

# I HAVE A DREAM HOME

## The Weight of Unaffordable Living

Not a Single State in America Pays the Average Worker Enough Wages to Afford a Modest Home



# November

Issue 11 | Volume 4 | 2023

In-depth Report Review - Out of Reach: The Rise in Housing Affordable Housing Shortage.....	Page 2
The Weight of Unaffordable Living.....	Page 3
Holiday Greetings.....	Page 4
Quote of the Month.....	Page 5

## Dear Valued Supporters and Investors,

In a time where everything is on the rise in America except wages, it's crucial to illuminate the glaring issue that affects the heart of our communities - the rising cost of housing.

Today, we share with you an impactful revelation from the recently released report "Out of Reach: The High Cost of Housing" by the National Low Income Housing Coalition.

**The figures are staggering!** The national one-bedroom Housing Wage stands at a daunting \$23.67 per hour, more than three times the federal minimum wage.

This renders housing far beyond the reach of most low-income seniors, people with disabilities, families with children, and low-wage workers. The stark reality is that many of our most vulnerable neighbors are just one emergency away from losing their homes.

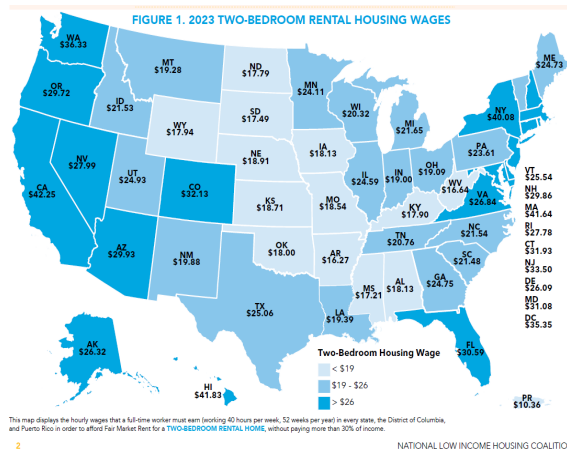
"I Have A Dream Home" stands committed to addressing this crisis by providing affordable housing opportunities to underserved communities across America. Our mission revolves around empowering low-income families to build generational wealth through access to affordable mortgages and financial assistance.

## Federal Minimum Wage

**\$7.25**

National 1-Bedroom  
Housing Wage

**\$23.67**



The situation is dire – not a single state, metropolitan area, or county permits a worker earning the federal, prevailing state, or local minimum wage to afford a modest two-bedroom rental home through a standard 40-hour work week.

Despite higher minimum wages in 30 states, D.C., and Puerto Rico, the average minimum-wage worker must work an astonishing 104 hours per week (2.6 full-time jobs) to afford a two-bedroom rental home or 86 hours per week (just over two full-time jobs) for a one-bedroom rental home at fair market rent.

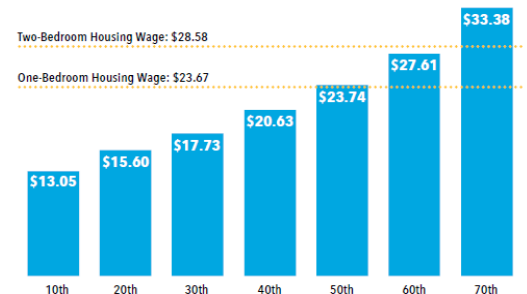
Consider the toll this takes on individuals – those working 104 hours per week, who need eight hours of sleep per day, are left with merely one hour for commuting, cooking, cleaning, self-care, caring for children and family, and serving their community.

For single parents seeking the additional space provided by a two-bedroom apartment, working 104 hours is an insurmountable challenge. It is not only impractical but unreasonable to expect people to work 86 hours per week to afford a one-bedroom apartment.

This struggle transcends minimum-wage workers; the wage distribution graph (right) reveals that modest rental housing is elusive for nearly every worker in the bottom half of the wage distribution.

Almost **50% of wage earners cannot afford a modest one-bedroom** rental home while working one full-time job, and a staggering **60% face the same challenge for a modest two-bedroom** rental home under similar circumstances.

**FIGURE 2. HOURLY WAGES BY PERCENTILE VS. ONE- AND TWO-BEDROOM HOUSING WAGES**



Source: Housing wages based on HUD fair market rents. The hourly wages by percentile are drawn from the Economic Policy Institute State of Working America Data Library 2022, adjusted to 2023 dollars.

NATIONAL LOW INCOME HOUSING COALITION



The average hourly wage earned by renters is just one cent more (\$23.68) than the national one-bedroom Housing Wage (\$23.67) but \$4.90 less than the two-bedroom Housing Wage (\$28.58). Consequently, the average renter must work 48 hours per week to afford a modest two-bedroom apartment independently.

As we grapple with this unsettling reality, the ominous rise of homelessness and housing instability continues to cast a shadow over every community and state in America. Many individuals find themselves thrust into homelessness due to soaring rents and evictions, with no refuge but the unforgiving streets, cars, or shelters.

In the face of this silent crisis, the call for action has never been more urgent. It is time for us to stand united in our quest for a more compassionate and equitable America, where shelter is not a luxury but a fundamental human right.



The stark realities we confront emphasize the collective responsibility we share to address the distressing surge in homelessness and housing instability across every community and state.

Likewise, we extend an invitation for you to join "I Have A Dream Home" in pioneering a new solution.

