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NEW REPORT FINDS VERMONT RENTERS STILL CANNOT AFFORD THE RENT

The State's High Rents are Out of Reach for Working Families

BURLINGTON, VT – In order to afford a modest, two-bedroom apartment at the Fair Market Rent in Vermont, renters need to earn \$19.36 per hour, or \$40,272 a year. This is Vermont's 2014 Housing Wage, revealed in a report released today. The report, *Out of Reach 2014*, was jointly released by the National Low Income Housing Coalition, a Washington, DC-based research and advocacy organization, and the Vermont Affordable Housing Coalition.

The Housing Wage is the hourly wage a family must earn, working 40 hours a week, 52 weeks a year, to be able to afford the rent and utilities for a safe and modest home in the private housing market.

An estimated 62% of renters in Vermont do not earn enough to afford a two-bedroom unit at the average statewide Fair Market Rent of \$1,007.

Working at the minimum wage in Vermont, a family must have 2.2 wage earners working full-time, or one full-time earner working 89 hours per week at minimum wage, to afford a modest two-bedroom apartment. While it is possible for a household to work more than one job to make ends meet, a 2011 Vermont study showed that 62% of the state's households had only one, or less than one full time workers.

"Vermont continues to be one of the states with the least affordable rental housing," said Ted Wimpey, Director of the Fair Housing Project at the Champlain Valley Office of Economic Opportunity and Chair of the Vermont Affordable Housing Coalition. "It is extremely difficult for even moderate income people in Vermont to find affordable rental housing. The situation has many serious consequences, including increased homelessness and greater numbers of families struggling to get by."

The typical renter in Vermont earns \$11.24 an hour, which is \$8.12 less than the hourly wage needed to afford a modest unit.

According to Jeanne Montross, Executive Director of Helping Overcome Poverty's Effects (HOPE) and Chair of the Vermont Coalition to End Homelessness, "Although there have been some recent, small signs of economic recovery, wages – especially for those at the bottom of the economic ladder – continue to stagnate. Real income has actually fallen for low income households, while the costs of housing, heat, and food continue to climb. This, in combination with a reduction in the availability of housing subsidies, makes it a given that we will see more and more families become homeless."

Greater investment in our stock of affordable housing is needed at both the federal and state levels. By funding the National Housing Trust Fund, Vermont would receive at least \$3 million a year, which would stimulate the production of new affordable homes for Vermont's lowest income residents and create quality jobs in the construction industry. By fully funding the Vermont Housing and Conservation Board, the state would further increase its investments in much needed new housing and the Vermont economy, while helping to offset the federal cutbacks of the last several years.

"We can no longer ignore the dire need for affordable housing when three out of every four extremely low income households nationally have to spend more than half of their income on housing costs," said NLIHC President and CEO Sheila Crowley. "Closing this gap is achievable through the National Housing Trust Fund."

Additional Facts:

- The national Housing Wage is \$18.92 in 2014
- Vermont is **the 13th most expensive state** in the nation for renters
- Vermont is the **ninth most expensive state** for non-metropolitan/rural areas.
- The Housing Wage is up 26% since the Great Recession began in 2007
- The Housing Wage in the greater metropolitan area of Burlington is \$25.17, 13% higher than the state average

Every year, *Out of Reach* provides the Housing Wage and other housing affordability data for every state, metropolitan area, combined non-metropolitan area, and county in the country. For additional information, visit: <http://www.nlihc.org/oor/2014>.

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The Vermont Affordable Housing Coalition is a statewide membership organization dedicated to ensuring that all Vermonters have decent, safe and affordable housing, particularly the state's low and moderate-income residents, elders, people living with homelessness, and people with disabilities. For more information on the Vermont Affordable Housing Coalition, visit www.vtaffordablehousing.org.

