



RESEARCH BRIEF – ROI PROJECT

Habitat for Humanity

[AmeriCorps.gov](https://www.AmeriCorps.gov)

Program Description

Habitat for Humanity (HFH) is a nonprofit homebuilding program that operates on a national and international scale. It provides low-income families living in substandard housing with volunteer-built, rehabilitated, or repaired homes and affordable mortgages. Qualified families contribute their own labor—termed “sweat equity”—and work alongside volunteers to build or improve their homes. HFH homeowners also pay an affordable mortgage with no interest, receive financial education, and participate in home maintenance classes to learn how to meet the demands of owning a home.

HFH AmeriCorps sites leverage AmeriCorps members and comprise the HFH AmeriCorps program. HFH AmeriCorps State and National members perform direct services including leading homebuilding and renovation efforts, planning and coordinating community projects, assisting in structure demolition, recruiting and educating qualified families, providing financial education and home maintenance classes, and training non-national service member volunteers.

AmeriCorps, the federal agency for volunteerism and national service, provides opportunities for Americans to serve their country domestically, address the nation’s most pressing challenges, improve lives and communities, and strengthen civic engagement. Each year, the agency invests more than \$800 million in grants for local nonprofit, community, tribal, and state organizations; places more than 250,000 AmeriCorps members and AmeriCorps Seniors volunteers in intensive service roles; and empowers millions more to serve as long-term, short-term, or one-time volunteers. Learn more at [AmeriCorps.gov](https://www.AmeriCorps.gov).



Return on Investment Analysis

To better understand the impact of HFH AmeriCorps in relation to the program's costs, AmeriCorps commissioned a return on investment (ROI) analysis by ICF, an independent research firm. ROI analyses of national service programs estimate the monetary value of benefits that a program generates for per dollar invested. The ROI analysis estimated HFH AmeriCorps's ROI to be between \$0.62 to \$2.61 per funder dollar, depending on how long HFH AmeriCorps members experience increased earnings from their national service. The return on each dollar of federal support for the program is higher, between \$0.92 and \$4.14. These results are driven by favorable employment and education outcomes for HFH AmeriCorps members following their service, as well as savings in homebuilding and rehabilitation work by HFH homeowners.

Overview of Benefits and Costs

To calculate the ROI, the program benefits were identified, quantified, and compared to the program's costs. Benefits of HFH AmeriCorps include:

- **Cost savings in buying new homes and rehabilitating existing homes.** HFH AmeriCorps homeowners benefit from these cost savings.
- **Medical cost savings due to improved respiratory health of HFH household members.** The net improved respiratory health reported by HFH AmeriCorps homeowners leads to medical cost savings that benefit HFH AmeriCorps household members, private insurance companies, the federal government, and other healthcare payers.
- **Additional earnings by AmeriCorps members.** Serving in AmeriCorps leads to increased wages and reduced unemployment post-national service through skill acquisition, as well as increased educational attainment post-service.
- **Living allowances, stipends, and education awards.** AmeriCorps members receive living allowances and stipends during their national service and a Segal AmeriCorps Education Award after successful completion.
- **Increased tax revenue for government.** The government receives more income tax revenue from increased HFH AmeriCorps member earnings post-service, as well as additional sales tax revenue related to those earnings. Government also realizes tax revenue from the taxable living allowances, stipends, and education awards provided to AmeriCorps members.
- **Reduced lifetime spending on corrections, public assistance, and social insurance.** Because of the increase in secondary and post-secondary educational attainment for HFH AmeriCorps members, government spends less on these items.
- **Reduced federal spending on rental assistance.** HFH AmeriCorps homeownership reduces usage of these federal benefits.

Funding for the HFH AmeriCorps program totaled \$8,795,423 and came from the following sources:

- Federal Government (AmeriCorps) - \$5,933,696
- Host Sites - \$2,861,727



ROI Results

The table below shows the ROI results for HFH AmeriCorps. Each row represents a different ROI calculation depending on which benefits are considered (all benefits or only benefits to the federal government) and which funding is considered (federal funding only, or all funding including contributions and non-federal grant, other contributions, and program fees). The ROIs are presented as dollars returned for every \$1.00 of investment. The analysis used three different scenarios to estimate benefits under different assumptions. Specifically, the study assumed that increased earnings attributable to the programs last for one year (short-term scenario), 15 years (medium-term), or 30 years (long-term).

| ROI Calculation | ROI Scenario | | |
|--|--------------|-------------|-----------|
| | Short-Term | Medium-Term | Long-Term |
| Total Benefits per Federal Dollar | \$0.92 | \$2.80 | \$4.14 |
| Total Benefits per Funder Dollar | \$0.62 | \$1.81 | \$2.61 |
| Federal Government Benefits per Federal Dollar | -\$0.25 | -\$0.02 | \$0.03 |

HFH AmeriCorps produced strong returns for the medium- and long-term scenarios when benefits to HFH AmeriCorps members, HFH homeowners and household members, state/local governments, and other non-federal government stakeholder groups are included. This is indicated by the results of the *total benefits per federal dollar* and the *total benefits per funder dollar* ROI calculations for these two scenarios.

In the short-term scenario—where benefits for only one year post-program are included—the ROI results indicate that there is a short-term loss to investing in HFH AmeriCorps. A negative ROI or one that is below \$1 in the first year post-program is common in programs where there is an initial one-time investment made and benefits accrue in the following years. This is because it often requires several years of benefits to recoup the initial investment and generate positive returns, as indicated in the results for the first two ROI calculations for the medium- and long-term scenarios.

The magnitude of the ROI estimates are driven by the following factors:

- **High educational attainment of HFH AmeriCorps members prior to service.** The high levels of educational attainment of this cohort of HFH AmeriCorps members significantly increased the professional opportunity cost to HFH AmeriCorps members.
- **The employment outcomes of HFH AmeriCorps members.** Past studies establish that AmeriCorps members experience increased employment and increased earnings post-service.
- **Medium- and long-term accumulation of benefits.** In the short-term, the three ROI calculations resulted in losses because only one year of post-program employment and earnings gains as well as other program benefits are factored in while the entire program cost is considered. Additionally, the short-term scenario does not include any lifetime benefits in terms of reduced spending on corrections, public assistance, and social insurance or increased tax revenue. As these benefits accumulate over time, the analysis shows positive returns. This is indicated by the ROI results in the first two ROI calculations for the medium- and long-term scenarios (15 and 30 years post-program, respectively).

For more information, please contact evaluation@cns.gov.