

NEIGHBORWORKS AMERICA AMERICA AT HOME 2014

Findings from a Telephone Survey of 1,000 Americans
on Homeownership, The Home-Buying Process and the
Impact of Student Loan Debt

Widmeyer Communications, A Finn Partners Company
September 2014



Methodology

- This survey was conducted by Widmeyer Communications, A Finn Partners Company, from September 25 – September 29, 2014.
- The survey was conducted with a nationally-representative sample of 1,000 U.S. adults.
- It was conducted via telephone by professional interviewers using a random digit dial (RDD) sample.
- The survey has a margin of error of +/- 3.1 percentage points at a 95% confidence level.

Key Findings

Homeownership and the American Dream

- Homeownership remains an integral part of the American Dream, with 60% of Americans saying it is very important or the most important component.
- This is especially true among African Americans and Hispanics, who are most likely to say it is the most important component – increasing by double-digits since the question was asked in 2013. However, this juxtaposes with the fact that these groups are considerably less likely to feel confident in their ability to know when it is time to purchase a home and are less confident that they can find the right mortgage.

The Burden of Student Loans on the Prospective Homeowner

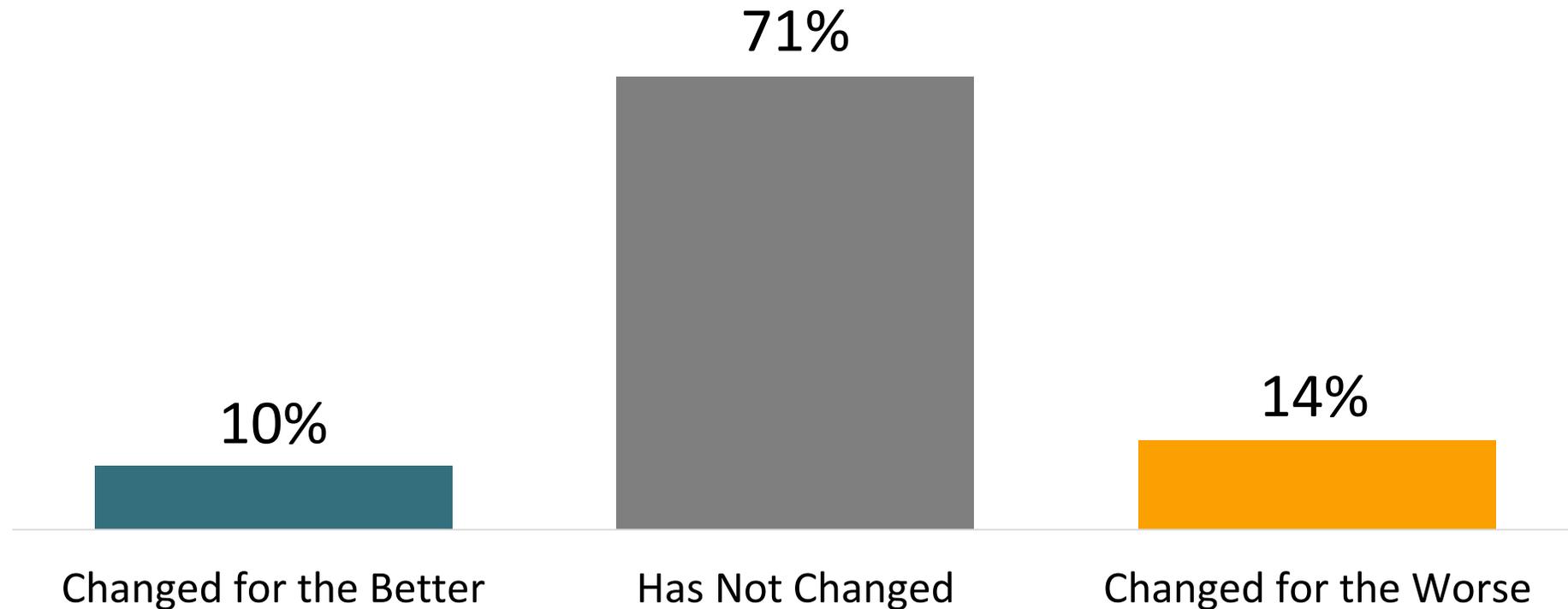
- A significant portion of Americans either have student loan debt (17%) or personally know someone who has had to put off a home purchase because of student loan debt (24%).
- Student loan debt is burdensome. Among those with debt, it is most likely to be the top obstacle to buying a house, above lack of job security or lack of a down payment. One-in-three with debt worry about their student loan debt all or most of the time.
- Student loan debt has clouded views of homeownership. Those with student loan debt are more likely to say homeownership has changed for the worst over the past five years, that they cannot find a mortgage that is right for them, and that the home-buying process is complicated.
- Student loan debt disproportionately affects those under 30, African Americans, Hispanics, women, and those in the Northeast. While renters only make up 25% of the U.S. population, 42% of those with student loan debt are renting.



Homeownership and the American Dream

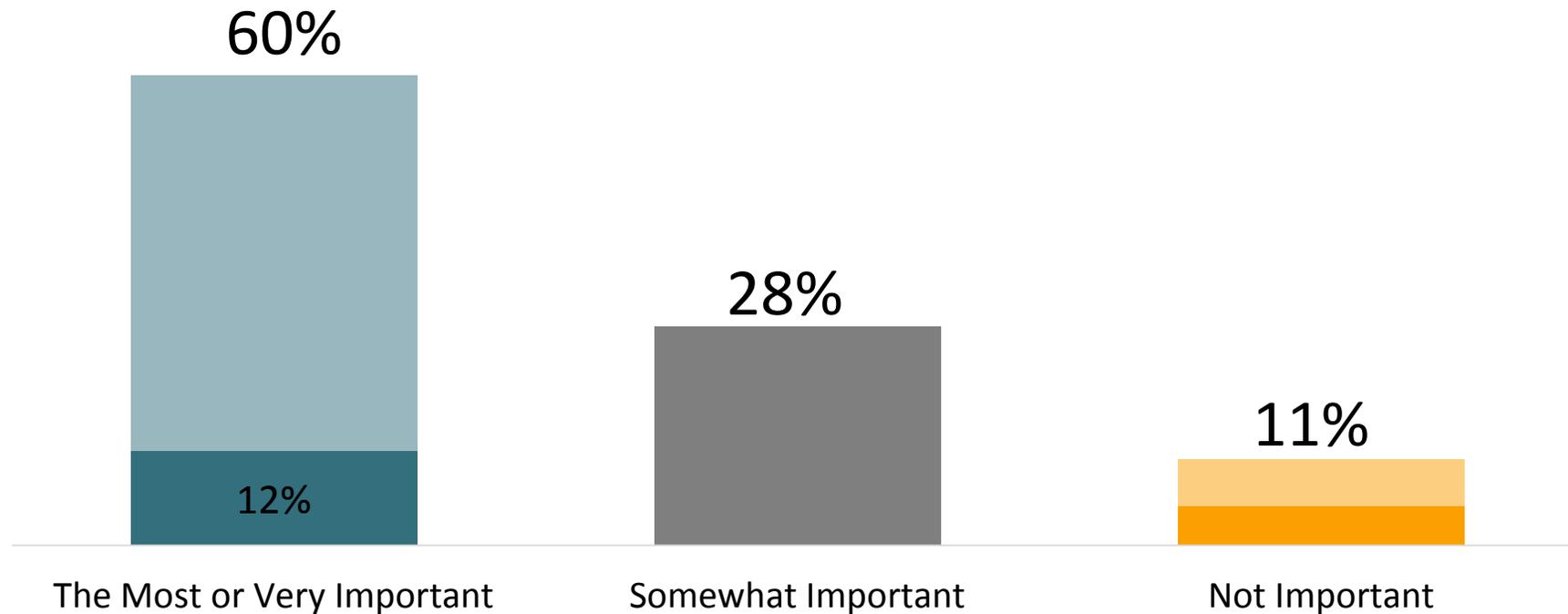
For the vast majority of Americans, their opinion of homeownership is unchanged for the past five years; just one-in-ten say their opinion has changed for the better.

