

# How Housing Matters:

*The Housing Crisis Continues to Loom Large  
in the Experiences and Attitudes of the  
American Public*

Key findings from a nationwide survey among adults  
conducted April 2014  
*for the*

MacArthur Foundation

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HOW HOUSING MATTERS

## Research Methodology

- Telephone survey among a nationally representative sample of 1,355 adults, including 243 who have only a cell phone and oversamples of renters and owners who spend more than 30% of their household income on their monthly rent or mortgage
- Interviews conducted April 8 – 14, 2014
- Margin of error =  $\pm 2.8$  percentage points for all adults, higher for subgroups

## Research Objectives

- 2014 marks the second year that Hart Research has conducted a national poll of the public to inform the work of the MacArthur Foundation's How Housing Matters initiative. The primary objectives of the research are as follows:
  - To continue to develop a deeper understanding of the experiences, attitudes, and perceptions about housing, particularly of people living in tenuous housing situations;
  - To acquire attitudinal data to inform policymakers, practitioners, and the public about what the right approach is to addressing the nation's housing trends and challenges;
  - To track key metrics over time to measure changes in attitudes and perceptions.

## Definitions and Terms Used throughout the Report

- “*Distressed owners and renters*” report spending more than 30% of their household income on monthly rent or mortgage payments.
- “*On-the-edge owners and renters*” report that they:
  - Feel very or fairly unstable and insecure in their current housing situation, or
  - Worry very often about at least one of the following
    - Keeping up with their mortgage or rent,
    - Having to move because they cannot keep up with their mortgage or rent, or
    - Being foreclosed on or evicted from their home.
- Numbers that are bolded and highlighted are at least five percentage points more or less than the proportion for the total sample.

## Overview of Key Findings

1. The concerns and challenges related to affordable quality housing are real and tangible for many Americans. Most recognize that many people in their own communities face serious housing challenges; in fact, many have had to make sacrifices themselves in recent years to maintain their housing.
2. This survey brings to light the different perspectives and life experiences of those who are on fairly solid footing with their housing as compared with those who are not. The survey tells a story of very different realities in terms of tradeoffs that some people must make and the worries and concerns that go along with those tradeoffs.

People living in tenuous housing situations:

- Identify finding quality affordable housing as a challenging endeavor at high rates, especially true among renters;
- Have had to make tradeoffs to ensure that they can cover their rent or mortgage payments at much higher rates than their more stable counterparts have;
- Worry about housing and financial concerns at much higher rates than those who do not find themselves in a challenging housing situation.

*(continued)*

## Overview of Key Findings

*(continued)*

3. While economists and housing experts say that the housing crisis is behind us, large proportions of the American people are not feeling the relief. Very high proportions of the public continue to believe that we are still in the midst of the housing crisis or that the worst is yet to come.
4. Some indicators suggest that the American public's views about the housing crisis are shifting slightly toward the positive. For example, we see an uptick in the proportion of the public who believe that the housing crisis is behind us and a decrease in the proportion who characterize the housing market as a serious problem.

However, even with these shifts, concerns about housing continue to outweigh optimism, and the public has a real sense that affordable housing is a challenge for many Americans.

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# Overview of Key Findings

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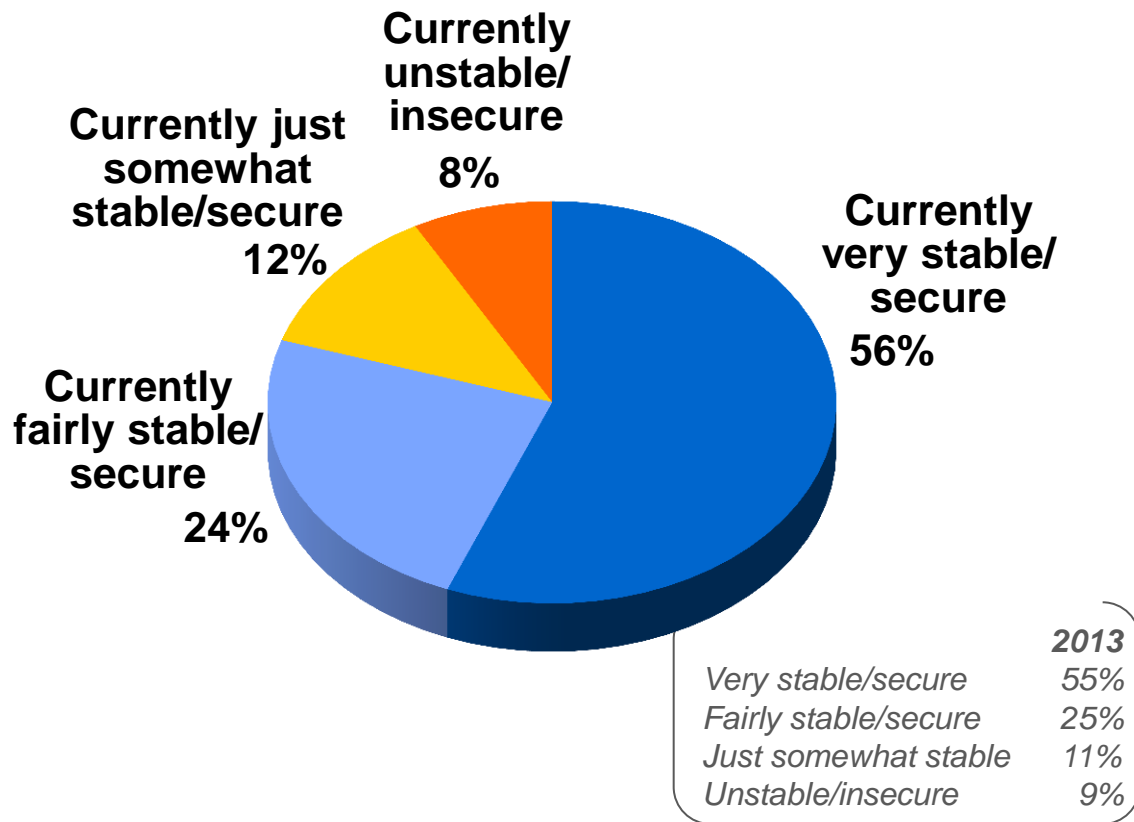
5. Reinforcing what we learned last year, these findings reveal that the public believes the American housing environment is changing.
  - The public lacks consensus on the idea that homeownership is one of the best ways to build wealth; in fact, a majority think that families are less likely to build equity through homeownership today than they were two to three decades ago.
  - Americans continue to think that renting has become more appealing and buying less appealing.
  - And most believe that renters can be just as successful as owners at achieving the American Dream.
  
6. Americans believe that government can and should do more to improve housing affordability for both renters and owners. Indeed, most do not think that either homeownership or renting should get the higher priority. Rather, solid majorities want the federal government to invest in both equally.

**The concerns and challenges related to affordable quality housing are real and tangible for many Americans. Most recognize that many people in their own communities face serious housing challenges; in fact, many have had to make sacrifices themselves in recent years.**



# While the vast majority of Americans feel stable and secure in their current housing situation, insecurity touches nearly half of adults at some point in their lives.

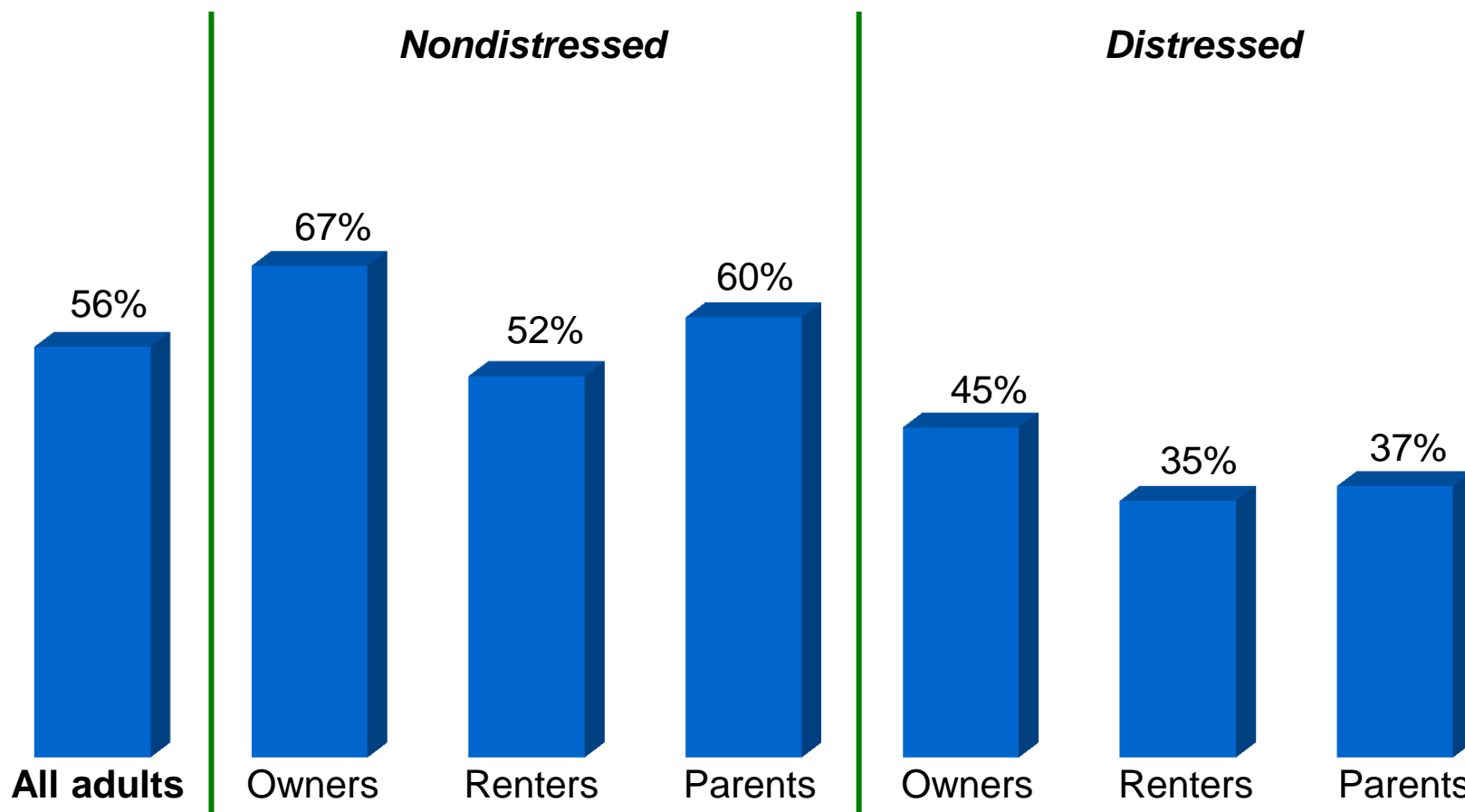
*How do you feel about your current housing situation? . . . Has there ever been a time when your housing situation was not stable and secure?*



<i>Unstable/insecure now or in past</i>	
<b>All adults</b>	<b>47%</b>
Owners	42%
Renters	<b>56%</b>
Parents	<b>52%</b>
Parents who rent	<b>61%</b>
Income under \$40K	<b>59%</b>
Income \$40 to \$75K	41%
Income over \$75K	38%
Northeast	46%
South	45%
Midwest	46%
West	50%
City	48%
Suburbs	43%
Small town/rural	48%
Whites	45%
African Americans	50%
Hispanics	<b>55%</b>

# Distressed owners and renters feel very secure at lower rates than do those who spend less than 30% of their income on housing.

