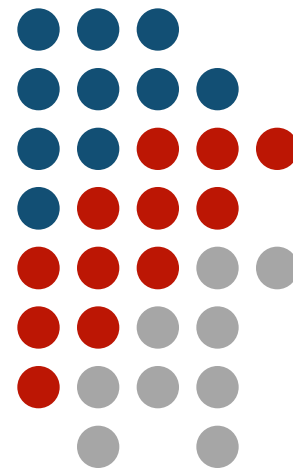


P^YCHECK TO P^YCHECK



November 3, 2016

Brian Stromberg, Research Associate
Janet Viveiros, Acting Director of Research

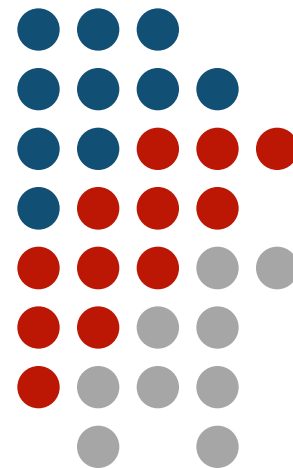


P^YCHECK TO P^YCHECK

A line graph with four data points connected by a blue line, showing an upward trend. Below the line are three stacks of blue coins, each with a red house icon on top. To the right of the stacks is a large blue circle with a white dollar sign.

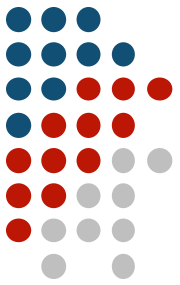
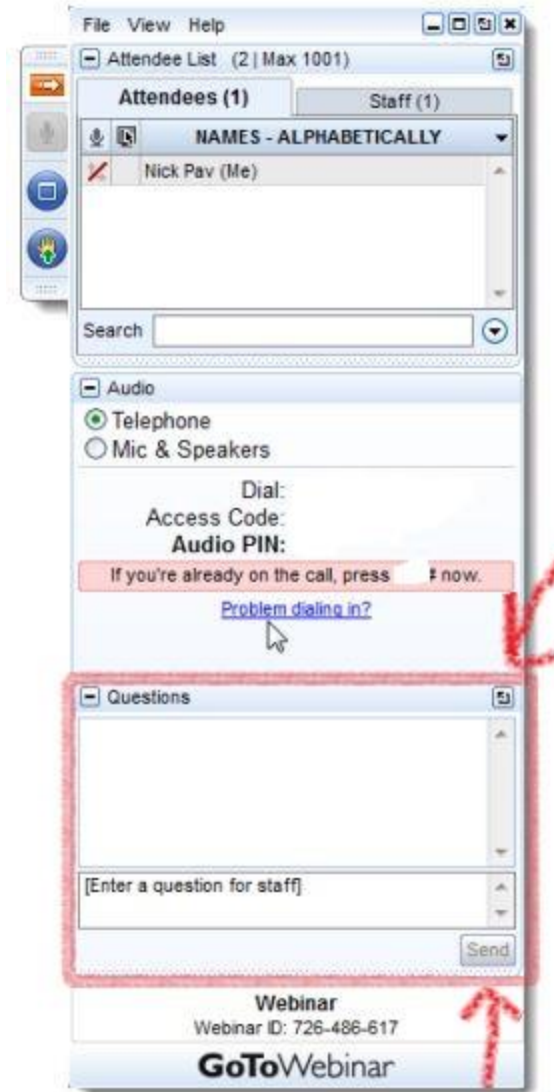
November 3, 2016

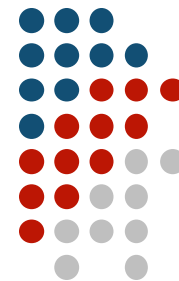
Brian Stromberg, Research Associate
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Questions & technical details

- A link to view the presentation and download slides will be emailed to everyone who registered
- Ask us questions via the Questions box in your GoToWebinar module
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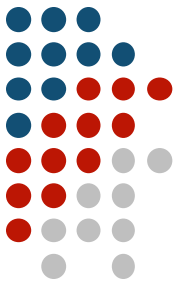
Paycheck to Paycheck data tool

- Graphs that compare wages and housing costs in 210 metro areas and the nation as a whole.
- Median incomes for 81 occupations.
- Median home prices and fair market rents in 210 metro areas and the incomes needed to afford them.

Paycheck to Paycheck Report

- *A Snapshot of Housing Affordability for School Workers.*
- 5 education-related occupations: groundskeeper, bus driver, child care worker, social worker, high school teacher.

Paycheck to Paycheck



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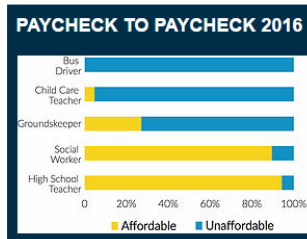
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We are a nonprofit membership organization | [FUND NHC'S RESEARCH](#) | housing community with nonpartisan advocacy, research and communications tools to move housing forward.



How Housing Matters brings together practitioners from different sectors to explore ways in which housing is a platform for achieving positive outcomes in health, education, and economic opportunity.

[LEARN MORE](#)



The 2016 installment of Paycheck to Paycheck focuses on the housing affordability challenges faced by both teachers and non-instructional school workers.

[LEARN MORE](#)



Solutions for Affordable Housing will chart a course for federal housing policy to empower the affordable housing community after the November presidential and congressional elections.

