**Table 1: Means for Sample of 1991 PSID "Renters"**

| | All | Black | White |
|---|---|---|---|
| *Percent with Age < 35* | 0.355 | 0.340 | 0.359 |
| *Percent with Age: 35 – 50* | 0.381 | 0.422 | 0.368 |
| *Percent with Age: 50 – 65* | 0.131 | 0.143 | 0.127 |
| *Percent with Age: > 65* | 0.133 | 0.096 | 0.146 |
| *Percent < than High School Education* | 0.211 | 0.323 | 0.177 |
| *Percent with only a High School Education* | 0.363 | 0.390 | 0.355 |
| *Percent > than High School Education* | 0.425 | 0.287 | 0.468 |
| *Percent Married* | 0.332 | 0.160 | 0.386 |
| *Percent Headed by a Female* | 0.382 | 0.593 | 0.318 |
| *Average Number of Children in Sample* | 0.662 | 0.893 | 0.590 |
| *Average Income Between 1990 and 1994* | 26,877 | 17,347 | 28,839 |
| *Average Rent Paid in 1991* | 4942 | 3787 | 5301 |
| ***Percent Making Transition to Home Owning*** | **0.247** | **0.119** | **0.287** |
| *Percent Experiencing Financial Distress 91-96* | 0.302 | 0.336 | 0.291 |
| *Percent Experiencing Unemployment 91-96* | 0.311 | 0.381 | 0.288 |
| *Percent Who Went Bankrupt 85-95* | 0.054 | 0.031 | 0.061 |
| *Percent Who Owned a Bank Account in 1994* | 0.650 | 0.380 | 0.734 |

All variables reported for 1996 unless otherwise indicated.
Sample Size: 1862 observations

**Table 2: Black/White Comparisons of Net Worth, Home Ownership Rates and House Value For 1994**

| | *Mean* | *Median* |
|---|---|---|
| ***A. Wealth (Net Worth)*** | | |
| Unconditional: Black | 43,365 | 9,435 |
| Unconditional: White/Other | 220,428 | 77,371 |
| Conditional Race Difference - Excluding Housing* | -24,292 | -8,112 |
| | (6,004) | (3,348) |
| Conditional Race Difference - Including Housing+ | -14,580 | -310 |
| | (5,763) | (2,432) |
| ***B. Home Ownership Rates*** | | |
| Unconditional: Black | 0.388 | |
| Unconditional: White/Other | 0.663 | |
| Conditional Race Difference * | -0.132 | |
| | (0.014) | |
| ***C. Housing Value (Conditional on Owning)*** | | |
| Unconditional: Black | 65,982 | 52,702 |
| Unconditional: White/Other | 120,248 | 94,864 |
| Conditional Race Difference * | -20,893 | -13,959 |
| | (4,286) | (3,232) |

Sample: All Households in the PSID in 1994. Full Sample Used, Regression Weighted Using Core Weights. The top/bottom 1% of the wealth distribution was truncated.

* Controls used in the OLS/Median Regression include: Age, Age Squared, Less than High School Education Dummy, Some College Dummy and College or More Dummy, Female Head Dummy, Marriage Dummy, Number of Children, and 5 Year Average Income Between 1990 and 1994.

+ Includes Above Controls in addition to whether the household owns their own home.

*For Conditional Regressions: The first column presents the results from an OLS regression. The second solumn (where applicable) presents the results from a quantile regression at the median. Where applicable, standard errors are shown in parentheses.*

## Table 3. Home Ownership Transition for 1991 Renters, and Source of Difference in Transition, by Race

| | Black | White | Race Gap |
|---|---|---|---|
| Became Home-Owner Between 1991 and 1996 | 0.12 | 0.29 | 0.17 |
| "Considered": Took Steps Acquire a Mortgage Between 1991 and 1996 | 0.17 | 0.33 | 0.16 |
| Applied for a Home Loan, Given "Considering" | 0.87 | 0.93 | 0.07 |
| Mortgage Application Rejected, Given Applying | 0.19 | 0.08 | -0.11 |

The data in this table are from multiple waves of the Panel study of Income Dynamics. See text for explanations.

