

# Inclusion in Asset Building: Research Policy Symposium

## Homeownership and Youth Well-Being: An Empirical Test of Asset-Based Welfare


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## **Introduction**

Interest in asset-based social welfare proposals has grown among anti-poverty scholars since the early 1990's. Advocates of this perspective argue that US policy is overly reliant on income transfers to promote economic security. They contend that income transfers, which tend to be consumed almost immediately, do not provide poor families with resources which they can draw upon when they face difficult economic times. Instead, they recommend welfare policies which would assist low-income citizens to accumulate wealth in the form of personal savings and home and business ownership (Sherraden, 1991). In addition to arguing that this approach is more effective for poverty reduction than are income transfer strategies, they also claim that asset-holding has positive socio-behavioral outcomes: increased household stability, stronger future orientation, greater personal efficacy, higher levels of social and civic participation, and improved intergenerational welfare (Page-Adams & Sherraden, 1997; Sherraden, 1991). Asset based welfare policy resonates with many policy-makers and citizens, due to its consistency with the historical US emphasis on property owning and the clarity with which these policy concepts have been articulated (Zundel, 1995).

Scholars have begun to empirically test whether asset-holding promotes beneficial household outcomes. Recent literature reviews contend that the well-being of children may be promoted through asset-based social welfare (Boshara, Scanlon, & Page-Adams, 1998; Page-Adams & Sherraden, 1997) despite an empirical literature limited to a small handful of studies. Further empirical work must be undertaken if social welfare scholars are to adequately evaluate claims that asset building policies will promote child well-being. This study uses the 1997 Child Data Set of the National Survey of American Families (NSAF) to examine whether homeownership affects child behavioral problems and extracurricular involvement, and whether such effects are equivalent across racial and socio-economic groupings.

## **Theoretical Perspectives and Empirical Evidence**

One of the most widely cited scholars of asset-based social welfare is Michael Sherraden (1990; 1991). Sherraden argues that US social welfare policy overemphasizes the benefits of income consumption, and that asset holding promotes a form of well-being that reflects a lifetime of stored efforts and accrued wealth. He contends that it is impossible to spend one's way out of poverty, and that effectively exiting poverty requires the cushioning and security afforded by accumulated wealth. Further, he suggests that when the poor are able to accumulate assets, they experience cognitive shifts that transform them into "stakeholders" who develop more efficacious views of self, world, and future. When they begin to accumulate assets, present oriented consumers are transformed into savers and investors who possess a longer-term time horizon. This "stakeholder mentality" leads to behaviors that increase personal stability and commitments to family, home, and community. In this sense, asset holding is hypothesized to create a "virtuous cycle" that reduces the likelihood of poverty. Households with assets are more likely to promote the well-being of their children through their capacity to pass on wealth and through the development of a greater sense of future orientation (Page-Adams & Sherraden, 1997).

Scholars in the sociology of tenure tradition also hypothesize that housing tenure effects operate, but for different reasons than those posited by Sherraden. Robert Rakoff (1977) states that owner occupation is not inherently a social good, but is valued because it is associated with domesticity and the raising of children. Owner occupation is a source of status and economic success in US society, and homes are a symbol of achievement. This view is shared by Perin (1977), who suggests that the value of homeownership is rooted in cultural preferences, which are reinforced by preferential tax and legal arrangements. These scholars suggest that homes symbolize order and safety, and that homeownership promotes a sense of control over one's personal space and boundaries. Peter Saunders (1978; 1990) refers to this control of housing space as "ontological security". This increased sense of control might lead to child well-being through increased capacities to parent effectively (Green & White, 1997).

Only a very limited number of empirical studies examine the effects of asset holding on child well-being. The most widely cited study is Green & White's (1997) examination of four national, longitudinal data sets. The authors test the hypotheses that parental homeownership reduces offspring's levels of criminal activity, delays child bearing by adolescent girls, and increases high school completion rates. They find that homeownership reduces arrest rates and increases high school completion rates. However, their findings are reevaluated by Aaronson (2000), who suggests that much of the variance in children's outcomes that Green and White attributed to homeownership actually results from decreased residential mobility. Hill and Duncan's (1987) analysis of the PSID finds that assets have positive effects on school attainment, even controlling for income. Cheng's (1995) work suggests that asset-holding reduces the likelihood of the replication of intergenerational poverty. This is consistent with studies that demonstrate that, even controlling for income and parental wealth transfer, the adult children of homeowners are more likely to own homes than are the adult children of renters (Henretta, 1980).

