

EXECUTIVE SUMMARY

The Canada-U.S. Institute (CUSI) at Western University is delighted to welcome Anita F. Hill, renowned author and Professor of Social Policy, Law, and Women's Studies at Brandeis University, as the third speaker in the Visiting Fellows Program.

The Visiting Fellows Program was established under the auspices of the Canada-U.S. Institute. Its purpose is to bring distinguished policy-makers, journalists, academics, and other opinion leaders to the Western community to share their valuable insights on a range of important social, political, economic, and cultural issues related to Canada and the United States. In addition to presenting a university lecture, Visiting Fellows will publish a study or commentary that will be available in both hard copy and in an electronic format on the CUSI website <http://thecanadausinstitute.uwo.ca/>.

The Canada-U.S. Institute was established in 2010 to provide timely and policy-relevant research and analysis on Canada and the United States, and to highlight the importance of our bilateral relationship. Supported by five faculties (Arts and Humanities, Information and Media Studies, Law, Social Science, and the Richard Ivey School of Business), CUSI brings together over four dozen scholars on campus who draw on their expertise to help promote an interdisciplinary understanding of Canada's relationship with the United States.

We are currently engaged in several research projects that we hope will be of interest to academics, policy-makers, business leaders, and members of the attentive public. I hope that you find the work of Canada's first interdisciplinary think tank both insightful and informative.

Donald Abelson – Director
The Canada-U.S. Institute

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The views of the Visiting Fellows do not necessarily reflect those of the Canada-U.S. Institute.

Cover photo: Jack White.

The High Cost of Home Insecurity in the United States: A Cautionary Tale for Canada?¹

Anita F. Hill

Introduction

According to a Pew Research Center report, the wealth gap between whites, African Americans, and Latinos in the United States is at record highs. In 2011, the wealth (assets minus debts) of “white households [was] 20 times that of black households and 18 times that of” Latinos. Pew based its conclusion on analysis of data from the “Survey of Income and Program Participation” (SIPP), an economic questionnaire distributed periodically to tens of thousands of households by the U.S. Census Bureau. The renowned research centre discovered that the 2009 racial inequalities were the largest in 25 years, twice the size of the chasm that had separated groups two decades ago. The main culprit behind the broadening gap was the precipitous decline in housing values that followed the collapse of the U.S. housing market in 2008.

Even though the larger problem of housing insecurity precedes the current recession, to understand today’s dismal state of affairs one must understand the high-cost and subprime lending epidemic that spread through communities of colour in the years between 2005 and 2008. This paper

looks at mortgage practices in urban neighbourhoods in Chicago and Baltimore during that period. It further explores the roots of this growing wealth divide, by tracing it back to two of its main contributors, historic sexism and racism in the housing market that made communities of colour prime targets for risky lending. Looking forward, this essay explores the health, education, and political implications for communities left devastated by the foreclosure crisis and the individuals who remain in them. Finally, the paper questions whether the American experience should serve as a cautionary tale for Canada. Notwithstanding the two countries' very different ethnic and racial histories, it is important to ask whether contemporary housing insecurity in Canadian cities might contribute to long-term wealth inequalities that they portend in the United States. I propose further research and a shift in the driving force behind housing policy that recognizes the contribution of gender and race discrimination to the problem.

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The Depth of Wealth Inequalities: Home Insecurity by the Numbers

Between the years of 2005 and 2009, the median net worth of households occupied by whites fell 16 percent. During that same period, African American household after debt wealth fell 53 percent. Astonishingly, the net value of the assets in Hispanic households took the steepest drop, decreasing by 66 percent. This population suffered in part because of location. The collapse of the housing market was the principle reason for the devastating loss in wealth Latinos experienced. California, Arizona, Florida, and Nevada had led the country in housing starts during the boom years of the housing market and home buying surge that started in 2004. Not surprisingly, those states' residential neighbourhoods, many of them newly developed, experienced some of the most severe consequences. In part, the large proportion of Latinos living in those states explains the severity of the loss to that community.

Indeed, the home equity that made up the bulk of Hispanic homeowners' assets declined by half—from \$99,983 to \$49,145. Rather than increasing as it had in previous years, the homeownership rate among Hispanics also declined, from 51 percent to 47 percent.

Though the 20:1 ratio of black/white wealth and holdings is dramatic, in and of itself, it is even more startling when articulated in dollars. With assets defined as houses, cars, savings and checking accounts, stocks and mutual funds, and retirement accounts, and debt including mortgages, auto loans, and credit card balances, a representative black household reported \$5,677 in net wealth in 2009. "The typical Hispanic household had \$6,325 in wealth and the typical white household had \$113,149." One more statistic is worth considering in order to get a clearer picture of the threat the loss of wealth represents for the security of people of colour. Census information informs us that the median income for white families in the United States is \$62,545. The comparable figure is \$38,409 for black families and \$39,730 for Hispanic families. What happens if family breadwinners lose jobs? If this kind of economic catastrophe struck and each family lost its income source, assuming they were liquid, it would take a white family 21 months to deplete its assets. It would take a black family and a family of Latinos less than two months to reach that point of insolvency. In fact, the Bureau of Labor Statistics at the United States Department of Labor reports that, as of March 2012, the average unemployed person in the U.S. had been looking for work for nearly four and a half months. If a family from either of these populations rents a home or has a mortgage to pay, in today's economy, the chances are pretty good that they could lose it before they found employment and could catch up financially. Cash unemployment benefits vary from state to state, but average about \$330 per week. Recipients may have to choose between covering all of a mortgage or rent payment and paying for utilities.