**Table 4: OLS Regression Analysis of the Mortgage Application Decision With Standard Controls: (1862 observations)**

| | *I* | *II* | *III* | *IV* |
|---|---|---|---|---|
| *Black* | **-0.16** | **-0.07** | **-0.04** | **-0.06** |
| | (0.02) | (0.02) | (0.02) | (0.02) |
| *Dummy: Age < 35* | | **0.12** | **0.08** | **0.07** |
| | | (0.03) | (0.03) | (0.03) |
| *Dummy: 36< Age < 56* | | **0.11** | **0.06** | **0.05** |
| | | (0.03) | (0.03) | (0.03) |
| *Dummy: Education < high school* | | **-0.01** | **0.02** | **0.02** |
| | | (0.03) | (0.03) | (0.03) |
| *Dummy: Education > high school* | | **0.10** | **0.04** | **0.04** |
| | | (0.02) | (0.02) | (0.02) |
| *Dummy: Married in 1991* | | **0.30** | **0.19** | **0.17** |
| | | (0.02) | (0.02) | (0.03) |
| *Dummy: Became Married, 1991-1996* | | **0.33** | **0.24** | **0.22** |
| | | (0.04) | (0.04) | (0.04) |
| *Dummy: Became Divorced, 1991-1996* | | **-0.23** | **-0.17** | **-0.17** |
| | | (0.05) | (0.05) | (0.05) |
| *# Children in 1991* | | **0.004** | **0.02** | **0.02** |
| | | (0.011) | (0.01) | (0.01) |
| *Change in Number of Children* | | **0.05** | **0.06** | **0.06** |
| | | (0.01) | (0.01) | (0.01) |
| *Mean Family Income, 1990-1994 * 10-5* | | | **0.82** | **1.01** |
| | | | (0.08) | (0.09) |
| *Mean Fam. Income, 1990-1994 Squared * 10-10* | | | **-0.27** | **-0.32** |
| | | | (0.04) | (0.04) |
| *Include Zip Code Size, Mean Income and Poverty Controls ** | **No** | **No** | **No** | **Yes** |
| *Constant* | **0.31** | **0.05** | **0.06** | **0.08** |
| | (0.01) | (0.03) | (0.06) | (0.06) |
| *R-Squared* | 0.02 | 0.19 | 0.24 | 0.24 |

All Regressions Are Weighted Using 1996 PSID Core Weights;. Standard Errors Are in Parenthesis; Sample Restricted to Renters in 1991 who remained in sample through 1996 and who paid yearly rents more than $0 and less than $15,000.

* As series of controls were added to capture the household's area of residence while they were renting in 1991. Controls include: Dummies for whether, in 1991, the household lived in a large metropolitan area, a small metropolitan area, or a large rural area. (The excluded group was small rural areas). Also included were the mean level of income in the households zip code in 1991 and the percent of households with income less than $15,000 in the zip code where the household resided in 1991.

**Table 5: OLS Regression of Rental Payments in 1991**
**(1862 observations)**

| | *I* | *II* | *III* | *IV* |
|---|---|---|---|---|
| *Black* | **-993.9** | **-13.9** | **122.6** | **-721.6** |
| | (152.1) | (131.9) | (136.1) | (309.9) |
| *Age < 35* | | **-729.8** | **-627.7** | **-796.8** |
| | | (156.2) | (149.8) | (158.7) |
| *36< Age < 56* | | **-750.2** | **-421.7** | **-537.5** |
| | | (171.1) | (164.4) | (177.8) |
| *Black* (Age < 35)* | | | | **1097.2** |
| | | | | (345.6) |
| *Black *(36< Age < 56)* | | | | **846** |
| | | | | (365.3) |
| *Married in 1991* | | **364.7** | **682** | **692.3** |
| | | (136.6) | (128.6) | (128.8) |
| *Any Young Children?* | | **172.7** | **334** | **308.5** |
| | | (136.1) | (128.3) | (128.4) |
| *Mean Income, 1989-1993* | | **0.1** | **0.1** | **0.1** |
| | | (0.01) | (0.01) | (0.01) |
| *Mean Income, 1989-1993 – Squared * 10-7* | | **-3.28** | **-1.58** | **-1.65** |
| | | (0.58) | (0.554) | (0.55) |
| *Number of Rooms in Rental Unit* | | **72.8** | **160.7** | **163** |
| | | (34.2) | (33.3) | (33) |
| ***Controls for Features of Rent Payments**: Rent is Government Subsidized**,** Rent Includes Heat, Unit in a Housing Project* | | | **Yes** | **Yes** |
| ***Controls for Rental Unit Type**: Apartment, Condo, Unit in Two Family Home*, *Rental Unit is Apartment* | | | **Yes** | **Yes** |
| ***Controls for Characteristics of Rental Location**: % of Rental Units Vacant in Zip Code, % Persons in Poverty in Zip Code* | | | **Yes** | **Yes** |
| ***Controls for Rental Unit Location**: Large Urban Area, Small Urban Area, Large Rural Area* | | | **Yes** | **Yes** |
| *Constant* | **5120.5** | **2590.8** | **808.6** | **886.5** |
| | (70.8) | (199.8) | ( 369.3) | (369.3) |
| *Adjusted R-Squared* | 0.02 | 0.35 | 0.44 | 0.45 |

