

Fragile Health and Fragile Wealth: Mortgage Strain among African American Homeowners

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Abstract

The dominant public discourse around the recent mortgage and foreclosure crisis has primarily focused on recent housing market dynamics such as subprime lending and declining housing values. In this paper, we present an alternative narrative about mortgage default and foreclosure that emerged from 28 in-depth interviews with working-class, African American homeowners who were at risk of losing their homes. Our interviews show how racial inequalities in health arising from structural conditions in society intersect with other racially stratified sources of housing fragility to put families at risk of foreclosure. Many participants in this study were long-term homeowners who experienced mortgage strain as result of a health related event that triggered the collapse of a fragile household budget. Like many working-class African Americans, participants experienced poor health and disability at relatively young ages. Additionally, they often lacked access to personal and public safety-nets that could buffer the consequences of illness. Understanding how poor health plays out in the lived experiences of African American homeowners and contributes to mortgage strain provides important insight into the downstream consequences of vast and unrelenting health inequality. Furthermore,

understanding the processes through which illness can act as a financial shock has important implications for the design of effective public policy.

Introduction

Between 2007 and 2010 home mortgage foreclosure rates increased to levels unprecedented since the Great Depression. African American and other minority homeowners were with particularly hard hit (Rugh and Massey 2010, Williams, Nesiba and McConnell 2005). African American homeowners were not only more likely to receive high cost or subprime loans, which are one cause of a large portion of home foreclosures; they were also most affected by declining home values during the recent recession (Rugh and Massey 2010).

The dominant public discourse around the foreclosure crisis as it has affected minority communities has focused on disproportionate exposure to subprime lending and declining home values as an explanation for why minorities have been so hard hit by the crisis. The potentially significant contribution of poor health to the financial difficulties that minority homeowners face has been notably absent from the public discourse surrounding the mortgage crisis. Yet several recent studies point to poor health and the onset of illness and disability as an important contributor of mortgage strain (Libman, Fields and Saegert 2011, Pollack et al. 2011, Pollack and Lynch 2009, Robertson, Egelhof and Hoke 2008). Given persistent racial disparities in health, illness and disability are likely to be particularly significant sources of housing fragility among African American homeowners. Discriminatory policies and repeated and cumulative exposure to racism and racial stratification cause African Americans on average to shoulder a greater burden of disease and a lower healthy life-expectancy than their white counterparts across socioeconomic strata (Geronimus and Thompson 2004, Williams and Collins 1995). While poor health alone can certainly not explain the high rates of foreclosure that African American homeowners have experienced, it is likely an important factor that intersects with other sources

of fragility to which black homeowners are disproportionately exposed (Libman, Fields and Saegert 2011).

We begin this paper by summarizing the results of a systematic content analysis of newspaper coverage of the foreclosure crisis to document the dominant discourse, which largely ignores the potential contributions of ill health to housing fragility. We then present a brief historical overview of how housing market dynamics, the structure of wealth accumulation, and the unraveling of social safety nets have intersected with health inequality and contributed to the foreclosure crisis among African Americans. In the bulk of the paper, we turn to in-depth qualitative interviews with working class African American homeowners at risk of foreclosure in order to examine the role that poor health and disability play in the experience of mortgage strain. Though it was not a focus of our interview questions, poor health emerged as a major theme in participants discussions of their mortgage trouble., Our interview data show how fragile health intersects with limited access to personal wealth, limited public safety nets and recession-related hardships to produce mortgage strain among homeowners in our sample. Understanding how poor health plays out in the lived experiences of African American homeowners and contributes to mortgage strain provides important insight into the downstream consequences of health inequalities. Furthermore, understanding the processes through which illness can act as a financial shock has important implications for the design of effective public policy.