[LEARN MORE](#)

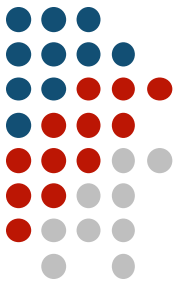
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Paycheck to Paycheck: Online Resources






NATIONAL HOUSING CONFERENCE

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2016

PAYCHECK TO PAYCHECK

A SNAPSHOT OF HOUSING AFFORDABILITY FOR SCHOOL WORKERS

By Brian Steinberg and Mindy Aull, September 2016

FROM THE TEACHERS WHO ARE TORN with educating a community's children to the bus drivers who are responsible for getting thousands of children to and from school, school employees are essential elements of every community across the country. Finding affordable housing near their workplace remains a struggle for many of these school workers, who earn modest incomes despite the fact that the economy has been in recovery for several years.

This edition of Paycheck to Paycheck focuses on the affordability challenges faced by both teachers and non-educational school workers by highlighting how of the 210 occupations at the Paycheck to Paycheck database have direct, child care teacher, preschool teacher, and other worker and high school teacher. As for any other sector of the economy, the ability of school workers to find near their place of employment is an important aspect of housing, living, and economic conditions. Communities that have high housing costs and lack programs to offset those costs can struggle to retain the staff that works to create a safe and supportive environment.

The importance of providing affordable housing for teachers is a compelling topic in many communities, as increasing talented educators can be difficult when housing prices are too high. However, teachers are only part of the picture when it comes to education. Millions in a wide variety of occupations work alongside teachers to ensure that schools can successfully and properly educate our nation's children. Addressing the housing needs of these workers is a critical educational imperative. Bus drivers and groundskeepers typically have lower wages than social workers and teachers, but their work is important when it comes to the logistics of maintaining a healthy learning environment. It is the collaboration between staff that allows a school to function well.

None of these occupations earned salaries that were high enough to guarantee either renting or owning a home in every metro area included in this report (see Figure 1). This is not surprising given the generally high cost of housing throughout the country relative to household income. 77 metro areas had homeownership costs that were higher than their median household income, and 12 metro areas had rental costs that were unaffordable at their respective median incomes.

High school teachers earning median wages are able to afford to buy a median-priced home in 142 out of the 210 metro areas analyzed, and they are able to afford the typical rent for a two-bedroom home in all but the highest-cost metros. In the majority (155) out of 210, by contrast, bus drivers - who earned the lowest wages of the five occupations examined - face unique challenges in finding affordable housing around the country. They were not able to afford to own a median-priced home or rent a typical 2-bedroom home in any of the 210 metro areas.

FIGURE 1

Percentage of Selected Metro Areas Where Renting is Affordable for Highlighted Occupations

Occupation	Can afford to rent	Cannot afford to rent
Teacher	68%	32%
Child care teacher	65%	35%
Preschool teacher	62%	38%
Other worker	58%	42%
High school teacher	55%	45%

Percentage of Selected Metro Areas Where Homeownership is Affordable for Highlighted Occupations

Occupation	Can afford to own	Cannot afford to own
Teacher	65%	35%
Child care teacher	62%	38%
Preschool teacher	58%	42%
Other worker	55%	45%
High school teacher	52%	48%

200 percent equals 2:1 ratio where income is affordable

Legend: Can afford to rent, Cannot afford to rent

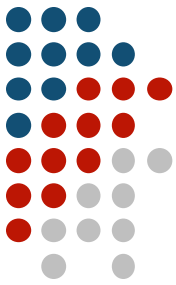
Paycheck to Paycheck is comprised of an online, interactive database and accompanying report prepared by the research staff at the National Housing Conference. The published report highlights the housing affordability challenges of workers in several occupations across 210 metropolitan areas, while the online database tool allows users to learn more about the affordability challenges in their own communities. For more information on how we do the analysis, see the methodology section on the database site.

[View the 2016 report](#)

[View the supplemental research note, "Affordability Challenges in Colorado"](#)

[Proceed to the 2016 Paycheck to Paycheck database](#)

Paycheck to Paycheck: Data Tool



NHC's annual release of Paycheck to Paycheck provides a snapshot of the ability of working households to afford housing in metropolitan areas across the country. The published report highlights the ability of workers to afford housing in 210 metropolitan areas. See our methodology for more information on how we calculate the data for the same methodology to do your own analysis.

The full Paycheck to Paycheck data tool includes:

- Graphs that compare wages and housing costs in 210 metro areas and the nation
- Median incomes for 81 occupations
- Median home prices and the income needed to afford them
- Fair market rents and the income needed to afford them

Metropolitan Areas

Select one of 210 metropolitan areas

Select a Metropolitan Area

CHOOSE METRO AREAS

Report and Rankings

- Median of Metropolitan Housing Affordability for School Workers
- Most Affordable Metropolitan Areas, 2016
- Most Expensive Metropolitan Areas, 2016
- Change in the Income Needed to Rent a Home, 2015-2016
- Change in the Income Needed to Purchase a Home, 2015-2016

Previous releases of Paycheck to Paycheck:

Free download

*In a few select cases, 2003 and 2005 wage data may not be comparable due to a change in

Paycheck to Paycheck can be viewed using a recent internet browser.

Each report is required to print quarterly 2011 findings and analysis. Internet Explorer is recommended.

Methodology

Data Sources

Paycheck to Paycheck is based on a wide array of data: median home sale prices, the U.S. Census

home sale prices, are primarily city-level data from the National Association of Home Builders

are missing for a particular metropolitan area, we use data from the National Association of

The data from Salary.com is proprietary and not publicly available. The other data are available

- Salary.com link to find/Match: Target Housing Opportunity Index
- National Association of Realtors
- HUD PHMSA look-up tool

Calculations

For homeownership, we calculate the income required to qualify for a mortgage on the median

calculations are based on a 30 percent loan to value ratio (LTV), a 10 percent down payment,

monthly mortgage payments that include principal and interest as well as taxes and

insurance. The monthly mortgage payments are annualized and assumed to compare with

annual income in accordance with conventional underwriting guidelines.

For rental housing, we calculate the annual income that must be earned so that gross rent is

percent of income, a commonly accepted standard of affordability.

