



Beyond the House

How Habitat for Humanity's investments
ripple across the local economy

An economic impact analysis

2024

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Executive summary

Every year, Habitat for Humanity helps millions of people around the world achieve homeownership, repair their homes and build stronger communities. Stable housing has a tremendous impact on family and community health, improves education outcomes for children, and increases financial stability and opportunity, and the cascading effects are far-reaching and transformational. Housing is simply foundational to building strong communities, and the work Habitat does helps drive critical social and economic outcomes.



In addition to the benefits that stable housing brings to families and communities, building and repairing homes stimulates other sectors of the economy, driving additional spending and creating local jobs. This is the seldom-told beyond-the-house story of how Habitat creates a ripple effect in local and regional economies. Habitat affiliates purchase goods and services from local businesses and generate increased economic activity in their service areas. At a time when the U.S. battles an affordable housing crisis, it is pivotal to understand the economic impact that investments in local communities have.



Habitat's ripple effect across local and regional economies is significant. In 2021-22, Habitat affiliates and affiliate support organizations invested \$1.68 billion for home building and repair operations. This generated over \$2.91 billion of economic activity across multiple sectors of local economies, supported 28,751 jobs, and paid over \$1.61 billion in labor income. For every dollar invested by the Habitat network, an additional 74 cents was injected into the local economy. This impact goes beyond Habitat employees and homeowners, reaching other local businesses and jobs in related sectors of the economy. The economic impact is seen across the nation through the work of local Habitat affiliates. For instance, Habitat Pinellas and West Pasco Counties in Florida works with over 75 local subcontractors and 100 local vendors, generating numerous employment opportunities. North St. Louis County Habitat



in Minnesota is in a rural area where jobs opportunities are limited. It has built partnerships with multiple construction programs and carpentry institutes, offering work and training opportunities for employees. After a large wildfire, Habitat Butte County in California played a crucial role in restoring affordable housing and work opportunities in the region. Habitat of Evansville in Indiana nurtures relationships with local schools, allowing students to gain valuable work experience while helping the affiliate construct more homes.

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We lead with the mindset of investing in our local economy. Relationships are extremely important, from banks, suppliers, vendors and decision-makers.

– **Mike Sutton**

Executive Director

Habitat of Pinellas and West Pasco Counties

These numbers and stories demonstrate that Habitat is an important provider of affordable housing and a powerful economic engine that contributes jobs, wages and increased output in communities across the U.S. Investments in Habitat’s work go beyond the house to stimulate local economies and make meaningful economic contributions to the people, businesses and services that play key roles in the operations of Habitat affiliates.

Introduction

Driven by the vision that everyone deserves a decent place to live, Habitat is a leading global nonprofit organization working in communities across all 50 states in the U.S. and in more than 70 other countries. Within the U.S., the Habitat network is composed of local Habitat affiliates and affiliate support organizations that help with advocacy needs and coordinate support from state or regional levels. Each year, Habitat helps thousands of people across the country achieve homeownership, repair their homes, and build stronger communities, creating decent and affordable housing opportunities. Local Habitat affiliates partner with families and individuals in need of a hand up to build or improve a place they can call home. Secure housing directly benefits family and community health, improves education outcomes for children, and strengthens financial stability and opportunity. The cascading effects from these outcomes are far-reaching and transformational. Housing is simply foundational to building strong communities, and the work Habitat does helps drive critical social and economic outcomes.

In addition to the benefits that stable housing brings to families and communities, building and repairing homes boosts other economic sectors, increasing local spending and generating additional jobs. While this aspect is rarely a focal point, Habitat's work creates a ripple effect that impacts local and regional economies around the country. When Habitat affiliates buy construction materials and hire services from local businesses, economic activity is bolstered in their service areas. At a time when the U.S. battles an affordable housing crisis, it is important to underscore the multiplier effect of investments in housing and communities and how those investments improve access to sustainable homeownership and promote economic growth.



Looking beyond the house:

Quantifying the economic impact of Habitat's ripple effect

Habitat is proud of the homes built alongside homeowners and volunteers — and the lives that have changed as a result — and we know that our impact on the economy goes beyond the construction of homes. Habitat affiliates across the country purchase goods and services from other businesses, create local jobs, and generate demand in the broader economy. The investments that affiliates make in construction and operations are a powerful engine for local economies. The dollars they spend support other businesses and their employees, who in turn generate even more economic activity. Residential construction has been shown to be a strong catalyst for economic activity and jobs; according to the National Association of Home Builders, building a single-family home generates 2.9 jobs.¹ This ripple effect on jobs and economic activity adds up and amounts to millions of dollars in economic impact on communities nationwide.

Just how large is that ripple effect? To answer that, we performed an economic impact analysis of the U.S. Habitat network, aggregating affiliate financial data to understand the multiplier effect as Habitat's investments in affordable housing cascade through multiple sectors of local economies.

