Housing Policy and Poverty Across the United States

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Executive Summary

Poverty is typically understood as a shortage of resources relative to needs. Most state poverty-reduction strategies focus on the *resources* side of that equation: cash transfers, minimum wages, refundable tax credits, or similar. This report instead focuses on the *needs* side. This report focuses on 11 states (including the District of Columbia) where high housing costs are a major driver of poverty. Specifically, these are the states with the highest housing-cost adjustments to the Supplemental Poverty Measure (SPM), a Census-produced poverty measure that accounts for local living costs in setting its poverty threshold. For these states (Hawaii, California, the District of Columbia, New Jersey, Massachusetts, Colorado, Maryland, Connecticut, New York, New Hampshire, and Washington), reducing housing costs would deliver poverty reductions on par with major federal income-transfer programs.

Key findings:

1. Each of the 11 focal states would have a poverty rate below the 12.6 percent national average if the SPM did not adjust for local housing costs. In Hawaii, 34 percent of measured poverty is attributable to high housing costs, the highest share in the country. In California, it is 30 percent. In the District of Columbia, 29 percent.
2. From 1985 to 2023, typical rental costs grew faster than 10th-percentile incomes in 7 of the 11 focal jurisdictions. The largest gaps appear in Massachusetts (rents +67 percent, low incomes +25 percent), Connecticut (+49 vs +20), and New Hampshire (+34 vs +12).
3. Rising housing costs have absorbed a substantial share of federal SNAP benefit expansions across the focal states. Between 1989 and 2023, real federal SNAP allocations to these states grew by $30.5 billion. Over the same period, housing-cost-driven increases in poverty thresholds raised the aggregate amount needed to lift poor families out of poverty by $17.3 billion, effectively offsetting roughly 57 percent of the focal jurisdictions' SNAP gains. The offset rate varies widely: 84 percent in New Jersey, 78 percent in California, and 68 percent in New Hampshire, against 23 percent in Connecticut and 27 percent in Massachusetts.
4. A sustained 20 percent reduction in local rents would lower the average poverty threshold for families with children by approximately $4,427 across the focal jurisdictions (range: $3,905 to $5,550), exceeding the per-child value of the 2021 Child Tax Credit expansion. The associated reduction in child poverty would range from 1.4 to 4.8 percentage points by state.

The body of this report presents the cross-state evidence and a one-page summary for each of the 11 focal jurisdictions. It concludes with an Appendix that details the methodology used to produce the findings. The report applies the methodology developed in the author’s 2025 Niskanen Center report on California, available at https://www.niskanencenter.org/housing-policy-and-poverty-the-case-of-california/.

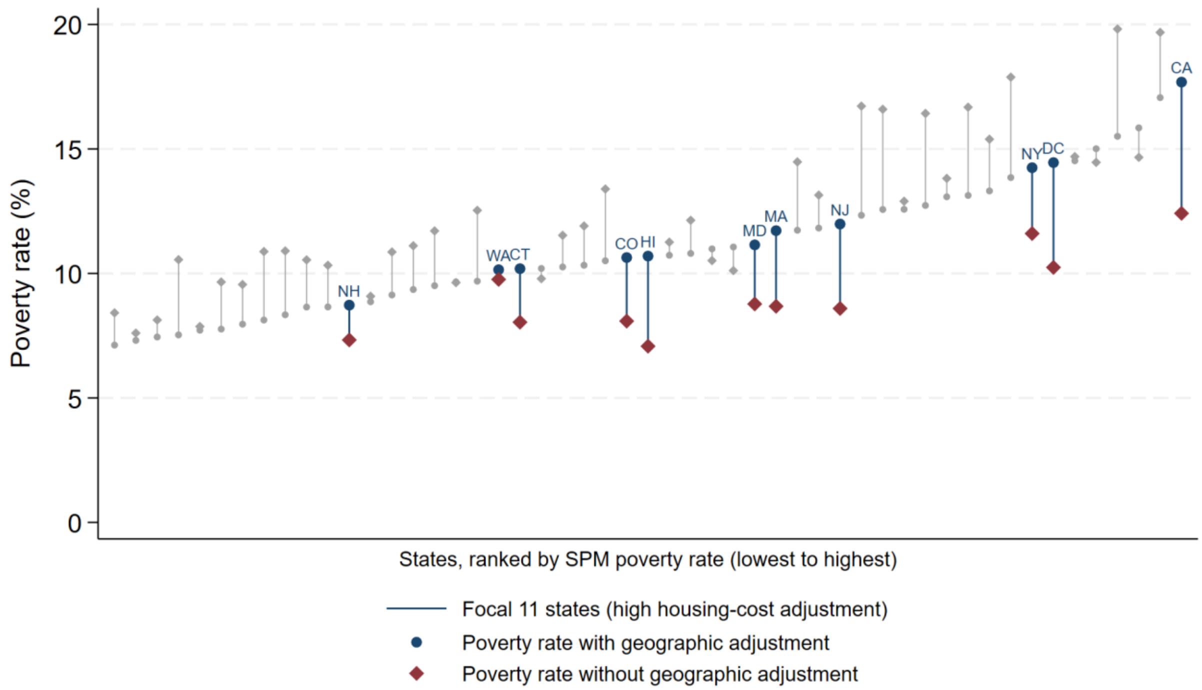
Introduction

Why housing matters for poverty. A family's poverty status reflects whether its resources are sufficient to meet its needs – in other words, whether its income surpasses a poverty threshold. Both sides of that comparison matter. Anti-poverty policy has long focused on raising resources: expanding SNAP, refining the Earned Income Tax Credit, raising the minimum wage, or expanding the Child Tax Credit. The *needs* or *threshold* side of the equation has received less attention, despite housing costs (which factor into the poverty threshold) typically being a family's largest expense. When housing costs rise faster than incomes, the share of a family's income required to meet basic needs rises, and more families are at risk of falling into poverty.

The Supplemental Poverty Measure. This report exclusively uses the Supplemental Poverty Measure (SPM), which the U.S. Census Bureau produces. Researchers and policymakers generally prefer the SPM to the Official Poverty Measure because it accounts for tax credits and in-kind transfers and because it adjusts poverty thresholds for local housing costs. The SPM threshold for a two-adult, two-child family renting in San Jose, California in 2023 was 1.5 times higher than the threshold for an equivalent family in Minneapolis, Minnesota ($57,673 versus $39,674). The geographic adjustment is based on five-year American Community Survey rents for two-bedroom units and modifies the shelter portion of the threshold, which accounts for roughly half of the basic-needs budget.

