

Out of Reach 2009
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Number of Households (2000)

| | |
|----------|---------|
| Total | 337,271 |
| Renter | 108,856 |
| % Renter | 32% |

| | |
|--|------------------|
| In 2000, there were 337,271 total households in Any Metro. | U.S. Census 2000 |
| In 2000, there were 108,856 renter households in Any Metro. | |
| In 2000, renter households represented 32% of all households in Any Metro. | |

2009 Area Median Income ¹

| | |
|-------------------------|----------|
| Annual | \$61,500 |
| Monthly | \$5,125 |
| 30% of AMI ² | \$18,450 |

| | |
|--|--|
| The annual median family income in Any Metro is \$61,500. | HUD median family income estimate based on data from Census 2000 and the 2005-07 American Community Survey. |
| The monthly median family income in Any Metro is \$5,125. | Divide annual AMI by 12 to calculate monthly income (\$61,500 / 12 = \$5,125). |
| In Any Metro, an Extremely Low Income family (30% of AMI) earns \$18,450 annually. | Multiply annual AMI by .3 to calculate median income for Extremely Low Income family (\$61,500 x .3 = \$18,450). |

Maximum Affordable ³ Monthly Housing Cost by % of Family AMI

| | |
|------|---------|
| 30% | \$461 |
| 50% | \$769 |
| 80% | \$1,230 |
| 100% | \$1,538 |

| | |
|--|--|
| For an Extremely Low Income family (30% of AMI) in Any Metro, monthly rent of \$461 or less is affordable. | Multiply annual AMI by percent of AMI given (30% = .3) and then by .3 to calculate maximum amount that can be spent on housing for it to be affordable (\$61,500 x .3 x .3 = \$5,535). Divide by 12 to obtain monthly amount (\$5,535 / 12 = \$461). |
|--|--|

2009 Fair Market Rent (FMR) ⁴

| | |
|---------------|---------|
| Zero-Bedroom | \$496 |
| One-Bedroom | \$573 |
| Two-Bedroom | \$680 |
| Three-Bedroom | \$950 |
| Four-Bedroom | \$1,009 |

| | |
|---|--|
| The Fair Market Rent for a two-bedroom rental unit in Any Metro is \$680. | Developed by HUD annually. See Appendix B. |
|---|--|

% Change from 2000 Base Rent to 2009 FMR

| | |
|---------------|-----|
| Zero-Bedroom | 35% |
| One-Bedroom | 35% |
| Two-Bedroom | 35% |
| Three-Bedroom | 35% |
| Four-Bedroom | 35% |

| | |
|---|--|
| HUD estimates that the 2009 Fair Market Rent for a two-bedroom unit in Any Metro has increased 35% since the 2000 census. | HUD's Final FY 2009 Fair Market Rent Documentation System (online). Represents the percent difference between the Census 2000 base rent and the Final FY09 FMR for the geographic units included in the FMR area as it is currently defined. |
|---|--|

Annual Income Needed to Afford FMR

| | |
|---------------|----------|
| Zero-Bedroom | \$19,840 |
| One-Bedroom | \$22,920 |
| Two-Bedroom | \$27,200 |
| Three-Bedroom | \$38,000 |
| Four-Bedroom | \$40,360 |

| | |
|--|--|
| A renter household needs an annual income of \$27,200 in order for a two-bedroom rental unit at the Fair Market Rent to be affordable. | Multiply the FMR for a unit of a particular size by 12 to get the yearly rental cost (2BR: \$680 x 12 = \$8,160). Then divide by .3 to determine the total income needed to afford \$8,160 per year in rent (\$8,160 / .3 = \$27,200). |
|--|--|

Out of Reach 2009
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Percent of Family AMI Needed to Afford FMR

| | |
|---------------|-----|
| Zero-Bedroom | 32% |
| One-Bedroom | 37% |
| Two-Bedroom | 44% |
| Three-Bedroom | 62% |
| Four-Bedroom | 66% |

| | |
|---|--|
| The income needed to afford a two-bedroom unit at the Fair Market Rent represents 44% of the AMI. | Divide the income needed to afford a unit of a particular size by family AMI, and then multiply by 100 (2BR: \$27,200 / \$61,500 x 100 = 44%). |
|---|--|

2009 Renter Household Income

Estimated Median ⁵ \$30,164

| | |
|---|---|
| The renter median household income is \$30,164. | Represents renter median income from Census 2000 multiplied by HUD's adjustment factor that estimates income growth in an area between the census and 2009. |
|---|---|

