

The original documents are located in Box 63, folder “9/8/76 - To Alan Greenspan - Home Ownership - Data/Conclusions and Recommendations” of the Robert Teeter Papers at the Gerald R. Ford Presidential Library.

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MARKET OPINION RESEARCH

September 8, 1976

MEMORANDUM TO: Alan Greenspan
FROM: Bob Teeter
SUBJECT: ISSUE PROPOSALS

My suggestion that we look at a program to make homeownership easier comes from the following conclusions:

First of all, there are no overriding issues that are affecting the President's support. Virtually all voting decisions are related to the voter's perception of the candidate, and the issues the President chooses to talk about and what he says about them are the means by which he can affect his perception. I have suggested that we take three or four of his past proposals, re-package them in more political terms, and then try to focus on them. Crime, catastrophic health insurance and national defense should be included on this list along with foreign affairs.

Secondly, the President is currently seen as being strongly for reducing inflation by holding down government spending. This is a key element of his current support and whatever we do with any other issue should not contradict or diminish this. Moreover, I think we should consider using vetoes aggressively as a major plus and we are testing this possibility in a national poll this weekend.

Thirdly, I think there is a need for us to come up with at least one major proposal where the President is seen as being for something that will help people, not just opposed to other proposals. It should be something designed to appeal to younger (18-34) and younger middle-aged (35-44) non-college educated voters, particularly those with family incomes between \$7,500 and \$20,000. Almost none of these people are Republicans, but well over half are available to a given Republican candidate in any election. If we aim at the under 35 group, the issue should not be one that deals with taxes or government spending as this group pay few taxes, are not very aware of those they do pay, and don't see inflation as the major problem older voters do.

Two possibilities I think we should look at are a program to promote homeownership among young families and/or a program to assist families in providing college, or some type of post secondary education, for their children.



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A homeownership proposal should be aimed at the 18-30 year olds with family incomes under \$15,000, most of whom have no post secondary education. This type of proposal also would have an advantage in that it could be sold as a job creation program and one that would help to stimulate an important segment of the economy. The evidence available seems to indicate that the down payment, rather than the monthly payment, is the problem for most of these people. We are addressing this question in our national poll this week-end.

A proposal to help middle income families send their children to college (possibly a tax deduction for college tuition) would have the advantage of appealing to a group that is somewhat older, more sure to vote, and of appealing to what always has been a strong middle class value. Education appears to be re-emerging as an important priority for families after several years of being down in the polls. Most people think that education is the means for upward social mobility in our society.

Attached is some background data on homeownership and attitudes toward it as measured in surveys of registered voters. Please note the difference between voters under 30 to 35 and the rest of the electorate in terms of current homeownership, its importance as a goal, and the government's responsibility to do something about it. In each case, this group's interest is about double that of the total electorate.

I realize that you have some severe budget and policy restrictions but I still think we need to explore these two and possibly some other ideas that would appeal to this younger, non-Republican segment of the electorate. I think we need something of this type to go with in the September 20 to October 5 period. Also, it is important to remember that we are not looking at issues where there is any tremendous demand in the polls, but rather something that can affect the President's perception.



Profile of Home Ownership

Nearly three-fourths (73%) of the American electorate own their own homes. As might well expect, there is a trend of increasing home ownership by age with this pattern tending to level out above the age of thirty-five. Among voters of the 18-24 age range, their housing pattern is nearly evenly divided between owning a home (48%) and renting (46%). Voters aged 25-34 are somewhat more often home-owners (65%) although they have not yet reached the average level of home ownership.

The distribution of home ownership across all age groups is fairly even at 17% or 18% with the exception of the 18-24 year old voters who comprise a lower 12% of all homeowners. Over half (58%) of all renters are between the age of 18 and 35, with renting declining as one grows older although it takes a slight jump up beyond the age of sixty-five.

Other differences in home ownership patterns are worth noting. Whites (75% own homes) are more often home-owners than blacks (51%) and voters who are Jewish (62% home ownership) are less likely to own homes than their Protestant (75% home ownership) or Catholic (74% home ownership) counterparts.

