

Model Student

English 1101Q

“Greed and Grandeur”

956 words

In his essay “The Mansion: A Subprime Parable,” Michael Lewis reveals the truth about the American real estate problem. Millions of Americans have purchased homes they cannot afford. Banks have lent out mortgages that people cannot pay back. Brokers have promised that real estate prices will always rise. Some days it seems that half of the nation is financially underwater. It is no doubt certain that ratings agencies, mortgage brokers, and multiple large firms can be blamed for this crisis, but they cannot be blamed for everything. Most of the blame, Lewis argues, has to be given to us citizens. The truth is that Americans are greedy creatures. We desire extravagant things that we can show off to everyone around us to prove how well we are doing. This is true especially when it comes to houses. We desire homes that are too big for us and are well beyond our budgets. This is true of all Americans, and it is especially true of Michael Lewis himself.

Not only does Lewis show the truth of this crisis in his essay, but he also gives his own testimony. He confesses the results of his own greed, and he provides examples of others who had the same problems he did. When Lewis decided to move back to New Orleans, where he had grown up, he was in need of a house. Ever since Hurricane Katrina hit New Orleans, the real estate market has been doing poorly. When the leading real estate agent offered to lease him a mansion that he had admired ever since he was a child, he could not resist the temptation. Lewis had always considered himself upper middle class, but now he felt was a good time to make an upgrade. Not only is the mansion the biggest and most extravagant house on the street, but the inside is even more breath-taking. The living

room is a huge ballroom with an \$80,000 gold-paneled ceiling. Not only are there enough bedrooms and bathrooms for your entire family, but they are the size of large living rooms. He did not stop to think about the consequences of renting such a large house.

The consequences of moving his middle class family into a mansion appeared in many different forms. First of all, the house starts to change him. Before he lived in the mansion, he was already living in a large house that showed he was doing well, but greed got the better of him. Now, he is spending extra money just to fill up all the empty space. For example, his master bedroom does not have just one giant walk-in closet; it has two. Not only could he fit all of his clothes inside one of them, but he can also fit his wife's clothes and shoes as well. Staring at an empty closet filled him with the desire to buy more clothes. The house also changes him socially. There is a lack of privacy in the mansion. People stumble across other people's space and frighten each other. Not only that, but the mansion comes with a gardener, a pool man, a caretaker, and a housekeeper who can show up at unexpected times and startle you. Another consequence of buying a mansion when you cannot afford it is how quickly it drains one's savings. Lewis's money seems to be going out faster than it is coming in because the mansion itself comes with many unintended expenses. His rent already costs him thirteen thousand dollars a month, but on top of that, utilities were another several thousand dollars a month. People start to think he is rich and assume he can donate several hundred thousand dollars at a time to charity when in fact he cannot even pay to keep his pool clean.

With all of the trouble that he is having with the mansion, Lewis decides to do some research on the history of the house. The mansion was built in 1912 and everyone who had owned the house could easily afford to live in it comfortably because they were all millionaires or billionaires. They did not need to own and show off a fancy mansion because everyone already knew they were rich. The first time someone who could not afford the mansion moved into it was when the mansion became

bothersome. For example, a lawyer, who can be classified as an upper middle class person, bought the house to try to satiate his thirst for status, but it was too much for him to handle. In order to try to make enough money to pay for the house, he resorted to cutting under-the-table deals. When he was finally caught, the lawyer reportedly gave up his law license to avoid being prosecuted. The mansion managed to effectively ruin that man's life. After having researched the history of the house, and with all of the extra expenses starting to overwhelm him, Lewis decides to move back to living as an upper middle class man.

Michael Lewis is not the only one who got into financial difficulty because he desired a house he could not afford. He discusses an article in *The New York Times* about the Garcia family who had a similar problem with trying to buy a house that was way out of their price range. They already owned a nice house in Stockton, California, but in 2006 they found their dream house in Linden, California. This house cost them \$535,000, and with their combined income of only around \$65,000, they could not make ends meet. They thought that they could use their other house as a moneymaking opportunity, but that idea quickly became unrealistic. Now they owe \$700,000 to the bank and are facing eviction because they thought they deserved something better than they can afford.

Both Michael Lewis and the Garcia family had to learn the hard way that the lust for something bigger and better will hurt you in the long run. It's true that everybody wants bigger and better things, but if you really want something, why not just save up until you can afford it? The reality is that we are impatient and greedy beings. Until we learn patience and how to manage our money, we will keep falling into the same traps. When we learn patience and how to save, then the rich will not be the only ones who can have all that they want.