

by Mindy Ault | February 2016

An Annual Look at the Housing Affordability Challenges of America's Working Households

Millions of working households face big challenges in finding affordable housing, particularly in areas with strong economic growth. In 2014, more than 9.6 million low- and moderate-income working households were severely housing cost burdened. Severely cost burdened households are those that spend more than half of their income on housing costs. Overall, 15 percent of all U.S. households (17.6 million households) had a severe housing cost burden in 2014, with renters facing the biggest affordability challenges. In 2014, 24.2 percent of all renter households were severely burdened compared to 9.7 percent of all owner households. These percentages were even higher for working households, of whom 25.1 percent of renters and 16.2 percent of owners had a severe housing cost burden.

Housing costs continue to rise, particularly for working renters, who saw their median housing costs grow by more than six percent from 2011 to 2014. And for the first time since 2011, housing costs increased for working owner households as well, marking the end of a three-year downward trajectory. Additionally, more working households were renting their homes as opposed to buying—52.6 percent of working households were renters in 2014, up nearly two percentage points from 2011, when the share was 50.8 percent.

With more working households renting their homes, demand for rental housing continues to grow, pushing rents even higher in already high-cost rental markets. And although incomes are growing for many working households, this growth is not always sufficient to offset rising rents, meaning that working renter households are increasingly having to spend a higher proportion of their incomes on housing costs each month.

Housing Landscape summarizes the severe housing cost burdens of low- and moderate-income **working households**.¹ (See sidebar on page 2 for definition.) These households include full- and part-time workers who play important roles in the economy, and they face greater affordability challenges than the overall U.S. population. In 2014, 20.9 percent of all

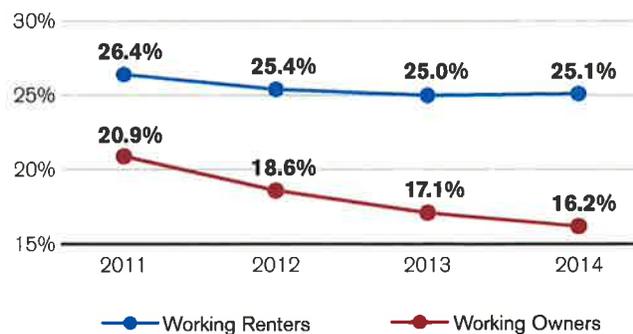
working households were severely housing cost burdened (9.6 million households). More than one in four working renters and 16 percent of working homeowners paid more than half of their income for housing costs in 2014.

The share of working households with a severe housing cost burden has dropped since 2011 due to declining home values in some areas, as well as recent modest increases in incomes over the three-year period. However, housing affordability remains a major issue for a large number of working people.

One in Four Working Renter Households Is Severely Housing Cost Burdened

The share of working homeowners with a severe housing cost burden continued to decline in 2014. As shown in Figure 1, the share of severely cost burdened working homeowners decreased by about 4.7 percentage points, from 20.9 percent in 2011 to 16.2 percent in 2014. For working renter households, affordability challenges increased slightly from 2013 to 2014. Though not statistically significant, the uptick in the share of severely cost burdened working renters was nonetheless the first in three years. In addition to the growing share of working

FIGURE 1. The Share of Severely Cost Burdened Working Households Declined for Owners but Rose Slightly for Renters
Percentage of Low- and Moderate-Income Working Households with a Severe Housing Cost Burden



renters with a severe housing cost burden, there has also been an upward trend in the share of working households who are renting rather than buying their homes. In 2011, 50.8 percent of all working households were renters; in 2014, that share grew to 52.6 percent. The fact that more working households are renting and a greater share of those households are severely cost burdened indicates a significant affordability crisis for many workers.

Housing Costs Are Rising for Both Renters and Owners

As shown in Figure 2, median household incomes rose for both working renters and owners between 2011 and 2014. For working homeowners, the increase in income, while slightly smaller than that for working renters, was accompanied by a 5.1 percent decline in median housing costs over the three-year period, although median housing costs for working owners actually increased from 2013 to 2014. This dual benefit resulted in the continued decline in the share of severely cost burdened working homeowners.

The median household income for working renters also increased between 2011 and 2014, rising by 9.3 percent. However, the median rent for working renter households rose by 6.3 percent over this three-year period. While incomes rose faster than rents for working renters nationally, in many metropolitan areas, median rents continue to climb faster than household incomes.

