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How Trump Administration Plans to Kill Black American Dream

The investigation of Wells Fargo's race-conscious programs reflects a larger problem



Dr. Allison Wiltz Follow 5 min read · 6 days ago

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Closeup oif Black woman with curly hair | Photo by Sherman Trotz via Pexels

Homeownership is the centerpiece of the American Dream, as it represents stability and financial security. A buyer typically locks in a fixed rate for 15 or 30 years and builds equity with every monthly payment.

If times get hard after an illness or job loss, they can apply for forbearance. While a single missed payment typically leads to eviction for renters, federal law requires a homeowner to be 120 days late before foreclosure proceedings can begin. While there are numerous benefits associated with homeownership, racially discriminatory laws and policies have deprived many Black Americans of a fair shot.

In 2017, researchers estimated that the Black-white homeownership gap was 30.1% larger than in 1968, when Congress passed the Fair Housing Act. While many assume conditions improve over time, their findings suggest racial disparities between these groups are stubborn. According to the Urban Institute, a White high school dropout was more likely to become a homeowner than an African American who earned a four-year college degree. Black buyers were about 1.7 times as likely to be denied a mortgage application compared to white buyers. These modern-day racial disparities in homeownership can be explained by the cumulative effects of systemic racism.

Jim Crow-era laws and policies deprived Black people of equal access to housing. For instance, in the 1930s, racial redlining policies helped maintain segregated urban areas. Real estate agents steered Black people toward low-income communities, seen as “risky” investments. Racial covenants in deeds prohibited some owners from selling to Black buyers, limiting their mobility. As a result, most Black Americans could not pass on generational wealth at the same rate as White people and others. The racial wealth gap has never closed, which is why Black buyers are less likely to have funds for a down payment and tend to have lower credit scores — barriers that seem race-neutral but can be traced back to historical racism.

Outlawing racist policies didn’t erase the harm caused by generations of discriminatory legislation. According to the Roosevelt Institute, “Because Black neighborhoods are devalued spaces, returns on investment to those

neighborhoods are of lower value than those in the valued spaces of White neighborhoods." This has contributed to health disparities. For example, one study found that redlined neighborhoods had twice as many oil and gas wells as those graded in the Green, the "best" category. Those living near oil and gas wells are exposed to air pollution, noise, and other irritants that can increase the risk of many diseases, such as "cardiovascular disease, impaired lung function, anxiety, depression, preterm birth, and impaired fetal growth."

It's important to consider how Black people have been denied equal opportunity to become homeowners and to tap into the so-called "American Dream." Consider, for instance, how the Trump administration responded negatively to Wells Fargo, a national bank that made a set of commitments to address the housing discrimination Black Americans have endured, specifically a $60 billion lending commitment and $210 million to expand access to homeownership. The Department of Housing and Urban Development (HUD) is currently investigating the financial institution, hoping to stop its plan to create a quarter million Black homeowners by 2027. Because the federal government has failed to address the racial wealth gap produced by historical injustices, Wells Fargo took the initiative to implement policies that could create a fairer housing market. Yet the Trump administration has framed its efforts as discriminatory to non-Black prospective buyers. How ironic that some government officials invoke the concept of fairness while depriving Black people of equal opportunity.

When the Supreme Court banned race-based affirmative action policies used by some colleges and universities to offset the racism Black students face, it opened the door to similar challenges. Now, all anyone has to do to eliminate programs designed to mitigate racial discrimination is to claim

that programs designed specifically for a marginalized group are discriminatory. In addition to the debates over AA policies, another example of this playing out is efforts to ban The Abundant Birth Project, which provided $1,000 each month to Black and Pacific Islander pregnant women to improve access to preventive care and alleviate the stress associated with premature births. Conservatives sued in 2023 to shut down the program for good, and others like it, such as the suit against the Fearless Fund, a capital firm that awarded grants to Black women entrepreneurs, or a group of white business owners suing the Minority Business Development Agency.

