



Policy brief on Housing and Homeownership for Asian Pacific Minnesotans

Prepared by the Council on Asian Pacific Minnesotans, released on 4/18/2012

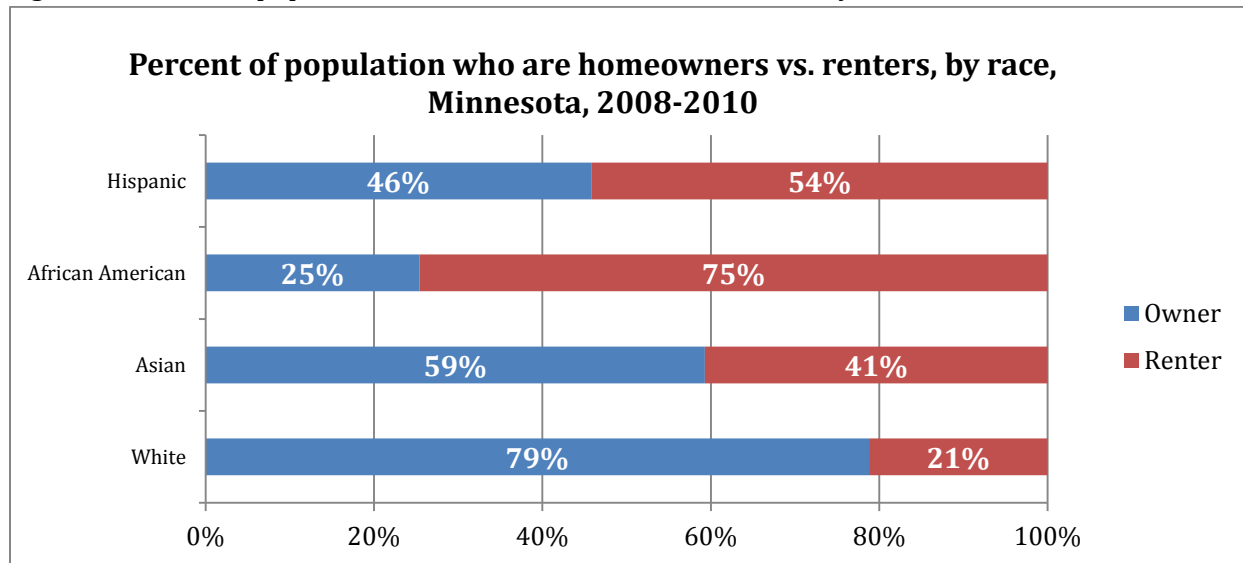
Overview

Housing is a fundamental human need and an important indicator of the economic condition for each household. Everyone shares the right to decent living, including housing. Housing is one of the basic needs of high standard living besides the need of food and clothes to survive, because it can provide security and personal space for each person. Many researchers have indicated that a high percentage of homeless people are suffering physical and mental diseases. Finding an affordable home can improve living standard. Asian population takes up four percent of Minnesota population, and each ethnic group of Asian population varies from others. It would be interesting to analyze disaggregated data on homeownership, household size and house value vs. income.

Homeownership rates

In Minnesota, non-Hispanic Whites are more likely to own a house compared to other racial groups; approximately 79% of non-Hispanic Whites are home owners. 59% percent of Asian Americans are home owners while the homeownership rate of African American and Hispanics are 25% and 46%, respectively (see Figure 1).

