



**2017 Socio-Economic Impact Study:
31 Years of
Habitat for Humanity of Martin County**

Presented by the REALTOR® Association of Martin County

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Introduction

Since our founding in 1926 under a different name, the REALTOR® Association of Martin County (RAMC) had remained committed to helping our members succeed at facilitating the realization of an invaluable aspect of the American Dream—homeownership.

The implications of homeownership are immense. Homeownership stands as the cornerstone of our cherished right to private property. Homeownership does more than signify success; it provides safety, security and stability and is the most prevalent means of enabling the progressive accumulation of wealth to the widest number of individuals. As both a reward and a responsibility, homeownership is a powerful tool for transforming the very life trajectories of an individual, a family and a community.

Studies credit homeownership with boosting the educational performance of children, inducing higher participation in civic and volunteering activity, improving healthcare outcomes, lowering crime rates and increasing civic engagement. This is particularly true for children growing up in families with incomes less than 150 percent of the federal poverty line, as homeownership raises educational attainment, earnings, and generational homeownership.

RAMC deeply values efforts to make homes affordable and available to responsible individuals willing to work for the benefits of owning their own property. In particular, we applaud the unique model Habitat for Humanity of Martin County employs to achieve this aim.

To underscore the local value of Habitat, RAMC has compiled content and conclusions to demonstrate both the quantifiable economic benefits and the social benefits to Martin County derived from Habitat homeowners throughout the organization's three decades of operation in our community.

Executive Summary

In the last 31 years, Habitat for Humanity of Martin County has applied a highly successful approach to equip and empower individual families for successful homeownership and improve our community.

Numbers to Know

- 126: Number of Habitat homes built.
- 1: Only Habitat homeowner—in 31 years—to fall short of honoring mortgage obligations.
- \$113.4 million: Habitat homes' increase in assessed taxable value for Martin County.
- \$90,000: Average assessed value of Habitat home.
- \$1,635,512: Total taxes and fees paid by Habitat to Martin County over 31 years.
- 22,350: Total annual volunteer labor hours donated to Habitat.
- \$502,875: Average annual value of volunteer hours benefitting Habitat.
- \$25,933: Average savings per Habitat home thanks to volunteer hours.
- Out of 1,500 Habitat affiliates nationwide, Martin County is one of only 250 to have a Neighborhood Revitalization (NRI) program.
- 244: Homes helps by Habitat's NRI critical home-improvement construction.
- 400: Applications (roughly) Habitat receives each year.
- 10: Habitat homes constructed each year.
- 300: Hours of "sweat equity" Habitat homeowners must spend on their home build, other home builds on in one of the ReStore locations.
- 30: years of no-interest mortgage Habitat homeowners must repay to Habitat.
- \$1,500: Required by Habitat homeowners in escrow as down payment.
- \$455: Average Habitat homeowners save month by having Habitat mortgage over renting.
- 3.6 million pounds (1,810 tons): Usable items diverted from landfill disposal since 2008 thanks to the Stuart ReStore.
- 888,000 pounds (444 tons): Usable items diverted from landfill disposal since 2015 thanks to the Jensen ReStore.
- 87: Percentage of donations spent on home builds and Neighborhood Revitalization programs.

History of Habitat

Founded in 1976 by Millard and Linda Fuller, Habitat for Humanity has built more than 500,000 houses worldwide, accommodating more than 2.5 million people. Currently, more than 1,500 affiliates in the United States and 550 international affiliates coordinate Habitat for Humanity house-building projects in more than 3,000 communities around the world.

Habitat for Humanity was first incorporated on the Treasure Coast as the Martin-St. Lucie Habitat for Humanity in the summer of 1986. In 1996, due to increasing demand for services, two separate affiliates were created and Habitat for Humanity of Martin County was formed.

A not-for-profit, ecumenical Christian housing ministry, Habitat for Humanity International seeks to eliminate poverty housing and homelessness from the world, and make decent shelter a matter of conscience and action.



Fiscal Management

Supported 100 percent by donor contribution, Habitat for Humanity of Martin County receives no government funding. Applying the organization's universal goal of eliminating substandard housing in Martin County, Habitat budgets with discipline and conviction. And 87 percent of all donations go directly toward home construction and repair.

Key Socio-Economic Findings

“Social Benefits of Homeownership and Stable Housing,” a 2012 study by National Association of REALTORS®, outlines key socio-economic benefits of homeownership.

