

Black homeownership is lowest since 1968; what that means in an election year

July 9 2020, by Todd Hollingshead



BYU sociology professor Jacob Rugh studied home ownership for Black, White and Latino populations. Credit: Jaren Wilkey/BYU

As the United States gears up for a general election in one of the most tumultuous years in recent history, a new BYU study by sociology

professor Jacob Rugh uncovers troubling new data about factors that could push down voting levels among Black Americans.

According to a new study by Rugh published earlier this year in *Race and Social Problems*, Black homeownership has fallen to the lowest level since the 1968 Fair Housing Act. Since data shows homeownership is strongly tied to [voter](#) turnout, even after controlling for other factors, Rugh argues these findings indicate a potential negative impact on Black voter turnout in 2020.

"Lower homeownership depresses voter turnout and homeownership for Black Americans has been declining for the past 15 years," Rugh said. "Clearly this year is going to be a very high turnout election, but having said that, Black Americans will still be uniquely disadvantaged."

According to his analysis, both White and Latino Americans have recovered from the housing crisis that started in 2008, while only 41% of Black Americans owned homes as of 2019. Meanwhile, White homeownership is nearing 75% and Latino homeownership has climbed to just under 50%. Neither education, income, nor credit explain this divide, Rugh finds. For example, Rugh reports that Black college graduates remain less likely to own their homes than White Americans without a high school diploma.

Data shows that several swing states where Black homeownership dropped between 2008 and 2016—Michigan, Pennsylvania and Wisconsin —also saw significant decreases in Black voter turnout in an extremely close election. For example, Black homeownership was near 45% in Michigan in 2008, with Black voter turnout north of 70%, but dropped below 40% in 2016, with voter turnout also dropping to 60%. Wisconsin saw one of the greatest drops in Black [voter turnout](#) between 2012 and 2016, collapsing from near 80% to under 50% as home ownership there dropped just a few percentage points.

Rugh said the reasons Black Americans have struggled to regain homeownership are deeply embedded in our country's history, going back to segregation and slavery. These examples of institutionalized racism, Rugh said, started a vicious cycle that includes negative impacts on lending practices and mortgage availability for Black people and the [wealth](#) of Black parents.

His data shows the ability of someone to move forward economically depends heavily on both the wealth of one's parents and their grandparents, and history shows clearly that Black people have institutionally been denied wealth opportunities for generations. Data on median household net worth from the U.S. Federal Reserve's 2016 Survey of Consumer Finances shows that White Americans hold \$171,000 in wealth, nearly ten times that of Black American households, who hold roughly \$17,150. Most wealth is made up of home equity, the value of a home minus any mortgage debt.

"The past matters to African Americans in this country," Rugh said. "The fact that they were locked out for so many centuries matters, not just slavery, but also redlining and other discriminatory practices. Black people in this country don't have as much wealth to pass on." He added that changes in homeownership, wealth, and voting reinforce and reshape the color line in America, undermining multiracial democracy.

Rugh said there are proven interventions to help Black and other minority Americans have opportunities for safe, affordable home ownership. Those include lower down payments, safe home loans and consumer protection in the mortgage market. He also encouraged the building of more affordable housing in areas of high opportunity. Places that have made progress on these fronts include Montgomery County, Maryland, as well as Seattle.

"Our society is being divided," Rugh said. "It's not just black and white,

but there are still these lasting disparities. This study, I believe, provides a sobering measuring stick to understand racial inequality."

Provided by Brigham Young University

Citation: Black homeownership is lowest since 1968; what that means in an election year (2020, July 9) retrieved 7 June 2024 from <https://phys.org/news/2020-07-black-homeownership-lowest-election-year.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.