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Hunter College (CUNY)

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# The State of Housing for Hispanics in the United States

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# The State of Housing for Hispanics in the United States

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The current state of housing for the United States' Hispanic population is not *halagüeño*; that is, it is not flattering, and its outlook is promising only to the extent that there is so much room for improvement that progress must be but inevitable. However, anything short of sustained advances in *homeownership* rates and marked improvements in *living conditions* for both Latino homeowners and renters should be seen as disappointing failures of public policy and wavering political will.

The picture painted in this brief is mixed. On the one hand, Latinos lag significantly behind the aggregate of the US population in positive housing indicators and are overrepresented in the categories of negative housing indicators, and they do so for 2003 as they did in 2001, 1999 and 1997. On the other hand, over this period there has been some progress in some areas of concern; but this progress has not been necessarily consistent.

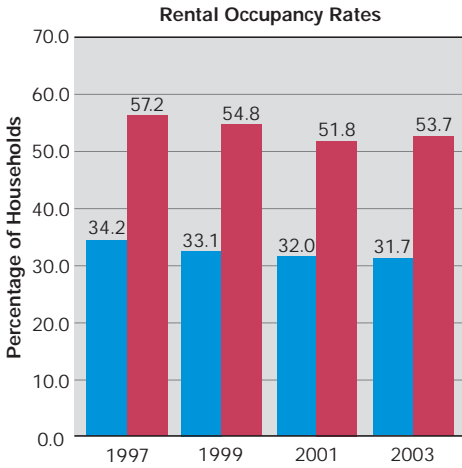


FIGURE 1

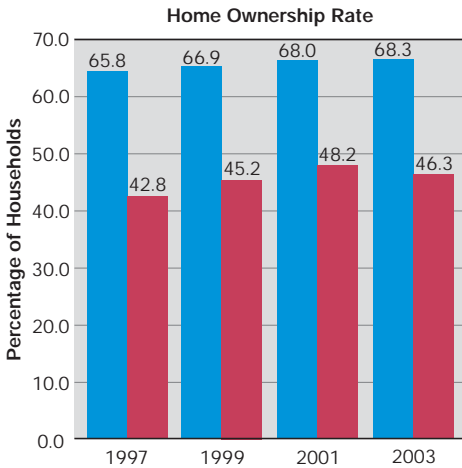


FIGURE 2

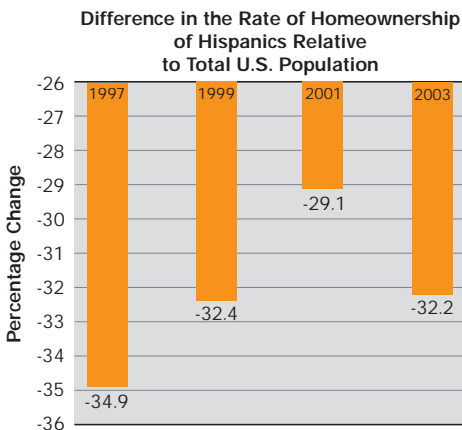


FIGURE 3

■ U.S. Population ■ Hispanic Population

What do we know about the conditions in which Latinos live? Relying on data from the American Housing Survey for the United States in 2003 (as well as 2001, 1999 and 1997)<sup>1</sup>, we find that the majority of Latinos are *renters* (Figure 1). Fifty-four percent of Hispanics rented their homes compared to 32% of the overall population of the United States. The vast majority of people in the United States — over two thirds — owned the home they lived in, but only 46% of Latinos did (Figure 2).

Looking back over the previous six years, however, we had observed a positive trend toward increased homeownership among Latinos as well as the U.S. population as a whole. In 1997, 66% of the US population owned its home; 67% in 1999; and 68% in 2001. For Latinos, the homeownership rate increased from 43% in 1997 to 45% in 1999 to 48% in 2001. However, in 2003, it declined by 2%. The increase in homeownership rates among Latinos had occurred at a faster pace than for the population as a whole, reducing the disparity in ownership between Latinos and the total U.S. population from 35% to 29%. But in 2003 this difference increased to 32%, reversing the trend of the late 1990's. (Figure 3) This 32% difference in home ownership rates has implications for *wealth*, since homeownership provides by far the biggest asset families in the United States have and it is the anchor for middle-class status.

Latinos, of course, tend to have *lower* income levels than the overall population. In fact, the median household

income for Latinos in 2003 was 20% lower—at \$33,259— than the \$41,775 in median household income of the population as a whole. Latinos also have to do more with less income. Latinos paid 4% more in monthly housing costs than the overall population; for, whereas Latinos paid \$714 a month in housing costs, it cost the overall population \$684 to cover their housing expenses for the month. The trend overtime had seen this relative *over-payment* for housing costs reduced as Latino median income increased between 1997 and 2001. Therefore, as the difference in median household income for Latinos *decreased* relative to the median household income of the population as a whole, from 27% in 1997 to 21% in 1999 and 17% in 2001, the difference in median monthly housing costs paid by Latinos when compared with the overall population decreased from 4% to 3% over the same period of time (Figures 4a, 4b). However, in 2003, the median household income for Latinos decreased, while that of the U.S. population overall increased. At the same time, housing costs for Latinos increased at a greater rate than for the U.S. population as a whole.

