Housing Landscape 2016: Housing Affordability for Working Households

by Mindy Ault, Research Associate
Center for Housing Policy,
a division of the National Housing Conference

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• Uses the most recent American Community Survey data.
• Evaluates severe housing cost burden among low- and moderate-income renter and owner working households.
• Analyzes trends from 2011 through 2014.
• Provides affordability data for all 50 states and the District of Columbia, and the 50 largest U.S. metro areas.
Working Renters Continue to Be More Severely Housing Cost Burdened than Working Homeowners

Percentage of Low- and Moderate-Income Working Households with a Severe Housing Cost Burden

- 2011: Working Renters: 26.4%, Working Owners: 20.9%
- 2012: Working Renters: 25.4%, Working Owners: 18.6%
- 2013: Working Renters: 25.0%, Working Owners: 17.1%
- 2014: Working Renters: 25.1%, Working Owners: 16.2%
From 2011 to 2014, Median Housing Costs Rose for Working Renters but Decreased for Working Homeowners
The Difference between Housing Costs for Owners and Renters Is Steadily Decreasing

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>One-Year Change</th>
<th>Two-Year Change</th>
<th>Three-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Renters</td>
<td>$847</td>
<td>$852</td>
<td>$871</td>
<td>$900</td>
<td>3.3%</td>
<td>5.6%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Working Owners</td>
<td>$1,024</td>
<td>$994</td>
<td>$962</td>
<td>$972</td>
<td>1.0%</td>
<td>-2.2%</td>
<td>-5.1%</td>
</tr>
</tbody>
</table>
Working Households Are Increasingly More Likely to Be Renters

Number of Working Renter and Owner Households

- Working Renters
  - 2011: 22.7
  - 2012: 23.3
  - 2013: 23.7
  - 2014: 24.2

- Working Owners
  - 2011: 21.9
  - 2012: 21.8
  - 2013: 21.7
  - 2014: 21.9
Working Households Headed by Non-White Individuals Are More Likely to Be Severely Cost Burdened than Their White Counterparts
The Lowest Income Households Face the Greatest Housing Cost Burdens

Income Levels

Extremely Low-Income: 30% of AMI or less
Very Low-Income: 31-50% of AMI
Low-Income: 51-80% of AMI
Moderate-Income: 81-120% of AMI
In Many of the Nation’s Largest Metro Areas, More than a Quarter of Working Households Are Severely Housing Cost Burdened
Policy Implications

• Federal policies are critical for addressing the high demand for affordable housing.
  • Low Income Housing Tax Credits
  • HOME Investment Partnerships Program
  • Community Development Block Grant Program (CDBG)

• State and local policies are also needed to create and preserve affordable housing.
Policy Implications

• Federal rental assistance programs help to address affordability issues for working households as well.
  • Rental Assistance
  • Homeownership Assistance
Policy Implications

• Policies that address the importance of place ensure that families have access to opportunity.
  - HUD’s rule on Affirmatively Furthering Fair Housing
  - Choice Neighborhoods Program
  - Rental Assistance Demonstration

• Programs are also needed to help lower-income working renters to access homeownership opportunities when they are ready.
Questions?

Mindy Ault
Research Associate
National Housing Conference

Phone: 202.466.2121 x229
Email: mault@nhc.org

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