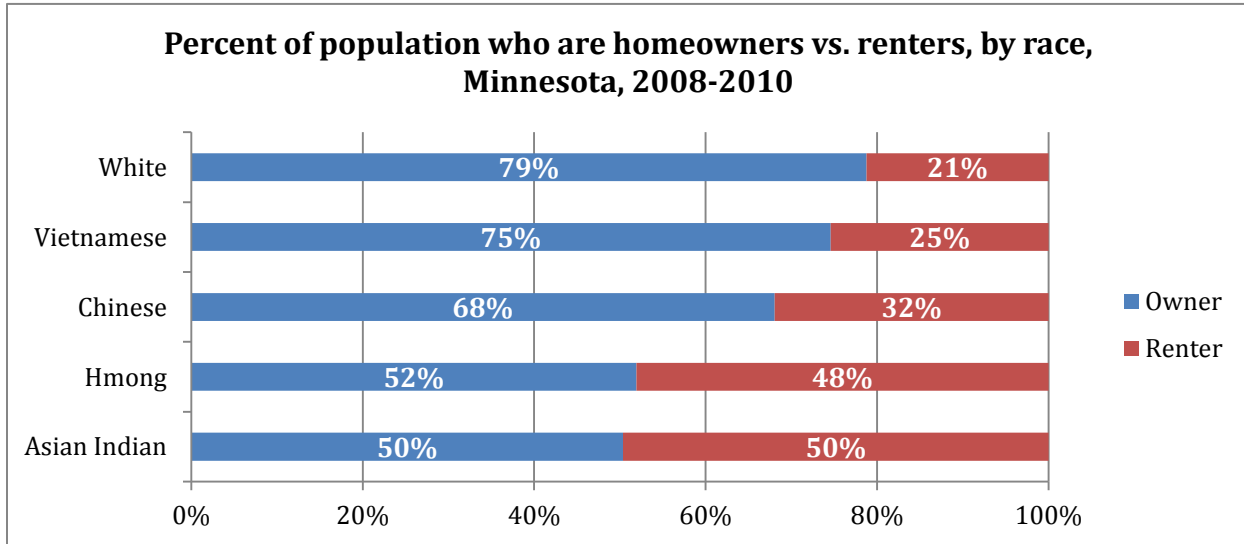
Figure 1. Percent of population who are homeowners vs. renters, by race



Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

Due to the fact that the Asian community includes many diverse populations, it is important to disaggregate data by specific ethnic groups. Currently, US Census data is available for the four largest Asian ethnic groups in Minnesota: Hmong, Asian Indian, Chinese, and Vietnamese (see Figure 2). While homeownership rates vary for each Asian ethnic group, none exceed the homeownership rate of Whites. A point of interest is that while Asian Indians have the highest median household income, they have the lowest homeownership rate among the four Asian groups. More research is needed to explain this disparity in homeownership rates for Asian Indians.

Figure 2. Percent of population who are homeowners vs. renters in MN, by ethnicity

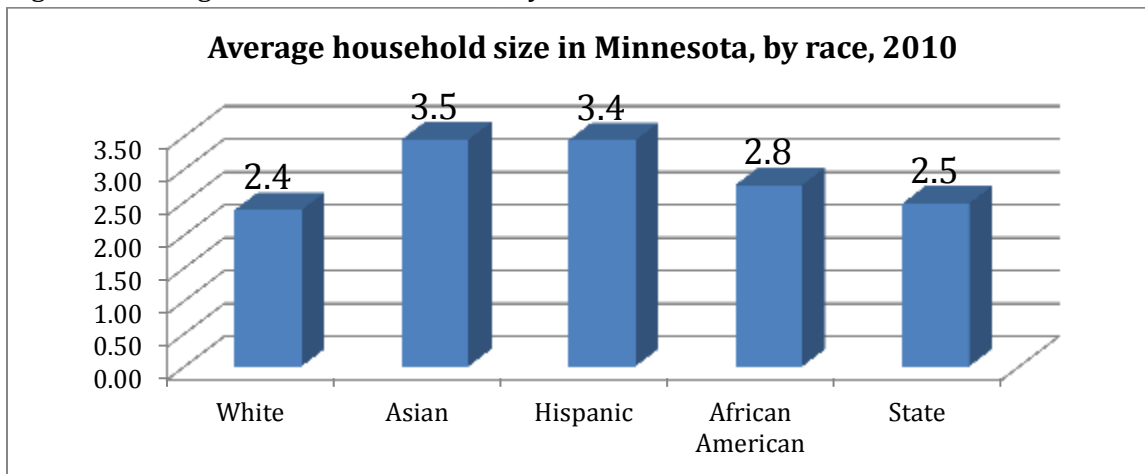


Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

Household Sizes

The average household size is the number of people who are living in a household. On average in Minnesota, there are about 2.5 people living in a house. Asian and Hispanic households, on average, are larger than other racial groups (see Figure 3).