FIGURE 2. Incomes Rose Faster than Housing Costs for Working Households
Changes in Median Housing Costs and Household Income, 2011 to 2014

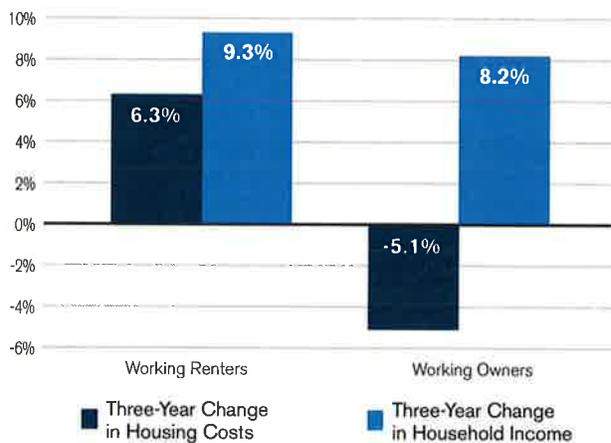


TABLE 1. Rents Continue to Rise and Homeownership Costs Increase for the First Time in Three Years
Median Monthly Housing Costs for Working Households

	2011	2012	2013	2014	One-Year Change	Two-Year Change	Three-Year Change
Working Renters	\$847	\$852	\$871	\$900	3.3%	5.6%	6.3%
Working Owners	\$1,024	\$994	\$962	\$972	1.0%	-2.2%	-5.1%

In this report, the term **working households** refers to households where members work a total of at least 20 hours a week on average and household income does not exceed 120 percent of the area median income (AMI).

The AMI level varies by metro area. In the Atlanta metro area for example, 120 percent of AMI is \$80,544. A typical HVAC mechanic and child care worker in Atlanta earn about 120 percent of AMI combined. In San Francisco, 120 percent of AMI is \$120,992 or about what the average elementary school teacher and machinist earn combined.²

In 2014, there were 46.1 million U.S. households that met this definition of working households, including 21.8 million homeowners and 24.2 million renters.

Nearly 30 percent of all U.S. owner households were working households with incomes below 120 percent of AMI. Working renters, who tend to have lower incomes than homeowners, represented 56 percent of all U.S. renter households.

As shown in Table 1, median housing costs for working renters rose by more than six percent from 2011 to 2014, while median costs for working owners fell by more than five percent over that same period. However, in 2014 housing costs for working homeowners increased for the first time in recent years. This reversal in the cost of homeownership suggests that it may be getting even harder for low- and moderate-income households to become homeowners.

The difference between the median housing costs for working renters and those for working owners continues to shrink. As shown in Table 1, the median monthly housing cost for working homeowners in 2011 was \$177 higher than the housing costs for working renters. By 2014, the difference was only \$72. This narrowing of the gap between the cost of renting and owning indicates that rent growth is accelerating.

As shown in Figure 3, from 2011 to 2014, the number of working renter households increased by seven percent, from 22.7 million to 24.2 million. While the overall number of working households increased by 3.4 percent from 2011 to 2014, the number of working owner households over the same period experienced some minor variance but settled at roughly the same number as in 2011.

Declining homeownership rates among working households is partly due to the lingering effects of the foreclosure crisis that pushed many working homeowners into the rental

market. Another contributing factor is the difficulty that many low- and moderate-income working households face in qualifying for a mortgage and saving enough money for a down payment. Additionally, as millennial workers start to form their own households, they are more likely to add to the number of low- to moderate-income renters as opposed to homeowners.³ As fewer working households become homeowners, the increase in demand for rental housing continues to push rents upward and exacerbates the rental affordability crisis.

FIGURE 3. Working Households Are Increasingly More Likely to Be Renters

Number of Working Renter and Owner Households

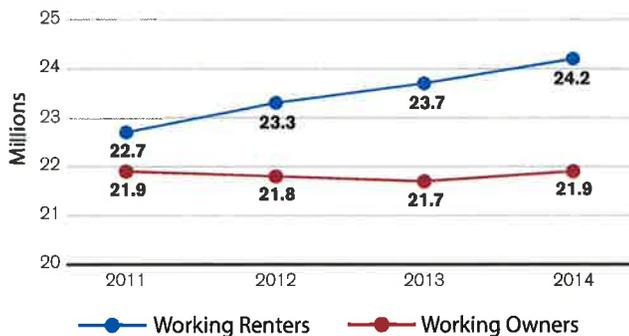
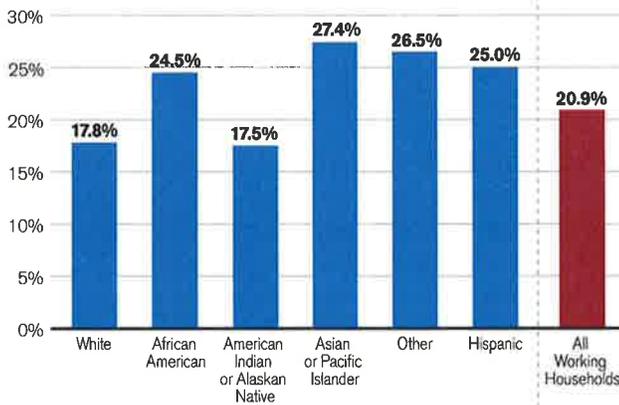


