

*ON THE IMPORTANCE OF HOMEOWNERSHIP: CORRELATES OF
DIFFERENTIAL ATTITUDES*

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ABSTRACT

The purpose of this paper is to analyze the attitudes of young Americans toward the importance of home ownership in personal and general terms. The data from about 1000 university students were analyzed using multiple classification analysis. The findings indicate that while the respondents thought it important for every American to be able to own a home, they attached even more importance to their personal homeownership. Political stance, race, marital status, and expecting to become a homeowner in the future are significantly related to the importance of home ownership in general. In addition, general importance of home ownership is related to the personal importance of home ownership.

Owning one's home has long been an important norm in American society (Morris and Winter, 1978). According to Dean (1945), Presidents Coolidge, Hoover, and Roosevelt felt that homeownership is an integral part of the socioeconomic fabric of America. The U.S. government has generally been very supportive of homeownership. The Federal Housing Administration, the Farmer's Home Administration, and the Veteran's Administration programs have made homeownership possible for many families who would not otherwise have become homeowners (Aaron, 1972).

The ways in which homeowners benefit with regard to income taxes is additional evidence of the importance attached to homeownership by the American government. Homeowners can deduct mortgage interest and real estate taxes from their gross income while renters are generally limited to meager deductions (if any).

In the eyes of citizens, homeownership is important for a number of reasons. The financial benefits are of great importance. Tax relief has just been cited as a paramount reason for homeownership. Equity build-up, having a hedge against inflation, the ability to control monthly housing expenditures (via the amortized fixed rate mortgage), and reduced housing expenditures in the latter years (when the mortgage is paid off) have all been powerful financial incentives for owning a home.

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Normative reasons for homeownership may be even more important than financial reasons. Lindamood and Hanna (1979) assert that one's housing is intricately connected to one's position in society and reflects one's status. Success in American culture is reflected to a great degree by consumption patterns. Because housing represents a large segment of what is consumed, one's housing, including whether one owns or rents and the value of the dwelling, are very important reflections of one's station in life. Housing has important psychological significance (Cooper, 1974) as well.

The "American dream" of homeownership is being threatened. For many American families, the possibility of becoming a homeowner is indeed turning out to be a "dream." The high purchase price of homes and the high mortgage rates often require two incomes and considerable sacrifice. Given the current situation in housing, it would be of interest to know how important homeownership is to future consumers of housing.

The literature on housing preferences, aspirations, and intentions specifies American housing norms (ownership, detached structure, private outside space, and conventional construction) and the correlates and relative strengths of these norms (Dillman, et al., 1979, 1980; Hohm, 1983; Morris and Winter, 1975, 1978). Little research, however, has focused specifically on the importance that Americans attach to homeownership. The importance of homeownership can be viewed in two lights: general and personal. The first view would deal with the importance of homeownership in general, i.e., how important is it for every American to be able to own a home. The second view is personalized, i.e., how important it is to the respondent to be able to own a home.

HYPOTHESES

Because homeownership has been desired and preferred in the past, we would predict that future consumers of housing would view homeownership as important. Further, we might hypothesize that personal importance would be greater than general importance.

Kemeny's (1977) analysis of the political and social correlates of differential rates of homeownership demonstrates that more conservative societies are more likely to encourage homeownership than are liberal societies. We might hypothesize that this relationship would exist at the individual level, i.e., more conservative respondents would be more likely to view homeownership (both "in general" and "personal") as important than are liberal respondents.

It is also possible that race is related to the importance of homeownership. Hohm (1983) found that race is not related to whether one expects to be a homeowner in the future. Race is, however, related to type of housing expected. Among those who expected future homeownership for themselves, minority group members are generally less likely than whites are to expect to own a single-family dwelling. It is hypothesized that minority group members would place a greater amount of importance on homeownership than would whites. An exception to this would be American-Orientals, the minority group that typically outranks whites on socioeconomic

indicators. The minority groups that are generally ranked lower on the socioeconomic ladder (Blacks and Hispanics) have not enjoyed homeownership to the same degree as has the rest of society. Hence, it might be expected that such minority groups would place even more emphasis on homeownership because of the status and importance that the society places on the "American dream," and the differential manner in which their families have been denied homeownership.

Marital status has been identified as a predictor in the study of housing preferences and intentions. Dillman et al. (1979) found that married respondents are the most likely to prefer a single-family dwelling or a mobile home on an owned lot. Hohm (1983) found that married respondents are the most likely to envision themselves as owners of single-family dwellings, while the divorced respondents are the least likely. We might hypothesize then, that the married respondents are the most likely to view homeownership (both "in general" and "personal") as important while the divorced are the least likely to do so. It should be noted that homeownership in this study is not limited to the single-family dwelling. Town homes, condominiums and mobile homes are also included.

