

An Analysis of Workforce Housing in Rural Georgia

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Georgia is one of the fastest growing states in the nation. Between 1990 and 2000, Georgia added 1.7 million people, about 60 percent of whom moved from outside the state (Housing and Demographics Research Center, 2001). Most of the population growth has occurred in and around metropolitan Atlanta, the north Georgia mountains and the Georgia coast. Southern Georgia counties with diversified economies grew, but at a slower rate (Housing and Demographics Research Center, 2001). The influx of new residents increased the demand housing in many nonmetropolitan communities that have a shortage of decent and affordable housing. This research project focuses on the current housing situation and desires of low- to moderate-income workers in nonmetropolitan Georgia.

Literature Review

House prices have continued to increase across the nation, while wages have not kept pace. This is especially true in rural communities where wages tend to be lower. In 2004, the median per-capita income in urban Georgia was \$31,534 and only \$22,497 in rural communities of Georgia (U.S. Department of Agriculture Economic Research Service, 2007). Nationwide, close to one-quarter of rural households pay more than 30 percent of their monthly income for housing costs (Housing Assistance Council, 2006). These households are considered “cost-burdened.”

Studies have been undertaken to gain a better understanding of the impact of housing costs on working families. In a study conducted by the Center for Housing Policy, wage rates for “traditional occupations,” including firefighters, police officers and elementary school teachers were used to evaluate housing costs for working families (Lipman, 2004). The findings showed affordability gaps existed in both rental and homeownership markets across the nation. A 2001 study of workforce housing in Georgia had similar findings, showing a shortage of housing for families earning between minimum wage and \$60,000 (Housing and Demographics Research Center, 2001).

In 2000, close to 30 percent of the counties in Georgia were classified as housing stress counties, and slightly over one-half (57 percent) of these were nonmetropolitan counties (Tinsley, 2005, January). Housing stress is an indication that 30 percent or more of the households in that county experienced at least one of the following housing conditions in 2000: lack of complete plumbing, incomplete kitchen, house or rent payment of 30 percent of gross income, or more than one person per room (U.S. Department of Agriculture Economic Research Service, 2004, August). The housing stress measure does not account for the condition of the housing and includes households that consciously choose to take on high housing expenditures.

Historically, housing units in the South are more likely to be substandard or have defects than housing in other regions (Lazere, 1989; Morris, 1982). This remains an issue of concern in many nonmetropolitan Georgia communities. A survey of poultry processing plant applicants in Moultrie, Georgia, indicated that about 25 percent were unhappy with the condition of their housing (Tinsley and Rodgers, 2006, May). The quality of housing issue in Georgia is amplified by the aging housing stock and almost nonexistent housing construction in close to one-half of the counties in Georgia (Housing and Demographics Research Center, 2001).

Data and Analysis

This research project focuses on Colquitt County, Georgia. This small southwest Georgia County has a population of 43,915. Moultrie, with a population of 14,387, is the largest town in Colquitt County. The area is representative of the changing demographics and economics of many rural southern communities. The population of Colquitt County grew by close to 15 percent between 1990 and 2000 (U.S. Census Bureau, 2006). In the 2000 Census, persons of Hispanic origin accounted for 11 percent of the population in Colquitt County, whereas they accounted for only 5.3 percent of the state population. Colquitt County is defined by the Economic Research

Service (ERS) as a nonmetropolitan community, characterized by housing stress and low education. A nonmetropolitan county has an urban population of less than 20,000 and is not adjacent to a metro area (U.S. Department of Agriculture Economic Research Service, 2004). The survey conducted for this project is part of a larger project focusing on housing and economic development in Colquitt County, Georgia. A written survey was designed to gain a more in-depth understanding of the housing issues and needs facing the workforce of Colquitt County. Questions of interest were: (1) What types of housing do workers in nonmetropolitan Georgia live in? (2) What types of housing problems do workers encounter? (3) Are workers satisfied with their housing choices?

Written surveys were administered in the fall of 2006 to approximately 2,000 employees of the City of Moultrie, Colquitt County government, Colquitt County school system and the local hospital. All are major employers in this small community. The respective Human Resource Division Managers were responsible for distributing and collecting the surveys.

Results

Data were collected from 932 employees. Almost half (46.5 percent) worked for the hospital, 24.6 percent worked for the school system, 26.9 percent were city of Moultrie employees and 2.0 percent were county employees. Demographic information about the respondents is listed in Table 1.

Table 1
Demographics

	Frequency	Percent
Employer		
Hospital	432	46.5
School system	229	24.6
City of Moultrie	250	26.9
Colquitt County	19	2.0
Gender		
Male	282	30.3
Female	591	63.5
Education		
Less than high school graduate	38	4.1
High School graduate or GED	226	24.3
Some college, no degree	207	22.3
Associate degree	138	14.8
Bachelor's degree	132	14.2
Master's degree	79	8.5
Technical school	19	2.0
Education specialist	33	3.5
Other	20	2.2
No response	38	4.1

For the purposes of the survey, a “regular house” is defined as a single-family detached house. This terminology was chosen because of the results of a previously conducted survey which indicated that “normal house” or “regular house” were the terms used in the community to refer to single-family houses. The majority of the workers lived in regular houses or mobile homes, whether owned, purchasing, or renting. This may be in part due to a limited number of multifamily units. In many nonmetropolitan communities multifamily housing is more difficult to locate and qualify for, so renters often occupy houses or mobile homes. More housing type details are provided on Table 2.

