



Review of Social Economy >

Volume 75, 2017 - [Issue 2](#)

287 | 3 | 94
Views | CrossRef citations to date | Altmetric

Articles

House arrest: the effects of underwater and low-equity mortgages on small business failure and mobility

Robert H. Scott & Steven Pressman

Pages 231-249 | Received 23 Jan 2016, Accepted 03 Aug 2016, Published online: 08 Sep 2016

Cite this article <https://doi.org/10.1080/00346764.2016.1226511>



Sample our
Social Sciences
Journals



>> **Sign in here** to start your access
to the latest two volumes for 14 days

Full Article

Figures & data

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

Abstract

This paper studies the effects of the recent housing crash on small business survival and household geographic mobility. Although a number of other works have studied these issues, our analysis differs from these because we do not focus only on underwater mortgages (less than 0% home equity), but also those slightly above water (0-10% equity). Homeowners with little or no equity face considerable constraints regarding moving, starting a business or keeping a current business open. They are more like underwater homeowners, but they differ enough to deserve a separate categorization in comparative studies, rather than being conflated with all other homeowners that have positive equity. We use the Federal Reserve's Survey of Consumer Finances panel data for 2007 and 2009, which allows us to track the exact same households during this critical time in the housing crisis.

Keywords:

- Mortgage debt
- household mobility
- small business financing
- underwater mortgages

Acknowledgment

The authors thank an anonymous referee and Michael Carr for their insight and guidance. The Monmouth University Business Council provided grant support for aspects of this research.

Notes

¹ Home foreclosure filings peaked in 2011 at 3,920,418 (completed foreclosures totaled 3,580,000) (Statistic Brain [2015](#)).

Related research

People also read

Recommended articles

Cited by
3

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG