

Household Instability Increases Dramatically—Chicago At-Risk

Nearly half of all Chicago households spend too much on housing. More than 472,000 households in the entire city are at-risk, with insufficient income to pay for transportation, education, health care, and other essential items. Decreased disposable income affects local and city economies as Chicagoans spend less at stores, restaurants, museums, and other points of commerce.

Recent updates from the U.S. Census show that housing cost burden has continued to worsen. Any household paying more than 30% of their income is considered cost burdened and the impact on that household also affects the city as a whole. Housing stress exists due to the lack of affordable housing and the resulting housing and income mismatch.

- **Overall, nearly 55 percent of renters citywide spend more than a third of their income on housing.** This is an increase of 10 percent from 2000.
- **Half of all Chicago owners are at risk of disruption in their housing stability.** CRN's analysis also shows that the share of homeowners who are cost burdened increased to 1 in 2 from 1 in 3 in the year 2000. That limits their economic freedom and ability to support the local commerce.

More communities are at-risk

Housing stress has remained high in communities that have long-struggled, and efforts in the last ten years, if any, have done little to abate the problem. Now, traditionally stable and affluent neighborhoods are also experiencing signs of destabilization. Communities which have been traditionally middle- and working-class neighborhoods are showing growing indications of housing stress. Bridgeport, Brighton Park, McKinley Park, and its surrounding communities [PUMA 3512] experienced a 30-percentage point increase in cost burdened homeowners since 2000—from 36 percent to 65 percent cost burden rate. The communities of Portage Park, Belmont Cragin, and Montclare show a similar trend. **This means that ten years ago 7 out of 10 owners in those communities lived in affordable housing; today, less than 4 out of 10 owners live affordably.**

In more affluent communities throughout the North Side [PUMA 3501-3506], cost burdened renters and owners, on average, have increased from approximately 1 in 3 households to 1 in 2. This mirrors the housing stress felt in historically disinvested communities in the South and West Sides, including Englewood and Far South Side community areas [PUMA 3515, 3516, 3519] as well as the West Side communities of Austin, East and West Garfield Park and Humboldt Park [PUMA 3507, 3508].

While it is disturbing that housing stress continues to affect the same communities for both owners and renters, it is even more alarming to see that cost burden rates have become much higher in the last ten years. In 2000, the highest cost burden rates for both renters and owners did not go above 50 percent. But by 2009, we are seeing cost burden rates at well above 60 percent, or 2 out of 3 households. **In fact, at least half of all households in 15 of the 19 Chicago PUMAs—covering 57 of the 77 community areas— cannot afford their housing.**

Information on housing cost burden in this release is derived from the latest data from the U.S. Census American Community Survey. PUMAs are groupings of Chicago Community Areas that are designated by the U.S. Census to allow for analysis in between the ten-year Census. (See the *Understanding the City Snapshot* section of the Building Our Future Chicago Toolkit for more information.)