

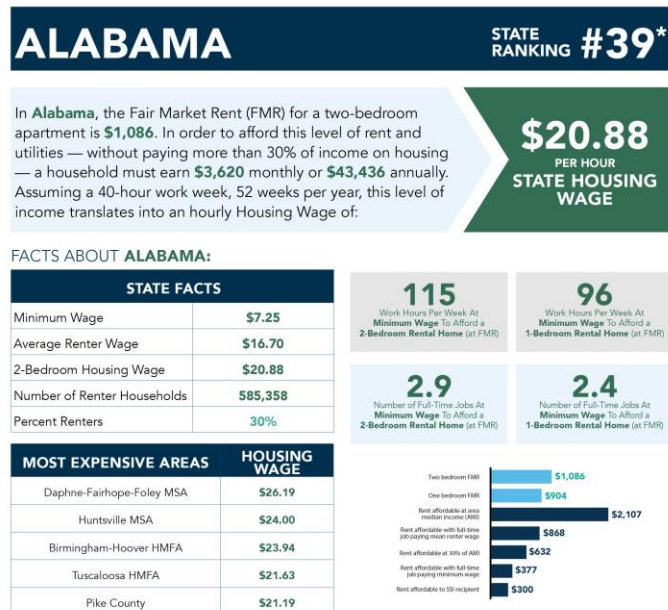
# AFFORDABLE HOUSING IS Out of Reach IN Alabama FOR LOW-WAGE WORKERS

To afford a modest, two-bedroom apartment at fair market rent in AL, full-time workers need to earn \$20.88 per hour. This is Alabama’s “2024 Housing Wage” according to Out of Reach, a report published jointly today by the National Low Income Housing Coalition (NLIHC) and [The Low Income Housing Coalition of Alabama](#) (LIHCA).

The report highlights the growing gap between wages and housing costs, with Alabama ranking 39th in the nation for affordability.

Here are some of the key findings:

- The statewide Housing Wage for a two-bedroom apartment is \$20.88 per hour. This means a full-time worker must earn this amount to afford rent and utilities without exceeding 30% of their income on housing.
- The average renter wage in Alabama is \$16.70 per hour. This leaves a significant gap between what people earn and what they need to afford a basic, two-bedroom rental.
- Across the state, working families are forced to make impossible choices, often having to sacrifice food, healthcare, or other essentials to make rent.
- The need for affordable housing is particularly acute in our state's metropolitan areas. In places like Huntsville, Birmingham, and Daphne-Fairhope-Foley, the Housing Wage is even higher, exceeding \$24 per hour.



“The data clearly shows a growing housing crisis in Alabama,” said Dr. Russell Bennett, Executive Director of LIHCA. “Working families are struggling to make ends meet, and the lack of affordable housing options is making the situation worse. We need a comprehensive solution to address this crisis, and the Alabama Housing Trust Fund is a crucial part of that solution.”

The Alabama Housing Trust Fund was created in 2016 to provide funding for affordable housing development across the state. However, the fund has yet to be fully funded, and LIHCA is calling on our state lawmakers to prioritize this critical investment.

“We cannot afford to wait any longer,” said Dr. Bennett. “The Alabama Housing Trust Fund can help create thousands of new affordable housing units, provide much-needed resources for housing counseling and repair programs, and build a stronger, more prosperous Alabama for everyone.”

Released annually, Out of Reach illuminates the gulf between wages and what people need to earn to afford their rents and shows how affordable rental homes are out of reach for millions of low-wage workers and other families. The report’s “Housing Wage” is an estimate of the hourly wage full-time workers must earn to afford a rental home at fair market rent without spending more than 30% of their incomes. According to this year’s report, the national 2024 Housing Wage is \$32.11 per hour for a modest two-bedroom rental home and \$26.74 for a modest one-bedroom rental home.

Out of Reach 2024 reveals that even when factoring in higher state and county-level minimum wages, the average minimum-wage worker in the U.S. must work 113 hours per week (2.8 full-time jobs) to afford a two-bedroom rental home at fair market rent, or 95 hours per week (2.4 full-time jobs) to afford a one-bedroom rental home at the fair market rent. In only 6% of counties nationwide (not including Puerto Rico) can a full-time minimum-wage worker afford a one-bedroom rental home at the fair market rent, and these counties are in states with a minimum wage higher than the federal minimum wage of \$7.25 per hour – a wage that has remained unchanged since 2009.

Yet higher minimum wages alone will not solve the housing affordability crisis: 58 counties and municipalities have minimum wages set higher than the federal or, where applicable, state minimum wage, but in each of these jurisdictions, the local minimum wage still falls short of the local one-bedroom and two-bedroom Housing Wages. Working at the minimum wage of \$7.25 in AL, for example, a wage earner must have 2.9 full-time job[s] or work 96 hours per week to afford a modest one-bedroom apartment and have 2.9 full-time job[s] or work 115 hours to afford a two-bedroom apartment.

With the cost of rent growing further out of reach for those with the lowest incomes and absent an adequate housing safety net, it is no surprise that homelessness has been on the rise. Existing research shows a strong connection between housing costs and homelessness in the U.S. The annual Point-In-Time count conducted by the U.S. Department of Housing and Urban Development found that approximately 653,000 people were experiencing homelessness in January 2023 – the highest number that has ever been recorded through the count and a 12% rise over the previous year. Out of Reach 2024 sheds light on one of the primary causes of increasing homelessness by uncovering the extreme discrepancies between wages and rents.

The report points to several policy prescriptions for addressing the affordable housing and homelessness crisis. Congress must prioritize long-term housing solutions, such as Housing Choice Vouchers (HCVs), that address the gap between incomes and rents documented in the report. The “Ending Homelessness Act of 2023,” for example, would ensure rental assistance vouchers are universally available to all eligible households in need of assistance, while the bipartisan “Family Stability and Opportunity Vouchers Act of 2023” would create 250,000 new housing vouchers targeted to low-income families with young children and provide mobility counseling services to help families find housing options in neighborhoods of their choice. Congress must also invest in solutions to expand and preserve the supply of affordable housing by passing the “Housing Crisis Response Act of 2023” and reduce the power imbalance between landlords and tenants by enacting federal renter protections.

“Housing is a basic human need and should be regarded an unconditional human right,” said NLIHC President and CEO Diane Yentel. “This year’s Out of Reach report shows that despite rising wages, cooling inflation, and low unemployment, low-wage workers and other renters continue to struggle with the high cost of rent. Addressing the challenge requires long-term federal investments in affordable housing. As evidenced during the COVID-19 pandemic, federal policies and resources play a pivotal role in establishing a robust housing safety net, preventing evictions and homelessness, and mitigating housing instability among renters with the lowest incomes. Likewise, federal renter protections are needed to ensure decent, safe, and accessible living conditions for tenants around the country.”

For additional information, and to download the report, visit: <http://www.nlihc.org/oor>

LIHCA’s mission is to increase housing opportunities for Alabamians with the greatest financial need, specifically those earning minimum wage or less. As the only statewide organization dedicated to increasing the number and quality of homes for Alabamians living in poverty, LIHCA strives to achieve its mission through three primary strategies:

building the leadership capacity of people committed to improving housing options in communities for Alabamians with the greatest financial need, providing meaningful housing educational resources and opportunities, and serving as a leading housing advocate for low-wealth Alabamians.