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Conference Paper

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50th Congress of the European Regional Science Association: "Sustainable Regional Growth and Development in the Creative Knowledge Economy", 19-23 August 2010, Jönköping, Sweden

Provided in Cooperation with:

European Regional Science Association (ERSA)

Suggested Citation: Brown, Lawrence; Webb, Michael (2010) : Housing Policy in Geographic Context: The American Dream Writ Local, 50th Congress of the European Regional Science Association: "Sustainable Regional Growth and Development in the Creative Knowledge Economy", 19-23 August 2010, Jönköping, Sweden, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:

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Housing Policy in Geographic Context: The American Dream Writ Local ¹

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PART I – TEXT

The *American Dream* – owning one’s home– has long been viewed as a fundamental goal of US domestic policy. FDR’s New Deal reforms included creation of the Federal Housing Administration (FHA) and predecessors of government-sponsored entities (GSE’s) such as Fannie Mae and Freddie Mac. More recent federal policy initiatives were crafted in response to (i) decreases in homeownership rates during the 1980’s and early 1990’s, and (ii) the consistent lag of minority homeownership rates behind those of non-Hispanic whites. These include strengthening prohibitions on discriminatory lending through the Community Reinvestment Act and altering GSE practices so as to loosen down payment requirements. Government regulation practices also were modified in ways that encouraged innovation in mortgage products, ultimately leading to subprime, no-documentation, and adjustable-rate loans.

Calibrating the effects of such policies has largely focused on national outcomes (Table 1). For example, Harvard’s Joint Center for Housing Studies, in its 2009 annual report on State of the Nation’s Housing (2009: 37, Table A-4) indicates that between 1994 and 2008 the homeownership rate for Whites grew from 70.0 to 75.0 percent, a 5.0 percentage point increase; Hispanics from 41.2 to 49.1, a 7.9 point increase; Blacks from 42.5 to 47.9, a 5.4 increase; Asians from 50.8 to 59.8, a 9.0 increase; and All Minorities from 43.2 to 50.6, a 7.4 percentage point increase. Nevertheless, White and Minority home ownership levels moved more or less in tandem between 1990 and 2008 (Table 1), leading the 2003 report (Joint Center 2003:16) to note poignantly that “Strong gains notwithstanding, the gap between white and minority homeownership rates has improved little in 40 years.”²

Here, with the national perspective as a backdrop, we consider how American Dream policies have played out among urban areas. Although targeted on minorities and home ownership, and evaluated accordingly, how does the materialization of these apparently aspatial policies differ from place to place, i.e., among metropolitan areas?³

Our sample consists of the 49 continental MSAs/CMSAs that were larger than 1 million population in

¹ Earlier versions of this paper were presented at meetings of the the North American Regional Science Council 2009 and, in 2010, Western Regional Science Association, and Association of American Geographers. International Geographical Union, and European Regional Science Association. Comments from persons attending those meetings are appreciated. Also of special significance are the efforts of Wenqin Chen and Ohio State’s Center for Urban and Regional Analysis in assembling data and related materials.

² Attention also is given to categories such as Region (Northeast, Midwest, South, West) and Age of Householder (Under 35, 35-44, 45-54, 55-64, 65 and over). There are not, however, cross tabulations between Race/Ethnicity, Region, and Age.

³ Our concern with urban areas might (should?) be readily extend to other scales. For example, to what degree are neighborhoods stabilized by higher rates of home ownership or alternatively, due to the demographics of new home owners, made more dependent on community services?

2000.⁴ The focus is on ownership change among Whites, Blacks, Hispanics, Asians, and Minorities Overall for the period 1990 to 2000, using the US Census as a base; then extending the time frame to 2007 by drawing on the American Community Survey. Differences among metropolitan areas are highlighted and linked to appropriate characteristics. Our primary objective, albeit elusive, is to better understand why national policies and related exhortations have outcomes that vary dramatically from place to place. That metropolitan areas group rather nicely in regard to home ownership outcomes suggests an important role for regional assemblages of socio-economic characteristics and trends therein. We also evaluate the degree to which growth in home ownership is related to an increase in racial/ethnic intermixing, a positive policy outcome; versus the degree to which growth is related to subprime borrowing which, in retrospect especially, would be deemed a deleterious outcome. The overall result is a geography of *American Dream* housing policy impacts.

The paper proceeds by first providing a synopsis of earlier research on spatially differentiated impacts of apparently aspatial policies. Having set this context, we then shift to empirical analyses of progress in realizing The American Dream for the periods 1990-2000, 2000-2007, and then overall for 1990-2007.

Background

A large number, probably the majority, of broad national policies are *place blind*, but their implementation is conditioned by, and reflects, a place's economic base, institutional flexibility, political constituencies, socio-economic composition, bureaucratic culture, economic health, and the like. The result is that policies which are superficially aspatial, and often marketed or promoted as such, are in fact channeled in a manner that is highly differentiated from one place from another. Those related to the American Dream are no exception.

Consider Jackson's (1985) account of suburbanization in the US. This embraces forces such as transportation innovations; evolution of a value-system wherein the home, yard, space, park-like qualities are central; class distinctions, and elated aspirations, such that the exurb and suburb are elevated in social desirability; entrepreneurial initiatives that gave rise to the *street car suburb*, created subdivisions and real estate markets, promoted home ownership as a means of wealth-generation; etc. However, the grease underlying these shifts were urban, regional, state, and national policies. 1933 is especially significant, with the introduction of a plethora of New Deal initiatives such as the Home Owners Loan Corporation, Federal Housing Administration, aspects of the Public Works Administration – on into the post-World War II Veterans Administration, Interstate Highway initiative(s), Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginny Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Community Reinvestment Act -- and while not covered by Jackson, a host of affordable housing policies in the 1990s.

Another example is Markusen's (1991) analysis of a new industrial complex in the US, which she dubs the *Gun Belt*, in opposition to the long-standing manufacturing heartland known as the *American Manufacturing Belt* (AMB). Markusen argues that World Wars I and II were

“equipped from mass-production industrial plants ... [while] the cold war was distinctively postmodern ... World Wars were ... conducted with endless battalions of men, armed with huge quantities of guns and ammunition, and transported on thousands of land-based vehicles, ships, and fighter planes ... made possible by the extraordinary productivity of the modern industrial

⁴ In the 2000 US Census, Consolidated Metropolitan Statistical Areas (CMSAs) are comprised of more than one Primary Metropolitan Statistical Area (PMSA), each of which is more or less equivalent to a Metropolitan Statistical Area (MSA). See Frey, Wilson, Berube, and Singer (2004). The conurbations used in this paper consist of 18 CMSAs and 31 MSAs.

economy ... [whereas] the cold war era was characterized by the replacement of manpower with highly sophisticated, electronics-intensive, deadly precision machinery [such that] machines, not men, formed the core of a nation's fighting ability ... ” (p. 394).

