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CENTER *for* COMMUNITY CAPITAL
Research and analysis on the transformative power of capital

Linking Social Disorganization, Urban Homeownership, and Mental Health

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Social Psychological Approaches to
the Study of Mental Health

Center for Community Capital
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Preview of Findings



Are there causal mechanisms that link homeownership to reduced risk of mental health problems?

- Homeownership = greater sense of control & trust in neighbors
- Sense of control = less psychological distress
- Trust = not significant predictor of distress
- No independent effect of homeownership



Contributions



“Black box” of homeownership

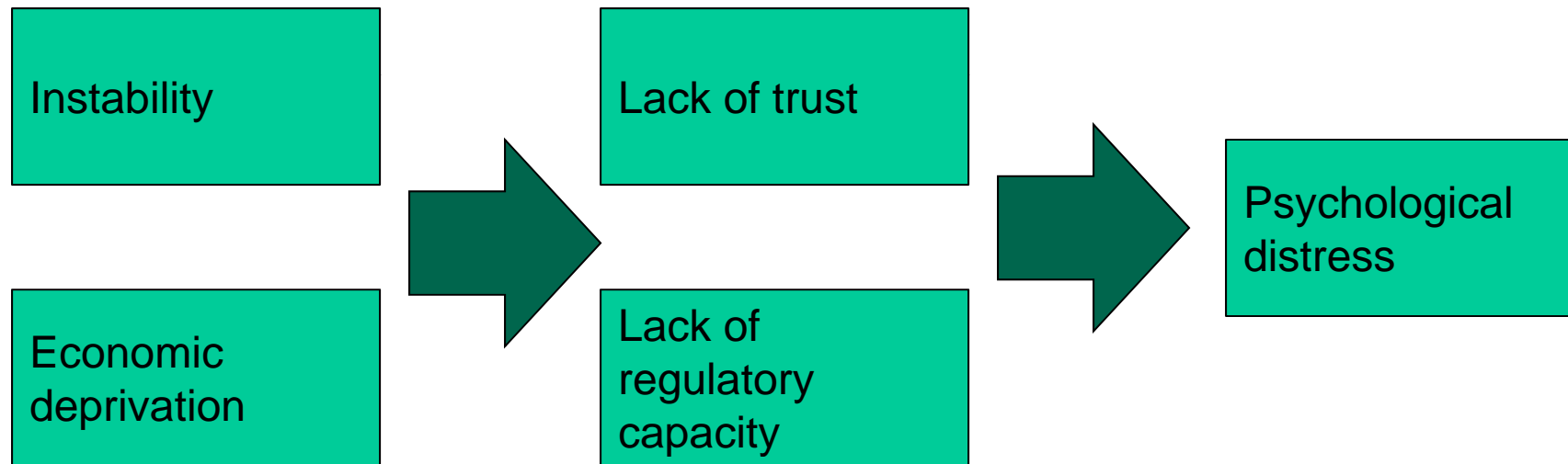
- What are the underlying mechanisms that cause observed outcomes?
- Link between structure and psychological state

