

# HOMEOWNERSHIP

## What does this indicator measure?

*Homeownership* compares the percentages of family households with children that live in owner-occupied housing units with those that live in renter-occupied housing units.

## Why is this indicator important?

*Homeownership* has long been heralded as the “American dream.” Research has determined that positive benefits result from homeownership for America’s children, in the areas of educational attainment, a lower rate of teen pregnancy, and increased social and political involvement at all levels of government.<sup>1</sup>

Several programs have been developed to increase asset building and homeownership rates, such as Fannie Mae’s “American Dream Commitment,” which most recently set the goal of establishing 6 million first-time home buyers by 2010.<sup>2</sup> Two government programs in particular support homeownership. The Earned Income Tax Credit (EITC), a refundable federal tax credit that is available to working families with incomes up to two times the federal poverty level, can assist individuals and families with a downpayment for a home. Individual Development Accounts (IDAs), a matched savings plan for low-income families, can be used specifically for a first-time home purchase, among other asset-developing objectives.

For some families, having enough money to purchase a home is not their only obstacle. Housing discrimination exists in many forms, including steering African-American and Hispanic homebuyers to specific neighborhoods and providing little assistance with finance packages. Similar patterns of discrimination have been experienced by Asians, Pacific Islanders, and Native Americans.<sup>3</sup>

## Homeownership and Family Economic Security

Homeowners have on average \$6,000 more in savings and \$5,000 more invested in mutual funds than renters.<sup>4</sup> Parents who own a home often are able to provide a more supportive environment for their children, which reduces children’s behavioral problems and improves their learning capability.<sup>5</sup>

Equity in a home is the largest asset many American families have. It can be used to finance a child’s (or parent’s) education, and thus increase a child’s future earning potential.<sup>6</sup> Families who own homes are less likely to move than those that rent. Residential stability has been closely linked to improved educational outcomes in children.<sup>7</sup> Homeownership also offers families tax advantages that are not available to renters.

## How are Connecticut children and families faring?

As of the fourth quarter of 2003, the homeownership rate in the United States was 69%.<sup>8</sup> Connecticut’s statewide homeownership rate of 70% does not reveal the major homeownership issue in our state. There are disparities in the percent of owners among our towns. Eight Connecticut towns have homeownership rates under 50%. However, 45 towns have homeownership rates over 90%. In 14% of Connecticut towns, 40% or more of family households are renting. Some of our largest cities (Hartford, New Haven, Waterbury, Bridgeport, New Britain, and Meriden) are included among this 14%.

Homeownership Among Families with Children  
Census 2000

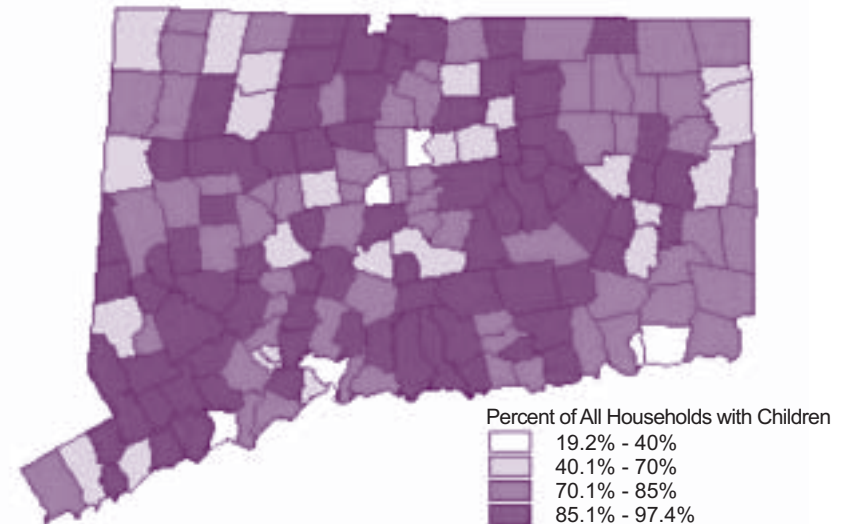




Photo courtesy of Hartford Area Habitat for Humanity.

