

The Social Benefits of Homeownership: Empirical Evidence from National Surveys

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Abstract

Claims that homeownership is beneficial to both owners and society have not been examined empirically. This article explores evidence from the General Social Survey and the National Survey of Families and Households, supplemented by data from the American National Election Studies and several small but highly relevant researches, to determine whether owners and renters differ in a variety of ways.

Strong differences in demographics were found. Small differences were found in some respects: Owners tended to be higher in life satisfaction and self-esteem and more likely to be members of community improvement groups. On a wide variety of social issues—from political partisanship to ethnocentric views—owners and renters were essentially alike. Thus, it appears that the claims for some social and individual benefits from homeownership are supported, but only weakly. Recognizing that the exploratory analyses presented are not definitive, several strategies for more definitive future research are recommended.

Keywords: Homeownership; Rental housing; Demographics

Introduction

The central purpose of this article is to explore the meaning of owning a home in contemporary America, paying special attention to the implications of homeownership for low-income households. The article also draws extensively on analyses of data from national surveys, searching for ways that owners and renters differ.

Writing about this topic is difficult for several reasons. First, there is a paucity of empirical literature on the antecedents and consequences of homeownership¹ and a vast surplus of

¹ A notable exception is the work of Saunders (1990) on the effects of privatization of council public housing in Great Britain during the regime of Prime Minister Margaret Thatcher, a special circumstance not directly applicable to the U.S. experience. Earlier studies bearing on this topic typically

sentimental and hortatory writing on those topics, as is typical in areas involving widely held social values. A wide variety of sources extol the benefits of ownership to households and to society.² Extending homeownership to ever wider circles of American society has been a major political goal for more than half a century and has seemingly been fostered successfully by a variety of public programs.

Second, the social researcher's most disliked data disease—multicollinearity—plagues empirical research on homeownership. To begin with, homeownership can be parsed into “home” and “ownership,” each part with a variety of meanings. In addition, the homes involved are complex bundles composed of physical structures, interior layout, location, amenities such as appliances, and social surroundings. The structures that are owned in contemporary America are very different in most such respects from those that are rented. This multicollinearity makes it difficult to appreciate just what is salient about homeownership.

Finally, research on the effects of homeownership is more than ordinarily cursed with severe problems in establishing the direction of causality. For fiscal and technical—let alone ethical—reasons, it is virtually impossible to design research that can produce credible estimates of the effects of homeownership.

This article analyzes the concept of homeownership, reviews some of the major relevant empirical studies, and examines two major data sets to identify some of the major social correlates of homeownership.³ Along the way, we point out promising directions for future research.

were based on community samples with relatively small numbers of observations (Alford and Scoble 1968; Blum and Kingston 1984; Cox 1982; Forrest and Murie 1991; Pratt 1986; Steinberger 1981).

² A minor note in the literature has been sounded by writers such as Dean (1945) and Harvey (1973), who believed that the advocacy of widespread homeownership would entice middle-class and poor families to enter into unwholesome debt, restricting their freedom to react appropriately to economic change.

³ This article focuses on the social benefits of homeownership but does not address all the potentially important economic benefits because of economic data limitations of the two national surveys examined. Past research indicates some consensus on two major economic benefits of homeownership: (1) the preferential tax treatment that homeowners enjoy and (2) the possibility of wealth accumulation. On the first issue, the literature suggests that the cost of owning a home is favorable when compared with renting because of homeownership preferences in the federal income tax code (see, for example,

Opening up the black box of homeownership

The definition of “home” occupies several pages in the unabridged *Oxford English Dictionary*, indicating the heavy freight of meanings that term carries. For most Americans, not having a home would be a terrifying prospect, involving deprivation of security, comfort, and access to amenities we consider essential to a minimal level of existence. Accordingly, whether to have a home or not is not in question.

Whether to own or to rent a home is a matter of choice. However, it is a choice that is heavily constrained. On the demand side, the constraints are household financial resources and income prospects, as well as the locational needs of household members and the amount of housing required. On the supply side, the major constraints arise from the differences in the housing offered on the rental and ownership markets. If a household wants to live in a single-family detached house, choices are largely restricted to the ownership market because few such units are offered for rent. Until the recent development of new legal forms of dwelling ownership, especially condominiums, multiunit dwellings were restricted to the rental market. However, the condominium market is still small (3.6 percent of all occupied dwellings in 1990) and expands the range of choices only slightly (U.S. Bureau of the Census 1995).

The 1990 distribution of dwelling types owned and rented by households is shown in table 1. More than 8 out of 10 owner-occupied units (82.3 percent) were single-family detached conventional units, compared with only 29.5 percent of rental units. Close to 9 percent of the 1990 owner-occupied units were mobile homes, and another 4.4 percent were attached single-family units (row houses).⁴ Viewed in another way, 85.6 percent of single-family detached units were owner-occupied. In short, household desires for a detached single-family home are fulfilled mainly by entering the homeownership market. This

Follain, Ling, and McGill 1993). On the second issue, a one-of-a-kind 1991 study found significant appreciation in the value of homes owned by lower income homeowners over the 1974–83 period (Pollakowski, Stegman, and Rohe 1991). Unfortunately, the data used in this study did not cover the period of limited appreciation in property values starting in 1989. This study would need to be repeated with more recent data to confirm the potential for wealth accumulation among lower income homeowners.

⁴ Almost all mobile homes are “detached” and built to accommodate single families and hence logically are also single-family detached homes. However, mobile homes are usually regarded as a distinct housing type and are so treated here.

Table 1. Household Dwelling Type by Tenure Status, Occupied Dwellings, 1990

Dwelling Type	Tenure Status of Occupants (Percent)		Percent of Total Dwellings	Percent of Dwelling Type Occupied by Owner
	Own	Rent		
Mobile home	8.6	3.8	7.0	83.0
Single-family detached	82.3	29.5	65.5	85.6
Single-family attached	4.4	6.1	5.0	60.7
Building with 2-4 apartments	2.5	20.7	8.3	20.4
Building with 5-19 apartments	0.8	22.2	7.6	7.4
Building with 20+ apartments	1.4	17.8	6.6	14.3
Total number	6,214	2,909	9,123	68.1

Source: U.S. Bureau of the Census (1995).

Note: Households living in group quarters omitted. Percentages may not add to 100 because of rounding.

generalization holds for both low- and high-income families: Of the homeownership households in the bottom third of the distribution of household income, 76 percent lived in single-family detached units, as contrasted with 91 percent of those in the upper two-thirds of the income distribution (U.S. Bureau of the Census 1995).⁵

The constraints discussed above effectively reduce choices for households. Some households cannot enter the ownership market because of low wealth or income or because of locational needs. Those who can enter both the ownership and rental markets are faced with quite different housing choices in the two markets. They are faced with the choice of owning a dwelling with certain characteristics or renting one with quite different qualities. Separating the attractions of tenure status from the attractions of dwelling attributes is difficult. When asked, a strong majority of Americans express a preference for owning rather than renting.⁶ Does that mean a preference for that tenure status or a preference for the kind of dwellings on the ownership market?

