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How Homeownership Became the Engine of American Inequality

An enormous entitlement in the tax code props up home prices — and overwhelmingly benefits the wealthy and the upper middle class.

By MATTHEW DESMOND MAY 9, 2017

The son of a minister, Ohene Asare grew up poor. His family immigrated from Ghana when he was 8 and settled down in West Bridgewater, Mass., a town 30 miles south of Boston, where he was one of the few black students at the local public school. "It was us and this Jewish family," Asare remembered. "It was a field day." His white classmates bullied him, sometimes using racial slurs. His father transferred Asare when he was 14 to Milton Academy, which awarded Asare a scholarship that covered tuition and board. His parents still had to take out loans worth about $20,000 for his living expenses. But the academy set Asare up for future success. He and his wife, Régine Jean-Charles, whom he got to know at Milton, are in their late 30s. She is a tenured professor of romance languages and literature at Boston College, and Asare is a founder of Aesara, a consulting and technology company.

Two years ago, the couple bought a new home. Set on a half-acre lot that backs up to conservation land in Milton, Mass., the 2,350-square-foot split-level has four bedrooms, three bathrooms, an open-concept kitchen and dining area, a finished basement, hardwood floors and beautiful touches throughout, like the Tennessee marble fireplace and hearth. It cost $665,000. "This is the nicest house I've ever lived in," Asare told me.

Asare and Jean-Charles have four children and earn roughly $290,000 a year, which puts them in the top 5 percent of household incomes in the country. After renting for the first years of their marriage, they participated in a home buyers' program administered by the nonprofit Neighborhood Assistance Corporation of America. The program allowed Asare and Jean-Charles to purchase their first home in 2009 for $360,000 with a 10 percent down payment, half of what is typically required. In 2015, they sold it for $430,000. There is a reason so many Americans choose to develop their net worth through homeownership: It is a proven wealth builder and savings compeller. The average homeowner boasts a net worth ($195,400) that is 36 times that of the average renter ($5,400).

Asare serves on the advisory board for HomeStart, a nonprofit focused on ending and preventing homelessness. Like most organizations, HomeStart is made up of people at various rungs on the economic ladder. Asare sits near the top; his salary exceeds that of anyone on staff at the nonprofit he helps advise. When Crisaliz Diaz was a staff member at HomeStart, she was at the other end of the ladder. She earned $38,000 a year, putting her near the bottom third of American household incomes. A 26-year-old Latina with thick-rimmed glasses, Diaz rents a small two-bedroom apartment in Braintree, Mass., an outer suburb of Boston. Her two sons, Xzayvior and Mayson — Zay and May, she calls them — share a room plastered with Lego posters and Mickey Mouse stickers. Her apartment is spare and clean, with ceiling tiles you can push up and views of the parking lot and busy street.

When Diaz moved in four years ago, the rent was $1,195 a month, heat included, but her landlord has since raised the rent to $1,385 a month, which takes 44 percent of her paycheck. Even with child-support payments and side jobs, she still doesn't bring in enough to pay her regular bills. She goes without a savings account and regularly relies on credit cards to buy toilet paper and soap. "There's no stop to it," she told me. "It's just a consistent thing."

Diaz receives no housing assistance. She has applied to several programs, but nothing has come through. The last time Boston accepted new applications for rental-assistance Section 8 vouchers was nine years ago, when for a few precious weeks you were allowed to place your name on a very long waiting list. Boston is not atypical in that way. In Los Angeles, the estimated wait time for a Section 8 voucher is 11 years. In Washington, the waiting list for housing vouchers is closed indefinitely, and over 40,000 people have applied for public housing alone. While many Americans assume that most poor families live in subsidized housing, the opposite is true; nationwide, only one in four households that qualifies for rental assistance receives it. Most are like Diaz, struggling without government help in the private rental market, where housing costs claim larger and larger chunks of their income.

