Panel Discussion: Housing Market Dynamics and the Rural Economy

Lariece Brown (Moderator), Robert Dietz, Dr. Trevon D. Logan and Leonard Kiefer

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Home Building Dynamics: Suburban/Rural Shift?

Robert Dietz, Ph.D.
National Association of Home Builders, Chief Economist

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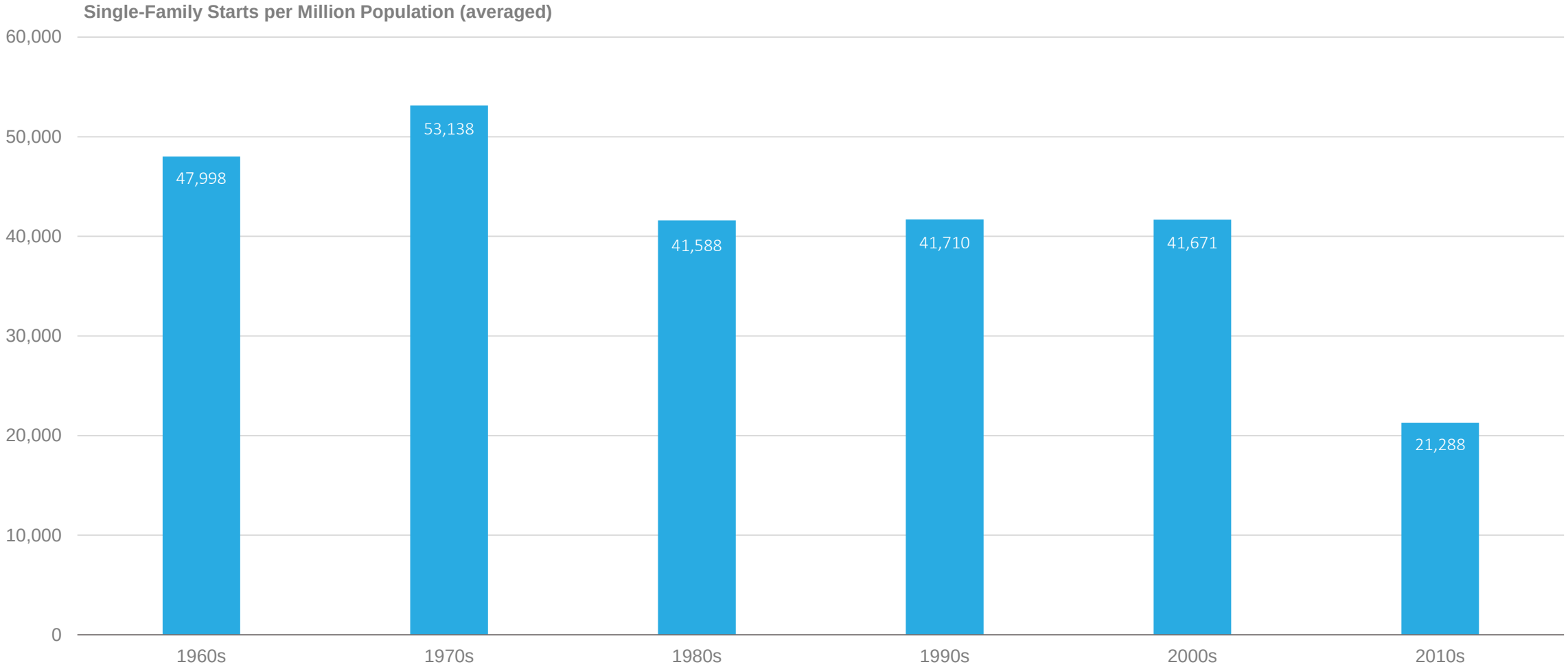
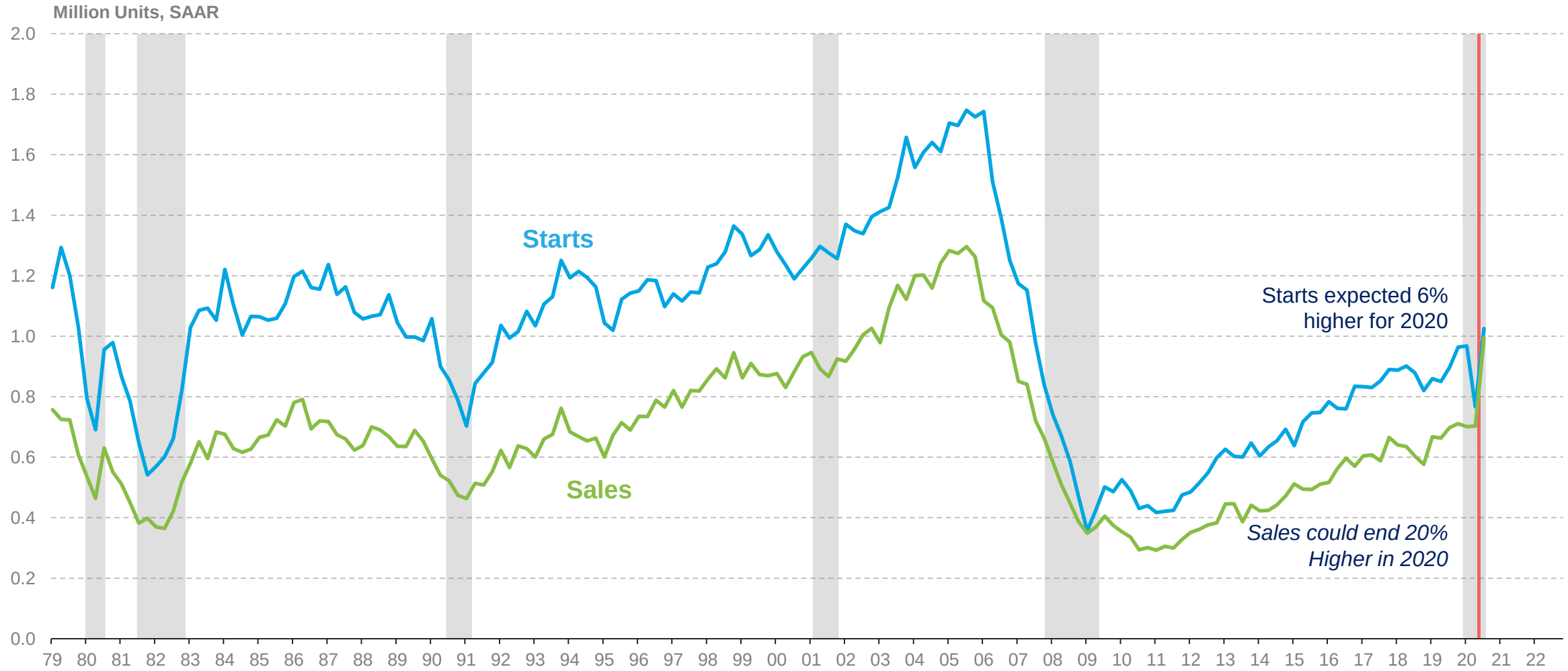
Housing Deficit: A Decade by Decade Contrast



