

# How Housing Matters: Chicago

*Key findings from a survey among adults living in the Chicago metro area  
conducted April-May 2016  
for*

MacArthur Foundation

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HOW HOUSING MATTERS

*macfound.org/HousingMatters*

# Research Methodology

- Telephone survey among a representative sample of 603 adults living in the Chicago metro area including 303 adults living in the city of Chicago and 300 living in suburban Cook County and the collar counties
- 35% of interviews conducted with adults who have only a cell phone
- Interviews conducted April 28 – May 10, 2016
- Margin of error =  $\pm 4.0$  percentage points for all adults, higher for subgroups
- Note: throughout this report the terms “*distressed owners*” and “*distressed renters*” are used to refer to those who report spending more than 30% of their monthly household income on their rent or mortgage payment.
- Numbers that are bolded and highlighted are at least **5 percentage** points higher or lower than the proportions for the total sample or from the national sample.

# Research Objectives

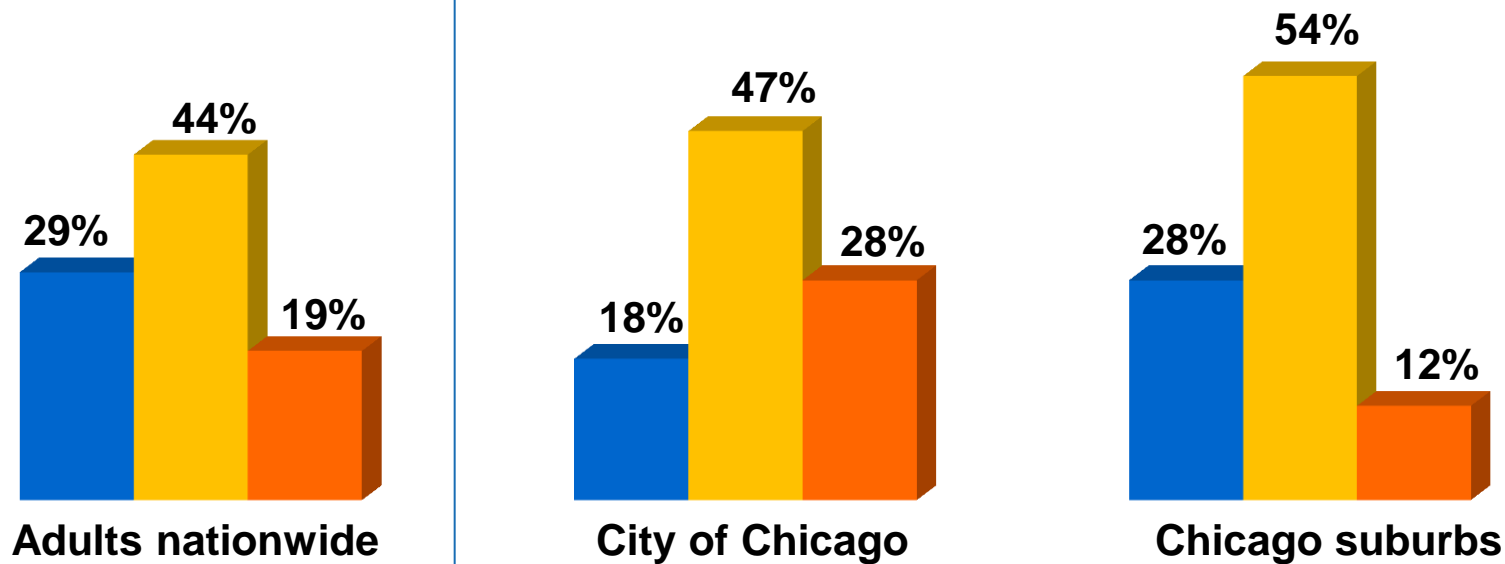
- 2016 marks the fourth year that Hart Research has conducted a national public opinion poll to inform the work of the MacArthur Foundation's How Housing Matters initiative. It also marks the first year that Hart Research has conducted the survey among residents of the Chicago metro region. The primary objectives of the Chicago survey are:
  - Develop a deeper understanding of the Chicagoans' experiences, attitudes, and perceptions about housing and the role that affordable, stable housing plays in their lives and communities;
  - Collect attitudinal data to inform and stimulate public discussion about different approaches to addressing the housing affordability challenges many Chicago area families face;
  - Compare Chicago area residents with national public opinion on attitudes and perceptions related to housing and the housing market;
  - Identify compelling evidence for elected leaders and policymakers to take action on issues and challenges related to housing affordability.

**The ongoing housing crisis has left its mark on the City of Chicago. Concerns linger about the housing crisis and the investment value of homeownership.**

# Chicago area residents do not believe the housing crisis is behind us; city residents are especially wary.

*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 housing crisis is hitting some residents of the metro area especially hard.

*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 worst is yet to come	We are still in the middle of it	The crisis is pretty much over
<b>Adults nationwide</b>	<b>19%</b>	<b>44%</b>	<b>29%</b>
<b>All Chicago metro</b>	<b>17%</b>	<b>52%</b>	<b>25%</b>
<b>City of Chicago</b>	<b>28%</b>	<b>47%</b>	<b>18%</b>
<b>Chicago suburbs</b>	<b>12%</b>	<b>54%</b>	<b>28%</b>
Men	18%	46%	29%
Women	16%	58%	21%
Whites	14%	51%	31%
African Americans	<b>26%</b>	55%	12%
Hispanics	19%	52%	21%
Household income under \$40K	<b>29%</b>	48%	15%
Household income \$40K to \$75K	14%	55%	28%
Household income \$75K/more	8%	49%	39%
City homeowners	18%	55%	18%
City renters	<b>33%</b>	40%	21%
Suburban homeowners	13%	49%	34%