NHC provides a detailed guide on replicating our methodology.

Geography

This analysis is done for 81 occupations in 210 metropolitan areas. The metropolitan areas

possible between the sales data metro areas, HUD PHMSA area definitions and the existing

Statistical area (SAs) and metropolitan divisions by the Office of Management and Budget

Major products from Paycheck to Paycheck data use either CMA or metropolitan divisions and

which provides a unique identifier.

Frequently Asked Questions

For the metro area (checked), homeownership seems to be affordable for most workers

mean?

In markets where low- and moderate-income workers can afford the mortgage for a median

may still face barriers to homeownership. Amongst a down payment (we assume 10 percent)

credit, and affording the bills for utilities, maintenance, and repairs can be substantial costs

for working families.

Why do you calculate affordability based on just one income?

Job loss, household composition changes, and other factors mean that many households find themselves relying on

just one income to get by. In recent years, single wage-earner households account for just under 40 percent of all U.S.

households. The median number of workers per household is typically around 1.5, for many lower-wage jobs, even

two earners would not have enough income to afford housing in moderate or high-cost markets.

Notes

Paycheck to Paycheck 2016 uses total cash compensation data for workers' salaries instead of base pay data used in

previous years to 2015. Total cash compensation includes base pay, tips, and short-term performance bonuses but not

overtime or holiday pay, or long- and retention bonuses. As a result, Paycheck to Paycheck 2016 is only comparable

to Paycheck to Paycheck 2013, 2014, and 2015.

The total number of metropolitan areas for which data are available is not always 210 as complete data on home

sales were not available for all years.

Acknowledgements

The National Housing Conference gratefully acknowledges the support of the Chicago Dwelling Association in

funding Paycheck to Paycheck: Wages and the Cost of Housing in America and Paycheck to Paycheck 2016: A Snapshot

of Housing Affordability for School Workers. Any opinions or conclusions expressed, however, are those of the authors

alone.

The full Paycheck to Paycheck data tool includes:

- Graphs that compare wages and housing costs in 210 metro areas and the nation
- Median incomes for 81 occupations
- Median home prices and the income needed to afford them
- Fair market rents and the income needed to afford them

Metropolitan
Areas

Select one of 210 metropolitan areas

--Select a Metropolitan Area--

CHOOSE OCCUPATIONS

- OR -

Occupations

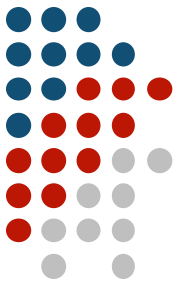
Select one of 81 occupations

--Select an Occupation--

CHOOSE METRO AREAS

paycheck.nhc.org

Paycheck to Paycheck: Data Tool



NHC's annual release of Paycheck to Paycheck provides insights into the ability of working households to afford typical housing in metropolitan areas across the country. The published report highlights the housing affordability challenges of workers in several occupations across 210 metropolitan areas. See our methodology for more information on how we come up with our numbers (or use the same methodology to do your own analysis).

The full Paycheck to Paycheck data tool includes:

- Graphs that compare wages and housing costs in 210 metro areas and the nation
- Median income for 81 occupations
- Median home prices and the income needed to afford them
- Fair market rents and the income needed to afford them

Metropolitan Areas
Select one of 210 metropolitan areas

OR

Occupations
Select one of 81 occupations

Select a metropolitan area:

Select an occupation:

View Report

Report and Rankings

- A snapshot of metropolitan housing affordability for School Workers
- Most to Least Expensive Rental Markets, 2016
- Most to Least Expensive Homeownership Markets, 2016
- Change in the Income Needed to Afford Home, 2015-2016
- Change in the Income Needed to Afford Rent, 2015-2016

Previous releases of Paycheck to Paycheck:

For more information, 2002 and 2005 wage data may not be comparable due to a change in methodology.

Paycheck to Paycheck can be viewed using a recent internet browser.
Firefox is recommended for best results. Internet Explorer is recommended for printing this page.

Methodology

Data Sources
Paycheck to Paycheck is based on three sets of data: median home sale prices, the U.S. Department of Housing and Urban Development's (HUD) Fair Market Rent (FMR) calculations, and salary data from Salary.com. For the median home sale prices, we primarily rely on data from the National Association of Home Builders (NAHB). When NAHB data are missing for a particular metropolitan area, we use data from the National Association of Realtors.

The data from Salary.com is proprietary and not publicly available. The other data are available at the following links:

- NAHB (first link to NAHB/Wells Fargo Housing Opportunity Index)
- National Association of Realtors
- HUD FMR look-up tool

Calculations

For homeownership, we calculate the income required to qualify for a mortgage on the median-priced home. Our calculations are based on a 90-percent loan-to-value ratio (that is, a 10-percent down payment plus the use of private mortgage insurance) and monthly payments that include loan principal and interest as well as estimated taxes and insurance. The monthly mortgage payments are annualized and assumed to comprise no more than 28 percent of annual income in accordance with conventional underwriting guidelines.

For rental housing, we calculate the annual income that must be earned so that gross rent does not exceed 30 percent of income, a commonly accepted standard of affordability.

NHC provides a detailed guide on replicating our methodology here.

Geography

This analysis is done for 81 occupations in 210 metropolitan areas. The metropolitan areas are matched as well as possible between the sales data metro areas, HUD's FMR area definitions, and the existing definitions of Core Based Statistical Areas (CBSAs) and metropolitan divisions by the Office of Management and Budget.

Maps produced from Paycheck to Paycheck data use either CBSA or metropolitan division geographies, depending on

Frequently Asked Questions

For the metro areas, homeownership seems to be affordable for most occupations. What does this mean?

In markets where low and moderate income workers can afford the mortgage for a median-priced home, workers may still face barriers to homeownership. Amongst a challenge is that workers may assume 10 percent down, getting access to credit, and affording the debt for utilities, maintenance, and repairs. Additional additional barriers, especially for working families.

