

**Homeownership: Southern California's New Political Fault Line?**

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## **I. Introduction**

Throughout its history, California has been a Golden State, luring newcomers with the promise of a better life for themselves and their families. The opportunity for homeownership has been a centerpiece of that promise. Unfortunately, a spiraling housing crisis has dulled the Golden State's glitter. Demand for new housing far outstrips supply, sending rents and home prices through the roof. Despite innovative mortgage loan products, the dream of homeownership is simply unattainable for a growing portion of the population. Indeed, southern California's homeownership rate of 55 percent is the lowest of any metropolitan region in the country other than New York's. (Chang 2002, 36) At the same time, homeowners in most areas of southern California have seen their investment in real estate appreciate at a head-spinning pace: Between 2002 and 2003, median home prices shot up 25 percent in Los Angeles County and 29 percent in Orange County. (Peltz 2003) In recent years, some observers have suggested that homeownership, or the lack thereof, would emerge as a deep and dangerous fault line in southern California (Donoghue and Saunders 2000).

Our effort in this paper is to untangle the extent to which this general observation is on the mark. Using a survey of southern Californians commissioned by the *Southern California Association of Governments* (SCAG) we examine whether homeownership has moved from being an outcome based variable to being a measure that helps to explain the attitudes and behavior of southern California residents.<sup>1</sup> More specifically, we ask if homeownership status can be used to predict the attitudes of southern California residents concerning public policy and

quality of life. Over many years scholars have identified several lines of coalition and cleavage for residents of this vast area, including foremost of all race and ethnicity, but also class, geography, and ideology. (Gilliam 1996; Hahn, Klingman, and Pachon 1976; Hogen-Esch 2002; Pastor et al. 2000; Sonenshein 1993; Valle and Torres 2000) Our work shows that homeownership can also be a powerful basis for coalition or cleavage across racial/ethnic lines in southern California.

This paper is presented in the following several parts. In the next (second) section we discuss the background and context of housing in southern California, focusing in particular on how the availability and affordability of housing in the area has changed over time. Third, we discuss the survey and methodology on which our analysis is based. In the fourth section we proffer our argument as to why homeownership ought to have an influence on the formation of public opinions. Our fifth section reports the results of several analyses that test the relationship between homeownership status and public attitudes on public policy issues and general quality of life concerns. We conclude in the sixth section with a discussion of what implications can be drawn from our study for the role played by homeownership in influencing public opinion.

## **II. Background and Context of Housing in Southern California: From Consensus to Crisis**

From time to time in the history of metropolitan Los Angeles, the provision of housing has figured as a prominent local political controversy.<sup>2</sup> Los Angeles contended with a brief but severe housing deficit immediately after World War II when veterans demonstrated in MacArthur Park under the banner, “Fox holes in 1945 – rat holes in 1947.” In 1953, the refusal

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<sup>1</sup> For purposes of this study, southern California is defined as the six-county region including Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties. The 38,000 square mile area encompasses 187 cities and over 17 million residents.

of LA's mayor to renege on a contract to build 10,000 federally-funded public housing units cost him his political career. (Freedman 1969; Parson 1982, 402)

For most of southern California's history, however, widely shared aspirations for homeownership fueled a civic consensus in favor of housing development. This was the vision of Los Angeles as "a city of homes, and therefore a city without slums." Extolling the city's pioneering 1908 zoning ordinance, one Los Angeles official envisioned:

gradually developed extensive and beautiful residence districts traversed by miles of smoothly paved streets and embellished with a wealth of trees and flowers. The business enterprise of real estate operators, combined with the civic pride and home life of Los Angeles, have given the city a deserved reputation for its ideal residence conditions. (Nimmo 1913, 8)

This ideal attracted and galvanized the region's fast-growing population. In 1930, the real estate industry provided regional employment for 15,000 real estate agents and developers — six percent of the national total of professionals so employed. Fully fourteen percent of all Angelenos worked in either real estate or construction. (U.S. Bureau of the Census 1933; Weiss 1987) Although wages were lower than those to be earned in eastern or mid-western cities, Los Angeles had one of the highest rates of homeownership and housing affordability. (Marchand 1986, 152-153; Dymski and Veitch 1996, 37) New Deal housing programs and post-World War II prosperity gradually placed the dream of home ownership within the grasp of an expanding middle-class, including many GIs. Restrictive covenants excluded non-whites from many of the most desirable housing tracts, but minority groups enjoyed a relatively larger piece of the housing pie in Los Angeles than in most other metropolitan areas. (Weiss 1987, 79-106, 149-58; De Graaf 1970; Sanchez 1993, 198-201)

After World War II, returning war veterans fueled a boom in the mass production of middle-class, single-family homes, first in Los Angeles' San Fernando Valley and then in

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<sup>2</sup> This discussion draws from Guerra, Marks, and Brackman 2001.

