

Center for Housing Policy

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Housing Problems of the Working Poor



Based on the research provided by
Joseph M. Harkness and Sandra J. Newman of Johns Hopkins University

Key Findings



Contrary to the Myth that poor people don't work – many work and work hard



Despite working, 1 out of 2 “working poor” households have critical housing needs



These 2.5 Million “Working Poor” Households pay more than half their income for Housing and/or live in dilapidated conditions



The “Working Poor” Defined



Earn at least $\frac{1}{4}$ of Annual Minimum Wage (\$2,678) up to Poverty Rate*



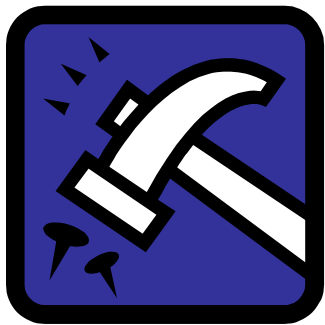
4.4 Million Households comprise America’s “Working Poor”

* Poverty rate in 2001 was \$8,590 for the first person and \$3,020 for each additional person; \$17,650 for a family of four.



Critical Housing Needs

Household pays at least half its income for housing, and/or



Household lives in dilapidated conditions



Almost 6 out of 10 Working Poor Households have Critical Housing Needs



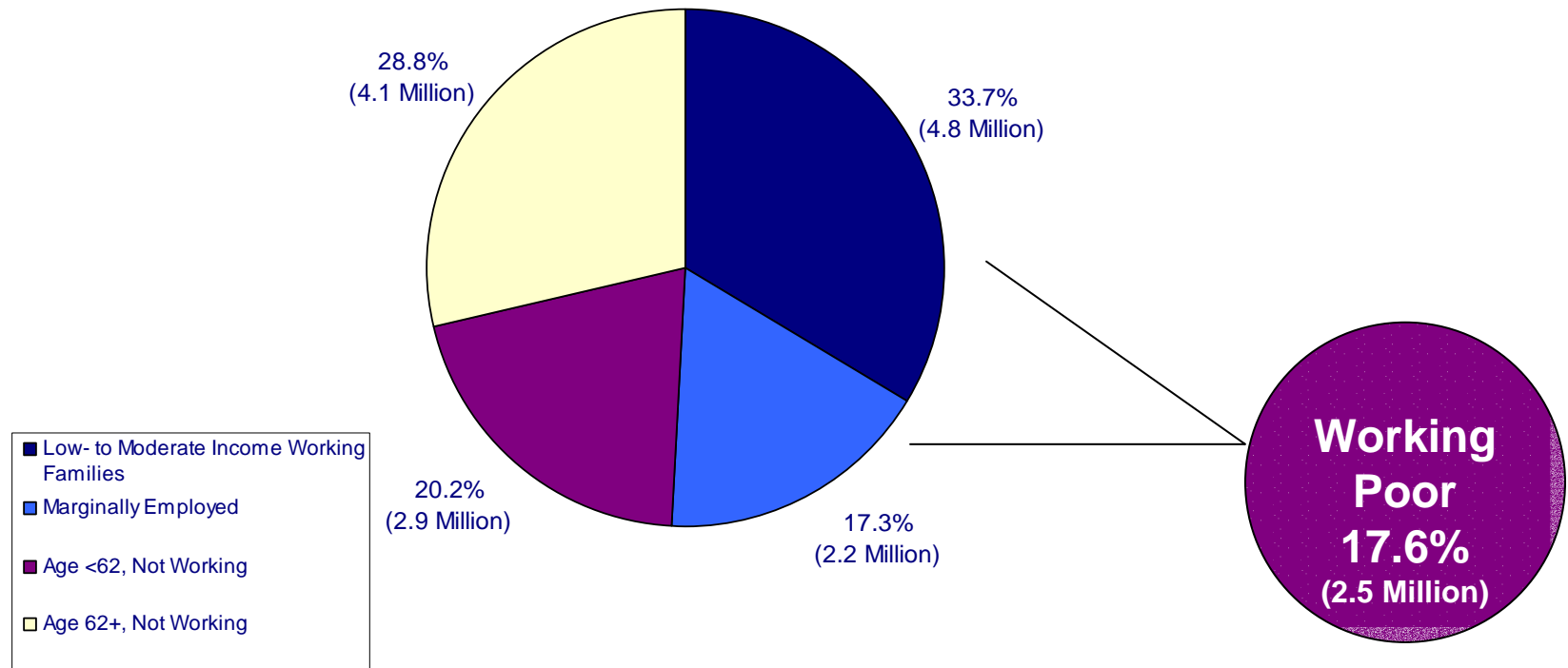
Of 4.4 Million Working Poor Households,
2.5 Million have **Critical Housing Needs**