Has your overall opinion of homeownership changed in the past five years?



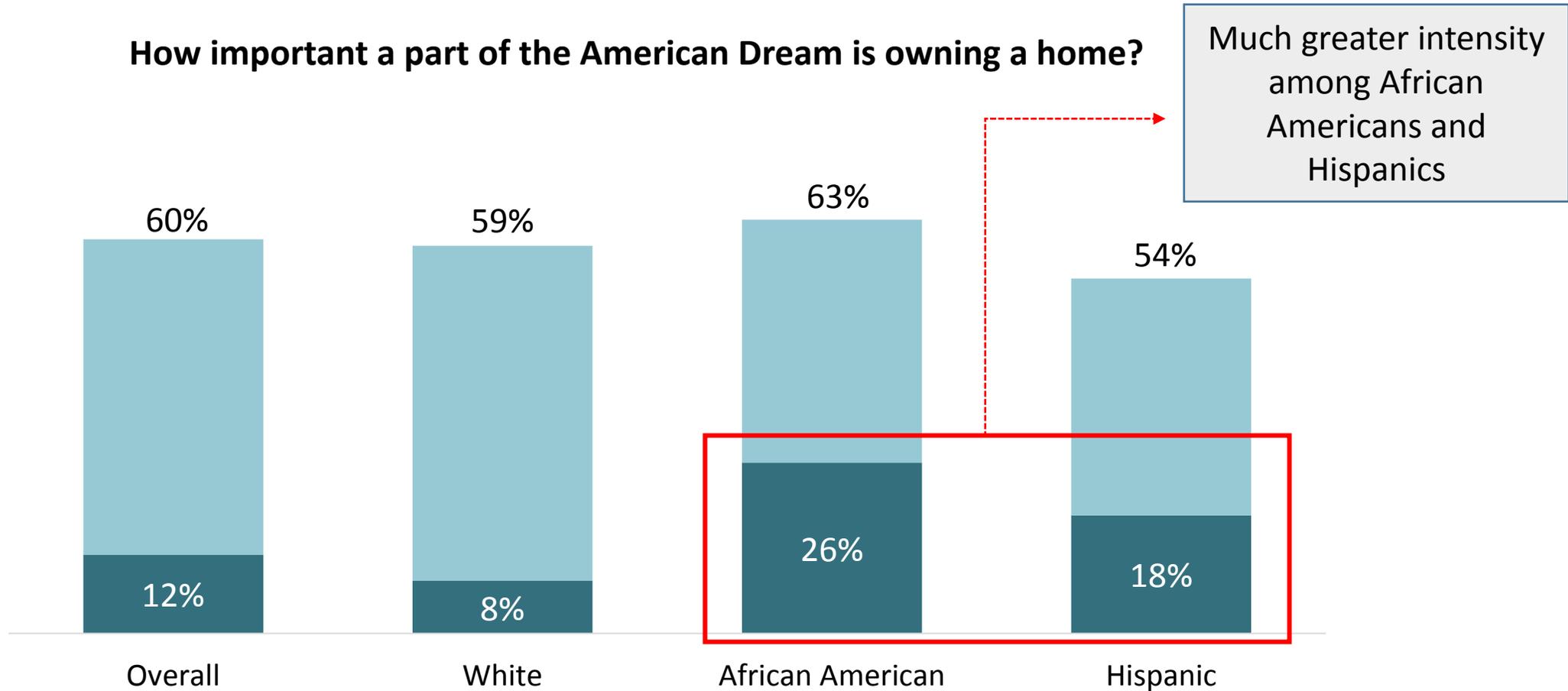
Homeownership is an integral part of the American Dream. Nine in ten (88%) Americans consider it at least somewhat important, including 60% who consider it the most important or a very important aspect of the American dream.

How important a part of the American Dream is owning a home?



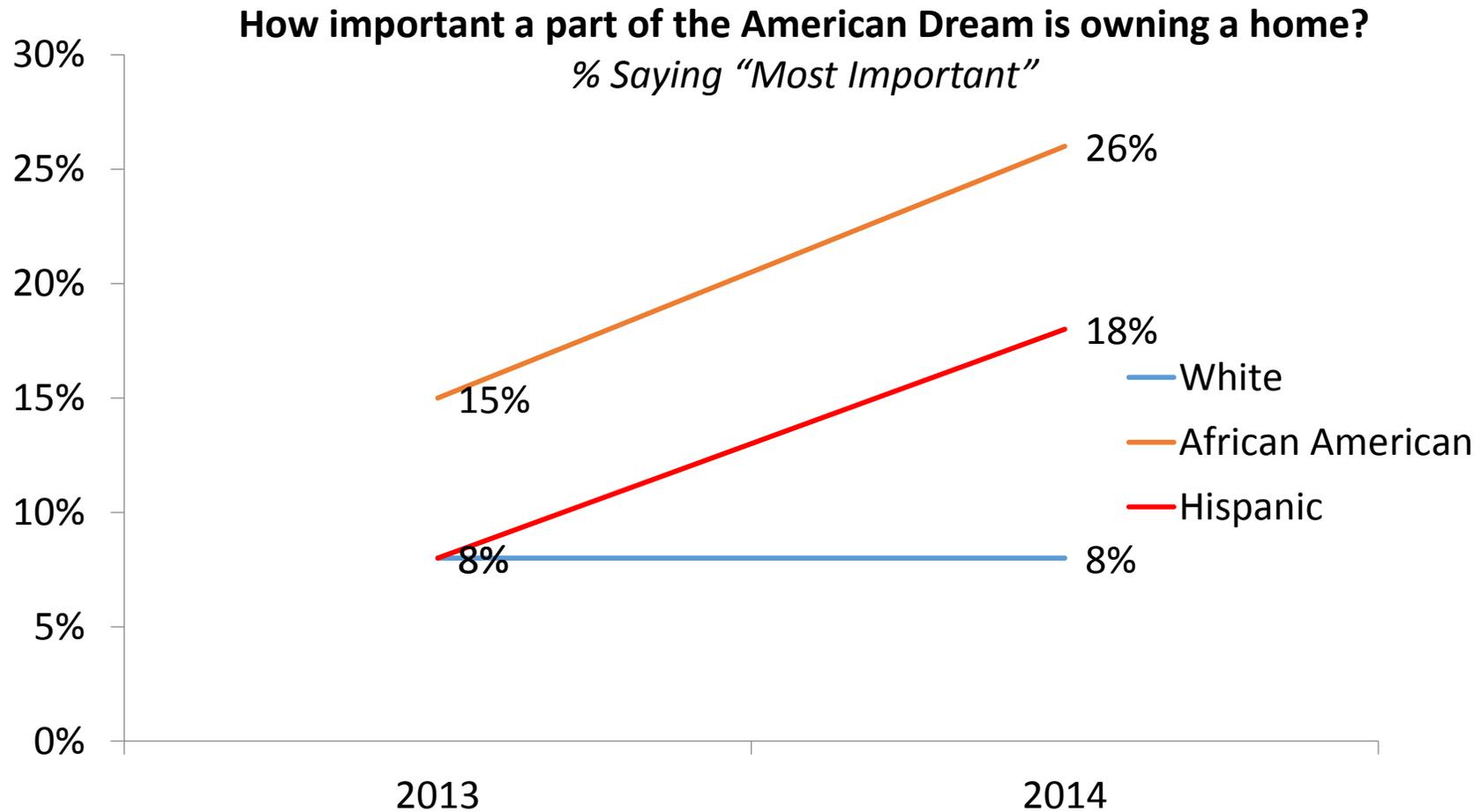
African Americans and Hispanics are especially likely to say that homeownership is the most important part of the American Dream.

How important a part of the American Dream is owning a home?



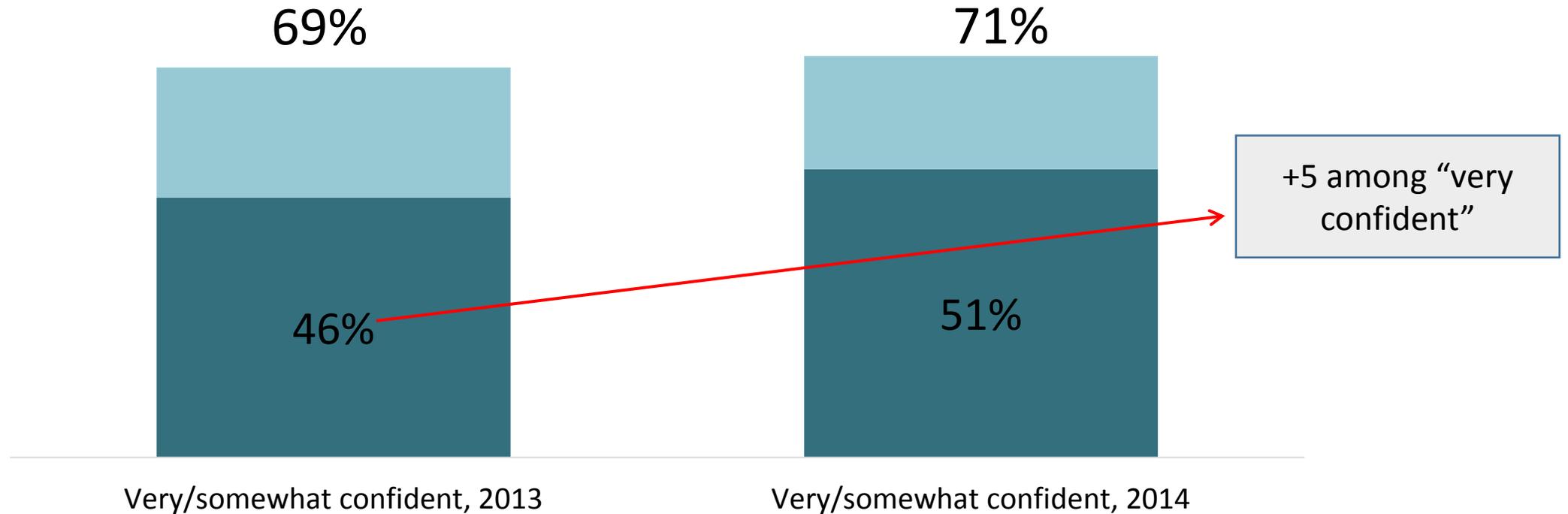
Much greater intensity among African Americans and Hispanics

The salience of homeownership as a component of the American Dream has increased significantly between 2013 and 2014 for African Americans and Hispanics.



Intense confidence in the ability to know when the right time to purchase a home is slowly trending upward, with a majority now saying they are very confident. Around seven-in-ten are confident overall.

How confident are you in your personal ability to know when it is a right time for you to purchase a home or new home?
% Very/somewhat confident



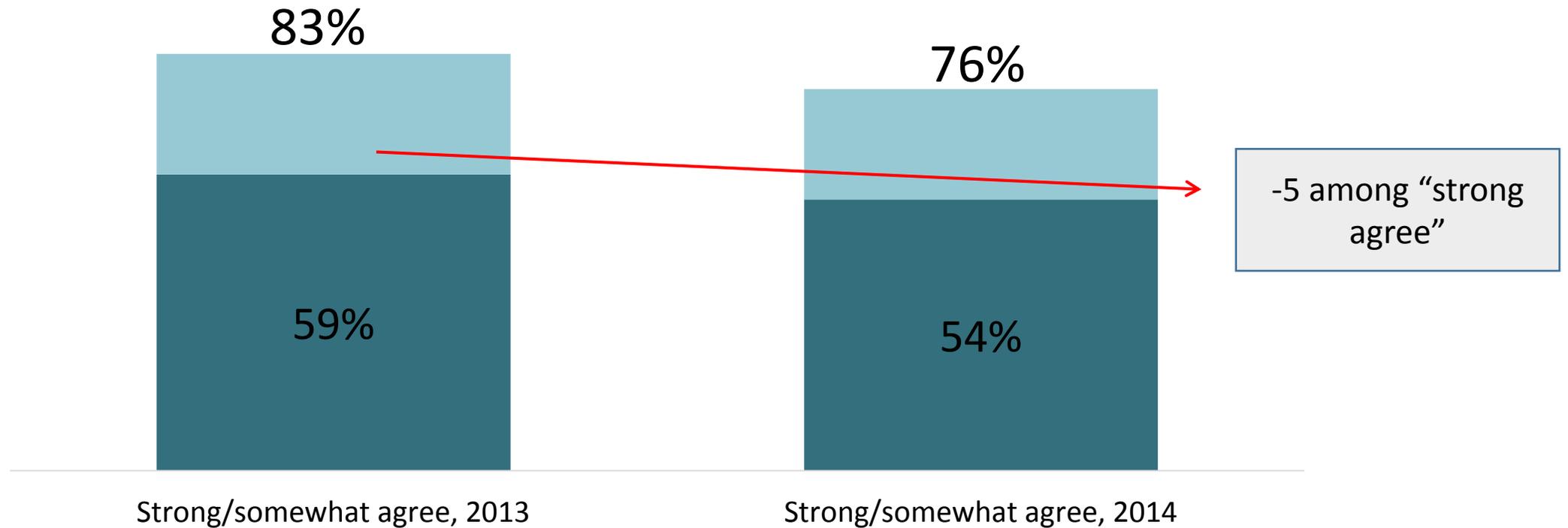
While most income groups improved in their confidence in knowing when the right time is to purchase a home over the past year, those on the lowest end of the income spectrum have remained stagnant.

