

The private rental sector and immigrant populations: The case of homeownership plans
among Hispanic renters in the U.S.

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Abstract

From 2000-2005, growth in Hispanic homeownership in the U.S. outpaced other ethnic groups. This corresponds with data from the Survey of Consumer Finances indicating that Hispanic renters experienced a dramatic upsurge in saving for homeownership – relative to renters of other ethnic backgrounds – during the 1998, 2001, and 2004 surveys. This relatively higher propensity to save for homeownership largely disappeared in the 2007 survey. The “bubble” in Hispanic renter homeownership plans corresponded with relative housing price appreciation trends in states with large Hispanic populations such as Southern California and South Florida. This suggests that the move to homeownership planning may have been more of a regional economic trend, rather than an ethnic one.

Keywords: homeownership, demographics, immigration, minorities

Introduction

The U.S. has the 2nd largest Hispanic population of any nation at 45.5 million in 2007. This compares with Spain's population of 40.4 million and Mexico's Hispanic population of 108.7 million (U.S. Census Bureau, 2008). In 1980, 1990, and 2000, Hispanic households in the United States had the lowest rate of homeownership of any major ethnic group, falling below non-Hispanic white, non-Hispanic black, Asian, and other non-Hispanic households (Cortes, *et al.* 2006). In the 2000 U.S. Census, the Hispanic homeownership rate was 47.3%, compared to 48.4% for non-Hispanic blacks, and 75% for non-Hispanic whites. Conversely, more recent data suggest that since 2000, Hispanic homeownership levels grew faster than either non-Hispanic white or non-Hispanic black homeownership levels (Cortes, *et al.* 2006). Data from the 2006 Current Population Survey place Hispanic homeownership at 49.5%, above non-Hispanic black homeownership of 48.2%, but still well below non-Hispanic white homeownership of 76% (Callis and Cavanaugh 2007).

Hispanic homeownership is becoming increasingly critical to national homeownership policy goals. Between 2005 and 2015, the number of Hispanic households in the United States will grow faster than any other group, with total net increases exceeding non-Hispanic white households (Masnick and Belsky 2006). By 2020, approximately 15% of all United States households will be Hispanic (Masnick and Belsky 2006). Consequently, understanding the nature and causes of the Hispanic homeownership gap is of great importance.

We outline previous research on barriers to Hispanic homeownership in the following *Literature Review*. In the *Data and Methods* section, we examine trends over time in the propensity for Hispanic renters to be planning for and saving for homeownership. In the *Discussion* section, we review evidence about the nature of this bubble in Hispanic homeownership plans. Finally, we review the significance of these findings in the *Conclusion*.

Literature Review

Transitioning from renting to homeownership often requires both the fundamental preference for owning combined with the realistic ability to complete the purchase transaction. Changes in preference for homeownership will naturally change homeownership behavior regardless of the programs available to encourage homeownership. Conversely, a strong preference for homeownership may be insufficient to the extent that there are barriers to completing the homeownership purchase.

Desire for homeownership can come from a variety of sources. Personal, family, and cultural norms can set expectations or norms for tenure. These expectations, in turn, influence the underlying preference for homeownership (Morris & Winter, 1978). However, environmental realities can also affect these preferences. For example, to the extent that homeownership is seen as a profitable investment strategy, renters may be more motivated to purchase.

Appreciation is a key factor separating owning from renting. For example, Hargreaves (2002) finds that the most important variable in comparing renting and owning is house price appreciation. Despite a historically positive trend prior to the recent period of national decline, timing in the local real estate market has often been an

important component to successfully investing in housing. In their study of Chicago, Boston, and Los Angeles, Case and Marynchenko (2001) found that low-income households realized substantial losses, and even periods of significant negative equity, when purchasing prior to a period of decline. Consequently, it is reasonable to expect that anticipated appreciation is an important factor in influencing underlying rational preferences for homeownership.

Such appreciation expectation may reasonable differ among different ethnic or racial groups. For example, simple differences in population distributions throughout the country may lead to different appreciation expectations based upon the appreciation experiences in particular regions. Some have presented evidence of a more specific, neighborhood-based effect related to race and ethnicity. Flippen (2004) suggests that U.S. neighborhoods with high minority composition experience significantly lower appreciation, even after controlling for other factors. However, Coate and Vanderhoff (1993) found that the race of the homeowner was not an important factor in predicting appreciation. To the extent that there are differences in appreciation experiences among different ethnic groups, this might naturally influence the underlying desire for homeownership among those groups. Nevertheless, in addition to the underlying desire for homeownership, individuals must also have both real and perceived opportunity for homeownership in order for tenure transition to occur.

