

Reforming Mortgage Tax Laws and Ending Homelessness

Analysis of a national survey of adults for
the National Low Income Housing Coalition

March 2013



Opinion Research ■ Strategic Communication

Objectives of Research

Inform about attitudes on:

- Homelessness in America;
- Mortgage interest deduction; and
- Possible reforms and solutions to both.

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Methods

- 802 nationwide telephone (landline and cell phone) interviews
- Feb 27 – Mar 9, 2013
- ± 3.5 margin of sampling error

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Outline

1. Homelessness in America
2. Changing the mortgage interest deduction
3. Using MID savings to help end homelessness
4. Messaging on homelessness

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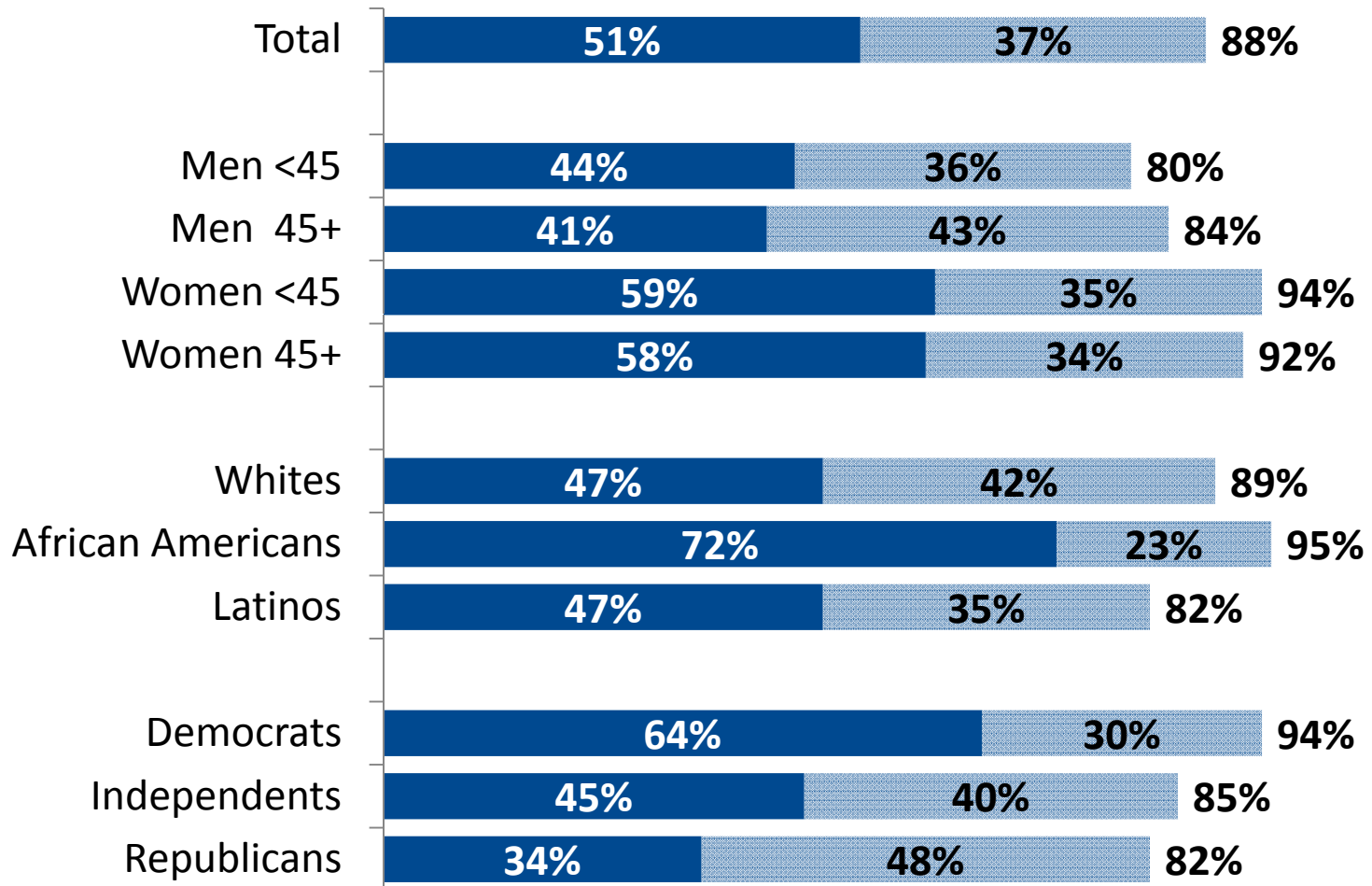
Homelessness in America

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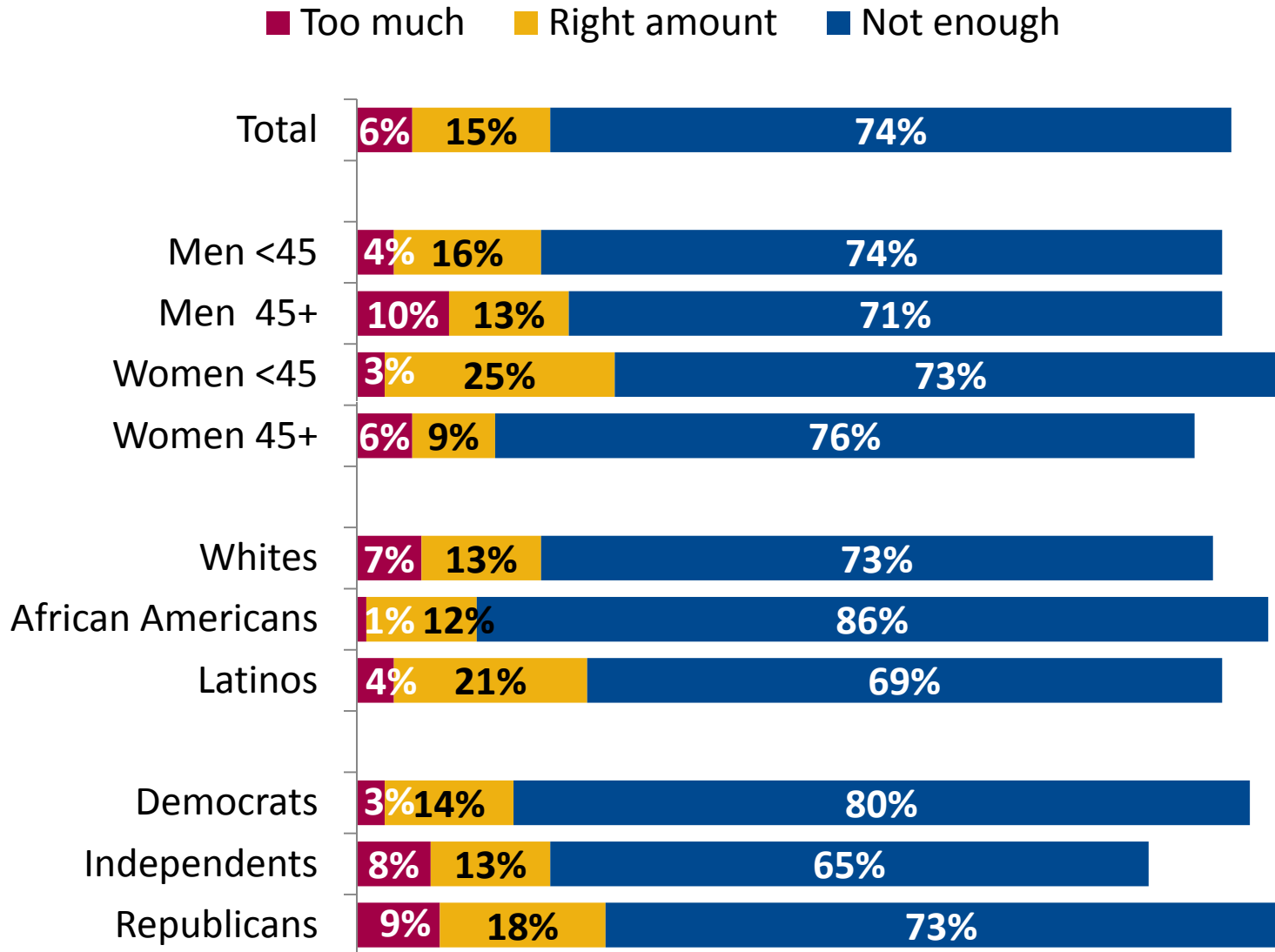
Homelessness viewed as a serious problem