As this shift occurred, cold war pressures to build military capability would seem to greatly favor traditional manufacturing and the AMB heartland, especially since it was already aligned with the military through joint war efforts. In fact, however, success with the “*new warfare*” required a different approach and culture of production. Accordingly, the beneficiaries were not AMB locales so much as Los Angeles; Southern California; Silicon Valley; Boston's Route 128; Austin-Houston-Dallas Texas, Colorado Springs-Denver, and Huntsville Alabama agglomerations; and the like – in Markusen's words, a new *Gun Belt*. In this instance, then, while policy might have included an implicit spatial dimension (if not explicit), and related expectations, the spatial outcome was quite different, i.e., unanticipated.

A more nuanced approach to the issue is Painter (2006), who calls attention to the “mundane practices through which something we label ‘*the state*’ becomes present in everyday life.” (p. 753). Particularly relevant to the spatiality of American Dream policies is the observation that

“... passing legislation has few immediate effects in itself. Rather, its effects are produced in practice through the myriad mundane actions of officials, clerks, police officers, inspectors, teachers, social workers, doctors and so on ... [hence,] the outcome of state actions is always uncertain and fallible ... it is striking how infrequently the gap between state institutions' claims about their effectiveness and their actual effects is recognized ...”. (p. 761)

Cited as an example is a British Embassy official in Berlin who “issued thousands of visas to German Jews to allow them to escape Nazi persecution”, a “wholesale breach of official policy and procedures” (p. 764). More to the point of the present paper, the outcome of policy(ies)

“... depends on and proceeds through mundane practices undertaken by thousands of individual state officials and citizens ... [providing] considerable scope for ... qualitative and quantitative social and spatial variation ... [implementation] necessarily proceeds unevenly ... so [that] geographical variations in the provision of health care, policing, education and so on are not ‘aberrations’ but integral to the operation of modern state institutions ... The complex geographies of central-local relations contribute to the production of unintended state effects ...” (p. 764).

As an example of the prosaic dimension of policy, consider the US Food Stamp Program (FSP). Passed into legislation in 1964, Kodras (1982: ch 4: 71-112) notes of its early years that

“... county offices of the state welfare department ... exert considerable control over program use in terms of office locations, hours of operation, application procedures ... Local areas have, upon occasion, made the program inaccessible or not worth the effort to the eligible population ... [For example] ... fostered by community pressures ... food stamp offices were closed during harvest in many rural Mississippi counties so that local farmers had access to a labor force to work in the fields ... [and] merchants discouraged the program from becoming established ... because they felt it would hurt sales ... [or] they increased prices to ensure that sales would not suffer ...” (p. 85-86)

Regarding resistance to the FSP, even when eligible, Kodras cites the

“personal stigma attached to accepting welfare ... and the Protestant work ethic ... [wherein FSP would be] consider[ed] ... a handout which they do not deserve.” (p. 87)

Analysis employs an innovation diffusion framework (Brown 1981) at the national, state, and local levels -- focusing on supply and demand-related factors such as economic conditions, racial/ethnic composition, changing characteristics of the program itself, political culture of the population, and political support among elected officials.

In the case of Ohio, for example, a 1970 state law required that all counties implement a FSP, several years ahead of similar legislation nationally (Kodras 1982: 229). Nevertheless, at the local level

... county welfare offices ... have a good deal of control over how the program is provided ... [such that] local attitudes about the worth of [social welfare] program[s] translate into administrative procedures and thus influence the provision of the program ... [Further, Ohio's] largest metropolitan centers ... have highly developed welfare bureaucracies [unlike elsewhere in the state] ... the variation in local environments is substantial ... [and] use of the food stamp program may vary ...in accordance with the diversity of social, economic, and political mileux." (pp. 219-221).

Related to this observation, she finds that Holmes County, which is largely Amish, had lower than expected participation rates [probably] because the community "disapproves of formal government assistance, preferring private assistance between and among families." (p. 258).

As other aspects of the prosaic, Kodras (1982: 265-267) observes that factors affecting FSP participation include – (i) "the location of welfare offices ... relative to residences of the poor;" (ii) "locat[ion] in the county seat so low-income families must travel substantial distances;" contrasted with counties wherein "banks in several small towns are authorized to distribute the coupons, ... welfare officials experimented with a traveling van, ... [and/or] coupons are mailed;" (iii) "some counties issue food stamp coupons only during restricted hours ... [whereas] others operate during the evening and on weekends."

In general, then, the aforementioned studies convey forcefully that spatially differentiated outcomes of seemingly aspatial policies are to be expected -- and to understand or anticipate these, it is of critical importance to juxtapose policy dictums with place characteristics at a range of spatial scales from the local on upward.⁵

An Urban System Perspective on American Dream Policy Impacts

In examining urban agglomerations as discreet and differentiated units, focus is on the 49 MSAs/CMSAs that had population of 1 million or greater in 2000. These vary from Louisville at 1.0 million to New York at 21.2 million, with a distinct break at Philadelphia (6.2 million); only San Francisco (7.0 million), Washington-Baltimore (7.6 million), Chicago (9.2 million), Los Angeles (16.4 million), and New York

⁵ Kodras and Jones (1990), in *Geographic Dimensions of United States Social Policy*, provide a number of other examples that include, programs concerned with aid to families with dependent children (AFDC), food stamps, health, homelessness, neighborhood rehabilitation, and public education. For a concrete example that deals with specific policies, see Earlier work by Brown (1991: 157-189) which focused on Import Substitution Industrialization policies in Ecuador that favored the urban, industrial, and market-oriented agriculture sectors. Policies examined pertain to agricultural pricing, agricultural credit, monetary exchange rates, and price regulation of consumer staples to benefit urban workers. These had greater utility for larger farming operations and/or, in some instances, negatively impacted smaller operations – which implicitly assisted Ecuador's coastal region while undercutting its highland area. Such differentiation largely reflected the location of traditional agricultural systems producing primarily for the domestic market versus more contemporary systems oriented towards export markets. In the same manner, economies with components related to petroleum production, largely located in the northern Amazon and Coastal regions, benefitted by the national importance of that export and related policies.

were larger. In our opinion, this sample provides a better rendering of current-day urban dynamics than using the entire range of 280 MSA/CMSAs. Following designations of the State of the Nation's Housing reports, we focus on the Percent Point Change in Home Ownership for All households, Whites, Blacks, Hispanics, Asians, and Minority as a group (PPC-All, PPC-White, PPC-Black, PPC-Hispanic, PPC-Asian, PPC-Minority).

