CASE STUDY

Creating Wealth and Savings Opportunities for Renters

Renter Wealth Creation Fund
www.enterprisecommunity.org/impact-areas/upward-mobility/renter-wealth-creation

About This Investment
Homeownership can be key to building household and intergenerational wealth, but is not achievable for many renters: unlike mortgage payments, rent traditionally creates no equity for the renter. More than half of Black and Latino households, respectively, rent their homes—compared to about a quarter of white households. Because economic stability helps create positive conditions for health and wellbeing, turning rent into wealth can help improve health and racial equity.

A $5 million investment by the Robert Wood Johnson Foundation (RWJF) to Enterprise Community Partners’ Renter Wealth Creation Fund (“the Fund”) will help provide renters in multifamily buildings with wealth-creating and savings opportunities that traditionally have been limited to homeowners. The Fund’s innovative model seeks to allow renters—roughly half of whom are expected to be Black and Latino renters—to earn monthly cash-back payments and a portion of the future property appreciation over the long term. The Renter Wealth Creation Fund also aims to preserve and improve 7,000 rental homes nationwide, potentially leading to greater wealth and housing stability for residents.

Why It Was Needed
Research shows that, as of 2019, the average wealth of renters was less than 10% than that of homeowners in the U.S.—every dollar of rent goes to the landlord, who accrues wealth as the value of the property increases. With rent and living costs on the rise, renters with low and moderate incomes may find it even more challenging to afford housing or to accumulate savings.

How It Works
The Renter Wealth Creation Fund will acquire and improve multifamily rental apartment buildings to offer affordable housing for individuals and families with low and moderate incomes.

Designed to benefit renter and investor alike, the Fund changes how profits are distributed. Three initiatives underlie the Fund’s strategy:

- **Cash Back**: Every month, renters can receive cash back for various actions, such as paying their rent on time.
About the Renter Wealth Creation Fund

The Renter Wealth Creation Fund is sponsored by Enterprise Community Investment, Inc., an affiliate of Enterprise Community Partners, Inc. ("Enterprise"), one of the largest community development organizations in the country. Enterprise's mission is to make home and community places of pride, power, and belonging, and platforms for resilience and upward mobility for all. Since 1982, working with private and public partners, Enterprise has raised and invested more than $54 billion in equity, grants, and loans to help build or preserve 873,000 affordable homes.

Learn More About Our Impact Investments
www.rwjf.org/impactinvesting