

The Housing Divide in Northeast Pennsylvania

An exploration of the dynamics behind housing insecurity in a region of considerable affordability.



The Institute

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A collaboration among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton & Wilkes University

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Introduction

Northeastern Pennsylvania has been characterized as an affordable place for housing. Compared with larger metropolitan areas, costs for rent and homeownership are relatively low. However, some households continue to experience homelessness, housing instability, or a lack of affordable options. This represents a housing divide, separating those who can attain appropriate housing on the market or with a subsidy, and those who cannot – in particular, those with very low incomes and those with other barriers to housing access.

To better understand the nature of the housing divide in Northeastern Pennsylvania, we compared Lackawanna and Luzerne Counties to seven other regions. These include three state peer counties—Blair, Erie, and York—which share similar characteristics with Lackawanna and Luzerne Counties; the cities of Pittsburgh and Philadelphia, Pennsylvania’s largest metropolitan areas; the Commonwealth of Pennsylvania as a whole; and the United States.

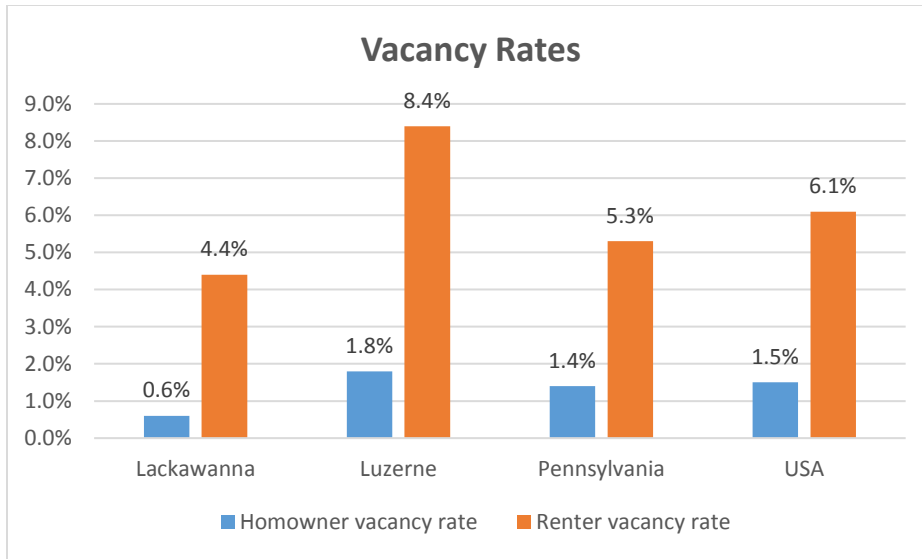
This report will begin with an overview of the region’s housing characteristics, followed by an analysis of housing affordability based largely on data from the U.S. Census Bureau’s American Community Survey. We then discuss the role of credit and debt in determining whether households are able to attain housing security, before examining some of the major non-monetary factors contributing to the housing divide. The report concludes with a set of policy recommendations for reducing housing insecurity in Northeastern Pennsylvania.

Regional Housing Characteristics

In Lackawanna County, approximately 64 percent of all occupied housing units are owner-occupied, while the remaining 36 percent are rented. In Luzerne County, owner- and renter-occupied units make up 69 percent and 31 percent of all occupied units respectively. The statewide percentages of renters and homeowners are nearly the same as those of Luzerne County, while the national percentages mirror those of Lackawanna County.

Housing Tenure								
	Lackawanna County		Luzerne County		Pennsylvania		USA	
	Estimate	Percent	Estimate	Percent	Estimate	Percent	Estimate	Percent
Occupied housing units	88,268	(X)	128,301	(X)	5,070,931	(X)	121,520,180	(X)
Owner-occupied	56,371	63.9%	88,539	69.0%	3,478,645	68.6%	77,708,394	63.9%
Renter-occupied	31,897	36.1%	39,762	31.0%	1,592,286	31.4%	43,811,786	36.1%

There is a large difference in the vacancy rates of the two counties. Larger percentages of owner- and renter-occupied housing units are vacant in Luzerne County than at the state or national levels. The opposite is true in Lackawanna County, where the supply of vacant homes is relatively limited for both renters and buyers.



