

AREA MEDIAN INCOME

AREA MEDIAN INCOME (AMI) IS USED TO HELP TARGET HOUSING PROGRAMS AND RESOURCES TO THOSE IN MISSOULA WHO NEED THEM MOST. HERE'S HOW AND WHY:



AMI is the household income for the middle household in a region.



In other words - if you lined up every household in a region from the one making the least to the most, the household in the middle would be the median household.



AMI is used to determine whether housing is affordable to a household based on the number of members and their income.

HOW IS IT CALCULATED?

Each year, the Census surveys over 3.5 million addresses to learn about residents. They ask about how much income all individuals 15 and over in the household make to calculate the household income.

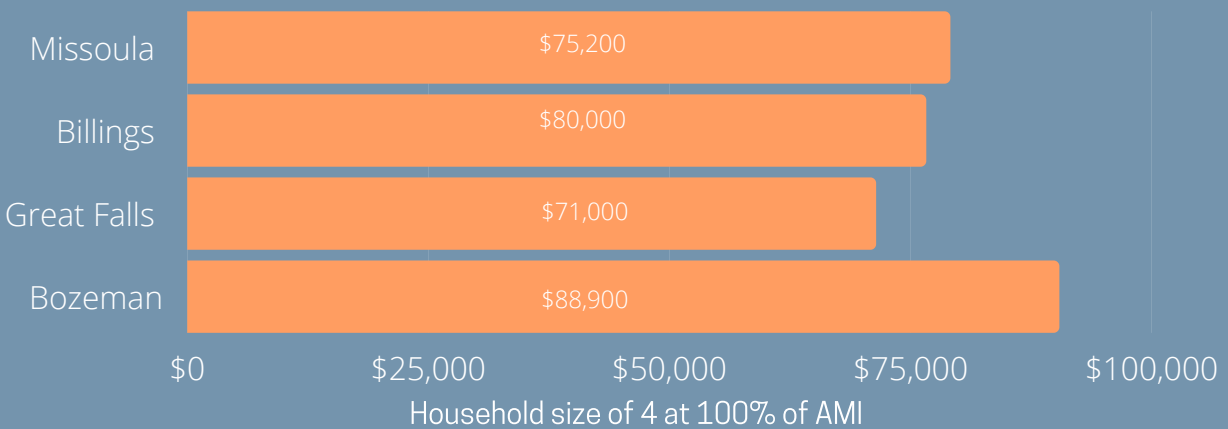
The U.S. Department of Housing and Urban Development adjusts that number for inflation to publish Area Median Income.



Income level and thus housing affordability are typically organized into four categories:

Extremely Low Income	Very Low Income	Low Income	Moderate Income
0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI

Area Median Income in Montana Cities (2021)



We know in Missoula that residents who make up to 120% of AMI need support to get into secure housing. There are several reasons we target support up to that income level, including that:



- Housing costs in Missoula continue to rise, outpacing wages, which have remained relatively consistent over time.
- In May 2021, the median home sales price was \$438,000 according to the Missoula Organization of Realtors.
- The supply of affordable homes for households in 120% AMI range is shrinking.

Breaking down AMI into real numbers, a one-bedroom condo that costs \$298,034 is affordable for a two-person household earning \$75,960 per year. If that household has two full-time earners, that equates to roughly \$38,000 per year or \$18.25 dollars per hour each. These are wages of hospitality and retail workers, educators, and many part-time retirees. **These are everyday Missoulians who without some subsidy otherwise would not be able to afford a home.**