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Bush: Goal adds \$256B to economy

President wants 5.5M more black, Hispanic families to own homes by end of the decade

BY JENNIFER LOVEN
Associated Press

WASHINGTON — President Bush said Tuesday that his goal of getting 5.5 million more black and Hispanic families into their own homes will give the U.S. economy a \$256 billion shot in the arm over the decade.

"This project is not only good for the soul of the country, it's good for the pocketbook of the country as well," Bush said at a daylong White House Conference on Increasing Minority Homeownership.

"The idea of encouraging new homeownership and the money that will be circulated as a result of people purchasing homes will mean people are more likely to find a job in America," he said.

Almost three-quarters of white American families are homeowners, but the same can be said for less than half of black and Hispanic families, or just over 13 million households.

"That's a home ownership gap," said Bush. "It's a gap that we've got to work together to close, for the good of our country, for the sake of a more hopeful future."

Bush has called for boosting minority homeownership by more than 40 percent by 2010. To do so, he has proposed increased government help for 40,000 low-income families trying to scrape together a down payment to buy their first home; \$2.4 billion in tax credits for developers who build or repair homes for low-income buyers; and letting federal rental assistance be used toward down payments or mortgage payments. All the proposals are pending in Congress.

The conference, held at George Washington University, was designed as a forum for new ideas as well as a kick in the pants for the myriad government and private sector players. Federal housing officials believe the president's goal is realistic, but only if the mortgage industry and nonprofit organizations also keep their end of the bargain by making capital and credit more available to minorities.

"One of the things presidents can do is they can call the old conference. So I'm going to call one, just to make sure people understand we're serious," Bush said in the summer.

Bush wrapped up the day with his afternoon address, following panels on affordable housing, the mortgage finance industry and educating con-



President Bush speaks at a White House conference Tuesday at George Washington University in Washington. The event was designed as a forum for new ideas and a spur for action on minority homeownership.

sumers about the pitfalls of obtaining affordable mortgages.

Skeptics applaud Bush's intentions, but question whether his as-yet-unpassed proposals can realistically accomplish his goal, noting they are targeted based on income, not race. They also criticize his housing policy's focus on home ownership, arguing it should concentrate instead on the larger and more pressing need for more affordable rental housing.

But with the congressional midterm elections approaching, promoting minority homeownership presents several potential political benefits for Bush.

The Bush White House has made romancing black and Hispanic voters and organized labor such as the Carpenters Union a top priority.

And in the face of Democratic charges he is neglecting the economy and polls showing voters want the president to pay closer attention to their pocketbook worries, Bush has been looking for ways to appear a good steward of the economy — even as he continues the war on terror and contem-

plates military action in Iraq.

To that end, a Department of Housing and Urban Development report released Tuesday estimated the combined impact of 5.5 million new minority homebuyers over the decade.

Assuming that 15 percent buy a newly constructed home, the result would be 4.1 million new jobs that would pump \$150 billion in wages into the economy. In addition, the new homeowners — who spend more in their first year of occupancy than non-owners — would purchase of \$19 billion worth of furniture and appliances, make \$17 billion in home improvements and pay \$70 billion in fees for professional services associated with home-buying, according to the report.

"When people own their own homes, they not only build they own futures, they transform entire communities in ways that have enormous social and economic benefits to all Americans," Housing Secretary Mel Martinez said.

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