Housing and Political Efficacy

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Motivation

- Political scientists and others have long studied the effects of political efficacy, but its determinants are relatively understudied (Shore 2020)
- Existing research focuses on education and income, which are shown to increase efficacy
- Despite increasing interest in consequences of wealth inequality (Killewald et al. 2017), wealth is absent from the literature on efficacy

Housing Wealth and Efficacy

- Housing wealth is an attractive proxy for net wealth: constitutes the bulk of private wealth for most people and can be measured fairly accurately (Elkjaer et al. 2023, OECD 2021, Pfeffer 2018)
- Political efficacy measures confidence in understanding of politics (internal dimension) and belief in responsiveness of the system (external dimension) (Balch 1974, Miller et al. 1980)

The Asset Function of Housing Wealth

- Self-insurance: Housing wealth provides private insurance, for individuals to draw upon in case of negative shocks (Ansell 2014, Wiedemann 2021)
  - Access to liquidity through home equity loans
  - Security creates identification with the system
- Skin in the game: People want to protect their investment, incentivising them to engage in politics
  - Political discourse is shaped by wealthy voters (Elkjaer and Iversen 2020, Weisstanner and Jensen 2024)
  - Participation increases efficacy
- Home ownership is bound up with status expectations
  - Political effects of disappointed expectations (Kurer and Van Staalduinen 2022)

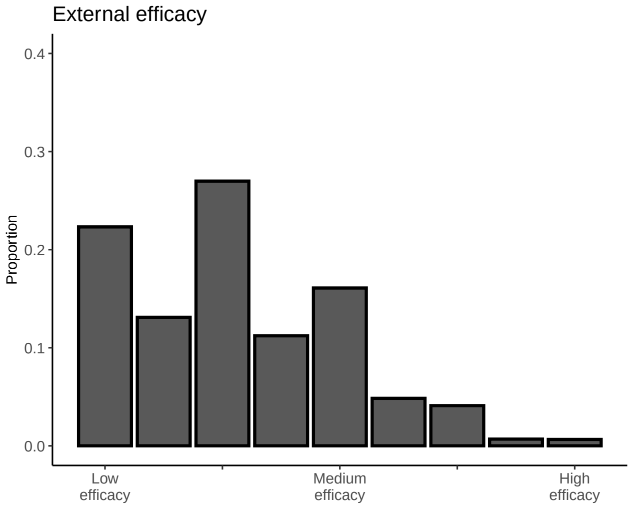
Research Design I

- 3 large YouGov surveys in UK
  - England & Wales (May/Jun 2021, N = 3,186)
  - England (Jul/Aug 2022, N = 3,532)
  - UK (Oct 2022, N = 3,592)
- Replication with UKHLS (Understanding Society)
- Dependent variable: External political efficacy
  - "People like me don't have any say about what the government does"
  - "Public officials don't care much what people like me think."

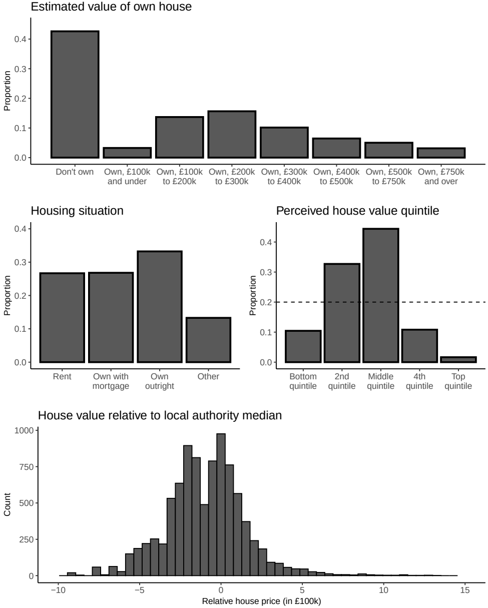
Research Design II

- Independent variables: Comprehensive picture of housing wealth
  - Homeowner dummy
  - Mortgage situation
  - Estimated (own/parents') house value
  - House value relative to local authority median
  - Perceived position in distribution
- Controls: Age, sex, income, education, unemployed, full-time employed, married, 2019 GE vote, local average weekly pay, region, survey wave
- Models: Linear regression models (OLS), robustness tests with ordered logistic regression

