OUT of REACH

THE HIGH COST OF HOUSING

2023

NATIONAL LOW INCOME HOUSING COALITION

NATIONAL LOW INCOME HOUSING COALITION

Founded in 1974 by Cushing N. Dolbeare, the National Low Income Housing Coalition is dedicated to achieving racially and socially equitable public policy that ensures people with the lowest incomes have quality homes that are accessible and affordable in communities of their choice.

NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions. Permission to reprint portions of this report or the data therein is granted, provided appropriate credit is given to the National Low Income Housing Coalition. Additional copies of ***Out of Reach*** are available from NLIHC.

Additional local data can be found online at **www.nlihc.org/oor**

The Print / PDF version of ***Out of Reach*** contains limited data in an effort to present the most important information in a limited number of pages.

The ***Out of Reach*** methodology was developed by Cushing N. Dolbeare, founder of the National Low Income Housing Coalition.

Data for other states, metropolitan areas, counties, and ZIP codes can be found at **http://nlihc.org/oor**

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PREFACE

CONGRESSIONAL CAUCUS ON HOMELESSNESS

There is a crisis in our nation: millions of people across the country are without a home or are struggling to keep a roof over their heads. We see homelessness and housing instability in every community in every state. Far too many people have lost their homes to high rents and evictions, with nowhere to turn but cars, shelters, or the street. And millions more are at risk.

This year, the national one-bedroom Housing Wage, which is the hourly wage a person working full-time needs to earn to afford a one-bedroom apartment, is $23.67. That is more than three times the federal minimum wage and more than what most of our country's low-income seniors, people with disabilities, families with children, and low-wage workers can comfortably afford. With housing costs this high, many of our lowest-income and most marginalized neighbors are just one emergency away from becoming homeless.

Despite the challenges, we know that homelessness can be solved. There is overwhelming evidence about the underlying causes of homelessness and what has been proven to work. We know that every person experiencing homelessness has their own story. And we know that we must address each individual's circumstances and needs. Unfortunately, Congress has not invested in the solutions necessary to end the housing and homelessness crisis.

For these reasons, we re-launched the Congressional Caucus on Homelessness to educate our fellow policymakers about what is needed to help quickly rehouse those experiencing homelessness and prevent homelessness in the first place. We do that by fully investing in affordable housing and supportive services for the people most at risk, regardless of factors like immigration status, language barriers, income level, or physical and mental ability. Together, we must deliver permanent emergency rental assistance; build more homes that are affordable for those with the lowest incomes; expand programs that help people experiencing homelessness transition from the street to stable housing; create tools like national access to counsel to prevent evictions and homelessness; and strengthen renter protections and fair housing enforcement.

For decades, the National Low Income Housing Coalition has led the charge in advocating for an end to homelessness and housing poverty. The annual *Out of Reach* report educates local, state, and federal policymakers about the widening gap between incomes and housing costs and what it means for renters nationwide. The report brings vital attention to the challenges families struggle with daily.

For the Co-Chairs of the Congressional Caucus on Homelessness, ending homelessness is a moral responsibility. It requires collaboration, education, and advocacy to improve the lives of our unhoused community members. In Congress, we will continue our work to advocate for the necessary investments, as well as explore the varying policies necessary to secure housing and life-changing services for the nation's approximately 580,000 individuals experiencing homelessness. Housing is a human right, and we will leverage every opportunity we can to eradicate homelessness.

As you read this report, we urge you to join us in this fight. Let's end this crisis by working together until everyone has a safe, affordable, and accessible home.

Sincerely,

HOUSING IS A HUMAN RIGHT, AND WE WILL LEVERAGE EVERY OPPORTUNITY WE CAN TO ERADICATE HOMELESSNESS.

Nanette Diaz Barragán
Member of Congress (D-CA)

Suzanne Bonamici
Member of Congress (D-OR)

Cori Bush
Member of Congress (D-MO)

Sylvia Garcia
Member of Congress (D-TX)

INTRODUCTION

For decades, accessible, safe, and affordable housing has been out of reach for millions of the nation's lowest-income renters. The affordable housing crisis worsened over the past few years as the COVID-19 pandemic, unusually low housing vacancy rates, skyrocketing rental prices, and record-breaking inflation exacerbated the financial insecurity of low-income renters. Though vacancy rates had increased and rent growth had stabilized to pre-pandemic levels by February 2023, the nation's lowest-income renters continue to confront significant challenges finding and maintaining affordable rental housing.

Nationwide, median rents increased by 18% during 2021 and by 25% between January 2021 and June 2022 (Apartment List, 2023b). These increases significantly slowed in the latter half of 2022, however. By April 2023, the year-to-year growth rate in median rents was 1.7% – lower than the average growth rate of 2.8% that characterized the period between 2018 and 2019. Still, the harm caused by rapid rent increases has taken a toll on low-income renters.

Even amid slowing rent growth, renters are facing the effects of a long-standing trend in which rents have risen faster than wages. Nationally, between 2001 and 2021, median rents increased 17.9%, while median household income only increased by 3.2% (Bailey, 2022). Even significant wage gains by low-wage workers in recent years have not been sufficient to counteract this trend. Between 2019 and 2022, wages for workers in the bottom 10th percentile increased 9% – the highest increase for any income group (Gould & deCourcy, 2023). However, that 9% increase results in an hourly wage of $12.57, which is an increase of only $1.04 more per hour, a level of growth that cannot make up for the significant gap between rent and wages.

During the pandemic, housing advocates and impacted people helped bring about the enactment of unprecedented policy measures, including $46 billion in emergency rental assistance (ERA) and a national eviction moratorium, that reduced suffering for millions of households. Additionally, economic impact payments, increases to unemployment insurance and Supplemental Nutrition Assistance Program (SNAP) benefits, and childcare tax credits helped keep low- and middle-income renters afloat (Gould & deCourcy, 2023). Yet now that emergency resources are being depleted and many of these measures phased out, low-income renters are once again facing high rents and increased housing instability, with eviction filing rates reaching or surpassing pre-pandemic levels (Vallejo, C. et al., 2023), and homelessness increasing in many communities, including the District of Columbia (D.C. Department of Human Services, 2023), Dayton, Ohio (Schwartzberg, 2023), Kern County, California (Bakersfield Kern Regional Homeless Collaborative, 2023), and Phoenix, Arizona (Maricopa Association of Governments, 2023).

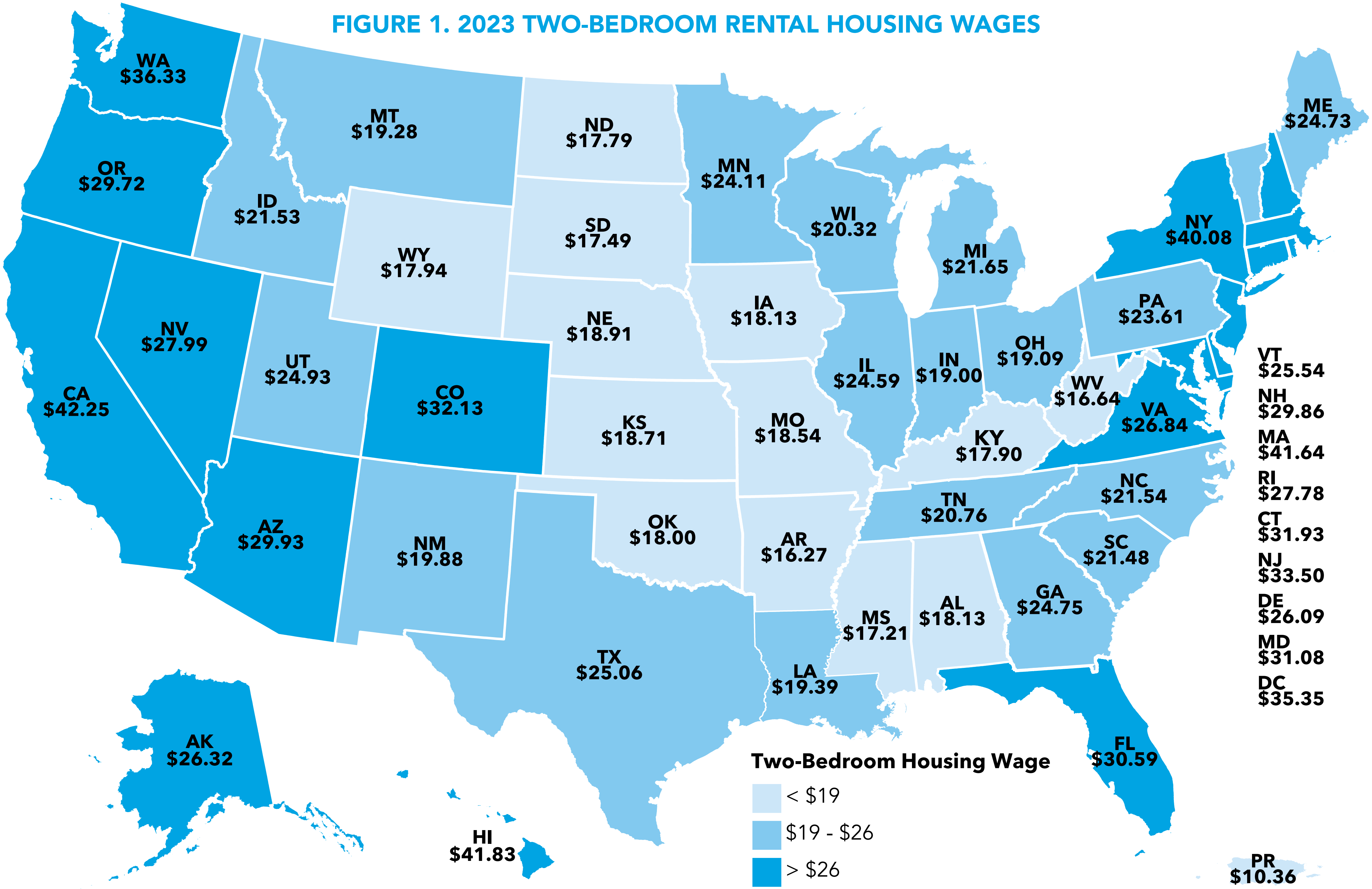
For more than 30 years, the National Low Income Housing Coalition's (NLIHC) *Out of Reach* report has called attention to the gulf between actual wages and what people need to earn to afford their rents. The report shows that affordable rental homes are out of reach for millions of low-wage workers and other families. This year's report incorporates accounts of tenant experiences that speak to the myriad challenges faced by low-income renters.

The report's "Housing Wage" is an estimate of the hourly wage full-time workers must earn to afford a rental home at the U.S. Department of Housing and Urban Development's (HUD) fair market rent without spending more than 30% of their incomes. Fair market rents are estimates of what a household moving today can expect to pay for a modestly priced rental home. The kind of home that can be rented for the fair market rent is in decent condition, but it is not luxury housing. **The 2023 national Housing Wage is $28.58 per hour for a modest two-bedroom rental home and $23.67 for a modest one-bedroom rental home.** As the report shows, the Housing Wage is far higher than federal or state minimum wages, and higher than median wages for workers in some of the country's most common occupations, like home health and personal care aides, food service workers, and administrative assistants. Indeed, nearly 50% of workers earn an hourly wage that is less than the one-bedroom Housing Wage. People of color are disproportionately impacted by the gap between low wages and high rents because they disproportionately work in low-wage jobs and rent their homes.

Even among those fortunate enough to have found relatively affordable homes, low-wage renters are often only one missed paycheck or unexpected expense away from not being able to pay their rent. Stable, affordable housing is a prerequisite for basic well-being, and no person should live in danger of losing their home. Addressing the country's long-term housing affordability crisis requires bridging the gap between rents and incomes by expanding Housing Choice Vouchers to all households in need of them. At current funding levels, federal housing assistance is available to only one in four income-eligible households (Fisher, Acosta, & Gartland, 2021). To be most effective, universal rental assistance must be paired with the construction and preservation of more affordable homes, an emergency housing stabilization fund to aid renters in crisis, and stronger renter protections.

The one- and two-bedroom Housing Wages vary across the country. For a modest two-bedroom apartment, the average Housing Wage ranges from $16.27 in Arkansas to $42.25 in California (**Figure 1**). States with lower housing costs also tend to have lower wages, so the lowest-wage workers in every state struggle to pay their rent.

FIGURE 1. 2023 TWO-BEDROOM RENTAL HOUSING WAGES



This map displays the hourly wages that a full-time worker must earn (working 40 hours per week, 52 weeks per year) in every state, the District of Columbia, and Puerto Rico in order to afford Fair Market Rent for a **TWO-BEDROOM RENTAL HOME**, without paying more than 30% of income.

RENTAL HOUSING IS UNAFFORDABLE FOR LOW-WAGE WORKERS

In no state, metropolitan area, or county in the U.S. can a worker earning the federal or prevailing state or local minimum wage afford a modest two-bedroom rental home at fair market rent by working a standard 40-hour work week. In only 7% of counties nationwide, not including Puerto Rico, can a full-time minimum-wage worker afford a one-bedroom rental home at fair market rent. These counties are in states with a minimum wage higher than the federal minimum wage of $7.25 per hour. While higher minimum wages are necessary, they alone will not solve the housing affordability crisis. Sixty-six counties and municipalities have minimum wages higher than the federal or, where applicable, state minimum wage, but in each of these jurisdictions, the local minimum wage falls short of the local one-bedroom and two-bedroom Housing Wages (Appendix A).