The median value of owner-occupied homes in Luzerne County is the second-lowest of the regions examined in this report, at \$133,600; only Blair County has a lower median value. Lackawanna County falls in the middle of the range of median home values, at \$147,900. The median values for both counties in Northeastern Pennsylvania are far below the state and national medians.

Median Housing Value	
Blair County	\$128,500
Luzerne County	\$133,600
Pittsburgh	\$140,200
Erie County	\$143,700
Lackawanna County	\$147,900
Philadelphia	\$167,700
York County	\$183,000
Pennsylvania	\$186,000
USA	\$229,700

Affordability

Housing in Lackawanna and Luzerne Counties is relatively affordable, compared to many other regions throughout Pennsylvania and the rest of the nation. In the third quarter of 2019, the National Association of Home Builders (NAHB) reported that the Scranton–Wilkes-Barre–Hazleton metropolitan statistical area was the nation’s most affordable large metro area; this was based on NAHB’s Housing Opportunity Index, which examines the share of homes sold in an area that would be affordable to a family earning that area’s median income.

The U.S. Census Bureau’s American Community Survey offers further evidence of the region’s comparative affordability. The median monthly housing costs for owner-occupied households in Lackawanna and Luzerne Counties are \$816 and \$824 respectively, under 15 percent of the median income for homeowners in both

counties. Housing costs represent a smaller share of household income in the two-county region than in nearly every other region examined in this report (the only exceptions being Blair County and the City of Pittsburgh). At the state level, the median monthly housing costs are equal to about 16 percent of the median household income for Pennsylvania homeowners. Nationally, monthly costs for homeowners are equal to 17 percent of the median household income.

Housing Affordability for Owner-Occupied Households			
	Median Household Income	Median Monthly Housing Costs	Housing Costs as a % of Income
Lackawanna County	\$66,126	\$816	14.8%
Luzerne County	\$66,528	\$824	14.9%
Blair County	\$62,316	\$714	13.7%
Erie County	\$64,076	\$832	15.6%
York County	\$76,370	\$1,135	17.8%
Philadelphia	\$57,797	\$893	18.5%
Pittsburgh	\$68,933	\$842	14.7%
Pennsylvania	\$75,309	\$1,012	16.1%
USA	\$78,045	\$1,103	17.0%

Source: US Census Bureau, American Community Survey, 2018

Rent is also generally more affordable in the two-county region, costing about 28 percent of the median household income for renters in Lackawanna County, and less than 31 percent for renters in Luzerne County. Of the other regions examined here, only York County is comparably affordable, with the median rent costing about 29 percent of the median income for renter households. Nationally and statewide, the median monthly rent is equal to about 31 percent of the median monthly income.

Housing Affordability for Renter-Occupied Households			
	Median Household Income	Median Monthly Rent	Rent as a % of Income
Lackawanna County	\$33,789	\$797	28.3%
Luzerne County	\$30,971	\$789	30.6%
Blair County	\$26,394	\$722	32.8%
Erie County	\$27,726	\$761	32.9%
York County	\$38,101	\$930	29.3%
Philadelphia	\$32,992	\$1,032	37.5%
Pittsburgh	\$31,428	\$917	35.0%
Pennsylvania	\$35,600	\$927	31.2%
USA	\$40,531	\$1,058	31.3%

Source: US Census Bureau, American Community Survey, 2018

One way of assessing the affordability of housing in an area is to examine how many households in that area are housing cost-burdened. Households are considered cost-burdened when they spend 30 percent or more of their income on housing. This is a simple but widely accepted standard for measuring whether people can afford to pay for their homes without excessively restricting their ability to pay for other necessities.

The table below shows the share of households that are cost-burdened in each region. Luzerne and Blair Counties have the smallest shares of cost-burdened households, with just over a quarter of all households

spending 30 percent or more on housing. However, renter-occupied households in both counties are more than twice as likely as owner-occupied households to be cost-burdened. This is true (or nearly true) in every region examined here. Lackawanna County is less affordable by this measure; 30 percent of all households in the county are cost-burdened, higher than the statewide level and about on par with the national level. It is worth noting that a greater share of owner-occupied households are cost-burdened in Lackawanna County (23.7 percent) than in any other region except for Philadelphia, which has the highest overall rate of cost-burdened households at 38 percent.