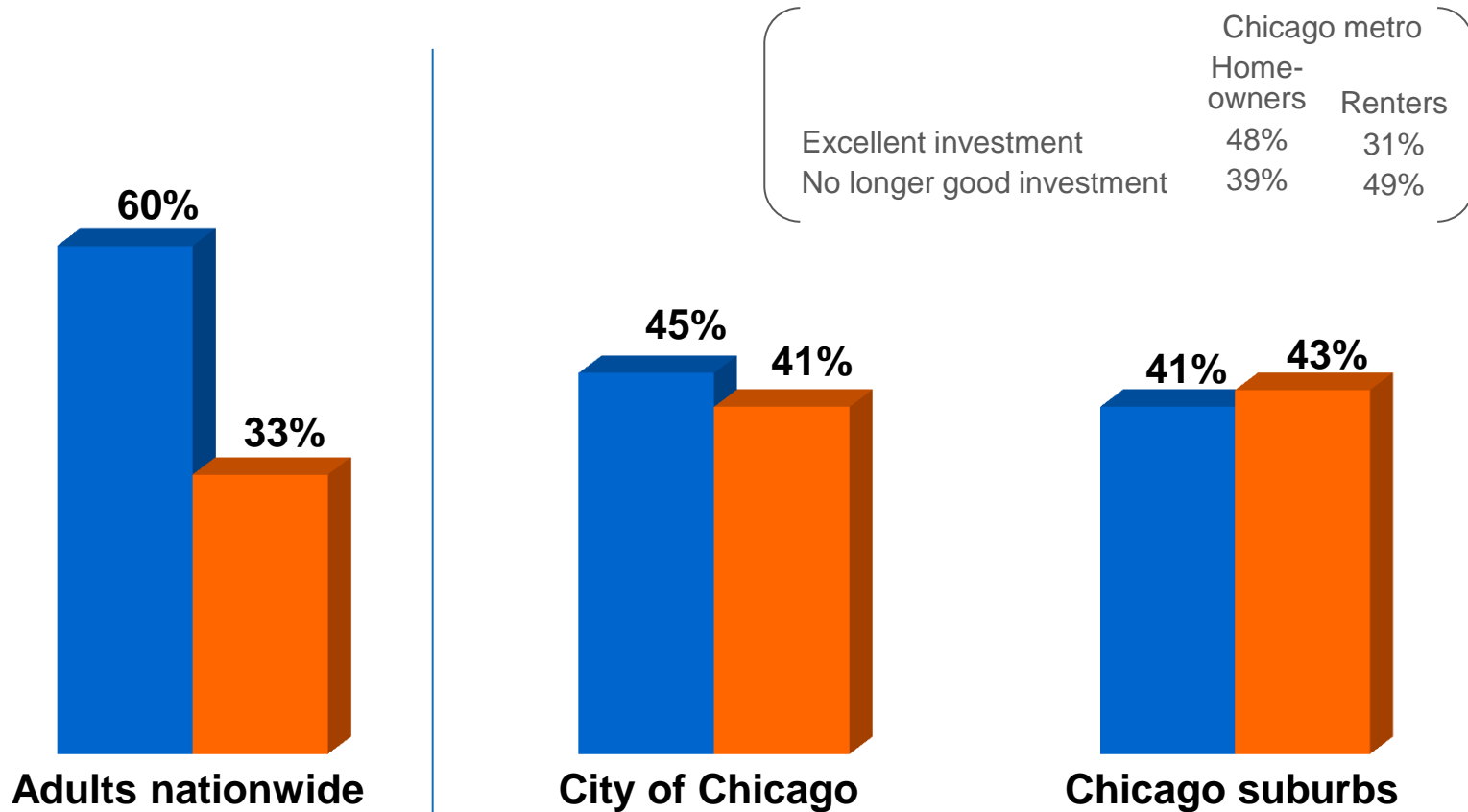
\* Bolded and highlighted numbers are at least **5 percentage** points higher than the proportion for the total sample.

# Chicago residents are torn on the 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



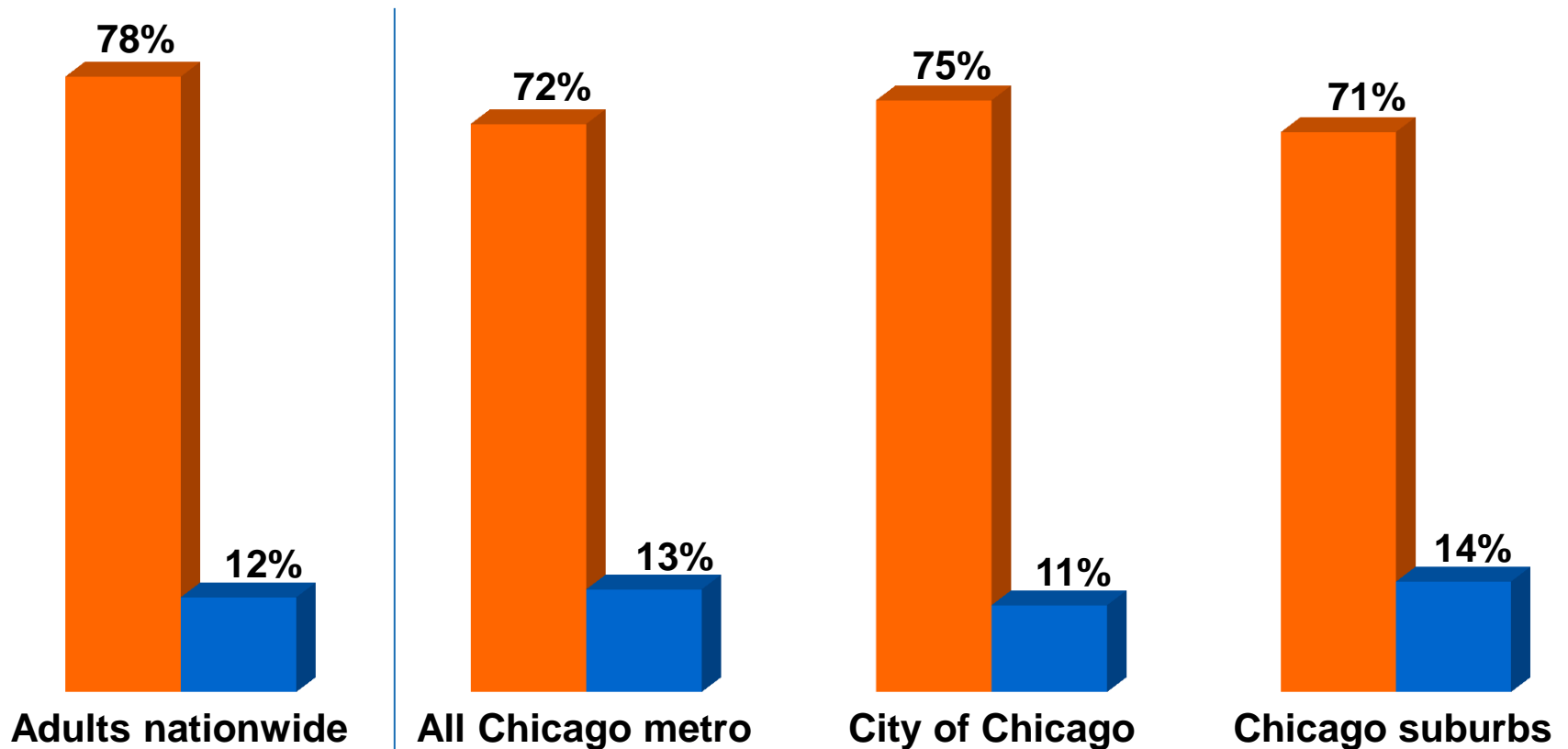
**Like Americans nationwide, residents in the Chicago metro area are struggling to keep up with their housing costs, and many are falling behind. Chicago area residents see secure and affordable housing as a key component of the middle-class lifestyle, but find it increasingly harder to obtain.**



