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## Latino Shelter Poverty in Massachusetts

Michael E. Stone

*University of Massachusetts Boston*, [michael.stone@umb.edu](mailto:michael.stone@umb.edu)

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The Mauricio Gastón Institute  
for Latino Community Development  
and Public Policy

## Latino Shelter Poverty in Massachusetts

by Michael Stone

*Latinos experience the greatest incidence of housing affordability problems of any of the 4 largest racial/ethnic groups in Massachusetts.*

—Michael Stone, p. 79, *Latinos in New England*

### At-a-Glance

There were about 121,000 Latino-headed households in Massachusetts in 2000 – nearly 5% of all households, an increase from 3.5% in 1990. The median annual income for Latino-headed households was \$27,400 in 2000. About one-third of Latino households had annual incomes of less than \$15,000; one-third had between \$15,000 and 40,000; and one-third had incomes of \$40,000 or more. The median Latino household size was 3 persons. 78% of Latino-headed households rented housing, and only 22% were homeowners.

### Measuring Housing Affordability

*Approximately three out of five Latino renters and one out of three Latino homeowners are “shelter poor.”*

There are two ways of measuring housing affordability. Conventionally, housing affordability is measured by a simple and universal standard that housing costs of 30% or less of a household’s income are “affordable,” housing costs of over 30% are “unaffordable,” and housing costs of over 50% are considered “worst case housing needs.”

The measure of shelter poverty is more realistic. Shelter poverty takes into account that non-housing costs are “limited by how much income is left after paying for housing” (Stone 81). This concept of housing affordability recognizes that a universal percentage cannot measure affordability. For example, a household of 5 people living at or below the poverty level cannot afford to spend 30% of its income on housing and still adequately maintain its nonhousing needs, while a household of 3 people making, for instance, \$100,000 annually can easily afford to spend 30% of income or more on housing and still maintain its nonhousing needs.

Incomes and housing affordability for Latinos in 2000 varied greatly between renters and homeowners, so it is essential to examine housing affordability separately for renters and for homeowners.

**Shelter Poverty:** “A household is shelter poor if it cannot meet its nonhousing needs (including food, clothing, medical care and transportation) at some minimum level of adequacy after paying for housing” (Stone 81)



## Latino Renters: Households, Incomes, and Shelter Poverty

In 2000, Massachusetts had 95,000 Latino-headed renter households. The median income for Latino-headed renter households was \$21,000, compared to \$30,000 for all renter households, \$25,000 for Black non-Latino renter households, and \$32,000 for both Asian-American and White renter households. One quarter of Latino renter households had an annual income of less than \$10,000.

Over 60% (58,000) of Latino renter households were shelter poor in 2000. These households had a median income of \$12,700 and a median household size of 3.2 persons. Shelter poor renters were disproportionately Latina single parent families.

TABLE 1: LATINO RENTER HOUSEHOLDS WITH AFFORDABILITY ISSUES IN MA, 2000

	Number of Households	Percentage of Households	Median Income	Median size
Shelter Poor	57,900	61.2%	\$12,700	3.2
Paying 50% or more of income for housing	23,600	25.0%	\$7,400	2.7
Paying 30% or more of income for housing	43,400	45.9%	\$11,500	2.7

When looking at housing affordability in terms of shelter poverty, Latino renters had a much higher rate (61%) than any other group. By contrast, on the conventional measure (paying over 30% of income for housing), all renters of color had similar rates (about 45%) of affordability problems, while the rate of 39% for white renters was considerably lower.

## Latino Homeowners: Households, Income, and Shelter Poverty

Only 22% (26,000) of Latino households in 2000 were homeowners, the lowest homeownership rate of any major ethnic group in Massachusetts, compared to about 32% of Black non-Latino households, 41% of Asian American households, and 67% of White non-Latino households. Even for Latino-headed households that fell into the income range of \$40,000 or more, only 43% of these households were homeowners, as compared to 75% for all Massachusetts households with an income over \$40,000.

Latino homeowner households differed significantly from Latino renter households in 2000. The median household was size 3.6 persons, and the median household income was \$57,000. Nearly 33% of Latino homeowners were shelter poor, as compared to 61% of Latino renter households. The median income for shelter poor Latino homeowners was \$31,600, and the median size of these households was 3.8 persons. Latino homeowners had the highest rate of shelter poverty of all major groups, but the disparity was much less than it was for renters.

