

ATHENS AREA HABITAT FOR HUMANITY:  
HOMEOWNERS AND THEIR HOMES

by

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(Under the direction of Anne L. Sweaney)

ABSTRACT

This study created a description of 26 Athens Area Habitat for Humanity (AAHFH) homeowners. Interviews were conducted with the homeowners either at their home, in the AAHFH office, or over the telephone. The interviews showed that homeowners are generally satisfied with their Habitat homes and the components of the Habitat program. Additionally, it was shown that the Habitat homes are in good physical condition. The most important findings of the study are that homeowners are generally satisfied with their homes, the educational classes are important to the homeowners, and there are homeowners with mortgage delinquencies. As a component of this study a questionnaire was developed that can be used to test hypotheses about factors related to the success of a larger group of Habitat for Humanity homeowners.

INDEX WORDS: Habitat for Humanity, Home ownership, Mortgage payments, Benefits and burdens of home ownership, Condition of homes, Low-Income households, Volunteer organizations

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## CHAPTER 1

### INTRODUCTION

Today's home ownership rate has reached an impressive 67.5 % of occupied homes. While most Americans have benefited from expanding housing opportunities, there are still people who for various reasons are unable to own a home. Today 13.7 million households have "critical housing needs," meaning that they spend over one-half their income on housing or live in seriously substandard housing conditions. There are millions of families who need affordable housing to buy or rent, yet the number of affordable units is rapidly decreasing (National Association of Home Builders, 2001).

Habitat for Humanity International is one organization that is working to meet the need for affordable housing. Habitat for Humanity International has not met all needs for affordable housing but is working to meet the need one house and one family at a time. Over the past twenty-five years, Habitat for Humanity International (Habitat) has built over 100,000 homes in 79 countries, these houses are home to more than 500,000 people. Over 30,000 Habitat homes have been built in the United States since 1969 (Habitat for Humanity, 2001).

#### Habitat for Humanity International

Millard and Linda Fuller founded Habitat for Humanity International, a nonprofit organization, in 1969 in Americus, Georgia. Habitat for Humanity International makes it possible for low-income families to own a home through low down payments and no-interest mortgages. These participating families would not qualify for a mortgage

through a conventional lender. The Fullers created a program where, in addition to repaying the loan, families are required to contribute a designated number of hours of “sweat equity” prior to moving into their homes. Sweat equity hours are hours spent working on any of a variety of Habitat projects. See Appendix A for a listing of Habitat terms.

The Fullers developed the basic concept for Habitat for Humanity International in the early 1960s when they became involved with an organization called Koinonia Farm near Americus, Georgia. Koinonia Farm was a small community led by a man named Clarence Jordan. There, Millard and Linda Fuller became involved in a project called Koinonia Partners, a plan to build homes for poor rural families on Koinonia Farm property using the concept now known as partnership housing. Koinonia Partners would sell homes to tenant farmers who had been forced to move. No interest would be charged on the loans for these homes and no profit would be made. After five years, the development was completed and the Fuller family moved to Zaire Africa to test the partnership housing program there (Fuller, 1995).

In Zaire, the idea of partnership housing flourished and the Fullers returned to the United States confident that partnership housing could work everywhere. A group of 26 people met in 1976 at Koinonia Farms to form the organization now known as Habitat for Humanity International. No-interest, not-for-profit housing would be built by volunteers and the new homes would be sold to the homeowners with a low down payment and monthly payment they could afford. The organization remains headquartered in Americas, Georgia (Fuller, 1995).

In 1982 Habitat gained the support of a very famous volunteer who has helped to promote the organization around the world. Former President Jimmy Carter lives in the town of Plains, not far from Americus, and has become a very visible and active volunteer for Habitat for Humanity International. President Carter has used his carpenter skills to work on Habitat homes and in doing so inspired many other national figures to do the same. Beginning in 1984, the Jimmy Carter Work Project created annual excitement and exposure that has been valuable for Habitat's success (Fuller, 1995).

#### Habitat for Humanity in Athens

Habitat affiliates are located around the world. The Habitat affiliate in Athens, Georgia was established in 1987, serving Clarke, Oglethorpe, and Oconee counties. Since 1987, 43 families have become partner families with the Athens Area Habitat for Humanity (AAHFH). Thirty-eight of these 43 families are currently Habitat homeowners, while the other five families are at various stages of fulfilling sweat equity requirements and waiting for their homes to be completed. While there are 38 families who are homeowners, only 29 of the AAHFH homeowners have lived in their homes for longer than six months and are the families included in this study. At the time this study began, there were nine families who had been in their homes for less than six months. To date, none of the 38 families has defaulted on their mortgage. This nonexistent default rate is one important aspect of the success of AAHFH. The overall default rate for Habitat for Humanity International mortgages is one percent (J. Grady, personal communication, August 29, 2001).

There could be a number of reasons for the successes of AAHFH and other Habitat affiliates' homeowners. One reason could be that the families are screened

carefully before they become homeowners. There are two other aspects of Habitat that occur before partner families become homeowners that could lead to their success. The success of the families could be due to the fact that most receive homeowner education before they are allowed to move into a home. Another reason for success could be due to the support that families receive as they are going through the process of becoming homeowners.

There are other aspects of the Habitat partnership that continue after families move into their homes that also could contribute to their success. Mentoring of families is available after they have moved into their homes. Additionally, homeowners' success could be due to the mortgage leniency of Habitat for Humanity International. It is important not to overlook the fact that because Habitat mortgages are interest free, Habitat homes are much less expensive than homes purchased through a conventional lender and this could be another reason for Habitat homeowner success.

All families are required to complete an application to be considered for a Habitat home. The Family Selection Committee of AAHFH screens the applications and selects families for home visits. Families who are chosen for home visits must have evidence of: a need for new housing, the ability to repay the interest-free mortgage, and the desire to partner with Habitat. The family's need for new housing is shown by the conditions of the family's current home. A family's ability to repay is verified by a credit check. The family also must meet the income guidelines that are based on family size and the area's median income. The income guidelines for 2002 are shown in Table 1 (Athens Area Habitat for Humanity, 2002).

Table 1

Athens Area Habitat for Humanity Income Eligibility Guidelines for 2002

| Family Size | Low Income | High Income |
|-------------|------------|-------------|
| 1 person    | \$6,660    | \$21,645    |
| 2 person    | \$7,600    | \$24,700    |
| 3 person    | \$8,560    | \$27,820    |
| 4 person    | \$9,500    | \$30,875    |
| 5 person    | \$10,260   | \$33,345    |
| 6 person    | \$11,020   | \$35,815    |
| 7 person    | \$11,780   | \$38,285    |
| 8 person    | \$12,540   | \$40,755    |

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From: Athens Area Habitat for Humanity

After the home visit, the Family Selection Committee recommends families to the AAHFH Board of Directors. The Board of Directors then makes the final decision as to which families will be offered a Habitat home. At this point, the Family Support Committee takes responsibility for helping the family complete the home ownership process.

The Family Support Committee helps a family through the process of becoming a homeowner and in the months after achieving home ownership. This committee helps track the sweat equity hours earned by families and is responsible for the education classes that AAHFH partner families are required to attend. Also, the Family Support Committee provides the partner families with “family friends”. The family friend has a one-on-one relationship with the family and serves as a mentor to the family in the months before and after becoming a homeowner. AAHFH is not always able to provide the homeowners with a family friend because this is a volunteer position that is a challenge to fill. Habitat for Humanity International views the Family Support Committee as one of the most important committees of any affiliate (Habitat for Humanity, 1998).

Once a family is selected as an AAHFH partner family, they must complete 500 hundred hours of sweat-equity before becoming a homeowner. Sweat equity requirements vary by country and affiliate, but all sweat equity programs are designed to teach self-help, mutual help, and the importance of community (Lussman-Eul, 2001). Sweat-equity can consist of hours spent working on any Habitat project, including the construction of the partner family’s own home. Sweat-equity hours can be accrued by

the Habitat partner family, the family's extended family, and personal friends of the family including church members.

In addition to the sweat-equity, Habitat families are now required to attend education classes on budgeting, the closing process, and home maintenance before they are allowed to move into their home and close on the loan. The classes have varied throughout the history of AAHFH and have depended on the strength of the Family Support Committee (J. Abbott, personal communication, April 1, 2002). Each class lasts approximately two hours. Over the years, these classes have been taught by a number of people, including attorneys, Cooperative Extension Agents, construction supervisors, and a certified first-time homebuyer counselor. These classes are designed to better prepare families to become and remain homeowners because most of the families have no experience with home ownership.

#### Purpose

The purpose of this study is to create a detailed description of the Athens Area Habitat for Humanity International homeowners and the Habitat homes in which they live by collecting information from the homeowners themselves. In the process of creating the description of Athens Area Habitat for Humanity homeowners, a questionnaire was created that other affiliates could use to evaluate what they are doing well and what could be improved. Additionally, if enough homeowners are questioned, affiliates could use the results of the questionnaire to help determine the success of their program. If the questionnaire results identify why Habitat is successful, many other programs designed to increase home ownership among low-income families could also benefit from this knowledge.



## Objectives

The objectives of this study are to:

1. Describe the physical condition of the AAHFH homes based on the homeowners' report and where possible, the researcher's report.
2. Create a demographic profile of Habitat homeowners in the Athens area.
3. Describe the AAHFH homeowners' perceived benefits and burdens of home ownership.
4. Describe the Habitat homeowners' participation in and satisfaction with the components of the Habitat program.
5. Describe Habitat for Humanity homeowners' level of satisfaction with their Habitat homes.
6. Create a questionnaire that can be used in the future by other Habitat for Humanity affiliates for the above five purposes. Additionally, this questionnaire could be used to test hypotheses about the reasons why Habitat for Humanity homeowners are successful.

## Justification

As a result of this study, the Athens Area Habitat for Humanity organization will be able to profile owners' opinions of the quality of the houses they have built. AAHFH will also learn how satisfied homeowners are with different aspects of their homes. If homeowners are satisfied with their homes, AAHFH may be able to strengthen their fundraising efforts because they will have a detailed study showing the support of the homeowners they have helped to purchase simple, decent, and affordable housing.

Not only will the study assist AAHFH with fundraising efforts, AAHFH will be able to better serve their present and future homeowners. This study will allow the affiliate to evaluate what it is currently doing well and what areas may need improvement. This study will allow AAHFH to engage in educated decision-making about changes to their programs.

Specifically, the Family Support Committee of AAHFH will benefit greatly from the study results. Because the Family Support Committee is responsible for assisting families with the process of becoming homeowners and also for assisting the families in maintaining home ownership, it will learn which educational classes the homeowners view as most beneficial. This information will allow them to focus on the most valued classes while working to improve the other classes offered. Also, the study may reveal other topics that could be addressed to benefit Habitat homeowners. The questionnaire also will ask the homeowners about their family friend or family partner, another aspect of the Family Support Committee. This family friend is supposed to help the families with the home ownership process and adjusting to home ownership, but no current data exist as to the effectiveness of this component of the program.

The Building Committee could benefit from the study through the measurement of the families satisfaction with the construction process and the speed with which their home was completed. Additionally, the study could contribute to improving family and volunteer relations. The Family Selection Committee could also benefit from the survey because of the information gathered about Habitat families' methods of finding out about Habitat's existence and feelings about their homes. The Family Selection Committee has experienced difficulties in finding families who are qualified and willing and able to go

through the home ownership process. The results of this study could help the committee determine ways to find people in need who have the desire to complete the home buying process.

Additionally, Habitat for Humanity affiliates across the country could benefit from the use of the questionnaire. The final questionnaire will be a template for Habitat affiliates to use for creating a description of their homeowners and to learn more about their own programs. If a large number of homeowners were questioned, hypotheses about why Habitat for Humanity International has such a low mortgage default rate could be tested. As Habitat affiliates determined exactly why their programs have been successful, other programs designed to increase home ownership among low-income Americans could utilize the same techniques used by Habitat for Humanity International to increase their success.

Although no hypotheses will be tested in the current study, the hypotheses that the questionnaire could possibly test in future research are:

1. The education classes offered to homeowners before moving into their home leads to homeowners' success.
2. Homeowners' sweat equity investment in Habitat for Humanity projects leads to the homeowners' success.
3. Mentoring provided by Habitat for Humanity both before and after purchasing the home leads to homeowner success.
4. Habitat for Humanity's mortgage leniency policy leads to success as a homeowner.

5. The lower cost (both in down payment and monthly payment) of Habitat for Humanity homes compared to homes bought with a conventional loan, leads to the homeowners' success.

#### Limitations

The study has limited external validity because all of the survey respondents were located in the three county area of Athens-Clarke, Oconee, and Oglethorpe counties in northeast Georgia. Because of the limited external validity, the findings of the study cannot be generalized to a larger population of Habitat for Humanity International homeowners. However, if the questionnaire is utilized by other Habitat affiliates, the results could be generalized to the population of Habitat homeowners.

The sample size used in this study is small because there are only 29 Habitat homeowners in the Athens Area who have been in their homes for over six months. The researcher made every effort to collect data via personal interview with every household. The limited sample size is another reason that the results of the study will not be generalizable to other populations.

Another limitation that exists in this study is that the homeowners have lived in their homes for varying amounts of time. The study includes homeowners who have lived in their homes for over ten years and homeowners who have lived in their homes for as few as six months. The homeowners who have lived in their homes for a number of years were asked to recall events from many years ago in order to provide some of the information requested. Other homeowners have lived in their homes for a shorter period of time and have not had as long to experience the benefits and burdens of home ownership, thus creating an issue of internal validity.

Although there are limitations, the value of the study outweighs these limitations. The collection of data from the homeowners allows AAHFH to know facts about their homeowners as opposed to having only ideas about the assumed characteristics of their homeowners. These data will assist the affiliate in various aspects of their organization and allow the affiliate to improve their operation.

## CHAPTER 2

### REVIEW OF LITERATURE

Various studies have looked at how home ownership affects families. These studies have created a description of homeowners that is helpful when considering the benefits and costs of home ownership. Other studies have attempted to measure homeowner satisfaction and determine how housing satisfaction affects families. Researchers have identified many different ways to measure residential satisfaction. There have been specific studies that have measured residential satisfaction of low-income families. Several ways of evaluating home ownership will be discussed in this review of literature.

The Department of Housing and Urban Development (HUD) sponsored a study of Habitat for Humanity International homeowners that is very helpful in the development of this study (U.S. Department of Housing and Urban Development, 1997). The purpose of the HUD study of Habitat for Humanity was to determine why Habitat is successful and if any of Habitat's procedures could be transferred to HUD programs. The results from the Habitat study are incorporated throughout the review of literature because of their relevance to this particular study.

#### A Study of Habitat for Humanity in the United States

A study of Habitat for Humanity homeowners in the United States was completed in 1997. This study was funded by the Department of Housing and Urban Development (HUD) and conducted by Applied Real Estate Analysis (AREA), Inc. of Chicago Illinois.

According to HUD, Habitat for Humanity is one of the most successful nonprofit providers of housing to low-income Americans (U.S. Department of Housing and Urban Development, 1997). Because of Habitat's success, HUD was interested in conducting a study to determine what contributed to Habitat's success and to determine which of their techniques, if any, could be applied to HUD programs. The primary purpose of this study was to gain information about the home ownership experiences of low-income households from the homebuyers themselves.

### *Research Methods*

Information for the Habitat study was obtained through two research methods: 1) structured interviews with Habitat homeowners and 2) focus-group sessions and a short survey completed by the groups' participants. A total of 95 face-to-face interviews and 13 focus groups were completed; these homebuyers were from 17 different affiliates across the country. In addition to the information obtained from homebuyers, interviews were also conducted with representatives from each of the 17 Habitat affiliates included in the study.

Instead of selecting the 17 affiliates randomly, affiliates were chosen by AREA staff along with HUD and Habitat for Humanity staff. The affiliates were selected based on criteria that included geographic distribution, the presence of both urban and rural affiliates, staff size, and the specific characteristics of individual affiliate projects. Of the selected affiliates, none were located in Georgia. The chosen affiliates are listed in Table 2.

Table 2

Habitat Affiliates Included in the HUD-sponsored Study

| Region                     | Location               |
|----------------------------|------------------------|
| East                       | District of Columbia   |
|                            | Annapolis, Maryland    |
|                            | Newark, New Jersey     |
|                            | Paterson, New Jersey   |
| Midwest                    | Cleveland, Ohio        |
|                            | Chagrin Falls, Ohio    |
| South                      | Clay County, Florida   |
|                            | Jacksonville, Florida  |
|                            | Jackson, Mississippi   |
|                            | Meridian, Mississippi  |
|                            | Austin, Texas          |
|                            | San Antonio, Texas     |
|                            | Roanoke, Virginia      |
| New River Valley, Virginia |                        |
| West                       | Fresno, California     |
|                            | Sacramento, California |
|                            | Bend, Oregon           |

From: U.S. Department of Housing and Urban Development (1997). Making Home Ownership a Reality. Washington, D.C: The Department of Housing and Urban Development.



