

# 2017 Economic Impact Study

# The Economic Impact of Habitat for Humanity in South Carolina

***We Make an Impact***

Created by:  
South Carolina Association of Habitat Affiliates  
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South Carolina  
Association of  
**Habitat**  
for Humanity®  
Affiliates



Building Communities,  
Building Hope, and  
Improving Lives



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# Habitat's Mission, Vision and

Founded in 2012, South Carolina Association of Habitat for Humanity Affiliates grew from a group of local Habitat affiliate Executive Directors who first began collaborating together informally in 2004. As a Habitat for Humanity state support organization (SSO), our purpose is to support and enhance the effectiveness of each of the 33 Habitat affiliates in South Carolina. The state organization does this by advocating for and raising awareness of the Habitat mission on a state-wide basis, expanding access to resources and facilitating communication and information sharing between affiliates. As a faith-based organization, our ultimate goal is to demonstrate our love of Jesus Christ through our mission.

Accomplishments to-date are rooted in 5 key areas:

## Resource Development--

- Established a grants and small loans program for affiliates.
- Established a truck grant program for affiliates.

## Communications –

- Facilitated communication, data collection and information sharing among all SC affiliates.
- Encouraged collaboration and partnerships among affiliates.

## Training & Technical Assistance –

- Coordinated state-wide and regional workshops and conferences.
- Worked with individual affiliates to help address and resolve issues

## Mission

We are a Christian-based organization whose purpose is to expand the capacity of SC affiliates by increasing access to resources, facilitating communication between affiliates and the community and providing statewide leadership toward the creation of thriving communities that support healthy families

# Accomplishments

## Disaster Response –

- Developed a state-wide Disaster Response Plan.
- Worked with government agencies, HFHI, SC affiliates and other organizations to assist in “live” disaster response and recovery.
- Served as clearing-house to distribute disaster recovery donations and supplies to appropriate locations.
- Active participant in state and local VOADs.

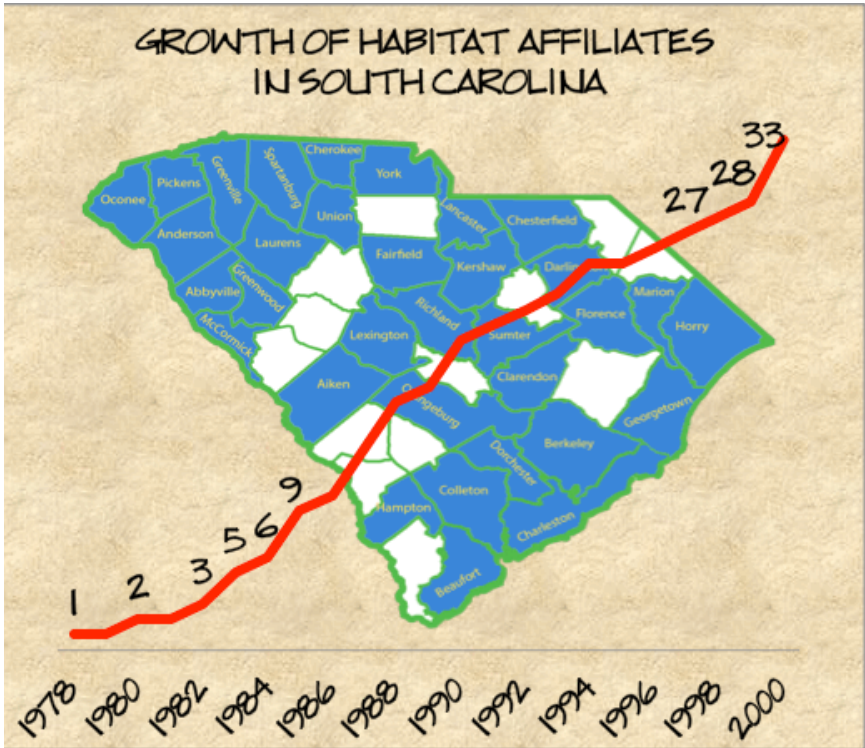
## Advocacy –

- Initiated Annual Habitat Legislative Day to introduce Habitat’s mission to state legislators, and promote relationships between individual affiliates and their representatives.
- Initiated efforts to enact state sales tax exemption on building materials for Habitat affiliates and other similar organizations. Effective in January, 2016, this law reduced cost to build each home up to \$4,000, making our homes even more affordable.
- Promoted adding Habitat as a line item on the SC I-330 tax return form, enabling state-wide taxpayer support of the Habitat mission at tax time. This law was effective with 2016 returns.
- Established relationships with mission-related state agencies, to promote Habitat’s affordable home ownership and repair programs, and address issues facing our affiliates.
- Attended national affordable housing conferences and encouraged national legislative relationships, collaboration with related federal agencies, local and national businesses and other non-profit organizations.
- Served as liaison between HFHI and SC affiliates.