■ Very serious problem ■ Somewhat serious problem



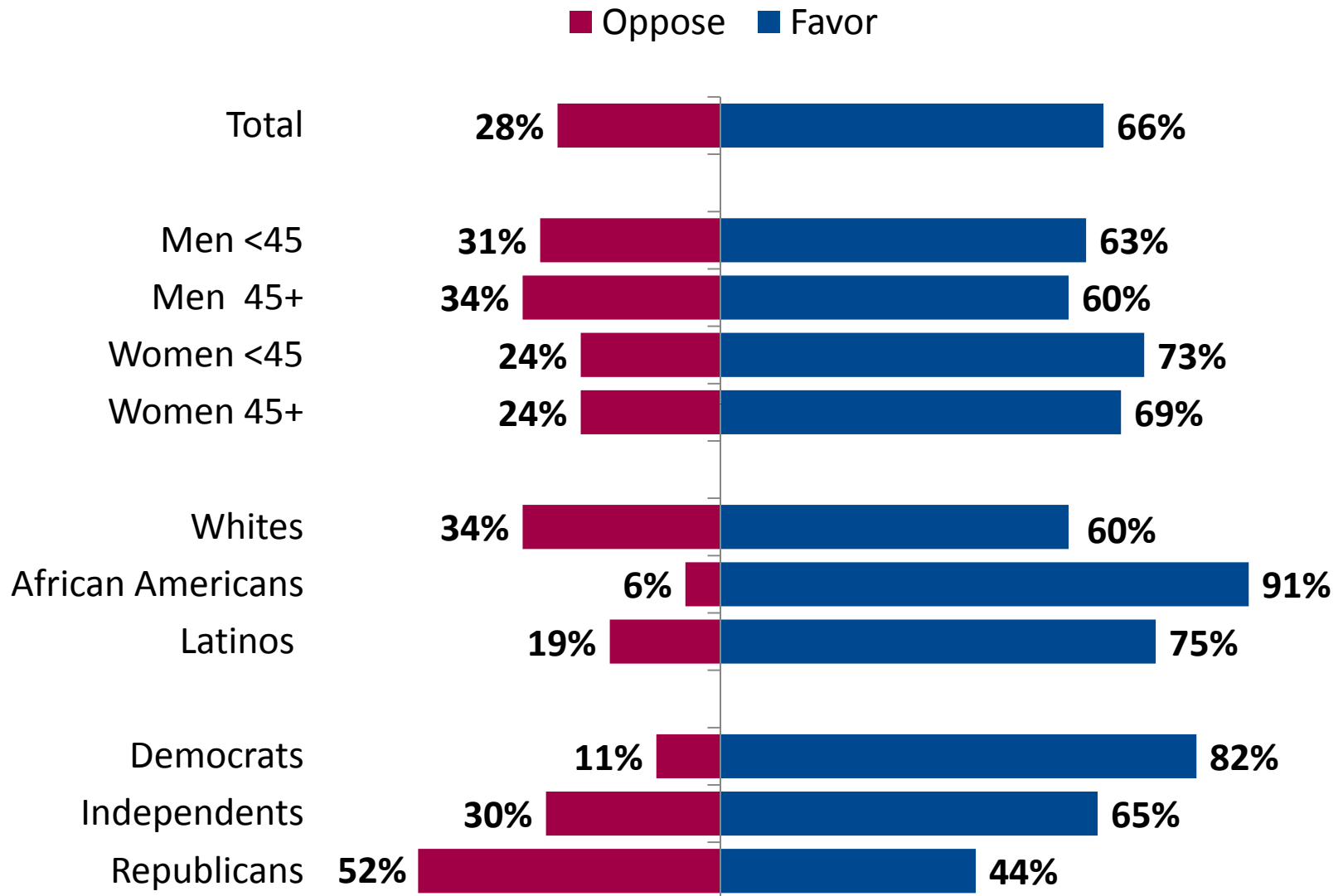
Q2. Please tell me how serious of a problem you think homelessness is in the United States today – a very serious problem, a somewhat serious problem, a not very serious problem, or not a serious problem at all.

Nation not doing enough to end homelessness



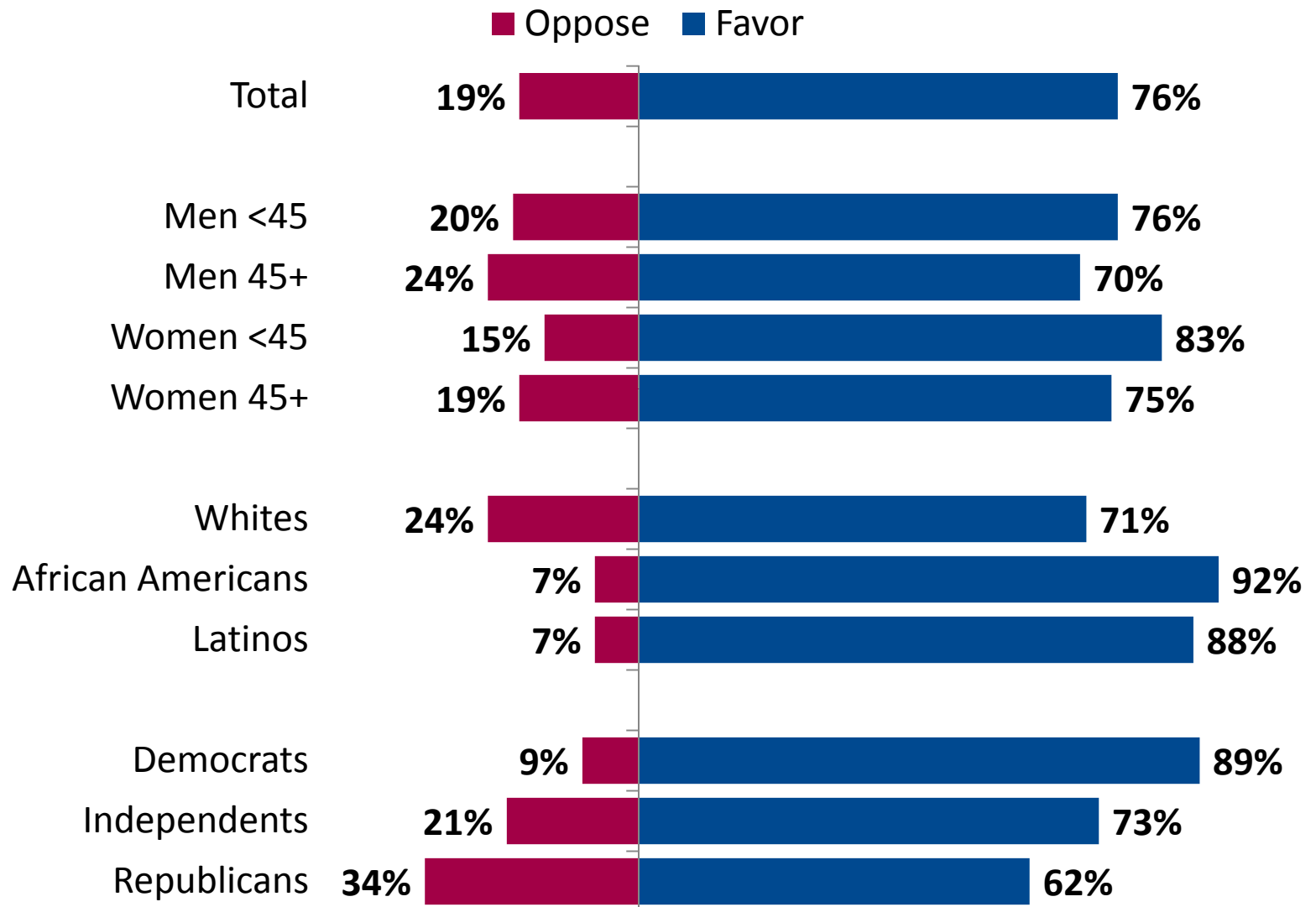
Q3. Do you think we, as a nation, are doing too much, not enough, or the right amount to end homelessness?