- **Homeownership increases community stability:** The mover rate among those living below the poverty level was almost twice as high as those living above the poverty line. Renters are five times more likely than homeowners to move. As a result, homeowners bring stability to neighborhoods for improved safety and a greater quality of life.
- **Improved educational achievement in children of homeowners:** Homeowners are more likely to live in neighborhoods with more opportunities for school involvement or participation in neighborhood activities. Young children of homeowners tend to have higher levels of achievement in math and reading and fewer behavioral problems. The average child of homeowners is significantly more likely to achieve a higher level of education and, thereby, a higher level of earnings. The decision among teenage students to remain in school is higher for those raised by homeowners compared to those in renter households. A study from Hanushek, Kain, and Rivkin showed changing schools negatively impacts children’s educational outcomes, particularly for minorities and low-income families.
- **Greater civic involvement:** Renters with less wealth tied to a specific locality have less incentive to protect the value of their property via the political process. A study by Glaeser and DiPasquale found that 77 percent of homeowners said they had at some point voted in local elections compared with 52 percent of renters. Simply owning a home increases the number of hours volunteered. The Martin County Supervisor of Elections staff takes part in Habitat’s instructional classes for Habitat homeowners, and reports registering 80 percent of all participants aged 18 or older. Volunteering is a requirement for Habitat homeownership. If helping on the construction site is too physically taxing for a homeowner, the ReStore locations provides plenty of opportunities to contribute. However, more than 50 percent of Habitat for Humanity of Martin County homeowners continue volunteering at its ReStores and on builds even after taking ownership of their Habitat home.
- **Improved Psychological and Physical Health:** Rohe and Stegman found that low-income people who recently became homeowners—oftentimes after leaving substandard housing—reported higher life satisfaction and higher perceived control over their lives. Homeowners are more likely to believe



that they can do things as well as anyone else, and report greater instances of self-esteem—even after controlling for age and socioeconomic factors. Homeowners also enjoy better physical and psychological health. Many renters also endure substandard housing—circumstances that more than 80 percent of Habitat partner families live in prior to becoming Habitat homeowners.

In Their Words

Substandard housing poses “a risk to the health, safety and well-being of any occupants,” and often includes mold, infestations, faulty wiring and dangerous conditions. A new start in a safe environment—and home of their own—consistently fills Habitat homeowners with happiness, joy and relief—which they’re eager to share.

“A home brings a family stability and helps build a stable foundation. An opportunity to become a homeowner is a blessing for a single mom like me, who could never afford to buy a house without the Habitat home ownership program.”—Samika J.

“Becoming a Habitat homeowner makes me feel very grateful and appreciative. From the bottom of my heart I want to give a special thanks to all the dedicated and caring people who work and volunteer for Habitat. I am amazed that there are so many people who are willing to help others and want to make a difference. Without your help I would not be where I am today. I also speak on behalf of my daughter who loved to drive by the house every day while it was under construction so she could see the progress. We are glad that you decided to take time out of your life to help us become homeowners because without your help we would never have done it on our own. Even though becoming a homeowner is a great responsibility, it is also a privilege that should not be taken for granted. Your actions and generosity will never be forgotten. Thank you!”—Judy H.

“I have come a long way as a single parent trying to form a better life for my children. I have learned much over these years as I persevered and that is to never think negatively. Remain positive and keep your eyes on your goal and you will achieve it.”—Florensia T.

Faith and Thankfulness

Partnering with more than 80 local churches and ministries, Habitat is a faith-based organization with a mission stating its intents to “put God’s love in action,” and bring “people together to build homes, communities and hope.” When that hope is realized, Habitat homeowners often express their sense of gratitude in fashions that reflect their own faith.

“We thank God, our Habitat friends and mentors who have worked with us for two years. They have been our financial advisors, benefactors and a great support team. We also appreciate all volunteers for their hard work and dedication in helping us make our dream a reality. This is a life changing experience for our family. We have prayed for a long time to become homeowners. Owning a home will bring a sense of security to our family. Never again will we have to pack up our belongings, move the children to new schools, or worry about them meeting new friends.”—Lavern and Kimberly M.

“Habitat has been God’s blessing to this family.”—So’nita H.