TABLE 2: LATINO HOMEOWNER HOUSEHOLDS WITH AFFORDABILITY ISSUES IN MA, 2000

	Number of Households	Percentage of Households	Median Income	Median size
Shelter Poor	8,600	32.9%	\$31,600	3.8
Paying 50% or more of income for housing	4,000	15.4%	\$22,400	3.3
Paying 30% or more of income for housing	8,900	33.7%	\$32,700	3.4

## Trends in Housing Affordability

The number of Latino renter households increased from 64,800 in 1990 to 94,600 in 2000, which is a growth of 45%. Latino households increased from 7.1% of all renters to 10.1% of all renters. Adjusted for inflation, the median income for Latino renters was 10% less in 2000 than in 1990. The number of shelter poor Latino renters increased by 51%, from 38,300 in 1990 to 57,900 in 2000.

From 1990 to 2000 the number of Latino homeowners nearly doubled, from 13,500 to 26,300. Unfortunately, the expansion of homeownership also led to a near doubling of the incidence of shelter poverty for Latino homeowners, from 17% in 1990 to 33% in 2000.

TABLE 3: HOUSEHOLDS WITH AFFORDABILITY ISSUES BY RACE AND TYPE IN MA, 2000

Race	Percentage of Renter Households			Percentage of Homeowner Households		
	Shelter Poor	Paying over 50% of income	Paying over 30% of income	Shelter Poor	Paying over 50% of income	Paying over 30% of income
All	36.4%	19.8%	40.4%	20.6%	9.5%	26.4%
Latino	61.2%	25.0%	45.9%	32.9%	15.4%	33.7%
Black	48.2%	23.8%	45.5%	30.7%	16.5%	34.9%
Asian	45.3%	26.0%	45.6%	28.8%	11.4%	30.2%
White	31.4%	18.5%	38.8%	19.9%	9.2%	26.0%

## Addressing Latino Shelter Poverty

### Shelter-Poor Latino Renters

This group has an extremely high incidence of shelter poverty and extremely low incomes, and a majority of these households are female headed. This points to the need for strategies that combine income development with housing support, focused primarily in the cities and neighborhoods with concentrations of very low income Latino/a renters. On the one hand, unless they can increase their incomes substantially they will remain shelter poor; housing subsidies alone will not be sufficient, even if more subsidies were available. On the other hand, without secure tenure and manageable housing costs, the daily struggle for survival makes it exceedingly difficult, if not impossible, for many Latina mothers to obtain basic education, skills and access to jobs.

### Moderate Income Latino Renters

The focus for addressing shelter poverty for these households has primarily been homebuyer/homeownership programs, but as rising rates of mortgage foreclosure are revealing, those

households with incomes \$20,000 to \$40,000 generally need a greater level and stability in income in order for conventional homeownership can be successful for them. One suggestion to address the housing needs of these households is ownership through resident-controlled cooperatives, mutual housing associations and community land trusts that provide more security than conventional homeownership, as well as providing experience in resident control and community building.

### Shelter Poor Latino Homeowners

For shelter poor Latino homeowners there is a grave need for public programs to provide mortgage relief and the prevention of foreclosures.

TABLE 4: APPROACHES TO HOUSING PROBLEMS

	Current Efforts	Proposed Efforts
Low-Income Renters	Individualized housing vouchers	Community-based housing subsidies and support services for households seeking to increase income (e.g. child care, ABE)
Moderate-Income Renters	Conventional Homebuyer / Homeownership Programs	Ownership through low-risk cooperatives, mutual housing associations and land trusts
Shelter Poor Homeowners		Public program for mortgage relief and prevention of foreclosure

## Conclusion

“Latinos are the largest population of color in Massachusetts and one of the fastest growing. They face some of the most severe housing challenges that deserve the attention of all responsible policy makers and citizens. Yet Latinos themselves have the opportunity and responsibility to exert leadership in confronting not only Latino shelter poverty, but also shelter poverty in general as a fundamental failure of the institutions of our society and economy” (Stone 98).

### Source:

Michael E. Stone. “Latino Shelter Poverty in Massachusetts.” In Andres Torres, ed. 2006. Latinos in New England. Philadelphia: Temple University Press, pp. 79-99.

Summary prepared by Sarah Hogue.