Size of household and expected completed family size have been shown to be positively related to the preference for and expectation of homeownership (Dillman, et al., 1979; Hohm, 1983, forthcoming). We will hypothesize that as expected completed family size increases, so does the importance attached to homeownership.

Socioeconomic status, has been identified as a useful predictor of housing preferences, aspirations, and intentions. Dillman, et al. (1979) found that income, education, and occupational rank are all positively associated with the probability of preferring to own a single-family home. Hohm (1983) found that parents' income is positively related to the expectation of becoming a homeowner. It is hypothesized that parents' income is positively related to the importance of homeownership.

Females are generally more likely to expect homeownership than are males (Hohm, 1983). It is hypothesized that females are more likely to view homeownership as important than are males.

Whether the respondent expects to be a homeowner in the future might also be related to the importance ascribed to homeownership. If, for financial reasons, one does not expect to own a home, one might be more likely to minimize the importance of homeownership because the goal is viewed as unattainable.

Finally, the importance that a respondent places on homeownership in general should have an effect on the importance placed on personal homeownership. If one views homeownership for every American as important, one would also be likely to view personal homeownership as important.

METHODS

Sample

The hypotheses are tested by utilizing a 1980 random sample of 1,011 college students. For a description of the sample see Hohm (1983).

Variables

The dependent variables and the precise wording of the questions on which they are based are as follows: 1) Importance of homeownership in general: "How important do you think it is for every American to be able to own his/her own home?" and 2) Importance of personal homeownership: "How important is it to you personally to be able to own your own home?" The possible responses were "Not important at all," "Quite important," and "Very important."

Both of the dependent variables are ordinal. However, Labovitz (1967) has argued that assignment of numbers to categories of an ordinal variable (and subsequent treatment of that variable as an interval variable) results in very little error. Thus, for both dependent variables, "Not important at all" was assigned a score of 0, "Quite important" a score of 1, and "Very important" a score of 2. Parents' income is an interval variable that has been condensed into four class intervals. Andrews, et al., (1973) also states that using class intervals instead of the ungrouped distribution results in very little decrease in the ability of the independent variable to explain variance in the dependent variable.

Analysis procedures

The statistical techniques employed are multiple classification analysis (hereafter referred to as MCA) and the F-statistic of statistical significance. MCA is appropriate to use when the dependent variable is interval and the independent variables are categorical (Andrews, et al. 1973).

Finally, it should also be noted that the SPSS ANOVA computer program deletes all cases that lack data on any of the variables in the model. When four to five independent variables and one dependent variable are utilized in the analysis, there is considerable chance for any one respondent to be missing data on a variable and thus be disqualified. Hence, the models are based on N's somewhat smaller than 1,011.

RESULTS

Frequency distribution

Table 1 presents the frequency distributions for the dependent variables. As hypothesized, homeownership is indeed viewed as

important by these students. Further, the respondents attach more importance to personal homeownership than to general homeownership. Whereas only 14 percent did not think it was important at all for them to be able to own their homes, 29 percent responded that way when asked about homeownership opportunities of other Americans. Conversely, while only 26 percent thought that homeownership opportunities were "Very important" for Americans in general, 50 percent attached the same degree of importance to their own chances of becoming a homeowner.

Table 1. Importance of Homeownership

	"How important do you think it is for every American to be able to own his/her own home?"	"How important is it to you personally to be able to own your own home?"
"Not Important at All"	29% (255)	14% (134)
"Quite Important"	45% (433)	36% (357)
"Very Important"	26% (281)	50% (489)
	100% (969)	100% (980)

MCA analysis

MCA analyses are presented in Tables 2 and 3. The SPSS ANOVA computer program permits a maximum of five independent variables to be used in any one model. Numerous models were tested for both dependent variables with various combinations of the independent variables.

General importance

Table 2 presents the MCA results where "importance of homeownership in general" is viewed as the dependent variable. The four independent variables that are significantly related to the dependent variable are included in this model. The overall model is very significant (F is significant at the .001 level) and $R^2=0.06$.

The grand mean of 1.00 then, for this dependent variable indicates the average response. The unadjusted deviations refer to how much (and in what direction) a particular category of an independent variable deviates from the grand mean. The deviations adjusted for the independent variables indicate the deviation once all the other independent variables are controlled. Eta is a measure of association between a particular independent variable and the dependent variable

and beta is the association with the other independent variables controlled.

