



Can You Afford to Live Here?

A look at housing costs and wages in the metropolitan Washington region.

The Price of Renting

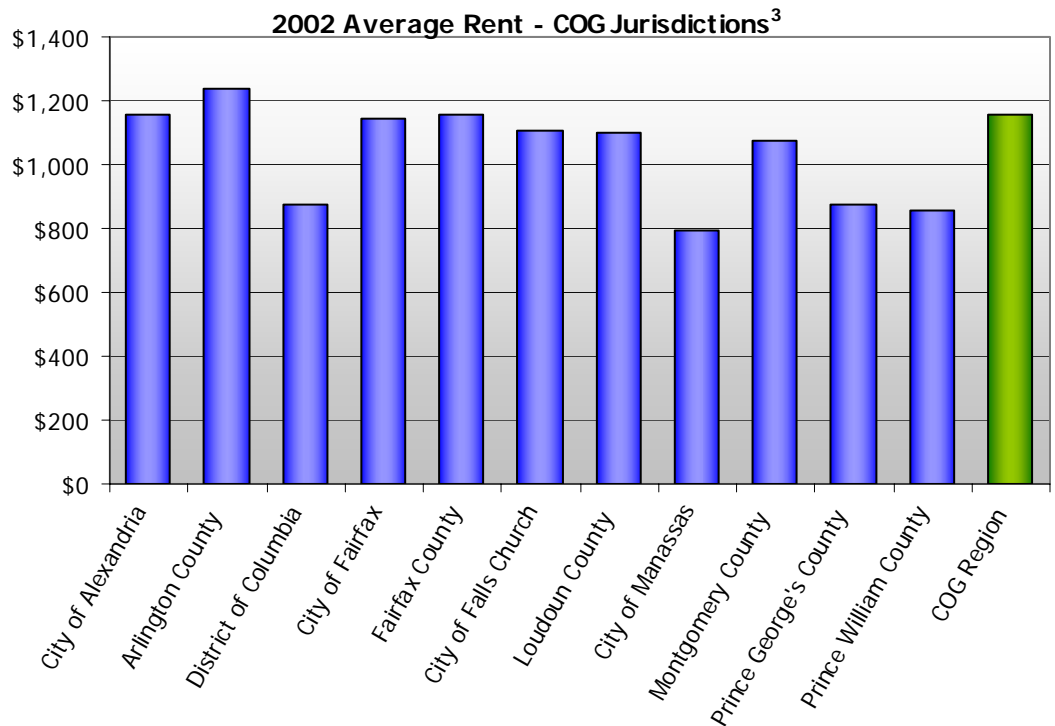
The cost of rental housing continues to climb throughout the metropolitan region. Between 2001 and 2002, average rents have increased 16.6% from \$992 per month to \$1,157. Average rents exceed \$1,000 per month in several jurisdictions, with the average monthly rent in Arlington County (the highest in the region) reaching \$1,236.

How do escalating prices effect the affordability of rental housing? What impact do they have on local families? A home is considered affordable if it costs no more than 30% of monthly household income. Calculating the housing wage—the amount of income a household must earn per hour to afford an average priced apartment—in the

Change in Average Rent, 2001 to 2002 - COG Jurisdictions

Jurisdiction	Average Rent Asked		% Change
	2001 ¹	2002 ²	
City of Alexandria	\$1,019	\$1,155	13.3%
Arlington County	\$1,197	\$1,236	3.3%
District of Columbia	\$575	\$877	52.5%
City of Fairfax	\$1,009	\$1,146	13.6%
Fairfax County	\$1,129	\$1,157	2.5%
City of Falls Church	\$1,145	\$1,107	-3.3%
Loudoun County	\$1,100	\$1,100	0.0%
City of Manassas	\$684	\$796	16.4%
Montgomery County	\$1,030	\$1,076	4.5%
Prince George's County	\$704	\$873	24.0%
Prince William County	\$713	\$855	19.9%
COG Region	\$992	\$1,157	16.6%

See Notes on page 5 for data sources.



Note: The City of Manassas Park is a member of COG, but does not currently collect data related to average rents in their jurisdiction and was not included in this report. Data for the City will be included in future editions of "Can You Afford to Live Here?"

The Housing Wage

In 2002, a family had to earn \$22.25 per hour (or \$46,280 annually) in order to afford the average priced apartment in the COG region. According to the Bureau of Labor Statistics, 54.4% of the Washington, D.C. region's workforce earned less than the housing wage in 2002. Many of these workers were employed in the fields of community, health and protective services as well as education/childcare and retail sales.