FIGURE 4. African-American, Hispanic, and Asian Working Households Face Higher Housing Cost Burdens than White Households

Percentage of Working Households with a Severe Housing Cost Burden by Race/Ethnicity⁴



Non-White Working Households are More Likely to be Severely Cost Burdened

The shares of African Americans, Asians and Pacific Islanders, and people of Hispanic ethnicity that are severely cost burdened tend to be higher than the shares of whites or American Indians and Alaskan Natives. As shown in Figure 4, this continued to be the case in 2014, though the share of working households with a severe housing cost burden decreased by a small margin between 2013 and 2014 for all groups but American Indian and Alaskan Native households. Many American Indian and Alaskan Native households reside on reservations, where housing

can be more affordable than elsewhere in the country, although housing conditions on reservations tend to be inadequate in comparison to housing in other areas.⁵

Despite having the highest median household income, Asian- and Pacific Islander-headed working households had the highest rate of severe housing cost burden. Many working Asian-headed households reside in areas where housing costs are very high. The highest concentrations of working Asian-headed households are in California (29.6 percent of all low- and moderate-income working Asian households), New York (10.7 percent), and Hawaii (4.0 percent)—all states where overall rates of severe housing cost burden for working households are markedly higher than for the United States overall. By contrast, low- and moderate-income working households headed by African American and Hispanic workers have lower median household incomes (\$33,681 and \$36,303, respectively) than their white and Asian counterparts (\$41,023 and \$45,379, respectively).

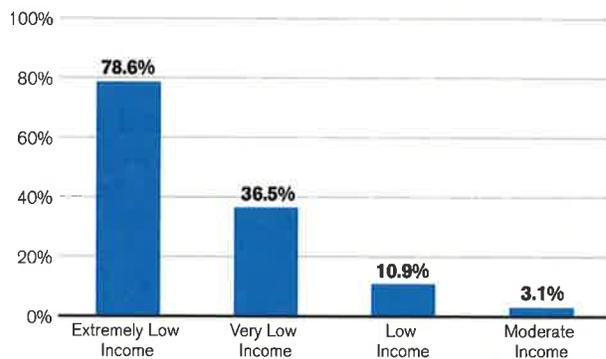
The Lowest Income Households Face the Greatest Housing Cost Burdens

More than one out of five low- and moderate-income working households were paying over half their income for housing costs in 2014; however, this rate is substantially higher for those earning the lowest wages. As is shown in Figure 5, nearly four out of five extremely low-income households—those earning 30 percent or less of the area median income—were severely cost burdened in 2014. A full-time worker earning the federal minimum wage earns about \$15,000 a year. These workers would be classified as extremely low income in about 22 percent of U.S. metros if they were supporting only themselves. In four-person households, this income would be considered extremely low in about 92 percent of U.S. metros. In most metro areas, a minimum wage worker cannot afford to rent the typical one-bedroom apartment.⁶ Some areas have increased the local minimum wage above the federal level. For example, in 2014 Seattle approved a \$15 per hour minimum wage, to be phased in over three years for employers with more than 500 workers that do not provide health insurance.⁷ However, even at this higher income level, fast-rising rents mean that a minimum wage worker is still not able to afford a typical one-bedroom apartment in the Seattle metro area. Many minimum wage earners are adults supporting households. In 2014, more than 51 percent of workers earning wages at or below the federal minimum wage of \$7.25 per hour were adults over age 25.⁸

Federal housing assistance can alleviate the cost burden of extremely low- and very low-income households because they (generally) cap a household's rent payments at 30 percent of monthly household income. However, the need for housing assistance far exceeds the programs' current reach. Only about one in four households eligible for federal housing assistance

receives it.⁹ The high proportion of extremely low-income households with a severe housing cost burden, shown in Figure 5, includes households not receiving a housing subsidy. This underscores the need for these subsidies for the large numbers of households that face an extraordinary struggle in finding affordable housing and are without assistance.

