

We asked... You told us Housing Costs

The Census Bureau conducts a census of population and housing every 10 years. This bulletin is one of a series that shows the questions asked in the 1990 census and the answers that you, the American people, gave. Each bulletin focuses on a question or group of questions appearing on the 1990 census questionnaires.

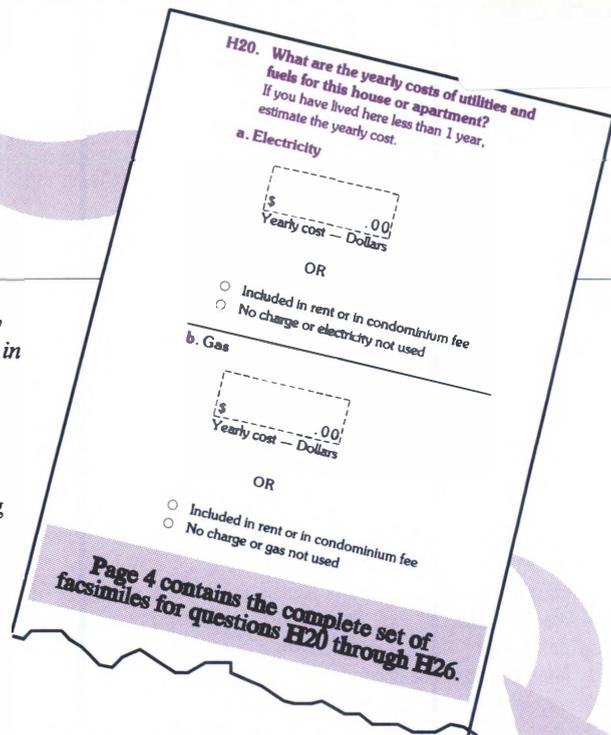
In questions H20 through H26 on the 1990 census forms, we asked people to report their payments for selected housing costs, including utilities and fuels (H20); real estate taxes (H21); fire, hazard, and flood insurance on the property (H22); first mortgages, deeds of trust, contracts to purchase, or similar debts on the property (H23); second or junior mortgages or home equity loans (H24); and, in appropriate cases, condominium fees (H25) and mobile home costs (H26). Although we collected data separately for each of these components, census tabulations show only the sum of the component costs. This bulletin focuses on monthly homeowner housing costs for single-family homes.

Housing Expenses Varied Substantially Depending on Whether Homes Were Mortgaged or Owned Free and Clear¹

- For the Nation as a whole, the median² monthly housing cost for mortgaged homes was \$736 in 1990. The median cost for homes without a mortgage was 72 percent less, or \$209 per month. The pie charts show more detail about the costs associated with these two types of ownership.
 - In 1990, a majority of mortgage-holders (76 percent) spent \$500 or more per month on housing costs, compared with only 4 percent of homeowners without a mortgage. In fact, 29 percent of mortgage-holders spent \$1,000 or more per month. The majority of homeowners without a mortgage (79 percent) paid less than \$300 per month for housing costs.
 - The increase in median monthly costs between 1980 and 1990 was greater for mortgaged than non-mortgaged homes. After adjusting for inflation, costs increased by 21 percent for mortgaged homes and by only 3 percent for non-mortgaged homes.
- The principal cost for mortgaged homes—the mortgage payment—increased markedly during the 1980s as a result of higher home prices and mortgage interest rates.

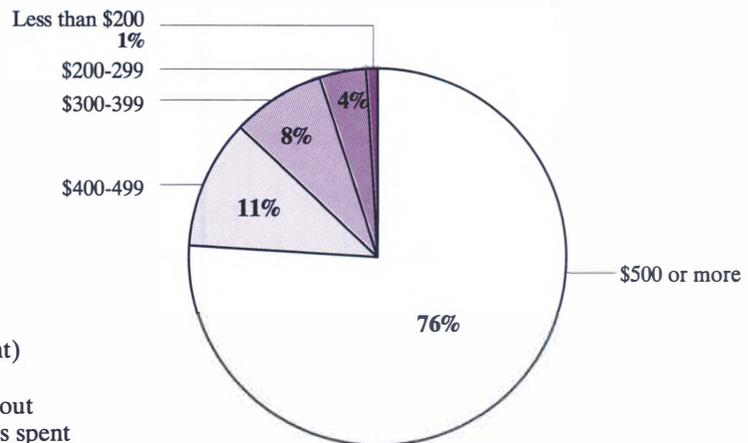
¹ For homes owned free and clear (those without a mortgage), housing costs included payments for utilities, fuels, real estate taxes, homeowner insurance, and associated homeowner fees.