Why do you calculate affordability based on just one income?

Job loss, household composition changes, and other factors mean that many households find themselves relying on just one income to get by. In recent years, single wage-earner households account for just under 40 percent of all U.S. households. The median number of workers per household is typically around 1.5. For many lower wage jobs, even two earners would not have enough income to afford housing in moderate or high-cost markets.

Notes

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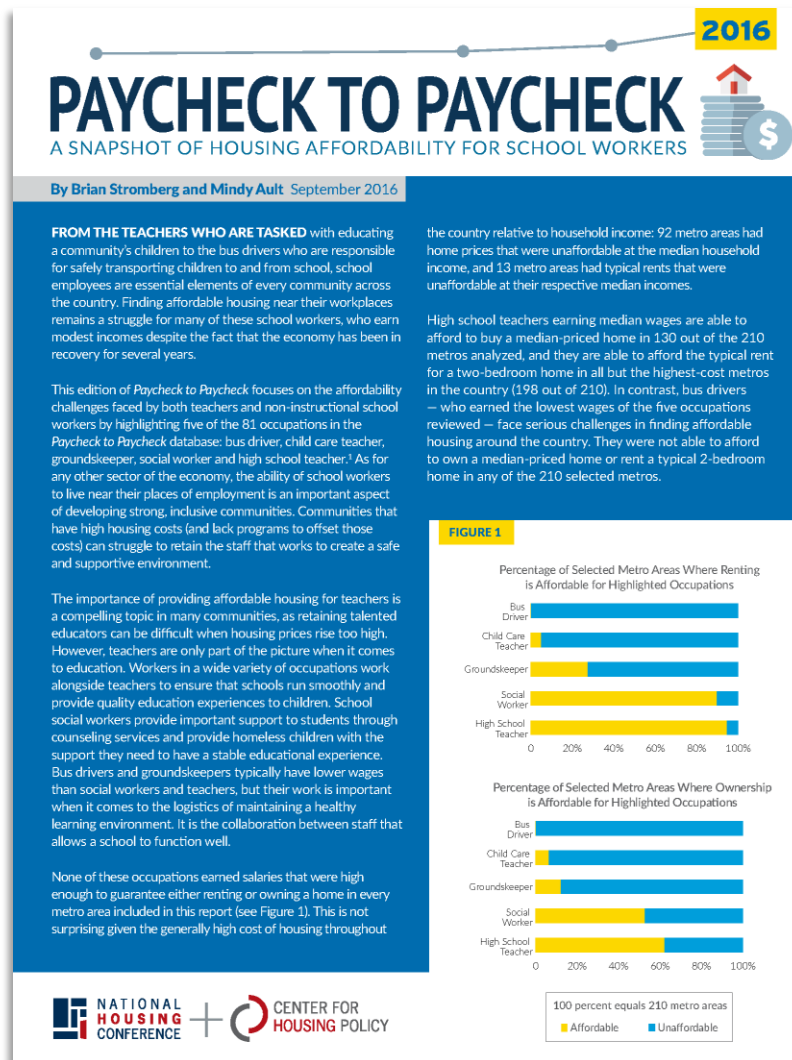
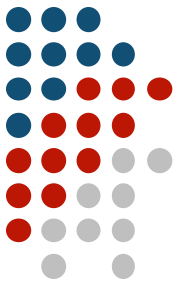
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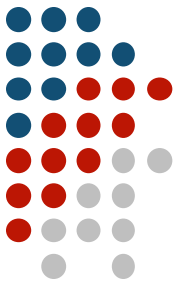
Maps produced from Paycheck to Paycheck data use either CBSA or metropolitan division geographies, depending on which provides a unique identifier.

paycheck.nhc.org

Paycheck to Paycheck: Housing Affordability for School Workers

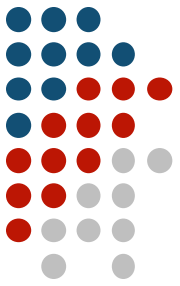


Paycheck to Paycheck: Housing Affordability for School Workers

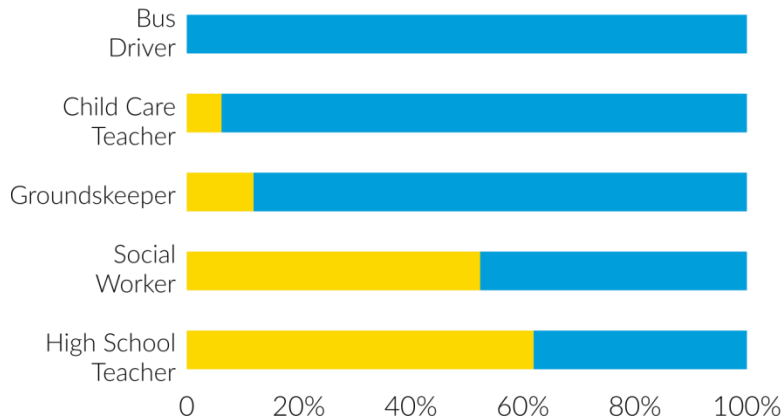


- **School worker occupations illustrate struggles for workers across the wage spectrum**
 - National median salary for bus drivers is 44% of national household median (\$23,412).
 - National median salary for high school teachers is 106% of the national household median (\$56,882).

