



PRESS RELEASE

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Contact: Taylor Materio (202) 662-1530 x 227 [taylor@nlihc.org](mailto:taylor@nlihc.org)

## **Recession Continues to Push Rental Housing Further “Out of Reach” for Low Income Americans**

A family in the United States needs to earn \$18.44 an hour, or nearly \$38,360 a year, in order to afford a modest rental home in the United States, according to a report released April 21 by the National Low Income Housing Coalition. Despite the recession, the report finds that rents continue to rise, while wages continue to fall across the country.

The amount a person working full-time must earn to afford the Fair Market Rent on a two-bedroom unit is known as the Housing Wage, and *Out of Reach* calculates this wage for every state, metropolitan area, non metropolitan area and county in the country. The report also calculates how many hours someone must work at the minimum and average renter wages in an area to afford typical rents, and provides local wage and income data for comparison purposes.

According to *Out of Reach 2010*, the national two-bedroom Fair Market Rent (FMR) is a staggering \$959 a month. In addition, 74% of metro renters live in an area where having two full-time jobs at the minimum wage would still not allow them to afford the two-bedroom FMR. Other key findings from *Out of Reach 2010* include:

- The two-bedroom Housing Wage topped \$20.00 in 10 states: HI, DC, CA, MD, NJ, NY, MA, CT, AK and FL.
- In 2010, the estimated average wage for renters in the United States is only \$14.44, a decline from \$14.69 in 2009.
- At the federal minimum wage of \$7.25, a household would have to work 102 hours each week to afford the nation’s average FMR for a two-bedroom home.
- There is no county in the United States in which a full-time minimum wage worker can afford even a one-bedroom apartment at the FMR.

“*Out of Reach 2010* shows once again that prevailing incomes and wages are simply not enough to allow a family to afford a decent home in their community,” said Sheila Crowley, President of the National Low Income Housing Coalition.

This year's data demonstrate that the recession has only worsened an already severe housing crisis. "The persistence of high rates of unemployment and under-employment is making it ever more difficult for families to secure decent housing. Unfortunately, the situation is not likely to improve any time soon," Center for Economic Policy and Research Co-Director Dean Baker said.

NLIHC has called on Congress to fund the National Housing Trust Fund, which would provide communities with funds to build, rehabilitate and preserve rental housing for people with the lowest incomes. Legislation creating the National Housing Trust Fund passed in 2008, but Congress has not yet capitalized the fund.

"Clearly, the time to act is now. We must take steps to provide safe, decent and affordable homes for the lowest income families across the country," Ms. Crowley said. "Providing \$1 billion for the National Housing Trust Fund will help address the growing shortage of affordable housing, which is one of the most serious economic problems facing the country. In addition, the NHTF would create new jobs. Every \$1 billion provided to the Trust Fund will support the immediate construction of 10,000 rental homes, creating 15,100 new construction jobs and 3,800 new jobs in ongoing operations."

"[NLIHC's] *Out of Reach* annual report on rental housing affordability shows a growing need to preserve and expand the current stock of affordable rental housing," House Speaker Nancy Pelosi (D-CA) said. "The hardships faced by many low income renters in an economy recovering from the recession and record foreclosures make this need all the more urgent. We are grateful for NLIHC's efforts, and we will continue our partnership to ensure that more Americans have better access to decent and affordable rental housing."

Extensive data for every state, metropolitan area and county in the country are available online, at [www.nlihc.org/oor2010/](http://www.nlihc.org/oor2010/). Ranking tables and maps are also available at the website, as is further analysis and explanation of the data. The five most expensive metro areas in the U.S. include:

Metro Area	Housing Wage
· Stamford-Norwalk, CT	\$34.62
· San Francisco, CA	\$33.85
· Honolulu, HI	\$32.77
· Santa Cruz-Watsonville, CA	\$31.85
· Westchester County, NY	\$31.17

"It is extremely discouraging to see that the wage a worker needs to earn in order to afford a decent rental home has gone up again, especially at a time when it is harder than ever for people to find stable, well-paying jobs," said NLIHC Research Analyst Megan DeCrappeo. "As the nation's focus remains fixed on the housing market, we have a unique opportunity to bring the

issues facing the lowest income households to the forefront and begin creating sustainable solutions to the problems that have plagued these families for so long.”

*Established in 1974 by Cushing N. Dolbeare, the National Low Income Housing Coalition is a membership organization dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.*

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National Low Income Housing Coalition (NLIHC)  
727 15th Street NW, 6th Floor, Washington, D.C. 20005  
202/662-1530; Fax 202/393-1973; [info@nlihc.org](mailto:info@nlihc.org); [www.nlihc.org](http://www.nlihc.org)  
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