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## 2010 VERMONT HOUSING NEEDS ASSESSMENT

### *Race, Ethnicity and Housing in Vermont*

This assessment was conducted by Vermont Housing Finance Agency for the Vermont Department of Economic, Housing and Community Development, with financial and technical support from the Vermont Housing & Conservation Board, Vermont Agency for Human Services, and Vermont State Housing Authority.

Based on national and state data, this assessment estimates current housing needs in Vermont and projects trends for the next five years. Results focus on housing needs among the state's 55,000 lower income households that have incomes at or below \$41,000, approximately 80% of the state median.

[An explanation of the study's methodology is online.](#)

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## RACE, ETHNICITY AND HOUSING IN VERMONT

### Summary

- Vermont is more racially and ethnically homogenous than any other state in the U.S. Only about 4 percent of Vermonters are not white or are Hispanic/Latino.
- Fewer non-white households and fewer Hispanic/Latino households own homes in Vermont. About 53-55% of non-white or Hispanic/Latino households living in Vermont own their homes, compared to over 70% among white, non-Hispanic/Latino Vermonters. Nationwide, 49% of non-white or Hispanic/Latino households own their homes.
- Available data indicates that Black/African-American, Native American, and Hispanic/Latino households are more likely to have lower incomes than white, non-Hispanic/Latino households in Vermont. Vermont-based research confirms that lower income households experience significant impediments to housing choice.
- The likelihood of having housing problems (such as cost burden or overcrowding) was substantially higher among non-white households and among Hispanic/Latino households than white households and non-Hispanic/Latino households as of 2000, the most recent year for which this type of comprehensive data is available for Vermont.
- Non-white testers who posed as prospective Vermont home buyers experienced discrimination during the home search process, according to controlled fair housing tests conducted in 2003.

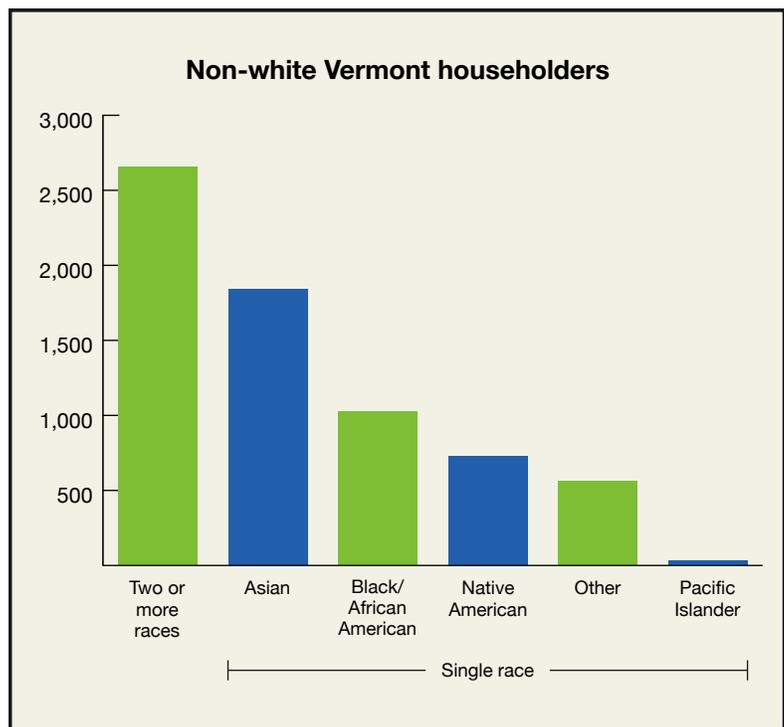
## Size of the non-white population and Hispanic/Latino population in Vermont

More of Vermont's population (96%) is white alone than any other state in the U.S.<sup>1</sup> This percentage has dropped only slightly since the beginning of the decade when it was 97%.<sup>2</sup>

There are currently about 22,300 non-white Vermonters comprising 6,900 households, according to the U.S. Census Bureau.<sup>3</sup> Among single racial groups, the most prevalent non-white race in Vermont is Asian.