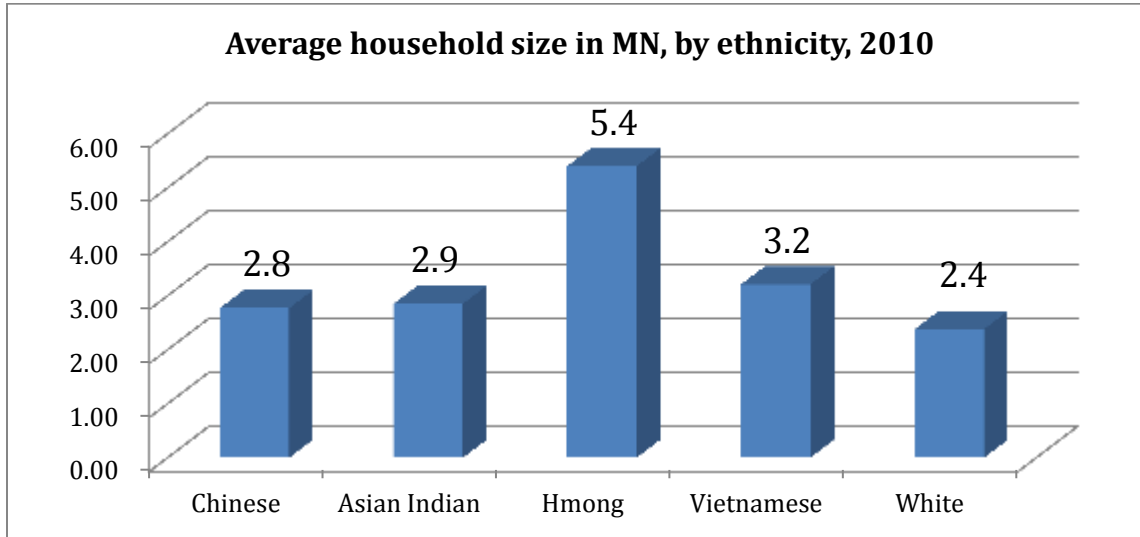
Figure 3. Average household size in MN, by race, 2010



Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

In reviewing disaggregated data, the average household size varies among each Asian ethnic group. The average household size for Hmong is the highest at about 5.4 people in a household while Chinese have an average household size of 2.8 people, which is the lowest among the four Asian groups (see Figure 4).

Figure 4. Average household size in Minnesota, by ethnicity, 2010

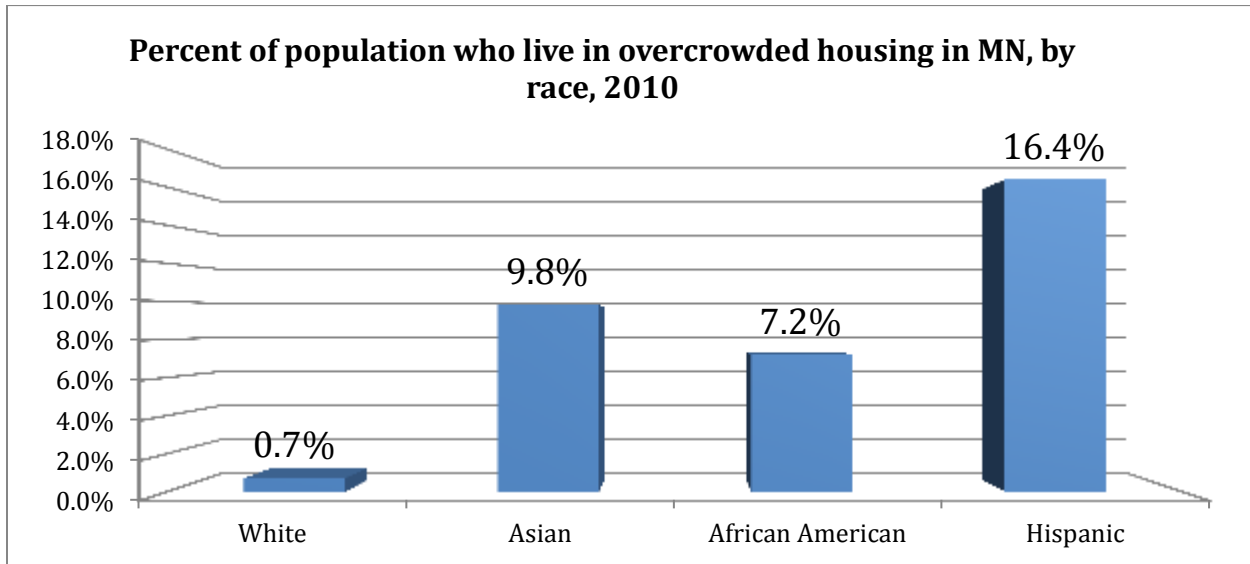


Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

Population living in overcrowded housing

Overcrowded housing means that there is more than one person per room. In Minnesota, a greater percentage of Asian and Latino populations are living in overcrowded housing than other racial groups.

