

How Housing Matters

*Key findings from a nationwide survey among adults
conducted April-May 2015
for the*

MacArthur Foundation

HOW HOUSING MATTERS

macfound.org/HousingMatters

Research Methodology

- Telephone survey among a nationally representative sample of 1,401 adults, including 461 who have only a cell phone and an oversample among Millennials (18-34)
- Interviews conducted April 27 – May 5, 2015
- Margin of error = ± 2.8 percentage points for all adults, higher for subgroups
- 26 one-on-one qualitative phone interviews with survey respondents to better understand perspectives on the role of government in addressing affordable housing issues.

Research Objectives

- 2015 marks the third year that Hart Research has conducted a national public opinion poll to inform the work of the MacArthur Foundation's How Housing Matters initiative. The primary objectives of the survey are:
 - Develop a deeper understanding of the experiences, attitudes, and perceptions about housing, particularly of people living in tenuous housing situations;
 - Gather attitudinal data to inform and stimulate dialogue about the right approaches to addressing the nation's housing trends and challenges following the Great Recession;
 - Track key metrics over time to gauge changes in attitudes and perceptions;
 - Evaluate whether findings from the empirical research provide convincing reasons to the public to address issues related to affordable housing.

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.
- “*Millennials*” are young adults age 18 to 34.
- 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 2015 HHM survey reveals continued concern about what the future holds for our country and significant pessimism regarding the potential for social mobility in America today. Housing-related issues are central to those concerns.
2. An overwhelming majority believe Millennials face greater challenges than older generations did in striving to achieve a middle-class life.
 - Four in five Americans believe it is more likely for middle-class people to fall into a lower economic class than for people in lower economic classes to rise up to the middle class.
 - 75% believe it is harder today for young people to achieve a secure middle-class lifestyle than it was in the past.
 - Significant majorities of the public believe it is harder for Millennials to accomplish many of the basic elements of a middle-class life, including having a decent-paying job, owning a home, having stable, affordable housing, and saving for retirement.

(continued)

Overview of Key Findings (cont.)

3. The public is seeing some improvement in the housing situation nationally. However, the vast majority continue to think that the housing crisis is not a thing of the past.
 - Although it continues to be the minority view that the housing crisis is over, the proportion of Americans who feel that we have weathered the storm has increased steadily in the past two years, from 20% in 2013 to 35% today. Three in five Americans believe that we are still in the midst of the crisis or the worst is yet to come.
 - Public confidence in the investment value of homeownership has improved, with a majority (56%) now believing that buying a home is an excellent long-term investment .
4. These perceived improvements in the housing situation nationally are not reflected in the public's personal experiences or in how they describe the housing situation in their own communities.
 - Four in five Americans believe that housing affordability is at least somewhat of a problem in America today, including 60% who say it is a serious problem.
 - Majorities report that in their own community, it is challenging to find affordable housing to buy and to rent, and that it is not just low-income families saddled with these housing burdens, but middle-class families and young people just entering the workforce, too.
 - Housing challenges continue to personally impact individuals at very high rates—55% report that they have made a least one sacrifice to be able to cover their rent or mortgage payments in recent years.

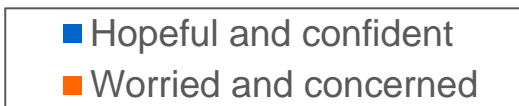
Overview of Key Findings (cont.)

5. While we know a significant majority believe that housing affordability is a problem, the experiences of the past seven years have created substantial ambivalence among the public toward the government's role in addressing issues of housing affordability.
6. Half of Americans would like to see the federal government make issues related to housing affordability a very or fairly high priority, and even larger proportions would like to see the same from their elected leaders at the state and local levels.
7. However, only 14% believe their elected leaders at any level are actually treating housing affordability issues as high priorities.
8. And many lack a clear vision for the role of the federal government and the kinds of policies it could enact to address housing affordability issues.
 - In the opinions of the American public, there are compelling reasons why housing affordability issues should occupy a central place on the policy agenda, including facts that highlight the impact of having (or lacking) quality affordable housing has children's social and emotional development and educational success.

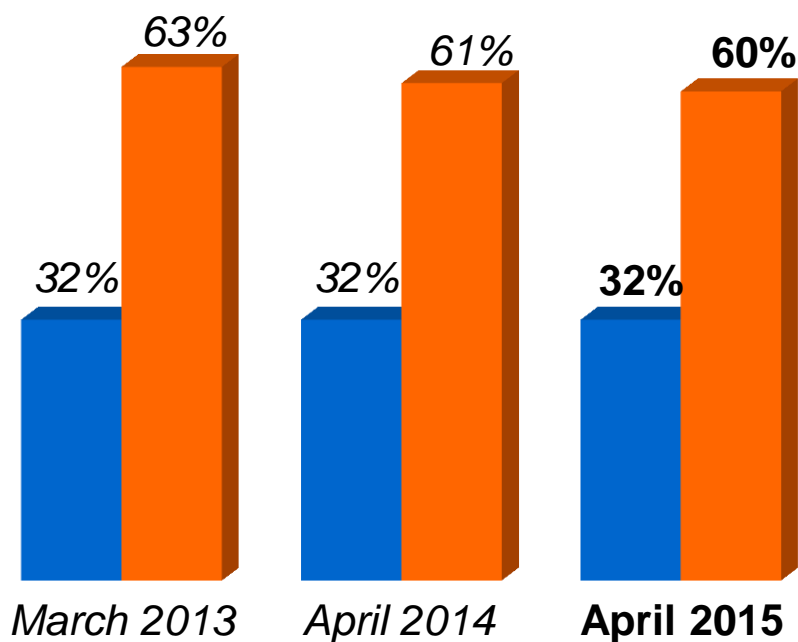
There is substantial pessimism about the potential for social mobility among the American people and about the future prospects for the millennial generation. Issues related to housing are central to both areas of concern.

The public remains worried about the future of the country.

Looking ahead to the next five years or so, do you feel more hopeful and confident or more worried and concerned about what the future holds for the country?



All adults



	Hopeful/ confident	Worried/ concerned
Age 18 to 34	40%	51%
Age 35 to 49	32%	61%
Age 54 to 64	25%	66%
Age 65/over	28%	66%
Homeowners	30%	64%
Renters	33%	55%
Owners/renters:		
Distressed	29%	62%
Non-distressed	32%	60%

Americans across the spectrum are deeply pessimistic about economic mobility.

Which do you think happens more often today?

