

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 = \$29,689). Divide by 12 to obtain monthly amount (\$29,689 / 12 = \$2,474).

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%).

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.

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

ACS (2017-2021).

	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 (\$29,689 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 work 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.