



THE  
WELCOME HOME  
FUND



## CLOSING BOSTON'S RACIAL HOMEOWNERSHIP GAP

LESSONS LEARNED FROM THE PILOT OF  
THE WELCOME HOME FUND PROGRAM



COMPASS  
WORKING CAPITAL





# EVALUATION REPORT: THE WELCOME HOME FUND

## A PILOT PHILANTHROPIC INITIATIVE TO CLOSE BOSTON'S RACIAL HOMEOWNERSHIP GAP

### SUMMARY

Greater Boston's racial wealth gap persists and experts agree that homeownership is key to closing that gap. In 2022, the homeownership rate in Boston was 44% for white residents, while it was 30% for Black residents and only 17% for Latino residents.

According to a 2019 Survey of Consumer Finances, the median homeowner has 40 times the household wealth of a renter. Additionally, young adults with homeowner parents are most likely to be homeowners, perpetuating the cycles of inherited wealth.

In 2022, the Boston-based residential real estate firm the Muncey Group decided to lead a new philanthropic project that would aim to address Greater Boston's growing racial homeownership gap and created the Welcome Home Fund. The Welcome Home Fund is a 100% philanthropic fund that addresses the racial and economic divides in homeownership by giving supplemental, unrestricted cash to first-generation homebuyers (primarily women of color and single mothers from Boston).

After a full due diligence process, the Muncey Group selected the nonprofit Compass Working Capital as its partner for a pilot year of grantmaking from the fund. Compass Working Capital runs a nationally-recognized program that supports families with low income to build assets and financial capabilities as a pathway out of poverty. Compass Working Capital selected the families that were the best fit for grants to help them with a down payment on a home and the Muncey Group and another partner funder (the James Pace Clayton Fund) provided the funds — no strings attached.

During the pilot, five families were selected and each given \$20,000 to help make their homeownership dreams a reality. With support from the fund, five of Greater Boston's families — led by single mothers of color — are now able to change their generational wealth for themselves and their children.



## REFLECTING, LISTENING & CO-DESIGNING

As a third generation realtor and founder of the Muncey Group, Josh Muncey has seen the role that homeownership plays in creating inherited wealth. Josh also knew that Boston's racial homeownership gap would persist unless targeted interventions were pursued by the public and private sectors – and he decided to step in.

The process to select the focus of the Welcome Home Fund started with a three-month-long listening tour, during which Josh met with numerous community members and leaders to better understand what obstacles individual families faced along their path to homeownership and to solicit feedback on what type of targeted intervention could best support a family's economic mobility.

Repeatedly, he heard that homeownership, specifically assistance with coming up with a down payment and closing costs for first-generation home buyers, was an area where Boston's families had few (and limited) areas of support and that the support that was available was full of restrictions.

After these conversations helped to narrow the focus of the fund, the Muncey Group conducted significant research on nonprofits that support families to build assets and selected the nationally recognized nonprofit Compass Working Capital as its partner for a pilot program.







Compass Working Capital believes that asset poverty, rather than income poverty, is the true measure of inequality in the United States and works to support families with low incomes – primarily families led by Black and Latinx women – to build assets and reach their financial goals. Compass Working Capital delivers programs to families that combine three components:

- Culturally competent financial coaching
- Access to an asset-building opportunity
- On-demand access to high-quality financial education, information, and resources

After selecting Compass Working Capital as the referral and implementation partner for the pilot program of the fund, Compass Working Capital and the Muncy Group co-designed the focus and eligibility requirements. Along the way, members of Compass Working Capital’s Board Program Committee generously provided their input on the fund name, tagline, and structure.





## LOGISTICS & ELIGIBILITY

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First, it was critical to hone in on the intended impact of the philanthropic partnership and pilot program. All parties involved agreed that as an initiative entirely funded by private, philanthropic dollars, the fund had the opportunity to be explicit about its goal of closing the racial wealth gap and working with women of color.

Second, in order to facilitate the fund, the Muncey Group selected the online donor-advised fund platform Givinga, to house the pilot program funds. This platform not only made it easy to distribute the funds to Compass Working Capital, it also made it easy for other donors and community leaders to lend their financial support through an online, open-source Donor Advised Fund. The Welcome Home Fund was able to offer the opportunity for other members of the Muncey Group's network to contribute to the pilot

program, with the most significant contribution coming from a fellow Jamaica Plain donor and philanthropist, Kyra Harris Grenier who manages the James Pace Clayton Fund.