Single-Family Starts and New Sales Have Surged

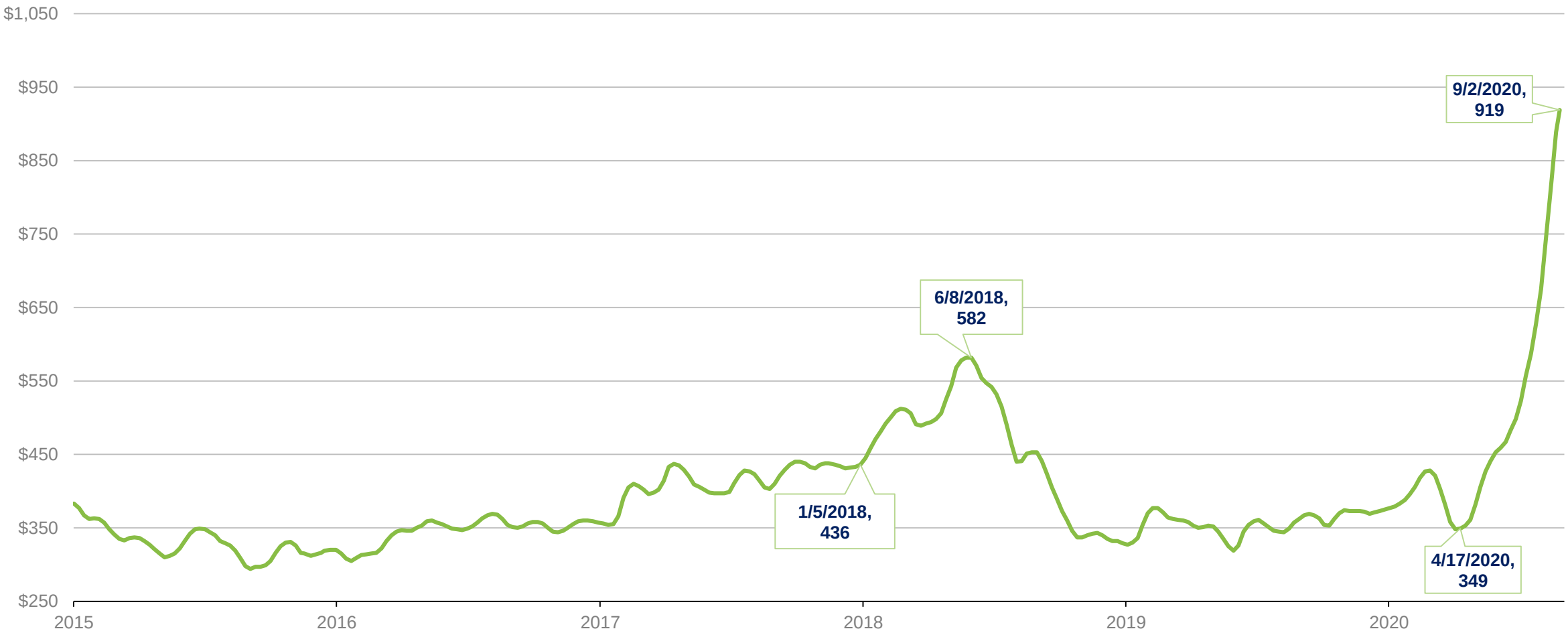


The 5 *Ls* of Home Building

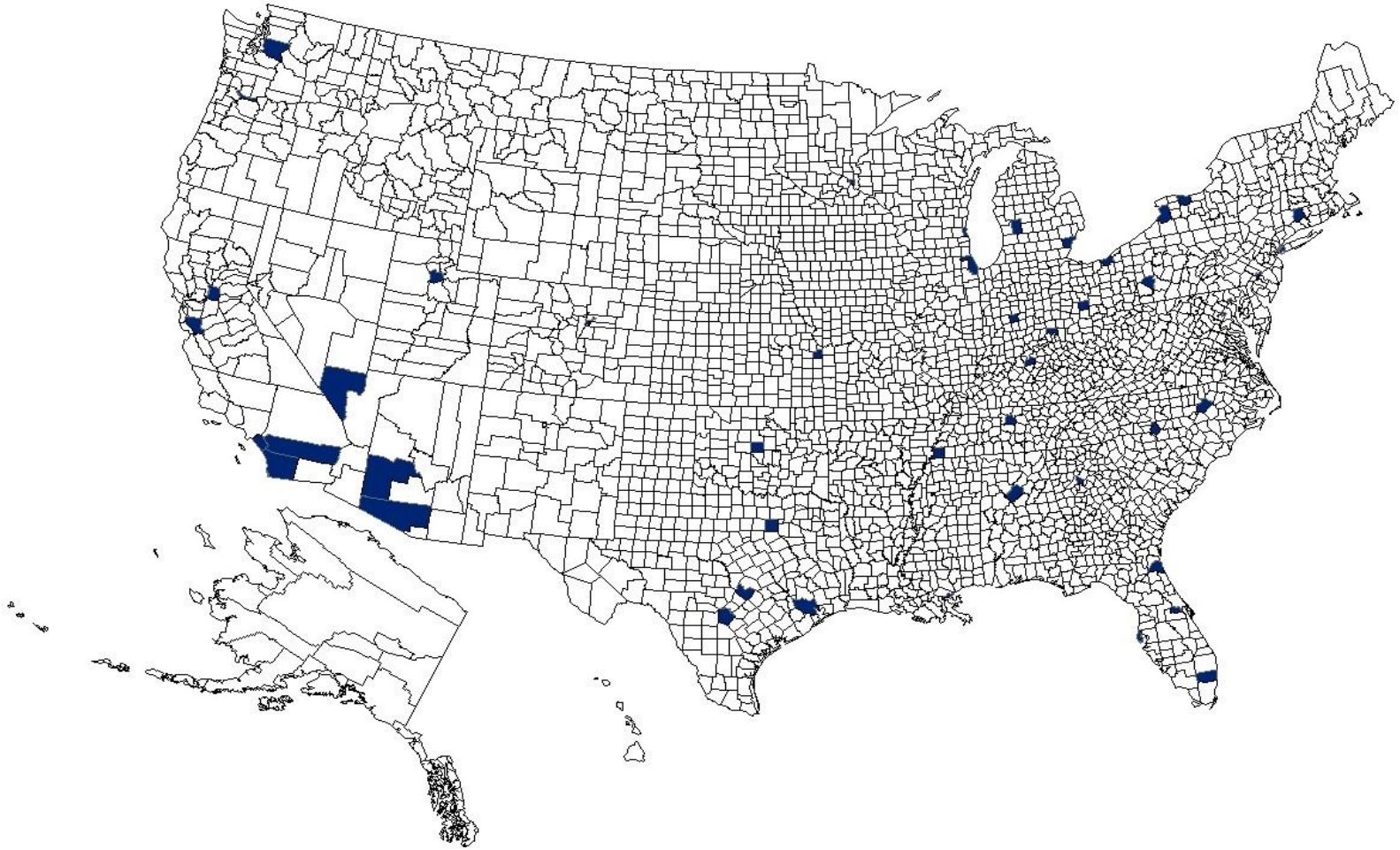
Home building output depends on availability, pricing, and quality of:

