



Rental housing affordability in Pennsylvania

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Legal Disclaimer



The views expressed here are those of the presenters and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.



About Our Department



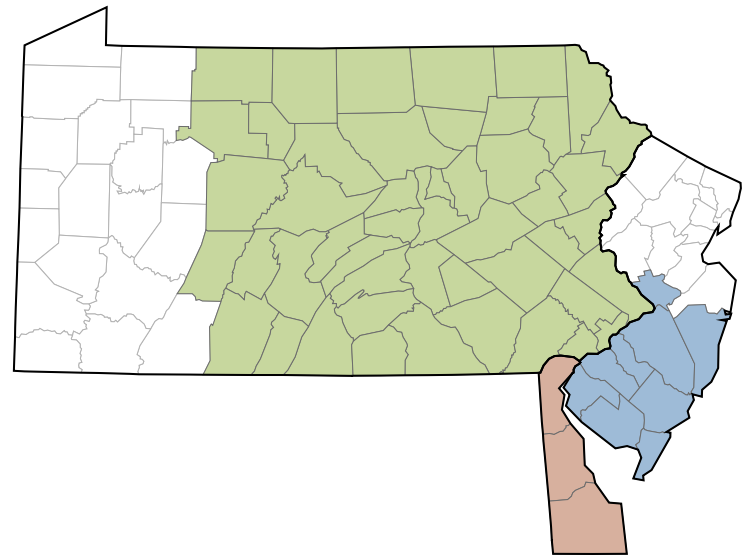
Mission

To support the Federal Reserve System's economic growth objectives by promoting community development in low- and moderate-income communities and fair and impartial access to credit in underserved markets.

Activities

- Conduct **research** on key community development issues
- **Engage** practitioners
- **Convene** stakeholders

Third Federal Reserve District



Key Findings — Pennsylvania

1. The poorest renters face the greatest difficulties — but challenges are moving up the income scale.
2. Families with children make up a substantial share of cost-burdened households.
3. Vulnerable groups are disproportionately likely to be cost-burdened.
4. Many working-age adults in cost-burdened, lower-income households have weak connections to the labor market.
5. Rental affordability challenges affect a growing number of working families.



Data & Methods

U.S. Census Bureau, American Community Survey Public Use Microdata Sample (PUMS) housing files, accessed via IPUMS-USA

- 1-year: 2005, 2014
- 5-year: 2005–2009, 2010–2014

Analysis

- Renter households and individual renters assigned to relative income categories
- Units assigned relative affordability categories
- Households, units, and individuals are aggregated to produce state- and MSA-level estimates of affordability and demographic and economic characteristics



Definitions



Extremely low-income (ELI) — households with incomes $\leq 30\%$ of the median family income (MFI) in their region

Very low-income (VLI) — households with incomes that are 31–50% of the MFI in their region

Low-income (LI) — households with incomes that are 51–80% of the MFI in their region

Lower-income (LI) — households with incomes $\leq 80\%$ of the MFI in their region

Gross rent — sum of monthly housing and utility costs

Affordable and available — a unit considered affordable for a household in a given income category and either vacant or currently occupied by a household in the same income category

Cost burden — gross rent that exceeds 30% of monthly household income



Findings

The poorest renters face the greatest difficulties — but challenges are moving up the income scale.

Percent of Pennsylvania renter households that were cost-burdened, 2014

Low-Income 40%

Very Low-Income 77%

Extremely Low-Income 84%

Median gap between affordable and actual gross rent for cost-burdened households

\$200

\$283

\$483

Extremely low-income: household income $\leq 30\%$ of regional median family income (MFI); Very low-income: household income 31–50% regional MFI; Low-income: household income 51–80% of regional MFI.

