Abstract
This paper critically examines an observed shift towards a ‘post-welfare’ society, in which the home-as-investment is replacing by stealth the former protection of more comprehensive welfare state provision. Comparing Britain with the USA, the paper draws on biographies and resource inventories for a sample of 100 working families from five high-cost cities (London, Edinburgh, San Francisco, Seattle, and Portland). Micro-market practices from this sample are presented in the form of vignettes to highlight the complex ways that housing consumption (such as use of a spare room) intersect with financial assets of the home (equity withdrawn to spend on family care). While some of these reported practices can be adopted by tenants as well as owner-occupiers, the suggestion is that buying a first home and climbing the housing ladder (however risky in terms of mortgage finance) now assumes the imperative of future welfare provision. By exposing the multiple ways in which households ‘spend’ their housing assets on needs as well as wants, this paper points to the hidden costs for individual households (in time, money, discomfort, anxiety and ill-health) of a housing-led privatisation of welfare.

KEY WORDS: Post-welfare, equity, debt, housing consumption, household assets
Introduction

Central to this paper is the argument that housing debates must actively engage with emerging tensions in the management of welfare (Mann 2005). Recent analysis points to an observed shift toward a ‘post-welfare’ society in which the home-as-investment is replacing by stealth the former protection of more generous and universal state provision of insurance and benefits, as a common asset to draw down periodically over the life-course (Tomlinson 2001; Jarvis 2007). On the one hand mortgage deregulation extends the market for first time buyers, just as flexible mortgage lending makes it possible for existing home-owners to view their home as a form of cash dispenser, to boost consumer spending (Klyuev and Mills 2006). On the other hand, alongside a ‘rolling back’ of state services and belief that private markets deliver basic needs and wants more efficiently than the state, home-owners are being asked to think of their home as a source of ‘pension plan’ and source of welfare provision, as a store of assets from which to fund the care of elderly relatives, sponsor adult offspring through higher education, pay for specialist medical treatment and pay for their own personal care in old age. The asset of the home is clearly not infinitely elastic. Moreover, home consumption assets (the sub-letting of rooms or use of a spare room to accommodate live-in help) intersect in complex ways with financial assets of the home (equity withdrawn to spend on home improvements or pay for family care). In this context, the ambitious plans of British and US governments to further extend home ownership to disadvantaged groups can be cynically viewed as part of a damaging privatisation of survival, rather than efforts to combat social exclusion.

While this idea of the ‘consumer citizen’ is not new to housing studies, there has been a tendency thus far to focus on the most tangible monetary aspects of the home, to the neglect of less tangible home-related resources which underpin social re-production. This paper consequently draws inspiration from data originally collected to tackle issues of work-life ‘balance’. The original research looked at how people reconcile residential location and home choice with their own and spouse employment, their caring responsibilities (children and elderly relatives) and plans for the future. An
unexpected finding of this integrated analysis was the extent to which the unique characteristics of particular housing situations (having a loft, basement or back yard) variously opened up (or precluded) options in a range of non-housing spheres of family well-being. The decision was made therefore to re-code the data from a housing career perspective. The ensuing analysis shows that people cope with adversity (ill health, unemployment) by exploiting the assets of their home in myriad ways. At the same time, by exposing the multiple ways in which households ‘spend’ their housing assets on needs as well as wants, the analysis points to the hidden costs for individual households (in time, money, discomfort, anxiety and ill-health) of the shift toward housing-led welfare.

The paper is structured in three parts. The first part introduces the main ways in which the commodity of the home is implicated in a neo-liberal shift in the provision of welfare from state collectives to private households. This theme is developed by briefly identifying some of the key dimensions to this ‘rolling back’ of state welfare, comparing Britain with the USA. The rationale for conducting cross-national research for these ‘two similar extremes’ corresponds with that for scrutinising micro-market practices for a relatively homogenous sub-population of middle class (mainly white) two parent families (see Jarvis 2005: 4). In effect, within-type analysis highlights the negative consequences of the current policy climate, whereby Britain arguably still faces a choice whether to modify or adopt wholesale a US-style path of extreme neo-liberalism. The second part introduces data from household biographies for 100 working families drawn from five high-cost cities across Britain and the USA (London, Edinburgh, San Francisco, Seattle and Portland). Thematic analysis offers an overview of housing careers and micro-practices for the sample as a whole. Then discussion turns to focus on specific micro-practices, drawing on a selection of household vignettes, to highlight the impact of unequal housing wealth and asset characteristics on household life-chances. The aim is to explore intersections of housing and welfare from a biographic perspective, rather than to provide a complete inventory of micro-market practices. Finally, the conclusions highlight a pressing need for a more nuanced debate about the future role of housing in welfare (wealthfare) and well-being.
Home ownership and the ‘post-welfare’ state

Successive governments of Britain and the USA have favoured home ownership above all other means of housing provision. In April 2005 the British government launched its ‘Homes for All’ initiative to help more first time buyers enter owner occupation through shared equity (part rent, part buy). The declared aim was to extend owner occupation from a current average of 70% (up from 68% in 2000) to 75% of households by 2010 (HM Treasury 2005). Similarly, the US HUD recently hailed an increase in the average rate of homeownership from 67.5% to 70% (US HUD 2006). This reflects the ‘push to extend homeownership to all Americans, particularly low-income families and racial minorities’ (where) ‘homeownership is promoted as an important strategy for regenerating distressed urban neighbourhoods’ (Harkness and Newman 200: 597).