Cost-Burdened Households			
	All Households	Owner-Occupied Households	Renter Households
Luzerne County	25.3%	18.4%	40.6%
Blair County	25.3%	17.2%	46.2%
York County	27.1%	20.5%	47.4%
Pennsylvania	28.2%	20.8%	44.2%
Erie County	28.4%	17.7%	48.6%
Lackawanna County	30.0%	23.7%	41.3%
United States	30.9%	22.3%	46.2%
Pittsburgh	33.6%	19.2%	46.4%
Philadelphia	38.0%	27.7%	49.5%

Source: US Census Bureau, American Community Survey, 2018

As noted above, renter households throughout Pennsylvania and the United States are more likely than homeowners to be housing cost-burdened. In Erie County and Philadelphia, nearly half of all renter households spend 30 percent or more of their income on housing. Although Lackawanna County has a higher rate of cost-burdened homeowners than most of the comparison regions, its rate of cost-burdened renters is lower than that of every other region except for Luzerne County.

While renters are more than twice as likely as homeowners to be cost-burdened in Lackawanna and Luzerne Counties, the total number of cost-burdened households in the two-county region is split almost evenly between owner- and renter-occupied households. In other words, renter households are disproportionately cost-burdened; they comprise approximately one third of all occupied households in both counties (and throughout Pennsylvania), but close to 50 percent of all cost-burdened households.

There is a negative correlation between a household’s income and the likelihood that the household is cost-burdened—households with higher incomes are much less likely to be cost-burdened than those with lower incomes. This trend is consistent across all regions examined here, and it is true for both renters and homeowners. The table below shows the percentage of households in five income categories that are cost-burdened.

Percent Cost-Burdened out of All Occupied Housing Units by Household Income					
	< \$20,000	\$20,000 – \$34,999	\$35,000 – \$49,999	\$50,000 – \$74,999	≥ \$75,000
Pennsylvania	83.4%	58.5%	34.2%	16.9%	4.2%
Luzerne County	78.8%	50.6%	22.9%	7.8%	1.4%
Lackawanna County	87.3%	60.3%	23.7%	10.9%	3.5%
Pittsburgh	81.6%	61.0%	31.6%	13.1%	2.7%
Philadelphia	85.8%	66.7%	42.7%	19.6%	2.7%
USA	83.2%	62.8%	40.8%	23.5%	6.9%
Blair County	80.0%	40.1%	23.8%	4.0%	0.9%
Erie County	83.5%	50.2%	25.5%	5.1%	2.4%
York County	85.8%	62.7%	35.1%	18.7%	3.2%

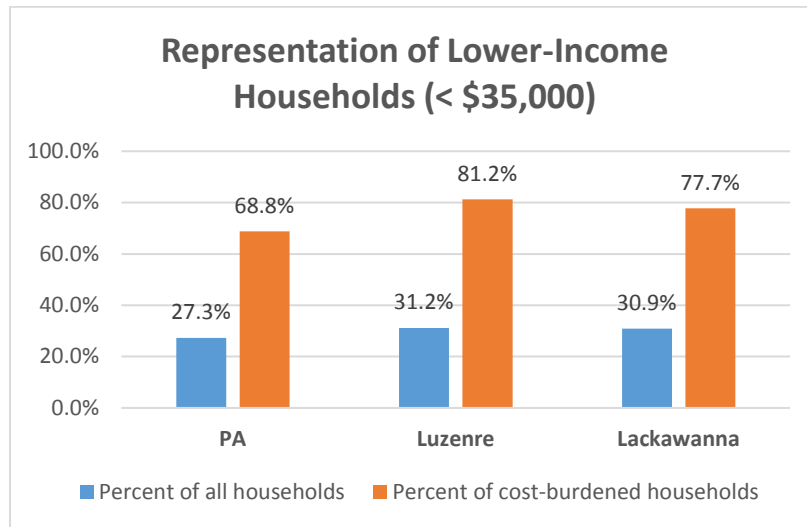
Renter-occupied households with lower incomes (less than \$35,000) are significantly more likely to be cost-burdened than owner-occupied households with comparably low incomes. For example, at the national level, 89 percent of renters earning less than \$20,000 per year are cost-burdened, compared to 76 of homeowners with similar incomes. The only exception among these regions is Lackawanna County, where owner-occupied households with incomes under \$20,000 are more likely to be cost-burdened than renter households in the same income category. The gap between renters and homeowners is largest in the \$20,000 to \$34,999 category. In Pennsylvania, 74 percent of renters in this category are cost-burdened, compared to 47 percent of homeowners. In both Lackawanna and Luzerne counties, about two thirds of renters in this income group are cost-burdened, compared with 53 percent of homeowners in Lackawanna and 39 percent in Luzerne.

