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## **How African Americans in Rural Areas Learn to Become Homeowners**

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**Abstract:** This study identified the process by which African Americans in rural areas become homeowners. By interviewing ten African Americans first-time homebuyers living in rural middle Georgia and who purchased their homes through one of the Federal Rural Housing Programs within the past five years or less, it was discovered the homeowners used a variety of informal methods to gain information about homeownership.

### **Introduction**

The majority of Americans aspire to own a home. Homeownership has been recognized by many as a depiction of wealth and in large part, symbolizes the American dream. Homeownership, however, is the socioeconomic measure that displays the single greatest disparity in America today. African Americans own, on average, one-twelfth the amount of property as whites, and the gap in net worth continues to grow even in the post-Civil Rights era (Conley, 2000). Also, it is estimated that the current generation of African Americans has missed out on \$82 billion in wealth accumulation as a result of not having parity with whites in homeownership (Denton, 1999). Studies (Green & White, 1994; Rossi & Weber, 1996) have shown homeowners accumulate wealth as investment in their homes grows. They also enjoy better living conditions, are often more involved in their communities, and have children who tend to do better in school and are less likely to become involved in crime (Collins & Dylla, 2001; Housing Assistance Council, 2000; U.S. Department of Housing and Urban Development, 2001).

The Department of Housing and Urban Development (HUD) reports the overall homeownership rate for all American families in 2001 as 67.7 percent, including an all-time record for African American's homeownership in 2001 at 48.6% (U. S. Census Bureau, 2001; U.S. Department of Housing and Urban Development, 2001). The African American homeownership rate differs by about 20 percent. Even with this new record, minority homeownership continues to lag significantly behind the near-historic national average. The disparities in homeownership are evidenced by the percentage of African Americans owning homes as opposed to European Americans. From 1980 until 2001, the homeownership rate for African Americans has not surpassed 50% of the total population of African Americans which means fewer than 50% of African Americans are homeowners (Simmons, 2001; U. S. Census Bureau, 2001; U.S. Department of Housing and Urban Development, 2001). These figures show the need for policies promoting the American dream of homeownership for African Americans.

Rural areas in North America are characterized by a low tax base, low wages, low population density, a limited resource base in human as well as financial capital, lack of specialization and diversity, and a tendency toward relative insulation and closely knit homogeneous communities (Barker, 1985). Lower tax bases in rural areas mean fewer resources on which to operate public services. Quality of educational public services such as library, community colleges, and vocational-technical schools is limited in rural areas. The low quality of education received by many students in rural school districts and past and present racial and class discrimination in housing, education, and employment adversely affect the status of African Americans in rural areas (Allen & Christy, 1992). Rather than truly living, poor African Americans in rural areas merely exist; they have only a slim chance to achieve a better standard of living. Low educational levels, poor health, lack of competitive job skills, housing, and a

mindset restricted by an impoverished existence all give little hope for mobility, especially in a community devoid of opportunity and supportive programs (Bedic, 1987; Collins & Dylla, 2001).

### **Problem and Purpose of the Study**

African Americans in rural areas pursuing homeownership must first learn about rural housing resources funded by public and private organizations if equality in homeownership is to become a reality. Public and private organizations develop strategies and methods to inform potential homeowners of available resources through disseminating information in various forms such as brochures, pamphlets, radio, newspaper, websites, television, and office visits. Several documents exist that discuss available Federal Rural Housing Programs but little information in the documents specifically addresses the process of becoming a homeowner. As a result, potential homeowners have no models or strategies to follow in becoming a homeowner. Frequently, this leads to frustration and poor decision-making, which may culminate in individuals aborting the homeownership process. Yet, we know that many African Americans in rural areas do become homeowners. It is likely that they use informal means in learning to become homeowners.

There is little identifiable research on strategies and methods African Americans in rural areas employ to become homeowners. Knowledge is power that must be available to all. Knowledge can be passed on in several forms and fashions. When adults have specific tasks in mind, they have an idea of what they need to know in order to accomplish those specific tasks. Learning how to do a task such as purchasing a home must begin with knowledge of what are the components or the makeup of that specific task so that the learner can develop a process to realize accomplishment. The problem is that the process African Americans in rural areas employ to become homeowners and how they learn about resources to assist with purchase of their homes are not known.

The purpose of this study was to identify the process by which African Americans in rural areas become homeowners. More specifically, the following questions were guiding the research:

- What were the components of the process of becoming homeowners?
- What did people learn in the process of becoming homeowners?
- How did people learn in the process of becoming homeowners?
- How did race and other factors shape the process of becoming homeowners in the rural context?

### **Significance of the Study**

Little was known about the process that takes place with African Americans in rural areas wanting to become homeowners and how they learn about resources available to assist with homeownership. The primary significance was to provide data on the process African Americans in rural areas undergo to become homeowners, identify what and how adults learn about homeownership, and identify factors that exist in impeding and facilitating that learning. It is necessary to look at literature on informal learning to understand the nature of African Americans in rural areas becoming homeowners.