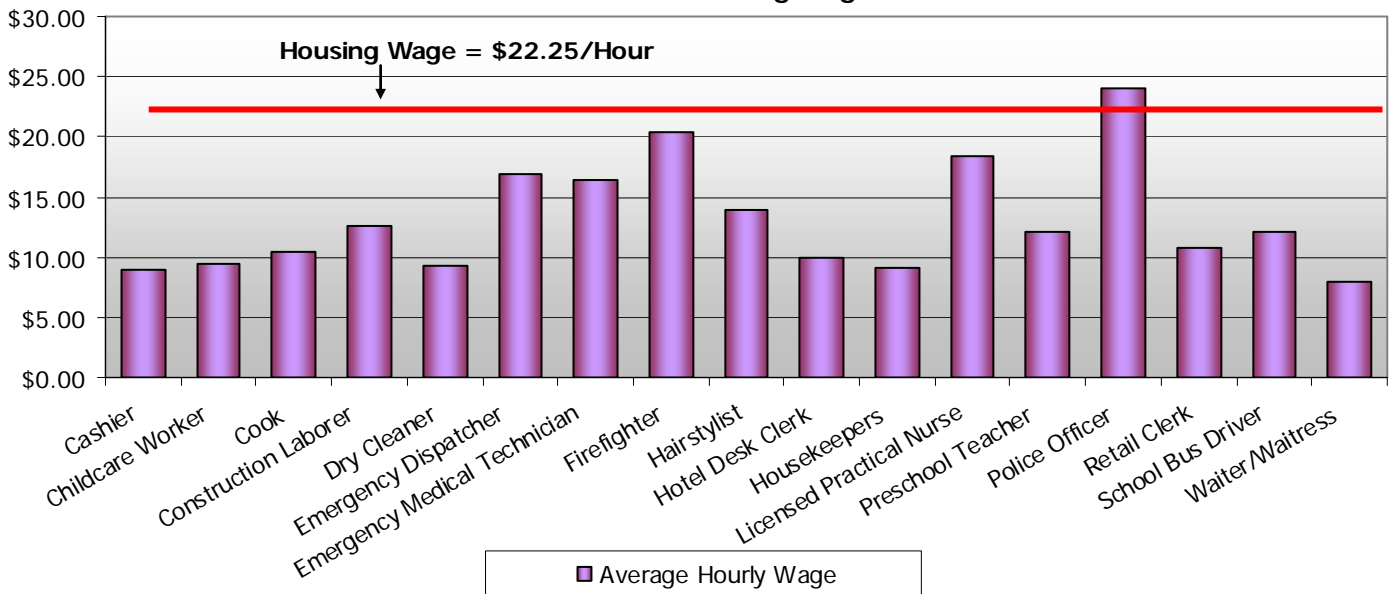
Annual Salary Needed to Afford Average Rent—COG Jurisdictions, 2002⁴

Jurisdiction	Housing Wage (Hourly)	Housing Wage (Annual)
City of Alexandria	\$22.21	\$46,200
Arlington County	\$23.77	\$49,440
District of Columbia	\$13.33	\$27,720
City of Fairfax	\$22.04	\$45,843
Fairfax County	\$22.25	\$46,280
City of Falls Church	\$21.29	\$44,283
Loudoun County	\$21.15	\$44,000
City of Manassas	\$15.75	\$32,760
Montgomery County	\$20.69	\$43,040
Prince George's County	\$15.54	\$32,320
Prince William County	\$16.44	\$34,200
COG Members	\$22.25	\$46,280

2002 Average Salaries — Washington, DC PMSA⁵

Occupation	Average Hourly Wage	Average Annual Salary
Cashier	\$8.93	\$18,574
Childcare Worker	\$9.44	\$19,635
Cook	\$10.39	\$21,611
Construction Laborer	\$12.64	\$26,291
Dry Cleaner	\$9.32	\$19,386
Emergency Dispatcher	\$16.96	\$35,277
Emergency Medical Technician	\$16.34	\$33,987
Firefighter	\$20.43	\$42,494
Hairstylist	\$13.93	\$28,974
Hotel Desk Clerk	\$9.87	\$20,530
Housekeepers	\$9.14	\$19,011
Licensed Practical Nurse	\$18.42	\$38,314
Preschool Teacher	\$12.12	\$25,210
Police Officer	\$24.06	\$50,045
Retail Clerk	\$10.84	\$22,547
School Bus Driver	\$12.03	\$25,022
Waiter/Waitress	\$7.97	\$16,578