*Proportions who say that their current housing situation is VERY stable and secure*

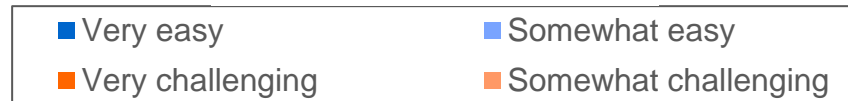


# Majorities of Americans believe that *in their community*, it is challenging to find affordable quality housing to buy and to rent.

## Finding affordable quality *rental housing*

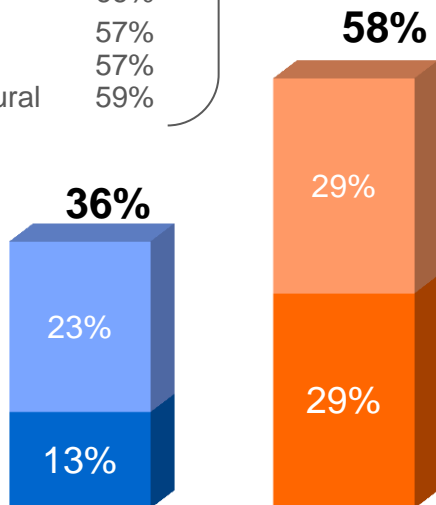
## Finding affordable quality *housing to buy*

*In my community, this is:*



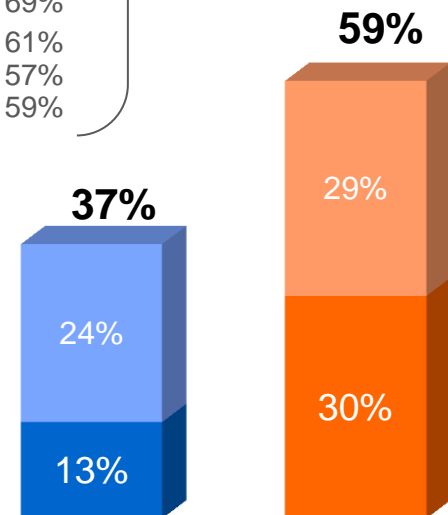
**Very/somewhat challenging:**

Northeast	63%
South	55%
Midwest	48%
West	66%
City	57%
Suburbs	57%
Small town/rural	59%



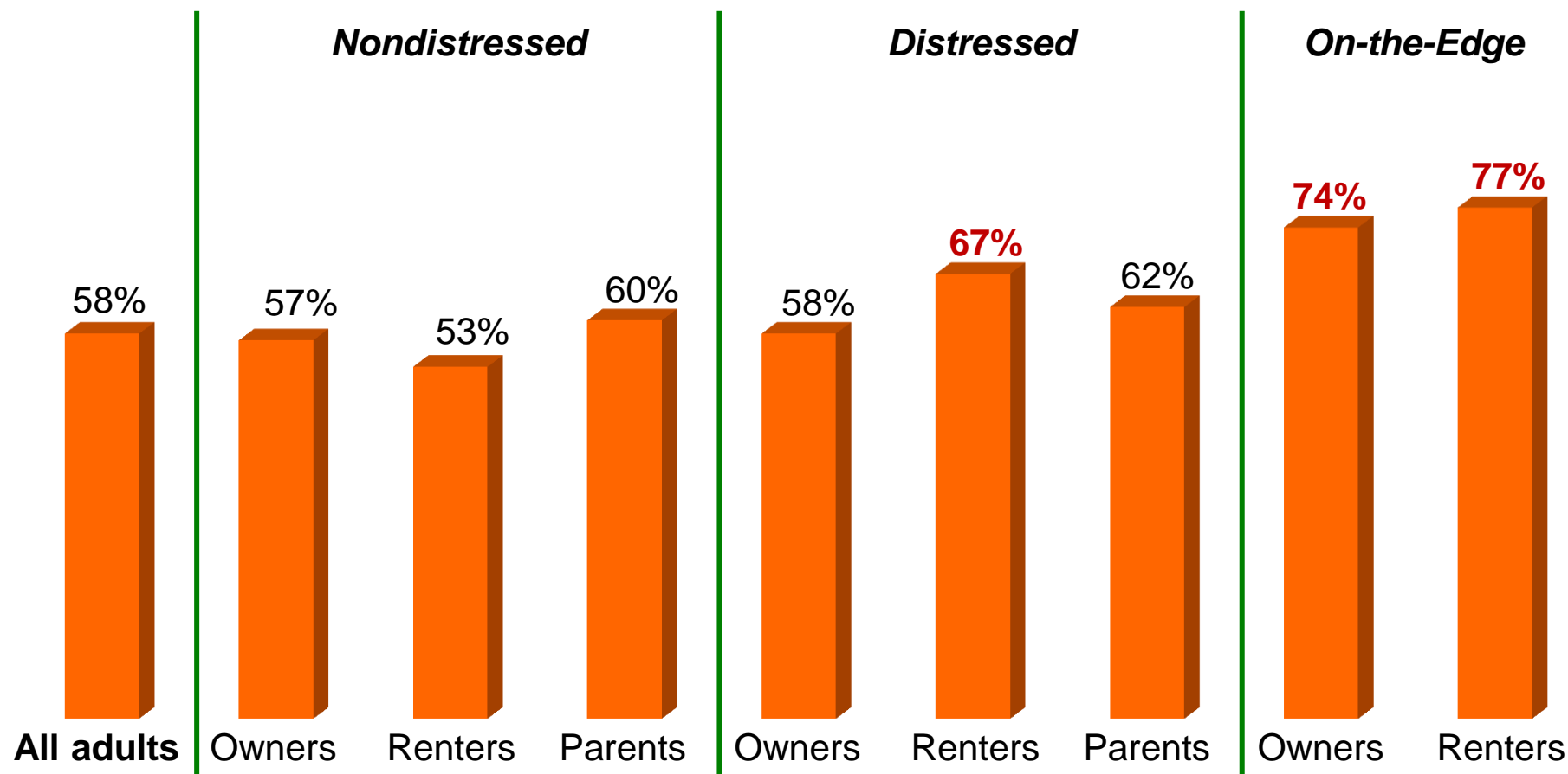
**Very/somewhat challenging:**

Northeast	60%
South	56%
Midwest	53%
West	69%
City	61%
Suburbs	57%
Small town/rural	59%



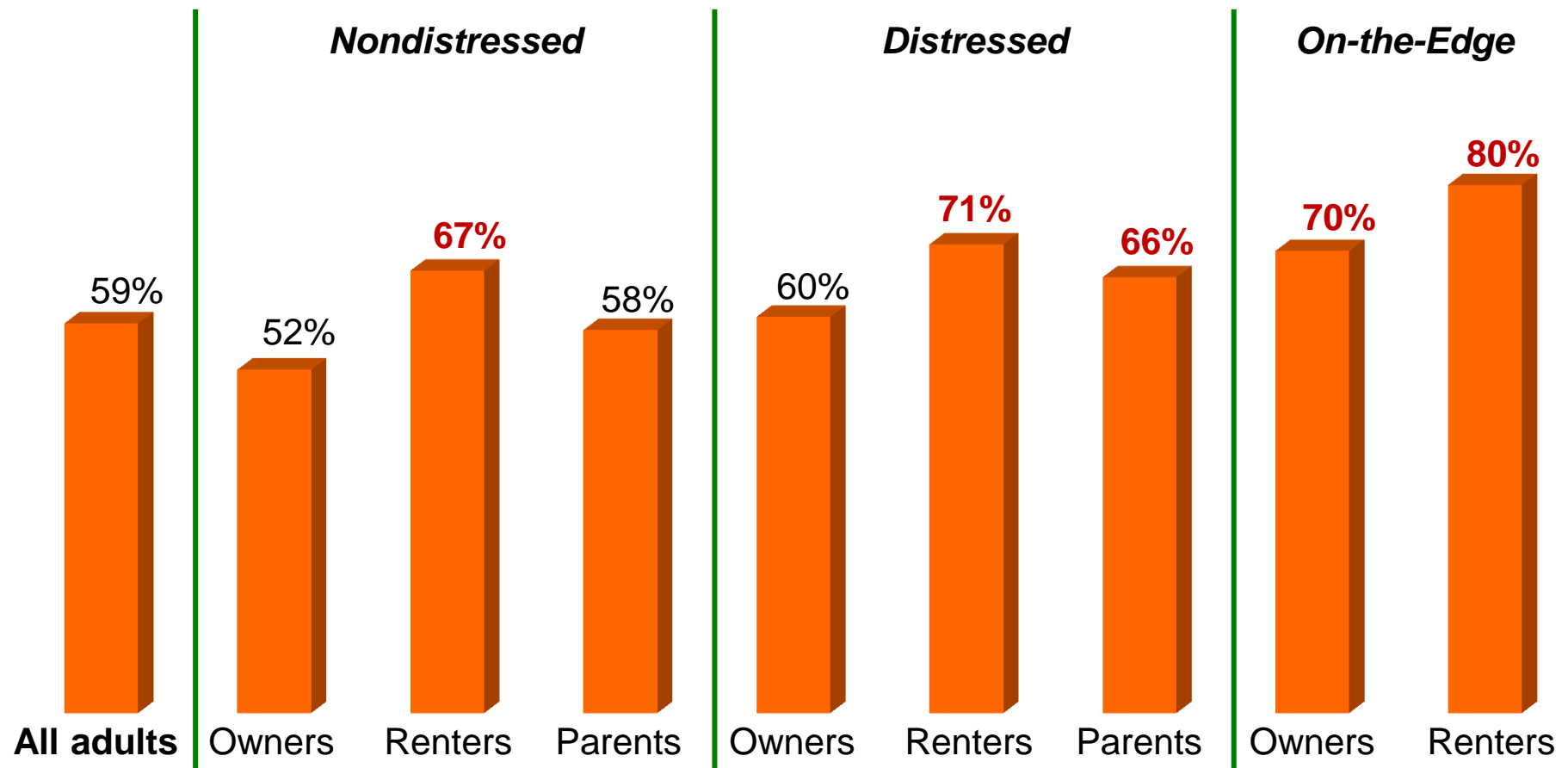
People living in tenuous housing situations, especially renters, identify the challenges of finding affordable quality **rental housing** in their communities at higher rates.