Orange County. The mortgages of many of these homes were financed or insured by the federal government. Between 1940 and 1950, the homeownership rate in Los Angeles County rose from 40 percent to 53 percent. (Jackson 1985, 238-45; Fishman 1987, 155-81; Schiesl 1991; Keil 1998, 71) Although public housing suffered political defeat in Los Angeles, renters had a variety of housing options. (Hines 1982; Parson 1983) Production of reasonably priced “dingbat” apartment houses remained strong until the early 1970s, when 92 percent of all housing units produced in the City of Los Angeles were apartments rather than single-family homes. (Dymski and Veitch 1996, 36-39; Keil 1998, 71-72)

In sum, during the entire post-war period through the early 1970s, a pro-housing civic consensus encouraged the development of housing, including multifamily rental housing for low- and moderate-income families. Widely shared aspirations for suburban homeownership sustained this civic consensus and were reflected in voter approval — by 70 to 80 percent majorities — of huge general obligation bonds to build the infrastructure of suburban residential development: streets, utilities, schools, and police and fire protection. (Erie 1992; Landis and Kroll 1989)

That pro-housing civic consensus suffered a series of blows beginning in the mid-1970s. Regional housing prices — equal to the national average in 1974 — exceeded it by 55 percent by 1985. Existing homeowners watched their equity skyrocket, but first-time buyers faced a decided disadvantage. In 1970, the supply of low-cost housing units slightly exceeded demand, but by 1980 there were already twice as many low-income families as affordable housing units. By 1985, the number of affordable housing units in Los Angeles County had fallen from 35 to 16 percent of the total housing stock. (Baer 1986, 340; Rohrlich 1998, A1; Dear 1996, 15)

The last big surge in the construction of moderately priced apartment buildings and condominiums ended with the federal Tax Reform Act of 1986. Southern California's speculative building boom of the 1980s continued — but only for the upscale housing market. These included luxury projects in “gentrifying” neighborhoods and coastal areas as well as in northern and eastern Los Angeles County and in Riverside and San Bernardino Counties where undeveloped land was still cheap enough for traditional suburban tracts. Residential development options were increasingly constrained by “slow” or “no” growth movements. With property taxes capped by California State Propositions 13 and 218, more and more local governments enacted zoning codes encouraging sales tax-generating commercial development and discouraging residential construction. (Dymski and Veitch 1996, 43-47)

As demand for rental housing swelled beyond what smaller developers and non-profit housing corporations could build, families began to double up and triple up in apartments, illegal garage conversions proliferated, and homelessness increased. (Dreier 1997; Keil 1998, 171; Goetz 1992, 540-41; Chavez and Quinn 1987, A1; Wolch 1996)

The recession of 1990-1994 temporarily damped down the explosive increase in southern California housing prices, but construction also declined. At the same time, housing demand remained relatively strong because of population growth, driven primarily by births within the region, not by in-migration. (Chang 2002, 10) The second half of the 1990s brought a renewed economic boom that reignited the upward spiral in home prices and rents. Yet for the first time southern California's history, the housing industry lagged rather than led this new prosperity. New construction of single and multifamily units averaged only 40,000 units a year during the 1990s — less than half of what is needed to meet increased demand generated by population growth, new household formation, and dynamic job growth. Economists' rule of thumb

proposes that one new residential unit should be built for the creation of every 1.5 new jobs, but the ratio of new jobs to new homes ranges from 5.9-to-1 in Los Angeles County, 4.3-to-1 in Orange County, and 2.5-to-1 in San Bernardino and Riverside Counties. (Dear et al. 2001, 22) Almost 59,000 building permits for residential construction were issued in southern California during 2001, a slight increase over the previous two years but down substantially from the prior economic boom in 1986 when 161,000 residential permits were issued.

Today, southern California has the dubious distinction of having the least affordable housing market in the country. In 2000, 37 percent of all household expenditures were on housing alone, significantly higher than the national average of 32 percent. Housing policy experts consider housing to be affordable when housing costs are no greater than 30 percent of household income. Housing costs exceed 30 percent of household income for one-third of southern California homeowners and 43 percent of the region's renters – a worse track record than even those of the notoriously expensive New York and San Francisco metropolitan housing markets. (Chang 2002, 79)

Almost two-thirds of residents in the coastal counties of Los Angeles, Orange, and Ventura cannot afford to purchase the median-priced home, meaning that southern California is losing out on a powerful engine for personal wealth creation and community stability. Equity generated from homeownership constitutes almost 45 percent of total household wealth. Other financial benefits of home ownership include state and federal tax subsidies from the mortgage interest deduction, home equity borrowing power, and forced savings from monthly mortgage amortization. High rates of homeownership are also associated with high rates of civic involvement and social stability. (Chang 2002, 36-37; Menzer 2001, 50)