Many families spend more than 50 percent of their income on housing. According to the Center for Housing Policy, in California and Florida, for example, 34 percent of working households, those who work twenty or more hours a week and earn no more than 120 percent of the median household income for their areas, spend more than half their earnings just to keep a roof over their heads. And though housing insecurity exists for many families in urban settings and takes a significant toll on urban fathers, this level of expenditure is even more typical for households headed by single women. In today's U.S. and Canadian societies, the majority of single headed households have women as the primary breadwinners. Even when men are single parents, they typically have fewer dependents in their homes than women heads of households. Wage disparities between women and men in the United States and Canada persist, with women typically earning 77 cents for every

dollar men earn. For black women and Latinas, the gap is even broader. As a consequence of all these factors, women of colour who head households are more likely to spend a huge share of their take home pay on providing a place for themselves and their families. Their reality is described by the Center for Housing Policy as severe housing cost burden and exists for renters and buyers despite the decline in home values precipitated by the housing crisis. Therefore the housing options for those single women heads of households who have lost jobs in the recession and must make due on unemployment benefits are severely limited.

Even if income remains stable, the asset to income ratios put Latinos and Blacks at a considerable disadvantage in obtaining credit to buy a home if they don't own one or to finance their children's education. In that sense, the lack of assets can have a profound intergenerational impact, lower income and lesser financial holdings becomes a part of the future of families of colour as well as their present state. In *Money: Who Has How Much and Why* (1997), Professor Andrew Hacker noted that all parents want to give their children the best chances possible for a good life. Yet, he noted that an increasing number of families are so burdened by budget expenses, without corresponding increase in income, that the good start they want to provide for their children is becoming more and more elusive, disparately burdening the aspirations of black children. The fast pace at which the cost of basic necessities, like housing, is eating away at the income of heads of families of colour, and especially women, detracts from more than the families' financial assets. This reality erodes their dreams of social and economic equality for themselves and their children. The crisis is more than a housing crisis that will be resolved as soon as the market returns to pre-2008 status. It is a crisis of the home and what it means to Americans who have experienced racial and gender bias, and disadvantage far exceeds any dollar value as measured by the housing market. There is mounting evidence that housing inequality contributes to inequality in education, economic, political, social capital, and healthy living opportunities.

Home: The Symbol of Contested Equality

Abigail Adams, wife of the second U.S. president, John Adams, was perhaps one of the earliest American figures to recognize the relationship between gender equality and the home. Abigail Adams was a descendant of English settlers who came to the U.S. colonies in search of religious freedom. But as a woman well versed in political matters, she knew that if freedom was to have meaning for colonial women, it must directly relate to their lived experiences. And for women like Adams, life centred around marriage and the home. In a memorable letter she enlisted her husband to "Remember the Ladies" and

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protect them from physical abuse in the home, and provide for married women to own homes in their own names so that they would not be beholding to men for a place to live. She compared the way that men ruled over the home with the tyranny of England and its rule over the U.S. colonies. Adams envisioned the home as entirely more than a financial asset. For her, the rights women had in and over the home defined their political and personal status. Adams' pleas went unheeded, and the U.S. Constitution was devoid of any special protections

for women. There is no evidence that John Adams or any of his fellow framers of the documents that would outline the privileges of citizenship in America ever considered gender equality in any form. Adams and the other founding fathers did consider race. But racial equality was not what they pursued. Instead they chose to enshrine one of the most severe forms of inequality imagined in U.S. history. The Constitution recognized the legality of the enslavement of black people throughout, what was at the time of its drafting, all of America, the former thirteen British colonies. Despite the fact that her urgings fell on deaf ears, Abigail Adams' ideas about the social and political significance of a safe and secure home for women had traction. During the 19th century, the women's movement would grow and women's advocates were likely influenced by Adams. As the movement to secure the vote for women developed its platform, they used the role that women played in their homes as the basis for their right to participate in political affairs. One suffrage poster urged that the only way a woman could fulfill her duties to care for her family was through the selection of government officials who were responsible for protecting the health and safety of the general public. Despite such campaigns, women did not get the franchise until well into the 20th century. It would take many more efforts for a woman to achieve the full right to own, even gifted, property in her own name and even more to be able to get credit to purchase it. Domestic violence was viewed as the norm, with little legislative protection against, and public safety attention to, the tyranny that Abigail Adams alerted her husband to. Women's status, inside and outside the home, remained second class.