### *Experience with the Habitat Program*

Over four-fifths of homeowners surveyed learned about Habitat from their churches; family, friends or neighbors; from other Habitat homeowners; or through television or newspaper features. Homeowners were found to be satisfied with the orientation process they went through prior to becoming homeowners. Ninety-nine percent of the respondents felt that the orientation sessions had helped them to understand their role in the Habitat process (U.S. Department of Housing and Urban Development, 1997).

When homeowners were asked if they maintained a relationship with Habitat, over 80% said they remained active with Habitat. Most of the homeowners were involved in construction. In the majority of the cases, Habitat homeowners considered their involvement too irregular to estimate the number of hours they worked with Habitat each month (U.S. Department of Housing and Urban Development, 1997).

### Homeowner Characteristics

Various studies have looked at characteristics of homeowners and the ways these characteristics affect their likelihood to be homeowners. Income is a predictor of home ownership that is interrelated with the price of the home. Other characteristics that effect homeowners' likelihood of being homeowners include the type of housing desired, the stability of the household's demand for housing, the age of the household, and the race of the household. While there are many studies that have looked at homeowners' characteristics in general, the HUD-sponsored study of Habitat for Humanity looked specifically at the demographic characteristics of Habitat for Humanity homeowners and is particularly relevant to the present study.

### *General Homeowner Characteristics*

Carliner (1973) identified four factors underlying the decision of the household to own or rent. These factors are: household income, relative price of rental and owner-occupied housing, stability of the household's demand for housing, and the type of housing desired. Before looking at the social benefits of home ownership, it is important to identify these factors to set homeowners apart from renters. Each of these factors connotes various social characteristics of homeowners.

Those with higher incomes are more likely to be homeowners than those with lower incomes. Two of the most significant reasons for this are that as incomes rise, people are more likely to be able to accumulate a down payment and the tax benefits of owning a home become greater. There are also obstacles that stand in the way of low-income households owning a home. Low-income families may have difficulty saving for a down payment or qualifying for a mortgage. However, these problems faced by low-income households are being addressed more successfully by the government and private sectors. In addition to having higher incomes, those who own homes are also more likely to be White, married, have higher levels of education, and be older, than those who do not own homes (Rohe, McCarthy, & Van Zandt, 2000).

The relative price of rental and owner-occupied housing are functions of the household's income and are subject to income tax rates and mortgage terms. The geographic location of the housing also plays a role in the cost of housing. In urban areas the prices of land are higher and the percentage of homes available for ownership is lower than in nonurban areas. Because of lower land costs and more homes available,

families in rural areas are more likely to be homeowners than families in urban areas (Rohe, McCarthy, & Van Zandt, 2000).

Families who are not planning to move are more likely to be homeowners than families who are planning to move more frequently (Carliner, 1973; Boehm, 1981). Mobility expectations are largely determined by marital status and age. Younger, single, or childless households are more likely to rent in anticipation of their changing status, while older married couples are more likely to choose home ownership.

The desired housing type plays a large role in a family's decision to rent or own a home. Generally, larger families with children desire a larger single-family home and this type of home is more likely than not to be owner-occupied. It is important to note that households with adult children are not likely to give up ownership in favor of renting (Rohe, McCarthy, & Van Zandt, 2000).

While age, marital status, income, and family composition are the most reliable predictors of whether a family will be homeowners or not, this does not explain the lower ownership rates for minorities. Researchers have discovered several reasons for the lower home ownership rate among minorities. These reasons include: African American household heads are younger than White household heads, African Americans are traditionally more likely to live in urban areas, a large percentage of African American households are headed by unmarried women who are less likely to own, and there are great income differences between African American and White families, a fact that is related to the previously mentioned differences (Carliner, 1973). However, even when all these differences are controlled for there is still a difference in home ownership rates for minorities and non-minorities and most researchers attribute these differences to

racial discrimination in the housing and credit markets (Carliner, 1973; Downs, 1973; Farley & Allen, 1987; Galster & Keeney, 1988; Molotch, 1972).

An additional study comparing home ownership rates among African Americans, Hispanics, and Asians shows that each of these minority groups is less likely to own a home than Whites (Rosenbaum, 1996). This study used data from the American Housing Survey and the NYC Housing and Variance Survey. The differences in ownership rates are attributed to discriminatory processes that direct minority households away from neighborhoods typically occupied by Whites.

It is important to control for the characteristics that predispose a household to home ownership when looking at the benefits of home ownership. Findings about homeowners support the common knowledge that homeowners are more likely to be White, older, married, have children, and higher incomes and related higher education and occupational attainment. These common characteristics may also have a wide variety of other impacts on the social outcomes of the household.

Owning one's own home brings both freedom and greater responsibility. The attributes of home ownership can have both negative and positive impacts, depending on how the household reacts to home ownership. It is possible for the same attribute of home ownership to cause a negative or a positive impact on the household (Rohe, McCarthy, & VanZandt, 2000).

#### *Profile of Habitat Homeowners*

In the HUD study of Habitat for Humanity (1997), homeowners were asked a series of demographic and economic questions about their household since becoming homeowners. The answers from these questions were used to develop a homeowner

profile to describe the typical Habitat homeowner. The average household size at the time of the survey was 4.0 persons, while at the time of purchase the average household size was 4.1. Two-parent households made up slightly more of the sample than other types of families at both the time of purchase and the time of the survey.

The homeowners surveyed represented three ethnic groups. Of those surveyed 63% were African-Americans, 34% were White, and the other three percent were Asian. Around 14% of those surveyed were Hispanic; those Hispanic people were also counted as White. In most of the homes (96%) English was the primary language spoken. Of the remaining homes, three percent spoke mainly Spanish, while one percent spoke Laotian (U.S. Department of Housing and Urban Development, 1997).

Homeowners were questioned about the highest level of education attained by the adults living at home. Over 80% of the households had at least one member who had graduated from high school. There were a total of 77 people who had completed high school and of those, 33 had continued their education by pursuing coursework at the college level, 11 had completed an Associate's level degree, nine had earned a Bachelor's degree, and one had completed a graduate degree (U.S. Department of Housing and Urban Development, 1997).

The vast majority (91%) of the households had at least one member who was employed. Of those employed, 67 households had an adult that was working full-time. In the families working part-time, one family member had more than one part-time job or multiple family members had part-time jobs. At the time of the survey nine households were unemployed, six were actively seeking jobs, two were retired, and one was disabled (U.S. Department of Housing and Urban Development, 1997).

### Individual Economic Benefits of Home Ownership

There are a variety of potential individual economic benefits to home ownership. Families have better housing security and greater financial security from ownership than from renting. Additionally families usually have better quality housing if they own rather than rent. Families living in Habitat for Humanity homes also reported many of the same home ownership benefits.

Housing security is offered to families by home ownership for three reasons. These reasons are: owners have control over their homes and are able to customize their homes, owners have higher quality dwellings than renters, and homeowners generally enjoy diminishing housing costs over time. Housing costs for homeowners usually decrease because mortgage payments are stable while rent often increases.

Owner-occupied homes tend to be in better condition than renter-occupied units. Renters are twice as likely to have rodents, wiring problems, water leaks, and holes in walls, ceilings, and floors. In addition, renters are more likely to live in crowded conditions than homeowners (U.S. Department of Housing and Urban Development, 2000). While owner-occupied homes are significantly higher in quality than renter-occupied homes, the cost differences hardly reflect the quality differences. Median pretax monthly housing costs were \$563 for owners and \$523 for renters. However, 40% of owners do not have a mortgage, so when controlling for this fact, owners with a mortgage pay \$857 a month compared to \$527 a month for renters. When accounting for the size difference between rental homes and owner-occupied homes, the average monthly cost per square foot of living space is \$0.51 for renters and \$0.48 for homeowners (McCarthy, Van Zandt, & Rohe, 2001).

Owning a home gives the owner control of his or her living space for as long as they reside in that living space. When a homeowner uses a long-term loan, the homeowner has spread the cost of their home over a long period of time, meaning that they have a nominal payment for the life of the mortgage. Because homeowners can generally expect their income to rise over the life of their mortgage, a homeowner can expect the ratio of housing costs to income to fall for the period of ownership. However, rents generally rise over time so the ratio of housing costs for renters does not change in the same manner as it does for homeowners.

### *Financial Benefits*

Housing cost burdens indicate the share of income that a household devotes to housing costs. In general, housing costs are considered to be reasonable if they are less than 30% of income. In 1997, the median homeowner with a mortgage devoted 20.2% of their income to housing costs, while the median renter spent 27.4% of their income on housing costs (McCarthy, Van Zandt, & Rohe, 2001). Housing costs above 50% of pretax income are thought to be severe and unsustainable. In 1997 HUD reported that 20% of unassisted renters had housing cost burdens above 50% of their income, while only 8% of homeowners had severe housing cost burdens. One of the reasons for these burdensome housing costs is that in many localities there is a shortage of housing that people can afford (Stegman, Quercia, & McCarthy, 2000).

While many homeowners enjoy tax advantages from owning a home, changes in the tax code in 1986 have reduced the benefits to low- and moderate-income families. The 1986 changes increased the standard deduction for everyone and made it less likely that the low- and moderate-income families will itemize deductions and claim a mortgage

interest tax deduction. Also tax credits for builders were reduced so builders lost their incentives to build lower cost multi-family housing. Capone (1995) evaluated the tax benefits of home ownership and concluded that for low-and moderate-income households the homeowner tax subsidy from interest, discount points, and property taxes was zero after the first year of ownership. This confirmed an earlier study that found the removal of the tax benefits would have no effect on home ownership rates for low-and moderate-income households (Follain & Ling, 1991).

Families also gain greater financial security from home ownership. One important aspect of this increased financial security is that owners accumulate wealth. Wealth is accumulated by homeowners in two ways: homeowners have the full return associated with house price appreciation and a household also builds equity as their mortgage is amortized through repayment. Housing equity represented 45.2 % of the net worth of the average homeowner in 1993 (U.S. Census Bureau, 1998). As a household's wealth increases, a lower percentage of the household's net worth is in their housing.

It appears that home ownership offers greater financial security for wealthier homeowners than for low - and moderate-income and minority homeowners. There are several reasons for this. Lower-income households accumulate lower than average non-housing savings. Lower-income and minority households keep a greater percentage of their wealth in housing than is optimal. More often than higher income households, lower-income households borrow against the equity in their home and their borrowing is more expensive than for higher-income families. This erodes the wealth that is accumulated through house price appreciation. Houses in low - and moderate-income



tracts have more volatile and sometimes lower appreciation than in middle and upper income areas (McCarthy, Van Zandt, and Rohe, 2001).

The prices of houses generally appreciate over time. The average suburban homeowner saw their house price increase by 40% from 1987 to 1997, while the average city owner enjoyed a 35% increase in their home's costs (U.S. Department of Housing and Urban Development, 2000). While the price of most homes appreciates, there are certain areas of the country that have experienced home price depreciation.

A study using the American Housing Survey examined the differences in appreciation rates for low- and moderately priced homes and higher priced homes. This study found that, on average, lower valued homes appreciated at least as much as the higher-valued homes (Pollakowski, Stegman, and Rohe, 1991). Further studies have supported these findings (Smith & Ho, 1996; Li & Rosenblatt, 1997; Horne, Li, & Rosenblatt, 1996; Archer, Gatzlaff, & Ling, 1996; Quercia, McCarthy, Ryznar, & Talen, 2000). However, these studies show appreciation is more volatile in lower income areas.

#### *Outcomes of Home Ownership for Habitat Homeowners*

The most commonly-cited perceived benefit of home ownership for Habitat homeowners was the pride and security of ownership. Other benefits of home ownership included: better quality housing, a place of my own, more space, greater privacy, lower housing costs, control over surroundings, something to pass on to my children, a chance to build equity, and ability to stay in one place. There were few perceived burdens to owning a house. Before moving into their homes, approximately one-third felt there were no burdens of home ownership; after moving in, this number increased to almost half. The most commonly perceived home ownership burden was the cost of

maintenance and repairs. Other perceived burdens included tax increases, responsibility for mortgage payments, and increased housing costs (U.S. Department of Housing and Urban Development, 1997).

### Home Ownership and Satisfaction

Early studies of housing satisfaction showed that when homeowners were questioned about their satisfaction in general they reported satisfaction with their homes. However, when residents were asked more specific questions about the satisfaction with their housing, residents reported varying degrees of housing satisfaction (Campbell, Converse, & Rodgers, 1976). There are two main types of satisfaction often associated with home ownership. These two types of satisfaction were life satisfaction and residential satisfaction. Life satisfaction is the person's level of contentment with all aspects of their life (Campbell, 1976; Fernandez & Kulik, 1981). Satisfaction with the housing unit and the surrounding neighborhood constitute residential satisfaction (Rohe & Stewart, 1996).

There are many ways that home ownership may contribute to life satisfaction. Surveys conducted by Fannie Mae (1998, 1999) indicate that home ownership is a very important life goal for both owners and renters. Home ownership signifies that a person has reached a certain economic status and for many this brings a great deal of satisfaction. Also, there are homeowners who find great amounts of satisfaction in maintaining and improving their home (Saunders, 1990). Because homeowners have a greater ability to change their home to suit their own tastes, homeowners often have a greater level of life satisfaction (Galster, 1987). Finally, homeowners tend to accumulate greater amounts of wealth due to home price appreciation and mortgage amortization.

There is limited research on the relationship between life satisfaction and home ownership, but the available research shows that there tends to be a positive relationship between the two. An analysis of data from a National Survey of Families and Households showed a positive relationship between home ownership and both self-satisfaction and happiness (Rossi & Weber, 1996). However, the same researchers conducted an analysis using data from the General Social Survey and found no relationship between home ownership and happiness.

A study comparing continuing renters and homebuyers was conducted in Baltimore. After one and a half years, homebuyers were found to have a statistically significant increase in their ratings of life satisfaction (Rohe & Stegman, 1994). In a follow-up survey three years later, homeowners continued to report a higher level of life satisfaction (Rohe and Basolo, 1997).

Research consistently shows that homeowners are more satisfied than renters with their dwelling units, even after controlling for the influences of household, dwelling unit, and neighborhood characteristics (Danes & Morris, 1986; Kinsey & Lane, 1993; Lam, 1985; Morris, Crull, & Winter, 1976; and Varady, 1983). The study conducted by Lam (1985) analyzed survey data from a large national sample of adults. A housing satisfaction measure was created from four survey items. Based on factor analysis, these four items appeared to be measuring the same underlying construct. Demographic, housing unit, and neighborhood characteristics were controlled for with ordinary least squares procedures and homeowners were found to be significantly more satisfied with their homes than renters.

### *Habitat Homeowners' Satisfaction*

The majority of Habitat homeowners in the HUD study were satisfied with the size of their new home. Of the homeowners surveyed, 87% felt that their Habitat home was of adequate size. Before moving into their Habitat home, only 37% felt that their previous homes were large enough for their family. Only 12% of homeowners thought their Habitat home was too small as compared to 63% who thought their previous homes were too small (U.S. Department of Housing and Urban Development, 1997).

Over 95% of the respondents gave their Habitat home an overall quality rating equivalent to average or above average. Only 40% of the respondents gave their previous homes an above average rating. Another 20% gave their previous homes an average rating, while only seven percent gave their Habitat home the same rating. Over 40% gave their prior homes a below-average rating, compared to only two percent who gave their Habitat home this rating.

All of the homeowners interviewed agreed that the benefits of home ownership outweighed the burdens of home ownership. In addition to this, they all agreed that if given the opportunity again, they would make the same decision to purchase a Habitat home. In rating their overall satisfaction of their home, 89% rated satisfaction a 1 (very satisfied), nine percent gave it a 2 (satisfied), and one percent rated it a 3 (somewhat satisfied) (U.S. Department of Housing and Development, 1997).

### *Quality of Habitat Neighborhoods*

An important part of a homeowners' satisfaction is their feelings about their neighborhoods. Generally, the Habitat homeowners were more satisfied with their Habitat neighborhoods than their previous neighborhoods. Ninety-one percent of

homeowners were either very satisfied, somewhat satisfied, or satisfied with their new Habitat neighborhoods. The greatest concern household members had about their new neighborhoods were that their new neighborhood was less safe than their previous neighborhood. Forty-seven percent of Habitat neighborhoods were given the equivalent rating of fair or poor for safety. Only 40% of homeowners gave their previous neighborhoods' safety a fair or poor rating (U.S. Department of Housing and Urban Development, 1997).