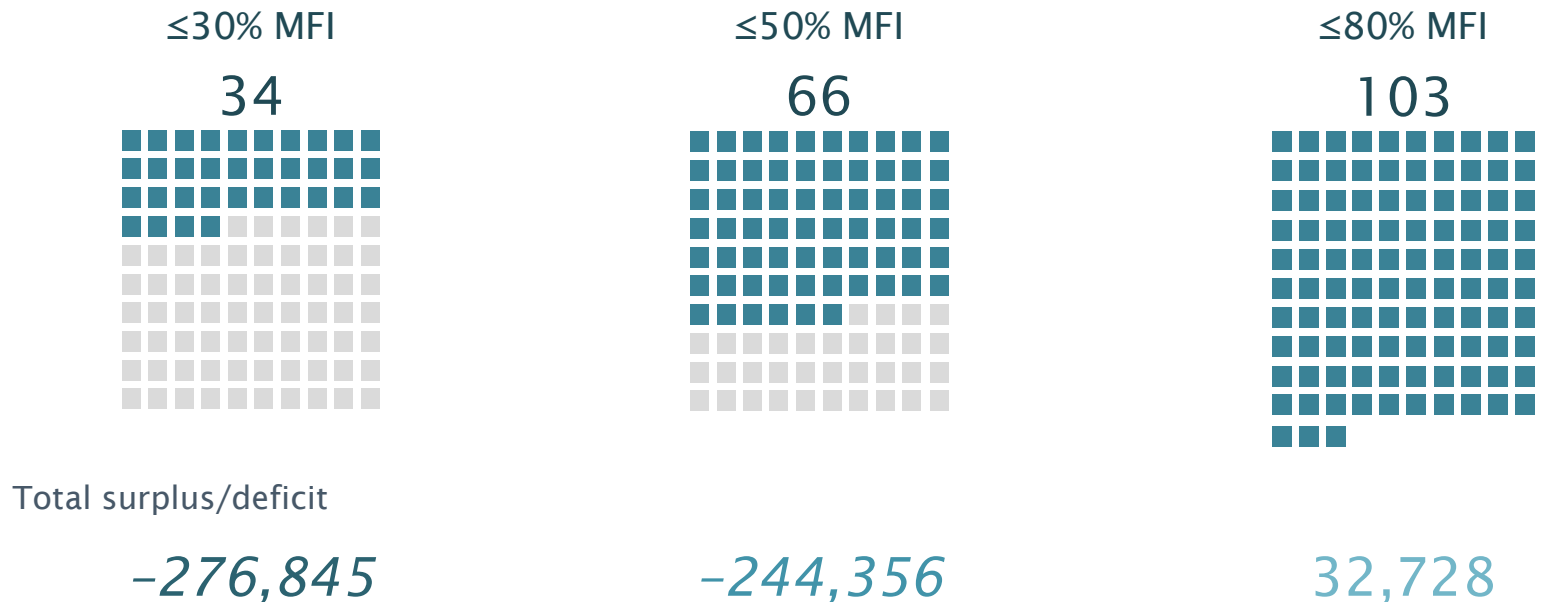
Source: Author's preliminary calculations using U.S. Census Bureau American Community Survey Public Use Microdata Sample (accessed via IPUMS-USA) and U.S. Department of Housing and Urban Development Fair Market Rents.



Findings

The poorest renters face the greatest difficulties — but challenges are moving up the income scale.

Affordable and available units per 100 households at income level, **Pennsylvania**, 2014



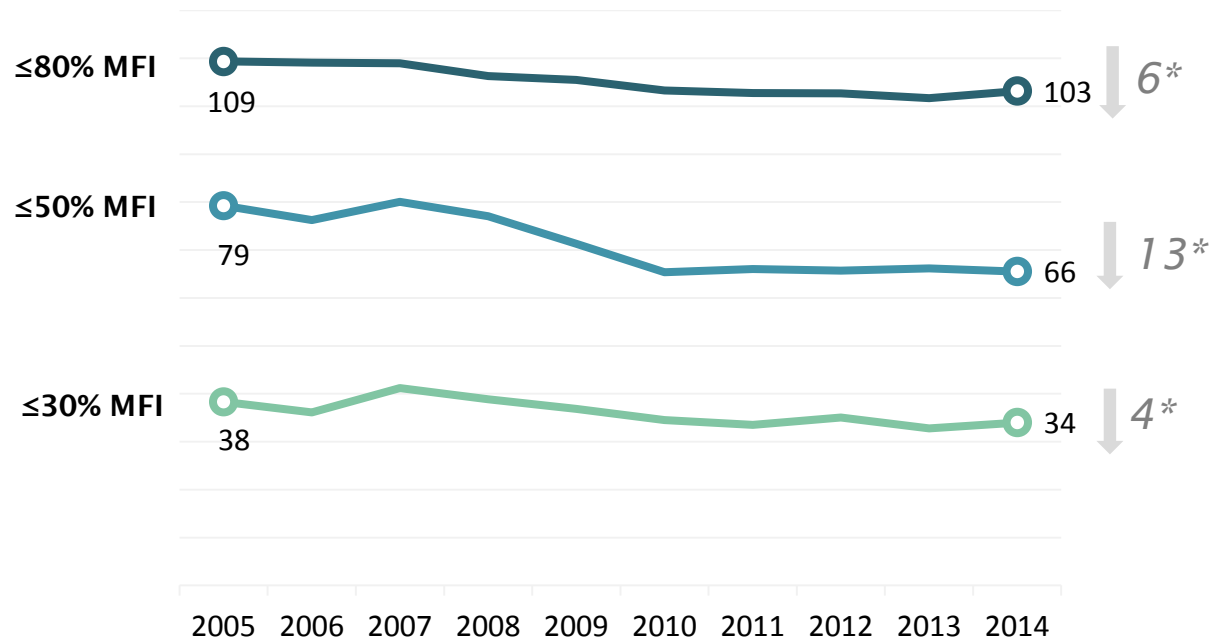
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Findings

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Affordable and available units per 100 households at income level, **Pennsylvania**



The supply of affordable and available units declined the most for renter households in the ≤50% MFI category.

*Indicates statistically significant change from 2005 at the 0.1 level.

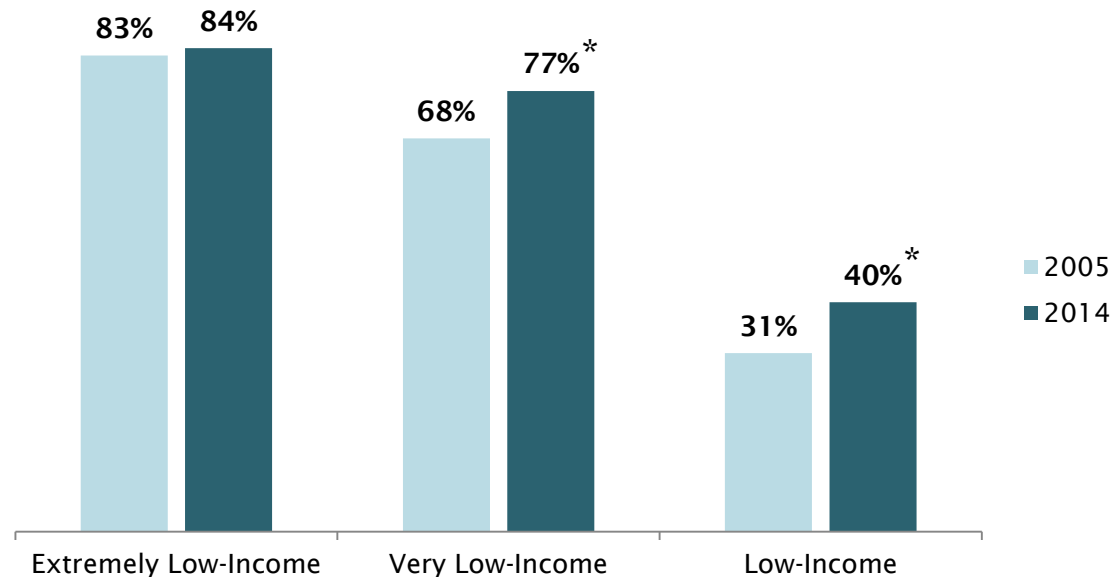
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Findings

The poorest renters face the greatest difficulties — but challenges are moving up the income scale.

Share of renter households cost-burdened by income category, **Pennsylvania**



Cost burden levels increased substantially for **very low-income** (31–50% MFI) and **low-income** (51–80% MFI) households.

*Indicates statistically significant change from 2005 at the 0.1 level.

Extremely low-income: household income $\leq 30\%$ of regional median family income (MFI); Very low-income: household income 31–50% regional MFI; Low-income: household income 51–80% of regional MFI.

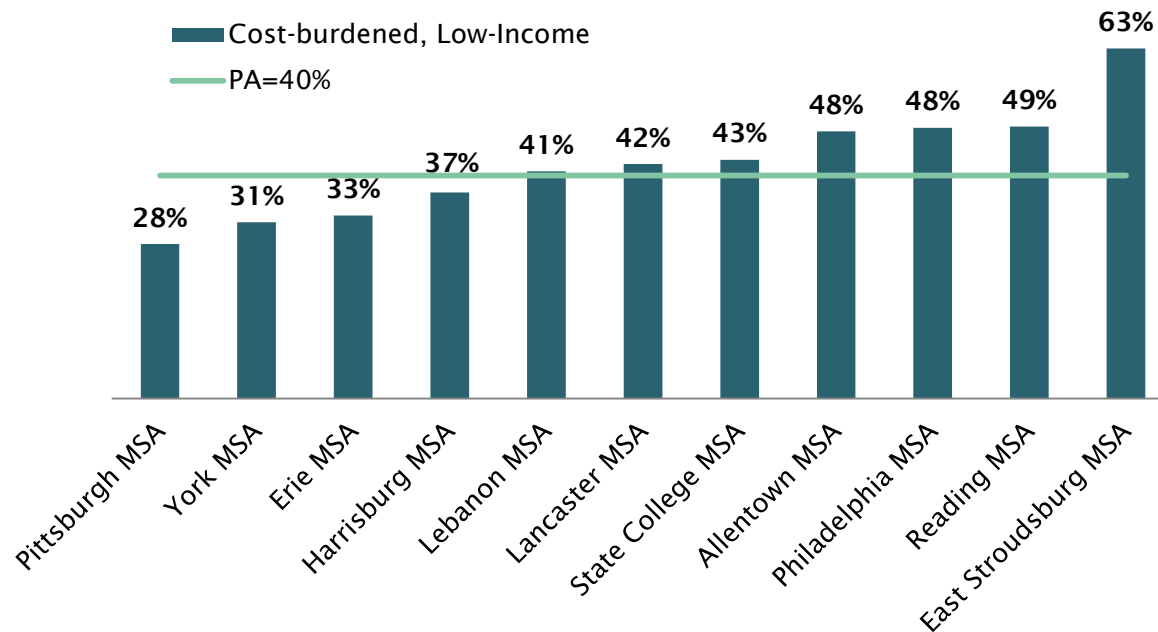
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Findings

The poorest renters face the greatest difficulties — but challenges are moving up the income scale.

Share of low-income (51–80% MFI) households cost-burdened, **Pennsylvania Metro Areas, 2014***



There is **considerable variation** in the prevalence of cost burdens for low-income (51–80% MFI) renters across PA metropolitan areas.

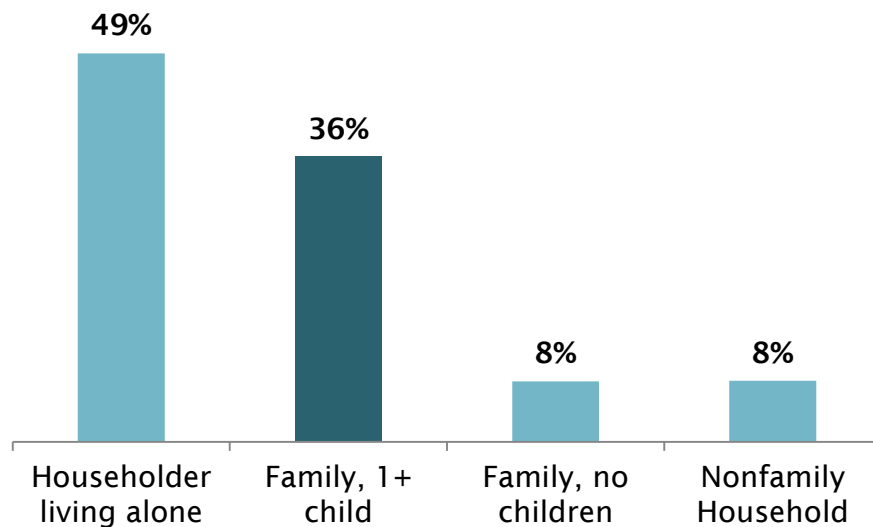
* For the following MSAs, figures pertain to 2010–2014 period: York, Erie, Harrisburg, Lebanon, Lancaster, State College, Allentown, Reading, East Stroudsburg
Low-income: household income 51–80% of regional MFI.
Source: Author’s preliminary calculations using U.S. Census Bureau American Community Survey Public Use Microdata Sample (accessed via IPUMS-USA) and U.S. Department of Housing and Urban Development Fair Market Rents.



Findings

Families with children make up a substantial share of cost-burdened households.

Household type of cost-burdened, lower-income renter households, **Pennsylvania**, 2014



49% of all renter families with children are cost-burdened

57% of all single-parent renter households are cost-burdened

30% of residents in cost-burdened, lower-income renter households are under 18 years old and **11%** are children 5 years old or younger

Cost-burdened lower-income: Household income \leq 80% of MFI and gross rent $>$ 30% of monthly household income.