Almost a decade removed from the foreclosure crisis that began in 2008, the nation is facing one of the worst affordable-housing shortages in generations. The standard of “affordable” housing is that which costs roughly 30 percent or less of a family’s income. Because of rising housing costs and stagnant wages, slightly more than half of all poor renting families in the country spend more than 50 percent of their income on housing costs, and at least one in four spends more than 70 percent. Yet America’s national housing policy gives affluent homeowners large benefits; middle-class homeowners, smaller benefits; and most renters, who are disproportionately poor, nothing. It is difficult to think of another social policy that more successfully multiplies America’s inequality in such a sweeping fashion.

Consider Asare and Diaz. As a homeowner, Asare benefits from tax breaks that Diaz does not, the biggest being the mortgage-interest deduction — or MID, in wonk-speak. All homeowners in America may deduct mortgage interest on their first and second homes. In 2015, Asare and Jean-Charles claimed $21,686 in home interest and other real estate deductions, which saved them $470 a month. That’s roughly 15 percent of Diaz’s monthly income. That same year, the federal government dedicated nearly $134 billion to homeowner subsidies. The MID accounted for the biggest chunk of the total, $71 billion, with real estate tax deductions, capital gains exclusions and other expenditures accounting for the rest. That number, $134 billion, was larger than the entire budgets of the Departments of Education, Justice and Energy combined for that year. It is a figure that exceeds half the entire gross domestic product of countries like Chile, New Zealand and Portugal.

Recently, Gary Cohn, the chief economic adviser to President Trump, heralded his boss’s first tax plan as a “once-in-a-generation opportunity to do something really big.” And indeed, Trump’s plan represents a radical transformation in how we will fund the government, with its biggest winners being corporations and wealthy families. But no one in his administration, and only a small (albeit growing) group of people in either party, is pushing to reform what may very well be the most regressive piece of social policy in America. Perhaps that's because the mortgage-interest deduction overwhelmingly benefits the sorts of upper-middle-class voters who make up the donor base of both parties and who generally fail to acknowledge themselves to be beneficiaries of federal largess. "Today, as in the past," writes the historian Molly Michelmore in her book "Tax and Spend," "most of the recipients of federal aid are not the suspect 'welfare queens' of the popular imagination but rather middle-class homeowners, salaried professionals and retirees." A 15-story public housing tower and a mortgaged suburban home are both government-subsidized, but only one looks (and feels) that way. It is only by recognizing this fact that we can begin to understand why there is so much poverty in the United States today.

When we think of entitlement programs, Social Security and Medicare immediately come to mind. But by any fair standard, the holy trinity of United States social policy should also include the mortgage-interest deduction — an enormous benefit that has also become politically untouchable.

The MID came into being in 1913, not to spur homeownership but simply as part of a general policy allowing businesses to deduct interest payments from loans. At that time, most Americans didn't own their homes and only the rich paid income tax, so the effects of the mortgage deduction on the nation's tax proceeds were fairly trivial. That began to change in the second half of the 20th century, though, because of two huge transformations in American life. First, income tax was converted from an elite tax to a mass tax: In 1932, the Bureau of Internal Revenue (precursor to the I.R.S.) processed fewer than two million individual tax returns, but 11 years later, it processed over 40 million. At the same time, the federal government began subsidizing homeownership through large-scale initiatives like the G.I. Bill and mortgage insurance. Homeownership grew rapidly in the postwar period, and so did the MID.

By the time policy makers realized how extravagant the MID had become, it was too late to do much about it without facing significant backlash. Millions of voters had begun to count on getting that money back. Even President Ronald Reagan, who oversaw drastic cuts to housing programs benefiting low-income Americans, let the MID be. Subsequent politicians followed suit, often eager to discuss reforms to Social Security and Medicare but reluctant to touch the MID, even as the program continued to grow more costly: By 2019, MID expenditures are expected to exceed $96 billion.

