

Methodology for Calculating FY 2023 Medians

HUD PROCEDURE FOR ESTIMATING FY 2023 MEDIAN FAMILY INCOMES

Background

The U.S. Department of Housing and Urban Development (HUD) is required by law to set income limits that determine the eligibility of applicants for HUD's assisted housing programs. HUD's major assisted housing programs include the Public Housing program, the project-based Section 8 program, the Section 8 Housing Choice and Project-Based Voucher programs, Section 202 housing for the elderly program, and Section 811 housing for persons with disabilities program. These income limits are set at certain percentages of an area's median family income (MFI). MFIs are also often referred to by users of these data and in other federal programs as area median incomes (AMIs).

Geographic Definitions

HUD calculates median family incomes for metropolitan areas, which comprise one or more counties or county-equivalents¹, and individual nonmetropolitan counties². 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 2023 median family incomes, HUD uses median family³ income data (as opposed to median household income data) from the 2021 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 2021; and the "five-year" data, which represent estimates as of 2017-2021 (but are inflated to 2021 dollars). HUD would ordinarily have used the ACS 2020 data for FY 2023. However, due to interruptions to data collection caused by the Covid-19 pandemic, the Census Bureau did not release special tabulations of ACS 2020 one-year data. HUD requires special tabulations of the ACS to match its custom HMFA definitions described above.

For the FY 2023 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

¹ In the six New England states, metropolitan and nonmetropolitan areas comprise towns instead of counties.

² HUD groups nonmetropolitan independent cities in Virginia, which are county equivalents, together with nearby nonmetropolitan counties

³ 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.

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 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 2021 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 2023 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 an inflation forecast from the Congressional Budget Office (CBO) in updating ACS estimates. For FY 2023, CBO has produced a forecast CPI of 303.948, which divided by annual 2021 of 270.971 is 1.122 (an increase of 12.2 percent).

Territories not Covered by the ACS

For the non-Puerto Rico Insular Areas of the United States,⁴ which currently lack the annual survey of ACS or PRCS, HUD uses 2020 Decennial Census data which collected income data from 2019. HUD uses national ACS median family income changes to update the 2019 median family income data to 2021. HUD then applies the same CPI adjustment used in ACS areas from 2021 to fiscal year 2023.

⁴ The areas without ACS coverage American Samoa, Guam, the Northern Mariana Islands, and are the U.S. Virgin Islands.

ATTACHMENT 1

FY 2022 - 2023 Distribution of changes in Area Median Income
(100 Percent = FY 2022 Income Level)

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
AK				3	1	8	9	6	1	2		107
AL				1	5	4	19	11	7	4	3	110
AR				2		11	14	17	9	8	3	110
AS					1							96
AZ						2	3	3	1	4	1	113
CA			1	2	3	8	19	8	4	4	2	108
CO				1		8	15	14	8	2	7	113
CT				1		2	1	6	2			111
DE						1		1				107
FL				3	3	9	24	5	4	2	2	108
GA				5	4	15	25	22	19	9	12	111
GU					1							99
HI			1		2	1	1					99
IA				1	2	17	33	24	13			109
ID				1		6	7	16	3	5	1	112
IL		1		4	3	13	23	22	12	2	1	110
IN					2	10	25	25	6	2	1	110
KS			1	1	10	11	27	19	11	7	5	109
KY			1	2	2	10	33	22	16	7	3	110
LA				1	5	8	12	9	6	1	2	109
MA					1	7	7	2	1			106
MD						1	5	3	1	1	1	112
ME					1	1	8	6	3			110
MI					3	7	20	31	14	2		111
MN				1		7	24	31	5	1	1	110
MO				1	4	10	28	27	18	2	5	111
MP										1		123
MS		1		6	4	11	15	15	6	11	6	110
MT				4	2	8	13	14	6	3	5	111

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
NC		1		3	1	12	22	23	10	7	3	111
ND			1	2	7	12	14	7	5	1	2	106
NE			1	1	14	13	24	23	7	3	2	108
NH							6	3	1		2	111
NJ					1	2	6		1			105
NM	1		1		1	4	4	8	6	1	4	113
NV		1			1	3	4	2	2	1	2	108
NY					3	8	14	11	5			108
OH				1	2	10	25	20	4	4		109
OK				1	6	17	21	15	6	2		107
OR			2		1	3	13	3	4	4	1	108
PA					3	3	31	8	6	1		109
PR					2	2	4	1	2	1		109
RI							2		1			110
SC			1		2	6	13	8	2	2	2	109
SD			2		5	11	12	15	11	4	2	110
TN				1	3	7	18	25	8	8	2	111
TX	3	2	5	16	16	37	39	50	24	10	13	109
UT			1		1	2	8	7	4	2	1	111
VA					1	9	23	17	10	1	2	110
VI				1	2							97
VT						1	7	1	2		1	110
WA					3	3	9	9	6	1	2	111
WI					3	8	25	19	7		1	109
WV				1	4	7	14	8	6	3	3	109
WY				2	1	3	9	3	3	2		108
US	4	6	18	69	142	379	777	645	319	138	106	110

