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Title: Homeownership: Still the American Dream? Perceptions of Homeownership in the Post-Crisis Era

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"The American Dream" is an expression familiar to all Americans and the realization of the American Dream is tied closely to homeownership (Clinton, 1995). The recent financial crisis, with the housing and financial markets at levels not seen since the Great Depression, has resulted in widespread unemployment, continually dropping home prices, escalating home foreclosures, and tightened lending standards. Significant changes in the home buying behavior of Americans since the start of the crisis are clear but it is not clear if overall perceptions of homeownership have become more negative in the wake of this catastrophe (Joint Center for Housing Studies [JCHS], 2011). Might the marriage of homeownership and the American Dream be a thing of the past?

The echo-boomer generation (defined as those born after 1980) comprises the largest group of Americans ever to reach their twenties—peak household formation years. They will play a critical role in the face of American housing in the years to come (JCHS, 2011). The purpose of this study was to investigate whether homeownership remains a goal for members of the echo-boomer generation.

The population of interest for this study was college students in the United States who are members of the echo-boomer generation. A chain-referral sampling technique resulted in a non-random sample of 256 participants, ranging in age from 18 to 21. Participants were predominantly white non-Hispanic, single females who rented their residences. Most were

undergraduate students representing 35 majors. An on-line questionnaire was used that included both closed and open-ended questions grouped around four primary research questions.

(1) *Do members of this population view homeownership as a safe investment?* Simply put, yes. When asked directly, most participants responded “very safe” or “somewhat safe.” Stepwise logistic regression was used to explore the predictor variables for this response. Predictor variables with $p<.05$ included participants’ expectation of the future direction of housing prices and of the economy, their preferred housing tenure, and whether homeownership was part of their own definition of the American Dream.

(2) *What is the preferred housing tenure form amongst members of this population?* A large majority of participants indicated that they preferred homeownership to renting. Logistic regression analysis suggested strong association between preferred housing tenure and whether the participants viewed homeownership as a safe investment, as well as their belief about which housing tenure form made the most sense for them, and the adequacy of their income.

(3) *Is Homeownership in the Future Plans of College Student Echo-Boomers?* The answer to this question was an emphatic yes. Ninety-three percent of current renters claim future plans to own their homes and 58% of current owners say that they will never rent. Logistic regression ($p<.05$) found that respondents’ current tenure form and tenure preference, as well as their belief in the safety of investment in homeownership were predictors of future housing tenure intentions.

(4) *Do members of this population view homeownership as part of the “American Dream?”* When asked explicitly whether owning a home is part of their own personal American Dream, a large majority of of respondents said yes. Logistic regression analysis found that predictors of this view ($p<.05$) included expectations of rent prices, age, preferred tenure form, and whether participants saw homeownership as a safe investment.

This study was grounded in a social constructionist theoretical framework. Among the social constructions of housing is a deep-seated preference for homeownership as the ideal tenure form. Everyday discourse serves to accentuate the positive aspects of homeownership along with the negative aspects of renting (Gurney,1999). In spite of a deep financial crisis and the heightened role of housing in it, homeownership seems to continue as the preferred housing tenure form among the echo-boom generation. Importantly, homeownership as the embodiment of the American Dream seems to have been unaffected by the crisis.

Homeownership: Still the American Dream?
Perceptions of Homeownership in the Post-Crisis Era

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Thomas P. Micek, Author

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DEDICATIONS

I dedicate this work to my parents, both of whom have continually supported and encouraged me over the years in whatever ventures I choose to pursue. Whether I was a construction worker, fisherman, waiter, or lost college student continually changing majors in attempt to find my calling, you have been proud of me and continued to love and support me. I could never repay you for all that you've done for me and I want you to know how much I appreciate you.

I love you both:

Thomas

HOMEOWNERSHIP: STILL THE AMERICAN DREAM?

PERCEPTIONS OF HOMEOWNERSHIP IN THE POST-CRISIS ERA

CHAPTER I

Introduction

The oft cited idiom “The American Dream” is an expression familiar to all Americans, though its exact meaning is not entirely clear. Stemming from the 1931 book The *Epic of America* by historian James Truslow Adams, this dream refers to a land of great freedom and opportunity for all. Certainly, in the eighty years since its inception this catchphrase has undergone changes in its perception. However, its essential elements have remained remarkably consistent. It has been argued that there are two central tenets among these, namely, on one hand, liberty, and on the other, the potential to acquire material possessions (Caldwell, 2007). Combined with a long history of great value and emphasis on land ownership, “owning a home has come to symbolize the realization of the American Dream” (Clinton, 1995, p. 1).

Hence, “The value of homeownership is deeply engrained in American public culture” (Rohe & Watson, 2007, p. vii), and its correlation with the American Dream can be seen clearly across numerous mediums. Laws requiring land ownership for suffrage, which predate American colonization, and nineteenth century homestead legislation serve as early examples of its importance in the culture of The United States (Rohe & Watson, 2007, p. vii). Furthermore, written sources from academic writings (e.g., Rohe & Watson, 2007; Hayden, 1984; etc.) to real estate brochures can be seen in great numbers explicitly connecting homeownership to the American Dream. Popular media sources such as television and radio programs frequently discuss this association, and Wikipedia states that “homeownership is sometimes used as a proxy for achieving the promised prosperity" of the American Dream ("American Dream," 2012, para. 16). Even our public representatives such as former President Bill Clinton, quoted above, can regularly be heard exalting the necessity of homeownership in achieving the American Dream. Hence, there is no doubt that "For millions of families and individuals, the pursuit of homeownership has been a central feature of the fabled 'American Dream'" (Rohe & Watson, 2007, p. vii).

However, the fact that homeownership is not a universal symbol of success across the globe suggests that its importance in American culture is an ideal created through various social forces. Theories of *social constructionism* contend that people's perceptions of reality are, to some degree, "dependent upon the social, historical, and cultural context" in which they are developed (Micek, 2011, p. 57). Hence, common conceptions of homeownership as an essential piece of the American Dream are *social constructions*, stemming from a confluence of factors and are thus subject to change. It is from this perspective that the following research proceeds.

Statement of the problem

Beginning in 2008, the United States witnessed the proliferation of home foreclosures and the subsequent collapse of the housing and financial markets at levels unseen since the Great Depression. While a variety of factors contributed to this recent financial crisis, it is clear that unrealistically optimistic views of the housing market resulted in its rapid inflation and ultimately its disintegration. This housing boom and bust resulted in financial mayhem and subsequent recession which began in the United States and spread to numerous other countries. As a result, millions of individuals have had their lives significantly changed, many losing substantial portions of their wealth, and the economic standing of the United States has been drastically and perhaps permanently damaged.

There is no doubt that widespread unemployment, continually dropping home prices, escalating home foreclosures, and tightened lending standards have contributed to significant changes in the home buying behavior of Americans since the start of the crisis (Joint Center for Housing Studies [JCHS], 2011). However, what is unclear is how strongly perceptions of homeownership have become more negative in the wake of this catastrophe (JCHS, 2011). Is it possible that our love affair with homeownership has come to a bitter end? Could it be that Americans have come to realize the costs of the relentless pursuit of homeownership for all? Might the marriage of homeownership and the American Dream be a thing of the past?

Purpose of the study

It is such questions that this research endeavors to shed light on. More specifically, it is recognized that the echo-boomer generation (defined here as those born after 1980) comprises the largest group of Americans ever to reach their twenties, peak household formation years, and thus, that they will play a critical role in the face of American housing in the years to come (JCHS, 2011). This revelation, combined with the magnitude of the recent financial crisis, illuminates the importance of understanding contemporary attitudes towards housing amongst this group of people. The population of interest for this study was further narrowed to college students of this generation as previous research suggests that perceptions vary somewhat across education levels (Research Institute for Housing America [RIHA], 2011). Hence, this research asks what the dominant perceptions of homeownership are amongst echo-boomer generation college students.

A number of recent studies have attempted to address contemporary views of homeownership and with relatively consistent findings. First, the data clearly shows that despite the massive echo-boomer generation entering what have traditionally been the primary ages of household formation, the housing market has failed to play its conventional role in recovering from recession. Furthermore, survey research suggests that the percentage of Americans who view homeownership as a safe investment may have dropped significantly since the onset of the crisis (JCHS, 2011). However, paradoxically, despite these findings, numerous recent studies show that homeownership is still the preferred housing tenure form amongst the vast majority of Americans (Fannie Mae, 2011a; JCHS, 2011; RIHA, 2011).

From these findings arise questions concerning why, if attitudes towards homeownership remain high, has the largest generation ever to reach their peak household formation years failed to provide relief to a faltering housing market. In an economic environment characterized by high unemployment and increasingly stringent credit standards, it is easy to point to the fundamental lack of ability and opportunity. However, utilizing a constructionist perspective requires that a researcher go beyond such positivist explanations and consider the possibility that the recent financial crisis has changed people's perceptions, thereby altering common conceptions of homeownership as an essential piece of the American Dream and contributing to the sluggish rebound of the housing market.

Furthermore, despite the abundance of recent investigations into contemporary views of homeownership, few researchers have narrowed their focus to the important, yet unclear, housing path that will be taken by this generation of young Americans. It is entirely possible that their unhurried entry to the housing market is merely a result of an economic setting unfavorable to new household formation and home purchase. However, it is also feasible that their perceptions of homeownership have been altered by the recent financial catastrophe which was itself largely brought about by a preexisting social construction which told all Americans that homeownership was an essential goal worth pursuing at all costs. Hence, the current research proceeds under the hypothesis that this is the case and thus that the echo-boomer's reluctance to enter the housing market is a reflection of increasingly negative attitudes towards homeownership.

It has been argued that the housing preferences of older generations, particularly the baby boomers, are easier to predict than those of the echo-boomers due to long-established trends (JCHS, 2011). Furthermore, researchers suggest that attitudes towards homeownership amongst older populations are more robust to alteration through social happenings due to their being constructed over a longer period and throughout more stable economic times (Bracha & Jamison, 2011). Such observations highlight the importance of research focusing on the perceptions of younger Americans whose future actions in the housing market are more uncertain and will play an important role in shaping the face of housing in the United States.

This examination took place through the use of survey research in the form of a quantitative questionnaire supplemented by open-ended questions designed to buttress findings and allow for the introduction of ideas unforeseen by the researcher. Hence, this research goes beyond the level of depth provided by purely quantitative studies. Furthermore, it provides a link between significant quantitative associations and qualitative explanations, thereby paving the way for future research.

Survey questions were designed to elicit attitudes towards homeownership, The American Dream, and future housing tenure intentions. Quantitative questions were based on reputable existing surveys (e.g. the Fannie Mae *Monthly National Housing Survey* and the Research Institute for Housing America's *The Great Recession and Attitudes Toward Home-Buying* report) in order to allow comparative insight.

Therefore, since questions emulate those of existing, nationwide representative studies, findings were compared for their similarities and differences with nationwide trends. Several contributions, however, are unique to this study. First, a refined range of focus allowed for more in-depth investigation of responses. That is to say, while the Fannie Mae study contains over 144 questions on a range of housing related subjects and the Research Institute for Housing America's study is based on consumer attitudes in general, my interest is limited to perceptions of homeownership and the American Dream among members of the echo-boomer generation. Furthermore, this more pointed focus allowed for open-ended questions which provided respondents with the opportunity to explain their answers, thereby allowing for further insight. What's more, the primary existing surveys neglect to approach the concept of the American Dream, which has itself been a driving force in American housing. I, on the other hand, address this subject and attempt to decipher whether or not the echo-boomers believe, as have previous generations, that homeownership is an essential piece of this dream.

CHAPTER II

Review of Literature

Development of My Research

Prior to proceeding into my review of literature, I would like to say a few words about the processes that led me to this research topic. Having grown up on the Oregon Coast, in a family whose subsistence was dependent on the housing market, my stepfather being a general building contractor, I witnessed first-hand the results of its fluctuations. In the early 1990s, my stepdad built a group of *spec homes* under the belief that the housing market was headed in an upward direction and that the investment would be profitable. Unfortunately his speculations were inaccurate as the homes failed to sell putting him and our family in a troubled financial situation. Being only ten at the time I had no real comprehension of what had transpired, I only recall talk of Californians and retirees who were supposed to come purchase our homes but didn't. At the time I remember thinking that those "lousy Californians" had done us wrong, apparently I didn't quite grasp the concept of building on speculation. Regardless, this experience would prove to be an integral factor in shaping the views of my stepdad first and me later, eventually leading to this current piece of research.

Fifteen years later I was back in my hometown, taking a hiatus from college as I reevaluated my academic and career goals. At the time (2005-2006), construction was booming and I quickly went to work building houses. An enormous influx of contractors found their way to the Oregon Coast to supply a great demand for new homes; it seemed that those lousy Californians were finally retiring and realizing the beauty of our coastal town. The number of homes that went up in a short amount of time was unprecedented, and it seemed a universal understanding throughout the community that this was it, we had finally been discovered and things were only going to get better! There was only one naysayer throughout the entire town, or state, or country it seemed, my stepfather. As I jumped around from company to company, working contractors against each other to maximize my pay (including him I hate to say) and watching many of them making money hand over fist, he just stuck to his same old bread and butter, residential remodels. What a fool I thought, everyone else is getting rich, and he's just maintaining! Sure he was doing well, much busier than normal, but he wasn't building any of these big fancy houses all the other builders were.

When I suggested that he jump aboard with everyone else he was adamant that things would go back to normal, and all of these other builders would soon be paying the consequences of their frivolous spending and building. I would bring him newspaper clippings of other prominent builders in the area exalting all the construction going on and never saying a word about a possible burst of the bubble, he remained unmoved. During the workday me and the other guys would joke and laugh about what a stubborn old fart he was, things were different than back in his day (a whole fifteen years ago), how did he not realize that this place was about to explode!

Amidst all of this excitement and dollar signs floating throughout the air it seemed, I sure wanted to get on board with everybody else and get my piece of the pie. I didn't have enough money or credit to build my own house as I'd wanted, but I could probably get a loan and buy a cheap fixer-upper. Who cared that the prices had more than doubled from an average of around $100,000 to around $250,000 in just a couple years? This was sure to happen again; I'd fix it up and double my investment in just a few years! Much to my dismay, elevated home prices kept even homes on the low end of the market slightly out of my reach. I remained determined, however, asking my parents if they would co-sign and pleading my case as to how I could rent a room out for extra money and was sure to make a bundle! They were unconvinced. I watched jealously as scores of my friends and acquaintances with better jobs than I (many of them building contractors) purchased homes and discussed their lofty plans. After work I would help many of them with their remodel projects and was green with envy that I wasn't doing such work to my own place.

As I continued to search and scheme for a way to get into a house, work began to slow, slowly at first, then rapidly. The crew I worked with dwindled from as many as twelve at one point, eventually down to three (where it stands today as I write this). Being single and a bit of a job jumper I saw my number quickly approaching and started looking for alternatives. I continued as a free-agent for awhile, jumping from contractor to contractor, even working on a fishing boat for a time, before arriving at the decision to return to school. The sharp reader has surely picked up on the valuable lesson from this experience (some probably paragraphs ago), however, it seems some of the old man's thick-headedness had rubbed off on me as I still hadn't figured it out. I returned to school not realizing the severity of the economic situation that was transpiring and ultimately still aspiring to get my hands on a piece of property with which I could make my fortune.

I studied that entire year and perhaps it was being insulated by the warm walls of academia, collecting financial aid and living relatively comfortably, that kept me from grasping what was happening. Sure I heard about the recession on the news and knew of builders who had gone under, but I'd call home and no one in my family was starving. The old man was still plugging away on his remodels, which me and the guys had called "leaky-squeaky" jobs in disdain as we watched other crews build big fancy homes, fun jobs. His crew was smaller than it had been, but he was keeping his valued employees busy and weathering the storm.

It wasn't until I returned home that summer that the reality of the situation began to set in. I went back to work with my old crew, but things were now much different. Many of the pretentious homes that had gone up all around town sat empty, some with plywood over the doors and windows. My friends who had been fixing up their newly purchased houses as quickly as possible in preparation to sell them for a profit and buy another were just hoping to keep them. And that same crew of guys who little more than a year prior sat and joked about the old man, constantly talking of switching to another crew where they would make more money and build new houses only spoke of how fortunate they were to have a job. In fact, they had all gotten together and decided to voluntarily take a ten percent pay cut so the old man could bid his jobs lower and keep the lights on.

Finally it hit me, oh how I had narrowly avoided a potential financial disaster! Right as things started to look a little shaky in the housing market; I just packed up and left. This revelation was so profound for me that it bears repeating; I just packed up and left! No strings attached, no commitments, no constraints, and thank-goodness, no mortgage! As much as I hate to admit it, the old man had been right, he had learned his lesson from the last housing bubble the hard way and played it safe through this one, he didn't get rich but he didn't lose it all either. Of course I couldn't simply take his word for it, I didn't seem to care that he had been a licensed builder since 1975, watched the market go up and down and paid his dues in the last crash. It wasn't until I witnessed it myself that it became real, it wasn't until I watched the members of my community lose their jobs and their homes, and until I saw my friends completely trapped with homes that they couldn't afford and were unable to sell that I realized how lucky I had been.

In an instant my perception of homeownership was changed. What was once a symbol of success, a foolproof investment, and a liberator from being a slave to a landlord to whom you had to give your hard earned money every month suddenly became a financial hazard and a ball and chain. Reflecting upon this experience as I began my graduate work in housing studies, a concept from my undergraduate courses in sociology occurred to me; "social construction", or the idea that "the meaning of things is not inherent" but is rather "created, learned, used, and revised in social interaction" (Harris, 2010, pp. 2-3). What an illustration of a social construction I had stumbled upon, and what a clear example of the extent to which our social constructions are contingent upon external factors I had been given!

Upon this revelation I realized how fortunate I was to have learned such a valuable lesson at no expense, in fact, the whole experience had turned out to be a blessing for me as it convinced me to return to school where I was granted a teaching assistantship due to my construction experience. Yet the effects of the recession were no less real to me, it completely reversed my perception of a concept that had been my primary immediate goal in life, namely, owning a home. In fact, it had completely altered my view of a well-established, reified truth, the American Dream. Fantasies of a modest home on a nice piece of property that I owned began to be replaced. Instead, I began to imagine living in a nice fully-furnished apartment endowed with a host of amenities, pool, barbecue pit, gym, rock climbing wall, entertainment center, et cetera and most importantly, no commitment. The freedom to just pack up and leave is, for me, no longer taken for granted, and is now something I will be very hesitant to ever jeopardize.

If the recession had such a profound influence on my views of homeownership, despite the fact that its consequences had essentially bypassed me, what effect did it have on others?

What of those who actually lost their homes, who lost money on investments, whose family members had lost homes, or even those who were untouched by the recession? Surely it wasn't just me whose views were so significantly altered. This very question became the incentive for this piece of research, and the constructionist perspective had already emerged as useful in addressing it. However, a constructionist approach takes one beyond simply acknowledging that the meaning they ascribe to something has been influenced by social factors and processes. Instead, constructionism serves as a useful tool in providing a theoretical framework which requires in-depth investigation of the contingencies upon which social meanings are created, maintained, revised, distributed, and exerted within and upon individuals, groups, institutions or whole societies. Thus, prior to discussing research methods and the means through which this perspective is utilized, I will proceed with a discussion of constructionism and its application to housing studies and the concept of homeownership.

What is Social Constructionism?

> Social constructionism is not one specific theory but a general term encompassing a family of theories, each of which contends, to some degree, that *reality* is a *social construction* dependent upon the social, historical, and cultural context in which it is developed. (Micek, 2011, p. 57)

The above definition was added to the beginning of this section as an afterthought, for once it was nearly complete I came to the realization that I had done the same exact thing as a number of other scholars, which irritated me to no end as I investigated this topic, namely, title a book, chapter, or journal article *What is Social Constructionism?* and then not give a straightforward answer until pages or chapters later once they had discussed a dozen other topics. I came to understand why this is so upon approaching this topic myself, which I believe will become apparent.

Returning now to the question; what is social constructionism? This inquiry seems simple enough; however, developing a thorough understanding of social constructionism is no easy task. As Harris (2010) states, "Anyone who seeks a broad understanding of social constructionism has their work cut out for them" (p. vii). This is due in part to the breadth and depth of constructionism, which covers an array of disciplines and whose origins can be traced back centuries, developing independently among varying sources. In fact, among many authors who discuss the history of constructionism, different origins are often mentioned. This is not to say that any of these authors are *wrong*, for social constructionism is not one specific theory hailing from one definite source. Instead, constructionism is what Lock and Strong (2010) call a “broad church” with “deep historical roots that predate the modern era” (pp. 6, 12). Their book is intended to provide an introduction to constructionism’s schools of thought and prominent theorists; yet, Lock and Strong posit that a full investigation of constructionism’s roots is beyond the scope of their work. Moreover, they describe social constructionism as “very much a work in progress” and state their intention as to “stir up ideas” for the reader to apply to their own work (Lock & Strong, 2010, p. 6). Similarly, an examination of the history of social constructionism is far beyond the scope of this writing, and I agree that social constructionism is a work in progress, not in a lack of theoretical development, but in that its applications are nowhere near exhausted.

The discussion of constructionism’s development given here is by no means comprehensive considering its lengthy history and great number of important theorists. Instead, the threads of constructionism utilized here have been chosen from the schools of thought most applicable to the current research and which provide examples of its usefulness in related areas. The intention here is not to pick and choose from varying theories in order to develop some sort of hybrid, non-traditional, or new theory of constructionism. On the contrary, despite its varying forms and applications, there are elements that connect each variant of constructionism (Harris, 2010, p. 2; Lock & Strong, 2010, p. 6). Thus, the form of constructionism utilized here is very much a relative of every other. Harris’s (2010) distinction between *interpretive constructionism* and *objective constructionism* has proven most useful in application to the current research, but before I delve into what this strand of constructionism entails, I will give a more general overview of the subject.

Social constructionism is more than one distinct sociological theory. Most scholars make some mention of this as they introduce the subject; Harris (2010) introduces constructionism as a “general rubric”, under which a “substantively, methodologically, and theoretically diverse array of scholars have conducted research” (p. 1). Travers (2004) refers to social constructionism as “an influential movement across the human sciences" (p. 14), Hibberd (2005) calls it a post-modernist "metatheory," Hall (1995) a "metaperspective," and as previously mentioned Lock and Strong (2010) a "broad church." From this discussion it seems apparent enough that social constructionism is a broad perspective within which numerous smaller-scale theories reside, and in fact *perspective* is the term used by several scholars not yet mentioned (e.g., Burr, 2003; Jacobs, Kemeny, & Manzi, 2004). To avoid ambiguity, however, I will define exactly what category I place social constructionism in and describe the form of this perspective I intend to use before I finally answer the question that titles this section.

It is indeed the term *theoretical perspective* I find most appropriate in placing social constructionism in the appropriate category based on the breadth of this subject. A theoretical perspective, as used here, is a "set of assumptions about the nature of things that underlies the questions we ask and the kinds of answers we arrive at as a result" (Johnson, 1995, p. 296). For some time as I researched this topic I held social constructionism to be a paradigm, or "general organizing framework for theory and research" (Neuman, 2006, p. 81). However, I have since reevaluated this contention, coming to conclude that paradigm is too broad of a term, and now adopting Pedersen's (2007) description of paradigm:

> Paradigm is another concept that has multiple definitions and could be and has been the subject of scholarly writings. I am using the term here to mean the scholarly worldview. Each of the myriad worldviews held by scholars contains assumptions about reality and human nature. Each scholarly paradigm has its own set of views about how, and sometimes if, the world can be studied. Within each paradigm, definitions of theory and suggested approaches to the use and development of theory differ. (p. 125)

In conjunction with this definition I follow Pedersen in adopting Neuman's (2006), three-category classification of scholarly paradigms used in the social sciences, namely, positivist social science, interpretive social science, and critical social science.

As both Neuman and Pedersen note, the use of these three categories is a generalization based on "idealized, simplified models of more complex arguments" (Neuman, 2006, p. 80). However, Neuman argues, "these approaches represent fundamental differences in outlook and alternative assumptions about social research" (p. 80). Positivist social science is focused on determining causal effects and laws through empirical observations (Neuman, 2006, p. 81).

Within this paradigm many positivists hold an essentialist perspective or “the belief that some phenomenon has an essence or inherent nature that makes it what it is” (Harris, 2010, p. 10).

Interpretive social science is concerned with “how people create and maintain their social worlds” (Neuman, 2006, p. 88) and “considers the lived experience from the perspective of the individuals living it” (Pedersen, 2007, p. 108). Within this paradigm some interpretivists adopt a constructionist orientation which assumes that “the interactions and beliefs of people create reality” (Neuman, 2006, p. 89). There is more to come on this orientation.

Finally, critical social science attempts to move beyond what is stated by the other two approaches and in doing so is critical of them (Neuman, 2006, p. 81). Critical social science “seeks to understand a society’s harsh characteristics and to motivate individuals to transform the society while simultaneously liberating themselves” (Pedersen, 2007, p. 108).

It can be seen from the above discussion that social constructionism most appropriately fits within the interpretative scholarly paradigm. Furthermore, in evaluating these paradigmatic views it becomes apparent that one can hold an interpretive worldview and yet not necessarily a constructionist orientation. This distinction is important as it aids in understanding and identifying competing paradigms and perspectives that may have incongruent aspects yet agree in their overall perception of the fundamental nature of social reality. Furthermore, this division and classification will aid upcoming specification of constructionism and the various seams thereof.

Now, having defined and briefly discussed the scholarly paradigms as utilized here, described social constructionism as a theoretical perspective, and placed it within its appropriate paradigm, we are ready to further explore the philosophical assumptions of this orientation. Just as most scholars introducing constructionism take care to distinguish it as too broad to fit inside a single school of thought, the majority also illustrate a set of tenets that hold its various forms together (e.g. Burr, 2003; Harris, 2010; Jacobs, Kemeny, & Manzi, 2004; Lock & Strong, 2010). Particularly explicit in this endeavor is Burr (2003) who identifies four key assumptions that “you would absolutely have to believe in order to be a social constructionist” (p. 2).

The first of these is “a critical stance towards taken-for-granted knowledge” (Burr, 2003, p. 2), which insists that belief in assumptions and perceptions of the world as objective and unbiased be challenged. Put another way, the constructionist is "critical of the idea that our observations of the world unproblematically yield its nature to us" (Burr, 2003, p.3). The next principal of constructionism Burr presents is "historical and cultural specificity" (p. 3), which means that our common understandings of the world are dictated by the characteristics of the time and place in which we live. The next assumption is that "knowledge is sustained by social processes" (p. 4), meaning that our knowledge is "fabricated, communicated, reinforced, and reinvented constantly" (p. 4) through all kinds of social happenings. Finally, the belief that social constructions, which are formed in conjunction with the previously mentioned principles, carry with them or invite particular actions is illustrated in Burr's final postulate that "knowledge and social action go together" (p. 4).

The previous paragraph was a very brief introduction into the constructionist perspective based on a few of its central tenets, each of which can itself be expanded upon greatly. In order to further explain the philosophical assumptions of this orientation, the following discussion will draw heavily from the distinction made by Harris (2010) between interpretive and objective social constructionism. As Harris points out, this is not the currently accepted categorization but is a helpful division to make between two "dominant and competing (if only implicit) uses of the constructionist perspective" (p. 2).

Interpretive social constructionism. The central tenet of interpretive social constructionism (ISC) is that "the meaning of things is not inherent" (Harris, 2010, p. 2). The key word in this sentence is *meaning*, for it is the *meaning* that people ascribe to things, and the process through which this happens that is the primary focus of interpretive constructionists. This premise reveals the inheritance of a focus on *meaning* from symbolic interactionist thought with its emphasis on how people develop, transfer, modify, and act upon the meaning of things through social interaction. Here "things refer to everything that the human being may note in his world" (Blumer, 1969, p. 2), these could be anything from physical objects to social institutions, actions, beliefs, movements, et cetera. Thus, the aforementioned premise that "meaning is not inherent" can, for the interpretive constructionist, apply to anything and everything (Harris, 2010, p. 3).

