

The Benefits of Homeownership

Research compiled by the Cincinnati, Ohio office of the Neighborhood Reinvestment Corporation, April 2003

Homeownership Builds Successful Children:

Compared to the children of renters (of the same age, income, race, etc.), the children of homeowners:

- are 25% more likely to graduate from high school
- are 116% more likely to graduate from college
- are 20% less likely to become teenage mothers
- are 59% more likely to own a home within 10 years of moving from their parent's household
- have 9% higher math scores
- have 7% higher reading scores
- have 3% fewer behavior problems
- save taxpayers an estimated \$34,000 in public expenditures (i.e. the cost of juvenile delinquency, teenage pregnancy, etc.) that would have been spent had they remained in rented housing

Homeownership Builds Stronger Families:

Compared to renters (of the same age, income, race, etc.), homeowners:

- are 10% more likely to attend church
- are 16% more likely to belong to parent-teacher organizations, block clubs, etc.
- read newspapers 1.3 times more often
- are less likely to have alcohol and substance-abuse problems

Homeownership Builds Stronger Communities:

Compared to renters (of the same age, income, race, etc.), homeowners:

- are 28% more likely to repair or improve their homes
- are 12% more likely to maintain a garden outside their homes
- are 10% more likely to report they have worked to solve local problems
- live 4 times longer in a community
- are 11% more likely to know who represents them in Congress
- are 9% more likely to know who their school-board representative is
- are 15% more likely to vote

Homeownership Builds Wealth for Low-Income Families:

Compared to renters (of the same age, income, race, etc.), homeowners:

- are 12 times wealthier
- have 66% of their wealth in their homes

- accumulate an average of \$44,000 in home equity during the first 10 years of homeownership (wealth that becomes the basis for first-generation college graduates and small business owners)
- one study found that if two identical families invested \$16,800 – one in a house and the other in the stock market (while remaining in a rental home), the net return of the home owner would be more than 2 times that of the renter.

Homeownership Builds Community Wealth:

- A 1% increase in homeownership rates increases the value of each home in the area by an average of \$800

Each home sold produces approximately:

- \$4,000 in Realtor fees
- over \$171 for title companies
- \$37,143 in revenues for banks, mortgage lenders and loan services over the lifetime of the mortgage