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DEFLATING THE DREAM: RADICAL RISK AND THE NEOLIBERALIZATION OF HOMEOWNERSHIP

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ABSTRACT: *This article explores the contributions of neoliberal practice to the expansion of homeownership and the foreclosure crisis to illuminate the contradictions between the rhetorical goals of homeownership and the actual experiences of new homeowners. In doing so we explore the theories and practices that homeowners deploy to try to survive and keep their lives together. First, we review the aspects of housing policy in neoliberal regimes that led many of the homeowners we studied into both homeownership and foreclosure. In the second part, we analyze conversations from 14 focus groups in five cities with homeowners threatened with foreclosure to understand how neoliberal rhetoric and practices participated in their buying and potentially losing their homes and how they come to understand and act on their experiences of threat and failure. We conclude by redefining the foreclosure crisis and discussing the political moment of challenge to neoliberalism it created.*

With the foreclosure crisis deepening and little help for homeowners on the horizon, the financial sector received a $700 billion bailout in 2008. Although the bailout includes provisions for foreclosure mitigation efforts and assistance to homeowners, at the end of 2008 the Treasury had declined to use bailout funds to stave off foreclosures among distressed homeowners, with Treasury Secretary Paulson insisting upon a distinction between "investing" in troubled financial institutions versus "spending" on rescue efforts for homeowners (Andrews, November 19, 2008). This pattern of adherence to market discipline for "Main Street" and government intervention to save Wall Street could be taken from a play book written by critics of neoliberalism (cf. Harvey, 2005), though it remains an open question as to whether the magnitude of the crisis and the economic and political events of 2008 will signal a turn away from this script. In this paper, we explore the ways that neoliberal practice contributed to the expansion of homeownership and the ongoing foreclosure crisis to illuminate the contradictions between the rhetorical goals of homeownership, the actual experiences of new homeowners, and the ways they came to terms

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with the difference between the rhetoric and their own experience. In doing so, we explore the theories and practices that homeowners deploy to try to survive and keep their lives together.

The policies and financial practices that made homeownership accessible to previously excluded households treated homes like speculative commodities and new homeowners as investors who were increasing their risk postures to aggressively manage growth of overall wealth (Elmer & Selig, 1998). The rhetoric of the expansion of homeownership turned on the much older notion of homeownership as the American Dream, the ultimate achievement of autonomy, a better life for the next generation and full citizenship, a discourse that defines selfhood in the process of shaping consumption practices. Becoming a homeowner thus entails the construction of personal identity and social inclusion as a rights bearing citizen. Consequently, the damage done by foreclosure is not restricted to material loss. The threat of mortgage foreclosure calls into question homeowners' selfhood and their relationship to society and government. Government officials at all levels have touted communities with more homeowners as more stable, better maintained, cleaner, healthier, and more economically viable (Basolo, 2007). Thus homeownership has become a means for realizing social goods and macroeconomic objectives, with mortgages serving as engines of financial profit (Newman, in press; Rose, 1999). In this sense, mortgage foreclosure represents not only a threat to personal identity and social status constructed through homeownership (Dupuis & Thorns, 1998; Hiscock, Kearns, Macintyre & Ellaway, 2001) but also a crisis for the broader social and economic objectives of the expansion of homeownership.

In this article, we situate this conflict in a discussion of the expansion of homeownership as a key strategy of neoliberalization in the United States related to questions of the construction of subjectivities and the social reproduction of selves and society (Bourdieu, 2005). The first part of the article will briefly review the aspects of housing policy in neoliberal regimes relevant to understanding the circumstances that led many of the homeowners we studied into both homeownership and foreclosure and the conditions under which they formed their views on their own circumstances. In the second part, we analyze conversations with homeowners threatened with foreclosure to understand how neoliberal rhetoric and practices participated in their buying and potentially losing their homes and how they come to understand and act on their experiences of threat and failure.

Theory and Practice in Neoliberal Regimes

Conservative economic thinkers conceived neoliberalism as a response to what they considered the failed policies of Keynesian economics and the welfare state. Massive policy changes have turned on the fundamental neoliberal belief that free markets distribute resources in ways more likely to expand the total common good than do government policies. In neoliberal theory, three constructs are central: the market, property, and the individual (Harvey, 2005). Neoliberalism makes assumptions about the nature of each of these and about the conditions required for them to best function. Markets must be free from regulation and state intervention. Needs and desires are best achieved through individuals freely entering into contracts to acquire goods as commodities in the market place. Once a good is acquired, it belongs only to the individual to enjoy as he sees fit. Thus states should refrain from interfering with the market, protect private property obtained on the free market, and enforce contracts. Markets are assumed to be transparent. Individuals are understood as free, self-contained entities that make decisions based on full knowledge of alternatives and individual calculations of the potential for loss and gain.

Critics (cf. Harvey, 2005; Brenner & Theodore, 2002) point out two problems with neoliberal ideology. First, the conditions under which it is held to function do not exist. Second, the practices and policies of actually existing neoliberal regimes fly in the face of the ideas of noninterference of the state in order to allow the unseen hand of the market to direct our fates. Harvey (2005) marshals

Ideology	Practice
Free market utopia liberated from state interference	Intensification of coercive and disciplinary state intervention to impose market rule of all aspects of social life
Self-regulating markets are the best way to allocate resources	Pervasive market failures, new forms of social polarization, intensification of uneven development at all spatial scales

FIGURE 1
Divergence of Ideological and Practical Implications of Neoliberalism
Source: Brenner and Theodore (2002).

a strong argument that, in contradiction to the theory, neoliberal regimes have consistently used state power to redistribute wealth upward. He identifies four methods of doing so, all of which are evident in the playing out of housing policy in the United States, the United Kingdom, and other neoliberal regimes (Wyly & Hammel, 2004). These are: (1) privatization and commodification, (2) financialization, (3) the management and manipulation of crisis, and (4) state redistribution of resources.

The contradictions between rhetoric and practice are at the center of critiques of neoliberalism (cf. Harvey, 2005; Leitner, Peck, & Sheppard, 2007). In figure 1, we contrast the ideological and practical elements of neoliberalism, as identified by Brenner and Theodore (2002).

In housing policy, privatization and commodification of housing through homeownership simply continued the historical thrust of U.S. housing policy that intensified after World War II (Rohe & Watson, 2007). However, with the elections of the Reagan and Thatcher regimes in the United States and United Kingdom, the assault on alternative forms of tenure was stepped up and reflected in the downsizing and privatization of public housing (Bennett, Smith, & Wright, 2006), tax policies that tilt more and more in favor of the homeowner, and declining subsidies for renters with low and moderate income in favor of private sector initiatives to get these groups into homeownership (Basolo et al., 2008). While homeownership had long been valued as the gateway to the American Dream (Rohe & Watson, 2007; Vale, 2007), it became increasingly commodified and financialized under the asset accumulation approach to poverty reduction (Shapiro & Wolff, 2001). The upwardly redistributive effects of neoliberal housing policy are seen in the benefits accruing to the wealthy from homeowner tax deduction and the increasing cost burden placed on lower-income homeowners and renters over the last 30 years (Schwartz, 2006). As the foreclosure crisis plays out, bailouts for the financial sector seem to indicate the continuation of the manufacture and manipulation of crises in favor of the wealthy. However, with the election of Obama and a more democratically controlled U.S. Congress in 2008, and growing signs of worker activism and populist backlash, it remains to be seen as to whether the strategy will succeed this time around.

