

## VIII. Housing and Neighborhoods

The housing in which people live and the neighborhoods where they reside may affect a variety of opportunities for children and adults. Poor housing may contribute to a number of adverse health and educational outcomes, particularly in children. For example, severe crowding, indoor air pollution, or deteriorating lead paint may cause or exacerbate diseases such as asthma or lead poisoning, sometimes with long-term effects.<sup>1</sup>

There are currently about 100 million occupied housing units in the United States, of which about two-thirds are owner-occupied. Homeownership has increased in recent years to the highest level in history. The national homeownership rate was 66 percent in 1997, but less than half of black and Hispanic householders owned their homes (Housing and Neighborhoods 1). About 5 million of the 35 million renter households receive some form of federal subsidy.

High housing cost burdens, moderate or severe physical housing problems, and crowding are three commonly used measures of adverse housing conditions.<sup>2</sup> Between 1976 and 1995, the fraction of households with moderately high housing cost burdens (30 to 50 percent of income) rose (Housing and Neighborhoods 2). Over the same period, the physical condition of housing improved markedly. (Housing and Neighborhoods 3). The fraction of households that are crowded (more than one person per room) fell substantially, from 4.6 percent in 1976 to 2.6 percent in 1995 (Housing and Neighborhoods 4). All groups (for which data are available) have generally experienced improvements in housing conditions, although crowding among Hispanic households has risen somewhat in recently years.

Non-Hispanic white households have the best housing conditions according to all three of these measures, but the relative position of the other groups varies depending on the measure. Non-Hispanic black, Hispanic, Asian, and American Indian households are about equally likely to have very high housing cost burdens, and non-Hispanic white households are least likely to have high housing cost burdens. Non-Hispanic black households are more likely than members of other groups to live in units with moderate or serious physical problems, followed by American Indians, Hispanics, Asians, and non-Hispanic whites. Hispanic households are the most likely to be crowded, followed by Asians and American Indians, non-Hispanic blacks, and non-Hispanic whites.

An individual's neighborhood is related to the availability and quality of important amenities such as a safe environment, primary education and other public services, as well as economic opportunities. Growing up in neighborhoods with concentrated poverty, high crime, and poor public schools is associated with poorer educational outcomes and may reduce chances of success in adulthood.<sup>3</sup> Neighborhood quality and the quality of associated services vary considerably depending on the racial and ethnic composition of the population. Non-Hispanic black and Hispanic households tend to report more problems in their neighborhoods, including crime, litter and housing deterioration, and poor public services (Housing and Neighborhoods 5). Concern about crime in neighborhoods rose considerably between 1985 and 1995.

Neighborhoods have long been segregated by race and Hispanic origin, although segregation has fallen somewhat since 1970, particularly between blacks and all others.<sup>4</sup> Because neighborhoods have historically been segregated, public services and other amenities associated with neighborhoods have also been unequally distributed. In addition, the racial and ethnic composition of neighborhoods can play an important role in determining how much interaction individuals have with members of other racial and ethnic groups. Members of each group live

