



Homeownership and Economic Security: Hope for Neighbors in Need

Many people believe that owning a home will protect them against serious financial hardship. But homes require maintenance and, for some homeowners, especially those living on fixed incomes, keeping up with necessary repairs can be difficult if not impossible. Home repairs that go unattended over time may pose health and safety threats. Homeowners with limited resources are often forced to choose between making repairs and paying for basic needs. For some, displacement is a very real possibility.

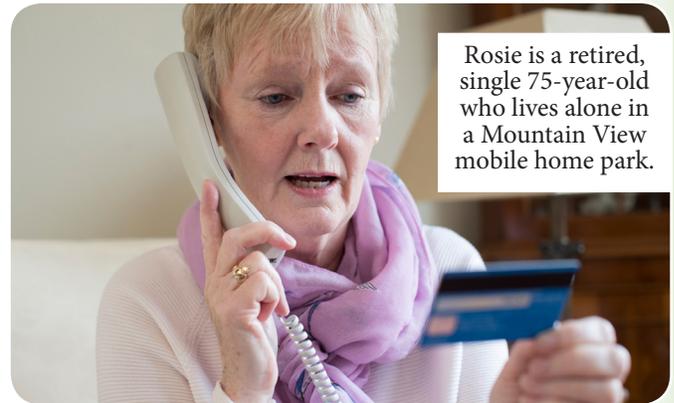
Rebuilding Together Peninsula (RTP) helps low-income homeowners in San Mateo and Santa Clara counties address these issues by providing free, year-round home repair services. RTP primarily serves older adults (65 and up) and female heads-of-household who are unable to maintain their homes for various reasons, including a lack of knowledge or physical ability to make repairs and/or a lack of resources to pay for them. RTP supports these residents by providing concrete and lasting home improvements.

This case study illustrates how RTP's services helped ease the personal and financial challenges of two households on the Peninsula.

Environmental factors

San Mateo County boasts one of the wealthiest populations in California. The median annual income in the county is nearly \$95,000.¹ For residents who earn less than that, self-sufficiency can prove to be very difficult. In 2018, the median annual income for households served by RTP was \$31,800. Nearly half of the families served by RTP report being unable or barely able to afford daily necessities.

Although homeownership generally improves wealth, it doesn't guarantee it.² In fact, one study indicated that underemployment and stagnant wages



Rosie is a retired, single 75-year-old who lives alone in a Mountain View mobile home park.

"I only have Social Security income, so I live on credit cards. I really have nothing past that." —Rosie



Gina owns a house-cleaning service, lives in Menlo Park, and shares household expenses with her adult children.

"I took like a [mortgage] modification. ... The payment was a little lower ... but I still didn't have enough to fix the house." —Gina

driven by the Great Recession of 2009 played a significant role in many foreclosures, particularly of homes owned by women approaching retirement. The study revealed that asset depletion was considerably worse among older women of color than among older white men, a disparity that continued after the recession.³ As the financial challenges of aging continue, the senior population in San Mateo County is projected to grow considerably. By 2030, one in four county residents will be over the age of 65.⁴

At the same time, construction costs have skyrocketed in recent years, making home repairs prohibitive for low-income households. By some estimates, construction costs in the Bay Area are now among the highest in the nation and the world.⁵ Combined, these trends add to the growing economic disparity and the persistent housing challenges that many low-income families experience.

Homeownership as a stabilizing force

Decades ago, Gina* bought a home in San Mateo County. Although owning a home has provided more financial security than renting one, she says the experience has been very stressful financially. As the owner of a housecleaning service, Gina was able to pay her bills and raise a young family. Then, in 2007, at the beginning of the economic downturn, things changed. Her income fell as many of her clients cut back on her cleaning service. Gina could barely afford her variable rate mortgage, and she almost lost her house several times.

A loan modification program helped her retain ownership, but she couldn't afford to make repairs. Gina's list of needs—some critical—started accumulating. By the time she called RTP, the roof was leaking and water was dripping into several rooms, causing mold. Gina's 30-year-old son worried about the mold in the house. Yet he still wanted to live with his mom to save money to help her and assist with repairs. According to Gina's son, "She used to be thriving, not just surviving."

Rosie*, a resident of Mountain View, bought her mobile home in 1996 with her own money in cash. As a recent divorcee, she was extremely proud to have

done this. She fixed up her new house, replacing outdated decor and stained flooring. She has lived there ever since.

