



# Beyond the house:

## How Habitat's investments ripple across our local economy

**An economic impact analysis - 2020**



## Introduction

**Every year, Habitat for Humanity builds alongside local families as they achieve their dream of homeownership and strengthen their neighborhoods.**

Housing is 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 homes also stimulate other sectors of the economy by driving additional spending and creating local jobs. This is the seldom-told story “beyond the house” of how Habitat creates a ripple effect in local and regional economies across the country. As the U.S. grapples with the economic fallout tied to the Covid-19 pandemic, it is important to underscore the multiplier effect of investments in housing and how they may help accelerate our economic recovery.

**Habitat’s ripple effect across the Capital District is significant.**

In FY2019-2020, we invested more than \$3 million in our homebuilding operations. For every dollar invested by Habitat, an additional 74 cents was injected into the local economy.



**\$5,359,948** economic impact of our investments



**\$2,486,511** wages paid into the local economy



**44** jobs supported

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 across the Capital District.

# everyone

## deserves a decent place to live.

### Local facts

- Habitat builds new homes & rehabilitates vacant buildings for first-time homebuyers in Albany, Rensselaer & southern Saratoga counties
- Completed 140+ homes using
- Homes are built by professional construction staff + local contractors + volunteers + homebuyers
- We do not offer home repairs for owner- or renter-occupied homes, and we do not own or manage rental properties

### Our mission

We build strength, stability and self-reliance through affordable homeownership.

### Our history

Driven by the vision that everyone needs a decent place to live, Habitat for Humanity International began in 1976 as a grassroots effort on a community farm in southern Georgia.

Habitat for Humanity Capital District was founded in 1988 as is an independent affiliate of Habitat International.



### The Habitat ReStore

Habitat operates the Habitat ReStore, where we resell donated home improvement items to the public at a discounted price. The proceeds contribute to building strength and stability through homeownership in the Capital District.

### Advocacy

Habitat also works to address the underlying policies and systems that hinder access to housing. We are mobilizing volunteers, community members and partners throughout the country to find solutions and help create policies at the local, state and federal levels. Policy wins reported in the last year are estimated to improve access to home affordability for nearly 1.5 million people.

# Quantifying the ripple effect of our investments

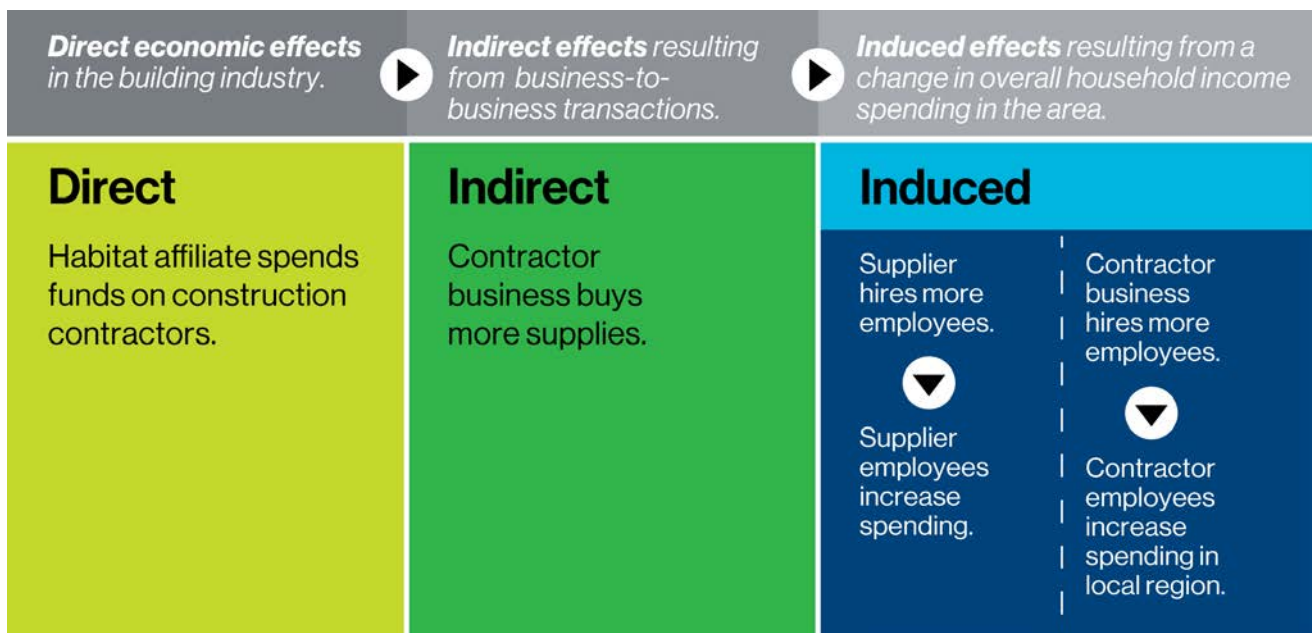
We're proud of the homes we've built alongside homeowners and the lives we've helped to change, but we know that our impact in the community goes beyond the construction of homes.