Two questions arise from the above paragraph; first, how does interpretive constructionism differ from symbolic interactionism? Next, what sorts of meanings are interpretive constructionists mainly concerned with? In response to the first question, symbolic interactionism is typically focused on micro-level (i.e. interpersonal and intrapersonal) interactions and their influence on meanings whereas constructionism as used here has a broader scope of influences it is interested in investigating. However, symbolic interactionism could certainly be said to be within the constructionist perspective. In regards to the second question, interpretive constructionists are typically concerned with commonsense or *taken-for-granted knowledge* as opposed to theoretical knowledge; this is reflected in the first assumption given by Burr (2003, p. 2) as well as the following quotation from Berger and Luckman (1966) who coined the phrase social constructionism and whose book *The Social Construction of Reality* was instrumental in bringing the perspective to the forefront of scholarly thought:

> Since our purpose in this treatise is a sociological analysis of the reality of everyday life, more precisely, of knowledge that guides conduct in everyday life, and we are only tangentially interested in how this reality may appear in various theoretical perspectives to intellectuals, we must begin by a clarification of that reality as it is available to the commonsense of the ordinary members of society. How that commonsense reality may be influenced by the theoretical constructions of intellectuals and other merchants of ideas is a further question. (p. 19)

Interpretive social constructionism has been applied to a variety of subjects in order to provide insight into taken-for-granted knowledge in that area. Examples include family structure (Scanzoni, 2001), homeownership (Gurney, 1999), deviance (Becker, 1973), identity (Benwell & Stokoe, 2006), and many others, notably social problems sociology (Schneider, 1985). Such ISC analyses share the view that the social phenomena on which they are focused are "*interpreted* entities whose existence and qualities are dependent in large part on people's meaning-making practices" (Harris, 2010, p. 4). It should be noted here that while interpretive constructionists believe that the meaning ascribed to anything is socially constructed and thus subject to change, that this construction or interpretation does not happen completely randomly or spontaneously as "it is guided by material and conceptual resources at individuals disposal and conditioned by social and physical constraints" (Harris, 2010, p. 4).

In summary, Interpretive Social Constructionism is guided by the theme *meaning is not inherent* and thus most ISC ideas are focused on the creation (or construction) of meaning (Harris, 2010, p. 4). This is in contrast to concern for the *true* meaning of things or the construction of “real states of affairs” which is the topic of the next section on objective social constructionism (Harris, 2010, p. 5).

Objective social constructionism. As alluded to above, objective social constructionism (OSC) differs from interpretive social constructionism in that it is not focused on the development of meaning, but rather *real* happenings. I must discuss at this point, as does Harris (2010) that the word *real* is used here for lack of a better word. This is not to imply that the above section was concerned with something unreal, instead the intention is to distinguish between a thread of constructionism focused on *meanings* (ISC), and one focused on the creation of *real things* (OSC). Thus, for example, the objective social constructionist might be interested in how social factors such as politics, religion, socioeconomic status, and so forth influence or produce *real* social phenomena (e.g., different housing tenure forms). Thus, “objective constructionists argue that something is ‘socially constructed’ when a real phenomenon (as opposed to an interpretation or meaning) derives its existence or its dimensions from other social factors” (Harris, 2010, p. 6).

One may note some overlap between these two general forms of constructionism. Indeed, once we move from the development of a particular meaning into how that socially constructed meaning results in the social construction of some real social happening, we are teetering on a middle ground between the two. However, this does not detract from the usefulness of the ISC/OSC distinction. The two may operate simultaneously or interact in a give-and-take process, sometimes in complex ways. Thus, some may use an ISC approach for some issues while using OSC for others, even within the same piece of work (Harris, 2010, p. 5).

Despite their differences, it can be seen that both OSC and ISC fall under the umbrella of constructionist thought which, returning to the definition given at the outset of this section, “contends, to some degree, that reality is a social construction dependent upon the social, historical, and cultural context in which it is developed” (Micek, 2011, p. 57). Thus, notwithstanding the divergence between the two in their primary areas of focus, they share a similar language that can be utilized effectively regardless of the particular form employed.

Application to housing studies. A number of housing researchers have noted a deficiency of theory-based research in the field of housing studies (Jacobs & Manzi, 2000; Jacobs, et al., 2004). Furthermore, related to this deficiency has been the dominance of a positivist epistemology within housing research (Jacobs, et al., 2004). Indeed, the lack of attention to theory along with the concurrent focus on policy-driven, empirical research has been a central concern of the work of one prominent housing researcher, Jim Kemeny (O'Neill, 2008). Kemeny's concern has been that research in the field of housing studies has too often been influenced by special interest groups and/or the need of researchers to generate funding and thus the move away from theoretically-driven research projects towards a "fee-for-service" style research agenda, a trend which Kemeny calls "epistemic drift" (O'Neill, 2008, p. 165).

Inherent in the social constructionist perspective is its refutation of positivist epistemologies "in which social reality is an objective fact to argue that social reality is variable between social actors located in specific social contexts, times and places" (Gurney, 1999, p. 6). This is different from denying the usefulness of empirical, policy-oriented research which has been noted to enable "academics to access resources and to ensure scholarship is up to date and close to the practical concerns of policy makers" (Jacobs & Manzi, 2000, p. 35). Rather, the point here is that there are inherent disadvantages to research within the positivist paradigm as well as to research lacking in explicit theory and that the implementation of social constructionism can offer substantial improvement on both counts.

On the first count, one observation is that policy-oriented research often results in "methodologically conservative" research outcomes (Jacobs & Manzi, 2000, p. 35). It is also noted that such research takes for granted existing conceptual categories used in housing research making it difficult to create new conceptualizations (Jacobs & Manzi, 2000). Another primary concern with positivistic research is its receptiveness to the needs and wants of funding bodies, which may be special-interest groups such as the professional housing lobby (Jacobs & Manzi, 2000). This can lead to the second factor aforementioned, namely, research lacking explicit theory, in that it causes housing researchers to neglect conceptual and theoretical development within the field resulting in "theoretical impoverishment" (O'Neill, 2008, p. 166). This theoretical impoverishment can cause housing researchers to overlook broad-scale social phenomena by creating a myopic research agenda narrowly focused on specific deficiencies of the housing system and the resolution thereof (Kemeny, 1992).

Due in part to the abovementioned issues associated with positivistic, policy-oriented research as well as the call from numerous scholars for greater theory use and development, contemporary housing research has been characterized by just such an increase. Jacobs, et al. (2004) cite three reasons they see as instrumental in explaining the recent increase in the receptiveness of housing academics to theory. First, they point to an enhanced awareness of theory's potential to increase the quality of research outcomes, particularly in its ability to provide a framework, which helps to reduce ambiguity. Second, it is argued, there has been an increased realization that housing studies must be approached in light of the larger debates taking place among other social science disciplines. Finally, globalization and its resultant modifications of housing context are cited as having encouraged researchers to "seek appropriate theories and concepts to make sense of these changes" (p. 2).

As mentioned above, social constructionism questions the positivist perspective of social reality as an objective truth by viewing it as contingent upon social context. Therefore, in conjunction with the previously mentioned reasons for an increased use of theory in housing research, social constructionism has emerged as particularly well-suited to counterbalance "the dominance of the atheoretical empiricism of much traditional housing research" (Jacobs, et al., 2004, p. 2). The implications of the constructionist perspective are thus of great importance to housing studies and to social science in general as adopting a constructionist orientation can completely alter the way a given social phenomenon is approached, what questions are asked, and hence the research outcomes.

One example of this claim is the application of a constructionist orientation to the subject of social problems. As opposed to a positivist perspective which perceives social problems as direct reflections of underlying realities, a constructionist approach is first interested in how such issues become perceived as problems in the first place and then in the collective strategies that can be employed to address them (Jacobs & Manzi, 2000). As Kemeny (1992) argues, what becomes collectively perceived as a problem is influenced through the competition of interest groups each attempting to push their respective agenda. An example of this is the concept of homelessness, which when approached empirically may be viewed simply as a deficiency in the supply of housing (Jacobs & Manzi, 2000). In contrast, when approaching homelessness from a constructionist perspective, as did Jacobs, Kemeny, and Manzi (1999) and Blasi (2000), particular attention is focused on changing perceptions and definitions due to the power struggles of interest groups.

This is but one example of constructionism's application to a housing-related issue, however, as Jacobs et al. (2004) note "social constructionism has emerged as an influential perspective and its application extends to a number of different areas of housing research" (p. 1). Thus Jacobs and Manzi (2000), in an article outlining the usefulness of this perspective in housing studies, identify three primary areas in which this epistemology has been shown to be particularly valuable. First among these is *the social construction of organizations,* for which they discuss constructionism's utility in investigating conflicts and tensions within organizations and cite examples (e.g. Clapham, 1997). Next, they discuss this perspective's effectiveness in *criticisms of contemporary policy initiatives*, where, as in the case of homelessness, constructionism is valuable in its ability to view policies as the outcomes of competing interest groups and thus to explain why they are often inconsistent in their aims and ambitions. Finally, constructionism is exalted for its ability to *clarify conceptual issues* within housing policy and several examples are cited.

The constructionist perspective has also been applied to homeownership, a pertinent example is the work of Gurney (1999) who uses a discourse analysis thread of social constructionism (see Foucalt, 1972, 1980) in order to investigate "the significance of metaphor in the social construction of reality" (p. 1713). More specifically, Gurney "draws upon Foucault to show how notions of home ownership have been "normalized" within British culture" (p. 40). Gurney draws his data from qualitative fieldwork among a small group of home-owner households in order to illustrate that everyday metaphors and aphorisms play a role in the social construction of housing and, what's more, facilitate the transmission and retention of tenure prejudice. Among the social constructions of housing embedded in such metaphors is a deep-seated preference for homeownership as the ideal tenure form. Thus, everyday discourse serves to accentuate the positive aspects of homeownership along with the negative aspects of renting. Gurney also expands this discussion from a purely interpretive social construction investigation towards the objective end of the continuum in suggesting that such prejudices result in disadvantages for renters and thus concludes that it is:

> incumbent upon housing research first, to explain why one group of housing consumers was able so successfully to socially-construct an outgroup of another group of housing consumers and, secondly, to explain the implications that this might have for housing policy and practice. (p. 1722)

Thus, Gurney's research suggests not only that social constructions can result in giving different meanings to the home and specific tenure types but also that such constructions can translate into changes in actual states of affairs such as housing practices and policies.

In this section I have shared my personal experiences that led me to connect the constructionist perspective to the concept of homeownership. Then, we took a tour through some of the basic elements of social constructionism, discussing paradigms, perspectives, and different forms of constructionism along the way. Finally, we investigated some of the ways in which this perspective has been applied to housing studies and in doing so moved in a direction towards the way constructionism will be used here. Next, we will explore a brief history of the social construction of homeownership in the United States, and more specifically its place within the American Dream. Then, we will examine how such sentiment is reflected in Federal Housing Policy, which is seen as both a cause and effect of the importance of homeownership in the United States.

The Social Construction of Homeownership and the American Dream

"Life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement"

James Truslow Adams (1931, p. 415)

Writing in 1931, James Truslow Adams is largely credited with coining the phrase that would become the ethos of an entire nation. In the above quotation Adams describes a country in which every person has the potential to achieve satisfaction and success based not on the circumstances into which they were born but rather their abilities and level of personal achievement. Remarkably, when asked to define the American Dream, many Americans today still comment on having the opportunity to succeed regardless of their background.

Despite the consistency of this central tenet, American's perceptions of exactly what this dream entails have undergone changes since the concept became a part of America's collective consciousness. In his book *Cynicism and the Evolution of the American Dream*, Caldwell (2007) argues that the dream was from its conception composed of two parts, an idealistic component based on the idea of liberty, and a materialistic piece based on the desire to acquire property. Furthermore, he argues that each of these constituent parts has evolved slowly side by side, often in competition with one another. Despite its evolution across time, and the opposition among its component parts, one aspect has taken hold and become so essential to the American Dream that it is often used as a surrogate for having achieved it, namely, homeownership.

A Historical Overview of Homeownership in the United States

The importance of homeownership in the United States can be traced back to before colonization. Early America's ideas of homeownership were an inheritance from its English heritage where landownership served as a primary means of establishing one as a respectable citizen (Mitchell, 1985a). Certainly the importance of property ownership can be traced back much further, however, the point here is simply that ideals about the significance of homeownership were present among the very founders of this nation.

Following the accomplishment of independence, early Americans had a vast frontier of abundant land, the settlement and division of which was a topic of much debate. Even during these earliest years of the nation, land ownership served as an important means and indicator of wealth. Furthermore, owning real property served as a prequalification for the right to suffrage, indicating the continuation of pre-colonial views of real property ownership as a qualifier distinguishing respectable citizens from those less worthy.

Obtaining a piece of property and a house provided more for the early American settler than the obvious; shelter and a sense of home, it also offered, as the above paragraph discusses, entrance into a league of more respectable citizens and with this the right to vote. But America offered the early settler something more, as Cullen (2003) states, “For many settlers, America was a refuge from hostile outsiders as well as a livelihood that could confer upward mobility: a land of dreams” (p. 138).

It is from these early years and their characteristic views of property possession that contemporary ideas and policies of homeownership have grown. As Mitchell (1985b) describes:

> The sturdy yeoman of Jeffersonian mythology (the small farmer who owned his land, earned a living on it by the sweat on his brow, and looked any man squarely in the face) was the hardworking repository of national civic virtue, and became in twentieth century urban settings, the homeowner. A small plot of ground with a house served as both vehicle for and evidence of freedom. (p. 40)

Illustrating the same notion, Duaney, Plater-Zyberk, and Speck (2000) explain that housing concepts of today have grown out of the “pastoral dream of the autonomous homestead in the countryside” and further describe that “this vision has been equated with a democratic economy, in which homeownership equals participation” (p. 40).

Though the image has changed over time, the same basic, though now somewhat nostalgic, concept of the hardworking, autonomous American homeowner has persisted and translated into contemporary times to the extent that homeownership has become an inseparable element of the American Dream. Evidence of this premise is abundant throughout popular media outlets including television, radio, internet and publications as well as academic literature, political discourse and public policy.

What is given here is a vast oversimplification of historic factors contributing to the face of American housing today based on a brief period in history. A multitude of reasons can be given for the development of the American Dream as synonymous with homeownership and in particular the male breadwinner, detached, single-family home. However, this is the topic of a different discussion as it is not the subject of this paper. Furthermore, this premise is already well established throughout academic writings, for example, as Delores Hayden wrote in her influential 1984 book *Redesigning the American Dream*, “single-family suburban homes have become inseparable from the American dream of economic success and upward mobility” (p. 30). The small amount of information given thus far on historical concepts of homeownership has been offered only to introduce common sentiment that fueled early government efforts to encourage and assist Americans in owning their own homes and which have persisted into contemporary times thereby transforming into modern ideals of homeownership as well as housing policy.

Early federal efforts to promote homeownership. It has been demonstrated that strongly held values for real property ownership in the United States have deep roots. Likewise, policies by the federal government to promote homeownership have been implemented since America’s early years as a nation. Mitchell (1985b), points out that governmental land distribution to veterans following wars has taken place after every conflict in United States history including the revolutionary and civil wars and cites this as an early example of a governmental role in fostering land ownership. The government’s incentives for such land distribution include a need to repay veterans for their service as well as to prevent the development of a collection of “disgruntled ex-soldiers” and the troubles that would surely follow (Mitchell, 1985b, p. 40).

Other examples of early efforts by the federal government to increase real property ownership also exhibit interest in increasing landownership amongst the broadest array of citizens as possible. The Northwest Ordinance of 1787 and the Homestead Act of 1862 are examples of governmental action to increase the number and diversity of citizens to whom landownership was possible (Mitchell, 1985b). This is evidenced by the fact that each of these acts decreased both the cost and minimum size of land purchase, loosened the terms of procurement, and lowered the down payment required to attain land (Mitchell, 1985b). While such examples illustrate the U.S. government’s interest in housing policy and give insight into early examples of national ideals including private land ownership and diversity thereof, it wasn’t until the twentieth century that the promotion of homeownership by the government took place on any large-scale (Carliner, 1998; Roskey & Green, 2006).

The growth of federal involvement in housing. Promoting land ownership has always been on the agenda of federal housing policy in the U.S. However, the federal government's involvement during the 19th and early 20th centuries was very limited, and generally focused on housing quality (Roskey & Green, 2006). It is important to understand the growth of quality-related concerns in housing as it served as not only the impetus by which the federal government's involvement grew but also through which the focus turned back toward homeownership, a concept that will become clear as we proceed.

In 1975, the Department of Housing and Urban Development (HUD), prepared a document for the U.S. Congress summarizing the history of involvement by the U.S. government in housing policy. This report, a chronology of legislation and executive actions regarding housing, devoted only one-half page to activity between 1892 and 1931, and 222 pages to actions between 1931 and 1974 (Mitchell, 1985a). This drastic increase in federal involvement, however, can be seen as resulting from processes dating back to the industrial revolution and its subsequent development of large housing tenements which housed the urban poor and the conditions of which were often dreadful. Mitchell (1985a) points out that protests to such conditions grew along with industrialization, from being "a few wavering voices in the 1830s" to a "crescendo by the 1930s" (pp. 5-6). In her 1931 writing, *Recent Trends in American Housing*, Edith Elmer Wood succinctly summarizes the conditions to which such protests were focused:

> Bad housing conditions which are injurious to health include lack of light (especially sunlight), lack of ventilation, dampness (as in underground dwellings), overcrowding, impure or inadequate water supply, lack of bathing facilities, insanitary or insufficient toilets, lack of sewer connection, uncleanliness, dilapidation, lack of screens against flies and mosquitoes, inadequate disposal of garbage. (p. 4)

By this time the prevalence of such conditions was common knowledge both in the public and political consciousness. The post WWI years saw an abundance of housing surveys, most of these were conducted by municipal and state governments while those by the federal government were generally circumstantial findings by agencies not directly aimed at housing, yet who began reporting on housing conditions in their reports (Andracheck, 1979). These dire housing conditions brought about housing reformers who worked to improve urban housing conditions, mostly through restrictive legislation (Andracheck, 1979; Mitchell, 1985a). The result was the implementation of building codes which set improved standards for many of the conditions mentioned above by Wood (Andrachek, 1979; Mitchell, 1985a). However, the development of new building standards could not eradicate pre-existing problems or influence property owners to improve their tenements, an endeavor that would result in marginal profit if any at all (Andrachek, 1979; Mitchell, 1985a).

With the inability of the market, reformers, and limited numbers of philanthropists to improve the desperate housing situation all eyes turned to the federal government for intervention. As Andrachek (1979) states, “The assumption was that where private enterprise failed legislation and government action could provide the means for a united and ultimately successful attack on poor housing conditions” (p. 159).

While the miserable conditions of the urban poor certainly created the need for governmental intervention and the appeal from much of the population for action, it was the Great Depression that provided the final impetus resulting in large-scale federal involvement in housing issues. Mitchell states that “The fiscal crises which threatened every city and state as the Great Depression deepened shifted the focus of public intervention from municipal to federal government” (1985a, p. 6). But it was more than simply the need to improve housing conditions and the economic situation of so many Americans that worked to change common sentiment about public assistance and thus ultimately resulting in increased government involvement, it was in fact the changing face of those in need.

Large numbers of poor citizens and immigrants living in dismal conditions was nothing new, granted the numbers of such people increased dramatically during this time but as much as it was the increase in numbers, it was the increasing demographic of people who found themselves among the needy. Prior to the depression, there was a more negative attitude towards the poor as being in a self-inflicted situation in life based on their own unworthiness and incapability. By engulfing the formerly respectable, virtuous, and economically stable into an expanding class of newly poor, desperate, and in need of government assistance, the Great Depression worked to weaken stringent views of who was and was not worthy of commiseration and in doing so generated a new “constituency for public assistance” (Mitchell, 1985a, p. 7).

Along with the now apparent need for federal involvement in housing policy and changing views regarding public assistance, powerful interest groups hit particularly hard by the financial and economic adversities of the Great Depression joined the ranks of those advocating federal action. Most notable among these groups were the building and financial industries. During the depression over two million construction workers lost their jobs, and the financial institutions lost the mortgage-payment income of a million and a half homes that went into foreclosure (Mason, 1982, p. 7).

Thus, with powerful supporters, a large constituency, and a dire need, the path was paved for the development of federal housing programs aimed at providing employment and stabilizing the banking and building industries. The result was the development of a federal housing policy agenda at the center of which was a focus on home financing as a primary means of making homeownership available to more Americans (Mason, 1982; Mitchell, 1985a; Roskey & Green, 2006; Semer, Zimmerman, Foard, & Frantz, 1985). Accordingly, what developed were federally mandated devices aimed at directing the flow of mortgage finances into residential building projects which came in the form of the nation’s “financing apparatus” (Mitchell, 1985a, p. 7). Mitchell (1985b) discusses the results of and rationale behind such implementations:

> These devices have diminished the risks inherent in mortgage lending, improved the liquidity of mortgage loans, broken down the barriers of isolated local capital markets, tapped new sources of mortgage funds, and transformed the nature of mortgage lending. Policy makers reasoned that the best way to broaden homeownership was to make borrowing easier: larger mortgages (lower down payments), longer contract terms, lower interest rates, and lower periodic payments. (p. 40)

In addition to its intended purpose of rebuilding the banking, building and manufacturing industries by directing funds back into building projects; homeownership was seen as a worthy cause with the ability to stabilize communities resulting in citizens with a greater stake in their neighborhood and nation.

Promotion of homeownership. I have discussed the legacy of homeownership's importance throughout the history of the United States. Then, I examined the social forces that led to not only a need for federal involvement in housing policy but also to public support for government assistance. Finally, the method chosen to achieve economic and social stability was mentioned. Now, I will discuss the primary methods through which the federal government has attempted to promote homeownership and provide economic strength, namely, "tax benefits, regulation of and participation in the financial system, and direct subsidies to housing producers and consumers" (Carliner, 1998, p. 299).

***Federal tax expenditures*.** Tax expenditures comprise the largest source of federal government assistance for housing (Carliner, 1998). Such tax expenditures are deductions from taxable income and include deductions for mortgage interest and property taxes, exclusions for capital gains taxes, the elimination of interest on state and local government housing bonds, and tax credits for low income construction or redevelopment (Roskey & Green, 2006). In 2009 a First-Time Homebuyer Tax credit was introduced (Internal Revenue Service, 2009). Landis and McClure (2010) point out that "government spending provides a better indicator of priorities than all policy statements, program summaries, and commission reports combined" (p. 323).

With this in mind we can see such tax expenditures as yet another affirmation of homeownership's importance on the government agenda, as the federal government provides tax credits and deductions for ownership at a level far greater than those offered to renters; $6 assisting homeowners to every $1 assisting renters by some estimates (Landis and McClure, 2010). In fact, this system of tax expenditures is often cited as evidence of bias putting renters at a distinct disadvantage to homeowners (Carliner, 1998), while such a discussion is beyond scope of this writing, it is clear that homeowners are more likely than renters to benefit from such tax expenditures (Aaron, 1972).

Federal involvement in housing finance. Prior to the 1930s, and the events previously discussed leading to increased federal government involvement, housing finance was dominated by the private sector along with state and local governments (Carliner, 1998). Carliner (1998) argues that in contrast to common perceptions, a high percentage of home loans during the 1920s were fully amortized, though over a relatively short term by today's standards, 10 to 15 years versus an average of 30 years today, which was unheard of until after WWII. Regardless of the form of home loans pre-depression, the result was profuse foreclosure rates and the subsequent crash of the banking and building industries followed by federal movement to initiate revival. As a result of this revival process, strengthening the credit system has become a central theme of federal home finance policy that has persisted to current times. In fact, many of the federal programs and organizations we are familiar with today were born directly out of the depression era.

Thrift institutions began to be insured by the federal government for the first time in 1932; with the Federal Home Loan Bank (FHLB) Act. Then, with the implementation of National Housing Act of 1934 the Federal Housing Administration (FHA) insurance program began to encourage home mortgage lending by guaranteeing liens against properties (Carliner, 1998). Such developments demonstrate the newly emerging mindset that the national government was the appropriate entity to intervene in housing issues, and the development of a host of related programs quickly ensued including the national public housing program in 1937 and the Federal National Mortgage Association (Fannie Mae) in 1938 (Landis & McClure, 2010).

Each of the acts discussed above served different elements of the same goal, namely, to increase the stability of and confidence in financial institutions thereby encouraging savers to deposit their money with lenders which would allow individual savings to provide the funding for home mortgages and in turn stimulate the economy. The FHLB served this purpose by making mortgage funds more dependable and by creating a national market for mortgages (Mitchell, 1985a). The FHA on the other hand worked to guarantee mortgages, thereby lessening the risks of default to lenders and enabling the development of longer-term amortized loans with greater loan-to-value ratios (Mitchell, 1985a). Such missions remain important today, and the government now insures home loans through the U.S. Department of Housing and Urban Development (of which the FHA is now a part), the United States Department of Agriculture (USDA), and the U.S. Department of Veterans Affairs (VA) (Roskey & Green, 2006, p. 148).

Also mentioned above was the development of the Federal National Mortgage Association, commonly known as Fannie Mae (FNMA), along with the Federal Home Loan Mortgage Corporation (Freddie Mac, FHLMC) developed in 1970, these two organizations have comprised the largest sector of yet another means by which the federal government has worked to increase the availability of borrowed funds to lenders and thus prospective homebuyers, the secondary mortgage market. The secondary mortgage market refers to a market in which lenders interact with the investment industry and negotiate sales of securities or bonds which are collateralized by mortgage loans. The purpose of the secondary mortgage market is to increase the funding available for housing by connecting local housing lenders to larger mortgage markets (Roskey & Green, 2006, p. 150). This purpose along with federal laws requiring that designated percentages of the mortgages they purchase come from low- and moderate-income home loans show yet another example of federal efforts to support and expand homeownership.

The last method mentioned through which the federal government promotes homeownership is by means of direct subsidies to housing producers and consumers. While direct subsidies have been the least prominent among the devices mentioned, there have been noteworthy and influential examples of such programs. The most ambitious of these has been the U.S. Department of Housing and Urban Development Section 235 program (Carliner, 1998). Under HUD Section 235, qualified homeowners may have their monthly mortgage payments reduced through a monthly interest reduction payment made by HUD to the lender on behalf of the homeowner. The results of this government action are reductions in the effective interest rate for homebuyers which, depending on their income, may become as low as one percent with HUD covering the rest (Thompson, 2006).

In this section we have briefly examined the history of the importance of homeownership in the United States, the development of federal housing policy, and the methods through which the federal government promotes homeownership. These basic concepts will be important to understand as we investigate the topic of the next section; the recent financial crisis.

The Financial Crisis

As described in the introduction, this research is focused on the impact of the recent financial crisis on American's perceptions of homeownership. Hence, this section will examine this crisis in attempt to explain what it entails, its relation to housing, and why it is being investigated as a potentially influential factor in the social construction of homeownership and the American Dream.

The most appropriate place to start in this investigation is by defining financial crisis and clarifying the particular case with which this writing is concerned. The technical definition of a financial crisis is "a disruption to financial markets in which adverse selection and moral hazard problems become much worse, so that financial markets are unable to efficiently channel funds to those who have the most productive investment opportunities" (Mishkin, 1992, p. 1). This definition is laden with economic vocabulary referring to the negative results that occur when participants in the market have asymmetric information, a concept that will come into play later. However, for now, it will suffice to simplify this explanation and define a financial crisis as a situation in which the value of financial institutions or assets drops rapidly and substantially. While financial crises may take a variety of forms and result from a range of causes, they typically involve a monetary excess leading to a boom and eventual bust (Taylor, 2009, p. 1).

In the recent financial crisis, with which we are concerned here, this excess took the form of a housing boom and bust and led to "financial turmoil in the United States and other countries" (Taylor, 2009, p. 1). At this point in time, there is no universally accepted title for this particular financial crisis, which began in the United States in 2008 and was initiated in large part by the collapse of the housing bubble that peaked in mid 2006. It is often referred to as the *Global Financial Crisis* (e.g., Shiller, 2008) due to its expansiveness or the *Great Recession* (e.g., Roberts, 2009) for the ensuing recession that has transpired in many countries. It is also sometimes referred to as the *Late 2000s Crisis* (e.g., Weiss, 2009) or the *Current Financial Crisis* (e.g., Akerlof & Shiller, 2010) in order to classify it by date. The *Subprime Mortgage Crisis* refers to the drastic rise in subprime mortgage delinquencies and foreclosures which preceded this financial crisis and is often used as a synonym for it (e.g., Ariely, 2009). In this writing, any mention of the Financial Crisis will refer to that which has been specified unless otherwise stated.