⁵ Another 15 percent of the bottom third lived in mobile homes, arguably an inexpensive version of the single-family detached home.

⁶ See, for example, the *Fannie Mae National Housing Survey 1994* (Fannie Mae 1994), which reported that 86 percent of a national sample of Americans believed that a person is better off owning than renting. Only 2 percent claimed that renting was preferable, and another 12 percent were either "not sure" or stated that "it depends."

The bundling of tenure status and dwelling attributes also makes it difficult to estimate the effects of tenure separately from those of the dwellings involved, let alone separate them from the effects of economic and demographic differences between owners and renters. For example, homeowners may show higher rates of political participation on some indicators, but is that because they own or because their dwellings are located in smaller communities? Because they are better educated, somewhat older, have more wealth and income? Which differences between renters and owners are causes and which are effects?

Although unbundling tenure and housing attributes may not be possible in the real world, it is possible in an experimentally designed world, as Shlay's research (1985, 1986) has shown. Using the factorial survey approach (Rossi and Nock 1982), Shlay studied the housing preferences of a small sample of consumers. Short descriptions (vignettes) of housing units were constructed by randomly associating housing and neighborhood characteristics.⁷ Respondents rated each dwelling along a scale of desirability. The resulting vignettes have the desired quality of orthogonality among dwelling attributes. In particular, the tenure status of the dwelling (whether it was offered for sale or for rent) was not correlated with other dwelling attributes such as location, size, design, and facilities. In short, in the housing universe represented by the set of vignettes, housing qualities were unbundled.

Regressing the desirability of the dwellings on their attributes produced unbiased estimates of the weights respondents gave to each attribute. Shlay found that the coefficient for tenure status was not significant ($t = 1.13$), meaning that when other attributes of a dwelling were held constant, respondents did not care whether the unit was for sale or for rent. The dwelling attributes that did matter included the number of bedrooms, whether the dwelling was a detached house, and the age of the structure (newly constructed homes were preferred). And such neighborhood characteristics as distance to workplaces, racial composition, and closeness to friends and relatives were also important. The findings concerning tenure held for low-income as well as high-income families.

⁷ The dwelling attributes used in the vignettes included number of bedrooms, heating method, presence of air conditioning, design features such as kitchen facilities, presence of a fireplace, racial composition of the neighborhood, distance from work, neighborhood density, and public transportation availability.

How significant is Shlay's finding about Americans' indifference to homeownership as contrasted with the kind of home involved? If we regard her finding as generalizable, then the proclivity of Americans for homeownership, as revealed in their market behavior, is a consequence of the way the housing market closely bundles tenure status with dwelling attributes. However, there are limitations to her study: First, it was based on white respondents drawn from four census tracts in Syracuse, NY, so generalizability is limited. Second, dwelling unit costs were not among the attributes used in constructing vignettes—a potential misspecification of some consequence. Finally, there is the issue of how closely the respondents' rating of the vignettes corresponds to their market behavior. Perhaps the more balanced assessment of Shlay's findings is that they strongly suggest ownership per se may not be as strongly desired as market behavior implies.

Owner-renter differences

As shown in table 1, renters and owners occupy different kinds of dwellings. In addition, owner- and renter-occupied units are located in different types of neighborhoods and communities. This section reviews the differences between owners and renters, ranging from household composition to political beliefs. We review several important empirical studies and assemble a large amount of data from three major public use data sets: the General Social Survey (GSS), the National Survey of Families and Households (NSFH), and the American National Election Studies (ANES).⁸

The GSS is a sample survey conducted by the National Opinion Research Center at the University of Chicago almost every year and financed by grants from the National Science Foundation. It consists of a 90-minute interview with an area probability sample of about 1,500 U.S. households. The survey asks an adult in each chosen household a variety of questions about personal experiences and views on current public issues. The data sets, when combined across years, allow for tracking trends over time. The data sets are available for public use through the Inter-university Consortium on Political and Social Research at the University of Michigan. The GSS surveys for 1988 through 1993 are pooled in the analyses presented in this article. The pooling

⁸ The documentation for the three studies is contained in Davis and Smith (1995), Center for Demography and Ecology (1990), and Miller and National Election Studies (1994), respectively.

increases the sample sizes for questions that are repeated in annual surveys.⁹

The NSFH is based on a 1988 area probability sample of more than 13,000 households surveyed by the Center for Demography and Ecology at the University of Wisconsin and was financed by grants from the National Institute of Child Health and Human Development.¹⁰ The elaborate face-to-face interviews concentrate mainly on family and fertility issues, gathering data from both spouses in married households and from any other adults in the household. The NSFH data set is available for public use.

The ANES is a database including all the American national election surveys conducted by the Institute for Social Research at the University of Michigan, covering the presidential elections from 1948 to 1994. The surveys are based on national area probability samples of households, with sample sizes varying from election to election. This database is particularly rich in measures of political interest and participation.

The strategy used to analyze the three data sets is properly characterized as an exploratory “brute force” approach. Homeowners and renters are contrasted with respect to a variety of measures chosen because each is a plausible indicator of differences that might lead to or result from tenure status.

The comparisons are made while holding constant both the age of the householder and the socioeconomic status of the household. These “control” variables were chosen because each is a strong independent correlate of housing tenure and because measures were available in each of the databases. Age is represented as a logarithm because homeownership rapidly increases in frequency in the early decades of adulthood and reaches an almost stationary plateau for ages over 40 (see table 2). In the GSS, household socioeconomic status is represented by the highest prestige score among the occupations held by adults in

⁹ Most of the questions included in the GSS are repeated regularly, some are included in every survey, and others are repeated at longer intervals. The GSS also employs a “split ballot” rotation procedure in which some questions are asked only of a subset of respondents. In addition, in some years special supplements are used to make one-time studies of special topics.

¹⁰ A reinterview of respondents was conducted in 1994 and is currently available. The analyses presented in this article are restricted to the 1988 initial survey.

Table 2. Homeownership by Age and Socioeconomic Status

Socioeconomic Index	Percent Homeowners in Householder Age Groups					
	< 31	31–40	41–50	51–60	61–70	71+
Lowest third	15.6	39.4	55.2	58.5	70.8	61.0
Middle third	31.1	59.2	71.6	74.7	76.0	73.3
Highest third	43.6	73.1	83.2	85.6	87.2	77.1
All households	30.0	58.9	70.7	71.9	76.7	68.5
Total number	3,883	3,388	1,796	1,352	1,355	1,230

Source: NSFH.

the household.¹¹ In the NSFH, household socioeconomic status is recorded as the highest Duncan Socio-Economic Index (SEI) among adults in the household, a measure that combines educational attainment and income.¹² In the ANES database, household income and respondent education are used as indicators of socioeconomic status.¹³ An “ownership effect” is calculated by regression equations; the dependent variable is the measure being studied, such as marital status of householder, and the independent variables are tenure status, age, and socioeconomic status. The resulting regression coefficient for homeownership is the index of effect. Logistic regression models are used for binary dependent variables, and ordinary least squares are used for continuous dependent variables.

