

## TRANSCRIPT

### INTERVIEW W/ DR. THURSTEN

Dr. Tillery

00:09

Welcome to the Diversity Matters podcast. The podcast is a project of the Center for the Study of Diversity and Democracy at Northwestern University. My name is Alvin Tillery and I'm the director of the Center and your host. Today we're speaking with Professor Chloe Thurston, an affiliate of the Center and my colleague in the Department of Political Science about her wonderful new book at the boundaries of homeownership, credit discrimination, and the American state. Cambridge University press 2018. Chloe thanks for joining us.

Dr. Thursten

00:39

Thanks for having me!

Dr. Tillery

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So as I understand it at the boundaries of homeownership is ultimately about who gets to be a homeowner in the United States and who gets access to mortgage credit and who gets excluded. And you seem to have a laser-like focus on the questions who is deemed to be safe enough to lend to and who is deemed to be too risky also how is that line between a safe; you could say prime; and a risky or subprime borrower drawn? How does this line between the prime and subprime bar change over time? And finally, why is this a political question and not just an Actuarial one that involves a straightforward cost-benefit analysis?

There is a lot to love about this important book. From the standpoint of the politics of diversity however, it's the fact that you examine the middle-class white male headed households African Americans, women, and low-income citizens transform at different points in time from being considered too risky to lend mortgage credit to, to being considered safe bets by mortgage lenders. You argue in the book that the rules of the federal government that that the federal government put in place has they establish the post World War II mortgage industry through the FHA and VA send it to set up the ideal borrower as a male worker with a stable job, a family, and he's white and lives in her white neighborhood. These lending criteria are all the name of protecting the government's investment, but if you're African-American if you are a woman, if you are self-employed or single we're just getting too old then you pretty much didn't have access to these mortgages and ultimately to the well that was created to home ownership in the 20th century you also show that the people who were excluded from government housing programs came to understand the exclusion is tightly connected to government policy. They had a very Mission of the role the government requiring or sanctioning their exclusion and they mobilized against. It you then demonstrate how African Americans women and low-income

households all came to recognize the role of the Federal Government and shaping who had access to credit and on what terms and then challenge the logic of their constituents exclusion. So the upshot from at the boundaries of homeownership is that the line between is something that is politically and socially constructed and constantly challenged and renegotiated. This is not to say that economic considerations are entirely irrelevant; some people are in almost any system going to be considered too risky to lend to. But your work shows that politics and political movements help to determine precisely where that line is drawn at any given time. Does that sound like an accurate description of your work?

Dr. Thursten

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Yes that sounds like a great summary AI!

Dr. Tillery

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So what made you look into this issue? How did you even come to this topic?

Dr. Thursten

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So I have long been interested in what political scientists call the public private welfare state. And o these are government policies and programs that use market incentives and mechanisms like tax credits, write offs, or credit programs or various types of incentives for employer-provided benefits to help citizens secure social benefits indirectly through the market rather than directly through government taxes and transfers. And so in the US we know many of us got our health insurance for employers, and this is again made possible by generous incentives in the tax code, for employers to provide insurance. Retirement accounts that used to be known as pensions, sort of changed in recent decades,are also indirectly subsidized by federal policy. The same goes for higher education, when you think about the role of the federal government on student loans and to enable many citizens to be able to pay for college but otherwise might not be able to afford. So these and other programs account for a lot of government spending at least for contacts At least foregone tax revenues. But because they are invisible and because they tend to look more like market based programs, most people benefit who from these types of programs don't actually think about themselves as beneficiaries of recipients of social policy or welfare policy as we would traditionally think about it.

Dr. Tillery

04:58

Fascinating. What kind of book teaches about the politics of diversity in the United States today?

Thursten

05:06

Well, a lot I think! I will highlight two lessons that I think the book really drives home and so first just to return to my last point, this idea that people who benefit from invisible government

programs that actually help them access things like home ownership tend not to think of themselves as beneficiaries of these programs. Instead they see their receipt of these things as signals of their virtues right, you worked hard you saved your money you're a good citizen that's why your homeowner, it is "not because the government helped you." And the problem is that this invisible policy has excluded many of the same so-called virtuous workers and citizens from the same benefits in on the basis of somewhat suspect criteria. The problem I identify in the book that I delve into is that when the latter mobilize and try to change his policies, citizens who are already benefiting from them may view those activities as inappropriate right there meddling in the market. They are requiring government to be lenders in the real estate industry in general to do something that they otherwise wouldn't do while failing to recognize that they themselves have been beneficiaries of government policies to help them access home ownership in the first place. And so how do you create a supportive coalition under these types of circumstances? Where you have one group of downsiders trying to make the case that they should also receive access to home ownership on mortgage credit on the same terms when insiders don't even realize the role of the government. So in many of the instances that I examine in the book, after this, well we are very aware of the optics here right? If something goes wrong, they are going to get blamed. It's not a clean simple political, it's not a clean and simple political movement from recognizing their exclusion to successfully challenging it. Just for example after the Financial Crisis people look to the Community Reinvestment Act of the 1970's, and other policies that have been rooted in anti redlining activism, and they blame the activists for the Crisis. And it turns out there is not a lot of evidence for this, there are more studies that have been conducted that we just don't see very much evidence linking anti-redlining policies to the practices of of lenders and financial or agencies. But the narrative that it was anti redlining activism that was the root of the Financial Crisis in 2007 and 2008 got a lot of play and it still gets play today. So the second lesson I will mention for the politics of diversity of something to take up in the conclusion to the book which I term, "The Politics of Discovery", I argue in the book that depending on where you sit in society, the state may be visible or invisible, its power viewed as maleficent or coercive. So political scientists have, for the last two decades now, focused a lot again on how Americans tend not to see the state. What I find is that commercialized groups is just not really accurate. From slavery to Native American removal to Redlining to incarceration for many people the state is actually quite evidence and its power not for the better. So one role that social movement organizations in the 20th century and 21st Century's played isn't making the Contours of the state and its power visible beyond those marginalized groups that come into contact with it. And so you think of a vivid example of this, how viral videos of police violence has recently demonstrated to white Americans how state power operates on pretty racialized lines. People like women actors have done a really good job and recognizing and then publicizing how and precisely how government power is experienced differently for different groups. And I think still here the big challenge that lies ahead is what to do with that recognition, how to turn that recognition into publicity, into change that actually improve the lives of marginalized groups.

Dr. Tillery

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Incredibly powerful and incredibly important lesson for the times we're living in now. So Chloe, any final thoughts? anything you want to tell our listeners before you go?

Dr. Thursten

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Go out and read my book!

Dr. Tillery

09:36

Okay and also as your senior colleague i will say buy it and cite it! Thank you Chloe.