

# WHO DESERVES TO OWN A HOME?



Courtesy of the Library of Congress

## WORDS TO KNOW

**racial wealth gap**

**piecework**

**investment**

**commodity**

**boarding houses**

**wages**

**intergenerational wealth**

**inheritance**

**tenement**

**“American Dream”**

## THINK BEFORE YOU READ

**Who owns homes in the U.S. and who does not?  
Why does it matter?**

**Have we ever agreed as a nation on the best ways  
to ensure shelter for everyone?**

**Should everyone be able to own their own home?**

Cover: Advertising poster announcing sale of residential lots in “University Park” in Allegheny, Pennsylvania, 1895.  
Courtesy of the Library of Congress

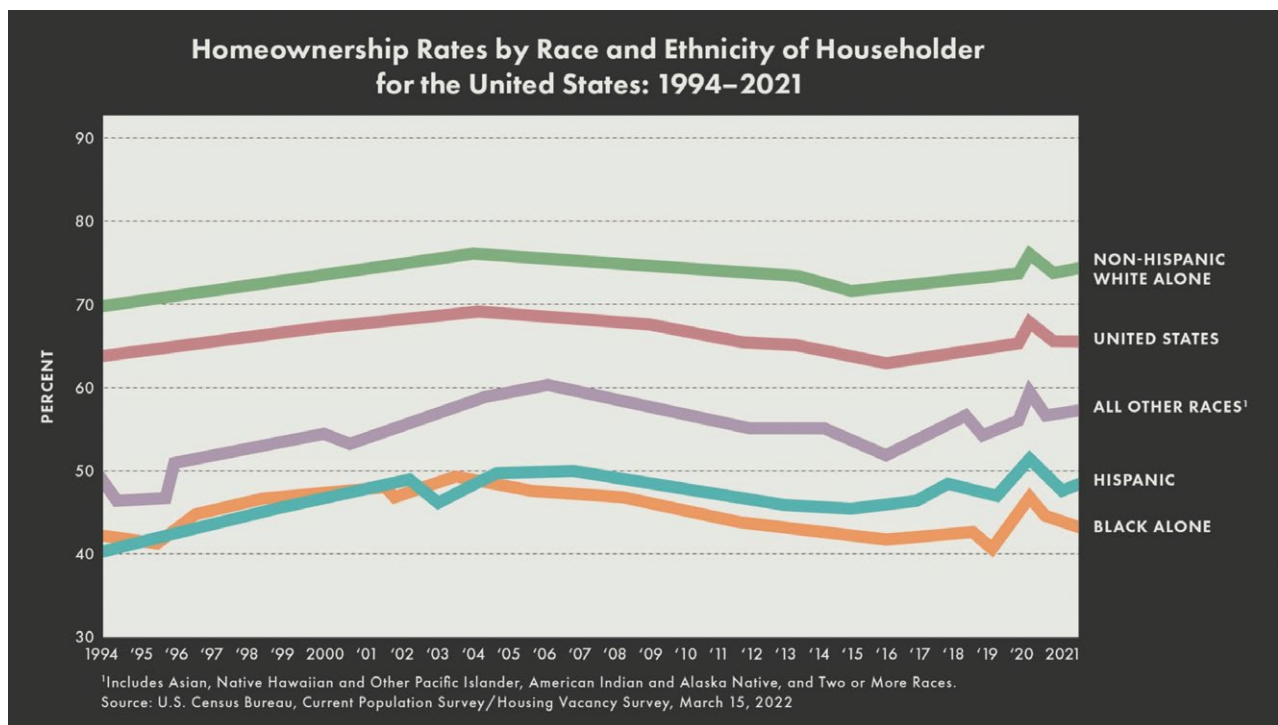
## WHO SHOULD OWN A HOME?

Everyone needs a place to live. At the same time, housing is a **commodity** that is bought and sold to make a profit. Some houses are more costly than people who need them can afford. The kinds of housing available reflect past decisions about who our society thinks should own property, and who should not.

Ideas about who should own a home have changed over time. In early America, property ownership was limited to a very few, mostly White men. A woman or a person of color could own a home only in special circumstances. Property owners were also more powerful, enjoying rights that weren't available to others: they could vote, serve on juries, or run for office. To be a home or landowner was to be a full citizen.

By the mid-1800s, those privileges had been extended to all White men, whether or not they were property owners. Even so, well-off Americans still wanted to own their own homes. Homeownership became a symbol of family, security, and success. But it was still out of reach for most American families. Until the 20th century, most people were renters. In cities, **tenement** homes often doubled as factories for garment industry **piecework**. Servants and farmworkers usually lived in the homes of their employers. Industrial workers in cities often lived in **boarding houses**, some of them owned by the companies they worked for. The 1890 U.S. Census, the first to ask if Americans owned their homes, found that less than half did.

It was not until the creation of government-supported loan programs after World War II that the majority of Americans became homeowners. After that, national homeownership rates increased each decade. Bankers, developers, government officials, and well-off Americans insisted that owning a single-family home was part of the **"American Dream."** Americans began to see homeownership as an **investment**, something that could be sold at a profit later on, and a way of saving to become more financially secure.



Graph created using data from the U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, March 15, 2022 and the Federal Reserve Economic Data

## HOME OWNERSHIP TODAY

Owning a home is still a symbol of middle-class success. But that success has been harder and harder to reach. Since 1970, housing prices have risen faster than **wages**, making it difficult for working people without other sources of wealth to afford a home. In 1950, the median home cost about 2.5 times the median yearly wage. By 2010, median home prices had risen to 4.5 times the median wage. Homeownership peaked in 2006, with 70% of Americans living in a home they owned. In 2020, the rate had declined to 66%.

## HOME OWNERSHIP AND FAMILY WEALTH

Homeownership is out of reach for many, especially people of color. And with it goes the chance to use a home investment to build **intergenerational wealth**. Owning a home is a way of saving money and creating an asset that can be sold for a profit or passed down as an **inheritance**.

White Americans had a head start. While Black families were starting from scratch after the end of slavery, some White families inherited family wealth. White people had access to more jobs and higher wages than people of color, so they could earn more and save more. They also had greater access to banking. Homes purchased by past generations (or the cash from their sale) could be passed down to children and grandchildren, turning small gains into big differences over time. All these factors helped create a **racial wealth gap** that has widened since the 1980s. In 2019, the median White family held almost eight times the wealth of the median Black family.

The gap between White and Black homeownership is greater today than it was when the Fair Housing Act was passed in 1968. White home ownership rose from 66% in 1968 to 70% today. Meanwhile Black homeownership remains stuck at 42%, exactly where it stood in 1968. For White working- and middle-class Americans, homeownership was a key that unlocked the possibility of growing family wealth over the generations. The average homeowner's net worth was \$195,400, much of that in the form of their home; renter's net worth averaged \$5,400. This data shows that equal rates of homeownership have been unfairly denied to people of color.

## QUESTIONS TO CONSIDER

- Does it really matter today whether a person's grandparents owned a home? Why or why not?
- Should society encourage more homeownership or more rental homes? Explain your answer.
- Besides increasing homeownership, what do you think could help close the racial wealth gap?
- Who is most responsible for ensuring that everyone has a place to live?

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