



NATIONAL LOW INCOME
HOUSING COALITION

Out of Reach 2017: The High Cost of Housing

June 9, 2017

Agenda

- Welcome
 - Overview & Navigating OOR
 - Advocacy Tips
 - Frequently Asked Questions
 - Questions/Closing
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Overview of Out of Reach

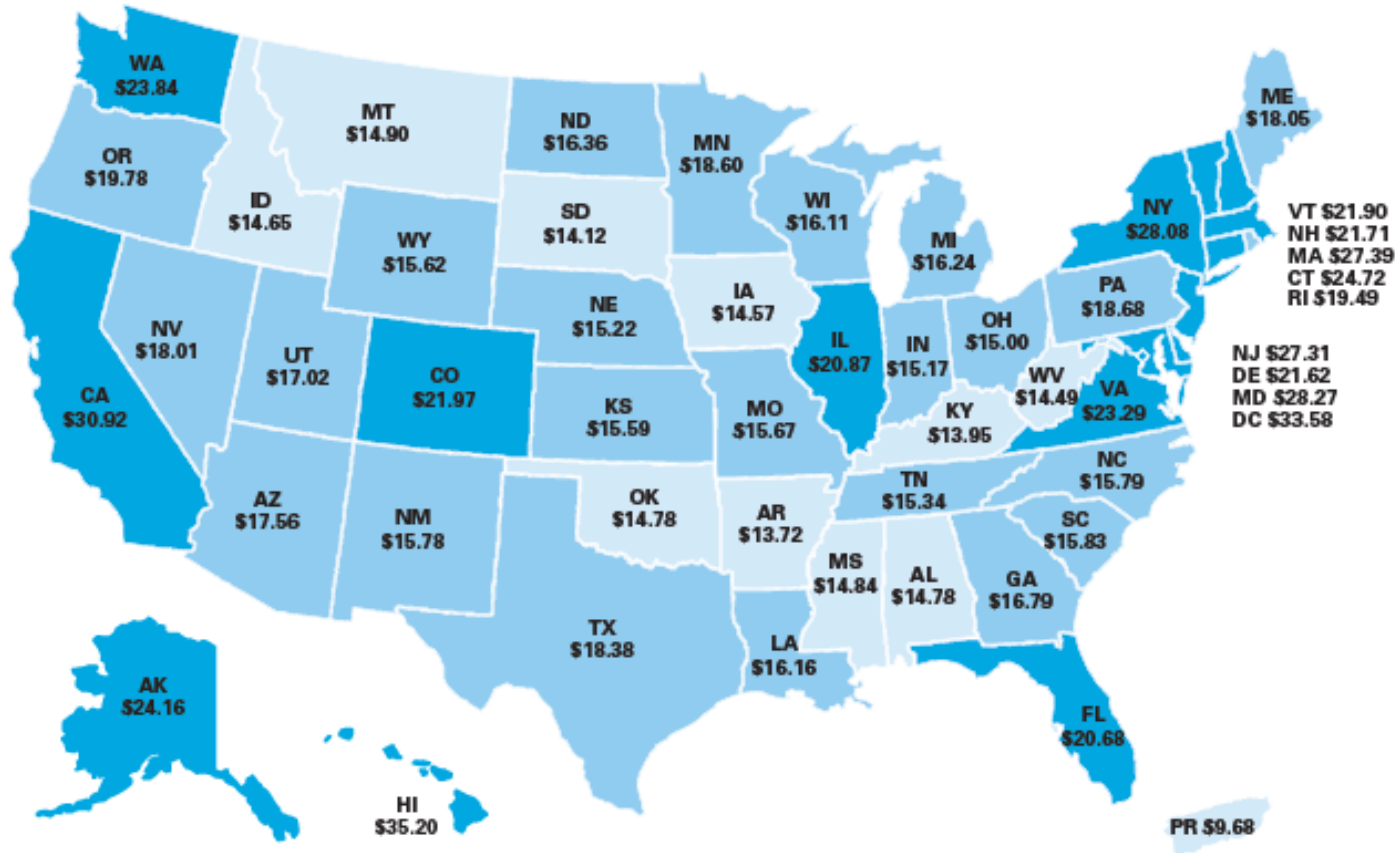
Overview



- The primary statistic reported in OOR is the Housing Wage. 2017 Housing Wage for two-bedroom apartment is \$21.21.
 - Reflects the hourly wage that someone working 40 hours a week, 52 weeks a year must earn to afford an apartment at HUD's Fair Market Rent (FMR) without spending more than 30% of their income.
- OOR reports Housing Wages for units with zero to four bedrooms at the national, state, state non-metro, and metro/county levels.

