

Introduction

A Nation of Homeowners

Homeownership has long been one of the key elements of the American dream. A majority of American households achieved that dream during the 1940s. Today, the percentage of households owning their home is at a record high of 68.3 percent.

For most Americans, housing is their greatest expense. For most businesses, homeowners are their primary customers. Understanding the characteristics of homeowners and the homes in which they live is a key to understanding American attitudes and lifestyles. With homeowners being an ever larger share of the nation's households, businesses and policy-makers need to have the facts about homeowners at their fingertips. With the publication of the second edition of *Americans and Their Homes: Demographics of Homeownership*, they now have those facts.

Homeownership in the United States has had its ups and downs. In 1980, the percentage of households that owned their home reached a record high of 65.6 percent, then experienced a 17-year slump, which bottomed out in the late 1980s. It wasn't until 1997 that the homeownership rate finally surpassed the high of 1980. Behind the slump in the homeownership rate was the baby-boom generation in the young-adult life stage. In 1980, boomers spanned the ages of 16 to 34. As they inflated the number of young adults in the population, they depressed the homeownership rate, since most young adults do not own homes. Today boomers are in their forties and fifties and approaching the peak ages of homeownership. This explains why the rate has set a new record in every year since 1997. It also suggests that homeownership the rate will continue to rise for years to come. While other factors play a role in homeownership, such as mortgage rates and household incomes, nothing plays a more important role than demographics.

Americans and Their Homes examines in detail the demographics of homeowners and the characteristics of their homes. By cutting through the statistical clutter with clear tables and explanatory text, it reveals the story behind the American Dream.

How to use this book

Americans and Their Homes: Demographics of Homeownership is designed to be easy to use. Its eight chapters look at homeownership from a variety of perspectives.

Chapter 1, Trends in Homeownership, shows changes in the number and percentage of Americans who own their home by a variety of demographic characteristics such as age, income, race and Hispanic origin, household type, and education. It also examines trends in housing quality, including changes in the number of bedrooms, bathrooms, and square footage of housing units.

Chapter 2, *Homeowners and Their Homes*, compares the characteristics of the nation's homeowners with the characteristics of the average household to reveal the unique characteristics of owners and why they are the biggest market for businesses and the most important constituents for politicians.

Chapter 3, *Homeowners by Region*, reveals the important ways in which homeowners and their homes differ by region. Often, those differences are striking, creating very different markets.

Chapter 4, *Owners of New Homes*, examines a segment of the housing market that is one of the most dynamic engines of our economy. The owners of new homes are the prime customers for architects, developers, contractors, and the home furnishing industry.

Chapter 5, *Owners of Mobile Homes*, examines the large and growing segment of homeowners who live in this type of affordable housing. Mobile homes are prevalent throughout the United States, but especially popular in the rapidly growing South. Mobile homes make homeownership affordable for many young adults and minorities.

Chapter 6, *Owners of High-Value Homes*, looks at the characteristics of households owning homes valued at \$300,000 or more. Many are affluent and have considerable equity in their homes, making them important customers of financial services. They also wield considerable political clout, revealing their muscle whenever taxes are an issue in a political campaign.

Chapter 7, *Owners Who Have Moved*, examines another important segment of the housing market. Homeowners who move buy starter and trade-up homes. They frequently need new appliances and furniture, and they often remodel before moving in. Find out who they are here.

Chapter 8, *Spending on Housing*, looks at what the average household spends on the wide array of housing-related expenses, from mortgage interest to bedroom linens. Other tables in the chapter look at how much homeowners spend on remodeling and home repair.

Within each chapter, easy-to-read tables tell the homeownership story by presenting both numbers and percent distributions. A caption accompanying each table explains the most important points. *Americans and Their Homes* contains a complete list of tables at the front of the book to help readers locate the information they need. For an even more detailed search, use the index in the back of the book. Also in the back of the book is the glossary, which defines many of the terms commonly used in the tables and text.

Sources of data

Most of the tables in *Americans and Their Homes* are based on data collected and published by the Census Bureau in its American Housing Survey. This survey is the best source of up-to-date, reliable information on the characteristics of the nation's housing and homeowners. The Census Bureau conducts the housing survey every two years, using a national sample of

55,000 housing units. The first such survey, called the Annual Housing Survey, was taken in 1973 and repeated every year through 1981. Beginning in 1981, the survey became biennial and was renamed the American Housing Survey. It is now taken only in odd-numbered years, and the most recent data available are for 2003. For more about the American Housing Survey, go to <http://www.census.gov/hhes/www/housing/ahs/ahs.html>.

The information on homeownership rates in Chapter 1 comes from the Census Bureau's Housing Vacancy Survey. This survey is taken each quarter to collect information on rental and homeowner vacancy rates, which are used in the index of leading economic indicators. About 60,000 housing units are included in the sample, providing homeownership rates for the nation, regions, states, and metropolitan areas by age of householder and other demographic characteristics. For more information about the Housing Vacancy Survey, go to <http://www.census.gov/hhes/www/housing/hvs/hvs.html>.

While many of the numbers contained in *Americans and Their Homes* are also available online, most of the online statistics are buried in giant spreadsheets of numbers with little or no analysis. In *Americans and Their Homes*, New Strategist's editors have extracted the many important nuggets of information on homeownership, providing expert analysis of the trends in tables and text. With *Americans and Their Homes* in hand, you no longer need to wade through hundreds of tables before finding the one you need. *Americans and Their Homes* saves you from the chore of downloading spreadsheets and performing time-consuming calculations to determine the trends.

Americans and Their Homes tells the story. Thumbing through its pages, you can gain more insight into homeownership and the housing market than you could by surfing the Internet all afternoon. By having it on your bookshelf, you can get instant answers to your questions. New Strategist's unique analysis unlocks the numbers and brings the all-important homeownership market to life.