# Chicagoans see downward economic mobility as the norm.

*Which do you think happens more often today?*

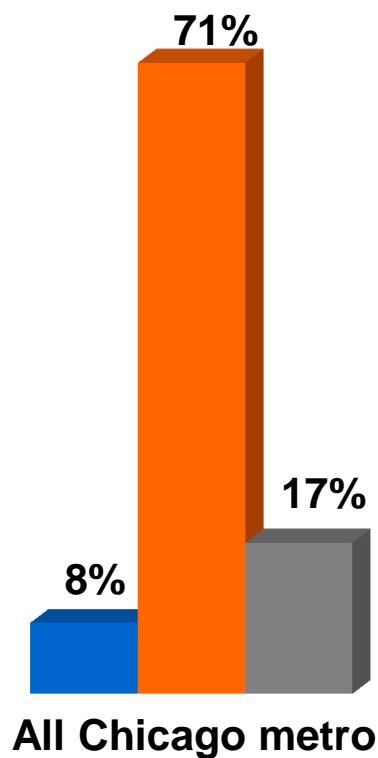
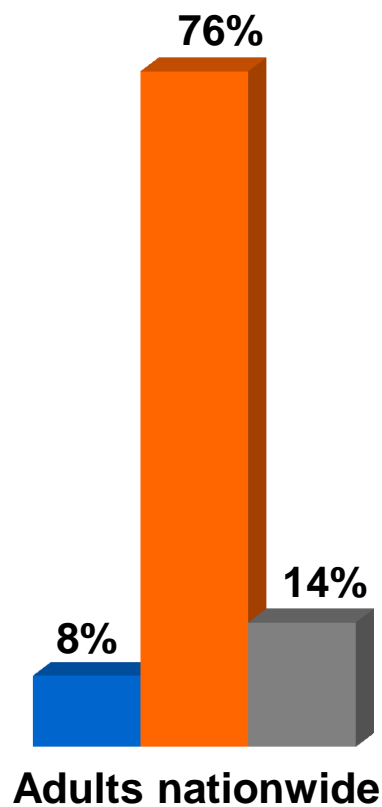
- Middle-class people falling into a lower economic class
- People in lower economic classes rising into the middle class



# Middle-class lifestyle is seen as increasingly out of reach.

*Perceived Difficulty of Achieving a Secure Middle-Class Lifestyle Today*

- Easier than for previous generations
- Harder than for previous generations
- About the same as for previous generations

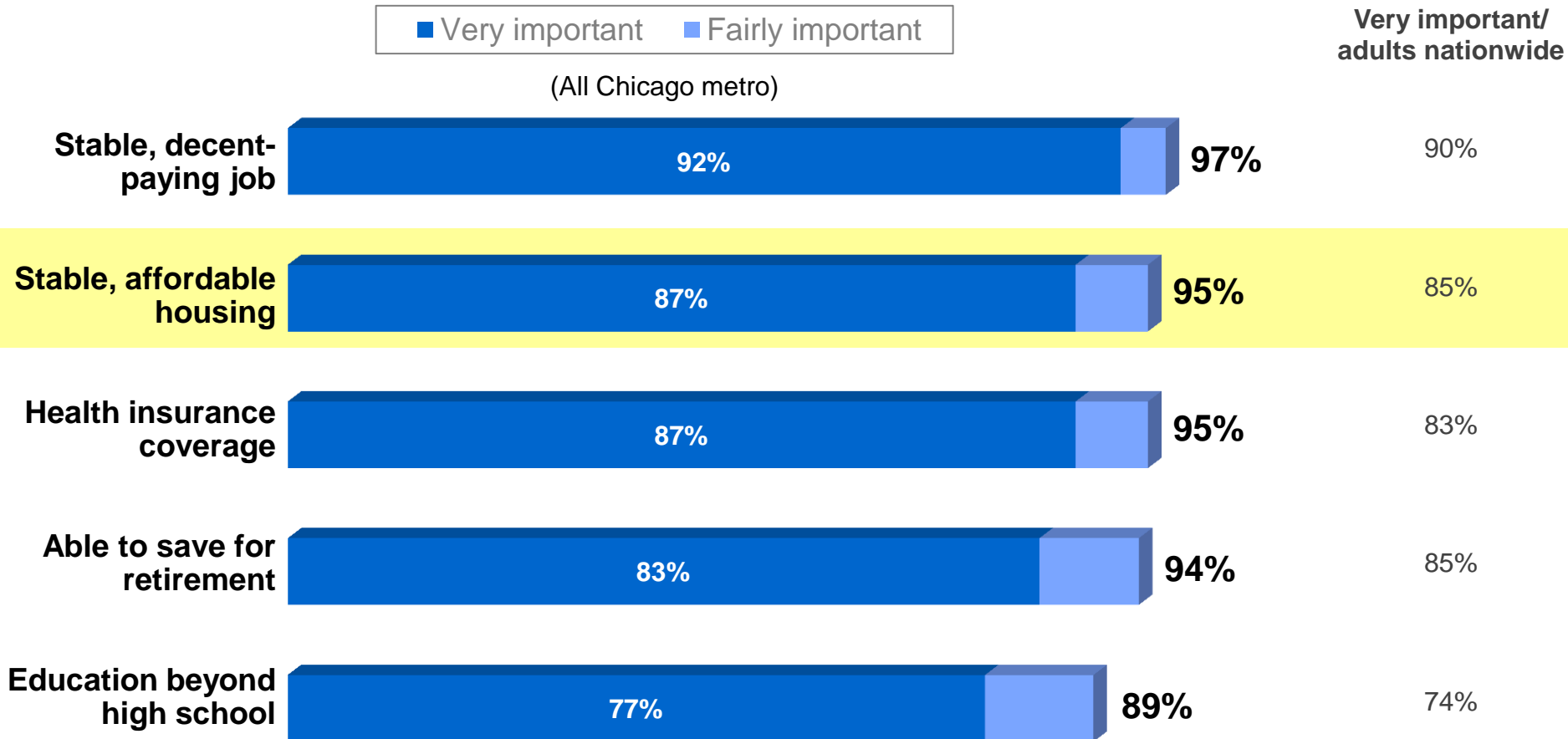


## *Harder than for previous generations (among all Chicago metro)*

City of Chicago	72%
Chicago suburbs	70%
Men	67%
Women	74%
Whites	70%
African Americans	78%
Hispanics	63%
Household income:	
Under \$40K	70%
\$40K to \$75K	75%
\$75K/more	69%

# Chicagoans view stable, affordable housing as critical to a secure middle-class lifestyle.

*How important is this to having a secure middle-class lifestyle?*



# But these key aspects of a secure middle-class lifestyle have become harder for Chicagoans to achieve.

*Compared with previous generations, it is harder today to:*

(All Chicago metro)

## Save for retirement



Proportions  
who think each  
is easier today

8%

## Have a stable, decent-paying job



8%

## Have stable, affordable housing



10%

## Obtain education beyond high school



23%

## Have health insurance



28%

# Across the Chicago metro area, large majorities believe it has become harder to secure stable, affordable housing, especially renters and African Americans.

*Proportions saying it is HARDER TODAY than for previous generations to have stable, affordable housing*

<b>All Chicago metro adults</b>	<b>67%</b>
City of Chicago	71%
Cook County suburbs	67%
Collar counties	65%
Homeowners	64%
Renters	<b>74%</b>
Age 18 to 34	70%
Age 35 to 49	66%
Age 50 to 64	66%
Age 65/older	68%
Whites	64%
African Americans	<b>76%</b>
Hispanics	70%
Household income under \$40K	71%
Household income \$40K to \$75K	62%
Household income \$75K/more	66%

# Chicago metro residents believe housing affordability is a serious problem both nationally and in their own communities.