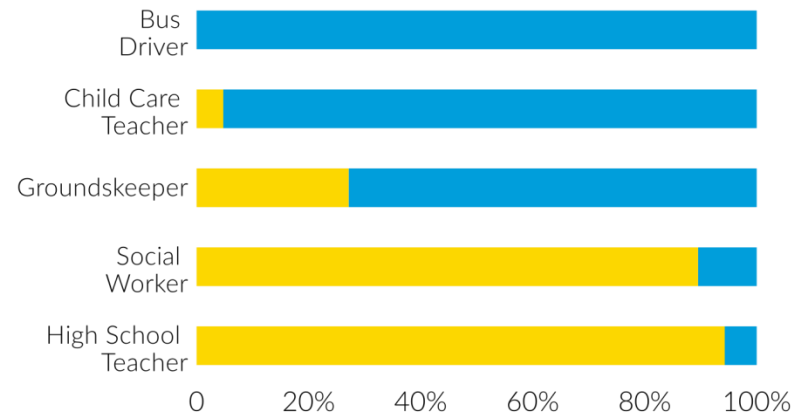
Paycheck to Paycheck: Housing Affordability for School Workers



Percentage of Selected Metro Areas Where Ownership
is Affordable for Highlighted Occupations



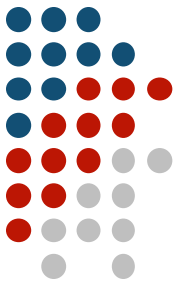
Percentage of Selected Metro Areas Where Renting
is Affordable for Highlighted Occupations