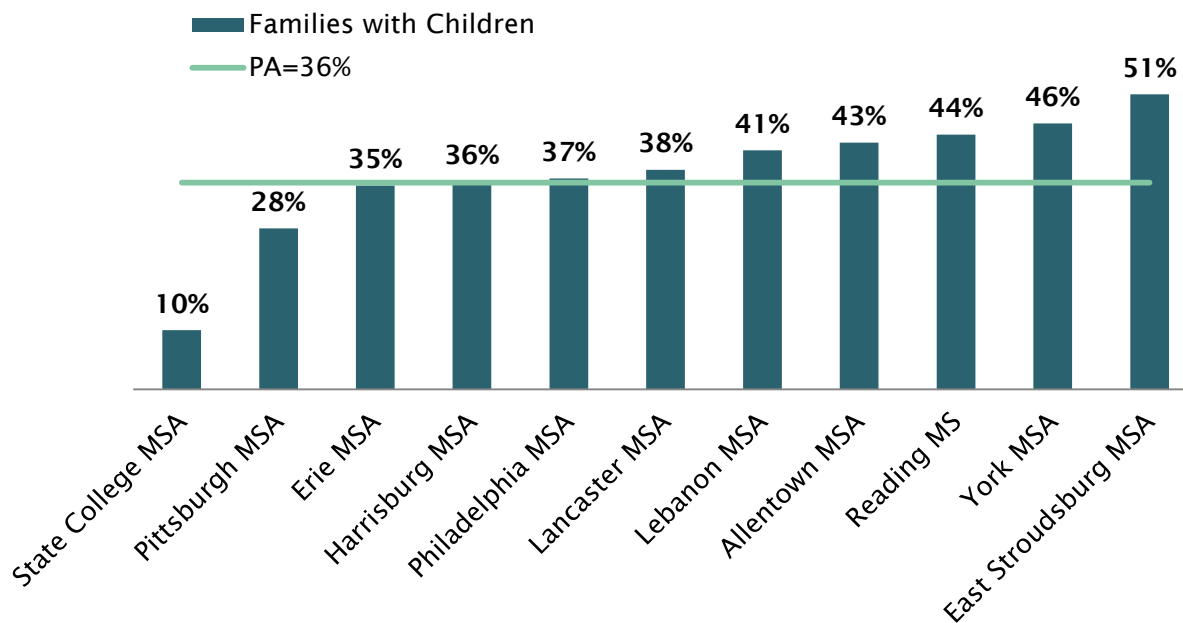
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Findings

Families with children make up a substantial share of cost-burdened households.

Share of cost-burdened, lower-income households that are families with children, **Pennsylvania Metro Areas, 2014***



In many PA metro areas, **families with children** account for a **substantial share** of cost-burdened, lower-income households.

* For the following MSAs, figures pertain to 2010–2014 period: York, Erie, Harrisburg, Lebanon, Lancaster, State College, Allentown, Reading, East Stroudsburg
Source: Author’s preliminary calculations using U.S. Census Bureau American Community Survey Public Use Microdata Sample (accessed via IPUMS-USA) and U.S. Department of Housing and Urban Development Fair Market Rents.



Findings

Vulnerable groups are disproportionately likely to be cost-burdened.

People with disabilities

Includes individuals with cognitive, ambulatory, independent living, self-care, and/or vision or hearing difficulties.

Seniors

Senior is defined as 60+ years old. A household in which the householder or their spouse is a senior is considered senior-headed.