As household income increases beyond \$35,000, the gap between the shares of renters and homeowners that are cost-burdened generally shrinks and sometimes reverses. In several regions, owner-occupied households with incomes over \$50,000 are more likely to be cost-burdened than renter households with similar earnings.

Percent Cost-Burdened out of All OWNER-Occupied Housing Units by Household Income					
	< \$20,000	\$20,000 – \$34,999	\$35,000 – \$49,999	\$50,000 – \$74,999	≥ \$75,000
Pennsylvania	79.8%	46.5%	30.5%	17.2%	4.4%
Luzerne County	74.8%	39.2%	21.8%	9.5%	1.5%
Lackawanna County	89.7%	53.3%	23.9%	15.0%	3.4%
Pittsburgh	77.5%	40.5%	18.1%	9.2%	1.7%
Philadelphia	82.8%	47.8%	32.4%	16.5%	2.5%
USA	75.6%	47.6%	33.5%	21.8%	6.9%
Blair County	71.0%	30.2%	23.4%	4.5%	1.0%
Erie County	79.5%	37.3%	26.7%	5.4%	1.7%
York County	78.9%	51.5%	30.5%	22.2%	3.4%

Percent Cost-Burdened out of All RENTER-Occupied Housing Units by Household Income					
	< \$20,000	\$20,000 – \$34,999	\$35,000 – \$49,999	\$50,000 – \$74,999	≥ \$75,000
Pennsylvania	86.0%	73.6%	41.1%	16.1%	3.2%
Luzerne County	82.5%	64.7%	25.2%	2.0%	0.4%
Lackawanna County	85.6%	66.8%	23.2%	3.3%	4.2%
Pittsburgh	83.1%	74.1%	43.8%	17.2%	4.8%
Philadelphia	87.7%	83.7%	54.9%	23.4%	3.1%
USA	88.5%	78.9%	50.9%	26.6%	7.0%
Blair County	87.4%	57.4%	24.9%	1.3%	0.0%
Erie County	85.6%	65.1%	23.7%	4.2%	7.9%
York County	91.2%	83.0%	46.0%	9.1%	1.4%

Regional data regarding the demographics and other characteristics of cost-burdened households is not directly available; however, we can use demographic data for renter households to approximate an understanding of the population at the greatest risk of being cost-burdened. This is not to discount the importance of affordability to owner-occupied households and households with higher incomes—in terms of absolute numbers, there are a few hundred more cost-burdened homeowners than cost-burdened renters in the two-county region. We are examining the characteristics of renter and low-income households because these groups are disproportionately represented in the cost-burdened population. In both Luzerne and Lackawanna Counties, lower-income households (with incomes under \$35,000) make up about 31 percent of all occupied households, but close to 80 percent of all cost-burdened households. Understanding the characteristics of these disproportionately cost-burdened groups may be valuable for identifying solutions for mitigating the housing divide.



In Lackawanna and Luzerne Counties and Pennsylvania, renter-occupied households are more than twice as likely as owner-occupied households to have incomes under \$35,000 per year. Throughout the commonwealth, about 20 percent of homeowners have incomes in this range, compared to 44 percent of renters. This trend is reflected in the two counties. Renters also tend to be younger—in Lackawanna County, more than a third of renters are under 35 years old, compared to only 7 percent of homeowners. Meanwhile, 19 percent of renters and 37 percent of homeowners in the county are over the age of 65. The contrast is similar—but somewhat less severe—in Luzerne County and at the state level. Renters are also more likely than homeowners to be members of racial or ethnic minorities; in both counties, renters are more likely to be black or of Hispanic or Latinx origin, or to identify as “some other race.” In Lackawanna County, renters are more likely than homeowners to be Asian.

There is a gap in educational attainment between renter- and owner-occupied households. Renters are significantly less likely than homeowners to have graduated high school. In Luzerne County, 17 percent of renters have less than a high school diploma, compared to seven percent of homeowners. Additionally, renters are less likely to have earned a bachelor’s degree or higher—19 percent of renters and 29 percent of homeowners have this level of educational attainment.