The potential barriers to Hispanic homeownership discussed in previous research can generally be separated into the three categories: demographic barriers, immigration barriers, and artificial barriers. Demographic barriers are those family and economic characteristics of Hispanic households that independently affect homeownership

probability such as age, income, and education. Immigration barriers are those special factors related to the immigration transition of some Hispanic households. Finally, artificial barriers include factors such as discrimination in credit or misinformation about credit processes.

Demographic barriers

Income and wealth are positively associated with higher homeownership rates; Hispanic households, however, average less income and wealth (Krivo 1995; Painter, Gabriel, and Myers 2001). Indeed, 2000 data from the Survey of Income and Program Participation indicate that as a group, Hispanic households with net worth in excess of \$10,000 had higher average homeownership rates than non-Hispanic whites (Cortes, *et al.* 2006)¹. The authors explain, “Interestingly, Hispanic homeownership rates surpass that of non-Hispanic whites by 3 percentage points among households with \$10,000 to \$19,999 in net worth. The 3 percentage-point gap continued among Hispanic households with \$20,000 to \$49,999 in net worth, and reached parity among the wealthiest households. This finding suggests that increased net worth negates barriers to homeownership among Hispanic households” (Cortes, *et al.* 2006, 29).

In addition, higher education levels are also associated with higher homeownership rates, and Hispanic households have lower average levels of education (Myers, Megbolugbe, and Lee 1998). However, as these economic circumstances improve, Hispanic homeownership levels rise, and often at a faster rate than for non-

¹“Net worth was calculated as the difference between the sum of the market value of assets owned by each member of a household and secured liabilities associated with each household member. Assets included savings accounts, equity in a home, mutual funds, vehicle ownership, 401K plans, and other financial assets. Liabilities included a variety of unsecured liabilities (e.g., credit card debt, medical bills, and educational loans)” (Cortes, *et al.* 2006, 28). While the SIPP does oversample certain wealth segments, reweighting allows for projections that remove the bias introduced by the sampling scheme and these calculations in particular compare individuals within the same wealth segments.

Hispanics (Cortes, *et al.* 2006; Myers 2007). For example, Painter, Gabriel, and Myers (2001), found that for college-educated households, the probability of homeownership among Hispanics was actually higher than for non-Hispanic households.

The relatively younger age of Hispanic households, however, contributes to lower homeownership rates. Prior to retirement, age is positively associated with movement into homeownership (Feijten, Mulder, and Baizán 2003). Independent households tend to form in the 20s, then gradually transition to owner households, especially during the 30s and 40s (Masnick 1998). More Hispanic households are now entering the age ranges associated with transition to homeownership (Masnick 1998; Myers 2007). As the proportion of Hispanic households in these homeownership-transition ages grows over time, Hispanic homeownership rates may be expected to increase. This is especially true given that Hispanics not only include more younger adults who will be moving into homeownership, but also include fewer retired homeowners who are more likely to exit homeownership (Masnick 1998).

Immigration barriers

Barriers related to immigrant status are particularly significant for Hispanic households, given that over 40% of Hispanics in the 2000 Census were foreign born (Malone, *et al.* 2003). Following the general trend of lower homeownership rates among immigrants (Myers, Megbolugbe, and Lee 1998), foreign-born Hispanics' homeownership rate was 7.6 percentage points lower than native-born Hispanics in the 2000 Census. The impact of immigrant status on homeownership can be explained largely by the effect of associated factors such as length of U.S. residence, age cohort, remittances to relatives in a native country, and English language proficiency (Borjas

2002; Bradley, Green, and Surette 2007; Coulson 1999; Flippen 2001). While immigrant status does have a negative effect on homeownership probability, this effect diminishes as the number of years in the country rises (Coulson 1999; Myers 2007; Myers, Megbolugbe, and Lee 1998). Consequently, the large cohort of Hispanics who emigrated during the 80s and 90s are becoming more likely to purchase homes (Lee, Tornatzky, and Torres 2004; Myers 2007).

