REINVESTMENT FUND

Understanding Differences In Racial and Ethnic Labor Force Representation and Compensation In Real Estate-Related Occupations; 2012-2022

Ira Goldstein

May, 2024

About Reinvestment Fund

We are a national mission-driven financial institution that creates opportunity for underserved people and places through partnerships. We marshal the capital, analytics, and expertise necessary to build strong, healthy, and more equitable communities.

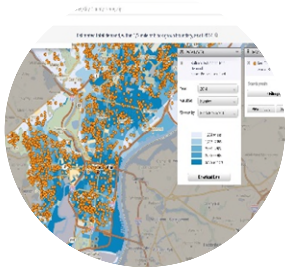
Since 1985, Reinvestment Fund has made **$2.7 billion** in cumulative investments and loans.

We are supported by **830 investors** that include individuals, foundations, religious institutions, financial institutions, civic organizations and government.

How We Work

Lending and Investing

Policy Solutions



Programs & Capital Access

REINVESTMENT FUND

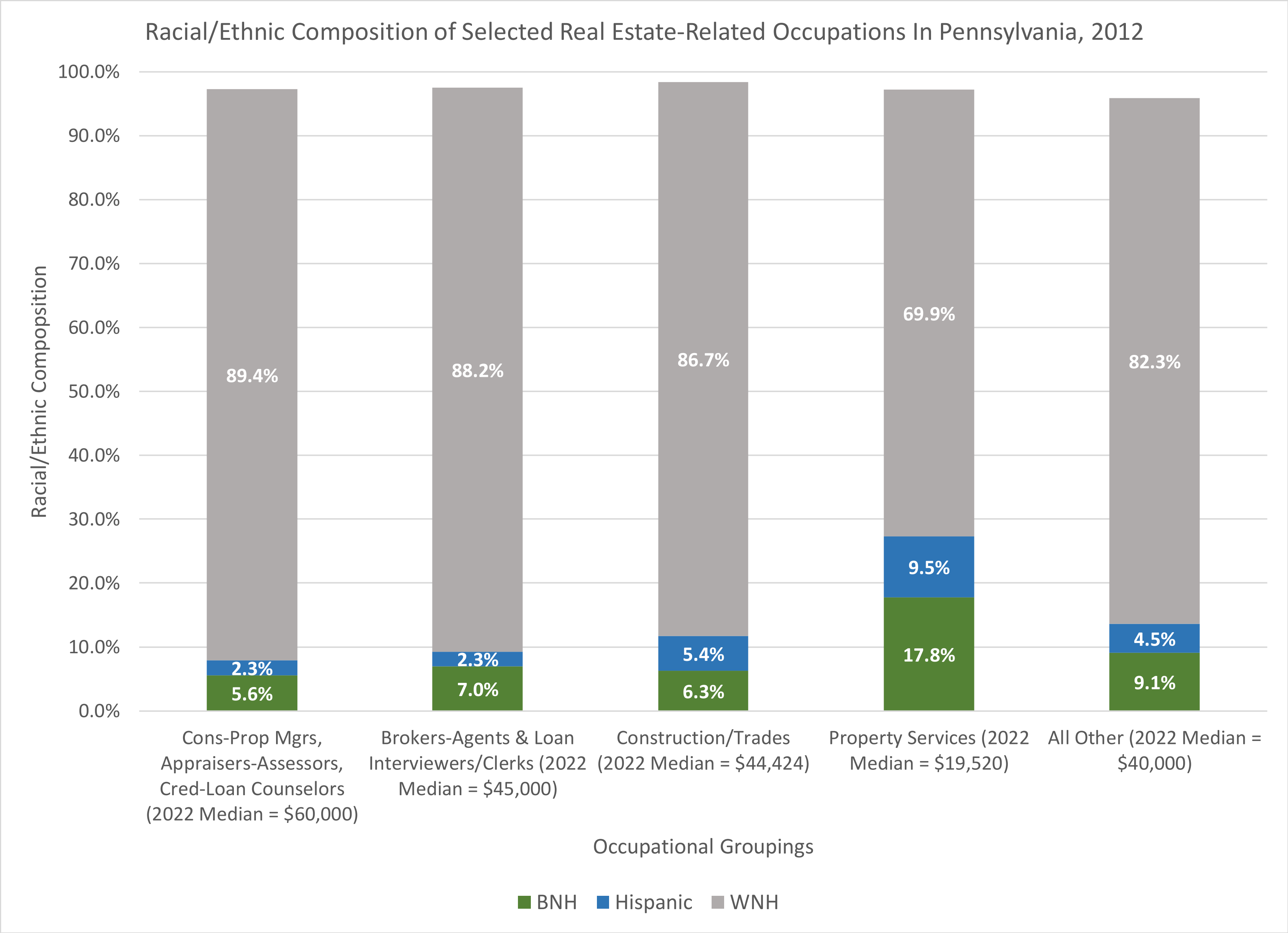
Racial/Ethnic Representation In Real Estate-Related Occupations

Reinvestment Fund's Policy Solutions Group analyzed data from the American Community Survey 5-year Samples (2007-2012, 2013-2017, and 2018-2022), inclusive of people 21+ years of age for whom an occupation was reported.

