The Economic Power of Home Ownership

How investments in cost-manageable housing create long-lasting rewards

Jackie's story:

"Without that house, my boys would not be in college."

Ninety percent of Habitat homeowners in GA noticed a **positive change in their kids' study habits**.

Six out of ten say they are now **more confident that they'll be able to send their children to college**.

Forty-three percent have **started or completed higher education or training programs** since becoming a Habitat homeowner.

What happens to families who become home owners… even if they only move across the street?

The Brownsville Homes
Case Study

Brooklyn, NY

Livonia Avenue in Brownsville

"Home ownership shifted their future, like a ship changing course. It is one of the dividing lines between children who grew up to do better than their parents and those who did not. **A cycle of poverty has been broken by those $30,000 houses**. Families now have wealth that they can pass down generationally."

Making home ownership cost-manageable helps families & the entire community.

More than 80% of GA Habitat homeowners feel **more financially secure** than before.

Since becoming homeowners, **74%** are **better able to save** money.

Seventy-one percent are **better able to pay bills** on time.

Nearly 70% of those who received public assistance have **reduced or eliminated their need** for it.

The role of the state in making home ownership cost-manageable

Lower the threshold for economic participation & wealth building

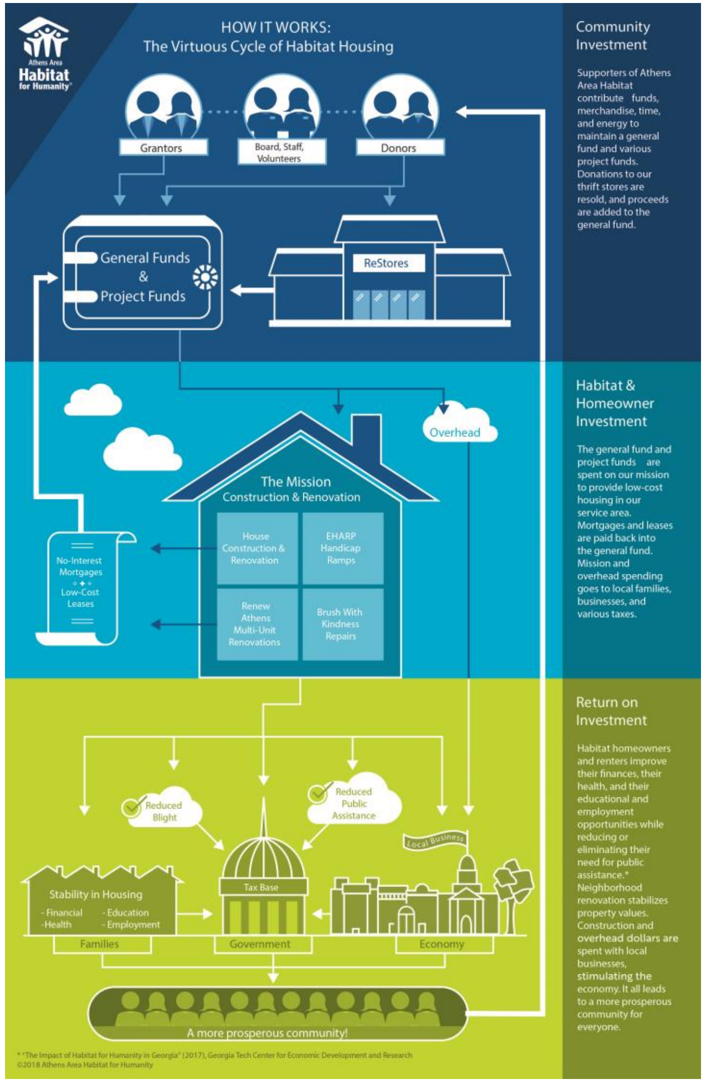
Public/private partnerships — no one can do it all