The focal states in this report. This report focuses on the 11 states (including the District of Columbia) with the largest housing-cost adjustments to the SPM poverty threshold. In order of geographic adjustment, they are: Hawaii, California, the District of Columbia, New Jersey, Massachusetts, Colorado, Maryland, Connecticut, New York, New Hampshire, and Washington. Every one of these jurisdictions has SPM thresholds at least 5 percent above the national average because of local housing costs. Together they account for about 30 percent of the U.S. population and a similar share of federal SNAP allocations. Figure 1 presents poverty rates for the 11 focal states over 2022-2023 before and after adjusting the poverty threshold for housing costs.

Figure 1: SPM poverty rates with and without geographic adjustment for housing costs, by state, 2022-2023.



The analyses that follow. This report adapts the framework of an earlier Niskanen Center report on California, produced by the author, to the 11 focal states. Each one-pager that follows presents: (1) the share of poverty in the state attributable to housing-cost adjustments rather than to low incomes; (2) growth in real Fair Market Rents from 1985 to 2023 alongside growth in real incomes at the 10th and 90th percentiles; (3) cumulative growth in the state's housing-induced poverty gap relative to growth in federal SNAP allocations; and (4) the effects on state poverty rates of counterfactual reductions in local rents. That report (https://www.niskanencenter.org/housing-policy-and-poverty-the-case-of-california/.) documents the full methodology, which this report applies to the 11 focal jurisdictions; the methodology is also presented in the Appendix of this study.

Hawaii

Hawaii in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **10.7%** rank 26 of 51	2-bedroom rent (2023) **$2,050** rank 1 of 51	Rent growth (1985-2023) **+52%** rank 5 of 51	Housing stock (1980-2020) **+68%** rank 17 of 51
Income growth, 10th pct (1985-2023) **+30%** rank 42 of 51	Income growth, 90th pct (1985-2023) **+85%** rank 12 of 51	SNAP allocations rise (1989-2023) **$+0.7B** rank 31 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.2B** rank 13 of 51

Hawaii's Supplemental Poverty Measure (SPM) rate was 10.7 percent in 2022-2023, near the national average of 12.6 percent. Yet Hawaii has the highest two-bedroom rent in the country, $2,050 per month in 2023 dollars, approximately 1.8 times the national average. Strip away the SPM's adjustment for local housing costs, and Hawaii's poverty rate falls to 7.1 percent, among the lowest in the country. About 34 percent of Hawaii's measured poverty traces to the cost of shelter, the highest share of any state.

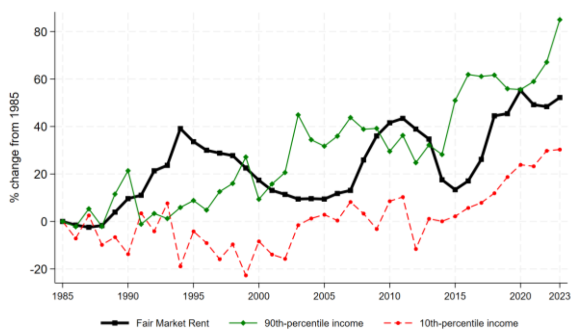


Figure 1. Real growth in Hawaii rents has outpaced incomes near the poverty line, 1985-2023.

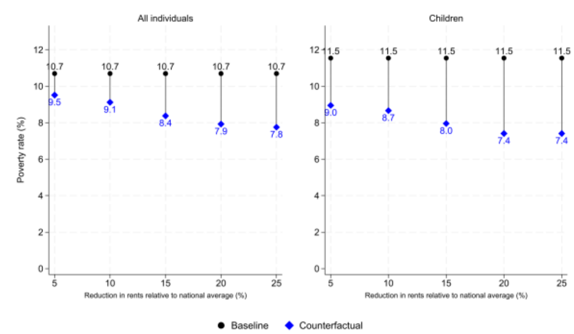


Figure 2. Hawaii poverty rates under counterfactual rent declines, 2022-2023.

The drivers. Real Fair Market Rents in Hawaii rose 52 percent from 1985 to 2023. Wages at the bottom did not follow. Real incomes at the 10th percentile grew only 30 percent over the same years, the tenth-slowest rate in the country. Median incomes grew 54 percent, and 90th-percentile incomes grew 85 percent. The pattern is the same one observed in California and other high-cost states: rents track wealthier households' incomes, not the incomes of families near the poverty line. Hawaii has added housing stock at a moderate pace, with a 68 percent increase in housing units between 1980 and 2020. That is in the middle of the pack but lags growth in the most rapidly building states. Real federal SNAP allocations to Hawaii grew $0.70 billion between 1989 and 2023. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Hawaiian families need to escape poverty by $0.22 billion over the same period, absorbing roughly 31 percent of the SNAP gain.

The implication. A sustained decline in local rents would deliver meaningful poverty reductions in Hawaii. A 20 percent reduction in local rents would lower the average Hawaii poverty threshold by $4,599 (all else equal) for all individuals and by $5,550 for families with children. The child-poverty-threshold reduction exceeds the $3,000 to $3,600 per-child benefit from the 2021 Child Tax Credit expansion. Hawaii's overall poverty rate would fall from 10.7 to 7.9 percent, and child poverty would fall from 11.5 to 7.4 percent.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

California

California in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **17.7%** rank 1 of 51	2-bedroom rent (2023) **$1,710** rank 4 of 51	Rent growth (1985-2023) **+61%** rank 3 of 51	Housing stock (1980-2020) **+55%** rank 23 of 51
Income growth, 10th pct (1985-2023) **+42%** rank 26 of 51	Income growth, 90th pct (1985-2023) **+81%** rank 19 of 51	SNAP allocations rise (1989-2023) **$+13.1B** rank 1 of 51	Housing-induced pov-gap rise (1989-2023) **$+10.2B** rank 1 of 51

California's Supplemental Poverty Measure (SPM) rate was 17.7 percent in 2022-2023, the highest of any state and well above the 12.6 percent national average. Removing the geographic adjustment for housing costs drops California's rate to 12.4 percent, in line with the national average. Roughly 30 percent of California's measured poverty traces to housing costs rather than to low incomes. Only Hawaii owes a larger share of its poverty rate to the cost of shelter.

Figure 1. Real growth in California rents has outpaced low and middle incomes, 1985-2023.