2017 TWO-BEDROOM RENTAL HOME HOUSING WAGE

Represents the hourly wage that a householder must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a **TWO-BEDROOM RENTAL HOME**, without paying more than 30% of their income.



Two-Bedroom Housing Wage

■ Less than \$15.00
 ■ \$15.00 to less than \$20.00
 ■ \$20.00 or More

2017 HOURS AT MINIMUM-WAGE NEEDED TO AFFORD A ONE-BEDROOM RENTAL HOME (BY COUNTY OR METRO AREA)

OUT of REACH 2017

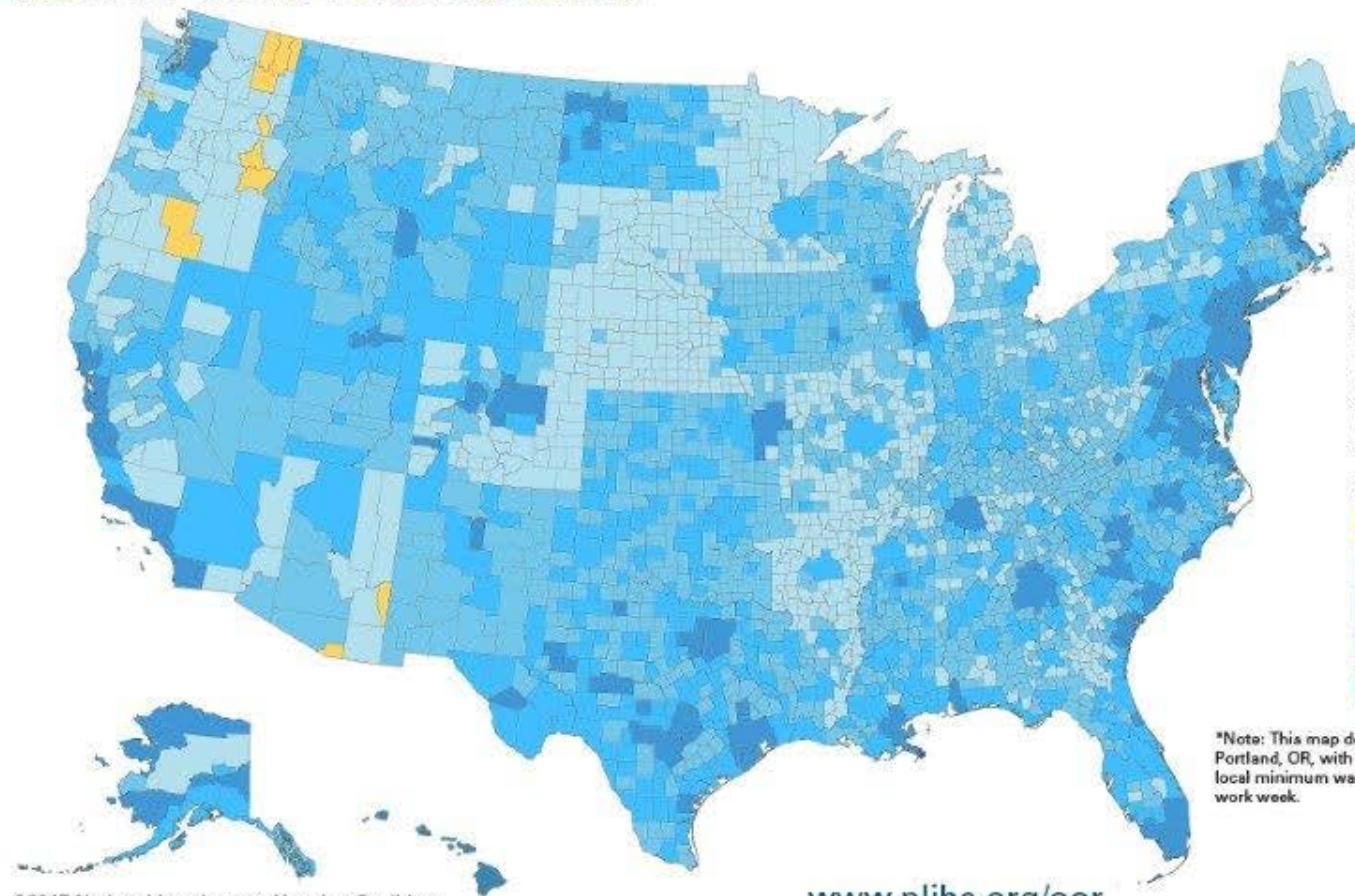
THE HIGH COST OF HOUSING

In only 12 counties can a full-time worker earning the prevailing federal or state minimum-wage afford a **ONE-BEDROOM** rental home at the fair market rent (FMR), without paying more than 30% of their income.* Only 0.1% of renter households reside in these areas. 76.4% of renter households reside in a county or metro area where a minimum-wage worker must work more than 60 hours per week.

Hours at minimum wage

- 40 hours per week or fewer
- 41 to 50 hours per week
- 51 to 60 hours per week
- 61 to 80 hours per week
- More than 80 hours per week

*Note: This map does not account for the 37 localities, or the urban growth boundary of Portland, OR, with minimum-wages higher than the standard state or federal wage. No local minimum wages are sufficient to afford a one-bedroom unit at FMR with a 40-hour work week.



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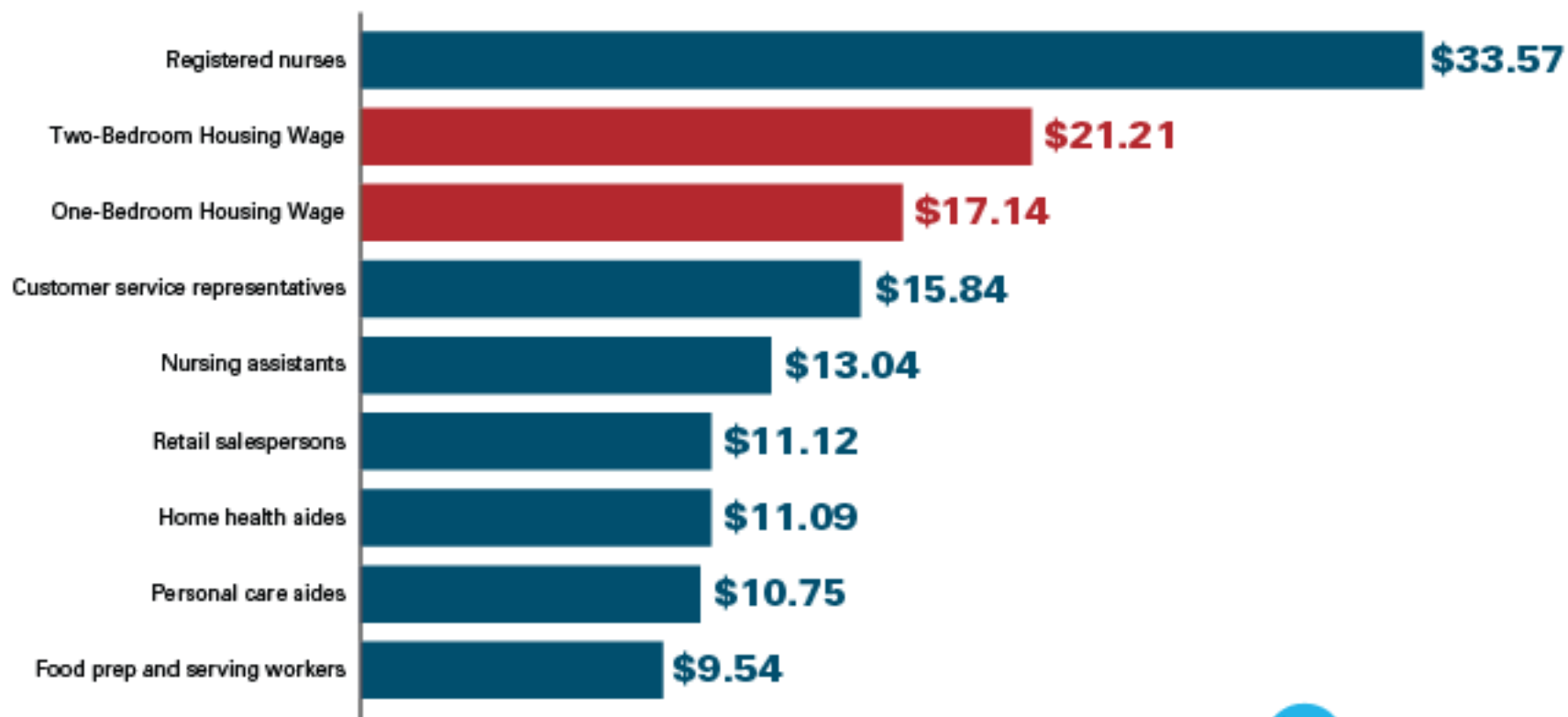
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 NATIONAL LOW INCOME HOUSING COALITION