On the face of it these are not unpopular or controversial ambitions. In Britain in 1979, the public greeted Margaret Thatcher’s move to give tenants in the social rented sector the ‘right to buy’ (RTB) their own home at a discount with widespread approval. Between 1980 and 1999 1.4 million dwellings were sold under RTB, thus transferring the most valuable, well constructed former local authority housing into the private for-profit sector (Wilcox 2002: 10). Similarly in the USA, Forrest and Murie (1995: 91) note the extraordinary extent to which buying a home is considered a rational investment, synonymous with ‘having made it’, associated with social cachet. Here, ‘the concept of private property is as fundamental as the belief in individual rights’ (Forrest and Murie 1995: 87). Yet running alongside the promise of social mobility and better things to come are unprecedented levels of household debt in both countries (CAB 2003; US HUD 2004).

High levels of borrowing and spending coincide with three spheres of transformation which function as ‘drivers’ in state efforts both to expand owner occupation and to develop housing-led welfare policies. First is a ‘wider palette of family and domestic situations’ (Buzar et al., 2005: 414) associated in post-industrial cities with an ageing population, growth in the number of one-person households, delayed marriage, non-marriage, divorce and declining rates of fertility. With respect to the sub-population
featured in this paper (couples with children), the trend is for delayed first time purchase on a long loan for a sum several times that of combined household income. Coinciding with a rising number of two worker and multi-job households are new mortgage products such as long loans in Britain which last up to 45 years, typically the maximum span of an uninterrupted working life (Jones 2006).

A second ‘driver’ is a serious shortage of affordable housing and the orthodox understanding that if owner occupation can be made more accessible (by lowering the financial entry barriers), asset-wealth will ‘trickle down’ to the least well-off. Financial analysts typically point to the good long term returns from home purchase relative to poor alternatives in other tenures and from conventional saving schemes. Average house prices in the English speaking advanced economies have generally increased at rates far higher than GDP growth (Boelhouwer et al., 2004: 3). At the same time, Farlow (2004:3) reminds us that there have been some terrible years to buy (1973, 1988/9, 1991/2, 1995) when those who felt compelled to buy their first home or trade up, unaware of an imminent ‘correction’, experienced significant losses. Cowan and Marsh (2001: 4-5) point out that ‘the increased reliance on owner occupation means, inevitably, that the sector has to accommodate households in a wider range of circumstances, including those on low or insecure incomes’. Indeed, critics of neo-liberal housing policies suggest that Britain has already gone beyond sustainable levels of home ownership (Ford and Burrows 1999). With 6.2 per cent of home owners reporting mortgage repayment difficulties, Reijo and Juntto (2002) place the UK fifth highest out of 12 EU countries in terms of mortgage debt (cited in Horsewood and Doling 2004: 446).

Of note here is the extent to which lower income families in the US occupy sub-prime rungs at the bottom of the property ladder which, because of stricter land use planning and building regulations, do not exist in Britain. The biographies below highlight the role of self-build, low cost ‘manufactured homes’ and trailers (caravans or mobile homes) which function as points of entry for marginal home owners in the USA where the equivalent population in Britain typically remain (some would say trapped) in the social rented or private rented sector. At the same time, as a consequence of RTB and the failure to replace stock lost to the social rented sector (Wilcox 2003), a new ‘housing underclass’ is observed today in Britain which includes not only
traditional candidates for social rented housing but also moderately well paid professionals (RICS 2003). In the USA by contrast, a ‘longer ladder’ coincides with two extremes of housing wealth and consumption spanning the sub-prime markets at the bottom to a new market for ‘trophy’ homes at the top.

As well as lowering the entry barriers for first time buyers, financial deregulation has provided opportunities for existing home-owners to tap into their housing wealth through various forms of mortgage equity withdrawal (MEW) (see Smith 2005). This has led to some existing home-owners increasing their investment in a first or subsequent home (through home-improvement, second home purchase and/or investment in buy-to-let property). Also associated with MEW is a treadmill of rising consumer expectations, such as for bigger and better homes or simply to ‘keep up with the Jones’s’. Since the US passage of the 1980 Depository Institutions Deregulatory and Monetary Control Act, sub-prime mortgage lending has proliferated alongside numerous mortgage product innovations. The US HUD estimate that households ‘cashed out’ some $139 billion of accumulated equity in 2003 alone, using this mainly to service credit card debts and make home improvements. They note that the volume of equity release business increased from approximately 2.5 million refinanced loans in 2000 to more than 15 million in 2003 (US HUD 2004).

In the biographic research, several households reported concern that they were ‘spending (their) children’s inheritance’. The ‘reverse mortgage’ is a case in point. This is aimed at older homeowners who own their property outright by the time they retire. With this product the payment stream is ‘reversed’ to convert the stored value of the home (equity) into monthly income payments to finance living expenses such as in-home health care.

A third driver is a shift toward a ‘post-welfare’ neo-liberalism which is recognisable in a ‘rolling back’ of state control of industry (such as with the privatisation of transport and utilities) and the introduction of ‘quasi-markets’ in public services (such as healthcare and education). Pro-market reform has the effect of shifting resources away from collective services to establish instead a range of incentives for private provision (such as through the purchase of dental and health-care insurance). This coincides with a fundamental shift in risk exposure from the group to individual households, following the erosion of collective provision for retirement, healthcare (or
The post-welfare society is one in which housing, health, education and pension provision and legislation have seen major reform. Market competition and the language of ‘choice’ and ‘self-reliance’ have taken the place of previous attempts (such as with the social democratic consensus in Britain c. 1945 - 1979) to improve life-chances on grounds of social justice, through a redistribution of wealth (Tomlinson 2001: 3). Today the model of good citizenship is based on a principle of ‘no rights without responsibilities’. The emphasis is on an enterprise culture which promotes the knowledgeable consumer exercising full and rational choice - for ‘good’ schools, adequate pension plans, suitable elder-care and the like. Former public goods and services are effectively rationed on the grounds of ability to pay (as well as by knowledge of ‘the system’) with the expectation that high levels of home ownership endow high levels of accumulated equity to be ‘drawn down’ to compensate the losses of ill-health or misfortune. This implicates the stratification of housing assets more directly than ever before in a host of housing-related life-chances (Fabian Society 2006: 129; Burbidge 2000: 261). As Conley (2001) observes, the unequal distribution of housing assets not only impacts on the immediate well-being of families, but also the life-chances of subsequent generations.

