



Many Working People Can't Afford Housing

Wikipedia defines United States (U.S.) income inequality as the “extent to which income is distributed in an uneven manner” as determined by the U.S. Department of Commerce, Congressional Budget Office (CBO) and Internal Revenue Service. According to all three, U.S. income inequality among households has been increasing significantly since the late 1970s after several decades of stability. A 2011 study by the CBO found that the top earning 1% of households in America gained about 275% after federal taxes and income transfers over a period between 1979 and 2007. The lower earning 80% of American households now have less than half of the share of total income in America (also after federal taxes and income transfers). From 1992-2007, the top 400 income earners in the U.S. saw their income increase 392% and their average tax rate reduced by 37% which has resulted in the United States having one of the highest levels of income inequality among similar developed countries.

Meanwhile, housing prices continue to rise, even for the poor. The U.S. Department of Housing and Urban Development (HUD) defines a fair market rent (rent and utilities) for a two-bedroom apartment in Louisville as \$694 per month, although the average cost of a two-bedroom apartment in Louisville is actually \$726. This means that a person or family must make \$14 per hour to make a two-bedroom apartment affordable (no more than 30% of their adjusted income).

At the current minimum wage of \$7.25 an hour, a person would have to work 77 hours per week to afford this apartment. They would also most likely not have health insurance and have no extra income to afford a car or many other items we now consider basic needs. Families living on TANF or SSDI benefits and/or food stamps receive between \$162 and \$635 per month. Most of these individuals cannot even find an apartment where 100% of their income would cover rent and utilities. This does not take into account transportation, clothing, food, child care, medicine and other basic needs.