



GROUNDBREAK COALITION

SOCIAL RETURN ON INVESTMENT OF THE GROUNDBREAK HOMEOWNERSHIP INITIATIVE

JOSE Y. DIAZ, PH.D. / OCTOBER 20, 2025

Projected economic and social returns of
GroundBreak's work to expand homeownership
access for low wealth households across the
Twin Cities metro area

Social Return on Investment of the GroundBreak Homeownership Initiative

Jose Y. Diaz, Ph.D.

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Executive Summary

GroundBreak is a cross-sector coalition in Minneapolis–St. Paul mobilizing \$5.3 billion over 10 years to expand wealth through homeownership, entrepreneurship, and neighborhood development. The Homeownership Initiative will:

- **Impact:** Enable 11,000 households—primarily low-wealth and Black families—to buy homes they can afford but cannot currently finance.
- **Investment & Social Returns:** Total investment = \$283 million; Societal benefits = \$1.48 billion; SROI = 5.25:1.
- **Per Household Gains:** Each household gains = \$132,000 in lifetime benefits from higher income, children’s education gains, better health, and reduced child maltreatment.
- **Breakeven:** Reached at only 15–20% of the goal, showing low funding risk and high scalability.
- **Economic Ripple Effect:** Across all pillars, total investment projected to generate \$9–\$11 billion in statewide output and =78,000 job-years.
- **Broader Impact:** Narrowing the racial homeownership gap strengthens neighborhoods, improves safety, and builds intergenerational wealth.
- **Methods:** Analysis follows peer-reviewed and WSIPP-aligned SROI methods, using Minnesota data and a 3% discount rate.

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1 Introduction

GroundBreak is a pioneering, cross-sector coalition in the Minneapolis–St. Paul region focused on increasing wealth by mobilizing \$5.3 billion in blended capital over the next decade. By building a community-centered financial system, GroundBreak helps unlock capital for homeowners, entrepreneurs, and small-scale developers—fueling growth in local ownership, business activity, and neighborhood investment. With an intentional focus on building wealth, especially for Black households, GroundBreak aims to leverage customized financial tools and strong partnerships across the philanthropic, public, and private sectors to create 11,000 new homeowners, support 5,000 businesses that generate 8,000 jobs, and finance 60 neighborhood development projects. These efforts are expected to strengthen household financial stability, boost tax revenues, and reduce long-term public costs—delivering measurable returns for communities and the broader economy.

Over the next decade, GroundBreak expects to mobilize and investment nearly \$283 million in its homeownership efforts, enabling households—who are able to afford a home purchase, but otherwise would not qualify—to become homeowners. This investment is projected to yield \$1.5 billion in societal benefits, translating to a return of \$5.25 for every dollar invested.

1.1 Scope & Analysis

This report highlights the projected economic and social returns of GroundBreak’s work to expand homeownership access for low wealth households across the Twin Cities metro area. We estimate benefits at three levels: (1) Household benefits, (2) Government & other stakeholders (e.g., tax effects, fees), and (3) Society, which aggregates all gains and costs across households and government. We then report the SROI as total societal benefits divided by total costs.

The model monetizes three primary benefit areas: (i) increased adult income, (ii) improved children’s educational attainment and lifetime earnings, and (iii) adult health improvements. Additional effects (e.g., reduced crime, child maltreatment) are incorporated where evidence supports monetization. We show how component values roll up to the top line results in the benefits section.

2 Results

2.1 Returns on Investment of GroundBreak’s Homeownership Initiative

We estimate that GroundBreak’s Homeownership Initiative will deliver significant value to society, with average lifetime benefits of \$131,983 in income and health gains per household. These benefits are primarily driven by increased adult income, long-term gains for children through better academic achievement and mental well-being, and improved health outcomes.

Over the next decade, GroundBreak expects to mobilize an investment of nearly \$282 million in its homeownership efforts, enabling 11,000 households—who otherwise would not qualify—to

become homeowners. This investment is projected to yield \$1.5 billion in societal benefits, translating to a return of over \$5.25 for every dollar invested. These findings underscore that expanding access to homeownership is more than a pathway to individual wealth—it is a powerful public investment in economic opportunity, generational wealth building, health, and social equity.

