



Racial and ethnic stratification in the relationship between homeownership and self-rated health



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ABSTRACT

Social scientists have long demonstrated that socioeconomic resources benefit health. More recently, scholars have begun to examine the potential stratification in the health returns different groups receive for a given resource. Motivated by fundamental cause theory, this paper examines homeownership as a salient health resource with potentially stratified benefits. Homeowners have significantly greater housing quality, wealth, neighborhood quality and integration, and physical and mental health than renters. However, there are compelling theoretical reasons to expect the health advantage of homeownership to be unequally distributed across racial and ethnic groups. Regression analyses of 71,874 household heads in the United States from the 2012 March Current Population Survey initially suggest all homeowners experience a significant health advantage. Further examination finds robust evidence for a homeowner health advantage among Whites, on par with the difference between the married and divorced. The advantage among minority households is considerably smaller, and not significant among Latinos or Asians. Conditioning on a broad array of observable characteristics, White homeowners emerge as exceptionally healthy compared to White renters and all minority groups. This leads to the unexpected finding that racial/ethnic differences in health are concentrated among homeowners. The findings demonstrate the interactive nature of racial/ethnic stratification in health through both access to and returns from socioeconomic resources.

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1. Introduction

Homeownership has long been the symbol of the “American Dream” and has played a central role in defining success in American society. Homeownership has been associated with a broad set of social and economic advantages, ranging from greater wealth to higher life satisfaction (Dietz and Haurin, 2003; Rossi and Weber, 1996). Some studies also link homeownership to better physical and mental health (Dietz and Haurin, 2003; Evans et al., 2003; Kearns et al., 2000; Macintyre et al., 1998; Manturuk, 2012; Rossi and Weber, 1996). The literature suggests this is because homeownership confers higher perceptions of control and security, and residential stability and neighborhood integration (Dietz and Haurin, 2003; Kearns et al., 2000; Rohe and Stewart, 1996; Rossi and Weber, 1996). Homeowners also have better average physical housing quality (Friedman and Rosenbaum, 2004; Rosenbaum,

1996) and much greater economic resources (Boehm and Schlottmann, 2008).

Though past literature has focused on identifying the relative salience of the direct and indirect pathways through which homeownership may improve health, much less attention has been paid to potential stratification in this relationship. Homeownership is profoundly stratified by race and ethnicity, as is health. Approximately 74 percent of White households own their homes, compared to only 45 percent of Black and Latino households (U.S. Census Bureau, 2013). Even if they attain homeownership, racial and ethnic minorities are also disadvantaged by large disparities in the social and economic returns to homeownership. Non-White homeowners are often restricted to houses in resource-poor areas, accumulate far less equity, and have disproportionately higher mortgage rates that increase the tenuousness of their residency (Boehm and Schlottmann, 2004; Flippen, 2001; Krivo and Kaufman, 2004; Massey and Denton, 1993). These inequalities give one reason to suspect that returns to homeownership might be stratified. Nevertheless, existing research has not thoroughly examined this possible racial and ethnic stratification in the health returns to homeownership.

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This study scrutinizes homeownership as an important socioeconomic resource for health. Moreover, this study uniquely examines whether and how the health returns to this resource may be stratified for different racial and ethnic groups. Building on fundamental cause theory (Link and Phelan, 1995) and prior research, the paper constructs hypotheses for the relationship between homeownership and health and its potential stratification. I empirically evaluate the hypotheses for the US's four largest racial and ethnic groups using the March 2012 Current Population Survey (CPS). First, I provide a recent and nationally representative evaluation of homeowners' potential health advantage over renters. Second, I test whether any such health advantage is stratified by race/ethnicity, following sociological literature on racial and ethnic stratification. The findings indicate that homeowners have significantly better self-rated health than comparable renters. The relationship is robust to the inclusion of a variety of controls, consistent with the fundamental cause argument. However, the advantage applies primarily to Whites, and White homeowners are an exceptionally healthy group among the overall population. In contrast, Black homeowners have a much smaller health advantage over Black renters, and Latino and Asian homeowners have no significant advantage. These findings demonstrate the interactive nature of racial and ethnic stratification in the generation of health disparities.

2. Homeownership and health

Link & Phelan's (1995) theory of fundamental causes posits that socioeconomic resources fundamentally affect health, regardless of specific diseases or health behaviors that operate as mechanisms. Homeownership may represent one such socioeconomic resource, which benefits health through multiple social and economic pathways. Past literature provides evidence that homeownership is beneficial for health through both direct pathways and indirect pathways. Direct pathways include homeowners' greater perceptions of control and security, and residential stability and social integration compared to renters (Dietz and Haurin, 2003; Rohe and Stewart, 1996; Rohe et al., 2002; Rossi and Weber, 1996). Indirect pathways include social and economic benefits associated with homeownership, but potentially attainable outside it. For instance, homeownership provides higher average housing quality (Friedman and Rosenbaum, 2004), and a basis for wealth accumulation (Boehm and Schlottmann, 2008).