This analysis focused strictly on the economic ripple effects of affiliate and affiliate support organization programming and operations. It does not include economic factors beyond affiliate expenditures, such as property taxes paid, impacts on neighborhood

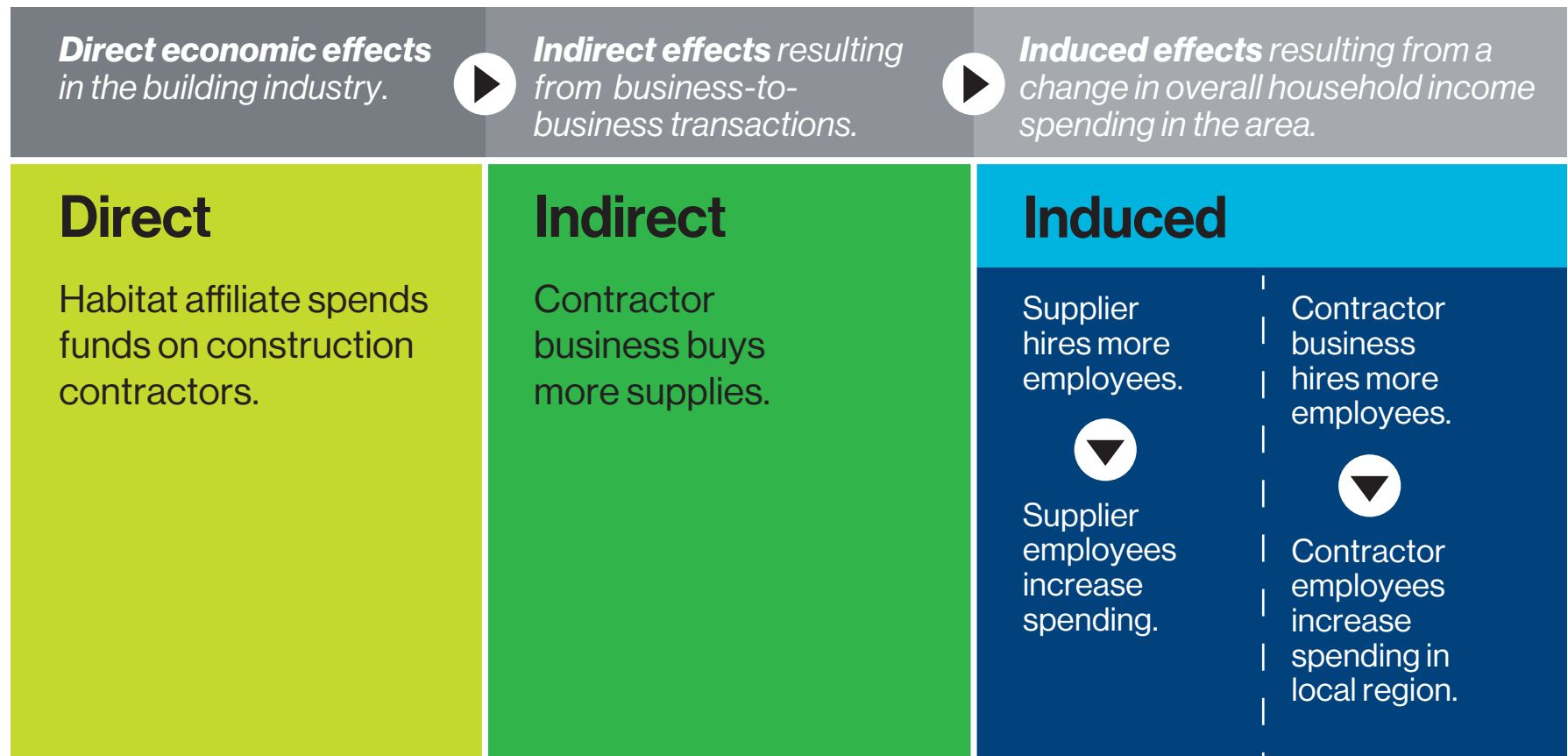
property values, and financial outcomes or spending by Habitat homeowners. Moreover, as indicated above, Habitat's work enabling homeownership brings broader community and economic impacts through neighborhood revitalization efforts, improving social outcomes and increasing residential stability; these impacts are also not reflected in this report. The results contained in this analysis should therefore be understood as only one component of Habitat's full impact and not a comprehensive measure of the value of Habitat's work.

What is an economic impact analysis?

An economic impact analysis is a method of describing the impact of an affiliate's or affiliate support organization's operations on the local economy. The analysis tracks how the money an organization spends circulates through the economy. This is also referred to as an input/output model, which takes an affiliate's expenditures and tracks how dollars flow between industries to estimate the outputs in the economy, typically in the form of expenditures, earnings and jobs. The results are segmented into three sets of outputs: direct, indirect and induced effects. These types of analyses are often used by local government officials or economic development organizations to consider the possible benefits of different potential projects and to assess whether a project merits public investment.² It is a well-known approach and a standard method of communicating the economic contribution of an organization or institution operating within a region.

¹ National Association of Home Builders, Paul Emrath. (2020). "National Impact of Home Building and Remodeling: Updated Estimates." <https://www.nahb.org/-/media/76398F7E13C547FDA99AD5FD35DA695C.ashx>

² Morgan, Jonathan Q. *Analyzing the Benefits and Costs of Economic Development Projects*. UNC School of Government, 2010. Accessed July 30, 2024. <https://www.sog.unc.edu/file/156/download?token=pmTDQVfb>



ECONOMIC IMPACT ANALYSES FOR HABITAT AFFILIATES

A situation in which an affiliate spends money on a construction contractor would be a **direct effect**. The hired contractor uses some of the money paid to them to purchase more supplies. This additional spending by the contractor would be an **indirect effect**. The contractor could also use the additional spending to hire more

employees, and the supplier the contractor buys from could hire more employees to meet the increased demand from the contractor. Both sets of these new employees now have more money to spend in the local economy at restaurants, retail stores, etc. This additional spending is an **induced effect**.