#### Measures of Housing Satisfaction Among Low-Income Families

A study was conducted in the 1980s to examine both specific and general aspects of housing in order to establish a more accurate picture of the relationship between housing type and satisfaction. This study included a sample of 305 residents of conventional housing, mobile homes, and apartments. The respondents were chosen from 11 counties in the Piedmont region of North Carolina (Gruber, Shelton, & Godwin, 1985).

A factor analysis was used to reduce the 61 housing characteristics in the original survey. The factor analysis resulted in six distinct factors. These six factors were: near environment, physical structure of the home, community amenities, location in relation to church and school, availability of public services, and housing costs. The researchers found that factors between residents of the different types of housing differed significantly on six factors. It is important to note that the results of this study show that housing satisfaction is a multi-dimensional construct with at least six dimensions along which residents report varying degrees of satisfaction (Gruber, Shelton, & Godwin, 1985).

In 1997 a study was conducted by Bruin and Cook to gain a better understanding of the factors that contribute to housing and neighborhood satisfaction among low-income single-parent women. Their study looked at 82 single parent recipients of Section 8 Assistance living in two non-metro areas of Iowa. The specific objectives of the research were to explore the measures of psychosocial characteristics of residents and to compare the contributions of the psychosocial characteristics to predict housing and neighborhood satisfaction with measures of household resources, discrimination, and residential characteristics.

Regression analysis was used to analyze the results of this study. Single parent recipients of Aid to Families with Dependent Children were more likely to be satisfied with their housing. Single parents who agreed that not planning for housing leads to trouble and inadequate housing makes life miserable, and who had a low level of self-efficacy, were likely to report a low level of housing satisfaction. Additionally those who were experiencing financial difficulties were likely to be dissatisfied with their housing. The results of this study indicate that predisposition and household organization constraints contribute to the explanation of residential satisfaction. This study reaffirms other findings that housing and neighborhood satisfaction are distinct components that affect residents differently. Neighborhood satisfaction depends on safety and social support in the neighborhood (Bruin & Cook, 1997).

An earlier study conducted by Cook and Bruin (1993) looked at the neighborhood and housing satisfaction of African American households based on the type of household. In this study the American Housing Survey was used to describe African American households living in metropolitan New Orleans, Louisiana. The sample used for the

survey was 816 families. Satisfaction with the house and neighborhood satisfaction were the dependent variables used in this study. The independent variables used in the study were age, education of head of household, number of persons per household, children under 18, poverty status, and total household income.

A stepwise regression model was used to analyze the results of this study. The results showed that household types did have an effect on the levels of satisfaction households experienced. Additionally, it was found that the variables included in the study were more likely to predict neighborhood satisfaction as opposed to housing satisfaction (Cook & Bruin, 1993).

Ha and Weber (1994) worked to develop a residential quality index and test its relationship to residential satisfaction. In order to do this they conducted a descriptive study of 1,041 residents of a Midwestern state. The independent variables examined in this study were: environmental safety, planning/landscaping, housing policy, sociocultural environment, public services, housing economics, and the physical quality of housing. The dependent variable in the study was housing satisfaction.

Factor analysis was conducted on each of the dimensions of residential quality. Variables with factor loadings less than .50 were deleted and of the original 83 items, 77 were retained for the analysis. The study showed that environmental safety, planning/landscaping, housing policy, sociocultural environment, and quality of housing were significant factors to residential satisfaction. Of these factors, the self-reported quality of housing was found to be the most influential.

A study by Jagun and Brown (1990) was conducted in order to predict the overall residential satisfaction of African Americans living in urban areas. The variables used

pertained to socioeconomic status and the physical environment characteristics. The survey of 1,018 African American adults living in an urban area was conducted using an instrument with eleven items related to the physical environment of the house. The socioeconomic variables used in this study were sex, age, education, marital status, employment status, and household income. Using multiple regression analysis, residential satisfaction was found to be a function of the socioeconomic characteristics and the physical environment.

Yet another study of housing satisfaction was conducted by Varady and Preiser in 1998 to determine how the satisfaction of residents of public housing authorities was related to the structure type of their housing unit. The study used a telephone sample of 340 residents of Cincinnati (Ohio) Metropolitan Housing Authority. The sample was a stratified random sample to insure that residents of all housing structure types were represented in the sample. The dependent variable in the study was housing satisfaction. The independent variables measured were: number of bedrooms, size, census tract, head of household income source, sex of head of household, annual family income, rent, and name of development. Also, a neighborhood evaluation was included that measured neighborhood confidence, safety, and repairs and maintenance. Bivariate cross-tabular analysis revealed that three fourths of the residents were satisfied with their housing conditions.

Each of these studies shows that housing satisfaction is not a simple construct to measure. There are many different aspects of satisfaction that must be considered when measuring homeowners' satisfaction with their housing. Because housing satisfaction is not a simple measurement, it is important to look at many aspects of housing. When



examining the satisfaction of Habitat for Humanity homeowners it will be important to ask them a variety of questions to fully understand the satisfaction with their homes.

### Costs of Home Ownership

While homeowners are often very satisfied with their homes, they do face maintenance and upkeep costs not faced by renters. Homeowners must maintain their homes in order to protect their housing investment. Homeowners spent over \$93 billion on home repairs and improvements in 1999 (Joint Center for Housing, 1999).

Households spent an average of \$1,181 per year for housing repairs or about \$100 per month (U.S. Census Bureau, 1998). Older homes require greater amounts of maintenance than do newer homes and are often purchased by low-income families. If the household consists of a single parent or single older adult most likely female, maintenance becomes an even more challenging problem.

### *Costs of Owning a Habitat Home*

For the majority of Habitat homeowners surveyed, the cost of housing has increased slightly or remained the same since becoming Habitat homeowners. The average monthly rent previously paid by homeowners was \$422. The average total cost for Habitat homes, including loan repayment, property taxes and insurance, utilities, and some maintenance, was \$434 (U. S. Department of Housing and Urban Development, 1997).

Because there is a limited amount of data available regarding homeowners' maintenance and repair costs, it is difficult to fully analyze total monthly housing costs relative to income. The data that are available are based on homeowner's estimates of total housing costs. Approximately 57% of the homeowners have mortgage costs that are

less than 35% of their total housing costs. Affiliates stressed that they were selective when choosing homeowners and as a result, the majority of homeowners' housing costs have not become a burden (U.S. Department of Housing and Urban Development, 1997).

### *Challenges of Owning a Habitat Home*

Meeting financial obligations has been a problem for over one-third of the respondents in the Habitat survey. For nearly one half (29) of these homeowners, late payments were a long-term problem. Ten of the 29 had missed mortgage payments for more than three months and four of the 29 had missed payments for over four months. Delinquencies such as these would not be acceptable to conventional mortgage lenders. The most common reason for missing mortgage payments was because of serious illness or medical problems (U.S. Department of Housing and Urban Development, 1997).

### Summary

Owning a home is considered part of the American dream. It is widely thought that owning a home will improve a family's quality of life. Unfortunately, for many Americans, owning a home is not possible. Also, there is the possibility that not everyone should be a homeowner because some households are put in financial jeopardy when the costs of home ownership are too great. However, the government and numerous non-profit organizations are working to make home ownership a reality for many Americans. One of the organizations working to make home ownership possible for people in the United States and across the world is Habitat for Humanity International.

The study of Habitat for Humanity sponsored by the U.S. Department of Housing and Urban Development explored many aspects of owning a Habitat home. Based on the

results of that study, other studies of home ownership, and various measures of housing satisfaction, the researcher thought developing a description of Habitat homeowners in Athens, Georgia would be fascinating and could add to the body of knowledge. Also, the AAHFH Board of Directors expressed the need for the study. The description of these Habitat homeowners also could be of value to the operations of the Athens Area Habitat for Humanity affiliate. While creating this description, a questionnaire was developed that other affiliates could also use for improving their partnership with families. Further use of the questionnaire could lead to testing hypotheses about the reasons for Habitat for Humanity homeowners' success.

## CHAPTER 3

### METHODS

#### Research Design

The purpose of this research is to describe AAHFH homeowners and the infrastructure of AAHFH. The research design is an *ex post facto* one-group posttest only design. When the method of a research project is descriptive, the purpose is to describe systematically an area of interest accurately by conducting a fact-finding study (Isaac & Michael, 1981). In this study, only one group of people, Athens Area Habitat for Humanity (AAHFH) homeowners, was studied. This study is preliminary in nature and gives a description of the homeowners and their homes.

#### Internal Validity

Internal validity is the ability of the researcher to make statements about the existence of a causal relationship or not between the two constructs of interest (Cook & Campbell, 1979). This research is a one-group posttest only design and internal validity is extremely limited. Many threats to internal validity arise when only one group of subjects is measured at only one point in time and there is no pretest. Due to the many threats to internal validity, the researcher did not attempt to test any hypotheses. Rather the focus was in describing in depth and in context the experiences and current status of a small group of households who share the common phenomenon of being Habitat for Humanity home owners. As a component of this study a questionnaire was developed

that can be used to test hypotheses about the success of a larger group of Habitat for Humanity homeowners.

### Sampling Plan

The researcher attempted to question each of the 29 Athens Area Habitat for Humanity homeowners who have lived in their homes for six months or longer. To do this, the researcher scheduled an appointment with each homeowner by phone and then visited their home. During the home visit, the researcher read the homeowner the questions on the questionnaire and recorded their answers. By reading the questions to the homeowners and recording the answers, the researcher attempted to eliminate the possibility of homeowners with reading challenges having difficulty completing the survey. Additionally, this gave the researcher an opportunity to probe for more detailed information. Finally, home visits gave the researcher an opportunity to assess the interior and exterior physical condition of the homes.

### Contacting the Homeowners

Before the homeowners were contacted efforts were made to protect homeowners' privacy. There is no way for AAHFH to identify the homeowners' answers with their names because homeowners are only identified by numbers. The respondent information and answers are kept in separate locations under lock and key. This study received approval from the Institutional Review Board at the University of Georgia before it was conducted.

The researcher first attempted to contact all 29 homeowners via the telephone on a weekday evening. This attempt yielded seven scheduled interviews. Five of the numbers provided by AAHFH were incorrect or had been disconnected. At other homes

messages were left on answering machines or with persons who answered the telephone. There were some homes where no one answered the telephone. A letter was sent by the U.S. Postal Service to the homes with incorrect telephone numbers or disconnected telephones. The researchers' attempts to contact the homeowners are shown in Table 3.

Over the next ten days five more attempts were made at contacting homeowners by the telephone. Homeowners were called at various times of the day in an effort to reach those with different schedules. Once the homeowners were called from the AAHFH office in order to reach homeowners who may use caller ID to screen calls. These telephone calls yielded a total of nine scheduled interviews.

On a Saturday the researcher attempted to visit homes where no interviews had been scheduled or scheduled interviews had been broken. This day yielded five interviews. At the homes where no one was present, the researcher left notes for the homeowners explaining the project and asking them to call the researcher. The researcher received no phone calls as a result of leaving notes.

The researcher consulted with the chairperson of the Family Selection Committee at AAHFH about the homeowners she had been unable to contact. The chairperson offered to call the remaining six homeowners to encourage them to participate in the study. The chairperson of the Family Selection Committee left a message with four homeowners and visited the homes of two homeowners. Of these six homeowners, three eventually participated in the study.

Over the next week and a half the researcher made four more attempts to contact the homeowners. Each time the researcher left messages with someone or on the

+Table 3

Contacting and Interviewing the Homeowners

| Homeowner | Number of Telephone Attempts from Researchers' Number | Number of Telephone Attempts from AAHFH's number | Left Message at Home | Contacted by Family Selection and AAHFH Executive Director | Letter from Researcher to those not reached by telephone on 1 <sup>st</sup> try | Date Interviewed |
|-----------|---|--|----------------------|--|---|------------------|
| 1         | 1   |  |                      |  |   | 1/24/2002        |
| 2         | 1   |  |                      |  |   | 1/24/2002        |
| 3         | 1   |  |                      |  |   | 1/24/2002        |
| 4         | 1   |  |                      |  |   | 1/25/2002        |
| 5         | 1   |  |                      |  |   | 1/25/2002        |
| 6         | 1   |  |                      |  |   | 1/25/2002        |
| 7         | 2   |  |                      |  |   | 1/26/2002        |
| 8         | 2   |  |                      |  |   | 1/26/2002        |
| 9         | 3   | 1  |                      |  |   | 1/26/2002        |
| 10        | 3   | 1  |                      |  |   | 1/28/2002        |
| 11        | 3   | 1  |                      |  |   | 1/29/2002        |
| 12        | 3   | 1  |                      |  |   | 1/29/2002        |
| 13        | 4   | 1  | 1                    |  |   | 2/2/2002         |
| 14        | 1   | 0  | 1                    |  | 1   | 2/2/2002         |
| 15        | 4   | 1  | 1                    |  |   | 2/2/2002         |
| 16        | 1   | 0  | 1                    |  | 1   | 2/2/2002         |
| 17        | 4   | 1  | 1                    |  |   | 2/2/2002         |
| 18        | 5   | 1  | 2                    |  |   | 2/4/2002         |
| 19        | 1   | 0  | 2                    |  | 1   | 2/4/2002         |
| 20        | 4   | 1  | 2                    |  |   | 2/6/2002         |
| 21        | 4   | 1  | 2                    |  |   | 2/13/2002        |
| 22        | 7   | 1  | 2                    |  |   | 2/18/2002        |
| 23        | 1   | 0  | 2                    |  | 1   | 2/18/2002        |
| 24        | 10  | 1  | 3                    | 1  |   | 3/7/2002         |
| 25        | 1   | 0  | 3                    | 1  | 1   | 3/9/2002         |
| 26        | 10  | 1  | 3                    | 1  |   | 3/12/2002        |
| 27        | 10  | 1  | 3                    | 1  |   | N/A              |
| 28        | 10  | 1  | 3                    | 1  |   | N/A              |
| 29        | 10  | 1  | 3                    | 1  |   | N/A              |

families' answering machine, and was successful in securing one additional interview.

Twice during this time period the researcher returned to the homes of the homeowners who had not scheduled an interview, this attempt yielded two interviews. Again, notes were left at the other homes and no one responded to the researcher's message.

In summary, for each homeowner who was not interviewed attempts to contact were made at least ten times via the phone, three home visits, and one mailed letters. The letter was written by the Executive Director of AAHFH. The homeowners who were not interviewed were also contacted either by telephone or personal visit by the chairperson of the Family Selection Committee. The researcher finally accepted that these three homeowners were not willing to participate in the study.

#### External Validity

The external validity of a study pertains to the findings ability to be generalized to other groups of people, other settings, and other time periods (Baker, 1993). The results from this sample can only be used to discuss those AAHFH homeowners interviewed. The results cannot be generalized to a larger population because of the small sample size and the location of all homeowners in a three-county area. If 100% of the homeowners had responded to the questionnaire, then the entire population of AAHFH homeowners would have been described. However, 90% (26) of the homeowners responded and 10% (3) of the homeowners refused the interview.

#### The Measurement Instrument

The instrument used in this study was a combination of questions from three sources. Some of the survey questions were taken from a survey that Habitat for



Humanity International recommends that affiliates have homeowners complete (Habitat for Humanity, 1998). Other questions were taken from the community housing survey created by the University of Georgia Housing and Demographics Research Center (Housing Demographics Research Center, 1990). Some questions are also based on interviews and focus groups conducted as part of a U.S. Department of Housing and Urban Development sponsored study of Habitat for Humanity homeowners in the United States (U.S. Department of Housing and Urban Development, 1997). The remaining questions were developed so that future utilization of the questionnaire could test hypotheses about Habitat homeowners' success.

The questionnaire provided by Habitat for Humanity International is found in the Affiliate Operations Manual for the Family Support Committee. This survey was developed based on the experiences of many Habitat chapters across the country. Habitat International Field Coordinators worked together to create a basic survey that could easily be used by local Habitat affiliates (Habitat for Humanity, 1998).

The Community Housing Survey was designed to explore factors that influence housing affordability beyond the standard measures of percentage of income spent on housing costs. The survey was pretested with a community group to ensure that it was easy to use. Additionally, the survey was reviewed by the Georgia Housing Coalition Advisory Board for content validity.

In the HUD sponsored study of Habitat homeowners, focus groups and personal interviews of Habitat homeowners were conducted. The questions used in this study's questionnaire are developed from the reported results of the HUD funded study. The questionnaire was designed so future use can test proposed hypotheses about Habitat

homeowner success. These reasons for success are: pre-ownership education, mentoring both before and after home ownership, mortgage leniency, and that Habitat for Humanity home loans are less expensive than other mortgages.

The final instrument used for this study was pilot tested for face validity and also for ease of use. Face validity was tested by faculty members and graduate students in the Department of Housing and Consumer Economics at the University of Georgia. Also, various people of different educational levels were read the questionnaire to test it for ease of use. The questionnaire used for the study is found in Appendix B.

