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Partnering with Local Employers to Meet Housing Needs

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Partnering with Local Employers to Meet Housing Needs

Abstract

Low- and moderate-wage earners in Georgia have difficulty finding quality, affordable housing. This article describes one way to help the workforce improve their housing situation. Working with an employer to survey a representative sample of their new employees, University of Georgia Housing and Demographics Research Center researchers collected primary data regarding housing needs and preferences. The survey methodology and logistics are described in detail, and a descriptive summary of the data is included. Survey findings reveal valuable information about housing capacity and desire, and can be used to plan effective, educational programs designed to help workers obtain housing.

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Introduction and Background

Low- and moderate-wage earners in Georgia have difficulty finding quality, affordable housing. On average, working families in metropolitan Atlanta spend nearly two-thirds of their income on housing and transportation combined, well above the national average of 50% (Atlanta Neighborhood Development Partnership, 2004). In rural Georgia, housing choice is very limited, and a significant proportion of Georgia's rural workforce is dissatisfied with their housing situation (University of Georgia, Housing and Demographics Research Center, 2001). Furthermore, an inadequate supply and mix of workforce housing limit economic development in rural Georgia (Housing and Demographics Research Center, 2001).

The term "workforce housing" generally refers to housing that is affordable to a community's low- to moderate-income workers. Typically, this includes employees with wages of 80% or less of area median income. Usually, these employees include teachers, police officers, nurses, and other workers in similar paying jobs. According to the U.S. Department of Housing and Urban Development (HUD), a home is affordable if a household does not pay more than 30% of gross income for mortgage/rent and utilities.

This article presents a case study of how the University of Georgia's (UGA) Housing and Demographics Research Center (HDRC) facilitated efforts to improve the housing outlook for workers and their employer in one Georgia community. The work included collaborating with a local employer (a poultry processing plant) to conduct a housing needs assessment among job

applicants who were responding to a planned expansion requiring 1,500 new workers. Outreach involved educating the housing industry, the larger community, and potential home buyers by sharing survey results that illustrated the demand for workforce housing. In addition, an employee housing fair and developer/lender seminars increased knowledge of how to use available programs that subsidize the construction of workforce housing as well as homeownership.

The collaborative and proactive nature of the partnership between the employer, the city, the Development Authority, Cooperative Extension Service, UGA, and the State Housing Finance Division was critical to the success of this project. An adequately housed workforce is important not only to the workers' quality of life but also to local economic development. The remainder of this article focuses on a discussion of the methodology for the housing needs assessment and implications for practice.

Survey Methodology

This section describes the methodology involved in implementing a workplace-based survey to assess housing needs. The steps involved include:

- Gaining employer support,
- Designing the survey instrument,
- Addressing special survey implementation considerations for given populations,
- Designing a sample selection criteria,
- Planning site location logistics for implementation, and
- Obtaining approval to include human subjects in the research

The survey instrument used in the Workforce Housing in Georgia study conducted in 2001 by the UGA HDRC was the basis for the survey instrument used in the research described here, as the two populations were comparable in reading and basic comprehension levels. The survey instrument used was written at an eighth-grade reading level. Despite the relatively low reading level of the survey, experience indicated that the potentially sizable Hispanic population would not be able to read the survey, even in Spanish. Therefore, even though the survey was translated into Spanish, a local Spanish speaker was hired to assist the Hispanic participants as they completed the survey.

Because one objective of the survey was to gather information about the influx of new residents that would likely result from 1,500 new job openings, the original plan was to survey new workers as they were hired. The objective was to obtain information about the new employees' housing plans and, if they planned to move, what sort of housing they would seek. The methodology was amended, however, because the only feasible time to survey was during the application and orientation process. Therefore, the survey population was job seekers in the local (regional) labor market, rather than only those hired as poultry workers.

Unless successful job applicants are different in important ways related to housing needs and preferences from those who were not offered or did not accept employment, the resulting sample is representative of the ultimate workforce at the poultry plant. If the two populations are different, the sample is representative of job seekers in the local (regional) labor market, which, for the purpose of this survey, is satisfactory.