To highlight that occurrences related to American Dream policies differ dramatically from place to place, consider Figure 1 which graphs the 1990-2000 Percent Point Change in Ownership for the Entire Population (PPC-All; 1-A) and for Whites alone (PPC-White; 1-B) versus the Percent Point Change for Minorities as a group (PPC-Minority). The range in ownership change for the 1990s is from a low of 0.27 PPC-All in Rochester to 6.99 PPC-All in Austin; White Ownership from a 1.69 PPC in Rochester to 8.79 in Las Vegas, and in Minority Ownership from -2.73 PPC in Louisville to 7.55 PPC in Las Vegas. Another relevant characteristic is the linearity of this cross-tabulation such that MSAs tend to be either low or high for both Total/White and Minority ownership change ($r=0.649, 0.592$ respectively). Further, at the low end of we find Grand Rapids, Louisville, Oklahoma City, Philadelphia, Pittsburgh, Providence, and Rochester; and on the high end Austin, Las Vegas, Denver, Houston, and Atlanta – *somewhat* of an American Manufacturing/Rust Belt versus Sun Belt dichotomy – a distinction that is borne out by other members of the low-low and high-high quadrants.

In addition to finding at least a degree of regional differentiation in the outcomes of American Dream Policies, our overall picture is considerably less buoyant than that presented by *State of the Nation's Housing 2009*. For example, even though calculations here are based on 1990 rather than 1994, they generally show lower PPCs for the nation – e.g. for 2000 PPC-All, 2.5 vs 3.4; for PPC-Black, 2.7 vs 5.1; for PPC-Hispanic, -1.9 vs 5.1; for PPC-Asian, 2.1 vs 3.1; for PPC-Minority, 2.5 vs 4.9; but for PPC-White, 4.2 vs 3.8 (Table 1).

Clusters of Change

To examine MSA differences in greater detail, we again consider the six categories of change – PPC-All, PPC-White, PPC-Black, PPC-Hispanic, PPC-Asian, and PPC-Minority – but now, to better facilitate comparison of one to the other, expressed as *standard deviations* from the mean of each variable. Then, MSA/CMSAs are grouped on the basis of their standardized PPCs, using the K-Means-Cluster algorithm of SPSS (<http://www.spss.com/training/contents/advStat.htm>).⁶ Six clusters emerge, each represented by average values on each PPC variable (Figure 2). Since these values reference standard deviations, $\sim+0.75$ or greater is considered to mark a high range of MSA/CMSA change, ~-0.75 or less marks a low range, and between $+0.75$ and -0.75 marks a band of average change.

Cluster I includes 20 MSA/CMSAs that, as a group, represent average change in homeownership, but on the low side of that band. This applies to all racial/ethnic categories except Asian, which falls slightly in the low-range band. Urban agglomerations include several in the American Manufacturing Belt (e.g., Buffalo, Cleveland, Detroit, Philadelphia, Pittsburgh), all but one of the West Coast MSAs, and three urban areas in northern Florida (Tampa, Orlando, Jacksonville).

Cluster II includes 4 MSAs – Atlanta, Austin, Denver, and Las Vegas. These are at the extremes of high

⁶ K-Means Cluster is a method for identifying (relatively) homogeneous groups of MSA/CMSAs (observations or sample points) based on their values on each of the six ownership-change variables. This employs an iterative procedure designed to minimize within group/maximize between group variance. The authors most commonly use K-Means Cluster in connection with principal components analysis to identify latent dimensions, which then provide Principal Component Scores as a basis for grouping observations. This approach was bypassed here in that the six ownership change variables are meaningful in themselves and comparable to one another when standardized.

change for all racial/ethnic categories except Hispanics. By contrast, Cluster III – Grand Rapids, Portland Oregon, Oklahoma City – fall distinctly in the low-change band for Whites, Blacks, All, and Minority as a group, but in the average band for Hispanics and marginally positive band for Asians. Cluster V (Charlotte, Greensboro, Indianapolis, Nashville) experienced average levels of change, except for Hispanics whose growth in homeownership lagged considerably.

Greater differentiation between racial/ethnic groups is found in Clusters IV, which represents high change in homeownership for Whites, Asians, and the population overall; and VI, which represents high change for Blacks, Hispanics, and Minorities as a group. Cluster IV includes 11 MSAs which are largely in the South Central, Southwest, and Southeast US – Dallas, Houston, Memphis, New Orleans, Norfolk, Phoenix, Raleigh-Durham, Salt Lake City, San Antonio. Cluster VI includes 7 MSAs -- Boston, Hartford, New York, and Washington-Baltimore which represent the US's East Coast Megalopolis; and Chicago, Miami, and West Palm Beach, which also are megalopolis components.

A striking aspect of these groupings is the geography of each. Within Cluster I we find an American Manufacturing Belt, West Coast, and Northern Florida constellation; Cluster VI highlights the East Coast Megalopolis; Clusters IV and V draw attention to Sun Belt segments, especially the South Central, but also the Southeast, and Southwest; and Cluster II represents emerging centers of the New South and Southwest (Birdsall, Palka, Malinowski, Price 2005: 61-86, 87-106, 161-184). Given that MSA/CMSAs within each regional constellation experienced (more or less) similar American Dream Policy outcomes, might this connection provide a segue way towards understanding why policy impacts differ from place to place?

Another aspect is the magnitude of change. In terms of ownership overall, the tendency is an absolute increase of ~2.5 Percentage Points between 1990 and 2000, but this is exceeded by Cluster II (~+5.7 PPC) – Emerging Centers of the New South and Southwest in which virtually all racial/ethnic categories increased their ownership stake relative to other MSAs – and patently trailed by Cluster III (~+1.1 PPC) where virtually all racial/ethnic categories decreased their ownership stake relative to other MSAs. Regarding particular categories, Whites, Blacks, and Minority experienced ~+3.8, 2.5, and 2.3 PPC, respectively; but Asians show only ~+1.2 PPC and Hispanics decrease ~-0.1 PPC. Considering performance within the six clusters, however, Emerging Centers of the New South and Southwest (II) shows ~+5.8 PPC for Blacks, 4.4 for Hispanics, +8 for Asians, and ~+6.4 PPC for Minorities overall. Hispanics also gained significantly in Megalopolis MSAs (VI), ~+4 PPC, but lost in Cluster V, Charlotte-Greensboro-Indianapolis-Nashville, with ~-17 PPC. Noteworthy movements for Asians include a loss in Cluster I (~-1 PPC), representing the American Manufacturing Belt, West Coast, and Northern Florida, but gains elsewhere such as ~+8 PPC in Clusters II, Emerging Centers of the New South and Southwest, and ~5.8 in III which is comprised of Grand Rapids-Portland-Oklahoma City.

