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Despite Fears, Owning Home Retains Allure, Poll Shows

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Owning a house remains central to Americans' sense of well-being, even as many doubt their home is a good investment after a punishing recession.

Nearly nine in 10 Americans say homeownership is an important part of the American dream, according to the latest New York Times/CBS News poll. And they are keen on making sure it stays that way, for themselves and everyone else.

Support for helping people in financial distress over housing is higher than support for helping those without a job for many months.

Forty-five percent of the respondents say the government should be doing more to improve the housing market, while 16 percent say it should be doing less. On the politically contentious issue of direct financial assistance to those having trouble paying their mortgages, slightly more than half of those polled, 53 percent, say the government should help. And almost no one favors discontinuing the mortgage tax deduction, a prized middle-class benefit that has been featured on some budget-cutting proposals.

President Obama, who has been criticized for both doing too much to help the housing market and for not doing enough, was given poor marks. Only 36 percent of those polled approve of what Mr. Obama has done, while 45 percent disapprove.

In assessing blame for the housing crash, people are increasingly seeing financial institutions as the central culprit. Amid the swirl of recent disclosures about banks following improper and illegal procedures in pursuing foreclosures, 42 percent blame lenders, while 29 percent blame regulators. When the question was asked in early 2008, as the crisis was still building, the numbers were reversed, with 40 percent blaming regulators and 28 percent blaming lenders. Only a handful of respondents at either moment blamed the borrowers themselves for taking loans they could not afford.

"I believe the financial institutions willingly and knowingly allowed people to apply and receive credit at a rate higher than they could afford and this has degraded our economy," said Steven Goode, an environmental health manager in Las Vegas, in a follow-up interview.

Making an offer for a house, something often done in past generations with little apprehension, is now riddled with worry. Only 49 percent call it a safe investment, while 45 percent feel it is risky. In a market where prices are consistently dropping, there is no easy exit.

"For the average person, it might not be a good idea today to buy," said another respondent, Beth Lovcy of Troutdale, Ore., who bought a year ago. The value has already shrunk, but Mrs. Lovcy is unfazed. "It works out better financially than renting now because we can claim the interest on the mortgage."

As the housing market slumped over the last few years with a speed and magnitude not seen since [the Great Depression](#), aspects of homeownership have been debated as never before. There are tough questions about the role the government should take. These include how much of a down payment lenders should demand, whether lenders should be restrictive or expansive in granting new loans, how much assistance to give those on the verge of foreclosure, and whether real estate will ever again be the retirement savings vehicle it once was.

While the debate has been loud, there was little evidence of people's views that went beyond the anecdotal. This poll offers a window onto widespread opinions at a critical juncture.

Before the crash, housing was widely deemed one of the safest possible investments. Few experts thought there was the possibility of a nationwide downturn. But after it happened, the effects were widespread and painful.

Diane Sherrell, a substitute teacher in North Carolina who retired on disability, traded up to a bigger house four years ago to accommodate an adopted son. "It's been very difficult since then and we're barely making it," she said.

Half of those surveyed say the market's continuing downward spiral has affected their long-term plans. One in five people say the crisis has

prevented them from moving to another city or taking a different job. Nearly one-quarter of homeowners say their home is now worth less than what they owe on their mortgage, a condition known as being underwater. Families in this predicament are much more prone to foreclosure if they suffer job losses or other setbacks.

Over all, people are bleaker about the economic outlook than those surveyed in October. While most still think the current downturn is temporary, those saying it is permanent rose to 39 percent, up from 28 percent.

In the last two years, the stock market has recovered strongly while house prices have gone sideways at best. Yet those polled dismissed stocks as a long-term savings vehicle in favor of a savings or money market account (22 percent), a house (26 percent) or a 401(k) or individual retirement account (41 percent).

Who should be helped to buy is another contentious issue. Whether buyers need to come up with a 20 percent down payment — the standard for decades, but beyond the reach of many families now — is hotly debated. Fifty-eight percent of respondents say lenders should require this, while 36 percent say they should not.

People who cannot pay their mortgage are foreclosed upon. If they can pay but feel that doing so is pointless on a property that has lost so much of its value, it is called strategic default. While two-thirds of Americans say strategic default is not justified, 28 percent think that it is.

When houses are abandoned for any reason, it causes trouble for the neighbors. Three-quarters of those surveyed say foreclosures are a problem in their communities.

“Our home is worth much less now because houses are foreclosing around us,” said William Mack, an assembly line worker in Taylor, Mich.

Beyond all these ills, however, a persistent belief endures that the market will eventually improve and housing will regain its traditional importance.

Donna Boyd, a transportation supervisor in Cuyahoga Falls, Ohio, acknowledged “it might take a long time” for property values to go back up.

“But I don’t think I’m throwing my money away,” she said in a follow-up interview. “I rented for years when I was younger, and I just don’t like the idea of putting money in someone else’s pocket for something I will never own.”

The nationwide telephone poll was conducted June 24-28 with 979 adults and has a margin of sampling error of plus or minus three percentage points for all adults.

Marina Stefan and Marjorie Connelly contributed reporting.