“I thank God for guiding me and making a Habitat home available to our family. I would like to thank all the volunteers who have helped me become a Habitat Partner family. Our lives have been changed forever, now our new home will give my family a safe, secure place to live and call home.” —Arica N.

“Lord Jesus this is the best thing in my life and I never figured it would be for me. I would like to express my sincere thanks and deepest appreciation to all the volunteers who one way or another helped me to become a homeowner. Thank you for all your hard work and caring. Words cannot express how grateful I am for you sacrifice. I am overjoyed at the lengths volunteers went to help me without expecting anything in return. Becoming a homeowner is giving me a sense of accomplishment. I will forever be grateful and indebted to you all. May God bless you for your generous acts of kindness.”—Nancy C.

Rigors of Application Process

Applicants for Habitat homeownership are considered without regard to race, color, religion, sex, national origin, age, mental or physical disabilities, veteran/reserve/National Guard or any other similarly protected status. Accommodations are provided for procedural understanding for applicants with special needs.

However, applicants face a tough and thorough review. Participation is essential and it extends beyond

Habitat's famed "sweat-equity" requirement.

Applicants must be able to pay back a no-interest loan—vital to Habitat's success, as the payments of existing homeowners fund the future Habitat homes of others.

Habitat for Humanity of Martin County receives and process more than 400 applications each year—but only roughly 10 Habitat homes are constructed in a year.

In addition to living or working in Martin County for the last 12 months, all adults applying to live in a Habitat home must pass a criminal background check, be U.S. citizens or have legal permanent residence (Green Card) and cannot have owned a home in the previous

three years (other than a mobile home). Initial requirements for mere consideration command meeting a minimum of three of the following criteria regarding current living conditions, ability to pay and willingness to partner in the process of constructing their home.



Current Living Conditions

At least one of the following must apply, as applicants must be living with:

- Inadequate Housing – Ex: Structural problems with water, electrical, heating or sewer system, poorly maintained (substandard) or failure to meet municipal maintenance standards.
- Overcrowded conditions, weighting family against number of bedrooms.
- Government-subsidized rent – Section 8 housing or Housing Authority.
- Cost burden where the rent plus utilities is more than 30 percent of the applicant's monthly income.
- Inability to obtain a mortgage on the private market, having been denied conventional or government-assisted mortgage loans.
- Transitional and currently living with family or friends.

Ability to Pay

Habitat for Humanity operates with a “hand-up, not hand-out” mindset. Applicants are not gifted homes. They must also demonstrate:

- An ability to pay Habitat back a no-interest monthly mortgage including principal, taxes and homeowner insurance.
- Minimum two years of continuous and documented income and earn a minimum annual gross income between \$23,333 and \$24,450 (varying by size of home applicants qualify for).
- Monthly mortgage not exceeding 30 percent of gross monthly income.
- Monthly debts—including mortgage—not exceeding 43 percent of gross monthly income.
- Ability to save \$1,500 escrow down payment.
- Accounts in collection, charge-offs and/or unsatisfied public records resolved prior to approval (exception: medical collections). Credit scores are not considered—but credit history is.
- Bankruptcy releases at least four years old.
- According to family size, annual gross income less than chart:

Family Size	1	2	3	4	5	6	7	8
Maximum Income Limits	\$32,050	\$36,600	\$41,200	\$45,750	\$49,400	\$53,100	\$56,750	\$60,400

Willingness to Help

Habitat homeowners take additional pride in their homes by taking part in the process of constructing them. Homeowners must:

- Complete the required 300 hours of sweat equity to help build their own or other Habitat homes.
- Attend Habitat’s homeownership education classes to prepare them for the responsibility of maintaining their home and finances.
- Complete a mentoring program where they’re assigned a mentor to help guide them through the process of becoming a homeowner.

Instilling Community Pride

Out of 1,500 Habitat affiliates across the United States, only 250 have a Neighborhood Revitalization (NRI) program. NRI provides immediate relief to unhealthy living conditions by painting, landscaping and conducting critical repairs to qualified homeowners—particularly those who can't complete such improvements on their own.

However, the sweat-equity principle also applies to NRI projects. Recipients of NRI efforts must invest either their personal efforts or financial resources (sealed with a promissory note and covered in affordable monthly payments), to benefit from a NRI program, sharing in the responsibility and satisfaction of the undertaking and supporting this sustainable model.

