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Special Attention of:

## NOTICE PDR-2022-01

Regional Directors, Field Office Directors,  
Economists, Public & Indian Housing  
Division Directors, Multifamily Hub Directors,  
Multifamily Program Center Directors

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Cross References:

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Subject: Estimated Median Family Incomes for Fiscal Year (FY) 2022

This memorandum transmits median family incomes for FY 2022. HUD uses the Section 8 program's Fair Market Rent (FMR) area definitions for its median family incomes, which means that HUD develops medians for each metropolitan area, parts of some metropolitan areas, and each nonmetropolitan county. For FY 2022, the geographic definitions incorporate all changes published by the Office of Management and Budget (OMB) through the September 14, 2018 bulletin.<sup>1</sup> HUD first implemented these changes through the calculation and publication FY 2022 Fair Market Rents, issued August 6, 2021. See Section III of the *Federal Register* [notice](#) for a discussion of changes to metropolitan area definitions.

HUD uses the 2019 American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) median family income data (as opposed to household income data) as the basis of FY 2022 median family incomes and income limits for all areas of geography, except for the U.S. Virgin Islands and Guam, American Samoa, and the Northern Mariana Islands (the Pacific Islands). HUD uses actual data from the Consumer Price Index (CPI) published by the Bureau of Labor Statistics through February 2022 to bring the ACS and PRCS data forward from 2019 to the fiscal year 2022. Previously, HUD has relied on inflation forecasts from the Congressional Budget Office (CBO) in updating ACS estimates. However, at the time of FY 2022 median family income calculation, CBO had not issued an updated CPI forecast suitable for use by HUD. The inflation factor, representing the cumulative change in the CPI from 2019 through February 2022, is approximately 1.1116.

HUD bases the median family incomes and income limits for the U.S. Virgin Islands and the Pacific Islands on 2010 Decennial Census data which is the most current information available. The decennial data for the U.S. Virgin Islands and the Pacific Islands reports 2009 median family incomes. HUD trends these incomes forward using the change in national median family incomes between 2009 and 2019 (from the ACS). HUD then applies the same CPI adjustment used in ACS areas from 2019 to fiscal year 2022.

HUD does not impose any limitations on the year-to-year change in an area's median family income. However, since 2010 HUD has limited the amount an area's low or very-low income limit as

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<sup>1</sup> OMB Bulletin NO. 18-04

calculated from its median family income can increase or decrease. For FY 2022, an area's low or very low income limits may not increase by the greater of 5 percent or twice the change in national median family income as measured by the ACS from 2018 to 2019, which is approximately 11.89 percent. From 2015-2021, HUD examined the change in inflated estimates of median family income from the ACS in determining its limitation on income limit increases; however, due to the previously mentioned lack of inflation forecasts, HUD cannot calculate an inflated national median family income in the same manner as it did in 2021. The limitation on decreases in an area's low and very-low income limits remains 5 percent.

An explanation of the procedures used to develop FY 2022 median family incomes and related documents are attached. Attachment 1 provides an explanation of the estimation methods; Attachment 2 provides state-level median family income estimates. The Section 8 Income Limits and income limits for the Section 221(d)(3) Below Market Interest Rate (BMIR) rental program, the Section 235 program, and the Section 236 program are not part of this transmittal notice, but we can provide them to you or your staff upon request.

Please note that the use of the HUD median family incomes is subject to individual program guidelines covering definitions of income and family, family size, effective dates, and other factors. If you have any questions concerning these matters, please refer them to our website at <http://www.huduser.gov/portal/datasets/il.html>.

HUD median estimates are also available at the Department's Internet site, which provides a menu from which you may select the year and type of data of interest <https://www.huduser.gov/portal/datasets/il.html>.

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Attachments

## ATTACHMENT 1

# Methodology for Calculating FY 2022 Medians HUD PROCEDURE FOR ESTIMATING FY 2022 MEDIAN FAMILY INCOMES

### Geographic Definitions

HUD calculates median family incomes for metropolitan areas, which comprise one or more counties or county-equivalents<sup>2</sup>, and individual nonmetropolitan counties<sup>3</sup>. The geographic definitions of areas used for calculating median family incomes generally matches those used in HUD’s calculation of Fair Market Rents. In determining the definitions of metropolitan areas, HUD uses the delineations of metropolitan statistical areas found in OMB Bulletin NO. 18-04, issued September 14, 2018 as its starting point. The 2018 delineations are the most recent incorporated into American Community Survey (ACS) data described below. In many cases, HUD has split metropolitan statistical areas into smaller subareas, which HUD designates as “HUD Metropolitan Fair Market Rent Areas (HMFAs).”

### Median Family Income Basis

In estimating FY 2022 median family incomes, HUD uses median family<sup>4</sup> income data (as opposed to median household income data) from the 2019 American Community Survey (ACS) and the Puerto Rico Community Survey (PRCS) as calculated by the Census Bureau. The Census Bureau produces two types of ACS estimates: the “one-year” data, which represent estimates as of 2019; and the “five-year” data, which represent estimates as of 2015-2019 (but are inflated to 2019 dollars). HUD requires special tabulations of the ACS in order to match its custom HMFA definitions described above.

For the FY 2022 medians, HUD requires that the margin of error be less than half of the estimate and that the survey median is based on at least 100 responses (as identified by a count indicator value of 4 or more in HUD’s special tabulations of ACS data). If the current one-year or five-year estimate does not meet both conditions, HUD next examines the current and previous two five-year estimates. If at least two of these three estimates have margin of errors that are less than half their estimates, HUD takes the average of all such “minimally reliable” estimates (first inflating all values to the current ACS year) and uses this as the median family income basis. If less than two of the estimates are minimally reliable, HUD uses the median family income estimate for the next largest geographic area which contains the area in question. For example, a single non-metropolitan county without a valid

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<sup>2</sup> In the six New England states, metropolitan and nonmetropolitan areas comprise towns instead of counties.

