

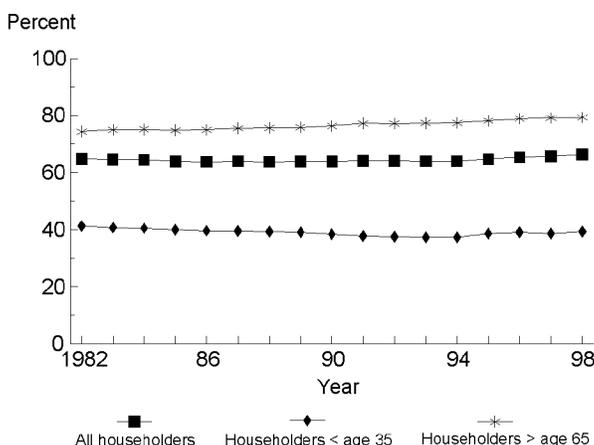
Federal Statistics: Homeownership

Homeownership often has been thought of as part of the American dream. Many public policies, such as the mortgage interest rate deduction in the income tax system, are aimed at increasing homeownership. The percentage of people owning a home has slightly increased over the past two decades. This percentage, however, varies by age and race. Also, owning a home is an expensive undertaking, which is typically done by borrowing money via a home mortgage.

Homeownership increasing slightly but varies by age:

The percentage of householders (heads or co-heads of households) owning a home increased from 64.8 to 66.3 percent between 1982 and 1998. Over this period, 1998 marked the highest rate of homeownership. This trend, however, varied by age of the householder. Householders less than 35 years old experienced a small decrease in homeownership while householders 65 years old and older experienced an increase over this time.

Homeownership rate, 1982-98

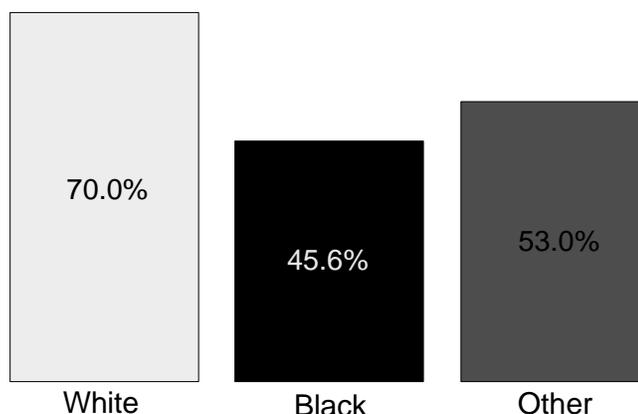


Source: U.S. Census Bureau, *Housing vacancies and homeownership annual statistics: 1998, Housing Vacancy Survey—Annual 1998: Table 15*. [On-line], Available: <http://www.census.gov/ftp/pub/hhes/www/housing/hvs/annual98/ann98t15.html>

Large differences in homeownership by race:

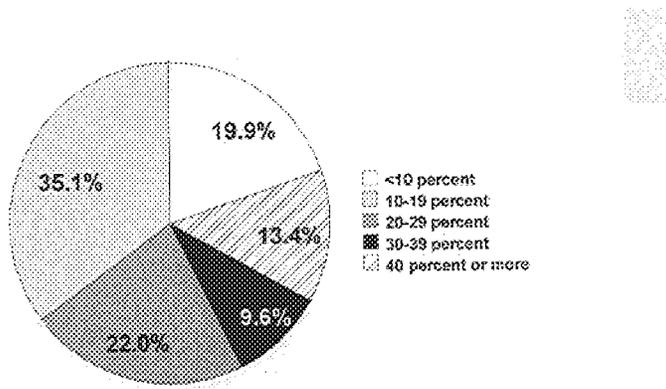
By race, differences in homeownership are large. In 1998, whereas 70.0 percent of White householders owned a home, only 45.6 percent of Black householders and 53.0 percent of householders of a race other than White or Black (i.e., Asian, American Indian) owned a home. The large homeownership differences by race likely reflect the lower income of Blacks and others relative to the income of Whites, therefore making homeownership less affordable.

Homeownership by race of householder, 1998



Source: U.S. Census Bureau, *Housing vacancies and homeownership annual statistics: 1998, Housing Vacancy Survey—Annual 1998: Table 20*. [On-line], Available: <http://www.census.gov/ftp/pub/hhes/www/housing/hvs/annual98/ann98t20.html>

Monthly housing costs as a percentage of income, 1995

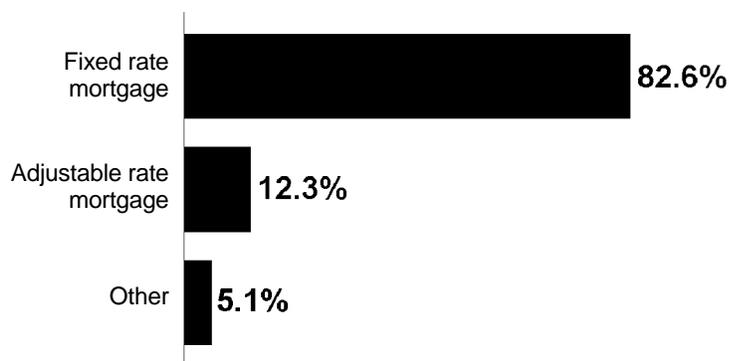


Source: U.S. Census Bureau, 1998, *Statistical Abstract of the United States: 1998*, Table No. 1218.

Homeownership can be very costly:

Housing costs are often one of the largest components of a family's budget. In 1995 (the most recent year data are available), median monthly housing costs, on average, were 19 percent of before-tax family income for homeowners. For 19.9 percent of homeowners, monthly housing costs were less than 10 percent of family income; for 13.4 percent of homeowners, monthly housing costs were 40 percent or more of family income.

Type of mortgage or housing units with mortgage, 1995



Source: U.S. Census Bureau, *American Housing Survey—1995 AHS-N Data Chart Table 3-17*, [On-line], Available: <http://www.census.gov/hhes/www/housing/ahs/95dtchrt/tab3-15.html>

Fixed rate mortgage still dominant:

Because of the high cost of homeownership, most people purchase a home by borrowing money via various types of home mortgages. The fixed rate mortgage is the norm in the United States. In 1995, of all housing units with a mortgage, the primary payment plan for 82.6 percent of homeowners was a fixed rate mortgage. The primary payment plan for the remainder was either an adjustable rate mortgage or some other type of mortgage (e.g., graduated payment or balloon payment).