Debates about homeownership

- Unique concerns of lower-income families
- Financial and social aspects



Social Disorganization Theory



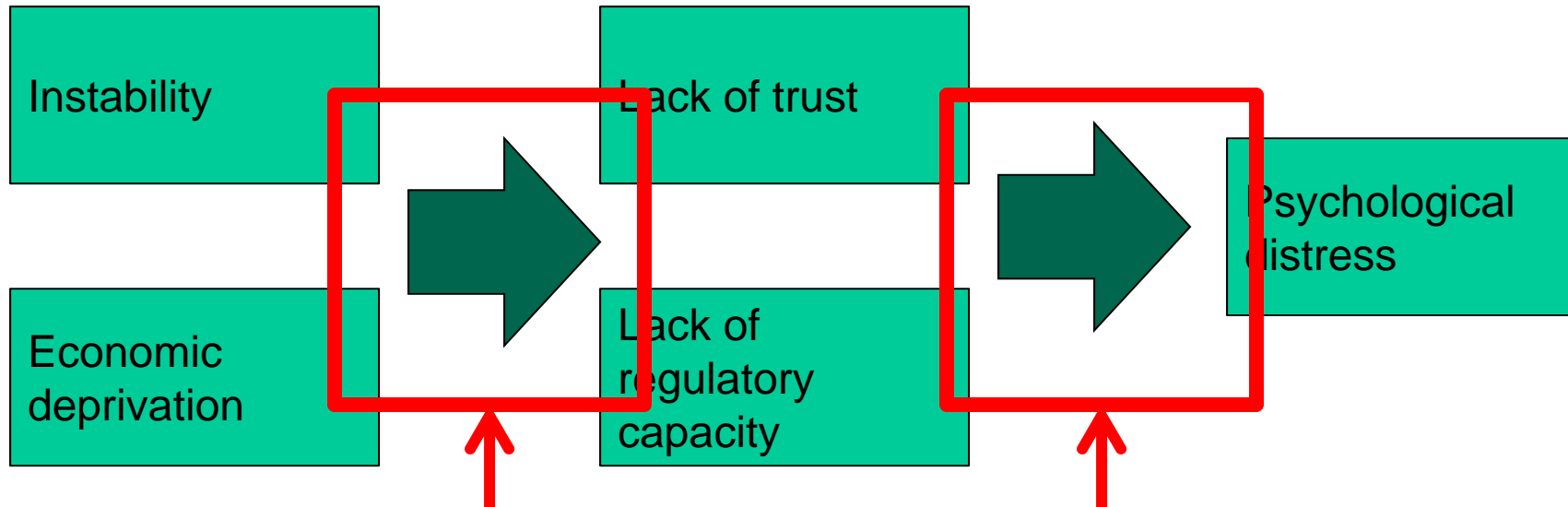
Characteristic of
disadvantaged urban
neighborhoods

Social
disorganization

Shaw & McKay, 1942
Sampson & Groves, 1989
Sampson, 1991
Sampson & Raudenbush, 1999



Social Disorganization Theory



If this relationship is disrupted...

...can this relationship can be avoided?



Where Does Homeownership Fit?



Perceptions of trust

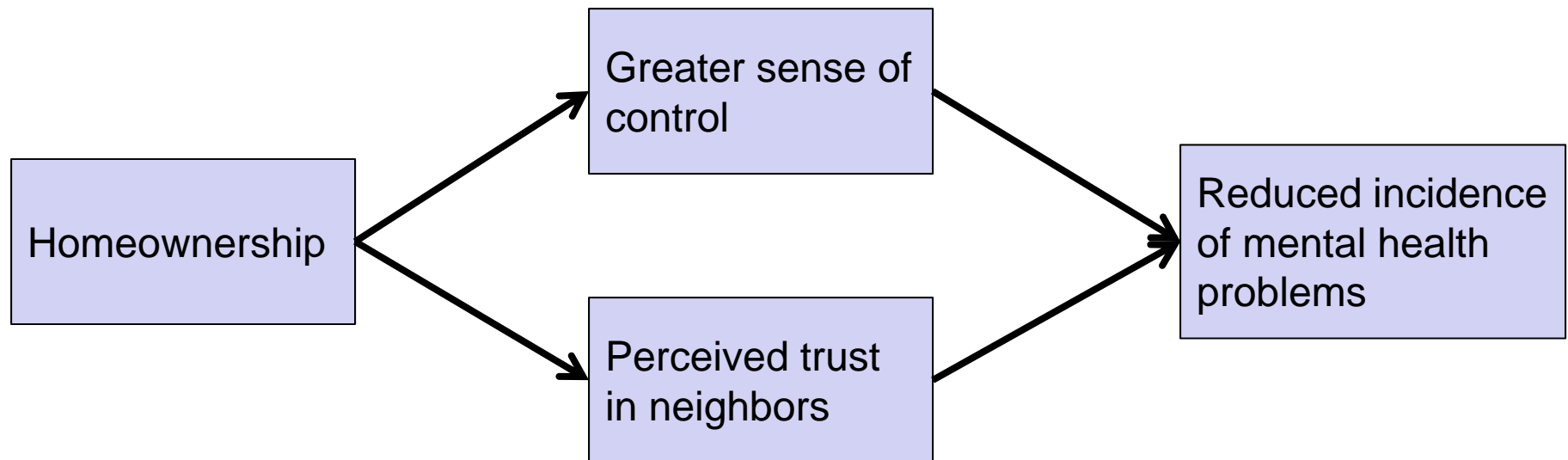
- Residential stability
- Financial motivation to form ties with others