Source: Derived from Table 3

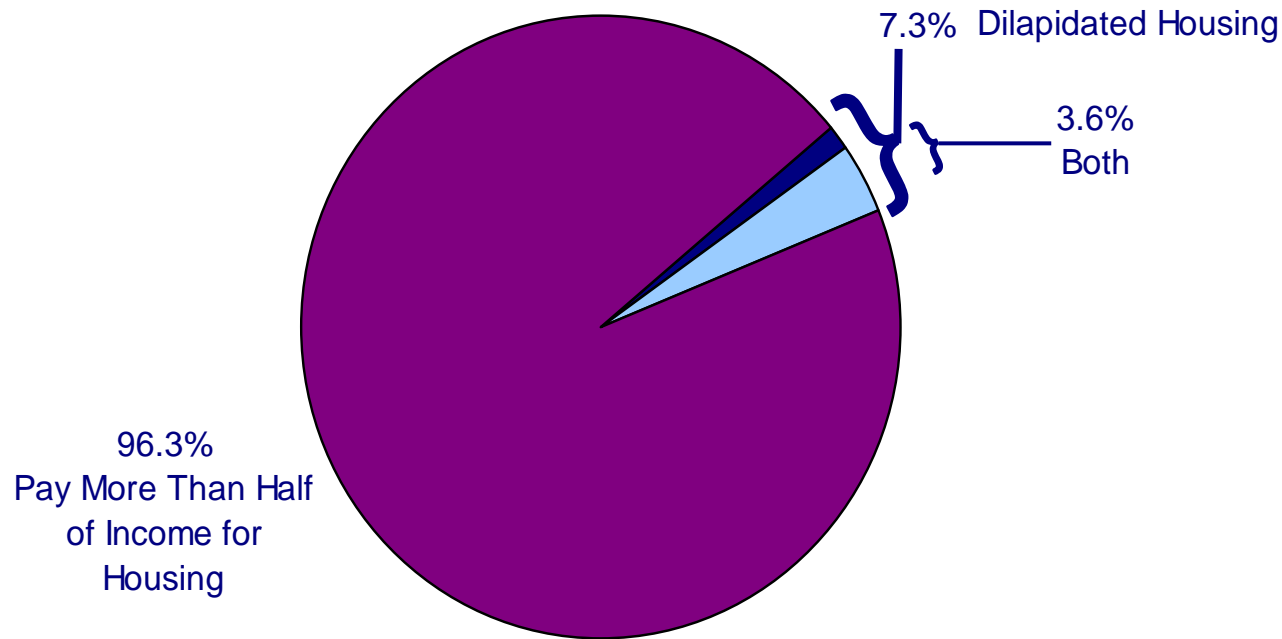


Working Poor Households Make Up More Than 17% of All Households With Critical Housing Needs

14.3 Million Families with Critical Housing Needs (2001)



Housing Problems of the Working Poor – Cost is the Culprit

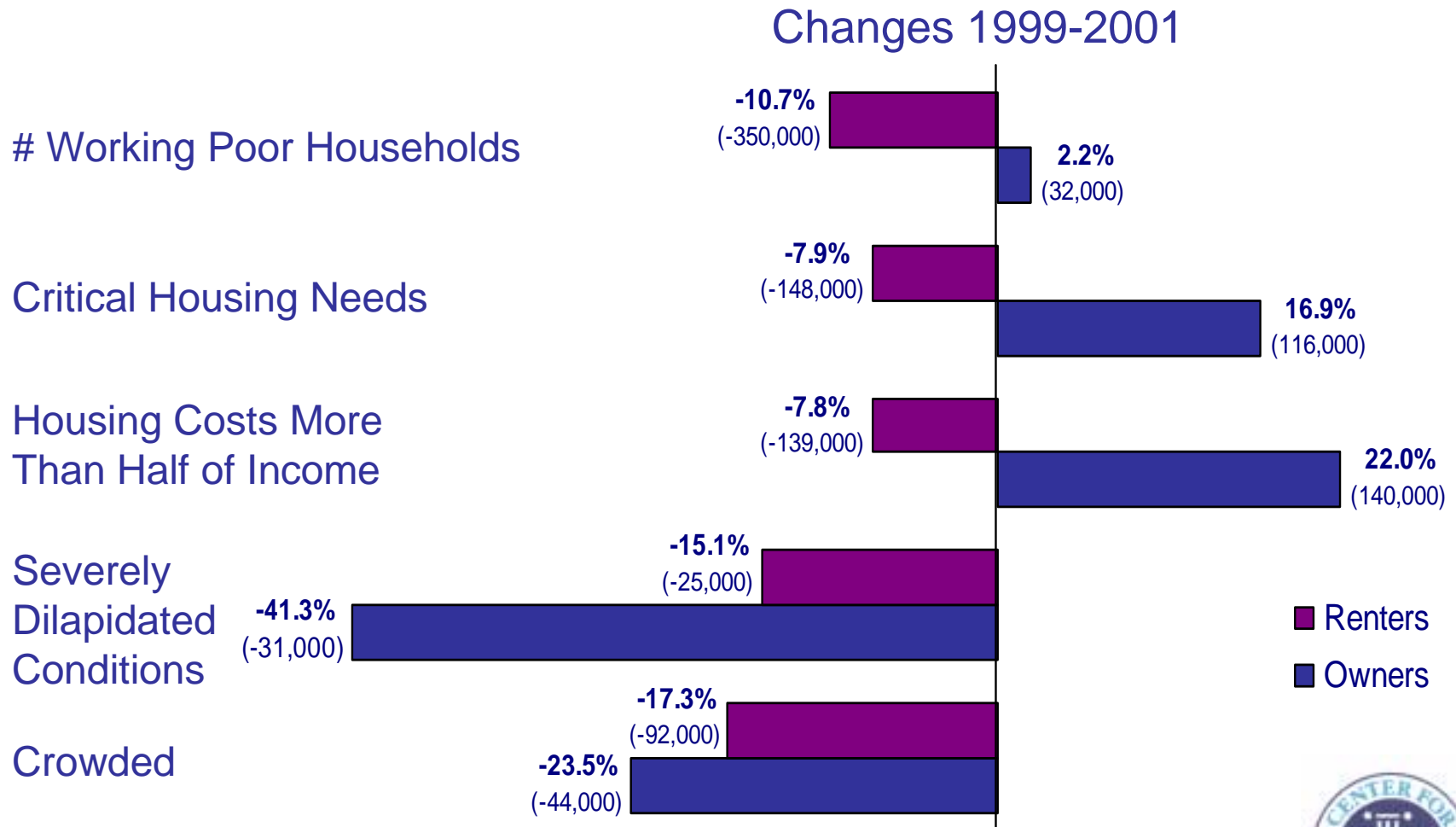


Cost is the major problem for both owners and renters