All adults

Middle-class people falling into a lower economic class



People in lower economic classes rising into the middle class

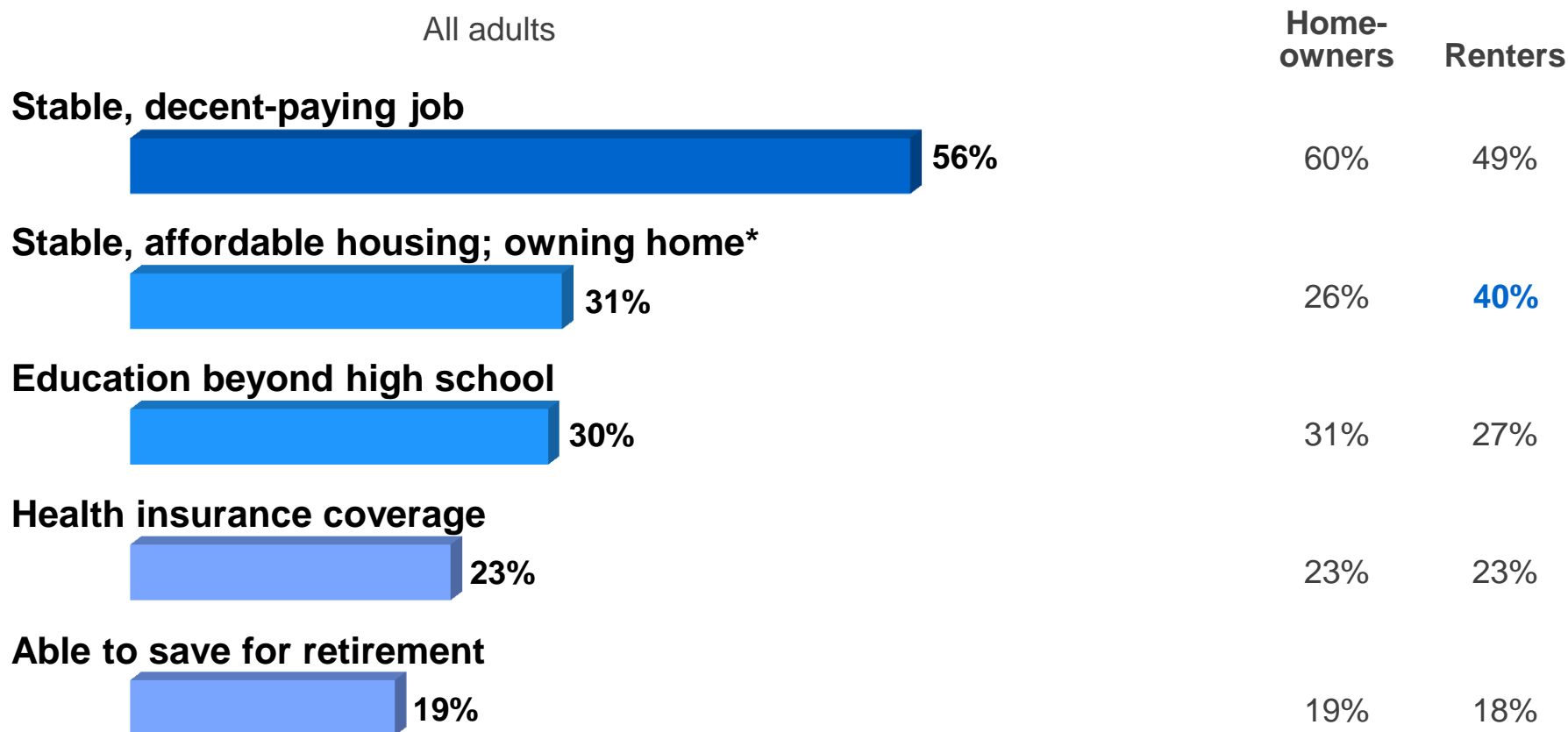


Middle-class people falling into a lower economic class happens more often:

Age 18 to 34	75%	Household income:	
Age 35 to 49	75%	Under \$40K	78%
Age 54 to 64	85%	\$40K to \$75K	81%
Age 65/over	79%	\$75K/more	79%
Whites	81%	Democrats	80%
African Americans	71%	Independents	77%
Hispanics	73%	Republicans	80%

Quality jobs are seen as key to the middle class; housing and education are important factors too.

Which ONE or TWO of the following things are the most important to having a secure middle-class lifestyle.?



* 18% stable/affordable housing, 14% owning home

Housing is more aligned with the middle class among Americans with lower incomes.

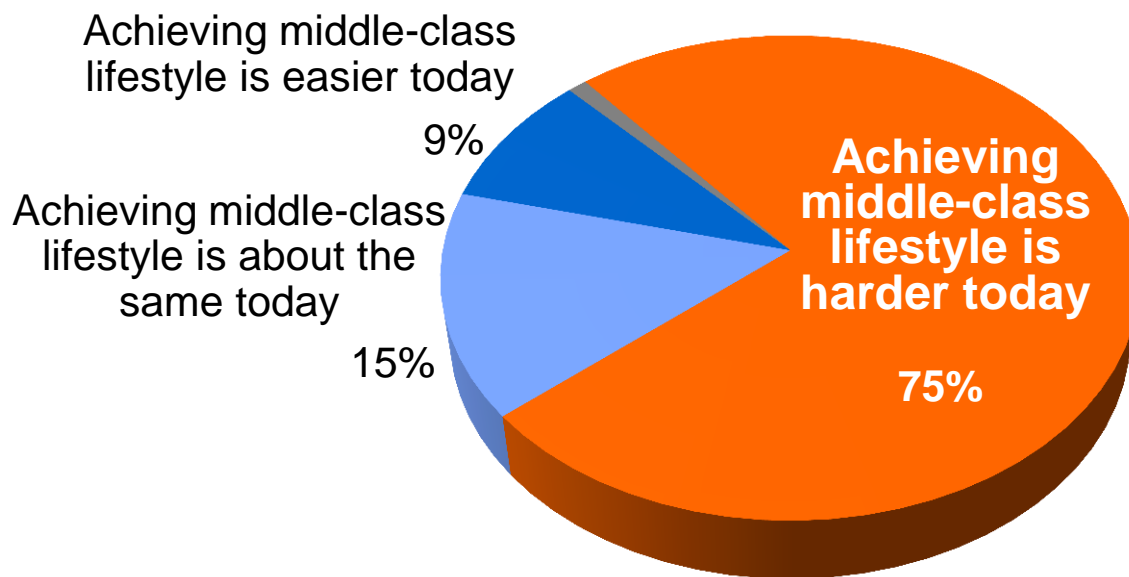
Which ONE or TWO of the following things are the most important to having a secure middle-class lifestyle?

	<i>Household income</i>		
	Under \$40K	\$40K to \$75K	\$75K/ more
Stable, decent-paying job	49%	56%	66%
Stable, affordable housing; owning home	36%	33%	26%
Education beyond high school	24%	27%	39%
Health insurance coverage	29%	21%	19%
Able to save for retirement	17%	19%	18%

The middle-class lifestyle is becoming increasingly out of reach for young Americans.

Compared with previous generations, do you think achieving a secure middle-class lifestyle has become easier, harder, or that it's about the same for young Americans today as it was in the past?

All adults



Achieving middle-class lifestyle is harder today:

Age 18 to 34	69%
Age 35 to 49	74%
Age 50 to 64	79%
Age 65/over	77%

Americans believe foundational elements of the middle-class lifestyle have become more difficult for young Americans to achieve.

Thinking specifically about young Americans who are 18 to 34 years old, compared with 20 or 30 years ago, I think it is harder for young people today to:

