



vermont affordable housing coalition

Vermont Child Poverty
Council
Erhard Mahnke
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CONTACT: Erhard Mahnke, 802.233.2902, erhardm@vtaffordablehousing.org

Renée Sarao, 802.660.9484, renee.vahc@gmail.com

VERMONT'S RENTAL HOUSING AFFORDABILITY GAP CONTINUES TO GROW

The Average Vermont Renter Can't Afford a Modest 2-Bedroom Apartment

BURLINGTON, VT – In order to afford a modest, two-bedroom apartment at the Fair Market Rent in Vermont, renters need to earn **\$21.13 an hour**, or **\$43,947 a year**. This is Vermont's 2016 **Housing Wage**, revealed in the annual **Out of Reach report** released late last month by the National Low Income Housing Coalition, a Washington, DC-based research and advocacy organization, and today by 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 (affordable means paying no more than 30% of income). Every year, *Out of Reach* reports on the Housing Wage for all states, counties, and metropolitan areas in the country.

The report highlights the gap between what renters earn and what it costs to afford rent at fair market value. With an estimated **mean renter wage of \$11.79** an hour, average Vermont renters are left **\$9.34 an hour short** of what they need to earn to afford a decent place to live. They **can afford just \$613 a month** for rent and utilities while the average statewide Fair Market Rent for a two-bedroom apartment is \$1,099. Vermont has nearly 75,000 renter households.

"This report shows exactly how hard it is for ordinary working Vermonters, for seniors, for people with disabilities and others living on fixed incomes to afford safe, stable housing," said Erhard Mahnke, the Affordable Housing Coalition's Coordinator. "Vermonters have to earn more than twice the minimum wage for something that should be considered a basic human right, leaving them with little left over for other basic needs and just a step away from homelessness."

Even though Vermont's minimum wage has increased annually for the last several years year, it is not enough to pay for decent housing: **2.2 full-time jobs at minimum wage – or 88 work hours a week -- are needed to afford the average two-bedroom apartment**. A full-time minimum wage worker in Vermont **can only afford \$499 a month** for rent and utilities, leaving a gap of \$600.

While some might consider this is an unfair comparison because they think most minimum wage workers are high school students, this is not the reality. According to the latest data from the Bureau of Labor Statistics, the average age of a minimum wage worker is 35 years old, and 88% are at least 20 years old. Half are older than 30, and about a third are at least 40.

“Our chronic housing shortage and affordability gap make it harder for low-income and vulnerable Vermonters to find and retain housing,” said Ted Wimpey, Director of the Champlain Valley Office of Economic Opportunity’s statewide Fair Housing Program and Chairperson of the Affordable Housing Coalition. “To make true and lasting headway against this shortage and towards the goal of ending homelessness, we need significant new state and federal investments in affordable housing, coupled with rental assistance for the lowest income families, and supportive services for those with the greatest challenges.”

Unfortunately, federal funding levels for housing, rental assistance and supportive services are far below what they were five or six years ago. The state of Vermont suffers from chronic budget shortfalls, preventing it from making the needed investments. Key federal programs like HOME and Community Development Block Grants have been underfunded for years. Congress still has not seen fit to restore all the rental assistance vouchers lost through sequestration. The State has shortchanged the Vermont Housing and Conservation Board, our primary tool for increasing the state’s affordable housing portfolio, for years. It has been unable to make the necessary increases to such key housing safety net programs as the Vermont Rental Subsidy Program, which helps close the gap between what low-income Vermonters can afford and what’s available on the market.

Additional findings from *Out of Reach*:

- The **national Housing Wage is \$20.30** in 2016.
- Vermont is the state with the **sixth largest shortfall** between the two-bedroom housing wage and the renter wage.
- Vermont is the **seventh most expensive state** for rural (non-metro) areas.
- Vermont is **the 13th most expensive state** in the nation for renters.
- The **Housing Wage in the greater metropolitan area of Burlington is \$26.08**, almost \$5.00 an hour higher than the state average.
- The **one-bedroom Housing Wage is \$16.58 an hour** (\$34,479 a year), requiring 69 work hours a week at minimum wage to afford the monthly rent of \$862.
- **Someone with a disability** living on Supplemental Security Income (SSI) **can only afford \$236 a month**, leaving them \$863 short for a two-bedroom, and \$626 short for a one-bedroom apartment.

For additional information, visit: www.nlihc.org/oor/2015.