The greater proportion of monthly housing costs paid by Latinos might be balanced by an increase in the subsidies Latino households receive to offset these housing costs. But fewer Latino households reported receiving any rent subsidy compared to the population as a whole: 43% of them received no such subsidy, compared to 26% of the overall population that

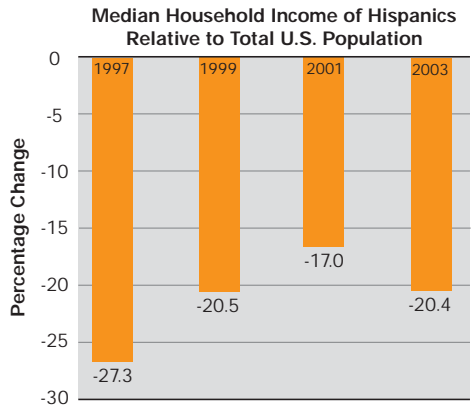


FIGURE 4A

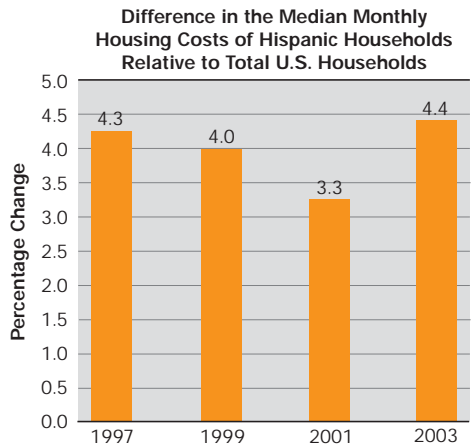


FIGURE 4B

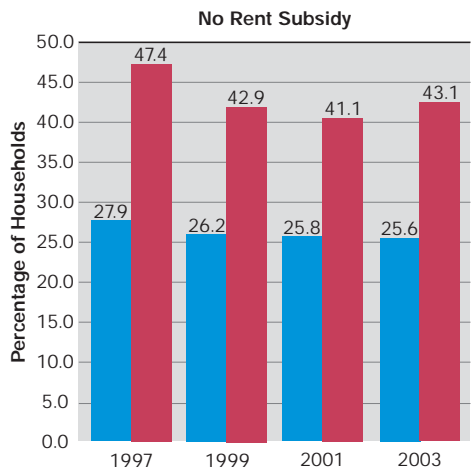


FIGURE 5

■ U.S. Population ■ Hispanic Population

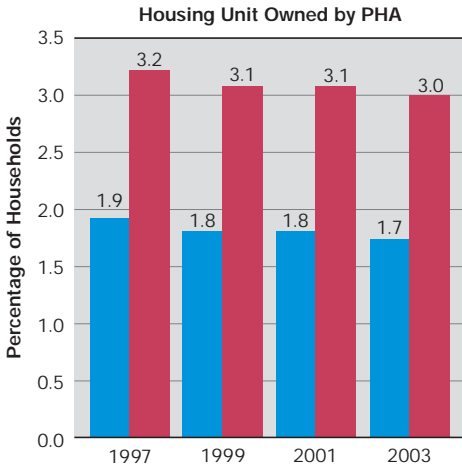


FIGURE 6

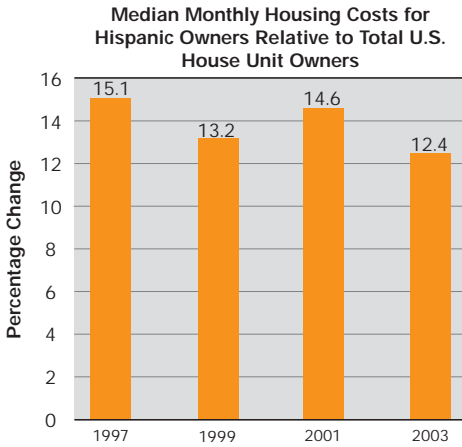


FIGURE 7A

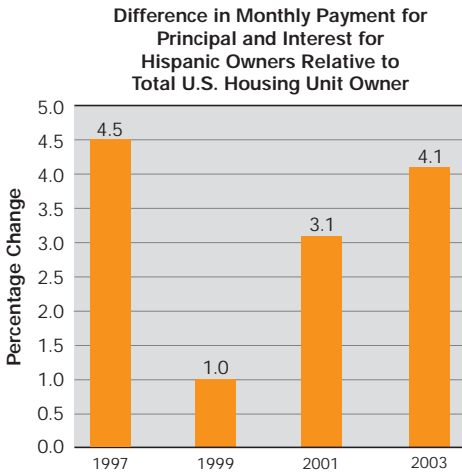


FIGURE 7B

■ U.S. Population ■ Hispanic Population

reported not receiving rental subsidies — a 17% difference (Figure 5). This difference in rent subsidies was greater in 1997 —by 20%— in 1999 —17%— and in 2001 —15%. But in 2003, the difference in rent subsidies received by the population as a whole and the Latino population increased once again to almost 18%. On the other hand, 3% of Latinos reported living in rental property owned by a public housing authority, compared to 2% of the population as a whole —a rate that seems relatively stable over time. (Figure 6)