FIGURE 5. Nearly Four out of Five Extremely Low-Income Households Have Severe Housing Cost Burdens
Percentage of Working Households with a Severe Housing Cost Burden by Income, 2014



Household Income Levels

Extremely Low-Income: 30 percent of AMI or less
Very Low-Income: 31-50 percent of AMI
Low-Income: 51-80 percent of AMI
Moderate-Income: 81-120 percent of AMI

Affordability Challenges Are Greatest on the Coasts and in Areas with Strong Economic Growth

Most of the metros with the highest proportions of severely housing cost burdened working households are located in coastal states, where housing costs tend to be higher. By contrast, some states where affordability challenges are generally moderate overall contain metros characterized by a large share of severely cost burdened households. In New Orleans and Memphis, for example, about a quarter of all working households are severely cost burdened, although the shares of severely cost burdened working households in Louisiana and Tennessee are below the national rate.

Overall, the share of households facing severe housing cost burdens declined in 48 of the 50 largest metro areas and in 46 states between 2011 and 2014 (see Appendices A and B). The most dramatic declines in the share of severely cost burdened working households from 2011 to 2014 were seen in the state of Nevada (a decline of 8.1 percentage points), and particularly in the Las Vegas metro area (9.5 percentage points), where the median household income increased by more than seven percent, but more notably, median homeownership costs fell by nearly 19 percent. Nevada—the Las Vegas metro area in particular—has had one of the highest rates of underwater mortgages in the nation for the past four years, and although homes in the area have regained some value since the worst of the housing market collapse, the market there is still far from a full recovery.¹⁰

Policy Implications

Significant housing affordability challenges remain for large numbers of working households, particularly renters. In some places—primarily large metro areas experiencing strong economic growth like San Francisco, New York, and Boston—housing affordability is a much more urgent issue than in other places, where there may be a greater stock of rental properties available at affordable rents. Rising rents make it increasingly difficult for working renters to save enough money for a down payment on a home. Further, the increasing demand for rental housing puts upward pressure on market rents. While rental construction has ramped up in many areas across the country, a large proportion of it targets the high end of the rental market.¹¹

Federal policies such as Low Income Housing Tax Credits (LIHTC), the HOME Investment Partnerships Program, and the Community Development Block Grant (CDBG) program are critical for helping to address the need for more affordable rental options for lower-income working families. Tax credits provide a valuable incentive to developers for building affordable units,

while federal HOME and CDBG funds provide a means for local jurisdictions to create or preserve affordable properties and provide direct rental assistance to low-income households. At the state and local levels, tax and zoning policies, along with land use rules, can provide incentives, reduce costs, and help to bring about conditions favorable to creating and preserving affordable rental housing, particularly in areas where affordable options are in very limited supply.

Creating a greater supply of affordable rental units is only half of the equation, however. In addition, there is a strong need to help working households to better afford their housing. Rental housing help from the U.S. Department of Housing and Urban Development (HUD) comes in many forms, including Housing Choice Vouchers, property-based Section 8 rental assistance, HOME funds, and the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, which combines the Housing Choice Voucher program for homeless veterans with case management and clinical services through the Department of Veterans Affairs. HUD also provides homeownership help through HOME, CDBG, and other means. In rural areas, the Department of Agriculture administers the