How confident are you in your personal ability to know when it is a right time for you to purchase a home or new home?
% Very confident

% Very Confident	2013	2014	Difference
<\$40K	37%	37%	0
\$40K-\$59K	39%	53%	+14
\$60K-\$99K	50%	53%	+3
\$100K+	57%	67%	+10

The vast majority believe they can find a mortgage that is right for them, even though this metric has decreased overall since 2013.

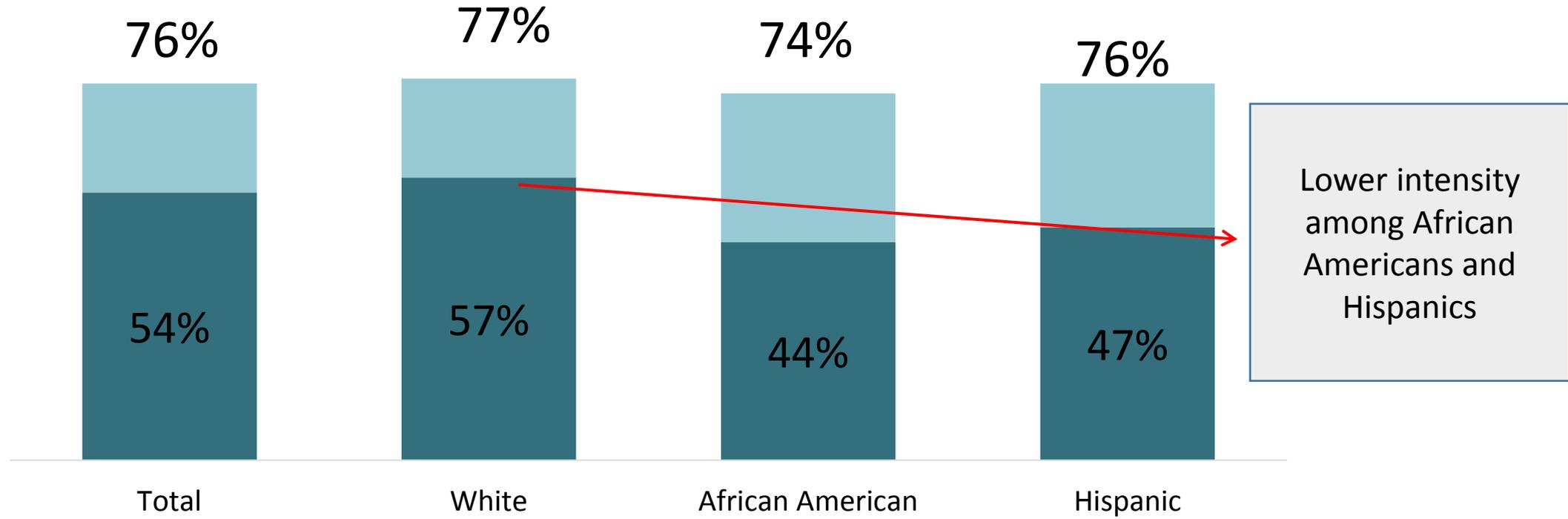
Indicate if you agree or disagree with the following: I am confident in my ability to find a mortgage that is right for me.
% Strong/somewhat agree



African Americans and Hispanics are less confident in their ability to find a mortgage that is right for them.

Indicate if you agree or disagree with the following: I am confident in my ability to find a mortgage that is right for me.