For those Latinos fortunate enough to own their home, the pressure on their income has fluctuated. In 2003, they paid 12% more on their monthly housing than the overall population. Latino homeowners paid \$852 in monthly housing expenses while the monthly costs for homeowners in the United States were about \$758. Part of what causes Latinos homeowners to pay more is the higher cost of their monthly home mortgage principal and interest payments, which is 4% higher than the \$709 the overall population paid. The differences in how much more Latinos homeowners have paid in housing costs in general or in principal and interest payments on a mortgage in particular relative to the overall population have fluctuated. In 1997, Latinos homeowners paid 15% more in monthly housing costs than the population as a whole. This difference declined to 13% in 1999, but increased to 15% again in 2001. In terms of monthly payments for principal and interest, Latinos paid 4.5% more than the popula-

tion as a whole in 1997. The difference declined to 1% in 1999 but increased to 3% as well in 2001. (Figures 7a-b)

Latinos not only pay more for their housing situation, but they are also *disproportionately* exposed to *worse* living conditions than the population as a whole. These less than ideal living conditions are measured along several indicators. First, Latinos live in quarters that are *smaller* than those of the overall population. The median square footage of housing Latinos occupied in 2003 was 1,455, which is 17% smaller than the 1,756 square feet of housing the larger population enjoyed (Figure 8). Moreover, the situation is *aggravated* by the fact that Latinos occupy not only smaller spaces, but these smaller spaces are occupied by more people than it is the case for the overall population. The Census Bureau finds that the average household size in the United States in 2000 was 2.59 persons, but for Hispanic households the average size was 3.59 or one additional person per household. The American Housing Survey of 2003 finds similar proportions: 2.5 persons overall per household compared to 3.3 persons per Latino household. (Figure 9) Latinos have more than a third less living space — 464 square feet per person— than the overall population (734 square feet). (Figure 10)

Larger households living in smaller spaces leads to *overcrowding*, and this is clearly observed in the survey results. Two percent of households in the overall population lived in crowded housing conditions, defined as more than one person living in a room. Ten percent of Latinos,