Favor increasing federal funding for affordable housing



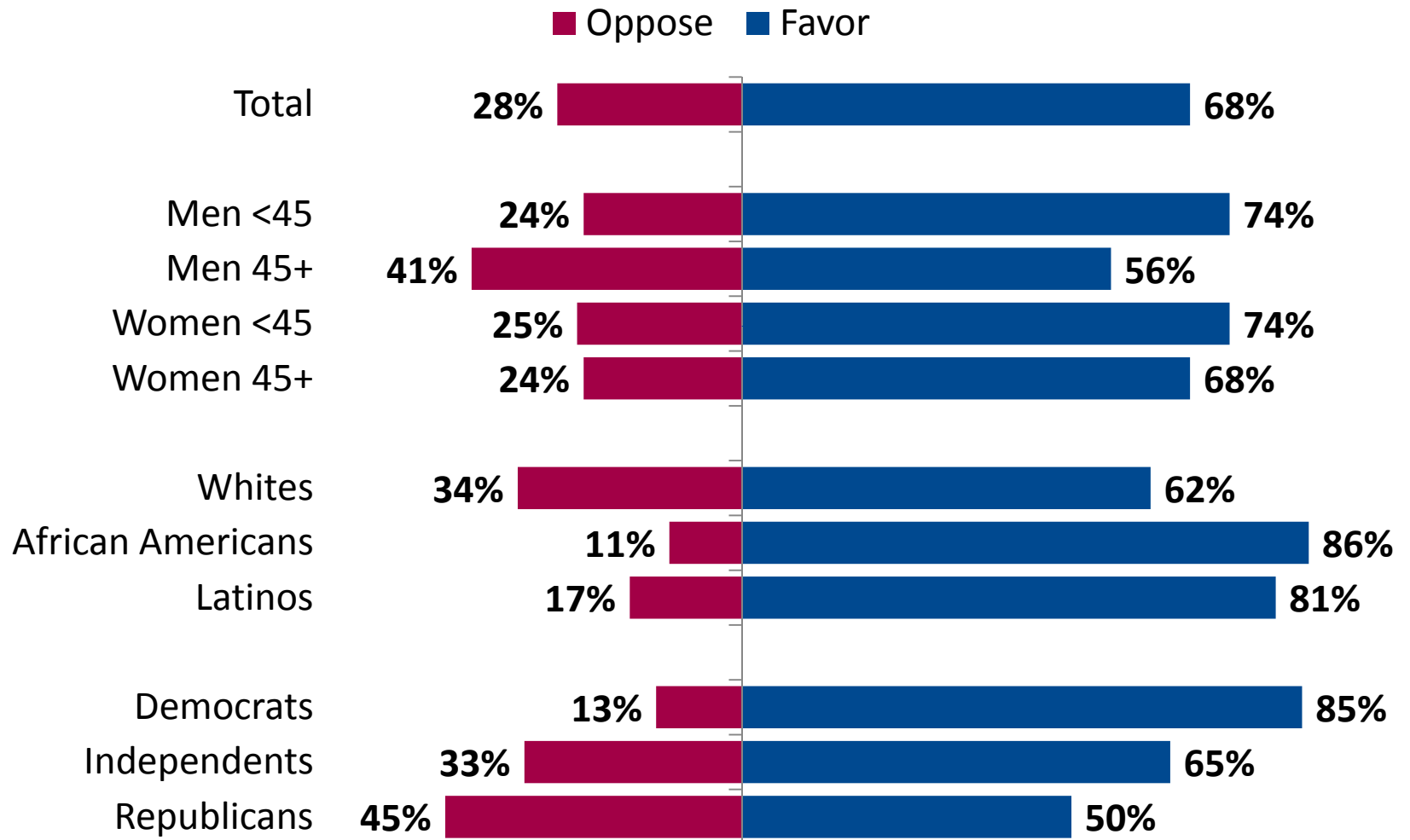
Q5. Would you favor or oppose increasing the federal funding for affordable housing to help to end homelessness in the United States? Is that strongly or somewhat?

Favor building more affordable housing in state



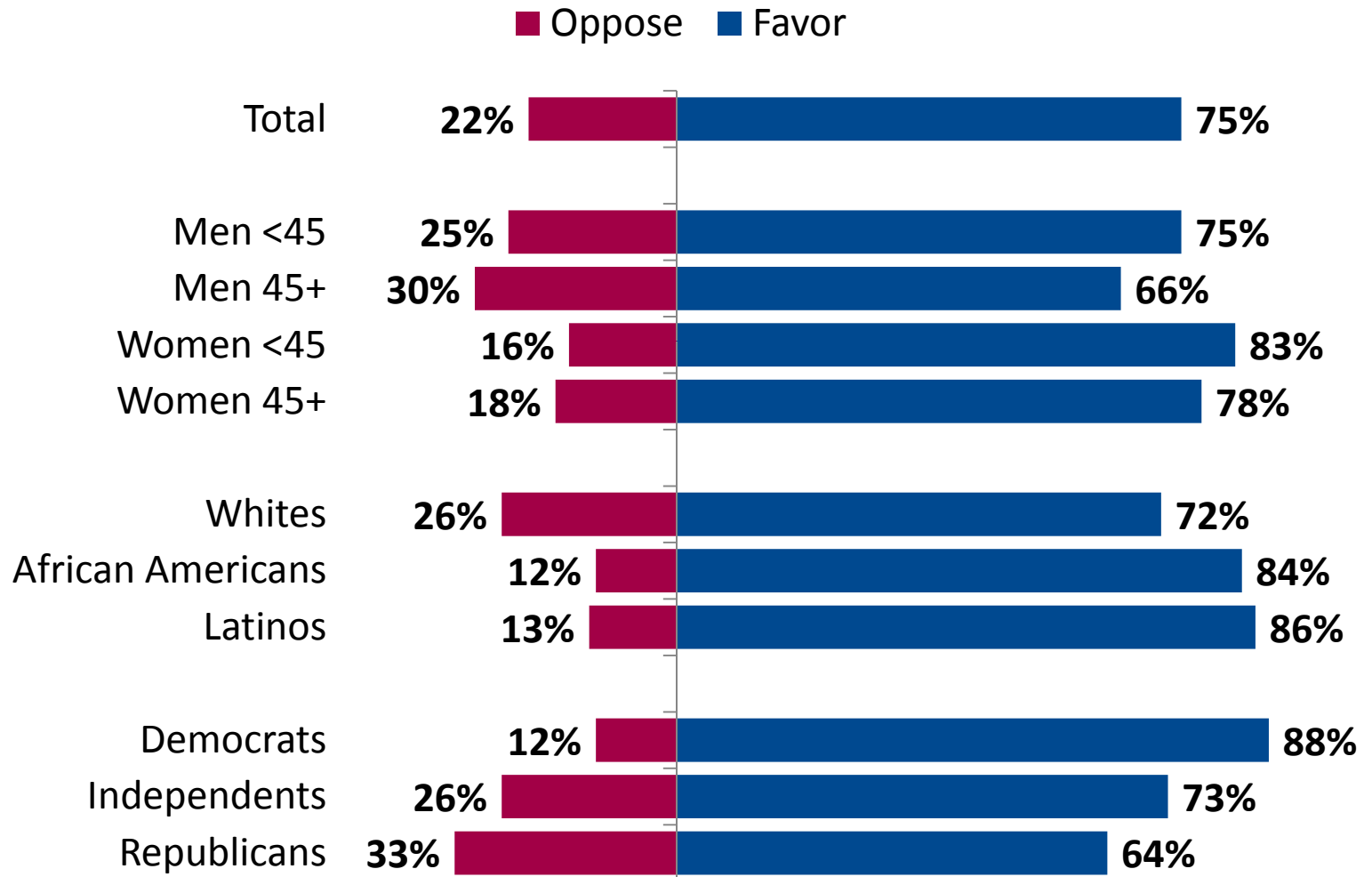
Q4. Would you favor or oppose building more affordable housing in the state where you live to help end homelessness? Is that strongly or somewhat?