Our approach

To analyze the full economic contribution of the Habitat network's investments and operations, Habitat for Humanity International primarily relied on employment and expenditure data from the 2022 IRS Form 990s and audited financial statements of affiliates and affiliate support organizations. When 2022 documents were not available, we used 2021 or 2020 financial documents. We extracted expenditure and employee information from the documents and aggregated expenditures into three categories: new construction, rehabilitation and renovation, and office and Habitat ReStore operations. These categories represent the primary economic activities conducted by affiliates in their local economy.

ECONOMIC IMPACT ANALYSES FOR HABITAT AFFILIATES

Category	Included information
New construction	Total spending on new construction.
Rehabilitation and renovation	Total spending on repairs, renovations and rehabilitation of existing homes.
Office and Habitat ReStore operations	All other spending. Total employment. Total employee compensation with fully loaded payroll.

This information was then input into IMPLAN, an economic modeling software, along with each organization's geographic service area, or GSA, to estimate the economic impact within the local economy and across the network. Habitat for Humanity International worked closely with a former executive director from a Habitat affiliate,

Greg Thomas, and economists and staff members from IMPLAN to ensure the data were collected, categorized and input appropriately to accurately model Habitat's economic impact.

For more information about our approach and methodology, please see [Appendix A](#).



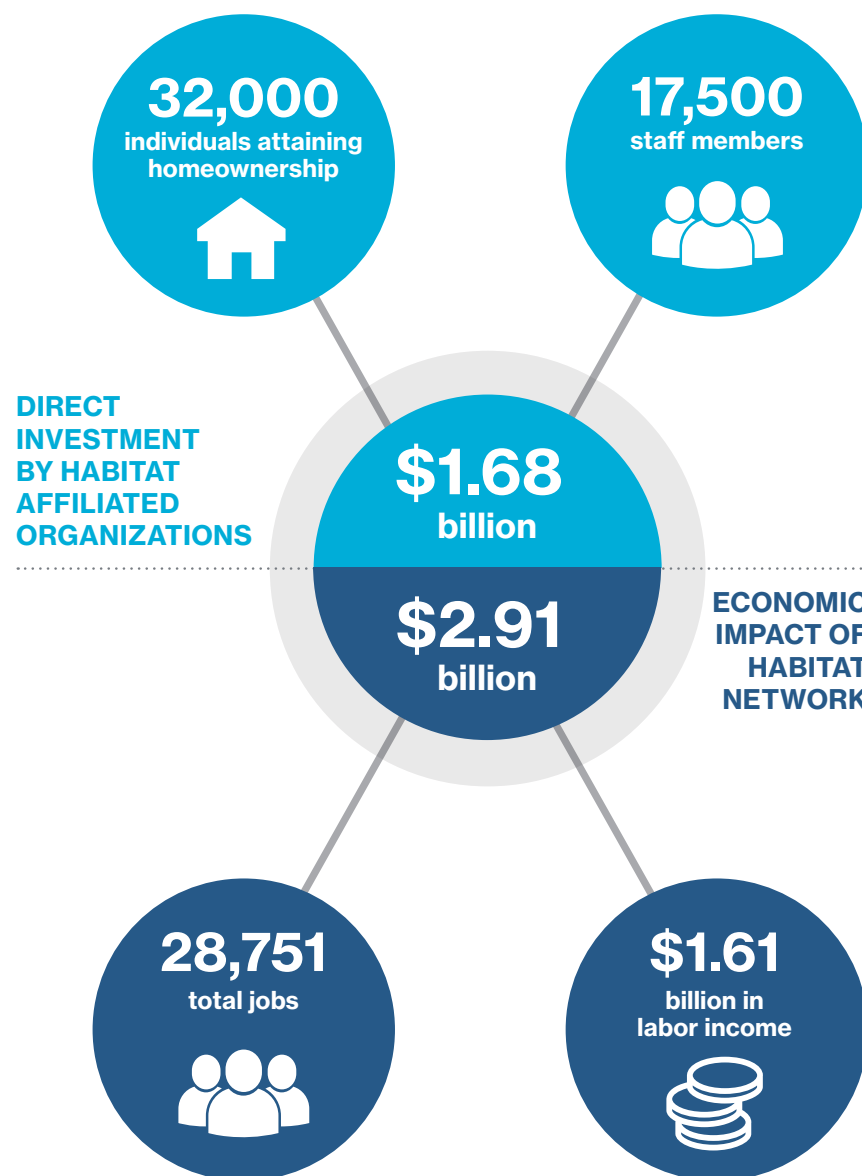
The economic impact of Habitat's ripple effect

Collectively, Habitat affiliates and affiliate support organizations invested \$1.68 billion in 2022, helping over 32,000 individuals³ as they achieved their goal of homeownership and directly employing 17,500 staff members. Habitat's investment created over \$2.91 billion of total economic activity, supporting 28,751 total jobs and paying over \$1.61 billion in labor income. Habitat's work also created \$1.3 billion in value added, a measure of contribution to gross domestic product. In addition, federal, state and local governments benefited from the tax revenue produced from constructing and repairing houses. At the state and local levels, these taxes include items such as Social Security taxes for employees, sales taxes and taxes on motor vehicle licenses. At the federal level, these include excise taxes, customs taxes and corporate profit taxes. This revenue equaled \$302 million in state, local and federal taxes.

Total affiliate spending amounted to a **return on investment of \$1.74** — for every dollar invested by the Habitat network, an additional **74 cents** was injected into the local economy, and each house constructed or repaired created **2.2 jobs**.

The top three industries most affected by Habitat's work were:

1. Community food, housing and other relief services.
2. Construction of new single-family residential structures.
3. Real estate sales and property management.