Sense of control

- Actual control over physical space
- Normative nature of homeownership



Hypotheses





Prior Research

YES

Is homeownership linked to psychological outcomes?

NO

National Survey of Families and Households

- Self-satisfaction
- Life will work out
- Can do things well
- Lower depression
- Happiness scale
- Physical health

General Social Survey

- Life is exciting/dull
- Anomie scale
- Happiness scale
- Physical health



(Literature review by Rossi and Weber 1996)



The Community Advantage Program



Good mortgages to risky borrowers



Asset-building potential for lower-income families



Social impacts of homeownership

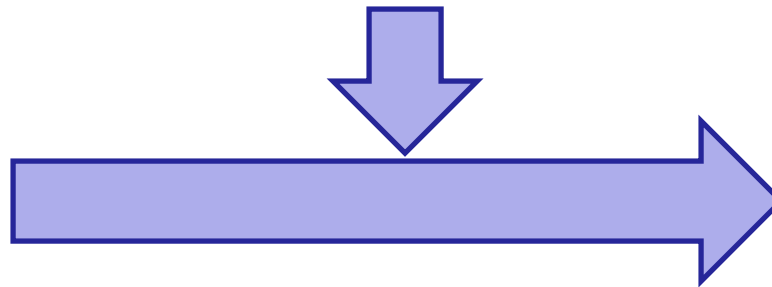


How CAP Worked

Lenders make conventional mortgages to “risky” borrowers



Ford Foundation + Fannie Mae underwrite risk



Mortgages sold by lender to financial community development agency





CAP Loans 1999-2003

28,491 loans

\$80,985 median loan

\$30,972
median
income

681 credit
score

42%
female-
headed

35% low-
income
tract



Community Advantage Panel Study (CAPS)