An additional barrier to Hispanic homeownership is the concentration of Hispanic households in expensive housing markets. Most Hispanic immigrants enter the country through gateway cities in California, New York, Texas, and Florida (Frey 2001). Housing costs in many of these immigrant gateway cities, such as Los Angeles, Miami, San Francisco, and New York, are much higher than national averages (Clark and Blue 2004; Coulson 1999; McArdle 1995). Hispanic populations are also more concentrated in city centers and urban counties where homeownership rates tend to be relatively low (Herbert, *et al.* 2005; Masnick 2006).

Artificial barriers

Artificial barriers to homeownership may come from institutional or informational barriers to purchasing a home. Although prohibited by the 1974 Equal Credit Opportunity Act, institutional discrimination in credit might result in a higher probability of loan application rejection or a higher interest rate on credit offered. However, the mixed results from previous research do not make a strong case that Hispanic purchasers systematically pay higher interest rates. Boehm, Thistle, and Schlottmann (2006) found that Hispanics received slightly better rates than non-Hispanic whites in government-insured loans, but slightly worse rates for conventional loans,

while Boehm and Schlottman (2006) found that Hispanic households paid higher rates for home equity loans, but not for second or junior mortgages. Crawford and Rosenblatt's 1999 study of a national mortgage lender, including detailed borrower information, found no price-related discrimination against Hispanics in conventional loans.

Similarly, studies of discrimination as measured by denial of loan applications have also found mixed results. Bostic (1996) found that lenders gave favorable treatment to minorities on approved loan-to-value ratios, but unfavorable treatment regarding total debt burdens. Rosenblatt's (1997) examination of a national mortgage lender found that in conventional loans risk-adjusted denial was significantly more likely for African-Americans but not for Hispanics. Although much research exists on the topic of discrimination in mortgage lending, as Dymski (2006, 215) writes, "academic debate has reached no definitive conclusions about whether applicant race and gender and neighborhood racial composition per se affect housing and credit market outcomes."

Beyond the issue of institutional access to credit, some Hispanic families may face additional barriers caused by a misunderstanding of credit requirements. Such an information gap can create functional barriers even if financial institutions provide equal access to credit. For example, Hispanic immigrants may expect that very large down payments are required because of the presence of such standards in their countries of origin (National Council of la Raza 2004). The Fannie Mae 2003 National Housing Survey indicated that Hispanics who spoke mostly Spanish at home were much less likely to understand accurately the mortgage process. This lack of knowledge is exacerbated by a lack of involvement with mainstream financial institutions (Congressional Hispanic Caucus Institute 2004). Many Hispanic immigrants do not

maintain a bank account and instead rely on the alternative financial sector, using check cashers, payday lenders, and tax refund advance loans (Barr 2004). Almost one-third of foreign-born households in the U.S. have no financial accounts (Newberger, Rhine, and Chiu 2004). These practices often prevent consumers from developing positive credit ratings. Indeed, Hispanics cited credit concerns as the most common reason for not purchasing a home (Fannie Mae 2003). Hispanic families were also less likely to understand the steps to creating a good credit rating, often having mistaken notions about what constituted good credit management practices (Bendixen and Associates 2004; Ratner 1996).

Data and methods

Data

The Survey of Consumer Finances (SCF) is a national survey sponsored by the Board of Governors of the Federal Reserve System in cooperation with the Statistics of Income Division of the Internal Revenue Service. It is a cross-sectional survey conducted every three years. For example, the 2007 survey includes responses from 4,422 households. The survey selects households in a two-layered process. The bulk of households (2,915) are selected using a standard multi-stage area-probability design (Kennickell 2009). In the first stage, the United States is divided into geographic regions. A sample of these regions is selected to ensure national representation. Next, smaller areas within these regions are selected and a sample of dwelling units is drawn (Fries, Starr-McCluer, and Sundén 1998). In-person interviews are then conducted, in either English or Spanish, with a resident of the selected dwelling unit.

Another layer of observations (1,507) is then added specifically to oversample households with greater wealth, using a list generated from tax data by the Statistics of Income Division of the Internal Revenue Service. The oversampling of wealthy households is necessary to analyze investment behavior not broadly distributed throughout the population. Consequently, in order to project to a nationally representative sample, weights must be applied to avoid over-representation of wealthy households. Additional weighting also compensates for variation in the level of survey response across different areas and types of households.

