

# Home Ownership and Job Satisfaction

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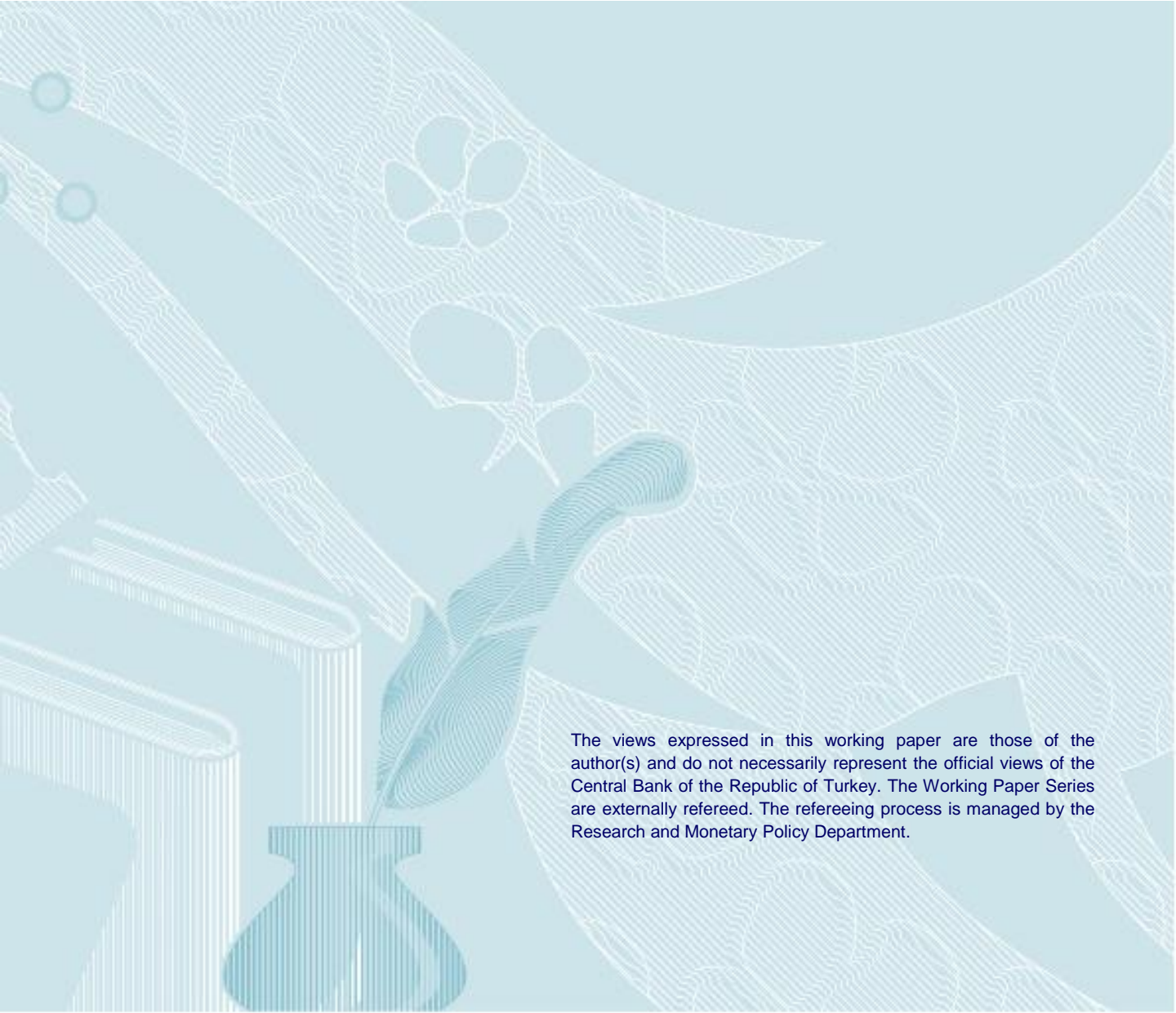
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# Home Ownership and Job Satisfaction\*

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## Abstract

This paper investigates the link between job satisfaction and home ownership. We explicitly focus on the effect of a transition from non-ownership to ownership on the self-reported job satisfaction scores. In other words, we concentrate on the change in job satisfaction response for individuals observed right before and after the transition. Utilizing the panel feature of the British Household Panel Survey (BHPS), we find that transition to ownership reduces job satisfaction within a year following the purchase—controlling for observed variation and unobserved heterogeneity. The reduction in job satisfaction is sharper when the purchase is financed through a mortgage. We also test if this pattern persists over years. We show that the initial reduction in job satisfaction is more than doubled within three years after the transition for both categories of ownership. We conclude that home ownership may be a constraint for the career prospects of the employed workers, since it reduces mobility and forces them to become more dependent on the local labor market conditions. These concerns are deeper in case of a debt-financed ownership.

