

# HOW WALL STREET GREED HURT OHIO MAIN STREETS

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## TIMELINE OF THE FINANCIAL CRISIS ON WALL STREET

### 2007

**April 2**

New Century Financial Corporation goes bankrupt. As the largest subprime mortgage lender in the United States, its failure causes the collapse of smaller banks and leads to problems in the housing market.

**October 9**

The Dow Jones Industrial Average reaches its all-time record high at a level of 14,164 points.

### 2008

**March 17**

Following bad investments in the mortgage market, Bear Stearns is at risk of failing. JPMorgan Chase purchases the Wall Street institution. The news causes credit to tighten, which made it more difficult for banks to loan money to small businesses, homeowners, and individuals.

**September 7**

Regulators under the Bush administration intervene to ensure the financial health of mortgage lenders Fannie Mae and Freddie Mac.

**September 15**

Financial giant Lehman Brothers collapses in what is the largest bankruptcy in U.S. history. In addition, Bank of America purchases the troubled investment bank Merrill Lynch. Speculation begins that the failures of banking behemoths on Wall Street could lead to severe economic problems on Main Street.

**September 16**

The Federal Reserve announces \$85 billion in taxpayer funding for insurance giant AIG following its involvement in complex, unregulated financial products such as derivatives.

**September 25**

Washington Mutual fails in what is the largest bank failure in U.S. history. The bank's involvement in high-risk financial products decreases confidence in the well-being of the banking system.

**October 3**

To prevent the financial crisis caused by big banks from causing a catastrophic economic depression, Congress approves Treasury Secretary Henry Paulson's request to direct \$700 billion to shore up our economy.

### 2009

**March 9**

The Dow Jones Industrial Average closes at 6,547 points, which is down almost 54 percent from its all-time record high in October 2007. The decline leads to devastating consequences for workers with savings invested in the stock market.

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## EFFECTS OF THE WALL STREET CRISIS ON MAIN STREET

### Job Losses

- Before the reckless actions of Wall Street led to catastrophic consequences for businesses and working families, there were 335,915 unemployed Ohioans in January 2008. After the financial collapse, there were 655,393 unemployed Ohioans in March 2010.

*Source: Bureau of Labor Statistics*

- Before the financial crisis, the unemployment rate in Ohio stood at 5.6 percent in January 2008. While big banks are back to reporting record profits, middle-class families in Ohio faced an unemployment rate of 11.0 percent in March 2010.

*Source: Bureau of Labor Statistics*

### Small Business Access to Credit

- With big banks losing money from investments in high-risk and complex financial products, their lending to small banks plummeted. One effect was a decline in Small Business Administration lending in Ohio from 4,235 loans in 2007 to 2,150 loans in 2009.

*Source: Small Business Administration*

- In the three months following the collapse of financial giant Lehman Brothers – along with other turmoil on Wall Street in September 2008 – 69.2 percent of big banks reported tightening lending standards for small business nationwide. Small businesses, which are the largest source of jobs in the United States, struggle to access the credit they need to expand operations and create jobs.

*Source: Federal Reserve Board Senior Loan Officer Survey*

### Housing Market

- With big banks making loans to people who could not afford them and placing high-risk bets in the mortgage market, the downturn in the housing market worsened during the financial collapse. Before the financial crisis, Ohioans filed 83,230 foreclosures in 2007 as opposed to 89,053 foreclosures in 2009.

*Source: Ohio Attorney General*

- The average median sales price of existing single-family homes across eight Ohio metropolitan markets plunged by an average of 16 percent from 2007 to 2009.

