

## Cost burdened households

A household is considered “cost burdened” when it spends more than 30% of its gross income on housing, including utilities. When a household pays more than 50% of its gross income on housing, including utilities, they are considered “severely cost burdened.” Cost burdened households have less money available for other essentials including food, clothing, transportation, and medical care. Households at any income can experience housing cost burden, but the consequences are greatest for those with lower incomes.

## Why does cost burden matter?

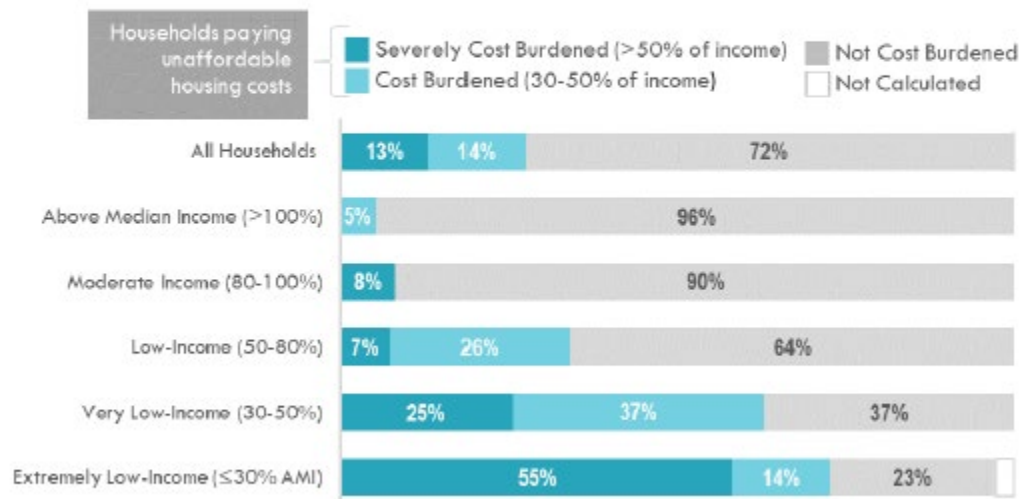
When housing is in short supply prices rise as greater numbers of people compete for fewer housing options. As a result, households will pay a higher proportion of their household income on housing costs, limiting the resources available for other household needs. Assessing housing cost burden can illuminate the degree to which housing is affordable to those that live in the community. The standard for housing affordability is 30% of the household’s income. Households spending more than 30% of income on their housing are considered to be housing cost burdened. Households spending more than 50% of income on housing are considered to be severely cost burdened.

- **About 27% of households in Leavenworth are cost-burdened.** Renters are more likely than owners to have housing costs that absorb more than 30% of their income. In addition, lower income households are more likely to be cost burdened than moderate income households.

Both low-income households and elderly households are at the highest rates of cost burden

## Households with lower incomes experience higher rates of housing cost burden.

Exhibit 13. Cost Burden Status by Income Level, Leavenworth Households, 2016.

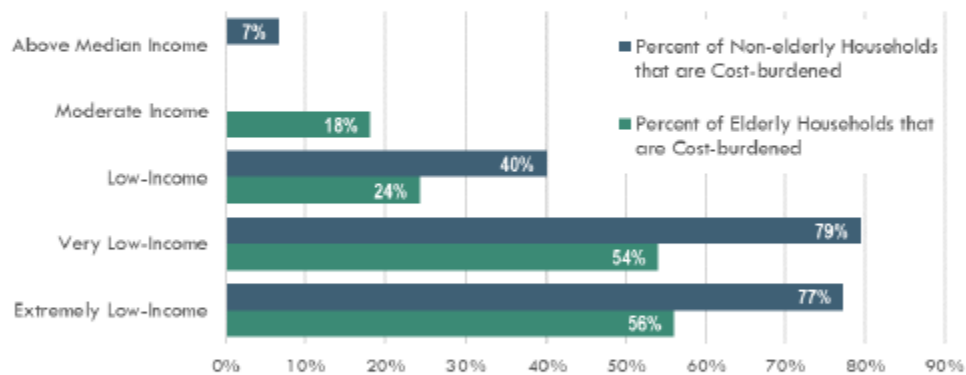


Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

In Leavenworth, housing cost burden is a concern for elderly households in part because there are proportionately many elderly households and they tend to have lower incomes.

Additional demographic information on families experiencing cost burden is limited due to the small numbers of households and privacy concerns. Of concern are households comprised of a single person 62 years or older (elderly living alone) or households with a member 62 years or older (elderly living in a family). Elderly households tend to have lower household incomes and represent 46% of Leavenworth’s households.

**Exhibit 15. Percent of Elderly and Non-Elderly Households Experiencing Housing Cost Burden, 2016.**



Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.

**Exhibit 15** presents the percent of Elderly and other households that are cost burdened within each of the income categories. More than half of elderly households in the Extremely Low-Income category (56%) and Very Low-Income category (54%) are cost burdened. This rate is lower than for non-elderly households in the same income categories that experience housing cost burden at rates of 77% and 79%, respectively. The difference is likely due to the availability of income-qualified housing for elderly households.

The projected housing need for Leavenworth of 110 units is mostly needed for the lowest income levels to ease cost burdened households.

**Exhibit 50. Projected Housing Needs by Income Group**

Income Group	Distribution of Household Income	Share of Housing Need	Distribution of Households Experiencing Housing Cost Burden*	Share of Housing Need
<30% AMI	14%	15	36%	40
30-50% AMI	13%	14	30%	33
50-80% AMI	19%	21	23%	25
80% > 100% AMI	9%	10	3%	3
>100% AMI	46%	51	9%	10
<b>Housing needed to meet growth target:</b>		<b>110</b>		<b>110</b>

\*HUD CHAS (2016) data estimates 281 of 1,040 households are housing cost-burdened.  
Sources: HUD CHAS (based on ACS 2012-2016 5-year estimates); BERK Consulting, 2020.