

A Permanent Housing Collapse?

By [Shamus Cooke](#)

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The recent chaos that erupted when 30,000 people waited hours in the Atlanta, Georgia heat to receive applications for subsidized housing is a mere symptom of a worsening national problem.

The housing market appears to be on a never-ending downward spiral, with the much-discussed “recovery” always around the next corner.

The reasons that such a recovery is impossible at the moment should be obvious: millions of people do not have jobs; millions of others work only part time; millions more work fulltime but make very little money; and additional millions fear losing their jobs.

Under these circumstances, there can be no recovery in the housing market, which will continue to contribute to the broader depression-like economy in the U.S.

Interestingly, an op-ed article in The New York Times, entitled The 30 year Prison, actually took these realities into account when analyzing the housing crisis. The 30 year mortgage is the cornerstone of the residential housing market, which allowed millions of Americans to become homeowners.

But the economic conditions that allowed such a mortgage are disappearing. According to the op-ed author, Katherine Stone, one crucial problem of the housing crisis is that “...today’s mortgages are designed for yesterday’s borrowers.”

Ms. Stone makes clear that “yesterday’s borrowers” are people who could expect to have job security and were paid a livable wage. Thus, 30 year Mortgages “...work well as long as homeowners have stable, long-term jobs that enable them to regularly make their monthly payments.”

“But these days such careers are increasingly scarce. Therefore, any effort to recover from the crisis must include more flexible mortgages that take today’s employment landscape, with its frequent job-hopping and episodic unemployment, into account.” (August 14, 2010).

Of course banks are never very eager to be “flexible” with loans.

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Nevertheless, Ms. Stone is part of the recent wave of journalists and politicians who have discovered that there is a “new normal” in the U.S. economy, which will inevitably have profound changes on how millions of people live their life. If the economy continues in the same direction it has been traveling for the last thirty years, with the needs of corporate owners overriding those of the employees, the “new normal” will demand that not only housing, but many other aspects of life be changed to suit the long-term joblessness and low wages that politicians and businessmen would like to make permanent.

Adequate housing is a basic human right. But often basic rights take a back seat to corporate profits.

Sometimes these basic rights must be demanded. The right to decent housing, a job that pays a living wage, health care, and peace could all be easily achieved in the United States if the economy were arranged with this purpose in mind. Sadly, it is not. It will take a mass movement of working people to re-arrange the priorities of those in power, or to put different people in power, so that the country’s resources are directed to those creating the wealth, or in the most need of it.

Helping jump start this movement should be the priority of every working/unemployed person. The first mass demonstrations to achieve working-class demands will be held on October 2nd, in Washington, D.C. and in other cities. Local demonstrations, community forums, or town halls can be held locally to coincide with the larger demonstrations, thus amplifying our voices. One demonstration will not be enough, but hopefully October 2nd will be the first step working people take towards empowerment, greater organization, and political independence. Once we learn to march and shout our demands in unison, greater goals can be achieved.

Shamus Cooke is a social service worker, trade unionist, and writer for Workers Action (www.workerscompass.org). He can be reached at shamuscook@yahoo.com

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