

*The
State of
the Nation's
Housing*

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SUMMARY

America is increasingly becoming a nation of housing haves and have-nots. While the majority of American homeowners are well housed and have significant equity in their homes, the prosperity of these homeowners does not reflect the plight of the nation's growing number of low- and moderate-income households. Continuing high housing costs limit the ability of low- and moderate-income households to improve their standard of living as many households struggle to secure even minimally adequate housing.

Homeownership costs have eased somewhat since the early 1980s but remain high by historical standards. Young households find purchasing a first home especially difficult, as housing costs remain high relative to income. Unable to secure a home of their own, these persons remain renters and bid up the price of rental housing.

Despite five years of strong construction activity and rising vacancies, the supply of low-cost rental housing continues to shrink as units are lost to abandonment or are upgraded for higher-income occupants. Having lagged inflation in the 1970s, real rents (measured in constant 1986 dollars) have moved up sharply since 1981 and now stand at their highest level in over two decades. Rising rents have led to an increasing share of households paying 30, 40, or even 50 percent of their incomes for rents, if they can secure housing at all.

For decades, improving housing conditions has been an important component in the upward mobility of American families and individuals. For many, moving from renter to owner occupied housing is a key step on the path to financial security. For those without sufficient income to become homeowners, obtaining good-quality, affordable rental housing has been an equally

worthy goal. And for those with the lowest incomes, publicly assisted units have served as the foundation upon which to build a better future for themselves and their families.

The growing number of housing have-nots suggest that this housing progress has stalled in recent years. The problems of the housing have-nots come in many forms, ranging from the frustration of a young couple unable to qualify for a home loan, to the desperation of low-income families with children who cannot secure any housing at all. This State of the Nation's Housing report seeks to document these diverse housing problems and provide a sound empirical foundation for the emerging national housing policy debate.

Exhibit 1

Key Findings

- The After-Tax Cash Cost of Homeownership, Although Down From Its Recent Peak, Remains High By Historical Standards
- The Homeownership Rate Has Declined Steadily Since 1980, Particularly Among Young Households
- Despite Rising Rental Vacancies, Inflation-Adjusted Gross Rents Now Stand At Their Highest Level In Two Decades
- The Supply of Low-Cost Rental Housing Continues To Shrink As Units Are Lost To Abandonment Or Are Upgraded For Higher-Income Occupants
- For The Growing Number of Low-Income Families, Rents Have Increased Sharply As A Percent Of Income
- Only One In Four Renter Households With Incomes At Or Below The Poverty Level Lives In Public Or Other Subsidized Housing
- The Growing Rental Payments Burden, Particularly Among Single-Parent Families, Has Contributed To The Rise In Homelessness

TRENDS IN HOUSING COSTS

The costs of housing and other basic needs are key determinants of the standard of living for any family or individual. Changes in housing costs thus affect not only the ability to secure decent housing, but also the amount of income available for other necessities.

Because housing consists of many attributes, obtaining reliable price profiles proves difficult. This section presents a series of indexes that trace the changes in prices over the period 1967 to 1987 of representative owner and renter housing units with fixed characteristics. These indexes help to distinguish between changes in housing expenditures that result from changes in the type of housing consumed and those that reflect increases or decreases in the price of a housing unit of given characteristics (see Appendix Table 1 for a more complete description of the data used to form these price indexes).

HOMEOWNER COSTS

A complete homeownership cost index must incorporate indirect costs and savings as well as the more readily observable cash outlays and tax benefits. The after-tax cash cost of homeownership is the sum of several ongoing expenses (including outlays for mortgage interest payments, fuel and utility costs, maintenance and repairs, real estate taxes, and insurance) less the income-tax savings associated with owning a home. The total homeownership cost also includes the indirect cost of earnings foregone on funds used as a downpayment less the indirect savings from house price appreciation and the resulting equity buildup.

Exhibit 2 depicts how both the cash and total costs of owning and operating a modest single-family home during the first year of occupancy have changed over the

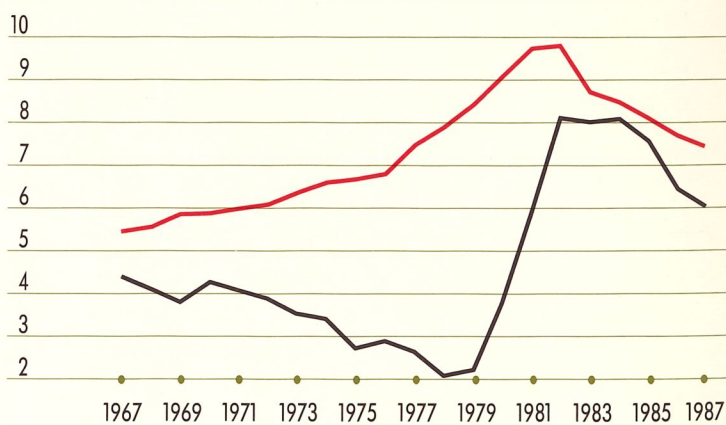
last 20 years. In these calculations, a modest home is defined as the median-valued house purchased in 1977 by a first-time buyer aged 25 to 29. All costs are expressed in constant 1986 dollars.

After rising steadily for 15 years, the after-tax cash cost of homeownership reached a peak of \$9,599 in 1982. Although it fell to \$7,449 last year, the after-tax cash cost is still higher than the average recorded in the 1960s and the early 1970s. By comparison, the total cost of homeownership (including the foregone earnings on homeowner's equity and an allowance for price appreciation) remained at or below \$4,500 from 1967 to 1979; indeed, for much of the period, total annual costs were less than \$3,500. After 1979, though, total costs began to move up sharply; by 1982, higher home prices, interest rates, and utility costs—together with smaller gains from appreciation—had boosted the total costs of owning a home to \$7,904. Though falling from this peak, total homeowner costs stood at \$6,006

Exhibit 2

Homeowner Costs (In 1986 Dollars)

1986 Dollars (Thousands)



SOURCE: See Appendix Table 1

■ After-Tax Cash Cost
■ Total Cost

last year—still well above the average for the past 20 years.

There is little reason to expect a marked improvement in homeownership costs in the years ahead. The median price of the representative first home in 1987 approached \$67,000, up more than 92 percent from the \$34,800 figure for 1975. Rising prices are a double-edged sword: while they make homeownership a good investment for those who already own, they also force young first-time buyers to make larger downpayments and/or larger monthly mortgage payments. The legacy of the rapid home price inflation of the 1960s and 1970s is the continuing high home prices, and the high after-tax cash costs of homeownership.

REGIONAL HOMEOWNER COSTS

Since the costs of building materials and financing vary little from one region to the next, the prices of land and labor are largely responsible for long-term geographic differences in housing prices. According to a recent survey by the Urban Land Institute, a lot that sold in 1985 for \$70,000 in San Jose, California, could be purchased for only \$13,000 in Charlotte, North Carolina. Although detailed data that separate total home purchase prices from underlying land costs are not available, land cost is undoubtedly the major determinant of variation in home prices.

During the 1970s, home price appreciation in the West, and particularly in California, outpaced that in all other regions (Exhibit 3). Although house price inflation slowed considerably after 1982, the median price for the representative first home in the West last year was \$82,285, still 23 percent above the national median.

In the Midwest and the South, housing prices increased less dramatically. In 1967, a first-time buyer could purchase a home in the Midwest for \$180 less than the national average; in 1987, this home sold for \$10,324 less. Home price inflation in the South has also lagged behind the national average: in 1967, a modest home sold for \$1,324 less than the national average; by 1987, it sold for \$11,744 less.

Price trends in the Northeast have been decidedly more volatile. During much of the

Exhibit 3

House Prices by Region

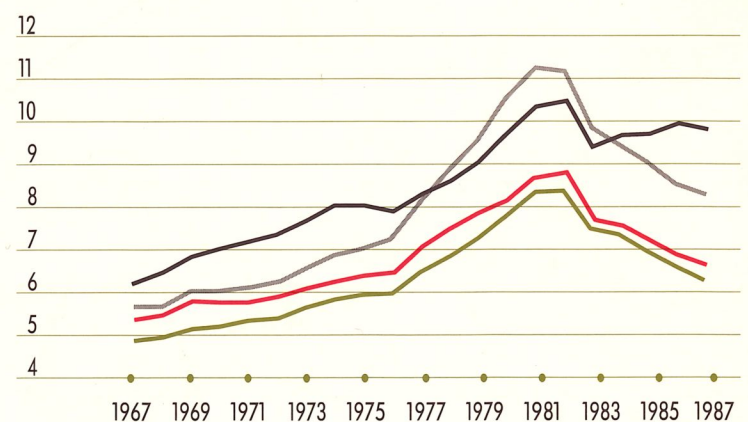
Region	1967	1972	1977	1982	1987
Northeast	\$17,797	\$26,048	\$37,000	\$58,201	\$93,844
Midwest	16,350	20,993	32,700	50,162	56,562
South	15,206	19,958	29,700	48,975	55,142
West	18,318	22,780	42,900	71,386	82,285
All	16,530	21,611	34,800	56,202	66,886

SOURCE: Joint Center calculations based on 1977 Annual Housing Survey data indexed by Department of Commerce Constant Quality Home Price Index.

Exhibit 4

Regional Homeowner Cash Costs (In 1986 Dollars)

Cash Costs (Thousands)



SOURCE: See Appendix Tables 2 to 5

■ Northeast ■ South
■ Midwest ■ West

1970s, house price inflation lagged behind national rates; since 1982, however, house prices in the Northeast have increased three times faster than the national average.

The real after-tax cash costs of homeownership also rose almost steadily in each region from 1967 to 1981 (Exhibit 4), but declining mortgage interest rates and a slowdown in house price appreciation have helped to lower these costs since then. Real after-tax cash costs dropped most rapidly in the West, although significant declines occurred in the Midwest and South as well. In the Northeast, however, rapidly rising home prices partially offset the effect of declining mortgage interest rates. Despite this regional variation, after-tax cash costs in all regions remain well above levels recorded in the 1960s and 1970s.

High home price levels and low current price appreciation combine to give the West the highest total homeowner costs in the country (Exhibit 5). Although down from the peak levels of the early 1980s, total costs in the Midwest and South remain above the levels recorded for much of the 1970s. In the Northeast, home price appreciation reduced total homeowner costs in 1986 to their lowest level in two decades; with slower house price inflation, however, the equity buildup in the Northeast also slowed and total homeownership costs in the region increased again in 1987.

RENTER COSTS

Unlike trends in homeowner costs, the recent growth in real rents has received little attention. Exhibit 6 presents estimates of real gross and contract rents for a representative unit with the characteristics of the median-priced rental unit in 1977. Contract rent is the monthly payment to the property owner for housing services; gross rent includes not only contract rent but also payments for fuel, water, sewerage, and other utilities.

Exhibit 5

Regional Homeowner Total Costs (In 1986 Dollars)

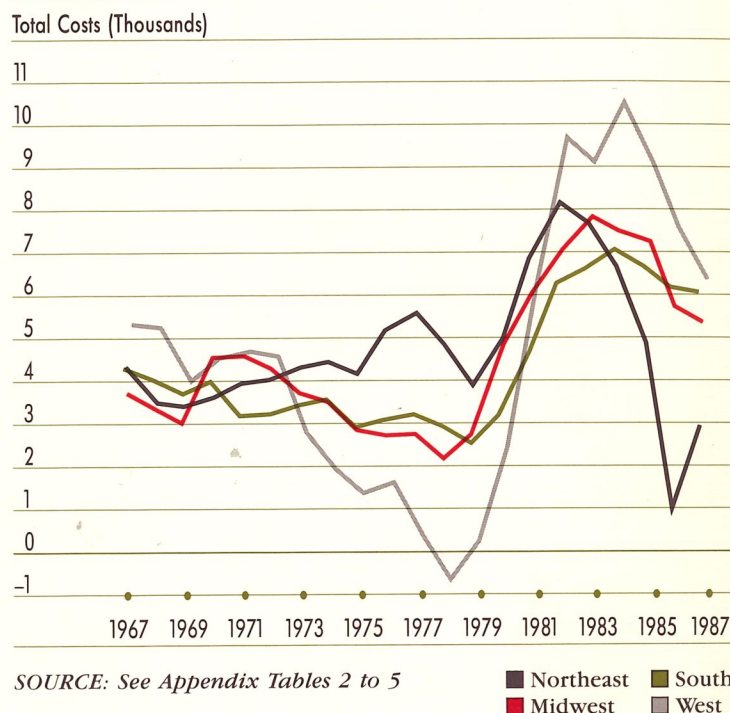
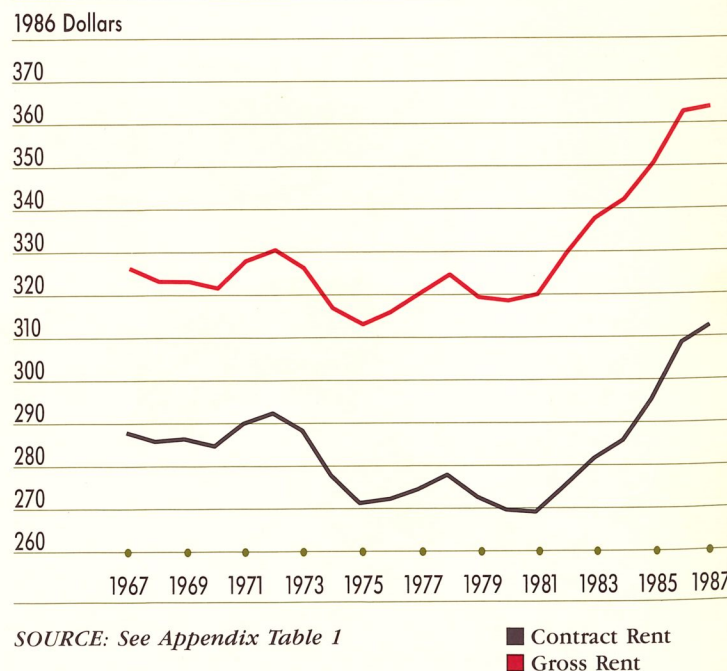


Exhibit 6

Rental Costs



Real rents (that is, adjusted for inflation in other goods and services) tend to move with the business cycle, falling during cyclical downturns and rising during expansions. Despite a sharp jump in rental vacancies, contract rents have moved up steadily since 1981 and now stand at their highest levels in more than two decades. In 1987, the contract rent for the representative unit was \$312—an increase of 16 percent from the 1981 low of \$269.