- Labor
- Lumber/materials
- Lending (AD&C) loans
- Land/lots
- Laws/regulations

Top Supply-Side Headwind
Lumber Prices Rise Fastest in 70 Years



Suburban Shift for Housing Demand

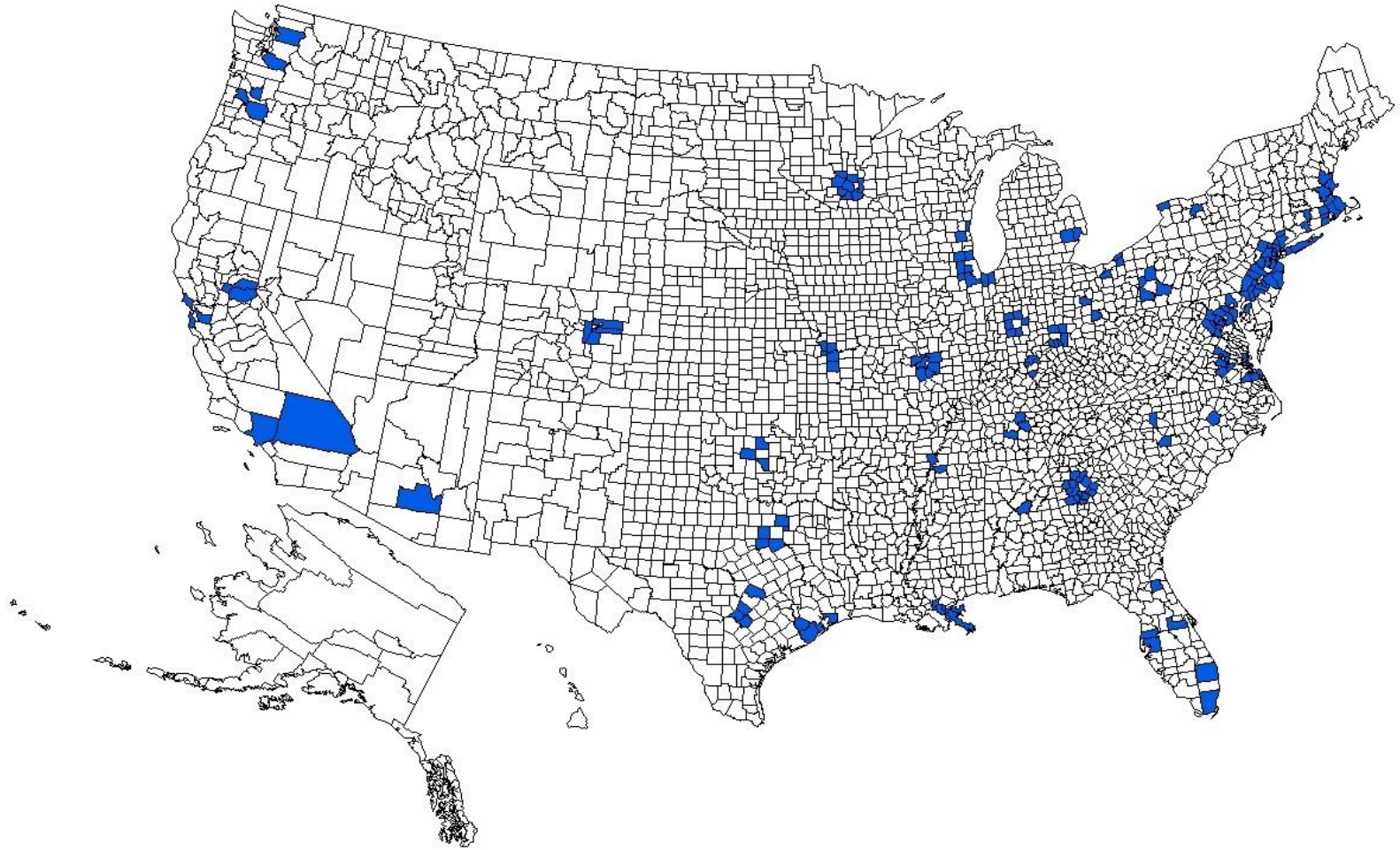


Large Metro Core Counties

17.6% of single-family home construction

Q2 2020 YOY growth rate:
-16.8%

Suburban Shift for Housing Demand

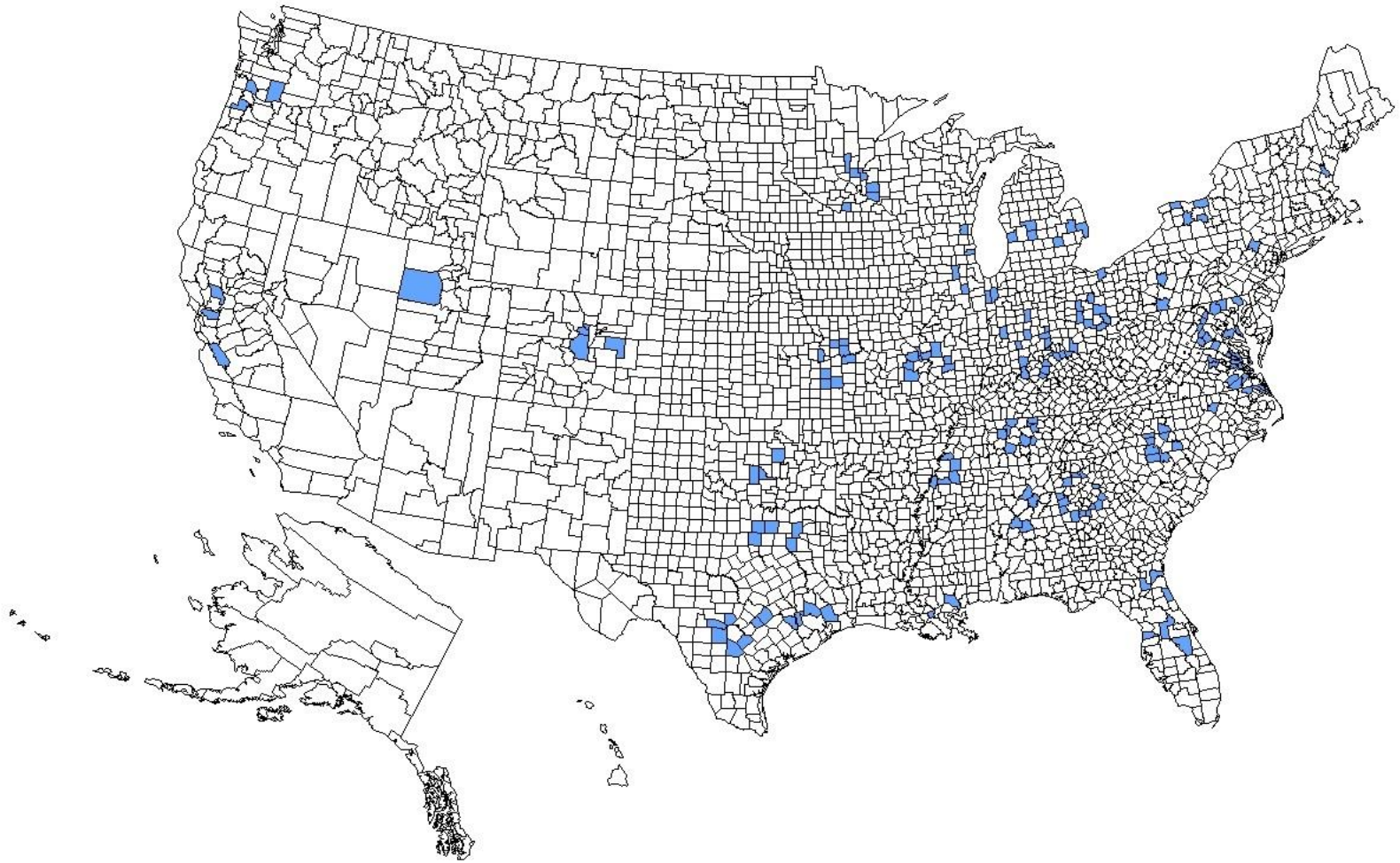


Large Metro Suburban Counties

25.4% of single-family home construction

Q2 2020 YOY growth rate:
-9.1%

Suburban Shift for Housing Demand

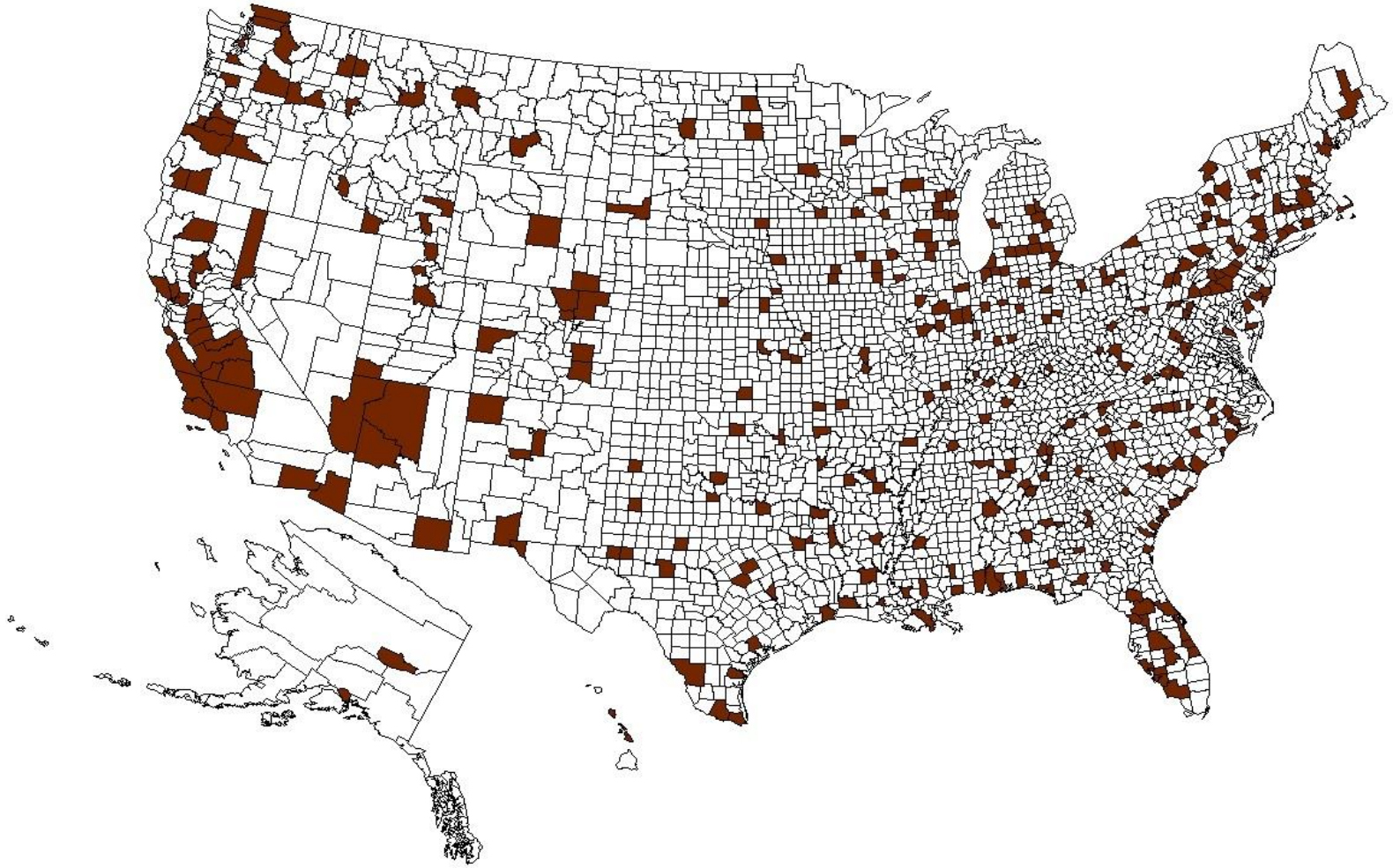


Large Metro Exurban Counties

8.7% of single-family home construction

Q2 2020 YOY growth rate:
-8.9%

Suburban Shift for Housing Demand

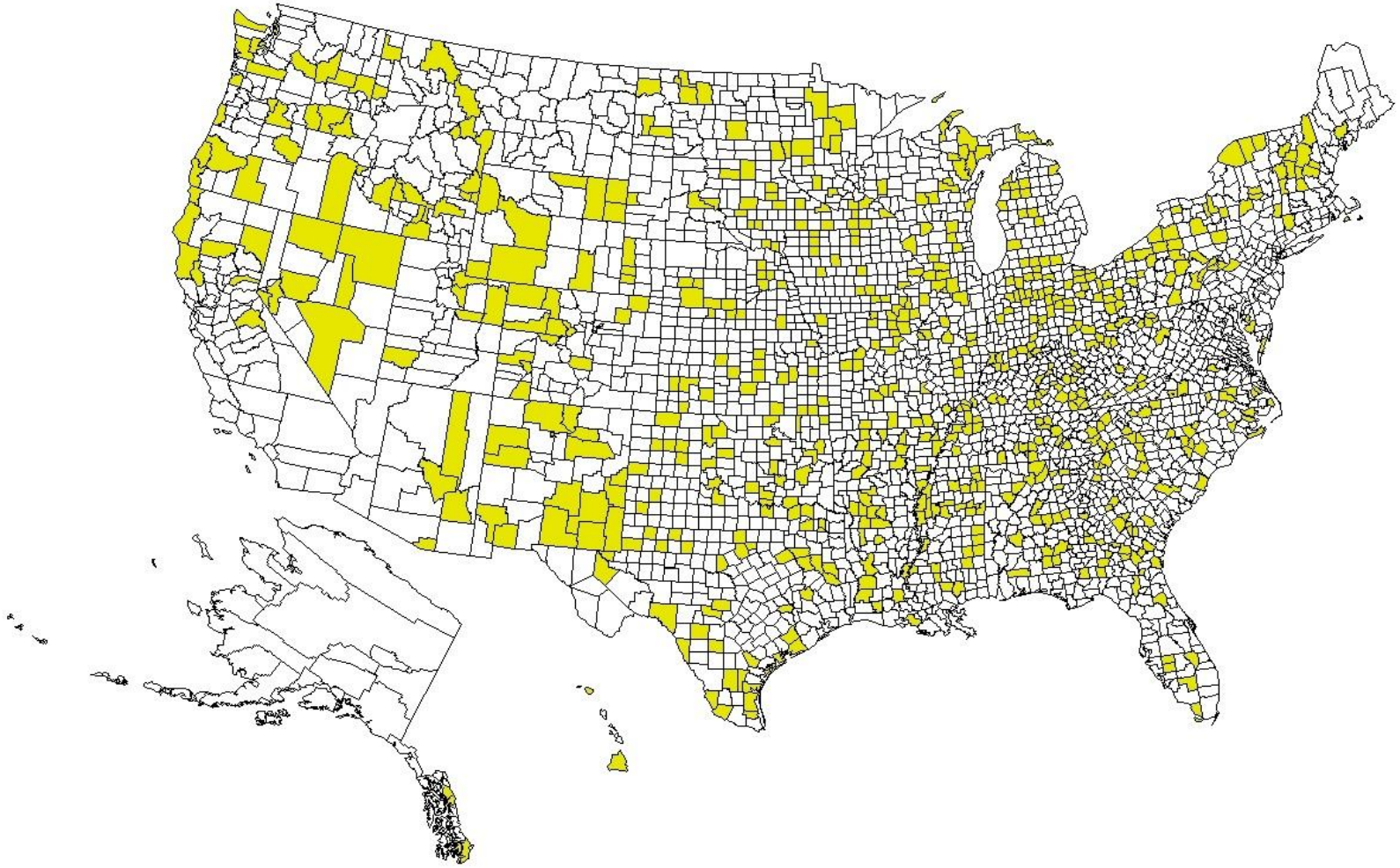


Small Metro Core Counties

29.3% of single-family home construction

Q2 2020 YOY growth rate:
-5.9%

Suburban Shift for Housing Demand

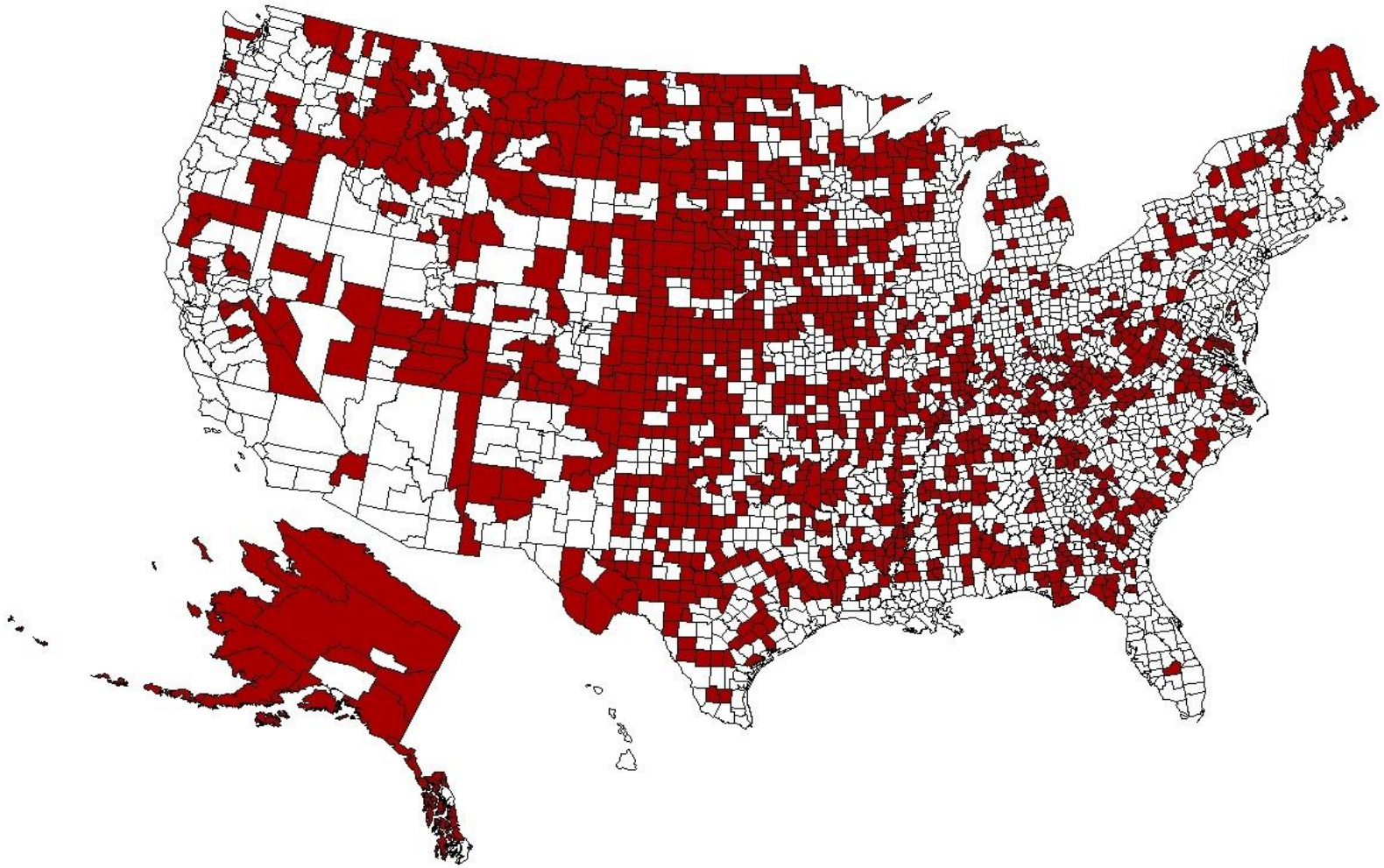


Small Towns

6.3% of single-family home construction

Q2 2020 YOY growth rate:
-3.6%

Suburban Shift for Housing Demand

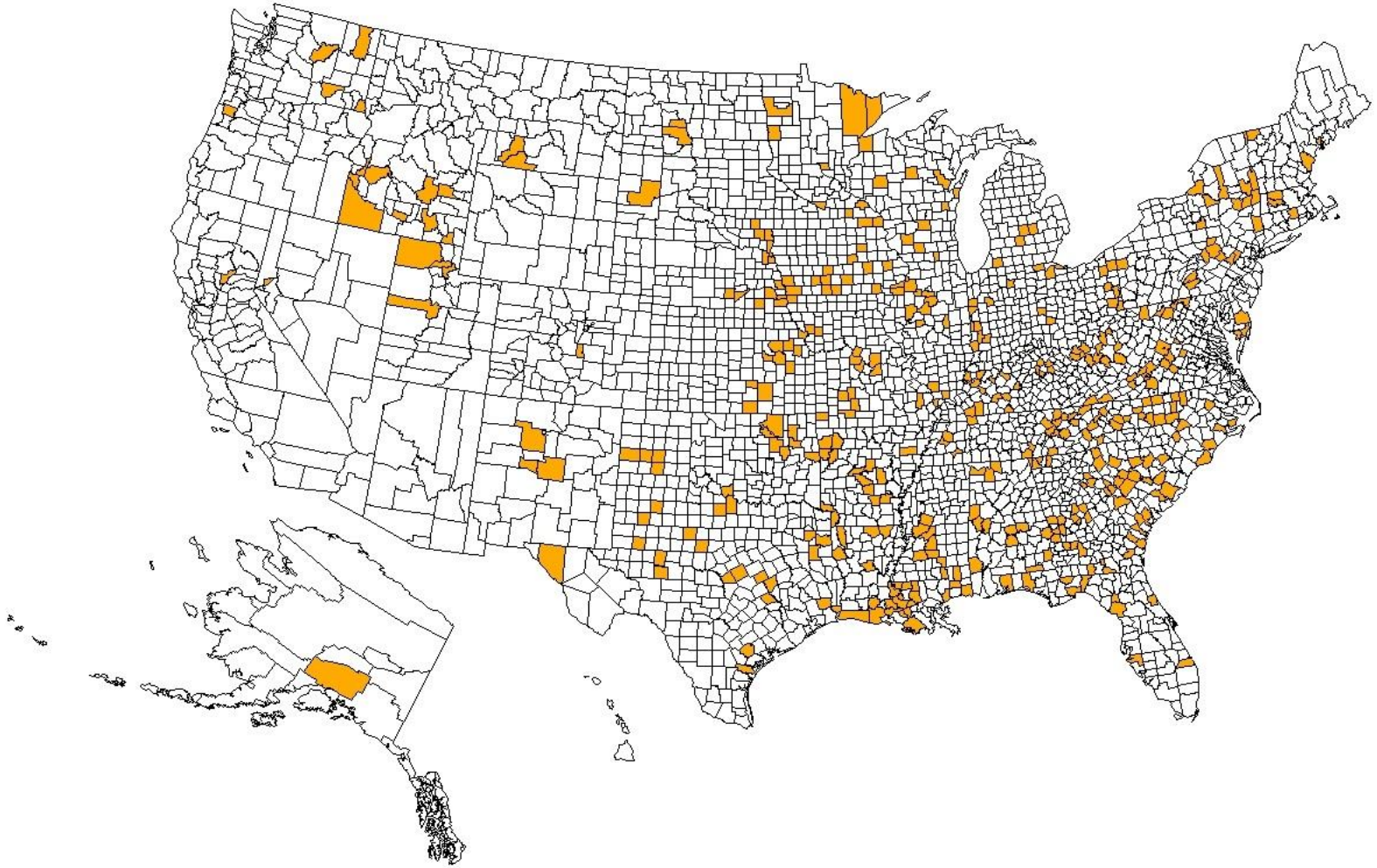