² The median represents the middle case in the housing cost distribution. The median divides the distribution into two equal parts: half of the cases fall below the median, and half of the cases exceed the median.

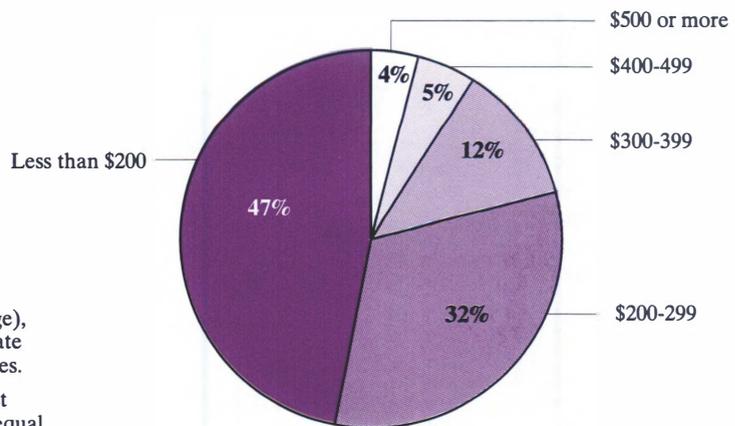


Mortgages Greatly Increased Housing Costs

Percent Distribution of Selected Monthly Owner Costs for Owner-Occupied Single-Family Homes, by Mortgage Status: 1990



With a mortgage



Without a mortgage

Housing Costs Were Highest in the Northeast

- The Northeast had the highest median housing costs of any region—\$881 per month for homes with a mortgage and \$285 per month for those owned free and clear (see chart). Many people in this region had the means to pay higher housing prices because of the concentration of high-paying professional jobs there.
- The regional lows were found in the Midwest for homeowners with a mortgage (\$647 per month) and the South for homeowners without a mortgage (\$179 per month).

Housing Costs Differed Markedly in 1990 Among States

- Six States, all in the Northeast or West, had median monthly housing costs of about \$1,000 or more for homes with a mortgage (see map). Homeowners in New Jersey had the highest median cost (\$1,105), while those in West Virginia paid only \$498 per month, the lowest median cost.
- For both mortgaged and nonmortgaged homes, Connecticut ranked second highest among the States. Connecticut's high ranking largely reflected the steep housing costs reported for the suburban areas within the Norwalk and Stamford metropolitan areas³. The median cost for mortgaged homes located in these suburbs was \$2,000 per month, the highest figure among all metropolitan areas.

State Trends: 1980 to 1990

- In nearly every State, median monthly costs for *mortgaged* homes increased during the 1980s, even after adjusting for inflation. Monthly housing costs in California rose by 65 percent, the largest percentage increase of any State. Costs increased by more than 50 percent in three other States—Connecticut (59 percent), New Hampshire (54 percent), and New Jersey (53 percent).
- Costs for mortgaged homes actually decreased in two States after adjusting for inflation—Wyoming (-3 percent) and North Dakota (-2 percent).
- For homes *without a mortgage*, median monthly costs in many States also increased after adjusting for inflation, but at a much slower pace than for homes with a mortgage. Once again, California had the highest percentage increase, even though its median costs rose by only 23 percent.
- In 20 States, housing costs for homes without a mortgage decreased over the decade. The largest reductions occurred in Massachusetts (-17 percent), Delaware (-14 percent), and Minnesota (-11 percent).

