# CRESC Working Paper Series

Working Paper No. 91

## Gender, indebtedness and social reproduction: another politics of the subprime crisis


Johnna Montgomerie

CRESC, The University of Manchester



February 2011



For further information: Centre for Research on Socio-Cultural Change (CRESC)
Faculty of Social Sciences, The Open University,
Walton Hall, Milton Keynes, MK7 6AA, UK
Tel: +44 (0)1908 654458 Fax: +44 (0)1908 654488

Email: cresc@manchester.ac.uk *or* cresc@open.ac.uk

Web: UUwww.cresc.ac.uk

# Gender, indebtedness and social reproduction: another politics of the subprime crisis

**Johnna Montgomerie**

## Abstract

This article makes a modest attempt at linking household-level trends with macro-level trajectories in the United States. The aim of which is to reveal how social reproduction (or 'home work' which entails biological and labor reproduction, the transmitting of values, norms, skills and knowledge) is an important factor influencing household financial insecurity, especially in the wake of this crisis. Using descriptive exhibits from the Survey of Consumer Finances it sketches a household-level picture of debt and income levels for homeowners from 1992 to 2007 as well as basic indebtedness indicators to demonstrate the degree to which family structure (as a proxy for social reproduction), gender and race all effect the degree of financial insecurity experienced by households and their likelihood of withstanding even minor declines in income or social support. The first section outlines the different levels of analysis used to explain the recent financial crisis, and the related subprime mortgage boom. Section two provides an analysis of two-parent compared to single-parent households, single-mothers compared to single-fathers, and white, non-white and just black single-mothers. From these descriptive exhibits and comparison of debt indicators we consider, in the final section, how these trends link up to broader macro-level trajectories, namely the failure of 'privatized Keynesianism' as a system of political and economic governance.

# Gender, indebtedness and social reproduction: another politics of the subprime crisis

## Introduction

Accounts of the causes and consequences of the 2000s credit/asset bubble abound. Once considered the new era of prosperity this period is widely seen a significant failure of markets, policy, and even aspects of economic theory. Typically analyzes of the crisis adhere to particular theoretical framework and/or rely on a specific level of analysis to establish coherence and credibility. For instance, those that focus on the macro-global scale emphasize geopolitical imbalances between creditor/debtor relations and monetary policy supporting low nominal interest rates. However, those looking at the meso or market level point to the unchecked growth and consolidation in the banking industry and the inability of market actors to distinguish between individual and systemic risk transfer. Finally, household-level analyses tend to emphasize the terms-of-credit offered to different socio-economic groups or the investment/borrowing decisions that create financial fragility.

This article makes a modest attempt at linking household-level trends with macro-level trajectories in the United States. The aim of which is to reveal how social reproduction (or 'home work' which entails biological and labor reproduction, the transmitting of values, norms, skills and knowledge) is an important factor influencing household financial insecurity, especially in the wake of this crisis. Using the Survey of Consumer Finances (SCF) we begin with a household-level picture of debt and income levels for homeowners from 1992 to 2007 as well as basic indebtedness indicators to demonstrate the degree to which family structure (as a proxy for social reproduction), gender and race all effect the degree of financial insecurity experienced by households and their likelihood of withstanding even minor declines in income or social support.

The first section outlines the different levels of analysis used to explain the recent financial crisis, and the related subprime mortgage boom. Also, it examines how household financial fragility has been measured to demonstrate the specific outcomes of the financial crisis on different socio-economic groups. From this we develop how our method of measuring financial insecurity is used to analyze the importance of social reproduction. Section two provides our conclusions from our analysis of two-parent compared to single-parent households, single-mothers compared to single-fathers, and white, non-white and just black single-mothers. From these descriptive exhibits and comparison of debt indicators we consider (in the final section) how these trends link up to broader macro-level trajectories, namely the failure of 'privatized Keynesianism' as a system of political and economic governance.

Since the crisis of public Keynesianism in the 1970s the American government has sought to achieve the goals of stability and growth of postwar era but through slack monetary policy, private credit expansion and by promoting an ownership society. Homeownership was a key aspect of this strategy, where homes became the repository of both wealth creation and welfare provision. But with the abandonment of incomes policy, complete aversion to wage-led inflationary pressures and comprehensive welfare reform households were left using debt to acquire assets, fund consumption and as a safety-net. Janine Brodie (2003, p.60) calls this 'the paradox of necessity', in which "neo-liberal globalism simultaneously maximizes the need for social intervention in the name of human security while, at the same time, minimizes the political spaces and strategic instruments necessary to achieve this public good". We extend Brodie's original argument by considering how the commodification and privatisation of previously state-provided social services affects single-mothers and minorities as welfare through homeownership was attained by using high-cost credit products. More specifically, how privatized Keynesianism sought to resolve this impending social crisis through private credit expansion and individual/household indebtedness.

An important element influencing the interpretation of our conclusions from SCF data is temporality, or the differing time-scales affecting our claims about causality. Our analysis shows an obvious increase in total debt levels after 2001 which fits nicely with conclusions about the affects of subprime mortgage lending and the broader credit/asset bubble. In addition to this household-level analysis, we seek to extend our conclusions to include longer-term processes of transition in the US political economy which cannot be wholly captured in the SCF data. Firstly, our emphasis on the welfare function of homeownership allows us to extend our temporal analysis to include the reforms to welfare provisions, in particular during the Clinton Administration, which involved the targeting of women, especially single-mothers and minorities, as long-term unemployed. The long-term consequences of welfare reform, we argue, influenced the uptake of mortgage loans and rising debt levels of single-mothers. Moreover, this ties in with the existing research on declining government safety-net with rising household indebtedness. From the SCF data we see that total debt outstanding grew much faster compared to slower rates of income growth, we tie this conclusion to the abandonment of incomes policy and full employment in favour of non-inflationary growth objectives. The subsequent slowing of wage growth, and insufficiency of earnings from investment to supplement overall income growth, created conditions where households borrowed and invested more but were unable to escape the ‘tyranny of earned income’. Taken together these factors highlight the failures of privatized Keynesianism.

## Boom, Bubble and Bust: the consequences for household financial (in)security

The financial instability caused by the 2001-2007 credit/asset bubble can be seen at all levels of the US economy. What makes this financial crisis so problematic is the degree to which it has been able to seriously affect ordinary households. This is largely because of the closer links between capital markets and housing forged over this period. Herman Schwartz (2009) outlines how geopolitical financial relations combined with US economic policy and market practice to create a unique growth model centred on housing markets. In a related article he writes:

> [T]he disinflation of the 1990s combined with the operation of global capital markets to differentially produce increased aggregate demand in countries characterized by wide-spread homeownership, high levels of mortgage debt relative to GDP, easy refinance of those mortgages, and mortgage securitization. In turn, this increased aggregate demand produced a self-fulfilling increase in employment and output that benefited politically critical cohorts in those countries. The increased housing costs those cohorts face gives them a stronger interest in cash income over collective social services and in keeping inflation, and thus nominal interest rates, low. Housing outcomes and the financial structures for housing thus have important political consequences (Schwartz 2008, p.264).

These macroeconomic dynamics where in turn shaped by the broader ‘politics of homeownership’, a cornerstone of American politics since the postwar period. A wide array of public policies is used to encourage homeownership from the tax code, where mortgage-payments are a tax deduction, to the Federal Housing Administration and government-sponsored enterprises to facilitate mortgage securitization. During the credit/asset bubble these government agencies actively promoted homeownership as a panacea for wealth-creation and neighbourhood renewal (Shlay 2006; Ronald 2008; Marcuse 2009). Slack monetary policy that promoted cheap credit and excess liquidity combined with political support for rising asset prices as a wealth generating tool facilitated greater market segmentation in household lending and, ultimately, the housing bubble. The degree to which banks relied on cheap credit and structured financial products to expand into, or simply create, new markets for their financial products was integral to the perpetuating of the housing bubble and, worse, the serious financial insecurity now faced by a large cross-section of American households.

