CLOSING THE WEALTH GAP

SURVEY INSIGHTS ON MASSACHUSETTS FIRST-GEN HOMEBUYERS

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In recent years, policymakers and community leaders have emphasized the importance of increasing access to homeownership in the United States, especially as young people are taking longer to transition into homeownership compared with prior generations.[1] To this end, across the country and here in Massachusetts, many states and localities have created down payment assistance programs targeted to first-generation homebuyers, those whose parents were not homeowners, as data show a strong relationship between parental homeownership and one's own ability to achieve homeownership.[2] To date, however, we know relatively little about the experiences of first-generation homeowners. What barriers do they face in navigating the purchase process? Are they sustaining homeownership and building wealth? Are they able to pass on assets to their children? Answers to these questions are needed to design and improve first-generation homeowner policies and programs and ultimately, to increase access to and sustainability of homeownership.

A new survey provides novel insights on these topics. In Spring 2026, the MassINC Polling Group, with funding from the Boston Foundation and other convened organizations[3] surveyed 850 Massachusetts homeowners, including 238 first-generation homeowners, about their experience with homebuying and homeownership.

In line with other empirical work done on a national scale, these survey data show that first-generation homeowners in Massachusetts are disproportionately likely to be people of color. Overall, 49% of surveyed homeowners were white, 11% were Black, 13% Latino, and 16% Asian American or Pacific Islander (AAPI).[4] But first-generation homeowners were far more likely than others to be people of color. Among first-generation homeowners, 68% were people of color, compared with 29% of those whose parents were homeowners. First-generation homeowners in the survey were also slightly more likely to be women. Overall, first-generation homeowners tended to have lower incomes, and this is true within racial and ethnic groups.

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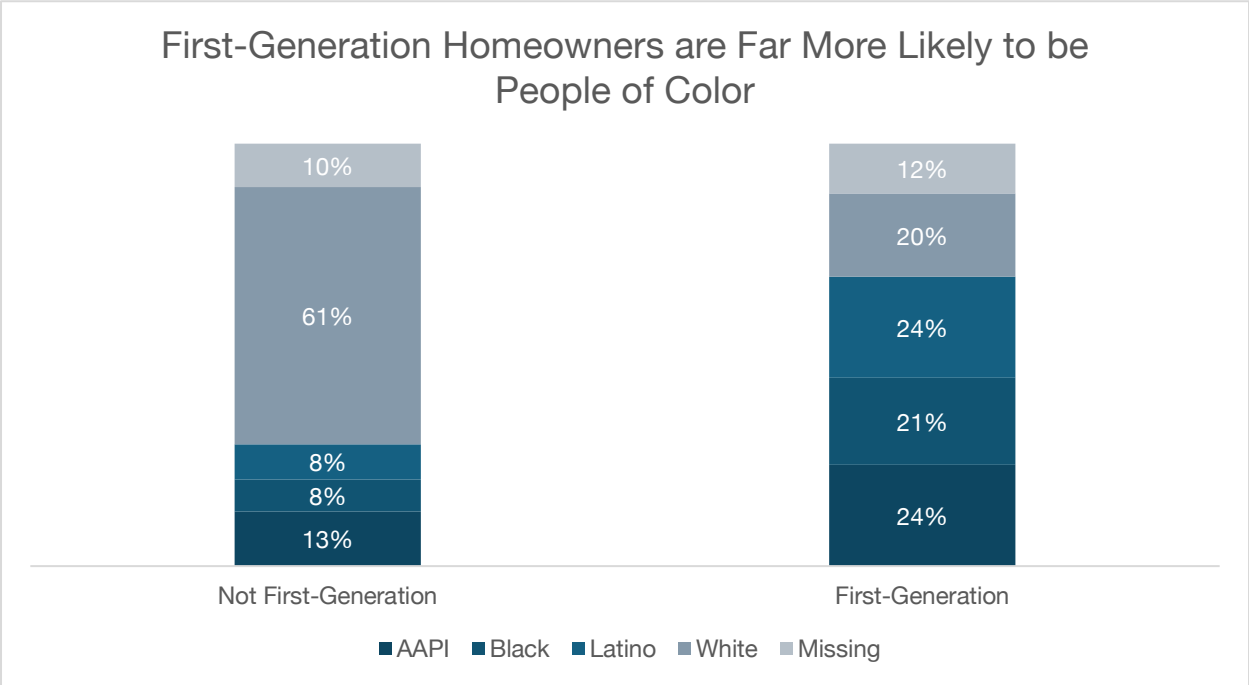
[1] Choi, J. H., Goodman, L., & Zhu, J. (2026, May 28). Homeownership Among Young Adults Has Fallen, and It's Worse Than You Think [Urban Institute]. Urban Wire. Link.

[2] Choi, J. H., Zhu, J., & Goodman, L. (2018). Intergenerational Homeownership: The Impact of Parental Homeownership and Wealth on Young Adults' Tenure Choices. Urban Institute. Link.

[3] The survey was funded by The Boston Foundation, with contributing support from Massachusetts Association of Community Development Corporations, Massachusetts Affordable Homeownership Alliance, Massachusetts Housing Partnership, NeighborWorks Housing Solutions, NRG Energy, Urban Edge, and Way Finders. The Partnership for Financial Equity was among the organizations that contributed to developing the survey's content. Participant outreach was done using email lists from organizations that assist homebuyers, often through educational programs, including Asian CDC, Citizens' Housing & Planning Association, Massachusetts Affordable Homeownership Alliance, Massachusetts Housing Partnership, NeighborWorks Housing Solutions, Urban Edge, and Way Finders.

[4] 11% of homeowners surveyed were another race/ethnicity or declined to provide racial or ethnic information.



Combined, these demographics suggest that first-generation down payment assistance programs and other targeted first-generation programs could help reduce longstanding gaps in homeownership across race, ethnicity, gender, and income. These new data are especially important in light of new research from the Federal Reserve Bank of Boston on wealth in Massachusetts, which finds that the typical homeowner's wealth in the state is more than 500 times that of the typical renter.[5] The Boston Fed's research also underscores massive racial wealth gaps in the state – the typical white family in Massachusetts has $549,200 in wealth, more than 450 times the wealth of the typical Hispanic family ($1,200) and more than 70 times that of the typical Black family ($7,800). Certainly, increasing access to homeownership for people of color, disproportionately likely to be first-generation homeowners, is needed to reduce these wealth disparities, but these data also imply that improving opportunities for first-generation homebuyers may also require additional work to overcome structural barriers in mortgage and financial markets that historically underserved borrowers face generally. Homeowners in general are far wealthier than renters in Massachusetts, but without the proper information, financing, and supports, not all homeowners are well-positioned to build and sustain housing wealth.

In this short report, we highlight three key takeaways for financial institutions, community organizations, and policymakers to consider as they design policies and programs for today's

[5] Mattingly, M. J., Chaganti, S., Evangelist, M., Bingulac, M., & Griffin, G. L. (2026). Family Wealth in Massachusetts: Findings from the 2025 Massachusetts Economic Conditions and Household Opportunity Survey (Mass ECHOS). Federal Reserve Bank of Boston. Link.

market, and especially for those whose parents did not have the opportunity to be homeowners. The full survey results and cross-tabulated data are available here.

TAKEAWAY #1: Information Matters, But Is Not Equitably Accessible

In today's research and policy environment, high home prices, expensive down payments, and a shortage of available housing are often cited as key barriers to homebuying for first-generation households, who are less likely to have intergenerational wealth support for home purchases. These barriers certainly come through in the survey; with 52% of respondents citing high home prices as a barrier in home purchase, 44% citing limited available housing, 40% citing competition with other buyers, and 37% choosing saving for a down payment.

However, first-generation homebuyers were 10 percentage points more likely than those whose parents were homeowners to choose "lack of information or guidance" as a barrier in the home purchase process. Nearly one-in-four (23%) first generation homeowners cited informational barriers compared with just 13 percent of non-first-generation homeowners.

