



The Daily Dish

October 29th Edition

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[Secretary of State Kerry](#) says that he wants a decision on the Keystone XL Pipeline “sooner rather than later.” Though he told reporters that there is not yet an exact date. Though, “sooner” passed us by a long time ago. Keystone XL’s application has been waiting for approval for six years, [costing jobs, revenue](#), and even [negative effects on the environment](#).

[The Wall Street Journal](#) reports that “Weak Durable-Goods Orders Stir Concerns on Growth.” Business spending on goods such as “airplanes and heavy machinery designed to last more than three years” fell for the second straight month. The 1.3 percent drop in September alone amounts to \$241.63 billion.

The EPA is [soliciting alternatives](#) for the rules on existing power plants. The rule aims to lower carbon emissions from power plants, but also comes under scrutiny for the baseline used to calculate how states need to act. Yet, the EPA would “caution anyone against reading too much into this action,” continuing to add that new data may not change the proposed rule.

Eakinomics: U.S. Homeownership

The Census Bureau [reported](#) yesterday that the fraction of Americans who own their homes was 64.4 percent in the third quarter, the lowest level since the first quarter of 1995. There is a laundry list of potential contributing factors as to why a greater share are choosing to rent. (Eakinomics note: my first published paper was on choosing to own versus rent. Available [here](#) for a mere \$19.00!) Demographic factors like the retirement of the baby boomers play a part, as does the generally weak nature of the economic recovery. There has been some speculation, as well, that there has been a shift in tastes — younger households becoming less interested in owning their own home — but the jury is out. Finally, I believe there is little question that when [Ben Bernanke can’t get a mortgage](#), credit is tight.

The larger question is whether policymakers should care. There should be no doubt about the long-stranding commitment of the U.S. population to supporting the ability of low-income Americans to have adequate shelter. However, the net impact of tax-based subsidies, housing GSEs-based finance subsidies, FHA loan guarantees, as well as targeted programs like those for vets have tilted the playing field in favor of owning instead of renting.

Some defend this as good public policy. Ownership is powerful incentive for proper upkeep (former Treasury Secretary Larry Summers is fond of saying “nobody ever washes a rental car”), which in turn supports neighboring property values and avoids damaging “negative externalities.” Others argue that it gives one a bigger stake in society, presumably leading to better citizens. Unfortunately, the size of those negative externalities is an open question. And the paucity of revolutions in places where renters predominate — e.g., Switzerland — puts the latter in question.

Is the homeownership rate a legitimate target for public policy? In the end, it seems more sensible to keep the housing playing field level and let Americans decide for themselves.

From the Forum

[Delays, Mistakes, and Violations: A Review of OMB's Information Collection Budgets](#) by Dan Goldbeck, AAF Research Analyst; and Sam Batkins, AAF Director of Regulatory Policy