The subprime mortgage market, now infamous for instigating the credit crunch and subsequent financial market collapse, was one outcome of these combined political and economic conditions. Gary Dymski (2010) contends that it was only when mortgage lending was separated from risk-bearing, did lenders sell mortgages with excessively high fees and interest rates to higher-risk households who had restricted access to other sources of credit. Detailed research into the geographical and social segmentation of the US mortgage market found that it contributed to new forms of financial discrimination and inequality (Wyly, Moos et al. 2008). The method of matching credit-scores with loan terms provides a clear picture of the landscape of financial inequality through the distortions, mis-selling and predatory lending practices of lenders (HUD 2000; US Treasury and HUD 2000; Wyly, Atia et al. 2007).[1] Nevertheless, this form of analysis stops at the point of consumption and, therefore, cannot demonstrate how these trends are reflected on the household balance sheet. The consequences of debts incurred during this period are not fully capture in the loan agreement itself; moreover, the overwhelming focus on subprime loans misses the extent to which indebtedness is contributing to prolonged financial insecurity for a large cross-section of American society.

Unprecedented increases in household debt levels were a widely acknowledged aspect of the post-2001 bubble. Initially this was seen as a rational response to economic conditions, specifically low nominal interest rates, rising asset prices and increased access to financial products. Others claimed rising household debt levels were indicators of much more pernicious trends in the US economy obscured by skyrocketing asset values, namely stagnant wage growth (Montgomerie 2009), increased income inequality (Barba and Pivetti 2009) and lack of a government safety net (Wheary and Draut 2005; Zeldin and Rukavina 2007; Sullivan 2008).

Attempts to analyse the extent of financial fragility caused by increased borrowing during the credit/asset bubble have yielded interesting results. Wheary, Shapiro et al., (2007) comprehensively measured middle-class financial insecurity by assessing: financial assets levels and if they were sufficient to cover temporary job loss, serious illness and provide future for family security; education level of head of household; income-levels enough to cover housing and essential living costs; health care coverage adequate to ensure that financial stability the event of an unforeseen illness. This measure demonstrated that less than a third (31%) of American middle-class families were secure, while 25% were at real risk of slipping out of the middle-class altogether. Similarly, Weller and Sabatini (2008) assessed the relative financial vulnerability of homeowners as a consequence of financial deregulation and the housing boom by measuring the diversification of assets, leverage, interest payments and variable interest rate debt as the most direct set of indicators linking housing to the mortgage boom (p.608). They found that after 2000 the rapid acceleration of house prices and concomitant increases in mortgage debt reduced wealth creation for homeowners. Increasing financial fragility affected middle-income mostly white families as well as lower-income and minorities, especially Hispanics (p.626).

These two methods demonstrate the different frameworks for conceptualizing financial fragility. Weller and Sabatini (2008) use the traditional economic view of choice in household resource allocation and how these choices were shaped by economic factors like interest rates or the terms of the loan agreement. In this case 'the home' is primarily an asset from which wealth gains can be made or lost. Of course the potential gains from homeownership, especially for low-income and minority families are ambiguous compared to their upper-income counterparts (Retsinas and Belsky 2002; Boehm and Schlottmann 2004), and are further complicated by the affects of credit/asset bubble (Baker and Baribeau 2003). In contrast, Wheary, Shapiro et al. frame financial fragility in terms of the claims against household income compared to middle-class family needs to sustain their standard of living and reproduce it for the next generation. This more holistic approach uses multiple data sources to highlight the broad ranging implications of eroding middle-class financial stability.

Similarly, this article evaluates the financial insecurity faced by homeowners especially since 2001. We differ from Weller and Sabatini (2008) in that we focus on the welfare function of homeownership, in other words how private homeownership accomplishes life-cycle redistribution and consumption smoothing which is one of the primary functions of the welfare state (Castles 1997; Kemeny 2005). This conceptual emphasis develops from Francis Castles (1997) claim that the European countries with strong welfare states also had low homeownership rates compared to New World, such as United States, who had high rates of homeownership and relatively weak welfare states, he called this the 'really-big trade off'. This emphasis attempts to capture the multiplicity of purposes for 'the home': a dwelling, a store of wealth, a reserve of cash (equity withdrawal). Indeed the asset-function of homeownership is important because for the vast majority of Americans their primary residence is also their only major asset, especially for minority households where African-Americans and Latinos households do hold wealth at least two-thirds is held in home equity (Bailey 2005). In this way we draw on the holistic approach of Wheary, Shapiro et al. (2007) by seeking to extend our analysis of the causes of financial insecurity to include factors associated with homeownership, as they do with the middle-class.

We begin by using the Federal Reserve's triennial Survey of Consumer Finances (SCF) to measure the changing levels of total debts outstanding (median mortgage and consumer debt) and annual income for homeowners from 1992 to 2007.[2] We measure financial insecurity with four basic indicators: (a) Median total debt outstanding as proportion of median annual gross income; (b) Debt-to-equity ratio, or the proportion of total debt outstanding to home equity holdings[3] as an indicator of the level of leverage; (c) Debt repayment as proportion of income, or annual debt repayment[4] as a claim on income; (d) impact of repayment burden following a simulated 10% and 25% fall in gross annual income.[5] From these indicators we get a basic picture of the relative financial (in)security faced by five different household groups: two-adults and single-adult families with financial dependent children; male and female single-parent families, white and non-white[6] as well as just black single-mother families.

We use family structure as a proxy to capture the importance of social reproduction in determining a household's financial security. Social reproduction is of growing importance in the feminist political economy literature, it refers to the care work necessary for biological reproduction, the reproduction of human labor as well as the intergenerational transmitting of historically derived values, norms, skills and knowledge used to construct identities and subjectivities (Steans and Tepe 2010). Social reproduction is work (still) primarily undertaken by women and is usually unwaged but is not limited to 'women's work in the home' rather it encompasses 'home work' with the provision of social care provided by the state and the market (ibid). Therefore, social reproduction is a lens through which we examine the gender implications of the credit/asset bubble.

By focusing on family structure in our data analysis we try to illustrate the relative importance of having adequate provisioning for social reproduction, two-adults compared to single-adult households with dependent children should produce very different forms of financial insecurity. The gender dynamics of family structure are not reducible to simple biology; on the contrary, gender is social norm or governing code that divides and shapes the division of paid and unpaid labour that makes up 'home work'. Therefore, we do not simply look at 'women' as a discrete category; rather, we asses gender in terms of the social relationships of the family unit because 'women' is insufficient as a concept to capture relationships of work, consumption, and care (providing of social reproduction). As we will see there are a growing number of single-fathers with financially dependent children, but the gender dynamics of social reproduction provisioning means that single-parents are still, overwhelmingly, women. Whether a woman lives alone or in a partnership, has financially dependent children or not, impacts her overall financial security relative to men and other women in different circumstances (Yamokoski and Keister 2006).