The most important variable to defining a profile of the home owner is total family income. Below \$10,000 yearly family income, only slightly more than one-half of the voters own their own homes while over \$10,000, the home ownership rate jumps quickly, to 73% for voters whose total family income ranges from \$10,000 to \$15,000 and 88% for voters whose family income exceeds \$15,000 a year.



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Are you a home-owner or do you rent?

	December 1975 U.S. National		
	<u>Home-owner</u>	<u>Renter</u>	<u>Don't Know</u>
Total	100%	100%	100%
<u>Age</u>			
18-24 years	12	33	64
25-34 years	17	25	5
35-44 years	18	13	9
45-54 years	18	10	--
55-64 years	17	8	--
Over 65	18	11	18
<u>Income</u>			
0-\$4,999	11	23	50
\$5,000-\$9,999	21	41	33
\$10,000-\$14,999	27	20	--
Over \$15,000	39	14	16
<u>Education</u>			
Less than high school	28	33	22
High school	37	36	33
Some college	18	18	44
College graduate/Post-graduate	17	12	--
<u>Religion</u>			
Catholic	29	27	32
Protestant	60	54	55
Jewish	3	5	--
<u>Union Membership</u>			
Union household	32	27	18
Non-union household	67	71	77
<u>Race</u>			
White	92	79	100
Black	8	21	--
<u>Sex</u>			
Male	51	47	50
Female	49	53	50
Number of Cases	(1090)	(390)	(22)



MARKET OPINION RESEARCH

Are you a home-owner or do you rent?

December 1975
U.S. National

	<u>Total</u>	<u>Home Owner</u>	<u>Renter</u>	
Total	100%	73	26	1
<u>Age</u>				
18-24 years	100%	48	46	5
25-34 years	100%	65	35	--
35-44 years	100%	78	21	1
45-54 years	100%	83	17	--
55-64 years	100%	86	14	--
65 and Over	100%	81	17	2
<u>Income</u>				
0-\$4,999	100%	54	42	2
\$5,000-\$9,999	100%	57	71	1
\$10,000-\$14,999	100%	73	27	--
Over \$15,000	100%	88	11	--
<u>Education</u>				
Less Than High School	100%	69	30	1
High School	100%	73	26	1
Some College	100%	71	26	2
College Grad/Post-Graduate	100%	79	21	--
<u>Religion</u>				
Catholic	100%	74	24	2
Protestant	100%	75	24	1
Jewish	100%	62	36	-
<u>Union Membership</u>				
Union household	100%	76	23	1
Non-union household	100%	71	27	2
<u>Race</u>				
White	100%	75	23	2
Black	100%	51	49	-
<u>Sex</u>				
Male	100%	74	25	1
Female	100%	71	27	1



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When held constant for levels of income, age loses much of its power as a main determinant of home ownership. Voters under the age of thirty-five whose family income exceeds \$15,000 own homes nearly as often as those voters from thirty-five to fifty-four. Above the age of fifty-four, the distribution of home ownership is more evenly balanced across income levels. Age is an important predictor of home ownership in serving as a surrogate for the availability of sufficient funds to purchase one's own home. Young people, in trying to establish themselves usually do not enjoy sufficient yearly income so that they may immediately purchase a home. Rather, the years between 18 and 35 are most often spent saving money for a home and building one's income to a level which would make the purchase of a home financially feasible.

Education, in being highly correlated as the income displays a similar pattern of home ownership. Renters more often have less than a high school education which can keep them constrained to the lower income levels.



The Responsibility to Provide Better Housing

By a slight plurality (32%), the voters of the United States designate the responsibility of providing better housing to the federal government. Other agencies which should take a major role include the state government (28%), the local government (21%) and private enterprise (15%). Although the assignment of responsibility for the solution of the problem is relatively even across the various institutions, that it should be a government rather than private enterprise function is abundantly clear.

