

## Habitat For Humanity *“Sweat-Equity” Transforms Receivers into Givers*

By Lynn Vincent

Two years ago, San Diego nursing assistant Nancy Vance, attended a Habitat for Humanity informational meeting. A single mother of three, Vance earned about \$1,500 a month after taxes. For a two-bedroom apartment in the middle-class suburb of Clairemont, she paid \$900 a month in rent—nearly two-thirds of her salary.

At the meeting she learned she could apply to partner with the well-known housing aid group to end her struggle with sky-high rents in southern California. Vance heard that she could work with Habitat volunteers to build a modest home of her own; that Habitat would loan her the money to buy it interest-free; and that all she needed for a down payment was 250 hours of her own labor. But Vance didn't apply to become a Habitat homeowner that year because “she didn't believe it was true,” she says.

Now she is a believer. In 2001, Vance applied to become a Habitat partner-homeowner and now she bustles around a construction site on East El Norte Parkway in Escondido, Calif., about 30 minutes north of San Diego. Her future home, a small four-bedroom with light blue vinyl siding and a gray composite roof, is rising fast, and is scheduled for completion this month. Vance, 37, earns more now—about \$2,200 a month after taxes—but her rent shot up, too: to \$1,300 per month. When she and her kids move in, Vance's monthly mortgage payment will be \$600, bringing her just within the budgetary standard that says families ought not pay more than 30 percent of their total income for housing.

Millard and Linda Fuller got the idea for Habitat in 1976 on a farm near Americus, Georgia. From that beginning Habitat has grown to more than 2000 U.S. and international affiliates, and has built more than 100,000 houses around the world. Based in Americus, the group has provided decent, affordable housing

for about a half-million people.

Nearly 30 million U.S. households face significant housing woes, according to the U.S. Department of Housing and Urban Development (HUD). About 2.5 million live in overcrowded conditions. Others—a 1993 study said one in 7 households—lack standard efficiencies such as hot water, electricity, and toilets. About 14 million people pay more than 30 percent of their monthly income for rent and utilities, and more than 6.7 million households pay more than 50 percent.

In the developing world, the problem is much worse. One of every four families lives in poverty, with 1.2 billion people subsisting on the equivalent of less than one U.S. dollar per day. In Latin America, families need 5.4 times their annual income to buy a house. African families need an average of 12.5 times their annual income. Less than 20 percent of households in Africa are connected to piped water, and only 40 percent have it within 200 meters of their home.

### Simple and decent

How does Habitat for Humanity combat these woes? The model is fairly simple. Families in need of improved shelter apply to local Habitat affiliates, where a selection committee evaluates their level of need, their willingness to partner in Habitat's program, and their ability to repay a no-interest mortgage loan. Habitat then builds “simple, decent” houses, or renovates existing ones, with the help of an approved homeowner—or “partner”—family. Habitat does not consider race or religion when selecting partner families. Habitat then sells the homes without profit to partner families, financing them internally with no-interest loans. When homeowners pay their monthly mortgage notes, the money goes into a revolving “Fund for Humanity.” Proceeds from the Fund then go to build homes for other Habitat partner families.

Randall Wallace, a Habitat volunteer (who also wrote the screenplay for Mel Gibson's Oscar-winning film *Braveheart*) calls the model “a perpetual motion miracle: everyone who receives, gives—and everyone who gives, receives.”

Across the street from Nancy Vance's Escondido home, for example, Habitat for Humanity San Diego is breaking ground on another house. The future owner, Raul Mendez, has shown up faithfully each day to help build Vance's house. Vance says she will help him in return.

Volunteers and homeowners build all Habitat homes, under the supervision of a professional construction supervisor. In-

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*Lynn Vincent is a frequent contributor to Compassion and Culture.*

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side Vance's house, Pete Ellis, 63, of Poway, Calif., and Sean Kennedy, a high school sophomore visiting from Rancho Cucamonga, Calif., reinforce with plywood a header in the kitchen. It's their fourth day as Habitat volunteers.

"I've known about Habitat for 10 or 15 years," Ellis said. "Now that I'm retired there's no excuse not to volunteer." He said the work feels "worthwhile," and he appreciates seeing the homeowner working alongside the rest of the crew. Sean Kennedy

his health.

