

AT HOME ON THE GREATER WEST SIDE

Who owns homes on the Greater West Side?

AWN by Delaney Nelson
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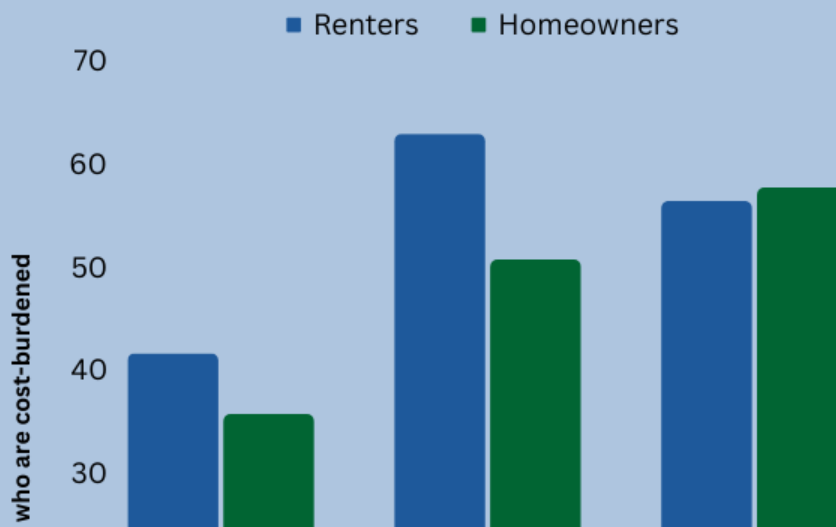
Why do households of color own only a quarter of the nation’s housing wealth when they compose a third of the nation’s households?

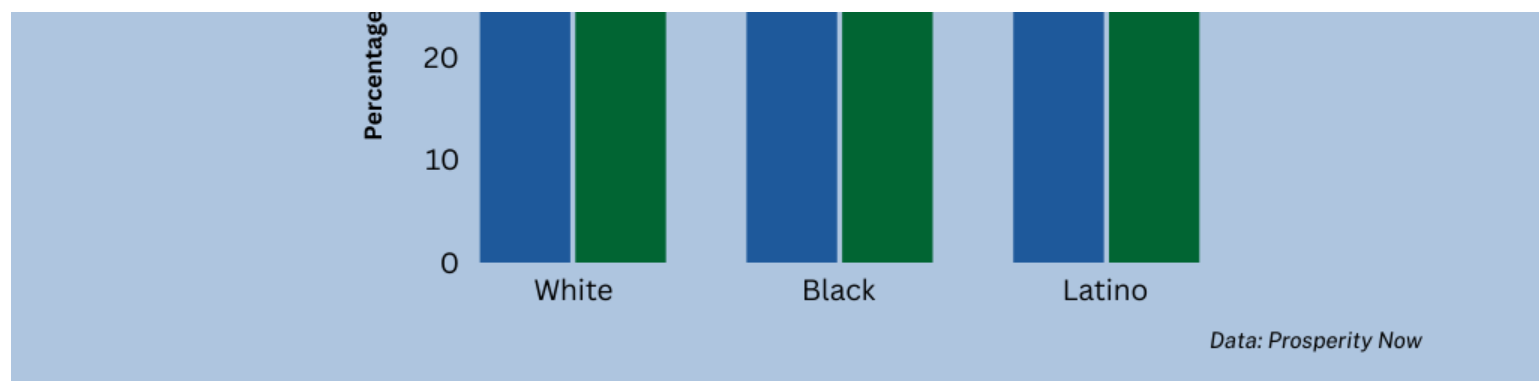
This is the question that begins a 2021 research report from the Urban Institute, a D.C. think tank that studies among other things, the relationship between housing and finances. A central reason is the racial wealth gap.

The study’s analysis uses American Community Survey data, which comes from the Census Bureau. Their research shows that white Americans are more likely to achieve homeownership than households of color.

When Black or Latino families do buy homes, they tend to be of lower value than their white counterparts. Because home value contributes to housing wealth, this puts white homeowners at an advantage.

Regardless of if they rent or own, more Black and Latino Chicagoans are cost-burdened than their white counterparts.





Measuring housing wealth is important, the authors wrote, because it can “uncover compromises households of color make to achieve homeownership.” In other words, families of color may sometimes choose small homes or property in less desirable locations to achieve homeownership. But beyond that, this data shows a broader trend of discrimination in the process of buying a home, which contributes to the lower net wealth of Black and Latino families when compared with white families.