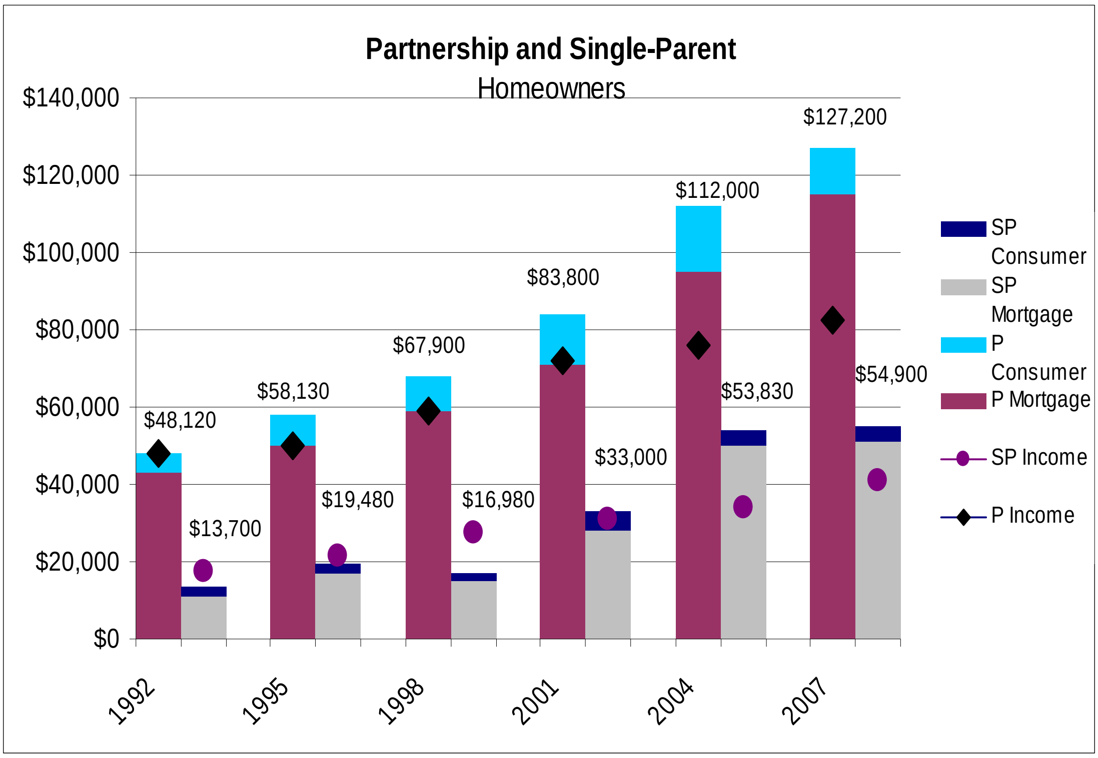
Therefore, in drawing our conclusions we are conscious of emphasizing the importance of social stratification in interpreting our results. Family structure and gender dynamics capture the hitherto under-analyzed importance of social reproduction but these factors also interact with historically constructed racial dynamics of American society. The sheer volume of evidence demonstrating that lenders targeted racial minority communities for high-cost subprime mortgages can be added to long list of empirical analysis of the disadvantages faced by African American and Latino communities. These inequalities long pre-date the 2001-2007 credit/asset bubble but, nonetheless, shaped the outcomes for different households. As such, stratification that needs to be acknowledged.

## Social reproduction and financial (in)security

We begin by comparing two-parent and single-parent homeowners to demonstrate the importance of social reproduction in contributing to household financial security. Of course this does not mean that two-parent families are the standard-bearers for financial security. On the contrary, there is a large body of evidence to suggest that the traditional middle-class family is suffering severe financial problems especially as a result of the recent credit/asset bubble (Brenner 2004; Garcia 2006; Wheary, Shapiro et al. 2007; Langley 2008; Weller and Sabatini 2008; Montgomerie 2009). Elizabeth Warren and Amelia Tyagi's (2003) offer a detailed analysis of what they term is "the two-income trap" and its role in shaping middle-income families' ever-growing indebtedness. They argue that women's mass migration into the workforce has made a two-income family a requirement for maintaining a middle-class existence. Even though the average two-income family earns more today than did the single-breadwinner family of a generation ago, they have *less* discretionary income (p.8). Therefore, today's women must work and provide the necessary conditions of social reproduction in the home in order to maintain the same standard-of-living that used to be possible with one income. As such, middle-class families use credit to try to buy there way out of this two-income trap, where higher debt levels are necessary to pay for essentials like having a home with access to a good school, health care, cars, college tuition, and discretionary income purchases.

This analysis does not provide a breakdown of the formal working status of each adult in the two-parent home, so these households can be one adult in formal labour market with one at home, or part-time, and/or two adults in the labour force. Rather, our aim is to highlight the importance of having two adults to share paid work and social reproduction in creating stability and, ultimately, greater financial security compared to their single-adult counter-parts. In part we can see this in graph one which compares median total debt outstanding (figures above columns) to income levels (dots on columns) for two-adult partnerships with financial dependent children (columns on the left) and single-adult parents with financial dependent children (on the right).

*Graph One: Median Total Debt Outstanding and Income-Partnership with financial dependent children and Single-Parent Homeowners*




Source: *Survey of Consumer Finances, six cross-sections from 1992-2007 Partnership Homeowners n=5455, 5810, 6075, 6390, 6315, 6415; single-parent homeowners n=825, 990, 885, 935, 1130, 1100*

We see clearly that partnerships with children have much higher total debt levels, but also much higher income levels than single-parents. In 1992, partnerships earned almost three times single-parents, $48,191 and $17,431 respectively, this income gap narrowed by 2007, when partnerships median income was approximately double single-parent, $82,269 and $41,134 respectively. A similar pattern emerges with outstanding debt; in 1992, partnerships with children had nearly three and a half times as much debt as single-parents, by 2007 this gap narrowed as partnership had just over double the amount of debt as single-parents. Similarly, in both cases we see that total debt outstanding surges ahead of income levels after 2001.

On the one hand, these figures would suggest that there is not much comparable difference in the rising debt levels and slower income growth of two-parent and single-parent homeowners, even that they are converging to become as worse off as the other. On the other hand, when we take into account the significance of social reproduction in shaping household financial stability we would suggest that these figures indicate a much worsening position for single-parent families. Table one provides a picture of the relative financial insecurity of partnerships with children compared to single-parents. Median total debt as a percentage of annual income is much higher for partnerships than for single-parents, but also that they have increase at approximately the same rate for both groups from 1992 to 2007.

Another way of seeing the problem of indebtedness is the debt-to-equity ratio which is an indicator of the level of leverage and the changing rate of these ratios can signal deepening debt problems. Here, we see that partnerships with children are highly leveraged with a worsening indebtedness until 2007 when higher home equity gains (related to the property bubble) moderated larger debt levels. With the precipitous decline of property values after

2007, we would expect the debt-to-equity ratio to be much higher today than prior to the financial crisis. This contrast with single-parent homeowners have much lower levels of leverage by comparison but much faster rate of increase in their debt-to-equity ratio, indicating much faster rate of worsening debt problems. Similarly, in 2007, there is a sharp drop in the ratio reflecting the height of the property bubble which we would expect would put current leverage ratios in line with indebtedness trend.

***Table One: Financial security indicators for two-adult and one-adult families***

| ***Homeowners*** | | | | | | |
|---|---|---|---|---|---|---|
| ***PARTNERSHIP WITH CHILDREN*** | | | | ***SINGLE-PARENT WITH CHILDREN*** | | |
| | **Debt as % Income** | **Debt to Equity Ratio** | **Repayment as % Income** | **Debt as % Income** | **Debt to Equity Ratio** | **Repayment as % Income** |
| **1992** | 99.85 | 1.17 | 20.92 | 78.60 | 0.37 | 25.30 |
| **1995** | 115.85 | 1.42 | 21.76 | 90.58 | 0.49 | 23.92 |
| **1998** | 115.46 | 1.44 | 20.81 | 62.03 | 0.49 | 20.16 |
| **2001** | 116.45 | 1.40 | 20.18 | 107.00 | 0.94 | 27.24 |
| **2004** | 147.37 | 1.49 | 21.71 | 158.83 | 1.25 | 26.47 |
| **2007** | 154.61 | 1.34 | 23.47 | 133.47 | 0.73 | 22.90 |

Source: *Survey of Consumer Finances, six cross-sections from 1992-2007 Partnership Homeowners n=5455, 5810, 6075, 6390, 6315, 6415; single-parent homeowners n=825, 990, 885, 935, 1130, 1100*

Single-parents are worse off because one adult must provide both income, social reproduction and meet rising debt obligations which is shared amongst two-adults in the comparable case. This becomes evident when we observe debt repayment as a regular claim against income. Table one shows annual repayment obligations as a proportion of annual pre-tax income and we see some variation between the two groups but partnerships with children paid on average one-fifth of income to debt repayment between 1992-2007, while single-parents on average paid one-fourth. In part, higher repayment obligations are a reflection of interest-rates but also the extent to which increase leverage diverts cash-flow.