Background

The dominant narrative of the foreclosure crisis in African-American communities

The dominant public narrative emphasizes housing market dynamics, particularly subprime lending, as the leading cause of the disproportionate effect of the foreclosure crisis in

African-American communities. To illustrate how thoroughly this theme has pervaded public discourse, we conducted a systematic content analysis of newspaper coverage of foreclosures in minority communities published between January 1, 2005 and July 15, 2013. Details of the content analysis are reported in Appendix A. We searched LexisNexis and Ethnic News Watch to identify articles from four national newspapers (Wall Street Journal, Washington Post, New York Times, and USA Today), six mainstream newspapers in major media markets throughout the country, and seven newspapers targeting African American audiences in the same or similar major media markets. Our search retrieved 230 relevant news articles and editorials. 79 percent of these articles (N=182) mentioned at least one cause of foreclosure in a minority community or communities. We coded these proposed causes into several categories related to the lending environment (including predatory and subprime lending), the behavior and characteristics of borrowers, and causes of repayment difficulties located at the individual, community and systemic level.

Notably, almost three quarters (74%, N=135) of the articles that mentioned at least one cause of foreclosure cited predatory lending practices. Far fewer articles mentioned fragile wealth (18%, N=32) or failing safety nets (3%, N=5) as causes of the foreclosure crisis in minority communities. A wide range of potential health-related causes of trouble meeting mortgage payments (including lack of insurance; medical debt; ongoing medical expenses; decrease in earnings or inability to work due to illness, disability, or the need to care for a sick family member; the death of an earner) appeared much less frequently in the news: only 11% of the articles (N=20) mentioned one of these causes. The patterns of news coverage were similar across the three types of newspapers, but black-oriented newspapers in our sample tended to focus even more strongly on predatory lending as a cause, while the four national newspapers

provided somewhat more coverage of job loss and problems with health insurance as causes of home foreclosure.

Mortgage Strain in the Subprime Era

The dominant narrative surrounding the mortgage foreclosure crisis in African American communities has focused on subprime lending as the leading culprit. Indeed, subprime loan products such as adjustable rate mortgages and mortgages with balloon payments were disproportionately marketed to low-income and minority home buyers. (Wyly and Ponder 2011). This inequality can be traced, at least in part, to a history of social policies that first denied African Americans access to credit and then granted it on unequal terms (Saegert, Fields and Libman 2011). Prior to the 1970s, many African Americans were denied mortgages as a result of institutionalized discrimination in the form of redlining practices which designated many predominantly African American neighborhoods as off-limits for mortgage lenders (Newman 2009, Stuart 2003). Fair Housing legislation in the 1970s (the Home Mortgage Disclosure Act and the Community Reinvestment Act) legally abolished redlining and expanded homeownership opportunities for African Americans. However, this legislation was followed in the 1980s and early 1990s by deregulation of the mortgage industry which led to an explosion of alternative and risky subprime loan products (Immergluck and Smith 2005).

According to one study (Williams, Nesiba and McConnell 2005) subprime lending accounted for 43% of the increase in black home-ownership during the 1990s. While subprime lending provided expanded access to credit and to homeownership, many of these loans placed homeowners at increased risk of foreclosure as a result of high interest rates or unpredictable and often hidden costs (Newman 2009). Subprime lending thus contributed to a fragile class of homeowners, particularly among African Americans.

Fragile Health

Housing market dynamics surely explain, at a macro level, much of the concentration of mortgage foreclosure in African-American communities. But the precise pathways linking subprime lending to foreclosure tell a more complex story than is captured by the image of a family unable to make payments as a ballooning interest rate kicks in. Survey research points to poor health as an important risk factor for mortgage strain (Pollack et al. 2011, Pollack and Lynch 2009, Robertson, Egelhof and Hoke 2008) and focus group data suggest that experiences with illness and medical debt are common among those facing foreclosure (Libman, Fields and Saegert 2011). Additionally, a broader literature on financial strain points to illness (in particular, illness that occurs in the context of inadequate health care coverage) as a major risk factor for debt and bankruptcy (Himmelstein et al. 2009).

Given the importance of health as a determinant of financial and housing stability, existing racial disparities in health are likely to be an added source of fragility for black homeowners. A large literature documents the excess burden of morbidity and mortality with which African Americans must (Geronimus and Thompson 2004). Not only do African Americans experience higher rates of chronic conditions and disabilities than their white counterparts; they also become ill at earlier ages, (Geronimus et al. 2006). These life-course disparities, or “weathering” patterns, persist independent of socioeconomic status and are thought to result from the cumulative exposure to the stressors associated with racism and a racial stratification (Geronimus & Thompson, 2004). Premature weathering creates a disparate burden of poor health on African-Americans during their middle years, when they are typically still in the workforce and too young to qualify for age related income supports. This, too, may put black homeowners at greater risk of foreclosure. Additionally, racial and ethnic health

disparities mean that African American homeowners are more likely than whites to be caring for a sick relative. These caretaking responsibilities can be an additional source of financial and mortgage strain (Burton and Bromell 2010).