Rural Areas

4.1% of single-family home construction

Q2 2020 YOY growth rate:
-2.7%

Suburban Shift for Housing Demand

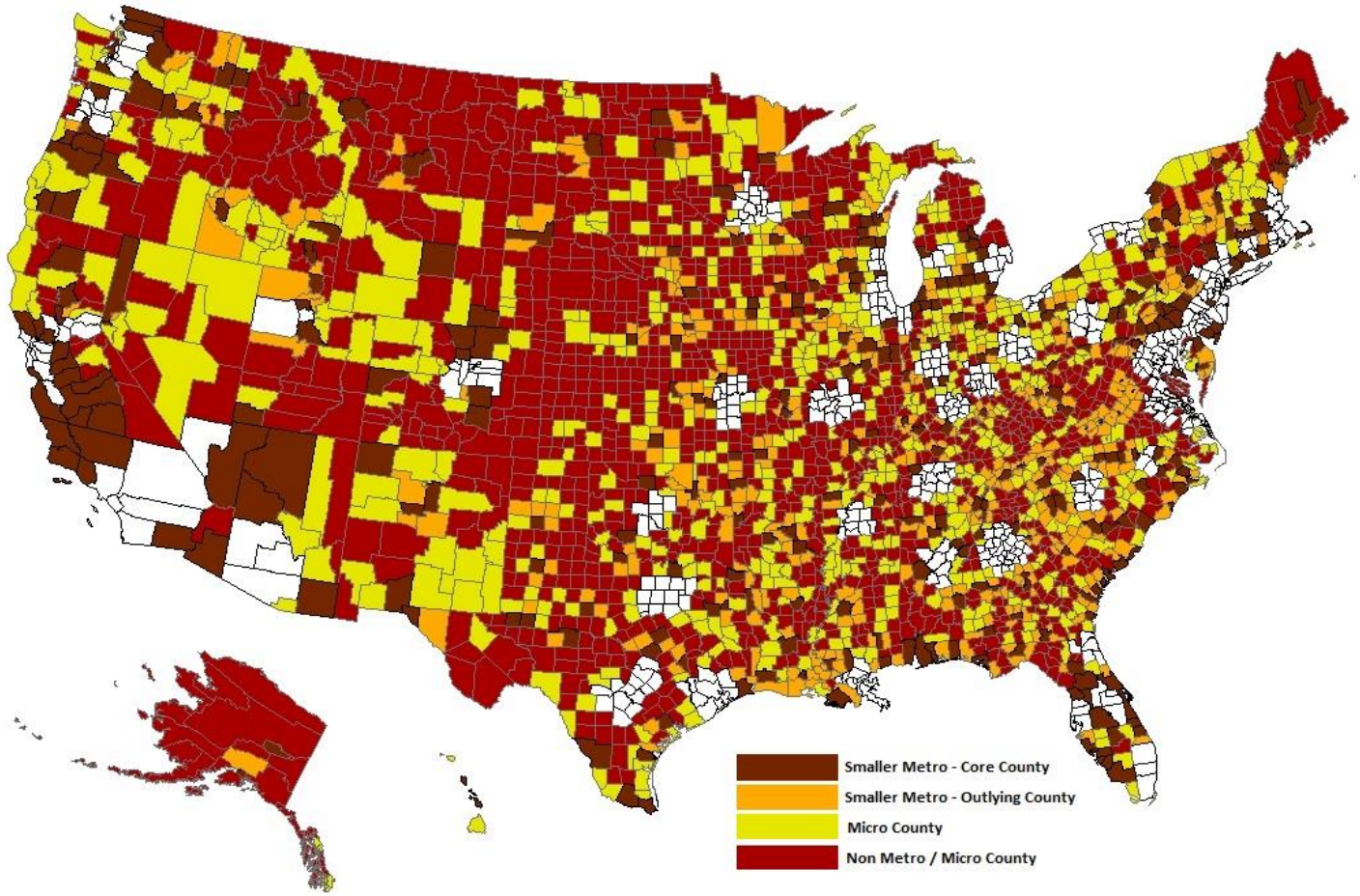


Small Metro Suburbs

8.8% of single-family home construction

Q2 2020 YOY growth rate:
2.7%

More Low-Rise, Garden Style Apartments



Outside Large Metro

30% of multifamily construction

Growing faster than large metro markets

A Residential Investment Opportunity

Opportunities

Housing deficit

Changing geography favors low-density markets

- Will it persist?

Aging housing stock

- Tear-down construction and remodeling

Lower regulatory hurdles

Challenges

Small builders need financing

Skilled labor challenges

Access to materials

Housing Equals Jobs

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@dietz_econ

eyeonhousing.org
housingeconomics.com

Panel Discussion: Housing Market Dynamics and the Rural Economy

Dr. Trevon D. Logan, Professor of Economics and Associate Dean,
The Ohio State University

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Race and Wealth

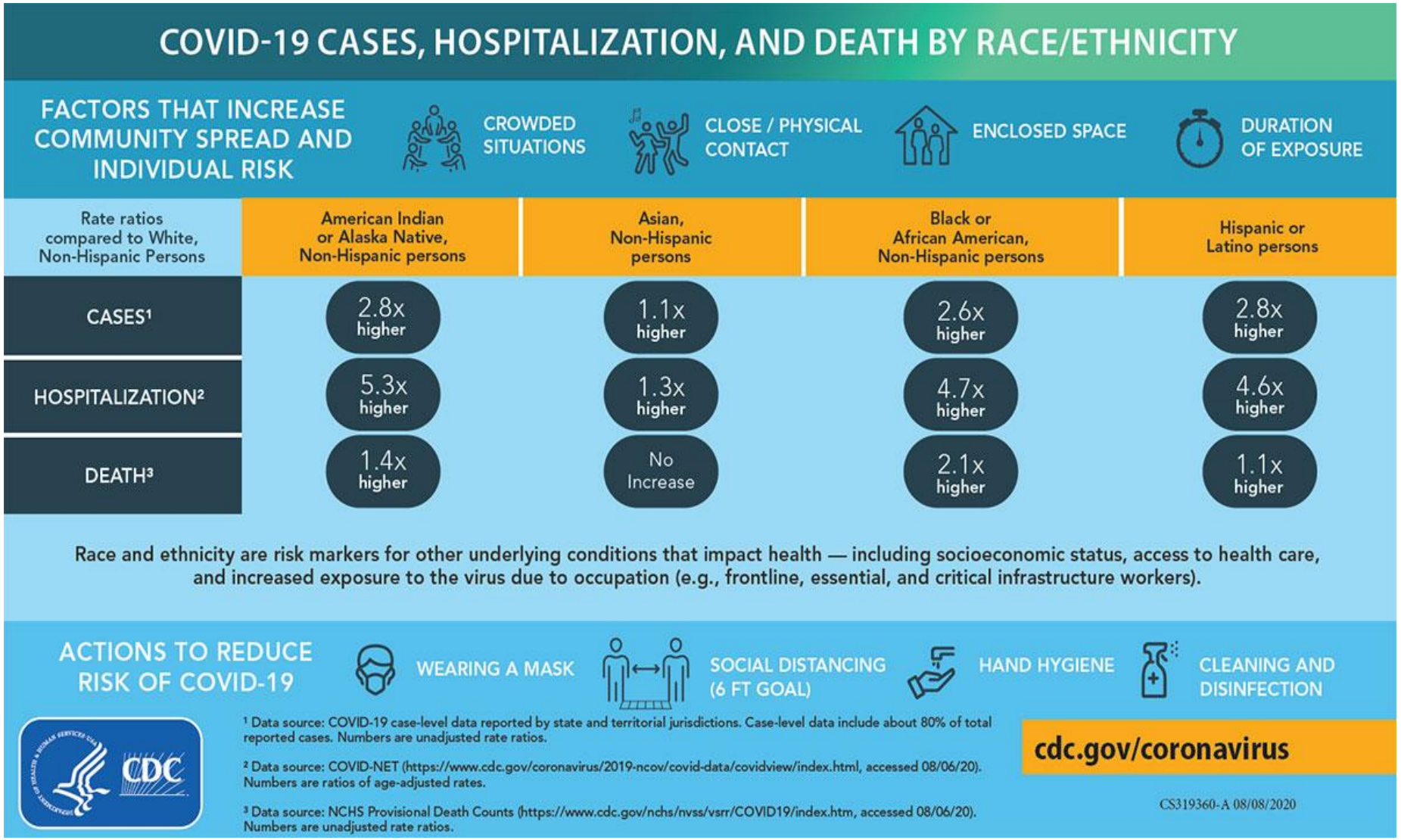
Trevon D. Logan, Ph.D.