<sup>3</sup> HUD groups nonmetropolitan independent cities in Virginia, which are county equivalents, together with nearby nonmetropolitan counties

<sup>4</sup> Family refers to the Census definition of a family, which is a householder with one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The definition of family excludes one-person households and multi-person households of unrelated individuals. In its standard tabulations, the Census Bureau publishes median family income estimates in table B19113.

county-level median family income estimate will receive the estimate for the non-metropolitan portion of its state, while a HMFA will receive the estimate for its OMB-defined metropolitan area.

### **CPI Inflation**

HUD uses the 2019 American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) median family income data (as opposed to household income data) as the basis of FY 2022 Income Limits for all areas of geography, except for the U.S. Virgin Islands and Guam, American Samoa, and the Northern Mariana Islands (the Pacific Islands). HUD uses actual data from the Consumer Price Index (CPI) published by the Bureau of Labor Statistics through February 2022 to bring the ACS and PRCS data forward from 2019 to the fiscal year 2022. Previously, HUD has relied on inflation forecasts from the Congressional Budget Office (CBO) in updating ACS estimates. However, at the time of FY 2022 median family income calculation, CBO had not issued an updated CPI forecast suitable for use by HUD. The inflation factor, representing the cumulative change in the CPI from 2019 through February 2022, is 1.1116.

### **Territories not Covered by the ACS**

For the non-Puerto Rico Insular Areas of the United States,<sup>5</sup> which currently lack the annual survey of ACS or PRCS, HUD uses 2010 Decennial Census data which collected 2009 median family incomes. These data were first incorporated into HUD's medians with the FY 2016 median family incomes and income limits. This continues to be the basis of the FY 2022 median family incomes and income limits. HUD uses national ACS median family income changes to update the 2009 median family income data to 2019. HUD then applies the same CPI adjustment used in ACS areas from 2019 to fiscal year 2022.

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<sup>5</sup> The areas without ACS coverage American Samoa, Guam, the Northern Mariana Islands, and are the U.S. Virgin Islands.

**ATTACHMENT 2**  
**FY 2022 Median Family Incomes for States,**  
**Metropolitan and Nonmetropolitan Portions of States**

|                      | -----  | FY 2022 | -----    |
|----------------------|--------|---------|----------|
|                      | TOTAL  | METRO   | NONMETRO |
| Alabama              | 73600  | 78000   | 63200    |
| Alaska               | 102200 | 109600  | 92200    |
| Arizona              | 82800  | 84300   | 55400    |
| Arkansas             | 69400  | 74800   | 60200    |
| California           | 101600 | 102100  | 80300    |
| Colorado             | 105800 | 109800  | 82500    |
| Connecticut          | 112600 | 112600  | 112600   |
| Delaware             | 96900  | 96900   | 71300*   |
| District of Columbia | 144800 | 144800  | 71300*   |
| Florida              | 79300  | 79900   | 60700    |
| Georgia              | 83200  | 88000   | 64100    |
| Hawaii               | 107200 | 111100  | 95200    |
| Idaho                | 80400  | 84400   | 71600    |
| Illinois             | 97600  | 101700  | 76100    |
| Indiana              | 82100  | 85100   | 74500    |
| Iowa                 | 86900  | 93600   | 78900    |
| Kansas               | 87800  | 95500   | 73400    |
| Kentucky             | 73600  | 82800   | 61700    |
| Louisiana            | 72400  | 75700   | 56600    |
| Maine                | 84800  | 94700   | 72100    |
| Maryland             | 117500 | 118200  | 93600    |
| Massachusetts        | 120400 | 120500  | 119400   |
| Michigan             | 84200  | 87900   | 71500    |
| Minnesota            | 104000 | 112800  | 83600    |
| Mississippi          | 65000  | 72000   | 58800    |
| Missouri             | 81700  | 89200   | 63500    |
| Montana              | 81200  | 80500   | 81600    |
| Nebraska             | 89000  | 93800   | 80900    |
| Nevada               | 84600  | 84900   | 81800    |
| New Hampshire        | 108000 | 117000  | 94500    |
| New Jersey           | 117500 | 117500  | 71300*   |
| New Mexico           | 68700  | 70800   | 63800    |
| New York             | 99500  | 101700  | 76700    |
| North Carolina       | 80100  | 83900   | 66900    |
| North Dakota         | 96800  | 100800  | 93100    |
| Ohio                 | 83300  | 85800   | 74900    |
| Oklahoma             | 76000  | 82300   | 64700    |
| Oregon               | 91800  | 97000   | 71800    |
| Pennsylvania         | 90100  | 92900   | 72900    |
| Rhode Island         | 99300  | 99300   | 71300*   |
| South Carolina       | 78400  | 81700   | 58800    |
| South Dakota         | 85400  | 91000   | 81200    |
| Tennessee            | 77800  | 82700   | 64700    |
| Texas                | 85300  | 87800   | 68800    |
| Utah                 | 95800  | 97200   | 83200    |
| Vermont              | 92800  | 109000  | 85700    |
| Virginia             | 103900 | 111600  | 67800    |
| Washington           | 105300 | 108700  | 79600    |
| West Virginia        | 67700  | 73300   | 59300    |
| Wisconsin            | 91000  | 95300   | 81500    |
| Wyoming              | 88900  | 91900   | 87600    |
| US                   | 90000  | 92900   | 71300    |

\* US non-metropolitan median