Homeownership and Financial Security of Chatham Habitat for Humanity Partner Families

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On my honor, I have neither given nor received unauthorized aid on this assignment.

INTRODUCTION

Homeownership has been described as “The American Dream” (Rohe, Van Zandt, & McCarthy, 2002a) and as “right up there with baseball and apple pie” (Cannato, 2010). Homeownership is a brass ring idealized in the American mind. Historically, homeownership has been promoted in the United States to express a variety of ideologies characteristic of their times: independence during the nation’s first century, social status and health at the turn of the 20th century, sociopolitical sentiment during World War I, and societal improvement during the Hoover administration (Cannato, 2010).

While ideologies promoting homeownership permeate American history, evidence of its benefits and costs has been reported only recently and much work remains in this area, particularly in relation to low-income populations. This paper describes the author’s efforts to contribute empirical work to research on the connection between homeownership and financial security in a low-income population. It describes a project that used a qualitative approach to better explore and understand Habitat for Humanity (HFH) partner family perceptions of financial security.

Financial security was chosen as the focus of the project for the following reasons: (1) a national economic crisis since previous research on perceptions of financial security at select HFH affiliates was conducted that may influence findings; (2) interest in the topic among staff at the Chatham County affiliate as possible data to report on grant applications to funders; (3) the author’s interest in the topic’s possible connections to recent foreclosure proceedings started at the affiliate; and (4) promotion by the head office of Habitat for Humanity International (HFHI) of homeownership as a means of wealth accumulation and financial security for low-income partner families, based on research in the general population (Habitat for Humanity International, 2010a), when experts suggest in recent research that, in fact, there is a gradient such that higher-income families experience greater benefits from owning a home than their lower-income counterparts.

This paper: (1) summarizes relevant literature about the financial benefits of homeownership to low-income populations generally and specific to Habitat for Humanity homeowners; (2) describes the methodology for a project with a local Habitat for Humanity affiliate to obtain partner family feedback about their perceptions of their own financial security and related behaviors over time, such as helping out a close relative in financial need, covering an unexpected bill, or using public assistance programs; (3) summarizes partner family responses; (4) describes common themes discussed by partner families; and (5) suggests implications for this affiliate in the future.

BACKGROUND

There is substantial discussion in planning, housing, and economic literature about the potential benefits of homeownership, including increased household wealth and financial stability, increased labor force participation, social benefits (Grinstein-Weiss, Greeson, Yeo, Despard, Birdsong, & Quercia, 2009) such as satisfaction with homes and neighborhoods, increased participation in voluntary and political activities, and increased lengths of stay in homes (Rohe, Van Zandt, & McCarthy, 2001, 2002a); higher school attainment for children (Galster, Marcotte, Mandell, Wolman, & Augustine, 2007) possibly through mediating factors (Mohanty & Raut, 2009); and greater satisfaction in life, involvement in civic organizations, and physical and psychological health (Dietz & Haurin, 2003).

Relatively little research has addressed whether the financial impacts determined for the population overall are shared by low-income homeowners (Reid, 2004). A series of papers by Rohe, Van Zandt, and McCarthy (2001, 2002b) discuss the social and economic benefits and costs of homeownership, cautioning that financial benefits to all individuals studied in aggregate may not apply to low-income populations.

In one paper, examining the evidence that homeownership is key to wealth accumulation, the authors write that asset accumulation is the main financial benefit to homeowners; however, ownership offers greater financial security to high-income homeowners than low- or moderate-income homeowners. The authors attribute lower financial security to lower than average non-housing savings, holding more wealth than is optimal – as much as 60% of assets – in housing, greater borrowing against equity, and more volatile price appreciation (McCarthy, Van Zandt, & Rohe, 2001).

In a companion piece on the social benefits and costs of homeownership, the authors review literature that links homeownership to psychological health and report that the current evidence is inconclusive but suggests a positive association (Rohe, Van Zandt, & McCarthy, 2001). Practice is grounded in theory, particularly when evidence is insufficient. In summarizing theories that attempt to conceive of the relationship between homeownership and psychological health, the authors describe one that proposes lower-income homeowners, in reality, may feel less control than is claimed in the literature. Two examples suggest that lower-income homeowners may actually feel less control than lower-income renters over their living situations, and that lower-income homeowners tied to areas where jobs are on the decline may experience diminished perceived control over life events.