*Finding affordable quality **rental housing** in my community is somewhat/very challenging:*



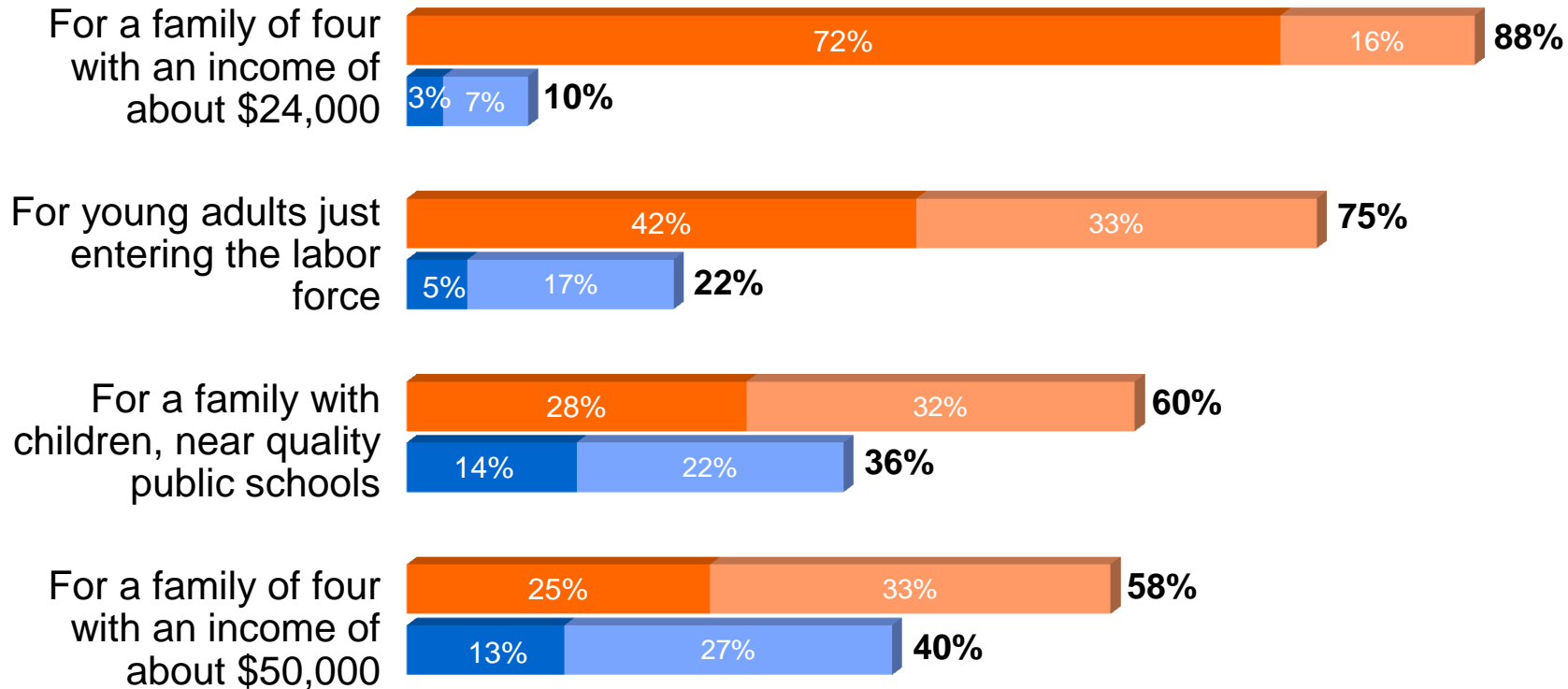
People living in tenuous housing situations, especially renters, also identify the challenges of finding affordable quality **housing to buy** in their communities at higher rates.

*Finding affordable quality **housing to buy** in my community is somewhat/very challenging:*



There is broad recognition among the public that *in their community*, finding affordable quality housing presents challenges for many people, including middle-income families.

*In my community, finding affordable quality housing is:*



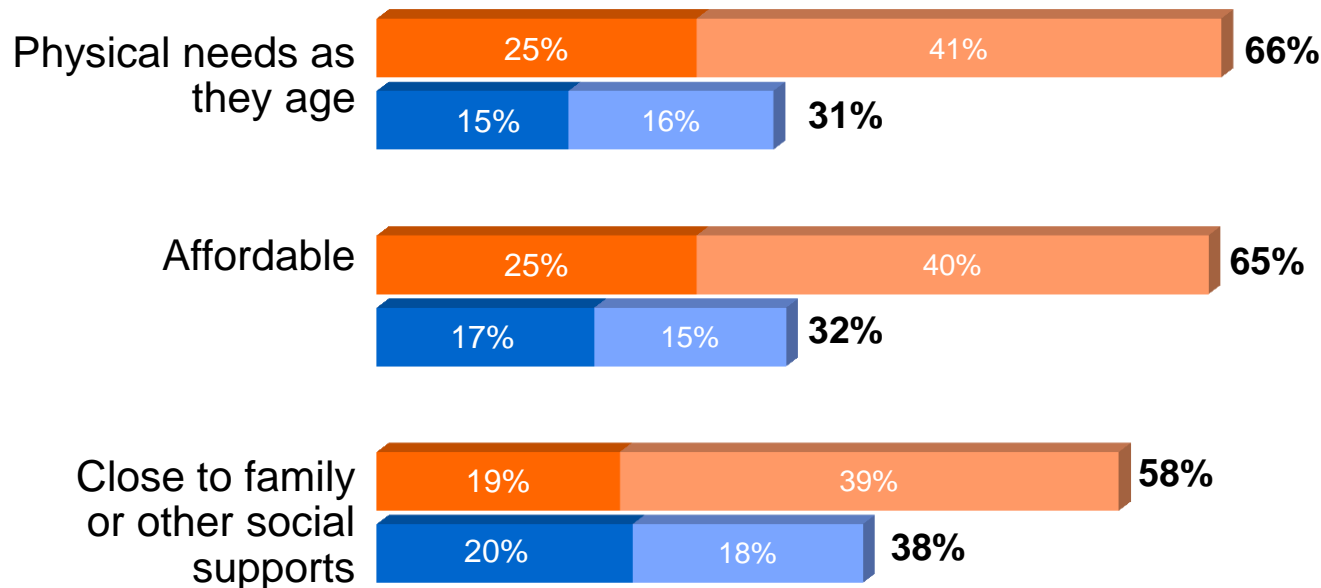
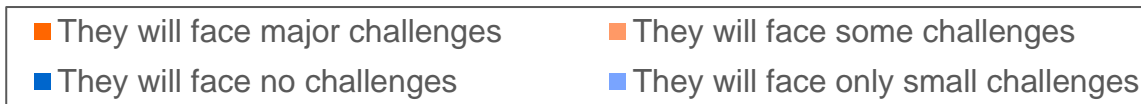
# Recognition that finding affordable housing is challenging spans the nation, but is more prevalent in the suburbs and Eastern and Western parts of the country.

*Proportions who say that in their community, finding affordable quality housing is somewhat or very challenging for these groups of people:*

	All adults	North-east	South	Mid-west	West	City	Suburbs	Small town/rural
For a family of four with an income of about \$24,000	88%	91%	87%	85%	91%	86%	93%	88%
For young adults just entering the labor force	75%	77%	73%	72%	78%	70%	79%	76%
For a family with children, near quality public schools	60%	70%	56%	49%	67%	68%	57%	57%
For a family of four with an income of about \$50,000	58%	67%	59%	45%	63%	59%	64%	54%

# The public sees hardship ahead for aging seniors. Most believe that their friends and family who are getting older will face challenges meeting their housing needs.

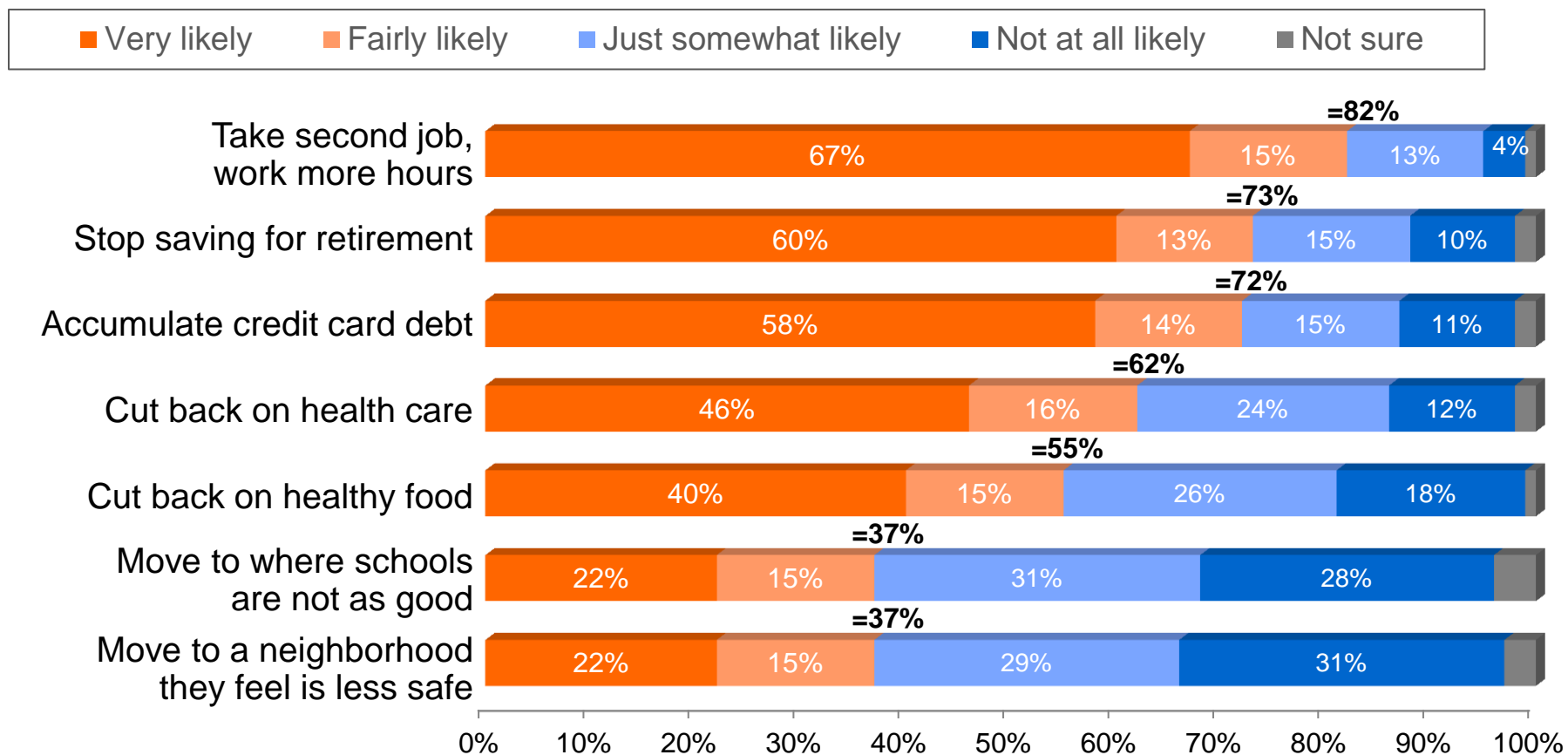
*Will the people close to you who are getting older face challenges in having housing that meets these needs?*





# The public has a clear understanding of the tradeoffs that too often have to be made by people and families who are struggling to maintain their housing.