Hereafter, Black workers are those who identify as Black and not Hispanic. White workers are White and not Hispanic. Hispanic identify as Hispanic of any race.

REINVESTMENT FUND

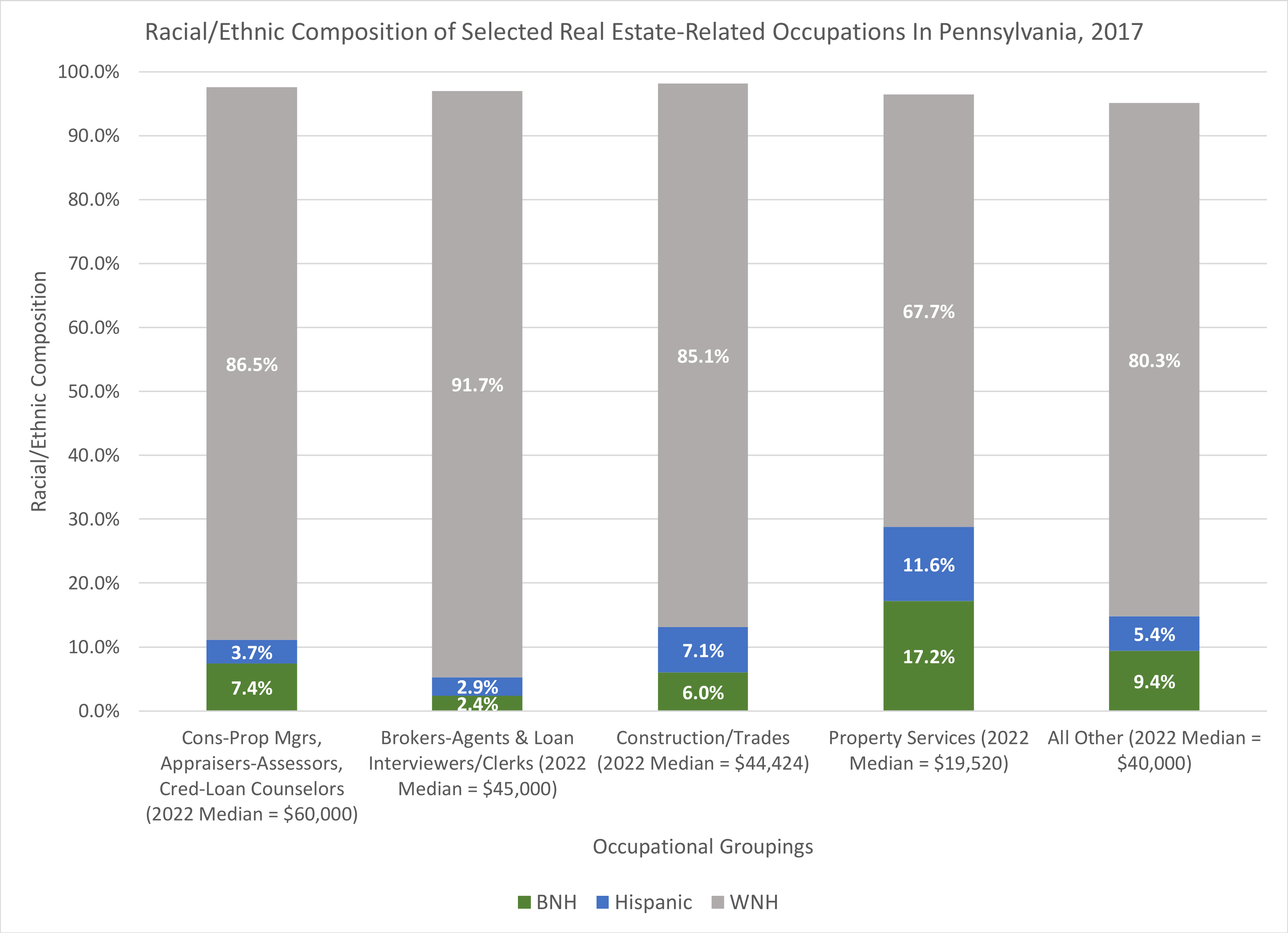
In 2012, outside of the real estate-related occupations, Black workers comprise 9.1% of the workforce; Hispanics, 4.5%. Workers of color are substantially over-represented only in Property Services – the lowest paying occupational group.