Professor of Economics

THE OHIO STATE UNIVERSITY

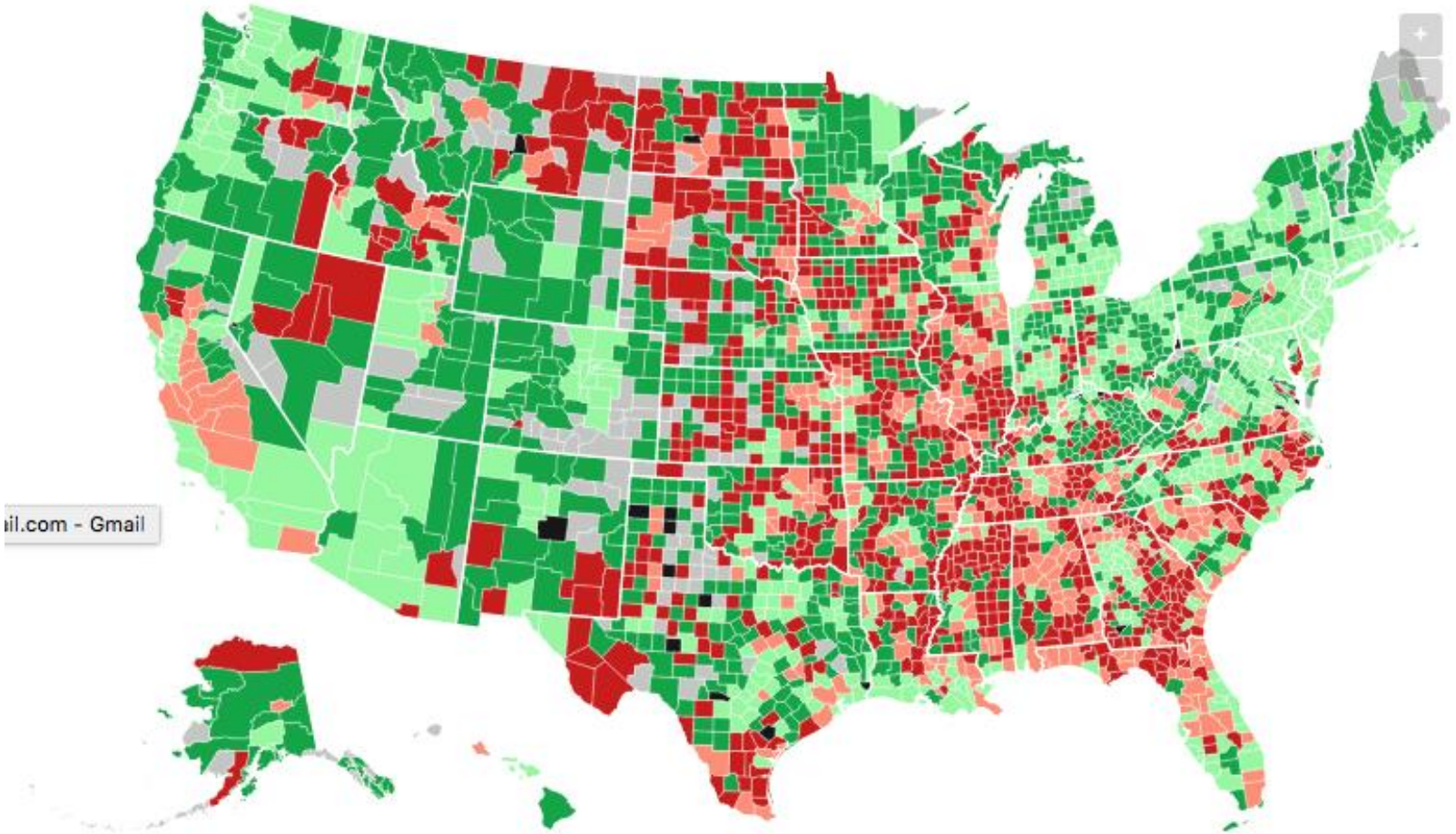
COLLEGE OF ARTS AND SCIENCES

#RuralResearchSymposium


COVID-19 CASES, HOSPITALIZATION, AND DEATH BY RACE/ETHNICITY
FACTORS THAT INCREASE COMMUNITY SPREAD AND INDIVIDUAL RISK
CROWDED SITUATIONS
CLOSE / PHYSICAL CONTACT
ENCLOSED SPACE
DURATION OF EXPOSURE
Rate ratios compared to White, Non-Hispanic Persons
American Indian or Alaska Native, Non-Hispanic persons
Asian, Non-Hispanic persons
Black or African American, Non-Hispanic persons
Hispanic or Latino persons
CASES[1]
2.8x higher
1.1x higher
2.6x higher
2.8x higher
HOSPITALIZATION[2]
5.3x higher
1.3x higher
4.7x higher
4.6x higher
DEATH[3]
1.4x higher
No Increase
2.1x higher
1.1x higher
Race and ethnicity are risk markers for other underlying conditions that impact health — including socioeconomic status, access to health care, and increased exposure to the virus due to occupation (e.g., frontline, essential, and critical infrastructure workers).
ACTIONS TO REDUCE RISK OF COVID-19
WEARING A MASK
SOCIAL DISTANCING (6 FT GOAL)
HAND HYGIENE
CLEANING AND DISINFECTION
CDC
[1] Data source: COVID-19 case-level data reported by state and territorial jurisdictions. Case-level data include about 80% of total reported cases. Numbers are unadjusted rate ratios.
[2] Data source: COVID-NET (https://www.cdc.gov/coronavirus/2019-ncov/covid-data/covidview/index.html, accessed 08/06/20). Numbers are ratios of age-adjusted rates.
[3] Data source: NCHS Provisional Death Counts (https://www.cdc.gov/nchs/nvss/vsrr/COVID19/index.htm, accessed 08/06/20). Numbers are unadjusted rate ratios.
cdc.gov/coronavirus
CS319360-A 08/08/2020

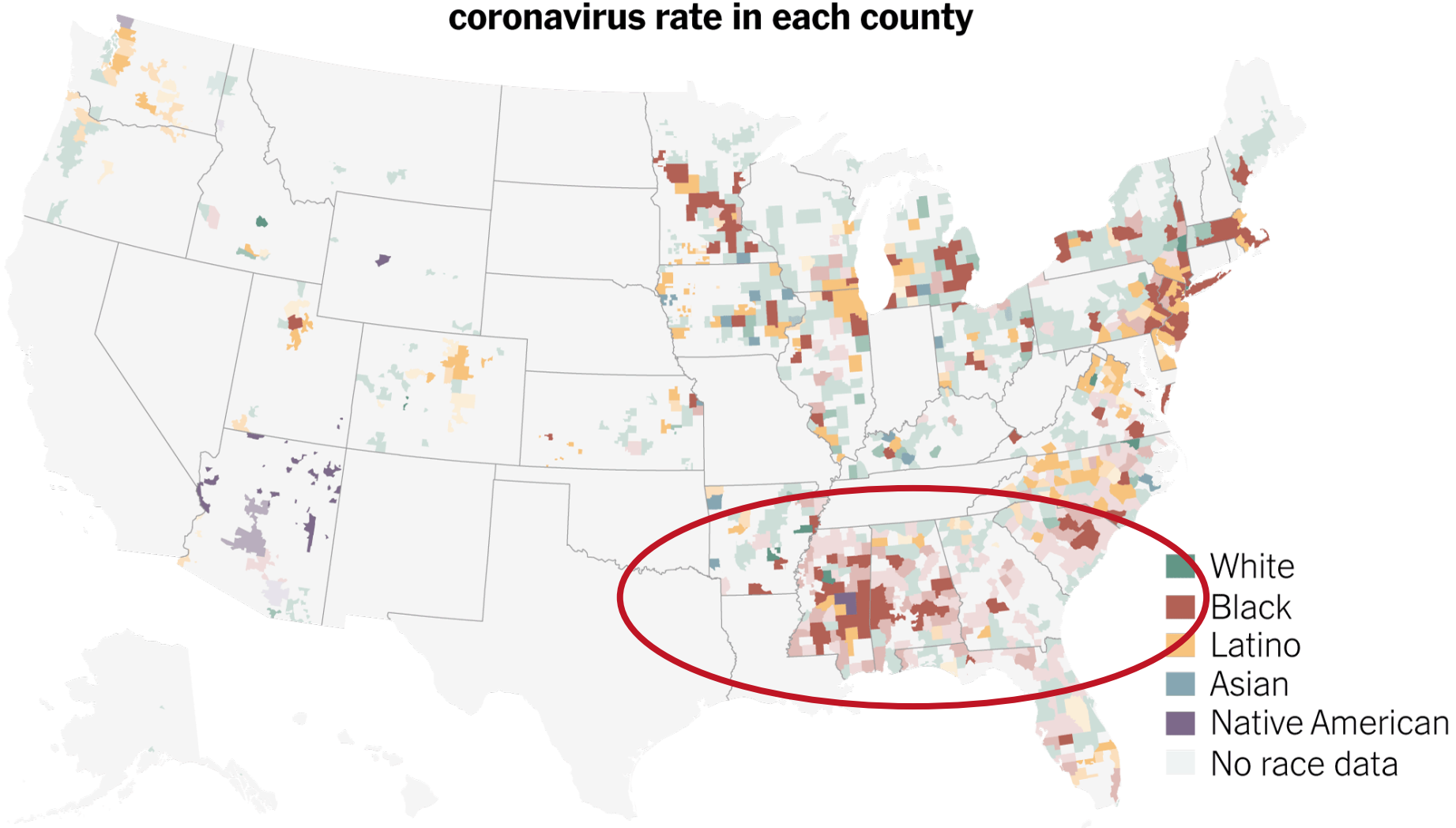
Covid-19 Red Zones, August 29 – September 5

Red-zone counties have a one-week infection rate of 100 or more new cases per 100,000 population.



Map: Daily Yonder #usafacts • Source: USA Facts • Get the data • Created with Datawrapper

Race or ethnicity with the highest coronavirus rate in each county



COVID-19 and Race

- COVID-19 is racially disproportionate.
- Today, 1 in 1,000 Black Americans has died of the coronavirus.
- COVID-19 is the third leading cause of death for Black Americans. Only heart disease and cancer will kill more Black Americans.