Favor expanding help for low-income families to pay their rent



I'm going to read you some proposals people have made to address the need for affordable housing. Please tell me if you favor or oppose each proposal. Is that strongly or somewhat? Q9. Expand the existing federal program that helps low-income families pay their rent.

Favor funding to build or rehab homes low-income people can rent



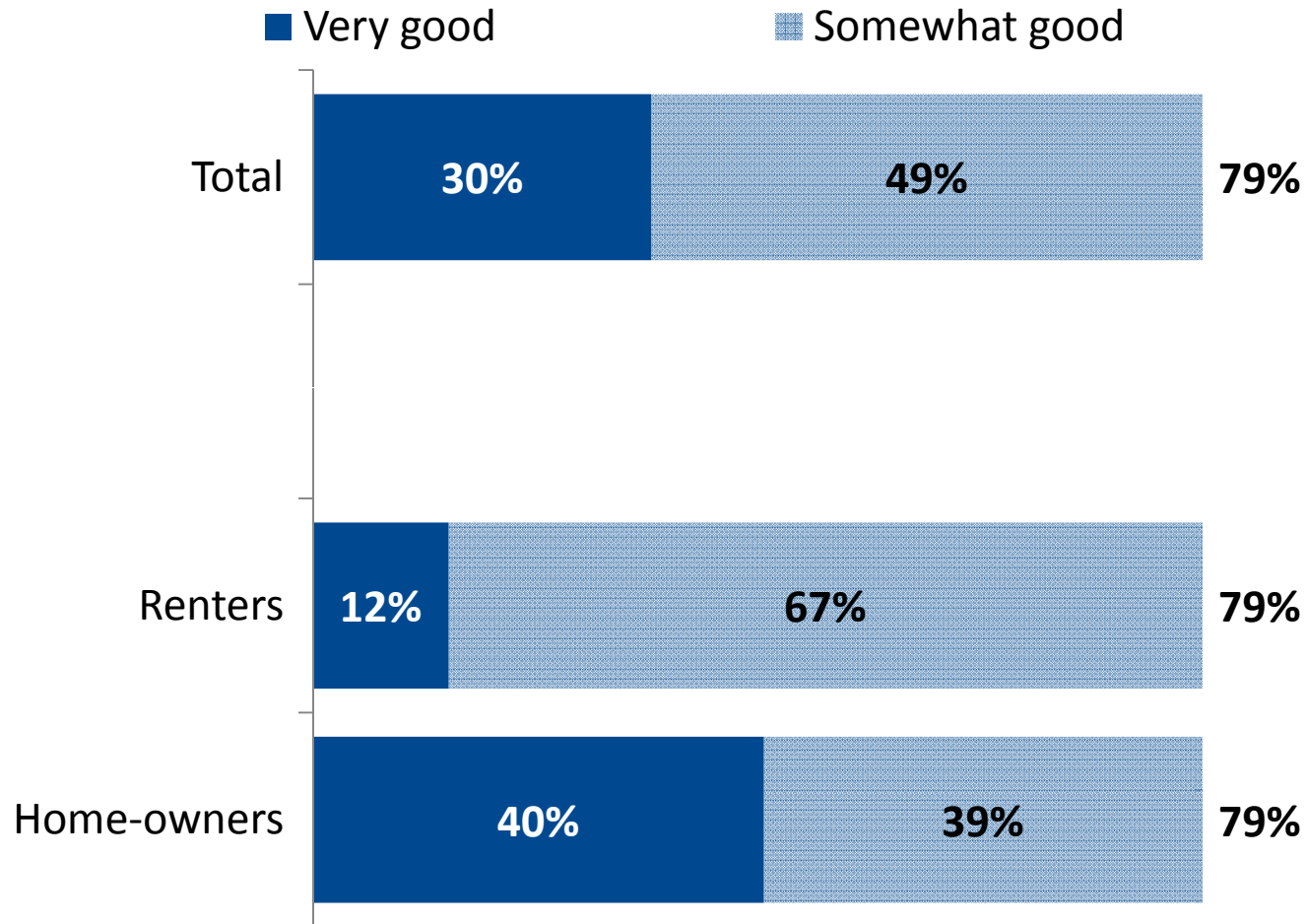
I'm going to read you some proposals people have made to address the need for affordable housing. Please tell me if you favor or oppose each proposal. Is that strongly or somewhat? Q10. Fund a federal government program to build new or rehab existing homes that low-income people can afford to rent.