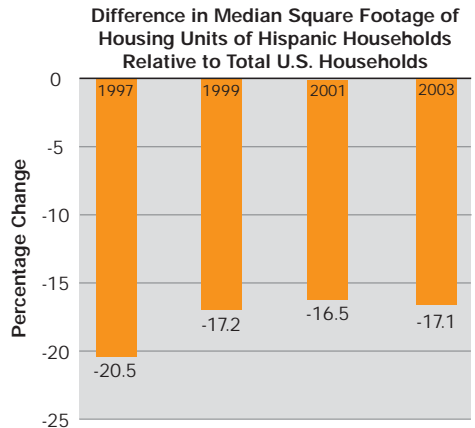


FIGURE 8

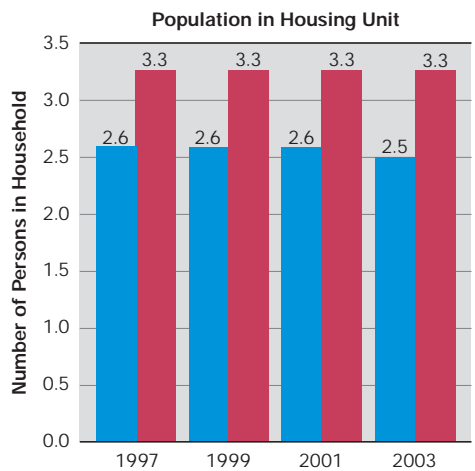


FIGURE 9

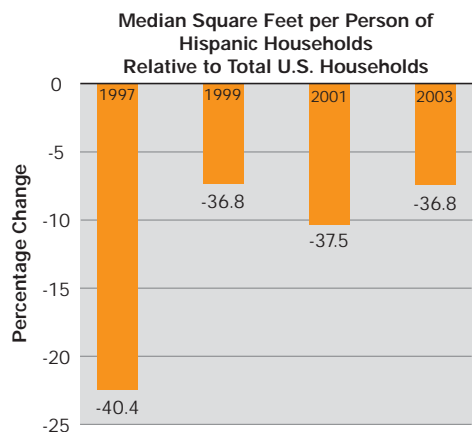


FIGURE 10

■ U.S. Population ■ Hispanic Population

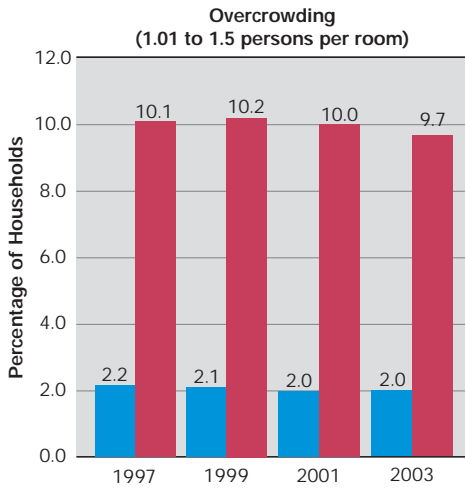


FIGURE 11A

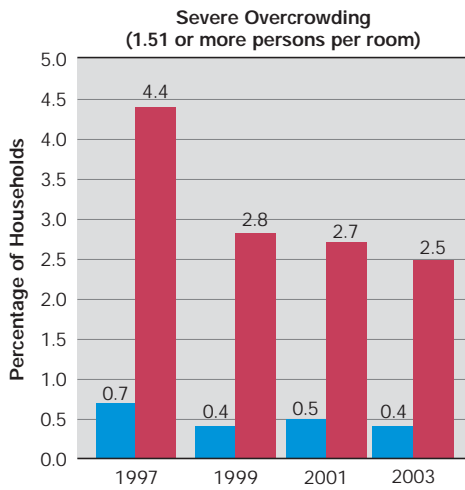


FIGURE 11B

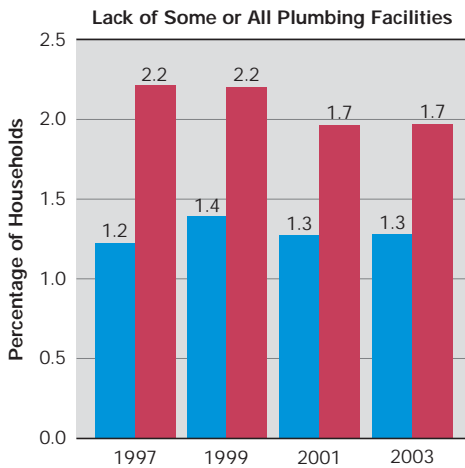


FIGURE 12

■ U.S. Population ■ Hispanic Population

on the other hand, lived in such crowded conditions. Latinos fared even worse in homes that are severely overcrowded, defined as more than 1.5 persons per room. More than six times as many Latinos —2.5%— lived in severely overcrowded homes as the population overall (0.4%). Thus an inordinately large number of Latinos (12%) lived in overcrowded or severely overcrowded quarters compared to the rest of the population (2.4%). (Figures 11a, 11b) Overtime, there seems to have been a slight improvement in the overcrowded conditions Latinos live in, but mostly among those Latinos who live in severely overcrowded homes. This rate has declined from 4.4% of Latinos homes in 1997 to 2.8% in 1999 and 2.7% in 2001 to the current rate. For overcrowded households, the rate has hovered around 10% over the same period. A reason for concern, however, is that while overcrowded conditions are steadily subsiding for the population as a whole, the difference in crowded conditions between the total U.S. population and for Latinos has increased over time.

In New York City, a 1997 survey conducted by Columbia University’s School of Social Work found that 17% of non-immigrant Latinos and 22% of immigrant Latinos lived in housing with *less than one person per room*. Neighborhood data from a 1999 study by New York University’s Furman Center for Real Estate and Public Policy also shows that, whereas in the city as a whole 7.5% of households were severely crowded, there were ten neigh-



neighborhoods where severely crowded households represented between 11% and 23% all of households.<sup>2</sup> Of these ten neighborhoods, Latinos were the majority population in four and overrepresented in another three. By way of contrast, the proportion of crowded Latino homes (3.9%) in the Miami-Ft. Lauderdale metropolitan area was 50% higher in 2002 than for homes in the region overall (2.6%).<sup>3</sup> Latinos, however, occupied proportionately fewer severely overcrowded homes (0.4%) than the population as a whole (0.6%). On the other hand, in the Phoenix, AZ metropolitan area, Latino homes were almost four times as crowded as homes overall. Whereas the crowding and severely crowded home rates in the Phoenix area were respectively 3.1% and 0.9% overall, Latino homes were overcrowded at a rate of 11.8% or severely overcrowded at a rate of 3.5%.<sup>4</sup>

Latinos in the United States also tend to live in quarters that are relatively *older* than those in which the population at large lives in according to the 2003 American Housing Survey. The median year in which the housing structures' respondents live in were built was 1967 for Latinos and 1971 for all respondents. It is not surprising then to see that Latinos would be disproportionately represented among those who live in *deteriorated* housing. In addition, about a quarter of Latinos lived in housing structures that exhibited signs of external structural deterioration, such as a sagging roof or a

