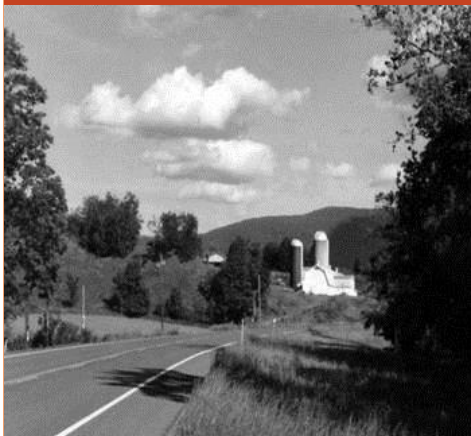


RURAL RESEARCH NOTE

THE HOUSING ASSISTANCE COUNCIL

The Housing Assistance Council (HAC) is a national nonprofit organization that supports affordable housing efforts in rural areas of the United States. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, and research and information services. HAC is an equal opportunity lender.



March 26, 2014

HOUSING REMAINS UNAFFORDABLE FOR MINIMUM WAGE WORKERS

The National Low Income Housing Coalition (NLIHC) released its annual *Out of Reach* report for 2014 on March 24th. This is the 25th anniversary of the report known for defining the Housing Wage; the wage one must earn in order to afford a rental unit at Fair Market Rent (FMR).¹

According to *Out of Reach's* most recent findings, there is not a single state where a full-time worker earning the minimum wage can afford a one- or two-bedroom rental unit at the Fair Market Rent. NLIHC estimates the 2014 national Housing Wage needed to afford the FMR for a two bedroom unit (\$984 per month) is \$18.92.² This amount is more than twice the national minimum wage of \$7.25 and well above the hourly wage of \$14.64 earned by the average renter.

The average hourly earner making \$14.64 an hour can afford to pay \$761 monthly and a minimum wage earner at \$7.25 an hour can afford to pay \$377 monthly in rent. The states with the highest Housing Wage thresholds are: Hawaii (\$31.54), District of Columbia (\$28.25), California (\$26.04), and Maryland (\$24.94).

What About Rural Renters?

Out of Reach highlights the fact that rural renters are still not earning enough to afford quality housing either. Although housing costs tend to be lower in rural areas, the average wage for renters outside of metropolitan areas is lower as well. NLIHC estimates that the average hourly wage for renters outside of metropolitan areas is \$10.24, which falls \$3 short of the Housing Wage necessary to afford FMR housing. The two-bedroom housing wage outside of metropolitan areas is out of reach for those earning the average renter wage in all but two states.

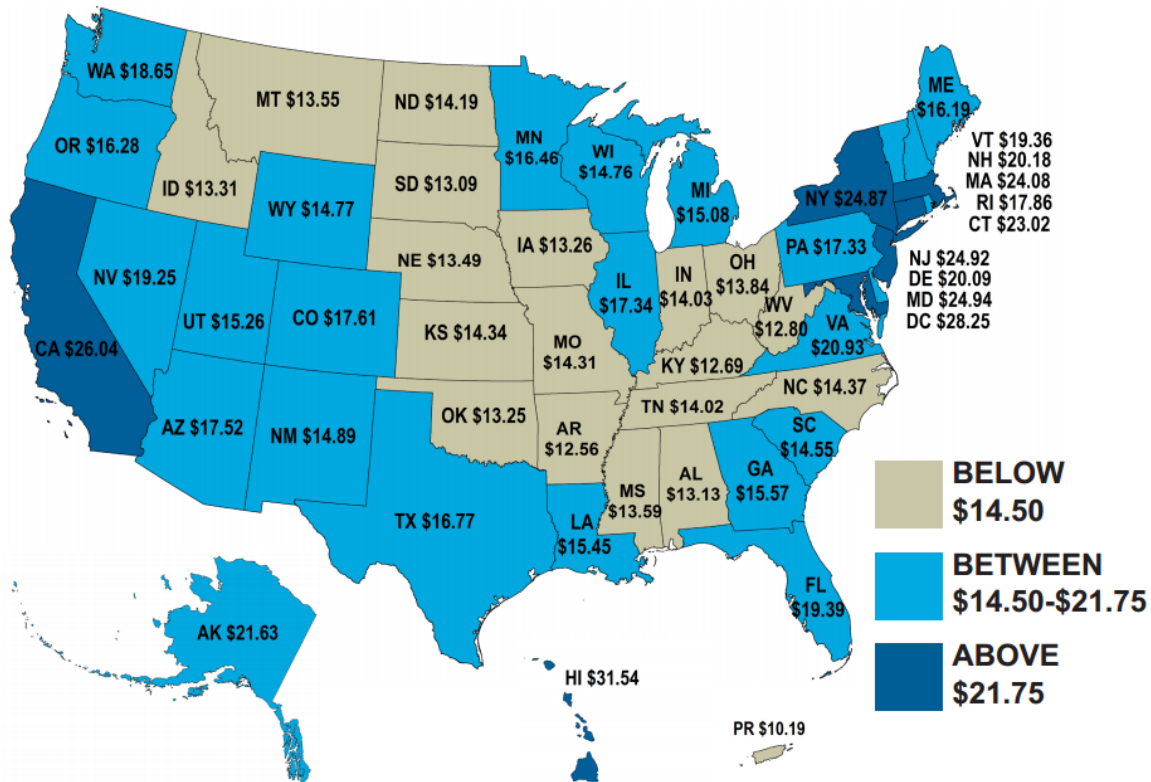
¹ Affordable rent is defined as not costing more than 30% of a person's income. FMR determined by HUD.

² Estimates of Fair Market Rent are produced annually by HUD, and measure the 40th percentile of gross rents for typical, non-standard rental units occupied by recent movers in a local housing market.

TWO-BEDROOM HOUSING WAGE MAP³

2014 TWO-BEDROOM RENTAL UNIT HOUSING WAGE

Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a two-bedroom rental unit, without paying more than 30% of their income.



National Low Income Housing Coalition // Out of Reach 2014

³ National Low Income Housing Coalition. (2014). Out of Reach 2014. Washington, DC. <http://nlihc.org/sites/default/files/oor/OOR2014.pdf>

Contact Us

**HOUSING ASSISTANCE
COUNCIL**

FOR MORE INFORMATION

Out of Reach 2014 report published by National Low Income Housing
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