

THE GEOGRAPHY OF HOMEOWNERSHIP IN ILLINOIS

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Abstract

Using data from the 2000 decennial census, this thesis examines the factors affecting the homeownership rate in Illinois. Homeownership not only provides the economic benefits, but also a range of social benefits and acts as an anchor to stabilizing and revitalizing any community. Based on the relevant literature review the factors homeownership rates were selected. MRA is carried out to show the impact of population and socioeconomic change on homeownership. Home ownership (the percent of housing in each county that is owner occupied housing) is considered as a dependent variable and eight other factors are examined as independent variables affecting homeownership rates. Pearson's correlation is carried out to check multi-collinearity. Two variables (Median household income and Labor force participation rate) explained more variation in each other than with the dependent variable; consequently they were removed from the model. Out of the six independent variables four variables showed a statistically significant relationship with homeownership. Out of the four statistically significant independent variables one exhibited a counterintuitive result. The result shows that variables like (1) the proportion of married family households in a county, (2) median value of owner-occupied housing units, (3) the percentage of people aged 25-59 years in a county, and (4) the level of educational attainment in a county can greatly influence the rate of homeownership in any county. The results show that homeownership rates vary according to a range of socioeconomic factors. Furthermore, this research generated counterintuitive results suggesting that national level studies are not sufficient for setting housing policy. Attention to regional variations must also be considered to effectively understand factors affecting homeownership rates.