### What can be done: Improving homeownership rates

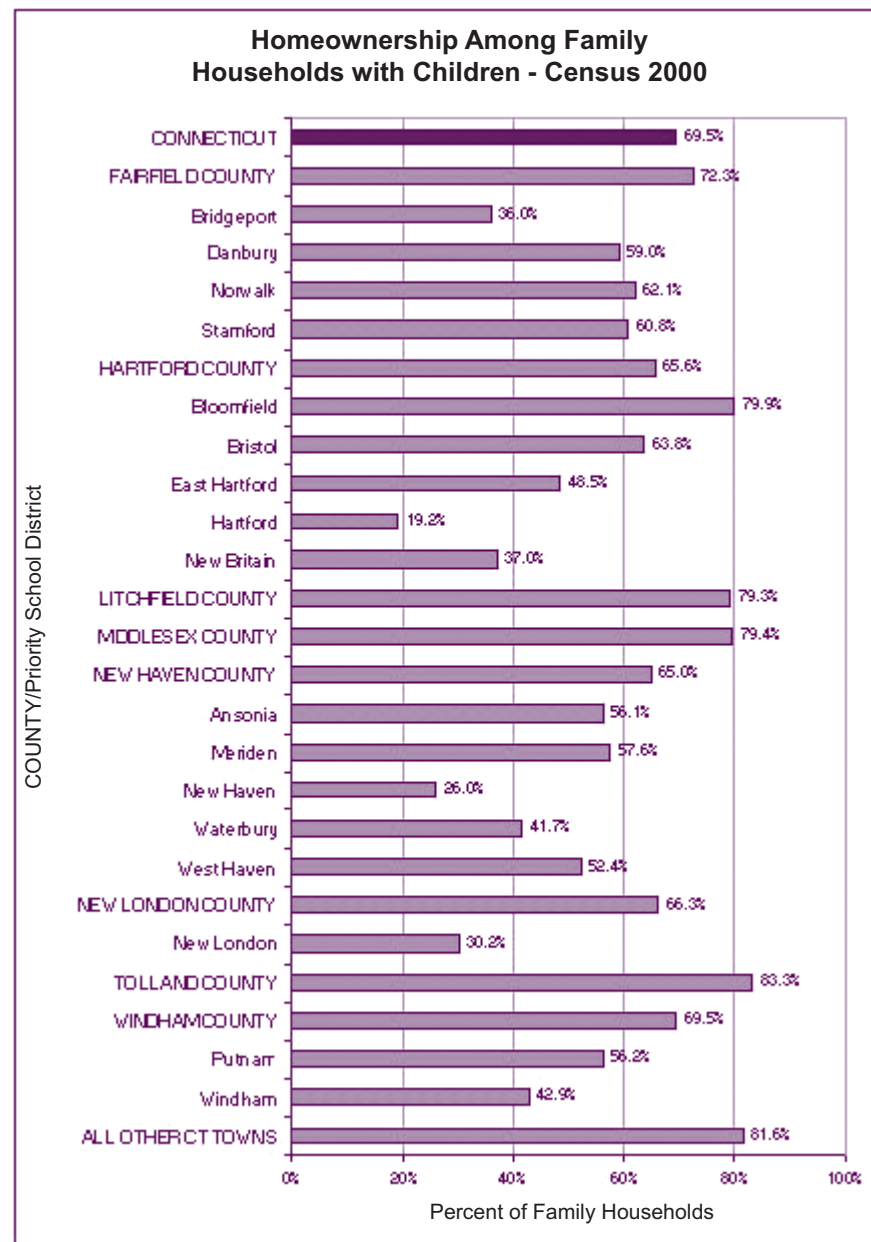
Connecticut policymakers and municipal leaders can help low-income families buy a piece of the “American dream” by:

- ▶ Expanding and promoting asset-building activities such as the IDA and the EITC,
- ▶ Advocating for an end to housing discrimination, and
- ▶ Increasing access to traditional banking services in low-income neighborhoods.