*Perception of Housing Affordability in America Today*

*Perception of Housing Affordability in My Area Today*

Very serious problem

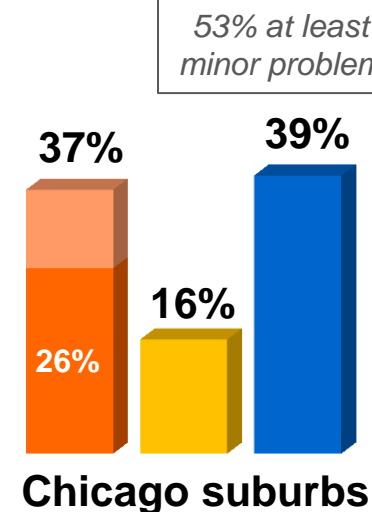
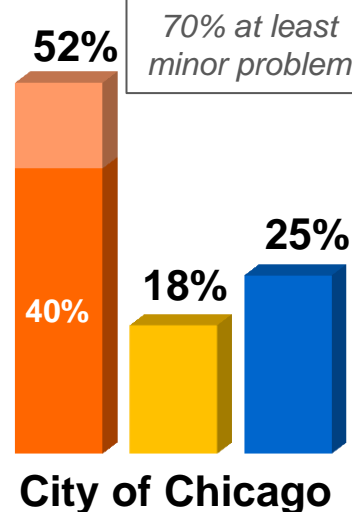
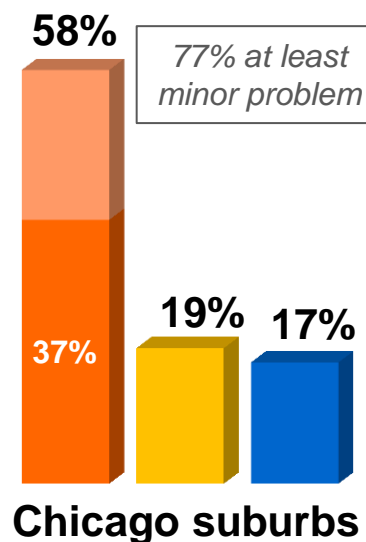
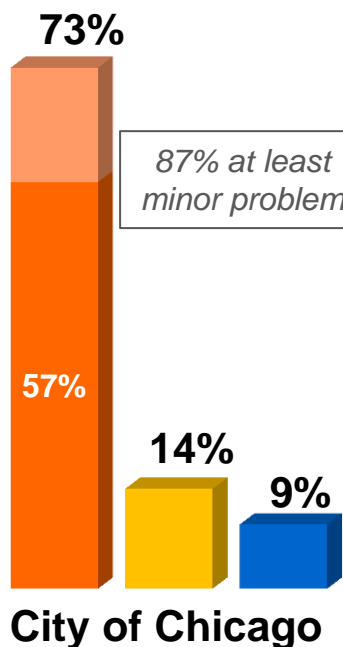
Just somewhat/minor problem

Fairly serious problem

Not really a problem

Nationwide:  
81% at least minor problem  
60% very/fairly serious

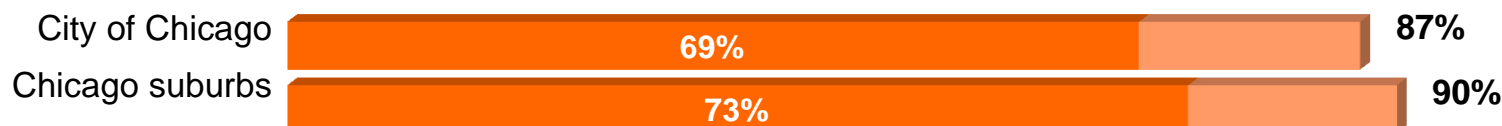
Nationwide:  
57% at least minor problem  
39% very/fairly serious



# City dwellers and suburbanites see numerous housing challenges in their own communities.

Very challenging to find in my community   Somewhat challenging to find

## Affordable, quality housing for a family of four with an income of about \$24,000



## Affordable, quality housing for young adults just entering the labor force



## Affordable, quality housing for a family of four with an income of about \$50,000



## Affordable, quality housing to buy



## Affordable, quality housing to rent



# African Americans and lower-income residents have a harder time finding affordable housing in Chicago.

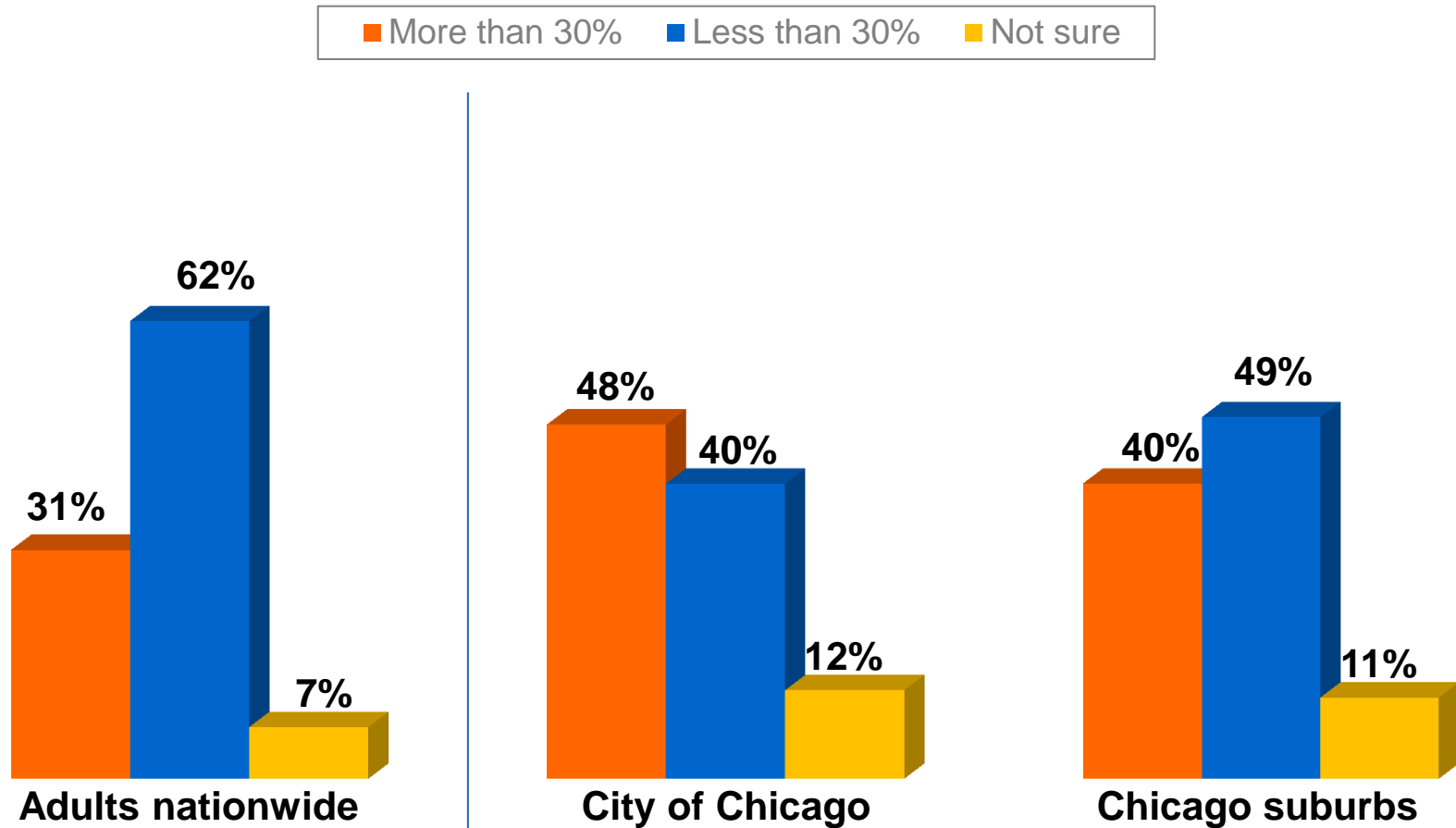
	Housing affordability is a serious problem in my area	It's challenging to find affordable housing in my area:	
		To buy	To rent
<b>All Chicago metro</b>	<b>42%</b>	<b>59%</b>	<b>55%</b>
Age 18 to 34	41%	<b>66%</b>	<b>60%</b>
Age 35 to 49	45%	<b>64%</b>	50%
Age 50 to 64	43%	55%	58%
Age 65/older	41%	50%	48%
Whites	39%	53%	53%
African Americans	<b>63%</b>	<b>72%</b>	<b>66%</b>
Hispanics	38%	63%	52%
Income under \$40K	<b>47%</b>	<b>66%</b>	<b>60%</b>
Income \$40K to \$75K	44%	61%	57%
Income \$75K/more	33%	49%	44%