OUT of REACH 2017

THE HIGH COST OF HOUSING

HOUSING WAGE AND MEDIAN WAGES FOR OCCUPATIONS WITH HIGHEST PROJECTED GROWTH



Source: NLIHC calculation of Housing Wage; Employment Projections Program, BLS; May 2016 National Occupational Employment and Wage Estimates, Occupational Employment Statistics, BLS; adjusted to 2017 dollars.

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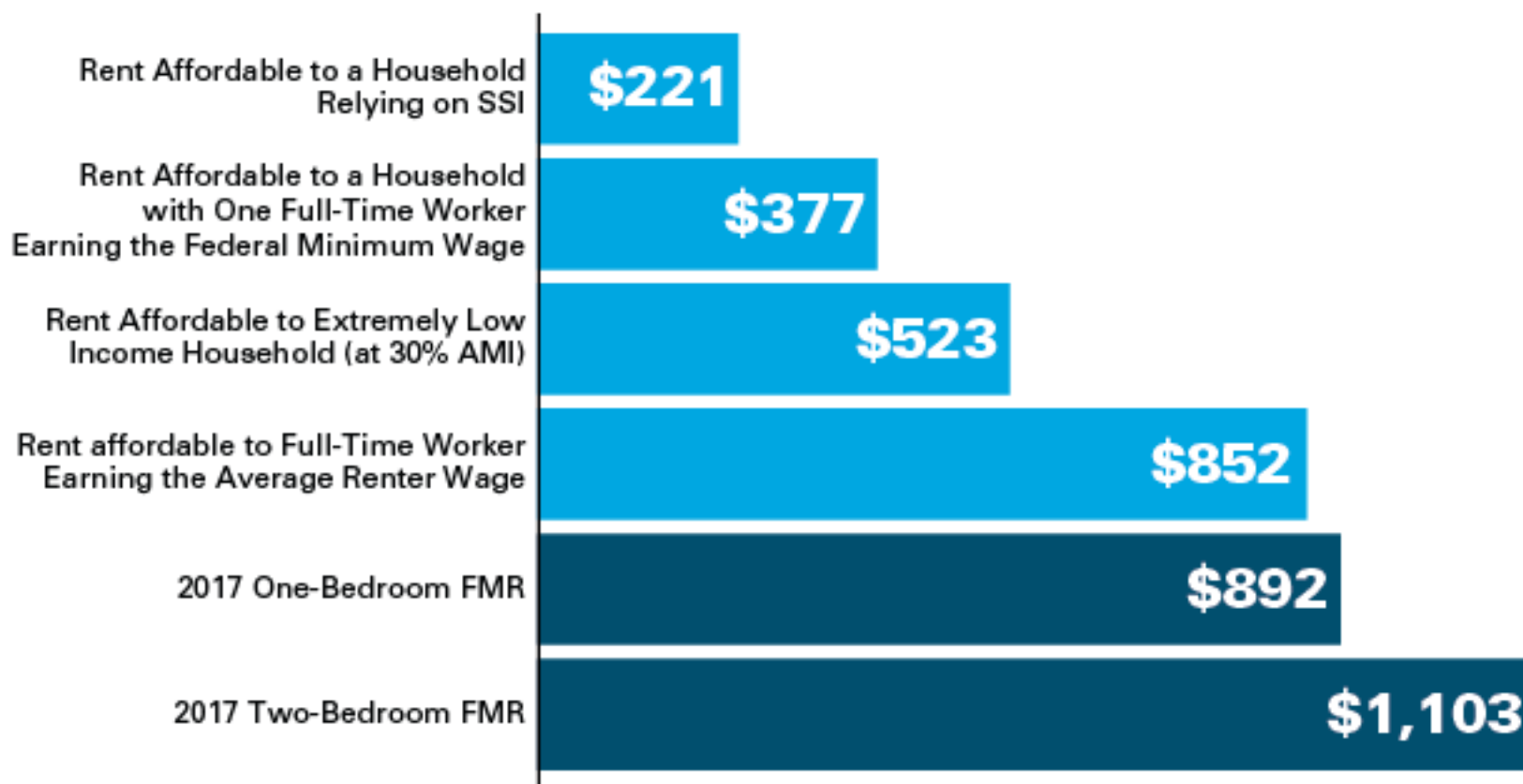
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OUT of REACH 2017