ATTACHMENT 1A
FY 2022 - 2023 Distribution of changes in Area Median Income
(100 Percent = FY 2022 Income Level)
Metropolitan Areas

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
AK						1	2					105
AL				1	2	1	7	1	3	1	1	108
AR						1	3	2	2	2		110
AZ						2	1	1		3		112
CA				1	1	5	16	4	2		1	107
CO							6	1		1		109
CT				1		1	1	6	2			111
DE						1		1				107
FL					1	6	17	3	2			108
GA				2	1	3	9	4	3	3	1	110
HI						1	1					106
IA					1	2	7		3			107
ID						3	2	3		2		109
IL		1		3	1	6	4	4				104
IN					1	6	8	7	1		1	108
KS					2		3		1			107
KY						1	3	3	2	2		113
LA				1	2	1	7	4	1			109
MA					1	6	7	2				106
MD						1		3	1	1	1	115
ME						1	4	3				107
MI					2	3	10	4	1			107
MN						1	6	3				109
MO					1	2	5	4	3			110
MS						1	7	2		1	1	109
MT								2	1		1	116
NC					1	7	8	7	4	2	3	110
ND						2	1					104

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
NE							3	4				111
NH							3	1	1			109
NJ					1	2	6		1			105
NM						1		2	1			112
NV						1	2					107
NY					2	4	6	4	1			107
OH					1	2	6	5	2	1		110
OK						2	2	3	1	1		112
OR			1		1	1	5					106
PA					1	2	13	3	3			109
PR					2	2	4		2	1		108
RI							2		1			110
SC			1			6	4	1	2	1	1	106
SD					1		1	1				108
TN				1		4	7	4	2	2		108
TX	1		1	6	4	7	12	5	3	1	1	106
UT						1	2	3	1			111
VA					1	2	9	4	2		1	108
VT							1					106
WA					1	1	4	5	1		1	111
WI						6	7	3	2			108
WV					2	1	3	4	1	1	2	112
WY				1			1					102
US	1	1	3	17	34	110	248	126	59	26	16	108

ATTACHMENT 1B
FY 2022 - 2023 Distribution of changes in Area Median Income
(100 Percent = FY 2022 Income Level)
Non-metropolitan Areas

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
AK				3	1	7	7	6	1	2		107
AL					3	3	12	10	4	3	2	110
AR				2		10	11	15	7	6	3	111
AS					1							96
AZ							2	2	1	1	1	114
CA			1	1	2	3	3	4	2	4	1	111
CO				1		8	9	13	8	1	7	113
CT						1						102
FL				3	2	3	7	2	2	2	2	107
GA				3	3	12	16	18	16	6	11	113
GU					1							99
HI			1		2							96
IA				1	1	15	26	24	10			109
ID				1		3	5	13	3	3	1	112
IL				1	2	7	19	18	12	2	1	110
IN					1	4	17	18	5	2		111
KS			1	1	8	11	24	19	10	7	5	110
KY			1	2	2	9	30	19	14	5	3	110
LA					3	7	5	5	5	1	2	109
MA						1			1			108
MD							5					108
ME					1		4	3	3			110
MI					1	4	10	27	13	2		112

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
MN				1		6	18	28	5	1	1	111
MO				1	3	8	23	23	15	2	5	111
MP										1		123
MS		1		6	4	10	8	13	6	10	5	112
MT				4	2	8	13	12	5	3	4	110
NC		1		3		5	14	16	6	5		111
ND			1	2	7	10	13	7	5	1	2	106
NE			1	1	14	13	21	19	7	3	2	108
NH							3	2			2	112
NM	1		1		1	3	4	6	5	1	4	114
NV		1			1	2	2	2	2	1	2	114
NY					1	4	8	7	4			109
OH				1	1	8	19	15	2	3		109
OK				1	6	15	19	12	5	1		107
OR			1			2	8	3	4	4	1	110
PA					2	1	18	5	3	1		109
PR								1				113
SC					2		9	7		1	1	110
SD			2		4	11	11	14	11	4	2	110
TN					3	3	11	21	6	6	2	112
TX	2	2	4	10	12	30	27	45	21	9	12	110
UT			1		1	1	6	4	3	2	1	110
VA						7	14	13	8	1	1	110
VI				1	2							97
VT						1	6	1	2		1	110
WA					2	2	5	4	5	1	1	112
WI					3	2	18	16	5		1	110

STATE	Percent Change											Median
	less than 80%	80% to 84.9%	85% to 89.9%	90% to 94.9%	95 to 99.9	100% to 105%	105.1% to 110%	110.1% to 115%	115.1% to 120%	120.1% to 125	125.1% or more	
WV				1	2	6	11	4	5	2	1	109
WY				1	1	3	8	3	3	2		108
US	3	5	15	52	108	269	529	519	260	112	90	110

ATTACHMENT 2

FY 2023 Median Family Incomes for States,
Metropolitan and Nonmetropolitan Portions of States

Please see [https://www.huduser.gov/portal/datasets/il/il23/FY23 Median Attachment State Medians.pdf](https://www.huduser.gov/portal/datasets/il/il23/FY23%20Median%20Attachment%20State%20Medians.pdf)