

OBJECTIVE AND METHODOLOGY

The Economic Development Corporation of Sarasota County (EDC), on behalf of the Workforce Housing Coalition, is interested in learning about the impact of the current housing market as perceived by Sarasota County's workforce.

Market Insight was commissioned to design a self-administered survey that would be distributed internally to staff by area employers. Three major employers participated and included Sarasota Memorial Health Care System, PGT Industries and the Ritz-Carlton. Six thousand (6,000) surveys were provided by the EDC to these employers, which were then distributed to employees during the first two weeks of June, 2005. All returns were collected by July 7, 2005. A 20% return rate or 1,224 questionnaires were received. The returned surveys were processed, tabulated, analyzed, and reported by Market Insight in the sections that follow.

The table below shows the percentage of the total surveys that were returned from each employer.

TABLE A

| <u>Employer</u> | <u>Total</u> <u>(1,224)</u> |
|---|--|
| Sarasota Memorial Health Care System | 63% |
| PGT Industries | 31 |
| Ritz-Carlton | <u>5</u> |
| TOTAL | 100% |

Please note that the tables in the text may not add to 100% due to rounding or multiple responses.

A copy of the self-administered survey distributed to employees may be found in the Appendix.

KEY FINDINGS AND CONCLUSIONS

As stated, the objective of the research was to determine the perceived impact of the current housing situation in this area on Sarasota County's workforce. Employees expressed their perceptions and attitudes about the situation and the following issues surfaced, which could be considered serious since they were cited by such high percentages of employees.

Eight out of ten employees (79%) would expect problems buying a home today.

- This percentage is up to 92% among employees who said that they are likely to purchase in the next two years.
- One-half of all employees (50%) said that the biggest challenge facing them in purchasing is "Lack of housing that I can afford".
 - This challenge is widespread and current owners; employees classified as "Managers/Officials" and "Professionals"; employees in the upper income brackets (\$50,000 and over) expressed even higher percentages of agreement with this statement than did their counterparts who expressed concern with other challenges such as "Having the Money for a Down Payment" and "My Low Credit Score/Poor Credit History".

Nearly 60% of employees agreed with the statement that "I feel that I will never be able to purchase a home in Sarasota County".

- Three-quarters (76%) of renters expressed this belief.

And, almost **one-half of employees (46%)** indicated that “I am considering relocating to an area where I can afford to buy a home”.

- Two-thirds (65%) of renters and one-third (36%) of current home owners stated their agreement with this statement.
- Another two-thirds (64%) of those who said that they plan to purchase in the next two years are considering relocating in order to afford a home.
- Almost six out of ten employees in the 18-34 age group (57%) and with household incomes of “Under \$25,000” (58%) agreed with the statement.

The research also discovered several important issues with widespread relevance:

- Over one-third of employees stated a positive intent to purchase a home in this area within the next two years. This was even higher at 62% among current renters. Three-quarters (74%) of these employees who expressed an intent to purchase have an expectation of paying less than \$225,000 for their new home.
- The housing affects all demographic groups surveyed, regardless of age, income, position or current ownership status. It is most pronounced among the younger, less affluent, less skilled employees who are currently renting and have been in the area the shortest length of time and therefore apparently more transient.

Please refer to the sections that follow for more detailed information.

DETAILED FINDINGS

CURRENT WORKFORCE HOUSING

The first section of the survey addressed where the employee lives now. They were asked about the type of housing in which they currently live and whether they own or rent. The next two tables reflect their responses to these two questions.

“In what type of housing do you currently live?”

TABLE 1

| <u>Response</u> | <u>Total</u> |
|-----------------------------|---------------------|
| | (1,224) |
| Single-Family Home | 74% |
| Condominium/Town-home/Villa | 8 |
| Mobile Home | 2 |
| Apartment | 12 |
| Other | 3 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

“Do you own or rent where you currently live?”

