



*St. Louis Housing Roundtable*  
*HOPE NOW Alliance*

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# Owner-Occupied Housing in Household Balance Sheets

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## *Owner-Occupied Housing in Household Balance Sheets*

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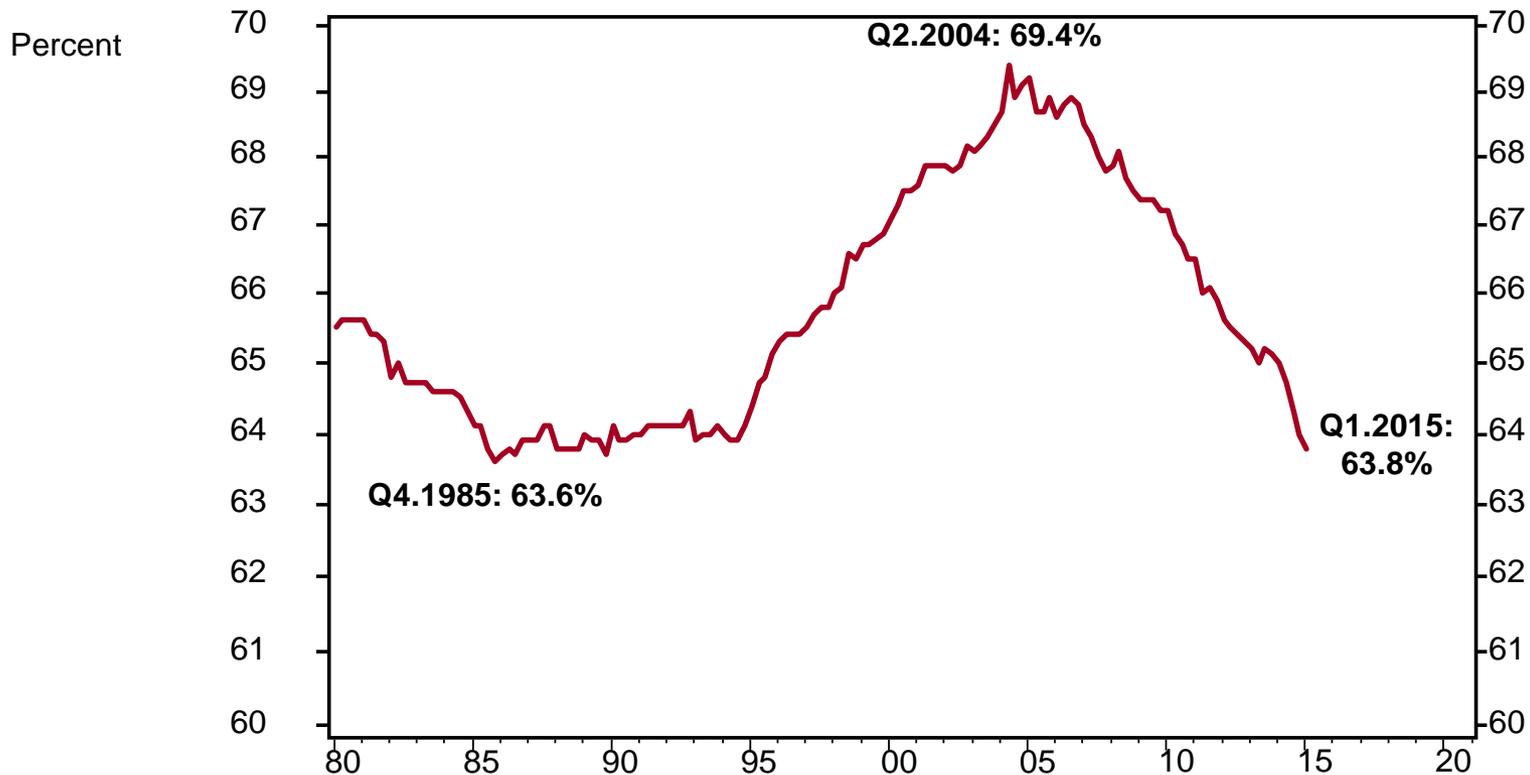
- **Owner-occupied housing has become less important in some respects.**
  - U.S. and St. Louis homeownership rates are falling.
  - On average, housing has declined as share of household assets.
- **But housing still looms large in many families' financial lives.**
  - Mortgage debt remains historically high for many families.
  - Many economically vulnerable families' balance sheets were/are dominated by tangible assets (housing) and debt (mortgages).
- **The black and Hispanic middle classes were financially devastated by the housing boom and bust.**