"Once we're in a world with a MID," says Todd Sinai, a professor of real estate and public policy at the University of Pennsylvania's Wharton School, "it is very hard to get to a world without the MID." That's in part because the benefit helps to prop up home values. It's impossible to say how much, but a widely cited 1996 study estimated that eliminating the MID and property-tax deductions would result in a 13 to 17 percent reduction in housing prices nationwide, though that estimate varies widely by region and more recent analyses have found smaller effects. The MID allows home buyers to collect more after-tax savings if they take on more mortgage debt, which incentivizes them to pay more for properties than they could have otherwise. By inflating home values, the MID benefits Americans who already own homes — and makes joining their ranks harder.

The owner-renter divide is as salient as any other in this nation, and this divide is a historical result of statecraft designed to protect and promote inequality. Ours was not always a nation of homeowners; the New Deal fashioned it so, particularly through the G.I. Bill of Rights. The G.I. Bill was enormous, consuming 15 percent of the federal budget in 1948, and remains unmatched by any other single social policy in the scope and depth of its provisions, which included things like college tuition benefits and small-business loans. The G.I. Bill brought a rollout of veterans' mortgages, padded with modest interest rates and down payments waived for loans up to 30 years. Returning soldiers lined up and bought new homes by the millions. In the years immediately following World War II, veterans' mortgages accounted for over 40 percent of all home loans.

But both in its design and its application, the G.I. Bill excluded a large number of citizens. To get the New Deal through Congress, Franklin Roosevelt needed to appease the Southern arm of the Democratic Party. So he acquiesced when Congress blocked many nonwhites, particularly African-Americans, from accessing his newly created ladders of opportunity. Farm work, housekeeping and other jobs disproportionately staffed by African-Americans were omitted from programs like Social Security and unemployment insurance. Local Veterans Affairs centers and other entities loyal to Jim Crow did their parts as well, systematically denying nonwhite veterans access to the G.I. Bill. If those veterans got past the V.A., they still had to contend with the banks, which denied loan applications in nonwhite neighborhoods because the Federal Housing Administration refused to insure mortgages there. From 1934 to 1968, the official F.H.A. policy of redlining made homeownership virtually impossible in black communities. “The consequences proved profound,” writes the historian Ira Katznelson in his perfectly titled book, “When Affirmative Action Was White.” “By 1984, when G.I. Bill mortgages had mainly matured, the median white household had a net worth of $39,135; the comparable figure for black households was only $3,397, or just 9 percent of white holdings. Most of this difference was accounted for by the absence of homeownership.”

This legacy has been passed down to subsequent generations. Today a majority of first-time home buyers get down-payment help from their parents; many of those parents pitch in by refinancing their own homes. As black homeowners, Asare and Jean-Charles are exceptions to the national trend: While most white families own a home, a majority of black and Latino families do not. Differences in homeownership rates remain the prime driver of the nation’s racial wealth gap. In 2011, the median white household had a net worth of $111,146, compared with $7,113 for the median black household and $8,348 for the median Hispanic household. If black and Hispanic families owned homes at rates similar to whites, the racial wealth gap would be reduced by almost a third.

Racial exclusion was Roosevelt’s first concession to pass the New Deal; his second, to avoid a tax revolt, was to rely on regressive and largely hidden payroll taxes to fund generous social-welfare programs. A result, the historian Michelmore observes, is that we “never asked ordinary taxpayers to pay for the economic security many soon came to expect as a matter of right.” In providing millions of middle-class families stealth benefits, the American government rendered itself invisible to those families, who soon came to see their success as wholly self-made. We forgot because we were not meant to remember.

Proponents of the mortgage-interest deduction often claim that the benefit is a big help to middle-class homeowners. Vincent Wisniewski Jr. is one of them. Wisniewski, 35 and white, with brown hair down to his shoulders, worked with Diaz at HomeStart, but as a program manager. He and his wife, Kelly Kristof, an emergency-room technician, make about $79,000 a year, roughly the median household income for families in the Boston metro area. They live with their 9-month-old son in a 985-square-foot condominium that Wisniewski bought three years ago for $190,000.

