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Community Survey Adequate Housing 2006

Community Research Institute-Johnson Center

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Greater Grand Rapids Community Survey Briefing:



Adequate Housing



Housing Burden and Its Effects

The single largest monthly expense incurred by most households across the United States is housing related. According to the U.S. Department of Housing and Urban Development (HUD), families who pay more than 30% of their income for housing are considered “burdened” and are likely to have difficulty paying for other basic necessities such as food, transportation, or medical care. Additionally, where a person lives affects his or her relationships, involvement in the community, safety, health, and overall satisfaction with life.

Housing Costs in Kent County

HUD calculated the average monthly rent for a 2 bedroom apartment in Kent County to be \$679 in fiscal year 2006. This means that a family needed to earn at least \$2,263 per month or roughly \$13.06 per hour in order to escape housing burden. Nineteen percent of Kent County residents responding to the 2006 Greater Grand Rapids Community Survey reported earning less than this amount. While the Michigan state government increased the minimum wage to \$6.95 in October 2006 and will raise it again in 2007 and 2008, the numbers suggest that housing costs will continue to be a significant hardship for a considerable number of Kent County residents.

Kent County Residents at Risk

The Greater Grand Rapids Community Survey was designed, in part, to collect data for a series of three housing indicators documenting the extent of basic housing needs in Kent County.

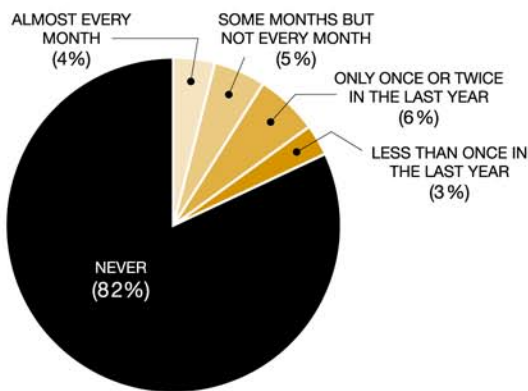
Indicator 1 shows that 18% (approximately 107,400) of Kent County residents are concerned to some extent about running out of money for housing expenses. A smaller portion (4%) of residents worry about this all the time.

Indicators 2 and 3 probe a bit deeper into housing needs. These indicators quantify the number of Kent County residents who, at some point in the past year, did not have enough money to pay rent, mortgage, real estate taxes, or utility bills. The data show that in 2006, 8% (47,700) of Kent County residents did not have enough money for housing expenses and 13% (77,600) did not have enough for utility bills. Six percent (approximately 2,800) of those who did not have enough money for housing expenses were evicted as a result. Sixteen percent (approximately 11,900) of those



INDICATOR 1:

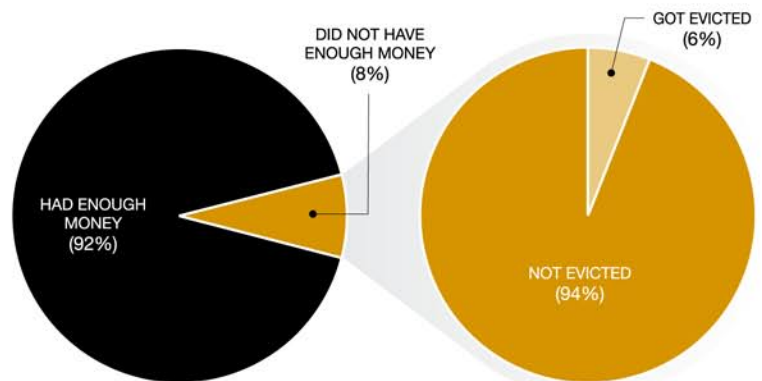
HOW OFTEN DO YOU WORRY ABOUT RUNNING OUT OF MONEY FOR SHELTER FOR YOU AND YOUR FAMILY?



KENT COUNTY 2006

INDICATOR 2:

WERE THERE ANY TIMES IN THE PAST 12 MONTHS WHEN YOU OR OTHER ADULTS IN YOUR HOUSEHOLD DID NOT HAVE ENOUGH MONEY TO PAY YOUR RENT, MORTGAGE, OR REAL ESTATE TAXES? IF "YES", WERE YOU EVICTED?



KENT COUNTY 2006



Utility Assistance Programs

The stresses caused by increased energy costs and extreme temperatures have been remarkable in the past year. As discussed at left, many Kent County residents expressed having economic difficulties due to utility bills.