Overselling Homeownership

Homeowners like those who participated in this research were able to purchase homes in a climate of public and private sector actions aimed at increasing the rate of homeownership and expanding access to credit in previously financially isolated communities. Legislative efforts of the 1960s and 1970s designed to reduce discrimination and increase access to credit and housing for people of color emerged from the Civil Rights movement. The last of these efforts, the Community Reinvestment Act (CRA), was passed in 1977 in what might be termed the last gasp of the welfare state as widespread fiscal crises occurred around the world and the neoliberal program went into action (Peck & Tickell, 2002).

"Roll-back" neoliberalism was defined by Ronald Reagan and Margaret Thatcher's aggressive restructuring and deregulation that took apart—rolled back—the Keynesian welfare state during the 1980s (Peck & Tickell, 2002). "Roll-back" neoliberalism may also be credited with bringing new markets into homeownership, chiefly through changes in the mortgage industry (cf. Apgar & Duda, 2003;Van Order, 2001; Williams, Nesiba, & McConnell, 2005). Deregulation of the financial sector was a linchpin in the implementation of neoliberal ideological reliance on market mechanisms, theoretically unfettered by the state, and contributed to both the expansion of homeownership and the development of mortgage innovations implicated in the foreclosure crises (Williams et al., 2005). The emergence of lending institutions not subject to CRA regulation also led to new, inclusionary, and profitable lending practices that resulted in higher interest rates and greater risk of foreclosure for minority, lower socioeconomic status, and female-headed households (Apgar & Calder, 2005;Williams et al., 2005; Wyly, Atia, Foxcroft, Hammel, & Phillips-Watts, 2006).

The change from a regulatory to a deregulatory approach to expanding credit was symptomatic of a broader change in consensus about how to tackle persistent poverty, especially poverty concentrated in cities. This new consensus replaced state-based entitlements such as public housing and housing vouchers with a market-based emphasis on individual responsibility as evidenced by the title of the "Quality Housing and Work Responsibility Act" of 1998 which drastically changed federally funded public housing in the United States. Foundations and many service organizations for the poor shifted their emphasis from providing for people's needs to assisting them in asset accumulation. Chief among the assets to be accumulated was the ownership of a home (cf. Shapiro & Wolff, 2001).

While federal policy has long encouraged homeownership, President Bill Clinton took it up with new vigor after declines in the national homeownership rate in the 1980s. The drop was most pronounced among low- and moderate-income people, African Americans, and those of Hispanic descent, all groups with historically lower homeownership rates (HUD, 1995). The decline in the national homeownership rate was symptomatic of the "pervasive market failures, new forms of social polarization and a dramatic intensification of uneven development at all spatial scales" (Brenner & Theodore, 2002: 352). These failings attributed to roll-back neoliberalization conflicted with the notion that self-regulating markets are the best means of allocating resources and initiated the Clinton "roll-out" phase of neoliberalism (Peck & Tickell, 2002). Roll-out neoliberalism of the 1990s had a comparatively broader focus, oriented not only toward "mobilizing and extending markets" but also toward community revitalization and crime reduction (Peck & Tickell, 2002: 389). In this context, homeownership may be understood as a deepening of neoliberal ideology and practice meant to ameliorate the failings of roll-back neoliberalism.

Clinton's national homeownership strategy was designed to expand opportunities for people of color and those of moderate means, based on the assumptions that homeownership is an investment that provides financial security, promotes responsibility and control over one's environment, stabilizes neighborhoods and strengthens communities, creates job opportunities, promotes economic growth, and decreases longstanding wealth disparities between people of color and their white counterparts (HUD, 1995). These assumptions about the outcomes of homeownership extended longstanding political discourses about the individual and social benefits of owning a home including the ideas that owner-occupied housing is a better environment in which to raise children and promotes more committed and active citizenship. Earlier efforts to address disparities in access to homeownership were rooted in the public sector through the Fair Housing Act of 1968, the Section 235 Homeownership Program, the Equal Credit Opportunity Act of 1974, the Home Mortgage Disclosure Act of 1975, and the Community Reinvestment Act of 1977. The renewed energy for expanding homeownership in the 1990s relied on public–private partnerships between federal agencies and the housing industry.

Clinton's homeownership strategy illustrates the contradictory and negotiated practices characteristic of "actually existing neoliberalisms" (Brenner and Theodore, 2002). Clinton initiatives to increase homeownership were also accompanied by some scaling back of neoliberal policies through greater regulation. For example, Clinton-era CRA regulations changed the spatial emphasis of CRA by requiring loans to low- and moderate-income households, regardless of the economic status on the neighborhood. This change had the effect of increasing the percentage of African Americans and Latinos who were able to purchase homes in predominantly white neighborhoods with loans from CRA lenders (Friedman & Squires, 2005). George W. Bush's administration promptly returned to zealous deregulation as, for example, in the 2003 preemption of state's antipredatory lending laws by the Officer of the Comptroller of the Currency (Whalen, 2008).

Social Reproduction and Homeownership

The neoliberalization of homeownership triumphantly conflates the use value and exchange value of homes by arguing that homeownership would improve the quality of life, life chances, and the wealth of disadvantaged populations both for the current generation and for generations to come. These claims connect the goals of homeownership directly with social reproduction. Critical social theorists point out that neoliberal policies have progressively shrunk the amount of state and private resources allocated for the purpose of reproducing labor (cf. Brenner & Theodore, 2002; Katz, 2001). Social reproduction refers to the social arrangements and processes that reproduce both the economic, political, and social system of a society and its individual members. The use of the term social reproduction emphasizes that the economic and other social arrangements that make life possible do not change the distribution of power and resources but rather replicate it.

Claims about homeownership's value, however, include increasing the resources available to the less privileged members of the society. Since neoliberal ideology disavows the idea of classes and groups as having structured hierarchical access to privilege, power, and resources, the discourse of neoliberalism presents no contradictions in stating that everybody will gain from expanded homeownership. Many community development proponents of the expansion of homeownership bet that the equity accumulated through homeownership would achieve equality of wealth and opportunity for historically disadvantaged populations (Shapiro & Wolff, 2001). Oliver and Shapiro (1997) led the way by arguing that homeownership was especially important for African Americans, who had been hampered from accumulating property by slavery and its aftermath and by federal policies to help the poor that promoted renting rather than owning housing.