Save for retirement



Own a home



Have stable, decent-paying job



Have stable, affordable housing situation



Have health insurance



Obtain education beyond high school



Proportions who think it is easier today

10%

14%

15%

16%

38%

43%

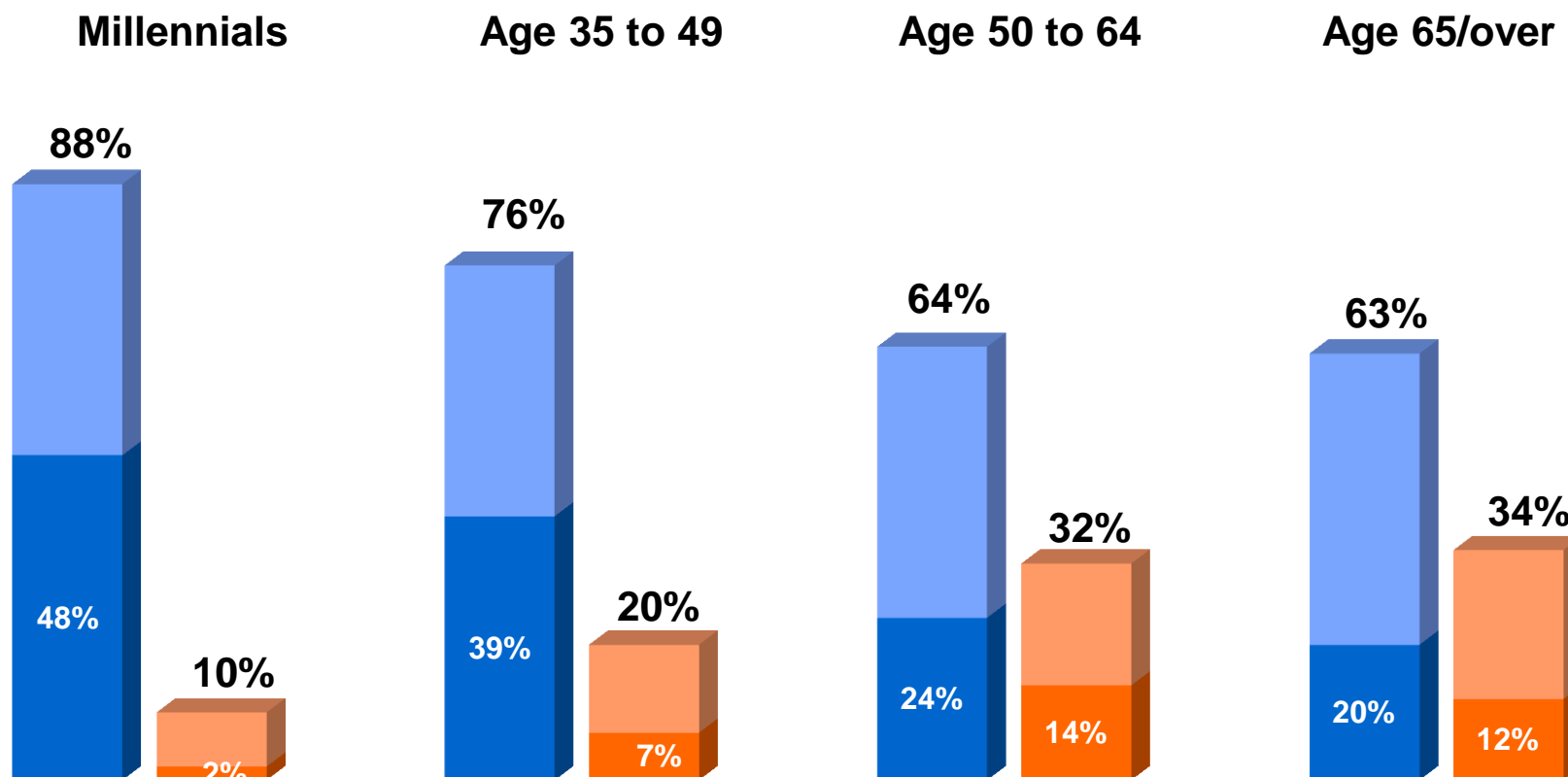
With the exception of health insurance, there is broad consensus across generations on the increasing challenges Millennials face.

Thinking specifically about young Americans who are 18 to 34 years old, compared with 20 or 30 years ago, I think it is harder for young people today to:

	Age 18 to 34	Age 35 to 49	Age 50 to 64	Age 65/over
Save for retirement	76%	81%	84%	82%
Own a home	77%	72%	78%	80%
Have stable, decent-paying job	65%	71%	75%	75%
Have stable, affordable housing situation	69%	66%	74%	73%
Have health insurance	41%	45%	59%	55%
Obtain education beyond high school	38%	43%	51%	46%

Although Millennials see challenges ahead, they remain more hopeful than older Americans.

Thinking now about your own personal situation, looking ahead to the next five years or so, how do you feel about what the future holds for you and your family?

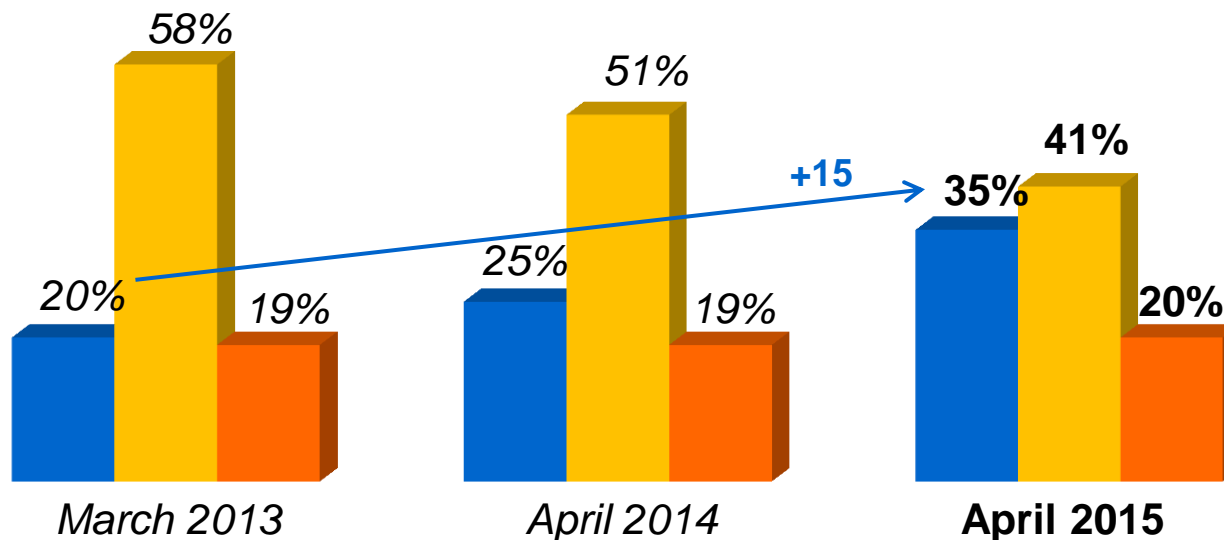


The American people are seeing some improvement in the housing situation nationally, but the vast majority continue to think that the housing crisis is not a thing of the past.

Though the majority remain unconvinced, Americans are increasingly seeing the housing crisis as behind us.

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

■ The housing crisis is pretty much over ■ We are still in the middle of it ■ The worst is yet to come



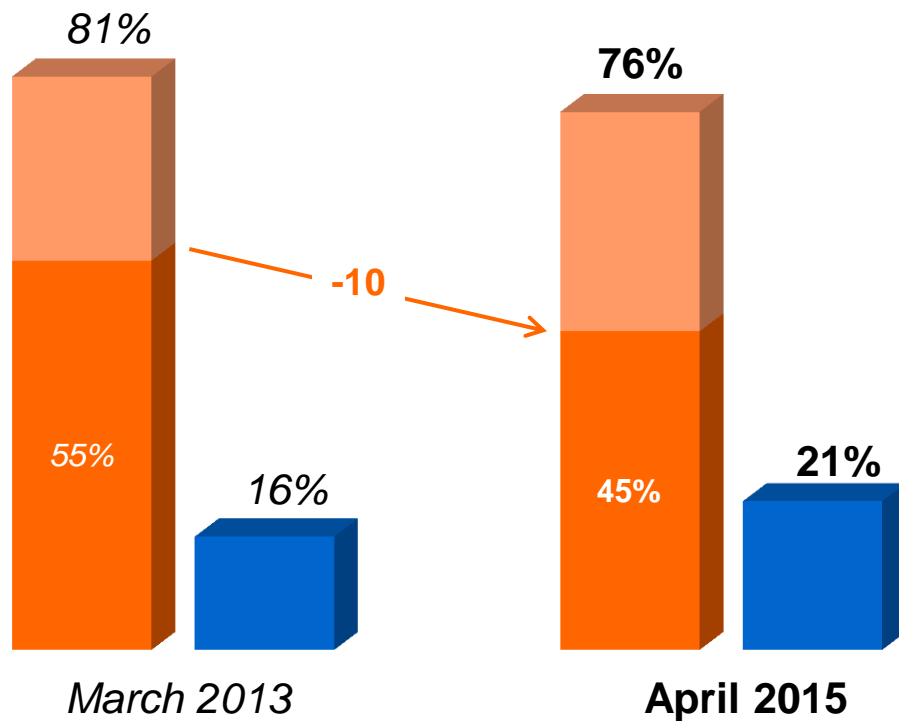
The perception that we are on the road to recovery has increased among more affluent and educated Americans most substantially.

