

CONTEXTUAL FACTORS MODERATING THE RELATIONSHIP BETWEEN HOMEOWNERSHIP AND POLITICAL PARTICIPATION

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Contextual Factors Moderating the Relationship between Homeownership and Political Participation

Abstract

Homeownership has long been considered the cornerstone of the American dream, and considerable research has pointed to the social benefits of homeownership for both families and communities. Yet this link between homeownership and social benefits has recently undergone critique for methodological shortcomings that fail to account for endogeneity between homeownership and social outcomes such as civic engagement and political participation. Furthermore, it remains unclear whether these benefits are realized equally by all homeowners in all neighborhoods. Do homeowners in disadvantaged neighborhoods become more active participants in neighborhood improvement, or do they become stuck in undesirable neighborhoods where they perceive little potential for change? This paper explores whether the relationship between homeownership and political participation at the national and local level is moderated by neighborhood context. The research addresses endogeneity concerns and shows that, when compared to renters, homeowners are more likely to be registered to vote and to have voted in the most recent local and national elections. Neighborhood context does moderate these relationships, with homeowners in disadvantaged neighborhoods being more likely to vote compared to owners in other areas. This context effect is greatest for local elections. These findings suggest that despite the household-level costs associated with owning a home in a disadvantaged area, such homeownership promotes political involvement and can be a catalyst for neighborhood revitalization.

Introduction

Recent research has linked home ownership with a variety of beneficial social outcomes including increased community involvement, more diverse social capital resources, and greater civic engagement. However, two significant critiques of these studies have emerged, one theoretical and one analytical. First, few studies have considered whether the relationship between home ownership and positive social benefits is similar for all home owners, or whether it is moderated by neighborhood characteristics. It is possible that the strain associated with living in disadvantaged areas could be compounded for homeowners who are generally less mobile than renters. A renter who lives in a poor neighborhood may face fewer barriers to moving to a less expensive or more desirable area. Homeowners, particularly lower-income owners, risk losing their largest source of wealth if their home value declines yet they have fewer options to transfer their wealth to a less risky investment by moving to a better neighborhood. They are also more dependent on social ties and informal exchange and support networks located within their local communities, so moving extracts both economic and social costs that can take time to recoup. Therefore, we propose that the social and economic strain of owning a home in a disadvantaged neighborhood may moderate the relationship between homeownership and political participation.

Second, many researchers have failed to account for the self-selectivity of home owners, leading to bias in analyses comparing social outcomes among home owners and renters. People self-select in to homeownership, and the predictors of homeownership are often similar to the predictors associated with social outcomes. Therefore attempts to model the impact of homeownership on outcomes such as political participation may

produce biased results due to endogeneity within the models. In past research, it has often been impossible to determine whether homeownership is associated with increased political participation independent of the predictors common to both outcomes.

In this research, we address both these concerns by exploring whether the increased political participation associated with homeownership is realized equally for all homeowners in all neighborhoods, or whether the associations found in previous studies are context-dependent. We use a modification of statistical techniques proposed by Dietz and Haurin (2003), discussed in detail later in this paper, to account for endogeneity thus ensuring that our analyses explores the actual impacts of homeownership. As Dietz and Haurin write, "...it is [also] important to consider what impacts are causally related to homeownership, as opposed to attributes correlated with homeownership." The objective of this research is to do just that: distinguish causality from correlation in the relationship between political participation and homeownership, and to further specify the contexts in which this relationship is stronger or weaker.

Contributions

This study offers three key contributions. First, our findings speak to an ongoing debate about the value of homeownership in disadvantaged neighborhoods. While policymakers have long focused on promoting homeownership among lower-income families as a means towards wealth building, some scholars have recently questioned this position. Rohe et al (2000) caution that neighborhood revitalization efforts which focus on increasing home ownership in disadvantaged neighborhoods can result in home owners feeling trapped in depreciating neighborhoods that offer them few opportunities for civic or community involvement. They argue that, while there are clear social

benefits to homeownership, insufficient research has been done on the social costs associated with ownership. They write, “Given the reality that the benefits of ownership do not accrue evenly to everyone, research must better define the circumstances under which homeownership produces real social benefits.” Our research offers empirical evidence as to whether neighborhood disadvantage affects the degree to which homeowners are politically active.

Second, our analysis uses methods which take in to account the fact that homeownership and political participation share an overlapping set of predictors. We use a bivariate probit model which allows homeownership and political participation to vary jointly with an overlapping set of covariates. We first model homeownership, then use predicted probabilities of homeownership in a second-stage model predicting political participation. This is an improvement over previous models which have failed to account for endogeneity between homeownership and political participation.

Finally, our study addresses larger questions about the role homeownership plays in promoting political participation among lower-income citizens. The poor have historically been less politically active than other groups, both at the national and local levels. This relative lack of participation means that some of the most disadvantaged citizens are cut off from the formal political structures that could afford them opportunities. If homeownership significantly increases political participation among lower-income citizens, it would provide support for the claim that homeownership can foster collective efficacy and empower even the most disadvantaged neighborhoods.

Background

Past studies of social impacts have found that home ownership is associated with a variety of positive social outcomes. However, methodological flaws have led some experts to conclude that there is insufficient evidence that home ownership yields consistent social benefits for all homeowners (Herbert and Belsky 2006). In their review of the literature, Herbert and Belsky point out that many past studies which have linked home ownership with social benefits have methodological flaws which make their findings suspect. These methodological flaws include small sample sizes, selection bias issues, and non-representative study groups. Recent work has re-visited the earlier studies using a quasi-experimental research design to measure differences between owners and renters over time (Rohe and Stegman 1994; Rohe and Basolo 1997). These studies have substantiated the earlier findings that homeowners were more likely to be involved in local neighborhood organizations. On the other hand, a recent study found that homeownership did not increase voting when controlling for selection effects and using a random-assignment field experiment (Engelhardt et al. 2008).