Compass Working Capital established internal guidelines for which families may be a good fit for this kind of support and Compass Working Capital made those decisions without interference or restriction from the donors (more details on the eligibility criteria below). While the pilot was aimed at supporting families from Boston who are seeking to purchase their first home, there were no restrictions on where families could purchase their homes (and many found their homes in Greater Boston, in particular the South Shore). Finally, the Muncey Group did not represent the buyer or seller in any of these transactions, or benefit from their purchases in any way.





Compass Working Capital has decades of experience supporting families with low incomes along their asset-building journeys, and so it only made sense that they would lead the way in developing the criteria for those who would be selected to receive grants from the pilot program of the Welcome Home Fund. After careful consideration, Compass Working Capital decided to set the following criteria for eligibility:

- Participants must have been actively participating in Compass Working Capital's financial coaching for at least one year.
- Participants must be enrolled in a Compass Working Capital Financial Self-Sufficiency (FSS) program (a federal program that is run in partnership with providers of HUD-assisted housing).
- Participants must have a credit score of at least 640 and a minimum household income of \$50,000.
- Participants must have self-identified homeownership as a top goal and attended an approved first-time homebuyers class.

Compass Working Capital selected five families that fit the above criteria, giving them each \$20,000 in unrestricted cash, as well as an endorsement letter to be used with the client's lender.

"We chose \$20,000 as the grant amount to ensure it was a meaningful amount for our clients and would make a real difference in their down payment costs. We also reviewed a combination of other factors, such as looking at other down payment assistance programs and their efficacy, client feedback and testimonials regarding those programs, and Compass Working Capital's program outcomes and equity. When we spoke to clients and looked at other programs, one piece of feedback we often heard was that given the price point of homes in the Greater Boston area and associated closing costs, we need to provide an amount that would make a real difference in those costs."

- Jason Andrade  
*Director of Financial Services*  
*Compass Working Capital*

## RESULTS & LEARNINGS

As of April of 2023, four of the five recipients have found, closed, and moved into their first home (the fifth participant is still looking for a home that is the right fit for their family). Participants bought homes in Brockton, Randolph, and Boston.

Along the way, Compass Working Capital and the Muncey Group participated in a co-learning process, with regular check-ins and identified a few key learnings from the pilot year:

**1. Despite additional, unrestricted cash grants, there are still many obstacles to homeownership for first-generation buyers and one-on-one coaching is critical to moving beyond those obstacles:** Challenges like the lack of affordable housing options in Greater Boston, being outbid, inspection failures and more could have derailed grantee's efforts but Compass Working Capital's one-on-one coaching was critical to the clients' ability to persist amongst these obstacles.

**2. Finding values-aligned banks is imperative to the program's success:** Having a list of banks that were open to working with Compass Working Capital's clients and to accepting the grant funds towards mortgage-related costs (or closing costs) was key. Eastern Bank, Cambridge Trust, HarborOne Bank, and First Home Bank were banks that were open and willing to work with the Compass Working Capital team and their clients on this process.

"The money from the Welcome Home Fund helped me so much because with that help we could complete what we wanted to give for a downpayment. That was one thing that helped me complete it, with what I had already saved. You know... those funds made it possible."

- Wendy

*The First Welcome Home Fund Grant Recipient*

**3. Donor breadth and diversity is key:** Not all banks will accept cash from a real-estate company. Luckily, the pilot program had more than just one donor, which ensured the funds were flexible enough to be used.

**4. Client timelines are personal – and shouldn't be rushed:** Finding the right home to purchase is a big deal and the timeline and ultimate decision should be left up to the buyer, and the buyer alone.

**5. Private philanthropy can provide a critical opportunity for grantmaking to thoughtfully combat the long history of racism in the housing market:** Before launching the Welcome Home Fund, its leadership researched the programs already in place to help first-time homebuyers. Despite past racial exclusions for financial support in regards to homeownership by government programs being well-documented, most current government programs that assist first-time homebuyers do not explicitly aim to address the racial homeownership gap.