³ This number was calculated using the following formula: (Number of homes constructed, rehabbed, recycled * average household size) + (number of homes repaired * average household size). We assumed an average household size of four for constructed, rehabbed and recycled homes and an average household size of two for repaired homes.

Beyond the numbers

First and foremost, our work creates homes that offer life-changing opportunities for the people who own them. But the impact does not stop there. The numbers in this report demonstrate the magnitude of Habitat's economic impact and show that the dollars we invest to bring safe and affordable housing to communities generate enormous amounts of economic activity across multiple sectors. Our programs and operations create jobs, wages, tax revenue and business activities in the communities where Habitat works. Although a homeowner or family may be the ultimate benefactor of a Habitat house, many people and organizations benefit from the dollars spent and the activity supported along the way. Below are examples from four U.S. Habitat affiliates describing the ripple effects of their work throughout their local economies, in particular the businesses, services and people who benefit from affiliate investments and operations, and from a Habitat homeowner discussing the impact of homeownership on his quality of life.

Habitat for Humanity of Pinellas and West Pasco Counties, Florida

Habitat of Pinellas and West Pasco Counties is located in a peninsula within a peninsula in Clearwater, Florida – one of the fastest-growing regions in the U.S. The affiliate's geographic service area has a population of over 1.2 million people, and the need for affordable housing is dire.

"We build a lot of three-bedroom homes for single mothers in their 20s and 30s," says Mike Sutton, executive director of the affiliate. "Our average partner household consists of three or four people, and 75% of our families are people of color. Many are employed in

the home health care and hospitality industries. In fact, 40% of the area's workforce in our area work in the tourism and hospitality industries."

The affiliate built 73 homes in fiscal year 2023 and is on pace to build 80 in fiscal year 2024. Thus far, 750 homes are included in the Pinellas and West Pasco Counties portfolio, allowing those households to contribute an estimated \$1.37 million in taxes last year.

Many of the affiliate's partner households are civically involved, serving on homeowners' associations and working at local food banks, and many have become registered voters.

The affiliate works with approximately 75 subcontractors and purchases supplies from over 100 local vendors to construct homes. "We lead with the mindset of investing in our local economy," Mike says. "Relationships are extremely important, from banks, suppliers, vendors and decision-makers. We are relationship-driven, keeping in mind that we need to make good fiscal decisions for our partner households and our affiliate, and that has worked well for us."

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We lead with the mindset of investing in our local economy...

– Mike Sutton

North St. Louis County Habitat for Humanity, Minnesota

North St. Louis County is a rural area not far from the border of Canada, says Nathan Thompson, executive director of North St. Louis County Habitat. Located in a mining, iron ore and logging community of about 80,000 people, the affiliate serves 15 towns. It builds and rehabs five homes annually. Since its inception, it has built 84 homes and rehabbed 16.

The affiliate is a major player in the area. In fact, Habitat may build the only new home in the area some years. Because of this, the affiliate has been able to foster important relationships with local contractors and other stakeholders. “We have great relationships with the towns and counties here, and many of the houses we rehab have been donated or severely discounted,” says Nathan, who estimates the affiliate spends \$30,000 to \$35,000 per home at local lumberyards and works with 10 area contractors and vendors for goods and services. “Most of the land we build on has been greatly discounted.”

The affiliate has 68 active partner households who contribute \$70,200 in property taxes. Additionally, it partners with several nearby construction programs, carpentry institutes and local organizations that need training opportunities for students and apprentices. These partnerships help support the professionals needed to work alongside homeowners as they build their homes. “We are building homes for individuals and families who otherwise wouldn’t be able to have a stable, healthy house,” Nathan says. “We are building community, bringing people together to create friendships and stronger neighborhoods, and we are building hope for everyone — hope for a better tomorrow.”

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– Nathan Thompson

Habitat for Humanity of Butte County, California

It has been almost six years since the devastating Camp Fire, the deadliest and most destructive wildfire in California's history, which destroyed 90% of rural Paradise. Habitat of Butte County, which recently expanded its service area to include Paradise, has been instrumental in the economic revitalization of the community.

According to Nicole Bateman, the affiliate's executive director, its partner households are most often headed by single parents who struggle to achieve homeownership because of the rising cost of homes and homeowners' insurance. "Insurance is an issue across the nation, but it's something we are really contending with here," Nicole says.

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Our affiliate has helped bring affordable housing back to Paradise.

– Nicole Bateman

Many of the partner households work for the county in clerical and janitorial positions or for a national food brand. "Many were renters who came to the area to rebuild, to become stable," Nicole explains. In the aftermath of the Camp Fire, the affiliate had to reintroduce the bidding process and establish new relationships, as the contractors they previously worked with were no longer in the area.

"Our affiliate has helped bring affordable housing back to Paradise," Nicole says. Despite the loss of 14,000 homes during the fires,



approximately 2,000 houses have been built in the past five years, equating to around 15% of the homes lost. Habitat built 17 of those homes, giving survivors of the Camp Fire a chance to rebuild their lives.

Finding individuals to assist with home builds in a rural area poses a challenge, but Habitat of Butte County has successfully enlisted the help of interns and volunteers from nearby community colleges, public service groups, foundations and other organizations. This collective effort supports the rebuilding process and strengthens the local economy by creating jobs and stimulating local businesses.

Habitat for Humanity of Evansville, Indiana

Habitat of Evansville is in Indiana's third-largest city. It's a close-knit community with small-town vibes where connections are easily made. Its residents are "generous and always willing to help one another," says Derrek Trout, the affiliate's marketing and public relations manager.