Some scholars argue that the empirical claims made for the effects of homeownership are due to methodological limitations found in the existing body of research. Among other concerns, they suggest that homeownership is a quality that is "bundled" with other variables. That is, homeowners are more likely to live in better neighborhoods, to live near other people with greater assets, to live in single family homes, and to move less often (Rohe & Stewart, 1998; Aaronson, 2000). Thus it is unclear whether it is homeownership itself, or one of these closely related variables which accounts for the positive well-being outcomes found in previous studies.

Moreover, the homeownership of large numbers of poor and minority citizens often occurs within an unequal and isolated social and spatial context--minority and poor citizens who own homes are more likely to do so in racially segregated and economically distressed neighborhoods (Immergluck, 2000). To date, the literature does not explore whether homeownership effects operate in the same way across neighborhood contexts, or whether other social and economic conditions faced by the poor and racial minorities reduce the positive impacts of asset holding. The literature on concentrated poverty and residential segregation suggests that other conditions faced by low-income and minority citizens may provide a context that negates the positive effects of homeownership.

William Julius Wilson's (1987) theory of concentrated poverty suggests that the experiences of the urban poor in high poverty areas are marked by lack of employment, disrupted marital opportunities, exposure to high levels of welfare utilization, criminal involvement and drug use, and the absence of a strong middle class. Similarly, Massey and Denton (1993) have argued that the hyper-segregation of poor urban minorities results in extraordinarily high levels of exposure to poverty, crime, joblessness, and welfare use for African-Americans. Both hyper-segregation and concentrated poverty are hypothesized to negatively impact the behavior of those citizens isolated by these conditions. Tienda (1991) proposes that the theoretical relationship between poor neighborhoods and the behavior of their residents might be explained by contagion effects (which result from imitating peer behavior), socialization effects (which are the internalization of social norms), and institutionalization (which are behavioral regularities formed in patterned interaction with formal structures and organizations). These theoretical perspectives are supported by a large body of empirical research that indicates that race, socioeconomic status, and neighborhood conditions affect, among other well-being outcomes, children's school performance and drop out rates (Case & Katz, 1991; Coulton & Pandey, 1992; Crane, 1991; Jencks & Mayer, 1990).

It seems plausible that these spatial and social inequities could reduce the beneficial aspects of owner-occupation. Indeed, there is some empirical support for the idea that homeownership doesn't operate the same way for all owner-occupiers. Meyer, Yeager, & Burayidi (1995) argue that homeownership for the poor may cause financial distress due to unanticipated disruptions in income streams, property repair costs, or tax increases, reducing the likelihood that low-income residents will be owner-occupiers over the long haul. Descriptive data from a HUD funded program evaluation suggests that large numbers of Habitat for Humanity homeowners must request emergency financial assistance to prevent foreclosure (United States Department of Housing and Urban Development, 1997). Buckhauser, Butrica, and Wasylenko (1995) demonstrate that low-income elderly homeowners can become stuck in distressed, high-crime, urban areas due to declining property values. Empirical scholarship has also documented that minority homeowners purchase primarily in central city locations, and experience relatively lower property value increases over time (Gyourko, Linneman, & Wachter, 1999; Immergluck, 2000; Long & Caudill, 1992; Oliver & Shapiro, 1995; Parcel, 1982).

Significant policy implications follow if empirical research can demonstrate that social and spatial inequities reduce asset-effects. It may be that homeownership programs need to be combined with ongoing subsidies or financial supports in order to make them a feasible policy option for low-income households. That is, asset based policy may need to be augmented by more traditional income supports, or other forms of housing subsidy that assist owner-occupier with mortgage payments. We currently have an example of such a policy in the US Department of Housing and Urban Development's newly approved program that uses Section 8 vouchers for mortgage payments (Creating opportunities, 2000). Similarly, targeted community development activities or social service provisions may need to be combined with homeownership programs in order to surmount the negative effects of neighborhood conditions on both child well-being and on property values. For example, children of homeowners who are living in distressed neighborhoods may need to be assisted with access to housing vouchers or preferences in admission to magnet schools.

## Methodology

### Conceptual Model and Research Questions

The study centers on two research questions: First, do children of owner-occupiers demonstrate greater extracurricular activity and lower levels of behavior problems than do children of non-owner-occupiers? And, if so, do the effects of owner-occupation on extracurricular activity and behavior problems vary by race and poverty status?