The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes. For more information on the National Low Income Housing Coalition, visit www.nlihc.org

Vermont

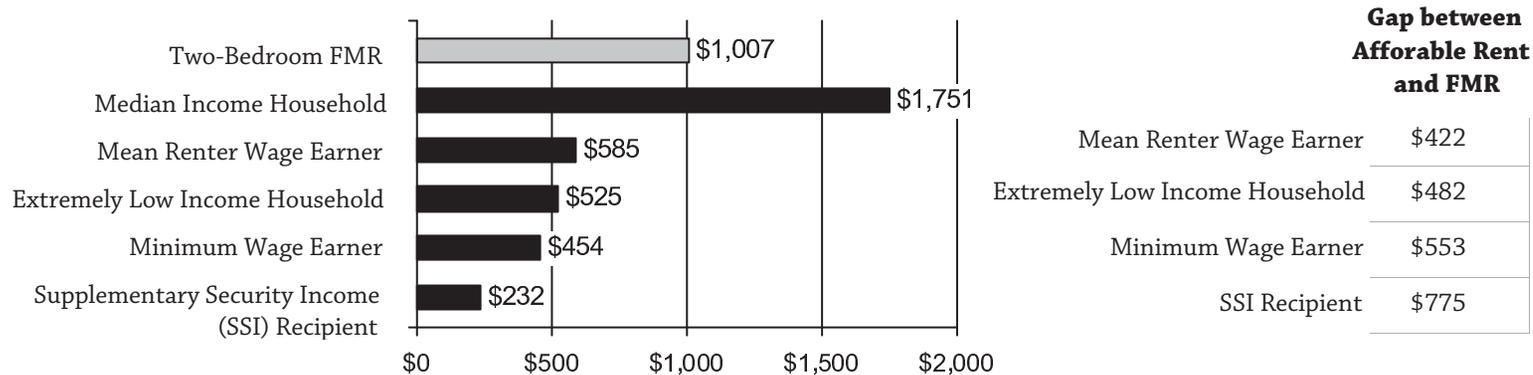
In Vermont, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,007. In order to afford this level of rent and utilities – without paying more than 30% of income on housing – a household must earn \$3,356 monthly or \$40,272 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of:

\$19.36

In Vermont, a minimum wage worker earns an hourly wage of \$8.73. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 89 hours per week, 52 weeks per year. Or a household must include 2.2 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Vermont, the estimated mean (average) wage for a renter is \$11.24. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 69 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.7 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

