

FAIR HOUSING
MAKES U.S.
STRONGER



SEPTEMBER 2018

After 50 Years, How Much Has Changed?

There's no question that the Fair Housing Act has enabled more people to have greater access to housing and neighborhoods of their choice across the country. Many of the conditions and policies that prevented certain classes of people from living where they wanted have been removed, replaced by new resources and policies that seek to ensure that all Americans have equal access to housing. Research and demographic reports issued over the years since 1968 provide a window into how the housing market has grown more and more diverse because of the Fair Housing Act.

The typical homebuyers, both in 1968 and today, are most often white married couples with children. More than ever before, though, the diversity of home buyers is on the rise, according to recent research. The 2017 [Profile of Home Buyers and Sellers](#) from the National Association of REALTORS® reported that the share of married homebuyers decreased slightly, while the share of single females and unmarried couples increased. First-time homebuyers in particular are becoming more ethnically diverse: 24% identified with a group other than white or Caucasian, and 14% reported they were born outside the United States.

On a similar note, [The State of the Nation's Housing](#), an annual report produced since 1988 by the Joint Center for Housing Studies at Harvard University, found that the share of homeowners born outside the US jumped from 7% to 12% percent from 1990 to 2016. As the nation's homeowners grow older and young adults more likely to delay purchasing a home, the Joint Center reports, immigrant households will play a more prominent role in driving the housing market.

And yet, one particular number – 41.6 -- shows that there is still much to be done. In 1970, two years after the Fair

Housing Act became law, the [Census Bureau reported](#) that the national homeownership rate among white households was 68%, 43.7% for Hispanic households, and 41.6% for black households.

In [their latest report](#) for second quarter 2018, the Census Bureau showed modest gains for two of those groups. Homeownership for white households is currently 72.9%, and 46.6% for Hispanic households. For Asian households (not measured in the 1970 Census numbers), the rate of homeownership is 58%. But for black households, there was no change at all since 1970. Despite 50 years of slow gains, the latest homeownership rate for black Americans remains at 41.6%.

The reasons for this are many, but a root cause of the problem is the lack of intergenerational wealth caused by decades of unfair housing practices before the Fair Housing Act took effect. By denying black and Hispanic households access to housing in thriving neighborhoods and more favorable credit conditions, they have not been able to build up the equity and financial resiliency necessary to weather economic hardship. Although the homeownership rate for African American households neared a high of 50% in 2004, the credit crisis and economic recession hit them harder than other ethnic groups, causing many to lose their homes to foreclosure and driving the homeownership rate backwards.

A [recent study by the Urban Institute](#) found that this problem continues with the millennial generation, especially among younger black and Hispanic homebuyers. The study reports that the homeownership rate for millennials was 37% in 2015, or about 8% lower than that of both Generation X and Baby boomers when they were the same age (25 – 34). For African American and Hispanic millennials, the rate is even lower, at 14.5%

FAIR HOUSING
MAKES U.S.
STRONGER



and 28% respectively. Again, a lack of generational wealth is one of the primary factors impacting how this generation approaches home ownership: the Urban Institute study found that young adults are considerably less likely to become homeowners if their parents aren't homeowners themselves and thus better able to help with down payments and navigating the home buying process. The millennial generation is more ethnically diverse than previous generations, which also keeps their rate of homeownership low.

While great strides have been made toward ensuring equal access to housing for all, much remains to be done to address low homeownership rates among minorities, particularly African Americans. Without policy changes and programs to address the lingering negative impacts of housing discrimination, future generations will find themselves with limited ability to exercise the rights granted by the Fair Housing Act.

For more information, resources and to get involved, visit www.FairHousing.realtor