The study has significance both theoretically and practically by providing an examination of several adult education concepts, especially informal learning. Examining how adults experience learning provides a theoretical basis for planning and implementing programs that inform of resources regarding housing geared toward improving one's life. The differences and similarities of participants' experiences help to give insights into different approaches to both

practitioners and planners of educational programs. To understand the process, attempts were made to determine how racism shaped the process and impact African Americans' in rural areas efforts in becoming homeowners. Results of this study can assist agencies in planning and marketing programs to attract those persons in need of assistance by knowing how they may approach homeownership. Learning about rural housing programs would further empower African Americans in rural areas and equip them with tools that are needed to become homeowners.

### **Findings**

The process of becoming homeowners was composed of four components: desire to be a homeowner, systematic inquiry, application process, and approval. The desires component included events that occurred such as: 1) aspirations to own a part of the American dream, 2) a need to leave a legacy, and 3) experiences of challenging situations centered on economics and the living environment. During systematic inquiry, homeowners developed a strategy to obtain information from family, friends, real estate agents, or the Federal Rural Housing Program.

The lessons learned during the process of becoming homeowners consisted of: steps and concepts of homeownership, money management, home maintenance, and communication skills. Steps and concepts lessons assisted homeowners with homeownership terminology as well as the order of action in the homeownership process. Homeowners learned how to budget their money and perform home maintenance. Communication skills were acquired from interactions with key players during the homeownership process.

Homeowners learned through informal and/or formal methods to become homeowners. The verbal method was learning informally through conversations, through mass media, and through experience. The homeowners gained information through a formal required class. Word of mouth was the informal method used by the homeowners.

Race and other factors shaped the process of becoming homeowners in the rural context through race, participants' background, and the Federal Rural Housing Program. The effect of racism on homeownership knowledge, the effect of racism on the experience of becoming a homeowner, and the lack of representation of African Americans in the homeownership process were included in the race factor. Participants' background consisted of credit problems, lack of confidence, and motivation. Finally, the Federal Rural Housing Program was comprised of the positives and negatives in reference to rules and regulations and program and staff assistance.

### **Conclusions and Discussion**

The study provided a response to the question: How did African Americans in rural areas learn to become homeowners? Three major conclusions were revealed in this study: (1) African Americans in rural areas lacked the knowledge and expertise of information gathering, therefore retarding the homeownership process; (2) Before and during the participants' investigations, informal learning was the principal way for African Americans in rural areas to learn about the homeownership process; and (3) Racism was a barrier in the homeownership process for African Americans in rural areas.

#### **Lack of Information**

Researchers have listed barriers that deter homeownership for African Americans such as inability to provide sufficient stable income streams for debt service, redlining, predatory lending, housing affordability, and lack of information on how to buy a home (Collins & Dylla, 2001; Gerrie, 1998; Housing Assistance Council, 2000; U. S. Department of Housing and Urban Development, 1999). In this study, the African American homeowners who lived in rural areas indicated that not knowing how to start the homeownership process kept them from realizing the

American dream. When information was not available to indicate the components or steps that were to be taken, they were left with having to go through many trials and error activities to reach the goal of homeownership, or they had to abort the proposed project in its entirety at that time.

### Informal Learning

The lack of housing literature that specifically address how African Americans in rural areas learn to become homeowners created a void filled by the contributions of this study. An adult education concept, informal learning, was vital to African Americans in rural areas becoming homeowners. The quest for specific information started with a desire to own a home. The homeowners were responsible for obtaining the knowledge to satisfy their need of homeownership. Informal learning allowed the homeowners to obtain information that started their inquiry to homeownership and assisted them to proceed through the entire process. The majority of learning with adults takes place informally (Brookfield, 1993, 1995; Galbraith, 1992), especially when there is a need to learn (Marsick & Watkins, 2001).

### Racism as a Barrier in Homeownership Programs

The literature is limited on describing how race and other factors shape the homeownership process for African Americans in rural areas. The homeowners contended with historical, social, and political factors perpetuated by society (Omi & Winant, 1992). Racism played a major role in hindering the homeowners from engaging in experiences that led to homeownership. Not enough qualitative research gives African Americans a voice to express how they perceived racism and other factors that impacted the homeownership process. In this research, I did not find any qualitative studies that addressed African Americans and the racism issues as they relate to the homeownership process; however, there were a few quantitative studies (Ratner, 1996) that addressed African Americans and the impact racism has on the homeownership process.

African Americans have endured barriers caused by discrimination because of their race (Omi & Winant, 1992). Racism, institutional and societal, served as the platform during many of the transactions homeowners encountered. First, education has been an area where racism has flourished no matter what setting, formal or informal (Johnson-Bailey & Cervero, 2000) and it was no different with this situation of learning about homeownership. The homeowners felt their education level did not have any impact on them being knowledgeable of the homeownership process or how the Federal Rural Housing Programs assisted with them becoming homeowners. Because they were African Americans, they felt they were purposefully overlooked when helpful information such as brochures, pamphlets were not distributed for their consumption. It is important to note that the education level may have dictated what resources were used by the homeowners to obtain information, but if a variety of sources are available, some barriers of accessibility to information would be avoided. And, because they did not see or hear of advertisement for homeownership programs, many of the homeowners had thoughts of a conspiracy existing to block them from becoming homeowners.

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