What can financial institutions, community organizations, and policymakers do to address informational barriers?

1. In June 2026, Governor Maura Healey released final recommendations for a statewide high school graduation framework.[6] Students will be required to complete a financial literacy module aligned with the state's existing high school standards for personal financial literacy. The module *may* be offered through a virtual Department of Elementary and Secondary Education-developed module, a standalone locally delivered course, or as part of another course, such as mathematics. Currently, a bill in the Massachusetts State Senate (S.2988[7]) would require every public high school student to complete a semester-long personal finance course prior to graduation. Regardless of the final shape of this requirement, **policymakers should include information about the mortgage and homebuying process in required financial literacy courses**.
2. Community organizations that offer first-time homebuyer education courses can reach out to those who have completed their programs and **conduct surveys or do one-on-one interviews to determine what can be done to improve the information made available to homebuyers and reduce informational barriers moving forward**. Perhaps the Massachusetts Homeownership Collaborative, which works with every approved housing counseling agency in the state, could help facilitate such a survey across agencies.

[6] Reimagining High School, Reimagining Readiness: Final Report of the Statewide Graduation Council. (2026). Commonwealth of Massachusetts Office of the Governor. Link.
[7] Bill text available here.

3. **Continuing education courses focused on fair housing required for mortgage lenders and real estate agents could include discussion of first-generation homebuyers and their unique needs**. While "first-generation" is not itself a protected class, these homebuyers are disproportionately likely to come from protected classes. Mortgage lenders and real estate agents should be given information about products that might be most beneficial for first-generation homebuyers, such as MassHousing and Massachusetts Housing Partnership loan products, and about the informational barriers that these prospective homeowners might face, including being unfamiliar with technical terminology embedded in the mortgage process.

4. Banks and all mortgage **lenders could train mortgage loan officers internally about the unique needs of first-generation applicants throughout the homebuying process**, and ensure that loan officers are aware of existing state and local programs to suggest to borrowers, which could help build trust.[8] Lenders can also publish plain-language guides to homebuying or point borrowers towards existing resources, like Fannie Mae's HomeView course[9] or the Consumer Financial Protection Bureau's tools and resources for homebuyers.[10]

TAKEAWAY #2: Households Make Serious Sacrifices To Sustain Homeownership

Homeownership is often thought of as a key path towards wealth-building and financial security, and the data back this up. According to a 2026 survey conducted by the Federal Reserve Bank of Boston, the median wealth of a Massachusetts homeowner is $790,500 compared with just $1,500 for the typical renter.[11] Even further, nearly 40 percent of renters have zero or negative wealth compared with just one percent of homeowners.

This survey underscores the financial benefits of homeownership, as most (72%) homeowners in Massachusetts said that owning a home has helped them financially. And yet, housing costs remain burdensome for many. Nearly half (49%) of surveyed homeowners reported difficulties affording their housing costs in the past year, and Black homeowners were substantially more likely than others to report these difficulties. To cover mortgage and other housing costs, 29% of homeowners reported skipping or delaying paying for essential needs, including food, utilities, and medical bills. High housing costs may be contributing to low quality housing, with 35% of homeowners reporting delaying or avoiding urgent or emergency home repairs in the past year to cover monthly housing costs. **First-generation homeowners, who may be less likely to have**