This year, the affiliate celebrated a major milestone: building its 600th home. This home is part of an established neighborhood of 24 homes. It is also one of two homes that junior- and senior-level high school students at Southern Indiana Career and Technical Center will help build. This partnership provides students with critical on-the-job training, showcasing the valuable relationships the affiliate has established within the community.

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Owning a Habitat home has allowed our partner households to invest in themselves and invest in their futures.

– Jennifer Wuchner

Habitat of Evansville has longstanding partnerships with 20 subcontractors, spending about \$55,000 for their services on each home it builds. Its relationships with skilled laborers are mutually beneficial. For instance, the roofer with which the affiliate works donates materials for half of the roofs he installs, and even roofs the storage sheds of each home at no cost. This generosity reflects the collaborative spirit of the community.

The impact of these efforts extends beyond building homes. The families living under those roofs are diverse; the heads of households range in age from 20-something to 70 and older, and they hail from various ethnicities and backgrounds. "Owning a Habitat home has allowed our partner households to invest in themselves and invest in their futures," says Jennifer Wuchner, the affiliate's finance director. "Many of them have gotten certificates and degrees. They have the time and money to pursue their dreams and passions. One mom even went on to get her medical degree."



De'Angelo's story

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I plan to become an advocate for Habitat and help other people as they progress through the program.
If I can do it, they can too.



One of those homeowners in Evansville is De'Angelo, a full-time nursing student. De'Angelo purchased his Habitat home in July 2022, after experiencing homelessness and living in unsafe conditions. He had been couch-surfing for a bit with family and friends while working at various fast-food restaurants. “I moved into a one-bedroom apartment, but the environment, it was really unsafe,” he says. He had also decided to pursue a career in nursing, working two jobs to pay tuition.

De'Angelo knows several people who own Habitat homes. “I thought about the difference a Habitat home can make financially, and I decided to apply,” he says. While working two jobs and attending college full time, De'Angelo also completed his homeownership classes and performed 300 hours of “sweat equity” helping to build his new home. “I learned valuable time-management skills.”

Birdie Harrison, family services coordinator at Habitat of Evansville, describes the 32-year-old homeowner as a true inspiration to others.

“Now I have a home,” De'Angelo says. “I have a place to study. I was able to save for a working car, and I can pay for school and books. And I was able to transfer to the university, which is closer, to pursue a bachelor's degree in nursing. I don't have to worry about my safety. And I have been able to save money. My mortgage for my three-bedroom home is 75% less than the rent for the one-bedroom apartment I lived in.”

De'Angelo's goal is to finish school and give back to the community. “I plan to become an advocate for Habitat and help other people as they progress through the program. If I can do it, they can too.”

The transformative power of home

The need for safe, affordable housing continues to grow.

Habitat's work partnering with households through financial education and sustainable, affordable housing is more important than ever. This report shows the economic impact that Habitat has on local economies as we purchase goods and hire professionals to help us partner with households. This is just part of the transformative power of home. For instance, Habitat households:

- Participate in financial literacy classes as part of the selection process that improves their money management skills.
- Often have more disposable income to spend in the local economy.
- Often experience improved health, which means better school attendance and improved grades.
- Are more engaged in their community as they are more likely to vote and volunteer.

While these changes take place individually, there is a ripple effect that is real and tangible for the communities where Habitat works and where our homeowners live. When homeowners like De'Angelo no longer spend most of their income on rent and no longer struggle to make ends meet, they gain peace of mind and are empowered to better care for themselves. They can make plans and save for brighter futures.

These numbers and stories demonstrate that Habitat is not only an important provider of affordable housing, but also a powerful economic engine that contributes jobs, wages and increased output

in communities across the U.S. An investment in Habitat's work goes beyond the house to stimulate local economies and make meaningful economic contributions to the people, businesses and services that play key roles in Habitat affiliate operations.

With your support, Habitat homeowners achieve strength, stability and independence, and local economies benefit in numerous ways, tangibly and intrinsically.



Appendix A:

Methodology and approach

The U.S. Research and Measurement team at Habitat for Humanity International led the efforts to analyze Habitat for Humanity's economic impact. We partnered with a former affiliate executive director, Greg Thomas, who had performed extensive work in conducting affiliate economic impact analyses, to consult on data aggregation and methodology.

Data collection

Habitat for Humanity International solicited two financial documents from Habitat affiliates and affiliate support organizations that were active in FY2022: their IRS 990 or 990-EZ and their audited financial statements for the most recent year. The team received financial documents from 866 affiliates and 17 affiliate support organizations. See Table 1 for a breakdown of the distribution of financial documents used.

EXPENDITURES

Expenditure data were manually extracted from audited financial statements, IRS 990 or 990-EZs, depending on what was provided by the affiliate or affiliate support organization. For the audited financial statement, the expenses included the following:

- All expenses included in the Statement of Functional Expenses.
- Construction of homes in progress not yet sold to the homeowner and found in the Statement of Financial Position.
- Purchase of any goods for resale in the Habitat ReStore. This information is in the Statement of Activities, often under Cost of Goods Sold.

In some instances, expenses for the latter two categories were found in the notes section of the audited financial statement.

In cases where no audited financial statements were provided, expenditure data were extracted from IRS 990, Part IX, Statement of Functional Expenses, or IRS 990-EZ, Part I, Lines 10-17, and Part III Statement of Program Service Accomplishments.