100 percent equals 210 metro areas

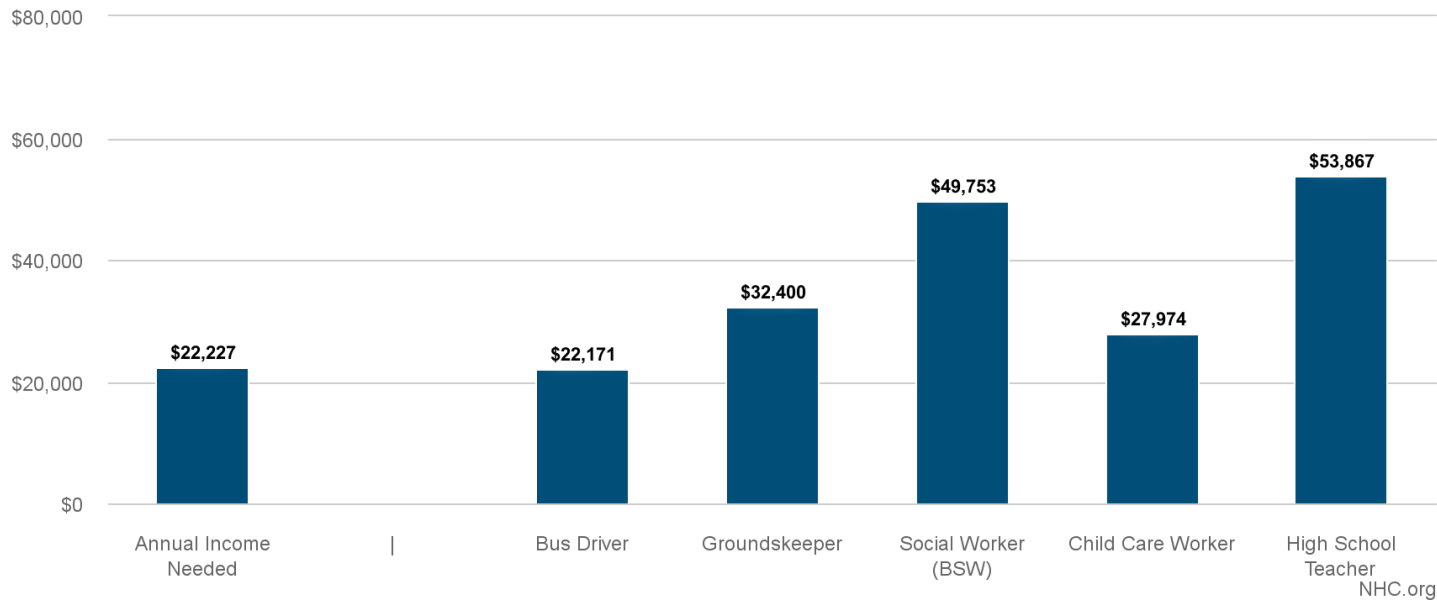
■ Affordable ■ Unaffordable

Paycheck to Paycheck: Housing Affordability for School Workers

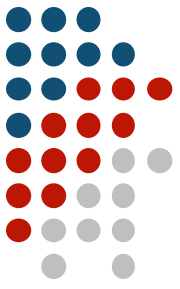


- **Struggles in low-cost markets**

Youngstown, OH, Homeownership Market

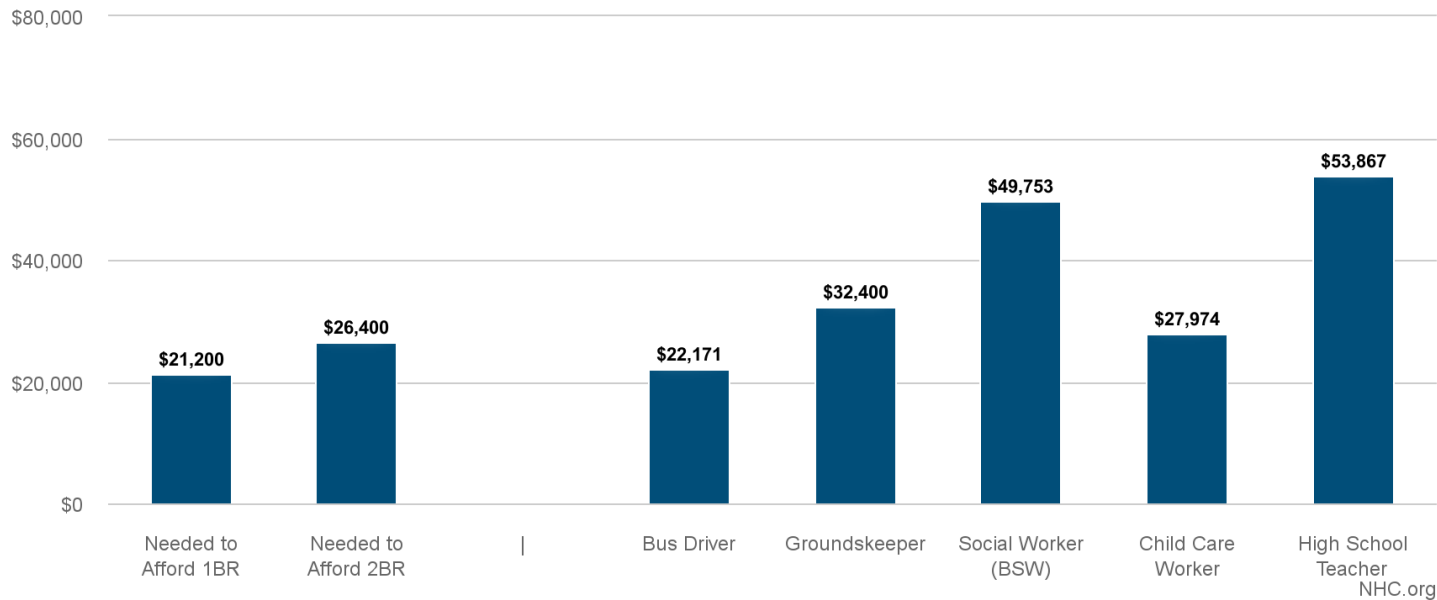


Paycheck to Paycheck: Housing Affordability for School Workers

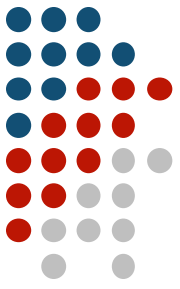


- **Struggles in low-cost markets**

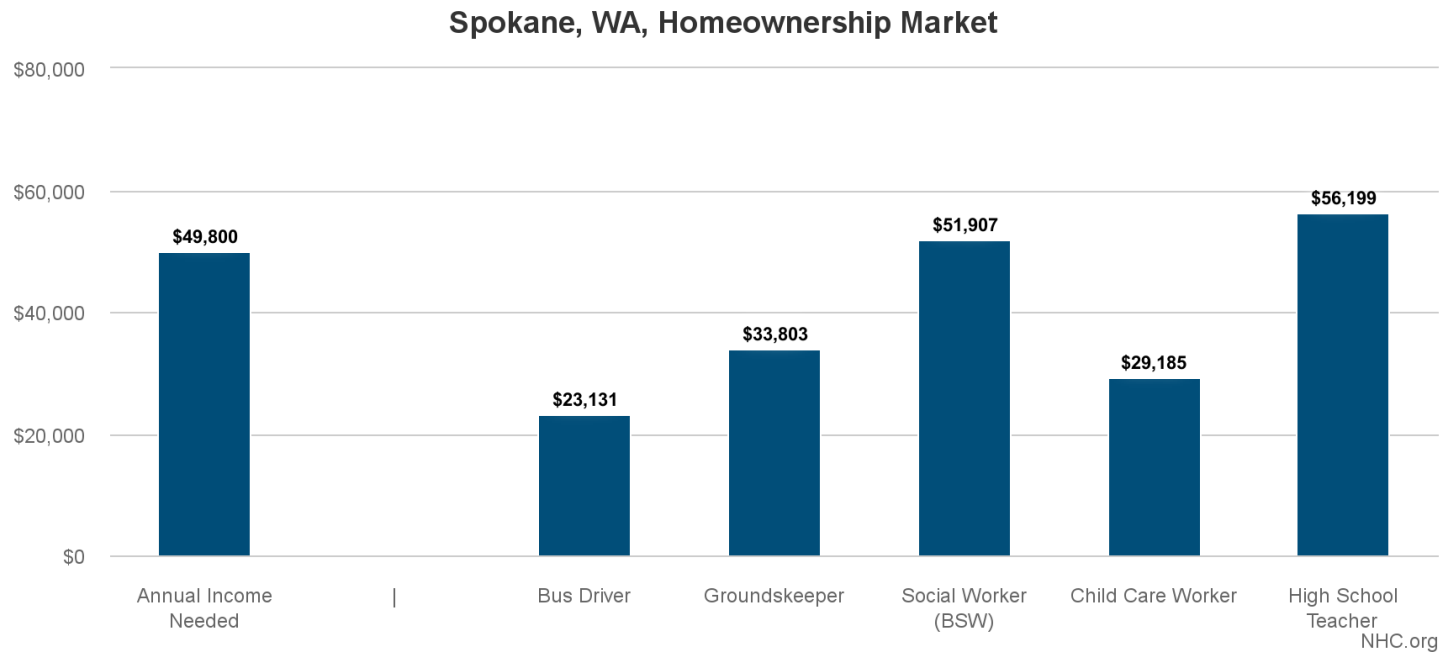
Youngstown, OH, Rental Market



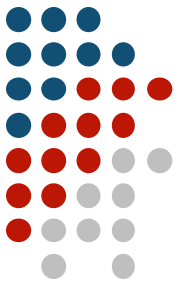
Paycheck to Paycheck: Housing Affordability for School Workers