The first direct pathway is homeowners' higher level of self-efficacy, self-satisfaction, and perceived control over life significant events (Rossi and Weber, 1996). Homeowners experience higher levels of security and autonomy related to their physical homes (Kearns et al., 2000). This enhanced sense of control likely represents a buffer and coping resource for stressful events (Rohe and Stegman, 1994a). Those with greater self-efficacy are more likely to select into homeownership. However, even among matched sets of low-income homeowners and renters, homeowners have significantly higher perceptions of control, higher life satisfaction, and lower mental distress (Manturuk, 2012; Rohe and Stegman, 1994a).

Another potential direct pathway is homeowners' greater residential stability and neighborhood integration. Homeowners' longer lengths of residency are due to both selection and high transaction costs for buying and selling homes. Despite selection of more residentially stable households into homeownership, the greater difficulty for homeowners to move quickly and easily makes greater stability an intrinsic element of homeownership (Dietz and Haurin, 2003; Rohe and Stewart, 1996). Relatedly, homeowners are more likely than renters to be integrated into residentially stable neighborhoods with greater affluence, lower poverty, and better health service provision, all of which

significantly benefit health (Dietz and Haurin, 2003; Kawachi and Berkman, 2003; Kirby, 2008; Macintyre and Ellaway, 2003). Homeowners are also more civically engaged in the local community, and express higher trust in their neighbors (McCabe, 2013; Rohe and Stegman, 1994b; Rossi and Weber, 1996). The salience of this neighborhood integration for health by homeownership is somewhat unclear (Manturuk, 2012). However, social cohesion and control, operationalized as collective efficacy (Sampson et al., 2002), are positively related to both individual health and local homeownership rates (Browning and Cagney, 2002; Entwisle, 2007; Sampson, 2003).

Indirect pathways through which homeowners may experience health benefits include higher average housing quality, and greater wealth accumulation. Fewer homeowners than renters live in poor quality housing (Friedman and Rosenbaum, 2004; Rosenbaum, 1996). Dampness and mold lead to respiratory disease, pest infestations and infectious disease, and illness due to cold or heat exposure (Dunn, 2000). Those living in poor quality housing report higher mental and emotional stress, and higher rates of diagnosed mental disorders due to overcrowding (Evans et al., 2000). Finally, homeowners are much more likely to live in single-family, detached homes. Residents of these houses report less mental distress and greater positive affect than residents of other structural types (see Evans et al. (2003) for a review).

Homeowners experience far greater wealth accumulation through tax advantages and home equity. Wealth has been linked with lower mortality, higher self-rated health, fewer chronic conditions, higher functional status, and better mental health (see Pollack et al. (2007) for a review). Home equity accumulation and accompanying tax benefits form the foundation for most households' wealth accumulation. Second mortgages or home equity loans also provide a buffer against negative economic shocks (Dietz and Haurin, 2003; Oliver and Shapiro, 1995). Homeownership is a unique component of wealth because it is both an investment and consumption good, making it a higher priority for most households than other investments (Shlay, 2006).

Overall, homeownership may be related to health through a complex array of direct and indirect pathways. Regardless of variation in particular mechanisms, homeownership likely represents a significant health resource consistent with fundamental cause theory (Link and Phelan, 1995). These relationships motivate the first hypothesis.

Hypothesis 1. Homeowners exhibit a significant health advantage over comparable renters.

Though a positive relationship between homeownership and physical and mental health has been previously demonstrated (Dietz and Haurin, 2003; Manturuk, 2012; Rossi and Weber, 1996), the literature lacks an empirical evaluation of health differences between homeowners and renters in recent years. To the best of my knowledge, Rossi and Weber (1996) conducted the most recent nationally representative study for the US, using data from 1988 through 1993. Conversely, more recent studies investigating the pathways through which homeownership influences health lack representative data for the entire population. A recent and representative empirical examination may be particularly relevant in light of the recent housing and foreclosure crisis of the late 2000s.

3. Racial/ethnic stratification in homeownership and health

Fundamental cause theory also recognizes racial inequality as a social condition influencing health (Link and Phelan, 1995). Racial stratification increases socioeconomic disadvantage and other risk factors for poor health among minorities relative to Whites. However, racial stratification may also undermine the health benefits of

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