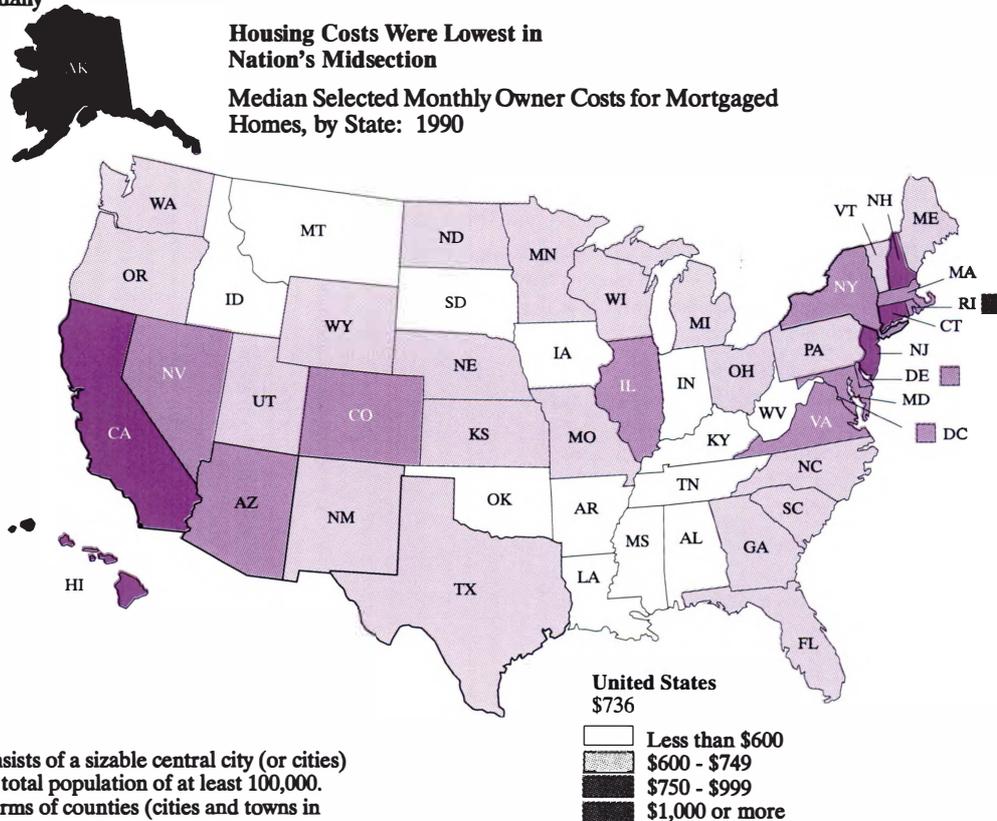
In Every Region, Homeowners With a Mortgage Paid Higher Costs

Median Selected Monthly Owner Costs, by Region and Mortgage Status: 1990



Housing Costs Were Lowest in Nation's Midsection

Median Selected Monthly Owner Costs for Mortgaged Homes, by State: 1990



³ Generally, a metropolitan area consists of a sizable central city (or cities) and the surrounding suburbs, with a total population of at least 100,000. Metropolitan areas are defined in terms of counties (cities and towns in New England).

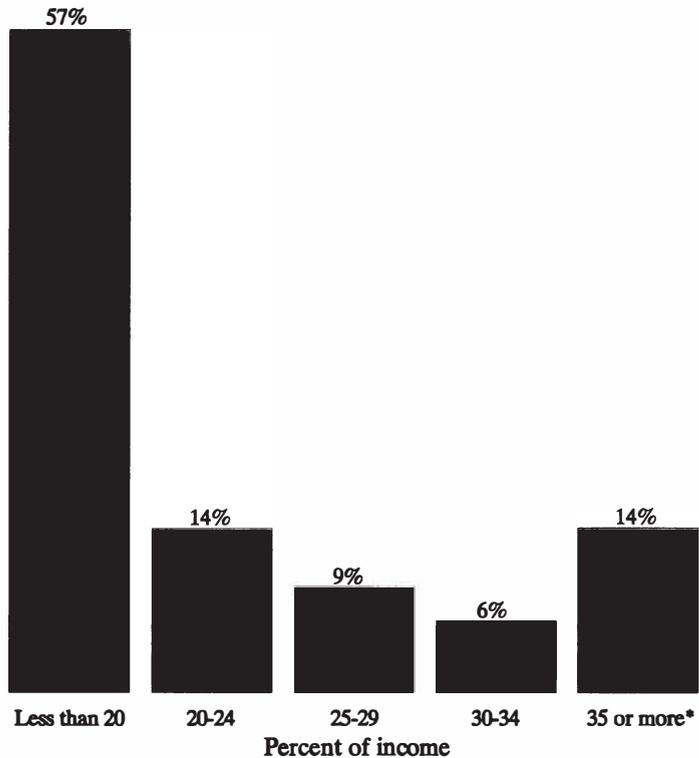
The Average Mortgage-Holder Spent One of Every Five Dollars on Housing Expenses

A good way to measure the financial burden associated with owning a home is to determine what percentage of income owners spend on costs related to housing.