TABLE 2

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,224) |
| Own | 68% |
| Rent | 25 |
| Live at Parent’s Home | 5 |
| Other | 2 |
| No Answer | <u>-</u> |
| TOTAL | 100% |

As shown in the previous tables, 74% of the respondents indicated that they live in a single-family home (TABLE 1) and of these 81% own where they are currently living. Approximately two-thirds of respondents who said that they either live in a condominium/townhome/villa (67%) or mobile home (64%) currently own it. All of the employees who responded that they live in an apartment are currently renting.

The data show that ownership increases as age and income increase, type of occupation also correlated with home-ownership.

- Among 18-34 year olds, 45% currently own their home, compared to 73% of respondents aged 35-54 and 84% of the 55 and over age group.
- One-third (33%) of the respondents who stated their annual household income as “Under \$25,000” currently own. This percentage increases to 56% of those in the “\$25,000-\$49,999” category and up to 82% of employees with household incomes of \$50,000 and over.
- Among “Managers/Officials” and “Professionals”, 79% said that they own where they currently live. This percentage decreases to 62% of employees who categorized their employment as either “Technician”, “Sales Worker”, “Clerical/Office Worker” or “Service Worker”. Only 51% who indicated that they are an “Operative”, “Laborer” or “Craft Worker” indicated ownership of where they currently live.

The next question asked: “**How long have you lived at your current address?**”

TABLE 3

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,224) |
| Less than 2 Years | 33% |
| 2-5 Years | 31 |
| 6-10 Years | 16 |
| Over 10 Years | 19 |
| No Answer | - |
| TOTAL | 100% |

The data indicate that almost two-thirds of the employees who participated in the research have lived at their current address less than five years, regardless of ownership status. Clearly, one-third of all employees have been at their current address less than two years. As age and income increase the length of time at the current residence also increases. Type of occupation showed a similar correlation with length of residency in their current location.

- Approximately one-quarter (28%) of the “Managers/Officials/Professionals” compared to one-third (34%) of the combined “Technician /Sales/Clerical/ Service Workers” and almost one-half (45%) of the “Operative/Laborer/Craft Worker” have lived at their current residence less than two years.
- Over one-half (53%) of the employees in the 18-34 group compared to about one-quarter in each of the two older age categories – 35-54 (28%) and 55 and over at 20% have lived at their current address less than two years.
- Similarly, just under one-half (45%) of those with annual household incomes of “Under \$25,000” and 39% with incomes of “\$25,000-\$49,999” compared to about one-quarter (27%) in the \$50,000 and over categories have lived at their current address less than two years.

Respondents were asked: “**What is the zip code of your current address?**”

TABLE 4

| <u>Response</u> | <u>Total</u> (1,224) |
|-----------------------------------|---------------------------------------|
| Sarasota (including Longboat Key) | 42% |
| Venice/Nokomis/North Port | 25 |
| Englewood/Charlotte County | 8 |
| Manatee County | 20 |
| Other (including out-of-state) | 1 |
| No Answer/Don't Know | <u>4</u> |
| TOTAL | 100% |

As indicated, 42% of the employees are in the north and central areas of Sarasota County, while 25% said that they live in the southern part of the county.

Another question that pertained to their current housing situation was: **“About how much is your monthly rent or mortgage payment for your current home?”**

TABLE 5

| <u>Response</u> | <u>Total</u> (1,224) |
|------------------------|---------------------------------------|
| Less than \$500 | 11% |
| \$500-\$999 | 48 |
| \$1,000 - \$1,499 | 29 |
| \$1,500 or More | 9 |
| None/Mortgage Paid | 1 |
| No Answer | <u>2</u> |
| TOTAL | 100% |

Fifty-nine percent (59%) of the respondents indicated that the monthly rent or mortgage payment for their current home is less than \$1,000. The percentage who said that they pay this amount was higher among those who rent at 79% compared to 50% of employees who currently own.

Not surprisingly, as annual household income increases so does the amount paid monthly for mortgage or rent. A similar comparison may be seen among the types of occupation.

- Over one-half (52%) of the respondents who reported an annual household income of \$50,000 or more said that they pay \$1,000 or more for monthly housing. This compares to less than 20% of those who stated an income of “Under \$25,000”.
- Conversely, almost three-quarters (73%) of employees who categorized their occupation as “Operative/Laborer/Craft Worker” have a monthly payment of less than \$1,000 compared to less than one-half (47%) of the employees in the “Managers/Officials/ Professionals” positions who pay this amount.