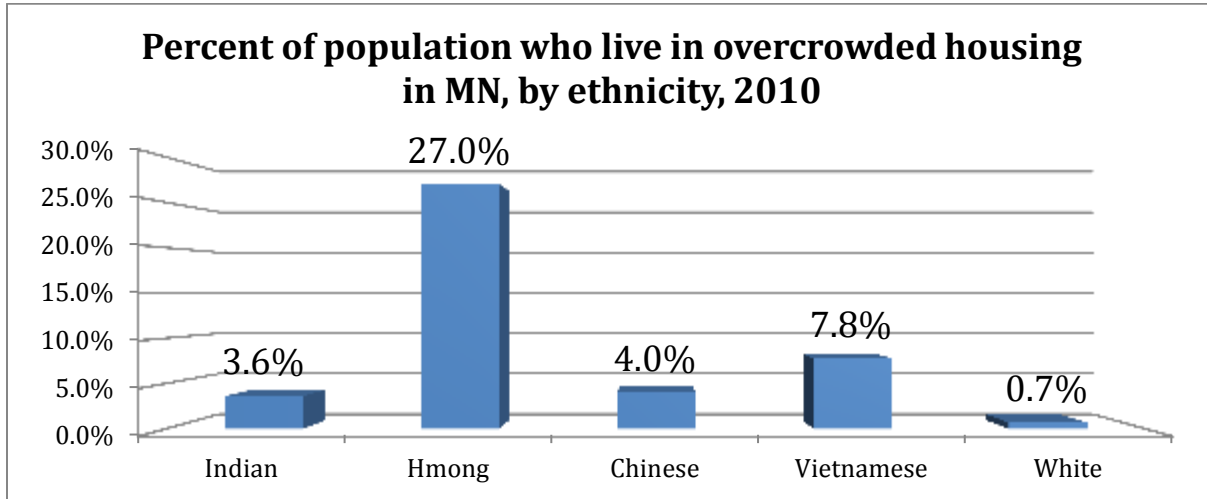
Figure 5. Percent of population who live in overcrowded housing in MN, by race, 2010



Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

Further analysis of US Census data revealed that over one-fourth of the Hmong population lives in overcrowded housing, which is more than 7 times the percentage of Asian Indians and 38 times the percentage of Whites living in overcrowded housing.

Figure 6. Percent of population who live in overcrowded housing in MN, by ethnicity, 2008-2010

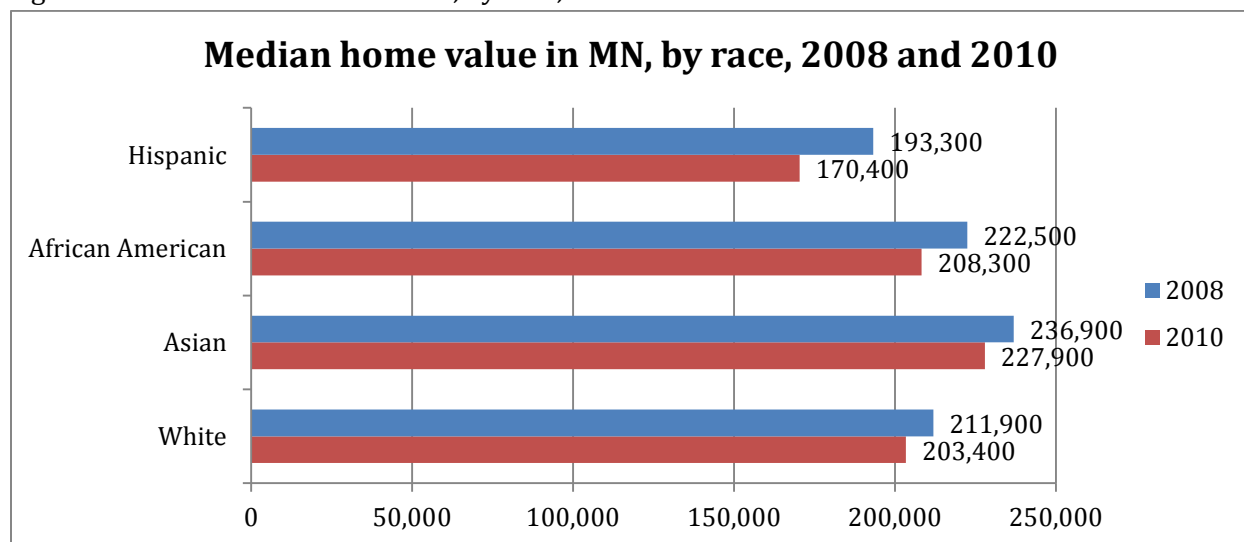


Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

Home Value

As expected, the 2007 economic recession significantly damaged the housing market as well as property values. Many families lost their homes due to foreclosure and the median home value of all populations is significantly lower than median home values two years previous (see Figure 7).