Note that we have been referring to outcomes such as increased civic engagement and political participation as “social impacts” rather than “social capital”. Some researchers have studied these outcomes and defined them as evidence of increased social capital (DiPasquale and Glaeser 1999). However, within sociology social capital is generally defined as connections to other people which allow an individual to gain some resource or service (Putnam 2001). As such, civic engagement and political involvement are potential opportunities for one to acquire social capital but are not social capital in their own right; measuring social capital requires knowing whether any actual resources are exchanged along the social connections formed through such organizations and

activities (Van Der Gaag and Snijders 2005). For this reason, we use the term “social impacts” to describe these outcomes although they are analogous to what researchers in other disciplines have termed social capital.

Homeownership and Political Participation

Political participation is an important part of democratic society and a crucial avenue for civic engagement at the local level. Building from a rational choice perspective on political participation, there are several reasons why homeowners are more politically active than renters. First, homeowners have a financial motive to maintain desirable neighborhood and property conditions since the value of their homes are partially tied to the larger community (Rohe and Stewart 1996). For this reason, local political participation yields not only quality-of-life benefits but also long-term economic benefits to home owners. Renters experience the same quality-of-life benefits but not the economic ones. In fact, one study suggested that as neighborhoods improve as a result of active local political and civic groups, rent costs are likely to increase because the neighborhoods become more desirable (DiPasquale and Glaeser 1999). Improved local amenities and better neighborhood conditions translate to a gain for homeowners as their home value increases, but a financial loss to renters as the rental price of their home increases.

Secondly, renters have more flexibility than homeowners to relocate if community conditions become unfavorable. Homeowners living in declining communities often face substantial costs if they move, including the loss of equity if home prices have fallen. They are therefore more likely to try and improve or maintain their neighborhoods through political and civic participation, not only as a wealth-

building activity but because it is less costly than moving (Cox 1982). Renters, however, incur fewer expenses when they move and therefore the benefits associated with moving out of an undesirable area may outweigh the costs. From a rational choice view, the costs associated with moving are often greater than the potential benefits, especially for lower-income homeowners with few resources.

Finally, homeowners are likely to be more politically active than renters because they have a greater attachment to their communities simply by virtue of being a homeowner. While selection issues affect earlier research in this area, findings suggest that among lower-income families living in comparable areas, homeowners had increased local informal interaction with their neighbors the longer they lived in their homes. (Rohe and Stegman 1994; Rohe and Basolo 1997). Homeowners also report feeling happier overall than renters, and they tend to be more satisfied with their communities in general (Rossi 1996). Distinct from the economic incentive for political participation, we expect homeowners to be more politically involved in their communities because they feel more “a part of” their neighborhoods by virtue of owning a part of the community.

The link between homeownership and political participation has already been partially substantiated through empirical research. Many studies have found that homeowners are indeed more likely than renters to participate in voluntary associations, local political groups, and non-professional organizations (Cox 1982; DiPasquale and Glaeser 1999; Guest and Oropesa 1986; Rossi 1996). Herbert and Belsky (2006) recently reviewed the research on voting behavior and found that a majority of studies demonstrated that homeowners are more likely to vote than renters (DiPasquale and Glaeser 1999; Squire, Wolfinger, and Glass 1987). Rossi and Weber (Rossi 1996)

analyzed a variety of nationally-representative data sets and found that owners were “almost consistently more engaged in local politics” and were more likely to vote in national elections.

One largely overlooked consideration is that the home ownership - political participation relationship may be moderated by other factors. Gilderbloom and Markham (1995) compared the political participation of owners and renters by income. They found that wealthier owners were more politically active than wealthier renters, but there was no difference between owners and renters whose income was below the median income for their communities. Rohe et al. (2000) suggest that the ownership - political participation relationship may be spurious, and the possibility that people who are politically active are more likely to become home owners cannot be ruled out. They write, “Although unlikely, there may be a more fundamental orientation toward social involvement that predisposes people both to participate in voluntary and political activity and to purchase homes.”

We propose that a key omitted component from these analyses is neighborhood context. Rather than looking only at individual-level predictors relating to the homeownership-political participation relationship, we examine neighborhood conditions that may fundamentally alter this relationship. Neighborhood context is an important variable to include both as a potential moderating variable and also as an independent variable affecting political participation.

Neighborhood Conditions

Neighborhood conditions are likely to influence political participation at both the national and local levels. Studies have indicated that people who live in neighborhoods

with higher crime rates or more public disorder experience lower levels of collective efficacy, civic engagement, and neighborhood satisfaction (Sampson and Raudenbush 1999). If homeowners lack a sense of efficacy, they may view political participation as futile and resign themselves to living in an undesirable area. Rohe et al (2000) caution that neighborhood revitalization efforts which focus on increasing home ownership in disadvantaged neighborhoods could result in home owners feeling trapped in depreciating neighborhoods that offer them few opportunities for civic or community involvement. It is therefore possible that home owners in less-desirable neighborhoods may experience greater dissatisfaction than comparable renters because they lack the ability to easily move. Furthermore, even homeowners who do feel they have the option to move may be reluctant to do so because they feel a stronger sense of attachment and commitment to their local communities than renters feel.

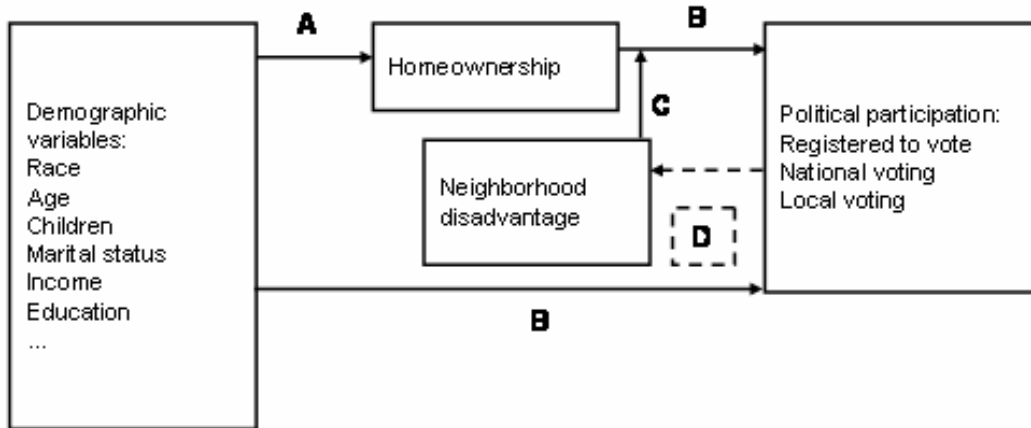
On the other hand, as discussed previously, homeowners in disadvantaged areas could actually become more politically active in order to protect their investment in their neighborhood. While they may be skeptical about political participation yielding tangible neighborhood improvements, many lower-income homeowners simply may not have the option to move without taking a major financial loss on their homes. In addition to the economic costs associated with moving, costs which many lower-income families may not be able to afford, there are social costs as well. Low-income families are more dependent on social ties than wealthier families, and they derive greater well-being from their community-based support networks (Gladow and Ray 1986). Therefore even if neighborhood conditions decline, relocating may not be a viable or desirable option for some homeowners. As evidence of this, studies have found that lower-income families

are less likely to translate neighborhood dissatisfaction in to a move than middle-class families (South and Deane 1993). Taken together, these findings suggest that neighborhood context is an important consideration when examining any association between homeownership and political participation, but any model of that relationship needs to also account for endogeneity and selection effects.

Conceptual Model

Based on the framework outlined above, we propose a conceptual model designed to both explore the relationship between home ownership and social impacts, and to consider whether neighborhood conditions moderate that relationship. This model is depicted in Figure 1.

Figure 1: Theoretical Model of Homeownership and Political Participation



We first test the relationship predicting homeownership, link A in Figure 1. While this link has been established in past studies, it provides the base model for our subsequent analyses. The second stage model tests the relationship between homeownership and political participation, link B. This model incorporates both homeownership and also the direct effects of our demographic variables. We first model only the direct effect of homeownership, net the influence of the variables from the first stage model. We then add an interaction term to evaluate the moderating effect of neighborhood disadvantage on the homeownership-political participation relationship, link C.

As shown in the conceptual model, we recognize the likelihood of a reciprocal relationship between political participation and neighborhood disadvantage (link D). Neighborhoods where people are politically active and engaged are likely to improve. While we acknowledge this relationship in the model, we do not test it empirically in this study because we are using cross-sectional data. We plan to explore this link in future work using subsequent waves of data from our study.

Data

We test the model described above using data collected for the Community Advantage Panel (CAP) study. The CAP study is a longitudinal project following a group of low- to moderate-income homeowners and a matched comparison group of renters over the course of six years. The study is designed to collect information about both the financial and social impacts of homeownership. The CAP study started in 2003 and participants are interviewed annually (Center for Community Capitalism 2005).

The original CAP owners panel included 3,743 homeowners who were interviewed an average of 17 months after they purchased their home. After the first wave of data collection, these homeowners were matched to a group of renters based on neighborhood and income. The objective was to find a group of lower-income renters living in roughly the same neighborhoods as the owners already in the study and follow both groups for the duration of the study. This matching was limited only to the 30 metropolitan areas in the United States with the highest number of CAP owners, so some of the original CAP owners were not matched for this reason. The final sample included 1,088 owners and 1,530 matched renters.

In this study, we compare outcomes between the owners and renters in the CAP study. The measures we use come from 2004, the first year data was collected with both samples. This was the second wave of data collection for the owners and the first for the renters. There are some differences between the two groups. The homeowners are, on average, slightly younger than the renters and have higher levels of education. Almost twice as many owners were married than renters (59% to 32%). The group of owners was majority white, while the renters were not. While all the CAP study participants had low- to moderate-incomes, the owners tended to have higher incomes than did the renters. To account for these differences, we control for age, family composition, race, education, and income in our analyses.

Measures

The key independent variable for the first stage models is an indicator for home ownership. Owners are coded 1 and renters are coded 0.

Political Participation

We measure political participation with three separate indicator variables. First, respondents were asked “Are you registered to vote where you live now?” Respondents who said they were registered to vote are coded 1, all others 0. We use this variable as the dependent variable in our primary models. However, we also run additional models on the sub-set of respondents who reported that they were registered to vote. Those respondents only were asked “Did you vote in the 2000 election?” and “Did you vote in the last local election?” We code these questions as indicator variables with all yes answers coded as 1 and all others as 0.

By separately measuring voter registration and two types of voting behavior, we can distinguish between people who register to vote but who do not actually participate in the political process, people who participate on the national level, and people who participate in local politics. With the passage of the National Voter Registration Act of 1993 (commonly called the “Motor Voter Act”), voter registration is now offered to people when they obtain or renew a driver’s license, when they apply for any public assistance, or if they receive services from a state-funding program for persons with disabilities (U.S. Department of Justice 2004). It is possible that these provisions have increased voter registration so that there is not a discernible difference between homeowners and renters, but there may still be differential rates of actual political participation. We therefore model both voter registration and voting.

Neighborhood Disadvantage

We measure neighborhood disadvantage using an index measure based on research by Sampson et al (2002) to develop a reliable measure of “concentrated

disadvantage” at the tract level. They use measures of the percentage of single parents, non-white residents, unemployed persons, families on public assistance, and households below the poverty line¹. These measures are transformed to z-scores, summed together, and divided by five (Benson et al. 2003). These neighborhood characteristics combine to create areas of concentrated disadvantage. This measure allows us to distinguish between neighborhoods at-risk of disadvantage and neighborhoods experiencing true concentrated disadvantage.

Control Variables

We include control variables for standard socio-demographic measures: race, education, marital status, income, and children in the household. We measure race with a series of dummy variables for: white, black, Hispanic, and other race. White is the reference category in all models. We include a dummy variable indicating the presence of children under age 18 living at home, and a dummy variable indicating whether the respondent has a college degree. For marital status, we use the categories: married, divorced, single. Married is the reference category. We include a control variable for household income. Income is the sum of the household's income from all sources, and we measure income in units of \$10,000.

