



Homeownership: More Than Dollars

During the past few years the prices of homes have been declining in most parts of the country. This trend has represented a major financial setback for many who considered their home their best investment and an integral part of their retirement. Real estate, stocks and even oil prices have affected the fortunes of Americans during this financial crisis.

Our focus for this article will not be the investment aspects of real estate. This is not to say that we think that homes have ceased to be a solid investment. One must remember that even with the drop in prices during the past several years, homes have more than tripled in value since 1980. In addition to the appreciation of real estate, one can add the tax benefits of owning a home as well as the fact that home mortgage payments do not increase as quickly as rent which makes the home a hedge against inflation. Many analysts are expecting rents to soar in the next several years in reponse to increased demand. Bottom line, in the long-run real estate will still be an important part of any financial plan.

Today we focus not on these economic advantages but on the psychological aspects of homeownership. Some time ago, mortgage giant Fannie Mae conducted a national survey regarding homeownership. Among other findings, they found that Americans would choose to work an additional decade in order to become a homeowner. Our interpretation of this answer really helps us see that there is more to homeownership than money.

Not long ago, an article appeared on the Internet that should remind everyone that the dream of homeownership extends far beyond dollars and cents. The article was written by a single mother who worked

for a non-profit in a high cost of living area, Montpelier, Vermont. The Montpelier Pride’s editor noted: *Single Mother Dori Oatley writes about the thrill, pride and satisfaction of owning her own home.* Here are a few quotes from the story:


“...sense of pride that caught me off guard.”

Homeownership is a wonderful experience. The stability that owning a home offers a family is invaluable. To realize that in a year, you will be here... that this first Christmas or this first birthday celebrated here will be the beginning of many provides a feeling of consistency and a sense of home that is hard to describe. As a renter, between rising costs or a landlord’s decision to remodel or sell, I had moved a lot and never knew whether I would be celebrating the next year’s milestone in the same home...The opportunity to start a stable home for my daughter who is now thriving in middle school, is a wonderful blessing...there comes with owning a sense of pride that caught me off guard. I have given more attention to the aesthetics both inside and outside the home since I have become a homeowner...

Stability. Pride. Control. Permanence. These are all words that homeowners would use in describing their experience. With so many foreclosures taking place across the country, people again are being forced to move. There are many stories about the financial losses of banks and individuals, but what about the psychological damage of forced moves? What about the damage of not knowing if you will own again in the near future?

There is no doubt that those of us who are homeowners understand these feelings. It is one of the reasons that many immigrants want to come to our country. It is not only because the country is wealthier and perhaps may have more political and personal freedom. An important factor is the fact that, in many countries, homeownership is not possible.

Sometimes Americans take the right and ability to own a home for granted. Not so with immigrants. This financial crisis is an opportune time for all of us to take a second look at these benefits. As a matter of fact, as many have fallen behind with regard to their financial goals, being able to save their home is of primary importance from a psychological perspective. It is one thing to postpone retirement. It is quite another to change status from homeowner to renter at the same time, losing control of many other aspects of one’s life.

We also understand that the government must take actions to shore up the financial systems of this country to help us out of this financial crisis and to prevent future calamity as well. Yet, as they change the rules, we hope that facilitation of the American Dream of Homeownership is still a major goal of our government. We can’t afford to put too many barriers in place in the name of financial protections. The freedom and means to own a home is ingrained in our systems of democracy and capitalism. With the world in crisis, once again we must show the world the importance of our values... 

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