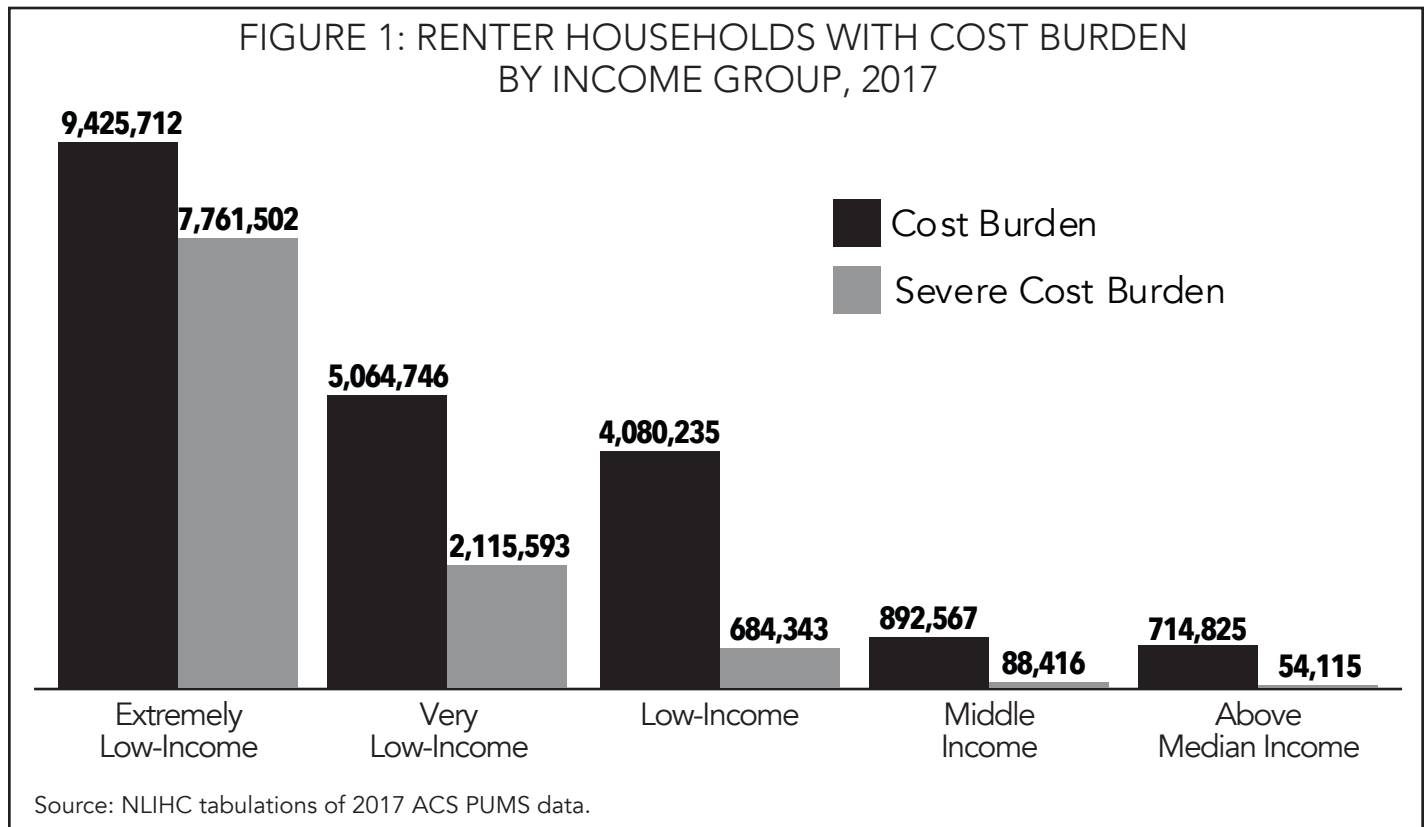


The National Need for Affordable Housing

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The United States is facing a shortage of affordable rental housing. The shortage is most severe for extremely low-income (ELI) households whose incomes are at or below the poverty guideline or 30% of their area's median income (AMI), whichever is higher. Only 7.4 million affordable rental homes exist for the nation's 11 million ELI renter households, assuming they should spend no more than 30% of their income on housing costs [unless otherwise noted, figures are based on 2017 NLIHC analysis of the American Community Survey (ACS) Public Use Microdata Sample (PUMS) data]. Not all of the 7.4 million homes, however, are available. Nearly 3.4 million are occupied by higher income households. As a result, fewer than 4 million rental homes are affordable and available for ELI renters, leaving a shortage of 7 million. In other words, only 37 affordable and available rental homes exist for every 100 ELI renter households.

Considering the significant shortage of affordable and available housing, 86% of ELI renter households spend more than 30% of their income on housing and 71% spend more than half of their income on housing, making them severely cost burdened. ELI households account for more cost burdened and severely cost burdened renter households than any other income group (Figure 1). The 7.8 million severely cost burdened ELI renter households account for nearly 73% of all severely cost burdened renter households in the U.S.