The profound significance of home as envisioned by Abigail Adams and early suffragettes is matched by the vision of the home held by those seeking racial equality. In his highly acclaimed work, *The Making of African America* (2010), historian Ira Berlin describes the experience of blacks in the United States as 400 years of movement and place. Migration, according to Berlin, is a chief

characteristic of the narrative of how people of African descent have become American. Yet, the migration Berlin describes is not erratic or without purpose. Movement over the four centuries of the black experience is in search of home. From the time slaves sought refuge from bondage across the border in Canada via the Underground Railroad to the Great Migration in the early days of the 20th century, and even to today, relocation has been driven by the need to find a place to belong. Home, in its largest sense, over the history of Africans in America would become the symbol of freedom, equality, and full citizenship.

Booker T. Washington, recognized as one of the great African American leaders of 1900s, believed that the establishment of a home did more to secure blacks place in community than civil rights legislation. His idea for racial uplift demanded that blacks focus their attention on making their homes aesthetic symbols of their occupants' character and adherence to their white neighbours' sensibilities. Thus, he opined, African Americans would find a welcoming community and earn a place in the hearts of whites. Political belonging, in Washington's thinking, would follow. Though his theory about the need for blacks and whites to find community was correct, Washington was profoundly mistaken in other respects. In the 19th century, most African Americans lacked the economic ability to establish homes among whites. Moreover, white resistance to such efforts by their black neighbours was profound and often violent. Labour, education, and housing policies kept blacks in the South, where Washington was located, living in much the same condition that existed during slavery. The peonage farm system that supported former Southern plantation holders' recovery after the Civil War contributed to the dire living situations of black labourers. Lack of educational opportunities locked poverty in place for most rural Southern black farm workers. Some found themselves residing in former slave cabins even into the 1940s. Those who did scrape together the resources to buy acreages were burdened by the unavailability of credit opportunities that would have enabled them to

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make the most of their land holdings. Whites who prospered from the racial/economic division enacted legislation that governed every aspect of life from segregated medical care, to water fountains and cemeteries. Jim Crow laws made sure that racial distinctions pervaded every aspect of Southern life from birth to after death. Yet, ironically, black maids and wealthy whites came together in the most intimate and rarefied of spaces, the homes of affluent whites who benefited most from the Jim Crow system.

In the urban setting of Washington, D.C., feminist and religious leader Nannie Helen Burroughs, a contemporary of Booker T. Washington, considered the home through the lens of both gender and racial equality. Like Adams, she saw that women's roles in the home would define their political and economic existence. But unlike Washington, Burroughs proposed that blacks, and black women in particular, need not conform to white expectations. Burroughs saw the home and the work black women performed in it as noble and empowering. She conceived of ways to elevate the experience of African American women so that whites who employed them as domestic workers respected them as part of the professional class. Nannie Helen Burroughs was aware that many black women worked outside the home, but that their employment outlet was primarily domestic service. Burroughs' solution was to elevate the work by insisting that the maids and housekeepers be educated, and professionally trained and licensed. She also envisioned them organizing to demand the pay and respect they earned.

Like Adams, to Burroughs the demarcations between what went on in the home and what happened in the public arena did not exist. Indeed, that many African American women worked in domestic service resonated with her personally. Burroughs' mother, a former slave, was a housekeeper who supported Nannie Helen and her sister. The home was both a workplace and a place of residence for domestic workers. What was the public sphere for maids and housekeepers was the private sphere for their employers and sometimes the workers themselves in the case of live-in help. Sharp lines that white men might draw between the public and private spheres and between the political and the personal made no sense to Burroughs. She may have been influenced by earlier generations of African American women who saw the political elements in work that came out of the home. In 1881, Atlanta's black laundresses, individual operators who worked out of their own homes, engaged in one of the first labour strikes organized by women. The movement began with just twenty women, but through mobilization in the black neighbourhoods, that number rose to 3,000. Initially the women demanded higher pay for their work. But the real import of the organizing was to give the women a political voice that was unparalleled in the black community or among women in general. Drawing on lessons from black laundresses in the

post-antebellum South, Burroughs proposed that domestic workers organize for their own economic and political purposes. Burroughs opened her own school where she dedicated herself to teaching working class black girls who came from the dilapidated homes that were the norm for poor blacks. There Burroughs' students learned the classics along with well-defined domestic skills. Yet, her movement floundered. Unlike Washington, Burroughs would not pursue white support, and support for her work from elite blacks was less than overwhelming. Burroughs' approach can easily be criticized as doing nothing to protest segregation in just about every aspect of life, including housing, which was central to urban and rural existence. Yet, she too planted what would have been radical ideas about black women's equality, as she rejected both the racial and gender bias that were behind the thinking about working class black women.

Each in their own way, through devotion to gender and racial equality, Adams, Washington, and Burroughs elevated the home as a symbol of belonging and independence in theirs and the public imagination, as well. In the 1920s and 1930s, as the home became the icon of the American Dream, Burroughs witnessed the hardening of segregation in neighbourhoods North and South. She also experienced America's devotion to the cult of domesticity and adherence to the notion that the home was the appropriate place for women's self expression. Such ideas would continue to lock into the public imagination women's subordination inside and out of domestic dwellings. Nannie Helen Burroughs died in 1961. Fortunately, she also lived long enough to experience the dawning of modern civil rights and women's rights eras.