To quantify the ripple effect of our investments in the local economy, we performed this economic impact analysis. The analysis estimates how much our initial investment is multiplied as the dollars circulate through the economy.



## How does an economic impact analysis work?

An economic impact analysis uses multipliers to estimate how our investments in the region circulates through other businesses and generates additional economic gains through direct, indirect and induced effects. It is a well-known approach and is a standard method of communicating the economic contribution of an organization or institution operating within a region. The analysis does not include other economic factors, such as impacts on property taxes or homeowner spending. **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.**



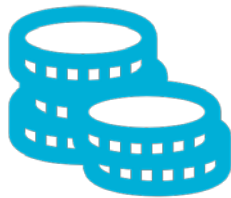
# Beyond the house

## Understanding the ripple effect of our investments in FY2020

Habitat's work has a broad range of impacts, including impacts on health, environmental and educational outcomes; civic and social engagement; the financial stability of Habitat families; and local economies. The results shown here describe *one component* of our economic impact.



Our work



**\$3,081,583**

invested in operations, construction, rehabilitation and renovation

Our impact

**44**

jobs supported, generating



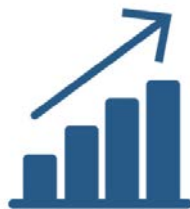
**\$2,486,511**

in wages paid into the local economy



**\$5,359,948**

economic impact of our investments



**\$1.74**

dollars injected into the local economy for every dollar spent



**Top industries impacted:**

1. Community food, housing & relief services
2. Residential construction



**\$291,917**

in local and state taxes paid

*Results measure only the economic impact of our work as measured by our expenditure on programming and operations. Additional factors contributing to economic impact (e.g., property taxes paid, homeowner spending) are not included. The economic impact was estimated using IMPLAN, an economic modeling software, based on data from our financial documents.*

# Our approach

## How did we do this work?

The analysis tracks how the money our organization spends circulates through the economy. To calculate these results, Habitat for Humanity extracted employment and expenditure data from our most recent financial documents. The data were aggregated into three categories of investment identified by professional economists to represent the primary economic activities of Habitat affiliates in the local economy.



We spend money on businesses and services (construction materials, contractors, office supplies, etc.)



Thanks to our spending locally, those businesses spend more on employees and materials.



Those employees now have more money and can increase their household spending.



**Economic impact of Habitat's investments**

### Investments:

- New construction
- Rehabilitation and renovation
- Office and Habitat ReStore operations

This information was then input into IMPLAN, an economic modeling software that helps communities assess economic impacts. The data was then assigned to the industries listed below, and aligned to our local service area to estimate the economic impact of our spending within the local economy.

### Industries:

- New construction - IMPLAN Industry 57
- Rehabilitation and renovation - IMPLAN Industry 61
- Office and Habitat ReStore operations - IMPLAN Industry 495



# 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 our community 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.

2020 was a difficult year not just for our organization, but for our neighbors struggling to stay safe and healthy and afloat.

**Yet through it all, your support made it possible for Habitat to keep building.**

We completed seven new houses in 2020 so that families living through this pandemic could have a safe home of their own to return to after their shifts. What's more, your support of Habitat rippled throughout the Capital District to create jobs, stimulate the economy and provide stability through this public health, economic and social crisis.



# everyone

deserves a place to call home



Now more than ever, families need the security and stability of a decent home they can afford. But for too many families, home is overcrowded, unsafe or unaffordable.

**To learn more about Habitat's Essential Housing Response Fund and to help us keep building in the Capital District, visit:**

**[habitatcd.org/essential](https://habitatcd.org/essential)**



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