Expanding on these ideas in a third paper, the authors identify and discuss the mechanisms through which homeownership may impact access to opportunities. They write that mediating variables, such as successful mortgage payment, play a central role in determining the impact of homeownership (Rohe, Van Zandt, & McCarthy, 2002b). In the same article, the authors write that, theoretically, home equity loans may provide financing for education, job training, and businesses; however, in practice only 6% loans are used for this purpose with the majority used for consumption and other debt.

Habitat for Humanity reduces the financial burdens of homeownership through homes that require no down payment, carry reduced closing costs compared to the conventional home, and bear no-interest mortgages. A key question is how the findings about the impacts of homeownership on low-income populations apply to Habitat for Humanity homeowners. Searches for discussion of the impact of the Habitat for Humanity model, in particular, have returned few results. This may be in part because outside of general rules set by Habitat for Humanity International, the affiliates each operate under different principles, implementing different strategies to create successful homeowners.

A 1998 report to identify the types of homeowners assisted by Habitat for Humanity and to determine what they perceive as the benefits and burdens of homeownership included interviews with 95 homeowners from 19 urban and rural Habitat affiliates and HFH staff (Applied Real Estate Analysis, 1998). Findings from the report, prepared for HUD, were reported in aggregate, and not by affiliate. They include that a substantial number (approximately one-third) of homeowners interviewed reported difficulty making housing payments. Also, more than one-third of homeowners reported the belief that without what they considered continued financial support from Habitat for Humanity they would not continue as homeowners. The continued support primarily included flexibility in mortgage payment deadlines or restructuring loan periods, and to a lesser extent additional funds and free or reduced-price repairs, furniture, or appliances. An additional key finding relevant to this paper was that the most common perceived benefit was not financial – it was pride and security of ownership (17% and 18% of respondents cited this as what they perceived the benefit of homeownership to be before and after moving into their Habitat home, respectively).

Researchers from the University of Southern Indiana published findings in 2008 of four studies to assess the economic, psychological and social impacts of homeownership to Habitat for Humanity Evansville partner families and to the community (Phillips, Bennett, Opatryny, Priest, & Khayum, 2008). Study methods included interviews with 53 Habitat homeowners about Habitat services and their personal experience, and analysis of responses to a mail survey about financial well-being before and after moving into their Habitat home. The mail survey was an adapted version of the Habitat for Humanity Owners' Survey evaluated in the Applied Real Estate Analysis report.

Researchers received completed mail surveys from 107 of 357 (29.97%) partner families. In one set of questions, participants were asked to rank a statement on a 4-step Likert scale (0=not at all, 1=minimally, 2=moderately, 3=very well) for both before and after owning their Habitat home. Results were reported as the mean responses. Key findings include: partner families reported increases in their perception of financial security (from a mean of 1.15 to 1.67), including feeling financially better off then they did five years prior (from a mean of 1.23 to 2.12), that they could assist a relative who experienced financial problems (from a mean of .79 to 1.28), they worry less about how to cover a large unexpected bill (from a mean of 2.03 to 1.48), and they feel it is important to save for the future (from a mean of 1.98 to 2.37).

Separate findings from the mail survey were reported as proportions of respondents. Compared to before moving into their house, after move-in, fewer partner families received food stamps (54% v. 19%), welfare assistance (31% v. 8%), or utility bill assistance (46% v. 25%), according to retrospective self-reports. The nature of the mail survey did not allow for more in-depth discussion about what partner families mean by financial security and why partner families perceived their financial security as was reported.

There is limited research on the financial impact of Habitat for Humanity, and some of that which is available was completed more than a decade ago. This project seeks to fill the gap and contribute to efforts to better understand the impacts of Habitat for Humanity (Odell, 2002) by talking with partner families of a local affiliate. Conversations with partner families are used to elicit greater understanding, within the current context of the economic downturn, of what financial security means to homeowners, why a homeowner does or does not feel financially secure, and finance-related behavior changes among partner families, such as helping out a close relative in financial need, covering an unexpected bill, or using public assistance programs.

PROJECT AREA

Habitat for Humanity International is a non-profit, ecumenical Christian housing organization with 2,291 affiliates worldwide (Habitat for Humanity International, 2010b). There is variation in how each of the HFHI affiliates is run – they are independent, non-profit groups – however, all operate within the framework of the *Habitat Affiliate Covenant*. Through agreement to the covenant, all affiliates consent to selling homes to partner families using interest-free mortgages without profit markup (Applied Real Estate Analysis, 1998). In addition, affiliates include a "sweat equity" component in which the future partner families contribute a minimum number of hours of work to the organization, usually through construction.