Gross rents have moved up as well, but somewhat more modestly because of the slowdown in energy price inflation. Nevertheless, the rise in gross rents is still pronounced: up 14 percent between 1981 to 1987, bringing the level to \$364.

Gross rent is seemingly the more comprehensive measure, but changes in contract rent have considerable analytical significance. Gross rent can change as a result of shifting energy prices or other factors that have little to do with the long-run cost of housing capital. Policy analysts should note, however, that the persistent increase in contract rent during a period of substantial new construction suggests that there has been a long-term increase in the rental price of housing capital. Unlike a runup of energy costs, such a long-term trend is not quickly reversed. Over the past six years, the cost of supplying rental housing appears to have drifted upward, a movement that can only point to continued high rent levels in the years ahead.

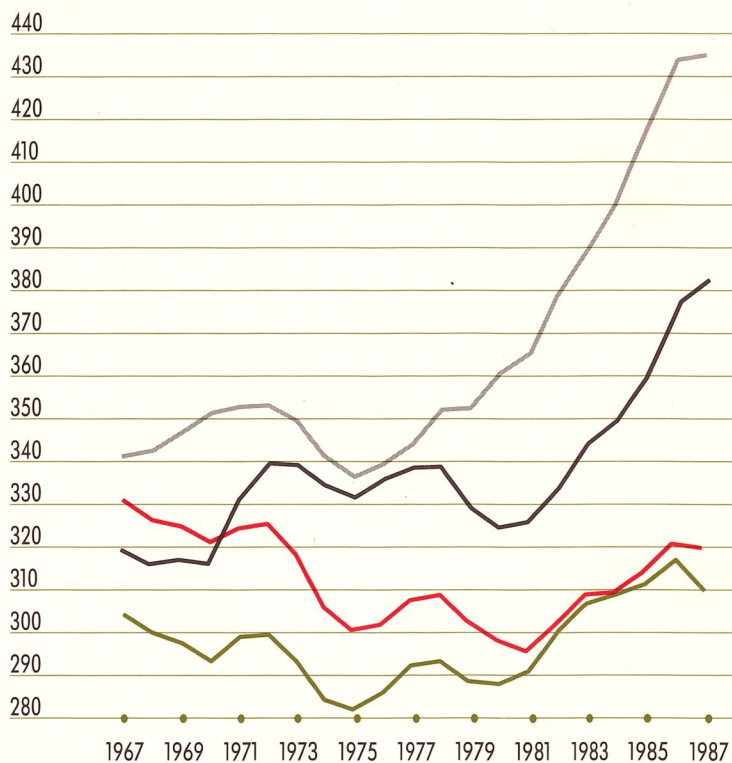
REGIONAL RENT TRENDS

The Northeast and the West, areas of vigorous economic expansion, have witnessed the sharpest rent hikes during the decade (Exhibit 7). From 1981 to 1987, real gross rents in the West increased by nearly 19 percent, while those in the Northeast rose approximately 17 percent. More modest rent increases occurred in the Midwest. Only in the South, a region with substantial overbuilding, do gross rents appear to have peaked.

Exhibit 7

Regional Gross Rental Costs

1986 Dollars



SOURCE: See Appendix Tables 2 to 5

■ Northeast ■ South
■ Midwest ■ West

The rapid growth of rents seems inconsistent with the recent increase in residential vacancies. From 1981 to 1986, the number of vacant rental units nationwide expanded from 1.54 million to 2.66 million. In part, the reason for this phenomenon of growing vacancies and rising rents is that housing consists of many distinct submarkets defined by the location and the quality of the dwelling unit. Obviously, the increase of vacant rental apartments in Houston does little to check rent increases in San Francisco or Boston.

Even within a given housing market, vacancies at one quality level will not necessarily result in lower rents for housing of a different quality. It appears that over the past six years, many newly constructed, better quality rental apartments have remained on the market at relatively high rents. Indeed, units leasing for more than \$300 in real terms account for 90 percent of the rise in rental vacancies during the past six years. While the rising vacancy rate may have resulted in some moderation in rents for luxury apartments, it has not limited rent increases of more modest apartments.

That rents are increasing fastest at the low end of the market is perfectly understandable. During the 1970s, an excess supply of housing, in part the result of a rapid buildup of subsidized housing in selected urban neighborhoods, depressed rents in some markets; even in 1986, many housing units still rented for \$100 to \$300. Yet in many areas, such low rents are inadequate to cover property owners' costs for utilities, property taxes, and debt service, let alone the costs of maintaining the buildings in good condition.

As a result, the number of units renting for less than \$300 per month dropped by nearly one million between 1974 and 1983; the number of units with rents above \$400, in contrast, increased by 4.5 million to 10.2

million (Exhibit 8). The loss of low-rent units involved two distinct dynamics: some fell into disrepair and were removed from the stock; others—especially those located in the stronger housing markets of the Northeast and West—were upgraded to attract higher-income tenants. High-rent units were thus added both by new construction and by rehabilitation of existing inventory.

Estimating the exact number of low-rent units lost to abandonment as opposed to revitalization is difficult. Recent data suggest, however, that investment in existing rental structures has been significant: after showing virtually no real growth from 1970 to 1982, expenditures for maintaining and upgrading rental units more than doubled from 1982 to 1986. While this trend is observable throughout the country, the investment increases in the Northeast and the West are particularly notable. Apparently, the recent rise in real rents has made investment in existing properties profitable again in many metropolitan areas—investment that will further diminish the supply of low-cost rental housing in the years ahead.

Exhibit 8

Monthly Gross Rent (Thousands of Units)

Gross Rent In 1986 Dollars	1974	1983	Change
<100	1,064	957	-107
100-200	4,197	3,408	-789
200-300	6,264	6,181	-83
300-400	5,846	7,034	+1,188
400+	5,748	10,233	+4,485
No Cash Rent	1,173	1,401	+228
TOTAL	24,291	29,214	+4,923

SOURCE: Joint Center tabulations of U.S. Department of Housing and Urban Development, *Annual Housing Survey, 1974 and 1983*.

THE HOUSING COST BURDEN

The rise in housing costs comes at a time when low-income households are particularly vulnerable. Since 1974, the number of low-income households has increased markedly. This trend reflects cutbacks in federal funding for various income-support programs, as well as the growing number of individuals with few marketable skills and limited income-earning capacity. The shrinking supply of low-cost housing, then, will most certainly result in increased housing payments relative to income for an ever larger number of low-income households.

INCREASES IN LOW-INCOME HOUSEHOLDS

Over the past 20 years, low-income households have suffered sharp declines in income during economic downturns—declines that were not made up for during subsequent recoveries. The result is a long-term increase in the number of low-income households. Since 1974, the total number of households increased by 26.3 percent. At the same time, the number of households with real incomes of less than \$5,000 (measured in 1986 dollars) surged from 4.7 million to 7.2 million, an increase of 55.1 percent (Exhibit 9).

The profile of the nation's low- and moderate-income households has changed over the past 20 years due to a complex series of demographic, social, and economic changes. Rapid growth of the young adult population in the 1970s put a squeeze on wage growth for many entry-level jobs. Rising divorce rates and increases in teenage pregnancies have also added to the number of economically disadvantaged single-parent households. The high inflation of the 1970s further eroded the real incomes of those with limited earning power and has continued to outpace the growth of income transfer programs.

Exhibit 9

Household Income and Homeownership

Thousands of 1986 Dollars	Number of Households (In Thousands)		Percent Homeowner	
	1974	1987	1974	1987
Under 5	4,705	7,204	42.8	36.7
5 to 10	8,755	10,984	48.7	45.9
10 to 17.5	11,436	15,326	53.8	51.9
17.5 to 25	11,152	13,063	58.7	60.0
25 to 35	13,277	14,636	69.3	68.3
35 to 50	11,638	14,177	78.6	79.3
50 +	9,891	14,089	86.2	89.1
Total	70,854	89,478	64.7	64.0

SOURCE: Joint Center tabulations of data from the Annual Housing Survey, 1974, and Current Population Survey, 1987.

Measured in real terms, today's young households have lower incomes than their counterparts of 1974. Over this period, the median income of all households remained virtually constant in real terms, but the income of households with heads aged less than 25 fell by 28.7 percent from \$18,248 to \$13,011, while the income of households with heads aged 25 to 34 fell from \$27,366 to \$24,230. By contrast, incomes of somewhat older households continued to advance, with the sharpest gains recorded by households with heads aged 65 or older.

The drop in income for young households is largely the result of the alarming situation of single-parent families with children. These households constitute both a growing share of young households and a growing share of the nation's poverty population. Over the past decade and a half, the number of single-parent households with heads aged 25 to 34 more than tripled. In 1987, the median income for households in

this group was a meager \$9,621—23 percent below the figure recorded for similar households in 1974. For single-parent households with heads aged less than 25, median income in 1987 was \$4,688 (see Appendix Tables 6 and 7 for more detailed data on household income by age and family type).

CHARACTERISTICS OF OWNER AND RENTER HOUSEHOLDS

Rental housing is increasingly the home of the nation's lower-income households, while higher-income households increasingly choose to own a home. Since 1974, the homeownership rate fell for households with incomes of less than \$10,000 (measured in 1986 dollars). By comparison, the number of homeowners with real incomes above \$50,000 grew by 4 million over this period and the homeownership rate increased from 86.2 to 89.1 percent (Exhibit 9).

The growth in the number of low-income renter households has widened the income gap between owners and renters. Between 1972 and 1982, the median income of renters fell by 21 percent, from \$18,000 to \$14,000 (Exhibit 10). With the economic expansion of the mid-1980s, the median renter income did improve slightly, but not enough to reduce poverty among renter households. From 1983 to 1987, the number of poverty-level renter households increased by 300,000 to 7.5 million. By contrast, the number of poverty-level owner households fell by 500,000 to 4.5 million. Thus, by 1987, 63 percent of all poverty-level households lived in rental housing.

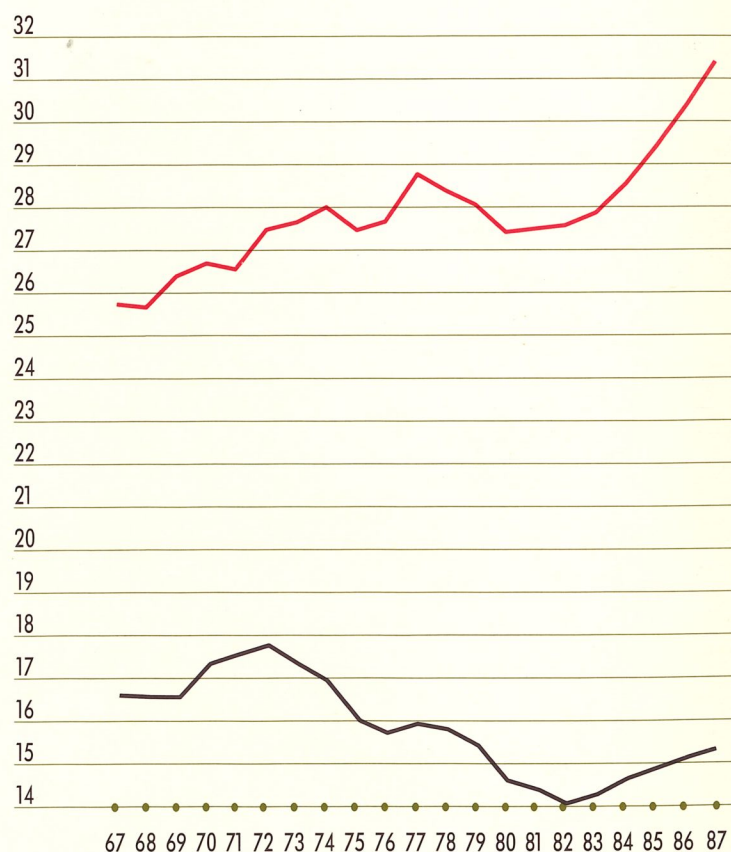
As a group, renter households are younger and poorer than homeowners. Since 1974, the median income of renter households aged 25 to 34 fell by 18.5 percent (Exhibit 11), while the median income of renters aged 25 or younger was 25.8 percent lower than real incomes of young renters in the mid-1970s.

Rental housing is also increasingly the home of the nation's children. Between 1974 and 1987, the number of renter households with children grew more than four times faster than the rate for all households. In contrast, the number of young homeowners with children actually fell over the past decade and a half (see Appendix Table 7 for detailed data on households by tenure, age and type).

Exhibit 10

Household Income (In 1986 Dollars)

1986 Dollars (Thousands)



SOURCE: Median household income indexed by Bureau of Labor Statistics Consumer Price Index (CPI-UX) for All Items. See Appendix 1.

