



Rural Housing:

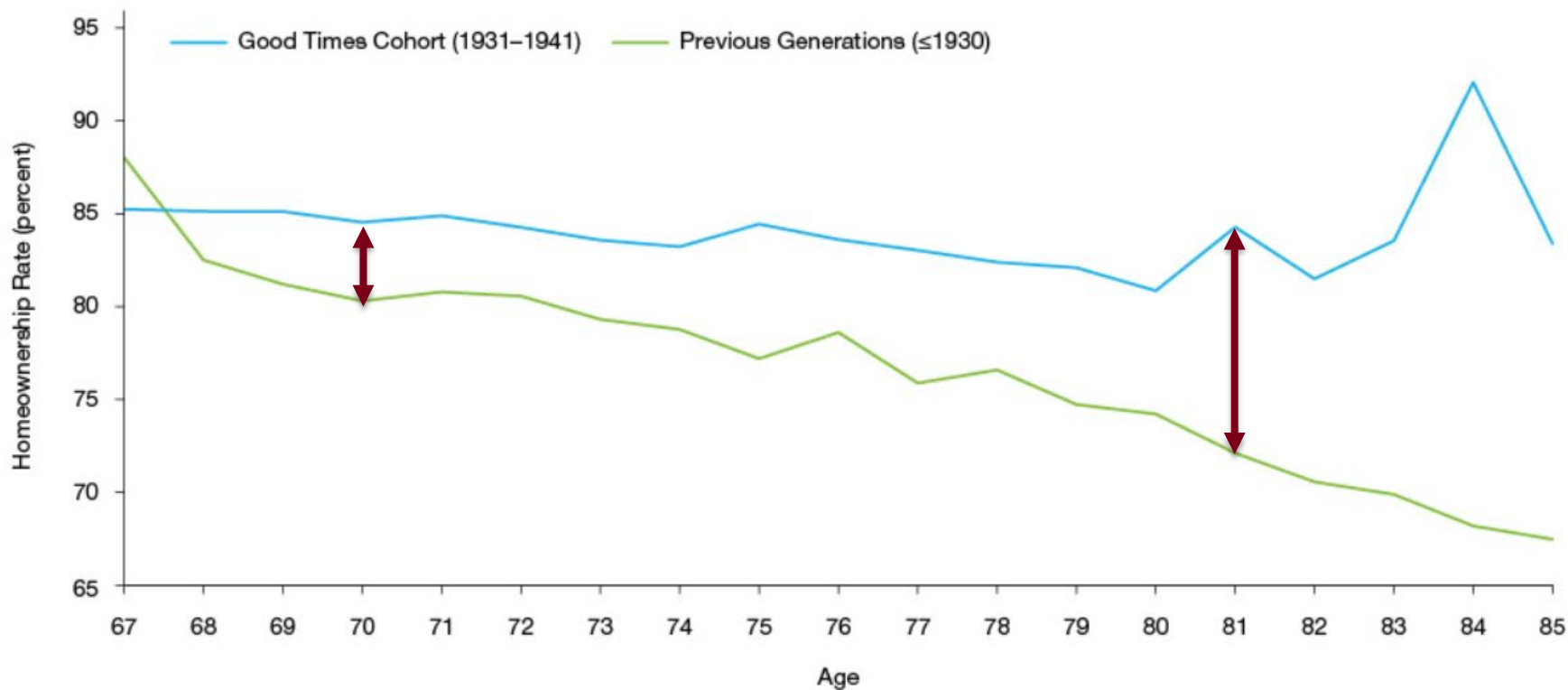
Economic Impact of a Housing Unit in Otter Tail County, MN

Private Benefit of Public Action

Benjamin Winchester, Aiden Opatz
Extension Department of Community Development

Historical homeownership rates for household heads aged 67–85

Current generations of older homeowners are holding onto their homes for longer than previous generations



Staying
at Home

58% of older
adults have
not changed
residences
in more than
20 years

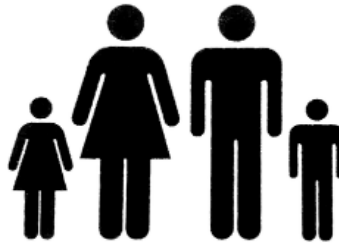
<https://familymattershc.com/the-united-states-of-aging-survey/>
http://www.freddiemac.com/research/insight/20190206_seniors_age_millennials_wait.page?

