

How Housing Matters

*Key findings from a nationwide survey among adults
conducted April-May 2016
for*

MacArthur Foundation

HOW HOUSING MATTERS

macfound.org/HousingMatters

THE KRESGE FOUNDATION

MELVILLE
CHARITABLE TRUST

Research Methodology

- Telephone survey among a nationally representative sample of 1,200 adults, including 420 who have only a cell phone
- Interviews conducted April 28 – May 10, 2016
- Margin of error = ± 2.8 percentage points for all adults, higher for subgroups
- 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 five percentage points higher or lower than the proportions for the total 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. The primary objectives of the survey are:
 - Develop a deeper understanding of the American public's 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 American families face;
 - Track key metrics over time to gauge changes in 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.

Overview of Key Findings

1. The American people continue to express high levels of pessimism about economic mobility and the ability to achieve a secure middle-class lifestyle in America today. Housing-related issues are central to their concerns.
 - Overwhelmingly the public believes it is more common today for middle-class people to fall into a lower economic class (78%) than for people in lower economic classes to rise up to the middle class (12%).
 - Similarly, three in four (76%) adults believe it is harder today than it was for previous generations to achieve a secure middle-class lifestyle, while only 8% say it is easier today.
 - This bleak outlook is nearly identical to that of one year ago and is expressed at similarly high rates across the public, regardless of age, income, or race.

(continued)

Overview of Key Findings *(continued)*

2. While there has been an uptick in confidence when it comes to perceptions of homeownership as a solid investment (increasing consistently from 50% in 2014 to 60% in 2016), confidence that we have weathered the housing crisis has eroded.
 - Perceptions about the housing crisis no longer trend in a positive direction as they have the past several years. The proportion of Americans believing the housing crisis is over had increased steadily, from 20% in 2013, to 25% in 2014, to 35% in 2015. This year it decreased to 29%. This increased pessimism prevails to some degree across most segments of the public, and is especially pronounced among certain groups, including renters, lower-income and less-educated individuals, and African Americans and Hispanics.
 - And a very significant majority (81%) of Americans continue to believe that housing affordability is a problem in America today, with six in 10 characterizing it as a serious problem.

(continued)

Overview of Key Findings *(continued)*

3. More than nine in 10 (94%) adults believe that stable, affordable housing is important to being able to achieve a secure middle-class lifestyle, yet nearly seven in 10 (68%) think it is harder to secure such housing today than it was for previous generations.
 - A majority of adults say that housing affordability is at least somewhat of a problem in their own community and roughly six in 10 say it is challenging to find affordable housing to buy (60%) and to rent (57%) in their own community.
 - Much like the past two years, significant majorities continue to report that it is difficult for families in their own communities to find affordable, quality housing over the course of their lives, including: middle-income families (64% say it is challenging for them), young adults just starting out in the workforce (79%), and families living at or below the poverty level (91%).

(continued)

Overview of Key Findings *(continued)*

4. The belief that it is harder today than it used to be to secure, affordable quality housing—whether to rent or to buy—spans the public and likely is rooted in the large proportion of Americans who have experienced housing challenges or know someone who has.
 - Again this year, more than half (53%) the public report that they personally have made at least one of several sacrifices or tradeoffs in the past three years to be able to cover their rent or mortgage payment. Certain segments of the public have had to make sacrifices to cover their housing costs at very high rates, including renters, low- and middle-income individuals, African Americans, Hispanics, and city residents.
 - Three in 10 are distressed that they spend more than 30% of their monthly household income on rent or mortgage payments.
 - Roughly one-third of adults knows someone who has or have themselves been evicted, foreclosed upon, or lost their housing in the past five years.

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Overview of Key Findings *(continued)*

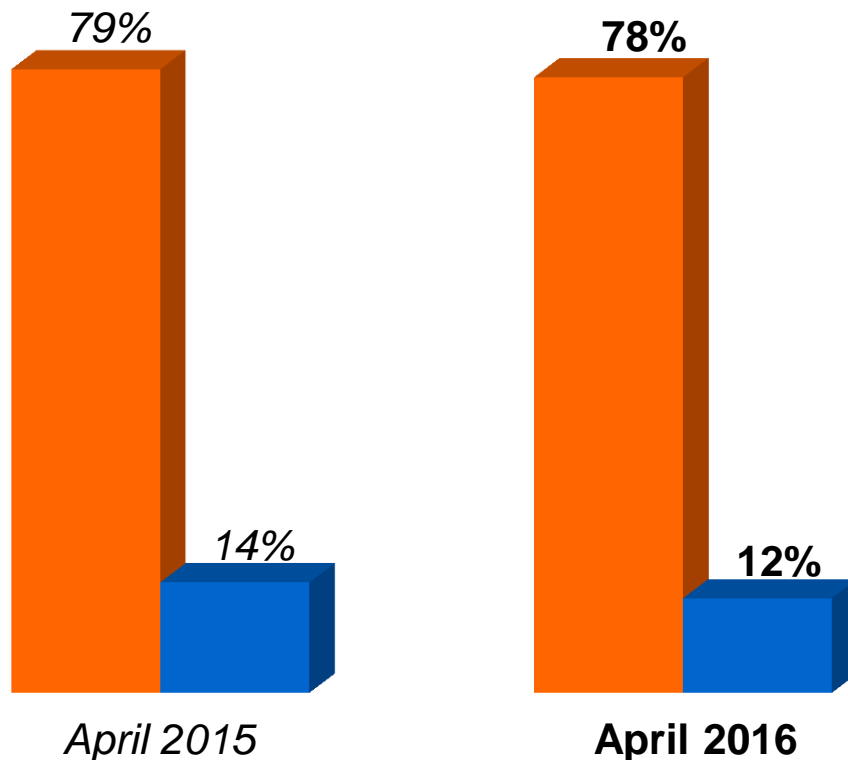
5. Most Americans are optimistic that actions can be taken to solve problems related to the lack of affordable housing—both to buy and to rent—and they want their elected leaders to act. But most do not believe the issue is getting enough attention.
 - More than six in 10 Americans believe a great deal (32%) or a fair amount (31%) can be done to solve problems related to the lack of affordable housing, and a very significant majority (76%) say it is important for their elected leaders in Washington, DC, to act to address issues of housing affordability and people’s ability to buy or rent housing that meets their needs.
 - The public expresses support for a number of different policy actions that can be taken at all levels of government to address issues and challenges related to housing affordability
 - However, more than six in 10 (63%) believe that issues of housing affordability are not getting enough attention from the candidates running for president, compared with 23% who say these issues are getting the right amount of attention and only 5% who say they are getting too much attention on the campaign trail.

The recovery may be underway, but that is not reflected in the American people's perceptions, as pessimism about the housing crisis is on the rise.

Americans across the spectrum are deeply pessimistic about economic mobility.