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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 **\$1,099**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$3,662** monthly or **\$43,947** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

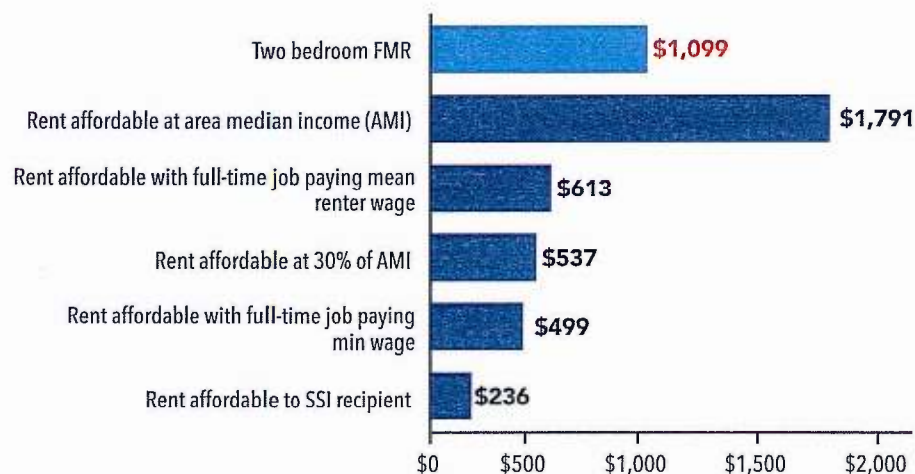
STATE RANKING

13*

 **\$21.13 PER HOUR**

STATE FACTS	
Minimum Wage	\$9.60
Average Renter Wage	\$11.79
2-Bedroom Housing Wage	\$21.13
Number of Renter Households	74,835
Percent Renters	29%

MOST EXPENSIVE AREAS	HOUSING WAGE*
Burlington-South Burlington MSA	\$26.08
Windsor County	\$20.02
Windham County	\$19.60
Washington County	\$18.96
Bennington County	\$18.71



88

Work Hours Per Week At Minimum Wage Needed To Afford a 2-Bedroom Unit (at FMR)

2.2

Number of Full-Time Jobs At Minimum Wage Needed To Afford a 2-Bedroom Unit (at FMR)

* Ranked from Highest to Lowest 2-Bedroom Housing Wage

Vermont

	FY16 HOUSING WAGE	HOUSING COSTS			AREA MEDIAN INCOME (AMI)				RENTER HOUSEHOLDS				
	Hourly wage necessary to afford 2 BR ¹ FMR ²	2 BR FMR	Annual income needed to afford 2 BR FMR	Full-time jobs at minimum wage needed to afford 2 BR FMR ³	Annual AMI ⁴	Monthly rent affordable at AMI ⁵	30% of AMI	Monthly rent affordable at 30% of AMI	Renter households (2010-2014)	% of total households (2010-2014)	Estimated hourly mean renter wage (2016)	Monthly rent affordable at mean renter wage	Full-time jobs at mean renter wage needed to afford 2 BR
Vermont	\$21.13	\$1,099	\$43,947	2.2	\$71,642	\$1,791	\$21,493	\$537	74,835	29%	\$11.79	\$613	1.8
Combined Nonmetro Areas	\$18.27	\$950	\$38,001	1.9	\$65,564	\$1,639	\$19,669	\$492	47,435	28%	\$11.33	\$589	1.6
Metropolitan Areas													
Burlington-South Burlington MSA	\$26.08	\$1,356	\$54,240	2.7	\$84,000	\$2,100	\$25,200	\$630	27,400	32%	\$12.48	\$649	2.1
Counties													
Addison County	\$18.19	\$946	\$37,840	1.9	\$71,000	\$1,775	\$21,300	\$533	3,636	26%	\$12.18	\$633	1.5
Bennington County	\$18.71	\$973	\$38,920	1.9	\$62,900	\$1,573	\$18,870	\$472	4,616	30%	\$11.67	\$607	1.6
Caledonia County	\$16.29	\$847	\$33,880	1.7	\$56,400	\$1,410	\$16,920	\$423	3,292	27%	\$9.95	\$517	1.6
Essex County	\$14.62	\$760	\$30,400	1.5	\$46,200	\$1,155	\$13,860	\$347	532	19%	\$8.36	\$435	1.7
Lamoille County	\$18.37	\$955	\$38,200	1.9	\$66,200	\$1,655	\$19,860	\$497	2,916	29%	\$9.96	\$518	1.8
Orange County	\$17.69	\$920	\$36,800	1.8	\$64,900	\$1,623	\$19,470	\$487	2,358	19%	\$9.79	\$509	1.8
Orleans County	\$14.75	\$767	\$30,680	1.5	\$53,600	\$1,340	\$16,080	\$402	2,578	23%	\$9.30	\$484	1.6
Rutland County	\$17.21	\$895	\$35,800	1.8	\$63,100	\$1,578	\$18,930	\$473	7,740	30%	\$11.03	\$574	1.6
Washington County	\$18.96	\$986	\$39,440	2.0	\$72,500	\$1,813	\$21,750	\$544	6,674	27%	\$11.93	\$621	1.6
Windham County	\$19.60	\$1,019	\$40,760	2.0	\$65,200	\$1,630	\$19,560	\$489	5,842	30%	\$12.82	\$667	1.5
Windsor County	\$20.02	\$1,041	\$41,640	2.1	\$72,300	\$1,808	\$21,690	\$542	7,251	30%	\$11.41	\$593	1.8