Descriptive statistics for all variables are presented in Table 1. There are some predictable differences between owners and renters, especially in the dependent variables of interest. Homeowners are more likely to be registered to vote and to have actually voted in the more recent national and local elections. Homeowners were also more likely

¹ These measures are selected to represent the latent concept of localized community wealth and economic advantage. Each of the five measures used in the index is correlated with economic advantage and none are intended to individually cause or represent neighborhood-level disadvantage.

to be married, have graduated from college, and have emergency financial assets. The mean income for homeowners is substantially higher than renters.

Table 1: Descriptive Statistics of Homeowner and Renter Samples

Variable	Full sample			Owners			Renters		
	Freq.	Mean	SD	Freq.	Mean	SD	Freq.	Mean	SD
Registered to vote	76.68%		-0.42	82.58%		-0.38	67.39%		-0.47
National voting	62.01%		-0.49	74.31%		-0.44	44.89%		-0.50
Local voting	49.69%		-0.50	64.79%		-0.48	28.68%		-0.45
Homeowner	58.25%		-0.49	100.00%		0.00	0.00%		0.00
Age		37.86	-10.09		33.99	-8.72		43.25	-9.39
White	41.56%		-0.49	48.40%		-0.50	31.99%		-0.47
Black	45.37%		-0.50	40.16%		-0.49	52.65%		-0.50
Hispanic	7.40%		-0.26	10.20%		-0.30	3.47%		-0.18
Other race	5.68%		-0.23	1.24%		-0.11	11.88%		-0.32
Child in home	49.01%		-0.50	50.92%		-0.50	46.35%		-0.50
Married	43.94%		-0.50	54.22%		-0.50	24.88%		-0.43
Single	45.30%		-0.50	34.66%		-0.48	65.05%		-0.48
Divorced	10.75%		-0.31	11.12%		-0.31	10.07%		-0.30
College graduate	17.68%		-0.38	26.62%		-0.44	5.20%		-0.22
Income (in \$1000s)		36.97	-24.04		49.91	-21.36		18.92	-13.72
Neighborhood disadvantage score		0.23	-0.82		0.09	-0.81		0.43	-0.79
Observations		2625			1529			1096	

Analytic Models

Dietz and Haurin (2003) point out that endogeneity problems are especially problematic in this line of research since it is plausible that people who are predisposed toward civic engagement may be more likely to want to buy a home and establish themselves within a community. The best way to examine such a possibility would be through longitudinal studies that can compare civic participation attitudes and activities before and after home ownership. However, such studies are rare and often limited in terms of generalizability².

² One such study of low-income Baltimore homeowners by Rohe and Stegman (Rohe and Stegman 1994), for example, found that home owners' level of participation in neighborhood associations increased after

We address this issue of endogeneity using a two-stage bivariate probit model which allows us to measure the independent impact of homeownership on voting, separate from the impact of common covariates shared by both outcomes. Using this method, we can differentiate between the effect of homeownership itself and the effect of other co-occurring factors such as education or income. Many variables that are known to influence or predict homeownership are also associated with social impacts such as the ones in this study (Gilderbloom and Markham 1995; Haurin, Parcel, and Haurin 2002; Rossi 1996). Our approach models ownership and political participation as sharing a joint distribution across the common predictors, and used predicted probabilities of homeownership to generate coefficients predicting voting. This allows us to estimate homeownership and then include the estimates from the first equation in the equations predicting social outcomes.

We use a seemingly unrelated bivariate probit model which is suitable when an overlapping set of covariates appears in each of two equations (McLanahan and Sandefur 1994:166; Greene 1995:458). In this case, a common set of variables predicts both homeownership and political participation. As the name suggests, this technique was developed to analyze two distinct and unrelated outcomes. In our study, however, the two equations are clearly not “unrelated”; the dependent variable (homeownership) from the first equation is an independent variable in the second equation.. However, Greene (Greene 1999) shows that the log-likelihood in a seemingly unrelated bivariate probit model is the same as a model in which the dependent variable from the first equation

they became owners as compared to continuing renters. However, they did not find increases in other forms of civic engagement.

appears as an independent variable in the second equation. We therefore use the predicted probability of homeownership (dependent variable) from the first model as an independent variable in the second equation predicting political participation measures.

The equations follow:

$$w = z + b_1x_1 \dots b_ix_i + e$$

$$y = w + b_1x_1 \dots b_ix_i + e$$

where:

w = home ownership as estimated in initial equation

y = social outcomes (voting, civic participation, neighborhood satisfaction)

z = independent predictors of homeownership

x₁...x_i = joint predictors of homeownership and social impacts

Findings

Table 2 presents the results from the bivariate probit models predicting homeownership and being registered to vote. The parameter estimates in the bivariate probit model are not directly interpretable, so we limit our discussion to the direction of significant effects (Gensler and Walls 1997; Stolzenberg 2001). We can compare the coefficients of significant variables as a measure of their relative impact on the probability of voting. We will present predicted probabilities of the dependent variables in order to illustrate effect sizes following a discussion of the regression results. Model 1 presents the base model including only the control variables and the indicator for homeownership. The first stage model is presented on the lower half of the table. All the

predictors of homeownership are significant within the model. Among low- and moderate-income households, those who own their own homes are more likely to be younger, black, and married or divorced. They are less likely to be single or to have children living at home. The finding related to children in the home differs from the broader literature on homeownership, perhaps due to the characteristics of our low-income sample of homeowners. These results therefore may not generalize to the prediction homeownership for all groups.

