

Policymakers from both sides of the aisle agree that a significant investment in infrastructure should be a top priority. Affordable housing is a critical element of any infrastructure package not only because housing informs other infrastructure needs, but because it provides an enduring investment in economic growth. Investing in affordable housing infrastructure—through new construction and preservation—will:

1. Bolster productivity and economic growth.

Research shows that the shortage of safe, decent, and affordable housing in major metropolitan areas costs the American economy about \$2 trillion a year in lower wages and productivity. The lack of affordable housing acts prevents lower-income households from moving to communities with more economic opportunities and makes it difficult for businesses to attract and retain the workers they need. Without the burden of higher housing costs, these families would be better able to move to areas with growing local economies where their wages and employment prospects may improve.

High housing costs constrain opportunities for families to increase earnings, causing slower GDP growth. In fact, researchers estimate that the growth in GDP between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing. This would have led to a \$1.7 trillion increase in total income, or \$8,775 in additional wages per worker.¹

2. Provide a long-term asset that connects workers to communities of opportunity.

Like roads and bridges, affordable housing is a long-term asset that helps communities and families thrive. Without access to affordable housing, investments in transportation and infrastructure will fall short of creating vibrant communities. Increasing and preserving the supply of affordable housing—especially in areas connected to good schools, well-paying jobs, healthcare, and transportation—will help more families climb the economic ladder and help communities meet their workforce needs. Ensuring housing is safe and sanitary has a huge return on investment; for example, lead hazard control provides at least \$17 in societal benefits per dollar spent and ensures brighter futures for America's children.

3. Support local job creation and increased incomes.

Each dollar invested in affordable housing infrastructure boosts local economies by leveraging public and private resources to lift resident earnings and local tax revenue, as well as to support job creation and retention. In fact, building 100 affordable rental homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year.²

1. <http://faculty.chicagobooth.edu/chang-tai.hsieh/research/growth.pdf>

2. https://www.nahb.org/~media/Sites/NAHB/Economic%20studies/1-REPORT_local_20150318115955.ashx?la=en