

HISPANIC  
WEALTH  
PROJECT

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2024 STATE OF

**HISPANIC**

**WEALTH**

**REPORT**

Published September 14, 2024

Established in 2012, the American Center for Economic Advancement, dba the Hispanic Wealth Project™, is a non-profit charitable organization whose mission is to advance sustainable Hispanic homeownership through engagement in strategic efforts focused on Hispanic workforce participation in housing, small business development, and wealth building.

The National Association of Hispanic Real Estate Professionals® (NAHREP®) is a non-profit trade association founded in 1999. The association has a network of 40,000 real estate professionals and 100+ chapters that include real estate agents, brokers, mortgage professionals, and settlement service providers. NAHREP's mission is to advance sustainable Hispanic homeownership in America by educating and empowering real estate professionals who serve Hispanic homebuyers and sellers, advocating for policies that support its mission, and facilitating relationships between industry stakeholders and housing professionals.

The State of Hispanic Wealth Report is a publication of both NAHREP® and the Hispanic Wealth Project™.



## ACKNOWLEDGEMENTS

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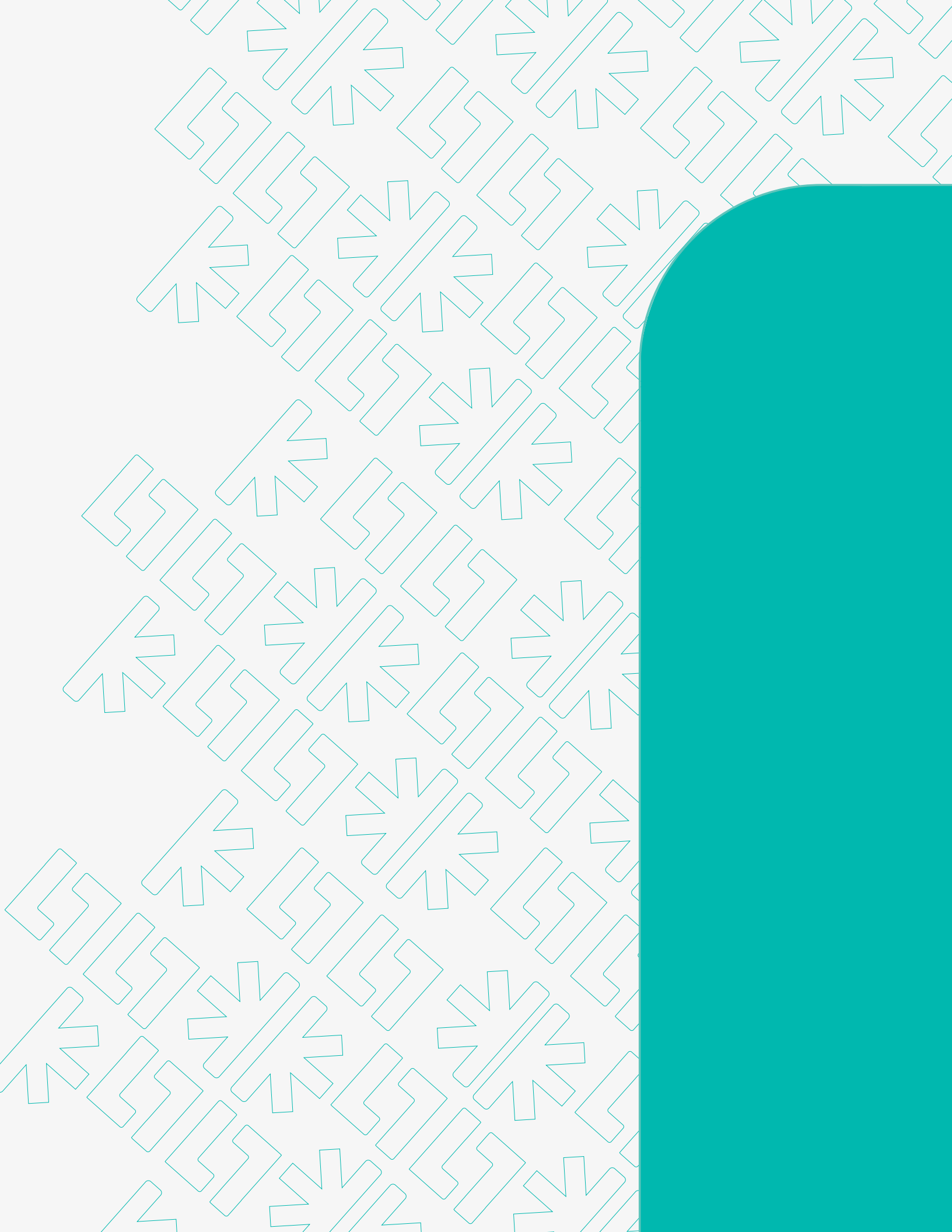
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## BACKGROUND

In 2014, the National Association of Hispanic Real Estate Professionals® (NAHREP®) established the Hispanic Wealth Project™ (HWP), an initiative born in the wake of the Great Recession, during which Latinos lost up to two-thirds of their median household wealth. It was then that the organization set the audacious goal to triple Hispanic household wealth by 2024. To guide that goal, the HWP developed a blueprint for economic recovery and advancement, focusing on three primary areas: homeownership, business ownership, and financial asset diversification, each with specific component goals.

Since its inception, the Hispanic Wealth Project has aligned its programs, initiatives, and policies with the mission to financially and educationally empower the Hispanic community in America. This effort is driven by the underlying belief that America's economic well-being is closely tied to the prosperity of the Hispanic community.

In 2024, NAHREP and HWP celebrate the 10th anniversary of the HWP Blueprint, along with the achievement of reaching the project's target of tripling Hispanic household wealth two years ahead of schedule. This report will analyze the progress made toward each component goal, highlighting key data and insights from the past decade and identifying areas of opportunity for the coming years. These insights will usher in a new era for NAHREP and HWP as we introduce the next ten-year goals for Hispanic wealth creation in America.

### HISPANIC WEALTH PROJECT TEN-YEAR GOALS

The Hispanic Wealth Project aims to reduce the proportional wealth gap between Hispanic and non-Hispanic White households by 50% by 2034. To guide this goal, the HWP has identified the following component goals as targeted areas of focus:

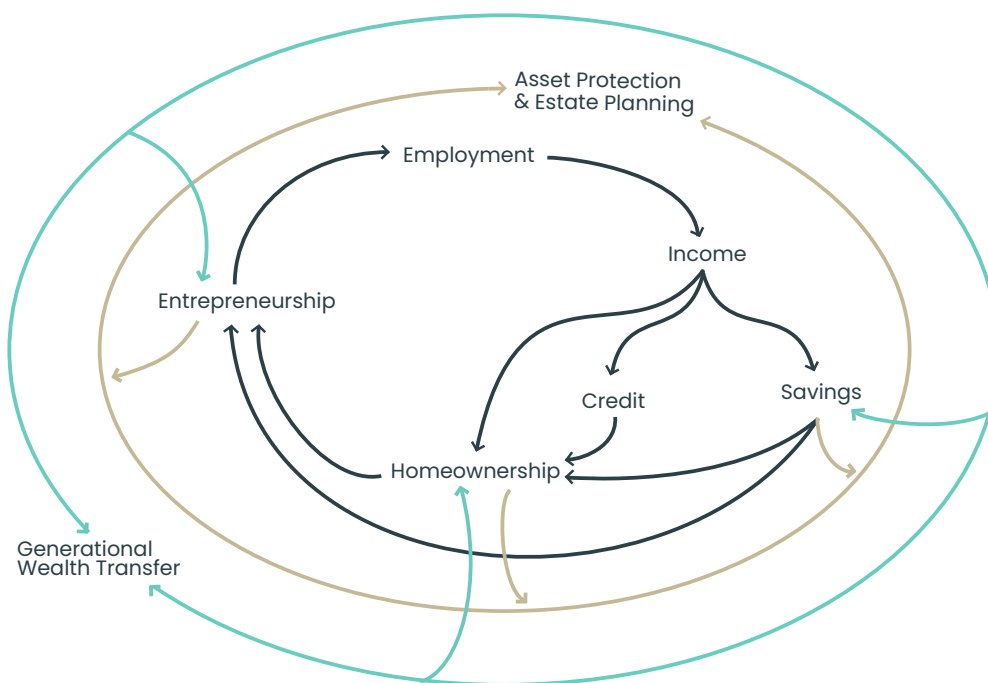
<b>REAL ESTATE</b>	<ul style="list-style-type: none"> <li>◦ Maintain a Hispanic homeownership rate of 50% or greater.</li> <li>◦ Increase the number of Hispanic owner-households to 11.5 million.</li> <li>◦ Increase the rate of Hispanic investment property ownership by 25%.</li> <li>◦ Double the share of Hispanic real estate and mortgage professionals in the industry.</li> </ul>
<b>BUSINESS OWNERSHIP</b>	<ul style="list-style-type: none"> <li>◦ Increase the number of Hispanic-owned employer firms to 600,000 or greater.</li> <li>◦ Triple the investment allocation of VC funding to Hispanic founders.</li> </ul>
<b>FINANCIAL ASSETS</b>	<ul style="list-style-type: none"> <li>◦ Increase the share of Hispanic households owning non-cash financial assets (e.g., stocks, bonds, mutual funds, 401k accounts) to 50% or greater.</li> <li>◦ Increase the share of Hispanic financial planners and investment professionals by 30%.</li> </ul>
<b>ASSET PROTECTION</b>	<ul style="list-style-type: none"> <li>◦ Increase the share of Hispanic households with a will or trust to 30% or greater.</li> <li>◦ Increase the share of individuals in the NAHREP network with an estate plan to 75% or greater.</li> </ul>

## AN ECOSYSTEM FOR GENERATIONAL WEALTH CREATION

The 2014 Hispanic Wealth Project Blueprint introduced a wealth creation model referred to as an “ecosystem.” This model emphasized that, for most Americans — particularly Hispanic Americans — homeownership and household wealth are closely linked with a broader ecosystem that includes employment, income, credit, savings, and more. By understanding how these dynamics interact, the HWP can advance Hispanic homeownership and economic mobility through targeted programs, policies, and initiatives that generate specific outcomes and contribute to overall Hispanic economic progress.

Within this ecosystem, wealth creation can begin at any point. For example, employment generates income, which builds credit and savings; these, in turn, make homeownership possible. Homeownership, particularly through building equity, can then support entrepreneurship, which further drives employment for the Hispanic community. Therefore, initiatives, programs, and policies that address any part of this ecosystem can create momentum for Hispanic wealth creation. However, the HWP has specifically focused on three segments that align with NAHREP’s membership and mission: homeownership, entrepreneurship, and savings and investments.

A decade later, the HWP reaffirms that these three focus areas remain vital to advancing Hispanic household wealth. Additionally, a new area of focus has been added: asset protection and estate planning.