# *National Homeownership Rate At 30-Year Low and Falling Fast*

## United States Homeownership Rate

Percent, seasonally adjusted



Source: Census Bureau

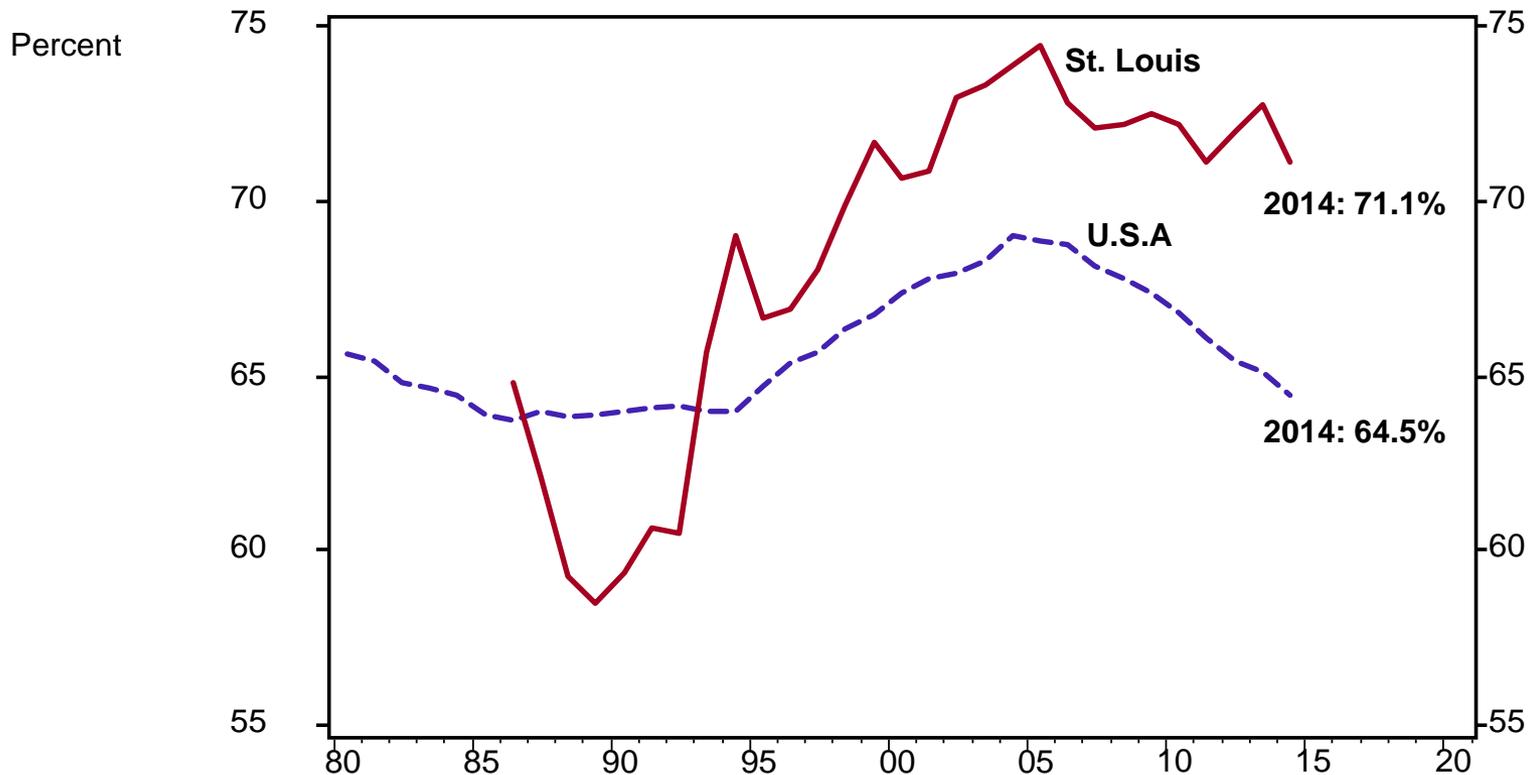
Quarterly data through Q1.2015



# *St. Louis MSA Homeownership Rate Down From 74% to 71%*

St. Louis MSA Homeownership Rate  
Percent

United States Homeownership Rate  
Percent



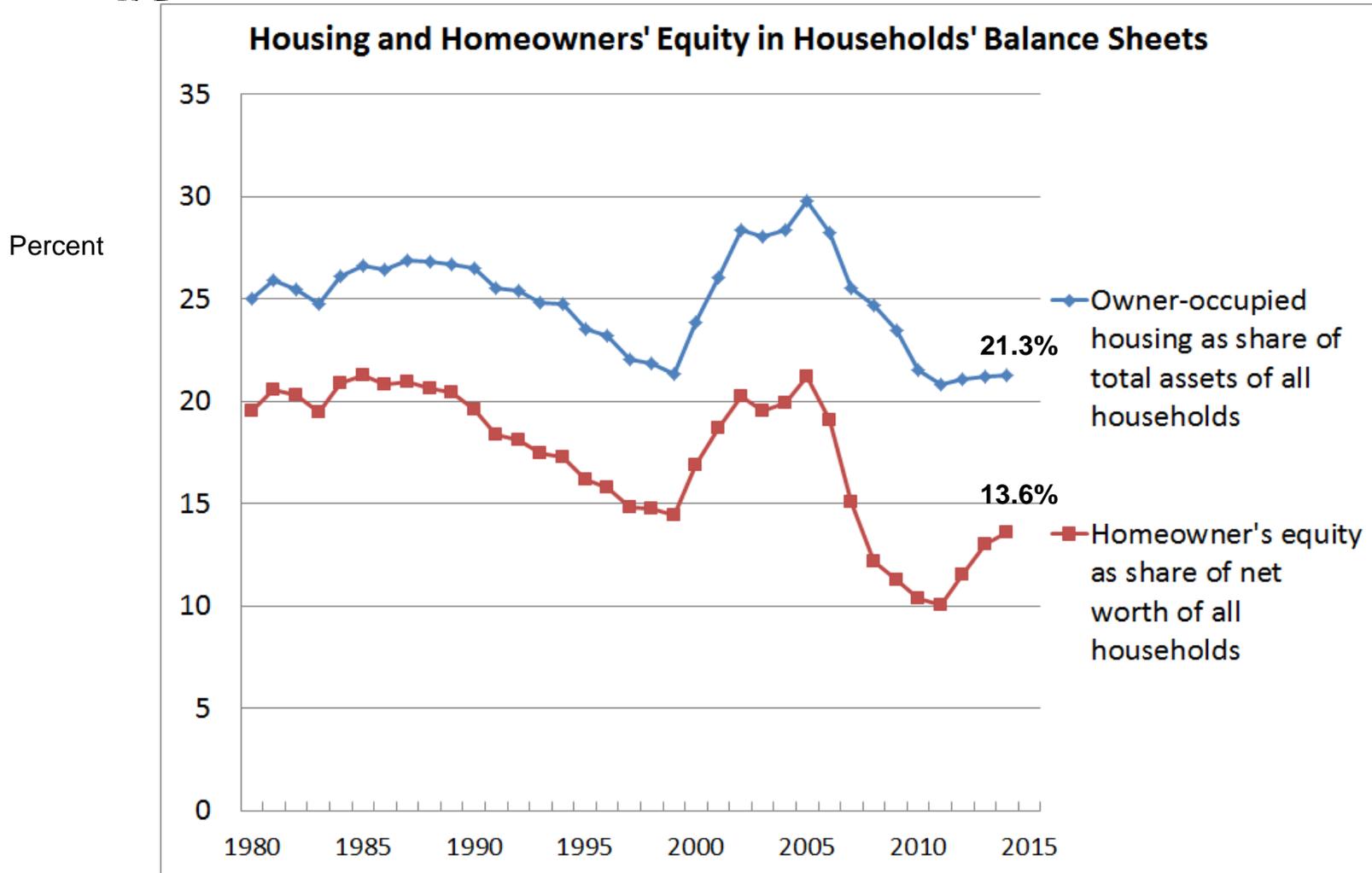
Source: Census Bureau

Annual data through 2014

**Q1.2015:  
63.8%**



# *Housing and Homeowners' Equity Have Declined in the Average HH Balance Sheet*



Source: Federal Reserve Board, Financial Accounts of the United States

Annual data through 2014



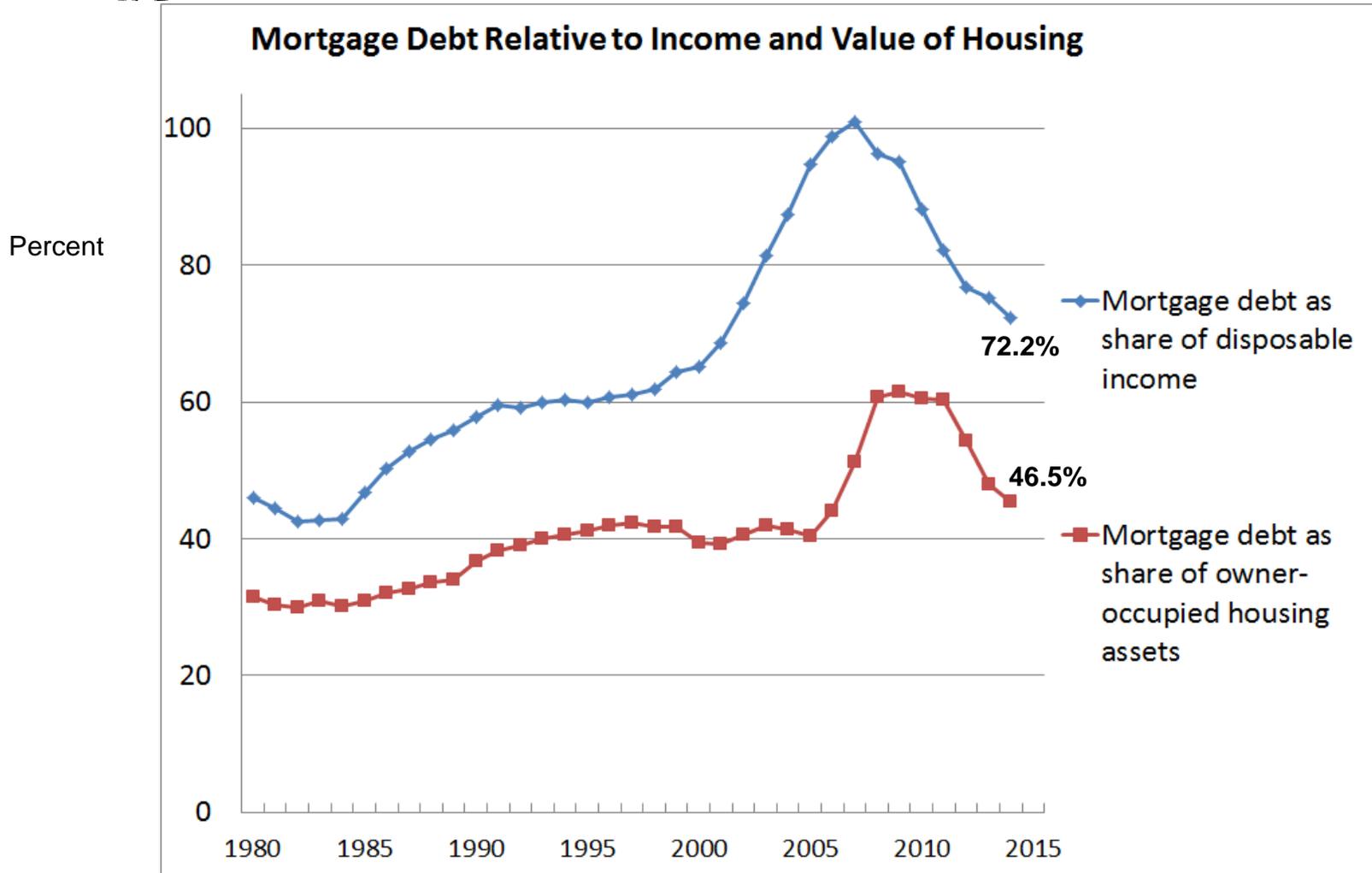