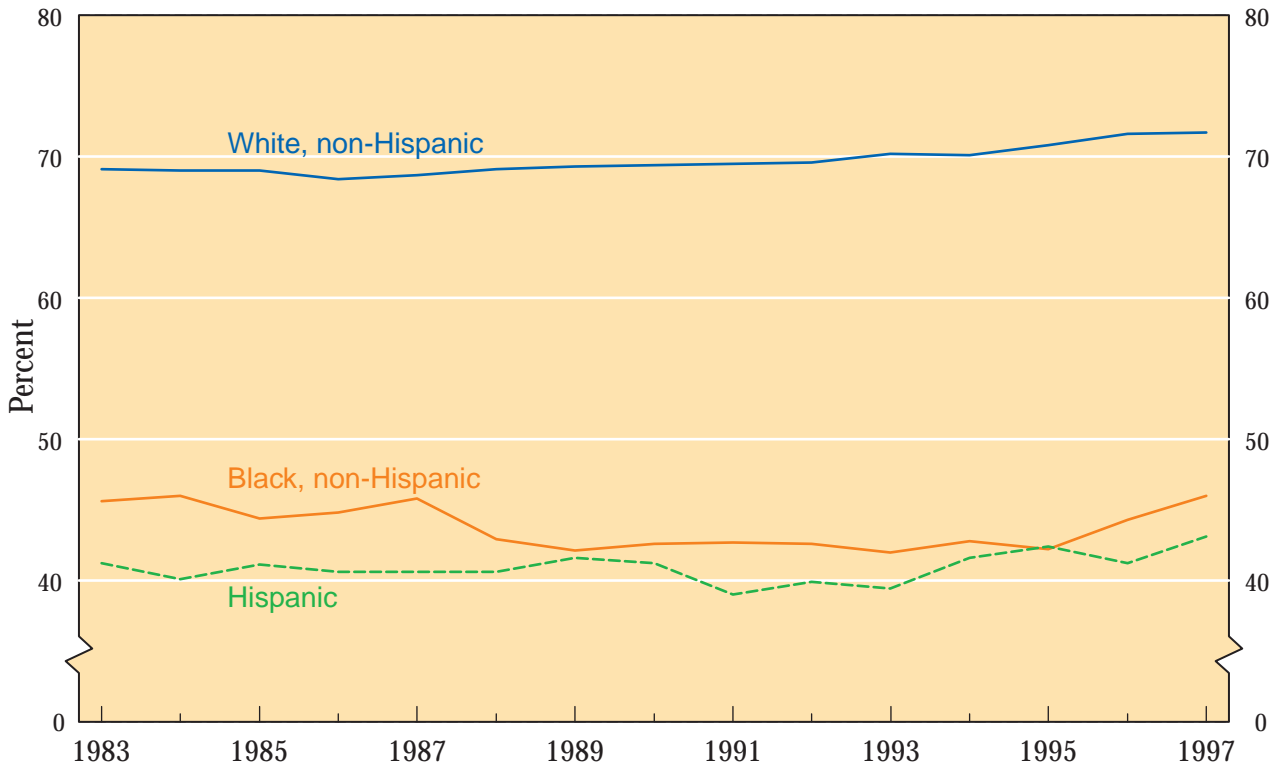
disproportionately with members of the same group (Housing and Neighborhoods 6). According to several measures of segregation, whites and blacks live in more segregated neighborhoods than Asians or Hispanics.<sup>5</sup>

The 1968 Fair Housing Act prohibited discrimination on the basis of race or ethnic origin in housing and mortgage lending. Evidence suggests that the Act may have helped reduce discrimination in housing markets and contributed to declining segregation.<sup>6</sup> Attitudes about racial integration have also changed dramatically: The fraction of whites saying they would move if a black family moved in next door fell from 44 percent in 1958 to 1 percent in 1997 (Housing and Neighborhoods 7). Still, segregation remains high. And continued discrimination in housing and mortgage lending has been clearly documented through audit studies, in which similar white and minority candidates attempt to rent apartments or apply for home mortgage loans. One national study found that the incidence of unfavorable treatment in the housing market was 23 to 30 percentage points higher for a black or Hispanic applicant compared with his or her matched white counterpart.<sup>7</sup>

1. Children's Defense Fund. 1994. *Wasting America's Future*. Boston: Beacon Press.
2. For a description, see 1996. *American Housing Survey for the United States in 1995*. U.S. Department of Commerce and U.S. Department of Housing and Urban Development. Washington, DC.
3. Ellen, Ingrid Gould and Margery Austin Turner. 1997. "Does Neighborhood Matter? Assessing Recent Evidence." *Housing Policy Debate* 8 (4):833–66.
4. Cutler, David M., Edward L. Glaeser, and Jacob L. Vigdor. 1997. "The Rise and Decline of the American Ghetto." National Bureau of Economic Research Working Paper No. 5881; Farley, Reynolds and William H. Frey. 1994. "Changes in the Segregation of Whites from Blacks During the 1980s: Small Steps Toward a More Integrated Society." *American Sociological Review* 59 (February):23–45.
5. Farley and Frey. "Changes in the Segregation of Whites from Blacks During the 1980s."
6. Farley and Frey. "Changes in the Segregation of Whites from Blacks During the 1980s."
7. Turner, Margery Austin, Raymond J. Struyk, and John Yinger. 1991. *Housing Discrimination Study: Synthesis*. U.S. Department of Housing and Urban Development. Washington, DC.

