

One Third of Americans One Paycheck Away From Homelessness

By [Global Research](#)

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This stunning factoid was reported in [DS News last week](#) and appears not to have gotten the attention it deserves. A mid-September survey ascertained that a full one third of Americans were living paycheck to paycheck, and if they lost their job, they would not be able to make their next rent or mortgage payment. And the article stresses this was not a function of being in or near the poverty line (hat tip reader May S):

Despite being more affluent, the poll found that even those with higher annual household incomes indicate they are not guaranteed to make their next housing payment if they lost their source of income.

Ten percent of survey respondents earning \$100K or more a year say they would immediately miss a payment....

Sixty-one percent of those surveyed said if they were handed a pink slip, they would not be able to continue to make their mortgage or rent payment longer than five months.

The implications are grim. The odds of an economic recovery any time soon are close to non-existent. Many large companies (like Bank of America) have announced layoffs. Flagging top lines and a likely to be weak Christmas season, if Chinese shipping volumes are any guide, means more cuts are likely go be announced next year. And that's before you factor in the impact of a strengthening dollar, state and local government belt tightening and a possible financial crisis.

With so many citizens on a knife's edge financially, a slackening of demand will have a more severe impact than usual. I strongly suspect that most macroeconomic models don't allow for the shock of job losses leading so quickly to the loss of the primary residence or extremely rapid curtailment of spending (as regular readers once know, once a homeowner misses a mortgage payment or two, pyramiding late fees pretty much assure they are on a path to foreclosure). In other words, if we have another economic leg down, it will feed on itself in a more pernicious manner than most experts foresee.

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