Habitat for Humanity International contracted with two vendors to perform double-data entry of the financial documents to ensure data accuracy. The vendors used a data entry template that was provided by Habitat for Humanity International and adhered to detailed guidance. Once extracted, the data were compared between the two vendors, and any inconsistencies were resolved.

Table 1: Distribution of financial documents used across affiliates and affiliate support organizations

Type of financial document	Data extracted	2020*	2021	2022	Total
Audited Financial Statement	Expenditure data	17	92	294	403
IRS 990	• Employment numbers	23	285	113	421
IRS 990EZ	• Expenditure data**	3	24	32	59
Total		43	401	439	883

*We were unable to locate more recent financial documents for these affiliates.

**When no audited financial statements were provided.

EMPLOYMENT

Employment numbers were manually extracted from IRS 990 forms, Part I, Line 5. In some instances, affiliates did not provide employment numbers in their most recent IRS 990. In these cases, Habitat for Humanity International referred to previous years. If that information was also missing, employment numbers were either estimated or the affiliate was assumed to have zero employees. Habitat for Humanity International imputed employment numbers for those affiliates that reported non-zero employee compensation and provided IRS 990-EZs or reported zero employees but non-zero employment compensation. These numbers were based on:

- The compensation amounts itemized in Part VII: Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors from IRS 990, or Part IV: List of Officers, Directors, Trustees, and Key Employees from IRS 990-EZ.
- Number of staff members indicated on the affiliate's website.
- Assumption of annual salary per employee of \$33,000.

HOUSING PRODUCTION

Habitat for Humanity International used 2020 to 2022 housing production numbers – whichever year corresponded with an affiliate's financial documents – for new construction, recycle, rehabilitation and repair as provided by affiliates in the quarterly House Production Report. For new construction, we aggregated the number of new, recycled and rehabilitated houses. For rehabilitations and renovations, we used the number of repaired houses.

GEOGRAPHIC SERVICE AREA

Habitat affiliates have designated GSAs. For this report, GSAs were rounded up to the county level. These county-level service areas were determined from the GSA descriptions provided by affiliates

and mapped into counties. For instance, if an affiliate's geographic service area covered one full county and one partial county, the geographic region included both counties. Affiliate support organizations were assigned to their state or regional area.

Data analysis

Habitat for Humanity International contracted the IMPLAN Group, an economic modeling software company, to conduct the economic impact analysis using affiliate and affiliate support organization data. IMPLAN uses a regional economic analysis software application that is designed to estimate the impact or ripple effect of spending within a specific geographic area through the implementation of its input-output model. Habitat for Humanity International provided IMPLAN with expenditure and employment data, which IMPLAN then used to estimate the economic impact of the Habitat network.

DATA COMPILATION

The Habitat for Humanity International team used Stata, a statistical software, to aggregate expenditures into one of three categories:

- **New construction:** Total spending on new construction.
- **Rehabilitation and renovation:** Total spending on repairs, renovation and rehabilitation of existing homes.
- **Office and Habitat Restore operations:** All other spending, including total employment compensation.

These categories match the industries suggested by IMPLAN as industries most closely tied to Habitat's economic activity. In most instances, affiliates did not separately report spending on new home construction and rehabilitation and renovation. Consequently, the categories were combined for these affiliates and assigned to new construction.

Construction costs related to incomplete homes that are not yet sold to homeowners were included as part of new construction costs. These costs are included only for those affiliates where the audited financial statement or IRS 990-EZ, if reported, was used. We calculated these costs as the difference between construction in progress at the end of each fiscal year. If only one year of construction-in-progress costs was included in the audited financial statement, no construction-in-progress costs were included.

In aggregating expenditures, the following expenses were excluded:

1. Purchase and sale of land.
2. Purchase of capital items such as refrigerators and heating, ventilation and air conditioning, or HVAC, systems.
3. Non-cash items such as depreciation, bad debt write-off and mortgage discounts.

The purchase and sale of land is considered an asset transfer and does not impact the economy. However, some affiliates combine and report expenses for land purchase and land development, and Habitat for Humanity International included these expenses, potentially overstating expenses. Additionally, many capital items are most likely produced outside of an affiliate's geographic service area and are not included as part of its economic activity. Given that affiliates do not separately report the purchase of capital items in their financial documents, Habitat assumed a standard deduction of \$10,750 per house constructed based on industry experience.

Some affiliates value the sale of their donated inventory sold in Habitat ReStores and include this as an expense. Because the study's focus is only on spending by the affiliate, this expense was excluded from the analysis. Additionally, some affiliates purchase goods for resale in their Habitat ReStore. If these expenses were

clearly stated or could be calculated from information in the Statement of Functional Expenses or the Statement of Activities, they were included in the analysis. Regarding affiliates for which we relied on the IRS 990 or 990-EZ for expense information, expenses related to purchased inventory were not included if not already part of their expenses.

For this national analysis, we included payments made to Habitat for Humanity International, specifically the Stewardship and Organizational Sustainability Initiative, or SOSI, fee and payments for Habitat ReStore support. Tithing was excluded, as that money is directed to Global Village builds. In instances in which affiliates did not report tithing and SOSI separately, we relied on our internal database to determine the amount tithed and deducted this amount from indicated expenses.

To validate the aggregation methods, Habitat for Humanity International asked a subset of affiliates to review their financial documents and the aggregated results to ensure that our interpretation of spending activity was accurate. Thirty-three affiliates reviewed and validated their data.