"Instead of seeking God's kingdom first, as the Bible teaches, I was seeking financial security first," he explains. Resulting crises prompted Fuller and his wife Linda to live out Jesus's counsel to a rich, young man, as recorded in the Gospel of Matthew: "Go, sell what you possess and give to the poor, and you will have treasure in heaven; and come, follow me."

"Linda and I felt our priorities were so out of line that we needed to divest ourselves of our wealth," Fuller says. Not only did the Fullers give away the proceeds from their possessions, but their accumulated cash as well.

A search for a new focus for their lives led them to Koinonia Farm, a Christian community near Americus Georgia, where people were looking for practical ways to apply Christ's teachings. With Koinonia founder Clarence Jordan and a few others, the Fullers initiated several partnership enterprises, including a ministry in housing. That ministry—in which they partnered with needy families to build modest

houses—became the model for Habitat. The revolving fund, the "sweat equity" down payment, the no-profit/no-interest dynamic—all of that was born on the little Georgia farm.

The Fullers' tested the model in Zaire (now the Democratic Republic of Congo) in 1973, where they moved with their four children to become Christian missionaries. "It was very difficult," Fuller says. "We were constantly out of money and struggling." But after three years the Fullers had launched construction on 114 houses. Then they moved south and started construction on 300 more. Fuller left Africa convinced that the Zaire model could work worldwide. On returning to the U.S. in 1976, he and Linda met with a close group of associates, and Habitat for Humanity was officially born.

By 1978, the group had already built nearly 100 homes. That

***"Wherever Habitat builds, we start every day with a devotional time. When a house is dedicated, we give the partner family a Bible," Fuller said. "The national media ignore all that."***

said he's excited about the opportunity to learn more about the homebuilding process, and likes the chance to serve the community.

Paula Traper, another volunteer, is one of several members of Rancho Bernardo Presbyterian Church who are building Vance's home. Churches are a main source of support for Habitat, a group whose "Statement of Purpose" is unabashedly Christian: "To partner with specific programs in habitat development globally, by constructing modest but adequate housing... and to witness to the Gospel of Jesus Christ throughout the world."

Every scrap of Habitat promotional literature, and most of the sentences that issue from founder Millard Fuller's mouth, is laced with Scripture or references to God. Still, he said, "People come up to me all the time and say, 'Hey, I didn't know Habitat was a Christian ministry.'" Fuller said that's because a generally secular—and sometimes anti-Christian—press filters the Habitat message.

"Wherever Habitat builds, we start every day with a devotional time. When a house is dedicated, we give the partner family a Bible," Fuller said. "The national media ignore all that. They show people driving nails, and talk about which corporations are sponsoring a house, but they won't mention that there are, for example, 45 churches represented on a build site. They totally ignore the Christian motivation behind what we do."

It was Fuller's Christian convictions that led to Habitat's founding. He graduated from Auburn University in Alabama in 1957, then attended law school at the University of Alabama in Tuscaloosa. While still a law student, he and a friend launched a successful marketing firm, and immediately began piling up cash. By age 29, Fuller had made his first million. "But I got my priorities turned around," he says. Financial success brought failures in other areas of his life: his integrity, his marriage, even

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same year, the group approved its first local U.S. affiliate in San Antonio, Texas. By 1980, Habitat had grown to 11 U.S. and five international affiliates in three countries. Today, 2000 local affiliates operate in the 50 U.S. states, the District of Columbia, Puerto Rico, the territory of Guam, and 82 other countries around the world.

### Act locally

Though Habitat has gone global, the group believes “local initiative” is the engine that will drive poverty housing out of existence. In recent years, Habitat has decentralized its message of affordable, decent housing. An international board of directors guides policy for the group. “Area offices” in San Jose, Calif.; Costa Rica, Central America; Budapest, Hungary; Pretoria, South Africa; and Bangkok, Thailand, provide training and support services to local affiliates in their respective regions.

*Habitat World*, the group’s bimonthly magazine, calls local initiative “the lifeblood of Habitat affiliates.” Take Charlotte, NC, for example. In 1981, the city’s ironically named Optimist Park neighborhood was a postcard for urban decay. Nine in 10 homes needed serious rehabilitation, and pockets of violence kept community residents isolated and fearful.

But across town in affluent Myers Park, writes *Habitat World* author Pat Curry, “pastors and lay people from several churches banded together calling themselves the Jeremiah group” after a verse in the biblical book of Jeremiah that says, “See to the welfare of the city where I have sent you.” The group wanted to improve living conditions for their poorer neighbors in Optimist Park. Their compassion gave rise in 1983 to Habitat for Humanity Charlotte. The affiliate, powered by dedicated resident-volunteers, became an affiliate known for “firsts.” It was the first U.S. affiliate to build 100 houses, the first with all-youth and all-women crews, and the first to complete a house completely sponsored and built by other Habitat homeowners.

*Habitat World* heralds other examples of local initiative:

- In Guatemala in 1979, a small band of people led by a local pastor formed the first Latin American affiliate in Aguacatan, in the state of Huehuetenango. Today this affiliate is the largest house builder in the country (10,000 homes and counting), and in 2000 built more houses than any Habitat organization outside the U.S..

- In Langlede County, Wisconsin, one in every 10 houses is substandard, according to HUD. Only 20,000 people live in the county, but residents in Antigo applied last year to become a Habitat for Humanity affiliate. By the time HFH International approved the application, the group was ready with a donated lot on which to build their first Habitat home.

- In Kenya, where a local affiliate sprang up in 1982, altruistic foreigners used to do all the work. Today, HFH Kenya is

developing the model of a “staffless” affiliate, run completely by local volunteers. Though the affiliate has struggled with basic organizational development and mortgage repayment rates, “tough love” efforts have paid off. Through training, closer monitoring, and financial incentives, HFH International is building a self-sustaining Kenya affiliate. The policy, said Kenya national coordinator Jerry McCann, is controversial for Habitat in Africa. “But the Kenya national board feels it is a necessary restriction for affiliates in a country with such a long history of

***“By very definition, affiliates are likely serving families and individuals who may have problems meeting their obligations,” Gatlin says.***

dependency.”

### Fiscal accountability

Habitat anticipates such struggles. After all, the people the group reaches—those earning 25 to 50 percent of the area median income—often have struggled with dependency for decades. That’s why Habitat walks a fine line between ministry and accountability, according to HFHI Middle States director Joe Gatlin. “By very definition, affiliates are likely serving families and individuals who may have problems meeting their obligations,” Gatlin says.

To help encourage such families along the path the financial responsibility, Habitat affiliates take several steps. Most obtain credit reports and use them to design successful budgets and mortgage repayment plans for partner families. Affiliates offer personal finance workshops to help families adjust to home ownership. And, from the outset, affiliates articulate and diligently administer delinquency programs that encourage consistent payments.

“There are times when a Habitat affiliate must choose to pursue foreclosure,” Gatlin says. “By that point, the affiliate will have gone the extra mile or two or three. To continue on in that direction would be to abandon the responsibility of this ministry.”

A 2000 survey of U.S. affiliates shows that more than 80 percent of Habitat homeowners were current on their mortgage payments. Of those who were late, 8.5 percent were 31 to 60 days late, and less than five percent were 61 to 90 days late. As of January 2000, the total number of foreclosures for all U.S. affiliates for all years was 313, or 1.2 percent, according to *Habitat World*.

### Aiming high

Habitat’s goal, “to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action,” is both noble and seemingly insur-

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mountable. Such a lofty target elicits rhetorical head-patting and outright skepticism from both supporters and critics who say poverty housing is a problem so vast that it's impossible to solve it.

Millard Fuller answers such doubters with blistering conviction: "The Bible is clear that with God is all things are possible. When you read that, you either believe it or you don't. We realize eliminating poverty housing is an awesomely difficult task. The Bible does not say all things are easy. I believe God is in this."

Back at the Escondido build site of Nancy Vance's home, volunteer "house leader" Austin O'Malley believes it too. From

sorts of other things," he says. "...but we can agree on the idea of building homes with God's people in need, and in doing so, using biblical economics: no profit and no interest."

### Not a giveaway

But biblical economics and a free lunch are not the same thing, and Fuller stresses that Habitat is not a "giveaway program." Homeowners must invest a down payment, make monthly mortgage payments, and invest "sweat equity"—an average of 300 to 500 hours of their own labor in building their own house, and houses for others. Fuller sees the requirement that partner families invest both money and labor as the most compassionate way to respond to people in need. "We're using a concept that's missed in a lot of Christian endeavors—that it's better to give

than to receive," he says. In some charitable work, Fuller explains, the underlying message to the recipient is, "Oh, you poor helpless soul. We superior people are here to help you."