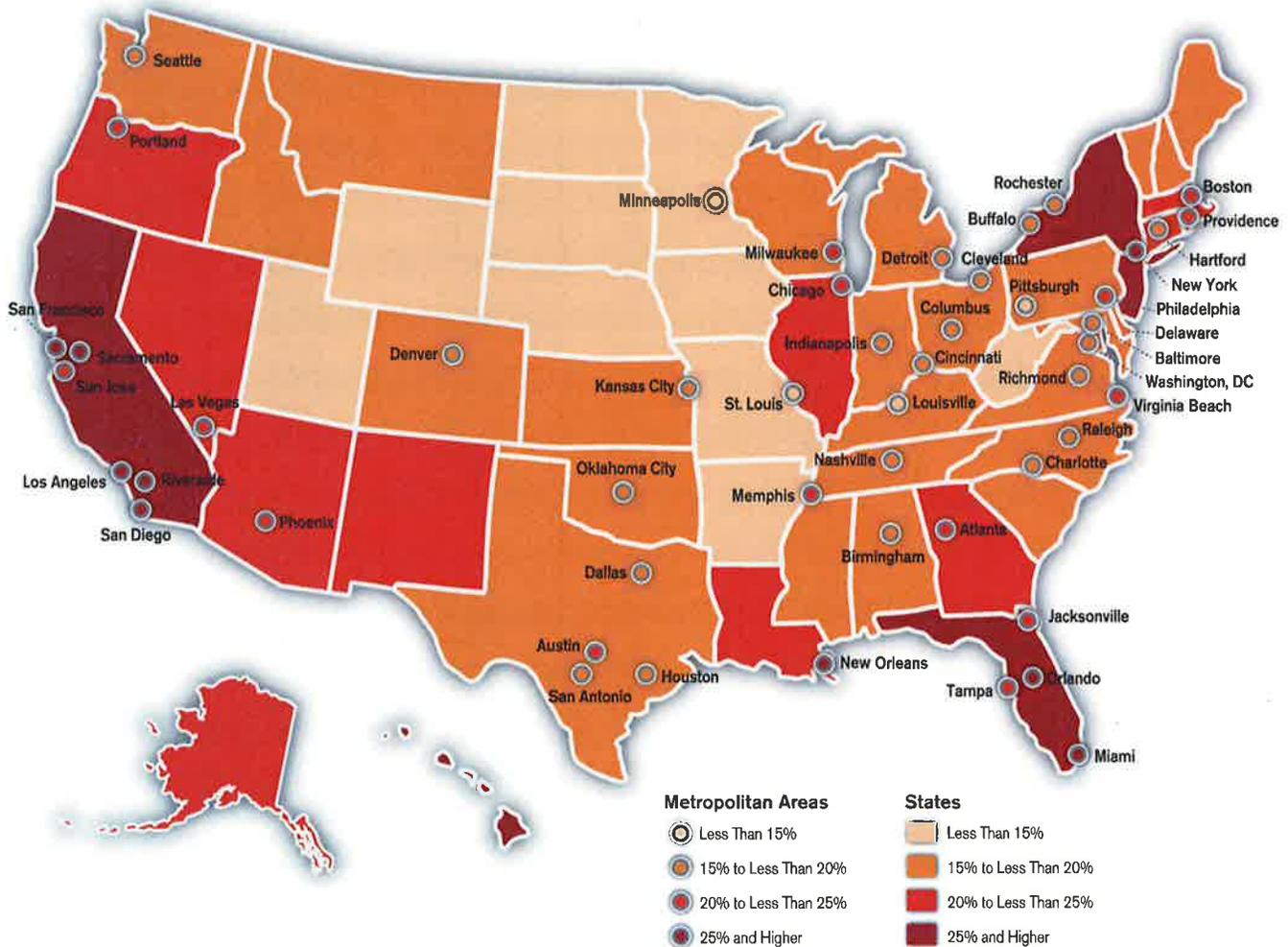
Rental Assistance Program as well as homeownership programs. These programs are essential in helping working people whose wages are not sufficient for meeting the cost of adequate housing. Timely rental assistance can ensure households are able to afford essentials like food and health care, and for some, it can prevent homelessness.

Finally, policies that address the importance of place are vital to ensuring that families have access to opportunity, including good schools, transportation, and employment. HUD's rule on Affirmatively Furthering Fair Housing, announced this past July, guides communities to assess and address patterns of segregation, racially concentrated areas of poverty, disparities in access to opportunity, and disproportionate housing needs.¹² Policies addressing the importance of place are key, particularly where families are confronted with the enduring effects of segregation. Metro-level data on affordability can obscure these effects because they do not account for neighborhood quality—many neighborhoods that appear affordable lack access to transit, employment, good schools, and other forms of opportunity. Metro areas with strong economies and housing opportunity also have pockets of poverty and distress.

One example of a place-based approach is the Choice Neighborhoods Program, administered by HUD, which grants funds to local entities working to improve conditions in struggling neighborhoods, in part by leveraging the housing production resources mentioned above. Another is the Rental Assistance Demonstration, which is financing the redevelopment of public housing into mixed-income communities. Approaches like these complement mobility programs like Housing Choice Vouchers, as relocation is not necessarily the right option for every family in every instance, nor is it feasible as a sole solution to concentrated poverty.

Although they are crucial for those receiving help, existing programs currently lack sufficient resources to meet the need for affordable housing and stable neighborhoods. Affordability issues create struggles on a day-to-day basis and limit a household's ability to build wealth. In order to build wealth, working families need both affordable rental housing and better access to efficient forms of credit—i.e., federally backed mortgage loans as opposed to higher-interest subprime loans—and down payment assistance programs that can help them overcome current barriers to homeownership.