Monthly Rent Affordable to Selected Income Levels Compared with Two-Bedroom FMR



Vermont	FY14 HOUSING WAGE				HOUSING COSTS			AREA MEDIAN INCOME (AMI)			RENTER HOUSEHOLDS			
	Hourly wage necessary to afford 2 BR FMR ²	2 BR FMR	Income needed to afford 2 BR FMR	Full-time jobs at minimum wage needed to afford 2 BR FMR	Annual AMI ³	Rent affordable at AMI ⁴	30% of AMI ⁵	Rent affordable at 30% of AMI	Number (2008-2012)	% of total households (2008-2012)	Estimated mean hourly renter wage (2014)	Rent affordable at mean wage	Full-time jobs at mean renter wage needed to afford 2 BR FMR	
Vermont	\$19.36	\$1,007	\$40,272	2.2	\$70,046	\$1,751	\$21,014	\$525	74,086	29%	\$11.24	\$585	1.7	
Combined Nonmetro Areas	\$16.11	\$838	\$33,503	1.8	\$65,108	\$1,628	\$19,533	\$488	47,493	27%	\$10.70	\$557	1.5	
<u>Metropolitan Areas</u>														
Burlington-South Burlington MSA	\$25.17	\$1,309	\$52,360	2.9	\$80,200	\$2,005	\$24,060	\$602	26,593	32%	\$12.06	\$627	2.1	
<u>Counties</u>														
Addison County	\$16.73	\$870	\$34,800	1.9	\$72,600	\$1,815	\$21,780	\$545	3,670	26%	\$11.83	\$615	1.4	
Bennington County	\$16.08	\$836	\$33,440	1.8	\$63,900	\$1,598	\$19,170	\$479	4,384	28%	\$10.42	\$542	1.5	
Caledonia County	\$13.04	\$678	\$27,120	1.5	\$54,900	\$1,373	\$16,470	\$412	3,513	28%	\$9.03	\$469	1.4	
Essex County	\$12.96	\$674	\$26,960	1.5	\$47,300	\$1,183	\$14,190	\$355	496	18%	\$6.68	\$348	1.9	
Lamoille County	\$18.12	\$942	\$37,680	2.1	\$67,200	\$1,680	\$20,160	\$504	2,905	29%	\$10.03	\$521	1.8	
Orange County	\$15.65	\$814	\$32,560	1.8	\$65,000	\$1,625	\$19,500	\$488	2,209	19%	\$8.98	\$467	1.7	
Orleans County	\$13.60	\$707	\$28,280	1.6	\$52,000	\$1,300	\$15,600	\$390	2,629	24%	\$9.06	\$471	1.5	
Rutland County	\$15.87	\$825	\$33,000	1.8	\$63,600	\$1,590	\$19,080	\$477	7,992	31%	\$10.35	\$538	1.5	
Washington County	\$17.31	\$900	\$36,000	2.0	\$72,000	\$1,800	\$21,600	\$540	6,652	27%	\$11.17	\$581	1.6	
Windham County	\$16.00	\$832	\$33,280	1.8	\$63,700	\$1,593	\$19,110	\$478	5,883	31%	\$12.63	\$657	1.3	
Windsor County	\$17.02	\$885	\$35,400	1.9	\$69,600	\$1,740	\$20,880	\$522	7,160	29%	\$10.57	\$550	1.6	

Towns within Vermont FMR Areas

Burlington-South Burlington, VT MSA

Chittenden County

Bolton town, Buels gore, Burlington city, Charlotte town, Colchester town, Essex town, Hinesburg town, Huntington town, Jericho town, Milton town, Richmond town, Shelburne town, South Burlington city, St. George town, Underhill town, Westford town, Williston town, Winooski city

Franklin County

Bakersfield town, Berkshire town, Enosburg town, Fairfax town, Fairfield town, Fletcher town, Franklin town, Georgia town, Highgate town, Montgomery town, Richford town, Sheldon town, St. Albans city, St. Albans town, Swanton town

Grand Isle County

Alburg town, Grand Isle town, Isle La Motte town, North Hero town, South Hero town

This information is provided for New England states only, because only in these states do FMR and metropolitan areas include portions of counties, rather than entire counties.

1: BR = Bedroom 2: FMR = Fiscal Year 2014 Fair Market Rent (HUD, 2013). 3: AMI = Fiscal Year 2014 Area Median Income (HUD, 2013).

4: "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.

5: The federal standard for extremely low income households. Does not include HUD-specific adjustments.

MOST EXPENSIVE JURISDICTIONS

States ¹	Housing Wage for Two-Bedroom FMR	Counties ²	Housing Wage for Two-Bedroom FMR
Hawaii	\$31.54	Marin County, CA	\$37.62
California	\$26.04	San Francisco County, CA	\$37.62
Maryland	\$24.94	San Mateo County, CA	\$37.62
New Jersey	\$24.92	Honolulu County, HI	\$35.00
New York	\$24.87	Nantucket County, MA	\$34.60
Massachusetts	\$24.08	Santa Clara County, CA	\$31.71
Connecticut	\$23.02	Orange County, CA	\$31.62
Alaska	\$21.63	Nassau County, NY	\$31.02
Virginia	\$20.93	Suffolk County, NY	\$31.02
New Hampshire	\$20.18	Kauai County, HI	\$30.71

