



INSIGHTS INSIDER

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COST BURDENS IN SOUTH COUNTY

INTRODUCTION

Housing cost burden is a significant problem in Massachusetts and throughout the United States. "Cost burden" measures the percentage of household income spent on housing costs, such as rent or mortgage. A household is considered to be cost-burdened if it spends more than 30% of its monthly income on such costs. According to the American Community Survey, more than 34% of occupied units in Massachusetts, and more than 32% in Worcester County alone, were cost-burdened as of its most recent 2022 5-year survey estimates. In Worcester County, **no community is more cost-burdened than Southbridge**, where 45% of occupied units in that same survey report spending more than 30% of their household income on housing costs. This *Insights Insider* explores Southbridge and the southwestern towns of Worcester County in terms of their median household income and cost burden over the last 15 years.

FIFTEEN YEARS OF CHANGE

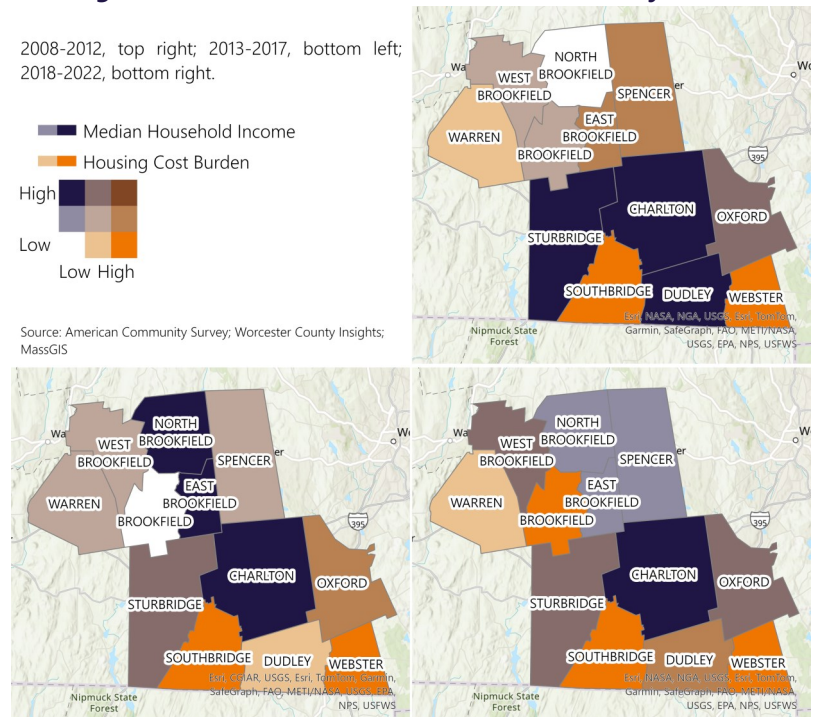
For the purposes of this *Insider*, the Bureau focused in on southwestern Worcester County: Brookfield, Charlton, Dudley, East Brookfield, North Brookfield, Oxford, Southbridge, Spencer, Sturbridge, Warren, Webster, and West Brookfield. The towns themselves can be seen in the three maps to right. Starting on the top right, which shows the five year period between 2008 and 2012, and moving to the bottom right, which shows 2018 to 2022, one can see how median household income and housing cost burden has shifted over time in each of the communities under study and in comparison to one another.

These maps use a **bivariate (two variable) color schema to show the interactions between these variables, and how the towns under study are related to one another**. As one moves to the right on the legend, housing cost burden increases (from white to orange, indicating that a lower or

higher percentage of occupied households in that community are cost-burdened). As one moves "up" on the legend, median household income increases. Therefore, communities that are colored white on the map have low cost burdens but also lower median household incomes in relation to the other communities under study. Colors show how these communities are related to one another across the two variables.

A few interesting patterns emerge while looking at the maps. One, for example, is that **compared to other communities Charlton is the only one that maintains a combined high income and low cost burden**. Southbridge and Webster, on the other hand, maintain lower median household incomes and higher cost burdens than the rest of the communities over the same time period. Dudley has seen a lot of variance compared to the other towns, going from a high median household

Map 1: Interaction Between Median Household Income and Housing Cost Burden, Southwestern Worcester County, 2008-2022



income with a low cost burden, to moving down the scale in income and becoming more cost-burdened. Brookfield went from being in the middle of the pack, to finding itself with a comparably low median household income and cost burden, to a comparably low median household income and a high cost burden.