Legislation = stability = safety for commitment from partners

Not "on spec" — existing base of qualified home owners

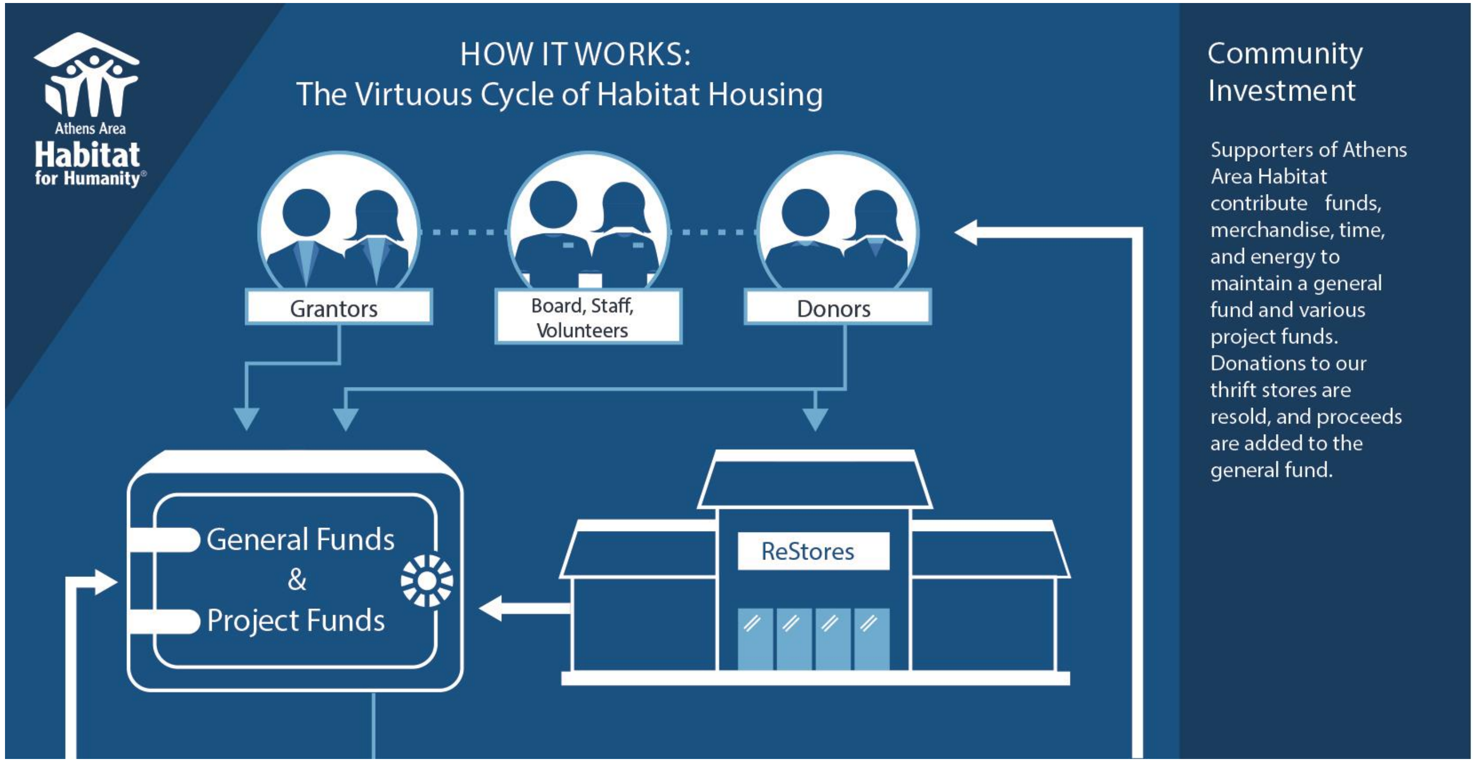
Case Study: The Habitat model

A virtuous cycle of investment, re-investment, and return on investment



