Oregon (score of 1.9), and McAllen-Edinburg-Mission, Texas (score of 1.6).

Contributing to Lexington’s equity ratio score is our very low number of Black-owned businesses. Utilizing the numbers from 2021, Perry et al. (2024) found that Lexington had 51 Black-owned businesses. In order to achieve parity with the share of Black residents, Lexington would need to add 1,468 more Black-owned businesses for a total of 1,519.

Background On Lexington Black Prosperity Initiative

Founded in 2020, the Lexington Black Prosperity Initiative (LBPI) "was created to pursue the goal of strengthening, supporting, and making a meaningful impact in Black communities" (Lexington Black Prosperity Initiative). The initiative is 100% Black-led, with its primary focus being strengthening Lexington's Black community. Since their inception in summer of 2020, the Initiative has awarded more than $300,000 to local organizations and individuals that are building a better future and transforming lives in local Black communities. The grant funding comes from a permanent endowment that is held and managed by the Blue Grass Community Foundation.

The Blue Grass Community Foundation (BGCF) is a nonprofit organization based in Lexington, Kentucky, that manages over 800 charitable funds and over $200 million in charitable assets (BGCF - About Us). They follow a two-pronged mission: 1) serve as a fund administrator for charitable funds throughout central Kentucky, and 2) engage with and improve the local community through programming, grant distribution, and collaboration. Since their founding in 1967, BGCF has distributed over $160 million in grants.

Currently, the LBPI has two cornerstone programs. First, the Better Together Grant Program distributes grant funding annually to organizations advancing racial equity and closing Black equity gaps in Fayette County. In 2022, LPBI distributed $150,000 to community organizations. Second, the Grassroots Black Leadership Awards are presented annually to Black community members who are leading change within the community. Other signature projects supported by LBPI include the Digital Access Project, which aims to digitize 60,000 pages of historical property records containing information about enslaved people from the late 1700s through 1865, as well as the Breonna Taylor Legacy Project, a $2,500 grant to support the educational and community programming component of a mural to honor the life of Breonna Taylor.

As the Lexington Black Prosperity Initiative enters its fourth year of operations, they are seeking to expand their reach within the community by enacting long-lasting and sustainable programs that will work to close the equity gap and wealth gap within Lexington. The programs should be high-impact but low-effort, allowing LBPI to implement and create change without substantial administrative burden on the committee. Based on this need, this capstone seeks to understand the following areas of research:

Based on a study of similar efforts by community foundations and research literature, what are effective ways for the Blue Grass Community Foundation and Lexington Black Prosperity Initiative to close the equity gap in Lexington? LBPI has several programs already active and they are looking to add additional programs within the community. The answer this question, we are studying two connected research areas:

Research Questions

1. What initiatives or programs have other community foundations or similar community-focused groups supported to address the equity gap that might be transferable to Lexington?
2. What does peer-reviewed research say are effective ways to close the equity gap?

Research Design & Data Plan

Question One:

To answer question one, we studied initiatives or programs supported by other community foundations or similar community-focused groups with a focus on closing the equity gap. A list of ten potential organizations to study was provided by BGCF. Additional organizations were added utilizing three sources. First, from organizations identified in Richard Rothstein and Leah Rothstein's 2023 book, *Just Action: How To Challenge Segregation Enacted Under The Color Of Law*. This book and the authors were featured in an event coordinated by BGCF and LBPI in October 2023. Second, from Len Bartell, Vice President of Learning and Impact, at the Massachusetts-based organization, CF Leads. Len Bartell was identified by Lisa Adkins as someone who has a good understanding of organizations around the country that are supporting initiatives with a focus on closing the equity gap. IRB approval was granted for us to meet with Len Bartell and discuss our project. Third, from an online search.

For our research on the community foundations or similar community-focused groups, we were not in direct contact with the identified organizations. We utilized publicly available data, such as the organization's website, annual reports, newspaper articles, and other sources, to understand the structure behind each program and their main goals.

Based on our understanding of LBPI's capacity, equity gaps identified, and research-backed approaches to closing the equity gap, we suggested three to five programs for LBPI to adapt locally. Our recommendations are complementary to the research we uncovered.

Question Two:

To answer question two, we utilized the categories we defined in answering question one. Through a study of research that has been conducted on affecting change in these various categories, we identified approaches that may work to tackle multiple categories, showed a higher level of impact, or are novel approaches to closing the equity gap. We summarized our findings to those that are supported by research and have been demonstrated in other communities. Case studies were also utilized in our research for studies that investigate equity gaps amongst Black Americans and white Americans. Case studies we were particularly interested in were those that implemented initiatives within a given population and saw positive changes post implementation. These helped support our argument and provided a real example for how to create future initiatives for the LBPI.

Table 1: Identified Community Foundations

	Name	Location	Source
1	Silicon Valley Community Foundation	Mountain View, CA	Lisa Adkins
2	Greater New Orleans Community Foundation	New Orleans, LA	Lisa Adkins
3	Chicago Community Trust	Chicago, IL	Lisa Adkins
4	Community Foundation of Greater Buffalo	Buffalo, NY	Lisa Adkins
5	Spartanburg Community Foundation	Spartanburg, SC	Lisa Adkins
6	Community Foundation for Greater Atlanta	Atlanta, GA	Lisa Adkins
7	The Pittsburgh Foundation	Pittsburgh, PA	Lisa Adkins
8	Council of Foundations	Washington, DC	Lisa Adkins
9	Philanthropy Southeast	Atlanta, GA	Lisa Adkins
10	CF Leads	Boston, MA	Lisa Adkins
11	The Greenlining Institute	Oakland, CA	Just Action
12	Greenline Housing Foundation	Sierra Madre, CA	Just Action
13	Prosperity Now	Washington, DC	Online Search
14	Village Connect	San Francisco, CA	Online Search
15	San Diego Foundation	San Diego, CA	Len Bartel
16	Brooklyn Org	Brookly, NY	Len Bartel
17	Central New York Community Foundation	Syracuse, NY	Len Bartel
18	San Francisco Foundation	San Francisco, CA	Len Bartel
19	Southwest Initiative Foundation	Hutchinson, MN	Len Bartel
20	Greater Cincinnati Foundation	Cincinnati, OH	Len Bartel

Overall, we kept our selection criteria broad. This was done following guidance from Lisa Adkins at BGCF. The Foundation is not worried about the size, age, funding level, or financial status of the various community organizations. The main focus is what programs they are offering that could be brought to Lexington.

