
Wall Street vs. Housing

Link:

<https://stosselintheclassroom.org/both-sides-wall-street-vs-housing/>

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. Robert Reich said: "Hedge funds and private equity firms have been buying up hundreds of thousands of homes that would otherwise be purchased by people." What is the distinction between a home being bought by a firm and a home being bought by a person? Does it matter? Why/Why not?
3. The Stossel video included clips of Governor Gavin Newsom, Senator Elizabeth Warren, and President Donald Trump expressing concerns over private equity firms buying houses. Is it surprising that these three politicians agree on this issue? Why/Why not?
4. Robert Reich said that investment purchases accounted for around 28% of home sales in America in 2022. Is that number higher or lower than you would have expected? Why/Why not?
5. John Stossel said that investment firms only own 2% of housing. Is that number higher or lower than you would have expected? Why/Why not?
6. Robert Reich said that if present trends continue, "Wall Street investors may control 40% of U.S. single-family rental homes" by 2030. If true, should we be concerned about that? Why/Why not?
7. In the Stossel video, Stephen Slivinski said that private equity firms are "turning properties into livable places." What did he mean by that?
8. Robert Reich called homeownership a "cornerstone of generational wealth." What did he mean by that? What is generational wealth?
9. Stephen Slivinski said: "The presence of investors actually bring down housing prices." Why is that?

10. Robert Reich said that when investment firms buy houses, it leads to a vicious cycle. What was the vicious cycle he described?
11. The Stossel video included a clip of President Trump saying: "America will not become a nation of renters." What did he mean by that? Is it bad to be a renter? Why/Why not?
12. Robert Reich said that cynicism can be a self-fulfilling prophecy. What did he mean by that?
13. According to the Stossel video, what is "the real housing problem"?
14. Did these two videos share any common ground? Were there any points on which they agreed? If so, what were they?
15. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
16. Did you have an opinion on this topic before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from these videos that affects your views on this topic?
17. What else would you like to learn about this topic?
18. For more on this topic, see these installments of Both Sides of the Issue:
 - a. [Both Sides: How to Solve the Housing Crisis](#)
 - b. [Both Sides: The Housing Crisis Revisited](#)