

Estimates of African American Heirs' Property in the Black Belt South

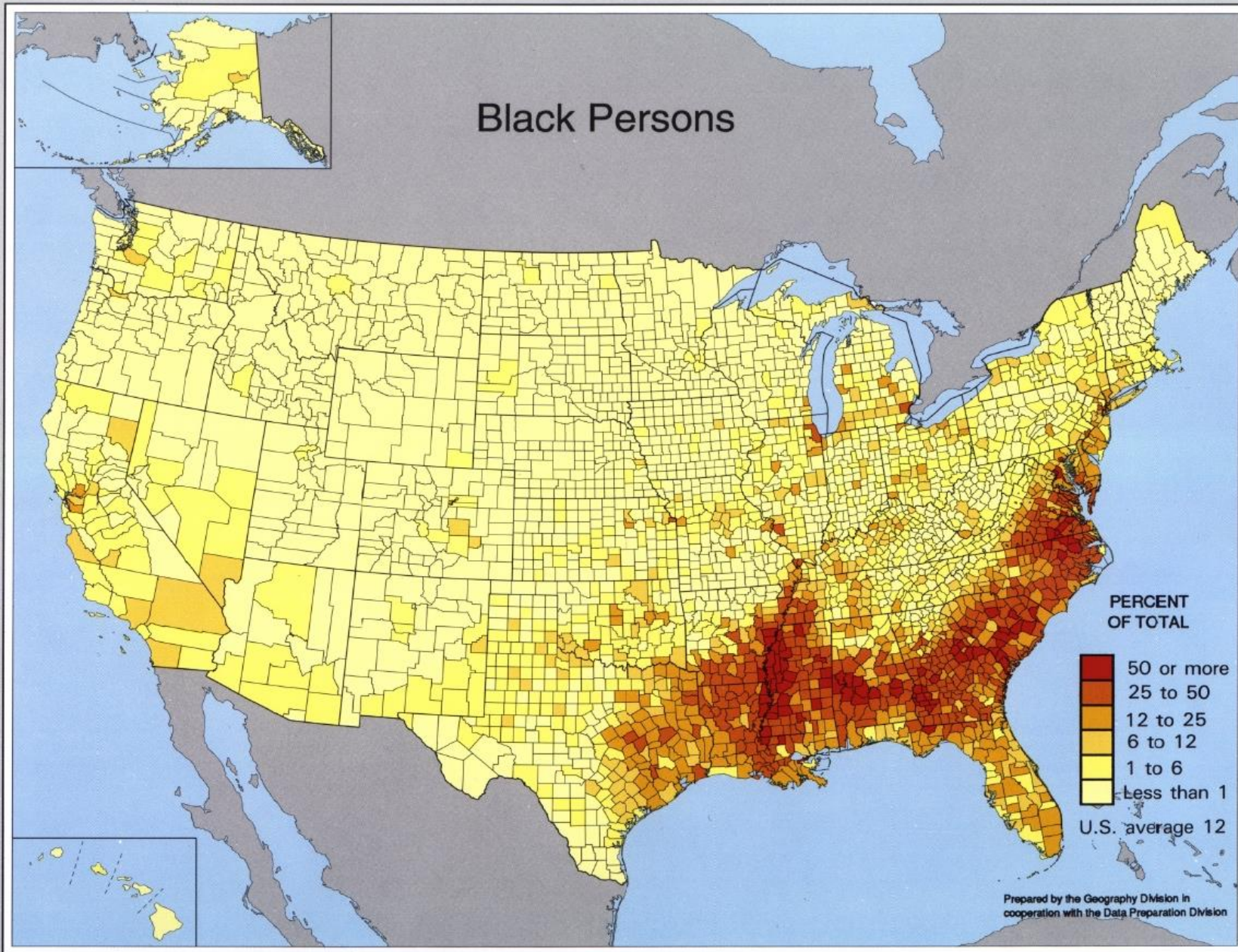
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Federal Reserve Bank of Atlanta, 15 June 2017