**With affordable housing being scarce, residents are dipping deep into their paychecks to live in the city. Many of the city's residents are making sacrifices in order to afford their rent or mortgage and a significant number find themselves in precarious housing situations.**

# Nearly half of adults living in the city say that they spend more than 30% of their income on rent or mortgage.

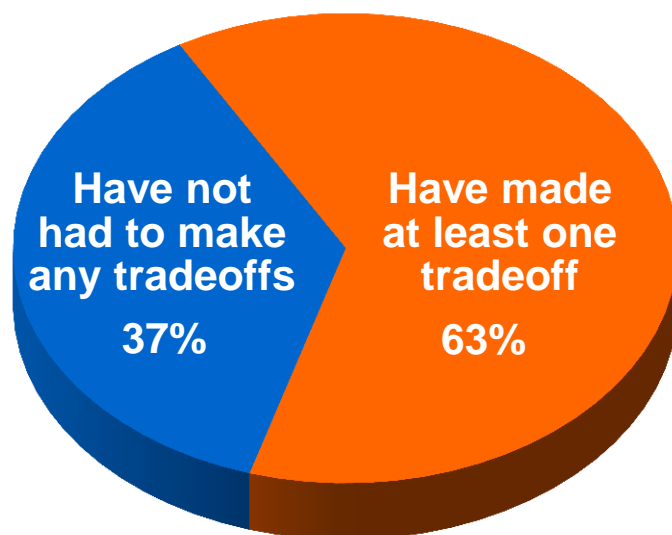
*Estimated Proportion of Household Income Spent on Rent or Mortgage*



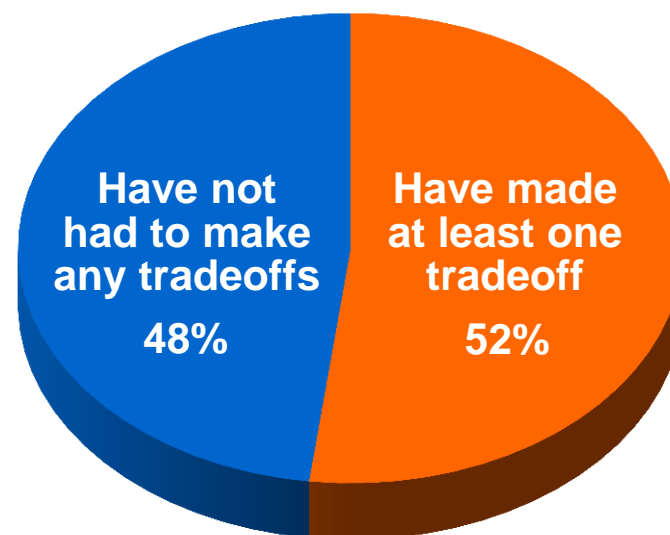
# A majority of residents have had to make sacrifices in order to cover their housing costs.

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

**City of Chicago**



**Chicago suburbs**



Adults nationwide: 53% have made at least one tradeoff, 47% have not

## A majority of residents, especially those in the city, have had to make sacrifices in order to cover their housing costs.

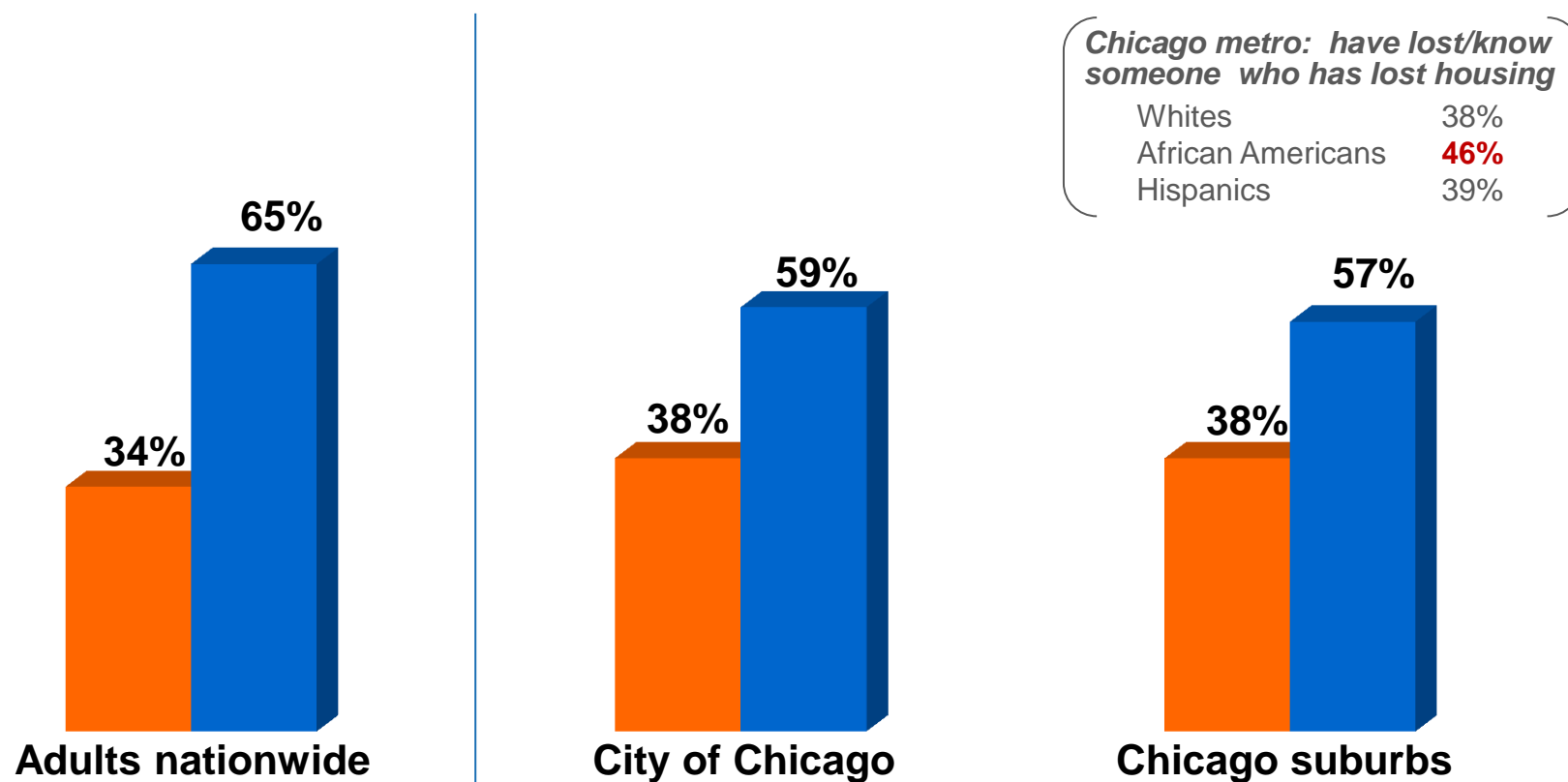
*Proportions saying they have made each tradeoff in the past three years because they were struggling to pay their rent or mortgage*