*If a family with two children is struggling to afford to stay in their home, how likely do you think they would be to make the following tradeoffs in order to pay their rent or mortgage?*



# Furthermore, the public believes that several tradeoffs quite likely to occur will have significant negative impact on the lives of those who need to make them.

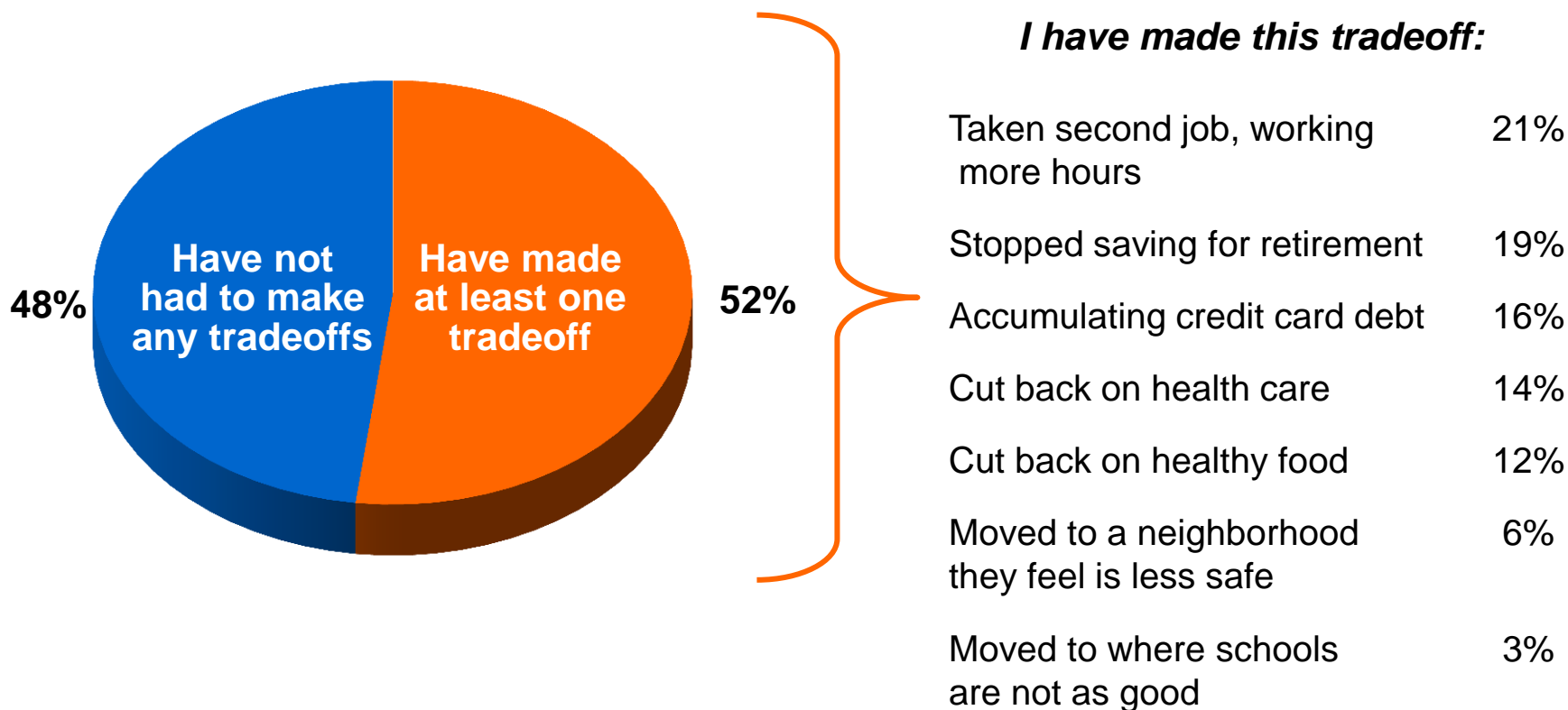
*If a family with two children is struggling to afford to stay in their home, how likely do you think they would be to make the following tradeoffs in order to pay their rent or mortgage?*

*And which two or three of these actions would have the biggest negative impact on their life or household?*

	Very/fairly likely to do	Biggest negative impact
Take second job, work more hours	<b>82%</b>	17%
Stop saving for retirement	<b>73%</b>	25%
Accumulate credit card debt	<b>72%</b>	<b>47%</b>
Cut back on health care	<b>62%</b>	<b>44%</b>
Cut back on healthy food	<b>55%</b>	<b>26%</b>
Move to a neighborhood they feel is less safe	37%	<b>33%</b>
Move to where schools are not as good	37%	24%

# More than half of all adults have made at least one tradeoff in the past three years to cover their rent or mortgage.

*Have you had to make any of these tradeoffs in the past three years because you were struggling to pay your rent or mortgage?*



# The experiences of adults in tenuous housing situations are quite different from those who are not: on-the-edge and distressed people have made sacrifices at higher rates.

*Proportions of key subgroups who say that they have made each tradeoff*

	<i>Nondistressed</i>		<i>Distressed</i>		<i>On-the-Edge</i>	
	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>	<b>Owners</b>	<b>Renters</b>
Taken second job, working more hours	16%	<b>30%</b>	22%	<b>30%</b>	<b>35%</b>	<b>30%</b>
Stopped saving for retirement	14%	<b>24%</b>	<b>25%</b>	<b>29%</b>	<b>38%</b>	<b>34%</b>
Accumulating credit card debt	12%	19%	<b>23%</b>	<b>23%</b>	17%	<b>28%</b>
Cut back on health care	9%	16%	<b>22%</b>	<b>24%</b>	<b>36%</b>	<b>28%</b>
Cut back on healthy food	9%	13%	14%	<b>18%</b>	<b>25%</b>	<b>20%</b>
Moved to a neighborhood they feel is less safe	3%	10%	3%	<b>13%</b>	<b>14%</b>	<b>21%</b>
Move to where schools are not as good	1%	7%	3%	7%	6%	<b>9%</b>
<b>Done at least one</b>	<b>42%</b>	<b>65%</b>	<b>62%</b>	<b>74%</b>	<b>84%</b>	<b>83%</b>

# Three in four distressed parents have made at least one of these sacrifices in the past three years in order to cover their rent or mortgage.

*Proportions of key subgroups who say that they have made each tradeoff*

	All adults	Nondistressed		Distressed	
		Nonparents	Parents	Nonparents	Parents
Taken second job, working more hours	21%	16%	27%	23%	33%
Stopped saving for retirement	19%	14%	21%	26%	31%
Accumulating credit card debt	16%	11%	19%	20%	28%
Cut back on health care	14%	10%	13%	27%	17%
Cut back on healthy food	12%	10%	11%	17%	16%
Moved to a neighborhood they feel is less safe	6%	4%	5%	8%	11%
Move to where schools are not as good	3%	2%	4%	3%	9%
<b>Done at least one</b>	<b>52%</b>	<b>44%</b>	<b>55%</b>	<b>66%</b>	<b>75%</b>

# Being in a distressed housing situation takes an emotional toll: on-the-edge and distressed adults worry about many housing and financial considerations at much higher rates.

*Proportions of key subgroups who say that they worry somewhat or very often about each*

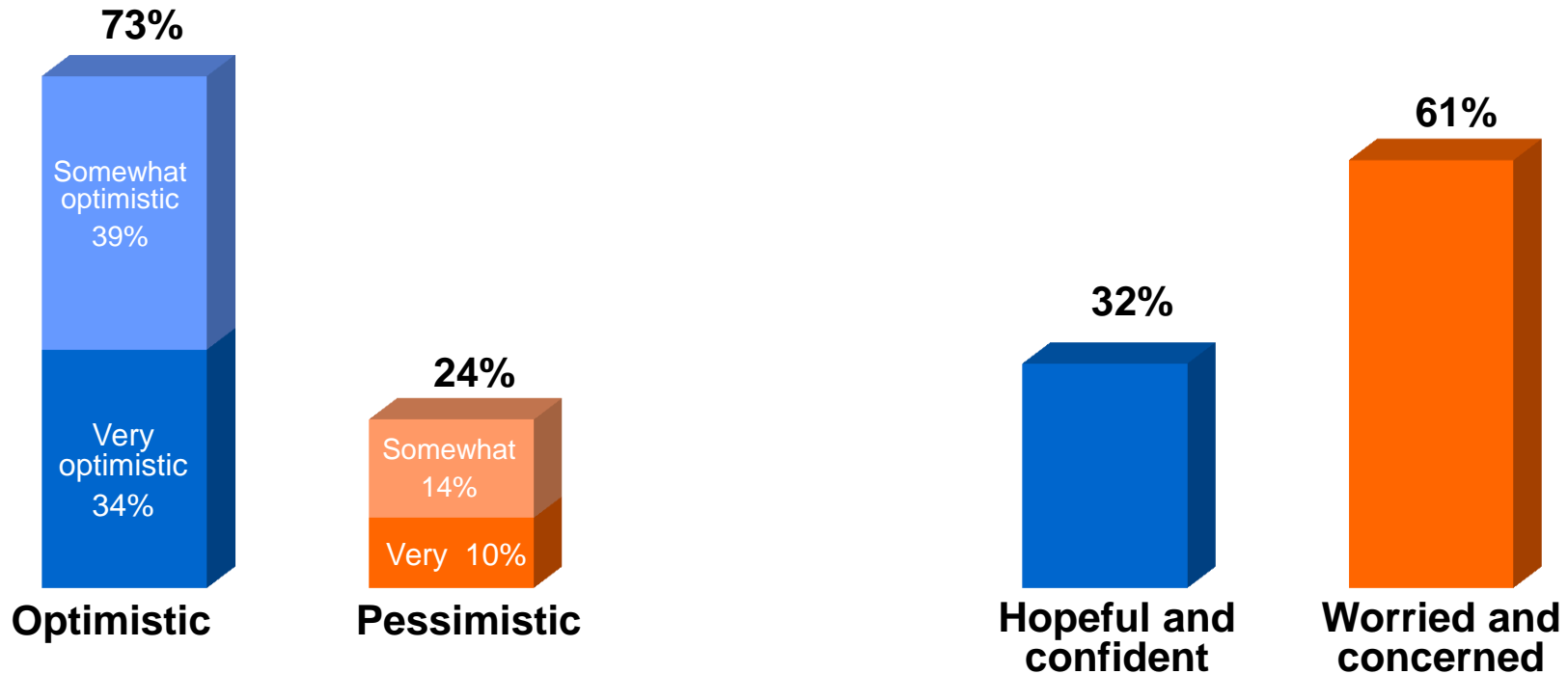
	All adults	Nondistressed			Distressed			On-the-Edge	
		Owners	Renters	Parents	Owners	Renters	Parents	Owners	Renters
Struggling to keep up with bills	<b>32%</b>	19%	<b>38%</b>	28%	<b>47%</b>	<b>55%</b>	<b>55%</b>	<b>70%</b>	<b>80%</b>
Struggling to keep up with mortgage or rent	<b>18%</b>	8%	18%	12%	<b>33%</b>	<b>40%</b>	<b>40%</b>	<b>62%</b>	<b>73%</b>
Having to move because can't keep up with mortgage or rent	<b>13%</b>	6%	12%	9%	<b>21%</b>	<b>35%</b>	<b>28%</b>	<b>51%</b>	<b>63%</b>
Being foreclosed on or evicted	<b>10%</b>	4%	13%	7%	<b>15%</b>	<b>25%</b>	<b>21%</b>	<b>36%</b>	<b>53%</b>