Political Efficacy



Housing Variables



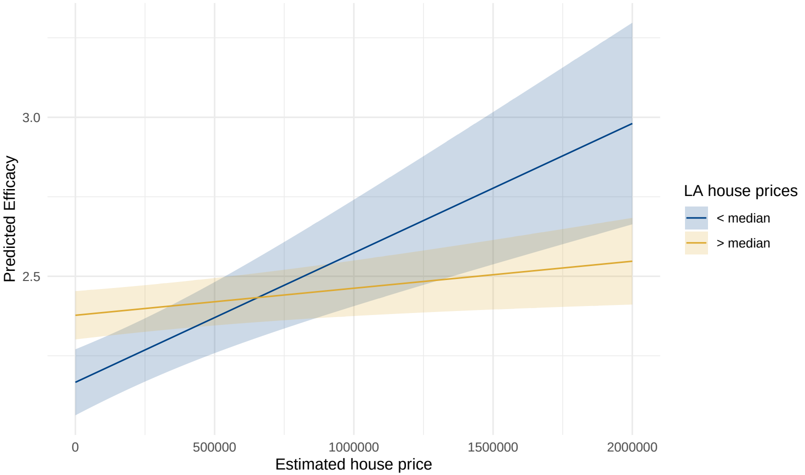
The Asset Function of Housing Wealth

Table 1: Housing wealth, security, and external efficacy

	(1)	(2)	(3)	(4)	(5)	(6)
Homeowner	0.086**					
	(0.027)					
Own outright		0.104**				
(Ref: Own with mortgage)		(0.033)				
Rent		−0.041				
(Ref: Own with mortgage)		(0.033)				
Other		−0.046				
(Ref: Own with mortgage)		(0.045)				
Own house value			0.013***			
			(0.003)			
Value rel. to LA				0.012***		
				(0.003)		
Perceived wealth quintile					0.174***	
					(0.016)	
Parents house value						0.002
						(0.003)
HH income	0.019***	0.020***	0.017***	0.017***	0.015***	0.020***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.005)
Uni degree	0.127***	0.125***	0.144***	0.144***	0.098***	0.125***
	(0.024)	(0.024)	(0.025)	(0.025)	(0.027)	(0.031)
Other controls	Yes	Yes	Yes	Yes	Yes	Yes
Constant	1.933***	1.960***	1.945***	1.915***	1.618***	1.904***
	(0.104)	(0.106)	(0.108)	(0.109)	(0.120)	(0.131)
Observations	6,401	6,401	6,060	5,894	5,170	4,018
R^2	0.040	0.042	0.046	0.046	0.065	0.043

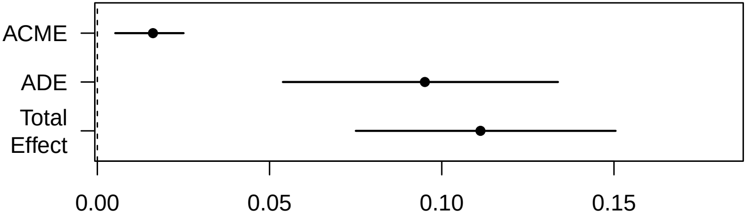
Note: *p<0.05; **p<0.01; ***p<0.001

The Role of Local Economic Context

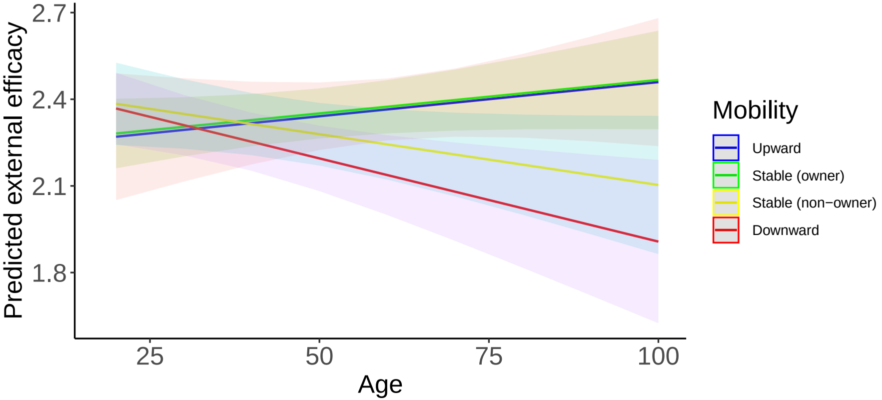


Skin in the Game: The Effect Through Participation

- Causal mediation analysis (Tingley et al. 2014): homeownership $\rightarrow$ turnout 2019 GE $\rightarrow$ efficacy
- Participation mediates ca. 15% of the total effect of homeownership



Age Matters Over Intergenerational Mobility



Conclusions

- Housing wealth is important for understanding efficacy and its downstream consequences
- Robust relationships indicating asset function of housing wealth
  - Outright owners, owners of more valuable houses, and relatively wealthier individuals have higher efficacy
  - Relationship accentuated by local economic conditions
  - Relationship partially mediated by participation
- Intergenerational housing mobility: no impact, but importance of housing wealth increases with age

Thank you for your comments and feedback!

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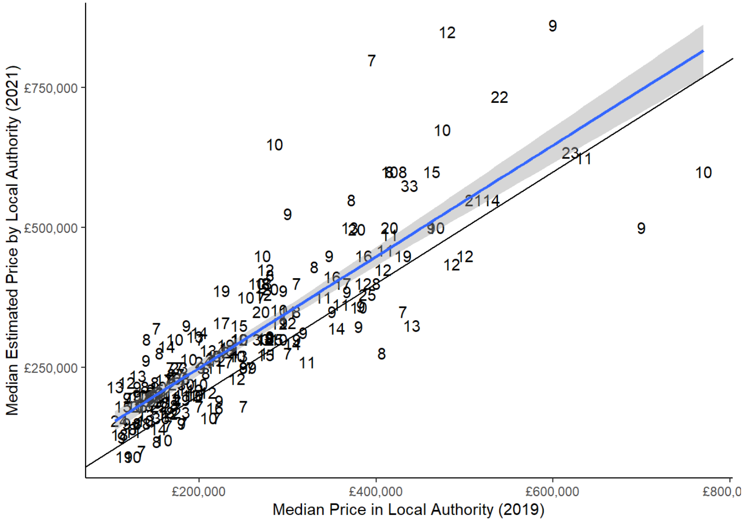
Estimated and ONS house prices (LA level)



Homeowners With and Without Mortgage Are Similar