*Source: National Association of Realtors*

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## THE FINANCIAL CRISIS AND ITS IMPACT ON THE NUMBER OF UNEMPLOYED OHIO WORKERS

SOURCE: OHIO DEPARTMENT OF JOB AND FAMILY SERVICES

<b>County</b>	<b>January 2008</b>	<b>January 2010</b>	<b>Increase</b>
Adams	1,400	2,400	1,000
Allen	3,600	6,200	2,600
Ashland	2,000	3,900	1,900
Ashtabula	4,000	7,700	3,700
Athens	2,000	3,000	1,000
Auglaize	1,400	2,900	1,500
Belmont	2,100	4,100	2,000
Brown	1,700	3,300	1,600
Butler	10,300	20,300	10,000
Carroll	1,100	2,300	1,200
Champaign	1,500	2,700	1,200
Clark	5,200	8,600	3,400
Clermont	6,000	12,400	6,400
Clinton	1,300	3,900	2,600
Columbiana	3,700	8,000	4,300
Coshocton	1,300	2,600	1,300
Crawford	1,900	3,300	1,400
Cuyahoga	44,100	64,200	20,100
Darke	1,900	3,700	1,800
Defiance	1,300	2,800	1,500
Delaware	3,900	7,600	3,700
Erie	3,300	5,800	2,500
Fairfield	4,300	7,700	3,400
Fayette	1,000	2,400	1,400
Franklin	30,400	58,000	27,600
Fulton	1,900	3,700	1,800
Gallia	1,000	1,700	700
Geauga	3,100	4,900	1,800
Greene	4,500	8,900	4,400
Guernsey	1,700	2,900	1,200
Hamilton	22,600	44,700	22,100
Hancock	2,000	4,200	2,200
Hardin	1,000	1,900	900
Harrison	500	1,000	500
Henry	1,200	2,500	1,300
Highland	1,500	4,000	2,500

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Hocking	1,200	1,900	700
Holmes	800	1,700	900
Huron	3,100	5,400	2,300
Jackson	1,400	2,000	600
Jefferson	2,200	5,000	2,800
Knox	2,000	3,400	1,400
Lake	8,600	13,400	4,800
Lawrence	1,500	2,900	1,400
Licking	5,100	9,200	4,100
Logan	1,500	3,300	1,800
Lorain	11,400	17,300	5,900
Lucas	19,300	28,100	8,800
Madison	1,200	2,200	1,000
Mahoning	8,300	15,500	7,200
Marion	2,100	3,900	1,800
Medina	6,000	9,200	3,200
Meigs	1,100	1,700	600
Mercer	1,100	2,300	1,200
Miami	3,400	7,400	4,000
Monroe	500	1,000	500
Montgomery	17,400	33,500	16,100
Morgan	700	1,200	500
Morrow	1,400	2,400	1,000
Muskingum	3,500	6,300	2,800
Noble	500	1,100	600
Ottawa	2,400	4,400	2,000
Paulding	600	1,500	900
Perry	1,400	2,800	1,400
Pickaway	1,700	3,300	1,600
Pike	1,200	2,000	800
Portage	5,900	10,800	4,900
Preble	1,500	3,000	1,500
Putnam	1,000	2,400	1,400
Richland	4,400	8,500	4,100
Ross	2,800	5,000	2,200
Sandusky	2,600	4,500	1,900
Scioto	2,600	5,000	2,400
Seneca	2,000	4,400	2,400
Shelby	1,700	3,800	2,100
Stark	12,500	25,400	12,900
Summit	17,500	33,700	16,200
Trumbull	7,400	14,800	7,400

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Tuscarawas	3,100	6,200	3,100
Union	1,300	2,500	1,200
Van Wert	1,000	2,200	1,200
Vinton	500	900	400
Warren	5,300	11,200	5,900
Washington	1,900	3,900	2,000
Wayne	3,200	6,400	3,200
Williams	1,200	3,300	2,100
Wood	4,400	7,900	3,500
Wyandot	1,000	1,700	700

