

Affordable Housing a Serious Challenge: Almost Half Can't Buy New Homes and One-third Forced to Consider Relocation

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Affordable housing has remained one of the biggest problems in the Sacramento region over the past four years. Today, almost half of the area residents (47%) aren't able to find a home that they can afford and would buy in the four-county Sacramento region if they decide to purchase a new house in the near future. This includes 43 percent of current homeowners and half of the middle-class families who are making \$30,000 to \$99,999 a year. This American dream is even more illusive for households making less than \$30,000 (67%), non-homeowners (57%), unmarried (57%), and elderly residents (58%). In fact, this high cost has made one-third (33%) of the public think about moving away, which is eight percentage points higher than the state as a whole (25%). This is particularly the case for non-homeowners (48%), people 40 or younger (43%), respondents with income less than \$30,000 (41%), and those who are nonwhite (37%). Of those who are pondering relocation, about two-thirds (65%) plan to leave California.

These are some of the findings from *The 2005 Annual Survey of Public Opinion and Life Quality in the Sacramento Region*, conducted from February 15 to March 16, 2005, by the Institute for Social Research (ISR), California State University, Sacramento.

Homeownership: A Great Source of Wealth, Family Stability, and Life Satisfaction

Homeowners are much more likely than non-homeowners to have accumulated more wealth in the Sacramento region. Homeowners tend to have higher household income. Thirty-one percent of homeowners made \$100,000 or more in 2004, while only 4 percent of non-homeowners reported that kind of income. Moreover, housing prices have been increasing dramatically in the past few years in the Sacramento region and the state. For example, from January 2004 to January 2005 alone, the median price for a house has increased 20.4 percent in the state and 32.3 percent in Sacramento (California Association of REALTORS 2005). Thus, the gap between the haves and the have-nots has been greatly enlarged (Department of Housing and Community Development 2005).

Homeowners are also much more likely than non-homeowners to get married and report to be very satisfied with their life in the Sacramento region. Sixty-six percent of homeowners are married, while 72 percent of non-homeowners are unmarried. Thirty-four percent of homeowners are very satisfied with their quality of life; however, only 18 percent of non-homeowners feel this way. It's no wonder owning a home is one of the greatest dreams for many residents in the Sacramento region.

“Which of the following categories best describes your total household income for 2004, before taxes?”

Comparison between Homeowners and Others

	Home Owners	Others
Less than \$30,000	10%	48%
\$30,000 to \$99,999	59	48
\$100,000 or more	31	4

“What is your marital status?”

Comparison between Homeowners and Others

	Home Owners	Others
Married	66%	28%
Never married	9	41
Separated, divorced, or widowed	25	31

**“How satisfied are you with the overall quality of life in the Sacramento Region?
Are you...?”**

Comparison between Homeowners and Others

	Home Owners	Others
Very satisfied	34%	18%
Somewhat satisfied	54	60
Somewhat dissatisfied	10	16
Very dissatisfied	2	4
Don't know	0	2

Majority of Non-homeowners Hope to Buy a Home in the Sacramento Region

Sixty percent of non-homeowners in the region wish to own a home in the four-county Sacramento region some day. This American dream is widely shared regardless of racial background and marital status, and no matter which county they live in, how long they have stayed there, and which political party they belong to. However, the highest desire to acquire a house has been expressed by younger, middle-income non-homeowners.

Seven in ten (69%) of those 40 or younger non-homeowners and a majority of those between 41 and 64 (59%) hope to own a home in the Sacramento region in the future. To the contrary, 82 percent of those 65 or older have no such preference. These findings may reflect the fact that those elderly we surveyed may be looking ahead to retiring elsewhere.

A majority of those whose households earn less than \$30,000 (58%) or earn between \$30,000 and \$99,999 (67%) hope to buy a home in the Sacramento region some day, while only 33 percent of those making \$100,000 or more per year have such a desire. Thus, middle-income renters have the highest desire (67%) to obtain a home in the Sacramento region.

“Do you hope someday to own a home in the four-county Sacramento region?”

Comparison among People with Different Age

	Sacramento Region	40 or Younger	41 to 64	65 or Plus
Yes	60%	69%	59%	11%
No	37	27	39	82
Don't know	3	4	2	7

Comparison among People with Different Household Income

	Less than \$30,000	\$30,000 - 99,999	\$100,000 Or More
Yes	58%	67%	33%
No	39	31	45
Don't know	3	2	22

One-third of Homeowners Hope to Sell their Current Home and Buy a New One

There is also a great deal of desire for current homeowners to buy another home in the Sacramento region. Thirty-three percent expect someday to sell their current home and buy another house. This is especially the case for younger, newer, and richer homeowners.

