

**OUT OF REACH 2012
ONLINE GUIDE TO DATA USAGE AND SOURCES**

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Number of Households (2006-2010)

Total	115,455,179	According to the U.S. Census ACS (2006-2010), there were 115,455,179 total households in the U.S.	U.S. Census American Community Survey (ACS) 2006-2010
Renter	38,481,257	According to the U.S. Census ACS (2006-2010), there were 38,481,257 renter households in the U.S.	
% Renter	33%	According to the U.S. Census ACS (2006-2010), renter households represented 33% of all households in the U.S.	Divide number of renter households by total number of households, and then multiply by 100 (38,481,257/115,455,179)*100=33%

2012 Area Median Income ¹

Annual	\$67,367	The estimated annual median family income in the U.S. is \$67,367	HUD median family income based on data from U.S. Census (2006-2010). See Appendix A.
Monthly	\$5,614	The monthly median family income in the U.S. is \$5,614.	Divide annual AMI by 12 to calculate monthly income (\$67,367 / 12 = \$5,614).
30% of AMI ²	\$20,210	In the U.S., an Extremely Low Income family (30% of AMI) earns \$20,210 annually.	Multiply annual AMI by .3 to calculate median income for Extremely Low Income family (\$67,367*.3=\$20,210)

Maximum Affordable ³ Monthly Housing Cost by % of Family AMI

30%	\$505	For an Extremely Low Income family (30% of AMI) in the U.S., monthly rent of \$505 or less is affordable.	Multiply annual AMI by percent of AMI given (30% = .3) and then by .3 to calculate maximum amount that can be spent on housing for it to be affordable (\$67,367 x .3 x .3 = \$6,063). Divide by 12 to obtain monthly amount (\$6,063 / 12 = \$505).
50%	\$842		
80%	\$1,347		
100%	\$1,684		

2012 Fair Market Rent (FMR) ⁴

Zero-Bedroom	\$705	The Fair Market Rent for a two-bedroom rental unit in the U.S. is \$949.	Developed by HUD annually. See Appendix B.
One-Bedroom	\$797		
Two-Bedroom	\$949		
Three-Bedroom	\$1,245		
Four-Bedroom	\$1,426		

Annual Income Needed to Afford FMR

Zero-Bedroom	\$28,200	A renter household needs an annual income of \$37,960 in order for a two-bedroom rental unit at the Fair Market Rent to be affordable.	Multiply the FMR for a unit of a particular size by 12 to get the yearly rental cost (2BR: \$949 x 12 = \$11,388). Then divide by .3 to determine the total income needed to afford \$11,388 per year in rent (\$11,388 / .3 = \$37,960).
One-Bedroom	\$31,880		
Two-Bedroom	\$37,960		
Three-Bedroom	\$49,800		
Four-Bedroom	\$57,040		

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Percent of Family AMI Needed to Afford FMR

Zero-Bedroom	42%
One-Bedroom	47%
Two-Bedroom	56%
Three-Bedroom	74%
Four-Bedroom	85%

<p>The income needed to afford a two-bedroom unit at the Fair Market Rent represents 56% of the AMI.</p>	<p>Divide the income needed to afford a unit of a particular size by family AMI, and then multiply by 100 (2BR: \$37,960 / \$67,367 x 100 = 56%).</p>
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2012 Renter Household Income

Estimated Median ⁵ \$33,363

<p>The renter median household income in the U.S. is \$33,363</p>	<p>Represents renter median income from ACS 5 Year Data (2006-2010) projected to 2011 using HUD's income adjustment factor and through 2012 based on 2012 AMIs.</p>
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Percent Needed for Two-Bedroom FMR 114%

<p>The income needed to afford a two-bedroom unit at the Fair Market Rent represents 114% of the renter median household income.</p>	<p>Divide the annual income needed to afford the two-bedroom FMR by the renter median household income, and then multiply by 100 (\$37,960 / \$33,363 x 100 = 114%).</p>
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Rent Affordable at Median \$834

<p>For a household earning the renter median income, monthly rent of \$834 or less is affordable.</p>	<p>Multiply renter median household income by .3 to get maximum amount that can be spent on housing for it to be affordable (\$33,363 x .3 = \$10,009). Divide by 12 to obtain monthly amount (\$10,009/ 12 = \$834).</p>
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% Renters Unable to Afford Two-Bedroom FMR ⁶ 55%

<p>An estimated 55% of renter households in the U.S. do not earn sufficient income to afford a two-bedroom unit at the Fair Market Rent.</p>	<p>Represents a comparison of the percent of renter median household income required to afford the two-bedroom FMR to the state-level distribution of renter household income as a percent of the median.</p>
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2012 Renter Wage

Estimated Mean Renter Wage ⁷ \$14.15

<p>The estimated mean (average) renter wage in the U.S. is estimated to be \$14.15 in 2012.</p>	<p>Average weekly wages from the 2010 Quarterly Census of Employment and Wages divided by 40 (hours per work week). This overall wage is adjusted by the national ratio of renter to total household income reported in ACS 2006-2010 and projected to April 1, 2012.</p>
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Rent Affordable at Mean Wage \$736

<p>If one wage-earner holds a job paying the mean renter wage, a household can afford to spend as much as \$736 in monthly rent.</p>	<p>Multiply mean renter wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income (\$14.15 x 40 x 52 = \$29,432). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount (\$29,432* .3 / 12 = \$736).</p>
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2012 Minimum Wage

Minimum Wage

\$7.25

The federal minimum wage is \$7.25 in 2012.