While there is nothing new about a political ideology rooted in a ‘property owning democracy’, recent years have witnessed a subtle shift in the terms on which home ownership is promoted. Fiona Williams (1999: 672) observes this with respect to so called ‘Third Way’ welfare reform which combines an ethic of paid work (the universal worker underpinning the dual income household) with an ethic of private asset ownership (through the lowering of entry barriers to owner occupation) to construct the ‘active welfare subject’. She notes this with respect to Britain but the same ideology also follows for the USA, perhaps the ‘purest example of (neo)-liberal housing policy’ (Kurz and Blossfeld 2004: 367). It is on this subtle transformation (in normative discourse as well as state rhetoric and policy) that this paper seeks to turn the spotlight.
Cross-national comparison

When different versions of capitalism are compared it is useful to differentiate between the weak welfare state and private property of the USA and stronger welfare and attachment to collective ownership more redolent of European states (Esping-Anderson 1999). On domestic affairs the British government claims to be ‘neither European nor American’ (Jarvis 2005). What is revealing about comparisons made between Britain and the USA is that each pursues similar neo-liberal policies in relation to very different cultural traditions and economic legacies.

The detail of welfare policy formulation and implementation varies within and between Britain and the USA, devolved as it is across tiers of national and local government. The most notable cross-national difference relates to the maintenance of a national health service (NHS) in Britain and a more significant, if residual, social rented housing sector. The implications of this are summarised in Table 1. While it is notable that spending on healthcare is higher in the US than Britain, the majority of this spending falls to individual households through private health insurance or direct payment for treatment. Working families getting by on a low income in Britain are generally far better protected by state safety nets than their US counterparts, where health outcomes for uninsured families remain abysmally poor (Heymann 2002: OECD 2000). Yet cross-national headline differences should be read with caution. Table 1 shows a significant residual (15%) of private spending on health in Britain. This reflects a change in policy where ‘care in the community’ (at home, by unpaid family) is taking the place of ‘free’ long-term care in NHS settings (Taylor-gooby et al. 1999: 186). Critics suggest that a two-tier health system is emerging in Britain in which those patients who can afford it are paying for private treatments to ‘top up’ NHS services because, in reality, the founding principle of a comprehensive healthcare which is free at the point of delivery has been abandoned (Charlson et al. 2007). Arguably, the distribution of housing wealth mediates the divisions between these two tiers to a large extent (for more on housing and health see Easterlow et al. 2000).

Nevertheless, a universal benefit, such as that paid in Britain to all children up until the age of 18, would be unthinkable within a US system where welfare payments are
modest, means tested and restricted to those actively seeking employment. Furthermore, while both countries continue to provide free public (state) education to all school age children, the USA has a longer history of, and stronger commitment to, charging full fees for post-18 education and vocational qualifications. As a consequence it is not uncommon for twenty-something college graduates individually to carry upward of $50,000 in debt to student loan companies, double this for couple households (von Hoffman 2005). The impact this burden of early debt has on the housing careers of dual career households around the time of family formation is readily apparent in the US biographies. The scale of this debt also helps explain why US households typically enter owner occupation at an older age than their British counterparts. Using data from the US Panel Study of Income Dynamics (PSID) and the British Household Panel Survey (BHPS), Banks et al. (2004) find that nearly half of all British first time buyers (47.4%) are age 20-29 while the majority of US first time buyers (52.6%) are age 30-49.

Another important difference between these two neo-liberal states relates to the relative concentration of household assets in the home-as-investment relative to other sources of saving and investment. Without a doubt the purchase of a primary residence is the single most important financial asset and source of inter-generational transfer for households in Britain. In the USA, by contrast, the trend is for greater diversification of asset ownership including reserves held in stock options and tax-free savings such as IRAs and 401(K) plans. A characteristically narrow investment portfolio (Smith 2005) suggests that households in post-welfare Britain are more exposed to house price volatility than their US counterparts. Arguably then, a shift from group to individual risk in Britain represents a uniquely housing-led threat whereas in the USA it reflects regressive tolerance of wealth inequality.

TABLE 1 ABOUT HERE

Relating housing assets and wealth to household biographies
The research context on which this paper draws is rooted in a largely qualitative cross-national, inter-city comparative study, focusing on the way people organise their daily lives alongside medium term decisions and goals (concerning home purchase,
school choice, migration and commuting, labour market commitment and working hours). The methodology recognises that individual goals and preferences are negotiated within the household collective, noting the private and social costs as well as compromises this balancing act entails. This integrated approach attends not only to the dual role of housing, where owner occupation provides both wealth and consumption services (Banks et al. 2004), but also to the myriad aspects of livelihood which intersect with housing histories and household structure (Jarvis 1999). By way of example, while housing costs are a common barrier to managing a low-wage livelihood, this paper points to the paradox that housing resources (such as a ‘spare room’ to let out) can provide short term remedies for a precarious livelihood. This way competition for ‘consumer citizenship’ functions through a web of resources, through multiple economies, of income, property, transport, ‘sweat equity’, gifts, inheritance, kin networks and unpaid personnel. Many of these can be defined as housing-related assets rather than housing wealth as conventionally conceived. Moreover, positive assets and attributes of livelihood have to be differentiated from negative attributes, such as disinvestment in housing quality (overcrowding, poor upkeep) and debt.