### **III. Our Argument**

This brief review of the history of housing in southern California highlights the fact that over the past two decades the ability of individuals to purchase homes in the area has become increasingly impaired. A report commissioned by the State of California recently noted, “housing affordability is a huge problem statewide... and the housing shortage is most acute in California’s urban growth centers,” such as Los Angeles (Joint Senate/Assembly Policy Committee Report 2001). This led Guerra et al. to conclude, “greater Los Angeles faces a profound housing crisis that threatens the region’s economy, erodes the quality of life, and widens the gulf between rich and poor,” (2001). Given this backdrop, we seek to understand whether status as a homeowner in southern California affects the attitudes and behavior of area residents. We think it does. Indeed, our expectation is that because the housing crisis in southern California has reached epidemic proportions, we should not be surprised at all to see that status as a homeowner might produce significantly different responses to questions regarding public policy and quality of life. We also anticipate that homeownership status may be a dividing line for opinions and attitudes in a manner similar to race/ethnicity, class, geography and ideology.

In our analyses below we generate analyses to answer two related questions concerning the relationship between homeownership and opinions. The first builds upon the discussion just above and centers on the possible importance of homeownership in understanding how opinions are formed. We ask simply:

- **All else being equal, does homeownership status influence the opinions of southern Californians on matters of public policy and quality of life?**

If homeownership plays a role in the attitudes of southern Californians regarding public policy and quality of life issues, an important follow up question regards whether the influence of homeownership is similar across different groups in the population – racial/ethnic groups in particular. The second question we explore has to do with this potential for interactive effects between race and homeownership. We examine whether owners are different from renters, regardless of race/ethnicity, or if the relationship is further complicated by the introduction of race interactions to the estimates. An enduring issue throughout the US, race has had a particularly significant role to play in southern California (Allen and Turner 1997; 2002; Hunt 1997; Valle and Torres 2000).

Our data show that minority groups are significantly less likely to own homes than are Whites. Table 1 shows the distribution of homeownership by race/ethnic group. There is quite a bit of variation between the non-White groups in the table, but all are alike in that each group has a substantially smaller owner percentage of its population relative to Whites ( $p < .001$ ).

**Table 1: Distribution of Race/Ethnicity and Homeownership**

Race/Ethnicity	Percent Owners
African American	38.67%
Asian Pacific Islander	53.95%
Latino	42.80%
Other Minority	57.35%
White	68.23%

These summary statistics show that understanding the effect of homeownership requires us to take proper account of the possibility for overlap or interaction between race/ethnicity and ownership. Our second set of analyses accomplishes this task. We ask:

- **All else being equal, is the influence of homeownership status on the opinions of southern Californians in matters of public policy and quality of life mediated by race/ethnicity?**

Answering these questions will help us to discern the role of homeownership in forming individual level public opinion. Doing so will also allow us to untangle the interactive effects of race/ethnicity and ownership. In the next section we review the survey from which these data are derived and outline our method of analysis.

#### **IV. Survey and Methodology**

The data we employ are taken from a survey commissioned by the *Southern California Association of Governments* (SCAG). Fifteen-minute interviews were conducted by telephone in English or Spanish between May 22 and June 14, 2001 with 1,200 adult residents in southern California.<sup>3</sup> Respondents were selected using random digit dialing, a technique that randomly selects phone numbers from the active residential phone exchanges. Screens were used to ensure that the interviewee was at least 18 years old and to try to correct for selection bias in favor of women and older residents who are more likely to be home and to answer the phone. Table 2 provides an overview of the survey methodology.

**Table 2: Methodology Overview**

Technique	Telephone interviewing
Universe	Adult residents in a six-county area of southern California
Field Dates	May 22 to June 14, 2001
Interview Language	English (n=1,140) and Spanish (n=60)
Interview Length	15 minutes
Sample Size	1,200 Completed Interviews

### *Measures Included in the Models*

We use homeownership, alongside several other relevant measures, to predict individual opinions on several policy issues and quality of life. All told, we use six dependent variables in two different sets of models – one set each for the bulleted questions above.

The first five dependent variables relate to the grades respondents give for several different policy areas. Respondents were asked, “For each issue, I’d like you to think about the present conditions and the quality of life in your area and give it a letter grade—like a school report card. Using a traditional academic grading scale, with an A, B, C, D, or F, how would you rate [*policy issue*] in your area?” We use five policy issues in our analysis. They are:

- (1) “Jobs and the economy”
- (2) “Housing cost and availability”
- (3) “Transportation”
- (4) “Education”
- (5) “Public safety”

Each of these measures is coded so that an “A” grade is one (1) while a grade of “F” is a five (5). Thus, a positive sign on independent variables in each of these estimates is interpreted as in the negative – i.e. a lower grade.

We use a sixth dependent variable to capture the attitudes of southern Californians on a more general level. This measure is taken from a question that asked respondents to rate their quality of life. They were asked, “Using a scale of 1 to 10, with 1 being the lowest quality and

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<sup>3</sup> The sample size for each of the six counties included in the data are as follows: Imperial – 10; Los Angeles – 625; Orange – 250; Riverside – 125; San Bernardino – 125; Ventura – 65.