Mid-century American Residential Segregation: The Backdrop for Subprime Lending

In the first half of the 20th century, residential segregation was not simply the personal preference of landed white Southerners or their wealthy Northern and now Western counterparts. American segregation and gender subordination was government policy. Even when bias was not enshrined in law, through its engagement with private enterprise, the federal government suborned and supported racism and sexism in ways that made social norms and commercial interests indistinguishable from official government mandates.

Beginning in the 1920s, Commerce Secretary Herbert Hoover, the man who would one day be president, embarked on a campaign to make homeownership a staple of American ambition. His Own-Your-Own-Home (OYOH) campaign promoted home purchasing as the American Century ideal. He enlisted a coalition of bankers, local officials, builders, and developers to help fulfill his vision. Homeownership evolved from a symbol of wealth to a

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symbol of civic responsibility, and even manhood. Brochures credited it with placing a man as a giant in his community. Homeownership was equated with success. Flyers and brochures distributed by those in the movement all but promised that a man who bought a house would have a happy wife and kids who would be patriotic and get a good education. The benefits did not depend on the financial terms of the purchase. According to the promotions, cash was as good as mortgages for accruing the benefits of home buying, which was touted as the most patriotic, religious, and altruistic thing a man could do. OHOH brochures declared that “The Man Who Owns His Home is a better Worker, Husband, Father, Citizen, and a real American [brochure’s emphasis].”

Logically, black men who wanted to become “real American[s]” would follow the call to homeownership. But in the 1920s, having been locked out of rural land ownership, most African Americans could not afford to own homes in the cities and towns throughout the nation that blacks increasingly inhabited.

The OYOH movement appealed to women. Homeownership carried the potential for better motherhood. In fact, under the OYOH philosophy renting an apartment would be near hazardous to women’s maternal well being: “If you are to maintain your ancient, glorious vocation, you need to be a genuine Home Maker, in your own Home [OYOH’s emphasis].”² An OYOH pamphlet counseled women that security and safety could never be attained in rented dwellings. Thus the Standard American Home, promoted by the campaign, was a single-family dwelling situated in a suburb. City homes would be sufficient to satisfy the ideal if they were located near parks or other open spaces where women could take their children to play. The interior of the Standard American Home was also idealized, with appropriately appointed separate rooms for male and female children—rooms with hard, durable surfaces for boys, and frills and soft colours for girls.

Social and political messages pervaded the government/private promotion of homeownership, but surely the campaign’s most lasting contribution was to the country’s economy. In 1933 in an effort to restore the nation’s

economy and put men back to work, President Franklin Roosevelt created the Home Owners Loan Corporation (HOLC). In addition, Roosevelt's plan was engaged as a way of preventing a rash of home foreclosures resulting from Great Depression economic losses. The HOLC was invented as a component of Roosevelt's New Deal package. Nevertheless the president selected private real estate developers to serve as its leadership and set about its agenda of mapping out neighbourhoods for their potential to support long-term mortgages.

Slavery in America relied on a system of racial hierarchy that was socially, economically, and legally constructed. The homeownership market as produced and perpetuated by the HOLC likewise relied on a system of racial hierarchy. Under the agency's authority, suburban, middle-class communities earned the agency's highest mark and were thus slated for the largest investments. Poor neighbourhoods and communities of colour, regardless of economics, were rated the lowest. They were undesirable and less likely to get federally insured funding. Nevertheless, again regardless of the median income of the occupants, racially homogenous neighbourhoods were preferred over mixed-race neighbourhoods and thus were more eligible for mortgages. As one would suspect, under the rating system, predominantly black and Latino neighbourhoods were routinely "red zoned" for loans and investment despite their homogeneity, and regardless of the income levels of residents. Ethnicity, like race, mattered to the HOLC. As a consequence investors, builders, businesses, and buyers got the 'green' light from the HOLC to pour resources into exclusively white neighbourhoods with limited ethnic diversity, particularly those occupied by wealthy or middle-class homeowners. Thus, the United States government gave its financial blessing

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to segregated neighbourhoods. This government assessment system coupled with private lending discrimination against individuals to institutionalize racial prejudice in ways that would only begin to be overcome decades later. Enlisted men returning from World War II urged President Harry Truman's administration to address the housing shortage problem. They favoured new buildings rather than refurbishing old homes. Soon the trend toward suburban housing developments took off with the government's blessing and financial support for things like street and highway development. Transportation funding was geared toward land development that favoured suburban growth and prosperity. According to historian Andrew Wiese many blacks in both the North and the South pulled together the resources they needed to create suburbs of their own, but without the public and private funding that white suburbs continued to count on.³