Exhibit 11

Households and Household Income By Age And Tenure

Age and Tenure	Number of Households (In Thousands)			Median Income (1986 Dollars)		
	1974	1987	Percent Change	1974	1987	Percent Change
Owner						
Under 25	1,377	833	39.5%	\$23,419	\$18,934	-19.2%
25 to 34	7,630	9,237	21.1	31,220	32,006	2.5
35 to 44	8,653	12,507	44.5	35,284	38,044	7.8
45 to 64	18,590	20,404	9.8	30,965	33,218	17.5
65 +	9,593	14,272	48.8	12,730	14,962	17.5
Renter						
Under 25	4,666	4,364	-6.4%	\$15,828	\$11,737	-25.8%
25 to 34	7,042	11,266	60.0	22,340	18,199	-18.5
35 to 44	3,412	6,196	81.6	21,963	20,357	-8.3
45 to 64	5,731	5,673	-1.1	18,216	15,732	-13.6
65 +	4,160	4,727	13.6	8,485	8,336	-1.7

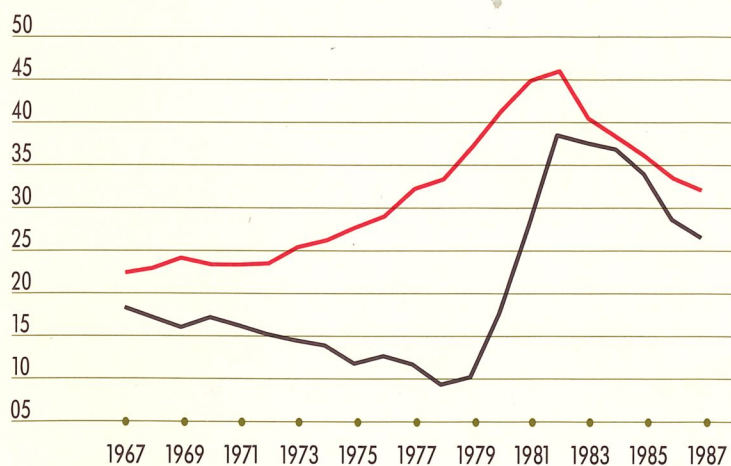
NOTE: Income data as of prior year

SOURCE: Appendix Table 7

Exhibit 12

Homeowner Cost Burden

Percent of Income/First-time Buyers



SOURCE: See Appendix Table 1

■ After-Tax Cash Cost Burden
■ Total Cost Burden

INCOME AND HOUSING COSTS

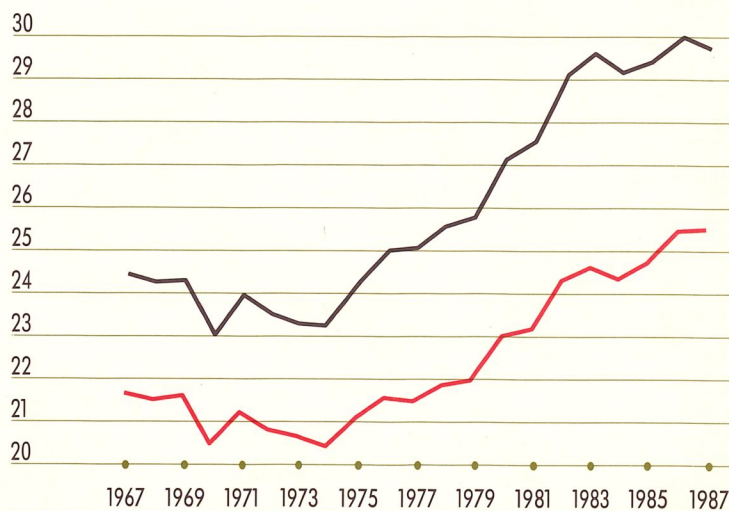
The relatively low incomes of renter households have important implications for housing in America. Low incomes not only limit the ability of many households to secure adequate and affordable housing in the non-subsidized private marketplace, they also shrink the pool of potential first-time homebuyers. With the incomes of young renter households failing to keep pace with inflation, the construction and sales of housing targeted to first-time buyers will suffer.

Exhibits 12 and 13 present estimates of owner and renter cost burdens, i.e., the annual cost of a representative unit as a percent of household income. Again, the representative unit for owners has the characteristics of the median-valued home purchased by a first-time buyer in 1977; the representative unit for renters has the characteristics of the median-priced rental unit in 1977.

Exhibit 13

Rental Cost Burden

Percent of Income/All Renters



SOURCE: See Appendix Table 1

■ Contract Rent Burden
■ Gross Rent Burden

Nationwide, the cash cost of owning the representative home was \$7,720 last year, or 32.4 percent of the estimated median income of potential first-time homebuyers (proxied here by the income of married-couple renter households aged 25 to 29). For all renters, the median gross rent of the representative unit was \$4,368 annually (or \$364 per month). While this rent is only 18.3 percent of the median income of married-couple renters aged 25 to 29, it represents almost 30 percent of the median income of all renters.

Although young married-couple renters earn more than other renters, their incomes have not kept pace with homeownership costs. For the representative first-time buyer, the after-tax cash cost of homeownership rose steadily from 23 percent of income in 1970 to 45 percent in 1982. The cash cost burden has declined since 1982, but last year still stood 50 percent above the levels averaged during the late 1960s and early 1970s. Total homeownership costs as a percent of income have also fallen since 1982 but remain high by historical standards.

As might be expected, the cash cost burden of homeownership is highest in the Northeast and West (Exhibit 14). In the Northeast, the incomes of first-time buyers are 24 percent higher than the national average, but the cash cost is 32 percent higher. Household incomes in the West are also above the national average, but above-average cash costs leave potential first-time buyers in the West little better off than their counterparts in the Northeast. Cash cost burdens in the Midwest and South are below average, with lower housing costs more than offsetting lower incomes. Nevertheless, the cash cost burden in each region remains above 1970s levels (see Appendix Tables 2 to 5).

Housing affordability is, of course, a relative concept. Whether housing is affordable or not in 1987 depends on one's point of view. In the face of higher housing costs, households may choose to purchase a smaller home or one with fewer amenities. The figures in Exhibit 12 simply suggest that young households are less able to purchase a home of given standards today than 15 or 20 years ago.

The constant quality rental cost burden—measured as either annual gross rent or contract rent for the representative unit as a percent of median renter income—also remains relatively high (Exhibit 13). The gross rent burden fell slightly from 1967 to 1974, but has moved up sharply since that time. What is striking is that the strong economic recovery that began in 1982 did nothing to alleviate the renter cost burden: increases in real rents have steadily outpaced growth in real income.

Like the homeownership cost burden, the renter cost burden varies geographically. Renters in the West face the largest burden; although the median renter income is above the national average, so too are gross rents. In the Northeast, rents are also above the national average, but relatively high incomes help to reduce the burden. By contrast, rents in the South and Midwest take a somewhat smaller bite out of renter income.

Exhibit 14

Housing Cost Burden By Region: 1987

Region	Income First-time Buyer	Homeowner Cash Cost	Cash Cost Burden	Income All Renters	Gross Rent	Gross Rent Burden
Northeast	\$29,600	\$10,223	34.5%	\$17,000	\$397	28.0%
Midwest	22,300	6,929	31.1	14,700	332	27.1
South	22,600	6,581	29.1	15,300	322	25.2
West	25,200	8,680	34.4	17,400	450	31.0
National Total	23,800	7,720	32.4	15,200	377	29.7

SOURCE: Appendix Tables 2 to 5

THE OUTLOOK FOR HOUSEHOLD FORMATION AND HOMEOWNERSHIP

Despite some slowdown, the strong housing demand of the nation's more affluent homeowners should ensure the prosperity of the housing industry for the next 10 years, but the prospects for the housing have-nots are less rosy. In the years ahead, the high housing cost burden will undermine the ability of young adults to form independent households and to purchase their own homes.

HOUSEHOLD FORMATION

After a decade of record growth, household formation rates are expected to decline for the balance of this century. In the 1970s, an average of 1.7 million households were added each year; in the early 1980s, the weak national economy and the high cost of housing combined to reduce the average increase to about 1.2 million. Growth in the number of new households has picked up somewhat since 1983, but remains erratic: the number of households increased by 1.6 million from March 1985 to March 1986, but increased by only 1.0 million from March 1986 to March 1987.

In the years ahead, the aging of the baby-boom generation and the arrival of the baby-bust generation into the prime household formation years (20 to 25) ensure a slowdown in the growth of households. (The baby-boom generation is that large cohort of individuals born in the years 1946 to 1964; the baby-bust generation includes those individuals born from 1965 to 1975, a period of low and declining fertility.) Annual household growth is expected to average 1.45 million from 1985 to 1990 before slowing to 1.21 million per year in the early 1990s and to 1.08 million per year in the late 1990s (see Appendix Table 8 for household forecast to the year 2000).

The long-term trend toward slower household formation primarily reflects the changing age structure of the population.

Since the baby-boomers are now between the ages of 23 and 42, most have already passed the prime household formation ages. As the growth of population aged 20 to 25 slows, so too will household formation.

The high cost of owning and renting a home will exacerbate this slowdown. The proportion of any given demographic group that heads its own household (the headship rate) depends critically on the cost of housing. After rising steadily in the 1970s, the headship rate among young adults flattened and then turned down. Since 1980, the headship rate for the population under age 35 has fallen steadily and is now below levels posted in the mid-1970s.

High and rising housing costs seem largely responsible for the recent decline in headship rates. It will take a period of sustained growth in household income, as well as further declines in homeownership costs and rents, to restore the ratio of housing costs to household income to the more affordable levels enjoyed during much of the post-war period. Population growth ensures that the total number of households will increase, but high housing costs will constrain household formation in the years ahead.

Exhibit 15

Percentage of Population Who
Head Their Own Households: 1970-1987

Age	1970	1975	1980	1983	1987
15 to 24	11.2%	13.6%	15.9%	14.2%	13.8%
25 to 34	46.9	49.7	50.5	48.6	48.1
35 to 44	50.5	52.5	55.0	55.7	55.6
45 to 54	52.6	54.8	55.8	55.6	57.4
55 to 64	57.6	58.0	58.3	59.5	58.9
65 or Older	61.7	67.5	68.4	68.7	67.9

SOURCE: Joint Center for Housing Studies estimates based on data reported in U.S. Department of Commerce, *Current Population Report, Series P-20, Various Issues*.

HOUSING DEMAND

In the late 1980s and early 1990s, the aging of the baby-boomers will generate considerable growth in the number of households with heads aged 35 to 44. Many baby-boomers delayed marriage and having children, but now are doing so in sufficient numbers to create a significant increase in the number of married couples and an "echo" baby boom. Not only will many baby-boom households move into a more family-oriented phase of the life cycle during the late 1980s, but they will also pass through their peak earning years, sparking demand for more expensive homes.

The housing market activity of the baby-boom generation has been a key ingredient in the unusually long housing recovery of the past five years. Indeed, even though new housing construction activity is expected to slow in 1988, demand for good-quality, single-family homes should remain strong well into the 1990s as current baby-boom homeowners continue to trade up to better housing. The strong tradeup demand should also support growth of the renovation and repair market as some baby-boomers improve their current housing by repairing or adding to an existing home.

An important factor in this optimistic outlook is that more than half of all baby-boom households already own homes. Many baby-boomers bought homes in the late 1970s and therefore benefited from at least some of the rapid house price appreciation that occurred throughout the country. Unlike younger families still struggling to break into the ownership market, current baby-boom homeowners have the resources—in terms of both income and wealth—to acquire bigger and better housing, or to make substantial investments in their current homes.

RECENT TRENDS IN HOMEOWNERSHIP

Although the percent of households owning their own homes did increase nationwide from 1973 to 1980, this share has since fallen—from 65.6 percent in 1980 to 64.0 percent in 1987. The decline in homeownership is a nationwide phenomenon affecting areas with strong and weak economies alike. As indicated in Exhibit 16, the homeownership rate has fallen off most sharply in the Midwest, though marked declines occurred in the South and the West as well.

Exhibit 16

Homeownership Rates By Region and Age (Percent Homeowner)

	1973	1976	1980	1983	1987
Region					
Northeast	59.2%	59.8%	60.7%	61.4%	61.4%
Midwest	69.1	69.5	70.3	70.0	67.1
South	66.5	66.4	68.3	67.1	66.9
West	60.6	61.2	60.5	58.7	57.9
Age					
Under 25	23.4%	21.0%	21.3%	19.3%	16.1%
25-29	43.6	43.2	43.3	38.2	35.9
30-34	60.2	62.4	61.1	55.7	53.2
35-39	68.5	69.0	70.8	65.8	63.8
40-44	72.9	73.9	74.2	74.2	70.6
45-54	76.1	77.4	77.7	77.1	75.8
55-64	75.7	77.2	79.3	80.5	80.8
65-74	71.3	72.7	75.2	76.9	78.1
75 +	67.1	67.2	67.8	71.6	70.7
Total	64.4	64.8	65.6	64.9	64.0

SOURCE: 1973 to 1980 from Annual Housing Survey, 1983 to 1987 from Current Population Survey

The growth in the number of elderly homeowners in the Northeast helped offset the effect of declining homeownership rates of young households. Many older households have owned their homes for years and have therefore been insulated from the housing cost inflation of the late 1970s and early 1980s; for these households, rising home prices meant increased wealth in terms of equity in their existing homes.

Renter households, especially young renter households, have had no such buffer against the ravages of inflation. As indicated in Exhibit 16, much of the decline in the homeownership rate has been concentrated among younger households. For households aged 25 to 29, the homeownership rate fell from 43.3 percent in 1980 to 35.9 percent in 1987. Households aged 30 to 39 suffered similarly sharp declines.