From the list of identified foundations, we established a decision-making process of which programs to include in our deeper analysis. This involved a two-step process. First, from our conversations with Lisa Adkins and LBPI, a key tenant of their programming model was direct action. LBPI intends to fund distribution directly to individuals rather than giving to other organizations that then do the work. So, first, an organization and its associated programs had to be engaged in direct action. Second, a priority of LBPI is the racial equity gap and programming with a racial equity focus. Any organization and its associated programs that did not have a specific racial equity focus would not be included. If an organization had a Y in both the columns, then we included them in our list for deeper analysis. This decision matrix is illustrated in Table 2.

Table 2: List of Programs and Attributes

Name	Direct Action?	Programs or initiatives with a Racial Equity Focus?	Examine for Capstone?
Silicon Valley Community Foundation	N	Y	
Greater New Orleans Community Foundation	Y	N	
Chicago Community Trust	Y	Y	YES
Community Foundation of Greater Buffalo	Y	Y	YES
Spartanburg Community Foundation	Y	N	
Community Foundation for Greater Atlanta	Y	Y	YES
The Pittsburgh Foundation	N	Y	
Council of Foundations	N	N	
Philanthropy Southeast	N	N	
CF Leads	N	Y	
The Greenlining Institute	Y	Y	YES
Greenline Housing Foundation	Y	Y	YES
Prosperity Now	Y	Y	YES
Village Connect	N	Y	
San Diego Foundation	N	Y	
Brooklyn Org	N	Y	
Central New York Community Foundation	N	Y	
The San Francisco Foundation	N	Y	
Southwest Initiative Foundation	Y	N	
Greater Cincinnati Foundation	Y	Y	YES

Once we identified our organizations, we did a deeper dive into their programs that passed our two-step process. Again, the focus was on programs that were doing direct action and had a racial equity focus. From the identified programs, we identified themes that we utilized for our findings. For LBPI, it was important to identify programs that organizations are directly involved in their communities, but also to understand what research and reports have identified as effective ways to close the racial equity gap. These programs, and their respective focus areas, are illustrated by Table 3 below:

Table 3: Selected Programs

Foundation Name	Program or Initiative Name with racial equity focus	Theme Areas
Chicago Community Trust	Growing Household Wealth	● College scholarships ● Down payment assistance and affordable housing
Community Foundation of Greater Buffalo	Say Yes Buffalo	● College scholarships
Community Foundation for Greater Atlanta	Income & Wealth	● Guaranteed income program ● Child care assistance
Community Foundation for Greater Atlanta	Neighborhood Focused	● Community land grantmaking opportunity
The Greenlining Institute	Economic Equity Projects	● Utilizing community reinvestment act ● Entrepreneurship and small business ownership ● Down payment assistance and affordable housing
Greenline Housing Foundation	Homeownership assistance grants	● Down payment assistance and affordable housing
Prosperity Now	Baby Bonds	● Baby bonds
Prosperity Now	Children's Savings Accounts	● Children's savings accounts
Greater Cincinnati Foundation	Affordable Housing Impact Investing Pool	● Down payment assistance and affordable housing
Greater Cincinnati Foundation	Economic Mobility	● Entrepreneurship and small business ownership

Findings

The findings in this section are organized according to these theme areas: down payment assistance and affordable housing, entrepreneurship and small business ownership, utilizing community reinvestment act, baby bonds, children's savings accounts, child care assistance, guaranteed income program, community land grantmaking opportunity, and college scholarships. Each of these sections dive deeper into the research surrounding these initiatives and the foundations that support these programs.

Down Payment Assistance and Affordable Housing

One of the main programs supported by the Chicago Community Trust is building household wealth, which seeks to address the wealth gap at the household level (Growing Household Wealth). In this program area, the Trust focuses on three distinct segments of work: increase incomes, build assets, and reduce debt. Within build assets, the Trust focuses on home ownership, small businesses development, and early savings accounts like seed deposits in child savings accounts. In 2021 and 2022, the Trust helped over 700 households become homeowners and prevented more than 1,300 foreclosure through their direct grantmaking (Chicago Community Trust, 2022, p. 14). Unfortunately, information is not publicly available on the structure of their program or what the application process looks like.

Another key program for the Chicago Community Trust is Connecting Capital and Community (3C). This three-year program was launched in 2022 as part of a national initiative led by the Center for Community Investment (CCI). JPMorgan Chase committed the initial $1.95 million to the Trust to support the program as part of a $400 million five-year philanthropic commitment to close the housing affordability gap for Black, Hispanic, and Latino households (Chicago Community Trust, April 2022). 3C has brought together a diverse network of developers, nonprofits, community members, and others to test and implement innovative ideas for increasing homeownership for Black and Latinx residents of Chicago. With a focus on developing affordable housing, equitable home loans, and support for buyers, the 3C program is working to identify workable models that can be replicated in other communities (Chicago Community Trust, 2022, p. 14).

The Greenline Housing Foundation is based in the Los Angeles suburb of Sierra Madre and was founded by realtor Jasmin Shupper. The foundation is focused on "closing the racial wealth gap, granting access to homeownership, and restoring justice" (Greenline Housing Foundation). Their primary activity is assisting home buyers with down payment grants, but they also provide financial education and home maintenance assistance. Prospective home buyers are able to apply for down payment assistance from Greenline via their website. Applicants are required to meet nine criteria prior to applying for down payment assistance. Criteria include: be a person of color, be a first-time homebuyer, not have liquid assets in excess of $100,000, agree not to sell or take equity out of home for five years, complete ten hours of financial education courses through Greenline Housing Foundation, purchase a property used as the primary residence, meet income requirements consistent with amount of loan pre-approval, have started saving toward a down payment, and purchase a single-family home, condo, townhome, or an owner-occupied multi-unit property that is 4 units or less. Since their founding in 2020, the foundation has distributed over $500,000 in grants to home buyers. The foundation's website does not include the total number of homeowners they have assisted or what the grant size is for the down payment assistance. In the foundation's first year, they made three grants - $42,000,

$50,000, and $100,000. The foundation's goal was to make at least 20 grants in its second year (Rothstein 69).

An important part of Greenline's story is where their initial investment money came from. While earning her realtor's license, Jasmin Shupper learned the deep history of housing segregation in the United States (About). Inspired to create change from her anger and frustration, Jasmin worked with a local financial services company, several area churches, a media company, and individual realtors to create an initial base to use for granting down payment assistance (Rothstein 69). Greenline is continuing to work with the California Association of Realtors to encourage more realtors to dedicate a percentage of their commission to the foundation.

The Greater Cincinnati Foundation takes a different approach to homeownership and downpayment assistance, focusing instead on the quantity of affordable housing in the community. In 2022, the Greater Cincinnati Foundation had a unique opportunity to invest in homeownership in their community. An out-of-state investment firm owning nearly 200 homes went bankrupt and the Port Authority, a local public agency, was able to acquire the properties (Greater Cincinnati Foundation, 2022, p.16). The Foundation's $75,000 investment is being used to kickstart the creation of a homeownership process. This investment is allowing families to transition from monthly rent payments of $1,500 to monthly mortgage payments as low as $800.

A common argument against down payment assistance programs is that low-income homeowners won't realize the positive benefits of owning a home. However, this has been disproven through a variety of studies. In their 2008 study, *The Homeownership Experience of Low-Income and Minority Households: A Review and Synthesis of the Literature*, Herbert et al (2008, p. 49) reviewed available literature to assess whether, over time, "low-income homeowners are as likely as other owners to realize the financial and social benefits of owning a home over time." Their general consensus was that, yes, low-income homeowners do realize many of the benefits of owning a home. However, the authors provided caution, as their review of the available literature suggested that low-income and minority homeowners face greater risk of being unable to sustain homeownership. Since the benefits of homeownership are realized over a long period of time, this can create problems for families or individuals who cannot sustain homeownership. The authors cite a variety of statistics that show low-income or minority homeowners are more likely to be unable to sustain homeownership compared to wealthy and white homeowners. But, the authors argue that the positive outcomes far outweigh any possible negative outcomes, and the authors reaffirm the belief that pursuing more homeownership for more people will create positive outcomes for the individuals, families, and society as a whole.

Herbert et al (2008) identified that a lack of savings was the largest barrier to homeownership for low-income or minority potential homeowners. Perkins et al (2020) utilized this finding to further study how upfront cash assistance for homeownership can affect potential homeownership. They found that cash assistance between $25,000 and $100,000 was most effective in providing homeownership opportunities to low-income individuals or families. From their findings, "approximately 12 percent of potential home buyers could afford the median-value home in their county with between $25,000 and $100,000 of housing assistance" (Perkins et al., 2020, p. 175) The authors stress that, while 12% may seem like a small number, that represents roughly 6.6 million potential home buyers nationally. If amounts greater than $100,000 were made available for potential home buyers, an additional 8.6 million households could purchase a home.

Looking at additional solutions to homeownership rates, Ray et al. (2021) argue in their online report *Homeownership, Racial Segregation, and Policy Solutions To Racial Wealth Equity* that, "because housing has been the primary mechanism by which Americans have built and passed along generational wealth in the last century, correcting injustices in housing is a prime area to begin attacking the harmful influence of systemic racism." In their research, the authors studied 17 different cities around the country utilizing publicly available data from the US Census Bureau's American Community Survey (ACS) and the Federal Reserve System to investigate physical segregation, homeownership rates, home values, access to lending and baking, and education costs.

From their review of data, the authors recommend a holistic approach to the home buying process and several of their findings can be adapted and utilized by community organizations and other nonprofits in their communities, including:

1) Increase support for small dollar mortgage loan programs.
2) Extend credit and down payment assistance to borrowers impacted by discriminatory housing and lending practices.

Further, McCargo et al. (2019) explored the idea that homes of lower value are riskier investments for mortgages and found no evidence to support this idea. In fact, the analysis showed that these buyers have comparable credit scores and their mortgages have similar loan-to-value ratios to more valuable properties. However, due to the pervasiveness of this myth and homes in Black neighborhoods being historically devalued, this has created a barrier to entry to homeownership that disproportionately affects Black buyers, and especially those who are first-time buyers.

Research also shows that owning a home itself may not be enough to meaningfully close the racial wealth gap. In their report *Implications of Housing Conditions for Racial Wealth and Health Disparities*, Neal et al. (2024) argue that owning a home is not enough because Black homeowners are more likely to live in structures considered inadequate. The authors found that the median value of an inadequate property owned by a Black homeowner is lower than the value of an inadequate property owned by a white homeowner. Additionally, Black homeowners face higher utility costs relative to the size of their income.

The authors suggest several recommendations to address the challenges Black homeowners face, including:

1) Support affordable home buying, refinancing, and renovation spending to close these disparities in property condition and their implications for wealth building.
2) Improve renovation assistance to help to close the adequate housing difference between Black and white homeowners.
3) Create or expand renovation programs by local governments or community organizations.

A unique approach to utilizing home ownership to close the racial wealth gap is through Special Purpose Credit Programs (SPCPs). These programs allow banks to offer credit on favorable terms to borrowers who have suffered economic disadvantage and share common characteristics (e.g., race or income). In a 2022 report published by The Urban Institute, Choi et al. (2022) argue that SPCPs can be utilized in a place-based format to encourage lending in a specific geographic area. However, these programs' effectiveness are heavily dependent on a city's existing segregation due to historical trends. The authors give the example of Detroit (75% of the city's population is Black and it is one of the most segregated cities in the country) compared to Seattle (7% of the city's population is Black and households are not concentrated geographically by race). A place-based SPCP would be very effective in Detroit but not effective in Seattle.

The authors further detail two routes for place-based SPCPs to follow. First, extending credit to people who currently live in designated economically disadvantaged areas. Second, extending credit to buyers who live anywhere, but are required to purchase in a designated economically distressed community. The first route may help keep investment local, but may limit homeowners' mobility. The second could bring new investments to the area, but could also initiate gentrification and displacement.

Entrepreneurship and Small Business Ownership

The Greenlining Institute supports multiple initiatives that are focused on entrepreneurship and small business ownership through their small business program area. Their stated goal on their website is to support entrepreneurs of color by "advancing collaborative, trauma-informed, community-centric solutions to meet businesses where they are at and ensure resources go to where they are needed most" (Greenlining). To accomplish this, Greenlining has several focus areas within this program, including creating a People of Color Small Business Network to strengthen the small business ecosystem, advocating financial institutions to improve the affordability and accessibility of small business lending, removing legal and institutional barriers, and through direct agreements with financial institutions to secure additional investments in traditionally under-resourced businesses and communities of color. In 2022, the Institute supported a cohort of 22 businesses that received business coaching and support services over the course of the calendar year (The Greenlining Institute, 2022).

The Greater Cincinnati Foundation focuses their economic mobility program on the racial wealth gap. Due to the demographics of the Cincinnati area, the Foundation focuses specifically on Black women and empowering their economic mobility (Economic Mobility). Within this area, the Foundation supports two programs. First, UpTogether is a national program supported locally by the Foundation that provides cash assistance to low-income families. In exchange, the families guarantee their to contribute various financial data points to a national platform that tracks progress towards financial goals. Data collected by UpTogether and similar programs around the country has shown meaningful increases in income and savings with corresponding decreases in dependence on public assistance. Second, the Economic & Community Development Institute (ECDI) and Women's Business Center of Greater Cincinnati. These two programs provide Black women access to coaching, mentorships, networking, loans, and co-working spaces for their small businesses. This program works to increase job creation, revenue, and tax dollars for the Cincinnati region.

After home ownership, a major focus area for closing the wealth gap is entrepreneurship and business ownership. A major leader in this area is the organization Path To 15|55. Their stated goals are to, "grow at least 15% of Black businesses, create 600,000+ new jobs, and add $55 billion to the U.S. economy" (Path To 15|55). Utilizing data from the US Census Bureau's Annual Business Survey (ABS), the organization tracks annual growth of the Black-owned business sector and advocates for changes based on established trends. Their data has shown that Black business owners are 12 times wealthier than their peers and that Black business ownership is a proven path to wealth and job creation that also stimulates the national economy. Their name comes from one of the organization's key findings: if just 15% of Black-owned businesses are able to hire one more employee, the American economy could grow by $55 billion.

Osemwengie et al (2023) published a report titled *Five Ways City Leaders Can Support Black Entrepreneurs' Efforts to 'Buy Back the Block'*. The report is focused on Black community members' efforts in South LA to buy back an entire city block to improve their neighborhood. One key takeaway from the report is the power of community ownership. The authors point to a growing body of evidence, also assembled by Brookings researchers Loh and Love and shared in an online report, that "in strong market neighborhoods, community ownership models can be useful tools to empower tenants, ensure affordability for entrepreneurs, and retain local businesses and organizations who may otherwise be displaced." The authors advocate for the development of a commercial community land trust pilot program, to be coordinated by the local government or by a local community organization. Similar to a land trust, this approach lowers the threshold for entrepreneurs to start a business.

The evidence collected by Loh and Love (2021) and displayed on Brookings' website have identified five key benefits to community land ownership or community land trusts (CLTs):

1. Community ownership can increase access to and retention of home ownership for low-income households. "For CLTs, in particular, their distinct value is in enhancing retention for homeownership, with more than 91% of low-income CLT homebuyers retaining homeownership after five years compared to 50% of other low-income first-time homebuyers."
2. Community ownership can help homeowners better withstand economic shock
3. Community ownership can help close the racial wealth gap by distributing land-based wealth intergenerationally
4. Community ownership can increase access to amenities and support the growth of locally owned small businesses

5. Community ownership can bring fiscal benefits to state and local governments in weaker markets

Additional benefits of community land ownership or community land trusts include improvements to a community's environments, health, resiliency, civic involvement, and social capital. The research assembled to understand the benefits of community land ownership or community land trusts was conducted in collaboration with community organizers who were fighting in South Los Angeles' Crenshaw neighborhood to save a 41 acre mall from being converted into luxury housing, which would threaten to displace the residents. Utilizing the principles of community land ownership, organizers worked to return the land parcel to the community to encourage the return of resources to local residents. The organizers were successful in some of their aims, and the development being constructed will have 64 of the 636 apartments set aside as income-restricted units (Sharp, 2023).