Vermont's unique homogeneity extends to ethnicity as well. More of Vermont's population (95%) is neither Hispanic nor Latino than any other state in the U.S.<sup>4</sup> Approximately 2,600 Vermont householders are Hispanic or Latino.<sup>5</sup>

About 1,900 Vermont households are linguistically isolated with limitations communicating in English, according to the Census Bureau.<sup>6</sup> The Vermont Refugee Resettlement program serves many of these families, who arrive from countries such as the Congo, the Sudan, Somalia, and Bhutan. Most refugee families arrive with little understanding of the English language and in need of a place to live. Although the resettlement program provides help with this, finding an apartment for an arriving family can be extremely challenging given Vermont's low rental vacancy rates and the unfamiliarity of many landlords with the native countries of refugee families.<sup>7</sup>

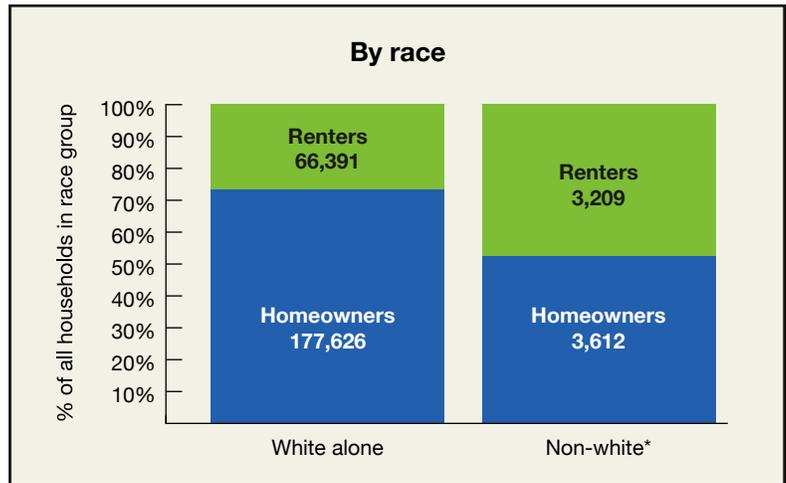


SOURCE: [U.S. CENSUS BUREAU, 2005-7 AMERICAN COMMUNITY SURVEY, TABLE B25006.](#)

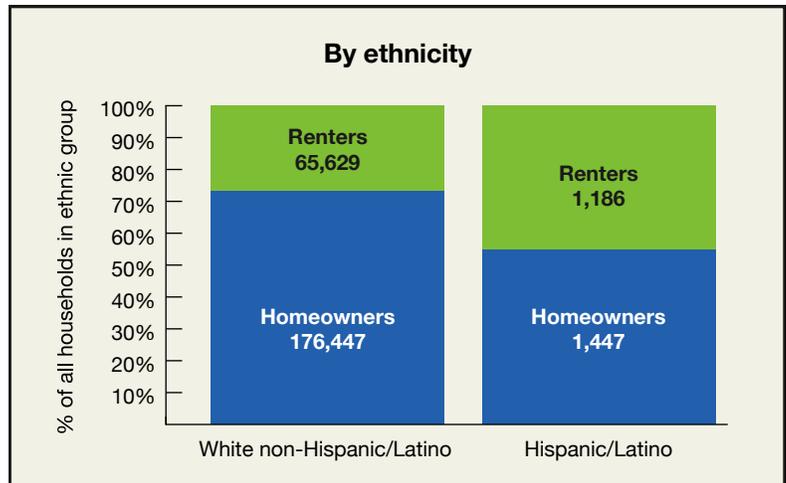
### Fewer non-white households and fewer Hispanic/Latino households own homes in Vermont

Like for the rest of the country, the homeownership rate is significantly lower among non-white Vermont householders and Hispanic/Latino households when compared to other householders. About 53% of all non-white households and 55% of Hispanic/Latino households in Vermont own their homes, compared to more than 70% for their white and non-Hispanic/Latino counterparts. Asian households have a homeownership rate that is higher (64%) than other non-white groups, but lower than for white households in Vermont.

### Lower homeownership rate among non-white households and among Hispanic/Latino households



\*"Non-white" is defined as all households headed by someone who identified themselves as Asian, Black, African-American, Native American, Pacific Islander, other race, or combination of races.



DATA SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25003A THROUGH I. THE EIGHT FIGURES SHOWN INSIDE BARS ARE THE AMERICAN COMMUNITY SURVEY POINT ESTIMATES (NUMBER OF HOUSEHOLDS).

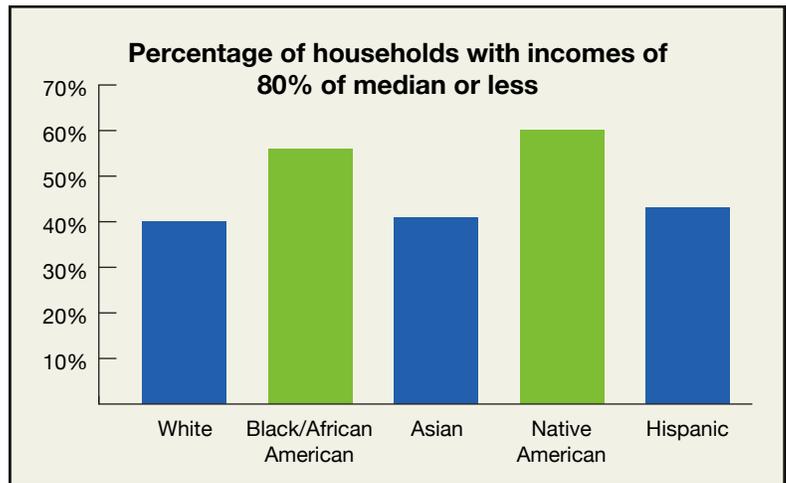
## Non-white, Hispanic/Latino households are more likely to have lower incomes

Households headed by someone who is black, African American, Hispanic, or Native American are more likely to have incomes at or below 80% of the median than white, non-Hispanic households, according to special tabulations of Census 2000 data. No such difference exists for Asian households.