MODELING ECONOMIC ACTIVITY

IMPLAN used annual, regional data from the U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, and Census Bureau to calculate industry-specific multipliers at different geographic levels, such as state, county and ZIP codes, from an input-output model. These multipliers estimate the induced and indirect effects generated by affiliates' investments in different industries to calculate changes in output, income and employment.

IMPLAN assigned each of the categories to an IMPLAN industry code.

- **New construction:** 57 – Construction of new single-family residential structures.
- **Rehabilitation and renovation:** 61 – Maintenance and repair construction of residential structures.
- **Office and Habitat ReStore operations:** 485 – Community food, housing and other relief services, including rehabilitation services.

All employees of Habitat affiliates or affiliate support organizations were included under office and Habitat Restore operations, along with their employment compensation. Proprietor income was assumed to be zero. Affiliates and affiliate support organizations were assigned to the appropriate geographic region.

IMPLAN modeled the imputed amounts spent on capital items as commodities to correctly account for appliances that were installed in each newly built home that would not normally be included in the construction industry spending pattern. As shown in Table 2, items imputed and their associated cost estimates depended on the year of construction.

All commodities were classified as other major appliances (Commodity 3328). For each newly constructed house, construction spending was reduced by the cost of the HVAC system (\$10,750), given that an affiliate might not have incurred any cost for the refrigerator, stove, dishwasher or microwave, as these may have been donated.

Table 2: Cost estimates of capital items					
	Stove	Refrigerator	Dishwasher/ microwave	HVAC system	Total
2020	\$736.50	\$719.00		\$10,750.00	\$12,205.50
2021	\$736.50		\$955.50	\$10,750.00	\$12,442.00
2022	\$1,087.34	\$992.33		\$10,750.00	\$12,829.67

IMPLAN separately ran the analysis for each of the 866 affiliates and 17 affiliate support organizations to generate outputs for each region or state. The outputs generated were:

- **Total output:** Output is the total value of production by industry in a calendar year. It includes all components of production value for a given industry; intermediate expenditures, employee compensation, proprietor income, taxes on production and imports, and other property income.
- **Total employment:** IMPLAN defines employment based on the definition of the Bureau of Economic Analysis and Bureau of Labor Statistics, which defines jobs as full-time/part-time annual average. Thus, one job lasting 12 months is equal to two jobs lasting six months each or to three jobs lasting four months each. A job can be either full-time or part-time and is not the same as a full-time equivalent number.
- **Total labor income:** Labor income represents the total value of all forms of employment income. It reflects the combined cost of total payroll paid to employees. It is a fully loaded payroll value and includes all cost of labor to the industry: wages and salaries and benefits.
- **Total value add:** Value added is a measure of the contribution to gross domestic product made by an individual producer, event or industry. Value added is equal to output minus intermediate expenditures. Intermediate expenditures consist of all purchases of nondurable goods and services, such as energy, materials and services, used to construct the new homes and rehabilitate and renovate existing homes.

- **Total state, local and federal taxes:** All tax revenue in the study area across all levels of government that exist in that study area for the specific industries and institutions affected by an event or group of events.
- **Top three industries impacted:** Industries with the highest total output.

All results, including investment and outputs, were reported in 2023 dollars.

As the results generated by IMPLAN were at the affiliate and state levels, Habitat for Humanity International aggregated the data to generate national figures. The national estimates are conservative estimates of the impact of affiliates' investments, as they exclude any spillover of affiliates beyond the geographic regions included in the analysis.

SENSITIVITY ANALYSIS

We conducted sensitivity analyses to determine how miscategorizations of investments, especially between new construction (Industry 57) and rehabilitation and renovation (Industry 61), would affect the results. The sensitivity analyses indicated that miscategorizations would only marginally impact the results, modifying them by less than 1%.

Appendix B:

About Habitat for Humanity

Our mission

Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

Our vision

A world where everyone has a decent place to live.

About Habitat

Driven by the vision that everyone deserves a decent place to live, Habitat began in 1976 as a grassroots effort on a community farm in southern Georgia. The ecumenical housing organization has since grown to become a leading global nonprofit working in communities across all 50 states; Washington, D.C.; and Puerto Rico in the U.S. and in more than 70 other countries. Families and individuals in need of a hand up partner with Habitat to build or improve a place they can call home. Habitat homeowners help build their own homes alongside volunteers and pay an affordable mortgage. Through

financial support, volunteering or adding their voice to support affordable housing, everyone can help families achieve the strength, stability and self-reliance to build better lives for themselves. Through shelter, we empower. To learn more, visit [habitat.org](https://www.habitat.org).

How we work

While Habitat's mission has a global reach, this report is focused on the work of the Habitat network in the U.S. that is composed of local Habitat affiliates and affiliate support organizations that provide advocacy and coordination support from a state or regional level. U.S. Habitat affiliates are independent, local nonprofit organizations that act in furtherance of Habitat's mission, and each Habitat affiliate coordinates all aspects of Habitat homebuilding in its area. There are currently over 1,000 Habitat affiliates operating in the U.S., including all 50 states, the District of Columbia, and Puerto Rico.

In addition to building new houses alongside future homeowners, Habitat affiliates complete rehabilitation and repair projects to improve the quality of existing homes and work on neighborhood revitalization efforts to strengthen entire communities. Some affiliates participate in the Aging in Place initiative, which assists homeowners over age 65 with repairs and modifications that increase their ability to live in their home safely and independently. Affiliates are also instrumental in Habitat's Disaster Risk Reduction and Response work, which serves communities with disaster mitigation, preparedness and recovery through education, training and partnerships.