The conceptual model, presented in Figure One, is informed by Sherraden's (1991) propositions that asset-holding enhances household stability and the well-being of off-spring. We hypothesize that homeownership will reduce the frequency and level of emotional and behavioral problems and increase children's extracurricular involvement (Arrow A). However, asset-based welfare theory does not consider the potential behavioral impacts of the deleterious social and economic conditions facing poor and minority children. For minority and low-income citizens, owner occupation is riskier--they face greater financial stresses and tend to live in more distressed and racially segregated neighborhoods. This results in more stress associated with homeownership, more exposure to unfavorable social conditions, and fewer opportunities for wealth accumulation associated with homeownership. Therefore, we hypothesize that these experiences will moderate the positive effect sizes of homeownership on child behavior problems and extracurricular activity (Arrows B and C). Moderation occurs when the effects of an independent variable on a dependent variable vary across the level of a third (or moderator) variable (Baron & Kenney, 1986). In this case, the effects of homeownership on child well-being will vary by ethnic group, racial group, and level of SES. For lower-income, African-American, and Hispanic children, we hypothesize that the effects will be positive, but the associations will be weaker. Thus our conceptual model includes African-American racial status, Hispanic origin, and poverty as moderating variables. Our conceptual model for this study does not include neighborhood conditions such as poverty rate or residential turnover as controls because the NSAF is not geo-coded and does not provide data on neighborhood conditions.

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### Data Set and Sample

The National Survey of American Families Child Data Set is a random sample survey of 33,373 respondents conducted by the Urban Institute in 1997. Respondents were drawn from thirteen states (Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin), whose joint population comprises over half the population of the United States. The survey used random-digit dialing to survey households, and sub-sampled randomly selected households without telephones. Detailed 25-40 minute interviews were conducted in these households. If households had more than one child under six, or more than one child from six to 17, only one was sampled. No more than two children were sampled from each household, and responses were taken from a

Most Knowledgeable Adult (MKA). The data set was limited to those focal children age 12-17, reducing it to 10,434 cases (Urban Institute, 1997).

The sample consists of 5,360 males (51.4%) and 5,074 females (48.6%). There are 8,439 (80.9%) white respondents, 1,569 (15%) African American respondents, and 426 (4.1%) categorized as other. Hispanics comprise 12.4% (n=1,292) of the sample, with the remaining 87.6% (n=9,142) categorized as non-Hispanic. There are 1,927 (18.5%) subjects below the poverty threshold, and 8,507 (81.5%) with above poverty level incomes. In 1997, the poverty threshold for a family of four was \$16,300. Children in owner occupied homes comprise 70.4% (n=7,342) of the sample, with the remaining 29.6% (n=3,092) categorized as children of renters. The mean age of focal children is 14.6 years.

## **Variables and Descriptive Statistics**

**Dependent Variables.** The study includes two measures of child well-being: problem behaviors and extra-curricular involvement. These are used in the study due to their relationship to child well-being, their frequent use in child outcomes literature, and due to their availability in the NSAF data set. Behavior problems are scored with a Problem Behavior Index which asked MKA's about the presence or absence of a series of typical child behavior problems. These included: how often during the previous month the child didn't get along with other kids, couldn't concentrate or pay attention for long, and was unhappy, sad or depressed. MKA's of 12-17 were asked how often during the past month the child had trouble sleeping, lied or cheated, and did poorly at schoolwork. The indices have a range of 1-13, with a higher score indicating more problems. The Problem Behavior Index for 12-17 year olds has an alpha reliability of .75.

Extra-curricular activities are measured by asking parents whether or not in the last year the child had been on a sports team, taken lessons, or participated in a club. The measure is summative and ranges from 0-3. If the MKA answered "no" to all three questions, he or she was asked whether the child participated in any other organized activity in the last year. Comparisons of the measure to those used in the Survey of Income and Program Participation and the National Education Longitudinal Study of 1988 suggest that the measure is valid, although psychometric evaluations of the measure are not available (Urban Institute, 1997).

