



# WISCONSIN POLICY FORUM

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## **On Racial Equity in Homeownership, Milwaukee Ranks Last Among Peers** *Black, Hispanic homeownership gaps widen in recent years compared to select peer cities*

Milwaukee stands out among its peer cities for its stark racial inequity in homeownership, with larger disparities in homeownership rates than 10 national peers, according to a new Wisconsin Policy Forum report.

The challenge has mounted in the last 12 years, the report finds. Since the Great Recession, racial homeownership disparities have widened more in Milwaukee than in any of the 10 peer cities.

The report analyzes and compares the city of Milwaukee's use of its allotment of federal housing and community development funds, which play a key in supporting its homeownership programs. It finds Milwaukee stands out, relative to national peers, in the extent to which it has emphasized using federal funds to help current homeowners pay for needed home repairs, relative to helping prospective homebuyers purchase homes and prepare for homeownership.

According to 2020 five-year estimates from the U.S. Census Bureau, Milwaukee's white homeownership rate was 55.8%, putting it in line with peers in the cohort of 11 cities. Its Hispanic homeownership rate was 38.5%, or third-lowest, and its Black homeownership rate was 25.2%, the lowest among peer cities.

Comparing owner-occupancy rates between Black and Hispanic households combined, relative to white households, shows Milwaukee has a 26.9 percentage point disparity – the largest among the peer cities.

"Such differences may relate to the economic characteristics in the group of peer cities and some of those factors may lie beyond local housing stakeholders' immediate control," the report finds. "At a minimum, however, these findings suggest that advancing racial equity in homeownership is both urgent and difficult in Milwaukee."

Homeownership is an important means by which households can build wealth and, therefore, a key way for Milwaukee to become more equitable and prosperous. Advancing racial equity in homeownership is especially important given that Black and Hispanic residents comprise more than half of the city's total population. Compounding the issue is the fact that rising home prices and mortgage rates are reducing housing affordability in Wisconsin and nationally.

The Milwaukee peer city group used for this analysis includes Albuquerque, Baltimore, Cleveland, Detroit, El Paso, Fresno, Kansas City, Memphis, Tampa, and Tucson. Census data was used to identify cities comparable to Milwaukee on variables including population; the share of Black and Hispanic residents; median household income; median home value; and median household income as a percentage of median home value, which serves as an indicator of affordability.

Other key findings from the report include:

- Since the Great Recession and the resulting foreclosure crisis, Milwaukee has experienced larger declines in homeownership rates among Black and Hispanic households than many selected peers. From 2010 to 2020, Milwaukee’s combined Black and Hispanic owner-occupancy rate decreased by 6.8 percentage points, the third largest decrease among the 11 cities.
- Black households in Milwaukee have suffered the greatest homeownership declines. While the total number of Black households living in Milwaukee increased by 2.3% between 2010 and 2020, the number of housing units occupied by Black owners decreased by 24.6%.
- Milwaukee’s racial inequities in homeownership increased considerably with these changes. From 2010 to 2020, the disparity between Milwaukee’s combined Black and Hispanic owner-occupancy rate and white owner-occupancy rate increased by 5.0 percentage points, which was the largest increase among the selected cities.
- In disbursing grant funding from the U.S. Department of Housing and Urban Development (HUD), Milwaukee has prioritized lower-cost home rehabilitation services over higher-cost services like homebuyer financing, housing counseling, and new construction.
- Of the \$37.5 million in combined Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds the city dedicated to homeownership-specific services between 2010 to 2019, 86.4% was used for home rehabilitation services, 8.4% for homebuyer assistance, 3.0% for housing counseling, and 2.2% for new construction.
- Milwaukee stands out among selected peer cities for having a public-private strategic affordable housing plan explicitly focused on advancing racial equity in homeownership. Of the 11 selected peer cities, only two others explicitly address racial equity in homeownership through their strategic housing plans. This suggests that Milwaukee leaders recognize the severity of the city’s racial homeownership disparities and are taking steps to address it.

The city of Milwaukee’s prioritization of home repair services may represent a logical approach due to the city’s limited fiscal capacity and the city’s aging housing stock and high percentage of homeowners who are housing-cost burdened. However, Milwaukee leaders may wish to assess whether the extent to which the city traditionally has prioritized services for current versus prospective homeowners has struck the right balance and produced the best possible results in advancing Black and Hispanic homeownership.

Promoting equitable homeownership is an important part of Milwaukee’s work to build a more inclusive and prosperous community for all residents. We hope that this and our previous reports foster discussion about how the city and its housing partners can sustain and bolster their commitment to this goal.

[Click here to read the full report: “Hitting Home: Milwaukee's homeownership inequities and how we compare to peer cities.”](#)

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