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May 18, 2011



Contact: Katie Fritz, Policy and Program Manager

Telephone: (517) 485-3588

Email: fritz@cedam.info

Gaps in Michigan Housing Costs and Wages Highlighted in 2011 Out of Reach Report

Lansing, MI – A Michigan working family must have 1.9 wage earners working full-time, or one full-time earner working 77 hours per week, to afford a modest two-bedroom apartment according to the national report *Out of Reach 2011*. The National Low Income Housing Coalition (NLIHC), a Washington, D.C.-based housing policy organization, and the Community Economic Development Association of Michigan (CEDAM) jointly released the report. The report provides the Housing Wage and other housing affordability data for every state, metropolitan area, combined non-metropolitan area, and county in the country.

The current Housing Wage, the hourly wage a family must earn working full-time to be able to afford the rent and utilities for a safe and modest home in the private housing market for Michigan, is \$14.32. Michigan's Housing Wage has increased 27% since 2000. The typical renter in Michigan earns \$10.95, which is \$3.37 less than the hourly wage needed to afford a modest unit. As a result, an estimated 59% of renters in Michigan do not earn enough to afford a two-bedroom unit at the Fair Market Rent.

"Despite the decline in the housing market, fair market rents have increased in the last decade," said Jamie Schriener-Hooper, Executive Director of CEDAM. "As we work to rebuild the economy, we need to ensure that low- and moderate-income workers can afford to live in our communities."

The gap between wages and rent is especially important given Michigan's high foreclosure rate. "Homeownership is more financially accessible today, but only to those families with good credit," explained Schriener-Hooper. "After a foreclosure, households need safe, decent, affordable rental housing options while they get back on their feet."

This year, Michigan is the 30th most expensive state in the nation for renters, more expensive than Ohio and Indiana and similar to Wisconsin. The 2011 National Housing Wage is \$18.46.

Additional Facts about Michigan:

- From 2005-2009, 25% of Michigan households rented their homes. Today that percentage is expected to be higher due to foreclosures and the tighter credit market.
- Rent and utilities for a modest two-bedroom apartment cost more than \$800 in eight Michigan counties: Grand Traverse, Wayne, Lapeer, St. Clair, Macomb, Oakland, Washtenaw and Livingston. To afford this, minimum-wage earners need to work more than 80 hours per week.

- In the 37 least expensive counties, fair market rent for a 2BR apartment is \$595. However, in several of those counties, the average renter can only afford half that amount.
- To find out what your personal housing wage is (how much you need to earn per hour to afford your rent and utilities), visit <http://nlihc.org/oor/oor2011/calc.cfm>.

For additional information, visit <http://www.nlihc.org/oor/oor2011>.

The Community Economic Development Association of Michigan (CEDAM), a nonprofit organization, represents hundreds of organizations and individuals committed to rebuilding our neighborhoods and revitalizing communities throughout Michigan. CEDAM is a membership association of primarily nonprofit community development corporations (CDCs), community action agencies, and other nonprofits that provide affordable and supportive housing to our most vulnerable citizens, encourage downtown and commercial corridor revitalization, provide workforce and entrepreneurship training, and help families develop and maintain assets. For more information about CEDAM, please visit www.cedam.info.

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