## *But Housing Still Looms Large*

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- **Mortgage debt remains historically high for many families.**
- **Many economically vulnerable families' balance sheets were and are dominated by tangible assets—especially housing—and debt—especially mortgages.**
- **Large losses of homeowners' equity contributed greatly to the financial devastation of black and Hispanic families.**



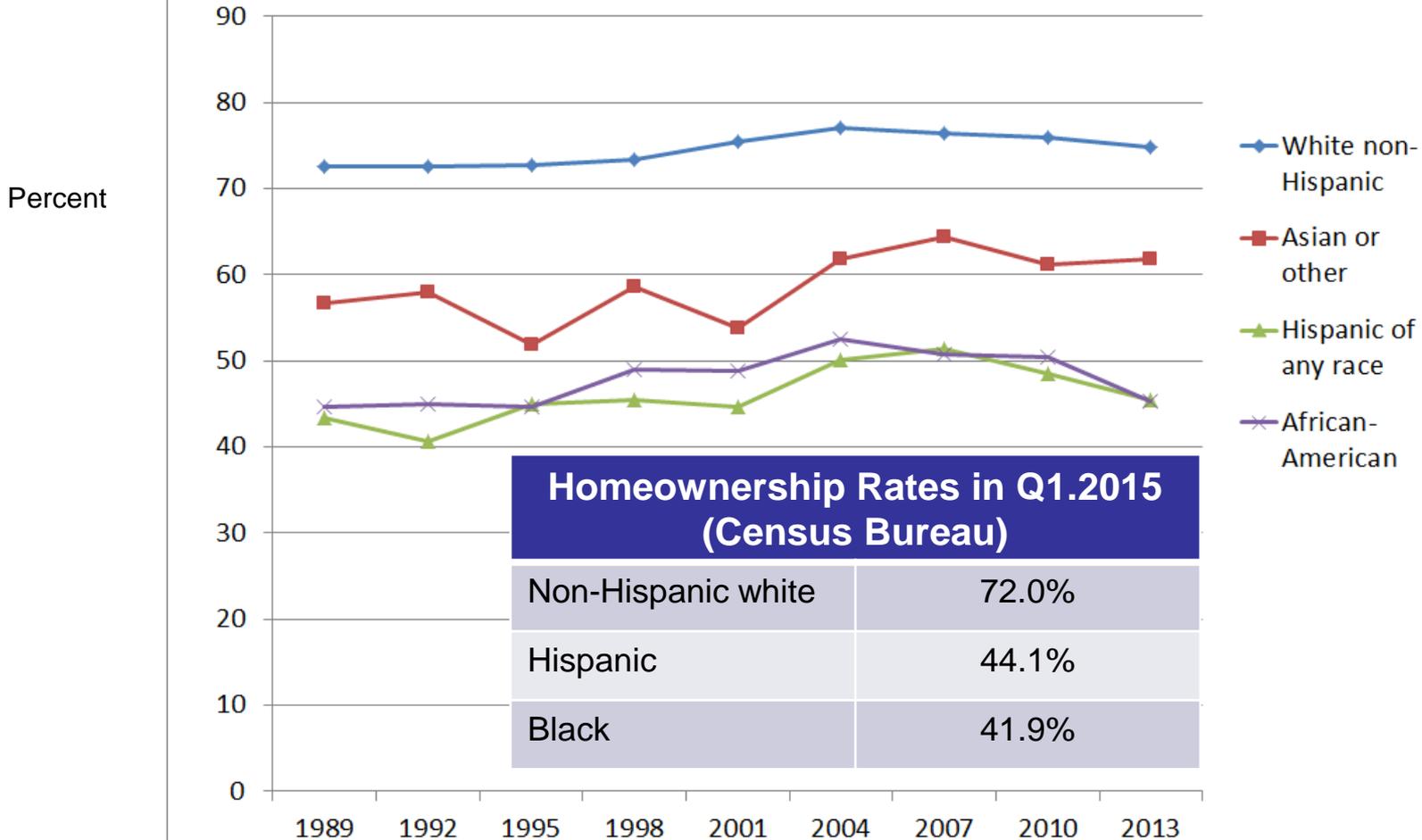
# *Mortgage Debt Has Declined But Remains Large Relative to Income and Assets*





# Homeownership Rates Have Declined Most Among Blacks and Hispanics

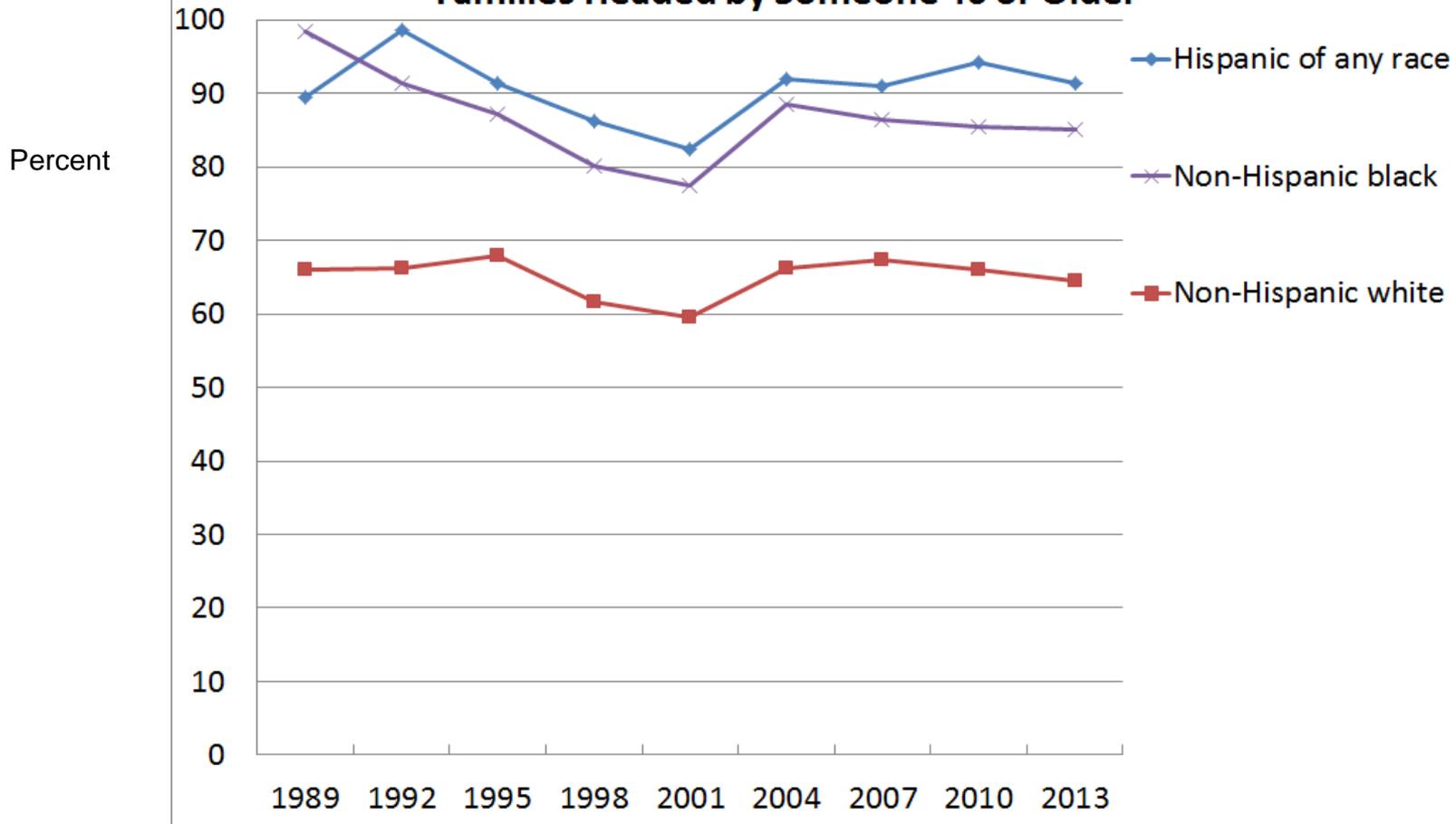
Homeownership Rates by Race or Ethnicity of Family Head





