

Erasing the Advantage: Homeownership and the Impact of Financial Hardship on Health for Lower-Income Americans

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Research funded by the Ford Foundation

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*Research and analysis on the
transformative power of capital*



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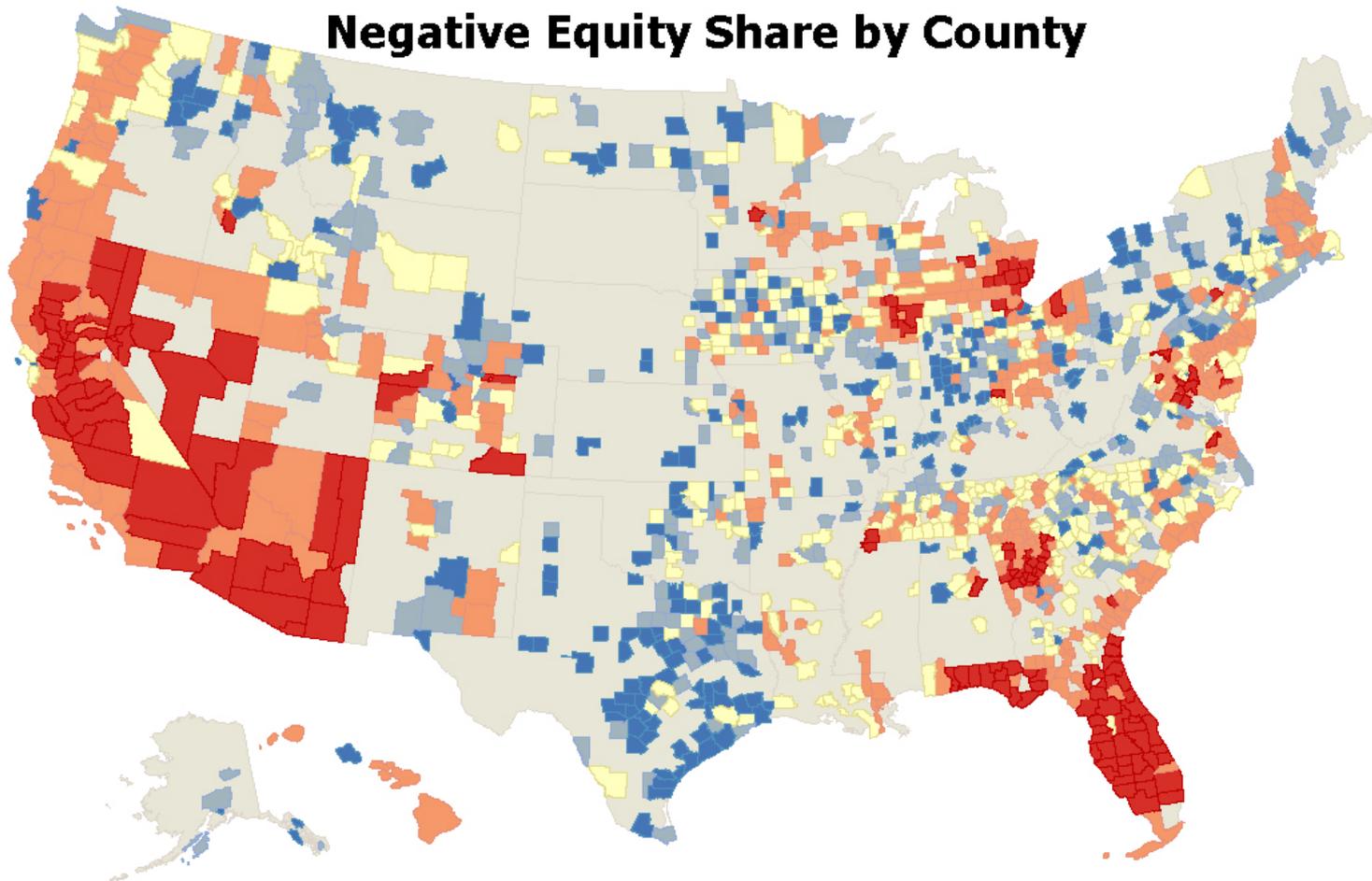


