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Abstract

In the current research, we provide a first step at broadening our understanding of the sources of both housing and wealth inequality by studying the differential determinants of the value of housing equity among African Americans, Asian Americans, Mexican Americans, and non-Hispanic Whites in the United States. Using data from the Survey of Income and Program Participation (SIPP), we find substantial and significant race/ethnic gaps in housing equity even after controlling for a wide range of locational, life cycle, socioeconomic, family, immigrant, and market/contextual characteristics. Further, socioeconomic, life cycle and metropolitan housing market factors affect home equity for non-Hispanic Whites but, except for income, do not consistently influence equity accumulation for the three minority groups. And the returns to income are notably smaller for Blacks and Mexican Americans than for whites. These findings lend credence to the burgeoning stratification perspective on wealth and housing inequality which acknowledges the importance of broader social and institutional processes of race/ethnic stratification that advantage some groups, Whites in this case, over others.