Income eligible residents may also qualify for project-based rental assistance (PBRA) or housing choice vouchers (HCV) through a local public housing authority. Within the metro area, public housing authorities administered 3,874 housing choice vouchers in 2017, and there are more than 14,600 subsidized units through PRA and other programs. However, the total number of assisted households has fallen in Lackawanna County since 2010, and the number of housing voucher households fell in both counties since 2010. This stands in contrast to nationwide trends, where the number of subsidized households has grown among both PBRA and HCV.

Summary of Subsidized Housing, 2017						
	US Total	US Change Since 2010	Lackawanna Total	Lackawanna Change Since 2010		Luzerne Change Since 2010
				Luzerne Total	Luzerne Change Since 2010	
Total Assisted Households	4,650,853	5.0%	5,969	-2.6%	8,269	0.0%
Total Housing Voucher Households	2,264,047	11.0%	1,623	-12.3%	1,928	-9.5%
Average HCV Tenant Monthly	\$370	0.8%	\$311	-16.8%	\$333	-7.0%
Average Monthly HUD Subsidy	\$753	-4.5%	\$458	6.1%	\$497	-2.9%

Dollar changes are inflation adjusted. Source: U.S. Department of Housing and Urban Development

The Role of Credit and Debt

Credit and debt are important factors in determining whether individuals and families have access to secure, stable housing. If a household is in debt, it may be more difficult for it to pay for housing. Debt can additionally lead to lower credit scores for households, which often reduces the availability of mortgages. Many landlords of rental units also check the credit scores of potential tenants, and may turn down applicants with poor credit.

Data collected by the Urban Institute shows the share of people with different types of debt in each of the nation’s counties. According to the data, 32 percent of residents in Lackawanna and Luzerne Counties have debt, a larger share than in any of the comparison regions examined in this report. The median amount of debt

residents have in collections is lower than the state median in both counties, and is the lowest in Lackawanna County. However, Lackawanna County has a much higher median credit card delinquent debt than the other regions. It also has a larger share of residents with student loan debt than the state or the nation. This data suggests that debt may be a significant financial issue in Lackawanna County, especially considering the county’s high rate of cost-burdened low-income homeowners.

There is insufficient data on debt among communities of color in most of the counties examined here due to small sample sizes, but in York County and at the state level the share of people with debt in communities of color is more than two times as large as the share in white communities. While more data is needed, it may be safe to assume that communities of color are similarly affected by debt in Northeastern Pennsylvania.

Level of Debt by Region							
	Lackawanna County	Luzerne County	Blair County	Erie County	York County	Pennsylvania	USA
Share with any debt in collections	32%	32%	27%	30%	27%	28%	31%
Median debt in collections	\$1,356	\$1,570	\$1,380	\$1,819	\$1,825	\$1,651	\$1,639
Share with medical debt in collections	16%	14%	13%	14%	15%	13%	16%
Share with student loan debt	22%	18%	19%	24%	19%	20%	16%
Share of student loan holders with student loan debt in default	12%	11%	9%	15%	9%	11%	13%
Auto/retail loan delinquency rate	3%	3%	2%	2%	3%	3%	4%
Credit card debt delinquency rate	5%	6%	4%	4%	4%	4%	4%
Median credit card delinquent debt	\$1,029	\$604	N/A	\$499	\$688	\$678	\$651

Source: The Urban Institute, "Debt in America: An Interactive Map," 2019

Non-Monetary Barriers to Housing Security

Debt and prohibitive costs are not the only barriers to attaining housing security; there are numerous non-monetary barriers as well. This report will provide brief overviews of the following issues and how they may impact access to stable housing: incarceration and reentry; substandard housing; mental health and substance abuse; and homelessness and transitional housing.