Moreover, without an extra adult to serve as reserve labour or pick up the slack single-parent households are at a disadvantage when it comes to withstanding temporary shocks, like income short falls due to job loss, illness, or other unforeseen events. To consider households' relative financial security and their ability to continue servicing their stock of debts we simulate a minor 10% and more significant 25% drop in current median annual income levels. Given the post-2007 economic climate in the United States this scenario is entirely plausible as annual income could decline by these amounts as a result of temporary unemployment or even declining returns on investment or interest income. Simulating a 10% and 25% drop in 2007 median annual income for partnerships with children brings their repayment obligations up to 26% and 31% respectively, and for single-parents up to 25.5% and 30.5% respectively. This convergence of debt burden figures may suggest there is little ultimate difference between partnerships and single-parents but they fail to capture the relative social power and protection for two adults in a home to caring for financial dependent children. It is precisely this fact that the concept of social reproduction attempts to capture.

## Gender dynamics of social reproduction

The social practices that constitute the variable of family structure are profoundly gendered. For over three decades the concept of gender is no longer reducible to simple biological variable in feminist analysis (Beneria 2003). Instead gender is a governing norm that influences the division of labour inside and outside the home, influences pay and work and, in this case, financial security. Existing observations about the conditions of women's inequality do not stem simply from their biological state, but as a consequence of the social relationships that shape what women do, or are meant to do. Women as 'workers' and are subject to the persistent gender wage-gap, in addition they tend make up the majority of the part-time and flexible workforce. The existing gender and racial stereotypes embodied in many social institutions perpetuate the female subservience and influences how women are integrated into the income-generating opportunities (Seguino 2007). In terms of financial insecurity Warren and Tyagi (2003) highlight the underlying causes of bankruptcy as intricately linked to family structure:

> *Having a child is now the single best predictor that a woman will end up in financial collapse.* Our study showed that married couples with children are more than twice as likely to file for bankruptcy as their childless counterparts. A divorced woman raising a youngster is nearly three times more likely to file for bankruptcy than her single friend who never had children (original emphasis, p.6).

While we do not address the issue of bankruptcy; we take from Warren and Tyagi the insight that women's role in the family is as important as their role in the labour market in determining family financial stability. Moreover, that the problems facing two-adult families are only compounded for single-parents with financially dependent children. Studies have shown that if differences in wealth are explored by marital status, gender, and parenting, single-mothers suffer the most severe economic penalties in household wealth accumulation (Yamokoski and Keister 2006).

Table two compares the median annual income and total debt outstanding as well as three debt indicators of single-mother and single-father households. At first glance these figures suggest there is very little difference in the relative financial stability of single women and men with financial dependent children. The true extent of gender discrimination becomes apparent when we compare the population sizes (n=) for these two family groups. We see quite clearly that gender differences are apparent in that women consistently make up more between 80%-85% of single-parent families while men make up between 15-19%. Therefore, it is the single-adult caring for financial dependent that contributes to financial insecurity, be it male or female, but gender discrimination is still clearly present in the fact that women are disproportionately more likely to be sole-carers. Also, there is some case to be made that the regularities of social circumstances faced by single-mothers; while the inconsistency of the data results for single-father suggests there is not enough commonality in their circumstances to create a reliable pattern. As such, it is unlike that we are actually comparing like-for-like, but this is perhaps an issue for further study.

*Table Two: Financial security indicators for Single-mothers and Single-Fathers*

**Homeowners**

**SINGLE MOTHERS**

| Median | Income | Total debt outstanding | Debt as % of Income | Debt-to-Equity Ratio | Repayment as % Income | *n=* |
|---|---|---|---|---|---|---|
| **1992** | $17,431 | $16,700 | 95.81 | 0.46 | 26.16 | *630* |
| **1995** | $20,481 | $17,090 | 83.44 | 0.45 | 25.98 | *770* |
| **1998** | $25,348 | $12,900 | 50.89 | 0.35 | 17.91 | *650* |
| **2001** | $25,701 | $32,000 | 124.51 | 1.00 | 32.33 | *730* |
| **2004** | $31,837 | $55,800 | 175.27 | 1.27 | 29.68 | *785* |
| **2007** | $39,078 | $55,100 | 141.00 | 0.61 | 23.95 | *830* |

**SINGLE FATHERS**

| Median | Income | Total debt outstanding | Debt as % of Income | Debt-to-Equity Ratio | Repayment as % Income | *n=* |
|---|---|---|---|---|---|---|
| **1992** | $24,608 | $12,200 | 49.58 | 0.33 | 12.97 | *195* |
| **1995** | $28,674 | $29,460 | 102.74 | 0.63 | 16.32 | *220* |
| **1998** | $37,516 | $39,080 | 104.17 | 1.15 | 20.15 | *235* |
| **2001** | $48,319 | $37,000 | 76.57 | 0.88 | 18.63 | *205* |
| **2004** | $33,891 | $49,800 | 146.94 | 1.19 | 22.48 | *385* |
| **2007** | $43,191 | $62,000 | 143.55 | 1.27 | 30.15 | *270* |

Source: *Survey of Consumer Finances*

These figures do show a significant wage gap of men earning more than women as well as higher debt levels for single-mothers compared to fathers. Nevertheless, single-fathers income and debt patterns show a deterioration of financial security, although it is hard to draw conclusions from such mixed results. For example, total debt outstanding grew by 229% for mothers compared to an astounding 400% for fathers. Similarly, total debt as proportion of income shows single-mothers had a pronounced increase after 2001, while single-fathers show mixed results the proportion doubles from 1998 to 2004. When it comes to debt burden, or repayment as a claim against income, single-mothers on average diverted one-quarter (26%) of income to debt repayment while single-fathers on average committed one-fifth (20%) from 1998 to 2007.

These figures suggest, as do the overall results of single-parents, that homeownership does not provide adequate financial security, as is the usually the case with middle and upper-income households (Belsky and Duda 2002; Shlay 2006). Yet, rather than it being solely the result of asset accumulation strategies we suggest the worsening financial insecurity of single-parent families is closely related to the failure of homeownership to provide an adequate welfare function. It is perhaps not surprising that total debt and leverage grew after 2001, when the credit/asset bubble began to inflate and lenders enthusiastically began selling to previously under-serviced market segments, like single-parents on low incomes. This led to the led to homeownership rates among female headed households to increase, but these households owned a lesser share of their homes than at any previous time because they borrowed against their housing wealth (Masnick, Di et al. 2006). To some degree equity withdrawal temporarily offered a degree of income and consumption smoothing: in 2005, two-thirds of women home equity borrowers were drawing down on wealth in their homes, of which just over a third (35%) took out home equity loans or lines of credit to 'cash-out' their equity holdings and another third (35%) used the loans to pay off credit card debt (Fishbein and Woodall 2006, p.7). The long-term implications of these trends are mounting debts levels and crippling costs to service these debts suggesting homeownership has instead brought greater financial insecurity.

The failure of homeownership to provide adequate welfare provisions for single-parent households is not just a consequence of the conditions of the credit/asset bubble from 2001-2007. Single-mothers, in particular, have long been targets of Federal and State level welfare reform, where the provisions for social reproduction are seen as directly inhibiting economic participation—or, formal paid employment (Hays 2003; Lein and Schexnayder 2007). Nancy Folbre (1987) calls this the "pauperization of motherhood", suggesting that the reduction in welfare services and the stagnation in wages has penalized mothers. As a result parenthood has left single-mothers poorer. In addition, gender norms and racial stereotypes which are embedded in political, legal, economic and financial domains perpetuate the stratified gender and racial systems. As such, gender (and racial) ideologies are used to justify the existing gender/racial imbalance in power and resources (Seguino 2007). Isabella Bakker (2007) links this directly to social reproduction as "the everyday activities of maintaining life and reproducing the next generation [are] increasingly being realised through the unpaid and paid resources of (largely) women as states withdraw from public provisioning, with the result that capitalist market relations increasingly infiltrate social reproduction" (p.541). Single-mothers are solely responsible for meeting the economic and social needs of their families, which creates specific forms of inequality. But, we should also consider that low-income and minority mothers also make up the majority of (low) paid care workers.