**Data collection and analysis**

A cluster analysis of Census of Population data was generated for each of five cities (London, Edinburgh, San Francisco, Seattle and Portland), ranking all wards/postal districts according to selected social, economic and demographic variables. The aim was to identify case study neighbourhoods in each of the five cities, similarly positioned within a matrix where ‘family’ and two-income household structures coincided with high levels of owner occupation, avoiding both extremes of high density ‘gentrified’, central city apartments and sprawling suburban executive homes. Access to the target population was gained through a postal questionnaire used to select an equivalent quota sample of twenty households per city (100 biographies in total). Included with each household interview were employment biographies and housing careers for each adult, asset inventories, maps and diaries of individual and household spheres of activity, together with narratives of the decisions made by couples concerning residential location, spatial mobility, all forms of work undertaken and networks of informal support making up daily routines. Each household has been assigned a pseudonym, coded so that surnames also indicate the city for which the

As subjects of comparative research, the five cities share many common characteristics, notably high housing costs, but they also offer useful variation in status, cosmopolitanism and official response to growth (for more on this see Jarvis 2005). The high cost of living in the five cities results in low rates of owner occupation relative to the national average. While on average in 2004 67.1 per cent of the US housing stock was owner occupied, this tenure housed just 38.4 per cent; 47.5 per cent; and 57.7 per cent of households in the cities of San Francisco, Seattle and Portland respectively (US Census 2004). Similarly the national average rate of home ownership in Britain was 69 per cent in 2001 yet in Inner London just 39.7 per cent of all households owned their own home (National Statistics Online 2001). By contrast, 68.6 per cent of households in the city of Edinburgh were owner occupiers in 2001. An impression of the resulting shortfall in affordable housing is provided in Table 2 with respect to average income to price ratios in 2004. Here, the median value of owner occupied homes in the city of San Francisco represents a sum eleven times that of median household income (7 times in Greater London). The ratio for London is lowered by the inclusion of suburban as well as urban areas whereas that for San Francisco represents those neighbourhoods within the most expensive city limits. Commentators in Seattle point to a ‘Microsoft’ effect in this city, claiming that Microsoft employees poured close to $1 billion into the housing market on the Eastside and to the North of the city in the late 1990s. In 2000 one Seattle real estate agent was quoted as saying that Microsoft millionaires (dubbed Baby Bills) had single-handedly defined a new price tier for ‘monster mansions’ (Rhodes 2000). Even in the most affordable city of Portland, median house value is close to 5 times that of median household income. Overall, this is staggering evidence of the scale of the housing crisis in these otherwise ‘successful’ cities.

TABLE 2 ABOUT HERE
Three categories of micro-practice around housing asset inequality

It is possible to identify three broad categories of micro-practice from overall analysis of the housing career data, each highlighting a cluster of housing-related assets through which households are observed to create wealth and/or cope with a crisis. These categories; tenure stability (e.g. opportunities for entry and upward mobility); housing equity (e.g. negative, positive, withdrawn, intergenerational); and housing consumption (e.g. spare room), are presented in three horizontal shaded bands in Table 3. Each of these categories are considered in turn below, first by highlighting the scale of the problem in relation to overall data presented in Table 3, then detailing particular micro-practices through selected vignettes. Because most attention has previously been paid to the role of MEW, this paper focuses on housing consumption micro-practices. This might give the impression that the paper focuses on mostly negative and extreme aspects of owner occupation and those situations in which working families struggle to enter or remain in owner occupation. While the vast majority of the sample saw their home as a positive source of emotional and financial security, this ontology is being destabilised in socially regressive ways by the privatisation of family welfare.

**TABLE 3 ABOUT HERE**

*Micro-practices around tenure stability*

Housing career data for this population reveals higher than average rates of owner occupation. This is not surprising, given the choice of sampling frame (couples aged 30 – 45 with one child or more aged birth to 16). Moreover significant variation in the ownership rates observed for each of the household samples in Table 3 largely corresponds with income to price ratio variation previously noted for the five cities in Table 2. On aggregate, all but 26 of the working families interviewed have benefited from an uninterrupted career of owner occupation since family formation. Half of the households interviewed in San Francisco have experienced difficulties entering or maintaining owner occupier status: Six live in private rented accommodation, one family lives rent-free in a home owned and occupied by an elderly relative, and three experienced a temporary reversal of fortune early on in their careers as owner occupiers. By contrast, none of those interviewed from similarly middle class
neighbourhoods in Edinburgh are tenants while in London two households live in social rented housing in streets where their neighbours have exercised RTB. Those in the sample who are not currently (or never have been) home owners continue to stress the importance of this preferred tenure in their own narratives. Moreover, as we see below, they seek similar ways to exploit home consumption services as tenants (although unable to withdraw equity) suggesting that the multiple assets (and liabilities) of the home are not defined by tenure alone.

Three vignettes are introduced to illustrate the role of tenure stability in locally embedded housing micro-practices. Through the medium of these vignettes it is possible to observe the way opportunities to enter and climb the housing ladder (timing and location) percolate through to housing status and wealth. At the same time, tenure stability intersects with preferences and constraints relating to paid employment, unpaid social reproduction work, offspring education, elder-care, health and plans for retirement.