# *About 90% of Adult Black and Hispanic Assets Are Housing and Durable Goods*

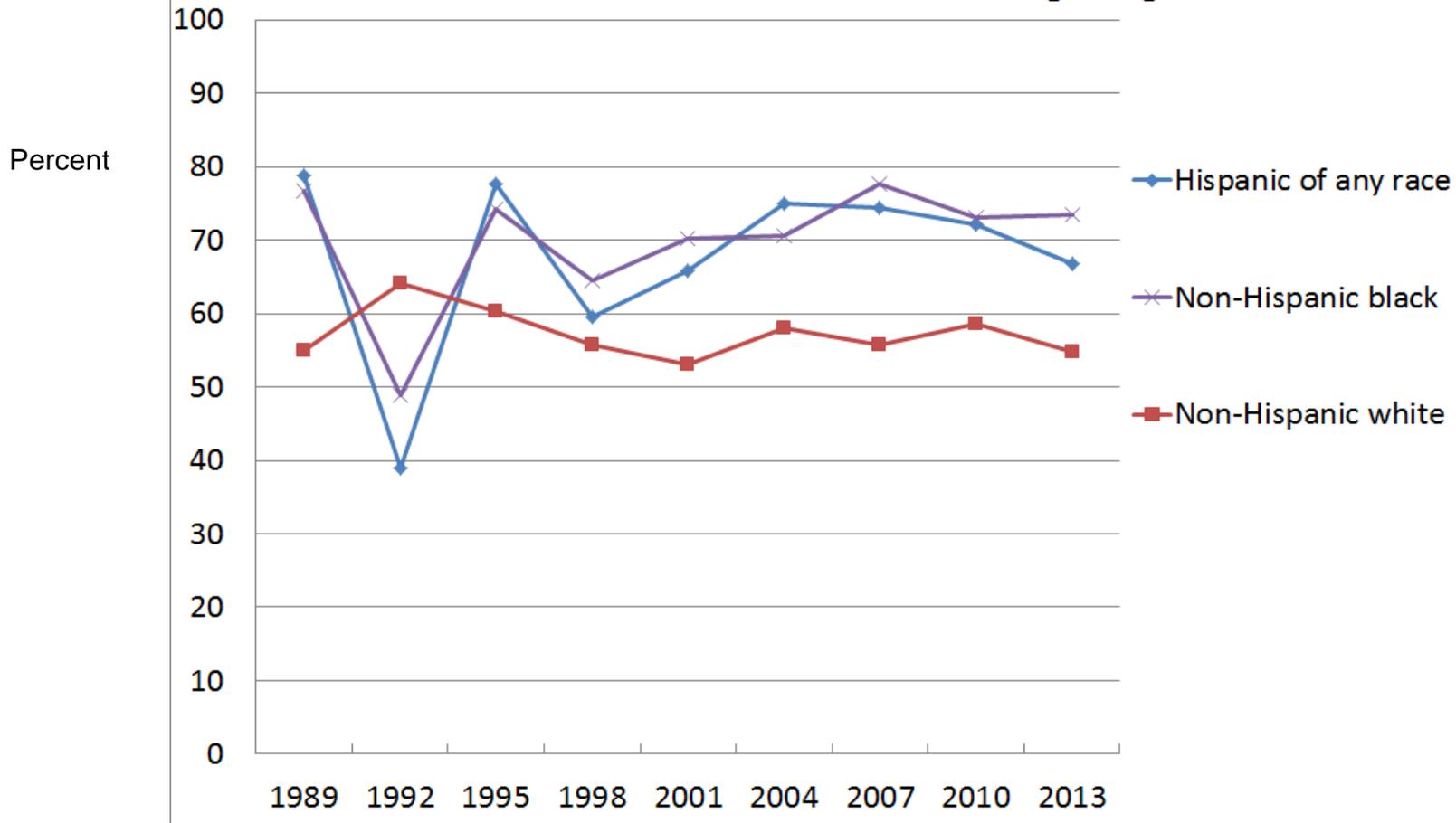
**Median Ratio of Tangible Assets to Total Assets:  
Families Headed by Someone 40 or Older**