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



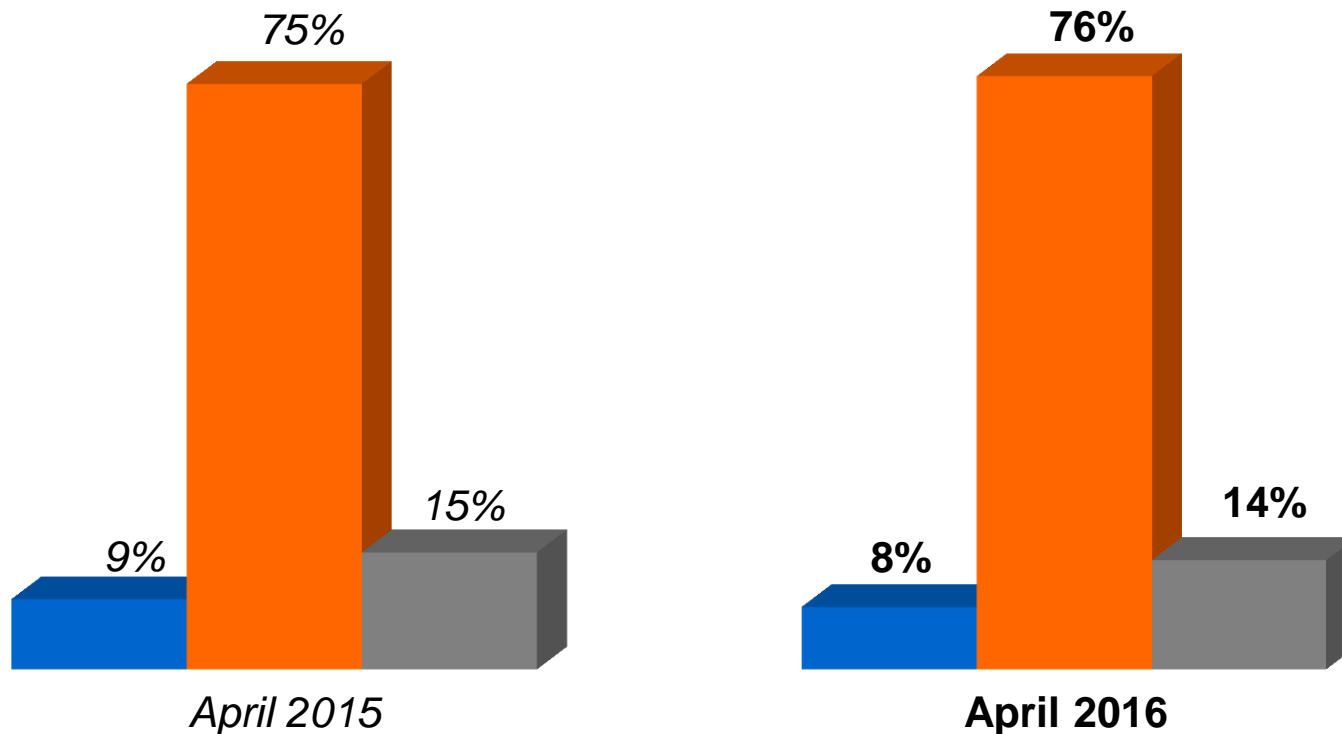
Middle-class people falling into a lower economic class happens more often:

Age 18 to 34	76%
Age 35 to 49	80%
Age 50 to 64	80%
Age 65/older	76%
Whites	79%
African Americans	75%
Hispanics	76%
Household income:	
Under \$40K	77%
\$40K to \$75K	81%
\$75K/more	78%
Democrats	77%
Independents	80%
Republicans	79%

Overwhelmingly Americans continue to believe it is harder today than it was for previous generations to achieve a secure middle-class lifestyle.

Perceived Difficulty of Achieving a Secure Middle-Class Lifestyle Today

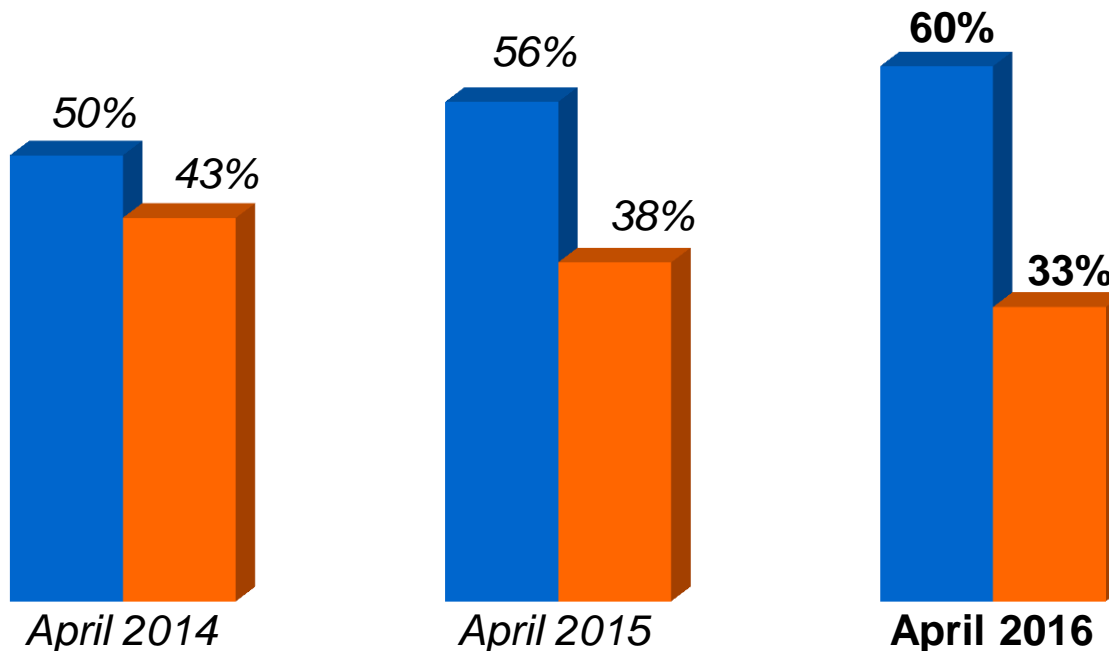
■ Easier than for previous generations ■ Harder than for previous generations
■ About the same as for previous generations



There continues to be an uptick in confidence in home-ownership as a solid investment.

Which comes closer to how you feel about homeownership?

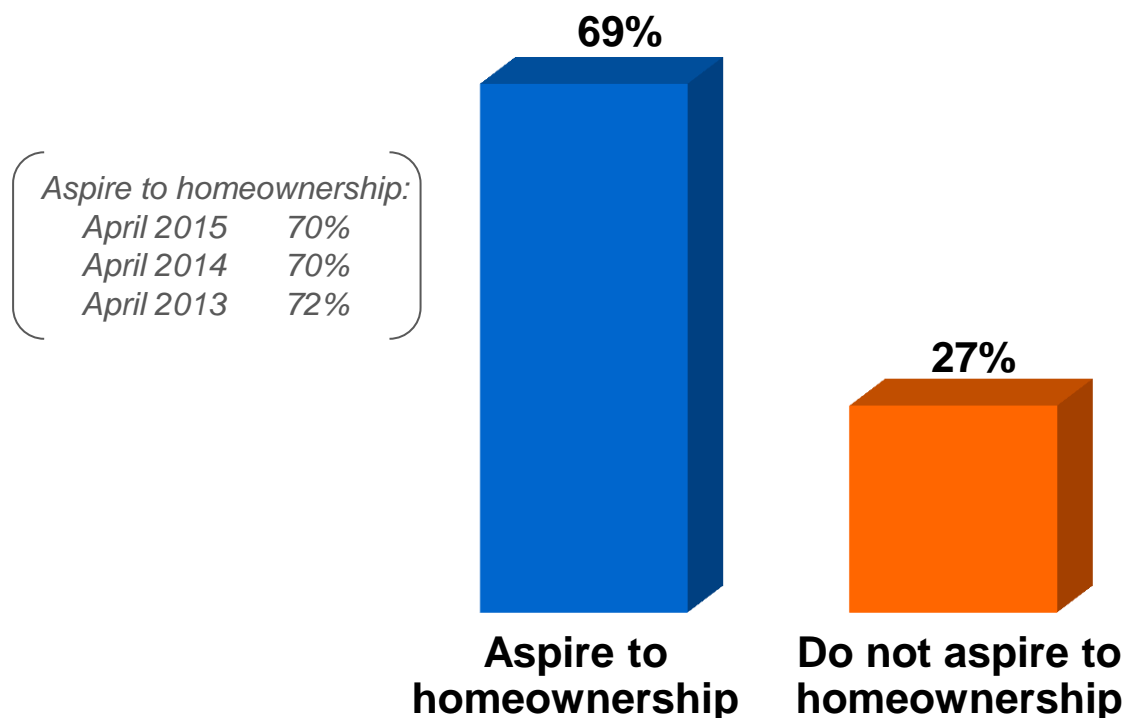
- Buying a home is an excellent long-term investment because it is likely to increase in value over time and it is one of the best ways for people to build wealth and assets
- Buying a home may once have been an excellent long-term investment and one of the best ways for people to build wealth, but that is no longer the case today