NRI categories include:

- **Community Development:** Coordinating with local officials and community partners to initiate and address individual and joint areas of concern while working to inspire greater local involvement in such efforts.
- **Rehabilitation:** Eliminating blight by partnering with local governments to purchase and rehabilitate foreclosed homes, which are then sold to qualified Habitat families.
- **Weatherization:** Replacing windows, sealing air leaks, fixing broken water fixtures and improving faulty insulation, Habitat is able to lessen the burden of high energy costs on individuals in need.
- **Preservation:** Landscaping, painting, repairing, conducting minor roof repairs, even building wheelchair ramps, helps low-income homeowners struggling to maintain the exterior of their homes



Benefits of Local Businesses Partners

Through volunteer labor totaling more than 13,000 hours per year—alongside professional contractors and donations of money and materials—Habitat builds and rehabilitates simple, decent houses with the help of the future Habitat homeowners and our business partners. Such partners, donating their time, talents and often treasure with expectations of nothing in return, often reporting yielding remarkable “returns.” (Little wonder a recent Boston College's Center for Corporate Citizenship showed that 84 percent of company executives reported bottom-line benefits after they started a volunteer program.)

Notably, participating in Habitat build projects is a personally edifying experience, as local businesses report morale benefits from taking part in such events. Here are quotes from local business partners who identify socio-economic benefits to partnering with Habitat for Humanity:

“Ours is a very community-oriented company, so we really embrace chances like this to get involved, as it lets us give back but it also gives us the chance to grow closer as a team. Habitat builds are something special. We worked on a framing project for a Habitat home in Indiantown, and it’s great to see how homeownership transforms lives and transforms communities. Just like we work closely with our clients to help them build a strong financial foundation so they can prosper, a Habitat home is the beginning of a financial foundation—and so much more—for local families that are really invested in improving their lives.”—David Bradford, Edward Jones Investments

“I really appreciated the camaraderie with all the other build partners and getting to learn their stories as well as to learn about the Care-A-Vanners. It was amazing to hear how these individuals travel around the United States to lend a hand on Habitat builds and then move on to the next one. I thought that was fantastic. In our profession, we’re trying to give people who have the means a leg up on their future and their legacy with careful financial planning. It’s very gratifying. But working with Habitat, you experience a different impact. You’re helping someone with far fewer means get themselves into a better situation in life. Through their own efforts and the community’s help, they’re able to achieve the milestone of homeownership. That’s what drew me to Habitat. You can get involved at a deeper level in the community, and you get to help make a real difference.”— Ryan Iosco, Edward Jones Investments

“It’s personally a rewarding experience to work with Habitat and be able to give back to the community but also do so directly for people who are really in need—and truly grateful for the help you provide them. As the owner of a construction company, my staff already knows what it’s like to build something together—whether it’s a commercial project, the bulk of what we do, or residential. But a Habitat build has unique benefits. In my opinion it’s great for my team to work with someone they haven’t worked with before—and to work hand-in-hand with other Habitat volunteers, and the Habitat homeowners themselves just makes everyone feel good about what we’re doing. It’s huge for morale.”—Ronnie Kirchman II of Kirchman Construction Co. of Stuart.

“Working with Habitat for Humanity of Martin County was a great way for us to get outside and grow even closer together as a team. It gave us a chance to bring our office staff and our field employees together—and to do it for a great cause. Best of all, we didn’t just get to help build someone a home, we got to work alongside them as they helped build their own home. That made all of us even bigger believers in Habitat’s mission of not just changing people’s circumstances for the better, but changing their lives and their families’ lives for the better.” – Ryan Strom, president, Team Parks

Direct Economic Impact in Martin County

To date Habitat for Humanity of Martin County has built and dedicated 126 homes to families and conducted home preservation, repair and weatherization efforts on more than 244 homes. During its 2015 fiscal year alone, Habitat for Humanity of Martin County invested more than \$800,000 of residential home building directly into our community.