Changing the mortgage interest deduction

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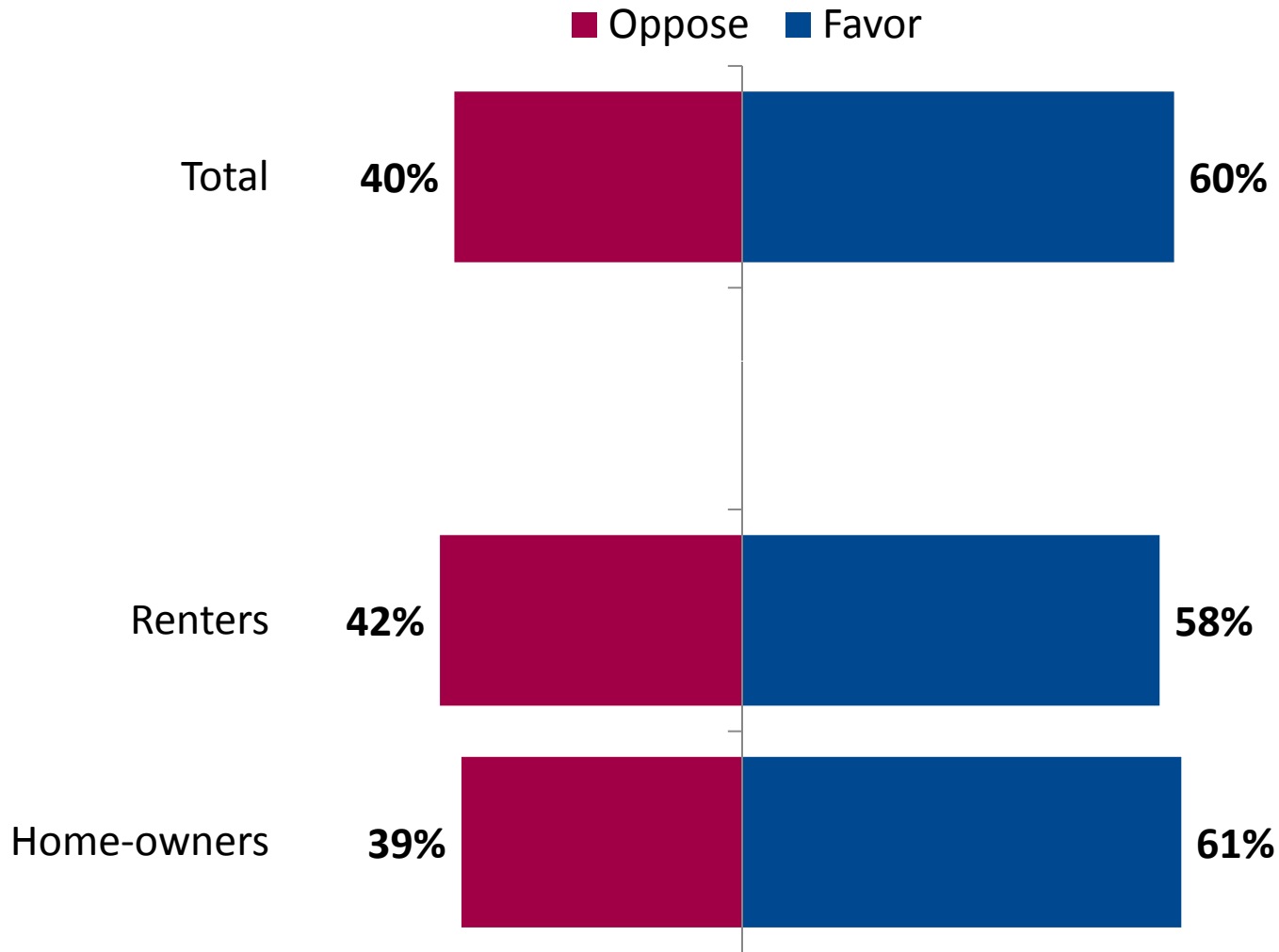


Majority thinks the mortgage interest deduction is a good idea



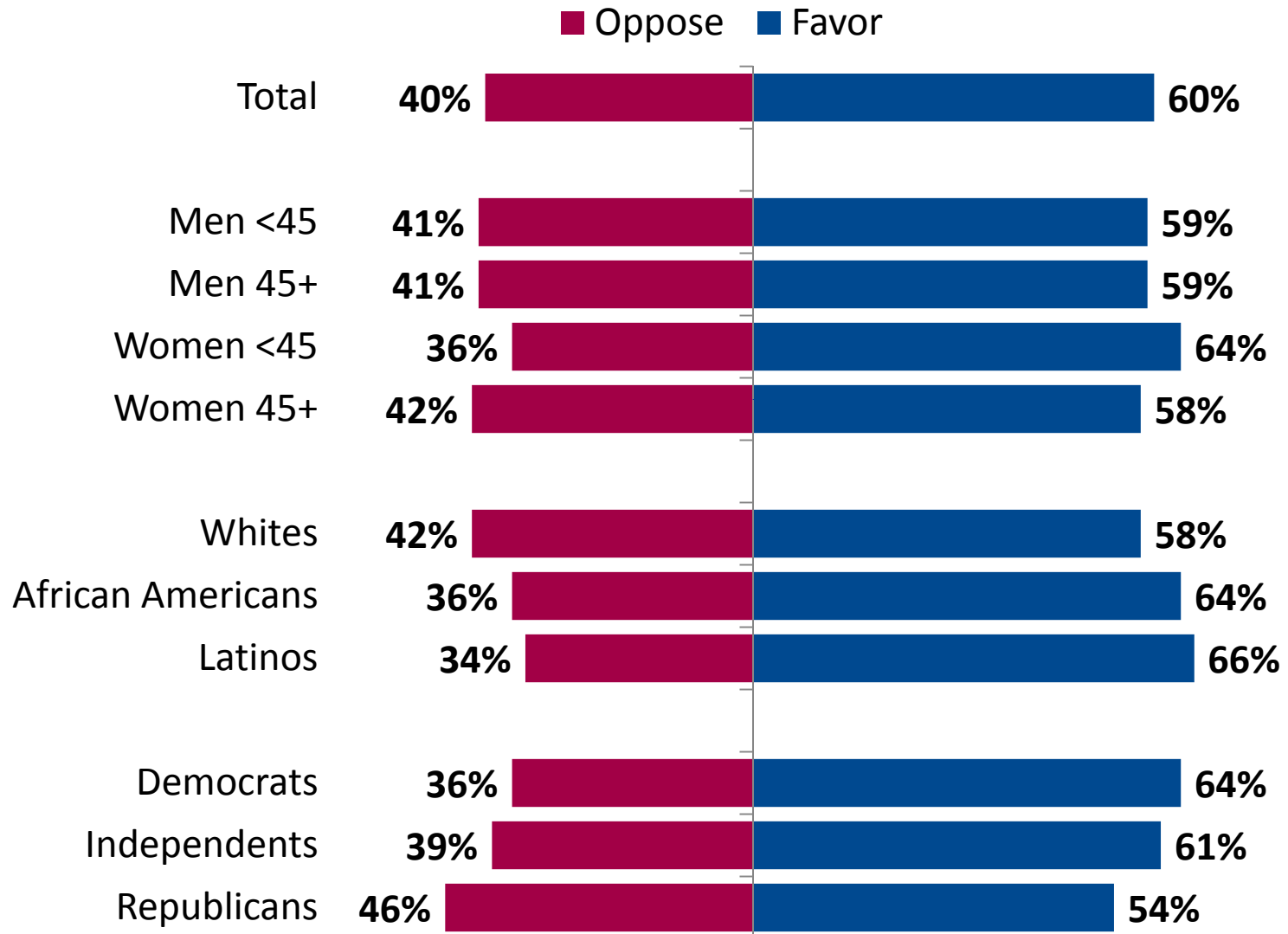
Q6: As you may know, homeowners can claim a deduction on their federal income taxes for interest payments on mortgages up to one million dollars for their primary or second homes. This is called the mortgage interest deduction, which lowers income taxes for some homeowners. The amount that the mortgage interest deduction lowers a homeowner's income taxes depends on how much interest the homeowner paid over the year and the homeowner's tax bracket. Overall, do you think the mortgage interest deduction, as it is now, is a very good idea, somewhat good, not very good, or poor idea? [n=868]

