

Why are there Gaps in LGBTQ+ Homeownership?

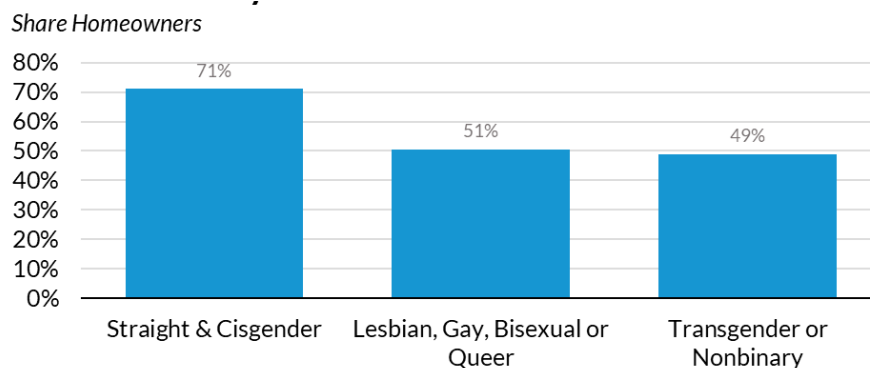
Fact Sheet

Katie Visalli, Aniket Mehrotra, Matthew Pruitt and Todd Hill

The homeownership rate among lesbian, gay, bisexual, transgender, and queer (LGBTQ+) people is 20 percentage points lower than the rate for people who identify as straight and cisgender. Previous research on LGBTQ+ homeownership and wealth building has been sparse. Our analysis closes some of this knowledge gap by identifying demographic trends that contribute to differences in homeownership rates by both sexual orientation and gender identity.

FIGURE 1

Homeownership Rates by Sexual Orientation and Gender Identity



Source: Household Pulse Survey and Urban Institute Calculations

KEY TRENDS

Age accounts for about half of the difference in homeownership rates by sexual orientation and gender identity. LGBTQ+ people are much younger, on average, than the rest of the population. Younger households have had less time to accumulate the savings and credit needed to buy a home, and form households through marriage and having children.

Marriage has a lower economic impact for LGBTQ+ couples than for straight and cisgender couples. After accounting for age, income, and educational attainment, homeownership rates for straight married couples are 16 percentage points higher than for straight single households, but the marriage premium for lesbian, gay, or bisexual married couples is only about 12 percentage points. We see a similar pattern by gender identity.

Gaps in income are more pronounced by gender identity than by sexual orientation. Amongst unmarried people, 61 percent of transgender or nonbinary people earn less than \$50,000 a year, versus only 52 percent of lesbian, gay, bisexual, or queer people and 50 percent of straight and cisgender people.

Costs of living are likely disproportionately high for LGBTQ+ people.

LGBTQ+ population shares are lowest in states with more exclusionary social policies and highest in LGBTQ+-inclusive states, which tend to have higher costs of living.

Intersections of race and ethnicity and LGBTQ+ identity create a double disadvantage in access to homeownership for LGBTQ+ people of color. All Black households are already 27 percentage points less likely to own their homes than white households, but Black LGBTQ+ households are 42 percentage points less likely to own than white non-LGBTQ+ households.

POLICY SOLUTIONS

Promoting equal access to homeownership for LGBTQ+ people will require a collaborative effort between policymakers and housing and mortgage industry stakeholders.

- **Advance LGBTQ+ Data Equity.** Continued analysis of these trends is difficult without the availability of high-quality data. The Biden administration has already [outlined a framework to advance LGBTQ+ data equity](#), and the Consumer Financial Protection Bureau can consider adding questions on sexual orientation and gender identity on mortgage applications and [reporting this data for Home Mortgage Disclosure Act purposes](#), which would allow for much more robust analyses of trends in LGBTQ+ homeownership.
- **Address barriers to mortgage credit for LGBTQ+ people.** Down payment assistance for first-time or first-generation homebuyers can have a considerable impact for LGBTQ+ households. Solutions that target the specific needs of [Black](#) and [Latine](#) households would also support many LGBTQ+ households. Increasing the supply of affordable homes, particularly in higher-cost markets where LGBTQ+ people are concentrated, will be vital. Lastly, other specific barriers – such as [name accuracy in credit reporting](#) – should continue to be addressed with policy action.
- **Strengthen antidiscrimination protections.** The Department of Housing and Urban Development [has taken steps to enforce housing and mortgage market protections for LGBTQ+ people](#), but codification of protections on the basis of sexual orientation and gender identity by Congress can preserve these protections.

ADDITIONAL READING

[Why are there Gaps in LGBTQ+ Homeownership?](#) (Brief)

Katie Visalli, Aniket Mehrotra, Matthew Pruitt, and Todd Hill

[Three Trends in LGBTQ+ Homeownership Underscore Research and Policy Needs](#) (Blog)

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