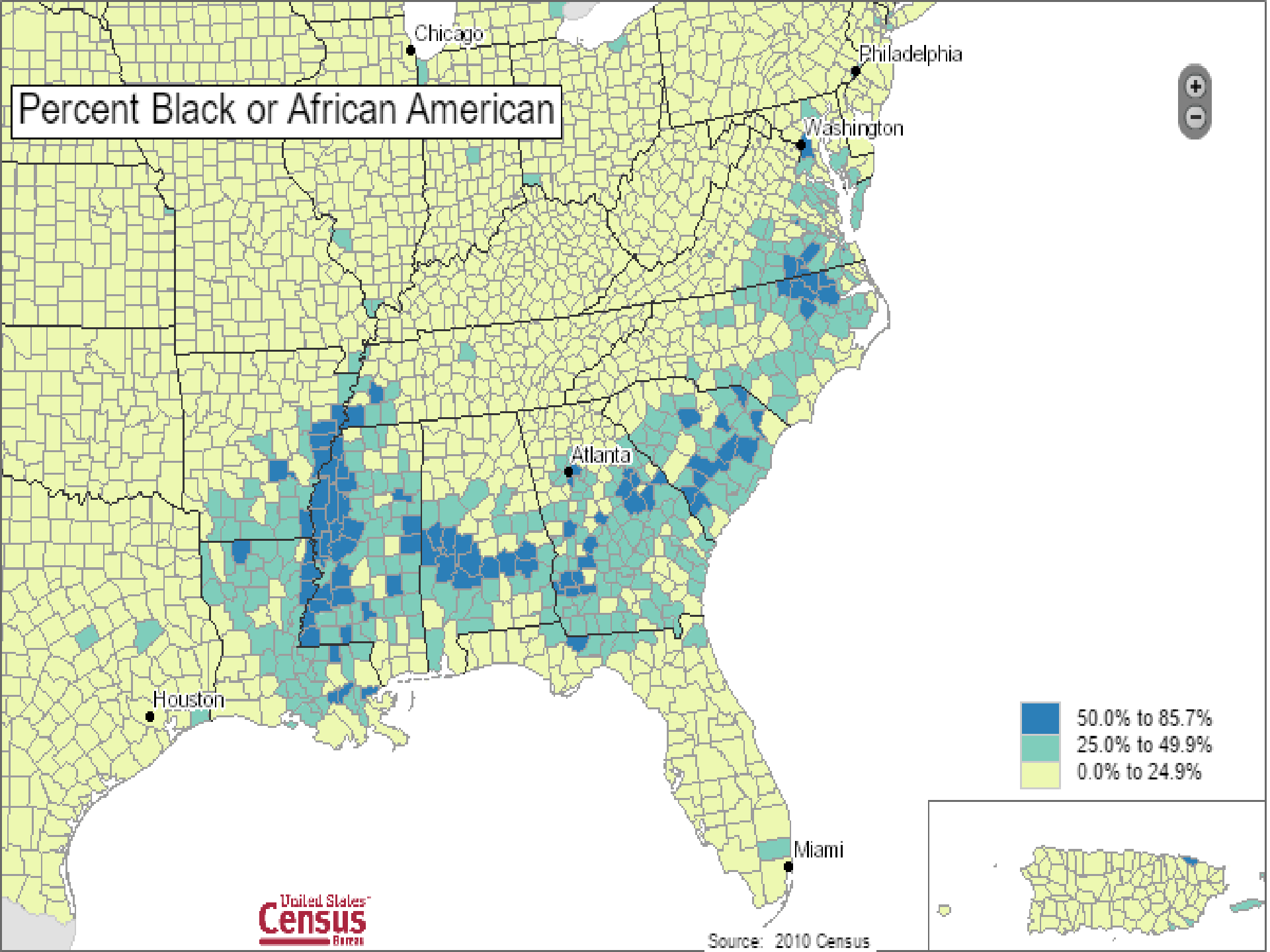
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