

# The State of Black Asheville:

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## The Impacts of Income Disparity on Housing Opportunities

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An examination of the income disparities of the White and African American populations in the City of Asheville and how those disparities impact housing stability for each population.

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The American economy is off to a rather rocky start in the 21st century. The housing bubble has burst, the job market has collapsed and families across the nation are struggling with food insecurity and housing instability. According to the American Chamber of Commerce Research Association's (ACCRA ) cost of living index, Asheville, North Carolina remains one of the most expensive communities in the southeast, receiving a 101.7 index rating. This rating is only slightly above the national average, but is significant when compared to ratings of 93.3 for Charlotte, 97.3 for Atlanta, and 89.3 for Knoxville, all of which are larger and more metropolitan in character and would be expected to have higher costs of living than Asheville. Significant contributors to this high cost of living are health care, utilities, food, and housing costs. The high cost of living in Asheville has combined with high rates of poverty among the African American population to create enormous disparities in housing opportunities in the Asheville community.

Housing instability is characterized by difficulty paying rent, mortgage or utility bills. Families experiencing housing instability typically experience more frequent moves and associated disruptions with daily life. When a family experiences housing instability, children are more likely to suffer from behavioral problems, less likely to succeed at school, and less likely to have access to adequate health care than their peers in more stable homes. According to a recent report published by the Center for Housing Policy, children living in homes with high mobility are more likely to be suspended from school, more likely to repeat a grade, and tend to have the worst academic performance in their class<sup>1</sup>. These children are forced to start life at a disadvantage. Their likelihood of overcoming early academic failures is low and their chances of

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<sup>1</sup> Rebecca Cohen and Keith Wardrip, *Should I Stay or Should I go? Exploring the Effects of Housing Instability and Mobility on Children*. Center for Housing Policy. February, 2011.  
<http://www.nhc.org/media/files/HsgInstabilityandMobility.pdf>

attending college, starting a career and lifting their families out of poverty are practically nil. Examining the “State of Black Asheville” must start with an examination of the housing and economic opportunities available to Asheville’s African American community because stable housing is the cornerstone of improving all other topic areas.

## HOUSING

According to the Asheville Chamber of Commerce the average home sales price for Asheville in 2010 was \$250,985 - below the present national average and yet still far out of reach of the majority of the African American population in our community. The high cost of owning property not only prices many homes out of the range of affordable for the vast majority of black families in Asheville, but it is a leading contributing factor to the skyrocketing cost of rent in the private market which is driving more and more of the black community out of the private rental market.

The total population of Asheville’s nine community housing projects is 1,168 people, of which 675 or 57.8% are black<sup>2</sup>. This is quite significant when considering that African Americans make up only 13.4% of the total population of Asheville according to the 2010 US Census. These housing developments provide little in the way of housing stability. According to data provided by the Asheville Housing Authority, the vast majority of families reported living in public housing communities for less than 2 years. But, with average annual incomes of less than \$8,000 per year, it is not likely that these families are moving on to stable housing environments, but rather that living in community housing is unsustainable and undesirable. Rather than integrating lower income African Americans into the larger community, they serve

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<sup>2</sup> Resident Demographic Report provided by Asheville Housing Authority for calendar year 2011.

only as a means of segregating this portion of the population, creating dense pockets with high rates of crime, high rates of unemployment, low wages, low educational achievement, and poor health. These communities are in desperate need of social programs to facilitate education, better health, and economic mobility. And even with these chronic problems the waiting list for admission into Asheville's subsidized housing communities contains 2,307 families, nearly double the total population currently living in the subsidized housing communities. And of these 2,307 families, 37.6% are African American. The average total annual income for a family of four currently on the waiting list is \$8,406, and no family on the waiting list reported income of more than \$13,200.<sup>3</sup> This is cause for urgent concern in the community. There are more than 2,300 families without the income to pay market rents waiting for admission to public housing. Additional research to determine how these families are meeting their present housing needs is needed.

In the past, many of these families would have turned to the Section 8 Rental Voucher Assistance program which provides government subsidies to low income families to allow them to pay rent in the private market. This is significant because it allows and even encourages these lower income families to live in areas that are not blighted and are not plagued by many of the social issues experienced in the community housing projects, such as the higher incidence of crime. And it also allowed the government to provide support to families in need without being responsible for the construction, maintenance and repair of housing units. Our research indicates that while African Americans make up more than 58% of the population of local subsidized housing communities, whites are the recipients of 69.2% of Section 8 Rental Voucher Assistance. The most disconcerting fact is that the Section 8 Rental Voucher Assistance program

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<sup>3</sup> Waiting List Demographic Report for calendar year 2011 provided by Asheville Housing Authority

has not accepted new applications for services in more than 12 months because adequate funding is not available, meaning that the 2,307 families on the waiting list for government subsidized housing can no longer turn to this resource for assistance. Data from the Housing Authority's Rental Voucher program was extremely difficult to obtain for this report. Additional research should be done to determine how many families are on the waiting lists for both programs, and the total number of families on ~~the~~ both lists combined. Analysis of this data would provide a better overall picture of the need for housing assistance programs.

The Asheville Housing Consortium's FY 2009-2010 report showed that the consortium oversaw distribution of more than \$22.6 million in that fiscal year.<sup>4</sup> This funding is spread among several programs designed to assist renters (through the rental voucher program), homebuyers (often through first time homebuyer grants), and homeowners (predominately with home improvement and up fitting projects). Table 1 provides a breakdown of the funds provided in each category according to race. It is significant to note that while 57.8% of the population served by government subsidized housing projects are black, only 27.2% of those served by the rental voucher program are black, only 22.7% of the homebuyer assistance recipients are black, and 13.6% of homeowner assistance recipients are black. *As the quality of housing increases, the percentage of black recipients decreases.*

Race	Renter	Homebuyer	Homeowner	Total
White	69.2	55.4	85.2	54.9
Black	27.2	22.7	13.6	39.7
Other	3.4	21.9	1.2	5.4

<sup>4</sup> City of Asheville and Asheville Regional Housing Consortium. *Consolidated Annual Performance and Evaluation Report for the CDBG and HOME Programs*. Asheville, NC, FY 2010-2011. 31 March 2012.  
<<http://www.ashevillenc.gov/Portals/0/city-documents/CommunityDevelopment/CAPER2011Final.pdf>>.

Table 1

(Snapshot of HOME Program Performance – As of 9/30/2011, Local Participating Jurisdictions with Rental Production Activities; HUD's Integrated Disbursement and Information System, accessed February 12, 2012.

One reason that such a low percentage of funding is used to support black homeowners is due in large part to the fact that there are so few black homeowners available to take advantage of these funding opportunities. According to the 2010 US Census, there were 117,282 white homeowners in Buncombe County in 2010, compared with a mere 3,091 black homeowners. So, while blacks make up more than 6% of the overall population for Buncombe County, they make up only 2.5% of homeowners. In contrast, blacks make up 8.8% of the rental population in Buncombe County. This data can be further understood by comparing the breakdown of homeownership to rentals among the total population in each race. Of the 161,963 white families reported on the 2010 US Census for Buncombe County, 72.4% were homeowners while only 27.6% were living in rental units. This means that 7 out of every 10 white families are able to live in their own home and reap the many advantages that home ownership brings. Of the 7,407 black families reported on the 2010 Census, the majority live in rental housing. Only 41.7% of black families own their own homes and 58.3% are living in rental housing.

One large barrier to home ownership is the disproportionate availability of mortgage loans to white borrowers over black borrowers. According to the 2010 Home Mortgage Disclosure Act Aggregate Disclosure Report for the Asheville MSA, ~~in 2010~~ 3,386 loan applications for home purchases for white borrowers were received in 2010, and of these 2,262, or 66.8%, were approved. In contrast, only 50 loan applications for home purchase loans were received from black borrowers, and of these, only 15 (or 30%) were approved.<sup>5</sup> Of the total

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<sup>5</sup> US Government Home Mortgage Disclosure Act. "Aggregate Disclosure Report for the Asheville MSA." 2010. 31 March 2012.

3,841 loan applications made in 2010, only 1.3% was from black borrowers. And of the 2,502 loans ultimately made in 2010, only 2% were made to black borrowers. The average loan amount for black borrowers was \$141,133. For white borrowers, the average loan amount was \$194,715, making the average home purchase price of \$250,985 far more realistic for white borrowers than for black borrowers.

One of the most significant factors in determining whether a family moves into the community housing project, rents in the private market (with or without governmental voucher assistance), or purchases their own home, is income. One of the key reasons that home mortgages are not available to black borrowers is the enormous income disparity that exists for black workers. In every area examined African Americans in the City of Asheville are underperforming economically when compared to their White counterparts.

## INCOME

According to the US Census Bureau's 2006-2010 American Community Survey for Asheville<sup>6</sup>, only 27.1% of white workers reported earning less than \$25,000 per year, compared to 51.7% of black workers who reported earnings in the same income bracket. While 1,828 white workers (6%) were reported to be earning more than \$150,000 per year, only 56 black workers in

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<[http://www.ffiec.gov/hmdaadwebreport/pdf/DVD\\_PDF/2010/Hmda/AggregateReports/2010HA\\_11700.PDF](http://www.ffiec.gov/hmdaadwebreport/pdf/DVD_PDF/2010/Hmda/AggregateReports/2010HA_11700.PDF)>.

<sup>6</sup> US Census Bureau. "2005-2007 American Community Survey." n.d. *American Fact Finder*. 12 March 2012. <[factfinder2.census.gov](http://factfinder2.census.gov)>.



the City of Asheville fell into this income category, only 1.1% of black workers, <sup>15</sup> and, even more startling, only 3% of workers in this income bracket.