## 1. Homeownership Rates

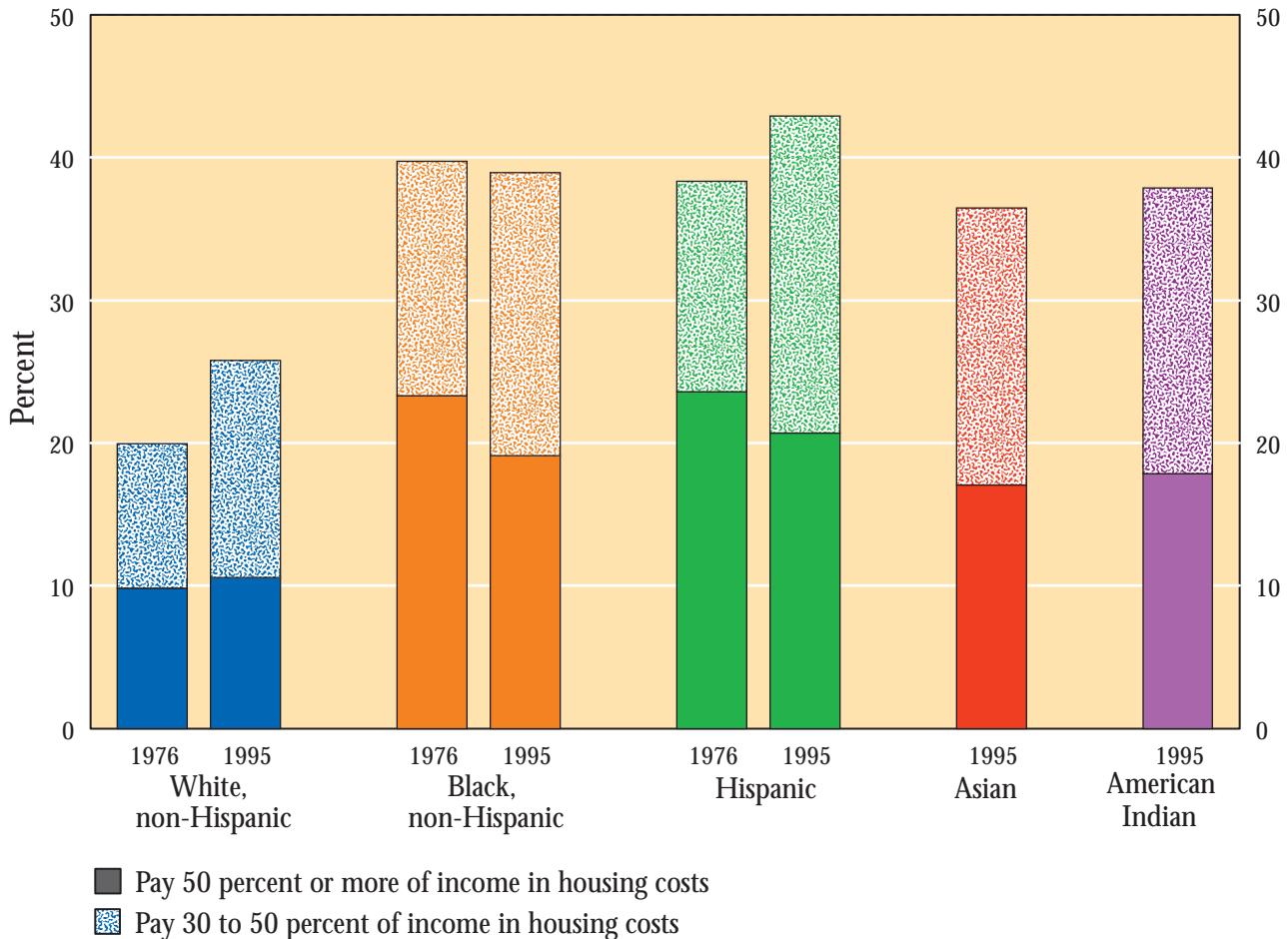
Source: Bureau of the Census



- Homeownership is an indicator of financial well-being and may also contribute to the stability of neighborhoods. The homeownership rate is the percentage of households that own their own homes.
- The homeownership rate of non-Hispanic whites is more than 25 percentage points above that of non-Hispanic blacks and Hispanics. Less than half of non-Hispanic black and Hispanic householders own their own homes.
- Homeownership rates have risen in recent years for all groups, in part because of the aging of the population. The overall rate reached a record high in 1997.