Thinking about the housing crisis that started in 2008, when many people and families defaulted on their mortgages and lost their homes, I think the housing crisis is pretty much over:

	2015	2013	Change 2013 – 2015
All adults	35%	20%	+15
High school grad/less ed	29%	15%	+14
Some college	30%	18%	+12
Four-year college grads	42%	23%	+19
Postgraduate education	51%	27%	+24
Household income:			
Under \$40K	24%	17%	+7
\$40K to \$75K	39%	19%	+20
\$75K/more	48%	24%	+24
City	34%	20%	+14
Suburbs	36%	24%	+12
Small town/rural area	36%	16%	+20

Though Americans still see foreclosures as dramatically more common today than in the past, the proportion has declined slightly.

Compared with 20 or 30 years ago, banks foreclosing on homeowners today is:



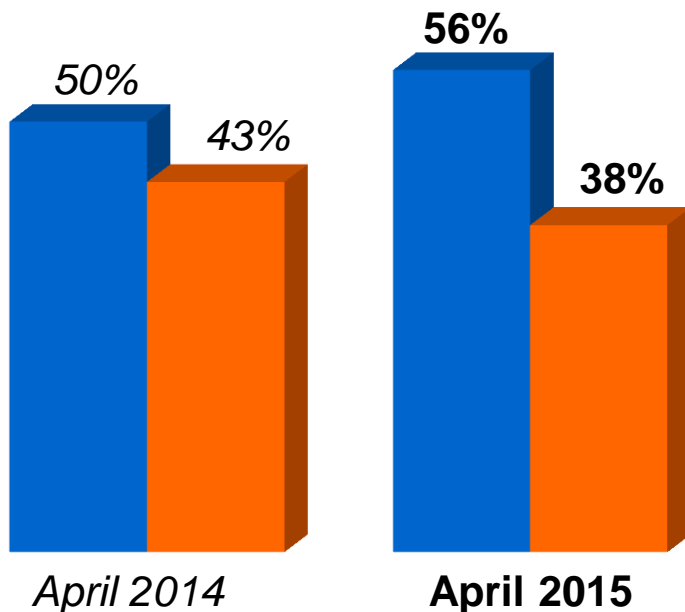
Foreclosure is much more likely today:

	2015	2013	Change
High school grad/less	51%	59%	-8
Some college	48%	57%	-9
Four-year college grads	39%	51%	-12
Postgraduate education	39%	46%	-7
Household income:			
Under \$40K	52%	59%	-7
\$40K to \$75K	46%	55%	-9
\$75K/more	39%	52%	-13
City	46%	56%	-10
Suburb	42%	55%	-13
Small town/rural area	47%	53%	-6

Americans are feeling slightly more confident in the investment value of homeownership.

Which comes closer to how you feel 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

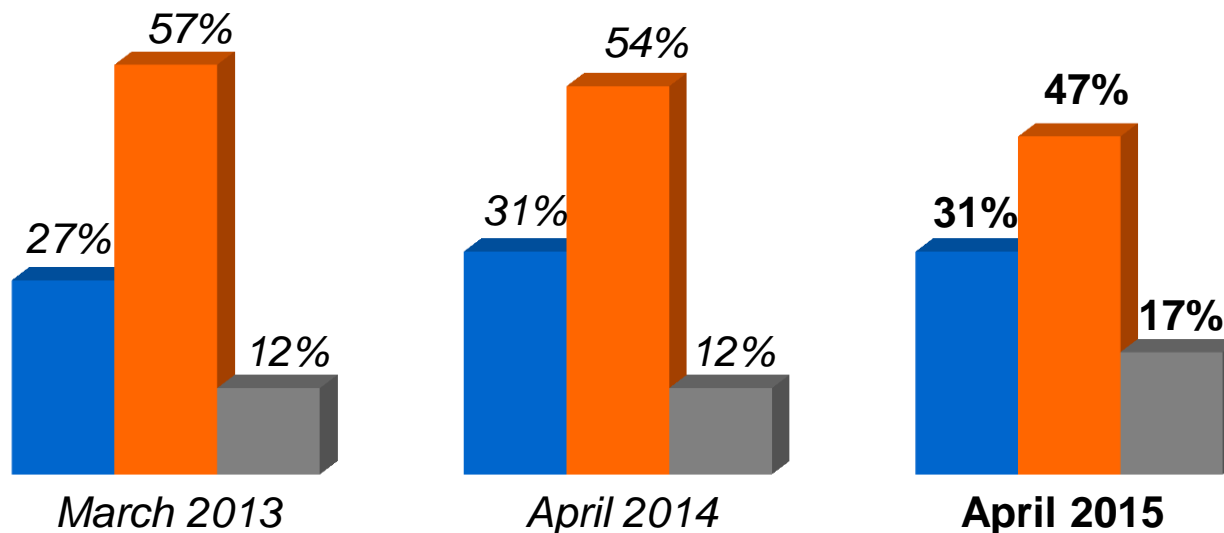
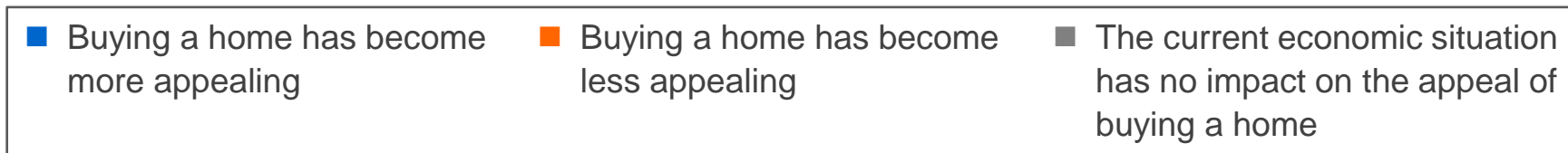


Buying a home is an excellent long-term investment:

	2015	2014
Homeowners	59%	53%
Renters	49%	42%
Household income:		
Under \$40K	52%	42%
\$40K to \$75K	61%	56%
\$75K/more	59%	54%
Region:		
Northeast	58%	46%
South	58%	48%
Midwest	54%	52%
West	54%	53%

For the first time in three years, the proportion of Americans who say buying a home has become less appealing drops to less than half.