What government and commercial enterprises had put into place, white homeowners worked to preserve. Neighbourhood associations sprang up in working class and wealthy white suburbs, in some cases for the sole purpose of preventing sales of area homes to people of colour. In Evanston, an affluent suburb north of Chicago, black neighbourhoods had begun developing in the 1920s. Though some of the residents were professionals and skilled workers, these "domestic service enclaves" were primarily occupied by maids, chauffeurs, janitors, and others who provided personal services for the whites in Evanston. As the black populations in Evanston grew, whites began to draw residential racial boundaries, and by 1959 blacks lived mostly on the town's west side. In both suburban and urban neighbourhoods, racially restrictive covenants that were routinely put in property deeds kept out black professionals who could afford to buy high end or middle class homes. Despite the fact that the U.S. Supreme Court ruled in 1948 that such arrangements violated the constitutional rights of would-be black buyers and were thus unenforceable, so called gentleman's agreements prevailed nevertheless. Realtors refused to show and whites refused to sell to blacks and other ethnic, racial, and religious minorities. Until the passage of civil rights laws late in the 1960s, the federal government did little to enforce the constitutional protections that the court had granted. Segregation began as a policy and practice of an arm of the federal government. Later, once segregated communities were shored up or created, even though segregation was not policy, government failed to challenge it. Communities of colour, urban and suburban, continued to suffer from a combined lack of government support and private investors' interest.

The Disruptive Power of the Narrative to Advance Society

Professor Clayton Christensen coined the term "disruptive innovation" to describe a business development that improves a product or service to the

public in entirely unanticipated ways. Small companies at the bottom of the market with small bases generally initiate disruptive innovation. The counterpart to disruptive innovation is the sustaining innovation, those which have historically allowed more traditional operations to succeed.

In the realm of social change, there are parallels to the concept of disruptive innovation. Change comes through disruptive legislation or policies or landmark legal opinions. In 1954, *Brown v. the Board of Education* is one example. The lawsuit served as a catalyst for changing the way people perceived segregation. Despite the fact that the decision in the Brown case was undermined by continued and entrenched housing segregation in Northern and Southern cities, the appropriateness of integration took hold in the United States. School districts throughout the country were called upon to dismantle dual systems of education that segregated whites from all students of colour. The case literally evolved from the grassroots. Linda Brown was a real person, a black girl being schooled in the Topeka, Kansas system that mandated, in keeping with tradition, she and her fellow black students must keep with their kind. Even though the full integration concept was never mandated or let alone achieved, *Brown v. the Board* represented a disruption to our system of laws that has not been reversed. For me, Linda Brown and the story of her desire to attend the same quality education in the same location as her white peers has always been the narrative that shaped my thinking about integration in society in general.

Often in the wake of the passage of such monumental legislation and milestone Supreme Court decisions, we forget the disruptive narratives that preceded them. In June 1964, the brutal murders of civil rights workers Andrew Goodman, James Chaney, and Michael Schwerner near Philadelphia, Mississippi galvanized a resolve for change throughout the country. The story of the three young men killed by Klansman for trying to register African Americans to vote struck a chord and altered the public perception of the urgency of the problem facing blacks in the South. Their story brought to social consciousness the reality of Jim Crow segregation—nearly 100 years after gaining the franchise through constitutional amendment, African Americans exercised it at their own peril. No longer could individuals who believed in democracy defend the idea that tradition warranted allowing the South to handle its own affairs. The Civil Rights Act of 1964 and the anti-discrimination policies it ushered in are other examples of disruptive social advances. Laws banning employers from making decisions based on racial or gender bias catapulted the United States into the modern era of equality. Despite the continued existence of discrimination, we will never return to the days when tradition exculpated the hideous exclusions of women and people of colour from jobs for which they were qualified, but had little chance of getting. And though it would take the passage of the Voting

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Rights Act of 1965 to lock into place meaningful protections of the right to vote, the reporting of what happened to Goodman, Chaney, and Schwerner deserves credit for changing the hearts and minds of many about the need for legislation.

Disruptive narratives are not always violent, nor do they need to involve lawsuits. Before what we call the civil rights movement today existed, lawyers and activists sought to undo racial segregation in housing through litigation. The era of racial patterns and hierarchy in suburban and urban housing that private initiatives like the Own Your Own Home campaign and the government's Home Owners Loan Corporation had ushered in were well entrenched. So called urban decay would grow in and out of favour for federal government attention. Even

with the introduction of laws prohibiting gender and race discrimination in lending, banks and other mortgage lenders exhibited bias in who got money and what neighbourhoods were worth investing in. By 1960 a generation of whites was inheriting the benefits of gains their parents had reaped through regulations created in the New Deal and carried out by the Federal Housing Administration. Regulations that Adam Gordon, writing in the *Yale Law Journal* in 2005, argues gave their parents an advantage in accumulating wealth and, at the same time, systemically disadvantaged blacks from doing so.