## 2. Households with High Housing Cost Burdens

*Sources: Department of Housing and Urban Development and Bureau of the Census*

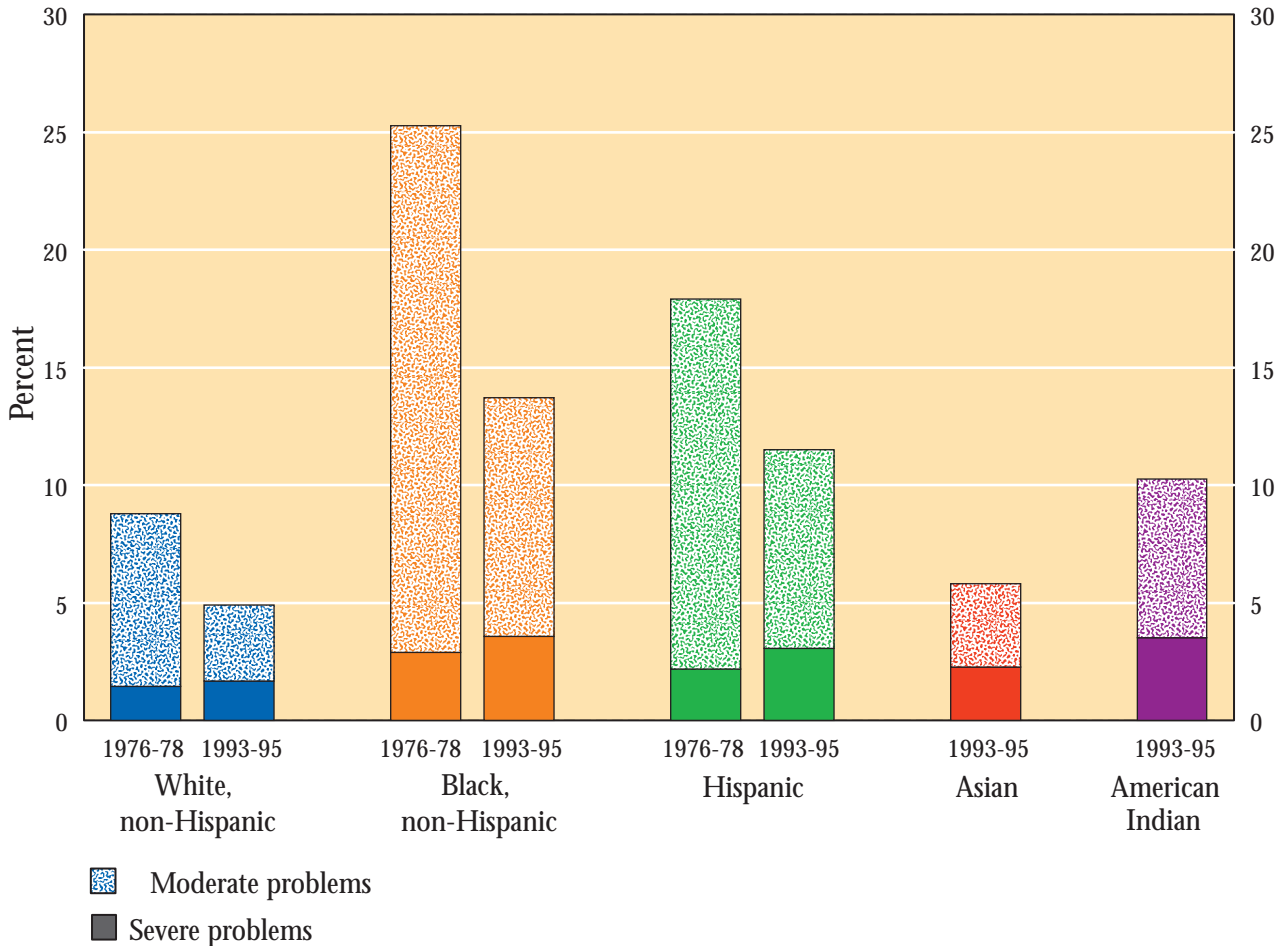


- High housing costs limit a household's ability to afford other necessities. Housing expenditures of less than 30 percent of income are considered "affordable," while the Department of Housing and Urban Development considers a household to have "worst case" housing needs if housing costs are more than 50 percent of household income (and income is below 50 percent of the area median).
- Non-Hispanic black, Hispanic, Asian, and American Indian households are nearly twice as likely as non-Hispanic whites to spend 50 percent or more of their income on housing costs. Differences across groups in the fraction paying 30 to 50 percent of income for housing are much less pronounced.
- Between 1976 and 1995, the proportion of non-Hispanic black and Hispanic households facing housing cost burdens of 50 percent or more of income fell slightly, while the proportion facing housing cost burdens between 30 and 50 percent increased. The proportion of non-Hispanic whites in both categories rose. (Data for Asians and American Indians are not available for 1976.)

