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## **Housing Affordability Keeps Economic Recovery at Bay**

By Victor Merced, Director, Oregon Housing and Community Services

The 2001 recession hit Oregon hard. Our economic recovery has not reached every corner of our state. More importantly, for too many households, there has not been a recovery at all.

According to the American Community Survey, Marion County, poverty grew from 13.6 percent of the population in 2002 to more than 18 percent in 2005.

Many of those who live in poverty are families headed by single mothers with children five years of age and younger, the elderly, and minorities.

Marion and Polk county per capita income remains less than 90 percent of the state average. The Census Bureau reports that median income in Marion County fell from \$40,151 in 2002 to \$36,591 in 2004. The recession reduced median income statewide.

All these numbers can be confusing, but they point toward one conclusion: current economic recovery left our working families behind.

Oregon Housing and Community Services' Report on Poverty 2006 paints a picture of just how much a family needs to get by in each county. It illustrates the difficult tradeoffs Oregon's low-income families must make.

In our community, a family of one adult and three children experiencing poverty has income of about \$1,600 each month. The cost of renting a home can require 55 percent of their income, an average of \$900 in Marion and Polk counties. Food for a family of this size is nearly \$600 per month. That leaves a little over \$100 a month for utilities, transportation, childcare and/or healthcare, and many other basic expenses families face.

Housing affordability has become one of the greatest barriers to defeating poverty. In Marion County, the homeownership rate is falling and rent burden is rising. And as the National Low-Income Housing Coalition's recent report shows, Salem wage-earners struggle to afford area rents.

While Oregon's economy moves cautiously out of recession, its housing market booms. Since 1980, Oregon home prices have increased 300 percent. Oregonians live with some of the biggest housing price increases in the nation, along with Hawaii, Florida, and Arizona. With this troubling rise in housing costs, there is no need to wonder why the National Low Income Housing Coalition ranked Oregon as the third most unaffordable rental market in the nation.

Oregon has seen the percentage of households paying 30 percent or more of their income on rental housing leap from 45 to nearly 55 percent between the 2000 Census and the 2005 American Community Survey. Low-income households paying more than 50 percent of their income for housing grew to a record high with nearly 32 percent of renters severely cost-burdened.

The burden of high-cost housing affects certain groups more than others. Who suffers the most? Large families, single parent families, low-income families, and families where the primary breadwinner has little or no education.

Housing-burdened families must make trade-offs when paying their bills. They must deal with food insecurity, overcrowding, inability to afford a car, much less gas and insurance, and whether or not to seek health and dental care.

Eventually, we all pay for the suffering of our neighbors. Until every person has safe, stable and affordable housing, our community will never fully participate in the nation's economic recovery.