

Divergence Between ACS-Reported Rent Burden and Administrative Data⁺

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America's housing affordability crisis and the decline of housing supply

L.A. housing prices expected to grow after fires amid already existing crisis

America's Affordable Housing Crisis

The housing crisis is likely to be solved in cities and states, not Washington.

The homebuying affordability gap is widening across the country, creating 'an impossible market'

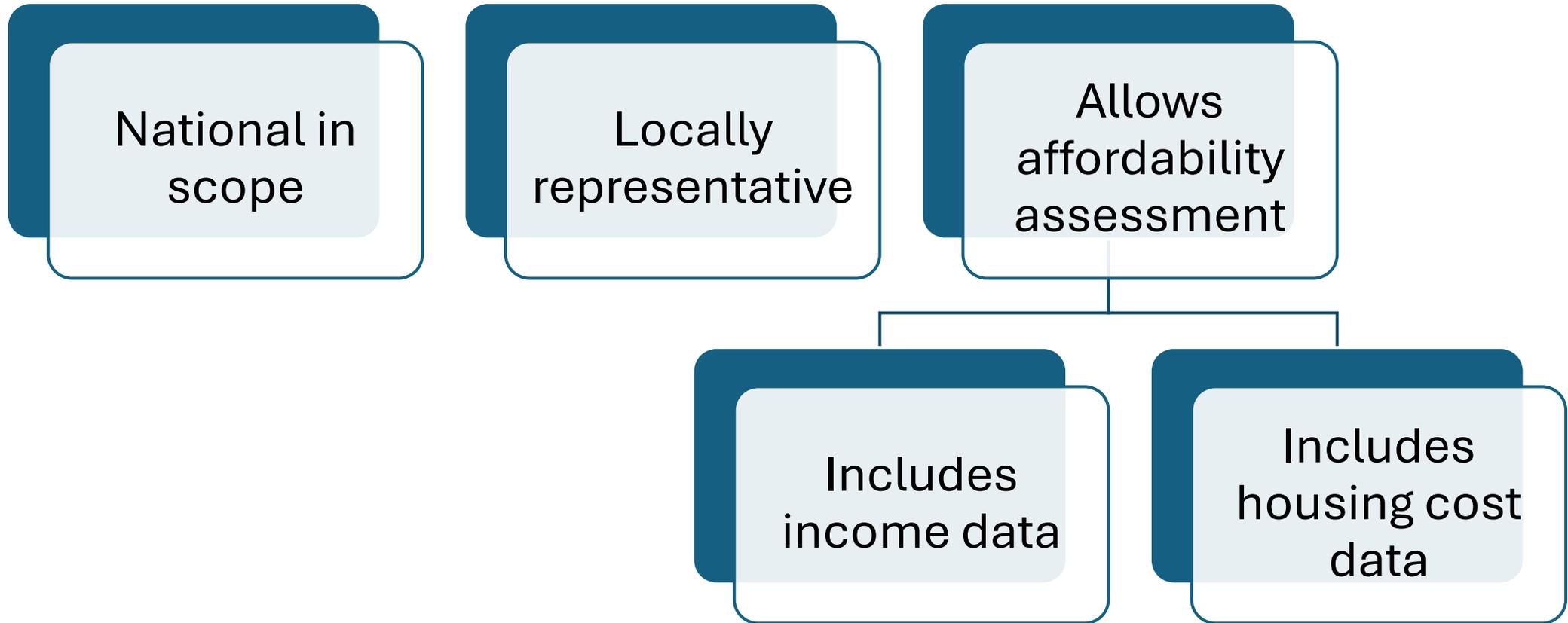
Why are so many voters frustrated by the US economy? It's home prices

The American Community Survey is our central tool for measuring housing affordability.

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ACS-based affordability data is misleading for one population of central concern – low-income renters.

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Deep literature shows that income often underreported among lowest and highest income respondents.