To buttress the argument for expanding homeownership to minimize wealth disparities, policy makers pointed to the significant role of housing equity in the transmission of intergenerational wealth (Di, 2005; Harkness & Newman, 2003; Shapiro & Wolff, 2001). A 2005 study of homeownership and wealth demonstrated the greater importance of homeownership wealth for African Americans and for lower-income people (Di, 2005). While for all groups homeowners accumulated more wealth than did renters, the ratio was higher for African-American homeowners compared to renters (37:1) than for White homeowners and renters (25:1). For the lowest income households making under \$20,000 a year, the ratio of wealth for homeowners compared to renters was 81:1. For households making \$50,000 or more, the ratio was 8:1. The study did, however, also document that higher-income households gained more of total housing wealth during the

1990s. The ratios simply reflect that the wealthy were also gaining many other types of wealth. Therefore housing wealth was both a significant factor in African American and low-income households' accumulation of wealth and a contributor to the increase in the unequal distribution of wealth since 1990.

The arguments made for expanding homeownership did not turn only on the goal of wealth accumulation. Claims were also made about the ways in which renting—and especially renting with the support of government subsidies—promoted worse educational and occupational outcomes, as well as more crime and less civic engagement. An early stream of this argument focused on the isolation of public housing and inner city residents from the social mainstream in ways viewed as decreasing educational and occupational opportunities and supporting behavioral and attitudinal dispositions at odds with achievement (Wilson, 1987). The roll-back phase of the neoliberal assault on housing subsidies and state ownership employed this discourse around the negative consequences of the concentration of poor, minority households renting public housing. In the roll-out phase, greater emphasis was placed on the better schools, lower crime, better housing quality, and greater social capital that were said to characterize neighborhoods of homeowners (Rohe, McCarthy & Van Zandt, 2000).

Finally, Americans of all income levels and ethnicities have long associated homeownership with "making it" and having a place in the American dream. Homeownership is equated with greater control over life, with independence, with self-reliance and, harkening back to the founding of the American Republic, with citizenship itself (cf. Rohe & Watson, 2007). Despite these arguments, even before the foreclosure crisis research findings on the benefits of homeownership for lower income and minority households were decidedly mixed (Di, 2005; Rohe et al., 2000; Rohe & Watson, 2007).

With the flow of credit into low-income and minority neighborhoods, homeownership expanded into new markets. But as a consequence, ominous effects of homeownership debt have begun to emerge. The very lower income and minority households who entered the housing market through the expansion of credit likely dominate the 10% (nearly nine million) of homeowners with negative equity, or more debt than their homes are worth, a figure not reached since the Great Depression (Andrews & Uchitelle, February 22, 2008). To some extent, debt has outpaced equity accumulation for low-income, minority, and female-headed households because of the disproportionate targeting of subprime loans to these households (Apgar & Calder, 2005; Immergluck, 2004; Williams et al., 2005). The foreclosure crisis suggests that the most straightforward goal for expanding homeownership, the accumulation of wealth and its intergenerational transmission, has gone awry for many of the very households it was intended to benefit: minorities, female-headed households, and low-income families. The homeowners threatened with foreclosure in this study also suggest that the less tangible social and personal benefits of homeownership become painfully inverted, leading to a worse rather than better quality of life, heightened strain on families, and their communities collapsing around them.

Forming New Subjectivities

Federal homeownership policy rolled out new partnerships to provide financial and educational assistance, support self-help homeownership programs, and create new mortgage products (HUD, 1995; The White House, 2002).These efforts entailed a radically individualistic notion of the self and subjectivity, best summed up by Margaret Thatcher's statement that there were no such things as societies, only individual men and women (quoted in Harvey, 2005: 23). Despite the avowed commitment to less state engagement in markets, including housing markets, the state continues to play a role in "reimagining housing policy" (Dodson, 2006). It mobilizes discourses that valorize the neoliberal homeowner as a savvy investor, responsible family member, and productive citizen (Basolo, 2007; Smith, 2008; Stenson & Watt, 1999), promotes motivations for homeownership, and conveys stigma on those who do not invest in homeownership (Smith, 2008). The policies employed have necessitated market intervention in fiscal, tax, and economic policies. The discourses accompanying both the roll-out and roll-back phases of neoliberalism have attempted to inculcate the ideals of self-reliance, hard work, and thrift into disadvantaged and marginalized populations. In the first phase of the assault on public housing and welfare, the "welfare queen" myth symbolized the evils of dependency on the state. Enforcement of this stigmatizing discourse occurred mainly through punitive measures including requirement of unpaid labor, and eviction and imprisonment (Bennett et al., 2006; California Legislative Analyst's Office, 1995; NAHRO, 1999). The discourse of homeownership represents the aspiring low-income and/or minority homeowner as lacking the knowledge, skills, and financial literacy to become an owner. The combination of a complex and punitive credit system and lack of financial experience and training gave quite a lot of reality to this picture (Engel & McCoy, 2002) leading nonprofit housing organizations to develop homeowner education and counseling programs. Would-be homebuyers needed assistance to clear their credit record and understand the financial and maintenance responsibilities of homeownership (Hirad & Zorn, 2002; Hornburg, 2004).

The roll-out approach relied less on use of force and sanctions and more on the cultivation of new subjectivities by prospective and new homeowners. Much of this program illustrates the approach Nikolas Rose has called "governing enterprising individuals" (Rose, 1999). Within neoliberal regimes, worthy individuals aspire to autonomy and employ self-governance of their own behavior to achieve this goal. People are seen as striving for personal fulfillment, which in a neoliberal era means ownership of property and the acquisition of wealth and goods.

Neoliberal regimes employ a number of methods to cultivate the subjectivity of a homeowner. Some of them are exemplified in the public rhetoric linking homeownership to a better life for individuals and families and to the performance of responsible citizenship (Basolo, 2007; Smith, 2008). The proliferation and marketing of loan products, the relaxation of underwriting standards, and in some cases the misrepresentation or inadequate disclosure of the terms of loans were all ways the financial sector, as well as realtors, brokers, and assessors, made homeownership attractive and accessible to those who would previously have remained renters. Government and philanthropic institutions sponsor classes in financial literacy, credit curing, debt management, asset accumulation, homeownership maintenance, and the responsibilities of homeownership. While many aspiring and new homeowners eagerly accept the discipline of the latter method and experience these interventions as growth of competence, the extent to which the project of "governmentality" succeeds in inscribing new subjectivities on nascent homeowners varies according to the extent to which it is internalized as an identity and a set of habits and behaviors. In this article, we look closely at how the threat of foreclosure unsettled the formation of these subjectivities among low- and moderate-income homeowners. We consider how this process demonstrates the divergence between the discourse surrounding the expansion of homeownership and the way ownership has actually played out for the low- and moderate-income households who bought into it.

