



Fixing the Broken Housing Market in Merced County



The housing market in Merced County—like other California communities—is broken. Wages are not keeping pace with housing costs, and the variety of affordable home choices is small.

As a result, key contributors to our local economy cannot even afford to rent homes. In 2006, a Merced County resident needed an income of \$26,280 to afford a two-bedroom apartment—significantly more than medical assistants, bank tellers, and farmworkers earned on average.

Homeownership is even further out of reach. Median household income in the county is \$50,800. However, a first-time buyer must earn \$70,705 to afford the median-priced home (\$247,470).

Income needed to buy the county median-priced home = \$70,705
Merced County household median income = \$50,800

The gap between wages and the cost of homes in Merced County highlights the need for wider variety in the housing market. Today's housing market is the equivalent of a supermarket that sells filet mignon and caviar, but no hamburger or macaroni and cheese. Californians need the market to provide a full range of housing choices for people at all income levels.

One proven solution? State investment that spurs the private market to build that range of affordable homes.



MERCED COUNTY RESIDENTS WHO BENEFIT FROM STATE INVESTMENT IN AFFORDABLE HOMES

VERY-LOW-INCOME EARNERS*

Medical assistants	\$24,734
Bank tellers	\$22,945
Farmworkers	\$20,421
Security guards	\$19,389
Home-health aides	\$17,149

*50% of median income

LOW-INCOME EARNERS**

Protective service workers	\$35,330
Legal secretaries	\$32,250
Emergency dispatchers	\$29,923
Bookkeepers	\$29,096
Preschool teachers	\$28,739

**80% of median income