**Most Americans do not see the housing crisis as a thing of the past, and many continue to express concerns about the housing market.**

# Americans have a more positive outlook for their own future than for that of the country as a whole.

*Concerning my own personal situation and what the future holds for me and my family, I feel:*

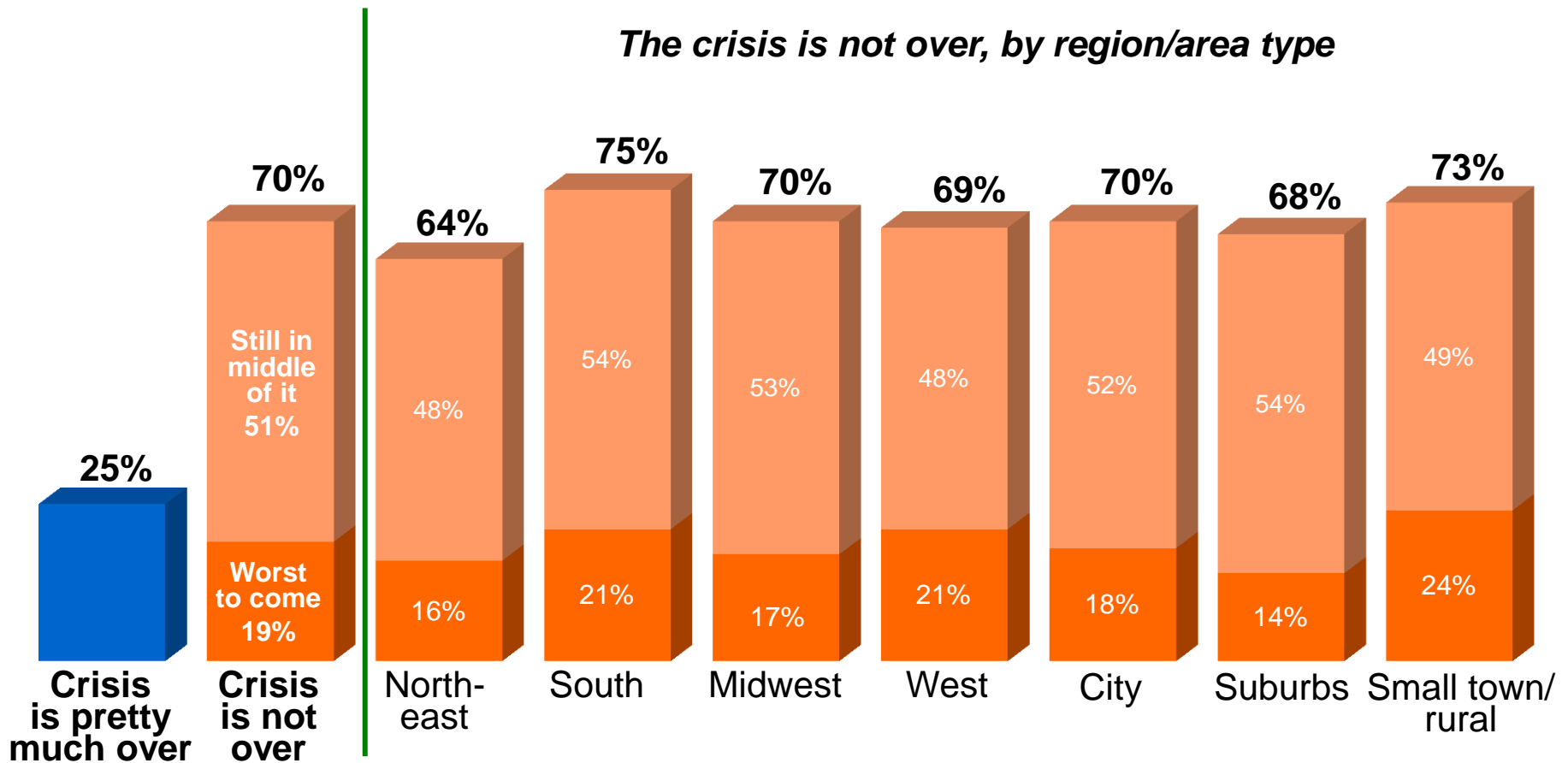
*Looking ahead to the next five years and what the future holds for the country, I feel:*





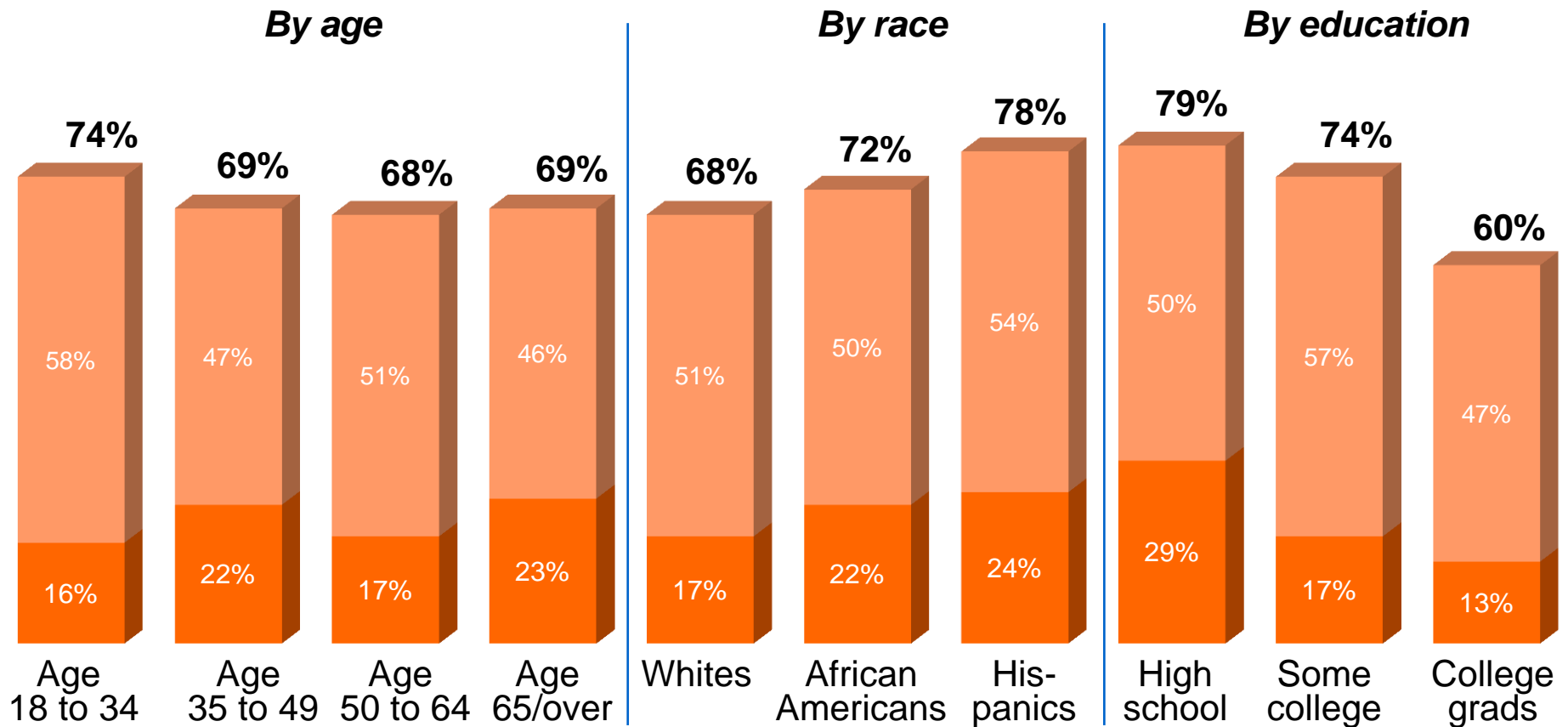
# However, large majorities believe that we are still in the midst of the housing crisis or that the worst is yet to come.

*Concerning the housing crisis that started in 2008 when many people and families defaulted on their mortgages and lost their homes, I think:*



