

The Washington Post

Most Americans worry about ability to pay mortgage or rent, poll finds

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A majority of Americans now say they are worried about making their mortgage or rent payments, underscoring the extent of economic anxiety in the country heading into midterm elections.

A new Washington Post poll shows that concerns about housing payments have spiked since 2008 despite some improvements in the overall economy. In all, 53 percent said they are "very concerned" or "somewhat concerned" about having the money to make their monthly payment. Worries are the most intense among those with lower incomes and among African Americans.

The poll results highlight the political challenge facing the Obama administration: Despite committing hundreds of billions of dollars to bail out troubled financial firms, create jobs and keep distressed borrowers in their homes, it has not been able to make many people feel better about their personal situations or even relieve fears about the cost of a need as basic as shelter.

The recent foreclosure mess provides another example of this gap between the policy decisions in Washington and the sentiment of ordinary Americans. The poll reveals that just over half of the country thinks the

administration should impose a national moratorium on foreclosures to sort out whether banks are improperly seizing the homes of struggling borrowers. But the White House rejected that idea, saying it would gravely wound the fragile housing market.

White House spokeswoman Amy Brundage said the administration has deployed every possible resource at its disposal to "pull our economy back from the brink."

"From day one the administration has done what was necessary," she said, "including taking a series of steps to stabilize the housing market and putting forth programs to help keep more Americans in their homes, target aid to the hardest-hit states, and help unemployed and underwater homeowners."

Despite such efforts, there's now even more unease about making next month's rent or

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mortgage payment than there was two years ago. Back then, 37 percent of respondents said they were somewhat or very concerned about their monthly housing costs.

Since that time, the economy has modestly improved. The unemployment rate edged down from above 10 percent. Experts declared the recession ended in June of last year. But these gains have had little psychological impact. And the inability of Democrats to comfort Americans as they face these troubles is likely to hurt them on Election Day next week as Republicans look to tip the balance of power in Congress.

"Effectively what the consumer is saying is that we don't care what the eggheads say - this still feels like a recession," said Ken Goldstein, an economist with the Conference Board, a private research group.

Indeed, the Thomson Reuters/University of Michigan survey on consumer sentiment found that in early October personal financial expectations were near an all-time low and that views about government economic policies had dropped to their lowest level since President Obama took office.

Driving such sentiments are the lingering difficulty of finding jobs in many parts of the country and growing fear that the jobs Americans have now are less secure, analysts said.

"The unemployment rate is still very, very high, so if you think of it as being about the odds of someone losing their job and not being able to find another, there's good reason to be concerned about being able to make mortgage payments," said Karen Dynan, a Brookings Institution scholar who worked as an economist for the Federal Reserve and for President George W. Bush.

Julie Wharton, 37, who works at a nonprofit agency for at-risk children in Florence, Ky., near Cincinnati, said she worries she will no longer be able to pay the mortgage on her three-bedroom ranch house if she loses her job and can't find another one quickly.

"It's always right there in the back of my mind," Wharton said. "If I was out of work for any length of time, this is something that would happen to me."

Worry is twice as high among those with household incomes of less than \$30,000 as it

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is among those with annual incomes of \$75,000 or more. Fully 75 percent of African Americans are concerned, including a majority, 55 percent, who are "very concerned."

Against the backdrop of anxiety over housing payments, the recent foreclosure crisis has proved tricky for Democrats to navigate.

Several leading economists say the administration is right to oppose a national freeze on foreclosures, but that position could come at a political cost. On this issue, the White House has found itself disagreeing not just with a majority of Americans but with nearly two-thirds of Democrats. Independents slightly favor a national freeze, while Republicans are divided down the middle.

The Washington Post poll showed that Americans' views about a moratorium are intertwined with their concerns about their personal finances and the economy. Those who are concerned about being able to make their payments are more likely to back the idea of a moratorium. Overall, 52 percent of all those surveyed back the moratorium and 34 percent oppose it.

Momentum for a national freeze grew in early October after several major lenders - including Bank of America, J.P. Morgan Chase and Ally Financial - said they had found errors in the documents they used to foreclose on borrowers who missed payments.

Leading Democrats said the problems were more serious, possibly involving fraud, and called for the moratorium so a thorough review could be conducted. After the White House spoke out against a national freeze, momentum for the idea began to fizzle and some lenders began to restart some foreclosure proceedings.


When it comes to assigning blame for the foreclosure debacle, more Americans fault the banks. Forty-five percent of respondents say mortgage lenders are responsible for the mess, while about 26 percent pointed the finger at home buyers. Twenty percent blame both sides.

"Certainly they are both at fault," said Cara Habegger, 31, a marketing consultant from Akron, Ohio. "Most people tend to blame the big institutions, and certainly that's valid, but if you're making poor financial decisions and buying houses you can't afford, that's also not excusable either."

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Despite the anxiety about housing payments, 61 percent of those polled call it a "good time" to buy a house, a view shared by majorities of Republicans (70 percent), Democrats (61 percent) and independents (59 percent).

The poll was conducted by phone from Oct. 21 to 24 and included interviews with 1,006 randomly selected adults. The margin-of-sampling error is plus or minus 3.5 percentage points.

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