*Note: Data for Asians exclude Hispanic Asians, and data for American Indians exclude Hispanic American Indians.*

### 3. Housing Units with Physical Problems

*Sources: Department of Housing and Urban Development and Bureau of the Census*

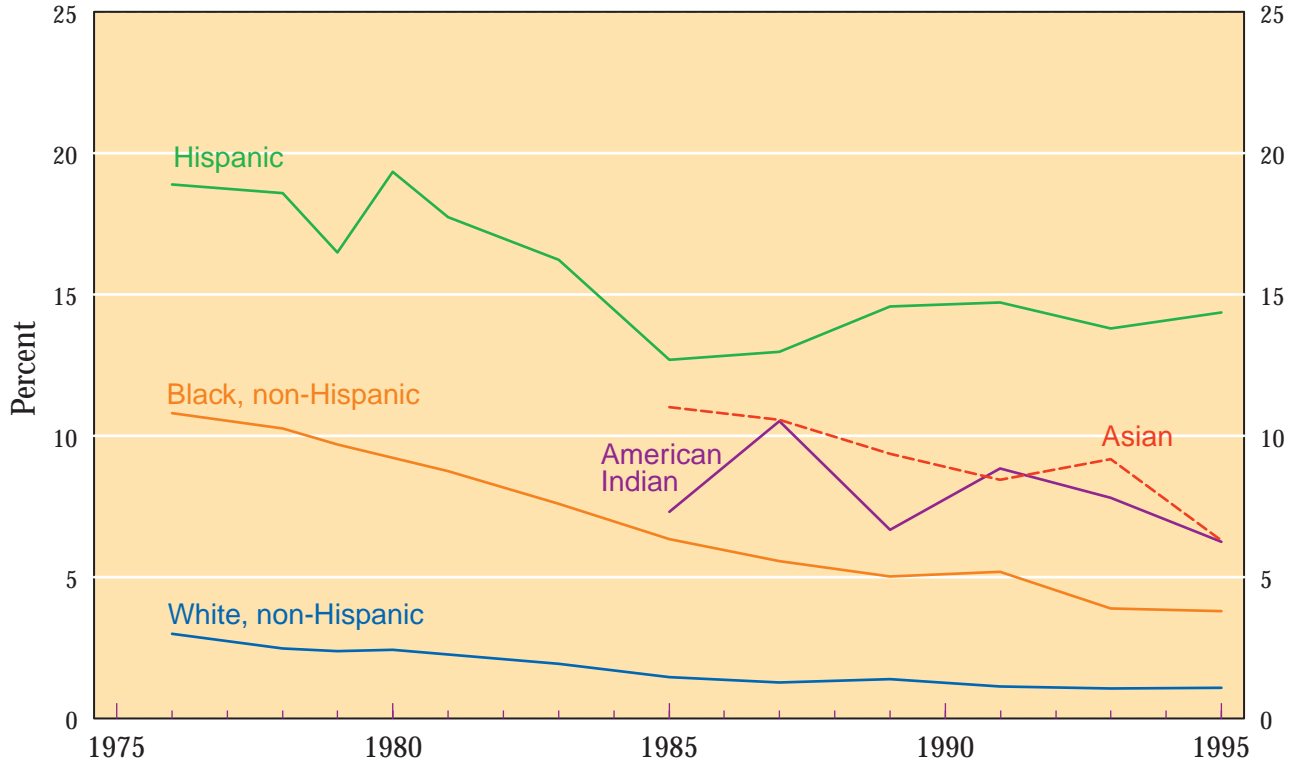


- Poor physical housing quality can contribute to health problems, particularly in children. Severe physical problems include lack of indoor plumbing, inadequate heating, electrical problems, and other serious upkeep problems. Moderate physical problems include problems with heating or plumbing or the lack of a kitchen sink, refrigerator, or stove burners.
- In 1993–95 non-Hispanic blacks, Hispanics, and American Indians were more likely than non-Hispanic whites or Asians to live in housing units with serious or moderate physical problems.
- Between 1976–78 and 1993–95, the fraction of households living in units with moderate physical problems fell substantially for all groups for which data are available. The fraction of households living in units with severe problems has risen but is still less than 5 percent for all groups.