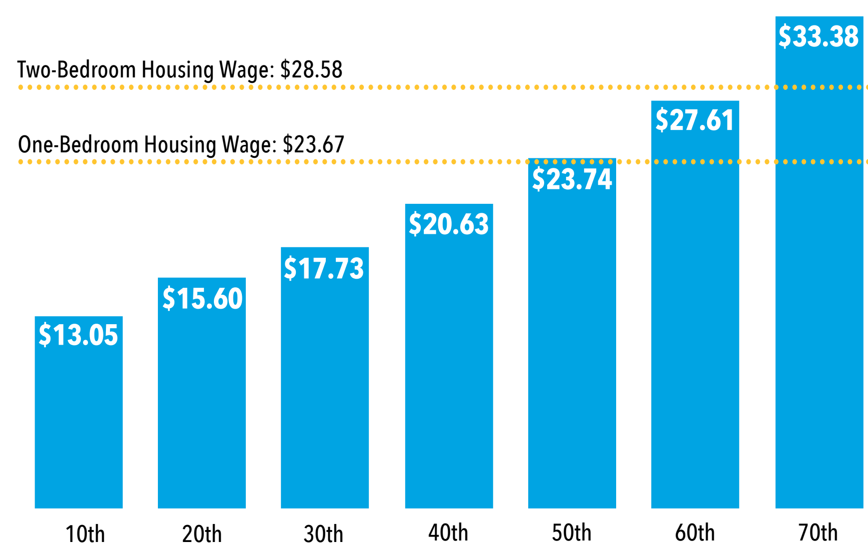
Thirty states, the District of Columbia, and Puerto Rico have minimum wages that are higher than the federal minimum wage. Even considering higher state and county minimum wages, the average minimum-wage worker must work 104 hours per week (2.6 full-time jobs) to afford a two-bedroom rental home, or 86 hours per week (just over two full-time jobs) to afford a one-bedroom rental home at the fair market rent. People who work 104 hours per week and need eight hours per day of sleep have only one hour per day left over for everything else – commuting, cooking, cleaning, self-care, caring for children and family, and serving their community. For single parents in need of the additional space provided by a two-bedroom apartment, working 104 hours is clearly an impossible undertaking. In fact, it is unreasonable to expect people to work the 86 hours per week necessary to afford a one-bedroom apartment. For people who can work, one full-time job should be enough to afford housing.

The struggle to afford rental housing is not confined to minimum-wage workers. The wage distribution in **Figure 2**, which includes all wage and salary workers, shows that modest rental housing is out of reach for nearly every worker in the bottom half of the wage distribution. Nearly 50% of wage earners cannot afford a modest one-bedroom rental home at the fair market rent while working one full-time job. At least 60% of wage earners cannot afford a modest two-bedroom rental home while working one full-time job.

The average hourly wage earned by renters is just one cent more ($23.68) than the national one-bedroom Housing Wage ($23.67) but $4.90 less than the two-bedroom Housing Wage ($28.58). As a result, the average renter must work 48 hours per week to afford a modest two-bedroom apartment on their own. In 47 states, full-time workers earning the average hourly wage for renters in their state earn less than their state's two-bedroom Housing Wage. In 18 of those states, the average working renter earns at least $5.00 less than the state's two-bedroom Housing Wage. In 20 of those states, full-time workers earning the average hourly wage for renters earn less than even the one-bedroom Housing Wage.

Thirteen of the nation's 20 most common occupations pay median wages that are less than what a full-time worker needs to earn to afford a modest two-bedroom apartment at the national average fair market rent (**Figure 3**). Ten of these occupations, which account for more than 49 million workers, or one-third of the workforce, pay median wages less than the wage a full-time worker needs to earn to afford a modest one-bedroom apartment. For example, the median hourly wages of food servers and retail workers are $14.27 and $14.88, respectively

FIGURE 2. HOURLY WAGES BY PERCENTILE VS. ONE- AND TWO-BEDROOM HOUSING WAGES



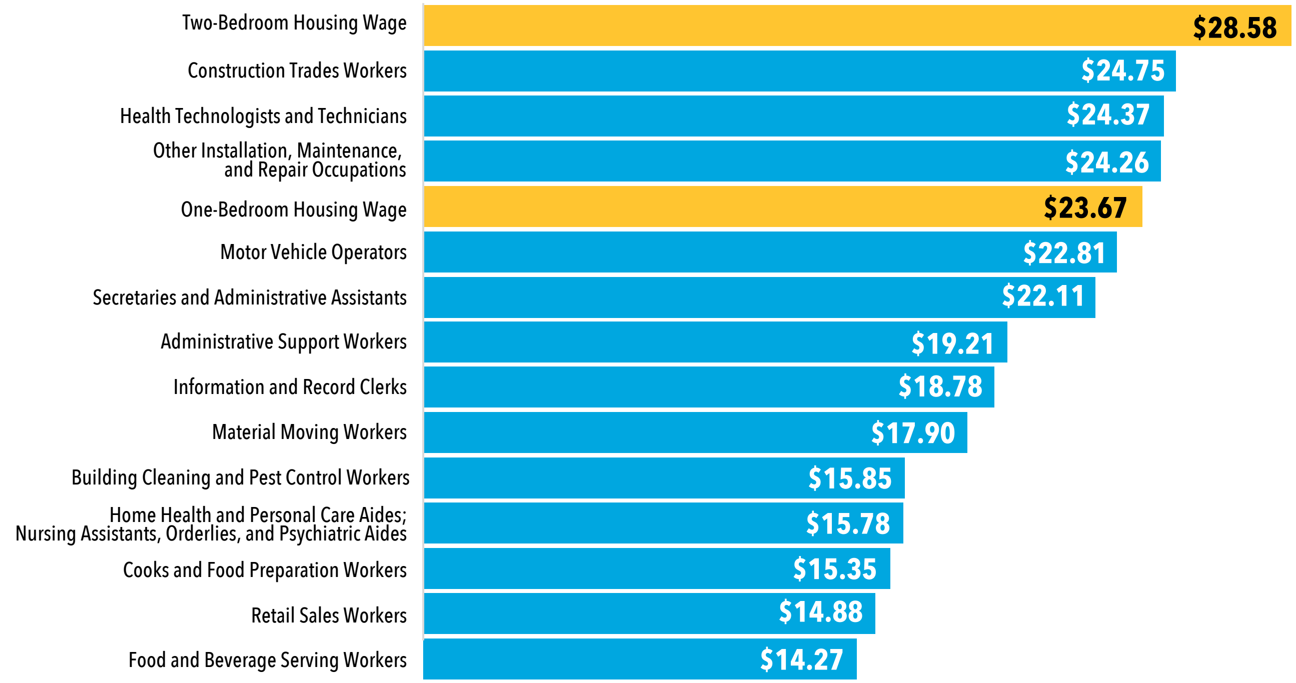
Source: Housing wages based on HUD fair market rents. The hourly wages by percentile are drawn from the Economic Policy Institute State of Working America Data Library 2022, adjusted to 2023 dollars.

– significantly less than the full-time wage of $23.67 needed to afford a one-bedroom apartment at the fair market rent. Over 25 million people work in the five lowest-paying occupations – retail sales, food and beverage services, food preparation, home health and personal care services, and building cleaning – whose median hourly wages are at least $7.80 less than the one-bedroom Housing Wage.

The average monthly fair market rents for a one-bedroom and two-bedroom rental home are $1,231 and $1,486, respectively. In most areas of the U.S., a family of four with a poverty-level household income can afford monthly rent of no more than $750, assuming the household can manage to spend as much as 30% of its income on housing (**Figure 4**). Many extremely low-income families can afford far less. Individuals with disabilities relying on federal Supplemental Security Income (SSI) can afford a monthly rent of only $274.

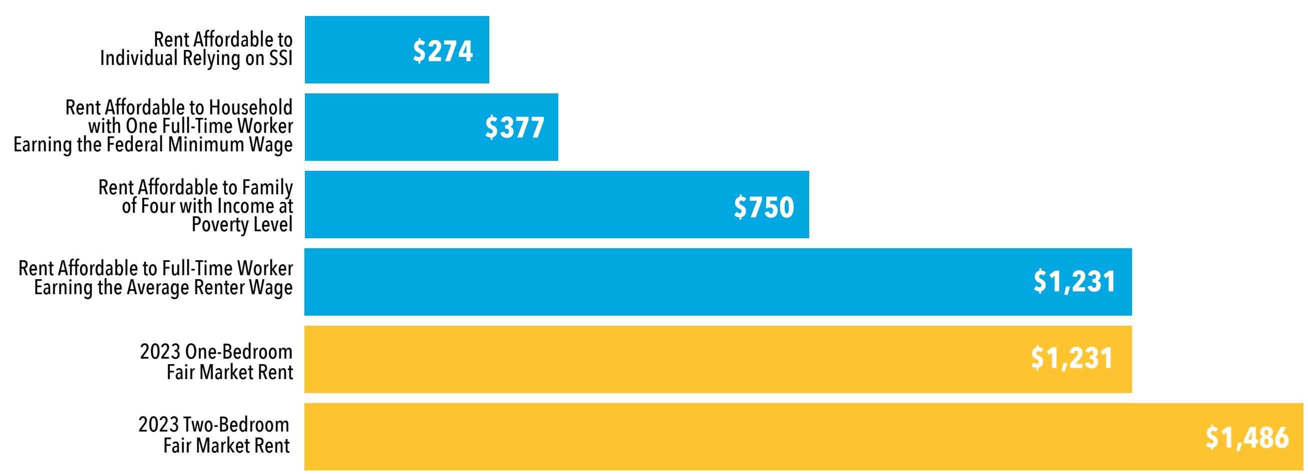
OVER 25 MILLION PEOPLE WORK IN THE FIVE LOWEST-PAYING OCCUPATIONS – RETAIL SALES, FOOD AND BEVERAGE SERVICES, FOOD PREPARATION, HOME HEALTH AND PERSONAL CARE SERVICES, AND BUILDING CLEANING – WHOSE MEDIAN HOURLY WAGES ARE AT LEAST $7.80 LESS THAN THE ONE-BEDROOM HOUSING WAGE.

FIGURE 3. 13 OF THE 20 LARGEST OCCUPATIONS IN THE UNITED STATES PAY MEDIAN WAGES LESS THAN THE TWO-BEDROOM HOUSING WAGE



Source: NLIHC calculation of weighted-average HUD Fair Market Rent. Occupational wages from May 2022 BLS Occupational Employment and Wage Statistics, adjusted to 2023 dollars.

FIGURE 4. RENTS ARE OUT OF REACH



Source: NLIHC calculation of weighted-average HUD Fair Market Rent. Affordable rents based on income data from BLS QCEW, 2021 adjusted to 2023 dollars; and Social Security Administration, 2023 maximum federal SSI benefit for individual.

NOT ENOUGH MONEY IS LEFT FOR OTHER BASIC NEEDS

Many low-wage workers and other low-income renters pay a large portion of their income toward rent because they lack housing options that are more affordable. Traditionally, households are considered housing cost-burdened if they spend more than 30% of their income on housing costs, including rent and utilities. Households are considered severely housing cost-burdened if they spend more than 50% of their income on housing costs. Across the U.S., 20.8 million renter households are housing cost-burdened, and 11.3 million are severely housing cost-burdened (NLIHC, 2023c). Extremely low-income renters – those whose household incomes are less than either the federal poverty guideline or 30% of area median income (AMI), whichever is greater – are far more likely than other households to experience severe cost burdens. Seventy-three percent of extremely low-income renters are severely cost-burdened, compared to 26% of all renters. When low-income households spend more than half their income on housing, they have little if any money to spend on other necessities, such as food, childcare, transportation, and healthcare. The lowest-income renters who are severely cost-burdened spend 38% less on food and 70% less on healthcare than the lowest-income renters who are not cost-burdened (Joint Center for Housing Studies, 2022a).

An extremely low-income family of four with a monthly income of $2,500 paying the average two-bedroom fair market rent of $1,486 spends almost 60% of their income on rent and has only $1,014 left each month to cover other needs. The U.S. Department of Agriculture's (USDA) thrifty food budget for a family of four (two adults and two school-aged children) estimates that they need to spend $971 per month to cover food alone, leaving only $43 for childcare, medical care, transportation, and all other necessities (U.S. Department of Agriculture, 2023).

Extremely low-income renters cannot always afford to spend even the traditional affordability standard of 30% of their income on rent. An alternative measure of housing affordability is the residual-income approach, which evaluates affordability in terms of whether households have enough income to afford non-housing necessities after paying their rent. Recent research finds that 100% of households with annual incomes less than $30,000 and 81% of households with annual incomes between $30,000 and $44,999 are cost-burdened using this approach, indicating they could not afford the costs of non-housing necessities after they paid for their housing (Airgood-Obrycki et al., 2022). Struggles to afford basic necessities have only worsened for many renter households over the last two years, as inflation has raised prices for nearly all household goods (Bureau of Labor Statistics, 2023a).