We assign renters to a tenure planning category based upon their responses to a series of questions asked in the SCF. The SCF asks participants, “In the next five to ten years, are there any foreseeable major expenses that you (and your family) expect to have to pay for yourself (yourselves), such as educational expenses, purchase of a new home, health care costs, support for other family members, or anything else?” (Kennickell 2006, 222). If the answer is “yes”, a follow up question specifically identifies the type(s) of upcoming major expenses, including the purchase of a new home. Finally, respondents are asked if they are currently saving for the upcoming expenditures previously identified. Based on these responses, renters are classified as planning for a home purchase, planning and saving for a home purchase, or not planning for a home purchase. *Descriptive statistics.* Using SCF supplied weights, we weight the descriptive statistics to project to a nationally representative sample. The ethnic identification of a household is based upon the respondent’s answer to the question, “Which of these categories do you feel best describes you: white, black or African-American, Hispanic or Latino, Asian,

American Indian or Alaska Native, Hawaiian Native or other Pacific Islander, or another race?”

[INSERT TABLE 1]

Table 1 describes the characteristics of Hispanic renters in each SCF survey from 1995 to 2007. Data on marriage, gender, race, education and years at current job all refer to the SCF designated household “head,” which is the economically dominant adult in a non-couple household, the male in a mixed-sex couple, or the older individual in the case of a same-sex couple (Kennickell 2006). All marital status reports other than married, such as never married, separated, widowed or divorced, are collapsed into the “single” category. For education (“highest level of education completed”), one to three years of college is designated as “some college” while four years is categorized as a bachelor graduate. Trade school does not count as college. The variable “years at current job” records current unemployment as a zero. Income and liquid assets refer to household, rather than individual, levels. The liquid assets variable includes only financial institution assets such as checking accounts, savings accounts, and marketable securities. The presence of a financial account reflects a positive liquid assets variable.

Marriage is one of the strongest determinants of homeownership throughout all ethnic groups, with married couples being much more likely to own a home (Callis 2003; Coulson 1999; Myers and Lee 1998). However, the presence of children reduces the likelihood of homeownership (Cortes, *et al.* 2006). Table 1 shows general trends of decreasing marriage and increasing presence of minor children at home.

One question asked by the SCF for many years has been “What are your family’s most important reasons for saving?” (Kennickell 2006, 221). Figure 2 shows the

proportion of renters within three ethnic groups listing “buying own house” as one of the top two reasons for saving money. This figure reflects the frequency with which “buying own house” was reported as either the number one or number two most important reason for saving money.²

The proportion of Hispanic renter households listing “buying own house” as one of the top two reasons for saving went through a relatively dramatic increase. Between 1983 and 2004, this proportion increased from 7.6% to 30.1%. From 1998 to 2004, the proportion of Hispanic renter households listing “buying own house” as a top reason for saving has been higher than the proportion of non-Hispanic black or non-Hispanic white renter households doing so. Such dramatic change suggests that many Hispanic households had begun focusing on saving for a home especially during this period from 1998 to 2004. However, this dramatic difference between Hispanic renters and non-Hispanic renters, essentially disappeared in the 2007 survey. Was this change due to an actual change in the impact of Hispanic status, or rather, a change in the demographics for Hispanic households? For this question, we turn to a series of probit analyses.

Methods

Probit analysis. To examine whether or not Hispanic status is significantly associated with planning or saving for a home after controlling for other demographic characteristics, we employ a probit analysis looking at data from renters only. The probit approach allows for an estimation of the probability of the outcome and, unlike an ordinary least squares model, ensures that the predicted probabilities will fall between zero and one. The probit model assumes a latent variable for each household measuring

² Other important reasons for saving could include saving for a car, boat, wedding, retirement, education, travel, funeral, business, emergencies, and so forth. Only the top two reasons are included because the earliest surveys permitted only two responses.

the tendency towards a particular tenure stage. This latent variable is predicted by the independent variables. An assumption that the error terms of this prediction are normally distributed generates the probit model.³ The binary dependent variables used in these analyses result from grouping renters' tenure continuum positions into two sets of categories. In the first analysis, the single category of "not saving" for a home includes both renters who are planning to purchase a home but are not saving for a home and renters who are not planning to purchase a home. In the second analysis, renters who are planning to purchase a home are grouped into the "planning" category, regardless of whether or not they are currently saving to fulfill those plans. In both analyses, we examine only renting households. These two dependent variables allow a separate calculation of the probability, among renters, of saving for a home and planning for a home.