*The Welcome Home Fund is different.*





## GUIDING PHILOSOPHY & APPROACH

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Throughout the process of designing and implementing the pilot of the Welcome Home Fund, it was critical for all parties involved to recognize and explicitly talk about the power dynamics at play and to take a relationship-centered and trust-based approach to co-designing and implementing the pilot. The Welcome Home Fund was – and continues to be – guided by the following values and principles:

**Start by listening:** Before launching the Welcome Home Fund, Josh Muncey designed and participated in a listening tour with over 10 community leaders, soliciting their expertise and feedback on where a new surge of private philanthropic funds could make the most impact. The focus of the fund is a direct result of what was heard during those conversations.

**Trust the expertise of nonprofits:** Once the fund was created, it was imperative that Compass Working Capital – not the donors – design the eligibility requirements and make the selection of grantees. Additionally, Compass Working Capital's one-on-one coaching model and long-term relationships with clients are critical to its grantees ultimately being successful in their home buying journey.

**Ensure that grantees are continuously empowered (and trusted) to make their own choices:** Whether in selecting the town or city that grantees bought their homes in, to the real estate brokers they used, to the mortgage lenders they selected, grantees were given the same level of autonomy that all people want and expect as they make a big, personal decision like buying a home.

**Engage in continuous learning (and *more listening*):** The key partners in the pilot met regularly to hear from Compass Working Capital about what they were learning and any challenges they were facing in executing the grantmaking.

**Build relationship-centered collaborations:** At the heart of it all, donors, nonprofit experts, grantees, and the other partners involved in creating the Welcome Home Fund knew that none of this work would be accomplished well without a strong, respectful, and transparent relationship with one another.



## WHAT'S NEXT?

Research shows us that homeownership not only drastically affects a family's wealth, but also has an affect on family's physical and mental health.

"A safe, decent, affordable home is like a vaccine," Dr. Megan Sandel of the Boston University School of Medicine testified to Congress in 2007. "It literally prevents disease. A safe home can prevent mental health and developmental problems, a decent home may prevent asthma or lead poisoning, and an affordable home can prevent stunted growth and unnecessary hospitalizations."

The primary goals of the Welcome Home Fund have always been, and continue to be:

1. To provide unrestricted cash directly to families of color that are first-generation homebuyers so they can purchase their first home.

2. To test, refine, and ultimately expand a model of giving that directly addresses the racial homeownership gap in Massachusetts.

As leadership of the Welcome Home Fund looks beyond the pilot, the hope is to not only expand to be able to provide more grants to first-generation homebuyers and women of color in 2023, but to also use the learnings from this pilot to influence both private philanthropy and public funding streams.



The leadership of the Welcome Home Fund urges anyone who is passionate about closing the racial homeownership gap to get involved in Phase Two of the Welcome Home Fund. Please contact Josh Muncey at [josh.muncey@compass.com](mailto:josh.muncey@compass.com) or scan the QR code to discuss.



# ADDENDUM



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POWERED BY THE MUNCEY GROUP

## About The Muncey Group

The Muncey Group's mission is to cultivate vibrant communities by bringing homes and people together. To make the right matches, The Muncey Group brings deep expertise in the local market and an unparalleled dedication to learning their clients' exact needs. Visit [munceygroup.com](https://munceygroup.com) for more.

## Additional Resources

The Muncey Group FAQ's about the Welcome Home Fund: <https://munceygroup.com/faq>

Givinga's Case Study on the Muncey Group's Giving Innovation here: <https://www.givinga.com/insights/philantech-in-action/the-muncey-group/>

Harvard University's Joint Center for Housing Studies research study on how downpayment assistance can close racial homeownership gaps: <https://www.jchs.harvard.edu/research-areas/working-papers/how-much-can-downpayment-assistance-close-homeownership-gaps-black>

Additional resources on learning about the system exclusion of people of color from opportunities for homeownership and other asset building opportunities: <https://www.compassworkingcapital.org/resources-1>

A 2016 paper published by Habitat for Humanity on the many benefits of home ownership on family's health: <https://www.habitatbuilds.com/wp-content/uploads/2016/04/Benefits-of-Homeownership-Research-Summary.pdf>



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