# *About 70% of College-Grad Black and Hispanic Assets Are Tangible Assets*

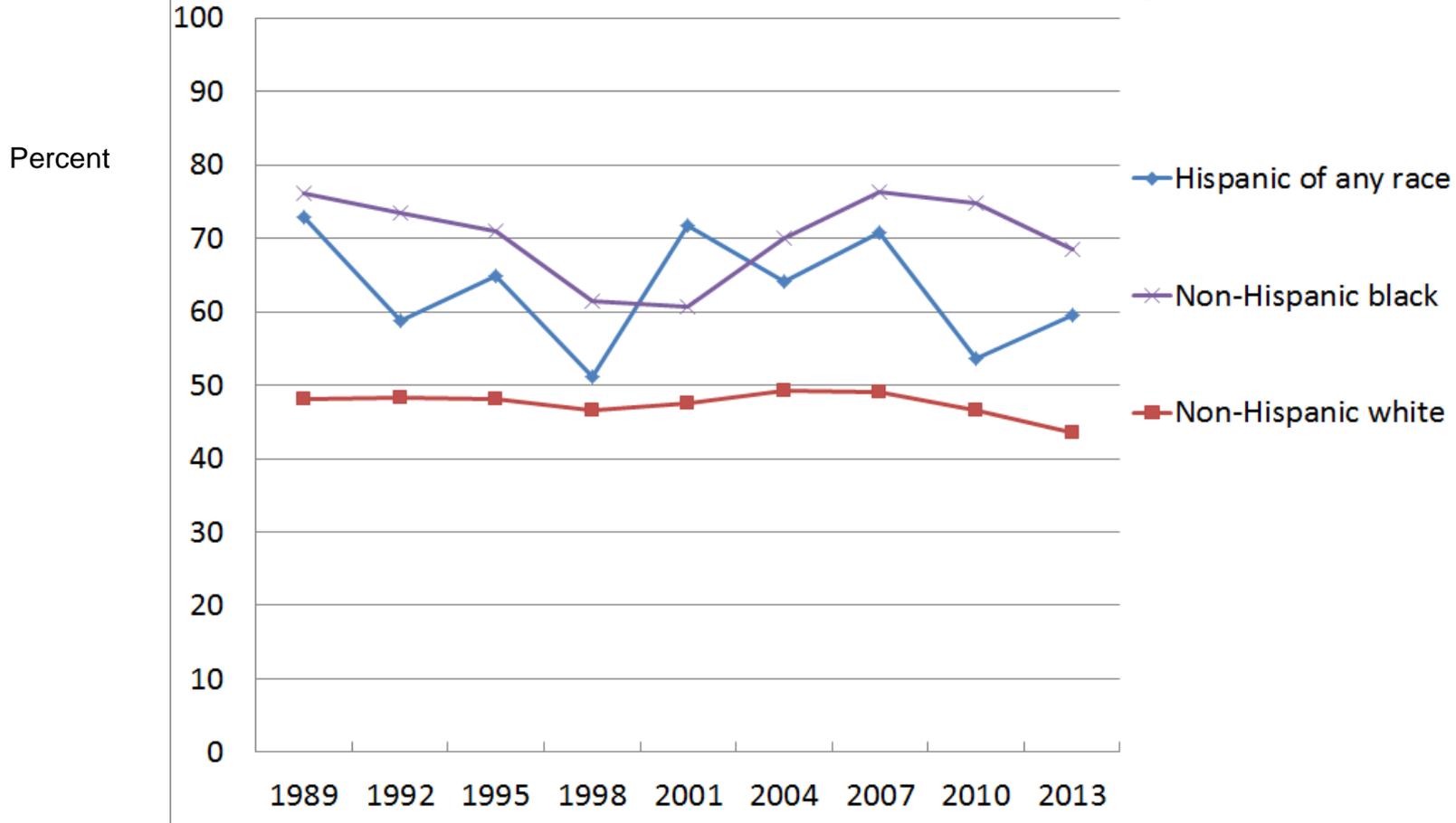
**Median Ratio of Tangible Assets to Total Assets:  
Families 40 or Older with 2- or 4-Year College Degree**





# *60-70% of Post-Graduate Black and Hispanic Assets Are Tangible Assets*

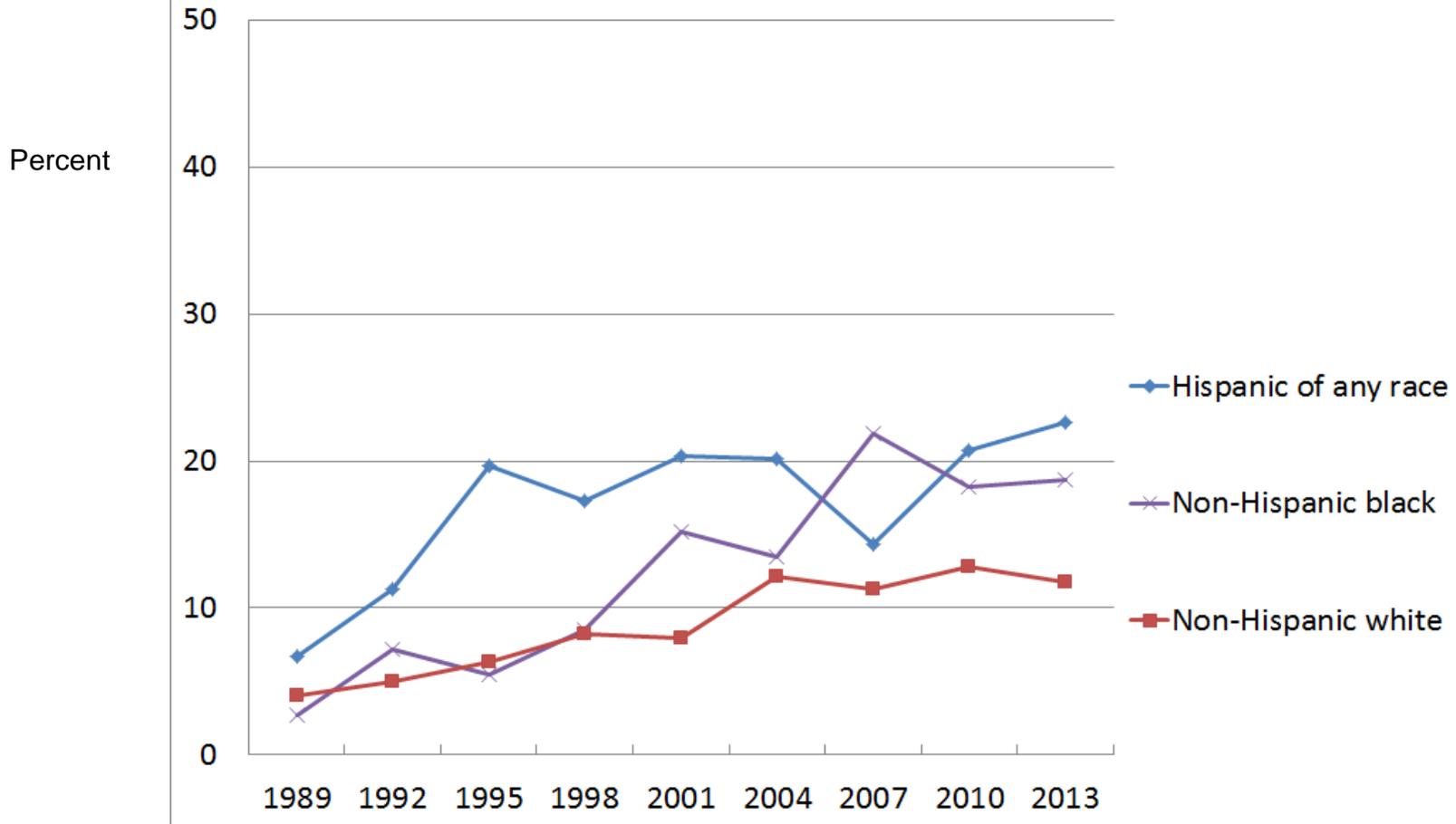
**Smoothed Median Ratio of Tangible Assets to Total Assets:  
Families 40 or Older with Post-Graduate Degrees**