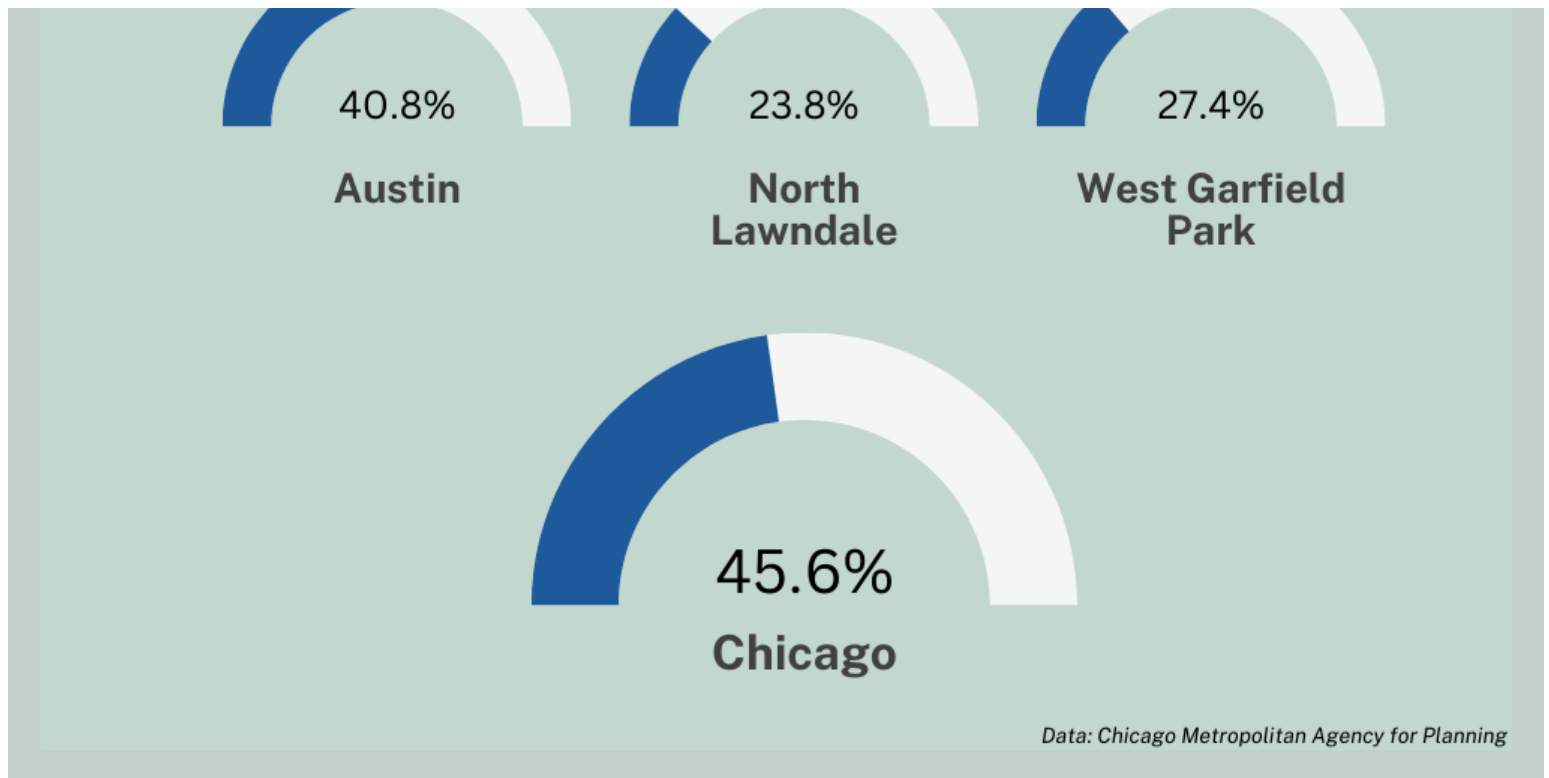
The racial wealth gap means families of color are at a disadvantage when it comes to buying a home, and by being unable to achieve homeownership, it’s difficult for families of color to accumulate wealth.

BY THE NUMBERS

Research out of the Racial Wealth Divide Initiative at nonprofit Prosperity Now showed that in 2017, more than half of white households in Chicago owned their homes. In contrast, homeownership rates hover at around one-third for Black households and 43% for Latino households, the study, cited by the Institute for Housing Studies at DePaul University, showed.

The Community Metropolitan Agency for Planning, a regional planning agency, collects demographic data – from race to income to housing costs – from all of the city’s community areas to produce community snapshots. Its data shows that Austin, North Lawndale, and West Garfield Park – all majority Black neighborhoods – have lower homeownership rates than the city as a whole. The homeownership rate in North Lawndale, for example, is more than 20 percentage points lower than the city average.

Homeownership Rates



Some have pointed to disinvestment and the exodus of Black people from Chicago as a factor for the neighborhood's low homeownership rates. And according to a study from Chicago Urban League, Black residents are more likely to own homes in majority Black neighborhoods, where research also has shown there are higher vacancy and foreclosure rates – both of which diminish the benefits of homeownership and cause further disinvestment.

“Black Chicagoans bear the triple burden of having been relegated to the least valued land and then having their property undervalued for being owned by Blacks and existing in a Black community,” the authors wrote.

The Urban Institute has also cited high rental cost burdens, lack of knowledge about the housing system and language barriers as impediments to homeownership among marginalized groups.

These factors are compounded by the historically racist housing-finance system, and inequitable income, credit access, generational wealth accumulation, as well as historic city disinvestment on the Greater West Side.