

Homeownership Is Major Driver of US Economy

**By: Mike Thompson, President
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The nation's housing and homeownership policies over the last century have contributed to the growth of the middle class and helped the United States become the most dynamic economy the world has ever seen.

As policymakers begin debate on housing finance and budget issues that will impact job creation and future growth, they must understand the important role that housing plays in the U.S. economy. Considering the enormity of the total number of jobs attached to housing, now is hardly the time to step back from the nation's long-standing commitment to homeownership.

Fully 15-percent of the U.S. Gross Domestic Product (GDP) comes from housing, and nothing packs a bigger local economic impact than home building. Constructing 100 new homes creates more than 300 full-time jobs, \$23.1 million in wage and business income and \$8.9 million in federal, state and local tax revenue.

A healthy housing industry means more jobs and a stronger economy. Home building increases the property tax base that supports local schools and communities. Housing, like no other sector, is "Made in America." New homes and apartments don't arrive in this country on container ships from Europe or Asia, and most of the products used in home construction and remodeling are manufactured here in the United States.

More than 1.4 million residential construction jobs have been lost since April 2006. The pace of recovery is debatable, but based purely on population growth and demographics, the U.S. will need to build 17 million additional homes over the next decade.

The gap between current production and potential housing production is more than 1 million homes. That represents more than 3 million untapped American jobs. This gap is a result of multiple factors, including deferred household formations, a lack of construction financing and flawed appraisal practices under which new homes get compared to distressed and foreclosed properties, thereby distorting true market values.

There can be no economic recovery without a housing recovery. The path forward is perfectly clear: Congress needs to take actions to restore the health of the housing industry to put America back to work.

This is a sentiment shared by American voters as well. A recent National Association of Home Builders (NAHB) survey of likely 2012 voters conducted by Public Opinion Strategies and Lake Research Partners found that despite the ups and downs of the housing market, home owners and non-owners alike consider owning a home essential to the American Dream and support politicians who embrace pro-housing policies and the mortgage interest deduction.

An overwhelming 75-percent of the respondents said that owning a home is worth the risk of the fluctuations in the market, and 73-percent of those who do not own a home say it is a goal of theirs to eventually buy one. Equally telling, more than 70-percent of voters believe the federal government should provide tax incentives to

promote homeownership and oppose proposals to eliminate the mortgage interest deduction -- a sentiment that cuts across party lines.

For more information on the housing industry and the value of homeownership, contact your local home builders association at (337) 981-3053 or visit **www.ahbaonline.com**.