*JEL codes:* J28, R21, C23.

*Keywords:* Home ownership; job satisfaction; BHPS; panel data; fixed effects.

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# 1 Introduction

The effect of home ownership status on labor market outcomes have been a longstanding matter of interest in economics. The main argument is that housing policy and home ownership restricts mobility. Restricted mobility, in turn, reduces search intensity, impedes flexibility, constrains the set of job options, worsens matching outcomes, and hence increases unemployment.<sup>1</sup> Home ownership also affects the outcomes of the employed workers. For example, [Battu, Ma, and Phimister \(2008\)](#) find that home ownership is a constraint for the employed, because their flexibility and, therefore, the probability of engaging in a distant move is significantly reduced and their career prospects are limited.<sup>2</sup>

In this study, our focus is on the employed workers. If home ownership reduces mobility and limits the career prospects of the employed workers, then their job satisfaction would decline after the purchase. Therefore, the main question we seek an answer in this paper is whether home ownership reduces job satisfaction or not. We believe that our research question is a sensible one because job satisfaction is often used in the literature as an indicator to proxy the individual-level utility from the current job [[Clark and Oswald \(1996\)](#)]. Thus, factors that would limit worker mobility and prevent workers to leave unsatisfactory jobs is expected to reduce utility. We concentrate on the employed workers who buy a new home and compare their job satisfaction scores right before and after the purchase. Our main goal is to isolate the behavioral change—in terms of self-reported job satisfaction score—observed right after the ownership decision. We are also able to check whether the behavioral change, if it exists, persists over time and whether the magnitude of it differs across outright versus mortgage-financed home ownership.

To our knowledge, this is the first study in the literature to analyze the change in the job satisfaction scores following a transition from the non-ownership to ownership status. Two papers in this literature are closely related to ours. [Clark \(1996\)](#) and [Oswald \(1997\)](#) find that

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<sup>1</sup>See, for example, [Hughes and McCormick \(1981, 1987\)](#), [Henley \(1998\)](#), [Nickell \(1998\)](#), [Green and Henderschott \(2001\)](#), and [Dohmen \(2005\)](#).

<sup>2</sup>Alternative views also exist in the literature. For example, [van Leuvensteijn and Koning \(2004\)](#) argue that lower job mobility of homeowners may result from higher job commitment.

renters, on average, are more satisfied with their jobs than owners, because they are more flexible and more able to leave unsatisfying jobs. Our paper is different in the sense that we investigate whether or not the employed workers become less satisfied with their jobs after the purchase. In other words, we look at the behavioral response of the same individuals rather than performing a pooled comparison, which is what [Clark \(1996\)](#) and [Oswald \(1997\)](#) do. Our paper is also different in the sense that we distinguish between the responses of outright owners and mortgage-financed owners. Another novelty is that we are able to compare the short-run versus long-run changes in job satisfaction after the transition.

Although our focus is on job satisfaction, this paper is also related to the literature investigating the link between home ownership and other measures of subjective well-being such as happiness and life satisfaction. The general consensus in this literature is that home ownership increases the happiness score both in the developed and developing countries [see, e.g., [Dietz and Haurin \(2003\)](#), [Guven and Sorensen \(2012\)](#), and [Hu \(2013\)](#)].<sup>3</sup> The sources of this positive association include increased self-confidence and feeling of security after the purchase. Although some authors in this literature argue that there may be a negative association between job satisfaction and home ownership, there is no effort in the literature quantifying and conceptualizing the potential effects of ownership status on job satisfaction scores. We contribute this literature by providing estimates of the reduction in the job satisfaction scores as a result of transition to ownership from non-ownership. We also investigate the sources of the decline in job satisfaction after the purchase.

Using the 2008 release of the BHPS data, we find that the workers report significantly lower job satisfaction scores within a year after they become a home owner than the scores they reported before ownership. This is true both for the outright owners and mortgage-financed owners. We also find that the magnitude of the response is different among these two types of owners. Specifically, we show that the immediate reduction in job satisfaction for mortgage-financed owners is twice as large as the reduction for outright owners. This suggests that increased rates of debt-financed ownership may amplify the workers' concerns related to reduced mobility and

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<sup>3</sup>There are very few studies reporting a potentially negative correlation between home ownership and happiness scores. See [Parker, Watson, and Webb \(2011\)](#) for a recent example.

limited prospects. Outright owners have at least the option to re-sell their home anytime they wish, but the mortgage-financed owners are the ones who are the most restricted because they cannot claim the right to sell for quite a long time without undertaking significant fixed costs.<sup>4</sup>

Our second set of findings compare the short-run versus long-run changes in job satisfaction scores following a purchase. The short-run response refers to the change in job satisfaction within a year after the purchase, while the long-term response refers to the change in job satisfaction score after three years from the purchase. We find that the initial reduction in job satisfaction persists and gets even larger over time. This holds invariably both for outright and mortgage-financed owners. This suggests that the negative association between home ownership and job satisfaction is not merely a short-term phenomenon; it persists and becomes more pronounced over time. We interpret this amplified worsening as the existence of learning and sequential revelation of information over time regarding restricted job prospects following the purchase.