% Strong/somewhat agree

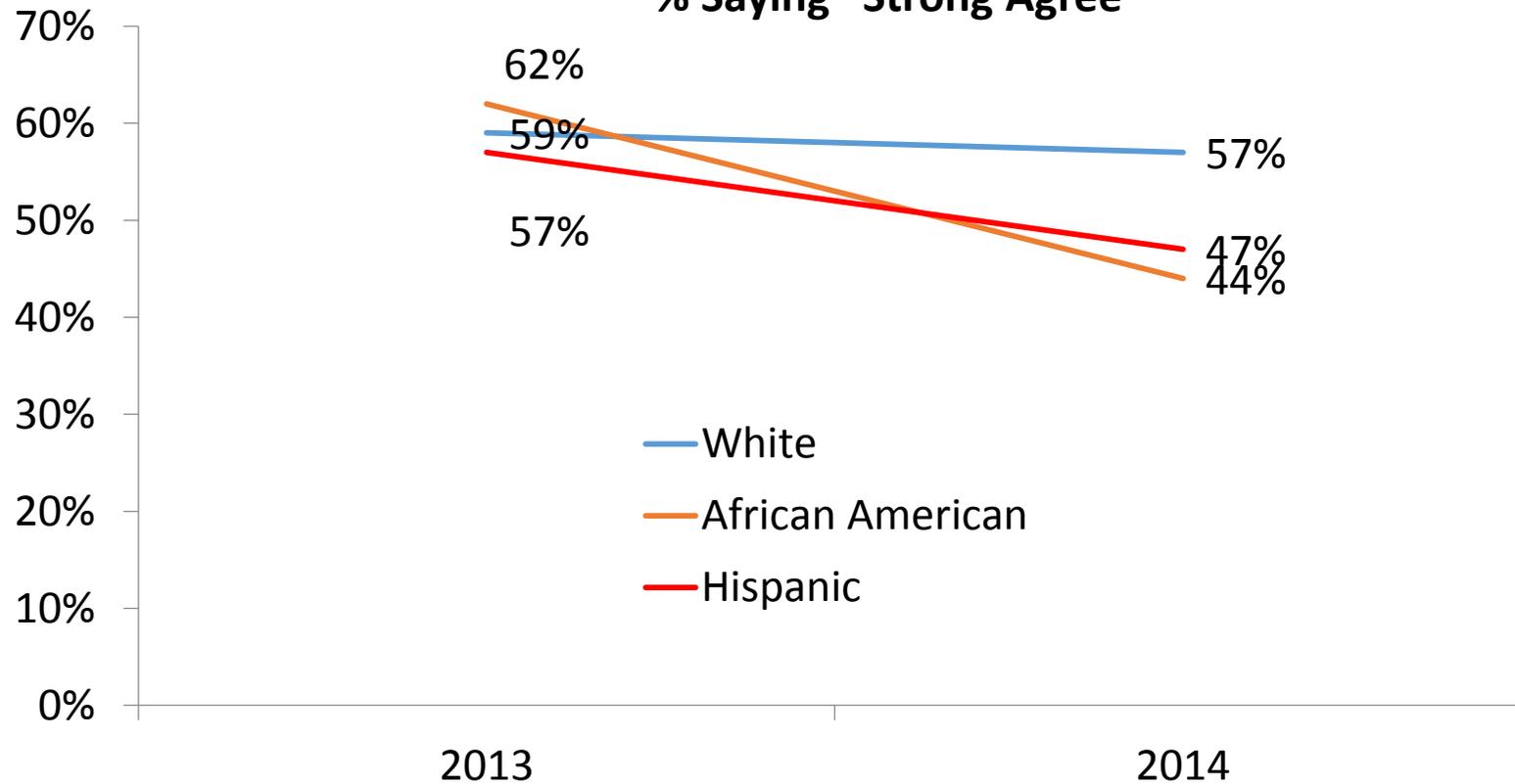


Lower intensity among African Americans and Hispanics

This confidence has decreased significantly among African Americans and Hispanics over the past year.

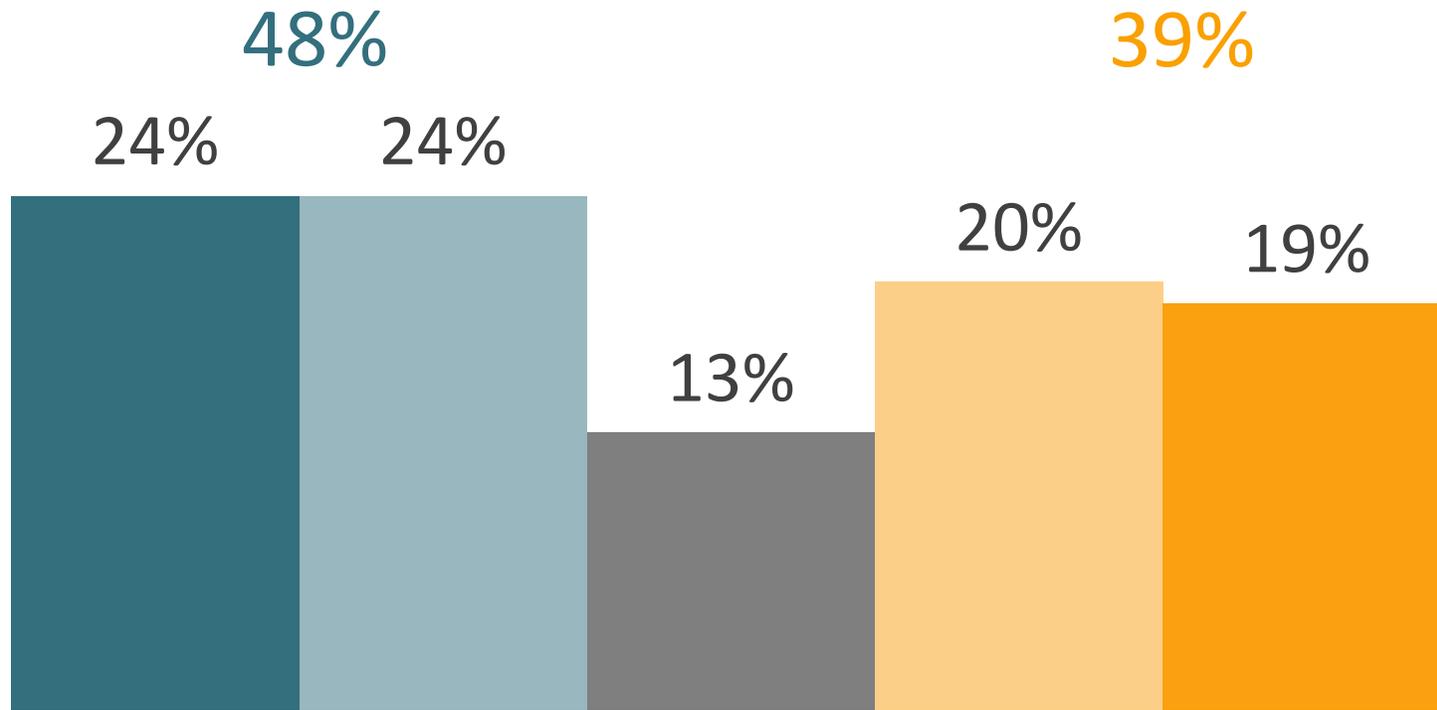
Indicate if you agree or disagree with the following: I am confident in my ability to find a mortgage that is right for me.

% Saying "Strong Agree"



Americans are divided about whether they feel more or less prepared to purchase a home compared to 5 years ago.

Compared to five years ago, do you feel more or less prepared to purchase a home?



Groups that tend to feel much more prepared:

- African Americans (31% much more)
- Hispanic (30%)
- <55 years (30%)
- College women (30%)
- \$60K-\$99K (30%)
- \$100K+ (30%)

Groups that tend to feel much less prepared:

- <\$40K (30% much less)
- Non-college women (29%)
- Renters (25%)

Realtors are increasingly likely to be the main source of information about homeownership, along with friends, families, and coworkers. Interestingly, nearly three times as many said they were very likely to get information from social media in 2014 than in 2013.

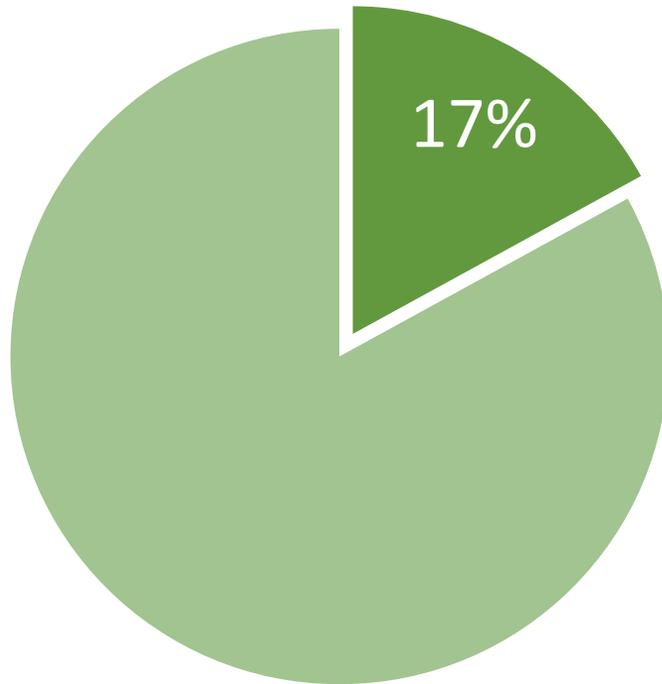
Sources of Information on Homeownership

% saying "Very likely" to get information from:	2013	2014	Increase / Decrease
Through a realtor	26%	41%	+15
Through friends, family and coworkers	30%	34%	+4
Through a web search	27%	34%	+7
Through a mortgage lender	23%	26%	+3
News media, including newspaper, TV, and radio	--	19%	NA
Through a housing counselor	17%	13%	-4
Social media like Facebook and Twitter	4%	11%	+7

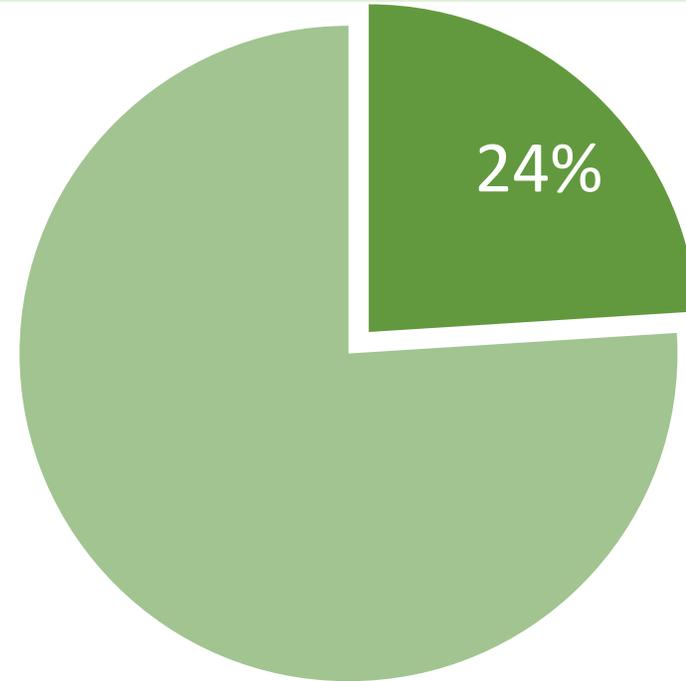
While this is the lowest ranking source of information, it has nearly tripled in the past year.

While not everyone is affected by student loan debt, the impact touches a significant percentage of Americans. Fully 17% have student loan debt, and 24% know someone whose student loan debt delayed the purchase of a home.

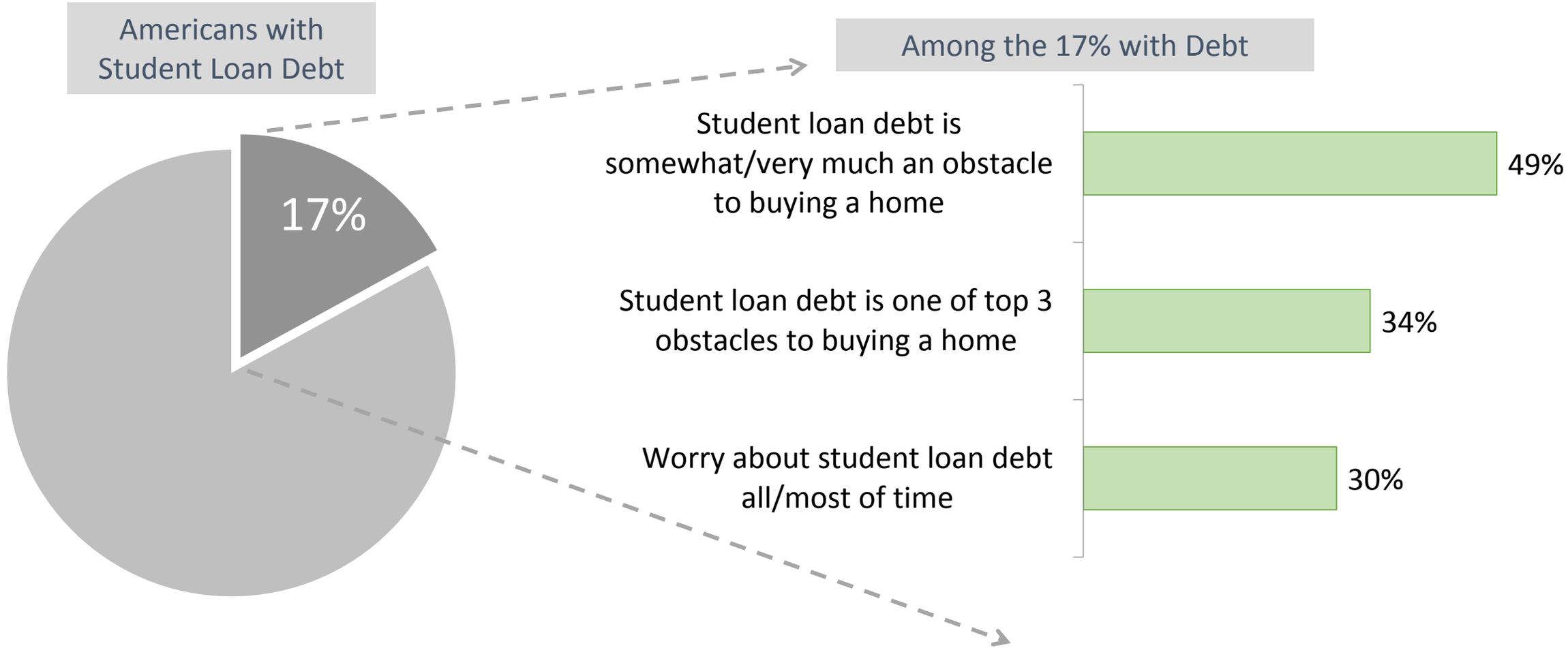
Americans with Student Loan Debt



Americans who Personally Know Someone whose Student Loan Debt Delayed the Purchase of a Home