In operation since 1989, the Chatham County affiliate of Habitat for Humanity builds homes with low-income partner families that currently meet the following criteria: the partner family earns 25% to 50% of the area median income; demonstrates need for a safe, decent, affordable place to live; can commit to a 20-year 0% interest mortgage; and shows a willingness to contribute 350 hours of labor or "sweat equity" toward building their home and those of other partner families (Chatham Habitat for Humanity, 2009).

METHODOLOGY

The work described here built on a project already underway by a four-student team from the UNC Gillings School of Global Public Health, of which the author is a member. That core project, to be completed at the end of April 2010, is to develop a utilization-focused evaluation, as described by Michael Patton, of Chatham Habitat for Humanity (CHFH) efforts to create successful homeowners (Patton, 2008).

The information described in this paper is based on one question and four statements pertaining to partner family perceptions of household financial security that were added to an interview guide planned in the aforementioned core project. The original open-ended question asked about the partner family member's personal definition of financial security.

The four statements were drawn from the previously described mail survey sent to partner families at Habitat for Humanity Evansville. Unlike the Evansville research, the qualitative format of the interviews in this project, allowed the interviewers to talk with partner families about why they answered as they did to financial security questions and to explore key themes. That qualitative format project fits this project's aim of better understanding partner family perceptions of financial security and changes in behaviors to help guide future CHFH approaches to their activities.

Of note, the qualitative approach used here builds from that used in the Applied Real Estate Analysis described previously. That analysis was conducted more than a decade ago prior to the economic downturn, and reported results in aggregate across select affiliates whose populations do not necessarily match those in Chatham County.

Formative research. Activities completed in Fall 2009 as part of the student team also are relevant in providing context for the interviews described for this project. Activities include reading CHFH materials, participating in windshield and walking tours of the Pittsboro and Siler City neighborhoods, attending home dedications, observing an applicant interview, and conducting two literature reviews on topics of interest, including homeownership associations and financial security in relation to low-income homeowners. In addition, the author participated in a six-week bilingual group workshop required for future homeowners, four-week group mortgage management class for current partner families in danger of defaulting on their mortgages, and one group financial literacy class required for future partner families.

Confidentiality. The student team took measures to ensure partner family confidentiality. Verbal assent was obtained prior to each interview. If this was declined, as happened with one partner family, no interview was conducted. As part of the informed assent process, the student team explained prior to each interview that CHFH would not ever hear the recording or be told who was interviewed. Also, each interview was identified only by number. The interviews were digitally recorded and notes were taken by hand, unless the partner family member interviewed requested otherwise. No incentives were provided to participants. Interviews lasted from 13 to 60 minutes, with a median of 28 minutes.

Question development. The aim of this project was a more qualitative exploration of financial security questions asked to partner families, to inform future CHFH activities. Therefore, an understanding of how a partner family defined financial security, and whether or not they felt financially secure first had to be established. Then, the structure was that the interviewer asked the partner family member if they agreed or disagreed with a statement. They were also asked whether that answer would have been different if they had been asked the question prior to moving into their Habitat home. If there was a change, they were asked to describe to what in their opinion it could be attributed. These additional questions were derived from the Habitat for Humanity Evansville survey.

Cultural appropriateness. The author is proficient in Spanish and translated the questions from English to Spanish, and the team received subsequent feedback from a native Spanish speaker at UNC-Chapel Hill. A bilingual future homeowner provided additional feedback on the clarity and cultural appropriateness of the questions. Any translation of quotes included in this paper is the interpreter's translation as was recorded during the interview.

Quality control. The author instructed student team members on the type of information sought by these questions and how to probe if a homeowner had trouble giving a response. The student team practiced asking the questions in "mock" interviews, at which time the author gave additional feedback. Partner family interviews were conducted either by student pairs, with a translator if needed, or the author alone. To attempt to maintain consistency in interview approaches, the author and a second member of the student team conducted the first set of interviews. A peer model approach was used so that at the next set of interviews, led by that same second team member and a third student, the second team member conducted the first three interviews, allowing the third team member to observe an interview in the field. Similarly, the author partnered with the fourth team member for the latter's first interview trip, and led the first interview that day, as an illustration.

Sampling strategy. Convenience sampling was used. The sample includes partner family members who were home when interviewers approached them, and who agreed to be interviewed. Interviewers varied the days they canvassed homes, to attempt to capture partner families with varying schedules. No interviews were attempted on Sundays or prior to noon on Saturdays. Interviews were conducted on select days during a one-month period from February 27 through March 27, 2010, ranging from noon to 6pm on Monday through Saturday. Interviews were held in the partner family's own home.