- In 1990, more than half of all homeowners in the United States spent less than 20 percent of their household income on housing costs, as shown in the bar chart.
- Not surprisingly, homeowners with a mortgage spent more of their income on housing than homeowners without a mortgage. On the average, homeowners with a mortgage spent 21 percent of their income on housing, while owners without a mortgage spent 11 percent.
- Among owners with a mortgage, those in the West spent an average of 23 percent of their income on housing costs, the largest share of any region. Almost 22 percent of income went toward housing costs in the Northeast, 21 percent in the South, and 19 percent in the Midwest, the regional low. In fact, no State in the Midwest had a median percentage of income above 21 percent.
- The map illustrates the variations in housing costs as a percent of income at the State level. On the average, California homeowners with a mortgage spent more of their income for housing costs than any other State (25 percent). In contrast, the lowest costs as a portion of income were recorded in Iowa, Indiana, and West Virginia (each with a median of 18 percent).

Over Half of Homeowners Spent Less Than 20 Percent of Their Income on Housing

Percent of Income in 1989 Spent for Housing Costs, by Homeowners of Single-Family Homes: 1990



*Includes the "not computed" category (1 percent)

Census Trivia: According to the 1990 census, which State had the highest median monthly housing cost for homeowners without a mortgage? Which State had the lowest median housing cost? (Answer on page 4.)

Who Uses This Information?

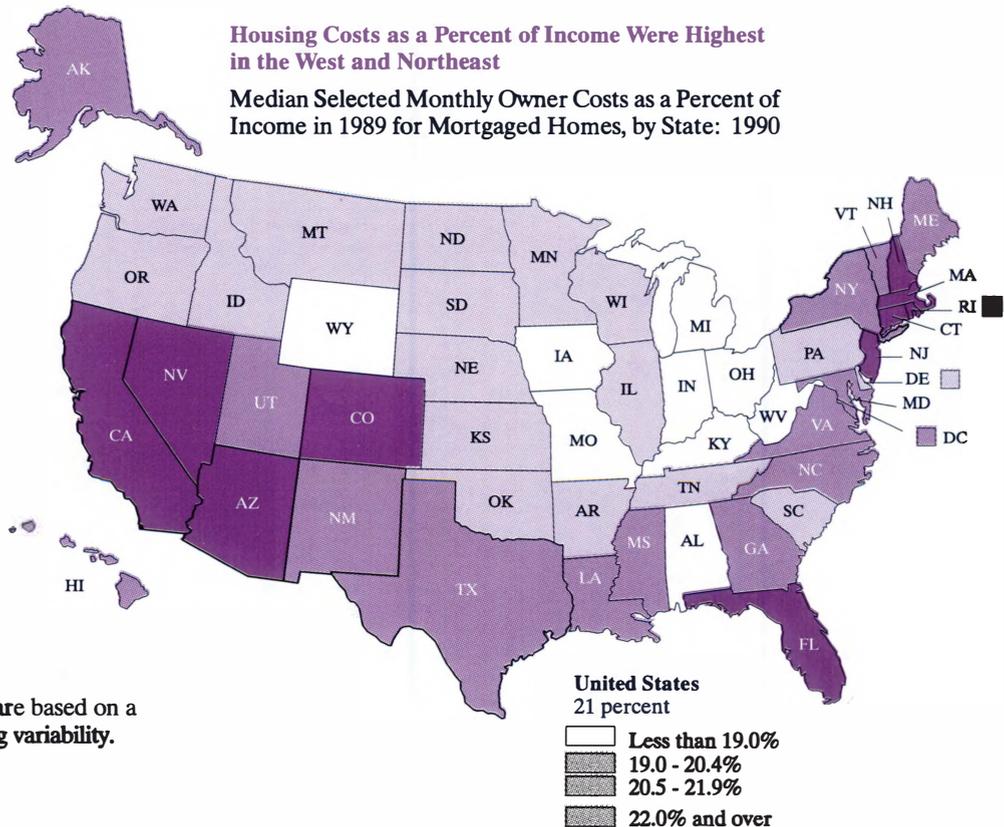
Just a few examples:

- Federal, State, and local governments to identify areas in need of housing subsidies
- Individuals and firms considering relocation
- Building developers and contractors to select sites for new housing developments

Note: The data on housing costs are based on a sample and are subject to sampling variability.