## VISION

To have all SC Habitat affiliates working at their full capacity to improve living conditions and eliminate poverty housing in their own communities and across the state of South Carolina.

# The Growth of Habitat in South Carolina



The first South Carolina Habitat affiliate was formed on Johns Island in 1978. Since then, South Carolina Habitat affiliates have been bringing thousands of volunteers together to build communities and hope.

The growth was steady. By 2001, there were 33 affiliates in South Carolina making a difference in our communities and families. We recognize that we face a daunting task but we accept the challenge and will not rest until every South Carolinian lives in a safe, affordable home in a viable community.

# Serving Families since 1978



With the help of thousands of volunteers annually and donations of money and materials, South Carolina Habitat affiliates build and rehabilitate simple, decent homes with partner families. Habitat homes are sold to partner families at no profit and financed with affordable loans so that our partner families are paying no more than 30% of their monthly income for housing costs. The homeowners' mortgage payments are used to build still more Habitat homes.

**Habitat does not give away homes.** In addition to a down payment and monthly mortgage payments, homeowners invest hundreds of hours of their own labor — sweat equity — into building their Habitat home and the homes of other Habitat partner families.

In South Carolina, there are 33 locally formed and governed Habitat for Humanity affiliates that accomplish home building and home repair activities. Since 1978 these affiliates have built over 2,800 homes and repaired over 800 homes in South Carolina.

# Our Economic Impact

For fiscal year 2017 our analysis shows that South Carolina Habitats directly invested approximately \$26,000,000 in constructing new homes, operating their ReStores, paying staff and operating their offices. This investment resulted in an estimated total economic impact of **\$50,500,000**.

The details of those results are presented and discussed below.

Impact Type	Employment	Labor (\$)	Total Output \$
Direct Effect	265	\$ 10,187,756	\$ 26,122,493
Indirect Effect	102	\$ 4,491,113	\$ 13,018,536
Induced Effect	89	\$ 3,422,968	\$ 11,362,687
Total	456	\$ 17,991,747	\$ 50,503,716

The **direct impact** of an organization represents the effects of that organization's expenditures – that is – local purchases and wages that are inserted into the local economy.

The **indirect impact** represents additional economic impacts resulting from changes in the demand of industry suppliers. As an example, as SC Habitat affiliates spend dollars on construction and revitalization projects, the demand for materials increases. Suppliers will purchase supplies from other businesses, who in turn purchase inputs from yet more suppliers. This continues and creates additional demand in many sectors of the local economy, which is calculated as indirect impact.

The **induced impact** represents the additional economic impacts that result from changes in household spending in the local economy. For example, employees will spend some of their earnings in the local economy on entertainment and food. Entertainment and food businesses will then experience increases in demand for their products. Their employees will see additional income, and again, spend it locally. These changes in household spending represent the induced impact.





Breaking these numbers down means that in the 2017 fiscal year; the combined efforts of the Habitat affiliates in South Carolina have:

added  
**\$50,503,716**  
to the South Carolina  
economy

added  
**\$537,274**  
to the economy for  
every house built

injected  
**\$9.00**  
into the South Carolina  
economy for every  
dollar contributed

