Using Housing Data in Federal, State, and Local Advocacy

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Out of Reach
Highlighting the Mismatch Between Wages and What’s Needed to Afford Housing
Out of Reach: Overview

Estimates the housing wage, or how much a worker must make in order to afford a 1-BR and 2-BR home at Fair Market Rent.

- Data available for every state, county, and metropolitan area.
- Released annually in late summer.
- Illustrates the disparity between what renters can afford and housing costs.

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How much does a full-time worker need to earn to afford rent and utilities at fair market rent (FMR)?

- The national Housing Wage for a two-bedroom apartment at fair market rent is $25.82 per hour.
- The national Housing Wage for a one-bedroom apartment at fair market rent is $21.25 per hour.

Nowhere in the United States do minimum wage full-time workers earn enough to afford a decent two-bedroom apartment at FMR.
HOURS AT MINIMUM WAGE NEEDED TO AFFORD A ONE-BEDROOM RENTAL HOME AT FAIR MARKET RENT IN 2022

*Note: New England states are displayed with HUD Fair Market Rent Areas. All other states are displayed at the county level. This map does not account for sub-county jurisdictions with minimum wages higher than the prevailing county, state, or federal minimum wage. No local minimum wages are sufficient to afford a one-bedroom rental home at the Fair Market Rent with a 40 hour work week. The geographic variation of Oregon and New York’s state minimum wages are reflected at the county level.
Housing Costs Are Not Keeping Pace with Wages

RENTS ARE OUT OF REACH

- Rent Affordable to Individual Relying on SSI: $252
- Rent Affordable to Household with One Full-Time Worker Earning Federal Minimum Wage: $377
- Rent Affordable to Individual with Average Unemployment Insurance Benefit: $529
- Rent Affordable to Family of Four with Income at Poverty Level: $694
- 2022 One-Bedroom Fair Market Rent: $1,105
- 2022 Two-Bedroom Fair Market Rent: $1,342

Source: NLIHC calculation of weighted-average HUD Fair Market Rent. Affordable rents based on income and benefits data from BLS QCEW, 2020 adjusted to 2022 dollars; U.S. Department of Labor, Employment and Training Administration, March 2022; and Social Security Administration, 2022 maximum federal SSI benefit for individual.
Wages for Many Occupations Remain Insufficient to Afford Housing

ELEVEN OF THE TWENTY-FIVE LARGEST OCCUPATIONS IN THE UNITED STATES PAY LESS THAN THE HOUSING WAGE

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two-Bedroom Housing Wage</td>
<td>$25.82</td>
</tr>
<tr>
<td>One-Bedroom Housing Wage</td>
<td>$21.25</td>
</tr>
<tr>
<td>Secretaries and Administrative Assistants</td>
<td>$20.19</td>
</tr>
<tr>
<td>Financial Clerks</td>
<td>$19.75</td>
</tr>
<tr>
<td>Other Production Occupations</td>
<td>$19.18</td>
</tr>
<tr>
<td>Other Office and Administrative Support Workers</td>
<td>$18.92</td>
</tr>
<tr>
<td>Information and Record Clerks</td>
<td>$18.71</td>
</tr>
<tr>
<td>Material Moving Workers</td>
<td>$15.78</td>
</tr>
<tr>
<td>Building Cleaning and Pest Control Workers</td>
<td>$15.08</td>
</tr>
<tr>
<td>Home Health and Personal Care Aides, Nursing Assistants, Orderlies, and Psychiatric Aides</td>
<td>$15.07</td>
</tr>
<tr>
<td>Cooks and Food Preparation Workers</td>
<td>$14.80</td>
</tr>
<tr>
<td>Retail Sales Workers</td>
<td>$14.59</td>
</tr>
<tr>
<td>Food and Beverage Serving Workers</td>
<td>$13.23</td>
</tr>
</tbody>
</table>

Meanwhile, Median Rents Are Increasing

ANNUAL CHANGE IN FIRST QUARTER MEDIAN RENTAL PRICES

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>$25</td>
</tr>
<tr>
<td>2018-19</td>
<td>$39</td>
</tr>
<tr>
<td>2019-20</td>
<td>$29</td>
</tr>
<tr>
<td>2020-21</td>
<td>$32</td>
</tr>
<tr>
<td>2021-22</td>
<td>$179</td>
</tr>
</tbody>
</table>

Source: Apartment List County Rent Estimates. Calculations are based on data for 345 metropolitan counties.
The Disparities Between Wages and Housing Costs Cause Disproportionate Harm to Renters of Color

Median Hourly Wages, by Race

Two-Bedroom Housing Wage: $25.82
One-Bedroom Housing Wage: $21.25

Latino: $18.59
Black: $18.89
White: $24.67

DO WE REALLY NEED TO BUILD MORE HOUSING? CAN’T WE JUST RAISE THE MINIMUM WAGE?

• We need to do both. Raising the minimum wage is an important strategy for improving the quality of life for the lowest-wage workers.

• However, legislation raising the federal minimum wage to $15 per hour would still fall more than $10 short of the national two-bedroom Housing Wage of $25.82 and more than $6 short of the one-bedroom Housing Wage of $21.25.

