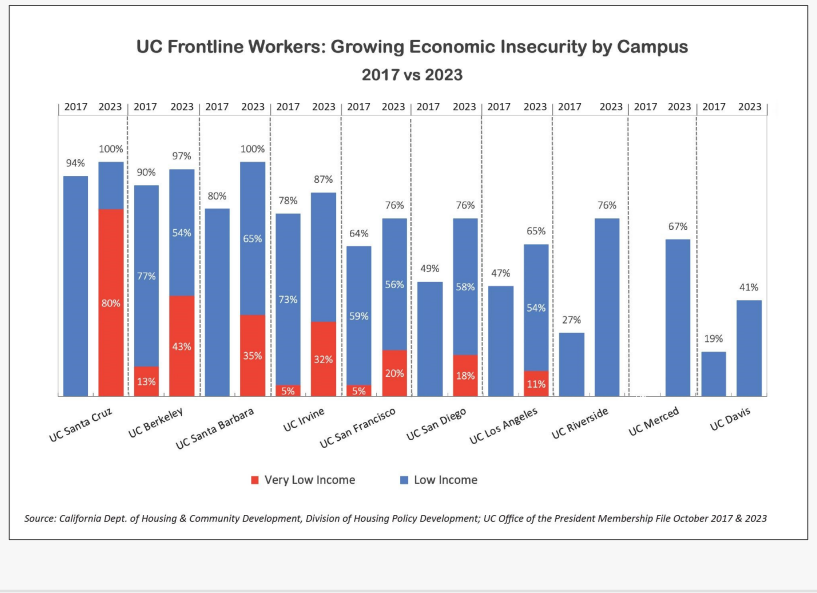


STUDY: Public Cost of Housing Assistance for UC's Service and Patient Care Workers Could Reach \$164 million Annually

Number of Frontline UC Workers Eligible for Federal Rental Assistance Tripled between 2017 and 2023

OAKLAND, CALIFORNIA, UNITED STATES OF AMERICA, August 2, 2024 /EINPresswire.com/ -- The public cost of delivering housing assistance to service and patient care workers at the University of California could reach as high as \$164 million per year, according to a new study by researchers at AFSCME Local 3299. The number of frontline workers eligible for the federal Housing Choice Voucher Program nearly tripled between 2017 and 2023, and now includes all service and patient care workers employed at UC Santa Barbara and UC Santa Cruz, two-thirds at UC San Diego, and nearly half at UC Berkeley.



[READ THE STUDY:](#) "The Public Cost of the Housing Crisis for Frontline Workers at the University of California."

"It's no secret that frontline worker wages have failed to keep pace with the rising cost of living in California, but the wage-housing imbalance is only one part of the story," said study co-author and AFSCME 3299 Research Director Claudia Preparata. "UC has access to e significant developable land and billions in unrestricted capital reserves that could be used to build new housing units, while spending hundreds of millions of dollars each year on housing assistance for high paid administrators who can already afford market rates. Because UC is failing to deploy these resources to the frontline labor force that actually needs them more and more UC

employees are becoming eligible for publicly funded housing assistance programs and are struggling to make ends meet.”

For their analysis, researchers matched payroll data for more than 32,000 frontline campus service and patient care workers alongside publicly available eligibility criteria for Housing Choice Voucher Program from the US Department of Housing and Urban Development (HUD).

In doing so, researchers were able to chart dramatic growth in the number of UC workers meeting HUD definitions used to determine eligibility for housing assistance programs. Between 2017 and 2023, the number qualifying as “low” or “very low” income based on where they work more than doubled, with the number qualifying as “very low income” growing tenfold.