METHODS

Research Design

Prior research was primarily based on the premise that when foreclosures occurred, the fault lay with homeowners who failed to seek help in cultivating the proper financial habits and dealing effectively with financial decisions. The problem addressed was how to get homeowners to seek the proper help so that they could cure their problematic behavior and their loans in the process. Thus studies demonstrated that delinquent homeowners did not always seek assistance from their lender or a nonprofit organization for addressing their financial problems (Saegert, Justa & Winkel, 2005; Freddie Mac with Roper Public Affairs-GFK, 2005). This survey-based work provided little insight into the processes involved in such help-seeking or foreclosure prevention, and the effectiveness of these efforts. This study sought to understand how homeowners enter mortgage delinquency, attempt to cope, and make decisions about seeking assistance; the strategies they and nonprofit professionals employ to prevent foreclosure; and the outcomes of such efforts. We used a multisite focus group-based research design[1] to study these issues on the grounds that we needed a qualitative understanding of the motives, barriers, thought processes, and actions homeowners engage in when threatened by foreclosure in order to understand the qualitative nature of effective programs.[2]

We used a combination of analytic techniques to ensure thoroughness and the reliability of findings. These included onsite debriefing among researchers and nonprofit staff, listening to recordings in groups to develop coding categories, coding, creating matrices of data, and multiple refinements of this process. All focus groups and interviews were professionally transcribed. Both deductive codes, related directly to the study's aims, as well as inductive codes, generated by focus group content, were used.[3] For this article, we focus on and present statements and exchanges illustrating the ways that the practice of neoliberalism relates to experiences of home-ownership and mortgage delinquency. In particular, we examine the value and sustainability of homeownership for low-income homeowners experiencing mortgage delinquency; the relationship of the threat of foreclosure to their ability to sustain their lives, families and households; and how homeownership and possible foreclosure relate to personal subjectivities and orientation toward the U.S. political economic system.

Site Selection

The objective of the site selection process for the focus groups was to achieve a mix of market, geographic, economic, and demographic factors to yield locally and nationally relevant results about the experience of mortgage delinquency among low- and moderate-income homeowners. We used data on incidence of mortgage delinquency and default and fear of foreclosure from a 2004–2005 survey of low-income homeowners who received pre-purchase education and counseling from nonprofits (Saegert, Justa & Winkel, 2005) to develop a list of potential sites, and later added locations, such as Ohio, where rate of foreclosure was very high. Census data on race, ethnicity, and income; state per-capita foreclosure rates; and the prevalence of high-interest subprime loans in the metropolitan area helped identify sites where low- and moderate-income homeowners might be especially vulnerable to mortgage delinquency. Because we set out to speak with both homeowners who had sought help for mortgage delinquency and those who had not, the presence of resources like a NeighborWorks Organization (NWO)[4] or similar nonprofit homeownership education organization, credit-counseling center such as Credit Counseling Resources Center (CCRC), and/or antipredatory lending campaigns was an additional selection criterion. This process resulted in five sites with variations in their labor and housing markets, regulatory structure, demographic composition, and access to social welfare. The final sites for the focus group research were[5]:

- New York, NY,
- St. Louis, MO,
- Hamilton, OH,

- Duluth, GA,
- Waco, TX.

At each research site, we partnered with a NeighborWorks Organization (NWO) to aid in our recruiting efforts.[6]

Sample

We conducted nine focus groups and two individual interviews with a total of 88 of the more than 200 homeowners[7] who were screened, and five focus groups with a total of 39 nonprofit professionals; in all 127 people participated in this study.[8] Across all groups, a majority of participants were African American, with English-speaking Latinos (30%) and whites (16%) representing smaller portions of our sample. A majority of participants in homeowner focus groups (70%) were female. Based on information about the client base from which we recruited participants, we characterize them as moderate- or low-income. More than a third (37.9%) had refinanced their mortgage or taken out a home equity line of credit at some point either before or after they began to experience financial difficulties. Due to our interest in the process of negotiating the threat of foreclosure, the vast majority of participants had not yet entered foreclosure at the time of our conversations. Therefore, our findings may be biased toward homeowners with such characteristics and may not generalize to other groups. Because all participants voluntarily responded to a newspaper ad or recruitment letter, our sample may also be biased toward delinquent homeowners who are proactive about seeking help for their financial difficulties. Still, given the disproportionate share of foreclosures among low-income and minority groups (Apgar & Calder, 2005; Williams et al., 2005) and the inclusion in our sample of sites in states with high rates of foreclosure, our findings are relevant to a broad group of homeowners at risk of or undergoing mortgage foreclosure.

Neoliberalism: Making Sense of Ideology and Practice

Rather than wholly accepting or rejecting neoliberalism, the homeowners we spoke with tried to live with both the ideology and practices of neoliberalism that set the terms of their existence, often finding holes in the logic of this new common sense. Homeowners can be understood as having both ideologies and practices themselves, and the two are often at odds as well. Their ideologies can be understood as constituted of desires, culturally shared values and ways of thinking, and critical consciousness about the political, economic, and social system.

Homeowners' Responses to Neoliberal Rhetoric

Janice was a homeowner who embraced a strong belief in individual responsibility but who also thought that that should imply good faith and effort on the side of the lender too. She had been a stay-at-home mom caring for and home schooling her children and grandchildren until her husband had an accident on the job that put him out of work for months. Even before falling behind on their mortgage the family never used credit cards, didn't drink alcohol, and lived on a tight budget. Throughout the focus group, Janice maintained that through hard work and responsible financial behavior it was possible to avoid foreclosure. Still, at the close she elected to deliver the following message on video. "I would just like to say to loan officers to please be honest when people come to you with a mortgage. If you realize that they are not going to be able to afford the mortgage, maybe they can afford it right now, but if there is a car that needs be repaired, or a surgery that needs to take place, or something of that nature, if it's going to completely destroy their finances, and possibly their family, if you can see that by their figures they are pushing things too tight, please be honest and tell them. Don't lead them to believe that they can afford this mortgage if you're sitting there knowing in your mind that they can't."

Janice's view that she was misled was echoed by very many other homeowners. We learned that they brought into their ownership the legacy of pre-neoliberal policies and practices related to homeownership. They did not understand homeownership to be a "risk posture" taken by a rational individual but rather the act of a family member, a citizen and member of a culture pursuing goals that were beneficial to families, societies, and cultures. They usually harbored a belief that housing and mortgage markets were and should be regulated. Therefore, if they were being offered a mortgage product or encouraged to buy "more house," they expected that the institutions involved believed this would work out and were obligated to share the risk involved.

The practices they engaged in reflected their understanding of their own obligations to work many jobs if need be, cut spending, and behave responsibly. Their efforts to seek help when they were sick, laid off, or otherwise unable to meet their obligations reflected their beliefs that lenders, being part of the same society and regulated by the same government as borrowers, were obligated to share risk and to work toward a resolution that would assist both. Even in neoliberal regimes, the discourses and policies of private and public sector institutions that promoted homeownership as a national goal and a basis for community well-being are modes of imagining social entities with common interests bound by mutual rights and responsibilities (Stenson & Watt, 1999). These discourses and policies have the effect of promulgating the idea that borrowers and lenders were part of the same "risk pool."[9] The idea that the lenders had "no skin in the game" (to use a phrase we heard when presenting our findings to a group of bankers) was foreign to most. The conversations among delinquent homeowners occurred early in the foreclosure crisis and were often the first time that participants became aware that many others were facing the same problems and dilemmas that threatened them. The sections below describe the transmutation of expectations that occurred as they faced becoming losers in the balance of risk and gain offered in the neoliberal homeownership/mortgage market and in turn, developed awareness and critiques of neoliberalized social institutions.