**Independent and Moderating Variables.** Homeownership is measured by asking "Is this home or apartment owned by someone in the household, rented for cash, or occupied without payment of cash rent?" where 0=renter and 1=homeowner. Respondents occupying without payment are coded as non-owners. The term non-owner is used interchangeably with "renter" throughout the study. Other covariates include child age (years 12-17), sex of the child (male=1), whether the focal child has two parents in the household (yes=1), and legal family income as a percent of poverty (<50% of poverty line=.5; 50-100%=1; 100-150%=1.5; 150-200%=2; 200-300%=3; >300%=4). We also include a Parental Mental Health Index, which ranges from 25-100. Higher scores indicate better mental health functioning. Because we are interested in the homeownership experiences of poor versus non-poor families we include a dichotomous variable measuring family income where 0=greater than 100% of the poverty threshold and 1=family income of 100% or less of the 1997 poverty threshold. The 1997 poverty threshold for a family of four was \$16,400. Race is a three level variable where 1=white, 2=black, and 3=other. It is

dummy coded for the analysis. Hispanic origin is a dichotomous variable where 0=non-Hispanic and 1= Hispanic. Table One presents the mean scores and standard deviations of the dependent variables for each of the sub-groups of interest in the study.

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## Findings

Baron and Kenny (1986) describe methodological procedures for analyzing moderation effects. They recommend the use of two-way ANOVA to assess hypothesized main and interaction effects when the independent and moderator variables are both dichotomous. They state that the moderation effect of a continuously measured moderator (such as income) can be tested by dichotomizing the variable at the point that the function is presumed to accelerate. Because we hypothesize that homeownership effects will operate differently for poor and non-poor households, we use a dichotomized measure of family income (poor v. non-poor) in the analysis. As the subgroups have different sample sizes, we use the similar General Linear Model (GLM) procedure, which corrects for unequal cell size. Next, interaction terms found to be significant in the GLM procedure were entered into hierarchical regression models conducted in three steps. In step one, demographic control variables were entered, in step two, the independent variable owner-occupation is entered, and in step three, the interaction term(s) are entered. Finally, we run a regression analyses of each subgroup to determine the direction and magnitude of the interaction effects.

Baron and Kenny (1986) state that a moderating effect is indicated by a significant interaction between the moderating variable and an independent variable on the strength or direction of a dependent variable. Consistent with our theoretical framework, we expect that the positive impact of owner-occupation on problem behaviors and extra-curricular activities will be reduced for African-American respondents, Hispanic respondents, and poor respondents.

The results of the three GLM procedures for problem behavior are presented in Table 2. Homeownership, African American racial status, and poverty status all have significant associations, but Hispanic origin does not. The interaction terms of homeownership\*African American racial status and homeownership\*poverty status are not significant. Only the interaction term of homeownership\*Hispanic origin is significantly associated with problem behavior. That interaction term will be entered into a hierarchical regression model in which problem behavior is the dependent variable.

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In Table 3, the results of the GLM procedure for the outcome extracurricular activities are presented. In these models there are significant associations for homeownership, poverty status and Hispanic origin, but African American racial status is not significant. The interaction terms



of homeownership\*African American racial status, homeownership\*Hispanic origin, and homeownership\*poverty status are all significantly associated with extracurricular activity. All three of these interaction terms will be entered into the hierarchical regression model in which extracurricular activity is the dependent variable.

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<<Insert Table 3 about here>>  
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The results of the hierarchical multiple regression model for problem behavior are presented in Table 4. In step one, we enter the demographic control variables and find marginal negative associations between problem behavior and age, parental mental health, and family structure. Marginal positive associations are found with gender, African American, and other racial status. That is, problem behaviors decrease with age, and with having better parental mental health, and increase with being a child in a one-parent family, with being male, and with being a member of the racial groups African American or "other". In step two, homeownership is entered along with all of the variables in step one. Homeownership has a small negative association with problem behavior, suggesting that living in an owner-occupied home is associated with fewer problem behaviors among youth. In step three, the interaction term homeownership\*Hispanic origin is entered into the regression equation along with the variables entered in steps one and two. The interaction term is marginally significant, suggesting that the relationship between homeownership and problem behavior varies between Hispanic and non-Hispanic populations.

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The results of the hierarchical multiple regression model for extra-curricular involvement are presented in Table 5. In step one, we enter the demographic control variables and find marginal negative associations between extra-curricular involvement and gender, age and poverty status. Marginal positive associations are found with parental mental health, family structure, and African American racial status. That is, extra-curricular involvement decreases for older, poorer, and male children. The outcome increases with having better parental mental health, with being a child in a two-parent family, and with being African American. In step two, homeownership is entered along with all of the variables in step one. Homeownership has a small positive association with problem behavior, suggesting that living in an owner-occupied home is associated with greater extra-curricular involvement among youth. In step three, the interaction terms of homeownership\*African American, homeownership\*Hispanic origin, and homeownership\*poverty status are all entered into the regression equation along with the variables entered in steps one and two. The interaction terms are all marginally significant, which indicates that the relationship between homeownership and extra-curricular involvement varies by race, ethnicity, and poverty status.

