

TENANTS IN BOSTON: A SHORT PROFILE¹

Boston is a city of tenants. There are about 165,000 renter households out of a total of about 250,000 households in the city. That is, two-thirds of all households in the city are renters.

Racial/Ethnic Distribution (Table 1)

A majority of renter households in Boston are headed by a person of color – a total of over 85,000 renter households of color. Of these, about 40,000 are Black, 29,000 are Latino, and 16,000 are Asian.²

Over three-quarters of all households of color are renters, compared with 57 percent of White non-Latino households. The highest rate of renting is among Latinos (83%), followed by Asians (75%), then Blacks (72%).

Incomes (Table 2 and Table 3)

The median income of Boston renter households is \$34,400. The median income of all Boston households (renters and owners) is \$51,100, pulled up by the \$93,300 median of homeowners. The median income of renter households is 67% of the median income for all Boston households and 37% of the 2014 HUD Area Median Income (AMI).

The median income of renter households has increased by only 12 percent since 1970, compared with an increase of 53 percent in the homeowner median.³

Data are not available on median incomes for renters by race/ethnicity. However, since households of color are overwhelmingly renters (as explained above), median incomes for households and families⁴ of color provide good indication of the incomes of renters of color.

The median incomes of *households* of color are only about half the median income of White non-Latino households; and the median incomes of *families* of color are little more than a third of the median of White non-Latino families.

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² Native Americans are not included because their number in the American Community Survey sample for Boston is too small to be statistically significant.

³ The large increase in the median income of homeowners is the result of two factors. One is gentrification, the influx of high income households into many parts of the city. Second is the high rate of foreclosures among low-income homeowners, who were no longer included in the homeowner income distribution.

⁴ A *household* is one or more persons occupying a housing unit. A *family* is a household consisting of two or more people related by birth, marriage or adoption. In Boston, more than half of all households are non-family households, mostly people living alone.

Latinos are by far the poorest on average, with median household and family incomes in the low thirty thousands. Blacks and Asians have median household incomes in the high thirty thousands and median family incomes in the mid forty thousands – low but considerably above Latinos.

In terms of income distribution,⁵ More than a third of renters – nearly 56,000 households -- have incomes of less than \$20,000 a year. Another 23,000 have incomes of at least \$20,000 but less than \$35,000 a year. Together these extremely low and very low income households are about half of all renters.

About 20,000 renters (12%) have moderate incomes of \$35,000 up to \$50,000 a year, while about 25,000 (15%) have middle incomes of \$50,000 up to \$75,000.

About a quarter of all renters (39,000) have high incomes of \$75,000 or more. Nearly two-thirds of this high-income group (24,000) have incomes of \$100,000 or more. Thus, while Boston renters are overwhelmingly households of extremely low to moderate incomes, there is also a sizable group of high income renters who have very different circumstances.

Affordability (Table 3 and Table 4)

Half of all renters in the city – 80,400 households -- paid at least 30% of their incomes in rent 2012. Over 36,000 of these affordability-challenged renters had annual incomes of less than \$20,000. Nearly 18,000 had incomes of \$20,000-\$35,000, while almost 14,000 had incomes of \$35,000-\$50,000. The median income of affordability-challenged renters was \$23,500, which is 25% of AMI, well below the 30% of AMI officially called “extremely low income.”

By contrast, just over 12,000 households with incomes of less than \$20,000 are paying less than 30% of their incomes for rent, presumably because they have housing subsidies.⁶ This means that, for every renter household below \$20,000 in annual income who receives a housing subsidy, three others do not.

It is also possible to look at the income distribution of Boston renters who do *not* receive housing subsidies in the form of BHA public housing (11,400 households) or BHA Section 8 vouchers (10,480 households); while some of these renters benefit from project-based subsidies in private developments, overwhelmingly they are renters without subsidies. This group of nearly 142,000 renters have median income of over \$44,000, about \$8,000 greater than that of all renters, but still just 47% of AMI. Nearly 40,000 of these *unsubsidized* renter households have incomes of less than \$20,000 a year, and almost 20,000 more of these *unsubsidized* renters have income of \$20,000 to \$35,000. This group of nearly 60,000 renters are at greatest risk for displacement and possible homelessness.

⁵While the median incomes above are for 2014 based on application of the HUD methodology for computing Area Median Income, the most recent data on income distribution and affordability are for 2012 from the American Community Survey.

⁶Not included are households reporting zero or negative incomes or no cash rent.