Applicants for poultry processing line jobs were surveyed during weekly interview and orientation sessions at the local technical college. After completing the job interview process, each applicant was verbally invited to complete the survey by the research staff. At this time, the survey purpose and time commitment were explained; very few applicants refused to complete the survey. Participants completed the survey in a large classroom, where members of the research team were available to answer questions. The five-page survey instrument required approximately 15 minutes to complete. For the Spanish-speaking applicants, the survey was basically a one-on-one personal interview. The translator asked the applicants to take part in the survey, explained the survey purpose, read the survey questions, and wrote their answers on the form for them.

Although the job interview and survey processes were conducted back-to-back at the same facility, the two were completely separate, which was explained to each survey participant. This aspect of the survey required diligence by the researchers to ensure adequate informed consent, because the job applicants were liable to connect the two processes and feel coerced into participating in the survey. An advantage of the approach used was that the surveys were completed thoroughly and thoughtfully, resulting in high-quality data.

Data and Descriptive Survey Findings

The survey data provide basic background information about the applicants and their families including age, race, ethnicity, gender, educational attainment, household income, and employment status. In addition to these socioeconomic and demographic data, the survey

provides data on the housing issues the largely rural applicant pool face: characteristics of their current housing, including housing type, housing tenure, number of rooms in their home, length of tenure, and mortgage or rent payment; their satisfaction with their current home; and the home's distance from the poultry plant, as well as their mode of transportation to work.

The data were collected by University of Georgia's Housing and Demographics Research Center researchers in July 2005. Five-hundred fifteen applicants for 1,500 entry-level jobs at a large poultry processing plant in Moultrie, Georgia were surveyed.

The resulting data consisted of 308 observations for which there were no missing values for the variables of interest. Definitions for the variables are presented in column (1) of Table 1; percentages are displayed in column (2); and sample means are given in column (3).

Table 1.
Variable Definitions and Means

	(1)	(2)	(3)
Variable	Definition	% Yes	Mean
Housing			
DISTANCE	How far is your [residence] from [the plant]? (miles)		15.562
SATISFIED	Are you satisfied (happy) with your present housing?	76.0	
CROWDED	Number of household members greater than the number of the rooms?	35.7	
OWN	Do you own or rent this [residence]?	40.6	
MOVE	If hired by [the firm], do you plan to move?	32.8	
Employment			
WITHJOB	Employed for pay at time of interview.	86.0	
Education (Highest educational level achieved)			
NOTHSGRAD	Some high school; or elementary/middle school; or no formal education	34.4	
HSGRAD	High school graduate or GED	48.1	
SOMECOLL	Some college, no degree; or associate degree; or bachelor's degree	17.5	
Demographics			
AGE	Age in years		32.984
MALE		35.7	
WHITE		14.6	
BLACK		60.7	
HISPANIC		24.7	
CHILD	School-aged children?	66.2	
CHILDHOME	School-aged children and child care option is "stay at home alone"	14.6	
Sample Size		308	

An analysis of the descriptive statistics indicates the following.

- Almost 40% of the survey respondents lived in a mobile/manufactured home; 37% lived in a single-family, detached residence; 13% lived in an apartment; and the remaining 10% lived in a duplex or other type of housing.
- Approximately two-fifths (41%) owned their dwelling.
- About three-fourths of the respondents indicated they were satisfied with their current housing.
- However, more than one-third (36%) of the respondents said the number of household members exceeded the number of rooms in their residence. According to HUD, these households are living in overcrowded housing.

- Applicants lived, on average, almost 16 miles from the plant, but 33% reported that they planned to move closer if they were hired.
- The typical applicant was black, female, 33 years old, currently working, and high school educated.

See Table 1 for additional statistics on survey demographics.

Implications for Practice

The survey results presented above indicated that a majority of those surveyed were satisfied with their current housing. However, objectively, the large percentage who lived in overcrowded housing suggested that the residents' current housing situations could be improved.

Disseminating these data to the home builder industry and the community at large was an important first step to address the need for affordable workforce housing. Home builders and developers can use these data as one source of information to predict the demand for housing affordable to individuals and families with various income levels. Presenting these data in seminars along with information on subsidy programs available to builders of single-family developments was an effective technique.