### CREATING GENERATIONAL WEALTH THROUGH ASSET PROTECTION AND ESTATE PLANNING

Creating wealth is only part of the equation; protecting and maintaining that wealth is equally important. Asset protection and estate planning are important tools that safeguard a family’s wealth from potential risks or loss. These tools include trusts, powers of attorney, living wills, last wills, and life insurance. Despite their importance, these tools are substantially underutilized, particularly among Latino households. As the Hispanic Wealth Project expands its Blueprint, asset management and estate planning will become essential functions of the wealth creation ecosystem, ensuring that Hispanic household wealth is protected for future generations.

# DISPELLING MYTHS SURROUNDING Hispanic Household Wealth

Significant disparities exist between Hispanics and their non-Hispanic White counterparts in regard to wealth. However, these disparities are frequently exaggerated, fueling misleading narratives about the economic contributions of the Hispanic community. Such misconceptions not only perpetuate disinvestment in Hispanic communities but also stifle broader economic growth. In this report, the Hispanic Wealth Project challenges myths about Hispanic household wealth, critically examining common narratives and leveraging data to advocate for a more accurate understanding.

## 1 Myth: The wealth gap between Hispanic households and non-Hispanic White households is growing.

**Fact:** While the nominal difference in median net worth between Hispanic households and their non-Hispanic White counterparts remains significant, the proportional wealth gap is shrinking, and quite rapidly. Since 2013, the gap has closed proportionally by nearly half. In 2013, for every dollar held by Latino households, non-Hispanic White households had \$8.87, almost double what it is today (\$4.47).<sup>1</sup>

While the growth in Hispanic household wealth over the last decade is significant, it does not fully account for a major factor: age. Latinos are significantly younger than the general population and their non-Hispanic counterparts. When accounting for age, the gap narrows even further with a proportion of \$1 to \$3.63 for households headed by someone under the age of 35.<sup>2</sup>

### MEDIAN NET WORTH FOR HOUSEHOLDS HEADED BY SOMEONE UNDER 35

For every \$1 a Hispanic household holds...



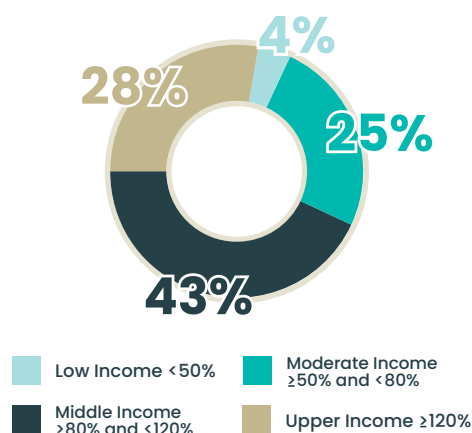
SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH.

## 2 Myth: Hispanics predominantly purchase real estate in low- to moderate-income neighborhoods.

**Fact:** The majority (71 percent) of real estate purchases financed by Hispanic borrowers in 2023 were bought in middle and upper-income census tracts. Only 4 percent of Hispanic purchase originations last year were made in low-income census tracts.<sup>3</sup>

Hispanic households are also concentrated in high-cost areas and purchase homes younger than their non-Hispanic counterparts. Home prices are above the national average in 4 of the top 5 Hispanic markets. Listing prices in the Los Angeles metro area, home to 9.2 percent of U.S. Hispanics, are nearly three times the national average.<sup>4</sup> Additionally, nearly half (44.8 percent) of Latinos who purchased a primary residence with a mortgage in 2023 were under the age of 35, compared to 39.9 percent of non-Hispanic buyers.<sup>5</sup>

### SHARE OF HISPANIC PURCHASE ORIGINATIONS BY CENSUS TRACT (2023)



SOURCE: 2023 HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA, ANALYSIS OF PURCHASE ORIGINATIONS BY ETHNICITY AND TRACT MEDIAN FAMILY INCOME (MFI).

### 3 Myth: Very few Hispanic-owned businesses are employer firms.

**Fact:** Hispanic-owned employer businesses are growing at 10x the rate of overall employer businesses. Since the U.S. Census Bureau started collecting data on employer firms in 2017, the number of Hispanic-owned employer firms has grown by 26.1 percent — ten times faster than the growth in employer businesses overall.<sup>6</sup>

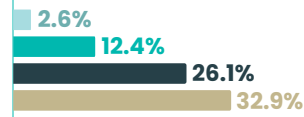
Hispanic-owned businesses outpace the market across multiple dimensions, including number of firms, employees, and revenue. As of 2021, the most recent data available, there were 406,086 Hispanic-owned employer firms in the U.S., employing 3 million people and generating \$573 billion in revenue.<sup>7</sup>

#### GROWTH IN EMPLOYER FIRMS

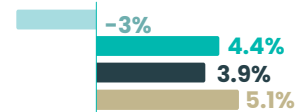
Percent change in number of firms, employees, and revenue of employer firms by ethnicity and gender (2017 - 2021)



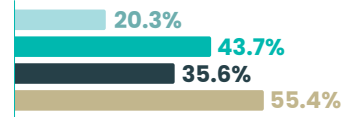
#### Number of Firms



#### Employees



#### Revenue



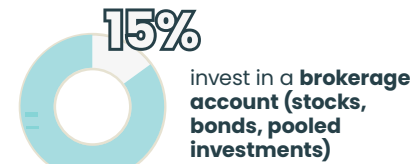
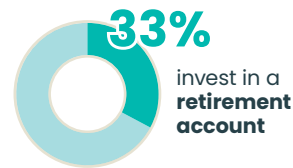
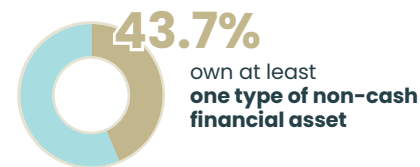
SOURCE: U.S. CENSUS BUREAU, 2022 AMERICAN BUSINESS SURVEY, STATISTICS FOR EMPLOYER FIRMS.

### 4 Myth: A high percentage of Hispanics are unbanked and don't utilize financial services.

**Fact:** Nearly all Hispanic households (96 percent) have a transactional account, or checking account, with a bank or financial services provider, indicating a strong foundation for financial engagement and cross-selling opportunities within the community.<sup>8</sup>

Research from McKinsey & Company highlights the untapped business opportunity of the Hispanic market. Financial services revenue from Hispanic households and small- to medium-sized businesses is projected to grow from \$170 billion today to \$265 billion by 2030, accounting for 8 percent of the total financial services market share. In 2030, revenue from Latino households' use of banking, insurance, and wealth management products is projected to reach \$240 billion.<sup>9</sup>

#### FINANCIAL ASSET OWNERSHIP AMONG HISPANIC HOUSEHOLDS



SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH.

### 5 Myth: Hispanics don't have enough wealth to pass to their heirs, so they don't need an estate plan.

**Fact:** Today, 1.2 million Hispanic households have a net worth of over \$1 million, making up a significant share of millionaires in the U.S.<sup>10</sup> Similarly, a growing share of Hispanic households are considered high-income. In 2022, there were 641,000 households earning at least \$250,000 per year, accounting for 7.4 percent of households within that income bracket.<sup>11</sup>

Procrastination on estate planning could put trillions of dollars in assets at risk. Collectively, Hispanic households control \$8 trillion in assets, including \$4.2 trillion in real estate assets, \$1.1 trillion in business assets, and \$2.2 trillion in cash and non-cash financial assets.<sup>12</sup>

#### HISPANICS MAKE UP SIGNIFICANT SHARE OF HIGH NET WORTH AND HIGH INCOME HOUSEHOLDS



**1.2 MILLION**

Hispanic households have a **net worth of at least \$1 million.**



**641,000**

Hispanic households **earn an annual income of at least \$250,000.**

SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH AND U.S. CENSUS BUREAU, 2022 AMERICAN COMMUNITY SURVEY.

## STATE OF HISPANIC HOUSEHOLD WEALTH

Since the Hispanic Wealth Project began, Hispanic household wealth has seen substantial growth. The goal to triple Hispanic household wealth by 2024 was achieved two years early. By 2022, the median net worth of Hispanic households reached \$63,400 — 3.17 times higher than in 2013, when adjusting for inflation.<sup>13</sup> Not only did Hispanic household wealth more than triple, but it outpaced that of any other racial or ethnic group, with the general population's wealth rising by 1.9x over the same period.

This progress is particularly noteworthy considering that it came on the heels of the COVID-19 pandemic, a global health and economic crisis that devastated millions of households and businesses. Although recovery efforts and investments remain ongoing, studies have found that minority communities, including Hispanic households, were disproportionately affected by job loss, limited access to remote work, and a greater need to use their savings than their non-Hispanic White counterparts.<sup>14</sup> Additionally, Hispanics faced worse health outcomes, and were 1.5 times more likely to contract COVID-19, 1.8 times more likely to be hospitalized, and 1.7 times more likely to die from the disease.<sup>15</sup> Despite these challenges, Hispanic household wealth has flourished. Increasing homeownership rates, rising home prices, a surge in Hispanic-owned businesses, and steady growth in participation in non-cash financial assets have all contributed to this steady growth.

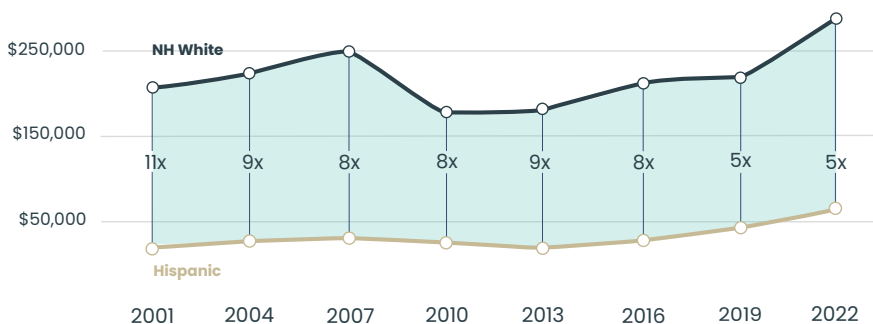
### THE WEALTH GAP IS DECLINING PROPORTIONALLY

While Hispanic household wealth is rising, a significant gap remains when compared to non-Hispanic White households. In 2022, the median net worth for Hispanic households was \$63,400 compared to \$283,300 for non-Hispanic White households and \$192,160

for the general population.<sup>16</sup> In terms of dollar amounts, the difference between wealth held by Hispanic households and non-Hispanic White households is large, and larger today than it was two decades ago.

### RACIAL ETHNIC WEALTH GAP NARROWS PROPORTIONALLY BUT REMAINS SIGNIFICANT

Median net worth of households, in 2022 dollars



SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, PUBLIC-USE DATA.

#### MYTH BUSTER:

**MYTH:** The wealth gap between Hispanic households and non-Hispanic White households is growing.

**FACT:** Since 2013, the gap has closed proportionally by nearly half. When accounting for age, the gap narrows even further with a proportion of \$1 to \$3.63 for households headed by someone under the age of 35.