The Burlington-South Burlington MSA includes:

Chittenden County: Bolton, Buels Gore, Burlington, Charlotte, Colchester, Essex, Essex Junction, Hinesburg, Huntington, Jericho, Milton, Richmond, Shelburne, South Burlington, St. George, Underhill, Westford, Williston, and Winooski

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

Grand Isle County: Alburg, Grand Isle, Isle La Motte, North Hero, and South Hero

1: BR = Bedroom

2: FMR = Fiscal Year 2015 Fair Market Rent (HUD, 2016)

3: This calculation uses the higher of the state or federal minimum wage. Local minimum wages are not used. See Appendix A.

4: AMI = Fiscal Year 2016 Area Median Income

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

2016 MOST EXPENSIVE JURISDICTIONS

States¹	Housing Wage for Two-Bedroom FMR
Hawaii	\$34.22
District of Columbia	\$31.21
California	\$28.59
New York	\$26.69
Maryland	\$26.53
New Jersey	\$26.52
Massachusetts	\$25.91
Connecticut	\$24.72
Alaska	\$23.25
Washington	\$23.13

Counties²	Housing Wage for Two-Bedroom FMR
Marin County, CA	\$44.02
San Francisco County, CA	\$44.02
San Mateo County, CA	\$44.02
Alameda County, CA	\$40.44
Contra Costa County, CA	\$40.44
Santa Clara County, CA	\$38.35
Honolulu County, HI	\$38.17
Orange County, CA	\$32.15
Pitkin County, CO	\$31.96

Metropolitan Areas	Housing Wage for Two-Bedroom FMR
San Francisco, CA HMFA ³	\$44.02
Oakland-Fremont, CA HMFA	\$40.44
San Jose-Sunnyvale-Santa Clara, CA HMFA	\$38.35
Honolulu, HI MSA ⁴	\$38.17
Stamford-Norwalk, CT HMFA	\$37.15
Danbury, CT HMFA	\$34.13
Orange County, CA HMFA	\$32.15
Washington-Arlington-Alexandria, DC-VA-MD HMFA	\$31.21
Nassau-Suffolk, NY HMFA	\$30.92
Santa Cruz-Watsonville, CA MSA	\$30.85

Combined Nonmetro Areas	Housing Wage for Two-Bedroom FMR
Massachusetts	\$27.41
Hawaii	\$23.19
Alaska	\$21.61
Connecticut	\$19.93
California	\$18.98
New Hampshire	\$18.71
Vermont	\$18.27
Colorado	\$17.29
Maryland	\$16.86
North Dakota	\$16.17

1 Includes District of Columbia.

2 Excludes metropolitan counties in New England.

3 HMFA = HUD Metro Fair Market Rent (FMR) Area. This term indicates that a portion of the Office of Management & Budget (OMB) defined core-based statistical 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.

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.

2016 STATES RANKED BY TWO-BEDROOM HOUSING WAGE

States are ranked from most expensive to least expensive.

Rank	State	Housing Wage for Two-Bedroom FMR
1	Hawaii	\$34.22
2	District of Columbia	\$31.21
3	California	\$28.59
4	New York	\$26.69
5	Maryland	\$26.53
6	New Jersey	\$26.52
7	Massachusetts	\$25.91
8	Connecticut	\$24.72
9	Alaska	\$23.25
10	Washington	\$23.13
11	Virginia	\$22.44
12	Delaware	\$21.70
13	Vermont	\$21.13
14	Colorado	\$21.12
15	New Hampshire	\$21.09
16	Illinois	\$19.98
17	Florida	\$19.96
18	Oregon	\$19.38
19	Rhode Island	\$19.06
20	Pennsylvania	\$18.27
21	Nevada	\$18.26
22	Minnesota	\$17.76
23	Texas	\$17.60
24	Arizona	\$17.18
25	Maine	\$17.04
26	Utah	\$16.32

Rank	State	Housing Wage for Two-Bedroom FMR
27	Georgia	\$16.30
28	New Mexico	\$16.06
29	Wisconsin	\$15.92
30	Louisiana	\$15.81
31	North Dakota	\$15.66
32	Michigan	\$15.62
33	Wyoming	\$15.62
34	North Carolina	\$15.32
35	Kansas	\$15.01
36	Tennessee	\$14.99
37	Missouri	\$14.98
38	Indiana	\$14.84
39	South Carolina	\$14.84
40	Montana	\$14.60
41	Ohio	\$14.45
42	Nebraska	\$14.45
43	Oklahoma	\$14.33
44	Idaho	\$14.22
45	Kentucky	\$14.10
46	Mississippi	\$14.07
47	Iowa	\$14.03
48	Alabama	\$13.93
49	South Dakota	\$13.77
50	Arkansas	\$13.26
51	West Virginia	\$13.17
52	Puerto Rico	\$9.58