Some of the changes in the data can be attributed to the margins of error in surveying these communities, due to small population sizes. Still, the U.S. Census Bureau estimates there is a 90% probability its figures are within the margin of error. See the [Worcester County Insights](#) Dashboard itself for more information on how these and other small communities are surveyed.

LOOKING MORE DIRECTLY AT THE NUMBERS

While the maps compared these communities by grouping them in relation to one another, Chart 1 compares them in absolute terms by the percentage of cost-burdened households over the fifteen year span.

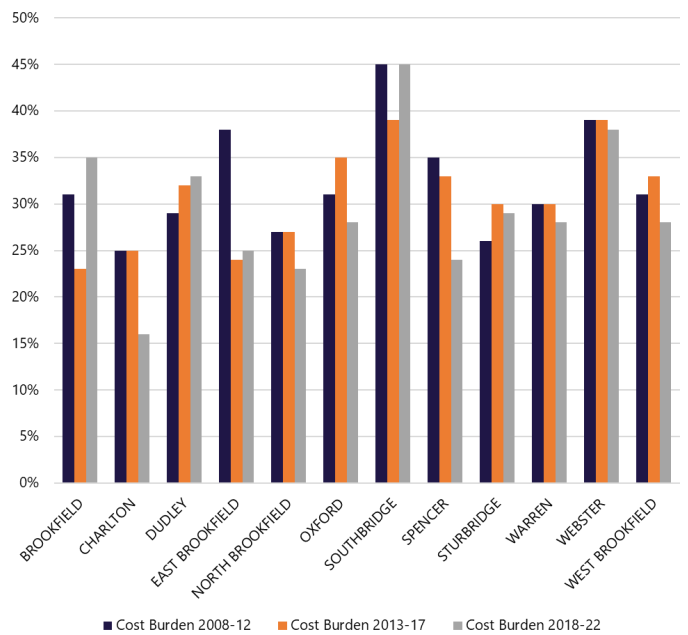
Southbridge and Webster have the highest percentage of cost-burdened households across this period. Dudley saw its own percentages climb across each survey period, while Spencer has seen them decrease. Charlton saw a significant decline between 2017 and 2022. Interestingly, all but four of these communities actually saw their percentage of cost-burdened housing units decrease in the 2022 period compared to 2017. Brookfield, Dudley, East Brookfield, and Southbridge all saw their percentages increase.

In general, as median household income in these communities increase, the percentage of households that are cost-burdened should be expected to decrease. Looking simply at these communities, **for the most part the percentage of cost-burdened households is an inverse of income:** higher incomes in each period correspond with lower cost burdens in that same period compared to the one before, and vice-versa. **If incomes do not keep pace with housing prices (whether mortgages or rent), the number of cost-burdened households may also increase.**

UNDERSTANDING INCOME AND COST BURDENS

While spending 30% of household income on housing costs is the threshold for being cost-burdened at any income level, that percentage can look drastically different depending on overall income. **30% of household income in Southbridge, for example, is a much different figure than in Charlton.** Southbridge had a median household income in the 2022 period of \$55,182 while Charlton was \$113,896. After removing housing costs at 30%, the household in Southbridge had \$38,627 remaining while the household in Charlton had \$79,727. Although the household in Charlton is spending more, overall, on housing costs in this scenario, they have

Chart 1: Occupied Unit Housing Cost Burden, 2008-2022



Source: [Worcester County Insights](#) Dashboard, 2024

more than double the amount of income left for the year than in Southbridge. That means all else being equal, the median household in Charlton has more money for food, childcare, transportation, healthcare, and the like than the household in Southbridge. And, remember, these are median incomes: **half of the households in these communities actually have incomes lower than what is reported**—and if they are cost-burdened, they have even less money left over to spend on necessities.

Indeed, lower income households may be more likely to forego food or other essentials if they find themselves to be cost-burdened simply trying to keep shelter. For example, according to the [Joint Center for Housing Studies at Harvard University](#), nearly 13% of renter households nationwide with incomes between \$50 and \$74,999 reported sometimes or often not having enough to eat in the week before. Those with less income report not having enough to eat at even higher rates.

What these maps show us is that even communities that are geographically close to one another can vary widely in how they are affected by cost burdens and incomes. Understanding and recognizing which communities are cost-burdened is the first step in figuring out how to lower the percentage of overall cost-burdened households. One way to do so is to increase incomes; another way would be to build more housing to decrease overall housing costs. Community advocates and leaders can and are using this information to explore many other ideas that can ease that housing burden, allowing more households to thrive in our County.