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Urban Suffering Grew Under Reagan

by Peter Dreier

As some Americans mourn the death of Ronald Reagan as if they'd lost a friend, let us recall that the two-term president was no friend to America's cities.

Politically, Reagan owed little to urban voters, big-city mayors, black or Hispanic leaders, or labor unions - the major advocates for metropolitan concerns. His indifference to their problems was legendary. Early in his presidency, at a White House reception, he went up to the only black member of his cabinet, Housing and Urban Development Secretary Samuel Pierce, and said, "How are you, Mr. Mayor? I'm glad to meet you. How are things in your city?"

Reagan not only failed to recognize his own HUD secretary; he also failed to deal with the growing corruption scandal at the agency. Indeed, during the Reagan years, HUD became a feeding trough for Republican campaign contributors. Fortunately for Reagan, the media didn't uncover the "HUD Scandal" until he left office. It resulted in the indictment and conviction of top Reagan administration officials for illegally targeting housing subsidies to politically connected developers.

Reagan also presided over the dramatic deregulation of the nation's savings-and-loan industry, which allowed S&L's to end their reliance on home mortgages and engage in an orgy of commercial real estate speculation. This ultimately led to a federal taxpayer bailout that cost hundreds of billions of dollars.

Reagan's fans give him credit for restoring the nation's prosperity. But the income gap between the rich and everyone else in America widened. Wages for the average worker declined. The homeownership rate fell. Despite boom times for the rich, the poverty rate in cities grew.

Reagan is often lauded as "the great communicator," but he used his rhetorical skills to stigmatize poor people, which laid the groundwork for slashing the social safety net - despite the fact that Reagan's own family had been rescued by New Deal anti-poverty programs during the Depression.

During his stump speeches, Reagan often told the story of a so-called welfare queen in Chicago who drove a Cadillac and had ripped off \$150,000 from the

government using 80 aliases, 30 addresses, a dozen Social Security cards and four fictional dead husbands. Reagan dutifully promised to roll back welfare. Journalists searched for this welfare cheat and discovered that she didn't exist. Nevertheless, he kept using the anecdote.

Overall Reagan cut federal assistance to local governments by 60 percent. In 1980, federal dollars accounted for 22 percent of big-city budgets, but when he left office, it was down to 6 percent.

Reagan's most dramatic cut was for low-income housing subsidies. Soon after taking office, he appointed a housing task force dominated by developers, landlords and bankers. Its 1982 report called for "free and deregulated" markets as an alternative to government assistance. Reagan followed their advice. Between 1980 and 1989, HUD's budget authority was cut from \$74 billion to \$19 billion in constant dollars. The number of new subsidized housing starts fell from 175,000 to 20,000 a year.

One of Reagan's most enduring legacies is the steep increase in homeless people. By the late 1980s, the number of homeless had swollen to 600,000 on any given night and 1.2 million over the course of a year.

Defending himself against charges of callousness toward the poor, Reagan gave a classic blaming-the-victim statement. In 1984 on "Good Morning America" he said that people sleeping on the streets "are homeless, you might say, by choice."

President George W. Bush, who often claims Reagan's mantle, last month proposed cutting one-third of the Section 8 housing vouchers - a lifeline against homelessness for 2 million poor families. In this and many other ways, the Reagan revolution toward the cities continues.

We've already named a major airport and schools and streets after Ronald Reagan. But perhaps a more fitting tribute to his legacy would be for each American city to name a park bench - where at least one homeless person sleeps every night - in honor of our 40th president.

Peter Dreier is director of the urban and environmental policy program at Occidental College and co-author of "[Place Matters: Metropolitcs for the 21st Century](#)."

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