1 Includes District of Columbia and Puerto Rico.

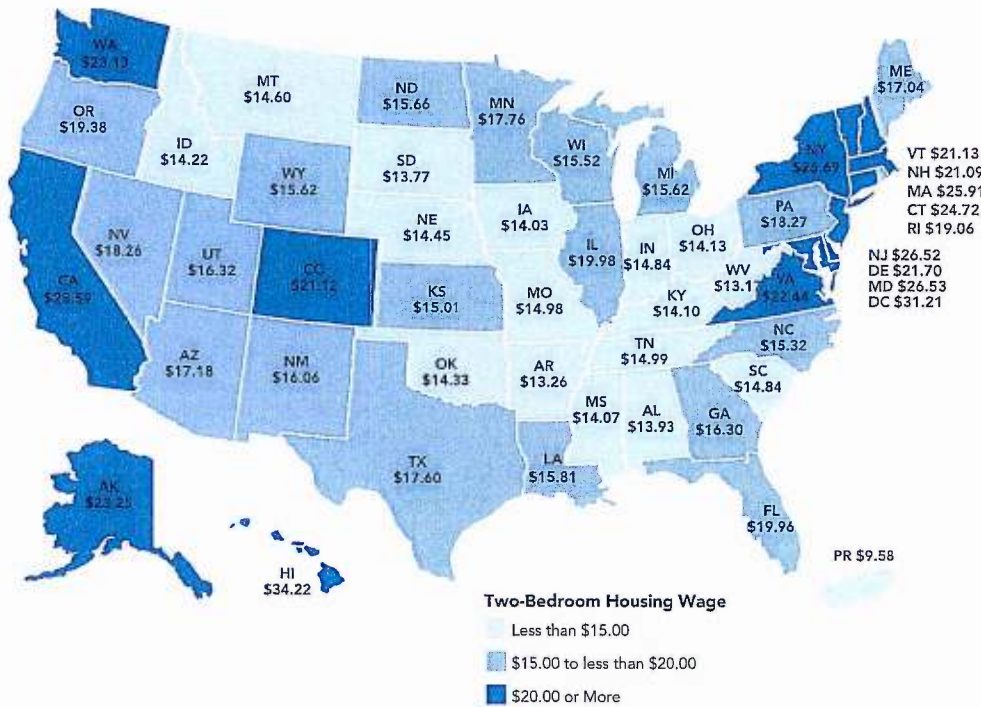
2 FMR = Fair Market Rent.

OUT OF REACH 2016 FACTS OVERVIEW



THERE IS A FUNDAMENTAL MISMATCH BETWEEN THE WAGES PEOPLE EARN AND THE PRICE OF DECENT HOUSING

WAGES NEEDED TO AFFORD RENT ACROSS THE U.S.



IN 2016,
THE
2-BEDROOM
NATIONAL
HOUSING WAGE IS



\$20.30

An American household must earn at least **\$20.30 an hour** to afford a modest, two-bedroom apartment without spending **more than 30% of income on rent**. This wage varies from state to state.

DID YOU KNOW?

1 in 4
RENTER HOUSEHOLDS

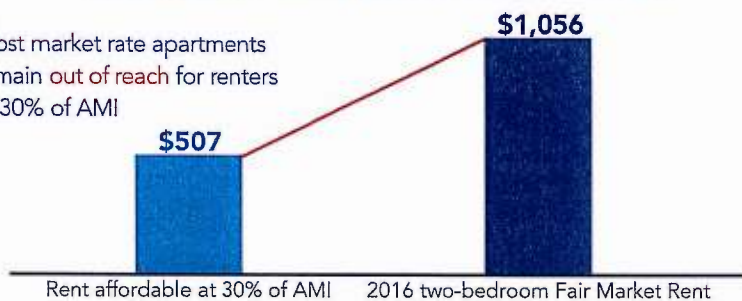
OR

10.4 million
HOUSEHOLDS



HAVE INCOMES AT OR BELOW 30% OF AREA MEDIAN INCOME (AMI) AND CANNOT AFFORD THE RENT

Most market rate apartments remain out of reach for renters at 30% of AMI



MINIMUM-WAGE WORK DOESN'T PAY THE RENT IN MOST AREAS:

Federal minimum wage:

\$7.25

Annual income:

\$15,080

2016 one-bedroom Housing Wage:

\$16.35

Number of hours at minimum wage needed to afford rent:

90