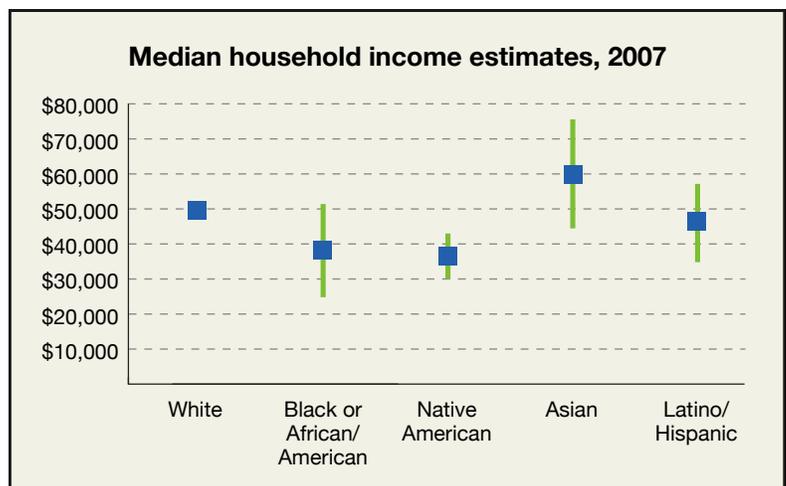
Indications of these income differences persist in more recent data from the American Community Survey, although the small number of non-white Vermonters and Hispanic/Latino Vermonters mandates the consideration of error ranges when using survey results to estimate median household income between decennial Census. The point estimates from the American Community Survey indicate that with the exception of Asian households, median household income among non-white and Hispanic/Latino households is lower than for white households.

The most recent Analysis of Impediments to Fair Housing Choice in Vermont completed for the Vermont Department of Housing and Community Affairs in 2006 also found a higher concentration of low-income households within the African-American and Hispanic communities. The report describes the impact of these lower incomes on housing choice:

*“Limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. The range of areas within which affordable housing is available is much more limited to low-income households than to higher income households.”<sup>8</sup>*



SOURCE: 2000 COMPREHENSIVE AFFORDABILITY HOUSING STRATEGY (CHAS) DATA.



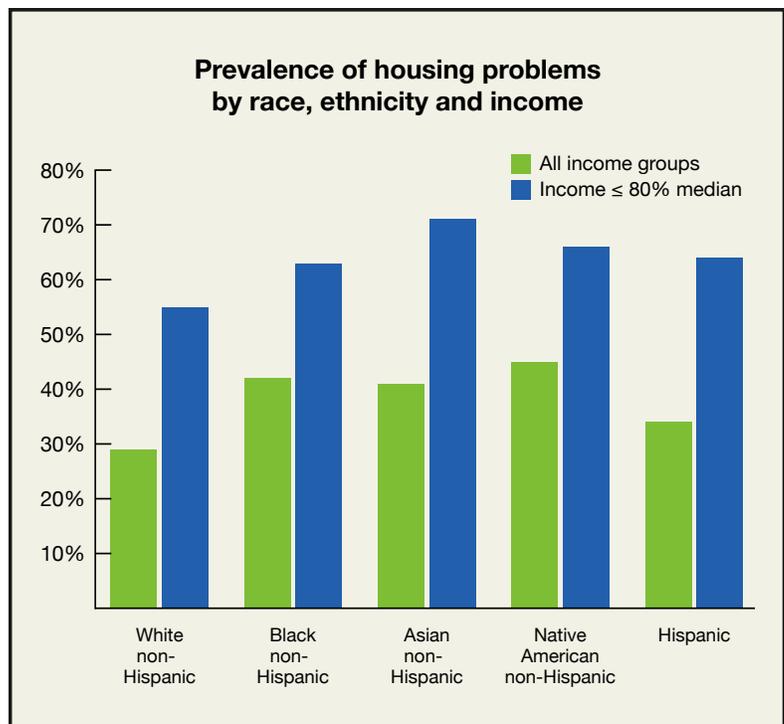
For each race/ethnicity group, point estimates from the ACS are shown by the square markers. Lines stretching above and below the point markers represent the confidence interval at the 90% level.

SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES 19013 A THROUGH I.

## More non-white and more Hispanic/Latino households suffer housing problems

More households headed by someone who is non-white or Hispanic/Latino suffer housing problems, according to the 2000 CHAS data. Each non-white group and the Hispanic/Latino group suffers a higher incidence of housing problems than do white households. This disparity occurs among households of all income levels, as well as among lower income households.

Similarly, non-white homeowners and Hispanic/Latino homeowners were more likely to be affected by the subprime loan wave that swept the nation during recent years. Although fewer subprime mortgages were made in Vermont than in all but four other states, thousands of Vermont households were affected.<sup>9</sup> At least 6,000 subprime purchase and refinancing loans were made to Vermont households in 2006 and 2007. In partnership with the Champlain Valley Office of Equal Opportunity, VHFA analyzed Home Mortgage Disclosure Act data for this two-year period to determine the extent of subprime lending in Vermont and its impact among specific types of borrowers. Most subprime loans in Vermont during this period were made to existing homeowners for the purpose of refinancing their mortgages. The likelihood that a refinancing loan made during this period was subprime was higher for non-white borrowers and for Hispanic/Latino borrowers than it was for white, non-Hispanic/Latino borrowers. 22% of the refinancing loans made to white, non-Hispanic borrowers during these years were subprime, compared to 26% for non-white and/or Hispanic borrowers.<sup>10</sup> There was no such difference among home purchase loans.<sup>11</sup>



*Note: Housing problems are defined as paying more than 30% of income for housing expenses, living in overcrowded housing, or lacking complete plumbing or kitchen facilities.*

SOURCE: 2000 COMPREHENSIVE AFFORDABILITY HOUSING STRATEGY (CHAS) DATA.

## Evidence of discrimination

The Champlain Valley Office of Economic Opportunity completed fair housing testing of “for-sale” homes and published a report in April 2003 that concluded that housing discrimination based on race exists in the home buying market in Vermont.<sup>12</sup> Evidence of race discrimination was found in 48% of the tests. Specific results are listed below:

- In 31% of the tests, the tester of color was asked about mortgage pre-approval or other financial qualifications. Only 7% of the white testers were asked about pre-approval.
- In 24% of the tests, the tester of color was asked significantly more personal questions, such as occupation and current residence, than the white tester. Only 10% of the white testers were asked personal questions.
- In 34% of the tests, the white tester was given more house possibilities than the tester of color.<sup>13</sup>

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<sup>1</sup> [American Community Survey 2005-7, Table QCT0201](#). U.S. Census Bureau.

<sup>2</sup> U.S. Census Bureau, Census 2000 Summary File 1, Matrices P1 and P7.

<sup>3</sup> [Population Estimates Program and American Community Survey 2005-7, Table B25006](#). U.S. Census Bureau.

<sup>4</sup> [American Community Survey 2005-7, Table GCT0209](#). U.S. Census Bureau.

<sup>5</sup> [American Community Survey 2005-7, Table B25003H](#). U.S. Census Bureau.

<sup>6</sup> [American Community Survey 2005-7, Table 16002](#). U.S. Census Bureau.

<sup>7</sup> [A Crack in the Rock](#). Vermont Refugee Resettlement Program. March/April 2009.

<sup>8</sup> [Analysis of Impediments to Fair Housing](#). Vermont Department of Economic, Housing and Community Development. Page 11.

<sup>9</sup> Vermont had 7.9 subprime loans per 1,000 housing loans as of May 2009 according to [FirstAmerican CoreLogic, Loan Performance data](#). North Dakota, South Dakota, Montana, and West Virginia were the only 4 states with lower rates.

<sup>10</sup> This difference was statistically significant at the 95% level.

<sup>11</sup> [Subprime Lending in Vermont](#). Champlain Valley Office of Economic Opportunity and Vermont Housing Finance Agency. January 2009.

<sup>12</sup> According to the Analysis of Impediments to Fair Housing Choice, 2006, fair housing testing is a systematic method of determining any differences in the treatment of potential homeowners and renters by those in the housing industry such as real estate agents, leasing agents, property managers, and owners. Testing consists of pairing individuals who have or are given, for the sake of the tests, similar relevant characteristics (i.e. income and employment history) except for the variables that are being tested (i.e. race, sex, disability, familial status, national origin, color, and religion) and sending them to the same location at different times for a visit and inquiry into the available housing. After the contact, the two visits are compared and analyzed to ascertain whether there was differential treatment between the two home seekers.

<sup>13</sup> [A Real Estate Sales Practices Audit: Fair Housing Law Compliance In Vermont](#). Champlain Valley Office of Economic Opportunity. Pages 5-7.