In this political environment, programs like the one Wells Fargo initiated are routinely challenged. Ironically, this resistance answers a question within the reparations community. Scholars have argued that many of the country's financial institutions owe a debt to Black Americans for their involvement in chattel slavery, including using Black people as collateral for loans, transferring funds for insurance policies taken out on enslaved people, and maintaining racial segregation and discriminatory policies that deprived Black people of equal access to generational wealth. While they may be liable, the attack on Wells Fargo's program shows that these institutions may lack the independence needed to engage in restorative justice, as the Trump administration's efforts to eliminate a program designed to increase homeownership among Black people demonstrate.

The Trump administration is trying to kill the Black American Dream of homeownership by directly attacking programs designed to ameliorate the effects of systemic racism. And over the past several years, conservatives more broadly have been engaged in a battle against hierarchy-attenuating programs, as demonstrated by their efforts in banning race-based affirmative action policies used in college admissions, suing a financial aid

program designed to alleviate racial health disparities for Black and Pacific Islander women, and targeting a program that provides financial resources to facilitate Black entrepreneurship. Ideally, being Black would not limit someone's chance of becoming a homeowner in this country. But Black people in the modern era still face the cumulative impact of systemic racism, and efforts to eliminate programs designed to level the playing field only serve to maintain the racial hierarchy that affords White Americans privilege at the expense of Black Americans.

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Written by Dr. Allison Wiltz

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Responses (5)

Tom Mitchell

What are your thoughts?

Melanie Hilda 🌹 💦 ⭐ her/she

6 days ago

I believe the American Dream should offer everyone a fair chance, regardless of race. True progress means ensuring that every community has access to equal opportunities, dignity, and justice.

52 Reply



Joseph Hoffman
6 days ago (edited)

Making America great again only ever applied to the groups that benefited from the racist measures of the past. Thank you for tying in the historical context of why marginalized groups have always had an uphill battle in America.

2 Reply



Bren Kelly
2 days ago

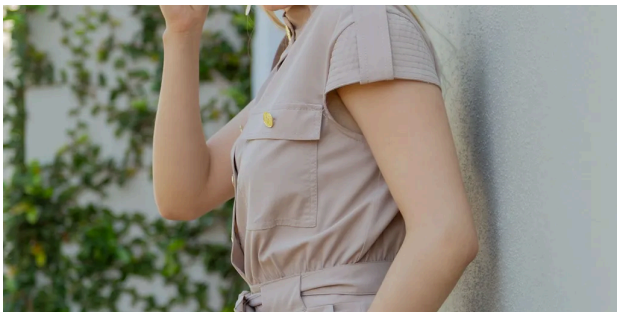
> group of white business owners suing the Minority Business Development Agency.

Yeah, it's really gotten to be over-the-top outrageous how Teump, and Project 2025ers are attacking blacks and minorities with the organizations designed to help them get to an even playing field. WellsFargo's program was to make up for the horrible... more

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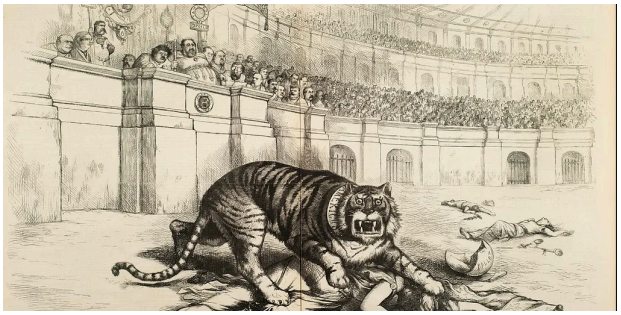


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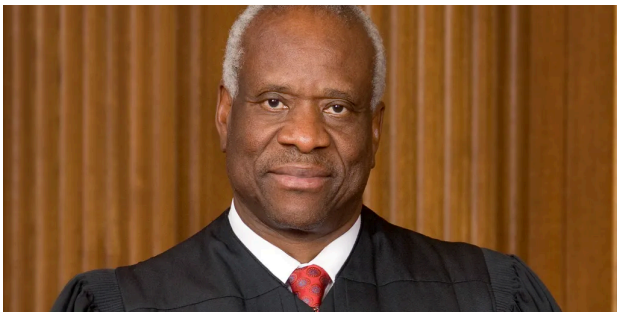


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