Partnering with the Chamber of Commerce, the city, the Georgia Department of Community Affairs (DCA), and the U.S. Department of Agriculture Rural Development (USDA/RD), meetings were convened with local home builders, developers, and lenders to increase awareness of state subsidy programs available to help develop workforce housing. With a comprehensive database of potential attendees, the Chamber sent invitations and hosted each meeting. Programs such as the Georgia Dream Single Family Development Program, which offers gap financing in the form of a home buyer subsidy and/or a development subsidy to developers to assist with the construction and sale of single-family housing (Georgia Department of Community Affairs, n.d), were presented. An increased number of developers working in the area and the enhanced interest of existing developers suggest that the education on housing assistance programs, coupled with the demand data presentations, have increased interest in community and housing development in the target community.

Although most hourly-wage workers aspire to own a home, in many cases they may not see homeownership as a possibility (University of Georgia, 2001). While homeownership is not for everyone, for many, a lack of understanding about the home buying process as well as poor planning and low credit scores are the greatest obstacles to homeownership. Furthermore, a majority of income-qualified households are unaware of the financial assistance programs available to help purchase a home through lower interest rates and down payment assistance (University of Georgia, 2001). For this reason, educating the workforce about homeownership opportunities is necessary. Organizing on-site employee housing fairs and conducting home buyer education workshops were two of the most effective ways to reach consumers.

The county Cooperative Extension Service organized an on-site employee housing fair to educate workers about subsidy programs available to assist them with buying a house. This event was convened in partnership with the Rural Development Center, the city, and the university. Exhibitors included local banks, realtors, USDA/RD, DCA, mortgage companies, and consumer credit counseling agencies. To maximize participation, the fair was scheduled during a change in shifts at the poultry plant. Nearly one-third (347) of all of the 1,200 employees attended and learned about housing programs such as the Georgia Dream Homeownership Program, which provides affordable mortgage financing and closing cost assistance to low- and moderate-income homebuyers (Georgia Department of Community Affairs, n.d). The fair was advertised with a flyer insert to each paycheck and worksite posters. Both were printed in English and Spanish. With the help of a Spanish-speaking county Extension agent, following the event, USDA/RD representatives reported making loans to several attendees. Other exhibitors reported follow-up activities, such as credit counseling, that may have also resulted in improved housing for the workers.

Extension educators can be the vehicle through which a dynamic, long-lasting partnership is developed. The partnership can serve as a conduit between families, funding sources, and developers by providing outreach, counseling and homebuyer education, as well as packaging loan applications.

A similar project in north Georgia, The Latino Home Ownership Partnership: Ellijay, Georgia, illustrates the benefits of building partnerships. The project won a Southern Growth Policies Board Regional Innovator Award in June 2005. The partnership included Gold Kist Inc. (a poultry industry employer), the Housing and Demographics Research Center at UGA, Gilmer County Extension, Gilmer County Family Connection, United Community Bank, USDA/RD, and DCA. Not only was this partnership credited with reducing job turnover among employees at the poultry plant, but it also had a substantial economic impact on the community: \$3 million in new home construction, \$20,000 in annual new property taxes, \$3 million in new income to local businesses, and 70 new jobs created.

This article illustrates how Extension agents and other educators can partner with local employers

to improve the quality of life in their communities and ultimately help to foster economic development. As the Latino Home Ownership Partnership mentioned above demonstrates, housing construction can have a tremendous impact on the local economy. However, this often is overlooked as an economic development strategy.

The construction of 100 single-family homes generates \$16 million in new income to local businesses and workers, and creates 284 jobs in the community in the year the house was built (National Association of Home Builders, 2005). Every year thereafter, the homes produce \$3.2 million in income and 63 jobs (National Association of Home Builders, 2005). Anecdotal evidence in behavior changes implies the model described here was successful in educating consumers and businesses about programs for low-income households to improve their housing situation. Although the research and outreach described here focused on workforce housing, the general outline can be useful in program planning related to other critical family needs, including child care and financial management education.

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