Source: Table 2

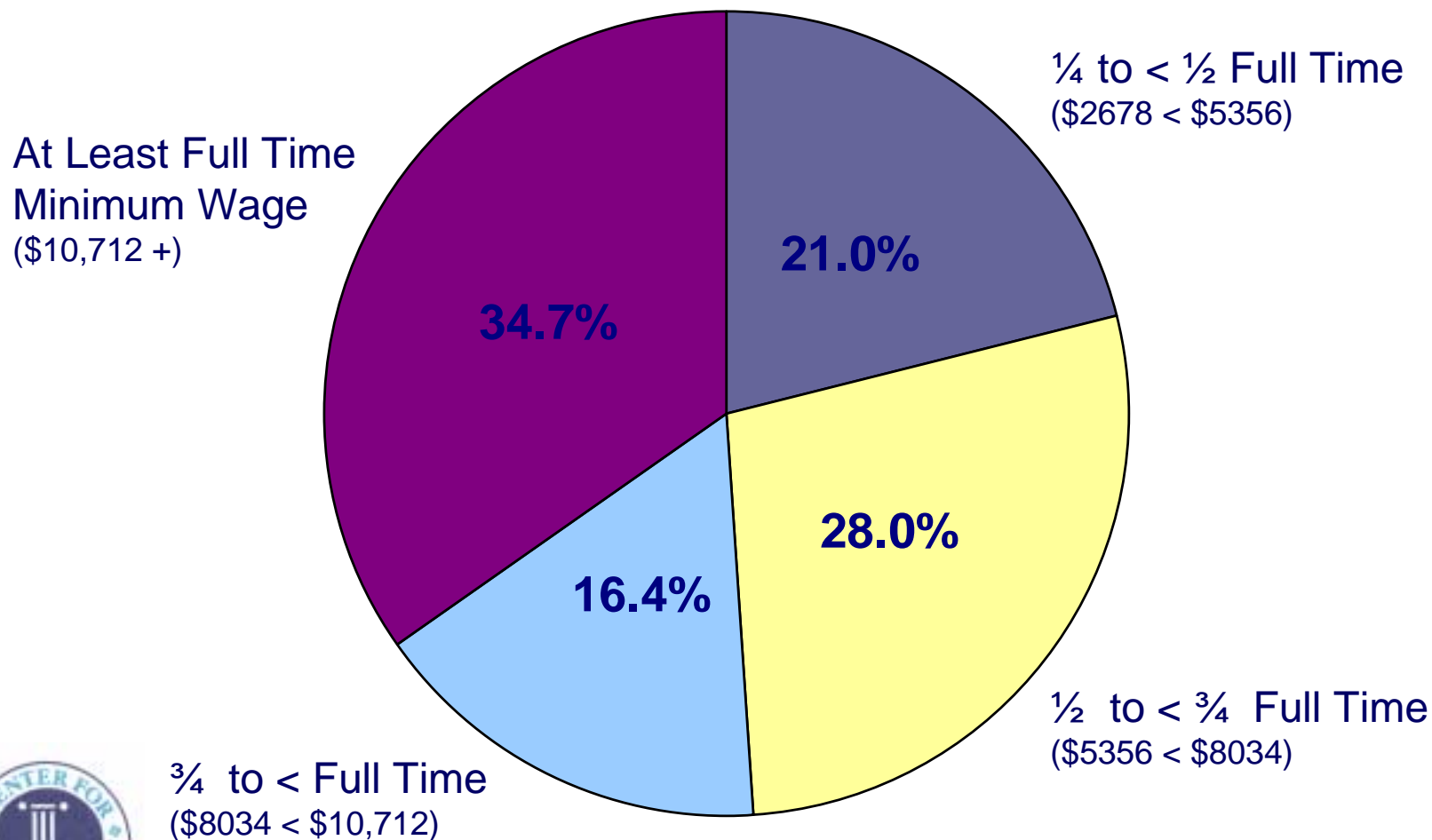
Over a Recent Two-Year Period, the Rate of Housing Problems Among Renters Fell, While Owners Experienced an Increase in Severe Cost Burden