The questions that comprise the questionnaire used in this study were taken from a variety of sources. Table 4 illustrates the sources of the questions. Twenty-two of the questions were taken by the survey developed by the University of Georgia Housing and Demographics Research Center (1990). Nineteen of the questions were original questions. Nine of the questions were taken from a survey developed by Habitat for Humanity. The remaining five questions were based on questions from a HUD-sponsored survey of Habitat homeowners. The table also shows the relationship between each question and the objective and construct that the question attempts to measure. Additionally the table describes the possible hypothesis that each question could test upon further use of the questionnaire with a larger sample.

#### *Description of the Questionnaire*

The researcher recorded the answers to the first three questions before entering the home. The researcher first recorded the address of the home. The second and third questions were about the exterior condition of the home. The second question was answered on a Likert-type scale with five answer choices, ranging from very bad to

Table 4

The Origins, Objectives, Constructs, and Possible Hypotheses of Questions


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|  | Question Number    |
|--|--------------------|
| <u>Origin of questions</u>                 |                    |
| HDRC Survey                                | 1-10, 12-15, 49-56 |
| HUD Survey                                 | 16-21              |
| Habitat survey                             | 22-27,30-32        |
| Original questions                         | 11, 28-29, 33-48   |
| <u>Objective and Construct</u>             |                    |
| 1- Physical condition                      | 2-3, 12-15, 50-56  |
| 2- Demographic description                 | 4-11, 49           |
| 3- Ownership benefits/burdens              | 19-20              |
| 4- Participation and Satisfaction w/ AAHFH | 21-27              |
| 5- Satisfaction w/ home                    | 16-18              |
| 6- Questions for future hypotheses tests   | 28-47              |
| <u>Possible Hypotheses</u>                 |                    |
| Pre-ownership education leads to success   | 28-32              |
| Sweat equity investment leads to success   | 33,34              |
| Mentoring leads to success                 | 35-40              |
| Mortgage payment leniency leads to success | 41-47              |
| Low costs of mortgages leads to success    | 45                 |

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excellent. The third question required comparing the condition of the Habitat home to the homes on either side of the Habitat home.

The researcher began interviewing the homeowner with question four asking the homeowner's age and this was recorded in number of years. The fifth question asked for the respondent's gender with a nominal level answer and was coded female equal to one and male equal to zero. The researcher recorded the answer to this question instead of asking the homeowner. The sixth question was about marital status and was coded married equal one and not married equal to zero. The seventh question was about the ages of the other people residing in the house and was recorded in number of years. An additional variable, number of persons in household, was created and coded as a continuous variable.

The eighth question asked for the employment status of those in the household. This was coded by the number of hours per week worked in paid employment by everyone living in the home. The ninth question asked for the educational attainment and was recorded by the number of years of schooling of the member of the household with the most education. The tenth question asked the total household income before taxes and was coded as a continuous variable. The 11<sup>th</sup> question asked how long the family has lived in their home.

Questions 12-15 were related to the physical condition of the home. The 12<sup>th</sup> question asked if the home had the following: hot piped water, cold piped water, flush toilet, sewer connection, and telephone. The final part of question 12 asked if any of a list of items have broken down in the past three months. The answers to each part were coded separately with yes=1 and no=0. Question 13 asked if the circuit breakers have

tripped in the past three months, yes (1) or no (0). Question 14 asked if water had leaked into the home in the past three years and was in a yes or no question format and was coded in the same way. The 15<sup>th</sup> question asked if the home needs any of the following changes: additional room, foundation repair, roof repair, storm windows, insulation, floor/wall repair, water heater, electrical improvements, porch repair, plumbing, and heating systems repair. The answers to each part were coded yes=1 or no=0.

Questions 16-18 were about satisfaction with the Habitat home. Each question was rated on a scale of one to ten. Question 16 asked the respondent to rate their satisfaction with the size of their home. Question 17 asked about satisfaction with the location/neighborhood of the Habitat home. The 18<sup>th</sup> question asked about the satisfaction with the physical condition of the home.

Questions 19 and 20 were both open-ended questions. Question 19 asked what are the benefits of home ownership. The 20<sup>th</sup> question asked if there are any burdens to home ownership.

Questions 21-27 were about the homeowners' relationship with AAHFH. Question 21 was an open-ended question that asked the homeowner how they learned about Habitat for Humanity. Question 22 asked the homeowner to describe their relationship with the volunteers while earning sweat equity. Question 23 asked if the home was completed: earlier than expected (2), on time (1), or later than expected (0). The 24<sup>th</sup> question asked if the homeowner has remained active with Habitat and is a yes or no question that was coded in the same manner as all other yes or no questions. If they answered yes, the 25<sup>th</sup> question was open-ended and asked the homeowner how they have remained active.

Questions 26 and 27 were also open-ended. The 26<sup>th</sup> question asked what aspect of Habitat the homeowner was most satisfied with. The 27<sup>th</sup> question asked what aspect of Habitat the homeowner was least satisfied with.

Questions 28-32 concern the education classes offered by Habitat for Humanity. The 28<sup>th</sup> question was open-ended and asked the homeowner which classes were completed before purchasing the home. Question 29 asked approximately how many hours were spent in the classes. Question 30 was a yes or no question asking if the classes were helpful or not. Questions 31 and 32 were both open-ended. Number 31 asked which class was the most helpful. The 32<sup>nd</sup> question asked if there is another class that would have been helpful.

Questions 33 and 34 concern the sweat equity completed by the family and both were answered as a continuous variable in number of hours. The 33<sup>rd</sup> question, also continuous, asked how many hours were completed. The 34<sup>th</sup> question asked if sweat equity hours were completed by: immediate family, extended family, close friends, acquaintances, or others and each part was coded yes or no.

Questions 35-40 were about the family friend or advocate that the family may have had. Question 35 was a yes or no question, did you have a family friend. The remaining questions in this section were asked only if the answer to question 35 was yes. Question 36 asked did you work with this person before moving into your home and was a yes or no question. If this answer was yes, the 37<sup>th</sup> question asked how many hours were worked with that person per month and was measured as a continuous variable in number of hours. Question 38 asked if the homeowner worked with the person after moving into their home. If the answer was yes, question 39 asked how many hours per

month were spent with that person and was measured as a continuous variable. The 40<sup>th</sup> question was open-ended and asked the homeowner to describe their relationship with the family friend.

Questions 41-47 are about the monthly housing payment on the Habitat home. Question 41 was a yes or no question coded in the same manner as all other yes or no questions; the question was have you ever been late making a mortgage payment. Question 42 asked how many times the homeowner has been late. This answer was coded as a function of the number of months the homeowner has been in the home so that all answers were as a percentage of time since occupying the house. If the homeowner had been late, the 43<sup>rd</sup> question asked when the homeowner has been late, how long has it taken to catch up and was coded by number of months. Question 44 was a yes or no question, are you currently behind on the mortgage payment. The 45<sup>th</sup> question asked what is the monthly mortgage payment and was answered in number of dollars as a continuous variable. Question 46 was also answered as a continuous variable and asked how many years is the term on the mortgage. The 47<sup>th</sup> question was also answered as a continuous variable and asked how many mortgages there are on the home.

Question 48 was open-ended and simply asked the homeowner if there is something else they would like to tell the researcher. The remaining questions were answered by the researcher after leaving the home. The 49<sup>th</sup> question was the race of the homeowner. It was coded 1= African American and 0= not African American.

The final seven questions assessed the physical condition of the home based on the researcher's opinion of the interior of home. Questions 50- 55 were all yes or no questions. The 50<sup>th</sup> question asked if the researcher noticed any cracks or holes in the

inside walls or ceilings. Question 51 asked if there were any holes in the floor. The 52<sup>nd</sup> question asked if there were any areas of peeling paint or broken plaster. Question 53 asked if the researcher noticed any unsanitary conditions. The 54<sup>th</sup> question asked if there were any electrical problems. The 55<sup>th</sup> question asked if there were any broken steps on the porch or inside. Question 56 has a Likert-type answer scale and asked the researcher to rate the overall condition of the interior of the dwelling. The answers ranged from very bad to excellent. All open-ended questions were probed to yield the respondents' complete response and underlying feelings.

#### Conducting the Interviews

Interviews with the homeowners took place over a seven-week period. The interviews were conducted in the homeowner's home, the AAHFH office, or by telephone. During week one, 12 interviews were conducted, three in the AAHFH office and nine in the homeowner's home. Refer to Table 3 for the dates the interviews took place.

Eight interviews were conducted during week two; seven interviews took place in the homeowner's home, while one was conducted on the telephone. During week three, one telephone interview was completed. In week four, one interview was conducted in the home and another on the telephone. One interview was conducted in the AAHFH office and two were conducted on the telephone during week seven. This brought the number of completed interviews to 26. Of these interviews, 17 took place in the home, four at the AAHFH, and five on the telephone.



## Analysis

Because of the descriptive nature of this study, no hypotheses will be tested. However, descriptive statistics to identify the demographic characteristics, physical condition of the homes, homeowners' housing related costs, the homeowners' relationship with Athens Area Habitat for Humanity, perceived benefits and costs, the satisfaction of the homeowners, and the homeowners' opinion of the Family Support Committee have been computed.

### *Physical Condition of the Home*

Question number 12 asked about amenities in the homeowners' home. It was a multi-part question with six parts. The answers to the first five parts were coded one for yes and zero for no. The sixth part of the question was recoded so that no is equal to one and zero is to yes. For questions 12- 15 frequencies and percentages were computed to describe the condition of the home.

Frequencies and percentages for the physical condition were computed for questions 50-55 concerning the physical condition of the home. Frequencies and percentages were computed for question 56 concerning the overall condition of the dwelling.

### *Demographics of the Homeowners*

The mean age of the homeowners was computed. It was also possible to recode the ages into age categories to determine which age groups have the most homeowners. The categories were determined after the data were collected and were as follows: under 29, 30-39, 40-49, 50-59, 60-69, and over 70. Frequencies and percentages were

computed to describe the gender of the homeowners. Frequencies and percentages were also computed to describe the marital status of the head of household.

Frequencies and percentages were computed to describe the number of persons in each household. These ages were also recoded into age groups after the data were collected. Frequencies and percentages were computed to describe homeowners' employment status. The mean years of education of the homeowner were determined. The years of education were also recoded to less than high school, some high school, high school graduate, some college, college graduate, and more than college.

#### *Satisfaction with Habitat Home*

The answers to questions 16-18 were summed to determine overall satisfaction with the families Habitat homes. Overall satisfaction included satisfaction with size, location/neighborhood, and physical condition of the home.

#### *Perceived Benefits and Burdens*

Questions 19 and 20 were both open-ended questions that were analyzed with content analysis to determine the perceived benefits and burdens of home ownership. These questions were probed to gain as much information as possible.

#### *Participation and Satisfaction with Athens Area Habitat*

Content analysis was used to describe how Habitat homeowners learned about Habitat for Humanity. The number of years that homeowners have lived in their home was averaged. Number of years in the home was originally measured in number of months and was recoded into number of years in the AAHFH home. Question 22 was an open-ended question that was content analyzed to describe the homeowner's relationship with the volunteers while they were earning sweat equity. For question 23, frequencies

and percentages were computed. Content analysis was used for questions 26 and 27 to describe what aspects of Habitat were most and least satisfying to homeowners.

#### *Questions that Could in the Future Test Hypotheses*

Question 28 was an open-ended question and content analysis was used to analyze this question. For questions 29 and 30 frequencies and percentages were computed. Both questions 31 and 32 were open-ended questions and were analyzed with content analysis.

Questions 33 and 34 describe the number of hours families worked in sweat equity. For both of these questions frequencies and percentages were computed.

For questions 35-39 percentages and frequencies were computed. Question 40 was open-ended and thus content analysis was used to analyze this question.

Frequencies and percentages were computed for questions 41-47. These questions described the amount and term of Habitat for Humanity mortgages. They also explored the leniency of a Habitat for Humanity mortgage. The 48<sup>th</sup> question was open-ended so content analysis was used to analyze the question. Question 48 asked if there is anything else the homeowner would like to tell the researcher and all responses were probed and recorded. The amount of the monthly housing payment will also be used to calculate a variable that describes the homeowners' current monthly housing payment to current income ratio.

#### Impact

This study should benefit Athens Area Habitat for Humanity in many practical ways. An executive summary of the study was produced for Athens Area Habitat and is included in Appendix C. This report includes a summary of the study's results and

makes suggestions as to how the affiliate can improve their operations. By improving the affiliate's operations, AAHFH will be able to better serve future homeowners.

Additionally, there may be ways that AAHFH will be able to improve their relationship with current AAHFH homeowners.

If other Habitat for Humanity affiliates use the proposed questionnaire to survey their homeowners, they too can benefit from the development of the questionnaire. If a large number of Habitat homeowners answer the questionnaire, it will be possible to test the proposed hypotheses about why Habitat homeowners are enjoying success. If further studies determine what aspects of Habitat for Humanity contribute to success, other home ownership programs can adapt these same aspects in their programs to improve the success of home ownership.

## CHAPTER 4

### RESULTS

Twenty-six of 29 (90%) Athens Area Habitat for Humanity (AAHFH) homeowners, who met the eligibility criteria for this study, were interviewed. After ten or more attempted phone calls, three home visits, and one mailed letter, the researcher stopped attempting to contact the homeowners who had not yet responded. These efforts ceased because the researcher did not want to cross the line into harassment of the homeowners. Seventeen of the 26 interviews were conducted in the homes of the AAHFH homeowners, four at the AAHFH office, and five on the telephone.

The researcher was able to obtain some information about the three homeowners she did not interview by talking with the Athens Area Habitat for Humanity staff and the Family Selection Committee chairperson, and by examining AAHFH records. The three families the researcher was unable to contact did not appear to be significantly different from the other homeowners. All three of the families are African American and headed by single mothers. None of these three families is currently behind in making their monthly housing payments and they have not been any more delinquent in paying their monthly housing payments than the other homeowners. According to the staff at AAHFH, these three homeowners have not complained more or been more problematic than the average homeowner.

In addition to the information provided by AAHFH, the researcher also saw the outside of homes belonging to the three homeowners who were not interviewed for the

study and homeowners who were interviewed on the telephone. The outside appearance of these homes did not differ from the outside condition of the other 17 homes where the researcher conducted interviews. The researcher saw no homes with chipped paint, broken stairs, or overgrown yards. All homes that the researcher saw in person appeared to be relatively well kept. In many cases the AAHFH homes are located together in neighborhoods and are of equal appearance. However, when the AAHFH homes are not located near other AAHFH homes, they tend to be in better condition than neighboring homes.

#### Physical Condition of the Homes

The questions concerning the amenities in the homes were found to have little variance. Of the 26 homes, all had hot water, cold water, a flush toilet, and a telephone. Thirty-five percent of the homes had septic tanks, while the remaining 65% had a sewer connection. Only two of the homeowners had experienced difficulties with any of these physical characteristics of their homes in the past three months. One homeowner had problems with the septic tank, while the other had problems with the telephone.

Seven of the homeowners had experienced circuits tripping in their home in the past three months. Additional homeowners reported that circuits had tripped in the past, but not in the past three months. Six of the homeowners had problems with water leaking into their homes in the past three months.

Many homeowners felt some repairs were needed on their homes. A little over half of the homeowners thought their homes needed an additional room. Two homeowners reported their foundations were in need of repair. Additionally, there were two homeowners who said their homes' roofs needed repairs. Only one homeowner felt

her windows needed improvements. Thirty-five percent of the homeowners felt that their home did not have sufficient insulation. Sixty-five percent of the homeowners reported their floors needed repairs. In most cases problems with the floors were due to linoleum bubbling. None of the homeowners reported problems with the water heater in their home.

Twenty-three homeowners reported that their electric system did not need repairs. Nineteen percent of the homeowners felt their porch was in good repair. Twenty-three homeowners responded that their plumbing did not need repair. Only one homeowner thought her heating system needed repairing because it was not functioning properly.

Information about both the exterior and interior condition of the home reported by the researcher is available for 17 homes. In 82% of the homes visited, the researcher did not observe any cracks in the walls or ceilings. Seventeen of the homes visited did not have any holes in the walls or ceilings. Only one house had cracks in the interior paint. The researcher did not observe any unsanitary conditions, electrical problems, or broken steps in any of the rooms of homes that she visited. In most cases the researcher observed only the public areas of the home; however, there were some cases when the homeowner gave the researcher a tour of the entire home.

The researcher's rankings of the exterior condition (on a scale from one to ten where ten represents excellent condition) of the 17 homes where personal interviews were conducted ranged from six to ten. The mean ranking of the homes' exteriors was 8.4. When the researcher ranked the interior condition of the homes where interviews were conducted the range was seven to ten. The mean ranking of the condition of the interior of the homes was 8.5.