Majority favors capping tax break for mortgages at \$500,000



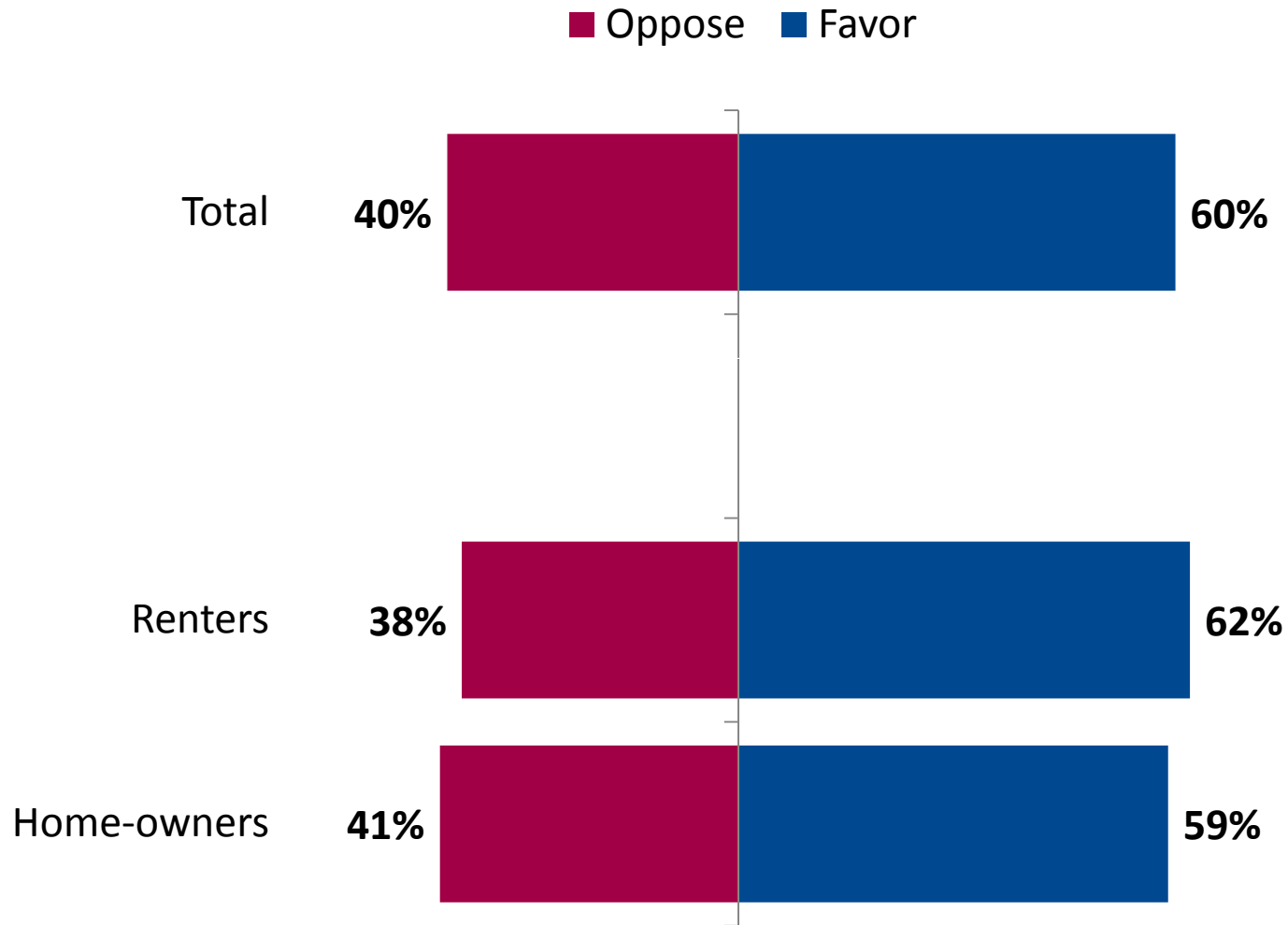
Now I'm going to read you some proposals people have made for changing the mortgage interest deduction. Please tell me if you favor or oppose each proposal. (WAIT FOR RESPONSE) Is that strongly or somewhat? Q7. Cap the maximum mortgage for which someone can get a tax break at five hundred thousand dollars [n=868]

Support for cap cuts across nearly all groups



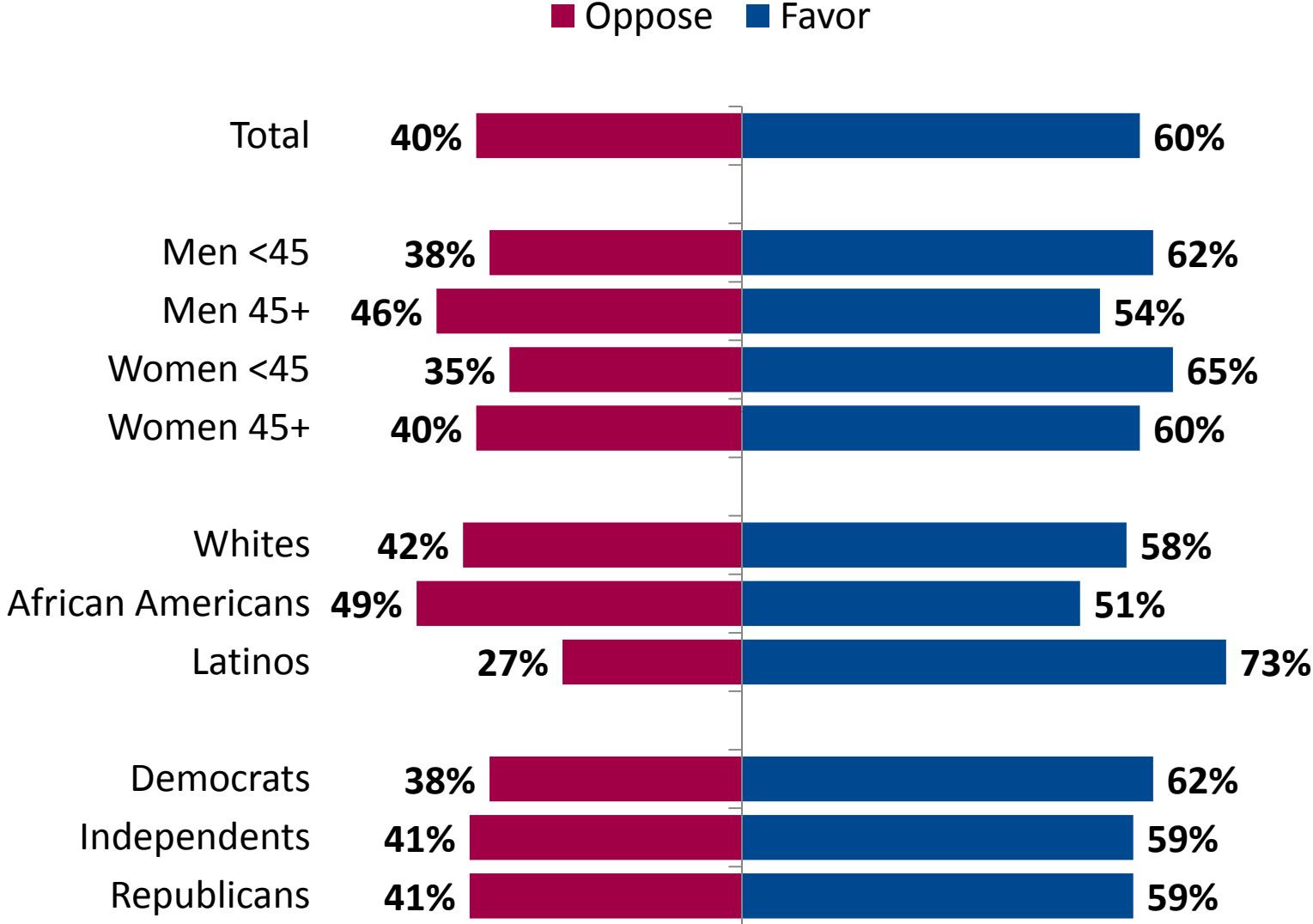
Now I'm going to read you some proposals people have made for changing the mortgage interest deduction. Please tell me if you favor or oppose each proposal. (WAIT FOR RESPONSE) Is that strongly or somewhat? Q7. Cap the maximum mortgage for which someone can get a tax break at five hundred thousand dollars [n=868]