LIKELIHOOD OF PURCHASING IN NEXT TWO YEARS

All participants were asked their likelihood of purchasing as shown in the next question: **“During the next two years, how likely are you to apply for a mortgage and seriously consider buying a house or condo in this area as your primary residence?”**

TABLE 6

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,132) |
| Very Likely | 21% |
| Somewhat Likely | 15 |
| Unsure | 8 |
| Not Very Likely | 21 |
| Not At All Likely | <u>36</u> |
| TOTAL | 100% |

The “No Answers” have been deleted from the base and a mean rated calculated using a five-point scale with “1” as “Not At All Likely” to “5”, which is “Very Likely”. The overall mean rating is 2.6. The mean rating was higher at 3.6 among those who are currently renting, 62% of renters, and only 2.2 among employees who said that they currently own their residence (23%).

The stated likelihood of purchasing during the next two years was considerably higher among the younger, less affluent workforce who holds positions as “Operative/Laborer/Craft Worker”.

- The highest purchase intent (“Very/Somewhat Likely”) was stated by approximately one-half of the respondents in the 18-34 age group (54%) and in the “Under \$25,000” household income category (48%). Also, over one-half who said that they are “Operatives/Laborers/Craft Workers” (52%) indicated this high purchase intent.
- This contrasted to the purchase intent that decreased as age and income increased and as occupations reached higher levels (“Managers/ Officials/ Professionals”). Only 17% who were in the 55 and over age categories expressed a positive likelihood of purchasing in the next two years, and only 30% in the \$50,000 and over income categories and 30% in the “Managers/Officials/Professionals” stated a likely intent to purchase.

Respondents who expressed a likely intent to purchase in the next two years were asked: “What is the price range of the house or condo that you would seriously consider purchasing?”

TABLE 7

| <u>Response</u> | <u>% Likely to Buy</u> (405) |
|------------------------|---|
| Less than \$75,000 | 4% |
| \$75,000 - \$150,000 | 34 |
| \$150,001 - \$225,000 | 36 |
| \$225,001 - \$300,000 | 15 |
| \$300,001 - \$375,000 | 5 |
| \$375,001 - \$450,000 | 2 |
| \$450,001 - \$500,000 | 1 |
| Over \$500,000 | 2 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

This table shows that almost three-quarters (74%) of those who indicated that they were likely to buy in the next two years expect to pay less than \$225,000.

All respondents were asked: “If you wanted to buy a home today which would be the biggest challenge to you?”

TABLE 8

| <u>Response</u> | <u>Total</u> (1,224) | <u>% Likely to Buy</u> (405) |
|--|---------------------------------------|---|
| Having the Money for a Down Payment | 13% | 17% |
| My Low Credit Score/Poor Credit History | 9 | 17 |
| Availability of Housing in My Area | 5 | 9 |
| Lack of Housing That I Can Afford | 50 | 46 |
| All of the Above | 2 | 3 |
| None of These Apply/No Special Challenge | 16 | 8 |
| No Answer | <u>5</u> | <u>1</u> |
| TOTAL | 100% | 100% |

The preceding table reflects that almost eight out of ten (79%) of the employees surveyed anticipate that they would face a challenge in purchasing a home today. This percentage was even higher at 92% among those said that they were likely to purchase in the next two years.

As shown, about one-half of the employees, in total (50%), and of those likely to buy in the next two years (46%) said that the biggest challenge was “Lack of Housing that I Can Afford”. This challenge appeared to be more pronounced among; current owners (53%), employees in upper level positions “Managers/Officials/Professionals” (57%), and those in the upper income brackets (\$50,000 or more) since 55% of them gave this response. While still the major problem, other challenges faced by their counterparts (i.e., renters, employed in lower level occupations and with lower household incomes) as shown by high percentages in these groups who cited the first two statements listed on the previous page (i.e., “Having the Money for a Down Payment” and “My Low Credit Score/Poor Credit History”).

