

# The National Need for Affordable Housing

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The United States faces 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 7.5 million affordable rental homes exist for the nation's 11.2 million ELI renter households, assuming they should spend no more than 30% of their income on housing costs.<sup>1</sup> Not all of these 7.5 million homes, however, are available. Nearly 3.5 million of them 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 7.3 million. In other words, only 35 affordable and available rental homes exist for every 100 ELI renter households.

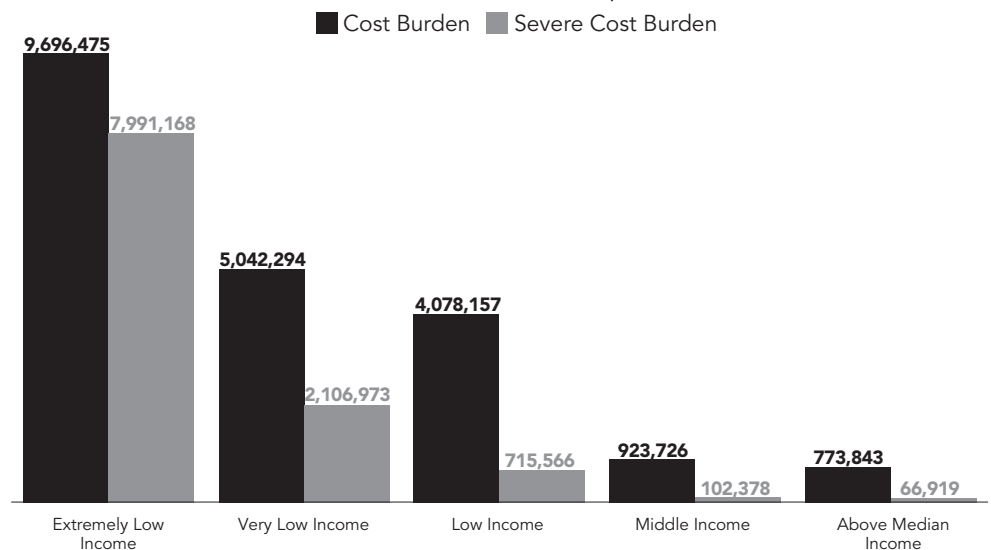
In light of the significant shortage of affordable and available housing, 86% of ELI renter households spend more than 30% of their income on housing, making them cost burdened by their housing; and 71% spend more than half of their income on housing, making them severely cost burdened. ELI households account for more cost burdened and severely cost burdened renter households than any other income group (Figure 1). The 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, including people

with disabilities relying on Supplemental Security Income (SSI) and minimum wage workers, face the greatest burdens. A 2014 study, for example, found that one-bedroom rents exceeded 100% of an individual's monthly SSI income in 161 housing markets across 33 states.<sup>2</sup> And in only 12 counties nationwide can a full-time worker at minimum wage afford a modest one-bedroom apartment.<sup>3</sup>

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 \$21.21 in order to afford a modest two-bedroom rental home without spending more than 30% of his or her income on housing, or \$17.14 for a modest one-bedroom

FIGURE 1: RENTER HOUSEHOLDS WITH COST BURDEN BY INCOME GROUP, 2016



Source: NLIHC tabulations of 2016 ACS PUMS data.

apartment. These wages are far higher than the federal minimum wage and higher than wages paid by many of the fastest growing occupations (Figure 2).

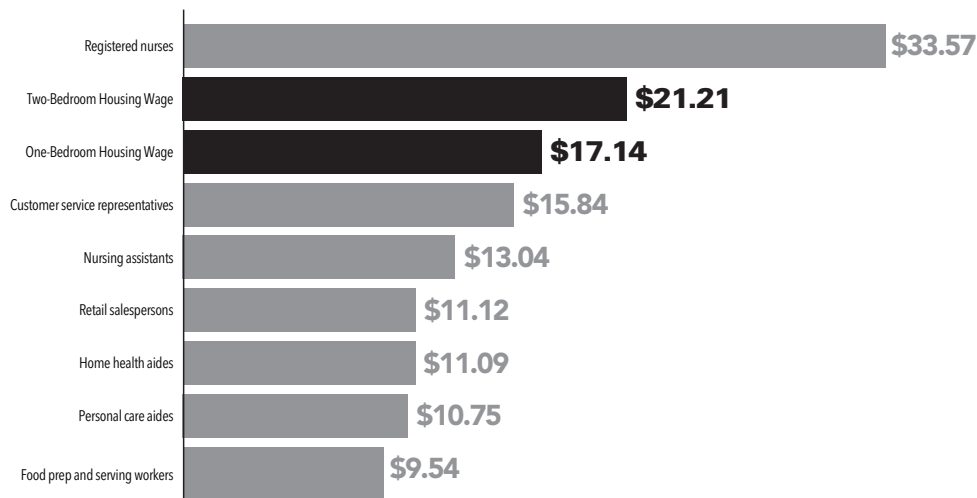
The negative impact of severe housing cost burdens

1 Unless otherwise noted, figures are based on NLIHC analysis of 2016 ACS PUMS data.

2 Technical Assistance Collaborative. (2015). *Priced out in 2014*. Boston, MA: Author. Retrieved from <http://www.tacinc.org/media/52012/Priced Out in 2014.pdf>

3 National Low Income Housing Coalition. (2017). *Out of Reach 2017: The High Cost of Housing*. Washington, DC: Author. Retrieved from [http://nlihc.org/sites/default/files/oor/OOR\\_2017.pdf](http://nlihc.org/sites/default/files/oor/OOR_2017.pdf).

FIGURE 2: 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.

frames to accommodate wheelchairs, single-floor living, levered handles on doors and faucets, and electrical controls reachable from a wheelchair. Only 1% of homes have all of these elements.<sup>7</sup> The growing population of seniors with disabilities will worsen the shortage of accessible housing in the coming years.

ELI 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.

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.<sup>4</sup> Severely cost burdened ELI households are one financial emergency away from eviction. More than 1 million ELI households missed at least 1 rental payment in 2013 and more than 900,000 had felt the threat of eviction.<sup>5</sup>

Poor households with children who are severely cost burdened spend 75% less on healthcare and 40% less on food than similarly poor households who are not cost burdened; and poor seniors who are severely cost burdened spend 62% less on healthcare.<sup>6</sup> These households 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 door

4 Maqbool, N., Viveiros, J. and Ault, M. (2015). *The impacts of affordable housing on health: A research summary*. Washington, DC: Center for Housing Policy. Retrieved from [http://media.wix.com/ugd/19cfbe\\_d31c27e13a99486e984e2b6fa3002067.pdf](http://media.wix.com/ugd/19cfbe_d31c27e13a99486e984e2b6fa3002067.pdf).

5 Joint Center for Housing Studies of Harvard University. (2016). *The state of the nation's housing 2016*. Cambridge, MA: Author. Retrieved from [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs\\_2016\\_state\\_of\\_the\\_nations\\_housing\\_lowres.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs_2016_state_of_the_nations_housing_lowres.pdf).

6 Joint Center for Housing Studies of Harvard University. (2017). *The state of the nation's housing 2017*. Cambridge, MA: Author. Retrieved from [http://www.jchs.harvard.edu/research/state\\_nations\\_housing](http://www.jchs.harvard.edu/research/state_nations_housing).

7 Joint Center for Housing Studies of Harvard University. (2016). *Projections and implications for housing a growing population: Older households 2015-2035*. Cambridge, MA: Author. Retrieved from [http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard\\_jchs\\_housing\\_growing\\_population\\_execsum.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/harvard_jchs_housing_growing_population_execsum.pdf).