In 1961, a story written by an African American woman, playwright Lorraine Hansberry, debuted in movie form. *A Raisin in the Sun* (Daniel Petrie, 1961), the powerful story of the Younger family's challenge of racial segregation opened in movie theaters. Within years it played on the small screen. I first saw *A Raisin in the Sun* on a small black and white television in our home in rural Oklahoma. As I recall it was the first time that I had ever seen a black family portrayed on television. It certainly was the first time that I had a glimpse of urban Chicago where the drama is set. And most importantly, that viewing marked the first time that I was given a vision of the end-game of the civil rights movement and its integration agenda. At that time, I was unaware that Hansberry's play was loosely based on her own personal narrative. Lorraine Hansberry

was the daughter of a Chicago real estate developer. In 1937, defying racial restrictions, Carl Hansberry purchased a home in Washington Park, a neighbourhood on the city's South side. Mr. Hansberry won a lawsuit that he pursued to the U.S. Supreme Court, and his right to live in the white neighbourhood followed. The headline in the *Chicago Defender*, a newspaper owned and read by African Americans, hailed the victory: "Hansberry Decision Opens 500 Homes to Race." But the Hansberry's new neighbours made life for the family utterly unbearable. Years later, Lorraine would describe a family under siege. At night, her mother would literally stand guard with a loaded weapon while Lorraine and her siblings slept to keep violent neighbours at bay. Lorraine's father would be away during those nights pursuing his case in court.

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A Raisin in the Sun, written nearly two decades after Lorraine's family moved to Washington Park, presented a much rosier picture of a family's integration efforts. Though the Younger family faced some resistance from their would-be neighbours, they ultimately prevailed. *A Raisin in the Sun* raised insightful questions about the role that women would play in the quest for racial equality. One of the most powerful characters in a play filled with such is Beneatha, a young African American woman who is the outspoken advocate for racial equality and a committed feminist. At the play's end, one is left with a sense of hope that we can come together in community, despite our racial and gender difference, and coexist peaceably.

Hansberry's narrative flew in the face of the reality of race relations at the time and even in the years to come. Racial violence did not respect the sanctity of home. In 1963 Civil Rights leader Medgar Evers' home was firebombed. A few months later Evers was gunned down in his driveway; his wife and their small children were inside the home at the time. When he left the presidency in January 1969, to his credit, Lyndon Johnson had successfully urged Congress to pass landmark civil rights legislation that included protections against housing discrimination. Nevertheless, our nations' leaders seemed powerless to address existing patterns of housing inequality and the mounting wealth inequality that followed. Despite the clear integration message in *Brown v. Board of Education* decided just two decades earlier, in 1974 the Supreme Court in *Milliken v. Bradley*, refused to see how local, state, and federal policy

encouraged segregation. The court ignored the cautionary message in Justice Thurgood Marshall's dissent that the majority's decision in *Milliken* would help to divide the country's "great metropolitan areas...into two cities—one black, the other white." Racial segregation, lower property values, poorly performing schools, diminished private investment and services, not to mention ineffective and inadequate attention to public safety, all characterized the home insecurity urban inhabitants experienced.

Home Insecurity in the Age of Subprime Lending

In 1992, a generation after Justice Marshall's warning about the division in America's metropolitan areas, President Bill Clinton famously called for a national Conversation on Race to take place in cities across the country. But before its conclusion, Harvard professor Lani Guinier would criticize the effort as lacking depth, and for its failure to deal with immediate problems that the country faced. The kinds of questions the Conversation on Race might have addressed include the following:

How are communities that enjoy the best schools, best public service, best access to jobs, etc—"privileged spaces"—historically shaped by racial and gender roles?

How has law, civil rights laws, in particular, changed the idea of who lives where? What have they failed to accomplish and why?

What impact has the changing role of women as members of the paid workforce had on the way we think about these privileged spaces?

How are those neighborhoods maintained by public policies, at the national and local levels, today? What role in keeping neighborhoods homogeneous does private industry, like the banking industry and housing manufacturing industry, play today?

What are the costs of living outside "privileged spaces"—to those living outside them, and to those who live in the best communities?

In 1994, President Clinton pursued another tactic aimed at addressing many of the issues related to home insecurity. At a time when housing prices were relatively low and income was increasing, he proposed a market approach. Like his predecessors, Clinton promoted homeownership as part of the American experience. And like prior presidents, he invited private housing interests to advise him on the initiative. The result was *The National Homeownership Strategy: Partners in the American Dream*. But the project recommended ways

of financing homeownership in all neighbourhoods without addressing questions about race and neighbourhoods such as those referenced above. In 2003, President George W. Bush, Clinton's successor, developed his own market-based approach to sell homes to poor and working class Americans. He proposed that the American Dream Downpayment program would make sure that the dream of homeownership "shines in all neighborhoods, all throughout our country." The critical gender and race-related home insecurity was ignored as the program focused on the home as an asset. In the period between Clinton's and Bush's plans, two market developments had occurred that would dramatically impact the ability of working class, urban buyers to pay mortgages. Income levels for this group had stopped climbing and flattened out or decreased. On the other hand, housing prices were escalating as builders expanded the size of newly constructed homes. Yet another factor also played into market conditions. Mortgage lending was an increasingly deregulated industry.