This strategy was designed to offset the correlation of tenure status with age and with socioeconomic status. That is, the ownership effect measures are independent of age and socioeconomic level. Age is used as a control because of its strong relationship to other life course variables, such as marital status and household composition. Socioeconomic status reflects not only income but also educational attainment, and both are major conditioners of a variety of life experiences. Of course, other household characteristics are still influencing the findings. A thorough investigation of any of the effects would require more complete modeling of the non-ownership-related factors affecting behavior.

¹¹ Occupational prestige scores are based on the findings of national surveys in which respondents are asked to rate the social standing of a large number of occupations.

¹² The Duncan SEI score is based on the regression of occupational prestige on income and education from the 1980 U.S. census.

¹³ Household income is transformed into deciles.

The term “effect” above is used in a special sense, to show the significance and size of the relationship between homeownership and the dependent variable. Because these data sets use cross-sectional, nonexperimental data, the relationships found cannot be taken as the effects of tenure status. Indeed, the direction of causality is almost always ambiguous with such data. If a finding shows, for example, that owners are more likely to know who their congressional representatives are, that may mean they are more knowledgeable about politics because they are owners, that knowledgeable persons become owners, or that better educated persons are both more likely to be owners and more likely to be knowledgeable. However, if it is found that owners are just as likely as renters to know who their congressional representatives are, firmer ground can be claimed for ruling out that owners and renters differ in that respect.¹⁴

Almost all the analyses presented use samples of all civilian households in the United States and represent all income levels proportionately. To the extent that the measures of socioeconomic status used are related to income, the findings are applicable to all income levels. Special parallel analyses focused on households in the lower third of total household income, but the small numbers of low-income households in the samples made findings quite erratic in many instances. In general, results for low-income households did not depart radically from those obtained from full samples.

Age, race, and socioeconomics

Homeownership is strongly related to age and socioeconomic status, as table 2 shows. For all households, ownership starts at 30.0 percent for householders under 31 years of age, peaks at 76.7 percent among those 61 to 70, and then declines slightly to 68.5 percent for those 71 and over. The biggest difference between consecutive age groups is between those under 31 and those aged 31 to 40, a difference of close to 29 percentage points.

The same pattern exists for age groups at each socioeconomic level but at radically different levels. For households in the lowest third on the socioeconomic index, the youngest age group starts with 15.6 percent owners and peaks at 70.8 percent; in contrast, among households in the highest third in socioeconomic

¹⁴ Of course, a complicated chain of relationships may mask a real difference between tenure and some household characteristic that would appear as an effect if that chain were properly modeled. The difficulty of thinking of a plausible example, however, argues for expecting that such chains will be rare.

status, the youngest age group starts with 43.6 percent owners and peaks at 87.2 percent. Clearly, both householder age and socioeconomic level affect homeownership quite strongly. These findings support the analysis strategy of holding age and socioeconomic status constant.

There are also strong racial and ethnic differences in homeownership (table 3). Blacks and Hispanics have consistently lower (and very similar) ownership rates at every level, less than half the white ownership rate in the youngest age group and less than three-fourths of the white ownership rate in the 61–70 age group. A logistic regression analysis showed that race/ethnicity, age, and socioeconomic status were independently related to homeownership.¹⁵

Table 3. Homeownership by Age and Race/Ethnicity

Household Race/Ethnicity	Percent Homeowners in Householder Age Groups					
	< 31	31–40	41–50	51–60	61–70	71+
Black	13.9	42.7	54.4	52.9	57.5	54.9
Hispanic	11.3	38.9	50.4	60.4	57.0	55.6
White (non-Hispanic)	32.7	65.6	77.2	79.1	82.3	71.4

Source: NSFH.

Household composition

Previous research on housing tenure has consistently recorded strong differences in the compositions of renting and owning households (Morris and Winter 1996). Although many such demographic differences are correlated with householder age, they tend to persist when age is held constant.

Findings concerning owner-renter differences in household demographic characteristics are presented in table 4. Because the structure of this table and those that follow is somewhat unusual, some explanation is necessary. The table summarizes the results of 15 regression equations, one for each of the household composition measures described in the first column. In each equation, the measure described is regressed on the log of age and on measures of socioeconomic status and tenure status. The second column indicates the direction of the renter-owner

¹⁵ Tenure status was regressed on age, binary variables for being black and for being Hispanic, and the Duncan SEI. All the coefficients were significant well beyond the 0.0001 level, resulting in a pseudo R^2 of 0.2.

Table 4. Household Composition Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Proportion married or widowed	Higher		5.14	12,249	NSFH
Proportion married or widowed	Higher		1.37	4,908	GSS
Ever divorced	NS			899	GSS
Current marriage interrupted by separation	Lower		0.64	6,598	NSFH
Number of persons in household	Higher	0.09		4,907	GSS
Number of children <5 years	Higher	0.09		12,243	NSFH
Number of children 5–18 years	Higher	0.36		12,250	NSFH
Number of children 19+ years	Higher	0.04		12,243	NSFH
Number of unrelated adults in household	Lower	-0.04		4,874	GSS
Number of adults 18 years or over	Higher	0.07		4,908	GSS
Number of earners in household	Higher	0.07		4,871	GSS
Jewish household	Lower		0.64	4,898	GSS
Catholic household	NS			4,898	GSS
Protestant household	NS			4,898	GSS
Lived in same region since age 16	Higher		1.34	4,908	GSS

Note: NS = not significant.

differences found: “Higher” means that owners were found to be significantly higher than renters on that measure; “Lower” means that owners were found to be significantly lower than renters; and “NS” means that there were no significant differences (the coefficient for tenure is not statistically significant at the 0.05 level). As mentioned earlier, least squares regression models were used for continuous variables, and logistic regression models were used for binary dependent variables. In the third column, the least squares regression coefficient is shown if it was significant; the entry is blank if logistic regression was used. In the fourth column, the regression coefficients for logistic regressions are shown as odds ratios. Ratios above 1 indicate that the odds for owners to have the characteristic in question are greater than the odds for renters, and odds ratios below 1

indicate the reverse. In the fifth column, the sample size used in the regression equation is shown. The last column shows the source data set for the regression. When both data sets have the same (or closely similar) measures, separate equations are run and the results displayed in adjacent rows.

There are no surprises in table 4. The findings show that owners are more likely to be married or widowed, and that their marriages are less likely to have been interrupted by a period of separation.¹⁶ Owner householders were neither more nor less likely to have been divorced. Owner households were larger and contained more adults than renter households. Significantly, owner households had more earners and fewer unrelated adults.¹⁷ Owner households also have more children of all age levels. Catholic and Protestant households showed no tenure preferences, but Jewish households were more likely to be renters. Finally, owners were more likely to have lived in the same region of the country since the age of 16.

In sum, owning a home is more characteristic of married-adult households with several earners and of householders who are not migrants from another region.

Household finances

Although the socioeconomic measures used as controls are closely related to household income, there are still income differences between owners and renters, as shown in the top row of table 5.¹⁸ The regression coefficient shows that, on average, the total household income of owners is more than \$17,000 greater than that of renters. Of course, owning households tend to have more earners in them (as shown in table 4) and hence their greater incomes are to be expected. Owners also have about \$6,000 more in savings and about \$5,000 more invested in mutual funds.

