Public Law 345, 84th Congress, approved August 11, 1955. Public Law 1020, 84th Congress, approved August 7, 1956. Public Law 87–70, approved June 30, 1961. Public Law 87–723, approved September 28, 1962. Public Law 88–340, approved June 30, 1964. Public Law 88–560, approved September 2, 1964. Public Law 89–117, approved August 10, 1965.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. Economic effects

The rural housing program is an effective means of renewing the countryside by replacing the scattered rural shacks and the clusters of dilapidated houses with adequate but modest homes. The program has a direct economic impact in the community and also a significant impact on the welfare of the family receiving the loan. The difference in the physical appearance of the grossly inadequate housing occupied by some families before they received rural housing loans and the modest new homes is dramatic. Even more significant is the effect of such an improvement on the living environment of the family itself. The pride of ownership, appreciation of the opportunity to raise their children in a home that offers modern conveniences and healthful living conditions, and increased participation in community affairs are conspicuously evident among families who receive rural housing loans.

The rural housing program can be an important force in stimulating the renewal of rural areas. Not only do individual families receiving loans benefit by having made available to them the means whereby they can acquire better housing, but the impact of an active housing construction program extends throughout the local area. Contractors, small businessmen, material suppliers, and building trades workers all benefit through increased business and employment opportunities. Since rural housing loans are made only to those applicants who cannot qualify for credit from other sources, most of the expenditures for housing probably would not be made if rural housing loan funds were not available.

Assuming an annual level of operation of $400 million, this would—

Provide 32,000 man-years of employment,

Require 600 million board-feet of lumber,

Provide a market for $80 million worth of plumbing, heating, and electrical materials and equipment,

Provide a market for $120 million for other construction items such as concrete, masonry, steel, millwork, plaster, and paint, and

Sales of $30 million in home furnishings.

Although the primary benefit of better housing will accrue to families who receive the loans, the secondary economic benefits of expenditures for housing material and labor can be significant and widespread. Since the rural housing program operates in areas where families are in low- and moderate-income levels, the propensity to save is low and the economic ripple effect of a million dollars will be substantial. Direct, on-the-job employment opportunities are made available to carpenters, bricklayers, plumbers, painters, and other construction workers. The workers generally live and spend their incomes in the