Clearly, then, American Dream Policy impacts have been highly divergent in their spatial manifestation -- not only from one urban agglomeration to another, but also for ethnic groups and clusters of urban areas. It also appears that Whites and Blacks enjoyed significantly greater benefits than Hispanics or Asians. Regarding the latter, however, in-migration also needs to be considered in so far as new arrivals may be more likely to rent or co-habit, a practice which especially pertains to the Foreign Born and which, under the accounting scheme used here, could (and probably does) reduce the relative share of home ownership. Correlation and related analyses, reported below, permit a better understanding of such dynamics.

Correlations of Change

The preceding section established that American Dream Policy impacts vary from one urban area to another but, unexpectedly, also exhibit a spatial order in terms of regional differences. To explore further, we now consider the relationship of Percentage Point Change variables (PPC-All, PPC-White, PPC-

Black, PPC-Hispanic, PPC-Asian, PPC-Minority) with others that might be considered to have explanatory power. Our protocol is to set out a rationale (**R**) for each set of relationships, followed by reporting the relevant zero-order correlations (Table 2).

R-1: One conjecture is that the milieu of change applies to all racial/ethnic groups, such that the PPCs of each correlate significantly with one another. Table 2 indicates this is generally true in that all correlations are positive, and most are statistically significant. Noteworthy, however, is that Hispanic PPCs only relate significantly with PPC-Minority. This might indicate that the distribution of Hispanics among MSAs differs from other population groups; or that forces working towards Hispanic ownership differ from, and/or operate independently of, those for other racial/ethnic minorities.⁷

R-2: A second premise is that 1990 ownership levels relate to subsequent change – either by signifying the degree to which need has been met (indicated by a negative relationship), or that the prevailing mood is consistent with further ownership (positive relationship). The saturation hypothesis is supported by White and Total Ownership in 1990, which relate negatively to all PPCs. But neither hypothesis is supported (in terms of both coefficient sign and significance) by Black, Hispanic, Asian, or Minority Ownership in 1990. We conclude that 1990 ownership is not a significant factor.

R-3: Growth of an urban area or its racial/ethnic segments might influence change by heightening demand or alternatively, as noted above, by increasing renting/co-habiting and thus artificially lowering ownership PPCs. In accordance with the demand hypothesis, the relationship between Percent Growth 90-00 for the entire population and all PPCs is positive and, except for PPC-Hispanic, significant. Percent White and Minority Population Growth render a similar picture. In the case of Hispanic Percent Growth, however, the correlation with PPC-Hispanic is negative, consistent with the hypothesis that in-migration artificially lowers our PPC-Hispanic statistic, but this does not hold for Asians where 90-00 growth is directly and significantly related to PPC-Asian.

Also of interest is that Asian Percent Growth is inversely related to PPC-Hispanic while Hispanic Percent Growth relates directly to PPC-Asian. As in R-1, this might indicate that the distribution of Hispanics among MSAs differs from other population groups; that forces working towards Hispanic ownership differ from, and/or operate independently of, those for other racial/ethnic groups, especially Asians; or that that the observation(s) is an aberration stemming from high levels of Hispanic in-migration which artificially diminishes or distorts its homeownership levels.

We conclude that urban area growth, overall and by its various racial/ethnic segments, is strongly related to upward shifts in home ownership. However, in the case of Hispanics, and perhaps Asians, the process is more complex than simply referencing growth.

R-4: Implicit in R-3 is the degree to which home ownership change from 1990 to 2000 reflects actions of 1990 residents, or of in-migrants post-1990. One indicator (albeit imperfect) is the population share that resided in the same house in 2000 as in 1995 (SameHs-%95-00) relative to PPChange. In this regard, we find an inverse relationship for all racial/ethnic categories, indicating that longer-term, rather than recent, residents are becoming home owners. However, given that this relationship is not significant for Blacks and Hispanics, new arrivals in these groups might move into homeownership more quickly than others. This suggests that a noteworthy share of new ownership by Whites and Asians derives from longer-term residents, whereas in-migrants play a more significant role in Black and Hispanic PPChange.

Supporting this conclusion are correlations with percent of the population that is foreign born

⁷ Alternatively, the observation might simply be an aberration stemming from high levels of Hispanic in-migration which, as noted above, might diminish (or distort) ownership levels.

(ForgnBorn-%00) overall and by decade (e.g., ForgnBorn-%90-00). These relate directly to PPC for all groups and significantly so for Blacks, Hispanics, and Minorities overall. It seems, then, that the American Dream remains a significant motivator, especially for new Americans.

R-5: Size of the population overall and its racial/ethnic segments might be relevant in so far as that impacts/reflects an area's attraction, and/or provides a stimulus, to real estate developers, financial service firms, local government, racial/ethnic advocacy groups, community organizations, growth coalitions, and the like. This relationship holds for Blacks (Pop-#00-Black), which correlates directly (and significantly so) with PPC-Black, PPC-Hispanic, and PPC-Minority; similarly, size of the Hispanic population (Pop-#00-Hispanic), and Foreign-Born as a group (Pop-#00-ForgnBorn), correlate directly with PPC-Hispanic. Other relationships between population size and home ownership change are not significant. It seems, then, that larger urban agglomerations are **not** more likely than smaller ones to receive the benefits of American Dream Policies (contrary, perhaps, to *common wisdom*), but also that size of a particular racial/ethnic component may be relevant to achieving the benefits of ownership.

R-6: The era in which an urban area grew up also may be relevant to minority homeownership. For some, this relates to community culture wherein older cities are more conservative and bureaucratized, newer cities more open to change and flexibility (Davis 1991; Goetz 1994; Mollenkopf 1983). Growth era(s) also reflects the establishment of new neighborhoods, which generally coincides with increased ownership and/or better housing stock becoming available to households of lower income, a reverse-filtering process (Brown and Chung 2008: 189; Leinbarger 2008; Skaburskis 2006; Somerville and Holmes 2001; Weicher and Thibodeau 1988). Under this reasoning, an MSA that grew significantly in more recent decades would experience increased home ownership by all racial/ethnic groups, and that likelihood would be greater in the 1990s, than in the 1980s, etc (HousesBlt-%90-00, HousesBlt-%80-90, HousesBlt-%70-80; HousesBlt-%lt70, HousesBlt-MedianYear). This relationship applies to Whites, Asians, and the MSA Overall, but not to Blacks and Hispanics. Relevant, however, is the consistency of this finding with the likelihood of a reverse-filtering process wherein Blacks and Hispanics are moving to higher quality housing, but not the most contemporary of such.

R-7: Subprime lending is commonly linked to American Dream Policies, both as a stimulus to ownership and, subsequently, as a deleterious offshoot. Nevertheless, we find virtually no relationship between the percent of either the number or dollar-volume of subprime loans (SubPrNum-%04, SubPrVol-%04, etc) and PPChange in 2004, 2005, or 2006.⁸ The exceptions are Hispanics in 2006 and Minorities Overall in 2005 and 2006, but these relationships are only marginally significant.