Interview population. At the time of this project, the target population included 82 current CHFH partner families in Pittsboro, Siler City, Silk Hope, and Bear Creek. The population excludes future partner families working toward their move-in dates, but who do not yet inhabit their new homes.

It is important to mention that there may be differences between partner families who were and were not interviewed. Only those homeowners who were available at their houses were interviewed. Separately, all but six CHFH partner families live in Siler City and Pittsboro. Given time constraints and travel logistics, interviews were attempted only in the two latter neighborhoods. In addition, one homeowner declined to be interviewed and another insisted on no recording or notes.

Ultimately, the student team collected 25 in-person interviews. Partner families interviewed have been living in their current homes for a median period of four years.[1] The team obtained the same proportion of English and Spanish interviews as there are current partner families (see Table 1).

Table 1. Primary language spoken by partner family member interviewed.

Primary Language	Current Partner Families *N*=82		Partner Families Interviewed *N*=25	
	n	%	n	%
English	52	65.0	16	64.0
Spanish	30	36.6	9	36.0

[1] To protect the confidentiality of partner family members interviewed, the range of years respondents have lived in their CHFH homes is not reported.

Description of interview administration. The primary language spoken in partner family homes was determined from a list generated by CHFH. To ensure accurate and consistent translation, the same future homeowner, acting as a translator, accompanied the student team on interviews to homes where Spanish is the primary language. Those with both Spanish and English household members were considered Spanish-speaking homes in planning for the interviews and the translator accompanied students on visits to these homes, in case a Spanish-speaking homeowner was interviewed.

Transcription and coding. Responses from Spanish-speaking partner families were transcribed in Spanish and English, using the translator's interpretation given during the interview. The transcribed responses were then used to populate a coding tool that the author developed. Responses were determined based on the range of answers given during the interviews, and include agree, disagree, maybe or sometimes, I don't know, error for non-response, and open fields for the full text of a homeowner's response. The author completed two separate rounds of transcribing and coding for consistency and accuracy, in the absence of additional transcribers and coders working on this project. The two rounds were combined into a single data set.

As the author read the transcribed interview segments, particularly about the definition of financial security, thematic categories were created and revised. These were then used to tabulate for each response the category – or in some cases categories – to which it applied. From these, the author identified themes that are described in the findings and results sections.

FINDINGS

Definitions of Financial Security

Participants were asked to explain to the interviewer the definition of financial security they hold for themselves. From reading through the transcribed responses, the author developed seven groups of codes to capture the components of definitions elucidated during interviews. The codes are described in Table 2.

Table 2. Codes derived from partner family interviews.

Code	Type	Why it was chosen	Mentions
Able to pay current bills, including monthly mortgage payment	Action	Suggests focus on the immediate future	7
Having savings or preparation for the unexpected	Object / Action	Suggests long-term planning	7
Worry or stress free / Not being sick	State	Describes emotional state and non-financial implications	5
Paying off a house	Action	Suggests long-term planning	4
Having more money	Object	Possible financial need	4
Knowledge of income in relation to expenses	Knowledge	Suggests budgeting and conceptualization of financial goals	3
Good credit	Object	Suggests long-term planning and aligns with theory about benefits of homeownership	1

Time. One of the key benefits associated with homeownership for the general population – asset accumulation – tends to be associated with longer-term ownership, which provides adequate time to pay down the principal and allow for price appreciation

(Belsky, Retsinas, & Duda, 2005). The literature reports that housing security far into the future is another possible benefit of homeownership. For homeowners using long-term instruments to finance their home, which hold payments constant for the life of the mortgage, this holds true if income rises over time and property tax rates do not rise substantially (McCarthy, Van Zandt, & Rohe, 2001).

CHFH partner families use long-term financial instruments to purchase their homes: 20-year 0% interest mortgages. In addition, as do all homeowners, partner families pay property taxes and utility bills, which likely rise over time. However, it is not a given that partner family income will rise proportionately over time. Moreover, CHFH determines partner family mortgage costs, in part, so that the family does not spend more than 30% of household income on housing costs. Therefore, if income does not rise as needed over time, partner families may spend more than the available approximately one-third of household income. For these reasons, the author was interested in partner family members who included time components in defining financial security, noting those who focused on long-term planning and others whose endpoints were the resolution of more immediate financial needs.

