

FACTORS WHICH PREDICT PERCEIVED CHANGES IN HOUSING COSTS AND HOUSING QUALITY IN ELDERLY HOMEOWNERS AND RENTERS

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The vast majority of current homeowners in the United States are represented by the elderly (Carliner, 1996; Guidry & Shilling, 1995). While some elderly persons move in with their children as they age, Carliner has stated that this number is small, and the current trend indicates that it is decreasing. Most elderly persons wish to remain in their homes and perceive that it would not be difficult to do so (Sherman & Combs, 1997), although many think that impairments in physical ability and cognition might keep them from being able to stay. Borsch-Supan, Hajivassiliou, Kotlikoff, and Morris (1992) state that even after controlling for health and functional ability, living independently decreases dramatically with age. These researchers also go on to demonstrate that elderly men are more likely to live in institutions, while women are more likely to live independently. This gender gap also impacts whom these elderly persons live with as they age; women are more likely to live with their children, and men are more likely to live alone or in institutions (Borsch-Supan, Hajivassiliou, Kotlikoff, & Morris, 1992).

An important aspect of housing for the elderly is its quality. Seven to ten percent of the elderly population in the U.S. experience severe or moderate physical problems with their housing (Lazere, Leonard, Dolbeare, & Zigas, 1991; Golant & La Greca, 1995).

By defining housing as being adequate when all the systems of a home are in working condition, the Department of Housing and Urban Development has also been able to define that housing inadequacy exists when one or more deficiencies are present. "Inadequate dwellings" are those where plumbing, kitchen facilities, physical structure, common areas, as well as heating and electrical systems, have been determined to be deficient.

Housing deficiencies were found to occur with greater frequency among the elderly with constrained financial situations who live alone, or in rental units (Guidry & Shilling, 1995). These problems are particularly salient for the rural elderly. Meeks and Sweaney (1994) found that rural housing systems are often highly deficient, with plumbing and kitchens being the most frequent problems. Recent shifts in the proportions of elderly who are at, or below, the poverty level (more than 25 percent) may account for these findings, in addition to being "home rich and cash poor."

The purpose of this study was to determine factors that had predicted perceived increases and decreases in housing costs and housing quality for elderly homeowners and renters who had relocated to another home or rental property within the past year.

Data for the study were drawn from the 1995 American Housing Survey (AHS). The AHS is a national survey conducted by the Bureau of Census for the Department of Housing and Urban Development (HUD) on current housing characteristics (U.S. Department of Commerce and U.S. Department of Housing and Urban Development (1995). From the sample of 63,143 housing units interviewed between July 1995 and February 1996, a total of 806 households (homeowner = 362, renters = 444) were selected who met the criteria for inclusion in this study. The inclusion criteria consisted of being either homeowners or renters over age 55 who had relocated within 12 months of data collection. Renters had to be paying cash rent to be considered renters in these analyses.

A brief description of the four groups with respect to change in housing tenure is as follows. For homeowners who purchased another home, the majority could be described as White males who lived with their spouses in metropolitan areas of the South and had incomes greater than \$20,000. For renters who continued renting, the majority could be described as White females who lived alone in metropolitan areas of the South and had an income range between \$5,001 and \$10,000. For renters who became homeowners, the majority could be described as White males who lived with their spouses in metropolitan areas of the South and had incomes greater than \$20,000. For homeowners who became renters, the majority could be described as White (equally likely to be male or female) who lived alone in metropolitan areas of the Midwest and had an income range between \$10,001 and \$50,000.

Respondents were asked whether they had perceived that their housing costs had increased, decreased, or remained the same. Respondents were also asked whether they had perceived their housing quality was better, worse, or the same. Logistic regression models were run to determine the differences between those who perceived change and those who did not.

Housing cost change was measured through the subjective experience of the respondent by using a three-point Likert-type scale: 1 = "Increase", 2 = "About the Same", 3 = "Decrease." Housing cost change was recoded into two dichotomized variables used in the logit analyses: "Increased" and "Decreased." A change in housing cost indicated by the choice "Increase" was coded as a one (1), for "Increased." A change in housing cost indicated by the choice "About the Same" was coded as zero (0) for both "Increased" and "Decreased." Change in housing cost indicated by the choice "Decrease" was coded as a one (1), for "Decreased."