In 2017, outside of the real estate-related occupations, Black workers comprise 9.4% of the workforce; Hispanics, 4.5%. Still, only in Property Services are workers of color substantially over-represented.

Occupations were selected wherein the nature of the work (and the occupational title) reflected a connection to the real estate market.

Occupations were put into broad groupings reflective of similarity in work activities.

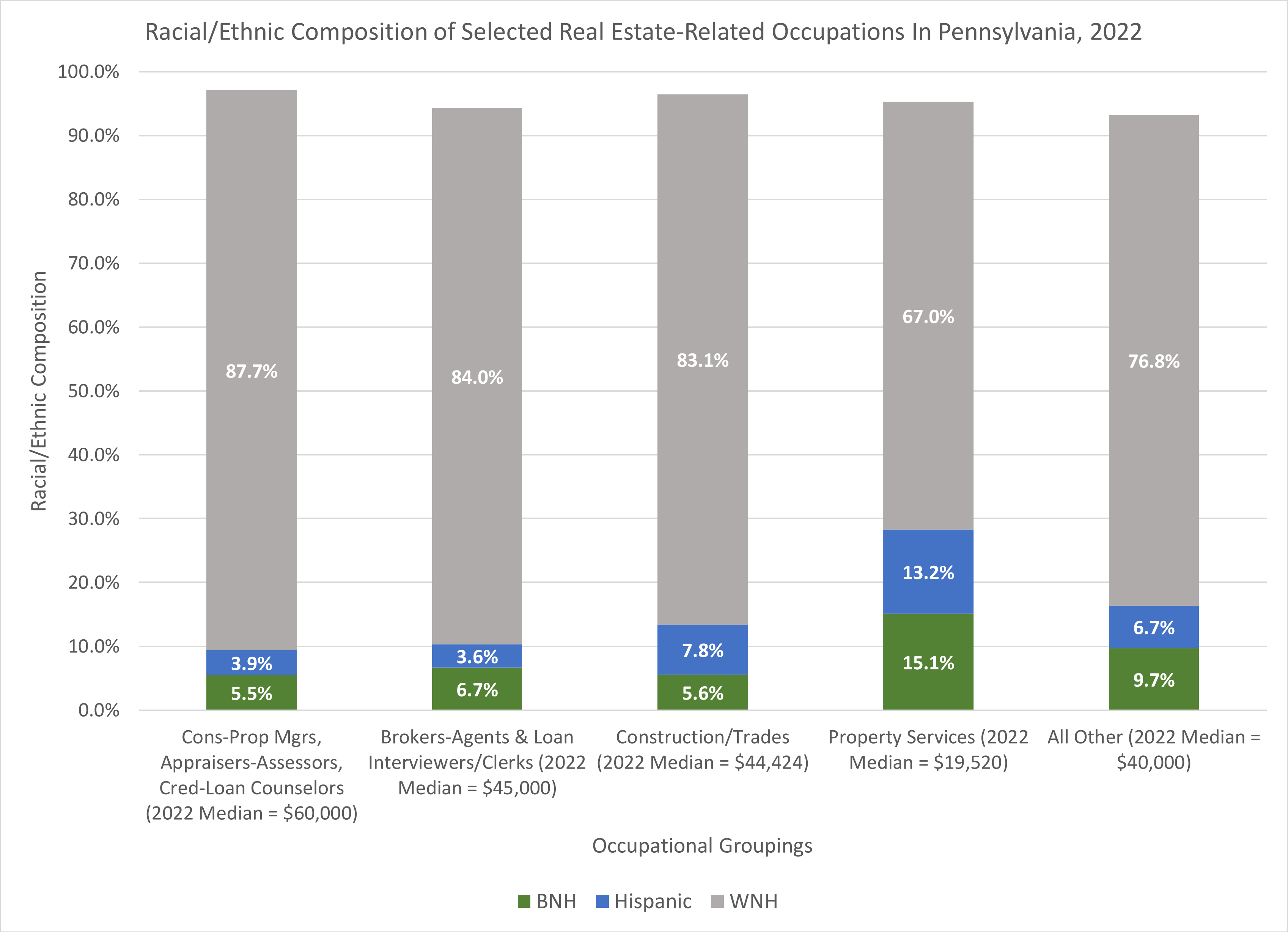


REINVESTMENT FUND

In 2022, the picture is much the same. Outside of the real estate-related occupations, Black workers comprise 9.7% of the workforce; Hispanics, 6.7%. Still, only in Property Services are workers of color substantially over-represented.

