Housing Needs in Rural Communities

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Abstract
This study explored housing in small rural communities in an attempt to understand the available housing stock, perceptions of the need for housing, and perceived barriers to housing development. Data were collected through computer-assisted telephone interviews with key community informants. Interviews included forced-choice as well as open-ended questions. Housing issues are described through the words of community leaders with the goal of understanding communities’ needs and constraints. Lower cost housing for both renters and owners and housing options for elderly individuals continue to be areas of need in rural communities.

Disciplines
Civic and Community Engagement | Human and Clinical Nutrition | Human Geography | Rural Sociology

Comments
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Small rural communities in the United States have unique housing problems that need an increased level of attention (Dolbeare, 1999; Housing Assistance Council, 2000). These problems result from the combined influences of the demographic characteristics of rural residents and the housing characteristics of rural communities. In comparison with residents of metropolitan areas, rural residents typically are older, have lower incomes, and are less educated (Glasgow, 2003). In addition to being larger in size, rural housing is more likely to be owner occupied, single family, and less costly than housing in metropolitan communities, and a higher proportion of non-single-family units are mobile homes (Dolbeare, 1999).

In recent years, housing conditions in metropolitan areas, long characterized as worse than housing conditions in nonmetropolitan areas, have improved. However, housing quality and affordability issues continue to influence rural communities, and approximately one fourth of U.S. counties are classified as suffering from housing stress. A county is characterized as housing stressed when 30% of its households experience one or more basic housing problems such as cost burden (more than 30% of household income devoted to housing costs), overcrowding (more household members than rooms), and incomplete bathroom and kitchen facilities (Mikesell, 2004). The majority of counties in which 30% or more of households suffer from housing stress are in rural areas (Mikesell, 2004). Housing-stressed counties are more common in the southeastern and western regions; however, counties in each of the midwestern states included in the study described here met housing stress criteria.

Housing costs for both renters and owners are higher in metropolitan counties than in nonmetropolitan counties (Housing Assistance Council, 2000). Housing cost burden is the primary component of housing stress in nonmetropolitan counties; according to Mikesell (2004), fewer than 10% of households are crowded, and only 2% lack complete bathrooms or kitchens. A contributing factor to housing cost burden among

The majority of counties in which 30% or more of households suffer from housing stress are in rural areas.
rural households is higher interest rates on mortgages financed in rural areas; for example, in 2003, the U.S. Department of Agriculture's Economic Research Service reported that interest rates were three points higher on average in nonmetropolitan counties than in metropolitan counties. In addition, average mortgage length is somewhat shorter in nonmetropolitan counties, which may partially explain larger average monthly payments (U.S. Department of Agriculture, Economic Research Service, 2005).

Differences between rural and urban mortgages reflect the difficulty in financing rural properties and the types of housing common in rural areas. For example, 14% of homes in nonmetropolitan areas are mobile homes, as compared with 5% in metropolitan areas. Financing for mobile homes is generally structured with shorter terms and higher interest rates than is the case with traditional detached single-family homes.

In the United States during the 1990s, home prices rose more rapidly in nonmetropolitan areas (43% increase) than in metropolitan areas (19% increase) (Willis, 2002). Furthermore, housing prices rose most rapidly in nonmetropolitan areas of the West and Midwest, by 57% and 55%, respectively (Willis, 2002). Escalating prices make it more difficult for renters to move into homeownership and for homeowners to finance home improvement and maintenance expenses.

To thrive, communities need to attract and retain residents and to provide housing choices appropriate for individuals as well as families. This study examined housing needs in small rural communities located in nonmetropolitan counties and assessed perceived barriers to the achievement of housing development goals.

**METHOD AND PROCEDURE**
This investigation was part of a larger study (Local Housing Decisions and Economic Vitality of Rural Communities), supported by a National Research Initiative Grant from the U.S. Department of Agriculture, that analyzed the effects of local housing decisions and activities on the vitality of rural communities in nine states in the Midwest. That study identified community needs, planning strategies, and financing tools influencing local housing and community development.

Communities were selected through a stratified random process based on whether their nonmetropolitan counties were classified as being high or low in terms of "vitality." County vitality was calculated as an index of three economic variables: per capita earnings in all industries, per capita income, and proportion of the population living above the poverty line (Crull & Cook, 2000). In each state, 3 counties within the lowest quartile and 3 counties within the highest quartile were randomly selected. Then, on the basis of the 1990 census, communities with populations between 100 and 10,000 were identified in the selected nonmetropolitan counties. A random sample of 3 communities was selected when more than 3 communities in the population range were available within the selected county; 4 counties had only 2 eligible communities, and 3 had 1 eligible community. The final sample of 134 communities included 67 from 24-low-vitality nonmetropolitan counties and 67 from 24-high-vitality counties.

In each of the 134 rural communities, data were collected via telephone interviews conducted with up to 12 key respondents, including elected officials, government staff, chamber of commerce chairpersons, educators, business persons, service providers, real estate professionals, builders, and developers involved in housing. Respondents were asked to indicate the types of housing available in their community, whether there were any particular types of housing that the community currently needed, and, if there were housing needs, why they thought that these needs had not been met. Human subject research approval was obtained from the institutional review board of the university from which the telephone interviews were conducted.

Community profiles were developed by aggregating quantitative data from the interviews conducted with key informants. Factual and behavioral information was aggregated through the use of modal responses; attitudinal and opinion measures were aggregated via mean responses (Krannich & Humphrey, 1986).

**FINDINGS**
The communities were small, with populations (based on the 2000 census) ranging from 91 to 10,038; approximately 40% of the communities had fewer than 500 inhabitants. Two of the 134 commu-
nities lacked at least one church. Regardless of vitality status, the smallest of the communities were less likely to have an elementary or high school than the mid-sized (500-2,499 residents) and large (2,500 or more residents) communities (see Table 1). Human services for older individuals (i.e., senior centers, senior transportation, and Meals on Wheels) were common in rural communities except for some of the smallest communities (499 or fewer residents).

Two thirds of the communities with more than 500 residents had at least one doctor, and all of the communities with 2,500 or more residents had at least one doctor. Hospital services were available in three quarters of the communities with 2,500 or more residents, in only 8 of the 51 mid-sized communities (16%), and in none in the smallest communities. Only 5 of the smallest communities had at least one doctor (less than 10%).

Communities in low-vitality counties were less likely than communities in high-vitality counties to have an elementary school or a high school. However, communities in low-vitality counties were more likely to have services for senior citizens than communities in high-vitality counties, regardless of community size.

As mentioned, informants also were asked to profile the types of housing in their communities. The housing types available were similar according to community size, regardless of the community's location within a low- or high-vitality county (see Table 1). Very few of the communities had high-cost rental housing; most had moderate- and low-cost rental housing. Fewer small communities than larger communities had high-cost single-family homes, but almost all of the communities had moderate- and low-cost single-family homes. However, very few of the smallest communities had special types of housing for older residents. For example, none of the 56 smallest communities had nursing homes, 5 (less than 10%) had assisted living units, and 55% had a church.

Table 1. Percentages of Communities With Selected Community Services and Types of Housing, by Population and County Vitality

<table>
<thead>
<tr>
<th>Measure</th>
<th>LOW-VITALITY COUNTIES</th>
<th></th>
<th>HIGH-VITALITY COUNTIES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91-499 (N = 28)</td>
<td>500-2,499 (N = 24)</td>
<td>2,500+ (N = 15)</td>
<td>91-499 (N = 28)</td>
</tr>
<tr>
<td>Elementary school</td>
<td>32%</td>
<td>88%</td>
<td>100%</td>
<td>54%</td>
</tr>
<tr>
<td>High school</td>
<td>21%</td>
<td>88%</td>
<td>100%</td>
<td>25%</td>
</tr>
<tr>
<td>Church</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>93%</td>
</tr>
<tr>
<td>Senior center</td>
<td>61%</td>
<td>80%</td>
<td>100%</td>
<td>47%</td>
</tr>
<tr>
<td>Senior transportation</td>
<td>71%</td>
<td>92%</td>
<td>100%</td>
<td>61%</td>
</tr>
<tr>
<td>Meals on Wheels</td>
<td>54%</td>
<td>92%</td>
<td>100%</td>
<td>46%</td>
</tr>
<tr>
<td>At least one doctor</td>
<td>11%</td>
<td>71%</td>
<td>100%</td>
<td>7%</td>
</tr>
<tr>
<td>Hospital</td>
<td>0%</td>
<td>17%</td>
<td>73%</td>
<td>0%</td>
</tr>
<tr>
<td>Housing types (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High-cost rentals</td>
<td>0%</td>
<td>8%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Moderate-cost rentals</td>
<td>75%</td>
<td>96%</td>
<td>100%</td>
<td>54%</td>
</tr>
<tr>
<td>Low-cost rentals</td>
<td>68%</td>
<td>100%</td>
<td>100%</td>
<td>75%</td>
</tr>
<tr>
<td>High-cost single-family homes</td>
<td>21%</td>
<td>71%</td>
<td>93%</td>
<td>32%</td>
</tr>
<tr>
<td>Moderate-cost single-family homes</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Low-cost single-family homes</td>
<td>93%</td>
<td>100%</td>
<td>100%</td>
<td>96%</td>
</tr>
<tr>
<td>Nursing homes</td>
<td>0%</td>
<td>50%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Assisted living units</td>
<td>14%</td>
<td>33%</td>
<td>100%</td>
<td>3%</td>
</tr>
<tr>
<td>Housing for adults</td>
<td>55+ years olds</td>
<td>18%</td>
<td>54%</td>
<td>60%</td>
</tr>
</tbody>
</table>
and 7 (12%) had retirement housing restricted to residents 55 years of age or older.