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We illustrate the magnitude and direction of the interaction effects by running hierarchical regression models for each sub-group: African American, non-African American, Hispanic, Non-Hispanic, poor, and non-poor children. For each, we report the significance and direction of the regression coefficient for homeownership, as well as the magnitude of the variance explained by owner-occupation. Table 6 demonstrates that the effects of homeownership on problem behavior is in the expected direction for both Hispanic and non-Hispanic children, but the relationship does not reach significance for Hispanic children. Even for non-Hispanic children, the magnitude of the effect is small, explaining only 1% of the variance in the outcome. Table 6 also demonstrates that the effects of homeownership on extra-curricular activity are in the expected direction for all of the subgroups. However, homeownership is not significantly associated for African American or poor children. There is a significant association for Hispanic children, but that relationship is not as strong as that of non-Hispanic children. Again, while the relationship is significant for white, non-Hispanic, and non-poor children, the association between homeownership and extra-curricular involvement must be considered to be small even for those groups. Homeownership accounts for 1.1 percent of the variance in extra-curricular activities among non-Black children, .7% of the variance among non-Hispanic children, and 1.0% of the variance among non-poor children.

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## **Discussion**

It was predicted that homeownership would have significant positive associations with both problem behaviors and extra-curricular activity among adolescents. Our model also specified that those associations would be weaker for African American, Hispanic, and poor children. We briefly restate our findings and then discuss our interpretation of them.

*Homeownership and problem behavior.* In general, our results indicate that homeownership has a significant positive association with the level of problem behaviors among children age 11-17. However, the effect size should be considered small, using Cohen's (1987) criteria that a small effect is one that explains 1-10% of variance in an outcome. The relationship between homeownership and problem behaviors is moderated only for Hispanic children, for whom the relationship is non-significant. A significant interaction effect is not found on this outcome for African-American and poor children, indicating that owner-occupation operates similarly for those groups.

The finding that homeowning is associated with lower levels of problem behavior is consistent with the assumptions of asset based welfare theory and with empirical findings that children of homeowners are more likely to achieve academically and complete school (Green & White, 1997; Hill & Duncan, 1987). Empirical research has suggested that a reduction in problem behaviors is causally related to school completion, and these findings complement Green and White's 1997 study. This analysis suggests that owner-occupation status may be an overlooked variable in current theorizing about the risk and protective factors related to child and adolescent

well-being (Smokowski, 1998). Of course, it is possible that our hypotheses should be reversed--it may be that unobserved characteristics of families are responsible both for homeowner status and reduced teen problem levels. Either way, the results from this study should be considered conservatively given the small amount of variance explained by owner-occupation.

That this association is not found for Hispanic children suggests support for our hypothesis that ethnicity does impact homeownership effects. Indeed, the finding exceeds our hypothesis--while we proposed that the association between owner-occupation and problem behavior would be weaker for Hispanic children, in fact the relationship is not significant. Several processes may explain this finding. Because of the pervasiveness of residential segregation, minority homeowners accrue less equity than non-minority homeowners, which may reduce the effects of homeownership for Hispanics (Rosenbaum, 1996). That minority homeownership occurs frequently in segregated neighborhoods also suggests that the children of minority homeowners may be exposed to greater levels of crime, poverty, and residential turnover. This could also reduce the beneficial effects of owner-occupation. It has also been noted that spells of unemployment, repair costs, and tax increases can make homeownership financially burdensome for low-income residents (Meyer, Yeager, and Burayidi, 1994). These race and class based experiences may reduce the beneficial effects of homeownership. This literature, coupled with our findings, suggests a need for a closer look at the differential homeownership experiences of each of these groups.

*Homeownership and extra-curricular activities.* The results of the GLM procedures and the moderated hierarchical regression indicate that there is a small, positive significant association between homeownership and extra-curricular involvement. The analysis also indicates that the significant association between homeownership and extra-curricular involvement varies by race, ethnicity, and poverty status. African-American and poor children do not experience the positive effects of homeownership on level of extra-curricular involvement, and the relationship is not as strong among the sample of Hispanic youth as it is among non-Hispanic youth. As extra-curricular involvement has been linked to academic achievement and school completion (Nettles, Mucherah & Jones, 2000), this finding provides support for asset based housing policies. Still, since the different experiences of poor, African American and Hispanic homeowners may be reducing these beneficial effects, our findings again suggest a need for more research and targeted homeownership policies. Again, the reasons for the differential findings are likely the same that we offer above: residential segregation reduces wealth accumulation possibilities and exposes residents to multiple environmental deprivations, and lower income levels make homeownership a potentially stressful experience.