Sometimes institutions did eventually live up to homeowner's understandings of mutual responsibility. For example, one homeowner contacted her lender and nonprofits immediately when she lost her income but to no avail. After falling 30, then 90 days behind, and enduring the long process of securing nonprofit assistance to get caught up, she stopped paying all of her bills and cut back on groceries to put all of her income into paying the arrears on her mortgage. She later refinanced and used some of her equity to catch up on her other bills. This story is a best-case scenario among those we heard, but even this happy ending of keeping her house left this minority female household head without the equity accumulation so often used to justify promoting homeownership for families like hers. The experience changed her sense of the political economic structure of society from a position of faith in its working into a critique of the rhetoric of responsibility espoused by lenders and nonprofits.

Others were not so lucky, often finding themselves harassed and disrespected in the process. Many delinquent homeowners complained of automated calls from lenders every few hours, especially at 2 and 3 in the morning, as well as of scripted and irrelevant conversations when they tried to discuss their situation with the caller. Partial payments sent in lieu of full ones were frequently returned. On-time payments were persistently recorded as late. Efforts to discuss the situation with their lenders rarely resulted in satisfactory or definitive answers. They usually met with pressure to do whatever was needed to make the full payment, regardless of the long-term financial consequences. These homeowners could not help but see the contradictions between the rhetoric of achieving ownership through hard work and responsibility and the fact that they were continually threatened by foreclosure while upholding these ideals.

Homeowners' Experience of Risk: It is Radical

We use the term *radical risk* to describe the layering of multiple risks on households and communities as a result of the neoliberalization of most sectors of society. One of the effects of neoliberal practices was to shift the risk in mortgage debt away from financial sector institutions in two directions: (1) on to the homebuyer and (2) into the pension plans and investments of the public through securitized mortgages and collateralized debt obligations. While the latter has attracted more government intervention, the former is equally implicated in the financial implosion set off by the foreclosure crisis. Many of those who became homeowners were able to buy because of the relaxation of underwriting standards, risk-based pricing of loans, and the marketing of homeownership to virtually every household. They were financially fragile and placed in the economy in particularly vulnerable and risky locations. Further, the net effect of neoliberal policies in all spheres of life (medical care, transportation, work place policies) meant that risks in all these areas were also being passed on to the households. Thus a once adequate household income could suddenly evaporate for reasons unrelated to the loans homeowners held. Not only was wage-dependency widespread among homeowners, with most living paycheck to paycheck and unable to accumulate any kind of financial cushion, incomes frequently fluctuated due to factors beyond their control.

Catastrophe struck often. Their bodies and those of household members failed. Employers moved away, cut back on hours and failed to pay sick benefits as promised. Income from many jobs varied seasonally, or according to the weather or local economic conditions. Whole labor markets collapsed, as in Ohio. Together wage-dependency and fluctuating incomes got in the way of their ability to meet their financial obligation to their mortgage lender and served as an obstacle to achieving the oft-cited policy goal of increasing household wealth for minority and low-income people through the expansion of homeownership.

Homeowners in each focus group told of a litany of events that interrupted income. In Waco, Texas, the first person to speak successfully found a home he could afford. A dozen years later, he took out a home equity loan that cost more but was manageable until he fell ill. After that medical bills mounted, household income plummeted, basic necessities required taking on more debt, late charges piled up, and the household found no other alternative but bankruptcy. Another described paying her mortgage successfully for a few years, then being diagnosed with a pre-cancerous condition that required her to take eight weeks off work. Her employer's promise of continued salary turned out to be a hollow one and the loss of income caused her to fall behind on all her bills, including the mortgage. Although she finally caught up and was current at the time we spoke with her, she allowed that "*I'm still struggling with getting by . . . and, here we got with summer, you know, \$400 electric bills . . . So, a little scary. Very scary.*"

Many of the causes of lost income had to do with events in the homeowner's family: lost wages because of taking care of sick family members, a pregnancy that halved family income, divorce, lack of child support payments. Robertson and his colleagues (2008) reported that, in contrast to the attention given to subprime loans and low underwriting standards, life problems, especially family and individual medical causes, underlay a large majority of foreclosures. With most of these first-time homeowners being the most resourced individuals in their social networks, they often shouldered the burdens of others. Thus paying bills for siblings, taking in cousins in trouble at school, caring for dying parents financially and with daily attention, and generally extending help to less fortunate others eventually depleted their ability to meet their own financial obligations.

Homeowner's Desires and Their Inversion: Seeking a Better Life, Finding a Worse One

In their subtle examination of the blend of engaged, creative effort to achieve valued goals among exploitative, subjugating constraints, actors in the new global economy pursue their desires, defined by Benson and Fischer (2007, p. 803) as follows:

> In contrast to the methodological individualism of neoclassical economics with its focus on "preferences" and "interests", our view sees individual "desires" as shaped by collective experiences, cultural images, and political economic structures. Desires move individuals to take up stakes in certain activities that are compelling because they embody moral, economic, or symbolic values.

Homeowners we spoke with "desired" all the things the culture attributed to the power of homeownership: a place of one's own, a better life for your children, life in a stable, responsible community, full citizenship, pride of accomplishment, and so on. These desires were mobilized through the public discourse on homeownership consciously crafted by governments, financial institutions, foundations, nonprofits, realtors, brokers, and a host of other actors committed to either a neoliberal agenda or making a profit by promoting homeownership, or convinced that there were no other alternatives for advancement.

But in the wake of neoliberal zeal to privatize everything and shift all responsibility to individuals, families faced impossible choices such as seeking medical care, buying children shoes, paying for after school activities, buying food, or paying the mortgage. This leaves adults and children with diminished social, emotional, and material resources. Such choices led to concerns among focus group participants about the possibility of succeeding in homeownership and the potential consequences of failure. One man felt he had no choice but to accept a loan with a high interest rate, leaving him with a costly loan he was unable to refinance: "*Being a first time homeowner going into it with bad credit I had very limited options on who would finance me, who would give me enough money to afford a home . . . it was just well, okay, I've got to take this here where they're killing me with this high interest, you know?*" Although brokers told him not to worry and that he would be able to refinance into a better loan later on, he found that "*they don't tell you 'Oh, well, yeah, you try to go refinance, well, you might not qualify to refinance, or you don't have enough equity built up', or this and that and the other, where hey, they can't help you, you know?*"

The touchstone of homeowners' decisions to buy was the desire to make a better life for themselves and their families. When that goal turned sour, homeowners were reluctant to go to their families for help. Their comparatively more advantaged financial status means they take more responsibility for others than others can take for them, an imbalance that only adds to the familial distress of foreclosure. A woman who lost her job due to cancer and was in danger of foreclosure shared that: "*It affected my mom, because she's like, 'oh, I can't help, I'm not in a financial situation to help you out'.*" Her family's inability to assist her with this problem meant that the threat of foreclosure affected not only her own household, but her extended family as well: "*my mom was depressed, my daughter was depressed, and my sisters were depressed . . . – everybody around me, it just affects everybody.*" Across families and locations we found strong agreement that the threat of foreclosure strained the roles of parents and children. Parents take on additional work and stress and have less of themselves left for nurturing families. Children are forced to live with less food, recreation, and care.