Majority supports giving the same tax credit to all home owners



Now I'm going to read you some proposals people have made for changing the mortgage interest deduction. Please tell me if you favor or oppose each proposal. (WAIT FOR RESPONSE) Is that strongly or somewhat? Q8. Give a tax credit that is the same percent for all home owners who pay mortgage interest, rather than the deduction that now gives a higher percentage for higher income people [n=868]

Support for tax credit across groups



Now I'm going to read you some proposals people have made for changing the mortgage interest deduction. Please tell me if you favor or oppose each proposal. (WAIT FOR RESPONSE) Is that strongly or somewhat? Q8. Give a tax credit that is the same percent for all home owners who pay mortgage interest, rather than the deduction that now gives a higher percentage for higher income people [n=868]

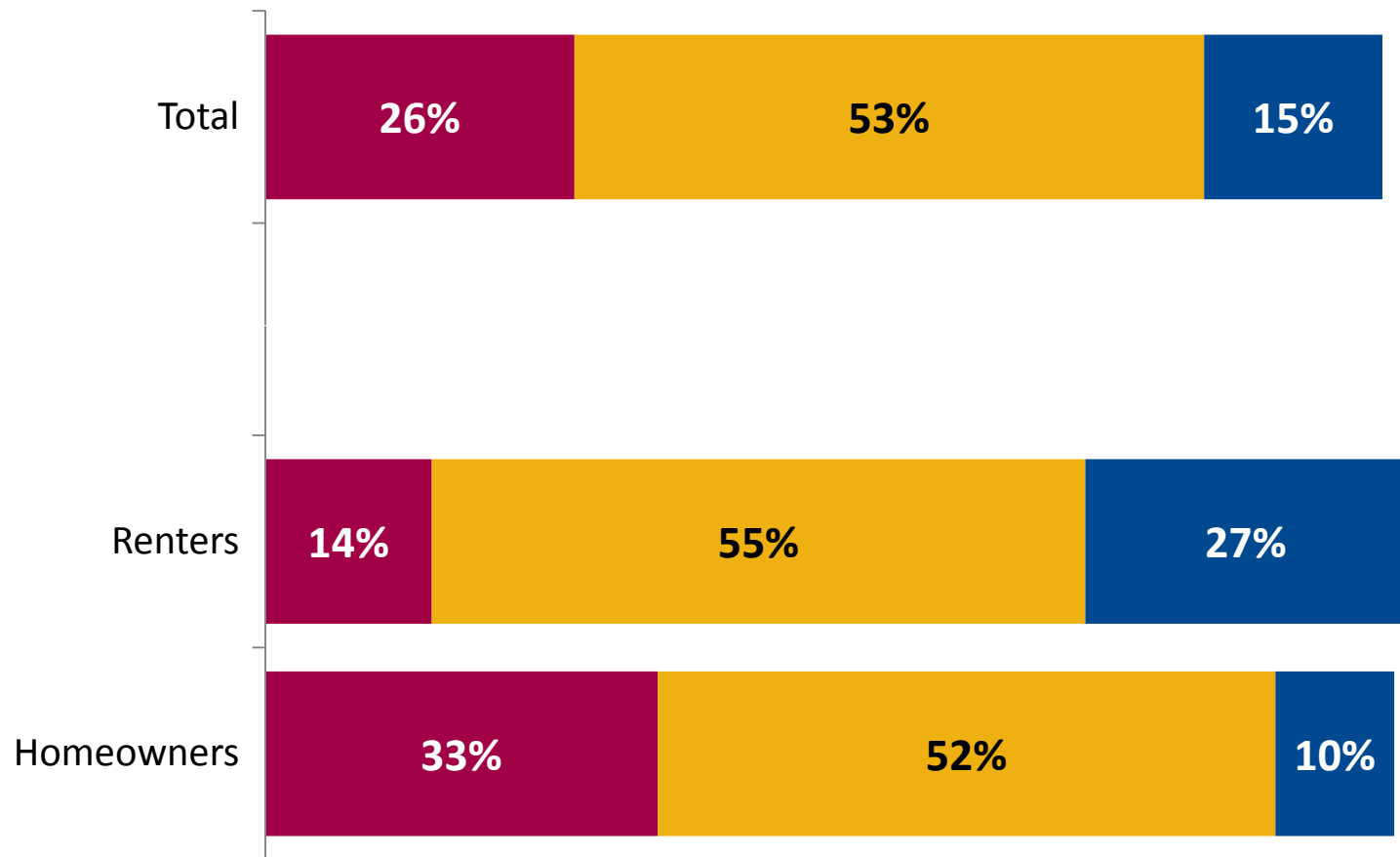
Using MID savings to help end homelessness

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Majority supports using MID savings to reduce the deficit and build more affordable housing

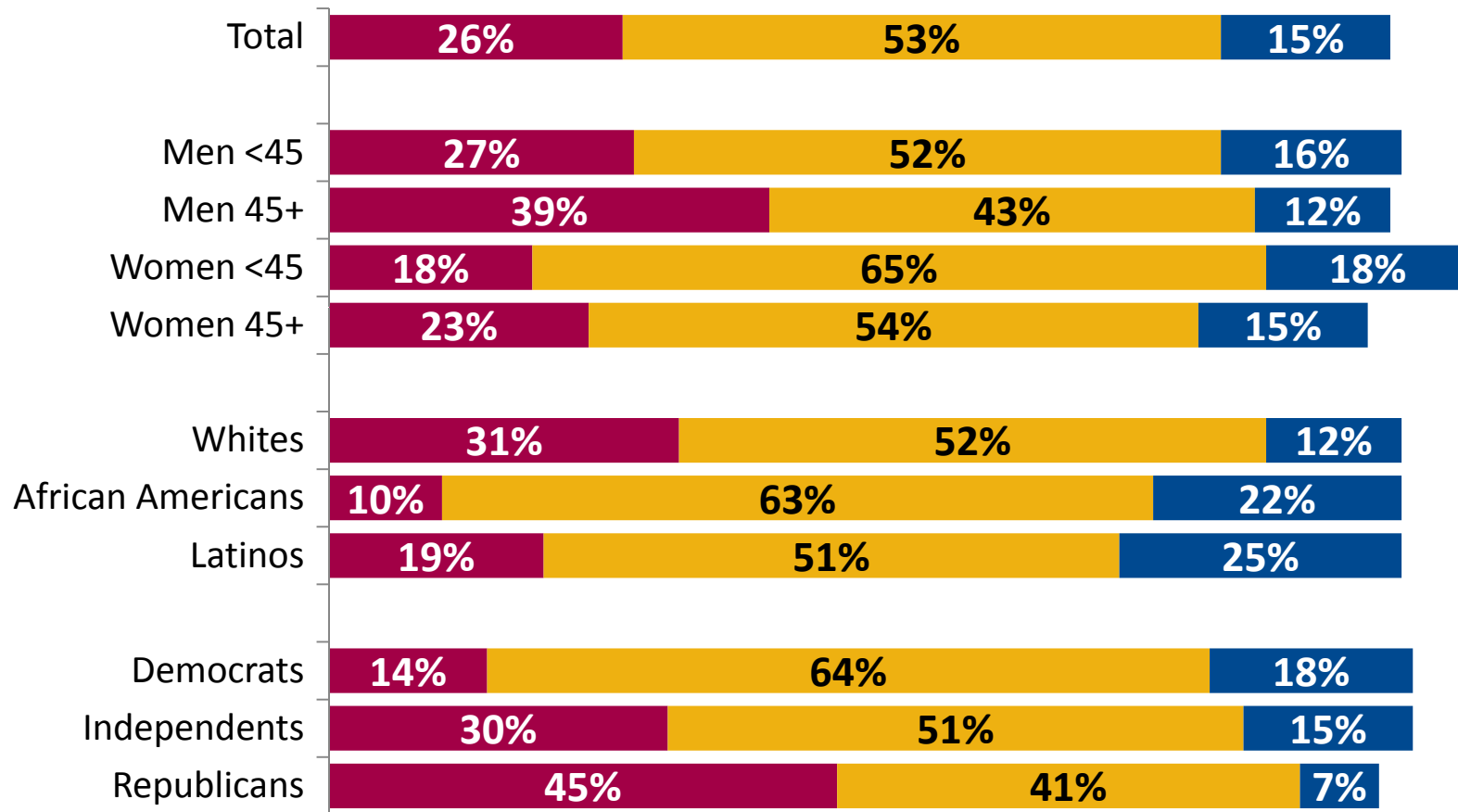
■ All to reduce deficit ■ Some to deficit, some to housing ■ All to affordable housing