Multiple Regression

Having reviewed the relationship between PPChange and selected variables, we now turn to multiple regression. The basic structure represented by selected variables is identified through Principal Components (PC), and the resulting Principal Component scores are regressed against the PPC for each racial/ethnic group (PPC-All, PPC-White, PPC-Black, PPC-Hispanic, PPC-Asian, PPC-Minority).

Five dimensions, emerge, which account for 91 percent of total variance (Table 3). **PC-I(+)** pertains to **subprime** lending; **PC-II** to the **era** in which an MSA's housing stock was **established**, with (+) representing post-1970 or more recent years and (-) pre-1970; **PC-III (+)** indicates **gross size** in terms of population; **PC-IV (+)** reflects MSA **growth** from 1990-2000 for all racial/ethnic groups **except Hispanics**; and **PC-V (+)** is nearly identical except that Blacks and Minority are omitted, **Hispanics included** (strongly so), and Asians are both included and considerably stronger than in PC-IV. Hence, **PC-IV growth** is largely White, **Black, Minority, and some Asian**; whereas **PC-V growth** is largely

⁸ Relevant here is Brooks and Ford (2007) on The United States of Subprime, which also is the source of our data.

White, **Hispanic**, and **Asian**, but **not** Blacks.

Considering each regression (Table 4), Percent Point Change for the **Entire Population** relates directly to **Era Established** (PC-II), and **White-Black-Minority** population **growth** (PC-IV). **PPC-White** relates directly to **Era Established** (PC-II), and population **growth overall** (White-Black-Minority (PC-IV), White-Hispanic-Asian (PC-V)).

PPC-Black is not significantly related to any principal component. It is noteworthy, however, that **Population Size** (PC-III) is significant at the 10% level given that it also is strongly (and significantly) related to **PPC-Hispanic** and **PPC-Minority**. This suggests that the homeownership prospects of these minorities are noticeably better in larger MSAs.

PPC-Hispanic relates directly to **White-Black-Minority** population growth (PC-IV), but **inversely** to **White-Hispanic-Asian** growth (PC-V), in addition to MSA size (PC-III). As noted earlier, we attribute the inverse relationship to our method of deriving PPCs, wherein the level of in-migration would tend to compromise that variable, especially for Hispanics.

PPC-Asian relates to **Era Established** (PC-II) and **population growth** in all racial/ethnic segments (PC-IV, PC-V). That Asian populations have been well-established in older metropolitan areas for a large part of the 20th Century would seem relevant here. **PPC-Minority** correlates significantly with **Era Established** (PC-II), **Population Size** (PC-III), and growth of the **White-Black-Minority** population (PC-IV). The latter underscores that Blacks significantly outnumber Hispanics and Asians (together) in many metropolitan areas (approximately half of our 49 MSA).

In summary, it appears that homeownership increases co-vary with growth in an urban area overall and components of its population; also that urban area size is relevant for minority groups. As noted earlier, this combination is likely to unleash a dynamic that opens up both newly-developed and well-established areas for habitation, attracts entrepreneurial and community interest in promoting home ownership, and provides fertile ground for advocacy groups. A noteworthy counterpoint, however, is the variance **not** accounted for by factors considered statistically – from 47.2 percent for Hispanics to 67.7 percent for Minorities overall and 85 percent for Blacks!

Following on the preceding observation, consider metropolitan areas that were not well predicted by our regressions. Using a standardized residual of $\sim+0.75$ to indicate under prediction of PPC, and ~-0.75 for over prediction, we ordered PPC-All, PPC-White, and PPC-Minority (each separately). Ideally, and under American Dream expectations, an increase in ownership for one racial/ethnic group would be echoed by others. In fact, only 5 of the 10 urban areas under predicted for PPC-White also were under predicted for PPC-Minority (Austin, Denver, Chicago, New Orleans, Boston); only 5 of the 12 areas over predicted for White also were over predicted for Minority (Louisville, Los Angeles, Tampa, Oklahoma City, Portland); and the relationship between PPC-White and PCC-Minority (for the entire sample) is $r=0.53$ or 28% explained variance. This level of parallel performance may be statistically significant, but it is not overwhelming. The feeling is exacerbated, furthermore, when one considers that the group performing better than expected by our regression (i.e., were under predicted), had a median Percent Point Change of **5.93** for **White** and **4.58** for **Minority**, whereas the under perform group had **3.03** for **White** and **-0.07** for **Minority**. Aside from the considerable difference between the under- and over-predicted, this also buttresses contentions that the system works more effectively for Whites than for Minorities, **both** in terms of the **level** of, and **spatial disparity** in, ownership.

Why are there such considerable differences among leader and laggard urban areas, which presumably pursue the American Dream of owning one's house with equal vigor? One hypothesis might focus on local mechanisms that impact the supply, or availability, or houses. Other factors include differences in

financial institutional practices regarding lending, the degree to which Community Reinvestment Act guidelines are followed, community relations, etc; community activist organizations and their effectiveness; differences in local economies and the economic standing of minorities; community traditions, and the like. We return to this concern at the paper's end.

Post-2000

American Community Survey data enables extension of analysis through 2007.⁹ Differences from the 2000 Census include alterations to MSA/CMSA boundaries and joining Miami-Fort Lauderdale with West Palm Beach into a single urban unit. Hence, our sample is 48 MSA/CMSAs for the 2000-2007 period.¹⁰

As with 1990-2000, first consider the pairings of Percent Point Change-Minority versus PPC-All and PPC-White (Figure 3-A, 3-B). PPC-ALL ranges from -1.62 for Las Vegas to 3.93 for Chicago; PPC-White from -1.13 for Las Vegas to 4.0 for Dallas; and PPC-Minority from -2.93 for Salt Lake City to 8.38 for Providence.¹¹ Like 1990-2000, metropolitan areas tend to be either low or high for both All/White and Minority ownership change, but the 2000-2007 relationship is somewhat weaker between Whites and Minorities ($r=0.687, 0.492$ respectively). Las Vegas and Salt Lake City are extreme outliers, as is obvious from Figures 3-A and 3-B.

Regarding how home ownership changes cluster in 2000-2007, we again use Percent Point Change-All, PPC-White, PPC-Black, PPC-Hispanic, PPC-Asian, and PPC-Minority; each variable is expressed as standard deviations from its mean; and the K-Means-Cluster algorithm of SPSS is used. Las Vegas and Salt Lake City were not included due to their outlier status. Three clusters emerge.