Fragile Wealth

The health inequality described above intersects with other sources of fragility that African American homeowners are disproportionately exposed to. In particular, they occur in a context of limited access to personal and family wealth that can buffer against financial shocks. Black/white disparities in wealth are persistent and well-documented across income categories (Conley 1999, Oliver and Shapiro 2006). These inequalities grew to unprecedented levels during the recession of 2007-2009 (Shapiro, Mesched and Osoro 2013, Taylor et al. 2011). Between 2005-2009 median wealth fell by 66% among blacks in comparison to just 16% among whites and by 2009 white Americans experienced a nearly 20 fold advantage in wealth compared to black Americans (Taylor et al. 2011). The yawning wealth gap between blacks and whites is related in part to the unequal access to homeownership that was described above. However, beyond housing, wealth inequalities also result from the compounding effects of a broad history of discriminatory policies and practices. For example, urban renewal projects in the 1960s and 70s demolished black business districts in many urban areas (Wallace 1988). Additionally, persistent racial wage gaps have left black Americans with less income and less access to intergenerational wealth transfers (Shapiro 2004).

An ongoing history of discriminatory policies and wealth inequalities also means that the social and family networks of black homeowners contain fewer resources than those of their white counterparts (Heflin and Pattillo 2006, Pattillo 2000). For example, middle-class African Americans are more likely than middle-class white Americans to have a low-income sibling

(Heflin and Pattillo 2006). One consequence of this is that working and middle-class black Americans often cannot draw on family wealth in the event of a sudden economic hardship, while at the same time they are more likely to have friends and relatives turning to them for financial support, particularly during hard economic times such as the recent recession (Heflin and Pattillo 2006).

Devolution of the Social Safety Net

Over the last few decades, personal risks related to the fragility of health and wealth have occurred in the context of a diminishing social safety net. As a result, an increasing burden of responsibility for life course risks such as illness, disability, unemployment and family disruption have been transferred from the state to the individuals (O'Rand 2006, Saegert, Fields and Libman 2009). Throughout the 1980s and 1990s, public spending and responsibility for social programs shifted from the federal government to the states and the private sector through either limited block grants or fee for service contracts. New eligibility requirements and conditions for aid accompanied this shift (Mullaly 1997). Social safety net programs such as unemployment insurance, social security and food stamps, upon which many working families rely when struggling to make ends meet, were cut substantially. Older adults have also been affected by the shift from defined benefit pension plans to individual retirement savings accounts, which are subject to market variation and an individual's ability to make contributions (O'Rand 2006). In sum, in a context of a diminishing social safety net, many working-class African-American homeowners are immersed in an environment of pervasive economic risk (Saegert, Fields and Libman 2009). To date there have been very few qualitative studies of the foreclosure crisis and the interview data that we turn to next provide unique insight into the

ways that these intersecting sources of risk play out on the ground in this particular community to affect mortgage strain.

Methods

Setting

The study is set in Locust Park (pseudonym) an urban neighborhood in one northeastern city. Locust Park is a stable, working class and almost exclusively African American neighborhood (97% black according to the 2010 census). It is home to a large number of older African American homeowners, who purchased their homes in the 1960s and 1970s from whites who were moving out in large numbers to the suburbs and thus contains a fairly large number of long-term homeowners. Nearly 80% of Locust Park residents own their own homes. While Locust Park's poverty rate is relatively low, it is a working class community that has been particularly hard hit by the recent economic downturn. Many of its residents depend on or depended on moderate hourly wages in order to make ends meet.

