

Tracking the American Dream — Fifty Years of Housing Changes

How much has the American housing picture changed during the last half-century? This Brief gives you an idea by using data collected by the housing censuses of 1940 through 1990. You'll see, for instance, that homes are now in better condition than ever before and are easier to heat, but affordability has become a very big problem.

Number of housing units nearly triples.

Between 1940 and 1990, the Nation's housing inventory increased nearly twice as fast as its population. While total population rose 88 percent, the number of units climbed from 37 million to 102 million — an astounding *173-percent* gain! This gigantic rise in the number of homes reflects a shrinking average household size, a nearly fivefold increase in the number of households without a married couple, and a jump in the number of second homes for seasonal, recreational, and occasional use.

The major housing problem has shifted from poor physical condition

By modern standards, the Nation's housing was in very poor shape in 1940. Among all housing units —

- 31 percent had no running water.
- 18 percent needed major repairs.
- 44 percent lacked a bathtub or a shower (in the structure itself) for exclusive use of its occupants.
- 35 percent did not have a flush toilet in the structure.

In addition, 20 percent of occupied units were "crowded," containing 1.01 or more persons per room; 9 percent were "seriously crowded," with 1.51 or more persons per room.

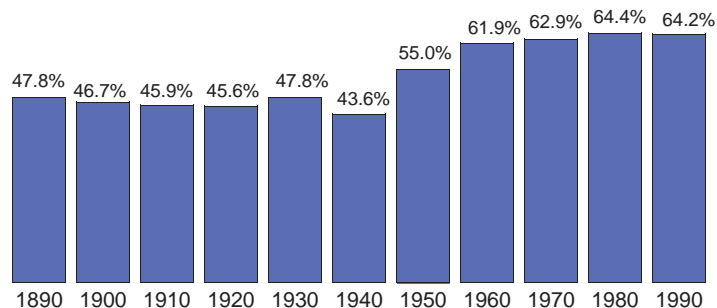
.... to affordability.

Today, poor physical quality of housing is no longer a big problem. In 1990, 99 percent of all units had complete plumbing facilities — hot and cold piped water, a flush toilet, and a bathtub or shower inside the unit. Crowding was also much less of a problem — 4 percent of occupied units were "crowded," 2 percent "seriously crowded."

The big problem now is the cost of housing, as householders are spending a growing chunk of their income on shelter. In 1960, renters paid a median of 19 percent of their income on housing; the respective totals for mortgaged and nonmortgaged owners were 19 percent and 10 percent. Thirty years later, the corresponding figures had climbed to 26 percent, 21 percent, and 13 percent, respectively. Another troubling sign was the homeownership rate. It rose in every

Homeownership Dips for the First Time in the Last Half-Century

Percentage of householders who owned their homes: 1890 to 1990 censuses



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BUREAU OF THE CENSUS

census between 1940 and 1980, but dipped in 1990 (see graph on front). The drop hit “baby boomers” especially hard.

One factor explaining both these trends was the inability of income gains to keep pace with the rise in housing costs. Another explanation was the drop in the proportion of married-couple households. Married couples have both higher income and a higher homeownership rate than other households.

Housing shifts to the South, West, and to the suburbs.

Reflecting population shifts, the South and West have experienced the greatest regional housing growth in the last half-century. As a result, both the South's and the West's share of the Nation's housing units rose between 1940 and 1990 (from 29 percent to 35 percent for the South, 12 percent to 20 percent for the West). Meanwhile, the proportions located in the Northeast and Midwest declined (from 28 percent to 20 percent for the Northeast, 31 percent to 24 percent for the Midwest).

While this regional shift was going on, so was a movement to the suburbs. Consequently, the percentage of units located there rose from 19 percent to 44 percent. Meanwhile, the proportion in central cities declined slightly (from 34 percent to 32 percent) and the percentage outside metro areas plunged from 46 percent to 24 percent.

Gas and electricity now the leading home heating fuels.

In 1940, few households could get by without either a coal shovel or an ax. Coal was used to heat 55 percent of homes; another 23 percent used wood. By 1970, coal and wood had virtually disappeared as house heating fuels. As the use of solid fuels declined, utility gas emerged rapidly in the 1950's and '60's and electricity in the

'70's and '80's as important home heating fuels. In 1990, they were used to heat 51 percent and 26 percent of homes, respectively.

Mobile homes and condos become more prevalent.

Except in 1960 (when it jumped to 75 percent), the percentage of households living in single-family homes remained fairly steady between 1940 and 1990, ranging from 64 to 69 percent. The proportion of units located in 2-to-4 unit structures, on the other hand, has dropped dramatically — from 22 percent to 10 percent. Meanwhile, units in structures with 5 or more units rose from 11 percent to 18 percent of homes. And mobile homes leaped from less than 1 percent to 7 percent.

Condominiums, non-existent in 1940, numbered 4.8 million in 1990.

More information:

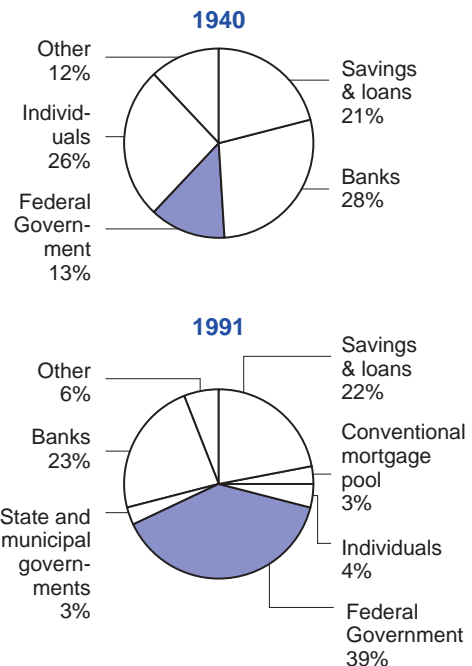
Tracking the American Dream — Fifty Years of Housing History From the Census Bureau. Current Housing Reports, Series H121/94-1. Contact Customer Services (301-763-4100) for ordering information.

Signs of the Times

- Owners' median home value rose from a mere \$2,900 in 1940 to \$79,100 in 1990.
- In 1960, 12 percent of occupied units had air conditioning. The 1991 American Housing Survey reported that 71 percent of units had it.

Federal Government Now a Common Mortgage Holder

Holders of first mortgages on single-family homes: 1940 and 1991



Note: Data for 1991 are from the Residential Finance Survey.

Contacts:

Housing History —
F. John Devaney
301-763-8018

Statistical Briefs —
Robert Bernstein
301-763-1584

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