### Demographic Description of the Homeowners

The demographic variables that describe the homeowners are shown in Table 5. Of the 26 homeowners questioned, the youngest AAHFH homeowner was 28, while the oldest homeowner was 71. The mean homeowner age was 44.

Of the 26 homeowners who were questioned, six or 23% were males. The remaining 20 interviewed were females. Seventeen of the homeowners were not married. While the remaining nine homeowners were married, two of these homeowners were separated from their husbands.

The homeowners interviewed had a mean education level of slightly over 12 years; this is equivalent to completing high school. Homeowners' education levels ranged from four years to eighteen years. One homeowner who has a Master's Degree earned the degree in Computer Sciences while being a Habitat homeowner.

Two of the homeowners interviewed were retired and no longer work. One of the homeowners had a disability and has not worked since. The other 23 homeowners were employed for varying hours per week. The average number of hours worked per week was 42. In the families where homeowners were married and not separated, four families had two full-time workers, two families had only one worker, and another married couple was retired.



Table 5

Demographics of AAHFH Homeowners (n=26)

| Homeowner Demographic Variables | Frequency | Percentage |
|---------------------------------|-----------|------------|
| <u>Age (years)</u>              |           |            |
| Under 29                        | 1         | 3.8        |
| 30-39                           | 6         | 23.1       |
| 40-49                           | 12        | 46.1       |
| 50-59                           | 6         | 23.1       |
| 60-69                           | 0         | 0          |
| Over 70                         | 1         | 3.8        |
| <u>Education</u>                |           |            |
| Less than high school           | 3         | 11.5       |
| High school                     | 14        | 53.8       |
| Some college                    | 8         | 30.8       |
| Completed College               | 0         | 0          |
| More than college               | 1         | 3.8        |
| <u>Employment (hours)</u>       |           |            |
| 0 (Retired or disabled)         | 3         | 11.5       |
| 20-39                           | 1         | 3.8        |
| 40                              | 17        | 65.4       |
| More than 40                    | 5         | 19.2       |

Table 5 (continued)

Demographics of AAHFH Homeowners (n=26)

| Homeowner Demographic Variables       | Frequency | Percentage |
|---------------------------------------|-----------|------------|
| <u>Household Income</u>               |           |            |
| Less than \$9,999                     | 2         | 7.7        |
| \$10,000-14,999                       | 4         | 15.4       |
| \$15,000-19,999                       | 4         | 15.4       |
| \$20,000-24,999                       | 6         | 23.1       |
| \$25,000-29,000                       | 1         | 3.8        |
| \$30,000-35,000                       | 5         | 19.2       |
| Over \$35,000                         | 4         | 15.4       |
| <u>Number of members of household</u> |           |            |
| 1                                     | 1         | 3.8        |
| 2                                     | 8         | 30.8       |
| 3                                     | 10        | 38.5       |
| 4                                     | 3         | 11.5       |
| 6                                     | 4         | 15.4       |

Table 5 (continued)

Demographics of AAHFH Homeowners (n=26)

| Homeowner Demographic Variables                | Frequency | Percentage |
|--|-----------|------------|
| <u>Number of years living in Habitat house</u> |           |            |
| Less than 1                                    | 1         | 3.8        |
| 2  | 4         | 15.4       |
| 3  | 5         | 19.2       |
| 4  | 3         | 11.5       |
| 5  | 2         | 7.7        |
| 6  | 2         | 7.7        |
| 8  | 1         | 3.8        |
| 9  | 3         | 11.5       |
| Over 10  | 5         | 19.2       |

Among the 26 homeowners interviewed, the mean annual income was \$22,448.08. The lowest reported income was \$7,200, while the highest was \$41,000. There were two homeowners with incomes less than \$9,999 annually. The income category with the most AAHFH homeowners was between \$20,000 and \$24,999. There were four homeowners with incomes higher than \$35,000. For some of the families, their current incomes must have increased substantially over their incomes when they become eligible because of the income guidelines for AAHFH home ownership.

The mean AAHFH household size was three. Also, the largest group of homeowners had a household size of three. There was only one AAHFH household with one member. The largest household size was six and there were four of these households.

The AAHFH homeowners interviewed have been living in their homes for varying amounts of time, ranging from six months to over ten years. The two largest groups of homeowners have lived in their homes for between three and four years and for over ten years; there are five homeowners in each of these categories. The homeowner who had been in her home for the longest has been there for twelve years. These families are all original owners of their homes.

#### Homeowner's Satisfaction with Homes

Table 6 exhibits homeowners' various types of satisfaction with their homes. The homeowners were asked about three aspects of satisfaction with their AAHFH homes. They were asked to rate their satisfaction on a scale of one to ten with ten being the highest. Homeowners were asked about their satisfaction with the size, location, and

Table 6

Frequencies of Satisfaction with AAHFH Homes (n=26)

| Type of Satisfaction      | Frequency | Percentage |
|---------------------------|-----------|------------|
| <u>Size of the Home</u>   |           |            |
| 1                         | 1         | 3.8        |
| 4                         | 1         | 3.8        |
| 6                         | 1         | 3.8        |
| 7                         | 5         | 19.2       |
| 8                         | 7         | 26.9       |
| 9                         | 2         | 7.7        |
| 10                        | 9         | 34.6       |
| <u>Location of Home</u>   |           |            |
| 6                         | 1         | 3.8        |
| 7                         | 3         | 11.5       |
| 8                         | 4         | 15.4       |
| 9                         | 3         | 11.5       |
| 10                        | 15        | 57.7       |
| <u>Physical Condition</u> |           |            |
| 4                         | 1         | 3.8        |
| 5                         | 1         | 3.8        |
| 6                         | 2         | 7.7        |
| 8                         | 6         | 23.1       |
| 9                         | 4         | 15.4       |
| 10                        | 12        | 46.2       |

Table 6 (continued)

Frequencies of Satisfaction with AAHFH Homes (n=26)

| Type of Satisfaction        | Frequency | Percentage |
|-----------------------------|-----------|------------|
| <u>Overall Satisfaction</u> |           |            |
| 6.7                         | 3         | 11.5       |
| 7.0                         | 2         | 7.7        |
| 7.3                         | 3         | 11.5       |
| 7.7                         | 1         | 3.8        |
| 8.0                         | 2         | 7.7        |
| 8.3                         | 1         | 3.8        |
| 8.7                         | 1         | 3.8        |
| 9.0                         | 2         | 7.7        |
| 9.3                         | 5         | 19.2       |
| 10.0                        | 6         | 23.1       |

physical condition of their homes. The responses for these questions were summed and divided by three to create a measure of overall housing satisfaction.

The homeowners' rankings of their satisfaction with the size of their AAHFH home varied between 1 and 10. The mean level of satisfaction was 7.9. Only one homeowner reported a satisfaction level of one. There were nine homeowners who ranked their satisfaction with the size of their home a ten; this was the largest group of homeowners. Homeowners' ranking of satisfaction with the location of their home ranged from six to ten. The mean level of satisfaction with location was 9.1. There was one homeowner who ranked her satisfaction with the location of their home a six. The largest group of homeowners (15) ranked their satisfaction with the location of their home a ten.

Homeowners' ranking of satisfaction with the physical condition of their homes ranged from four to ten. The mean level of satisfaction with physical condition was 8.7. There was one homeowner who ranked her satisfaction a four. Twelve of the homeowners ranked their satisfaction with the physical condition of their home a ten and this was the largest group of homeowners.

The homeowners' satisfaction rankings with size, location, and physical condition were summed together to measure satisfaction with the overall home. Overall satisfaction ranged from 6.7 to 10. The mean level of overall satisfaction was 8.6. There were three homeowners with an overall satisfaction level of six and two thirds. Six homeowners were completely satisfied with the overall condition of their home and had a ranking of ten and again, this was the largest group of homeowners.

### Perceived Benefits and Burdens of Home Ownership

Most of the homeowners felt there were many benefits to home ownership. Ten homeowners mentioned the fact that the home will one day be their own home as a benefit of home ownership. Seven homeowners reported the freedom of homeownership was a benefit of being a homeowner. Not wasting money on rent was cited as a benefit of home ownership by six homeowners. There were five homeowners who thought that the affordability of their home was a benefit.

Three homeowners said that home ownership was a real blessing. The following benefits of home ownership were mentioned twice by the group of homeowners: working in the yard, improved housing conditions, more privacy, rent does not increase, children love the home, and peacefulness. These benefits were mentioned only once by the homeowners: owning makes you seem responsible, not having to move, tax benefits, the home is a good investment, better insulation, ability to invite friends over without feeling ashamed, and feeling more a part of the community. There were two homeowners who could not think of any benefits to home ownership. One of these homeowners did not fully understand that she was a homeowner. This homeowner thought having an AAHFH home was no different from renting.

There were fourteen homeowners who did not think there are any burdens to being a homeowner. Five homeowners cited the responsibility for repairs as a burden of home ownership. One homeowner felt having debt was a burden of home ownership. There was also one homeowner who said having to watch for scams that prey on homeowners was a burden of home ownership. Another homeowner thought working in the yard was a burden of home ownership.



### Participation and Satisfaction with Athens Area Habitat for Humanity

Due to the lack of people qualifying for the program, it is important to find families who are qualified and willing to partner with AAHFH. Over half (15) of the homeowners learned about Athens Area Habitat for Humanity (AAHFH) from a friend. Three of the homeowners learned about Habitat from a relative. Table 7 describes how homeowners learned about AAHFH.

Most AAHFH families only had good things to say about their relationship with the volunteers they worked with while earning sweat equity. There was one homeowner who reported that the construction supervisor was unpleasant, but the remaining homeowners reported only positive relationships with the volunteers. There were 23 homeowners who said their relationships with the volunteers were good. Five homeowners said they made friends with their volunteers. Three homeowners reported the volunteers became like family to them.

Three of the homeowners mentioned that Mr. Dorsey (a long-term AAHFH volunteer) was the best volunteer with whom they worked. The following opinions were mentioned twice by the group of interviewed homeowners: it was fun working with the volunteers, it was great to see both African American and White people working together, everyone truly wanted to work, the food that volunteers provided was very good. One homeowner especially enjoyed having someone to talk to when the volunteers were working on her home.

Of the 26 families, only three felt that their homes were completed sooner than expected. Just over half of the families' homes were completed about when the family expected. Nine families homes were completed later than the family expected. This is to

Table 7

How Homeowners Learned About AAHFH (n=26)

| Information source | Frequency | Percentage |
|--------------------|-----------|------------|
| Friend             | 15        | 57.7       |
| Relative           | 3         | 11.5       |
| Newspaper          | 4         | 15.4       |
| Drove by office    | 2         | 7.7        |
| Community service  | 1         | 3.8        |
| Employer           | 1         | 3.8        |

be expected since there are times when homes constructed by AAHFH are not on schedule due to the nature of home construction using volunteer labor.

About 69% of the families have remained active with AAHFH in some way since moving into their homes. Fourteen homeowners who have remained active with AAHFH worked on other families' homes. Four homeowners worked in the thrift store. Two homeowners have taken part in the annual AAHFH community meeting by singing or speaking. The following activities were reported once by the homeowners: computer work at the office, spoke about Habitat, handed out AAHFH applications, or served on the Family Support Committee for the affiliate.

Athens Area Habitat for Humanity homeowners reported satisfaction with many aspects of the affiliate. There were seven homeowners who were most satisfied with working with volunteers. Five homeowners felt that seeing everyone working together was a satisfying aspect of AAHFH. There were also five homeowners who said they were satisfied with all aspects of AAHFH. Four homeowners were most satisfied with the affordability of the AAHFH home. Two homeowners were satisfied with the choices they were allowed to make for their home. Learning about home building was most satisfying for two of the homeowners. Coming out of poverty and meeting other homeowners were both cited once as satisfying aspects of AAHFH.

Fifteen homeowners could think of nothing about AAHFH that was least satisfying. The following things were cited once by the group of homeowners as being unsatisfying: not much choice in house, wanted to build more, some families do not really complete their sweat equity hours, the thrift store, not being educated about being a homeowner, the contractors did not do their best, the warranty is too short, there is a lack

of communication between the homeowners and the affiliate, the possibility of sharing a driveway with another AAHFH homeowner, other people's opinion of Habitat for Humanity, and the lack of landscaping once their home was completed.

#### Questions that Could Test Homeowner Success Hypotheses

##### *Educational classes*

While AAHFH currently requires all of their homeowners to complete educational classes, this has not always been the case. At certain times education classes have not been offered to families because the chairperson of the Family Support Committee was not active in scheduling the classes and ensuring that the homeowners completed the educational requirements. There have also been times throughout the history of AAHFH when the affiliate did not offer all three of the classes that are currently required.

The hours spent in educational classes and if the homeowner found the classes helpful or not is shown in Table 8. Nine of the homeowners did not attend educational classes as a part of their experience as a Habitat homeowner, while the homeowners who did attend educational classes remembered spending different amounts of time in the classes offered by AAHFH. The mean amount of time spent in education classes was about four hours. The largest group of homeowners remembered spending six hours in the classes, which is the amount of time that homeowners are currently required to spend in the education classes.

Table 8

AAHFH Education Classes (n=26)

|                               | Frequency | Percentage |
|-------------------------------|-----------|------------|
| <u>Hours spent in Classes</u> |           |            |
| 0                             | 9         | 34.6       |
| 5                             | 1         | 3.8        |
| 6                             | 12        | 46.2       |
| 8                             | 4         | 15.4       |
| <u>Helpful or not</u>         |           |            |
| Not applicable                | 9         | 34.6       |
| Yes                           | 15        | 57.7       |
| No                            | 2         | 7.7        |

There were fifteen homeowners who reported the educational classes were helpful. There was one homeowner who felt all the classes were very helpful. Just over half of the homeowners thought the budgeting class was the most helpful. Only two homeowners who had completed educational classes did not find the educational classes helpful.

### *Sweat Equity*

AAHFH homeowners are required to complete at least 500 hours of sweat equity before they are allowed to move into their home. Three hundred of the hours must be completed by the people who will live in the home. The remaining 200 sweat equity hours can be completed by the homeowners' immediate family, extended family, friends, or anyone else the homeowner recruits to work on their behalf. The homeowner must complete at least 200 hours before construction begins on their home. The remaining sweat equity hours may be earned by working on their home. While homeowners are required to complete 500 hours, there are homeowners who earned in excess of this amount because they received help from such a wide variety of people or because they completed their 500 hours before construction of their home started, and they still worked on their home (J. Abbott, personal communication, April 1, 2002).

Homeowners remembered completing varying amounts of sweat equity hours. Everyone reported that they and their family members had completed 500 hours or more. Nine of the homeowners reported completing exactly 500 hours. Eight of the homeowners knew they had completed over 500 hours but could not remember the exact amount. Table 9 shows the number of sweat equity hours completed by the homeowner families.

Table 9

Sweat Equity Hours Worked by Homeowners (n=26)

| Number of hours | Frequency | Percentage |
|-----------------|-----------|------------|
| 500             | 9         | 34.6       |
| 500+*           | 8         | 30.8       |
| 520             | 1         | 3.8        |
| 600             | 2         | 7.7        |
| 700             | 4         | 15.4       |
| 965             | 1         | 3.8        |
| 2000            | 1         | 3.8        |

\* More than 500 hours but could not remember the exact number of hours.

Each of the homeowners reported they received assistance from their immediate family in earning sweat equity hours. Seventy-four percent of homeowners received sweat equity assistance from extended family members. Sixty-nine percent of homeowners received sweat equity assistance from close friends. Only one homeowner reported receiving sweat equity help from acquaintances. This homeowner's co-workers helped his family earn sweat equity hours. Two homeowners reported that members of the church that sponsored the construction of their home helped them earn sweat equity hours.

#### *Family Friend*

A "family friend" is a volunteer who acts as a mentor for the family as they partner with AAHFH to become homeowners. Because the family friend position requires a minimum time commitment of a year, it is often difficult to find volunteers for this position. Therefore, not all of the homeowners had a family friend. The occurrence of family friends also depended on the chairperson of the Family Support Committee's commitment to finding volunteers for this position. AAHFH homeowners are not required to become involved with their family friend, but if one is provided, it is the family friend's responsibility to contact the homeowner and attempt to develop a relationship with the homeowner.

Around 30% of the homeowners reported they had a family friend. Of the eight families who had a family friend, only four of these families actually worked with the person before the family moved into their home. Two people reported working with their family friend before moving into their home for about two hours per month. One homeowner worked with her family friend for five hours a month before moving into her



home. Another person worked with her family friend for eight hours a month before moving into her home.

