



## Financialisation, Home Equity, and Social Reproduction: Relational Pathways of Risk

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**Abstract:** *This paper argues that financialisation exacerbates gender inequity in the United States. During the Recession, wealth-stripping activities were targeted at single female homeowners prompting severe asset depletion among single women, people of color, and those who depend on them. Rather than protecting them from risk, their home equity and bodies absorbed the failures of capitalism within their network. The paper draws on a thematic analysis of interviews with 21 single female homeowners who experienced mortgage default. Rather than focusing on risk incidence, I take their relational pathways as the object of inquiry demonstrating how activities of gendered care work act as conduits and amplifiers of financialised risk that extends the responsibility for unpaid social provision throughout the lifespan. The analysis demonstrates how their status as homeowners positioned them in between market failures and the consequences of austerity thereby restructuring the function of home equity.*

**Keywords:** financialisation; female homeowners; mortgage default; social reproduction.

## Introduction

Gender, race, and age disparities characterise economic precarity and housing instability in the United States. Even when controlling for individual risk markers, single women pay more for mortgages than similarly situated men (Fishbein and Woodall 2006), disproportionately experience eviction's brutality (Desmond 2012), and are targeted for risky loans based on race, place, and gender identity (Wyly and Ponder 2011; Lichtenstein and Weber 2014). Repetitive exposure to these systemic housing disparities substantially curtails women's ability to amass enough wealth to sustain themselves and their families when approaching retirement.

Given that women's asset accumulation pathways often rely on homeownership, housing market shocks are more likely to destabilise the financial stability of a female-headed household and those who depend on her (Baker West and Famakinwa 2018). For example, most single female homeowners (ages 45-65) who exited homeownership during the Recession experienced total asset depletion. White women in this category lost 97% of their assets, Black women lost 99% of theirs, and Hispanic/Latina women experienced a greater than 100% loss in total wealth (Baker West and Wood 2017). Meanwhile, as (Goodwin-White 2018: 2) spatially demonstrates the Recession produced an "emerging gender inequality where relative gender equality is often presumed, suggesting critical research directions for feminist and economic geographers." Nonetheless, the contours of new social stratification produced at the intersection of financialisation, gender, race, and housing remain under theorised.

This research contributes to this gap in the literature by arguing that enhanced market risk and financialisation can flow through the process of social provision thereby restructuring the function of home equity among women in the US. While financialisation's empiric limits and conceptual precision remain vague and contested (Christophers 2015; Aalbers 2015), it is clear that a speculative appetite for yield flows through housing (Fields 2017) while generating newly mortgaged subjectivities (Garcia-Lamarca and Kaika 2016) and semi-financialised subjects (Samec 2018) whose fate's are bound to global circuits of capital.

The manuscript draws on the relational pathways of 21 single female homeowners to illustrate the ways in which financialisation flows through the process of social reproduction leading to economic instability and housing vulnerability among women. Social reproduction, alternatively termed care work, extra-market relations or social provision, references activities set up by societies and institutions to maintain and reproduce the labor force (Bezanson and Luxton 2006). This includes, but is not limited to, daily household maintenance, care for the waged labor force, children, the elderly, or the infirm, and is the primary mechanism by which social values surrounding work and cultural practices are transmitted to the next generation (Abramovitz 2011). The remainder of this paper demonstrates how the homeownership status of single female mortgage holders positioned them in between the failures of capitalism and enhanced austerity measures in the welfare state during the housing crisis and Recession. Therefore, rather than buffering against risk, their home equity mediated market tensions between capital accumulation and unpaid social reproductive tasks, restructuring their relationship to debt and risk.

## Data and Methods

The author's Institutional Review Board approved all methodology. A purposive sample of 21 single female homeowners who experienced default and/or foreclosure was recruited with fliers in a large U.S. city. Homeowners were compensated \$50 cash for participating in 1:1 semi-structured interviews, which were digitally recorded and professionally transcribed. In this analysis the author asks, "Against a backdrop of financialisation, how did single women's provision of care work interact with default and/or foreclosure navigation in the U.S.?" Thematic analysis followed a recursive approach to Braun and Clark's (2006) phases of analysis using the software Dedoose. The author conducted all interviews and participated in all analytic phases. Two research assistants participated in coding interviews and collating themes. All three engaged in analytic memo writing, informing code generation and thematic collation (Saldana 2009; Braun and Clark 2006). The final codebook for this paper contained structural codes organizing narratives, axial codes noting process, and purposive theory generation codes (Saldana 2009).