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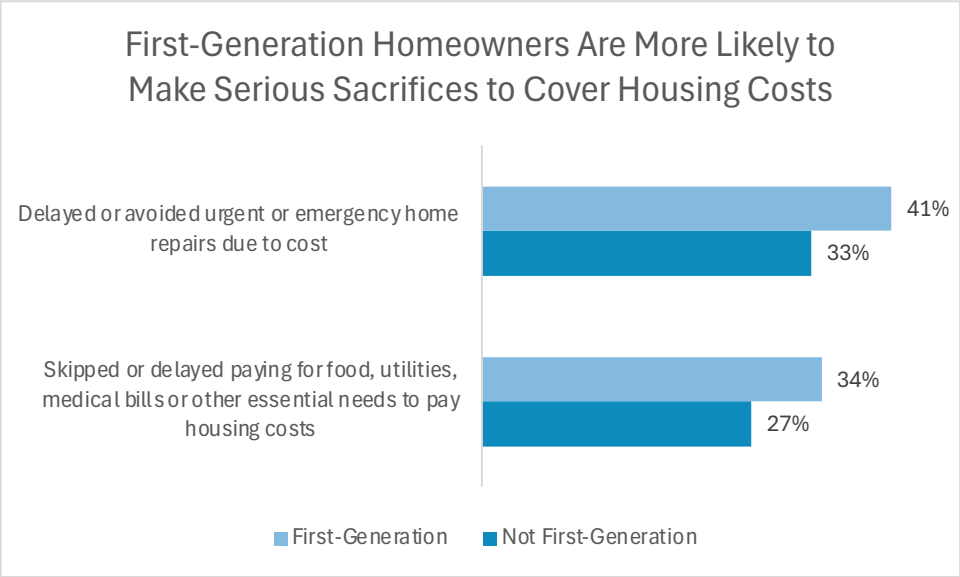
[8] Zinn, A., Andrade, J., & Callahan, T. (2025). Trust and Financial Access Among Lower Income Residents in Massachusetts. Partnership for Financial Equity. Link.

[9] Fannie Mae's HomeView course is available here.

[10] The CFPB's resources are available here.

[11] Mattingly, M. J., Chaganti, S., Evangelist, M., Bingulac, M., & Griffin, G. L. (2026). Family Wealth in Massachusetts: Findings from the 2025 Massachusetts Economic Conditions and Household Opportunity Survey (Mass ECHOS). Federal Reserve Bank of Boston. Link.

family support if unexpected costs arise, were more likely than others to report making these sacrifices to cover their housing costs.



Homeowners that reported delaying urgent or emergency repairs were often living in aging housing stock. Half of the homeowners that delayed repairs were living in homes built before 1980, signaling the importance of access to resources to preserve aging homes.[12] The data show that first-generation homeowners were less likely to apply for home equity lines of credit (HELOCs), cash-out refinances, and rate-and-term refinances than other homeowners.

Despite these financial pressures, homeowners in Massachusetts work hard to avoid home loss. Just one-in-ten homeowners reported having ever been in default on a mortgage, and only one percent ever lost a home due to foreclosure. There are no substantial differences in defaults or foreclosures between first-generation homeowners and others. The survey data also show that homeowners have substantial wealth tied up in their primary residence; with 40% of respondents reporting that their home accounted for more than half of their total wealth. Together, these data appear to reflect that homeowners make sacrifices, sometimes extreme ones, to make mortgage payments.

What can financial institutions, community organizations, and policymakers do to improve housing and financial stability?

1. To help borrowers weather financial shocks and avoid having to make such extreme sacrifices to stay current on payments, **lenders and investors can offer mortgage reserve accounts, as liquidity is a strong predictor of sustainable homeownership**. The most common reasons for mortgage default are unexpected expenses and job losses,

[12] Brunson, C. (2026, August 7). Homeownership preservation must be part of our housing strategy. Commonwealth Beacon. Link.

as well as other shocks to liquid assets,[13] so reserve savings can act as a real buffer, especially for those with limited family or generational wealth. While public policies support down payment assistance programs for first-generation homebuyers, the next step may be a public-private partnership to seed or match mortgage reserves for first-generation homebuyers. More loan products that require mortgage insurance could also be expanded to include insurance that protects borrowers in the event of job loss, like MassHousing's MIPlus Mortgage Insurance. Typically, mortgage insurance only protects the lender from loss, but MassHousing's program protects the borrower by paying principal and interest payments for up to six months of unemployment, preventing foreclosures and mortgage insurance claims and ultimately, funding benefits for others.