While the difference in median net worth between Latino households and their non-Hispanic White counterparts remains significant, the proportional wealth gap is shrinking, and quite rapidly. Since the Hispanic Wealth Project's inception, this gap has been nearly halved. In 2013, for every dollar held by Latino households, non-Hispanic White households had \$8.87, almost double what it is today.<sup>17</sup>

## NEARLY ONE-FIFTH OF THE PROPORTIONAL WEALTH GAP CAN BE ATTRIBUTED TO AGE

While the growth in Hispanic household wealth over the last decade is significant, it does not fully account for a major factor: age. Latinos are significantly younger than the general population and their non-Hispanic counterparts. With a median age of 30, Latinos are the youngest racial or ethnic group in the U.S, younger by 8 years than the overall population and 14 years younger than non-Hispanic Whites.<sup>18</sup> This relative youth means Hispanic households have had much less time to build wealth, with fewer years in the workforce and less time for their assets to appreciate. Consequently, a portion of the wealth gap can be attributed to age.

When age is factored in, the proportional wealth gap between Latinos and their non-Hispanic White counterparts narrows by nearly one-fifth – a significant reduction. Understandably, households headed by individuals under 35 have significantly less wealth than those led by older individuals. Not only are they presumably earning less, but they've had less time to save, and less time for their investments to grow. Latino households under 35 have a median net worth of \$16,060, compared to \$58,350 for non-Hispanic White households and \$39,040 for all households under 35, reducing the proportional wealth gap to \$3.63 and \$2.43, respectively.<sup>19</sup>

## MEDIAN NET WORTH FOR HOUSEHOLDS HEADED BY SOMEONE UNDER 35

For every \$1 a Hispanic household holds...



SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH.

## HWP OVERALL WEALTH GOAL: REDUCING THE PROPORTIONAL WEALTH GAP BY 50% BETWEEN HISPANIC AND NON-HISPANIC WHITE HOUSEHOLDS BY 2034

Although there is much to be optimistic about, there is still work to be done. The wealth gap, while declining proportionally, is still large. Hispanic households have not yet fully reached their potential in homeownership, business ownership, and savings and investments. Beyond that, those who have achieved significant wealth must take steps to protect it and ensure a successful transfer of generational wealth.

Given the relative youth of the Latino community, now is the time to prepare this vibrant population to take advantage of all the wealth-building opportunities ahead. Over the next ten years, the Hispanic Wealth Project will continue to monitor household wealth acquisition, with its new goal to reduce the proportional wealth gap by 50 percent – guided by targeted efforts in real estate, entrepreneurship, financial investments, and asset protection.





## COMPONENT GOAL 1: REAL ESTATE

1. Maintain a Hispanic homeownership rate of 50% or greater.
2. Increase the number of Hispanic owner-households to 11.5 million.
3. Increase the rate of Hispanic investment property ownership by 25%.
4. Double the share of Hispanic real estate and mortgage professionals in industry.

Purchasing a home is often the largest financial investment a family will make. Homeownership has long been considered the cornerstone of the American Dream and, for many, symbolizes hard work and success. It is also the single greatest multiplier for advancing household wealth. Hispanic households that own their homes have 26.4 times the net worth of Hispanic renters (\$233,100 compared to \$8,840).<sup>20</sup> Given the critical role that homeownership and real estate investment play in wealth-building, the Hispanic Wealth Project has expanded its component goals to focus not only on sustainable Hispanic homeownership, but also on increasing Hispanic investment property ownership and professional representation in the real estate and mortgage industries. Supporting a robust housing market is directly linked to the economic mobility of Hispanic families and the broader American economy.

### HISPANIC HOMEOWNERSHIP RATE NEARS 50%

The Hispanic Wealth Project's initial component goal was to achieve a Hispanic homeownership rate of 50 percent or greater by 2024. While it remains to be seen if this goal will be realized by year-end, significant progress has been made since the Great Recession. In 2023, the Hispanic homeownership rate reached 49.5 percent,<sup>21</sup> nearly achieving the HWP's goal and approaching its pre-crisis peak. The growth in Hispanic homeownership over the last decade has been remarkable, with consistent year-over-year increases despite steep challenges. Since 2013, an additional 2.8 million Hispanic households have become homeowners, a growth rate of 41 percent, far outpacing the overall population growth of 14 percent. Today, there are over 9.5 million Hispanic homeowners, and this number continues to rise.<sup>22</sup>

This growth has occurred despite a housing market that has been labeled the least affordable on record, with a crisis-level shortage of homes for sale, particularly in affordable price ranges,

record-breaking home price appreciation, and the fastest mortgage interest rate hikes in history, all following the COVID-19 pandemic. Despite these challenges, the Hispanic homeownership rate is likely to reach the 50 percent threshold by the end of the year.

### HWP COMPONENT GOALS: WHY 50% MATTERS

Achieving a 50 percent homeownership rate is a critical milestone for the Latino community. First, the Hispanic homeownership rate has never in the nation's history reached 50 percent. Achieving this would be a significant and energizing accomplishment for the Latino community. Second, if at least half of Hispanic households are homeowners, the median Hispanic household would include home equity as part of its assets.

Home equity represents the largest share of Hispanic household wealth. Currently, one-third (33.3 percent) of existing Hispanic household wealth is tied to equity in a primary residence.<sup>23</sup> Home equity has been growing dramatically in recent years, further amplifying household wealth. In 2022, Hispanic homeowners had a median of \$150,000 in home equity, more than double the median in 2013 (\$63,085).<sup>24</sup>

### MAINTAIN HOMEOWNERSHIP RATES WHILE GROWING THE NUMBER OF HOMEOWNERS

The rapid rise in home equity can largely be attributed to massive home price appreciation in recent years. A shortfall of residential real estate construction, coupled with existing housing shortages, has made homeownership less affordable, driving up equity through property values but also making homeownership more challenging to attain. At the same time, the pool of households in need of housing is growing considerably larger and is disproportionately Latino.

Since 2013, the total number of Latino households has grown by 4.6 million and have accounted for 30 percent of overall U.S. household growth, despite comprising only 15 percent of the total U.S. population.<sup>25</sup> This mismatch between stagnated housing supply and growing demand will challenge efforts to advance homeownership rates over the next decade. The Hispanic Wealth Project aims to ensure that the Hispanic community maintains at least a 50 percent homeownership rate while increasing the number of Hispanic



homeowner households to 11.5 million or more.

## HISPANICS ARE INVESTING IN REAL ESTATE YOUNGER THAN NON-HISPANICS

One of the most promising aspects of the Hispanic community's economic potential is its relative youth. Hispanics are young and, therefore, have ample time to grow their assets, develop businesses, and advance their earning potential. Additionally, trends suggest that Hispanics are investing in real estate at younger ages than their non-Hispanic counterparts, providing an even longer runway for growth.

According to Home Mortgage Disclosure Act (HMDA) data, 44.8 percent of Latinos who purchased a primary residence with a mortgage in 2023 were under the age of 35, compared to 39.9 percent of non-Hispanic buyers. Hispanic buyers also tend to be younger when buying investment properties. Last year, 14.6 percent of Latinos who financed an investment property or second home

## HISPANICS ARE BUYING REAL ESTATE YOUNGER

Share of borrowers under the age of 35 by ethnicity and occupancy type (2023)

	HISPANIC	NON-HISPANIC
<b>Primary Residence</b>	44.8% were under 35	39.9% were under 35
<b>Investment Property or Second Home</b>	14.6% were under 35	12.9% were under 35

SOURCE: 2023 HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA, ANALYSIS OF PURCHASE ORIGINATIONS BY ETHNICITY, AGE, AND OCCUPANCY TYPE.

were under the age of 35, compared to 12.9 percent of non-Hispanic buyers.<sup>26</sup>

## HISPANIC HOUSEHOLDS ARE CONCENTRATED IN HIGH-COST AREAS

Geography plays an important role in wealth building through real estate, as housing costs and home equity potential can vary widely by market. This presents both opportunities and challenges for Hispanic households, who tend to be concentrated in higher-cost areas. The top five metro areas with the largest

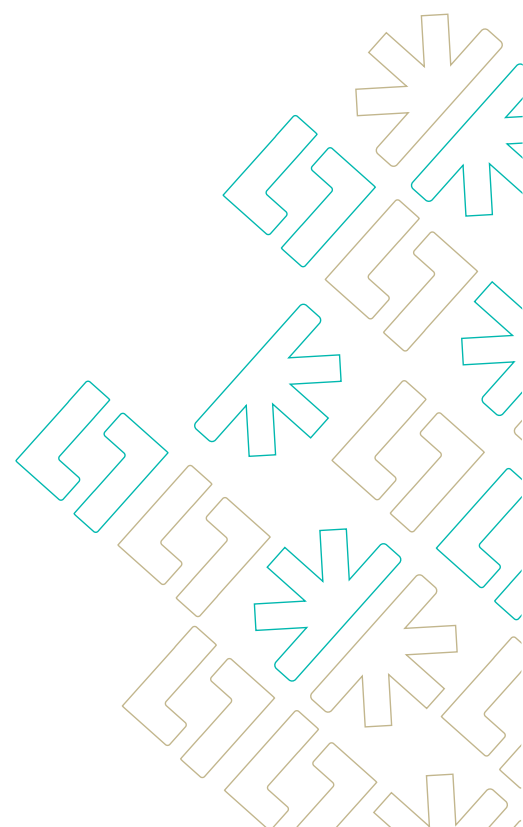
Hispanic populations are home to 30 percent of the U.S. Hispanic population and four out of five have home prices above the national average.<sup>27</sup> For example, listing prices in the Los Angeles-Long Beach-Anaheim metro area, which has the largest Hispanic population (9.2 percent of the U.S. Hispanic population), are nearly three times the national average.

## HOME PRICES ABOVE THE NATIONAL AVERAGE IN 4 OF THE TOP 5 HISPANIC MARKETS

Hispanic population and median listing price per square feet by MSA

	HISPANIC POPULATION	SHARE OF HISPANIC POPULATION	MEDIAN LISTING PRICE PER SQ FT
United States	63.5 million	100%	\$221
Los Angeles-Long Beach-Anaheim, CA	5.8 million	9.2%	\$648
New York-Newark-Jersey City, NY-NJ-PA	5 million	7.9%	\$490
Houston-The Woodlands-Sugar Land, TX	2.9 million	4.6%	\$176
Miami-Fort Lauderdale-Pompano Beach, FL	2.8 million	4.5%	\$404
Riverside-San Bernardino-Ontario, CA	2.5 million	4.0%	\$327

SOURCE: U.S. CENSUS BUREAU, 2022 1-YEAR ESTIMATES AND REALTOR.COM, MEDIAN LISTING PRICE PER SQUARE FEET, 2023 ANNUAL AVERAGES, RETRIEVED FROM FRED, FEDERAL RESERVE BANK OF ST. LOUIS.