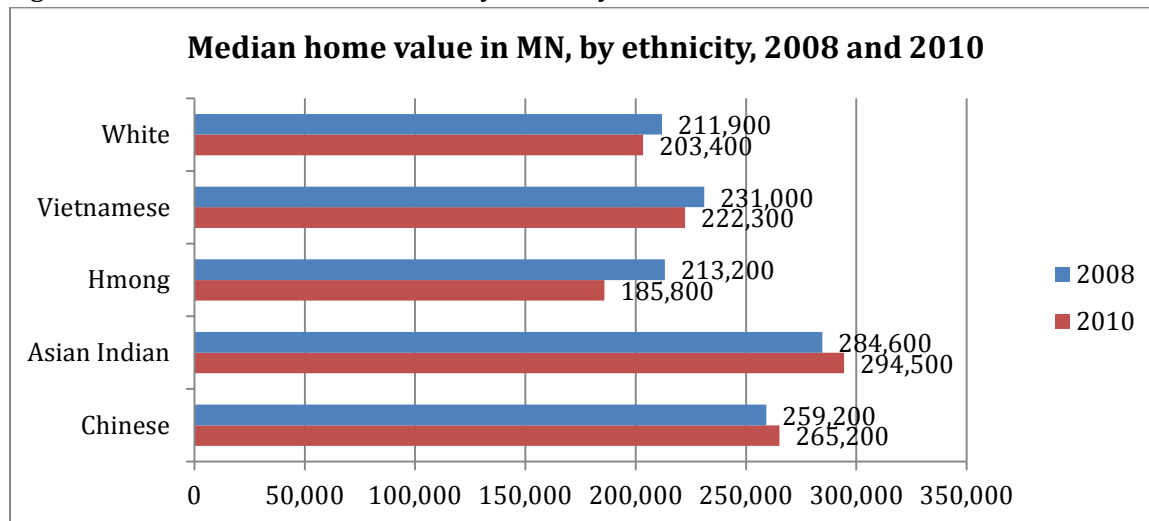
Figure 7. Median house value in MN, by race, 2008 and 2010



Source: U.S. Census Bureau, 2006–2008 American Community Survey, 2008–2010 American Community Survey, 3-Year Estimates.

Deeper analysis yields more insight on recent changes in homeownership and home values. While the median home value of Asian populations, on average, were relatively more expensive compared to other racial groups, these values differed among each group (see Figure 8). Among homeowners particularly experienced a significant drop in median home value. Interestingly, the median home values for Asian Indian and Chinese home owners were higher than two years previous, a trend that contrasts with other populations.

Figure 8. Median house value in MN, by ethnicity, 2008 and 2010

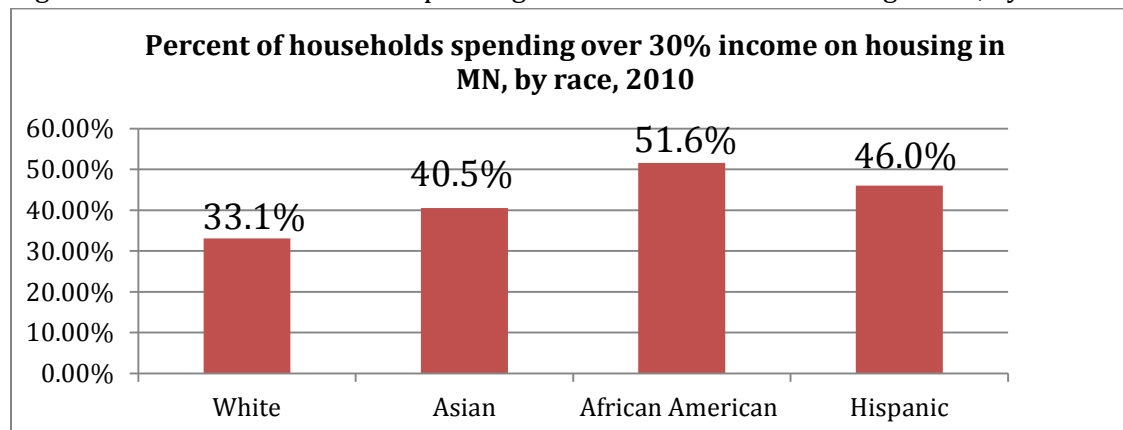


Source: U.S. Census Bureau, 2006–2008 American Community Survey, 2008–2010 American Community Survey, 3-Year Estimates.

