Foreclosures and Children

According to RealtyTrac, a real-estate website that posts foreclosure data from more than 2,200 counties across the nation, 1 in every 84 housing units in Nevada received a foreclosure filing in August 2010.1 Particularly hard hit was Las Vegas, which is the top foreclosure city in the nation. The statistics are hard and persistent, as are the effects on families and children.

The authors of *The Impact of the Mortgage Crisis on Children and Their Education* estimate that between 2008 and 2010, 1.95 million children in the United States will be affected by the mortgage crisis, that is, they will lose their home due to foreclosure.2 They estimated the number of affected children by multiplying the number of projected foreclosures by the percentage of single-family households with children by the average number of children in each household. The same formula was used to estimate state numbers. In Nevada, 38,100 children are estimated to be affected by the mortgage crisis.3

Since the report was published, the unemployment rate in Nevada has increased, from 7.1 percent in August 2008 to 14.4 percent in August 2010.4 Again, Las Vegas is the top foreclosure city in the nation. Until the unemployment rate declines, the foreclosure numbers for Nevada most likely will remain high. What are the consequences on children?

The authors *The Impact of the Mortgage Crisis on Children and Their Families* briefly summarize previous research on the consequences of excessive mobility on students’ school performance, such as poor performance in math and reading and an increased likelihood of dropping out of school. There are neither estimates nor research that identifies consequences of student mobility resulting from the recent foreclosures. Involuntary mobility due to losing a home most likely will have a significant negative impact on children’s school performance due to physical, emotional, and mental distress. Any assessment of such effects would require tracking students throughout their schools years, which means that the long-term cumulative consequences will not be known for years to come. Just imagine the economic loss of less productive adults, all a result of current foreclosures.

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1 http://www.realtytrac.com/home.
2 Phillip Lovell, with First Focus, and Julia Isaacs, with First Focus and the Brookings Institute. The publication is available online at: http://www.firstfocus.net/sites/default/files/r.2008-5.1 lovell.pdf.
3 51,881 (projected foreclosures in Nevada) x 39.2 (percent of single-family households in Nevada with children) x 1.87 (average number of children in each household).

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