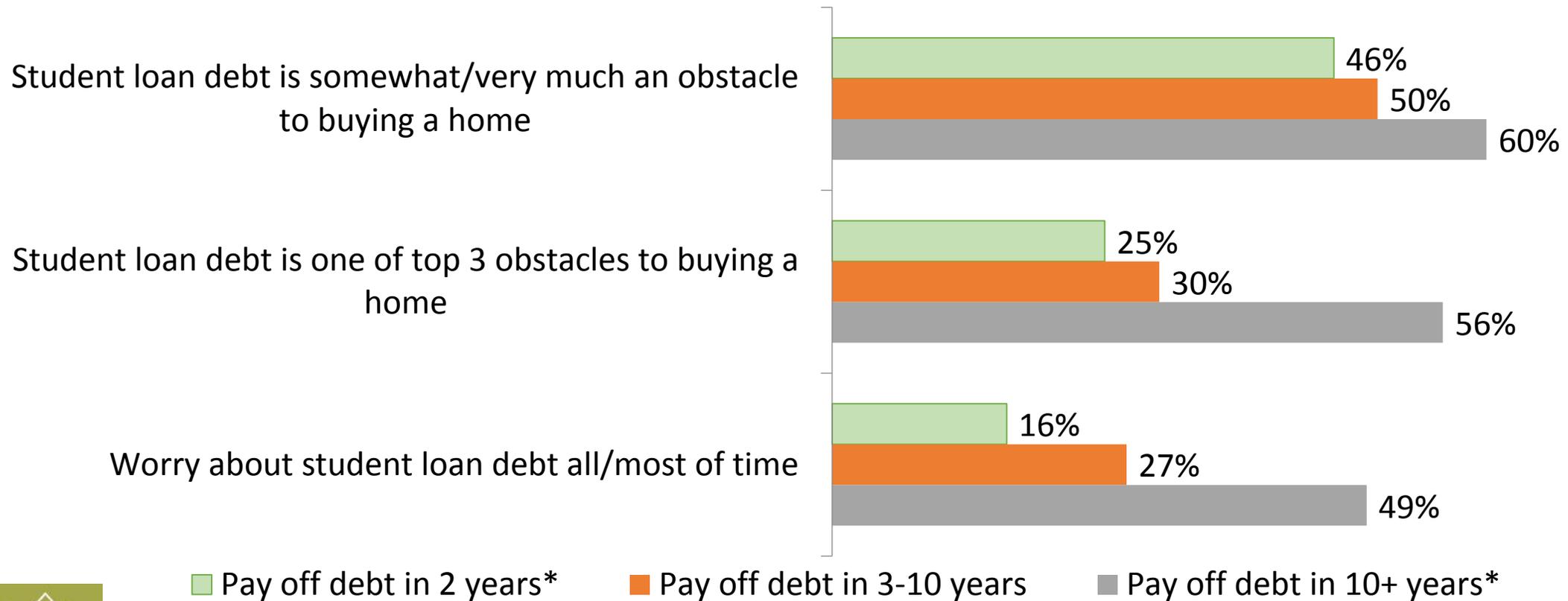


Among those with debt, nearly half say that debt is at least somewhat of an obstacle (and one-in-three place that obstacle in the top 3). There is a tangible psychic pain to student loan debt as well; nearly one-in-three worry about student loan debt all or most of the time.



The longer Americans with student loan debt expect to be paying off debt, the more they worry and the more they perceive that debt to be an obstacle to homeownership.

Among the 17% with Debt



■ Pay off debt in 2 years*

■ Pay off debt in 3-10 years

■ Pay off debt in 10+ years*



*Caution, low N size <50



Those who are burdened with student loan debt are more pessimistic about homeownership and their prospects of finding the right mortgage.

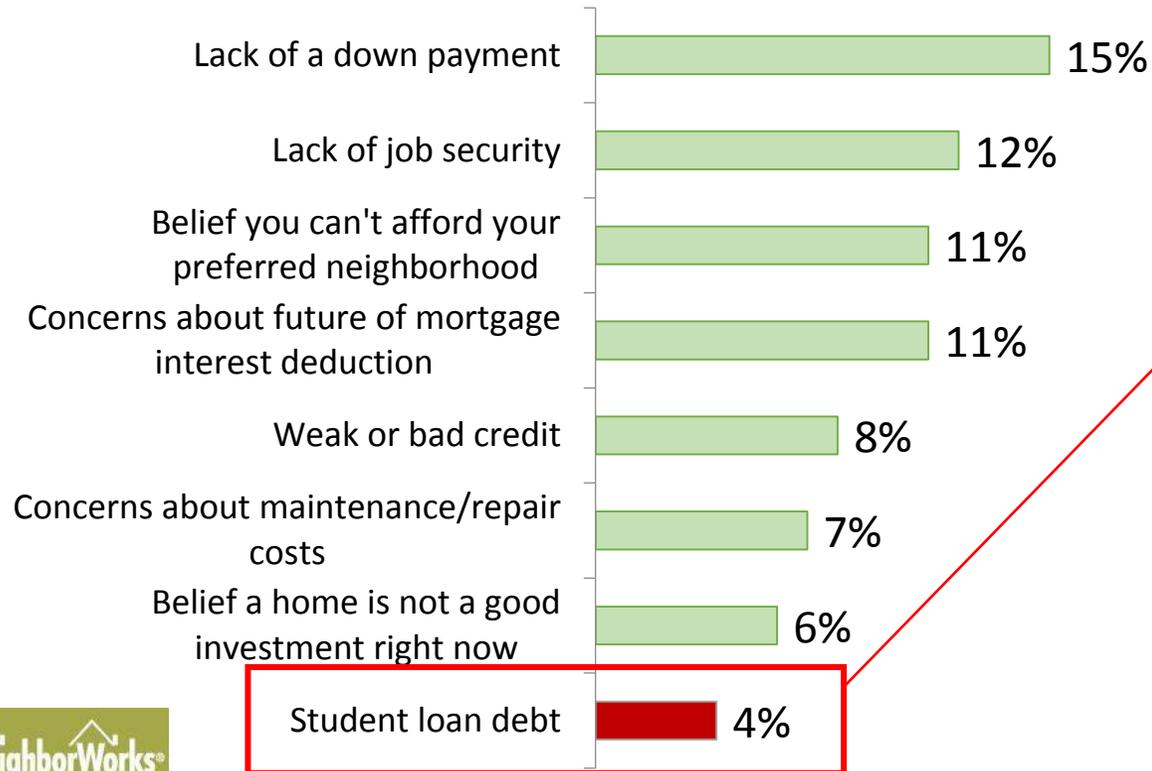
Those with student loan debt are:

- **15 points more likely** to agree that the home-buying process is complicated
 - 51% strongly agree among those with debt, 36% strongly agree among those without debt
- **10 points less likely** to agree that they can find a mortgage right for them
 - 45% strongly agree among those with debt, 55% strongly agree among those without debt
- **9 points more likely** to know about down payment assistance programs
 - 38% among those with debt are aware, 29% among those without debt are aware
- **7 points more likely** to say their opinion of homeownership has changed for the worse over the past five years
 - 20% among those with debt say this , 13% among those without debt say this

Though student loan debt does not rank as a high obstacle to homeownership among all Americans, it is the top obstacle for those who actually have student loan debt.