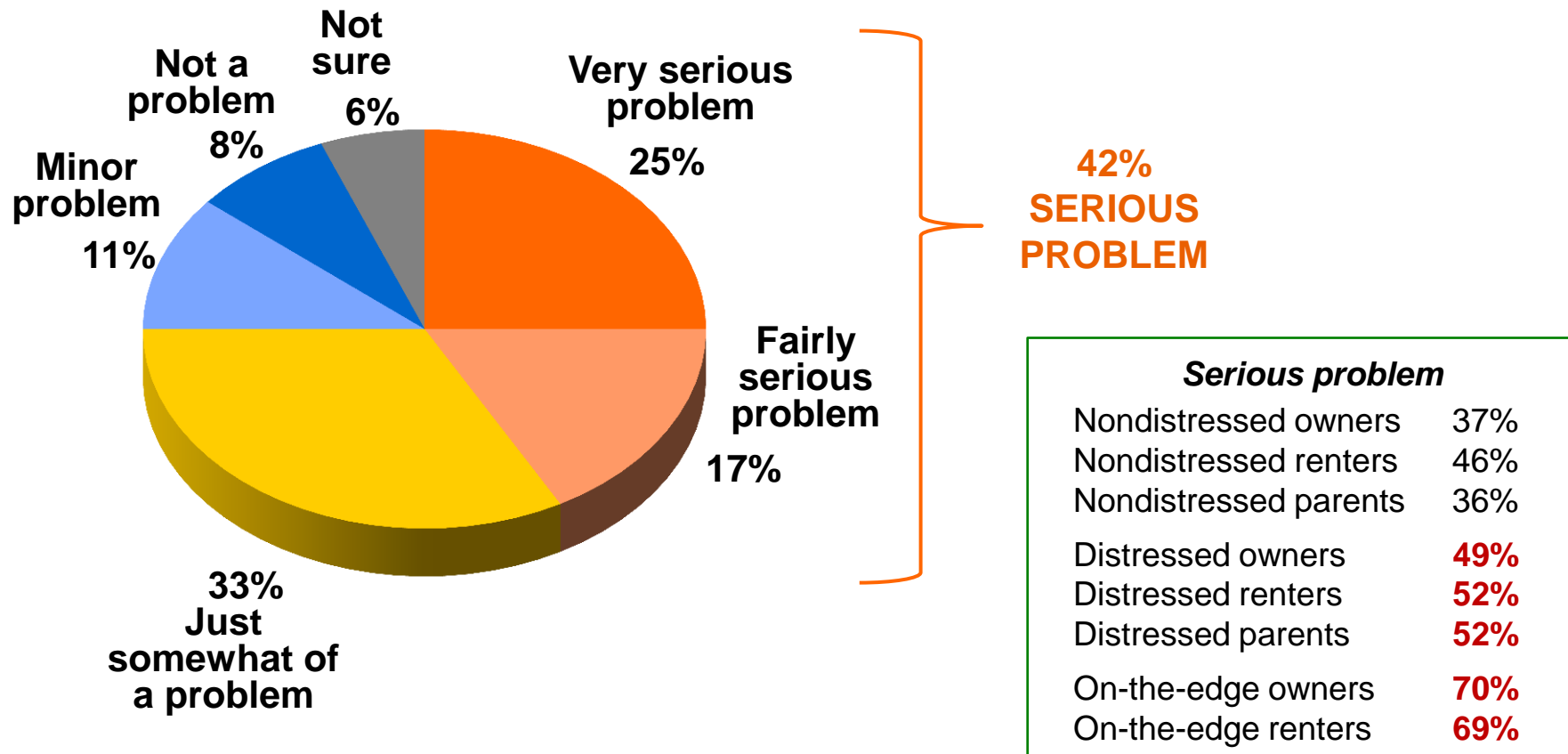
# The belief that the country has not yet weathered the housing crisis is the prevailing view across the public.

*Concerning the housing crisis that started in 2008 when many people and families defaulted on their mortgages and lost their homes, I think:*



# And more than two in five adults believe that the housing market continues to be a serious problem.

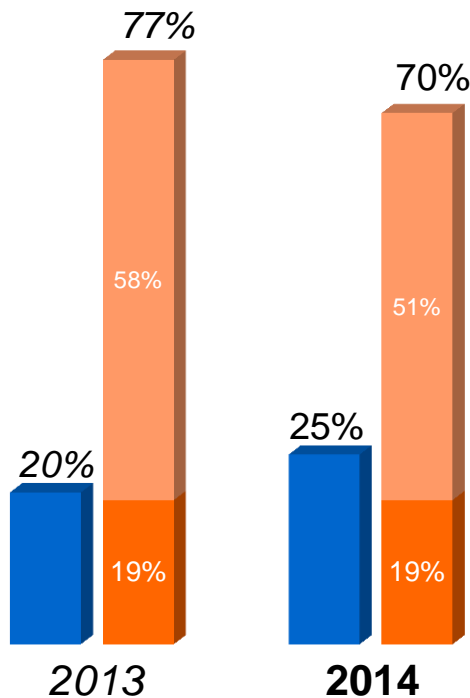
*How much of a problem is the housing market in the United States today?*



# The public's views of the housing crisis are shifting toward the positive. However, even with these shifts, concerns about housing continue to outweigh optimism.

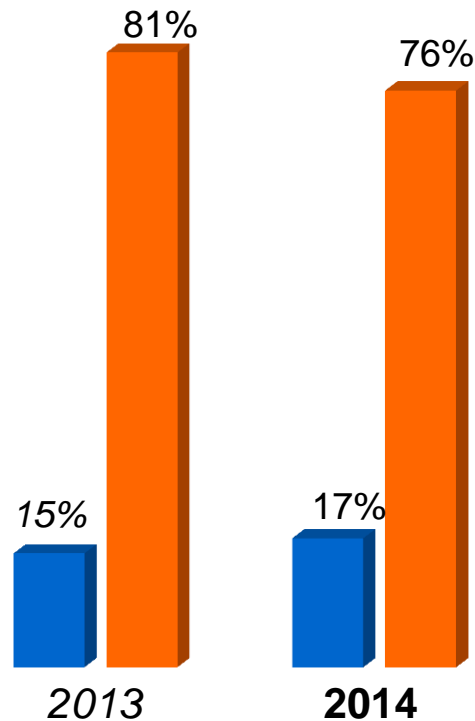
### View of Housing Crisis

- Pretty much over
- Still in middle
- Worst yet to come



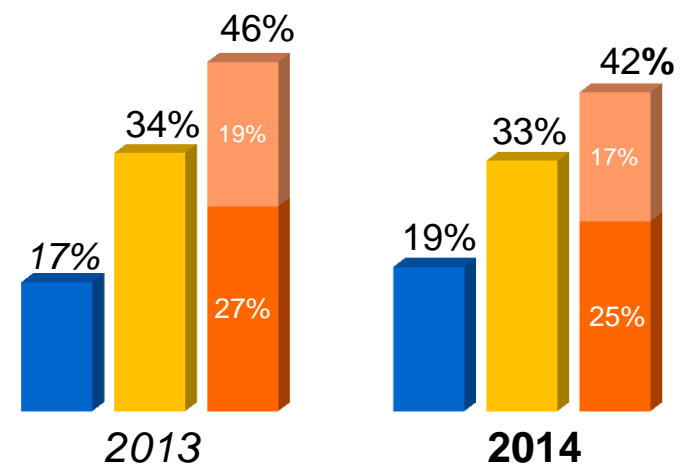
### Bank Home Foreclosures

- Less likely than 20/30 yrs ago
- More likely than 20/30 yrs ago



### Housing Market as Problem

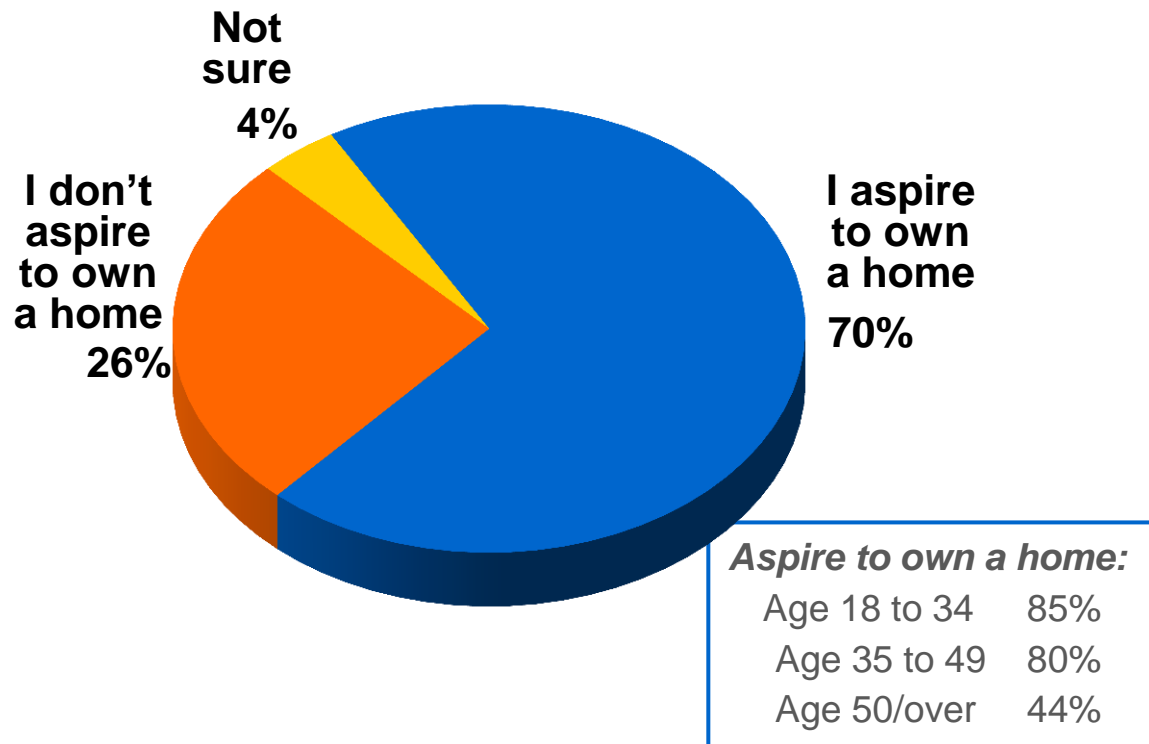
- Minor/not problem
- Somewhat problem
- Fairly serious
- Very serious



**The American people believe that the country's housing environment is changing. While most non-owners aspire to own a home someday, homeownership is not viewed as the vehicle to building wealth that it once was, and the public believes that renting has grown in appeal while owning has declined.**

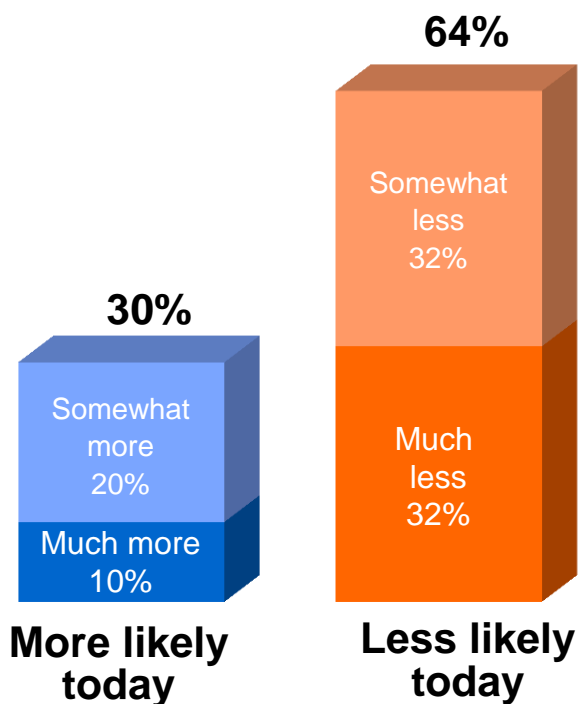
# A solid majority of non-owners hope to own a home one day.

*Non-homeowners: Is homeownership something you aspire to?*



# Two-thirds of the public believe that it is less likely today than it was 20 or 30 years ago for a family to build equity and wealth through homeownership.

