



Special Attention of:

NOTICE PDR-2019-01

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

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Cross References:

Subject: Estimated Median Family Incomes for Fiscal Year (FY) 2019

This memorandum transmits median family incomes for FY 2019. They are calculated for each metropolitan and nonmetropolitan area using the Fair Market Rent (FMR) area definitions applied in the Section 8 Housing Choice Voucher Program. The median family income for the United States is \$75,500 in FY 2019, an increase of five percent compared with the national median income for FY 2018. For FY 2019, there are two changes to the geographic area definitions used last year. First, the two counties (islands) that comprise the Kahului-Wailuku-Lahaina, HI will no longer have medians calculated separately by county; the names of these areas will change from the island names (Kalawao and Maui County) to the metropolitan in FY 2019. Second, Enid, OK is a new metropolitan area, formed out of nonmetropolitan Garfield County.

The 2016 American Community Survey (ACS) and Puerto Rico Community Survey (PRCS) median family income data (as opposed to household income data) are the basis of FY 2019 median family incomes for all areas of geography, except for the U.S. Virgin Islands and the Pacific Islands. The Consumer Price Index forecast published by the Congressional Budget Office (CBO) is used to bring the ACS and PRCS data forward from mid-2016 to the mid-point of the fiscal year, April 2019. The median family incomes in the U.S. Virgin Islands and the Pacific Islands (Guam, American Samoa and the Northern Marianas) are based on 2010 Decennial Census data which is the most current information available. The decennial data used for the U.S. Virgin Islands and the Pacific Islands is trended forward using the change in national median incomes between 2009 (which is the year of the income in the decennial census) and 2016 (from the ACS). The same CBO forecast is then applied from mid-2016 to the mid-point of the fiscal year, April 2019.

An explanation of the procedures used to develop FY 2019 median incomes and related documents are attached. Attachment 1 provides an explanation of the estimation methods used; Attachment 2 provides state-level median 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, that are not part of this transmittal notice, may be provided to you or your staff electronically.

Please note that the use of the HUD median 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 MFI 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 <http://www.huduser.gov/portal/datasets/il.html>.

/s/

Todd M. Richardson
General Deputy Assistant Secretary
for Policy Development
and Research, R

Attachments

ATTACHMENT 1

HUD PROCEDURE FOR ESTIMATING FY 2019 MEDIAN FAMILY INCOMES

The FY 2019 median incomes, which HUD is publishing at this time, use the median family¹ income data (as opposed to median household income data) from the 2016 American Community Survey (ACS) and the Puerto Rico Community Survey (PRCS). The Consumer Price Index forecast published by the Congressional Budget Office (CBO) is used to bring the ACS and PRCS data forward from mid-2016 to the mid-point of the fiscal year, April 2019. These medians are calculated for each metropolitan and nonmetropolitan area using the Fair Market Rent (FMR) area definitions applied in the Section 8 Housing Choice Voucher Program.

As mentioned above, the FY 2019 median incomes incorporate the 2016 ACS and PRCS data into the calculation process. Specifically, for each metropolitan area, subarea of a metropolitan area, and non-metropolitan county, HUD determines if a statistically valid one-year ACS income estimate is available. If one-year data is not available, then statistically valid five-year ACS data (data collected from 2012 through 2016) is used. There are cases where statistically valid five-year ACS data is not available. In those cases, an average of at least two of the past three years of income estimates is used. If at least two years of statistically valid income data is not statistically valid the state nonmetro median is used.

Statistically Valid Estimate

For the FY 2019 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 year estimate does not meet both conditions, the previous years' estimates must meet the margin of error condition to be used in averaging. In the few cases where the statistical confidence interval for the 5-year ACS estimate of median family income is greater than half the estimate for more than one of the past three years, HUD assigns the state nonmetropolitan median.

CPI Inflation and Trend Factor

HUD uses a CPI forecast from CBO to inflate the 2016 ACS data to the mid-point of FY 2019. The CBO projection of fiscal year CPI, published in January 2019, is used to inflate the 2016 data.