In addition to the fundamental reforms to social services, the federal government virtually froze the minimum-wage rate for almost a decade, while state governments engaged in successive rounds of labour market deregulation (often in competition with one another to attract investment). Efforts to facilitate 'flexible' labour markets have led to a growth in part-time and causal work. The business community embraced these new trends by increasingly using part-time and flexible workers in order to reduce wage costs but also to curb non-wage benefits entitlements, like health care and pensions. Also, Federal and State-level initiatives capped funding for public health care dramatically increasing the costs for these services. As a result, the management of health funds is increasingly in the hands of health insurance companies and health management organisations associated with corporate firms; thus increasing the stratification in quality and access to services (Elson and Cagatay 2000). The combination of welfare reform and flexible labour market policies compounded women's already unequal position in labour markets more generally. This impacts family dynamics because the everyday activities of social reproduction have been replaced by market-based, privatized entitlements for those who can afford them – private health insurances, private hospitals, private schools, private retirement homes, private paid care for children and old people, as well as privatised utilities charging market rates for energy and transport (Elson 2002; Bakker 2003).

### Racial inequality and financial insecurity

The most public failure of promoting homeownership in the name of opportunity and wealth creation has been in the US' minority communities. Low-income racial minority-communities were systematically targeted for high-cost subprime loans (Calem, Gillen et al. 2004; Wyly, Atia et al. 2004). Even when controlling for credit-scores and risk characteristics assigned to subprime borrowers, women and minorities are significantly over-represented in the pool of subprime mortgages (Fishbein and Woodall 2006).[7] This disparity is even more pronounced as income levels increase for women and minority households, as they are more likely to receive high-cost loans compared to white or male households with the same income level (Bocian, Ernst et al. 2006).

Gary Dymski (2009) makes the argument that the US subprime crisis was the result of the transformation of racial exclusion in US mortgage markets. Racial minorities gained increasingly access to housing credit under terms far more adverse than were offered to non-minority borrowers, a process he describes as "from redlining to predatory lending" (p.162). Therefore, credit-scoring may have eliminated the subjective discrimination of the branch manager but simply replaced it with a new form of 'terms of credit' discrimination. In practice risk-based pricing has done little to make credit more affordable to historically disenfranchised social groups. It now appears that credit scores merely reproduce pre-existing social stratification. This technology cannot counter-acted the systemic inequalities in American society, no matter how sophisticated the statistical technique credit-scoring will simply reflect the inequalities already most prevalent (or statistically significant) across the population.

When looking at the racial dynamics of financial inequality we must balance the more immediate conditions of the credit bubble, with the longer-term process of welfare reform that targeted racial minorities and left high levels of deprivation in inner-city neighbourhoods and, in turn, the long history of racial inequality in America. These factors interacted in different ways but ultimately created a situation where low-income racial minority households became 'targets of opportunity' (Dymski 2006) for an expanding financial services sector as well as Federal and State governments looking to alleviate poverty through homeownership initiatives.

Table three explores the racial dimensions that compound issues of social reproductions by comparing white and non-white (which includes African American, Hispanic, Asian, Pacific Islander and other from SCF) single-mother homeowners. Firstly, we can see a racial wage gap, where non-white single mothers on average earned 25% less than white single-mothers in the six cross-sections from 1992-2007. The post-2001 credit boom rapidly increased debt levels for both groups. Throughout the 1990s non-white single-mothers had half the levels of debt of their white counterparts, but non-white households debt grew by a much larger amount, by 2007 non-white single mothers had just over $16,000 more in median total debt than white single-mothers.

*Table Three: Financial security indicators for White and Non-White single mothers*

| *SINGLE-MOTHER HOMEOWNERS* | | | | | |
|---|---|---|---|---|---|
| *White* | **Income** | **Total debt outstanding** | **Debt as % of Income** | **Debt-to-Equity Ratio** | **Repayment as % Income** |
| **1992** | $18,456 | $21,900 | 118.66 | 0.63 | 25.36 |
| **1995** | $22,529 | $21,000 | 93.21 | 0.45 | 23.61 |
| **1998** | $26,362 | $17,300 | 65.62 | 0.35 | 17.22 |
| **2001** | $30,842 | $28,400 | 92.08 | 0.53 | 27.24 |
| **2004** | $35,945 | $58,500 | 162.75 | 1.08 | 26.29 |
| **2007** | $41,134 | $48,900 | 118.88 | 0.47 | 22.75 |
| *Non-White* | | | | | |
| **1992** | $13,329 | $9,700 | 72.77 | 0.24 | 32.41 |
| **1995** | $18,433 | $11,200 | 60.76 | 0.49 | 30.60 |
| **1998** | $15,209 | $9,100 | 59.83 | 0.36 | 31.56 |
| **2001** | $21,589 | $32,500 | 150.54 | 1.42 | 38.07 |
| **2004** | $26,702 | $49,330 | 184.74 | 1.64 | 33.03 |
| **2007** | $39,078 | $65,600 | 167.87 | 1.46 | 23.95 |

Source: *Survey of Consumer Finances, six cross-sections from 1992-2007, White single-mother homeowners n=380, 538, 480, 515, 485, 625; Non-white single-mothers n= 250, 232, 170, 215, 300, 205*

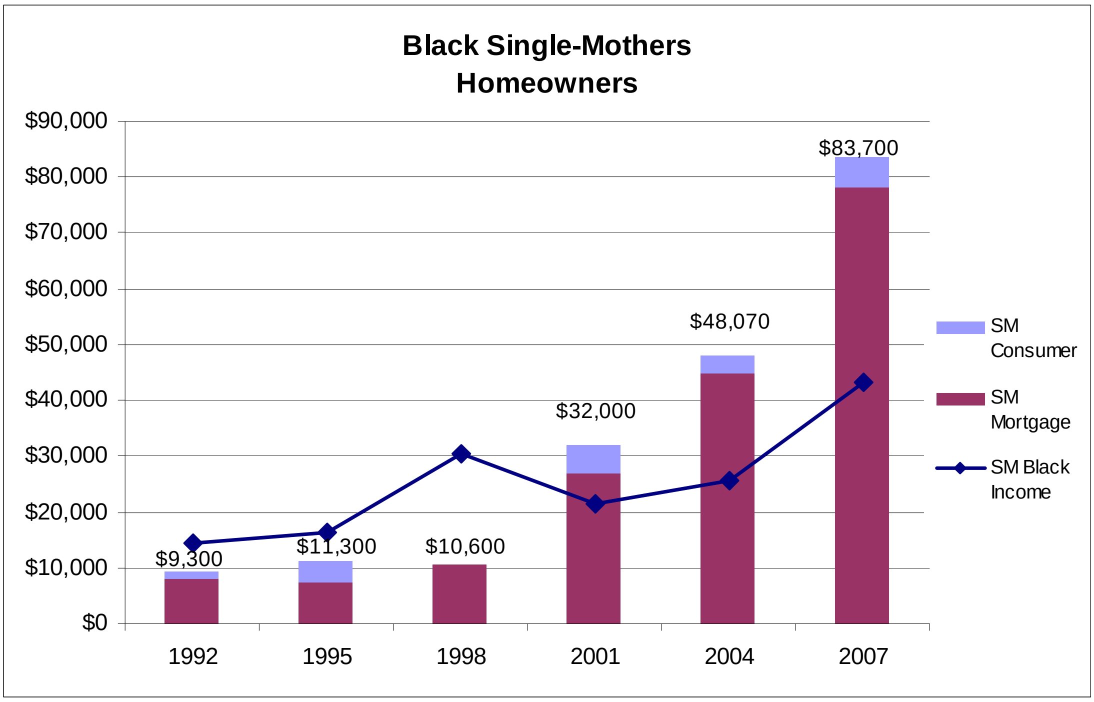
After 2001 both white and non-white homeowners have sharp increases in debt-to-income and debt-to-equity. Although for white single-mothers this increase brought levels back to those reached in the early 1990s, while for non-white households it was a fairly unprecedented increase. If we look at just the 2000s we see quite clearly that non-white single mothers have much higher level, and faster growth, of total debt relative to income. Also, the nearly four-fold increase in debt-to-equity ratio indicates a perilous increase in leverage levels.

