

*CHANGING CONSUMPTION IN THE RENTAL HOUSING MARKET WITH
CHANGES IN HOUSEHOLD COMPOSITION*

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ABSTRACT

Rental housing has become the permanent form of tenure for households not having the income to enter into home ownership. Those renter households are predominantly composed of single parents, single persons and unrelated persons living together. Husband-wife households are becoming a minority in rental housing. Tract-level data are analyzed to examine the rental housing occupied by these households not formed around a married couple. The results indicate that households with children tend to rent larger units of lower quality, while households without children tend to do the opposite. Black, single-parent, female-headed households tend to rent housing of declining quality in neighborhoods experiencing deterioration suggesting the failure of the marketplace to adequately provide for this subpopulation.

INTRODUCTION

During the past decade, rental housing in the United States has changed in the types of households that make up its population. The changes can be characterized by the loss of traditional, husband-wife households and by the growing dominance of single-parent households and households composed of unrelated individuals. Between 1970 and 1980, despite a decline in the real cost of renting, there was rapid movement out of rental tenure and into home ownership. This was especially true among husband-wife households. A shift in the demographic characteristics of the rental population occurred with a greater proportion now being single-parent and non-family households.

The purpose of this study is to examine these changes in a typical rental market. It seeks to identify the trends in the process from 1970 to 1980 to see if households with different compositions are able to rent apartments with comparable quality.

DEMOGRAPHIC SHIFTS

Among renter households in 1970, 54 percent were composed of married couples. By 1980, that figure fell to 38 percent. In 1970, married couples comprised 78 percent of all home owners. By 1980, the percentage of husband-wife home owners had fallen to 73 percent. Thus, there was an overall drop in husband-wife households as a share of all households, but the drop was much greater among renters. This decrease moved husband-wife households from a position of dominance within the renter population in 1970 (greater than one-half) to a position as a minority by 1980 (only slightly over one-third) (U.S.

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Department of Commerce, 1972, 1983a).

The shift resulted largely from the relative cost of owning compared to renting. Throughout the 1970s, the inflation-adjusted cost of renting fell. Hendershott (1980), in developing an index of the inflation-adjusted costs of renting, finds that from 1970 to 1980, the index fell about 1.5 percentage points. This indicates that, in general, renting has become less expensive when compared to other consumer costs. Renting would have more popular had it not been for the even greater decline in the inflation-adjusted, after-tax cost of owning a home. According to Hendershott, the real cost of owning fell by approximately four percentage points between 1970 and 1980, making ownership the preferred option relative to renting. The decline in ownership costs is attributed to the combined effects of favorable tax treatment given to owners over renters and to the low real interest rates that existed during the '70s.

If a household could afford to buy a home in the '70s, it was wise to do so. If the household, however, did not have the income needed to buy a dwelling, renting was one of the few choices available. Because the income requirement was less of a barrier for the two-earner, largely husband-wife households, the tenure shift toward ownership bought with it a demographic change among the remaining renters. According to the U.S. Department of Commerce (1983b), husband-wife households tend to have significantly higher incomes than do other household types. In 1980, husband-wife households had a median income of \$23,141. For single-parent, female-headed households, the median 1980 income was \$10,408. For non-family, male-headed households, the median income was \$10,959. For non-family, female-headed households, the median was lower still at \$6,668.

With the declining presence of the traditional married households, the rental market shifted its role. It is no longer the form of housing adopted by families before and after child-rearing years. Increasingly, it is a permanent form of tenure for households with only one wage earner or for households with chronically low-incomes. The nation's housing is being divided between two-earner households who will own throughout their life-cycle and one-earner households who are permanently relegated to renting.

For the first time among renters, married couples no longer comprise the dominant household type. Unmarried individuals now make up the bulk of the renter population. This is an important phenomenon demographically. What is not certain is whether this new dominance in the rental market means that non-married households have the ability to rent the same quality of rental housing as married-couple households.

METHODS

The San Francisco-Oakland metropolitan area was the area selected for study, using data from the 1970 and 1980 Census. Tract summaries were used for five of the counties in the San Francisco Bay Area: Alameda, Contra Costa, Marin, San Francisco, and San Mateo. While this does not include all of the counties in the entire Bay Area, it does include those inner, urbanized counties most commonly associated with the metropolitan area.