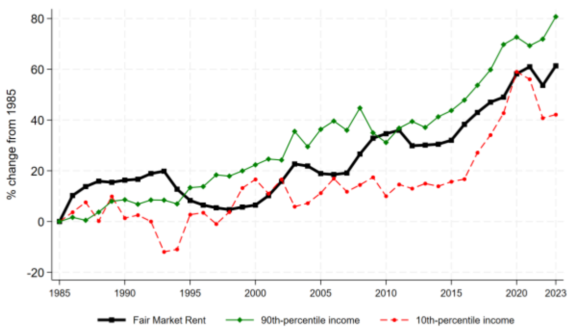
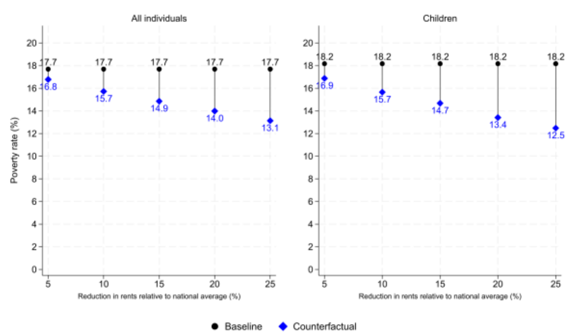


Figure 2. California poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Real Fair Market Rents in California rose 61 percent from 1985 to 2023. Over the same years, 90th-percentile incomes grew 81 percent. Median incomes grew 45 percent and 10th-percentile incomes grew only 42 percent. California's rents track the incomes of its wealthier households, not the incomes of those near the poverty line. Real federal SNAP allocations to California grew $13.1 billion between 1989 and 2023. Over the same period, housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Californians need to escape poverty by $10.2 billion. Roughly 78 percent of California's SNAP gain has been absorbed by the rising relative cost of shelter.

The implication. A sustained decline in local rents would meaningfully reduce poverty across California. A 20 percent reduction in local rents would lower the average California poverty threshold by $4,296 for all individuals and by $5,061 for families with children. The child-poverty-threshold reduction exceeds the $3,000 to $3,600 per-child benefit from the 2021 Child Tax Credit expansion. California's overall poverty rate would fall from 17.7 to 14.0 percent. Child poverty would fall from 18.2 to 13.4 percent. The reductions are larger still in California's eight highest-cost metros (Los Angeles, San Francisco Bay Area, San Diego, Santa Cruz, Salinas, Santa Maria, Napa, and San Benito), where housing accounts for a larger share of measured poverty.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. The 1989-2023 window used here differs from the 1980-2023 window used in Parolin's 2025 Niskanen Center report on California, which reported a $13.3 billion housing-induced gap increase against an $11.4 billion SNAP gain. The shorter window in this report is set by USDA-FNS state-level SNAP data, available consistently only from 1989. Methodology is identical; the 1980s saw California's SNAP allocations fall slightly while the housing-induced gap continued to rise, so the 1989 baseline yields a higher SNAP offset rate than the 1980 baseline. See Appendix for methods.

District of Columbia

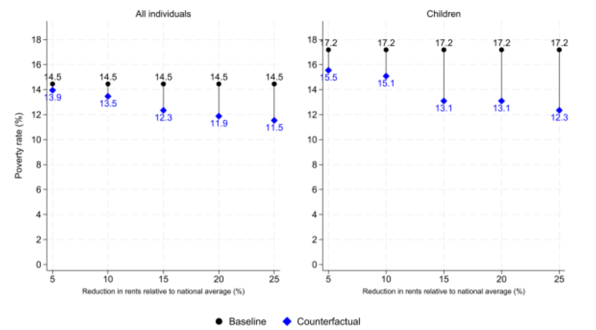
District of Columbia in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **14.5%** rank 7 of 51	2-bedroom rent (2023) **$1,884** rank 3 of 51	Rent growth (1985-2023) **+56%** rank 4 of 51	Housing stock (1980-2020) **+26%** rank 46 of 51
Income growth, 10th pct (1985-2023) **+80%** rank 5 of 51	Income growth, 90th pct (1985-2023) **+129%** rank 1 of 51	SNAP allocations rise (1989-2023) **$+0.3B** rank 37 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.1B** rank 14 of 51

Washington, D.C., had a Supplemental Poverty Measure (SPM) rate of 14.5 percent in 2022-2023, above the 12.6 percent national average. Remove the geographic adjustment for housing costs and the District's rate falls to 10.2 percent, well below the national rate. About 29 percent of measured poverty in the District traces to housing costs rather than to low incomes, the third-largest share in the country after Hawaii and California.

Figure 1. Real growth in District rents has been outpaced by rapid income growth at every percentile, 1985-2023.

Figure 2. District of Columbia poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Unlike most high-cost places, the District is not somewhere low incomes have lagged rent growth. Real 10th-percentile incomes in the District grew 80 percent between 1985 and 2023, the fifth-fastest rate among states and DC. Real Fair Market Rents grew 56 percent over the same years. The problem is likely supply: the District's housing stock grew just 26 percent between 1980 and 2020, the sixth-slowest rate in the country. Meanwhile, real 90th-percentile incomes grew 129 percent, the fastest of any state. The District has attracted high earners faster than it has built places for them to live, pushing up rents and the poverty threshold against which low-income residents are measured. Real federal SNAP allocations to the District grew $0.31 billion between 1989 and 2023. Housing-cost-driven increases in the District's poverty threshold raised the aggregate amount poor District residents need to escape poverty by $0.12 billion over the same period, absorbing roughly 39 percent of the SNAP gain.

The implication. A 20 percent reduction in local rents would lower the District's average poverty threshold by $3,506 for all individuals and by $4,921 for families with children. The District's overall poverty rate would fall from 14.5 to 11.9 percent. Child poverty, currently 17.2 percent, would fall to 13.1 percent.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

New Jersey

New Jersey in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **12.0%** rank 17 of 51	2-bedroom rent (2023) **$1,703** rank 5 of 51	Rent growth (1985-2023) **+48%** rank 7 of 51	Housing stock (1980-2020) **+36%** rank 38 of 51
Income growth, 10th pct (1985-2023) **+32%** rank 41 of 51	Income growth, 90th pct (1985-2023) **+71%** rank 36 of 51	SNAP allocations rise (1989-2023) **$+1.5B** rank 16 of 51	Housing-induced pov-gap rise (1989-2023) **$+1.3B** rank 5 of 51

New Jersey's Supplemental Poverty Measure (SPM) rate was 12.0 percent in 2022-2023, just under the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 8.6 percent, well below the national rate. About 28 percent of New Jersey's measured poverty traces to housing costs rather than to low incomes, the fourth-largest share among states and DC.