Unemployment rate by race

Monthly unemployment rate for whites and African Americans

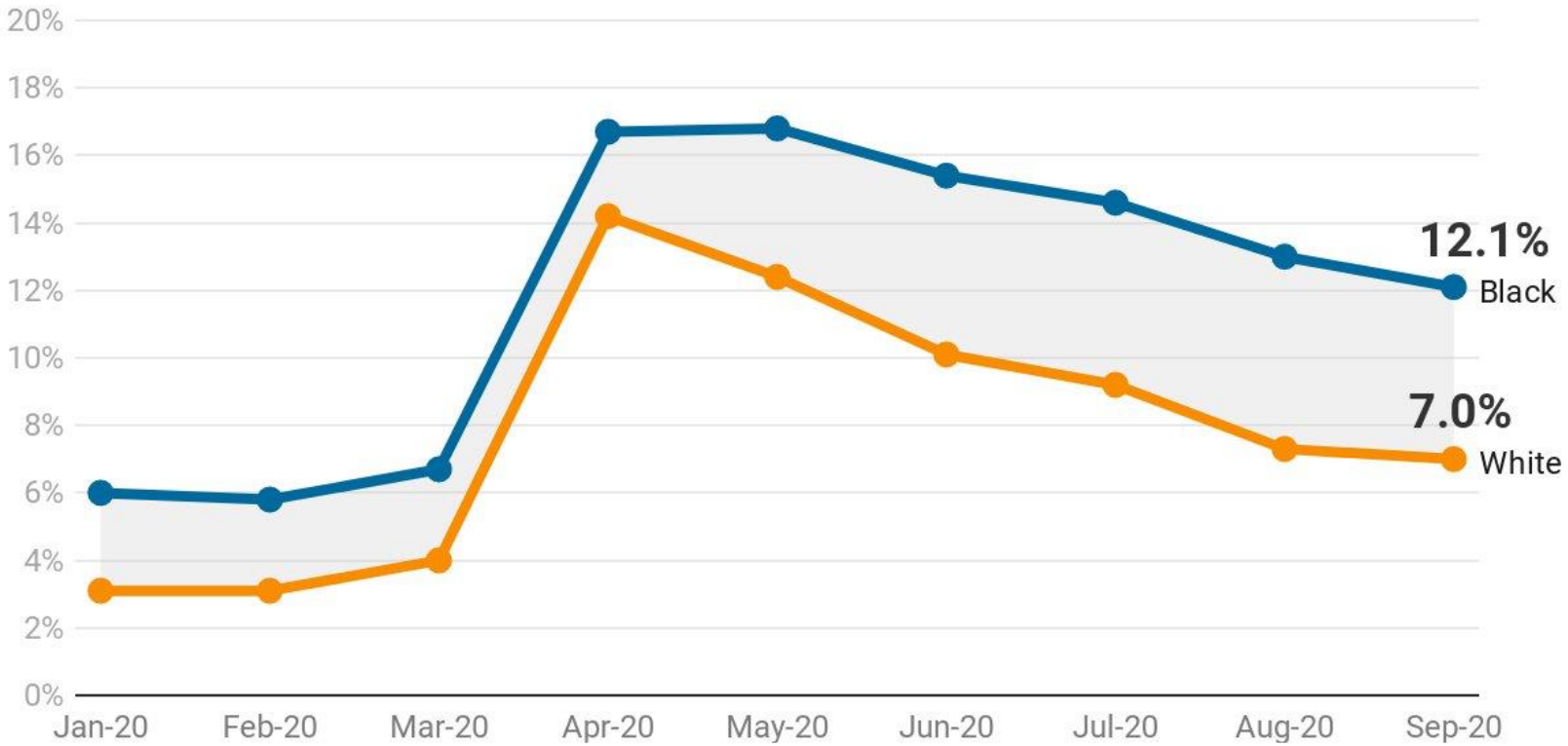
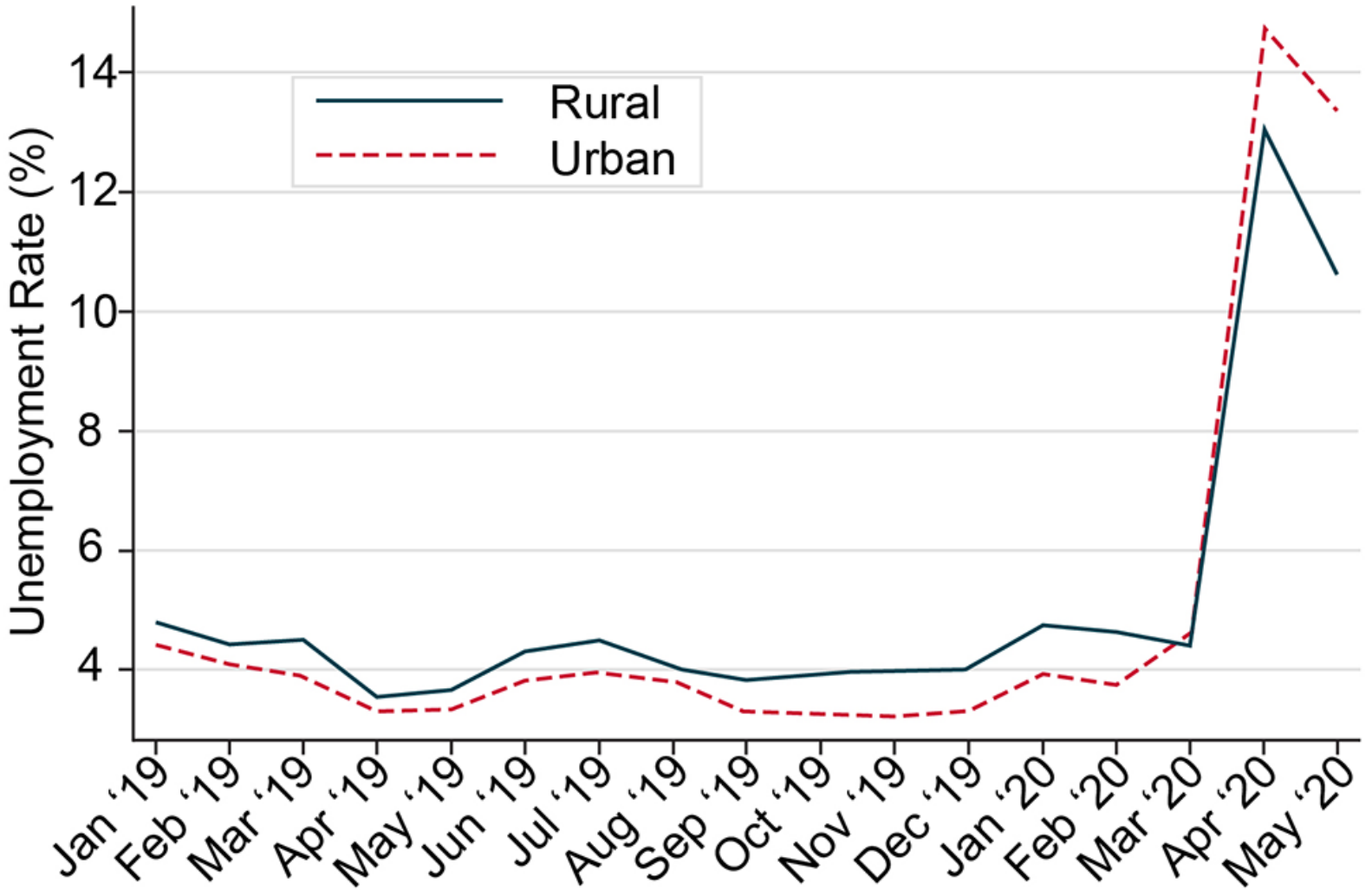


Chart: Gbenga Ajilore •
Source: U.S. Bureau of Labor Statistics, "Table A-2. Employment status of the civilian population by race, sex, and age."


Unemployment Rate (%)
14
12
10
8
6
4
Rural
Urban
Jan '19
Feb '19
Mar '19
Apr '19
May '19
Jun '19
Jul '19
Aug '19
Sep '19
Oct '19
Nov '19
Dec '19
Jan '20
Feb '20
Mar '20
Apr '20
May '20

Features of American Unemployment

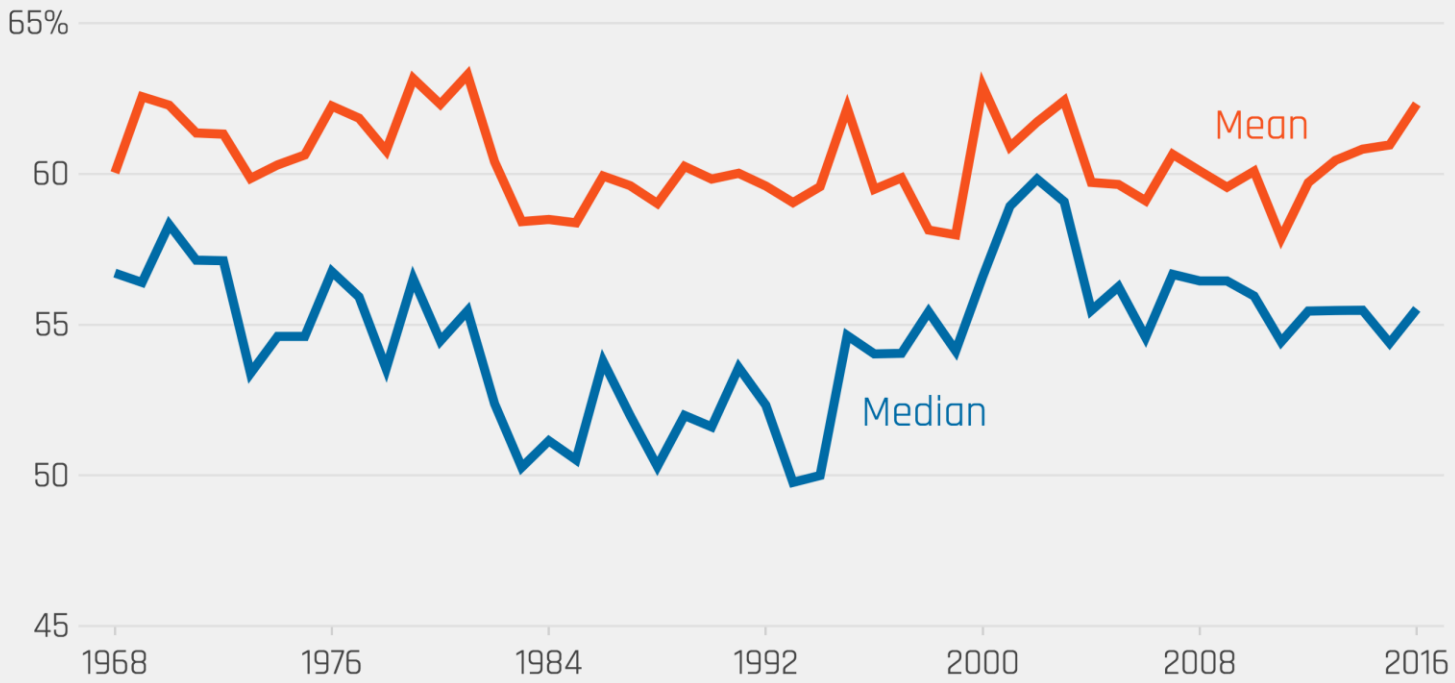
- The unemployment rate for Black Americans (12.1%) in September 2020 is higher than the unemployment rate for those without a high school education (10.6%).
- Black Americans are the only racial/ethnic group in the United States with an unemployment rate above 10%

Historical Trends

- The racial distinctions of COVID-19 are not unique.
  They reflect long-run trends in racial inequality in the American economy.
- To design policy it is important to recognize those trends and to see how to imagine policy to address these disparities.