The Bay Area marketplace provided an adequate area for this type of exploration. It had a set of well-defined markets along spatial as well as demographic dimensions covering a wide range of households in terms of race, income and household composition. During the 1970s, the demographic characteristics of the rental population paralleled the national trend. According to

U.S. Census reports for 1970 and 1980, married-couple households fell from 53 percent in 1970 to 38 percent. The Bay Area is an expensive market for home ownership. However, its rental market is fairly typical of other urban markets. Rents there are slightly higher (a median of \$292 in 1980) relative to the nation as a whole (a median of \$243 in 1980). However, incomes are also higher, producing approximately the same rent-to-income ratio (26 percent for the Bay Area and 25 percent for the nation). Vacancy rates are also comparable.

Because U.S. Census data are aggregated to tract counts, it was not possible to directly analyze individual households in terms of their housing unit, household composition and neighborhood characteristics. The analysis was performed using tract-level summary statistics describing the housing characteristics of each tract along with the incidence of each household type in the tract. These types were: 1) family, married, couple; 2) family, male-head with no wife present; 3) family, female-headed with no husband present; and 4) non-family, primarily individual households.

To statistically determine whether household composition influences the type of housing unit rented, several least-squares regression models were prepared. These regression models were designed to determine how the percentages of each of the four household types in the tract were associated with several characteristics of the housing market. The characteristics included housing-unit size, housing-unit quality, and neighborhood quality after controlling for the effects of income and race. The relationships found indicated whether or not the spatial concentration of different household types was associated with different qualities of rental housing consumption. More importantly, the relationships indicated whether these differences resulted from discriminatory practices by landlords against certain types of households.

The dependent variables for the regression models were the percentages of each of the four household types among the total renter population within the tract taken from the 1980 Census. The independent variables were derived from two sources with separate analysis for each. The first set described the tract's housing stock in 1980. This set of independent variables described the rental housing stock at the end of the decade. During that time, non-married couple households rose to a dominant position among the renter population. The second set of independent variables described the changes in the housing stock over the period from 1970 to 1980. Where the first set described the absolute quality level of rental housing, the second set described the trends in the submarkets from improving to deteriorating. For this trend analysis, the data was aggregated using the tract boundaries as defined for the 1970 Census so comparison of 1970 and 1980 data reflected the same spatial areas.

The data were stratified into two groups, one for predominantly white tracts and one for predominantly black tracts. Separate analysis was performed with each group of tracts in recognition of the different housing markets that exist for each racially defined population.

Using the data from the 1980 Census, a set of factors were derived from a list of variables. Factor analysis was used to construct the independent variables in lieu of using the variables directly in the regression models because of the high level of correlation among them. The independent variables derived in this manner, along with their contributions to each factor, are listed in Figures 1-2.

Figure 1. Factor analysis of tract-level summaries of housing, neighborhood income and income characteristics for 1980

Factor Pattern Matrix: Predominantly White Tracts

Factor Loadings Greater than 0.300

VARIABLE	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
	Unit Size	Unit Quality	Neighborhood Investment	Income 1980
Bedrooms/unit	0.85			
Percent multi-family	-0.82			
Persons/unit	0.78			
Bathrooms/unit	0.42		0.36	
Incomplete kitchen		-0.53		
Incomplete plumbing		-0.86		
Additions to stock			0.74	
Turnover			0.57	
Percent boarded			(-0.09)	
Median income				0.80
Percent poverty				-0.62

Data: 493 tracts with non-white renters comprising less than 30 percent of the renter population

Method: Factor analysis performed with principal axis extraction and oblique rotation

Four factors were constructed from the analysis to correspond with four major characteristics of rental housing submarkets. The first of these factors described the size of the rental housing within the submarket as well as the occupancy level. This factor contained the information found in the variables "bedrooms per unit" and "rooms per unit." It also included the variable "persons per unit." Thus, larger units tended to be more densely occupied units. A contribution to this factor was made in an inverse manner with the variable "percentage of rental units that were in multi-family structures". This explained the tendency of larger units to be located in single-family structures, while smaller units were found in multi-family structures.

The second factor described the quality of the rental units within the submarket independent of the size of the units. This factor combined the information from two variables measuring the percent of the rental stock that did not have complete amenities. These were the percent of units without a complete kitchen and the percent of units without complete plumbing.