*Compared with 20 or 30 years ago, how likely is it for families today to build equity and wealth through homeownership?*



## Less likely today than 20 or 30 years ago

Men	65%	Northeast	63%
Women	62%	South	62%
Age 18 to 34	62%	Midwest	64%
Age 35 to 49	<b>69%</b>	West	65%
Age 50 to 64	62%	City	57%
Age 65/over	61%	Suburbs	68%
High school/less	58%	Small town/rural	66%
Some college	62%	Whites	66%
College graduates	<b>70%</b>	African Americans	55%
Income:		Hispanics	56%
Under \$40K	60%		
\$40K to \$75K	<b>69%</b>		
Over \$75K	66%		

# The public is divided on whether homeownership is an excellent investment and good way to build wealth.

*Which comes closer to your feelings about homeownership?*

Buying a home is an **excellent long-term investment** because it is likely to increase in value over time and it is one of the best ways for people to build wealth and assets.



Buying a home may once have been an excellent long-term investment and one of the best ways for people to build wealth, but that is **no longer the case** today.



	<i>Nondistressed</i>			<i>Distressed</i>			<i>On-the-Edge</i>	
	Owners	Renters	Parents	Owners	Renters	Parents	Owners	Renters
Excellent long-term investment	55%	46%	56%	43%	38%	45%	27%	32%
No longer an excellent investment	37%	49%	36%	49%	54%	51%	61%	57%



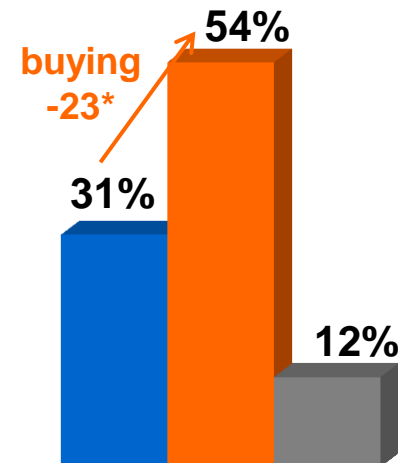
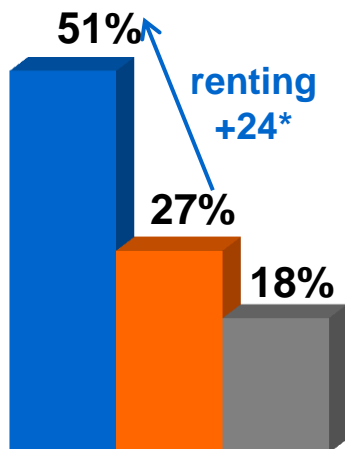
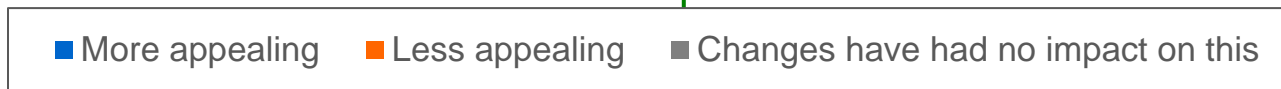
# Across subgroups, substantial proportions have doubts about the soundness of investing in a home.

	Buying a home is an excellent long-term investment	Buying a home is no longer an excellent investment
<b>All adults</b>	<b>50%</b>	<b>43%</b>
Men	52%	41%
Women	48%	44%
Age 18 to 34	52%	40%
Age 35 to 49	49%	44%
Age 50 to 64	49%	44%
Age 65/over	48%	44%
High school/less	47%	47%
Some college	51%	43%
College graduates	51%	39%
Whites	50%	42%
African Americans	47%	46%
Hispanics	53%	42%
Northeast	46%	43%
South	48%	47%
Midwest	52%	44%
West	53%	36%

# In light of the nation's economic situation and changes in how we live, majorities say that renting a home has become more appealing and buying one less appealing.

Generally speaking, given the changes over the past several decades in the way we live our lives, **renting a home has become:**

Generally speaking, given our nation's current economic situation, **buying a home has become:**

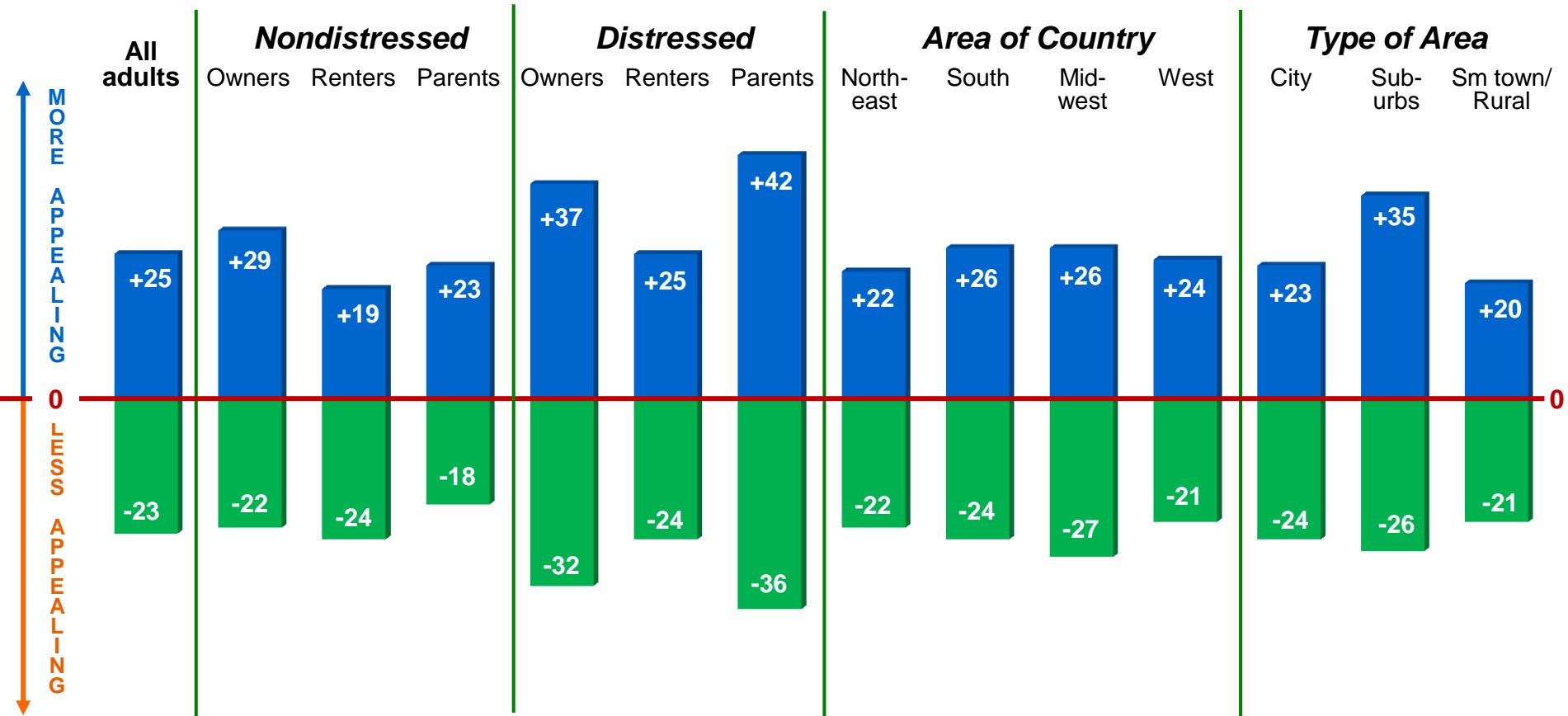


\*differential: more appealing minus less appealing

# The perceptions that renting a home has become more appealing and buying one less appealing holds across the public and the country.

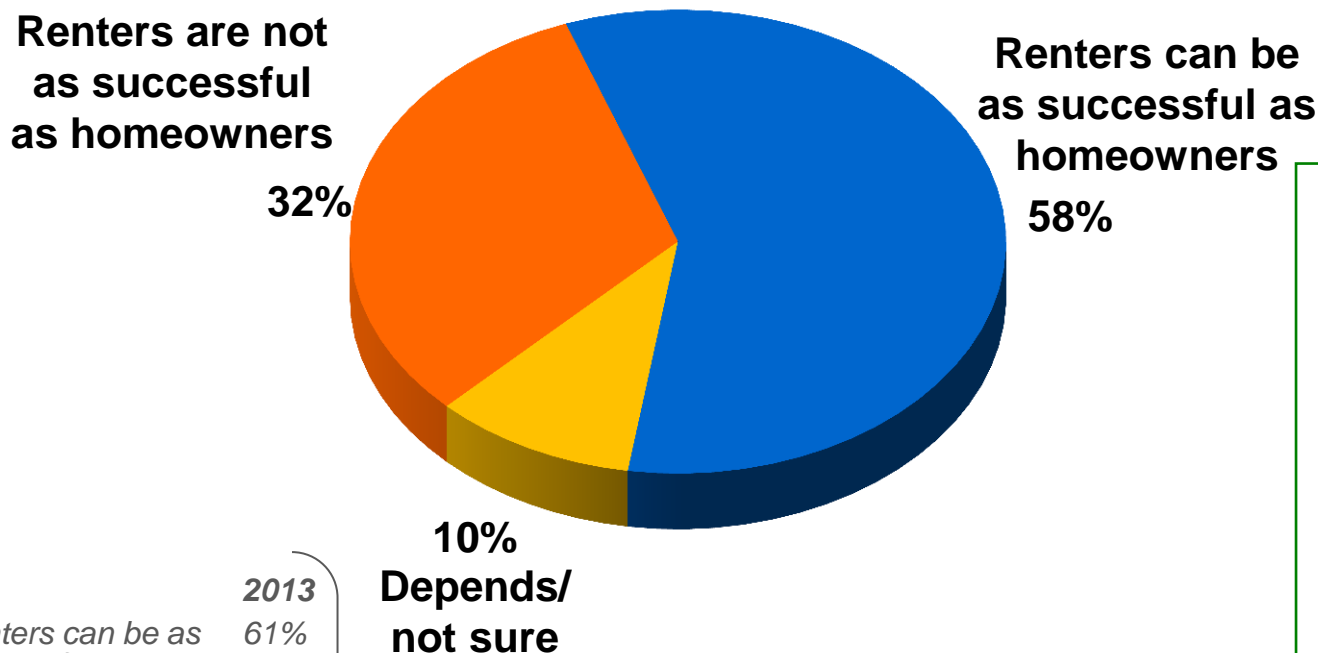
*Differential: this has become more appealing minus has become less appealing*

■ Renting a home    ■ Owning a home



# In fact, a majority of adults believe that renters can be just as successful as owners at achieving the American Dream.

