

The Wisconsin Homeowners Alliance (WHA) is a 501(C)(4) organization dedicated to representing the interests of Wisconsin homeowners and protecting Wisconsin's quality of life one home at a time. As part of this effort, the WHA conducts a series of statewide public opinion surveys designed to help us understand what homeowners are thinking and talking about. This monthly publication is intended to share issues of importance and concern to homeowners with decision makers around the state.

HOME OWNERSHIP

Home ownership is a goal that the vast majority of Wisconsin families are able to achieve. Eight in 10 respondents in the most recent Wisconsin Homeowners Alliance survey report that they own their home. And when they buy those homes, Wisconsinites are inclined to stay put. Slightly more than half (55%) say that their current home is the only one they have owned, and 49 percent have lived in their homes for 10 years or more. Predictably, young people, recently entering the market are significantly more likely to be first-time homebuyers—almost three-fourths of respondents ages 25 to 34 have owned just one home. But, perhaps more surprising, 61 percent of people ages 45 to 54 and almost half of those 55 and older are still living in the first home they bought. One homeowner in three (35%) has no mortgage. Forty-one percent of people ages 55 to 64 and 80 percent of those 65 and older have no mortgage. While just one homeowner in six (16%) who has a mortgage also has a second mortgage, one in four (27%) reports taking out a home equity loan. People ages 45 to 54 are most likely to carry a home equity loan (33%).

In making the decision to purchase a home, buyers under age 45 are most likely to be influenced by the size of their mortgage payment, while those over 45 weigh both their mortgage payment and the actual price of the home equally. Moreover, men are more likely to be influenced by the actual price of a home, while an affordable mortgage payment has a greater influence on women.

EDUCATION

When asked about the importance of high-quality public education, survey respondents have historically said that it is a top priority for their families and for the local economy. State residents also express a high level of satisfaction with the quality of their local public schools. In the most recent survey, respondents emphasize the importance of Wisconsin's education system. Eight people in 10 agree that Wisconsin cannot compete economically without first-class public schools—58 percent agree strongly. Three-fourths agree that the state needs a world-class public university system—46 percent agree strongly. Eight in 10 think we need a world-class technical school system in order to compete—47 percent agree strongly.

More than two-thirds of people with household incomes of \$60,000 to \$80,000 and 61 percent of women agree strongly that Wisconsin needs a first-class public school system in order to compete.

HOMEOWNER SATISFACTION TRENDS



HOME OWNERSHIP

A vast majority of Wisconsinites are able to realize the American Dream—owning a home. And, most of these homeowners have positive views about how things are going in their community.



EDUCATION

Survey respondents continually emphasize the importance of a strong education system and agree that Wisconsin can't compete without a first-class public school system.



THE ECONOMY

The condition of the state and local economy plays an important role when deciding to purchase a home, and the cost and amount of mortgage can be a significant barrier when deciding to buy.



TAXES

Many Wisconsin homeowners say that the tax deduction for mortgage interest was an influence when purchasing a home and do not want to see it go away.

THE ECONOMY

Indications are that the economic situation in the state, in our communities and in our homes are presenting challenges to homeowners and aspiring homeowners. In this most recent survey just 44 percent of respondents say the state is on the right track and 40 percent say things are off on the wrong track. One person in five expects that things will get worse for them in the coming year, while 45 percent expect things to stay the same.