Table 2. Results of MCA with "Importance of Homeownership in General" as the Dependent Variable

VARIABLE/CATEGORY	N	DEVIATION	ADJUSTED ETA DEVIATION	BETA
Describe Yourself Politically				
Strongly Conservative	27	0.18	0.18	
Moderately Conservative	180	0.13	0.12	
Middle of Road	306	0.00	0.02	
Moderately Liberal	246	-0.12	-0.12	
Strongly Liberal	60	-0.02	-0.04	
			0.13	0.13**
Race				
American Oriental	30	0.00	0.00	
Black	43	0.16	0.17	
Caucasian	660	-0.04	-0.04	
Hispanic	41	0.19	0.24	
Other	45	0.26	0.28	
			0.12	0.14**
Marital Status				
Married	57	0.21	0.22	
Divorced	32	0.12	0.19	
Single Never Married	730	-0.02	-0.03	
			0.09	0.10*
Whether Respondent Expects to be a Homeowner				
No	44	-0.02	0.02	
Perhaps	320	-0.12	-0.12	
Definitely Yes	455	0.09	0.09	
			0.14	0.14**
Multiple R²				0.061***
Grand Mean = 1.00				

*p<.05; **p<.01; ***p<.001

As expected, the political self-description variable is significantly related ($p < .01$) to the importance placed on homeownership in general. The more conservative students are more likely to view homeownership in general as being important than are the liberal students. Those who view themselves as strongly conservative deviate 0.18 above the grand mean while those who are moderately conservative deviate 0.13 above the mean. The liberals have negative deviation scores but the order is reversed from what we would expect, i.e. the moderately liberal have a greater negative deviation score (-0.12) than do the strongly liberal (-0.03). The adjusted deviation scores are very similar to the unadjusted deviations and the beta is

identical to the eta, indicating a continued relationship after the other independent variables are controlled.

Race is significantly related ($p < .01$) to the importance that respondents place on homeownership in general. Blacks, Hispanics, and those of "other" races are the most likely to view homeownership as important (Blacks have a deviation score of 0.16, Hispanics have a deviation score of 0.19, and those of "other" races have a deviation score of 0.26). As expected, American-Orientals do not differ much from whites on this variable. In sum, with the exception of American-Orientals, minorities definitely see general homeownership to be of great importance, even more than do whites. The adjusted deviations and beta show little change in the relationship between race and "importance of homeownership in general" when the other independent variables are controlled.

Marital status is related to this dependent variable at a significant level ($p < .05$). Both the unadjusted and adjusted deviations show that the married are the most likely, the divorced are the next most likely, and the single-never-married are the least likely to view general homeownership as being important. Our original hypothesis then, is only partially confirmed. While the married were found to be the most likely to see homeownership in general as being important, the divorced were not found to be the least likely to view general homeownership as important.

Finally, whether the respondent expects to be a homeowner is significantly related ($p < .001$) to the importance placed on homeownership in general. The unadjusted and adjusted deviations are very similar while the beta and eta are identical (0.14). When the other independent variables are controlled, it can be seen that the respondents who definitely see themselves as homeowners are the most likely to place importance on homeownership in general. Those who are less certain about becoming a homeowner (saying "perhaps") are the least likely to see general homeownership as important. The respondents who do not expect to become homeowners fall between the two prior categories (with an adjusted deviation score of -0.02).

It is hypothesized that predicted completed family size, parents' income, and sex would be related to the importance placed on homeownership in general. Various models were tested with these variables included, and the results indicate that they are not significantly related to the dependent variable.

Personal Importance

Table 3 presents the MCA results for the model in which "importance of personal homeownership" is treated as the dependent variable. Multiple R^2 is 0.32 and the overall model is very significant (at the .001 level). Sex is not statistically significant. Marital status fails to be significantly related to the dependent variable ($F = 0.327$).

As hypothesized, those with parents making less money are less likely to view personal homeownership as important. Respondents who have parents whose combined income is less than \$25,000 per

year deviate by 0.12 below the grand mean of 1.39. Students who have parents making above \$25,000 are characterized by positive deviations. It should be noted however, that the relationship is not linear. Respondents with parents making \$55,000 or more are less likely to view personal homeownership as important than those with parents making from \$40,000 to \$54,999 (the former deviating by 0.01 above the mean and the latter deviating by 0.11 above the mean).