Occupations were selected wherein the nature of the work (and the occupational title) reflected a connection to the real estate market.

Occupations were put into broad groupings reflective of similarity in work activities.



REINVESTMENT FUND

In PHFA's Southeast Region, White workers are substantially under-represented in Property Services; workers of color are substantially overrepresented in these occupations. Hispanic workers also make up a disproportionate and growing share of construction/trade workers.

Property services occupations, (inclusive of housekeeping, janitors, landscaping/ groundskeeping), where people of color are over-represented, pay well below other real estate-related occupations and below what is typical of "all other" occupations.

	Racial/Ethnic Composition of the Occupational Groupings (Southeast PHFA Region)								
	2012 WNH	2017 WNH	2022 WNH	2012 BNH	2017 BNH	2022 BNH	2012 Hispanic	2017 Hispanic	2022 Hispanic
Cons-Prop Mgrs, Appraisers-Assessors, Cred-Loan Counselors (2022 Median = $60,000)	82.2%	78.0%	81.8%	10.1%	13.2%	9.4%	3.7%	4.4%	5.4%
Brokers-Agents & Loan Interviewers/Clerks (2022 Median = $45,000)	82.3%	88.0%	76.7%	12.0%	4.3%	11.9%	2.5%	4.1%	2.7%
Construction/Trades (2022 Median = $44,424)	74.2%	72.0%	67.6%	13.3%	12.6%	12.4%	9.6%	11.9%	14.3%
Property Services (2022 Median = $19,520)	43.4%	42.5%	40.6%	38.0%	35.4%	32.3%	14.7%	16.8%	19.4%
All Other (2022 Median = $40,000)	68.3%	65.9%	62.9%	18.7%	19.1%	19.0%	5.7%	6.5%	7.4%

Note: pay is defined to include income from wages and salaries as well as business income.

REINVESTMENT FUND

Property services occupations, (inclusive of housekeeping, janitors, landscaping/ groundskeeping), where people of color are over-represented, pay well below other real estate-related occupations and below what is typical of “all other” occupations.

In PHFA’s Southwest Region, White workers are under-represented in Property Services; Black workers are substantially overrepresented in these occupations.

	Racial/Ethnic Composition of the Occupational Groupings (Southwest PHFA Region)								
	2012 WNH	2017 WNH	2022 WNH	2012 BNH	2017 BNH	2022 BNH	2012 Hispanic	2017 Hispanic	2022 Hispanic
Cons-Prop Mgrs, Appraisers-Assessors, Cred-Loan Counselors (2022 Median = $60,000)	91.4%	91.7%	90.0%	5.9%	6.4%	5.7%	0.9%	0.7%	1.3%
Brokers-Agents & Loan Interviewers/Clerks (2022 Median = $45,000)	91.6%	95.1%	93.3%	5.7%	0.9%	3.1%	0.7%	1.7%	0.8%
Construction/Trades (2022 Median = $44,424)	93.8%	92.2%	91.4%	4.3%	5.3%	4.0%	0.8%	1.2%	2.1%
Property Services (2022 Median = $19,520)	79.2%	76.5%	78.1%	16.6%	17.1%	15.2%	1.1%	3.0%	2.7%
All Other (2022 Median = $40,000)	88.5%	87.6%	85.2%	7.2%	7.2%	7.3%	1.2%	1.5%	1.8%

