HOUSING COST BURDEN

Definition: The percentage of households, both renters and owners, paying 30% or greater of their income on rent or mortgage.

Housing cost burden provides a measure of a county’s affordability. The Department of Housing and Urban Development (HUD) has established the “30 percent rule,” meaning that households should spend no more than 30 percent of their income on housing. Some criticize the rule for being oversimplified. For example, it does not take into account income level. Still, housing cost burden provides a measure of the number of households that may be at risk of eviction, foreclosure, and/or homelessness. This measure is a key success indicator for affordable housing efforts. Those facing housing cost burden also may face challenges spending money in other domains, including food, transportation, health or education.