Income Bracket	White Earner	% of White Earners	Black Earner	% of Black Earners
<\$25,000	8,299	26.1%	2,565	51.7%
\$25,000-\$50,000	9,138	28.7%	1,261	25.4%
\$50,000-\$150,000	12,588	39.5%	1,075	21.7%
<\$150,000	1,828	5.7%	56	1.1%
Total:	31,853	100.00%	4,957	99.90%

Table 2

(U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates: Household income in the past 12 months (in 2010 inflation-adjusted Dollars) (Black or African American Alone Householder)

According to the <sup>2</sup>006-2010 American Community Survey the per capita income for whites in the City of Asheville <sup>15</sup> for the previous 12-month period was reported to be \$28,143.00, an increase of \$1,283 from the <sup>2005-2007 ACS.</sup> previous year, and <sup>the per capita income is</sup> for blacks was reported to be \$15,486, a decrease of \$1,154. Whites in the city are presently earning nearly double the annual salary of <sup>wage earners</sup> black earners and <sup>are</sup> their incomes <sup>is</sup> growing while the incomes of black workers is falling, causing additional widening of the income disparity. Whites in the county are presently earning 81% more than blacks when measured per capita. This reflects a drastic increase in disparity from the 2005-2007 American Community Survey which reported the difference in per capita income to be 62%. <sup>R</sup> This income disparity is even more evident when examining the comparison of various census tracts within the City of Asheville. Table 3 provides a breakdown of the



income characteristics for the three census tracts with the highest concentration of minority families reported on the 2010 US Federal Census, while Table 4 provides the same data for the three census tracts with the highest concentration of white families.

TRACT	% MINORITY	2011 MEDIAN INCOME	2010 MEDIAN INCOME	%CHANGE	%OWNER OCCUPIED	% BELOW POVERTY LINE
T2	64.22	22,522	17,083	31.8	30	43.75
T7	68.10	33,990	25,781	31.8	32	23.91
T9	64.22	22,522	17,083	31.8	29	42.06

Table 3

TRACT	% MINORITY	2011 MEDIAN INCOME	2010 MEDIAN INCOME	%CHANGE	%OWNER OCCUPIED	% BELOW POVERTY LINE
T16	5.43	78,342	59,426	32.3	72	10.49
T17	3.86	88,318	66,993	31.8	77	4.04
T21.01	1.02	200,367	151,985	31.8	82	.81

Table 4

Asheville's census tract with the largest percentage of minorities had a median income in 2010 of \$25,781. The census tract with the lowest percentage of minorities had a median income that year of \$151,985, a difference of 590%. The city areas which have historically been predominately black continue to have the lowest median incomes, the lowest rates of owner occupied homes and the greatest number of persons living below the poverty line. In those districts which are predominately black as many as 4 out of every 10 people is living in poverty, while the poverty rate in the districts with the lowest percentage of minority population is less

than 1 in every 100. Overall, 41.5% of African Americans in Buncombe County were living at 125% of the federal poverty level according to the 2006-2010 American Community Survey 5-Year Estimates, compared to 17.6% of whites.

Income disparity information is further supported by data provided by the University of North Carolina at Chapel Hill analyzing government assistance provided through the Department of Health and Human Services, namely SNAP benefits (formerly referred to as Food Stamps) and Work First Family Assistance. According to this data, African Americans, while comprising only 6.4% of the overall population for Buncombe County, make up 29% of Work First cases and 10% of food stamp cases in Buncombe County<sup>7</sup>. This data is ~~contradicted by~~ the 2006-2010 American Community Survey 5-Year Estimates which projected 18.5% of SNAP benefits would be distributed to African Americans in 2010. Even if this higher projection of Black SNAP recipients ~~is~~ <sup>will</sup> correct, it is still interesting to note the difference in the volume of Work First cases when compared to food stamp cases. A possible explanation for this difference is found in the program requirements which limit the length of time that a family may receive Work First benefits. Accordingly, this data does not necessarily suggest that there are fewer African American families who would meet the income guidelines for Work First benefits ~~than presently meeting the income guidelines for SNAP benefits~~. Rather, it suggests that there is a significant portion of the African American population in Buncombe County living in poverty that is unable to receive Work First support because their poverty is chronic. Further research into the causes of this difference in participation rates is warranted.

<sup>7</sup> Duncan, D.F., et al. "Management Assistance for Child Welfare, Work First, and Food & Nutrition Services in North Carolina." 2012. University of North Carolina at Chapel Hill Jordan Institute for Families. 7 March 2012. < <http://ssw.unc.edu/ma/>>.

Income disparity can also be seen among the business community. According to the 2007 Survey of Business Owners conducted by the US Census Bureau, there were 357 African American owned businesses in the City of Asheville, which represented 2.8% of all businesses within the city, another stark disparity when considering that Blacks make up 13.4% of the total population. These African American owned businesses saw an average of \$46,591 in annual receipts. By contrast the city had 11,396 white owned businesses, which had an average of \$413,045 in annual receipts.

Overall research indicates that there is still enormous income disparity between the white and black communities in the City of Asheville and in the larger Buncombe County area. This income disparity causes African American families to be disproportionately underrepresented in the home ownership market in the City, and over- represented in the community housing projects. Income disparity continues to lead to housing instability in Asheville's African American community and this is contributing significantly to the findings of our fellow researchers in the areas of health, education, higher education, and criminality.