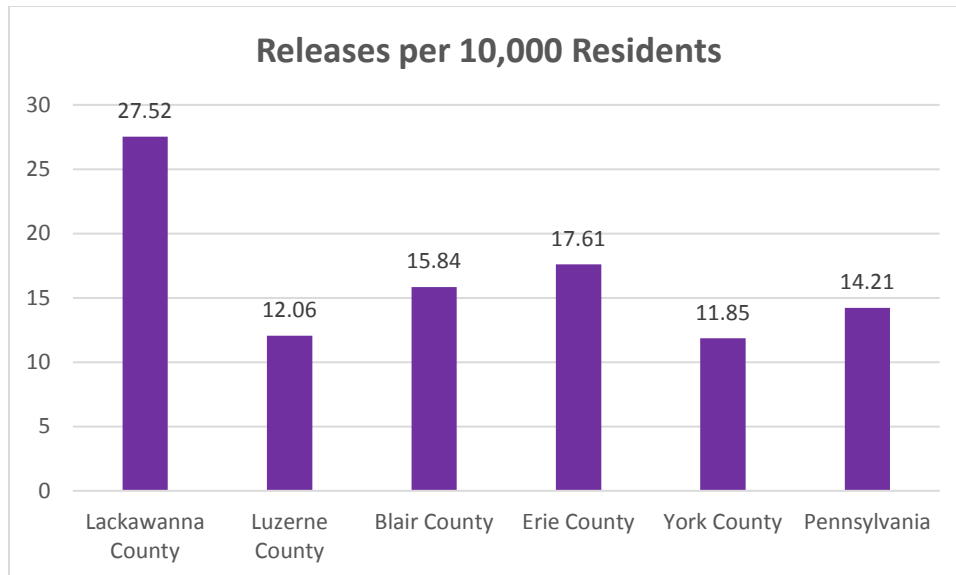
Incarceration and Reentry

Individuals returning to their communities from incarceration often face numerous obstacles to accessing permanent housing. Issues of housing affordability are exacerbated by the fact that reentrants tend to have more difficulty finding employment. There are also restrictions on the ability of formerly incarcerated individuals to receive federal housing assistance—many people are denied access to public housing because of their

criminal records. Even when reentrants are not barred from public housing, they may be placed on long wait lists due to the national shortage of housing units. Formerly incarcerated people face discrimination from landlords and communities as well, particularly in areas with strong “not in my backyard” (NIMBY) movements.ⁱ

According to the Pennsylvania Department of Corrections, the commonwealth does not release people from prison if they do not have an approved housing plan. This policy prevents people from being released into homelessness, but it also means that individuals who are eligible for release remain incarcerated for longer than necessary, which can lead to additional barriers to reentry and a higher risk of recidivism. Some reentrants are released to group homes if they have nowhere else to go. The average stay at these group homes is over four months, and it is longer for populations with additional needs (e.g. the elderly and people with mental health conditions), who may have additional difficulty finding adequate housing.ⁱⁱ

Data from the Pennsylvania Department of Corrections shows the rate of releases from incarceration per 10,000 residents in each county and in the commonwealth as a whole. The housing needs of the formerly incarcerated may require particular attention in Lackawanna County — in 2018, the county saw 27.52 releases for every 10,000 residents. This is one of the highest rates in the commonwealth, and it is nearly twice the state level.