The smallest communities in low-vitality counties were about twice as likely to have senior housing options available as the smallest communities in high-vitality counties. Overall, however, the number of small communities with housing options for seniors was low.

Regardless of whether the community was located in a high- or low-vitality county, similar housing needs were identified. Asked what types of housing were needed, respondents offered a range of responses, including the following:

- Moderate single-family housing
- Multifamily housing units for the low income; need more rental property overall
- Could use more housing for the elderly, such as assisted living
- Good rental property, not renovation of old houses but duplexes or apartment buildings

These comments underscore the need for housing that supports the variety of residents in a rural community.

When asked why they thought their communities' housing needs were not being met, respondents acknowledged several factors, most frequently lack of financial resources, absence of human capital, and little incentive or pressure from the business community. Respondents recognized their communities' needs and were aware of barriers that prevented housing needs from being met. Examples of comments regarding barriers included the following:

- Cost of land too high for someone who wants to build.
- There is no one to do it.
- Nobody in the community has the money to build, and there isn't any place to build.
- Only have one major industry in town, there is no more industry coming in, people moving in for the factory are not concerned about the village, there is no future in it, no economical gain to build a house here.
- A change of attitude in the community was needed to make the increase happen; most people did not care whether the town grew and prospered.

- Just not enough people seeing the need. Haven't researched the help that would be available, grants.

Respondents were knowledgeable regarding ways in which housing had been obtained in the past, including as the result of a natural disaster. Respondents indicated that, to provide housing options, their communities had obtained assisted living grants for older individuals and grants for refurbishing an old school into housing units. In addition, communities had built homes built by Habitat for Humanity, had obtained Federal Housing Administration and Rural Housing Service funds, and had used tax increment financing. Finally, in one community there was a mobile home park built originally as an emergency shelter by the Federal Emergency Management Agency.

DISCUSSION AND APPLICATIONS

A recognized need exists to address housing concerns in rural communities (Dolbeare, 1999). Family and consumer sciences (FCS) professionals can help decision-makers understand the importance of adequate, affordable, and available housing for young workers, growing families, and adults who want to continue to reside in their community into their older years. Provision of housing and services to meet individuals' and families' needs across the life span is critical to those who wish to remain in rural communities.

Decision-makers designing and implementing policies and programs to support housing and economic development should involve many individuals in pursuit of the community's goals. Residents need to know about available programs and understand how to access the financial tools necessary to develop new housing units as well as rehabilitate and maintain existing housing stocks. Nonprofit and governmental agencies need to be creative and inclusive in reaching local leaders, including unpaid but interested community residents. Furthermore, technical assistance for rural programs may need to include information on developing and organizing local human and social capital. Community educators are well-suited to deliver this type of outreach education in rural communities.

Work at the local level to influence community vitality and provision of appropriate housing are
important. FCS professionals can be key participants in building capacity in their communities. They understand the importance of the housing and social services needed to ensure sustainable rural communities. As one of our study respondents stated, "If we don't keep younger families here in town, it's going to die out."

REFERENCES

Building Extension Programs From This Research
Extension specialists involved in this project have used findings from the research in developing various programs. For example:

- A community is working with the housing extension specialist and with faculty members in a university gerontology department to identify the community's capacity to help elderly residents remain in the community and to attract others to retire there. The study's approach to gathering information about housing needs and human and social capital was replicated there to gather information for the benefit of the community and its residents.
- Community action staff, extension faculty, and a nonprofit organization are working with a community's leaders to build homeownership capacities of low- and moderate-income families residing in four counties. The findings of the study have been shared with county leaders and have been helpful to their understanding that the challenges they face are not unique. Concerns about housing, services, and changing demographics have helped to frame discussions so that the counties can work to better meet the housing needs of their residents.
- A new outreach initiative is being led by extension specialists, resident faculty, and regional leaders to address community development and physical improvement. Involving community residents and leaders in an assessment of their community, the initiative is designed to identify specific projects that would improve the community. The community team will identify resources required to complete the projects, implement the projects, and then evaluate the effects of the projects on the community's goals over time.
- Project findings have been shared in the form of in-service training statewide for extension leaders in housing and community resource development and for rural agency personnel. Sharing the study results with local communities has provided a rationale and background information for programs being considered and an understanding of how to evaluate housing issues.