	City of Chicago	Chicago suburbs	Adults nationwide
<b>Total have made at least one tradeoff</b>	<b>63%</b>	<b>52%</b>	<b>53%</b>
Taken second job, working more hours	24%	25%	24%
Accumulating credit card debt	19%	18%	17%
Stopped saving for retirement	15%	19%	19%
Cut back on healthcare	12%	11%	11%
Cut back on healthy food	11%	8%	13%
Moved to a neighborhood I feel is less safe	11%	8%	6%
Moved to where schools are not as good	5%	4%	4%

# More than one in three Chicago area residents have personally lost or know someone who has lost their housing in the past five years.

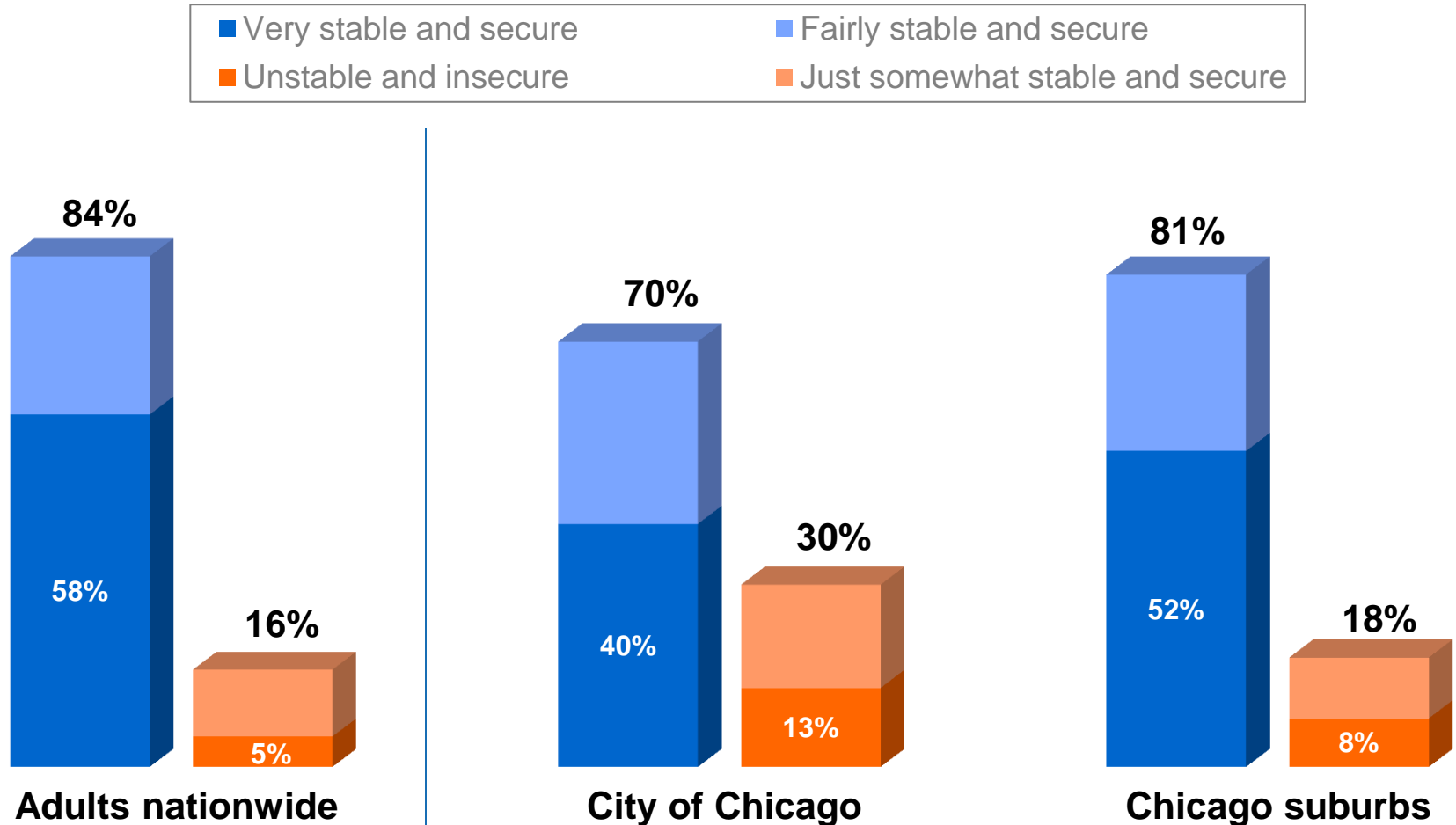
*Have you or anyone you know been evicted, foreclosed upon, or lost their housing in the past five years?*

■ I have lost/know someone who has lost their housing ■ Have not, don't know anyone who has



# A significant minority of Chicagoans feel only somewhat stable and secure or worse about their housing situation, even more so among city residents.

*How do you feel about your current housing situation?*



## Housing challenges are particularly acute for renters, African Americans, and lower-income residents in the Chicago region.