2. Lending data consistently show that lower-income borrowers and borrowers of color are less likely to refinance their mortgages when interest rates drop,[14] keeping their monthly payments unnecessarily high and limiting the wealth-building benefits of homeownership. Federal policymakers, including the Government-Sponsored Enterprises (GSEs) and the Federal Housing Administration (FHA) could address this by **working to streamline the refinance process in ways that improve the sustainability of loan products and benefit borrowers.**[15] Increasing access to refinancing could also help borrowers that make low down payments eliminate costly Private Mortgage Insurance faster. Already, the Homeowners Protection Act, enforced by the Consumer Financial protection Bureau, allows borrowers to request removal of PMI when their principal balance reaches 80% of the original value and requires automatic termination of PMI when the principal balance reaches 78%. This law could be improved to require lenders to *proactively* notify borrowers when their loan-to-value ratio approaches the 80% threshold to request PMI removal or to provide borrowers information about when refinancing and getting a new appraisal, which would account for appreciation, could quicken their timeline to the threshold. **State policymakers could play a role by removing the cost barriers associated with re-appraisals for refinances,** especially for low-income borrowers, either through a tax credit or deduction, or by introducing a preferred vendor model for appraisals who offer discounts in turn for being recommended by the state. Appraisal costs have been documented as a key barrier to refinancing, especially for liquidity constrained borrowers.[16]

3. With or without policy changes, lenders can also play a role in increasing refinancing opportunities for homeowners by reaching out to borrowers, possibly in concert with

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[13] Low, D. (2026). What Triggers Mortgage Default? New Evidence from Linked Administrative and Survey Data. Review of Economics and Statistics, 108(1), 282–290. Link.

[14] Agarwal, S., Chomsisengphet, S., Kiefer, H., Kiefer, L. C., & Medina, P. C. (2024). Refinancing Inequality During the COVID-19 Pandemic. Journal of Financial and Quantitative Analysis, 59(5), 2133–2163. Link.

[15] Alexandrov, A., & Goodman, L. (2022). Streamlining Refinances to Expand Availability. Urban Institute. Link.

[16] Defusco, A. A., & Mondragon, J. (2020). No Job, No Money, No Refi: Frictions to Refinancing in a Recession. The Journal of Finance, 75(5), 2327–2376. Link.

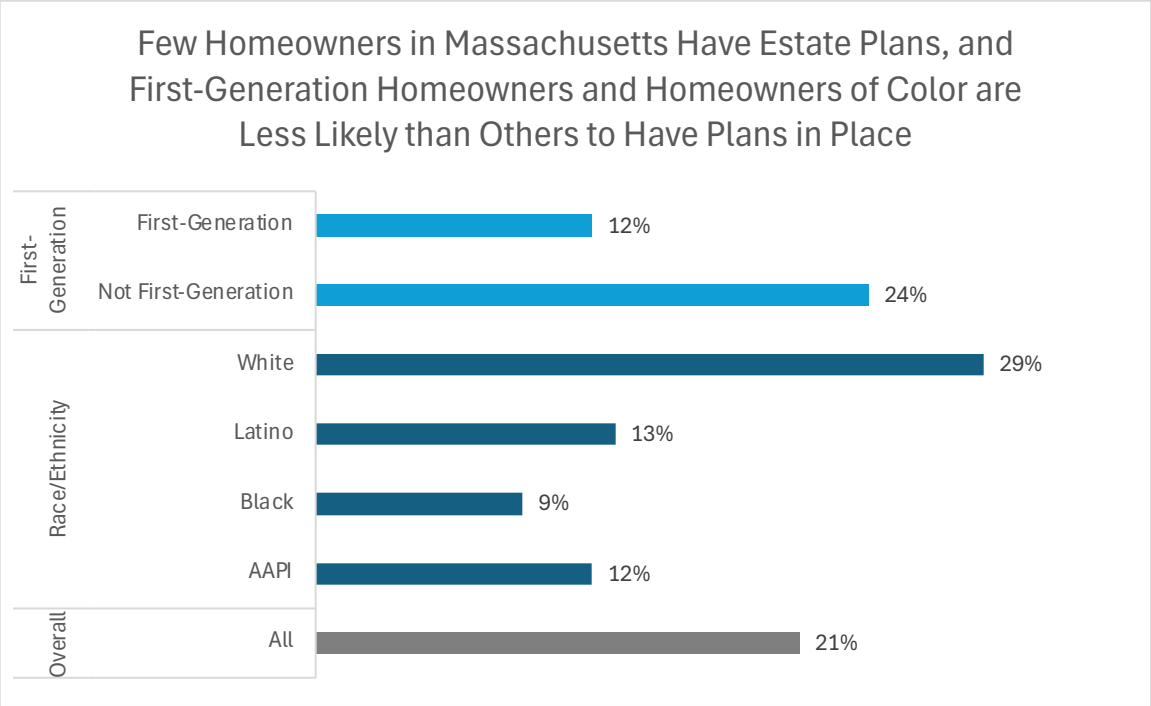
community-based organizations, when refinancing would benefit them, as this would increase the sustainability of the loan and this transparency and fairness may help build trust with borrowers, which is good for business. Community organizations that have regular contact with borrowers, especially **those that offer pre- and post-purchase counseling, could also play a particular role here by encouraging borrowers to reach out to their lenders and explore their options in periods when interest rates are falling. Housing counseling should include broader education about the benefits and pitfalls of refinancing**, including avoiding resetting the 30-year amortization schedule that results in higher percentage of the payment going toward interest.