Housing Substitutions: Death brings rebirth

OUT

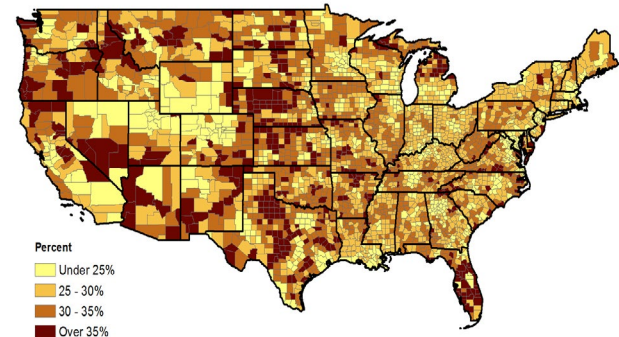
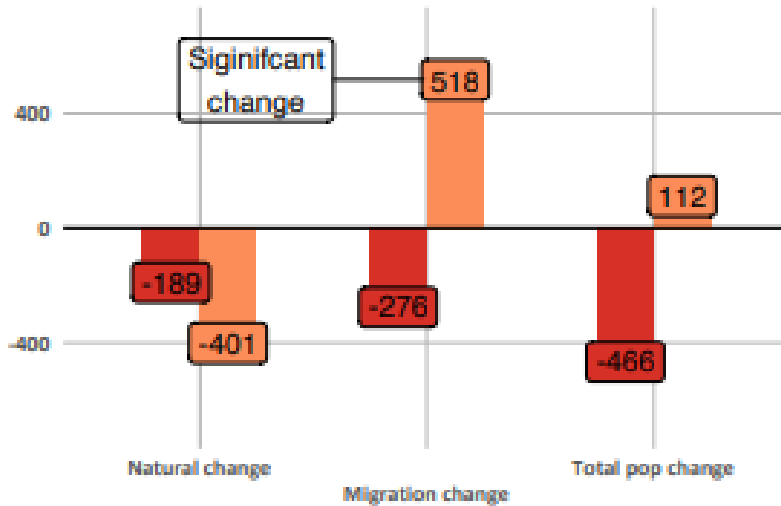


IN



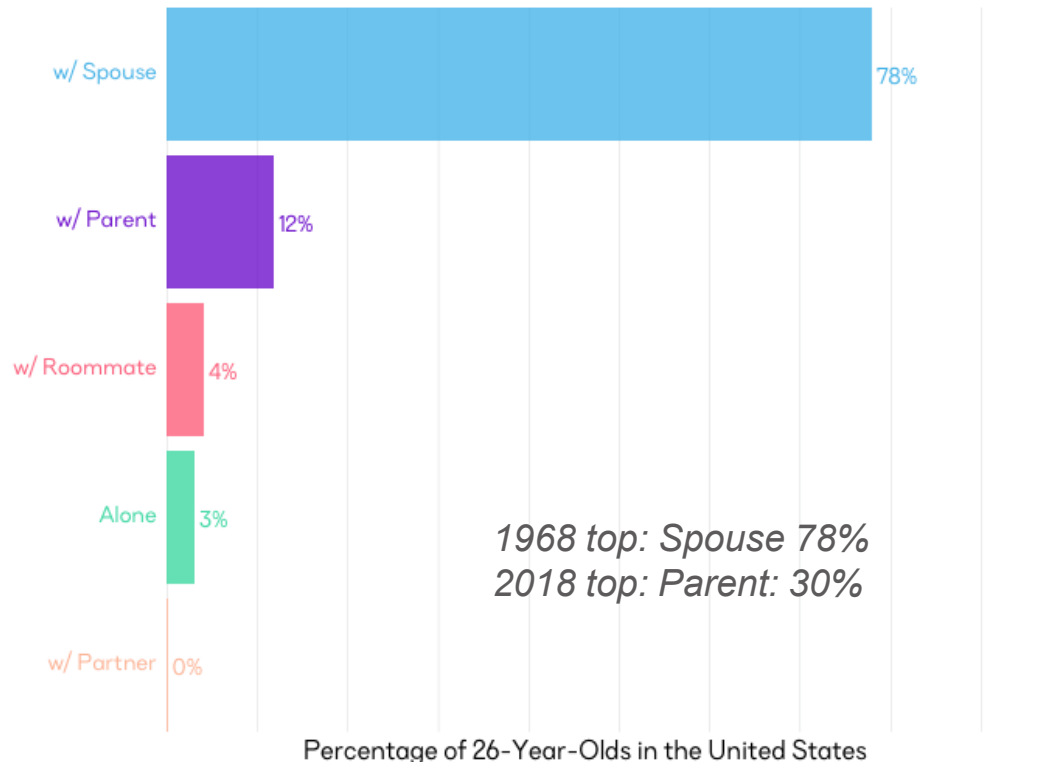
47% of newcomer households have children