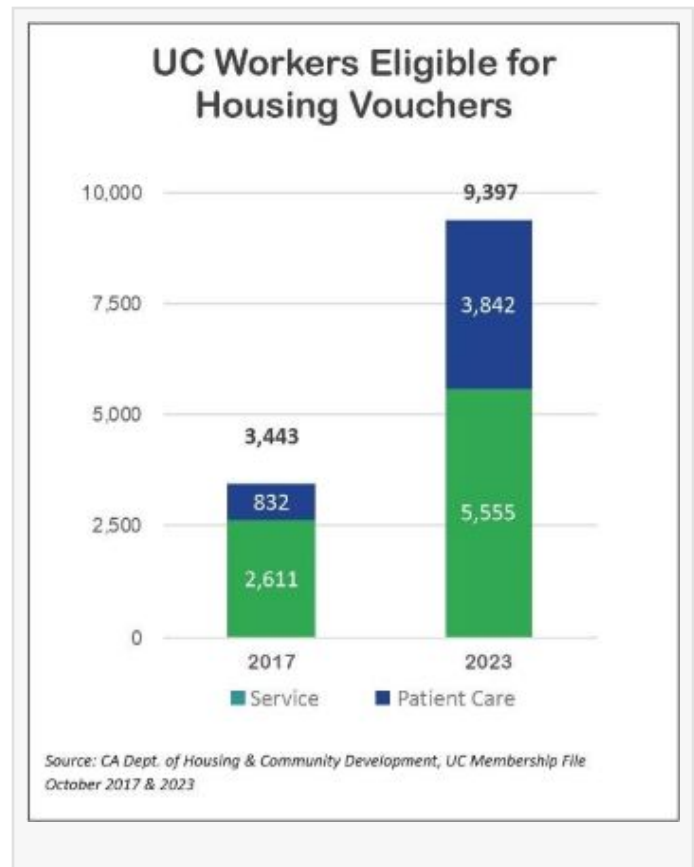
Importantly, researchers found rising economic insecurity amongst these workforce groups evident across the UC system—from inland campuses such as Merced and Riverside, to higher cost coastal communities like Santa Barbara, San Diego and Santa Cruz.

While real wages for workers in the study sample have declined by an average of 8% during the period analyzed by the study, researchers cautioned that the spike in economic insecurity is not just a wage problem.

“Our analysis finds that the statewide average housing wage is now \$38.11 per hour for a one-bedroom home,” said study co-author Owen Li. “At some campuses, the University would need to more than double median wages before workers could afford housing close to work, making it clear that wage increases alone are insufficient to address the crisis.”

All told, the study finds that as of 2023, nearly 9,400 UC Service and Patient Care workers were income eligible for federal “Housing Choice” vouchers based on federal guidelines—a number that has nearly tripled since 2017. With an average benefit of \$1,450 per rental unit in communities with UC campuses, the annual public cost to supply housing assistance to these frontline UC service and patient care workers could reach \$164 million.

Researchers added that due to funding limitations, only about one in four Californians who qualify for housing assistance actually receive it, forcing many workers to either commute several hours each way to work, sleep in their cars, or live with friends, parents or siblings.



“The addition of thousands of full-time UC workers to the rolls of Californians who need taxpayer funded housing assistance not only undermines UC’s competitiveness in the labor market, it also adds more strain to a public safety net that is already struggling to keep pace with demand,” added study co-author Kate Spear.

The report notes that UC is uniquely equipped to address the growing housing affordability needs of its workforce, including a portfolio of surplus land parcels that a 2022 State Audit identified as suitable for housing development; more than \$10 billion in unrestricted financial reserves; and multiple housing assistance programs that are used to provide low-cost mortgages and down-payment assistance—even for second homes—for the institution’s highest paid managers, but not frontline staff. The report notes that one such program provided nearly \$300 million in loans during the 2022-2023 fiscal year, including to senior executives with average salary of \$370,000 per year.

The report concludes that continued university expansion is also having a negative impact on housing affordability for frontline workers and students. For example, the system faces a student housing deficit of 185,000 beds, yet it recently announced plans to develop a satellite campus near UCLA, a \$2 billion Space Center in Silicon Valley, and acquire nine new hospitals in the past eight months alone even as its healthcare workforce grew by 49% between 2011 and 2021.

“The University’s current growth trajectory alongside its decades-long failure to address the housing needs of frontline workers and students has long since passed the tipping point and is now only exacerbating the state’s housing affordability crisis,” added study co-author Geoff Goodman. “The decision before UC today is whether to invest its own substantial resources in producing affordable housing options near worksites so it can compete in the labor market, or to continue complaining about labor shortages while shifting even more cost onto the backs of California taxpayers who fund our state’s over-burdened social safety net.”

AFSCME Local 3299 is the University of California’s largest employee union, representing more than 30,000 Service and Patient Care Technical workers at UC’s 10 campuses, 5 medical centers, numerous clinics, research laboratories, and UC Law, SF.

Todd Stenhouse
AFSCME 3299
+1 916-397-1131
toddstenhouse@gmail.com

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