

Written Statement for the Record
by Dr. Ben Carson
Secretary-Designate Housing and Urban Development
before the Committee on Banking, Housing, and Urban Affairs

Mr. Chairman, Senator Brown, and distinguished Members of the Committee, thank you for the opportunity to appear before you today. And thank you to Senator Marco Rubio, who is dedicated to empowering and uplifting all Americans, for that kind introduction.

Let me begin by thanking President-Elect Trump for nominating me to be Secretary of Housing and Urban Development. I am grateful for his friendship, his trust and his confidence in my ability to work hard on behalf of the millions of Americans who rely on the services provided by HUD.

I would also like to thank my wife Candy, to whom I have been married for the last 41 years, and who has been a pillar of strength for my family. All three of our three sons are here with me today as well.

I grew up in inner city Detroit with a single mother who had a 3rd grade education, but who worked numerous jobs to keep a roof over our heads and to put food on our table. I understand housing insecurity – we were forced to move from Detroit to Boston to live with relatives because she couldn't afford our house. However, thanks to her diligence, we were able to move back into that house in Detroit six years later.

My mother showed me the power of perseverance, the importance of hard work, and inspired me to always achieve excellence. While my mother was one of many children in her family and married at the very young age of 13, the fact that I am her son -- nominated to be a cabinet secretary -- shows that great opportunity can be available to those who grow up in a challenging environment. Thanks to her, I am here today. She pushed me to excel beyond my wildest dreams. She instilled in me a love of reading and learning, which is why I started the Carson Scholars Fund, a scholarship program my wife Candy and I started to help promising young students go to college. We've given 7,300 scholar awards since we founded the Carson Scholars Fund 20 years ago. We've also set up 160 reading rooms across America, mainly in Title I schools for low-income children, where, last year, those students logged 15 million minutes of independent readingⁱ. Our long-term goal is to nurture the entire school where these are located and allow students to develop the skills necessary to become lifetime readers and learners.

Mr. Chairman, I come before this Committee with the belief that anyone in America can, should, and will be able to achieve their dreams, but that sometimes the most basic needs prevent these people from reaching their potential. Simply put, it's difficult for a child to learn at school if he or she doesn't have an adequate place to live. In these situations, government can and should help. However, I believe we need to ensure that the help we provide families is efficient and effective. It cannot, and should not, trap people in an intergenerational cycle of poverty.

We must revisit the ways we do things in order to give people an opportunity to climb the economic and social ladder. Right now, social mobility has become stagnantⁱⁱ. However, if we think holistically about this – we will know that it’s more than just housing. We must include the areas of healthcare, education, jobs and the skills to do them, in addition to transportation, as we develop the best approach. In order to provide access to quality housing for the elderly, disabled, and low-income we need to work across silos, and I intend to do that at HUD, should you confirm me. I want to make America’s neighborhoods stronger and more inclusive.

We need to harness the power of all Americans if we are to compete globally -- we cannot afford to leave anyone behind. It’s a moral and economic imperative. Right now, China has a population of nearly 1.4 billion people;ⁱⁱⁱ India has almost 1.3 billion^{iv} -- these countries have about 4 times as many people as we do. So we need to make sure all our citizens are productive and contributing, as they are able, to our nation and our economy.

We need to empower people to pursue their dreams, including the American Dream. I have dedicated my life to serving those with the greatest need – either through the healing power of medicine or through encouraging young people to stay in school and go to college.

As a physician, I am used to working on large surgical teams like I did to separate twins joined at the back of the head for the first time in history, and making detailed plans to develop creative ways to solve complex problems. I directed pediatric neurosurgery at Johns Hopkins, as well as serving on the boards of two major American companies – Kellogg’s and Costco – so I understand the private sector and the importance of results and accountability.

Throughout my life, I have done things that many deemed impossible. I pledge to work with this Committee and the dedicated career staff at HUD to solve difficult, seemingly obstinate issues and address the needs of those who rely on the services provided by HUD.