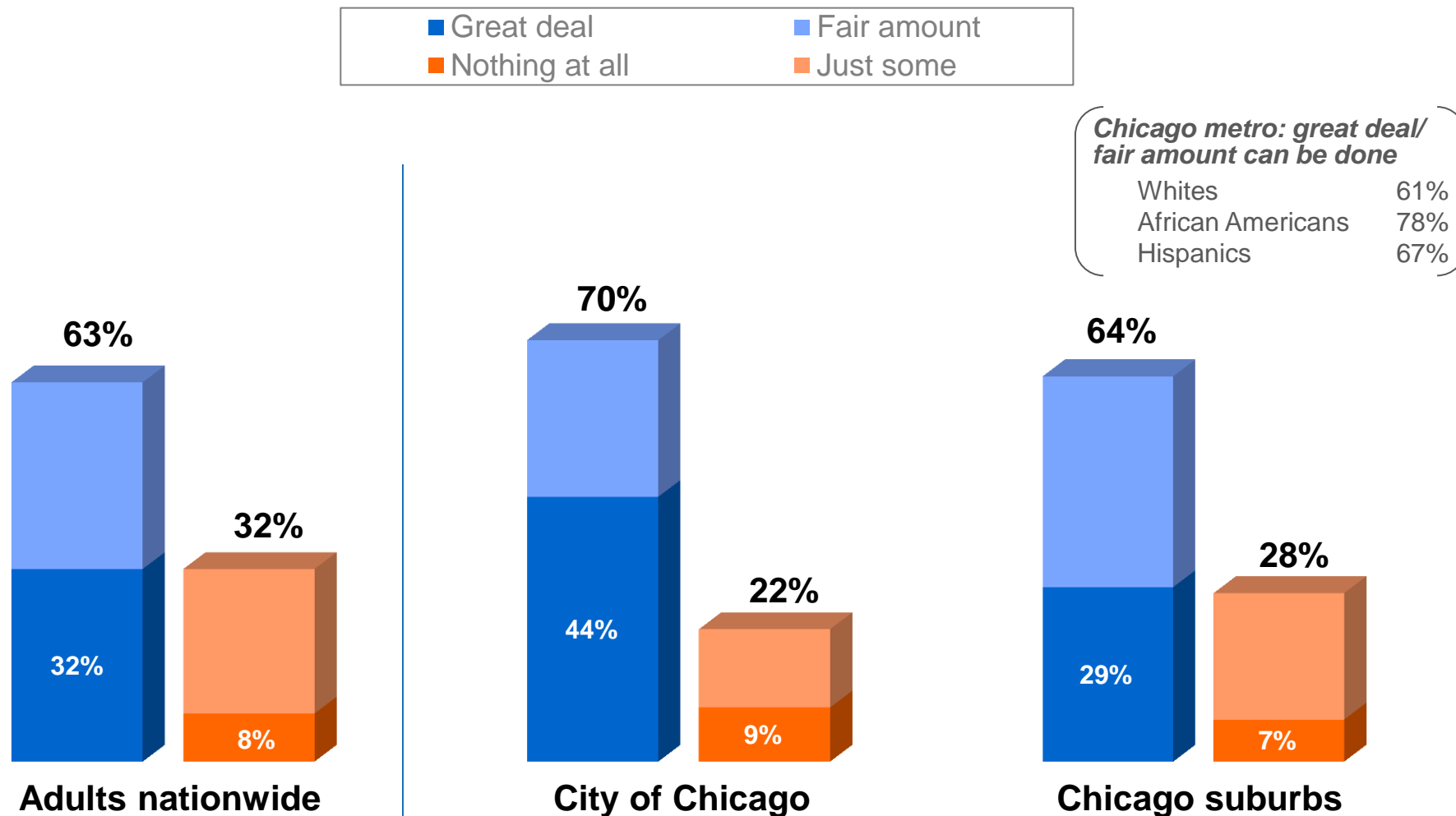
	Pay more than 30% of income on rent/mortgage	Have made tradeoffs because struggling on rent/mortgage	In just somewhat stable or unstable housing situation
<b>All Chicago metro</b>	<b>43%</b>	<b>56%</b>	<b>22%</b>
Homeowners	31%	47%	14%
Renters	<b>66%</b>	<b>73%</b>	<b>35%</b>
City renters	<b>59%</b>	<b>72%</b>	<b>36%</b>
Age 18 to 34	<b>52%</b>	<b>65%</b>	21%
Age 35 to 49	<b>49%</b>	<b>62%</b>	24%
Age 50 to 64	38%	57%	26%
Age 65/older	26%	32%	16%
Whites	36%	51%	14%
African Americans	<b>57%</b>	<b>70%</b>	<b>35%</b>
Hispanics	47%	59%	<b>33%</b>
Household income under \$40K	<b>64%</b>	<b>64%</b>	<b>37%</b>
Household income \$40K to \$75K	45%	57%	17%
Household income \$75K/more	20%	49%	8%

**Chicago area residents believe the affordable housing crisis is solvable and they want to see elected leaders take action on this important issue. City dwellers, for whom the challenge of finding quality housing that is affordable is particularly personal, support action with even greater intensity.**



# Chicago area residents are optimistic that actions can be taken to solve the problem of housing affordability.

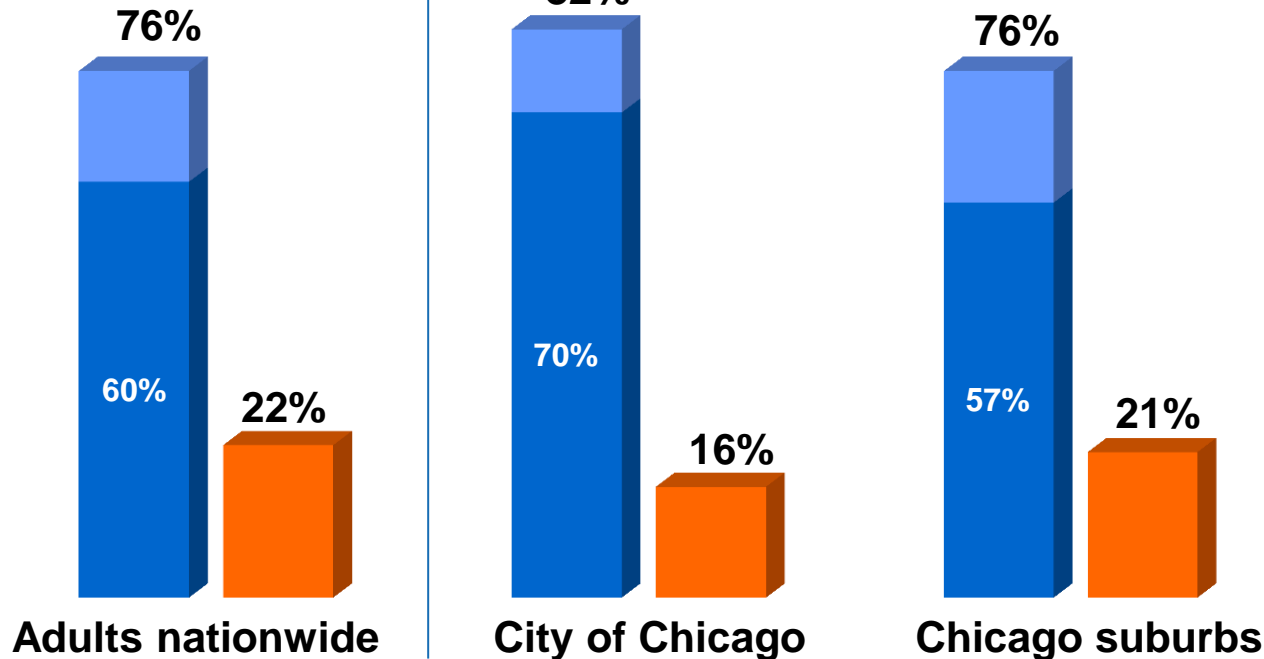
*How much do you think can be done to solve the problem of housing affordability?*



# Across the Chicago metro region, residents agree that it is important for elected leaders to address the problems of housing affordability.

*How important is it for your elected leaders in Washington, DC, to address the problems related to issues of housing affordability and people's ability to buy or rent housing that meets their needs?*

■ Very important ■ Fairly important ■ Just somewhat/not that important



## Very/fairly important

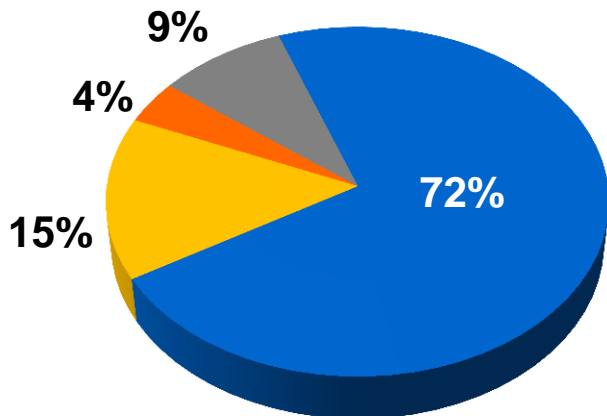
All Chicago metro	78%
Cook County suburbs	78%
Collar counties	74%
Homeowners	74%
Renters	82%
Distressed residents	85%
Non-distressed	72%
Democrats	88%
Independents	82%
Republicans	49%
Whites	74%
African Americans	89%
Hispanics	76%

# A majority of Chicago residents believe the issue of housing affordability is not getting the attention it deserves in the presidential campaign.