The federal minimum wage of \$7.25, unless the state had implemented a higher minimum wage by January 1, 2012, as reported by the U.S. Department of Labor.

Rent Affordable at Minimum Wage

\$377

If one wage-earner holds a job paying the minimum wage, a household can afford to spend as much as \$377 in monthly rent.

Multiply minimum wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income ($\$7.25 \times 40 \times 52 = \$15,080$). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount ($(\$15,080 \times .3) / 12 = \377).

2012 Supplemental Security Income

Monthly SSI Payment

\$698

The federal Supplemental Security Income for qualifying individuals was \$698 in monthly federal benefits in 2012.

U.S. Social Security Administration. The maximum federal SSI payment for individuals is \$698 in 2012 but can be much lower if the recipient receives income from other sources. Where the Social Security Administration administers additional payments provided by the states, the higher value is reflected here.

Rent Affordable at SSI

\$209

An individual whose sole source of income is Supplemental Security Income can afford to spend as much as \$209 in monthly rent.

Multiply monthly income by .3 to determine maximum amount that can be spent on rent ($\$698 \times .3 = \209).

2012 Housing Wage

Zero-Bedroom

\$13.56

One-Bedroom

\$15.33

Two-Bedroom

\$18.25

Three-Bedroom

\$23.94

Four-Bedroom

\$27.42

A renter household needs one full-time job paying \$18.25 per hour in order for a two-bedroom rental unit at the Fair Market Rent to be affordable.

Divide income needed to afford the FMR for a particular unit size (2BR: \$37,960) by 52 (weeks per year), and then divide by 40 (hours per work week) ($\$37,960 / 52 / 40 = \18.25).

Housing Wage as % of Minimum Wage

Zero-Bedroom

187%

One-Bedroom

211%

Two-Bedroom

252%

Three-Bedroom

330%

Four-Bedroom

378%

Nationally, the Housing Wage for a two-bedroom rental unit represents 252% of the minimum wage.

Divide the Housing Wage for a particular unit size (2BR: \$18.25) by the Federal minimum wage (\$7.25), and then multiply by 100 ($\$18.25 / \$7.25 \times 100 = 252\%$).

Housing Wage as % of Mean Renter Wage

Zero-Bedroom

96%

One-Bedroom

108%

Two-Bedroom

129%

Three-Bedroom

169%

Four-Bedroom

194%

Nationally, the Housing Wage for a two-bedroom rental unit represents 129% of the mean renter wage.

Divide the Housing Wage for a particular unit size (2BR: \$18.25) by the estimated national mean renter wage (\$14.15), and then multiply by 100 ($\$18.25 / \$14.15 \times 100 = 129\%$).

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Work Hours/Week at Minimum Wage

Needed to Afford FMR

Zero-Bedroom	75
One-Bedroom	85
Two-Bedroom	101
Three-Bedroom	132
Four-Bedroom	151

<p>A renter earning the minimum wage must work 101 hours to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide income needed to afford the FMR for a particular unit size (2BR: \$37,960) by 52 (weeks per year), and then divide by the federal minimum wage (\$7.25) ($\\$37,960 / 52 / \\$7.25 = 101$ hours).</p>
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Work Hours/Week at Mean Renter Wage

Needed to Afford FMR

Zero-Bedroom	38
One-Bedroom	43
Two-Bedroom	52
Three-Bedroom	68
Four-Bedroom	78

<p>A renter earning the mean renter wage must work 52 hours per week to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide income needed to afford the FMR for a particular unit size (2BR: \$37,960) by 52 (weeks per year), and then divide by the mean renter wage ($\\$37,960 / 52 / \\$14.15 = 52$ hours).</p>
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Full-time Jobs at Minimum Wage

Needed to Afford FMR

Zero-Bedroom	1.9
One-Bedroom	2.1
Two-Bedroom	2.5
Three-Bedroom	3.3
Four-Bedroom	3.8

<p>A renter household needs 2.5 full-time jobs paying the minimum wage in order to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide the number of work hours/week necessary at the minimum wage to afford the FMR for a particular unit size (2BR: 101 hours) by 40 (hours per work week) ($101 / 40 = 2.5$ full-time jobs).</p>
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Full-time Jobs at Mean Renter Wage

Needed to Afford FMR

Zero-Bedroom	1.0
One-Bedroom	1.1
Two-Bedroom	1.3
Three-Bedroom	1.7
Four-Bedroom	2.0

<p>A renter household needs 1.3 full-time jobs paying the mean renter wage in order to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide the number of work hours/week necessary at the mean renter wage to afford the FMR for a particular unit size (2BR: 52 hours) by 40 (hours per work week) ($52 / 40 = 1.3$ full-time jobs).</p>
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FOOTNOTES

- 1 Fiscal Year 2012 Area Median Income (HUD, 2011).
- 2 Annual income of 30% of AMI or less is the federal standard for extremely low income households. Does not include HUD-specific adjustments.
- 3 "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.
- 4 Fiscal Year 2012 Fair Market Rent (HUD, 2011; final as of October 1).
- 5 ACS 5-year 2006-2010 median renter household income, projected to 2011 using HUD's income adjustment factor and through 2012 based on AMIs
- 6 Estimated by comparing the percent of renter median household income required to afford a two-bedroom at the FMR to the percent distribution of renter household income as a percent of the median within the state, as measured using 2010 American Community Survey Public Use Microdata Sample housing file.
- 7 Based on 2010 BLS data, adjusted using the ratio of renter to total household income reported in ACS, and projected to April 1, 2012.

*Numbers may vary from actual estimates due to rounding