In addition to lost equity, young people who do not grow up in the context of successful homeownership are placed at a disadvantage later because they may not have learned skills such as acquiring and maintaining good credit and effectively leveraging this into an affordable mortgage. The experience of trying to be responsible parents, workers, and homeowners and still being faced with foreclosure leaves most people questioning the common sense of neoliberal homeownership and the systems that it upholds.

New Subjectivities and System Critique

Gladys was a single mother of two, a working artist, and neighborhood activist. Keeping up the cost of owning a home, even in a poor neighborhood of New York City, was a challenge. Add to this her heart condition and her son's diabetes, and it is easy to see how the stress of making ends meet could begin to mount. Gladys sensed trouble when she was forced to decide between buying groceries, paying her heating bill, and the mortgage. After falling behind on the mortgage she looked for help at a local nonprofit and was dismayed when after months she couldn't reconnect with the overwhelmed staff that had promised to review her case. She applied for a one-time heating bill waiver and discovered that even though she owned a home she qualified for food stamps. "I started crying right there, because I thought oh my god, I'm going to get $300 right now and eat something else other than bread and water." These social welfare provisions helped Gladys get back on track. But she came out of the experience critical of the nonprofit community stating, "When you fail one person, you fail a family, when you fail that family you fail community, and you fail a whole people." Homeowners victimized by predatory lenders chimed in "We have to get our politicians involved." Still there was disagreement about where best to place organizing efforts, "that's something that's going to take another 30, 40, years until it changes."

The experience of mortgage delinquency and trying to resolve threats of foreclosure raised awareness among homeowners about flaws in the logic of homeownership as well as the U.S. political economic system. This awareness is revealed in their critiques of a system that many found to be racist, lacking in accountability, personally disrespectful, and supportive of greedy corporate interests. Here we share their insights and conclude by discussing potential implications for understanding the neoliberalization of housing and the subjectivities it produces.

Lack of Accountability

The focus groups drove home how hard people worked to hold on to their homes. Often the process of dealing with foreclosure left them disillusioned about the larger promise of the American Dream. Many felt shut out, as this homeowner expressed: "*I'm a single female, children are adults and I really think it is important to have property. I mean that is the American dream but they don't make it easy.*" She went on to express anger because every agency she went to for help turned her down: "*They say 'You should be able to do this.' Well yeah in a perfect world I would be able to. In a perfect world the place I worked wouldn't have closed its doors. In a perfect world I'd be able to make more than* $8.00 *or* $9.00 *an hour and take care of my mortgage. So there's a lot of anger and a lot of bitterness for me being in this situation. It's like I've had kids. I've raised my babies. Everybody's self-sufficient. I'm very grateful for that. I'm by myself now at over 50 years old and I'm having to start from scratch.*" For one man the lack of compassion that he received when seeking assistance led him to feel that social welfare agencies treated his home like any other commodity: "*These are not like some piece of furniture or a stereo, or even an automobile that you get, these are families' homes . . .*"

The multiple players in mortgage transactions provide ample targets for anger and disillusionment as well. A St. Louis homeowner told the story of what she thought was a successful refinance of her home, only to start receiving paperwork from the lender informing her that "*my interest rate was only that for two years, and then after that, it's going to go up and it's going to keep going up until it's 14 percent, and the interest rate wasn't even what my broker told me I was going to get, and my monthly payment wasn't what the broker told me it was going to be, and it was nothing like she told me it was going to be.*" Her appeals to her lender simply resulted in a shifting of blame: "*they say well, it was the broker that did it.*" Scenarios like this were not uncommon. The neoliberal logic lays the fault on uneducated consumers. This homeowner read such situations as evidence that no one is being held accountable for these abusive lending practices. Either way, the recent crumbling of the lending industry, and subsequent national and international economic ripples, demonstrate the need for more state oversight and accountability.

As a result of their experiences and of hearing stories repeatedly about inability to reach lenders, lack of information, and callousness, many homeowners came to view financial institutions with distrust and felt that these institutions took advantage of their greater power, leading them to conclude that the deck was stacked against people like them. In Ohio, a homeowner argued that lenders were profiting from homeowners who were behind on their mortgages, rather than helping them to catch up: "W*hen my situation happened and I called the bank, that would have been a good time to supply me with some information to help me, instead of like what I've heard around the table; 'well, we can't help you until 30 days later' . . . this is a charge that I lay against corporate America, it's just simply greed and because of greed we're in situations that we've found ourselves in where there's nobody to help because I want to wait for you to get so far behind, then suck some money out of you, I'm going to suck some fees, and some late fees, and some interest in it, take all this stuff from you because of the situation.*"

The pressure delinquent borrowers experienced from bill collectors heightened the sense of inequity. This St. Louis homeowner's comments express thoughts we often heard, including anger at the lack of oversight and accountability for financial institutions while the homeowner was constantly harassed to be accountable in multiple ways: *"Even the lender that bought my mortgage, they have automated calls that come to my home at two or three o'clock in the morning, and you tell me that's correct? No, it's not . . . I do not understand how these large corporations and these large lenders can do poor people in the way they do them. People are aware of how predatory lenders abuse people. People are aware how they take advantage of each and every one that's in here, but nothing is ever done about it. But you cross a street against a light and you've got a ticket. You can't tell me that these things that the lenders, and bankers, and mortgagors do is right. It's wrong."* While not "each and every" homeowner actually experienced predatory practices, most believed that deception and other possibly illegal practices were common and that there was no monitoring of industry actions.

Sometimes homeowners had good experiences with lenders who accepted partial payments, facilitated loss mitigation before they were 90 days late, and listened to them with compassion. But these cases contrasted with the many who had been refused help, told that partial payments were not accepted, and talked to with disrespect. They also led to a general group agreement that more regulation and intervention was required to assure such treatment for everyone. Such sentiments were especially strong in Hamilton, Ohio and St. Louis, Missouri where both the housing and labor markets were very weak.

Homeowners in trouble looked to the state to provide more regulation, protection from abuse, requirement of accountability, and a better safety net. Yet they rarely saw the state as intervening in the market on their behalf, but rather on the side of corporate and financial institutions. In place of aiding them, homeowners viewed the government as actively aiding the financial practices that were driving them from their homes and ruining them financially: "*I cut all my expenses and I can't get caught up because I had an adjustable rate that went really high now and my mortgage payment went from six [hundred] something to nine [hundred] something because I'm so far* *behind. And they just think you can just go pull money out of your pocket . . . I think they should have more programs for homeowners that are really struggling . . . But our government won't let us get out of debt. I think it's just a shame."*

Racism and the Legacy of Redlining

Toward the end of some group discussions homeowners specifically raised the issues of racism and redlining, which set the stage for an extended debate about responsibility, injustice, and political action. In St. Louis, there was widespread agreement with a homeowner's sentiments about discriminatory lending: "*What nobody has ever addressed since we've been sitting here; when you go to refinance or to loan, the very first question they ask you is 'what is your zip code?' When they ask you about your zip code a red light should go on, okay? Because they're going to find a way or a means not to accommodate what you're applying for . . . I'm talking about red lining, and they say it doesn't exist, but that's baloney."* However, these claims were not uniformly accepted with another homeowner raising a dissenting voice to defend redlining as attributable to homeowners lacking the knowledge to maintain their property and communities: "*When you go into home ownership I think that for the most part, for poor people, that you don't have that education, you don't know about the different options of programs that could help this issue with maintaining your home, keeping it in a marketable condition where your neighborhood won't get blighted . . . that's where the red lining comes in because people don't know how to maintain their property."* For her, the problem was lack of education and possibly lack of motivation among poor African Americans, not systemic discrimination. Instead of seeing a need for system reform, she saw a need for low-income homeowners to be more educated.