• Also, while Out of Reach highlights the gulf between wages and housing costs, not every household can work, so raising the minimum wage is not on its own a viable policy solution.
The Gap
Understanding the Shortage of Affordable Homes for the Lowest Income Renters
The Gap: Overview

- Estimates how many units of housing are affordable and available for renters at different income levels
- Data available for every state and some metropolitan areas
- Released annually in spring
- Illustrates supply deficit of affordable housing particularly for the lowest income renters

www.nlihc.org/gap
Severe Cost Burdens

ELI renter households account for more than 7 of every 10 severely housing cost-burdened renters in the U.S.
Extremely Low-Income Renter Demographics

Percent of Households who are Extremely Low-Income Renters

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>20%</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>18%</td>
</tr>
<tr>
<td>Asian</td>
<td>10%</td>
</tr>
<tr>
<td>White</td>
<td>6%</td>
</tr>
<tr>
<td>Latino</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: 2020, 5-Yr ACS PUMS
There is a national shortage of nearly 7 million rental homes affordable and available to households with the lowest incomes.
RENTAL HOMES AFFORDABLE AND AVAILABLE PER 100 EXTREMELY LOW-INCOME RENTER HOUSEHOLDS BY STATE

Note: Extremely low-income (ELI) renter households have incomes at or below the poverty level or 30% of the area median income. Source: NLIHC tabulations of 2020 5-Year ACS PUMS Data. ©2022 National Low Income Housing Coalition
Using Data to Influence Policy
How to Access State-Specific Data and Current Opportunities for Advocacy
Housing is Vital to Other Important Outcomes

Poor children who move to lower-poverty neighborhoods do much better as adults:

- 31% higher annual incomes
- $302,000
- 32% higher lifetime earnings
- 26% more likely to attend college
- girls less likely to become single mothers

Source: Chetty et al., 2015

www.nlihc.org
Survivors Face Unique Barriers to Safe, Affordable Housing

**Poor Credit & Ruined Rental Histories**

Often caused by abusers running up credit card bills or lying about paying rent, utilities, childcare and other bills. This affects a survivors’ ability to pass a landlord background check.

**Lack of Steady Employment**

Caused when victims are forced to miss work as a result of violence, or are fired as a result of stalking and harassment that occurs at the workplace.

**Housing Discrimination**

The most common cases of this occur when landlords evict victims from housing due to repeated calls to the police or property damage caused by the abuser.

**Loss of Subsidized or Other Affordable Housing**

Caused by lease or voucher policy violations committed by the abuser.

Source: Safe Housing Partnerships
Using NLIHC’s Data to Make the Case for Increased Housing Investments

1. Start here: nlihc.org/housing-needs-by-state
2. Select your state:

Housing Needs By State

Learn about the most critical housing needs in communities across the country. Connect with NLIHC partners to expand housing resources in your state. Engage members of congress and other policy makers in solutions to end housing poverty.

Get an overview of affordable housing needs at the state level. Select a state to explore the data below!
3. Get an overview of Gap and OOR data in your state
4. Numbers to notice

Maximum income for an extremely low-income family of four

[Image of a chart showing housing cost burden by income group and affordability and availability of homes per 100 renter households in Virginia.]
4. Numbers to notice

Annual income needed to afford a 2-bedroom rental at FMR
4. Numbers to notice

Statewide shortage of affordable housing affordable and available to ELI households

Number of affordable, available rental homes for every 100 ELI households
4. Numbers to notice

Number of ELI renters spending over 50% of their income on rent and utilities alone
Using NLIHC’s Data to Make the Case for Increased Housing Investments

5. Dig deeper

Resources

Housing Profiles

STATE HOUSING PROFILE
State Housing Profile: Virginia (PDF) (JPG)

CONGRESSIONAL DISTRICT HOUSING PROFILE
Congressional District Profile: Virginia (PDF)

Research and Data

NATIONAL HOUSING PRESERVATION DATABASE
The National Housing Preservation Database is an address-level inventory of federally assisted rental housing in the United States.

OUT OF REACH: THE HIGH COST OF HOUSING
Out of Reach documents the gap between renters’ wages and the cost of rental housing. In Virginia and Nationwide

THE GAP: A SHORTAGE OF AFFORDABLE RENTAL HOMES
The Gap represents data on the affordable housing supply and housing cost burdens at the national, state, and metropolitan levels. In Virginia and Nationwide

Other Links

Virginia’s State Housing Wage

w.nlihc.org
Drilling Down to Local Data

For each state, downloadable Excel file includes data for each county and metropolitan area.
Immediate Opportunities for Advocacy

FY23 Appropriations

Support the highest level of funding possible for HUD’s housing and homelessness programs, including:

• Full funding to renew all existing Housing Choice Vouchers, and to expand vouchers to 140,000 more households with low incomes
• $3.6 billion for Homeless Assistance Grants
• Full funding for public housing, legal assistance to prevent evictions, and tribal housing competitive funds
Immediate Opportunities for Advocacy

Tax Extenders Package

Ensure any expansion of the Low Income Housing Tax Credit (LIHTC) is paired with key reforms:

- Incentives to serve ELI households and people experiencing homelessness
- Incentives to develop in tribal and rural areas
Critical Long-Term Solutions

To end the affordable housing crisis, we must:

1. Bridge the gap between incomes & housing costs.

2. Expand and preserve the supply of rental homes affordable and accessible to people with the lowest incomes.

3. Provide emergency rental assistance to households in crisis.

4. Strengthen and enforce renter protections.

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Thank you!

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