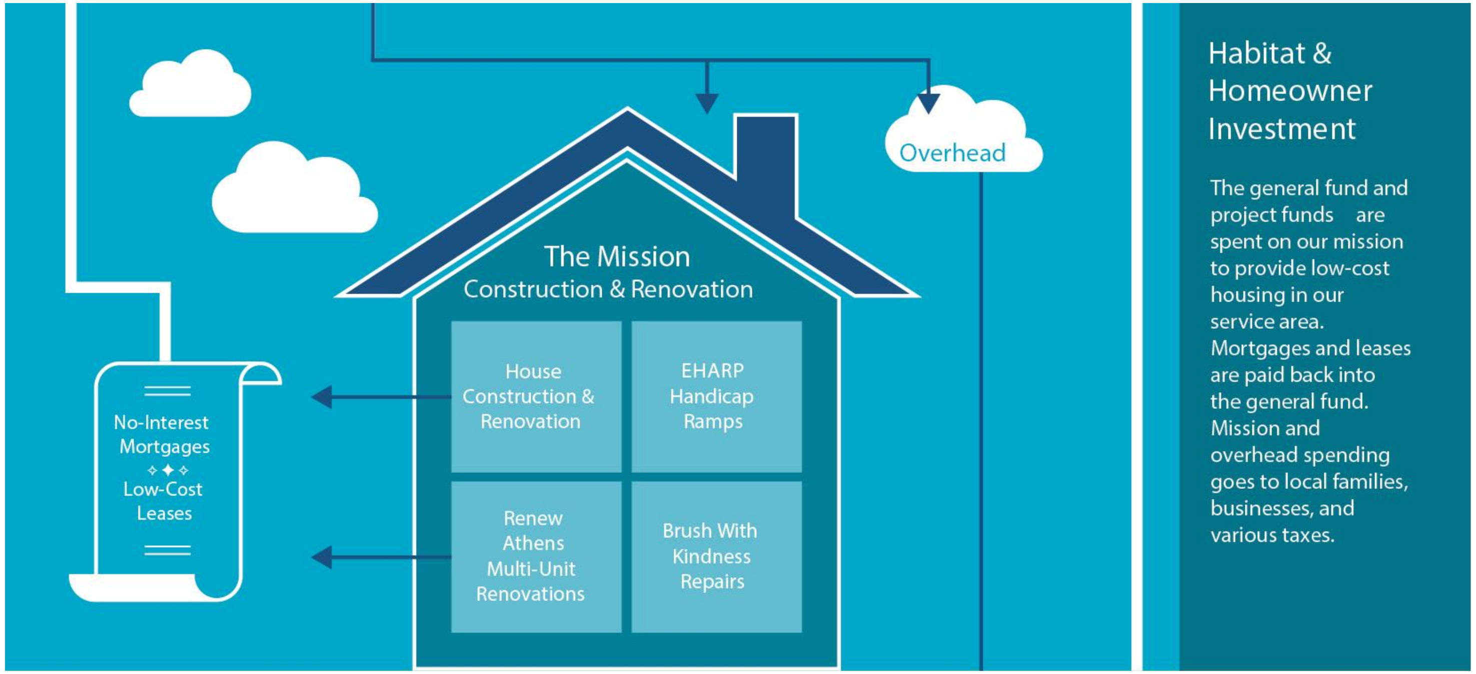
Phase One: Community Investment

Seed investment from a variety of partners provides funding to create cost-manageable housing in the community.



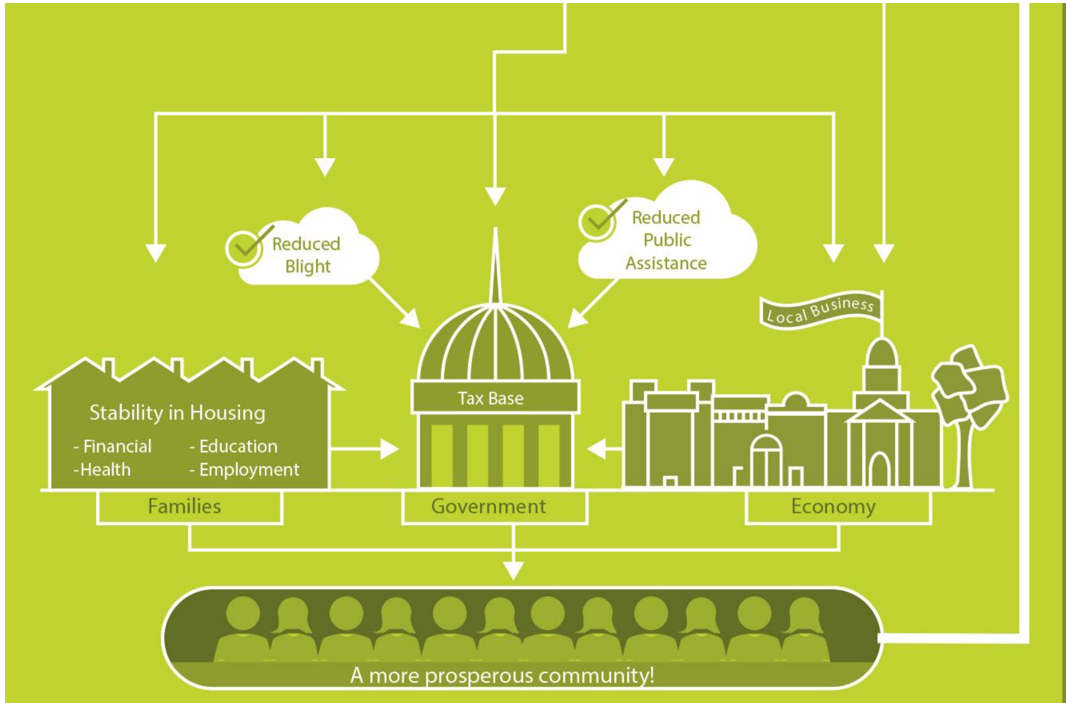
Phase Two: Builder and Home Owner Investment