- **Vignette 1.0: relocation**

  When first interviewed in 2000, Guy and Greta Florin lived in a privately rented two bedroom apartment with their two sons, aged 4 and 2. After moving to San Francisco from the East Coast as graduates in the late 1980s they began careers in law and publishing for which employment opportunities were plentiful, well paid and relatively secure. Six years later they witnessed reduced job security and an escalation in the cost of housing. Observing the steady encroachment of high-tech start-up firms and new condominium apartments in their previously blue-collar neighbourhood, they realised that the prospect of buying a home in the city was eluding them (Jarvis and Pratt 2006). With the birth of their second child, they adapted the internal arrangements of their apartment so that the boys slept in the living room to allow the small second bedroom to be turned into an office. This was necessary because Guy who was expected to work at home at night.

  A second interview in 2004 found the family relocated to the central valley. They had abandoned the ‘beautiful city’ in which they had tried unsuccessfully for twelve years to secure an affordable family home in a ‘good’ neighbourhood. Greta had been struck by a debilitating illness and her health insurance was inadequate to cover the
cost of treatment and time off work. Reduced to one salary for several months they could no longer pay the private school fees they felt necessary to ensure their sons received adequate education in the city. For this family, constraints in the housing market intersected with family quality of life - such as in the way overcrowding resulted from sacrifices to home-working in relation to pressures of child-care and time efficiency. This highlights a frustrating treadmill effect whereby, despite high earnings in a dual career household, a yawning gap remained with respect to the quest for affordable housing in competitive markets. It suggests that success required perfect health or, failing that, costly medical and unemployment insurance and private resources sufficient to compensate for perceived shortcomings in public services such as failing state schools.

This family did eventually enter owner occupation by compromising on location and lifestyle. Moreover, they took out a large mortgage on a home with sufficient room to accommodate an office for home-working. This case suggests that practices associated with adapting the internal arrangements of the home are not restricted by tenure. Such practices go on outside owner occupation, usually as a consequence of feeling ‘trapped’ by lack of affordable housing in unsuitable accommodation. Nevertheless, as we shall see, owner occupiers can make more permanent structural alterations and thus reap greater rewards from similar housing consumption assets.

- Vignette 1.2: self-build

Brad and Becky Skyla have lived together in dozens of rental properties, the length of stay, size and quality varying with income and employment status. While Becky had always brought home a regular pay check as a dental nurse, Brad experienced periodic unemployment as a carpenter. During one period ‘between jobs’ in 1984, Brad contributed ‘sweat equity’ (skills and labour) in a business venture where his friend bought a run-down house in Renton, south of Seattle, which he then fixed up for resale. Despite making money on this venture it was never possible for Brad and Becky to enter owner occupation through conventional means. Prices in the Seattle area started to sky-rocket from the late 1980s. Instead they turned to their extended family for help. Brad’s parents owned a house on the fringe of the city, bought in the 1950s, which sat on a large plot of land. They asked if they could build themselves a house in their back yard.
The micro-market practices in this case demonstrate the way alternative economies, such as sweat equity and inter-generational exchange, intersect with conventional mortgage finance. This also highlights the pivotal significance of multiple household assets (including kin networks) as a passport to housing security in a post-welfare society. In such a climate, those with neither social nor financial capital are truly disadvantaged.

- Vignette 1.3: Consolidation
By contrast, Mr and Mrs Egham are typical of the more fortunate families who have experienced an uninterrupted career of owner occupation since family formation. They tell a common story of two thirty-something professionals who when they met and married combined the property assets of two single-person households:

We were lucky because we had two flats (between us) in the city centre and we’d sold mine and were able to move into (Mr Egham’s) flat (while house-hunting) using (Mrs Egham’s) equity as down-payment on a shared family home and getting tenants for (Mr Egham’s) flat which pays its way. We’ve talked about numerous (plans) like, you know, if the kids end up going to university (the flat will pay their tuition) or it could be our pension nest egg.

Micro-practices around equity and debt
These vignettes suggest that micro-practices around tenure stability function interdependently with practices located more specifically in housing equity – whether wealth is accumulated or debt carried forward. The housing equity category in Table 3 indicates five times as many positive expressions of wealth creation than negative experiences of repossession or unmanageable debt. A common narrative among the one in ten who own more than one unit of residential property (Row 4) is the consolidation of two single person homes upon cohabitation/marriage. This corresponds with a common belief among the British households in particular that it is ‘good practice’ to maximise exposure to home ownership (through a large mortgage and/or second home) so as to achieve wealth accumulation through anticipated future house price inflation. This is illustrated in the imperative to ‘buy more house’ in vignette 2.1. Underpinning this housing market practice is the requirement that working age adults maximise their contribution to household income from paid employment to service a long loan. Viewed another way, this route to wealth
accumulation is not an option for those who seek (or feel compelled) to fulfil a greater unpaid domestic caring role, or who wish to pursue a less job-centred lifestyle. Vignette 2.2 shows how the lifestyle decision to ‘buy less house’ negatively impacts on future wealth-fare in the sense that reduced home equity equates to reduced protection. Finally, vignette 2.3 exposes the problem unsustainable debt - in this case with respect to student loans.

- **Vignette 2.1: ‘buy more house’**
In East London, Sally and Steve Lexington reflect on the ‘big move’ they made to a single family dwelling in 1990, several years before the birth of their first child, claiming that it was ‘the thing to do’ at the time to ‘take on a bigger mortgage’ and to ‘buy more house’:

we decided to move because our mortgage wasn’t big enough, it seems a bit silly now but, you know, it was the thing to do, we had a smallish mortgage, about £14,000, and we were both in full time employment, with no children, both earning a fair wage at a time when the housing market was fairly buoyant; I think it’s true to say it was at its peak! It seemed sensible for economic reasons to have a bigger mortgage.