THE HIGH COST OF HOUSING

RENTS ARE OUT OF REACH FOR MANY RENTERS



Source: NLIHC calculation of a national weighted-average Fair Market Rent; NLIHC calculation of affordable rent for average renter wage based on Bureau of Labor Statistics (BLS) QCEW, 2015 adjusted to 2017 dollars; and Social Security Administration, 2017.

Navigating Out of Reach Data

OOR Website (www.nlihc.org/oor)



Out of Reach Report Page

The screenshot shows the 'Out of Reach 2017' report page. At the top, there is a navigation bar with links for 'BLOG', 'TWITTER', 'FACEBOOK', and 'LINKEDIN', along with a search bar. Below this is the 'NATIONAL LOW INCOME HOUSING COALITION' logo and a 'PRESS' section. The main header reads 'Out of Reach 2017' with sub-links for 'About Out of Reach', 'Out of Reach in the News', and 'View State Data'. The central content area features the title 'How Much do you Need to Earn to Afford a Modest Apartment in Your State?' and a legend for 'Hourly wage required to rent a two bedroom unit by state.' with three categories: 'Below \$15.00' (light blue), '\$15.00 - \$20.00' (medium blue), and 'Above \$20.00' (dark blue). A map of the United States is shown with states colored according to these categories. At the bottom, there are three buttons: 'DOWNLOAD Full Report', 'DOWNLOAD Report Graphics', and 'PREVIOUS YEARS Report Archive'.

Out of Reach State Page

The screenshot shows the 'Out of Reach 2017: Alabama' state page. It features the same top navigation as the report page. The main header is 'Out of Reach 2017: Alabama'. Below this is a navigation bar with links for 'NLIHC Publications & Tools', 'NLIHC Research & Reports', 'Housing Research Repository', and 'Order NLIHC Publications'. The page is titled '#48 Alabama' and includes a 'SELECT STATE' dropdown menu. The 'State Facts' section contains a table with the following data:

| State Facts | Value |
|-----------------------------|---------|
| MINIMUM WAGE | \$7.25 |
| AVERAGE RENTER WAGE | \$11.64 |
| 2-BEDROOM HOUSING WAGE | \$13.93 |
| NUMBER OF RENTER HOUSEHOLDS | 567,978 |
| PERCENT RENTERS | 31% |

The 'Most Expensive Counties' section lists:

| Most Expensive Counties | 2-Bedroom Housing Wage |
|-------------------------|------------------------|
| BALDWIN COUNTY | \$16.79 |
| ST. CLAIR COUNTY | \$16.15 |
| SHELBY COUNTY | \$16.15 |
| BIBB COUNTY | \$16.15 |
| BLOUNT COUNTY | \$16.15 |

The 'Affordable Rent for Low Income Households' section shows:

- Minimum Wage Worker: \$377/mo
- Household at 30% of Area Median Income: \$425/mo
- Worker Earning Average Renter Wage: \$605/mo

The 'Fair Market Rent' section shows:

- 1-Bedroom Fair Market Rent: \$595/mo
- 2-Bedroom Fair Market Rent: \$724/mo

At the bottom, there is a 'Compare Jurisdictions' section with a 'SELECT JURISDICTION' dropdown set to 'Alabama' and a sub-dropdown for 'Autauga County'. Below this is a table comparing 'Number of Households' and 'Housing Wage' between Alabama and Autauga County:

| | Alabama | Autauga County |
|-----------------------------|-----------|----------------|
| Number of Households | | |
| TOTAL | 1,842,174 | 20,304 |
| RENTER | 567,978 | 5,056 |
| PERCENT RENTERS | 31% | 25% |
| Housing Wage | | |
| ZERO-BEDROOM | \$10.34 | \$10.87 |
| ONE-BEDROOM | \$11.43 | \$12.44 |