Set on a quiet street in Winthrop, a community hemmed in by Logan Airport on one side and the Atlantic on the other, the condo features two bedrooms, a square kitchen with white cupboards, a television room and “the quiet room,” with hanging plants, guitars mounted on the wall and a large bay window. From the small back patio, the ocean is close enough to smell. The mortgage and property-tax bills are about $915 a month, and the monthly condo fee is $368, which includes expensive flood insurance. Even counting utilities, Wisniewski and Kristof spend about 22 percent of their combined income on housing costs. With what’s left over, they buy items for their son, take vacations and enjoy local restaurants. “We definitely feel comfortable,” Wisniewski told me.

Before moving into his condo, Wisniewski rented an apartment in urban Somerville for $1,500 a month, splitting it with a roommate. If he had continued to rent, Wisniewski would have had steeper monthly payments that would have only accelerated in subsequent years; and none of that money would have contributed to his young family’s nest egg.

In 2015, Wisniewski deducted $4,789 of mortgage interest, which means he saved $39 a month. (He didn’t take the deduction for 2016 because once he was married, the standard deduction was larger.) That’s a pittance compared with what Asare and Jean-Charles saved, for an obvious reason: They claim a bigger deduction because they have a bigger mortgage. And they could get a bigger mortgage because they have a bigger income. This is one reason taxpayers on the coasts, where incomes and property costs are higher, typically benefit much more from the MID. The per capita MID claim for residents of Maryland and the District of Columbia, for example, is three times what it is for families living in West Virginia and Mississippi.

There is another reason most MID benefits accrue to the top, even among homeowners: You have to itemize your deductions to claim it. Most taxpayers don't bother because they don't make enough money to justify the hassle. In 2014, 1.5 million households earning between $40,000 and $50,000 a year claimed the MID, receiving an average benefit of $14 a month. That same year, 6.5 million households with earnings above $200,000 claimed the MID and enjoyed an average benefit of $391 a month. What this means in aggregate is that households with at least six-figure incomes receive more than four-fifths of the total value of mortgage interest and property-tax deductions.

Wisniewski benefits from the MID, but it didn't help him buy his condo. The biggest barrier to buying a first home is saving enough for a down payment, a problem the MID does not solve. Wisniewski's parents pitched in $5,000, and he secured additional financing through ONE Mortgage, a program offered by the Massachusetts Housing Partnership for first-time home buyers. Wisniewski didn't really consider homeowner tax breaks when shopping for his home. Defenders of the MID began arguing that it encouraged homeownership after the benefit was popularized, but numerous studies have found no support for this claim. For example, a 2002 paper by the economists Edward Glaeser and Jesse Shapiro showed that while the value of the deduction had fluctuated significantly with inflation since 1960, homeownership rates had remained more or less unchanged. "The home mortgage interest deduction," the authors write, "is a particularly poor instrument for encouraging homeownership since it is targeted at the wealthy, who are almost always homeowners." Glaeser later confirmed unequivocally that these patterns hold true today.

So why do we keep this "poor instrument" around, if the overarching goal of American federal housing policy is to create a nation of homeowners? Perhaps because the MID enjoys entrenched, unyielding support from a powerful real estate lobby. We often discuss the influence of the gun and pharmaceutical lobbies, but the real estate lobby has spent much more than either group. According to the Center for Responsive Politics, the National Association of Realtors spent $64.8 million in lobbying efforts in 2016, making it second only to the U.S. Chamber of Commerce in terms of dollars spent. And to 1.2 million Realtors, the mortgage-interest deduction is nonnegotiable. The association calls it a "remarkably effective tool that facilitates homeownership." Jerry Howard, the chief executive of the National Association of Home Builders, refers to the MID as "one of the cornerstones of American housing policy." Of course, industry groups have a responsibility to their members, who enjoy profiting from a government subsidy that increases the prices of homes they build and sell.

