

Out of Reach 2010
Online Guide to Data Usage and Sources

How to Use the Numbers When Discussing Out of Reach

Where the Numbers Come From¹

Number of Households (2000)

Total	106,707,234
Renter	35,993,576
% Renter	34%

In 2000, there were 106,707,234 total households in the U.S.	U.S. Census 2000
In 2000, there were 35,993,576 renter households in the U.S.	
In 2000, renter households represented 34% of all households in the U.S.	Divide number of renter households by total number of households, and then multiply by 100 (35,993,576/106,707,234 x 100 = 34%).

2010 Area Median Income²

Annual	\$65,801
Monthly	\$5,483
30% of AMI ³	\$19,740

The annual median family income in the U.S. is \$65,801.	HUD median family income estimate based on data from Census 2000 and the 2006-2008 American Community Survey.
The monthly median family income in the U.S. is \$5,483.	Divide annual AMI by 12 to calculate monthly income (\$65,801 / 12 = \$5,483).
In the U.S., an Extremely Low Income family (30% of AMI) earns \$19,740 annually.	Multiply annual AMI by .3 to calculate median income for Extremely Low Income family (\$65,801 x .3 = \$19,740).

Maximum Affordable⁴ Monthly Housing

Cost by % of AMI

30%	\$494
50%	\$823
80%	\$1,316
100%	\$1,645

For an Extremely Low Income family (30% of AMI) in the U.S., monthly rent of \$494 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 (\$65,801 x .3 x .3 = \$5,922). Divide by 12 to obtain monthly amount (\$5,922 / 12 = \$494).
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2010 Fair Market Rent (FMR)⁵

Zero-Bedroom	\$713
One-Bedroom	\$805
Two-Bedroom	\$959
Three-Bedroom	\$1,254
Four-Bedroom	\$1,435

The Fair Market Rent for a two-bedroom rental unit in the U.S. is \$959.	Developed by HUD annually for all counties and metropolitan areas. See Appendix B.
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% Change from 2000 Base Rent to 2010 FMR

Zero-Bedroom	45%
One-Bedroom	46%
Two-Bedroom	45%
Three-Bedroom	45%
Four-Bedroom	46%

The 2010 Fair Market Rent for a two-bedroom unit in the U.S. has increased 45% since the 2000 census.	HUD's Final FY 2010 Fair Market Rent Documentation System (online). Represents the percent difference between the Census 2000 base rent and the Final FY10 FMR for the geographic units included in the FMR area as it is currently defined.
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Annual Income Needed to Afford FMR

Zero-Bedroom	\$28,520
One-Bedroom	\$32,200
Two-Bedroom	\$38,360
Three-Bedroom	\$50,160
Four-Bedroom	\$57,400

A renter household needs an annual income of \$38,360 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: \$959 x 12 = \$11,508). Then divide by .3 to determine the total income needed to afford \$11,508 per year in rent (\$11,508 / .3 = \$38,360).
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Percent of Family AMI Needed to Afford FMR

Zero-Bedroom	43%
One-Bedroom	49%
Two-Bedroom	58%
Three-Bedroom	76%
Four-Bedroom	87%

The income needed to afford a two-bedroom unit at the Fair Market Rent represents 58% of the AMI.	Divide the income needed to afford a unit of a particular size by family AMI, and then multiply by 100 (2BR: \$38,360 / \$65,801 x 100 = 58%).
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2010 Renter Household Income

Estimated Median ⁶	\$36,477
Percent Needed for Two-Bedroom FMR	105%
Rent Affordable at Median	\$912
% Renters Unable to Afford Two-Bedroom FMR ⁷	52%

The renter median household income in the U.S. is \$36,477.	Represents renter median income from Census 2000 multiplied by HUD's adjustment factor that estimates income growth in an area between the census and 2010.
The income needed to afford a two-bedroom unit at the Fair Market Rent represents 105% 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 (\$38,360 / \$36,477 x 100 = 105%).
For a household earning the renter median income, monthly rent of \$912 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 (\$36,477 x .3 = \$10,943). Divide by 12 to obtain monthly amount (\$10,943 / 12 = \$912).
An estimated 52% of renter households in the U.S. 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 2008 ACS data.

2010 Renter Wage

Estimated Mean Renter Wage ⁸	\$14.44
Rent Affordable at Mean Renter Wage	\$751

The estimated mean (average) renter wage in the U.S. is estimated to be \$14.44 in 2010.	Average weekly wages from the 2008 Quarterly Census of Employment and Wages divided by 40 (hours per work week). This overall wage is adjusted by the national ratio of renter to total household income reported in U.S. Census 2000 and projected to April 1, 2010.
If a household earns the equivalent of a job paying the mean renter wage, it can afford to spend as much as \$751 in monthly rent.	Multiply mean renter wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income (\$14.44 x 40 x 52 = \$30,035). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount (\$30,035 x .3 / 12 = \$751).