Just as there are many different names given to this crisis, a number of different factors are argued to have caused it. A simple Google search will yield millions of varying ideas and opinions, many similar, others opposing, some purely speculative and others empirically based. Likewise, a trip to the library can yield a stack of books and journal articles exploring this same subject. In fact, the United States government, under the Fraud Enforcement and Recovery Act of 2009, signed into law by Barack Obama, appointed the Financial Crisis Inquiry Commission (FCIC), with the sole purpose of examining “the causes, domestic and global, of the current financial and economic crisis in the United States" (FCIC, 2011b, p. 416).

The FCIC’s report was released January, 27 2011 and concluded that:

> the crisis was avoidable and was caused by: Widespread failures in financial regulation, including the Federal Reserve’s failure to stem the tide of toxic mortgages; Dramatic breakdowns in corporate governance including too many financial firms acting recklessly and taking on too much risk; An explosive mix of excessive borrowing and risk by households and Wall Street that put the financial system on a collision course with crisis; Key policy makers ill prepared for the crisis, lacking a full understanding of the financial system they oversaw; and systemic breaches in accountability and ethics at all levels. (Financial Crisis Inquiry Commission FCIC, 2011a, p. 1)

Although this explanation may seem extensive and complicated, it was attacked immediately upon its release by three members of the commission for being overly narrow and simplistic. In an article published in the *Wall Street Journal* the same day as the commission’s report was released, these dissenting members made their case. They argued that the majority of the commission had focused its attention too narrowly on Wall Street and its influence in Washington. Furthermore, they commented on a fourth member of the commission who also rejected the majority’s findings, arguing rather that the primary cause of the crisis was the involvement of the federal government in the housing market primarily through Fannie Mae and Freddie Mac. While these authors acknowledge the appeal of these explanations due to their placing blame on a clear entity and thus suggesting specific reform proposals, their account is “a messier story that emphasizes both global economic forces and failures in U.S. policy and supervision" (Hennessey, Holtz-Enkin, and Thomas, 2011, para. 4).

In order to further elucidate the unfolding of what is commonly described as the worst financial crisis since the Great Depression, these former commission members describe ten factors they see as having contributed. First, they argue that there was a credit bubble in the United States dating back to the early 1990s (factor 1), and that this led to the growth of a housing bubble that persisted on to the mid 2000s (factor 2). The excess liquidity available to Americans combined with rising house prices and a poorly regulated mortgage market resulted in the increased use of nontraditional mortgages, many of which were confusing, deceptive, and ultimately beyond the ability of the borrowers to pay back (factor 3). Along with the use of these atypical mortgages, credit requirements were loosened and thus when home loans were securitized for sale on the secondary mortgage market they became toxic assets (factor 4). Under false impressions of the safety of these assets, financial institutions acquired massive amounts of them (factor 5) and held too little capital to cover these exposures which they instead funded with short-term debt they believed would be accessible when needed (factor 6). Factor 7, contagion, refers to the failure of an over-extended firm resulting in the ensuing collapse of others due to their interrelatedness. Closely related is the idea of common shock (factor 8) in which multiple firms fail due to having bet their monies on similar losing investments. Thus, the rapid failure of multiple firms resulted in panic (factor 9), which ultimately led to financial contraction (factor 10) and real damage to the economy.

Among the numerous and often competing accounts of causes for the financial crises, it is not uncommon to hear any of these ten factors mentioned as a potential culprit. However, different analysts give varying degrees of importance to each or disregard some while focusing solely on others. What is relatively uncommon is to hear investigators discuss the role of people's perceptions of homeownership in the development of the subprime crisis and subsequent recession. While there has been a recent increase in writings which at least allude to the importance of psychological factors in contributing to the crisis (e.g., Kolb, 2011), few researchers make such influences central in their analyses. One exception is Robert J. Shiller, Yale economics professor and co-developer of the Case-Shiller Home Price Indices, who in his 2008 book *The Subprime Solution* argues that "the subprime crisis was essentially psychological in origin" (p. 24). Shiller's account is so useful in articulating a well-developed theory as to how psychological factors contributed to the financial crisis that the following section will be based on his writing.

Causes of the financial crisis: Shiller's case. Shiller argues that the psychological factors behind the subprime crisis took the form of "'irrational exuberance' at the prospects for profits" (p. 24), resulting in the development of the housing bubble which he argues was "a major cause, if not *the* cause of the subprime crisis and of the broader economic crisis we now face" (p. 29). While he does not use the term social constructionism, Shiller offers a constructionist explanation for how such *irrational exuberance* is developed and perpetuated throughout society:

> While every historical event is the outcome of a combination of factors, I believe, as I argued in *Irrational Exuberance*, that the most important single element to be reckoned with in understanding this or any other speculative boom is the *social contagion* of boom thinking, mediated by the common observation of rapidly rising prices. This social contagion lends increasing credibility to stories-I call them "new era" stories-that appear to justify the belief that the boom will continue. The operation of such a social contagion of ideas is hard to see because we do not observe the contagion directly, and it is easy to neglect its underlying causes. (p. 41)

Here Shiller applies the theory of social contagion, which I will argue clearly fits within the constructionist perspective, to the development of "boom thinking" through the means of "new era stories," resulting in the growth of the recent housing bubble. First, we will take a closer look at what the theory of social contagion entails and how it is utilized by Shiller. Locher (2001) provides an apt description of this theory given below:

> The Contagion Theory of collective behavior is based upon the idea that moods and thoughts become contagious within certain types of crowds. Once infected with these thoughts, behavior becomes irrational or illogical and people do things that they normally would not do. Any individual in the crowd who already has the idea becomes the carrier. Under the right circumstances, other members of the crowd become infected. This process of contagion is not instantaneous and it can only occur under certain circumstances. First, a crowd of people must focus attention on the same event, person, or object. Crowd members begin to influence each other as soon as this common focus occurs. As excitement grows, individuals lose their self-consciousness, enter into something like a frenzy state, and cease to think before they act. Once crowd members have reached this condition, any idea or behavior offered by any member of the group is

> almost certain to receive support from all other members of the group. In this way, the entire crowd is reduced to the level of what LeBon called "its lowers members". (p. 12)

From this description it can be seen that social contagion theory fits neatly within the constructionist orientation, which we will recall posits that "the interactions and beliefs of people create reality" (Neuman, 2006, p. 89). Within this perspective, the theory of social contagion narrows its focus to the "social events and conditions that make crowd behavior possible" (Locher, 2001, p. 11). This theory has its roots in the work of various historians, psychologists and sociologists, notably Gustave LeBron, Robert Park, and Herbert Blumer (Locher, 2011, p. 11). Shiller utilizes this theory as an effective tool within his broader area of interest, behavioral economics, which Mullainathan and Thaler (2000) define as, "the combination of psychology and economics that investigates what happens in markets in which some of the agents display human limitations and complications" (p. 1).

Shiller's constructionist orientation and use of social contagion theory are utilized to achieve his greater goal of illustrating "the importance of behavioral economics in bringing economic ideas to successful results" (Shiller, 2005, p. 269). More specifically, he advocates the "application of methods from other social sciences-particularly psychology-to economics" (2005, p. 269). While Shiller's use of social contagion theory is not limited to housing, in *The Subprime Solution* he focuses on the psychological causes of the subprime crisis and the importance of understanding such forces in developing appropriate responses and thus preventing such crises from occurring in the future as is evident in the following quotation:

> the democratic extension of the innovations of modern financial technology must be done with a clearer understanding of human psychology, so that the spreading of risk can foster proper economic incentives and limit moral hazard. (2008, p. 24)

Hence, this writing takes place in two primary phases; first, he lays out his case for the psychological origin of the crisis, and second, he proposes a set of financial and political developments he believes will be instrumental in "extending the benefits of financial innovation to more and more people" (p. 23), a concept he calls the *democratization of finance*. Since the goal here is to contribute to the understanding of contemporary perceptions of homeownership, focus will be given to the first of these goals while future innovations will be left to the economists, politicians, and financial experts.

In his attempt to establish *boom thinking* as a primary cause of the housing bubble, and thus the financial crisis, Shiller goes beyond merely theorizing, rather, he begins by providing empirical data in order to discredit other possible explanations. For example, he provides the following graph, showing real home prices (corrected for inflation) since 1890 as compared to population, building costs, and interest rates.

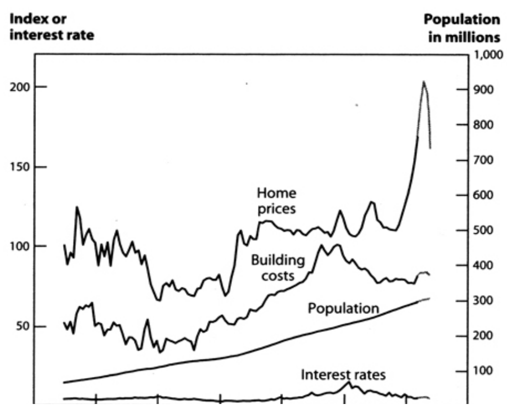

Figure 2.1. U.S. Real Home Prices, 1890-2008, along with Building Costs, Population, and Long-Term Government Bond Interest Rates, annual 1890-2008. From *The Subprime Solution* (p. 33), by R. J. Shiller, 2008, Princeton, New Jersey: Princeton University Press.

This table shows that beginning in the late 1990s, home prices exploded, increasing 85% between 1997 and their peak in 2006. Furthermore, it shows that this unprecedented increase in home prices could not be explained by construction costs, population, or long-term interest rates.

Next, Shiller demonstrates similarities in the patterns of home prices across major American cities both preceding and following the crisis:

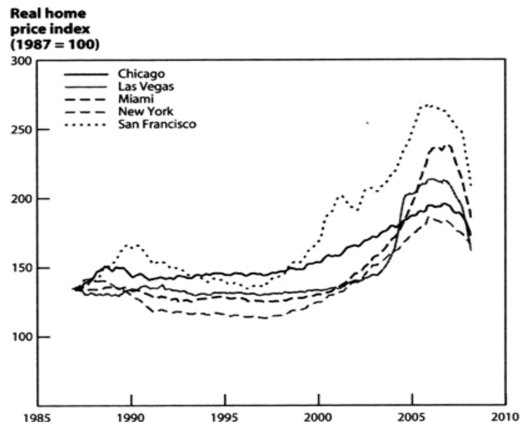

Figure 2.2. Real Home Prices in a Sample of Cities, Monthly, January 1983 to March 2008. From *The Subprime Solution* (p. 33), by R. J. Shiller, 2008, Princeton, New Jersey: Princeton University Press.

Then, the similarities of trends across three price tiers of homes:

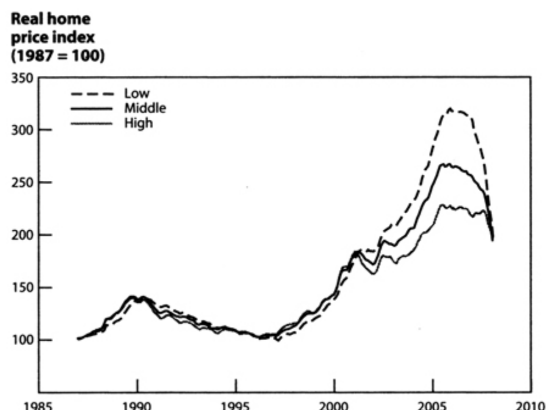

Figure 2.3. Real San Francisco Metro Area Home-Price Indices by Price Tier, Monthly, January 1987 to March 2008. From *The Subprime Solution* (p. 33), by R. J. Shiller, 2008, Princeton, New Jersey: Princeton University Press.

And finally, a comparison between home prices in Boston and greater London in order to demonstrate the boarder-crossing magnitude of these trends:

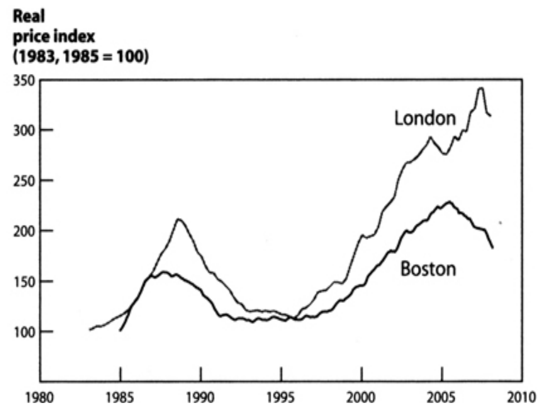

Figure 2.4. Real Greater London and Greater Boston Home Prices. From *The Subprime Solution* (p. 33), by R. J. Shiller, 2008, Princeton, New Jersey: Princeton University Press.

While a further explanation of each of these trends can be found in Shiller's book, here it will suffice to simply reiterate the primary purpose of these graphs which is to demonstrate that "The pervasiveness of the boom of the early 2000s across cities, across price tiers, and across countries suggests that something very broad and general has been at work" (Shiller, 2008, p. 37). Furthermore, having revealed the inability of commonly argued concepts to account for the housing price bubble and illustrated the scope of this phenomenon, Shiller moves on to his argument that "an important ultimate cause of these extraordinary price movements in so many different places is related to the contagion of market psychology-a contagion that knew no borders because of the global nature of the story that fed it" (Shiller, 2008, p. 38).

In formulating this argument, Shiller begins by asking the general question of "What in the world has been happening since the late 1990s to propel home prices up so dramatically?" (p. 39). To address this question, he starts by demonstrating the failure of national leaders themselves to understand what was taking place. This is achieved by citing examples of leaders such as former Chairman of the Federal Reserve Alan Greenspan, the current Chairman Ben Bernanke, and President George W. Bush all exalting the increase in home prices preceding the bubble as being rooted in strong economic growth as opposed to a speculative bubble.

Such examples suggest that even financial, economic, and political experts were influenced by the *irrational exuberance* of the bubble mentality. Furthermore, these examples illustrate the ideologies that provided a social environment favorable to the growth of *speculative fever*. Such ideologies include an unconditional belief in the superiority of the American capitalist system and an opposition to the idea of people's thoughts being socially constructed in favor of belief in the power of individuals to act intelligently and autonomously in response to external stimuli and information.

According to Shiller, such "intellectual arrogance" has had a significant impact on the world economy. This impact has taken place, in large part, due to the tendency of financial and economic experts to focus on existing "mathematical econometric models of individual behavior" (p. 42) at the expense of useful constructionist theories which understand that "a good part of what drives people's thinking is purely social in nature" (p. 42). These ideas are clearly outlined in the following quotation:

> What seems to be absent from the thinking of many economists and economic commentators is an understanding that contagion of ideas is consistently a factor in human affairs. Just as there are interregional differences in matters of opinion (as evidenced, for example, by the geographic concentration of support for political parties), so too are there intertemporal differences. The changing zeitgeist drives common opinion among the members of society at any point in time and place, and this zeitgeist changes as new ideas gain prominence and recede in importance within the collective thinking. Speculative markets are merely exceptionally good places in which to observe the ebb and flow of the zeitgeist. (Shiller, 2008, p. 43)

This *ebb and flow* is likened to a disease epidemic in which the rates of contagion and removal are influenced by various factors (e.g., temperature, number of individuals living in close proximity, etc). Similarly, Shiller argues, situations can arise in which the infection rate for ideas is increased; a classic example of this phenomenon is the oft argued connection between the rise of nationalism as brought about by the introduction of the printing press. In the present discussion, the notion of interest is an optimistic view of the housing market, which is clearly evidenced by the behavior of agents in this market during the bubble period.

As further support of this perception, Shiller offers the results of a survey he and Karl Case (one of the co-creators of the Case-Shiller index) conducted in 2005, while the housing market was still hot. This survey was aimed at determining the expectations San Francisco home buyers had for the housing market in the ten years to come. Case and Shiller found that the median expectation was that home prices would increase by 9% a year while the mean expectation was 14% a year (p. 45). More shocking was that nearly a third of the respondents expected home prices to increase by over 50% a year (p. 45). In retrospect, the sentiments revealed by this survey along with the actual behavior of agents in the housing market seem to illustrate quite obviously an irrationally optimistic attitude, however, very few people were able to perceive this at the time. Thus, the question becomes, what factors raised the *contagion rate* and lowered the *removal rate* of such sentiment to the point that *speculative fever* became an influential part of the *collective consciousness* ultimately resulting in the subprime crisis.

To answer this question Shiller points to the marketplace, to which he notes many people, and notably the news media, are closely attentive. Thus, as prices in the market change, they become the center of stories told by the media as well as individuals. These "new era" stories are central to how contagion occurs as the following quotation states:

> The confidence of a nation, or of any large group, tends to revolve around stories. Of particular relevance are *new era* stories, those that purport to describe historic changes that will propel the economy into a brand new era. (Akerlof & Shiller, 2009, p. 55)

Hence, as prices move, such stories are created around these changes, creating a "feedback loop" in which price changes increase the spreading of the story, resulting in further price changes, and so it continues (Shiller, 2008, p. 46).

Shiller notes that feedback loops may take the form of "price-economic activity-price loops" (2008, p. 46) in which price increases based on speculation result in economic optimism, which causes more spending, hence increased economic growth, resulting in more optimism and further biding up of prices. Thus, the feelings of optimism and prosperity that accompany the bubble are actually caused by the bubble itself (Shiller, 2008, p. 46). In contrast, some bubbles may be based on solid economic fundamentals and Shiller calls these "rational bubbles" (2008, p. 46). In either case, people observe the actions of others in order to obtain information that they themselves do not have, which creates the potential for the spread of excessively optimistic or pessimistic views (Shiller, 2008, p. 46). In order to explain how this happens, Shiller borrows a term from Bikhchandani, Hirshleifer and Welch (1992), "information cascades," in which the members of a group disregard their own independent, rational thoughts and adopt those of others due to the belief that the entire group couldn't be wrong (Shiller, 2008, p. 47). One may note the similarity between this assessment and the one from Locher given above.

As I mentioned previously and as does Shiller, this is not the common argument for what caused the bubble. Many other factors, including those previously mentioned, are often cited as responsible. However, Shiller turns such arguments upside down, stating that "these other factors were themselves substantially a product of the bubble, and not exogenous factors that caused the bubble" (2008, p. 48).

The first such factor Shiller investigates is the common argument that loose-fitting monetary policy, in the form of a low federal funds interest rate from 2000 to 2006, was the primary cause of the crisis. Stanford Economics Professor John B. Taylor dedicates the first chapter of his book, *Getting Off Track: How Government Actions and Interventions Caused, Prolonged, and Worsened the Financial Crisis*, to making this case that "extra-easy policy accelerated the housing boom and thereby ultimately led to the housing bust" (2009, p. 4). Shiller, however, rejects this explanation, explaining that this policy was implemented in response to the crash of the stock market bubble of the 1990s (which he predicted in his book *Irrational Exuberence*). According to Shiller, the housing boom was itself an outgrowth of this stock market bubble, and therefore this monetary policy would have never been implemented had leaders such as Alan Greenspan realized this (p. 49). To clarify, Shiller's argument is that the Fed focused too much attention on preventing a recession following the bust of the stock market because they failed to recognize that housing prices had been artificially inflated (p. 49). Thus, they genuinely believed that home prices would continue to rise and as a result implemented policy contributing to the inflation of the bubble.

Furthermore, Shiller notes, interest rate cuts fail to explain the length of the housing bubble which lasted three times longer than the period of low rates (2008, p. 49). Moreover, the housing boom continued to hasten even during times when the Fed was raising interest rates (Shiller, 2008, p. 49). Finally, he argues, the interest rates of conventional mortgages were unaffected by these cuts until near the end of the boom (p. 49). The argument here is not that loose monetary policy was not a factor in the housing boom, rather, that such policy was, to some extent, a product of the bubble itself and therefore should not be viewed as an exogenous variable.

Next, Shiller (2008) addresses the topic of subprime mortgages. The importance of this subject is obvious as it was the rapid increase in defaults on subprime mortgages that was largely responsible for igniting the financial crisis by causing the failure of banks and government sponsored enterprises resulting in the need for federal intervention in the form of bailouts of these institutions. Thus, understanding both the causes and effects of the rapid proliferation of subprime mortgages in the years preceding the financial crisis is of the upmost importance.

We have already seen a simple outline of a positivist explanation for the role of subprime mortgages in the financial crisis. That is, returning to the explanation offered by the dissenting members of the FCIC (i.e., Hennessey, Holtz-Eakin, & Thomas, 2011), we can see a linear cause and effect argument unfold. Namely,that the credit bubble beginning in the 1990s led to the growth of the housing bubble which resulted in rising house prices. That this rapid increase in the price of homes combined with a poorly regulated mortgage market led to lowered credit standards and an increase in nontraditional mortgages. Thus, when such mortgages were securitized and sold in the secondary market they became toxic assets leading to the subsequent crash. Certainly, nothing provided in this explanation is false and in my view it serves as a useful outline from which to further investigate this topic. However, turning to a constructionist perspective, it can be seen that this account is deficient in explaining how the perceptions of agents in this market influenced their behavior resulting in this chain of events. Shiller’s account is useful in addressing this shortcoming.

Operating within the outline of empirical realities as outlined above, Shiller (2008) acknowledges the role of loose monetary policy. Furthermore, he notes that the impact of low interest rates was amplified by the use of adjustable-rate mortages which are more responsive to such factors than are traditional fixed-rate mortgages. Hence, he posits that an increase in non-traditional mortgage products, particularly among subprime borrowers, greatly increased the impact of interest rate cuts made by the Fed. These observations, though they are empirically based and explain key pieces of what transpired, do not fully explain *why* such events happened. That is, lowered interest rates and rising home prices do not by themselves explain the proliferation of adjustable-rate mortgages to subprime borrowers. Certainly, something must have been taking place within the *consciousnesses* of agents within this market which caused consumers to desire so strongly to purchase homes that they willingly entered risky contracts and which led suppliers to allow them to do so despite the risks.

Thus, Shiller argues that “Adjustable-rate mortgages were common because those who had been influenced by bubble thinking and wanted to get into real estate investments as heavily as possible were demanding them” (2008, p. 50). He goes on to explain that the prospect of rising interest rates did not deter such prospective buyers because of their belief that home prices would continue to rise and thus that they would be able to refinance at lower rates. As to why lenders accomodated the demand for such loans, Shiller provides the same argument, namely, because “they themselves (as well as the investors in the mortgages that they sold off) believed in the bubble” (2008, p. 50). Shiller continues to extend this argument, claiming that the rating agencies who persisted to give AAA ratings to to mortgage backed securites did so “because they too believed that there would be no bursting of the bubble” (2008, p. 51). Moreover, he addresses the commonly argued case that the bubble was caused by the failure of regulators to effectively curtail aggressive lending by asserting that “the lack of urgency among regulators in doing their job must ultimately have originated in their inability to believe that there could ever be a housing crisis of the proportions we are seeing today” (2008, p. 51).

Shiller (2008) offers numerous examples in support of these claims. From personal experiences speaking to major bank regulators, to reports from these regulators to congress, to accounts of the dissaray that institutions found themselves in following the collapse of the subprime market; he successfully formulates the argument that the aforementioned factors were able to contribute to the inflation of the bubble because “the very people responsible for oversight were caught up in the same high expectations for future home-price increases that the general public had” (2008, p. 53). Moreover, Shiller buttresses his arguments with the theories of economists such as Hyman Minsky, whose work has experienced increased interest following the financial crisis.

Minsky's work can be summarized in two sentences. First, that "A long period of healthy growth convinces people to take bigger and bigger risks" (Barbera, 2009, p. xiv) and second, that "When a great many people have made risky bets, small disappointments can have devastating consequences" (Barbera, 2009, p. xiv). Indeed, Minsky's theories have been shown to be so accurate in light of the current financial crisis that the catch phrase the *Minsky Moment*, referring to the time when investors over-burdened with debt are forced to sell even their less speculative investments in order to pay their loans, has become commonplace on Wall Street (Lahart, 2007). One contemporary analysis of Minsky and the recent financial cisis will be examined further in the next section.

The growth of the housing bubble and the proliferation of non-traditional and subprime mortgages provide substantial evidence for the increase in risk taking behavior as forecasted by Minsky. Furthermore, the devastating economic consequences of the Minsky Moment have proven to be real outcomes of such excessively optimistic behavior. The importance of belief in the bubble in fostering optimism and risky behavior among consumers, producers, investors, and regulators in the housing market has been argued. Hence the question that arises is why such perceptions and activities flourished at the time they did. That is, as Shiller poses the question, "What made bubble thinking especially contagious after 2000?" (2008, p. 55).

The importance of land-ownership throughout the history of the United States has been illustrated, what's more, land speculation and purchase for investment purposes can also be seen throughout America's history. Shiller notes that the last real estate crisis of great magnitude in the U.S. took place in the 1930s following the last period of widespread interest in real estate speculation (2008, p. 57). Similarly, he argues, this latest financial crisis was related to an era of increased interest in real estate speculation. This interest, he posits, increased the social contagion of bubble thinking and was related to the stock market boom that took place in the 1990s (2008, p. 57).

This theorized relationship is based on the idea that the stock market boom actually transformed the way people think about their role in the economy by cultivating the notion that individuals should strive to make money investing (Shiller, 2008, p. 57). The importance of the Protestant work ethic in the capitalist system has long been recognized, dating all the way back to Weber's *The Protestant Ethic and the Spirit of Capitalism,*which was originally published in 1904. This ideal, Shiller argues, has been altered in that hard work alone is no longer enough for a person to be revered, instead, being a smart investor is also essential (p. 57). This ideological shift, according to Shiller, combined with "new era" stories about emerging capitalist economies such as China, India, and Brazil, among others, and resulted in a focus on investment in real estate. This is because people saw such nascent capitalist systems as sources for an emerging population of newly wealthy who were sure to drive up the prices of real property and other assets. Thus, with a heightened awareness of the real estate market, the observation of rapidly increasing prices and the desire to be heavily invested in that market seemed perfectly rational.

Shiller notes that housing bubbles are nothing new and that they have taken place from time to time throughout American history, citing the Florida land bubble of 1925 and the California bubble of the 1880s as examples (2008, pp. 58-59). However, he observes, the recent bubble is different in that previous bubbles have been local phenomena whereas the latest was generalized past the borders of individual cities and states, and even across national boundaries (p. 58-59). Hence, the question that arises is what made this recent housing bubble so different? Again, Shiller points to the factors increasing the contagion rate of new era stories.

Along with stories of emerging capitalist systems increasing speculation across borders and among different markets, Shiller points to changes in perceptions of real estate itself. One such change, perpetuated by the recent bubble, is the conflation of land values and housing values. That is, the land on which a home is situated has historically constituted a relatively small percentage of the overall value of the property (~15%), thus, houses were viewed as depreciating goods just like any other manufactured product (Shiller, 2008, p. 64). However, this has changed, and now the value of the land (the home price minus the cost of the built structure) typically constitutes over 50% of the home price (Shiller, 2008, p. 64). This contributes to what Shiller calls the *real estate myth*, that “because of population growth and economic growth, and with limited land resources available, the price of real estate must inevitably trend strongly upward through time” (2008, p. 69).

Shiller uses an assortment of empirical data to refute this myth. First, he notes, that the average annual increase in GDP among developed countries has, for many decades, been around 3% and higher for less-developed countries (2008, p. 70). Thus, according to the real estate myth, one would expect home prices to increase in similar fashion; Shiller argues that this is not the case. While the fraction of incomes spent on housing has been relatively consistent over time, this is not reflected in an increase of the value of individual properties, rather, rising home prices reflect increasing house size and quality (Shiller, 2008, p. 70). Hence, Shiller notes, “If the real prices of homes had risen at just 3% a year over the past century, then we could generally not afford houses that are any better or bigger today than we could then” (2008, p. 70). However, homes have clearly gotten bigger and better.

Shiller buttresses this argument with Census data, noting that the average size of homes has increased from 1,525 square feet in 1973 to 2,248 square feet in 2006 (2008, p. 70). Furthermore, he notes, average nominal new home price increased by a factor of 8.605 between 1963 and 1998 while the Constant Quality Index of New Home prices, rose by a factor of 5.928 (p. 71). These two factors give a ratio of 1.452, which he interprets as meaning that new homes showed a 45% increase in quality during this time period, reflecting an increase of 1.1% a year (p. 71). Moreover, he posits, this is but a portion of the 2.4% increase in real per capita income over the same time period, thus concluding that:

> We were able to spend our increased incomes on bigger homes and in spreading out among more homes, and we still had money left over to improve our standard of living in other ways, such as traveling more, spending more on entertainment, and demanding better health care. It is very clear that we were not struggling with relentless increases in home prices that even kept pace with our income. (2008, p. 71)

Next, Shiller discusses what he calls “urban patriotism and parochialism” (2008, p. 73), or the tendency for people to “consider their own city as possessing an illusory greatness, to an unhealthy extent” (p. 73). As an example he offers Californian’s tendency to maintain that “everyone wants to live here,” a sentiment he confirms with survey data. He attempts to discredit such narrow views by citing a lecture he gave at a resort in Turkey in which he discussed these California-centric ideals with the Turks. The scene he describes is one of a people as uniformed and uninterested in the beautiful places in California as Californians are uniformed and uninterested in all of the beautiful places in Turkey. This parochialism can also be seen in the opening of this chapter among residents of the Oregon Coast, myself included. As convinced as I was that the unique beauty of the Oregon Coast would bring increased desire for coastal properties, an influx of buyers, and thus continually rising prices, it has since become apparent that such beliefs were in no way limited to my community but were common among various locations. Shiller uses a term from psychologist Thomas Gilovich, *the spotlight effect*, to describe people’s tendency to feel as though they are constantly being watched and thus to believe that their own city is more desired than it actually is (p. 74). Such ideology, Shiller contends, contributes to speculative bubbles, noting that “California has been he bubbliest state in the United States” (p. 75).