We employ the standard fixed-effects panel data techniques. We restrict our sample to employed workers for whom we observe a transition from non-ownership to ownership in consecutive years. In other words, all of our subjects are observed only twice: before and after ownership. Then, we construct a short balanced panel data, in which the cross-sectional dimension is large, but the time-series dimension is only two. Using a fixed-effects panel data regression is justified in this setting, because the observation period is very short (i.e., only two consecutive periods). Controlling for the fixed effects is important for us, because we want to control for unobserved individual-level heterogeneity that may affect our estimates. We also include a large set of time-varying observed characteristics to control for the change in environment between the two periods. The coefficient of the ownership dummy isolates the behavioral response that we want to extract. Our results are robust to clustering the standard errors within observational units.

The paper is organized as follows. Section 2 summarizes the data that we use. Section

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<sup>4</sup>See [Ferreira, Gyourko, and Tracy \(2010\)](#), [Schulhofer-Wohl \(2012\)](#), and [Coulson and Grieco \(2013\)](#) for a recent discussion on the link between debt-financed ownership and mobility.

3 gives a formal description our econometric framework and provides a justification of the appropriateness of the method we use for the question we pose. Section 4 presents and evaluates the empirical findings. Section 5 concludes.

## 2 Data and Summary Statistics

This paper uses micro-level data from the British Household Panel Survey (BHPS), covering the years 1992–2008. The BHPS provides information on individual-level, household-level, and job-related characteristics in England, Scotland, Wales, and Northern Ireland. It yearly follows, in a panel structure, a nationally representative sample of households by interviewing every adult member of sampled households and it assigns a unique identification number for each respondent. Eighteen waves of data are available. Due to changes in the measurement instrument in wave-1, the job satisfaction scores are higher in wave-1 than those in other waves [Rose (1999)]. Therefore, we accordingly drop wave-1 from our analysis and use the data from wave-2 onward. The survey respondent—an employed worker who exhibit a transition from non-ownership to ownership—must have to report an overall job satisfaction score in order to be placed in our sample.

The individual-level job satisfaction in the BHPS data is reported based on a seven-point scale ranging from 1 (not satisfied at all) to 7 (completely satisfied). At each and every interview, the employed workers are asked to rate the job satisfaction levels regarding the promotion prospects, total income, relationship with boss, job security, ability to use initiatives at work, the work itself, and hours worked. The final question about job satisfaction is “Overall, how satisfied or dissatisfied are you with your present job?”, which is again measured on the 1–7 scale and named the “overall job satisfaction.” This is often used to proxy individual-level utility derived from the current job [Clark and Oswald (1996)]. The overall job satisfaction score is the dependent variable in our analysis.

We have two distinct variables to describe the ownership status. The first one is “outright” home ownership. In this category, the purchase is totally financed by own or household-level

resources. The second category is “mortgage-financed” home ownership, for which a (partial or full) mortgage credit is used to finance purchase. We believe that these are two different types of purchases and, therefore, each should be paid special attention.

For the individual-level observed characteristics, we follow the recent job satisfaction studies using the BHPS and control for age, education level, marital status, earnings, contractual status and term, job permanency, union membership, health conditions, public versus private sector, employer size, industry, region, and time [see, e.g., [Taylor \(2006\)](#)]. We do not include the time-invariant regressors, such as gender and race, as they will be differenced out in our fixed-effects panel data regression. We collapse the education-levels into seven broad groups as follows: *higher degree* refers to postgraduate education, *first degree* refers to college education, *‘A’-level*, *‘O’-level* and *other higher qualification* refer to high school graduates of different types (consistent with the education system in the UK), *vocational qualification* refers to teaching, nursing, commercial, apprenticeship, and the certificate of secondary education (CSE), and, finally, the ones with *no qualification*. To economize on the regressors, we further collapse these seven discrete categories into a single variable, where seven refers to higher degree and one refers to no degree, and we call it “education.” Table (1) presents the summary statistics of the data that we use in our analysis.

### 3 Econometric Framework

#### 3.1 Empirical Design

There are two ways to calculate the correlation between home ownership and job satisfaction using the BHPS data. The first one is to perform a pooled cross-sectional analysis over the whole population. In this case, the sample would consist of everyone, including those who have never become a home owner, those who have been owners from the beginning to the end, and those who have switched ownership status (i.e., those who buy and sell). One can estimate the coefficient of the home ownership dummy variable in a regression of job satisfaction on all the regressors. This will be a rough estimate. The disadvantage is that such an analysis will



pick up many spurious factors and will not directly reflect the behavioral response due to the change in the ownership status.