Cluster I (Figure 4) includes 9 urban agglomerations which are distinguished by high increases in PPC-Hispanic, and average outcomes for other segments. Largely located in the Southeast, or *New South*, Cluster I includes Charlotte, Greensboro, Indianapolis, Jacksonville, Louisville, Memphis, Norfolk, Raleigh-Durham, and Rochester. These urban areas are, in general, smaller than others (Median Population Cluster I = 1,511,231, II = 2,908,612, III = 2,263,536) and experienced a higher percent increase in Hispanics between 2000 and 2007 (I = 87.3%; II = 39.0%, III = 49.8%).

Cluster III (Figure 4) includes 16 urban agglomerations which are distinguished by high PPC increases for the entire population, Minorities in general, Whites, and Blacks. This cluster includes Atlanta,

⁹ Implementation of the American Community Survey (ACS) followed Census 2000. Its intent was primarily to replace the Long-Form element of the decennial census with monthly data that, through aggregation, would ultimately provide data equivalent to decennial censuses. ACS data are currently available on a yearly basis for geographical units that are 65,000 or larger in population, and three year aggregations (beginning with 2005-7, 2006-8, etc) for areas with more than 20,000 population. In 2010, the ACS plans to aggregate five years of data, which will provide information for all Census geographies, including block groups and Census tracts. For further details, see Mather, Rivers, and Jacobsen (2005).

¹⁰ We will continue to use the term MSA/CMSA. Under ACS terminology, however, MSA could signify either Metropolitan or Micropolitan Statistical Area (MetroSA, MicroSA). There also is a CSA (Combined Statistical Area) designation, a new unit comprised of "adjacent metropolitan and micropolitan statistical areas" (<http://proximityone.com/metros.htm#csa>). Regarding these distinctions and other ACS particulars, see Frey, Wilson, Berube, and Singer (2004) who, relevant to the present paper, note (p. 5) "For those interested in comparing metropolitan areas across the country, there is now really only one choice: the Metropolitan Statistical Area."

¹¹ New Orleans had PPC-All of 3.95, but this is likely distorted by the effects of Hurricane Katrina (August 2005).

Boston, Chicago, Cincinnati, Columbus, Dallas, Hartford, Houston, Milwaukee, Nashville, New Orleans, New York, Providence, Sacramento, San Antonio, and Washington-Baltimore. Regionally, emerging centers of the Southeast are again typical; but we also find South Central representation, urban areas comprising the East Coast Megalopolis, and Chicago, the central point of another megalopolis.

Cluster II (Figure 4) consist of the remaining 21 MSA/CMSAs which experienced average PPC changes among all racial/ethnic categories. The Percent Point Change differential between Clusters II and III is mirrored in the growth of their racial/ethnic groups – i.e., comparing Cluster III versus II in terms of median growth, All Households = 12.1% vs 7.7%; White = 6.8% vs 3.5%; Black = 13.2% vs 8.5%; Hispanic = 49.8% vs 39.0%; Asian = 45.2% vs 40.7%; and Minority Overall = 23.8% vs 20.9%.

Regarding correlations of change (Table 5), as in 1990-2000, categories of PPChange among racial/ethnic groups are generally related to one another in a positive manner, indicating that increased home ownership is experienced by all. Again, however, Hispanics and Asians appear less connected, in that most of their links are not statistically significant.

Also similar to 1990-2000 is that ownership relates inversely to PPC, consistent with a saturation hypothesis. In 2000-2007, however, the inverse relationship is more pervasive (characterizing virtually all Own-PPC linkages) and extends strongly to minority groups, especially Blacks and Hispanics.

In contrast to 1990-2000, growth of an urban area and/or its racial/ethnic segments has a relatively minor role in that they relate significantly only to Asian PPCs, not others.

Finally, as in 1990-2000, size of the population overall and its racial/ethnic segments is generally not significant in relation to PPCs. Asians are an exception, but in that size relates inversely with PPC-Asian, it seems that smaller urban agglomerations experience greater impacts from this aspect of American Dream Policies.

1990-2007 Ownership Changes Among Metropolitan Areas

To close off our analyses, it is interesting to consider how each urban agglomeration fared in terms of American Dream policies over the entire 1990-2007 period. To this end, Table 6 shows All, White, and Minority household PPCs for 1990-2000, 2000-2007, and 1990-2007 with urban areas ordered in terms of their Minority PPC over the entire time span. The table also shows the difference between Minority and White PPCs for each time span and each MSA/CMSA.

Correlations between PPCs themselves, within and between time eras are positive and significant in all instances; e.g., PPC-Minority-90-07 relates directly to PPC-All and PPC-White for 1990-2000, 2000-2007, and 1990-2007. Regarding the Minority-White PPC difference, however, correlations are both significant and high with PPC-Minority, but neither for All and White

One might ask further, however, about the degree to which, say, PPC-Minority and PPC-White are linked from the more specific perspective of an urban agglomeration; i.e., to what degree do minorities and whites move in tandem within a given metropolitan area. This is addressed in a general fashion by the correlations, but a noteworthy proportion of variance remains unexplained; e.g., PPC-Minority-90-07 and PPC-White-90-07 correlate at the 0.532 level, leaving 72% of the relationship unaccounted for. Accordingly, urban areas are designated in terms of three categories for PPC-All, White, Minority, and the Minority-White difference – greater than 0.75 standard deviation from its mean, less than 0.75, and between -0.75 and +0.75 standard deviation (Table 6).

Considering the 1990-2007 time span, 11 MSA/CMSAs are in the High PPC-Minority bracket, but only

five of these show similarly high performances for PPC-White (Atlanta, Chicago, Dallas, Houston, Austin). On the other hand Minority gains exceed White in 8 of the 11 (Atlanta, Chicago, Washington, Boston, Las Vegas, Hartford, Miami, New York). On the other extreme, 12 MSA/CMSAs are in the Low PPC-Minority bracket; these are matched with only seven that had similarly low performance for PPC-White (Oklahoma City, Buffalo, Greensboro, Pittsburgh, Tampa, Cleveland, Philadelphia); and in no instance does a low performing urban area show Minority gain exceeding that of Whites. Regarding the Average Performance group for PPC-Minority, comprised of 25 places, we find seven that had high PPC-White (Minneapolis, Denver, San Antonio, Phoenix, Norfolk, Raleigh-Durham, Columbus); five with low PPC-White (Los Angeles, San Francisco, Portland, Grand Rapids, Rochester); three where Minority gains exceed White (San Diego, Los Angeles, San Francisco), and six where White exceeds Minority (San Antonio, Phoenix, Norfolk, Raleigh-Durham, Nashville, Columbus).