### Where can I get more information?

More information can be found using the following sources:

- ▶ Boehm, T.P. & Scholtzmann, A.M. (2001). Housing and wealth accumulation: Intergenerational impacts. *Low-Income Homeownership Working Paper Series*. LIHO-01.15. Cambridge, MA: Joint Center for Housing Studies of Harvard University, at: <http://www.jcbs.harvard.edu/publications/homeownership/lih001-15>
- ▶ Fannie Mae at: [www.fanniemae.com](http://www.fanniemae.com)
- ▶ Haurin, D.R., Parcel, T.L. & Haurin, R.J. (2001). *Low-Income Homeownership Working Paper Series*. LIHO-01.15. Cambridge, MA: Joint Center for Housing Studies of Harvard University, at: <http://www.jcbs.harvard.edu/publications/homeownership/lih001-14>
- ▶ Housing America at: [www.housingamerica.org](http://www.housingamerica.org)



## Endnotes

<sup>1</sup> Boshara, R., Scanlon, E., & Page-Adams, D. (1998). *Building Assets for Stronger Families, Better Neighborhoods, and Realizing the American Dream*. Washington, DC: Corporation for Enterprise Development.

<sup>2</sup> Fannie Mae. (2004). *Expanding the American Dream Commitment: The Next Stage of Our Commitment*. Washington, DC. Retrieved on March 19, 2004, from <http://www.fanniemae.com/initiatives/adcd/index.jhtml?p=Initiatives&s=Expanding+the+American+Dream+Commitment>

<sup>3</sup> HUD USER. (2003). *Discrimination in Metropolitan Housing Markets: National Results from Phase 1, Phase 2, and Phase 3 of the Housing Discrimination Study (HD)*. Washington, DC: U.S. Department of Housing and Urban Development. Retrieved on April 22, 2001, from <http://www.huduser.org/publications/hsqfin/hds.html>

<sup>4</sup> Weber, R. N., & Smith, J. L. (2003). Assets and neighborhoods: The role of individual assets in neighborhood revitalization. *Housing Policy Debate*, 14, 169-202.

<sup>5</sup> Harkness, J. M., & Newman, S. J. (2003). Effects of homeownership on children: The role of neighborhood characteristics and family income. *Federal Reserve Bank of New York Economic Policy Review*. New York: Federal Reserve Bank of New York.

<sup>6</sup> Harkness, J. M. & Newman, S. J. (2003).

<sup>7</sup> Harkness, J. M. & Newman, S. J. (2003).

<sup>8</sup> U.S. Census Bureau. (2004). *Housing vacancy survey: Fourth quarter 2003*. Washington, DC. Retrieved on March 19, 2004, from <http://www.census.gov/hhes/www/housing/hvs/q403tab5.html>

## Homeownership

## Source:

U.S. Census Bureau. *2000 Census. Summary File 3, Table HCT1*.

## Methodology:

The number of family households with children who own or who rent as a percentage of the total number of family households with children in a town or county. Denominator is the number of family households with own children in occupied housing units.