## Findings

The types of mortgages in the sample varied widely. Only seven owned adjustable subprime loans, five were unclear of the terms, and nine owned fixed prime mortgages. As described elsewhere (Baker West and Wood 2017), these women's housing histories were underpinned by a lifetime of economic instability, lack of asset accrual, and chronic financial stress leaving them, and those they care for, particularly vulnerable to foreclosure, eviction, and asset depletion. As a result, care work that is ordinarily bound within specific life stages revisited these women either exacerbating or contributing to default. The extension of unpaid labor went well beyond the occasional care of grandchildren or responsibility for aging parents. Instead, it acted as an amplifier and conduit of market risk throughout the lifespan.

### **Middle Adulthood: "I never had a choice about who I was doing things for" (Ages 30-55)**

In middle adulthood, women described raising children, caring for extended kin, budgeting activities such as "digital householding" (Halawa and Olcoń-Kubicka 2017 p.1), property maintenance, and caring for former spouses in the labor force. As women performed these patterns of gendered care work their bodies and home equity absorbed the market strain endemic within their networks. Women recounted this period as fraught with tension between meaningful social provision and path dependency surrounding gendered expectations and homeownership status. Grace equated her unpaid gendered care work performance being what "makes you important and valuable." While Leah described, "I'm always the Mom. I never had a choice about who I was doing things for... I'm the one with the house." In a city lacking affordable housing, homeownership also functioned as the only net keeping their kin out of the shelters and off the streets. According to Celia, "Everyone lives with me and mine at some point. I'm the one with the house. They'd do it for me, I know it, and besides what choice do I have? I'm not gonna leave my people in--in the damn shelter."

Consistent with other research (Vazquez-Vera Palencia Magna Mena Neira and Borrell 2017) health problems surfaced early and often when women recounted their housing histories. Middle adulthood was laced with descriptions of stress, illness, and ailments associated with a

heavy burden of care work and contingent employment without benefits. Their stress narratives and health problems extended beyond child rearing fatigue and were interconnected with the weight of gendered expectations to care for those struggling in their social networks. Women like Ann were caught between competing work and family demands leading to the early onset of their own health problems:

My mother had gotten ill so I was assisting my parents so I'm driving back from the hospital shift at 4 o'clock in the morning to get her ready for dialysis, get her out because the ambulances and all that kind of stuff it was so much--it was so much money for her care that I just didn't pay for mine. When I got pregnant with my daughter I finally went, ya know to the free OB and they said my blood pressure was just so, so high, but it was in the beginning. Not the pre-eclampsia yet. I still kept working though, but then I just collapsed one day. I didn't get out of bed for something, uhh. 10 days? My nephew was livin' with me too.

This group of women also worked without benefits in low-wage or contingent sectors of the economy while simultaneously persisting in unpaid labor at home. As a result their ability to accrue assets, savings, or financial stability rested on their equity, and maintaining their debtor status. Further, the lack of paid family and sick leave in the US locks women into working even when pregnant, post-partum, ill, or caring for sick family members. Like Ann, Kate recalled "working at the laundry place when the doctor flat out said I should not be on my feet, but I didn't have a choice and that's probly, I dunno... maybe that's why I'm so sick now."

The accumulative effect of stress, low wages, lack of benefits and lack of upward mobility left homeowners on the verge of retirement with no assets beyond their home equity to buffer against the amplification of market risks during the housing crisis and Recession. Instead, performing double duty in the market and the home rendered them vulnerable to market risks, wealth extraction, and "expulsion" from the middle class (Sassen 2014: 1).

### **Older Adulthood: "Everyone's Living with Me Again" (Ages 55+)**

As women approached their retirement years, children reached adulthood and women's unpaid care work briefly subsided. Homeowners described experiencing a sense of freedom, optimism, and a time of relative financial stability. But, widowhood, divorce, the onset of chronic illness, unemployment or underemployment punctuated these fleeting experiences. Without a reliable social safety net, the only asset these women possessed was their homes.

The aforementioned personal struggles related to care work risk absorption only represented one facet of a multi-directional storm descending on their assets. Children, parents, and extended family originally cared for in middle adulthood began experiencing their own problems related to market instability and austerity driven holes in the safety net. Therefore, the costs and tasks of care work gradually returned home against the backdrop of financialisation, deregulation, risky lending, and speculative real estate activity. This environment poured market risk into the lives of single female homeowners through their social ties. The collective market risks once dispersed throughout her social network shifted onto her equity and balance sheet while she personally battled foreclosure and its associated stressors.

Regardless of when a reprieve in care work occurred, the sample shared the common phenomenon of market instability within their familial and social networks. This unfolded along

three themes: the erosion of unions, problems with employment, and the expense of higher education. As a result, siblings, extended family and adult children who fully expected to successfully engage in the workforce ricocheted back home.