Among the total participant population, explanations of financial security evenly focused on the immediate future, and on long-term wealth accumulation. Being able to pay off current bills in the immediate future was a popular focus of discussion:

> *To me it would mean paying bills without struggling to pay 'em.*
> (participant 1)
>
> *Making my payments on time and not living paycheck to paycheck.*
> (participant 23)

Other partner family members' definitions described long-term planning, expressing it in a few different ways. Having savings or what was referred to as "preparation" was one indication of planning that stretches beyond making ends meet in the next month. Another indication of planning for the future was discussion of paying off the mortgage, which several homeowners described:

> *"Es como un cochon, un banco que tiene alli en caso de algo inesperado. O trabajo, que se venga trabajo." It's like having extra money if something happens, especially now not being able to find a job. You have that extra money there if something unexpected happens.* (participant 7)

> *"Pues, tener como, bueno, de donde uno ahorrado cuando no tener dinero, y tambien es de ver en que esta tiendo y si esta ahorrando." Being able to have money extra in case unexpected thing happens. Being able to know where your money is going. And being able to save.* (participant 8)

Additionally, one homeowner mentioned building strong credit, touching on a key theoretical concept about the possible advantages of homeownership:

> *Good credit. Absolutely… I wouldn't survive without credit.* (participant 24)

The author acknowledges that long-term homeownership alone will not necessarily confer fiscal benefits on low-income individuals. Investments in neighborhood infrastructure and services, for example, also are important for increases in property values (Rohe, Van Zandt, & McCarthy, 2001). However, it plays a central role for many of the partner family members interviewed.

Embodiment. Several definitions departed from conventional explanations in the economic literature that focus on fiscal aspects, to describe financial security in terms of a state of being; for example, to be worry free:

> *To be financially stable. That's kind of hard question to answer because I, you know, I don't think I've ever been financially stable. But what would it mean to be financially stable? In my mind to be financially stable would be no worries. No worries, no problems.* (participant 12)

The link described here between psychological state and financial responsibility has been hypothesized, but not well researched, particularly among low-income homeowners. One study reported a gradient of housing tenure (testing different combinations of renting and owning with and without mortgage payments) and psychological distress, although the findings for low-income populations were not statistically significant (Cairney, 2004). Separately, one homeowner linked paying off their mortgage with a possible improvement in health:

> *I would just love to pay this house off…a lot of my troubles, a lot of my problems would be behind me. I think I'd feel better, too. I stay sick too much, and I think a lot of that has to do with not being financially stable. Because every time I feel better, I go to work, I get sick and I quit my job or whatever because I get sick.* (participant 11)

At a median of four years living in their CHFH homes, the partner family members interviewed described not just fiscal, but also social conceptualizations of financial security, including a connection to psychological and broader health states.

Absence of a definition. Five homeowners were unable to provide a substantive definition of what for them would be financial security. One succinctly stated:

> *Right now, I don't have one. I really don't.* (participant 15)

Others either skipped the question, defined it as feeling secure financially, or said it would mean a lot to them. Lack of a personal definition of financial security has a couple possible implications in this project. It could be the result of communication breakdown; perhaps the question could have been worded more clearly or the interviewer probed deeper for a response. Alternately, it may suggest less likelihood of having set – and eventually achieved – goals on the path to reaching financial security.

Participant Perceptions of Behavior Change

The before and after questions were an attempt to capture participant behavior related to finances, changes in that behavior (subject to recollection), and to probe for why that change may have happened. As one section in a larger, semi-structured interview, partner family members were read four statements related to finances and asked if they agreed or disagreed with each individual statement. In follow up to each question, they were asked how, in their opinion, they would have answered if posed the question prior to moving into their CHFH home. All proportions reported in this paper should be used to get a sense of trends, but not as evidence of generalizability or causality, as they are subject to the relatively small sample population and rely on participant self-report and recollection.

For the statement, “I feel that my home is financially secure,” the same proportion of families agreed with the statement, that is believe that their household is financially secure, for before they moved into their home and at present (44.0%) (see Table 3).

Although, the proportion who said they disagreed with the statement, that is feel that their households are not financially secure, decreased between the period before moving into their Habitat home (52.0%) and present day (44.0%).

Table 3. Responses to "I feel that my household is financially secure."

Response	Before *N*=25		After *N*=25	
	n	%	N	%
Disagree	13	52.0	11	44.0
Agree	11	44.0	11	44.0
Maybe or Sometimes	0	0.0	1	4.0
Missing	1	4.0	2	8.0

In follow up about what changed for partner family members interviewed who no longer disagreed with the statement, one person attributed it to knowledge acquisition gained through classes that CHFH now requires for future partner families. Another person responded that simply having the house felt like greater savings than before, when the family was "throwing away" money.