William Brown, the president of the Realtor association, said his members "aren't shy about making their voices heard" to preserve the status quo. No, they are not — and Washington has listened. After the Republican-led Ways and Means Committee proposed modifications to the MID in a draft of the Tax Reform Act of 2014, the association issued a statement saying it was "extremely disappointed." The act did not propose to eliminate the MID but simply to cap the amount of deductible mortgage debt at $500,000, as opposed to the current cap of $1 million. (Second mortgages are capped at $100,000.) The only reason the MID is capped at all is because of the "immaculate conception provision" in the 1987 budget reconciliation bill, so named because the initiator of this provision, probably out of a desire stay gainfully employed in government, never took credit for it. It was the only time in its 104-year history that the MID has been altered.

Today as in years past, MID reform is generally considered a lost cause. There have been gestures at reform — Representative Keith Ellison, a Minnesota Democrat, keeps reintroducing a bill that would replace the MID with a 15 percent tax credit on interest paid up to $500,000 — but they have gone nowhere. Five months ago, before being confirmed as Treasury secretary, Steven Mnuchin announced that the new administration hoped to "cap the mortgage interest." But when Trump released his tax plan last month, the MID was untouched. Trump did propose to double the standard deduction (to $24,000 from $12,600 for married couples, for example) which would make the MID irrelevant for a vast majority of homeowners, whose mortgage interest would be less than the increased exemption, giving them almost no reason to itemize. But wealthy families living in expensive homes would still cash in. If anything, doubling the standard deduction simply exposes the MID for what it really is: a generous public-housing program for the rich. Diane Yentel, the president and chief executive of the National Low Income Housing Coalition, believes that in the long run this will make the MID "untenable to retain."

Yentel's coalition supports the idea of lowering the size of deductible mortgage debt to $500,000 and reallocating the savings to housing assistance for low-income families. "The solution is so obvious," Yentel says. "There are a number of programs that have proven success in ending homelessness and ending housing insecurity." The problem is not in the policies' prescriptions but in their dosage: We severely underfund programs that work. By one estimate, capping the MID at $500,000 would save $87 billion over 10 years, even though less than 6 percent of mortgages nationwide exceed half a million dollars. That savings would allow 1.2 million additional families to benefit from housing vouchers.

Of course, reforming the MID is one thing. Redirecting the savings to low-income families is quite another. "The much bigger hurdle," Yentel says, "is making sure that dollars are reaching affordable-housing programs." On this point, real estate lobbyists and affordable-housing advocates agree. "They want to cap it and put the savings in rental housing," says Joe Ventrone, the Realtor association's vice president for regulatory affairs. "Crazy, because the Congress does not operate that way. It goes in to build a battleship."

Capping the MID at $500,000 would have virtually no effect on homeownership rates. And according to the economist Glaeser, it would have only "modest effects on home prices" in supply-constrained cities like San Francisco and virtually no effect in cities with plenty of available land, like Houston. "Most homeowners wouldn't even feel it," Glaeser says, pointing out further that encouraging homeownership typically means moving people from multifamily buildings to single-family homes, which increases traffic congestion and pollution. But capping the MID at half a million dollars could cause properties in the $625,000 to $1.25 million range to drop in value.

Would we be O.K. with that? Would we support reform that provided desperately needed housing relief to millions of low-income Americans if it meant that the net worth of those who owned expensive homes took a hit? The answer is almost certainly no, at least for owners of houses valued north of $500,000. Wealth granted by a bizarre government subsidy is still wealth, and once people have it, they'd prefer to keep it. When it comes to public housing for the rich, it becomes hard to break the cycle of welfare dependency. It's why some Democratic leaders who represent districts with high housing prices, like Representative Nancy Pelosi (San Francisco) and Senator Chuck Schumer (New York), have been outspoken critics of MID reform, even if they are consistent backers of other equality-promoting initiatives.