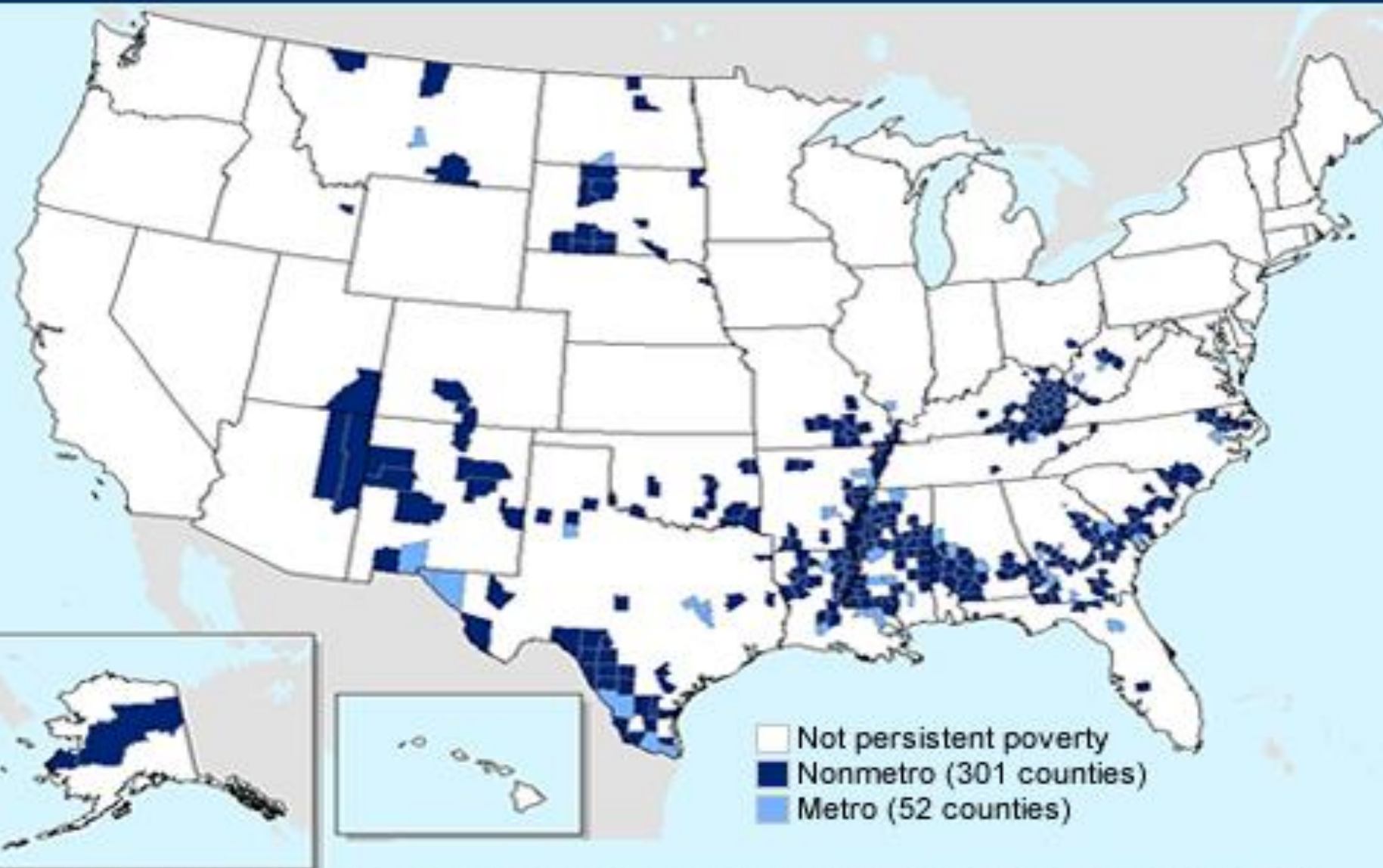
Black Persons



