

How Many People Have Lost Their Homes? US Home Foreclosures are Comparable to the Great Depression

By [Washington's Blog](#)

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Region: [USA](#)

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The San Francisco Chronicle [notes](#) that it is difficult to keep track of foreclosure rates now ... let alone during the Great Depression:

Foreclosure rates of the late 2000s are often compared with those of the Great Depression, which took place through the first half of the 1930s. However, there were no public or private agencies keeping track of foreclosure rates at that time. Indeed, the government still does not keep an official statistic on the number of homes in foreclosure or repossessed by banks and lenders.

But the Chronicle provides estimates of foreclosures during the 1930s:

A 2008 article by David C. Wheelock, an economist at the Federal Reserve Bank of St. Louis, cited annual reports issued by the Federal Home Loan Bank Board during the 1930s. These reports reveal that the foreclosure rate exceeded **1 percent** from 1931 until 1935. At the worst point in the Depression-era economic crisis, in 1933, about 1,000 home loans were being placed in foreclosure by banks every day.

How does that compare to the last 5 years?

RealtyTrac notes (via [North Carolina State University](#)) that:

From January 2007 to December 2011 there were **more than four million completed foreclosures** and **more than 8.2 million foreclosure starts**

CoreLogic [reported](#) a year ago:

Approximately 1.4 million homes, or **3.4 percent** of all homes with a mortgage, were in the national foreclosure inventory as of May 2012 compared to 1.5 million, or 3.5 percent, in May 2011 and 1.4 million, or 3.4 percent, in April 2012. The foreclosure inventory is the share of all mortgaged homes in some stage of the foreclosure process.

Given that there are currently around [316 million](#) Americans - more than twice the number during the Great Depression - such high foreclosure rates mean that there may well be as

many people suffering foreclosure than during the Great Depression ... or more.

And NBC News [reported](#) this month:

Already some **5 million** homes have been lost to foreclosure; estimates of future foreclosures range widely. [Moody's Analytics chief economist Mark Zandi], who has followed the mortgage mess since the housing market began to crack in 2006, figures foreclosures will strike **another three million homes** in the next three or four years.

For more comparisons of the Great Depression and today, see:

- [Housing Prices Have Already Fallen More than During the Great Depression ... How Much Lower Will They Go?](#)
- [Have the Last 5 Years Been Worse than the Great Depression?](#)
- [British Economy Is WORSE than During the Great Depression](#)

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