The third factor described the condition of the submarket's housing stock in broader economic terms. This factor detailed economic health of the neighborhood and the extent of investor confidence in the area's continued vitality. The variable indicating the percentage of the total housing stock boarded up and

Figure 2. Factor analysis of tract-level summaries of housing, neighborhood and income characteristics for 1980

Factor Pattern Matrix: Predominantly Black Tracts

Factor Loadings Greater Than 0.300

VARIABLE	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
	Unit Size	Unit Quality	Neighborhood Investment	Income 1980
Bedrooms/unit	0.78			
Percent multi-family	-0.75			
Persons/unit	0.81			
Additions to stock	(-0.25)			
Incomplete kitchen		-0.88		
Incomplete plumbing		-0.92		
Bathrooms/unit		0.78		
Turnover			0.50	
Percent boarded			-0.46	
Median income				0.70
Percent poverty				-0.93

Data: 81 tracts with black renters comprising more than 70 percent of the renter population

Method: Factor analysis performed with principal axis extraction and oblique rotation

abandoned entered this factor inversely in the black submarket, but made no significant contribution in the white submarket. This reflected the greater degree of physical deterioration of the housing stock in areas dominated by black residents relative to areas dominated by white residents. Similarly, the variable noting the percentage of the housing stock built during the preceding five years contributed only to this factor in the white submarket. This reflected the lower level of investment in the housing stock in the black areas. The variable measuring turnover in the rental units in terms of percent of renters who moved into their unit recently also contributed to this factor. It suggests that mobility, rather than stability, better characterizes a healthy rental housing market.

The final factor described the income of renters in the submarket. This factor was composed of the tract's median household income. It also described the income distribution of the renters in the tract as the percentage of the renters who were below poverty level entered this factor in an inverse manner.

These four factors were used in the regression analyses as the independent variables. Because the tracts vary in size, it was necessary to weight each tract by the number of rental units within the tract and use generalized least squares in the estimation process. The results of these regressions are found in Table 1 (for tracts with greater than 70 percent white renters) and in Table 2 (for tracts with greater than 70 percent black renters).

Figure 3. Factor analysis of tract-level summaries of changes in housing and neighborhood characteristics from 1970 to 1980

Factor Pattern Matrix: Predominantly White Tracts

Factor Loadings Greater Than 0.300

VARIABLE	FACTOR 1 Increase Unit Size	FACTOR 2 Increase Unit Quality	FACTOR 3 Increase Neighborhood Investment
Change bedrooms/unit	0.80		
Change percent multi-family	-0.67		
Change persons/unit	0.45		
Change bathrooms/unit	0.39		
Change incomplete kitchen		-0.74	
Change incomplete plumbing		-0.66	
Change additions to stock			0.62
Change turnover			0.62

Data: 415 tracts with non-white renters comprising less than 30 percent of the renter population

Method: Factor analysis performed with principal axis extraction and oblique rotation

RESULTS FROM THE 1980 DATA

In general, all of the models are statistically acceptable. The exception to this is found in the models using the percentage of single-parent, male-headed families as the dependent variable. Relatively few households of this composition are present in the sample. The mean percentage of this type of household in each tract is under 4.0. Possibly because of the low amount of variation in this dependent variable, few of these models pass tests of acceptability. For the remaining models, the signs of coefficients are instructive in identifying the variations between the household types in terms of the rental markets in which they reside.

First, looking at the income factor, there is correlation between income and household composition for both races. That correlation would be predicted given the rank order of mean income by household type. The income factor is positively correlated with the husband-wife variable controlling for all other factors, while it is negatively correlated with female-headed families (see Tables 1 and 2). Single-parent households tend to have lower incomes than do married-couple households. Single-parent households are one wage-earner households, if the parent is a wage earner at all. This results in lower income and a higher

Figure 4. Factor analysis of tract-level summaries of changes in housing and neighborhood characteristics from 1970 to 1980

Factor Pattern Matrix: Predominantly Black Tracts

Factor Loadings Greater Than 0.300

VARIABLE	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4
	Increase Unit Size	Increase Unit Quality	Increase Nghbrhd Investment	Income 1980
Change bedrooms/unit	0.64		0.33	
Change percent multi-family	-0.31			
Change bathrooms/unit	0.45			
Change incomplete kitchen		-0.79		
Change incomplete plumbing	-0.36	-0.74		
Change persons/unit		0.50		
Change additions to stock			0.54	
Change turnover			0.51	
1980 median income				0.85
1980 percent poverty				-0.87

