



## Affordable Housing Remains Out of Reach for Many Rhode Islanders

### Annual housing report highlights Rhode Island households must earn \$33.20 hourly wage to afford Fair Market Rent for a two-bedroom apartment

**PROVIDENCE, RI** – Full-time workers need to earn \$33.20 per hour to afford a modest, two-bedroom apartment at fair market rent in Rhode Island according to [Out of Reach](#), an annual report published jointly today by the National Low Income Housing Coalition (NLIHC) and Homes RI.

[Out of Reach](#) illustrates the gulf between actual wages and what people need to earn to afford an average rent in their area, or their “Housing Wage,” and highlights how affordable rental homes are out of reach for millions of low-wage workers and other families.

“Housing Wage” is the hourly wage full-time workers must earn to afford a rental home at fair market rent in their area without being “rent burdened” by spending more than 30% of their incomes on rent.

In Rhode Island, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,726. To afford Fair Market Rent for a two-bedroom apartment and utilities, a household must earn \$5,755 monthly or \$69,054 annually. Assuming a person works a 40-hour work week 52 weeks per year, this translates to an hourly Housing Wage of \$33.20.

According to [this year’s report](#), the national 2024 Housing Wage is \$32.11 per hour to rent a modest two-bedroom home and \$26.74 for a modest one-bedroom home.

“This year’s report shows that we are still falling short in providing affordable rental homes for thousands of Rhode Islanders,” said Melina Lodge, Executive Director of the Housing Network of Rhode Island. “The most effective solution to addressing this issue is to build more homes across the state for all income levels. Homes RI is committed to advocating for policies and programs that ensure everyone in our state has access to safe, secure, and affordable housing. We call on all stakeholders to join us in addressing this urgent issue and creating a more equitable housing future for all Rhode Islanders.”

Working at the minimum wage of \$14 an hour in R.I. a wage-earner must work 95 hours a week or have 2.4 full-time jobs to afford a two-bedroom apartment. To afford a one-bedroom apartment, Rhode Islanders earning minimum wage must work 78 hours a week (1.9 full-time jobs).

[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, and 95

hours per week (2.4 full-time jobs) to afford a one-bedroom rental home at the fair market rent.

“According to the Out of Reach report, Rhode Island ranked 12th for the highest housing wage (\$33.20), climbing four spots from last year,” said Brenda Clement, Executive Director of HousingWorks RI at Roger Williams University. “With this change in ranking, it is not surprising cost burdens remain prevalent. The 2023 Housing Fact Book solidifies this struggle, showing that of the more than 32,000 lowest income renters in Rhode Island, 16,145 households are severely cost burdened, meaning they are spending more than 50 percent of their income on housing. We must do more at the state, local, and federal level to ensure every Rhode Islander has a safe, secure, and affordable place to call home.”

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.

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 disparities between wages and rents.

“Housing is a basic human need and should be regarded as an unconditional human right,” said National Low Income Housing Coalition (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, said NLIHC President and CEO Diane Yentel.”

For additional information, and to download the report, 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 both partners of Homes RI. We believe Rhode Island can and should be a state where all residents are able to live in safe, healthy and sustainable homes in thriving communities.