

# Finding the “Fit” Between Housing Strategies and Housing Consumers

Andrew J. Greenlee, Ph.D.

Assistant Professor

Department of Urban and Regional Planning

University of Illinois at Urbana-Champaign

[agreen4@illinois.edu](mailto:agreen4@illinois.edu)

# History Matters

- Access to Capital
- Wealth Accumulation Strategies
- Uneven Geography of Wealth

# Differential Impacts on Wealth Accumulation by Race

- Median Assets for Families by Race, 2007

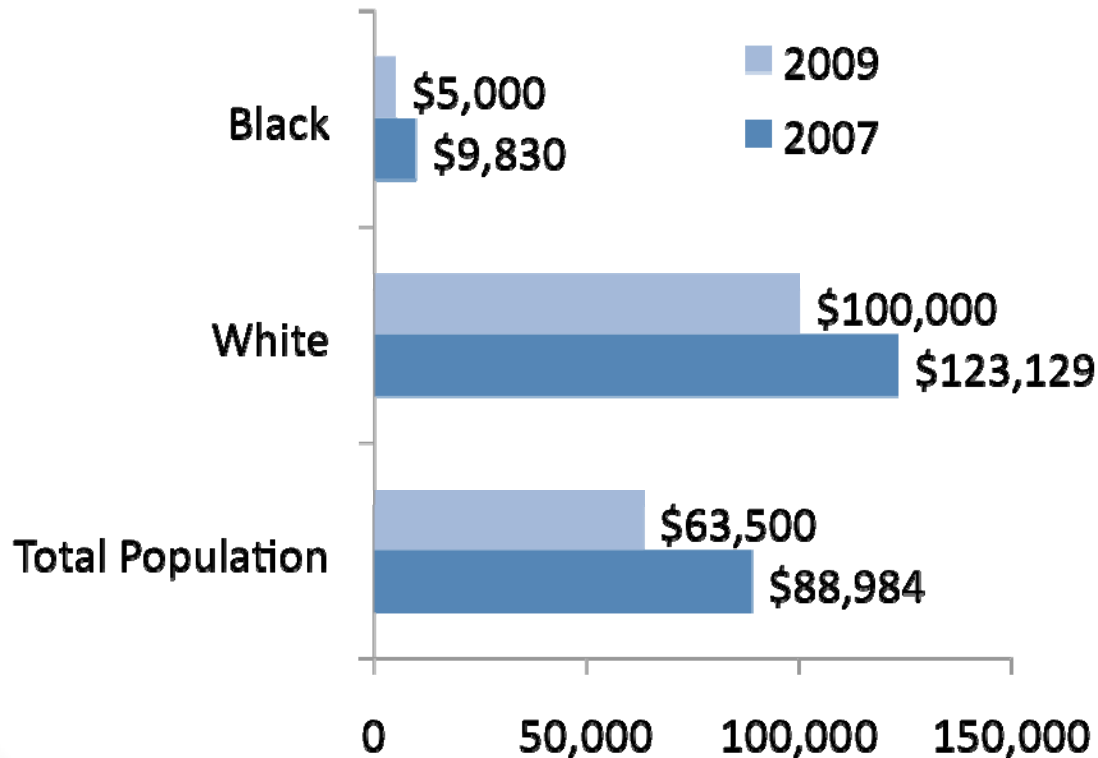
<b>Asset</b>	<b>Whites</b>	<b>Non-Whites</b>
Business Equity	\$100,000	\$50,000
Bonds	\$96,000	\$23,000
Retirement Accounts	\$53,000	\$25,000
Certificates of deposit	\$20,000	\$10,000
Stocks	\$19,000	\$8,000

# Differential Impacts on Wealth Accumulation by Race

- Minorities saw a drop in wealth accumulation between 2005 and 2009:
  - Home equity comprises a majority of net worth compared to Whites, where home equity comprises 44%
  - Latinos and Asian Americans tend to live in areas that experienced disproportionate effects of the crisis