The four homeowners who had a family friend and utilized this person reported that the friend helped them in a variety of ways, including attending education classes with the homeowner, giving Christmas gifts, and visiting the families' home. Family friends also helped two homeowners with the construction of their houses.

Three of the homeowners continued their relationship with their family friend after moving into their Habitat home. Two of the homeowners reported working with their family friends for about three months after moving into their home. The other homeowner worked with her family friend for almost two years after moving into her home.

#### *Monthly Housing Payments*

Because Habitat for Humanity homes are constructed with volunteer labor and the loans are interest free, Habitat homeowners pay significantly less for their homes than do homeowners of similarly sized homes with traditional mortgages. The size of the loan is based on the average construction costs of the houses and is currently \$44,000, but has varied over the years. In 1987 AAHFH home loan principals started at \$27,000, but as size of the home and the cost of the materials have increased, the homes have also increased in price. The homeowners' monthly housing payment includes the homeowners' mortgage, property taxes, and insurance payments. The mortgages are set up with a 20-year term, but the loan can be adjusted if homeowners have difficulties making their monthly housing payments. There is no prepayment clause so the homeowners could pay off the mortgage in less than 20 years without penalty.

The variables that describe AAHFH monthly housing payments are shown in Table 10. The mean amount paid monthly to AAHFH was about \$192. The largest group of AAHFH homeowners reported a monthly housing payment between \$175 and \$199; there were ten homeowners with payments in this range. The smallest groups of homeowners reported a monthly housing payment under \$150, between \$225 and \$249, and over \$250; these groups each had two homeowners. The lowest reported AAHFH monthly housing payment was \$127, while the highest was \$286. These numbers are what homeowners reported paying to AAHFH, but their monthly mortgage costs actually range from \$119.44 to \$200; this amount does not include the taxes and insurance that homeowners pay each month to AAHFH (J. Abbott, personal communication, April, 1, 2002). The mortgage cost may differ from the actual cost of the loan if the homeowner has had to adjust their loan in some way due to difficulties making monthly payments.

A ratio of the monthly housing payment to the households' current income was calculated. This was done because a standard for affordable housing is that the housing costs are less than 30% of the household's income (McCarty, Van Zandt and Rohe, 2001). However, the results from the calculation in this study cannot be directly compared to this standard because the AAHFH homeowners' housing payment only includes mortgage, taxes, and insurance and does not include other housing related costs such as utilities and maintenance. The low monthly housing cost to income ratio that the homeowners enjoy could be due to the fact that these other monthly housing costs are not included. However, many of the ratios are so low that it indicates that most of the homeowners probably have affordable housing costs.

Table 10

AAHFH Monthly Housing Payments (n=26)

|  | Frequency | Percentage |
|--|-----------|------------|
| <u>Monthly Housing Payment Amount</u>              |           |            |
| Under \$150  | 2         | 7.7        |
| \$150-174  | 5         | 19.2       |
| \$175-199  | 10        | 38.5       |
| \$200-224  | 5         | 19.2       |
| \$225-249  | 2         | 7.7        |
| Over \$250   | 2         | 7.7        |
| <u>Ratio of Monthly Housing Payment to Current</u> |           |            |
| <u>Income</u>                                      |           |            |
| Less than 10                                       | 12        | 46.2       |
| 10-19  | 10        | 38.5       |
| 20-29  | 3         | 11.5       |
| Over 30  | 1         | 3.8        |
| <u>Percentage of Late Monthly Housing Payments</u> |           |            |
| N/A  | 6         | 23.1       |
| 0.01-1.9   | 4         | 15.4       |
| 2.00-4.99  | 4         | 15.4       |
| 5.00-9.99  | 5         | 19.2       |
| 10.00-14.99  | 4         | 15.4       |
| 15.00-18.00  | 3         | 11.5       |

Table 10 (continued)

AAHFH Monthly Housing Payment (n=26)

|  | Frequency | Percentage |
|--|-----------|------------|
| <u>Time taken to catch up (months)</u> |           |            |
| 0                                      | 6         | 23.1       |
| 1                                      | 3         | 11.5       |
| 2                                      | 11        | 42.3       |
| 3                                      | 1         | 3.8        |
| 4                                      | 4         | 15.4       |
| 5                                      | 1         | 3.8        |

The largest group of homeowners (12) enjoys a monthly housing cost to income ratio of less than ten percent. There are ten homeowners who have a monthly housing cost to income ratio between ten percent and 19%. There are three homeowners whose ratio approaches unaffordability and is between 20% and 29%. One of the homeowners has a monthly housing cost to income ratio of over 30%; her ratio is 31%. The mean monthly housing payment, including principal, taxes, and insurance, to income ratio was 12%.

Because homeowners have been living in their homes for varying amounts of times, a percentage of late payments based on the number of months living in the Habitat house was calculated. This puts the homeowners on more equal terms for discussing their late payments. There are six homeowners who reported they have never been late in making a monthly housing payment to AAHFH. The other 20 homeowners reported being late varying percentages of time that range from 0.1% to 18% of the time they have lived in their home. The mean percentage of times homeowners have been late with their monthly housing payment was 5.7% of the time. This is equivalent to homeowners' monthly payment being late about once, on average, for every 18 months lived in the home. The largest group of homeowners reported being late making a monthly housing payment is between five percent and 9.99% of the time they lived in their home. These homeowners have been made approximately one late monthly payment out of every year they have lived in their homes. The three homeowners who have been late the most with their monthly housing payments have been late approximately two months out of every year they have lived in their homes.

When the homeowners have been late in making their monthly housing payment it has taken them varying amounts of time to catch up with their payment. Again, there are six homeowners who report never having been late in making a monthly housing payment. Of those who have been late, homeowners report taking between one month and five months to catch up with their monthly housing payment. Of the homeowners who had been late making a monthly housing payment, three homeowners reported taking less than a month to catch up on their monthly housing payment; in other words, they only missed the 15<sup>th</sup> of the month deadline but paid the monthly payment before the next payment was due. The largest group of homeowners (11) reported needing two months to catch up with their monthly housing payment. There was only one homeowner who reported needing five months to catch up with her monthly housing payment.

Twenty-three of the 26 homeowners reported they are currently not behind in making their monthly housing payments. All three of the homeowners who were late making monthly housing payments felt they would be able to catch up within the next two months. Homeowners are late with their monthly housing payments for a variety of reasons that include changing jobs, health problems, and car troubles (J. Abbott, personal communication, April 1, 2002).

The current AAHFH policy for delinquent monthly housing payments is that if a homeowner misses the 15<sup>th</sup> of the month payment deadline, a \$15 fee is assessed for that month. After the 15<sup>th</sup> of the next month, if the delinquency is not resolved, a letter will be written to the homeowner stating that payment must be received immediately or their delinquent account will be reported to the credit bureau. On the first of the next month, the account is reported to the credit bureau if the payment has still not been made.

The AAHFH policy further states, that if a family is three months in arrears, then the family must meet with an AAHFH representative to work out a repayment schedule. Once the homeowner is in arrears equal to four months payment, the foreclosure process is begun. There is one AAHFH family who has received letters stating that the foreclosure process has begun, but AAHFH has not had to complete the foreclosure process because the homeowner has always paid AAHFH in full before foreclosure was completed. While this is the written policy of AAHFH, the time frame has not always been followed and reports to the credit bureau have not been made. In the past six months, however, this policy has been followed except that delinquencies have not been reported to the credit bureau (J. Abbott, personal communication, April 1, 2002).

#### Additional Homeowner Comments

When asked if there was anything else that the homeowner would like to tell the researcher there were a few homeowners who did not have anything else to say. However, there were many homeowners who had quite a bit to say about their experiences with AAHFH.

Three homeowners said they are improving themselves since living in their AAHFH home. One homeowner said his self-esteem has improved since moving into his AAHFH home. Another homeowner said she is making plans to return to school and one homeowner's health has improved since moving into her Habitat home.

There were three homeowners who reported their children are no longer ashamed of their home and thus feel better about their self-image. One of the male homeowners felt his AAHFH home provided his family greater safety. One homeowner said the health of her children living in their Habitat home has improved. One homeowner has

noticed that her children earn better grades since moving into their AAHFH home. One homeowner has two grandchildren living with her. She said these two children living with her are happier and make better grades than their other siblings who do not live in such a good home.

Two homeowners said they love Habitat and another two homeowners said they would do anything for Habitat. Nothing could replace her AAHFH home for one homeowner. There was also one homeowner who said he would choose to become an AAHFH homeowner again if given the chance. One homeowner enjoys telling others about her experiences as an AAHFH homeowner and encouraging those who qualify to apply for homes. One homeowner said she would never do anything to jeopardize her home, such as getting a second mortgage. Another homeowner said that Habitat is not like a mortgage company and working with AAHFH is enjoyable.

Two homeowners said they are very proud of their home. Among the group of homeowners it was cited once that they like the privacy of their home, not having to go to the laundry mat, and the affordability of the home. Another homeowner said she has less stress now that she owns her home. Two homeowners said that the home was a blessing. Another two homeowners said owning a home brings them great peace. Another two homeowners told the story of how they overslept for the first time in their lives the first morning they slept in their AAHFH home.

There are many findings in this study that will be useful for AAHFH. The implications of this study for AAHFH are discussed in the next chapter. In addition to how the study should benefit AAHFH, the ways the study could benefit other programs is also discussed in the next chapter.



## CHAPTER 5

### SUMMARY AND DISCUSSION

Interviewing the Athens Area Habitat for Humanity (AAHFH) homeowners had many positive results and the entire process was very informative for the researcher. By talking with the homeowners the researcher was able to see how important Habitat for Humanity has been in the lives of the 26 AAHFH households. The researcher was able to create a demographic description of 90% of the AAHFH homeowners that will be useful for the affiliate. The researcher was able to evaluate the homeowners' opinions about partnering with AAHFH and suggest ways AAHFH could improve their relationships with homeowners. A report of the study will be given to Athens Area Habitat for Humanity and is included as Appendix C.

The researcher also gained valuable insight into how to better contact AAHFH homeowners. Additionally, utilizing the questionnaire revealed adjustments that should be made to the questionnaire in order to make it more appropriate for Habitat for Humanity homeowners. Finally, the researcher determined ways the questionnaire could be used more effectively for the future. Not only could Habitat affiliates across the country benefit from using the questionnaire, but other programs that promote and support maintenance of home ownership for low-income families could also improve. The most important implications of the study are that AAHFH should continue recent efforts to follow the mortgage delinquency policy, communication between the affiliate and the homeowners, and maintain the educational classes.

The findings of this study of Athens Area Habitat for Humanity homeowners had similar findings to the HUD-sponsored study of Habitat for Humanity homeowners in the United States. A national study of Habitat for Humanity homeowners was conducted through face-to-face interviews, focus groups, and a short self-reported survey, while the current study was conducted through face-to-face and telephone interviews (U.S. Department of Housing and Urban Development, 1997). Both studies showed that homeowners are satisfied with their homes. Additionally the demographic composition of the Habitat homeowners in Athens is consistent with the demographic description of homeowners in the previous study (U.S. Department of Housing and Urban Development, 1997).

#### Physical Condition of the Homes

The homes visited in the study all appeared to be in fairly good physical condition. None of the homes had major problems that were visible to the researcher. The older homes visited did have minor problems such as cracks in the walls. The newer homes were in better condition as expected, because they have had less wear and tear associated with living in a home.

The researcher also ranked her opinion of both the interior and the exterior of the 17 homes where interviews were conducted. The researcher felt that the interior and the exterior of the homes were in good condition. The interior of the homes was thought to be in slightly better condition than the exterior of the homes. This could be expected because the exterior of the homes has been exposed to the elements.

## Demographic Trends

The data provided a demographic description of the AAHFH homeowners. This description allows AAHFH to know more about their homeowner families. The demographic description of the homeowners would be more useful if it could be compared to a demographic description of the homeowners before they became homeowners. A pretest of the homeowners' demographics could be done before they become homeowners so that the affiliate could determine if owning a Habitat home changes the demographic composition of the family. It is possible that the demographic composition of the family could change for the worse, however past research has shown that Habitat families do change for the better after moving into their homes (U.S. Department of Housing and Urban Development, 1997). These changes for the better include greater educational attainment and higher income levels. This evidence that home ownership has improved the lives' of the families could enhance the affiliate's fundraising efforts, providing specific examples of the impact the program has on partner families.

Most of the AAHFH homeowners had attained a high school level of education. This is consistent with what was found in the previous study of Habitat homeowners, although a greater percentage of those homeowners (80%) had completed high school. In the HUD-sponsored study a larger number of homeowners had completed college and only one AAHFH homeowner had completed college (U.S. Department of Housing and Urban Development, 1997). This AAHFH homeowner also went on to complete graduate school; in the HUD-sponsored study, there was also one homeowner who had completed graduate school.

The majority (65%) of the homeowners interviewed in the study were single mothers. This finding is inconsistent with the findings of the national study of Habitat homeowners because the majority of those households were two-parent families (U.S. Department of Housing and Urban Development, 1997). The greatest number of homeowners had incomes between \$15,000 and \$24,999; the median income for all households in Athens-Clarke County in 1995 was around \$28,000 (Boatwright and Bachtel, 2001). These figures are indicative of the challenges single parents face when raising a family on one person's income. The AAHFH affiliate is helping single parents meet this challenge by making it possible for them to provide an affordable, safe, and decent home for their families. Previous research has also shown that families with children are more likely to want to own homes and this is consistent with the number of AAHFH homeowners who have children (Rohe, McCarthy, & VanZandt, 2000). As with the national study of Habitat for Humanity homeowners, most of the AAHFH homeowners were employed (U.S. Department of Housing and Urban Development, 1997).

In the national study of Habitat for Humanity homeowners, 63% of the households were African American families (U.S. Department of Housing and Urban Development, 1997). While 91% of the AAHFH homeowners are African American, only 31% of the population of Athens Clarke County is African American. The percentage of African American people in Oglethorpe County is slightly lower at 30%. In Oconee County, the other county served by AAHFH, the percentage of African American people is much lower at only 10% (Boatwright and Bachtel, 2001). The percentage of African American Habitat homeowners in the Athens Area is greater than

the population of African American Habitat homeowners in the HUD-sponsored study (U.S. Department of Housing and Urban Development, 1997). The large percentage of African American Habitat homeowners in Athens shows how important AAHFH is in providing affordable housing for the African American population of the three counties.

Previous research has shown that homeowners are more likely to be White, older, have higher educations, and higher incomes than those who do not own homes (Rohe, McCarthy, & Van Zandt, 2000). The demographics of AAHFH humanity homeowners show that AAHFH homeowners differ from the typical homeowner demographics. Habitat for Humanity is making home ownership possible for people who are generally not able to own homes.

#### Monthly Housing Payments

Athens Area Habitat for Humanity homeowners enjoy an interest-free mortgage that makes their monthly payments drastically lower than a mortgage for the same loan principal from a conventional lender. AAHFH also is willing to work with their homeowners when problems arise and the homeowners have difficulties paying their monthly housing payments. This is evidenced by the fact that 20 of the 26 homeowners have at some point been late making a monthly housing payment. Homeowners have also taken up to five months to catch up on their monthly housing payment. But none of the homeowners have gone into foreclosure since the program began in 1987. According to AAHFH records, there are only three families who are currently behind in their monthly housing payments. The questionnaire results indicated there are homeowners who have been late up to approximately 18% of the months that they have owned their homes. Repayment problems also existed for nearly half of the respondents in the

national study; late payment was a long-term problem for these homeowners (U.S. Department of Housing and Urban Development, 1997).

When monthly housing payment to income ratios were computed, it was found that the majority of the AAHFH homeowners have ratios that are less than 30% and this indicates that their monthly housing payments should be affordable for them. However, the delinquency rates show that homeowners do encounter difficulties when making their monthly housing payments. It is important to note that it is not known if the income ratios were at these levels when the homeowners were late with their monthly housing payments. Also, because the ratios do not include all housing expenses, AAHFH homeowners' housing payments may not be as affordable as they appear.

The occurrence and duration of payment delinquencies combined with low income to housing payment ratios indicate that AAHFH should try to reduce monthly housing payment delinquencies. The importance of making housing payments should be stressed in the educational classes homeowners attend. Homeowners should also be taught about credit records and the impact late payments can have on credit reports.

The homeowners report an awareness of the considerations they receive as Habitat for Humanity homeowners. A traditional lender would not allow such delinquencies in mortgage payments. There were numerous homeowners who were glad that AAHFH has been so lenient with the collection of monthly housing payments and is willing to work with the family if there is a problem such as an illness or lost job.

