**Housing Crises in America’s Largest Cities**

Introduction

Finding affordable housing for service workers in large cities is a significant social issue which threatens the viability of local economies. As related to this study, a service worker is anyone who works for a provider of services rather than a producer of material products. Service workers are a key aspect to ensuring positive systemic growth in large cities Without a strong core of service workforce many businesses that drive the local economy would cease to exist. This would include restaurants, entertainment venues, hospitals, etc. Additionally, local governments rely heavily on service workers to carry out their local mandates.

Of equal concern is the socio-economic impact to the families of the service worker. Due to the lack of affordable housing families are impacted in various ways. Service workers often are forced to find housing a significant distance from their place of employment. The additional commute burden often increases the cost of the worker’s transportation cost. Additionally, more time commuting results in less family and leisure time. Youth often suffer due to the reduced time spent with parents. Economically the impact is the perpetuation of poverty and creating a governor which inhibits the ability of service workers to create net worth.

Resource

* HUD defines affordable housing as housing that costs no more than 30% of a household’s income. (<https://www.discussdenton.com/affordable-housing-blogs/news_feed/affordable-housing-101-defining-affordable?utm_source=chatgpt.com>)
* Service workers tend to fall below the median income level. (<https://www.route-fifty.com/management/2023/06/housing-still-isnt-affordable-minimum-wage-workers-report-says/387591/?utm_source=chatgpt.com>)

Study

This study is designed to evaluate the affordable housing crisis based on population to determine if the scale of the problem increases as population increases. Additionally, several other factors are examined which may contribute to the problem.

Examine the following by city to answer the following questions:

* Population vs % living below poverty level – Is the level of poverty directly relate to the size of the city? Does this seem to indicate any correlation which contributes to the affordable housing issues?
* Population vs median income – Is there a correlation between population and median income? Does this seem to indicate any correlation which contributes to the affordable housing issues?
* Population vs number with income above $200,000 - Is there a correlation between population and median income? Does the number of people making over $200k seem to skew the results?
* Population vs median home value - Is there a correlation between population and median home value?
* Population vs percent of median income spent on mortgage – Is there a correlation between population and amount spent on mortgage payments. How does this compare to percent spent on rent as related to rent.
* Population vs percent of median income spent on rent – is there a correlation between population and the cost of rent? Does this indicate that the crises are more pronounced as population increases?

Slides along with analysis

Take the slides we already have and build findings around this document. If you need help with this part let me know.

Conclusion and Next Steps

Many reasons have been put forth to explain the affordable housing crisis in America. Amongst them are the gentrification of urban neighborhoods, regulatory barriers to high density housing, and regulatory stances which do not incent the development of affordable housing. As with most issues, the causes are likely complex and inter-related. However, two things are clear. The first is that the magnitude of the problem increases as the size of a city increases. The second is that current efforts are not making significant progress to address this crises. The study identifies two key findings. Both rent as a percent of median income, and

Most of the strategies employed by cities to address the affordable housing crisis have involved some combination of tax incentives for developers, government funding, zoning changes, and rent control. Each of the above methodologies involve public sector involvement, and in each case there are clear winners and losers which results in competing advocacy on behalf of the various constituents. Additionally, many of these methods are somewhat controversial and create new problems or exacerbate existing problems.

The conclusion is that the affordable housing crisis is real and is directly correlated to the population of a city. To ensure the economic viability of our large cities it is critical to address this issue. Fresh innovative measures need to be explored which removes local government involvement and create private sector involvement.

A solution may be interpolated from the data gathered in this study. The two data points most correlated to population were rent as a percent of median income, and number of households earning over $200,000. A solution should be explored which would incent those with high net worth to be part of the solution. Not through governmental confiscation involving taxation which will be met with resistance. Rather through programs that incent high net worth people to provide the equity necessary to allow service workers to own homes versus renting.

The next steps:

* Establish a panel composed of high-net-worth entrepreneurs and service workers. Assign this panel the task to come up with a workable private sector plan that would meet the needs of each group.
* Test market this plan with the public
* Enlist government support