Despite taking on a large mortgage just prior to a major recession, when bank lending rates rose three-fold within a year to an unprecedented 15% high, Sally and Steve held onto this property and went on to accumulate positive equity when house prices rose again from the mid 1990s.

- **Vignette 2.2: ‘buy less house’**
Mr and Mrs Sargent pin their household biography on the ‘conscious decision’ not to take on a large mortgage so as to enjoy a more family oriented and leisurely pace of life. As with all the biographies, their decision to ‘buy less house’ forms part of an integrated response to opportunities and constraints across a range of decision spheres. This is illustrated in the web of decisions the couple made when first setting up home together:

Our intention, when we got married, was to buy less house than we could afford so we were never strapped with a huge mortgage or driven by debt, so we would just live simply.
To this end, Mr and Mrs Sargent both work reduced hours so that they can share responsibility for parenting, taking opposite shifts, Mrs Sargent as a night nurse and Mr Sargent as a physiotherapist serving two separate part-time contracts. Between them they work 50 hours a week; what many individuals routinely work for a single employer.

Paradoxically, cautious borrowing and frugal habits are discouraged by the shift to consumer citizenship. Remarkably few of the working families in this study chose or felt able to resist the mortgage demands of a double-income and long working hours culture. Moreover, those seeking to resist a universal worker ethic (some 10% of the sample) managed to achieve this only by drawing on strong social and kin support. Further analysis also shows that families who ‘buy less house’ are more likely to have benefited from family gifts or inheritance. This is illustrated in the case of Mr and Mrs Eagle who first occupied a social rented low-rise flat. Capitalising on gains made from RTB together with a legacy they received from Mrs Eagle’s mother, they were able to make a deposit on a small maisonette in a better part of Leith in Edinburgh. While this points to an example of upward social mobility it also highlights the problems both of unequal access to saleable social rented housing (as compared with high-rise flats for instance) and inter-generational transfers.

- Vignette 2.3: student debt
Sharon Fuller grew up in Alameda, California, in the same house her mother still owns, where she and Jamie now live with their four year old daughter. By the time she graduated from Berkeley, Sharon had accumulated student loans of some $50,000. While Sharon had trained as an attorney she ‘had no taste for the big bucks legal work’ and was still struggling to pay off her student loans ten years later. In this same period, trailed by debt, Sharon met and married Jamie and started a family. Initially the couple lived with Sharon’s mother in Alameda, in an effort to save for a deposit on a rented home of their own. A year later and for the following four years they lived in a private rented apartment in San Francisco, in easy commuting distance of Sharon’s job at a public sector legal firm. Jamie worked out of their home as a freelance photographer. Feeling settled at last they were a week away from exchanging contracts on a small suburban town house when Sharon was made redundant. Because she was the primary breadwinner they feared they would not be
able to meet the mortgage repayments and backed out of the deal. Having given up their rented apartment they had little option but to move back with Sharon’s mother. Although in time they rented an apartment in nearby Oakland, they faced eviction again a year later. Now with a young daughter, they once again went to live with Sharon’s mother whose health was failing. This time the move ‘back home’ was presented as one of mutual benefit whereby Sharon’s mother ‘helps somewhat with childcare’ and she is helped in turn by them ‘(taking) her shopping and to her doctors appointments’. As with the other non-owner occupiers in this sample, the Fuller’s anticipate one day having property of their own – but in this case through inter-generational exchange.

Micro-practices around housing consumption assets
The previous vignette illustrates the importance of considering not just tenure stability and the potential for accumulating equity (and debt), but also housing characteristics, such as house size, adaptability and the number of rooms available. This is because monetary housing assets intersect with a third category of micro-practices around housing consumption (e.g. upkeep and space).

- Vignette 3.1: sub-letting
Visitors to the north Seattle home of Hank and Ruth Slater witness all the signs of serious overcrowding – tucked behind the façade of a modest three bedroom craftsman-style home in the upwardly mobile Greenwood neighbourhood. Hank, Ruth and their two sons all sleep in rooms originally intended for living and eating. This is so that they can supplement their earnings from two jobs by letting out the main bedroom to Ruth’s sister and her young child. The two basement bedrooms are home to Hank’s eighty year old father and all the furniture he retained from when he previously owned the whole house. Thanks to a make-shift kitchen and bathroom arrangement, Hank’s father has a relatively self-contained ‘apartment’ for which he pays rent out of his pension. This leaves two other family units (three adults and three children) to share one bedroom plus living space.

The Slater’s purchased this house off Hank’s father as a route out of the trailer (caravan) they occupied as newly-weds. This followed a similar exchange by Hank’s grandparents who sold the house to Hank’s father as a way of helping him into owner
occupation and funding their own retirement. The monthly costs of the Greenwood house were high but Hank and Ruth were happy to gain a foothold in ‘real property’ at last. The precariousness of Hank’s income as a self-employed ‘handy-man’ was such that Ruth went back to work when the children were small ‘to get on top of the bills’. Then, already stretched financially, Hank suffered a shoulder injury for which he had no health or unemployment insurance so had to wind up the business and look for less physically demanding regular employment. Previously when Hank was unemployed, the family had fallen back on personal savings and Hank usually found new work quite quickly. This time age and poor physical fitness stood against him and buying the house had swallowed up all their savings. Unable to get by on what Ruth earned at the local supermarket they sought ways to generate income from the only other resource at their disposal, the house. A commercial tenancy would be out of the question with so unorthodox a sub-division, so as landlords the couple benefit from hard-up family members whose poor credit bars them from renting mainstream accommodation.

