

FOUR WAYS TO BUILD UP

Despite the forces that hold black communities down, there are steps people can take to invest. By **Vic Motune**

EQUALITY CAMPAIGNERS have long pointed out the seemingly ever-widening differences in wealth and income between black people and other communities invariably translate into similar disparities in political power and influence.

In part, that debate has embraced the question of how black communities can create generational wealth by passing down assets such as property, businesses and investment to the next generation.

Building generational wealth is no easy task but it's an especially uphill battle for black Britons when you take into account the fact that, on average, the community has less family wealth to begin with. According to a report by think-tank Reso-

lution Foundation in December 2020, people of African heritage typically hold the lowest wealth (a median figure of £24,000 family wealth per adult), which amounts to less than one eighth of the typical wealth held by a person of white British ethnicity (£197,000 family wealth per adult).

So, how do we go about building wealth that can last for generations to come?

While societal changes are needed to address wider issues such as the ethnicity pay gap and employment rates, *The Voice's* panel of experts say there are steps that can be taken right now to start building wealth. These involve being informed, putting in place good planning, and no small amount of persistent effort.



BUILDING FOUNDATIONS: The widespread protests, left, that followed the death of George Floyd in May 2020 sparked debate about the links between economic and racial inequality, but there are moves we can make to build wealth (main photo: Getty Images)

Why buying property makes sense

INVESTING in property is often cited as one of the most lucrative ways of building generational wealth.

If you look at the investments of most wealthy families, it almost always includes real estate in one form or another. It is an asset that not only creates cash flow now, but increases in value over time.

However, it may be hard for many black Britons to see themselves as property investors, especially if they are struggling to get on the property ladder in the first place.

According to a June 2017 House of Commons briefing paper, black people are much less likely to be property owners than their white or Asian counterparts.

However, Essex-based property entrepreneur Melissa Lewis is passionate about encouraging more people from the community to become property investors and achieve the kind of financial independence that comes from running a successful property portfolio.

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She says a change of mindset is critical for people who want to invest but are hesitant.

"Property is an investment strategy, so you need to take a long-term view, say over a 10 or 15-year period" Lewis says. "So whatever money you have available, whether it's say £20,000,

whether it's less, whether it's more, you are not going to see your return straightaway."

However, the entrepreneur says there are also a range of property investment strategies that do not require much in the way of extra cash to invest and can yield cash flow more immediately.

"There are strategies like rent to rent," she explains.

"Let's say for example a landlord has a four-bedroom house he wants to rent out for £1,000 a month. Through this strategy you legally agree to manage the property, find tenants and charge £500 a room. So you're making £2,000 a month.

"The landlord takes his cut and after you've covered your tenants' utili-

ty bills, council tax etc the rest of the money is yours.

"It can be time consuming but the extra income you accumulate can be used to invest in another property that can generate wealth over the long term."

Lewis says she is encouraged by the growing interest in this field.

"I've seen groups of black women who have got together and decide that they're all going to put x amount into a pot, and get into property together. It's good to see. Difficulties arise though because people are not prepared for risk. Property, like any type of investment, comes with risk but the rewards can be great."



STRATEGY: Melissa Lewis says we should take a long-term view



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