All Regressions Are Weighted Using 1996 PSID Core Weights. Standard Errors Are in Parenthesis. The regressions also include controls for the household head's education. Young children are defined as households with children less than age 17 living with them.

## Table 6: OLS Regression Analysis of the Application Decision with Additional Controls

| | *Rental Market Controls ** | *Valuation Controls ** | *Down-payment Controls *** |
|---|---|---|---|
| *Black* | **-0.06** | **-0.06** | **-0.05** |
| | (0.02) | (0.02) | (0.03) |
| *Rent Paid in 1991 * 10-5* | **-0.90** | **-0.70** | **-0.65** |
| | (0.44) | (0.44) | (0.50) |
| *Dummy: Unemployed anytime 91-96* | | **-0.06** | **-0.04** |
| | | (0.02) | (0.02) |
| *Dummy: Mild Financial Distress 91-96* | | **-0.05** | **-0.03** |
| | | (0.02) | (0.02) |
| *Dummy: Severe Financial Distress 91-96* | | **-0.21** | **-0.21** |
| | | (0.12) | (0.12) |
| *St.Dev of income relative to average income between 90-94* | | **0.006** | **0.002** |
| | | (0.01) | (0.01) |
| *Dummy: Liquid Assets in 1989 < $7200* | | | **-0.05** |
| | | | (0.03) |
| *R-Squared* | 0.01 | 0.25 | 0.22 |
| *Sample Size* | 1862 | 1862 | 1445 |

All regression results are weighted and standard errors are in parenthesis.

* Main sample used: all renters in the *PSID* in 1991 who remained in the sample through 1996 and who had rents greater than $0 and less than $15000. The regression also included all the variables in Table 4 as additional controls.

** In order to use 1989 wealth information, we had to restrict our base sample to households who were also in the sample in 1989 – which reduced the sample size slightly. The results found in the first two columns of this table were essentially unchanged when ran on the more restrictive sample.

**Table 7: OLS Regression of Being Rejected for a Mortgage Loan: (522 observations)**

| | *I* | *II* | *III* |
|---|---|---|---|
| *Black* | **0.11** | **0.08** | **0.07** |
| | (0.04) | (0.04) | (0.04) |
| *Dummy: Age < 35* | | **0.14** | **0.10** |
| | | (0.05) | (0.05) |
| *Dummy: 36< Age < 56* | | **0.06** | **0.02** |
| | | (0.04) | (0.05) |
| *Dummy: Education < high school* | | **-0.10** | **-0.13** |
| | | (0.04) | (0.05) |
| *Dummy: Education > high school* | | **-0.07** | **-0.05** |
| | | (0.03) | (0.03) |
| *Dummy: Married in 1991* | | **-0.06** | **-0.05** |
| | | (0.03) | (0.03) |
| *Dummy: Became Married, 1991-1996* | | **0.03** | **0.05** |
| | | (0.04) | (0.04) |
| *Dummy: Became Divorced, 1991-1996* | | **0.14** | **0.10** |
| | | (0.08) | (0.09) |
| *Mean Family Income, 1990-1994 * 10-5* | | | **0.13** |
| | | | (0.13) |
| *Mean Fam. Income, 1990-1994 Squared * 10-10* | | | **-0.07** |
| | | | (0.07) |
| *Dummy: Unemployed any time between 1991 and 1996* | | | **0.09** |
| | | | (0.03) |
| *Dummy: Experienced mild financial distress 91-96?* | | | **0.04** |
| | | | (0.03) |
| *Dummy: Experienced extreme financial distress 91-96?* | | | **0.18** |
| | | | (0.14) |
| *Dummy: Declared bankruptcy between 85 and 95?* | | | **-0.04** |
| | | | (0.05) |
| *Dummy: Owned a bank account in 1994?* | | | **-0.10** |
| | | | (0.04) |
| *The Standard Deviation of household income 1990-1994 relative to average income over the same period?* | | | **-0.04** |
| | | | (0.05) |
| *Dummy: Net worth less than or equal to zero* | | | **0.08** |
| | | | (0.04) |
| *Dummy: Net worth between zero and $7200 in 1994?* | | | **0.06** |
| | | | (0.04) |
| *Constant* | **0.08** | **0.06** | **0.11** |
| | (0.01) | (0.05) | (0.06) |
| *R-Squared* | 0.02 | 0.08 | 0.14 |