Entirely rural



Return of multi-generational housing

Who Do America's 26-Year-Olds Live With?
1968

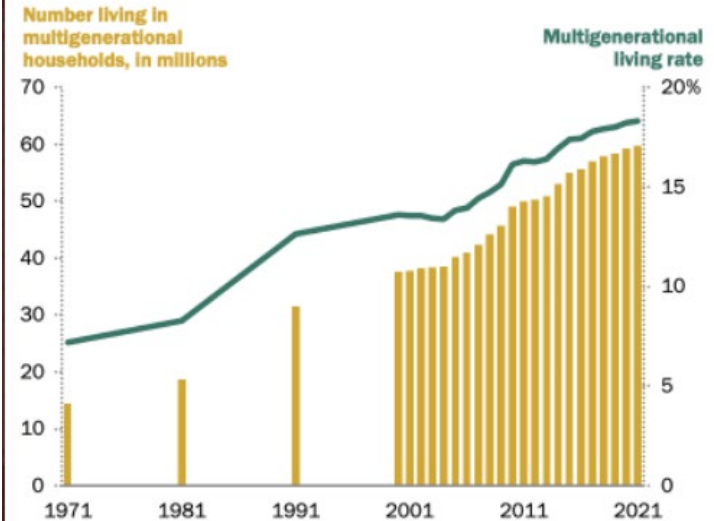


Data Source: US Census Bureau, Current Population Survey

Apartment List

U.S. population in multigenerational households quadrupled since 1971

Number and % of people who live in multigenerational households in U.S.



Note: Multigenerational households include at least two generations of adults mainly 25 and older or grandparents and grandchildren younger than 25.

Source: Pew Research Center analysis of Current Population Survey Annual Social and Economic Supplement (ASEC) data files for 1971, 1981, 1991, and 2000-2021 (IPUMS).

"Financial Issues Top the List of Reasons U.S. Adults Live in Multigenerational Homes"

PEW RESEARCH CENTER

Married with Children (Nuclear HH)

1960: 44.2%

2021: 17.8%



UNIVERSITY OF MINNESOTA EXTENSION

Senior Housing opens up Workforce Housing

Workforce housing shortage?

We build supply in workforce
housing by making the existing
housing stock available.



2015 demographic starting point:

The Public Cost of Private Inaction

Aging in Place (house)

Homes are a private asset

Where will labor live?



Aging in home long-term



*The relatively higher percentage of seniors living in rural communities, which, combined with their tendency to want to age in place, the emphasis on helping them do so, and the lack of assisted living facilities in rural communities, is causing not only a bottleneck in houses coming on the market but also **increasing the likelihood that the number of dilapidated housing will increase in the future.***

What is the public cost of private inaction?

<https://www.ruralmn.org/the-workforce-housing-shortage-getting-to-the-heart-of-the-issue/>



UNIVERSITY OF MINNESOTA EXTENSION

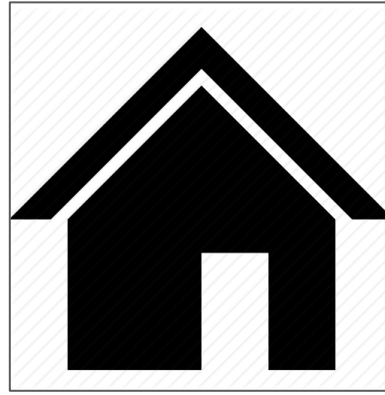
Community Impact of Dilapidated (Public Cost of Private Inaction)