And non-homeowners continue to aspire to homeownership at a very high rate.

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

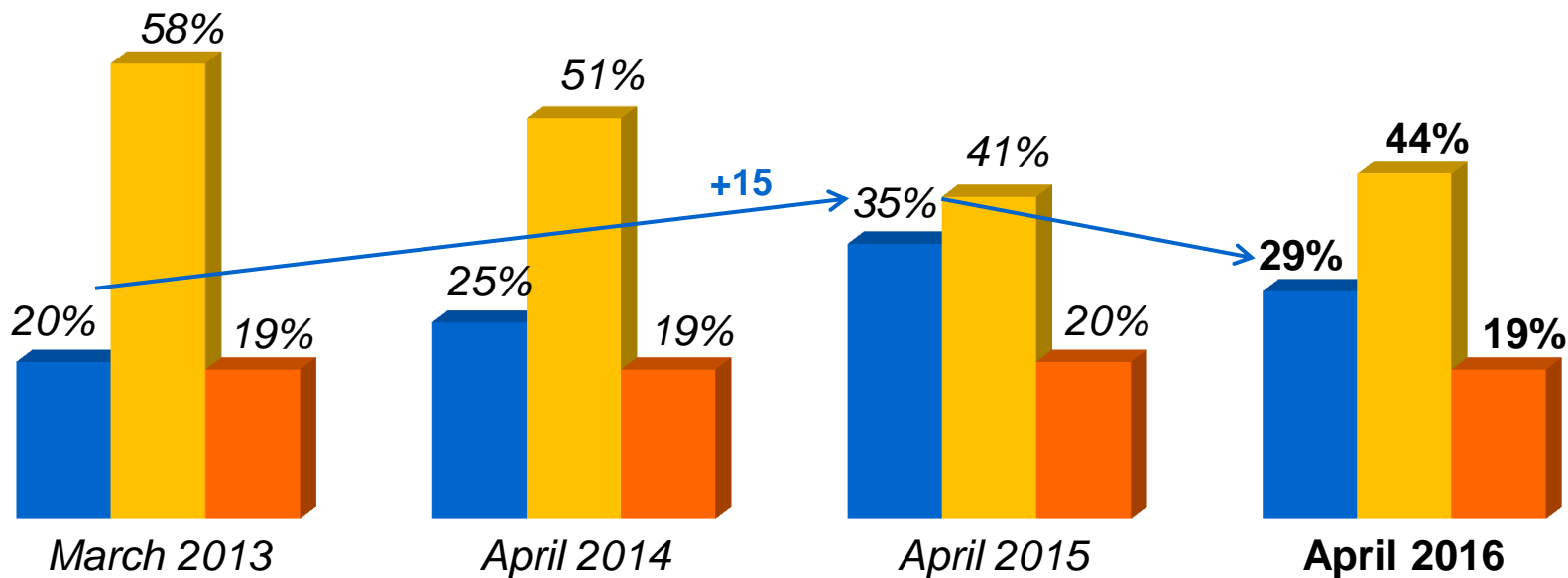
Among non-homeowners



However, perceptions about the housing crisis do not continue to trend in a positive direction as they have over the past several years.

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



Increased pessimism about the housing crisis prevails across most segments and is especially pronounced among certain groups.

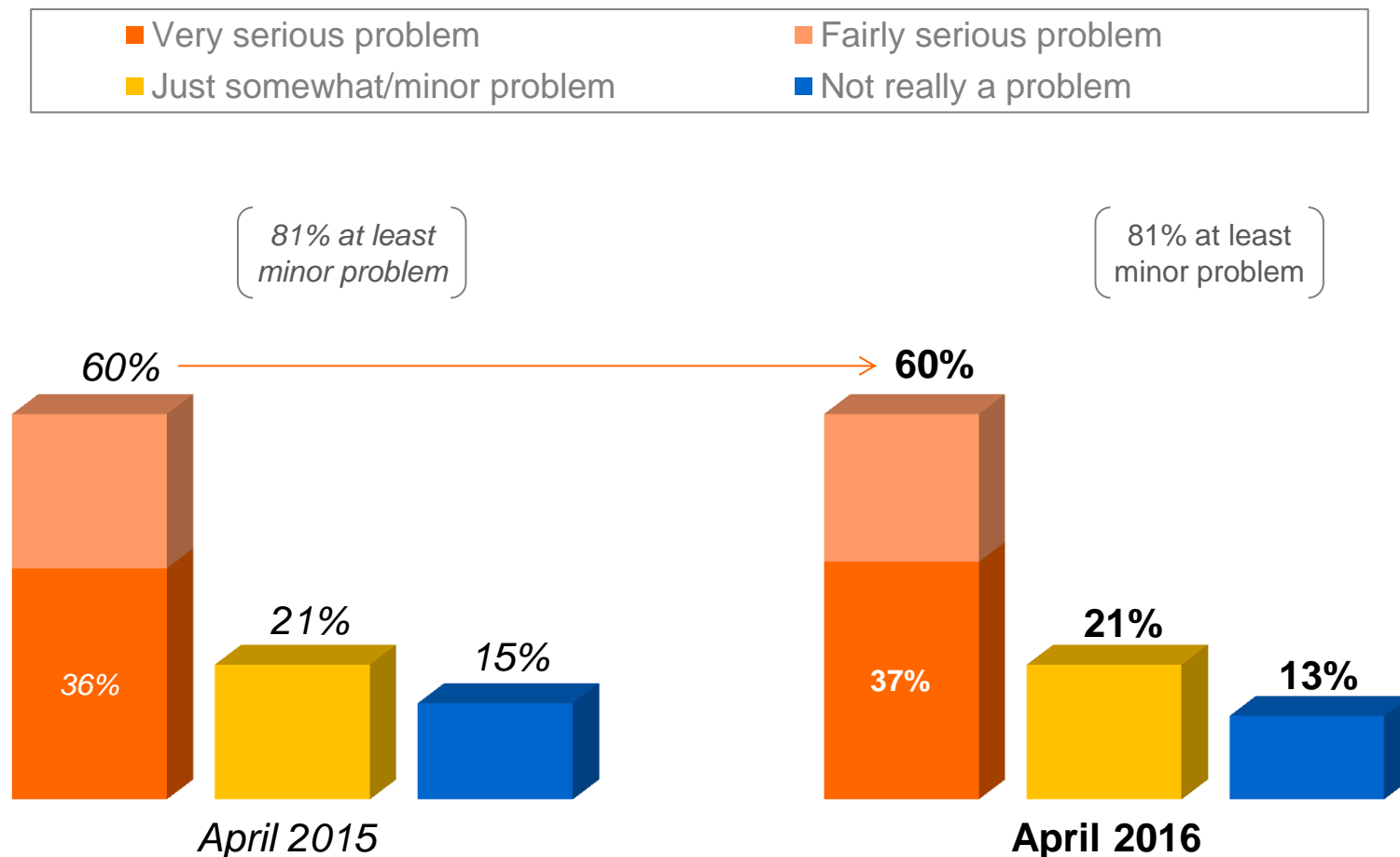
Thinking about the housing crisis that started in 2008,...I think the housing crisis is pretty much over:

	2015	2016	Net		2015	2016	Net
All adults	35%	29%	-6	Household income:			
Homeowners	39%	36%	-3	Under \$40K	24%	16%	-8
Renters	28%	16%	-12	\$40K to \$75K	39%	30%	-9
Distressed owners/renters	27%	19%	-8	\$75K/more	48%	42%	-6
Non-distressed owners/renters	39%	34%	-5	Whites	38%	33%	-5
Age 18 to 34	35%	29%	-6	African Americans	27%	17%	-10
Age 35 to 49	38%	34%	-4	Hispanics	31%	18%	-13
Age 50 to 64	31%	28%	-3	City	34%	21%	-13
Age 65/older	38%	26%	-12	Suburbs	36%	37%	+1
High school grad/less ed	29%	21%	-8	Small town/rural area	36%	30%	-6
Some college	30%	31%	+1				
Four-year college grad/more	45%	35%	-10				

* Bolded and highlighted numbers are at least five percentage points lower than the proportion for the total sample.

There has been no change from one year ago in perceptions about the severity of the housing affordability problem in America today.

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



Across the public, majorities believe housing affordability is a serious problem in America today.

Proportions saying housing affordability is a VERY/FAIRLY SERIOUS problem in America

All adults	60%	Household income:	
Homeowners	57%	Under \$40K	63%
Renters	65%	\$40K to \$75K	62%
Distressed owners/renters	66%	\$75K/more	58%
Non-distressed owners/renters	56%	Whites	57%
Age 18 to 34	62%	African Americans	60%
Age 35 to 49	58%	Hispanics	66%
Age 50 to 64	60%	City	65%
Age 65/older	58%	Suburbs	56%
High school grad/less ed	59%	Small town/rural area	59%
Some college	60%	Northeast	67%
Four-year college grad/more	61%	South	57%
		Midwest	55%
		West	62%

Stable, affordable housing is viewed as a fundamental component of economic security for American families, yet also viewed as increasingly unattainable. There are no signs that the American people see a light at the end of the tunnel.

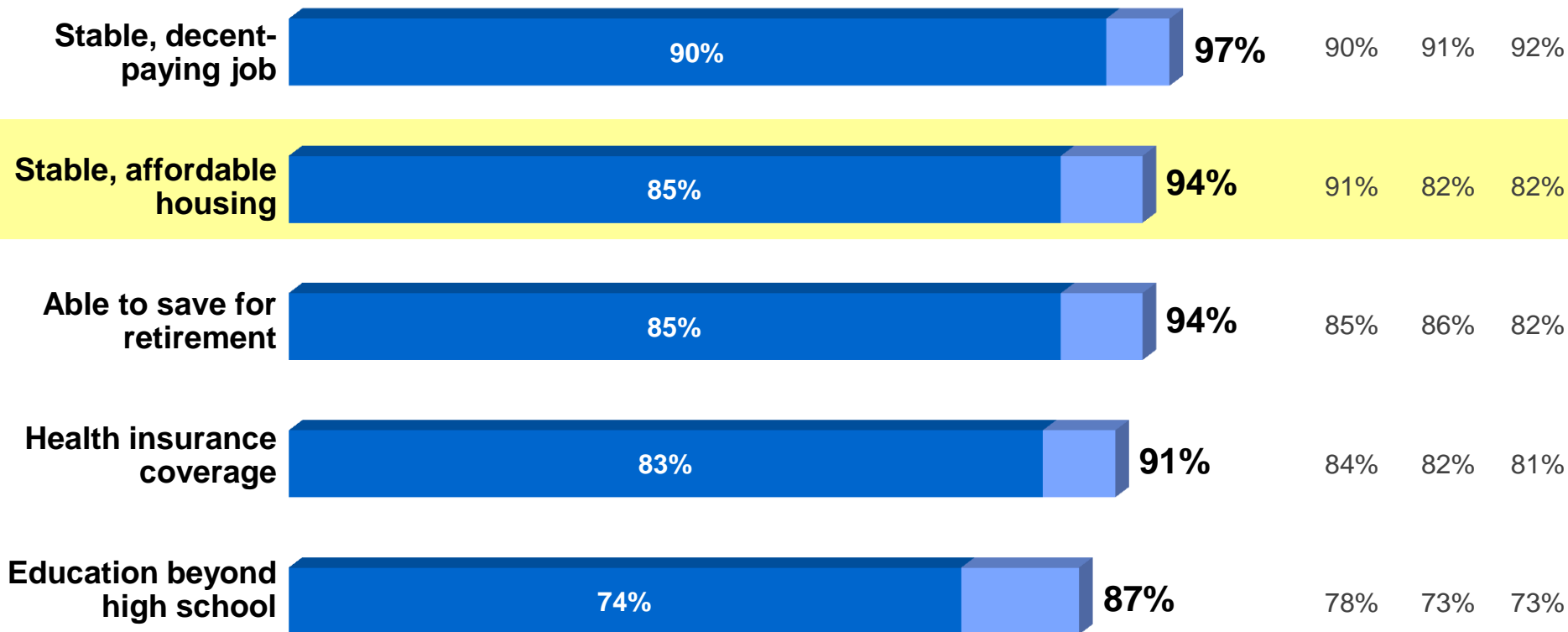
Stable, affordable housing is viewed as critical to a secure middle-class lifestyle, right behind a good job and on par with retirement savings and health insurance.

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

**VERY Important
by Income**

Under \$40K \$40K- \$75K Over \$75K

■ Very important ■ Fairly important



Housing, a good job, and the ability to save for retirement are seen as harder to achieve by significant majorities.