***Sample: All households in our rental sample who applied for a mortgage between 1991 and 1996***
*All Regressions Are Weighted Using 1996 PSID Core Weights. Standard Errors Are in Parenthesis*
*See text for description of our measures of financial distress and the net worth measure.*

**Table 8: OLS Regression of Interest Rates Paid for New Homebuyers**
**Sample: Renters in 1991 who became home owners by 1996 and applied for a mortgage**
**(329 observations)**

| | *I* | *II* |
|---|---|---|
| *Black* | **-0.15** | **-0.19** |
| | (0.25) | (0.23) |
| *Age < 35* | | **-0.05** |
| | | (0.33) |
| *36 < Age < 56* | | **0.06** |
| | | (0.33) |
| *Less than high school education* | | **0.56** |
| | | (0.31) |
| *More than high school education* | | **-0.28** |
| | | (0.16) |
| *Divorced between 1991 and 1996* | | **1.56** |
| | | (0.72) |
| *Mean Income, 1989-1993 * 10-5* | | **-0.51** |
| | | (0.29) |
| *Variable Rate Mortgage* | | **-0.65** |
| | | (0.18) |
| *VA Loan* | | **-0.12** |
| | | (0.31) |
| *FHA Loan* | | **-0.55** |
| | | (0.17) |
| *Government Loan* | | **-0.49** |
| | | (0.38) |
| *Mild Financial Distress* | | **0.34** |
| | | (0.18) |
| *Experience Unemployment Spell Between 1991 and 1996?* | | **0.01** |
| | | (0.18) |
| *Experience Bankruptcy Between 1985 and 1995?* | | **0.50** |
| | | (0.32) |
| *Loan to Value Ratio > 0.8* | | **-0.03** |
| | | (0.07) |
| *Year Dummies(1992 – 1996)* | **No** | **Yes** |
| *Constant* | | **9.46** |
| | | (0.43) |
| *R-Squared* | **0.001** | **0.25** |

All Regressions Are Weighted Using 1996 PSID Core Weights. Standard Errors Are in Parenthesis.

***Table 9a: Sources of Household Mortgage Down Payments***

| | ***Percent Solely From Savings*** | ***Percent Solely From Family*** | ***Percent Solely From Other*** | ***Percent From Both Saving and Family*** |
|---|---|---|---|---|
| ***White*** | 0.54 | 0.15 | 0.17 | 0.12 |
| ***Black*** | 0.88 | 0.06 | 0.05 | 0.02 |

***Table 9b: Linear Probability Estimates of Family Help in Financing Down Payments***

| | ***Down Payment Solely From Family*** | | ***Down Payment Partially From Family*** | |
|---|---|---|---|---|
| Black | **-0.10** | **-0.12** | **-0.17** | **-0.17** |
| | (0.05) | (0.05) | (0.06) | (0.07) |
| *Age < 30* | | **0.13** | | **0.23** |
| | | (0.09) | | (0.12) |
| *29< Age < 40* | | **0.09** | | **0.14** |
| | | (0.09) | | (0.11) |
| *39 < Age < 50* | | **0.03** | | **0.09** |
| | | (0.09) | | (0.12) |
| *49 < Age < 60* | | **0.13** | | **0.23** |
| | | (0.11) | | (0.13) |
| *Mean Income, 1991-1996 *10-5* | | **-0.13** | | **0.20** |
| | | (0.07) | | (0.09) |
| *Constant* | **0.11** | **0.09** | **0.19** | |
| | (0.02) | (0.09) | (0.02) | |
| *R-Squared* | 0.01 | 0.03 | 0.02 | 0.04 |

The entries in Table 9a and 9b are for the portion of the 1991 "Renter" who bought homes by 1996. See Text for discussion. Data are from the *PSID*.