Many members of this Committee with whom I’ve met have asked me why I would want to run HUD. It’s a good question. I want to help heal America’s divisiveness, and I think HUD is positioned to help in that healing. One of our biggest threats right now is this political division, racial conflict, and class warfare. It is ripping this country apart – we need to tamp down this animosity. As Jesus said and later Lincoln built on, “a house divided against itself cannot stand.” I see HUD as part of the solution, helping ensure housing security and strong communities. HUD has several different ways it helps people, through insuring financing for that first home to helping those in poverty, which has been an intractable problem for decades. The U.S. has [25 percent of the world’s inmates](#)^v, [72 percent of black babies are born out of wedlock](#)^{vi}, and [one in every 5 children in the U.S. lives in poverty](#)^{vii}. Those are daunting numbers, and in the United States of America, it’s a tragedy. We can do better.

There is a strong connection between housing and health, which is of course my background. Housing (and housing discrimination) is a “[social determinant of health](#)”^{viii}. Substandard housing conditions such as pest infestation, the presence of lead paint, faulty plumbing, and overcrowding, which disproportionately affect low-income and minority families, lead to health problems such as asthma, lead poisoning, heart disease, and [neurological disorders](#)^{ix}. These problems occur across America – in cities as well as suburbs and rural areas.

[Most Americans spend about 90 percent of their time indoors](#), and an estimated two-thirds of that time is spent in the home. Very young children spend even more time at home and are especially vulnerable to household hazards. I can tell you that lead poisoning irreversibly affects brain and nervous system development, resulting in lower intelligence and reading disabilities. An estimated 310,000 children ages 1 to 5 have elevated blood lead levels. Most lead exposures occur in the home, particularly in homes built before 1978 that often contain lead-based paint and lead in the plumbing systems.

Deteriorating paint in older homes is the primary source of lead exposure for children, who ingest paint chips and inhale lead-contaminated dust. Between 1998 and 2000, a quarter of the nation’s housing—24 million homes—was estimated to have significant lead-based paint hazards.

Substandard housing conditions such as water leaks, poor ventilation, dirty carpets and pest infestation can lead to an increase in mold, mites, and other allergens associated with poor health leading to more medical costs. Indoor allergens and damp housing conditions play an important role in the development and exacerbation of respiratory conditions including asthma, which currently affects over 20 million Americans and is the most common chronic disease among children. Approximately 40 percent of diagnosed asthma among children is believed to be attributable to residential exposures. In 2004, the cost of preventable hospitalizations for asthma was \$1.4 billion, a 30 percent increase from 2000.^x

I am passionate about health as you may have guessed, and where one lives should not cause health problems. So I look forward to working with HUD’s Safe and Healthy Homes program and others on these issues. We cannot have social mobility without a strong healthy foundation in the home.

There are other important issues for HUD as well. President-Elect Trump has talked about the importance of deregulation. That applies to housing as well. Overly burdensome housing regulations are bad for everyone and are increasing income inequality. [Research by Harvard professors](#) found that by reducing the ability of people to move around within an economy and

between different economies, strict land use regulations are reversing 100 years of income convergence across U.S. states. As housing prices in wealthy neighborhoods rise, migration of unskilled workers to those areas is deterred. But when land use for local housing supply is less regulated, workers of all skill types will choose to move to the productive locations. Many forms of land use regulation have perpetuated segregation^{xi}. [Complex webs of covenants](#) and zoning ordinances across U.S. cities—in particular for low-density development—superimposed on already highly-segregated neighborhoods, have [slowed integration](#)^{xii}. When there are wide economic gaps by race, as we have in the U.S., exclusionary land-use policies based on families' economic circumstances [entrench racial segregation](#)^{xiii}.