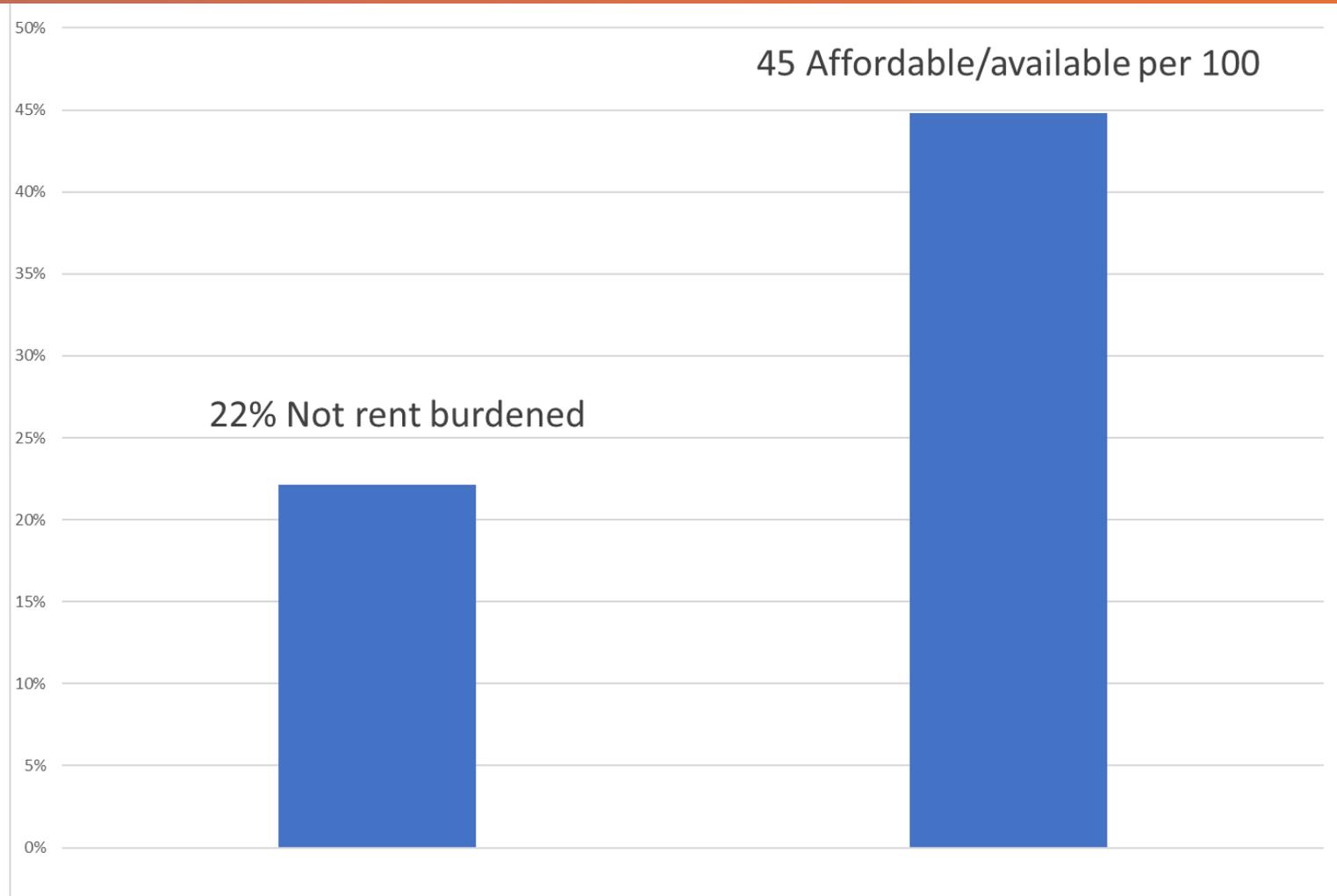
Census-to-HUD data match project showed that housing voucher holders often report tenant-total-payment instead of rent.