Percent Black or African American

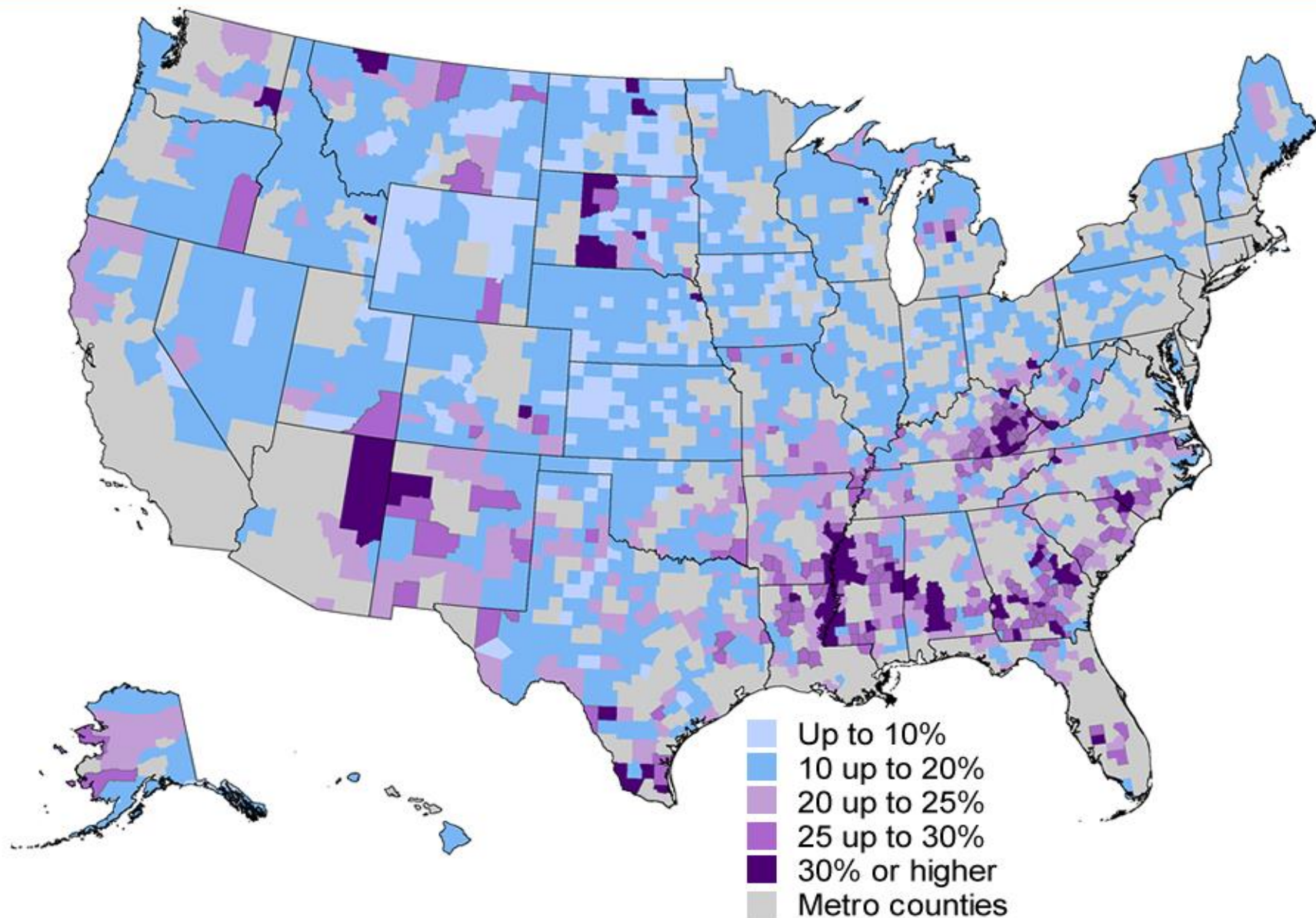


Persistent poverty counties



Source: USDA, Economic Research Service. Persistent poverty counties had poverty rates of at least 20 percent in each U.S. Census 1980, 1990, and 2000, and American Community Survey 5-year estimates, 2007-11.

Nonmetro county poverty rates, 2011-2015 average



Source: USDA, Economic Research Service using data from U.S. Census Bureau, 2011-2015 American Community Survey, and 2013 Office of Management and Budget nonmetro/metro county designations.