The consequences of rising debt levels and increased leverage demonstrate the increasing financial insecurity of single-mother households. Debt repayment as a proportion of income reached their lowest levels in 2007 for non-white households, yet it had been historically substantially higher compared to white single-mothers. This makes it difficult to tell whether lower repayment levels are a one-off anomaly or a trend. Yet a relatively minor 10% drop in income levels would increase debt repayment to 25% of pre-tax annual income for white, and 27% for non-white, single-mothers. While a 25% drop in income would equate to white single-mothers diverting 30% of their annual income to debt repayment and 32% for non-whites. This demonstrates the financial insecurity of the average single-mother as debt burdens could easily become problematic from a minor loss in wages or government transfer income. Importantly the obligations of providing both income and all social reproductive needs are the same for both racial groups; therefore, the additional indebtedness and risk of financial insecurity can only be accounted for as an outcome of existing trends of racial inequality.

We can see this further when we separate out black single-mother homeowners from the non-white households. Black single-mothers are the only group with a large sample size as Hispanic single-mothers, for instance, fluctuate between 35-65 cases making generalizations between racial minorities difficult, while comparisons between black and white single-mothers are still possible.

Graph two shows sharp increases in black single-mothers income in both 1998 and 2007, which coincides with the two years with the smaller than average sample sizes. In part, this can be attributed to flaws in weighting and sampling of low-income groups and the over-sampling of high income groups (Getter 2007). From 1992 to 2004 median income for black single-mothers doubled while total debt levels over the same period quadrupled. In 2007, there is a substantial increase in both income and debt levels, but it is difficult to asses whether this is a one-off anomaly resulting from the credit boom and/or sample size or a trend. Nevertheless, we can see clearly the bulk of the growth in indebtedness comes after 2001 and is primarily in mortgage debt outstanding. This confirms the existing research on the gender and racial bias of subprime mortgage lending, and shows how this trend is manifested in the composition of debts for the average black single-mother household.

*Graph Two: Median Total Debt Outstanding and Annual Pre-tax Income*




Source: *Survey of Consumer Finances, six cross-sections from 1992-2007 black single-mother homeowners n=184, 175, 105, 165, 205, 125*

Comparing financial security indicators of white (table three) and black (table four) single-mothers demonstrates the disproportionate impact the post-2001 credit/asset bubble had on blacks compared to whites. In both cases debt-to-income ratios were there lowest in 1998: 65% for whites and reaching their height in 2004 at 162%, for blacks it was 35% and rapidly increasing year-on-year to reach 193% in 2007. This shows a much more pronounced and faster increase in indebtedness for black single-mothers compared to whites. When we compare the amount of leverage we again see pronounced racial differences. In 1992 white single-mothers have debt-to-equity ratio of 0.63 with reductions in leverage rates every year except 2001 when reaches 1.08 but drops again. In contrast, black single-mothers in 1992 had low leverage rate of 0.29 which increases throughout the 1990s while reaching an astounding 2.29 in 2001 and fluctuating slightly to reach 1.86 in 2001.

***Table Four: Financial security indicators for Black single-mothers***

| **HOMEOWNERS** | | | |
|---|---|---|---|
| ***Black single-mothers*** | | | |
| | **Debt as % Income** | **Debt to Equity Ratio** | **Repayment as % Income** |
| **1992** | 64.79 | 0.29 | 26.75 |
| **1995** | 68.97 | 0.52 | 30.76 |
| **1998** | 34.85 | 0.39 | 21.70 |
| **2001** | 148.22 | 2.29 | 35.31 |

| | | | |
|---|---|---|---|
| **2004** | 187.22 | 1.60 | 27.34 |
| **2007** | 193.79 | 1.86 | 29.62 |

The higher leverage rates for blacks compared to whites, in turn, translates into more onerous repayment obligations, where white single-mothers consistently divert less income to debt repayment than their black counter-parts. In part this substantiates the existing research on the racial inequalities present in retail financial practice (namely loan pricing) and shows how they directly translate into financial insecurity. If we simulate a 10% reduction in 2007 median income levels for white single-mothers debt repayment will increase from 23% to 25% which a significant claim against pre-tax income, a 25% reduction would increase the debt burden to 30% of annual median income. For black single-mothers repayment as a claim against income would increase from 30% to 33% with a one-tenth drop and reach an unsustainable 40% of annual income levels if the 2007 levels decreased by a quarter. Of course there is a much greater likelihood that low-income women will be at the forefront of job losses and government services and transfer cuts compared to their middle-income counter-parts. Moreover, without the reserve labour and support of an additional adult to meet social reproductive needs it is much more likely that single-mothers, especially black single-mothers, will be unable to continue to meet their debt obligations.

## Failures of Privatized Keynesianism: a bottom-up perspective

By highlighting the rising debt levels, comparatively slow income growth and worsening financial security experienced by two-parent and single-parent families this analysis seeks to highlight the importance of social reproduction in influencing the overall financial viability of a household. While most of the results suggest that 2001 was the watershed of indebtedness, over leveraging, and, ultimately, financial fragility our aim in this final section is to tie these household patterns into broader and longer term trends of political and economic transformation in the United States. Of course the 2001-2007 credit/asset bubble is pivotal to understanding why financial insecurity increased, but how these conditions emerged to form a coherent and, for a time, stable system of macroeconomic growth is equally relevant in generalizing about the potential impact of this increase in financial insecurity.

The extensive use of private credit to fuel growth in both industry and households over the past two decades has led to new theorizing about the emergence of *privatised Keynesianism* (Crouch 2009; Young 2009) as description of the present-day policy regime. If public Keynesianism of the postwar years entailed linkages between real wage rates to productivity rates, full-employment and incomes policies, counter-cyclical monetary and fiscal policy, with the welfare state providing addition support for demand aimed at providing the necessary stability that households and business need to grow, then privatized Keynesianism tries to achieve these same ends albeit through different policy means. Of course, it is important to remember that this national distributional consensus was predicated on the male-bread winner model (Elson 2002) and, in the US especially, made relatively few welfare provisions for social reproductive needs.

The structural crisis of public Keynesian macroeconomic intervention after the oil shock in the 1970s and the subsequent stagflation crisis effectively ended the policy legitimacy of these governance norms. Full employment and incomes policies were abandon in favour of ‘non-inflationary growth’ objectives where Central Banks focused price stability and controlling inflation (Temple 1998; Mayer 1999; Widmaier 2007). What emerged under privatized Keynesianism was a tight grip on consumer-price inflation but asset-prices were allowed to rise unchecked on monetary policy constraint; on the contrary, relaxed monetary policy and sustained low nominal interest rates fuelled easy access to credit and became a vehicle for bank profits (Guttmann 2000; Young 2009). Similarly, promoting mass investment and homeownership sought to replace wage gains with asset-based wealth gains by creating an "ownership society" (Schwartz 2008; Froud, Johal et al. 2010). The "fiscal squeeze" (Grunberg 1998) increased pressures to downsize public expenditures which resulted efforts "reprivatize" what was once public provisions for social support (Fraser 1989; Cohen 2007) these changing economic governance priorities shifted Keynesian welfare state priorities to Schumpeterian workfare objectives (Jessop 1993). For a time these changes resulted in low inflation, low nominal interest rates, new access to credit and rising asset values, which all gave the appearance of a virtuous circle of growth and prosperity.

