



For Immediate Release
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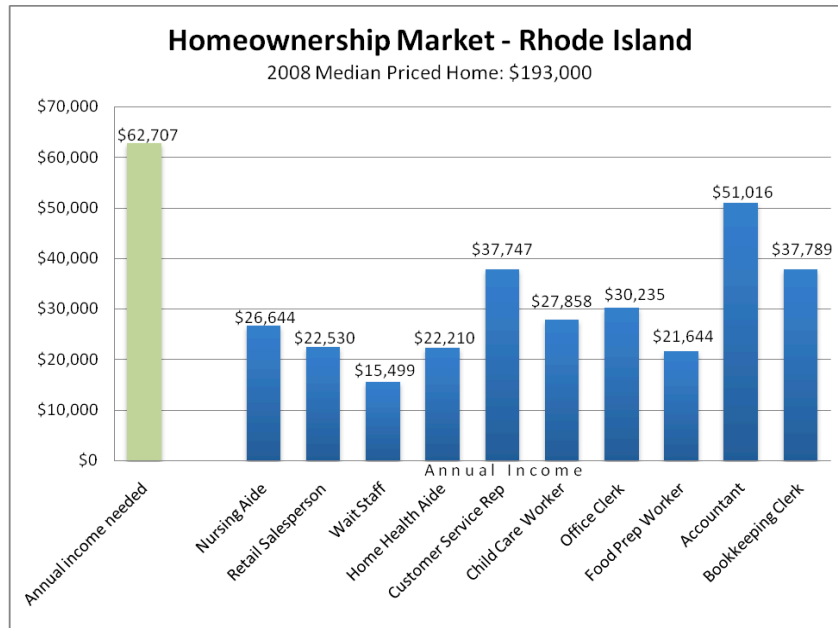
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Rhode Island Salaries Not Making the Grade
National Study Shows State's Key Occupations Pay Too Little to Rent or Buy a Home

Providence, RI - In a report released today, the **Center for Housing Policy**—a Washington-based organization—announced that despite declining home prices, current jobs do not pay enough to afford a home. The study, entitled *Paycheck to Paycheck: Wages and the Cost of Housing in America*, takes an in-depth look at the affordability of homes in more than 200 metropolitan areas and the wages earned by workers in 60 occupations that may see a boost from the federal stimulus package. The report looks at both rental and homeownership affordability.

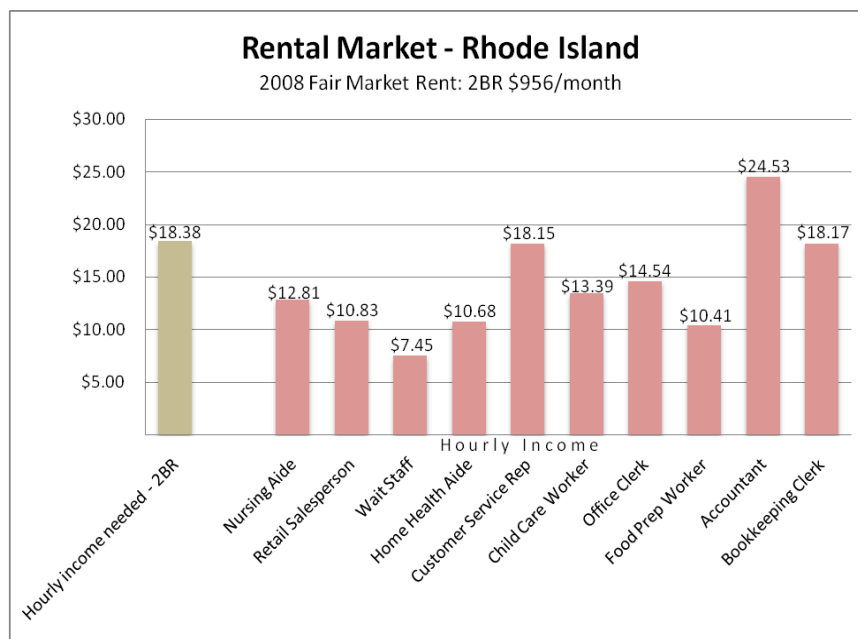
“This study highlights the need for sustained investment in housing opportunities for all Rhode Islanders. Affordable homes must be part of Rhode Island’s economic development strategy. Housing is a key economic sector and is essential to keeping and growing Rhode Island’s workforce,” stated Nellie M. Gorbea, executive director of HousingWorks RI, a coalition of over 120 organizations working to ensure that all Rhode Islanders have a safe, affordable home.

In Rhode Island, where median housing prices have been decreasing due to foreclosures and distressed property sales, homes are still unaffordable for many working families. The problem is one of housing prices versus wages. To afford a median-priced home (\$193,000 as of the fourth quarter of 2008), Rhode Islanders would need to earn \$62,707 annually. However, the study indicated that the average elementary school teacher, police officer, janitor and retail worker would fall short, with salaries ranging from \$22,530 to \$51,175. The data for the top ten occupations with projected growth according to the RI Department of Labor and Training’s 2006-2016 projections are sobering (see table below). The gap between wages and income needed to afford a median-priced home still persists even for skilled labor such as accountants, who earned \$51,016 a year according to data collected for the study.



Paycheck to Paycheck interactive database (<http://www.nhc.org/chp/p2p>) – Center for Housing Policy

As noted in other national studies, *Paycheck to Paycheck* also demonstrates the unaffordability of renting a home for many Rhode Island workers. According to the study, a home health aide in Rhode Island, an occupation with high projected growth according to the RI Department of Labor and Training, earned an average of \$10.68 an hour, while the income needed to afford a two-bedroom apartment was \$18.38 (Fair Market Rent of \$956/month). Wait staff and food prep workers—key jobs for the state’s tourism sector—earned an average of \$7.45 and \$10.41 respectively, both below the amount needed to afford renting a home.



Paycheck to Paycheck interactive database (<http://www.nhc.org/chp/p2p>) – Center for Housing Policy

“While it’s true that homes in Rhode Island have become more affordable to *some* Rhode Islanders due to declining real estate prices, low-interest rates and safe, affordable financing, we cannot lose sight of the fact that thousands of Rhode Islanders struggle to have a home they can afford to keep,” says Richard Godfrey, executive director of Rhode Island Housing. “Until we shrink the gap between what Rhode Islanders earn and how much it costs to live here, working families will continue to be priced out of most Rhode Island communities.”

“This study confirms the importance of using the recent decline in home prices as an opportunity to put long-term solutions into place,” added Center for Housing Policy Chairman John McIlwain, senior resident fellow at the Urban Land Institute. “By acquiring well-located properties made vacant through foreclosure and by instituting policies that can ensure that a modest share of future development is affordable, communities can bring housing within reach of working families.”

To view the Center for Housing Policy’s study, visit www.nhc.org/chp/p2p. For more information on HousingWorks RI, contact Nellie M. Gorbea at 401-523-0771 or visit our website at www.HousingWorksRI.org.

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