All of the above factors—home insecurity, government promotion of homeownership, deregulation of the banking industry, rising home prices, and declining incomes—combined to lay the ground work for subprime and high cost lending, race and gender discrimination against borrowers, and ultimately the collapse of the housing market. Commentators would declare that the housing crisis was occasioned by the bad behaviour of borrowers taking out loans that they could not afford. The federal government would issue *The Financial Crisis Inquiry Report*, a 660 page explanation of the causes behind the related financial crisis. But the meltdown was made possible by institutional failures. Though the majority of the scores of thousands of loans in default today are held by white borrowers, the confluence of structural forces leading to the collapse cannot be divorced from the racial isolation and gender bias that has existed for decades in the home purchasing market. All must be taken into account if America is to move toward a better future. According to sociologist, William Julius Wilson, only after "policymakers, philanthropists, educators, community leaders, and others" have addressed these structural impediments that contributed to the crisis and interfered with peoples' ability to "realize their values in calling a place home," should they focus on "problematic cultural behavior" that impeded homebuilding.⁴

In 2007 as I was doing the research for *Reimagining Equality: Stories of Gender, Race and Finding Home* (2011), my work on the relationship between home and the search for gender and racial equality in America, I read the *New York Times* report of Anjanette Booker's struggle to retain her home. Ms. Booker's story supplied as much information about working class borrowers caught in the housing crisis as mounds of reports and commentary that I had read to date. Ms. Booker is a black single mother of one daughter, a hairstylist

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in Baltimore, a city that one might say was the epicentre of subprime lending. When she refinanced a mortgage, she was unaware that within months her monthly payment would double. Although the increase was completely in keeping with the terms of the document she signed, she was not aware that she had signed an adjustable rate loan. One is tempted to think that Ms. Booker is simply one of those borrowers who deliberately took out a loan she could not afford. However, a glimpse into her personal narrative illustrates she is a self-reliant woman who is committed to her community. Anjanette Booker and her brother were orphaned when she was a young girl. She and her brother lived with her maternal grandparents who raised them in a loving home and provided them with a typical middle class upbringing. Her grandmother, a domestic worker, and her grandfather, a construction worker, found home in Baltimore during the Great Migration as a place that offered them better opportunities for themselves and Anjanette's mother. The lesson of

opportunities arising from establishing home and a place in a community was one Anjanette took to heart. When her mortgage payment increased, she worked extra hours. Often her daughter had to accompany her to the shop in the evenings. The beauty shop Anjanette operated was also a community centre in a distressed neighbourhood where women gathered to talk about their own, including financial, concerns. But Anjanette had to balance her financial interests against the ability of her financially-strapped customers and a neighbourhood that was losing businesses because of the economy. Guided by her grandparents' work ethic and her devotion to her daughter, Anjanette saw her house, her business, and her community as part of what made Baltimore home. She struggled to keep it all intact.

Moreover, pleadings filed in federal court by the City of Baltimore suggest that Booker and her neighbours were simply not the stereotypical, over-their-

heads borrowers who were offered as scapegoats for the mortgage crisis. In fact, there is evidence that Ms. Booker as a black and female borrower in the city of Baltimore may well have been the target of lender misconduct. In the years between 2004 and 2008, half of the African Americans borrowing money to purchase a home were women and they were more likely to be borrowers in the subprime lending market. Baltimore has sued one of the country's largest banks, Wells Fargo, accusing it of targeting African American neighbourhoods for subprime and high cost loans. The city of Memphis, Tennessee and State of Illinois have also sued Wells Fargo. In December 2011, the U.S. Department of Justice charged Countrywide Financial Corporation with widespread discrimination against African American and Hispanic borrowers. The pleadings in all of these cases and others provide strong evidence that industry-wide racial and gender bias was pervasive.

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As the country was beginning to come to grips with the depth of the crisis, the press continued to inform us about the role that race played in it. The *Boston Globe* reported on the findings of housing analyst Jim Campen, who determined that while just nine percent of white borrowers making more than \$152,000 per year received high-interest loans, 71 percent of African-Americans and 56 percent of Latinos in the same income bracket were offered only high cost financing even when they qualified for conventional loans. Whether purchasing or refinancing homes, women were overrepresented in the subprime lending market. In some categories women were almost twice as likely as their male counterparts to get subprime loans. As one former employer at CitiFinancial swore under oath: "If someone appeared uneducated, inarticulate, was a minority, or was particularly old or young, I would try to include all the [extras at additional expense that] CitiFinancial offered."

The High Cost of Home Insecurity: Beyond the Foreclosure Crisis

Fortunately, Canada has escaped the ravages of the foreclosure crisis that hit the U.S. While foreclosures and the fallout from them still make the newspaper headlines, they are only one element of the issue of home insecurity. In addition, the history of race and ethnicity in the United States is quite different from that of Canada. Slavery in the United States may forever cast a shadow on relationships between blacks and whites in the country. The tumultuous struggle for racial equality in the 20th century was a legacy of the states' insistence on the bondage of people of African descent prior to the Civil War and their use of violence to enforce it. Observers contend that slavery and the racial hierarchy it constructed influenced immigration and naturalization policy even into the 20th century. Who we allow to find home in the United States for the foreseeable future may forever be shaped by our past. But the present state of home insecurity as described in the introduction to this paper is not entirely different for our neighbouring countries.