# *Black and Hispanic Adult Families Had/Have High Debt Burdens*

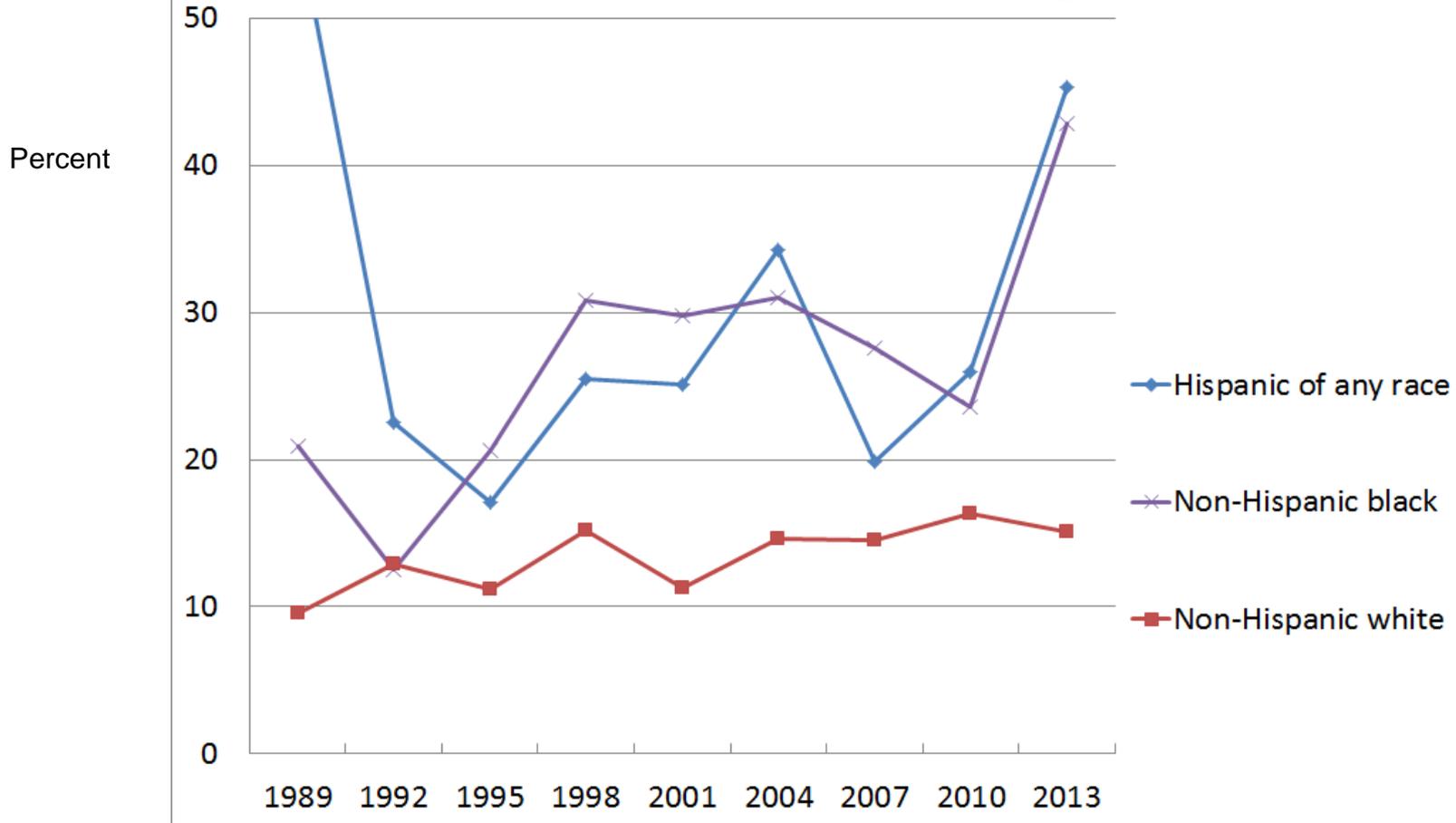
**Median Ratio of Total Debt to Total Assets:  
Families 40 or Older**





# *College-Educated Black and Hispanic Families Have Very Large Debts*

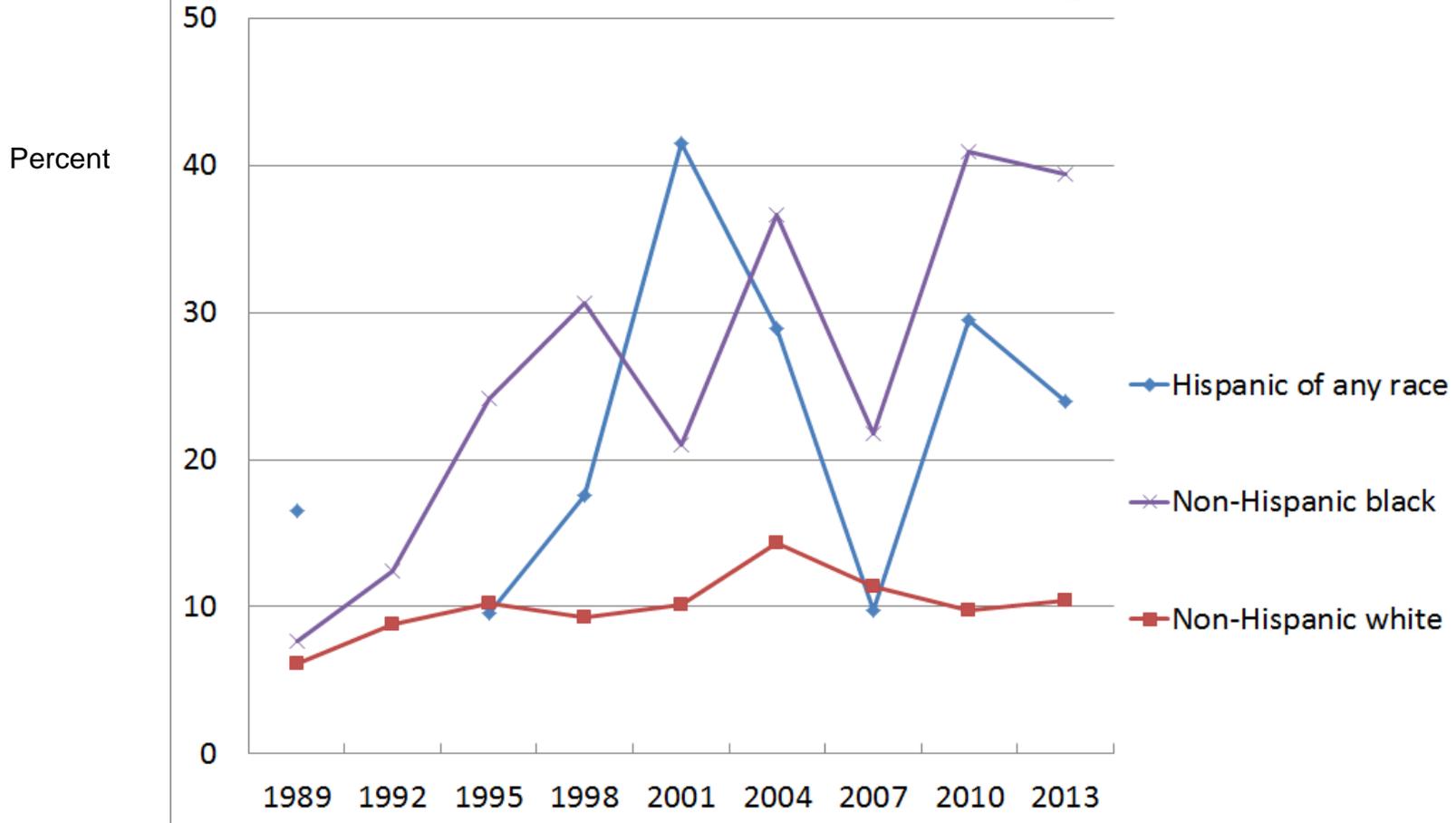
**Median Ratio of Total Debt to Total Assets:  
Families 40 or Older With 2- or 4-Year College**