Source: Tables 2 and 3

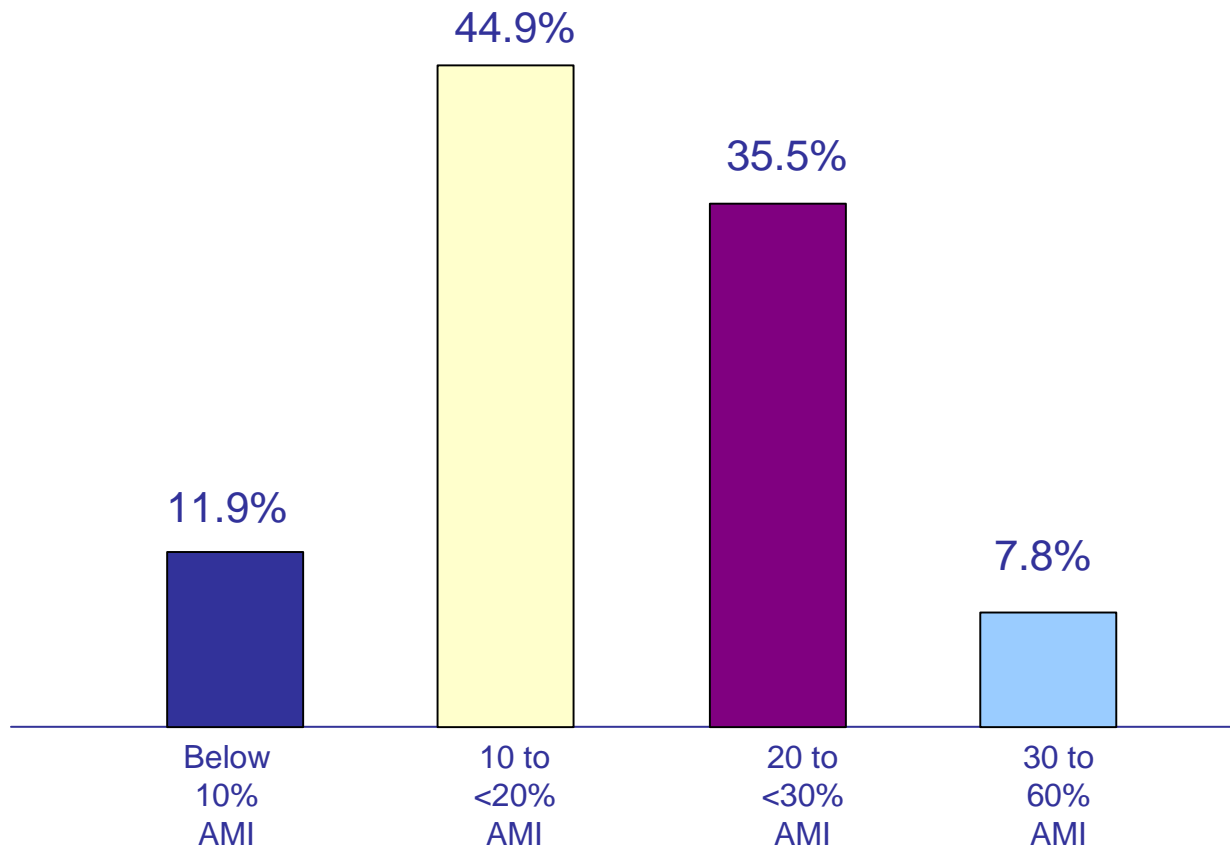


1 out of 3 Working Poor Households with Critical Housing Needs Earn at Least Full-Time Minimum Wage; Another 44% Earn at Least Half that Amount