Despite our differences there are ways in which the U.S. and Canada are similar. Spatial segregation along race and class lines exists in both countries' major cities. Typically spatial segregation in cities is characterized by low income individuals living in older housing in inner areas, while higher income individuals live in newer housing in suburbs. But those patterns can vary. In some cities, high cost inner city neighbourhoods exist within blocks of poor neighbourhoods. Increasingly, in the U.S., as in Canada, the low income areas are occupied by people of colour, and specifically working class immigrants of colour. The comprehensive approach that Canada takes to defining and banning housing discrimination is laudable. The U.S. could benefit from broadening its approach and looking at housing security as a human rights as well as a civil rights issue. Canada and the U.S. could benefit from greater investigation into mortgage lending discrimination.

An April 21, 2012 article in the *Boston Globe* by Lawrence Harmon offers another narrative that helps illuminate the problem of home insecurity that goes beyond the foreclosure crisis and our countries' differing racial history. It also illustrates the racial and gender dimensions of the numbers referred to earlier from the Pew Center. Harmon writes of a 34 year old mother of two named Geraldina Teixeira. Harmon writes that Ms. Teixeira has cleaned rooms in a hotel in Boston's "financial district for about five years. She says she earns \$12.64 an hour. That's short money. She can't afford the company's health-insurance plan — or much of anything else — after paying \$1,200 a month for her Roxbury apartment. The taxpayers get to make up the difference in the form of food stamps, subsidized health insurance, and heating assistance for Teixeira and her two kids, ages 6 and 13."⁵

This story looks at the state that many working class people find themselves in. The situation is particularly acute for single mothers and is often compounded by race or ethnicity. Ms. Teixeira's rent payment is more than half her salary, which amounts to roughly \$2,000 a month. Ms. Teixeira lives in an inner-city neighbourhood in Boston, but she could be a hotel or domestic service worker in Toronto. And, at least in Boston, even the highest paid cleaning staff makes little more than half their average monthly pay. Very likely the same is true for their counterparts in Toronto. Even with existing safety net programs, Ms. Teixeira's children are unlikely to be able to make up the differences in education and social capital opportunities available to children living in tonier neighbourhoods.

How we address Ms. Teixeira and her children's situation is a great unknown. The Pew Center's 20:1 ratio of white to black wealth that I wrote about at the beginning of this piece begs us to look deeper at all the factors behind it. But in approaching the problem we must believe that her fate impacts us all. Both Canada and the United States could benefit from more research aimed at identifying the impact of home insecurity and developing policies to address it. Those policies must take into account not only race and gender, but also citizenship status. The housing construction industry's interest in building bigger and more expensive homes, which tends to separate us by class and exacerbates racial segregation, cannot be the driving force behind safe, secure, and affordable housing for everyone. Improving the income and training opportunities for women like Geraldina Teixeira is an imperative, as is closing the gender wage gap. Effective policies must approach the issue of home insecurity in a holistic fashion that is driven by the understanding that public choices in a wide array of issues, from transportation to taxes, impact families today and generations to come. Nothing short of equality is at stake.

NOTES

- 1 This work draws heavily from Anita F. Hill, *Reimagining Equality: Stories of Gender, Race, and Finding Home* (Boston, MA: Beacon Press, 2011).
- 2 Paul C. Luken and Suzanne Vaughan, "...Be a Genuine Homemaker in Your Own Home:" Gender and Familial Relations in State Housing Practices, 1917-1922," *Social Forces* 83:4 (2005):1614.
- 3 Andrew Wiese, *Places of Their Own: African American Suburbanization in the Twentieth Century* (Chicago: University of Chicago Press, 2004).
- 4 William W. Wilson, letter to author, e-mailed March 21, 2011, in author's personal file.
- 5 Lawrence Harmon, "All is Not Fair in Boston Hotels," *The Boston Globe*, April 21, 2012. Accessed April 22, 2012 http://articles.boston.com/2012-04-21/columns/31374734_1_nonunion-hotels-majority-of-workers-sign-attendant



ABOUT ANITA F. HILL

Anita Hill rose to prominence during the controversial and highly publicized confirmation hearings for Supreme Court Justice Clarence Thomas. She exhibited exceptional courage throughout her testimony before the Senate Judiciary Committee, prompting a national conversation about sexual harassment and women's equality in the workplace. Anita Hill is Professor of Social Policy, Law, and Women's Studies at Brandeis University. She is the author of numerous articles on race, gender equality, and civil rights. She has written her autobiography, *Speaking Truth to Power* (1997), and was the co-editor with Prof. Emma Coleman Jordan of *Race, Gender and Power in America: The Legacy of the Hill-Thomas Hearings* (1995). Her latest book is *Reimagining Equality: Stories of Gender, Race, and Finding Home* (2011), a compelling look at how old prejudices have impacted the quest for equality of opportunity in the United States. In addition, she has appeared on several television programs, such as *Face the Nation* and *Meet the Press*, and her commentary has been published in *Newsweek*, the *New York Times*, and the *Boston Globe*.

