

Housing Affordability and Stability

A record-breaking number of families cannot afford a decent place to call home, a crisis that has been exacerbated by the COVID-19 pandemic. The following data illuminates the problem.

- Nationally, there is a shortage of more than 7 million affordable homes for our nation's 11 million plus extremely low-income families (30% AMI)
 - *In Raleigh/Wake Co, the shortage is 21,797 (30%AMI)*

- The shortage of affordable housing results in housing instability and cost-burdened (when a household is spending more than 30% of its income on rent & utilities).
 - *In Wake County, 55,714 renters & 41,769 owner-occupied cost-burdened*

Source: National Low Income Housing Coalition & NC Housing Coalition

In addition to a shortage of units, there is a significant gap between renters' wages and the cost of rental housing at 'fair market rate' in Raleigh and Wake County.

Area Median Income (for a family of 4) - Raleigh, NC MSA

100%	\$94,100
80%	\$75,300
50%	\$47,050
30%	\$28,250

Source: HUD/FY 2020

Rental Housing Cost Monthly /Fair Market Rent (FMR) - Raleigh/Wake County

1 Bedroom	\$1,022
2 Bedrooms	\$1,163
3 Bedrooms	\$1,482

Source: HUD/ FY 2020

Housing Wage – Raleigh/Wake County

Number of Bedrooms	Hourly Wage	Annual Salary
1	\$19.65	\$40,880
2	\$22.37	\$46,520
3	\$28.50	\$59,280

The housing wage is an estimate of the hourly wage a full-time worker must earn to afford a modest rental home at HUD’s fair market rent (FMR) without spending more than 30% of his or her income on housing costs, including utilities. --*Source: NLIHC*

Housing Justice

Who are the Lowest Income Renters?

People of color are more likely to be extremely low-income renters. Twenty percent of Black households, 17% of American Indian or Alaska Native households, 15% of Hispanic households, and 10% of Asian households are extremely low-income renters. Only 6% of white non-Hispanic households are extremely low-income renters.

Why it Matters?

Stable, decent, accessible housing is a fundamental need. Housing provides shelter, security, privacy, and a place for sleep. It is an essential ingredient for many elements of individuals’ well-being – their health, control over their environment, and the ability to develop their emotional lives, plans, and connections to their community.

Housing is the key to reducing intergenerational poverty and increasing economic mobility. Research shows that increasing access to affordable housing is the most cost-effective strategy for reducing childhood poverty and increasing economic mobility in the United States. Stanford (now Harvard) **economist, Raj Chetty** found that children who moved to lower poverty neighborhoods saw their earnings as adults increase by approximately 31%, an increased likelihood of living in better neighborhoods as adults, and a lowered likelihood of becoming a single parent. Moreover, children living in stable, affordable homes are more likely to thrive in school and have greater opportunities to learn inside and outside the classroom.

Increasing access to affordable housing bolsters economic growth. Research shows that the shortage of affordable housing costs the American economy about \$2 trillion a year in lower wages and productivity. Without affordable housing, families have constrained opportunities to increase earnings, causing slower GDP growth. -- **Source: NLIHC**