In April 2008, America's unemployment rate was only 5.1 per cent. At that time I attended an Association of American Geographers conference in Boston and heard about the US subprime housing crisis. Local experts told of the US housing market being hit by a “slow-moving tsunami”. I remembered the phrase, probably because it was so vivid.

I went to the AAG conference again in April 2009, this time in Las Vegas. Nevada, California, its sunny backyard playground. By then America’s unemployment rate had jumped to 6.6 per cent and the Global Financial Crisis had erupted. Financial experts pointed to the collapse of the US subprime housing market as the trigger for the crisis. As millions of Americans walked away from their mortgages, or suffered eviction, the financial securities that had backed these mortgages lost their value. Those who owned the securities – banks, insurance companies, superannuation funds, even local councils – lost heavily.

At the Las Vegas conference local experts told of neighbourhoods where every third house was abandoned. Families who had been kicked out for falling behind on repayments had returned and knelt at the value of their houses had fallen so much it wasn’t worth paying off the amounts they’d signed up for.

Similar stories were told of foreclosures and abandonment in rundown neighbourhoods in the mid-western industrial cities like Minneapolis, Chicago, Toledo and Detroit. There it was Afro-American families who had done theirthough, entered into home ownership by easy loan approval processes, but unable to pay the payments as they lost jobs in the economic downturn and as higher interest rates kicked in on their loans. Like in Las Vegas, sidewalks in these neighbourhoods were cluttered with “For Sale – new” signs.

I’m just back from the 2010 AAG conference which was held in Washington. Once again I listened to stories of the slow-moving tsunami, the same researchers updating one of the great tragedies of modern wealth society.

The unemployment rate in the US is now 9.7 per cent. But in the hardest hit housing crisis cities, the unemployment rate is worryingly higher. In the older industrial states unemployment is consistently in double figures. Illinois is 11.5 per cent. Ohio is 11 per cent. Michigan, the once mighty industrial state on the shores of the Great Lakes, has an unemployment rate of 14.1 per cent.

The neighbourhoods hit by the subprime crisis in the cities of these old industrial regions are now experiencing bizarre change. Abandoned houses are being bulldozed to the ground. After being looted for their copper pipes and fittings, unoccupied houses become neighbourhood eyesores.

Sometimes vandals set them alight. With no resale value, their title holders – mortgage brokers, banks, sometimes just a PO box number – choose to clear the house site completely rather than face the expense of ongoing property maintenance and protection.

The stories defy belief. In just under a decade large numbers of low-income households, many of them Afro-American, were enticed into home ownership. A few years on, these same families are bunking down with relatives across town, and the houses they once rented, and then tried to buy, are no longer there, because they became too expensive to hold without occupants. Explain that to your child.

Across the continent, California suffers 12.6 per cent unemployment, up 8.5 per cent in 2007. One million Californian jobs have been lost in the recession. Once, California was the rich world’s dream child. Now it is on its knees with its version of the subprime housing crisis hammering it around the country.

California’s cheap housing money was fed into what locals call the “inland empire”. Loared by the chance of owning a new big house, working class Californians, many of them Latino – Spanish speakers – bought into new housing estates in the Los Angeles valleys. But as the Californian economy stumbled and job losses mounted, many families struggled to meet mortgage repayments. Unlike in the industrial mid-west, though, Californian defaulters sent the whole housing chain broke: the builders, the trades, the suppliers and so on.

Since 2008, America has had 2.5 million housing foreclosures.

**FOR SALE:** Since 2008, America has had 2.5 million housing foreclosures.

### In the cyber age, basic communication fails

#### Online safety highlights the need to talk, writes Hubert Williams.

ONE of the biggest concerns about the Internet is safety. With the number of people going online doubling every few years, concerns about privacy, security and personal safety are legitimate.

In recent years, the most commonly cited problems have been identity theft and cyberbullying, but what is less understood is the extent to which the Internet is changing our social and interpersonal relationships.

While we’re worrying about your friends and your upcoming exams, they’re worrying about their houses and jobs. Your mother may seldom get a chance to go out on her own and enjoy herself.

What about your parents? Your parents may have unfilled dreams they’ve had to sacrifice so that you can reach yours. Remember, parents are people too. They laugh, they cry, their feelings get hurt, and they don’t always have their act together – just like me and you.

Your world differs from the world of your parents when they were your age. It certainly differs from mine. Cybersecurity is not a concern. Like all developments there is good and bad.

A recent parent information evening led by the premier national educational authority was excellent, informative and a great help in recognizing steps to ensure safety on the net. It is a pity that only a small interested group attended, despite being advertised widely.

Cybersecurity is one of many areas needing family communication. Sexuality, ethics, the responsibilities of driving and the temptations of illegal drugs are a few more.

As parents and educators, are we willing to address these issues?

Hubert Williams is a Marist Brother and the principal of St Francis Xavier’s College, Hamilton. Article submitted by the Churches Media Association.

#### Today’s fact

Australia has the highest per capita level of gambling in the world.**

#### Today’s word

**Hippie:** rough with bristles, brushty; shaggy.

#### It happened today

From our files 1967: There are fresh calls for the boathouses at Bomeni Bay to be demolished, labelled as unsightly remnants of the depression.

#### Today in history

1919: Columbus discovers Jamaica.

1960: Peace of Oliva is signed, ending war between Brandenburg, Poland, Austria and Sweden.

1979: Polish Parliament approves the first modern constitution.

1981: New Zealand is formally proclaimed a British colony.

1927: Australian Council of Trade Unions (ACTU) formed.

1937: Margaret Mitchell wins a Pulitzer Prize for her novel Gone with the Wind.

1944: ALP under William McKell is swept into power in NSW with an increased majority.

1957: The US Supreme Court rules that covenants prohibiting the sale of real estate to blacks and other minorities are legally unenforceable.

1978: Queen officially opens the new international terminal at Sydney’s Kingsford Smith Airport.

2008: Cyclone Nargis strikes Burma, killing at least 78,000 and leaving 56,000 others missing.

#### Born today

Nicoletta Maciachini, Italian poet and philosopher (1409-1527); Golda Meir, Israeli statesman (1898-1978); Betty Cuningham, US songwriter-entertainer (1919-2006); Pete Seeger, US folk singer (1919- ); Sugar Ray Robinson, US boxer (1920-1989); James Brown, pictured, US soul musician (1928-2006); Christopher Cross, US singer (1951- ).

#### Odd spot

A Pennsylvania hunter has been found guilty of using pasties to illegally bait the largest bear killed in the state during the 2009 season.

#### Today’s text

Jesus said, “For God so loved the world that he gave His one and only Son, that whoever believes in him shall not perish but have eternal life.”

John 3:16