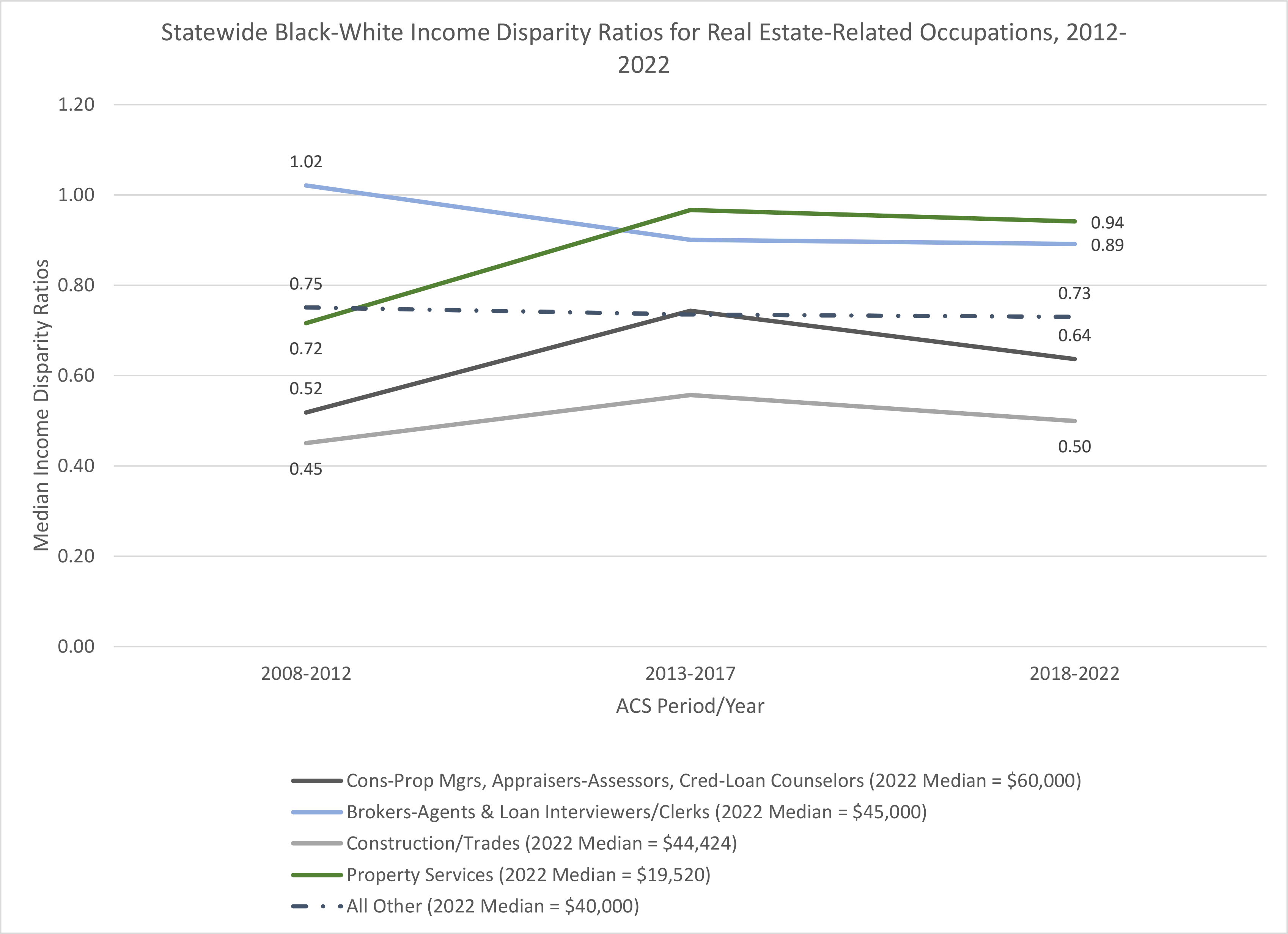
Note: pay is defined to include income from wages and salaries as well as business income.

REINVESTMENT FUND

Racial/Ethnic Differences in Wages, Salaries and Business Income

Black workers are paid closest to White workers among Brokers-Agents/Loan Interviewers and Clerks, and Property Services occupations among real estate-related and all other occupations; no discernible workforce-wide trend between 2012 and 2022.