As discussion went back and forth, the themes of taking personal responsibility and getting educated were repeatedly voiced as a means of assuring a better future for one's family: *"When I talk to my kids now, I'm more conscious about what I say to them about finance. I've learned to teach them to save money, that credit is important . . . so I've started hopefully to build for the future a pattern where they will grow up and they will have knowledge, and then when they grow up and have children, their children will have knowledge, and they won't have to find themselves being in the position that I've ever been in . . . I want them to be able to hopefully be one of those people sitting on the side of the table that have the clout to negotiate what they really want up front and not have to fight just to get the little tidbits that people are willing to throw out there at you . . . ."*

Yet this perspective coexisted with a strong and pervasive sense that there were larger social and economic problems that no amount of individual responsibility and education could overcome. The quotation above links education and financial acumen to the ability to participate in society, to "have a seat at the table." As this particular group ended, the call for personal responsibility was extended to a call for political action:

> *I really try to teach my daughter now the importance of credit and the importance of saving your money, and keeping a budget, and keeping your finances. But I also, now that she's 18, teach her the importance of voting, because all of our Missouri legislators and all those people, they know what's going on. I personally believe they're getting kickbacks from these large companies, and that's why they're able to do this to people. We have a governor now who does absolutely nothing for the people, and I teach my daughter that you have the power to vote, and that's the strongest power you have, and make sure you vote, and make sure you vote people in office that care for the people . . . The bottom line, we need to vote these people out of here that's not working for the people.*

CONCLUSIONS

The answer to the question of whether these low-income homeowners had their faith in the American Dream shaken is not a simple yes or no. Most of them confronted the challenge in true American Dream fashion by working harder and making sacrifices to hold onto their homes. Some were able to regain their financial footing enough to stay in their homes, but many of them were not succeeding despite their best efforts. For both groups, the experiences related to the threat of foreclosure left them feeling that the America they lived in did not live up to the terms of the bargain. For some, this realization led to increased political consciousness and activism while for others it increased their despair. Many redoubled their efforts at self-reliance, based on the conviction that they were truly on their own to sink or swim.

It is clear that these low-income homeowners understood that the rhetoric of neoliberalism misrepresented their possibilities and denied many aspects of the realities that they faced. At the same time, the desires that were mobilized in the overselling of homeownership run deep. These mostly minority and poor households entered into homeownership eager to use their energy, talents and effort to advance their life chances and those of their children. Undoubtedly, some households became homeowners in the era of easy credit hoping to game the system, but they were not represented in the focus groups we conducted. Instead, these homeowners assumed that the U.S. financial and political systems that invited them into homeownership so enticingly would work with them to achieve that goal. They believed that homeownership was within their reach if they abided by their part of the bargain. When they found themselves unable to pay their mortgages because their incomes and life circumstances changed, they expected that there would be a fair and reasonable way to manage this difficulty over an extended period of time. After all, banks and the government had been with them every step of the way until they had closed on their properties.

The actual practices homeowners confronted revealed a completely nontransparent market place and financial system that was usually stacked against them. Washington Mutual's (WaMu) "Just say yes" campaign, and the profits and executive rewards that accompanied it, exemplified the valorization of profit and sales volume over honesty and prudence that characterized the lending industry in the years leading up to 2008 (Goodman & Morgenson, December 27, 2008). Between 2001 and 2007, WaMu's chief executive received $88 million in compensation. At the same time, the bank held $11.5 billion in bad loans in the first half of 2008. During this period, for many of WaMu's borrowers, "yes" turned first into punishing fees and mortgage terms, and later into foreclosure. Meanwhile, bankers at WaMu believed that because they bundled and sold their debt, they had "no skin in the game." This assumption proved false. WaMu no longer exists as a separate bank and the financial system itself is in deep crisis. It is now common knowledge that foreclosures are epidemic and that the financial system bears at least a substantial part of the blame. A new federal administration has taken power and many proposals are being put forward to try to stem the damage. However, the neoliberal practices that passed on the risk in the absence of regulation and oversight have made it difficult if not impossible to stop the proximal cause of the crisis, the inability of many homeowners to pay off their loans and the falling value of the loan collateral, their homes. Because banks no longer owned their loans and the system for passing along risk also obliterated many paper trails, efforts to work with homeowners to modify loans are often stymied (Morgenson, December 28, 2008).

Yet, the swell in voter participation and the regime change of 2008 suggest factors on the side of hope and activism. Homeowners in trouble still lack any clear road out of their predicament. The potential for despair and cynicism may not have decreased, and the poor economy makes the pursuit of self-sufficiency ever more difficult. People do want change, but they understand the world and act within lives framed by 30 years of neoliberalism. Our analysis suggests that for many, neoliberalism as "the new common sense" might not have been very deep or ever really have existed. But life trajectories, strained families, spotty resumes, and ruined credit records will carry the scars of the "actually existing neoliberalisms" they have encountered (Brenner & Theodore, 2002).

The domestic foreclosure crisis and the international financial crisis to which it is linked are still unfolding. Thus far, responses to the foreclosure crisis continue to be disconnected from the realities of the lives of distressed homeowners. The $700 billion "bailout" for the financial industry already has proven inadequate to stem the crisis, and is blemished by the same lack of accountability and transparency that characterized the financial practices at the root of our current crisis (*Washington Post*, Breakdown of the Final Bailout Bill, September 28, 2008).[10] Despite congressional and public outrage at bailing out financial institutions that continue to pay their executives extravagantly while neglecting homeowners, Paulson has continued to defend this approach as an investment whereas helping homeowners is a "handout." This position has led to a break between Treasury and the FDIC chief executive who denies the distinction and proposes shoring up home values (Bair testimony to Committee of Financial Services, November 18, 2008). Yet voluntary and mandated efforts to renegotiate loans that have been put in place by the government and declared by several banks have yet to have any widespread effect for several reasons: (1) As nonprofit foreclosure prevention counseling staff told us, most households that are facing foreclosure have lost employment or ruined their credit records or both; and (2) the practices for loan servicing, mortgage securitization, and bank record keeping put in place in the last 30 years make tracing the loan and its payment history, and modifying loan terms often impossible (Morgenson, December 28, 2008).

