

Report highlights affordable housing wage gap

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The Hickory Street Project, an affordable housing development in Rutland. A recently released report finds that affordable rental housing is becoming more difficult to come by in Vermont. (Robert Layman / Staff Photo)

BURLINGTON — Affordable rental housing is beyond the reach of the average wage-earning Vermonter, according to a new report by the Vermont Affordable Housing Coalition.

Renters need to earn \$22.40 an hour or \$46,585 annually to afford a modest, two-bedroom apartment costing \$1,165 a month at the fair market rate, the report said. For a one-bedroom home, a renter would need to earn \$17.84 an hour to afford \$928 monthly.

The report released Wednesday highlights the difficulty for more than 75,000 renter households in Vermont, which has the fifth-largest affordability gap for renters in the nation.

The annual study, Out of Reach, reports on the housing wage: the hourly wage a worker must earn to afford a safe, decent place to live without spending more than 30 percent of their income. The report said the housing wage was highest in Burlington at \$27.73, followed by \$20.65 in Windsor County, \$20.46 in Washington County, \$20.21 in Windham County and \$19.63 in Addison County.

According to VAHC, the average renter in Vermont earns \$12.85 an hour, which is \$9.55 less than the hourly wage needed to rent a home and can only afford \$668 for housing costs without exceeding the 30 percent of income threshold.

The report said those earning Vermont's current minimum wage of \$10.50 would have to work 1.7 full-time jobs, or 68 hours a week, to afford a modest one-bedroom apartment, and 2.1 full-time jobs or 85 hours a week for a two-bedroom apartment.

The disparity is even greater for someone with a disability living on Supplemental Security Income who can only afford \$241 a month, leaving them needing \$924 for a two-bedroom apartment or \$687 for a one-bedroom rental.

"Seniors and others living on fixed incomes can't afford housing anywhere in the state without a subsidy," the report said.

The report also notes that 7 of 10 professions projected to have the highest wage growth over the next decade will have incomes lower than the one-bedroom housing wage. The three wage groups earning more than the two-bedroom (\$22.10) and one-bedroom (\$17.70) housing wages were general managers (\$49.20), software developers (\$47.91) and registered nurses (\$34.30). All other professions earned less than the median housing wage index.

"When low-wage workers and people living on fixed incomes pay too much for their housing, they have too little left over to cover other basic needs and are one paycheck or one major car repair away from eviction and the downward spiral of homelessness," the report said, calling for more federal and state investment in housing programs.

Congressional leaders were quick to condemn the disparity between wages and rental housing costs that makes finding affordable housing difficult.

Sen. Patrick Leahy, D-Vt., vice chairman of the Senate Appropriations Committee, said the Out of Reach report "puts data behind the stories of Vermonters" who tell him they are struggling to afford rental housing.

"I commend Vermont's affordable housing leaders who are working tirelessly to help ensure that all Vermonters have access to safe, decent and affordable housing," Leahy said in a news release. "By investing in housing, we can help families, downtowns and rural communities thrive. This report informs policymakers and local community leaders and helps us all stay focused on this fundamental challenge."

Sen. Bernie Sanders, I-Vt., the ranking member of the Senate Budget Committee, wrote the report's preface.

“The affordable housing crisis demands that we think big and act boldly,” Sanders wrote. “We must make a historic and sustained commitment to ensure that every family has an affordable place to live and thrive.”

To see the full Out of Reach report, visit www.nlihc.org/oor/.

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