The second way is to go after those who switch from non-ownership to ownership, controlling for observed variation and unobserved individual-level heterogeneity. Such an exercise will enable us to compare the change in the job satisfaction score at the individual level due to a switch from non-ownership to ownership. We adopt this strategy and focus exclusively on comparing the job satisfaction scores of those individuals observed right before and after the purchase. We find a statistically significant reduction in job satisfaction after the purchase [see Section 4 for details]. It will perhaps be useful to mention at this stage that our estimates should be interpreted as a lower bound, since we focus on those who choose to purchase a home.

### 3.2 Method

We base our empirical strategy on a standard panel data regression framework with fixed effects. Individuals in our sample are observed for only two periods: right before and after home ownership. In other words, every individual is observed strictly for two consecutive periods and, for each individual, we necessarily observe a transition from non-ownership to ownership. The cross-sectional dimension is large, but the time-series dimension is only two. In this sense, our data can be classified as a balanced, short panel.<sup>5</sup> We focus our attention only on those employed workers who transition from non-ownership to ownership just for the purpose of getting a more accurate estimation and understanding of the effect of home ownership on job satisfaction. We rule out those who does not change their ownership status over the sample period, since we want to capture the behavioral outcome caused by this transition.

The model is simply as follows:

$$y_{it} = \alpha + \mathbf{x}'_{it}\boldsymbol{\beta} + h_{it}\theta + \nu_i + \epsilon_{it}, \quad (3.1)$$

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<sup>5</sup>Having a very short panel justifies the use of fixed (or time-invariant) effects to control for unobserved individual-level heterogeneity.

where  $y_{it}$  is the job satisfaction score,  $\mathbf{x}_{it}$  is a column vector of observed time-varying covariates,  $h_{it}$  is the home ownership indicator,  $\nu_i$  is the fixed effect that is potentially correlated with the observables, and  $\epsilon_{it}$  is a residual term. Our main purpose is to estimate the sign and magnitude of  $\theta$ , controlling for observed variation ( $\mathbf{x}_{it}$ ) and unobserved individual-level heterogeneity ( $\nu_i$ ). The fixed-effects panel data regression corresponds to estimating the equation

$$(y_{it} - \bar{y}_i) = (\mathbf{x}_{it} - \bar{\mathbf{x}}_i)' \boldsymbol{\beta} + (h_{it} - \bar{h}_i) \theta + (\epsilon_{it} - \bar{\epsilon}_i), \quad (3.2)$$

where  $\bar{y}_i = (y_{i1} + y_{i2})/2$ ,  $\bar{\mathbf{x}}_i = (\mathbf{x}_{i1} + \mathbf{x}_{i2})/2$ ,  $\bar{h}_i = (h_{i1} + h_{i2})/2$ , and  $\bar{\epsilon}_i = (\epsilon_{i1} + \epsilon_{i2})/2$ , given the nature of our data. The fixed effects and all other constants (such as  $\alpha$  and the time-invariant covariates, like gender) are differenced out; the resulting equation gives us the within variation that we need to identify the impact of home ownership on the self-reported job satisfaction score. In the next section, we present our estimates and interpret the results.

## 4 Results and Discussion

This section reports our results and presents a detailed discussion of them. We would like to start by emphasizing that we run different regressions for outright and mortgage-financed owners. The main reason is our belief that different economic incentives may be motivating these two ownership decisions. For example, mortgage-financed ownership may be driven by investment motives or incentives related to living in a better neighborhood with high-quality schooling options for the kids. Moreover, mortgage-financed ownership may limit mobility further because moving costs may be larger due to potential lock-in effects.<sup>6</sup> Outright ownership, on the other hand, can be directly in cash, by inheritance, or by parental gift. Those paying in cash may be the ones who want to keep their relocation options open, although moving costs would still be high.<sup>7</sup> Based on this considerations, our expectation *ex ante* is that if home ownership leads to a reduction in job satisfaction and if this reduction is due to impeded flexibility, then the mortgage-financed owners should face a sharper decline in job

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<sup>6</sup>The lock-in effect is defined as decreased mobility with increased mortgage loan-to-value ratio, particularly if the value of equity turns negative.

<sup>7</sup>See Table (1) for a brief comparison of the sample means and standard deviations for these two types of ownership.