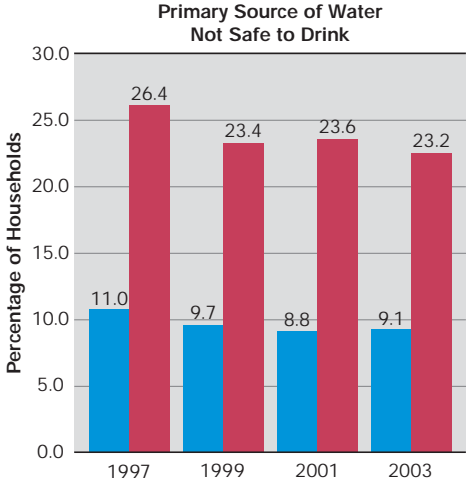


FIGURE 13

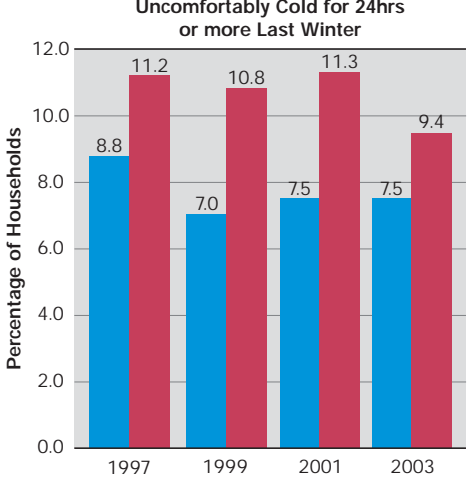


FIGURE 14

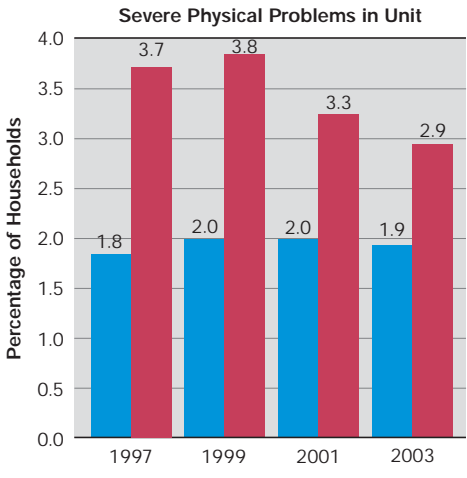


FIGURE 15

■ U.S. Population ■ Hispanic Population

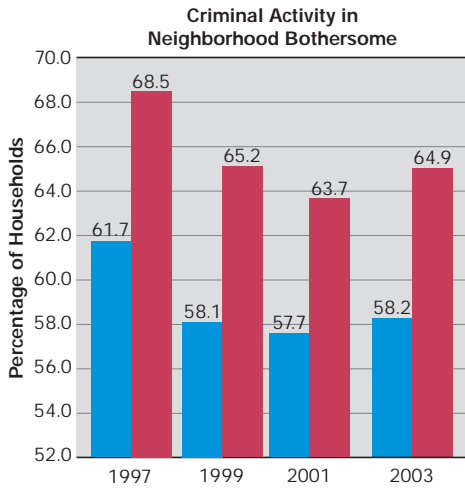


FIGURE 16

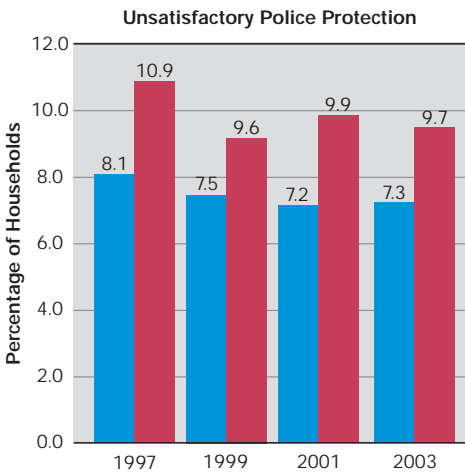


FIGURE 17

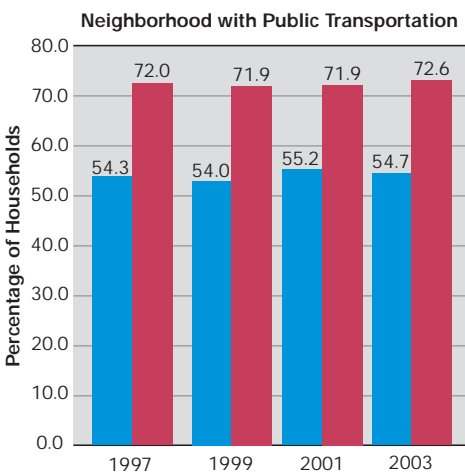


FIGURE 18A

■ U.S. Population ■ Hispanic Population

roof with a hole or missing roofing material; missing brick or siding or a sloping outside wall; broken or boarded up windows; cracked or crumbling foundation. The comparable figure for the overall population is one fifth. Almost twice as many Latinos —2%— lived in homes that lacked some or all plumbing facilities (e.g. hot piped water, bathtub or shower, flush toilet) than the population as a whole (1%). (Figure 12) Close to a quarter of Latinos (or more than one and a half times more Latinos) lived in units whose primary source of water was *not safe* to drink, compared to 9% of the overall population. (Figure 13) A quarter more Latinos —9%— reported feeling *uncomfortably* cold for 24 hours or more the previous winter than the overall population (7%); though over time this rate has fluctuated (Figure 14). Half as many Latinos —3%— lived in units that had *severe* physical problems (e.g. with the plumbing, heating, electric, upkeep, etc.) compared to the overall population (2%). (Figure 15)

