CASE STUDY

Building Wealth for Black Families Through Homeownership

The Dearfield Fund for Black Wealth
www.dearfieldfund.com

About This Investment
For most American families, homeownership is the primary way to build wealth, a factor that enables better health and wellbeing. However, the health-related benefits of homeownership are not enjoyed evenly, as systemic barriers and discrimination have limited Black families from purchasing homes. Homeownership rates among Black households are the lowest of any racial group in the United States (72 percent for White families versus 42 percent for Black families).

A $2.5 million equity investment from the Robert Wood Johnson Foundation (RWJF) to Gary Community Ventures (GCV) will support The Dearfield Fund for Black Wealth, a new investment vehicle that seeks to expand homeownership among Black families in the Denver metropolitan area by providing low-cost down payment assistance. Additionally, RWJF is finalizing a grant to bolster the Dearfield Fund’s supportive services to help families purchase and stay in their homes. This robust wrap-around program provides pre-purchase, post-purchase, and financial coaching support to homeowners so they can use their homes to continue to build wealth.

The Dearfield Fund expects to support 500 first-time Black homeowners, with the goal for each family to increase their wealth by $100,000 over 10 years, resulting in $50 million in cumulative new wealth.

By inspiring two or three similar funds and replicating its model in other metropolitan areas, the Fund hopes to become a national example for addressing the racial wealth gap in the United States.

Why It Was Needed
Having enough money for the down payment to purchase a house remains one of the biggest obstacles for Black homebuyers. The median down payment saved up by Black borrowers is 3.5 percent compared to 10 percent for White borrowers. According to the Federal Reserve, nearly three-fourths of white families would be able to get $3,000 from family or friends, compared to less than half of Black families. A large factor in those differences is the lack of intergenerational wealth that stems from historical and ongoing inequitable access to homeownership. In other words, structural racism has deprived Black families from accumulating wealth that can be passed down from generation to generation.

How It Works
The Dearfield Fund provides up to $40,000 in down payment support to any Black homebuyer looking to buy their first home. Upon selling or refinancing the home, the homeowner repays the down payment loan
plus a five percent share of the appreciation to the Dearfield Fund. The homeowner keeps the remaining money generated by the home’s appreciation, thus building their wealth.

In addition to creating individual wealth for Black families, the Dearfield Fund aims to revitalize historically Black neighborhoods in the Denver metro area where there is strong potential to slow gentrification and build regional Black wealth.

The fund is set up as a **Special Purpose Credit Program** under the Equal Credit Opportunity Act. At least 75 percent of RWJF’s funds will be used to provide down payment assistance to Black borrowers in the Denver metro area with a household income of less or equal to 80 percent of the area median income.

### About The Dearfield Fund

The Dearfield Fund was launched in 2021 by Gary Community Ventures (GCV). Established in 1981, GCV is a Denver-based hybrid LLC and private foundation with the mission of supporting self-sufficiency and family economic mobility to increase opportunity for Colorado’s children and families. GCV’s examination of the drivers of the racial wealth gap surfaced down payment assistance to enable homeownership as a critical avenue for building intergenerational wealth among Black families and led GCV to design the Dearfield Fund.

### Learn More About Our Impact Investments

[www.rwjf.org/impactinvesting](http://www.rwjf.org/impactinvesting)

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