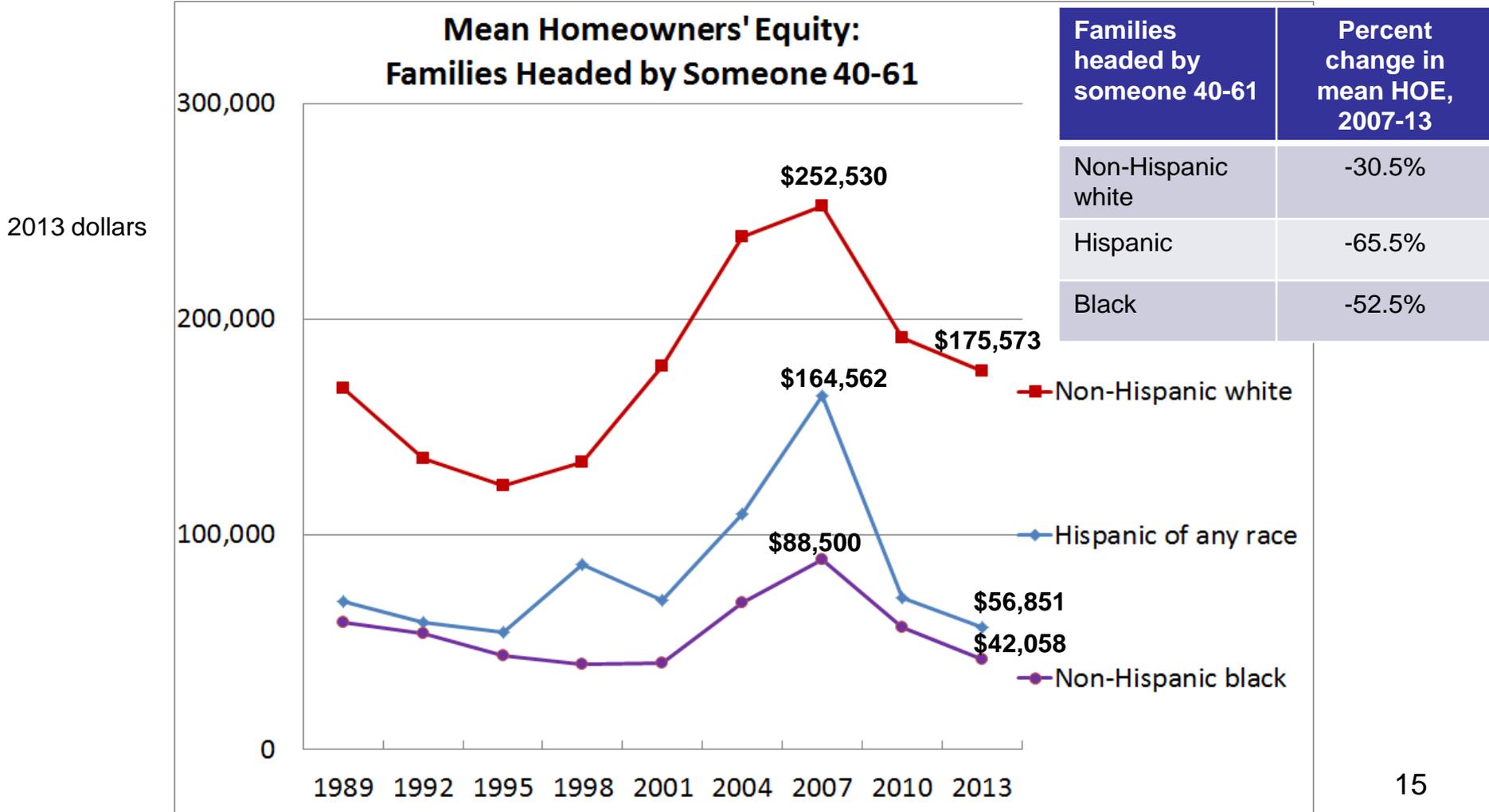
# *High Debt Burdens for Black and Hispanic Post-Graduate Families, Too*