The termination of the emergency rental assistance that was made available to qualifying families during the pandemic has further challenged renters struggling to afford housing and other basic needs. By December 2022, at least 514 state, local, territory, and tribal ERA programs established with support from the U.S. Department of the Treasury's (Treasury) Emergency Rental Assistance program had together provided approximately 11 million payments to help low-income renters pay their rent. Yet by May 2023, more than three-quarters of these programs had closed to new applicants, while several others had temporarily stopped accepting new applications after running out of funds (NLIHC, 2023d). Likewise, Emergency Allotments (EA) of SNAP benefits ended in 32 states and the District of Columbia in March 2023. The U.S. Census Bureau estimated that, as a result, 32 million people experienced a decline in SNAP benefits and rates of food insecurity in these states and jurisdictions have risen significantly (Brown et al., 2023).

WHEN LOW-INCOME HOUSEHOLDS SPEND MORE THAN HALF THEIR INCOME ON HOUSING, THEY HAVE LITTLE IF ANY MONEY TO SPEND ON OTHER NECESSITIES, SUCH AS FOOD, CHILDCARE, TRANSPORTATION, AND HEALTHCARE.

THE GULF BETWEEN HOUSING COSTS AND INCOMES

JASMINE

Jasmine lives in a two-bedroom apartment in Memphis, Tennessee, with her 13-year-old daughter. She earns between $1,000 and $1,300 a month by braiding hair. She pays $825 a month for rent and another $200 for her electric bill, which, when combined, consume nearly 80% of her income in a good month and all her income in other months. Even though she receives monthly SNAP benefits of approximately $500 for food, Jasmine must meticulously plan her budget to afford housing, food, clothing, and hygiene and feminine products, leaving next to nothing to afford anything else that she may need or want. Jasmine hopes to own her own home someday, or at least afford a rental home in a more favorable location, but the gap between her housing costs and her income prevents her from building savings and over time is pushing her further and further away from her goals.

HEATHER

When Heather was looking for a rental home in Salt Lake City, Utah, in August 2022, the only affordable option was a 281-square-foot apartment that cost $1,000 a month in rent. Needing to escape a bad living situation with four roommates who engaged in drug use and other behaviors that made her feel unsafe, Heather took the cramped studio apartment, but she struggles to afford the rent. She is currently looking for work but cannot find a job that pays more than $30,000 per year. She does not receive any government support for housing, food, or healthcare but instead earns approximately $300 a month by house-sitting people's pets, receives $400 every month in support from her family, and occasionally earns extra income by selling hair products. Heather's friend helps pay her rent and utilities in exchange for Heather providing in-home care services to his wife, who has limited mobility. Heather doesn't think her friend will end the arrangement without warning, but she says that "it doesn't feel very stable or secure. I mean, any minute, he could hire somebody that actually does [in-home care] for a living." Because of the high costs she faces, she is no longer able to enjoy activities that used to be normal, like going out to dinner with a friend and paying for herself.

I WOULD HAVE TO WORK ALMOST THREE JOBS JUST TO BE ABLE TO AFFORD ANY PLACE.

EMILY

Emily receives $564 every month in Social Security Disability Insurance (SSDI) and pays $365 in rent for her 150-square-foot studio apartment, which is operated by a non-profit organization that works with people with behavioral health challenges. Emily benefited from increased SNAP benefits during the COVID-19 pandemic. Now that those extra allotments have ended, she receives $200 in SNAP benefits every month to pay for food. She explains that "even for a single person, to only have $200 for food is a stretch…That $50 to $60 extra (allotment) was just a blessing." After paying her rent and $100 for her phone bill, Emily has less than $100 to cover other necessities. In April 2023, she was unexpectedly required to pay a small security deposit that she had not paid when she moved into her apartment the previous January. As a result, she had only $14 left to cover non-housing expenses and was unable to pay other bills. Emily wants to "afford a real apartment of my own, that's not subsidized." The gap between rent and income is a big obstacle. "I would have to work almost three jobs just to be able to afford any place," she says. Emily worries that even by working multiple jobs, she could still only afford poor-quality housing.

STACY

Stacy is a Certified Nursing Assistant (CNA) who earned $25 an hour working in various nursing homes during the pandemic. When she became pregnant with her third child and then fell ill with COVID-19, she chose to stop working as a CNA to keep herself and those around her safe. She took a part-time, minimum-wage job to help her family stay afloat but fell behind on rent, had to vacate her apartment, and moved in with another single parent of two children. Working part-time delivering food to seniors, Stacy now earns $8.25 an hour, or $660 a month before taxes. She pays approximately $325 a month for rent – almost 50% of her income. The other income-earning parent in her household has a lawncare business that suffered recently due to bad weather, and he has started working night shifts to earn income. Together, the two parents are barely getting by. Stacy's income puts her $2 over SNAP income-eligibility limits, so she does not receive public benefits to help her feed her household. When she shops for groceries and other necessities, she looks exclusively for sales and buys the bare minimum. The cost of a carton of eggs amounts to a whole hour of her paycheck, she says.

THE LONG-TERM LOSS AND SYSTEMIC SHORTAGE OF AFFORDABLE RENTAL HOUSING

The shortage of affordable rental housing is a long-standing feature of our nation's housing market, making it difficult for low-income renters to find an affordable home. The U.S. currently has a shortage of 7.3 million rental homes affordable and available to extremely low-income renters (NLIHC, 2023c). The shortage grew by 500,000 between 2019 and 2021 as a result of an increase in the number of extremely low-income renters and the loss of 400,000 rental homes affordable to them. This loss continued a long-term trend: the supply of rental units affordable to renters with annual household incomes below $30,000 had already declined by nearly 4 million units between 2011 and 2019 (Joint Center for Housing Studies, 2022a). During this time, the supply of low-cost rental housing as a share of the rental housing stock declined from 32% to 22%.

The private market cannot provide a sufficient supply of affordable housing for the lowest-income renters, because what extremely low-income renters can afford to pay in rent often does not cover the costs of maintaining older rental properties. For example, the Center on Budget and Policy Priorities estimated that the average monthly operating cost for rental units was $520 in 2019, yet the typical extremely low-income renter could not afford that level of rent (Bailey, 2022). When rents on a property fall below the operating costs, private landlords in weak markets have an incentive to find a different use for or abandon their properties, while landlords in strong markets have an incentive to renovate their properties to capture higher rents. Meanwhile, new construction that does not receive public subsidies usually targets higher-income households to cover development costs. The median monthly asking rent for new units in multifamily properties was $1,740 in 2021, and the share of new units renting for less than $850 declined from 9% to 2% (Joint Center for Housing Studies, 2022b).

Not only does the private market fail to serve the lowest-income renters, but three out of every four eligible households do not receive federal housing assistance due to severe underfunding (Mazzara, 2021). The majority of HUD's housing assistance budget goes to the renewal of rental contracts on existing subsidized properties and the continuation of current rental assistance. Between 2011 and 2022, the number of HUD-assisted renters did not significantly change, while the supply of low-cost rental units in the private market declined (U.S. Department of Housing & Urban Development, 2023). In addition, Congress has failed to adequately fund long-term capital improvements in the subsidized housing stock – particularly for public housing – for decades, putting this stock at risk of physical deficiencies (NLIHC, 2023a).

THE IMPACT OF FEW AFFORDABLE HOUSING OPTIONS

TENANT EXPERIENCES WITH POOR CONDITIONS AND BURDENSOME REQUIREMENTS

STACY

Unable to afford the $700-a-month rent for her 800-square-foot, two-bedroom, two-bathroom apartment after leaving her job as a CNA, Stacy moved her three children and herself into a three-bedroom house with another single-parent in January 2023. Two adults and five children now live in the home, and she pays $325 a month to share a small bedroom with her three children of ages 17, 15, and 10-months. Stacy searches every day for a job that will provide the resources needed for her family to get back into its own home, but she cannot find work that will pay enough. Her daughter says that she wishes her mom still had her CNA job because things were so much better then.

EMILY

As a condition of the lease for her 150-square-foot studio apartment, Emily must attend two-hour behavioral health sessions three times a week and participate in several daily socialization activities provided by the nonprofit managing her apartment. Emily believes that the burdensome requirements imposed by her housing provider sometimes worsen her mental health, because they leave her little time and space to engage in those acts of self-care that she believes are best for her. Habitability problems in her current unit also negatively impact her mental and physical health. Emily's apartment has a severe rodent problem: she has no internet access because mice have chewed through wires, and she cannot use her oven because mice have nested inside of it. Emily feels trapped. For people in her situation, she explains, "there's nowhere else to go…I go here, or I'm homeless." She knows from experience what that's like: Emily experienced homelessness between 2018 and 2019. Although the situation was dangerous, she says she would rather be homeless again than remain in her current housing for much longer.

THERE'S NOWHERE ELSE TO GO…I GO HERE, OR I'M HOMELESS.

TENANT EXPERIENCES WITH EVICTIONS AND HOUSING INSTABILITY

MARIE

Marie is a 70-year-old wife, mother, and grandmother who has experienced income loss, threats of eviction, and homelessness over the past three years. When Marie's husband lost his job in July 2020, she and her husband were threatened with eviction, so they moved out of their rental home to a hotel. They were able to afford the hotel with Marie's Social Security benefits and income from her husband's new job until his employer let him go in December 2022. Marie and her husband lived in a homeless shelter between December 2022 and March 2023, when Marie had a heart attack. Soon after her heart attack, the City of Tucson's Community Safety, Health & Wellness and Housing First programs secured her an apartment and a permanent Emergency Housing Voucher. Marie and her husband have a combined income of $1,900 a month between her Social Security and his unemployment benefits. Having recently received their voucher, they anticipate their rent contribution will be at least $570 a month, leaving them with $1,330 every month to pay for other expenses, which include $774 for Marie's car payment and insurance, as well as the costs of medical care, prescriptions, and food. Despite having a housing voucher, Marie still worries about her ability to remain housed. Over the next few months, Marie plans to prioritize paying her rent and her car payment – over buying food and receiving medical care – explaining that "we're not looking at this [apartment] as a permanent residence. I'm looking to hold on to my vehicle, so if I have [to move] out in a couple of months and be out in the street, I can survive better."

SKYLAR

Skylar is a voucher-holder who was evicted from her rental home in August 2022, where she had lived for six years, after she removed a malfunctioning smoke detector. To avoid entering a homeless shelter, Skylar and her son moved in with a close friend. Skylar slept on her friend's couch for four months while she searched for a property that would accept her voucher. After paying over $1,000 in fees for applications to multiple apartments, Skylar learned that her applications were being denied because she had three evictions on her record – evictions that had been expunged in 2021 because they were the result of identity theft. She tried to go through third parties to get the evictions removed from her record but had no success. Her voucher expired in December 2022, before she could find a landlord who would accept it. "It was definitely a stressful, stressful time of my life," she says. "Probably the most stressful time of my life." Fortunately, Skylar was approved for public housing in January 2023. She currently lives in a two-bedroom apartment in a quieter, safer community. Yet she still struggles to be financially secure.

JUANITA

Juanita was evicted from her two-bedroom apartment in March 2023 when she stopped receiving emergency rental assistance and could no longer afford her rent, utilities, and the $156 HOA fee. Without legal representation, Juanita tried to fight the eviction in court, arguing that she should have received a notice 30 days prior to her eviction filing. The court ruled against her and, as a result, Juanita had only 72 hours to vacate the property. Juanita and her husband rented a U-Haul to move their belongings into a storage unit, only to learn that her property manager used social media to encourage others to take possession of her belongings for free. On a recent video call, Juanita was sitting in the U-Haul while her husband tried to collect their belongings, which had been thrown outside in the snow. To make matters worse, the U-Haul's battery had died. "It's almost like when I breathe in, I can feel a scab on my heart. I am so tired," she explained.

LINDA

Linda, who lives in rural Minnesota, was displaced twice in two years after new owners raised rents beyond what she could afford, despite having a Housing Choice Voucher. At one time, Linda owned a home in which she housed many foster care children before finding them their own homes. When her foster-care income declined, she was no longer able to pay her mortgage, lost her home, and initially moved in with her elderly mother. Since losing her home, she has rented various units and experienced displacement numerous times due to gentrification and rising rent prices. She currently uses her voucher to afford a two-bedroom apartment and spends 40% of the $900 of Social Security Income she receives monthly to cover her rent. She is grateful for her voucher, but she understands from experience that her landlord can raise her rent or opt out of the voucher program at any time. As a result, she worries about when "the other shoe is going to drop."

PUBLIC HOUSING RESIDENTS IMPACTED BY DISINVESTMENT

TEVINA

Tevina, a public housing resident, and her neighbors in Brooklyn, New York, have advocated for better housing conditions, but the lack of funding and staff capacity on the part of the housing authority has made it difficult to bring about any changes. When she moved into her current unit, for example, she was forced to go without a working stove or oven for six weeks. After becoming a housing organizer, Tevina recognized a pattern of unmet tenant repair requests across the housing authority's developments and realized it was a systemic problem. Ultimately, she and other tenants took matters into their own hands, sometimes paying for repairs out of their own pocket. "There's a misconception that public housing tenants don't care about where they live, and that they don't care about how they live," she says. "It is actually very untrue. I mean, people care about their community, you know, and we may just not know what to do. And if you're constantly getting told 'no', or 'we don't have it', or 'we don't have the money or the funding', it's discouraging."

JASMINE

Jasmine recently moved out of public housing due to poor conditions in her building. When the building underwent renovation, mice were found living in the walls. Rather than addressing the mouse problem, the housing authority simply fixed and repainted the walls, which Jasmine feels is emblematic of how band-aids are applied to major problems by many housing authorities. "A lot of people don't have nowhere else to go," she says. "And it's all they get, so they have to live through it." Whereas some people, like herself, can earn and save enough money to get out of their situation, Jasmine says that many tenants are hesitant to complain about unsafe conditions out of fear of retaliation. She wishes that, rather than public housing authority officials, HUD would inspect apartments and meet with tenants once or twice a year to ensure that housing conditions are safe and habitable. She wishes HUD would ask tenants: "Are you alright? Do you feel safe?"

IT'S ALMOST LIKE WHEN I BREATHE IN, I CAN FEEL A SCAB ON MY HEART. I AM SO TIRED.

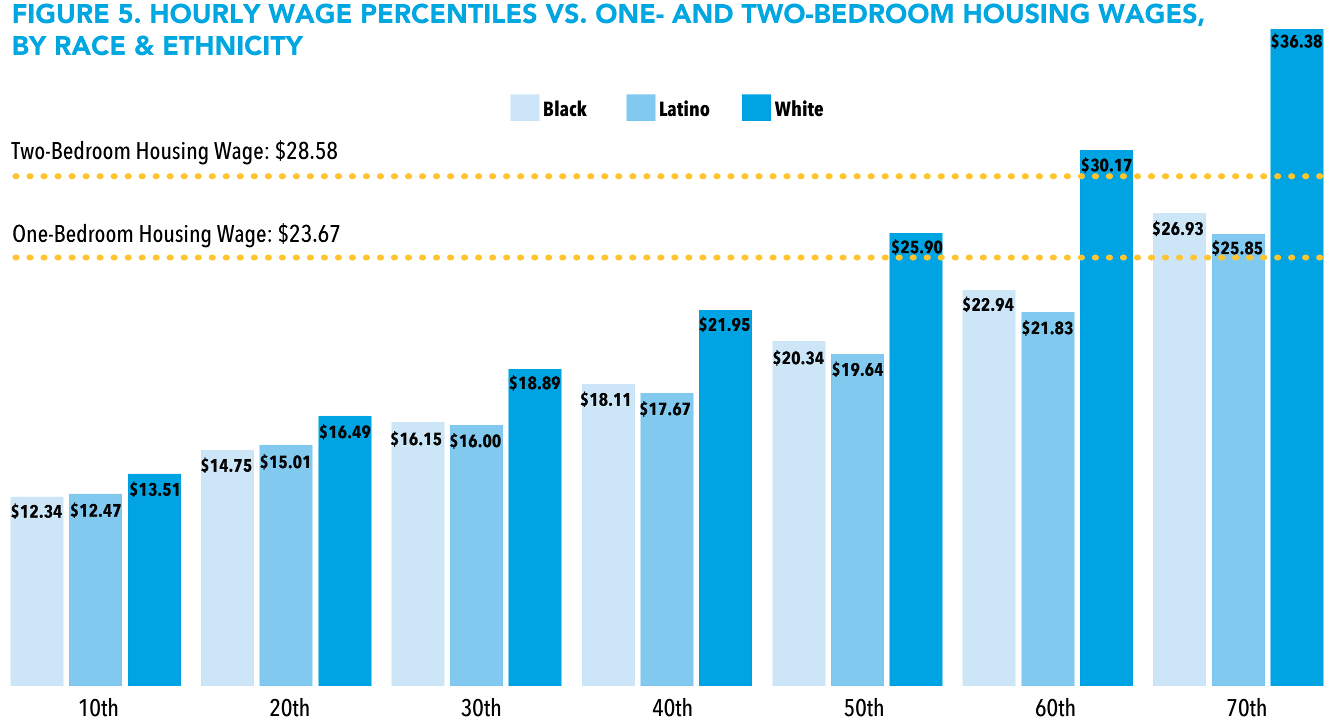
DISPROPORTIONATE HARM TO BLACK, LATINO, NATIVE AMERICAN, AND WOMEN WORKERS

People of color are disproportionately impacted by the lack of affordable rental housing because they are more likely than white households to be renters and are also more likely to have extremely low incomes. Historical barriers to wealth accumulation and ongoing housing discrimination restrict homeownership opportunities for many people of color, particularly Black households, while racial disparities in income are the result of discrimination in hiring and wage-setting and unequal opportunities (NLIHC, 2020). Extremely low-income renters account for 19% of Black households, 17% of American Indian or Alaska Native households, and 14% of Latino households, but only 6% of white households (NLIHC, 2023c).

Black, Latino, and Native American workers are more likely than white workers to be employed in sectors with lower median wages, like service, consumer-goods production, and transportation, while white workers are more likely to be employed in higher-paying management and professional positions (Wilson et al., 2021; Allard & Brundage, Jr., 2019). Even within the same professional occupations, however, the median earnings for white workers are often higher than the median earnings for Black and Latino workers (Wilson et al., 2021). Twenty percent of Black workers and 19% of Latino workers earned less than $15 per hour in 2022, compared to 15% of the entire workforce and 13% of white workers (Gould and DeCourcy, 2023). Research indicates that Native American workers also disproportionately earn wages that are less than $15 per hour (Allard & Brundage, Jr., 2019).

Figure 5 compares the hourly wage distributions of white, Black, and Latino workers. The 10th percentile bars show the hourly wages of the lowest-paid 10% of white, Black, and Latino workers. The lowest-wage Black workers earn 9% less than the lowest-wage white workers, while the lowest-wage Latino workers earn 8% less. These disparities widen at successively higher levels of income. The median Black worker and median Latino worker receive 21% and 24% less, respectively, than the median white worker.

FIGURE 5. HOURLY WAGE PERCENTILES VS. ONE- AND TWO-BEDROOM HOUSING WAGES, BY RACE & ETHNICITY



Source: Housing wages based on HUD Fair Market Rents. The hourly wages by percentile are drawn from the Economic Policy Institute State of Working America Data Library 2022, adjusted to 2023 dollars.

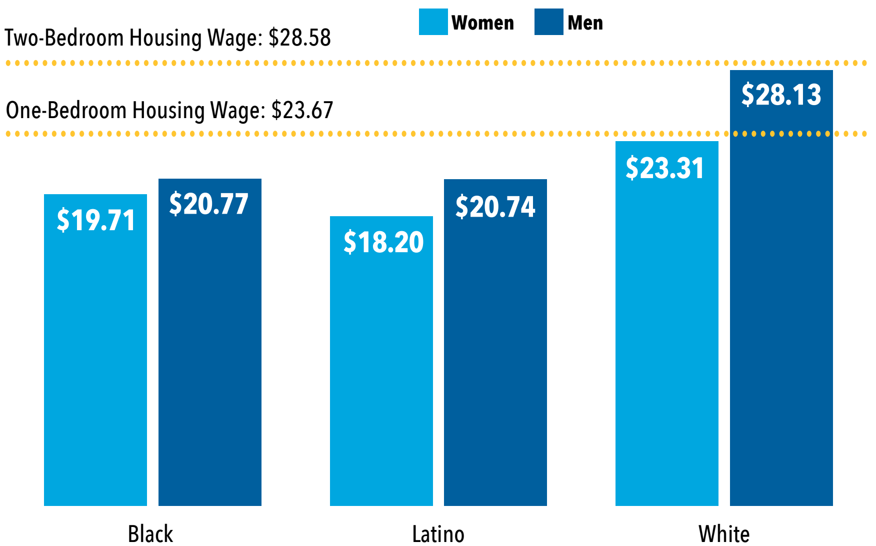
As a result of such wage disparities, Black and Latino workers face larger gaps between their wages and the cost of rental housing than white workers. Nationally, the median wage of a full-time white worker is adequate to afford a one-bedroom apartment at fair market rent, but the median wage of a full-time Black or Latino worker is not (**Figure 5**). At the 60th percentile, a full-time white worker can afford a two-bedroom rental home at fair market rent. Meanwhile, a full-time Black or Latino worker at the 60th percentile for Black and Latino workers, respectively, cannot afford even a one-bedroom rental home.

Regardless of their race and ethnicity, women earn less than their male counterparts and face more difficulty affording rental housing, but this is especially the case for Black and Latina women (**Figure 6**). Black women earning the median wage for members of their race and gender make $19.71 per hour, $1.06 less than the median wage among Black male workers and $8.42 less than the median wage among white male workers. The median wage of Latina women is $2.54 less than the median wage of Latino men and $9.93 less than the median wage of white men. While a white man making the median wage for his race and gender can afford a one-bedroom apartment at the average fair market rent, Black and Latina female workers earn median wages that are $3.96 and $5.47 less, respectively, than the one-bedroom housing wage.

REGARDLESS OF THEIR RACE AND ETHNICITY, WOMEN EARN LESS THAN THEIR MALE COUNTERPARTS AND FACE MORE DIFFICULTY AFFORDING RENTAL HOUSING, BUT THIS IS ESPECIALLY THE CASE FOR BLACK AND LATINA WOMEN.

Beyond low wages, people of color are also more likely to face higher rates of unemployment and underemployment, adding to the challenges they face affording housing. The average monthly unemployment rate among white participants in the labor market was 3.2% in 2022, compared to 4.1% for Hispanics, 6.1% for Blacks, and 6.2% for American Indian or Alaska Natives (U.S. Bureau of Labor Statistics, 2023a). People of color working part-time are also more likely than their white counterparts to be doing so due to reductions in their current work hours or inability to find full-time employment. Sixteen percent of Black part-time workers and 20% of Latino part-time workers in 2022 were in this situation, compared to 11% of white part-time workers (U.S. Bureau of Labor Statistics, 2023b).

FIGURE 6. MEDIAN HOURLY WAGES BY RACE, ETHNICITY, AND GENDER



Source: Housing wages based on HUD Fair Market Rents. The hourly wages by percentile are drawn from the Economic Policy Institute State of Working America Data Library 2022, adjusted to 2023 dollars.

THE FEDERAL POLICIES NEEDED TO END THE HOUSING CRISIS

Despite low unemployment levels and stabilizing rent prices, low-wage workers and other renters with limited resources continue to struggle to afford their rents. Millions of families renting their homes simply do not have adequate income to afford even modest housing. Federal resources are critical to ensuring they can remain stably housed. These resources should bridge the gap between renters' incomes and housing costs, expand and preserve the supply of affordable and accessible rental housing, and provide emergency rental assistance for families in unexpected crises. Yet at a time when more resources are sorely needed, some congressional leaders are proposing significant cuts to federal rental housing programs that would further threaten the housing stability and well-being of renters with extremely low incomes.

Instead of cutting resources for housing and homelessness programs, Congress must significantly increase funding for rental assistance through the Housing Choice Voucher (HCV) program, which enables many renters to afford housing in the private market. The "Ending Homelessness Act of 2021" ("H.R.4496" in the 117th Congress) would establish a universal voucher program that would enable all eligible households to receive rental assistance. The bipartisan "Family Stability and Opportunity Vouchers Act of 2023" ("S.1257"), introduced by Senators Van Hollen (D-MD) and Young (R-IN), would create 250,000 new housing vouchers targeted to low-income families with young children and provide mobility counseling services to help families find housing options in neighborhoods of their choice. Both bills would promote housing stability for extremely low-income renters throughout the U.S.

Congress must also increase federal investments in the preservation of the existing affordable housing stock and in programs that expand the supply of deeply affordable units. The "American Housing and Economic Mobility Act" ("S.1368" in the 117th Congress), for example, would provide nearly $45 billion annually for the national Housing Trust Fund, which provides funding to states for the preservation and creation of housing affordable to renters with extremely low incomes. The bill would also include resources to repair public housing, support the building or rehabilitation of housing in tribal and Native Hawaiian communities, and create and preserve affordable housing in rural areas. These investments would help ensure that renters receiving rental assistance are able to find rental housing that meets their needs and aligns with the requirements of an expanded HCV program.

Congress must also provide funding for a national housing stabilization fund for renters at risk of housing instability due to unexpected financial crises. Treasury's Emergency Rental Assistance (ERA) program, which provided $46.6 billion in emergency rental assistance for households experiencing financial distress during the pandemic, revealed the widespread need for such a program. The ERA program has made nearly 11 million payments and has primarily served extremely low-income renters, with 63% of households served having incomes of less than 30% of AMI. The "Eviction Crisis Act" ("S.2182" in the 117th Congress) would establish a permanent version of this program by creating a national housing stabilization fund for renters facing temporary financial setbacks. Temporary assistance for households would help prevent the many negative consequences associated with evictions and homelessness, including mental and physical health problems, loss of possessions, instability for children, and increased difficulty finding a new apartment.

Robust renter protections are needed to ensure the safety and just treatment of renter households. The "Legal Assistance to Prevent Evictions Act" ("S.3305" and "H.R.5884" in the 117th Congress) would create a grant program to provide legal assistance to renters facing eviction. Similarly, the "Housing Emergencies Lifeline Program (HELP) Act" ("H.R.6696" in the 117th Congress) would provide $10 billion to support legal counsel for tenants at risk of eviction and prohibit the reporting of evictions, as well as rent and utility debt, on consumer reports.

Renters likewise need protection from landlord discrimination. Despite the evidence that bans on source-of-income discrimination increase the effectiveness of the Housing Choice Voucher program, private landlords are not required to accept HCVs as payment for rent. Dozens of states and municipalities have filled in the gaps in federal fair housing law by establishing their own protections for voucher holders. More than half of HCV recipients now live in communities that ban source-of-income discrimination (Greene et al., 2020). Still, too many voucher holders live in communities without these protections. To ensure that all voucher holders are protected from discrimination, no matter where they live, Congress should enact the "Fair Housing Improvement Act of 2023" ("S.1267"; "H.R.2846") introduced by Senator Tim Kaine (D-VA) and Representative Scott Peters

(D-CA). The bill would expand federal fair housing protections to prohibit discrimination based on source of income and military and veteran status. Congress should also ban housing discrimination based on sexual orientation, gender identity, and marital status.

Congress should enact additional measures to protect renters as well, including establishing anti-rent gouging protections, eliminating arbitrary screening policies to ensure housing access for people exiting the criminal justice system, and supporting "just cause" eviction standards. Just cause – also known as "good cause" or "for cause" – eviction laws protect tenants from eviction or a landlord's refusal to renew a tenant's lease when they have not violated their lease or the law. The protections make the lease renewal process more predictable, empower tenants to advocate for better living conditions without fear of retaliation, and promote long-term housing stability for low-income and marginalized renters (Vasquez & Gallagher, 2022).

During 2021 and the first half of 2022, low vacancy rates and rapidly rising rental prices worsened the housing insecurity of low-income renters who, in too many cases, were already struggling to afford their rent. Even though rent prices had stabilized by early 2023, low-wage workers and other extremely low-income renters – disproportionately people of color – will continue to face high rental prices and a shortage of affordable rental homes, putting stable housing out of reach for many. Only sustained, long-term federal investments in rental housing can ensure that the lowest-income renters have affordable homes. Congress must recognize the urgent need to expand the supply of affordable rental housing, preserve the existing housing stock, provide short-term assistance to renters in crisis, and protect tenants from unfair treatment.

LOW-WAGE WORKERS AND OTHER EXTREMELY LOW-INCOME RENTERS – DISPROPORTIONATELY PEOPLE OF COLOR – WILL CONTINUE TO FACE HIGH RENTAL PRICES AND A SHORTAGE OF AFFORDABLE RENTAL HOMES, PUTTING STABLE HOUSING OUT OF REACH FOR MANY.

TENANT VOICES FOR HOUSING JUSTICE GROW LOUDER

Over the past decade, tenant voices have grown louder and louder as more volunteer tenant-led unions have joined in the fight for housing justice (King, 2022). Together, housing advocates and tenant unions have helped secure right-to-counsel laws, just cause eviction standards, and other tenant protections across the country. Since January 2021, at least 32 states and 93 localities have passed some form of tenant protections. Ten local jurisdictions and the State of Washington have adopted just cause eviction standards, while 12 local jurisdictions and three states have adopted right-to-counsel measures, and 31 state and local jurisdictions have imposed bans on source-of-income discrimination (NLIHC, 2023c).

At the national level, meaningful engagement between federal decision-makers and individuals with lived experience has led to better federal policies and practices (Skelton-Wilson et al., 2021). To that end, NLIHC's Tenant Leader Cohort – a group composed of 15 members who have experienced housing insecurity – provides an important voice in the fight for housing justice. Between November 2022 and March 2023, Cohort members shared feedback with the Biden-Harris administration at a White House meeting on effective tenant protections (Foster, 2023), spoke with White House and HUD representatives about the administration's *Blueprint for a Renters Bill of Rights*, and participated in a plenary discussion moderated by HUD Secretary Marcia L. Fudge at NLIHC's annual forum. "Every single one of us has a story, and those in elected offices oftentimes are far removed from some of our stories," said Tenant Cohort Leader Mindy Woods at the plenary discussion. "It's not until we are able to humanize what we are going through that they actually hear us."

Collective action and leadership by housing advocates, renters, and policymakers on the federal, state, and local levels helped secure unprecedented resources and protections to keep renters stably housed through the pandemic. Many of the tenants interviewed for this report had direct experience organizing and advocating for these advances in housing justice.

TEVINA

As a public housing advocate and resident, Tevina has over 20 years of experience organizing low-income community members. She joined Red Hook Initiative (RHI) as a staff member in 2017, advocating for and organizing Red Hook public housing residents. Tevina has observed large advocacy efforts being undertaken around tenants' rights in New York but "very little fighting for public housing tenants." She believes a major challenge is that "a lot of people who organize tenants don't have public housing experience. They don't have public housing knowledge." Tevina's advice for tenants is to always talk to neighbors and be willing to organize. Organizing should not just be reactive, focused on responding to disturbing developments or challenges, but rather proactive so that tenants are ready to mobilize when action is needed.

BETTY

Betty is a public housing resident and a Community Building Outreach Worker with Red Hook Initiative (where Tevina also works). She recently traveled to Albany, New York, to push the state to provide Emergency Rental Assistance Program (ERAP) funding to public housing residents, who had not received emergency rental assistance from the state during the pandemic, leaving many residents behind on rent. Betty gave advice for other tenants: "Whether you live in public housing, whether you live in private housing, you still have rights as a human being, and never stop fighting for what you deserve."

SUNSHINE

Sunshine mobilizes tenants in Memphis, Tennessee, and in other cities across the country. Her organizing experience started many years ago when she lived in a mold-infested apartment. Through conversations, Sunshine discovered that neighbors in her building had similar problems and decided to take action. "I started a petition," she explained. "I didn't really have a clue what I was doing, but I started the petition." She sent the petition to code enforcement, which then inspected the apartment complex and ordered the owners to treat the mold problem, as well as address other problems. Since then, Sunshine has been mobilizing neighbors in disinvested, high-crime, high-poverty communities to fight for the safe, quality housing they deserve. "Basically, it's the moms, the dads, you know, the community coming together and just saying this is what we need."

JOY

The founder and board chair of the Charlottesville Public Housing Association of Residents (PHAR), Joy believes that change is possible when tenants are organized and when their voices are heard. Her advocacy work began in 2006 when, while attending conferences, she witnessed a common thread among the unique housing challenges faced by different communities: tenant voices were not being heard. "A lot of [tenants] don't know that they have the right to push back, they have the right to say no, and they can organize in changing some things," she says. Since then, Joy has fought to educate tenants about and protect their right to organize. She and her neighbors achieved a significant success after fighting to replace a city ordinance regarding Charlottesville's public housing authority board, ensuring the board includes at least two public housing residents, one Section 8 resident, and one private citizen. In recent years, Joy has been fighting for tenants to have a leading voice in decisions related to the redevelopment of public housing. Following the deadly Unite the Right rally in August 2017, a private real estate developer – who is also the manager of the Dave Matthews Band – asked Joy how he could help the community. When Joy explained the dire need for public housing funding, the Dave Matthews Band led a fundraiser that raised $8 million, including a $5 million contribution from the band. The funding supports the resident-led redevelopment of existing buildings and the development of new buildings. "Residents designed the building inside and out," says Joy, who described how "12 women met every Sunday for a year to learn about site plans, zoning, grants, loans, tax credits."

DR. BAMBIE

As President and CEO of Georgia Advancing Communities Together (ACT) and an NLIHC Tenant Cohort Leader from Atlanta, Georgia, Dr. Bambie advocates for affordable housing and community development on the local, state, and national levels. Recently, Dr. Bambie joined partners and residents in advocating for stronger renter protections, an effort that resulted in the 2019 passage of Georgia House Bill 346, which protects renters from landlord retaliation for exercising their legal rights or complaining to government agencies about issues like code violations. Dr. Bambie also joined other tenant leaders for a meeting with White House officials in November 2022 to discuss essential renter protections, and she is organizing for local renter protections in Georgia. Dr. Bambie believes that the affordable housing and homelessness crisis can only be solved if people with lived experiences lead the way. In 2013, Dr. Bambie experienced homelessness while she was finishing her master's degree, working in housing management, and pregnant with her third child. Because shelters would not allow her 17-year-old son to stay with her and her 18-year-old daughter, Dr. Bambie and her children lived in a car and couch-surfed until she was approved for public housing. As a woman of color living with a disability who has experienced homelessness and is familiar with public housing, Dr. Bambie understands how multiple barriers can combine to put decent, safe, sanitary, and affordable housing out of reach. "As a person who tried to do everything that society would deem right, I still ended up homeless," she says. The generosity of others who came to her aid during her experience propelled her into advocacy work, and she has dedicated her life to doing the same for others. Her goal is to one day solve housing insecurity and homelessness, thus rendering her job obsolete: "My goal is to advocate myself right out of a job," she says.

THE NUMBERS IN THIS REPORT

Out of Reach data are available for every state, metropolitan area, and county at www.nlihc.org/oor. We encourage you to visit the site, click on your state, and select "more info" to view an interactive page on which you can explore data for specific metropolitan areas and counties in your state. The final pages of this report describe where the numbers come from and how to use them, identify the most expensive jurisdictions, and provide state rankings.

The Housing Wage varies considerably across the country. The Housing Wage for a modest two-bedroom rental home in the Santa Cruz, California, metropolitan area, for example, is $63.33 – far higher than the national Housing Wage. On the other end of the price spectrum, the average two-bedroom Housing Wage in Arkansas is $16.27. Even so, many jurisdictions with lower-than-average Housing Wages still suffer from a shortage of affordable rental homes. Jurisdictions with low Housing Wages tend to have lower-than-average household incomes, meaning a low Housing Wage is still out of reach for too many households.

The Housing Wage is based on HUD Fair Market Rents (FMR), which are estimates of what a family moving today can expect to pay for a modest rental home, not what all renters are currently paying. The FMR is the basis of the rent-payment standard for Housing Choice Vouchers and other HUD programs. The FMR is usually set at the 40th percentile of rents for typical homes occupied by recent movers in an area. FMRs are often applied uniformly within each FMR area, which is either a metropolitan area or nonmetropolitan county. Therefore, the Housing Wage does not reflect rent variations within a metropolitan area or nonmetropolitan county.

HUD publishes Small Area FMRs based on U.S. Postal Service ZIP codes to better reflect small-scale market conditions within metropolitan areas. NLIHC calculated the Housing Wage for each ZIP code to illustrate the variation in the Housing Wage within metropolitan areas. These wages can be found online at www.nlihc.org/oor.

Readers are cautioned against comparing statistics in one edition of ***Out of Reach*** with those in another. Over time, HUD has changed its methodology for calculating FMRs and incomes. Since 2012, HUD has developed FMR estimates using American Community Survey (ACS) data to determine base rents, and this methodology can introduce more year-to-year variability. HUD used proprietary data from private companies to better capture rental inflation influencing 2023 FMRs. From time to time, an area's FMRs are based on local rent surveys rather than the ACS. For these reasons, not all differences between statistics in previous editions of ***Out of Reach*** and this year's report reflect actual market dynamics. Please consult the appendices and NLIHC research staff for assistance in interpreting changes in the data over time.

DEFINITIONS

AFFORDABILITY in this report is consistent with the federal standard that no more than 30% of a household's gross income should be spent on rent and utilities. Households paying over 30% of their income are considered housing cost-burdened. Households paying over 50% of their income are considered severely housing cost-burdened.

AREA MEDIAN INCOME (AMI) is used to determine income eligibility for affordable housing programs. The AMI is set according to family size and varies by region.

AVERAGE RENTER WAGE is the estimated mean hourly wage among renters, based on 2021 Bureau of Labor Statistics wage data, adjusted by the ratio of renter household income to the overall median household income reported in the ACS and projected to 2023.

EXTREMELY LOW INCOME (ELI) refers to household income that is less than the federal poverty guideline or 30% of AMI.

VERY LOW INCOME (VLI) refers to household income that is less than 50% of AMI.

HOUSING WAGE is the estimated full-time hourly wage that workers must earn to afford a decent rental home at HUD's Fair Market Rent while spending no more than 30% of their income on housing costs.

FULL-TIME WORK is defined as 2,080 hours per year (40 hours each week for 52 weeks). The average employee works roughly 35 hours per week, according to the Bureau of Labor Statistics.

FAIR MARKET RENT (FMR) is typically the 40th percentile of gross rents for standard rental units of recent movers. FMRs are determined by HUD on an annual basis and reflect the cost of shelter and utilities. FMRs are used to determine payment standards for the Housing Choice Voucher program and Section 8 contracts.

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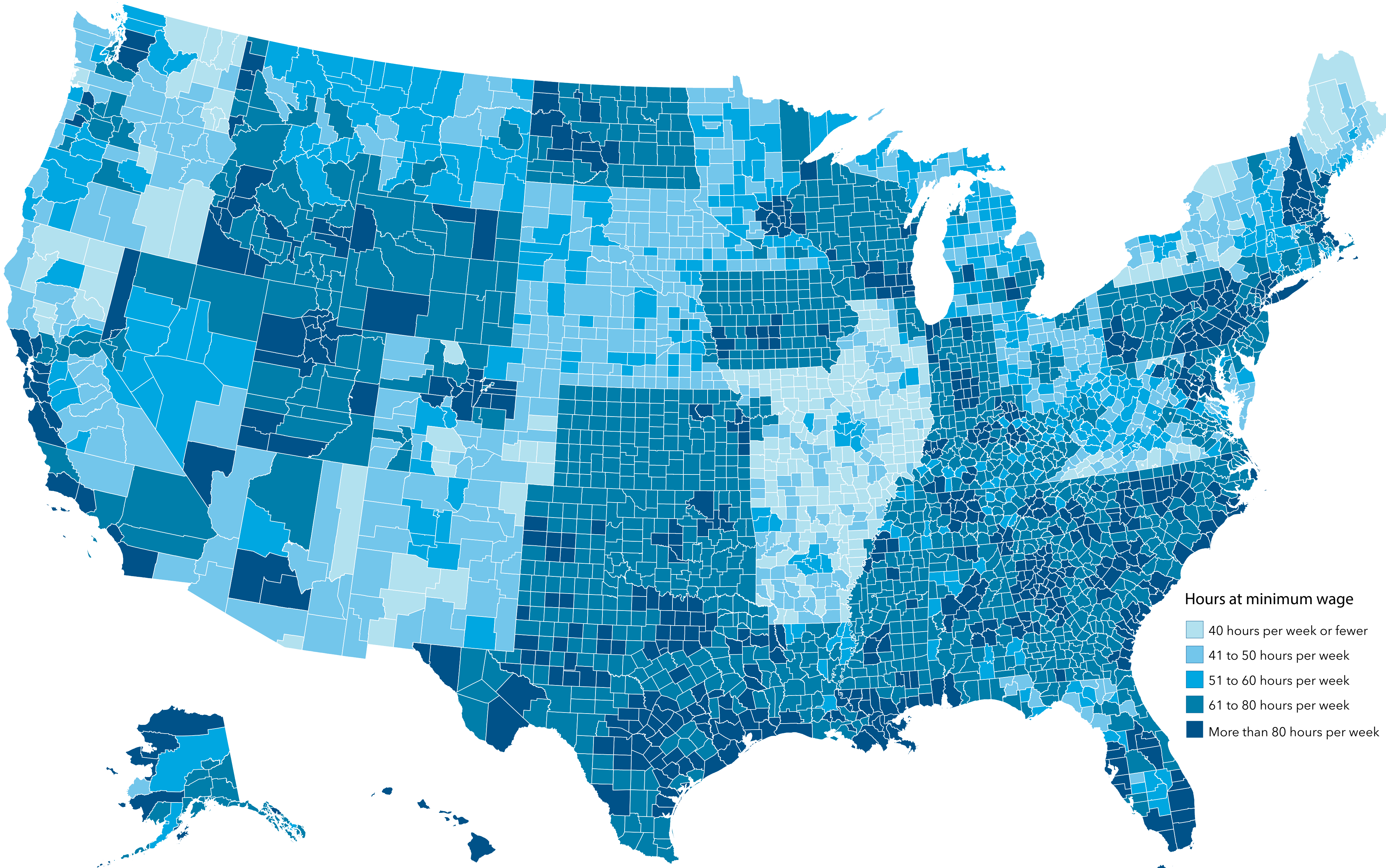
HOURS AT MINIMUM WAGE NEEDED TO AFFORD A ONE-BEDROOM RENTAL HOME AT FAIR MARKET RENT IN 2023

*Note: New England states are displayed with HUD Fair Market Rent Areas. All other states are displayed at the county level. This map does not account for sub-county jurisdictions with minimum wages higher than the prevailing county, state, or federal minimum wage. No local minimum wages are sufficient to afford a one-bedroom rental home at the Fair Market Rent with a 40 hour work week. The geographic variation of Oregon and New York's state minimum wages are reflected at the county level.



MOST EXPENSIVE JURISDICTIONS

Metropolitan Areas	Metropolitan Counties[2]	Housing Wage for Two-Bedroom FMR[1]
Santa Cruz-Watsonville, CA MSA[4]	Santa Cruz County, CA	$63.33
San Francisco, CA HMFA[3]	Marin County, San Francisco County, San Mateo County, CA	$61.31
San Jose-Sunnyvale-Santa Clara, CA HMFA	Santa Clara County, CA	$56.56
Salinas, CA MSA	Monterey County, CA	$51.44
Santa Maria-Santa Barbara, CA MSA	Santa Barbara County, CA	$51.29
Boston-Cambridge-Quincy, MA-NH HMFA		$50.67
Stamford-Norwalk, CT HMFA		$49.29
Santa Ana-Anaheim-Irvine, CA HMFA	Orange County, CA	$48.83
Seattle-Bellevue, WA HMFA	King County, Snohomish County, WA	$47.21
New York, NY HMFA	Bronx County, Kings County, New York County, Putnam County, Queens County, Richmond County, Rockland County NY	$47.13

State Nonmetropolitan Areas (Combined)	Housing Wage for Two-Bedroom FMR
Massachusetts	$46.91
Hawaii	$37.86
Alaska	$26.88
Connecticut	$26.62
New Hampshire	$25.21
Colorado	$24.50
California	$22.35
Nevada	$22.28
Washington	$21.80
Vermont	$21.69

Nonmetropolitan Counties (or County-Equivalents)	Housing Wage for Two-Bedroom FMR
Nantucket County, MA	$50.35
Dukes County, MA	$44.71
Kauai County, HI	$41.31
Eagle County, CO	$39.04
Monroe County, FL	$38.90
Pitkin County, CO	$36.73
Hawaii County, HI	$36.56
Summit County, CO	$35.77
Bethel Census Area, AK	$34.98
Aleutians West Census Area, AK	$34.56

1 FMR = Fair Market Rent.
2 Excludes metropolitan counties in New England as FMR areas are not defined by county boundaries in New England.
3 HMFA = HUD Metro FMR Area. This term indicates that a portion of an Office of Management & Budget (OMB)-defined core-based statistical area (CBSA) is in the area to which the FMRs apply. HUD is required by OMB to alter the names of the metropolitan geographic entities it derives from CBSAs when the geographies are not the same as that established by the OMB.
4 MSA = Metropolitan Statistical Area. Geographic entities defined by OMB for use by the federal statistical agencies in collecting, tabulating, and publishing federal statistics. An MSA contains an urban core of 50,000 or more in population.

STATES RANKED BY TWO-BEDROOM HOUSING WAGE

States are ranked from most expensive to least expensive.

Rank[1]	State	Housing Wage for Two-Bedroom FMR[2]
1	California	$42.25
2	Hawaii	$41.83
3	Massachusetts	$41.64
4	New York	$40.08
5	Washington	$36.33
7	New Jersey	$33.50
8	Colorado	$32.13
9	Connecticut	$31.93
10	Maryland	$31.08
11	Florida	$30.59
12	Arizona	$29.93
13	New Hampshire	$29.86
14	Oregon	$29.72
15	Nevada	$27.99
16	Rhode Island	$27.78
17	Virginia	$26.84
18	Alaska	$26.32
19	Delaware	$26.09
20	Vermont	$25.54
21	Texas	$25.06
22	Utah	$24.93
23	Georgia	$24.75
24	Maine	$24.73
25	Illinois	$24.59
26	Minnesota	$24.11
27	Pennsylvania	$23.61
28	Michigan	$21.65
29	North Carolina	$21.54

Rank[1]	State	Housing Wage for Two-Bedroom FMR[2]
30	Idaho	$21.53
31	South Carolina	$21.48
32	Tennessee	$20.76
33	Wisconsin	$20.32
34	New Mexico	$19.88
35	Louisiana	$19.39
36	Montana	$19.28
37	Ohio	$19.09
38	Indiana	$19.00
39	Nebraska	$18.91
40	Kansas	$18.71
41	Missouri	$18.54
42	Iowa	$18.13
43	Alabama	$18.13
44	Oklahoma	$18.00
45	Wyoming	$17.94
46	Kentucky	$17.90
47	North Dakota	$17.79
48	South Dakota	$17.49
49	Mississippi	$17.21
50	West Virginia	$16.64
51	Arkansas	$16.27
OTHER		
6	District of Columbia	$35.33
52	Puerto Rico	$10.36

1 Includes District of Columbia and Puerto Rico.

2 FMR = Fair Market Rent.

STATE SUMMARY

	FY23 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTER HOUSEHOLDS				
State	Hourly wage needed to afford 2 BR[1] FMR[2]	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage[3] needed to afford 2 BR FMR	Annual AMI[4]	Monthly rent affordable at AMI[5]	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2017 - 2021)	% of total households (2017 - 2021)	Estimated hourly mean renter wage (2023)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage to afford 2BR FMR
Alabama	$18.13	$943	$37,715	2.5	$80,754	$2,019	$24,226	$606	582,412	31%	$16.83	$875	1.1
Alaska	$26.32	$1,368	$54,740	2.4	$109,374	$2,734	$32,812	$820	89,354	34%	$23.27	$1,210	1.1
Arizona	$29.93	$1,556	$62,252	2.2	$92,308	$2,308	$27,692	$692	917,899	34%	$22.86	$1,189	1.3
Arkansas	$16.27	$846	$33,836	1.5	$75,063	$1,877	$22,519	$563	393,163	34%	$17.85	$928	0.9
California	$42.25	$2,197	$87,877	2.7	$114,341	$2,859	$34,302	$858	5,882,339	45%	$33.67	$1,751	1.3
Colorado	$32.13	$1,671	$66,830	2.4	$116,139	$2,903	$34,842	$871	754,483	34%	$25.47	$1,324	1.3
Connecticut	$31.93	$1,660	$66,412	2.1	$122,897	$3,072	$36,869	$922	471,821	34%	$22.29	$1,159	1.4
Delaware	$26.09	$1,357	$54,269	2.2	$104,298	$2,607	$31,289	$782	108,662	29%	$22.42	$1,166	1.2
Florida	$30.59	$1,591	$63,622	2.8	$86,063	$2,152	$25,819	$645	2,736,789	34%	$22.52	$1,171	1.4
Georgia	$24.75	$1,287	$51,479	3.4	$91,285	$2,282	$27,386	$685	1,378,498	35%	$21.94	$1,141	1.1
Hawaii	$41.83	$2,175	$87,013	3.5	$114,135	$2,853	$34,241	$856	186,599	39%	$21.86	$1,137	1.9
Idaho	$21.53	$1,120	$44,782	3.0	$88,966	$2,224	$26,690	$667	186,065	28%	$17.63	$917	1.2
Illinois	$24.59	$1,279	$51,143	1.9	$104,298	$2,607	$31,289	$782	1,650,933	33%	$22.98	$1,195	1.1
Indiana	$19.00	$988	$39,526	2.6	$88,795	$2,220	$26,638	$666	790,648	30%	$17.86	$929	1.1
Iowa	$18.13	$943	$37,720	2.5	$95,713	$2,393	$28,714	$718	362,924	28%	$16.82	$875	1.1
Kansas	$18.71	$973	$38,912	2.6	$89,769	$2,244	$26,931	$673	380,696	33%	$18.07	$940	1.0
Kentucky	$17.90	$931	$37,232	2.5	$80,616	$2,015	$24,185	$605	563,173	32%	$17.45	$907	1.0
Louisiana	$19.39	$1,008	$40,338	2.7	$75,569	$1,889	$22,671	$567	582,830	33%	$16.99	$884	1.1
Maine	$24.73	$1,286	$51,441	1.8	$93,578	$2,339	$28,073	$702	151,945	27%	$16.76	$871	1.5
Maryland	$31.08	$1,616	$64,642	2.3	$131,260	$3,282	$39,378	$984	750,551	33%	$22.71	$1,181	1.4
Massachusetts	$41.64	$2,165	$86,613	2.8	$131,394	$3,285	$39,418	$985	1,020,041	38%	$29.40	$1,529	1.4
Michigan	$21.65	$1,126	$45,025	2.1	$91,124	$2,278	$27,337	$683	1,106,036	28%	$19.11	$994	1.1
Minnesota	$24.11	$1,254	$50,149	2.3	$112,774	$2,819	$33,832	$846	618,299	28%	$20.51	$1,067	1.2
Mississippi	$17.21	$895	$35,807	2.4	$69,971	$1,749	$20,991	$525	344,555	31%	$14.37	$747	1.2
Missouri	$18.54	$964	$38,553	1.5	$91,227	$2,281	$27,368	$684	788,386	32%	$18.65	$970	1.0
Montana	$19.28	$1,002	$40,098	1.9	$91,149	$2,279	$27,345	$684	135,060	31%	$16.91	$879	1.1
Nebraska	$18.91	$984	$39,341	1.8	$98,304	$2,458	$29,491	$737	254,894	33%	$17.62	$916	1.1
Nevada	$27.99	$1,455	$58,212	2.5	$87,969	$2,199	$26,391	$660	482,281	42%	$21.93	$1,140	1.3

1 BR = Bedroom.
2 FMR = Fiscal Year 2023 Fair Market Rent.
3 This calculation uses the higher of the state or federal minimum wage. Local minimum wages are not used. See Appendix B.
4 AMI = Fiscal Year 2023 Area Median Income
5 Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.

STATE SUMMARY

	FY23 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTER HOUSEHOLDS				
State	Hourly wage needed to afford 2 BR[1] FMR[2]	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage[3] needed to afford 2 BR FMR	Annual AMI[4]	Monthly rent affordable at AMI[5]	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2017 - 2021)	% of total households (2017 - 2021)	Estimated hourly mean renter wage (2023)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage to afford 2BR FMR
New Hampshire	$29.86	$1,553	$62,109	4.1	$120,228	$3,006	$36,068	$902	153,349	28%	$20.86	$1,085	1.4
New Jersey	$33.50	$1,742	$69,675	2.4	$123,615	$3,090	$37,085	$927	1,229,008	36%	$24.40	$1,269	1.4
New Mexico	$19.88	$1,034	$41,349	1.7	$77,975	$1,949	$23,392	$585	253,762	32%	$17.77	$924	1.1
New York	$40.08	$2,084	$83,375	2.8	$106,443	$2,661	$31,933	$798	3,434,514	46%	$34.46	$1,792	1.2
North Carolina	$21.54	$1,120	$44,812	3.0	$89,384	$2,235	$26,815	$670	1,374,165	34%	$20.47	$1,064	1.1
North Dakota	$17.79	$925	$37,010	2.5	$100,587	$2,515	$30,176	$754	117,217	37%	$19.58	$1,018	0.9
Ohio	$19.09	$993	$39,702	1.9	$91,618	$2,290	$27,485	$687	1,588,226	33%	$18.47	$961	1.0
Oklahoma	$18.00	$936	$37,436	2.5	$79,388	$1,985	$23,817	$595	510,477	34%	$17.89	$930	1.0
Oregon	$29.72	$1,545	$61,818	2.1	$99,322	$2,483	$29,797	$745	610,926	37%	$22.47	$1,168	1.3
Pennsylvania	$23.61	$1,228	$49,109	3.3	$100,398	$2,510	$30,119	$753	1,586,866	31%	$20.38	$1,060	1.2
Rhode Island	$27.78	$1,444	$57,779	2.1	$108,116	$2,703	$32,435	$811	160,918	38%	$18.26	$950	1.5
South Carolina	$21.48	$1,117	$44,674	3.0	$83,981	$2,100	$25,194	$630	586,430	30%	$17.08	$888	1.3
South Dakota	$17.49	$909	$36,371	1.6	$92,134	$2,303	$27,640	$691	109,102	32%	$17.03	$886	1.0
Tennessee	$20.76	$1,080	$43,186	2.9	$84,498	$2,112	$25,350	$634	881,517	33%	$20.69	$1,076	1.0
Texas	$25.06	$1,303	$52,134	3.5	$91,969	$2,299	$27,591	$690	3,848,280	38%	$24.19	$1,258	1.0
Utah	$24.93	$1,297	$51,861	3.4	$103,948	$2,599	$31,184	$780	304,577	29%	$19.84	$1,032	1.3
Vermont	$25.54	$1,328	$53,117	1.9	$100,571	$2,514	$30,171	$754	73,362	28%	$17.30	$900	1.5
Virginia	$26.84	$1,396	$55,821	2.2	$114,043	$2,851	$34,213	$855	1,083,561	33%	$23.38	$1,216	1.1
Washington	$36.33	$1,889	$75,556	2.3	$118,880	$2,972	$35,664	$892	1,066,944	36%	$30.32	$1,577	1.2
West Virginia	$16.64	$865	$34,610	1.9	$77,002	$1,925	$23,101	$578	185,407	26%	$14.40	$749	1.2
Wisconsin	$20.32	$1,056	$42,258	2.8	$97,912	$2,448	$29,373	$734	782,114	33%	$18.47	$961	1.1
Wyoming	$17.94	$933	$37,318	2.5	$95,626	$2,391	$28,688	$717	65,294	28%	$17.04	$886	1.1
OTHER													
District of Columbia	$35.35	$1,838	$73,520	2.1	$152,100	$3,803	$45,630	$1,141	181,384	58%	$40.32	$2,096	0.9
Puerto Rico	$10.36	$539	$21,553	1.1	$31,421	$786	$9,426	$236	382,636	32%	$9.14	$475	1.1

1 BR = Bedroom.
2 FMR = Fiscal Year 2023 Fair Market Rent.
3 This calculation uses the higher of the state or federal minimum wage. Local minimum wages are not used. See Appendix B.
4 AMI = Fiscal Year 2023 Area Median Income
5 Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.

HOW TO USE THE NUMBERS

A renter household needs to earn at least $28.58 per hour to afford a two-bedroom home at FMR.

The annual median family income (AMI) in the United States is $98,964 (2023).

For a family earning 100% of AMI, monthly rent of $2,474 or less is affordable.

There were 44,241,372 renter households in the United States (2017-2021).

Renter households represented 35% of all households (2017-2021).

The estimated mean (average) renter wage in the United States is $23.68 per hour (2023).

	FY23 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTERS				
	Hourly wage necessary to afford 2 BR[1] FMR[2]	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage needed to afford 2 BR FMR[3]	Annual AMI[4]	Monthly rent affordable at AMI[5]	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households	% of total households	Estimated hourly mean renter wage	Rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
UNITED STATES	$28.58	$1,486	$59,450	2.6	$98,964	$2,474	$29,689	$742	44,241,372	35%	$23.68	$1,231	1.2

The FMR for a two-bedroom rental home in the United States is $1,486 (2023).

A renter household needs an annual income of $59,450 in order to afford a two-bedroom rental home at FMR.

On average, a renter household needs 2.6 full-time jobs paying the minimum wage in order to afford a two-bedroom rental home at FMR.

In the United States, a family at 30% of AMI earns $29,689 annually.

For a family earning 30% of AMI, monthly rent of $742 or less is affordable.

If a full-time worker earns the mean renter wage, monthly rent of $1,231 or less is affordable.

A renter household needs 1.2 full-time jobs paying the mean renter wage in order to afford a two-bedroom rental home at FMR.

1: BR = Bedroom.
2: FMR = Fiscal Year 2023 Fair Market Rent.
3: This calculation uses the higher of the county, state, or federal minimum wage, where applicable.
4: AMI = Fiscal Year 2023 Area Median Family Income.
5: Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.

WHERE THE NUMBERS COME FROM

Divide income needed to afford FMR ($59,450) by 52 (weeks per year) and then by 40 (hours per work week) ($59,450 / 52 = $1,143; $1,143 / 40 = $28.58).

Multiply Annual AMI by .3 to get maximum amount that can be spent on housing for it to be affordable ($98,964 x .3 = $29,698). Divide by 12 to obtain monthly amount ($29,698 / 12 = $2,474).

HUD FY23 estimated median family income based on data from the American Community Survey (ACS). See Appendix B.

Divide number of renter households by total number of households (ACS 2017-2021) (44,241,372 / 125,207,480 = .35). Then multiply by 100 (.35 x 100 = 35%).

ACS (2017-2021).

Average wage reported by the Bureau of Labor Statistics (BLS) for 2021, adjusted to reflect the income of renter households relative to all households in the United States, and projected to 2023. See Appendix B.

	FY23 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTERS				
	Hourly wage necessary to afford 2 BR[1] FMR[2]	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage needed to afford 2 BR FMR[3]	Annual AMI[4]	Monthly rent affordable at AMI[5]	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households	% of total households	Estimated hourly mean renter wage	Rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR
UNITED STATES	$28.58	$1,486	$59,450	2.6	$98,964	$2,474	$29,689	$742	44,241,372	35%	$23.68	$1,231	1.2

Developed by HUD annually (2023). See Appendix B.

Multiply the FMR by 12 to get yearly rental cost ($1,486.25 x 12 = $17,835). Then divide by .3 to determine the total income needed to afford $17,835 per year in rent ($17,835 / .3 = $59,450).

National average of jobs needed across all counties, weighted by number of renter households. To find jobs needed in a particular state, metro, or county, divide annual income needed to afford the FMR by 52 (weeks per year). Then divide by the prevailing minimum wage. Then divide by 40 (hours per work week).

Multiply Annual AMI by .3 ($98,964 x .3 = $29,689.

Multiply 30% of Annual AMI by .3 to get maximum amount that can be spent on housing for it to be affordable ($29,698 x .3 = $8,907). Divide by 12 to obtain monthly amount ($8,907 / 12 = $742).

Calculate annual income by multiplying mean renter wage by 40 (hours per week) and 52 (weeks per year) ($23.6801 x 40 x 52 = $49,255). Multiply by .3 to determine maximum amount that can be spent on rent ($49,255 x .3 = $14,776). Divide by 12 to obtain monthly amount ($14,776 / 12 = $1,231).

Divide income needed to afford the FMR by 52 (weeks per year) ($59,450 / 52 = $1,143). Then divide by $23.68 (the United States' mean renter wage) ($1,143 / $23.68 = 48 hours). Finally, divide by 40 (hours per week) (48 / 40 = 1.2 full-time jobs).

1: BR = Bedroom.
2: FMR = Fiscal Year 2023 Fair Market Rent.
3: This calculation uses the higher of the county, state, or federal minimum wage, where applicable.
4: AMI = Fiscal Year 2023 Area Median Family Income.
5: Affordable rents represent the generally accepted standard of spending no more than 30% of gross income on rent and utilities.

LOCAL MINIMUM WAGES

Locality	Local Minimum Wage (as of 7/1/23)	1 BR Housing Wage	2 BR Housing Wage
Alameda, CA	$16.54	$37.87	$46.25
Belmont, CA	$16.75	$51.25	$61.31
Berkeley, CA	$18.07	$37.87	$46.25
Burlingame, CA	$16.75	$51.25	$61.31
Chicago, IL[1]	$15.40	$24.13	$27.69
Cook County, IL	$13.35	$24.13	$27.69
Cupertino, CA	$17.20	$48.33	$56.56
Daly City, CA	$16.07	$51.25	$61.31
Denver, CO	$17.29	$29.58	$35.69
East Palo Alto, CA	$16.50	$51.25	$61.31
El Cerrito, CA	$17.35	$37.87	$46.25
Emeryville, CA [2]	$17.68	$37.87	$46.25
Flagstaff, AZ	$16.80	$25.15	$31.06
Foster City, CA	$16.50	$51.25	$61.31
Fremont, CA	$16.80	$37.87	$46.25
Half Moon Bay, CA	$16.45	$51.25	$61.31
Hayward, CA[3]	$16.34	$37.87	$46.25
Howard County, MD[4]	$15.00	$24.12	$29.77
Los Altos, CA	$17.20	$48.33	$56.56
Los Angeles County, CA	$16.90	$33.60	$42.73
Los Angeles, CA	$16.78	$33.60	$42.73
Malibu, CA	$16.90	$33.60	$42.73
Menlo Park, CA	$16.20	$51.25	$61.31
Milpitas, CA	$17.20	$48.33	$56.56
Minneapolis, MN[5]	$15.19	$22.10	$27.12
Montgomery County, MD[6]	$16.70	$31.06	$35.35
Mountain View, CA	$18.15	$48.33	$56.56
Novato, CA[7]	$16.32	$51.25	$61.31

1. Chicago's minimum wage may increase July 1, 2023, but new minimum wage information was not available at the time this report was written. Before July 1, 2023, Chicago's minimum wage for large employers with more than 20 employees was $15.40, the minimum wage for small employers with 4-20 employees was $15.00, and the minimum wage for youth was $13.50.
2. Emeryville's minimum wage may increase July 1, 2023, but new minimum wage information was not available at the time this report was written.
3. Minimum wage for employers with more than 25 employees. Minimum wage for empowers with fewer employees is $15.50.
4. Minimum wage for large employers and government employers. Minimum wage for small employers (14 or fewer employees), non-profit, food service, and home health employers is $13.25.
5. Minumum wage for employers with more than 100 employees. Minimum wage for employers with fewer employees is $14.50.
6. Minimum wage for employers with more than 50 employees. Minimum wage for employers with 11 to 50 employees, non-profits, and home health providers is $15.00. Minimum wage for employers with 10 or fewer employees is $14.50.

Locality	Local Minimum Wage (as of 7/1/23)	1 BR Housing Wage	2 BR Housing Wage
Oakland, CA	$15.97	$37.87	$46.25
Palo Alto, CA	$17.25	$48.33	$56.56
Pasadena, CA	$16.93	$33.60	$42.73
Petaluma, CA	$17.06	$32.90	$43.31
Portland, ME	$14.00	$27.85	$35.75
Redwood City, CA	$17.00	$51.25	$61.31
Richmond, CA	$16.17	$37.87	$46.25
Rockland, ME	$14.00	$17.65	$21.21
Saint Paul, MN[8]	$15.19	$22.10	$27.12
San Carlos, CA	$16.32	$51.25	$61.31
San Diego, CA	$16.30	$36.25	$46.13
San Francisco, CA	$18.07	$51.25	$61.31
San Jose, CA	$17.00	$48.33	$56.56
San Mateo County, CA	$16.50	$51.25	$61.31
San Mateo, CA	$16.75	$51.25	$61.31
Santa Clara, CA	$17.20	$48.33	$56.56
Santa Fe County, NM	$14.03	$20.90	$24.02
Santa Fe, NM	$14.03	$20.90	$24.02
Santa Monica, CA	$16.90	$33.60	$42.73
Santa Rosa, CA	$17.06	$32.90	$43.31
SeaTac, WA[9]	$19.06	$40.38	$47.21
Seattle, WA[10]	$18.69	$40.38	$47.21
Sonoma, CA[11]	$17.00	$32.90	$43.31
South San Francisco, CA	$16.70	$51.25	$61.31
Sunnyvale, CA	$17.95	$48.33	$56.56
Tukwila, WA[12]	$18.99	$40.38	$47.21
West Hollywood, CA	$18.86	$33.60	$42.73

7. Minimum wage for employers with 100 or more employees. Minimum wage for employers with 26-99 employees is $16.07 and minimum wage for employers with 1-25 employees is $15.53.
8. Minimum wage for employers with more than 10,000 employees. Minimum wage for employers with 101-10,000 employees is $15.00; minimum wage for employers with 6-100 employees is $13.00; minimum wage for employers with 5 or fewer employees is $11.50.
9. Minimum wage for hospitality and transportation employers.
10. Minimum wage for employers with more than 500 employees, and for employers with 500 or fewer employees that do not provide medical benefits. Minimum wage for employers with fewer employees that provide $2.19 in medical benefits is $16.50.
11. Minimum wage for employers with more than 25 employees. Minimum wage for firms with fewer employers is $16.
12. Minimum wage for employers with over 500 employees. Minimum wage for employers with 15-50 employees or gross revenue over $2 million is $16.99.

DATA NOTES, METHODOLOGIES, AND SOURCES

Appendix B describes the data used in *Out of Reach.* Information on how to calculate and interpret the report's numbers are in the pages "How to Use the Numbers" and "Where the Numbers Come From."

FAIR MARKET RENT AREA DEFINITIONS

HUD determines Fair Market Rents (FMRs) for metropolitan and rural housing markets across the country. In metropolitan areas, HUD starts with the Office of Management and Budget's (OMB) metropolitan area boundaries to define FMR areas. Since FMR areas are meant to reflect cohesive housing markets, the OMB boundaries are not always preferable. Also, significant changes to OMB metropolitan boundaries can affect current housing assistance recipients. In keeping with OMB's guidance to federal agencies, HUD modifies OMB boundaries in some instances for program administration.

OMB released new metropolitan area boundaries in February 2013. For FY16, HUD elected to apply pre-2013 boundaries to FMR areas except where the post-2013 OMB boundaries resulted in a smaller FMR area. Counties that had been removed from metropolitan areas were treated by HUD as nonmetropolitan counties. Counties that had been added to metropolitan areas were treated by HUD as metropolitan subareas (HMFAs) and given their own FMR if local rent data were statistically reliable. New multi-county metropolitan areas were treated by HUD as individual county metropolitan subareas (HMFAs) if the data were statistically reliable. This is consistent with HUD's objective to allow variation in FMRs locally. These changes resulted in more metropolitan areas in ***Out of Reach***, beginning in 2016. HUD followed the same methodology for OMB's 2018 metropolitan area boundaries, starting in FY 2022.

In cases in which an FMR area crosses state lines, ***Out of Reach*** provides an entry for the area under both states. While the Housing Wage, FMR, and Area Median Income (AMI) values apply to the entire FMR area and will be the same in both states, other data such as the number of renter households, the minimum wage, and renter wages apply only to the portion of the FMR area within that state's borders.

FAIR MARKET RENTS

The FY22 FMRs are based on five-year 2016-2020 American Community Survey (ACS) data. For each FMR area, a base rent is typically set at the 40th percentile of adjusted standard quality two-bedroom gross rents from the five-year ACS. The estimate is considered reliable by HUD if its margin of error is less than 50% of the estimate and is based on at least 100 observations. If an FMR area does not have a reliable estimate from the five-year 2016-2020 ACS, then HUD checks whether the area had a minimally reliable estimate (margin of error was less than 50% of estimate and based on more than 100 observations) in at least two of the past three years. If so, the FY23 base rent is the average of the inflation-adjusted reliable ACS estimates. If an area has not had at least two minimally reliable estimates in the past three years, the estimate for the next largest geographic area is the base for FY23, which for a nonmetropolitan county would be the state nonmetropolitan area.

HUD then adjusts the base FMRs to account for inflation between 2020 and 2023. In its calculation of FY2023 FMRs, HUD used the Consumer Price Index (CPI) in conjunction, for the first time, with data reported by several private companies to better capture local rent inflation. More information can be found in the Federal Register. A recent mover adjustment factor is also applied to the base rent.

Statistically reliable local rent surveys can be used to estimate rents when their estimates are statistically different from the ACS-based rents. HUD currently does not have funds to conduct local rent surveys, so surveys must be paid for by local public housing agencies or other interested parties if they wish for HUD to reevaluate the ACS-based FMRs.

While the ***Out of Reach*** report highlights the one-bedroom and two-bedroom FMRs, the ***Out of Reach*** website includes zero- to four-bedroom FMRs. HUD finds that two-bedroom rental units are the most common and the most reliable to survey, so two-bedroom units are utilized as the primary FMR estimate.

HUD applies bedroom-size ratio adjustment factors to the two-bedroom estimates to calculate FMRs for other bedroom-size units. HUD makes additional adjustments for units with three or more bedrooms to increase the likelihood that the largest families, who have the most difficulty in finding units, will be successful in finding rental units eligible for programs whose payment standards are based on FMRs.

Due to changes in FMR methodology over the years, we do not recommend comparing the current edition of ***Out of Reach*** with previous ones.

FMRs for each area are available at https://www.huduser.gov/portal/datasets/fmr.html.

HUD's Federal Register notices for FY23 FMRs are available at https://www.huduser.gov/portal/datasets/fmr.html#2023_documents.

NATIONAL, STATE, AND NON-METRO FAIR MARKET RENTS

The FMRs for the nation, states, and state nonmetropolitan areas in ***Out of Reach*** are calculated by NLIHC and reflect the weighted average FMR for the counties (FMR areas in New England) included in the larger geography. The weight for FMRs is the number of renter households within each county (FMR area in New England) from the five-year 2017-2021 ACS.

AFFORDABILITY

Out of Reach is consistent with federal housing policy in the assumption that no more than 30% of a household's gross income should be consumed by gross housing costs. Spending more than 30% of income on housing is considered "unaffordable."

AREA MEDIAN INCOME (AMI)

This edition of ***Out of Reach*** includes HUD's FY23 AMIs. HUD calculates the family AMI for metropolitan areas and nonmetropolitan counties. The Census definition of "family" is two or more persons related by blood, marriage or adoption residing together. This family AMI is not intended to apply to a specific family size. Information on HUD's methodology for calculating AMIs can be found at https://www.huduser.gov/portal/datasets/il.html

Applying the assumption that no more than 30% of household income should be spent on housing costs, ***Out of Reach*** calculates the maximum affordable rent for households earning the median income and households earning 30% of the median.

The median incomes for states and state nonmetropolitan areas reported in ***Out of Reach*** reflect the weighted average of county AMI data weighted by the total number of households from the 2017-2021 ACS.

FY23 family AMI for metropolitan areas and nonmetropolitan counties, the methodology, and HUD's adjustments to subsequent income limits are available at https://www.huduser.gov/portal/datasets/il.html.

PREVAILING MINIMUM WAGE

Out of Reach incorporates the minimum wage in effect as of July 1, 2023. According to the U.S. Department of Labor, the District of Columbia, Puerto Rico, and 30 states have a minimum wage higher than the federal level of $7.25 per hour. ***Out of Reach*** incorporates the higher prevailing state minimum wage in these states. Some local jurisdictions have a minimum wage that is higher than the prevailing federal or state rate. Local rates for counties, but not sub-county jurisdictions, are incorporated into ***Out of Reach***.

Among the statistics included in ***Out of Reach*** are the number of hours and subsequent full-time jobs a minimum wage earner must work to afford the FMR. These estimates are included for all states and counties, but not for sub-county jurisdictions. If the reader would like to calculate the same statistics using a different wage such as a higher city-based minimum wage, a simple formula can be used for the conversion:

[hours or jobs at the published wage] *

[published wage] / [alternative wage]

For example, one would have to work 120 hours per week to afford the two-bedroom FMR in Seattle, WA, if the local minimum wage was equivalent to the State of Washington's rate of $15.74. However, the same FMR would be affordable with 101 hours of work per week under the Seattle's higher local minimum wage of $18.69 (120 * $15.74 / $18.69). For further guidance, see "Where the Numbers Come From" or contact NLIHC research staff.

The national average number of hours a full-time worker earning minimum wage must work to afford the FMR is calculated by taking into account the prevailing minimum wage at the county level (or New England FMR area) and finding the weighted average of hours needed in all counties, weighting counties by their number of renter households. Accordingly, that average reflects higher state and county minimum wages, but not higher minimum wages associated with sub-county jurisdictions.

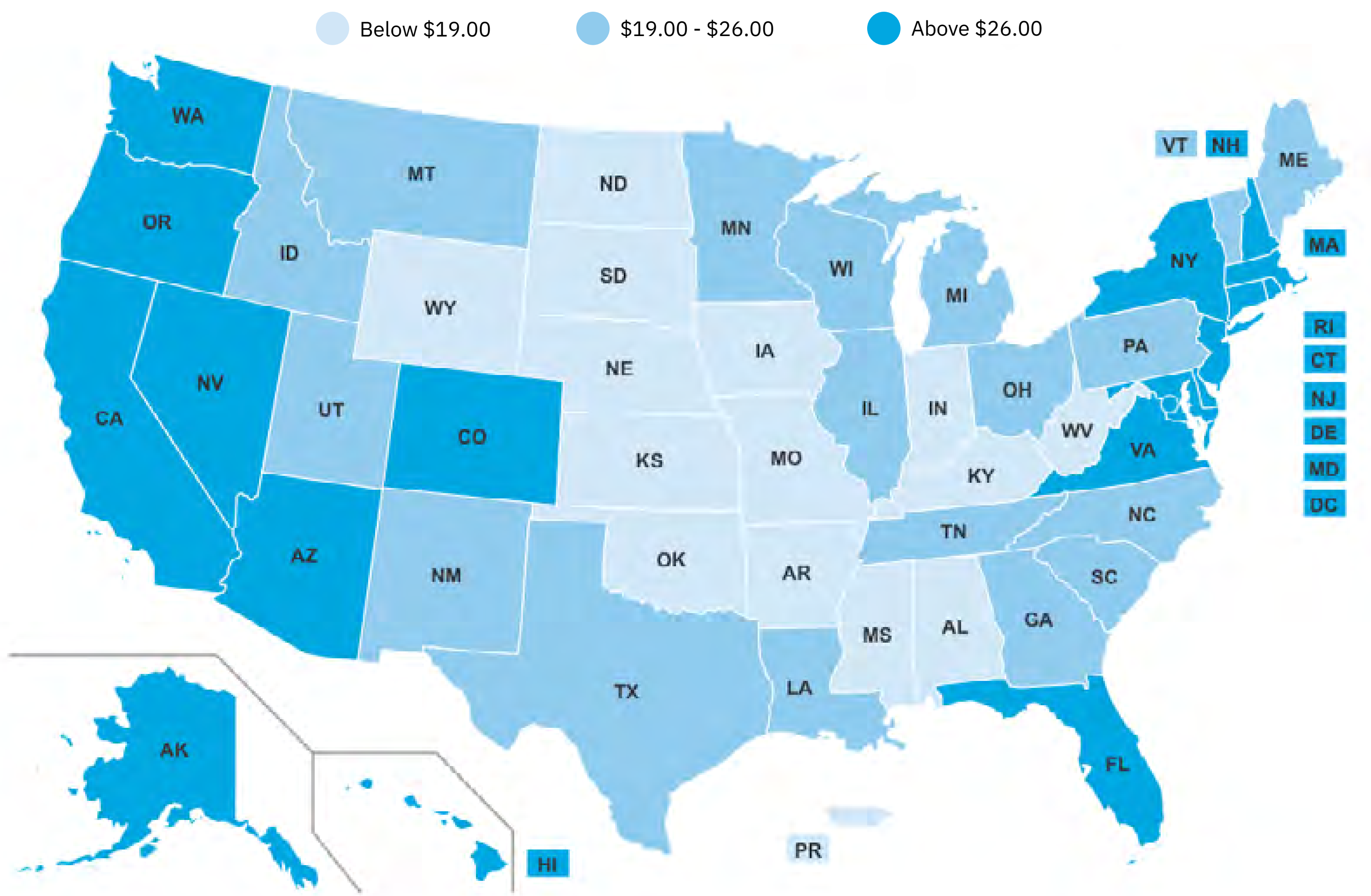
The Department of Labor provides further information on state minimum wages at www.dol.gov/whd/minwage/america.htm.

ADDITIONAL LOCAL DATA CAN BE FOUND ONLINE AT WWW.NLIHC.ORG/OOR

The Print / PDF version of Out of Reach contains limited data in an effort to present the most important information in a limited number of pages.

How Much Do You Need to Earn to Afford a Modest Apartment in Your State?

Hourly wage required to afford a two-bedroom rental home by state.



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DATA FOR OTHER STATES, METROPOLITAN AREAS, COUNTIES, AND ZIP CODES CAN BE FOUND AT
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2023

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