

QUARTERLIFE CHRONICLES: Rescuing the economy by renting rather than buying

It turns out I'm part of the solution for fixing the economy.

It's not because I'm unimaginably wealthy and about to embark on a spending spree, or that I plan to open a business and employ thousands of people.

No, I'm doing my part simply by living in an apartment.

According to the cover story in the March edition of *The Atlantic*, renting benefits the economy. Who knew the fact that I can't afford a down payment on a house was actually the glue holding this country together economically?

The article, written by Richard Florida, says that renters aren't tied down to one location, so they're freer to move from town to town as emerging industries and new jobs dictate. They also don't have the long-term burden of a mortgage - sometimes for homes they can't really afford - and may be more inclined to spend on other things.

I can see what he means.

I've lived in four places since I graduated college, and my job was a factor in each move. I suppose if some sort of amazing opportunity arose in the future I wouldn't be opposed to moving again.

But if I had to worry about selling a house, I might not be so quick to pack up and leave.

I was talking with a friend over the holidays, and he told me that he had taken a new job, even though he and his wife had just bought a new house. The new job required a move, so he and his wife packed up and headed for another new house in a different town.

The thing is, he wasn't able to get rid of his old house.

So, while he did end up making the move, he's saddled with paying two mortgages until the housing market rebounds and he can find a buyer. While I didn't ask him how it was affecting his spending habits, I imagine he's not tossing a lot of cash around at the local mall these days.

But Florida says in his article that, despite the economic burden buying a home can

create, people will do almost anything to do so - which is probably why so many took loans for houses they knew they couldn't afford.

Florida says homeownership needs to be removed from its "long-privileged place at the center of the U.S. economy" and that it has been falsely placed in "the center of the American Dream."

He argues that while homeownership does increase things like civic involvement, a recent study showed that it does not increase happiness, decrease stress or boost self-esteem.

I find that interesting because, as someone who never has owned a home and likely won't for years to come, homeownership appears to me a distant Shangri-La I'm striving to someday reach.

I guess I never really thought about the downside to owning a house. I always pictured what I would do if someone else didn't own the place in which I was living - the improvements, the landscaping, tearing down that hideous wallpaper.

But now that I think about it, renting isn't half bad.

People often say to me that paying rent is just throwing away cash and that I'd be better off using that money for a mortgage.

But what if all of a sudden I can't pay that mortgage?

What if I need to move, and no one wants to buy my house?

I never really thought I'd find a silver lining to not being able to buy a house. But rescuing the economy? That's not too shabby.

Contact David Mekeel: 610-371-5014 or dmekeel@readingeagle.com.