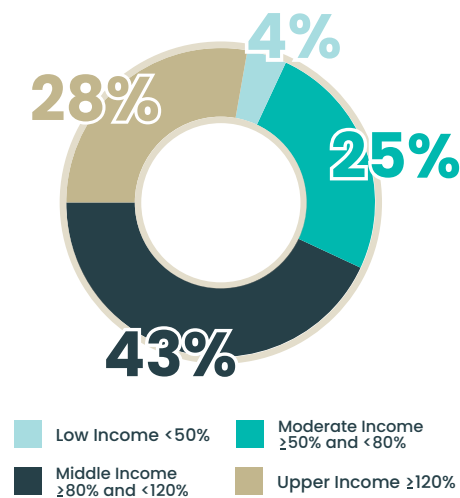
## HISPANICS PREDOMINANTLY INVEST IN MIDDLE-TO UPPER-INCOME NEIGHBORHOODS

Despite being concentrated in areas with higher-than-average housing costs, Hispanic homebuyers primarily purchase real estate in middle- to upper-income neighborhoods. In 2023, 71 percent of residential properties purchased by Hispanic buyers with a mortgage were located in middle- or upper-income census tracts,<sup>28</sup> while only 29 percent were in low- to moderate-income areas.<sup>28</sup> Although the barrier to entry is higher in these areas, the potential for greater real estate equity growth makes these investments worthwhile.

### HWP COMPONENT GOAL: INCREASE THE NUMBER OF LATINOS WHO OWN INVESTMENT PROPERTY

Real estate is one of the most stable long-term investments. While the housing market may experience short-term fluctuations, property values consistently

### SHARE OF HISPANIC PURCHASE ORIGINATIONS BY CENSUS TRACT (2023)



SOURCE: 2023 HOME MORTGAGE DISCLOSURE ACT (HMDA) DATA, ANALYSIS OF PURCHASE ORIGINATIONS BY ETHNICITY AND TRACT MEDIAN FAMILY INCOME (MFI).

increase over time. Recognizing this, the HWP has added a new component goal: to increase the number of Latinos who own investment properties.

In 2013, only 3.8 percent of Latinos owned investment properties, compared to 7.1 percent of the general population. Over the past decade, while the general population's rate of non-residential real estate ownership has decreased from 7.1 percent to 5.8 percent, the Latino community's rate has remained steady at 3.8 percent. Because the Latino population has grown during this time, this consistency represents an increase of nearly 70,000 Latino households owning these properties. In contrast, the general population's number of investment properties has decreased by over one million in the past decade. This modest but positive trend indicates that the Latino community is moving in the right direction.

### HWP COMPONENT GOAL: DOUBLE THE NUMBER OF HISPANIC REAL ESTATE AND MORTGAGE PROFESSIONALS

The presence of Hispanic professionals in the real estate and mortgage industries is critical for increasing Hispanic home and investment property ownership. Real estate is a relationship-driven industry, and potential homebuyers often rely on friends and family to find reliable professionals. As many Latino households have social networks largely made up of other Latinos, increasing the number of Latinos in these industries can increase the likelihood of Hispanic homebuyers finding the resources they need.

The availability of Hispanic real estate and mortgage professionals is also important for linguistic and

#### MYTH BUSTER:

**MYTH:** Hispanics predominantly purchase real estate in low-to moderate-income neighborhoods.

**FACT:** The majority (71 percent) of real estate purchases financed by Hispanic borrowers in 2023 were bought in middle and upper-income census tracts. Only 4 percent of Hispanic purchase originations last year were made in low-income census tracts.

cultural reasons. One in four Hispanic homebuyers completes the process entirely in Spanish,<sup>29</sup> making it essential for industry professionals to communicate effectively in Spanish. Additionally, the needs of Hispanic households may differ from other homebuyers. For example, because Latinos are more likely to live in multigenerational households,<sup>30</sup> they may prioritize features like an in-law suite or accessory dwelling unit (ADU) over location or amenities. Latino real estate agents and mortgage originators may better understand these needs than non-Hispanic professionals.

According to the National Association of REALTORS®, 10 percent of REALTORS® were Hispanic or Latino in 2023.<sup>31</sup> Although this is a slight increase from 9 percent in 2018, it still falls short of the Hispanic community's 19.1 percent share of the U.S. population.<sup>32</sup> Fortunately, the industry is diversifying: among REALTORS® with 16 or more years of experience, only 7 percent are Latino, whereas among those with two years of experience or less, 19 percent are Hispanic or Latino.

<sup>28</sup> A census tract is considered middle- to upper-income if the median family income (MFI) is equal or greater than 80% the area's (MSA) median family income. Conversely, a census tract is considered low- to moderate-income if the MFI is lower than 80%. Low-income census tracts are below 50%, upper-income tracts are 120% or greater.

From a lending perspective, diversity in the workforce has practical benefits. Research shows that having mortgage professionals who understand their client's language and culture reduces access barriers and improves loan performance for minority borrowers. A study by the National Bureau of Economic Research found that while minority borrowers are less likely to complete mortgage applications, have them approved, or close on mortgages, these disparities are dramatically

reduced when they work with minority mortgage originators.<sup>33</sup> Furthermore, default rates are lower for these loans. The same study used HMDA and NMLS data to estimate that only 8.9 percent of loan officers are Hispanic, which is also disproportionately low compared to Hispanic population rates. Given the relationship between minority loan officers and minority borrowers' access to credit, the number of Latino mortgage officers must be increased.

## POLICY RECOMMENDATIONS

While Hispanic homeownership has grown significantly over the past decade, notable barriers remain, particularly for first-time buyers. NAHREP's 2023 State of Hispanic Homeownership report identified several obstacles, including the broader housing affordability crisis, difficulties in gathering capital for down payments and closing costs, and challenges in accessing mortgage credit.<sup>34</sup> To address these barriers, the HWP recommends the following:

**Promote Policies That Increase Housing Affordability:** One major cause of the current housing affordability crisis is the limited supply of available housing. This shortage is largely due to aging existing housing stock and challenges in new construction, including zoning and permitting barriers, labor shortages, and NIMBYism.

Government and industry players should support policies that incentivize affordable housing development and preservation, such as zoning reforms, tax credits for developers, and funding for affordable housing initiatives. The HWP supports legislation and government programs aligned with these goals, including the Reducing Housing Regulatory Barriers Act, the YIMBY Act, the Pathways to Removing Obstacles to Housing (PRO Housing) Program, and the Thriving Communities Program.

In addition, current banking regulations, such as the 100 percent risk-weighting requirement for certain types of homebuilder finance, should be relaxed to lower the cost of building new homes. Despite market conditions, the Federal Reserve, FDIC, and the Office of the Comptroller of the Currency (OCC) still classify lending for single-family real estate as highly volatile. Regulators should reduce these artificial speed bumps to make funding more accessible and affordable, given the dire shortage of new homes for sale.

**Expand and Promote Down Payment Assistance (DPA) Programs:** Government agencies, lenders, and community organizations should work together to increase the availability and awareness of down payment assistance programs tailored to Hispanic homebuyers' needs. Culturally relevant financial education and counseling services are essential to these efforts, especially since many Hispanic homebuyers are unaware of the financial assistance programs available to them.<sup>35</sup>

**Expand the Adoption of Alternative Underwriting Methods:** Latinos face a number of barriers to accessing mortgage credit, including a disproportionately large share of non-W2 wage earners<sup>36</sup> (e.g., small business owners, gig workers, etc.) and high rates of credit invisibility.<sup>37</sup> Traditional underwriting methods, which rely heavily on W-2 income and credit scores, often overlook these potential borrowers. The GSEs and government-guaranteed mortgage market must continue advancing and adopting alternative underwriting methods, such as cash-flow or bank statement-based mortgages. These alternative financial data provide deeper insights into borrowers' income allocation, regularity of rental and utility payments, and other expenses, through their deposit and card accounts. This "cash flow" analysis provides a more comprehensive evaluation of their ability to repay a mortgage than traditional credit scores.



## COMPONENT GOAL 2: BUSINESS OWNERSHIP

1. Increase the number of Hispanic-owned employer firms to 600,000 or greater.
2. Achieve a 5% investment allocation of VC funding to Latino founders.

Business ownership is a critical pathway to wealth generation for the Hispanic community. In 2022, self-employed Latino households had 2.16 times the wealth of Latino households who worked for someone else.<sup>38</sup> Latinos are incredibly entrepreneurial, starting more businesses per capita than any other racial or ethnic group.<sup>39</sup> Business ownership also makes up a significant proportion of Hispanic household wealth. Business equity accounts for 17.8 percent of overall Hispanic household wealth, and self-employed Hispanic households have a median net worth of \$112,400 — nearly double the median net worth of Hispanic households overall.<sup>40</sup> However, not all businesses create the same level of wealth. To generate significant wealth, businesses must build equity, representing the company’s worth. Sole proprietorships, with only one owner/employee, have limited equity potential, usually limited to what’s held in the bank. In contrast, employer firms — those with at least one employee other than the owner — offer far greater potential for building equity over time and are more likely to scale, increasing profitability as they grow.

### HISPANIC-OWNED BUSINESSES ARE GROWING AT A FASTER PACE

Hispanic-owned employer firms are growing significantly faster than employer firms overall across multiple measures, including revenue, number of businesses, and employees. This trend is even more pronounced for Latina-owned employer firms, which outpace both Hispanic and women-owned employer firms by significant margins.

As of 2021, the most recent data available, there were 406,086 Hispanic-owned employer firms in the U.S., employing 3 million people and generating \$573 billion in revenue.<sup>41</sup> Since the U.S. Census Bureau started collecting data on employer firms in 2017, the number of Hispanic-owned employer firms has grown by 26.1 percent — ten times faster than the growth in employer businesses overall. During the same period, Latina-owned firms grew by 32.9 percent.

Similarly, Hispanic-owned businesses are outpacing the general market in terms of the number of employees and revenue. Between 2017 and 2021,

the number of people employed by Hispanic-owned businesses grew by 3.9 percent, even as overall employment declined. During this time, Hispanic and Latina-owned employer businesses saw revenue growth rates of 35.6 percent and 55.4 percent, respectively.<sup>42</sup>

It is important to note that employers in 2021 were still dealing with the impacts of the COVID-19 pandemic, with many states maintaining public health restrictions and mandates until mid-year. Despite those challenges, Hispanic and Latina-owned businesses continued to grow.

**MYTH BUSTER:**

**MYTH:** Very few Hispanic-owned businesses are employer firms.

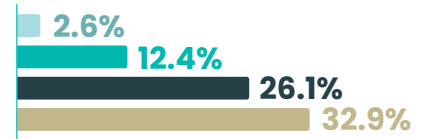
**FACT:** Hispanic-owned employer businesses are growing at 10x the rate of overall employer businesses. In 2021, there were over 400,000 Hispanic-owned employer businesses, employing 3 million people and generating \$573 billion in revenue.