*Note: Data for 1976 and 1978, or 1993 and 1995, are averaged to provide more reliable estimates. Data for Asians exclude Hispanic Asians, and data for American Indians exclude Hispanic American Indians.*

## 4. Crowding: Households with More Than One Person per Room

Sources: Department of Housing and Urban Development and Bureau of the Census

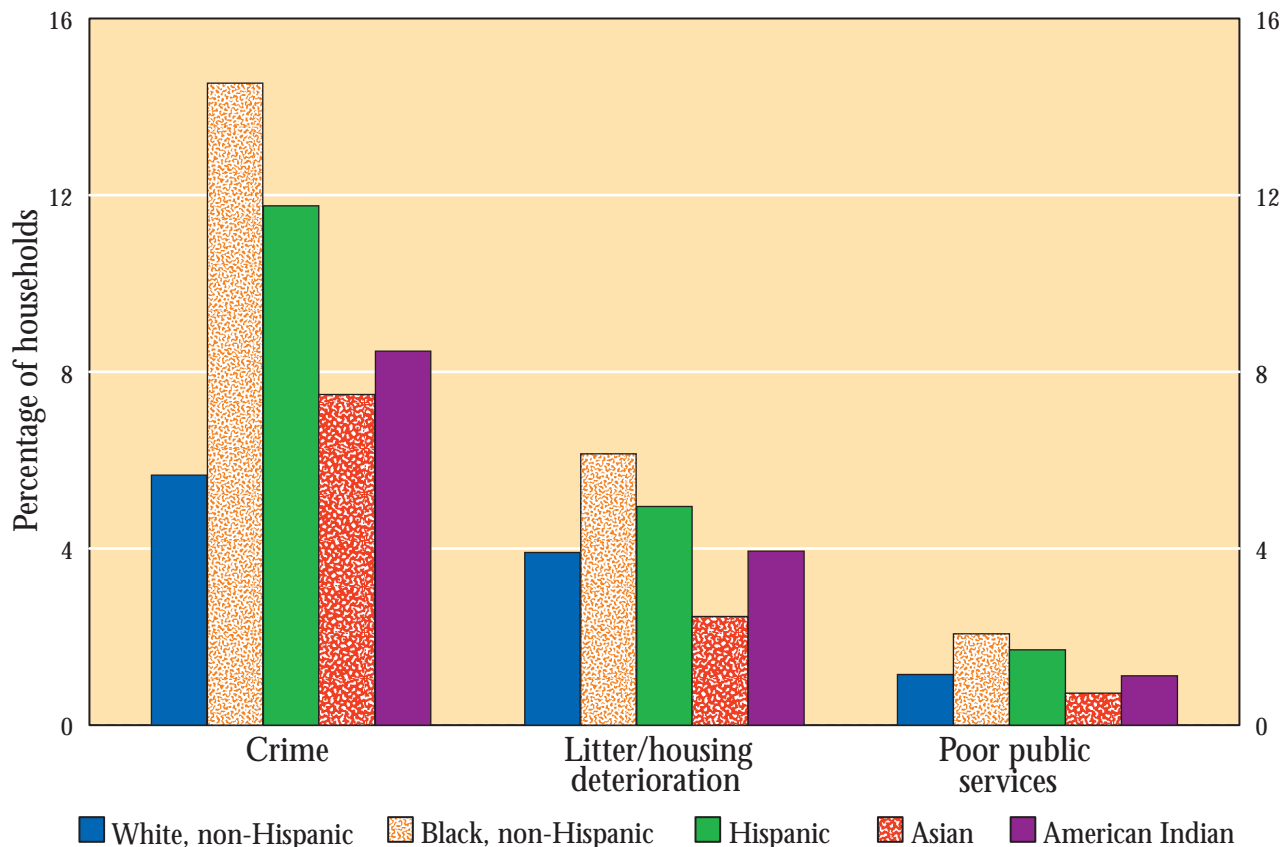


- Crowding is another indicator of housing conditions. A household is considered crowded if it contains more than one person per room. (Rooms used for living space are counted, including bedrooms, living rooms, and kitchens, but bathrooms or rooms created with temporary partitions are not included.)
- In 1995, only about 1 percent of non-Hispanic white households were crowded, with greater crowding among non-Hispanic blacks (4 percent) and Asians and American Indians (6 percent each). Hispanic households were more than twice as likely as any other group to be crowded (14 percent).
- Crowding has declined for all groups since 1976. Among Hispanics, however, crowding rose slightly between 1985 and 1995 after falling considerably between 1975 and 1985.