¹⁶ The married and widowed statuses were combined because the widowed state indicates that the household at one time consisted of a married couple. Aside from the impact of mortality, widowed households are similar to the currently married.

¹⁷ Unrelated persons are those who are not parents, siblings, or children (or stepchildren) of the householder.

¹⁸ The socioeconomic measure is based on the highest SEI score for employed members of each household, and total household income is the sum of the incomes of all household members. Accordingly, the two measures can rank a household quite differently depending on how many earners are in the household.

Table 5. Household Financial Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Total annual household income (dollars)*	Higher	17,300		9,391	NSFH
Dollars in savings	Higher	6,180		11,298	NSFH
Dollars in mutual funds	Higher	5,089		12,171	NSFH
Has credit card debt	Higher		2.11	12,171	NSFH
Has installment debt	Higher		1.53	12,170	NSFH
Has education loan	Lower		0.71	12,170	NSFH
Has personal bank loan	Higher		1.64	12,164	NSFH
Has bills 90 days overdue	Lower		0.78	12,168	NSFH

* Includes earnings and income from other sources of all persons in the household (obtained only when the person interviewed in the household was a householder).

Table 5 also includes several measures of household debts. Homeowners are more likely to have debt on their credit cards, installment debt, and personal bank loans. The amounts owed by owners are larger than those owed by renters. However, renters are more likely to have education loans to pay back and to have bills more than 90 days overdue.

Clearly, owning households are more affluent, and their better finances allow them to go further into debt. The poorer financial situation of renters is shown in less access to credit and in accumulation of overdue bills.

Well-being

One of the claimed advantages of ownership is a heightened sense of personal well-being. When compared with renters, owners are claimed to be happier, to have higher self-esteem, and to show other signs of a higher sense of well-being. The two data sets provide 11 self-reported measures that are related to sense of personal well-being, as shown in table 6.

On the whole, the results seem to bear out the claims made about the higher sense of well-being of owners. In the NSFH data set, owners are higher than renters in self-satisfaction, are more likely to believe that they can do things as well as anyone else, are more sure that their lives will work out as they want, score lower on a scale of depression, show higher levels of happiness

with life in general, and rate themselves higher in physical health. All the NSFH coefficients shown in table 6 are statistically significant, but they are not large. For example, the question on self-satisfaction calls for a self-rating on a five-point scale; the associated coefficient is 0.04, meaning that, on average, owners score 0.04 points higher. Owners may show higher levels of well-being, but the difference between the two groups is not great.¹⁹

Table 6. Measures of Sense of Well-Being: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Self-satisfaction	Higher	0.04		12,250	NSFH
Do things as well as anyone	Higher	0.10		12,250	NSFH
Sure that my life will work out	Higher	0.17		12,250	NSFH
Depression scale	Lower	-3.44		12,250	NSFH
Happiness scale	Higher	0.27		10,684	NSFH
Happiness scale	NS			4,873	GSS
Physical health self-rating	Higher	0.16		11,577	NSFH
Physical health self-rating	NS			3,064	GSS
Anomia scale	NS			2,973	GSS
Life is exciting/dull	NS			3,052	GSS
Substance abuse in household	NS			10,891	NSFH

Note: NS = not significant.

None of the well-being measures obtained from the GSS data set are statistically significant, although in most cases the sign of the calculated coefficients indicates that owners are higher on those measures than renters. Apparently, the sample sizes in the GSS (about one-third of the NSFH sizes) are not large enough to register statistical significance for the small owner-renter differences found.

¹⁹ The coefficient for the depression scale seems larger than it really is. The scale is constructed by summing the responses to a number of separate items about feelings of depression and has a range of 30 points. In relationship to this range, the coefficient is about as large as the other NSFH coefficients.

Rohe and Stegman (1994a) report on a relevant quasi experiment involving low-income people who had recently become homeowners and a comparison group of low-income renters (selected from among Section 8 voucher holders). The low-income homeowners acquired their newly constructed homes with the aid of deep subsidies provided by a foundation and the city of Baltimore. Homeowners and renters filled out questionnaires concerning life satisfaction, self-esteem, and perceived control over their lives. After a year in their residences, owners were significantly different only on life satisfaction and showed positive, but not significant, effects on the other measures. These findings parallel those shown in table 6; their small sample size ($N = 140$) may account for their insignificant findings.

The overall findings are that owners regard themselves as having a greater sense of well-being than renters, but only marginally so. However, the issue of causality in these cross-sectional data sets again prohibits any claim that ownership leads to a greater sense of well-being.

Sociability

Claims have also been made that owners are more likely to be embedded in social networks, which link them to their neighbors through visiting and helping ties as well as through a higher rate of membership in organized groups. Accordingly, local communities with high ownership levels are better integrated socially. In this section, 22 measures of sociability are examined to ascertain whether such claims can be upheld.

Thirteen of the 22 measures register statistically significant differences between renters and owners (table 7). However, the pattern does not consistently sustain the claim that owners are more integrated into social relationships. The NSFH data show that owners belong to 0.41 more organizations than renters, but a similar measure from the GSS provides a coefficient that is not statistically significant although it has the same sign.²⁰ The only other measures showing greater sociability for homeowners involve membership in nationality groups and youth groups and evenings spent with relatives.²¹ Owners claim to have provided a

²⁰ Note that sample size differences may be at the root of the NSFH-GSS differences.

²¹ The GSS findings about evenings spent with specific kinds of relatives (parents, siblings, and relatives in general) are not significant.

Table 7. Sociability Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Number of organizational memberships	Higher	0.41		12,250	NSFH
Member of union, fraternal group, hobby group, farm, or school fraternity	NS			3,013	GSS
Member of nationality group	Higher		1.55	3,011	GSS
Member of youth group	Higher		1.40	3,011	GSS
Member of church	NS			966	GSS
Church attendance frequency	Lower	-0.36		20,349	ANES
Church attendance category	Lower	-0.40		4,451	ANES
Spends evenings with relatives	Higher		1.27	11,353	NSFH
Spends evenings with relatives	NS			3,633	GSS
Spends evenings with parents	NS			3,628	GSS
Spends evenings with siblings	NS			3,622	GSS
Spends evenings with neighbors	Lower		0.87	11,153	NSFH
Spends evenings with neighbors	NS			3,636	GSS
Spends evenings with co-workers	Lower		0.85	10,802	NSFH
Spends evenings with other friends	Lower		0.82	11,279	NSFH
Spends evenings with friends	Lower	-0.04		3,634	GSS
Gives help to others	Higher	0.30		12,250	NSFH
Receives help from others	NS			12,250	NSFH
Goes to bars	Lower		0.71	11,422	NSFH
Goes to bars	Lower	-0.03		3,633	GSS
Participates in group recreation	NS			11,492	NSFH
Attends church socials	NS			11,421	NSFH

Note: NS = not significant.

variety of help to other persons, but there were no owner-renter differences in receiving help.²²

Other measures show renters to be more sociable than owners. NSFH data show that renters are more likely to spend evenings with neighbors, casting some doubt on the claim that owners are more likely to have neighborhood ties. (The GSS measure of sociability with neighbors has the same sign but is not significant.) The NSFH data show that owners are less likely to spend evenings with co-workers. Both data sets show that renters are more likely to spend evenings with friends who are not neighbors or co-workers and to patronize bars. The ANES study shows that homeowners attend church less frequently, although the absolute difference between owners and renters is quite small. Note that the two measures of church membership and attendance at church socials, from the GSS and the NSFH respectively, show no significant differences between renters and owners.