More than half of the homeowners 40 or younger (56%) hope they will sell their current home and buy another house, compared to 33 percent of those between 41 and 64, and 10 percent for those age 65 or older.

Long time homeowners who have lived in Sacramento for 20 or more years are more likely to stay in their current house (74%) than those newest homeowners who have moved to the region in the past six years (47%). In fact, the latter are equally divided: 46% will sell their current home and buy another house, while 47% will not.

Homeowners with the highest household income (40%) are much more likely than the lowest income homeowners (17%) to expect to sell their current home and buy another one. In fact, 80% of the lowest income homeowners have no such a plan.

“Do you hope someday to sell your current home and buy another house in the four-county Sacramento region?”

Comparison among People with Different Age

	Sacramento Region	40 or Younger	41 to 64	65 or Plus
Yes	33%	56%	33%	10%
No	63	40	62	89
Don't know	4	4	5	1

Comparison among People with Different Length of Residence in the Region

	6 Years or Less	7 to 19 Years	20 Years or Longer
Yes	46%	43%	23%
No	47	52	74
Don't know	7	5	3

Comparison among People with Different Household Income

	Less than \$30,000	\$30,000 - 99,999	\$100,000 Or More
Yes	17%	35%	40%
No	80	61	56
Don't know	3	4	4

Affordable Housing Remains a Top Concern in the Past Four Years in the Region

Although the public in the Sacramento region (48%) are less likely to regard affordable housing as a major problem than residents in the coast areas of the state (63% for Orange/San Diego, 59% for Los Angeles, and 58% for the Bay Area, Baldassare November 2004), the Sacramento region is no longer regarded as a place that used to have plenty of affordable housing. Affordable housing has remained a big issue in the past four years since we started our survey in 2002. The perception that affordable housing is a major problem was 47% in February 2002 (Liu 2002), 51% in February 2003 (Liu and Sheley 2003), and 50% in February 2004 (Liu and Sheley 2004). In 2005, three out of four residents (75%) regard the availability of affordable housing as either a big problem (48%) or somewhat of a problem (27%). Twenty-three percent report no problem, and two percent don't know.

The perception of affordable housing doesn't vary significantly by county or race. However, length of residence does make a difference. Residents who have lived in the region for a long time are much more likely to perceive it as a big problem. More than half of the long-term residents (52% living 20 or more years), 47 percent of those living between 7 to 19 years, and 39 percent of those who have stayed six years or less report affordable housing is a big concern. There is a gap of 13 percentage points between long-time residents (20 years or greater) and newest residents (six years or less).

More than half of those people with middle-income (53% making \$30,000 and \$99,999) and lower-income (55% making \$30,000 or less) also believe affordable housing is a big problem. Even 37 percent of those people making \$100,000 or more, and half of those younger than 65 (50%), Democrats (52%), and other voters (51%) share this concern.

Homeownership status does make a major difference in perception of affordable housing. A majority of the non-homeowners (60%) find affordable housing a big problem, while 43% of homeowners think so.

“I am going to read you a list of issues in the Sacramento region. For each one, please tell me if you think it is a big problem, somewhat of a problem, or not a problem.”

Comparison among Different Regions in California

	Sacramento Region	SF Bay ¹ Area	Los Angeles ¹	Orange/ ¹ San Diego	Central Valley ¹
Affordable Housing Big problem	48%	58%	59%	63%	39%

¹ Source: Public Policy Institute of California Statewide Survey: Special Survey on Californians and their Housing, November 2004, page 14.

Comparison between California and the Sacramento Region

	California (2005) ¹	Sac. Region ² (2005)	Sac. Region ³ (2004)	Sac. Region ⁴ (2003)	Sac. Region ⁵ (2002)
Affordable housing Big problem	55%	48%	50%	51%	47%
Somewhat of a prob.	23	27	31	33	33
Not a problem	20	23	16	14	18
Don't know	2	2	3	2	2

¹ Source: Public Policy Institute of California Statewide Survey: Special Survey on Californians and their Housing, November 2004, pages 14 and 31, question 4. This survey was conducted by Mark Baldassare, Public Policy Institute of California (PPIC) in collaboration with the James Irvine Foundation.
http://www.ppic.org/content/pubs/S_1104MBS.pdf

² The wording in our 2005 survey is slightly different from our 2002, 2003, and 2004 surveys. The 2002, 2003 and 2004 surveys asked about the “availability of affordable housing,” while this year uses “the availability of housing you can afford”, the same as the PPIC surveys.