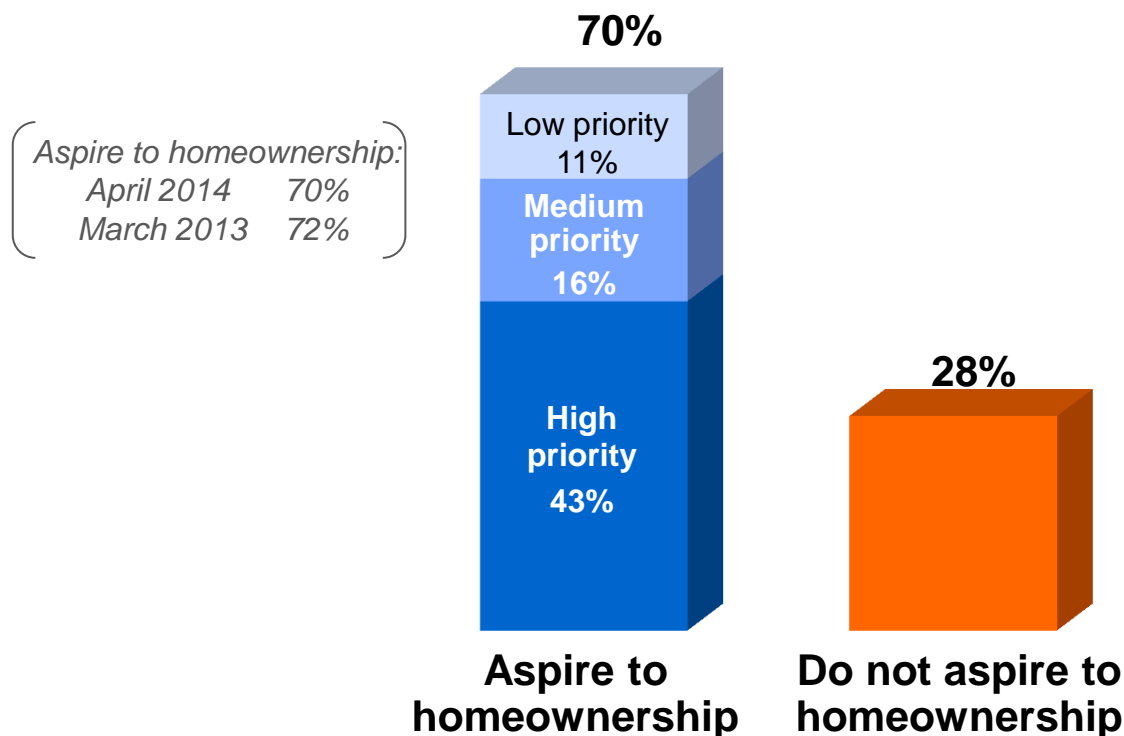
Thinking more broadly and not for me personally, given our nation's current economic situation, I think that:



Even in the wake of the housing crisis, large majorities remain steadfast in their desire to own a home.

Is homeownership something you aspire to? If so, how high a priority is it for you?

Among non-homeowners



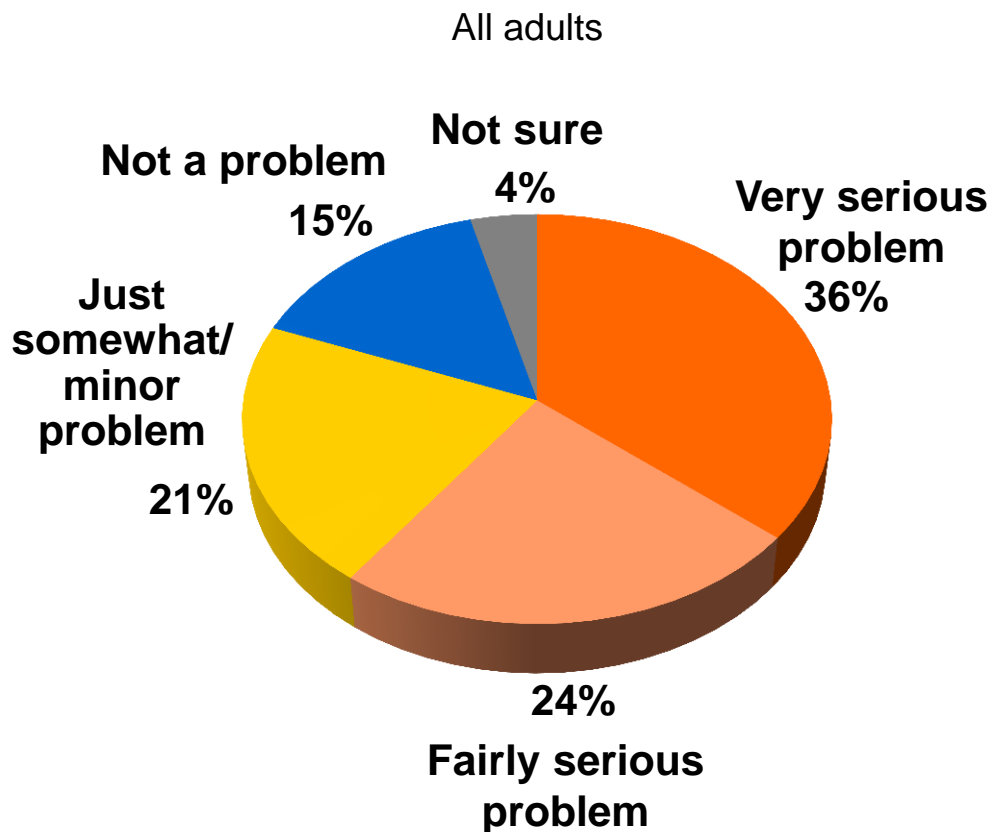
Homeownership is a high priority

Age 18 to 34	53%
Age 35 to 49	47%
Age 50/over	28%
Whites	40%
African Americans	46%
Hispanics	44%

These perceived improvements in the housing situation nationally are not reflected in the public's personal experiences or in what is happening in their own communities. Housing challenges continue to personally impact individuals and their communities at very high rates.

Housing affordability is widely recognized as a real and serious problem in America.

Is housing affordability a problem in America today? If so, how serious a problem is it?



Housing affordability is a very or fairly serious problem:

All adults	60%
Age 18 to 34	57%
Age 35 to 49	58%
Age 50 to 64	69%
Age 65/over	54%
Household income:	
Under \$40K	66%
\$40K to \$75K	60%
\$75K/more	53%
Homeowners	57%
Renters	65%
Democrats	65%
Independents	57%
Republicans	56%

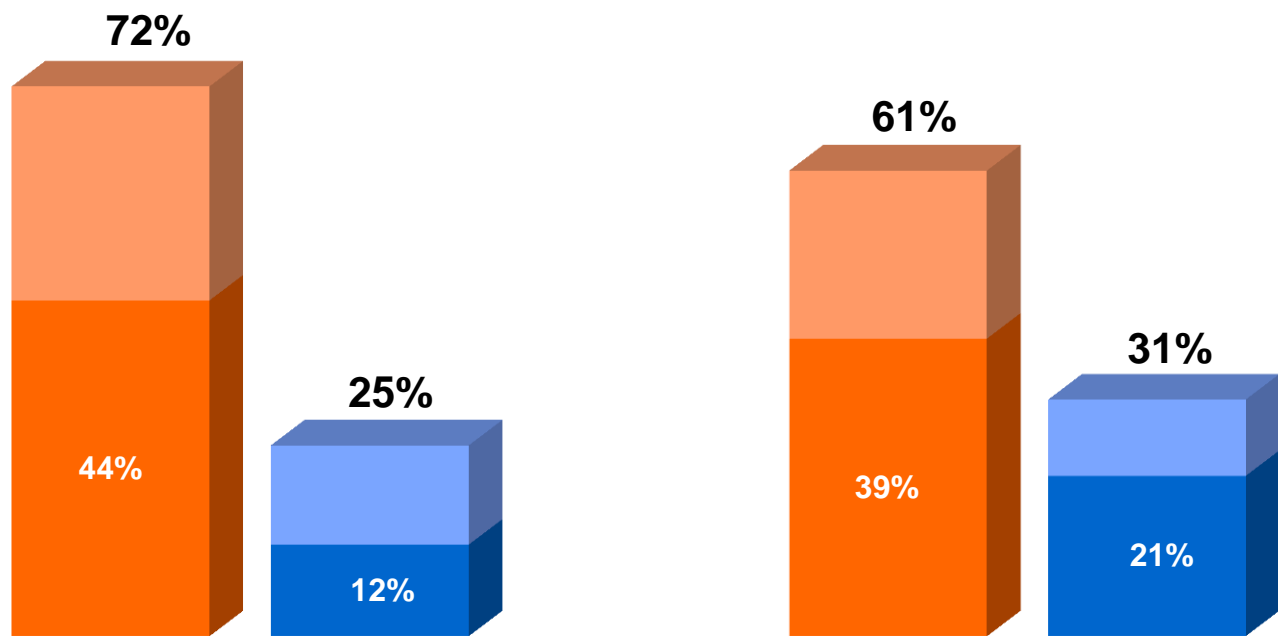
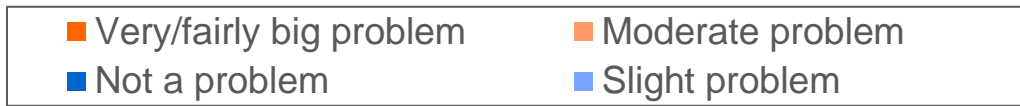
60% say housing affordability is a serious problem.