Figure 1. Real rent growth in New Jersey has outpaced incomes near the poverty line, 1985-2023.

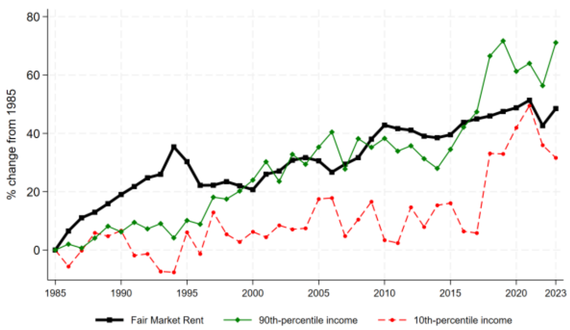
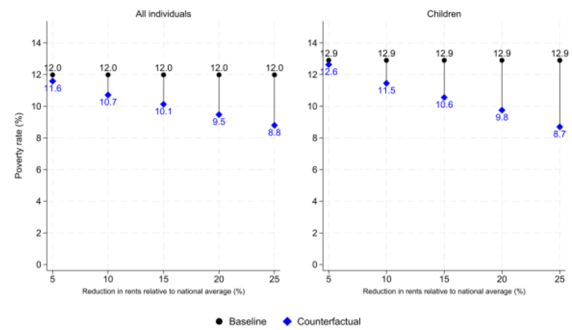


Figure 2. New Jersey poverty rates under counterfactual rent declines, 2022-2023.



The drivers. New Jersey is unusual in how widely income growth has fallen short of rent growth. Real Fair Market Rents in the state rose 48 percent between 1985 and 2023. Real 10th-percentile incomes grew 32 percent over the same years, but the more striking finding is in the middle of the distribution: real median incomes grew just 30 percent, the second-slowest rate of any state. Even 90th-percentile incomes grew only 71 percent, slower than in most other high-cost states. Housing stock grew 36 percent between 1980 and 2020, below the national pace. Real federal SNAP allocations to New Jersey grew $1.5 billion between 1989 and 2023. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor New Jersey families need to escape poverty by $1.3 billion over the same period. Roughly 84 percent of New Jersey's SNAP gain has been absorbed by the rising relative cost of shelter, the highest offset rate among the focal states.

The implication. A 20 percent reduction in local rents would lower the average New Jersey poverty threshold by $3,630 for all individuals and by $4,418 for families with children. The overall poverty rate would fall from 12.0 to 9.5 percent, and child poverty would fall from 12.9 to 9.8 percent.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

Massachusetts

Massachusetts in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **11.7%** rank 20 of 51	2-bedroom rent (2023) **$1,941** rank 2 of 51	Rent growth (1985-2023) **+67%** rank 1 of 51	Housing stock (1980-2020) **+36%** rank 37 of 51
Income growth, 10th pct (1985-2023) **+25%** rank 45 of 51	Income growth, 90th pct (1985-2023) **+80%** rank 20 of 51	SNAP allocations rise (1989-2023) **$+2.8B** rank 8 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.8B** rank 7 of 51

Massachusetts's Supplemental Poverty Measure (SPM) rate was 11.7 percent in 2022-2023, just under the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 8.7 percent, well below the national rate. About 26 percent of Massachusetts's measured poverty traces to housing costs rather than to low incomes, the fifth-largest share among states and DC.

Figure 1. Massachusetts had the fastest real rent growth of any state, far outpacing 10th-percentile incomes, 1985-2023.

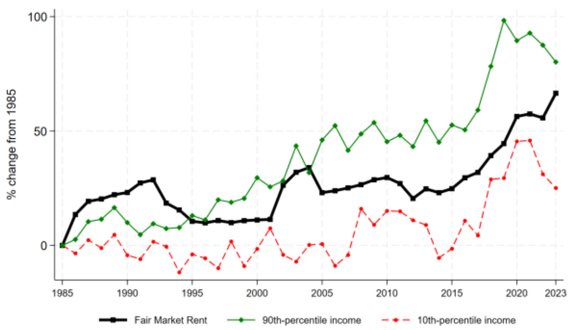
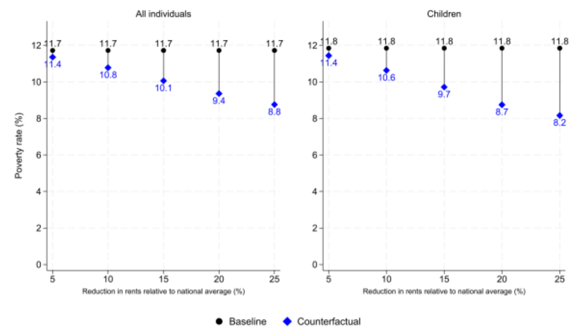


Figure 2. Massachusetts poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Massachusetts had the fastest real rent growth of any state between 1985 and 2023, with Fair Market Rents rising 67 percent. Incomes near the poverty line grew much slower: real 10th-percentile incomes grew only 25 percent over the same years, one of the slowest rates in the country. Real 90th-percentile incomes grew 80 percent. Housing stock grew 36 percent between 1980 and 2020, below the national pace. Massachusetts has expanded transfer programs aggressively: real federal SNAP allocations grew $2.8 billion between 1989 and 2023, the eighth-fastest growth in dollar terms of any state. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Massachusetts families need to escape poverty by $0.8 billion over the same period, absorbing roughly 27 percent of the SNAP gain.

The implication. A 20 percent reduction in local rents would lower the average Massachusetts poverty threshold by $3,611 for all individuals and by $4,434 for families with children. The overall poverty rate would fall from 11.7 to 9.4 percent, and child poverty would fall from 11.8 to 8.7 percent. Massachusetts's costs are concentrated in the Boston metro area, where local resistance to multi-unit construction has historically been intense.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

Colorado

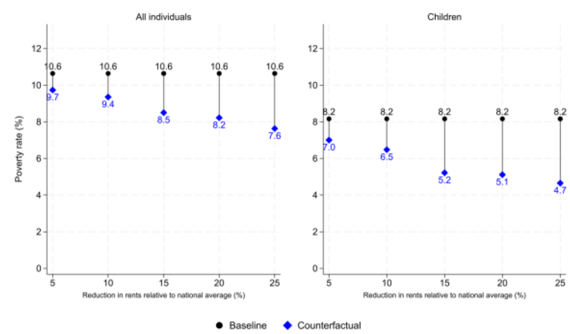
Colorado in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23)	2-bedroom rent (2023)	Rent growth (1985-2023)	Housing stock (1980-2020)
10.6% rank 27 of 51	**$1,308** rank 13 of 51	**+47%** rank 9 of 51	**+109%** rank 7 of 51
Income growth, 10th pct (1985-2023) **+36%** rank 35 of 51	Income growth, 90th pct (1985-2023) **+75%** rank 31 of 51	SNAP allocations rise (1989-2023) **$+1.2B** rank 23 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.7B** rank 9 of 51

Colorado's Supplemental Poverty Measure (SPM) rate was 10.6 percent in 2022-2023, below the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 8.1 percent. About 24 percent of Colorado's measured poverty traces to housing costs rather than to low incomes, the sixth-largest share among states and DC.