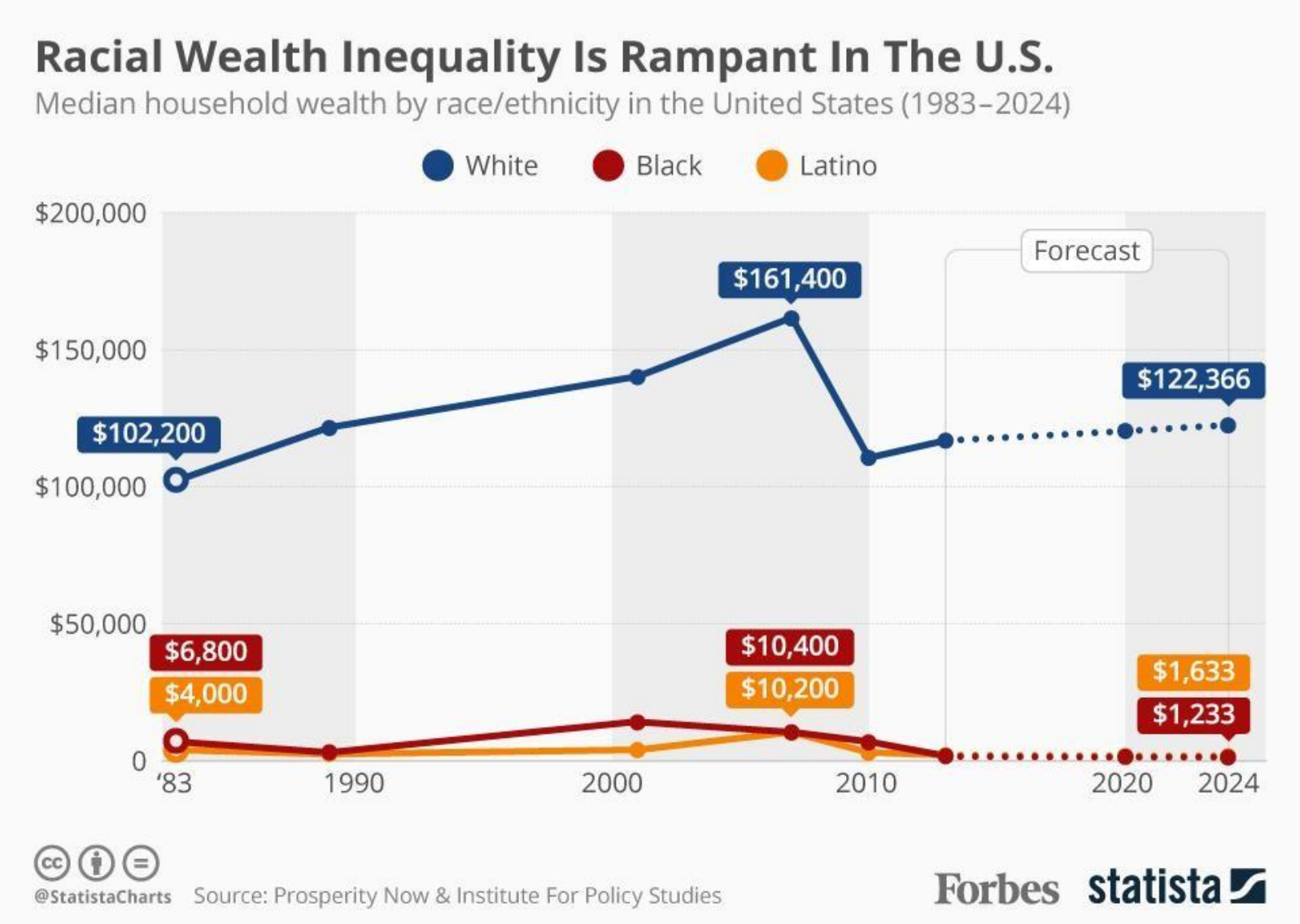
Racial income inequality in the U.S. has changed little in 48 years

Ratio of mean and median black family income to white family income in the United States, 1968-2016



Source: Author's analysis of the Current Population Survey

Equitable Growth


Racial Wealth Inequality Is Rampant In The U.S.
Median household wealth by race/ethnicity in the United States (1983–2024)
White
Black
Latino
$200,000
$150,000
$100,000
$50,000
0
Forecast
$161,400
$122,366
$102,200
$6,800
$4,000
$10,400
$10,200
$1,633
$1,233
'83
1990
2000
2010
2020
2024
@StatistaCharts
Source: Prosperity Now & Institute For Policy Studies
Forbes
statista

Features of American Wealth

- On average, a Black American with a college degree has less wealth than a White American who has not completed high school.
- At every level of family income, the racial wealth gap is acute.

Figure 2

Business dynamism varies by rural community

Aggregate net change in number of new business establishments in rural communities, 2010–2016

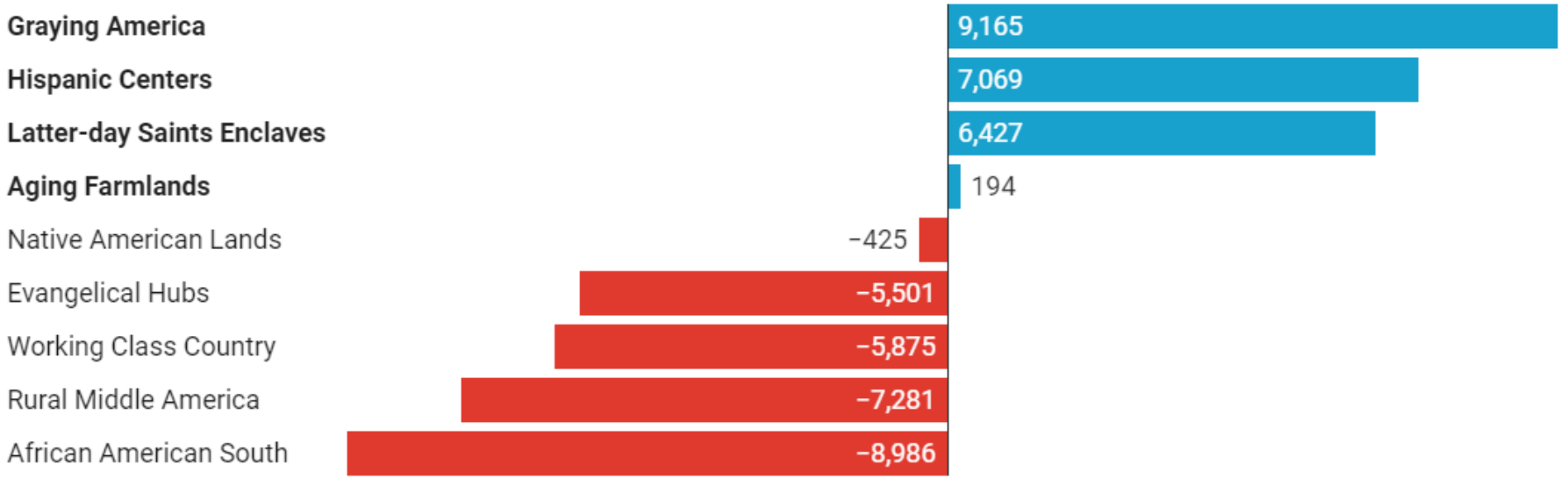
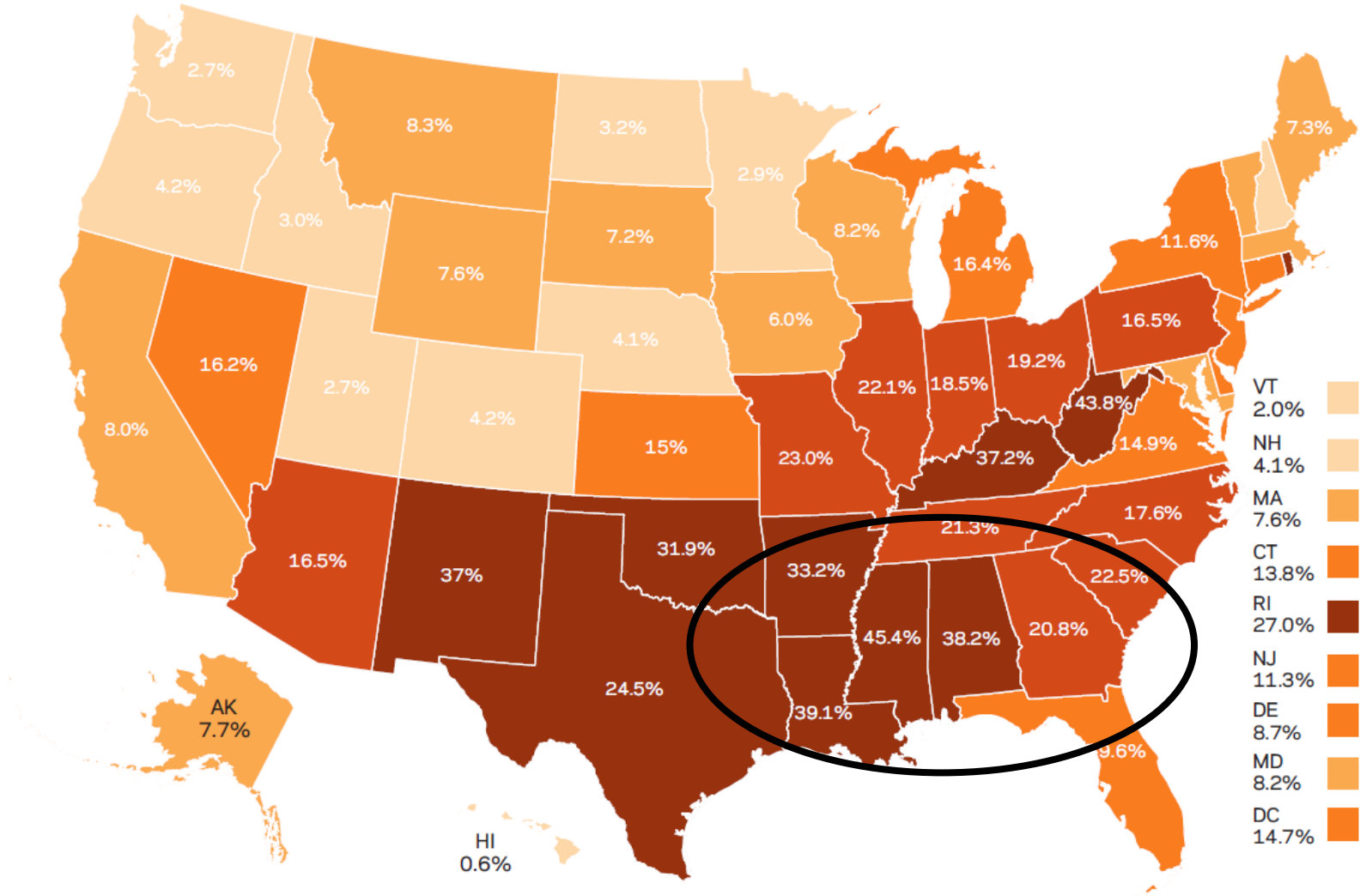
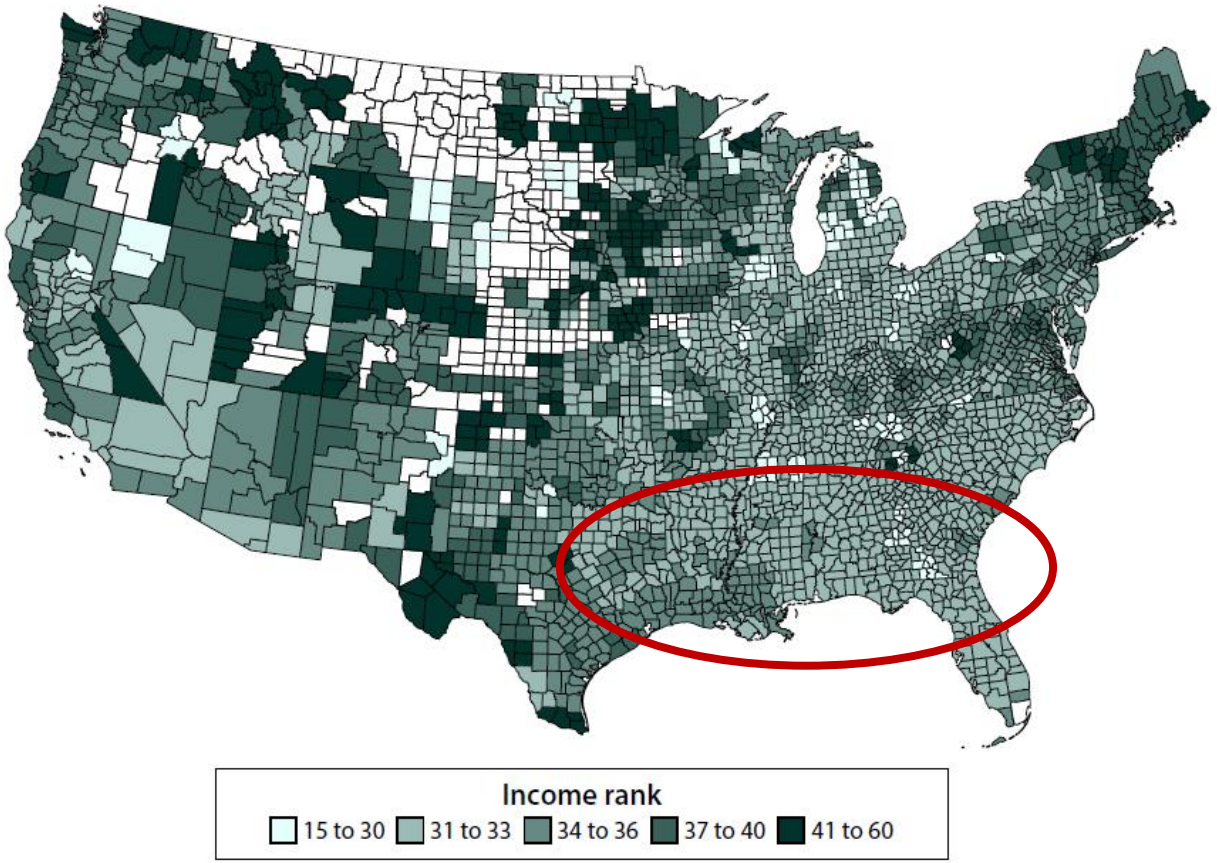