#### Effects of Home Ownership

While all the AAHFH homeowners were not completely satisfied with the entire Habitat process, they all had something positive to say about their experience as a Habitat

homeowner. For many of the homeowners, becoming a homeowner has had a profound effect on their lives and the lives of their families. There were homeowners who thought living in their AAHFH home had helped their children to perform better in school. Another homeowner said that she was now able to go back to school herself because she felt that she could breathe in her Habitat home. Additionally, a number of AAHFH homeowners felt that their families had experienced health benefits from living in their own home. Again, this knowledge could be beneficial to the affiliate's fundraising efforts because donors will have at least some self-reported subjective evidence of Habitat's positive effects on families. Again these findings are consistent with the many benefits of home ownership listed in the results of the national study of Habitat for Humanity homeowners (U.S. Department of Housing and Urban Development, 1997).

The AAHFH homeowners reported the benefits of home ownership outweighed the burdens. One homeowner felt that there were no benefits to home ownership because she did not think home ownership was the same as renting. Another homeowner said she could not think of any benefits to home ownership, but she knew there were some. The other 24 homeowners listed numerous benefits of home ownership. While there were some homeowners who thought home ownership has burdens, the majority of these homeowners said they knew that what they considered burdens were just a part of the responsibilities of home ownership. About half of the homeowners could not think of any burdens to home ownership. Overwhelmingly, the homeowners thought there were more benefits than burdens of home ownership. This study's findings about homeowners' feelings about benefits and burdens of home ownership are consistent with the HUD-sponsored study of Habitat homeowners which found that the homeowners felt

benefits out-weighed the burdens (U. S. Department of Housing and Urban Development, 1997).

#### Participation and Satisfaction with Athens Area Habitat for Humanity

The interviews with AAHFH homeowners revealed what the homeowners believe is satisfactory about the Habitat home ownership process. The interviews also revealed ways that AAHFH could improve their relationships with the partner families. Athens Area Habitat for Humanity could make improvements in the building process and the Family Selection and Support Committees. These suggestions could be implemented by the affiliate with minimal effort.

#### *Suggestions for the Building Process*

There was evidence homeowners appreciated having choices in the construction of their homes. However, some homeowners reported that they would have liked to have had more choice in their homes. Other homeowners who felt they were given an adequate amount of choice stated this was an aspect of Habitat they liked. Because choice was mentioned as both a negative and a positive by different homeowners, it indicates having choices is extremely important to homeowners. Habitat homeowners are paying for their homes as any other homebuyer and deserve to make as many choices as feasible about their homes without impacting the cost of the home.

Communication is another important aspect to a good relationship with Habitat families. Before construction begins homeowners should know what will be included in their house and what is to be expected from the homebuilding process. Homeowners should also be given an estimated time frame of the construction process before construction is begun and receive construction updates throughout construction of the



home. One way to illustrate the construction process to the homeowners would be to create a construction calendar with the homeowner. Homeowners should also be aware of any changes that inadvertently arise when their home is built with volunteer labor. By being included in the entire AAHFH process, homeowners are more likely to be satisfied with their partnership with AAHFH.

Increased communication will help the homeowners better understand when their homes are to be completed. The interviews led to the discovery that most homes were completed later than the homeowners expected. Very few homes were completed earlier than the homeowners expected. At the very least, homeowners may better understand the delays that interfere with the construction of their home.

Two questions asked of the AAHFH homeowners revealed homeowners' opinions about the size of their homes. A slight majority of the homeowners felt that their home needed an additional room. When the homeowners were asked what type of room they would like, all said they needed either a dining room or a bedroom. Until about three years ago, AAHFH built homes with two bedrooms, but now all homes have three or more bedrooms. This should help improve homeowners' satisfaction with the size of their home. It is interesting to note that the homeowners' lowest levels of satisfaction were indicated when asked to rank their satisfaction with the size of their home. This finding is consistent with homeowners wanting an additional room in their home. However, the AAHFH homeowners have a lower level of satisfaction with the size of their homes than did the participants in the previous study of Habitat homeowners (U.S. Department of Housing and Urban Development, 1997).

The homeowners reported the highest levels of satisfaction with the location of their homes. Homeowners who live near other AAHFH homes expressed satisfaction with living close to other AAHFH homeowners. There was one homeowner who lives in a neighborhood where other AAHFH homes were planned, but after three years she is the only AAHFH homeowner in the neighborhood. She reported slight disappointment that no other AAHFH homes are in her neighborhood. Ninety-one percent of homeowners in the HUD-sponsored study reported satisfaction with the neighborhood of the Habitat home (U.S. Department of Housing and Urban Development, 1997). The three homeowners who live on land they owned prior to having the AAHFH house built are very satisfied with the location of their home, probably because they selected the location. This level of satisfaction is another indicator of the AAHFH program success.

#### *Suggestions for Family Selection and Support*

Recently Athens Area Habitat for Humanity has experienced a lack of families qualifying to partner with AAHFH to become homeowners. The questionnaire revealed that the majority of the homeowners learned about AAHFH by word-of-mouth, either from friends, relatives, or their employer. Additionally, there were a few homeowners who mentioned that they tell others about AAHFH. For of these reasons, all homeowners should be encouraged to share with others the benefits of Habitat as much as possible. Additionally, the board of directors should talk about the success of AAHFH whenever the opportunity arises.

Another way AAHFH homeowners learned about AAHFH was through newspapers. This indicates that AAHFH should continue efforts to receive as much newspaper publicity as possible. Recently the affiliate received newspaper exposure at

the dedication of the first home built by a municipality and the groundbreaking of a home that will be built for a handicapped woman. Also, AAHFH is planning a Women's Build that will garner newspaper publicity for the affiliate. Athens Area Habitat should continue to make an effort to have all homes receive newspaper coverage in order to increase the affiliate's visibility. It is interesting to note that none of the AAHFH homeowners mentioned that they learned about Habitat through their church. AAHFH should focus on strengthening their Church Relations Committee because this could be a valuable source of families and resources for the affiliate.

As in the national study of Habitat homeowners, the vast majority of AAHFH homeowners who completed educational classes felt they were very beneficial. The majority of the homeowners found the budgeting class to be the most beneficial. Many of the homeowners who had not completed education classes said that they would have liked having a budgeting class. Because this class is so important to the homeowners, it should be emphasized when the partner families are completing their educational requirements. The homeowners' feelings about the budgeting class and the importance of maintaining their budget in order to make monthly housing payments illustrates the importance of the budgeting class. Because of delinquencies, the budgeting class should also include the importance of making monthly housing payments in a timely fashion. This emphasis on monthly housing payments could also help reduce late payments. Additionally, a post-occupancy class on budgeting would provide the homeowners with additional help with making monthly housing payments in a timely fashion.

While a smaller number of homeowners said the legal matters and the maintenance classes were helpful classes for them, there were homeowners who thought

these classes were the most beneficial. All but two of the homeowners who completed education classes thought the classes as a whole were helpful. Because legal matters and home maintenance were found to be beneficial to many of the homeowners, these classes should remain a part of the education curriculum.

Homeowners who had completed the education classes were unable to think of any additional classes that would benefit them as homeowners. Other classes could be offered as optional to the homeowners. One possible optional class could be a home-maintenance class offered to the homeowners a number of years after they have been living in their homes so that they can protect their investment in their home. It should be noted that the content of the education classes currently required by AAHFH is very similar to the first-time homebuyer education courses developed by the American Homeowner Education and Counseling Institute for first-time homebuyers (American Homeowners Education and Counseling Institute, 2000).

The family friend position is considered to be one of the most important volunteer roles by Habitat International, however it has not been stressed by the AAHFH affiliate. This volunteer position requires a large time commitment and is often difficult to fill. There were AAHFH homeowners who had a family friend and utilized that person, but the majority of the homeowners did not have such a mentor. Most of the homeowners who did have a family friend relied on this person and were able to form a close relationship with their family friend. If AAHFH is able to locate and train family friends who are willing to work with the homeowners, this could be very advantageous to the partner families as they complete the process of home ownership. The success of

homeowners without a family friend does not mean that AAHFH should discontinue efforts to locate family friends for their families.

Habitat for Humanity homeowners can provide an important source of volunteers for the affiliate. In Athens, 63% of the homeowners have remained active with the affiliate in some way. However, in the national study this percentage was greater, as 80% of the homeowners remained active with Habitat after moving into their homes. In both cases the majority of those who had remained active had worked on the construction of other homes (U.S. Department of Housing and Urban Development, 1997). AAHFH should be aware of the fact that homeowners can provide a valuable service to the affiliate as volunteers even after they have completed their sweat equity requirements and moved into their homes. This is also a way for AAHFH homeowners to develop a sense of community.

#### Contacting the Homeowners

In order to contact the AAHFH homeowners the researcher first obtained a list of homeowners from the AAHFH office. The researcher then attempted to reach homeowners by calling them on the telephone. It was found that some of the telephone numbers were incorrect. Therefore, the researcher sent post cards to these homeowners asking them to please contact her. This was unsuccessful in reaching the homeowners without accurate phone numbers. However, home visits were more successful.

A few homeowners had answering machines or voice mail so the researcher was able to leave a message for these homeowners. The researcher also was able to leave messages with people other than the homeowner. Leaving messages on machines or with other people was not effective because the majority of these homeowners did not return

the researcher's call. The researcher found that it was important to call the homeowners at various times of the day in order to contact them. A week and a half after the researcher began contacting homeowners, she visited with the homeowners whom she had previously been unable to reach. This was done on a Saturday in hopes that more homeowners would be at home. This effort was fairly successful, but there still were homeowners who were unwilling to talk to the researcher.

#### *Increasing the Number of Homeowners Interviewed*

Because of the difficulties encountered, it would be more beneficial in the future to send letters written by the Executive Director of the affiliate to all of the homeowners before calling them this way the homeowner would be expecting a call from the researcher and would have knowledge of the nature of the call. After the letters had sufficient time to arrive at the homes, the researcher could then make phone calls to the homeowners. The letter would also define the researcher's intent and address concerns homeowners could have about the visit.

At the suggestion of the executive director of AAHFH the researcher attempted to call the homeowners from the AAHFH office. The director felt that there are homeowners who use caller ID to screen their calls. While the homeowners would not answer a call from an unknown person, they should be more likely to answer a call from the Habitat office. By calling from the AAHFH office the researcher was able to reach three homeowners she previously had been unable to contact. The unwillingness of the homeowners to answer a call from an unknown source should be considered in subsequent studies of Habitat for Humanity homeowners.

The researcher also wondered if having an African American assistant accompany the researcher on home visits could have been helpful. Because the majority of the homeowners were African American and the researcher and her assistant were both White, the researcher felt that some homeowners would have been more comfortable with someone of their own culture. Besides being more comfortable during the interview, the homeowners may have been more likely to answer a knock at the door if one of the interviewers was African American.

There were other reasons the homeowners may not have been willing to participate. One homeowner mentioned that she has to be especially careful to watch for scams that prey on homeowners. This could be one reason why the three homeowners who were unwilling to talk to the researcher did not cooperate. In pre-ownership classes AAHFH homeowners are taught to be wary of scams that may take their money. Also, single homeowners may have been unwilling to answer the door to a stranger for safety reasons.

#### Changes to the Questionnaire

Conducting personal interviews with the homeowners allowed the researcher to modify the questionnaire to make it more suitable for Habitat homeowners. There were questions included in the original survey that could be eliminated because they were not that applicable to Habitat for Humanity homeowners. Other questions should be reworded to make them easier for homeowners to understand. Also, personally talking with the homeowners allowed the researcher to assist homeowners in completing all the questions. And there were additional questions that could be eliminated to make the

questionnaire easier to administer for future use. A revised questionnaire is included as appendix D.

### *Questions that were Not Applicable*

The questions that were not applicable to Habitat homeowners were adapted from the community housing survey. These were questions that related to amenities in the homes. All AAHFH homes had the amenities as part of their home, which were included in the question. The only variance was if the homes had septic tanks or sewer connections.

Question number 12 in the original questionnaire asks the homeowners if they have the following facilities in their homes: hot piped water, cold piped water, flush toilet, sewer connection, septic tank, and telephone. This question should be eliminated for future use of the questionnaire. The homeowners seemed to think this was an odd question because their homes had all of these things. This questionnaire is designed for use with Habitat for Humanity homeowners and because Habitat for Humanity builds “simple decent homes” this question is not relevant.

The relevant parts of question 12 were parts g and h that asked if any of the amenities had broken down and which ones. The amenities could be listed and then the homeowners could be asked if they have had any problems with them. Question 12 should include these features and facilities: plumbing, telephone, foundation, roof, windows, insulation, electrical system, porch, and heating system.

Wording question 12 in this way also eliminates the need for question 15. In the original version, question 15 was phrased in such a way that could give homeowners the idea that Habitat would make the repairs to the home. Habitat affiliates would be more



comfortable with the questionnaire if there were no confusion concerning who is responsible for completing the repairs.

### *Easier Comprehension*

The questionnaire also includes questions that were difficult for the homeowners to understand even though the researcher was reading the questions to the homeowner. The wording of the questions should be changed so that the homeowners can better understand them. The majority (69%) of the homeowners reported a high school or lower level of education. Although this was considered when writing the original questions, the questions could be made easier to understand.

There are four questions that should be reworded so that the homeowners can better understand the questions. Question numbers 19, 20, 26, and 27 in the original questionnaire should be changed. Rather than asking what are the benefits of home ownership, question 19 should ask what do you consider good about being a homeowner. Question 20 asks about the burdens of home ownership and should be replaced to read what do you consider difficult about being a homeowner. Question 26 asked what aspect of Habitat are you most satisfied with. This seemed to confuse the homeowners and it would be best to rephrase the question so it would ask what part of the Habitat experience did you like the best. Question 27 also confused the homeowners and could be phrased as what part of Habitat experience did you like the least.

### *Easier Administration*

Homeowners' recall limited their ability to answer question number 34 concerning the number of sweat equity hours completed by relatives, friends, acquaintances, and others. Originally the researcher planned to ask the homeowners how

many hours of sweat equity these different groups of people completed. While homeowners had difficulty remembering the number of hours, they did know if these people had helped earn the hours or not. The homeowners did seem to be able to recall how many hours their immediate family had completed, so this part of the question should remain. This part of the question gives a better idea of how much sweat equity the family invested in the house and will be helpful in testing a future hypothesis about sweat equity contributing to homeowners' success.

Question 35 asks if the family had a family friend/partner/advocate. This question can be adapted to fit the needs of the affiliate using the questionnaire by using the appropriate word used by that affiliate. This is an important question for testing the hypothesis about mentoring causing homeowners' success in the future.

Questions to be answered by the researcher could be eliminated so that it is not necessary for the researcher to visit the homes. The questionnaire could then be mailed or administered over the telephone. Allowing for the questionnaire to be completed over the phone or in a written form would make it much easier to get a large number of homeowners to complete the questionnaire. However, mailing the questionnaire would affect the response rate so an incentive should be offered to obtain an acceptable response rate. Conducting interviews in the home took approximately one hour per completed interview because of the travel time required to get to each home. Also, contacting the homeowners via the telephone prior to the interviews also required a large amount of time.

The first question on the questionnaire asks for the address of the homeowner. There is no need to include this question because the address creates a way to identify the

homeowners who are interviewed. There is no need to identify the homeowners and this could infringe on their privacy.

#### Future Use of the Questionnaire by AAHFH

In the next two and one-half years AAHFH plans to construct 20 homes in one neighborhood. This would be an excellent opportunity for AAHFH to utilize the questionnaire to learn more about the homeowners. Homeowners should complete a pretest once they are chosen to partner with AAHFH in order to have a consistent way to determine if and to what extent home ownership caused them to change. This pretest should include demographic questions and also questions about the homeowners' current home. Homeowners should also be told that they would be questioned by AAHFH after they have moved into their homes.

If the homeowners are interviewed six to 12 months after the move into their homes they will be more likely to remember specific information asked in the questions. This will be important in obtaining accurate answers to the questions about working with volunteers, pre-ownership education classes, sweat equity investments, the mentoring they received from AAHFH volunteers, and improvements in their lives.

After the initial questioning of the homeowners, AAHFH could then take responsibility for tracking monthly housing payments themselves. Close monitoring of monthly housing payments could be done by the chairperson of the Family Support Committee or a staff- person. This should produce a more accurate account of the homeowners' monthly housing payments.

### Wide-Scale Future Use of the Questionnaire

The questionnaire should be pilot tested on a larger scale in order to perform tests of factor analysis and reliability on the questionnaire. Factor analysis of groups of questions in the questionnaire would determine if the questions actually measure the same construct. Reliability analysis should be performed in order to determine if sets of questions are reliable and are measuring the same construct each time. Further face validity tests could be performed by allowing a greater number of experts to read the questionnaire. Additionally, it is important to allow someone who has experience in working with adults of limited educational background to read the questionnaire for readability and comprehension.

