Methodology for Calculating FY 2024 Medians

HUD PROCEDURE FOR ESTIMATING FY 2024 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-equivalents[1], and individual nonmetropolitan counties[2]. 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 Office of Management and Budget (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 2024 median family incomes, HUD uses median family[3] income data (as opposed to median household income data) from the 2022 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 2022; and the "five-year" data, which represent estimates as of 2018-2022 (but are inflated to 2022 dollars). HUD requires special tabulations of the ACS to match its custom HMFA definitions described above.

For the FY 2024 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

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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.

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

Consumer Price Index (CPI) Inflation

HUD uses the 2022 ACS and PRCS median family income data (as opposed to household income data) as the basis of FY 2024 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 2024, CBO has produced a forecast CPI of 310.683, which divided by annual 2022 of 292.613 is 1.062 (an increase of 6.2 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 2022. HUD then applies the same CPI adjustment used in ACS areas from 2022 to fiscal year 2024.

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

ATTACHMENT 1

FY 2023 - 2024 Distribution of changes in Area Median Income
(100 Percent = FY 2023 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				4	4	11	8	3				103
AL			2	2	9	27	9	4	1			103
AR		1	1	3	11	31	13	4				102
AS						1						101
AZ		1		3		5	3	2				104
CA		2		2	8	21	11	6	1			103
CO				2	11	29	8	4		1		103
CT				2	4	5	1					101
DE							1	1				110
FL				5	9	21	13	2	2			103
GA	1		2	7	12	47	27	8	3		4	103
GU						1						102
HI		1			1	2	1					105
IA			1	1	14	57	15	2				103
ID				3	8	19	6	2		1		102
IL				2	12	43	19	3	1		1	103
IN				3	10	38	20					102
KS				5	18	48	14	5		2		103
KY			2	7	15	36	23	10	3			104
LA				2	11	15	14		2			104
MA				2	6	6	2	2				101
MD				1	4	5	2					101
ME			1	1		14	3					102
MI				1	11	44	17	4				103
MN			1		7	41	17	4				103
MO	1			3	15	51	19	5	1			103
MP						1						102
MS		1		6	16	23	20	7	1	1		103
MT			3	4	7	21	16	4				103
NC			2	4	17	33	16	6	3	1		103
ND					11	23	14	1	2			103
NE			2	3	21	38	13	9	2			102

STATE	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	Median
						Percent Change						
NH				2	4	6						100
NJ					5	4	1					100
NM			1	1	5	11	5	5	2			103
NV				1	5	5	3	1		1		103
NY			2	2	6	27	4					102
OH		1		1	11	39	11	3				102
OK				1	12	42	12			1		102
OR				1	3	20	4	1	1		1	103
PA				3	15	26	6	2				101
PR			1	1	4	1	2	1		2		100
RI					2		1					100
SC	1		2	2	7	14	6	4				104
SD		1		2	6	28	17	6	1	1		105
TN	1		2	5	5	31	20	5	2	1		104
TX			4	15	50	89	27	16	6	2	6	102
UT			1		6	12	3	2	2			103
VA			1	4	9	33	10	5	1			103
VI						3						102
VT						9	2	1				104
WA				1	7	13	8	2	1	1		103
WI				2	7	45	8	1				102
WV			1	4	10	23	7	1				102
WY				3	6	11	3					101
US	4	8	32	129	457	1249	505	154	38	15	12	103

ATTACHMENT 1A
FY 2023 - 2024 Distribution of changes in Area Median Income
(100 Percent = FY 2023 Income Level)
Metropolitan Areas