Change in housing quality was measured through the subjective experience of the respondent by using a three-point Likert-type scale: 1 = "Better", 2 = "About the Same", 3 = "Worse". Change in housing quality was recoded into two dichotomized variables used in the logit analyses: "Change for the Better" and "Change for the Worse." A change in housing quality indicated by the choice "Better", was coded as a one (1),

“Change for the Better.” A change in housing quality indicated by the choice “About the Same” was coded as zero (0) for both “Change for the Better” and “Change for the Worse.” Change in housing quality indicated by the choice “Worse” was coded as a one (1), “Change for the Worse.”

Increase in costs vs. same costs. A log likelihood with a significant chi-square was noted for the homeowner regression ($X^2=33.39$, $df=15$, $p=0.004$), but not for the renter regression ($X^2=18.51$, $df=15$, $p=0.237$). Effects were noted for income, size of household, feeling forced to move, and exterior choices in relocation. Higher levels of income and choice of new location for exterior reasons were associated with increases in perceived costs ($\beta=.28$, $p=.012$; $\beta=.19$, $p=.07$). Smaller family size and fewer selections for the reason of feeling forced to move were associated with increases in perceived costs ($\beta=-.17$, $p=.054$; $\beta=-.16$, $p=.087$).

Decrease in costs vs. same costs. A log likelihood with a significant chi-square was noted for the homeowner regression ($X^2=24.89$, $df=15$, $p=0.051$) and renter regression models ($X^2=24.75$, $df=15$, $p=0.053$). For homeowners, effects were noted for being widowed and feeling forced to relocate. A greater likelihood for being widowed and fewer selections for the reason of feeling forced were associated with decreases in perceived costs in housing ($\beta=.22$, $p=.017$; $\beta=-.21$, $p=.09$). For renters, effects were noted for size of family, relocating for housing reasons, and having been a previous renter. Selecting the choice of moving for housing reasons and being a former renter were associated with decreases in perceived costs ($\beta=.22$, $p=.019$; $\beta=.13$, $p=.09$), while smaller family sizes were also associated with decreases in perceived costs in housing.

Better quality vs. same quality. A log likelihood with a significant chi-square was noted for the homeowner regression ($X^2=27.57$, $df=15$, $p=0.025$), and for the renter regression ($X^2=40.19$, $df=15$, $p<0.001$). For homeowners, effects were noted for not being a former homeowner ($\beta=-.19$, $p=.014$), size of family, and moving for reasons of space. Larger family sizes and choosing a new location for reasons of space were associated with perceived changes for the better ($\beta=.17$, $p=.037$; $\beta=.16$, $p=.047$). For renters, effects were noted for being a former renter ($\beta=.31$, $p<.001$), moving for employment reasons, and moving for family reasons. Fewer choices of new location made for reasons of family and employment were associated with perceived changes for the better ($\beta=-.15$, $p=.072$; $\beta=-.13$, $p=.075$).

Worse quality vs. same quality. Analyses could not be conducted for homeowners due to the low number of homeowners who perceived the change from their previous home to their current home as being a change for the worse. A log likelihood with a non-significant chi-square was noted for the renter regression ($X^2=21.27$, $df=15$, $p<0.128$).

Significant models were noted for homeowners with respect to both perceived increases and decreases in housing costs, while a significant model was only noted for renters with perceptions of decreases in housing costs. Factors associated with perceptions of increases in housing for homeowners were: income, size of household, feeling forced to move, and exterior choices in relocation. Factors associated with perceptions of decreases in housing costs were: being widowed and feeling forced to relocate, while the factors of size of family, relocating for housing reasons, and having been a previous renter were noted for renters.

Significant models were noted for both homeowners and renters with respect to perceptions of moving for the better, while no significant models were noted for either homeowners or renters with perceptions of having moved into a worse situation. Factors associated with perceptions for the better with homeowners were: size of household, moving for reasons of space, and having been a former renter, while the factors of not relocating for reasons of family or employment, and having been a previous renter were noted for renters.

The elderly population has been known to avoid and delay making plans for their future housing needs. Planning can improve housing choices and facilitate quality of life so that the elderly are not surprised by changes in housing quality and costs. The consequences of tenure decisions need to be continually evaluated so that the elderly occupy housing that meets their current as well as long-term needs. As our population ages and as housing costs increase it becomes even more important that housing researchers continue to investigate factors which predict changes in perceived housing costs and quality.

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