

ABSTRACT

THESIS: Crisis in a Small American City: A Spatial Analysis of Race, Subprime Lending, and Foreclosure in Muncie, IN

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During the so-called ‘Great Recession’ of 2007-2010, over four million homes in the U.S. were lost to foreclosure, many of these being the result of subprime lending. Research on subprime lending has emphasized the role of race and income in shaping the geography of foreclosure in large cities but no research has focused on smaller cities in the urban hierarchy. This study focuses on the context of a smaller city and employs several interrelated methods of spatial analysis, including global and local Moran’s I, geographically weighted regression, and the location quotient, to investigate the relationships between foreclosure, race, and income in Muncie during a period of global economic crisis. The findings suggest that race and income were less important in Muncie than in other larger cities. This difference may have been the result of other factors unique to Muncie such as the loss of industry in a factory town or to the extent that large national lenders implicated in subprime lending were engaged in lending in a small city.