William Bradford has also investigated the role that entrepreneurship plays in wealth by studying wealth accumulation for Black and white entrepreneurs over from 1999 to 2008 utilizing data from the Panel Study of Income Dynamics (PSID). The data demonstrates how the addition of black entrepreneurs can start to level off the wealth gap. As more Black entrepreneurs were reported, the wealth gap began to become less evident with each increase. If Black entrepreneurs were excluded as outliers this would then shift the wealth gap back to a lower mean and median for the population. (Bradford, 2014). Additionally, the report discusses the importance of entrepreneurship in closing the wealth gap. The data show that Black entrepreneurs have higher wealth levels and more upward wealth mobility than Black workers. The upward wealth mobility of Black entrepreneurs is also equivalent to that of white entrepreneurs, while the wealth mobility of white entrepreneurs is greater than that of white workers.

Utilizing Community Reinvestment Act

The Greenlining Institute does significant work utilizing the Community Reinvestment Act to achieve their organization's goals. Woven throughout their six program areas (economic equity, climate equity, transformative communities, greenlining the block, leadership academy, and legislative priorities) is an understanding of how to utilize the CRA to benefit the surrounding community. In 2022, the Institute was able to negotiate over $140 billion in community benefit agreements that were directed to formerly redlined communities. The funds came from two of the largest banking institutions in the country – US Bank agreed to a five-year $100 billion community benefits agreement and BMO agreed to a $40 billion community benefits commitment (The Greenlining Institute, 2022).

Passed in 1977, the Community Reinvestment Act (CRA) is a federal law designed to combat redlining and encourage banks or other depository institutions to meet the credit needs of their communities, including low- and moderate-income neighborhoods (Community Reinvestment Act). However, after 45 years, Black homebuyers are still significantly underserved by the program (Goodman et al. 2022). The CRA gives low- and moderate-income (LMI) borrowers and borrowers in LMI neighborgoods a credit for banking lending. The most recently adopted regulations for the CRA – adopted in 2022 – do not ensure equitable, race-based outcomes. Goodman et al note that their previous findings “show that lending to LMI borrowers and neighborhoods is not the same as lending to borrowers of color or neighborhoods of color.” In this current analysis, they shed light on the need to address race more explicitly in

CRA regulations by highlighting the history of Black homebuyers being significantly underserved.

An updated version of their study in 2023 shows the importance of applying the CRA regulations to credit unions and independent mortgage banks. Current regulations apply to only banks and thrifts – institutions regulated by the Federal Reserve, the Office of the Comptroller of the Currency, or the Federal Deposit Insurance Corporation. When the law was written in 1977, credit unions and independent mortgage banks were not active participants in the mortgage sector. Today, these two types of institutions account for over 60 percent of all mortgage lending (Goodman et al. 2023). The study found that credit unions and independent mortgage banks are significantly more active in LMI and minority lending than their bank counterparts. Currently, Massachusetts is the only state to include credit unions and independent mortgage banks in the CRA regulations, but if the federal regulations were expanded to include these two types of institutions – or more states adopted similar regulations – there could be more mortgage options available for Black homebuyers.

Baby Bonds

Prosperity Now advocates for the need for Baby Bonds—a policy to narrow the racial and ethnic wealth divide through government investments on behalf of children, with the largest amounts going to children from households with the least income and wealth. Prosperity Now realizes these opportunities create a strong foundation for a lifetime of building wealth. One single generation can help bridge the racial wealth gap.

McIntosh et al. (2020) released their findings on a paper titled Examining the Black-white wealth gap. They discovered that white families typically have a net worth of $171,000 according to 2016 data. Black families, however, only have a net worth of $17,150. This means that white families typically have a net worth that is nearly ten times that of Black families. This large wealth gap is a direct result of inequality and discrimination, while also highlighting the differences in power and opportunity for minorities. This group of colleagues suggest that the best way to build wealth for Black families is through policy reform.

These researchers identified an opportunity that could fund their policy proposal. “Income from inheritances, and from wealth more generally, is taxed at an inequitably low rate, especially when compared to earnings.” They argue that “well-designed taxes on inheritances, reforms to capital income taxation and even taxes on wealth could be part of the solution.” (Dionne, 2020) Senator Cory Booker is a proponent of baby bonds. He proposes that by having a federally funded savings account for children, starting at birth, they could change the trajectory of their wealth. He plans to achieve this by supplying every child with a federally funded savings account of $1,000 as soon as they are born. Each year thereafter the child could get up to $2,000 deposited into their fund depending on their family income. Once these children become young adults; at age 18, they would have access to this fund for things like purchasing a home, education, or to start up a business. The low-income account holders would have access to nearly $50,000 in seed capital that they otherwise might have never had the chance to have. By revising the 2009-era estate tax rules, already wealthy families will no longer avoid paying low taxes on investments obtained from death. This policy would actually benefit not only Black Americans, but white Americans as well. Any and all races would be able to participate in this new policy; it would not be limited to African Americans. Low-income white Americans would also benefit from baby bonds but the most beneficial groups would be the African Americans and Latinos. This would help ensure children from low-income families would be afforded more opportunities at achieving wealth. It won't solve the wealth gap but it will provide the right framework for addressing the wealth gap in its entirety.

The impact baby bonds have on a given population is transformative. Not only can it break the cycle of poverty, it can also make prosperity achievable for generations to come. It is estimated that with a national administration of baby bonds, the racial wealth gap would shrink from 91% to 25% (Johnson, 2023). Lower-income communities would predominantly be the population that benefits the most from having this system in place. It can help rectify some of the systemic injustices these demographics have endured for quite some time.

Children's Savings Accounts

Prosperity Now recommends CSA programs for advancing racial equity. They conducted a survey of which states offer a CSA program and tracked the number of children with saving accounts. Since their advocacy, there has been a dramatic increase in CSA enrollments. In the matter of one year, Prosperity Now saw an increase of 30% in CSA enrollments. CSA Programs now occupy 36 states, where there are approximately 109 programs in total that are active. Kentucky is not currently one of the states involved in Children's Savings Accounts, however all of its neighboring states are. This nationwide initiative has been able to serve over 922,000 children as of 2020. Research suggests that with as little as $500, postsecondary education becomes four times more likely for children to graduate from.