Compared with previous generations, it is harder today to:

Save for retirement



Proportions
who think each
is easier today

8%

Have stable, decent-paying job



7%

Have stable, affordable housing



9%

Have health insurance



26%

Obtain education beyond high school



31%

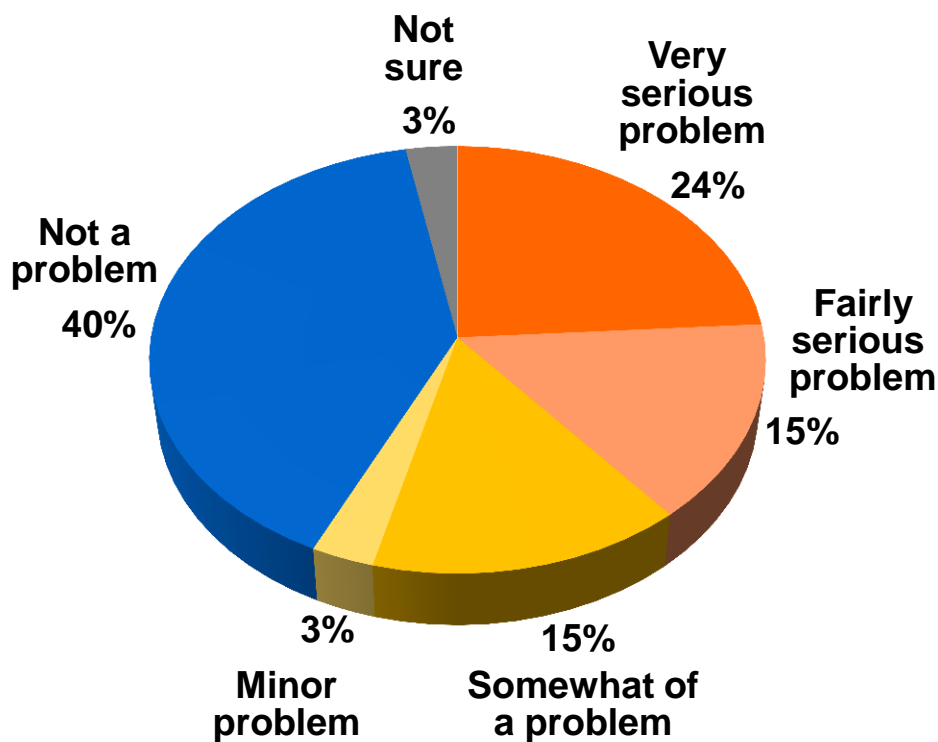
Feeling that it is harder to secure stable, affordable housing is not unique to those on the middle or lower rungs of the economic ladder: it spans the public.

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

All adults	68%	Whites	67%
Homeowners	64%	African Americans	68%
Renters	76%	Hispanics	71%
Distressed owners/renters	76%	City	74%
Non-distressed owners/renters	64%	Suburbs	66%
High school grad/less ed	68%	Small town/rural area	66%
Some college	72%	Northeast	67%
Four-year college grad/more	66%	South	66%
Household income:		Midwest	65%
Under \$40K	76%	West	77%
\$40K to \$75K	66%		
\$75K/more	65%		

A majority of Americans say that housing affordability is at least somewhat of a problem in their community.

Is housing affordability a problem in the area where you live? If so, how serious a problem is it?



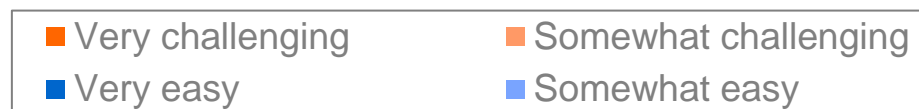
It's challenging in my community to find affordable housing to buy (60%)/to rent (57%).

Very/fairly serious problem

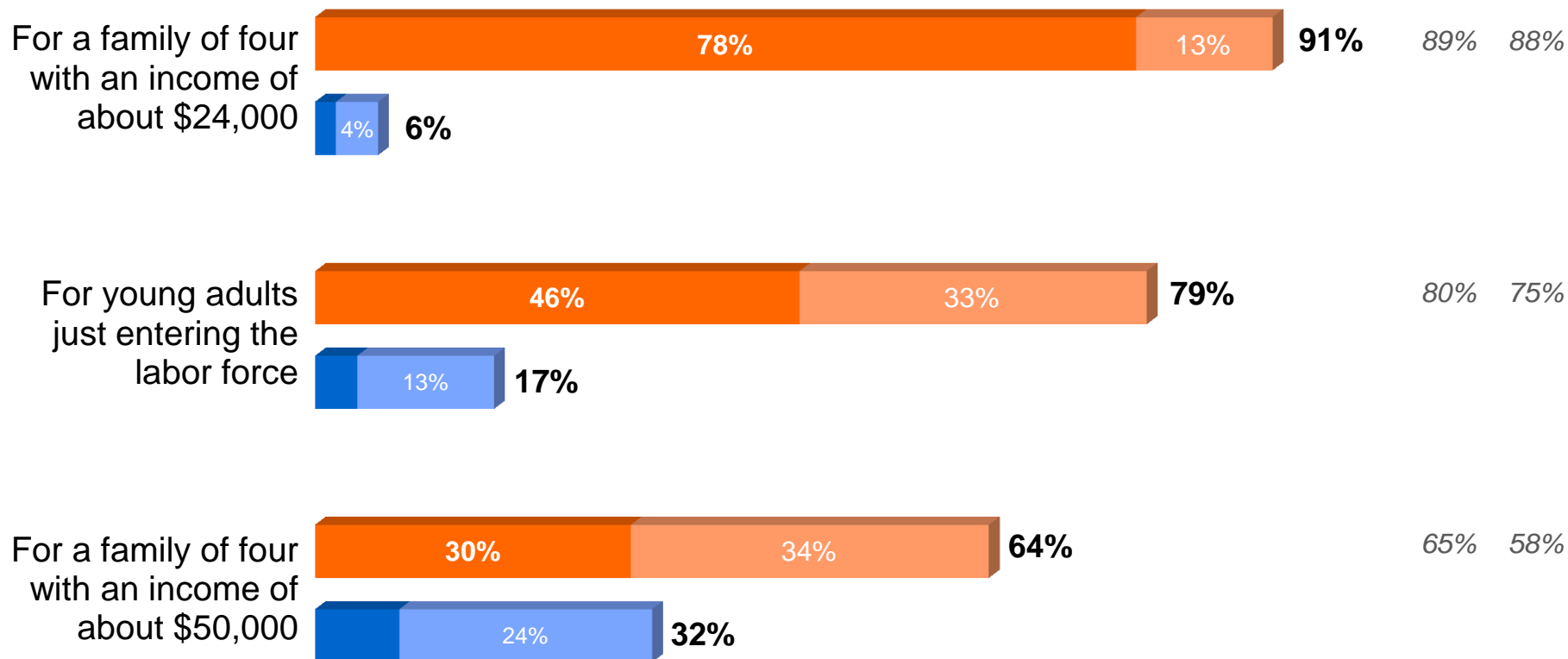
All adults	39%
Homeowners	35%
Renters	48%
Distressed owners/renters	51%
Non-distressed owners/renters	33%
Household income:	
Under \$40K	45%
\$40K to \$75K	38%
\$75K/more	36%
Whites	36%
African Americans	47%
Hispanics	49%
City	43%
Suburbs	36%
Small town/rural area	39%
Northeast	47%
South	35%
Midwest	28%
West	49%

Significant majorities continue to think it is difficult for a variety of people and families in their own communities to find affordable housing; this has NOT improved.