Today the Slater’s live in less comfortable surroundings than they previously enjoyed in their trailer, but they cling tenaciously to the ideal of owning a piece of real estate. In North America the usual criteria for reasonable living conditions is a ratio of one or fewer people per room. With a ratio of two people per room the Slater’s are clearly suffering from household crowding. This is having a visible impact on the children who have no quiet place to do their homework. These ‘deals on the house’ demonstrate the micro-market practices that emerge (and the knock-on effect of these on family life) when private property takes the place of collective welfare.

- Vignette 3.2: lodgers and live-in help
Richard and Robyn Liddell bought a large run-down property in a ‘less desirable’ part of Hackney as their first shared home, shortly after their son was born in 1998. When they first met, they each owned property individually. At first they moved into Richard’s house because he had business interests in the area he lived. They decided to sell this and buy a bigger house when Robyn was expecting their son because they wanted a live-in au pair and Richard needed more space to run his business from home. The constraints of work/life reconciliation resulted in them compromising over the quality of neighbourhood. Robyn admits that she wanted to relocate to a suburb
where she would have been happy for her son to attend a local state school. Instead they bought a property which ‘is not ideal’ as it needs ‘a huge amount of work doing on it’. They also now pay private school fees on top of a £130,000 mortgage. To reduce the burden of mortgage payments and renovation costs, the plan was to boost income by taking in a lodger. Richard explains:

we bought this house because it’s got a lot of bedrooms (…) so we’d have the au pair but we also bought it to rent out one of the rooms (…) the rent from the student was paying half the mortgage, so that was reducing it by nearly £450 a month

Here we see the complex ways that the consumption attributes of a home intersect with financial assets (mortgage liability and potential wealth accumulation), as well as social reproduction (space for live-in help) and the ‘linked lives’ of the household (Bailey et al. 2004). This couple recognise that their combined income from paid employment (Robyn working full time in the voluntary sector, Richard running his own desk top publishing business) is not enough to meet their ‘huge outgoings’ so they also exploit their home as a means of livelihood. This enterprise culture is not without risk. Arguably, the Liddell’s are better placed than most to assume a degree of risk but it would not take much to lose their home and with it a source of livelihood and all their savings. In this case the home provides the practical means by which both parents can go out to work (by accommodating an au pair), a flow of income to partially offset mortgage costs (space for a lodger) and equity tied up in the property (estimated at £250,000) which stands in lieu of a pension plan. As a means of privatised welfare this store of wealth does not compensate for a lack of insurance protection or a collective state safety net. Most financial advisers estimate that a lump sum investment of closer to £400,000 is required by age 65 to provide a regular annuity or adequate monthly pension for a couple in old age. Relying on housing equity also assumes that an interim MEW is not made to meet offspring education or the costs of caring for an elderly parent.

Summary
There are several manifestations to growing inequalities in household wealth distribution across Britain and the USA. We know already that the simple potential
for equity accumulation distinguishes home owners from tenants. Yet households are not all equally advantaged and some pay a high price (whether experiencing overcrowding or financial loss) for the social imperative to acquire a stake in ‘real property’. As Masnick (2004: 304) points out, unequal ‘ownership opportunities help sustain differences in wealth, education, access to jobs, and overall quality of life (whereby) home-ownership differentials are both a cause and a consequence of social inequality’. This paper raises awareness of a number of neglected housing-related assets, not just place-based social capital, including access to a ‘spare room’ or land on which to build an accessory dwelling. It illustrates the way post-welfare exploitation of housing assets and amenities adds a new dimension and scale to the experience of wealth inequality. We saw this clearly in the case of the Slater’s where household crowding negatively impacts on family life by removing space for intimacy or quiet study. Elsewhere we see how a family gift or inheritance can facilitate a first-time purchase or opportunities to trade-up from sub-prime to more saleable property. By highlighting the interdependence of housing with other household resources, this paper provides a more nuanced account of housing-related stratification within and between generations.

Home equity is especially pivotal to household wealth in Britain. Owning property is not essential or the only means of securing a home or shelter but housing wealth provides a crucial vehicle to social mobility and a popular route by which middle class parents ensure their offspring’s advantage in the competition for education and housing. Increasingly, this inter-generational transfer conflicts with the need to provide for the current generation and the costs of personal care associated with longer life expectancy and care in the community. A recent survey of UK home-owning parents of adult children found that parents expected to make a gift or loan of £17,000 on average to help their adult children become homeowners in what is viewed a hostile market for first time buyers (MORI 2004). These are opportunities denied to the offspring of many marginal home owners as well as most tenants. With fewer options through lack of an efficient private rental market young and low income buyers enter owner occupation at an earlier age and at the margins of affordability (Banks et al. 2004: 242). Indeed, the British biographies are notable in the way house prices are closely monitored as a source of pension security. It is in the British narratives too that property ownership is frequently viewed in terms of...
rental income as well as equity growth, as we saw above with the Egham’s. More prominent in the US working family narratives is concern with fluctuation in the stock market. This corresponds with more widespread share ownership. In San Francisco, for instance, Mrs Ford suggests that plans such as when she and her husband might retire or cut back the number of hours they work fluctuate according to the state of the economy:

Three years ago it was easy to be optimistic. We just expected the stock market to keep going up and we just expected our lifestyle to keep going up and that was going to take care of our retirement and it was easy to be passive.