Data: 73 tracts with black renters comprising more than 70 percent of the renter population

Method: Factor analysis performed with principal axis extraction and oblique rotation

incidence of poverty compared to two-earner households. The coefficient of income for non-family households, while lower than that for married-couple households, tends to be higher than that of single-parent households. With non-family households, the lower income coefficient may be due to where they fall in terms of life-cycle earning periods. Such households tend to be made up of either young individuals or the elderly. In either case, there is a tendency for these nonfamily households to be in their low-earning years. This middle position on the income spectrum, below married-couple households (but above single-parent households), produces a negative nonsignificant coefficient in the white market model and a positive coefficient in the black submarket.

What is important for this analysis is that income factors generally prove to be significant. The remaining factors, therefore, can be interpreted as describing the percentage of each household type within the submarket after controlling for the effects of income.

Given the control entered for income, the next area of concern deals with the size of the rental unit. For both races, families (married couples, and single-parent households) rent larger units than do one-person households. That is to be expected given the presence of children in the household. Families are all positively correlated with unit size while non-family households are inversely correlated with size.

Table 1. Weighted least-squares estimates: Percentage of renter household typed regressed on factors describing the rental housing stock controlling for income

Predominantly White Tracts				
INDEPENDENT VARIABLE	DEPENDENT VARIABLE			
	Percent Husband-wife family	Percent Male-headed family	Percent Female-headed family	Percent Non-family household
Rental unit size	12.46 (22.80)	0.96 (7.03)	4.40 (13.90)	-17.82 (27.56)
Rental unit quality	-1.34 (2.60)	-0.02 (0.18)	0.90 (2.98)	0.47 (0.77)
Rental stock investment	0.65 (0.99)	0.05 (0.28)	-1.14 (0.37)	-0.55 (0.72)
Income	2.67 (4.35)	-0.15 (1.06)	-1.89 (5.34)	-0.61 (0.85)
Constant	36.97	3.40	11.77	47.84
R ²	0.94	0.72	0.844	0.98

Data: 493 tracts with non-white renters comprising less than 30 percent of the tract's renter population

"t" scores in parentheses

This suggests that there is a division between the submarkets for families and non-family households as a function of the size of the unit. As expected, families tend to rent larger units at higher occupancy levels than do non-family households.

Within family households, there are differences by race. Among whites, rental markets with larger units are more likely to attract husband-wife families than female-headed families. Among blacks, rental markets with larger units are more likely to attract female-headed families than husband-wife families. It is possible that the services desired by single-parents are located differently within the black markets; they may be in closer proximity to larger units rather than further away. This may explain the tendency of female-headed families in black submarkets to be associated with larger units relative to both their white counterparts and the married-couple households within the black submarkets.

Discrimination may also be the source of the different relationships found between the types of black families. It may be that, in those submarkets to which blacks have access, the larger units are the least desirable units because of their age and condition.

Table 2. Weighted least-squares estimates: Percentage of renter household type regressed on factors describing the rental housing stock controlling for income

Predominantly Black Tracts				
INDEPENDENT VARIABLE	DEPENDENT VARIABLE			
	Percent Husband-Wife Family	Percent Male-headed Family	Percent Female-headed Family	Percent Non-family Household
Rental unit size	3.34 (3.49)	0.98 (2.74)	9.49 (13.84)	-13.81 (14.35)
Rental unit size	-4.53 (5.37)	-0.48 (1.53)	1.97 (3.01)	3.05 (3.58)
Rental Stock investment	1.55 (1.62)	0.57 (1.60)	-2.05 (2.76)	-0.08 (0.08)
Income 1980	2.86 (3.10)	0.41 (1.19)	-5.30 (7.43)	2.03 (2.18)
Constant	23.42	4.90	32.20	39.48
R ²	0.93	0.79	0.98	0.98

Data: 81 tracts with black renters comprising more than 70 percent of the tract's renter population

"t" scores in parentheses

In black submarkets, the larger housing units may be older and subject to more deterioration and disinvestment than is true for the white submarkets. The more desirable units in the black submarkets may be newer, smaller units that are in better condition. If so, discriminatory practices against single-parent households in black submarkets would account for the observed relationships.