The Homeownership Experience: Before and After the Housing Market Collapse





Negative Equity Share by County



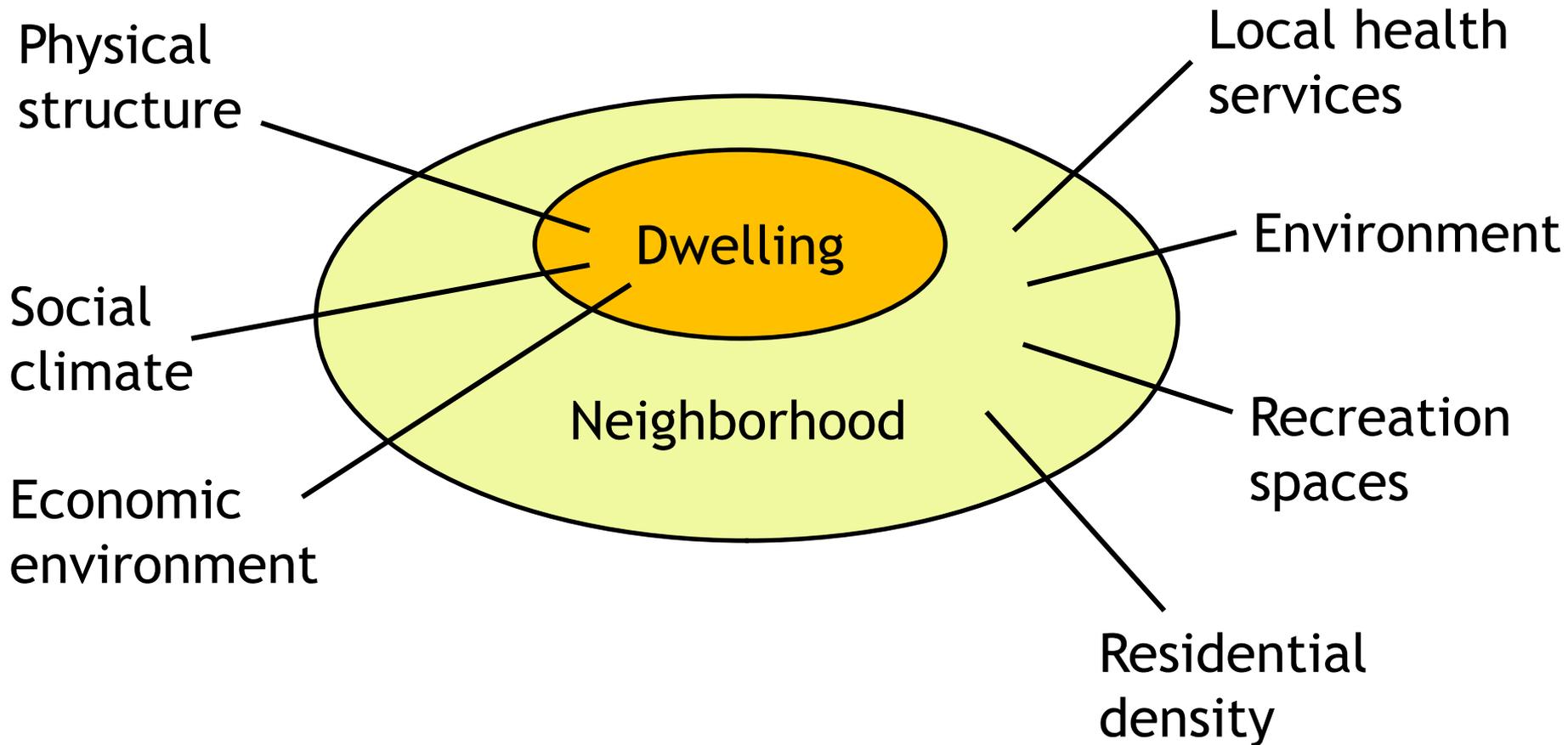
Negative Equity Share



As of Q3 2012

Source: CoreLogic Negative Equity Report

Housing and Health





Key Questions

Is the beneficial health impact of homeownership still present following the housing market downturn?

What impact does financial hardship have on health?



The Community Advantage Program (CAP)

Ford Foundation + Fannie
Mae underwrite risk

Lenders make conventional
mortgages to lower-income
borrowers

Mortgages sold by lender
to financial community
development agency





The Community Advantage Program 1998-2004



46,545 loans

\$30K median income



Small
down
payments

Low
credit
scores



42%
single
mothers

35% in poor tracts





CAPS Sample: How To Compare Apples and Oranges?

- From 2009 survey wave:
 - 2,225 homeowners
 - 915 renters
- Propensity score matching finds owners and renters who are demographically similar

Oranges that look like apples
and
Apples that look like oranges





Findings - Financial Hardship

More renters than owners cut spending on:

Medical

17%



Housing



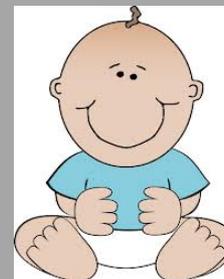
54%

Dental

42%



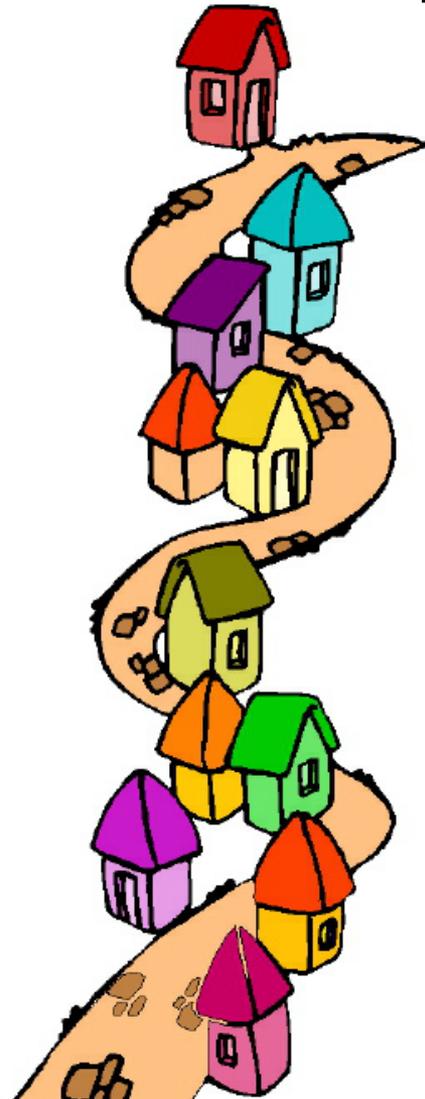
Babies



22%



Findings - Homeownership

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- Homeownership reduces risk of health problem
 - Financial hardship increases risk
 - Interaction effect:
Homeowner + financial hardship = greater risk than renter + hardship

Policy Implications

Financial help for struggling homeowners can have health benefits

Health benefits of homeownership remain post-crisis



Improving the rental experience can improve health outcomes

Landlords could be incentivized to make property improvements