Source: Table 9

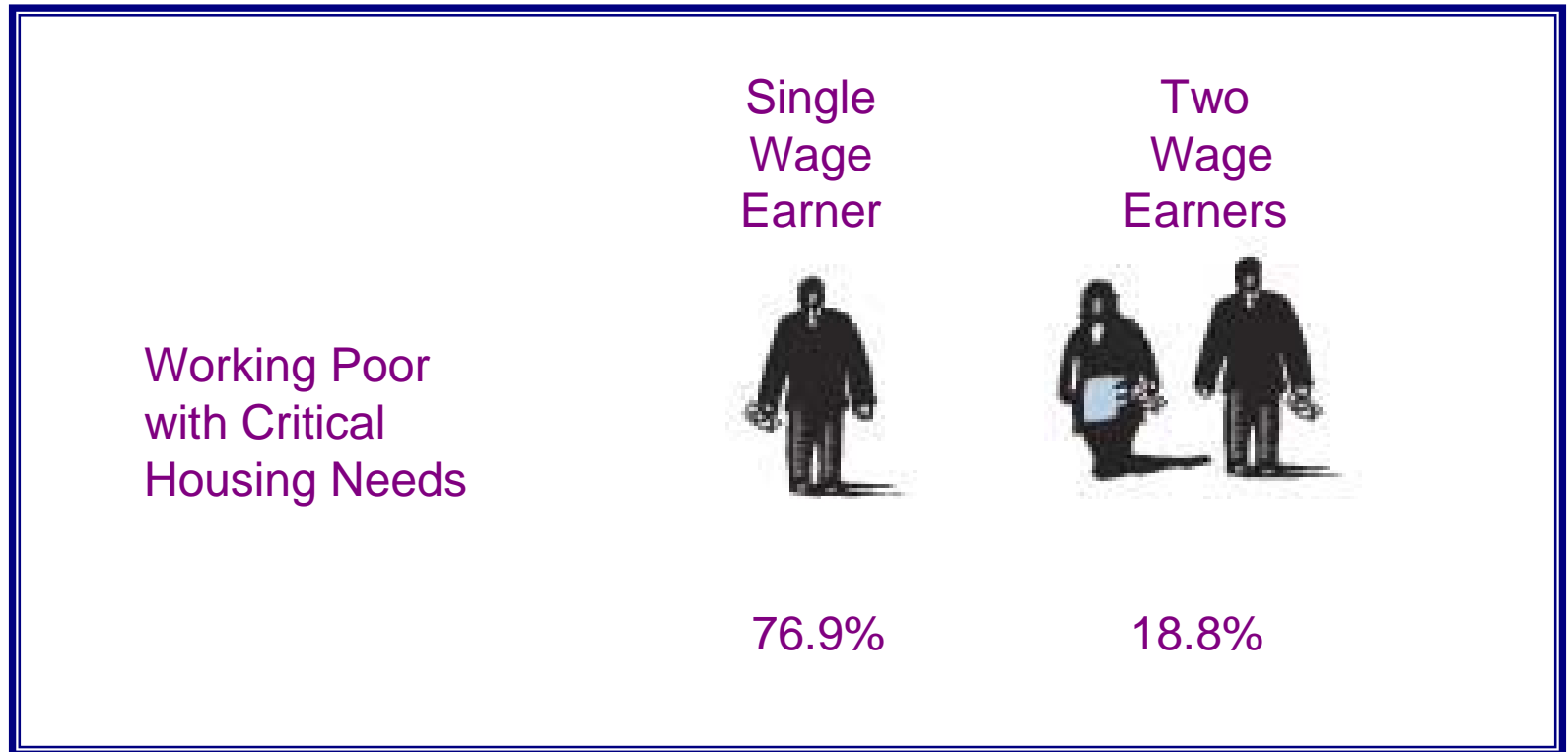
3/4 of Working Poor Households with Critical Housing Needs Earned Less Than 30% of Local Area Median Income (AMI)