Figure 1. Real rent growth in Colorado has outpaced incomes near the poverty line, 1985-2023.

Figure 2. Colorado poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Colorado is a different case from the other high-cost states in this report. The state's housing stock grew 109 percent between 1980 and 2020, the seventh-fastest pace in the country. Yet real Fair Market Rents still rose 47 percent between 1985 and 2023, faster than the 36 percent real growth in 10th-percentile incomes. The 90th percentile grew 75 percent over the same years. Population growth along the Front Range, especially in Denver and Boulder, has run ahead of construction. Real federal SNAP allocations to Colorado grew $1.2 billion between 1989 and 2023. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Coloradans need to escape poverty by $0.7 billion over the same period, absorbing roughly 55 percent of the SNAP gain.

The implication. A 20 percent reduction in local rents would lower the average Colorado poverty threshold by $3,165 for all individuals and by $3,970 for families with children. The overall poverty rate would fall from 10.6 to 8.2 percent, and child poverty would fall from 8.2 to 5.1 percent.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

Maryland

Maryland in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **11.1%** rank 21 of 51	2-bedroom rent (2023) **$1,418** rank 8 of 51	Rent growth (1985-2023) **+34%** rank 15 of 51	Housing stock (1980-2020) **+61%** rank 20 of 51
Income growth, 10th pct (1985-2023) **+63%** rank 11 of 51	Income growth, 90th pct (1985-2023) **+56%** rank 45 of 51	SNAP allocations rise (1989-2023) **$+1.4B** rank 21 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.7B** rank 8 of 51

Maryland's Supplemental Poverty Measure (SPM) rate was 11.1 percent in 2022-2023, just below the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 8.8 percent. About 21 percent of Maryland's measured poverty traces to housing costs rather than to low incomes, the seventh-largest share among states and DC.

Figure 1. Real income growth at the bottom of the distribution has outpaced real rent growth in Maryland, 1985-2023.

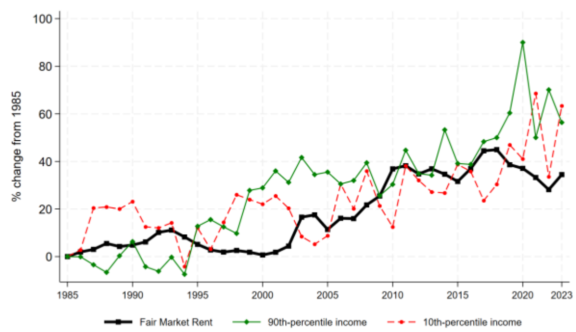
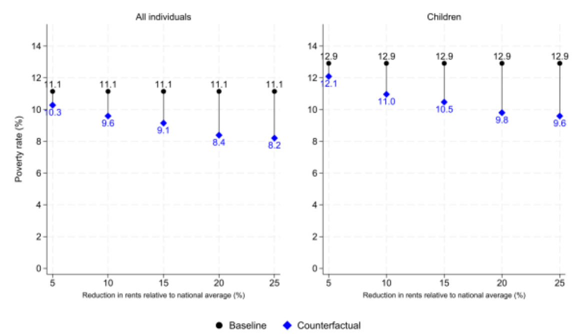


Figure 2. Maryland poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Maryland's story is more like the District of Columbia's than California's. Real Fair Market Rents in Maryland grew 34 percent between 1985 and 2023, modest by national standards. Real 10th-percentile incomes grew 63 percent over the same years, the 11th-fastest in the country. Even median incomes outpaced rents, growing 43 percent. Yet Maryland's poverty threshold is pushed up by proximity to the Washington, DC metro, where housing costs are among the nation's highest. The Washington-Arlington-Alexandria HUD Metro FMR Area extends across Maryland's most populous counties, which means Maryland's geographic adjustment is in part a price set by demand from across the District line. Real federal SNAP allocations to Maryland grew $1.4 billion between 1989 and 2023, while housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Marylanders need to escape poverty by $0.7 billion. Roughly 50 percent of Maryland's SNAP gain has been absorbed by the rising relative cost of shelter.

The implication. A 20 percent reduction in local rents would lower the average Maryland poverty threshold by $3,735 for all individuals and by $4,510 for families with children. The overall poverty rate would fall from 11.1 to 8.4 percent, and child poverty would fall from 12.9 to 9.8 percent.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

Connecticut

Connecticut in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **10.2%** rank 32 of 51	2-bedroom rent (2023) **$1,599** rank 6 of 51	Rent growth (1985-2023) **+49%** rank 6 of 51	Housing stock (1980-2020) **+32%** rank 42 of 51
Income growth, 10th pct (1985-2023) **+20%** rank 47 of 51	Income growth, 90th pct (1985-2023) **+86%** rank 11 of 51	SNAP allocations rise (1989-2023) **$+1.0B** rank 29 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.2B** rank 12 of 51

Connecticut's Supplemental Poverty Measure (SPM) rate was 10.2 percent in 2022-2023, below the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 8.0 percent. About 21 percent of Connecticut's measured poverty traces to housing costs rather than to low incomes, the eighth-largest share among states and DC.

Figure 1. Real rent growth in Connecticut has far outpaced 10th-percentile incomes, 1985-2023.