New for 2017: Explore Data by Zip Code



NATIONAL LOW INCOME HOUSING COALITION

BLOG TWITTER FACEBOOK LINKEDIN

Search

PRESS

ABOUT US POLICY FOCUS TAKE ACTION GET INVOLVED EVENTS & TRAINING RESOURCE LIBRARY

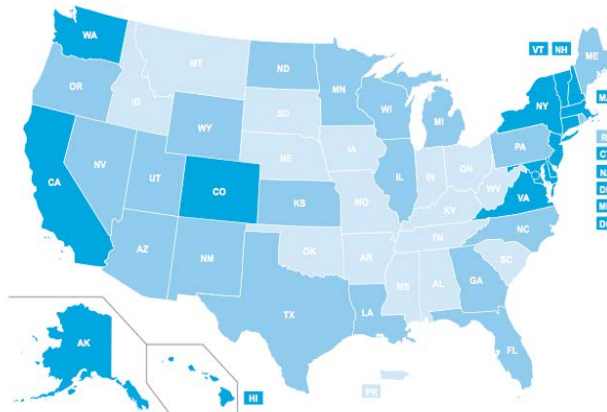
Out of Reach 2017

About Out of Reach | Out of Reach in the News | View State Data

How Much do you Need to Earn to Afford a Modest Apartment in Your State?

Hourly wage required to rent a two bedroom unit by state.

● Below \$15.00 ● \$15.00 - \$20.00 ● Above \$20.00



DOWNLOAD Full Report »

DOWNLOAD Report Graphics »

PREVIOUS YEARS Report Archive »