After the questionnaire has been further pilot tested, other Habitat affiliates across the country could use the questionnaire to test the proposed hypothesis related to Habitat homeowners' low mortgage default rate. There are various ways to increase the internal and external validity of a study using the questionnaire. It would be important to increase the number of homeowners who complete the questionnaire. It is also important to randomly select Habitat homeowners who are likely to answer the questionnaire. Homeowners should complete a pretest so comparisons can be made between the homeowners before and after obtaining homeownership. The homeowners who answer the questionnaire should not all be from the same affiliate in order to increase the external validity of a study using the questionnaire. Internal validity could also be improved if a control group is used. This control group could be low-income homeowners who have become homeowners through the assistance of a program other than Habitat for Humanity.

## Implications

Athens Area Habitat for Humanity can use the knowledge gained through this study to improve their affiliate's operations in a variety of ways. The affiliate must continue to implement their mortgage collection policy. It is important for the affiliate to increase the number of mortgage payments that are made in a timely fashion and reduce the duration of delinquencies. Timely housing payments are necessary so the affiliate does not lose any money related to mortgage income.

The education classes currently offered by AAHFH seem to be beneficial to the homeowners. It is crucial that the affiliate staff maintain the education classes even if the Family Support Committee is not strong enough to maintain the classes. The class that most homeowners felt was most important was the budgeting class and the importance of the budgeting class is also evidenced by the number of late monthly housing payments. The budget class should be required of homeowners and the importance of making timely housing payments should be strongly emphasized.

Communication appears to be an area that homeowners feel is lacking so the affiliate should make efforts to improve communication between the affiliate and the homeowners. Increasing communication can also alleviate other problems that homeowners felt arose during home construction because the homeowners will at least know the progress of their home and will be less disappointed when expectations are not met. It is important for the affiliate to maintain communication with the homeowners once they are selected as partner families and throughout their first year as homeowners.

On a broader scale, replicating those aspects used by Habitat for Humanity that cause homeowners to be successful, many other low-income families could experience

the benefits of home ownership. Maintaining home ownership is just as important as obtaining home ownership. Obtaining a home and then losing it is damaging to any family. This kind of loss could be avoided by replicating the aspects that make Habitat for Humanity home ownership so successful.

There also must be something about Habitat for Humanity that has caused Habitat homeowners to have a one percent default rate nationally. This questionnaire will allow hypotheses about homeowners' pre-purchase education classes, mentoring, sweat equity investments, low mortgage payments, and Habitat for Humanity's payment delinquency policy to be tested. Identifying which, if any, of these aspects support Habitat for Humanity homeowners to be so successful will be beneficial to many low-income American families.

Wide use of the questionnaire could provide useful information to any organization that provides assistance to families building homes. The descriptive nature and request for information of the questionnaire would describe the homeowner and the relationship formed with the organization. Habitat for Humanity's partnership with families certainly identifies a method that has been successful.

The questionnaire results provided information consistent with current research. Continued use by other affiliates should provide further confirmation that families want to own homes and report greater life satisfaction as homeowners. Accumulating these data should certainly support programs like Habitat for Humanity in helping American families obtain and maintain their American dream.

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APPENDIX A  
HABITAT TERMS

**Applicant Family-** A family or individual from initial contact with a Habitat affiliate until approval or denial, as contrasted with a partner family or homeowner. Athens Area Habitat for Humanity (AAHFH) currently has five applicant families.

**Family Selection Committee-** The committee of Athens Area Habitat for Humanity that is responsible for the selection of families. After a family completes an application the Family Selection Committee reviews the applications and determines what houses should be visited. The home visit shows the committee what the families' current housing is like and then to report to the Board of Directors if the family should be considered as a partner family.

**Family Partner or Friend-** A Habitat volunteer who on behalf of the affiliate takes on the primary functions of support and communication with the partner family.

**Family Support Committee-** After the family is approved by the Athens Area Habitat Board of Directors, this committee takes responsibility for helping the families complete the Habitat homeownership process. This committee arranges the education classes for families, provides a family friend, and helps to track sweat equity.

**Homeowner-** A Habitat family which has received title to their completed house, as contrasted with an applicant family or partner family.

**Partner Family-** An individual or family from board approval of their application until occupancy and closing on their house, as contrasted with an applicant family or homeowner.

**Sweat Equity-** The unpaid labor invested by homeowner partners in the Habitat for Humanity ministry. These hours are a requirement of Habitat homeownership. Sweat equity reduces the monetary cost of the house and increases the personal stake of each family member in their home. Sweat equity fosters partnership with Habitat volunteers and staff. Sweat equity is a key principle of Habitat and is important in building partnerships across economic, racial and national divisions. The number of sweat-equity hours required of homeowners varies from affiliate to affiliate, but is usually between 150 and 250 hours per adult family member. AAHFH requires all families to complete 500 hours of sweat equity.

## APPENDIX B

### HABITAT HOMEOWNER QUESTIONNAIRE

Please answer the following questions before entering the home.

1. Address
  2. How would you rate the overall condition of the exterior of the dwelling and the grounds? (on a scale of 1 to 10)
  3. Look at the dwellings on either side, is the condition of this one
    - a. Better
    - b. The same
    - c. Worse
    - d. There are no dwellings next door
- 

The following questions are answered after entering the home.

4. What is your age?
  5. What is your gender?
  6. What is your marital status?
  7. Please tell me the ages of everyone living in household
  8. How many hours do you work per week in paid employment?
  9. Please tell me the education level of all adults in household
  10. What is your total household income before taxes?
  11. How long have you lived in your Habitat home?
-

12. Does your home have

- a. Hot piped water      b. Cold piped water      c. Flush toilet
- d. Sewer connection      e. Septic tank      f. Telephone
- g. Have any of these things broken down in the past three months?

If yes, which ones?

13. Have your circuit breakers tripped in the past three months?

14. Has water leaked into your home in the past three months?

15. Does your home need any of the following improvements?

- a. Additional room      b. Foundation repair      c. Roof repair
- d. Storm windows      e. Insulation      f. Floor/wall repair
- g. Water tank      h. Electrical      i. Porch
- j. Plumbing      k. Heating system

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On a scale of 1 to 10, with 10 being the highest...

16. Rate your satisfaction with the size of your home.

17. Rate your satisfaction with location/neighborhood.

18. Rate your satisfaction with physical condition of the home.

---

19. What are benefits of homeownership? (probe)

20. Are there any burdens of homeownership? (probe)

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21. How did you learn about Habitat?
22. Describe your relationship with volunteers while earning sweat equity?
23. Was your home completed
- a. Earlier than expected
  - b. On time
  - c. Later than expected
24. Have you remained active with Habitat?
25. How?
26. What aspect of Habitat are you most satisfied with?
27. What aspect of Habitat are you least satisfied?
- 
28. Which educational classes did you complete before purchasing your home?
29. Approximately how many hours did you spend in these classes?
30. Did you find the classes helpful?
31. Which class was most helpful?
32. Can you think of another class that you would have found helpful?
33. How many sweat equity hours did your family complete?

34. Of those hours, approximately how many were completed by...

- |                           |                     |            |
|---------------------------|---------------------|------------|
| a. Your immediate family? | b. Extended family? |            |
| c. Close Friends?         | d. Acquaintances?   | e. Others? |
- 

35. Did you have a family friend/ sponsor/ advocate?

36. Did you work with this person prior to moving into your home?

37. Approximately how many hours per month?

38. Did you work with this person after moving into your home?

39. For how long after moving into your home did you maintain a relationship with this person?

40. Can you describe your relationship with this person?

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41. Have you ever been late in making a monthly mortgage payment to Habitat?

42. Approximately how many times have you been late making your mortgage payment?

43. When you have been late, how long has it taken you to catch up?

44. Are you currently behind on your mortgage payment?

45. What is your monthly mortgage payment?

46. How long is the term on your mortgage?

47. How many mortgages are there on your home?

48. Is there anything else you would like to tell me?

The researcher answers the following questions after leaving the home.

49. Race of the occupants in the home?
  
50. Were there any cracks in the walls or floors of the home?
  
51. Were there any holes in the walls or floors of the home?
  
52. Did you notice any peeling paint in the interior of the home?
  
53. Did you notice any unsanitary conditions in the home?
  
52. Did you notice any electrical problems in the home?
  
55. Did you notice any broken steps in the home?
  
56. How would you rate the overall condition of the interior of home? (on a scale of 1 to 10)

## APPENDIX C

### EXECUTIVE SUMMARY OF HOMEOWNER SURVEY

A survey of Athens Area Habitat for Humanity homeowners was recently completed. This study of homeowners was conducted by the chairperson of the Family Support Committee in order to determine how AAHFH, specifically the Family Support Committee, could improve. Personal interviews were conducted with 26 of the homeowners. The demographics of the AAHFH homeowners is shown in Table C1. Athens Area Habitat for Humanity homeowners are generally satisfied with their experiences as Habitat homeowners. Homeowners' levels of satisfaction with their homes are displayed in Table C2.

Interviews with the homeowners revealed three important aspects on which Athens Area Habitat for Humanity should concentrate. These aspects are: monthly housing payment delinquencies, the education classes required by the affiliate, and communication between the homeowners and the affiliate.

For a large number of homeowners, late payment of monthly housing payment is a problem that AAHFH should work on decreasing. In order to lessen this problem, the affiliate should continue recent efforts to enforce the foreclosure policy. The affiliate should also begin reporting delinquencies to the credit bureau.

The mortgage delinquency rate could also be improved by putting a greater emphasis on the budgeting class that is required of homeowners. The importance of this class was also illustrated by the responses of the homeowners interviewed. Many of

those who did complete a budgeting class felt it was the most helpful class; many of those who did not have a budgeting class felt it would have been helpful.

The interviews also revealed that communication is an aspect of AAHFH that could be improved. Many of the homeowners felt that there was a lack of communication and that increased communication would have alleviated the other problems experienced with the affiliate. Because there were also homeowners who felt that communication was a good aspect of the affiliate, this again shows the importance of communication.

Overall, AAHFH is serving their homeowners well. There are just a few aspects of the organization that could be tweaked so that homeowners will be even more successful and satisfied with homeownership.

Table C1

Demographics of AAHFH Homeowners (n=26)

| Homeowner Demographic Variables | Frequency | Percentage |
|---------------------------------|-----------|------------|
| <u>Age (years)</u>              |           |            |
| Under 29                        | 1         | 3.8        |
| 30-39                           | 6         | 23.1       |
| 40-49                           | 12        | 46.1       |
| 50-59                           | 6         | 23.1       |
| 60-69                           | 0         | 0          |
| Over 70                         | 1         | 3.8        |
| <u>Education</u>                |           |            |
| Less than high school           | 3         | 11.5       |
| High school                     | 14        | 53.8       |
| Some college                    | 8         | 30.1       |
| Completed College               | 0         | 0          |
| More than college               | 1         | 3.8        |
| <u>Employment (hours)</u>       |           |            |
| 0 (Retired or disabled)         | 3         | 11.5       |
| 20-39                           | 1         | 3.8        |
| 40                              | 17        | 65.4       |
| More than 40                    | 5         | 19.2       |

Table C1 (continued)

Demographics of AAHFH Homeowners (n=26)

| Homeowner Demographic Variables       | Frequency | Percentage |
|---------------------------------------|-----------|------------|
| <u>Household Income</u>               |           |            |
| Less than \$9,999                     | 2         | 7.7        |
| \$10,000-14,999                       | 4         | 15.4       |
| \$15,000-19,999                       | 4         | 15.4       |
| \$20,000-24,999                       | 6         | 23.1       |
| \$25,000-29,000                       | 1         | 3.8        |
| \$30,000-35,000                       | 5         | 19.2       |
| Over \$35,000                         | 4         | 15.4       |
| <u>Number of members of household</u> |           |            |
| 1                                     | 1         | 3.8        |
| 2                                     | 8         | 30.8       |
| 3                                     | 10        | 38.5       |
| 4                                     | 3         | 11.5       |
| 6                                     | 4         | 23.1       |

Table C1 (continued)

Demographics of AAHFH Homeowners (n=26)

| <u>Homeowner Demographic Variables</u>         | <u>Frequency</u> | <u>Percentage</u> |
|--|------------------|-------------------|
| <u>Number of years living in Habitat house</u> |                  |                   |
| Less than 1                                    | 1                | 3.8               |
| 2  | 4                | 15.4              |
| 3  | 5                | 19.2              |
| 4  | 3                | 11.5              |
| 5  | 2                | 7.7               |
| 6  | 2                | 7.7               |
| 8  | 1                | 3.8               |
| 9  | 3                | 11.5              |
| Over 10  | 5                | 19.2              |



Table C2

Frequencies of Satisfaction with AAHFH Homes (n=26)

| Type of Satisfaction      | Frequency | Percentage |
|---------------------------|-----------|------------|
| <u>Size of the Home</u>   |           |            |
| 1                         | 1         | 3.8        |
| 4                         | 1         | 3.8        |
| 6                         | 1         | 3.8        |
| 7                         | 5         | 19.2       |
| 8                         | 7         | 26.9       |
| 9                         | 2         | 7.7        |
| 10                        | 9         | 34.6       |
| <u>Location of Home</u>   |           |            |
| 6                         | 1         | 3.8        |
| 7                         | 3         | 11.5       |
| 8                         | 4         | 15.4       |
| 9                         | 3         | 11.5       |
| 10                        | 15        | 57.7       |
| <u>Physical Condition</u> |           |            |
| 4                         | 1         | 3.8        |
| 5                         | 1         | 3.8        |
| 6                         | 2         | 7.7        |
| 8                         | 6         | 23.1       |
| 9                         | 4         | 15.4       |
| 10                        | 12        | 46.2       |

Table C2 (continued)

Frequencies of Satisfaction with AAHFH Homes (n=26)

| Type of Satisfaction        | Frequency | Percentage |
|-----------------------------|-----------|------------|
| <u>Overall Satisfaction</u> |           |            |
| 6.7                         | 3         | 11.5       |
| 7.0                         | 2         | 7.7        |
| 7.3                         | 3         | 11.5       |
| 7.7                         | 1         | 3.8        |
| 8.0                         | 2         | 7.7        |
| 8.3                         | 1         | 3.8        |
| 8.7                         | 1         | 3.8        |
| 9.0                         | 2         | 7.7        |
| 9.3                         | 5         | 19.2       |
| 10.0                        | 6         | 23.1       |

APPENDIX D

REVISED HABITAT HOMEOWNER QUESTIONNAIRE

**Please answer the following questions by writing in your answer. If there are answer choices, please circle your answer.**

1. What is your age?
2. What is your gender?
3. What is your marital status?
4. Please list the ages of everyone in household
  
5. What is your race?
6. How many hours per week do you work in paid employment?
7. What is the education level of all adults living in the household?
  
8. What is your total household income before taxes?
9. How long have you lived in your Habitat home?

10. Have you had any problems with any of the following things in your home:

- A) Porch
- B) Toilet
- C) Sewer connection or Septic tank
- D) Telephone
- E) Floor
- F) Roof
- G) Electrical
- H) Porch
- I) Heating
- J) Insulation
- K) Window
- L) Have your circuit breakers tripped in the past three months?

11. Has water leaked into your home in the past three months?

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12. On a scale of 1 to 10, with 10 being the highest...

13. Rate your satisfaction with the size of your home.

14. Rate your satisfaction with location/neighborhood.

15. Rate your satisfaction with physical condition of the home.

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16. What do you consider good about being a homeowner?

17. What do you consider to be a difficulty of being a homeowner?

18. How did you learn about Habitat?

19. Describe your relationship with volunteers while earning sweat equity?

20. Was your home completed

- a. Earlier than expected      b. On time      c. Later than expected

21. Have you remained active with Habitat?      Yes      No

22. How?

23. What part of Habitat did you like the best?

24. What part of Habitat did you not like?

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25. Which educational classes did you complete before purchasing your home?

26. Approximately how many hours did you spend in these classes?

27. Did you find the classes helpful?

28. Which class was most helpful?

29. Can you think of another class that you would have found helpful?
30. How many sweat equity hours did your family complete?
31. How many of these hours were completed by your immediate family?
32. Were any of these hours were completed by....
- a. Extended family
  - b. Close friends
  - c. Acquaintances
  - d. Others
33. Did you have a family friend/ sponsor/ advocate?
34. Did you work with this person prior to moving into your home?
35. Approximately how many hours per month?
36. Did you work with this person after moving into your home?
37. For how long after moving into your home did you maintain a relationship with this person?
38. Can you describe your relationship with this person?
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39. Have you ever been late in making a monthly mortgage payment to Habitat?
40. Approximately how many times have you been late making your mortgage payment?
41. When you have been late, how long has it taken you to catch up?
42. Are you currently behind on your mortgage payment?
43. What is your monthly mortgage payment?

44. How long is the term on your mortgage?
45. How many mortgages are there on your home?
46. Is there anything else you would like to tell me?