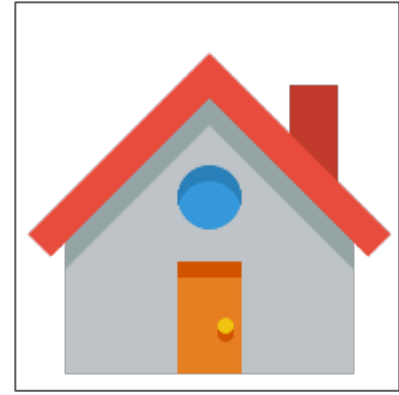
\$1,000



\$1,000



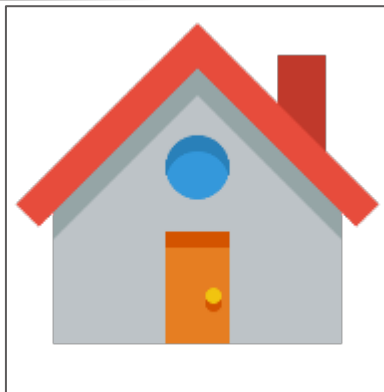
\$1,000



\$1,000



\$1,266



\$1,266



-\$ 800



\$ 200

\$1,266



STRATEGY: Moving Over



- When seniors move over this opens their house up for supply.
- Inhibiting factors **stress and fear**
- However, making “move over” decision during emergency mode only increases these stresses!
- Maybe lift up the **stories of disaster** where best intentions go wrong as cautionary tale



Example: Patio Homes

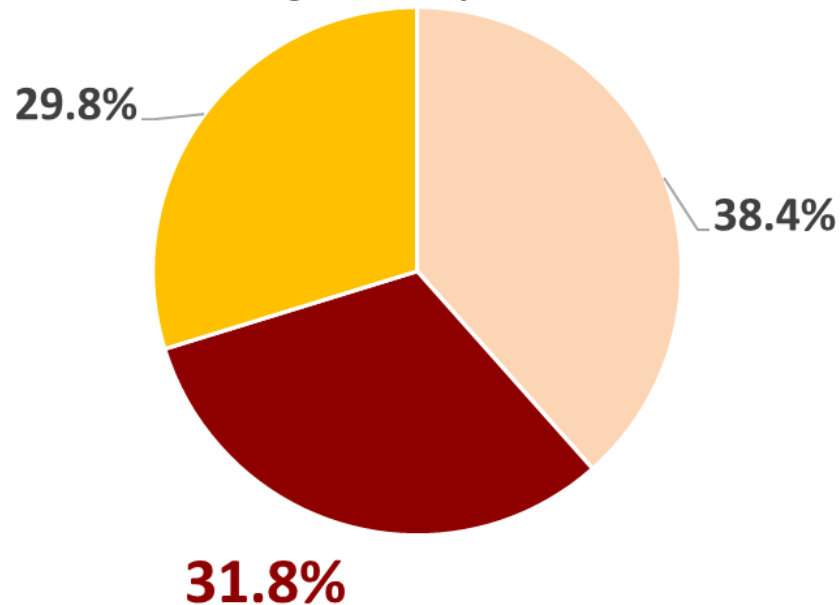


They have manageable, senior-friendly floor plans, and often provide landscaping services, minimizing upkeep for the residents.



Components of Nonfarm Income, 2023

Logan County, ND



- Wages, Salary, and Proprietor income
- Transfer Receipts
- Dividends, Interest, & Rent



*Transfer Receipts are composed of **Retirement** (Social Security only) and disability insurance benefits and **Medicare/Medicaid** benefits.*

