



MEMO

DATE: March 15, 2013

TO: Sheila Crowley, NLIHC

FROM: John Russonello

RE: Key findings from the 2013 survey on homelessness and changing mortgage interest tax laws

As the Congress debates budget priorities for the nation, a new BRS survey for the NLIHC reports a large majority of Americans consider homelessness a serious problem that has been neglected. The public expresses a willingness to spend government funds on housing to combat homelessness at the state and federal levels.

A discussion of the traditional home mortgage interest deduction (MID) indicates a strong majority supporting the MID, but majorities also support making changes in the MID to target it more towards middle and lower income families. Americans believe any savings from reforming the MID should be shared between deficit reduction and using the funds to fight homelessness.

Americans are motivated to end homelessness first and foremost because they believe good housing is necessary for young people to have an opportunity to better themselves.

Belden Russonello Strategists LLC conducted the nationally representative telephone survey of 802 adults. Interviews were conducted on landlines and cell phones from February 27 to March 9, 2013. The margin of sampling error for the survey is plus or minus 3.5 percentage points at the 95% level of confidence and is larger for subgroups within the survey.

Findings

1. Homelessness seen as serious and neglected issue

Almost nine out of ten Americans (88%) believe homelessness is a serious problem in the U.S. – five in ten say it is a very serious problem (51%). Three-quarters of Americans (74%) believe we are not doing enough to combat homelessness in this country. Two-thirds (66%) favor increasing federal funding for affordable housing to help end homelessness in the U.S. and an even higher proportion (76%) favor building more affordable housing in their state to help end homelessness.

2. Strong support for policies to fight homelessness

Two-thirds of the public (67%) support expanding federal government programs that help low-income families pay their rent and three quarters (75%) favor funding a federal government program to build new or rehab existing homes that low-income people can afford to rent.

3. Support for both keeping the MID and for changing it to be more targeted

Americans, in large numbers, continue to want a tax break on the interest paid on home mortgages. Four out of five people who answered the question (79%) think the mortgage interest deduction is a good idea. However, this support for the MID does not stop majorities from supporting two proposals for changing it to be more targeted. By a margin of 60% to 40%, people favor capping the maximum mortgage for which someone can get a tax break at \$500,000 and the same proportion favor changing the MID to a tax credit that is the same percent for all homeowners who pay mortgage interest, rather than the current deduction that gives a higher percentage to higher income people.

4. Savings from the MID should go to end homelessness and deficit reduction

When the public considers how to use the potential savings that could accrue from reforming the MID, devoting funds to affordable housing to end homelessness draws a great deal of support. A majority (53%) says the \$20 billion in savings should be used for reducing the deficit and ending homelessness, while 15% would like to use all of the savings for ending homelessness and 26% would use all of it for deficit reduction.

5. Decent housing seen as a basic requirement to create opportunity

A number of core values underlie the public's support for ending homelessness and having more affordable housing. Half of Americans said "children whose families have stable, affordable homes will do better in school than those who do not" (50%) and "everyone needs a decent place to live, so they can have the opportunity to better themselves" (49%) are extremely important reasons for providing housing.