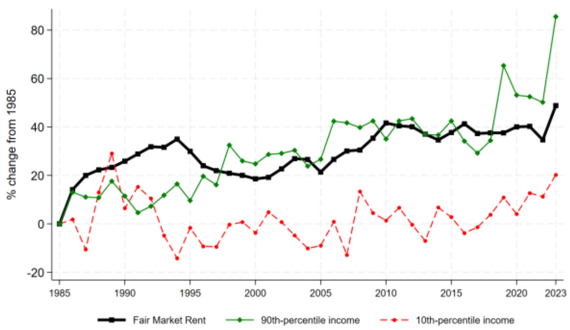
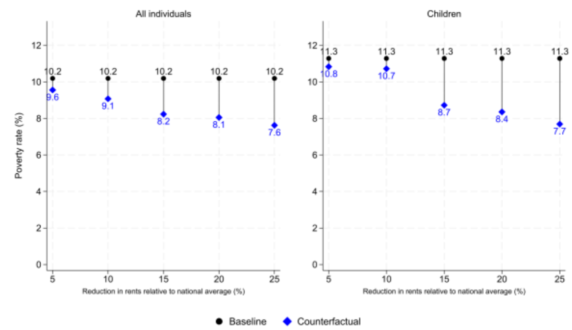


Figure 2. Connecticut poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Connecticut has seen sharper income divergence than almost any other state. Real Fair Market Rents grew 49 percent between 1985 and 2023. Real 10th-percentile incomes grew just 20 percent over the same years, the fifth-slowest rate in the country. Real median incomes grew only 30 percent, the third-slowest. By contrast, real 90th-percentile incomes grew 86 percent. The state's housing stock grew 32 percent between 1980 and 2020, also below the national pace. Connecticut has expanded SNAP substantially: real federal allocations grew $0.95 billion between 1989 and 2023. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Connecticut families need to escape poverty by $0.22 billion over the same period, absorbing only 23 percent of the SNAP gain, the lowest offset rate among the focal states.

The implication. A 20 percent reduction in local rents would lower the average Connecticut poverty threshold by $3,144 for all individuals and by $3,905 for families with children. The overall poverty rate would fall from 10.2 to 8.1 percent, and child poverty would fall from 11.3 to 8.4 percent. Connecticut's housing costs are concentrated in Fairfield County, in the New York commuter shed, where local zoning is very restrictive.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

New York

New York in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **14.2%** rank 8 of 51	2-bedroom rent (2023) **$1,312** rank 11 of 51	Rent growth (1985-2023) **+44%** rank 11 of 51	Housing stock (1980-2020) **+24%** rank 50 of 51
Income growth, 10th pct (1985-2023) **+51%** rank 16 of 51	Income growth, 90th pct (1985-2023) **+76%** rank 28 of 51	SNAP allocations rise (1989-2023) **$+6.5B** rank 3 of 51	Housing-induced pov-gap rise (1989-2023) **$+2.2B** rank 2 of 51

New York's Supplemental Poverty Measure (SPM) rate was 14.2 percent in 2022-2023, the eighth-highest among states and DC and well above the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 11.6 percent. About 19 percent of New York's measured poverty traces to housing costs rather than to low incomes, the ninth-largest share among states and DC.

Figure 1. New York's rents and incomes have grown at similar rates since 1985, but supply has lagged, 1985-2023.

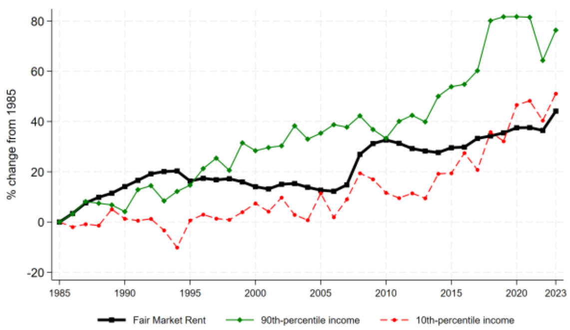
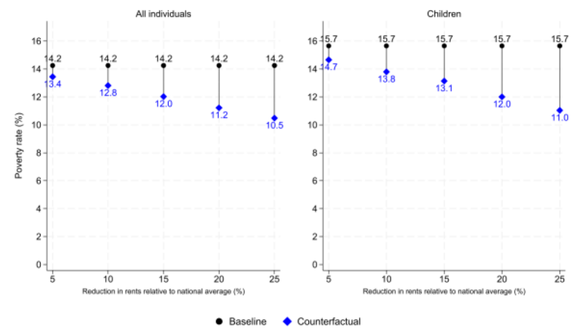


Figure 2. New York poverty rates under counterfactual rent declines, 2022-2023.



The drivers. New York's housing supply has barely grown. Between 1980 and 2020 the state's housing stock rose just 24 percent, the second-slowest pace in the country after West Virginia. Real Fair Market Rents in the state grew 44 percent between 1985 and 2023. Income growth has been moderate at every percentile: real 10th-percentile incomes grew 51 percent over the same years, real median incomes grew 51 percent, and real 90th-percentile incomes grew 76 percent. Real federal SNAP allocations to New York grew $6.5 billion between 1989 and 2023. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor New Yorkers need to escape poverty by $2.2 billion over the same period, absorbing roughly 34 percent of the SNAP gain. New York has one of the larger net SNAP-driven poverty reductions among focal states.

The implication. A 20 percent reduction in local rents would lower the average New York poverty threshold by $3,291 for all individuals and by $3,991 for families with children. The state's overall poverty rate would fall from 14.2 to 11.2 percent, and child poverty would fall from 15.7 to 12.0 percent. New York's costs are concentrated in New York City and the surrounding metro, where high-density construction has been historically constrained by zoning, by neighbor opposition, and by the cost of building in a dense urban environment.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

New Hampshire

New Hampshire in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **8.7%** rank 40 of 51	2-bedroom rent (2023) **$1,400** rank 9 of 51	Rent growth (1985-2023) **+34%** rank 16 of 51	Housing stock (1980-2020) **+65%** rank 19 of 51
Income growth, 10th pct (1985-2023) **+12%** rank 49 of 51	Income growth, 90th pct (1985-2023) **+102%** rank 5 of 51	SNAP allocations rise (1989-2023) **$+0.2B** rank 46 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.1B** rank 15 of 51

New Hampshire's Supplemental Poverty Measure (SPM) rate was 8.7 percent in 2022-2023, well below the 12.6 percent national average and one of the lowest rates in the country. Remove the geographic adjustment for housing costs and the rate falls to 7.3 percent. About 16 percent of New Hampshire's measured poverty traces to housing costs rather than to low incomes, the 10th-largest share among states and DC.

Figure 1. Real rent growth in New Hampshire has been modest, but 10th-percentile incomes have barely grown since 1985, 1985-2023.