Grandparents responsible for grandchildren

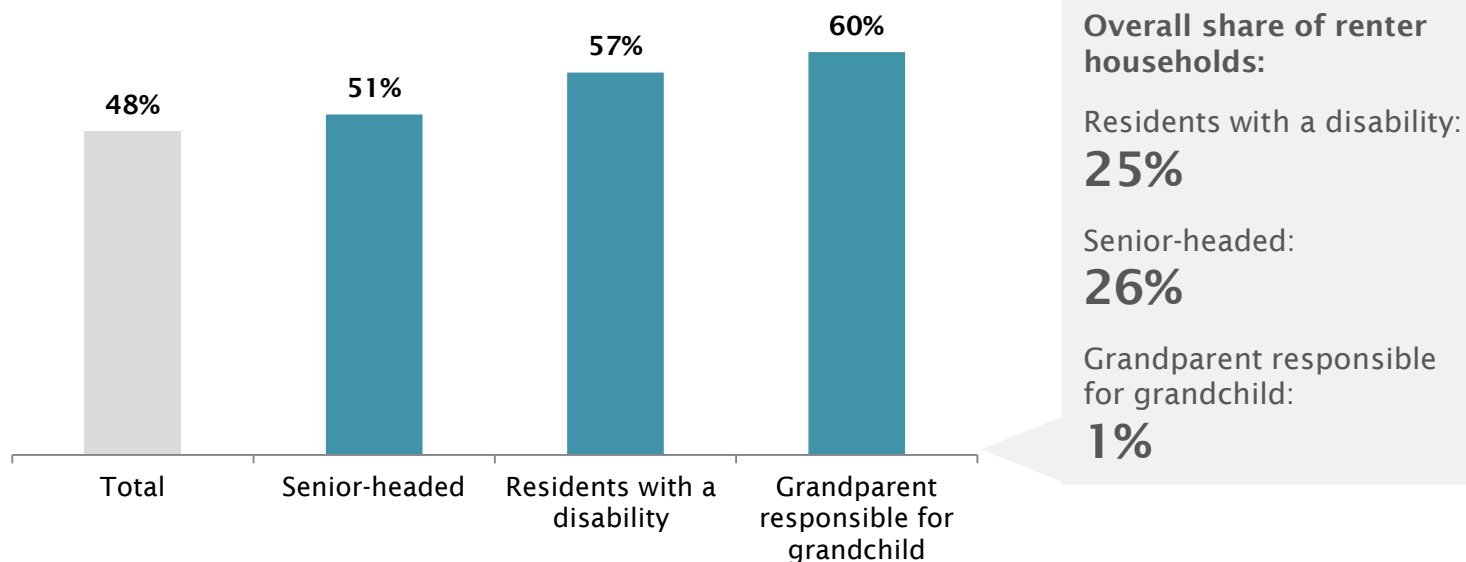
A grandparent who is responsible for most of the basic needs of any grandchild who resides in the same house or apartment.



Findings

Vulnerable groups are disproportionately likely to be cost-burdened.

Share of selected vulnerable households cost-burdened, **Pennsylvania**, 2014



Cost-burdened: gross rent >30% of monthly household income.

Source: Author's preliminary calculations using U.S. Census Bureau American Community Survey Public Use Microdata Sample (accessed via IPUMS-USA) and U.S. Department of Housing and Urban Development Fair Market Rents.



Findings

Many working-age adults in cost-burdened, lower-income households have weak connections to the labor market.

Employment status of working-age adults in cost-burdened, lower-income households, **Pennsylvania, 2014**

■ Employed ■ Unemployed ■ Not in Labor Force



62%

*The labor force participation rate of working-age adults in cost-burdened, lower-income households is **16 percentage points** lower than that of working-age adults in the state overall.*

Working-age: 18 to 65 years old, not in school.

Cost-burdened, lower-income: Household income $\leq 80\%$ of MFI and gross rent $>30\%$ of monthly household income.

Source: Author's preliminary calculations using U.S. Census Bureau American Community Survey Public Use Microdata Sample (accessed via IPUMS-USA) and U.S. Department of Housing and Urban Development Fair Market Rents.



Findings

Many working-age adults in cost-burdened, lower-income households have weak connections to the labor market.

Employment status of working-age adults in cost-burdened, lower-income households, **Pennsylvania, 2014**

■ Employed ■ Unemployed ■ Not in Labor Force



*A substantial share of these adults are likely to face **significant barriers** to participating in the labor market.*

1 in 2 are individuals with a disability

1 in 5 are single parents

Working-age: 18 to 65 years old, not in school.

Cost-burdened, lower-income: Household income \leq 80% of MFI and gross rent $>$ 30% of monthly household income.

Source: Author's preliminary calculations using U.S. Census Bureau American Community Survey Public Use Microdata Sample (accessed via IPUMS-USA) and U.S. Department of Housing and Urban Development Fair Market Rents.



Findings

Many working-age adults in cost-burdened, lower-income households have weak connections to the labor market.

Prior year employment status of working-age adults in cost-burdened, lower-income households, **Pennsylvania, 2014**

- Employed full time, most of year
- Employed full time, part of year
- Employed part time, most of year
- Employed part time, part of year
- Did not work



26%

Over one-quarter of adults in cost-burdened, lower-income renter households were employed less than full time for most of the prior 12 months.

Working-age: 18 to 65 years old, not in school.

Cost-burdened, lower-income: Household income \leq 80% of MFI and gross rent $>$ 30% of monthly household income.