The foreclosure rate in Locust Park is relatively high in comparison to the rest of the city. HUD estimates indicate that approximately 9% of its homes were in foreclosure in 2007, nearly double the average for the entire city. However, despite the prevalence of foreclosures in the neighborhood, Locust Park seems to have maintained its long-standing reputation as a good place to live. Its tree-lined streets of brick row houses with small, but often neatly manicured front lawns, strike a positive contrast to the more impoverished urban neighborhoods in which many participants grew up or spent time. The neighborhood has a small but thriving business district and a very active community development corporation. The foreclosure crisis is not invisible in Locust Park: "For Sale signs" are prevalent, and hand written "We Buy Homes for Cheap" signs dot telephone poles throughout the neighborhood. However, despite high rates of

foreclosure there are few abandoned properties in the neighborhood. It seems that vacant homes are bought quickly in Locust Park. Additionally, the local community development corporation has been active in buying up abandoned properties and operating them as rental units.

Recruitment and Data Collection

We relied on a local mortgage counselor to recruit an initial group of participants who were behind on their mortgage payments. This agency was interested in our research goals and agreed to send a recruitment letter to its former clients who resided in our study area. We did not anticipate a large response rate given the general inefficiency of mail recruitment (Asch, Jedrzewski and Christakis 1997) compounded by the fact that individuals who are behind on bills have a tendency to avoid their mail (Libman, Fields and Saegert 2011). However, because the goal of our research did not necessitate a representative sample of individuals, a low response rate was not particularly problematic. In all, approximately 300 letters were mailed, 26 individuals responded and 19 were eligible and agreed to participate in the study. An additional 9 participants were recruited through snowball sampling. While snowball sampling is typically an efficient way to recruit research participants, the private and stigmatizing nature of mortgage strain made it challenging to find participants through this approach.

Sample Characteristics

While not specified as a requirement for participation in the recruitment material, all 28 participants identified as African American. Twenty-three of the participants were female. The high portion of female participants may reflect the over-representation of women among risky subprime loan holders (Wyly and Ponder 2011), but it may also be a reflection of a greater willingness among female respondents to participate in the study. Eighteen participants were aged 50 and over; the oldest participant was 79. Eighteen participants had owned or lived in their

home for more than ten years, and eleven had owned their home for 30 or more years. (In a few cases, the home was first owned by a parent and then inherited.) While the respondents are not necessarily representative of the neighborhood, the prevalence of older and long-term homeowners is fairly typical of Locust Park. .

Participants described past or current employment a range of service and blue collar professions. Several worked in the medical field as nurses, certified nurse assistants, medical technicians or home health aides. Participants also worked as line-order cooks, teachers, credit analysts, building maintenance personnel, factory workers and for the US Post Office. Nine participants were employed at the time of the interview. Thirteen participants were receiving income from social security either for old age (4) or disability (9).

Nearly half (13) participants identified their overall health as “fair” or “poor”. Additionally, 13 participants met the diagnostic criteria for depression using the abbreviated, two question Physician Health Questionnaire (PHQ2).

Our inclusion criteria were deliberately broad and participants displayed a diversity of homeownership experiences. For example, two participants were not living in the home that they owned at the time of the interview. Eleven participants had taken out a second mortgage on their home and one participant had taken out a reverse mortgage, a loan that allows older home owners (over the age of 62) to convert a portion of their home equity to cash and does not have to be repaid until the homeowner is no longer in the home. Eight participants discussed predatory lending or loan conditions (such as adjustable interest rates) as a factor in their mortgage trouble, although in several of these cases it was not the only contributing factor.

Data Collection and Analysis

Data collection involved semi-structured in-depth interviews conducted over a period of 15 months. The interviews covered broad themes related to residential history, buying and maintaining a home, securing a loan, making ends meet, social support resources and neighborhood context. The bulk of the interview focused on eliciting participants' experience of mortgage debt. They were asked follow-up questions that probed into their emotional responses and the strategies that they employed in order to mitigate their financial struggles. The interviews concluded with a short set of close-ended questions about participants' physical and mental health and their access to health care. However, in many cases, the answers to these health questions emerged during participants' narratives, as health was a salient theme.

The majority of interviews took place in participants' homes and a few took place at neighborhood restaurants. Interviews lasted between 1 and 4 hours and three participants were interviewed over two meetings. All participants were compensated \$50.00 for their time. Additionally, a pie was brought to each interview to help build rapport. Twenty-three interviews were conducted by the first author and 5 were conducted by the third author.