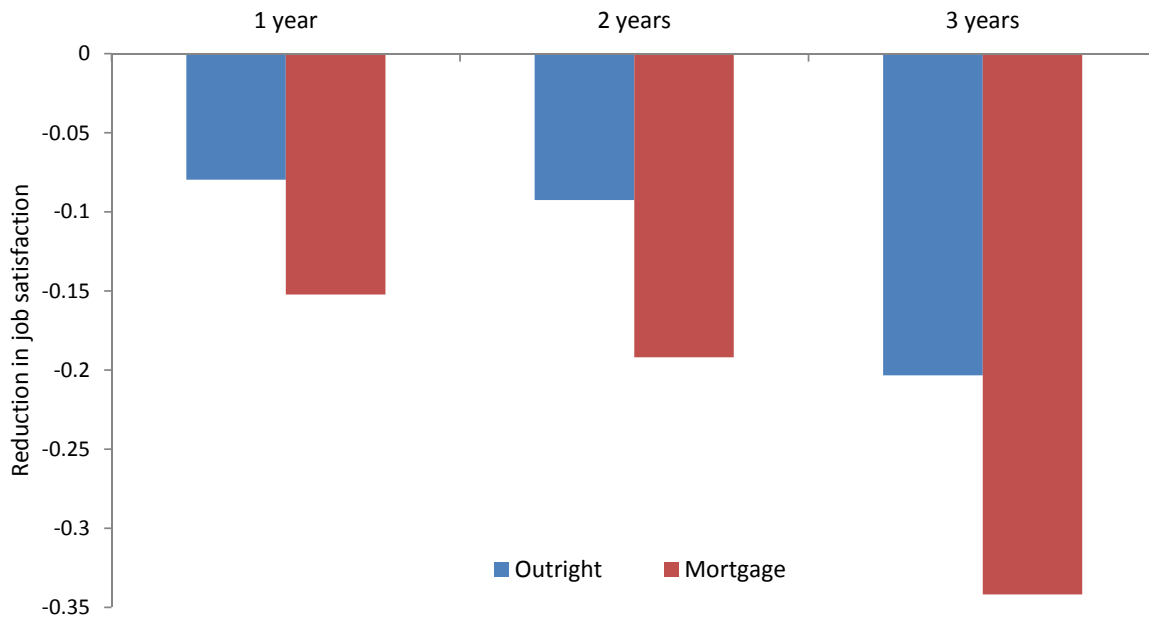


Figure 4.1: ESTIMATES.

satisfaction than the outright owners right after the purchase.

Tables (2)–(5) summarize our empirical results. Both outright ownership and mortgage-financed ownership reduce job satisfaction, on average, by approximately 0.08 and 0.15 units, respectively, within a year following the purchase. These estimates are robust to clustering the standard errors within cross-sectional id numbers that we construct our panel on [Tables (2) and (4)]. This reduction (with respect to the time of initial ownership) goes up to 0.09 and 0.19 units within the second year and to 0.20 and 0.34 units within the third year after the transition from non-ownership to ownership, respectively [Tables (3) and (5)]. See Figure (4.1) for a visualization of these estimates. Extending the analysis for a fourth year and beyond is not statistically feasible, as we loss a lot of degrees of freedom after the third year of ownership. But we won’t be surprised if this trend stops soon at some point.

We interpret this amplified worsening as the operation of a process featuring sequential revelation of information over time regarding reduced flexibility and restricted job prospects after the purchase. Thus, the reduction in job satisfaction due to home ownership is not only a transitory phenomenon; it persists and even worsens over time.

We also control for a wide array of individual- and job-related characteristics. We only interpret the signs and magnitudes of the coefficients of control variables that preserve their statistical significance after clustering the standard errors [see Tables (2) and (4)]. Among the outright owners, being married, being healthy, and having access to promotion opportunities lead to an increase self-reported job satisfaction, whereas working under a temporary contract and receiving high earnings reduce the job satisfaction score. Among mortgage-financed owners, receiving high earnings, having good health conditions, and having access to promotion opportunities raise individual-level job satisfaction, while higher education and union membership are associated with lower job satisfaction.

The interesting point is that the signs of the effect of earnings on the job satisfaction scores are different for the two types of ownership. The coefficient is positive, as expected, for mortgage-financed owners, but it is negative for the outright owners. This actually supports our position that outright and mortgage-financed purchases are made by different types of workers and they should be treated separately. Table (1) presents some of these differences. For example, mortgage-financed owners are younger and better-educated than the outright owners, on average. Moreover, earnings are higher and the rate of marriage is lower among mortgage-financed owners, than the outright owners. These differences also justify running separate regressions for outright and mortgage-financed owners.

The BHPS asks eight job satisfaction questions to the respondents: overall job satisfaction, promotion prospects, total pay, relations with boss, job security, use of initiative, work itself, and hours worked. This paper presents detailed analysis on the correlation between the “overall job satisfaction” and home ownership. We present convincing evidence that the sign of this correlation is negative. Another interesting question is related to the content of this negative correlation. In other words, we also briefly analyze the link between home ownership and other seven categories of job satisfaction. We find that regressions based on job security, use of initiative, and work itself produce statistically insignificant coefficients. Consistent with our main results, we also find that home ownership is negatively (and statistically significantly) related to promotion prospects, total pay, relations with boss, and hours worked. Specifically,

we find that home ownership reduces job satisfaction due to promotion prospects by 0.45 units, job satisfaction due to total pay by 0.09 units, job satisfaction due to good relations with boss by 0.18 units, and job satisfaction due to hours worked by 0.07 units within a year after the purchase. These results suggest that home ownership most prominently affects the utility people get from the *promotion prospects* and *relations with boss* aspects of their jobs.<sup>8</sup>