Housing affordability vocabulary



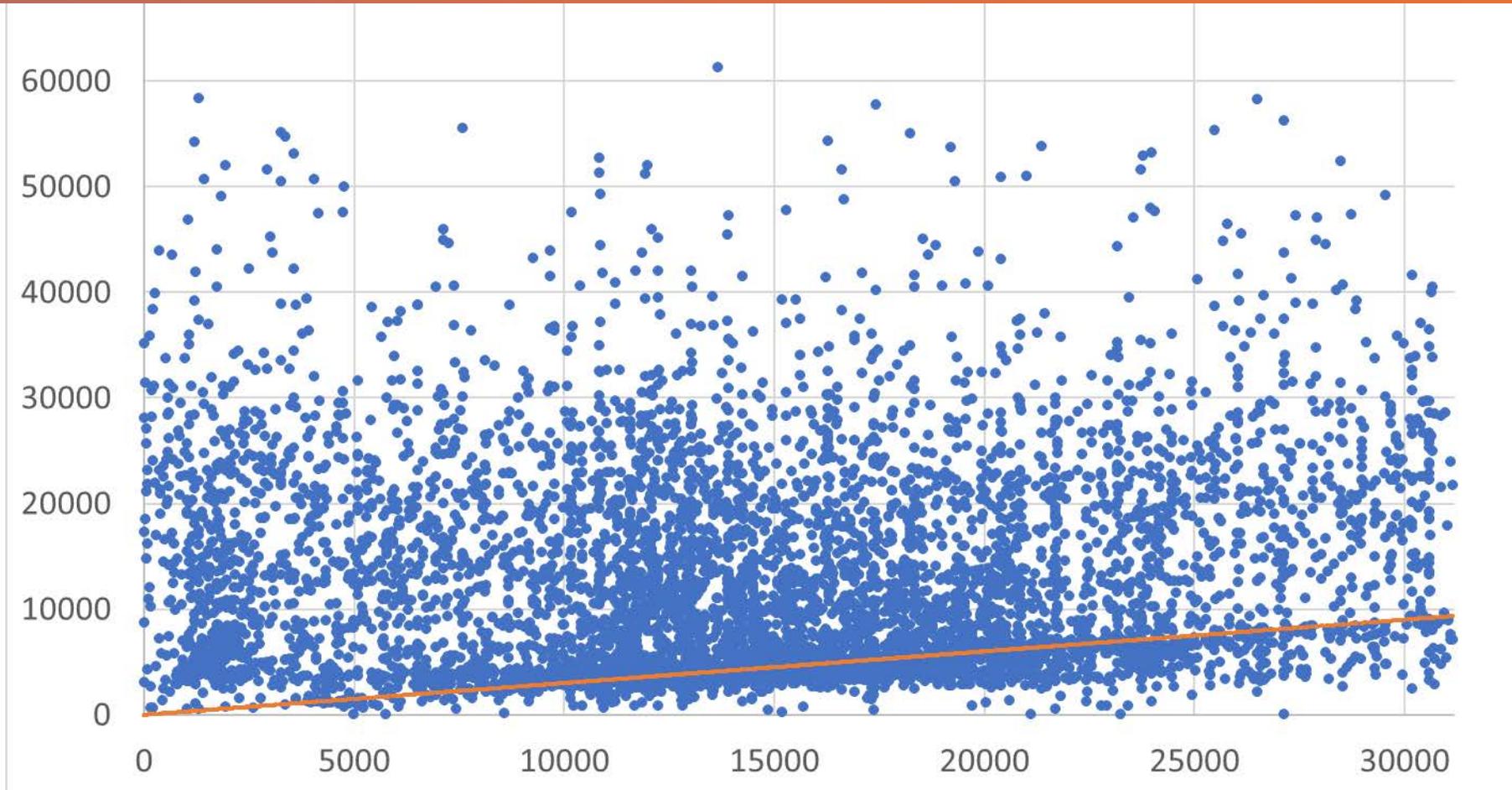
Term	Definition
Rent Burden	Gross rent as percent of household income
Rent Burdened	Rent burden over 30%
Extremely Low Income (ELI)	Household income under 30% of area median income
ELI affordable unit	Gross rent less than 30% of ELI threshold (<30% of 30% of AMI)
ELI affordable/available unit	ELI affordable and not occupied by non-ELI household
ELI affordable/available rate	ELI affordable/available units per 100 ELI households
Rent based on income (RBI) unit	Tenant rent subsidized to keep rent burden below 30%
Very Low Income	Household income under 50% of area median income (working poor)

For ELI households in the ACS, the share *not* rent-burdened is+ surprisingly low when compared to the affordable/available rate.