# HOW WALL STREET GREED HURT OHIO MAIN STREETS

## THE FINANCIAL CRISIS AND ITS EFFECT ON NEW FORECLOSURE FILINGS

SOURCE: OHIO ATTORNEY GENERAL

<b>County</b>	<b>2007</b>	<b>2009</b>	<b>Percent Change</b>
Adams	116	163	40.5%
Allen	715	690	-3.5%
Ashland	266	348	30.8%
Ashtabula	741	802	8.2%
Athens	206	192	-6.8%
Auglaize	217	262	20.7%
Belmont	202	228	12.9%
Brown	336	385	14.6%
Butler	2,766	3,162	14.3%
Carroll	156	168	7.7%
Champaign	281	318	13.2%
Clark	1,059	1,104	4.2%
Clermont	1,123	1,342	19.5%
Clinton	297	397	33.7%
Columbiana	651	702	7.8%
Coshocton	192	187	-2.6%
Crawford	281	312	11.0%
Cuyahoga	14,267	14,171	-0.7%
Darke	273	311	13.9%
Defiance	172	198	15.1%
Delaware	897	1,003	11.8%
Erie	519	539	3.9%
Fairfield	910	1,019	12.0%
Fayette	195	235	20.5%
Franklin	8,928	9,499	6.4%
Fulton	192	273	42.2%
Gallia	94	82	-12.8%
Geauga	379	508	34.0%
Greene	668	851	27.4%
Guernsey	225	221	-1.8%
Hamilton	6,277	6,714	7.0%
Hancock	395	534	35.2%
Hardin	202	185	-8.4%
Harrison	72	70	-2.8%
Henry	120	183	52.5%
Highland	334	381	14.1%

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Hocking	138	166	20.3%
Holmes	125	103	-17.6%
Huron	431	423	-1.9%
Jackson	205	220	7.3%
Jefferson	255	308	20.8%
Knox	350	453	29.4%
Lake	1,382	1,695	22.6%
Lawrence	241	260	7.9%
Licking	1,183	1,178	-0.4%
Logan	292	340	16.4%
Lorain	2,376	2,696	13.5%
Lucas	3,735	4,491	20.2%
Madison	252	273	8.3%
Mahoning	1,860	1,755	-5.6%
Marion	505	584	15.6%
Medina	859	1,155	34.5%
Meigs	56	74	32.1%
Mercer	147	154	4.8%
Miami	577	741	28.4%
Monroe	37	33	-10.8%
Montgomery	5,063	4,703	-7.1%
Morgan	45	85	88.9%
Morrow	224	242	8.0%
Muskingum	557	450	-19.2%
Noble	29	32	10.3%
Ottawa	211	262	24.2%
Paulding	126	151	19.8%
Perry	243	234	-3.7%
Pickaway	307	339	10.4%
Pike	106	104	-1.9%
Portage	767	935	21.9%
Preble	348	370	6.3%
Putnam	81	100	23.5%
Richland	849	903	6.4%
Ross	413	518	25.4%
Sandusky	341	408	19.6%
Scioto	330	324	-1.8%
Seneca	301	331	10.0%
Shelby	254	303	19.3%
Stark	2,808	2,700	-3.8%
Summit	4,808	4,633	-3.6%
Trumbull	1,526	1,605	5.2%

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Tuscarawas	417	453	8.6%
Union	292	338	15.8%
Van Wert	162	207	27.8%
Vinton	52	65	25.0%
Warren	1,231	1,498	21.7%
Washington	285	201	-29.5%
Wayne	472	588	24.6%
Williams	191	273	42.9%
Wood	553	750	35.6%
Wyandot	108	107	-0.9%

## THE FINANCIAL CRISIS AND ITS IMPACT ON MEDIAN SALES PRICES OF EXISTING SINGLE-FAMILY HOMES

SOURCE: NATIONAL ASSOCIATION OF REALTORS

<b>Metropolitan Area</b>	<b>2007</b>	<b>2009</b>	<b>Percent Change</b>
Akron	119,300	93,200	-21.9%
Canton-Massillon	110,300	86,200	-21.8%
Cincinnati-Middletown	140,800	125,800	-10.7%
Cleveland-Elyria-Mentor	130,000	106,800	-17.8%
Columbus	147,400	134,900	-8.5%
Dayton	115,600	104,100	-9.9%
Toledo	106,600	83,400	-21.8%
Youngstown-Warren-Boardman	78,900	66,500	-15.7%