*Note: Data for Asians exclude Hispanic Asians, and data for American Indians exclude Hispanic American Indians.*

## 5. Reported Problems in Neighborhood, 1993–95

Source: Department of Housing and Urban Development and Bureau of the Census

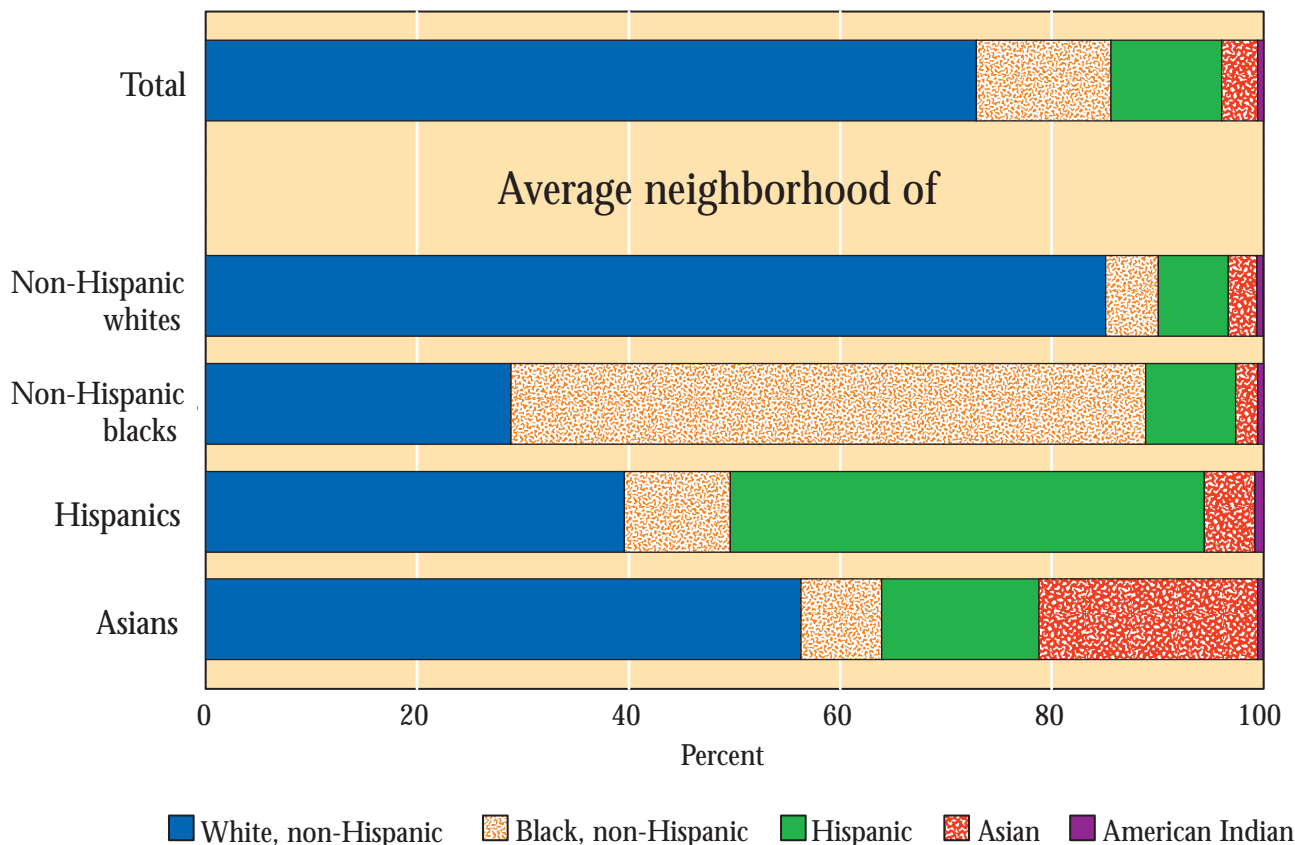


- Households' reports of problems in their neighborhood most likely reflect a combination of objective conditions, expectations, and overall satisfaction with their housing and neighborhood.
- In 1993–95, about 15 percent of non-Hispanic black households reported that crime was a problem in their neighborhood, compared with 12 percent of Hispanics, 8 percent of American Indians, 7 percent of Asians, and 6 percent of non-Hispanic whites. The fraction of households reporting concern about crime rose between 1985 and 1993–95 for all groups except American Indians (not shown in chart).
- Non-Hispanic black and Hispanic households are more likely to report problems with litter and housing deterioration than are American Indians, non-Hispanic whites, and Asians.
- Reported dissatisfaction with public services is 2 percent or less for all groups.

*Note:* Data for 1993 and 1995 are averaged to provide more reliable estimates. Data for Asians exclude Hispanics Asians, and data for American Indians exclude Hispanics American Indians.