# Differential Impacts on Wealth Accumulation by Race

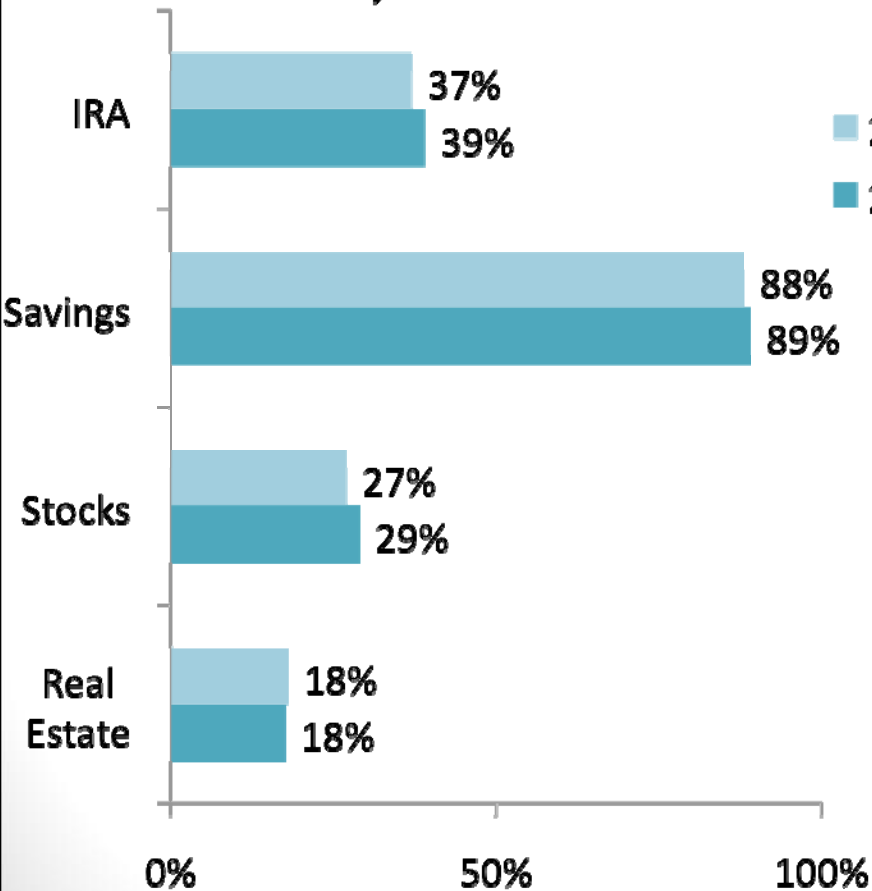
- Median Net Worth by Race, 2007-2009



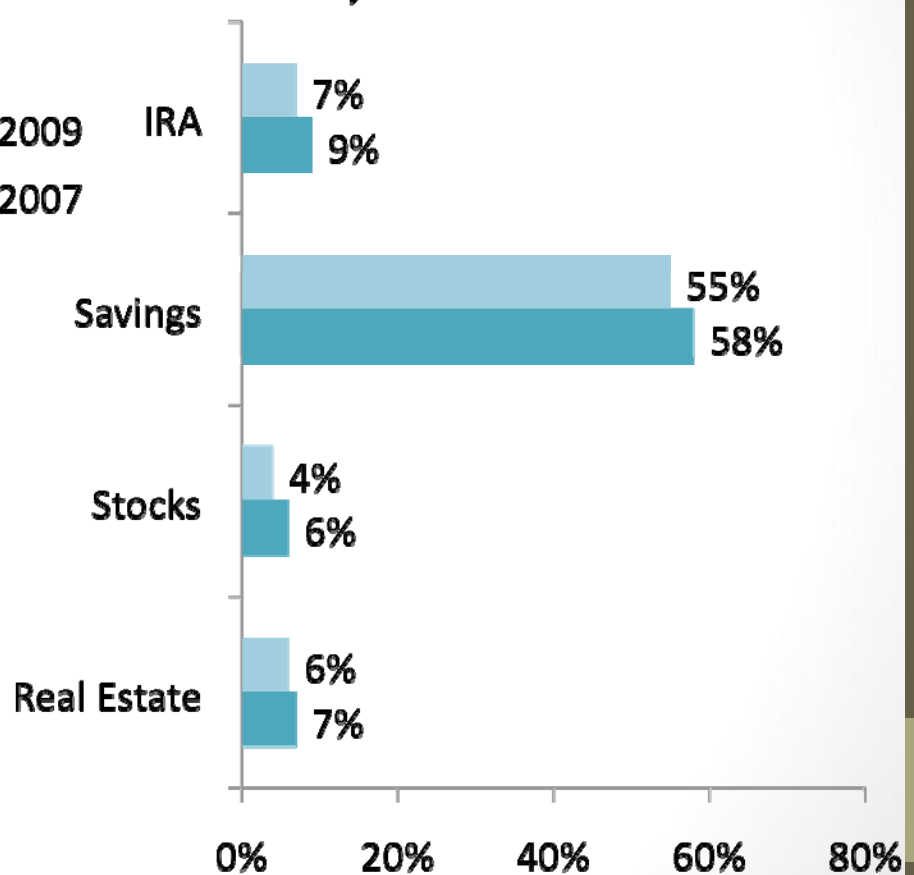
From 2007-2009, the average net worth of Blacks fell by 49%, in comparison to the net worth of Whites, which fell by 19%.