STATE	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	Median
AK					1	1		1				101
AL					3	5	4	4	1			105
AR		1			1	6		2				103
AZ		1		2		3		1				102
CA		1		1	4	13	8	2	1			103
CO				2	2	4						100
CT				2	3	5	1					103
DE							1	1				110
FL				1	5	12	10	1				104
GA			1	3	2	8	8	2	1		1	104
HI					1	1						102
IA			1	1	1	6	4					104
ID				1	2	5	2					101
IL					2	7	7	1	1		1	106
IN				2	5	10	7					103
KS				1	1	2	2					102
KY				1	2	5	3					102
LA				1	5	5	4		1			103
MA				2	6	5	2	1				100
MD				1	1	5						101
ME			1	1		4	2					101
MI				1	4	9	4	2				103
MN					2	6	2					102
MO				1	6	3	5					102
MS				2	1	4	3	2				104
MT			1		1	1	1					100
NC			1	2	11	9	5	3	1			102
ND					1	1		1				102
NE					1	5	1					101
NH					3	2						100
NJ					5	4	1					100

STATE	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	Median
NM					2	1		1				100
NV					1	2						102
NY			2		4	11						102
OH		1		1	2	11	1	1				101
OK					1	8						101
OR					1	5		1	1			102
PA				3	7	8	4					100
PR			1	1	4	1	1	1		2		100
RI					2		1					100
SC			2	1	3	6	3	1				104
SD					1	1	1					105
TN				1	1	9	3	3	2	1		104
TX			1	1	13	17	2	3	2	1	1	101
UT					1	2	2	2				105
VA				2	3	11		3				102
VT						1						103
WA				1	3	4	3	1		1		103
WI				2	5	9	2					101
WV			1	1	4	7	1					101
WY				1		1						98
US		4	12	43	140	271	111	41	11	5	3	102

FY 2023 - 2024 Distribution of changes in Area Median Income
(100 Percent = FY 2023 Income Level)
Non-metropolitan Areas

STATE	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	Median
AK				4	3	10	8	2				104
AL			2	2	6	22	5					101
AR			1	3	10	25	13	2				102
AS						1						101
AZ				1		2	3	1				107
CA		1		1	4	8	3	4				103
CO					9	25	8	4		1		103
CT					1							100
FL				4	4	9	3	1	2			102
GA	1		1	4	10	39	19	6	2		3	103
GU						1						102
HI		1				1	1					105
IA					13	51	11	2				102
ID				2	6	14	4	2		1		103
IL				2	10	36	12	2				102
IN				1	5	28	13					102
KS				4	17	46	12	5		2		103
KY			2	6	13	31	20	10	3			104
LA				1	6	10	10		1			104
MA							1		1			108
MD					3		2					99
ME						10	1					104
MI					7	35	13	2				103
MN			1		5	35	15	4				103
MO	1			2	9	48	14	5	1			103
MP						1						102
MS		1		4	15	19	17	5	1	1		103
MT			2	4	6	20	15	4				103
NC			1	2	6	24	11	3	2	1		103
ND					10	22	14		2			104
NE			2	3	20	33	12	9	2			102
NH				2	1	4						101

STATE	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	Median
NM			1	1	3	10	5	4	2			104
NV				1	4	3	3	1		1		103
NY				2	2	16	4					102
OH					9	28	10	2				103
OK				1	11	34	12			1		103
OR				1	2	15	4				1	103
PA					8	18	2	2				102
PR							1					107
SC	1			1	4	8	3	3				103
SD		1		2	5	27	16	6	1	1		105
TN	1		2	4	4	22	17	2				103
TX			3	14	37	72	25	13	4	1	5	102
UT			1		5	10	1		2			102
VA			1	2	6	22	10	2	1			103
VI						3						102
VT						8	2	1				104
WA					4	9	5	1	1			103
WI					2	36	6	1				103
WV				3	6	16	6	1				102
WY				2	6	10	3					101
US	4	4	20	86	317	978	394	113	27	10	9	103

ATTACHMENT 2

FY 2024 Median Family Incomes for States,

Metropolitan and Nonmetropolitan Portions of States

Please see https://www.huduser.gov/portal/datasets/il/il24/FY24 Median Attachment State Medians.pdf