Chart: Center for American Progress
• Source: U.S. Census Bureau, "Statistics of U.S. Businesses," available at https://www.census.gov/programs-surveys/susb.html (last accessed December 2019); American Communities Project, "The American Communities," available at https://www.americancommunities.org/ (last acces December 2019).
• Get the data

Figure 17. Share of each state's population residing in distressed zip codes (2020 DCI)



Mean Income Rank for Black Children Growing Up in a Household at the 25th Income Percentile



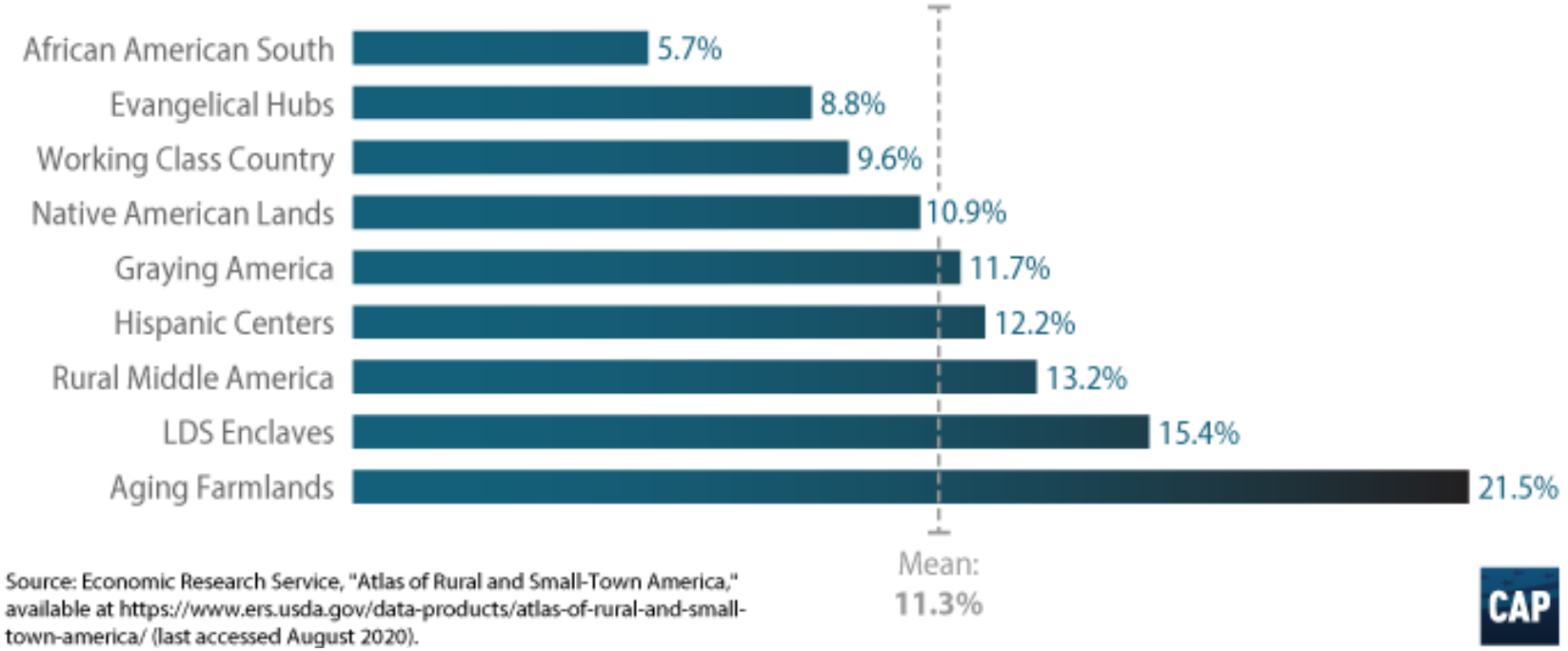
Source: Chetty et al. 2018.
Note: Data are calculated at the commuting zone level. The data include children born between 1978 and 1983. Areas are white if data are not available.

THE HAMILTON PROJECT
BROOKINGS

FIGURE 3

Southern rural communities and tribal communities have the lowest levels of upward mobility

Percentage of individuals whose parents were in the 25th percentile of household income but who moved to the top quintile of income in adulthood, by American Communities Project type

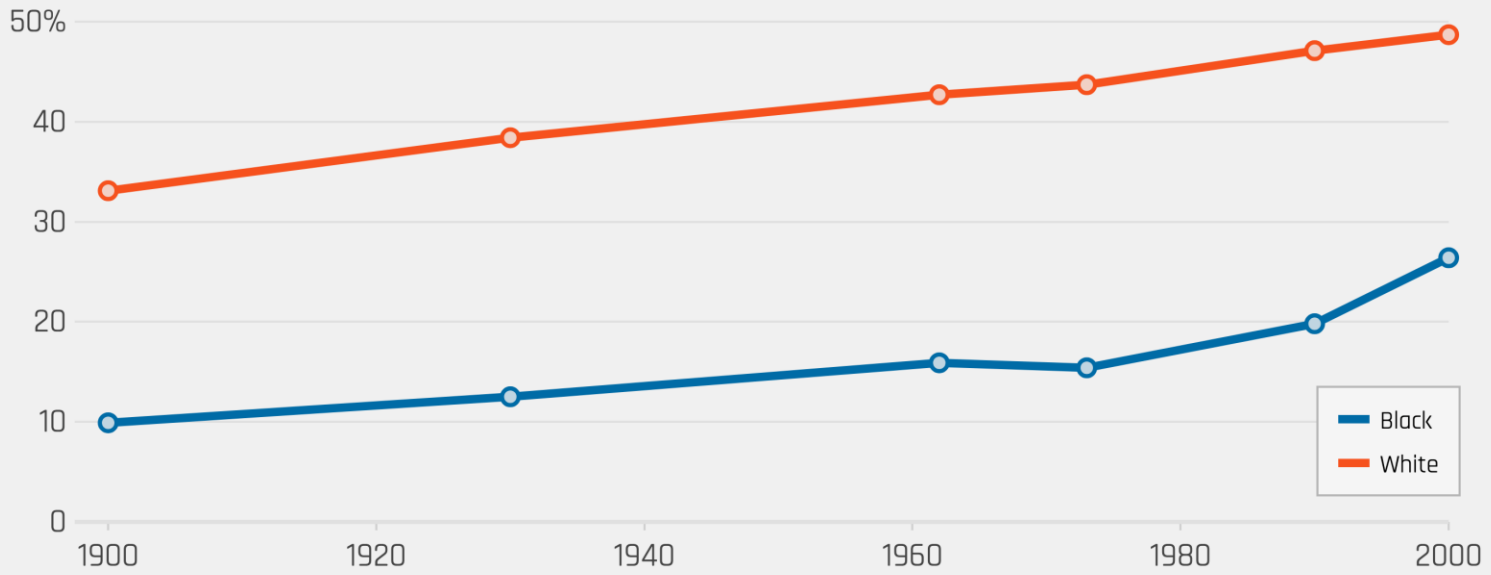


Source: Economic Research Service, "Atlas of Rural and Small-Town America," available at https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america/ (last accessed August 2020).

CAP

The persistence of race-based economic inequality in the United States

The economic status of the sons of white and black men at the bottom of the 10th percentile of the income distribution, 1900–2000



Source: William J. Collins and Marianne H. Wanamaker. "Up from slavery? African American intergenerational economic mobility since 1880." Working Paper [Washington Center for Equitable Growth, 2017], available at https://equitablegrowth.org/working-papers/african-american-intergenerational-mobility/

Note: The data include fathers between the 8th and 12th percentile of the national income distribution for sample size considerations. In 1900 and 1930, all black and white fathers are residing in the South to ensure comparability. From 1962 to 2000, the samples are nationally representative to account for the great black migration beginning in the 1940s.

Equitable Growth

Panel Discussion: Housing Market Dynamics and the Rural Economy

Leonard (Len) Kiefer, Deputy Chief Economist, Freddie Mac

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