Let's collaborate not only to offer shelter but also to lay the foundation for dreams, stability, and a brighter future for all. Together, we can make a profound impact on the lives of those who need it most.

## The Affordable Housing Shortage

In the heart of the nation's housing crisis, a stark reality emerges - a shortfall of 7.3 million affordable rental homes for extremely low-income renters persists, exacerbating an already critical situation.

Between 2019 and 2021, this shortage grew by half a million units, fueled by an increase in extremely low-income renters and the loss of 400,000 affordable homes.

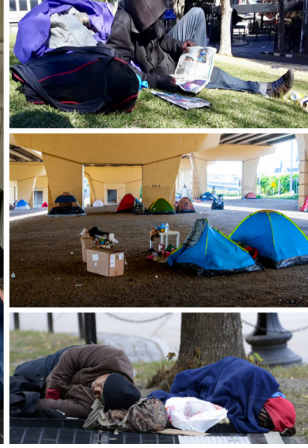


This troubling trend is part of a larger narrative of decline, with nearly 4 million units of rental housing for those with incomes below \$30,000 disappearing between 2011 and 2019.

During this period, the share of low-cost rental housing within the rental housing stock plummeted from 32% to a mere 22%.

The private market struggles to meet the demand for affordable housing, leaving the lowest-income renters in dire straits. Simultaneously, financial institutions are falling short in their commitment to these communities.

Even the U.S. Department of Housing and Urban Development (HUD) faces challenges, with a significant portion of its housing assistance budget allocated to existing contracts and ongoing rental assistance, resulting in stagnant assistance levels despite the increasing need.



In the United States, over a Half of Million Adults are Homeless

## The Weight of Unaffordable Living

Traditionally, households spending over 30% of their income on housing costs, including rent and utilities, are deemed cost-burdened. An even more alarming scenario unfolds for those spending over 50% of their income, classified as severely housing cost-burdened.

Nationwide, a staggering 20.8 million renter households bear the weight of housing cost burdens, with 11.3 million facing severe housing cost burdens. Among extremely low-income renters, a striking 73% fall into the severely cost-burdened category, compared to 26% of all renters. This financial strain leaves little room for essential needs like food, childcare, transportation, and healthcare.

The gravity of this situation is acutely felt when considering the spending habits of severely cost-burdened renters. They allocate 38% less to food and a staggering 70% less to healthcare than their non-burdened counterparts.

A sobering illustration is found in the income breakdown of an extremely low-income family of four. With a monthly income of \$2,500 and an average two-bedroom fair market rent of \$1,400, they allocate nearly 60% of their income to rent, leaving a mere \$1,100 for other necessities. In a cruel twist, this family, much like countless others, resorts to a \$350 Payday loan, reducing their already tight income to \$2,000 and perpetuating a cycle of financial hardship. They've encountered firsthand the harsh reality that one emergency could plunge them into homelessness.

Extremely Low-Income Family of 4 (2 Adults and 2 Children)			
			Balance
Monthly Income	2,500		\$2,500
<b>Expenses</b>			
Rent	\$1,400		\$1,100
Food Budget	\$550	<i>(below USDA standard of \$971)</i>	\$550
After school childcare	\$280		\$270.00
Utilities	\$250		\$20.00
Transportation, medical care, and other necessities.	\$350	<b>\$20 is not enough!</b> An unexpected medical emergency takes this family into immediate hardship.	<b>-\$350.00</b>

A call for change reverberates across this bleak landscape. While the private sector lags in addressing these pressing needs, "I Have A Dream Home" steps up to provide innovative solutions for low and extremely low-income families nationwide, offering the promise of homeownership to relieve the burden of exorbitant rents, empowering families with equity while easing their monthly financial strain.

The challenge remains: until a collective agreement emerges from states and the federal government that the average worker deserves a living wage covering fair housing prices and basic needs, organizations like ours will continue to fight for the rights and well-being of those at risk of being overwhelmed by the weight of unaffordable living.

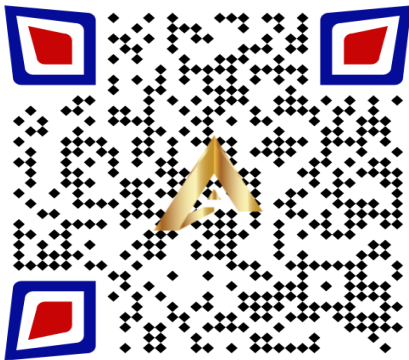


# QUOTE OF THE MONTH

"it is hard to argue that housing is not a fundamental human need. Decent, affordable housing should be a basic right for everybody in this country. The reason is simple: without stable shelter, everything else falls apart."

— *Matthew Desmond, Evicted: Poverty and Profit in the American City*

## A MONTH OF GRATITUDE & FAMILY LOVE



Follow us on Social Media



Use Your Phone to Scan Our QR Code



I Have A Dream Home Offering  
Is Insured by the TigerMark™  
Insurance Policy



### Sources:

Dolbeare, C.N. (2023). Out of Reach: The High Cost of Housing. The National Low Income Housing Coalition. <https://nlihc.org/news/nlihc-releases-out-reach-2023-high-cost-housing>

Morris, B. (2023). The Weight of Unaffordable Living: Not a Single State in America Pays it Average Worker Enough Wages to Afford a Modest Home. *I Have A Dream Home*.