Spending on construction, renovation, and overhead flows into the local economy. Homeowners and renters pay back their investment through cost-manageable mortgages and leases.



Phase Three: Return on Investment

Construction and renovation, property value stabilization, and reduced need for public assistance benefit the local government. Families with stable housing contribute more to the local economy. Local businesses benefit from construction and renovation spending.



Return on Investment

Habitat homeowners and renters improve their finances, their health, and their educational and employment opportunities while reducing or eliminating their need for public assistance.* Neighborhood renovation stabilizes property values. Construction and overhead dollars are spent with local businesses, stimulating the economy. It all leads to a more prosperous community for everyone.

* "The Impact of Habitat for Humanity in Georgia" (2017), Georgia Tech Center for Economic Development and Research

The Hidden Costs of Failure to Invest

Families at the target level of income **spend almost all of their disposable income locally**.

Families spending more than 30% of income on housing **must spend less elsewhere** — fewer cars, computers, restaurant meals, clothing items, cable subscriptions, even prescription medicines.

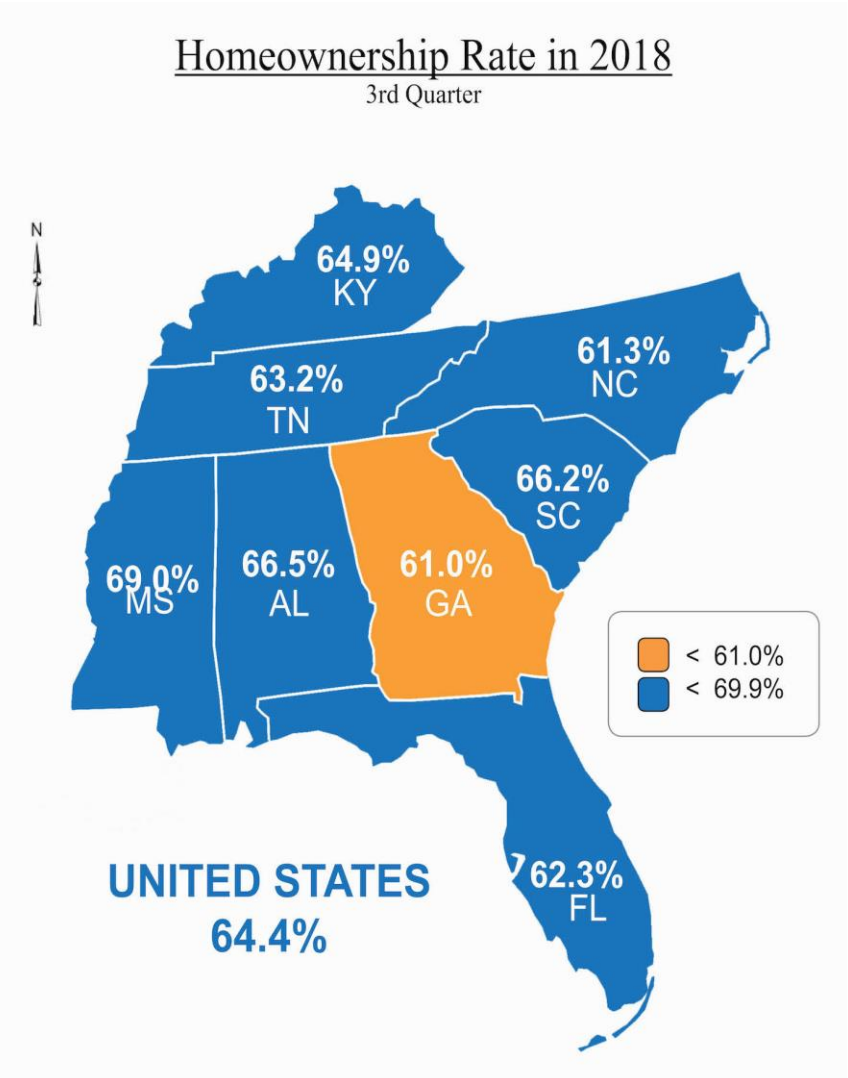
Unrenovated derelict housing provides a **haven for crime** and is **unproductive for the city**.