To account for the differing importance of each household in terms of the number of households it represents nationally, we weight each observation. The contribution of each observation to the likelihood function is multiplied by the value of the weight variable. We then adjust the final standard errors to compensate for the effect of the weighting. An additional modification is generated due to the SCF's use of multiple imputation. Here, only the first imputation is included.

[INSERT TABLE 2]

[INSERT TABLE 3]

³ See an extensive use of this model in Coulson's 1999 examination of Hispanic homeownership. When using a dummy dependent variable, probit models provide an advantage over the ordinary least squares model because probabilities cannot be negative or exceed one. The logistic approach is also acceptable, but produces results in terms of odds ratios rather than converting to probabilities using the standard normal distribution.

Table 2 indicates that the relative propensity of Hispanic renters to save for a home purchase experienced a gradual increase from 1995 (when it was a significant negative factor) until 2004 (when it was a significant positive factor), and then fell back somewhat in 2007 (insignificant). Similarly, Table 3 shows that Hispanic status was a significant negative factor in estimating planning to purchase a home (whether saving or not) in 1995. In 1998, Hispanic status was still significant and negative, but of a smaller magnitude. In 2001, Hispanic status was insignificant, and by 2004, Hispanic status was a significant positive predictor of planning for a home purchase. This effect disappeared in 2007 when Hispanic status was, once again, insignificant.

The coefficients on the control variables listed in Table 2 and 3 are generally as expected, and are in line with the results discussed in the literature review. For example, unmarried status is usually negatively associated with saving for a home (see Coulson 1999; Myers and Lee 1998), as is sometimes the case with the presence of children (see Cortes, *et al.* 2006). Both education and number of years at the current job are positively associated with progressing towards homeownership (see Myers, Megbolugbe, and Lee 1998).

Discussion

So, what then is behind this Hispanic “bubble” in homeownership plans among renters? One explanation relates to the geographic location of the Hispanic population within the US and the relative rates of price appreciation in those areas. To the extent that Hispanic households were differentially located in states with extremely rapid price appreciation, such as California and Florida, the desire to buy may have been higher during 2004.

Similarly, as these states experienced relatively poorer house appreciation results in 2007, this may have diminished the desire to plan for home purchases.

To explore this linkage, Table 4 reports the population-weighted 12-month appreciation rates for both Hispanic and non-Hispanic households during each of the four quarters in 2004 and 2007. The weighting is achieved by multiplying each state appreciation rate times either the percentage of the overall Hispanic population or the percentage of the overall Non-Hispanic population located in that state. State appreciation rates are those reported by the Office of Federal Housing Enterprise Oversight. Both Hispanic and non-Hispanic population figures are based upon the 2000 census.

Table 4 shows that in 2004, state-weighted appreciation rate for Hispanics was higher than the state-weighted appreciation rates for non-Hispanics. Further, this gap was the greatest in 2004 than in any other SCF survey year for which OFHEO data is available. Conversely, in 2007, the state-population-weighted appreciation rate for Hispanics was lower than the state-population-weighted appreciation rate for non-Hispanics. This was also true during 1995, corresponding with this SCF survey year as the point of greatest negative association between Hispanic status and planning or saving for homeownership among renters. This series of results suggests that the impact of Hispanic status may have been largely an artifact of regional price shifts, rather than any true difference in ethnic status. (Because the SCF dataset masks state of residence this cannot be tested directly.)

Limitations and future research

We have no information in the present dataset on the immigration status, country of origin, or language preference of the respondents. Consequently, we are unable to separately control for the impact of these items among Hispanic families in our analysis, even though these items have been shown in previous research to be significantly related to homeownership (Borjas 2002; Coulson 1999; Flippen 2001). Further, the SCF is not designed to capture a representative number of undocumented immigrant workers. Because the sample selection design for the largest group of respondents is based upon selecting dwelling units rather than, for example, lists of citizens or registered aliens, the SCF does not automatically exclude undocumented immigrants. However, citizenship status is not reported in the survey and the potential for lower response rate by undocumented immigrants is not directly addressed. About three percent of the interviews reported in the dataset were conducted in Spanish. However, in order to preserve confidentiality, the SCF does not report which respondents were interviewed in Spanish. Consequently, although we know the overall number of interviews conducted in Spanish, we are unable to identify if these Spanish speaking Hispanic households responded differently than other Hispanic households.

The SCF data is based upon self-report. To the extent that individuals choose to respond inaccurately, the analysis will be compromised. If such inaccuracies are systematically related to our variables of interest, it will bias our results. The SCF also uses a multiple imputation approach to estimate appropriate values where respondents provided incomplete information. Thus, in some cases the analysis is based upon partially or wholly imputed values rather than originally reported values.

The present analysis focuses on the respondent's answer to the question of whether or not they are currently saving for the future purchase of a home. It does not distinguish between those saving at a high or low rate, nor does it ask respondents to identify what proportion of existing savings are designated for a future home purchase. Thus, the category of planning and saving for the purchase of a home would include those saving \$2,000 a month as well as those saving \$20 a month. Clearly, more specificity as to the precise amount of past and current savings designated for homeownership would provide greater illumination.

Perhaps most significantly, this analysis uses only cross-sectional data. We infer transitional behavior, but without longitudinal data the inference is subject to multiple interpretations. The need for longitudinal research, especially in an area with such obvious potential for ongoing cohort transitions, is great.

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Figure 1: Percentage of renters listing “buying own house” as one of the top two most important reasons to save in the Survey of Consumer Finances

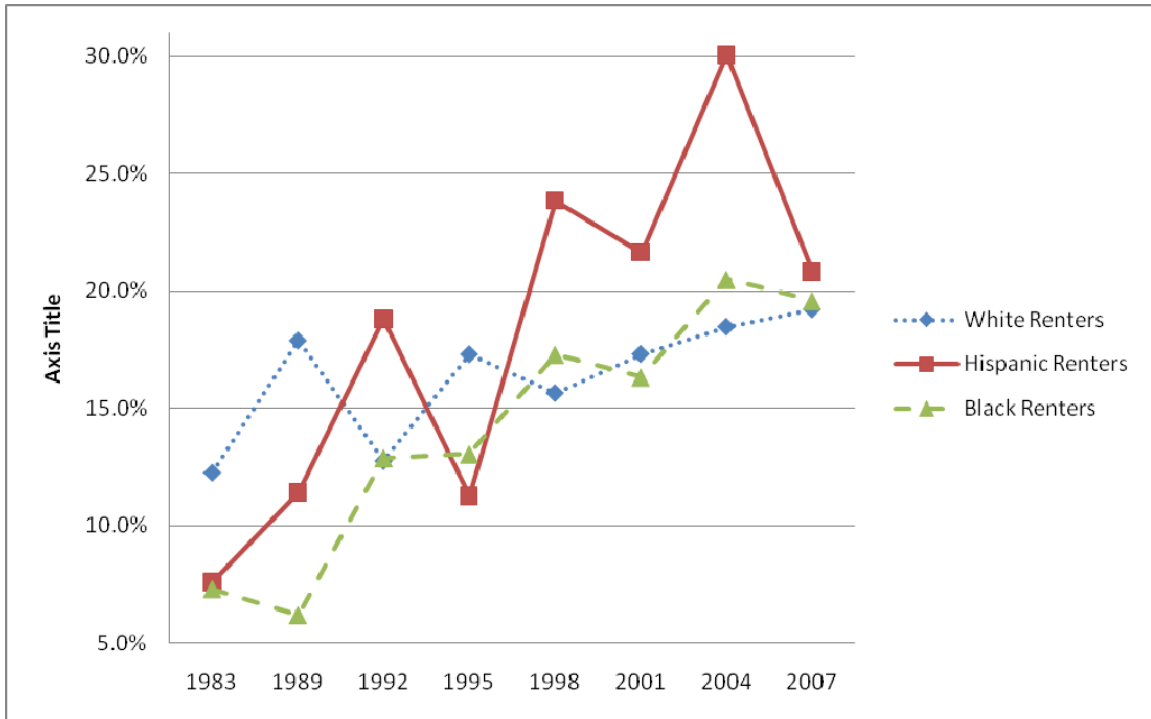


Table 1: Hispanic renters in the Survey of Consumer Finances

Reporting weighted means (sample standard deviations)

Variable	2007	2004	2001	1998	1995
Saving for homeownership	23.0%	30.3%	21.6%	20.8%	10.7%
Planning, but not saving, for homeownership	16.8%	16.8%	14.5%	12.6%	6.3%
Not planning for homeownership	59.5%	53.0%	63.9%	66.6%	83.0%
Income	\$28,978 (\$205,88)	\$25,645 (\$16,363)	\$23,866 (\$19,830)	\$22,247 (\$18,023)	\$21,130 (\$20,245)
Assets	\$2,125 (\$6,004)	\$1,335 (\$2,526)	\$5,806 (\$49,689)	\$1,581 (\$3,984)	\$1,664 (\$4,238)
Age	37.55 (13.58)	37.32 (11.01)	36.78 (13.06)	36.71 (14.16)	36.89 (12.17)
Married	37.9%	36.8%	41.3%	45.0%	47.7%
Single male	34.5%	35.3%	23.7%	29.2%	26.4%
Single female	27.6%	28.0%	35.0%	25.8%	25.9%
Minor child in household	37.1%	31.3%	32.8%	26.9%	29.5%
Household	3.28	3.19 (1.66)	3.24 (1.61)	3.1 (1.53)	3.29 (1.73)

Hispanic Renters in the U.S.

members (1.67)

Education

Less than high school diploma	46.9%	46.8%	49.1%	48.9%	44.1%
Some college	19.0%	13.3%	14.9%	17.7%	20.7%
Bachelor's degree or above	9.3%	6.6%	7.7%	6.9%	8.2%

Table 2:

Probit analysis on presence of currently saving for a home purchase among renters in

Survey of Consumer Finances 1995-2007

	2007	2004	2001	1998	1995
	Savings	Savings	Savings	Savings	Savings
	Probit	Probit	Probit	Probit	Probit
Intercept	0.3119 (0.1998)	-0.026 (0.2152)	0.0482 (0.2056)	0.0504 (0.216)	0.2341 (0.23)
Hispanic	0.0327 (0.1159)	0.3931 (0.1145)***	0.0304 (0.1258)	-0.0149 (0.1324)	-0.352 (0.1749)**
Single male	-0.273 (0.1091)**	-0.211 (0.1124)*	-0.134 (0.1133)	-0.1467 (0.1185)	-0.2915 (0.1207)**
Single female	-0.4654 (0.1146)***	-0.4226 (0.1157)***	-0.4346 (0.1102)***	-0.3912 (0.1205)***	-0.5706 (0.126)***
Household members	0.0144 (0.0318)	0.0097 (0.035)	0.0396 (0.0342)	0.0214 (0.0362)	-0.0281 (0.0406)
Liquid assets (\$10k units)	-0.0008 (0.0016)	-0.0061 (0.0073)	-0.0027 (0.0034)	-0.0019 (0.0019)	-0.0487 (0.0335)
Income (\$10k units)	0.0127 (0.0063)**	0.0247 (0.0093)***	0.0174 (0.0072)**	0.0627 (0.0138)***	0.0544 (0.0171)***
<High school diploma	-0.2136 (0.1312)	-0.2234 (0.1263)*	-0.3308 (0.1347)**	-0.2718 (0.1348)**	-0.4152 (0.1671)**
Some college	0.1603	0.1626	0.3418	0.2024	0.1994

Hispanic Renters in the U.S.

	(0.1084)	(0.1074)	(0.1064)***	(0.1133)*	(0.1147)*
Bachelor's	0.5483	0.2600	0.4958	0.2203	0.1315
degree	(0.1253)***	(0.1245)**	(0.1234)***	(0.1285)*	(0.1349)
Graduate	0.6179	0.1313	0.5454	0.2903	0.557
degree	(0.1592)***	(0.1691)	(0.1655)***	(0.1591)*	(0.1584)***
Age	-0.0295	-0.0212	-0.0236	-0.0264	-0.0266
	(0.0035)***	(0.0033)***	(0.0034)***	(0.0036)***	(0.004)***
Minor child	-0.0535	-0.1957	-0.1319	0.0116	-0.2979
in household	(0.0992)	(0.1041)*	(0.1126)	(0.1133)	(0.1311)**
Years at	0.0238	0.0308	0.0125	0.0092	0.0153
current job	(0.0066)***	(0.0067)***	(0.0063)**	(0.0078)	(0.0086)*

Notes: Using SCF first implicates. * p>.1, ** p>.05, ***p>.01

Table 3:

Probit analysis on presence of currently planning for a home purchase (whether saving or not) among renters in Survey of Consumer Finances 1995-2007

	2007	2004	2001	1998	1995
	Planning	Planning	Planning	Planning	Planning
	Probit	Probit	Probit	Probit	Probit
Intercept	0.9841 (0.1883)***	1.0507 (0.201)***	0.8927 (0.1936)***	0.6737 (0.2001)***	0.8536 (0.2063)***
Hispanic	-0.0908 (0.1078)	0.1792 (0.1084)*	-0.1504 (0.1151)	-0.2927 (0.1223)**	-0.5172 (0.1545)***
Single male	-0.2824 (0.1038)***	-0.3131 (0.1082)***	-0.1222 (0.1093)	-0.1081 (0.1113)	-0.2597 (0.1106)**
Single female	-0.4119 (0.1061)***	-0.323 (0.108)***	-0.3457 (0.1022)***	-0.442 (0.1091)***	-0.5977 (0.1132)***
Household members	0.0662 (0.029)**	0.0365 (0.0317)	0.0751 (0.0315)**	0.12 (0.0332)***	-0.0474 (0.0356)
Liquid assets (\$10k units)	-0.0002 (0.0015)	-0.0047 (0.006)	0.0006 (0.0031)	-0.0024 (0.002)	-0.012 (0.0146)
Income (\$10k units)	0.0103 (0.0068)	0.04 (0.0113)***	0.0102 (0.0071)	0.0693 (0.0141)***	0.0406 (0.0148)***
<High school diploma	-0.0238 (0.1129)	-0.2384 (0.1112)**	-0.3743 (0.1159)***	-0.1571 (0.1171)	-0.4325 (0.1399)***

Hispanic Renters in the U.S.

Some college	0.3314	0.1261	0.3402	0.1703	0.3316
	(0.0998)***	(0.0989)	(0.0996)***	(0.1054)	(0.1031)***
Bachelor's	0.64	0.2445	0.4019	0.3453	0.2993
degree	(0.121)***	(0.1195)**	(0.1188)***	(0.1211)***	(0.1215)**
Graduate	0.7836	0.0116	0.4783	0.4881	0.575
degree	(0.1589)***	(0.1602)	(0.161)***	(0.1543)***	(0.1513)***
Age	-0.0369	-0.0354	-0.0321	-0.0332	-0.031
	(0.0031)***	(0.003)***	(0.003)***	(0.0031)***	(0.0033)***
Minor child	-0.1216	-0.0224	-0.0894	-0.1186	0.0368
in household	(0.091)	(0.093)	(0.1024)	(0.1034)	(0.1076)
Years at	0.0162	0.0233	0.0034	0.0007	0.0092
current job	(0.0061)***	(0.0065)***	(0.006)	(0.0072)	(0.0078)

Table 4: Relative price appreciation of houses weighted by state-level population

percentages

Weighted State-Level House
Price Appreciation in Trailing
Twelve Months (OFHEO)

	Non-		
	Hispanic	Hispanic	Difference
End of 1st Quarter 2007	2.56	3.09	-0.54
End of 2nd Quarter 2007	2.50	3.21	-0.71
End of 3rd Quarter 2007	0.92	1.88	-0.96
End of 4th Quarter 2007	-0.92	0.58	-1.50
End of 1st Quarter 2004	8.84	7.39	1.45
End of 2nd Quarter 2004	11.10	8.91	2.19
End of 3rd Quarter 2004	16.04	12.57	3.48
End of 4th Quarter 2004	13.97	10.79	3.18
End of 1st Quarter 2001	10.46	8.77	1.69
End of 2nd Quarter 2001	10.00	8.47	1.53
End of 3rd Quarter 2001	9.43	8.27	1.16
End of 4th Quarter 2001	7.78	6.92	0.87
End of 1st Quarter 1998	5.44	4.76	0.68
End of 2nd Quarter 1998	5.74	5.23	0.50
End of 3rd Quarter 1998	5.76	4.98	0.78
End of 4th Quarter 1998	5.62	4.64	0.98

Hispanic Renters in the U.S.

End of 1st Quarter 1995	4.05	4.70	-0.65
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Previous data unavailable from OFHEO reports