Table 2
Housing Type

	Frequency	Percent
Regular House	644	69.2 %
Mobile Home	213	22.9 %
Apartment	42	4.5 %

Duplex	10	1.1 %
Public Housing	3	0.3 %
Other	5	0.5 %
No response	13	1.4 %

Homeownership among all survey respondents was 77.8 percent, which is well-above the 2000 Census homeownership rate for Colquitt County of 66.7 percent. Renters accounted for only 18.3 percent of the respondents. Among racial groups, Caucasians had a homeownership rate of 86.1 percent, and 58.4 percent for African American households. The median age of the respondents was 42. In all age categories there were more homeowners than renters. See Table 3 for more information.

Table 3
Housing Tenure by Age

	Age Categories			
	18 – 34	35 – 54	55 – 64	65 & over
Homeowner – paid for	36 (14.7 %)	90 (20.0 %)	50 (39.7 %)	13 (44.8 %)
Homeowner – paying mortgage	117 (47.8%)	286 (63.7 %)	68 (54.0 %)	13 (44.8 %)
Renter	76 (31.0 %)	70 (15.6 %)	8 (6.3 %)	3 (10.3 %)
Live with parents	14 (5.7 %)	1 (0.2 %)	--	--
Other – Rent to own	2 (0.8 %)	2 (0.4 %)	--	--

* Missing variables (n = 81, 8.7%)

Over one-fifth (22.2 percent) of those surveyed were not happy with their current housing situation. The main housing concerns were poor quality (7.5 percent), too small (6 percent), wrong type of housing (2.6 percent) and lack of ownership (2.3 percent). Close to one-third (31.2 percent) were willing to move to improve their housing type. Most preferred to move to a “regular house.”

The median age of the structures the respondents lived in was 18 years. With houses nearing 20 years old, the likelihood of homeowners encountering large expenses for home repairs as major systems begin to fail increases greatly. As expected, newer homes had fewer major problems. Twenty-eight percent of the people surveyed had major housing problems in the last year. A housing problem is defined as having a major problem with any of the following: exterior, electricity, central heating or plumbing. The most common problems encountered in both the past year and previous year were exterior, central heat and air conditioning, and plumbing. These types of problems can be very costly to repair, creating a financial shortfall for many households. See Table 4 for more information.

Table 4
Major Problems within the Last Year

	Frequency	Percent
Exterior	102	11.0
Central Heating / Air Conditioning	71	7.6
Plumbing	38	4.1
Electricity	21	2.3
No Electricity	3	.3
No Central Heat/Air Conditioning	6	.6
No Plumbing	1	.1
All of the above problems	21	2.3
No problems	629	67.6
No response	38	4.1

Further analysis of the data will be conducted to evaluate housing stress level. A preliminary analysis of the survey data revealed that the median gross monthly income is \$2,003, or an annual gross income of \$24,036.

This is well below the annual household income for Georgians of \$42,679, but similar to the annual household income of \$27,983 for Colquitt County in 2004 (U.S. Department of Agriculture Economic Research Service, 2004).

Discussion

Leaders in the city of Moultrie and Colquitt County recognized the relationship between available workforce housing and economic development. The city of Moultrie was selected to participate in the Georgia Initiative for Community Housing (GICH). This program is a partnership of the University of Georgia Housing and Demographics Research Center, the Georgia Department of Community Affairs (DCA) and the Georgia Municipal Association. The three-year program provides collaboration and technical assistance to help communities identify their housing needs and develop a plan to meet those needs. The City of Moultrie is in the second year of the GICH program and is working to develop a comprehensive housing plan, along with rehabbing and repairing homes, facilitating housing construction, and providing access to homebuyer education.

Increasing housing options and availability includes improving access to funding sources. Lenders in nonmetropolitan counties are often cautious of taking on new risks and loan products. After an extensive education effort, a lender in Moultrie is now working with DCA to offer low-interest rate loans and down payment assistance for low- to moderate-income homebuyers. Prior to this there was limited access to down payment assistance and low-interest rate loans for low-income households through USDA Rural Development. There were no local down payment assistance programs for moderate-income individuals and families.

Other barriers to homeownership include lack of knowledge about the home buying process, credit challenges or lack of credit history, and language. The Voz de la Familia (Voice of the Family) program offered by Colquitt County Extension has been very successful in providing information on housing options to Spanish speaking, and low-income residents. Cooperative Extension personnel work closely with USDA Rural Development throughout the home buying experience. In the last year there have been eight new homeowners through this program and several more are getting ready to close on a home. Homebuyer education programs are also offered in English.

The results of this study highlight the importance of providing housing options for working individuals and families. Economic development in many nonmetropolitan Georgia counties is stifled by a shortage of decent and affordable houses for rent and purchase. Colquitt County and other nonmetropolitan counties across the nation need to coordinate the efforts of local leaders, lenders, developers and educators to develop a housing action plan to increase housing options and decrease barriers to homeownership.

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Endnotes

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