As homes and apartments deteriorate physically as a result of overcrowding, lack of maintenance or age, the environmental triggers of asthma and other health hazards such as lead paint and asbestos proliferate. In New York City, housing conditions have reached crisis proportion disproportionately affecting the City's poor, which in New York correlates strongly with being black and/or Latino as well as immigrant. Neighborhood data corroborate this conclusion. Whereas for the city of New York as a whole the per-

cent of housing units with 5 or more maintenance deficiencies was 3% in 1999, ten neighborhoods had percentages of households with those deficiencies that ranged from 7% to 13%. Of these ten neighborhoods with above average proportions of units with a high number of deficiencies, five were neighborhoods with a majority Latino population and one where Latinos were overrepresented.<sup>5</sup>

Neighborhood conditions are also important factors affecting the quality of life and living conditions of Latinos and people in general. Crime is a key component of that quality of life. In 2003, Latinos reported living in neighborhoods where crime was present and was a *bothersome* condition at a 6% rate higher (65%) than for the US population as a whole (58%). (Figure 16) A higher percent of Latinos —10%— also felt that they received *unsatisfactory* police protection than the overall population (7%). (Figure 17) On the positive side, 73% of Latinos reported living in neighborhoods with public transportation, and 88% was satisfied with the neighborhood shopping options, compared to 55% and 82%, respectively of the overall population. (Figures 18a, 18b) Consequently, 23% of Latinos had the best possible opinion of their neighborhood, while only 1% had the worst possible opinion of it. (Figures 19a, 19b) Latinos were as satisfied or as dissatisfied as the overall population.

Latinos are also a people on the move and they exhibit a higher rate of *mobility*