Building wealth isn't equally attainable for low-income families. People of color face a harsher reality than their white counterparts because of structural racism. According to Atherton & Brown (2023), for every one dollar of wealth held by white families, black families have just thirteen cents. These disproportionate statistics must be met with change. Early-Life Wealth-Building Programs could narrow the wealth gap, but their success hinges on public support.

Not only have baby bonds gained more attention from policy makers, but so have children's savings accounts (CSA). CSA are public investments that accrue wealth over the course of a child's life. Once reaching young adulthood they can use these funds for continuing education, homeownership, or investments. The most challenging aspect of this policy is that it needs great support from the public. In order for CSA's to be successful there cannot be any shifts in priorities or administrations. CSA's are long term investments into a child's life. These authors offer three recommendations for how best to rally public support on wealth building programs such as CSA's.

1. Establish a consistent message that identifies program priorities and appeals to the target audience
2. Form interagency alliances
3. Engage the community

To address the racial wealth gap – states can opt to include a publicly funded endowment, targeting children in families with low income. These programs should establish intergovernmental coalitions to ensure success from both an administrative and financial perspective. Lastly, they should form alliances with community-based organizations to leverage public support (Atherton & Brown, 2023).

Child Care Assistance

In 2022, the Community Foundation for Greater Atlanta, in partnership with their donors, made donations to Nana Grants. Nana Grants requested $137,500 from the Foundation to pilot an innovative program with Atlanta Technical College to provide critical childcare for students while they complete an associate degree. A $93,000 grant from the Foundation funded part of the request. Three of their generous donors funded the remaining balance. By investing together, they fully supported the pilot, which Nana Grants implemented in 2023. This co-investment allows Nana Grants to support single parents who are pursuing higher education and increased incomes, eliminating the barrier of finding and affording high quality childcare for their children. Each Nana Grant pays for childcare for up to one year, renewable for the length of the student's program of study at a HOPE-eligible college or university or approved job training program in Georgia.

A report put out by the Urban Institute assessed child care subsidies through an equity lens. "One study found that when compared with white people, a Black person with low income was more than three times more likely to live in a neighborhood with a poverty rate of 40 percent or more (Adams & Pratt, 2021). Poverty stricken neighborhoods can affect local child care markets, which shapes the types and quality of care families have access to. Subsidies for child care can offer support while family members are getting an education or training. In 2017, two-third of Black Americans who were at least 25 years of age held less than an associate's degree. White Americans in this comparison group saw that roughly half of their adults had less than an associate's degree. Statistics here show that White Americans have a higher rate of receiving an education when compared to Black Americans. Furthering one's education can be dependent upon child care options. Child care presents a serious challenge to these disadvantaged workers. Subsidies for child care are very limited when under federal guidance although there is a huge demand. Another burden that presents with child care is that many programs require parents to pay for full-time care even when they may only need part-time care. Policies need to accommodate parents with irregular hours or patterns of education.

Guaranteed Income Program

The Community Foundation for Greater Atlanta participates in a program referred to as In Her Hands. This program was founded in 2021 and is funded by the Georgia Resiliency and Opportunity (GRO) Fund which seeks to advance racially equitable outcomes and reverse systemic inequality through innovative solutions. The organization's new In Her Hands program provides a guaranteed income (an average of $850 a month) to about 200 Black women in three areas across Georgia – Old Fourth Ward, Southwest Georgia and College Park – as a direct and immediate way to close racial income gaps. In Her Hands is a guaranteed income initiative focused on putting a solution to financial insecurity directly in the hands of women in Georgia. For participants, the income ensures agency, financial freedom, flexibility and fosters long-term economic stability. The Community Foundation provided $300,000 in funding over two years to help the GRO Fund pilot this program.

The Chicago Community Trust also advocates for guaranteed income programs because research has shown it to be a viable way to help families (Chicago Community Trust, 2022, p. 18). The Trust is currently assisting in evaluating the nation's largest guaranteed income pilot program. Led by the City of Chicago and Cook County, the program is providing thousands of residents facing hardship with $500 per month for two years. The evaluation is partially funded by a $500,000 contribution to the University of Chicago's Inclusive Economy Lab. The Trust also runs its own program called The Chicago Future Fund. Currently structured as a pilot program, it is being funded by a $250,000 contribution from the Trust and a matching contribution from an anonymous donor. The Trust will use the pilot to help build the region's growing knowledge base about the effects of guaranteed income while supporting at-risk individuals and families. The Trust also identified a pilot program in Stockton, California, led by then-mayor Michael Tubbs. The program involved direct cash assistance in the form of $500 a month for two years, paid for by the city government (Yang 2023). Started in 2019, the program showed promising results for the individuals involved. Recipients were two times as likely to obtain full time employment, more likely to set higher career goals, and 1.5 times less likely to experience month-to-month income volatility than non-recipients

Guaranteed Income Programs, also referred to as Universal Basic Income, have existed for centuries now. These programs operate quite easily as they are straightforward. Long-term cash payments are provided to qualified individuals and these funds are able to be spent with no restrictions. The concept behind this plan is that it provides a safety net for people; so, they get to decide where funds would be most beneficial.

In 2020, our nation saw an increase in attention regarding guaranteed income programs. The pandemic presented unique circumstances where the unemployment rate was nearly 30% (Taylor, 2021). American households were affected across the nation. The financial impacts were seen on various levels which made it a challenge for policymakers to identify what would ultimately help relieve individuals most. Stimulus checks were distributed to eligible parties and ultimately spent however the recipient deemed necessary.