10 the highest quality, how would you rate your overall quality of life in your community?" The overall mean response was 7.51.

The independent variables we use to predict attitudes are identical in each of the estimates presented. Foremost among these is "Homeowner" which is coded one (1) if a respondent reports owning their home, and zero (0) otherwise. We are agnostic as to the sign this variable takes, as we are primarily concerned with whether homeownership has an effect at all, regardless of direction. Nonetheless, because we think that those respondents who own their homes ought to be generally more satisfied with public policy and quality of life than are renters, we anticipate a positive sign for "Homeowner" in each policy area.

We control for the independent effects of race/ethnicity with four dummy variables (0,1) which flag whether a respondent is "African American," "Asian/Pacific Islander," "Latino," or "Other Minority." Whites are captured in the constant as the excluded group. Here again, we have no firm priors as to the sign each of these measures will take. Viewed relative to Whites, it is likely that members of minority groups will give generally less favorable grades on issues of public policy, and may be less likely to give high marks on their quality of life as well.

We include a series of additional demographic variables to round out the estimates. We control for "Income" with a series of categorical dummy variables (0,1). This lets us separately estimate a parameter for each income category, as well as for those who refused to answer the income question. This allows us to keep the nearly 25% of respondents who did not answer the income in the sample, while controlling for the fact that they provided no income information. "Education" is measured as a single categorical variable, ranging from one to eight (1-8) with eight being the highest level of education. Income and education ought to be associated with

attitude formation but the direction associated with each may differ depending on the policy. Higher levels of education and income should be associated with higher values for quality of life.

Respondents who report being not currently employed are captured in the “Unemployed” measure. This measure should be significant, at least with regard to the “Jobs and economy” grade. We control for possible gender differences with “Female,” however we have no priors as to the sign or significance of the variable. The possible effects of “Age” is controlled for with a variable scaled one to six (1-6) with six being 65 years of age or older.

The final three measures included tap into respondent life experience in the area. The first, “Tenure” measures how long individuals have lived in southern California with the idea that longer term residents may have different experiences that account for their attitudes. This variable is measured on a scale of one to five (1-5) with five being fifteen years or more. “Commuter” measures whether respondents report commuting on a regular basis. Finally, we control for possible geographical differences by including dummy variables isolating the independent effect of residing in one of the six counties. Los Angeles County is omitted from the analysis and serves as the comparator county captured in the constant.

In addition to the variables just described, in the second set of models we present we include interaction variables that capture the effect of being in one of the minority groups and being a homeowner. The coefficients on these measures capture the extent to which being in a particular minority group and owning a house is a departure from being an owner generally.

### *Approach to the Estimations*

The first five dependent variables take one of five unique values, and the sixth we treat as a continuous measure. As a result we used ordered probit analysis in the case of the first five

dependent variables to test the strength of the relationship. In combination with a post-estimation analysis, the results of the ordered probit analysis allows us to interpret the substantive impact of possible explanatory variables on the public policies in question. For the quality of life measure, because it is continuous, we use OLS regression.

The reported results include the coefficients and associated standard errors for each estimate. The significance and the direction of each variable on the respondent's attitudes regarding each policy area and quality of life are indicated in the columns of entries. Because ordered probit coefficients are not directly interpretable beyond sign and significance, we calculate changes in predicted probabilities in order to make the coefficients contained in the tables more readily interpretable for several of the key variables. Holding all other independent variables at their means, these estimates allow for a direct interpretation of the effects of a given independent variable in changing the probability of granting a lower grade. (See Long 1997; Long and Freese 2001) We report the average change in the likelihood of granting a lower grade that is associated with a minimum to maximum change in the independent variable and the predicted probability associated with moving the dependent variable from its minimum value to its maximum value (min→max). The resulting values are can be interpreted as percentages and are recorded in a chart that accompanies the first table.

In the next section we report the results of our estimates and discuss the effect of homeownership on attitude formation.

## **V. Analysis**

We report estimates responsive to our first area of inquiry in Table 3. Each of the models is set up in identical fashion with regard to the included independent variables. The goodness of

fit indicators for each of the estimates shows that the models perform modestly overall. We report chi-square calculations for each estimate, maximum likelihood r-squared estimates for the ordered probits, and an adjusted r-squared estimate for the regression. The chi-squares are each significant, however the r-squared calculations show that we only capture a fraction of the variance.

The first question we examine has to do with whether homeownership has an influence at all on the assessments southern California residents have for five public policy areas and quality of life. The estimates in Table 3 show that, more often than not, homeownership does evidence an effect for attitudes. In three of the five policy areas – Jobs, Housing and Public Safety – homeownership significantly influences opinion. The negative signs in all three areas indicate that homeowners are significantly less likely to give a bad grade relative to renters in each area. Indeed, the sign for each policy area is negative, even when not significant, showing that homeowners are, more often than not, willing to give positive assessments in all five areas.