FIGURE 6. In Many of the Nation's Largest Metro Areas, More than a Quarter of Working Households Are Severely Housing Cost Burdened
Share of Working Households with a Severe Housing Cost Burden, 2014



STATE	2014 WORKING HOUSEHOLDS		% WITH SEVERE HOUSING COST BURDEN		SIGNIFICANT DIFFERENCE	
	Total	With Severe Housing Cost Burden	2011	2014	2011-14	
Alabama	664,125	121,759	19.1%	18.3%	-0.7	
Alaska	106,013	22,030	15.5%	20.8%	5.3	*
Arizona	888,351	186,536	25.1%	21.0%	-4.1	*
Arkansas	411,932	58,821	18.5%	14.3%	-4.2	*
California	5,064,535	1,541,437	33.8%	30.4%	-3.4	*
Colorado	896,484	166,848	22.7%	18.6%	-4.1	*
Connecticut	548,432	113,398	24.1%	20.7%	-3.5	*
Delaware	138,065	24,538	21.2%	17.8%	-3.4	
District of Columbia	118,482	29,295	23.8%	24.7%	1.0	
Florida	2,593,925	697,728	32.4%	26.9%	-5.5	*
Georgia	1,432,101	306,099	25.6%	21.4%	-4.2	*
Hawaii	192,227	56,987	30.5%	29.6%	-0.8	
Idaho	237,678	36,977	20.3%	15.6%	-4.7	*
Illinois	1,900,155	391,910	24.8%	20.6%	-4.1	*
Indiana	1,022,337	155,719	17.9%	15.2%	-2.7	*
Iowa	525,032	65,464	13.4%	12.5%	-0.9	
Kansas	463,517	73,296	16.1%	15.8%	-0.2	
Kentucky	630,760	100,567	17.4%	15.9%	-1.4	
Louisiana	642,913	129,562	22.4%	20.2%	-2.2	*
Maine	202,499	34,651	20.6%	17.1%	-3.5	*
Maryland	951,167	180,510	22.4%	19.0%	-3.5	*
Massachusetts	990,475	211,236	23.8%	21.3%	-2.5	*
Michigan	1,394,851	257,848	21.9%	18.5%	-3.4	*
Minnesota	929,655	125,983	16.9%	13.6%	-3.3	*
Mississippi	369,202	71,282	22.7%	19.3%	-3.4	*
Missouri	933,979	134,403	18.0%	14.4%	-3.6	*
Montana	172,169	29,292	17.0%	17.0%	0.0	
Nebraska	330,660	40,318	14.3%	12.2%	-2.1	*
Nevada	407,298	84,302	28.8%	20.7%	-8.1	*
New Hampshire	227,428	36,488	18.3%	16.0%	-2.2	
New Jersey	1,157,756	341,592	31.8%	29.5%	-2.3	*
New Mexico	262,605	53,844	22.9%	20.5%	-2.4	
New York	2,808,643	795,895	30.0%	28.3%	-1.7	*
North Carolina	1,482,503	279,224	20.9%	18.8%	-2.0	*
North Dakota	141,113	18,028	12.0%	12.8%	0.8	
Ohio	1,758,084	289,659	19.1%	16.5%	-2.6	*
Oklahoma	566,082	89,158	16.8%	15.8%	-1.0	
Oregon	587,737	127,813	26.4%	21.7%	-4.7	*
Pennsylvania	1,898,022	314,643	18.1%	16.6%	-1.5	*
Rhode Island	156,122	35,366	25.4%	22.7%	-2.8	
South Carolina	685,518	124,253	21.5%	18.1%	-3.3	*
South Dakota	140,576	13,417	8.7%	9.5%	0.9	
Tennessee	959,408	183,796	20.0%	19.2%	-0.8	
Texas	3,959,615	759,425	20.8%	19.2%	-1.7	*
Utah	433,510	58,984	19.9%	13.6%	-6.3	*
Vermont	103,249	17,254	18.9%	16.7%	-2.2	
Virginia	1,259,471	237,641	20.8%	18.9%	-1.9	*
Washington	1,080,871	199,810	21.5%	18.5%	-3.0	*
West Virginia	229,030	26,421	16.8%	11.5%	-5.3	*
Wisconsin	947,630	151,830	19.1%	16.0%	-3.1	*
Wyoming	103,956	14,031	14.1%	13.5%	-0.6	
United States	46,106,948	9,617,368	23.7%	20.9%	-2.8	*

*Where estimate of the change in the percentage of working households with a severe housing cost burden is deemed significantly different from zero (at the 90% confidence level).

Source: National Housing Conference tabulations of American Community Survey PUMS files.