We tend to speak about the poor as if they didn't live in the same society, as if our gains and their losses weren't intertwined. Conservatives explain poverty by pointing to "individual factors," like bad decisions or the rise of single-parent families; liberals refer to "structural causes," like the decline of manufacturing or the historical legacies of racial discrimination. Usually pitted against each other, each perspective serves a similar function: letting us off the hook by asserting that there is a deep-rooted, troubling problem — more than one in six Americans does not make enough to afford basic necessities — that most of us bear no responsibility for.

It's around this point that the conversation gets snagged in the weeds with questions about home prices, political ramifications or the administrative hurdles of reform — escape routes that allow us to lose sight of people like Cris Diaz, low-income renters who are not entitled to any housing assistance and who are giving most of their income to landlords and utility companies. To drive down poverty and promote economic mobility, the United States will need to make a major investment in affordable housing. You don't need to reform the MID to pay for that — there are plenty of other ways to raise revenue — but you have to pay for it somehow. Whatever our position on homeowner tax benefits, we should have an answer for people like Diaz.

Trump's preliminary 2018 budget includes a 13.2 percent reduction to the Department of Housing and Urban Development and the elimination of the Interagency Council on Homelessness, cuts that will almost certainly result in the loss of hundreds of thousands of housing vouchers and leave more families rent-burdened and homeless. President Barack Obama's 2017 budget proposal estimated that it would take $1 billion a year over the next 10 years to eliminate family homelessness in America — not decrease it or slice it in half, but end it. That's less than 1 percent of what we currently spend on homeowner subsidies. And yet a bill designed to provide every child in America with a home was pronounced dead on arrival in Congress. Up to this point, bills proposing modest reforms to the mortgage-interest deduction have met the same fate.

Poverty and homelessness are political creations. Their amelioration is within our grasp and budget. But those of us most likely to vote and contribute to political campaigns are least likely to support MID reform — either because it wouldn't affect our lives or because it would, by asking us to take less so that millions of Americans could be given the opportunity to climb out of poverty. It's just that we usually don't dial our elected officials when our less-fortunate neighbors are hurting, because we are not.

And yet over the course of our history, there have been times when Americans embraced a politics of sacrifice. During World War II, families volunteered to pay more taxes, ration food and give blood to serve a higher purpose. And even today, in what can feel like an age of insecurity and self-preservation, some Americans have shown a willingness to take a personal financial hit to promote social mobility and equality. Take the people of Seattle: For 36 years, they have agreed to be taxed more to raise revenue for affordable-housing programs. Last August, 70 percent of Seattle voters agreed to the largest housing levy yet, one expected to raise $290 million over the next seven years. Contributions to the levy are based on home values; a family living in a $480,000 home (the city's median value in 2015) pays an additional $122 a year in taxes. With that money, Seattle will fund emergency rental assistance, loans to first-time home buyers and the construction of housing units that must remain affordable for at least 50 years. Previous housing levies have generated over 13,000 affordable apartment units and enabled 900 low-income families to buy homes. The 2016 Housing Levy will do more because the residents of Seattle decided to invest in economic diversity and residential stability, sacrificing a pinch to help those in need.

Asare and Jean-Charles would welcome MID reform, even if it meant that they would have less in the bank at the end of the year. "There are people who sacrificed for me to be here," Asare told me. One of them was a boy named Chris Jackson, whom Asare met during his tormented years in the West Bridgewater school system. When Asare wouldn't fight back, Jackson, a fellow black student, would stick up for him. "I watched him fight and fight, get into trouble," Asare remembers. "And I'd be like, 'No, stop.' But he wouldn't, because what was right was right." Asare paused to collect himself, a hand fingering the space above his freshly shaved head. “That kind of compassion, that kind of brotherhood, is what I would ask of people: that we don’t give according to what people are willing to receive; we give according to the standard for what they should have.”

In February, Diaz’s landlord increased her rent by $65 a month, to $1,450. The timing couldn’t have been worse: Diaz had recently taken a new job as a leasing consultant at a small property management firm. The pay wasn’t better, but she had reduced her commute to 30 minutes from two hours. “I get to see my kids before it gets dark,” she said. But transitioning between the jobs caused her to go without income for a couple of weeks. With no savings to fall back on, she couldn’t pay the increased rent and was summoned to eviction court. A month later, Diaz walked through the metal detector at the Quincy District Courthouse. “Where do you go for evictions?” she asked a clerk, who pointed to a crowd of tenants shuffling toward the same room. Some wore heavy-heeled work boots and worn jeans; some leaned on canes and walkers; some bounced babies. Diaz took a seat on a long wooden bench and looked at the clock. She had had to use her lunch break to make court and only had 45 minutes.

Once a rarity in America, eviction has become commonplace in our cities, disrupting families, schools and entire neighborhoods. Forty people a day are evicted in Milwaukee; each day in New York City brings 60 marshal evictions. An eviction could plunge Diaz and her boys into homelessness and poverty. Studies have found that evicted families lose not only their homes but their jobs, possessions and neighbors too; they relocate to substandard housing in distressed communities; they have higher rates of depression and suicide. Even if poor families avoid eviction, they still suffer, because so much of their money goes to housing costs, forcing them to buy fewer school supplies, clothes, books — and food.

In some markets, there are virtually no affordable units left. The median annual rent for a two-bedroom apartment is currently $39,600 in Boston, $49,200 in New York City and $54,720 in San Francisco. Families priced out of large cities have moved to smaller ones, and now those cities are experiencing some of the steepest rent increases in the nation. The poor used to live on the other side of the tracks. Now they live in different towns and counties entirely.

And yet we continue to give the most help to those who least need it — affluent homeowners — while providing nothing to most rent-burdened tenants. If this is our design, our social contract, then we should at least own up to it; we should at least stand up and profess, “Yes, this is the kind of nation we want.” Before us, there are two honest choices: We can endorse this inequality-maximizing arrangement, or we can reject it. What we cannot do is look a mother like Diaz in the face and say, “We’d love to help you, but we just can’t afford to.” Because that is, quite simply, a lie.

After her name was called, Diaz stepped outside the courtroom to talk with her landlord’s attorney, a white man in wire glasses. She had secured emergency assistance from the state. It wasn’t enough. But the lawyer told Diaz that if she “zeroed out” by next month, paying all her back rent and April’s rent in full, he would dismiss the case. Diaz wrote out a check for $583 — a start, and what amounted to $357 less than what Asare and Jean-Charles receive from the MID in two months — and raced back to work. In April, she was let go.

Thinking about the long, hard road ahead for Diaz, I remembered a conversation I had with her six months earlier. Around her small dining table, Diaz and I had calculated her monthly budget, which left her with -$221 after all the bills were paid. The process seemed to reduce her to a sadder, emptied-out version of herself. “Eventually I’m going to have to figure something out,” she said softly, “whether it’s a second job or a third job. I don’t know.”

I looked down at my empty plate, smeared with tomato sauce from the meatball sub Diaz had made me. “Do you know what the mortgage-interest deduction is?” I asked.

“I don’t,” she said. “I’m sorry.”

After I explained what it is, she asked, “Why don’t they spend it on lower-income housing?” I shrugged. After a moment, I asked, “What would you do if you only had to pay 30 percent of your income on rent?”

Diaz looked around. Her eyes paused on one of Zay’s homework assignments stuck to the refrigerator. Titled “Someone Special,” its words wiggled forward in a child’s handwriting: “My mom is special because she helps me figure out addition and subtraction. We always cook together. We cook some spaghetti." On the other side of the fridge, held up by a clown-fish magnet, was a bill from the Massachusetts Registry of Motor Vehicles.

"That would be life," she said.

Matthew Desmond is the author of "Evicted: Poverty and Profit in the American City," which won a 2017 Pulitzer Prize.

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