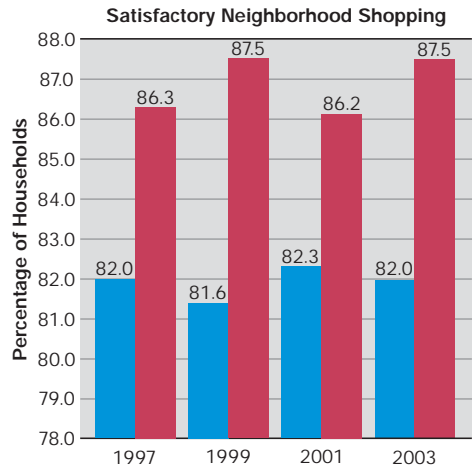


FIGURE 18B

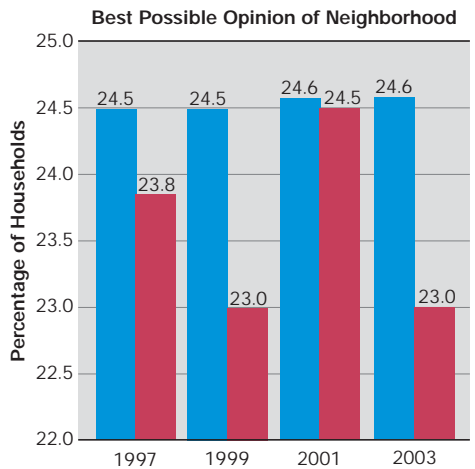


FIGURE 19A

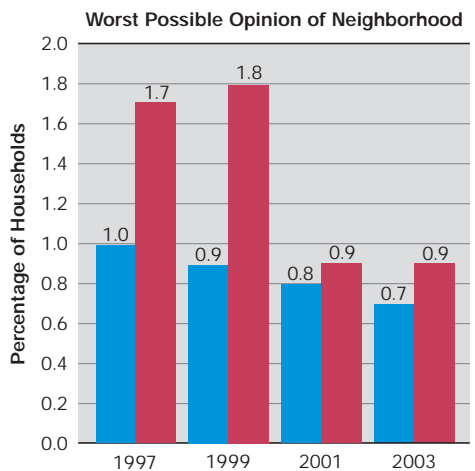


FIGURE 19B

■ U.S. Population ■ Hispanic Population

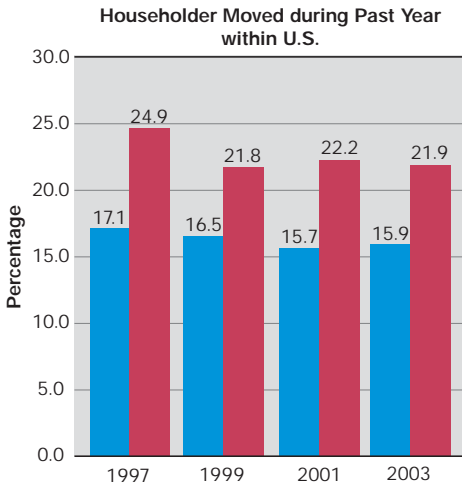


FIGURE 20

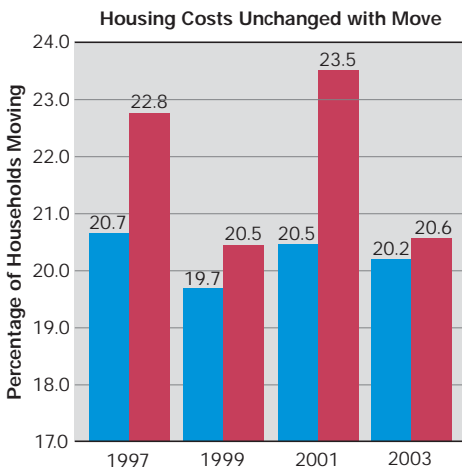


FIGURE 21A

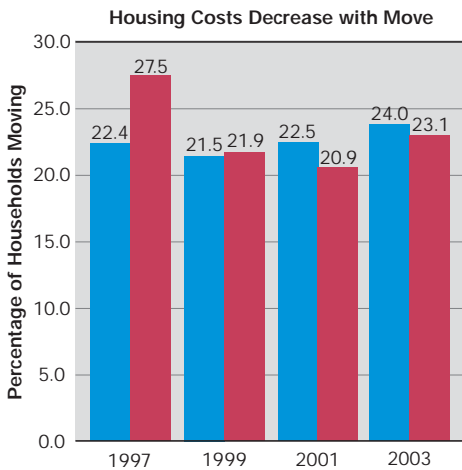


FIGURE 21B

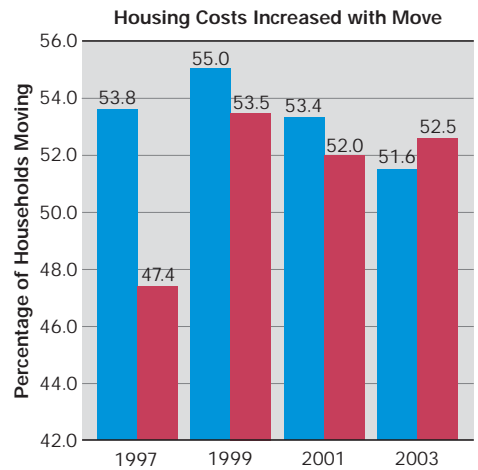


FIGURE 21C

within the United States relative to the overall population. Twenty-two percent of Latinos reported moving during the previous year, compared to 16% of the population as a whole. (Figure 20) Overall, the effect of mobility on living conditions for Latinos has been positive. The housing costs associated with the move remained the same for 21% of Latinos, decreased for another 23% and went up for 53%. But while housing costs may have gone up for most Latinos who moved, this increase has not been disproportionate, for 52% of the overall population that moved in 2002 also saw their housing costs increase. (Figures 21 a-c) Moreover, about three-fifths of Latinos who moved reported moving to a better home, compared to 54% of those in the overall population that moved as well. (Figure 22) Furthermore, only 11% of Latinos said they moved to a worse home, compared to 16% of the population as a whole. (Figure 23) In addition, most Latinos —46%— informed moving to a better neighborhood and

■ U.S. Population ■ Hispanic Population

only 9% moving to a worse neighborhood, compared to 41% and 12% respectively. (Figures 24a, 24b)

These subjective opinions need to be handled carefully, though. They are important because they presumably inform the decisions and the actions of individuals. If people are not satisfied with their lot, they may be motivated to take action to correct the situation or lead them to pursue an exit strategy (such as moving away). But people also form opinions based on the information they have at hand, and if subjective perceptions are not contrasted or measured against objective indicators, this limited information may lead to complacency.

Once such objective indicator is the high and growing incidence of residential segregation which Latinos are experiencing. Latinos rank second after African Americans as the most segregated group in the United States and, as the fifty years of experience since Brown vs. Board of Education should show us, *separate still remains unequal*. ■