The first step in our analysis involved multiple readings of the interview transcripts, followed by memo writing to identify emerging themes and codes. This initial list of themes and codes was discussed among the authors and with a student research assistant who had been involved in data collection and transcript cleaning. Through these conversations, we developed a focused codebook that was used to code all of the interview transcripts, using the qualitative data analysis software ATLAS.ti. In our analysis of the coded data, we relied on both horizontal (across transcripts) and vertical (within transcript) analyses. We pulled and reviewed data for a number of codes relating to health, health care and safety nets. We also reviewed full transcripts in order to contextualize these isolated quotes within participants' broader narratives.

Results

Fragile Health

Poor health emerged as a major theme in the interviews for this study, despite the fact that it was not the focus of the interview questions. Participants not only seemed to experience high rates of illness at relatively young ages; they also were embedded in networks where illness was prevalent. Illness often seemed to act as a shock that upset the balance of fragile household budgets through loss of income, medical bills or a reduced capacity to cope with the challenges of home ownership.

The story of one participant, 67 year-old Theresa Martin, exemplifies some of these processes. Like many participants in the study, Theresa is a single, older homeowner. She purchased her home with her ex-husband in the late 1960s. When Theresa and her ex-husband were first married, they put all of their efforts into saving for a home -- as she remarked, “No Honeymoon. Just saving.” By 1968, Theresa and her husband had saved enough for a down payment. With two incomes and frugal habits, they were able to pay off the home completely within 5 years.

After their divorce in the 1980s, Theresa maintained the home and her budget single-handedly by working long hours at two different jobs. When the house needed repairs or extra expenses arose, she simply took on another shift. However, as she approached her late 50s, her health began to deteriorate. She suffered from debilitating fibromyalgia and could no longer work the long hours that she used to. She was also diagnosed with high blood pressure and diabetes. Her only financial cushion was the equity that she had in her home, so, like several other study participants, she took on a loan against her home equity. Then in 2006, at the age of 60, she lost her job completely. She says, “Things got really bad after 2006 with trying to pay

my bills because my health started failing me. So I was classified as being disabled to work. Couldn't work because of the pain and everything.”

Theresa was too sick to find a replacement job; but like several other participants in the study, she was too young to qualify for age-related income supports. While she applied for disability, it took a year to negotiate her eligibility. During this time she accumulated large credit card debt, destroying her previously excellent credit. She also was forced to cash in her entire 401(k) retirement savings account. Seven years later, she remains locked in an ongoing struggle to keep her home, and her health has continued to deteriorate. While she was only 67 at the time of the interview she says that she “feel[s] 90 sometimes”. Despite having had the security of a house owned outright, the combination of an aging home and an aging body in the context of a limited safety net put Theresa's home ownership in jeopardy.

Other participants similarly describe their mortgage trouble as originating from an experience of illness or disability at a relatively young age. For example, 55 year-old Alice Coles fell behind on her mortgage after back trouble forced her to give up her 30-year career as a nurse at the age of 52. She explains:

I couldn't get up in the morning, you know. Back and forth to the doctor, getting therapy on the back and everything, and still - then when I go back to work, 'Oh, we don't have light duty,' ... I just couldn't take it. One night, I couldn't even move my back. Couldn't get up. So I said, you know what, it's time to go out on disability. It's time.

56 year-old Walt Williams explains that his mortgage troubles were exacerbated when a heart problem forced him to leave his job as an Ikea chef. He says, “I love to work. I was forced out of work.....That really bothered me. Not just that. When you're on a fixed income, I only get like \$800.00 a month, you know? I'm paying like \$700.00 a month mortgage.”

Forty-three year-old Leigh Jones, who is a registered nurse, divorced and a mother of four, took on extra work in order to stay on top of her bills. However, she had to give up this position because of a neuromuscular condition that prevented her from working the extra hours that the job entailed. She says, “I hadn’t had any flare ups until I was on this job trying to juggle all these responsibilities and run the meeting every Wednesday and on call 24 hours a day. So I had to give it up because I had an exacerbation”.