### GROWTH IN EMPLOYER FIRMS

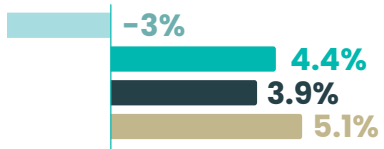
Percent change in number of firms, employees and revenue of employer firms by ethnicity and gender (2017 - 2021)



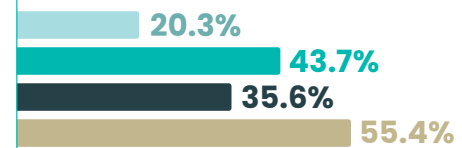
#### Number of Firms



#### Employees



#### Revenue



SOURCE: U.S. CENSUS BUREAU, 2022 AMERICAN BUSINESS SURVEY, STATISTICS FOR EMPLOYER FIRMS.

## ACCESS TO CREDIT REMAINS A CHALLENGE FOR HISPANIC-OWNED BUSINESSES

The growth and ability of a business to scale largely depend on access to capital, which remains a key barrier for many Hispanic-owned businesses. Preliminary data from the U.S. Census Bureau’s 2023 Annual Business Survey shows that Hispanic-owned employer firms are less likely than non-Hispanic firms to apply for financing, even when they need it, and are less likely to receive the financing they need when they do apply. According to the 2023 survey, just over a quarter (26.4 percent) of Hispanic-owned employer firms needed financing in 2022, but only half of those in need (13.1 percent) applied for it. In comparison, 16.6 percent of non-Hispanic-owned employer firms reported needing financing in 2022, with 9.7 percent applying for it.<sup>43</sup>

Hesitancy to apply for credit can stem from a variety of reasons, including a lack of established business relationships with financial institutions or knowledge gaps about available credit sources. However, a major factor may be the acceptance rate for credit applications; Hispanic businesses that do apply for credit are significantly less likely to receive the amount they need compared to their non-Hispanic counterparts. Among the Hispanic-owned employer firms that applied for new credit in 2022, only 29.1 percent received all the funding they needed, compared to 46.8 percent for non-Hispanic firms. At the same time, one in five (19.6 percent) received none of the funding they applied for.<sup>44</sup>

### HISPANIC-OWNED BUSINESSES ARE MORE LIKELY TO SEEK NON-BANK LENDING SOURCES

While traditional banks remain the number one source of business credit across all racial and ethnic groups,

## SHARE OF EMPLOYER FIRMS THAT APPLIED FOR NEW CREDIT BY LENDER TYPE AND ETHNICITY (2022)

	HISPANIC-OWNED FIRMS	NON-HISPANIC-OWNED FIRMS
BANK	64.8%	67.9%
FINANCE COMPANY	19.3%	17.3%
FINTECH/ONLINE LENDER	12.8%	9.9%
CREDIT UNION	9.2%	8.0%
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI)	6.1%	3.5%
OTHER	21.0%	18.4%

SOURCE: U.S. CENSUS BUREAU, 2023 AMERICAN BUSINESS SURVEY, FINANCE PRACTICES – TABLE 3

Hispanic business owners are more likely to seek out non-bank lenders when looking for financing. Data from the U.S. Census Bureau’s 2023 Annual Business Survey shows that Hispanic-owned employer firms, while less likely than non-Hispanic firms to apply for financing at a bank, are more likely to apply at finance companies or fintech/online lenders.<sup>45</sup>

### HWP COMPONENT GOAL: TRIPLE THE INVESTMENT ALLOCATION OF VC FUNDING TO HISPANIC FOUNDERS

Significant amounts of funding exist outside of traditional lending services in the form of venture capital (VC) for startups and small businesses with a great deal of potential. According to Axios, last year, venture capital firms disbursed \$170.6 billion to 15,766 startups last year.<sup>46</sup> However, very little of this funding goes to Hispanic founders, and the share may be declining. Despite Latinos starting more businesses per capita than any other racial or ethnic group, only 1.5 percent of venture capital funding went to Hispanic founders, down from 2.5 percent in 2021.<sup>47</sup>

The decrease in funding for Hispanic businesses is concerning given the already large discrepancy in funding across racial and ethnic groups and the fact that overall VC funding has declined. According to Crunchbase, the global investment community has implemented cutbacks across all funding stages in 2022 and 2023, making these years the lowest for venture funding since 2018.<sup>48</sup> Quite simply, there is less money available, and even less of it is reaching Hispanic founders.

### CREATING CONNECTIONS TO CAPITAL BY DIVERSIFYING THE INDUSTRY

Addressing the lack of diversity at venture capital firms may help address the disparities in Hispanic VC investment. According to the VC Human Capital Survey, as of 2022, 6 percent of VC investment professionals are Hispanic, up slightly from 4 percent in 2020 and 5 percent in 2018. The survey found that the share of Hispanic investment professionals varies significantly by firm size, firm age, and seniority of role. Smaller firms and those founded

within the last ten years are more representative than older, larger firms.<sup>49</sup>

The lack of representation in larger VC investment firms is concerning, particularly given that these firms manage significantly more capital than smaller ones. According to SomosVC, Hispanic investors make up only 1.6 percent of investment professionals at venture firms with more than \$100 million in assets under management,

while 79 percent of those firms have no Hispanic investors on their teams.<sup>50</sup> Increasing representation among VC professionals and bolstering funding for Hispanic innovators will catalyze the Hispanic startup ecosystem. A more representative investment workforce will be critical to advancing investment opportunities in Hispanic-owned businesses and creating real connections to capital.

## POLICY RECOMMENDATIONS

Latinos are the most entrepreneurial of all racial or ethnic groups. Yet, Hispanic business owners often face challenges when trying to grow and scale their enterprises, including difficulty accessing capital, securing government contracts, and finding mentorship opportunities. To address these barriers, the HWP recommends the following:

**Expand Access to Capital for Latino-Owned Businesses:** Latinos start new businesses at a higher rate than any other racial or ethnic group but often face significant challenges in securing loans to grow their companies.<sup>51</sup> Financial institutions and community development financial institutions (CDFIs) should partner to create loan products and credit lines specifically designed for Hispanic-owned businesses. These products could offer flexible terms, lower interest rates, and technical assistance to help businesses navigate the lending process.

**Improve Access to Government Development Contracts:** By increasing transparency in the demographic makeup of companies that receive federal, state, and local government projects, these governments can improve access for Hispanic-owned companies to secure government construction contracts. For example, the Small Business Administration (SBA) should expand reporting requirements to include disaggregated demographic data on federal contracts (and subcontracts where practicable) awarded to small business owners of color. Increasing transparency in government contracts is the first step toward a more equitable distribution of these projects.

**Strengthen Mentorship and Networking Opportunities:** The 2022 State of Hispanic Wealth Report found that mentorship is the number one resource Latino business owners need to grow their businesses. Community organizations (e.g., local chambers of commerce) should establish mentorship programs that connect aspiring Hispanic entrepreneurs with experienced business owners and industry leaders. These programs can provide guidance, support, and access to valuable networks, increasing the chances of business success and growth.







## COMPONENT GOAL 3: FINANCIAL ASSETS

1. Increase the share of Hispanic households owning non-cash financial assets (e.g., stocks, bonds, mutual funds, 401k accounts) to 50% or greater.
2. Increase the share of Hispanic financial planners and investment professionals by 30%.

Latinos are the youngest racial or ethnic demographic in the U.S., a significant advantage when building wealth through savings and investments. This is particularly true for investments that grow through the power of compound interest, where investing sooner can have a greater impact than investing more. Therefore, increasing the share of Hispanic households that own non-cash financial assets, and encouraging them to invest earlier, will significantly advance household wealth and help close the wealth gap.

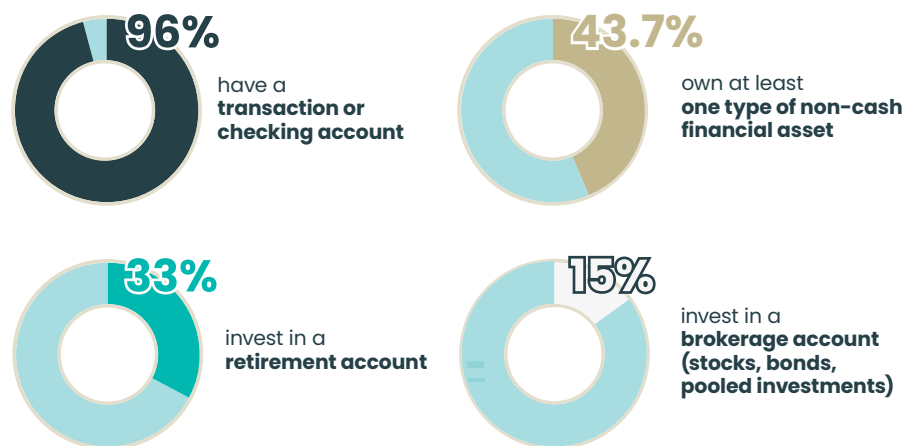
Beyond ensuring that Hispanic households participate in financial investments, it is critical to ensure that wealth portfolios are more balanced. Hispanic households tend to hold more wealth in non-financial assets, such as homes or businesses, making them more vulnerable to market disruptions. This lack of asset diversification led to disproportionate losses in Hispanic household wealth during the 2008 housing crisis. While lessons were learned in the aftermath, diversification among Hispanic household wealth has only marginally improved.

### HWP COMPONENT GOAL: INCREASE THE SHARE OF HISPANIC HOUSEHOLDS OWNING NON-CASH FINANCIAL ASSETS

As of 2022, fewer than half of Hispanic households owned financial investments, such as stock market-based investments, cash value life insurance, or retirement accounts. 7.9 million (43.7 percent) Hispanic households owned at least one type of non-cash financial asset.<sup>6</sup> Comparatively, 68.2 percent of the general population have at least one of these types of assets.<sup>52</sup> While Hispanic households are less likely to own non-cash financial assets, participation in these types of investments is growing modestly. Since the Hispanic Wealth Project's establishment in 2013, ownership of non-cash financial assets among Hispanic households has increased by 4.7 percentage points.<sup>53</sup>

Retirement accounts are among the most common non-cash financial assets for Hispanic households. In 2022, one in

### FINANCIAL ASSET OWNERSHIP AMONG HISPANIC HOUSEHOLDS



SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022. INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH.

three (33 percent) Hispanic households owned a retirement account, an increase of 5 percentage points from 2013.<sup>54</sup> Retirement accounts offer additional benefits in the form of tax advantages, as investments in traditional retirement accounts can reduce taxable income, with contributions and investment gains

untaxed until withdrawn. Non-retirement brokerage accounts have also seen significant growth among Hispanic investors. In 2022, 15 percent of Hispanic households held stocks, bonds, or pooled investments in a non-retirement account, more than double the share in 2013 (7 percent).<sup>55</sup>

<sup>6</sup>The Survey of Consumer Finances considers financial assets to include transaction accounts, certificates of deposits, savings bonds, bonds, stocks, pooled investments, retirement accounts, cash value life insurance, and other managed assets. For the purposes of this calculation, the Hispanic Wealth Project has included all asset categories, with the exception of transaction accounts.