*In their ability to achieve the American Dream:*



### *Renters can be as successful*

Owners	53%
Renters	<b>69%</b>
Age 18 to 34	<b>66%</b>
Age 65/over	50%
High school/less	59%
Some college	61%
College graduates	57%
Income:	
Under \$40K	59%
\$40K to \$75K	60%
Over \$75K	59%

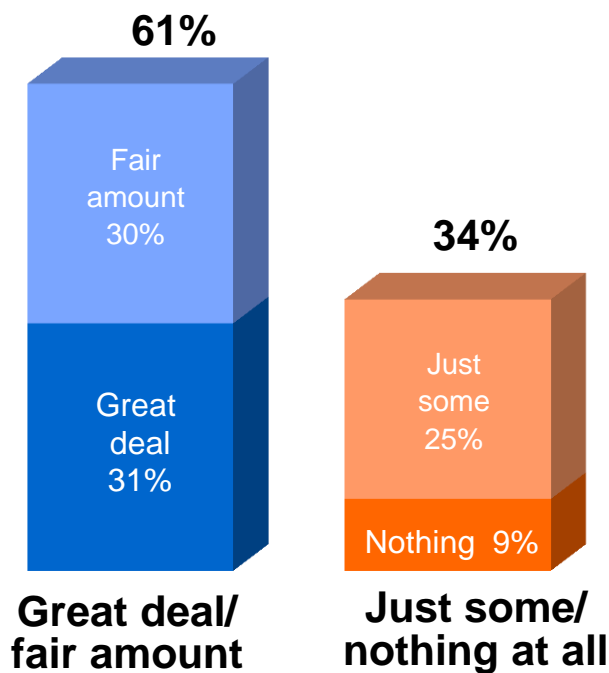
**2013**

<i>Renters can be as successful</i>	61%
<i>Renters are not as successful</i>	28%
<i>Depends/not sure</i>	11%

**Americans believe that government can and should be doing more to improve housing affordability for both renters and owners. Indeed, most do not think that either homeownership or renting should take priority. Rather, solid majorities want the federal government to invest in both equally.**

# Three in five adults believe that a great deal or a fair amount can be done to solve the problem of housing affordability for the American people.

*Realistically, how much do you think can be done to solve the problem of housing affordability?*

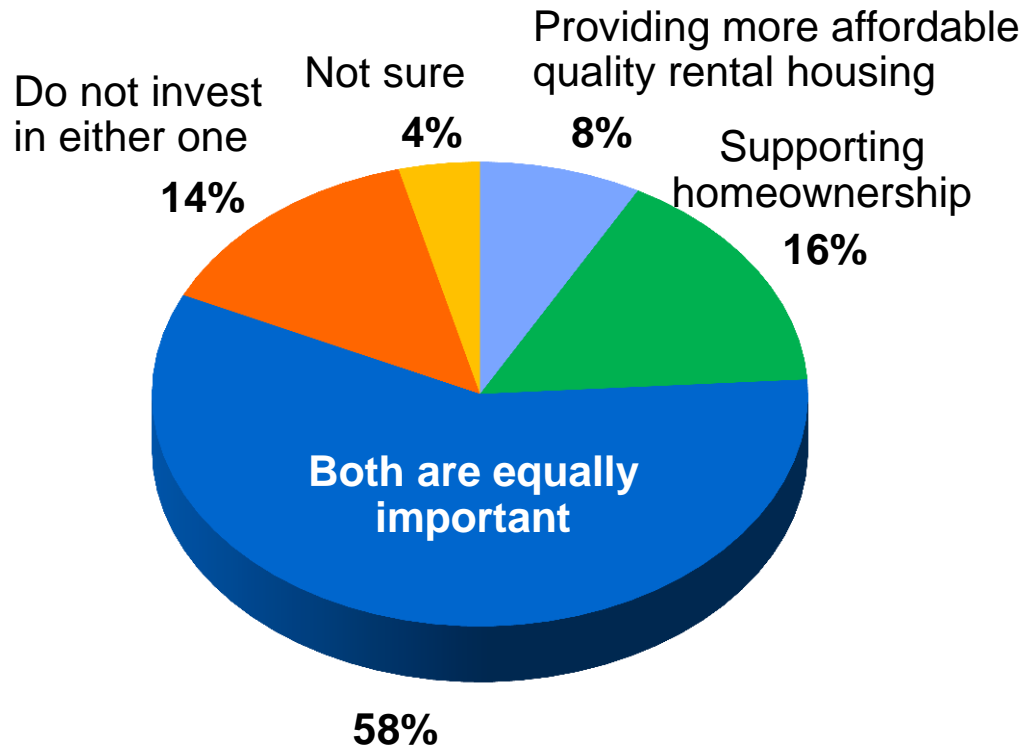


## ***A great deal/fair amount can be done***

Owners	57%
Renters	70%
High school/less	65%
Some college	65%
College graduates	56%
Income:	
Under \$40K	65%
\$40K to \$75K	61%
Over \$75K	59%
Democrats	67%
Independents	62%
Republicans	53%

# Solid majorities of Americans want the federal government to invest equally in policies that support homeownership and rental housing.

*In which type of housing policy is it more important for the federal government to invest right now?*

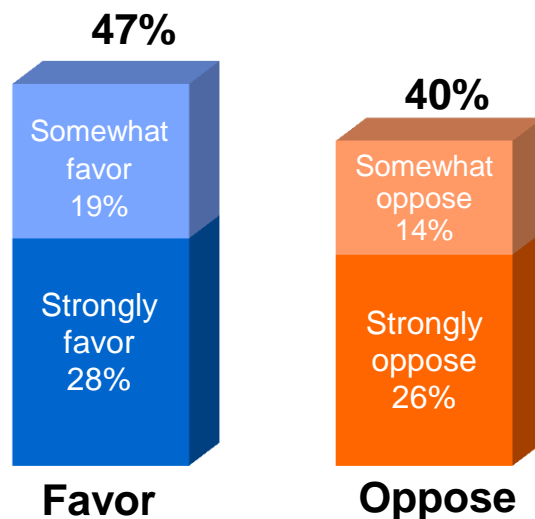


<b>Both equally important:</b>	
Owners	54%
Renters	64%
High school/less	65%
Some college	62%
College graduates	52%
Income:	
Under \$40K	62%
\$40K to \$75K	62%
Over \$75K	52%
Democrats	67%
Independents	59%
Republicans	48%

# More Americans favor than oppose eliminating the mortgage interest deduction for second homes and homes valued over \$500,000, to increase access to low- and moderate-income housing.

The mortgage interest tax deduction allows homeowners to deduct from their federal taxes the amount they pay in interest on their home mortgage for homes valued up to \$1 million, including for second homes. Some people say that the mortgage interest deduction should be eliminated for second homes and for mortgages on homes worth more than \$500,000, and that the money saved should be used to fund federal government programs that increase access to low- and moderate-income housing.

*Would you favor or oppose eliminating the mortgage interest deduction on second homes and homes worth more than \$500,000?\**

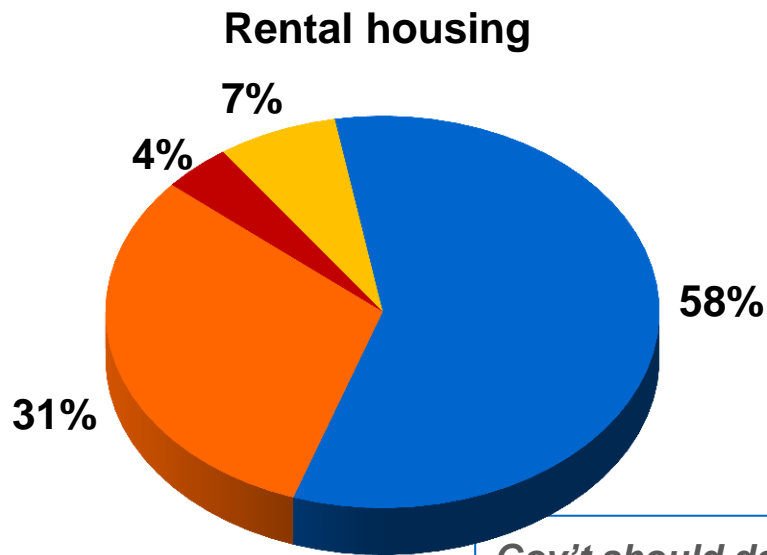
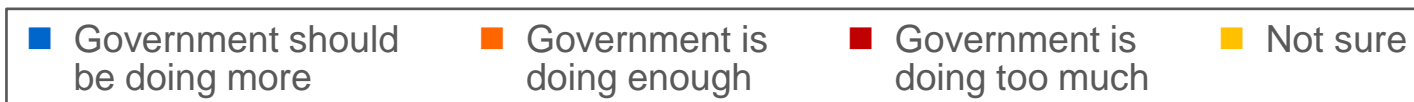


	Favor	Oppose
Democrats	59%	31%
Independents	46%	44%
Republicans	35%	53%
Northeast	46%	40%
South	47%	41%
Midwest	53%	38%
West	42%	42%
City	53%	31%
Suburb	43%	50%
Small town/rural	46%	44%



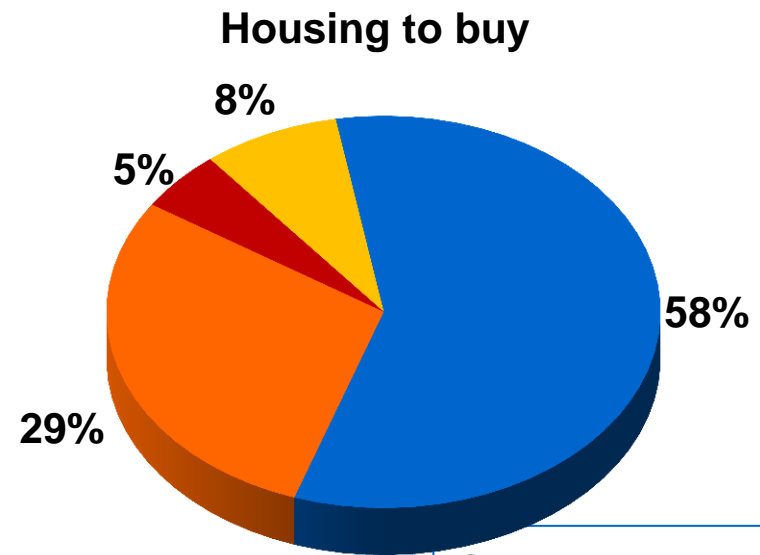
# Majorities believe that state and local governments should be doing more to address the affordable housing challenges of America's families.

*Are state and local governments doing enough to ensure that there is sufficient affordable quality [rental housing/housing to buy] in your community?*



**Gov't should do more:**

Democrats	71%
Independents	56%
Republicans	43%



**Gov't should do more:**

Democrats	69%
Independents	56%
Republicans	45%

# While the public wants government to do more on access to affordable housing, they want to maintain the integrity of their communities. Half want to keep zoning regulations in place to preserve the quality of life in their communities.

*Which comes closer to your point of view on community zoning regulations?*

Communities should keep zoning regulations in place to preserve the current character and quality of life of the community.



It's better to relax zoning regulations now so developers can build more different kinds of housing to meet the needs of the community.



	City	Suburbs	Small town/ rural area	Democrats	Independents	Republicans
Keep zoning regulations	55%	54%	50%	53%	44%	<b>61%</b>
Relax zoning regulations	35%	35%	39%	37%	<b>43%</b>	30%