The respondents were asked to state their level of agreement/disagreement with each of five statements as follows: **“Please tell us how much you agree or disagree with each statement.”**

TABLE 9

| <u>Response</u> | <u>% Agree</u> |
|---|-----------------------|
| I feel that I will never be able to purchase a home in Sarasota County | 57% |
| I am considering relocating to an area where I can afford to buy a home | 46% |
| I am willing to get a smaller home than planned in order to be able to purchase in the next two years | 38% |
| I have no plans to buy a home in this area | 37% |
| I would pay more for housing to shorten my travel time to and from work | 31% |

The statements are ranked from the highest level of agreement among employees surveyed to the lowest and include those who said “Agree Completely” and “Agree Somewhat”.

As shown, the statement that received the highest percentage (57%) of agreement among employees who responded was: “I feel that I will never be able to purchase a home in Sarasota County”.

- Over three-quarters of those who indicated that they currently rent (76%) agreed with this statement. A slightly lower percentage of current owners (47%) expressed agreement as well.
- Almost two-thirds (63%) of respondents in the 18-34 age group agreed with the statement as did over three-quarters (77%) of employees in the “Under \$25,000” income bracket. Even among the highest income group (\$50,000 and over) 50% of employees agreed with this statement. Among the various occupation types, the highest level of agreement (66%) was among the “Technician /Sales/Clerical/ Service Workers”.
- Sixty-three percent (63%) of respondents who had earlier indicated an intent to purchase in this area during the next two years agreed with this statement.

The statement with the next highest level of agreement at 46% was: “I am considering relocating to an area where I can afford to buy a home”.

- As with the previous statement the highest level of agreement was among renters at 65% compared to one-third (36%) of owners.
- Over one-half of employees in the 18-34 age group (57%) and in the “Under \$25,000 income category (58%) expressed their agreement with this statement. While one-half of respondents who described their occupation as either “Technician /Sales/Clerical/ Service Workers” (49%) or “Operatives/Laborers/Craft Workers” (50%) also agreed.
- Sixty-four percent (64%) of those who stated a positive purchase intent (likely to purchase in this area during next two years) expressed agreement with the statement.

The statement with the next highest level of agreement was: “I am willing to get a smaller home than planned in order to be able to purchase in the next two years” expressed by 38% of employees who responded to this question.

- Sixty percent (60%) of renters versus 27% of owners expressed their agreement with this statement.
- Almost twice as many employees in the “Under \$25,000” (59%) income group as in the \$50,000 and over (30%) expressed agreement with this statement. The 18-34 year olds also had a higher percentage at 45% who agreed. Similar percentages were given by employees in the “Technician /Sales/Clerical/ Service Workers” (45%) and “Operatives/Laborers/Craft Workers” (44%).
- Slightly more than one-half (54%) of respondents who said that they were likely to purchase in the next two years agreed with this statement.

Thirty-seven percent (37%) of employees agreed with: “I have no plans to buy a home in this area”. Conversely, 63% disagreed with this statement which indicates that they may plan to purchase.

- Only one-third (33%) of renters compared to 39% of owners said that they do not have plans to purchase.
- Younger employees, in the 18-34 age group, and those in positions as “Operatives/Laborers/Craft Workers” were more likely to disagree with the statement, 70% and 74%, respectively. This would indicate their interest in purchasing a home in this area.

- Eighty-one percent (81%) of those who said that they were “Somewhat/Very Likely” to purchase disagreed with the listed statement.

Less than one-third (31%) of employees agreed with the statement: “I would pay more for housing to shorten my travel time to and from work”.

- Renters at 35% had a higher level of agreement with this statement than did current owners at 29%.
- Younger employees (18-34 years) had expressed a slightly higher level of agreement. The responses were similar among the income categories and occupation types.
- Forty percent (40%) of employees likely to purchase in the next two years agreed with this statement.

CURRENT WORKFORCE EMPLOYMENT

A section of the survey asked employees about where they currently work. They were specifically asked about their means of transportation, the length of their commute, their occupation type and basis of employment. The next four tables address these topics.

“What is the main method that you used to travel to and from work?”