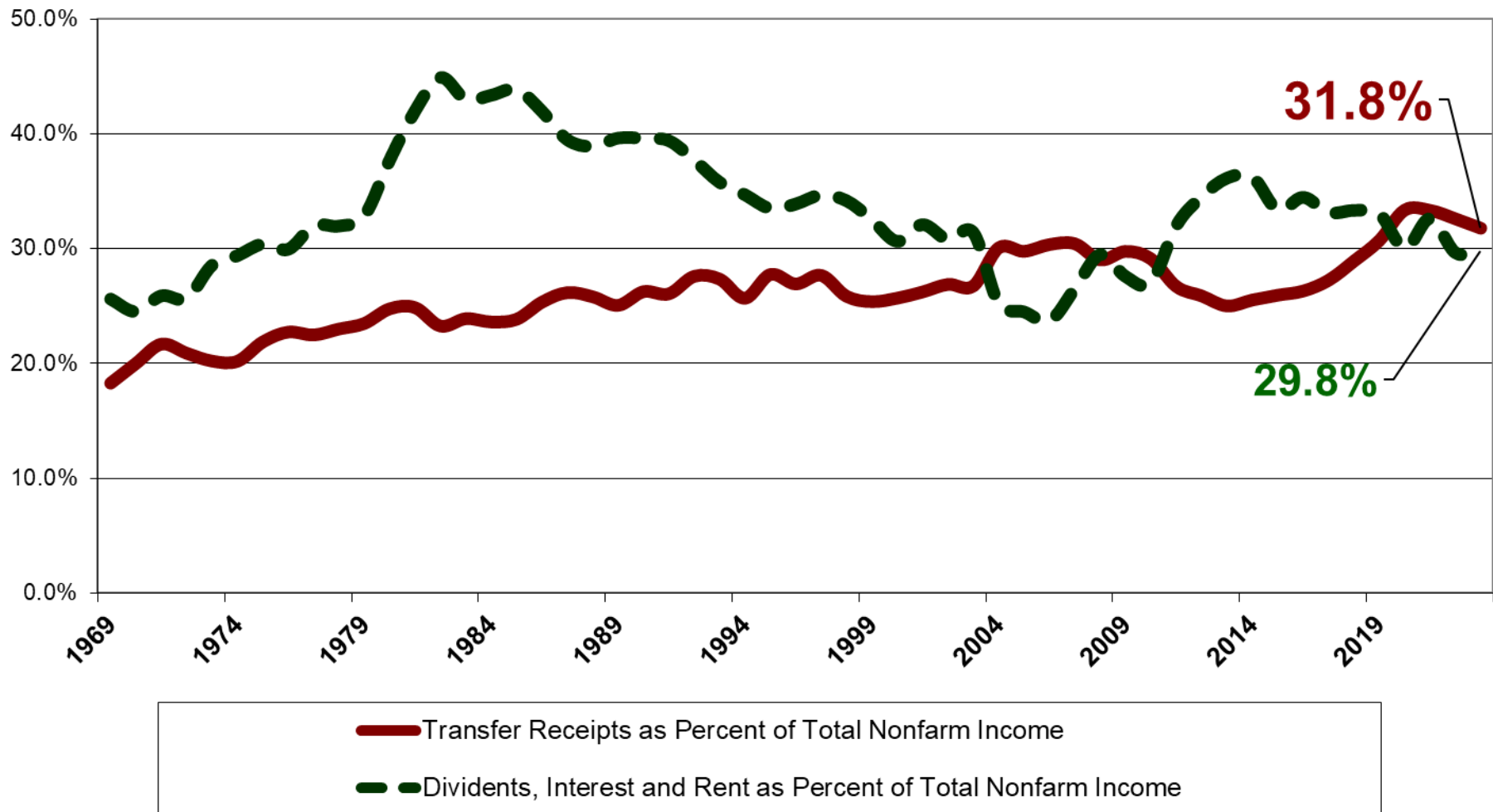
Does NOT include private retirement accounts such as 401(k) or Roth IRA.



Components of Income, 1969-2023

Transfer Receipts are composed of Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits.

Logan County, ND



January, 2024 Convene ROI on Housing Study Group

University of Minnesota
University of Iowa
City and Regional Development
Housing Officers
Foundations



What is the impact of investing in a house to remove it from substandard status?

Condition: Unaffordable Housing --> Direct Health Care Outcomes (Press "+" at left to expand and see details or edit. "-" will collapse again.)					
	Put in EITHER the given rate in the US Population or the given rates in the two housing conditions. NOT BOTH!				
Item	Given Rate in US Population	Given Rates in Affordable Housing	Given Rates in Unaffordable Housing	AOR	Annual Cost
Poor Self Rated Health		10.97%	19.40%	1.767	
Hypertension		22.60%	30.90%	1.340	\$ 9,089.00
Arthritis		13.00%	25.70%	1.920	\$ 5,700.00
Cost-Related Healthcare Non-Adherence		10.80%	18.97%	2.053	
Cost-Related Prescription Non-Adherence		8.75%	21.75%	2.420	\$ 949.00
Increased ER visits		2.90%	7.90%	1.430	\$ 1,865.00
Increased Hospitalizations		8.60%	13.80%	1.300	
Food Insecurity		30.00%	76.70%	2.870	\$ 887.18

Improved cognitive, developmental and mental health.

Improved attendance.

Access to better quality schools and teachers.