Percentage of income spent on housing

The percentage of households that spent more than 30% of their household income on housing only includes households that have a mortgage. The percentage of Asian households that spend over 30% of their household income on housing is higher than White households, but lower than African American and Hispanic households.

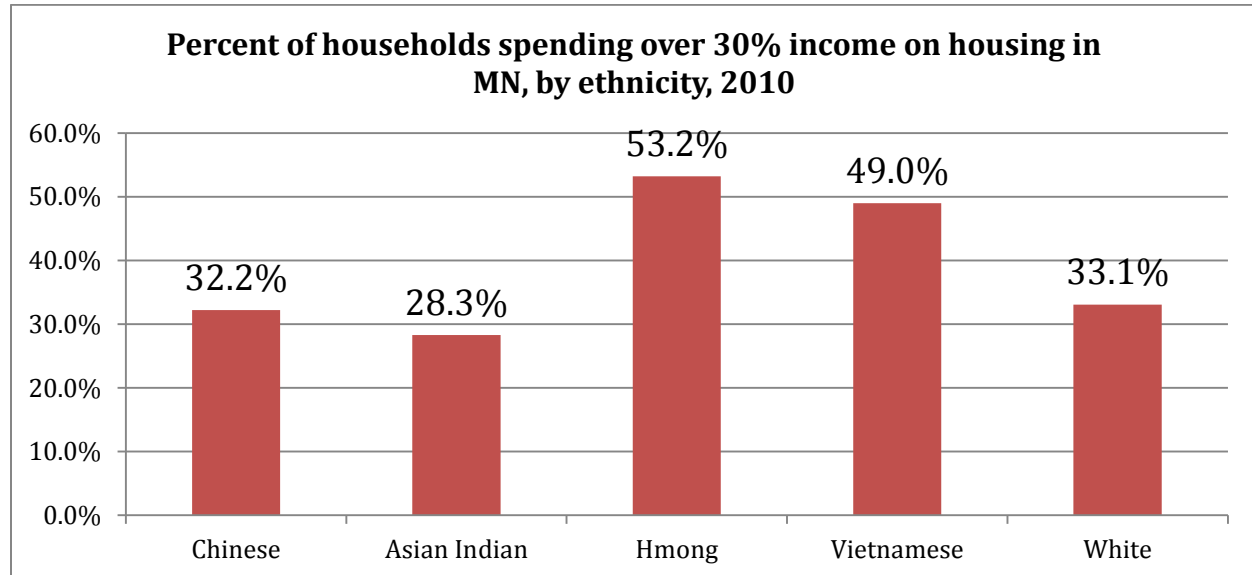
Figure 9. Percent of households spending over 30% income on housing in MN, by race



Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

In reviewing disaggregated data, nearly half of Hmong and Vietnamese households spent over 30% of the income on housing in 2010, which is higher than African American and Hispanic households. According to the data from lending agencies, it is generally preferable if a family spends less than 28% of the total income on mortgages as families who pay more than 30% of their household income on housing are exposed to higher risks of foreclosure.

Figure 10. Percent of households spending over 30% income on housing in MN, by ethnicity



Source: U.S. Census Bureau, 2008–2010 American Community Survey, 3-Year Estimates.

Conclusion and Recommendations

Housing is one of the most important living needs and there should be significant concern about the increased numbers of foreclosures and decreasing availability of affordable housing. These concerns are present in the Asian Pacific Islanders community in Minnesota in looking at many measures, such as overcrowded housing and housing costs totaling more than 30% of the household income. There are also stark differences among Asian ethnic groups, making disaggregated data extremely important for data analysis. As shown in the data, Hmong and Vietnamese populations are overrepresented in overcrowded households and many spend an excess of 30% of household income on housing costs.

To improve the housing situation for Asian Pacific Minnesotans we recommend the following:

- Support culturally and linguistically appropriate financial planning services to help prevent financial mismanagement as well as predatory loans, financial scams, and fraud.
 - Linguistic barriers and unfamiliarity to US financial practices can put some Asian Pacific communities more at risk of foreclosure or predatory practices.
- Increase the availability of housing that is affordable and is able to accommodate the larger family sizes of Asian Pacific communities. Approving bonding requests that would fund efforts to build or rehabilitate affordable housing is a step in the right direction.