These results are paralleled by the positive and significant result for quality of life. This model shows that relative to renters, homeowners have a significantly better assessment of their own quality of life. This result is probably not surprising given that homeowners are more likely to give positive grades in the five policy areas.

**Table 3: Ordered Probit Estimates of Attitudes in Five Policy Areas & Quality of Life**

Variable	Jobs		Housing		Transportation		Education		Public Safety		Quality of Life	
	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err
Homeowner	-0.212	0.075 *	-0.332	0.075 *	-0.017	0.074	-0.091	0.075	-0.160	0.075 *	0.323	0.118 *
African American	0.483	0.138 *	0.091	0.135	0.194	0.136	0.188	0.137	0.411	0.138 *	-0.627	0.218 *
Asian Pacific Islander	-0.121	0.140	-0.584	0.138 *	-0.062	0.138	-0.400	0.140 *	-0.092	0.140	0.150	0.221
Latino	-0.043	0.092	-0.202	0.091 *	-0.077	0.092	-0.092	0.092	0.071	0.092	0.001	0.123
Other Minority	0.335	0.110 *	0.076	0.108	0.178	0.109	0.273	0.109 *	0.253	0.110 *	-0.126	0.173
Income<\$25,000	0.368	0.136 *	0.095	0.134	-0.266	0.134 *	-0.135	0.135	0.254	0.136	-0.415	0.214
Income \$25,000-\$39,999	0.372	0.118 *	0.140	0.116	0.096	0.116	0.050	0.118	0.435	0.118 *	-0.589	0.186 *
Income \$40,000-\$54,999	0.454	0.119 *	0.266	0.117 *	0.106	0.118	0.178	0.119	0.296	0.119 *	-0.326	0.188
Income \$55,000-\$69,999	0.281	0.125 *	0.160	0.123	-0.010	0.125	-0.036	0.124	0.099	0.125	-0.180	0.198
Income \$70,000-\$84,999	0.227	0.134	0.161	0.131	0.065	0.133	-0.168	0.134	0.301	0.134 *	-0.210	0.212
Income Missing	0.152	0.107	0.133	0.105	-0.135	0.106	-0.093	0.107	0.253	0.107 *	-0.174	0.169
Education	-0.051	0.019 *	0.026	0.019	0.080	0.019 *	-0.009	0.019	-0.022	0.019	0.065	0.030 *
Unemployed	0.424	0.174 *	-0.083	0.174	0.102	0.174	0.029	0.183	0.057	0.174	-0.421	0.270
Female	0.066	0.066	0.044	0.065	-0.056	0.065	-0.047	0.066	0.073	0.066	-0.026	0.102
Age	-0.006	0.024	0.009	0.024	0.034	0.024	-0.018	0.024	-0.026	0.024	0.148	0.038 *
Tenure	0.081	0.037 *	-0.008	0.036	-0.030	0.037	0.047	0.038	0.075	0.037 *	0.015	0.060
Commuter	-0.059	0.070	0.019	0.069	-0.079	0.070	-0.014	0.070	-0.029	0.070	-0.143	0.110
Imperial County	1.034	0.364 *	-0.415	0.355	-0.193	0.360	-0.279	0.358	-0.631	0.364	-0.231	0.578
Orange County	-0.064	0.086	0.184	0.084 *	0.157	0.085	-0.293	0.086 *	-0.354	0.086 *	0.517	0.134 *
Riverside County	-0.003	0.111	-0.439	0.109 *	-0.014	0.109	-0.223	0.110 *	-0.068	0.111	0.400	0.176 *
San Bernardino County	0.167	0.109	-0.581	0.110 *	-0.063	0.110	-0.415	0.111 *	-0.184	0.109	-0.071	0.173
Ventura County	-0.063	0.146	0.383	0.147 *	-0.020	0.149	-0.272	0.145	-0.525	0.146 *	0.771	0.234 *
Constant											6.678	0.366 *
<i>Chi Square</i>		109.68*		115.33*		61.45*		55.12*		99.56*		6.29*
<i>ML R-Sqr/R-Sqr</i>		0.096		0.100		0.055		0.050		0.085		0.0945
<i>Sample Size</i>		1082		1092		1078		1071		1116		1116

\* indicates significance of <=0.05 in a two tailed test of significance.

The results on the rest of the included variables show some interesting patterns. In particular, the race/ethnicity indicators show some very different opinions about performance in each policy area and assessments of quality of life. These attitudes change both between groups on a given issue, and within a group across issues.

African-Americans give significantly worse assessments on “Jobs” and “Public Safety”, but are insignificantly different from Whites in other areas. Latinos, on the other hand, are either not significantly different from Whites, or, in the case of “Housing” policy, are actually significantly less likely to give a negative grade. Asian Pacific Islanders are like Latinos in that they are either not significantly different from Whites in their assessments, or they are significantly more positive (Housing and Education). Finally, Other Minority respondents appear to be less satisfied with “Jobs,” “Education” and “Public Safety” relative to Whites.