## Homeownership - Census 2000

Location	Total Family Households	% Rent	% Own	Location	Total Family Households	% Rent	% Own
<b>Fairfield County</b>	112,246	27.7%	72.3%				
Bethel	2,533	16.5%	83.5%	Norwalk	9,644	37.9%	62.1%
Bridgeport	17,530	64.0%	36.0%	Redding	1,265	10.3%	89.7%
Brookfield	2,214	8.3%	91.7%	Ridgefield	3,642	9.1%	90.9%
Danbury	8,376	41.0%	59.0%	Shelton	4,631	15.0%	85.0%
Darien	3,139	8.9%	91.1%	Sherman	502	11.0%	89.0%
Easton	1,034	4.1%	95.9%	Stamford	13,061	39.2%	60.8%
Fairfield	7,014	11.8%	88.2%	Stratford	5,715	19.5%	80.5%
Greenwich	7,827	27.4%	72.6%	Trumbull	4,557	6.2%	93.8%
Monroe	2,740	3.3%	96.7%	Weston	1,677	3.9%	96.1%
New Canaan	2,841	11.8%	88.2%	Westport	3,694	8.1%	91.9%
New Fairfield	2,080	5.3%	94.7%	Wilton	2,762	7.5%	92.5%
Newtown	3,768	2.9%	97.1%				
<b>Hartford County</b>	105,089	34.4%	65.6%				
Avon	2,106	8.3%	91.7%	Manchester	6,566	42.3%	57.7%
Berlin	2,356	10.0%	90.0%	Marlborough	783	2.6%	97.4%
Bloomfield	1,851	20.1%	79.9%	New Britain	8,178	63.0%	37.0%
Bristol	7,347	36.2%	63.8%	Newington	3,325	18.0%	82.0%
Burlington	1,231	5.7%	94.3%	Plainville	1,958	29.5%	70.5%
Canton	1,169	16.5%	83.5%	Rocky Hill	1,907	22.9%	77.1%
East Granby	664	12.7%	87.3%	Simsbury	3,463	9.6%	90.4%
East Hartford	5,870	51.5%	48.5%	Southington	5,041	17.0%	83.0%
East Windsor	1,107	32.3%	67.7%	South Windsor	3,409	8.0%	92.0%
Enfield	5,106	22.2%	77.8%	Suffield	1,527	11.0%	89.0%
Farmington	2,952	16.0%	84.0%	West Hartford	7,387	18.7%	81.3%
Glastonbury	4,598	11.2%	88.8%	Wethersfield	2,885	18.3%	81.7%
Granby	1,480	7.0%	93.0%	Windsor	3,462	16.9%	83.1%
Hartford	15,667	80.8%	19.2%	Windsor Locks	1,417	27.0%	73.0%
Hartland	277	6.9%	93.1%				
<b>Litchfield County</b>	22,891	20.7%	79.3%				
Barkhamsted	483	9.7%	90.3%	Norfolk	186	30.1%	69.9%
Bethlehem	471	12.1%	87.9%	North Canaan	411	25.1%	74.9%
Bridgewater	197	9.6%	90.4%	Plymouth	1,512	16.9%	83.1%
Canaan	137	15.3%	84.7%	Roxbury	256	13.7%	86.3%
Colebrook	195	16.9%	83.1%	Salisbury	452	36.9%	63.1%
Cornwall	180	23.3%	76.7%	Sharon	323	28.2%	71.8%
Goshen	304	14.8%	85.2%	Thomaston	995	19.7%	80.3%
Harwinton	637	3.1%	96.9%	Torrington	4,184	32.0%	68.0%
Kent	300	31.0%	69.0%	Warren	150	12.7%	87.3%
Litchfield	1,033	14.8%	85.2%	Washington	396	26.5%	73.5%
Morris	290	19.0%	81.0%	Watertown	2,779	16.4%	83.6%
New Hartford	824	8.9%	91.1%	Winchester	1,237	38.6%	61.4%
New Milford	3,828	15.8%	84.2%	Woodbury	1,131	16.0%	84.0%
<b>Middlesex Co.</b>	18,650	20.6%	79.4%				
Chester	432	20.6%	79.4%	East Hampton	1,566	11.9%	88.1%
Clinton	1,669	13.8%	86.2%	Essex	731	8.2%	91.8%
Cromwell	1,496	15.0%	85.0%	Haddam	964	10.1%	89.9%
Deep River	557	22.6%	77.4%	Killingworth	841	5.0%	95.0%
Durham	938	3.3%	96.7%	Middlefield	577	12.8%	87.2%
East Haddam	1,101	12.8%	87.2%	Middletown	4,787	41.7%	58.3%