We would like to put down a cautionary note here. We specifically focus on the change in job satisfaction scores for those who actually choose to become home owners. Clearly, we are not dealing with data from a perfectly randomized experiment (which would be a quite expensive experimental design to perform). The crux of the matter is as follows. The ones who choose to become a home owner are probably the ones who have stronger preferences for ownership. By rationality, they may have partially adjusted their job satisfaction scores *ex ante*. Given these considerations, we are more likely to underestimate the reduction in job satisfaction. This is a standard selectivity argument [see, e.g., [Heckman \(1979\)](#)]. Under perfect randomization, a bigger loss in job satisfaction (following the purchase) would be estimated. This actually is good news for us, because existence of such a selectivity pattern would even strengthen our results. Our estimates, in turn, should be interpreted as a lower bound.

We also would like to note that, following the related literature, we propose home ownership as a viable channel that constrains workers' career prospects by restricting mobility options. At the end, we show that this channel may be generating a negative conditional correlation between job satisfaction and home ownership. Of course, home ownership is not the only channel that can potentially restrict mobility. There are other relevant factors such as age, health, having children, and being self-employed. We drop the self-employed from our sample, so our focus is on wage earners only. We control for age and health effects directly through appropriate regressors [see the regression results for a comprehensive list of the independent variables we use]. Controlling for children is a more subtle issue. We do not control for the number of children, because the number of children is missing (not zero) for people who are still fecund but do not currently have any kids. Thus, including children as a regressor would

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<sup>8</sup>Note that the job satisfaction due to promotion prospects question is available only for the first 7 waves of the BHPS.

drop many observations from the sample and may lead to significant bias. Instead, we assume that being married can at least partially capture the effects coming from having children; accordingly, we control for marital status and skip the number of children in our regressions.

## 5 Concluding Remarks

In this paper, we investigate how the job satisfaction score of an employed worker—who is not initially a home owner—changes, after he purchases a home. The answer to this question is important, because papers in the related literature agree on the result that home ownership reduces mobility, flexibility, and the future job options of the employed workers. Parallel to this consensus, we find that the job satisfaction scores are reduced non-negligibly following a transition from non-ownership to ownership. This result complements the established view that home ownership may affect labor market prospects negatively.

Our findings call for a serious consideration of the factors that may lead to a decline in job satisfaction after becoming a home owner. One can consider a wide range of factors that could be explaining changes in job satisfaction after the purchase. In particular, our analysis regarding the sub-components of the job satisfaction score suggests that our estimates are most likely driven by the negative impact of home ownership on promotion prospects and relations with boss, which are important subjective aspects of job satisfaction. This means that the utility that a certain worker gets from having access to a job offering promotion prospects and/or having good relations with boss declines with home ownership. Of course, these results may also rest on the existence of an unobserved factor affecting job satisfaction but is also correlated with home ownership. We deal with this possibility by implementing a fixed effects panel data method over a short panel for the purpose of eliminating unobserved heterogeneity.

We make three contributions to the relevant literature. First, this is the first paper investigating the change in individual-level job satisfaction as a result of a transition from non-ownership to ownership. Such an analysis requires the utilization of the panel feature—i.e., following the

same individuals over time—of the BHPS data rather than employing a pooled cross-sectional analysis. Second, we document that mortgage-financed owners experience a larger reduction in job satisfaction than the outright owners. This means that home ownership affects different types of individuals differently. Finally, we report that the reduction in job satisfaction, following the purchase, becomes more pronounced overtime. This suggests that housing tenure may also affect job satisfaction negatively. A more conclusive statement on the relationship between housing tenure and job satisfaction requires a careful duration analysis, which we leave for future research.

