**HUD Median Income Estimates for AHS Metropolitan Areas, 1985-2009**

**David A. Vandenbroucke**

**September 16, 2011**

Summary

This zip archive contains official HUD Area Median Income (AMI) estimates for metropolitan areas identified in the American Housing Survey (AHS) national datasets, for the years 1985-2009.

Background

One user-friendly product produced by HUD from the AHS is the Housing Affordability Data System (HADS). HADS is a set of data files derived from the AHS public use file (PUF). In HADS, AHS variables are recoded so as to classify households by income and housing units by affordability. The HADS files cover the period 1985 through the most recent AHS (currently 2009).[[1]](#footnote-1)

A key concept in HADS is income and affordability relative to AMI. Each year, HUD produces an official AMI for each metropolitan area (MSA) and nonmetropolitan county.[[2]](#footnote-2) For the period 1985-2001, HADS did not consistently use the official HUD AMI. Rather, HADS relied on AMI estimates developed by HUD economists. HUD economists produced these estimates using the official HUD AMI values for 1993-1995 as a base period and adjusting for earlier and later years using indices for prices and real income growth.

Starting with the 2003 AHS, the AHS public use file (PUF) was updated to include current geographically matched AMI values. As a consequence, the HADS produced for 2003, 2005, 2007, and 2009 were based on income and affordability relative to the official HUD AMI.

Until recently, official HUD AMI values for years prior to 2003 were available only in paper formats, as published in *The Federal Register*. However, analysts conducting research on the dynamics of rental housing, funded by the John D. and Catherine T. MacArthur Foundation, recovered some of these data and have graciously made them available for public use. At this time, HUD does not plan to revise the HADS files for 1985 through 2001 based on the corresponding official HUD AMI values. However, HADS users may wish to make their own revisions. To support these efforts, HUD is providing two supplemental files, as described in the subsequent sections.

Description of the Data

This archive contains a Microsoft Excel 2007 spreadsheet, *HUD median incomes 1985-2009.xlsx*. This spreadsheet has a column containing the AMI estimates for each year in which there was a national AHS. The rows of the spreadsheet represent MSAs identified in the AHS. Note that, because of differences between AHS geography and official OMB metropolitan area definitions, there is sometimes more than one row referring to parts of a MSA that AHS refers to under using a single identifier. The “IN\_09SMSA” column shows the metro area ID of the component parts (including some special AHS codes), while the “MSA” column shows the ID of the whole area as reported by AHS.

Limitations

The spreadsheet contains data *only* for MSAs that are identified in the “SMSA” variable in the AHS PUF. These areas had populations of 100,000 persons or more in 1980. While the AHS METRO3 (in older years, METRO) variable identifies additional housing units as being in metropolitan areas, the spreadsheet does not include AMI values for these, nor does it include any data for nonmetropolitan counties.

Another limitation of the spreadsheet is that it includes only *median* *income* estimates. The HADS files (and AHS PUFs from 2003 forward) also include estimates of HUD programmatic “low income” and “very low income” thresholds (LI and VLI). While the general definitions are that LI is 80 percent of AMI and VLI is 50 percent of AMI, some areas are subject to administrative exceptions that raise or (more rarely) lower these thresholds. Thus, one can only approximate the LI and VLI thresholds using the data in the spreadsheet. Note that the HADS variables that rate income and affordability relative to AMI[[3]](#footnote-3) do make use of these official thresholds.

Auxiliary File

This archive contains another Microsoft Excel 2007 spreadsheet, *HADS GLMED Errors.xlsx*. This spreadsheet is a comparison of the official AMI values with the values found in the HADS files (the GLMED variable). It is intended to help analysts understand how much of a difference using the official instead of HADS values would make in their research.

As stated above, as of this writing, the HADS files have not been revised to include the AMI values in this archive. HUD’s office of Policy Development and Research has not yet come to a decision about whether such a revision is warranted, given the limitations of these new data. If the data are revised at a later date, this file and the HADS documentation will also be revised to note such changes.

Contact

David A. Vandenbroucke

Senior Economist

Office of Policy Development & Research

U.S. Department of Housing and Urban Development

451 7th Street SW, Room 8222

Washington, DC 20410

email: [david.a.vandenbroucke@hud.gov](mailto:david.a.vandenbroucke@hud.gov)

phone: 202-402-5890

1. For more information about HADS see http://www.huduser.org/portal/datasets/hads/hads.html. [↑](#footnote-ref-1)
2. For more information about HUD AMI estimates, see http://www.huduser.org/portal/datasets/il.html. [↑](#footnote-ref-2)
3. That is, those HADS variables that include “…RELAMI...” in their names. [↑](#footnote-ref-3)