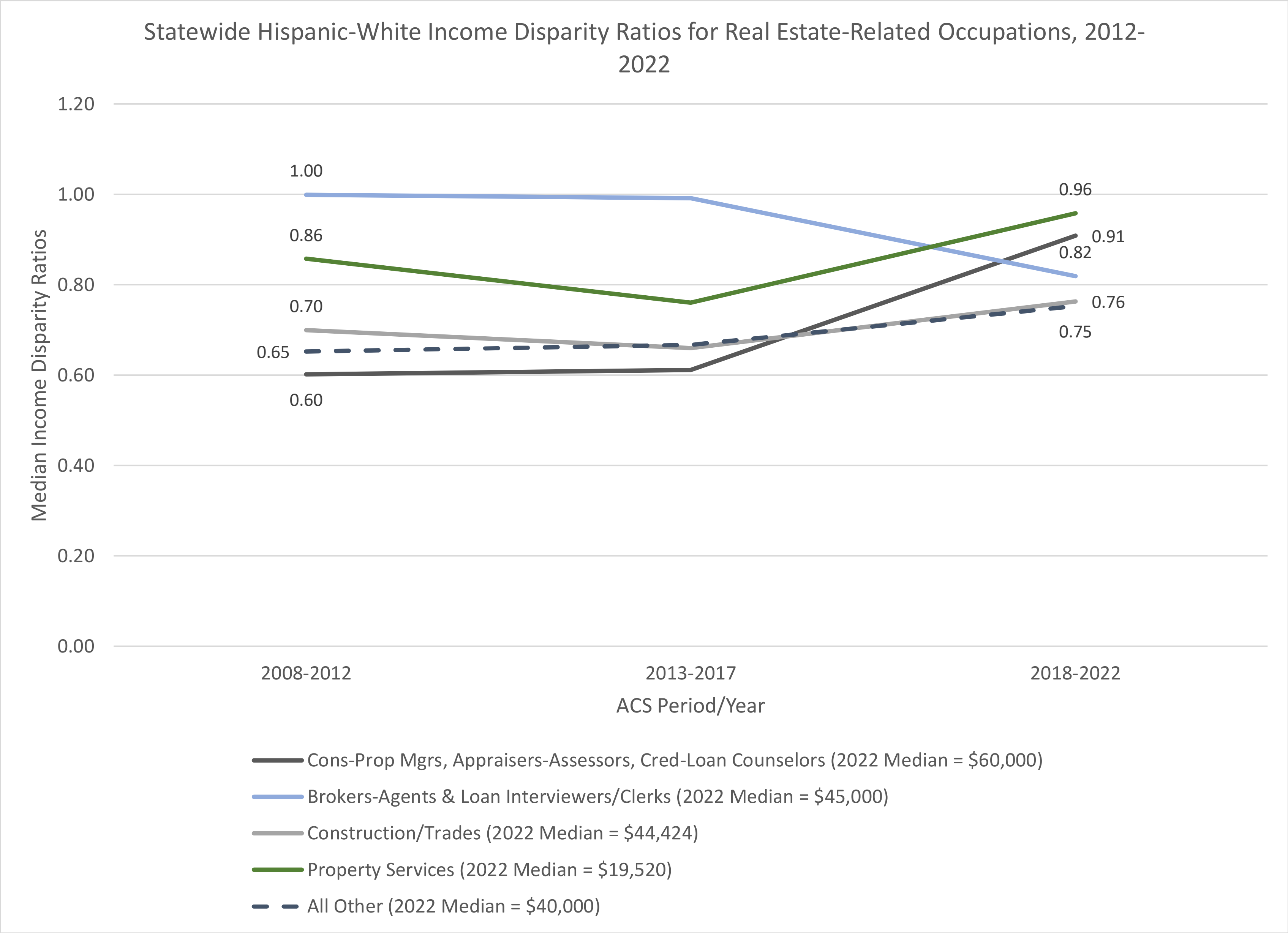
Income disparity ratios are the ratio of Black median earnings to White median earnings. Values under 1.0 represent Black earnings below that of White workers in that occupation. Ratios closest to 1.0 represent wage parity.



REINVESTMENT FUND

Income disparity ratios are the ratio of Hispanic median earnings to White (not Hispanic) median earnings. Values under 1.0 represent Black earnings below that of White workers in that occupation. Ratios closest to 1.0 represent wage parity.

Hispanic workers show some general positive wage equity trending in all but Brokers-Agents, although still on average are paid well below White not Hispanic workers.



REINVESTMENT FUND

Important to recognize that ratios of income to poverty are established based on total household income (which in many instances will include other members of the household, where present, and sources of income beyond wages/salaries/business income).

And poverty rates, generally lower in these real estate-related occupations (except for Property Services), are orders of magnitude higher for workers of color.

	Percent of Workers Living in Households at Specified Levels of Poverty								
	WNH			BNH			Hispanic		
	Less than Poverty	1-4x Povty	Greater than 5x Poverty	Less than Poverty	1-4x Povty	Greater than 5x Poverty	Less than Poverty	1-4x Povty	Greater than 5x Poverty
Cons-Prop Mgrs, Appraisers-Assessors, Cred-Loan Counselors (2022 Median = $60,000)	3.1%	36.9%	60.0%	13.5%	54.3%	32.2%	7.2%	41.3%	51.4%
Brokers-Agents & Loan Interviewers/Clerks (2022 Median = $45,000)	1.9%	33.1%	65.0%	3.7%	42.2%	54.1%	11.7%	48.8%	39.5%
Construction/Trades (2022 Median = $44,424)	6.6%	53.6%	39.8%	22.0%	47.1%	31.0%	18.3%	62.8%	18.9%
Property Services (2022 Median = $19,520)	10.2%	63.0%	26.9%	23.4%	66.1%	10.5%	21.7%	66.8%	11.5%
All Other (2022 Median = $40,000)	5.2%	44.4%	50.5%	15.0%	58.9%	26.2%	13.5%	59.6%	26.8%

In every occupational grouping, people of color report substantially less income from interest, dividends and rental income – they likely have less accumulated wealth.

In an effort to understand something about "wealth", we look to income reported in the ACS from sources including interest, dividends and rental property income.