In 1995, Sherry Thomas, a single homeowner, was forced to leave her nursing job at the age of 47 due to severe arthritis. Not only does her health contribute to strained finances; it increasingly limits her ability to maintain her home independently. She says,

A home has to be maintained, and I thought once I did the mortgage thing and fixed it all up, I’d be good, but I really can’t cut my own grass anymore. I can’t do the repairs I used to do anymore. And just trying to find somebody to do things for you is a pain in the tail. ...I used to paint myself all the time, and now I can’t do that. And this guy charged me all this money and I could have done better. Were I in better health, I could have done better.

Fifty year-old Carla Lyons, another single homeowner and mother, describes her health as excellent, but worries about getting sick and falling further behind on her mortgage. She says, “It’s just like the financial burden is on me and only me so that kinda -- that takes a toll...It does. I mean, I’d say if I was to- if my health was ever to decline, I think about that.” Additionally, despite the fact that she is only 50 years old, she discusses her age as a point of vulnerability. She says, “At this point in your life, there is no bailing out, you know what I mean? You don’t get the chance. Even when you start all over it’s not the same. You’re not gonna start with the vitality and energy that you had even ten years ago.”

Participants' experiences of mortgage strain were not only linked to their own health challenges, but also to health issues that were experienced by their family members. For example, Theresa is a custodial grandmother of her grandson who suffers from severe ADHD. She invests tremendous amounts of both time and money into securing other resources such as tutors and afterschool activities that are recommended by his doctors. Similarly, 57 year-old Ronald Morris began to experience financial difficulties when he downsized his commercial cleaning business to care for his mother who was ill with Alzheimer's.

While the significance of poor health as a contributor to mortgage strain was more salient in the stories of older and middle-aged adults, young and healthy adults were not immune to health problems that occurred among older family members. For example, 32 year-old Bria Johnson describes relying on her parents for financial support when she purchased her home. However, when she lost her job and fell behind on her mortgage her father had also recently become ill and was no longer able to help out. She says, "My parents ... they helped me as long as they could. Like they helped a lot actually. But then my dad got sick, so then, you know, yeah, I couldn't - we couldn't - couldn't do as much. My mom was, you know, trying to make ends meet there, so I felt like I was a burden."

For several participants, not only did experiences of illness precede mortgage trouble, but the stress associated with mortgage strain seemed to exacerbate underlying health issues, which then made it even harder to get back on their feet financially. In this sense, there seemed to be a vicious cycle of poor health and increasing debt. Participants frequently described the ways in which mortgage troubles negatively affected their health. Walt directly attributes his most recent heart attack to the stress associated with his mortgage. Theresa describes insomnia, headaches and an exacerbation of her blood pressure. Fifty-one year-old Felicia Reed describes how the

threat of losing her home exacerbated her depression to the point where she could not even open her mail or visit a housing counselor. She was looking for a new job, but explained that her depression made this challenging. As she says, “People won’t hire people with sad eyes.” It wasn’t until she discovered a subsidized mental health clinic and began receiving therapy that she was able to apply for a loan modification that she hopes will help save her home.

Finally, participants’ stories highlight an interaction between tough economic times and poor health. The effects of the recession were prevalent in the interviews, and not all job loss was health related. (For example, 51 year-old Jannah describes her health as excellent, but her household income has gone from “6 figures” to only \$1100 dollars a month as a result of major downsizing that left both her and husband unemployed.) But while the impact of the recession is undeniable, the poor economy seems to present additional challenges to those struggling with health issues and aging bodies. For example, 79 year-old Lena Mitchell was recently laid off from her office cleaning business, and explains that at her age it will be very difficult to find another job. 55 year-old Sandra Nelson, who suffers from debilitating back trouble, has been supplementing her disability income with odd jobs. But she is very limited in what she can physically do and these jobs have become harder to find. She says, “There were no jobs ’cause I was trying to find something else, plus I’m disabled, partially disabled, but I still can work part-time. So I really was trying to find something that I could do. It was really hard and it was very frustrating”.