Table 3. Results of MCA with "Importance of Personal Homeownership" as the Dependent Variable

VARIABLE/CATEGORY	N	DEVIATION	ADJUSTED ETA DEVIATION	BETA
Sex				
Female	370	0.05	0.02	
Male	248	-0.08	-0.03	
			0.09	0.03
Marital Status				
Married	60	0.07	-0.01	
Divorced	24	-0.19	-0.18	
Single Never Married	534	0.00	0.01	
			0.06	0.05
Parents' Income				
\$0 - 24,999	169	-0.12	-0.09	
\$25,000 - 39,999	167	0.02	0.00	
\$40,000 - 54,999	140	0.11	0.09	
\$55,000 +	142	0.01	0.02	
			0.12	0.09
Predicted Completed Family Size				
0	83	-0.18	-0.13	
1	39	-0.09	-0.04	
2	328	-0.01	0.00	
3	110	0.17	0.10	
4	47	0.09	0.02	
5+	11	-0.03	-0.16	
			0.15	0.10
Importance of Homeownership in General				
Not important at all	163	-0.55	-0.54	
Quite Important	281	0.04	0.03	
Very Important	174	0.46	0.46	
			0.54	0.53***
Multiple R²				0.318***
Grand Mean = 1.39				

*P<.05; **P<.01; ***P<.001

The adjusted deviations and the beta suggest little change in the relationship once controls are used. While this relationship is not statistically significant at the 0.05 level, it does become significant at the 0.065 level. Predicted completed family size fails to be significantly related to the dependent variable (the F-statistic is 0.14).

Finally, as expected, whether one views homeownership in general as important is strongly related ($p < .001$) to how one feels about personal homeownership. Both eta and beta are strong and the unadjusted and adjusted deviations show that those who view homeownership in general as important are more likely to feel that it's important for them to own a home.

It is hypothesized that race, political self description, and whether one expects to become a homeowner would be related to the importance attached to personal homeownership. Various models incorporating these variables were tested and the results indicated that they are not related to the dependent variable.

Conclusions

This study demonstrates that a high proportion of a college student sample views homeownership as important, both in general and personal terms. While the respondents thought it important for every American to be able to own a home, they attached even more importance to their personal homeownership.

One's political stance is, as hypothesized, related to the importance placed on homeownership in general. The more conservative are more likely to view homeownership in general as being important. This relationship did not, however, extend to the personalized version of homeownership.

Race was found to be related to one's attitude on whether every American should be able to own his or her home. All minority categories, with the exception of American-Orientals, are more inclined than whites to view general homeownership as important. Race is not related to homeownership when the concept was personalized.

The married are the most likely to view general homeownership as important while the single-never-married are the least likely. When personal homeownership is the issue, there was not much difference between the married and single-never-married. However, the divorced are much less likely to see owning a home as important.

Whether one expects to be a homeowner is related to the general homeownership question but not to the personalized version. Those who definitely view themselves as future homeowners are the most likely to think that every American should be able to own his or her home, while those who expressed some doubt about becoming homeowners (saying "perhaps") are the least likely to share this view.

Sex, parents' income, and predicted completed family size are not related to the importance placed on homeownership in general. Of these three variables, only income (though not at a significant level) is related to the importance placed on being personally able to own a

home. Respondents with parents making less than \$25,000 are the least likely to view personal homeownership as important. Predicted completed family size was also found to be related to the importance placed on personal homeownership. Finally, as expected, the importance that one places on homeownership in general is strongly related to the importance placed on personal homeownership.

The analysis demonstrates that it is easier to find significantly related independent variables to explain the "importance of homeownership in general" than it is to explain the "importance of personal homeownership." When "importance of homeownership in general" was being analyzed, all of the independent variables in the final model are significant at the 0.05 level. Conversely, when "importance of personal homeownership" was viewed as the dependent variable, only one of the independent variables is significant at the 0.05 level. Clearly, more research is needed to identify factors that might explain variation on how much importance is placed on being able to own one's home.

The implications of this research center around personal homeownership. Eighty-six percent of the respondents attach importance to being able to personally own their home. Housing norms in the United States have clearly promoted homeownership for decades and no doubt explain why such a high proportion view personal homeownership as important. Unfortunately, housing costs have risen dramatically during the last 10 years and a high proportion of prospective buyers are finding that they cannot afford to purchase a home. The dissonance caused by this affordability problem should not be underestimated. An unprecedented societal effort is called for . . . an effort that will address the many facets of the affordability situation.

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