Comparison of the Average Hourly Wage of Various Occupations and the 2002 Housing Wage⁶



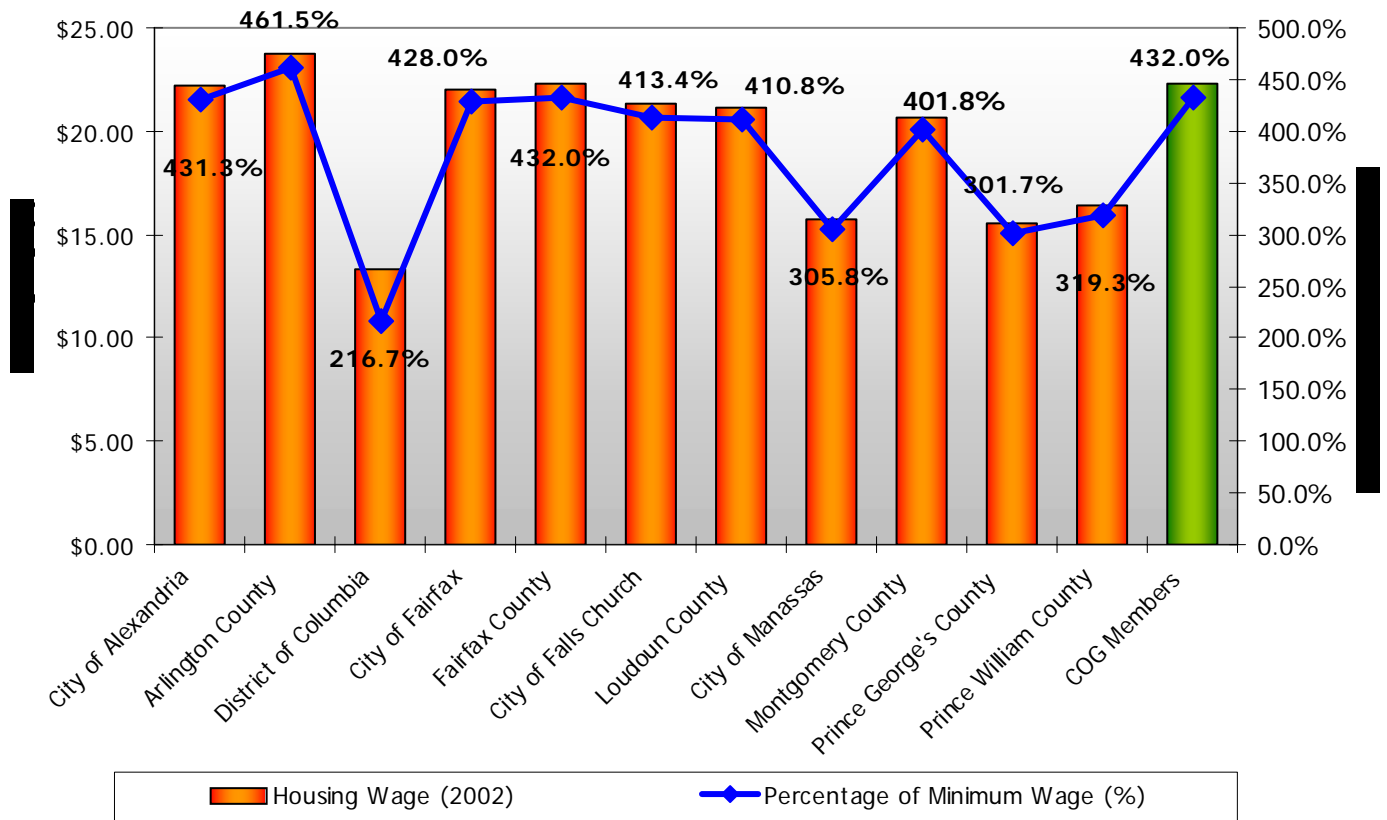
One Job Is Not Enough

Employees earning minimum wage have almost no hope of finding an affordable rental unit. The regional housing wage, \$22.25 per hour, is more than four (4.32) times the federal minimum wage of \$5.15 per hour. In the District of Columbia, where the minimum wage is \$6.15 per hour, the housing wage is more than twice (2.16 times) the minimum wage. Even families with two adult workers earning minimum wage fall short of the necessary income. Two adults, working one full-time and one half-time minimum wage job (or 60 hours per week) each would earn a combined housing wage of \$15.45 per hour, an amount that is still 1.4 times less than the regional housing wage.