Our analysis aims to show how the slow income growth relative to rapidly rising debt levels observed in our sample of households is liked to these macroeconomic governance priorities. Instead of public debt credit access for the poor and middle-income groups increased so private debt in the form of housing and consumer loans were essentially used to cope with the economic instabilities caused by stagnating wages, job insecurity of American workers, and lack of social protection (Montgomerie 2009). With central bank and government priorities firmly fixated controlling wage-led inflation middle-income and poor families needed ever higher amounts of credit to purchase homes, and to obtain goods and services, and at the same time banks had an ever greater profit incentive to supply such credits to consumers via financial market innovations (such as mortgage backed securities, credit default swaps, collateral debt obligations). Crouch (2009) argues that the two sides came together to resolve the structural crisis of public Keynesianism in the late 1970s: "the growth of credit markets for poor and middle-income people, and of derivatives and futures markets among the very wealthy" (p. 390). Under these circumstances households leveraged their minimal wage growth with higher debt levels to access homeownership because property (asset) prices were allowed, indeed encouraged, to increase because it was believed this was generating more wealth for households.

One of the key weaknesses of the privatized Keynesian system proved to be the inability of households to 'escape the tyranny of earned income' as wealth accumulation through investments and homeownership did not supplement income growth; "insofar as low income individuals and households accumulate debt but not assets" (Froud et al., 2010:148). Since wage-income is the single biggest segment of annual income for the vast majority of households, the long-term impact on asset accumulation was to simply increase indebtedness. Moreover, households used to debt to supplement wage income by using it to fund consumption and as a safety net to deal with one-off events like job loss or illness. For homeowners borrowing against the equity in the home increased leverage rates and contributed to greater financial insecurity by depleting wealth holdings. The additional size and number of claims against income created by growing debt obligations contributed to intensifying financial insecurity of many households. The underlying, and also fatal assumption, of homeownership was that house prices will continue to rise and thus owners could remortgage to either reduce the interest rates payable on their loans, or release equity from the homes. As such homeownership became an object of leveraged investment (Langley 2008; Marcuse 2009).

In the case of lower income homeowners the problems of the credit/asset bubble combined with long-term trends in welfare reform to further compound financial insecurity, rather than alleviate it through wealth gains. Low-income and socially marginalized groups increasingly used high-cost debt to participate in homeownership but also to meet current consumption expenses and temporary financial shortfalls. The persistent re-structuring of government provisions for economic security and the inability of large numbers of Americans to find affordable housing created what came to be known as the subprime boom. According to the urban planner, Peter Marcuse (2009), there is not a single city in the United States, in which a full-time worker earning a minimum wage can afford even a 1-bedroom apartment, a situation from which African-Americans, Hispanics, immigrants and women suffer in grossly disproportionate numbers. With less and less recourse to public services and government income transfer many poor urban communities, especially minority communities, used the many new credit products available to alleviate their poverty. In many respects private debt simply replace public debt in the provision of social welfare in the United States.

**Conclusion**

This article sought to demonstrate the relative importance of social reproduction on houshold financial security. Using family structure as a proxy for social reproduction we employed to the Survey of Consumer Finances to demonstrate the intensifying financial insecurity of single-parent households: leverage levels converge with two-parent family trends but repayment obligations on outstanding debts are more onerous, all while one adult must meet all needs of financial dependent children. Furthermore, we demonstrated how long-standing norms of gender and racial inequality compound the financial insecurities of single-parent households. Through these observations we highlight the social stratification of inequality that, on the one hand, manifests the immediacy of the recent credit/asset bubble and, on the other hand, does so in historically constituted ways in which women and minorities are—as before—worse off then the rest.

In addition, we tied these household-level observations with the broader macroeconomic trends in order to isolate what we see as the failures of privatized Keynesianism. Of course concepts like social reproduction and stratification cannot be directly observed or tested in the dataset (SCF), while forging direct links between the much longer processes of transition in privatized Keynesianism cannot be proven using this data either. Nevertheless, this article seeks to make the claim that future research on the causes and consequences of rising household indebtedness and growing financial insecurity should not be confined by the limits of the data made available. Indeed we can make generalizations and arguments about relationships that are not solely determined by what can be observed in the variables at hand. The importance of making connections with macroeconomic trends, historical patterns of transition and inequality is invaluable in redressing the sever imbalances present in the US economy. Without new ways of thinking and doing research we cannot hope to understand, let alone solve, the problems markets, policy-makers, and households now face.

---

[1] For example, families who took out mortgages in 2005, a subprime loan on a median price home would translate into an extra $235 per month and $85,000 more in total payments. A high-cost subprime loan could mean an extra $517 in payments each month and an extra $186,000 in total extra mortgage payments US Senate ( 2008). Taking a Toll: The Effects of Recession on Women Committee on Health Education Labor and Pensions, Senator Edward M. Kennedy, Chairman..

[2] Total debt outstanding includes 'Mortgage debt' which is all loans, mortgage or home equity, secured against the primary residence and 'Consumer debt' which is the sum of outstanding totals for SCF categories: credit card, education loans, all instalment loans, all lines of credit and vehicle loans. Income is total cash income before taxes and includes: wages, self-employed business income, interest, dividends, capital gains as well as food stamps and other government support, pension income, social security, alimony and other support. This comprehensive measure allows us to see the impact of declining government support as well as account for the (limited) impact of investment and interest income. But, it does not allow us to see the actual amount of take-home (or net) income after taxes in order to compare to debt levels and, perhaps more importantly, annual debt repayment obligations.

[3] Home equity holdings are the difference between value of primary residence and the total amount of debt secured by the primary residence (all mortgages and home equity lines of credit)

[4] Annual debt repayment takes the SCF 'total value of monthly debt repayment' and multiplies by 12 in order to provide comparability to annual income levels.

[5] This indicator was developed as part of the United Kingdom's 2004 Overindebtedness Report See: Department of Trade and Industry, U. K. (2004). Over-indebtedness in Britain. London.

[6] Non-white here includes African American, Hispanic, Asian, Pacific Islander and Other ethic categories as identified in the Survey of Consumer Finances.

[7] At a US Senate Committee Hearing on Health, Education, Labour and Pensions, chaired by Sen. Edward Kennedy, April 18, 2008, evidence was cited that 32% of women in comparison to 24% of men received subprime mortgages. Also women are found more often in the high-cost subprime market. More than one in ten (10.9 percent) compared to one in thirteen (7.7 %) for men.

## Bibliography


Bailey, N. S. (2005). "Predatory Lending: The New Face of Economic Injustice." Human Rights 32(3): 14-28.

Baker, D. and S. Baribeau (2003). "Homeownership in a Bubble: the fast path to poverty?" Center for Economic and Policy Research August.

Bakker, I. (2003). Neoliberal Governance and the Reprivatization of Social Reproduction. Power, Production, and Social Reproduction. I. Bakker and S. Gill. New York, Palgrave Macmillan: 66-82.

Bakker, I. (2007). "Social Reproduction and the Constitution of a Gendered Political Economy." New Political Economy 12(4): 541-556.

Barba, A. and M. Pivetti (2009). "Rising household debt; Its causes and macroeconomic implications--a long-period analysis." Cambridge Journal of Economics 33(3): 113-137.

Belsky, E. S. and M. Duda (2002). Asset appreciation, timing of purchases, and sales, and returns to low-income homeownership. Low-income Homeownership: Examining the Unexamined Goal. N. P. Retsinas and E. S. Belsky. Washington, DC, The Brookings Institution.

Beneria, L. (2003). Economic Rationality and Globalization: A Feminist Perspective. Feminist Economics Today: Beyond Economic Man. M. A. Ferber and J. A. Nelson. London; Chicago, University of Chicago Press: 115-133.

Bocian, D. G., K. S. Ernst, et al. (2006). Unfair Lending: The Effects of Ethnicity on the Price of Subprime Mortgages, Centre for Responsible Lending.

Boehm, T. P. and A. M. Schlottmann (2004). "The dynamics of race, income and homeownership." Journal of Urban Economics 55(1): 113-130.

Brenner, R. (2004). "New Boom or New Bubble?" New Left Review 25: 57-102.

Brodie, J. (2003). Globalization, In/Security, and the Paradoxes of the Social. Power, Production and Social Reproduction I. Bakker and S. Gill. New York, Palgrave Macmillan: 47-65.

Calem, P., K. Gillen, et al. (2004). "The Neighborhood Distribution of Subprime Mortgage Lending." Journal of Real Estate Finance and Economics 29(4).