	Percent of Workers Reporting Specified Amounts of Income from Interest, Dividends & Rental Income								
	WNH			BNH			Hispanic		
	Under $100	$100-$499	$500+	Under $100	$100-$499	$500+	Under $100	$100-$499	$500+
Cons-Prop Mgrs, Appraisers-Assessors, Cred-Loan Counselors (2022 Median = $60,000)	83.9%	2.3%	13.8%	91.0%	0.0%	9.0%	94.7%	1.4%	3.9%
Brokers-Agents & Loan Interviewers/Clerks (2022 Median = $45,000)	78.3%	2.1%	19.7%	88.9%	1.3%	9.9%	83.2%	0.0%	16.8%
Construction/Trades (2022 Median = $44,424)	91.9%	1.5%	6.6%	97.5%	0.5%	1.9%	98.1%	0.3%	1.6%
Property Services (2022 Median = $19,520)	93.6%	1.6%	4.8%	98.8%	0.5%	0.7%	99.2%	0.0%	0.8%
All Other (2022 Median = $40,000)	88.4%	2.4%	9.2%	97.3%	0.6%	2.1%	96.8%	0.7%	2.5%

Are the observed differences explainable by non-racial factors?

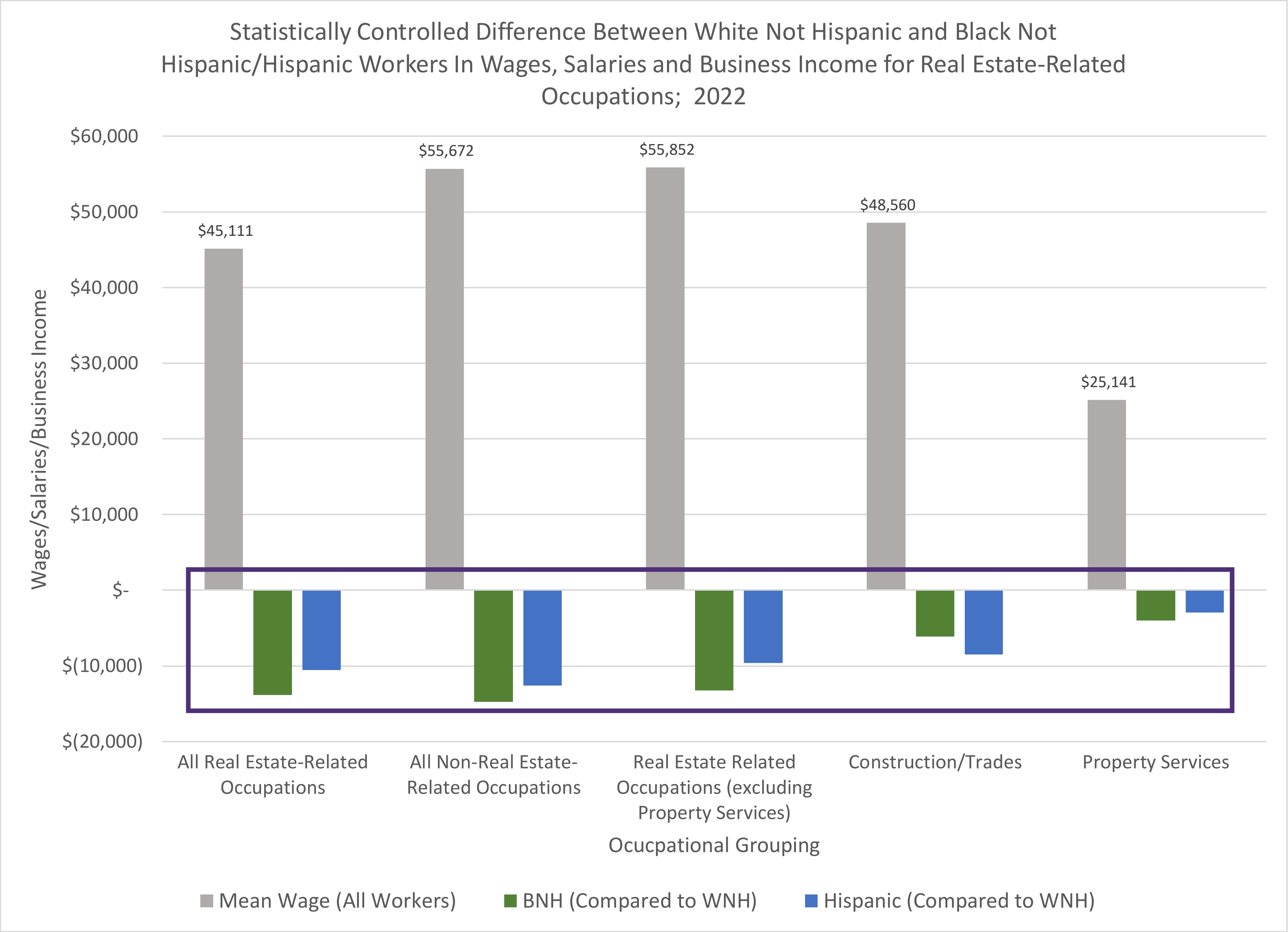
While levels of education are in some instances less advantageous for workers of color, in some occupational groupings, higher percentages of Black workers have at least some college than White workers.