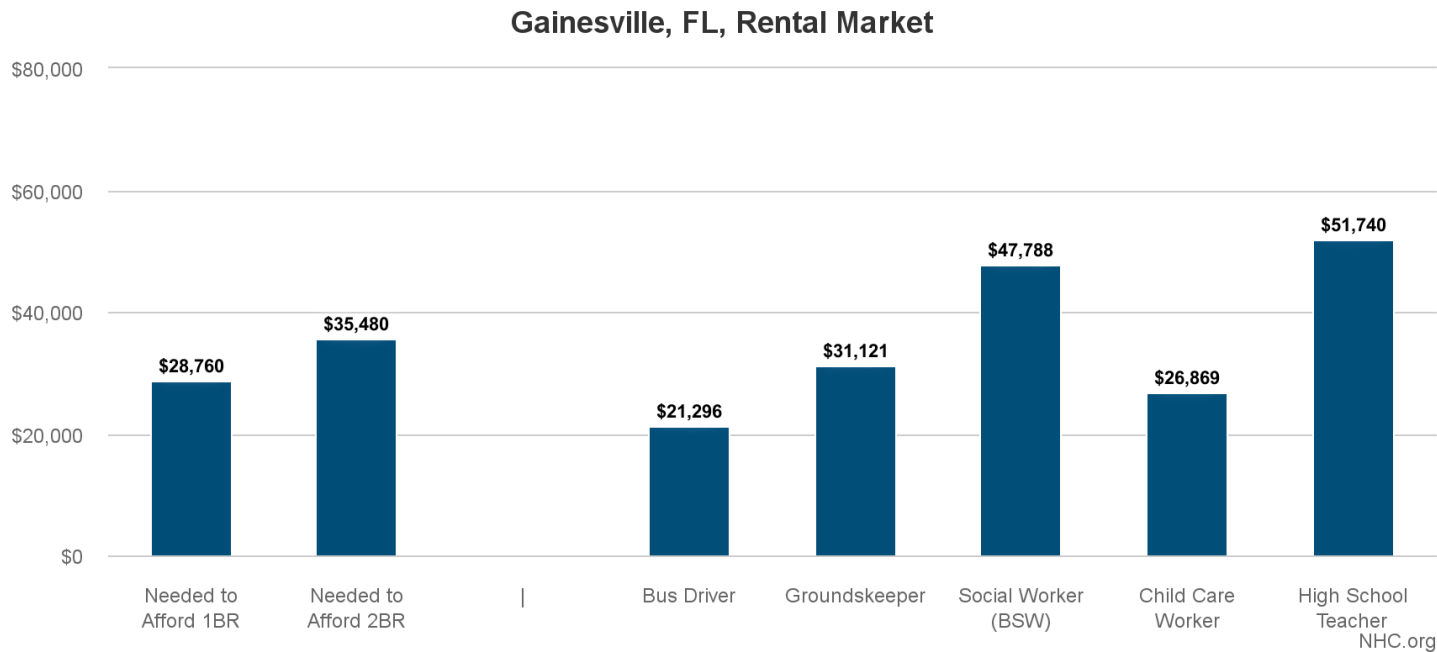
- **Struggles in middle-cost markets**



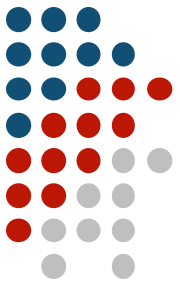
Paycheck to Paycheck: Housing Affordability for School Workers