Castles, F. G. (1997). "The Really Big Trade-Off. Home Ownership and the Welfare State in the New World and the Old." Acta Politica 32(4): 1-19.

Cohen, M. G. (2007). The Shifts in Gender Norms Through Globalization: Gender on the Semi-Periphery of Power. Remapping Gender in the New Global Order. M. G. Cohen and J. Brodie. Abingdon; New York, Routledge: 15-43.

Crouch, C. (2009). "Privatised Keynesianism: An unacknowledged policy regime." British Journal of Politics and International Relations 11(2): 382-399.

Department of Trade and Industry, U. K. (2004). Over-indebtedness in Britain. London.

Dymski, G. (2006). "Targets of opportunity in two landscapes of financial globalization." Geoforum 37(2): 307-311.

Dymski, G. (2009). "Racial Exclusion and the Political Economy of the Subprime Crisis." Historical Materialism 17(2): 149-179.

Dymski, G. (2010). From Financial Exploitation to Global Banking Instability: Two Overlooked Roots of the Subprime Crisis. The Great Credit Crash. M. Konings. London, Verso.

Elson, D. (2002). "International Financial Architecture: A View from the Kitchen,." Femina Politica(1): 26-37.

Elson, D. and N. Cagatay (2000). "The Social Content of Macroeconomic Policies." World Development 28(7): 1347-1364.

Fishbein, A. J. and P. Woodall (2006). Subprime Locations: Patterns of Geographic Disparity in Subprime Lending. Washington, DC, The Consumer Federation of America.

Fishbein, A. J. and P. Woodall (2006). Women are Prime Targets for Subprime Lending: Women are Disproportionately Represented in High-Cost Mortgage Market Washington, DC, The Consumer Federation of America.

Folbre, N. (1987). The Pauperization of Motherhood: Patriarchy and Public Policy in the United States. Families and Work. N. Gerstel and H. Gross. Philadelphia, Temple University Press: 491-511.

Fraser, N. (1989). Unruly Practices: Power, Discourse and Gender in Contemporary Social Theory. Minneapolis, University of Minnesota Press.

Froud, J., S. Johal, et al. (2010). "Escpaing the Tyranny of Earned Income? The Failure of Finance as Social Innovation." New Political Economy 15(1): 147-164.

Garcia, J. (2006). "Borrowing to Make Ends Meet: the rapid growth of credit card debt in America." De-mos A Network for Ideas and Action.

Getter, D.-E. (2007). "Using the Survey of Consumer Finances: Some Methodological Considerations and Issues: Sins, Sinners, Data, and Details: Commentary." Journal of Consumer Affairs 41(2): 216-18.

Grunberg, I. (1998). "Double Jeopardy: Globalization, Liberalization and the Fiscal Squeeze." World Development 26(4): 591-605.

Hays, S. (2003). Flat Broke with Children. Oxford, Oxford University Press.

HUD (2000). Unequal Burden: Income and Racial Disparities in Subprime Lending in America, U.S. Department of Housing and Urban Development.

Jessop, B. (1993). "Toward a Schumpeterian Workfare State? Preliminary Remarks on Post-Fordist Political Economy." Studies in Political Economy 40.

Kemeny, J. (2005). "The Really Big Trade-Off' between Home Ownership and Welfare: Castles' Evaluation of the 1980 Thesis, and a Reformulation 25 Years on." Housing, Theory and Society 22(2): 59 - 75.

Langley, P. (2008). The everyday life of global finance: saving and borrowing in Anglo-America. Oxford, Oxford University Press.

Langley, P. (2008). "Sub-prime mortgage lending: a cultural economy." Economy and Society 37(4): 469 - 494.

Lein, L. and D. T. Schexnayder (2007). Life After Welfare: reform and the persistence of poverty. Austin, University of Texas Press.

Marcuse, P. (2009). "A Critical Approach to the Subprime Mortgage Crisis in the U.S. - Rethinking the Public Sector in Housing."

Masnick, G. S., Z. X. Di, et al. (2006). "Emerging cohort trends in housing debt and home equity." Housing Policy Debate 17(3): 491-527.

Mayer, T. (1999). Monetary Policy and the Great Inflation in the United States. Cheltenham, Edward Elgar.

Montgomerie, J. (2009). "The pursuit of (past) happiness? Middle-class indebtedness and American financialisation." New Political Economy 14(1): 1-24.

Retsinas, N. P. and E. S. Belsky, Eds. (2002). Low-income Homeownership: Examining the Unexamined Goal. Washington, DC, The Brookings Institution.

Ronald, R. (2008). The ideology of home ownership: homeowner societies and the role of housing. Basingstoke ; New York, Palgrave Macmillan.

Schwartz, H. (2008). "Housing, Global Finance, and American Hegemony: Building Conservative Politics One Brick at a Time." Comparative European Politics 6(2): 262-284.

Schwartz, H. (2009). Subprime Nation: American power, global capital, and the housing bubble. Ithica, Cornell University Press.

Seguino, S. (2007). "Plus Ça Change? Evidence on Global Trends in Gender and Stereotypes." Feminist Economics 13(2): 1-28.

Shlay, A. B. (2006). "Low-income homeownership: American dream or delusion." Urban Studies 43(3): 511-531.

Steans, J. and D. Tepe (2010). "Social Reproduction in International Political Economy: Theoretical Insights and International, Transnational and Local Sitings." Review of International Political Economy forthcoming.

Sullivan, J.-X. (2008). "Borrowing during Unemployment: Unsecured Debt as a Safety Net." Journal of Human Resources 43(2): 383-412.

Temple, J. (1998). "Central bank independence and inflation: good news and bad news." Economics Letters 61: 215-19.

U.S. Treasury Department and Department of Housing and Urban Development (2000). "Joint Report on Recommendations to Curb Predatory Home Mortgage Lending." Housing and Urban Development (HUD) Reports 36(June 20).

US Senate ( 2008). Taking a Toll: The Effects of Recession on Women Committee on Health Education Labor and Pensions, Senator Edward M. Kennedy, Chairman.

Warren, E. and A. W. Tyagi (2003). The two-income trap: why middle-class mothers and fathers are going broke. New York, Basic Books.

Weller, C. E. and K. Sabatini (2008). "From Boom to Bust: Did the Financial Fragility of Homeowners Increase in an Era of Greater Financial Deregulation?" Journal of Economic Issues 42(3): 607-632.

Wheary, J. and T. Draut (2005). The Plastic Safety Net: The Reality Behind Debt in America, Dēmos

The Center for Responsible Lending.

Wheary, J., T. M. Shapiro, et al. (2007). By a thread: the new experience of America's middle-class. New York, Demos.

Widmaier, W. W. (2007). "Where You Stand Depends on How You Think: Economic Ideas, the Decline of the Council of Economic Advisers and the Rise of the Federal Reserve." New Political Economy 12(1): 43-59.

Wyly, E. K., M. Atia, et al. (2004). "Has mortgage capital found an inner-city spatial fix?" Housing Policy Debate 15(3): 623-685.

Wyly, E. K., M. Atia, et al. (2007). "Race, gender, and statistical representation: predatory mortgage lending and the US community reinvestment movement." Environment and Planning A 39(9): 2139 - 2166.

Wyly, E. K., M. Moos, et al. (2008). "Subprime mortgage segmentation in the American Urban system." Tijdschrift voor Economische en Sociale Geografie 99(1): 3-23.

Yamokoski, A. and L. A. Keister (2006). "The Wealth of Single Women: Marital Status and Parenthood in the Asset Accumulation of Young Baby Boomers in the United States." Feminist Economics 12(1-2): 167-194.

Young, B. (2009). "Vom staatlichen zum privatisierten Keynesianismus. Der globale makroökonomische Kontext der Finanzkrise und der Privatverschuldung." Zeitschrift für Internationale Beziehungen (ZIB) 1(2009): 141-159.

Zeldin, C. and M. Rukavina (2007). Borrowing to Stay Healthy: How Credit Card Debt is Related to Medical Expenses. New York, Dēmos: A network of ideas and action and The Access Project.