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2010 Minimum Wage

Minimum Wage	\$7.25	The federal minimum wage is \$7.25 in 2010.	The federal minimum wage of \$7.25, unless the state had implemented a higher minimum wage by January 1, 2010, as reported by the U.S. Department of Labor.
Rent Affordable at Minimum Wage	\$377	If a household earns the equivalent of one job paying the minimum wage, it can afford to spend as much as \$377 in monthly rent.	Multiply minimum wage by 40 (hours per work week) and 52 (weeks per year) to calculate annual income (\$7.25 x 40 x 52 = \$15,080). Multiply by .3 to determine maximum amount that can be spent on rent, and then divide by 12 to obtain monthly amount (($\$15,080 \times .3$) / 12 = \$377).

2010 Supplemental Security Income

Monthly SSI Payment	\$674	The federal Supplemental Security Income payment for qualifying individuals was \$674 in monthly federal benefits in 2010.	U.S. Social Security Administration. The maximum federal SSI payment for individuals is \$674 in 2010 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).

2010 Housing Wage

Zero-Bedroom	\$13.71	A renter household needs to earn at least \$18.44 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: \$38,360) by 52 (weeks per year), and then divide by 40 (hours per work week) ($\$38,360 / 52 / 40 = \18.44).
One-Bedroom	\$15.48		
Two-Bedroom	\$18.44		
Three-Bedroom	\$24.12		
Four-Bedroom	\$27.60		

Housing Wage as % of Minimum Wage

Zero-Bedroom	189%	Nationally, the Housing Wage for a two-bedroom rental unit represents 254% of the minimum wage.	Divide the Housing Wage for a particular unit size (2BR: \$18.44) by the Federal minimum wage (\$7.25), and then multiply by 100 ($\$18.44 / \$7.25 \times 100 = 254\%$).
One-Bedroom	214%		
Two-Bedroom	254%		
Three-Bedroom	333%		
Four-Bedroom	381%		

Housing Wage as % of Mean Renter Wage

Zero-Bedroom	95%	Nationally, the Housing Wage for a two-bedroom rental unit represents 128% of the mean renter wage.	Divide the Housing Wage for a particular unit size (2BR: \$18.44) by the estimated national mean renter wage (\$14.44), and then multiply by 100 ($\$18.44 / \$14.44 \times 100 = 128\%$).
One-Bedroom	107%		
Two-Bedroom	128%		
Three-Bedroom	167%		
Four-Bedroom	191%		

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Work Hours/Week at Minimum Wage Needed to Afford FMR

Zero-Bedroom	76
One-Bedroom	85
Two-Bedroom	102
Three-Bedroom	133
Four-Bedroom	152

<p>A renter earning the federal minimum wage must work 102 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: \$38,360) by 52 (weeks per year), and then divide by the federal minimum wage (\$7.25) ($\\$38,360 / 52 / \\$7.25 = 102$ hours).</p>
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Work Hours/Week at Mean Renter Wage Needed to Afford FMR

Zero-Bedroom	38
One-Bedroom	43
Two-Bedroom	51
Three-Bedroom	67
Four-Bedroom	76

<p>A renter earning the mean renter wage must work 51 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: \$38,360) by 52 (weeks per year), and then divide by the federal mean renter wage (\$14.44) ($\\$38,360 / 52 / \\$14.44 = 51$ hours).</p>
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Full-time Jobs at Minimum Wage Needed to Afford FMR

Zero-Bedroom	1.9
One-Bedroom	2.1
Two-Bedroom	2.6
Three-Bedroom	3.3
Four-Bedroom	3.8

<p>A renter household needs the equivalent of 2.5 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: 102 hours) by 40 (hours per work week) ($102 / 40 = 2.6$ full-time jobs).</p>
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Full-time Jobs at Mean Renter Wage Needed to Afford FMR

Zero-Bedroom	1.0
One-Bedroom	1.1
Two-Bedroom	1.3
Three-Bedroom	1.7
Four-Bedroom	1.9

<p>A renter household needs 1.3 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: 51 hours) by 40 (hours per work week) ($51 / 40 = 1.3$ full-time jobs).</p>
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FOOTNOTES

- 1 *Out of Reach* statistics for the U.S. represent weighted averages of metro- and county-level Fair Market Rents and income estimates. Depending on the statistic, either the number of renter households or the total number of households is used as the weight.
- 2 Fiscal Year 2010 Area Median Income (HUD, 2010).
- 3 Annual income of 30% of AMI or less is the federal standard for extremely low income households. Does not include HUD-specific adjustments.
- 4 "Affordable" rents represent the generally accepted standard of spending not more than 30% of gross income on gross housing costs.
- 5 Fiscal Year 2010 Fair Market Rent (HUD, 2010; revised as of March 11).
- 6 Census 2000 median renter household income, projected to 2010 using HUD's income adjustment factor.
- 7 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 2008 American Community Survey Public Use Microdata Sample housing file.
- 8 Based on 2008 BLS data, adjusted using the ratio of renter to total household income reported in Census 2000, and projected to April 1, 2010.