

# Make Housing More Affordable

By Algernon Austin

Home prices are up 60 percent since 2019, and purchasing the median-priced home would pose a significant financial strain for most Americans. Half of all renters are cost-burdened, paying more than the recommended maximum of 30 percent of their income on housing. Rising housing costs and a lack of affordable housing has led to a record high level of chronic homelessness.

## **There is not enough affordable housing:**

- The nation faces a deficit of about 2 million homes for purchase.
- The median single-family home costs five times the median household income. A cost of three times the median household income is what is considered to be affordable.
- The nation faces a deficit of over 7 million rental homes affordable to low-income renters.
- The number of lower-cost rental units is declining, and new construction is focused primarily on increasing the supply of higher-cost units.
- About 80 percent of renters in the lowest income quintile are housing cost burdened.

## **Solution: Invest in Affordable Housing; Disinvest in Subsidies for the Wealthy**

Federal housing policy directs too much funding to the wealthy and too little for everyone else. For example, most of the benefit of the mortgage interest deduction goes to households with incomes over \$200,000, which is an amount above the 80th percentile in household income. The mortgage interest deduction costs the government more than twice as much as the Low-Income Housing Tax Credit (LIHTC). LIHTC housing, in turn, is a better benefit for wealthy investors than for low-income renters. LIHTC housing is generally more expensive for low-income renters than public housing. The Joint Center for Housing Studies finds that “LIHTC does not necessarily protect a renter from cost burdens,” and “LIHTC units often require additional subsidies to make this housing affordable.” Federal policy, however, has restricted the creation of new federal public housing — the more affordable option — even though many people have to wait years to obtain public housing. Instead of improving and increasing the availability of public housing, there has been a steady increase in funding for LIHTC housing, the more expensive option for low-income renters that benefits wealthy investors. At every turn, federal housing policies are skewed toward making the rich richer which makes housing more expensive for everyone else.

## **The Public Wants More Investment in Affordable Housing**

Multiple polls show that the public recognizes that there is a housing crisis because of an insufficient supply of affordable housing. More than four-fifths of Democratic voters under 40 years old believe that “the cost of housing in America [has] reached a crisis level.” Two-thirds of young Republican voters and seven-tenths of other young voters also agree. A majority of the public support an increase in government spending on affordable housing (see figure).

# A Majority Want More Investment in Affordable Housing

Share of US adults who support or oppose increased government spending on affordable housing



Source: Data for Progress, August 15–18, 2025 survey of U.S. adults.



## Resources:

- [Safe and Affordable Housing](#), Elizabeth Warren, March 16, 2019.
- [Build, Baby, Build: A Plan to Lower Housing Costs for All](#), Center for American Progress, November 17, 2025.
- [Only Radical Changes Will Make Rents Affordable](#), Algernon Austin, CEPR, June 16, 2022.
- [Social Housing in the United States](#), Saoirse Gowan and Ryan Cooper, People's Policy Project, April 2018.