Problems quantifying heir property

- Few attempts to quantify heir property
- Guesses range:
 - 1/3 black-owned land North Carolina to Mississippi (Graber 1978)
 - 40% black-owned rural land (Gilbert and Sharp 2001)
 - More than 1/2 all 'black-owned' property in rural South (Rivers 2006)
- Good data important in guiding policy and allocation of organizational resources

OWNERSHIP CHARACTERISTICS OF HEIR PROPERTY IN A BLACK BELT COUNTY: A QUANTITATIVE APPROACH

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ABSTRACT

The existing literature identifies heir property, land held communally by heirs of someone who has died without a will, as a primary cause of land loss among African Americans and a major factor contributing to persistent poverty in the South's demographically-defined Black Belt. Despite the importance of this form of property, little systematic research has been done to quantify the extent of heir property or the potential wealth tied up in clouded titles. This study documents the presence of more than 1,500 heir property parcels in one Alabama Black Belt county (Macon) and describes the methodological challenges involved in such research. Our analysis identified distinctive characteristics of and significant relationships between a set of key ownership variables (taxpayer location, size and value of land, structural improvements, and municipal incorporation). We argue the need to document the extent and consequences of heir property to spur action by legislators, Extension Systems across the region, and pro-bono attorneys, among others, to address the personal and economic costs associated with this form of insecure ownership.



UNLOCKING HEIR PROPERTY OWNERSHIP:

Assessing the Impact on Low and Mid-Income Georgians and Their Communities



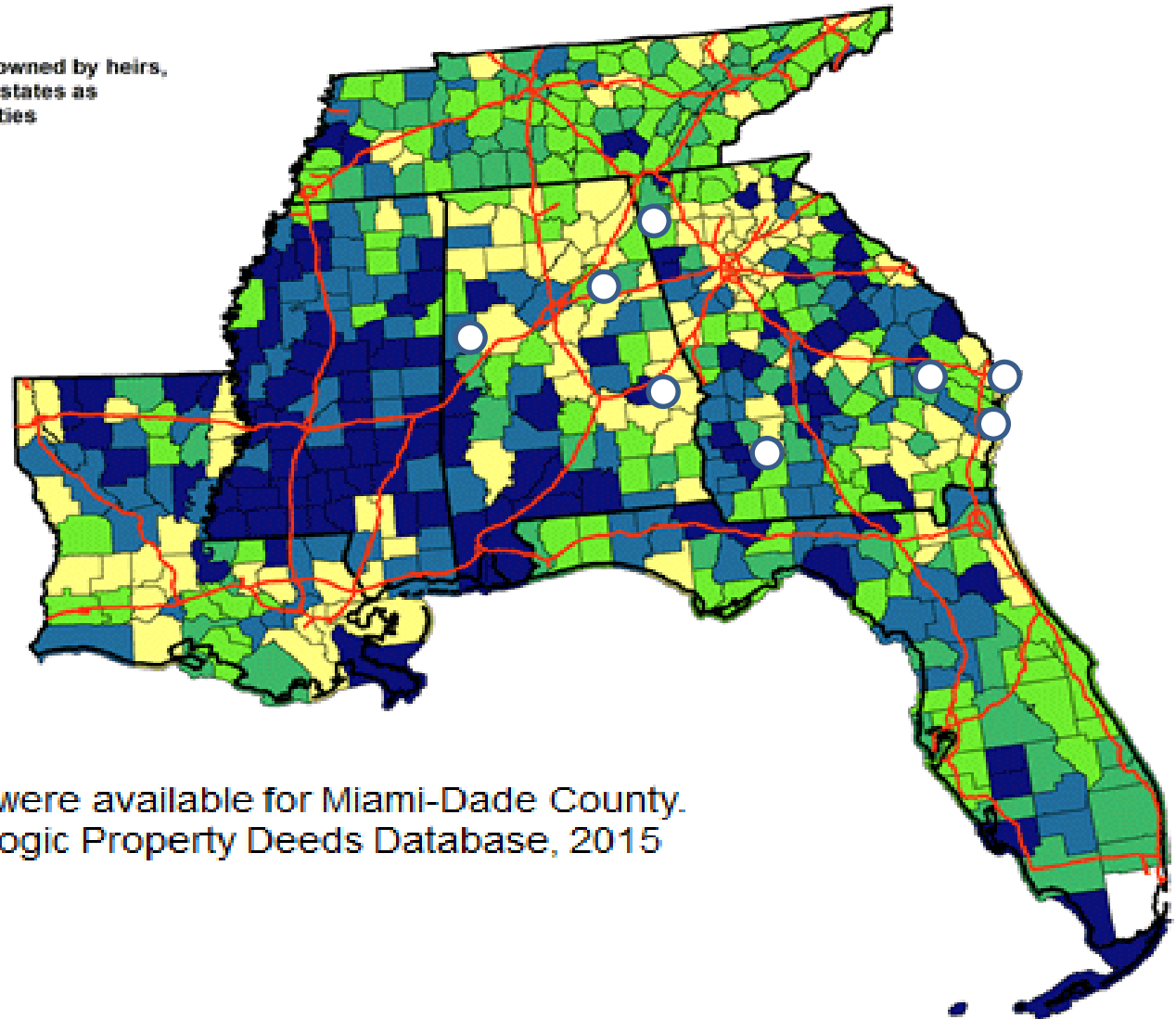
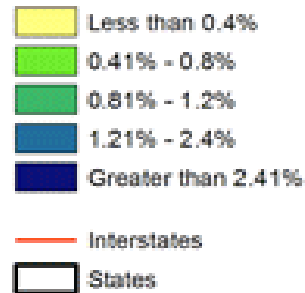
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2013