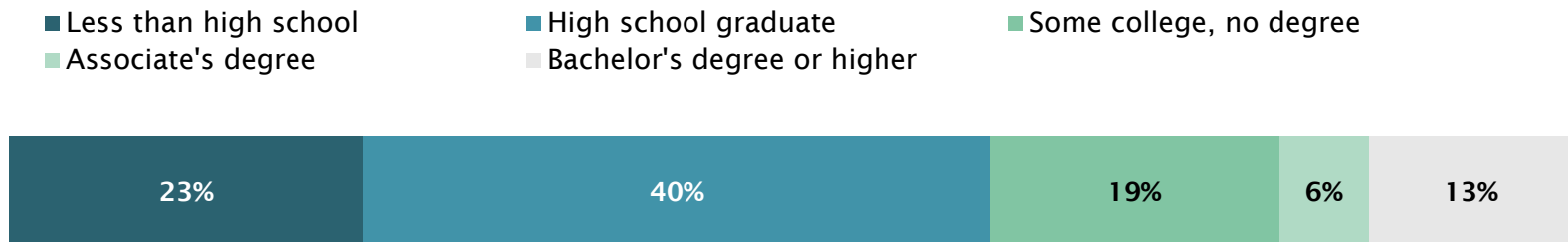
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Educational attainment of adults 25 years and older in cost-burdened, lower-income households, **Pennsylvania, 2014**



63%

*The share of adults with a high school diploma or less in cost-burdened, lower-income households is **16 percentage points higher** than that of adults in the state overall.*

Cost-burdened, lower-income: Household income \leq 80% of MFI and gross rent $>$ 30% of monthly household income.

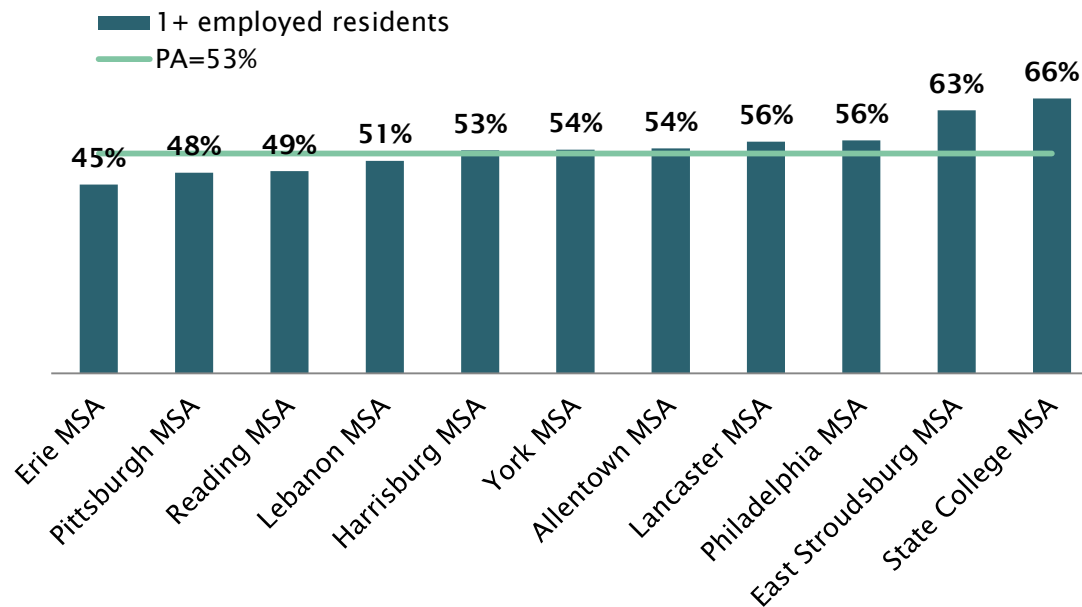
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Findings

Rental affordability challenges affect a growing number of working families.

Share of cost-burdened, lower-income households with one or more employed residents, **Pennsylvania Metro Areas, 2014***



Metro areas with higher rents tend to have a larger share of cost-burdened, lower-income households in which at least one resident is employed.

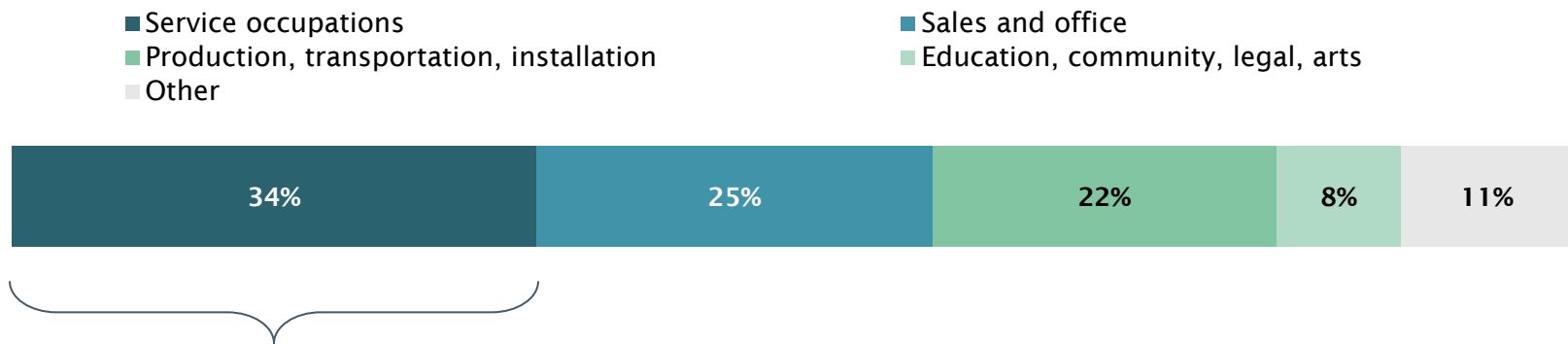
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Rental affordability challenges affect a growing number of working families.