For older homeowners, improved health and growing real incomes increased their ability to remain in their homes or to purchase a retirement home. Only in the Midwest have the homeownership rates of the elderly declined along with those of younger households since 1980. The growth of homeownership for households aged 55 or older was a key ingredient in the growth of total homeownership in each of the other regions in the 1970s. Even in recent years, the rising number of elderly homeowners has offset part of the overall decline in homeownership in most regions of the country (see Appendix Table 9).

The decline in homeownership is remarkable for several reasons. First, it occurred during one of the most sustained and vigorous housing recoveries on record. Second, it has reduced the nation's homeownership rate to its lowest level in over 15 years. Third, lower homeownership rates for young adults are found in all regions of the country, not just the high-cost Northeast or West. Since 1983, homeownership among young households has declined in the oil-producing states, the farm belt and the rust belt, as well as New England, the Mid and South Atlantic and the Pacific Coast states. Apparently, the continuing high after-tax cash cost of homeownership and the growing rental payments burden are preventing renters in all regions of the country from accumulating the resources needed to make the downpayment and meet the initial year carrying costs of homes of their own.

HOUSING THE NATION'S POOR

Over the past two decades, slower real income growth and higher real housing costs have exacerbated the problems of low- and moderate-income households. Gross rent as a share of income rose sharply from 1974 to 1982 and remains at historically high levels. Even when paying a large share of their incomes for rent, many households still live in poor-quality housing. In 1983, the most recent year for which data are available, 5 million renter households—or one in six—lived in structurally inadequate dwelling units. Low- and moderate-income homeowners are also not immune to the problem: in that same year, 4.5 million owners, primarily residing in small cities and towns and outlying rural areas, lived in units classified as structurally inadequate.

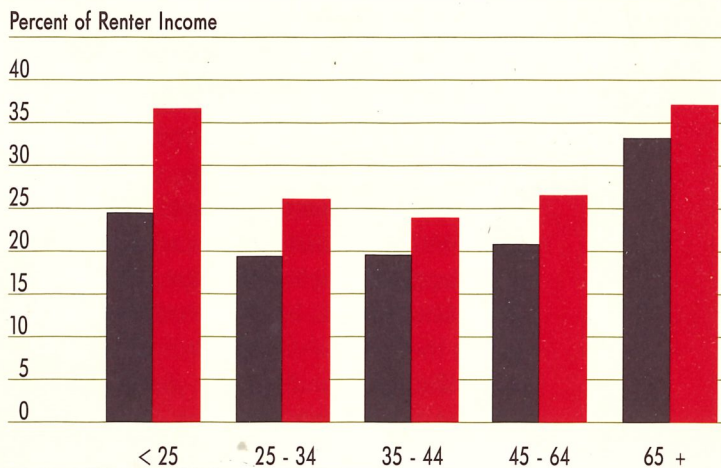
RENTAL PAYMENTS BURDEN

The incidence of high rental burdens has increased, particularly among the young. In 1974, the gross rent burden (estimated as the ratio of median rent to income) for households with heads aged 25 to 34 was 18.7 percent; by 1983, the burden had reached 25.4 percent (Exhibit 17). Households with heads under the age of 25 experienced even sharper increases.

As noted earlier, rental housing is increasingly becoming home to low- and moderate-income families with children, especially single-parent households. From 1974 to 1987, the number of married couples aged 25 to 34 with children who rented their housing increased from 2.7 million to 3.2 million (Exhibit 18). At the same time, the number of single-parent families (primarily women with children) nearly doubled from 1.2 million to 2.2 million.

Exhibit 17

Gross Rental Cost Burden by Age (Gross Rent as Percent of Renter Income)



SOURCE: See Appendix Table 11

■ 1974 ■ 1987

Exhibit 18 makes clear why the rental payments burden is increasingly a problem for young households: the median income of young single-parent renter households with children fell 34 percent from \$10,965 in 1974 to \$7,271 in 1987. With shrinking incomes and growing rents, the increase in rent burden for this type of family is inevitable. Since families with children require larger apartments than single adults or married couples with no children, they are particularly vulnerable in periods of high and rising rents. The rent burden for young single-parent families with children thus increased from 34.9 percent to 58.4 percent over this period.

Exhibit 18

Changes in Rental Burden for Selected Household Types

Age and Family Type	Households (In Thousands)		Income (1986 Dollars)		Gross Rent Burden	
	1974	1987	1974	1987	1974	1987
Householder Aged 25 to 34						
Single	1,510	2,963	20,623	17,817	19.2%	24.7%
Married Couple With Children	2,673	3,234	24,160	20,899	17.1%	21.9%
Married Couple No Children	1,195	1,412	32,059	29,028	14.3%	17.5%
Single Parent With Children	1,157	2,213	10,965	7,271	34.9%	58.4%
Other Households	507	1,444	20,908	19,098	22.7%	27.5%
Householder Aged 65 or Older						
Single	2,572	3,281	6,300	6,409	38.6%	42.1%
Married Couple	1,124	984	12,379	13,766	29.4%	29.0%
Other Households	464	462	11,160	10,457	27.5%	32.8%

NOTE: Income data as of prior year

SOURCE: Appendix Table 11

Elderly households continue to devote relatively large shares of their income to rent, but unlike their younger counterparts, the real income of elderly renters has not declined sharply. Indeed, elderly married-couple households enjoyed a slight increase in real income thanks to the indexation of Social Security payments against inflation.

It is important to note that the figures cited here refer to the rent burden for a dwelling unit of constant quality. To the extent that households choose to consume more or fewer housing services, the actual burden may differ. With rents in general rising relative to income, most low- and moderate-income households have been forced to cut back on their housing consumption—if they have been able to form independent households at all.

Moreover, since the homeless are not counted as households by the Census Bureau, the data in Exhibit 18 may actually understate the current payments problem. There are no reliable national figures on the homeless, but their number appears to have grown in recent years, especially among families with children. While further investigation into the causes of homelessness is clearly warranted, the data in Exhibit 18 should leave little doubt that the rising rental payments burden is a major contributing factor.

TRENDS IN HOUSING QUALITY

By some simple measures, America's housing has steadily improved for the past 40 years. For example, the proportion of units lacking some or all plumbing has fallen from 40 percent to just 2 percent. The American Housing Survey (formerly the Annual Housing Survey), however, takes a much more comprehensive look at housing conditions, providing data on some 25 housing deficiencies, including the presence or absence of plumbing fixtures, heating equipment, and other mechanical subsystems, as well as information on the repair and upkeep of properties.

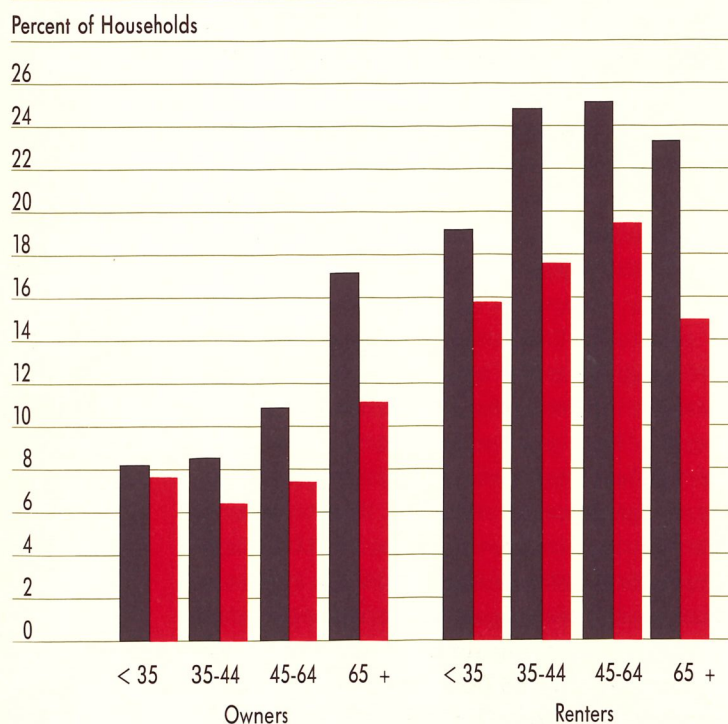
The composite index of housing quality shown in Exhibit 19 indicates that the percentage of renter households living in inadequate housing declined from 15.5 percent to 12.8 percent between 1974 and 1983. While the incidence of inadequacy has been significantly reduced, improvement primarily reflects growth in the total housing supply rather than reduction in the stock of inadequate dwelling units. Accordingly, the number of inadequate dwelling units, though down somewhat in percentage terms, re-

mains high in absolute terms. Thus in 1983, 4.5 million owners and 5.0 million renters continued to occupy structurally inadequate housing.

Poor-quality housing is clearly a continuing problem for the growing number of young families and other low-income households. In 1983, 26 percent of renter households with real incomes below \$5,000 occupied structurally inadequate housing; in absolute terms, this means that the number of low-income households living in such conditions increased from 1 million in 1974 to 1.2 million in 1983. During the same period, the number of young single-parent households living in inadequate housing rose from 374,000 to 484,000.

Exhibit 19

Percent Households in Inadequate Units (By Age and Tenure)



SOURCE: See Appendix Table 12. ■ 1974 ■ 1983

Housing inadequacy is most prevalent in inner cities and in outlying rural areas, where concentrations of low-income households are high. In 1983, 1.7 million renters lived in inadequate housing located in central city locations, while another 945,000 renters occupied inadequate housing located in outlying rural areas.

While the share of renters living in inadequate housing is more than twice as high, the share of low-income owners occupying inadequate units is also a problem, particularly in outlying areas. In 1983, 1.9 million or 14 percent of all homeowners in non-metropolitan rural areas lived in inadequate dwelling units (Exhibit 20). This represents a slight improvement from the 2.1 million figure of 1974, but housing inadequacy in rural areas clearly persists.

Exhibit 20

Number and Percent of Households Living In Inadequate Housing By Urban/Rural Status

Location	Owners				Renters			
	Number Inadequate (in thousands)		Percent Inadequate		Number Inadequate (in thousands)		Percent Inadequate	
	1974	1983	1974	1983	1974	1983	1974	1983
Large Central Cities	687	600	8.2%	6.5%	1,947	1,746	20.8%	17.2%
Other Urban Metro	1,038	889	6.2%	4.6%	1,215	1,307	14.7%	12.3%
Fringe Metro Rural	533	514	11.3%	7.4%	342	295	26.4%	15.8%
Non-Metro Urban	781	585	13.7%	9.4%	881	730	28.1%	20.4%
Non-Metro Rural	2,119	1,888	20.5%	14.2%	1,129	945	38.3%	25.5%
All	5,158	4,476	11.3%	8.2%	5,514	5,023	22.0%	18.7%

SOURCE: Special tabulations of the Annual Housing Survey, 1974 and 1983.

LOW-INCOME HOUSING ASSISTANCE

Housing assistance efforts have done much in the past to improve the housing situations of low-income households. Eligibility varies from one program to the next, but in general federal rental assistance programs aid households with incomes at or below 80 percent of the area median. It is surprisingly difficult, however, to obtain estimates of the characteristics of households actually served by these programs. The Department of Housing and Urban Development estimates

that there now are approximately 4.2 million units of public or otherwise federally subsidized rental housing, but provides no demographic data describing the characteristics of the households living in these units. Absent detailed HUD data, this paper utilizes survey based estimates that differ slightly from the HUD estimates of total households served, but have the advantage of providing needed information on the characteristics of the households living in subsidized rental units.

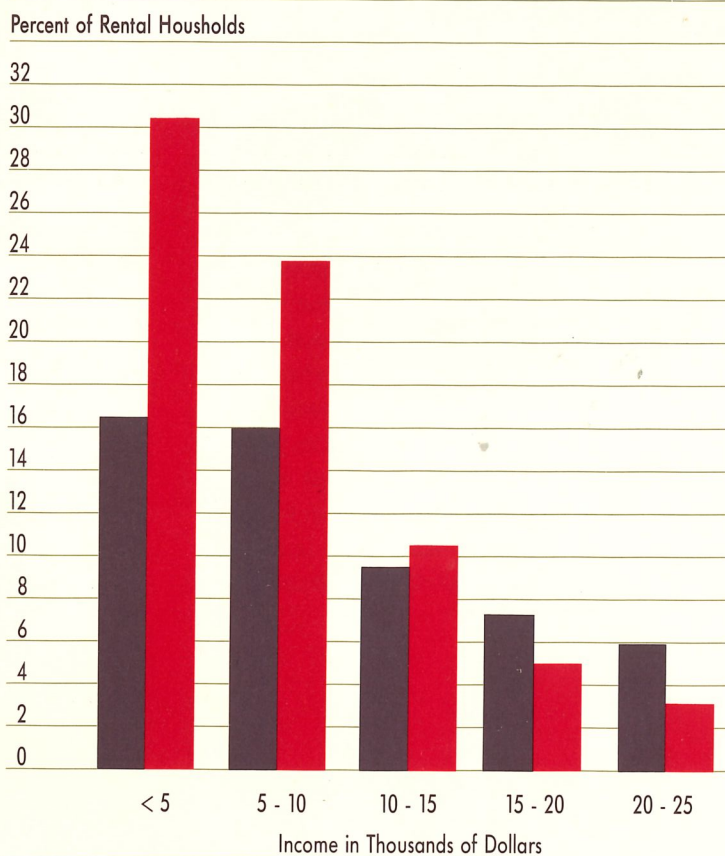
By any measure, the Housing and Community Development Act of 1974 sparked a major expansion in the number of households receiving rental assistance. According to the March 1987 Current Population Survey, 3.8 million households (consisting of 8.9 million persons) lived in public housing or rental housing otherwise subsidized by the federal government. While this growth has virtually stopped in the past several years, the 1987 figure is up nearly 73 percent from the 2.2 million recorded by the 1974 Annual Housing Survey.