Homeowners

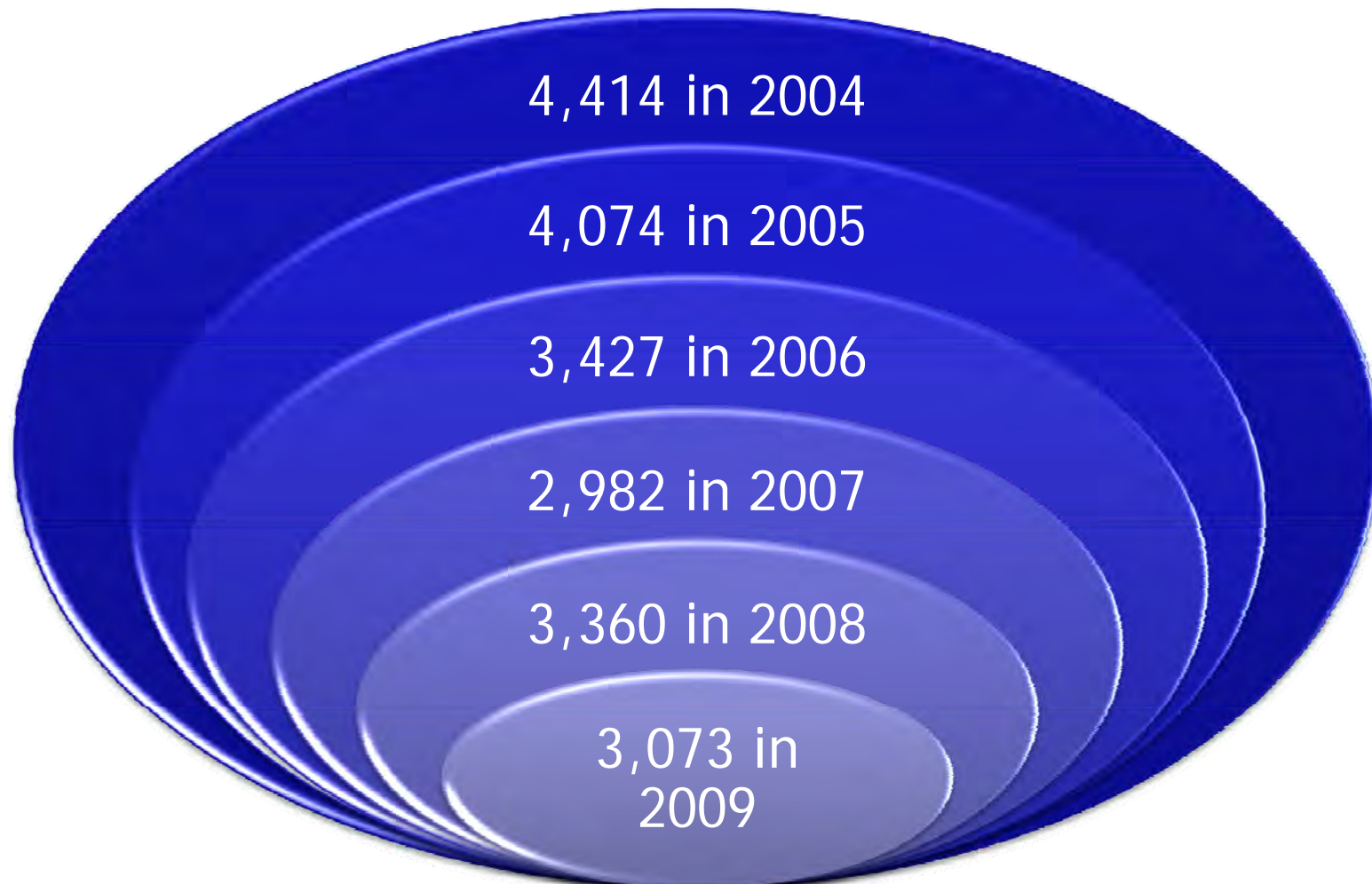
- 3743 CAP homeowners
- Annual surveys began in 2003
- Rotating topic modules

Renters

- 1530 renters
- Surveys began in 2004
- Matched by income and location

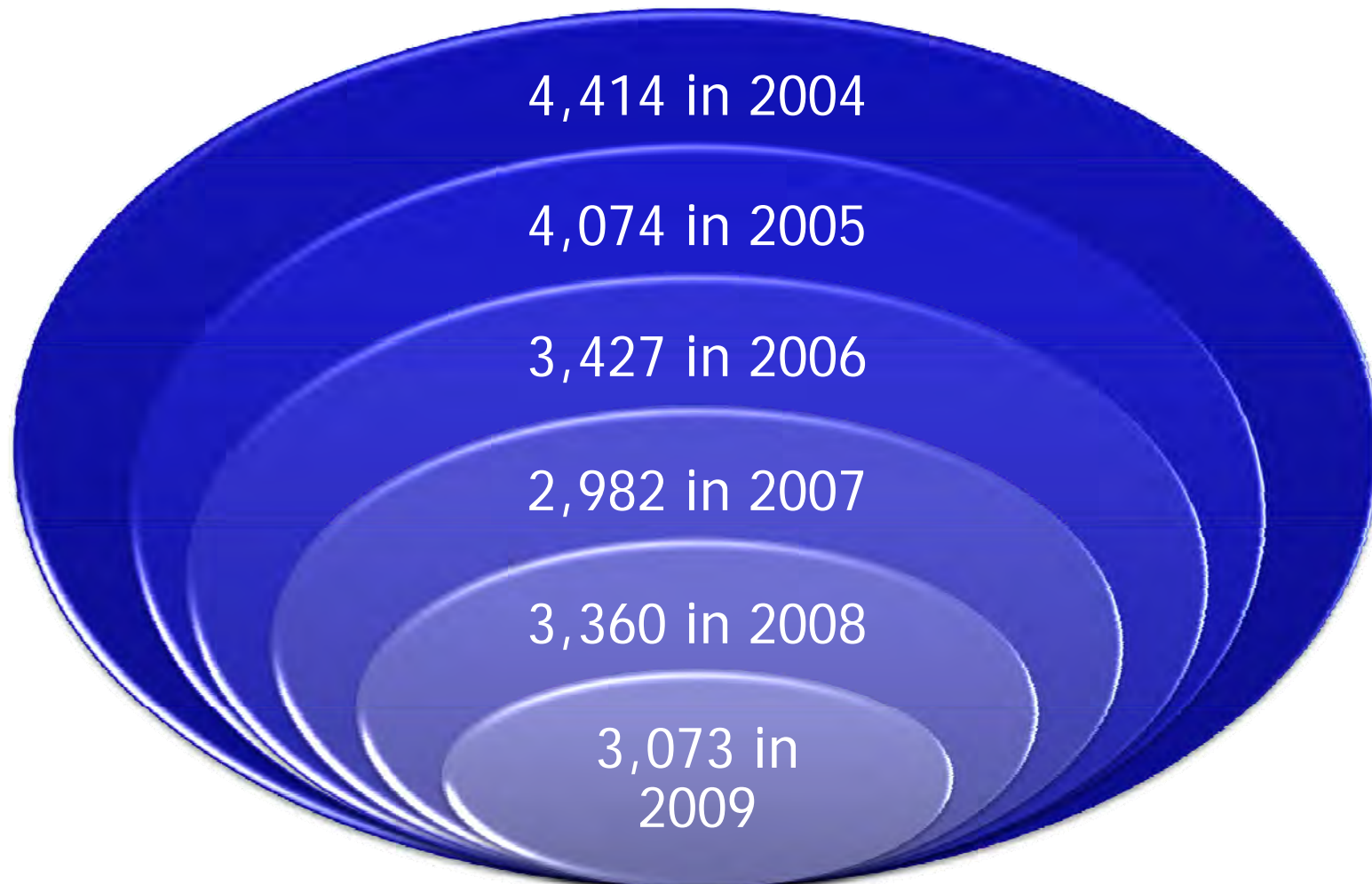


CAPS Sample Size





Sample for this Study





Generalizability

Comparison to CPS

- Income restricted sample of Current Population Survey
- May, 2003 and baseline CAPS sample

CAP Homeowners

- Younger, more educated, more likely employed, South over-represented

CAP Renters

- Older, black, female, more likely to be looking for work, South over-represented



Variables

Independent variables

- Homeownership
- Age
- Education
- Marital status
- Employment
- Race
- Children in the home
- Dwelling type