**Median Ratio of Total Debt to Total Assets:  
Families 40 or Older With Post-Graduate Degrees**



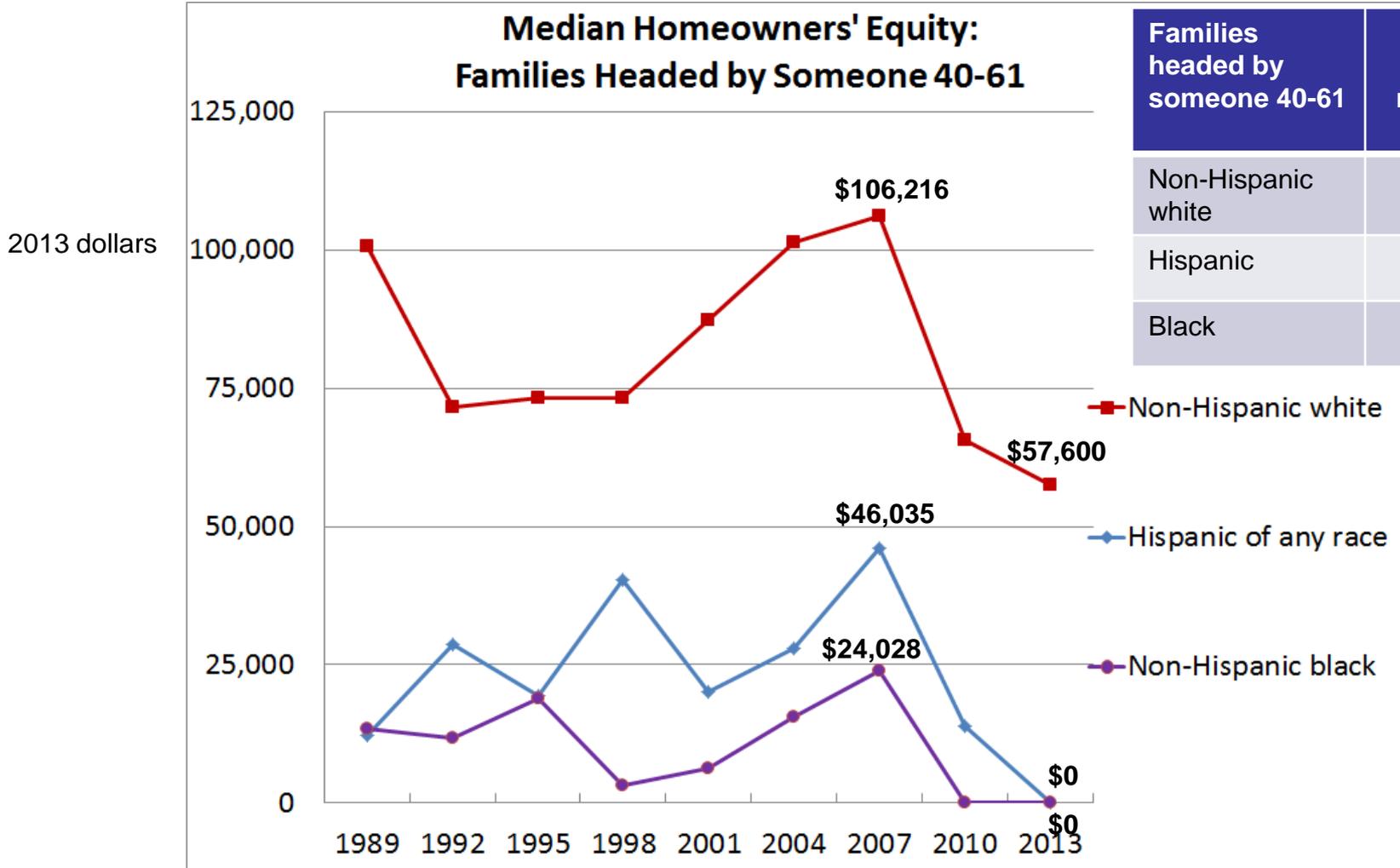


# Average Black and Hispanic Homeowners' Equity Losses Twice As Large As Whites



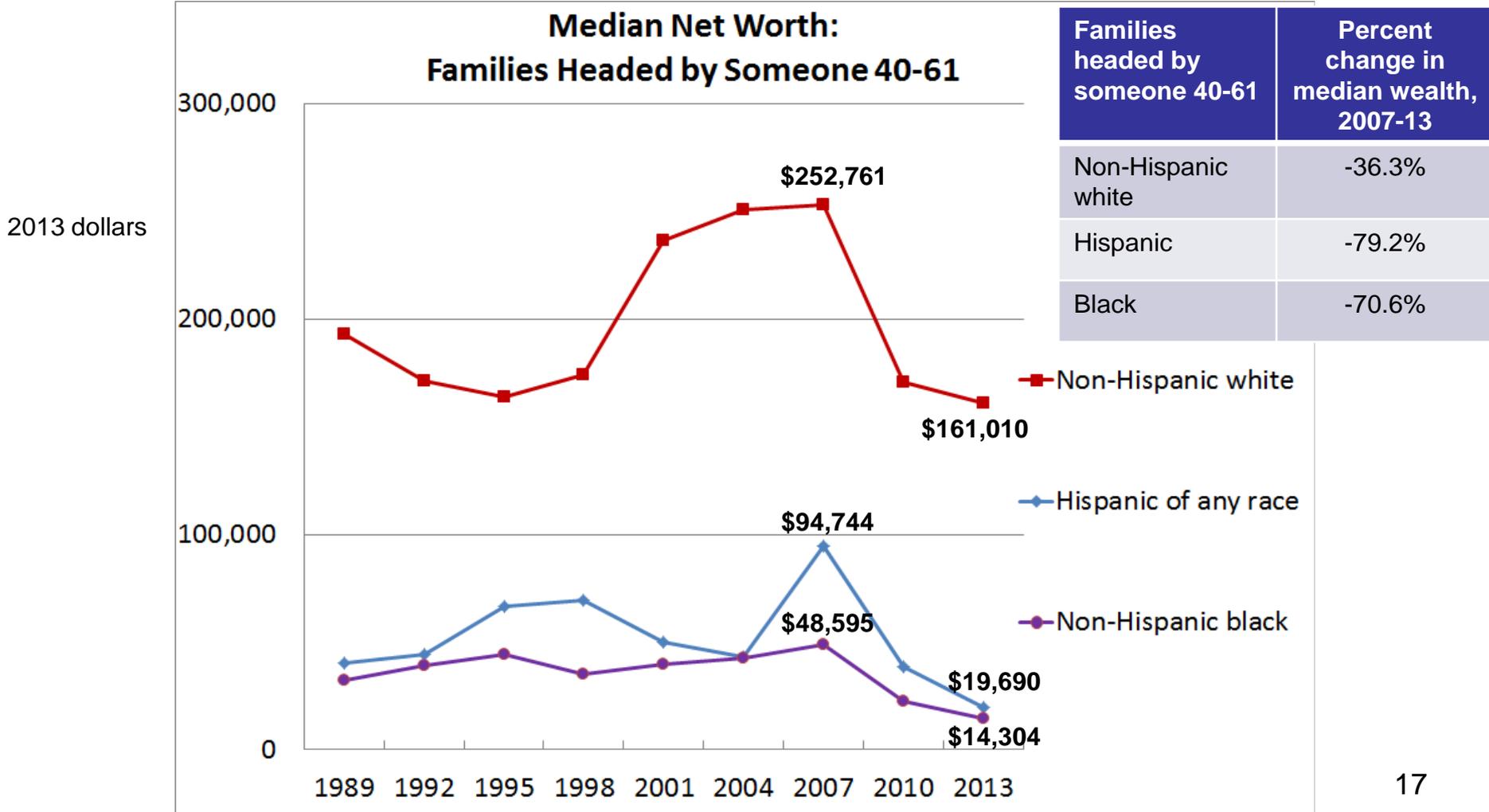


# Median Middle-Aged Black and Hispanic Families No Longer Homeowners



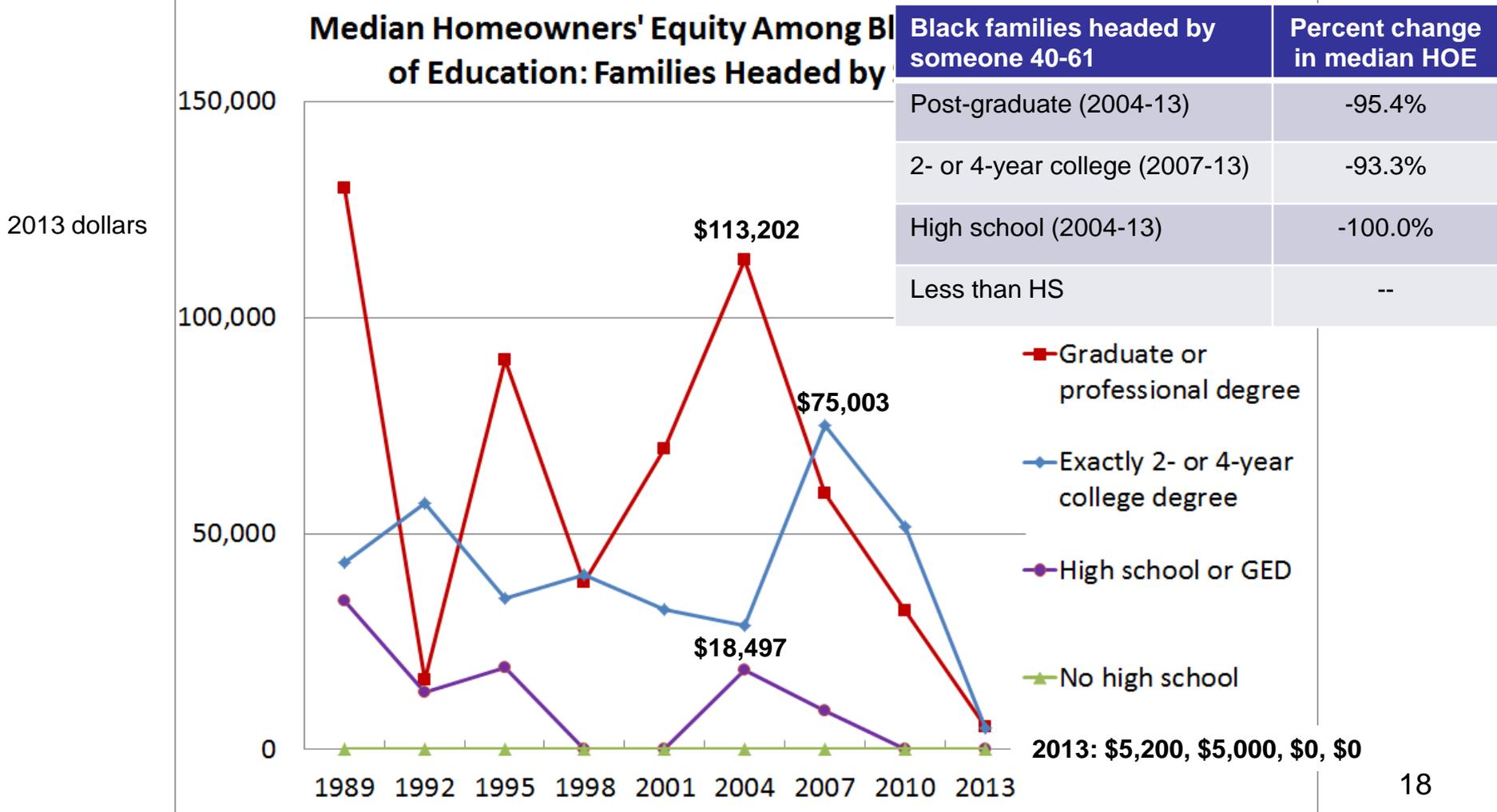


# Overall Wealth Losses Were Greatest Among Latinos and Blacks During 2007-13





# More Education Provided No Protection Against Housing Losses





## *In Sum: Housing Was the Dominant Factor in Huge Black and Hispanic Wealth Losses*

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- **Housing as an asset class has declined in overall importance due to declining homeownership and housing values.**
- **But the legacies of the housing boom and bust loom large in many families' financial lives, especially the most vulnerable.**
- **The black and Hispanic middle classes were financially devastated by high exposures to housing and high debt.**



## *For More Information About the Demographics of Wealth*

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**Center for Household Financial Stability**

**Federal Reserve Bank of St. Louis**

**[www.stlouisfed.org/household-financial-stability](http://www.stlouisfed.org/household-financial-stability)**

**Community Development**

**Federal Reserve Bank of St. Louis**

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Researching Family Balance Sheets to Strengthen  
Families and the Economy | [stlouisfed.org/hfs](http://stlouisfed.org/hfs)