While the rise of non-cash financial investment among the Hispanic community is promising, it has not yet led to sufficient asset diversification. In 2022, non-financial assets, such as homes and businesses, still made up nearly three-quarters (73 percent) of Hispanic household wealth. Comparatively, non-Hispanic White households have a more balanced wealth distribution, with 55.9 percent of their assets tied to non-financial sources.<sup>56</sup>

## THE UNTAPPED HISPANIC CONSUMER BASE FOR FINANCIAL SERVICES

While Latinos under-participate in retirement accounts and stock market investments, they largely access banking services. Nearly all (96 percent) Hispanic households have a transaction or checking account with a bank or other financial services provider.<sup>57</sup> This presents significant cross-selling opportunities for financial services companies that prioritize marketing to the consumers with whom they have existing relationships. Hispanic consumers, in particular, are loyal customers. Research by McKinsey & Company has found that, compared to the general population, Latino customers are more loyal to institutions they already work with when searching for new solutions like investment services.<sup>58</sup>

Research also suggests significant untapped business opportunities among Hispanic consumers, particularly in financial services. McKinsey & Company projects that financial services revenue from Hispanic households and small- to medium-sized businesses will grow from \$170 billion today to \$265 billion by 2030, accounting for 8 percent of the total financial services market share. Of the \$265 billion in projected revenue, \$240

billion will come from Latino households' use of banking, insurance, and wealth management products.<sup>59</sup>

## HISPANIC CONSUMERS USE TECHNOLOGY TO ACCESS FINANCIAL SERVICES

Financial technology, or "fintech," has exploded in popularity in recent years, particularly among Hispanic consumers. Innovative companies are entering the market with promises to streamline and revolutionize banking, financial management, lending, stock trading, and more. Hispanic consumers are the most likely of any racial or ethnic group to use some form of digital financial tool, with 92 percent reporting use, compared to 80 percent of the overall population.<sup>60</sup>

This readiness to adopt new technologies likely stems from several factors. First, Hispanics as a whole skew younger and may naturally gravitate toward newer technology. Research suggests that younger generations are more open to using banking technology overall. A study from FIS, a financial services technology

company, found that 32 percent of Millennials and 22 percent of Gen Z say they are likely to use banking services from a fintech or neobank in the next 12 months, compared to 13 percent of Gen X and 5 percent of Baby Boomers.<sup>61</sup>

Accessibility barriers, including a lack of brick-and-mortar financial services providers in their communities, language and cultural barriers, or systematic challenges like accessing credit or service fees, may also drive the Hispanic community's tendency towards fintech. Fintech companies, which are accessible regardless of location and often boast lower fees than traditional banks, appeal to these needs. Financial services providers that adopt technology in their products may be the most attractive to Hispanic consumers.

## HWP COMPONENT GOAL: INCREASE HISPANIC REPRESENTATION IN THE FINANCIAL SERVICES INDUSTRY BY 30%

Increasing Hispanic representation in the financial services industry has the potential to expand access to financial services products and encourage wider adoption. Research by the Urban Institute found that language and cultural barriers, along with a lack of trust in financial services providers, are two significant factors influencing Latino financial behavior. The study suggested expanding in-language services, creating culturally targeted programs, and diversifying the racial/ethnic makeup of staff at all levels as potential solutions.<sup>62</sup>

According to data from the Bureau of Labor Statistics, as of 2023, only 8.3 percent of financial and investment analysts and 8.6 percent of financial advisors were Hispanic.<sup>63</sup> While these

### MYTH BUSTER:

**MYTH:** A high percentage of Hispanics are unbanked and don't utilize financial services.

**FACT:** Almost all (96 percent) of Hispanic households have a transactional account, or checking account, with a bank or other financial services provider. Research suggests that Hispanics are more open to trying non-traditional financial services than other ethnic or racial demographics, with 92 percent of Hispanics utilizing some sort of fintech or digital financial tool.



figures do not yet reflect the overall Hispanic workforce, they have improved since the Hispanic Wealth Project's inception. In 2013, only 5.5 percent of financial analysts and 5.2 percent of financial advisors identified as Hispanic or Latino.<sup>64</sup>

The Hispanic Wealth Project aims to capitalize on this momentum by continuing to advance Hispanic

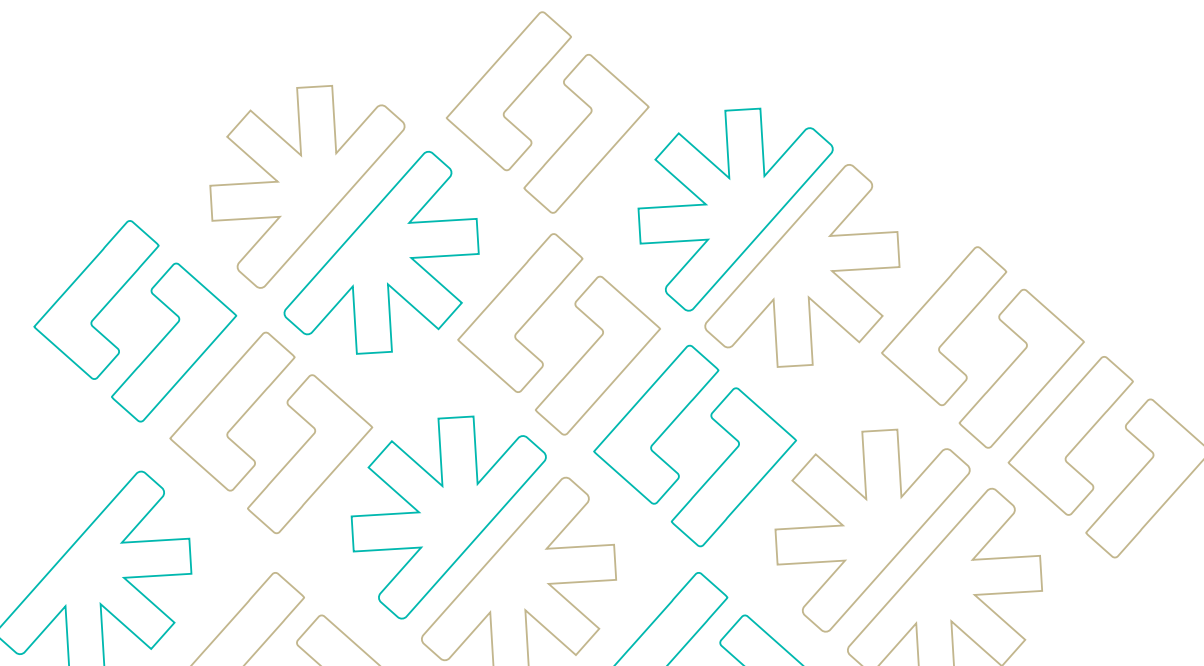
representation in the industry, targeting a 30 percent or greater increase in the share of Hispanic professionals. A more representative financial services workforce can promote financial literacy and build trust within the Hispanic community, ultimately leading to increased investment participation and wealth accumulation.

## POLICY RECOMMENDATIONS

While Hispanic household wealth is growing faster than any other racial or ethnic group, Latinos still participate in financial investments less frequently than others.<sup>65</sup> Language and cultural barriers, accessibility, and trust all play a role in Hispanic access to and adoption of financial services. To address these barriers, the HWP recommends the following:

**Simplify Investment Options:** The 2022 State of Hispanic Wealth Report identified a need for more culturally relevant education and financial advice on the fundamentals of the stock market and long-term retirement savings.<sup>66</sup> Financial institutions should partner with community organizations to create simplified, culturally relevant investment products and platforms that are accessible and easy for Hispanic investors to understand. In addition to specific product offerings, bilingual customer service and educational resources would reduce barriers to entry.

**Leverage Technology:** Financial service providers should utilize technology, especially mobile applications, to deliver financial education and investment tools directly to Hispanic individuals and families. Creating user-friendly interfaces, personalized investment recommendations, and interactive tools would make investing engaging and accessible.





## COMPONENT GOAL 4: ASSET PROTECTION

1. Increase the share of Hispanics with a will or trust to 30% or greater.
2. Increase the share of individuals in the NAHREP network with an estate plan to 75% or greater.

To effectively narrow the wealth gap, Hispanic households must not only build wealth but also protect it. To support this, the HWP has introduced new component goals focused on the next layer of the wealth-building ecosystem: maintaining wealth through asset protection and the generational transfer of wealth. A critical aspect of this is estate planning, which ensures that assets are protected and passed down effectively.

### HISPANIC HOUSEHOLDS UNDER-PARTICIPATE IN ESTATE PLANNING

Estate planning is a fundamental tool for building generational wealth, yet it remains underutilized across all demographics, particularly among Hispanic households. While research on estate planning participation by race and ethnicity is limited, existing data show that Hispanics are the least likely of any racial or ethnic group to have a will or estate plan. Depending on the data source, between 18 percent<sup>67</sup> and 23 percent<sup>68</sup> of Hispanic adults have a will, compared to 39 percent of non-Hispanic White Americans.

Research from the Center for Retirement Research at Boston College indicates that Black and Hispanic Americans are less likely to receive an inheritance, have a will, or plan to leave a bequest (a gift as part of a will or trust) to their beneficiaries. Even among those who do plan to leave a bequest, they are less likely to achieve their intended target, particularly without a will.<sup>69</sup> Having an estate plan improves outcomes for generational wealth transfer.

The disparity in estate planning can be attributed to numerous factors, including limited awareness of estate planning

#### MYTH BUSTER:

**MYTH:** Hispanics don't have enough wealth to pass to their heirs, so they don't need an estate plan.

**FACT:** Today, 1.2 million Hispanic households have a net worth of over \$1 million, making up a significant share of millionaires in the U.S. Similarly, a growing share of Hispanic households are considered high-income. In 2022, there were 641,000 households earning at least \$250,000 per year, accounting for 7.4 percent of households within that income bracket.

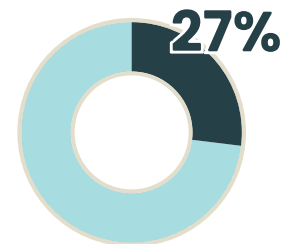
tools and benefits, cultural nuances, and language barriers. However, the importance of estate planning cannot be overstated, as it safeguards assets from potential risks and ensures their smooth transition to designated beneficiaries.

### MOST HISPANIC HOUSEHOLDS WOULD BENEFIT FROM AN ESTATE PLAN

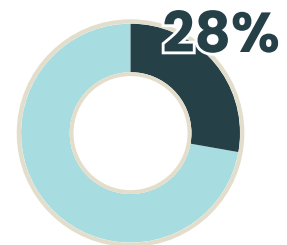
A common misconception surrounding estate planning is that it is only for the very wealthy, leading some individuals to

### REASONS GIVEN FOR NOT HAVING AN ESTATE PLAN

Of Hispanics that don't have a will...