4. With more than one-third of homeowners reporting delaying or avoiding urgent and emergency home repairs in the last year, **more attention ought to be given to renovation financing, too**. This is especially important as 69% of homeowners surveyed said that their home was built more than 15 years ago, and 42% reported that their home was built before 1980. Policymakers could allow federally backed renovation loans to accept higher loan-to-value ratios, to ensure that the capital available is substantial enough to cover renovation costs, and community organizations can work to ensure that borrowers are aware of low-cost options, like MassHousing's Home Improvement Loan Program. Community organizations can also counsel borrowers on when taking out a reverse mortgage is the right option and ensure that they are aware of the full cost of these products and how this could limit their ability to pass on housing wealth to the next generation.

TAKEAWAY #3: Homes – And Hard-Won Housing Wealth – Are At Risk Of Being Lost Across Generations, Despite Homeowner Intentions

Homeownership is often discussed in the context of generational wealth-building, and more than one-third (34%) of homeowners said that the opportunity to pass on their home as an asset to children was a benefit of homeownership. **First-generation homeowners and homeowners of color were more likely to name this as a benefit**. Homeowners want to pass on their homes, but most have not taken the legal steps needed to make that possible. Overall, 21% of homeowners have a will or trust in place outlining what will happen to their home after their death. **Estate planning rates were even lower for first-generation homeowners, with just 12% having an estate plan**. In line with national research and survey data, racial disparities in estate planning are also substantial.[17] Across all homeowners, **Black (9%) and Latino (13%) homeowners were less likely to have estate plans when compared with white homeowners (29%).**

[17] Zinn, A., Neal, M., & Walsh, J. (2024, October 30). To Prevent Racial Wealth and Homeownership Gaps from Widening, Break Down Barriers to Estate Planning [Urban Institute]. Urban Wire. Link; Lurie, V. (2025, September). 2025 Wills and Estate Planning Study. Caring.Com. Link; Choi, S. L., McDonough, I. M., Kim, M., & Kim, G. (2019). Estate planning among older Americans: The moderating role of race and ethnicity. FINANCIAL PLANNING REVIEW, 2(3–4), e1058. Link.



Among those who lack a will or trust, the most cited reasons were the cost of legal fees, followed by not knowing where to start and being unsure about how estate plans work. Homeowners of color were more likely to cite not knowing any attorneys as a reason for lacking an estate plan. But without legally binding estate plans in place, many homeowners will not realize their intentions to transfer housing assets and wealth to the next generation, as housing assets passed informally without a will are vulnerable to loss and inheriting owners are limited in accessing the full benefits of homeownership without clear title.[18]

Recent survey data from the Federal Reserve of Boston provides additional insight into estate planning and expectations. While 46% of Massachusetts families expect or possibly expect to leave a sizeable estate, just 33% report having a will or estate plan, and these data also show a wide racial gap in estate planning.[19] Overall, homeowners are substantially more likely than renters to have an estate plan (49% of homeowners compared with 8% of renters), but this Fed survey underscores how racial disparities in estate planning persist even *among* homeowners.