Another possible explanation for the differences between husband-wife and single-parent families of either racial category may be found by examining the relationships of both unit size and unit quality. In both races, female-headed families and non-family households are directly related to the factor describing unit quality. That factor details the tendency to rent units containing full amenities. However, in both racial markets, the husband-wife households are inversely correlated with this factor. Apparently, when selecting an apartment to rent, the husband-wife families tend to prefer larger units even if that means poorer quality units.

The factor describing the level of investment in the rental stock provides little reliable information because few relationships are found to be statistically significant. The only significant result indicates that black female-headed families tend to rent housing in neighborhoods with low levels of investment and a deteriorated stock of housing.

While the rental markets do appear to sort themselves in terms of household type, the rental patterns do not clearly indicate that discrimination is a cause of this non-random allocation of the rental housing stock. Rather, it appears that trade-offs are being made by the various subpopulations. When selecting an apartment, the husband-wife households tend to rent somewhat lower quality units in exchange for the additional space afforded by larger units. Within the white submarkets, the female-headed, single-parent families appear to be averse to markets providing low quality units, although this aversion comes at the expense of unit size. Within the black submarkets, the female-headed households rent units of somewhat higher quality and with greater space than their husband-wife counterparts. They tend, however, to rent in neighborhoods experiencing disinvestment. Non-family households, in both races, rent units in submarkets with higher quality units, but in neighborhoods characterized by smaller units.

RENTAL PATTERNS USING TREND DATA

The results presented above are based on the absolute levels of the units and neighborhood characteristics as they were found in the rental submarkets in 1980. These market characteristics, however, are in a constant state of flux. Some of the ambiguity in the results can be resolved by modeling the renter populations as a function of the changes in the housing characteristics rather than the absolute levels of the characteristics. With this approach, the focus is not on whether households tend to rent housing in submarkets with large or small units of high or low quality. The focus, instead, is on whether these submarkets are improving or declining in terms of units size and quality.

This approach involves a new set of independent variables obtained by combining the data from the 1970 and 1980 Census. For each tract, variables have been defined that calibrate the change in the individual characteristics from 1970 to 1980. In all cases, the calculations are made by subtracting the 1970 value of a variable from the 1980 value. Thus, a positive value indicates an increase from 1970 to 1980, and a negative value indicates a decrease. Because of differences in the way the Census has been tabulated over time, fewer variables are available because only those that have been consistently defined over both tabulations are used.

The variables used are listed in Figures 3-4 along with their contributions to the three derived factors. The factors using trend data are very similar to those found in the earlier factor analysis. The first factor describes the changes in unit size. The second factor describes changes in the quality of units in the stock. The third factor describes the changes in the investment in the rental stock. Income continues to be the 1980 level of income because it is the absolute level of income that is theorized to influence consumption within the housing market, not the change in income.

RESULTS FROM THE TREND DATA

As before, these factors have been used as independent variables in generalized least-squares regression models. The estimates from these models are listed in Tables 3 (for the predominantly white tracts) and in Table 4 (for the predominantly black tracts). The models are statistically acceptable. However, the male-headed family models again prove to generate few significant coefficients.

Table 3. Weighted least-squares estimates: Percentage of household type regressed on factors describing changes in rental stock controlling for income

Predominantly White Tracts				
INDEPENDENT VARIABLE	DEPENDENT VARIABLE			
	Percent Husband-wife Family	Percent Male-headed Family	Percent Female-headed Family	Percent Non-family Household
Increasing unit size	1.70 (1.90)	0.18 (1.16)	0.91 (2.08)	-2.79 (2.30)
Increasing unit quality	-3.19 (3.93)	-0.13 (0.90)	-1.79 (4.46)	5.11 (4.60)
Increasing investment	1.38 (1.61)	0.18 (1.16)	0.57 (1.34)	-2.79 (2.30)
1980 income(1)	0.91 (5.51)	0.02 (0.84)	-0.09 (1.15)	-0.84 (3.73)
Constant	15.62	2.61	11.50	70.28
R ²	0.88	0.69	0.77	0.94

Data: 415 tracts with non-white renters comprising less than 30 percent of the tract's renter population

"t" scores in parentheses

1. Income, as a controlling variable, is entered as the median income with the tract's renter population expressed in thousands

The results with regard to factor one, changes in unit size, differ slightly by race. In white tracts, families tend to be found in markets where the average unit size is on the rise. For married-couple families, this tendency is stronger than is true for single-parent families.

