

## The Power of Money

Betty Kreinik – 8/23/2023

In the Fall of 1945, WW2 ended. The federal government had to address the needs of veterans returning to their home towns. Affordable housing was a big problem, as well as jobs. President Truman and Congress passed a GI Bill, which covered loans for housing, education, and medical care.

Between 1947 and 1951 a forward-thinking construction company, Levitt and Sons, created a new concept for affordable neighborhood housing in suburbia. The first subdivision in Queens, New York was named “Levittown”.

Listening to an Italian-speaking radio station, my mother heard about the newest low-cost subdivision in the borough of Queens, designed to meet the needs of veterans. My mother’s dream was to have our own home. Fearing we would not have enough money to pay this phenomenon called a “mortgage”, Papa (a WW-1 veteran) was appalled, and said “NO!”. She would forever be a renter.

In elementary school, we learned to open a “Christmas Savings Account” at the local bank. With a weekly deposit of 25 cents, our accounts would earn additional pennies in interest – “compounding”. At the end of the year, children could then withdraw their money plus earned interest, for any desired purpose. I learned the value of saving.

After high school, I landed a job at a Wall Street firm. My father urged me to quickly establish a good credit record by taking out a \$300 loan at a bank, which he would co-sign, and I would make the monthly payments, on time. Utility companies usually required new customers to show good credit history before supplying new services.

So, early on I had learned about saving, earning interest, and the need to establish good credit. However, no one taught me the value of earning “equity”, as in home-ownership).

My husband (an Army Spec 4) and I married in Feb 1963. Later, he was commissioned a 2<sup>nd</sup> Lieutenant. We planned for a life of

frequent reassignments and no-cost, on-post housing. For the next 10 years, home ownership, per se, did not seem to fit this journey. We later realized how far behind our contemporaries we were --10 years behind financially. Could we ever hope to catch up?

Three children later, and our return to DC from five years living on-post in Hawaii, it became clear that we needed to buy a home, though fearful as novices. In 1974, we bought our first, a Cape Cod in Fairfax, VA; rented it out while on assignment in Germany, and sold it 10 years later for twice what we paid.

At last, we had learned about EQUITY. And we take pride in having helped our daughters purchase their first homes at the outset of their careers.

We bought our second home in Vienna, VA, stayed there for 20 years, and sold it in 2005, at the peak of the “housing bubble”. We earned five times our purchase price, just in time; in September the real estate market took a dive.

Our EQUITY allowed us to build our current home in Hedgesville.

Our new, unique house (designed from plans found on the internet) was built on five acres of wooded lands with a pond. We delight at seeing young does with their fawns visiting newly sprouted flowers, the migratory and resident birds, wild flowers and huckleberry bushes, maples, dogwoods, elms, pines.

Did we ever “catch up”? Not hardly, but here we are, thoroughly enjoying our five acres, *and no mortgage*.

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