Mediating variables

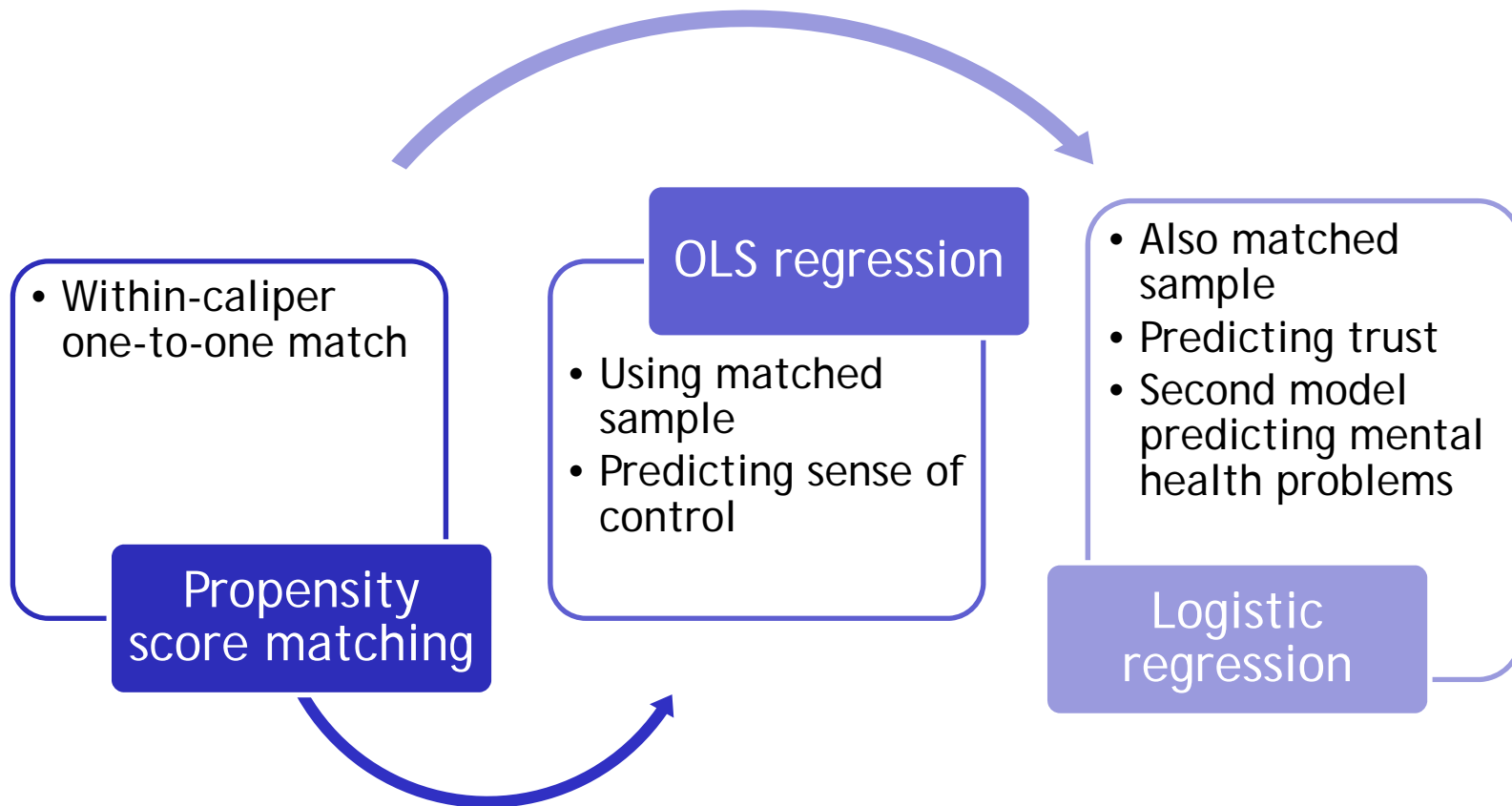
- Sense of control via Cohen's Perceived Stress Scale
- "How much do you trust your neighbors - a lot, some, or none?"

Dependent variable

- Mental health - "During the past four weeks, have you accomplished less than you would like to as a result of any emotional problems, such as feeling depressed or anxious?"



Methods





Propensity Score Model

	Odds Ratio	z-statistic
Age	1.009	1.61
Some college	1.226	1.6
2-year degree	1.495**	2.82
4-year degree	1.543**	2.88
Advanced degree	2.155***	4.54
Divorced/separated	0.555***	-4.54
Widowed	0.368***	-4.07
Single	0.455***	-5.93
Cohabiting	0.535***	-3.41
Employed part-time	0.605***	-3.27
Retired	0.279***	-6.03
Unemployed	0.421***	-5.54
Not in labor force	0.228***	-10.18
Black	0.483***	-6.59
Hispanic	0.566***	-3.94
Other race	0.588*	-2.17
Children in home	1.187	1.5
Multi-family dwelling	0.194***	-15.42
Other dwelling type	0.357***	-5.64
Log-likelihood	-1457.41	
N	3073	



Predicting Sense of Control - Coefficients

Homeownership
+0.586

Advanced
degree +0.950

Employed part-
time -0.838

Unemployed -
1.562

Not in labor
force -1.103

Hispanic -0.736

$R^2 = 0.079$

Not significant at $p < 0.05$:

- Age
- Male
- Some college
- 2-year degree
- 4-year degree
- Marital status (all)
- Retired
- Black
- Other race
- Children in home
- Dwelling type (all)



Predicting Trust in Neighbors - Odds Ratios

Homeownership 1.689	2-year degree 1.495	Advanced degree 1.836
Unemployed 0.629	Black 0.574	Other race 0.484
Multi-family housing 0.566	Not significant at $p < 0.05$: <ul style="list-style-type: none">• Age• Male• Some college• 4-year degree• Marital status (all)• Employed part-time• Retired• Not in labor force• Hispanic• Children in home• Other dwelling type	



Predicting Mental Health - Odds Ratios

Sense of
control
1.461

Divorced or
separated
1.652

Retired
3.174

Unemployed
3.578

Not in labor
force 6.497

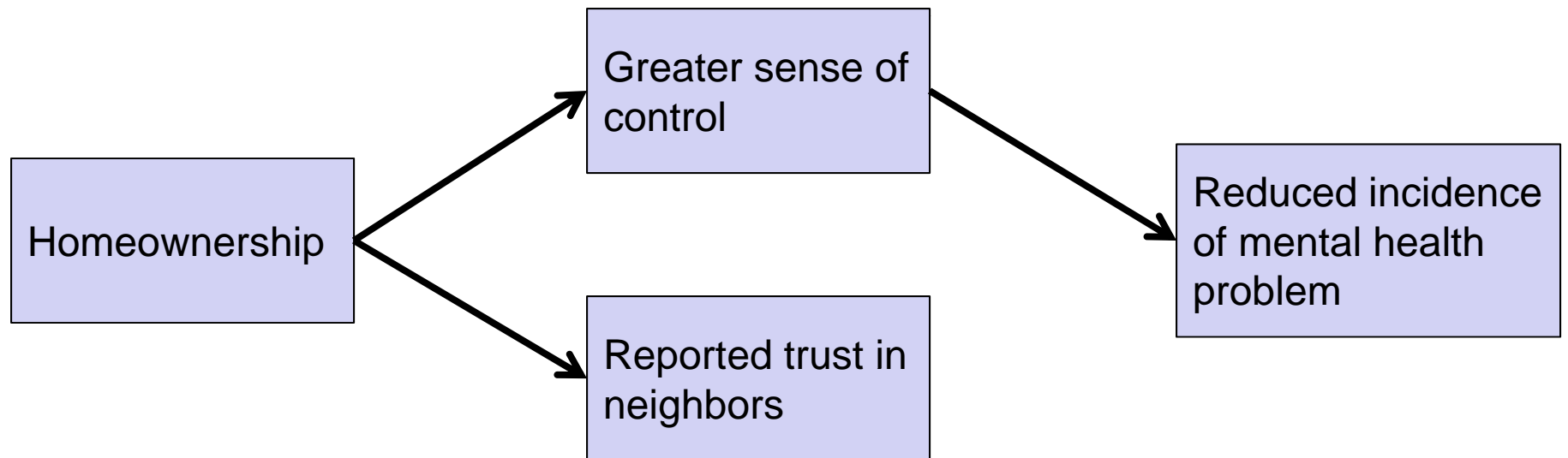
Hispanic
1.939

Not significant at $p < 0.05$:

- **Homeownership**
- Age
- Male
- Education (all)
- Widowed
- Single
- Cohabiting
- Employed part-time
- Black
- Other race
- Children in the home
- Dwelling type (all)



Results Summary





Conclusions



Homeownership reduces psychological distress via increased sense of control



Homeowners experience greater trust in their neighbors, but this is not correlated with declines in psychological distress



Employment has a significant impact on trust, sense of control, and psychological distress



Limitations

Generalizability

- Favorable mortgage terms
- Equity returns through 2010
- Lower foreclosure risk

Possible selection bias

Alternative measures



Next Steps

Improving renting

- Longer lease options
- Rent control
- Tenant rights and associations

Unpacking homeownership

- Where does the sense of control come from?

Neighborhood effects

- Compare perceptions of disorder with objective measures



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Questions?

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