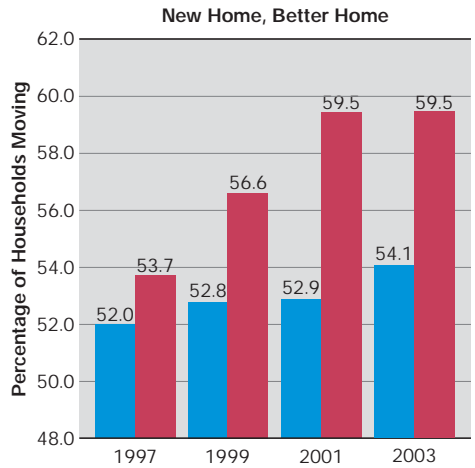


FIGURE 22

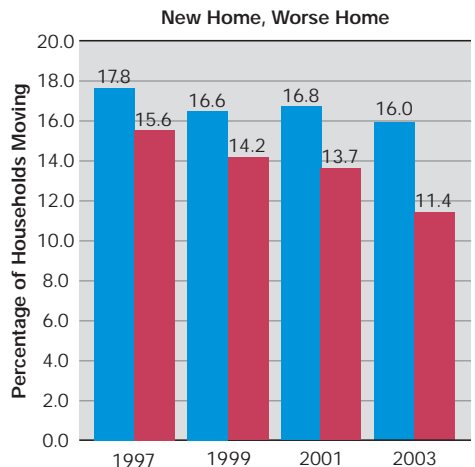


FIGURE 23

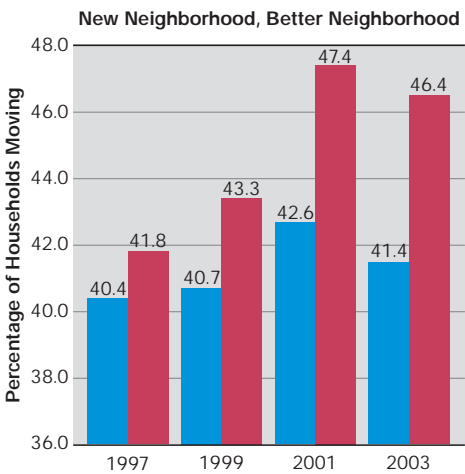


FIGURE 24A

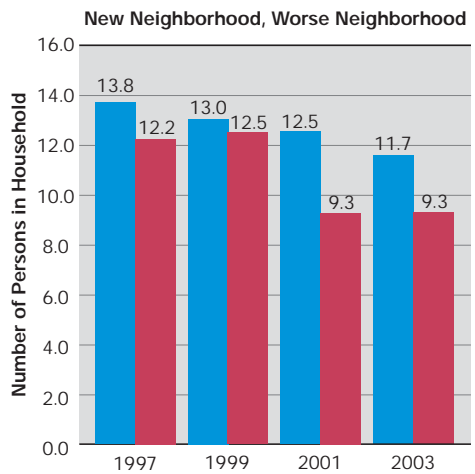


FIGURE 24B

■ U.S. Population ■ Hispanic Population

## RECOMMENDATIONS

In order to address the pervasive housing conditions that Latinos and others groups in this country face additional housing is needed. An increase in the stock of *quality* housing that keeps up with the pace of population growth is crucial. More units of housing, whether new or rehabilitated, are needed in order to satisfy the demand arising from all income levels. While the market may satisfy the demand for housing at the high end of the income spectrum, dearth at the lower middle and lower end of the spectrum only places added pressure at the bottom of the market, with people of lower middle and middle income levels competing for affordable units of housing with people at the lowest income levels in the most competitive markets, such as San Francisco and the New York Metropolitan Area.

For this increase in the stock of housing, and particularly for housing affordable to working families, including the working poor, the Federal government needs to renew its commitment to maintain and expand housing income tax credits as well as compliance with regulations of the Community Reinvestment Act. The Federal government must also reverse the trends of the past decade and expand the Section 8 program and increase the stock of public housing authorities.

Local and state authorities need to become more vigilant in the quality of the existing housing stock and provide more anti-abandonment assistance to property owners whose housing is deteriorating. Home improvement loans as well as training programs that provide homeowners with the necessary skills to maintain their property in good repair need to be instituted where they are lacking or expanded where they exist.

To reverse the trend by which Latino families spend a greater share of their income on housing expenses and costs, their income needs to be raised as well and, as Latinos tend to be disproportionately represented in low-wage occupations, the minimum living wage needs to be raised.

Housing costs for homeowners can be reduced by lowering insurance rates as well as by eliminating predatory lending practices that affect minority owners disproportionately. Moreover, the redistribution of educational funding sources from localities to the state and Federal governments would disencumber local governments from growing education costs financed largely by real estate/property taxes, providing relief for homeowners particularly in poorer districts.

Finally, in order to increase the rate of homeownership among lower- and middle-income families, greater reliance on limited-equity and limited-profit housing would contribute to reduce up-front costs for prospective homebuyers.

## NOTES

<sup>1</sup> American Housing Survey for the United States, 1997, 1999, 2001, 2003. US Bureau of the Census. June 10, 2004. [www.census.gov/hhes/www/housing/ahs/nationaldata.html](http://www.census.gov/hhes/www/housing/ahs/nationaldata.html) Weights for 1997, 1999 and 2001 surveys based on 1980 geography. Weights for 2003 survey are consistent with Census 2000.

<sup>2</sup> See Wallin et al (2002), p. 212. Elmhurst/Corona, Jackson Heights, University Heights/Fordham, Highbridge/South Concourse, Kingsbridge Heights/Mosholu, Morrisania/Belmont, Washington Heights/Inwood, and Lower East Side/Chinatown.

<sup>3</sup> U.S. Census Bureau, Current Housing Reports, Series H170/02-28, American Housing Survey for the Miami-Ft. Lauderdale Metropolitan Area: 2002, Table 2-3, p. 13.

<sup>4</sup> U.S. Census Bureau, Current Housing Reports, Series H170/02-12, American Housing Survey for the Phoenix Metropolitan Area: 2002, Table 2-3, p. 13

<sup>5</sup> See Wallin et al (2002), p. 204. East Harlem, University Heights/Fordham, Soundview/Parkchester, Mott Haven/Hunts Point, Bushwick, East New York/Starrett City.

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