Rosie worked hard her whole life in various jobs, including as a welder, a driver mechanic, and a pharmacy technician. Now that she's retired, her Social Security income covers her basic living expenses (such as food and the annual fees for her spot at the mobile home park). But, at the end of the month, Rosie doesn't have much money left for other basic necessities. Ultimately, she could not afford the repairs her unit needed.

RTP repairs as a mitigating factor

With RTP's help, Gina got a new roof and replaced old flooring throughout the house. RTP fixed damaged walls and ceilings, rehabilitated the bathroom, and installed a new garage door.

These repairs made the house safe to occupy again, giving Gina and her family peace of mind. Now Gina's son feels more comfortable moving out and "starting his own life" with his girlfriend.

"I think [the repairs] provide a sense of security," her son says, "because every time that it was going to rain, there was this huge anxiety ... 'Oh, [no]! We've got to cover everything in the house.' ... It feels good to come home and not worry about getting wet and covering your things."

Gina says she now feels confident that she can address repairs that arise in the future.

For Rosie, the RTP team installed a new bathtub with safety grab bars. She also had a list of small repairs that she could not do on her own, such as replacing the trim around her windows and the overhead light in the kitchen, fixing the shower, and installing a ceiling fan in the bedroom. Rosie says RTP took care of everything with "no

judgment" and without making her feel "stupid."

"I feel safer getting in and out of the tub. I know that there is help out there, which I didn't know before," Rosie says.

RTP staff also identified and mitigated other risks by adding flashing to the roof (to prevent rain run-

"Every time that it was going to rain, there was this huge anxiety ... 'Oh, [no]! We've got to cover everything in the house.' ... It feels good to come home and not worry about getting wet and covering your things." —Gina's son

* We changed names and used stock photos to protect client privacy.

off from spilling onto the porch), grounding electrical outlets in the kitchen and bathroom, and installing a new fire extinguisher and smoke and carbon monoxide detectors.

Because Rosie has accumulated debt over the years, she is especially grateful for these free repairs. Without RTP's support, she would have had to go deeper into debt to pay for them.

Long-term financial stability

Gina and Rosie both hail from outside the Bay Area and chose to settle in San Mateo County for greater economic opportunity. Each homeowner spent the majority of her adult life here, and each would like to stay. RTP's repairs have helped make both of their homes safer for the foreseeable future. However, the homeowners' worries about financial stability may not be over.

Gina, who is middle-aged, remains concerned that she won't be able to weather another economic downturn or unexpected expenses. She still relies on financial help from her son and other adult children. Sharing housing expenses is relatively common in San Mateo County. In a recent survey, more than one in five residents said they share housing costs with someone other than a spouse or partner.⁶

Gina shudders to think about selling her house and leaving the neighborhood once she retires. "To

my mind, it would be like an abandonment, again like when I left my country. It would be losing friends again, losing a lot of things ... it would be like leaving again," she says.

Rosie, who is 75 years old, worries that the owner of her mobile home park will take advantage of the current housing market and sell the land to a developer, forcing her to relocate. She already has determined that she could not afford other senior housing options (which she estimates are \$5,000 per month).

RTP's commitment to the community

RTP is dedicated to ensuring healthy and safe living conditions for homeowners in San Mateo and Santa Clara counties.

In addition to improving home health, RTP's work reduces the burden of poverty for seniors and families in need. RTP's services eliminate urgent household maintenance needs and their associated costs. By removing hazards in the home, RTP seeks to reduce healthcare costs related to injuries from falls and illnesses.

Finally, RTP's services add financial value to participants' homes, especially through its larger-scale rehabilitation projects conducted on National Rebuilding Day. These combined efforts bolster the physical, mental, and economic well-being of local residents and improve community health.

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ENDNOTES

¹ Get Healthy San Mateo County, Healthy Economy Data. www.gethealthysmc.org/healthy-economy-data

² Boehm, T. P., & Schlottmann, A. (2008). Wealth Accumulation and Homeownership: Evidence for Low-Income Households. *Cityscape*, 10(2), 225–256.

³ Castro Baker, A., West, S., & Wood, A. (2019). Asset Depletion, Chronic Financial Stress, and Mortgage Trouble Among Older Female Homeowners. *The Gerontologist*, 59(2), 230–241.

⁴ San Mateo County Commission on Aging. (2018). San Mateo County Council on Aging Annual Report, 2017–2018.

⁵ Turner & Townsend. (2019). International Construction Market Survey 2019. <http://www.turnerandtowntsend.com/en/perspectives/international-construction-market-survey-2019/the-most-expensive-market-to-build/>

⁶ San Mateo County Health. (2018). Health and Quality of Life Survey.