

Housing Studies &gt;

Volume 33, 2018 - Issue 8

1,621 19

Views

CrossRef citations to date

10


Altmetric

Original Articles

# Homeownership, saving and financial wealth: a comparative and longitudinal analysis

Philipp M. Lersch  & Caroline Dewilde 

Pages 1175-1206 | Received 18 Sep 2015, Accepted 22 Dec 2017, Published online: 31 Jan 2018

 Cite this article  <https://doi.org/10.1080/02673037.2018.1424803> Check for updatesSample our  
Urban Studies  
Journals>> Sign in here to start your access  
to the latest two volumes for 14 days Full Article Figures & data References Supplemental Citations Metrics Reprints & Permissions

Read this article

## Abstract

The finding that homeowners own more non-housing wealth than tenants is well known. We examine whether the higher financial wealth of owners can be partly explained with increases in saving when becoming a homeowner in two distinct institutional contexts. Using longitudinal data for the UK (British Household Panel Survey) and Germany (Socio-Economic Panel Study), we find that homeowners save more and are financially wealthier than tenants. However, when controlling for time-constant selection into homeownership, upon entering homeownership households reduce their probability to save in Germany and reduce their average saving rate in Germany and the UK. For Germany, there is some evidence that processes of homemaking (family formation and home improvement) lead to less saving. For the UK, we find no evidence that income changes compensate for their financial disadvantage.

### About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All 

Essential Only

Settings

## Acknowledgement

Data from the British Household Panel Survey are available from the UK Data Archive (<http://www.data-archive.ac.uk>) and data from the German Socio-Economic Panel Study are available from the German Institute for Economic Research (DIW), Berlin (<http://www.diw.de/soep>). Neither the original collectors of the data nor the distributors bear any responsibility for the analyses or interpretations presented here.

## Notes

1. The low-income ECHP-subsamples are excluded from the analysis. All other subsamples are included.
2. The high-income sample G, the innovation sample I and the latest refreshment sample K from 2012 are excluded.
3. Restricting the sample to the period 1992–2008 covered in both surveys yields comparable results (see Table S.3 in the Supplementary Material).
4. In the BHPS, the head of household is the principal owner or renter of the accommodation. When there is more than one owner or renter, a male and older person takes precedence. In the SOEP, the head of household is the person most knowledgeable about a household's situation.
5. The house price data are drawn from ONS' 'Live tables on housing market and house prices', 'Table 511: Simple average house prices, by dwelling type and region, United Kingdom, from 1986' available at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/10647/140990.xls](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/10647/140990.xls) (retrieved 20 October 2016). The house price data are merged to the household data at the level of Government Office Regions.
6. The response variable saving rate is bounded between 0 and 1 (exclusive). Therefore, a logit transformation is used which makes the variable approximately normal distributed.

### About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click "Settings". For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings



## Information for

Authors

R&D professionals

Editors

Librarians

Societies

## Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

## Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

## Help and information

Help and contact

Newsroom

All journals

Books

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2024 Informa UK Limited   Privacy policy   Cookies   Terms & conditions

Accessibility



Taylor & Francis Group  
an informa business

Registered in England & Wales No. 3099067  
5 Howick Place | London | SW1P 1WG

### About Cookies On This Site

We and our partners use cookies to enhance your website experience, learn how our site is used, offer personalised features, measure the effectiveness of our services, and tailor content and ads to your interests while you navigate on the web or interact with us across devices. You can choose to accept all of these cookies or only essential cookies. To learn more or manage your preferences, click “Settings”. For further information about the data we collect from you, please see our [Privacy Policy](#).

Accept All

Essential Only

Settings