Table 1: Social Returns of GroundBreak’s Homeownership Initiative

	Per Household	Society (Millions)
Benefits	\$131,983	\$1,484
Costs	\$17,986	\$283
Social Return on Investment (SROI)	\$7.34:1	\$5.25:1

At the individual level, every household reached by the Program would experience benefits from adult income gains: \$35,610; children’s lifetime earnings: \$35,919 per child; adult health: \$2,336; plus, other modeled effects totaling roughly \$131,983 lifetime benefits per household. Due to low-cost financing and subsidies, households would have a small additional relevant cost of only \$17,986, which when compared to the accrued benefits yields a private return of \$7.34 per dollar invested by the family.

GroundBreak’s SROI in Context

GroundBreak’s estimated SROI compares favorably with other evidence-based housing interventions, even accounting for differences in program design and target populations. The Washington State Institute for Public Policy (WSIPP) reports an average return of \$1.93 per \$1 invested in housing support programs without services. Similarly, the Constellation Fund reports benefit–cost ratios ranging from \$1:1 to \$10:1, depending on cost structure and provided services. GroundBreak’s SROI is unique and not directly comparable to these results; however, this results clearly demonstrate that investment in the initiative yields substantial economic and social value.

2.2 Overview of Benefits

Households are expected to gain significantly through increased adult income (\$35,610), improved educational outcomes for children (\$35,919 per child), enhanced health outcomes from reduced depression (\$2,336), and additional benefits from reduced child abuse and neglect (\$8,118). The government benefits primarily through increased tax revenues totaling \$7,468 and cost recovery via fees and payments to providers and partners (\$24,846), offset slightly by operational costs (\$857).

From the societal perspective—which aggregates all gains and costs—total benefits exceed the combined public and private investment. Notably all grant funds represent a direct transfer

Table 2: Estimated Benefits and Costs per Household

Source	Households	Government & Others	Society
Increased income, adults(Net of taxes)	\$35,610	—	\$35,610
Children’s lifetime income (per child)	\$35,919	—	\$35,919
Increased tax revenues (Federal & State)	—	\$7,468	\$7,468
Health gains, adults(avoided depression)	\$2,336	—	\$2,336
Avoided Child Abuse and Neglect leading to In-creased lifetime income and health, children	\$8,118	—	\$8,118
Grants (50% repayable at sale/transfer)*	\$50,000	-\$50,000	\$0
Fees and partner payments	—	\$24,846	\$24,846
GB Operational costs	—	\$857	\$857
Total (Illustrative)	\$131,983	\$-16,829	\$115,154

Benefits estimated over duration of outcomes (lifetime or number of years) and discounted at 3% over the timeframe.

*We assume that the property will be resold or transferred at some point in the future, allowing the owner sufficient time to build equity. Therefore, the full repayable amount is treated as cost-neutral in the benefit-cost analysis. Assumes partial repayment of grants upon property resale.

to households, neutral from a societal accounting standpoint. Overall, the initiative delivers strong returns to both individual families and the broader public sector.

The greatest share of benefits is associated with gains in adult income, totaling \$35,610 per household after taxes. Research shows that stable homeownership supports increased employment retention, access to higher-quality job markets, and improved long-term financial planning. Among low-and moderate-income households, sustained homeownership has been linked to an average 15% increase in annual income compared to renters (Grinstein-Weiss et al., 2013).

Children in homeowner households also experience improved academic outcomes, resulting in estimated lifetime income gains of \$35,919 per child. These estimates are based on Holupka and Newman’s (2012) findings that homeownership reduces dropout rates by 23%. Applying this effect to Minnesota-specific graduation data (Minnesota Compass, n.d.) and lifetime income differences between graduates and dropouts (U.S. Census Bureau, 2016), we estimate children in homeowner households are six percentage points more likely to graduate than their peers in rental housing.

Health-related benefits are also significant. For adults, the lifetime value of avoided depression is estimated at \$2,336 per household. Research shows that stable housing reduces stress and depressive symptoms, which in turn improve productivity and reduce public health expenditures (Rahman & Steeb, 2024).