Within the predominantly black submarkets, the relationships are weak. The tendency is for female-headed to be located in tracts that have had increases in unit size, while married-couple households tend to be located in tracts with decreases in unit size.

Factor two describes the changes in the proportion of units without complete amenities. The results suggest that discrimination against non-married couple households is not a likely cause of the rental location patterns. Among white submarkets, married-couple households, who would least likely be compelled to accept low-quality units, have a stronger tendency toward declining unit quality than is found with female-headed households. White, non-family households show strong, positive associations with increases in unit quality. Among black submarkets, however, married-couple households and non-family households tend to rent units in areas of increasing unit quality, while female-headed families are found in neighborhoods with decreasing unit quality.

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Table 4. Weighted least-squares estimates: Percentage of household type regressed on factors describing changes in the rental stock controlling for income

Predominantly Black Tracts				
INDEPENDENT VARIABLE	DEPENDENT VARIABLE			
	Percent Husband-wife	Percent Male-headed Family	Percent Female-headed Family	Percent Non-family Household
Increasing unit size	-1.60 (1.01)	-0.56 (0.96)	2.04 (1.04)	0.12 (0.05)
Increasing unit quality	2.14 (1.85)	-0.27 (0.63)	-6.01 (4.21)	4.14 (2.17)
Increasing investment	0.45 (0.40)	0.22 (0.55)	-4.38 (3.21)	4.61 (2.56)
1980 income	3.07 (2.80)	0.68 (1.71)	-6.96 (5.14)	3.21 (1.78)
Constant	22.19	5.03	31.62	41.17
R ²	0.92	0.80	0.94	0.93

Data: 73 tracts with black renters comprising more than 70 percent of the tract's renter population

"t" scores in parentheses

The third factor, describing increases in investment in the rental housing stock, indicates that white non-families are associated with decreases in housing investment. Within the black submarkets, female-headed households tend to rent in neighborhoods experiencing disinvestment, while non-family households rent in areas with increasing investment in the rental stock.

CONCLUSIONS

It appears that the rental-housing market has done some sorting by household type. Different household types tend to consume different types of rental housing. Non-family households, now controlling the largest share of the rental market, have a tendency toward submarkets with smaller housing that is becoming progressively smaller. At the same time, these households tend to locate in submarkets with relatively higher quality housing. Families, however, have tended to make a different trade-off between unit size and quality. They tend to seek out submarkets providing larger units while accepting that this may mean housing without all of the amenities available in other areas.

The results of this study indicate that the rental housing market is adjusting to its new role of providing housing for households not formed around a husband-wife household. It appears that the different household types are able to gain access to neighborhoods providing the type of rental housing most appropriate to the needs of each group. The results do not suggest that these, newer atypical

forms of households are experiencing discriminatory barriers to entry into rental housing markets.

One discouraging exception to the conclusion that all households types enjoy free access to rental markets answering their needs is found with the black, female-headed, single-parent households. Single, black mothers now comprise about one-third of all black, renter households, a significant and growing share of this population. This growing market share, however, has not brought improved rental housing consumption. This household type is associated with submarkets providing housing of declining quality in declining neighborhoods, even after controlling for the effects of income. This pattern of housing consumption constitutes a significant problem and indicates the failure of the marketplace to provide adequately for this needy subpopulation.

This study indicates that there are no significant barriers to entry into rental markets confronting most types of households within each racial group. The market for rental housing does appear to be functioning well without any need for public-sector intervention. For one specific subpopulation (black, female-headed, single-parent households), however, the market is not functioning well. Even after controlling for the influence of income levels, this subpopulation is found to locate in neighborhoods that would not be chosen freely in a barrier-free marketplace. This finding suggests that attention needs to be paid to discrimination against this special group of households as they attempt to function within the rental housing market.

The public sector may need to renew its role in the provision of rental housing sector rather than just providing income supplements for housing payments. The voucher approach to housing assistance now being pursued by the federal government provides the recipient only with additional income to use toward rent; it assumes that the private market will supply the rental housing unit. This approach will not break down the barriers that deny some households entry into a neighborhood if landlords refuse to grant entry. If these barriers exist and are indifferent to the income level of the household, then the public sector may have to provide the housing directly. In the past, racial discrimination has been a major force justifying the use of public funds to build housing for special populations who are not able to operate freely in the housing market. It now appears that household composition is such a factor, at least for one large and growing group, the black, single-parent, female-headed household.

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