27% say they don't have enough assets



28% think they are too young

SOURCE: CONSUMER REPORTS

believe they do not have enough assets to need one. According to Consumer Reports, 27 percent of Hispanics without a will feel they do not have enough assets to require one, and 28 percent feel they are simply too young.<sup>70</sup> In reality, the majority of Hispanic households would benefit from estate planning. While it is true that Hispanics

are significantly younger than their non-Hispanic counterparts, procrastination on estate planning could put billions of dollars in assets at risk. As of 2022, Hispanics collectively owned \$4.2 trillion in real estate assets, \$1.1 trillion in business assets, and \$2.2 trillion in cash and non-cash financial assets – a total of \$8 trillion in assets overall.<sup>71</sup>

Additionally, Hispanics make up a significant portion of high-net-worth and high-income households. Today, 1.2 million Hispanics have a net worth of more than \$1 million, making up a significant share of millionaires in the U.S.<sup>72</sup> Similarly, a growing share of Hispanic households are considered high-income households. In 2022, there were 641,000 Hispanic households earning at least \$250,000 per year, accounting for 7.4 percent of households in that income bracket.<sup>73</sup>

### TOTAL VALUE OF HISPANIC-OWNED ASSETS (2022)

Hispanics collectively own...

**\$8 trillion**  
In total assets

**\$4.2 trillion**  
in real estate assets

+

**\$1.1 trillion**  
in business assets

+

**\$2.2 trillion**  
in financial assets

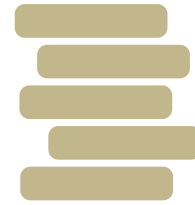
SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH.

## HISPANICS MAKE UP SIGNIFICANT SHARE OF HIGH NET WORTH AND HIGH INCOME HOUSEHOLDS



**1.2 MILLION**

Hispanic households have a **net worth of at least \$1 million.**



**641,000**

Hispanic households **earn an annual income of at least \$250,000.**

SOURCE: FEDERAL RESERVE SURVEY OF CONSUMER FINANCES, 2022 INFLATION-ADJUSTED DOLLARS, ANALYZED IN PARTNERSHIP WITH POLYGON RESEARCH AND U.S. CENSUS BUREAU, 2022 AMERICAN COMMUNITY SURVEY.

### EVEN AMONG WEALTHIER HISPANIC POPULATIONS, ESTATE PLANNING FALLS BEHIND

Even among wealthier and more financially savvy Hispanic households, estate planning is still lacking. The Hispanic Wealth Project’s parent organization, the National Association of Hispanic Real Estate Professionals (NAHREP), is a membership-based organization comprised of Hispanic professionals in the real estate and financial services industries. These professionals are not only well-versed in financial literacy through their businesses but also boast significantly higher rates of real estate and business ownership and participation in financial investments than the average Hispanic household. Yet, even among this group, only 39 percent report having an estate plan in place.<sup>74</sup>

### A FAILURE TO PLAN IS EXPENSIVE AND CAN EAT UP WEALTH IN AN ESTATE

Without an estate plan, surviving family members must use a court-supervised process called probate to distribute

assets to legal heirs. This process is both time-consuming and expensive. While probate costs vary by state, they are nearly always more expensive than setting up an estate plan. According to the American Academy of Estate Planning Attorneys, even with a will, probate costs in California can consume between 8 and 10 percent of the total estate value through statutory fees and legal costs, taking 12 to 24 months to complete in uncomplicated cases.<sup>75</sup> These costs, such as attorney fees, court costs, appraisal costs, surety bonds, and executor fees, are deducted from the estate, leaving less wealth for the intended beneficiaries.

### ESTATE PLANS ARE PARTICULARLY IMPACTFUL FOR TRANSFERRING WEALTH THROUGH PROPERTY INHERITANCE

Neglecting an estate plan puts massive amounts of wealth tied up in home equity at risk. Growing research highlights issues related to tangled titles and heirs’ property, where property owners fail to designate an heir or when ownership is left to multiple heirs. If

these issues go unresolved, title issues become more complicated with each successive generation. Without a clear title, homeowners cannot access critical resources to sell, maintain, or insure their property, and in some cases, this can lead to a forced sale at below-market rates.

### **TANGLED TITLE AND HEIRS' PROPERTY IMPACT A SIGNIFICANT SHARE OF HOUSEHOLDS**

According to research by Fannie Mae, more than 580,000 properties, totaling over \$32 billion in assessed value, are at risk of containing or already contain heirs' property or tangled title issues.<sup>76</sup> These national estimates are conservative, given the limitations on data collection in several states. Furthermore, these estimates do not include data on Puerto Rico, where a large percentage of homes have been passed down generationally without formal subdivision.

The issue of tangled titles in Puerto Rico was highlighted after Hurricane Maria in September of 2017, when 92 percent of properties on the island were damaged. According to the American Bar Association, of the 1.1 million applications for Federal Emergency Management Agency (FEMA) assistance, 40 percent were denied, primarily because applicants could not demonstrate ownership of their homes.<sup>77</sup>

### **ESTATE PLANNING CAN HELP MITIGATE TAX BURDENS ON DESCENDANTS**

Estate planning tools can also help mitigate tax burdens on descendants. While the federal estate tax exemption is quite high and will not apply to the majority of estates (\$13.61 million for single individuals<sup>78</sup>), estate taxes at the state level vary dramatically. In 2024, thirteen states have estate taxes, and six tax inheritances, many with significantly lower exemption thresholds than the federal government. For example, Massachusetts imposes estate taxes on estates valued over \$2 million.<sup>79</sup> Given that all cash and financial assets, real estate, insurance policies, trusts, annuities, business interests, and other assets are included in the computation of an estate, many individuals may find their estate exceeds their state's exemption thresholds.

### **HWP COMPONENT GOALS: INCREASING ASSET PROTECTION AND GENERATIONAL WEALTH TRANSFER THROUGH ESTATE PLANNING**

The Hispanic Wealth Project is committed to increasing the percentage of Hispanics who have a will to 30 percent or greater and increasing the share of individuals in the NAHREP network with an estate plan to 75 percent or greater by 2034. This initiative aims to empower the Hispanic

community by providing education and resources on estate planning, breaking down cultural barriers, and offering accessible legal assistance.

Real estate professionals and financial services providers are influencers within their communities, often guiding clients through the largest financial transaction of their lifetime: purchasing a home. Due to the nature of their work, these professionals are often viewed as resources for their clients' financial needs beyond real estate transactions. By educating and encouraging participation in estate planning, these professionals can create a ripple effect within the Hispanic community at large. Promoting a comprehensive understanding of estate planning and its significance will facilitate the seamless transfer of wealth across generations, fostering long-term financial security and prosperity for Hispanic families.

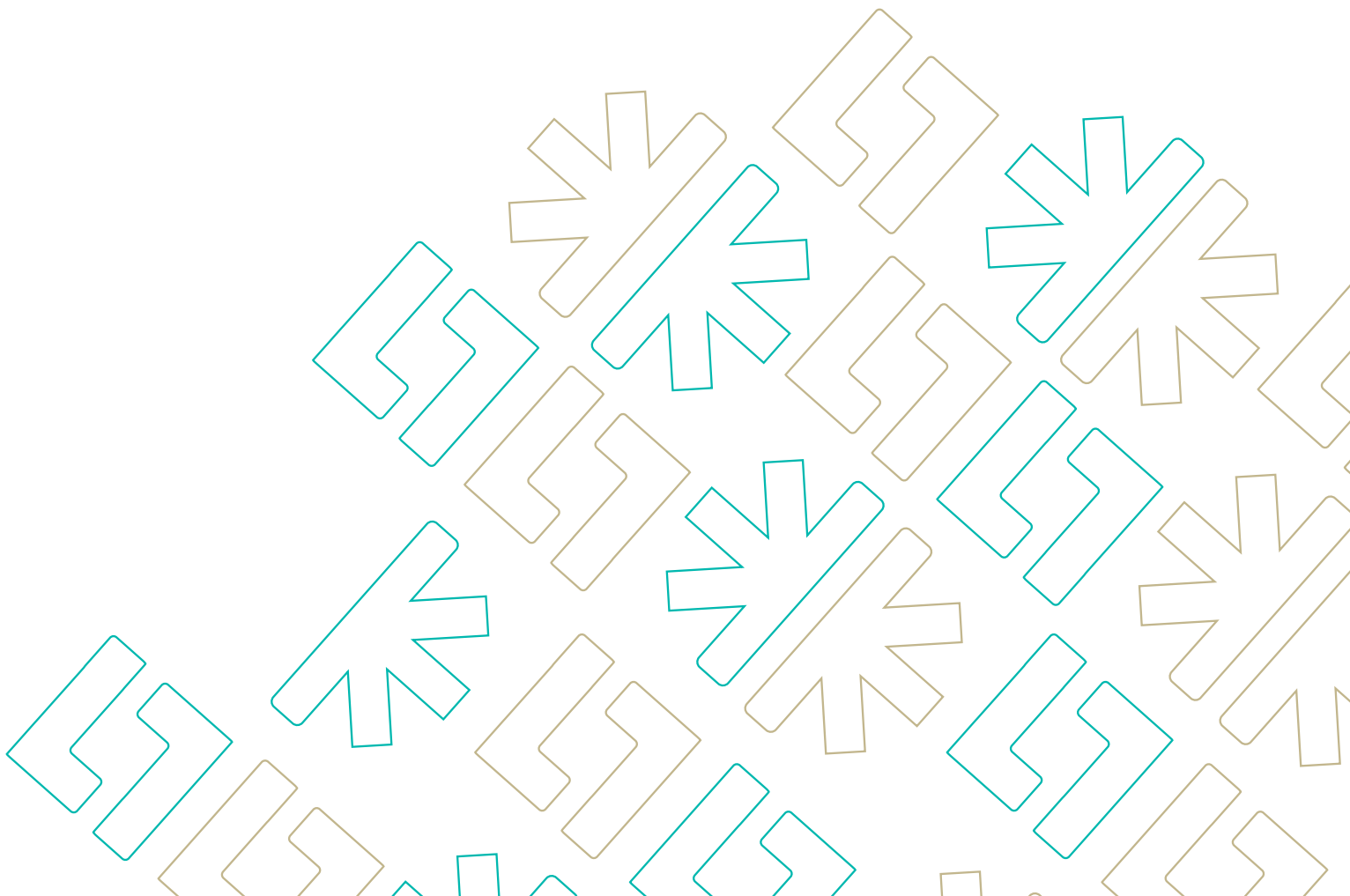
## POLICY RECOMMENDATIONS

As Hispanic household wealth grows, so does the need for families to protect their assets. While a lack of understanding of estate planning and asset protection is not unique to the Hispanic community, certain methods can increase these practices among Latinos. To address these barriers, the HWP recommends the following:

**Increase Awareness and Education:** Community organizations and financial institutions should launch targeted campaigns to raise awareness about the importance of estate planning within the Hispanic community. Culturally relevant messaging is important for these initiatives, and educational resources should be offered in both English and Spanish.

**Provide Affordable Legal Services:** Community organizations and financial institutions should partner with legal aid organizations and pro bono attorneys to offer affordable or free estate planning services to Hispanic individuals and families. Hosting legal clinics, providing online resources, and simplifying the estate planning process would make asset protection more accessible to the Hispanic community.