"People of good will don't realize this is what they're communicating," Fuller adds. "The giver gets a blessing, but the recipient feels a little diminished. That's because they've had no opportunity to give

back." By modeling Habitat on Jesus's teaching that it is better to give than to receive, Fuller says partner families are "blessed by getting a house, then blessed in a greater way, by making their payments and investing their time to give to someone else."

### Rumor control

As with any large organization, Habitat is burdened with its share of mythical baggage. For example, the scuttlebutt in some circles is that the group builds houses only for minorities and Christians. Another rumor: Habitat houses allow people to breeze from poverty into fancy new homes. So prevalent did these ideas become that the group began some years ago publishing a public affairs sheet called "Myths and Truths." The sheet emphasizes partner families' investment of labor and money into Habitat's program, its non-discrimination selection policy, and the

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the bib pocket of his Dickies overalls, he pulls a small, tattered sheet of paper. The paper, visibly wet with perspiration wicked through O'Malley's clothes by a relentless southern California sun, bears the "Prayer of Francis of Assisi." O'Malley, who is Catholic, reads the prayer aloud to assembled workers—most of whom are Protestant—at the beginning and end of each construction day.

Fuller sees Habitat as a bridge across theological differences, a unifying force in an increasingly divided Christendom. "We have an incredible array of churches supporting us, from the most conservative to the most liberal. In spite of theological and political divisions, we can all agree that we should love one another and demonstrate that in a tangible way."

Fuller notes that Habitat has enabled Christians to unite around what he calls "the theology of the hammer," the most elemental tool of the construction trade: "We may disagree on all



*Habitat for Humanity builds "Simple and Decent" housing*

group's philosophy of "simple, decent" (read: nothing fancy) housing.

Perhaps the most prevalent Habitat myth is that former President Jimmy Carter founded the organization. The truth: Carter and his wife Rosalyn are longtime Habitat supporters whose famous faces have raised the group's profile. In 1984, eight years after the Fuller's vision of simple, decent housing began to bear fruit, the Carters committed to work with the group. Apart from peanut farming and a famously toothy grin, the former president had also developed a reputation as a crackerjack carpenter (The White House staff even gave him a set of tools for his workshop when he left office in 1980.)

In March 1984, the seeds of Habitat's Jimmy Carter Work Project (JCWP) were planted when Carter agreed to donate one day of his carpentry skills at a work site in Americus, GA, about eight miles from the Carter's hometown of Plains. Just 6 months later, JCWP was born in New York City when dozens of volunteers joined the Carters to renovate a six-story, 19-unit building. Every year since then, the JCWP has touched down at a different location—from Charlotte, NC to San Diego, CA to Vac, Hungary and Seoul, South Korea. Today, the program draws not dozens of volunteers, but thousands.

Carter believes Habitat has "successfully removed the stigma of charity by substituting it with a sense of partnership. The people who will live in the homes work side by side with the volunteers, so they feel very much that they are on an equal level."

### Views from the street

People with faces not as famous as President Carter's differ in their opinions on Habitat, particularly when the homes go up near their own. On Ivy Street, around the corner from Nancy Vance's house, neighbor-to-be William Roach said Habitat volunteers "do a good job," and that the Vance home is "as good as anything else on that street." He considers it an improvement over the decrepit building that occupied the lot before the City of Escondido donated the land to Habitat. Roach's son said he was surprised at both the quality of the home and the upscale look of some volunteers — "two, young lawyer-types," in particular.

Another neighbor isn't as sanguine as the Roaches. He told *Compassion & Culture* he's happy when groups like Habitat provide for people in need. But he isn't happy that the City of Escondido donated the lots for the two homes on El Norte Parkway.

"The city donated the lots?" he asks, peering skeptically into the blue sky. "No. People who work and pay taxes donated those lots, and somebody on the City Council who wants his name on a plaque gets the credit."