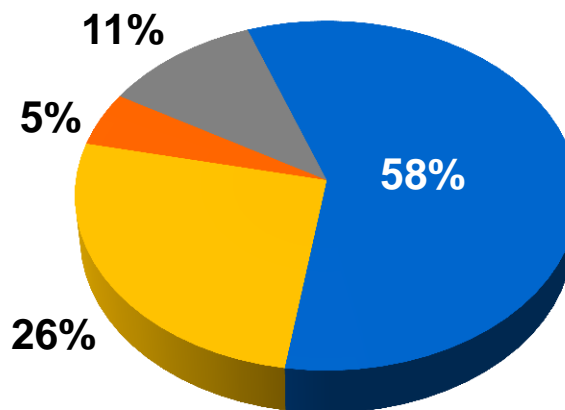
*Thinking about the discussions and debates that have been part of the conversations around this November's presidential election, I think the problems related to issues of housing affordability are getting:*

■ Not enough attention   ■ Right amount of attention   ■ Too much attention   ■ Not sure

### City of Chicago



### Chicago suburbs



#### *Not enough attention*

Homeowners	58%
Renters	68%
Whites	57%
African Americans	77%
Hispanics	68%
Household income:	
Under \$40K	74%
\$40K to \$75K	60%
\$75K/more	54%
<b>Adults nationwide</b>	<b>63%</b>

# The Chicago area, and city residents in particular, support many policy solutions that address housing affordability.

*Support for Approaches that Government could Take to Address Housing Affordability*

■ Strongly favor ■ Somewhat favor

(All Chicago metro)

City of Chicago/  
strongly favor

Revise the federal income tax code so that more families with incomes from \$40,000 to \$70,000 receive tax benefits intended to help them purchase homes



58%

Allow developers to build more housing units if they include units that are affordable to families making less than \$50,000



64%

Expand federal housing policies and programs to ensure that families earning less than \$30,000 with children under age 18 receive some assistance with housing costs\*



65%

Expand federal housing policies and programs to ensure that low-income families with children under age 18 receive some assistance with their housing costs\*



55%

\*Each asked of one-half the respondents.

(continued)

# Chicago area residents, and city residents in particular, support many policy solutions that address housing affordability. *(continued)*

## Support for Approaches That Government Could Take to Address Housing Affordability



(All Chicago metro)

City of Chicago/  
strongly favor

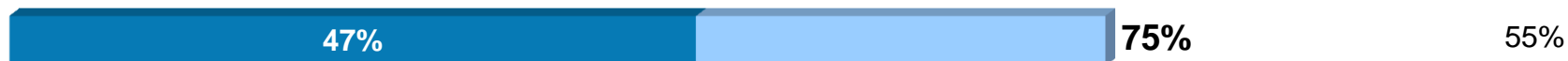
Expand rental assistance to ensure that the approximately 14 million Americans who currently qualify for rental assistance but are not receiving it, get it



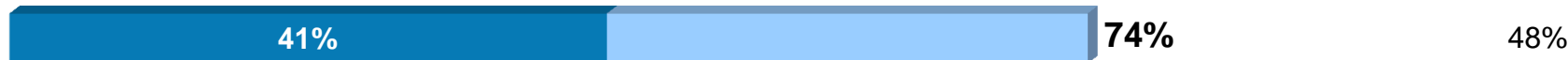
Ensure that federal programs, such as the Earned Income Tax Credit and Temporary Assistance for Needy Families, provide enough income assistance to cover housing costs



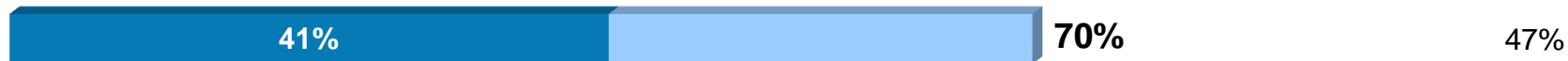
Require that at least 20% of housing in local communities is affordable for families making less than \$50,000



In high-cost areas in Chicago and surrounding suburbs, give building owners a tax cut for renting at least 20% of their units at affordable levels for families with under \$50K income



Give renters a federal tax break, similar to the federal tax break homeowners currently get when they deduct the interest they pay on their mortgage



# There are many compelling evidence-based reasons for policymakers to take action on housing affordability.

*VERY IMPORTANT reason to enact policies/changes to address housing affordability:*

	<u>City of Chicago</u>	<u>Chicago suburbs</u>
Investing in affordable, quality housing is <b>investing in kids and their future</b> . Research shows that children whose parents spend less than a third of their income on housing are more likely to be <b>healthy at birth</b> , <b>have enough food to eat</b> as they grow up, and to <b>do well in school</b> . And their parents are able to spend on activities that improve their children's mental and physical development.	75%	66%
The problem of economic and racial segregation has gotten worse in recent decades, <b>trapping low-income families</b> in neighborhoods with high rates of poverty and crime and low performing schools. We need policies that allow all people to live in neighborhoods that <b>provide opportunity and encourage upward mobility for families and kids</b> .	75%	60%
When <b>individuals with chronic health issues</b> have stable, affordable homes it reduces the need for all kinds of services. Providing <b>seniors</b> and <b>homeless individuals</b> with stable and affordable housing can <b>reduce emergency room visits, nursing home stays, and other supportive services</b> . This <b>saves valuable tax dollars</b> .	73%	59%

*(continued)*

# There are many compelling evidence-based reasons for policymakers to take action on housing affordability.

*(continued)*

*VERY IMPORTANT reason to enact policies/changes to address housing affordability:*

	City of Chicago	Chicago suburbs
<p><b>Families</b> need affordable, quality housing in order for their members to be <b>healthy, contributing members of their community</b>. Unstable, poor quality housing situations and frequent moves make it <b>difficult for adults to secure and maintain jobs</b>, and can take a <b>negative toll on their physical and mental health</b>.</p>	72%	62%
<p>According to experts, the housing market is in full recovery, but <b>the average American family is not feeling the recovery</b>. In communities throughout the country, home sales and rental prices are increasing at a much <b>faster rate than wages and incomes</b>. Nearly 40 million households in America spend more than 30% of their income on housing.</p>	70%	59%
<p><b>Families and communities</b> need stability in the housing market. Major price increases or big drops in housing values have an enormous impact on the economy overall and can <b>upend the lives of hardworking Americans</b>. We need policies that ensure the health and stability of the housing market.</p>	67%	58%
<p>In the wake of the housing crisis, government policies can act as barriers to <b>families of all income levels</b> being able to access the financing they need to obtain affordable housing—whether that's to buy or rent.</p>	63%	50%