Guaranteed income programs can reduce the poverty rate, improve employment prospects, reduce food insecurity, and improve health (Napoletano, 2022). The "U.S. Census Bureau reported that supplemental payments and social assistance program expansions early in the Covid pandemic lifted 11.7 million people out of poverty. Additional unemployment benefits during that time prevented 5.5 million people from falling into poverty" (Napoletano, 2022). An initiative in Stockton, California implemented a guaranteed income program and saw an increase in employment in its participants. In a single year – the unemployment rate for this group rose from 28% to 40%. The program's increase in employment suggests that participants were able to focus on better career opportunities that lead to long term success rather than side gigs. The Stockton program also found that participants reported less anxiety and depression as compared to the initial start of the program. By having income guaranteed programs families can take actionable steps towards breaking cycles of poverty. These payments give families the ability to pay down debt, build savings, move to better school districts where rent is higher, and empower families to make financial moves that will benefit them long-term (Napoletano, 2022).

Community Land Grantmaking Opportunity

The Community Foundation for Greater Atlanta supports an initiative that concentrates on neighborhood focused philanthropy. One of their targeted neighborhoods is Thomasville; a small and geographically isolated neighborhood of approximately 3,200 residents located in southeast Atlanta. This predominantly Black neighborhood has a rich history of civic leadership and strong social network but also deals with disinvestment, severe poverty, poor health outcomes and low educational scores. THRIVE Thomasville Fund at the Community Foundation for Greater Atlanta was created to put philanthropic investments in the hands of members from Thomasville to address community concerns. Through the 2023 grantmaking process, council members approved $48,850 for projects that will support the Thomasville community.

Nearly one-third of the US population is economically insecure. People of color make up roughly 50 percent of these economically insecure individuals (Julien, et. Al 2023).

Communities that are economically insecure show to have worse socioeconomic outcomes; such as high rates of housing insecurity, food insecurity, or even mortality. To achieve more racially equitable outcomes, communities rely on philanthropy dollars to help address their needs. Community members know what areas of focus are needed within their neighborhoods and where their challenges exist.

College Scholarships

Say Yes Buffalo is a program supported by the Community Foundation of Greater Buffalo that falls under their education and racial equity community goals. The program grants scholarships to graduating high school seniors from Buffalo's public and charter schools to all State University of New York (SUNY) and City University of New York (CUNY) schools, along with more than 90 private colleges and universities (Scholarships Overview). Scholarship amount per student is determined by a combination of how long the student has been continuously enrolled at a Buffalo public or charter school and the tuition balance that remains after state, federal, and tuition specific institutional aid are subtracted. Since the program's launch in 2012, over $23 million has been distributed to over 6,000 recipients (Say Yes To Education Buffalo, 2022).

The Say Yes Buffalo program has been particularly effective at increasing the high school graduation rate for Buffalo Public Schools. In 2012, BPS' graduation rate was 49%. In 2020, the graduation rate was 79%, an increase of 30 percentage points (Say Yes To Education Buffalo, 2022). A key driver of this increase is the program's requirements that scholarship recipients must have completed grades nine through twelve in consecutive years. The program has expanded beyond its initial purpose of granting scholarships and now includes targeted interventions for students from preschool through college. Services supported by Say Yes

Buffalo include pre-k readiness programs, legal clinics, healthcare and summer camps, mentoring, mental healthcare, on-campus success counselors, and paid internships (Say Yes Buffalo - Initiatives).

The Chicago Community Trust's Growing Household Wealth strategy also includes a college scholarship program. Their focus is on allowing young people to attain a college education, but also attain it without taking on too much student debt (Growing Household Wealth). Unfortunately, there is little documentation available about the work behind this program or the number of students impacted.

The relationship between higher levels of education and future financial wealth, health, and stability is well documented. However, the cost of completing education beyond high school has grown exponentially. Data published by US News & World Report in 2023 show that, adjusted for inflation, between 2003 and 2023, in-state tuition at public universities has increased by 56% and out-of-state tuition at public universities has increased by 38% (Kerr & Wood, 2023). Due to these increases, the share of a median household's income that is dedicated to education has grown. These growths can be tracked along racial lines. Data published by the Joint Economic Committee in 2019 show that the share of median household income a Black household used to pay for education was around 9% in 1987; by 2019 it had risen to 21%. Over the same time period, white households' growth was more modest, increasing from 5% to 13%. Part of what has driven the increase in cost for Black households is the way the college financial aid system calculates potential aid for students.

Levine & Ritte's (2022) findings discuss the impact of "uncounted" assets on a students' financial aid package. The current system does not include home equity and retirement savings when calculating a students' financial aid package, creating vast differences between high income and low income borrowers. High income borrowers are able to leverage their home equity and retirement to cover additional expenses for education; low income borrowers are not, meaning a higher percentage of college is being paid for out of pocket. Again, this affects students on racial lines, as the racial gap in asset ownership is well-documented (Bhutta et al. 2020).

Scholarships from private sources can have an immense impact on a students' ability to attend college and their potential to complete their degree program. Goldrick-Rab et al. (2016) studied the potential impact that need-based financial aid scholarships can have on a low-income student's odds of completing a bachelor's degree in four years. The researchers studied students who received a scholarship from the Wisconsin Scholars Grant (WSG) program, a privately funded initiative that grants scholarships to Wisconsities attending one of 12 public universities in the UW System. The program offers students a $3,500 grant per year, renewable for up to five years. Through their studying of student graduation rates, the researchers found that only 16% of students who received only a Pell Grant graduated on time (four-year). However, the addition of the WSG funding raised the graduation rates to 21%. At the same time, the average on time degree completion in the UW System was 30%.

These findings in the UW System are similar to findings in other states around the country. In Florida, the addition of a $1,300 need-based grant aid led to a 22% increase in bachelor's degree completion over six years (Castleman and Long 2013). Similar findings in Louisiana show the positive impact that increased scholarships can have on student retention year-over-year (Crockett et al. 2011). Research compiled by the National Bureau of Economic Research on college students in Nebraska also supports these findings. Low-income students who received full scholarships to one of Nebraska's public universities graduated at a rate 11% higher than low-income students who did not receive a full scholarship (Angrist et al. 2020).

