

DWELLINGS

From the beginning of our existence, we humans have been seeking shelter. A place not just to survive, but to thrive and advance. Without shelter, without a place to dwell, we cannot thrive.

We began our story dwelling in caves. They provided shelter from the elements and safety from predatory animals. Our dwellings provided for basic needs. We were able to eat, sleep, raise our young and learn. We learned to express ourselves and communicate by drawing pictures on our cave walls.

As we advanced and wandered to all parts of the world, we learned how to construct dwellings by incorporating what nature supplied. We made shelters such as dug outs and mud huts by digging out the earth and using sticks, mud and thatch for roofs. With every search for a place to dwell, we learned and became more human.

As civilization moved forward, dwellings became more permanent. Those who could conquered lands and peoples. The conquerors lived comfortable lives in well-crafted dwellings built by the conquered. These workers lived on the land of their rulers, built simple homes and lived an impoverished life.

The structure of society didn't change much until the end of the Middle Ages when slavery/serfdom was abolished in Europe. Peasants were free to own land and prosper.

However, this disparity in social status continued in the New World with slavery, sharecropping and the exploitation of the working class. During the Industrial Revolution the owners of industry resided in the splendor of elegant, comfortable dwellings, while workers were relegated to living in squalor and under impoverished conditions. Many workers lived in overcrowded, unsanitary tenements and slums in the cities. From the time of our Founding Fathers until the 1930's, most Americans were considered poor.

With the advent of the 1930's came the creation of the Middle Class. This transformation was fueled by the devastation of the Great Depression, which some suggest was caused by the real-estate boom of the mid 1920's. The owners and managers of industries created by the Industrial Revolution were provided the means to live in grand homes outside the filth of the cities. The Great

Depression and global economic downturn in 1929 lead to a crisis in housing. The construction of new homes for the well-off came almost to a standstill, leaving homes unfinished. Home mortgage foreclosures increased causing millions of people to lose their homes, life savings and jobs of rich and poor alike. This increased the number of homeless and expanded the slums. Homeless citizens built shanty towns in and around cities across the nation. These camps became known as Hoovervilles, after President Hoover.

When Franklin Roosevelt became president, he was faced with a grassroots rebellion by homeless impoverished laborers, farmers and others, as well as a broken national economy. In keeping his campaign promise, when he took office in 1933 FDR enacted a series of programs referred to as the New Deal. In 1934, as part of the New Deal, the National Housing Act was passed in order to make housing and home mortgages more affordable. Under the National Housing Act the Federal Housing Administration and Federal Savings and Loan Insurance Corporation were created to make housing and mortgages more affordable. These remedies were very effective in alleviating the housing crisis for the white middle-class and lower middle-class families. However, minorities were left out of the new suburban communities and pushed instead to the urban housing projects.

Another factor that was instrumental in the creation of the Middle Class was the effect of WWII. With U.S. military mobilization came an explosion of new jobs and opportunities for millions of Americans. During this time, it was realized that when the War was over millions of service men and women would be returning home to unemployment. In 1944, the Servicemen's Readjustment Act, also known as the GI Bill, was passed. Between 1945 and 1946, 8 million men and women who had served in the war returned home to restart their lives. With the assistance that the GI Bill provided, they were able to continue their education or vocational training and buy new homes. Veterans were able to get guaranteed home loans with low interest, 0% down and more favorable terms for new construction. This encouraged millions of families to trade their city apartments for new suburban homes. By 1955, 4.3 million home loans were granted to veterans, who were responsible for buying 20% of all new homes built after the war. Sadly, dwelling acquisition was not equal to all. Racially biased lending practices, known as "redlining", prevented many Black veterans from accessing home loans.

By the 1960's the percentage of Americans owning homes continued to remain above 60%. The price-to-income ratio was around 2.1, with a median home cost of \$11,900 and a median income of \$5,600. According to Rice University a ratio of 3.1 is a desirable upper limit. The dream of securing your own place to live was becoming a reality.

As owning a single-family dwelling was becoming more common, for some it was not an option. It was very common for city dwellers to live in high rise apartments or row houses. Many of these were low-income families who continued to be urban dwellers because they couldn't afford to buy a new house and flee to the suburbs. Renting has typically been more affordable than homeownership. For that reason, over one third of Americans have historically rented or leased their homes.