In my community, finding affordable quality housing is:



Challenging
April 2015 *April 2014*



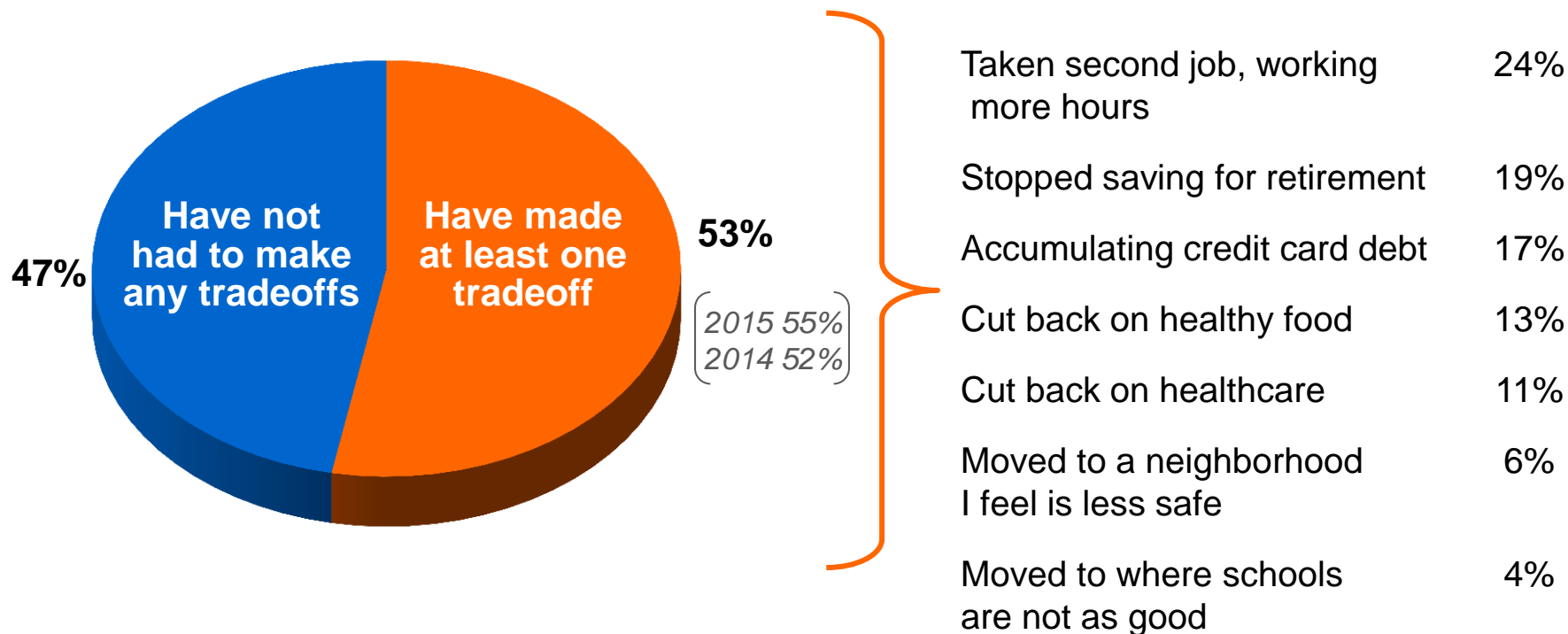
The view that securing affordable, quality housing is challenging and more difficult than it used to be likely is rooted in personal experiences and the vast number of Americans who have had to make sacrifices to cover their housing costs.

Millions of Americans face serious housing challenges.

- 16% of Americans feel only somewhat stable and secure or unstable and insecure with their current housing situation. **This represents more than 37 million people.**
- Some groups experience this housing vulnerability at especially high rates:
 - 33% of renters
 - 42% of distressed renters
 - 30% of adults with income less than \$40,000
 - 23% of adults with a high school degree or less education
 - 34% of African Americans
 - 24% of Hispanics
 - 23% of city dwellers
- 31% of Americans spend more than 30% of their monthly household income on their rent or mortgage payment.
- 34% of Americans know someone who has or have themselves been evicted, foreclosed upon, or lost their housing in the past five years.

More than half of the public continues to make tradeoffs or sacrifices 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?



Certain segments of the American public make sacrifices to cover their housing costs at extremely high rates.

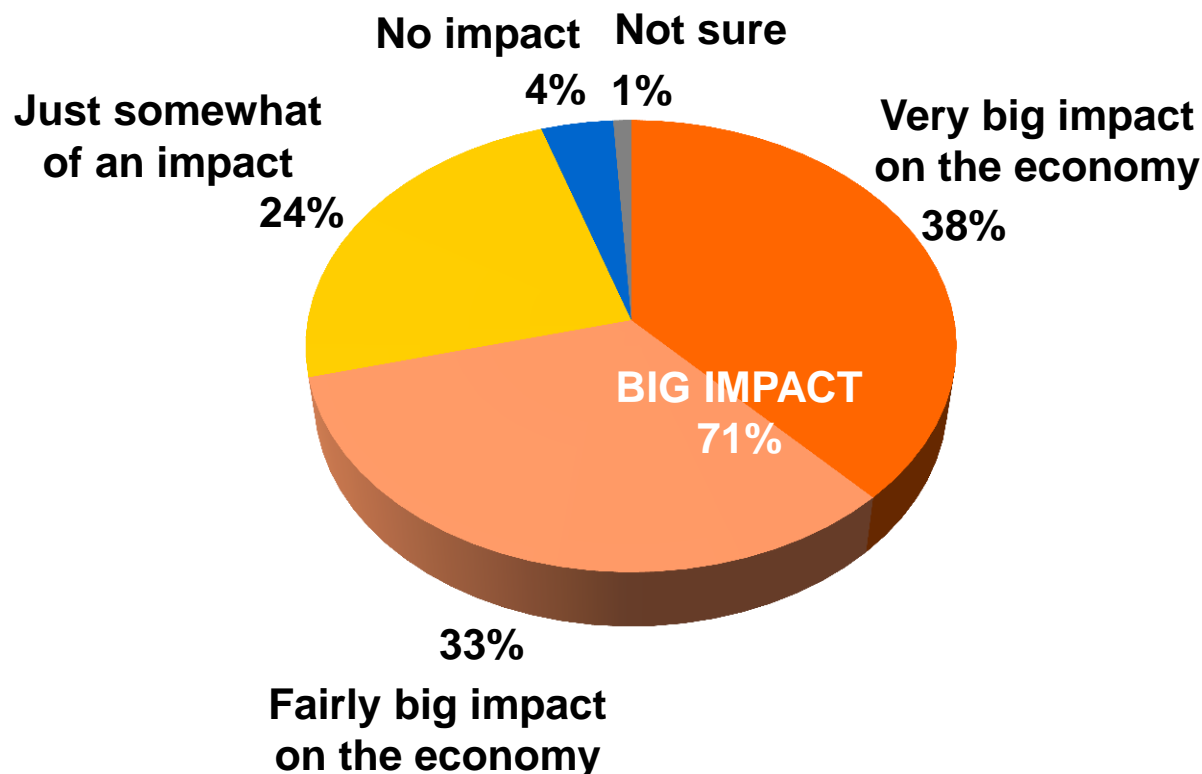
I have had to make at least one tradeoff in the past three years because I was struggling to pay rent or mortgage:

All adults	53%
Homeowners	45%
Renters	71%
Distressed owners/renters	76%
Non-distressed	46%
Household income:	
Under \$40K	66%
\$40K to \$75K	58%
\$75K/more	42%
Whites	47%
African Americans	63%
Hispanics	72%
City	60%
Suburbs	49%
Small town/rural area	54%

The American people want more debate and discussion of housing affordability policy issues and want their elected leaders in Washington, DC, to take action to address the housing affordability challenges that many Americans face.