A cautionary note should be raised about the implications of findings regarding the extra curricular activities outcome. It may be problematic that the measure conflates three different types of extra-curricular activities: outings, sports, and club participation. As some scholarship has suggested that sports involvement, unlike other extra curricular participation, is not predictive of school achievement, conclusions about the benefits of this broadly measured outcome must be made cautiously (Fisher, Juszczak, & Friedman, 1996).

These conclusions must be considered cautiously for other reasons as well. The data is cross-sectional, which means that these associations are correlational, and do not prove causation. It is

plausible that homeowner families have unobserved characteristics that account for differences in these outcomes, and which make these families more likely to become homeowners. Also, these small effects must be considered in relation to the large sample used in the study. Large sample sizes increase the likelihood that small or trivial effects will be found, increasing the risk of finding effects where none exist. To correct for this possibility, this study should be replicated using a smaller, random sample of respondents.

### **Implications for Research and Policy**

While this study adds empirical support to the theoretical claims of asset based welfare, the relationship between housing tenure and personal well-being remains unclear. The sparseness of the literature suggests a need to build the empirical literature in this area by examining additional child well-being outcomes such as academic performance, school completion, and emotional and physical health. Longitudinal data would be helpful in determining whether homeownership is causally related to, rather than simply correlated with, child well-being. This would also allow us to determine whether temporality matters in homeownership outcomes. It is plausible, for example, that homeownership effects intensify over a longer period of time, or that there are time lags before effects become observable. Also, there is a need for research that focuses on the experiences of participants in low-income and minority homeownership programs. Only a limited number of studies look at such programs to date (Rohe & Stegman, 1994a; 1994b).

The study also suggests that there is merit to the idea that asset effects can vary by race, ethnicity, and SES. Future studies should explore these differences in greater depth, and asset based welfare theory should work to consciously incorporate race and class variables. This work should also incorporate the concept of *spatiality*--researchers should attempt to clarify how owner-occupation effects occur vary between specific spatial contexts, for example, by comparing homeownership outcomes in suburban and distressed inner-city neighborhoods. Finally, and perhaps most importantly, empirical work should build asset welfare theory by clarifying the theoretical mechanisms by which these effects occur. For example, a current research project of the authors examines whether the impacts of owner occupation on child well-being occur through the increased school stability associated with homeownership.

Our findings are consistent with claims that homeownership is beneficial for families and children, providing support for the burgeoning number of federal, state, and local programs, such as HUD's Homeownership for People Everywhere (HOPE), which are attempting to expand homeownership opportunities. These programs typically reduce the costs of homeownership, provide financial counseling, train potential homeowners in home repair, and assist clients in the process of home loan application. However, that some of the benefits appear to vary by race and social class suggests that homeownership programs should be structured with the needs of minority and low-income citizens in mind.

There are several ways that homeownership programs might construct homeownership programs to make them more effective for minority and low-income citizens. In working with poor citizens, programs should determine whether household income flows are steady and adequate enough to cope with the sudden expenses of home repair and tax increases (Meyer, Yeager, and Burayidi, 1994). It is also possible to provide financial support by assisting low-income

homeowners to deposit funds in matched savings accounts to be used for home repair and unexpected housing expenses. Such an approach is currently being attempted by the Justine Peterson Housing Corporation in St. Louis, Missouri (Scanlon, 1998). As homeowners experiencing negative housing equity can become trapped in distressed, crime ridden neighborhoods, we should carefully evaluate the neighborhoods in which we plan to establish homeownership programs (Buckhauser, Butrica, and Wasylenko, 1995). Neighborhoods which are in transition toward becoming "distressed" might be the most logical candidates for targeting homeownership programs, providing the opportunity to increase the stability of the neighborhood without asking new homeowners to assume inordinate financial risk. Finally, it is clear that low-income homebuyers benefit from an extended, service enriched relationship with homeownership programs, and that these are necessary to aid low-income citizens in maintaining their homes and preventing foreclosure (United States Department of Housing and Urban Development, 1997). Maintaining an ongoing relationship with participants should become a standard feature of low-income homeownership programs. Previous homeownership literature has suggested that these issues must be taken seriously. Outcome effectiveness and utilization can only be increased by tailoring homeownership programs to the circumstances of low-income and minority citizens.