The next aspect of the real estate myth discussed is the common belief that construction costs are exploding. Similar to the idea that limited available land will result in an inevitable increase in land prices is the belief that limited building materials will result in an unavoidable escalation of construction costs. Likewise, Shiller refutes this conception, discussing the abundance of the most common building materials (i.e., lumber, plaster, concrete, glass, and steel), as well as the ability to substitute alternatives in the unlikely shortage of such resources (pp. 76-78). Moreover, the biggest component of housing construction costs, labor, he concludes will decrease across time due to technological progress. This contention seems reasonable based on my own experience in the trades, throughout which time I have seen the development of tools, materials, and building practices which have greatly increased the efficiency of production. However, Shiller asserts, such basic economic facts, are beyond the understanding of the public, and “this lack of understanding has helped produce a massive speculative bubble based on a faulty impression that we are running out of the resources used in home construction” (2008, p. 79).

The last aspect of the real estate myth discussed is the idea that homes gain value due to a perceived scarcity of urban centers. However, Shiller contends, such perceptions are not justifiable as “new urban centers, new towns or cities, can be built from scratch” (2008, p. 79). As support for this claim he cites numerous examples of new urbanism projects including the development of entirely new cities that he sees as “part of a long-run trend that will work against accelerating home prices” (2008, p. 82). Thus, he argues, the inaccuracy of the myth is not that there isn’t in fact a shortage of land around the most favored places but rather that more desireable places have historically been created through more efficient, intensive, and creative land use and migration and that this will continue to be the case.

Furthermore, Shiller observes, political history is often influenced by antipathy for economic inequality which is often increased through the privileges of property ownership. Such resentment frequently leads to land reforms and changes to laws in attempt to address such inequality. Indeed, in the short amount of time since Shiller’s writing we have seen the development of a massive social movement based largely on such premises. Moreover, the subprime crisis itself can in some ways be seen as resulting from such perceptions and their ensuing land reforms in the form of government efforts to promote homeownership which contributed to the loose regulatory policies and lending practices preceding the crisis (Shiller, 2008, p. 83). The point here is that land use restrictions which benefit existing landowners at the expense of others are subject to being overturned, and this is used as yet another component of the argument that surging home prices based on the misconceptions of the real estate myth are unjustifiable.

From this analysis of Shiller’s writing it can be seen that he provides a well-developed constructionist theory of the recent financial crisis which goes beyond common positivist explanations in order to emphasize the importance of psychological factors. Likewise, the following section examines another constuctionist analysis of the crisis which, while having a slightly different focus, effectively buttresses the work of Shiller and supports the current argument that perceptions of homeownership should be investigated.

Causes of the financial crisis: Barbera's case. Mentioned above were the theories of Hyman Minsky, the usefulness of whose work on the process of speculative bubbles has become evident in the recent post-crisis era. A recent champion of Minky's work, renowned Wall Street economist Robert J. Barbera, in his book *The Cost of Capitalism*, examines the recent financial crisis through the lens provided by Minsky's theories, arguing that "market crises are an integral part of our economic system" and that "a confluence of forces over the past 25 years prevented this self-evident truth from being incorporated into the mainstream view" (2009, p. 2). More specifically, Barbera posits that an undying loyalty to free market capitalism following the fall of communism has led to the common view of this system as being infallible and thus the development of a paradigm among policy makers and academic economists that denies what he claims "centuries of evidence makes clear" (2009, p. 4). Namely, that "Late in economic expansions, dubious investments and reckless financing strategies are the central drivers for recessions around the world" (Barbera, 2009, p. 4). Hence, Barbera concludes that due to the inability of policy makers and regulators to recognize this economic trend:

> It is not hyperbole, therefore, to lay the multi-trillion-dollar bill for the 2008 financial system bailout, and the deep recession of 2008-2009, at the doorstep of misguided confidence in the infallibility of free markets. (2009, p. 4)

From the preceding introduction to Barbera's (2009) writing we can see the constructionism of his theories. That is, he argues that social happenings (e.g., the fall of communism) led to the development of particular economic views (interpretive social constructionism) and furthermore, that such views led to irrational investments and financing (objective social constructionism). As we will see moving on, Minsky's focus is on the stages through which attitudes towards financial risk change, and so, Barbera uses this view to examine the recent financial crisis. This differs somewhat from Shiller who utilized the theory of social contagion to analyze the factors that facilitated the spread of speculative fever and thus contributed to the recent housing bubble. However, these works are not mutually exclusive, and significant overlap can be seen between them. For example, both utilize a constructionist perspective, employing both ISC and OSC elements, acknowledging the importance of social factors in influencing people's conceptions and how these perceptions impact their behavior. Though Barbera's work, unlike Shiller's, is not aimed specifically at homeownership, it does provide a well developed theory about the boom and bust cycle of markets, of which financial markets and the underlying housing market are the latest to demonstrate this effect. Thus, Barbera's writing provides broad support for Shiller's more precisely aimed work and in doing so substantiates the claims made here that perceptions of homeownership are worth exploring.

The first chapter of Barbera's (2009) book is dedicated to using the current financial crisis along with an analysis of recent economic history to advocate the need for the development of a new economic paradigm. The economic record of the United States over the last 25 years, he claims, demonstrates that financial market crises are a common occurrence (p. 2). This is in spite of the fact that this time period has been generally characterized by low unemployment, low inflation, and few recessions (p. 2). Hence, he poses two questions: First, why, despite the relatively calm scene on Main Street, did Wall Street continue to demonstrate a drastic boom and bust cycle? And why was this cycle, though historically obvious, ignored by policy makers and economists?

It is these two questions that *The Cost of Capitalism* sets out to answer . On the first count, Barbera (2009) argues that market crises are innate to our economic system and that "the record also reveals that, with painful regularity, cycles come to an end following errors and excesses that conclude with market upheaval and economic retrenchment" (p. 2).

In regards to the second question, Barbera's (2009) argument is that numerous forces over the past 25 years have prevented recognition of these basic economic facts. Specifically, he argues that among policy makers, commitment to free market capitalism has gone too far, morphing into a view of capitalism as infallible and thus leading to a dominant paradigm that denies and ignores the tendency for capitalist systems to experience boom and bust cycles leading to financial crises and recessions. Thus, he posits that:

> Going forward, both policy makers and mainstream economic thinkers need to embrace a model for capitalism that squares with both its virtues and its flaws. The events of 2008 revealed that using simple-minded free market rhetoric as a policy guide is a recipe for disaster. (2009, p. 4)

Hence, similar to Shiller’s (2008) argument for the importance of understanding human psychology and its role in the development of speculative bubbles, Barbera emphasizes the importance of the dominant economic paradigm in the boom and bust cycle.

In order to explain how the economic environment went from seeming so good to suddenly so bad, Barbera (2009) points to widespread acceptance that the U.S. economy was performing incredibly well according to traditional measures of economic health, namely, inflation and unemployment, which following remarkably high levels in the 1960s and 1970s dropped to consistently low levels from the early 1980s through 2006 (Barbera, 2009, p. 5). This time period was largely viewed as a huge success for U.S. monetary policy and was given names such as the “Great Moderation” and the “Goldilocks economy” to indicate its “not-too-hot, not-too-cold perfection” (Barbera, 2009, p. 5).

However, Barbera (2009) contends, despite the relatively calm scene on Main Street, the economic landscape in the United States over the past 25 years has been characterized by numerous financial market crises on Wall Street, including the stock market crash of 1987, the savings and loan crisis of the early 1990s, the Long-Term Capital Management meltdown, the boom and bust dynamic of the late 1990s, and of course the financial market meltdown of 2008 brought about by the rise and fall of residential real estate (2009, p. 6). This relation between serenity on Main Street and havoc on Wall Street, Barbera argues, is no coincidence, instead he posits:

> quiescence on Main Street invites big risk taking on Wall Street. And big wagers create the potential for big problems from small disappointments – despite the reality of a moderate economic backdrop. And therein lies the paradox. Goldilocks growth on Main Street spawned risky finance on Wall Street and, ultimately, the crisis of 2008. (2009, p. 7)

Furthermore, Barbera (2009) argues that mainstream economists failed to recognize this because they were too preoccupied worrying about wages and price inflation (p. 7). Hence, believing that the market was performing well, businessmen and bankers began to accept greater amounts of debt financing and to introduce new forms of financial innovation. Barbera argues that this occurrence was not a one time event characteristic of only the most recent financial crisis, but rather, that this phenomenon is innate to the capitalist system and guarantees financial instability (p. 7).

Drawing on Minsky, Barbera (2009) asserts that finance is the primary force for mayhem in capitalist systems and provides two observations he believes are central to Minsky's theories of boom and bust cycles. First, that "the persistence of bening real economy circumstance invites belief in its permanence" and second, that "growing confidence invites riskier finance" (Barbera, 2009, p. 8). The relation between this theory and Shiller's (2008) discussion of feedback loops can immediately be seen. Furthermore, in sync with Shiller, Barbera argues that "U.S. recessions in 1990, 2001, and 2008 all reflected violent swings in attitudes about investment – and the financing of that investment" (2009, p. 8). We have already seen Shiller's explanation for this phenomenon, Barbera, on the other hand, poses the question as to why, considering the importance of economic theories focused on the psychology of investment, particularly those of Minsky, have they failed to become mainstream among policy makers and economists?

Three forces are argued to have been influential in inhibiting the adoption of such constructionist economic theories. First, "the Reagan revolution followed by the collapse of the former Soviet empire combined to produce a global embrace and celebration of free market ideology" (Barbera, 2009, p. 8). Barbera maintains that the celebration of the power of free markets is warranted as it has been shown throughout history to be the most efficient means of providing economic needs (p. 8). However, he asserts, such sentiment has created the "misguided notion – that free market outcomes are the perfect strategy and, therefore, cannot be improved upon through governmental action" (p. 8).

Next, he points to academia where mathematical models, based on the notion that the free market always produces the ideal outcome have been produced and dissemenated (p. 9). Despite the mathematical appeal of such models, they operate under the assumption that agents in the free market have perfect information and act rationally. Hence, the use of such models has actually worked against the development of theories that more accurately describe how the real world actually operates and thereby perpetuate the inaccurate conception that there is no need for any governmental role within capitalist economies (p. 9). This assessment coincides well with Jacobs and Manzi's (2000) argument for the value of constructionist theories as well as with Shiller's case for the overuse of "mathematical econometric models of individual behavior" (2008, p. 42), each discussed above, in that it depicts how focus on postivistic explanations can lead researchers to the development of theories that are "increasingly at odds with the world around them" (Barbera, 2009, p. 9).

Finally, Barbera (2009) argues, that Minsky's theories have been marginalized, in large part, because they maintain radical policy recommendations and left-wing directives (p. 9). However, he argues, while many reject Minsky's call for socialized investment, Barbera himself included, that this does not justify the dismissal of his theories which shed light on the past 25 years of economic history in a way that traditional analysis is unable (2009, p. 9). Hence, Barbera concludes, the recent financial crisis has made clear the need for a new economic paradigm that while celebrating the advantages of capitalism, also recognizes its flaws. Part of this is acknowledging that asset markets are a likely place for excesses to occur and that dubious finance and market mayhem are consistently factors in the last stages of modern day cycles.

Hence, much like Shiller (2008), Barbera (2009) argues for the psychological origins of financial crises, as he attributes much of their development to the dominant economic paradigm adopted by agents in financial markets. Similarly, like Shiller, Barbera theorizes as to the social happenings that facilitate the adoption of irrational exuberance and thus the growth of speculative bubbles. However, Barbera's focus is slightly different in that he uses Minsky's *instability hypothesis* to point to the way "people, over the course of an economic expansion, change their attitudes about risk taking" (Barbera, 2009, p. 32). This hypothesis is articulated in the following excerpt from Barbera:

> Minsky's financial instability hypothesis depends critically on what amounts to a sociological insight. People change their minds about taking risks. They don't make a onetime rational judgment about debt use and stock market exposure and stick to it. Instead, they change their minds over time. (Barbera, 2009, p. 32)

He goes on to argue that history clearly shows that the longer prosperous economic times endure, the more people begin to see risky investment strategies as wise decisions and that when a large number of people adopt such strategies that "small disappointments can have devastating consequences" (Barbera, 2009, p. 32). Hence, when large numbers of homeowners adopted risky mortgages and numerous institutions were invested in these mortgages, the economy was preset for catastrophe as soon as house prices dropped slightly, and this is exactly what happened, *the Minsky Moment* (Barbera, 2009, p. 33).

At this point we have seen two constructionist arguments for the importance of psychological factors in the development of speculative bubbles. Shiller's (2008) theory of social contagion as well as Minsky's (1992) financial instability hypothesis highlight the consequences of social factors in influencing people's investment attitudes and practices. Furthermore, Shiller illustrates the uniqueness of real estate as an asset and thus the development of myths perpetuating belief in its limitless increase in value. What's more, Minsky's theories hold that "as the memory of recession recedes, people become more willing to take financial risks again" (Barbera, 2009, p. 40). Such observations illuminate the importance of investigating people's attitudes towards homeownership.

The role of irrational exuberance towards real estate as an investment in the development of the recent financial crisis is undeniable. Moreover, the Great Depression, the last economic catastrophe of such great magnitude was also the last period of such heightened interest in real estate investment. Hence, the implications of Minsky's (1992) observations are given stark clarity in the wake of the worst financial crisis since the Great Depression as the lessons so hard learned by previous generations were all but forgotten and their mistakes allowed to be replicated.

In light of such realizations, hopes that the lessons of the recent financial crisis will be concrete and lasting become increasingly doubtful. Particularly in the area of homeownership where concepts such as the Real Estate Myth and the American Dream continue to influence people's perceptions and behaviors, thereby contributing to increased speculation, risky financing, and ultimately market collapse and economic destruction. Hence, numerous questions arise concernings people's perceptions of homeownership following this crisis. How robust is the concept of homeownership as part of the American Dream? Is homeownership still the preferred tenure form for most Americans? How do Americans today view real estate as an investment? It is such questions that I have set out to answer. Prior to introducing the methods used to answer these questions, the following section will investigate the impact of this crisis on the United States in order to illustrate its magnitude and why it is being investigated as a social event capable of potentially altering American's views of homeownership and the American Dream.

Consequences of the financial crisis. Not surprisingly, much like identifying the causes of the financial crisis, specifying its costs is no easy task. There is no doubt that millions of Americans and others around the world have had their lives significantly altered by this event. Many people lost substantial amounts of their wealth and the value of the U.S. stock market declined a full 50 percent from its peak (Kolb, 2011, p. x). Furthermore, the massive federal bailout issued in attempt to resolve the crisis is the largest in American history (Barbera, 2009, p. 1), and along with related stimulus programs, rescues, and assisted transactions, it comprises the largest set of governmental expenditures by the U.S. since World War II as compared to GDP (Kolb, 2011, p. 260). However, as Kolb (2011) notes, any attempt to quantify the true costs of the financial crisis are likely to be inaccurate (p. 261). He describes such efforts as "attempts to hit a moving target" (p. 261), explaining that such an expansive event touches fundamental issues in political, economic, and social organization and thus that any efforts to quantify its costs are plagued by the constant threat of ideological influence. Nonetheless, this section will attempt to outline many of the primary consequences of the financial crisis while recognizing that no such endeavor could ever be entirely comprehensive and that it is naturally open to criticism and historical revision.

Despite the multitude of factors contributing to the financial crisis, it is clear that value decreases in mortgage-based assets held by U.S. financial institutions including the government-sponsored enterprises Fannie Mae and Freddie Mac, as well as the American Insurance Group (AIG), resulted in the need for their bailout in September 2008 in order to prevent complete economic collapse (Desai, 2011, p. 1). The U.S. treasury and Federal Reserve led the government response to the ensuing crisis through two primary pieces of legislation, the $700 billion Troubled Asset Relief Program (TARP), which was aimed at rescuing the banking system, and the $400 billion Housing and Economic Recovery Act of 2008, which was committed to rescuing Fannie Mae and Freddie Mac (Desai, 2011, p. 1; Kolb, 2011, p. 261).

Though this total of $1.1 trillion was committed to these programs, far less was actually invested. Furthermore, since these expenditures were made, cash inflows such as revenues and repayments have come in and continue to do so. Thus, the total cost of these bailouts is a changing figure. Numerous websites exist intended to track the true cost of the bailout as this figure changes. To date, it is estimated that approximately $594 billion has gone out in expenditures with $243 billion still outstanding (Propublica, 2011).

However, Kolb argues, this number is highly misleading as the federal government's stake in the crisis is much larger than it indicates (2011, p. 262). First of all, he points out, that while not all of the $1.1 trillion committed to TARP was invested, these funds are still dedicated to the program, allowing the possibility that programs could still be enlarged or created to take advantage of these monies (p. 262). Furthermore, substantially more money was committed by the federal government in addition to the $1.1 trillion discussed, in the form of guarantees and lines of credit extended (p. 263) Adding these funds to TARP and the government-sponsored enterprise legislation brings the total commitment by the federal government to more than $1.5 trillion.

In November 2008, the Federal Reserve and Treasury announced the creation of the Term Asset-Backed Securities Loan Facility (TALF), intended to support the asset-backed securities market and to aid in lending to households and small businesses by essentially purchasing these illiquid assets (Falsenthal and Lawder, 2011). More specifically, the Federal Reserve took these securities as collateral and made loans against them that were intended to equal the value of the securities minus a "haircut" or a small percentage of the asset used to ensure that the collateral's value would be enough to cover the loan amount (Kolb, 2011, p. 264). The problem with these loans is that they are nonrecourse loans, meaning that if the borrower defaults, the Fed simply owns the collateral and has no grounds to seek funds beyond that (Kolb, 2011, p. 264). Thus, the program has come under attack for having taxpayers liable in the case of default while private sector participants are able to benefit from the loans (Falsenthal and Lawder, 2011). As of September 2011, approximately $11.6 billion in TALF loans remained outstanding (Falsenthal and Lawder, 2011).

The largest costs of the financial crisis, however, exist separately from the visible \$1.5 trillion and are "more obscure and difficult to quantify" (Kolb, 2011, p. 264). For example, Kolb notes, beyond the \$400 billion committed to Fannie and Freddie in the Housing and Economic Recovery Act, the federal government now essentially owns these entities and thus is responsible for all of their obligations, a huge potential commitment (p. 265). Moreover, beyond the explicit \$1.5 trillion, the Federal Reserve also purchased \$1.25 trillion in mortgage-backed securities (MBS) and other asset-backed securities (ABS) from January 5th 2009 through March 31st 2010 as part of the MBS purchase program (Federal Reserve, 2010). When added to \$175 billion in debt which is guaranteed by Fannie and Freddie, these less apparent forms of financial commitment add up to \$1.425 trillion, nearly as much as TARP, TALF, and the GSE bailouts combined (Kolb, 2011, p. 265). However, the true cost of these programs are impossible to know, assuming the assets purchased by the Fed are worth the amount paid for them, then the investment should have minimal costs and even potential profits. However, as Kolb points out, only the Fed was willing to take this "business opportunity", which suggests that the investment may prove costly (2011, p. 266).

Beyond the trillions of dollars discussed thus far in bailouts, asset purchases, and other commitments, is the \$700 billion stimulus package issued by the government to combat the recession that ensued from the financial crisis (Kolb, 2011, p. 266). Given this figure added with the those previously discussed, Kolb conservatively estimates the total visible dollar cost of the financial crisis to the federal government, and ultimately the taxpayers, to be between \$2 - \$2.5 trillion (p. 266). What's more disturbing, is that this number, whatever it may be exactly, is argued to be "somewhat petty in the overall picture" (Kolb, 2011, p. 266).

More profound than the direct financial expenditures of the crisis are the real changes to our economic circumstances, which are even harder to measure (Kolb, 2011, p. 266). While 2006, when the boom was still in effect, seemed to be a very good year for the U.S. economy, with real GDP growing 2.6%, 2009 was a year of recession with a negative change in real GDP of -2.6% (U.S. Census Bureau, 2011). Hence, when taken together, this three year period shows an essentially stagnant real GDP, thus, representing three years of lost opportunitiy for economic growth. Numerous other examples demonstrate the real damage to the economy of this time period. For example, from 2006 to 2009, private investment deceased by over 30% while government expenditures increased by nearly 15%, personal bankruptcies increased by 136% and business bankruptcies increased by 209% (Kolb, 2011, p. 267). As stark as these numbers appear, they tell us little about the future economic prospects of the United States, this is because economic rebounds are possible and have certainly taken place throughout American history, however, many fear that the recent financial crisis has permanently reduced the economic standing of the United States.

The value of all the assets held by the United States, including the housing stock, plants and equipment, and land is negligible in comparison to that of human capital and its earning potential (Kolb, 2011, p. 268). Unemployment in the United States averaged 4.6% through 2006, 9.7% through 2009, and continued to average nearly 9% throughout 2011 (Bureau of Labor Statistics, 2012). Thus, aside from all of the money already lost over the past five years since the crisis began, the question that arises is whether this number will improve substantially or have the employment prospects for Americans been permanently altered in some way? This is a topic of much debate, and no clear answer exists, however, it can be said that if indeed the employment circumstances of Americans do not improve significantly, that the economic loss to the United States will be enormous (Kolb, 2011, p. 268).

Though the potential consequences associated with employment are by far the greatest, other economic losses are somewhat easier to quantify. For example, between 2006 and 2009, the total value of all stocks in the New York Stock Exchange and Nasdaq dropped from $19.29 trillion to $14.82 trillion, while the value of all residential real estate fell from $22.94 trillion to $16.58 trillion (Kolb, 2011, p. 269). Furthermore, as many people took home equity loans during the housing boom, believing that the inflated prices of their homes translated to a real increase in wealth, when home prices fell, this resulted in real losses. It is estimated that prior to the bubble Americans owned as much as 58 percent of the value of their homes, with this number dropping to as low as 38 percent today (Kolb, 2011, p. 270).

Furthermore, in addition to these already realized consequences, others remain more obscure, looming on the horizon. For example, the Federal Deposit Insurance Corporation (FDIC), which insures deposits in banks and thrift institutions, lost over $71 billion from 2006 to 2009 (Kolb, 2011, p. 271). This money is derived from depository institutions, which obtain it from customers, and thus it ultimately comes from the public at large (Kolb, 2011, p. 271). The FDIC also keeps a list of "problem banks", which contained only 50 banks with holdings of $8.3 billion in assets in 2006, as of September 2011 there were 844 banks on this list, holding $339 billion in assets (Problem Bank List, 2011). This suggests that large numbers of banks will continue to fail in the years to come (92 failed in 2011 vs 25 in 2008) (Problem Bank List, 2011).

In addition to the economic damage caused by inefficient use of human capital, stock market losses, decreasing home values, and failing banks, the U.S. government has continued to acquire more and more debt, partially in response to the financial crisis and in attempt to combat the recession (Kolb, 2011, p. 271). At the end of 2006 the U.S. Treasury reported debt of $8.68 trillion, which has since grown to $15.22 trillion as of December 2011 (Bureau of the Public Debt, 2012). In addition to this existing debt are expansive entitlement programs such as the newly enacted health care reform, Social Security, Medicare, and Medicaid. Considering the many destructive forces already mentioned and the financial constraint of such entitlements, the economic future of the United States is uncertain and is the topic of contentious debate. This discussion is beyond the scope of the current writing as the intention here is demonstrate the magnitude of the recent financial crisis thereby illustrating its potential to significantly alter American's views of closely related concepts such as homeownership and the American Dream. Hence, the following section will focus on the state of housing in the United States following the crisis.

The State of American Housing in the Post-Crisis Era

An essential piece of what drives our economy is confidence, this includes assurance among consumers that they are able to purchase goods at reasonable prices as well as on the producer side where entrepreneurs need faith that investments made and goods produced will be profitable. Furthermore, housing has traditionally played a prominent role in helping the economy to recover from crises, including the Great Depression. However, thus far following the recent financial crisis, housing has not fulfilled this function. According to the Joint Center for Housing Studies of Harvard University (JCHS), it is clear that the continual decline in home prices, proliferating home foreclosures, underwater homeowners, and tightened lending standards have all contributed to decreased confidence among consumers and producers and thus held back the rebound of the housing market (2011). However, “it is unclear how strongly attitudes toward homeownership have become more negative” (JCHS, 2011, p. 2) or how such potential attitude changes may have affected the housing market or will in the future.

According to the National Housing Survey, conducted by Fannie Mae with the intention of helping “our industry partners better understand the views of homeowners and renters across the country” (Fannie Mae, 2011a), the percentage of Americans who believe that buying a home is a safe investment has dropped sharply since 2003 (JCHS, 2011). This should come as no surprise considering the substantial drop seen in home prices and the wealth lost in real estate since the bubble burst. Regardless, as of the third quarter of 2011, this survey found that an extremely high percentage of Americans still believe that owning a home makes more sense than does renting. Among homeowners, 92% of those who personally know someone who has defaulted on a home still believe that owning a home is preferable to renting while 89% of those who do not personally know a defaulter believe this is so (Fannie Mae, 2011b). This survey also found that 39% of renters and 78% of owners who know defaulters report intentions to purchase their next home, compared to 35% of renters and 73% of owners who do not personally know defaulters (Fannie Mae, 2011b). Furthermore, the annual Housing Opportunity Pulse Survey, conducted by the National Association of Realtors (NAR) found similar results, reporting that 72% of Americans in 2011 believed that buying a home is a good financial decision (NAR, 2011).

These findings suggest that “Americans thus still prefer to own their homes and perceive that today’s lower home prices and low mortgage interest rates provide a buying opportunity” (JCHS, 2011, p. 2). Furthermore, it appears that “those exposed to default have similar attitudes about buying a home as those who do not know people that have defaulted” (Fannie Mae, 2011b,

p. 1). Hence, the data would seem to demonstrate the robustness of homeownership as an essential piece of the American Dream even in the face of severe economic crisis. In fact, a recent study by the Research Institute for Housing America (RIHA) concluded that “the current recession has done remarkably little to dampen Americans’ enthusiasm for home buying” (RIHA, 2011, p. 9).

From these findings, questions emerge regarding why, if sentiment towards home buying remains high, has the housing market failed to recover since the crisis? In response to such questions, the RIHA points to the seller side of the market, noting that positive seller sentiment since the crisis stands at an all-time low (2011, p. 39). This, they posit, is likely due to the failure of potential seller’s to adjust their reservation prices downward in response to the recent fall in property values at a rate which is fast enough to bring them in line with buyer’s expectations (p. 39). Several potential reasons are discussed for this phenomenon but ultimately it is concluded that “as buyer and seller sentiment come more in line, there will be more transactions” (p. 39). However, they note, “there is little reason to believe there will be substantive increases in home prices in the near term, at least until reservation and observed prices become better aligned” (p. 39). Furthermore, the Joint Center for Housing Studies notes that “Questions about changes in homebuying attitudes, access to mortgage credit, immigration trends, and household formation rates among young adults shroud the short term outlook for housing demand” (2011, p. 3). Hence, the rate at which the housing market will recover from the recent crisis is influenced by numerous factors and is difficult to predict. Nonetheless, it is estimated that the echo-boomer generation (born 1980 and later), combined with immigration will form enough new households in the next decade to give a healthy boost to housing demand (JCHS, 2011).

However, numerous questions still arise regarding the form such housing will take and, of particular interest to the current research, how attitudes towards homeownership will influence housing trends in the longer-term. Some aspects of these questions are easier to predict than others. For example, the baby boomers (born 1946-65) will increase the number of households over age 65 by a projected 8.7 million by 2020, a notable 35% increase from 2010 (JCHS, 2011). Thus, the sheer magnitude of this group will have a profound effect on the housing market, particularly in preferred retirement destinations (JCHS, 2011). Moreover, it is predicted that the housing behavior of these people will be relatively easy to foresee as “most people do not relocate in the years leading up to or after retirement” (JCHS, 2011, p. 3).