## 6. Average Racial and Ethnic Composition of Metropolitan Neighborhoods, 1990

Source: Reynolds Farley, *The New American Reality*

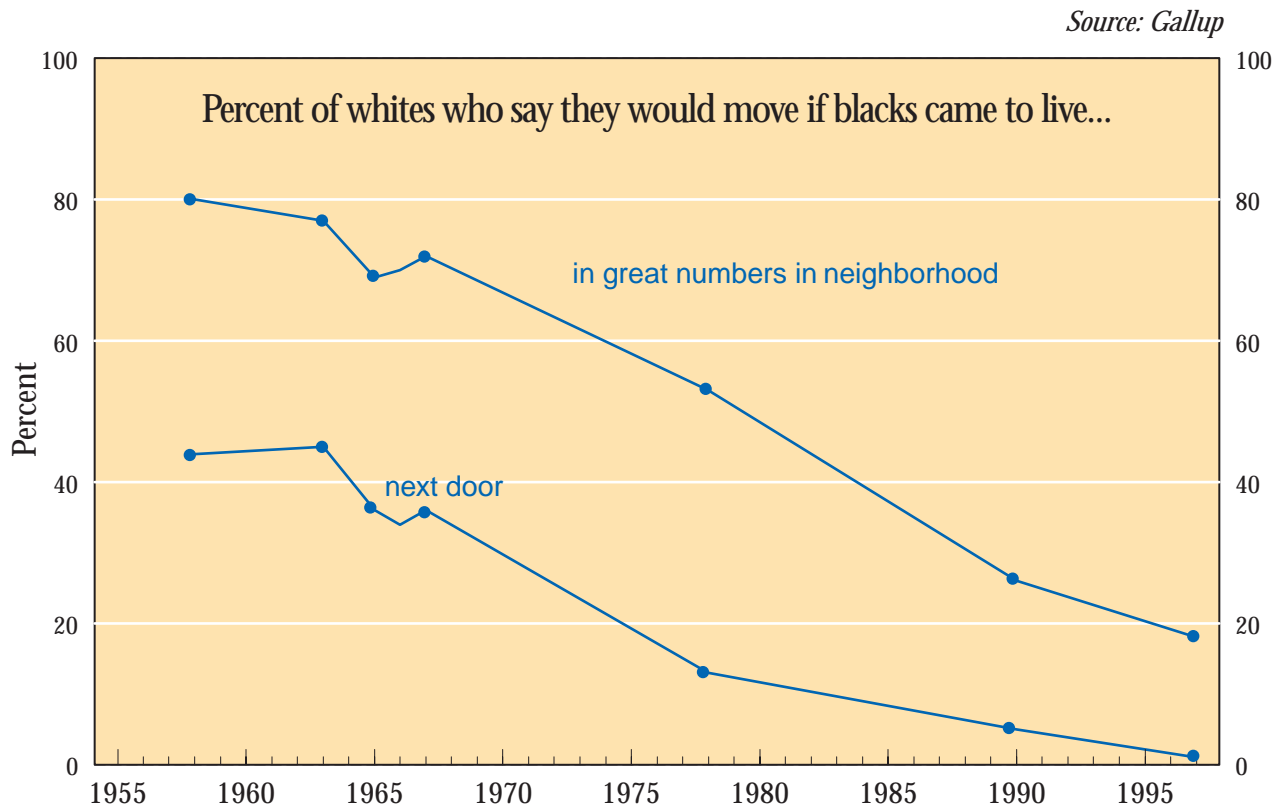


- The racial and ethnic composition of neighborhoods can affect how much interaction individuals have with members of other racial or ethnic groups. This chart shows the average racial and ethnic composition of metropolitan neighborhoods for members of each group.
- Members of each racial and ethnic group live disproportionately with members of the same group.
- Residential segregation of blacks from other groups declined between 1970 and 1990 (not shown in chart). Between 1980 and 1990, residential segregation of Asians and Hispanics from other groups changed little but is still much lower than for blacks.

*Note: Data for Asians exclude Hispanic Asians, and data for American Indians exclude Hispanic American Indians. The American Indian category includes individuals classified as "other."*



## 7. Whites' Attitudes towards Integration



- A variety of questions have been used to examine America's changing views on race and racial tolerance. Beginning in 1958, a national sample of whites has been asked whether they would move if "black people came to live next door" or if "black people came to live in great numbers" in their neighborhood.
- The fraction of whites saying they would move if blacks moved in next door fell dramatically from 44 percent in 1958 to 1 percent in 1997. The fraction saying they would move if blacks moved into their neighborhood in large numbers fell from 80 percent to 18 percent over the same period.
- These questions have been consistently asked only of whites, so similar indicators of other groups' views of integration are not available.

*Note: Straight line between dots indicates data are not available for intervening years.*