This neighbor said he wouldn't mind if Habitat had paid fair market value for the lots, then built the house with private funds. But, he argues, "The city could have sold those lots for about \$180,000 and put that money in the city's coffers" for the police, fire department, and schools. "I want the choice of which charity

I give to. I don't want the city to give for me, then come around next month and say, 'Guess what? Your water and trash fees are going up because we have a budget shortfall.'"

### By the numbers

Habitat pays close attention to its own budget. HFH International stresses a commitment to "practice wise stewardship over all funds entrusted to it," according to the group's annual report. Here's a quick rundown on Habitat's dollars and sense:

- Habitat affiliates and national organizations are independent, autonomous nonprofit corporations that maintain separate books.
- Revenue comes from individual, corporate and group donors, as well as bequest and estate gifts, an annuity program and earnings on investments.
- Additional support comes from donated assets and no-interest loans from supporters.
- The group receives funding through some government programs, such as the Self-Help Homeownership Opportunity Program and AmeriCorps, but does not accept any government funds that would restrict its Christian message.
- Habitat's 2000 U.S. affiliates are largely responsible for raising their own house-building funds, but HFH International provides "programmatic support."
- HFH International provides start-up funding for international affiliates in developing countries where local resources are limited and the need for housing is great. But HFHI pushes international affiliates to become self-sufficient.

In FY 2001, HFHI realized total revenues of more than \$171.5 million dollars, up 4 percent from FY 2000. Only 13 percent of the group's income came from government programs. HFHI logged nearly \$164 million in expenses, about 20 percent more than in the previous year. The group divides expenses among five major categories: Support for U.S. affiliates (41%); support for international affiliates (26%); fundraising (22%); public awareness and education (7%); and management and general expenses (4%). HFHI's management expense declined from 5 percent to 4 percent between 2000 and 2001.

### Holding down costs

Habitat trims expenses by using volunteer labor and locally contributed materials. That means the group builds homes using everything from wood to dirt. For example, Martha Bachelor of Immokalee, FL lives in a single-story, cinderblock Habitat house. In Papua New Guinea, Kaisu Magia helped construct his family's stilt home from timber harvested from his own lot. And in rural Kenya, 19 families were thrilled in 2001 to move into homes that they and Habitat volunteers built with soil-pressed blocks on a concrete floor.

Mortgage repayment plans for families overseas are as varied

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as their building materials. International partner families repay the loans with in-kind currency that local Habitat affiliate can use to build homes for other families. For example, Margaret Kina moved into her Runyenjes, Kenya home in 1996. The 24-by-13-foot house, built of cement-plastered, mud-and-wattle walls, cost \$332 or 43 bags of cement to build. Kina's mortgage payment: \$5.65 or one bag of cement per month. The widowed mother of two, who earns money by braiding hair for women in a local market, paid off her mortgage in three years.

The average cost of a Habitat home in the U.S. is about \$46,642. Nancy Vance's California house cost about \$120,000, while the lot is worth about \$90,000. Purchased the conventional way, a 30- to 40-year-old, four-bedroom tract home in the area would cost between \$240,000 and \$270,000. Like every homeowner in the city, Nancy will pay property taxes to the City of Escondido—about \$2,600 per year.

She will pay it gladly. Every time she comes to her Habitat home site, she says, she is overwhelmed. "I've been crying every day just thinking of all these people who volunteer their own time to

help me when they could be doing something else." She is looking forward to the end of September when HFH San Diego will "bless" her home, handing over both the front door key and a Bible. "My friends say, 'Girl, you are so blessed, and I say, I know I'm blessed.'"

Habitat founder Millard Fuller feels blessed, too. As part of its public-awareness materials, Habitat publishes an 11-by-17 line-drawn Mercator map of the world. Blue and gray ink shades areas on the map where Habitat builds homes. Of earth's seven continents, four—North and South America, Australia and Europe—are almost completely colored in. Asia is about a third shaded, as is nearly half of Africa. There is no shading on the seventh continent, but...well, nobody lives in Antarctica. When Fuller looks at that Mercator map, and sees how the dream that began on a little Georgia farm has encircled the globe, he says he feels two things: blessing and excitement.

"I'm excited because I think what we're seeing is the unfolding of a social and religious movement in the world to end the shame and disgrace of poverty housing," Fuller said. "I feel blessed that I have been a part of a ministry that has taken such deep root in hearts of people all over the world. We're not only building houses—we're building hope."



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