Percentage of Residential Heirs' Properties by County in the Southeast

Percentage of properties owned by heirs, tenants in common, and estates as a percentage of all properties



Note: No data were available for Miami-Dade County.
Source: CoreLogic Property Deeds Database, 2015

Source: Carpenter et al. 2016

Table 1: Data on Heir Property for Eight Counties in GA & AL

Counties	Pop. 2010	Square Miles	Pop. Density (mile ²)	Percent Black	Acres in Heir Prop.	Percent Land in Heir Prop.	Value all Heir Prop. (\$mil.)	Value per Acre (\$)
Chatham	265,128	426	622	40	923	.3	22.3	24,176
Dougherty	94,565	329	288	68	1,551	.7	8.9	5,736
Evans	11,000	183	60	29	93	.01	.4	4,150
McIntosh	14,333	424	34	36	2,377	.9	26.2	11,039
Chattooga	26,015	313	83	11	271	.1	.8	3,024
Macon	21,452	609	35	83	15,971	4.1	44.3	2,771
Pikens	19,746	890	22	42	6,519	1.1	13.4	2,059
Calhoun	118,586	606	196	21	4,468	1.2	30.4	2,818

Table 2: Estimated Number of Acres and Value of Heir Property in Alabama and Georgia

Variable	Georgia	Alabama
Number of Black Belt counties (>25% Black)	90	30
Square miles (land) in Black Belt counties	34,465	24,827
Acres of land in Black Belt counties	22,057,600	15,889,280
Percent land in heir property (Black Belt average)	0.5	2.0
Total acres heir property Black Belt counties	110,288	317,786
Heir property value per acre	\$5,000	\$2,500
Total value of heir property in Black Belt counties	\$551,440,000	\$794,464,000
Average acres of heir property per county	1,225	10,593
Average value of heir property per county	\$6,127,111	\$26,482,133

Table 3: Calculating Regional Values of Heir Property

Variable	Value
Number of Black Belt counties in the South	365
Estimated total acres of heir property in Black Belt counties of Alabama and Georgia	428,074
Estimated total value of heir property in Alabama and Georgia	\$1,345,904,000
Average value per county of heir property in Alabama and Georgia	\$16,304,622
Average number of acres of heir property in Alabama and Georgia	5,909
Estimated total value of heir property, 365 counties	\$5,951,187,111
Estimated total acres of heir property, 365 counties	2,156,835

Causal Connections Heir Property and Poverty

- Insecurity of ownership (tax & partition sales)
- Clouded title constrains productivity of land and quality of housing
- Limited collateral value of heir property – billions of dollars in “dead capital”