On the other hand, “The massive echo-boomer generation will have an important but less predictable impact on housing markets” (JCHS, 2011, p. 4). The echo-boomers, sometimes called Generation Y, or the Millennial Generation, is the largest generation to ever reach their 20s and are currently entering their peak household formation years (JCHS, 2011). Furthermore, survey data suggests that Americans in this age group have particularly positive feelings towards homeownership (RIHA, 2011). What’s more, statistics suggest that recorded sentiment towards home-buying and market behavior show strong correlation and that “the pattern of home-buying sentiment during the current recession looks similar to the pattern from past recessions” (RIHA, 2011, p. 7). However, household growth in the U.S. has been particularly slow in the late 2000s, averaging only 500,000 new households per year in 2007-2010 versus 1.2 million in 2000-2007 (JCHS, 2011). Furthermore, home sales remain low and homeownership rates have dropped from a peak of 69% in 2004 to 66% presently (RIHA, 2011).

It is possible that such trends in spite of reported positive sentiment towards homeownership merely reflect an economic environment inhospitable to new household formation and home purchase. However, they may also represent other social changes such as increasingly skeptical views towards financial risk taking, or increasing acceptance towards delayed adulthood and independence. The possibilities are numerous but one thing is clear, namely, that the size of the echo-boomer generation and their importance in the face of American housing make such questions worth investigating.

Furthermore, theories about speculative bubbles and the role of real estate bring about questions as to how this young generation has been influenced by the recent financial crisis. Such inquiries gain particular significance in light of the theories of Hyman Minsky who notes the tendency for boom and bust cycles to repeat themselves. Has this generation learned the lessons this crisis has to teach? Next time there is a heightened interest in real estate markets will they buy into the feedback loop or will they recognize the potential for markets to become inflated and refrain from frivolous spending and risky finance?

Such questions are expansive and difficult to answer, however, as with many research questions, challenges in answering broad questions do not detract from the importance of information that can be gathered by approaching them piece by piece. Hence, I attempt to contribute to such subjects by asking specific questions of members of the echo boomer generation in an effort to shed light on their ideas of the American Dream and whether homeownership is still a part of that dream.

CHAPTER III

Methods

In this study I investigated contemporary attitudes towards homeownership among both male and female members of the echo-boomer generation who were also college students at the time of the study. This investigation took place under the previously argued understanding that homeownership has traditionally been part of the "American Dream" and a constructionist theoretical framework was utilized. Therefore, the aim of this study was to reveal information concerning whether this long-established goal still holds true for college students of this particular generation following the recent financial crisis. In order to provide such information this research relies primarily on quantitative data from a questionnaire containing questions about views of homeownership and the American Dream. Quantitative data is supplemented with open-ended questions designed to allow for the expansion of given answers and the introduction of ideas unforeseen by the researcher.

Sampling Techniques

The population of interest in this study is college students in the United States who are members of the echo-boomer generation. This study utilized a convenience sample of Oregon State University students, supplemented by snowball sampling in order to reach the largest number of students from other universities as possible. Since these are nonrandom sampling techniques, no claims of representativeness to the greater echo-boomer/college student population can be made. However, since questions replicate those used in national studies, findings are examined in light of more general characteristics, and comparisons of similarities and differences are made.

Using local collegial networks and professional organizations, professors were contacted and invited to assist in recruiting study participants through means of an invitation letter sent via e-mail (see Appendix B, "Professor Invitation"). Students were reached through participating professors who either distributed an explanation of the research study and a link to the on-line survey to their students via e-mail or made a class announcement and provided the explanation and link to their students (See Appendix D, “Student Invitation”). Participants were fully informed of all rights and responsibilities as volunteers in this research project as well as any risks and benefits associated with research participation. While cooperation from professors was necessary to invite participation from students, involvement was not mandatory; professors who offered extra class credit for participating also offered an equal-point alternative. Thus participation was completely voluntary and without coercion.

Although this study focused on echo-boomer college students, no *a priori* filtering of participants took place. However, questionnaires completed by participants who reported birth years outside of the target range were excluded from the sample.

Data Collection

Data for this study were collected through an online survey. Explanation of informed consent was included in the introductory paragraph and participation in the survey was understood as consent. Hence, informed consent was assumed when the participant chose to begin answering questions.

The survey was implemented and managed through an electronic survey vehicle developed and supported by Qualtrics`, offered through the College of Business at Oregon State University. Participants’ responses were collected automatically and exported directly into an electronic data base through the survey vehicle.

Instrument

An online survey, developed specifically for this study, was the instrument used and is provided in Appendix A. Questions were based on a thorough review of literature and reflected wording found in similar instruments. The questions underwent initial pilot testing among a convenience sample of graduate students prior to being launched.

The questionnaire began with three questions concerning the respondents’ housing tenure type. These questions were chosen as the introductory portion of the survey for two reasons. First, because they are relatively simple questions designed to assist the respondents in getting familiar with the software and in becoming more comfortable with the questionnaire. Second, these responses were linked to later questions specific to the tenure type selected.

Section two contained questions concerning respondents' perceptions of the current economic environment and its relation to housing selection. This section contained twelve questions about participants' beliefs concerning the current and future states of the economy, their perceptions and future expectations of the housing market, and their personal financial situation. This section concluded with a question concerning the respondents' views of home purchase as an investment, one of the primary response variables of the study.

The third section of the questionnaire contained questions concerning reasons for and against homeownership. These were based on questions from the Fannie Mae *National Housing Survey*. These questions were designed to be primarily descriptive in nature in order to aid in understanding how people rationalize the advantages and disadvantages of homeownership. This section concluded by asking respondents to indicate their preferred housing tenure form, another of the primary dependent variables of the study.

Section four contained three questions inquiring about respondents' experience with mortgage default. These questions were based on emerging research suggesting that personal experience with default may be a potentially influential factor in people's perceptions of homeownership.

Section five contained questions concerning respondents' future housing intentions. Such questions are primary areas of concern in this study. Hence, this section contained questions regarding immediate as well as distant housing plans.

The next section asked respondents about their perceptions of the American Dream and homeownership. Again, these questions were primary areas of concern in this study. Thus, the participants were first asked an open-ended question requesting that they give a brief explanation of their definition of the American Dream followed by a question explicitly asking whether homeownership is part of their own personal American Dream. This question was treated as a primary response variable.

Finally, the respondents were asked to provide basic demographic information. This section inquired about tenure form, gender, age, year in school, major, citizenship, income level, marital status, ethnicity, and the type of housing in which the respondents reside.

Research Design and Data Analysis

This study was driven by four primary research questions given below:

1) Do college student echo-boomers view homeownership as a safe investment?

2) What is the preferred housing tenure form amongst college student echo-boomers?

3) Is homeownership in the future plans of college student echo-boomers?

4) Do college student echo-boomers view homeownership as part of the American Dream?

Survey questions were designed to most effectively address these questions while supplementing responses with additional information and allowing respondents to explain their answers. The majority of questions in this survey were designed to fulfill descriptive and explanatory functions, allowing for sample description and explanation of variance amongst dependent variables. However, each of the primary research questions had one principal response variable in the form of a binary indicator, taking values of 1 or 0 for yes/no responses. The exception to this rule was the portion on future housing intentions, which was not so simple as to allow for an adequate response in the form of one yes/no answer. This is because future housing intentions may vary from immediate to distant plans. Thus, the section on housing intentions contained multiple dependent variables which are discussed further below. All categorical independent variables with three or more possible responses were coded as dummy variables as needed to allow their use in the logistic regression analysis. For all analyses a p-value of less than .05 was required to infer statistical significance.

Research Question #1. *Do college student echo-boomers view homeownership as a safe investment?* The primary dependent variable for this research question, question number fourteen, asked respondents explicitly whether they view homeownership as a safe investment. This question required a yes or no answer and thus was treated as a binary response variable and regressed on potential explanatory variables in a logistic regression analysis, with only independent variables having a p-value of less than .05 being retained in the model. Potential explanatory variables include those from section one, which asked respondents about the type of housing in which they reside as well as their housing tenure form, that is, whether they are renters or homeowners.

Questions from section two, concerning respondent's perceptions of the current economic environment were also run as potential explanatory variables in order to deduce whether outlook on the economy as a whole influences views of investment in real estate.. This section also contained open-ended questions concerning the degree and direction in which respondents expect prices to go, designed to offer further insight into how such views influence perceptions of homeownership.

The majority of questions from section three were designed only for descriptive purposes. That is, they were used to supplement answers by providing reasons why respondents prefer homeownership or renting. However, questions thirty-six, thirty-seven, and forty from this section asked participants to choose from two possible answers concerning their tenure preference. Thus, these questions were appropriate for imputation into a logistic regression model and were run as potential explanatory variables for this research question.

The questions in section four, which inquired about respondent's experience with mortgage default, were also treated as potential explanatory variables. Emerging research suggests that such experience may have a direct influence on people's views of homeownership and thus these questions were of particular interest in this study. Each of these questions required a yes/no answer so they were treated as binary explanatory variables.

The questions from section 5, which concerned respondent's future housing intentions, were not treated as potential explanatory variables. This is because, theoretically, future housing intentions are more likely to be influenced by the other factors tested in this study rather than have an influence on these factors. Hence, these questions were treated solely as response variables in this study.

Question number forty-nine from section six, however, asked whether homeownership is part of respondent's own personal American Dream. It is possible that such views could influence people's ideas about homeownership as an investment and thus this question was treated as a potential explanatory variable for this research question.

Finally, questions from section 7, basic demographic information, were also run as predictor variables in the regression analysis. This was done in order to determine if any such factors have an influence on respondent's views of investment in real estate.

Research Question #2. *What is the preferred housing tenure form amongst college student echo boomers?* The primary dependent variable for this research question, question number forty, asked respondents explicitly whether their preferred housing tenure form is renting or homeownership. Again, this question was treated as a binary response variable and regressed on the same potential explanatory variables as discussed above (with the exception of question forty itself) with only those having a p-value of less than .05 being retained in the model.

Section three contained numerous questions asking respondents to provide the reasons for their housing tenure preferences. Many of these questions were not appropriate for regression analysis and so were used only for descriptive purposes. Specifically, questions fifteen through thirty-seven asked respondents to provide their level of agreement with various statements concerning common reasons people give for homeownership and renting. Thus, these questions were designed for descriptive insight into the reasons for which respondents justify their answers to question forty. Moreover, questions thirty-eight and thirty-nine were open-ended, and asked participants to provide what they feel are the best reasons to rent and own. These answers were subjected to content analysis techniques and coded for emerging themes. Hence, these questions allowed for further insight into housing-tenure preference and justification.

Questions thirty-six and thirty-seven, however, asked respondents to indicate which of two possible answers concerning homeownership versus renting in the short and long term they agree with. Hence, these questions had binary responses and were treated as potential explanatory variables for respondent's tenure preference.

Research Question #3. *Is homeownership in the future plans of college student echo-boomers?* As mentioned above, this question required more than one response for adequate explanation. This is because future plans may vary across time from the immediate to the distant future and may be influenced by respondent's current housing situation. This is particularly so as the sample for this study was comprised entirely of college students whose decisions were influenced by factors such as graduation and employment. Hence, the first dependent variable for this question, number forty-four, asked respondents if they were to move now whether they would be more likely to rent or purchase a home, while question number forty-five asked whether they would be more likely to rent or to own if they were to move within twelve months of graduation. Question numbers forty-six and forty-seven were linked to the previous question asking respondents their current housing tenure form. Hence, they only saw one of these questions which asked owners if they planned to always be owners or to rent at some point in the future, and renters whether they planned to always rent or to buy at some future point. Each of these questions was treated as a binary response variable and regressed upon all potential explanatory variables as discussed above, with only those having a p-value of less than .05 being retained in the model.

Research Question #4. *Do college student echo-boomers view homeownership as part of the American Dream?* Question number forty-eight was an open-ended question asking respondents to, in the fewest words possible, describe what the American Dream means to them. This question was designed to allow for content analysis and further explanation of how college student echo-boomers perceive the concept of the American Dream and whether homeownership is a part of that conception. The primary response variable for this research question was obtained from question number forty-nine, which asked respondents explicitly whether owning a home is part of their own personal “American Dream.” This question was introduced only after the open ended question described above in order to avoid bias. Data acquired from this question was treated as a binary response variable and regressed on all possible explanatory variables as described above (with the exception of question forty-nine itself) with only those having a p-value of less than .05 being retained in the model.

Sample Profile

The overall sample size used for data analysis was 256 participants. A total of 350 people participated in the survey; however, after cleaning the data based on age requirements and a minimum of 80% of the survey completed, 94 respondents were excluded.

Ten demographic variables were measured in order to describe the respondents in this study. These variables include tenure form, gender, age, year in school, major, citizenship, income level, marital status, ethnicity, and the type of housing in which the respondents reside.

Age. In order to determine age, respondents were asked to provide the year they were born. Since no *a priori* filtering by date of birth was utilized, the dates given ranged from 1957 to 1993. However, since the focus of this study is members of the echo-boomer generation, defined here as born after 1980, anyone who reported a year prior to 1981 was excluded. Likewise, respondents who failed to provide the year of their birth were disqualified since their membership in the echo-boomer generation could not be verified. Since participants were not asked the month of their birth, exact ages cannot be determined, however based on the years given, respondent's ages ranged from approximately 18 to 31 years. Based on a mean birth year of 1990, the average age of respondents was approximately 21 years of age, while the median age was approximately 20 (median birth year of 1991) (See Tables 3.1 and 3.2).

Table 3.1

Responses to Q51 "What year were you born?"

Birth Year	Frequency (n=256)	Percent	Cumulative Frequency	Cumulative Percent
1981	1	0.39	1	0.39
1982	3	1.17	4	1.56
1983	2	0.78	6	2.34
1984	3	1.17	9	3.52
1985	9	3.52	18	7.03
1986	5	1.95	23	8.98
1987	10	3.91	33	12.89
1988	10	3.91	43	16.80
1989	30	11.72	73	28.52
1990	41	16.02	114	44.53
1991	48	18.75	162	63.28

1992	54	21.09	216	84.38
1993	40	15.63	256	100.00

Table 3.2

Descriptive statistics for Q51 "What year were you born?"

N	Mean	Median	Std Dev	Minimum	Maximum
256	1990.26	1991	2.4662303	1981.00	1993.00

Gender. The majority of respondents in this study were female (78%, n=197). Males comprised the other 22% (n=56).

Education. Since all respondents in this study were current college students, the education level ranged from freshman to graduate students. Approximately 14% of respondents were graduate students (n=35), 17% were freshman (n=43), 26% sophomores (n=67), 22% juniors (n=56), 20% seniors (n=51), and less than 1% were post baccalaureate students (n=1).

Tenure form. Most of the respondents in this study were not homeowners (95%, n=240) while 5% did own homes (n=12). Among homeowners most had a mortgage (67%, n=8) while 33% owned their homes outright (n=4).

Major. The respondents in this study came from a variety of academic majors, though there were clusters of academic areas due to the sampling techniques utilized (See Table 3.3 for specifics).

Table 3.3

Responses to Q53 "What is your major?"

Major	n=251	Percent
Animal Science	2	0.8
Anthropology	2	0.8
Apparel Design	31	12.4
Architecture	1	0.4
Biochemistry	1	0.4
Biology	3	1.2
Business	18	7.2

Chemistry	1	0.4
Communications	4	1.6
Computer Science	4	1.6
Design and Human Environment	4	1.6
Economics	1	0.4
Engineering	2	0.8
English	2	0.8
Environmental Design	2	0.8
Exercise and Sport Science	8	3.2
Fine Arts	1	0.4
Forrest Management	1	0.4
Graphic Design	1	0.4
Human Development and Family Sciences	7	2.8
History	1	0.4
Housing Studies	6	2.4
Interior Design	27	10.8
Marketing	2	0.8
Merchandising Management	85	33.9
New Media Communications	4	1.6
Political Science	2	0.8
Pre-Med	1	0.4
Public Health	3	1.2
Residential Property Management	12	4.8
Sociology	1	0.4
Undecided	1	0.4
Urban Planning	9	3.6
Zoology	1	0.4

Citizenship. The vast majority of participants in this study were American citizens (94%, n=239). Six percent of respondents were citizens of other nations (n=14).

Income. Since the respondents for this research were all college students, asking for specific income-levels was anticipated to be non-informative because many were living on assistance from their parents and/or financial aid. Thus, instead we opted to inquire about the adequacy of their income as far as meeting their needs. Specifically, respondents were asked to "indicate the adequacy of their household income". The results of this inquiry are as follows: 2% of respondents felt that their income was never enough to meet their needs (n=6), 6% reported that their income rarely meets their needs (n=16), 15% stated that their income sometimes meets their needs (n=37), 30% said it most always meets their needs (n=76), and 35% said their income always meets their needs (n=89). 11% of respondents declined to answer this question (n=29).

Marital status. Most participants in this research were single at the time of the survey (83.4%, n=211)), 11.9% reported being married or partnered (n=30), 0.4% said they were separated or divorced (n=1), 0.4% said they were widowed (n=1), and 4% opted to define their marital status as "other" (n=10).

Ethnicity. When asked, most respondents reported being white, non-Hispanic (79%, n=201), 11% reported being Asian (n=27), 2% black or African American (n=5), 3% Latino or Hispanic (n=7), 1% Native Hawaiian or Pacific Islander (n=3), and 4% said "Other" (n=9).

Housing type. Most of the respondents for this study reported living in single-family detached homes (21%, n=54) or apartments (36%, n=90). The remainder of respondents reported living in dormitories or group homes (23%, n=59), townhouses (13%, n=34), or other housing types (6%, n=16).

CHAPTER IV
Findings and Discussion

In this study I investigated contemporary attitudes towards homeownership and the American Dream among both male and female members of the echo-boomer generation (born after 1980) who were also college students at the time of the study. This investigation took place through the use of an electronic survey questionnaire composed of the sections discussed below. The survey was designed to give a descriptive and explanatory analysis of respondents' views of homeownership and related issues. Furthermore, four primary research questions were addressed and will be discussed further below.

In this chapter, I will begin by reporting my findings from the various sections of the questionnaire, namely, respondents' perceptions of the economy and its relation to housing, views for and against homeownership, experiences with mortgage default, and views on the American Dream. This descriptive analysis will be followed by findings related to the four primary research questions addressed in this study.

Respondents' Perceptions of the Economy and its Relation to Housing

Climate for home purchase. When asked, 52% of respondents reported that they see now as either a very good time (15%, n=37) or a somewhat good time to purchase a home (37%, n=94). Twenty-eight percent expressed belief that now is a somewhat bad time to buy a house (n=72), while 12% said now is a very bad time (n=30), and 8% said they did not know (n=20).

Expectations for home prices, interest rates, and rental prices. When asked about their expectations for home prices over the next 12 months, 43% of respondents reported that they expect them to remain about the same (n=108). However, among those who expect home prices to change, far more respondents expect price increases (32%, n=81) than decreases (11%, n=28), and 14% said they did not know (n=36).

Among respondents who expect house prices to increase in the next year, the mean expected increase is 8.9%, and median expected price increase is 5%. Among those who anticipate price decreases, the mean expected decrease is 16.4%, while the median expected decrease is 17.5%.

Participant's outlook for home prices in the next five years show that a greater proportion expect home prices to increase over this time period with 60% anticipating price increases (n=152), 11% expecting little or no change (n=28), and 13% expecting price decreases (n=34). 15% of participants said they did not know (n=39).

The mean expectation among those who expect home prices to increase over the next five years is 13.8%, while the median is 10%. Among respondents who expect prices to decrease over this time period, the average expectation is 14.8% and the median is 10%.

When asked about their expectations for mortgage interest rates over the next 12 months, 34% of respondents expressed belief that rates will go up (n=87), while 10% said rates will go down (n=26), and 28% stated that rates will remain about the same (n=70). Twenty-eight percent of participants responded “don’t know” to this question (n=70). The mean expected mortgage interest rate increase among respondents was 9.7%, while the median expected increase was 5%. The mean expected decrease was 9.2%, and the median was 3%.

Most respondents believe that home rental prices will increase over the next year (57%, n=144), while 27% believe they will stay about the same (n=69), and 5% think they will decrease (n=12). Eleven percent of respondents said they did not know (n=28). The mean anticipated increase in rental prices is 11.7%, while the median is 6%. Among respondents who expect rental price decreases, the mean reported expectation is a decrease of 12.4%, while the median expected price decrease is 10%.

Expectations for the economy and personal financial situation. Respondents were asked their beliefs concerning the general direction the economy is headed. Forty-seven percent reported the belief that the economy is on the wrong track (n=118), while 30% said they believe the economy is on the right track (n=75), and 24% said they did not know (n=60).

When asked about their personal financial situation, 14% expressed optimism that it will get much better (n=35), and 35% said that it will get somewhat better (n=89). Thirty-three percent of respondents felt their financial situation will remain about the same over the next year (n=83), while 10% said it will get somewhat worse (n=26), 2% said it will get much worse (n=6), and 6% said they did not know (n=14).

Respondents were also asked about the level of difficulty they would anticipate experiencing if they were to try to get a mortgage today or following graduation. Most expressed the belief that they would have some level of difficulty with 29% saying it would be very difficult (n=73), and 48% saying it would be somewhat difficult (n=122). Two percent of respondents believed it would be very easy for them to get a mortgage (n=5), while 15% thought it would be somewhat easy (n=38), and 6% said they did not know (n=15).

When asked what they felt would be the biggest obstacle to getting a home mortgage, 40% felt their income would be a problem (n=100), while 22% said that having enough for a down payment would be the biggest barrier (n=56). Eleven percent listed debt as a difficulty (n=28), 8% reported job security as an obstacle (n=21), 9% expressed concern about finding an affordable rate (n=24), and 5% thought their credit history would be problematic (n=13).

When asked whether they thought it would be easier or harder for their children, or the next generation in general, to purchase a home 49% expressed the belief that it would be more difficult (n=124), while 19% felt it would be about the same (n=49), and 20% thought it would be easier (n=51). Eleven percent of participants responded “don’t know” to this question (n=29).

The final question of this section asked respondents whether or not they believe that purchasing a home is a safe investment. Most participants conveyed the belief that a home is indeed a safe investment, with 21% saying very safe (n=53), and 62% saying somewhat safe (n=157). Fourteen percent of respondents felt that purchasing a home is a somewhat unsafe investment (n=35) and 3% that it is very unsafe (n=8).

Reasons For and Against Homeownership

Section 3 of the survey asked respondents to indicate their level of agreement with reasons commonly offered for and against homeownership. Table 4.1 shows responses to common arguments for homeownership while Table 4.2 shows responses to common arguments against homeownership.

Table 4.1

Responses to Questions 15 – 28. For each one please indicate if it is a major reason, minor reason, or not a reason at all to buy a home

Question	Major Reason		Minor Reason		Not a Reason		Don't Know		Total	
	n	Percent	n	Percent	n	Percent	n	Percent	n	Percent
Q15 Owning a home provides tax benefits.	48	19%	132	52%	26	10%	47	19%	253	100%
Q16 Paying rent is not a good investment.	122	48%	82	32%	30	12%	19	8%	253	100%
Q17 Owning a home gives me something I can borrow against if I need.	41	16%	96	38%	73	29%	43	17%	253	100%
Q18 Owning a home is a good way to build up wealth that can be passed along to my family.	116	46%	88	35%	27	11%	22	9%	253	100%
Q19 It is a good retirement investment.	120	47%	82	32%	32	13%	19	8%	253	100%
Q20 It means having a good place to raise children and provide them with a good education.	204	81%	28	11%	13	5%	8	3%	253	100%
Q21 It allows you to select a community where people share your values.	142	56%	87	34%	19	8%	5	2%	253	100%
Q22 It motivates you to become a better citizen and engage in important civic activities such as voting, volunteering, and contributing to charities.	61	24%	99	39%	77	31%	14	6%	251	100%
Q23 You have a physical structure where you and your family feel safe.	198	78%	37	15%	9	4%	9	4%	253	100%
Q24 It gives you control over what you do with your living space, such as renovations and updates.	190	75%	45	18%	6	2%	12	5%	253	100%
Q25 It allows you to live in a nicer home.	160	63%	54	21%	25	10%	13	5%	252	100%
Q26 It allows you to have more space	182	72%	45	18%	13	5%	12	5%	252	100%
Q27 It's a symbol of your success or achievement.	126	50%	80	32%	39	15%	7	3%	252	100%
Q 28 Buying a home provides a good financial opportunity.	104	41%	93	37%	29	12%	26	10%	252	100%

Table 4.2

Responses to Questions 29-35. For each one please indicate if it is a major reason not to own a home, a minor reason, or not a reason at all

Question	Major Reason		Minor Reason		Not a Reason		Don't Know		Total	
	n	Percent	n	Percent	n	Percent	n	Percent	n	Percent
Q29 It is cheaper per month to rent than to buy.	102	40%	74	29%	59	23%	18	7%	253	100%
Q30 Purchasing a home can limit flexibility and future options.	98	39%	101	40%	36	14%	18	7%	253	100%
Q31 The high costs of purchase and upkeep of a home are too high.	130	51%	82	32%	25	10%	16	6%	253	100%
Q32 The process of buying a home is too complicated.	48	19%	116	46%	75	30%	12	5%	251	100%
Q33 It is not an economically good time to buy a home.	93	37%	78	31%	59	23%	22	9%	252	100%
Q34 Your money can be used for other investments that are better than buying a home.	44	17%	104	41%	84	33%	21	8%	253	100%
Q35 Renting allows you to live in a better neighborhood.	17	7%	69	27%	145	57%	22	9%	231	100%

After answering the questions in the preceding tables, respondents were asked to indicate which of two given statements was closer to their view. The first statement suggested that renting is a more logical decision in the long term than owning a home while the second indicated the opposite. Eighty-one percent of respondents indicated agreement with the second statement (n=204), 11% agreed with the first (n=28), and 8% said they did not know (n=21).

Similarly, in the next question respondents were asked to indicate their level of agreement with one of two statements, the first suggesting that renting makes more sense than owning at the present time, and the second suggesting the opposite. A small majority of 56% still felt that owning would make more sense at the present time due to it being a better investment (n=141), while 32% felt that renting made more sense (n=80), and 13% responded “don’t know” (n=32).

Respondents were then asked what their preferred housing tenure form is, renting or owning. Seventy-six percent of respondents reported that they would prefer homeownership to renting (n=193) while 24% reported that they would prefer to rent (n=60).

Questions 38 and 39 of this section were open-ended and asked respondents to provide in their own words what, if any, they felt was the best reason to rent rather than own and vice versa. The responses to these questions were coded using content analysis methods in order to classify common concepts and to identify how members of this sample rationalize renting and/or owning their homes.

Question 38 asked respondents, "In your opinion, what, if any, is the best reason to rent rather than own a house?" Seven primary response categories or concepts were identified among the responses to this question. The first and most prominent (40% of all concepts recorded, n=89) is the concept of "mobility," or the idea of being able to move when wanted or needed. Within this concept lie a couple of sub-concepts. Most notably is the idea of being able to move because you do not plan on staying in one place for too long. Some respondents specified the advantage of mobility to allow travel, while others mentioned the ability to move where needed for employment. Below are some examples of responses within this general category:

- "Because you know you will not be staying in that particular area and don't want to get tied down by owning a house when you know within the next few years you will be relocating"
- "Renting allows greater flexibility of location, and provides a shorter time frame for the person to commit to a living space"
- "Able to travel and move around easier, flexible"

The next concept identified is titled "Life stage" and refers to a prominent theme in which the respondents specified that renting made sense only at a particular stage in life (23% of all concepts, n=52). That is to say that prominent in this concept is the idea that renting is temporary and not something permanent. Among the reasons given to rent based on life stage are that it makes sense during college, until one finds job security, until student loans are paid off, and until enough money is saved to buy a home. Examples of responses within this category include:

- "If you are only temporarily in a place, such as going to school in a different town than where you live, or don't have the financial means to purchase a home"
- "For me, I'm in grad school, and do not plan to live here for too long. Down payments are too high to buy a house for only a couple of years. I will buy when I am in a more permanent location"
- "If one is not in a location for a long time"

The next concept identified has been titled “upkeep” and as the name suggests, this category is drawn from responses stating that the best reason to rent rather than own is freedom from the costs of upkeep and maintenance that come with homeownership. Seven percent of all concepts recorded included upkeep as a primary reason (n=15), here are some examples:

- “I like renting because I do not have to do any of the maintenance or upkeep”
- “If it falls apart it isn’t your problem”
- “No time or resources for upkeep”

“Cost” is another prominent concept, which suggests that the best reason to rent is because the cost of ownership is too high for one to afford (27% of all concepts, n=61). A distinction should be drawn here between the suggestion that the costs of ownership are too high and so renting is a better deal, and the suggestion that one should rent only when the costs are out of their financial reach, the latter of these two is what most respondents seem to be saying, below are some examples:

- “Because you have insufficient funds to afford a house”
- “Money is a problem”
- “You don’t have very much money at one time. It may be the only option if you are living paycheck to paycheck”
- “If you have financial problems, it can be cheaper”

Three more distinct but less common themes emerged from the responses (each comprising about 1% of all concepts). First, the idea of having “financial flexibility” was mentioned (n=2), this is the idea that one’s financial resources may be better used if they are not tied up with a mortgage payment. Second, is the idea of “risk,” that is, the idea that purchasing a house may not be a foolproof investment plan and that one may actually lose money with declines in the housing market, a total of two respondents mentioned this possibility (n=2). Finally, the last concept identified is titled “none,” and as the name suggests this comes from respondents who explicitly stated that there are no viable reasons to rent rather than to own (n=2).

