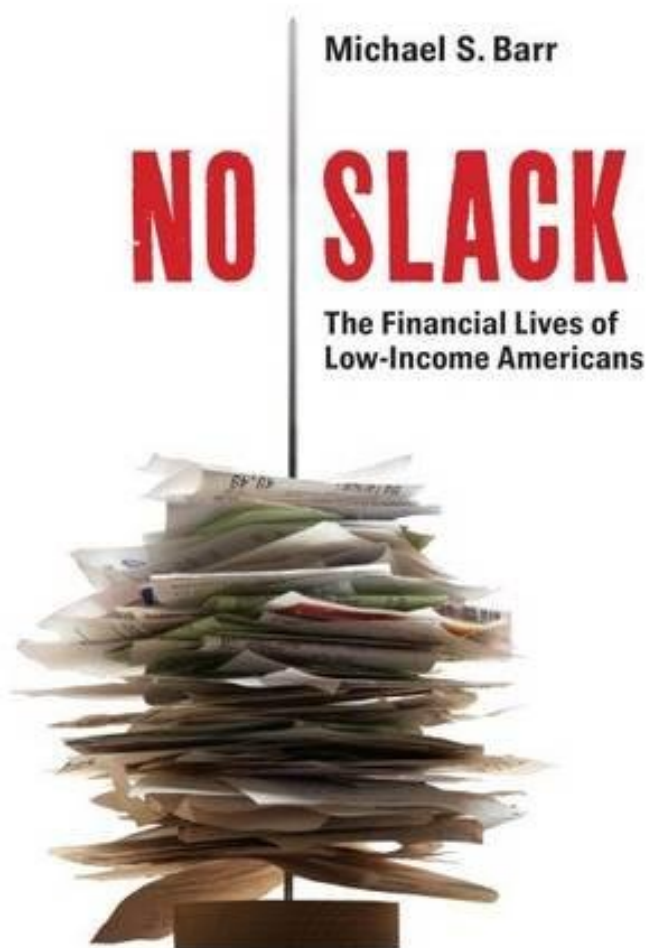


(Download) No Slack: The Financial Lives of Low-Income Americans

No Slack: The Financial Lives of Low-Income Americans

Michael S. Barr

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Michael S. Barr : No Slack: The Financial Lives of Low-Income Americans before purchasing it in order to gage whether or not it would be worth my time, and all praised No Slack: The Financial Lives of Low-Income Americans:

The financial crisis exposed the potentially unsavory results of the interaction between low- and moderate income households and alternative and mainstream financial institutions. Many households were overleveraged or paid high

costs for financial services, while others lacked access to useful financial products that can cushion against economic instability. The financial services system is not well designed to serve low- and moderate-income households, leaving them without financial slack: they did not have adequate breathing room for making the financial adjustments that would permit them to better meet their own needs. *No Slack* shows us why these families were the least prepared to handle the shock of the deep recession. This pivotal analysis focuses on the Detroit metropolitan area's low- and moderate-income neighborhoods, which are similar to those of other Rust Belt communities. The Detroit Area Household Financial Services study conducted at the height of the subprime lending boom examines these households' decisionmaking processes, behaviors, and attitudes toward a full range of financial transactions. *No Slack* reveals widespread problems in home mortgage lending, the common threads among people who file for bankruptcy, the reasons so many households are unbanked, and how behaviorally informed financial regulation can make the market work better. Drawing on his deep policy experience, Michael Barr advocates helping families seek financial stability in three primary ways: enhancing individuals' financial capability, using technology to promote access to financial products and services that meet their needs, and establishing strong protections for consumers.

"It is so nice to have Michael Barr back in academia, where he has resumed his scholarly research into the challenge of providing affordable financial services for the poor. In this book, he vividly illustrates that while the hidden fees and surprise charges embedded in so many financial products irritate and annoy us, for those with 'no slack' they can have devastating financial consequences. There has got to be a better way, and Barr has devoted his career to finding it." Sheila Bair, former chair of the Federal Deposit Insurance Corporation

"It is inspiring to see such a thoughtful analysis of the deep financial problems that make life miserable for so many people, and to see that many of these problems can be solved with suitable behaviorally informed financial innovations. Barr faces the real subtlety and complexity of the problems that leave so many people with no slack." Robert Shiller, Arthur M. Okun Professor of Economics, Yale University

"In many respects the American economy is too financialized. But as Michael Barr highlights in this important book, millions lack access to basic financial services and protections. Barr draws on his unmatched combination of academic expertise and policy experience to define the challenge and suggest ways to meet it. This book deserves to be an important part of any discussion of the future of the financial sector or the prospects for low-income Americans." Lawrence H. Summers, former U.S. Secretary of the Treasury, president emeritus and the Charles W. Eliot Professor, Harvard University

About the Author Michael S. Barr is a professor of law at the University of Michigan Law School and a nonresident senior fellow in Economic Studies at the Brookings Institution. In 2009-10 he served as assistant secretary for financial institutions with the U.S. Department of the Treasury, and he was a key architect of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.