Virtually all Working Poor Households with Critical Housing Needs Earned Less Than 60% Area Median Income



Most Working Poor Households with Critical Housing Needs Depend on a Single Wage Earner



Figures do not add up to 100% due to a small number of households with three or more earners.

Source: Table 9. See also Table 6.



Children reside in 6 out of 10 Working Poor Households with Critical Housing Needs

26.7 %



Couple with Children

19.2 %



Single-Person Household

33.0 %



Single Female with Children

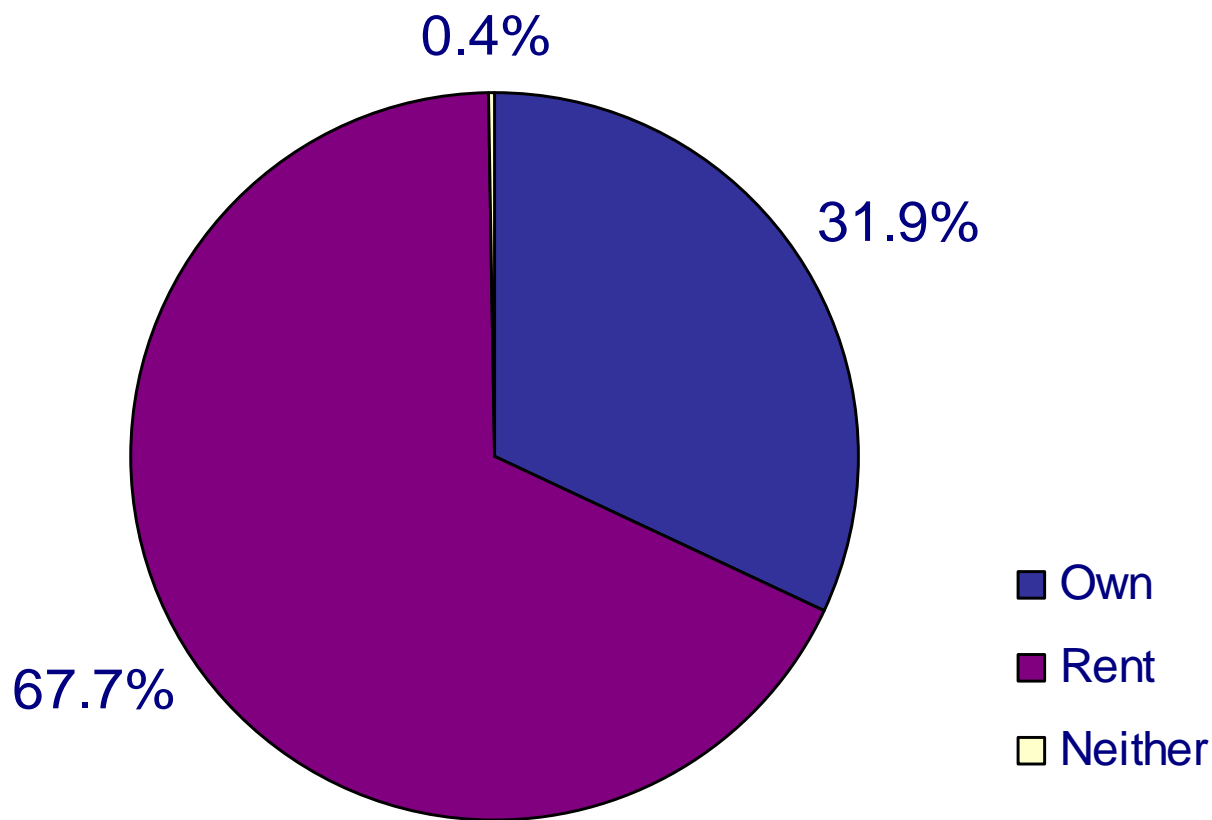
21.1 %



More than One Person with No Children



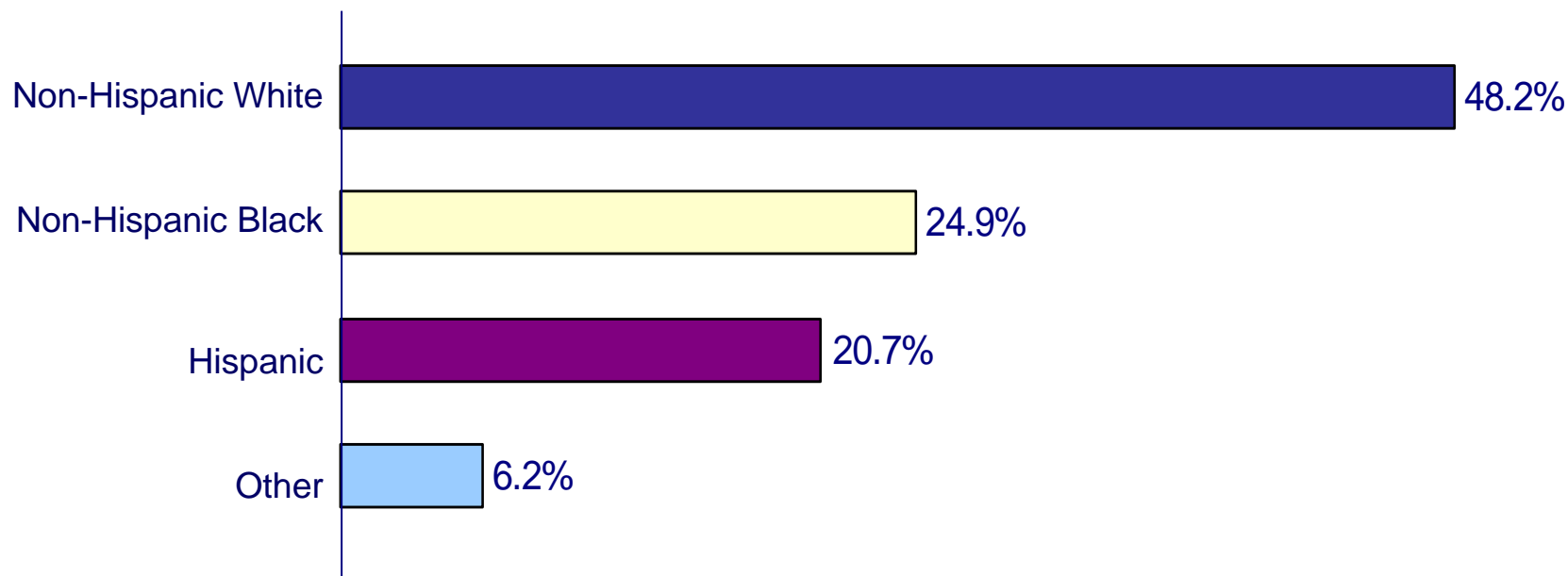
Two-Thirds of Working Poor Households with Critical Housing Needs are Renters



Source: Table 9



Working Poor Households with Critical Housing Needs are Almost Evenly Split Between Non-Hispanic Whites and Minorities



Note: Some Hispanics may classify themselves into other race categories.