Frequencies and percentages of concepts can be seen below in Table 4.3. Since more than one concept was identified among several responses, percentages are taken out of the total number of concepts identified within the 204 total responses (n=223). For example, in the response “I like to be free to move around at this point in my life,” both the concepts of “mobility” and “life stage” are identified and thus this response counted as two concepts among the total of 223 counted. Most responses to this question contained only one concept but as many three were found in some.

Table 4.3

Concepts from Q38. In your opinion, what, if any, is the best reason to rent rather than own a house?

Concept	n=223	Percent
Mobility	89	40%
Life Stage	52	23%
Cost	61	27%
Upkeep	15	7%
Financial Flexibility	2	1%
Risk	2	1%
None	2	1%

Question 39 asked respondents; “In your opinion, what, if any, is the best reason to purchase rather than rent a house?” The responses to this question were first divided into two general categories, namely, financial and non-financial reasons. Among financial reasons, the primary concept identified was “investment,” that is, in one way or another all financially related responses addressed homeownership as a superior investment to renting (48% of all concepts, n=108). Within this primary concept there were several sub-concepts, most notably the ideas that real property appreciates over time and that renting is equivalent to throwing money away. Following are some examples:

- “Renting is throwing money away and you get nothing upon moving out”
- “Better investment. Putting money towards owning something rather than throwing it away to a landlord”
- “You money goes to an asset that you will eventually own”
- “Houses appreciate, so you can make money, it’s a great investment over time”

Among the non-financial reasons given for homeownership, several distinct subcategories emerged which required separate classifications. First and most prominent among these was the idea of "stability" which comprised 23% of all concepts recorded (n=50). Stability was a prominent theme that included several smaller concepts, notably; having a secure place to raise a family, safety, comfort, and permanence. Overall, stability as a category is meant to embody the overall sense gathered from many respondents that a home when owned is a much more comfortable, secure, and safe place for its owner and occupants. Some examples are given below:

- "It gives you a place for your family to be safe and comfortable in"
- "You have a stable living situation not subject to price changes or eviction"
- "Raising a family in something you own and care for on your own in which you can adapt to your family's needs"
- "Owning a house makes me feel I have a steady and stable life"

The next non-financial concept discussed was what I have identified as "freedom" (13% of concepts, n=29). Most notable within this concept is the freedom to design and renovate one's home to their own desires. Another theme that emerged within this category is that of being the "master of your own domain" which ranged from concepts as grand as being able to build your own home to being able to put a nail in the wall. Some examples include:

- "To have full control over your environment"
- "It is better to purchase a house in my opinion because it is a physical space that YOU own, that you can do whatever you want with and not have to adhere to strict guidelines (i.e. not being able to nail something into the wall, etc.)"
- "You own it, you can do with it what you please"
- "I would have a place that I could do my own renovations"

Several other distinct, non-financial concepts emerged in smaller numbers than those discussed thus far, among these are "status" which suggests an increased social status obtained by owning a home (1% of concepts, n=3). "Community" is the title given to the concept of being able to choose a community in which you feel comfortable and in which people share your values (2% of concepts, n=4). "Space" is the title given to the idea that owning a home allows you to have more space (2% of concepts, n=4). "Belonging" was a prominent concept that includes the ideas of having a sense of pride in ownership and something you can call your own (9% of concepts, n=20). And finally "landlord" is the concept that owning your home gives you freedom from a landlord (2% of concepts, n=4). The frequencies of these concepts can be seen in Table 4.

Since many respondents listed more than one concept, the numbers given are out of the total number of concepts identified, as previously explained (n=222).

Table 4.4

Concepts from Q39. In your opinion, what, if any, is the best reason to purchase rather than rent a house?

Concept	**n=222**	**Percent**
Investment	108	48%
Stability	50	23%
Freedom	29	13%
Belonging	20	9%
Status	3	1%
Community	4	2%
Space	4	2%
Landlord	4	2%

Experience with Mortgage Default

Section 4 of the survey asked respondents about their experience with mortgage default. First, they were asked whether they know of people in their area who have defaulted on a mortgage. Seventy-four percent of respondents reported not knowing of defaulters in their area (n=187) while 26% stated that they did know of defaulters (n=66). When asked whether they knew of anyone close to them, such as friends, family, or neighbors who had ever defaulted on a mortgage, 75% said no (n=188) and 25% said yes (n=64). Finally, they were asked whether they had personally ever defaulted on a mortgage, 98% said they had not (n=249) while 2% said they had (n=4).

Future Housing Intentions

Section 5 of the survey was concerned with respondents' future housing intentions. First, participants were asked if they were to move immediately whether they would be more likely to rent or purchase a home. Ninety-two percent said that if they were to move now that they would be more likely to rent (n=233) while 8% stated that they would be more likely to purchase a home (n=19).

Respondents were then asked if they were to move within 12 months of graduation whether they would be more likely to rent or to purchase a home. To this question 84% of respondents maintained that they would rent (n=212) while 16% said they would most likely purchase (n=40).

Next, respondents who had previously reported being renters were asked about their long-term tenure intentions, that is, whether they planned on continuing to rent indefinitely or to purchase a home at some point in the future. An overwhelming majority, 98% of respondents, reported intentions to buy a home at some point in the future (n=224), while only 2% claimed that they had no such plans and would likely always rent (n=4).

Likewise, homeowners were asked whether they planned to continue to own their homes or whether they would likely rent at some point in the future. While a majority of owners expressed intentions to continue to own their homes indefinitely (58%, n=7), 25% expressed plans to rent at some point in the future (n=3), and 17% said they didn't know (n=2).

American Dream

Section 6 was concerned with respondents' conceptions of the American Dream. Hence, they were first asked to, in their own words, describe what the American Dream means to them. The answers to this question were coded using content analysis techniques, and 13 distinct concepts were identified among the responses given.

A total of 239 participants provided responses to this inquiry. However, the majority of respondents identified more than one distinct concept within their answer. Therefore, the total number of concepts gathered from among all of the responses were added together and percentages were taken from this total (n=550). The number of concepts per response ranged from one to as many as five. For an example of how this was performed examine the following response:

- "The American Dream means owning a house, having a family and a good job"

Within this one response three distinct concepts can immediately be seen, namely, owning a home, having a family, and having a good job. This brings us to a discussion of the 13 concepts gathered from among the responses. First, as previously mentioned, and most prominent among all concepts is that of owning a home. Among 550 individual concepts gathered, 102 were related to owning a home (18.5%). Another way to consider this is that among the 239 respondents who answered this question, 42% mentioned owning a home as part of their own personal American Dream. In fact, this theme was so prominent that many responses were nothing more than a description of the house that comprised that individual's American Dream. Within the concept of owning a home a few sub-concepts emerged, notably, that the home would be paid off, have a yard, and yes, a white picket fence. Following are some examples that included mention of owning a home.

- "The American Dream is a nice family-oriented house with a white picket fence and a dog running around"
- "The 'American Dream' is a stereotypical white-picket fence, small grass yard, 4 bedroom house in the middle of the suburbs type of picture. However, my American dream would be to own a nice amount of land with plenty of room for animals, gardens, etc. where I could raise my own food"
- "To me the American dream is owning a house with a decent backyard with grass, a patio, and a hot tub"

Second most prominent to owning a house, and often mentioned alongside it, is having a family. Thirty-eight percent of respondents, 90 total responses, mentioned having a family. Next most common is the mention of having a job, mentioned by 78 respondents (33% of respondents). Below are examples of responses that mentioned having a family, a job, and a house.

- "The American Dream is to own a living place, have a decent job, and have a happy family"
- "Owning a house with a great family and a stable job"
- "Family, job, nice house"

The next concept that emerged has been titled "comfort". Within this concept reside smaller concepts including the ideas of financial security, safety, retirement, and the general idea of not having to struggle to get by. Sixty-eight responses were identified as containing this concept (28% of responses), following are some examples:

- "The American dream means having financial security"

- "Supporting yourself at a level you are content with"
- "Not having to worry about my financial situation"

"Self-Determination" is the title given to the next concept that emerged. Within self-determination are ideas such as being able to forge your own destiny, surpassing your parents, and that it doesn't matter where you're from because in America everyone has the same opportunity. Forty-four total responses were identified as including this concept (18% of all responses), following are some examples:

- "It's the idea that each person can forge their own destiny with WORK ETHIC, regardless of background"
- "Being able to achieve whatever goal you have if you are willing to work hard enough"
- "Rags to riches"

The next concept identified is "freedom" which includes being able to live where you want, do what you want, and say what you want. Forty responses included mention of freedom (17% of all responses), below are some examples:

- "To be Free!, and have an opinion and say if freely!"
- "Having the freedom to pursue what I wish without fear of prosecution"
- "To do what I want, when I want, where I want!"

Next, forty respondents mentioned "happiness" which often coincided with freedom as in "the freedom to pursue happiness". Seventeen percent of all respondents mentioned happiness in their answer, here are some examples:

- "The pursuit of happiness"
- "Doing whatever it takes to make yourself happy"
- "Living a happy life!"

Thirty six respondents mentioned the concept of "wealth" which was coded to include mention of money, material possessions, and taking vacations. Fifteen percent of all respondents included mention of wealth:

- "To have lots of money! Cars, boats, trips, etc"
- "$"
- "Being wealthy"

The next most prominent concept was that of “success” which often included the idea of succeeding in fulfilling one’s dreams. Twenty-nine respondents mentioned the idea of success (12% of all respondents).

- “Working hard and overcoming obstacles to achieve your dreams”
- “To build a successful life for yourself”
- “Success based on your own terms”

The last four concepts were mentioned by ten or less respondents, I have titled them “education,” “religious freedom,” “giving,” and “myth.” Having access to education was mentioned by 10 respondents while religious freedom was mentioned by 4, and giving or contributing back to society was mentioned by 2. “Myth” is the title given to the six respondents who took the opportunity to express their belief that the American Dream is a fabrication, or a *social construction* if you will, that doesn’t actually exist, following are examples of such responses:

- “I think it’s an unrealistic falsehood”
- “A false conception that if you just work hard everything will turn out just fine and you will be successful”
- “The American Dream is a myth where people are expected to pull themselves up from their bootstraps and create their own success. And success was defined in the 50s as living in a house with a white picket fence and having a nuclear family. In short, I have beef with the American Dream as I feel like it ignores oppression that occurs to people (i.e. how do you pull yourself up by your bootstraps if you don’t have boots?”)

Table 4.5 shows the concepts and their frequencies from Q48.

Table 4.5

Concepts from Q48. Please briefly describe what the 'American Dream' means to you

Concept	**n=550**	**Percent of Total Concepts**	**Percent of Respondents Mentioned**
Homeownership	102	19%	43%
Family	90	16%	38%
Job	78	14%	33%
Comfort	68	12%	28%
Self-determination	44	8%	18%
Happiness	41	7%	17%
Freedom	40	7%	17%
Wealth	36	7%	15%
Success	29	5%	2%
Education	10	2%	4%
Myth	6	1%	2.5%
Religious Freedom	4	1%	1.7%
Giving	2	0.3%	1%

Next, respondents were asked explicitly whether owning a home was part of their own personal American Dream. A large majority of 86% confirmed that homeownership was indeed a part of what the American Dream meant to them (n=217), 14% said it was not (n=36).

Research Questions

Research Question #1. *Do College student echo-boomers view homeownership as a safe investment?* Simply put, *yes,* when asked directly whether they believe that purchasing a home is a safe investment, a large majority of respondents said yes, that a home is either a very safe investment (21%, n=53) or a somewhat safe investment (62%, n=157). On the other hand, only 17% said no, that they see homeownership as either a very unsafe investment (3%, n=8) or at least a somewhat unsafe investment (14%, n=35).

In addition to this descriptive analysis, a logistic regression analysis was run in order to determine what predicts whether or not respondents see home purchase as a safe investment. The dependent variable for this analysis was question number fourteen which asks respondents "Do you believe that purchasing a home is a safe investment?" For the descriptive portion above, this question had four possible responses (Yes very safe, Yes somewhat safe, No somewhat unsafe, and No very unsafe). For the purposes of logistic regression these responses were converted to Yes (including very and somewhat safe) and No (including very and somewhat unsafe) as a binary outcome variable is necessary for logistic regression analysis. Hence, this was treated as a binary response variable and regressed on numerous potential predictor variables as discussed in the methods chapter (i.e. Q1-Q13, Q36-Q37, Q40-Q43, Q49-Q57).

A stepwise selection method was used for variable selection with a p-value of less than or equal to .05 being the significance level required to keep variables in the model. The stepwise selection kept the variables from Q36, Q40, Q49, Q6, and Q9, suggesting that there is convincing statistical evidence that these variables are associated with whether or not respondents view purchasing a home as a safe investment. After the independent variables were narrowed down, a new logistic regression was run on the model containing only these variables. Table 4.6 below shows these variables with their codenames, respective Wald Test scores, and corresponding p-values. A further description of each variable follows.

Table 4.6

Wald Test scores and p-values of significant variables for Research Question #1

	Type 3 Analysis of Effect		
Effect	**DF**	**Wald Chi-Square**	**Pr > ChiSq**
Q6 (homeprc5)	3	14.1032**	0.0028
Q9 (economy)	2	10.1042**	0.0064
Q36 (rvsownl)	2	9.3804**	0.0092
Q40 (tenurepref)	1	5.8141*	0.0159
Q49 (amdrm)	1	13.7790**	0.0002

The first of these, Q6 (homeprc5), asks respondents about the direction they expect home prices to go over the next 5 years or so, that is, whether they expect them to go up, go down, or remain about the same. As can be seen in the above table, this variable has a p-value of 0.0028, suggesting that there is a highly significant association between the direction respondents expect home prices to go and whether or not they view home purchase as a safe investment.

As this variable contained multiple levels, further analysis was required in order to interpret the direction of this association. After accounting for Q36, Q40, Q49, and Q9, the data shows that the difference in the odds of viewing home purchase as a safe investment between those who believe that the price of homes will increase over the next five years and those who believe they will decrease is not statistically significant. However, the odds of viewing housing as a safe investment is about four times greater for those who expect home prices to increase than for those who believe they will remain about the same (odds ratio estimate of 3.854) and about six times greater than for those who answered "don't know" (odds ratio estimate of 6.198). Moreover, the odds of viewing home purchase as a safe investment are about six times greater for people who think the price of homes will decrease over the next five years than for those who expect them to stay about the same (odds ratio estimate of 6.081) and nearly ten times greater than for those who answered "don't know" (odds ratio estimate of 9.779). There is no statistically significant difference between those who said prices will stay about the same and those who said they don't know. These values can be seen below in Table 4.7.

Table 4.7

Odds ratio estimates and Wald Confidence Intervals: Viewing home purchase as a safe investment between response groups of Q6

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q6 1(increase) vs 2 (decrease)	0.634	0.137	2.942
Q6 1(increase) vs 3 (stay same)	3.854*	1.151	12.902
Q6 1(increase) vs 4 (don't know)	6.198*	2.090	18.381
Q6 2(decrease) vs 3 (stay same)	6.081*	1.018	36.309
Q6 2(decrease) vs 4 (don't know)	9.779*	1.809	52.879
Q6 3(stay same) vs 4 (don't know)	1.608	0.430	6.018

These findings are not entirely clear as one might expect those who anticipate price increases to have more positive feelings about the safety of purchasing a home as an investment than those who expect them to decrease. Furthermore, it might be anticipated that those who expect prices to decrease would have more negative feelings about the safety of home purchase than those who expect them to stay about the same. However, neither of these seems to be the case among members of our sample. Numerous possible explanations exist for these findings and no clear answer exists within this data. This is an example of an area where further qualitative insight could help clarify how expectations of home prices are related to views of the financial safety of home purchase.

The next variable maintained in the model by the stepwise selection was Q9 (economy) which asked respondents about their views of the current economy, that is, whether they believe it is on the right track or the wrong track. The p-value for this variable is 0.0064, suggesting that there is a highly significant association between respondent's views of the current economy and whether or not they view home purchase as a safe investment. Again, this variable contained multiple levels which needed to be further analyzed in order to determine the direction of this association.

The following table (Table 4.8) shows that there is no significant difference in the odds of viewing homeownership as a safe investment between those who think the economy is on the right track and those who believe it is on the wrong track. Both of these groups, however, are less likely to view home purchase as a safe investment than are those who answered this question "don't know." Again, these findings are not entirely clear, it is possible that both groups, those who think the economy is on the right track and those who think it is on the wrong track, have stronger convictions about the safety of home purchase regardless of the direction they believe the economy is headed than the group who said "don't know." However, this is merely speculation and further investigation would be necessary to determine exactly why these differences exist.

Table 4.8

Odd ratio estimates and Wald Confidence Intervals: Viewing home purchase as a safe investment between response groups of Q9

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q9 1(right) vs 2 (wrong)	1.107	0.420	2.923
Q9 1(right) vs 3 (don't know)	0.116*	0.025	0.541
Q9 2 (wrong) vs 3 (don't know)	0.105*	0.026	0.427

The next question maintained by the stepwise regression analysis, Q36 (rvsownl), inquires about whether respondents believe that renting or owning makes more sense in the long term. The p-value of 0.0092 suggests that there is less than a 1% probability of observing the values we did assuming that there is no association between respondent's views on renting versus owning long term and whether or not they believe that purchasing a home is a safe investment.

More specifically, after accounting for Q40, Q49, Q6, and Q9, the estimated odds ratio is of viewing home purchase as a safe investment among those who said that renting makes more sense than owning in the long term is 0.188. This tells us that the odds of people who believe that renting makes more sense than owning in the long term believing that home purchase is a safe investment are about 1 to 5 of those who believe that owning makes more sense than renting in the long run (See Table 4.9).

Table 4.9

Odds ratio estimate and Wald Confidence Interval: Viewing home purchase as a safe investment between response groups of Q36

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q36 1(rent) vs 2 (own)	0.188*	0.055	0.642

The association between these two variables is highly significant and not surprising. It makes sense that those who believe that purchasing a home is a safe investment would also believe that owning makes more sense than renting, particularly over time.

The next of the variables maintained comes from Q40 (tenurepref) which asks respondents whether their preferred housing tenure form is renting or owning. This variable has a p-value of 0.0159, telling us that there is convincing evidence of an association between respondent’s preferred tenure form and whether they view homeownership as a safe investment. The odds ratio between those who prefer renting and those who prefer owning is 0.282. This suggests that the odds of viewing homeownership as a safe investment among those who prefer renting to those who prefer owning are slightly less than 1 to 3 (See Table 4.10). Again, this association is highly significant, and it seems logical that those who prefer ownership are more likely to view it as a safe investment than those who prefer to rent.

Table 4.10

Odds ratio estimate and Wald Confidence Interval: Viewing home purchase as a safe investment between response groups of Q40

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q40 (rent) 1 vs 2 (own)	0.282*	0.100	0.789

Finally, the stepwise analysis selected Q49 (amdrm) which asks respondents whether owning a home is part of their own personal “American Dream.” After accounting for Q36, Q40, Q6, and Q9, the odds of viewing home purchase as a safe investment is larger for people who view owning a home as part of their American Dream. The odds ratio estimate of 6.545 suggests that respondents who answered yes to this question have over 6 times the odds of viewing home purchase as a safe investment as do those answered no (See Table 4.11).

The association between positive attitudes towards home purchase as an investment and the inclusion of homeownership as part of the American Dream seems logical. However, it is unclear how these variables influence one another. That is, does having faith in the financial security of home purchase as an investment make it more likely to be part of a person’s American Dream or vice versa. Or perhaps, both are reflections of a generally favorable stance towards homeownership. This is an intriguing question for which many possible explanations exist and for which further qualitative insight is needed.

Table 4.11

Odds ratio estimate and Wald Confidence Interval: Viewing home purchase as a safe investment between response groups of Q49

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q49 1 (yes) vs 2 (no)	6.545*	2.427	17.650

In regards to Research Question #1, the data clearly shows that most members of the sample view home purchase as a safe investment. Furthermore, several variables were identified as significant predictors of this outcome, namely, respondents' expectations for home prices, views of the economy, tenure preference, and views of the American Dream. A further discussion of these findings can be found in the following chapter.

Research Question #2. What is the preferred housing tenure form amongst college student echo-boomers? The simple answer to this research question is *to own*. When asked directly what their preferred housing tenure form is, 76% of respondents said own (n=193) versus 24% who said rent (n=60).

Again, in addition to this descriptive analysis, logistic regression was used in order to determine what variables predict respondents' preferred housing tenure form. The dependent variable for this analysis was question number 40 (tenurepref) which asks respondents "Generally speaking, what is your preferred housing tenure form?" with the possible responses being rent or own. Hence, this was treated as a binary response variable and regressed on numerous potential predictor variables as discussed in the methods chapter (i.e. Q1-Q13, Q36-Q37, Q41-Q43, Q49-Q57).

A stepwise selection method was used for variable selection with a p-value of less than or equal to .05 being the significance level required to keep variables in the model. The stepwise selection kept the variables from Q36, Q49, Q55, and Q14 suggesting that there is convincing statistical evidence that these variables are associated with respondent's preferred housing tenure form. After the independent variables were narrowed down, a new logistic regression was run on the model containing only these variables. Table 4.12 below shows these variables with their codenames, respective Wald Test scores, and corresponding p-values.

Table 4.12

Wald Test scores and p-values of significant variables for Research Question #2

	Type 3 Analysis of Effects		
Effect	**DF**	**Wald Chi-Square**	**Pr > ChiSq**
Q14 (safeinv)	3	10.1007*	0.0177
Q36 (rvownl)	2	25.1594**	<.0001
Q49 (amdrm)	1	7.0672**	0.0079
Q55 (income)	5	11.2808*	0.0461

The first variable maintained by the stepwise regression analysis, Q14 (safeinv) was the dependent variable for Research Question #1 and asks respondents whether or not they view purchasing a home as a safe investment. Here Q14(safeinv) was run as a predictor variable for the dependent variable Q40 (tenurepref). Hence this association has already been discussed above. Again, this association is highly significant and it seems logical that those who prefer ownership are more likely to view it as a safe investment than those who prefer to rent.

The next question maintained by the stepwise regression analysis, Q36 (rvownl), inquires about whether respondents believe that renting or owning makes more sense in the long term. The p-value of <0.0001 suggests that there is less than a .01% chance of observing the values we did assuming that there is no association between whether respondents believe renting or owning makes more sense in the long term and their preferred tenure form.

More specifically, after accounting for Q49, Q55, and Q14, the estimated odds ratio of preferring to rent between those who said renting makes more sense in the long term and those who said owning makes more sense is 43.505. This tells us that the odds of respondents giving renting as their preferred tenure form is over 43 times more likely among those who said that renting makes more sense than owning (See Table 4.13 below). While this association is highly significant, it is not at all surprising as it seems obvious that those who believe renting makes more sense than owning are much more likely to give renting as their preferred housing tenure form.

Table 4.13

Odds ratio estimate and Wald Confidence Interval: Renting as preferred tenure form between response groups of Q36

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q36 1 (rent) vs 2 (own)	43.505*	9.882	191.541

The next variable selected by the stepwise analysis was Q49 (amdrm) which asks respondents whether owning a home is part of their own personal "American Dream". This variable had a p-value of 0.0079, suggesting that it is a highly significant predictor of tenure form preference. After accounting for Q14, Q36, and Q55, the odds of stating that home ownership is their preferred tenure form is approximately four times greater among those who believe that owning a home is part of their own personal American Dream (See Table 4.14 below).

Table 4.14

Odds ratio estimate and Wald Confidence Interval: Renting as preferred tenure form between response groups of Q49

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q49 1 (yes) vs 2 (no)	0.241*	0.085	0.688

The association between belief in homeownership as part of the American Dream as well as being a respondent's preferred tenure form seems logical. It is intuitive that if one views owning a home as an essential piece of the American Dream that their preferred housing tenure form would necessarily be to own rather than rent their home.

Finally, the stepwise regression analysis selected Q55 (income) as a significant predictor of preferred housing tenure preference. Q55 asks respondents to "Please indicate the adequacy of your household income." The possible responses ranged on an ordinal scale of one to five from "Never meets needs" to "Always meets needs". Response six indicates those who declined to answer the question. With the multiple levels of Q55, further analysis was needed to determine the direction of this association, all significant odds ratio estimates are shown in the following table (Table 4.15).

Table 4.15

Odds ratio estimates and Wald Confidence Intervals: Renting as preferred tenure form between response groups of Q55

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q55 2 (rarely) vs 3 (sometimes)	7.760*	1.510	39.889
Q55 2 (rarely) vs 5 (always)	8.613*	2.160	34.340
Q55 2 (rarely) vs 6 (decline to answer)	5.501*	1.094	27.668
Q55 4 (most always) vs 5 (always)	2.859*	1.032	7.920

The first odds ratio shown in this table suggests that those who claimed that their income rarely meets their needs have nearly eight times the odds of listing renting as their preferred housing tenure form as do those who said their income sometimes meets their needs. The next odds ratio suggests that those who said their income rarely meets their needs have more than eight times the odds of preferring renting as do those who said their income most always meets their needs. Next, it is suggested that the group who said their income rarely meets their needs have over five times the odds of preferring renting as do those who declined to answer. Finally, the group who said their income most always meets their needs had about three times the odds of preferring renting as those who said their income always meets their needs.

These differences in preference between income groups are not entirely clear. It does seem that the group of people who feel their income is most often insufficient to meet their needs is more likely to give renting as their preferred tenure form than numerous other groups including those who state that their income sometimes meets their needs, always meets their needs, and those who declined to answer the question. However, this trend is not consistent among all groups of respondents. Furthermore, the levels of this variable are highly subjective and intended only to identify potential trends among a sample of people whose income is often dependent on numerous external variables. Thus, while this analysis cannot offer clearly explained associations between these two variables, it can, as intended, suggest an area of potential interest for further inquiry. That is to say, that this is an area where further research could potentially offer valuable insight into how perceptions of homeownership vary among socioeconomic variables, notably income level.

In regards to Research Question #2, the data acquired show clearly that a large majority of respondents prefer homeownership over renting. Furthermore, several variables were found to be significant predictors of respondents' tenure preference, namely, views of the safety of home purchase as an investment, opinions about homeownership as part of the American Dream, income level, and views of homeownership versus renting over the long term. A further discussion of these findings is given in the following chapter.

Research Question #3. Is Homeownership in the Future Plans of College Student Echo-Boomers? The answer to this research question appears to be an emphatic *yes*. When current renters were asked whether they intend to continue to rent indefinitely or to purchase a home at some point in the future 93% suggested that they had plans to purchase a home at some point (n=224). Among respondents who already own homes, a smaller majority of 58% said that they intended to continue to own indefinitely (n=7) while 25% said they would likely rent at some point (n=3) and 17% said they didn't know (n=12).

Again, in addition to these descriptive statistics, logistic regression analysis was used in order to determine what variables predict future housing intentions. As discussed in Chapter 3, three separate questions were used as dependent variables for this research question. This is because future plans may vary from the immediate to the distant future, particularly among college students whose future plans may be contingent upon graduation and employment, and so we opted to ask respondents whether they would be more likely to rent or purchase their home if they were to move now, if they were to move following graduation, and whether they ever intended to purchase a home in the future. These are titled Research Questions 3a, 3b, and 3c respectively in the following tables. Each of these was treated as a binary response variable and regressed on potential explanatory variables as previously discussed (i.e. Q1-Q13, Q36-Q37, Q40-Q43, Q49-Q57).