Metropolitan Areas	Housing Wage for Two-Bedroom FMR	Combined Nonmetro Areas	Housing Wage for Two-Bedroom FMR
San Francisco, CA HMFA ³	\$37.62	Massachusetts	\$29.73
Honolulu, HI MSA ⁴	\$35.00	Hawaii	\$22.69
San Jose-Sunnyvale-Santa Clara, CA HMFA	\$31.71	Alaska	\$19.27
Orange County, CA HMFA *	\$31.62	Maryland	\$19.18
Nassau-Suffolk, NY HMFA	\$31.02	Connecticut	\$18.47
Santa Cruz-Watsonville, CA MSA ⁴	\$30.71	New Hampshire	\$18.47
Oakland-Fremont HMFA, CA	\$30.35	California	\$17.93
Danbury, CT HMFA	\$30.31	Colorado	\$16.46
Stamford-Norwalk, CT HMFA	\$29.83	Vermont	\$16.11
Oxnard-Thousand Oaks-Ventura, CT MSA	\$28.44	Delaware	\$16.04

¹ Excludes the District of Columbia.

² Excludes metropolitan counties in New England.

³ HMFA = HUD Metro FMR Area. This term indicates that a portion of the Office of Management & Budget (OMB) defined core-based statistical area is in the area to which the income limits and FMRs apply. HUD is required by OMB to alter the name of the metropolitan geographic entities it derives from the Core Based Statistical Area (CBSA) when the geography is not the same as that established by the OMB. CBSA is a collective term meaning both metro and micro areas.

⁴ MSA = Metropolitan Statistical Area. Geographic entities defined by OMB for use by the federal statistical agencies in collecting, tabulating and publishing federal statistics. A metro area contains an urban core of 50,000 or more in population.

STATES RANKED BY TWO BEDROOM HOUSING WAGE

Rank	State	Housing Wage for Two-Bedroom FMR
1	Hawaii	\$31.54
2	District of Columbia	\$28.25
3	California	\$26.04
4	Maryland	\$24.94
5	New Jersey	\$24.92
6	New York	\$24.87
7	Massachusetts	\$24.08
8	Connecticut	\$23.02
9	Alaska	\$21.63
10	Virginia	\$20.93
11	New Hampshire	\$20.18
12	Delaware	\$20.09
13	Florida	\$19.39
14	Vermont	\$19.36
15	Nevada	\$19.25
16	Washington	\$18.65
17	Rhode Island	\$17.86
18	Colorado	\$17.61
19	Arizona	\$17.52
20	Illinois	\$17.34
21	Pennsylvania	\$17.33
22	Texas	\$16.77
23	Minnesota	\$16.46
24	Oregon	\$16.28
25	Maine	\$16.19
26	Georgia	\$15.57

