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**Personal choice seen as main reason
for metro Milwaukee segregation**

*Public Policy Forum housing survey finds
most people are satisfied with where they live*

MILWAUKEE, Wis. – *September 7, 2004* -- Personal choice is seen as the main reason for segregation in southeastern Wisconsin, according to the latest housing survey, *Housing, Diversity and Choices: A Metro Milwaukee Opinion Survey*, done by the Public Policy Forum, a nonpartisan, nonprofit research organization.

“While Milwaukee’s segregation can be explained in part by housing affordability and discriminatory practices, the survey shows that choice or cultural affinity also is important in understanding why people live where they do,” said Jeff Browne, the forum’s president.

Telephone interviews with a representative sample of 800 households in Milwaukee, Waukesha, Washington, and Ozaukee counties found that almost two-thirds of all survey participants agree that the main reason metro Milwaukee is segregated is because people of different races choose to live in communities with people of their own race. Among

African Americans, 51% said their ideal neighborhood would be mostly African American.

Browne added, however, that “choice means different things to different people.”

Almost two-thirds of white respondents and half of Hispanic respondents believe African American families and white families with the same incomes have the same choices and opportunities in the housing market. Less than a third of African Americans agree with this statement.

For example, the survey found that the average mortgage interest rate for whites on a 30-year loan is 5.7%. For African Americans, it's 8.13%. Over the life of a \$100,000 loan, that means almost an additional \$59,000 in interest, or 28% more.

The survey also showed that 85% of metro Milwaukee residents are satisfied with their neighborhood. Broken down by race, 90% of whites, 69% of African Americans and 77% of Hispanics are satisfied.

Nevertheless, the survey found there are limitations on housing choice. Twenty-two percent of African Americans and 15% of Hispanics strongly disagree with the statement that metro Milwaukee is segregated because people of different races choose to live in communities with people of their own race.

African Americans are twice as likely as whites to say that getting approved for a loan was a big problem and four times more likely to have a problem with access to government assistance. Both Hispanics and African Americans are twice as likely as whites to label the helpfulness of a real estate agent and finding a welcoming neighborhood as big problems when looking for a home.

“There are real constraints for African Americans and Hispanics when it comes to obtaining a home loan with a favorable interest rate and building equity in their current homes,” Browne said. “Policymakers can act to lift constraints on the housing choices of minorities where they exist, but first they must understand the detrimental role housing segregation plays in the economic stability of the region.”

Fifty-three percent of African Americans in the survey reported the value of their home to be under \$75,000, compared to 14% of Hispanics and two percent of whites.

Browne said that southeastern Wisconsin’s economy is consequently “weakened when a family is inhibited in its ability to build equity or convert equity to cash, as minority survey respondents appear to be.”

Ways that policymakers could alleviate housing choice limitations for low income and minority families include:

- Encouraging prime lenders to use alternate methods of scoring credit ratings, such as timeliness of rent, telephone, and/or utility payments.
- Encouraging legislation that would allow homeowners who pay mortgage insurance premiums to deduct them from their federal returns.
- Integrating housing policy with transportation, education, public safety, and environmental policy.

Other key survey findings are:

- Fewer than one in five white respondents (17%) would select a city of Milwaukee neighborhood compared to 50% of African Americans and 29% of Hispanics.
- Thirty-three percent of Hispanics would not want to live on Milwaukee's north side, while 27% of African Americans would not want to live on Milwaukee's south side.
- One third of African Americans believe Hispanics have the same choices and opportunities as whites, whereas 55% of Hispanics themselves believe they enjoy equal opportunities.
- Hispanics pay an average of 9% more than whites for the same 30-year mortgage.

- Public transportation is more important to African Americans and Hispanics when deciding where to live.

According to an earlier housing survey, *Embracing Diversity*, done by the Public Policy Forum in 2002, Milwaukee is the third most racially segregated metropolitan area in the country behind Detroit and Gary, Ind.

This latest survey was commissioned by the Local Initiatives Support Corporation, the Greater Milwaukee Foundation, M&I Bank, Milwaukee County, the Helen Bader Foundation, and the Wisconsin Housing and Economic Development Authority (WHEDA).

The Public Policy Forum is a membership organization of business, labor, education, nonprofit civic, and government leaders. Its mission is to enhance the effectiveness of government in southeastern Wisconsin through objective research of public policy issues.