Percent Needed for Two-Bedroom FMR 90%

| | |
|--|--|
| The income needed to afford a two-bedroom unit at the Fair Market Rent represents 90% of the renter median household income. | Divide the annual income needed to afford the two-bedroom FMR by the renter median household income, and then multiply by 100 (\$27,200 / \$30,164 x 100 = 90%). |
|--|--|

Rent Affordable at Median \$754

| | |
|--|---|
| For a household earning the renter median income, monthly rent of \$754 or less is affordable. | Multiply renter median household income by .3 to get maximum amount that can be spent on housing for it to be affordable (\$30,164 x .3 = \$9,049). Divide by 12 to obtain monthly amount (\$9,049 / 12 = \$754). |
|--|---|

% Renters Unable to Afford Two-Bedroom FMR ⁶ 45%

| | |
|--|--|
| An estimated 45% of renter households in Any Metro do not earn sufficient income to afford a two-bedroom unit at the Fair Market Rent. | Represents a comparison of the percent of renter median household income required to afford the two-bedroom FMR to the state-level distribution of renter household income as a percent of the median. Utilizes 2007 ACS data. |
|--|--|

2009 Renter Wage

Estimated Mean Renter Wage ⁷ \$12.91

| | |
|---|--|
| The estimated mean (average) renter wage in Any Metro is estimated to be \$12.91 in 2009. | Average weekly wages from the 2007 Quarterly Census of Employment and Wages divided by 40 (hours per work week). This overall wage is adjusted by Any Metro's ratio of renter to total household income reported in U.S. Census 2000 and projected to April 1, 2009. |
|---|--|

Rent Affordable at Mean Wage \$671

| | |
|---|---|
| If one wage-earner holds a job paying the mean renter wage, a household can afford to spend as much as \$671 in monthly rent. | Multiply mean renter wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income (\$12.91 x 40 x 52 = \$26,853). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount (\$26,853 x .3 / 12 = \$671). |
|---|---|

Out of Reach 2009
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

2009 Minimum Wage

| | | | |
|---------------------------------|--------|---|---|
| Minimum Wage | \$6.55 | The minimum wage in Any State is \$6.55 in 2009. | The federal minimum wage of \$6.55, unless the state had implemented a higher minimum wage by January 1, 2009, as reported by the U.S. Department of Labor. |
| Rent Affordable at Minimum Wage | \$341 | If one wage-earner holds a job paying the minimum wage, a household can afford to spend as much as \$341 in monthly rent. | Multiply minimum wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income ($\$6.55 \times 40 \times 52 = \$13,624$). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount ($\$13,624 \times .3 / 12 = \341). |

2009 Supplemental Security Income

| | | | |
|------------------------|-------|---|---|
| Monthly SSI Payment | \$674 | An individual living in Any State who qualified for Supplemental Security Income received a maximum of \$674 in monthly federal benefits in 2009. | U.S. Social Security Administration. The maximum federal SSI payment for individuals is \$674 in 2009 but can be much lower if the recipient receives income from other sources. Where the Social Security Administration administers additional payments provided by the states, the higher value is reflected here. |
| Rent Affordable at SSI | \$202 | An individual whose sole source of income is Supplemental Security Income can afford to spend as much as \$202 in monthly rent. | Multiply monthly income by .3 to determine maximum amount that can be spent on rent ($\$674 \times .3 = \202). |

2009 Housing Wage

| | | | |
|---------------|---------|---|---|
| Zero-Bedroom | \$9.54 | A renter household needs one full-time job paying \$13.08 per hour in order for a two-bedroom rental unit at the Fair Market Rent to be affordable. | Divide income needed to afford the FMR for a particular unit size (2BR: \$27,200) by 52 (weeks per year), and then divide by 40 (hours per work week) ($\$27,200 / 52 / 40 = \13.08). |
| One-Bedroom | \$11.02 | | |
| Two-Bedroom | \$13.08 | | |
| Three-Bedroom | \$18.27 | | |
| Four-Bedroom | \$19.40 | | |

Housing Wage as % of Minimum Wage

| | | | |
|---------------|------|---|---|
| Zero-Bedroom | 146% | In Any Metro, the Housing Wage for a two-bedroom rental unit represents 200% of the minimum wage. | Divide the Housing Wage for a particular unit size (2BR: \$13.08) by Any State's minimum wage (\$6.55), and then multiply by 100 ($\$13.08 / \$6.55 \times 100 = 200\%$). |
| One-Bedroom | 168% | | |
| Two-Bedroom | 200% | | |
| Three-Bedroom | 279% | | |
| Four-Bedroom | 296% | | |