On the issue of quality of life assessments, African Americans have significantly lower assessments than do Whites, while each of the other minority group indicators is not significant. Taken together, these results appear to show that different racial/ethnic groups have substantially different assessments depending upon the policy issue in question.

**Chart 1: Changes in Predicted Probability of Assessing Worse Grade**

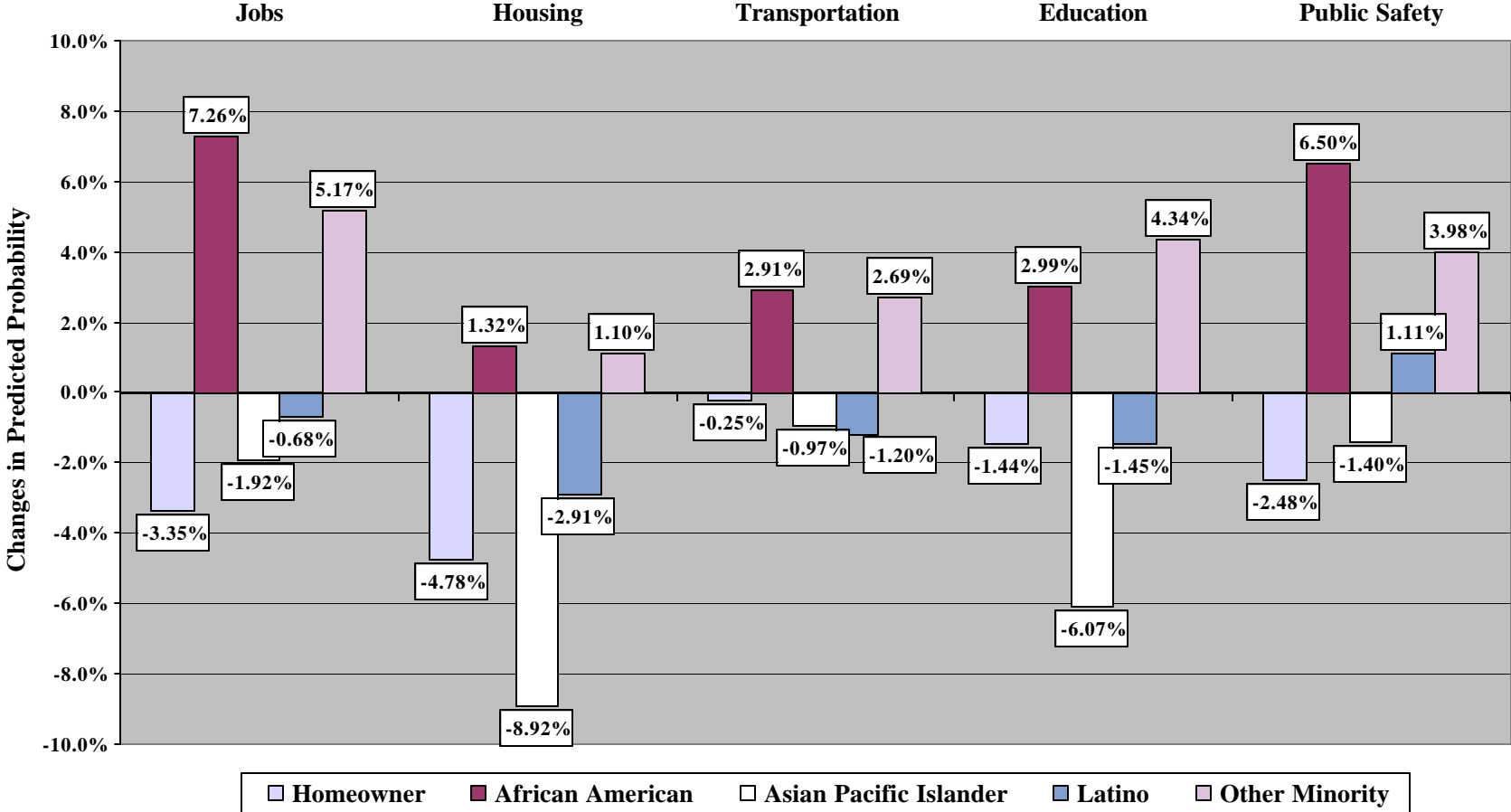


Chart 1 shows the substantive effect of these findings by reporting the changes in the predicted probability of assessing a worse grade. These results summarize the substantive impact of being a homeowner on the grades given in each policy area. We include the calculations for Homeowner, and each of the race/ethnic group measures for comparison purposes. As the chart demonstrates, the substantive effect of these coefficients is not insignificant. Being a homeowner diminishes the probability of giving a negative grade in the “Jobs” area by 3.35%, in the “Housing” area by 4.78% and in “Public Safety” by 2.48%.

