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## **High Rents and Low Wages Mean No Homes for Many Working Families in Washington State**

SEATTLE – If you make minimum wage in Washington State, you'll need to work 64 hours a week to afford a decent rental home.

This is one of the many findings from the report, *Out of Reach 2013*, jointly released by the National Low Income Housing Coalition (NLIHC) and the Washington Low Income Housing Alliance (Housing Alliance) today, March 11. NLIHC is a national research and advocacy organization based in Washington, D.C. and the Housing Alliance is a statewide housing advocacy nonprofit. The report provides housing affordability data for every state, metropolitan area, and county, including the unique Housing Wage statistic. The **Housing Wage** is the hourly wage a family must earn, working 40 hours a week, to afford the rent and utilities for a safe and modest home in the private housing market. (In the U.S., HUD considers someone as rent-burdened if they are paying more than 30% of their income on housing.)

"More people in Washington are renting now because they see it as a less expensive option than owning a home," says Rachael Myers, Executive Director of the Housing Alliance. "But that means the low-wage workers who have always relied on rental housing are getting squeezed out of the tight rental market here."

For example, the Fair Market Rent (FMR) for a two-bedroom apartment in Washington is \$966. Even though Washington's minimum wage of \$9.19, the highest in the country, two minimum wage workers would just barely be able to afford the average two-bedroom home. And a single parent would have to earn twice minimum wage to be able to rent a home where she and her children have separate bedrooms.

The statistics are just as dire for renters living alone. The FMR for a one-bedroom home is \$767. This means an individual would have to make \$14.74 to afford this home, 160 percent of minimum wage. You might then suggest that studio apartments could be ideal for the individual minimum wage earner. The FMR for studios is \$646, which translates to a Housing Wage of \$12.43 – again, higher than the state's minimum wage.

Sheila Crowley, President and CEO of NLIHC, says that there is a role the federal government can play in easing the financial strain faced by low-income renters. "The federal government has used the tax code to make homeownership easier. In reality, the benefits are largely going to higher income people with million-dollar homes. It's time to make housing policy work better for middle and lower income people by reforming mortgage interest tax breaks and directing the savings to the National Housing Trust Fund to build and preserve homes affordable to the lowest income Americans."

The Housing Alliance believes Washingtonians here should have the opportunity to live in a safe, healthy, affordable home. However, as *Out of Reach 2013* reveals, every month, thousands of families and individuals have to choose between paying for a roof over their heads or paying for other basic needs like food, medicine, or childcare. The Housing Trust Fund is an extremely effective tool for solving our state's affordable housing shortage. That's why our statewide members are advocating an investment of \$175 million for this biennium.

Additional Facts about Washington:

- This year, Washington is the 15th most expensive state in the nation for renters.
- In 2011, for every 100 extremely low-income households, there were 27 affordable and available units.
- In 2011, for every 100 very low-income households, there were 55 affordable and available units.

To see the numbers and play with the statistics, visit <http://www.nlihc.org/oor/2013>. ###