METROPOLITAN STATISTICAL AREA	2014 WORKING HOUSEHOLDS		% WITH SEVERE HOUSING COST BURDEN		SIGNIFICANT DIFFERENCE	
	Total	With Severe Housing Cost Burden	2011	2014	2011-14	
Atlanta-Sandy Springs-Roswell, GA	833,075	185,095	27.4%	22.2%	-5.2	*
Austin-Round Rock, TX	347,577	71,983	23.7%	20.7%	-3.0	*
Baltimore-Columbia-Towson, MD	426,658	80,784	23.2%	18.9%	-4.2	*
Birmingham-Hoover, AL	155,017	27,397	18.7%	17.7%	-1.0	
Boston-Cambridge-Newton, MA-NH	739,610	158,275	23.9%	21.4%	-2.5	*
Buffalo-Cheektowaga-Niagara Falls, NY	170,918	27,858	18.7%	16.3%	-2.4	
Charlotte-Concord-Gastonia, NC-SC	374,667	65,326	23.3%	17.4%	-5.9	*
Chicago-Naperville-Elgin, IL-IN-WI	1,388,832	321,616	27.7%	23.2%	-4.5	*
Cincinnati, OH-KY-IN	332,467	55,798	17.8%	16.8%	-1.0	
Cleveland-Elyria, OH	320,378	59,943	20.9%	18.7%	-2.2	
Columbus, OH	311,212	49,561	19.1%	15.9%	-3.1	*
Dallas-Fort Worth-Arlington, TX	1,065,891	207,501	20.5%	19.5%	-1.0	
Denver-Aurora-Lakewood, CO	482,103	85,723	22.0%	17.8%	-4.2	*
Detroit-Warren-Dearborn, MI	585,962	107,130	23.9%	18.3%	-5.6	*
Hartford-West Hartford-East Hartford, CT	185,498	36,413	20.3%	19.6%	-0.7	
Houston-The Woodlands-Sugar Land, TX	980,116	187,241	22.3%	19.1%	-3.2	*
Indianapolis-Carmel-Anderson, IN	314,871	55,358	19.6%	17.6%	-2.0	
Jacksonville, FL	202,402	45,164	26.2%	22.3%	-3.9	*
Kansas City, MO-KS	348,757	54,638	18.5%	15.7%	-2.9	*
Las Vegas-Henderson-Paradise, NV	291,541	62,850	31.1%	21.6%	-9.5	*
Los Angeles-Long Beach-Anaheim, CA	1,728,645	629,568	39.0%	36.4%	-2.6	*
Louisville/Jefferson County, KY-IN	190,616	26,501	17.4%	13.9%	-3.5	*
Memphis, TN-MS-AR	172,498	42,315	25.8%	24.5%	-1.3	
Miami-Fort Lauderdale-West Palm Beach, FL	767,095	274,813	41.2%	35.8%	-5.4	*
Milwaukee-Waukesha-West Allis, WI	255,645	52,878	23.2%	20.7%	-2.5	
Minneapolis-St. Paul-Bloomington, MN-WI	609,895	89,274	17.3%	14.6%	-2.7	*
Nashville-Davidson--Murfreesboro--Franklin, TN	318,896	60,589	19.3%	19.0%	-0.3	
New Orleans-Metairie, LA	183,154	47,175	28.8%	25.8%	-3.0	
New York-Newark-Jersey City, NY-NJ-PA	2,739,859	908,069	35.1%	33.1%	-1.9	*
Oklahoma City, OK	221,438	36,996	19.8%	16.7%	-3.1	*
Orlando-Kissimmee-Sanford, FL	311,429	89,967	34.5%	28.9%	-5.6	*
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	896,244	181,017	21.7%	20.2%	-1.5	
Phoenix-Mesa-Scottsdale, AZ	611,896	123,385	25.0%	20.2%	-4.8	*
Pittsburgh, PA	355,828	47,604	14.4%	13.4%	-1.1	
Portland-Vancouver-Hillsboro, OR-WA	379,870	78,444	24.3%	20.7%	-3.7	*
Providence-Warwick, RI-MA	232,967	51,247	24.8%	22.0%	-2.8	
Raleigh, NC	216,660	37,958	17.5%	17.5%	0.1	
Richmond, VA	200,850	36,819	20.0%	18.3%	-1.6	
Riverside-San Bernardino-Ontario, CA	518,288	155,915	33.0%	30.1%	-3.0	*
Rochester, NY	162,549	27,327	20.1%	16.8%	-3.3	
Sacramento--Roseville--Arden-Arcade, CA	309,563	81,069	28.8%	26.2%	-2.6	
San Antonio-New Braunfels, TX	315,435	62,233	19.3%	19.7%	0.5	
San Diego-Carlsbad, CA	440,758	132,061	34.2%	30.0%	-4.2	*
San Francisco-Oakland-Hayward, CA	673,384	168,544	30.5%	25.0%	-5.4	*
San Jose-Sunnyvale-Santa Clara, CA	265,377	63,551	27.3%	23.9%	-3.4	*
Seattle-Tacoma-Bellevue, WA	604,975	111,702	23.1%	18.5%	-4.6	*
St. Louis, MO-IL	444,777	61,654	19.6%	13.9%	-5.8	*
Tampa-St. Petersburg-Clearwater, FL	400,097	88,261	28.5%	22.1%	-6.4	*
Virginia Beach-Norfolk-Newport News, VA-NC	258,766	54,927	25.2%	21.2%	-4.0	*
Washington-Arlington-Alexandria, DC-VA-MD-WV	957,427	188,133	20.8%	19.6%	-1.1	
Total	25,602,433	5,955,650	26.5%	23.3%	-3.2	*

*Where estimate of the change in the percentage of working households with a severe housing cost burden is deemed significantly different from zero (at the 90% confidence level).