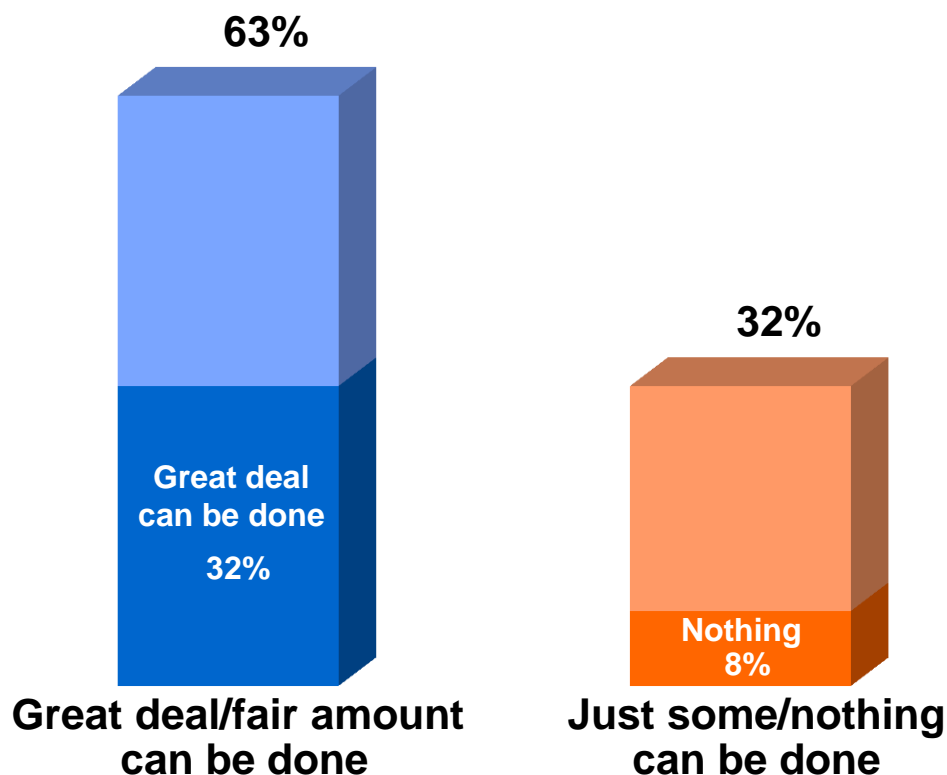
Beyond their personal experiences, a significant majority of Americans believe that people's ability to access affordable housing has a big impact on the economy.

How much of an impact do you think people's ability to access housing that is affordable, both to buy and to rent, has on the economy overall?



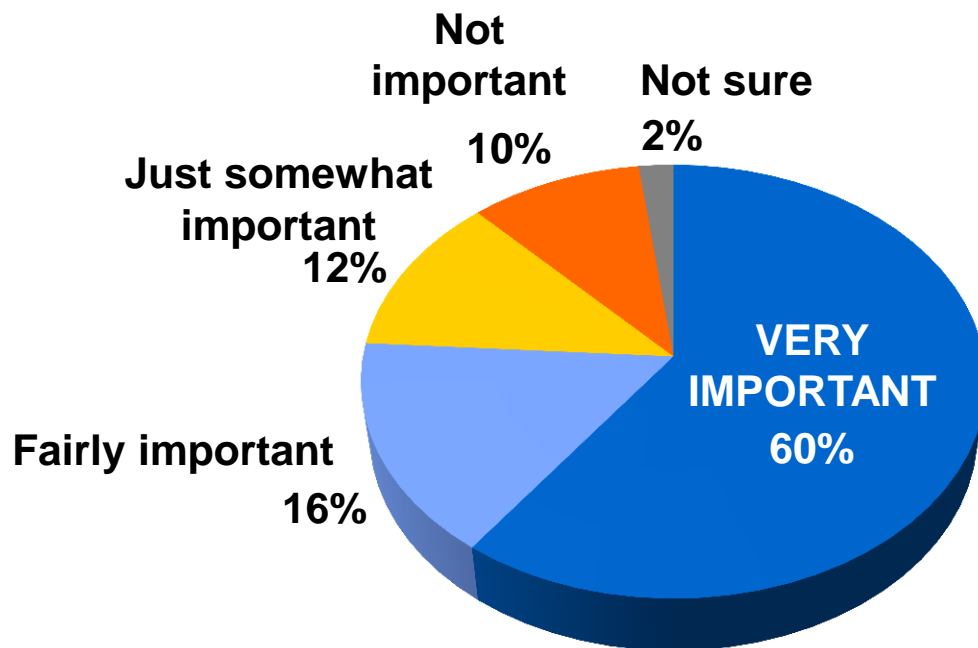
Most Americans are optimistic that actions can be taken to solve problems related to housing affordability.

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



A significant majority of Americans believe it is important for elected leaders in Washington to take action on issues related to housing affordability; this belief spans political party affiliation.

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?

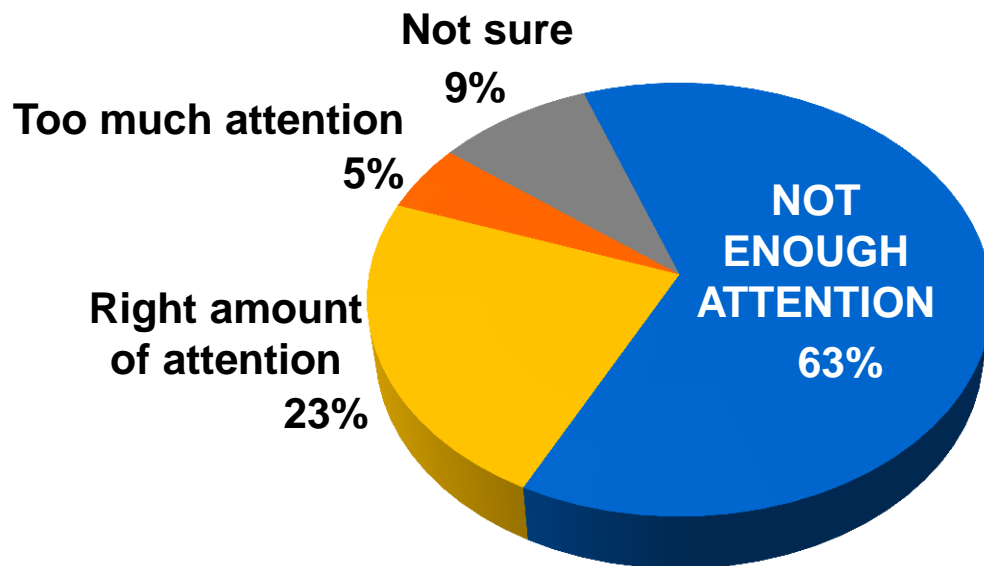


Very/fairly important

All adults	76%
Democrats	88%
Independents	75%
Republicans	62%

While the public wants action from their elected leaders in Washington, most believe the issue is not getting enough attention on the presidential campaign trail.

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

Democrats	74%
Independents	66%
Republicans	49%

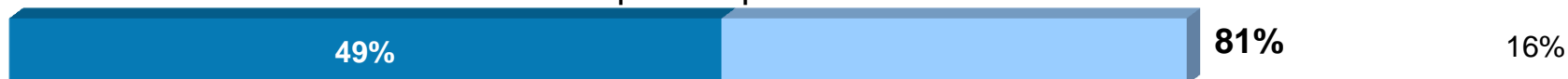
The American people are favorable to many policy approaches addressing the problems of housing affordability.