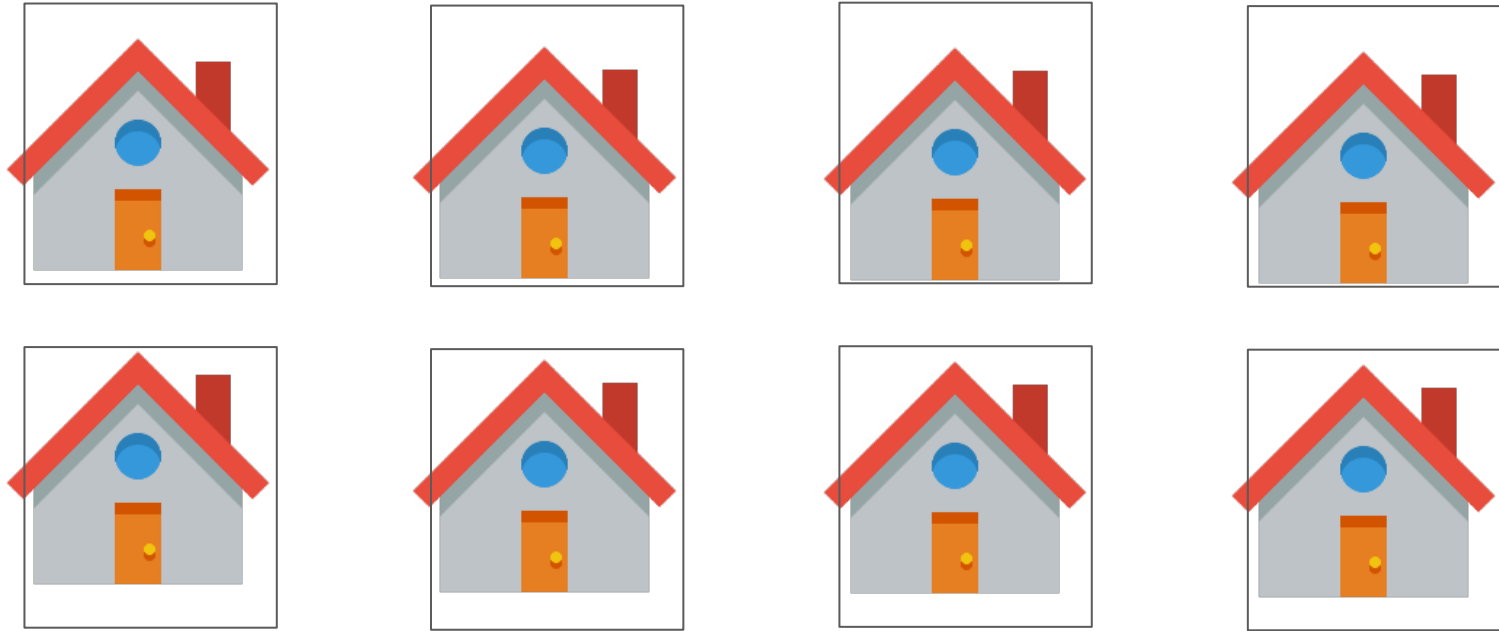
Improved academic achievement

Increased educational attainment

A \$48k investment returned \$125k savings return in 7.4 years in health care savings, reduced energy security costs, reduced mobility costs, increased property tax impact, and increased high school graduation rate. (Tom Rietz, University of Iowa).



ALL Housing a Community Concern



Nobody is responsible for all
the housing in a town.



MULTIPLIER EFFECT OF NEW HOUSING

DURING CONSTRUCTION

Indirect Impacts



Jobs & Spending At:

- Banks providing construction financing
- City, county, and other public service staff providing permits and incentives
- Lumber yards, appliance retailers, electricians, and other construction material and service suppliers
- Trucking companies delivering supplies

Direct Impacts

- Construction and trades jobs to build housing
- Value of materials and labor used in construction
- Housing value

DURING RESIDENCE

Indirect Impacts

Jobs & Services Provided By:

- Real estate professionals finding and connecting people to the right home
- Financial institutions and mortgage companies providing financing services
- Rental property owners



Direct Impacts

People help fill the workforce needs in local industries

Children attend schools to learn, grow, and participate in activities locally, creating jobs for teachers, care providers, and coaches

Value of the new house expands the tax base providing tax revenue for improving public amenities and services including:

- Parks and trails for outdoor recreation
- Roads and infrastructure

Rather than losing a house, what about gaining a house?