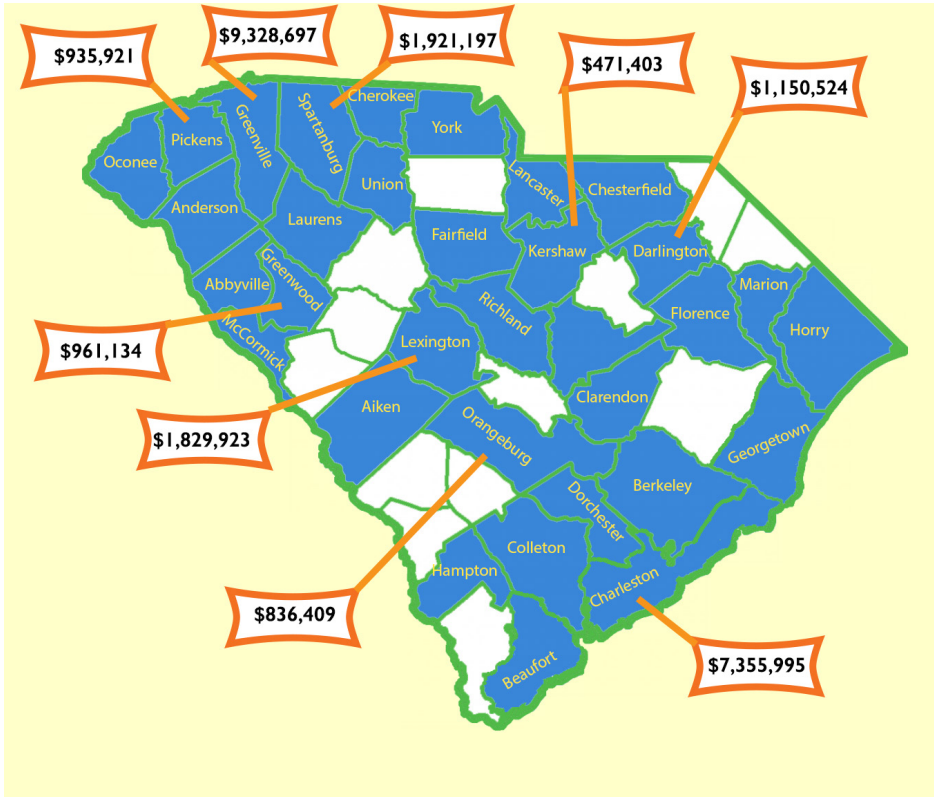
Every \$100 invested in  
affordable housing by a Habitat  
affiliate results in  
**\$193**  
economic output.

directly supported  
**265**  
jobs in South Carolina

indirectly and directly  
supported  
**456**  
jobs in South Carolina

Additional impact to local counties would be approximately \$2,500,000 of property taxes collected annually from the 2,800 statewide Habitat homes.

# Economic Impact of Habitat Affiliates in Select Counties



This map illustrates just a sampling of the counties where the 33 South Carolina Habitat affiliates strive to eliminate substandard housing and provide quality, affordable housing to families earning less than 80% of the Area Median Income (AMI).

But our mission is more than structures and economic output. We measure our successes and outputs in families served, neighborhoods improved and children moved into safe neighborhoods.

Our investments, made through generous donations, grants and fundraising efforts have helped more than 3,500 families across South Carolina realize quality, affordable housing.

# The Case For Affordable Housing

## Rent Overburdened

When housing costs exceed **30%** of income

## Severely Rent Overburdened

When housing costs exceed **50%** of income

Habitat Homeowners average less than **30%** of their monthly income on housing

Habitat affiliates serve families whose income is between 30%-80% of the Area Median Income. In South Carolina this range is a particularly hard hit group.

Families earning **31%-50%** of the Area Median Income who are Rent Overburdened **67%**

Families earning **51%-80%** of the Area Median Income who are Rent Overburdened **46%**

**Approximately 30% of these families are Severely Rent Overburdened spending more than 50% of their income on housing.**

# Homeownership's Positive Impact on Families

Surveys of existing Habitat homeowner families show that home ownership produces many benefits, both tangible and intangible. As a result, these families benefit the communities and the state in which they live.

Many such changes from before acceptance into the Habitat program were revealed in these surveys. They showed a significantly more positive attitude toward all aspects of life; a positive perception of the Habitat homeownership process, affiliate staff and volunteers; a recommendation that others participate in the Habitat experience; a positive change in family relationships, financial stability, personal growth and community and church involvement; an increased appreciation of others; an increase in self-respect; a sense of pride in their accomplishments and in their home; an increase in self-reliance; a marked reduction in dependence on public assistance; and a positive outlook for the future, for individual family members, the family as a whole, and for the community.

From these surveys, it is clear that the impact of Habitat affiliates extends well beyond metrics and data, although those do illustrate the economic impact that Habitat, and similar housing providers, have on the community and state. Everyone deserves a place to call home - a safe place to raise children so they have high expectations for themselves and their future.