³ Source: The 2003 Annual Survey of Public Opinion and Life Quality in the Sacramento Region, June 2003, www.csus.edu/ssis/.

⁴ Source: *The Executive Summary for the Regional Issues* for the 2004 Annual Survey of Public Opinion and Life Quality in the Sacramento Region, April 2004, www.csus.edu/ssis/.

⁵ Source: The 2002 Annual Survey of Public Opinion and Life Quality in the Sacramento Region, June 2002, www.csus.edu/ssis/.

Comparison among People with Different Household Income

	Less than \$30,000	\$30,000 - 99,999	\$100,000 Or More
Affordable housing			
Big problem	55%	53%	37%
Somewhat of a problem	27	25	29
Not a problem	16	21	33
Don't know	2	1	1

Comparison among People with Different Length of Residence in the Region

	6 Years or Less	7 to 19 Years	20 Years or Longer
Affordable housing			
Big problem	39%	47%	52%
Somewhat of a problem	31	30	24
Not a problem	28	22	22
Don't know	2	1	2

Comparison among People with Different Age

	40 or Younger	41 to 64	65 or Plus
Affordable housing			
Big problem	50%	50%	39%
Somewhat of a problem	28	27	23
Not a problem	20	21	35
Don't know	2	2	3

Comparison among Registered Voters

	Republicans	Democrats	Others
Affordable housing			
Big problem	40%	52%	51%
Somewhat of a problem	28	28	24
Not a problem	30	20	23
Don't know	2	0	2

Comparison between Renters and Homeowners

	Homeowners	Non-homeowners
Affordable housing		
Big problem	43%	60%
Somewhat of a problem	29	23
Not a problem	26	15
Don't know	2	2

Almost Half of the Public Can't Afford to Buy a New House in the Near Future

Housing has become very expensive for many residents in the Sacramento region. In fact, today only half of the residents (51%) think they would be able to find a home in the Sacramento region that they can afford and would like to buy if they decide to purchase a new house in the near future. The other half (47%) simply can't afford it.

Household income is the best predictor of housing affordability in the region. Eight in ten residents (81%) with a household income of \$100,000 or more a year are optimistic that they can afford a home in an area in the Sacramento region in which they would like to live, compared to 48 percent for those with income between \$30,000 and \$99,999, and 31 percent with those making less than \$30,000 a year. Two-thirds (67%) of those making less than \$30,000 a year and half of those (50%) making between \$30,000 and \$99,999 cannot afford to buy a new home in the Sacramento area.

Those who are married (60%) are much more likely than others to be positive that they can afford a home in an area in the Sacramento region in which they would like to live. Thirty-six percent of those who are divorced, separated or widowed, and 45% of those not married feel the same.

People who are under 65 (57% for those 40 or younger and 53% for those between 41 and 64) are more likely to say they can afford a home than those who are 65 or older (35%). The majority of elderly residents (58%) can't afford to sell their current home and buy another one. This may reflect the fact that many of the retired elderly are more likely to live on a fixed income, and have fewer opportunities to significantly increase their household income in order to maintain a new house and pay higher property taxes.

Among the registered voters, Republicans (60%) are most hopeful that they can afford a home in an area in the Sacramento region in which they would like to live. More than half of the Democrats (52%) and other voters (53%) do not share this view.

The majority of non-homeowners (57%) can't afford to buy a new home in the near future. Forty-three percent of homeowners also report that they can't afford a home in the area where they want to live, even though they (55%) are more likely than others (40%) to be hopeful that they can afford a home.

Overall, those in highest income households (81%), those who are married (60%), homeowners (55%), and Republicans (60%) are the most confident that they can afford a home in an area in the Sacramento region in which they would like to live.

“If you decide to buy a new home in the near future, how likely is it that you would be able to find a home that you can afford and would like to buy in the part of the Sacramento region where you like to live? Is it...?”

Comparison between the Sacramento Region and California

	Sacramento Region	California
Likely	51%	53%
Unlikely	47	45
Don't know	2	2

Comparison among People with Different Household Income

	Less than \$30,000	\$30,000 - 99,999	\$100,000 Or More
Likely	31%	48%	81%
Unlikely	67	50	18
Don't know	2	2	1

Comparison between Married and Others

	Married	Divorced, Separated, and Widowed	Never Married
Likely	60%	36%	45%
Unlikely	38	59	53
Don't know	2	5	2

Comparison among People with Different Age

	40 or Younger	41 to 64	65 or Plus
Likely	57%	53%	35%
Unlikely	42	45	58
Don't know	1	2	7

Comparison among Registered Voters

	Republicans	Democrats	Others
Likely	60%	46%	45%
Unlikely	37	52	53
Don't know	3	2	2

Comparison between Homeowners and Others

	Home Owners	Others
Likely	55%	40%
Unlikely	43	57
Don't know	2	3

One-Third of the Public Forced to Consider Relocation

The high cost of housing in the Sacramento region has made 33 percent of area residents seriously consider moving away from the part of the Sacramento region where they are now living. This is much higher than in California as a whole where high price tags force 25 percent of Californians to think about leaving or transferring.