Similar mixtures are found within the 1990-2000 or 2000-2007 periods, and if all three are considered simultaneously, we see that MSA/CMSAs in the 1990-2007 high PPC-Minority group are similarly high in either 1990-2000, 2000-2007, or both; likewise for 1990-2007 low PPC-Minority. A parallel finding holds for PPC-White, PPC-All, and Minority-White Difference. Further, where PPCs differ for a given MSA/CMSA, the gap is marginal in the sense that, say, PPC-White might be in the high category and PPC-Minority in medium category, but there is no instance where the comparison is high versus low.

In general, then, a PPC for one racial/ethnic category is likely to be similar for other racial/ethnic categories; but there is sufficient variability in this relationship that, at a more localized perspective, one racial/ethnic group's experience might differ from that of another group. On the other hand, such difference is likely to be one of degree rather than kind (i.e., somewhat lower/higher, better/worse rather than attention/neglect). Nevertheless, attention also must be given to the range of numerical differences between places. Hence, for the entire 1990-2007 period Minority Percent Point Changes range from 12.08 in Atlanta to -1.77 in Louisville, a 13.85 gap; White PPC ranges from 11.52 in Houston to 3.09 in Pittsburgh, an 8.43 gap; and the Minority-White differential ranges from 5.07 in Washington-Baltimore to -7.06 in Louisville, a 12.13 gap. Not only are these substantial gaps, but they indicate a significant degree of variation between metropolitan areas, which translates to a significant degree of spatial variation within the US, especially for minorities and the effectiveness of minority catch up efforts.

Turning then to visual representation, the spatial manifestation of PPC-Minority for 1990-2007 (Figure 5-A) is relatively distinct. High values are found in Megalopolis complexes of the East Coast (Washington-New York- Boston corridor), Miami-Ft Lauderdale-Palm Beach, Chicago, and Texas (Dallas-Houston-Austin); also in Atlanta and Las Vegas. Low PPC-Minority cuts a swath through the American Manufacturing Belt. Average Change also forms a presence across the American Manufacturing Belt, as well as a distinct band along the West Coast (including Phoenix and Denver).

Regarding PPC-White (Figure 5-B), high values occur in the Megalopolis complexes of Texas (Dallas, Houston, Austin, San Antonio) and Chicago; and scattered across more mid-sized MSA/CMSAs such as Atlanta, Raleigh-Durham, Norfolk in the South; Columbus and Minneapolis in the Midwest; Denver and Phoenix in the West. Low levels of PPC-White occur throughout the AMB (Grand Rapids, Cleveland, Pittsburgh, Buffalo, Rochester, Philadelphia), on the West Coast (Los Angeles, San Francisco, Portland), and scattered locales in the South (Greensboro, Oklahoma City, Tampa).

Regarding Minority gains, as indicated by the difference between PPCs Minority and White (Figure 5-C), of particular prominence are Megalopolis complexes of the East Coast (Washington-New York-Boston corridor), Chicago, Miami, West Coast (Los Angeles, San Diego, San Francisco, Las Vegas); also Atlanta. Places that suffered in the Minority-White balance, comprising the Low category, include American Manufacturing Belt locales such as Cleveland, Columbus, Indianapolis, Louisville, Kansas City, Philadelphia; places spread across the South such as Jacksonville, San Antonio, Nashville, Raleigh-

Durham, Norfolk; and Salt Lake City and Phoenix in the West.

Concluding Observations

The objective of this paper is to apply a spatially-refracted lens to recent efforts that purport to advance the *American Dream* of owning one's home – long viewed as a fundamental goal of US domestic policy. Our focus is on urban areas, represented by the 49 MSA/CMSAs that housed at least one million people in 2000, for the periods 1990-2000, 2000-2007, and 1990-2007. Following the standard procedure in this arena, as represented by the yearly report *State of the Nation's Housing* (e.g. Joint Center for Housing Studies 2009), the variable of interest is *Percent Point Change* (PPC); e.g., the percent of Blacks who own their home in 2000 minus that percent for 1990. Also in line with standard procedures, our racial/ethnic categories are All, White, Black, Hispanic, Asian, and Minority as a group. However, whereas the yearly assessments in terms of racial/ethnic categories are for the United States as a whole, our concern extends this to housing ownership gains (or losses) from place to place; or as our title states, *The American Dream Writ Local*.

In this context, that home ownership gains (losses) vary substantially among urban areas is a significant (albeit not surprising) finding. Considering the entire housing stock, for example, we find that PPC-All varies from 6.99 (Austin) to 0.27 (Rochester) for 1990-2000; from 3.95/3.93 (New Orleans/Chicago) to -1.62 (Las Vegas) for 2000-2007; and from 8.89 PPC (Austin) to 0.96 (Greensboro) for 1990-2007. Among racial/ethnic groups, the high-low span is narrower for Whites (e.g., for 1990-2007, 11.52 (Houston) to 3.09 (Pittsburgh)) and greater for Minority (e.g., for 1990-2007, 12.08 (Atlanta) to -1.77 (Louisville)). Related to this, a major goal of recent American Dream policies is to increase home ownership by minorities and their success in this is emphasized, if not loudly touted. Nevertheless, our measure of Minority minus White PPCs ranged from 5.07 (Washington-Baltimore) to -7.05 (Louisville) for 1990-2007, and only 14 MSA/CMSAs returned a positive score. Our study thus indicates that, contrary to widely-recognized assessments, (i) there is significant spatial variation in the impact of American Dream policies; (ii) there also is spatial variation among racial/ethnic groups; and that (iii) at least among urban areas, Whites gain noticeably more from these policies than do Minorities.¹²

PPCs generally move in tandem with one another, especially for the total population (All), Whites, Blacks and Minority as a group which display correlation coefficients that are both high and significant for both the 1990-2000 and 2000-2007 periods. This is less so for Asians and Hispanics, especially for 2000-2007. Grouping of MSA/CMSAs on the basis of their PPCs generally yields an All-White-Black-Minority cluster and, separately, an All-White-Asian.

Factors related to expansion of homeownership largely pertain to urban growth and, less pervasively, to size of the urban area or its various population components. Specific variables include the 1990-2000 and 2000-2007 percent growth of each racial ethnic group in each MSA/CMSA, population size in 2000 and 2007 for each racial/ethnic group, and the percent of houses built in selected decades (e.g., earlier than 1970, 1970-1980, 1980-1990, 1990-2000). Growth of an urban area reflects the likelihood of increased demand and the era in which a city grew reflects past demand. While less important statistically, population size remains important as a stimulus to real estate developers, financial service firms, local government, racial/ethnic advocacy groups, community organizations, growth coalitions, and the like.

¹² *State of the Nation's Housing* reports draw on a national sample, the US Census National Housing Survey, that would also represent rural areas and urban places smaller than one million population. Further, tabulations of home ownership from decennial censuses and American Community Surveys, our data source, can be inaccurate as the result of in- or out-migration and/or immigration, which would pertain particularly to minority groups. Given these shortcomings, our findings should be taken with caution, but nevertheless significant, charting directions for future inquiry, and raising a flag of skepticism about the progress elicited by *American Dream* policies.