Review by ZIP Code

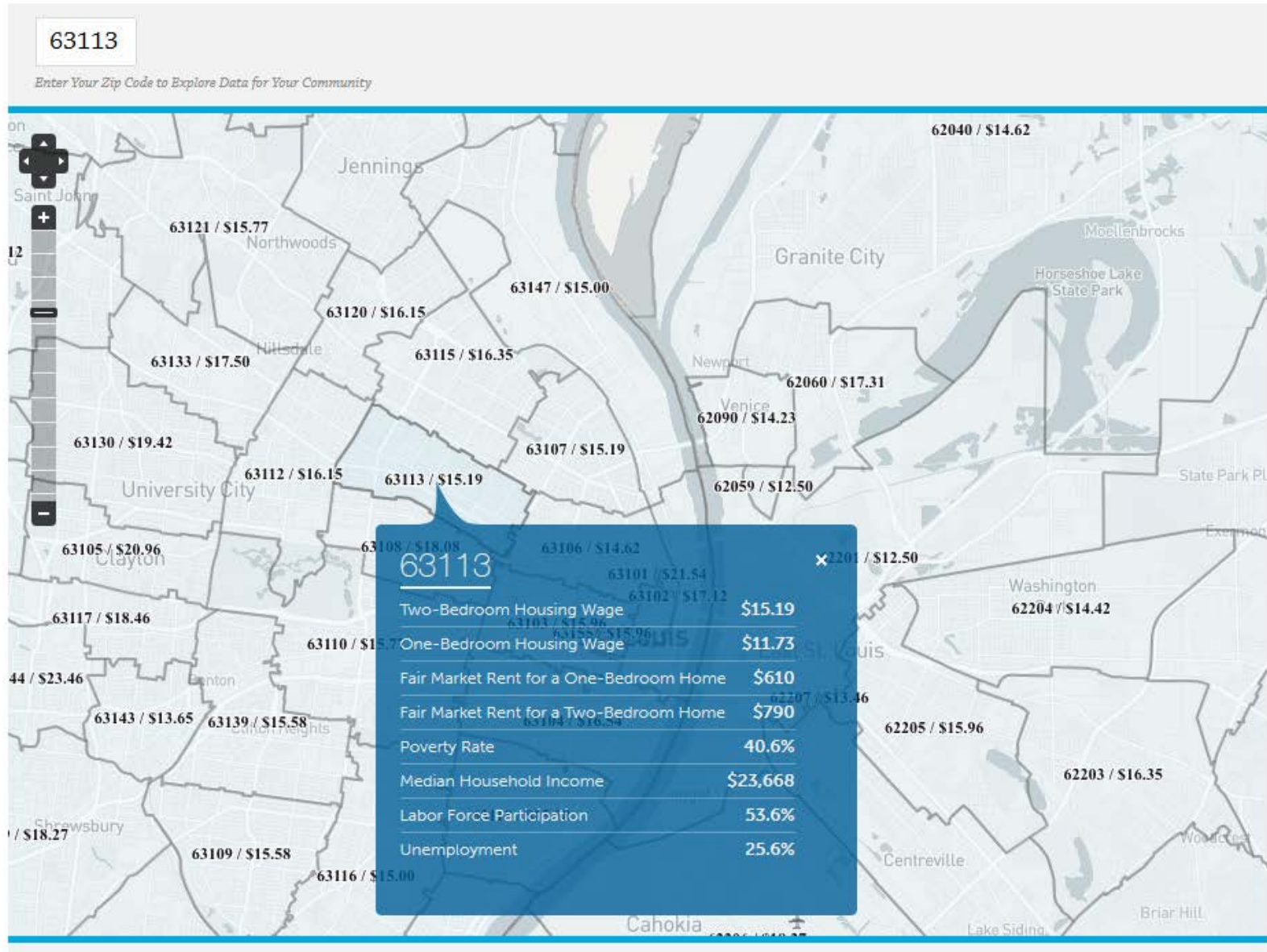
ZIP CODE

ZIP code data only available for metro areas.

Search

New for 2017: Explore Data by Zip Code

Two-Bedroom Housing Wage by Zip Code



Best Uses for Out of Reach

Best Uses - Communications



- Highlight the importance of your work using Out of Reach data.
 - Data points to support press statements and press events.
 - Provide comparative context for housing affordability problems in your region.
 - Excellent graphics for social media.
 - Potential content for newsletters and blog posts.

Best Uses – Fund Development



- Demonstrate the needs of your community with Out of Reach data in a fundraising narrative.
 - Helpful in grant proposals.
 - Provide multiple ways to express housing affordability issues locally.
 - Data highlights intersectionality between housing and labor markets.