High housing costs are especially hard for non-homeowners. Almost half (48%) of them are forced to think about moving. Residents 40 or younger (43%) and those with household income less than \$30,000 (41%) are also significantly affected. Even 37 percent of those making \$30,000 to \$99,999 and 37 percent of non-white racial groups are contemplating such a move.

The biggest gap is between lowest and highest household income people who are seriously pondering moving away (25%), and between homeowners and non-homeowners (21%).

Of those who are considering moving, about two-thirds (65%) plan to leave California. This is specially the case for those 65 years old or older (87%).

“Does the cost of the housing make you and your family seriously consider moving away from the part of the Sacramento region you live in now?”

Comparison between Homeowners and Others in Sacramento

	Sacramento Region	Home Owners	Others
Yes	33%	27%	48%
No	66	73	50
Don't know	1	0	2

Comparison among People with Different Age

	40 or Younger	41 to 64	65 or Plus
Yes	43%	33%	13%
No	56	66	86
Don't know	1	1	1

Comparison among People with Different Household Income

	Less than \$30,000	\$30,000 - 99,999	\$100,000 Or More
Yes	41%	37%	16%
No	58	62	84
Don't know	1	1	0

Comparison between Non-Hispanic Whites and Other Racial Groups

	Non-Hispanic White (White)	Other Racial Groups (Nonwhite)
Yes	31%	37%
No	69	61
Don't know	0	2

Comparison between Homeowners and Others in California

	California	Home Owners	Others
Yes	24%	16%	37%
No	76%	84	63
Don't know	0	0	0

**Where do you plan to move: elsewhere within the four-county region,
outside the region, or outside California?**

	Sacramento Region	40 or Younger	41 to 64	65 or Plus
Within the region	10%	12%	10	4
Outside the region	19	19	21	0
Outside California	65	65	62	87
Don't know	6	4	7	9

Survey Methods

The above results are based on our fourth annual survey, *The 2005 Annual Survey of Public Opinion and Life Quality in the Sacramento Region*. This study is a computer-assisted telephone interview of 1002 randomly selected adult residents age 18 or over in the Sacramento region, which includes Sacramento, Yolo, Placer, and El Dorado counties. The objective of this project is to assess quality of life and public opinion regarding a wide range of important local and national issues in the Sacramento region.

More than 20 students conducted phone interviews in English and Spanish from February 15 to March 16, 2005, at the Institute for Social Research, California State University, Sacramento (CSUS). The sample is representative of the four counties in the Sacramento region and comparable to the 2000 U.S. Census (68% residents in the Census vs. 66% in the sample in Sacramento County, 14% in the Census vs. 15% in the sample in Placer County, 9% in the Census vs. 9% in the sample in Yolo County; and 9% in the Census vs. 10% in the sample in El Dorado County). The margin of error for the survey is approximately ± 3 percentage points at the 95 percent confidence level. The error for group comparisons in the Sacramento region would be higher than ± 3 percentage points at the 95 percent confidence level.

This survey has compared the Sacramento region findings with those from other California regions, the state, and the nation. Data cited regarding the state and other California regions often comes from the Public Policy Institute of California (PPIC) Statewide Surveys. Nationwide data often comes from Gallup polls.

The College of Social Sciences and Interdisciplinary Studies (SSIS) and the Office of Public Affairs at CSUS sponsored this project. Dr. Joseph Sheley, Dean of SSIS, is actively involved in this project and has made great contributions.

This research is directed by Amy Qiaoming Liu, Ph.D., Department of Sociology and Institute for Social Research, California State University, Sacramento. Dr. Liu is an expert in public opinion polls, and has conducted over 20 surveys in the past nine years, including:

- 2004 Survey of Public Opinion and Life Quality in the Sacramento Region
- 2003 Survey of Public Opinion and Life Quality in the Sacramento Region
- 2002 Survey of Public Opinion and Life Quality in the Sacramento Region
- Survey of Iowa Business about Eldercare and Eldercare Needs
- Story County Conservation Board Survey
- Grundy County Youth Needs Assessment
- Marshalltown United Way Survey

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Appendix I: The 2005 Annual Survey Research Team Members and Sponsors

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