Some of the partner family members interviewed described changes in income – attributed to the economy, job security, and fewer employment opportunities – as reasons for why they do not feel financially secure. The selected quotations below are from partner family members who answered that in their opinion, they were financially secure prior to moving into their Habitat home:

> *[Ahora] Pues, no muy segura, porque los trabajos temporales tambien y cuando se van, muy abajo." [Now] I'm not 100% sure because of job-related. Sometimes I have a job, sometimes I don't.* (participant 7)

> *[Now] I would disagree because…things happen all the time…I fell into a different bracket as far as money goes because…I work through an agency where I used to be able to do, you know, like all the overtime I could stand. And I'm no longer able to do that now because I guess the economy and everybody's having businesses and problems and stuff like that so I'm not able to work those kinds of hours anymore. So, then, you know, things were better. Now that I'm limited to the hours I'm able to work, you know, things are a lot tighter.* (participant 12)

Alternately, at least one partner family member interviewed explained a change from feeling financially insecure previously to a current sense of security. The participant attributed the shift to a change in expenses, in the form of an additional contributor to household income and fewer people to care for over time:

> *Before, like I said, I was basically by myself. It was just me and my boys. It seemed like I had more things I had to worry about with them then, than now. Now it's just me and my husband - they're grown now.* (participant 17)

For the statement, "If a close relative were having financial problems, I feel that my household could afford to help them out (financially)," partner family members interviewed, in aggregate, equally agreed for before and after moving into their Habitat homes (40.0% for both) (see Table 4). The proportion of homeowners who disagreed with the statement, that is suggested that they would not be able to help out a relative financially, increased very little according to recollection of homeowners from before moving into their homes compared to present day (52.0% v. 56.0%).

Table 4. Responses to "If a close relative were having financial problems, I feel that my household could afford to help them out (financially)."

Response	Before *N*=25		After *N*=25	
	n	%	N	%
Disagree	13	52.0	14	56.0
Agree	10	40.0	10	40.0
Maybe or sometimes	1	4.0	0	0.0
Missing	1	4.0	1	4.0

The majority of responses did not change. This could be attributed to personal priorities of the individuals interviewed, which the author would not expect to shift necessarily with homeownership. One exception was a partner family member who explained:

> *[Before] I would put other people first rather than putting myself first and…my financial agreements as a homeowner.* (participant 23)

Alternately, changes in perceived ability to provide financial aid to a relative in need were attributed to different housing costs before and after moving into the Habitat home; although responses were mixed about whether previous housing was more costly or less costly than current housing:

> *My apartment payments were a lot higher than my house. So I probably, maybe, probably could afford more since I've been living here.* (participant 3)

> *There's been a couple pay changes since I got the house, but my rent was always cheaper than what my house payment is…At the time I had money, but since I got the house…I got a little bit more money, but I'm still paying out more for my house than I was.* (participant 18)

One way of introducing a topic to help understand how partner families deal with unanticipated costs is a question about a surprise bill. The proportion of homeowners who disagreed with the statement "I feel that my household could cover a large, unexpected bill (approximately $100)", that is they felt that the household could cover the bill, increased from 20.0% before to 28.0% after (see Table 5). Similarly, partner families interviewed responded in large part that prior to owning their home they could have covered the bill (72.0%), but less so now (56.0%), with an 8.0% increase in the partner families who said maybe or sometimes, but not all the time.

Table 5. Responses to "I feel that my household could cover a large, unexpected bill (approximately $100)."

Response	Before *N*=25		After *N*=25	
	n	%	N	%
Disagree	5	20.0	7	28.0
Agree	18	72.0	14	56.0
Maybe or sometimes	0	0.0	2	8.0
I don't know	1	4.0	1	4.0
Missing	1	4.0	1	4.0

Explanations for why partner family members interviewed felt less able to cover a bill now often linked to income and job stability. One participant explained:

> *"Porque ahorrita los trabajos se han quedado mucho atras. Esta costando ahorrita incluso para completar el pago mensual de la casa." It's getting really tough because of the economy, job related. Even to this point it's very difficult to come up with the payment of the house.* (participant 5)

A question about use of social support programs to help cover needs was included to introduce discussion of how expenses are covered. Approximately the same proportion of partner families answered that they were connected with the specific social support programs that were named, before and after moving into their Habitat homes (see Table 6).

Table 6. My household is connected with WIC, CORA (Chatham OutReach Alliance), food stamps, or SNAP (Supplemental Nutrition Assistance Program).

Response	Before *N*=25		After *N*=25	
	n	%	N	%
Disagree	12	48.0	13	52.0
Agree	12	48.0	11	44.0
Missing	1	4.0	1	4.0

In talking more in depth about the reasons for use or suspended use of the programs, responses depended not just on a partner family's financial need, but also on whether at a given time they had at least one child within the age range that qualified for the program. Among partner families who said they agreed, the majority responded that they used WIC, which is only available until a child is five years of age. None of the partner family members interviewed attributed the change to the additional cost burden of owning a home. This fluctuation based on eligibility suggests that as previously has been done, using the closed-ended response alone as an indication of financial status without further discussion of the reasons can be misleading.

DISCUSSION

In December 2007, the U.S. officially entered into a recession, described by the U.S. Department of Treasury Secretary, as "a financial crisis more severe and unpredictable than any in our lifetimes" (Paulson, "Fighting the financial crisis, one challenge at a time," 2008). A previous qualitative assessment of HFH described in the background section was completed more than a decade ago prior to the onset of the recession. Separate research, also described in the background section, although published in 2008 did not include a qualitative component to the financial questions asked here.

Key findings from the project described in this paper include that fewer CHFH partner families felt they could cover a large, unexpected bill after moving into their home, compared to before. However, the perception of financial security remained the same. This may relate to the how partner families conceptualize financial security. The majority of homeowners interviewed were able to articulate a definition.

The definitions most often included short- or long-term broad fiscal goals, such as timely payment of monthly bills or paying off the mortgage. In addition, several homeowners associated perceived psychological and health benefits with financial security, such as being worry-free or healthier, as has been suggested in literature on the social costs and benefits of homeownership. Other findings include that some partner families perceived an effect of the current economy on job and income security. Some partner family members interviewed articulated that it is a source of concern and a factor in their ability to make timely mortgage payments.

In discussing different meanings of financial security to each partner family, I do not meant to suggest that each family ought to have an identical definition. There is a potential, intangible benefit in partner families feeling financially secure, regardless of their exact definition of security. However, it is important to understand that a partner family's definition of financial security may not align with that which CHFH intends in using the phrase. How a partner family defines financial security may have implications for their prioritization of timely mortgage payment above all other expenses, a central criteria by which CHFH judges the success of partner families.

The previously mentioned core project that will be delivered to CHFH at the end of April is an evaluation, which will include tools for future measurement of partner families, including a mail survey and short questionnaire derived from the entire interview guide used to collect information for this paper. This offshoot project has driven home the point that the perceived benefits of homeownership among partner families are not just financial, but also social. Additional social aspects of homeownership are appropriate for measurement and will help the organization in providing a more complete picture to funders of its activities and successes.

CHFH is interested in suggestions to improve its current homeownership classes, which include a financial literacy class required for all future partner families prior to home purchase and a mortgage management class for current partner families in danger of defaulting. This is timely, since the affiliate has started more foreclosure proceedings than ever before in its history.

All of the following suggestions are intended as starting points for discussion among CHFH staff members, and not as complete plans ready for implementation. Each would require more in-depth discussion about available staff time, funding, material resources, and other topics relevant to developing potential plans for the program implementation, and sustainability within the organization. They will be discussed by the student team for possible inclusion in final materials delivered at the end of the core project to CHFH. Any suggestions the student team chooses to include will be more fully developed in those final documents.

One suggestion is to start pre-purchase education as soon as a partner family is accepted. This aligns with literature showing benefits to pre-purchase counseling (Hirad & Zorn, 2002) and feedback from one partner family member who suggested more thorough education before home purchase about basic financial terms, such as principal and escrow. One creative format that may be useful in education is an "edutainment," or education entertainment, format such as that of the "Nuestro Barrio" series currently available on DVD (Davis, 2009). "Nuestro Barrio" is a thirteen-episode, Spanish-language telenovela mini-series designed to reach Latino immigrants who are missed by current financial education approaches (Spader, Ratcliffe, Montoya, & Skillern, 2009). The idea is that financial education via the mini-series leads the intended audience to take action by opening and using bank accounts and starting to save money toward owning a home. These are the same initial actions that CHFH encourages among recently accepted future partner families who have not yet completed the homeownership process or purchased their homes.

Another possibility to consider is changing the current large group class for pre-purchase counseling to either small group or even an individual, one-on-one activity. Researchers report a rank ordering of counseling's effectiveness, such that individual counseling is most effective, followed by classroom, home study, and telephone counseling (Hirad & Zorn, 2002). If interested in changing it to a one-on-one format, CHFH could consider revising the agenda for the individual counseling meetings it currently requires that homeowners attend, by rolling additional education into it, making more efficient use of that time.

