

AFFORDABLE HOUSING BENEFITS THE ECONOMY

Affordable housing creates financial security for individuals and families, allowing them to meet other needs, remain stably employed and build savings and wealth. The benefits of affordable housing extend beyond particular households to the larger local economy. The development of affordable housing creates jobs, increases local spending and boosts tax revenues while affordable housing that is close to employment centers boosts productivity and employee retention while saving public dollars.



NORTH CAROLINA

**HOUSING
FINANCE
AGENCY**

www.HousingBuildsNC.com

1-800-393-0988 or 919-877-5700

A self-supporting public agency.

J. Adam Abram, Chair
Scott Farmer, Executive Director





Developing affordable housing has a positive economic impact on the surrounding community. Every 100 multifamily units built supports [161 jobs](#) in the first year and an additional 44 jobs in each subsequent year. Housing construction and maintenance employs a variety of workers ranging from engineers and construction workers to leasing consultants and maintenance technicians. Even once homes are occupied, the development of every 100 units could produce \$2 million in local wages and \$623,000 for local business owners every year.



Affordable housing not only creates jobs during and after construction, but it also pumps money into local economies through [increased consumer spending and tax revenues](#). New residents of Housing Credit apartments can add as much as \$2 million to the local economy annually for every 100 units. Local and state governments also benefit from increased tax revenues, which can contribute to reinvestment in public services and amenities.



Low-income households spend a [greater share of their income](#) on essential needs, particularly housing, compared to households with higher incomes. However, low-income families who live in affordable housing are able to spend [19% more each month](#) on food, health care and other non-housing essentials. Moreover, individuals with stable housing have [higher earnings and better employment](#). Affordable housing and home ownership can increase financial security by helping residents stay employed, build savings and accumulate wealth.



Having affordable housing near job locations is valuable for both workers and employers. In many regions, low-income residents [live far from available jobs](#), resulting in prolonged unemployment for them, while employers can't find people to fill open positions or may struggle to retain workers. When employees cannot afford to live near their work, employers lose money from high turnover and reduced productivity resulting from longer commutes. One study found that drivers spending 164 hours per year in traffic equated to productivity loss worth [\\$4.1 billion](#).



Research has found that providing affordable housing not only helps families secure a safe and stable place to live but is more cost-effective compared to homeless shelters, emergency room visits, mental health hospitals, jails and other places people seek emergency shelter. One study found that supportive housing—affordable housing for people living with disabilities that includes wraparound services—saved nearly [\\$32,000](#) of public funds per person in just the first year, after considering the cost of providing housing and services.