Much of the increase in housing assistance resources has gone to aid households at the lowest end of the income distribution. Among renter households with real incomes below \$5,000, the proportion living in subsidized housing nearly doubled between 1974 and 1987 (Exhibit 21). Households with incomes in the \$5,000 to \$10,000 range experienced somewhat more modest gains in the share subsidized.

Nevertheless, existing programs serve only a small fraction of eligible low-income households. According to the Current Population Survey for 1987, just 11.8 percent of all renter households received housing assistance. Even among renter households with incomes below \$5,000, less than one-third received subsidies. Of those with incomes in the \$5,000 to \$10,000 range, less than one-quarter were assisted.

Exhibit 21

Rental Assistance By Household Income (As Percent of Rental Households)



SOURCE: Joint Center tabulation of 1974 Annual Housing Survey and 1987 Current Population Survey data.

Given the variation in housing requirements of households of different types and ages, income alone is a poor measure of the ability of a household to secure adequate housing in the private nonsubsidized market. Federal poverty definitions define the income required by various types of households to consume adequate levels of housing, food, and other necessities. By this measure, only 2.1 million (or 28 percent) of the nation's 7.5 million poverty-level renter households lived in public housing or other subsidized rental housing last year. Among the near-poverty-level renters (households with incomes above poverty level, but less than two times that level), participation was only 19.8 percent.

Whether or not these data reflect appropriate targeting of resources is, of course, a political judgment. It is clear, however, that the growth of housing assistance resources has failed to keep pace with the growth of low-income renter households. In 1974, 2.2 million renter households with incomes below \$5,000 received no housing assistance. By 1987, this pool of eligible but unassisted renter households had grown to 3.2 million. Among households with incomes in the \$5,000 to \$10,000 range, the number of households receiving no rental assistance grew from 3.8 million to 4.5 million.

With at best only 4.2 million assisted renter housing units available, changes in the targeting of assisted renter housing alone will be insufficient to deal with the housing problems of the renter households living in poverty; there simply are more low-income households than assisted rental units. Moreover, nearly 4.4 million poverty-level households own their homes. Housing problems for this group are especially acute in low-density rural areas where the lack of a well-developed rental housing market results in high shares of households owning substandard housing.

Although more careful targeting could make better use of existing housing assistance resources, the development of new program initiatives and the expansion of national housing assistance resources are needed if the nation is to improve the housing conditions of both low-income owners and renters.

CONCLUSION

The health of the housing industry has deflected national attention from the critical problems of first-time homebuyers, disadvantaged renters, and homeless families and individuals. With rental vacancy rates at record levels, it may appear that there is no shortage of housing. With mortgage interest rates down from their peak levels of the early 1980s, it may appear that homeownership is once again an affordable option for many young households. With renovation and repair expenditures setting new records each year, it may appear that the nation's housing inventory of existing units is being well maintained and preserved.

Yet these conclusions bear little relationship to the realities of the state of the nation's housing. Despite the noticeable reductions in homeowner costs in recent years, homeownership rates among young households continue to fall. Despite high levels of new construction and equally high levels of housing rehabilitation expenditures, the supply of low-cost rental housing continues to shrink. Only one in four renter households with incomes at or below the poverty level lives in public or other subsidized housing. Some 5.4 million poverty-level renter households are left to compete for the dwindling supply of low-cost rental housing available in the private market. The result is further tightening at the low end of the rental housing market, and a growing rental payments burden for low- and moderate-income households.

For decades, moving to better housing has been an important ingredient in the upward mobility of American households. This report depicts the situation of many households who, rather than continuing to move up the ladder of housing progress, have stalled along the way. There is no single housing problem in America, but a series of problems that confront a wide range of household types. Improving the state of the nation's housing will require the concerted efforts of all levels of government and all housing providers. The problems of the nation's housing have-nots merit such special attention.

APPENDIX

Appendix Table 1

Income and Housing Cost, U.S. Totals: 1967-1987.

Year	Income ¹			Owner Costs ²						Renter Costs ³		Cost in 1986 Dollars ⁴				Cost as Percent of Income ⁵			
	Total Owner	Total Renter	Young Renter	House Price	Mortgage Rate	Mortgage Payment	Other Costs	After Tax Cash	Total Cost	Contract Rent	Gross Rent	Real After Tax	Real Total Cost	Contract Rent	Gross Rent	First-Time Buyers		All Renters	
																Cash Burden	Total Burden	Contract Rent Burden	Gross Rent Burden
1967	\$ 8,200	\$ 5,300	\$ 8,000	\$16,530	6.40%	\$1,074	\$ 800	\$1,780	\$1,465	\$ 96	\$108	\$5,375	\$4,425	\$288	\$325	22.2%	18.3%	21.6%	24.4%
1968	\$ 8,500	\$ 5,500	\$ 8,300	\$17,400	6.90%	\$1,183	\$ 830	\$1,893	\$1,413	\$ 99	\$111	\$5,496	\$4,102	\$286	\$322	22.8%	17.0%	21.5%	24.2%
1969	\$ 9,100	\$ 5,700	\$ 8,600	\$18,653	7.68%	\$1,359	\$ 871	\$2,068	\$1,354	\$102	\$115	\$5,783	\$3,786	\$287	\$322	24.0%	15.7%	21.6%	24.3%
1970	\$ 9,700	\$ 6,300	\$ 9,500	\$19,244	8.20%	\$1,467	\$ 925	\$2,195	\$1,612	\$108	\$121	\$5,814	\$4,271	\$285	\$320	23.1%	17.0%	20.5%	23.0%
1971	\$10,000	\$ 6,600	\$ 9,900	\$20,288	7.54%	\$1,462	\$ 993	\$2,311	\$1,593	\$113	\$128	\$5,913	\$4,077	\$290	\$327	23.3%	16.1%	21.3%	23.9%
1972	\$10,700	\$ 6,900	\$10,400	\$21,611	7.38%	\$1,535	\$1,059	\$2,441	\$1,564	\$118	\$133	\$6,043	\$3,871	\$293	\$330	23.5%	15.0%	20.9%	23.5%
1973	\$11,500	\$ 7,200	\$10,700	\$23,490	7.82%	\$1,733	\$1,119	\$2,705	\$1,513	\$124	\$140	\$6,284	\$3,516	\$288	\$325	25.3%	14.1%	20.7%	23.3%
1974	\$12,800	\$ 7,700	\$11,900	\$25,682	8.78%	\$2,055	\$1,233	\$3,100	\$1,596	\$131	\$149	\$6,546	\$3,370	\$278	\$316	26.0%	13.4%	20.5%	23.3%
1975	\$13,600	\$ 7,900	\$12,300	\$28,432	8.97%	\$2,310	\$1,342	\$3,414	\$1,402	\$139	\$160	\$6,653	\$2,732	\$271	\$312	27.8%	11.4%	21.1%	24.3%
1976	\$14,500	\$ 8,200	\$12,600	\$30,868	8.90%	\$2,494	\$1,437	\$3,661	\$1,552	\$148	\$171	\$6,742	\$2,857	\$272	\$315	29.1%	12.3%	21.6%	25.0%
1977	\$16,000	\$ 8,800	\$13,300	\$34,800	8.83%	\$2,795	\$1,567	\$4,280	\$1,498	\$158	\$184	\$7,428	\$2,600	\$274	\$319	32.2%	11.3%	21.5%	25.1%
1978	\$16,800	\$ 9,300	\$14,400	\$39,846	9.40%	\$3,351	\$1,673	\$4,806	\$1,260	\$170	\$198	\$7,845	\$2,056	\$278	\$324	33.4%	8.7%	21.9%	25.6%
1979	\$18,300	\$10,000	\$15,200	\$45,518	10.63%	\$4,208	\$1,775	\$5,629	\$1,450	\$184	\$215	\$8,333	\$2,147	\$272	\$318	37.0%	9.5%	22.1%	25.8%
1980	\$19,800	\$10,500	\$16,300	\$50,530	12.53%	\$5,344	\$1,981	\$6,705	\$2,732	\$202	\$238	\$8,960	\$3,651	\$270	\$318	41.1%	16.8%	23.1%	27.2%
1981	\$21,800	\$11,400	\$17,700	\$54,775	14.51%	\$6,581	\$2,204	\$7,872	\$4,799	\$221	\$262	\$9,586	\$5,844	\$269	\$319	44.5%	27.1%	23.2%	27.6%
1982	\$23,200	\$11,800	\$18,400	\$56,202	14.78%	\$6,864	\$2,390	\$8,359	\$6,883	\$239	\$286	\$9,599	\$7,904	\$275	\$329	45.4%	37.4%	24.3%	29.1%
1983	\$24,400	\$12,400	\$19,400	\$57,594	12.29%	\$5,993	\$2,494	\$7,767	\$7,119	\$255	\$306	\$8,560	\$7,846	\$281	\$337	40.0%	36.7%	24.7%	29.6%
1984	\$26,100	\$13,300	\$20,800	\$59,821	12.00%	\$6,102	\$2,627	\$8,010	\$7,630	\$270	\$324	\$8,458	\$8,057	\$286	\$342	38.5%	36.7%	24.4%	29.2%
1985	\$27,800	\$14,000	\$21,900	\$61,387	11.18%	\$5,908	\$2,694	\$7,940	\$7,376	\$289	\$343	\$8,101	\$7,525	\$295	\$350	36.3%	33.7%	24.8%	29.4%
1986	\$29,300	\$14,500	\$22,700	\$64,067	9.80%	\$5,560	\$2,696	\$7,691	\$6,433	\$308	\$362	\$7,691	\$6,433	\$308	\$362	33.9%	28.3%	25.5%	30.0%
1987	\$31,400	\$15,200	\$23,800	\$66,886	8.93%	\$5,417	\$2,736	\$7,720	\$6,225	\$324	\$377	\$7,449	\$6,006	\$312	\$364	32.4%	26.2%	25.5%	29.7%

58.5 44 412 32

1. Annual income of families and primary individuals. Annual Housing Survey, various years. Young renters defined as married couple renters aged 25 to 29.
2. House price is Annual Housing Survey median value of house purchased by first-time home buyer aged 25-29 in 1977, indexed by Department of Census, Construction Reports C-27 Constant Quality Home Price Index. Mortgage Rates equal Federal Home Loan Bank Board contract mortgage rate. Mortgage Payments assume 25 year mortgage with 20% down. Other Costs include property tax, insurance, fuel and utilities, and maintenance. After-Tax Cash-Cost equals Mortgage Payment plus Other Costs, less tax savings of homeowner-ship. Total Cost equals After-Tax Cash-Cost plus opportunity cost of down payment, amortization of fees and closing costs, less expected equity buildup. Cost data are 1977 Annual Housing Survey data indexed by Bureau of Labor Statistics Consumer Price Indices for various components of housing cost.
3. Contract Rent equals median 1977 Contract Rent indexed by Joint Center for Housing Studies Contract Rent Index adopted from data from the Bureau of Labor Statistics Index of Residential Rent. Gross Rent equals Contract Rent plus fuel and utilities, property taxes and insurance.
4. Housing Cost expressed in 1986 constant dollars using Bureau of Labor Statistics Consumer Price Index (CPI-UXI) for All Items.
5. First Time Buyer Cost Burden is cost as a percent of income of potential homebuyer proxied by median family income of married couple renters aged 25 to 29. Renter Cost Burden is annual rental payments as percent of median income of all renters.