Not only do we find significant within-type variation in housing strategies, we also find contrast between Britain and the USA. Cross-national differences are especially notable with respect to the options facing marginal first time buyers. In Seattle, the twenty year journey Mr and Mrs Skyla have taken to ultimately build their own home illustrates the ‘longer ladder’ that exists in the unregulated US ‘enterprise culture’. Less stringent planning and fewer safety nets in the USA encourage more rungs at the lower end of the property market, at the same time that upper rungs feature growth in ‘trophy’ homes.

Concluding remarks
This paper makes a strong case for viewing the role of housing inequality and household wealth distribution as part of an integrated analysis alongside the management of welfare and household livelihood. Arguably, it is insufficient to view housing affordability in narrow financial terms when biographical analysis shows that housing access and consumption intersects with the project of household biography-building as a whole. The working families in this study rely on multiple sources of income, typically through having more than one job or wage-earner but also by exploiting property income potential. Entry barriers to owner occupation and lack of alternative forms of affordable housing, together with the cost and time constraint of caring for dependents, exacerbates underlying social stratification. Of crucial significance in this regard is the dual role housing plays in generating income or running costs, equity or debt, as asset or liability.
Helping more people step onto a housing ladder which is driven by personal risk and debt is likely to result in greater social exclusion, not reduced asset poverty. Households with few housing assets are particularly vulnerable to dwindling state protection as they are the least likely to be able to top-up or replace collective state services with private insurance. This is readily apparent in the case of dental treatment in Britain (Jarvis 2007: 210). Not only does the goal of home ownership elude one in four households, it also harbours unsustainable debt. The housing crisis in the UK is associated with state abandonment of a once good quality social rented sector and failure to replace this source of protection with viable alternatives. In the USA, those in greatest hardship (aside from the homeless) occupy unregulated rungs at the very bottom of the housing ladder, markets associated with sub-standard conditions of overcrowding and poor maintenance.

The regressive implications of a market-led system of allocation have not gone unnoticed in the academic literature. Neo-liberal competition is widely accused of reinforcing uneven development and inequality by the way consumer choice is socially constructed and materially circumscribed. Nancy Fraser (1997:24) points to the paradox whereby the post-welfare state affords greater recognition to individual rights (to own property) and the language of choice (shopping around for a good state school) without making any attempt to redistribute the resources necessary to exercise these rights or to make real choices in a market-led system of allocation. As more and more families rely on their home to provide both lump-sum investments (for offspring education) and a flow of income in old-age, concern must be with the suitability of private property as a vehicle for delivering an effective substitute for collective social security.
References:


Table 1: Headline welfare items of household expenditure compared for Britain and the USA (all shown in US dollars)

<table>
<thead>
<tr>
<th>Per-capita healthcare spending in US dollars, (% private spending), 1997</th>
<th>Housing: Home ownership, 2002 (%)</th>
<th>HEI Average Fees p.a. (loans available)</th>
<th>Taxation as per cent of GDP, 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$4095 (54%)</td>
<td>67% (remainder is largely private rented)</td>
<td>$12,500 (in-state; up to $40,000 private)</td>
<td>29.6</td>
</tr>
<tr>
<td><strong>Britain</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1391 (15%)</td>
<td>70% (remainder is split between private and social rented)</td>
<td>$4500 ‘top-up’</td>
<td>37.4</td>
</tr>
</tbody>
</table>


Table 2: House price/income ratios for the five featured cities: 2004

<table>
<thead>
<tr>
<th>Locality</th>
<th>Median house value/price UK – £ (transaction prices)</th>
<th>Median household Income (before tax)</th>
<th>Income to price Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater London</td>
<td>£244,628</td>
<td>£34,625</td>
<td>7</td>
</tr>
<tr>
<td>City of Edinburgh</td>
<td>£176,000</td>
<td>£30,185</td>
<td>5.8</td>
</tr>
<tr>
<td>San Francisco (city of)</td>
<td>$661,904</td>
<td>$60,031</td>
<td>11</td>
</tr>
<tr>
<td>Seattle (city of)</td>
<td>$338,857</td>
<td>$46,650</td>
<td>7.3</td>
</tr>
<tr>
<td>Portland (city of)</td>
<td>$201,790</td>
<td>$41,128</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Table 3: Exposure to selected housing events for a sample of working families in five cities showing incidence of positive/negative equity and related housing assets - based on histories taken from interviews conducted 2000-2004 retrospectively back to family formation (birth of first child).

<table>
<thead>
<tr>
<th>Housing wealth and housing-related asset history and characteristics</th>
<th>Incidence (maximum one entry per household)</th>
<th>London N=20</th>
<th>Edinburgh N=20</th>
<th>San Francisco N=20</th>
<th>Seattle N=20</th>
<th>Portland N=20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure stability</td>
<td>Uninterrupted career of owner occupation since family formation</td>
<td>15</td>
<td>19</td>
<td>10</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Have experienced difficulties entering or maintaining home owner status</td>
<td>5</td>
<td>1</td>
<td>10</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Households report multiple experiences, strategies and assets through the process of biographic data collection - therefore response numbers reported in the columns below add up to greater than N=20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing equity</td>
<td>Negative: experience of possession or serious debt</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Positive: own second property (for holiday use or to let)</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Positive: have refinanced or withdrawn equity from home</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Intergenerational: relied on extended family financial assistance, gift or inheritance</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Housing-related assets</td>
<td>Generate income from letting out a room in house</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Have used a room in house for live-in childcare provider</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Share house with elderly parent who receives medical/personal care at home</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: authors biographical interviews (see also Jarvis 2005)