Q11. If the federal government changed the mortgage interest deduction in such a way that it saved between \$20 and \$40 billion dollars a year, which of the following three proposals would you most support for how to spend the billions of dollars saved: [ROTATE 1 AND 3, BUT KEEP 2 IN THE MIDDLE] 1) Use all the money to reduce the federal deficit; 2) Use some of the money to reduce the federal deficit and some to fund affordable housing to end homelessness in the U.S.; OR 3) Use all of the money to fund affordable housing to end homelessness in the U.S.?

Support across groups for MID savings going to building affordable housing

■ All to reduce deficit
 ■ Some to deficit, some to housing
 ■ All to affordable housing



Q11. If the federal government changed the mortgage interest deduction in such a way that it saved between \$20 and \$40 billion dollars a year, which of the following three proposals would you most support for how to spend the billions of dollars saved: [ROTATE 1 AND 3, BUT KEEP 2 IN THE MIDDLE] 1) Use all the money to reduce the federal deficit; 2) Use some of the money to reduce the federal deficit and some to fund affordable housing to end homelessness in the U.S.; OR 3) Use all of the money to fund affordable housing to end homelessness in the U.S.?

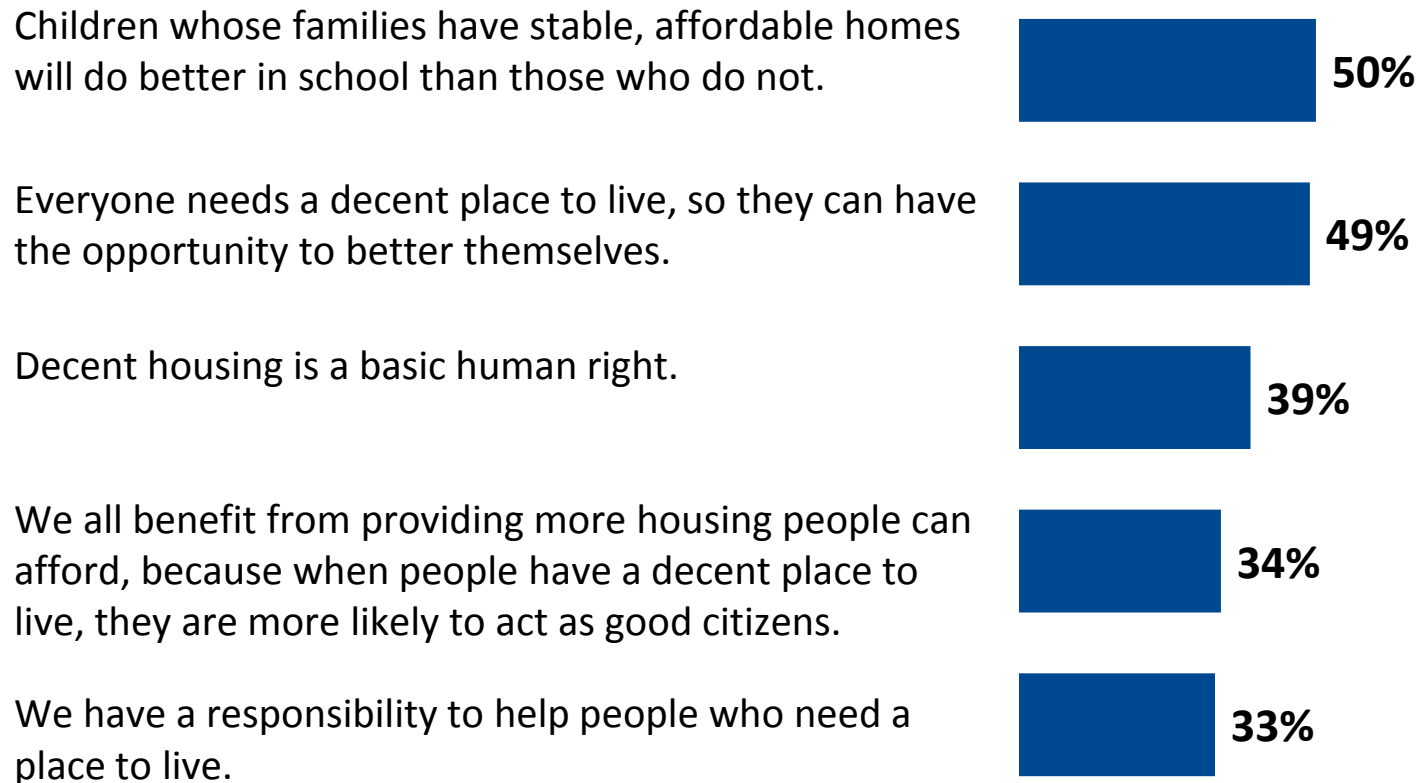
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Opportunity is key value to end homelessness

■ % saying "10 - very good"



Here are a few reasons some people say they believe it is important to provide affordable homes for low-income families and individual people. As I read each one, please tell me, in your opinion, how important it is as a reason to provide such housing. You can use a scale of one through ten, in which one means it is not at all important in your opinion, and a ten means it is an extremely important reason in your view, to provide more housing for moderate and low-income people. You can use any number from one to ten. Q14. Children whose families have stable, affordable homes will do better in school than those who do not. Q12. Everyone needs a decent place to live, so they can have the opportunity to better themselves. Q16. Decent housing is a basic human right. Q13. We all benefit from providing more housing people can afford, because when people have a decent place to live, they are more likely to act as good citizens. Q15. We have a responsibility to help people who need a place to live.

Take Aways

- Americans, across all demographic groups, think homelessness is a serious national problem that we are not doing enough to solve.
- There is broad public support for spending federal funds on affordable housing for low-income families and for increasing affordable housing in the United States.
- The MID remains popular, but that does not preclude Americans from supporting changes to cap the amount of mortgage deduction or changing the MID to a tax credit that is the same for all income brackets.

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Take Aways

- If the MID is changed so that the government saves money, most Americans want at least some of that savings going to build more affordable housing to end homelessness.
- The value that most strongly underlies support for ending homelessness is the belief that a decent place to live is necessary for young people to have an opportunity to succeed.

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About BRS

Belden Russonello Strategists conducts public and key audience opinion research and provides research-based message development and communications consulting.

Since 1982, BRS has helped non-profits, political campaigns, news media and other clients understand the relationships between issues and motivations for action – whether it is rethinking policy, attracting new members, or changing attitudes and behavior.

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