- Attention-grabbing facts can increase open rates for fundraising appeal emails.
- Display graphics in solicitations or at events.

Best Uses - Advocacy



- Elected officials should know about the housing wage in your community!
 - Important data for leaders at the federal, state, and local levels.
 - Compelling and often helpful argument to present in support of housing subsidy programs
- Prominently featured in NLIHC materials designed for advocacy.
 - State Housing Profiles.
 - Congressional District Housing Profiles.

Frequently Asked Questions

Frequently Asked Questions



Question

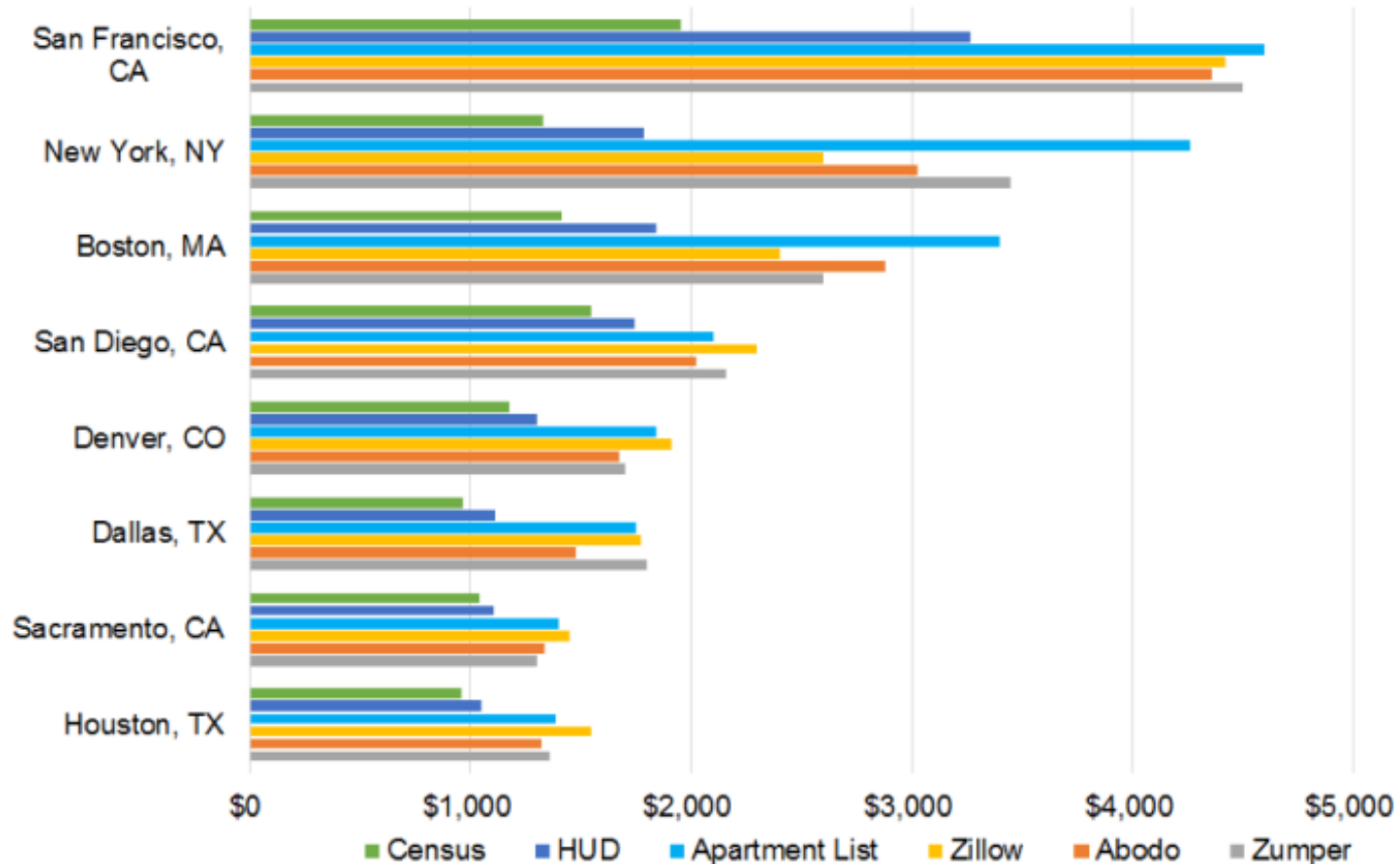
Why is the Fair Market Rent lower than the median rent I see in other reports? Why does it seem so hard to find apartments online that rent at or below the Fair Market Rent in my area?