Lack of cost-manageable housing makes a county **less attractive to new business**, and increases the odds that **young people will move away**.

Why Georgia?

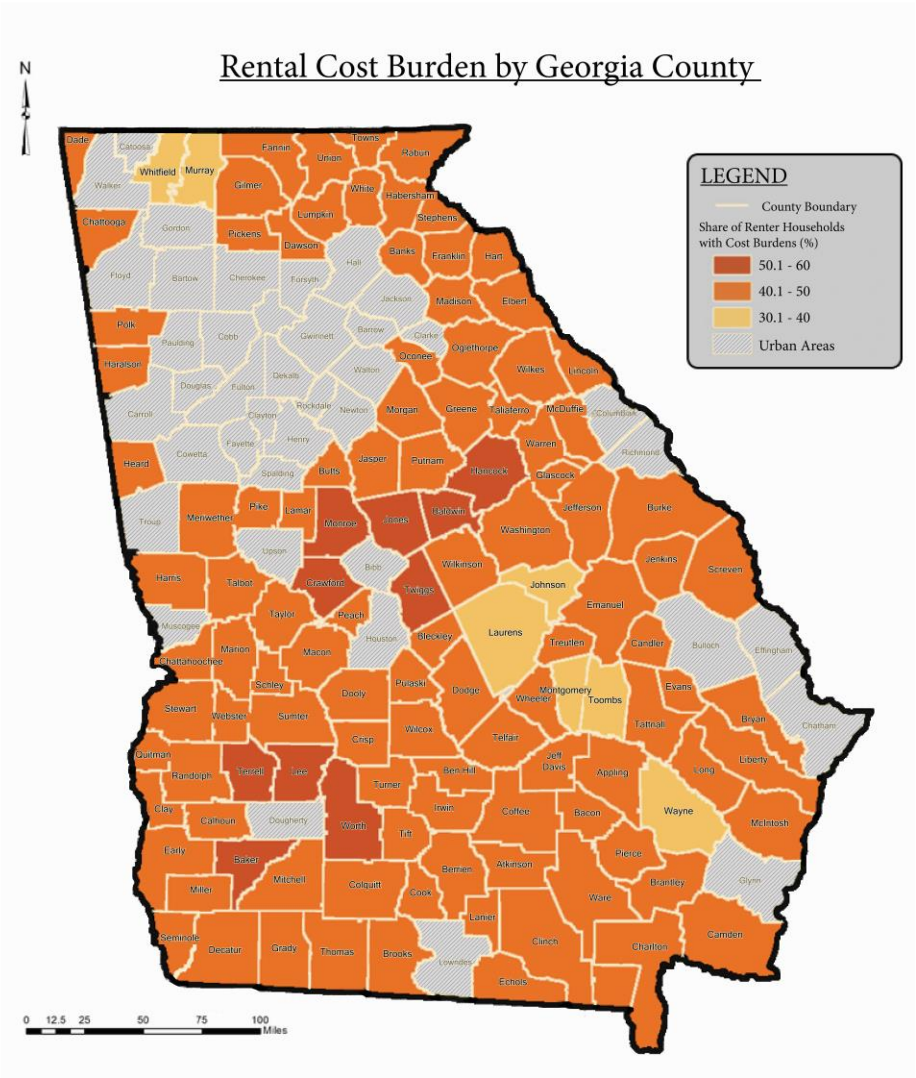
Lowest home ownership rate in Southeast

One of lowest home ownership rates in the United States



Where to Start?

Heavily cost burdened rural areas surrounding urban and suburban population centers



The Economic Power of Home Ownership

How investments in cost-manageable housing create long-lasting rewards