Source: Table 9

More than Half of Working Poor Renters with Critical Housing Needs Reside in Central Cities, while most Owners are in Suburban and Rural Locations

All Working Poor Households with Critical Needs



44.5%



39.8%



15.7%

	Renters	Owners
Central Cities	51.9%	28.9%
Suburbs	39.4%	40.7%
Non-Metro Areas	8.7%	30.4%

Source: Table 4



The Northeast and West have the Highest Incidences of Critical Housing Needs among the Working Poor, But the Fastest Growth is in the South

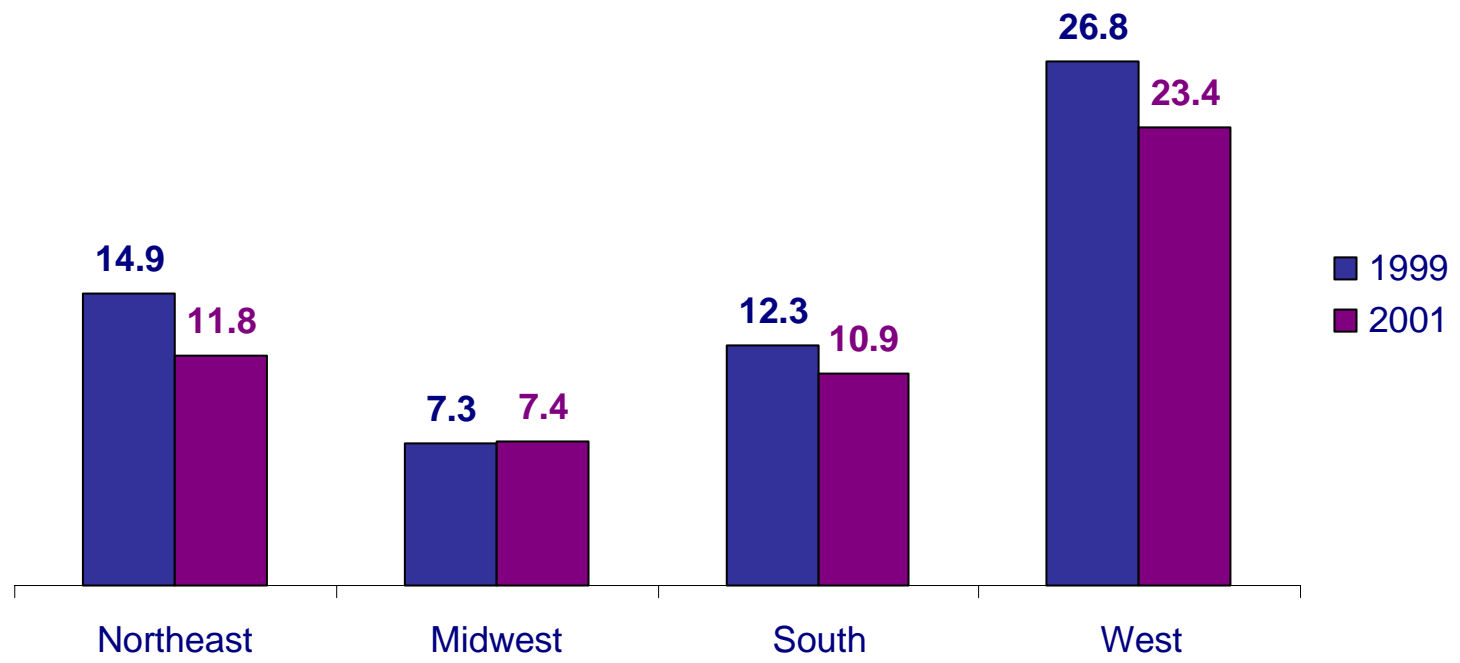
Rates of Critical Housing Needs By Region



Source: Table 8

Almost 1 out of 4 Working Poor Families in the West are Crowded – a Rate Twice as High as in any other Region

Rates of Crowding by Region



Source: Table 8



How Working Poor Households with Critical Housing Needs Compare to Low- to Moderate- Income Households with Critical Needs:

	Working Poor	Low- to Moderate- Income Working Households*
% of All Households in Group with Critical Housing Needs	57.4	11.8
Number of Households with Critical Housing Needs	2.5 Million	4.8 Million
% Paying More Than Half of Income for Housing	96.0	83.4
% Living in Severely Dilapidated Housing	7.3	18.5
Median Income	\$8,400	\$22,000
% Homeowners	31.9	53.0
% Single Wage Earners	76.9	63.7
% With Children	59.7	47.9

*These households earn between full-time minimum wage and 120% area median income. There is some overlap with the “working poor” at the bottom end of the income scale.