Median Calculations

Median family incomes start with the development of median incomes for the nation (with national metropolitan and nonmetropolitan median incomes) for each state and territory (again including national metropolitan and nonmetropolitan median incomes) and for each metropolitan area and nonmetropolitan area using the FMR area definitions for the United State and its territories.

¹ 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.

The major steps are as follows:

HUD uses 2016 ACS or PRCS median family incomes as the basis for FY 2019 medians for all areas designated as Fair Market Rent areas in the United States and Puerto Rico.² In areas where there is a statistically valid 2019 one-year survey estimate, that is used. If not, statistically valid 2016 five-year data is used. Where statistically valid five-year data is not available, HUD will average the valid income estimates from the previous three years of ACS or PRCS data. This data from the current 2016 five-year data will be considered valid if the margin of error of the estimate is less than one-half of the estimate.

This same test will be applied to the 2015 five-year data and the 2014 five-year data, which will be inflated to 2016 using the change in national CPI calculated between 2014 or 2015 and 2016.

For all places in the United States and Puerto Rico:

All estimates (using either one-year data or five-year data) are then trended from 2016 to April 2019 using the CPI forecast produced by CBO.

For the non-Puerto Rico Insular Areas of the United States,³ which currently lack the annual survey of ACS or PRCS, 2010 Decennial Census data were used for the first time in the FY 2016 median incomes and income limits. This continues to be the basis of the FY 2019 median incomes and income limits. National ACS median income changes are used to update 2010 Decennial Census data (which is 2009 median income data) to 2016 and then the same CBO forecast trend factor is applied to bring the data forward to the midpoint of FY 2019.

² When HUD's Fair Market Rent area definitions match a standard census geography, the ACS data HUD uses to calculate median family income estimates may be obtained from ACS table B19113: Median Family Income in the Past 12 Months.

³ The areas without ACS coverage are the U.S. Virgin Islands, Guam, American Samoa, and the Northern Marianas Islands. Puerto Rico is covered by the ACS-equivalent Puerto Rico Community Survey.

ATTACHMENT 2

FY 2019 Median Family Incomes for States,
Metropolitan and Nonmetropolitan Portions of States

	----- TOTAL	FY 2019 METRO	----- NONMETRO
Alabama	63500	68100	51500
Alaska	94200	99700	83400
Arizona	67900	69100	49700
Arkansas	59000	64400	52100
California	82200	82800	64800
Colorado	85800	88300	68100
Connecticut	100400	100300	100900
Delaware	78900	78900	60600*
District of Columbia	104700	104700	60600*
Florida	65100	65500	51700
Georgia	69100	73600	52100
Hawaii	92200	97300	74600
Idaho	67200	70100	62100
Illinois	81800	85000	66300
Indiana	70200	72300	64500
Iowa	76900	83700	69400
Kansas	75200	83700	61500
Kentucky	62700	72700	51200
Louisiana	61100	63900	50900
Maine	72600	78200	64800
Maryland	101300	102300	68400
Massachusetts	101200	101400	91500
Michigan	71600	74800	61100
Minnesota	88600	95000	72400
Mississippi	56000	64300	49500
Missouri	69100	75000	55200
Montana	70500	74300	68700
Nebraska	78100	84600	70000
Nevada	69500	69500	69700
New Hampshire	92100	101100	81600
New Jersey	100500	100500	60600*
New Mexico	60400	63700	53100
New York	82200	84300	66200
North Carolina	66200	70100	55200
North Dakota	84500	86400	81900
Ohio	70900	72900	65400
Oklahoma	65500	70000	57000
Oregon	75400	79400	57500
Pennsylvania	76900	79300	63200
Rhode Island	82800	82800	60600*
South Carolina	65400	68400	52300
South Dakota	75300	79900	70600
Tennessee	64500	69300	52500
Texas	71200	73300	58700
Utah	78800	80200	68800
Vermont	79500	91600	73600
Virginia	88500	95300	57400
Washington	86300	89100	64300
West Virginia	60300	64700	54200
Wisconsin	77500	81900	68400
Wyoming	78200	76400	79700
US	75500	77900	60600

* US non-metropolitan median