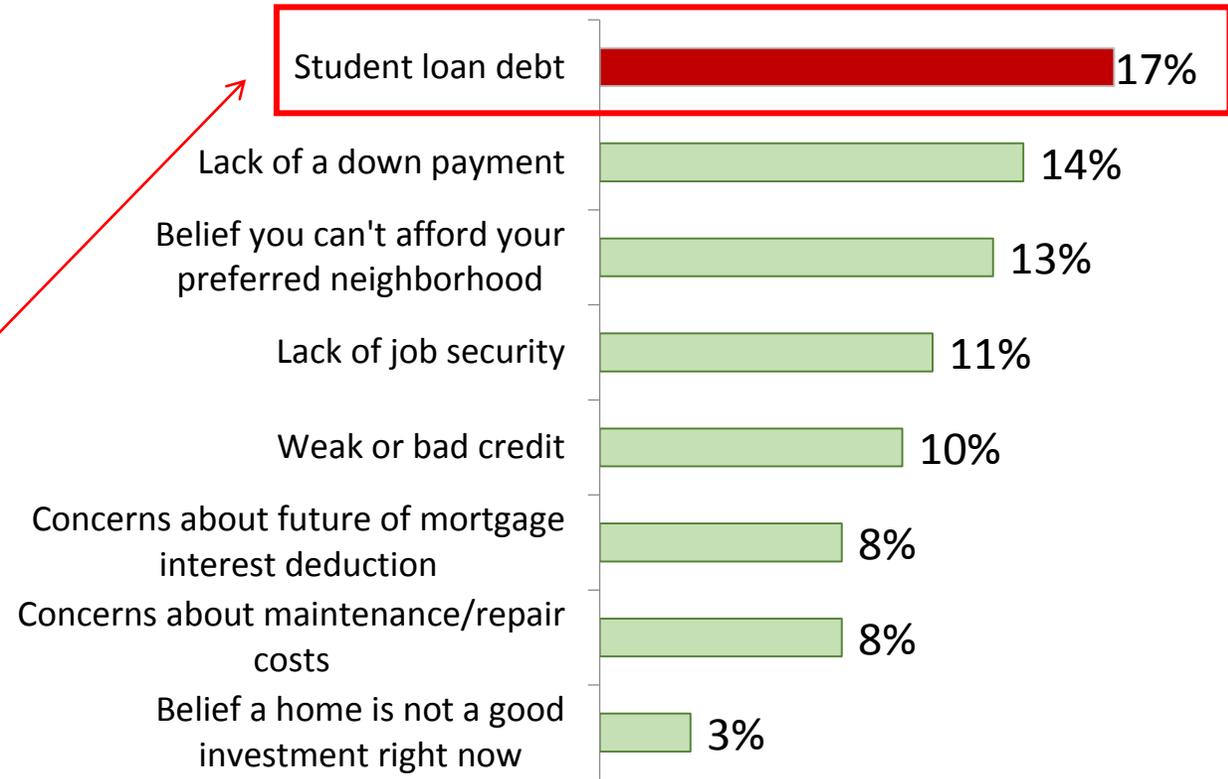
If you are thinking of buying a home, which of the following is the greatest obstacle to you personally?

Among All



Other/DK/Not thinking of buying a home: 28%

Among Those with Debt



Other/DK/Not thinking of buying a home: 14%

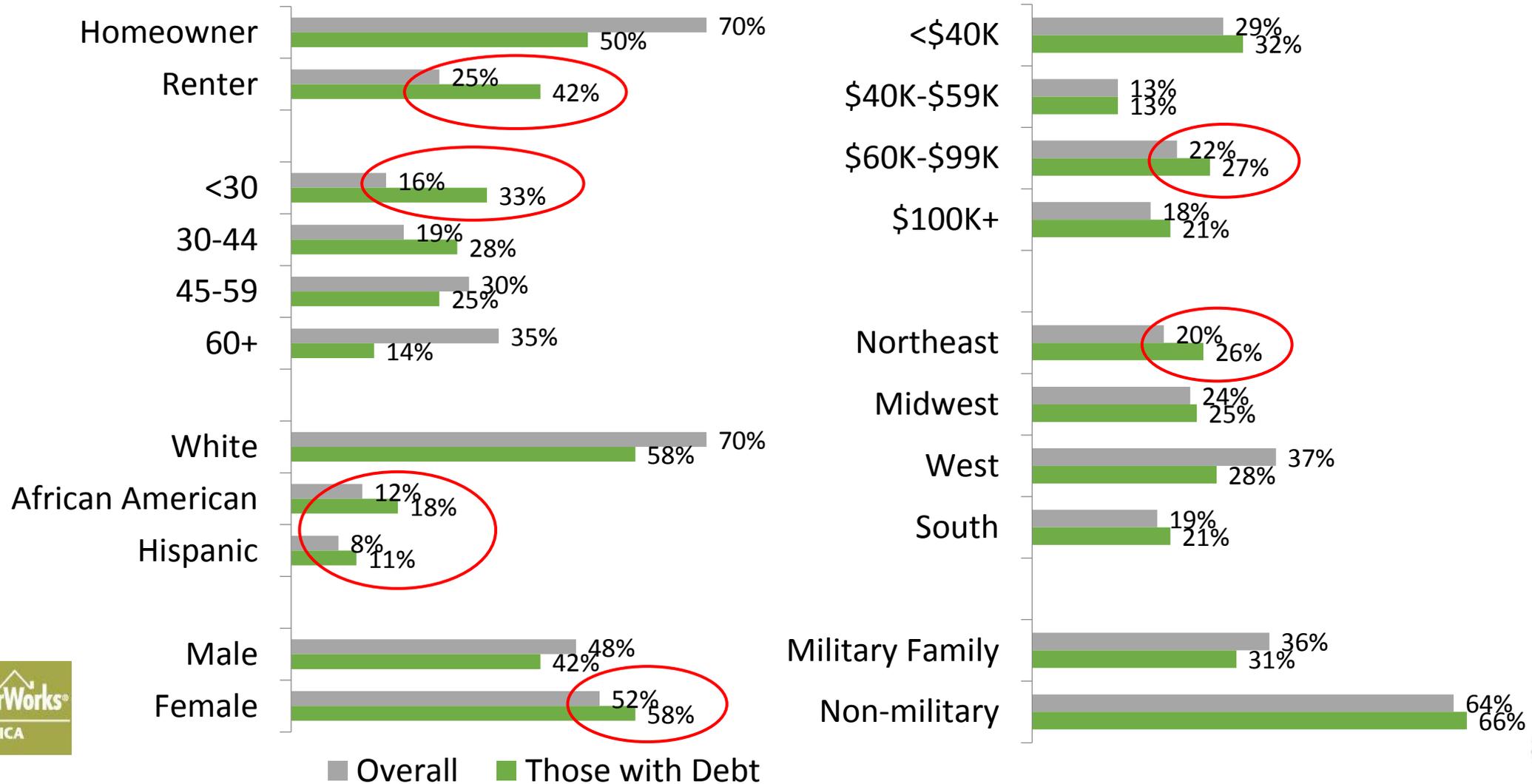
Those with student loan debt are more likely to seek out information on homeownership, delay purchasing a home, and consider renting.

Actions Taken By Those With and Without Debt

% saying “Much more likely” to . . .	Total	W/ Student Debt	W/o Student Debt	Difference of W/ minus W/o
Seek out additional information about homeownership	25%	36%	23%	+13
Seek out counseling from non-profits who work with homeowners in your community	15%	25%	13%	+12
Seek out housing counseling	14%	23%	12%	+11
Delay purchasing a new home	18%	24%	17%	+7
Consider renting a home instead of purchasing a home	15%	19%	14%	+5
Discuss homeownership with friends, family, coworkers who own their home	30%	34%	29%	+5

Looking at a demographic profile of those with debt, student loan debt disproportionately affects women, African Americans, Hispanics, those in the Northeast, and those under 30. Additionally, 42% of those with student loan debt are renters, compared to 25% overall.

Demographic Profile of Those with Student Loan Debt



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