



Quick facts:

Implications of living in unaffordable housing

With 1 in 6 households in the U.S. paying half or more of their income on their home, an increasing number of families in the United States are living in unaffordable housing. At Habitat for Humanity, we know that this leaves these families with less money to pay for other necessities, including nutrition, education, transportation, child care and health care.

A single mother earning minimum wage who spends half or more of her pretax income on housing has only \$124 per week, or \$17 a day, to spend on all other necessities after paying rent.

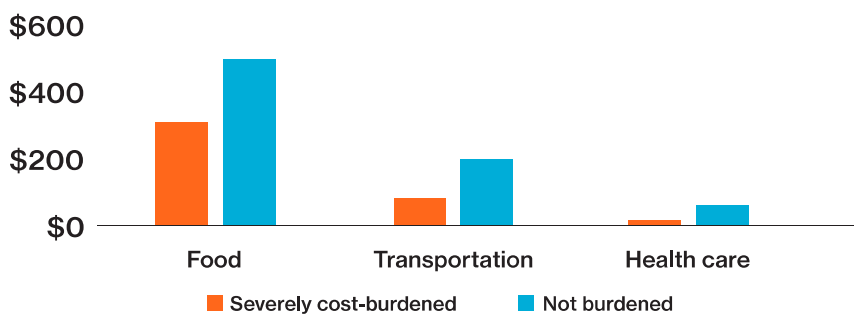
Cost-burdened renters typically have less money across their financial accounts when compared with homeowners and nonburdened families.

On average, a cost-burdened renter had less than \$10 in savings in 2015.²

Households that lack savings have trouble bouncing back from unexpected life events such as losing a job, caring for a sick family member, or recovering from a car accident. This makes these families more susceptible to long-term hardship.

For rental households paying half or more of their income on their housing costs, this problem is even more severe. These families are able to spend 38.6 percent less on food, 57.4 percent less on transportation, and 71 percent less on health care than nonburdened households.²

Households with large housing costs have less money left to spend on other necessities



HOW DOES UNAFFORDABLE HOUSING AFFECT FAMILIES?

Families with children who live in even the most affordable metro areas need at least \$2,700 per month to cover essential nonhousing expenses, according to the Economic Policy Institute.

After paying for housing, lowest-income households with children are left with \$490 on average per month to spend on other necessities.

This is 81 percent less than the amount required to cover nonhousing expenses.²

Helpful definitions

A household that is **“cost-burdened”** spends 30 percent or more of its monthly gross income (pretax) on housing.

A **“severely cost-burdened”** household spends 50 percent or more of its income on housing.

Previous cost and income data have been adjusted for inflation.

¹ *American Families Face a Growing Rent Burden*. The Pew Charitable Trusts. https://www.pewtrusts.org/-/media/assets/2018/04/rent-burden_report_v2.pdf (2018).

² *The State of the Nation's Housing 2018*. Joint Center for Housing Studies of Harvard University. http://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf (2018).