Support for Approaches That Government Could Take to Address Housing Affordability

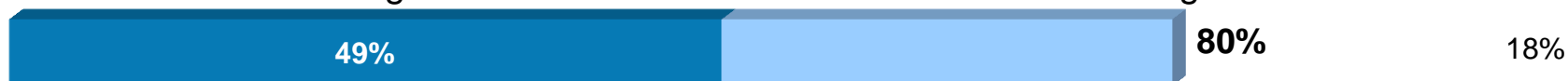
■ Strongly favor ■ Somewhat favor

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

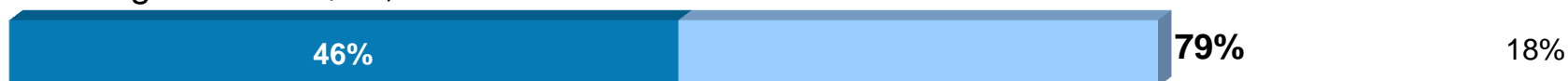
Total
oppose



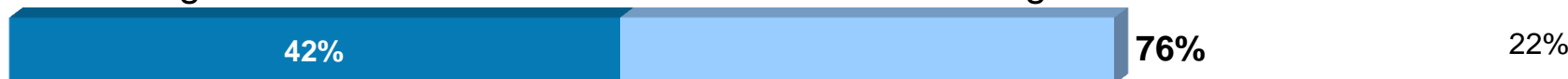
Expand federal housing policies and programs to ensure that families earning less than \$30,000 with children under age 18 receive some assistance with their housing costs*



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



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

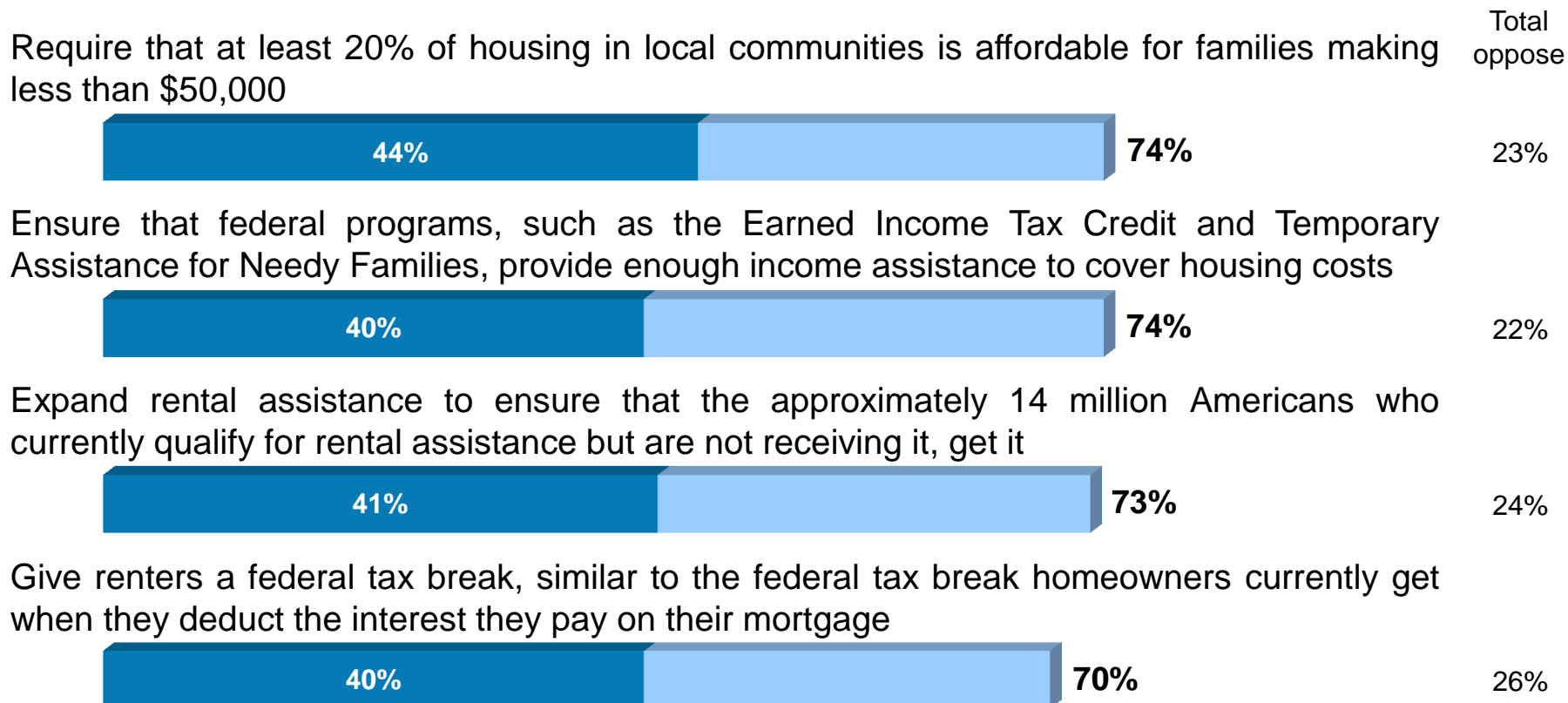


* Each asked of one-half the respondents (continued)

The American people are favorable to many policy approaches addressing the problems of housing affordability. *(continued)*

Support for Approaches That Government Could Take to Address Housing Affordability

■ Strongly favor ■ Somewhat favor



There are many compelling evidence-based reasons for policymakers to take action on housing affordability; the most persuasive put a human face on the issue.

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

- 70%** Investing in affordable, quality housing is **investing in kids and their future**. Research shows that children whose parents spend less than a third of their income on housing are more likely to be **healthy at birth**, **have enough food to eat** as they grow up, and to **do well in school**. And their parents are able to spend on activities that improve their children's mental and physical development.
- 62%** **Families** need affordable, quality housing in order for their members to be **healthy, contributing members of their community**. Unstable, poor quality housing situations and frequent moves make it **difficult for adults to secure and maintain jobs**, and can take a **negative toll on their physical and mental health**.
- 62%** When **individuals with chronic health issues** have stable, affordable homes it reduces the need for all kinds of services. Providing **seniors** and **homeless individuals** with stable and affordable housing can **reduce emergency room visits, nursing home stays, and other supportive services**. This **saves valuable tax dollars**.

(continued)

There are many compelling evidence-based reasons for policymakers to take action on housing affordability; the most persuasive put a human face on the issue. *(continued)*

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

- 59%** The problem of economic and racial segregation has gotten worse in recent decades, **trapping low-income families** 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 **provide opportunity and encourage upward mobility for families and kids**.
- 58%** According to experts, the housing market is in full recovery, but **the average American family is not feeling the recovery**. In communities throughout the country, home sales and rental prices are increasing at a much **faster rate than wages and incomes**. Nearly 40 million households in America spend more than 30% of their income on housing.
- 58%** **Families and communities** 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 **upend the lives of hardworking Americans**. We need policies that ensure the health and stability of the housing market.
- 48%** In the wake of the housing crisis, government policies can act as barriers to **families of all income levels** being able to access the financing they need to obtain affordable housing—whether that's to buy or rent.