Housing Costs as a Percent of Income Were Highest in the West and Northeast

Median Selected Monthly Owner Costs as a Percent of Income in 1989 for Mortgaged Homes, by State: 1990



Trivia Answer: In 1990, New Jersey homeowners without a mortgage spent \$382 per month on housing, the highest median cost of any State. Housing costs were lowest in West Virginia (\$143 per month).

Want to Know More?

Consult the series of 1990 census reports, CH-2, *Detailed Housing Characteristics*, and CPH-5, *Summary Social, Economic, and Housing Characteristics*, at a large public or university library. Also for sale by Superintendent of Documents, U.S. Government Printing Office (GPO). Information is also available on CD-ROM and other media.

For more information, call:

- Customer Services at the Census Bureau, 301-763-4100, for ordering information about the GPO reports listed above, CD-ROM, or for copies of CQC bulletins
- Kim Giesbrecht or Karen Mills, 301-763-7200, for general information on CQC bulletins
- Housing and Household Economic Statistics Division, 301-763-8553, for more information on housing data

Facsimiles for Questions H20 – H26

<p>H20. What are the yearly costs of utilities and fuels for this house or apartment? If you have lived here less than 1 year, estimate the yearly cost.</p> <p>a. Electricity</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly cost — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> Included in rent or in condominium fee <input type="radio"/> No charge or electricity not used</p> <hr/> <p>b. Gas</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly cost — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> Included in rent or in condominium fee <input type="radio"/> No charge or gas not used</p> <hr/> <p>c. Water</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly cost — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> Included in rent or in condominium fee <input type="radio"/> No charge</p> <hr/> <p>d. Oil, coal, kerosene, wood, etc.</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly cost — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> Included in rent or in condominium fee <input type="radio"/> No charge or these fuels not used</p> <hr/> <p style="text-align: center;">INSTRUCTION:</p> <p><i>Answer questions H21 TO H26, if this is a one-family house, a condominium, or a mobile home that someone in this household OWNS OR IS BUYING; otherwise, go to page 6.</i></p>	<p>H21. What were the real estate taxes on THIS property last year?</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly amount — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> None</p> <hr/> <p>H22. What was the annual payment for fire, hazard, and flood insurance on THIS property?</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly amount — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> None</p> <hr/> <p>H23a. Do you have a mortgage, deed of trust, contract to purchase, or similar debt on THIS property?</p> <p><input type="radio"/> Yes, mortgage, deed of trust, or similar debt } <i>Go to H23b</i> <input type="radio"/> Yes, contract to purchase <input type="radio"/> No — Skip to H24a</p> <hr/> <p>b. How much is your regular monthly mortgage payment on THIS property? Include payment only on first mortgage or contract to purchase.</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Monthly amount — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> No regular payment required — Skip to H24a</p> <hr/> <p>c. Does your regular monthly mortgage payment include payments for real estate taxes on THIS property?</p> <p><input type="radio"/> Yes, taxes included in payment <input type="radio"/> No, taxes paid separately or taxes not required</p> <hr/> <p>d. Does your regular monthly mortgage payment include payments for fire, hazard, or flood insurance on THIS property?</p> <p><input type="radio"/> Yes, insurance included in payment <input type="radio"/> No, insurance paid separately or no insurance</p>	<p>H24a. Do you have a second or junior mortgage or a home equity loan on THIS property?</p> <p><input type="radio"/> Yes <input type="radio"/> No — Skip to H25</p> <hr/> <p>b. How much is your regular monthly payment on all second or junior mortgages and all home equity loans?</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Monthly amount — Dollars</p> <p style="text-align: center;">OR</p> <p><input type="radio"/> No regular payment required</p> <hr/> <p style="text-align: center;"><i>Answer ONLY if this is a CONDOMINIUM —</i></p> <p>H25. What is the monthly condominium fee?</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Monthly amount — Dollars</p> <hr/> <p style="text-align: center;"><i>Answer ONLY if this is a MOBILE HOME —</i></p> <p>H26. What was the total cost for personal property taxes, site rent, registration fees, and license fees on this mobile home and its site last year? Exclude real estate taxes.</p> <div style="border: 1px dashed black; padding: 2px; width: fit-content;">\$.00</div> <p>Yearly amount — Dollars</p>
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