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Report: U.S. Rentals Unaffordable to Poor

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<http://www.commondreams.org/headlines04/1220-01.htm>

WASHINGTON — Most Americans who rely on just a full-time job earning the federal minimum wage cannot afford the rent and utilities on a one- or two-bedroom apartment, an advocacy group on low-income housing reported Monday.

For a two-bedroom rental alone, the typical worker must earn at least \$15.37 an hour — nearly three times the federal minimum wage, the National Low Income Housing Coalition said in its annual [*“Out of Reach”*](#) report.

That figure assumes that a family spends no more than 30 percent of its gross income on rent and utilities — anything more is generally considered unaffordable by the government.

Yet many poor Americans are paying more than they can afford because wage increases haven't kept up with increases in rent and utilities, said Danilo Pelletiere, the coalition's research director.

The median hourly wage in the United States is about \$14, and more than one-quarter of the population earns less than \$10 an hour, the report said.

“A lot of people continue to be squeezed out,” said Judy Levey, executive director of the Homeless and Housing Coalition of Kentucky. “Housing here is relatively inexpensive, but because the wages are so low, people can't afford housing.”

The report quoted federal Bureau of Labor Statistics data that showed hourly wages rising about 2.6 percent over the past year, slower than the 2.9 percent rise in rents recorded in the Consumer Price Index.

In addition, Pelletiere said, government spending on Section 8 rental vouchers, which helps 2 million Americans — mainly poor — pay rent hasn't kept up with demand.

The study analyzed data from the Census Bureau and the Housing and Urban Development Department to derive the hourly wage figures.

In only four of the nation's 3,066 counties could a full-time worker making the federal minimum wage afford a typical one-bedroom apartment, the coalition said. Three were in Illinois: Clay, Crawford and Wayne counties; the other was Washington County, Fla.

California topped all states in the hourly wage needed to afford a two-bedroom apartment, at \$21.24, followed by Massachusetts, New Jersey, Maryland and New York.

States with more residents in rural areas were generally the most affordable, although no state's housing wage was lower than the federal minimum wage of \$5.15 an hour, which has not changed since 1997.

West Virginia was the lowest at \$9.31 an hour for a two-bedroom rental, followed by North Dakota, Arkansas, Mississippi and Alabama.

Pelletiere said the coalition's data for 2004 could not be compared with previous years because of changes in the way that HUD calculated "Fair Market Rents," which is the cost of rent and most utilities for a typical apartment. The fair rent varies widely by metropolitan area.

Overall, though, utility costs appear to be rising at a faster rate than rents, Pelletiere said. Add in stagnant wages and the housing situation for the nation's poor "has gotten worse over the last year," he said.

On the Net:

National Low Income Housing Coalition: <http://www.nlihc.org/index.html>

HUD: <http://www.hud.gov/>

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