Source: PA Department of Corrections, Calendar Year Releases 2018

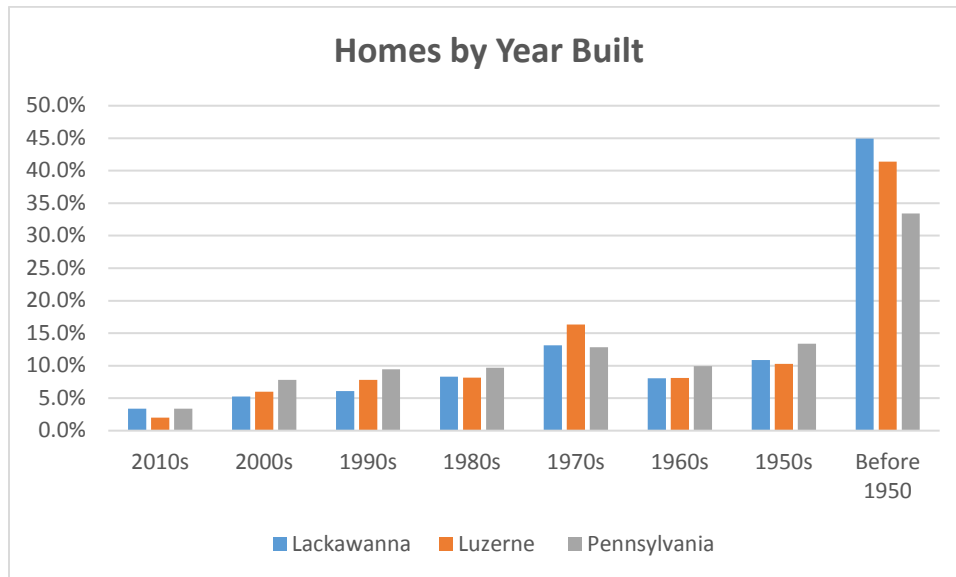
Substandard Housing

Poor housing quality is another barrier to housing security for many people. The amount of county-level data available on this topic is limited, but some state-level data is available via the American Housing Survey (AHS), a survey sponsored by the Department of Housing and Urban Development and conducted by the U.S. Census Bureau. According to AHS data from 2017, nearly six percent of all housing units in Pennsylvania were either moderately or severely inadequate. This includes over four percent of owner-occupied units and at least six percent of renter-occupied units (data is not available for severely inadequate rental units). Housing adequacy is determined based on factors such as plumbing, electricity, heating, wiring, and upkeep.

Housing Quality by Tenure Type			
	Total	Owner	Renter
Total	5,164.6	3,636.5	1,528.1
Adequate	4,866.1	3,483.1	1,383.0
Moderately inadequate	199.4	106.5	92.9
Severely inadequate	99.1	46.9	N/A

Source: American Housing Survey, 2017
(Estimates in thousands of housing units)

The Institute previously published a report on the implications of the aging housing stock in Lackawanna and Luzerne Counties. The report found that the two-county region has a relatively old housing stock, compared to the commonwealth and the nation as a whole. More specifically, the two counties both have larger shares of homes built prior to the year 1950 than reported at the state and national levels. Lackawanna County has a particularly large share of older housing units, with about 45 percent having been built in the first half of the 20th century.



As pointed out in the previous report, aging homes can present challenges and risks for occupants. Units that have deteriorating physical conditions or that contain outdated building materials may contribute to negative health outcomes including respiratory issues, cardiovascular disease, and lead poisoning, among others. Older homes are much more likely than newer homes to contain toxic materials like lead and asbestos—according to the EPA, the majority of homes built before 1960 contain lead-based paint. ⁱⁱⁱBecause Lackawanna and Luzerne Counties have such large shares of older housing units, households in the region may be at a greater risk of exposure to these toxic building materials.

Older housing units are also less likely to be accessible to certain populations, such as seniors and people with disabilities. This may be a significant problem in Lackawanna and Luzerne Counties, which have large populations over the age of 65. With proper home maintenance, it is often possible to improve accessibility or

mitigate health risks. However, maintenance and improvements to housing can be costly, and some households may not be able to afford changes to make their homes safer.

Substance Abuse and Mental Health

Individuals with substance use disorders often need to overcome additional obstacles in order to find stable housing. Similar to the discrimination faced by people returning to their communities from incarceration, federal policies restrict access to housing assistance for people with addiction. People who were evicted for drug-related reasons are temporarily banned from federal housing assistance, and local housing agencies can deny assistance to individuals who have used illegal drugs in the past or who are considered likely to use illegal drugs in the future. These restrictions are barriers not only to housing access, but to recovery from addiction as well—stable housing facilitates recovery, and the stress of an unstable housing situation can lead to substance abuse.^{iv}

Individuals with other mental health conditions also struggle with housing insecurity. According to the National Alliance on Mental Illness, people with severe mental health conditions often rely on Supplemental Security Income benefits, which are not sufficient for affording a home.^v People with mental illness are at a greater risk of experiencing homelessness than the general population, and a large percentage of homeless individuals with mental health conditions suffer from substance use and addiction.^{vi}

Many communities have adopted a Housing First approach to ending homelessness, offering permanent, affordable housing (sometimes connected to support services) without requiring participants to address any behavioral health problems beforehand. There is evidence that the Housing First model is effective for improving housing stability and mental health outcomes.^{vii}

Homelessness and Transitional Housing

Hundreds of people in Lackawanna and Luzerne Counties lack regular access to housing. The Department of Housing and Urban Development’s 2019 Point-In-Time count found that there were 155 households experiencing homelessness in Lackawanna County, and 118 in Luzerne County. The majority of these households were sheltered, either in emergency shelters or in transitional housing.

