What factors explain housing affordability in non-metro counties?

A 10% increase in...

**POPULATION GROWTH**
*Net migration rate*
New residents moving to a county create competition for housing, particularly in the rental market.

- +7% wages spent on mortgage
- +10% wages spent on rent

**INCOME INEQUALITY**
*Gini coefficient*
As income inequality grows, housing costs rise even for those whose income remains the same.

- +3% wages spent on mortgage
- +2% wages spent on rent

**HIGHER-PAYING JOBS**
*Growth in earnings per job*
While transitioning to higher-paying jobs improves quality of life, those jobs also tend to increase housing costs.

- +2% wages spent on mortgage
- +2% wages spent on rent

**WEALTH**
*Percent of income from investments*
Where people have greater income from investments rather than from locally generated wages, housing costs are higher.

- +2% wages spent on mortgage
- +1% wages spent on rent

Beyond these economic factors, being a recreation county adds to housing affordability challenges.

**RECREATION PREMIUM**
*Counties with recreation-dependent economies*
The high quality of life that characterizes recreation counties comes with high housing costs.

- +4% wages spent on mortgage
- +6% wages spent on rent

"Wages" means the share of earnings per job. Recreation counties are defined by the U.S. Department of Agriculture’s Economic Research Service. See https://headwaterseconomics.org/equity/housing-affordability-recreation-counties.