Table 2: Bivariate Probit Regression Predicting Homeownership and Voter Registration

	Model 1		Model 2		Model 3	
Outcome: Registered to vote						
Homeownership						
Age	0.00512	(0.87)	0.00932	(1.58)	0.00661	(1.15)
Black ¹	0.00434	(0.04)	0.295**	(2.63)	0.333**	(3.00)
Hispanic ¹	-2.268***	(-15.51)	-1.997***	(-13.17)	-2.088***	(-13.84)
Other race ¹	-1.591***	(-6.80)	-1.486***	(-6.42)	-1.660***	(-7.72)
Single ²	0.926***	(7.08)	0.968***	(7.21)	0.836***	(5.99)
Divorced ²	0.601***	(4.50)	0.520***	(3.92)	0.412**	(3.14)
College graduate	0.268*	(2.27)	0.344**	(2.95)	0.226	(1.92)
Child in the home	0.365***	(4.28)	0.319***	(3.63)	0.199*	(2.21)
Income	0.0215***	(5.76)	0.0210***	(5.85)	0.0231***	(6.84)
Neighborhood distress			-0.390***	(-6.87)	-0.804***	(-9.09)
Homeowner	0.808*	(2.51)	0.643*	(2.06)	0.118	(0.41)
Homeowner*neighborhood disadvantage					0.666***	(6.22)
Constant	-1.165**	(-3.19)	-1.256***	(-3.44)	-0.674	(-1.89)
Outcome: Homeowner						
Age	-0.0443***	(-10.34)	-0.0445***	(-10.43)	-0.0448***	(-10.48)
Black ¹	0.509***	(5.73)	0.512***	(5.76)	0.509***	(5.73)
Hispanic ¹	-0.159	(-1.02)	-0.160	(-1.03)	-0.174	(-1.12)
Other race ¹	-1.470***	(-8.55)	-1.465***	(-8.50)	-1.473***	(-8.46)
College graduate	-0.265*	(-2.30)	-0.266*	(-2.30)	-0.263*	(-2.27)
Child in the home	-0.472***	(-5.61)	-0.478***	(-5.71)	-0.483***	(-5.76)
Single ²	-0.941***	(-9.10)	-0.940***	(-9.11)	-0.944***	(-9.18)
Divorced ²	0.254*	(2.01)	0.259*	(2.05)	0.256*	(2.02)
Income	0.0415***	(16.83)	0.0416***	(16.85)	0.0416***	(16.82)
Constant	1.303***	(5.84)	1.307***	(5.88)	1.322***	(5.93)
rho	-0.110	(-0.59)	-0.0532	(-0.30)	0.138	(0.87)
N	2218		2217		2217	

t statistics in parentheses * p<0.05, ** p<0.01, *** p<0.001

¹ Reference group is White, ² Reference group is Married

The upper half of the table presents the second-stage models using the predicted values of homeownership from the first stage. In model 1, we see that homeowners are more likely to be registered to vote independent of the socio-demographic predictors of homeownership from the first stage model. Hispanic respondents are less likely to be registered to vote. As compared to married respondents, those who are either single or divorced are more likely to be registered to vote. College graduates, people with children, and those with higher incomes are also more likely to be registered to vote. As with the first-stage model, the significant control variables in the second-stage model remain consistent in all three models.

Model 2 in Table 2 tests the independent effects of both homeownership and neighborhood disadvantage. As before, homeownership is positively predictive of being registered to vote. This model also shows that people who live in more disadvantaged neighborhoods are less likely to be registered to vote. Model 3 tests the interaction term for homeownership and neighborhood disadvantage. We find that the interaction is significant; neighborhood disadvantage does moderate the relationship between homeownership and registering to vote. Homeowners who live in disadvantaged areas are more likely to be registered to vote³.

Table 3: Bivariate Probit Regression Predicting Homeownership and National Voting

	Model 1		Model 2		Model 3	
Outcome: National voting						
Homeownership						
Age	0.0261***	(6.49)	0.0257***	(6.34)	0.0259***	(6.33)
Black ¹	-0.246**	(-3.09)	-0.255**	(-3.03)	-0.263**	(-3.10)
Hispanic ¹	-1.734***	(-11.09)	-1.747***	(-10.92)	-1.809***	(-11.16)
Other race ¹	-0.833***	(-3.75)	-0.839***	(-3.78)	-0.892***	(-3.94)
Single ²	0.691***	(7.46)	0.690***	(7.46)	0.665***	(7.08)
Divorced ²	0.165	(1.47)	0.170	(1.51)	0.147	(1.30)

³ While the coefficients for homeownership and neighborhood disadvantage do change in the interaction model, they are not meaningful upon the inclusion of the interaction term and should not be interpreted.

College graduate	0.432***	(4.60)	0.428***	(4.52)	0.369***	(3.79)
Child in the home	-0.367***	(-5.31)	-0.363***	(-5.19)	-0.407***	(-5.63)
Income	0.00844***	(3.90)	0.00849***	(3.92)	0.00957***	(4.26)
Neighborhood distress			0.0186	(0.40)	-0.159*	(-2.11)
Homeowner	2.047***	(18.82)	2.050***	(18.71)	1.934***	(15.81)
Homeowner*neighborhood distress					0.290**	(3.05)
Constant	-2.339***	(-11.08)	-2.329***	(-10.99)	-2.218***	(-10.22)
Outcome: Homeowner						
Age	-0.0452***	(-10.56)	-0.0453***	(-10.57)	-0.0451***	(-10.52)
Black ¹	0.476***	(5.25)	0.480***	(5.29)	0.494***	(5.45)
Hispanic ¹	-0.192	(-1.22)	-0.184	(-1.17)	-0.168	(-1.07)
Other race ¹	-1.429***	(-8.49)	-1.420***	(-8.43)	-1.417***	(-8.37)
College graduate	-0.329**	(-2.85)	-0.324**	(-2.80)	-0.315**	(-2.72)
Child in the home	-0.545***	(-6.88)	-0.547***	(-6.90)	-0.543***	(-6.82)
Single ²	-0.951***	(-9.15)	-0.946***	(-9.10)	-0.948***	(-9.11)
Divorced ²	0.314*	(2.46)	0.320*	(2.50)	0.319*	(2.49)
Income	0.0442***	(19.05)	0.0443***	(19.06)	0.0444***	(19.11)
Constant	1.325***	(6.01)	1.318***	(5.97)	1.291***	(5.85)
rho	-0.767***	(-7.14)	-0.768***	(-7.14)	-0.697***	(-6.50)
N	2344		2343		2343	

t statistics in parentheses * p<0.05, ** p<0.01, *** p<0.001

¹ Reference group is White, ² Reference group is Married

Table 3 presents the same models, this time predicting whether a respondent voted in the 2000 national presidential election. Model 1 shows that, as with being registered to vote, homeowners are more likely than renters to have voted in the previous national election. However, as shown in Model 2, neighborhood disadvantage is not significant. People living in more disadvantaged neighborhoods are no more or less likely to vote than those in less disadvantaged areas. Model 3 presents the interaction term and again there is a moderating effect of neighborhood disadvantage on national voting as there was with registering to vote. Homeowners who live in disadvantaged areas are more likely to vote in spite of the fact that neighborhood disadvantage does not have a direct effect.

Table 4: Bivariate Probit Regression Predicting Homeownership and Local Voting

	Model 1		Model 2		Model 3	
Outcome: Local voting						
Homeownership						
Age	0.0311***	(8.04)	0.0292***	(7.46)	0.0295***	(7.50)
Black ¹	-0.130	(-1.68)	-0.203*	(-2.48)	-0.206*	(-2.50)
Hispanic ¹	-1.376***	(-8.34)	-1.476***	(-8.79)	-1.514***	(-8.94)

Other race ¹	-0.565*	(-2.36)	-0.600*	(-2.54)	-0.631**	(-2.64)
Single ²	0.890***	(9.87)	0.882***	(9.80)	0.862***	(9.48)
Divorced ²	0.0300	(0.27)	0.0496	(0.45)	0.0264	(0.24)
College graduate	0.330***	(3.85)	0.290***	(3.31)	0.253**	(2.82)
Child in the home	-0.325***	(-4.92)	-0.301***	(-4.51)	-0.329***	(-4.81)
Income	0.0119***	(5.51)	0.0119***	(5.50)	0.0125***	(5.64)
Neighborhood distress			0.127**	(2.83)	-0.0147	(-0.19)
Homeowner	1.955***	(17.55)	1.999***	(18.01)	1.913***	(15.78)
Homeowner*neighborhood distress					0.209*	(2.22)
Constant	-3.054***	(-14.93)	-2.997***	(-14.64)	-2.914***	(-13.96)
Outcome: Homeowner						
Age	-0.0451***	(-10.62)	-0.0447***	(-10.53)	-0.0446***	(-10.50)
Black ¹	0.490***	(5.40)	0.495***	(5.45)	0.501***	(5.53)
Hispanic ¹	-0.162	(-1.04)	-0.146	(-0.94)	-0.138	(-0.88)
Other race ¹	-1.416***	(-8.31)	-1.402***	(-8.23)	-1.399***	(-8.20)
College graduate	-0.322**	(-2.81)	-0.303**	(-2.64)	-0.297**	(-2.59)
Child in the home	-0.540***	(-6.82)	-0.537***	(-6.78)	-0.533***	(-6.71)
Single ²	-0.922***	(-8.87)	-0.909***	(-8.75)	-0.910***	(-8.74)
Divorced ²	0.347**	(2.72)	0.355**	(2.79)	0.356**	(2.79)
Income	0.0448***	(19.30)	0.0448***	(19.34)	0.0448***	(19.33)
Constant	1.254***	(5.69)	1.221***	(5.54)	1.207***	(5.48)
rho	-0.691***	(-6.87)	-0.713***	(-6.99)	-0.672***	(-6.56)
N	2342		2341		2341	

t statistics in parentheses * p<0.05, ** p<0.01, *** p<0.001

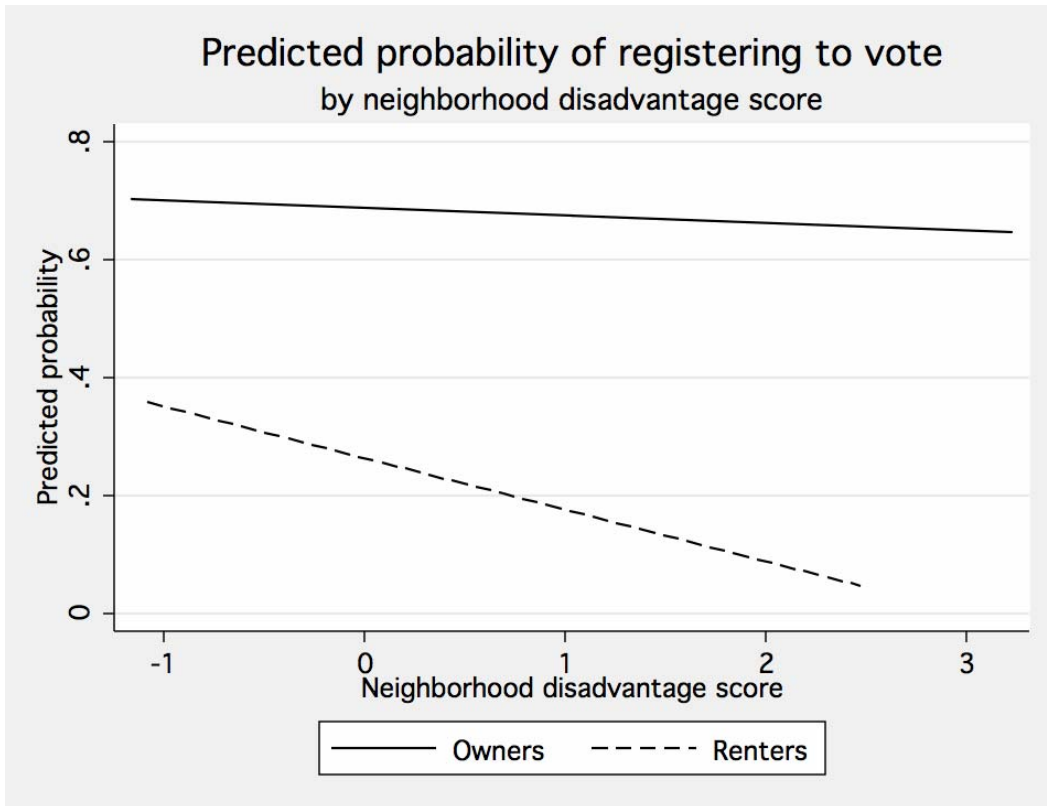
¹ Reference group is White, ² Reference group is Married

The last set of models tests whether homeowners are more likely to vote in national elections, and whether neighborhood disadvantage has an effect. Model 1 shows that homeowners are more likely to have voted in the most recent local election, and the effect size is larger than for either registering to vote or national voting. Model 2 shows that neighborhood disadvantage does have an effect when it comes to local voting. People in disadvantaged areas are slightly more likely to vote in local elections than those in less-disadvantaged neighborhoods. This suggests that people in disadvantaged areas are likely to direct their political actions at the local level where they are most likely to affect change in their immediate neighborhoods. Model 3 again tests the interaction effect, and it is also significant. Not only are people in disadvantaged areas more likely

to vote locally, homeowners in particular in these areas are even more likely to participate in local politics.