Further, the combination of population growth and size relates to unleashing a dynamic that opens up both newly-developed and well-established areas for habitation; enhances home ownership opportunities, especially for minorities; and alters thereby the racial/ethnic landscape of a city.

Growth and size are, however, only a part of the story, set off especially by the variance **not** accounted for by factors considered statistically – from 47.2 percent for Hispanics to 67.7 percent for Minorities overall and 85 percent for Blacks! One entry point to carrying analyses further is urban areas that are either over- or under-predicted by our statistical model of PPChange. In particular, significant attention might be given to metropolitan areas that are consistently, or largely, mis-predicted across all or several racial/ethnic categories. With regard to White and Minority, for example, those performing better than expected include Atlanta, Austin, Boston, Chicago, Denver, Houston, Memphis, Minneapolis, San Antonio, and Washington-Baltimore. Alternatively, Boston might be compared to Philadelphia as similar in many regards but at opposite ends in terms of over- or under-performing relative to the norm. Another entry point is simply PPC differences. As noted, for example, for the entire 1990-2007 period there is a 13.85 PPC gap in PPC-Minority between Atlanta (12.08) and Louisville (-1.77); and a 12.13 gap in the Minority-White differential between Washington-Baltimore (5.07) and Louisville (-7.06). Moreover, MSA/CMSAs at the top or bottom of these arrays are generally among those under- or over-predicted by our regressions.

The persistence of place performance is highlighted by our maps which brings spatial patterns to the fore. In this regard, we were surprised by the emergence of the East Coast megalopolis and the Texas conurbation as consistent sub-regions of positive change, an observation that, while less surprising, also applies to Chicago, Atlanta, and Miami. Emergence of the West Coast megalopolis -- comprised of Los Angeles-Las Vegas- San Diego, and San Francisco – also is of interest in so far as its MSA/CMSAs alone performed at average or low levels in terms of particular PPCs, but on balance was focal point of minority gains. Performance at less impressive levels, low and medium, generally characterize urban areas of the American Manufacturing Belt, as would be anticipated. Nevertheless, despite its AMB connection, Philadelphia sparks interest in so far as it is a prominent element of the East Coast megalopolis, seemingly similar to Boston in urban heritage and current-day dynamics, yet consistently lags in terms of components that represent the American Dream of home ownership. More generally, it is noteworthy that we see distinct regional groupings – not simply random patterns or one's that reflect an urban area's size, racial/ethnic composition, or another obvious characteristic. To us, this suggests that there may be a broad spatial process at work, one that deserves further attention as this research progresses.

While further analyses of places such as those highlighted, or regional patterns, might continue on a statistical path, at this point we believe a qualitative approach would be considerably more fruitful – one focused on institutional structures, advocacy groups, financial organizations, and the like. The fundamental question is why there are considerable differences among leader and laggard urban areas, which presumably pursue the American Dream of owning one's house with equal vigor? One hypothesis might focus on local mechanisms that impact the supply, or availability, of houses. Other factors include differences in financial institutional practices regarding lending, the degree to which Community Reinvestment Act guidelines are followed, community relations, etc; community activist organizations and their effectiveness; differences in local economies and the economic standing of minorities; community traditions, and the like. Central to this approach would be key informant interviews, especially of persons who have experience in, or know about, more than one urban area.¹³

¹³ On a more generalist level, we feel certain from our analyses that spatial variability in American Dream policy impacts is not simply related to the “mundane” or “prosaic” as Painter (2006) suggests. Were that the case, randomness in statistical relationships and spatial pattern would be anticipated, but that is not what we found.

A particular factor that might be given attention is the subprime lending system which has been justified as a segue-way to affordable housing and an important component of American Dream Policies. Nevertheless, variables reflecting subprime activity for 2004-2005-2006 were neither significant nor noteworthy in any of our analyses. We know, of course, that the subprime system has been diverted to a plethora of other uses, but our finding is nevertheless a surprise. In this regard, inquiry at a local level would be appropriate to better understand how the subprime system has been used, whether home ownership is a strong motivator for subprime lending/borrowing, and/or to what degree it has led to permanent gains in minority ownership or taken away gains once made. In this regard, modules focusing on Columbus and Lima Ohio are underway.

As a related issue, one might expect that American Dream policies and increased home ownership would lead to greater intermixing between racial/ethnic groups – to a more residentially integrated city. To examine this thesis, we correlated the entropy measures of intermixing found in Brown and Sharma (2010) with each PPC or Minority-WhitePPC Difference variable. In general, correlations are low, not significant, and sometimes in a direction that goes against, rather than supports, the thesis. Accordingly, linking American Dream Policies and greater racial/ethnic intermixing would seem to be a stretch and not supported by analyses here

To better understand the workings of American Dream Policies among urban agglomeration nationally, we have suggested that insights are likely to be found at a more local level, focusing on a particular MSA/CMSA or set of actors/institutions. We also might be concerned about policy effects within urban areas. Consider for example ways in which the social landscape is altered such that neighborhoods experience marked change in minority home ownership and/or socio-economic status.

Increasing homeownership levels have generally correlated with higher rates of suburbanization and out-migration from more central-city neighborhoods. This leads to an expectation of deleterious effects on the inner-city, as the marginally better off relocate to the urban fringe, leaving behind higher concentrations of the very poor. Conversely, the migration of minorities, usually of lower SES status, into suburban communities might increase the demand for various social services. Hence, the impact might be beneficial, such as an increase in neighborhood stability related to a higher level of home ownership; or detrimental such as lessening neighborhood safety, undermining housing values, or increasing the need for community services such as public safety, school classrooms, health services, or English-language instruction. A simple example would be a demographic shift towards younger people, which might impact school services, or towards older people which might impact community services.

A related question is whether gains achieved by racial/ethnic minorities since 1990 have been disproportionately taken away through foreclosure? Writing on the subprime crisis often highlights high foreclosure rates among racial and ethnic minorities, arguing that their gains, especially relative to non-Hispanic whites, have been seriously eroded (Hagerty and Gepfert 2007; Kaplan and Sommers 2009; Leland 2008; Wyly, Moos, Foxcroft, and Kabahizi 2008). This is currently under study using data pertaining to foreclosures and mortgage originations in Columbus and Lima Ohio for 2000-2008.

In short, the urban landscape, both internally and as part of an urban system, has been impacted significantly by the plethora of American Dream Policies and related actions. Nevertheless, while a great deal of attention is given to urban matters in general, very little focuses on the local or system-wide impacts of national policy. Hopefully, this paper will stimulate greater attention to this and related matters.

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