Economic Impact Analysis



Economic impact of the U.S. Gymnastics Olympic Team Trials and associated events in Minnesota: 2024

A report of the Economic Impact Analysis program
Presented by Brigid Tuck



Economic impact analysis

[Home](#) > [Community consultation](#) > [Research for communities](#) > Economic impact analysis



What is economic impact analysis?

An economic impact analysis (EIA) helps communities understand how local economies work. An EIA will help you and your community understand questions like:

- How important is a business or industry to your local economy?
- What kind of investment should you make in your local economy?
- How many jobs will be affected by a change in the economy?
- How will a change affect the amount of money that comes to your economy?

To get started, call us to have a conversation about your community or industry. [Contact a community economics educator](#) in your area or [Brigid Tuck](#), Extension economic impact analyst.

Our research process

Economies are complicated, but an economic impact analysis helps cut through the maze. To find answers, we use a tool called Implan™. It calculates how business inputs and outputs make ripples throughout a local economy. The model helps us understand how jobs in one business affect other businesses. We can sort data into three types of impacts:

1. **Direct** impacts from an economic event or asset
2. **Indirect** impacts that result from business-to-business transactions
3. **Induced** impacts that result from consumer-to-business transactions

Ways to use our research

[Open all](#) | [Close all](#)

There are three ways to use economic impact analysis in your community or industry:

+ Dealing with emergencies

+ Answering critical questions

< [Community consultation](#)

Research for communities >

- [Connecting businesses and community >](#)
- [EDA Center: A partner for your economic development projects >](#)
- [Local option sales tax analysis >](#)
- [Market area profiles >](#)
- [Retail trade analysis >](#)
- [Tourism assessment program >](#)
- [Visitor profiles >](#)
- [Transfer of wealth >](#)
- [Community research >](#)

You may be interested in

[Getting to know Greater Minnesota's economy >](#)



INDUCED EFFECTS

Induced effects are the values stemming from household spending of [Labor Income](#), after removal of taxes, savings, and commuter income. The induced effects are generated by the spending of the employees within the business' supply chain.



1

Direct Effects



2

Indirect Effects



3

Induced Effects



OTTER TAIL COUNTY - MINNESOTA

THE BIG BUILD 5,000 BY 2025

Building the foundation for the future of Otter Tail County

MULTIPLIER EFFECT OF NEW HOUSING

DURING CONSTRUCTION

Indirect Impacts



Jobs & Spending At:

- ✦ Banks providing construction financing
- ✦ City, county, and other public service staff providing permits and incentives
- ✦ Lumber yards, appliance retailers, electricians, and other construction material and service suppliers
- ✦ Trucking companies delivering supplies



DURING RESIDENCE

Indirect Impacts

Jobs & Services Provided By:

- ✦ Real estate professionals finding and connecting people to the right home
- ✦ Financial institutions and mortgage companies providing financing services
- ✦ Rental property owners





FIND YOUR INNER OTTER

OTTER TAIL COUNTY, MINNESOTA

Why Otter Tail County?

Public and private investments in Rural Rebound Initiative Coordinator and Community Development Specialists

The Big Build began 2020.



Economic Impact of Housing Development

Based on the Economy of Otter Tail and Surrounding Counties

Apartments, Twin Homes, Single Family Homes

Aiden Opatz, Community Economics Educator
Report forthcoming Fall 2025



Limitations:

- These numbers measure the potential impact of the construction and existence of a household with income in a region
- It does not measure the impact of one's productivity while employed
- It does not measure the health or social impacts of being housed
- It does not measure the economic impacts of the health or social impacts of being housed





Comparison of Construction and Habitation of 100 Units Between Unit Types

Unit Type	Income Constr Cost	Construction Impact per unit	Habitation Impact per unit ANNUAL
Apartments	\$60k income \$200k construction	\$298k	\$41k (even \$35k income level sees a \$27k impact)
Twin Homes	\$100k income \$300k construction	\$446k	\$70k
Single Family Homes	\$150k income \$350k construction	\$520k	\$95k



New Discussion

The Private Benefit of Public Action

Can homes be a public community good? They are the launching point for social and economic activity in a community.