Many Habitat affiliates operate independently owned retail stores called Habitat ReStores. Habitat ReStores resell donated home-related items to the public at a discounted price. Affiliates operate more than 850 Habitat ReStores across the country, the proceeds from which contribute to building strength, stability, self-reliance and shelter in local communities and around the world.

Habitat also addresses the underlying policies and systems that hinder access to affordable housing. Building on the unparalleled reputation of local Habitat organizations across the U.S. and our strong record of advocacy achievements, Habitat launched a national advocacy campaign called Cost of Home in June 2019. Throughout the five-year advocacy campaign, Habitat mobilized volunteers, community members and partners throughout the country to find solutions and help create policies at the local, state and federal levels that will help 6.6 million individuals access affordable places to live. With the close of the campaign in June 2024, Habitat will build on its advocacy wins to expand and strengthen these efforts.

Who we serve

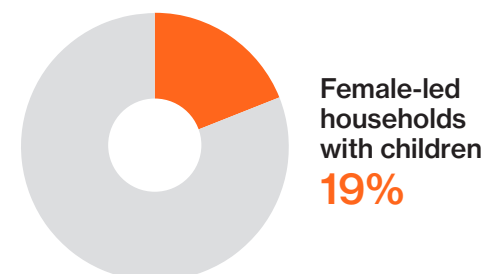
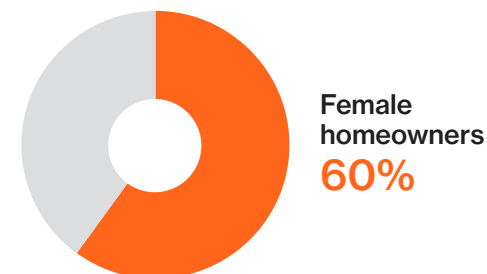
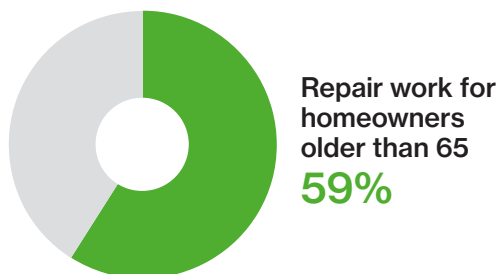
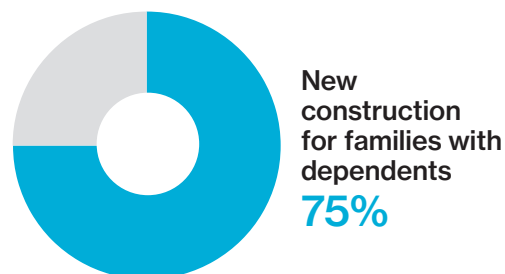
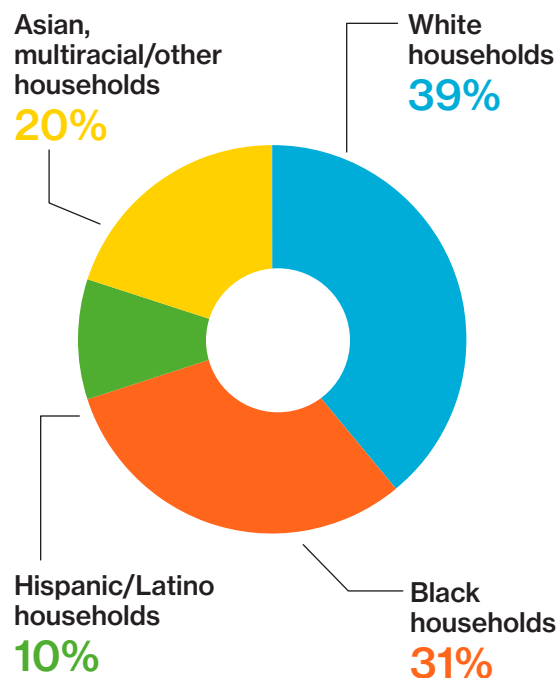
Habitat partners with low- and moderate-income households for whom homeownership has the potential to enhance their quality of life. Potential homeowners must meet basic qualifications, such as earning below 80% of the local area median income, to be accepted into an affiliate's homeownership program. After applying and going through a homeowner selection process with their local affiliate, selected homeowners attend a series of classes on topics such as personal finance, home maintenance and others that will help them become successful homeowners. New homeowners must also complete sweat-equity hours, volunteering a certain number of hours building either their home or another Habitat home.

Homeowners who participate in repair services undergo a similar selection process and, like new homeowners, must earn less than 80% of the local area median income. Homeowners participating in repair services do not have a sweat-equity requirement but are provided meaningful opportunities to participate in repair projects.



In FY2023, Habitat helped more than 35,000 individuals in the U.S. access or improve a decent, affordable place to live. While Habitat homeowners share basic qualifications and follow a similar journey to homeownership, they are otherwise a diverse group. Of the households served by Habitat affiliates in FY2023 through new construction, repair, recycle and rehab work, 39% were white, 31% were Black, 10% were Hispanic/Latino, and the remaining 20% included Asian, Native American or Alaska Native, Native Hawaiian or other Pacific Islander, multiracial, other racial groups,

and those who did not wish to answer. New construction largely served households with dependents, as 75% of all new homeowners had dependents. Repair work accounted for 76% of work done by affiliates, 59% of which was performed with households with people older than 65, 38% with households with people with disabilities, and 11% with households with military veterans. Across construction and repair work, 60% of Habitat homeowners were female, and 19% of all households assisted were female-led households with children.



everyone
needs a place to call home



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