## **Conclusions**

This results of this study indicate that overall, owner-occupation is positively associated with decreased problem behavior and increased extra-curricular activity among adolescents. However, for African American, Hispanic, and poor children, these relationships are not found, or the associations are found to be less strong. The study provides support for the claims of asset based welfare advocates who promote policies designed to extend homeownership to low-income and minority citizens. Asset based welfare advocates should, however, consider how asset effects may operate differentially for historically disadvantaged populations and structure asset based strategies accordingly. Carefully planned, asset based housing policies may serve to enhance citizen well-being and reduce class and race inequality in the coming century.

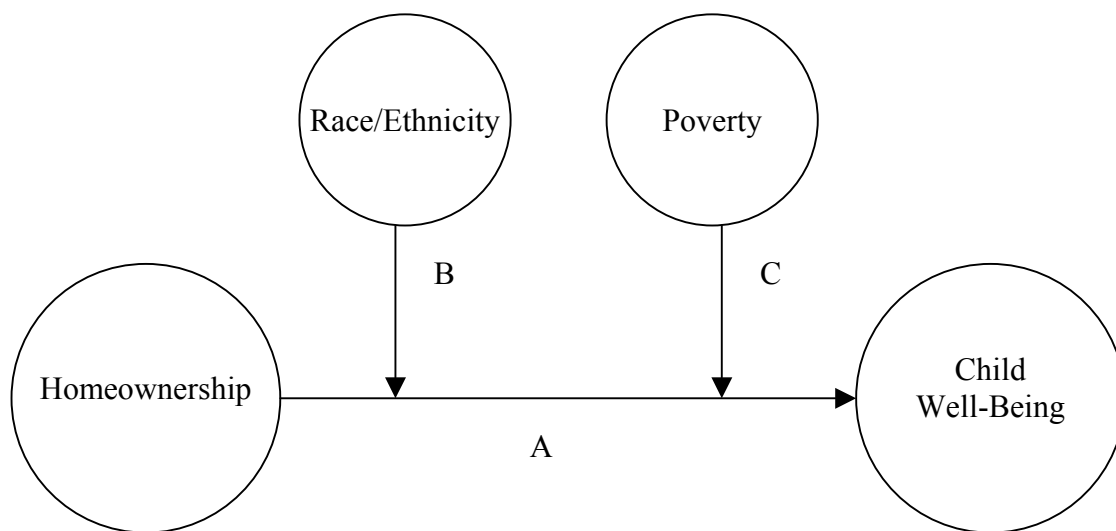
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**Figure 1. The moderating effects of race, ethnicity, and poverty status on the relationship between homeownership and child well-being.**

**Table 1. Subgroup means and standard deviations on problem behavior and extra-curricular activities**

<i>Subgroups</i>	<b>Problem Behavior</b>	<b>Extra-Curricular Activities</b>
	<i>Means/Standard Dev.</i>	<i>Means/Standard Dev.</i>
<b>Non-Black Homeowner (N=6,289)</b>	<b>2.92 ± 2.07</b>	<b>1.52 ± .91</b>
<b>Non-Black Renter (N=2,150)</b>	<b>3.48 ± 2.34</b>	<b>1.17 ± .88</b>
<b>Black Homeowner (N=795)</b>	<b>3.22 ± 2.07</b>	<b>1.40 ± .88</b>
<b>Black Renter (N=774)</b>	<b>3.85 ± 2.46</b>	<b>1.27 ± .95</b>
<b>Hispanic Homeowner (N=609)</b>	<b>3.09 ± 2.13</b>	<b>1.24 ± .92</b>
<b>Hispanic Renter (N=683)</b>	<b>3.31 ± 2.29</b>	<b>1.07 ± .88</b>
<b>Non-Hispanic Homeowner (N=6,733)</b>	<b>2.95 ± 2.06</b>	<b>1.54 ± .90</b>
<b>Non-Hispanic Renter (N=2,409)</b>	<b>3.66 ± 2.38</b>	<b>1.22 ± .91</b>
<b>Non-Poor Homeowner (N=6,539)</b>	<b>2.91 ± 2.03</b>	<b>1.55 ± .90</b>
<b>Non-Poor Renter (N=1,968)</b>	<b>3.44 ± 2.29</b>	<b>1.25 ± .90</b>
<b>Poor Homeowner (N=803)</b>	<b>3.33 ± 2.32</b>	<b>1.18 ± .88</b>
<b>Poor Renter (N=1,124)</b>	<b>3.84 ± 2.47</b>	<b>1.08 ± .90</b>