TABLE 10

| <u>Response</u> | <u>Total</u> (1,224) |
|-------------------------------|---------------------------------------|
| I drive my personal vehicle | 95% |
| I am in a carpool | 1 |
| Someone takes and picks me up | 2 |
| I ride the bus | 1 |
| I walk or ride a bike | 1 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

As indicated in this table, 95% of employees drive their own vehicle to and from work. The percentages were higher among owners at 96% compared to renters (92%), and as both income increases and levels of employment positions so does the frequency of driving a personal vehicle.

“How long does it take you, one-way, to get to work?”

TABLE 11

| <u>Response</u> | <u>Total</u> (1,224) |
|------------------------|---------------------------------------|
| Less than 10 Minutes | 11% |
| 11-20 Minutes | 38 |
| 21-30 Minutes | 29 |
| 31-45 Minutes | 16 |
| Over 45 Minutes | 5 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

Almost one-half (49%) of employees said that it takes 20 minutes or less to get to their work place.

Approximately 50% of employees who said that they currently own their residence; are in positions such as “Managers/Officials/ Professionals”; and have incomes of \$50,000 or more commute more than 20 minutes each way to work. This sharply contrasts to 66% of employees who indicated that they are “Operatives/Laborers/Craft Workers” and commute this length of time. Over one-half of respondents (48%) in this latter group travel between 21-30 minutes each way to work.

Respondents were asked the zip code of the location where they work and the majority of employees work at their company’s main location and a few seemed to work at satellite facilities or a home office.

“What is your occupation type?”

TABLE 12

| <u>Response</u> | <u>Total</u> (1,224) |
|------------------------|---------------------------------------|
| Manager/Official | 8% |
| Professional | 36 |
| Technician | 13 |
| Sales Worker | 1 |
| Clerical/Office Worker | 19 |
| Service Worker | 4 |
| Operative | 1 |
| Laborer | 13 |
| Craft Worker | 1 |
| No Answer | <u>4</u> |
| TOTAL | 100% |

As shown, 44% of the employees classified themselves as either “Manager/Official” or “Professional”. Another 37% were in the combined category of “Technician /Sales/Clerical/ Service Workers”, while 14% described their occupation as “Operative/Laborer/Craft Worker”.

Slightly more than one-half (51%) of respondents who said that they own their current residence were in “Manager/Official/Professional” type occupations and almost two-thirds of those with stated incomes of \$50,000 or more were in these same classifications.

“Please circle the one response that indicates your basis of employment?”

TABLE 13

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,224) |
| Work Full-Time | 93% |
| Work Part-Time | 5 |
| Work on Contract Basis | 1 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

Over nine out of ten employees (93%) indicated that they “Work Full-Time”. Ninety-nine percent (99%) who said that they were in an “Operative/Laborer/Craft Worker” occupation indicated full-time employment compared to a slightly lower percentage (92%) in the “Manager/Official/Professional” type occupations.

DEMOGRAPHICS

Four demographic questions were asked and they are shown in the next tables.

“Are you a male or female?”

TABLE 14

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,224) |
| Male | 31% |
| Female | 68 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

“What is your age group?”

TABLE 15

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,224) |
| 18-24 Years | 6% |
| 25-34 Years | 19 |
| 35-44 Years | 27 |
| 45-54 Years | 29 |
| 55-64 Years | 17 |
| 65 or Over | 2 |
| No Answer | <u>1</u> |
| TOTAL | 100% |

“What is your current marital status?”

TABLE 16

| <u>Response</u> | <u>Total</u> |
|------------------------|---------------------|
| | (1,224) |
| Single | 25% |
| Married | 56 |
| Separated/Divorced | 15 |
| Widowed | 2 |
| No Answer | <u>2</u> |
| TOTAL | 100% |

“What is your total annual household income?”

TABLE 17

| <u>Response</u> | <u>Total</u> (1,224) |
|------------------------|---------------------------------------|
| Under \$25,000 | 11% |
| \$25,000-\$49,999 | 32 |
| \$50,000-\$74,999 | 29 |
| \$75,000-\$99,999 | 14 |
| \$100,000 or More | 10 |
| No Answer | <u>4</u> |
| TOTAL | 100% |

APPENDIX