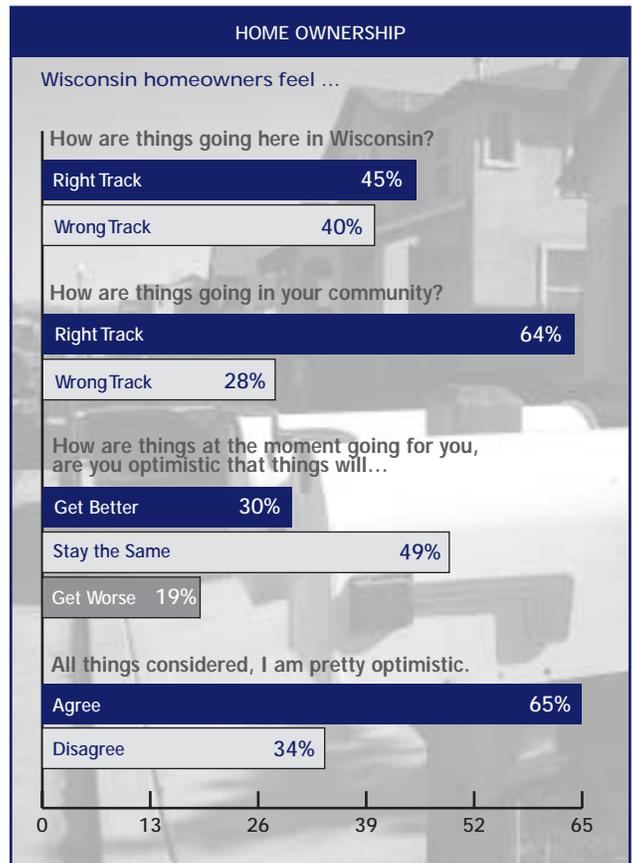
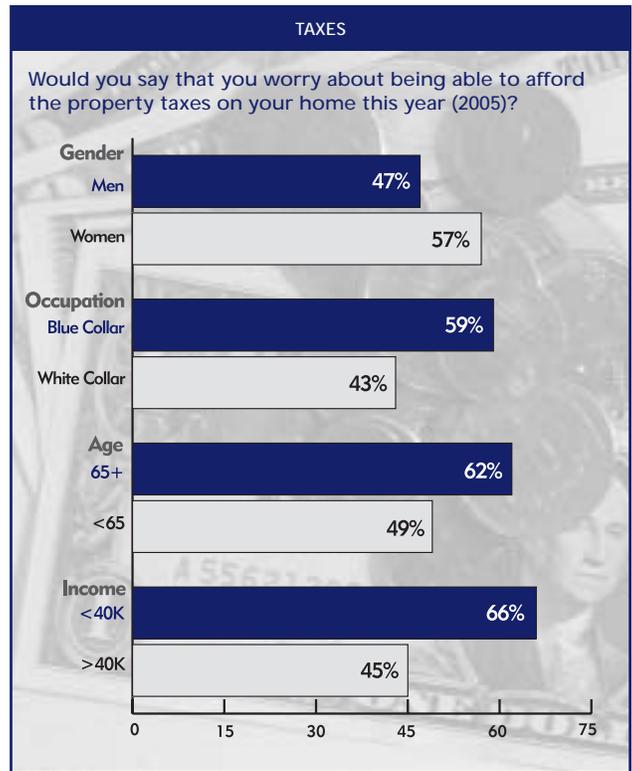
While economic conditions are not the only criteria that people use to rate the direction the state and their communities are moving, money is a key factor. Half of respondents report that the current economic situation in Wisconsin is a barrier to buying a home, and 45 percent say the community economy is a barrier. Almost two-thirds of homeowners say the cost of most homes in their market is an obstruction to home ownership. One homeowner in five reports having difficulty making his or her mortgage payment at least once in the past year.

The bottom line? Fully 70 percent of state residents think it is either very difficult (16%) or somewhat difficult (54%) for individuals and families to own a home in Wisconsin.

TAXES

While taxes are a critically important factor affecting the affordability of homes for the vast majority of Wisconsin residents, the tax deduction on interest helps to mitigate the other barriers to home ownership. Almost half (46%) of homeowners report that the tax deduction on interest influenced their decision to purchase their home a great deal or somewhat. At the same time, half of homeowners and two-thirds of renters say they have not heard or read about the Federal Tax Study Commission report that recommends changes to mortgage interest tax deductions. Among all respondents, 40 percent strongly oppose a Study Commission recommendation to replace the current home mortgage tax deduction with an amount equal to 15 percent of the mortgage interest, and 43 percent strongly oppose eliminating the tax deduction for home equity loans.

More significantly, this data suggests that middle-class families would feel the effects of these changes more strongly. Two-thirds of people ages 45 to 54 oppose the 15 percent substitution recommendation (50% strongly oppose). Middle income respondents are also more strongly opposed to this idea. Almost half (48%) of people earning \$40,000 to \$60,000 strongly oppose this recommendation and a total of 66 percent oppose the idea. Moreover, 72 percent of families with household incomes of \$60,000 to \$80,000 oppose the change.



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