The findings concerning sociability, however, are not definitive. Renters and owners differ in ways other than age and socioeconomic status that can account for the differences shown above. For example, as shown in table 4, owning households have more minor children, which might lead them to center their sociability more in their kinship circles.

All told, owners are not consistently more likely to be members of social networks. In fact, owners are less likely to have visiting relations with neighbors, which runs directly counter to the claim that owners are more likely to be neighborly. And, as in earlier tables, the owner-renter differences are not large.

Marriage and family

As was shown in table 4, homeowners are more likely to be married than renters are. This finding is largely an outcome of owner-renter age differences because young adults are more likely to be unmarried and are more often renters. However, owner-renter differences in marital status may also reflect different views on marriage. When married, renters may hold views different from those of owners, with homeownership demonstrating a stronger commitment to marriage and children. This section explores the empirical evidence on such differences.

²² Help provided included babysitting, transportation, household repairs, work around the house, and advice.

The GSS and NSFH have many items (64 in total) concerning marriage and family issues, ranging from self-ratings of marital happiness to opinions on legalized abortions. The owner-renter differences on those items are shown in table 8.

Although owners claim to be happier in general than renters (see table 6), their claimed marital happiness is neither higher nor lower. In addition, owners claim to cope as well as renters in their relations with their spouses. Married people seem to be just as happy with their marriages when they rent as when they own their homes.

However, there are differences between the two: Owners have more areas in which they disagree with their spouses, have lower frequencies of sexual intercourse, and cope less well with parenting. Owning a house apparently requires more work. Owners have a harder time coping with household tasks, and both wives and husbands in owning households claim that wives spend more hours in housework. The increased housework time for owning wives is not matched by any increase in the work time for husbands; owners and renters claim that husbands spend about the same number of hours in that activity. In other aspects of the marital relationships, renters and owners are at about the same levels: Both claim about the same fairness in their division of labor concerning child care, earning income, and other family responsibilities.

The remaining items in table 8 concern attitudes toward various marriage and family issues. Overall, the owner-renter differences are slight and inconsistent. However, owners do recommend marriage more highly than renters for both men and women,²³ are more likely to believe that marriage is better than being single, and are more disapproving of premarital sex and of teenagers engaging in sex. Yet owners do not hold traditional views on the female role: They are more likely to endorse nontraditional views of the effects of mothers' employment. Perhaps consistent with such views, owners endorse the idea that personal freedom is more important than getting married. In addition, owners are less likely to agree that someone who wants to have children should get married and more likely to agree that single mothers can successfully raise children. Indeed, it appears that owners are more likely to endorse a somewhat individualistic view of marriage.

²³ This higher regard for marriage disappears if marital status is held constant. Apparently, more owners laud marriage because more owners are married.

Table 8. Marriage and Family Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Marital happiness ratings	NS			6,378	NSFH
Areas of spousal disagreement	Higher	0.45		5,319	NSFH
Frequency of sexual intercourse	Lower	-0.47		5,195	NSFH
Coping with marital relations	NS			5,737	NSFH
Coping with parenting	Lower	-0.39		5,277	NSFH
Coping with housework	Lower	-0.38		11,007	NSFH
Wife's hours of housework per week (wives' responses)	Higher	5.15		7,060	NSFH
Wife's hours of housework per week (husbands' responses)	Higher	3.28		3,208	NSFH
Husband's hours of housework per week (wives' responses)	NS			7,060	NSFH
Husband's hours of housework per week (husbands' responses)	NS			3,208	NSFH
Fairness in spousal relationships	NS			6,092	NSFH
Fairness in child care	NS			3,788	NSFH
Nontraditional views on female role	Higher	0.59		11,366	NSFH
Nontraditional views on male role	NS			12,250	NSFH
Better to be married than single	Higher	0.12		12,250	NSFH
Marriage recommended for women	Higher	0.70		898	GSS
Marriage recommended for men	Higher	0.64		896	GSS
Believe married people are happier	NS			905	GSS
Personal freedom more important than marriage	Higher	0.20		897	GSS
Financial security is advantage of marriage	NS			901	GSS
Children main purpose of marriage	NS			901	GSS
Bad marriage better than none	NS			901	GSS
Get married if children wanted	Lower	-0.24		900	GSS
Single mother can raise kids well	Higher	0.21		900	GSS
Single father can raise kids well	NS			901	GSS
Children more trouble than worth	NS			904	GSS
Children life's greatest joy	NS			905	GSS
Children interfere with marriage	NS			904	GSS
Childless marriage incomplete	NS			901	GSS
Childless people live empty lives	NS			903	GSS
Children better if bad marriage ended	Higher	0.17		906	GSS

Table 8. Marriage and Family Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant
(continued)

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Wife better if bad marriage ended	NS			904	GSS
Husband better if bad marriage ended	NS			902	GSS
Approval of premarital sex	Lower	-0.12		3,621	GSS
Approval of teenage sex	Lower	-0.13		3,618	GSS
Child-rearing values: 6 items on important values to teach children	NS			~3,000	GSS
Opinions on legalized abortion: 7 items	NS			~3,000	GSS
Opinions on effects on children of mothers' working and various child care arrangements: 18 items	NS: 17 of 18			~900	GSS

Note: NS = not significant.

Child-centered views on marriage are the same for owners and renters. There are no differences surrounding statements that children are the main purpose of marriage, that children are the greatest joy in life, that children interfere with marriage, that childless marriages are incomplete, or that childless persons live empty lives. Nor do the two groups differ on child-rearing values, on views of how children are affected by working mothers, or on various child care arrangements.

In sum, owner-renter differences on marriage and family behavior and value issues are not very great. Owners believe more strongly that marriage benefits both men and women, but they are not noticeably happier in their own marriages. If anything, their marriages are more difficult than those of renters.

Confidence in major institutions

The GSS has repeatedly included a set of questions about respondents' confidence in the persons who run each of 13 major American institutions, including branches of the federal government, educational institutions, major businesses, and organized religion. Over the years, political scientists have used the results to track how Americans feel about such institutions. Although there are not many claims, if any, that tenure status affects such views, an argument can be made that ownership induces greater

loyalty to the central institutions of our society and hence is reflected in greater confidence in their leaders.

The findings are shown in table 9. For 10 of the 13 institutions—the military, the executive branch, Congress, the scientific community, the Supreme Court, banks, major businesses, organized religion, education, and organized labor—there are no significant differences between owners and renters. However, for three institutions—television, the press, and medicine—owners show lower confidence in their leaders. Because respondents indicated their level of confidence on a four-point scale, these differences of less than one-tenth of a point may be regarded as relatively small.