Homeownership - Census 2000							
Location	Total Family Households	% Rent	% Own	Location	Total Family Households	% Rent	% Own
<b>Middlesex Co. cont'd.</b>							
Old Saybrook	1,166	18.4%	81.6%	Westbrook	684	16.8%	83.2%
Portland	1,141	18.8%	81.2%				
<b>New Haven Co.</b>							
Ansonia	2,396	43.9%	56.1%	New Haven	14,123	74.0%	26.0%
Beacon Falls	688	15.6%	84.4%	North Branford	1,853	10.3%	89.7%
Bethany	699	8.2%	91.8%	North Haven	2,750	10.7%	89.3%
Branford	3,238	25.6%	74.4%	Orange	1,656	6.1%	93.9%
Cheshire	3,732	6.5%	93.5%	Oxford	1,338	7.1%	92.9%
Derby	1,412	47.4%	52.6%	Prospect	1,070	5.0%	95.0%
East Haven	3,176	21.1%	78.9%	Seymour	1,980	24.1%	75.9%
Guilford	2,886	9.4%	90.6%	Southbury	2,088	8.9%	91.1%
Hamden	6,013	26.2%	73.8%	Wallingford	5,458	21.1%	78.9%
Madison	2,561	4.3%	95.7%	Waterbury	13,439	58.3%	41.7%
Meriden	7,175	42.4%	57.6%	West Haven	5,950	47.6%	52.4%
Middlebury	756	11.5%	88.5%	Wolcott	2,023	9.7%	90.3%
Milford	6,076	17.3%	82.7%	Woodbridge	1,270	9.2%	90.8%
Naugatuck	4,312	29.6%	70.4%				
<b>New London Co.</b>							
Bozrah	288	14.9%	85.1%	New London	2,855	69.8%	30.2%
Colchester	2,241	15.9%	84.1%	North Stonington	625	15.2%	84.8%
East Lyme	2,112	17.2%	82.8%	Norwich	4,445	47.9%	52.1%
Franklin	239	7.1%	92.9%	Old Lyme	900	13.8%	86.2%
Griswold	1,481	24.4%	75.6%	Preston	548	17.0%	83.0%
Groton	5,154	61.3%	38.7%	Salem	586	10.6%	89.4%
Lebanon	967	12.0%	88.0%	Sprague	415	32.5%	67.5%
Ledyard	2,112	17.0%	83.0%	Stonington	2,034	24.8%	75.2%
Lisbon	551	10.7%	89.3%	Voluntown	358	15.1%	84.9%
Lyme	234	11.5%	88.5%	Waterford	2,063	16.9%	83.1%
Montville	2,181	23.2%	76.8%				
<b>Tolland County</b>							
Andover	422	9.7%	90.3%	Somers	1,128	10.2%	89.8%
Bolton	658	8.8%	91.2%	Stafford	1,545	22.7%	77.3%
Columbia	654	6.7%	93.3%	Tolland	1,906	3.7%	96.3%
Coventry	1,646	9.0%	91.0%	Union	72	11.1%	88.9%
Ellington	1,689	14.0%	86.0%	Vernon	3,260	34.0%	66.0%
Hebron	1,341	8.8%	91.2%	Willington	708	17.1%	82.9%
Mansfield	1,408	23.5%	76.5%				
<b>Windham County</b>							
Ashford	540	20.6%	79.4%	Pomfret	530	18.5%	81.5%
Brooklyn	881	19.5%	80.5%	Putnam	1,099	43.8%	56.2%
Canterbury	678	6.8%	93.2%	Scotland	198	6.6%	93.4%
Chaplin	287	21.6%	78.4%	Sterling	481	15.6%	84.4%
Eastford	213	18.8%	81.2%	Thompson	1,192	17.1%	82.9%
Hampton	218	10.1%	89.9%	Windham	2,515	57.1%	42.9%
Killingly	2,149	33.2%	66.8%	Woodstock	1,000	15.9%	84.1%
Plainfield	1,979	31.9%	68.1%				
<b>CONNECTICUT</b>							
	421,780	30.5%	69.5%				

### What we need to know

- Families with children whose rent is more than 30% of income by town
- Homelessness of families with children by town
- Family mobility by income
- Correlation between moves and educational attainment, mental health, etc.
- Housing problems by family type and town
- Number of children living in households where housing conditions are a problem (crowding, physical deterioration, lead paint, etc.) by town
- Number of children living in neighborhoods where air quality fails to meet Primary National Ambient Air Quality Standards