Regulations also are costly. They increase the average price of a new home by over 24 percent according to the [National Association of Home Builders](#)^{xiv}. Those costs price out many young, first-time homebuyers. Buying a home is the best way to build up an asset, and to live the American Dream. Housing dollars act as multipliers throughout the broader economy. In the 1990s, single-family home construction accounted for 2 percent of GDP; today, it's half that^{xv}. We need to shore up our nation's housing finance sector, and HUD plays a crucial role in the housing finance system through FHA and Ginnie Mae – helping borrowers with less than perfect credit or first-time homeowners get their toe in the door of a home they can call their own. But credit to purchase a house has been constricted since the 2008 crash and [many younger households have been held back](#) from buying that first home^{xvi}. With the Fed raising rates recently, mortgages are likely to get [more expensive](#)^{xvii}.

[Loans are now bifurcated](#)^{xviii}: the well-off have their pick of loans and lenders while many others without solid credit or stable incomes are [locked out](#)^{xix} – one of the reasons the economic recovery was slower than many would have liked. Homeownership rates have fallen on a year-over-year basis in every quarter for the last 10 years, and a surge in renting has dropped the homeownership rate to a [50-year low](#)^{xx}. Banks are loath to participate in low-down payment programs through FHA for fear of getting sued if the borrowers default. So we need to make sure HUD and FHA are fulfilling their missions to help people build up an asset, like a home, which will help them climb up the rungs of the economic ladder.

Although [homelessness is down](#)^{xxi}, even among [veterans](#)^{xxii}, we must continue to tackle this problem by continuing to build strong partnerships with counties and cities across America through the [Continuums of Care](#)^{xxiii}. I want to build on this progress – everyone should have a decent roof over their heads, and get treatment, job training or whatever they need to help them achieve self-sufficiency. This strengthens our nation and lightens the load for all.

HUD also helps communities through the CDBG program. It's a program with a long history that allocates nearly [\\$3 billion per year](#)^{xxiv} to over [1,000 local communities](#)^{xxv} for a variety of projects that benefit low- and moderate-income households. CDBG was, for example, very important

during Hurricane Katrina, and I hope to evaluate how we can improve the program further. It's important for all HUD programs to be evaluated so we know what works and what doesn't and where we can cut red tape.

My life story is an example of can happen when we dedicate ourselves to improving the lives of others. Everyone deserves a shot at the American Dream, and I intend to fight for those who are still trying to reach their full potential.

Mr. Chairman, Senator Brown, Members of this Committee, there is a lot of work ahead of us. However, I'm confident that by working together and tackling the problems head-on, we can improve the lives of all families and communities across the country, wherever they live and no matter their race, creed, color, or orientation. If confirmed, I will work hard on behalf of the American people to help realize and seize opportunity, and bring the promise of America to all.

ⁱ Carson Scholars Fund website. <http://carsonscholars.org/about-csf/our-impact/>

ⁱⁱ Chetty, Raj. *How can we improve economic opportunities for our children?* The Equality of Opportunity Project. <http://www.equality-of-opportunity.org/>

ⁱⁱⁱ The World Factbook. Central Intelligence Agency. https://www.cia.gov/library/publications/the-world-factbook/geos/print_ch.html

^{iv} The World Factbook. Central Intelligence Agency. <https://www.cia.gov/library/publications/the-world-factbook/geos/in.html>

^v Liptak, Adam. "Inmate Count in U.S. Dwarfs Other Nations." *New York Times*, April 23, 2008. <http://www.nytimes.com/2008/04/23/us/23prison.html>

^{vi} Blow, Charles. "Black Dads Are Doing Best of All." *New York Times*. June 8, 2015. https://www.nytimes.com/2015/06/08/opinion/charles-blow-black-dads-are-doing-the-best-of-all.html?_r=2

^{vii} Layton, Lindsey. "One in five U.S. schoolchildren are living below federal poverty line." *Washington Post*. May 28, 2015. https://www.washingtonpost.com/local/education/one-in-five-us-schoolchildren-are-living-below-federal-poverty-line/2015/05/28/2402f164-0556-11e5-bc72-f3e16bf50bb6_story.html?utm_term=.88271ab06537