Predicted Probability of Political Participation

In order to compare trends in political participation between renters and owners, I calculated the predicted probabilities of each of the dependent variables for homeowners and renters varying by neighborhood disadvantage score holding all other variables constant at the mean. Figure 2 shows the trend lines for being registered to vote for both owners and renters as neighborhood disadvantage increases.



As shown, homeowners have a much higher probability of being registered to vote than renters so. As neighborhood disadvantage increases, both owners and renters are less likely to be registered to vote. However, the decline is less for homeowners than

for renters. In the most disadvantaged areas, the gap between owners and renters widens to nearly 60%.

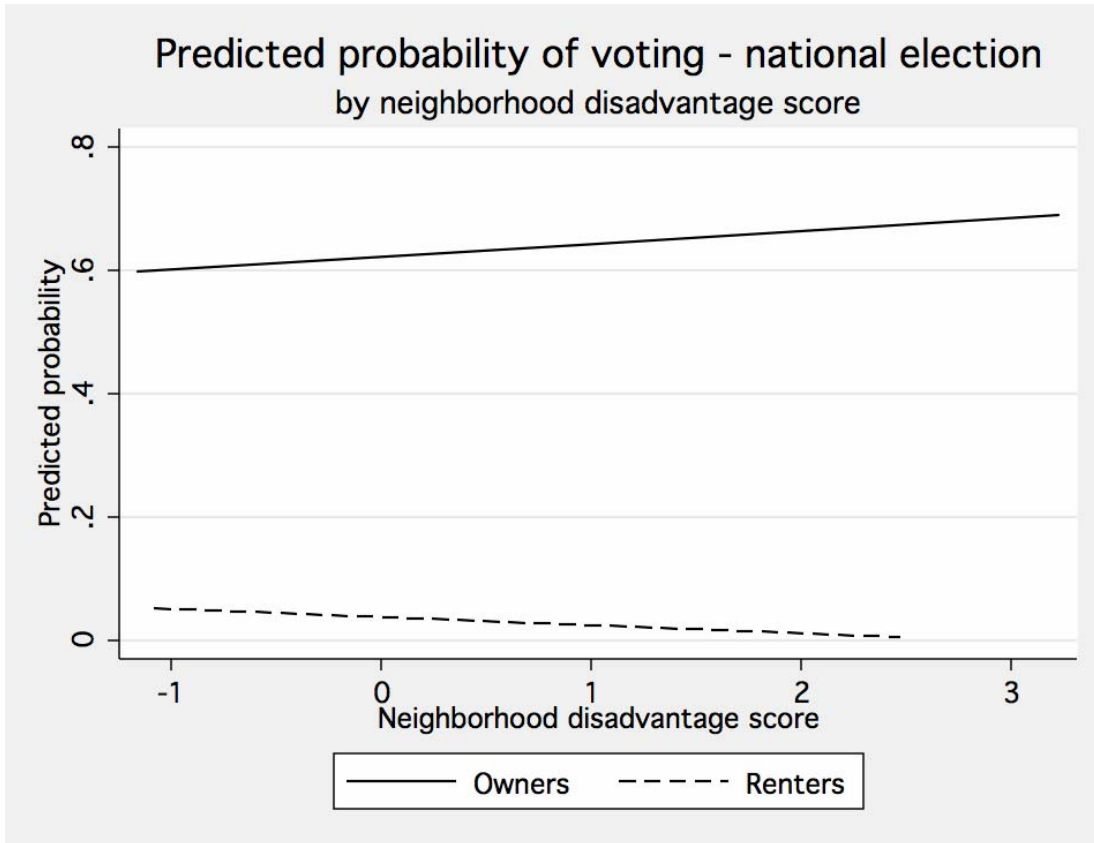
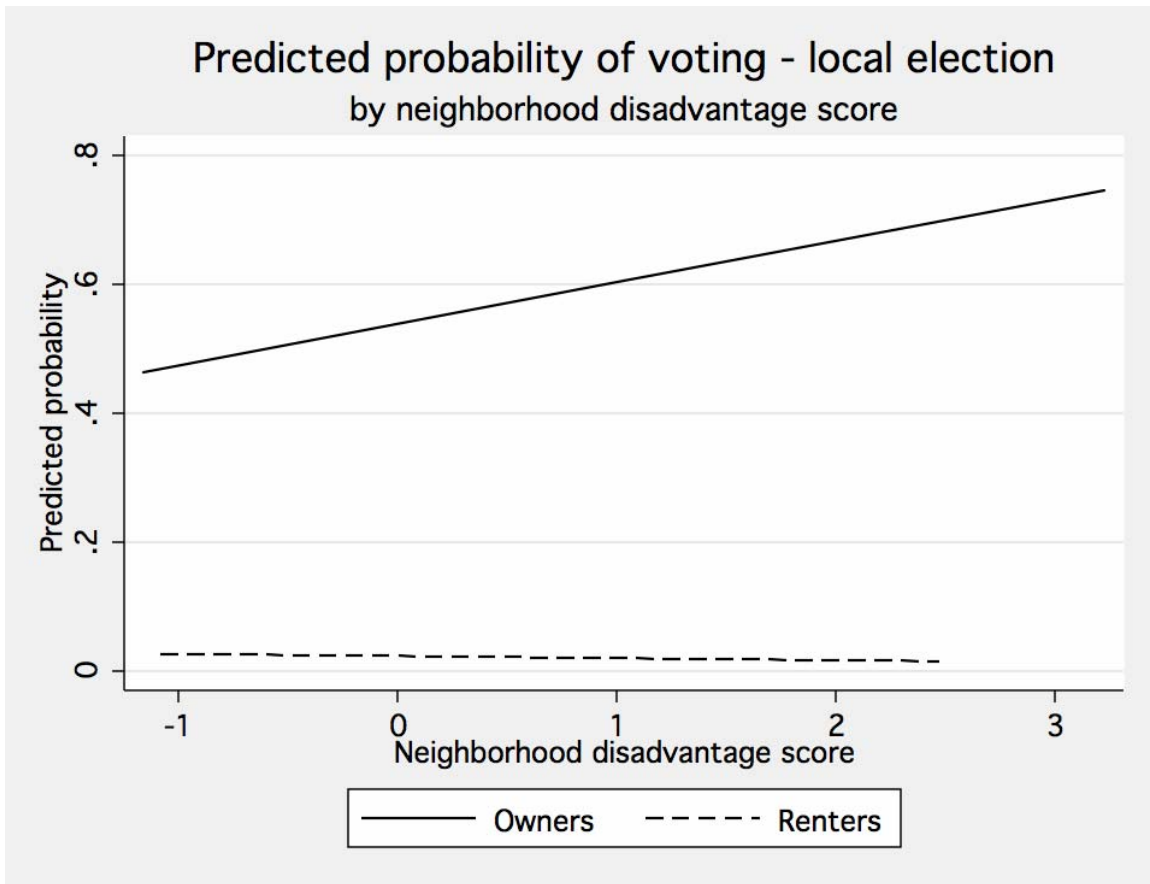