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Type of Ownership Variable	Outright		Mortgage	
	Mean	Std.Dev	Mean	Std.Dev
Job satisfaction	5.392	1.309	5.3767	1.2796
Male	0.5001	0.5000	0.4876	0.4999
Married	0.5903	0.4924	0.3838	0.4863
Age	44.1870	13.3965	34.1639	11.1236
Higher Degree	0.0394	0.1945	0.0411	0.1985
First Degree	0.1443	0.3514	0.1843	0.3878
‘A’-Level	0.1169	0.3213	0.1263	0.3322
‘O’-Level	0.1722	0.3776	0.1949	0.3961
Other Higher Qual.	0.2949	0.4560	0.2753	0.4467
Vocational Qual.	0.0951	0.2934	0.0985	0.2979
No Qual.	0.1372	0.3441	0.0796	0.2707
Log Earnings	6.7981	0.8014	6.8949	0.6741
London	0.1139	0.3177	0.1027	0.3036
Southeast	0.1972	0.3979	0.2018	0.4013
Southwest	0.1017	0.3022	0.0666	0.2812
East Anglia	0.0327	0.1778	0.0401	0.1963
East Midlands	0.0819	0.2743	0.0744	0.2625
West Midlands	0.0752	0.2636	0.0795	0.2706
Northwest	0.1163	0.3206	0.1077	0.3099
Yorkshire Humberside	0.0948	0.2929	0.0940	0.2918
Northeast	0.0531	0.2242	0.0555	0.2290
Wales	0.0433	0.2035	0.0470	0.2116
Scotland	0.0674	0.2507	0.0859	0.2802
Northern Ireland	0.0183	0.1339	0.0140	0.1173
Energy & Water Supplies	0.0256	0.1579	0.0188	0.1357
Extraction & Manufacture	0.0565	0.2310	0.0493	0.2165
Metal Goods & Engineering	0.0581	0.2340	0.0597	0.2372
Other Manufacturing	0.0779	0.2680	0.0903	0.2867
Construction	0.1056	0.3073	0.0983	0.2977
Distribution, Hotels & Catering	0.1464	0.3535	0.1516	0.3586
Transport & Communication	0.1369	0.3437	0.1295	0.3358
Banking & Finance	0.1902	0.3924	0.1829	0.3866
Other Services	0.1929	0.3946	0.2110	0.4080
# of observations	2,157		2,745	

Table 1: **Summary Statistics:** British Household Panel Survey data from wave-2 to wave-18 are used in the empirical analysis. These waves cover consecutive years between 1992 and 2008. Earnings are deflated taking 1992 as the base year. The first two columns describe the summary statistics for the outright owners and the last two columns describe those for the mortgage-financed owners. Appropriate frequency weights are used in all calculations.

Dependent variable: individual-level job satisfaction				
Covariate	Coefficient	(SE)	Coefficient	(Clustered SE)
Home Ownership (outright)	-0.0797***	(0.0033)	-0.0797*	(0.0412)
Married	0.2775***	(0.0100)	0.2775*	(0.1544)
Age	0.0590***	(0.0046)	0.0590	(0.0856)
Age-squared/100	-0.0371***	(0.0048)	-0.0371	(0.1058)
Education	0.1114***	(0.0059)	0.1114	(0.1182)
Log Earnings	-0.1813***	(0.0053)	-0.1813*	(0.1043)
Health Good	0.1394***	(0.0043)	0.1394*	(0.0768)
Health Very Good	0.3219***	(0.0058)	0.3219***	(0.1005)
Promotion Opportunities	0.3598***	(0.0045)	0.3598***	(0.0821)
Union Membership	-0.0920***	(0.0082)	-0.0920	(0.1331)
Temporary Worker	-0.4026***	(0.0138)	-0.4026*	(0.2403)
Fixed-term Contract	0.3490***	(0.0165)	0.3490	(0.4044)
Public-sector Worker	-0.0926***	(0.0093)	-0.0926	(0.1613)
Small Employer	0.0321***	(0.0060)	0.0321	(0.1173)
Region Dummies	Yes		Yes	
Industry Dummies	Yes		Yes	
Year Dummies	Yes		Yes	
Mean of Fixed Effects	3.4012***	(0.1271)	3.4012	(2.4412)
<i>F</i> -statistic	431.30		NA	
# of Individuals	2,157		2,157	
# of Observations	4,314		4,314	

Table 2: **Estimation Results I.** This table presents the estimates for the outright owners within a year following the purchase. Standard errors are reported in parentheses. The last column reports the clustered standard errors, where the clustering is performed based on individual id numbers. \*, \*\*, \*\*\* indicate the 10%, 5%, and 1% significance levels, respectively. Appropriate frequency weights are used.

Dependent variable: individual-level job satisfaction				
Covariate	2 Years Later		3 Years Later	
	Coefficient	(SE)	Coefficient	(SE)
Home Ownership (outright)	-0.0926***	(0.0045)	-0.2033***	(0.0068)
Married	0.2256***	(0.0111)	0.3052***	(0.1114)
Age	-0.0819***	(0.0036)	-0.0718***	(0.0034)
Age-squared/100	0.1266***	(0.0039)	0.1243***	(0.0034)
Education	0.0466***	(0.0047)	-0.1577***	(0.0046)
Log Earnings	-0.2564***	(0.0056)	-0.0744***	(0.0057)
Health Good	0.0344***	(0.0050)	0.1982***	(0.0062)
Health Very Good	0.3185***	(0.0068)	0.3051***	(0.0079)
Promotion Opportunities	0.1911***	(0.0052)	0.4659***	(0.0060)
Union Membership	-0.1371***	(0.0082)	0.0126	(0.0086)
Temporary Worker	-0.5436***	(0.0162)	-0.7046***	(0.0186)
Fixed-term Contract	0.6219***	(0.0176)	0.3667***	(0.0211)
Public-sector Worker	0.0966***	(0.0098)	0.0879***	(0.0113)
Small Employer	0.2505***	(0.0066)	0.1642***	(0.0074)
Region Dummies		Yes		Yes
Industry Dummies		Yes		Yes
Year Dummies		Yes		Yes
Mean of Fixed Effects	6.7342***	(0.1226)	6.0499***	(0.1247)
<i>F</i> -statistic		474.80		456.22
# of Individuals		1,252		937
# of Observations		2,504		1,874