Housing Wage as Percentage of Minimum Wage, 2002

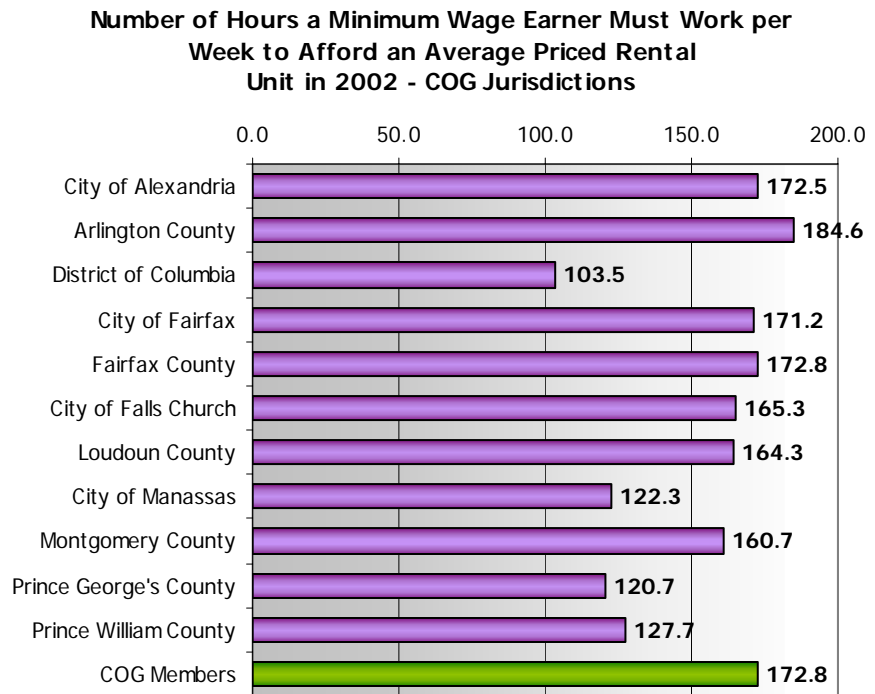
Jurisdiction	Housing Wage	% of Minimum Wage
City of Alexandria	\$22.21	431.3%
Arlington County	\$23.77	461.5%
District of Columbia	\$13.33	216.7%
City of Fairfax	\$22.04	428.0%
Fairfax County	\$22.25	432.0%
City of Falls Church	\$21.29	413.4%
Loudoun County	\$21.15	410.8%
City of Manassas	\$15.75	305.8%
Montgomery County	\$20.69	401.8%
Prince George's County	\$15.54	301.7%
Prince William County	\$16.44	319.3%
COG Members	\$22.25	432.0%

2002 Housing Wage as Percentage of Minimum Wage - COG Jurisdictions



Not Enough Hours in the Week

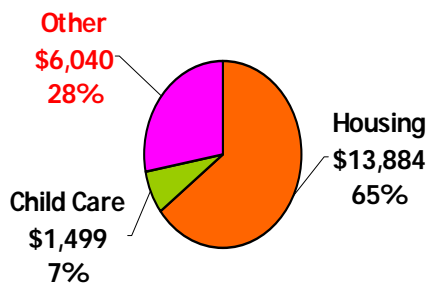
Minimum wage employees must work 172.8 hours per week in order to earn enough money to afford the region's average rent of \$1,157 per month. In a two-income family, each adult must work 86.25 hours per week—the equivalent of 2.15 full-time jobs each. Single-income families relying on minimum wage jobs will never attain the housing wage—there are only 168 hours in each seven day week.



So Many Choices...

The higher housing costs rise, the more families are forced to choose which necessities to pay for and which to forgo. For instance, a family with one child and two full-time workers earning minimum wage and renting an average priced unit in this region would (after paying rent and child care expenses) have \$503 per month to cover the costs of food, transportation, utility payments and health care. According to results of the U.S. Department of Labor's 2001 Consumer Expenditures Survey, spending for food, transportation, utilities and health care (for households earning \$20,000 to \$29,999 annually) average \$14,689 per year across the nation — more than twice the amount of this family's remaining available income⁷.

