

Minimum Wage Workers Can't Afford Rent Anywhere in the Country

Think Progress, by Bryce Covert, May 26, 2016

People who make the federal minimum wage of \$7.25 an hour can't find an affordable place to live anywhere in the country, according to a new report from the National Low Income Housing Coalition.

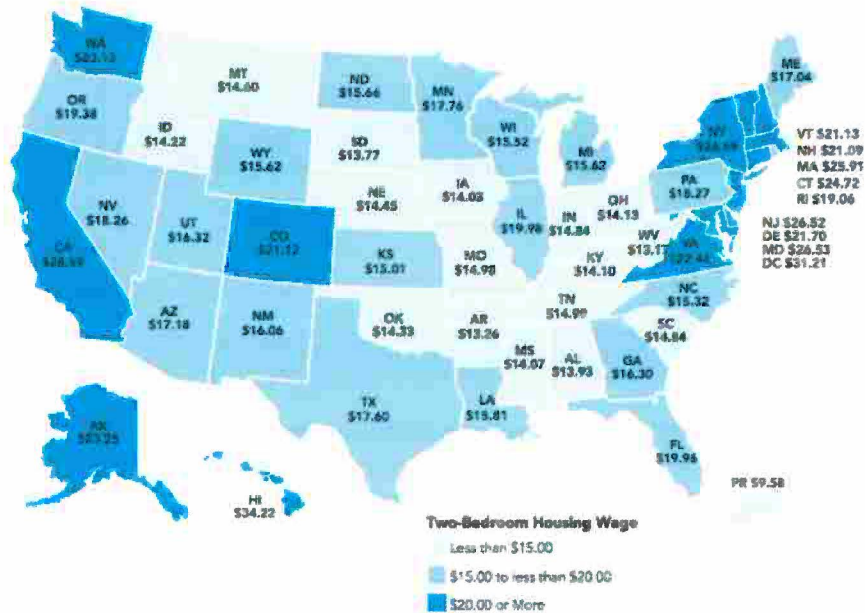
But perhaps even more surprising is that even if the minimum wage were raised to \$15 an hour — the level low-wage workers have been [demanding](#) in a constant flow of strikes and protests and the highest level [supported](#) by Democratic lawmakers — they would still be out of luck.

The report found that to afford a one-bedroom apartment at the average fair market rate without shelling out more than 30 percent of his income, someone has to earn at least \$16.35 an hour. The necessary pay goes up to \$20.30 an hour to afford a two-bedroom unit. Some states have more affordable markets. But none of them are cheap enough for a minimum wage earner. In order to afford a two-bedroom apartment while earning \$7.25 an hour, someone would have to have nearly three full-time jobs, putting in 112 hours a week every single week of the year. "If this worker slept for eight hours per night," the report notes, "he or she would have no remaining time during the week for anything other than working and sleeping."

OUT OF REACH 2016 2016 TWO-BEDROOM RENTAL UNIT HOUSING WAGE



Represents the hourly wage that a household must earn (working 40 hours a week, 52 weeks a year) in order to afford the Fair Market Rent for a two-bedroom rental unit, without paying more than 30% of their income.



CREDIT: National Low Income Housing Coalition

Many cities and states have [gone further](#) than the federal minimum wage and instituted their own higher levels. But even those wages mostly leave workers unable to afford rent. None of the higher wages give a full-time minimum wage worker the ability to cover rent for a two-bedroom apartment; only 12 counties and one metropolitan area have ensured a floor that allows a worker to afford a one-bedroom.

Even those who earn more than the minimum wage are often out of luck. Among those who rent, they earn an average wage of \$15.42, not enough to afford an average one- or two-bedroom apartment.

[Stagnant wages](#) have increasingly come into conflict with [rising rents](#) for most Americans. The share of renters paying more than half their income for housing has doubled since 1960, constituting more than a quarter of all renters.

The problem is mostly thanks to surging rental demand mixed with a shortage of new units. Between 2005 and 2014, there was an increase of 7.9 million renters, but just 2.2 million new units were added. That ensures low vacancy rates, which in turn means landlords can charge more for rent — and rent has outpaced inflation over the last decade.

At the same time, the government is offering less and less support to people who can't afford rent. Rental assistance for families with children is [at a decade low](#), and 250,000 fewer families are served today than in 2004. Funding for these programs has fallen particularly quickly over [the last six years](#) thanks to sharp budget cuts.