Appendix Table 2

Income and Housing Cost, Northeast Region: 1967-1987

Year	Income ¹			Owner Costs ²						Renter Costs ³		Cost in 1986 Dollars ⁴				Cost as Percent of Income ⁵			
	Total Owner	Total Renter	Young Renter	House Price	Mortgage Rate	Mortgage Payment	Other Costs	After Tax Cash	Total Cost	Contract Rent	Gross Rent	Real After Tax	Real Total Cost	Contract Rent	Gross Rent	First-Time Buyers		All Renters	
																Cash Burden	Total Burden	Contract Rent Burden	Gross Rent Burden
1967	\$ 9,300	\$ 5,900	\$ 8,000	\$17,797	6.40%	\$1,156	\$1,025	\$ 2,041	\$1,419	\$ 93	\$105	\$ 6,164	\$4,286	\$281	\$318	25.5%	17.7%	19.0%	21.4%
1968	\$ 9,500	\$ 6,100	\$ 8,300	\$19,573	6.90%	\$1,331	\$1,065	\$ 2,217	\$1,177	\$ 96	\$108	\$ 6,437	\$3,417	\$279	\$315	26.7%	14.2%	18.9%	21.3%
1969	\$10,200	\$ 6,300	\$ 8,600	\$21,275	7.68%	\$1,551	\$1,121	\$ 2,441	\$1,210	\$100	\$113	\$ 6,825	\$3,383	\$280	\$316	28.4%	14.1%	19.1%	21.5%
1970	\$10,900	\$ 6,900	\$ 9,500	\$22,755	8.20%	\$1,735	\$1,195	\$ 2,648	\$1,371	\$106	\$119	\$ 7,015	\$3,632	\$280	\$316	27.9%	14.4%	18.4%	20.7%
1971	\$11,200	\$ 7,200	\$ 9,900	\$24,272	7.54%	\$1,749	\$1,290	\$ 2,805	\$1,522	\$115	\$129	\$ 7,179	\$3,894	\$294	\$331	28.3%	15.4%	19.2%	21.5%
1972	\$11,500	\$ 7,500	\$10,300	\$26,048	7.38%	\$1,850	\$1,377	\$ 2,974	\$1,611	\$121	\$137	\$ 7,361	\$3,988	\$300	\$339	28.9%	15.6%	19.4%	21.9%
1973	\$12,600	\$ 7,800	\$10,800	\$28,157	7.82%	\$2,078	\$1,484	\$ 3,309	\$1,844	\$129	\$146	\$ 7,686	\$4,284	\$301	\$339	30.6%	17.1%	19.9%	22.5%
1974	\$14,000	\$ 8,200	\$12,700	\$30,673	8.78%	\$2,454	\$1,650	\$ 3,813	\$2,081	\$138	\$158	\$ 8,053	\$4,394	\$291	\$334	30.0%	16.4%	20.2%	23.1%
1975	\$14,800	\$ 8,300	\$13,600	\$33,263	8.97%	\$2,703	\$1,765	\$ 4,123	\$2,113	\$147	\$170	\$ 8,033	\$4,117	\$287	\$332	30.3%	15.5%	21.3%	24.6%
1976	\$15,600	\$ 8,600	\$13,700	\$34,632	8.90%	\$2,798	\$1,883	\$ 4,312	\$2,783	\$157	\$182	\$ 7,941	\$5,125	\$289	\$336	31.5%	20.3%	21.9%	25.4%
1977	\$16,800	\$ 9,200	\$15,200	\$37,000	8.83%	\$2,971	\$2,029	\$ 4,791	\$3,203	\$167	\$195	\$ 8,316	\$5,559	\$290	\$338	31.5%	21.1%	21.8%	25.4%
1978	\$17,500	\$ 9,600	\$15,900	\$41,107	9.40%	\$3,457	\$2,160	\$ 5,286	\$2,931	\$178	\$208	\$ 8,629	\$4,784	\$291	\$339	33.2%	18.4%	22.3%	25.9%
1979	\$19,100	\$ 9,800	\$16,400	\$46,657	10.63%	\$4,313	\$2,292	\$ 6,150	\$2,631	\$190	\$222	\$ 9,105	\$3,896	\$281	\$328	37.5%	16.0%	23.2%	27.2%
1980	\$21,200	\$10,700	\$16,500	\$51,245	12.53%	\$5,420	\$2,565	\$ 7,278	\$3,731	\$206	\$243	\$ 9,725	\$4,986	\$275	\$324	44.1%	22.6%	23.1%	27.2%
1981	\$23,400	\$11,600	\$18,600	\$55,389	14.51%	\$6,654	\$2,887	\$ 8,529	\$5,686	\$225	\$268	\$10,386	\$6,924	\$274	\$326	45.9%	30.6%	23.3%	27.7%
1982	\$24,700	\$12,200	\$20,100	\$58,201	14.78%	\$7,108	\$3,085	\$ 9,162	\$7,151	\$244	\$291	\$10,521	\$8,212	\$280	\$334	45.6%	35.6%	24.0%	28.6%
1983	\$26,400	\$12,800	\$22,000	\$60,680	12.29%	\$6,314	\$3,163	\$ 8,597	\$7,027	\$262	\$312	\$ 9,476	\$7,745	\$289	\$344	39.1%	31.9%	24.5%	29.3%
1984	\$28,700	\$13,400	\$23,000	\$67,044	12.00%	\$6,838	\$3,350	\$ 9,247	\$6,379	\$278	\$331	\$ 9,764	\$6,736	\$294	\$349	40.2%	27.7%	24.9%	29.6%
1985	\$30,700	\$14,800	\$25,500	\$74,444	11.18%	\$7,165	\$3,426	\$ 9,604	\$4,818	\$299	\$352	\$ 9,799	\$4,916	\$305	\$359	37.7%	18.9%	24.3%	28.6%
1986	\$32,500	\$15,700	\$27,200	\$88,282	9.80%	\$7,661	\$3,396	\$10,026	\$ 924	\$325	\$378	\$10,026	\$ 924	\$325	\$378	36.9%	3.4%	24.8%	28.9%
1987	\$34,800	\$17,000	\$29,600	\$93,844	8.93%	\$7,600	\$3,460	\$10,223	\$3,096	\$346	\$397	\$ 9,863	\$2,987	\$334	\$383	34.5%	10.5%	24.4%	28.0%

Appendix Table 3

Income and Housing Cost, Midwest Region: 1967-1987

Year	Income ¹			Owner Costs ²						Renter Costs ³		Cost in 1986 Dollars ⁴				Cost as Percent of Income ⁵			
	Total Owner	Total Renter	Young Renter	House Price	Mortgage Rate	Mortgage Payment	Other Costs	After Tax Cash	Total Cost	Contract Rent	Gross Rent	Real After Tax	Real Total Cost	Contract Rent	Gross Rent	First-Time Buyers		All Renters	
																Cash Burden	Total Burden	Contract Rent Burden	Gross Rent Burden
1967	\$ 8,400	\$ 5,800	\$ 8,500	\$16,350	6.40%	\$1,062	\$ 772	\$1,739	\$1,224	\$ 97	\$109	\$5,253	\$3,696	\$292	\$330	20.5%	14.4%	20.0%	22.6%
1968	\$ 8,800	\$ 6,000	\$ 8,900	\$17,429	6.90%	\$1,185	\$ 803	\$1,863	\$1,185	\$ 99	\$112	\$5,410	\$3,442	\$288	\$325	20.9%	13.3%	19.8%	22.4%
1969	\$ 9,400	\$ 6,200	\$ 9,200	\$19,031	7.68%	\$1,387	\$ 842	\$2,057	\$1,076	\$103	\$116	\$5,753	\$3,010	\$287	\$324	21.9%	11.5%	19.9%	22.4%
1970	\$10,000	\$ 6,700	\$10,100	\$19,031	8.20%	\$1,451	\$ 895	\$2,149	\$1,707	\$107	\$121	\$5,692	\$4,523	\$283	\$320	21.3%	16.9%	19.1%	21.6%
1971	\$10,300	\$ 6,800	\$10,200	\$19,751	7.54%	\$1,423	\$ 949	\$2,241	\$1,819	\$112	\$126	\$5,736	\$4,656	\$286	\$324	22.0%	17.8%	19.7%	22.3%
1972	\$11,000	\$ 7,100	\$10,700	\$20,993	7.38%	\$1,491	\$1,011	\$2,363	\$1,726	\$116	\$131	\$5,850	\$4,273	\$287	\$325	22.1%	16.1%	19.6%	22.2%
1973	\$11,700	\$ 7,400	\$11,200	\$22,628	7.82%	\$1,670	\$1,060	\$2,605	\$1,603	\$121	\$137	\$6,052	\$3,725	\$282	\$318	23.3%	14.3%	19.7%	22.2%
1974	\$13,200	\$ 8,100	\$12,000	\$24,460	8.78%	\$1,957	\$1,152	\$2,942	\$1,693	\$127	\$144	\$6,213	\$3,574	\$269	\$305	24.5%	14.1%	18.8%	21.4%
1975	\$14,000	\$ 7,900	\$12,700	\$26,978	8.97%	\$2,192	\$1,270	\$3,260	\$1,504	\$133	\$154	\$6,353	\$2,930	\$260	\$300	25.7%	11.8%	20.3%	23.6%
1976	\$15,000	\$ 8,300	\$12,900	\$29,397	8.90%	\$2,375	\$1,369	\$3,509	\$1,526	\$140	\$164	\$6,461	\$2,810	\$258	\$302	27.2%	11.8%	20.3%	23.7%
1977	\$16,700	\$ 8,900	\$14,800	\$32,700	8.83%	\$2,626	\$1,506	\$4,070	\$1,620	\$149	\$177	\$7,064	\$2,812	\$259	\$307	27.5%	10.9%	20.1%	23.9%
1978	\$17,300	\$ 9,300	\$15,100	\$37,376	9.40%	\$3,143	\$1,624	\$4,586	\$1,395	\$160	\$189	\$7,487	\$2,277	\$261	\$308	30.4%	9.2%	20.6%	24.4%
1979	\$19,000	\$10,000	\$15,500	\$41,823	10.63%	\$3,866	\$1,727	\$5,307	\$1,888	\$172	\$204	\$7,856	\$2,796	\$255	\$303	34.2%	12.2%	20.7%	24.5%
1980	\$19,800	\$10,100	\$16,700	\$44,276	12.53%	\$4,683	\$1,912	\$6,108	\$3,727	\$187	\$223	\$8,161	\$4,980	\$250	\$298	36.6%	22.3%	22.3%	26.5%
1981	\$21,500	\$11,000	\$17,600	\$48,134	14.51%	\$5,783	\$2,118	\$7,155	\$5,130	\$202	\$243	\$8,713	\$6,247	\$246	\$296	40.7%	29.1%	22.0%	26.5%
1982	\$22,800	\$11,600	\$18,000	\$50,162	14.78%	\$6,126	\$2,306	\$7,682	\$6,302	\$216	\$262	\$8,821	\$7,236	\$248	\$301	42.7%	35.0%	22.3%	27.1%
1983	\$24,300	\$12,100	\$18,200	\$49,050	12.29%	\$5,104	\$2,444	\$7,003	\$7,288	\$227	\$280	\$7,719	\$8,033	\$250	\$308	38.5%	40.0%	22.5%	27.7%
1984	\$26,200	\$13,100	\$19,900	\$51,503	12.00%	\$5,253	\$2,550	\$7,241	\$7,283	\$238	\$293	\$7,646	\$7,690	\$251	\$309	36.4%	36.6%	21.8%	26.8%
1985	\$27,800	\$13,400	\$20,400	\$51,862	11.18%	\$4,991	\$2,609	\$7,110	\$7,308	\$252	\$308	\$7,255	\$7,456	\$257	\$314	34.9%	35.8%	22.5%	27.6%
1986	\$29,200	\$13,900	\$21,100	\$54,282	9.80%	\$4,711	\$2,613	\$6,916	\$6,003	\$266	\$322	\$6,916	\$6,003	\$266	\$322	32.8%	28.5%	22.9%	27.8%
1987	\$31,100	\$14,700	\$22,300	\$56,562	8.93%	\$4,581	\$2,654	\$6,929	\$5,826	\$277	\$332	\$6,686	\$5,622	\$267	\$320	31.1%	26.1%	22.6%	27.1%

Appendix Table 4

Income and Housing Cost, South Region: 1967-1987

Year	Income ¹			Owner Costs ²						Renter Costs ³		Cost in 1986 Dollars ⁴				Cost as Percent of Income ⁵			
	Total Owner	Total Renter	Young Renter	House Price	Mortgage Rate	Mortgage Payment	Other Costs	After Tax Cash	Total Cost	Contract Rent	Gross Rent	Real After Tax	Real Total Cost	Contract Rent	Gross Rent	First-Time Buyers		All Renters	
																Cash Burden	Total Burden	Contract Rent Burden	Gross Rent Burden
1967	\$ 6,800	\$ 4,700	\$ 7,400	\$15,206	6.40%	\$ 988	\$ 677	\$1,604	\$1,392	\$ 85	\$101	\$4,843	\$4,202	\$256	\$304	22.0%	19.1%	21.7%	25.7%
1968	\$ 7,200	\$ 4,900	\$ 7,700	\$15,860	6.90%	\$1,078	\$ 700	\$1,703	\$1,375	\$ 87	\$103	\$4,945	\$3,992	\$253	\$300	22.1%	17.9%	21.8%	25.8%
1969	\$ 7,700	\$ 5,000	\$ 8,000	\$16,899	7.68%	\$1,232	\$ 731	\$1,850	\$1,324	\$ 90	\$106	\$5,173	\$3,704	\$252	\$298	22.6%	16.2%	21.6%	25.6%
1970	\$ 8,200	\$ 5,400	\$ 8,700	\$17,434	8.20%	\$1,329	\$ 773	\$1,963	\$1,490	\$ 94	\$111	\$5,199	\$3,946	\$248	\$294	22.6%	17.1%	20.8%	24.6%
1971	\$ 8,500	\$ 5,600	\$ 9,000	\$18,800	7.54%	\$1,354	\$ 837	\$2,081	\$1,241	\$ 98	\$117	\$5,325	\$3,177	\$251	\$299	23.1%	13.8%	21.0%	25.0%
1972	\$ 9,100	\$ 6,100	\$ 9,800	\$19,958	7.38%	\$1,418	\$ 887	\$2,194	\$1,283	\$102	\$121	\$5,431	\$3,177	\$252	\$300	22.4%	13.1%	20.0%	23.9%
1973	\$ 9,800	\$ 6,600	\$10,700	\$21,295	7.82%	\$1,571	\$ 940	\$2,423	\$1,470	\$106	\$126	\$5,630	\$3,416	\$246	\$294	22.6%	13.7%	19.3%	23.0%
1974	\$11,100	\$ 7,100	\$11,400	\$22,988	8.78%	\$1,839	\$1,054	\$2,765	\$1,673	\$112	\$135	\$5,840	\$3,534	\$236	\$285	24.3%	14.7%	18.9%	22.8%
1975	\$11,800	\$ 7,400	\$11,800	\$25,275	8.97%	\$2,053	\$1,154	\$3,049	\$1,479	\$118	\$145	\$5,941	\$2,883	\$231	\$282	25.8%	12.5%	19.2%	23.5%
1976	\$12,700	\$ 7,700	\$12,000	\$27,057	8.90%	\$2,186	\$1,235	\$3,239	\$1,646	\$127	\$156	\$5,964	\$3,031	\$233	\$287	27.0%	13.7%	19.7%	24.3%
1977	\$13,800	\$ 8,200	\$12,300	\$29,700	8.83%	\$2,385	\$1,360	\$3,745	\$1,836	\$136	\$169	\$6,499	\$3,187	\$236	\$293	30.4%	14.9%	19.9%	24.7%
1978	\$14,900	\$ 8,800	\$14,000	\$33,323	9.40%	\$2,802	\$1,446	\$4,192	\$1,783	\$146	\$180	\$6,844	\$2,910	\$238	\$294	29.9%	12.7%	19.9%	24.5%
1979	\$16,300	\$ 9,700	\$14,500	\$38,165	10.63%	\$3,528	\$1,541	\$4,899	\$1,664	\$158	\$195	\$7,252	\$2,464	\$234	\$289	33.8%	11.5%	19.6%	24.2%
1980	\$17,800	\$10,300	\$15,700	\$42,857	12.53%	\$4,533	\$1,701	\$5,829	\$2,338	\$174	\$216	\$7,789	\$3,124	\$232	\$289	37.1%	14.9%	20.3%	25.2%
1981	\$19,400	\$11,200	\$16,900	\$47,045	14.51%	\$5,652	\$1,892	\$6,878	\$3,844	\$190	\$240	\$8,376	\$4,680	\$232	\$292	40.7%	22.7%	20.4%	25.7%
1982	\$20,600	\$12,600	\$18,800	\$48,975	14.78%	\$5,981	\$2,062	\$7,356	\$5,509	\$207	\$263	\$8,447	\$6,326	\$238	\$302	39.1%	29.3%	19.7%	25.0%
1983	\$21,700	\$12,700	\$18,800	\$49,896	12.29%	\$5,192	\$2,161	\$6,832	\$6,097	\$220	\$280	\$7,530	\$6,720	\$242	\$308	36.3%	32.4%	20.8%	26.4%
1984	\$23,000	\$13,600	\$20,100	\$51,619	12.00%	\$5,265	\$2,268	\$7,015	\$6,763	\$231	\$293	\$7,407	\$7,142	\$243	\$309	34.9%	33.6%	20.3%	25.9%
1985	\$24,100	\$14,200	\$21,000	\$52,985	11.18%	\$5,099	\$2,324	\$6,959	\$6,578	\$242	\$306	\$7,100	\$6,711	\$247	\$312	33.1%	31.3%	20.5%	25.8%
1986	\$25,600	\$14,600	\$21,600	\$54,113	9.80%	\$4,696	\$2,343	\$6,680	\$6,197	\$254	\$317	\$6,680	\$6,197	\$254	\$317	30.9%	28.7%	20.9%	26.1%
1987	\$27,600	\$15,300	\$22,600	\$55,142	8.93%	\$4,466	\$2,365	\$6,581	\$6,343	\$259	\$322	\$6,350	\$6,120	\$250	\$310	29.1%	28.1%	20.4%	25.2%