Minimum Annual Expenditures for a Family with One Child and Two Full-Time Minimum Wage Workers



Annual Expenses	
Rent	\$13,884
Child Care ⁸	\$1,499
Remaining Income	\$6,040

Average Annual Expenditures - U.S. ⁹	
Food	\$5,644
Utilities	\$4,499
Transportation	\$2,457
Health Care	\$2,089
Total	\$14,689

Notes

¹ Data was submitted by the following jurisdictions, departments and agencies: City of Alexandria Office of Housing; Arlington County Department of Community Planning, Housing and Development; City of Fairfax; Fairfax County Department of Systems Management for Human Resources; City of Falls Church; Loudoun County Office of Housing Services; Montgomery County Department of Housing and Community Affairs; Prince William County Office of Housing and Community Development. Information for the District of Columbia and the City of Manassas was taken from the 2000 Census, U.S. Census Bureau and represents rent asked for “specified vacant-for-rent housing units” Vacant rental units include . Information for Prince George’s County was taken from the report, “Prince George’s County 2002 Rental Housing Survey—Survey Results and Analysis”, Metropolitan Washington Council of Governments, August 2000. The regional average rent was taken from the report, “The State of Rental Housing in the Metropolitan Washington Region”, Metropolitan Washington Council of Governments, September 2003.

² Data was submitted by the following jurisdictions, departments and agencies: City of Alexandria Office of Housing; Arlington County Department of Community Planning, Housing and Development; City of Fairfax; Fairfax County Department of Systems Management for Human Resources; City of Falls Church; Loudoun County Office of Housing Services; Montgomery County Department of Housing and Community Affairs; Prince William County Office of Housing and Community Development. Information for the District of Columbia was taken from the 2002 American Community Survey, U.S. Census Bureau. Information for Prince George’s County was taken from the report, “Results of the 2003 Prince George’s County Rental Housing Survey”, Metropolitan Washington Council of Governments, November 2003. The regional average rent was found in “TrendLines 2003”. Delta Associates, Inc., 2003, p. 51.

³ See Note 2 above.

⁴ The housing wage is determined using the following equation: $((\text{average rent}/.3)*12 \text{ months})/2,080 \text{ work hours per year}$.

⁵ “2002 Occupational Employment Statistics,” U.S. Department of Labor Bureau of Labor Statistics. Data covers wages in the Washington, D.C. primary statistical area, which includes all COG member jurisdictions as well as Calvert, Charles and Fredrick counties in Maryland, Clarke, Culpeper, Fauquier, King George, Stafford and Warren counties and the cities of Fredricksburg, Manassas Park and Spotsylvania in Virginia, and the West Virginia counties of Berkely and Jefferson.

⁶ “2002 Occupational Employment Statistics,” U.S. Department of Labor Bureau of Labor Statistics.

⁷ “Consumer Expenditures in 2001,” U.S. Department of Labor Bureau of Labor Statistics, p. 8. Figures reported are national averages.

⁸ “The High Cost of Child Care Puts Quality Care Out of Reach for Many Families,” Children’s Defense Fund, 2000, p. 1.

⁹ “Consumer Expenditures in 2001,” U.S. Department of Labor Bureau of Labor Statistics, p. 8. Figures reported are national averages.



The Metropolitan Washington Council of Governments (COG) is the regional organization of the Washington area's local governments and officials, plus area members of the Maryland and Virginia legislatures and the U.S. Congress. COG provides a focus for action on issues of regional concern such as housing policy, comprehensive transportation planning, economic development, and population growth and its implications for the region. COG is supported by contributions from participating local governments, federal and state government grants and contracts and through donations from local foundations and the private sector. If you would like to learn more about COG's involvement in the region's housing issues, please visit our website at www.mwcog.org or call Stacy Pethia, Housing Planner, at 202-962-3753.



The Washington Area Housing Partnership (WAHP) is a regional public-private partnership affiliated with, and located within, the Metropolitan Washington Council of Governments. The mission of WAHP is to expand affordable housing opportunities within the metropolitan Washington region. In its role as an information clearinghouse, the Partnership maintains and reports data on various aspects of the region's housing market. This includes the Annual Regional Housing Report, an assessment of the region's rental housing stock and analysis of the Decennial Census of the Population and Housing, the American Housing Survey and the Home Mortgage Disclosure Act. If you are interested in learning more about the Partnership, please contact Keith Fleury, Senior Housing Planner, at 202-962-3346.

The Metropolitan Washington Council of Governments and the Washington Area Housing Partnership would like to thank the following supporters:



"Can You Afford to Live Here?" examines the relationship between hourly wages and the cost of rental housing in metropolitan Washington, DC. This issue is the first in the series which will be produced annually.

For more information on this and other COG publications, contact the Information Center:

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