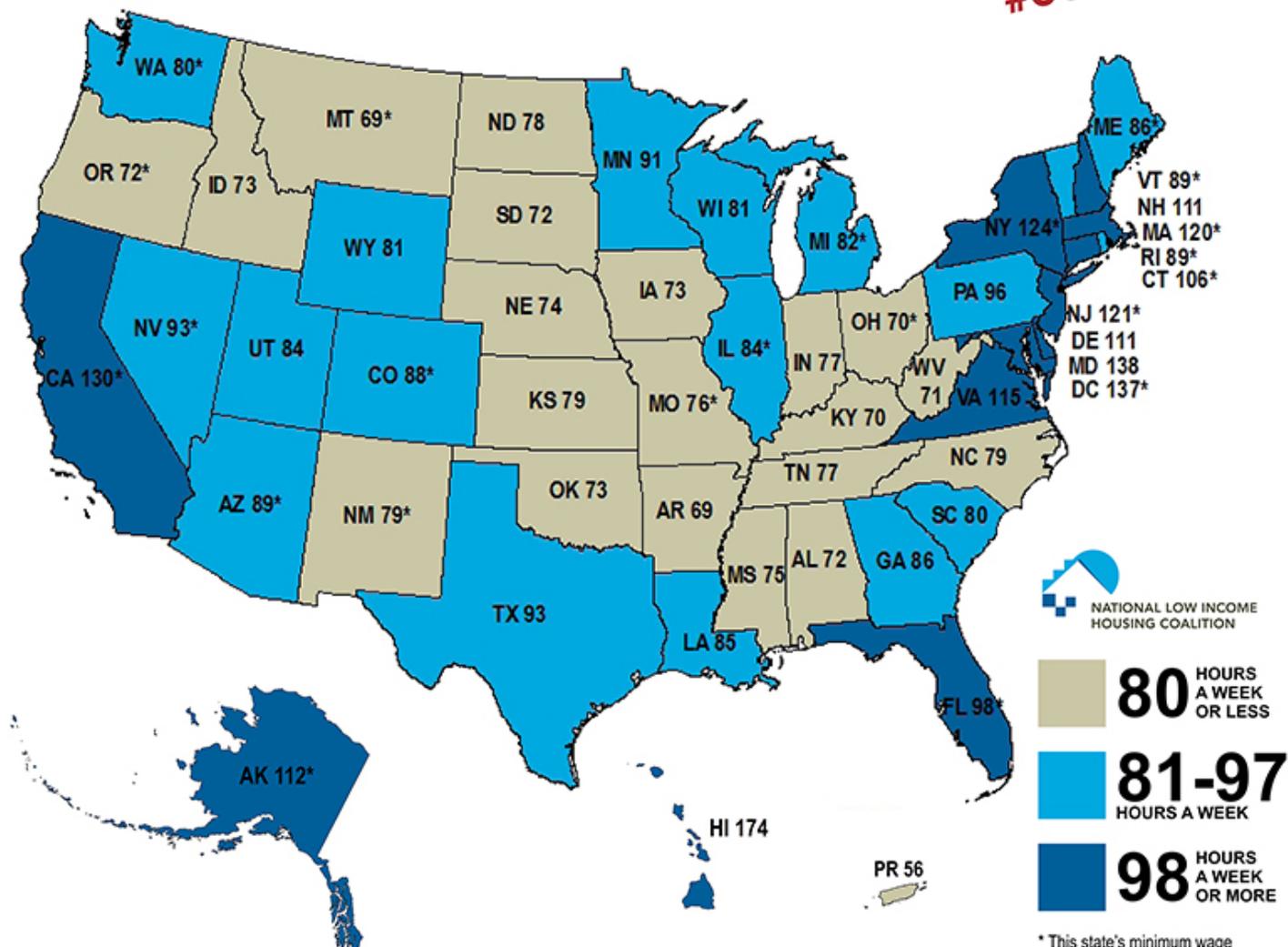
Rank	State	Housing Wage for Two-Bedroom FMR
27	Louisiana	\$15.45
28	Utah	\$15.26
29	Michigan	\$15.08
30	New Mexico	\$14.89
31	Wyoming	\$14.77
32	Wisconsin	\$14.76
33	South Carolina	\$14.55
34	North Carolina	\$14.37
35	Kansas	\$14.34
36	Missouri	\$14.31
37	North Dakota	\$14.19
38	Indiana	\$14.03
39	Tennessee	\$14.02
40	Ohio	\$13.84
41	Mississippi	\$13.59
42	Montana	\$13.55
43	Nebraska	\$13.49
44	Idaho	\$13.31
45	Iowa	\$13.26
46	Oklahoma	\$13.25
47	Alabama	\$13.13
48	South Dakota	\$13.09
49	West Virginia	\$12.80
50	Kentucky	\$12.69
51	Arkansas	\$12.56
52	Puerto Rico	\$10.19

How Many Hours At Minimum Wage Must AMERICANS WORK TO AFFORD RENT?

In no state can a minimum wage worker afford a two-bedroom rental unit at Fair Market Rent working 40 hours a week.

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