[18] Zinn, A. (2023, December 13). What Is Heirs' Property, and Why Does It Matter for Equitable Homeownership? [Urban Institute]. Housing Matters. Link.
[19] Mattingly, M. J., Chaganti, S., Evangelist, M., Bingulac, M., & Griffin, G. L. (2026). Family Wealth in Massachusetts: Findings from the 2025 Massachusetts Economic Conditions and Household Opportunity Survey (Mass ECHOS). Federal Reserve Bank of Boston. Link.

What can financial institutions, community organizations, and policymakers do to improve estate planning rates?

1. **Community organizations that offer post-purchase counseling and courses can ensure that estate planning information is shared with borrowers.** These courses may also include time with estate planning attorneys, as first-generation homeowners were particularly likely to report not knowing an attorney as a reason for lacking an estate plan. The survey data show that today, just 16% of homeowners that took post-purchase counseling courses had a will or estate plan, indicating substantial room for improvement in these courses. Combining this course information with **a financial incentive like reduced legal fees for first-gen owners could help increase estate planning rates**, especially given the high share of homeowners citing cost as a key barrier. These incentives could be offered in partnership with local or online estate planning clinics, which would benefit by increasing their business.
2. **Financial institutions could partner with estate planning clinics to offer free or low-cost options to customers**. Other survey data[20] suggest that linking estate planning offerings with the opening of a checking, savings, or investment account has the potential to increase will-writing, especially among people of color.
3. At the state and local level, **policymakers can provide support for legal aid or title-clearing clinics, as many cite cost as a barrier to estate planning**. Moreover, state policymakers could offer a tax credit to cover the cost of estate planning services for households that take an approved post-purchase class that includes an estate planning component. Credits could be modeled after existing programs, like the Lead Paint Removal Credit. Alternatively, the legislature could establish an above-the-line tax deduction for qualifying estate planning expenditures, similar to deductions currently offered for commuter expenses, higher education tuition, or contributions to 529 college savings plans. To ensure these tax benefits effectively target households that need support the most, eligibility could be phased out or tied directly to income thresholds. **By lowering the net out-of-pocket cost through either a credit or deduction structure, policymakers can incentivize proactive estate planning, preventing title issues from occurring and helping lower-income households preserve generational wealth**.

[20] Aubry, J.-P., Munnell, A. H., & Wettstein, G. (2024). Can Incentives Increase the Writing of Wills? Center for Retirement Research at Boston College. Link.

4. The **Partnership for Financial Equity can work to develop a campaign focused on the barriers and opportunities for estate planning in Massachusetts**, perhaps modeled after the successful 1999 *Don't Borrow Trouble* anti-predatory lending campaign, which was adopted by the City of Boston and later by Freddie Mac on a national scale. Increasing estate planning rates, especially among first-generation homeowners and homeowners of color, can help support PFE's mission of closing racial wealth gaps and improving the financial futures of low- and moderate-income households, especially given the high share of wealth tied up in housing and the precarity of transferring housing wealth across generations without a legally binding will or trust.

About the Author

Amalie Zinn is a doctoral student at the University of Southern California in the Sol Price School of Public Policy. Her research focuses on housing and household finance, equitable access to credit, and intergenerational transfers of wealth. Previously, she spent three years as a researcher in the Housing Finance Policy Center at the Urban Institute, working at the intersection of racial equity and housing finance. At Urban, she spearheaded a body of work around trust in banking and elevated issues of trust in financial institutions, government bodies, and legal systems in broader conversations about wealth, upward mobility, and intergenerational transfer of assets. She has experience with quantitative and qualitative methods and communicating research to policymakers, financial institutions, community organizations, media and academic audiences. She previously served as a consultant and subject-mater expert for PFE's Trust in Banking research project.

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