Table 9. Confidence in Major American Institutions: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Television	Lower	-0.07		3,089	GSS
Press	Lower	-0.08		3,090	GSS
Medicine	Lower	-0.06		3,090	GSS
Military	NS			3,093	GSS
Executive branch of government	NS			3,095	GSS
Congress	NS			3,092	GSS
Scientific community	NS			3,090	GSS
Supreme Court	NS			3,095	GSS
Banks and financial institutions	NS			3,095	GSS
Major businesses	NS			3,095	GSS
Organized religion	NS			3,093	GSS
Educational institutions	NS			3,092	GSS
Organized labor	NS			3,094	GSS

Note: NS = not significant.

With respect to most institutions, renters and owners have neither more nor less confidence. Where the two groups differ, homeowners have less confidence. Clearly this cannot be interpreted as showing that owners have more of a psychological stake in American society.

Neighborhood

Claims have been made that owners have a deeper commitment to their neighborhoods and are more satisfied with their

environs. Unfortunately, the data sets had very few questions on neighborhood issues (see table 10).

Table 10. Neighborhood Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Satisfaction with city or community	NS			3,089	GSS
Afraid to walk at night in community	NS			3,076	GSS
Any blacks living in neighborhood	Lower		0.82	4,882	GSS
Expect neighborhood to become all black*	Lower		0.69	2,530	GSS

Note: NS = not significant.

*Asked of those living in integrated places.

Owners and renters do not differ in their satisfaction with their neighborhoods or in how safe they feel when walking at night in their neighborhoods. The only significant owner-renter differences concern the presence of blacks in their neighborhoods: Renters are more likely to have black neighbors and are more likely to think their neighborhoods will become all black in the future.

The findings in table 10 are too fragmentary to sustain any generalizations about how owners and renters assess their neighborhoods.

Political behavior and interest

There are several good reasons to believe that owners and renters differ in political behavior, especially with respect to local community politics. The main reason is that the value of a house is related to the quality of the community. Although local legislation has a limited effect on the fate of neighborhoods, building and zoning codes do affect property values. In addition, a variety of local public amenities—schools, police departments, sanitation, streets, social services, and so on—affect the quality of life in a given locale. Renters can cut their losses more easily than owners by moving: Hence, protecting the neighborhood status quo is more important to owners. Homeowners may be more involved in supralocal politics as well, partially as an extension of their involvement in local politics but also because national and state legislation affects owners more strongly.

Most of the measures of political behavior shown in table 11 come from the GSS, especially from a special supplement on political participation included in 1987.

The first 10 items in table 11 are concerned with general political interest and partisan views. Somewhat surprisingly, owners and renters are not very different in general political interest, in identification with Republicans or Democrats, or in identifying themselves on the liberal-conservative spectrum. The ANES shows that owners have a slightly greater overall interest in politics, but the GSS does not, which is probably because of the much larger sample size available in the ANES. However, owners more often read newspapers, a source of more detailed political news than either radio or television. On a thermometer rating task, owners are “colder” to liberals in both the GSS and ANES data sets, but they are “warmer” to conservatives only in the ANES data set. Note that the thermometer scales used range from 0 (“very cold”) to 100 (“very warm”): The 2-degree differences between owners and renters do not indicate strong differences in political ideology between owners and renters.

Owners are almost consistently more engaged in local politics than renters are. More owners believe that local elections are important. Proportionately more owners participated in groups that “tried to solve local problems,” although they were not more likely to be founders of such groups. Owners are more likely to have held leadership and activist positions in local improvement groups: The coefficients show higher levels of owners serving on group committees, attending group conferences, serving as group officers, and donating funds beyond membership dues. Clearly, owners are more likely to be involved in community improvement activities.

The activism of owners apparently does not extend to attempts to influence newspapers and local public officials, perhaps because they are less likely to believe that local officials will listen to or be influenced by them. Yet owners are more likely to vote in local elections. Apparently owners are more motivated to solve local problems but do not see their efforts as successful.

Nor does owner activism extend consistently to all politics. On the one hand, owners are no more likely than renters to try to influence other voters, work for parties or candidates, or attend political rallies. On the other hand, owners are more likely to have participated as voters or activists in national elections (measured in the election and campaign participation index), lobbied state and federal officials, and given money to support candidates.

Table 11. Political Behavior and Interest Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Interest in public affairs	Higher	0.03		21,306	ANES
Interest in politics: 1983	NS			793	GSS
Interest in politics: 1987	NS			1,764	GSS
How often reads the newspapers	Higher	1.31		3,628	GSS
Self-rating as liberal or conservative	NS			4,697	GSS
Political party identification	NS			4,896	GSS
Positive feelings toward liberals	Lower	-2.77		29,100	ANES
Feeling close to liberals	Lower	-2.27		1,670	GSS
Positive feelings toward conservatives	Higher	1.80		19,221	ANES
Feeling close to conservatives	NS			1,670	GSS
Importance of local elections	Higher		1.24	9,552	ANES
Member of group trying to solve local problems	Higher		1.63	1,768	GSS
Helped to start community group	NS			1,765	GSS
Served on committee of local improvement group	Higher		1.53	1,742	GSS
Served as officer of local improvement group	Higher		1.49	1,742	GSS
Gave extra money to local improvement group	Higher		1.27	1,744	GSS
Attended conferences of local improvement group	Higher		1.34	1,743	GSS
Written to newspapers for local improvement group	NS			1,737	GSS
Lobbied local government for local improvement group	NS			1,739	GSS
Trusts that local officials do right thing	NS			1,765	GSS
Believes local officials listen to persons like self	Lower	-0.22		1,767	GSS
Believes self is influential with local officials	NS			1,767	GSS
Political efficacy	Lower	-0.05		14,375	ANES
Election and campaign participation index	Higher	0.10		24,357	ANES
Citizen duty to vote	NS			9,355	ANES
Personal competence index	Higher	0.12		8,204	ANES
Tried to influence other voters	NS			1,765	GSS

Table 11. Political Behavior and Interest Measures: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant (continued)

Measure	Owners Are	<i>b</i>	Odds Ratio	<i>N</i>	Source
Worked for parties or candidates	NS			1,767	GSS
Attended political rallies	NS			1,765	GSS
Has lobbied local officials	Higher		1.50	1,768	GSS
Has lobbied state/federal officials	Higher		1.55	1,767	GSS
Gave money to candidates	Higher		1.59	1,766	GSS
Correctly named governor	Higher		1.59	1,763	GSS
Correctly named local U.S. representative in Congress	Higher		2.10	1,739	GSS
Correctly named school superintendent	Higher		1.97	1,743	GSS
Amount of trust in federal government	NS			1,742	GSS
Trust in government	Lower	-0.09		12,956	ANES
How often vote in local elections	Higher	0.37		1,754	GSS

Note: NS = not significant.