Appendix Table 5

Income and Housing Cost, West Region: 1967-1987

Year	Income ¹			Owner Costs ²						Renter Costs ³		Cost in 1986 Dollars ⁴				Cost as Percent of Income ⁵			
	Total Owner	Total Renter	Young Renter	House Price	Mortgage Rate	Mortgage Payment	Other Costs	After Tax Cash	Total Cost	Contract Rent	Gross Rent	Real After Tax	Real Total Cost	Contract Rent	Gross Rent	First-Time Buyers		All Renters	
																Cash Burden	Total Burden	Contract Rent Burden	Gross Rent Burden
1967	\$ 8,700	\$ 5,400	\$ 8,200	\$18,318	6.40%	\$1,190	\$ 796	\$1,878	\$ 1,784	\$104	\$113	\$ 5,672	\$ 5,387	\$313	\$341	23.8%	22.6%	23.0%	25.1%
1968	\$ 9,300	\$ 5,600	\$ 8,500	\$18,747	6.90%	\$1,275	\$ 828	\$1,969	\$ 1,830	\$109	\$118	\$ 5,717	\$ 5,315	\$315	\$343	23.2%	21.5%	23.3%	25.3%
1969	\$10,000	\$ 5,800	\$ 8,900	\$20,463	7.68%	\$1,491	\$ 867	\$2,172	\$ 1,447	\$114	\$124	\$ 6,073	\$ 4,046	\$320	\$347	23.6%	15.7%	23.7%	25.7%
1970	\$10,700	\$ 6,500	\$ 9,800	\$20,935	8.20%	\$1,596	\$ 916	\$2,294	\$ 1,715	\$123	\$133	\$ 6,077	\$ 4,543	\$325	\$352	23.4%	17.5%	22.6%	24.5%
1971	\$11,000	\$ 6,600	\$ 9,900	\$21,579	7.54%	\$1,555	\$ 979	\$2,378	\$ 1,836	\$127	\$138	\$ 6,085	\$ 4,700	\$325	\$353	24.0%	18.5%	23.1%	25.1%
1972	\$11,800	\$ 7,000	\$10,500	\$22,780	7.38%	\$1,618	\$1,059	\$2,516	\$ 1,865	\$132	\$143	\$ 6,229	\$ 4,617	\$326	\$354	24.0%	17.8%	22.6%	24.5%
1973	\$12,700	\$ 7,500	\$11,300	\$25,783	7.82%	\$1,903	\$1,085	\$2,828	\$ 1,217	\$138	\$150	\$ 6,569	\$ 2,828	\$321	\$349	25.0%	10.8%	22.1%	24.1%
1974	\$14,100	\$ 7,600	\$11,800	\$29,086	8.78%	\$2,327	\$1,174	\$3,269	\$ 914	\$148	\$161	\$ 6,903	\$ 1,930	\$312	\$341	27.7%	7.7%	23.3%	25.5%
1975	\$15,100	\$ 8,000	\$11,500	\$32,690	8.97%	\$2,656	\$1,282	\$3,618	\$ 681	\$157	\$173	\$ 7,048	\$ 1,327	\$305	\$336	31.5%	5.9%	23.5%	25.9%
1976	\$16,200	\$ 8,500	\$12,200	\$36,293	8.90%	\$2,932	\$1,374	\$3,946	\$ 852	\$167	\$184	\$ 7,267	\$ 1,568	\$307	\$339	32.3%	7.0%	23.5%	26.0%
1977	\$17,800	\$ 9,100	\$12,700	\$42,900	8.83%	\$3,445	\$1,487	\$4,736	\$ 192	\$179	\$198	\$ 8,219	\$ 332	\$311	\$344	37.3%	1.5%	23.6%	26.1%
1978	\$18,900	\$ 9,700	\$13,300	\$50,837	9.40%	\$4,275	\$1,577	\$5,469	(\$416)	\$196	\$216	\$ 8,928	(\$680)	\$320	\$352	41.1%	-3.1%	24.2%	26.7%
1979	\$20,500	\$10,800	\$15,000	\$58,559	10.63%	\$5,413	\$1,648	\$6,482	\$ 154	\$217	\$238	\$ 9,596	\$ 228	\$321	\$352	43.2%	1.0%	24.1%	26.5%
1980	\$22,700	\$11,500	\$16,400	\$66,152	12.53%	\$6,997	\$1,871	\$7,923	\$ 1,884	\$241	\$270	\$10,587	\$ 2,518	\$322	\$360	48.3%	11.5%	25.2%	28.1%
1981	\$24,900	\$12,900	\$18,500	\$70,699	14.51%	\$8,494	\$2,053	\$9,243	\$ 5,301	\$268	\$299	\$11,256	\$ 6,455	\$326	\$365	50.0%	28.7%	24.9%	27.9%
1982	\$26,900	\$13,400	\$19,300	\$71,386	14.78%	\$8,718	\$2,260	\$9,739	\$ 8,503	\$293	\$330	\$11,183	\$ 9,764	\$337	\$379	50.5%	44.1%	26.3%	29.6%
1983	\$28,000	\$13,800	\$20,000	\$73,788	12.29%	\$7,678	\$2,345	\$8,999	\$ 8,388	\$314	\$353	\$ 9,919	\$ 9,246	\$346	\$390	45.0%	41.9%	27.3%	30.7%
1984	\$30,700	\$15,500	\$22,500	\$73,359	12.00%	\$7,483	\$2,481	\$9,002	\$10,062	\$338	\$380	\$ 9,505	\$10,625	\$357	\$401	40.0%	44.7%	26.2%	29.4%
1985	\$32,600	\$16,000	\$23,200	\$75,547	11.18%	\$7,271	\$2,562	\$8,937	\$ 9,053	\$366	\$409	\$ 9,118	\$ 9,236	\$374	\$418	38.5%	39.0%	27.5%	30.7%
1986	\$34,300	\$16,600	\$24,100	\$78,293	9.80%	\$6,794	\$2,598	\$8,620	\$ 7,782	\$391	\$433	\$ 8,620	\$ 7,782	\$391	\$433	35.8%	32.3%	28.3%	31.3%
1987	\$36,600	\$17,400	\$25,200	\$82,285	8.93%	\$6,664	\$2,618	\$8,680	\$ 6,717	\$408	\$450	\$ 8,375	\$ 6,481	\$394	\$434	34.4%	26.7%	28.1%	31.0%

Appendix Table 6**Households and Household Income By Age And Type**

Age and Household Type	Number of Households (In Thousands)			Median Income (1986 Dollars)		
	1974	1987	Percent Change	1974	1987	Percent Change
Household Head Under 25						
Single	1,136	1,252	10.2%	\$11,848	\$11,994	1.2%
Married With Children	1,709	929	-45.6%	20,908	15,233	-27.1%
Married No Children	1,825	909	-50.2%	23,347	20,401	-12.6%
Single Parent With Children	540	832	54.1%	7,332	4,688	-36.0%
Other Households	833	1,275	53.1%	13,101	11,400	-13.0%
TOTAL	6,043	5,197	-14.0%	18,248	13,011	-28.7%
Household Head 25 to 34						
Single	1,810	3,858	113.1%	20,931	18,920	-9.6%
Married With Children	8,368	8,723	4.2%	28,843	28,850	0.1%
Married No Children	2,268	3,070	35.4%	35,020	35,802	2.2%
Single Parent With Children	1,603	2,859	78.4%	12,545	9,621	-23.3%
Other Households	623	1,993	219.9%	22,388	21,524	-3.9%
TOTAL	14,672	20,503	39.7%	27,366	24,230	-11.5%
Household Head 35 to 44						
Single	963	2,642	174.4%	20,908	23,624	13.0%
Married With Children	8,217	9,873	20.2%	34,922	37,800	8.2%
Married No Children	1,055	2,169	105.6%	35,192	42,515	20.9%
Single Parent With Children	1,416	2,701	90.7%	16,027	17,444	8.9%
Other Households	414	1,318	218.4%	23,101	26,211	13.5%
TOTAL	12,065	18,703	55.0%	32,291	31,831	-1.4%
Household Head 45 to 64						
Single	2,867	3,329	16.1%	12,080	13,050	8.0%
Married With Children	7,342	5,349	-27.1%	35,543	38,018	7.0%
Married No Children	9,192	11,429	24.3%	31,826	35,902	12.8%
Single Parent With Children	1,403	1,658	18.2%	16,824	16,896	0.4%
Other Households	7,157	7,844	9.6%	20,197	19,668	-2.6%
TOTAL	18,590	20,324	9.3%	27,877	28,819	3.8%
Household Head 65 or Older						
Single	3,353	5,257	56.8%	6,889	7,881	14.4%
Married	6,164	8,386	36.0%	15,911	18,265	14.8%
Other Households	5,826	6,798	16.7%	13,788	14,406	4.5%
TOTAL	15,343	20,441	33.2%	10,874	12,959	19.1%

NOTE: Income data as of prior year

SOURCE: U.S. Department of Housing and Urban Development, Annual Housing Survey, 1974, and U.S. Department of Commerce, Current Population Survey, March 1987.

Appendix Table 7**Households and Household Income By Age, Tenure And Household Type**

	Owner				Renter			
	Number (In Thousands)		Median Income (1986 Dollars)		Number (In Thousands)		Median Income (1986 Dollars)	
	1974	1987	1974	1987	1974	1987	1974	1987
Household Head Under 25								
Single	81	142	\$13,099	\$14,307	1,055	1,110	\$11,732	\$12,437
Married With Children	658	270	23,231	17,822	1,051	659	18,608	13,690
Married No Children	507	250	26,715	26,196	1,318	659	22,325	17,879
Single Parent With Children	48	52	11,523	8,920	492	780	7,248	4,581
Other Households	83	119	21,721	16,099	750	1,156	11,906	11,279
TOTAL	1,377	833	23,419	18,934	4,666	4,364	15,828	11,737
Household Head 25 to 34								
Single	300	895	24,160	22,604	1,510	2,963	20,623	17,817
Married With Children	5,695	5,489	31,362	32,839	2,673	3,234	24,160	20,899
Married No Children	1,073	1,658	38,563	41,126	1,195	1,412	32,059	29,028
Single Parent With Children	446	646	16,954	17,302	1,157	2,213	10,965	7,271
Other Households	116	549	29,461	28,769	507	1,444	20,908	19,098
TOTAL	7,630	9,237	31,220	32,006	7,042	11,266	22,340	18,199
Household Head 35 to 44								
Single	269	933	23,312	27,512	694	1,709	19,282	19,934
Married With Children	6,765	8,020	37,055	40,146	1,452	1,853	26,715	23,793
Married No Children	723	1,603	37,169	48,020	332	566	30,200	29,749
Single Parent With Children	692	1,312	22,525	22,902	724	1,389	12,665	12,988
Other Households	204	639	28,913	33,114	210	679	16,999	19,288
TOTAL	8,653	12,507	35,284	38,044	3,412	6,196	21,963	20,357
Household Head 45 to 64								
Single	1,955	2,642	12,974	15,691	2,091	2,223	11,615	10,341
Married With Children	5,750	4,047	37,402	40,186	912	687	24,406	21,662
Married No Children	8,771	10,944	32,755	37,454	1,592	1,302	26,170	25,092
Single Parent With Children	688	681	21,493	20,462	421	404	12,013	9,961
Other Households	1,426	2,090	23,231	23,369	715	1,057	15,565	14,333
TOTAL	18,590	20,404	30,965	33,168	5,731	5,673	18,216	15,814
Household Head 65 or Older								
Single	3,312	5,230	7,434	8,997	2,572	3,281	6,300	6,409
Married	5,070	7,421	15,603	18,982	1,124	984	12,379	13,766
Other Households	1,211	1,621	15,184	15,807	464	462	11,160	10,457
TOTAL	9,593	14,272	12,730	14,962	4,160	4,727	8,485	8,336

NOTE: Income data as of prior year

SOURCE: Joint Center tabulations of U.S. Department of Housing and Urban Development, Annual Housing Survey, 1974, and U.S. Department of Commerce, Current Population Survey, March 1987.