Source: National Housing Conference tabulations of American Community Survey PUMS files.



Formed in 1931, the nonprofit National Housing Conference is dedicated to helping ensure safe, decent and affordable housing for all in America. As the research division of NHC, the Center for Housing Policy specializes in solutions through research, working to broaden understanding of America's affordable housing challenges and examine the impact of policies and programs developed to address these needs. Through evidence-based advocacy for the continuum of housing, NHC develops ideas, resources and policy solutions to shape an improved housing landscape.



Acknowledgements

The author wishes to thank Lisa Sturtevant and Ethan Handelman for their editorial assistance, as well as Keith Wardrip for refining and documenting the methodology on which this report is based.

HOUSING LANDSCAPE 2016

The Housing Landscape series uses the most current information available to understand the relationship between housing costs and incomes for working households in the United States.

**Center for Housing Policy,
a division of the
National Housing Conference**

1900 M Street, NW
Suite 200
Washington, DC 20036
Phone: (202) 466-2121
Fax: (202) 466-2122
Email: info@nhc.org
Website: www.nhc.org

Methodology

This report is based on National Housing Conference tabulations of the American Community Survey (ACS) data collected by the U.S. Census Bureau in 2011, 2012, 2013, and 2014. The tabulations were generated using Public Use Microdata Sample (PUMS) population and housing files made publicly available by the Census Bureau.

A complete description of the report's methodology is available online at www.nhc.org.

Endnotes

¹Data are from the U.S. Census Bureau's American Community Survey 2014 1-year Public Use Microdata Sample.

²Viveiros, Janet, Mindy Ault, and Lisa Sturtevant. *Paycheck to Paycheck: A Snapshot of Housing Affordability for Millennial Workers*. 2015. Washington, DC: National Housing Conference.

³*Paycheck to Paycheck*, 2015.

⁴For the purpose of this analysis, households self-identified as Hispanic are counted exclusively in the Hispanic category and not included in any of the other race categories. The "Other" category includes individuals self-identified as "some other race" or "two or more races."

⁵Housing Assistance Council. *Housing on Native American Lands: HAC Rural Research Report*. 2013. Washington, DC: Housing Assistance Council.

⁶Fair market rent data are from the U.S. Department of Housing and Urban Development.

⁷Johnson, Kirk. "Seattle Approves \$15 Minimum Wage, Setting a New Standard for Big Cities." *The New York Times*, June 2, 2014. Retrieved 1/14/16 from http://www.nytimes.com/2014/06/03/us/seattle-approves-15-minimum-wage-setting-a-new-standard-for-big-cities.html?_r=0.

⁸U.S. Bureau of Labor Statistics. *Characteristics of Minimum Wage Workers, 2014*. April, 2015. Retrieved 1/8/16 from <http://www.bls.gov/opub/reports/cps/characteristics-of-minimum-wage-workers-2014.pdf>.

⁹Congressional Budget Office. *Federal Housing Assistance for Low-Income Households*. September, 2015. Retrieved 1/15/16 from <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/50782-LowIncomeHousing-OneColumn.pdf>.

¹⁰Segall, Eli. Q+A: Zillow economist explains why L.V. housing market hasn't fully rebounded. Vegas Inc, January 7, 2016. Retrieved 1/15/16 from http://vegasinc.com/business/real-estate/2016/jan/07/qa-zillow-economist-explains-why-las-vegas-housing/?_ga=1.167338366.1367235760.1453140303.

¹¹Lew, Irene. Surge in New Rental Construction Fails to Meet Need for Low-Cost Housing. JCHS Housing Perspective: *Research, trends, and perspective from The Harvard Joint Center for Housing Studies*, January 12, 2016. Retrieved 1/15/16 from <http://housingperspectives.blogspot.com/2016/01/surge-in-new-rental-construction-fails.html>.

¹²U.S. Department of Housing and Urban Development. Affirmatively Furthering Fair Housing (AFFH) Final Rule. *HUD Exchange*. Undated. Retrieved 1/15/16 from <https://www.hudexchange.info/programs/affh/>.