Fragile Wealth

Fragile health was a common theme in these interviews, but many participants experienced illness and disability in a context of limited personal resources and public safety nets that amplified the effect of health problems on their status as homeowners. Many of the

working-class participants in this study maintained their households on tight budgets with minimal cushion (other than their home equity) to absorb unexpected medical expenses or a loss of income due to illness. Many participants describe lacking emergency funds and continuously juggling bills. As Sherry says, “I thought I’d have a little something saved or a little something put aside for emergency or if something else breaks down, but that did not work out like that. It did not work out that way.” Or as Theresa says, “I borrow from Peter to pay Paul, and forget about John.”

A history of discriminatory policies and large racial inequalities in wealth meant that most participants did not have well-to-do family members to whom they could turn for help making a mortgage payment. As Daniel Henry, a 38 year-old college graduate says, “I don’t have an immediate family member that’s just wealthy and I can be like, look, we need this type of assistance. It’s a hit or miss. My mom will help us out, too, but does she have funds right now?”

Like many working class black homeowners, several of the study participants were in fact among the *most* resourced members of their kin and social networks. For example, when asked whether there were people in her family to whom she could turn for financial help, 43 year-old Leigh says:

No, back then, no, because I was the first person to go to college in my family. The one time I asked my grandmother, she didn’t have that type of money, but when she passed she tried to give me a couple hundred dollars, but that wasn’t still like a mortgage payment.

Leigh’s personal safety-net seems to be further constrained by tough economic times. She says:

I knew everybody else in my family didn't have any money 'cause some of them were looking for jobs, asking me did I know about a job. So it was difficult"

Likewise, Sandra describes a financially strained social network that could provide little financial support. She says, "I just really didn't go to my friends. And a lot of them - they weren't going to foreclosure, but they were going through other things. Financially. It seems like everybody at that time was having some kind of financial stress".

Participants also discussed lending money and providing care and shelter for other family members. As 36 year-old Nicole Lewis says, "before this [mortgage default], it seemed like I was the backbone of my family ...When we got our home and everything, we helped everybody. My mom lived with me at one time. My twin sister lived with me at one time. My brother lived with me at one time and my older sister".

Public Safety Nets

The financial vulnerabilities faced by participants and their social networks seemed to be further exacerbated by an inadequate public safety-net. For example, when Alice was unable to afford a new roof following a health-related job loss and denial of disability payments, she applied for aid from the city. However, her appeal was denied when the inspector stated, "Oh, you're not qualified for the new roof because I don't see a squirrel and the sky. Yeah, you definitely need a new roof, but you're not qualified because it's not a hole when you can't see the sky or a squirrel."

Others met the requirements for aid, but the funds were depleted before their cases were processed. Sandra described this dynamic:

Sometimes you just don't know where to turn, 'cause everywhere you go, if you're not there, it seemed like maybe from about like maybe September to maybe December, places have funds. After that, they don't - no funds left after that.

In other cases, receipt of assistance from one program negated help from another. In Theresa's case, obtaining disability benefits resulted in the loss of much needed food assistance, causing intermittent food insecurity. She says:

I used to get food stamps, 300 and some dollars food stamps, but once I got my Social Security and disability, they cut that off. They cut it down to \$16.00 a month.

The interviews also point, in particular, to inadequate supports for individuals facing illness or disability. Lack of adequate health insurance was a major theme throughout the interviews. Several participants did not have access to health insurance through their employers, were not qualified for government-subsidized insurance based on either age or income, and could not afford to purchase insurance on the individual market. For example, Alice was too young to qualify for Medicare, and could only receive Medicare through her disability benefits after a mandatory 26 month waiting period. She opted to go without insurance. She says, "I could get insurance. Okay. So how is my mortgage going to be paid? How is the rent going to be paid? I mean, it's ridiculous. I don't understand. Who can afford \$500.00 for insurance?"

For some participants, lack of insurance led to an unmet need for medical care which seemed to exacerbate existing health issues and also created additional financial hardships in the form of emergency room bills or lost income. For example, Alice explains that without prescription drug insurance, she could not afford to take the hypertension medication that her doctor prescribed. She later found herself in the emergency room with "stroke level pressure" and is now facing thousands of dollars in medical bills that are compounding her mortgage

struggles -- and also, she believes, exacerbating her blood pressure. She says, "I'm telling you, my pressure -- I will have a stroke because if they send me another bill, what am I going to do? I can't have these bills coming in here, over \$1000.00"

37 year-old Keith Stanley describes how the costs associated with his lack of medical insurance have similarly exacerbated his financial struggles. He says, "Now, you know, I'm sick - I'm actually sick now. I think I have a hernia. So, I missed some days of work because of pain that my stomach is in and...and I've been in the emergency room and got billed."