Although owners are only slightly more interested in politics than renters, they are more likely to be knowledgeable about political leaders. More often than renters, owners can correctly name their congressional representative, the governor of their state, and the school superintendent. These findings are consistent with the theory that owning a home leads to greater participation in maintaining and improving local conditions. But because of the limitations of cross-sectional surveys, the findings are far from conclusive. However, some external support can be found in a longitudinal study of new low-income homeowners. Over a one-year period, Rohe and Stegman (1994b) studied the neighborhood social and political involvement of low-income owners in Baltimore who had recently purchased row houses. The owners were compared with a sample of similar families whose rental housing was subsidized by Section 8 vouchers. About 140 families were interviewed in each group. The homeowners were participants in a subsidy program sponsored jointly by the city of Baltimore and the Enterprise Foundation. Rohe and Stegman found that after a year in their new homes, owners were more likely than the comparison group of Section 8 renters to participate in neighborhood organizations, but they were less likely to participate in social activities with neighbors. These findings correspond to the findings of the GSS and NSFH

that owners are less likely than renters to spend evenings with neighbors. While the research design employed by Rohe and Stegman does not rule out other explanations for the owner-renter differences, especially selection processes, the statistical controls used in their analyses strongly support the idea that there are real differences between the two groups.²⁴

Effects on children

The GSS and NSFH provide a lot of information about the adults in households and their views on having children or how to rear them, but very little direct information on the children themselves. For findings about some effects on children, we turn to research by Green and White (1994), who worked with four data sets: the Panel Study of Income Dynamics (PSID), the Public Use Microdata Sample of the 1980 census (PUMS-80), High School and Beyond (HSB), and Boston Youth Study (BYS).²⁵ In all four studies, Green and White investigated whether children in homeownership households were more or less likely to drop out of high school before finishing, holding income, race, and educational attainment of parents constant. In three studies, they found that children of homeownership families were less likely to drop out, with the advantage ranging from 3 to 15 percent. Although HSB showed no overall homeowner advantage, it did indicate that children from poorer homeownership families were less likely to drop out.

Green and White also found that a lower teenage pregnancy rate among adolescents was an advantage of homeownership families in two of the studies. HSB and BYS revealed a 3 to 5 percent lower

²⁴ The optimum research design would randomly assign ownership to low-income families and compare them to a random control group. Such a design would be feasible (and ethical) if the number of qualified low-income applicants for the subsidized ownership program greatly exceeded the number of available ownership opportunities. Under such circumstances, random selection among otherwise qualified applicants would produce a control group that is not different from the experimental group in any selection process. (Of course, we do not know whether the actual conditions in the program studied by Rohe and Stegman made this procedure possible.)

²⁵ The PSID is a panel study (repeated interviews) of about 5,000 families that was started in 1968 and is still continuing. Interviews with participating households are conducted annually, with new households being added to the original sample. The PUMS-80 is a 1-in-10,000 sample drawn from the 1980 Census of Population and Housing. HSB is based on a large sample of the high school sophomore class of 1980 reinterviewed in 1982. All subjects are 17 to 18 years of age. BYS is based on a sample of 324 youths, 17 to 18 years of age, living in three high-poverty areas of Boston.

adolescent pregnancy rate for homeownership families. In addition, the authors found that adolescents from homeownership families had lower arrest rates in BYS. However, this finding was significant only at the 0.1 level.

Because the PSID is a repeated interview study, the authors were able to test results for selection bias to determine whether families electing to own are different in other ways that may affect their children's completing school. They found no evidence for selection bias, concluding that the homeownership effects on dropping out were not spurious.

The fact that three of the four data sets indicated substantial significant effects on dropping out of school and that two showed similar effects on teenage pregnancy rates is impressive evidence that owning a home is beneficial to children. Of course, the issue of whether the effects come from owning or the type of dwellings involved or the location of owner-occupied dwellings is still an open one. It may be that homeowners have access to better schools or that the peer groups of adolescents in their neighborhoods provide an interpersonal environment with values supporting high school completion.

Views on various public issues

Many radical social thinkers and some of their conservative counterparts agree that homeownership is a conservative force.²⁶ Middle- and working-class homeowners become saddled with mortgage debt and lose flexibility in dealing with the labor market, becoming more fearful about making demands of their employers and less able to pull up roots and migrate for better economic opportunities.

The GSS database provides a rich set of measures of a variety of political beliefs. Most questions appearing in the GSS measure the public's views on current issues. For example, from the beginning of the GSS in 1972 to the latest survey, questions have appeared regularly on the circumstances under which abortion should be legal. Another repeated set of questions concerns tolerance for political dissent. We have selected data from the public issue questions that are relevant to housing tenure. For example, a set of questions about confidence in the leaders of major American institutions was cited earlier in this section.

²⁶ See Gilderbloom and Markham (1995) for a good summary of both radical and conservative views of the impact of homeownership on political beliefs.

Results on issues about which there are no clear expectations that the two groups would differ are summarized in table 12. Sampling variation will produce some statistically significant owner-renter differences: Indeed, using the conventional 0.05 significance level, approximately 1 in 20 contrasts can be expected to show differences even when there are none in the population sampled.

Table 12. Views on Various Public Issues: Owners and Renters Compared, Holding Age and Socioeconomic Status Constant

A. Tolerance for dissent

A set of 28 questions asked whether political dissenters (racists, militarists, homosexuals, communists, antireligious persons, and revolutionaries) should be allowed to give public speeches, teach in the schools, or have their books in public libraries. Significant owner-renter differences were found in five items (18 percent), one difference indicating that homeowners are more tolerant of dissent and four indicating that homeowners were slightly more intolerant. The four intolerance effects concerned allowing books by dissenters to appear in public libraries. *N* for most items is about 3,000.

B. Racial stereotyping and intergroup hostility

A set of 77 items asked about common stereotypes of blacks, Jews, and Hispanics; views on intermarriage; racial integration in schools and workplaces; neighborhood integration; and affirmative action. Only three items (4 percent) showed that owners and renters differed. *N* for items varied between about 600 and 3,000.

C. Religious views

A set of 42 items covered religious views and behavior, including beliefs about God, intense religious experiences, frequency of prayer, and church attendance. Only three items (7 percent) yielded significant differences between owners and renters. Of some interest was that owners gave significantly more money to their churches (\$150 more per year) than renters. *N* varied from about 900 to 4,000.

D. Miscellaneous views on public issues

A set of 126 questions encompassed a variety of issues including "right to die," police handling of criminals, government economic role, liking for specific foreign countries, pornography laws, federal spending for various purposes, and environmental issues. In 15 instances (12 percent) there were significant differences between homeowners and renters. No pattern could be discerned in these instances. *N* varies from about 600 to 3,000.

Source: GSS.

On a variety of public issues, renters and owners are very much alike in their views.²⁷

²⁷ In a somewhat more thorough analysis of political belief questions included in the GSS, Gilderbloom and Markham (1995) also find that renter-owner differences were small and inconsistent.

Summing up owner-renter differences

The analyses presented in this section ranged across more than 500 questions culled mainly from three major national data sets and supplemented by special studies conducted by other researchers. To summarize our findings, we have grouped them according to the strength of the differences between the two groups.

