



Congress of the United States
House of Representatives
Washington, DC 20515

July 11, 2023

Director Rohit Chopra
Consumer Financial Protection Bureau
1700 G St NW
Washington, DC 20552

Dear Director Rohit Chopra:

We write to express concern regarding disparities in will writing and estate planning in the United States.¹ The prevalence of intestacy among black and indigenous Americans and communities of color contributes directly to racial inequity by limiting families' opportunities to effectively transfer generational wealth.

As you know, CFPB's mission is to empower consumers to take more control of their financial lives, and we applaud past efforts to provide culturally sensitive educational materials for historically marginalized communities to enhance financial literacy. We strongly believe that as part of this core mission, CFPB can play an instrumental role in providing outreach and increasing awareness among these communities on the importance of estate planning.

Estate planning is a crucial step in ensuring the transfer of wealth and assets for American families. This is especially important for historically marginalized communities, for whom financial literacy and economic status are undermined by the effects of systemic racism and discrimination. Creating generational wealth, and ensuring the transfer of that wealth, can play a vital role in uplifting these communities and combatting the longstanding effects of exclusionary economic policies.

Research has indicated that a staggering 76% of African Americans do not have a will, which is more than twice the rate observed among white Americans. Similarly, about two-thirds of Hispanic Americans do not have a will.² Surveys of these communities have indicated that there is a general lack of awareness on the importance of estate planning in ensuring the transfer of wealth, which is compounded by a distrust of the legal system.

¹ Fox, M. (2022, February 7). "we are in a state of emergency." *More than 70% of black Americans don't have a will. here's why a plan is key.* CNBC. <https://www.cnbc.com/2022/02/07/70-percent-plus-of-black-americans-dont-have-wills-why-estate-plans-are-key.html>

Unfortunately, intestacy in these communities can reinforce historical disparities in income. For example, tenancy-in-common (TIC) is the default form of property ownership upon the death of an individual, which grants heirs an undivided interest in a decedent's property. Under this scheme, property interests can be sold to a third party, such as developers, and lead to a forced partition sale wherein developers can acquire an entire property for less than its fair market value. Research suggests that forced partition sales are one of the leading causes of land and property loss for BIPOC communities.³

This is just one of the many ways in which racial inequities are perpetuated through insufficient estate planning. Thankfully, many states have enacted policies that strengthen families' rights in the estate planning process, and there are legal aid resources, including Pro Bono programs, nonprofits, and Minority Bar Associations, which are well-positioned to assist these communities in engaging with the estate planning process.

We encourage CFPB to take an active role in providing outreach to these historically marginalized groups to spread awareness of these resources and the importance of effective estate planning in ensuring the transfer of generational wealth. By working in collaboration with these organizations, the CFPB can amplify their impact and extend support to families who need it most.

Thank you for considering this request and your indispensable work to improve financial literacy for all Americans. We look forward to your response and your efforts to address these gaps in minority communities.

Sincerely,

² Chang-Cook, A. (2022, August 10). *Why people of color are less likely to have a will*. Consumer Reports. <https://www.consumerreports.org/money/estate-planning/why-people-of-color-are-less-likely-to-have-a-will-a6742820557/>

³ Pepoff, R. (n.d.). The intersection of racial inequities and estate planning. <https://scholarlycommons.law.hofstra.edu/cgi/viewcontent.cgi?article=1227&context=actecj>



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Member of Congress



Joyce Beatty
Member of Congress



Shri Thanedar
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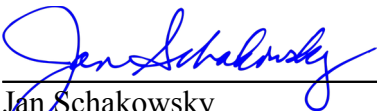
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