Occupations of working adults in cost-burdened, lower-income households, **Pennsylvania**, 2014



*Workers in **service occupations** (food services, health-care support, personal care, cleaning and maintenance, and protective services) are overrepresented among cost-burdened, lower-income renters.*

Cost-burdened, lower-income: Household income \leq 80% of MFI and gross rent $>$ 30% of monthly household income.

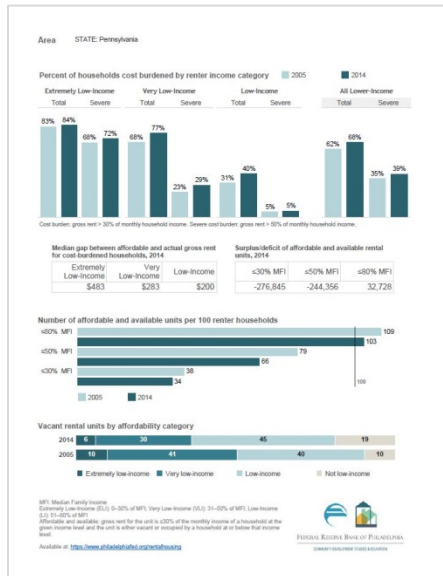
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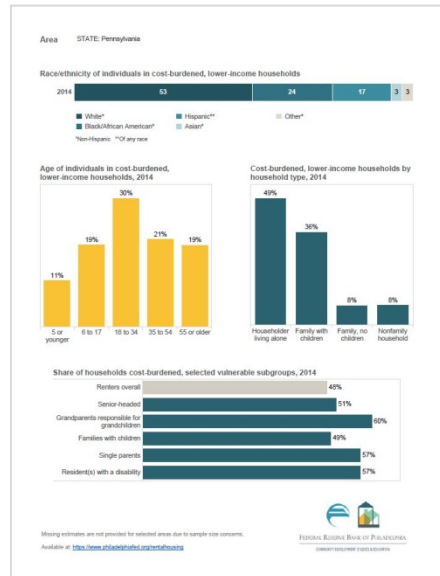
New Data Tool

Access the tool on the Community Development Data Dashboard — Rental Housing Data:
www.philadelphiafed.org/rentalhousing

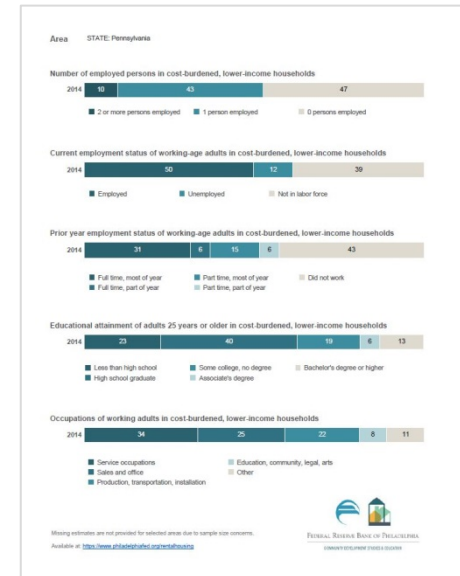
Affordability and availability of rental units



Demographic profile of cost-burdened renters



Economic profile of cost-burdened renters



New Data Tool

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www.philadelphiafed.org/rentalhousing

Top of page:



Bottom of page:

The screenshot shows the bottom of the Tableau interface. It includes navigation buttons for 'Undo', 'Redo', and 'Reset'. The Tableau logo is centered, with '835 views' displayed below it. On the right side, there are buttons for 'Share', 'Download' (circled in red), and 'Full Screen'.



Thank you



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