### ***Union Erosion***

Several women witnessed union dissolution unfold in their network. In some cases kin lost unionized jobs and never recovered. When this occurred they turned to the homeowners either for small loans, temporary housing, or to underwrite the care work within the network. These women provided this labor in a variety of ways: childcare, clothing, and educational costs for nieces, nephews, and grandchildren, co-signing car notes, or an increase in the amount of time or money provided to aging or ill family members. After Beyoncé was laid off from her union job her younger brother was also laid off from his unionized job with a shipyard leaving him unable to pay for their mother's medical care. Beyoncé, herself unemployed, started paying saying, "he couldn't do it anymore so that left me. Never mind that I had my own problems." Others expected their sons to find stable work within the city's storied union network, but these expectations either never materialized or arrived as contingent, short-lived manufacturing positions lacking benefits and job security. Eve's 33 year old son took a unionized job in an oil refinery following high school graduation, but was laid off when the refinery closed:

He was down there...working for four or maybe five years...He was with his girlfriend, but now he's back here since he's not down that job no more. He's at the Verizon store, but it's good because he helps pay for food and I get to see the baby when he has him. I gave him money for awhile, but--I-- I can only do so much. It ain't supposed to be, I mean. You want to do right by them, but now it's.... He doesn't know, but we all could be on the street.

### ***Unemployment and Underemployment***

Other women's siblings and children were laid off or experienced reduced work hours that eventually rendered them unable to make ends meet. Since they were the strongest members of these fragile networks, homeowners often absorbed their expenses through inviting them to couch surf, doubling up, or through provision of money and childcare. Ann, who is also raising a nephew and grandson, "helped with food or whatever because you have enough and you have a home and all that kind of stuff and so they (*extended family*) moved in." Celia's sister was laid off from a job and ineligible for unemployment. At the same time her nephew fell unexpectedly ill resulting in enormous medical bills and no income. Celia filled in the gap, but she was already in default herself saying, "I cover all his co-pays when I can, but they're \$35 for each one. He goes sometimes two times a week."

### ***Cost of Higher Education***

Instead of acting as a tool for upward mobility, college only delayed the return of adult children and compounded the market risk they brought home with them. For women whose children attended college or trade school, their primary means to pay for it lay in their home equity. As a result, some refinanced their homes to pay for their children and grandchildren's education. Since many of their original mortgages were fixed and they possessed little knowledge of what a balloon mortgage was, the refinance loans to cover tuition were either subprime or layered

with expensive fees. Maya linked the two saying she, “wanted my kids to get to college. they say it’s the only way, but instead I’m losing my house. It’s backfiring.”

The refinance struggles were compounded by their children’s lack of employment stability, student loan debt or financial problems elsewhere in their networks. Either adult children with college diplomas “ended up back here anyways” or financing it strained family resources beyond what homeowners could handle when other financial troubles occurred in the family. As Becki, explained, “Everyone’s living with me again. My daughter dropped out of college, my brother’s living upstairs getting himself together and my Mom can’t be alone anymore.”

The impact of these forms of market instability unexpectedly increased the costs and tasks of unpaid care work in the middle of an economic crisis, and at a point in the lifespan when they would ordinarily be entering retirement and paying off their mortgage. Family social ties in these situations did not protect or support them. Instead, according to 66 year old Annie they operated as “a straightjacket of everyone’s problems,” which filtered risk onto the women when the market and the state failed.

## **Discussion**

In prior market eras, home equity facilitated the accumulation of intergenerational assets while functioning as an upward mobility tool. But, given the well-established nature of structural housing and lending discrimination by race and gender (Wyly and Ponder 2011) these “accumulating families” (Forrest and Hirayama 2018: 1) were, by default, amassing wealth while entire generations of women and people of color were excluded from the same products or targeted for risky ones leading to asset depletion. Since the rise of female homeownership and the expansion of sub-prime lending in neighborhoods of color occurred alongside the expansion of financialisation (Allon 2014), it is likely that emerging structures of social stratification (Forrest this issue), and “dissipating families” (Forrest and Hirayama 2018: 1), carry implications for housing scholars concerned with gender, race, and care work disparities. For example, this sample of women are members of the first generation to benefit from the gains of the civil rights era, the women’s movement of the 1960s and 1970s, and the expansion of credit under the Equal Credit Opportunity Act (1974) which secured a women’s right to credit without a man’s signature for the first time since the 1600s (Baker West and Famakinwa 2018). Thus, regardless of the empiric limits of financialisation, this data highlights the need for new ways of interrogating how the invisibility of care work interacts with a rapidly changing housing market that appears to be reversing the social movement gains of the previous generation.

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