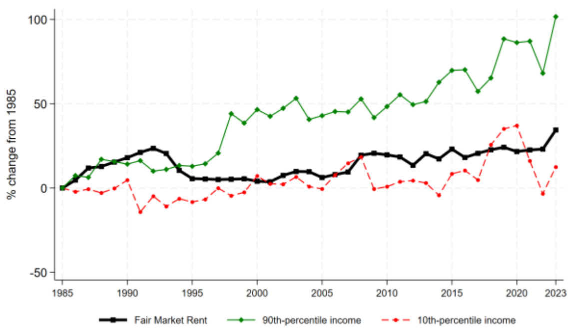
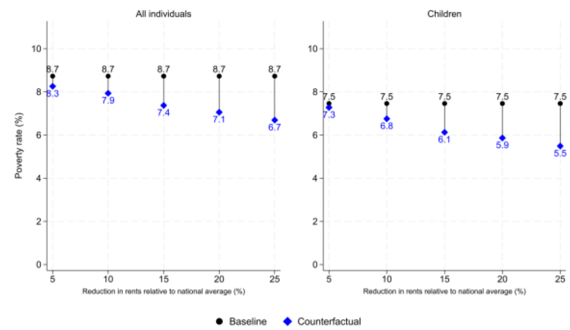


Figure 2. New Hampshire poverty rates under counterfactual rent declines, 2022-2023.



The drivers. New Hampshire has the third-slowest real income growth at the bottom of the distribution of any state. Real 10th-percentile incomes grew just 12 percent between 1985 and 2023, behind only Alaska and Louisiana. Meanwhile, real 90th-percentile incomes grew 102 percent over the same years, the fifth-fastest rate in the country, and median incomes grew 66 percent. Real Fair Market Rents grew 34 percent, modest by national standards but nearly three times the rate of growth at the bottom of the income distribution. Housing stock grew 65 percent between 1980 and 2020, near the national pace. Real federal SNAP allocations to New Hampshire grew $0.17 billion between 1989 and 2023. Housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor New Hampshire families need to escape poverty by $0.11 billion over the same period, absorbing roughly 68 percent of the SNAP gain.

The implication. A 20 percent reduction in local rents would lower the average New Hampshire poverty threshold by $3,143 for all individuals and by $3,908 for families with children. The overall poverty rate would fall from 8.7 to 7.1 percent, and child poverty would fall from 7.5 to 5.9 percent. The state's cost pressure is concentrated in the southern tier near the Massachusetts border, where the Lawrence and Nashua FMR areas spill across state lines.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

Washington

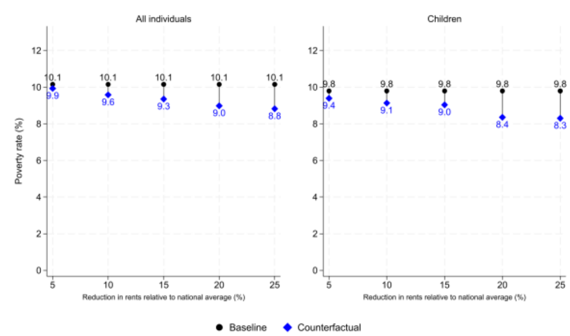
Washington in context *(rank out of 50 states + DC; values in real 2024 USD where applicable)*

Poverty rate (2022-23) **10.1%** rank 33 of 51	2-bedroom rent (2023) **$1,310** rank 12 of 51	Rent growth (1985-2023) **+44%** rank 10 of 51	Housing stock (1980-2020) **+90%** rank 12 of 51
Income growth, 10th pct (1985-2023) **+75%** rank 6 of 51	Income growth, 90th pct (1985-2023) **+110%** rank 3 of 51	SNAP allocations rise (1989-2023) **$+1.9B** rank 12 of 51	Housing-induced pov-gap rise (1989-2023) **$+0.8B** rank 6 of 51

Washington's Supplemental Poverty Measure (SPM) rate was 10.1 percent in 2022-2023, below the 12.6 percent national average. Remove the geographic adjustment for housing costs and the rate falls to 9.8 percent, a much smaller change than in the other high-rent states in this report. About 4 percent of Washington's measured poverty traces specifically to housing costs, the smallest share among the high-rent states examined here. Yet Washington's two-bedroom Fair Market Rent has risen 44 percent since 1985 in real terms, and the state's housing-induced poverty gap has gone from slightly negative in 1989 (when state rents were below the national average) to $0.8 billion in 2023.

Figure 1. Real incomes in Washington have grown faster than rents at every percentile since 1985, 1985-2023.

Figure 2. Washington poverty rates under counterfactual rent declines, 2022-2023.



The drivers. Among the high-rent states in this report, Washington stands out for income growth that has kept pace with rents. Real 10th-percentile incomes grew 75 percent between 1985 and 2023, the sixth-fastest rate in the country. Median incomes grew 61 percent and 90th-percentile incomes grew 110 percent, the third-fastest. Housing stock grew 90 percent between 1980 and 2020, the 12th-fastest pace. Together, strong income growth and steady building have absorbed much of the cost pressure that has driven up the housing share of poverty in other states. Real federal SNAP allocations grew $1.9 billion between 1989 and 2023, while housing-cost-driven increases in the state's poverty threshold raised the aggregate amount poor Washingtonians need to escape poverty by $0.8 billion over the same period. Roughly 43 percent of Washington's SNAP gain has been absorbed by the rising relative cost of shelter.

The implication. A 20 percent reduction in local rents would lower the average Washington poverty threshold by $3,239 for all individuals and by $4,027 for families with children. The overall poverty rate would fall from 10.1 to 9.0 percent, and child poverty would fall from 9.8 to 8.4 percent. Washington's poverty rate is less sensitive to rent reductions than the rates of other states in this report.

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files), HUD Fair Market Rent data, and USDA SNAP State Activity Reports. All dollar values are in 2024 USD. Counterfactual poverty rates apply the named percentage reduction to the housing portion of each household's SPM poverty threshold. See Appendix for methods.

Conclusion

The 11 focal states share high housing costs but differ in how those costs translate into measured poverty. Four patterns emerge from the state-by-state analyses.

Pattern 1: rents outpace incomes near the poverty line in most focal states, but not all. In 7 of the 11 focal jurisdictions, real Fair Market Rents grew faster between 1985 and 2023 than real 10th-percentile household incomes. The widest gaps appear in New Hampshire (rent +34 percent, low incomes +12 percent), Connecticut (+49 vs +20), Massachusetts (+67 vs +25), and California (+61 vs +42). In the other four jurisdictions, low incomes outpaced rents: Washington (+75 vs +44), the District of Columbia (+80 vs +56), Maryland (+63 vs +35), and New York (+51 vs +44).