Figure 3 presents a similar graph looking at the predicted probability of having voted in the 2000 national election. Again, there is a significant gap between owners and renters with homeowners being much more likely to have voted. As neighborhood disadvantage increases, owners become even more likely to vote while renters are less likely. The predicted probability of voting for owners increases almost 10% between the least-disadvantaged and most-disadvantaged neighborhoods. Renters in the most-disadvantaged neighborhoods, on the other hand, have a predicted probability of national voting that approaches zero.



The most significant divergence between owners and renters can be seen in Figure 4 which shows the predicted probability of having voted in the most recent local election. Moving from the least- to most-disadvantaged neighborhoods, homeowners' predicted probability of voting increases by around 30%. Renters, however, remain nearly constant and significantly lower than owners. In summary, as neighborhood disadvantage increases homeowners are more likely to become politically active, especially at the local level where their actions can most likely improve their neighborhoods and local communities.

Discussion

The objective of this study was threefold: 1) address selection bias concerns in the relationship between homeownership and political participation, 2) test the relationship between homeownership and political participation, and 3) test whether neighborhood disadvantage moderates that relationship. We used a seemingly unrelated bivariate probit model to model homeownership and political participation as a two-stage model. We first predicted homeownership using a set of socio-demographic variables likely predictive of both homeownership and political participation: age, race, income, education, marital status, and family composition. The model then uses predicted probabilities of homeownership from the first-stage model as the independent variable for homeownership in the second-stage model. By using this technique, we were able to measure the direct effect of homeownership on political participation independent of the common socio-demographic predictors that both outcomes share. This is a substantial improvement over previous studies which have failed to account for the fact that homeownership itself is an endogenous variable within any model predicting social outcomes.

Turning to the relationship between homeownership and political participation, we find that homeownership does have an independent effect on participation. Owners are more likely than renters to be registered to vote, and to have voted in their most recent national and local elections. This finding confirms results from previous studies on political participation and homeownership.

We find that neighborhood disadvantage may also have an independent effect but the findings are mixed. People in disadvantaged neighborhoods are less likely to be registered to vote than those in less-disadvantaged areas, but more likely to actually have

voted in their most recent local election. Neighborhood disadvantage does not affect voting in national elections. This finding indicates that when neighborhood disadvantage does compel political action, it is at the local rather than national level.

Lastly, we find that there is an interaction effect between homeownership and neighborhood disadvantage when it comes to political participation. Homeowners who live in disadvantaged neighborhoods are more likely to be registered to vote and to vote in both types of elections than owners in less-disadvantaged areas and renters. As neighborhood distress increases, homeowners show significant increases in voting while renters' voting behavior remains constant or declines slightly.

Taken together, these findings present strong evidence to support the claim that homeownership provides positive benefits for individuals and communities, regardless of neighborhood conditions. In fact, as a catalyst for political participation and potential community improvement, homeownership is the most beneficial in neighborhoods that are facing higher levels of concentrated disadvantage. We find that homeownership is a pathway to positive social outcomes in two ways. First, homeownership leads to increased political participation, even for lower-income owners living in disadvantaged neighborhoods. Political engagement is a crucial element of democracy and one of the most accessible avenues through which ordinary citizens can participate in civic life. By increasing political involvement within disadvantaged neighborhoods, homeownership contributes to the re-empowerment of urban communities. Homeownership also benefits communities as a whole because involved, engaged citizens are more likely to create positive neighborhood-level changes. As residents become more involved in local

politics, they are more likely to actualize the positive changes they seek for their communities.

There are individual-level costs associated with homeownership in disadvantaged neighborhoods which need to be acknowledged. While homeownership brings collective benefit to these areas, the individual owners who live there likely invest a disproportional amount of their time in creating improvements relative to owners in more desirable areas. As Rohe et al. (2000) concluded, “Those who buy homes in less desirable neighborhoods or in housing markets that experience depreciation may not realize the economic or the social benefits of homeownership.” Any policies intended to promote homeownership in disadvantaged areas must consider whether potential homeowners would have access to housing in a more desirable neighborhood if they elected to defer homeownership.

Based on our research, we conclude that policies promoting and facilitating homeownership in disadvantaged neighborhoods should be encouraged because homeownership in such neighborhoods leads to greater local political participation and community involvement. Whether homeowners stay in disadvantaged areas out of necessity or by choice, they demonstrate a commitment to improving their neighborhoods through local political involvement. Rather than resigning themselves to being “trapped” in an undesirable area, lower-income owners capitalize on the community participation opportunities they see. This benefits individual homeowners by protecting their wealth and long-term equity, and also benefits struggling neighborhoods by promoting active citizenship and fostering a sense of collective efficacy and civic engagement.

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