Table 3: **Estimation Results II.** This table presents the estimates for the outright owners within two and three years following the purchase. Standard errors are reported in parentheses. \*, \*\*, \*\*\* indicate the 10%, 5%, and 1% significance levels, respectively. Appropriate frequency weights are used.

Dependent variable: individual-level job satisfaction				
Covariate	Coefficient	(SE)	Coefficient	(Clustered SE)
Home Ownership (mortgage)	-0.1523***	(0.0031)	-0.1523***	(0.0573)
Married	-0.0329***	(0.0068)	-0.0329	(0.1127)
Age	0.0883***	(0.0042)	0.0883	(0.0788)
Age-squared/100	0.0336***	(0.0058)	0.0336	(0.0975)
Education	-0.1645***	(0.0054)	-0.1645*	(0.0954)
Log Earnings	0.1377***	(0.0050)	0.1377*	(0.0833)
Health Good	0.0760***	(0.0038)	0.0760	(0.0628)
Health Very Good	0.1185***	(0.0049)	0.1185*	(0.0629)
Promotion Opportunities	0.4586***	(0.0038)	0.4586***	(0.0691)
Union Membership	-0.3767***	(0.0066)	-0.3767***	(0.1164)
Temporary Worker	-0.0354**	(0.0146)	-0.0354	(0.2345)
Fixed-term Contract	-0.0333**	(0.0145)	-0.0333	(0.3359)
Public-sector Worker	-0.1253***	(0.0089)	-0.1253	(0.1553)
Small Employer	0.1257***	(0.0048)	0.1257	(0.0775)
Region Dummies	Yes		Yes	
Industry Dummies	Yes		Yes	
Year Dummies	Yes		Yes	
Mean of Fixed Effects	1.6737***	(0.1271)	1.6737	(1.7522)
<i>F</i> -statistic	433.55		NA	
# of Individuals	2,745		2,745	
# of Observations	5,490		5,490	

Table 4: **Estimation Results III.** This table presents the estimates for the mortgage-financed owners within a year following the purchase. Standard errors are reported in parentheses. The last column reports the clustered standard errors, where the clustering is performed based on individual id numbers. \*, \*\*, \*\*\* indicate the 10%, 5%, and 1% significance levels, respectively. Appropriate frequency weights are used.

Dependent variable: individual-level job satisfaction

Covariate	2 Years Later		3 Years Later	
	Coefficient	(SE)	Coefficient	(SE)
Home Ownership (mortgage)	-0.1919***	(0.0044)	-0.3419***	(0.0068)
Married	-0.0574***	(0.0065)	-0.1178***	(0.0065)
Age	-0.1086***	(0.0034)	0.0786***	(0.0031)
Age-squared/100	0.2072***	(0.0046)	-0.0150***	(0.0040)
Education	-0.0107**	(0.0044)	-0.0846***	(0.0044)
Log Earnings	0.1574***	(0.0057)	0.0038	(0.0062)
Health Good	0.0376***	(0.0046)	0.1157***	(0.0050)
Health Very Good	0.1070***	(0.0056)	0.2667***	(0.0064)
Promotion Opportunities	0.4187***	(0.0043)	0.4724***	(0.0048)
Union Membership	-0.2892***	(0.0066)	-0.1002***	(0.0070)
Temporary Worker	0.0869***	(0.0189)	-0.2217***	(0.0208)
Fixed-term Contract	-0.3112***	(0.0180)	-0.2768***	(0.0205)
Public-sector Worker	0.2387***	(0.0089)	0.1434***	(0.0097)
Small Employer	-0.0233***	(0.0056)	0.0977***	(0.0062)
Region Dummies	Yes		Yes	
Industry Dummies	Yes		Yes	
Year Dummies	Yes		Yes	
Mean of Fixed Effects	5.7001***	(0.0807)	3.7124***	(0.0855)
<i>F</i> -statistic	362.49		326.42	
# of Individuals	1,987		1,629	
# of Observations	3,974		3,258	

Table 5: **Estimation Results IV.** This table presents the estimates for the mortgage-financed owners within two and three years following the purchase. Standard errors are reported in parentheses. \*, \*\*, \*\*\* indicate the 10%, 5%, and 1% significance levels, respectively. Appropriate frequency weights are used.

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