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The Determinants of Home Ownership: An Application of the Human Capital Investment Theory to the Home Ownership Decision

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Poster Presentation 15

**THE DETERMINANTS OF HOME OWNERSHIP:
AN APPLICATION OF THE HUMAN CAPITAL INVESTMENT THEORY TO
THE HOME OWNERSHIP DECISION**

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Over the past years, the vast changes in the economy and society have called for the reevaluation of the determinants of home ownership. The purpose of this study is to determine the factors of home ownership using a logistic regression. This paper differs from past research in that it applies human capital investment theory to the home ownership decision. Using a sample of young adults from the National Longitudinal Survey of Youth, I found that the main determinants of home ownership are race, gender, educational attainment, age, marital status and net family income. These results are consistent with the findings of previous literature. The major contribution of this study is the refinement of the relationship between family size and home ownership. I found that the probability of home ownership increases as family size increases up to a certain level at which the probability decreases as family size continues to increase.