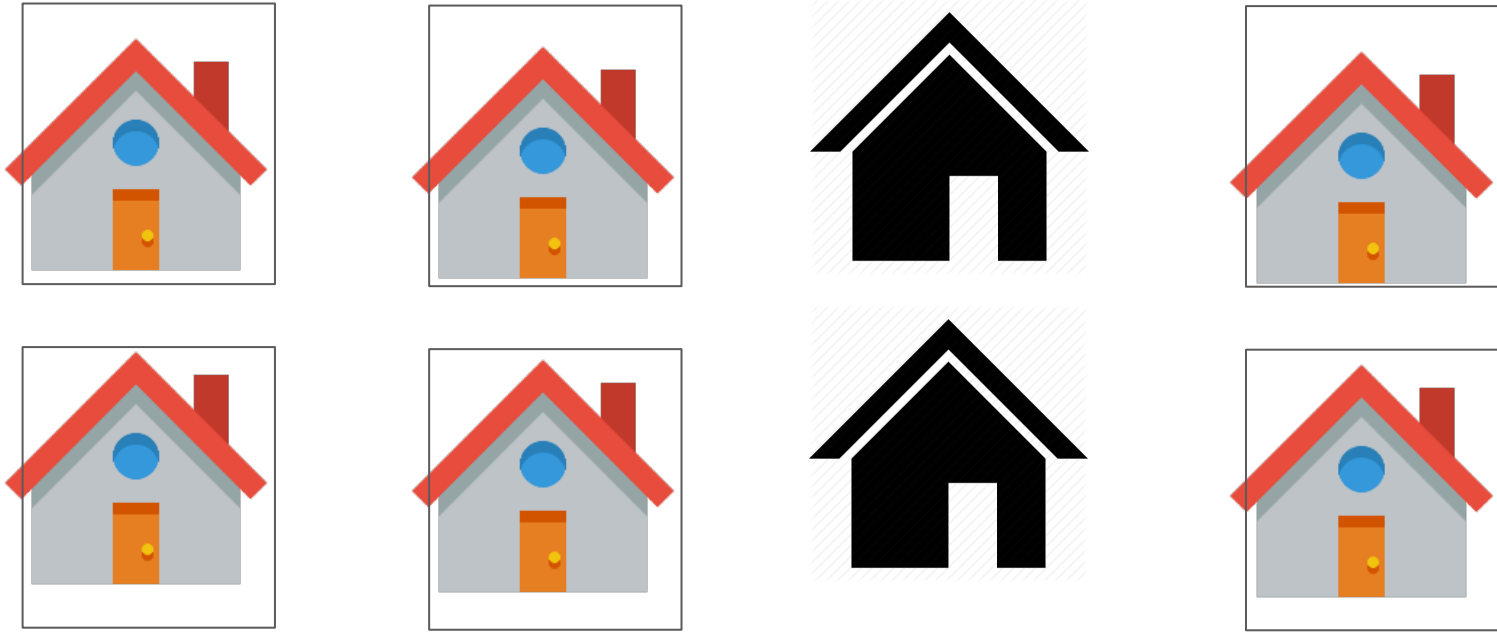
Housing Lifetime

An apartment with a household earning \$60,000 has the potential to create \$2.1 million in economic activity over 50 years. ($\$41,000 \times 50$)

A home with a household earning \$150,000 has the potential to create \$7.125 million in economic activity over 75 years. ($\$95,000 \times 75$)



Back to the Public Cost of Private Inaction



What if a home sits unoccupied for 3 years while battling estate issues? ($\$95,000 \times 3$)

What if a home is torn down due to dilapidation?



Invest in Existing Stocks

Help build the capacity for existing and new residents to improve their homes and retain the house.

- Free pre-sale inspections age 55+
- Community Ed Courses / Habitat for Rehabilitation
- Community Toolbox sharing/rentals
- Talent pipeline



Transfer of Wealth in Rural America

Understanding the Potential
Realizing the Opportunity
Creating Wealth for the Future

Shift indicators of “success” from
population to houses.

Housing stocks are
1) a measure of community wealth,
2) home to individual wealth, and
3) persistent over time.





Community Housing Succession

Maybe one of the best things you can do for the future of your community is to ensure there is somewhere for people to live.

Elevate the conversation:

Seniors / families

Councils / commissioners

Employers / youth

Economic Development / talent pipeline

Real estate agents/ property managers





Thank you for writing your narrative.

Ben Winchester
benw@umn.edu
@GrokRural

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