Media Relations

Carsey Institute: Renters Feel Financial Squeeze After Recession

May 22, 2012

2007 | 2010

| Under 25 | 25-34 | 35-64 | 65+ |
55.0 59.7   42.3 45.8   43.0 46.8   53.4 54.6

Percent Cost Burdened, By Householders' Age, 2007 and 2010

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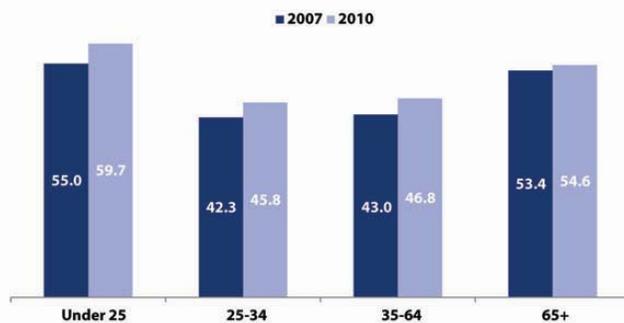
DURHAM, N.H. – More people who rent their homes are feeling the financial squeeze following the recession, with younger renters and people in the West feeling the most "cost burdened," according to new research from the Carsey Institute at the University of New Hampshire.

The research was conducted by Jessica Bean, vulnerable families research associate at the Carsey Institute, and is presented in the brief "Renters More Often Burdened by Housing Costs After Recession." Renters are considered "cost burdened" if they spend more than 30 percent of their income on rent and utility costs.

"Increased need among American renters indicates that strong public housing programs are necessary to protect individuals from becoming overburdened. However, this research also demonstrates that the lowest-earning households experienced the smallest increases in cost burden over time, indicating that without the housing programs already in existence, America's most vulnerable households likely would have fared even worse," Bean said.

The key research findings are as follows:

- Nationwide, nearly half (49 percent) of all renters were "cost burdened" in 2010, spending more than 30 percent of their income on housing costs, with the highest rates occurring in the West and in central cities.

- In all regions and across all place types, the percentage of renters who were cost burdened increased between 2007 and 2010.

- The largest increase in cost-burdened renters occurred in rural places, up 4.3 percentage points by 2010, compared with increases of 3.4 and 2.9 percentage points in suburban places and central cities, respectively.

- Renters under the age of 25 were most often cost burdened both pre- and post-recession, with nearly 60 percent of young renters spending more than 30 percent of their income on rent in 2010.

- In all regions, the largest increase in the proportion of renters who were cost burdened occurred among those with a household income between $20,000 and $50,000.

The complete Carsey Institute report about this research is available at http://carseyinstitute.unh.edu/CarseySearch/search.php?id=195.

This analysis is based on U.S. Census Bureau estimates from the 2007 and 2010 American Community Survey. Estimates were produced by aggregating information from detailed tables available on American FactFinder.

The Carsey Institute conducts policy research on vulnerable children, youth, and families and on sustainable community development. The institute gives policy makers and practitioners the timely, independent resources they need to effect change in their communities. For more information about the Carsey Institute, go to www.carseyinstitute.unh.edu.

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state's flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

GRAPHIC
Percent Cost Burdened, By Householders' Age, 2007 and 2010
http://www.unh.edu/news/img/carsey/renters_fig1.jpg

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