In general, the level of education one has is related to the amount of income one can generate. And there are racial/ethnic differences in the level of education people attain.

	Percent of Workers With Specified Levels of Education								
	WNH			BNH			Hispanic		
	Less than High School	HS Degree	College	Less than High School	HS Degree	College	Less than High School	HS Degree	College
Cons-Prop Mgrs, Appraisers-Assessors, Cred-Loan Counselors (2022 Median = $60,000)	2.5%	32.2%	65.2%	3.7%	28.0%	68.3%	14.2%	37.6%	48.2%
Brokers-Agents & Loan Interviewers/Clerks (2022 Median = $45,000)	0.6%	25.1%	74.3%	0.7%	20.3%	79.0%	0.0%	47.2%	52.8%
Construction/Trades (2022 Median = $44,424)	8.4%	63.0%	28.6%	13.0%	60.8%	26.2%	32.0%	50.7%	17.3%
Property Services (2022 Median = $19,520)	8.1%	64.2%	27.7%	11.2%	67.5%	21.3%	35.4%	50.4%	14.1%
All Other (2022 Median = $40,000)	2.8%	34.2%	63.0%	4.5%	41.0%	54.5%	12.8%	40.6%	46.6%

Even when you account for job-related characteristics of workers, income differences between workers of color and White workers remain: workers of color earn less in real estate-related occupations <u>and</u> in the broader PA economy.

A multiple regression analysis statistically controls for a set of factors that might lead to differences in earnings (e.g., age, education, geographic location, weeks and hours worked). Then, we can see a more “pure” impact of race/ethnicity on wages earned.



REINVESTMENT FUND

REINVESTMENT FUND

Appendix

Appendix:

Occupations (and occupation groupings) included in the analysis.

Other occupations are considered non real estate-related and are in the “all other” category.

220	Construction managers	Construction Manager, Property Manager, Appraisers, Assessors & Credit/Loan Counselors
410	Property, real estate, and community association managers	
810	Property appraisers and assessors	
910	Credit counselors and loan officers	
4200	First-line supervisors of housekeeping and janitorial workers	Property Services
4210	First-line supervisors of landscaping, lawn service, and groundskeeping workers	
4220	Janitors and building cleaners	
4230	Maids and housekeeping cleaners	
4251	Landscaping and groundskeeping workers	
4252	Tree trimmers and pruners	
4920	Real estate brokers and sales agents	Brokers-Agents & Loan Interviewers/Clerks
5330	Loan interviewers and clerks	
6200	First-line supervisors of construction trades and extraction workers	Construction/Trades
6210	Boilermakers	
6220	Brickmasons, blockmasons, stonemasons, and reinforcing iron and rebar workers	
6230	Carpenters	
6240	Carpet, floor, and tile installers and finishers	
6250	Cement masons, concrete finishers, and terrazzo workers	
6260	Construction laborers	
6305	Construction equipment operators	
6330	Drywall installers, ceiling tile installers, and tapers	
6355	Electricians	
6360	Glaziers	
6400	Insulation workers	
6410	Painters and paperhangers	
6441	Pipelayers	
6442	Plumbers, pipefitters, and steamfitters	
6460	Plasterers and stucco masons	
6515	Roofers	
6520	Sheet metal workers	
6530	Structural iron and steel workers	
6540	Solar photovoltaic installers	
6600	Helpers, construction trades	
6660	Construction and building inspectors	
6700	Elevator installers and repairers	
6710	Fence erectors	
6720	Hazardous materials removal workers	
7315	Heating, air conditioning, and refrigeration mechanics and installers	

REINVESTMENT FUND

Appendix:

Data source/citation

Reinvestment Fund analysis of the 2008-2012, 2013-2017, and 2018-2022 American Community Survey Public Use Microdata Sample (PUMS) files.

PUMS Data Source:

Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Renae Rodgers, and Megan Schouweiler. IPUMS USA: Version 15.0 [dataset]. Minneapolis, MN: IPUMS, 2024. https://doi.org/10.18128/D010.V15.0

REINVESTMENT FUND

Contact Information:

Ira Goldstein, Senior Advisor
Reinvestment Fund, Policy Solutions Group

ira.goldstein@reinvestment.com