**Table 2: GLM procedures predicting problem behaviors from homeownership, race, ethnicity, and poverty status**

	<i>F</i>	<i>R</i> <sup>2</sup>
<b>Model One:</b>		
<b>Homeownership</b>	<b>181.69***</b>	
<b>African American</b>	<b>27.78***</b>	
<b>Homeownership*AfAm</b>	<b>.27</b>	<b>.02</b>
<b>Model Two:</b>		
<b>Homeownership</b>	<b>181.49***</b>	
<b>Hispanic Origin</b>	<b>2.15</b>	
<b>Homeownership*Hispanic</b>	<b>14.46***</b>	<b>.02</b>
<b>Model Three:</b>		
<b>Homeownership</b>	<b>182.08***</b>	
<b>Poverty Status</b>	<b>50.83***</b>	
<b>Homeownership*Poverty</b>	<b>.04</b>	<b>.02</b>

\*\*\*p<.0001

**Table 3: GLM procedures predicting extra-curricular activities from homeownership, race, ethnicity, and poverty status**

	<i>F</i>	<i>R</i> <sup>2</sup>
<b>Model One:</b>		
Homeownership	274.03***	
African American	.78	
Homeownership*AfAm	22.09***	.03
<b>Model Two:</b>		
Homeownership	275.36***	
Hispanic Origin	66.77***	
Homeownership*Hispanic	6.61*	.03
<b>Model Three:</b>		
Homeownership	226.144***	
Poverty Status	104.99***	
Homeownership*Poverty	14.70***	.04

\*p<.01  
 \*\*\*p<.0001

**Table 4: Hierarchical regression model for problem behavior**

<b>Predictor Variables</b>	<b>Beta</b>	<b>R<sup>2</sup></b>
<b><u>Step One</u></b>		
Age	-.0233*	
Parental mental health	-.0478***	
Family structure	-.4541***	
Sex	.3552***	
African American	.2113**	
Other race	.2723*	
Hispanic	-.0708	
Poverty status	-.0055	.1370
<b><u>Step Two</u></b>		
Step One Variables		
Homeownership	-.2112	.1385
<b><u>Step Three</u></b>		
Step Two Variables		
Homeownership*Hispanic	.3040*	.1393

\*p<.05 \*\*p<.001 \*\*\*p<.0001

**Table 5: Hierarchical regression model for extra-curricular involvement**

<b>Predictor Variables</b>	<b>Beta</b>	<b>R<sup>2</sup></b>
<b><u>Step One</u></b>		
Age	-.0796***	
Parental mental health	.0049***	
Family structure	.2015***	
Sex	-.0926***	
African American	.0067***	
Other race	-.0017	
Hispanic	-.2543	
Poverty status	-.2199***	
		.0731
<b><u>Step Two</u></b>		
Step One Variables		
Homeownership	.1866	
		.0799
<b><u>Step Three</u></b>		
Step Two Variables		
Homeownership*AfAm	-.2014***	
Homeownership*Hispanic	-.1444**	
Homeownership*Poverty status	-.1523**	
		.0831

\*p<.05 \*\*p<.001 \*\*\*p<.0001

**Table 6: Regression coefficients and contributions to R<sup>2</sup> of homeownership by sub-group:  
Problem behavior and extracurricular involvement**

<b>Pop.</b>	<b>Homeownership regression coefficient for Problem Behavior</b>	<b>Increment to R<sup>2</sup></b>	<b>Homeownership regression coefficient for Extra-curricular involvement</b>	<b>Increment to R<sup>2</sup></b>
<b>Black</b>			<b>.0366</b>	<b>.04</b>
<b>Non-Black</b>			<b>.2433***</b>	<b>1.14</b>
<b>Hispanic</b>	<b>-.0280</b>	<b>.3</b>	<b>.1126*</b>	<b>.3</b>
<b>Non-Hispanic</b>	<b>-.2881***</b>	<b>1.0</b>	<b>.1960***</b>	<b>.7</b>
<b>Poor</b>			<b>.0770</b>	<b>.2</b>
<b>Non-Poor</b>			<b>.2234***</b>	<b>1.0</b>

\*p<.05  
\*\*\*p<.0001