Majorities of Americans think it is a problem that Millennials and minorities are getting left behind in the housing market recovery.

Do you think this is a problem; if so, how serious a problem?

Young people under age 35 being left behind in terms of homeownership

African Americans and Hispanics being left behind in terms of homeownership



Democrats and minorities are among those most likely to express concern about groups getting left behind.

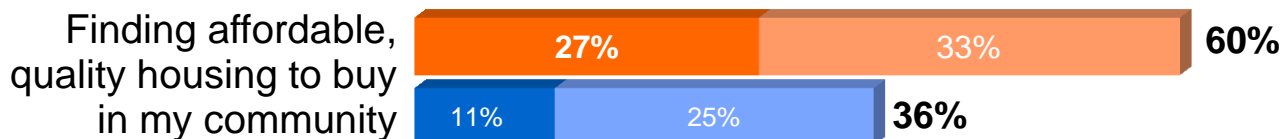
Being left behind in terms of homeownership after the housing crisis is:

	A very/fairly big problem for Millennials	A very/fairly big problem for minorities
All adults	44%	39%
Age 18 to 34	46%	44%
Age 35 to 49	38%	35%
Age 50 to 64	46%	39%
Age 65/over	45%	37%
Whites	38%	30%
African Americans	60%	69%
Hispanics	59%	55%
Democrats	55%	56%
Independents	42%	34%
Republicans	32%	23%

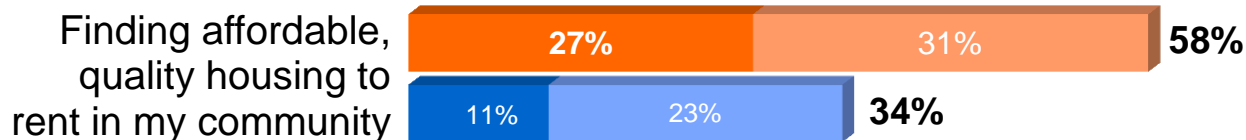
Across the public, majorities believe that in their community it is challenging to find affordable, quality housing, whether to buy or rent.



Challenging
April 2014



59%



58%

Very/somewhat challenging to find this type of affordable, quality housing in my community:

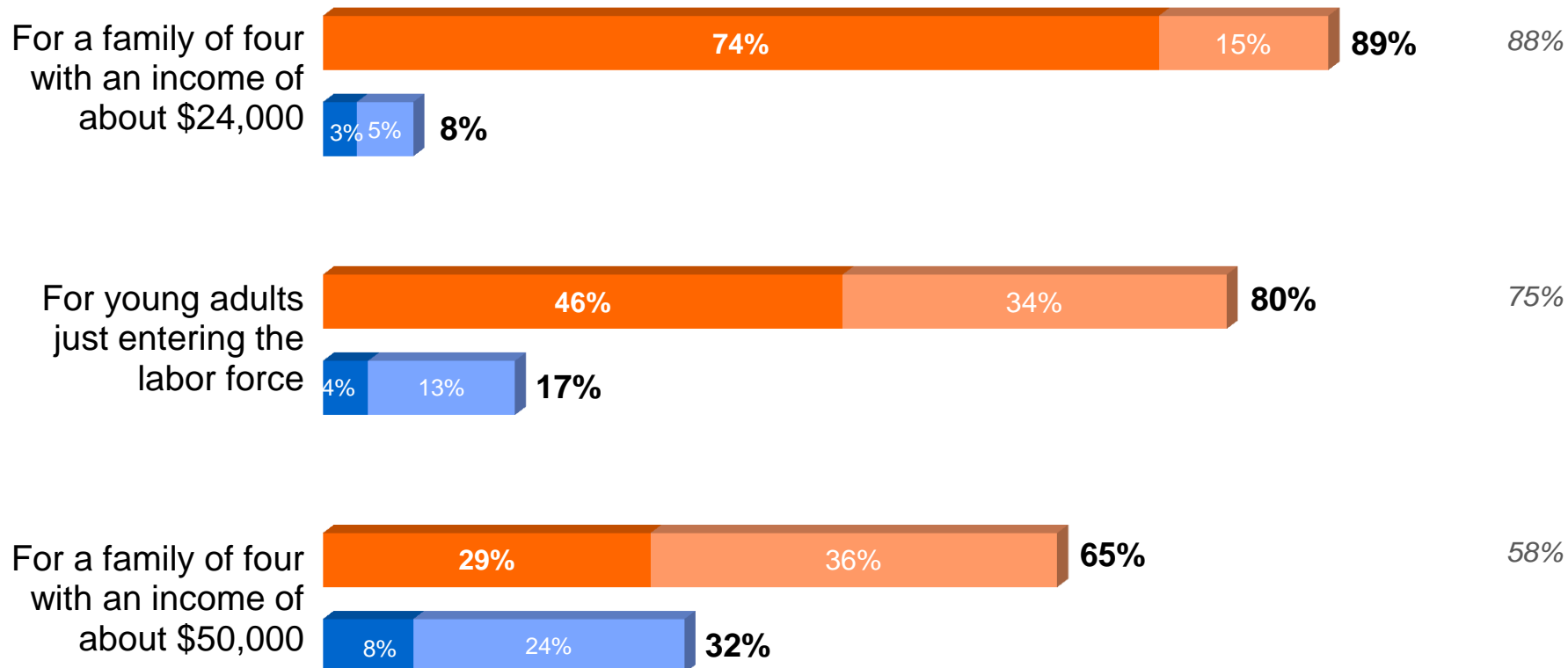
	<u>Housing to buy</u>	<u>Housing to rent</u>		<u>Housing to buy</u>	<u>Housing to rent</u>
Millennials	64%	55%	City	61%	58%
Age 35 to 49	58%	57%	Suburbs	59%	54%
Age 50 to 64	58%	59%	Small town/rural	59%	62%
Age 65/over	59%	63%	Homeowners	56%	56%
Household income			Renters	65%	62%
Under \$40K	64%	63%	Distressed owners	62%	58%
\$40K to \$75K	56%	58%	Distressed renters	70%	67%
\$75K/more	59%	54%			

Finding affordable housing is perceived to be challenging for many.

