

New Study Shows Foreclosures Rattle the Bedrock of Latino Families

The National Council of La Raza (NCLR) partnered with the Center for Community Capital (CCC) at the University of North Carolina to produce *The Foreclosure Generation: The Long-Term Impact of the Housing Crisis on Latino Children and Families*. To gather data for this report, community-based organizations conducted 25 interviews with Latino families who had recently experienced a foreclosure. Interviewers asked in-depth questions on a variety of issues related to the overall well-being of the family and their children in particular.

Approximately 1.3 million Latino homeowners are expected to lose their home to foreclosure between 2009 and 2012. *The Foreclosure Generation* shows that a family's loss extends well beyond the physical house. Parents interviewed as a part of the study reported strained relationships between spouses, children, and extended families; concerns over their children's physical, mental, and emotional well-being; higher rates of behavior problems among children at home and in school; a drop in academic performance among children; and the evaporation of the family's financial security. The study arrived at five major findings:

- Following the foreclosure, signs of depression, increased anxiety and tension, and feelings of guilt and resentment were commonplace. Parents reported troubling changes in their relationships with their children and the children's relationships with each other. Several parents stated that their children blamed them for the foreclosure.
- Children's academic performance declined while problematic behavior at school increased. Several parents reported that children had to change schools as a result of the foreclosure. Parents often perceived their children as withdrawn and having trouble making new friends.
- Family finances were devastated, with the families reporting an average loss of \$89,155 due to the foreclosure, leaving them without a safety net to cope with financial emergencies. None of the families reported receiving significant help from their lender to avoid foreclosure.
- Families were forced to change their long-term financial plans, including plans to help their children with major life expenses such as education, a car, or a home.
- All but one family were left without reserves they could tap into in case of a financial emergency and many skimped on needed medical care to save money. Fifteen of the 25 families interviewed reported turning to unemployment insurance, food assistance programs, and other programs to help make ends meet.

The subprime lending and housing crises are expected to result in a loss of as much as \$98 billion in collective Latino household wealth, a devastating figure given that Latinos and their children will constitute major growth in our population and households over the next several decades. Our leaders must deploy concrete strategies that better serve communities of color, strategies that are proportionate to the depth of the foreclosure crisis and the urgency that comes with a family's last paycheck and the eviction notice that follows.