Strong owner-renter differences. Large differences between owners and renters primarily concerned household life cycle and economic differences. There are fewer owners among the young and unmarried. Owner households have more earners, higher incomes, and more debts. Blacks and Hispanics are less likely to be owners on any socioeconomic level.

Weak owner-renter differences. Weaker but consistent differences were found in well-being, views on marriage, social integration, and effects on children. Owners rate themselves as slightly happier and in better physical condition. They believe in the benefits of marriage, although running a household is somewhat more difficult for them. The children of homeowners are less likely to become school dropouts and their teenage daughters less likely to become pregnant. Owners are less likely to have frequent social ties to their neighbors but more likely to take part in and provide leadership for local community organizations. Although they are not more interested in politics beyond the local level, they are more likely to know the names of persons in important political posts.

No consistent owner-renter differences. On the bulk of the questions from the survey data, owners and renters did not differ. This generalization holds with special force for views on a wide variety of public issues. Owners and renters were found with equal frequency all along the spectra of left to right in American politics, views about the role that the federal government should play in American life, stands on environmental issues, views on the proper relationships among races and ethnic groups, and even confidence in most major institutions. Clearly, tenure status is not a line of ideological cleavage in American society.

For those items with significant owner-renter differences, interpretations are beset with ambiguities concerning causality. With the possible exception of the findings of Rohe and Stegman (1994a, 1994b) and Green and White (1994), it is impossible to claim with any confidence that these are the effects of tenure because the alternative explanations—selection processes and prior tenure differences—are equally plausible.

Suggestions for further research

Although the research strategy employed in this article may be appropriate for exploratory work on the social benefits of homeownership, it is too blunt an instrument for full understanding of owner-renter differences. Perhaps the strongest contribution this article makes is to highlight the areas in which further research may be most promising and those that appear fruitless.

Future research should be based on knowledge of both homeownership and the behavior in question. For example, future research on our finding that renters have more frequent sexual intercourse than owners will need to consider the correlates of adult sexual behavior. The possibility of misspecification plagues all the analyses presented in this article. To avoid that problem, statistical models must include the determinants of sexual behavior.

Because housing tenure is bundled with other housing characteristics, it is difficult to ferret out whether ownership or other housing characteristics are affecting the behavior associated with tenure. Shlay's exploratory research (1985, 1986) using the factorial survey presents a very promising approach to unbundling. Her work suggests that Americans' seeming preference for homeownership may really be a preference for single-family detached housing. Future research using that approach with more generalizable samples and with a fuller set of housing characteristics should be quite promising.

Several findings from the NSFH study warrant further study. Homeowners reported greater problems in coping with housework and also reported more difficulties in their marital relationships. These suggestive findings call for elaboration and ought also to be seen in the context of the possible benefits derived from the greater freedom to modify housing that owners enjoy along with the possible greater sense of personal security. The general research topic can be viewed as the balance between the benefits and the costs of homeownership.

Another important topic for elaboration concerns participation in local community activities ranging from informal sociability through reciprocal helping activities to active membership in local organizations such as churches, civic organizations, and political groups. Our analyses show that owners are more active in community organizations but show a lower level of informal sociability. We suspect that more detailed measures of sociability

along with more relevant specification of statistical models may yield different results.

It is also clear that in many ways owners and renters are not different. Further exploration of tenure-related differences in ideology or in attachment to the major institutions of our society does not appear worthwhile.

Implications for social policies fostering low-income homeownership

Among Americans, homeownership is obviously preferred to renting. Not only do Americans explicitly state this preference (Fannie Mae 1994) but behavior clearly follows preference, with the proportion of households who are owners steadily increasing from 29 percent in 1900 to more than 63 percent in 1990 (Chevan 1989; Joint Center 1991). Almost all of that increase has occurred since 1940, fostered by social policies that in effect subsidized homeownership and by post-World War II demographic changes, including the highest family formation rates in this century and dramatic increases in real household income.

Homeownership is not for everyone. Income and wealth constraints make owning a home difficult for the poor. Despite open housing laws, discrimination barriers restrict access to financing and real estate markets for African Americans, Hispanics, and others (U.S. Department of Housing and Urban Development 1991). The considerable subsidies to homeownership afforded by federal and state income tax provisions are valuable to the relatively affluent but do not reach those households whose incomes are so low that allowable ownership-related deductions from gross income are not relevant.²⁸ And, of course, some households prefer to rent.

There are many good reasons for advocating social policies designed to extend homeownership opportunities to the poor. However, there is only weak and inconsistent evidence that such policies will lead to dramatic improvements in the quality of American family life, the solidarity of American communities, or the spectrum of public opinion on political issues. In our view, one of the most cogent arguments is that based on equity. Current policies subsidize homeownership for the relatively

²⁸ Mills and Simenaur (1991) calculate that the ownership tax breaks are not significant for households whose taxable incomes place them below the 28 percent marginal tax rate (amounting to an annual taxable income of about \$38,000 in 1990).

affluent, and equal treatment along socioeconomic lines suggests that policies that provide at least equal subsidies to the poor would be more evenhanded. Of course, equity in this sense can be achieved either by eliminating subsidies to the affluent or by making subsidies available to the poor. The argument that extending homeownership opportunities to the poor will produce social benefits and improve American society seems to us to rest on shaky ground.

Many disturbing questions can also be raised about policies designed to increase homeownership opportunities. Perhaps the most important question is whether we have properly interpreted Americans' preferences for homeownership. Do Americans prefer to own their homes, or do they prefer the kinds of dwellings that are usually offered for sale (as opposed to the kinds offered for rent)? Shlay's provocative research (1985, 1986) suggests that it is the way dwellings are bundled and offered on the markets that leads Americans to prefer ownership. If Shlay's findings are correct, policies increasing the diversity of dwellings on the rental market might make ownership a moot issue.

Second, there is the issue of the size of the subsidies needed to achieve ownership equity. Some of the existing programs promoting ownership for the poor indicate that very deep subsidies are needed (Rohe and Stegman 1992). Not only are upfront subsidies needed for purchase, but subsidy plans also need to accommodate the often large variability in short-term income among poor families. An ownership program that produces more homeownership as well as high levels of foreclosure may be counterproductive. A good policy should not tempt people to fail.

Third, if we take the findings of the last section as showing the effects of homeownership, we have to conclude that homeownership has some beneficial effects, but the effects are not large or consistent. Green and White (1994) showed that the children of homeowners are less likely to be high school dropouts, but is ownership or dwelling location the cause of that effect? Furthermore, there may be more efficient ways to lower dropout rates. We also saw that homeowners are more likely to be active in community groups but not more likely to be interested and active on nonlocal political issues. This is a message of mixed blessings: On one hand, it is beneficial to get people involved in community affairs. On the other hand, localism of the sort that leads to NIMBY ("not in my backyard") reactions can often be counterproductive. And, of course, we cannot take such findings as documenting ownership effects.

In sum, programs promoting homeownership for the poor have the equity argument squarely on their side. Whether there are significant benefits to the households that become owners or to society in general is problematic.

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