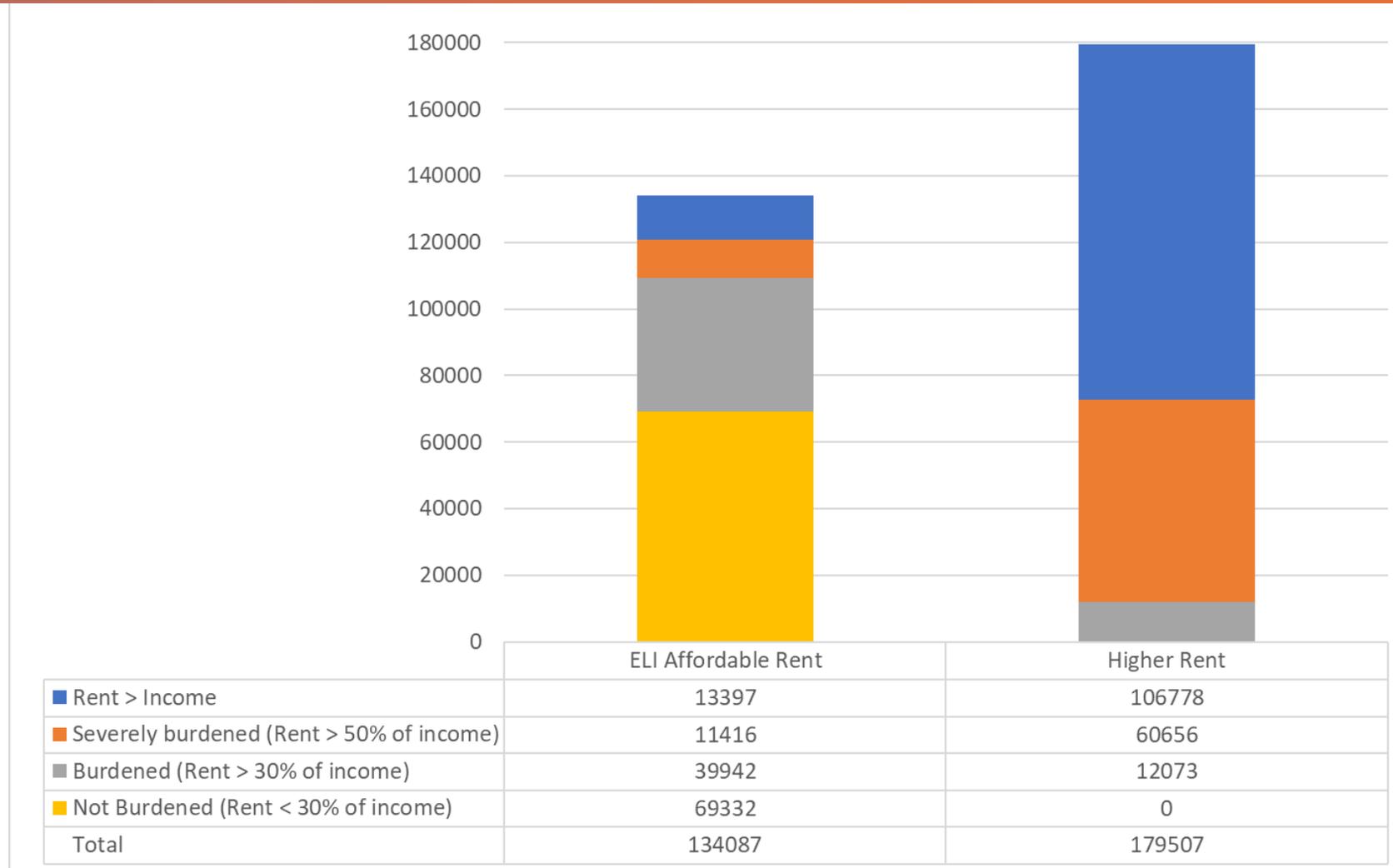
Extremely Low Income Households -- Rent Burdened vs. Affordable Housing Availability, Massachusetts, ACS 2023 5-year data

ACS microdata shows many ELI-households reporting rents that are far above their income. + ● ○



Annual Household Income (x) vs. Annual Rent (y), Single Person ELI Households with Rent > 0 and Income > 0 Massachusetts ACS 2023 5 year data (unweighted points) -- orange line is 30%

In the ACS, only half of ELI households reporting ELI-affordable rent are *not* rent burdened, and well over half of those reporting ELI-unaffordable rent are paying rent over 100% of income.



ELI Households in Massachusetts by Rent Level and Rent Burden, ACS 2023 -- 5 Year Data

Rents in RBI units are known to be consistently a little under 30% of unadjusted household income.



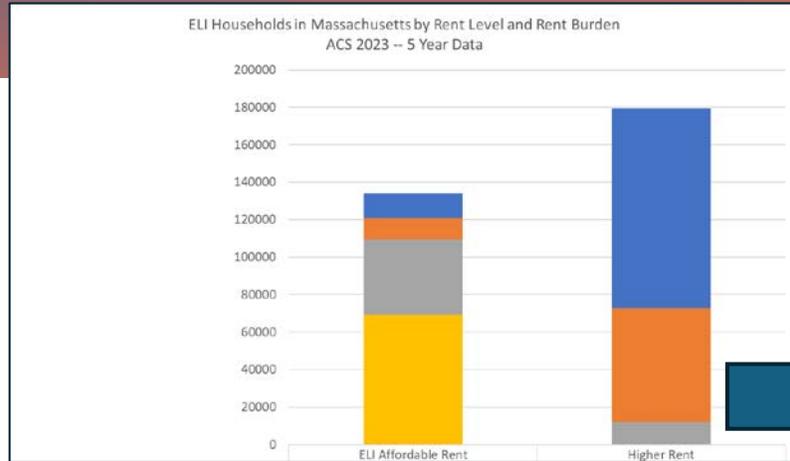
Dictated by state and federal law and regulation

