



Billions at Risk: What Drives Wealth Loss for Black Families

Executive Summary

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In 2022, Black households’ wealth in the United States was at the highest level ever recorded. This record reflects Black households’ strong wealth gains between 2019-2022, when median Black household wealth reached \$44,100 (compared to the national median of \$192,700).¹ As Black Americans have experienced greater economic opportunities and many have been able to build up meaningful net worth, an additional challenge has come into sharper focus: wealth loss.

The Aspen Institute Financial Security Program (Aspen FSP) centers this report on assets that people generally intend to preserve throughout their working lives or lifetimes: home equity, retirement savings, and wealth held in businesses they own. We examined historical events and current trends to develop broad estimates of the amount of Black-owned assets at risk in each of these areas. (Details on how we arrived at the estimate for each asset are provided in the forthcoming report.)

While we focus on challenges that are particularly relevant to Black families, these assets account for most of all households’ net worth, and our insights are applicable to families of any race or ethnicity that face challenges in preserving their wealth.

More than \$100 billion in Black housing wealth is at risk

Home equity is the largest source of wealth for Black households (as it is for households of all racial and ethnic groups) and accounts for a larger share of their net worth than that of the general population. We estimate that approximately \$127 billion of Black homeowners’ current home equity is at risk of being lost.

TABLE 1
Black households in 2022 owned substantial amounts of home equity but significantly less than other households

	Homeowner-ship rate	Median home equity (among owners)	Median home equity as a proportion of homeowners’ net worth	Aggregate value of home equity
All households	66%	\$198,000	68%	\$41.9 trillion
Black households	46%	\$145,000	71%	\$2.1 trillion

Sources: *Survey of Consumer Finances*, 2022 (homeownership rates, median home equity of homeowners, and median home equity as proportion of wealth) and *Distributional Financial Accounts*, 2022, Q4 (aggregate value of home equity).

Foreclosure. Historically, foreclosures and short sales have been a significant driver of the racial differences in housing wealth.² During the 2008-2012 foreclosure crisis, Black homeowners were more likely to experience foreclosure filings and to actually lose their homes,³ contributing to a 53 percent loss in housing wealth.⁴ Now, foreclosure risk is growing again, with 2025 filings up 14 percent compared to 2024.⁵

Heirs property. Homes and land can be declared heirs property when the owner dies without formally designating the person who will inherit their property.⁶ Heirs properties become stuck in long, expensive legal proceedings that significantly reduce their value or could cause the family to lose the property entirely.⁷ Today, one in ten older Black homeowners’ properties may be at risk of becoming heirs property.⁸

Current policies cost Black workers as much as \$1 billion in lost retirement assets

Retirement accounts are the second-most commonly owned appreciating asset for U.S. households. We estimate that, in aggregate, Black workers are at risk of losing \$1 billion in retirement assets due to pre-retirement withdrawals from defined contribution (DC) plans.⁹

TABLE 2
Black households are less likely to own and have fewer assets in defined contribution retirement plans (2022)

	Ownership rate of DC retirement account(s)	Median value of DC retirement account(s), among owners	Aggregate value of DC pension entitlements
All households	38.0%	\$53,000	\$11 trillion
Black households	28.7%	\$32,000	\$610 billion

Sources: Myers, Elizabeth, “Ownership of Retirement Accounts in 2022: Amounts in Defined Contribution Plans and Individual Retirement Accounts,” Congressional Research Service, September 24, 2026, <https://www.congress.gov/crs-product/R48143> (ownership rate of DC retirement account(s), median value of DC retirement account(s) among owner); and **Distributional Financial Accounts**, 2022, Q4 (aggregate value of DC pension entitlements).

Pre-retirement withdrawals. In 2022, 50 percent of all workers participated in a DC retirement plan sponsored by their employer, compared to 41 percent of Black workers;¹⁰ Black workers are 86 percent more likely to take an early withdrawal than

white workers.¹¹ They also stand to lose more wealth to early withdrawals because account holders typically take out a higher proportion of their balances than workers of other racial and ethnic groups.¹² Additionally, many scam victims are persuaded to make early withdrawals from their retirement accounts¹³ because that is their largest pool of money.

At least \$76 billion in Black-owned businesses’ annual revenues are at risk

Eleven percent of Black households owned equity in a business in 2022, with a median value of \$42,000.¹⁴ In 2023, there were 200,718 Black-owned, small employer firms¹⁵ that employed 1.6 million workers and generated \$220.1 billion in annual revenues. We estimate that approximately \$76 billion of these annual revenues are at risk due to upcoming firm ownership transitions.

TABLE 3
Black-owned small employer firms have lower than average annual revenues (2023)

	Number	Total employees	Aggregate annual revenues	Mean annual revenues
All small employer firms	5.9 million	59.2 million	\$16.1 trillion	\$2.7 million
Black-owned small employer firms	201,000	1.6 million	\$220.1 billion	\$1.1 million

Sources: Census Bureau, “Annual Business Survey, employer firms with fewer than 500 employees, 2023 data.

Ownership transitions. Business ownership transitions are risky for most small business owners; only 8 percent of owner exits occur when a new owner buys or takes over the firm.¹⁶ By one estimate, only 18 percent of small businesses owned by those closest to retirement are suitable candidates for sale.¹⁷ Applying that figure to the proportion of Black small business owners who are age 55 or older,¹⁸ more than 69,000 Black-owned firms could be forced to close and lose some or all of their revenue or equity value.

Existing solutions could protect and preserve billions of dollars in Black wealth

Black families are more likely than families of other races and ethnicities to experience a loss in the value of their home equity, retirement wealth, and business values. But while the risks are great, the challenges are solvable. Public policy reforms, nonprofit interventions, and financial product and service innovations all have potential to address systemic and inequitable sources of risk that Black households face in preserving their wealth. Policymakers, business leaders, community organizations, and innovators across the country are putting solutions into action, and their work can be replicated and expanded.

In the coming months, Aspen FSP will publish an additional brief that highlights solutions that not only preserve Black wealth but also maximize people's agency and ability to experience the functions of wealth—resilience, mobility, and well-being—throughout their lives.

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Endnotes

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