

Out of Reach 2011
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Number of Households (2005-2009)

Total	112,611,029	According to the U.S. Census ACS (2005-2009), there were 112,611,029 total households in the U.S.	U.S. Census American Community Survey (ACS) 2005-2009
Renter	37,290,607	According to the U.S. Census ACS (2005-2009), there were 37,290,607 renter households in the U.S.	
% Renter	33%	According to the U.S. Census ACS (2005-2009), renter households represented 33% of all households in the U.S.	

2011 Area Median Income ¹

Annual	\$66,324	The estimated annual median family income in the U.S. is \$66,324.	HUD median family income based on data from U.S. Census (2005-2009). See Appendix A.
Monthly	\$5,527	The monthly median family income in the U.S. is \$5,527.	Divide annual AMI by 12 to calculate monthly income (\$66,324 / 12 = \$5,527).
30% of AMI ²	\$19,897	In the U.S., an Extremely Low Income family (30% of AMI) earns \$19,897 annually.	Multiply annual AMI by .3 to calculate median income for Extremely Low Income family (\$66,324*.3=\$19,897)

Maximum Affordable ³ Monthly Housing Cost by % of Family AMI

30%	\$497	For an Extremely Low Income family (30% of AMI) in the U.S., monthly rent of \$497 or less is affordable.	Multiply annual AMI by percent of AMI given (30% = .3) and then by .3 to calculate maximum amount that can be spent on housing for it to be affordable (\$66,324 x .3 x .3 = \$5,969). Divide by 12 to obtain monthly amount (\$5,969 / 12 = \$497).
50%	\$829		
80%	\$1,326		
100%	\$1,658		

2011 Fair Market Rent (FMR) ⁴

Zero-Bedroom	\$712	The Fair Market Rent for a two-bedroom rental unit in the U.S. is \$960.	Developed by HUD annually. See Appendix B.
One-Bedroom	\$805		
Two-Bedroom	\$960		
Three-Bedroom	\$1,260		
Four-Bedroom	\$1,443		

% Change from 2000 Base Rent to 2011 FMR

Zero-Bedroom	47%	HUD estimates that the 2011 Fair Market Rent for a two-bedroom unit in the U.S. has increased 47% since the 2000 census.	HUD's Final FY 2011 Fair Market Rent Documentation System (online). Represents the percent difference between the Census 2000 base rent and the Final FY11 FMR for the geographic units included in the FMR area as it is currently defined.
One-Bedroom	47%		
Two-Bedroom	47%		
Three-Bedroom	47%		
Four-Bedroom	48%		

Annual Income Needed to Afford FMR

Zero-Bedroom	\$28,480	A renter household needs an annual income of \$38,400 in order for a two-bedroom rental unit at the Fair Market Rent to be affordable.	Multiply the FMR for a unit of a particular size by 12 to get the yearly rental cost (2BR: \$960 x 12 = \$11,520). Then divide by .3 to determine the total income needed to afford \$11,520 per year in rent (\$11,520 / .3 = \$38,400).
One-Bedroom	\$32,200		
Two-Bedroom	\$38,400		
Three-Bedroom	\$50,400		
Four-Bedroom	\$57,720		

Out of Reach 2011
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Percent of Family AMI Needed to Afford FMR

Zero-Bedroom	43%
One-Bedroom	49%
Two-Bedroom	58%
Three-Bedroom	76%
Four-Bedroom	87%

The income needed to afford a two-bedroom unit at the Fair Market Rent represents 58% of the AMI.	Divide the income needed to afford a unit of a particular size by family AMI, and then multiply by 100 (2BR: \$38,400 / \$66,324 x 100 = 58%).
---	--

2011 Renter Household Income

Estimated Median ⁵ \$33,871

The renter median household income in the U.S. is \$33,871.	Represents renter median income from ACS 5 Year Data (2005-2009) projected to 2010 using HUD's income adjustment factor and through 2011 based on 2011 AMIs.
---	--

Percent Needed for Two-Bedroom FMR 113%

The income needed to afford a two-bedroom unit at the Fair Market Rent represents 113% of the renter median household income.	Divide the annual income needed to afford the two-bedroom FMR by the renter median household income, and then multiply by 100 (\$38,400 / \$33,871 x 100 = 113%).
---	---

Rent Affordable at Median \$847

For a household earning the renter median income, monthly rent of \$847 or less is affordable.	Multiply renter median household income by .3 to get maximum amount that can be spent on housing for it to be affordable (\$33,871 x .3 = \$10,161). Divide by 12 to obtain monthly amount (\$10,161 / 12 = \$847).
--	---

% Renters Unable to Afford Two-Bedroom FMR ⁶ 57%

An estimated 57% of renter households in the U.S. do not earn sufficient income to afford a two-bedroom unit at the Fair Market Rent.	Represents a comparison of the percent of renter median household income required to afford the two-bedroom FMR to the state-level distribution of renter household income as a percent of the median.
---	--

2011 Renter Wage

Estimated Mean Renter Wage ⁷ \$13.52

The estimated mean (average) renter wage in the U.S. is estimated to be \$13.52 in 2011.	Average weekly wages from the 2009 Quarterly Census of Employment and Wages divided by 40 (hours per work week). This overall wage is adjusted by the national ratio of renter to total household income reported in ACS 2005-2009 and projected to April 1, 2011.
--	--

Rent Affordable at Mean Wage \$703

If one wage-earner holds a job paying the mean renter wage, a household can afford to spend as much as \$703 in monthly rent.	Multiply mean renter wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income (\$13.52 x 40 x 52 = \$28,121). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount (\$28,121 x .3 / 12 = \$703).
---	---

Out of Reach 2011
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

2011 Minimum Wage

Minimum Wage \$7.25

The federal minimum wage is \$7.25 in 2011.

The federal minimum wage of \$7.25, unless the state had implemented a higher minimum wage by January 1, 2011, as reported by the U.S. Department of Labor.

Rent Affordable at Minimum Wage \$377

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

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

2011 Supplemental Security Income

Monthly SSI Payment \$674

The federal Supplemental Security Income for qualifying individuals was \$674 in monthly federal benefits in 2011.

U.S. Social Security Administration. The maximum federal SSI payment for individuals is \$674 in 2011 but can be much lower if the recipient receives income from other sources. Where the Social Security Administration administers additional payments provided by the states, the higher value is reflected here.

Rent Affordable at SSI \$202

An individual whose sole source of income is Supplemental Security Income can afford to spend as much as \$202 in monthly rent.

Multiply monthly income by .3 to determine maximum amount that can be spent on rent ($\$674 \times .3 = \202).

2011 Housing Wage

Zero-Bedroom \$13.70
 One-Bedroom \$15.48
 Two-Bedroom \$18.46
 Three-Bedroom \$24.23
 Four-Bedroom \$27.75

A renter household needs one full-time job paying \$18.46 per hour in order for a two-bedroom rental unit at the Fair Market Rent to be affordable.

Divide income needed to afford the FMR for a particular unit size (2BR: \$38,400) by 52 (weeks per year), and then divide by 40 (hours per work week) ($\$38,400 / 52 / 40 = \18.46).

Housing Wage as % of Minimum Wage

Zero-Bedroom 189%
 One-Bedroom 214%
 Two-Bedroom 255%
 Three-Bedroom 334%
 Four-Bedroom 383%

Nationally, the Housing Wage for a two-bedroom rental unit represents 255% of the minimum wage.

Divide the Housing Wage for a particular unit size (2BR: \$18.46) by the Federal minimum wage (\$7.25), and then multiply by 100 ($\$18.46 / \$7.25 \times 100 = 255\%$).

Housing Wage as % of Mean Renter Wage

Zero-Bedroom 101%
 One-Bedroom 115%
 Two-Bedroom 137%
 Three-Bedroom 179%
 Four-Bedroom 205%

Nationally, the Housing Wage for a two-bedroom rental unit represents 137% of the mean renter wage.

Divide the Housing Wage for a particular unit size (2BR: \$18.46) by the estimated national mean renter wage (\$13.52), and then multiply by 100 ($\$18.46 / \$13.52 \times 100 = 137\%$).

Out of Reach 2011
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Work Hours/Week at Minimum Wage Needed to Afford FMR

Zero-Bedroom	76
One-Bedroom	85
Two-Bedroom	102
Three-Bedroom	134
Four-Bedroom	153

<p>A renter earning the minimum wage must work 102 hours to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide income needed to afford the FMR for a particular unit size (2BR: \$38,400) by 52 (weeks per year), and then divide by the federal minimum wage (\$7.25) ($\\$38,400 / 52 / \\$7.25 = 102$ hours).</p>
---	--

Work Hours/Week at Mean Renter Wage Needed to Afford FMR

Zero-Bedroom	41
One-Bedroom	46
Two-Bedroom	55
Three-Bedroom	72
Four-Bedroom	82

<p>A renter earning the mean renter wage must work 55 hours per week to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide income needed to afford the FMR for a particular unit size (2BR: \$38,400) by 52 (weeks per year), and then divide by the federal mean renter wage ($\\$38,400 / 52 / \\$13.52 = 55$ hours).</p>
---	---

Full-time Jobs at Minimum Wage Needed to Afford FMR

Zero-Bedroom	1.9
One-Bedroom	2.1
Two-Bedroom	2.6
Three-Bedroom	3.4
Four-Bedroom	3.8

<p>A renter household needs 2.6 full-time jobs paying the minimum wage in order to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide the number of work hours/week necessary at the minimum wage to afford the FMR for a particular unit size (2BR: 102 hours) by 40 (hours per work week) ($102 / 40 = 2.6$ full-time jobs).</p>
--	---

Full-time Jobs at Mean Renter Wage Needed to Afford FMR

Zero-Bedroom	1.0
One-Bedroom	1.1
Two-Bedroom	1.4
Three-Bedroom	1.8
Four-Bedroom	2.1

<p>A renter household needs 1.4 full-time jobs paying the mean renter wage in order to afford a two-bedroom rental unit at the Fair Market Rent.</p>	<p>Divide the number of work hours/week necessary at the mean renter wage to afford the FMR for a particular unit size (2BR: 55 hours) by 40 (hours per work week) ($55 / 40 = 1.4$ full-time jobs).</p>
--	---

FOOTNOTES

- 1 Fiscal Year 2011 Area Median Income (HUD, 2011).
- 2 Annual income of 30% of AMI or less is the federal standard for extremely low income households. Does not include HUD-specific adjustments.
- 3 "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.
- 4 Fiscal Year 2011 Fair Market Rent (HUD, 2010; final as of October 1).
- 5 ACS 5-year 2005-2009 median renter household income, projected to 2010 using HUD's income adjustment factor and through 2011 based on AMIs
- 6 Estimated by comparing the percent of renter median household income required to afford a two-bedroom at the FMR to the percent distribution of renter household income as a percent of the median within the state, as measured using 2009 American Community Survey Public Use Microdata Sample housing file.
- 7 Based on 2009 BLS data, adjusted using the ratio of renter to total household income reported in ACS, and projected to April 1, 2011.

* Numbers may differ from actual estimates due to rounding.