For some participants, lack of medical insurance prevented them from getting the help that they needed in order to get on their feet financially. As we saw with Felicia's story above, she did not initially seek treatment for her debilitating depression because she did not have insurance.

Health care costs contributed to mortgage trouble not only for uninsured participants. For example, Theresa currently has over a thousand dollars in unpaid copayments and medical bills that are being sent to collections. She says:

Each time you go, you have to pay \$35.00 with my insurance. Even though I have insurance, I pay \$35.00 just for to come near and talk the consultation, and then when I go for the procedure, I have to pay something, and then with the medication, sometime I have a prescription plan, but I still pay with that.

In addition to the cost of medical care, participants discussed limited access to income supports after they were no longer able to work because of health issues. Because most participants were too young to qualify for age related social security benefits, their only options for assistance were either through social security's disability programs (SSI or SSDI) or through public assistance. In many cases, neither of these programs provided sufficient income for

people to maintain their mortgage payments. Additionally, some fell behind on their mortgage as a result of benefit gaps or bureaucratic battles. For example, it took Theresa over a year to negotiate her disability eligibility in part due to lost paperwork. During this period, where she had no income, she fell into a vicious cycle of debt. **[need transition]**

Discussion

Many participants in this study were long-term homeowners who experienced mortgage strain as result of a health related event that triggered the collapse of a fragile household budget. Like many working-class African Americans, participants experienced poor health and disability at relatively young ages, before they were able to qualify for age-related income supports. Holes in the public safety net created by inadequate federal disability insurance, lack of affordable health insurance, and under-funded local social assistance programs left working-age homeowners vulnerable to health and income shocks, which in turn made it more difficult to meet mortgage payments. To make matters worse, participants often had little family or personal wealth to draw on in the event of a health crisis. These experiences of vulnerability are not unique to black homeowners. However, the extent of these health and wealth vulnerabilities are undoubtedly linked to an ongoing history of race-based policies and social stratification.

. In the context of a dominant narrative about the foreclosure crisis that has focused primarily on the behaviors of borrowers and lenders, current policy discussion around foreclosure prevention has often focused on financial literacy and on increased regulation of lending practices (Hornburg 2004, Lusardi 2008). Regulatory reform that can protect people from predatory or unsustainable loans is certainly a much needed intervention. However, the narratives presented here suggest that these changes will only go so far, and may in fact be

largely irrelevant to the struggles faced by some of the participants in this study who had good loans, but bad circumstances.

The mortgage strain experienced by participants in this study also raises questions about the benefits of homeownership for working class homeowners. Homeownership has been promoted as a strategy to build wealth. Additionally, homeownership is often associated with better health (Dietz and Haurin 2003), although one recent study finds that these associations exist among white, but not black Americans (Ortiz and Zimmerman 2013). It is possible that the fragile homeownership described by many participants here is associated with stressors that are health demoting. On the other hand, homeownership did provide an important cushion for many participants in this study, albeit an insufficient one. When their health failed, many were able to draw on their home equity (via a second mortgage) in order to cover some of their medical costs and lost income.

The narratives presented here do suggest that policy to promote stable homeownership will need to go beyond the realm of housing to consider the broader safety nets that are available to individuals who become ill or disabled. Expanded health insurance through the Affordable Care Act may be an important step in this direction. However, health care cannot compensate for lost wages that are associated with illness. Additionally, as several scholars have noted, the causes of health inequality lie largely outside the health care system (Link and Phelan 1995, Marmot). In this sense, our data also speak to a fundamental need to address the broader structural determinants of race-based health inequality and “weathering” (Geronimus 2006). Indeed, our findings tell a story about the insidious reproduction of racial marginalization. Here, structurally produced health inequality intersects with other racially patterned sources of disadvantage to affect the housing and financial stability of working class African Americans. In

other words, for many of our participants, poor health itself is a barrier to the social conditions that are fundamental determinants of health and well-being.

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