Validated by HUD “picture” data

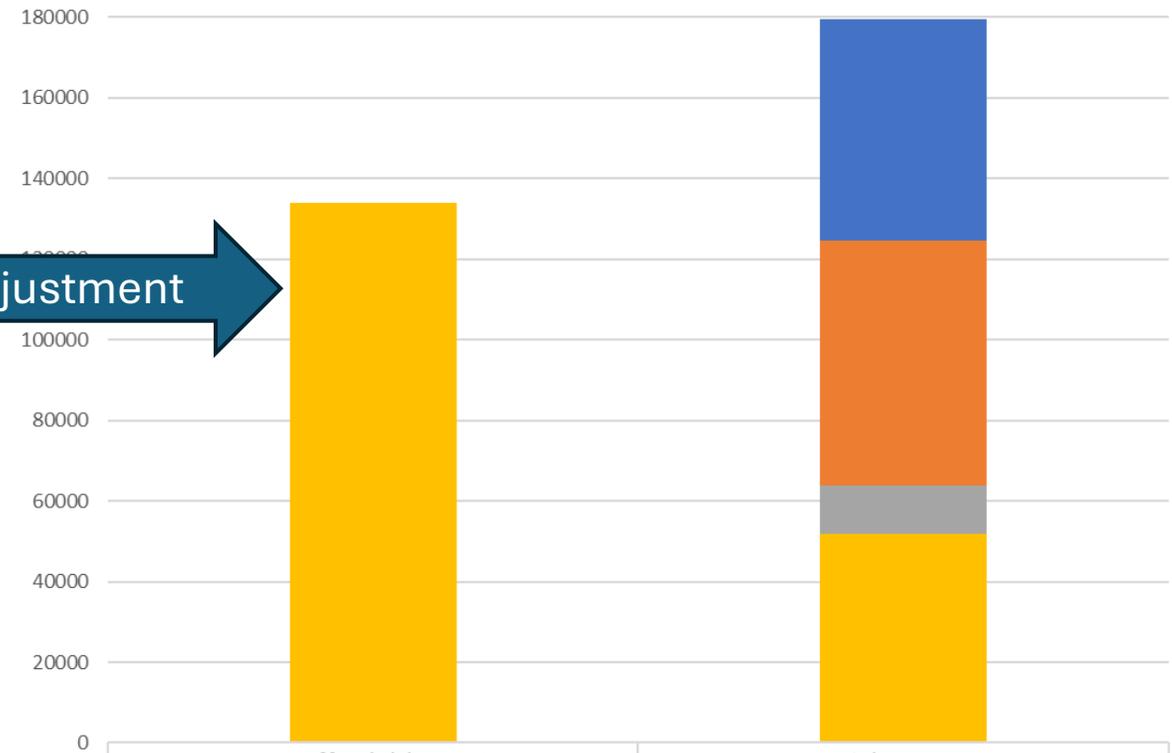
Validated by HUD microdata

Validated by local experience

Crediting administrative data, roughly 60% of ELI households + are paying affordable rent, and perhaps 25% are not true ELI.



Admin. Data Adjustment →



- Rent > Income
- Severely burdened (Rent > 50% of income)
- Burdened (Rent > 30% of income)
- Not Burdened (Payment < 30% of income)

	ELI Affordable Rent	Higher Rent
Not Burdened (Payment < 30% of income)	134087	51785
Burdened (Rent > 30% of income)		12073
Severely burdened (Rent > 50% of income)		60656
Rent > Income		54993
Total	134087	179507

ELI Households in Massachusetts by Rent Level and Rent Burden, ACS 2023 -- 5 Year Data adjusted by Administrative Data, N=313594

In Massachusetts, adjustment of ACS rent-burden with administrative data leads to increased concern about the housing gap for VLI as opposed to ELI households.



ELI not-rent-burdened population goes up from 22% to 59%

ELI total population goes down by as much as 25%

ELI Affordable Available Rate jumps from 45 to somewhere between 61 and 81

No reason to adjust ACS rent burdens for Very Low Income or Low-income

However, most ELI-affordable housing not available to VLI, due to preferences