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Homeowners fared better in Great Recession than renters, new study finds  
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While many Americans took a big financial hit during the Great Recession, homeowners were less likely than renters to lose very large proportions of their wealth, finds a new study from the Center for Social Development (CSD) in the Brown School at Washington University in St. Louis.

"The proportion of homeowners who lost net worth was larger than the proportion of renters who did so; however, renters were more likely than owners to lose at least 25 percent of their net worth during this time," said lead author [Michal Grinstein-Weiss](#), PhD, associate professor at the Brown School and associate director of CSD.

"Homeownership appears to not only expose households to loss but also to protect against severe loss," she said.

The study, "[Homeownership, the Great Recession, and Wealth: Evidence From the Survey of Consumer Finances](#)," appears in the journal *Housing Policy Debate*.

Using the 2007–09 re-interview panel of the Survey of Consumer Finances, Grinstein-Weiss and her research partners describe the diverse balance sheets of groups of homeownership households.

"The experience among homeowners was diverse, with some experiencing net gains while other suffered losses," Grinstein-Weiss said. "Overall, most homeowners had only small shifts in their balance sheets. In 2007, the biggest asset for homeowners however, was their home. This was particularly true for the lowest-income homeowners, who had an average of 70 percent of their wealth in their homes in 2007."

The study found that average percentage change in nonequity net worth among homeowners between racial groups was similar across groups but that the change in home equity differed across groups.

"During the period between 2007 and 2009, Hispanics experienced a 32-percent drop in home equity, blacks experienced a 31-percent drop, and whites experienced a 15-percent drop," Grinstein-Weiss said.

Although the odds of any loss of net worth were similar across groups, black homeowners were significantly more likely than homeowners of other races to lose a large portion of net worth, the study found.

"About a third of black households lost at least half of their 2007 net worth, and almost half lost at least 25 percent of their 2007 net worth," Grinstein-Weiss said. "The proportions with such losses were substantially higher among black homeowners than among those in the other groups."