Answer

Fair Market Rent does not represent the median rent. It typically represents the 40th percentile of rents.

Rental listings on popular real estate websites tend to skew toward higher cost apartments, or rental homes. A median rent calculated from these listings tend to be higher than median rent calculated from a representative sample of all rentals in a housing market.

Comparisons of median rent estimates



Note: HUD data is at the metro level. Census data is from 2015, Zillow data is from March 2017.
 Source: Census, HUD, Zillow, Abodo, Zumper websites, Apartment List data

Frequently Asked Questions



Question

If a place is too expensive for someone, why don't they just move to a more affordable location?

Answer

The local average hourly wage for renters is insufficient:

- to afford a two-bedroom apartment at the fair market rent in 89% of U.S. counties.
- to afford a one-bedroom apartment at the fair market rent in more than half of U.S. counties.

The minimum wage is insufficient:

- to afford a one-bedroom in all but 12 counties.

Frequently Asked Questions



Question

Looking at last year's report, I see that the Housing Wage has declined. Shouldn't that mean things have improved for renters?

Answer

Even in the relatively few communities where the housing wage has declined, housing is still unaffordable to low-wage workers.

Need to be careful in comparing the housing wage over time. HUD will change the methodology or data source for Fair Market Rents from time to time.

Frequently Asked Questions



Question

Why are you talking about 2-bedroom apartments? Why would a single person even try to rent that kind of apartment?

Answer

Rent estimates for two-bedroom units are the most reliable, because they are the most common rental home size.

7.1 million renter households are single-parent households.

- More than 41% of single-parents are extremely low-income,
- 73% of whom spend more than half of their income on housing, leaving few resources for other necessities.

Out of Reach shows how difficult it can be to afford even a one-bedroom apartment.

Frequently Asked Questions



Question

Do we really need to more housing assistance? Can't we just raise the minimum wage?

Answer

We need to do both. Raising the minimum wage can decrease the gap between wages and the Housing Wage, and reduce cost-burdens.

A \$15 min-wage would still fall more than \$6 short of the national two-bedroom Housing Wage of \$21.21 and more than \$2 short of the national one-bedroom Housing Wage of \$17.14.

All local minimum wage ordinances that have passed fall short of the local one-bedroom Housing Wage.

Frequently Asked Questions



Question

Who really earns the minimum wage? Aren't most minimum-wage workers high school students?

Answer

79% of workers earning the federal minimum wage or less are at least 20 years of age; 55% are at least 25 years of age

41% of workers earning the federal minimum wage (or less) are full-time workers; 72% of workers earning the federal minimum-wage (or less) work at least 20 hours a week at their primary job

QUESTIONS?