**Address Cultural Barriers:** Advocates for protecting Hispanic wealth must acknowledge and address cultural barriers that may hinder estate planning. Community leaders, religious institutions, and trusted figures should promote open conversations about death and legacy planning among the Latino community. Emphasizing the importance of protecting assets and providing for loved ones is critical to increasing engagement with various methods of asset protection.



## APPENDIX A: HISPANIC WEALTH PROJECT PROGRAMS & INITIATIVES

### NAHREP 10 PRINCIPLES

Introduced by NAHREP CEO Gary Acosta in January 2016, the NAHREP 10 outlines ten principles designed to provide members with a roadmap for pursuing wealth and prosperity in all aspects of their lives.

The principles take a holistic approach, encompassing prosperity in the financial, professional, social, political, physical, and familial arenas. As part of NAHREP's commitment to the HWP blueprint and goals, the NAHREP 10 serves as key content for national and chapter events. Members who apply these principles in their daily lives often achieve success both personally and professionally.

Since 2016, the NAHREP 10 disciplines have been visited online nearly 35,000 times and shared at countless formal and informal events.

### NAHREP 10 CERTIFIED TRAINERS

The NAHREP 10 Certified Trainers program, launched in 2019, equips NAHREP leaders with the framework and tools to advance financial knowledge within their communities. Certified Trainers make a nationwide impact through in-person events, virtual workshops, and media engagements, extending the reach of the NAHREP 10 beyond the organization's network. They serve as educators, influencers, and stewards of the prosperity principles, identifying and addressing the most pressing financial needs in their communities and meeting people where they are on their financial journey.

The extended curriculum, resources, and ongoing trainings equip Certified Trainers

to amplify their impact and reach new audiences. Since the program's founding, 117 Certified Trainers have conducted 1,003 live workshops, reaching 50,330 people across the country. These Trainers have surpassed 304,400 impressions nationwide through radio interviews, podcasts, social media, and other media engagements.

### ANGEL COMMUNITY

Launched in 2022, the HWP Angel Community aims to increase Latino participation in Angel Investing. The community brings together seasoned Angels and VC Investors, Emerging Angels, and individuals looking to diversify their investment portfolios. It provides members with access to education and a support network for deal flow, connecting them with fellow members, founders, and VC leaders. In 2024, the community started welcoming non-accredited investors, supporting members in completing the Series 65 exam to become accredited investors. Since its launch, the program has welcomed 54 members to the community.

### NAHREP REACH LABS

The NAHREP REACH Labs, launched in 2023, helps NAHREP's network of over 40,000 real estate practitioners connect more deeply with the startup ecosystem. The program's in-person and virtual innovation showcases offer select PropTech and FinTech startups a platform to present their products to members and industry leaders, helping attendees adopt new technologies to better serve their clients. Since its launch,

REACH Labs has hosted five Innovation Showcases featuring 11 innovative real estate solutions.

### ACCELERATOR

The HWP Accelerator, launched in 2024, empowers Latino founders to take their startups to the next level. The six-week program equips participants with the skills and insights needed to navigate the complexities of building and scaling a successful business.

The curated curriculum offers a holistic approach to entrepreneurial growth, with sessions focused on leadership development, fundraising, team growth, and more. Founders gain access to mentorship, learning opportunities, and a supportive community to help them on their entrepreneurial journey. The program's first cohort, announced in September 2024, welcomed Latino founders from San Diego, California.

### INVESTMENT CLUBS

Launched in 2024, the HWP Investment Clubs bring together individuals interested in investing and building wealth through real estate, the stock market, and venture capital opportunities. The localized groups meet monthly to brainstorm investment ideas, share research, and network with fellow investors. Discussions foster learning among peers and empower members to pursue new investment opportunities and diversify their portfolios. New Investment Clubs are launching in three markets in late 2024.



HISPANIC  
WEALTH  
PROJECT



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# ↑ 2024 TOP LATINO-OWNED BUSINESS LIST ↑

# MORTGAGE LENDING

## Paramount Residential Mortgage Group (PRMG)

Corona, CA

**Name:** Paul Rozo

**Years in Business:** 23

**Revenue:** \$200 - \$300 million

### About

Faith, Family, Health, and Work are the four pillars of PRMG, reflecting the company's principles and core values. For over 20 years, PRMG has built a legacy as a nationally recognized leading lender in the mortgage industry, helping thousands of borrowers purchase and refinance their homes across the country. Built on a foundation of trust earned over time, PRMG has established a dedicated and loyal following of employees, customers, vendors, and thousands of borrowers nationwide.



## Up & Coming Businesses

### Over \$1 million

**Pryma Lending Group**  
Monica & Luiz Serva

**Elite One Mortgage**  
Maria Looney

**Co/LAB Lending**  
Andres Munar

**UpMortgage**  
William & Claudia Caballero

**Rely Home Loans**  
Manfret Roesner

### Over \$500,000

**Capital Financial Lending**  
Haydee Columbie

**Anova Mortgage**  
Anna Ivette Morales

# REAL ESTATE BROKERAGES

## Up & Coming Businesses

### Over \$4 million

**ClearView Realty**  
Marisela Harper & Russell

**Nan and Company Properties**  
Nancy Almodovar

**United Realty Group**  
Pablo Covarrubia

**Mi Casa Real Estate**  
Joe Castillo

**Redbird Realty**  
Jeff Garza

**RE/MAX Executives**  
Yuri Blanco

**The Valenzuela Real Estate Group**  
Ignacio & Marcia Valenzuela

**Century 21 LOTUS**  
Edwin & Claudia Acevedo



## RE/MAX Advantage Nashville, TN

**Name:** Debra Beagle

**Years in Business:** 9

**Revenue:** \$20 - \$30 million

### About

We are the #1 RE/MAX team in the world. Our core values are innovation, we embrace change, and seek new ways that help us improve and best serve our clients and community. We are solution oriented, we set others up for success, and are community and service oriented. We act with compassion toward our clients, partners, business associates, and team members in support of the greater good for our community. We provide the best service and are principled to act at the highest level of integrity and purpose in everything we do.



## Realty of Chicago Berwyn, IL

**Name:** Eduardo "Eddie" Garcia

**Years in Business:** 12

**Revenue:** \$10 - \$15 million

### About

At Realty of Chicago, we prioritize our clients by embracing their unique needs and delivering a real estate experience tailored to their lifestyles. We are passionate about helping our clients achieve the American Dream. Many come to us unsure if homeownership is within their reach, and we are dedicated to making it possible. We emphasize that they are not alone; they are part of a supportive team. We guide them through every step of the home-buying process, offering assistance and reassurance along the way.



# REAL ESTATE SERVICES & INSURANCE



## Virtual Latinos San Diego, CA

**Name:** Jaimie Nacach

**Years in Business:** 6

**Revenue:** \$15 - \$25 million

**About**

At the heart of Virtual Latinos are our core values: Passion for helping others thrive, a drive for growth, an exceptional and compassionate attitude, and dedication to the Virtual Latinos family. We are motivated by the belief that talent knows no borders and are committed to bridging the gap between North American businesses in need of support and talented Latin professionals seeking meaningful work opportunities.

## Up & Coming Businesses

### Over \$1 million

**Silverio Insurance Group**  
Evan Silverio

**Chavez Insurance & Financial Services Inc**  
Guillermo Chavez

**MGO Holdings**  
A.T. Almeida

### Over \$500,000

**Indoor Quality Services**  
Pablo Maique Jr.

**Clear 2 Close Processing**  
Claudia Zaker & Mauricio Perez-Vazquez

**Berrios Investment Group**  
Grecia Berrios & Carlos R. Hernandez

## BRZ Insurance Framingham, MA

**Name:** Tiago Prado, Rodolpho Sanz, Eucimar Raposo, and Monica Adwani

**Years in Business:** 8

**Revenue:** \$5 - \$10 million

**About**

At BRZ Insurance, LLC, our mission transcends traditional business objectives; we are profoundly dedicated to the empowerment and advancement of the Latino community. As a tech-based independent agency, our unique approach combines cutting-edge technology with a deep-rooted understanding of the cultural nuances and needs of Hispanic individuals and businesses.



## Truview Inspection Miami, FL

**Name:** Luis Perez

**Years in Business:** 7

**Revenue:** \$3 - \$5 million

**About**

In the home Inspection industry, scaling a business to our size and revenue is rare. We are proud to have 20 home inspectors in the State of Florida. We have been the first in the industry to implement many technological aspects, such as immediate report delivery, videos with inspection reports, and 360 photos in our inspection reports.

## TITLE & ANCILLARY SERVICES

### Novation Title Salt Lake, UT

**Name:** Nuria Rivera

**Years in Business:** 8

**Revenue:** \$2 - \$4 million

#### About

We have redefined the closing experience, focusing on a people-first approach. Our innovative ideas bring major value to our clients and community and are often adopted by other title companies, both locally and nationally. Nuria set out to make an impact in an industry that was very outdated and she has. Our clients feel seen, and our agents and lenders know we bring major value to their growth, creating an unforgettable closing experience.



### Up & Coming Businesses

#### Over \$1 million

**Safekey Title & Closings**  
Julie Gonzalez Cohen

#### Over \$500,000

**Ethos Escrow Inc.**  
Ronnie Montana & Dulce Sanchez

**Marina Vista Escrow**  
Claudia Zaker & Mauricio Perez-Vazquez

**Leticia Herrera Agency**  
Leticia Herrera

**805TITLE**  
Sergio Gonzalez

## 2024 TOP LATINO-OWNED BUSINESS LIST



### Background

The National Association of Hispanic Real Estate Professionals® (NAHREP®) and the Hispanic Wealth Project are proud to present their second installment of the Top Latino-Owned Business List. This annual report showcases emerging business leaders based on their industry sector and gross revenue during their previous fiscal year. This year's list features 7 businesses and 25 up-and-coming businesses with a combined total of \$438 million in revenue. The Top Latino-Owned Business List recognizes businesses that represent the entrepreneurial spirit of the Hispanic community and their contributions to advancing Latino homeownership. NAHREP and the Hispanic Wealth Project highlight companies in mortgage lending, real estate sales, insurance, real estate services, and title and ancillary services. Congratulations to the Top Latino-Owned Businesses on their success!

### Methodology

The Top Latino-Owned Business List is compiled through a self-nomination process that reflects gross revenue from the businesses' previous fiscal year. Businesses are divided into residential real estate industry sectors and revenue ranges. Nominees are required to submit a signed letter from their CPA or other appropriate body to validate their submitted gross revenue. Once received, NAHREP reviews the nomination data for accuracy and seeks further information from the candidates when necessary. Nominations may be disqualified or modified where third-party validation is not available or consistent. Ethnic background is confirmed through self-attestation.

7 TOP LATINO-OWNED BUSINESSES

25 UP & COMING BUSINESSES

\$438 MILLION IN COMBINED REVENUE



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 **2024 TOP**  
**LATINO-OWNED**  
**BUSINESS LIST** 

## END NOTES

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