Relatively few of the households that could not pay their bills actually had their utilities disconnected. One reason for this may be that the private, public, and nonprofit sectors recognized the difficulties associated with high utility costs and developed a number of methods to assist residents in meeting their needs while minimizing additional financial strain. Among the many examples are:

- Heart of West Michigan United Way received over 4,000 calls in the past year inquiring about utility bill assistance. The organization was able to help 129 families (over 400 individuals) with financial assistance totaling more than \$15,900 through its emergency needs fund.
- DTE/Michcon offers case management services to low-income customers. In 2005, approximately 8% of their customers took advantage of their Budget Wise program, and about 50,000 senior citizens were assisted through the Winter Protection Plan.
- The Michigan Department of Treasury created the Home Heating Credit to ease the negative effects of winter energy bills. More than 339,000 households received this credit in 2002, averaging \$204 each.
- The Heat and Warmth Fund, a Detroit-based nonprofit organization, distributes funds locally through the Area Community Service Employment and Training Council (ACSET) to help low income families and individuals keep electricity and heat on through the winter. ACSET reports having provided \$132,000 in assistance in the last year.
- Consumers Energy facilitates a system through which its employees and customers can donate to the Salvation Army's PeopleCare program. Consumers employees and customers donated a total of \$740,000 to the program in 2005. Additionally, the company itself donated \$1.5 million in matching funds to other assistance programs.
- More informal programs like churches and neighborhood groups may also provide assistance to individuals having trouble paying utility costs, though the overall impact of such programs is more difficult to quantify than those mentioned above.

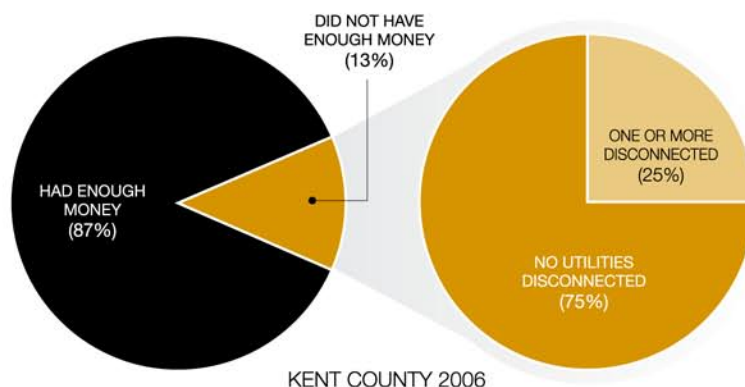
who could not afford to pay utility bills had one or more utilities disconnected. The increase in energy costs last year may be partially responsible for the difficulties a large number of Kent County residents faced in paying for utilities. HUD indicates that the burden of higher energy costs is sometimes enough to force an individual or family into homelessness.

The data collected for these indicators are also useful for understanding the different degrees of housing needs among various sub-communities and demographic groups. For example, the data show that in 2006, 5% of white community members reported not having enough money to pay housing expenses. During the same time period, 27% of African American families and 25% of Hispanic families reported struggling with the same expenses. Beyond racial/ethnic identifiers, residents who are younger, less educated, or living in rental housing are more likely to report having difficulties meeting housing costs than older, better educated, or home-owning residents.

A geographic examination of the data reveals that those living in urban areas of Kent County are struggling with overall housing costs more than those living in suburban and rural areas. Five percent of those residing in suburban or rural areas of Kent County reported that at some point in the past year they did not have enough money to pay their utility bills. A higher proportion (13%) of urban residents faced this same difficulty.

INDICATOR 3:

WERE THERE ANY TIMES IN THE PAST 12 MONTHS WHEN YOU OR OTHER ADULTS IN YOUR HOUSEHOLD DID NOT HAVE ENOUGH MONEY TO PAY YOUR UTILITY BILLS? IF "YES", WERE YOUR UTILITIES DISCONNECTED?



The Greater Grand Rapids Community Survey, now in its sixth year, assesses citizen opinions, perceptions, and behaviors as they relate to quality of life in the Greater Grand Rapids Area (Kent County). More specifically, the community survey provides population, economic, community and public opinion data to present a picture of the Kent County community as a place to live. The 2006 Survey is a collaborative effort between the Community Research Institute of the Johnson Center at Grand Valley State University (CRI), Grand Rapids Community Foundation, Heart of West Michigan United Way, and the Doug and Maria DeVos Foundation.

This report is part of a series of briefing papers. It is available online at www.cridata.org/publications, along with the rest of the series and the 2005/2006 Greater Grand Rapids Community Survey report.



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