The first dependent variable for this research question, Q44 (movenow), asks respondents "If you were to move now would you be more likely to:" with the options being rent or buy. One variable was found to be a significant predictor of this outcome, namely, Q3 which asks respondents "Are you currently a homeowner? That is, do you own a home that you live in while you attend school or elsewhere that is not your primary residence during school?" with possible responses yes or no. Table 4.16 below shows the codename, Wald Test score, and p-value for Q3.

Table 4.16

Wald Test scores and p-values of significant variables for Research Question #3a

	Type 3 Analysis of Effects		
Effect	**DF**	**Wald Chi-Square**	**Pr > ChiSq**
Q3 (homeown)	1	12.6960**	0.0004

This p-value suggests that there is convincing evidence of an association between current tenure form and how likely a respondent would be to purchase a home if they were to move immediately. More specifically, as shown in Table 4.17 below, the estimated odds ratio of likelihood to rent between owners and renters is 0.106, suggesting that current owners have approximately 1/10 the odds of anticipating that they would rent if they were to move now as do current renters.

Table 4.17

Odds ratio estimate and Wald Confidence Interval: Likelihood of renting if moving now between response groups of Q3

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q3 1(yes) vs 2 (no)	0.106*	0.031	0.365

This finding is interesting as it suggests that current owners are more likely to claim that they would purchase again if they were to move immediately. However, it is also not particularly surprising as it is likely that current college students who rent could feel that they are not yet ready to purchase their homes, while current homeowners may not feel such constraints.

The next dependent variable for this research question is Q45 (move1) which asked respondents “If you were going to move within 12 months of graduation would you be more likely to:” with the options being rent or buy. The stepwise regression analysis selected Q2, Q3, and Q40 as significant predictors to enter into the model. After the independent variables were narrowed down, a new logistic regression was run on the model containing only these variables. Table 4.18 below shows these variables with their codenames, respective Wald Test scores, and corresponding p-values.

Table 4.18

Wald Test scores and p-values of significant variables for Research Question #3b

	Type 3 Analysis of Effects		
Effect	**DF**	**Wald Chi-Square**	**Pr > ChiSq**
Q2 (tenuresch)	3	12.2932**	0.0064
Q3 (homeown)	1	7.1431**	0.0075
Q40 (tenurepref)	1	6.7111**	0.0096

The first independent variable selected by the stepwise regression analysis comes from Q2 (tenuresch) which asked respondents “What is your housing tenure form while you attend school?” The possible responses to this question include “I live in a home that I own,” I live in a home that I rent,” “I live in a home that is paid for as part of work or other arrangement,” or “Other,” which allowed the respondents to clarify their answer in an open-ended format.

Due to the multiple levels of this question, further analysis was required to investigate the direction of the association between tenure form during school and expected likelihood of home purchase following graduation. All significant odds ratio estimates between responses to Q2 can be seen below in Table 4.19.

Table 4.19

Odds ratio estimates and Wald Confidence Intervals: Likelihood of renting following graduation between response groups of Q2

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q2 1 (own) vs 4 (other)	17.164*	1.013	290.674
Q2 2 (rent) vs 4 (other)	4.412*	1.833	10.621

The odds ratios shown in this table are the odds that the respondent reported they would be more likely to rent if they were to move following graduation. Hence, this table shows that both the group who reported living in homes that they own and the group who reported living in homes that they rent were significantly less likely to report intentions to purchase a home following graduation than is the “other” group.

In order to determine an explanation for what initially seemed to be an unusual finding, I examined the responses given under the open-ended portion of the “other” category. Upon reviewing this data, it was seen that of the 27 respondents who defined their housing tenure form while they attend school as “other,” 14 reported living in a dormitory, 6 reported living with their parents, 3 reported being in sororities or fraternities, 2 reported being caretakers, and 2 said they lived in a house owned by their parents. After looking at this data, it appears that nearly every respondent in this category could most likely fit within a group classified as “rent paid by other” where other could be parents, financial aid, scholarship, etc. So, it appears, that those respondents whose rent is paid for them in one form or another are significantly more likely to anticipate purchasing a home after graduation than are those who report owning or renting their homes.

Furthermore, Q45 was supplemented with an open-ended follow-up question which asked respondents to give their primary reason for their answer. In reviewing these responses, it can be seen that of the 11 respondents who chose “other” as their tenure form during school, who also implied that they would most likely buy following graduation, and who provided a qualitative explanation for this response, eight made statements suggesting anticipation of setting out to start their life, where they would live permanently, and likely raise a family. Following are some examples of such responses:

- "Want to start my life."
- "I would be more established and know where I would like to stay for a while."
- "It will be a stable place for me to live and raise a family."
- "This would probably be where I was going to live for a while."

From these statements, combined with the housing tenure form during school stated by these respondents, it appears that this group is likely comprised primarily of young adults who have yet to live on their own independently. Therefore, it is quite possible that this situation pre-disposes members of this generation to anticipate home purchase following graduation. Furthermore, I also cross analyzed this group with their responses to Q55 in which they provided the adequacy of their income. From this analysis it was seen that 83% of them said that their income always or almost always meets their needs. Therefore, it is possible that not having lived independently and without financial difficulties makes it more likely for college students to anticipate buying a home after graduating.

Of course such explanations are largely speculative and further qualitative analysis would be needed to confirm or discredit them. However, the quantitative data gathered in this research does suggest that this group of people is statistically more likely to report intentions to purchase their homes following graduation and so this is an area in which further qualitative investigation could be beneficial in order to understand how this generation rationalizes tenure form and whether this is influenced by housing and financial experience.

The next independent variable selected by the stepwise regression analysis was Q3 (homeown), which again asked respondents about whether or not they were home owners, that is, whether they owned homes that they occupied while attending school or elsewhere that were not their primary residence during school. As shown above in Table 4.20, this variable is a highly significant predictor of the likelihood a respondent anticipates renting or owning following graduation with a p-value of 0.0075. More specifically, the odds ratio of reporting expectations to rent following graduation between current owners and renters is 0.029. This suggests that the odds of a current owner reporting intentions to rent following graduation are much less than current renters (0.029 times, see Table 4.20).

Table 4.20

Odds ratio estimate and Wald Confidence Interval: Likelihood of renting following graduation between response groups of Q3

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q3 1 (yes) vs 2 (no)	0.029*	0.002	0.390

The next variable selected by the stepwise regression analysis as a significant predictor of respondents' likelihood to report expectations to purchase a home following graduation was Q40 (tenurepref) which asked participants what their preferred housing tenure form is, to rent or to own. The p-value for this variable was highly significant at 0.0096. Furthermore, the odds ratio of reporting intentions to rent a home following graduation show that those who listed renting as their preferred tenure form have about 21 times the odds of reporting intentions to rent following graduation as those who reported owning as their preferred housing tenure form (See Table 4.21). The association between these two variables is obvious as those who prefer renting would be much less inclined to report intentions to purchase a home following graduation.

Table 4.21

Odds ratio estimate and Wald Confidence Interval: Likelihood of renting following graduation between response groups of Q40

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q40 1 (rent) vs 2 (own)	21.222*	2.104	214.087

The final dependent variable analyzed for this research question came from questions 46 and 47 which were combined to form a new variable titled 46new. As discussed above, Q46 asked respondents who had previously reported being renters whether they intended to buy a home at some point in the future. The response to this question was overwhelmingly on the side of intentions to own with 93% of respondents reporting plans to buy a home at some point in the future (n=224). Question 47 asked respondents who had previously reported being homeowners whether they planned to continue to own indefinitely or whether they anticipated renting at some point in the future. A smaller majority of 58% of this group reported plans to continue to own their homes (n=7).

The problem with this data was that the sample from which it was drawn was composed primarily of renters. In fact, only 12 respondents stated being homeowners at the time of the study. Therefore, these two variables were combined to form 46new which can be interpreted simply as asking respondents, both renters and owners, whether they intend to purchase homes at some point in the future. Q46new was regressed on all potential explanatory variables as previously explained in a stepwise regression analysis, which selected only Q14 with a p-value of 0.0007, suggesting that it is a highly significant predictor of future housing intentions (See Table 4.22). Q14 asks respondents “do you believe that purchasing a home is a safe investment?” The possible responses to this question were “Yes, very safe”, “Yes, somewhat safe”, “No, somewhat unsafe”, and “No, very unsafe”. Question 14 is shown in the table below with its codename, Wald Test score, and p-value.

Table 4.22

Wald Test scores and p-values of significant variables for Research Question #3c

	Type 3 Analysis of Effects		
Effect	**DF**	**Wald Chi-Square**	**Pr > ChiSq**
Q14 (safeinv)	3	16.8982**	0.0007

With multiple levels of possible responses, odds ratios were analyzed in order to determine the direction of this association (See Table 4.23).

Table 4.23

Odds ratio estimates and Wald Confidence Intervals: Intentions to rent indefinitely between response groups of Q14

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q14 1 (yes, very) vs 2 (yes, somewhat)	1.531	0.136	17.248
Q14 1(yes, very) vs 3 (no, somewhat)	0.633	0.038	10.488
Q14 1 (yes, very) vs 4 (no, very)	0.027*	0.002	0.326
Q14 2 (yes, somewhat) vs 3 (no, somewhat)	0.413	0.036	4.702
Q14 2 (yes, somewhat) vs 4 (no, very)	0.018*	0.002	0.138
Q14 3 (no, somewhat) vs 4 (no, very)	0.043*	0.004	0.519

The odds ratios shown in this table are the odds that respondents expressed intentions to rent indefinitely between response groups to Q14. Though not all odds differences in this table are statistically significant, a general trend can be seen. That is, it appears that the safer respondents view homeownership to be, the less likely they are to report intentions to rent indefinitely. The one exception to this is between the groups who said that they see home purchase as a very safe versus a somewhat safe investment. However, this difference is not statistically significant and may be due to an imbalance in the number of respondents between these two groups rather than a statistical difference in intentions as 157 respondents said home purchase was somewhat safe and 53 said it is very safe.

Among statistically significant odds ratios shown in Table 4.23, we can see that the odds ratio of reporting intentions to rent indefinitely between those who said home purchase is very safe and those who said it is very unsafe is 0.027, suggesting that those who believe home purchase is very safe are much less likely to report intentions to rent indefinitely. Likewise both the group who said yes, home purchase is somewhat safe and no, home purchase is somewhat unsafe, were significantly less likely to report intentions to continue to rent than the group who said purchasing a home is very unsafe with odds ratios of 0.018 and 0.043 respectively.

These findings make sense as it is reasonable that those who feel buying a home is an unsafe investment would be more likely to avoid such a purchase and therefore continue to rent. Moreover, these findings suggest that this is an area where future qualitative research could produce useful information. That is, understanding why some people view homeownership as a safe investment while others view it as unsafe could prove very useful in the development of future housing policy. Furthermore, these findings seem to suggest the importance of homebuyer education which will be discussed in the next chapter.

In regards to Research Question #3, the data clearly shows that homeownership is in the future plans of the vast majority of participants in this study. Furthermore, several variables were found to be significant predictors of future housing tenure intentions. Notably, current tenure form, tenure preference, and opinions about the safety of investment in homeownership. A further discussion of these findings is provided in the following chapter.

Research Question #4. Do college-student echo-boomers view homeownership as part of the American Dream? *Yes*, when asked explicitly whether owning a home is part of their own personal American Dream, a large majority of 86% of respondents said yes (n= 217).
In addition to descriptive analyses, a logistic regression was utilized in order to determine significant predictors of whether or not respondents see homeownership as part of their American Dream. The dependent variable for this analysis came from Q49 which asked respondents "Is owning a home part of your own personal 'American Dream'" with possible responses yes or no.

A stepwise selection method was used for variable selection with a p-value of less than or equal to .05 being the significance level required to keep variables in the model. The stepwise selection kept the variables from Q8, Q51, Q40, and Q14, suggesting that there is convincing statistical evidence that these variables are associated with whether or not respondents view owning a home as part of the American Dream. After the independent variables were narrowed down, a new logistic regression was run on the model containing only these variables. Table 4.24 below shows these variables with their codenames, respective Wald Test scores, and corresponding p-values.

Table 4.24

Wald Test scores and p-values of significant variables for Research Question #4

	Type 3 Analysis of Effects		
Effect	**DF**	**Wald Chi-Square**	**Pr > ChiSq**
Q8 (rentalpr)	3	11.5933**	0.0089
Q51 (age)	1	6.7657**	0.0093
Q40 (tenurepref)	1	12.7606**	0.0004
Q14 (safeinv)	3	16.4142**	0.0009

The first among these significant predictors comes from Q8 (rentalpr) which asks respondents about their expectations for rental prices in the next year, that is, whether they will go up, go down, or stay about the same. With a p-value of 0.0089, this is a highly significant predictor of respondents' perceptions of homeownership as part of the American Dream. Below Table 4.25 shows the estimated odds ratios of having homeownership as part of the American Dream among response groups to Q8. Looking at this table it appears that there is a general trend of those who expect rental prices to increase over the next year having greater odds of seeing homeownership as part of their American Dream. However, the only statistically significant difference is between the group who expects rental prices to increase and those who expect them to stay about the same with an odds ratio of 1.442, suggesting that those who expect rental prices to increase have the greater odds of seeing homeownership as part of the American Dream.

This association between outlook on rental prices and the American Dream is interesting though not entirely clear in its implications. It is possible that a negative outlook on renting coincides with an outlook in which homeownership is part of the American Dream. Despite the fact that this research offers little in explaining this potential correlation, this is an area in which future qualitative research could produce interesting data. Gurney (1999) was able to demonstrate an association between pro-homeownership rhetoric and negative views of renting amongst a sample of homeowners in the U.K. This is one example of related qualitative research that could be fruitful in the U.S.

Table 4.25

Odds ratio estimates and Wald Confidence Intervals: Homeownership as part of the American Dream between response groups of Q8

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q8 1 (go up) vs 2 (go down)	2.847	0.489	16.558
Q8 1 (go up) vs 3 (stay same)	3.718*	1.442	9.586
Q8 2 (go down) vs 3 (stay same)	1.306	0.222	7.696

The next significant predictor variable selected by the stepwise regression analysis is Q51 which asked respondents to provide the year they were born. This was run as a single continuous predictor variable for the binary response variable of whether homeownership is part of the American Dream. As shown above in table 4.24, this is a highly significant predictor. More specifically, after accounting for the other independent variables in the model, the estimated odds ratio for Q51 is 1.232 (See Table 4.26). This can be interpreted as the estimated change in odds of seeing homeownership as part of the American Dream for each one unit (one year) change in Q51. Therefore, for each unit increase in the year provided for Q51 (year decrease in the age of the respondent), there is about a 23% increase in the odds of seeing homeownership as part of the American Dream. This strongly suggests that even within this young generation, which existing data implies has strongly positive views of homeownership as a whole (Bracha & Jamison, 2011), the younger members may have even more positive views.

Table 4.26

Odds ratio estimate and Wald Confidence Interval: Homeownership as part of the American Dream between response groups of Q51

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q51(age)	1.232*	1.053	1.442

Next, Q40 was selected as significantly associated with whether respondents viewed homeownership as part of their American Dream (p-value = 0.0004). As discussed above, Q40 asked respondents whether their preferred housing tenure form was to rent or to buy. As shown below in Table 4.27, those who gave renting as their preferred tenure form had less than one fifth the odds of stating that homeownership was part of their American Dream. As previously mentioned, this association comes as no surprise since those who see homeownership as part of their own American Dream would seem to necessarily prefer ownership to renting.

Table 4.27

Odds ratio estimate and Wald Confidence Interval: Homeownership as part of the American Dream between response groups of Q40

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q40 1 (rent) vs 2 (own)	0.181*	0.071	0.462

Finally, the stepwise regression analysis selected Q14 as significantly associated with whether respondents viewed homeownership as part of their American Dream (p-value = 0.0009). As previously discussed, Q14 asked respondents whether they believe that homeownership is a safe investment with responses being “yes, very safe,” “yes, somewhat safe,” “no, somewhat unsafe,” and “no, very unsafe.” Table 4.28 below shows the estimated odds ratios of homeownership being part of the American Dream between response groups to Q14. This table seems to show a general trend of increasing odds of homeownership being a part of the American Dream as belief in the safety of investment in homeownership increases. The one exception is the difference between the groups who said that homeownership was a very safe investment versus those who said it was a somewhat safe investment. However, as discussed above this discrepancy could be related to the imbalance between these two groups.

Table 4.28

Odds ratio estimates and Wald Confidence Intervals: Homeownership as part of the American Dream between response groups of Q14

	Odds Ratio Estimate	**95% Confidence Intervals**	
Q14 1(yes, very) vs 2 (yes, somewhat)	0.360	0.111	1.172
Q14 1(yes, very) vs 3 (no, somewhat)	2.261	0.628	8.133
Q14 1 (yes, very) vs 4 (no, very)	9.742	0.762	124.565
Q14 2 (yes, somewhat) vs 3 (no, somewhat)	6.279*	2.248	17.541
Q14 2 (yes, somewhat) vs 4 (no, very)	27.060*	2.472	296.153
Q14 3 (no, somewhat) vs 4 (no, very)	4.309	0.397	46.822

In regards to Research Question #4, the data clearly shows that an overwhelming majority of respondents believe that homeownership is an essential piece of their own personal American Dream. Furthermore, several variables were found to be significant predictors of whether or not respondents held such convictions. Notably, age, tenure preference, expectations for rental prices, and perceptions of the safety of home purchase as an investment were all found to be significantly associated with beliefs concerning homeownership as part of the American Dream.

In conclusion, this data provides strong answers to each of the research questions tested. In addition, significant predictor variables were identified for each outcome. An in depth examination of these findings as well as comparisons to existing data follow in the next chapter.

CHAPTER IV

Conclusions

In the previous four chapters I have introduced the questions being addressed with this research, provided a thorough review of literature on closely related subjects, clarified the methods used, and discussed the findings. With this chapter I will elaborate on these findings by drawing inferences and making comparisons with existing literature.

This chapter will proceed through the four primary research questions addressed and conclude with a discussion of the strengths and weaknesses of the study. Prior to this discussion it must be reiterated that while the questions on which this research was focused were asked about the entire college student echo-boomer generation in the United States, due to the sampling techniques utilized, the findings cannot be extrapolated past the borders of the sample from which they were drawn. However, when available, comparisons will be made to existing nation-wide data.

Research Question #1

Do College student echo-boomers view homeownership as a safe investment? As previously mentioned, the data gathered from this survey suggests that a large majority of respondents see housing as a safe investment, with 21% saying it is a very safe investment and 62% saying is a somewhat safe investment. Conversely, 3% felt it was a very unsafe investment and 14% said it was a somewhat unsafe investment. These numbers show a somewhat higher percentage of respondents who believe housing is a safe investment than the most recent Fannie Mae Quarterly National Housing Survey (Q4 2011), which showed 60% of respondents from the echo-boomer generation (titled generation Y in the Fannie Mae release) saying that purchasing a home is a safe investment (Fannie Mae, 2011b).

However, it should be noted here that without access to Fannie Mae's raw data I was not able to cross-examine their categories for age and education level and therefore could not gather data exactly matching these demographics in my sample. Nonetheless, in examining the responses given to this inquiry among the various education levels gathered for the Fannie Mae survey, a general trend of increasing belief in the security of investment in real property can be seen coinciding with increasing education level. More specifically, among those with less than a high school education, 48% said that purchasing a home was a safe investment while 61% with a high school education and 65% with some college agreed with this statement. Therefore, it is likely that this trend holds true within the echo-boomer generation and therefore that Fannie Mae's estimation may coincide quite well with that gathered here.

Regardless, both the current research and the Fannie Mae data are in consensus that the majority of echo-boomers view homeownership as a safe investment. At the beginning of this thesis it was noted that this generation has thus far failed to play the traditional role of household formation and thereby give little relief to the struggling housing market following the onset of the financial crisis. Furthermore, it was noted that unemployment, dropping home prices, tightened lending standards, and rampant home foreclosures have no doubt created an environment unfavorable to new household formation. However, the question of increasingly negative attitudes towards homeownership among this generation of potential consumers remained unclear, hanging over any optimistic prognoses for the housing market in the years to come.

This research seems to remove one element of gloom from this equation. This is to say, that while a number of factors remain, impeding potential transactions from taking place in the housing market, an epidemic of pessimism among young Americans concerning home ownership does not appear to be one of them.

Data acquired from logistic regression analysis were used in order to identify potential predictors of variation among views concerning the safety of homeownership as an investment. Among possible associations identified are expectations for home prices and outlook on the economy. Associations between anticipation for the economy, home prices, and views of home purchase as an investment seem logical as these are closely related topics. However, while an association was identified between these variables, no clear trends were pinpointed among the data gathered here. Therefore, further research is necessary in order to specify how outlook for the economy and home prices affects confidence in the safety of home purchase.

Variables based on respondents' views of renting versus owning were also identified as significant predictors of whether or not they viewed homeownership as a safe investment. Generally speaking, those who saw owning as more logical and preferable to renting were more likely to view home purchase as a safe investment. These associations are not surprising as one would expect belief in the security of investment in a home to coincide with belief in the practicality and advantage of homeownership. However, this is one area where further qualitative insight could provide useful information concerning exactly *why* people view home purchase as a safe investment, or not. Past research has suggested that experience with mortgage default is directly correlated with such views (Bracha & Jamison, 2011); this research offers no support to such possibilities.

Finally, respondents who stated that homeownership was part of their own personal "American Dream" were shown to be more likely to view purchasing a home as a safe investment. This positive correlation is logical, yet brings forth another question; does subscription to the belief that owning a home is part of the American Dream make one more likely to view home purchase as a safe investment? Or, does believing that buying a home is a safe investment make homeownership a more attractive as part of the American Dream? Or, are both simply reflections of an overall positive attitude towards homeownership? This research sheds no additional light on such questions but to suggest that further qualitative insight very well could.

Research Question #2

What is the preferred housing tenure form amongst college student echo-boomers? Based on the data gathered from this survey, the simple answer is that college-students of this generation would prefer to own their homes. This postulation is drawn from question 40 which asked respondents directly whether they would prefer to rent or own and to which three-quarters said own. This question, however, was not drawn from any national surveys and so direct comparisons could not be made. However, similar results have been found, for example, in *The Great Recession and Attitudes Toward Home-Buying*, the Research Institute for Housing America reported that approximately 80% of respondents under 30 years of age reported "positive home-buying sentiment" (RIHA, 2011, p. 22).

In attempt to identify significant predictors of housing tenure preference a logistic regression analysis was run with a number of potential explanatory variables (see chapter 3). Among the significant associations drawn, was the positive correlation between preferring ownership and viewing it as a safe investment. This association suggests that those who view home purchase as a safe investment are more likely to say that owning is their preferred housing tenure form. This association seems obvious, but it would also seem to suggest that changes in views concerning the safety of investment in housing would dampen enthusiasm for homeownership. However, despite the magnitude of the recent financial crisis and its direct relationship to overinvestment in housing related assets, it has "has done remarkably little to dampen Americans' enthusiasm for home buying" (RIHA, 2011, p. 9). Hence, Americans' belief in the security of investment in their homes, and so their deep-seated preference for owning them, seems to be extraordinarily robust to alteration through social happenings.

At this point, it appears that the reasons for Americans' passion for homeownership are numerous, complex, resilient, and deeply culturally embedded. However, one tiny granule of explanation may come from the next predictor identified by the logistic regression analysis. That is, it was found that respondents who said owning makes more sense than renting long-term were much more likely to say that owning is their preferred tenure form. This association seems painfully obvious, and it is. Of course, if you prefer to own you think it is more logical than renting and vice versa. However, the morsel of useful information drawn from this association comes from a qualitative follow-up question which asked respondents to explain why renting makes more sense than owning. When the responses to this question were coded, it was seen that the most prominent concept was that of "investment" or the idea that owning is a financially superior decision to renting. Again, obvious, however, within this concept of investment, the most common explanation found was the familiar expression that renting is "throwing money away." Gurney (1999) was able to show through qualitative research that everyday metaphors and aphorisms play an active role in the social construction of reality by normalizing common notions of homeownership. I believe that this is another example of just such a phenomenon, that is to say, that the understanding that renting your home is throwing money away is such a ubiquitous conception used to rationalize the seemingly obvious superiority of owning and utter stupidity of renting that it is hardly questioned.

While the point is well taken that a mortgage payment is going towards the ownership of a possession (which further qualitative insight shows is blindly assumed to appreciate with time), further investigation of this statement shows that it is not entirely true. When a person rents a home they are purchasing a place to live and freedom from the many responsibilities and burdens that come with homeownership. Furthermore, homeownership is not exactly void of "thrown away money." When a person purchases a home they have to purchase insurance as well as pay property taxes, this is money that will never be seen again. My purpose here is not to make an argument for or against homeownership but rather to bring up valid points that are completely overlooked by otherwise well-informed people due to the impermeability of a reified social construction, namely, that renting is nothing more than "throwing money away."

The next variable found to be a significant predictor of preferred housing tenure form was income level. However, no consistent trend was able to be identified throughout the various income levels analyzed. It did appear that those who felt their income was most often insufficient to meet their needs were more likely to say that renting was their preferred tenure form than were groups who were more satisfied with their income. This data suggests that there may be tenure preference differences among various income levels and that those with less income may be more likely to prefer renting to homeownership. However, the data provided by this research is insufficient to draw such a conclusion and can only suggest that such variation among income levels is likely but more evidence is needed.

In looking to existing literature for support of this possible association, the most recent Fannie Mae release suggests that belief in the safety of homeownership as an investment is lower at lesser income levels (Fannie Mae, 2011b). However, as previously stated, the Fannie Mae survey does not specifically ask respondents about their preferred tenure home and so this association is highly speculative. Furthermore, if a preference for renting was found to be more prevalent among those with lower incomes than it is among those with higher incomes, further examination would still be required to explain this association. For example, it seems quite possible that expression of a preference for renting among poorer members of the population may stem from a lessened opportunity for ownership as much or more than it does from an actual preference.

Again, this is merely speculation. However, as stated from the beginning of this research, one of my primary goals has been to use quantitative data in order to identify promising areas for future qualitative research and this seems to be yet another example. The statistically significant association found through logistic regression analysis suggests that there is convincing quantitative evidence that stated tenure preference varies with income level. If perceptions of homeownership are in fact influenced by such socioeconomic variables, then qualitative insight could provide fascinating and useful information into exactly how such opinions are formed.

Research Question #3

Is homeownership in the future plans of college student echo-boomers? The data acquired from this research, as well as that of existing national studies seems to offer a clear answer to this question, *yes*. Among renters questioned in this survey, 93% expressed intentions to purchase a home at some point. Likewise, among Generation Y renters who participated in the latest Fannie Mae housing survey, 86% said they planned to purchase homes at some point. Among current homeowner respondents to this survey 58% said they would most likely always own their homes which is considerably lower than the 88% of Generation Y homeowner participants in the Fannie

Mae survey who said they planned to own their homes indefinitely. Again, while the questions used in the current research were worded similar to those found in Fannie Mae's survey, the sampling techniques and demographics are not identical, and therefore while comparative analyses may be useful to get a general idea of similarities and differences, it must not be interpreted as direct comparison. Regardless, the data seems to be sufficient to conclude that most members of this generation intend to purchase homes at some point (recall that the RIHA survey also reported positive home-buyer sentiment among 80% of respondents under 30).

When potential predictors of long-term housing intentions were explored via logistic regression analysis, one response was found to be significant, namely, whether or not respondents viewed home purchase as a safe investment. Not surprisingly, it was found that respondents who believe buying a home is a safe investment are more likely to report intentions to purchase homes. This association reiterates the previously discussed importance of investigating the means through which people rationalize the safety of home purchase. This is to say that the association demonstrated between notions of home investment safety and housing intentions provides quantitative evidence that what people believe directly influences their behavior as housing consumers (think ISC-OSC continuum).

Not that such a connection was needed as the correlation between overly optimistic views of the housing market and the development of the financial crisis have already been argued extensively. However, the current research suggests that particularly optimistic views of the housing market, and thus intentions to invest in homes are the norm among many young Americans. Furthermore, it seems that such perceptions may not be grounded in the most reliable data. On the contrary, when asked to qualify their statements by explaining their rational for a preference in homeownership most respondents offered blanket statements such as "rent is throwing money away" and "houses always appreciate with time".

