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AFFORDABLE HOMES CONTINUE TO BE OUT OF REACH FOR LOW-WAGE WORKERS IN RHODE ISLAND

PROVIDENCE, RI– In order to afford a modest, two-bedroom apartment at fair market rent in Rhode Island, full-time workers need to earn \$24.32 per hour. This is Rhode Island’s 2022 Housing Wage, revealed in a national report published today. The report, *Out of Reach*, was jointly released by the National Low Income Housing Coalition (NLIHC) – a research and advocacy organization dedicated to achieving affordable and decent homes for people with the lowest incomes– and Homes RI – a coalition of organizations working together to increase the supply of safe, healthy and affordable homes throughout Rhode Island. Homes RI is coordinated by the Housing Network of Rhode Island.

The 2022 *Out of Reach* report is released amid record-high inflation and rising rental costs. These rent increases are affecting tenants nationwide, with median rents for two-bedroom apartments increasing nearly 18% between the first quarter of 2021 and the first quarter of 2022.

Jack Ringland, a 79-year-old disabled veteran with accessibility needs, and his wife Barbara who live in Barrington, say that spikes in rental costs are a “nightmare.” After living in their rented home for 12 years, the couple has been forced to seek other housing options after being sent three notifications that their rent will be increased. This past May, their property owner sent a letter that their \$950 a month payment will increase to \$1,150. In June, their rent was increased to \$1,300 and earlier this month, their rent was slated to increase to \$1,800 by September.

“We can’t afford the \$1,800. We could barely afford the \$1,300,” said Ringland.

Finding a wheelchair-accessible apartment with a fixed- income provided by Social Security with no savings to back them up has proven next to impossible. When asked what challenges they face when looking for an apartment that is accessible, the couple stated price as the top issue, “You can’t find affordability. Affordability is right out of the question.”

On top of housing, costs for necessities like food and transportation have also skyrocketed, leaving low-income renters –especially renters of color– with increasingly tighter budgets. With inflation breaking a 40-year record in 2022, many renters have had to make difficult decisions about their budget, sacrificing childcare, medical care, and food to maintain housing.

“Last Friday, approximately 1,213 Rhode Islanders experienced homelessness. A shocking 314 (including 35 families with children) were estimated to have slept outside or in their cars,” said Caitlin Frumerie, executive director of the Rhode Island Coalition to End Homelessness. “The findings of *Out of Reach* highlight the legacy of our community’s underfunding of affordable housing in Rhode Island. The need to substantially invest in affordable housing for low- and no-income Rhode Islanders – especially Rhode Islanders of color has never been greater. Rhode Islanders of color face additional barriers to renting or homeownership,

earning lower wages than white workers, and are more likely to be cost-burdened. We must and can do better for the people of Rhode Island.”

While the Housing Wage varies by state and metropolitan area, low-wage workers everywhere are struggling to afford their housing. A renter needs to earn on average \$25.82 per hour to afford a modest two-bedroom rental home in the U.S. without spending more than 30% of their income on housing costs, or \$21.25 per hour to afford a one-bedroom home.

Melina Lodge, executive director of the Housing Network of Rhode Island shared, “As a result of successful deployment of the federally allocated funds, RI’s emergency rental assistance program, Rent Relief RI closed to new applications on June 1, 2022. The demographic data of the households served by Rent Relief RI clearly demonstrate that for too many Rhode Islanders, stable housing is simply out of reach. If housing costs continue to exponentially outpace wages, combined with the continued lack of available housing options and resources such as housing vouchers and short-term housing stabilization funds, we should expect to see Rhode Island continue to rank poorly in future *Out of Reach* reports.”

The federal minimum wage has remained at \$7.25 an hour since 2009 and has not kept pace with the high cost of rental homes. In no state, even those where the minimum wage has been set above the federal standard, can a minimum-wage renter working a 40-hour work week afford a modest two-bedroom home at the average fair market rent. In Rhode Island, working at today’s state minimum wage of \$12.25, a wage earner must have 1.6 full-time jobs or work 66 hours per week to afford a modest one-bedroom apartment, and have two full-time jobs, or work 79 hours per week to afford a two-bedroom apartment.

In 2021, Rhode Island lawmakers approved legislation that increases the state minimum wage to \$15 an hour by the year 2024. While a step in the right direction, it is not sufficient to keep pace with rising housing costs. According to the HousingWorks RI 2021 Factbook, 72 % of the state’s top 20 “high growth occupations,” which represent over 11,000 jobs, did not pay enough to affordably rent a two-bedroom apartment at 2020 market rates. Rhode Island’s Housing Wage of \$24.32 an hour, needed to afford a two-bedroom apartment at the 2022 State Fair Market Rent (FMR) (\$1,264) without being cost-burdened, is well above what many of Rhode Island’s most popular occupations pay. For example, home health and personal care aides, on average, earn \$14.91 an hour. Nursing assistants earn \$18.88 an hour, teaching assistants earn \$15.31 an hour, and restaurant servers earn only \$13.29 an hour.

“Year after year, NLIHC has shown us that the cost of rental housing remains out of reach for low-wage workers,” said Brenda Clement, Director of HousingWorks RI. “This is something Rhode Islanders know all too well. According to our 2021 Housing Fact Book, a Rhode Island household earning the state’s median renter household income of \$36,078 could affordably rent in only one Rhode Island municipality. In order to afford the two-bedroom Fair Market Rent for Rhode Island, a household must earn \$50,579 annually. For a number of Rhode Island’s projected growth occupations such as food preparation workers, laborers, nursing assistants, retail workers and others, this is bad news.”

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

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About National Low Income Housing Coalition (NLIHC)

Founded in 1974 by Cushing N. Dolbeare, NLIHC educates, organizes and advocates to ensure decent, affordable housing for everyone. Our goals are to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low income housing policy.

About Homes RI

Homes RI is a multi-sector coalition of organizations working together to increase the supply of safe, healthy and affordable homes throughout Rhode Island, coordinated by the Housing Network of Rhode Island. HousingWorks RI and the Rhode Island Coalition to End Homelessness are partners of Homes RI.