In my community, finding affordable quality housing is:

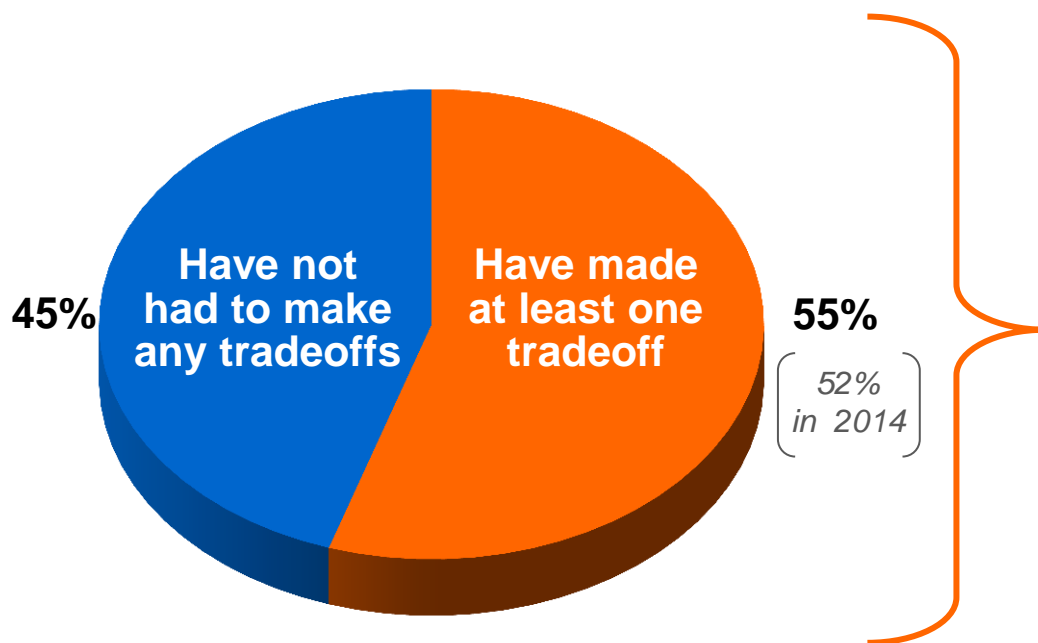


*Challenging
April 2014*



Americans continue to make tradeoffs to afford their housing.

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



I have made this tradeoff:

Taken second job, working more hours	21%
Stopped saving for retirement	17%
Accumulating credit card debt	14%
Cut back on healthy food	12%
Cut back on health care	9%
Moved to a neighborhood I feel is less safe	9%
Moved to where schools are not as good	4%

Though tradeoffs are common across demographics groups, certain segments face greater hardship.

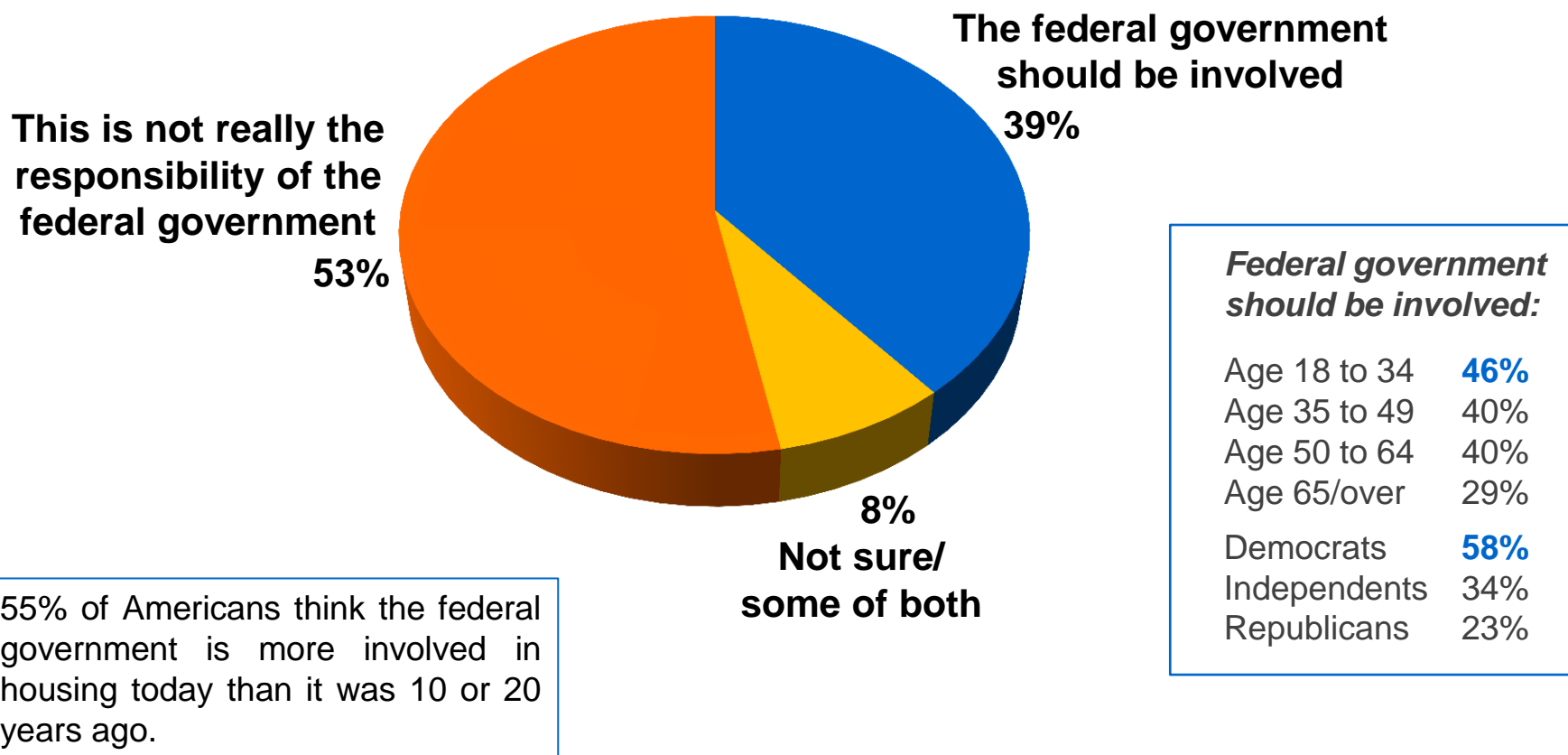
I have had to make at least one tradeoff in the past three years because I was struggling to pay rent or mortgage:

All adults	55%	Whites	50%
Homeowners	45%	African Americans	62%
Renters	73%	Hispanics	68%
Distressed owners/renters	74%	Household income:	
Non-distressed	47%	Under \$40K	68%
Age 18 to 34	67%	\$40K to \$75K	59%
Age 35 to 49	57%	\$75K/more	39%
Age 50 to 64	57%	City	64%
Age 65/over	33%	Suburbs	50%
		Small town/rural area	50%

The experiences of the past seven years have created substantial ambivalence among the American people toward the government's role in addressing issues of housing affordability. While Americans recognize that this is an important issue, they lack a clear vision for the role of the federal government and the kinds of policies it could enact.

Overcoming the public's skepticism about government solutions will be a challenge.

On the issue of housing affordability, I think:



When given a chance to explain, many Americans reveal that they do not have clear sense for how the federal government could improve housing affordability.

Findings from 26 follow-up qualitative interviews with Americans who say that housing affordability is a serious problem but it's not really the responsibility of the federal government to address these issues.

