Preface

By Senator Tim Johnson (D-SD)

In the last few years, the nation has become all too familiar with problems in the housing market. Millions of families have lost their homes, and countless more live in fear of an unexpected illness, layoff or expense that will tip them into default or foreclosure.

As we address the challenges facing homeowners, we must not lose sight of the deep and growing burdens on America's renters – particularly as their numbers grow due to foreclosures. The National Low Income Housing Coalition has long advocated for safe, affordable housing for all Americans, including those with the lowest incomes. NLIHC's *Out of Reach* report is an essential resource for understanding the housing challenges facing American families.

Though it is often overlooked, millions of Americans struggled to meet their housing needs prior to the current economic crisis – because the market simply has not provided sufficient affordable housing supply. Over the past 50 years, housing costs grew far faster than incomes, according to Harvard's Joint Center for Housing Studies. One in four renters paid more than half their income on housing in 2009, more than double the rate in 1960. Harvard researchers have also concluded that affordability problems are expanding up the income scale. What was once mostly concentrated among the lowest-income families is now affecting more lower middle- and middle-income renters – teachers, first responders, health-care workers, and retail employees.

And although it may seem counterintuitive, housing has become even less affordable for lower-income families even as housing values have plummeted. A recent HUD "worst-case needs" study found that the number of very-low income renter households spending more than half of their incomes for housing reached 7.1 million – a 20 percent increase over 2007, and a 42 percent increase from 2001. HUD's study attributes this growth in worst-case needs to declining incomes, increased competition for units affordable to lower-income families, and a shortage of rental assistance.

This year's *Out of Reach* report is a reminder that millions of Americans are still waiting for economic recovery, and that a rebound in the stock market is not much help for families who are barely scraping by. According to the report, a person with a full-time job would need to earn an hourly wage of $18.46 in order to afford a modest, two-bedroom rental at HUD's national average fair market rent. This is an amount far above the minimum wage or Supplemental Security Income for people with disabilities. People burdened by unaffordable housing have less money for other essential needs like transportation, food, and medicine – leaving too many families facing impossible choices at the end of every month.

The data in *Out of Reach* reveal that the shortage of affordable rental housing is a national problem, affecting urban, suburban, and rural areas alike. While rents are often lower in rural areas, correspondingly lower incomes and a shortage of rural rental supply means that rural renters often face overcrowding and a lack of high-quality choices in addition to unaffordable housing costs.

Providing both a national and a local perspective, *Out of Reach* is an invaluable resource for policymakers and housing providers seeking to better understand and address the housing problems confronting our families and communities.