What factors explain housing affordability in non-metro counties?

A 10% increase in... **...explains the share of wages spent on housing by:**

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.

HEADWATERS ECONOMICS