# Differential Impacts on Wealth Accumulation by Race

Percent holdings by asset type for Whites, 2007 and 2009

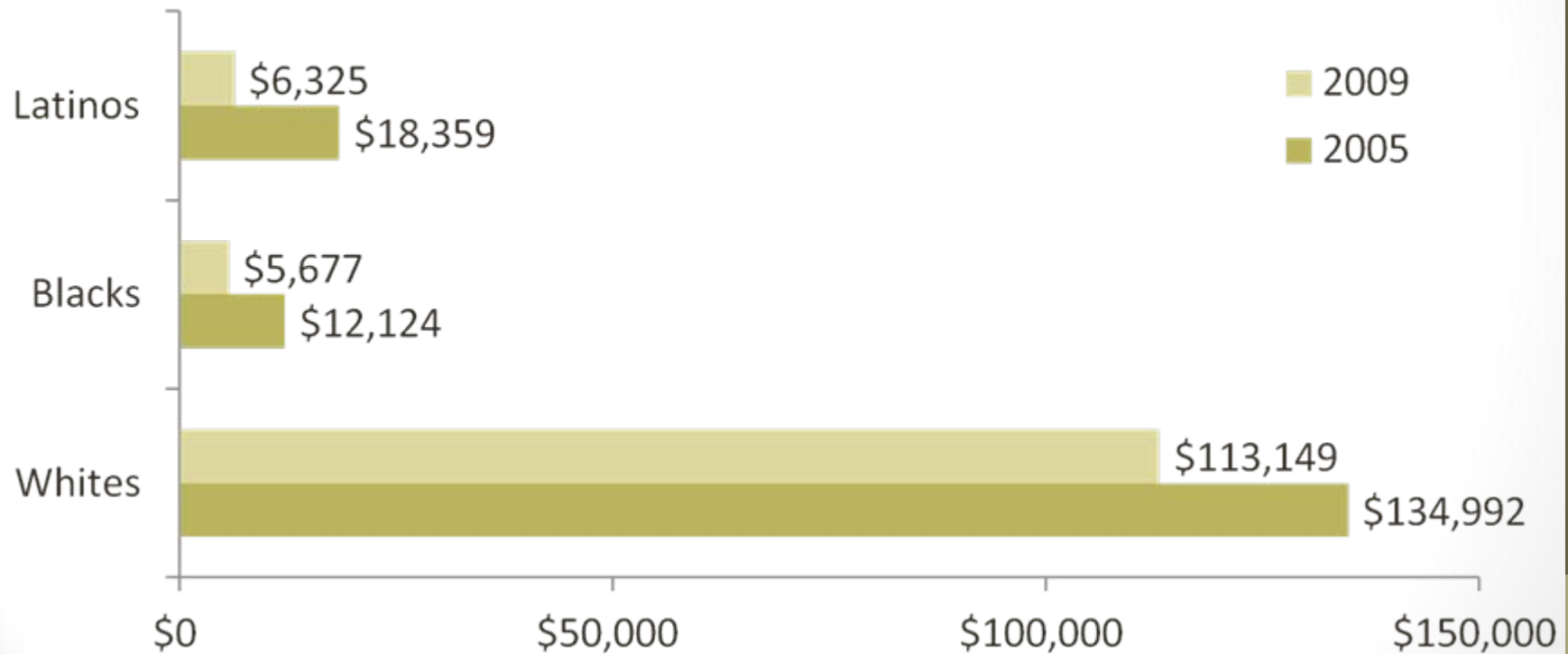


Percent holdings by asset type for Blacks, 2007 and 2009



# Differential Impacts on Wealth Accumulation by Race

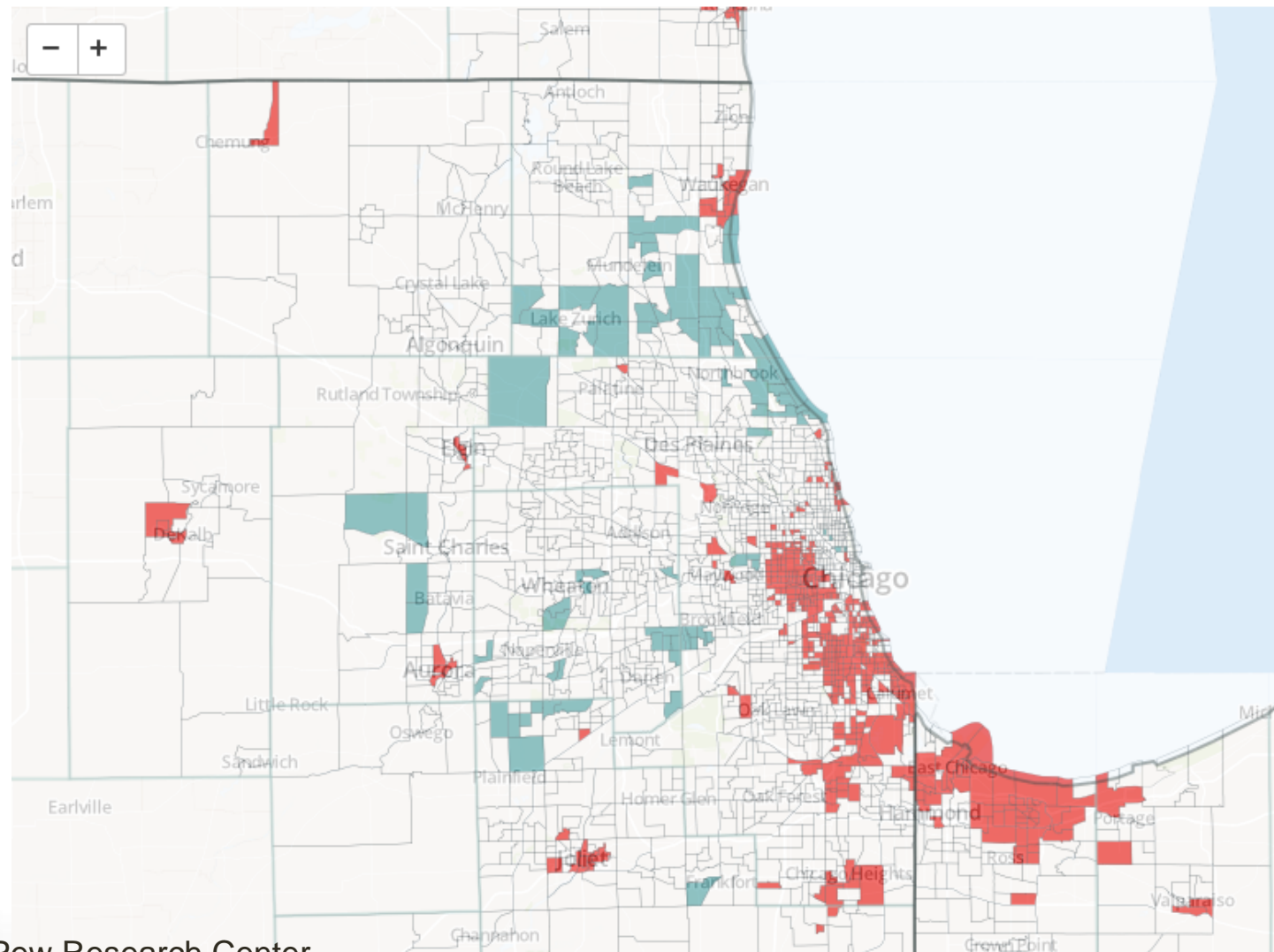
Declining Median Net Worth of Households, 2005 and 2009



# Income Segregation

## Increasing

Lower income Middle or mixed income Upper income





# Responses to the Foreclosure Crisis: Government Responses

- Micro-Market Recovery Program, Chicago:
  - \$15-20 million for local areas with high rates of foreclosures
  - With nonprofits, MMRP creates incentives for developers to reoccupy foreclosed and vacant properties
- Homeowner Helpline, Illinois:
  - Housing counselors and foreclosure prevention assistance answer calls
  - Since 2008, has assisted 47,000 calls and generated \$70 million in savings

# Responses to the Foreclosure Crisis: Government Responses

- Hardest Hit Fund (HHF), U.S. Treasury:
  - Provides up to \$25,000 in mortgage assistance to unemployed or underemployed homeowners
  - Illinois started a Mortgage Resolution Fund, which uses \$100 million to purchase delinquent mortgages. Homeowners who successfully pay their mortgage after have more affordable mortgage modifications
  - Illinois HHF has helped more than 2,200 homeowners

# Responses to the Foreclosure Crisis: Bank Responses

- Rescue Loan and Prevention Program (ShoreBank):
  - Provided new homeowners fixed-rate loans
  - Switched adjustable-rate mortgages to fixed-rate loans for at-risk homeowners
  - From 2008-2009, ShoreBank helped 167 homeowners, or about \$29 million in loans
  - Funded by MacArthur Foundation and Chicago Community Trust

# Looking Ahead

- Adapting Existing Strategies
- Creating New Context-Specific Response Frameworks
- Adaptability
- Scalability
- Accountability

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