A third suggestion pertains to the group mortgage management classes that CHFH requires for current partner families in danger of defaulting. Offering the counseling classes is a great initial step. A recent study reported that proactive, well-timed, situation appropriate counseling of low- and middle-income populations after purchase of a home is effective at curing delinquency (Ding, Quercia, & Ratcliffe, 2008). However, the classes may benefit from adjustment to make them even more situation appropriate. In practice, more than one partner family has completed the class multiple times without resolving its delinquency.

One partner family member who completed the class suggested a key improvement, which I see as helping to make it more situation-appropriate. The homeowner suggested changing the co-teachers from an outside expert hired by CHFH and CHFH staff, to an outside expert and a CHFH partner family member who previously was in danger of defaulting on their mortgage but no longer is in that situation. During the interview, the partner family member suggested that irrespective of who the person is, the simple presence of a CHFH staff member at these classes creates an uncomfortable dynamic.

Also pertaining to the mortgage management process, recall the partner family feedback about concern associated with the impact of job and income insecurity on the ability to make timely mortgage. A more specific plan would need to be laid out, but generally speaking, it would behoove CHFH to partner with local employment organizations in developing a job-related component for partner families facing income insecurity.

A general suggestion to CHFH staff is to more explicitly incorporate activities grounded in Prochaska's Transtheoretical Model (TTM) of Behavior Change into their current homeownership process. Theory-grounded practice may help guide staff in how they adjust current activities and will likely appeal to funders reading CHFH grant applications. TTM is the theoretical foundation underlying the success of the "Nuestro Barrio" series, for example. The theory asserts that behavior change is a non-linear process in which a person's covert or overt actions indicate that they are circulating amidst five stages, or six depending on the source: precontemplation, contemplation, preparation, action, maintenance, and some add termination (Rimer & Glanz, 2005; Glanz, Rimer, & Viswanath, 2008).

As an example, the stages of TTM as applied to timely mortgage payment would include: precontemplation includes individuals who do not engage in making timely mortgage payments and have no intention of doing so in the next six months, whereas contemplators do not make timely mortgage payments but intend to do so in the next six months. People in preparation make some mortgage payments but not complete amounts or in an entirely timely way. Action includes people who have made timely mortgage payments for less than six months, and maintenance includes timely mortgage payments for six consecutive months or more. Termination, if used, describes complete partner family self-efficacy in not returning to the old habit of untimely mortgage payment.

The theory is useful in identifying where along the continuum a person is and tailoring next steps appropriately to that stage. It operates under the notion that a person may move forward and backward through the stages over time. Moreover, it is not specific to an outcome; that can be adapted to the situation.

In working with a partner family to create their new home, CHFH seeks behavior change, at least with respect to mortgage payment because all partner families are first-time homeowners. Early and ongoing assessment of a partner family's stage of change from the applicant interview onward, could enable CHFH to more effectively help homeowners make timely mortgage payments and simultaneously fulfill their definition of financial security.

LIMITATIONS

This project has several limitations. The findings are based on self-report and, for some questions, participant recollection about how they would have answered in a previous time. As mentioned previously, due to the methods used for data collection, the information is not generalizable. Another possible threat to generalizability to other populations or over time is that participants were interviewed in the midst of an economic crisis. The recession has resulted in considerable job loss and great focus on financial resources. Several of the quotes included in the paper reflect as much. In addition, some participants' responses may have been shaded by prior threat or current involvement with foreclosure proceedings initiated by CHFH.

CONCLUSION

The qualitative evidence in this paper about financial security among CHFH partner families has mixed findings. Despite concern expressed by some partner families about the impact of job and income insecurity in this economy on their ability to make timely mortgage payments, there was no change in the proportion of partner families who feel financially secure. Yet, far fewer partner families agreed that they could cover a large, unexpected bill.

Despite the mixed findings, this research may be useful in designing future affiliate activities. It elucidated varying CHFH partner family definitions of financial security during an economic downturn. They alternately described wealth accumulation in the form of savings, asset accumulation in the form of a long-term home investment, and link to psychological, as well as health impacts. Indeed, comments from some partner families echoed those proposed in the literature about social and economic costs of homeownership among low-income owners.

Information gathered in this project will be used to create more formal recommendations to the affiliate about future measurement of their homeownership process, including suggestions on how to strengthen activities.

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