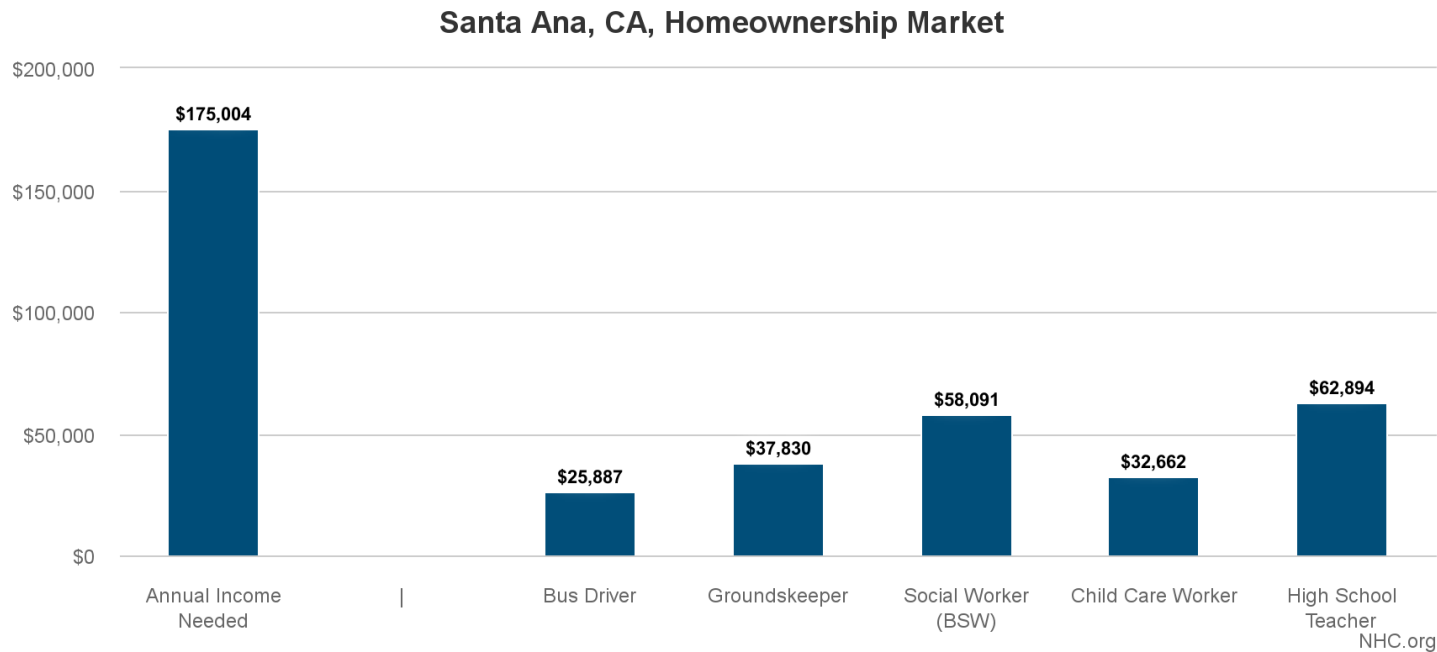
- Struggles in middle-cost markets**



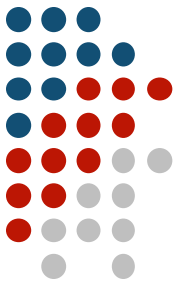
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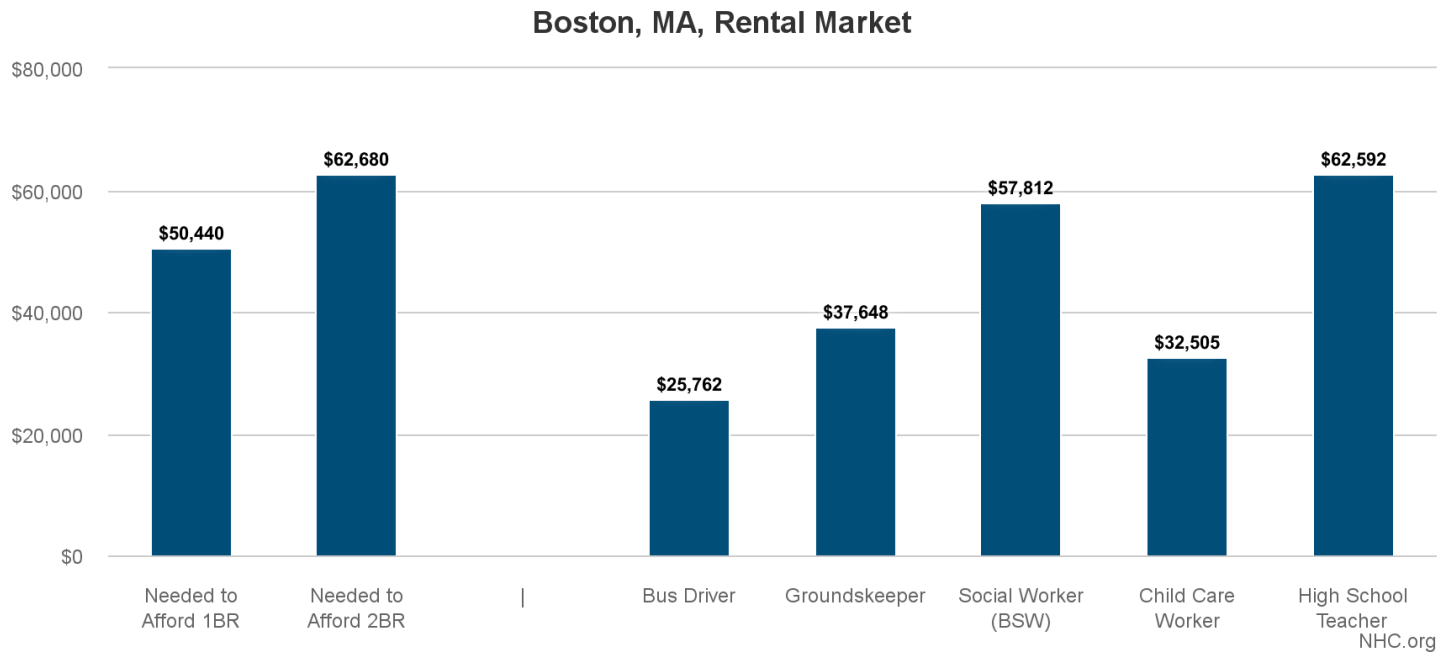
- **Significant disparities in high-cost markets**



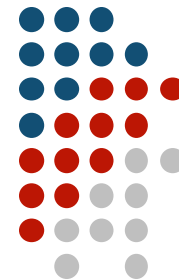
Paycheck to Paycheck: Housing Affordability for School Workers



- **Significant disparities in high-cost markets**



Policy Solutions



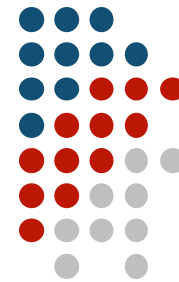
- **Local**

- San Francisco's Teacher Next door program - Forgivable loan for first-time homebuyers who work in the city.
- Los Angeles Unified School District – Building affordable rental units on surplus LAUSD property for all qualified employees (not just teachers).

- **State**

- Connecticut Housing Finance Authority's Teachers Mortgage Assistance Program.
 - Below-market loans for teachers in “priority or transitional” districts.
- Texas State Affordable Housing Corporation.
 - Low-cost loans for education professionals.

Policy Solutions



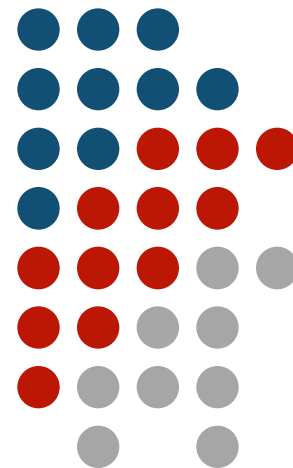
- **Federal**
 - HOME, FHA, USDA, FHLB
 - Low Income Housing Tax Credit
 - Housing Choice Voucher
- **Housing finance reform**
 - Reliable access to credit
 - Financing for multifamily housing
 - Support for affordable housing



Contact:

bstromberg@nhc.org

jviveiros@nhc.org



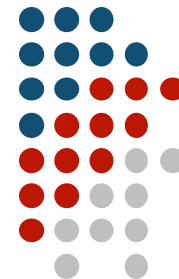


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Where sectors meet—Change happens

EDUCATION, EMPLOYMENT OPPORTUNITY, HEALTHCARE, AND HOUSING

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NHC **2016** NATIONAL HOUSING POLICY CONVENING

December 14 | Ronald Reagan Building and International Trade Center | Washington, DC



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