However, while scholarships can help increase graduation rates and reduce the amount of debt a student owns after graduation, they currently are not enough to single handedly close the wealth gap between Black families and white families. Data collected by the Joint Economic Committee in 2019 show that the average Black college graduates with about $23,400 in student debt compared to $16,000 for white college graduates. Four years later, the gap triples. Dorothy Browns, law professor at Emory University, testified before the committee that "student debt represents about 10% of the racial wealth gap when a college graduate is 25 years old, and then widens to 25% by the age of 30-35."

Critiques of Common Approaches to Closing The Racial Wealth Gap

Several authors offer heavy critiques of common approaches to closing the racial wealth gap. Price (2020) published a report titled *Don't Fixate On The Racial Wealth Gap: Focus on Undoing Its Root Causes* with the Roosevelt Institute. In this report, Price encourages political leaders and community organizations to focus on the root causes of the wealth gap instead of the actual gap itself. The inequities between Black Americans and white Americans were created by policy decisions, and can only be undone by policy decisions. Price encourages a reevaluation of why existing wealth gaps exist, critiquing America's reliance on neoliberal policies and focus on the individual over the collective.

Similarly, Darity et al. (2018)'s report, *What We Get Wrong About Closing the Racial Wealth Gap*, addresses ten commonly held myths about the racial wealth gap in America. The authors argue that "a number of ideas frequently touted as 'solutions' will not make headway in reducing black-white wealth disparities" (Darity et al. 2018, pg. 3). Guiding their argument is the authors' understanding that "the cause of the gap must be found in the structural characteristics of the American economy, heavily infused at every point with both an inheritance of racism and the ongoing authority of white supremacy" (Darity et al. 2018, pg. 3). Again, the authors make clear that the inequities between Black Americans and white Americans were created by policy decisions, and can only be undone by policy decisions. Darity Jr. et al discuss several common answers to the wealth gap, including higher education, home ownership, financial literacy, and entrepreneurship, and discusses how individual gains are not able to translate to societal change due to decades or centuries of racially restrictive policies.

Our review of the efforts of community foundations around the country supports this claim. Nearly all of the community foundations profiled in this research have some policy change woven throughout their programming. Some community foundations have policy change attached to each of their programs, while others have a separate section of the community foundation that works on policy change and covers a wide variety of topics beyond just the racial wealth gap. The notable exception is the Greenline Housing Foundation. However, this may be due to their age – the foundation was established in 2020, making it significantly younger than any of the other foundations included in this study.

As BGCF and LBPI look to their future programming efforts, it may be useful for the organization to determine their comfortability with, and ability to, pursue policy-based solutions. LBPI would not be the first or only initiative to have policy goals attached to its programming; many other initiatives supported by community foundations operate in this way. However, there are many externalities to take into account when making that decision that cannot be addressed in the length of this capstone project.

Conclusion and Recommendations

Several theme areas have been identified through this capstone project based on current programming supported by community foundations around the country. This is not an exhaustive overview of all the potential theme areas or programming supported by community foundations around the country. However, based on the information collected, we have identified four potential areas where LBPI could allocate resources to successfully narrow Lexington's equity gap. These recommendations align closely with research, program evidence, and criteria given by LBPI. Strong consideration was given to theme areas that showed either extensive research, high success rate, or proposed new innovative ways to close the equity gap; which LBPI requested. We recommend that the Blue Grass Community Foundation and the Lexington Black Prosperity Initiative focus their efforts into four areas:

1. Down payment assistance for home purchase
2. College scholarships for graduating high school students
3. Children's Savings Accounts
4. Baby Bonds

Down payment assistance for home purchases would have a noticeable and direct impact on the community. A program like this also has the potential to produce data in a shorter time frame than other programs that require more time to study, like baby bonds or children's savings accounts. By implementing a program similar to the Greenline Housing Foundation – which provides both downpayment assistance and funding for home maintenance – LBPI could begin making an impact in the community quickly. Additionally, following Greenline's lead and partnering with local real estate agencies for assistance with funding could allow the program to be set up in a shorter period of time.

College scholarships have proven to be effective in addressing equity gaps by tackling the upfront costs of college and also reducing the potential student debt load after graduation. However, a program like this may take longer to create meaningful change in the equity gap due to the time needed to complete a degree and realize the potential benefits. Modeling a program like Say Yes Buffalo would encourage high school completion, college attendance, and potentially keep students in Kentucky following the completion of their undergraduate degree.

Children's Savings Accounts offer a unique opportunity for both the Blue Grass Community Foundation and Lexington Black Prosperity Initiative. We recommend this program because it not only is shown to be critical to a child's success in their postsecondary education, but it is a program that does not currently exist within the entire state of Kentucky. With as little as $500 making a difference in a child's postsecondary education attendance, this program could reach a number of children. Even with investments being small – it is still proven to be impactful. This program potentially offers the largest footprint in terms of how many individuals would be eligible for LBPI's support.

Baby bonds also have the likelihood of spanning across a large population in Lexington. This initiative has been gaining momentum as more policy makers are discussing nationwide implementation. LBPI could be amongst the first to aid in baby bond programs and advocacy for their rollout. Research supports baby bond programs as they have been deemed effective in closing the equity gap regardless of race. This topic has been gaining attention and would likely transpire into an even greater program in the years to come.

Literature supports the identified areas as being effective programs to implement. Each of these areas are backed by research and have been implemented in some of the community foundations included in this paper. The duration for each of these focus areas seeing a return on investment might look different, but the impact and goal remains the same. By incorporating these proposed programs, LBPI can work towards effectively closing the equity gap between Black Lexingtonians and white Lexingtonians.

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