This stands in stark contrast to the results for African-Americans, who are between 1.3% and 7.2% less likely to give a good grade across all five policy areas. Asians and Latinos show generally more positive assessments particularly with regard to “Housing” and “Education” areas.

Looking back at Table 3, the rest of the variables included in the model perform in a reasonable fashion. Those respondents with lower income levels are less likely to give a good grade, and this result is nearly uniform across policy areas (though several of the dummy variables are statistically insignificant). Unemployed individuals give significantly lower grades on “Jobs” but are similar to the employed otherwise. More educated individuals appear to be significantly more likely to approve of the “Jobs” area, but are more likely to give poor grades on “Transportation.”

Three variables that show no significant effects in any policy area are respondent age, gender, and whether or not they commute to work. On these measures southern Californians do not appear to be different from one another in the sense of their policy attitudes.

From the standpoint of the policy areas themselves, it is interesting to note that two models show nearly no significant associations – the “Transportation” and “Education” estimates. On essentially all the dimensions measured in the model these two policy areas do not engender the significant differences in attitudes that “Jobs,” “Housing” and “Public Safety do.

Turning to the estimates focused on quality of life, in addition to the results for Homeowners, the estimate shows that African Americans give a significantly lower assessment of their quality of life relative to Whites. Each of the other race/ethnic groups is not significantly different from Whites, and the positive coefficient indicates that they give slightly higher assessments. Older and better-educated respondents give significantly higher assessments as well. Finally, relative to Los Angeles County, residents in Orange, Riverside and Ventura Counties give significantly higher ratings of their quality of life.

The estimates contained in Table 3, and summarized in Chart 1, show that there is a consistent pattern whereby homeowners are more likely to give positive grades in each of the policy areas, and give higher assessments of their quality of life.

We turn next to evaluating the data in light of the second question we posed above – asking whether race/ethnicity mediated the relationship between homeownership and individual attitudes. We report estimates responsive to this inquiry in Table 4. These estimates are similar to those found in Table 3, with the addition of interaction terms for each race/ethnic group and homeownership. The goodness of fit indicators for each of the estimates show that the models perform similarly to those contained in Table 3.

**Table 4: Ordered Probit Estimates of Attitudes in Five Policy Areas & Quality of Life With Interactions**

Variable	Jobs		Housing		Transportation		Education		Public Safety		Quality of Life	
	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err	Coef	Std Err
Homeowner	-0.166	0.100	-0.413	0.099 *	0.030	0.100	-0.099	0.101	-0.169	0.098	0.347	0.157 *
African American	0.471	0.178 *	-0.117	0.177	0.140	0.177	0.089	0.179	0.314	0.176	-0.563	0.287 *
Asian Pacific Islander	-0.023	0.209	-0.830	0.208 *	-0.063	0.203	-0.424	0.210 *	0.022	0.202	0.237	0.330
Latino	-0.055	0.127	-0.277	0.125 *	0.032	0.125	-0.116	0.125	0.033	0.126	0.057	0.204
Other Minority	0.700	0.173 *	0.154	0.171	0.167	0.172	0.433	0.172 *	0.347	0.167 *	-0.285	0.271
African American*Owner	0.101	0.281	0.499	0.271	0.161	0.273	0.259	0.275	0.261	0.272	-0.162	0.439
Asian Pacific Islander*Owner	-0.159	0.278	0.434	0.273	0.002	0.220	0.048	0.281	-0.204	0.275	-0.161	0.436
Latino*Owner	0.083	0.173	0.138	0.172	-0.246	0.173	0.066	0.174	0.092	0.171	-0.134	0.279
Other Minority*Owner	-0.619	0.224 *	-0.143	0.220	0.024	0.220	-0.278	0.223	-0.168	0.218	0.278	0.352
Income<\$25,000	0.354	0.136 *	0.094	0.134	-0.256	0.135	-0.142	0.135	0.250	0.134	-0.406	0.215
Income \$25,000-\$39,999	0.373	0.118 *	0.139	0.116	0.104	0.116	0.050	0.119	0.434	0.117 *	-0.586	0.186 *
Income \$40,000-\$54,999	0.446	0.120 *	0.262	0.117 *	0.125	0.119	0.176	0.120	0.293	0.118 *	-0.317	0.189
Income \$55,000-\$69,999	0.284	0.126 *	0.146	0.124	-0.008	0.118	-0.042	0.126	0.096	0.125	-0.175	0.199
Income \$70,000-\$84,999	0.234	0.135	0.180	0.132	0.067	0.133	-0.159	0.135	0.303	0.132 *	-0.220	0.212
Income Missing	0.158	0.107	0.128	0.105	-0.143	0.106	-0.093	0.107	0.259	0.106 *	-0.175	0.168
Education	-0.048	0.020 *	0.025	0.019	0.080	0.019 *	-0.008	0.019	-0.022	0.019	0.063	0.031 *
Unemployed	0.401	0.174 *	-0.096	0.175	0.110	0.175	0.008	0.197	0.045	0.167	-0.408	0.270
Female	0.069	0.066	0.044	0.065	-0.064	0.066	-0.046	0.066	0.073	0.065	-0.029	0.105
Age	-0.002	0.023	0.010	0.024	0.031	0.024	-0.017	0.024	-0.025	0.024	0.146	0.038 *
Tenure	0.084	0.037 *	-0.012	0.036	-0.030	0.037	0.048	0.038	0.078	0.037 *	0.016	0.058
Commuter	-0.056	0.070	0.008	0.068	-0.076	0.070	-0.017	0.069	-0.026	0.070	-0.138	0.111
Imperial County	1.026	0.364 *	-0.419	0.355	-0.172	0.359	-0.284	0.360	-0.638	0.371	-0.224	0.573
Orange County	-0.058	0.086	0.192	0.084 *	0.153	0.085	-0.289	0.086 *	-0.353	0.085 *	0.510	0.134 *
Riverside County	-0.006	0.107	-0.435	0.110 *	-0.028	0.109	-0.223	0.111 *	-0.068	0.110	0.394	0.177 *
San Bernardino County	0.185	0.109	-0.567	0.110 *	-0.065	0.110	-0.404	0.112 *	-0.174	0.109	-0.085	0.176
Ventura County	-0.087	0.146	0.387	0.148 *	-0.006	0.160	-0.279	0.145	-0.535	0.150 *	0.778	0.234 *
Constant											6.672	0.378 *
Chi Square		119.20*		122.10*		64.36*		58.29*		102.35*		5.36*
PRE/R-Squared		0.100		0.106		0.058		0.053		0.088		0.092
Sample Size		1082		1092		1078		1071		1116		1116