To be fair, in a short-answer survey question respondents do not have much of an opportunity to explain the information on which they base their rationale. However, as has been argued previously, real-estate has not been shown to increase in value at a rate that even keeps pace with changes in GDP. Moreover, further investigation reveals that renting is not completely analogous to throwing money in the dumpster. This, to me, further emphasizes the importance of continuing investigation of the means through which individuals *socially construct* their housing related opinions and practices. Furthermore, the association between opinion and action highlights the importance of homebuyer education programs for as we have seen, hurried entry into the housing market based on unrealistically optimistic notions is a recipe for disaster. Additionally, the teachings of insightful economists such as Hyman Minsky warn us that as the memory of recession fades away confidence and risky investment are sure to build again. As consumer confidence among a generation of Americans entering their peak household formation years already sits at a high level on the tail end of the worst economic crisis since the Great Depression, how long will it take before its lessons are forgotten and the *social contagion* of *boom thinking* takes over again, turning attention back to real estate?

Of course, the answer to this question is not at all clear; it is posed only to draw attention to the need for continued research and education in related areas. Nor do I intend to make it sound as though consumer's desire to own their homes is a bad thing. A strong housing market fueled by consumer appetite has the ability to be the backbone of a healthy economy. However, it is when such demand is motivated by faulty social constructions which tell consumers, producers, and regulators alike that homeownership is a fundamental need, worth pursuing at all costs that it becomes problematic. Furthermore, with conceptions like *the real estate myth*, *new era stories*, and the *American Dream* in sync with aphorisms like renting as synonymous with throwing away money, real estate is particularly vulnerable to being swept up in the tide of *social contagion* and escalated through *feedback loops* until it reaches an unsustainable, artificially elevated position destined for disaster. While economists like Robert Schiller argue for advances in the democratization of finance, which will no doubt be essential in the coming years, my contention is that continued constructionist housing research and homebuyer education programs are essential to stem the tide that will inevitably build as the memory of this recession fades.

In order to go beyond accepted understandings of long term housing intentions among the echo-boomer generation, I asked respondents about their more immediate housing intentions as well. More specifically, respondents were asked if they were to move now whether they would be more likely to rent or buy. Ninety-two percent of respondents said they would be more likely to rent. These findings are not particularly surprising considering the sample was drawn entirely from college students, many of whom are in their current location only while they attend school with plans to leave after. The only significant predictor identified for this outcome was whether or not respondents were already homeowners at the time of the survey, in which case they were more likely to report that they would buy if they were to move immediately. This seems logical as the barriers to homeownership amongst the majority of students have likely already been removed through one means or anther from those who already own homes.

Since college is a temporary barrier to homeownership, respondents were also asked whether they would be more likely to rent or own if they were to move within a year following graduation. A smaller majority of 84% maintained that they would still most likely rent. Again, current tenure form was found to be a significant predictor of intentions. However, one very interesting difference emerged. For this outcome, both respondents who reported currently being owners and who reported being renters were found to be more likely to report intentions to rent following graduation than were those who reported their current tenure form as “other.” Upon further investigation it was found that among the “other” group, most respondents provided an explanation of the their current tenure form which implied that their rent was currently paid by either their parents, financial aid, or other means (e.g., dormitories, live with parents, sororities, or fraternities).

Furthermore, respondents were asked to qualify their responses by explaining their intentions in their own words. The qualitative responses from those who defined their tenure form as “other” and expressed intentions to purchase a home following graduation were analyzed. It was found that the most prominent theme was that following graduation they would be ready to start their life, settle down, and raise a family. Intrigued, I further analyzed these respondents, finding that 83% reported incomes that always or nearly always fulfill their needs and that their ages ranged from 18 to 23 years.

From this cross analysis, a speculative picture of these respondents emerged. First of all, from the data it can be said definitively that they all fall within the younger half of the sample and have little financial worry as their rent appears to be paid and they report having sufficient income to meet their needs. Beyond this I can speculate that most if not all of this group has likely not yet lived independently given their ages and housing conditions, yet they all seem to have intentions to purchase homes following graduation.

Beyond this all explanations are purely hypothetical, but the tempting explanation is that due to their age and relative affluence they have been largely sheltered from the effects of the financial crisis and subsequent recession and therefore are basically unaffected by many of the concerns and constraints that caused most respondents to report intentions to rent even after graduation. I want to reiterate that this explanation is merely speculative and could be completely off base. However, the purpose of this investigation stands achieved, namely to identify significant associations quantitatively and to offer some insight, thereby paving the way for further qualitative inquiry. This serves as another promising example as understanding what characteristics distinguish young Americans who intend to purchase their homes in the near future from those who do not could offer valuable information to researchers, policy makers, and housing professionals alike.

The last thing that should be discussed in regards to this research question is the enormous discrepancy between immediate and long-term housing intentions. That is, the percentage of respondents who said they would buy if they moved now and who said they planned to buy in the long run, are nearly the exact opposite of each other. Namely, nearly all respondents (92%) relayed the impression that they are not yet ready to buy, however, the same percent expressed intentions to buy at some point in the future. Furthermore, when respondents were asked to provide in their own words their rationale for renting, the vast majority of responses suggested temporary inhibitions. Specifically, the three most prominent concepts identified among these responses were labeled as “mobility,” or the idea that they could move as needed since they weren’t yet sure where they planned on settling, “life-stage,” or the idea that renting was a temporary means of satisfying their housing needs at this stage in their life, and “cost,” which suggested that not buying was largely influenced by their inability to afford a home at this point.

Probably the most central concept to note from all of these is that they all describe a state that is temporary. Thus, the qualitative data supports what the quantitative data suggests, namely that while they are not ready to buy *yet*, echo-boomers do plan on buying in the future, exactly when seems to be more of a question of conditions and opportunity than alacrity.

Research Question #4

Do college student echo-boomers view homeownership as part of their own personal American Dream? When asked directly whether homeownership was part of their own personal American Dream, the respondents to this study spoke loud and clear with 86% of them saying *yes*. Furthermore, when asked to describe in their own words what the American Dream means to them, homeownership was the most prominent of 13 distinct concepts identified.

Logistic regression analysis furthered this examination by identifying several significant predictors of variance among responses to this question. The first of these came from a variable identifying respondents’ expectations for rental prices over the next 12 months. Examining the relationship between these variables, a general trend of expectations for rental price increases over the next year and greater odds of seeing homeownership as part of their American Dream was suggested by the data. However, differences were not significant among all levels of the independent variable.

Still, the significance of this variable suggests that there is convincing evidence of an association between expectations for rent and viewing homeownership as part of the American Dream. This was identified as another area of great potential for future qualitative inquiry. Particularly due to the previously discussed findings of Gurney (1999) who showed a relationship between pro-homeownership sentiment and negative views of renting. Hence, it is possible that the same inverse relationship between negative views of renting and positive views of owning is at play here. However, further investigation would be necessary to clarify such possibilities.

Next, age was identified as a significant predictor of how likely respondents were to view homeownership as part of their American Dream. It was found that the odds of viewing homeownership as part of the American dream were significantly higher among younger respondents (i.e., 23% greater odds for each year). This revelation was fascinating as this research project was largely fueled by hypotheses and existing data which suggested that the housing perceptions of younger members of the population were more vulnerable to change through social happenings, and therefore that in the wake of a massive housing bust that younger Americans may have abandoned the long-standing housing-oriented dreams of their forefathers. However, the exact opposite was indicated by both the quantitative and qualitative data gathered in this study, both of which indicated the necessity of owning a home in the quest to achieve the American Dream.

Almost needless to say at this point, this is another area where I believe that further qualitative inquiry is needed in order to explain this enigma. Numerous researchers over the years following the crisis have alluded to the possibility that perhaps sentiment towards home buying among members of this generation had grown more negative in its wake, and therefore that perhaps the sluggish rebound of the housing market was at least partly the result of attitudes adverse to homeownership.

I, personally, was convinced as I headed into this research project that this would be the case. Being just older than the oldest echo-boomers myself, I can only attest to my own experience which amounts to a drastic change in perceptions of homeownership and the American Dream on account of the crisis. Though I believe that this project offered clear answers to the questions asked, in the face of evidence so contrary to my expectations, even more questions arise.

How could this young generation grow up in the midst of the worst financial crisis since the Great Depression, which saw millions of Americans lose their homes to foreclosure and even more lose their jobs and substantial portions of their wealth along with the collapse of the housing market, and yet still have such confidence in its stability and inevitable ascent? Perhaps, being younger than I, their more formative years, when they were most impressionable, took place prior to the crisis when all the talk was of the impressive growth in real estate prices? Then, in sync with the onset of the crisis, they grew into their teenage years and closed their eyes and ears throughout? Of course these are merely amusing cogitations, and at this point I stand dumbfounded. However, I also stand satisfied with the clarity with which the questions posed in this research were answered and also the lucidity with which new questions have emerged.

Limitations of Study and Suggestions for Future Research

Throughout this chapter I have been very candid about the areas for which data was insufficient to draw definite conclusions and for which future research is suggested. Here I will discuss some of the major limitations of the study as well as briefly reiterate some of the suggestions for future research.

As previously discussed, this study utilized convenience and snowball sampling techniques, each of which are nonrandom sampling procedures. Therefore, though this research proceeded through quantitative data analysis, the results cannot be extrapolated past the borders of the sample from which they are drawn to make inferences to the greater target population.

Furthermore, as discussed earlier in this writing, questions were based on those from nation-wide random sample studies, and so I looked to those studies for support to the data suggested by my findings. However, such support is limited in its strength as questions were not always identical and sample demographics could not be emulated.

On the other hand, it is my contention that despite this weakness, the strength of this study is in its more pointed focus than these larger studies and in its allowing respondents to clarify their answers through the use of open-ended questions. However, though such questions offer qualitative support to its overall quantitative theme, I also cannot claim to offer the insight that would be drawn from a purely qualitative study. This is particularly so as the subject of homeownership goes beyond mere numbers and simple answers to meanings that are deeply culturally engrained. This is evidenced by my findings as well as those of the Fannie Mae survey which concluded that “non-financial motivations eclipse financial reasons for owning a home” (Fannie Mae, 2010). Furthermore, Bracha and Jamison (2011) posit that owning a home is “an important psychological benchmark for many citizens” (p. 2).

Thus, while this research can provide important quantitative information concerning the sample from which it was drawn and supplement that information with qualitative insight thereby offering further explanation of findings, it cannot offer the power or inferential capabilities of larger quantitative studies based on random samples. Nor can it go beyond the depth that can be acquired from a limited number of short open-ended questions as could purely qualitative research methods. However, this should not subtract from the value of information that was obtained from the techniques used. While nation-wide quantitative studies have much to offer concerning large-scale housing trends, they provide little support to these findings in the way of answering *why* respondents feel the way they do. Hence, this survey was designed specifically to fill this void by providing respondents the opportunity to substantiate their responses with their own words. Furthermore, while the depth of these responses is limited, they serve as a valuable starting place from which future qualitative studies can begin.

It is such areas that I have attempted to point out throughout this chapter. As I proceeded through the various dependent variables analyzed in this study, one predictor kept popping up as significant, namely, whether or not respondents viewed homeownership as a safe investment. That is, people’s perceptions regarding the safety of investment in housing were shown to be important indicators of their preferred tenure form, future housing intentions, and whether or not they viewed homeownership as part of their own personal American Dream.

Hence as I worked my way through the findings of this research, the same sort of questions kept arising, mostly revolving around one central query, namely, *how do people rationalize the safety of home purchase?* Addressing this question from a constructionist perspective, it becomes; *what are the means through which individuals socially construct their housing related opinions and practices?*

Shiller (2008) has provided a well-developed contagion theory of how housing related perceptions are spread through forces such as *new era stories* and *feedback loops*. However, as useful as such theories are, even to the development of the current piece of research, their usefulness seems to lie in explaining macro rather than micro-level trends. That is to say, that while theories of social contagion serve to effectively describe how ideas spread through a group of people, they seem to be deficient in explaining exactly how each individual rationalizes the thoughts that they consequently inherit. Thus, given the importance of beliefs regarding investment in housing, I would like to see further qualitative insight into exactly how such beliefs are adopted and strengthened through social interactions on the individual level. Hence, I would like to see further constructionist qualitative insight focused on how individuals develop and maintain their convictions concerning homeownership.

Implicated through this research was the role of commonly used aphorisms in strengthening popular opinions about homeownership and renting. Gurney (1999) investigated how everyday language serves to "normalize" common conceptions of homeownership within British culture (p. 40). More specifically, Gurney uses data from qualitative fieldwork among a small group of home-owner households to illustrate that everyday metaphor and aphorism are instrumental in the social construction of housing and, what's more, facilitate the transmission and retention of tenure prejudice.

It is my contention that even within the small amount of qualitative data provided by this study that similar phenomena have been implicated among this young generation of Americans. Furthermore, it appears that everyday axioms may work to effectively repress the absorption of information essential for players in the housing market to make sufficiently informed decisions. Hence, Gurney's study may serve as a useful blueprint from which similar research may proceed in the United States.

Given the drastic consequences of a deficient understanding of how Americans rationalize their housing beliefs and behaviors, it is imperative that housing researchers make a deliberate effort to expand such knowledge. It is only through a thorough understanding of how such beliefs are internalized and operationalized that policies and practices can be implemented to ensure that all actors in the housing market have the necessary information to make optimal decisions.

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APPENDICES

Appendix A: Survey Questionnaire

Thank-you for taking the time to participate in this survey! You have been chosen because you are a part of an important generation of people whose attitudes towards housing are important for researchers, policy makers, and business leaders to understand in order to predict the future of housing in America.

Section 1 – We will begin with a couple of general questions concerning the type of housing you live in and your housing tenure form, that is, whether you rent, own, or have other living arrangements.

1. In what type of housing do you currently reside?
   - Single-family home detached from other homes
   - Apartment or flat
   - Townhouse
   - Dormitory or group home
   - Other ________________

2. What is your housing tenure form while you attend school?
   - I live in a home that I own
   - I live in a home that I rent
   - I live in a home that is paid for as part of work or other arrangement
   - Other arrangement: ____________________

3. Are you currently a homeowner? That is, do you own a home that you live in while you attend school or elsewhere that is not your primary residence during school? [Link to follow on question if answer yes]
   - Yes
   - No

   3a. Do you have a mortgage or own your house outright?

Section 2 – Following are questions concerning your opinion of the current economic environment for housing.

4. In general, do you see now as a good time to buy a house?
   - Yes, a very good time.
   - Yes, a somewhat good time.
   - No, a somewhat bad time.
   - No, a very bad time.
   - Don’t know.

5. During the next 12 months do you think home prices in general will go up, go down, or stay about the same as where they are now? [Link to following question]

Prices will go up
Prices will go down
Prices will remain about the same
Don’t know

5a. By about what percent do you think home prices in general will go down on the average over the next 12 months? [Open End Numeric]

5b. By about what percent do you think home prices in general will go up on the average over the next 12 months? [Open End Numeric]

6. What about the outlook for prices of homes in the next 5 years or so? Do you expect them to go up, go down, or stay the same as where they are now?

Prices will go up
Prices will go down
Prices will remain about the same
Don’t know

6a. By about what percent do you think home prices in general will go down on the average over the next 5 years? [Open End Numeric]

6b. By about what percent do you think home prices in general will go up on the average over the next 5 years? [Open End Numeric]

7. During the next 12 months do you think home mortgage interest rates will go up, go down, or stay about the same as where they are now? [Link to following question]

Rates will go up
Rates will go down
Rates will remain about the same
Don’t know

7a. By about what percent do you think home interest rates will go down on the average over the next 12 months? [Open End Numeric]

7b.By about what percent do you think home interest rates will go up on the average over the next 12 months? [Open End Numeric]

8. During the next 12 months do you think home rental prices in general will go up, go down, or stay the same as where they are now? [Link to following question]

Prices will go up,
Prices will go down
Prices will stay about the same

Don’t know

8a. By about what percent do you think home rental prices in general will go down on the average over the next 12 months? [Open End Numeric]

8b. By about what percent do you think home rental prices in general will go up on the average over the next 12 months? [Open End Numeric]

9. There are many different views of our current economy. In your view, is our economy of on the right track or the wrong track?

Right track
Wrong track
Don’t know

10. Looking ahead one year, how do you see your personal financial situation changing?

It will get much better
It will get somewhat better
It will stay about the same
It will get somewhat worse
It will get much worse
Don’t know

11. If you were to buy a home today, or following graduation, what level of difficulty do you think you would have in getting a home mortgage?

Very difficult
Somewhat difficult
Somewhat easy
Very easy
Don’t know

12. Which of the following do you believe would be the biggest obstacle to your getting a home mortgage?

Your income
Your total debt
Your job security
Finding an affordable rate
Having enough for a down payment
Your credit history
Don’t know

13. Do you think it will be easier or harder for your children or the next generation in general to buy a home than it is today?

Easier
Harder
About the same
Don’t know

14. Do you believe that purchasing a home is a safe investment?
    Yes, very safe
    Yes, somewhat safe
    No, somewhat unsafe
    No, very unsafe

Section 3 – Following are some reasons people give for buying homes. For each one please indicate if it is a major reason, minor reason, or not a reason at all to buy a home.

15. Owning a home provides tax benefits.
    Major reason
    Minor reason
    Not a reason at all
    Don’t know

16. Paying rent is not a good investment.
    Major reason
    Minor reason
    Not a reason at all
    Don’t know

17. Owning a home gives me something I can borrow against if I need it.
    Major reason
    Minor reason
    Not a reason at all
    Don’t know

18. Owning a home is a good way to build up wealth that can be passed along to my family
    Major reason
    Minor reason
    Not a reason at all
    Don’t know

19. It is a good retirement investment
    Major reason
    Minor reason

Not a reason at all
Don’t know

20. It means having a good place to raise children and provide them with a good education.
Major reason
Minor reason
Not a reason at all
Don’t know

21. It allows you to select a community where people share your values.
Major reason
Minor reason
Not a reason at all
Don’t know

22. It motivates you to become a better citizen and engage in important civic activities such as voting, volunteering, and contributing to charities.
Major reason
Minor reason
Not a reason at all
Don’t know

23. You have a physical structure where you and your family feel safe.
Major reason
Minor reason
Not a reason at all
Don’t know

24. It gives you control over what you do with your living space, such as renovations and updates
Major reason
Minor reason
Not a reason at all
Don’t know

25. It allows you to live in a nicer home.
Major reason
Minor reason
Not a reason at all
Don’t know

26. It allows you to have more space
Major reason

Minor reason
Not a reason at all
Don’t know

27. It’s a symbol of your success or achievement.
Major reason
Minor reason
Not a reason at all
Don’t know

28. Buying a home provides a good financial opportunity.
Major reason
Minor reason
Not a reason at all
Don’t know

Following are some reasons people give for not owning a home. For each one please indicate if it is a major reason not to own a home, a minor reason, or not a reason at all.

29. It is cheaper per month to rent than to buy.
Major reason
Minor reason
Not a reason at all
Don’t know

30. Purchasing a home can limit flexibility and future options.
Major reason
Minor reason
Not a reason at all
Don’t know

31. The high costs of purchase and upkeep of a home are too high.
Major reason
Minor reason
Not a reason at all
Don’t know

32. The process of buying a home is too complicated.
Major reason
Minor reason
Not a reason at all
Don’t know

33. It is not an economically good time to buy a home.
    Major reason
    Minor reason
    Not a reason at all
    Don't know

34. Your money can be used for other investments that are better than buying a home.
    Major reason
    Minor reason
    Not a reason at all
    Don't know

35. Renting allows you to live in a better neighborhood.
    Major reason
    Minor reason
    Not a reason at all
    Don't know

36. Please indicate which of the following selections is closer to your view.
    -Renting makes more sense than owning long term because it protects you against house price declines and is actually a better deal than owning over time.
    -Owning makes more sense than renting because you're protected against rent increases and owning is a good investment over the long term.
    -Don't know.

37. Please indicate which of the following selections is closer to your view
    -Renting makes more sense than owning right now because it protects you against price declines and so it is actually a better deal than owning at the present time.
    -Owning makes more sense than owning right now because you're protected against rent increases and so owning is a better investment at the present time.

38. In your opinion, what, if any, is the best reason to rent rather than own a house? [Open End]

39. In your opinion, what, if any, is the best reason to purchase rather than rent a home? [Open End]

40. Generally speaking, what is your preferred housing tenure form?
    Rent
    Own

Section 4 – Following are some questions about your experience with mortgage default.

41. Do you know of people in your area who have defaulted on a mortgage?
    Yes
    No

42. Has anyone close to you, that is, family, friends, or neighbors ever defaulted on a mortgage?
    Yes
    No

43. Have you personally ever defaulted on a mortgage?
    Yes
    No

Section 5 – Following are questions concerning your future housing intentions

44. If you were going to move now would you be more likely to [Link to follow on question]
    Rent
    Buy

    44a. What is your primary reason for this decision?

45. If you were going to move within 12 months of graduation would you be more likely to: [Link to follow on question]
    Rent
    Buy

    45a. What is your primary reason for this decision?

46. If you rent now, in the future are you more likely to [Link question to earlier question about present tenure form] [Link to follow on question]
    Always rent
    Buy at some point in the future
    Don't know

    46a. What is your primary reason for this decision?

47. If you own now, in the future are you more likely to [Link question to earlier question about tenure form] [Link to follow on question]
    Always own
    Rent at some point in the future
    Don't know

47a. What is your primary reason for this decision?

Section 6 – The following questions are concerned with your conception of the “American Dream”

48. Please state in the fewest words possible what the “American Dream” means to you.

49. Is owning a home part of your own personal “American Dream”
    Yes
    No

Section 6 – Following are some basic demographic questions for statistical purposes only.

50. What is your gender?
    Male
    Female

51. What year were you born? [Open End Numeric]

52. What year are you in school?
    Freshman
    Sophomore
    Junior
    Senior
    Post Baccalaureate
    Graduate Student

53. What is your major? [Open End]

54. Are you a United States Citizen? [Link to follow-up question]
    Yes
    No

    54a. Of what state are you a citizen? [Open End]

    54b. Of what nation are you a citizen [Open End]

55. Please indicate the adequacy of your household income
    Never meets needs
    Rarely meets needs
    Sometimes does not meet needs

Sometimes meets needs
Most always meets needs
Always meets needs
Decline to answer

56. What is your current marital status?
    Married or partnered
    Separated or divorced
    Widowed
    Single
    Other ________

57. With which group do you most closely identify?
    American Indian or Alaskan Native
    Asian
    Black or African American
    Latino/Hispanic
    Native Hawaiian or Pacific Islander
    White, non-Hispanic
    Other___________

Thank-you for taking the time to complete this survey!

Appendix B: Professor Invitation Letter

Project Title:	Perceptions of Homeownership
Principal Investigator:	Carmen D. Steggell
Student Researcher:	Thomas Micek
Sponsor:	None
Version Date:	February 11, 2012

Dear Professor,

My name is Thomas Micek. I am a graduate student in the Department of Design and Human Environment at Oregon State University. I am conducting a research study as part of the requirements of my Master's degree in Housing Studies and would like to invite you to make a survey available to your students.

I am studying perceptions of homeownership among college students of the echo-boomer generation. Students who decide to participate will be asked to complete an on-line questionnaire about their opinions on related issues. This survey takes approximately twenty minutes to complete.

The views of this population concerning homeownership are very important to understand as in the wake of the recent financial crisis, it has become clear that unrealistically optimistic views of the housing market played a large role in this economic catastrophe. Since students of this generation are entering what have traditionally been household formation years, understanding their perceptions of homeownership is particularly timely. Your participation in making this survey available to your students is greatly appreciated.

Student's participation in this study is confidential. Study information will be kept in a secure location at Oregon State University. The results of the research may be published or presented at professional meetings, but student's identities will not be revealed.

Taking part in the study is completely voluntary. You may, however, provide your students extra credit for participation if you so choose, though an alternative option for the equal amount of points must be offered in this case.

If you are willing to assist in this research project please make the student invitation e-mail at the following link available to your students.

LINK

If you have any questions about this study you may contact me at micekt@onid.orst.edu, or my major professor and principle investigator, Carmen Steggell, at carmen.steggell@oregonstate.edu.

Thank you for your consideration.

With kind regards,

Thomas Micek

micekt@onid.orst.edu

Appendix C: Professor Reminder Letter

Project Title: Perceptions of Homeownership

Principal Investigator: Carmen D. Steggell

Student Researcher: Thomas Micek

Sponsor: None

Version Date: February 11, 2012

TO BE TRANSMITTED VIA E-MAIL

Dear Professor,

One week ago, you were invited to make a survey about homeownership available to your students. I greatly appreciate your assistance. At this point, I would like to ask you to make the reminder e-mail at the following link available to your students.

LINK

Thank-you very much for your assistance in this research project.

Sincerely,

Thomas Micek Carmen D. Steggell

Graduate Student Associate Professor

Appendix D: Student Invitation Letter

Project Title: Perceptions of Homeownership

Principle Investigator: Carmen D. Steggell

Student Researcher: Thomas Micek

Sponsor: None

To Be Transmitted Via E-mail

Dear Fellow Student,

My name is Thomas Micek, I am a graduate student in the Department of Design and Human Environment at Oregon State University. I am writing to request your participation in a survey regarding perceptions of homeownership and the economy among current college students. You are invited to share your opinions and experiences, as well as some general background information.

You have been chosen to participate in this study because you are part of an important generation of Americans whose views will shape the future of housing in this country. If you decide to participate you will be asked to complete a questionnaire about your opinions on these issues. You will be guided through a series of questions which will take you about 20 minutes to complete. There are no right or wrong answers to these questions.

Please follow the link below to proceed with the survey:

LINK

Thank you for your help with this important research.

Sincerely,

Thomas Micek	Carmen D. Steggell
Graduate Student	Associate Professor

Appendix E: Student Reminder Letter

Project Title:	Perceptions of Homeownership
Principal Investigator:	Carmen D. Steggell
Student Researcher:	Thomas Micek
Sponsor:	None
Version Date:	February 11, 2012

TO BE TRANSMITTED VIA E-MAIL

Dear Student,

One week ago, you were invited to participate in a survey about homeownership. If you have already completed the survey, please accept my sincere appreciation. If not, please take a few moments to do so today.

LINK

Your opinion is important to this research and your responses matter.

Thank you for your assistance.

Sincerely,

Thomas Micek	Carmen D. Steggell
Graduate Student	Associate Professor

Institutional Review Board ● Office of Research Integrity
B308 Kerr Administration Building, Corvallis, Oregon 97331-2140
Tel 541-737-8008 | **Fax** 541-737-3093 | IRB@oregonstate.edu
http://oregonstate.edu/research/ori/humansubjects.htm

NOTIFICATION OF EXEMPTION

May 24, 2012

Principal Investigator:	Carmen Steggell	Department:	Design and Human Environment
Study Team Members:			
Student Researcher:	Thomas Micek		
Study Number:	5244		
Study Title:	College Students' Perceptions of Homeownership		
Funding Source:	None		
Funding Proposal #:			
PI on Grant/Contract:			
Submission Type:	Initial Application received 3/13/2012		
Review Category:	Exempt	Category Number:	2

The above referenced study was reviewed by the OSU Institutional Review Board (IRB) and determined to be exempt from full board review.

Expiration Date: 4/10/2017
*The exemption is valid for **5 years** from the date of approval.*

Annual renewals will not be required. If the research extends beyond the expiration date, the Investigator must request a new exemption. Investigators should submit a final report to the IRB if the project is completed prior to the 5 year term.

Documents included in this review:

☒ Protocol	☒ Recruiting tools	☐ External IRB approvals
☒ Consent forms	☒ Test instruments	☐ Translated documents
☐ Assent forms	☐ Attachment A: Radiation	☐ Attachment B: Human materials
☐ Grant/contract	☐ Letters of support	☐ Project revision(s)
☐ Other:		

Comments:

Principal Investigator responsibilities:

- Amendments to this study must be submitted to the IRB for review prior to initiating the change. Amendments may include, but are not limited to, changes in funding, personnel, target enrollment, study population, study instruments, consent documents, recruitment material, sites of research, etc.
- All study team members should be kept informed of the status of the research.
- Reports of unanticipated problems involving risks to participants or others must be submitted to the IRB within three calendar days.
- The Principal Investigator is required to securely store all study related documents on the OSU campus for a minimum of three years post study termination.

Institutional Review Board • Office of Research Integrity
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NOTIFICATION OF EXEMPTION

May 24, 2012

If you have any questions, please contact the IRB Office at IRB@oregonstate.edu or by phone at (541) 737-8008.