Profound institutional and individual dislocations as well as the openings for departure from neoliberal rhetoric and practice are suggested when we examine what actually happens to homeowners caught in this crisis. First, this is not merely a foreclosure or mortgage crisis, nor even merely a crisis of global finance. For the people threatened with or subject to foreclosure, it is a crisis in health care, in labor and income policies and practices, in food security, and in virtually all parts of life that in a more welfare oriented regime would find some state assistance (Libman, Saegert, & Fields, 2009). Second, for households, foreclosure is not only a housing and financial crisis it is also an ontological crisis concerning personal identity and the relationship to the rest of society (Ford, Burrows & Nettleton, 2001). Third, the disjunction between the market discipline applied to homeowners and the rescue effort for financial institutions is to some extent energizing an active effort to redefine citizenship beyond its neoliberal confines. The bailout has already taken many forms and the responses to it by lawmakers, its own oversight panel, FDIC, activists, in addition to the general cultural disgust with Wall Street and "the new gilded age" are suggestive of the development of a critical consciousness akin to what occurred among focus group participants. Political regime change—the election of Barack Obama, internal schisms within the government, and worker mobilizations (for example, the Chicago window factory occupation, and student uprisings in New York City, Italy, and Greece in late 2008 in response to the economic crisis and the inequities of bailout) are exemplary of this critical consciousness and as such represent alternative sites for intervening into the financial failures of neoliberalism.

The discussions we heard in focus groups suggest the value of more forums in which people in the same boat can debate and diagnose their problems, and of leadership that participates in those discussions and hears the ambivalences as well as the pain. New approaches to housing and the other requirements for social reproduction are needed. Promising avenues of intervention in this regard include collectively governed but nonspeculative forms of ownership (McCulloch & Woo, 2008) such as worker-owned businesses, shared equity housing (Akchin, 2007; Davis, 2006), food cooperatives (Amand, November 19, 2006; Ramirez, November 11, 2007), and locally sustainable agricultural associations (Hirshey, June 22, 2008). At the same time, it is clear that federal funding of universal health care must be a priority, as well as federal and state support for public education, including higher education. With government intervention on the side of Main Street again on the table, it is important that stimulus packages designed to increase employment also rebuild the housing, employment, and human services in ways that truly support the needs, desires, and capacities of those they are designed to help.

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ENDNOTES

1 In addition to focus groups, we used a closed ended questionnaire to collect data on homeowner's mortgages.

2 In this study, we used a focus group-based research design to learn about the complex life circumstances and social–ecological constraints associated with the choices homeowners make regarding mortgage delinquency. As a group-based methodology focus groups provide insight on the diversity and consensus of opinions, attitudes, and experiences of participants, with interaction among group members serving as a key source of data. We addressed the potential for focus groups to produce "groupthink" (MacDougall, 1997) with group protocols that first elicited individual stories from participants about the experiences we knew they shared in order to build a sense of collective experience and trust and an environment where people would later feel safe discussing sensitive issues and voicing opposing ideas.

The interactive qualities of focus groups address a number of feminist critiques of social science research including the tendency for research to reproduce societal power imbalances, decontextualize phenomena, and produce artificial accounts of lived experience (Wilkinson, 1999). As a feminist method, focus groups have the potential to move participants' understanding of issues that impact their lives out of individualistic frames and gain more politicized critical and collective conscious about the forces that influence their lives (Wilkinson, 1999), a shift that can lead research participants into undertaking previously unimaginable action toward addressing problems in their lives and communities.

3 Multiple rounds of coding allowed us to first categorically display direct quotes from transcripts on a spreadsheet for each site, then further reduce data into a case-ordered matrix that displayed codes and text for all groups at once (Miles & Huberman, 1994). This latter round involved moving from direct quotes to interpretations while re-evaluating code categories using social consensus to validate and refine the concepts for analysis.

4 Neighborworks Organizations are nonprofit housing organizations who are members of Neighborworks America, formerly known as the Neighborhood Reinvestment Corporation (NRC). NRC was created in the wake of the CRA to facilitate access to investment in previously underserved communities.

5 For more information about the site selection process and the characteristics of the research sites, please see the original report on this research "Understanding responses to the threat of foreclosure among low-income homeowners" available at: http://web.gc.cuny.edu/che/FinalReport7122007.pdf.

6 NWOs sent focus group invitation mailings to their clients, where possible targeting homeowners who had sought post-purchase or foreclosure intervention services, or who had missed payments on an outstanding loan with the organization. In addition to mailings, newspaper ads were placed in local newspapers in Hamilton, Waco, and Duluth. The cost of such an ad in New York City is prohibitive and the response to our initial mailing in St. Louis was so strong that an ad was not required there.

7 The sample size for this study compares well with a 2008 mail survey of households in foreclosure supplemented by calls to nonrespondents, which yielded 128 respondents out of a pool of 2,000 households who were contacted. To the best of our knowledge, there have been no large representative sample surveys of delinquent or foreclosed-on homeowners since the 2005 Roper study for Freddie Mac.

8 Respondents to the mailings and newspaper ads called a toll-free number and left a message with their contact information. We returned these calls and conducted screening interviews with over 200 potential participants. Respondents were selected for inclusion on the basis of being a homeowner, living in the home they owned, and having missed or been late on their mortgage payments recently. Participants were assigned to groups for "help seekers" or "nonhelp seekers" based on whether or not they had contacted a nonprofit for assistance with their delinquency. By assigning participants in this manner, we hoped to understand differences between seeking assistance for mortgage delinquency from a nonprofit organization compared to other sources of assistance.

9 We use the idea of "pool of risk-sharers" as enunciated by Stenson and Watt (1999): " The pool of risk-sharers ultimately encapsulates the citizens of the state and protects against unemployment, sickness, old age and the other risks associated with the minimally regulated play of markets."

10 As the Treasury has continuously modified its course, The Congressional Oversight Panel for Economic Stabilization raised questions about the bailout actions taken thus far in its first report, made in December 2008. The panel argues that in light of the multiple strategies employed within the first two months of the bailout, the Treasury needs to clarify both aims and overall strategy for the bailout, and how the strategic shifts that have occurred since the congressional approval relate to overall strategy. The oversight panel also questioned how these strategic shifts are affecting the bailout's imperative to preserve homeownership and prevent foreclosures. In particular, they criticized the Treasury's decision to work to drive interest rates down by purchasing mortgage-backed securities at Freddie Mac and Fannie Mae, arguing that this plan will only benefit new buyers and not homeowners in distress. Accordingly, the panel advises the Treasury to elaborate the concrete steps it will take to bring down foreclosure rates and induce loan servicers to modify troubled mortgages. Another point of contention concerns the lack of oversight of how financial institutions are using the infusions of capital they are receiving through the bailout, and thus the inability to ascertain whether bailout funds are being used for their intended purpose and in accordance with the aims of the program. The congressional oversight panel for the bailout calls for the Treasury to hold institutions accountable for how they are using taxpayer dollars, and to make it clear to the public to what ends their taxes are being used (Congressional Oversight Panel for Economic Stabilization, December 10, 2008; Henriques, December 11, 2008, NYT: Blunt Advice for Treasury on Progress of Bailout).

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