

Destruction of Black Wealth During the Obama Presidency

By [Ryan Cooper](#) and [Matt Bruenig](#)

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Region: [USA](#)

Theme: [History](#), [Law and Justice](#), [Poverty & Social Inequality](#)

The People's Policy Project is proud to release its first formal paper. Co-authored by Ryan Cooper and Matt Bruenig and designed by Jon White, it uses data from the Survey of Consumer Finances to track the evolution of African-American wealth during the Obama presidency, and how that wealth was affected by housing policy choices made by the administration.

The paper finds that while President Obama had wide discretion and appropriated funds to relieve homeowners caught in the economic crisis, the policy design his administration chose for his housing program was a disaster. Instead of helping homeowners, at every turn the administration was obsessed with protecting the financial system — and so homeowners were left to drown.

As a result, the percentage of black homeowners who were underwater on their mortgage exploded 20-fold from 2007 to 2013.

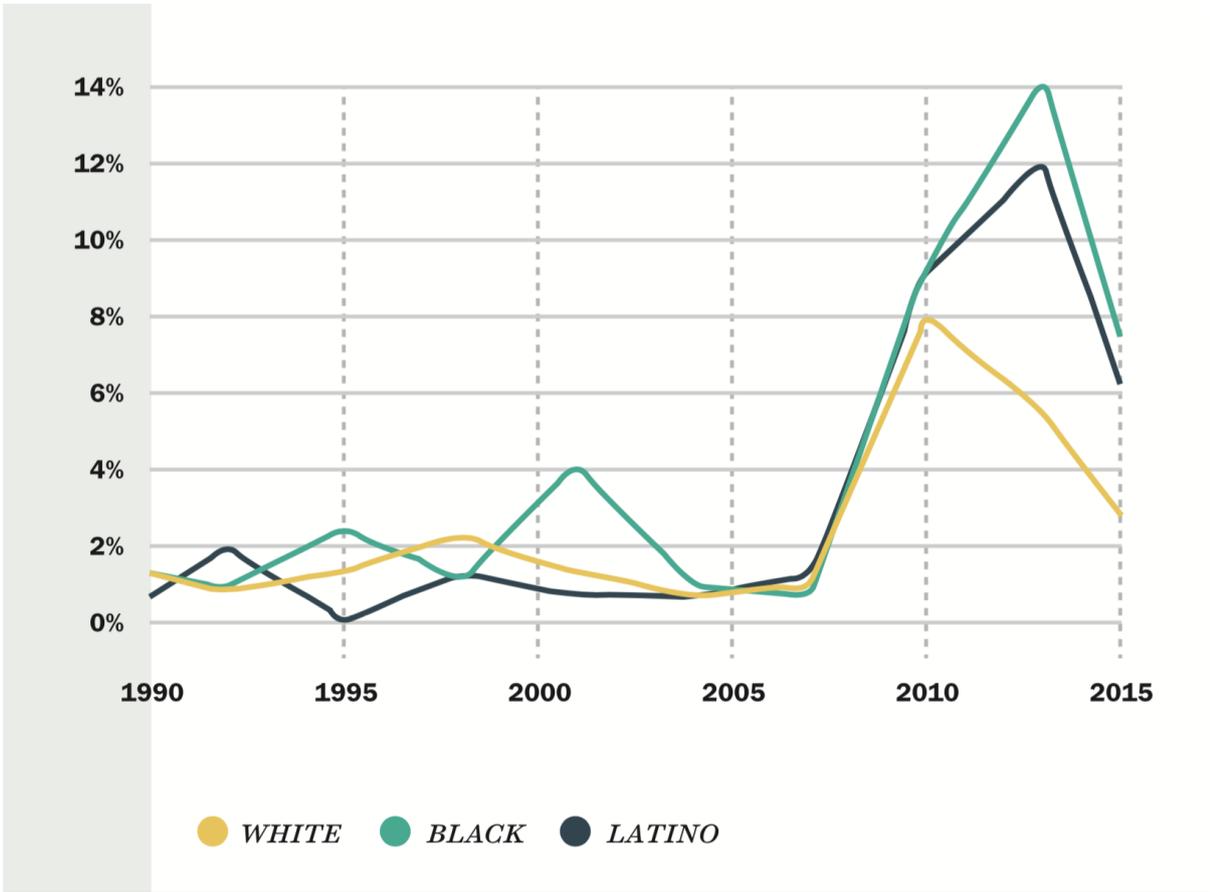


FIG. 3 *Percent of Homeowners with Negative Equity By Race*

Most middle-class wealth is housing wealth. Obama’s failure meant that while the top 10 percent of white households saw large increases in wealth due to the bank bailout restoring stock market values, almost everyone else in the country suffered serious losses.

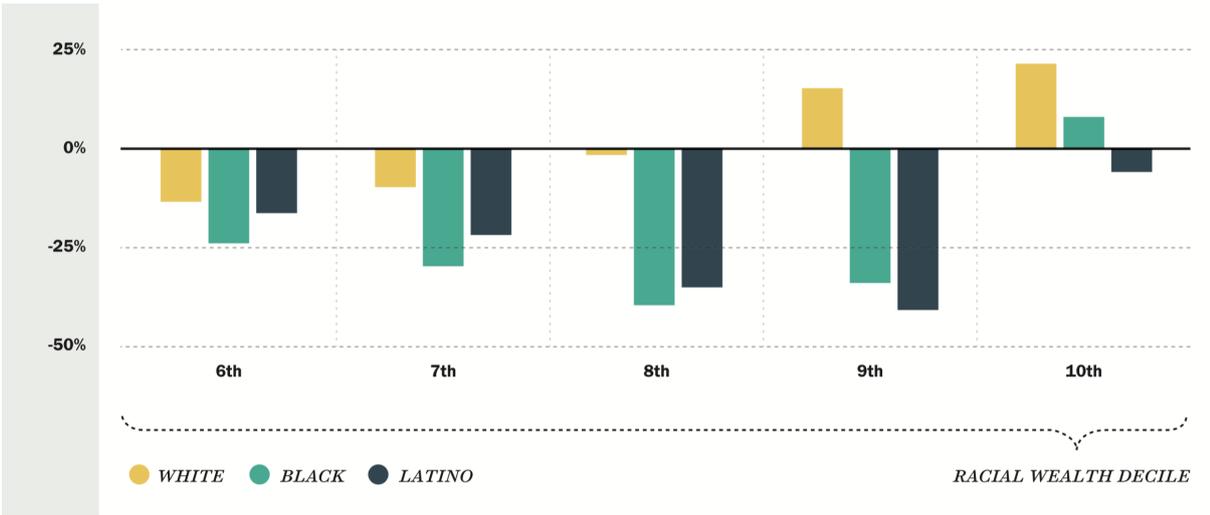


FIG. 6 *Percentage Change in Wealth (2007-2016)*

TABLE 5

Wealth Change by Racial Wealth Decile (2007–2016)

RACIAL WEALTH DECILE	WHITE	BLACK	LATINO
6 th	-\$32,355	-\$8,849	-\$6,223
7 th	-\$33,670	-\$23,147	-\$18,848
8 th	-\$8,925	-\$66,101	-\$59,512
9 th	\$140,546	-\$102,322	-\$134,459
10 th	\$1,192,490	\$78,266	-\$87,163

To read the complete study (pdf) click [here](#).

All graphs in this article are from the authors.

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