Housing and Social Determinants of Health

Notably, extensive evidence on the social determinants of health demonstrates a strong link between housing stability, quality of life, and health outcomes. Secure, affordable, and high-quality housing contributes significantly to improved physical, mental, and social well-being. In other words, housing stability is closely tied to multiple dimensions of health, and programs that expand access to stable housing are expected to influence health through several interconnected pathways, as highlighted in the broader literature on housing and health (Swope & Hernández, 2019; Rolfe et al., 2020). Given the methodological limitations of the SROI model, our analysis shows only one direct dimension of health - mental health of adults; however, it is expected that as households achieve stable housing there will be other positive effects on the health of its members.

In addition, homeownership contributes to improved child well-being. Reduced rates of child abuse and neglect among homeowner families yield an estimated \$8,118 in combined lifetime income and health benefits per household.

Lastly, while not directly monetized in the table above yet included in the aggregate societal benefits and returns, GroundBreak's expansion of homeownership is expected to produce public safety benefits. If successful, the program could raise the region's homeownership rate by up to 1% over the next decade, particularly in historically disinvested neighborhoods. Research suggests that even modest gains in homeownership can reduce crime rates (Hipp & Yates, 2011). We estimate nearly \$32 million in societal benefits from avoided criminal justice system costs and reduced victimization, using crime cost data from Clay County Domestic Violence Court (2015) and the Minnesota Bureau of Criminal Apprehension (2023).

2.3 SROI Analysis and Broader Economic Impact

GroundBreak's SROI analysis of its homeownership initiative shows that the program delivers meaningful gains for families through higher income, education, and health, while also driving broader society benefits to taxpayers and other individuals. In a separate analysis, we show that the benefits of the initiative go beyond the direct impact on individuals' income and taxes; using RIMS II multipliers, we estimate that the \$5.3 billion investment is projected to generate \$9–\$11 billion in statewide output and sustain more than 78,000 job-years.

While both the economic impact (multiplier) analysis and the benefit-cost (SROI) analysis report positive outcomes, they measure distinct dimensions of value. The former captures statewide macroeconomic effects, whereas the latter reflects the program's effectiveness in improving individual and social well-being by monetizing individual-level outcomes. Although related, the two results should be interpreted independently and never aggregated to a single value.

3 Equity Impact

The Twin Cities’ racial homeownership gap reflects structural barriers—historic redlining, credit discrimination, and limited family wealth—rather than individual failings. These barriers often stem from systemic challenges or limited personal wealth among other causes. As a result, these households tend to accumulate assets more slowly across generations and are more likely to remain in lower income brackets compared to similar households with access to homeownership.

Moreover, the benefits of homeownership are not distributed evenly. Lower-income households that can purchase a home see gains nearly 24% greater than those experienced by the general population. This underscores the transformative role of stable housing in disrupting cycles of poverty, improving educational outcomes, and supporting better health. These findings suggest that an inclusive approach of homeownership support could be an effective approach to building wealth and closing racial economic gaps in the Twin Cities region.

GroundBreak’s homeownership strategy intentionally targets households that can afford ongoing mortgage payments but face front-end credit and wealth constraints that limit access to traditional financing. Addressing these barriers promotes a more just and efficient housing market.

Beyond individual household gains, narrowing the racial homeownership gap generates broader social returns—including stronger, safer, and more stable neighborhoods and intergenerational wealth accumulation.

4 Assumptions and Methodology

- Outcomes modeled on peer-reviewed evidence linking homeownership to increased income, improved health, and children’s academic gains.
- Asset appreciation or equity gains are excluded to avoid overlap with private financial benefits.
- All future benefits and costs are discounted to present value using a 3% discount rate.
- Minnesota-specific data used where available; national benchmarks applied when necessary.
- Costs are estimated using GroundBreak’s projected budget and fees and contribution’s structure. Some of these cost parameters are still preliminary and subject to change as the program is implemented.
- Main results assume that GroundBreak will achieve its 10-year target goals.

This methodology is aligned with best practices used by the Washington State Institute for Public Policy, the Robin Hood Foundation, Results First Minnesota, the Constellation Fund, and Wilder Research.

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