## Homeownership Benefits Children !

Research shows that children living in family owned homes vs children living in rental units:

- Score up to 9% higher on math achievement tests
- Score up to 7% higher on reading achievement tests
- Have 1-3% fewer behavioral problems in school
- Have a 25% higher graduation rate
- Are twice as likely to attend post secondary school

# Homeowner Testimonials

## A Sea Island Habitat homeowner:

I am so excited to live in an area where the neighbors know one another and the kids can play together. My son is super excited that he can ride his bike and play outside and not have me worrying about him and his safety. My daughter, Chelsey can actually grow up in an area full of love, play outside with friends as she gets older and share memories in the future.



## A Central South Carolina Habitat (Columbia) Homeowner



I have been a part of the Habitat for Humanity program since 2014 and it has been a life changing experience. I have met some great people and learned some important life lessons. The thought of joining the program became a reality after I had my daughter in 2010. It took a while for me to persuade myself that this is not only something that I wanted to do but needed to do for my daughter and myself. Becoming a homeowner with Habitat was not an easy process. Nothing was given to me. I put in a total of 350 required volunteer hours, and attended homeowner classes designed to help me make better decisions in my future and prepare for my future.

## A Greenwood Habitat Homeowner

When I started to learn everything that was expected of me to be a partner family, I was overwhelmed. Being a full time employee from 8-6 Monday through Friday, as well as a full time mother is a lot. How in the world could I carve out more of my time to fulfill my obligations such as sweat equity and homeownership classes? But knowing that there are organizations and individuals that invest in Habitat makes this process a little easier, less stressful, and is reflective of the welcoming nature of Habitat. Habitat has given me the peace of mind, knowing that my kids will have a room of their own, that we don't all have to share a small bathroom and they will have a play area outside to run out all the energy that little boys have.



# Why Affordable Housing Matters

**27 %**  
of South Carolina  
children live below  
poverty

Evidence-based research has shown that when families have stable, decent, accessible and affordable homes, they are better able to find employment, achieve mobility, perform better in school and maintain improved health

Research also suggests that increasing access to affordable housing is the most effective strategy for reducing childhood poverty.

Families in affordable housing can spend a third more of their income on food and twice as much on retirement savings and can save for college for their children.

*The Harvard Joint Center for Housing*

## Homeownership leads to:



Increases in:

- Graduation rates
- Children's good health
- Net family wealth



Decreases in:

- Children's behavioral problems
- Reliance on government assistance
- Asthma and other health issues

# The Social Impact of Homeownership

In addition to tangible financial benefits, homeownership brings substantial social benefits for families, communities and the state as a whole.

## The “homeowner effect” on families

- improved wealth and stability for homeowner families
- improved health and well being of homeowner families
- improved youth outcomes
  - scholastic achievement
  - improved graduation rates
  - reduced risky teen behavior
- increased volunteerism among homeowners
- improved youth outcomes
  - scholastic achievement
  - improved graduation rates

## The “homeowner effect” on communities

- improved housing conditions create safer neighborhoods
- increased engagement in community activities
- increased engagement in political activities
  - more likely to vote
  - more likely to know public officials
  - more likely to join a civic association
- improved physical condition of neighborhoods

# Methodology and Software

This report uses the software package IMPLAN to calculate all estimates, which is the industry standard software package used by professional regional economists to conduct input/output analyses.

Input-output (I-O) analysis is a means of examining inter-industry relationships within an economy.

Affiliate financial data (both provided by affiliates and sourced from data available on GuideStar) were collected and, where necessary, extrapolated and projected. Estimates of economic effects were derived by applying the data as inputs to IMPLAN's Input/Output modeling software. Estimates from IMPLAN's model are based on the quality of the data utilized as inputs to the model.

Input-output (I-O) analysis is a means of examining inter-industry relationships within an economy. IMPLAN data also includes inter-institutional transactions and transactions between industries, thereby capturing all monetary market transactions for a given year. The resulting mathematical formulas allow for examinations of the effects of a change in one or several economic activities on an entire economy. IMPLAN data tracks all the available industry groups in every level of the regional data. This permits detailed impact breakdowns and helps ensure accuracy of inter-industry relationships.

Rather than extrapolating regional data from national averages, IMPLAN measures economic impacts using data representing **actual local economies**.



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