



The Economic Impact of Housing Stability on Local Communities

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An aerial photograph of a suburban neighborhood, showing rows of houses with dark roofs and light-colored siding, interspersed with green trees. The perspective is from a high angle, looking down on the street and surrounding foliage.

Executive Summary

Housing stability is critical to achieving a positive economic impact on local communities. Anecdotal data and research findings suggest that immigration generally boosts local economies, and thus it is vital to note the positive correlation both immigration and housing stability contribute to communities.

According to research by Americas Society/Council of the Americas (AS/COA) and the Partnership for a New American Economy, “between 1970-2010, **immigrants in the United States created \$3.7 trillion in housing wealth** [that] helped stabilize costs in urban areas that might otherwise have declined, and revitalized less desirable neighborhoods, without either adding to the housing affordability crisis or pricing people out of highly desirable communities.”¹ More generally, **refugees resettled in the U.S. from 2005-2019 contributed a net positive fiscal impact of \$123.8 billion across state, local, and federal government**, according to a 2024 study by the U.S. Department of Health and Human Services.² The positive social and economic impact of refugees creates thriving U.S. communities and housing stability is directly connected to overall well-being.

This article will highlight a few examples and data on the economic impact of housing stability on local communities in general, reflect on current success, and look ahead to future opportunities.

Introduction

There is no shortage of literature on housing as a key factor in health and well-being.³ Children living in stable housing are more likely to finish school, and working-age adults can better maintain steady employment. Housing stability is also shown to have significant positive impacts on mental health and cognitive development in young people. This interconnectivity further extends to economic benefits for individuals, families, and their communities.

When people are steadily housed, fewer resources need to be expended on addressing issues directly linked to housing instability, such as medical costs, emergency shelter, or encounters with law enforcement and first responders. Stable housing also contributes to local economies by increasing tax revenue and boosting employment.⁴

But housing stability does not only mean having shelter. Being able to pay housing costs without being overburdened is also a core part of housing stability, meaning affordable housing development and rental assistance programs have a major role to play. When housing is affordable, people not only have more of their income available to invest back into businesses in their community but also become reliable, long-term tenants for local landlords.

Communities themselves also benefit from better housing stability for their residents. Having a steady place to call home allows people to integrate into their community as students, congregants, neighbors, and friends. This is especially true and important for those who have recently relocated to the United States, as having a homebase from which to orient themselves is critical for better cohesion with school, work, local transportation and resources, places of worship, and more.

HOUSING STABILITY AS A SOCIAL DETERMINANT OF HEALTH

The U.S. Office of Disease Prevention and Health Promotion categorizes housing stability as a social determinant of health under the umbrella of “economic stability” as part of its [Healthy People 2030](#) project. In addition to examining housing affordability and cost burden, frequent or forced moves, overcrowding, and homelessness as indicators of housing stability (or [instability](#)), Healthy People 2030 also considers [housing quality](#). The literature on these topics is in agreement: access to stable, quality housing leads to better outcomes in both physical and mental health for children and adults alike.

1 [Immigrants Boost U.S. Economic Vitality through the Housing Market](#). Americas Society/Council of the Americas. 2013.

2 [The Fiscal Impact of Refugees and Asylees at the Federal, State, and Local Levels from 2005-2019](#). U.S. Department of Health and Human Services. 2024.

3 [Housing Instability](#). United States Office of Disease Prevention and Health Promotion.

4 [A Place to Call Home](#). National Low Income Housing Coalition. 2017.

Economic Benefits of Stable Housing

Stable housing has significant economic benefits to local communities. According to the National Low Income Housing Coalition, “housing is the key to reducing intergenerational poverty and increasing economic mobility and it bolsters economic growth . . . researchers estimate that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing, [which] would have led to a \$1.7 trillion increase in income or \$8,775 in additional wages per worker.”⁵ Investing in affordable and stable housing has the opportunity to pay dividends in the future both for local communities and on the individual level.

The direct impact of housing stability on local economies cannot be understated. In its [A Place to Call Home](#) report, the National Low Income Housing Coalition found that “building 100 affordable rental homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year alone.”⁷ Arguably even more striking is the [2015 study](#) from the National Association of Home Builders that found the “shortage of affordable housing in major metropolitan areas costs the American economy about \$2 trillion a year in lower wages and productivity.”⁸

“

PUBLIC HOUSING IS CRITICAL TO ADDRESSING THE NATION’S POVERTY CRISIS.

As a long-term asset, public housing provides decent housing to the nation’s most vulnerable citizens, connects low-income workers to economic opportunities, and spurs regional job creation and economic growth.”⁶

These are examples of observable acute improvements in local economies thanks to efforts towards greater housing stability.

Additionally, it should be noted that when individuals have more affordable housing, there is a direct link to other economic benefits such as, but not limited to, more discretionary spending (i.e. money spent back into the local economy), fewer evictions, and decreased costs associated with evictions. In the job market, more affordable housing leads to additional job opportunities in local communities across fields such as construction, building materials supply, and real estate. Additionally, investing in local communities and housing affordability returns dividends to the community by way of improved government infrastructure and funding, as well as investment opportunity for long-term impact through decreasing childhood poverty and boosting overall local economic growth.⁹

Social and Community Impacts

It should come as no surprise that people living in steady, reliable housing experience better outcomes in education, physical and mental health, community integration and participation, and employment. These individual benefits extend to the community as well, with documented decreases in crime and improved public safety in locations with greater housing stability.

