



**May 4, 2010
FOR IMMEDIATE RELEASE**

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North Carolina Cities Risk Losing Critical Workers, Competitiveness if Traditional Middle-Income Neighborhoods and Reasonably Priced Housing Not a Priority

GREENSBORO, NC—North Carolina is a great place to live and work and has the *bona fides* to prove it. The state snagged first in *Site Selection magazine's* annual business climate rankings eight times in the past nine years, and six NC cities made *Forbes magazine's* 2009 “Best Places For Business and Careers” Top 20 list. In fact, almost every “best place” list includes at least one NC locality. However, the lack of a single factor, crucial to attracting and retaining a vital workforce, could threaten the state’s stellar economic status: Traditional middle-income neighborhoods and reasonably priced housing for critical workers.

Wages are not keeping pace with housing costs in some markets “pricing out” workers who are forced to move farther from their jobs to find homes they can reasonably afford. The trend shows no signs of abating. In North Carolina wages are expected to decrease for semi-skilled workers as lower-paying service jobs replace manufacturing jobs lost in disappearing industries. According to the NC Commission on Workforce Development, about half of the state’s new jobs will

be considered low-skilled jobs, which will pay only about 60 percent of the state's current average earnings. In other words, wages are declining and housing costs are rising, creating a dangerous housing affordability gap. If the state is to maintain a robust economy it is imperative our workforce finds homes they can reasonably afford.

“Our state is extremely attractive to businesses, and good businesses need to attract and retain good workers,” says John Newman, president of Homes4NC, a non-profit organization of the NC Association of REALTORS® that helps families with their housing needs, provides emergency disaster relief and supports educational programs. “In some markets, families and individuals are finding it harder to escape the higher-than-average cost of housing; it negatively affects the community, and employers find it increasingly difficult to find and retain quality workers. In Atlanta, 75 percent of city's employees cannot afford to live there. We certainly don't want that to happen here in NC.”

Newman explains, “People and families resort to a ‘drive until you qualify’ situation to own a decent home with quality schools, pushing them far away from the community they serve. If our communities are to thrive, we must find housing options within the community for working families and individuals.”

Home ownership for individuals who protect, provide for and serve our communities falls into the Workforce Housing category—jobs that pay 60% to 120% of area median income (AMI). *[See attached “*Workforce Housing Backgrounder*”].

Diane Greene, Director of Community Outreach for Homes4NC, agrees, “We have, and need, skilled critical workers in the community who provide the bulk of essential services: police, fire fighters, nurses, teachers, medical technicians, elder and home healthcare workers—our everyday, neighborhood heroes. People who often earn too much to qualify for most housing subsidies, but not

enough to afford a median-priced house or condo.” She adds, “Of course nearly every profession includes employees who fall into the Workforce Housing income range: public service, professional, scientific/technical services, health and social services, construction, retail, administrative support, finance, insurance services, and education.”

Newman says these workers tend to rent, but it is better for them and their community for them to own. “Research shows homeownership not only grounds workers in their community, but also improves the educational performance of children, expands median net wealth, induces higher participation in civic and volunteer activity, improves owner’s health, and lowers crime rates.”

Greene illustrates the problem: “The median home price in Asheville is around \$180,000, which requires an income of about \$53,731 to purchase. A licensed practical nurse (LPN) makes on average \$36,439 annually; a police patrol officer \$45,802; a fire fighter \$37,203, and an elementary school teacher \$46,351. None can afford the home. It’s the same in Raleigh and Wilmington. And those are averages; entry-level wages are even lower.”

Homes4NC, with the help of its parent organization, NC Association of REALTORS® and corporate partner, Bank of America, is aggressively working to meet the need by establishing pilot Workforce Housing programs in three NC cities: Asheville, Raleigh and Wilmington. The pilot program has three goals:

1. Providing a thorough education and training program for REALTORS® to achieve official certification as Workforce Housing Specialists, thus helping more families buy homes in their communities;
2. Educating and informing potential homebuyers through a REALTOR® network about financial programs, tools, and available housing options that can help address the problem of affordability in their communities;
3. Helping bring state, regional and city government, civic and business leaders, and employers’ attention to bear on the problem.

“REALTORS® are local,” says Newman. “They live in, know, and care about their communities. These three NC cities have a real need to retain the best teachers, police, nurses, EMTs, fire fighters and others who serve them. This trend, left unabated, can hamstring social, political and economic sustainability. No one wants that, so we must work together to solve the problem from all angles.”

Homes4NC is busy developing and unveiling a new comprehensive Web site in May, publically launching the pilot Workforce Housing program June 9 during the NC Association of REALTORS’® “Legislative Day” in Raleigh, and graduating the first class of Certified Workforce Housing Specialists. According to Newman, “We are confident by creating a solid foundation for our critical workers to own homes in the communities they serve, we can help each community build its own bright, vital, sustainable future.”

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For more information about this subject, or to arrange an interview please contact: Dale McGlothlin (202) 341-8615, dm@seachangeglobal.com

ABOUT HOMES4NC

Understanding that homeownership is the key to a better quality of life, NC REALTORS® established Homes4NC (a 501c3 public charity) to help more North Carolinians find a safe, decent and affordable place to call home. Since its inception in 2004, Homes4NC has distributed more than \$215,000 to 54 NC agencies that help families with their housing needs. Among other things, Homes4NC grants have helped build 20 Habitat for Humanity homes, provided down payment assistance to dozens of families and homebuyer education to 5,000 consumers. For more information, visit www.homes4nc.org.