Appendix Table 8

Households By Age And Type: 1980 to 2000

Age and Household Type	1980	1985	1990	1995	2000
Household Head Under 25					
Single	1,644	1,351	1,271	1,255	1,287
Married With Children	1,446	1,219	905	748	869
Married No Children	1,370	929	623	506	554
Single Parent With Children	727	732	698	663	693
Other Households	1,235	1,067	923	789	761
TOTAL	6,422	5,298	4,420	3,961	4,164
Household Head 25 to 34					
Single	3,364	4,172	4,746	4,868	4,621
Married With Children	8,887	9,214	9,235	8,130	6,832
Married No Children	2,732	2,518	2,223	1,846	1,554
Single Parent With Children	2,193	2,582	2,788	2,748	2,481
Other Households	1,302	1,817	2,000	1,814	1,571
TOTAL	18,478	20,303	20,992	19,406	17,059
Household Head 35 to 44					
Single	1,531	2,361	3,376	4,101	4,580
Married With Children	8,590	10,135	11,343	12,326	12,523
Married No Children	1,352	1,665	2,042	2,283	2,339
Single Parent With Children	1,859	2,434	3,002	3,271	3,400
Other Households	645	1,057	1,438	1,603	1,676
TOTAL	13,977	17,652	21,201	23,584	24,518
Household Head 45 to 64					
Single	4,535	4,855	5,498	6,802	8,941
Married With Children	6,038	6,033	6,358	7,033	7,630
Married No Children	11,238	10,845	10,898	11,991	13,749
Single Parent With Children	1,216	1,353	1,557	1,861	2,164
Other Households	2,204	2,489	2,713	3,117	3,867
TOTAL	25,231	25,575	27,024	30,804	36,351
Household Head 65 or Older					
Single	7,087	8,279	9,776	11,124	12,102
Married	7,344	8,071	8,813	9,213	9,180
Other Households	1,780	2,119	2,338	2,506	2,632
TOTAL	16,211	18,469	20,927	22,843	23,914

SOURCE: John R. Pitkin and George S. Masnick, Households and Housing Consumption in the United States, 1985 to 2000, *The Joint Center for Housing Studies of Harvard University*, 1986.

Appendix Table 9

Homeownership Rate By Region And Age: 1973 to 1987

Region and Age	1973	1976	1980	1983	1987
Northeast					
<25	17.4%	15.7%	14.5%	16.5%	14.6%
25-29	36.2%	34.3%	35.9%	32.4%	34.1%
30-34	51.3%	59.3%	55.0%	53.6%	51.3%
35-39	62.2%	60.3%	65.8%	61.2%	62.0%
40-44	69.2%	65.4%	66.0%	68.2%	67.2%
45-54	72.2%	73.7%	72.7%	72.7%	72.1%
55-64	69.8%	71.8%	74.0%	74.6%	75.9%
65-74	60.1%	63.0%	67.4%	69.6%	71.2%
75+	58.2%	57.5%	56.0%	61.2%	61.3%
Midwest					
<25	25.3%	24.4%	24.6%	21.8%	16.2%
25-29	47.9%	48.6%	50.5%	43.5%	40.2%
30-34	66.5%	68.6%	68.1%	63.0%	58.6%
35-39	76.0%	77.5%	78.0%	74.0%	69.7%
40-44	79.2%	81.3%	80.7%	81.6%	73.3%
45-54	80.9%	81.1%	83.7%	82.6%	80.7%
55-64	79.6%	82.4%	83.1%	85.0%	84.2%
65-74	76.6%	77.6%	79.1%	81.6%	79.4%
75+	71.8%	70.0%	69.0%	74.7%	70.1%
South					
<25	29.9%	24.2%	25.0%	23.0%	21.0%
25-29	47.6%	46.8%	46.4%	41.7%	39.4%
30-34	62.1%	63.2%	63.4%	56.6%	55.2%
35-39	68.7%	69.2%	71.7%	66.0%	65.8%
40-44	71.5%	74.1%	76.3%	76.3%	73.3%
45-54	76.1%	78.1%	79.1%	78.2%	76.9%
55-64	77.9%	78.1%	81.7%	83.0%	82.7%
65-74	75.9%	76.1%	78.2%	80.2%	81.3%
75+	71.9%	72.2%	74.6%	77.4%	78.6%
West					
<25	15.3%	15.1%	16.2%	11.6%	9.6%
25-29	39.7%	39.0%	36.0%	31.4%	27.0%
30-34	59.5%	56.9%	54.9%	48.2%	45.4%
35-39	65.2%	67.5%	66.1%	60.5%	55.6%
40-44	71.1%	72.6%	71.2%	67.9%	66.4%
45-54	74.6%	75.4%	73.3%	73.2%	71.9%
55-64	74.4%	75.7%	76.7%	76.9%	79.0%
65-74	70.0%	71.4%	73.9%	73.7%	78.7%
75+	62.2%	65.6%	67.7%	70.2%	69.8%

SOURCE: Joint Center tabulations of U.S. Department of Housing and Urban Development, *Annual Housing Survey*, 1973, 1976, 1980, and U.S. Department of Commerce, *Current Population Survey*, 1983 and 1987.

Appendix Table 10**Homeownership Rate By Age And Family Type**

Age and Family Type	1973	1974	1976	1980	1983	1987
Household Head Under 25						
Single	7.7%	7.1%	7.8%	11.5%	10.9%	11.3%
Married With Children	38.9%	38.5%	34.5%	38.8%	32.7%	29.1%
Married No Children	26.1%	27.8%	30.9%	33.6%	30.5%	27.5%
Single Parent With Children	13.7%	8.9%	8.2%	10.1%	7.9%	6.3%
Other Households	7.6%	10.0%	8.5%	9.9%	11.1%	9.3%
TOTAL	23.4%	22.8%	21.0%	21.3%	19.3%	16.1%
Household Head 25 to 34						
Single	18.0%	16.6%	16.0%	24.8%	24.1%	23.2%
Married With Children	66.8%	68.1%	69.8%	71.1%	64.7%	62.9%
Married No Children	45.5%	47.3%	49.2%	58.3%	53.5%	54.0%
Single Parent With Children	31.7%	27.8%	28.7%	31.8%	24.5%	22.6%
Other Households	18.0%	18.6%	25.3%	29.4%	29.1%	27.5%
TOTAL	51.4%	52.0%	52.2%	52.3%	47.0%	45.1%
Household Head 35 to 44						
Single	28.0%	27.9%	28.5%	36.8%	37.5%	35.3%
Married With Children	81.0%	82.3%	83.0%	85.4%	83.2%	81.2%
Married No Children	66.8%	68.5%	67.3%	75.2%	74.0%	73.9%
Single Parent With Children	48.2%	48.9%	48.0%	50.1%	49.6%	48.6%
Other Households	51.5%	49.3%	50.8%	53.9%	48.1%	48.5%
TOTAL	70.7%	71.7%	71.4%	72.3%	69.6%	66.9%
Household Head 45 to 64						
Single	50.7%	48.3%	48.5%	51.6%	54.2%	54.3%
Married With Children	85.7%	86.3%	87.0%	87.7%	86.9%	85.5%
Married No Children	83.7%	84.6%	86.1%	88.4%	89.1%	89.4%
Single Parent With Children	61.4%	62.0%	61.7%	64.5%	57.2%	55.3%
Other Households	66.8%	66.6%	66.9%	68.0%	68.1%	66.4%
TOTAL	75.9%	76.4%	77.3%	78.5%	78.8%	78.2%
Household Head 65 or Older						
Single	57.8%	56.3%	56.8%	59.2%	62.0%	61.4%
Married	81.5%	81.9%	83.1%	85.0%	87.3%	88.3%
Other Households	69.3%	72.3%	73.5%	73.6%	75.9%	77.9%
TOTAL	69.8%	69.7%	70.6%	72.3%	74.8%	75.1%

SOURCE: Joint Center tabulation of U.S. Department of Housing and Urban Development, Annual Housing Survey 1973, 1974, 1976, 1980, 1983, and 1987, and U.S. Department of Commerce Current Population Survey, 1983 and 1987.

Appendix Table 11**Rent Burden By Age And Family Type**

Age and Family Type	Median Income (1986 Dollars)		Gross Rent (1986 Dollars)		Gross Rent Burden	
	1974	1987	1974	1987	1974	1987
Household Head Under 25						
Single	\$11,732	\$12,437	\$287	\$318	29.3%	30.7%
Married With Children	18,608	13,690	292	324	18.9%	28.4%
Married No Children	22,325	17,879	329	365	17.7%	24.5%
Single Parent With Children	7,248	4,581	279	309	46.2%	81.1%
Other Households	11,906	11,279	367	407	37.0%	43.3%
TOTAL	15,828	11,737	312	348	23.7%	35.6%
Household Head 25 to 34						
Single	20,623	17,817	331	367	19.2%	24.7%
Married With Children	24,160	20,899	344	382	17.1%	21.9%
Married No Children	32,059	29,028	382	424	14.3%	17.5%
Single Parent With Children	10,965	7,271	319	354	34.9%	58.4%
Other Households	20,908	19,098	395	438	22.7%	27.5%
TOTAL	22,340	18,199	347	385	18.7%	25.4%
Household Head 35 to 44						
Single	19,282	19,934	325	360	20.2%	21.7%
Married With Children	26,715	23,793	363	403	16.3%	20.3%
Married No Children	30,200	29,749	359	398	14.3%	16.1%
Single Parent With Children	12,665	12,988	319	354	30.2%	32.7%
Other Households	16,999	19,288	325	360	22.9%	22.4%
TOTAL	21,963	20,357	343	375	18.8%	22.1%
Household Head 45 to 64						
Single	11,615	10,341	257	285	26.6%	33.1%
Married With Children	24,406	21,662	348	386	17.1%	21.4%
Married No Children	26,170	25,092	350	388	16.0%	18.5%
Single Parent With Children	12,013	9,961	310	343	30.9%	41.4%
Other Households	15,565	14,333	294	326	22.7%	27.3%
TOTAL	18,216	15,732	306	333	20.1%	25.4%
Household Head 65 or Older						
Single	6,300	6,409	203	225	38.6%	42.1%
Married	12,379	13,766	302	335	29.4%	29.0%
Other Households	11,160	10,457	257	285	27.5%	32.8%
TOTAL	8,836	8,540	238	257	32.4%	36.0%

SOURCE: Joint Center tabulations based on U.S. Department of Housing and Urban Development, Annual Housing Survey, 1974, and U.S. Department of Commerce, Current Population Survey, March 1987.

Appendix Table 12

Households In Inadequate Housing By Age, Tenure And Household Type

Age and Family Type	Owner				Renter			
	Number (In Thousands)		Percent (%)		Number (In Thousands)		Percent (%)	
	1974	1987	1974	1987	1974	1987	1974	1987
Household Head Under 25								
Single	9	12	11.0	8.0	236	187	22.4	16.2
Married With Children	78	44	11.8	11.0	243	180	23.1	20.4
Married No Children	39	39	7.6	11.6	190	101	14.4	13.3
Single Parent With Children	8	7	17.7	13.1	134	154	27.2	24.9
Other Households	7	16	8.7	11.4	142	124	18.9	11.2
TOTAL	141	118	10.8	11.1	945	746	21.1	17.8
Household Head 25 to 34								
Single	18	60	6.1	7.0	255	350	16.9	13.6
Married With Children	444	419	7.8	7.2	521	474	19.5	15.3
Married No Children	69	75	6.4	5.0	154	148	12.9	11.3
Single Parent With Children	53	81	11.9	12.8	282	408	24.4	23.0
Other Households	10	47	8.5	9.5	91	166	18.0	13.6
TOTAL	594	682	8.0	7.8	1,303	1,546	19.1	16.4
Household Head 35 to 44								
Single	39	58	14.4	7.6	167	182	24.1	14.2
Married With Children	522	458	7.7	5.9	347	321	23.9	19.2
Married No Children	67	67	9.2	5.2	69	63	20.7	14.6
Single Parent With Children	86	116	12.4	10.3	210	253	29.0	20.9
Other Households	26	42	13.0	9.2	52	82	24.9	16.3
TOTAL	740	741	8.9	6.8	845	901	25.0	18.1
Household Head 45 to 64								
Single	319	257	16.3	11.0	608	448	29.1	21.6
Married With Children	579	307	10.1	6.8	226	143	24.8	20.1
Married No Children	782	608	8.9	5.7	318	239	19.9	15.9
Single Parent With Children	125	71	18.1	12.8	117	93	27.8	25.6
Other Households	233	225	16.3	11.6	180	191	25.1	18.9
TOTAL	2,038	1,468	11.8	8.1	1,449	1,114	25.8	20.1
Household Head 65 or Older								
Single	689	616	20.8	13.0	604	413	23.5	13.4
Married	682	595	13.8	8.6	221	154	19.9	14.2
Other Households	275	254	22.7	17.9	147	152	31.7	28.8
TOTAL	1,646	1,465	18.2	12.0	972	719	23.9	16.8