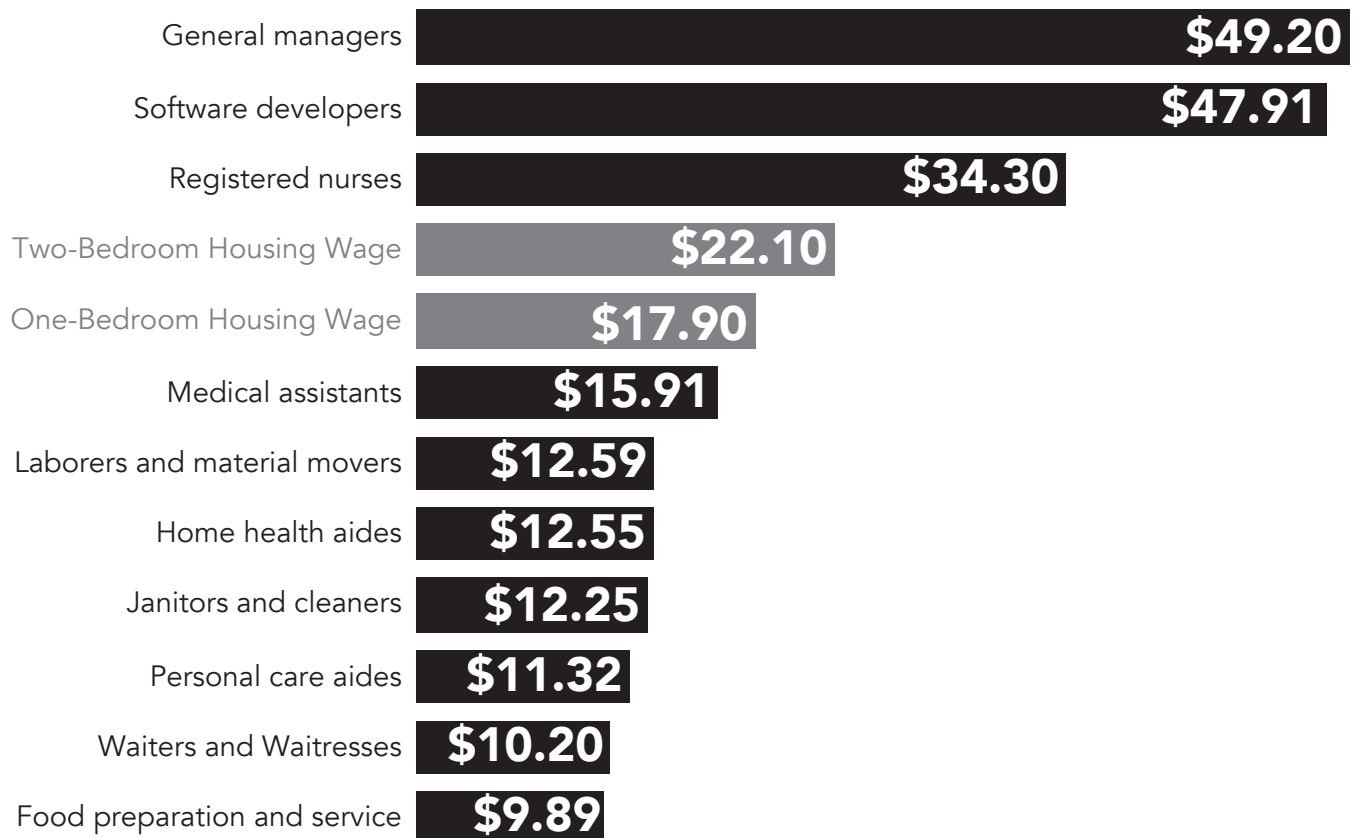


The most vulnerable ELI renters, such as people with disabilities relying on Supplemental Security Income (SSI) and minimum wage workers, face the greatest burdens. A 2017 study, for example, found that rents for modest one-bedroom homes exceeded 100% of an individual's monthly SSI

income in 220 housing markets across 40 states and the District of Columbia (see *Priced Out: The Housing Crisis for People with Disabilities*). In only 22 counties nationwide can a full-time worker at minimum wage afford a modest one-bedroom apartment at the fair market rent (see *Out of Reach 2018: The High Cost of Housing*).

Low-wage employment does not pay enough for workers to afford housing and other necessities. A person working full-time every week of the year needs to earn an hourly wage of \$22.10 in order to afford a modest two-bedroom rental home without spending more than 30% of his or her income on housing, or \$17.90 for a modest one-bedroom apartment. These wages are far higher than the federal minimum wage and higher than wages paid in many of the occupations with the highest projected growth (Figure 2).

FIGURE 2: HOUSING WAGE AND MEDIAN WAGES FOR OCCUPATIONS WITH HIGHEST PROJECTED GROWTH



Source: NLIHC's *Out of Reach 2018*; Housing wages are derived from HUD fair market rents. Employment projections from BLS Employment Projections Program. Occupational wages from May 2017 National Occupation Employment and Wage Estimates, Occupational Employment Statistics, BLS. Adjusted to 2018 dollars.

The negative impact of severe housing cost burdens on low-income family members' mental and physical health is well documented, particularly due to increased stress from housing instability and fewer resources for food and health care (see *The Impacts of Affordable Housing on Health: A Research Summary*). The lowest-income cost burdened households are one financial emergency away from eviction. Among severely cost burdened renter households living in poverty in 2013, nearly 15% were unable to pay all or part of their rent in the previous three months and over 3% had been threatened with eviction due to their inability to pay rent in the past 12 months (see *The Gap 2018: A Shortage of Affordable Rental Homes*). The poorest households who are severely cost burdened spend

almost \$650 less on non-housing expenses each month compared to similar households who are not cost burdened (see *The State of the Nation's Housing 2018*). As a result, the poorest cost burdened households often forego healthy food and delay healthcare or medications in order to pay the rent.

Many SSI recipients and seniors with mobility impairments need housing with accessible features like zero-step entrances, wider hallways and doorframes to accommodate wheelchairs, single-floor living, levered handles on doors and faucets, and electrical controls reachable from a wheelchair. Less than 1% of homes have all of these elements (*Housing America's Older Adults: A Supplement to the State of the Nation's Housing Report*). The growing population of seniors with disabilities will increase the need for accessible housing in the coming years.

The lowest-income households face enormous barriers in obtaining affordable and accessible housing. The data clearly show that they have the greatest housing needs relative to all other income groups. Addressing their needs should be the highest national housing priority.