^{viii} Matthew, Dayna Bowen, Rodrigue, Edward and Reeves, Richard V., October 19, 2016, *Time for justice: Tackling race inequalities in health and housing*, The Brookings Institution <https://www.brookings.edu/research/time-for-justice-tackling-race-inequalities-in-health-and-housing/>

^{ix} Ibid

^x Robert Wood Johnson Clinical Scholars Program. *Where We Live Matters for Our Health: The Links Between Housing and Health*. Craig Pollack, M.D., M.H.S., University of Pennsylvania Philadelphia VA Medical Center; Egerter, Susan Ph.D. Sadegh-Nobari, Tabashir, M.P.H. Dekker, Mercedes M.P.H., Braveman, Paula, M.D., M.P.H.

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^{xi} Shoag, Daniel and Ganong, Peter. *Why has regional income convergence declined?* Hutchins Center on Fiscal and Monetary Policy at Brookings Working Paper #21, August 4, 2016. https://www.brookings.edu/wp-content/uploads/2016/08/wp21_ganong-shoag_final.pdf

^{xii} *Housing Development Toolkit*, The White House, September 2016
https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit%20f.2.pdf

^{xiii} Resseger, Matthew. *The Impact of Land Use Regulation on Racial Segregation: Evidence from Massachusetts Zoning Borders*. November 26, 2013 http://scholar.harvard.edu/files/resseger/files/resseger_jmp_11_25.pdf

^{xiv} National Association of Home Builders. *Eye on Housing: National Association of Home Builders Discusses Economics and Housing Policy*. May 5, 2016. <http://eyeonhousing.org/2016/05/regulation-24-3-percent-of-the-average-new-home-price/>

^{xv} Timiraos, Nick. "Credit Restrictions Cost Home Buyers 'Deal of a Lifetime.'" *Wall Street Journal*, December 4, 2016. <http://www.wsj.com/articles/credit-restrictions-cost-home-buyers-deal-of-a-lifetime-1480874593>

^{xvi} Wharton School at the University of Pennsylvania,. "Why Millennials Are Delaying Home Buying More Than Ever." November 18, 2015.
<http://knowledge.wharton.upenn.edu/article/why-millennials-are-delaying-home-buying-more-than-ever/>

^{xvii} Russonello, Giovanni. "How the Fed's Interest Rate Increase Can Affect You." *New York Times*, December 14, 2016.
<https://www.nytimes.com/2016/12/14/business/economy/how-the-feds-interest-rate-increase-can-affect-you.html>

^{xviii} Timiraos, Nick. "Credit Restrictions Cost Home Buyers 'Deal of a Lifetime.'" *Wall Street Journal*, December 4, 2016. <http://www.wsj.com/articles/credit-restrictions-cost-home-buyers-deal-of-a-lifetime-1480874593>

^{xix} Ibid.

^{xx} Timiraos, Nick. "New Housing Headwind Looms as Fewer Renters Can Afford to Own," *Wall Street Journal*, June 7, 2015 <http://www.wsj.com/articles/new-housing-crisis-looms-as-fewer-renters-can-afford-to-own-1433698639>

^{xxi} U.S. Department of Housing and Urban Development. *The 2016 Annual Homeless Assessment Report (AHAR) to Congress*. November 2016. <https://www.hudexchange.info/resources/documents/2016-AHAR-Part-1.pdf>

^{xxii} U.S. Department of Veteran's Affairs. *Veteran homelessness cut nearly half, down 47 percent since 2010*. August 1, 2016.
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^{xxiii} U.S. Department of Housing and Urban Development. *Resources and assistance to support HUD's community partners: Continuums of Care*. <https://www.hudexchange.info/programs/coc/>

^{xxiv} U.S. Department of Housing and Urban Development. CPD Appropriations Budget. https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/about/budget

^{xxv} U.S. Department of Housing and Urban Development. Community Development Block Grant Program - CDBG. https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs