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Let the Rich Work for Their Housing Aid

By Peter Dreier

REP. RICK LAZIO (R-Brightwaters), chairman of the House subcommittee on housing, has pushed through legislation requiring Americans who receive housing subsidies to perform eight hours of community service a month.

In theory, this is a good idea. But, if Lazio is serious and really wants to encourage the spirit of voluntarism, then he won't limit his plan to the poor people who live in public housing or receive



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housing vouchers. They represent only a tiny proportion of the people who get housing assistance from Washington. Most beneficiaries of federal housing subsidies are wealthy or at least upper middle class. And they get their subsidies not from the Department of Housing and Urban Development, but from the Internal Revenue Service, in the form of tax breaks.

The current HUD budget is about \$20 billion. Subsidized housing for the poor is essentially a lottery, not an entitlement. HUD provides housing subsidies to about 4 million low-income households. This is only about one-quarter of the low-income families eligible for federal housing assistance.

In contrast, tax breaks for homeowners — the deduction of mortgage interest — cost the federal government more than \$58 billion last year. About 27 million homeowners took advantage of this tax break. That would be OK if most of it helped the

middle class. But those with the highest incomes and the most expensive homes (including second homes) get the largest subsidies.

About half the homeowner subsidy goes to taxpayers with incomes higher than \$100,000.

Even tax breaks for homeowners are an entitlement only for the well-off. Only 21.3 percent of all taxpayers take the mortgage-interest deduction, and this varies significantly with income. But, of these, 82.5 percent of taxpayers with incomes higher than \$200,000 take the deduction.

Some argue that requiring people who get housing subsidies to perform community service is a form of indentured servitude, but Lazio counters that it will "remind people to give of themselves." Why not follow Lazio's logic and ask Americans to perform community service based on the size of their federal housing subsidy? If we did, the wealthy folks in Beverly Hills, Grosse Pointe and Darien would be spending a lot more of their time doing good works.

Of course, when Lazio explains that "we are asking people to help their own neighborhood," we have to be careful. There aren't many soup kitchens and Head Start programs in the nation's wealthy suburbs. If we want the people who get tax breaks for living in mansions to "give back" to their communities, we ought to define that term broadly, so that they wind up mentoring young people and working in homeless shelters, not selling tickets to the art auction to benefit the symphony orchestra.

Wouldn't it be great to see the CEOs of the nation's big corporations, not to mention the many millionaires in Congress — the folks who receive mansion-size tax breaks — tutoring our troubled youth and fixing up abandoned homes? Perhaps some of the country's social policies would improve if America's moneyed class could learn first-hand about about the problems of the poor.

That way, when America's super-rich mail in their income tax forms with those huge deductions for their year-round mansions and their get-away vacation homes, they'll look forward to volunteering their free time to make America a better place.