Value of total built, renovated and repaired properties

- Total number of homes built (126 x average cost \$ 79,160.) = \$9,974,160
- Total number homes renovated (9 x average cost \$ 86,130.) = \$775,170
- Total number repaired (235 x average cost \$ 1,000.) = \$235,000
- Goodwill-Hurricane Shutter Program = \$26,650

Total dollar value invested in Martin County \$11,010,980

Multiply by 7*(see below). \$10,274,540 x 7 =\$77,076,860

Habitat’s economic contributions encompass three areas:

- **Direct impact:** Paid out in payroll to Habitat’s 39 employees, administrative costs and directly out into the community for operations. Straightforward expenditure calculations on day-to-day operations, including all construction costs.
- **Indirect impact:** Effect direct spending on goods and services has on the local economy. This ripple effect is calculated using multipliers (times 7*) that vary by region. (Ex: Local construction trades and suppliers then can afford to purchase office supplies and gas for their delivery trucks.)
- **Induced impact:** What employees and volunteers spend buying goods and services in the local economy. Employees hired by the construction companies, lumber yard, the office supply store and the gas station all spend wages from their jobs in the community.



*This amount represents the total direct economic impact of our building activity using the seven (7) multiplier. Seven (7) is a common figure used by many Chambers of Commerce to indicate the number of times a dollar “turns over” before it comes to rest or leaves the community.

Additional Economic Indicators of Habitat's Value

- **Assessed Value** – once built, our homes have an assessed value.
 - Average assessed value of the Martin County homes Habitat has built = \$ 90,000
 - Average assessment value \$90,000 x total number of houses 126 = \$113,400,000

Volunteer Value

The simplicity and purity of Habitat for Humanity's mission attracts an array of volunteers, including parishioners from local churches, students from across the nation, retirees who travel by RV to the area to work on home builds and local professionals of every stripe.

Independent Sector, an organization which promotes volunteerism and non-profit activity estimates the value of a volunteer hour at \$22.55.

- Average volunteer hours to build a house: 1150 x \$22.55 = **\$ 25,933. per home built.**
- Total volunteer hours (construction and non-construction) donated annually: 22,350 (average)
- Total annual volunteer hours (as labor expense): 22,350 x \$22.55 = **\$502,875.**

Tax Value

- Total value of property taxes paid by Habitat homeowners: \$ 762,824
 - Total value of property taxes paid by Habitat real estate owned: \$421,284
 - Total of all taxes paid to date: \$1,184,108
 - Total accumulated fees paid to Martin County: \$451,404.11
- Total of Taxes and Fees: **\$1,635,512.11**

Savings Value to Habitat Homeowners

Average monthly rental cost for a market rate apartment:	\$975.
Less average monthly payment for a Habitat home:	\$520.
= average monthly savings in housing dollars for our families	\$455.

This frees money for savings, investment and purchase of consumer goods and services, including a better diet for their children, and the pursuit of higher education. All of these economic activities benefit the whole community as Habitat families progress toward becoming independent, self-reliant citizens.

Environmental Benefits

Through its ReStore locations in Stuart and Jensen Beach, Habitat for Humanity of Martin County makes a profound contribution to the health of the local environment. By receiving, reclaiming and reusing donated items—both construction materials as well as furniture and household goods—Habitat’s ReStores divert tonnage from the local landfill. These items—once cleaned and priced—delight shoppers. In addition to creating jobs, Habitat ReStores generate revenue to help fund Habitat projects.

- Since 2008, Stuart ReStore diverted 3.6 million pounds (1,810 tons) of usable items from disposal.
- Since 2015, Jensen ReStore diverted 888,000 pounds (444 tons) of usable items from disposal.

Conclusion

Review of both Economic Impact and Social Benefits through research show that the work accomplished by Habitat for Humanity of Martin County plays an important role in improving the quality of life overall for everyone in our community, especially those directly benefiting from Habitat housing. The Realtors Association of Martin County honors and supports these efforts.



For the homeowner, the Habitat’s system is rooted in incentivization, direct involvement in the home-construction process and first—comprehensive preparation for long-term sustained success in debt management, savings and bill-paying.

For all involved—homeowners and the wide circle of Habitat supporters—each home build is an experience overflowing with gratitude and satisfaction. Most persuasively, it’s an charitable program distinguished by its numerous sustainable, measurable results.

Sourcing

- “Social Benefits of Homeownership and Stable Housing,” 2012 study by National Association of REALTORS®
- Worth of Volunteer Hour determined by independent non-profit Independent Sector
- 2012 study conducted by Research Institute for Housing America
- Alliance for Excellent Education
- Centers for Disease Control and Prevention

Contact Information

For more information about this study and the partnership between the REALTOR® Association of Martin County and Habitat for Humanity of Martin County, please contact HB Waren, president of RAMC, at (772) 283-1748.