\* indicates significance of &lt;=.05 in a two tailed test of significance.

The estimates contained in Table 4 are very similar to those indicated in Table 3. With a single exception, none of the interaction terms is significant. In the “Jobs” estimate, Other Minority\*Owner shows a significantly negative result which indicates that among this group, homeowners are significantly less likely to give a bad grade than are renters. With the exception of this group, the introduction of the interaction terms shows no significant effect. The significance levels associated with Homeowner and the measure for African-American is negated by the inclusion of the additional variables, but there is little to demonstrate that there is a significant difference between homeowners on the basis of their race/ethnicity.

The direct effect measures for race/ethnicity in this model take on the coefficients for members of each group who do not own their homes. Interestingly, the significant coefficients on these measures do demonstrate some differences among renters. In the “jobs” estimate, for example, the positive and significant coefficients for African-American and Other Minority show that among renters, at least, members of these groups are significantly more likely to give a poor grade in the “Jobs” policy area. Similar findings emerge in “Housing,” only this time the estimates show that among renters, Asian Pacific Islanders and Latinos are significantly less likely than Whites to give a poor grade. In the “Education” area Asian Pacific Islanders are less likely to give a bad grade, while Other Minorities are more likely to do so – both relative to White renters. Finally, Other Minority respondents who rent are significantly more likely than White renters to give a bad grade on “Public Safety.”

The quality of life estimates are also very similar in Table 4 relative to Table 3. Taken together, with the exception of isolating some differences among renters, by race/ethnic group, the addition of interactions to the estimates did little to support the idea that the effect of homeownership on public attitudes might be mediated by race/ethnicity.

## **VI. Conclusions**

In this paper we set out to examine the role of homeownership in forming individual attitudes about public policy and quality of life. We anticipated that because of the difficulty an increasing number of people have in purchasing a home that this factor might serve as a cleavage point in the southern California region. Drawing upon a six county survey of residents in the area, we analyzed the effect of homeownership status upon attitudes regarding five different public policy areas and overall quality of life. In three of the five policy areas, and for the quality of life estimate, homeownership had a statistically significant influence on attitudes. In all cases, homeownership was a source of more positive assessments – either for the grades granted or the value given for quality of life. On the whole, these results show that homeownership is a measure that helps us to understand how attitudes are formed.

Interestingly, with a single exception, we did not see evidence that members of each racial group had significantly different attitudes than did Whites, among those who owned their homes. That is to say, homeowners appear to be more alike in the public policy and quality of life assessments than are the racial/ethnic groups of which they are a part. Our data show that African American, Asian Pacific Islander and Latino homeowners are not significantly different from White homeowners on these dimensions.

However, for renters differentials do appear across several of the attitudes we study here. Among renters there are significant differences between members of minority groups and Whites. The sign on these coefficients vary, but more often indicate that minority renters are more pessimistic than White renters.

Understanding the role of homeownership in forming opinions is important, at least in regions of the country where housing crises are pervasive. In southern California, our data show

that homeownership is a significant consideration for understanding public attitudes. Further, finding that among homeowners there are no significant differences in attitudes gives us some insight into where members of different racial/ethnic groups are more similar than different in their attitudes.

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