Housing stability can also be a community effort itself, with some local nonprofit organizations taking housing matters into their own hands by tapping into programs like Low-Income Housing Tax Credits (LIHTC) or Community Land Trusts.¹⁰ These initiatives recognize the critical importance of housing stability for the well-being of residents, improvement of local infrastructure, and economic growth. In turn, individuals and families can develop deeper roots in their communities and greater connections with their neighbors.

5 [Why Do Affordable Homes Matter?](#) National Low Income Housing Coalition.

6 [The Economic Impact of Public Housing](#). Council of Large Public Housing Authorities. 2018.

7 [A Place to Call Home](#). National Low Income Housing Coalition. 2017.

8 [Economic and Social Impact of Affordable Housing Policies](#). International Journal of Applied Research in Social Sciences. 2024.

9 [6 Ways Affordable Housing Can Boost Local Economies](#). CommonBond Communities. 2020.

7 [A Look at Community Land Trusts and How They Work](#). TIME. 2025.

Case Studies

Creating and launching housing stability initiatives may appear daunting, however there are successful examples in local communities across the U.S. that both involve the creation of new affordable housing and highlight the positive economic impact the housing brings. Often it is not about creating out-of-the-box solutions — though it very well could be — but rather involves local partners coming together and modeling best practices in housing to create solutions that meet the community's needs.

In 2024, Montgomery County, Maryland (a D.C. suburb) was highlighted in the news for its public housing success. The initiative brought local leaders, housing developers, and the county's Housing Opportunities Commission — a housing finance agency — together to create more affordable housing through a mixed-income renters' development. The initiative was clear to not be labeled as "public housing" but simply as an alternative to increase housing stock that is affordable and does not discourage individuals from advancing their careers and net worth due to the fear of losing income-based housing. Thus, renters and developers alike were able to maximize economic value and impact while ensuring housing stability is a top priority. Like other states, Massachusetts has taken note of the success in Maryland and even recently introduced its own "\$100 million fund to finance social housing projects [such as] mixed-income social housing . . . providing a good solution by both building more units and providing below market-rate rents."¹¹

In a 2023 report on housing initiatives for asylees in four major U.S. cities, including Chicago, Denver, and New York City, the Women's Refugee Commission concluded that the responsive models of shelter and housing resulting from increased asylum seeker arrivals presented "an irreplaceable opportunity to harness a rising tide to lift all boats, to improve policies for all people in need of safety, whether from unhoused situations, preventable negative health outcomes, or persecution in their home country."¹²

Regardless of immigration status, individuals and families in the studied locations benefitted from the development of new or adapted shelter models to prevent and alleviate homelessness and greater allocation of resources towards housing stability. These solutions involve commitment, partnership, and investment but also offer an opportunity for short- and long-term impact by improving and creating thriving U.S. communities and local economies.



¹¹ [An American Public Housing Success Story](#). Vox. 2024.

¹² Opportunities for Welcome: Lessons Learned for Supporting People Seeking Asylum in Chicago, Denver, New York City, and Portland, Maine. Women's Refugee Commission. 2023.

Conclusion

Continued investment in housing stability is critical to fostering thriving U.S. local communities. At the crux of a housing affordability crisis, there are proven housing models that create greater sustainability, economic mobility, and housing stability. Although this article discussed in general terms the importance of housing stability and its economic impact without specifically addressing various populations in the U.S., such as refugees and ORR-eligible populations, we know that immigrants and refugees in the U.S. had a net positive fiscal impact of more than \$123 billion over a period of 14 years. Thus, investing in housing stability for all U.S. communities will not only positively impact those communities but could also positively impact newer arrivals to the U.S. — leading to a more thriving nation for all.

References

- [Immigrants Boost U.S. Economic Vitality through the Housing Market](#). Americas Society/Council of the Americas. 2013.
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- [Housing Instability](#). United States Office of Disease Prevention and Health Promotion.
- [A Place to Call Home](#). National Low Income Housing Coalition. 2017.
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- [Quality of Housing](#). United States Office of Disease Prevention and Health Promotion.
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- [The Economic Impact of Home Building in a Typical Local Area](#). National Association of Home Builders. 2015.
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- [6 Ways Affordable Housing Can Boost Local Economies](#). CommonBond Communities. 2020.
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- [Opportunities for Welcome: Lessons Learned for Supporting People Seeking Asylum in Chicago, Denver, New York City, and Portland, Maine](#). Women's Refugee Commission. 2023.

Further Reading

- [The Importance of Housing Affordability and Stability for Preventing and Ending Homelessness](#). United States Interagency Council on Homelessness. 2019.
- [The Impact of Housing Affordability on the Economy](#). Habitat for Humanity.
- [The Impact of Housing Affordability on Communities](#). Habitat for Humanity.
- [Community-Based Measures to Promote Housing Stability](#). The Network for Public Health Law. 2025.
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www.refugeehousing.org

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