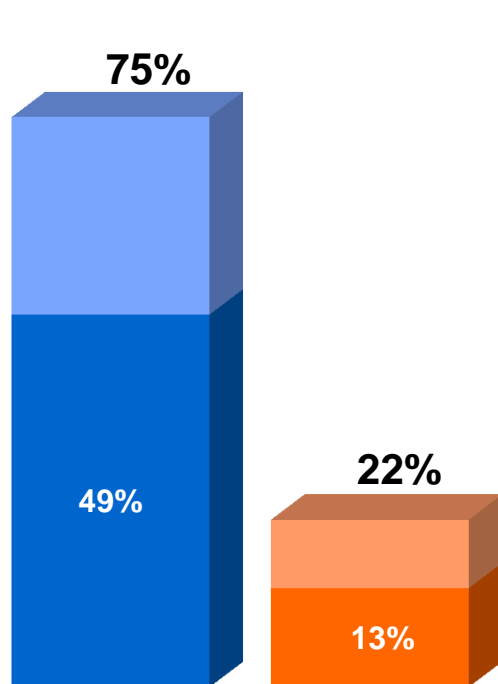
- Americans' concerns about housing affordability reflect their concerns about the economy as a whole. They explain that the current economic climate makes it difficult if not impossible to keep up with skyrocketing housing costs, and that both renting and buying are too expensive in their communities.
 - Speaking from personal experiences or observations of friends and family, they explain that when people fall on hard times due a number of potential factors, including stagnate wages, job loss, health problems, and overwhelming student debt, it becomes incredibly challenging to maintain their homes. Once they fall behind, it's impossible to regain stable footing, which too often results in losing their housing.
- Americans who consider housing affordability to be a serious problem but who do not think of it as a federal government responsibility offer explanations revolving around three themes:
 - An unclear vision of what government could do to improve housing affordability.
 - A lack of confidence in the federal government's ability to enact housing policies that actually would impact people's lives in a positive way.
 - An ideological opposition to big government and preference for the private sector or local government to address affordable housing problems.

Still, Americans want their elected leaders to make housing affordability a priority.

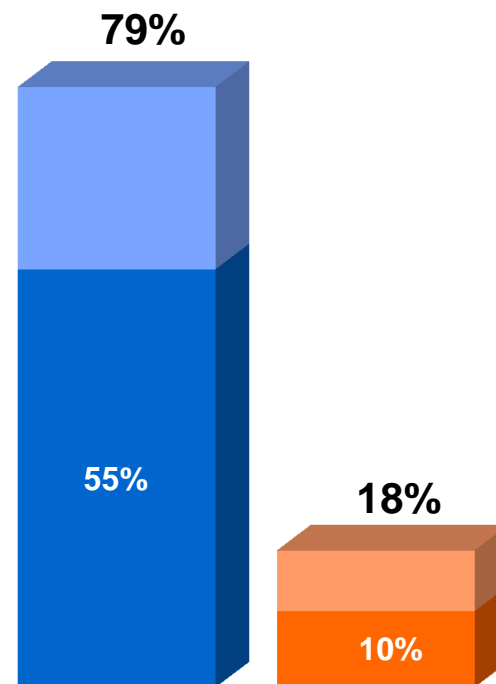
When it comes to addressing the issue of housing affordability, would you like to see your elected leaders make it a priority; if so, how high a priority?



**Elected leaders in Washington/
housing affordability in America**



**Local/state elected leaders/housing
affordability in my community**



Americans see their elected leaders falling far short on this important issue.

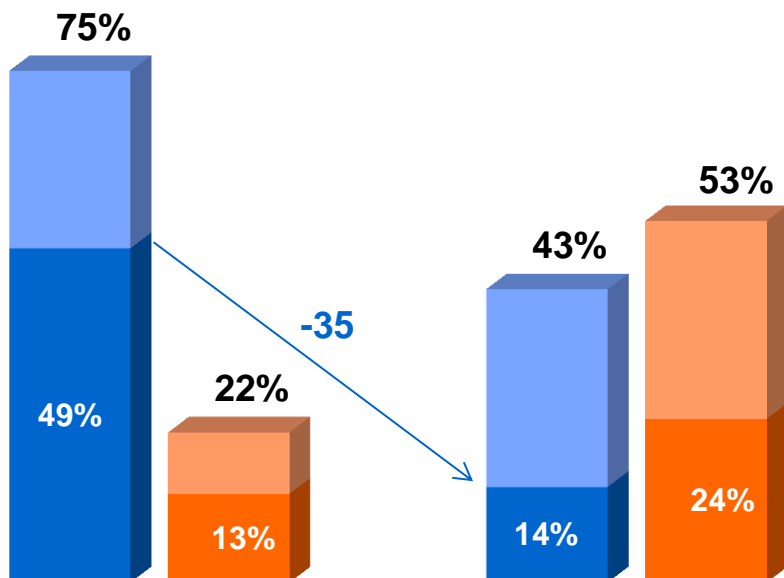
On addressing the issue of housing affordability, would you like to see your elected leaders make this a priority? And how high a priority do they currently treat it?



Elected leaders in Washington/ housing affordability in America

What we want

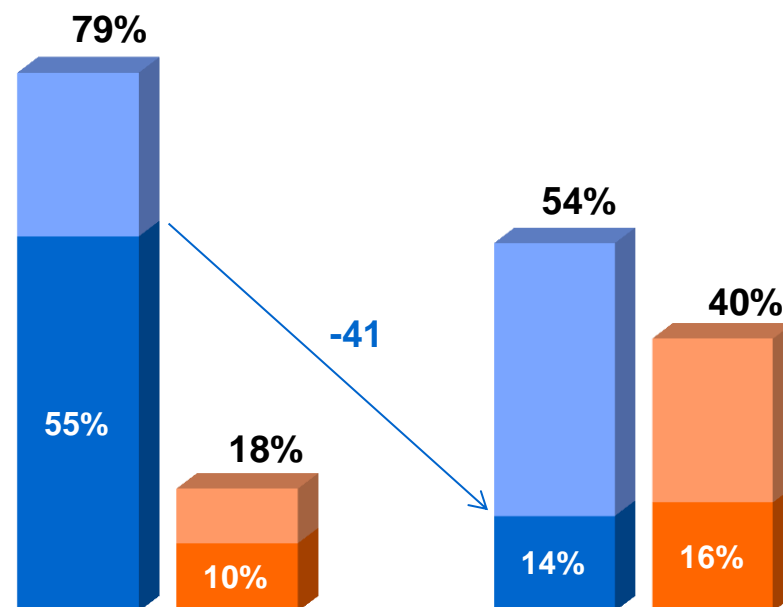
What they do



Local/state elected leaders/housing affordability in my community

What we want

What they do



There are compelling reasons why housing should be a higher priority on the policy agenda.

This is a VERY CONVINCING reason to ensure that more people have access to quality affordable housing:

- 73%** The **chronic stress experienced by families who live in unsafe neighborhoods** can negatively affect young children's mental and social development.*
- 62%** Having **quality, stable housing is directly linked to children's ability to do well in school** and when a family has to move frequently it reduces a child's educational achievement and can have a negative effect on the whole classroom.
- 61%** Increases in the cost of rental housing are placing a serious burden on too many families. Today, **11 million Americans pay more than half their income on rent**, leaving less money for essentials such as food, transportation, and healthcare.
- 59%** The **chronic stress experienced by families who live in low-quality or unaffordable housing** can negatively affect young children's mental and social development.*
- 51%** It has become **difficult for many elderly Americans to find quality affordable housing**. Increasing numbers of seniors are spending more than 30% of their income on housing.
- 50%** **When a family has decent, affordable housing, they spend more on things that contribute to their child's development**, such as books, music lessons, and educational trips and experiences.

*Items were asked of half of participants to measure how the underlined phrasing affected responses.

There are compelling reasons why housing should be a higher priority on the policy agenda.

This is a VERY CONVINCING reason to ensure that more people have access to quality affordable housing:

- 47%** There is not enough quality affordable housing for low-income families. **For families earning less than \$33,000 per year, there are eight million fewer rental housing units available than are needed** to meet the demand.
- 45%** Having an **affordable home in a vibrant community means greater access to jobs** and pathways to economic success.
- 43%** Moving from a high-poverty neighborhood to a **lower-poverty neighborhood leads to long-term improvements in parents' physical and mental health** and well-being, which is good for the entire family.
- 35%** **If a child moves from a high-poverty neighborhood to a lower-poverty neighborhood, he or she will earn significantly more money as an adult.** Research indicates they will earn about 30% more than if he or she had remained in a high-poverty neighborhood.