Homelessness in 2019					
	Sheltered Households			Individuals	
	Emergency Shelter	Transitional Housing	Unsheltered Households	Total	Children
Lackawanna	91	57	7	186	24
Luzerne	60	51	7	164	43
Pennsylvania	5,899	2,417	1,524	13,199	2,980

Source: US Department of Housing & Urban Development

Transitional housing programs aim to help people—often mothers and children—escape homelessness and find stable housing. A study prepared for HUD in 2010 found evidence that transitional housing is effective in achieving these outcomes, and that they can be most helpful when they target families that face multiple barriers to housing security.^{viii} However, it is not clear whether the availability of transitional housing in Lackawanna and Luzerne Counties is sufficient to meet the region’s needs.

Overcoming the Divide: Policy Responses and Next Steps

There are a variety of policy responses that could be considered to help to address the housing divide that has resulted in vulnerable families facing housing insecurity in Northeastern Pennsylvania.

Expand the supply of affordable housing units, including with a state Low-Income Housing Tax Credit

One important step is to expand the supply of affordable housing units. At the end of January 2020, the Pennsylvania State Senate unanimously passed Senate Bill 30, which would create a state housing tax credit to incentivize the development and preservation of affordable housing. The bill is modeled after the federal low-income housing tax credit (LIHTC), which is responsible for about the majority of affordable housing construction nationwide.^{ix} Pennsylvania may be able to build on the success of the existing federal program by supplementing it with the state housing tax credit. In its current form, the bipartisan legislation would offer a financial incentive for private rental housing developers to build and maintain affordable housing units. At least 10 percent of the program's funds will be used to provide housing for extremely low-income households (at or below 30 percent of the area median income).

As The Institute found in its Housing Task Force report in 2019, the region's housing stock is disproportionately older, and many lower-income households lack the resources to make necessary repairs. One approach to help to expand the stock of quality housing for lower-income households would be to provide for subsidies (through federal, state, local, or philanthropic sources) to repair and renovate for older homes for conversion to income-restricted or market-rate housing. This could also help to alleviate the supply issue.

Raise wages for low-income workers

Another step toward improving housing affordability is to ensure that the region's workforce is earning a living wage. In 2016, The Institute and the University of Scranton published a report examining the wages households need to earn in order to live a modest but dignified life. An updated version of this report was published in 2019. The report found that the minimum wage in Pennsylvania—the federal minimum wage of \$7.25 per hour—is not sufficient for meeting the basic needs of families or individuals. Households with low incomes are the most likely to be housing cost-burdened. Raising the wages of the lowest-earning households in Lackawanna and Luzerne Counties would help those households afford places to live. Wage increases can come from the state government, as they did in neighboring states like New York, New Jersey, and Ohio, or they could be driven by employers.

Ease restrictions on assistance for people with criminal records or histories of substance use

People returning to their communities after a period of incarceration face additional barriers to housing security, as do individuals who have struggled with substance use or addiction. For these populations, increasing the availability of affordable housing and raising wages are helpful but not sufficient, as people with these backgrounds often face discrimination when searching for stable housing. Local housing agencies could mitigate the problem of discrimination by reevaluating the extent to which they withhold housing assistance from people with criminal records and people who struggle with substance use.

The Housing Authority of New Orleans offers one example of how this is possible; in 2016, the housing authority shifted away from its policy of refusing applicants with criminal records, instead creating a more comprehensive screening process for applicants. New York City has similarly eased restrictions for reentrants, establishing a Family Reentry Pilot Program to help former prison inmates access housing and support services.^x State officials

in Delaware have also revised the state’s reentry system, with an emphasis on improved coordination among service providers and agencies.^{xi}

Invest in transitional and supportive housing

Communities could also consider investing in services to meet the needs of households experiencing (or at risk of experiencing) homelessness and individuals with severe mental health conditions. There are a number of organizations in Lackawanna and Luzerne Counties that serve these populations. Expanding the capacity of such organizations to provide transitional housing and support services may help reduce the length and frequency of periods of homelessness. There is evidence that permanent supportive housing—a Housing First model that provides long-term housing assistance and support services to people with disabilities—has been a particularly effective model for reducing chronic homelessness.^{xii}

Endnotes

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