Housing Wage as % of Mean Renter Wage

| | | | |
|---------------|------|---|---|
| Zero-Bedroom | 74% | In Any Metro, the Housing Wage for a two-bedroom rental unit represents 101% of the mean renter wage. | Divide the Housing Wage for a particular unit size (2BR: \$13.08) by Any Metro's mean renter wage (\$12.91), and then multiply by 100 ($\$13.08 / \$12.91 \times 100 = 101\%$). |
| One-Bedroom | 85% | | |
| Two-Bedroom | 101% | | |
| Three-Bedroom | 141% | | |
| Four-Bedroom | 150% | | |

Out of Reach 2009
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From

Work Hours/Week at Minimum Wage Needed to Afford FMR

| | |
|---------------|-----|
| Zero-Bedroom | 58 |
| One-Bedroom | 67 |
| Two-Bedroom | 80 |
| Three-Bedroom | 112 |
| Four-Bedroom | 118 |

| | |
|--|---|
| <p>A renter earning the minimum wage must work 80 hours to afford a two-bedroom rental unit at the Fair Market Rent.</p> | <p>Divide income needed to afford the FMR for a particular unit size (2BR: \$27,200) by 52 (weeks per year), and then divide by Any State's minimum wage (\$6.55) ($\\$27,200 / 52 / \\$6.55 = 80$ hours).</p> |
|--|---|

Work Hours/Week at Mean Renter Wage Needed to Afford FMR

| | |
|---------------|----|
| Zero-Bedroom | 30 |
| One-Bedroom | 34 |
| Two-Bedroom | 41 |
| Three-Bedroom | 57 |
| Four-Bedroom | 60 |

| | |
|---|---|
| <p>A renter earning the mean renter wage must work 41 hours per week to afford a two-bedroom rental unit at the Fair Market Rent.</p> | <p>Divide income needed to afford the FMR for a particular unit size (2BR: \$27,200) by 52 (weeks per year), and then divide by Any Metro's mean renter wage (\$12.91) ($\\$27,200 / 52 / \\$12.91 = 41$ hours).</p> |
|---|---|

Full-time Jobs at Minimum Wage Needed to Afford FMR

| | |
|---------------|-----|
| Zero-Bedroom | 1.5 |
| One-Bedroom | 1.7 |
| Two-Bedroom | 2.0 |
| Three-Bedroom | 2.8 |
| Four-Bedroom | 3.0 |

| | |
|--|--|
| <p>A renter household needs 2.0 full-time jobs paying the minimum wage in order to afford a two-bedroom rental unit at the Fair Market Rent.</p> | <p>Divide the number of work hours/week necessary at the minimum wage to afford the FMR for a particular unit size (2BR: 80hours) by 40 (hours per work week) ($80 / 40 = 2.0$ full-time jobs).</p> |
|--|--|

Full-time Jobs at Mean Renter Wage Needed to Afford FMR

| | |
|---------------|-----|
| Zero-Bedroom | 0.7 |
| One-Bedroom | 0.9 |
| Two-Bedroom | 1.0 |
| Three-Bedroom | 1.4 |
| Four-Bedroom | 1.5 |

| | |
|--|---|
| <p>A renter household needs 1.0 full-time jobs paying the mean renter wage in order to afford a two-bedroom rental unit at the Fair Market Rent.</p> | <p>Divide the number of work hours/week necessary at the mean renter wage to afford the FMR for a particular unit size (2BR: 41 hours) by 40 (hours per work week) ($41 / 40 = 1.0$ full-time jobs).</p> |
|--|---|

FOOTNOTES

- 1 Fiscal Year 2009 Area Median Income (HUD, 2009).
- 2 Annual income of 30% of AMI or less is the federal standard for extremely low income households. Does not include HUD-specific adjustments.
- 3 "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.
- 4 Fiscal Year 2009 Fair Market Rent (HUD, 2008; final as of October 1).
- 5 Census 2000 median renter household income, projected to 2009 using HUD's income adjustment factor.
- 6 Estimated by comparing the percent of renter median household income required to afford a two-bedroom at the FMR to the percent distribution of renter household income as a percent of the median within the state, as measured using 2007 American Community Survey Public Use Microdata Sample housing file.
- 7 Based on 2007 BLS data, adjusted using the ratio of renter to total household income reported in Census 2000, and projected to April 1, 2009.

* 50th percentile FMR (See Appendix A).

† Wage data not available (See Appendix A).