However for the voters under the age of thirty-five to whom "better housing" may well mean their own home and for the college-educated voters, the state government is designated as the one to maintain the major role in solving the problem. Again, the differences between the assignment of responsibility to the various institutions are slight. These young voters will need to be convinced that the federal government is the appropriate agency to help them with these problems, although a well-defined program should be able to accomplish that task as the selection of the state government as the helping agency was only slightly the more popular choice.



Profile of Home-owners and Renters by Age, Income and Education

	Total	Home-owners				# of Cases	Renters				# of Cases
		Under \$5,000	\$5,000- \$9,999	\$10,000- \$14,999	Over \$15,000		Under \$5,000	\$5,000- \$9,999	\$10,000- \$14,999	Over \$15,000	
<u>Age</u>											
18-24 years	100%	7	20	24	40	(117)	22	51	16	11	(120)
25-34 years	100%	1	12	37	49	(164)	7	36	38	17	(88)
35-44 years	100%	1	13	34	51	(175)	20	41	16	23	(44)
45-54 years	100%	4	16	30	50	(170)	23	37	27	13	(30)
55-64 years	100%	16	30	19	32	(165)	39	39	4	18	(28)
Over 65	100%	38	36	16	10	(160)	67	22	5	8	(36)

	Total	Home-owners				# of Cases	Renters				# of Cases
		Less Than High School	High School	Some College	Gra- duate		Less Than High School	High School	Some College	Gra- duate	
<u>Age</u>											
18-24 years	100%	17	38	38	5	(134)	83	40	21	5	(129)
25-34 years	100%	8	40	24	29	(177)	12	40	24	25	(95)
35-44 years	100%	16	42	20	22	(189)	33	42	12	13	(52)
45-54 years	100%	26	42	15	15	(194)	33	41	21	3	(39)
55-64 years	100%	40	36	8	14	(185)	58	16	6	19	(31)
Over 65	100%	53	24	10	13	(190)	61	20	12	7	(41)



Importance of Owning Your Own Home

When presented with a list of ten personal needs and goals, having your own home/buying a new home" is mentioned by 11% of the electorate as one of the three most important to the, following "personal health" and "having a closer relationship to God." It was more often indicated by those under the age of thirty-five who are also less likely to own their own homes. This goal is nearly equally often mentioned by voters of all educational strata, all religions of union membership and non-union membership status and of both sexes. The only other difference exists in the racial variable as 18% of the blacks designate "owning your own home/buying a new home" as important to 11% of the whites.



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December, 1974 #4796 U.S. National

Here's a list of some personal needs, hopes and goals that other people have mentioned to us. Which is most important, second most important, third most important?*

	Having Your Own Home/ Buying a New Home					Number of Cases
	Total	Com- bined	Most Im- portant	Second Most Im- portant	Third Most Im- portant	
Total	100%	11%	2%	4%	5%	(2010)
<u>Age</u>						
17-20 years	100%	22	8	5	9	(114)
21-24 years	100%	18	4	7	7	(190)
25-29 years	100%	22	2	10	9	(230)
30-34 years	100%	11	3	2	7	(213)
35-44 years	100%	9	2	5	2	(303)
45-54 years	100%	5	1	3	2	(322)
55-64 years	100%	7	2	4	2	(281)
Over 65	100%	9	1	2	6	(347)
<u>Education</u>						
Less than high school	100%	11	3	4	5	(607)
High school	100%	13	2	5	5	(718)
Some college	100%	11	3	4	5	(385)
College graduate/Post-graduate	100%	10	1	5	4	(290)
<u>Union Membership</u>						
Union household	100%	12	2	4	6	(657)
Non-union household	100%	11	2	4	4	(1319)
<u>Religion</u>						
Catholic	100%	10	1	4	5	(471)
Protestant	100%	12	2	4	5	(1222)
Jewish	100%	1	--	1	--	(80)
<u>Race</u>						
White	100%	11	2	4	5	(1752)
Black	100%	18	5	7	5	(228)
<u>Sex</u>						
Male	100%	13	2	5	6	(1002)
Female	100%	10	2	4	4	(1008)

*The list included ten items of which "having your own home/buying a new home" ranked number nine in importance.



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Importance of Committing Government Action to the Goal of "Helping Young People Buy Their Own Homes"

The goal of "helping young people buy their own homes" is one of some importance to the American voters, but not an immediate priority for government action. Voters over the age of thirty-five believe this to be nearly as important as those under thirty-five do. This fact indicating that while home ownership is more important as a personal goal to younger voters, the concept of government action to help those younger people reach their goal of owning a home is one which is just as well accepted by voters of all age levels.

However, the importance of government action to the achievement of home ownership by young people varies by several major demographic groups. A patterned difference is revealed among educational levels such that voters who have less than a high school education are most likely to see this as a more important priority for the government than the voter who has completed a college education. This relationship may well be a function of the differing income levels of the educational groups with the lower educated voters having fewer available funds to devote to the purchase of a home, thereby having greater need for government assistance. Blacks view this problem as a more important priority for government action which again should be related to the different income levels of these two groups. Unlike their Protestant and Jewish counterparts, Catholics exceed the average in the importance they assign to government action on this problem.



MARKET OPINION RESEARCH

December 1974 U.S. National

How would you rate the importance of the following problem on a scale where 0 means the problem has very little importance and the government should work on many other problems first and 10 means the problem is of greatest importance and the government should take immediate action.

	Help Young People Buy Their First Home		Average* Ranking	Number of Cases
	Greatest Importance/ Immediate Action	Little Importance/ No Government Action		
Total	15%	9%	6.28	(2010)
<u>Age</u>				
17-20 years	11	9	6.37	(114)
21-24 years	21	7	6.69	(190)
25-29 years	18	10	6.52	(230)
30-34 years	14	8	6.08	(213)
35-44 years	11	12	5.63	(303)
45-54 years	16	7	6.35	(322)
55-64 years	16	9	6.37	(281)
Over 65	16	7	6.39	(347)
<u>Education</u>				
Less than high school	20	7	6.88	(607)
High school	19	8	6.52	(718)
Some college	11	12	5.60	(385)
College graduate/Post-graduate	4	9	5.35	(290)
<u>Union Membership</u>				
Union household	19	7	6.57	(657)
Non-union household	14	10	6.12	(1319)
<u>Religion</u>				
Catholic	18	6	6.69	(471)
Protestant	13	11	5.96	(1222)
Jewish	5	10	5.73	(80)
<u>Race</u>				
White	14	9	6.25	(1752)
Black	27	6	7.28	(228)
<u>Sex</u>				
Male	16	8	6.40	(1002)
Female	15	10	6.16	(1008)

*The list included thirteen problems of which "help young people buy their first home" ranked twelfth in importance.



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U.S. National December, 1975

Who should have the major role in solving this problem -- the federal government, your state government, your local government, or a private agency or private enterprise?

	Provide Better Housing						Number of Cases
	Total	Federal Govt.	State Govt.	Local Govt.	Private Agency/ Private Enterprise	Don't Know	
Total	100%	32%	28%	21%	15%	6%	(749)
<u>Age</u>							
18-24 years	100%	25	35	25	10	5	(140)
25-34 years	100%	28	38	13	14	4	(127)
35-44 years	100%	39	24	24	17	2	(128)
45-54 years	100%	34	25	18	18	5	(125)
55-64 years	100%	31	23	20	18	7	(109)
65 and over	100%	31	21	21	17	12	(121)
<u>Education</u>							
Non-college	100%	34	27	20	13	7	(491)
College	100%	26	30	23	21	4	(251)
<u>Union Membership</u>							
Union	100%	34	26	25	12	4	(230)
Non-union	100%	30	30	19	17	6	(507)
<u>Religion</u>							
Protestant	100%	32	26	21	17	6	(452)
Catholic	100%	33	32	19	13	4	(199)
Jewish	100%	22	26	41	11	--	(27)
<u>Race</u>							
White	100%	29	29	23	17	6	(668)
Black	100%	56	20	11	17	5	(81)
<u>Sex</u>							
Male	100%	35	28	19	17	3	(401)
Female	100%	27	28	23	13	9	(349)

