

Is Homeownership Still the American Dream – June 4, 2012

In the aftermath of the housing crisis, some analysts are questioning whether the public still considers home ownership to be part of the American dream.

But the home ownership dream is still alive, according to several recent surveys. For example, a recently released survey by Woodrow Wilson Center found that the majority of Americans rated the importance of home ownership on a personal level at 10 out of 10.

“I think for many people, [housing] is a fundamental piece of the American dream, the ability to even think about owning one’s own home,” says Michael Martin, a host with NPR. “And for most people [it’s] not owning only one home [but] owning a better home.”

NPR has kicked off a series on home ownership and the American dream, and in its recently first segment that aired in the series experts talked about whether the dream of home ownership is still a dream.

The foreclosure crisis and plummeting home prices has shaken some people’s perceptions of the dream of home ownership, the hosts acknowledged. Many young professionals are now putting home ownership on hold and opting to rent as they get their finances in shape.

But “it’s not giving up on home ownership as much as it’s moving towards more of the way Germans think about home ownership, which is that a house is something you aspire to get eventually,” NPR’s senior business editor, Marilyn Geewax, said on the NPR show. “It’s sort of the reward you get after you’ve established yourself in your career. You don’t start by buying a house and work your way up. You work your way up and then buy a house.”

Geewax went on to explain the shift in the perception of home ownership: “In 2001, if you bought a house, it didn’t matter what phase [of] life you were in. If you held onto it until 2005, you could flip it and make a profit. Today, home ownership is really returning more to that idea that a house is someplace where you settle down. You’re looking for a stable neighborhood. You look at a house as a way to shelter your loved ones, your possessions, and your money. It’s a pretty good place to sink your money. Instead of paying rent every month, you put it into the house and you can build equity over time. So if you look at it as shelter and a slow growing, long term investment, financial planners will tell you that owning a house can still make a lot of sense.”

A recently released Coldwell Banker survey also revealed a shift in Americans’ perceptions of home ownership, from a financial perspective to a more emotional one.

“Instead of taking things for granted, people are protective of their jobs, homes, and futures,” says Robi Ludwig, a psychologist in New York who was involved in the study. “And now that we’re picking up the pieces [after the financial crisis], we’re seeing a psychological shift. Instead of looking at homes through the eyes of an economist, we’re realizing that a home doesn’t solely equate to financial return or measure only to a mortgage amount. Instead the home is the emotional center of our lives, and it remains a critical component of who we are.”

By Melissa Dittmann Tracey, REALTOR® Magazine Daily News

