
Explaining the Housing Crisis

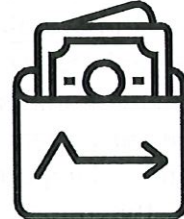
There is a nationwide housing crisis occurring across the United States. While it shows up in different ways in different places, it affects communities of all sizes, demographics, geographies, and income status. **Greater Boston is one of the regions in the country where the housing crisis is especially apparent.** There are a variety of factors that contribute to the housing crisis, including:



A Housing Shortage



High Cost of Living



Wage Stagnation

A Housing Shortage

There is just not enough housing supply to meet demand:

- The U.S. has less housing for sale or rent than at anytime in the past 30 years.
- Massachusetts is facing a current housing shortage (the difference between total housing need and total housing availability) of 108,000 units.
- As it currently stands, the zoning landscape in the Commonwealth prioritizes the creation of expensive single-family homes on large lots, over-restricting housing development relative to need.
- As long as housing supply remains low, rents will continue to rise as competition increases for the limited apartments available.
- The housing shortage exists across all income levels, often leading to longer commutes to work as people are continually pushed further away from their jobs and centers of urban life.

High Cost of Living

Residents cannot afford rising housing costs, especially renters:

- Many long-time residents cannot keep up with rising rents or cannot afford to move into different homes in the same community as their housing needs change.
- The cost of living is prohibitive to younger families trying to become homeowners and prevents older generations of homeowners from the freedom of housing choice and mobility.
- According to the Greater Boston Chamber of Commerce, one in four people aged 20 to 30 plan to leave Greater Boston in the next five years, largely due to the high cost of rent and the inability to buy a home.
- Almost half of Greater Boston renters are housing cost-burdened and spend more than 30% of their income on housing-related costs.
- Pandemic dynamics drove the largest single-year increase in renter cost burden since 2006.



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Wage Stagnation

Wages have not kept up with the rate of inflation and the cost of living:

- In 2021, the federal minimum wage (\$7.25 per hour) was worth 17% less than it had been 10 years prior, and 31% less than in 1968.
- If the minimum wage had kept pace with productivity since 1968, it would now be \$24 per hour (\$9 less than the Massachusetts minimum wage of \$15 per hour).
- Only 43% of millennials were homeowners in 2021, the lowest home ownership rate of any generation and well below the overall average of 65%.
- Today's millennials have more debt than their parents did at their age.
- Almost 16% of millennials lived with their parents in 2022 and the number of Americans aged 25 to 34 living at home has increased 87% over the last two decades.
- Millennials are seeking affordable starter homes and older retirees are also seeking smaller living arrangements that are affordable, creating competition between demographic groups.

Impacts on Housing Insecurity

A direct impact of the housing crisis is housing insecurity, which is defined as the lack of safe, stable, and permanent shelter. It has traditionally been called "homelessness," but we know that housing insecurity takes many other forms.

In some places, the housing crisis and resulting housing insecurity can show up as unhoused people sleeping on the street or in overcrowded shelters. But it also might mean residents facing housing cost burden, evictions or other forced moves, the need to live with family or friends to afford rent, or overcrowding. It can also mean living in poor quality housing or living in neighborhoods that are unsafe and lack access to transit, jobs, good schools, and other necessary amenities.

Some examples of housing insecurity in your own communities might be:



Example 1: A young college graduate moving back in with their parents or grandparents because high rents prevent them from living in their own residence and saving money.



Example 2: An elderly widow who would like to live independently on her own, but due to a lack of housing options that fit her needs, she cannot afford to and must turn to family members for housing support.



Example 3: A family living under unsafe conditions because the apartment they can afford has not been properly maintained and they do not feel safe asking their landlord for basic upkeep.

Visit MAPC's website for the Show Your Support Toolkit to access a variety of helpful sources about the housing shortage, high cost of living, wage stagnation, and housing insecurity.

Contact:

Name

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