Pattern 2: housing supply has lagged in most focal states. New York and the District of Columbia rank in the bottom 10 nationally for housing-stock growth between 1980 and 2020. Only Colorado and Washington built at clearly above-average rates. Hawaii and New Hampshire sit right around the national average, and the remaining focal states fall below it.

Pattern 3: rising housing costs have absorbed a substantial share of federal SNAP expansion in the focal states. In each of the 11 focal jurisdictions, SNAP gains have exceeded the dollar increase in the housing-induced poverty gap. But that headline understates how much of the SNAP gain has been needed simply to keep families even with rising relative rents. Across the 11 jurisdictions, real SNAP allocations grew $30.5 billion over the period, while the housing-induced poverty gap grew $17.3 billion, effectively offsetting 57 percent of the SNAP gain in aggregate. In New Jersey, 84 percent of the SNAP gain has effectively been absorbed by rising relative rents; in California, 78 percent; in New Hampshire, 68 percent. At the other end, Connecticut's housing-induced gap absorbed only 23 percent of the SNAP gain, leaving the largest net SNAP-driven poverty reduction among focal states.

Pattern 4: rent reductions can deliver poverty reductions comparable to major federal transfer programs. A sustained 20 percent reduction in local rents would, all else equal, lower the average poverty threshold for families with children by approximately $4,427 across the focal jurisdictions, with a range of $3,905 in Connecticut to $5,550 in Hawaii. For comparison, the 2021 Child Tax Credit expansion provided $3,000 to $3,600 per child. The associated reduction in the child poverty rate would range from 1.4 to 4.8 percentage points across focal states, with the largest gains in California, Hawaii, and the District of Columbia.

Methodological Appendix

Poverty measure: All poverty rates and counterfactuals in this report use the U.S. Census Bureau's Supplemental Poverty Measure (SPM). The SPM differs from the Official Poverty Measure in two ways relevant here: it counts both cash income and in-kind and tax-credit transfers (SNAP, housing subsidies, the EITC, refundable CTC) as resources, and it adjusts poverty thresholds for local housing costs based on five-year ACS rents for two-bedroom units. Specifically, the SPM geographic adjustment scales the shelter portion of the national poverty threshold by a local rent index built from five-year American Community Survey median gross rents for two-bedroom units. Following the Census and BLS construction, shelter (rent plus utilities) is fixed at 44.3 percent of the renter threshold; the remaining 55.7 percent is not geographically adjusted. A jurisdiction with a local rent index of 1.0 sits at the national average; values above 1.0 raise the local threshold.

Counterfactual methodology: The Figure 2 simulations in each one-pager apply a 5, 10, 15, 20, or 25 percent reduction to local rents in absolute terms, holding the national reference rent constant. The housing portion of the SPM threshold (fixed here at 44.3 percent of the threshold for a renter at the national average) is recomputed using the lower local rent, the non-housing portion is held constant, and household poverty status is recomputed against the new threshold while holding household resources constant. The housing-induced poverty gap is calculated as the additional dollar deficit created by the housing portion of the SPM threshold, computed before SNAP benefits are applied so that the comparison with SNAP transfers is meaningful. The exercise should be read as an accounting exercise rather than a true counterfactual: it isolates the threshold effect of declining local rents and does not model behavioral or labor-market responses to housing supply changes.

Data sources: Poverty rates and the share-from-housing calculation use the 2023 and 2024 reference files from the Current Population Survey Annual Social and Economic Supplement (CPS ASEC), covering reference years 2022 and 2023. Rental prices are HUD Fair Market Rent values for two-bedroom units, 1983-2024. Income percentiles are computed from CPS ASEC, 1985-2023. Federal SNAP allocations are from USDA Food and Nutrition Service State Activity Reports, 1989-2023. Housing-stock change uses the NHGIS time-series-nominal state file for decennial housing-unit counts, 1980-2020. All dollar values are deflated to 2024 USD using the CPI-U-RS.

Selection of focal jurisdictions: The 11 focal jurisdictions are the states (plus the District of Columbia) with the largest mean housing-cost adjustments to the SPM poverty threshold in 2022-2023. Each focal jurisdiction has SPM thresholds at least 5 percent above the national average because of local housing costs.

Share of poverty attributable to housing costs: For each jurisdiction, I report the share of measured SPM poverty that disappears when the geographic housing-cost adjustment is removed entirely, computed as [poverty rate minus poverty rate without geographic adjustment] divided by [the poverty rate with the geographic adjustment]. I compute this for both the full population and for children under 18. This is the "share of poverty attributable to housing costs" reported in the one-pagers and the appendix table. It isolates the contribution of above-national housing costs to the threshold, holding household resources constant.

Additional details. For further details on methodology, see: Parolin, Z. (2025). Housing Policy and Poverty: The Case of California. Niskanen Center. https://www.niskanencenter.org/housing-policy-and-poverty-the-case-of-california/

Appendix Table 1: Poverty effects of a 20 percent reduction in real rents, focal jurisdictions, 2022–2023

State	SPM poverty rate (%)	SPM poverty rate after 20% lower real rents (%)	SPM child poverty rate (%)	SPM child poverty rate after 20% lower real rents (%)	Share of poverty from housing costs (%)	Share of child poverty from housing costs (%)
Hawaii	10.7	7.9	11.5	7.4	33.8	42.4
California	17.7	14.0	18.2	13.4	29.8	35.5
District of Columbia	14.5	11.9	17.2	13.1	29.1	45.9
New Jersey	12.0	9.5	12.9	9.8	28.3	33.1
Massachusetts	11.7	9.4	11.8	8.7	25.9	30.7
Colorado	10.6	8.2	8.2	5.1	24.0	36.0
Maryland	11.1	8.4	12.9	9.8	21.3	17.2
Connecticut	10.2	8.1	11.3	8.4	21.1	26.0
New York	14.2	11.2	15.7	12.0	18.6	19.3
New Hampshire	8.7	7.1	7.5	5.9	16.0	21.9
Washington	10.1	9.0	9.8	8.4	3.8	6.4

Notes: Author's calculations from CPS ASEC (2023 and 2024 reference files). The "after 20% lower real rents" columns apply a 20 percent reduction to the local housing-cost index (interpreted as adding enough housing supply to lower real rents by 20 percent), recomputing each household's SPM poverty status against the lower threshold while holding resources constant. "Share from housing costs" is the share of measured poverty that disappears when the SPM geographic housing-cost adjustment is removed. All figures are pooled over reference years 2022 and 2023. See Methods for details.