There was another sector of society that in today's terms was the "homeless". During times of economic downturns and unemployment many who had lost their homes and livelihoods would hit the road in search of work. These were predominantly men and were referred to as hobos or migrant workers. Another type of homeless person was referred to as a tramp. Tramps were categorized as migrant non-workers. As one self-proclaimed tramp put it, "tramp life is a health alternative to industrial civilization"; or homeless by choice, and sometimes consisted of families. Another category of the unhoused was the bum. A bum is said to be a stationary non-worker. They are most likely to take shelter wherever they can find it. It seems that there has always been an element of society that chooses the free and unsheltered life.

Owning a home has always been a large part of the American dream. In my lifetime it has been, for most, an attainable dream. Anyone could buy a home if they had good credit and a good income. But the dream has become more difficult to realize, even for hard working young American families.

Why is this? They simply cannot afford to.

As I mentioned, the ability for Americans to buy a first home became prevalent in the Post War Era. Between 1940 and 1960 homeownership in the U.S. rose from 44% to 62%. Those homes were usually less than 1,000 sq ft. for a family with 4.7

children and had few amenities. By 1960 the average size of a home had increased to 1,289 sq. ft and continued to rise.

Today home ownership remains at about 65% and the average size of an American home is 2,255 sq ft with an average occupancy of 2.5 people. In addition, more of those homes are being occupied by only one person. In 2022 there were 37 million, or 28% of one-person households and according to the Economic Housing and Research Group, of those one-person households more than 50% were homeowners.

Per the Federal Reserve Bank of St. Louis, the median price of a home in the U.S. is \$416,100. The median income in the U.S. is \$58,136. If you recall, the upper limit of the price to ratio should be 3.1. That means that with a median income of \$58,136, you could afford a house for \$174,408.

Another thing that has changed dramatically since the “borrower friendly financing of the past”, is mortgage terms. As of the end of September, the interest rate for a fixed 30-year mortgage is 8.5%. Downpayments on mortgages have traditionally been 5%, but it can be up to 20% depending on your credit score. That would require the buyer to come up with between \$20,000 and \$83,000 to even get a loan for the median priced home. For the family trying to buy their first house, this is undaunting.

This increase in housing prices has also carried over to rental prices. Finding an affordable house or apartment for a family can also be challenging. That is why in the first three months of 2023 there were 185,580 U.S. properties with foreclosure filings, default notices, scheduled auctions, or bank repossessions. These figures are up 185% from the same time period two years ago.

The growth of home prices has outpaced the growth of income by over 35 percent since 2015. The federal minimum wage and that of 19 states, including Wisconsin, remains at \$7.25 per hr. Homeowners and renters just can't keep up with the rising cost of housing. I believe that another factor affecting American's inability to keep their homes is domestic migration. This migration can be the retired or those who now have the option of working from home relocating to places where the weather is preferable, or the cost of living is lower. This is what happens when there is an influx of people who move from high cost of living areas to low cost of living areas. They can afford to pay more for homes in low cost of living areas, subsequently inflating the property values to a point where the people who live and work there already are no longer able to afford them.

With this increase in property values also comes an increase in property taxes for the existing residents.

Fortunately, because of the groundbreaking legislation that was passed back in the 30's and since, there are federal programs that can help low-income Americans through difficult financial times, as well as state and local programs. Appleton has several successful programs that address homelessness, such as Pillars and Harbor House.

Other innovative solutions are also being implemented to alleviate the problem of shelter insecurity. In many parts of the country towns are building Tiny Villages as transitional housing for the homeless, providing children and families who are waiting for affordable housing a safe place to live. Oshkosh and Madison have Tiny Villages. Many cities and counties are allowing accessory dwellings to be built on residential property. These are often tiny homes used to house elderly parents. Linked Living is a business in Appleton that builds "granny pods". There is also a movement towards more intergenerational households.

Our federal government, down to our local communities, are working hard to solve this big issue of homelessness. I think there are two things that would also go a long way in making housing more affordable for middle America. The first would be to build more affordable housing. The second would be to increase the federal minimum wage. This would hopefully bridge the gap between housing costs and incomes.

Having the warmth and safety of a place to dwell allowed early humans the ability to survive, thrive and advance. This need is still true today and more important than ever for the well-being of society. All people deserve a safe, warm place to thrive and live their best lives.