

## Rent control in the real world

### § New York City

- about 63% of NYC's 1.7 million apts subject to rent "stabilization"

### § Other cities with regulated rents:

- Washington DC (over 100,000 apts)
- San Francisco (SF Tenants Union: "most" apts)
- Other cities in California and New Jersey

### § At its peak in the mid-1980s, 20% of all U.S. residents were living in rent-regulated apartments

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## Effects of rent control

§ It reduces rent on some apartments but sharply drives up rents on others.

§ The cheap rent-controlled apartments tend to go to well-educated professionals. Students, seniors on fixed incomes, and the poor are generally shut out.

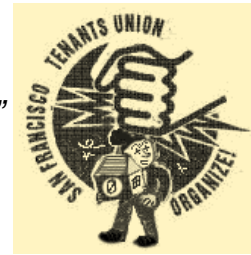
§ Landlords of rent-controlled apartments have less incentive to maintain their buildings.  
Studies: rent-controlled apartments have much higher rates of safety and health code violations.

§ Landlords in the rent-controlled sector may discriminate when determining which applicants get the limited supply of apartments.

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## SF Tenants Union [sftu.org](http://sftu.org)

*"Fighting For Tenants Rights Since 1970"*



"June Election: Save Rent Control!"

"Vote NO on 98 the Rent Control Repeal Measure Prop, YES on 99 to Save Rent Control"

"Proposition 98 on the June ballot is disguised as a measure to reform eminent domain laws. The measure's real target, though, is rent control. It would repeal and ban any rent control, as well as other measures promoting affordable housing such as inclusionary affordable housing laws...."

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## Politicians still support rent control

FOR IMMEDIATE RELEASE

June 27, 2006

Washington, DC – Mayor Anthony Williams has signed a sweeping rent control reform bill into law.

The bill, authored by Councilmember Jim Graham (D-Ward One), is the most significant change to the District's rent control laws in more than 20 years. It applies to an estimated 100,000 apartments in the city.

"Today, we've saved rent control," said Councilmember Graham. "Without this bill, rent control was dying on the vine. Rent control is supposed to preserve affordable housing. To me, a \$1,900-a-month 'rent-controlled' one-bedroom apartment isn't affordable housing. That's why I introduced this bill in October and am so glad to see the Mayor sign it today."


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**CLICKER QUESTION:**  
**The politics of rent control**



If NYC replaced rent control with subsidies to low-income renters equal to the difference between the former rent ceiling and the equilibrium rent, who would be worse off?


- A. landlords
- B. low-income renters
-  C. middle- and high-income renters

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**CLICKER QUESTION:**  
**The politics of rent control**



Which of the following groups contains the largest number of voters?

- A. landlords
- B. low-income renters
-  C. middle- and high-income renters

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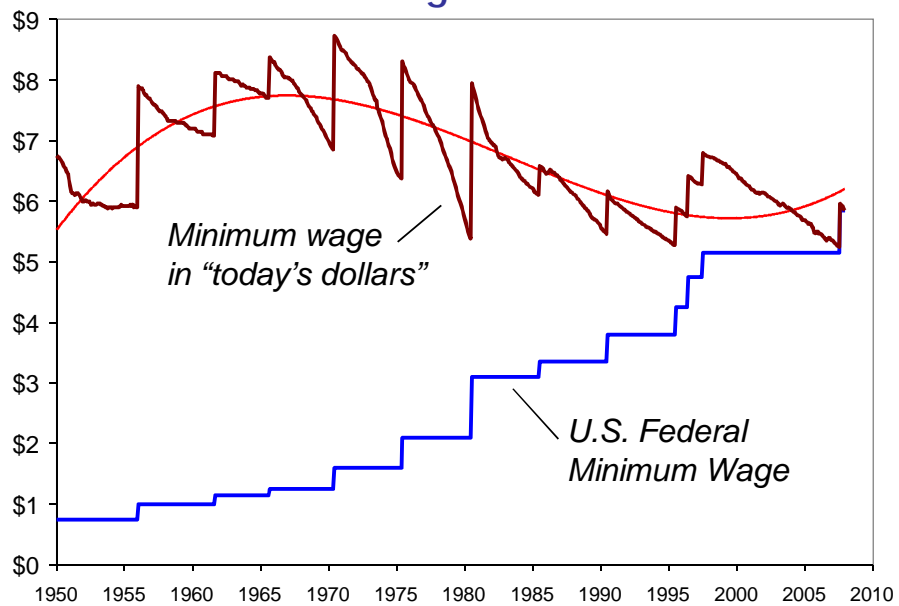
**CLICKER QUESTION:**  
**The politics of rent control**



Both of these policies are intended to combat the high cost of housing. Which one costs the city government more to implement?

- A. rent control
- ★ B. subsidies to low-income renters

**The minimum wage in the real world**



## The minimum wage in the real world

date of increase	new minimum wage
July 1997	\$5.15
24 July 2007	\$5.85
24 July 2008	\$6.55
24 July 2009	\$7.25

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### CLICKER QUESTION: Survey: minimum wage



Have you ever had a minimum wage job?

A. yes

B. no

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**CLICKER QUESTION:**  
**Survey: minimum wage**



If yes, in what line of work?

Min wage workers by occupation, U.S., 2005

- 60% **A.** food service
- 8% **B.** retail
- 5% **C.** doing office work
- 5% **D.** janitorial/housekeeping
- 22% **E.** something else

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## Who works for minimum wage?

*2005 data from U.S. Current Population Survey*

U.S.:

1.9 million = 2.5% of all hourly paid workers

Wisconsin:

27,000 = 1.5% of all hourly paid workers

Teens:

7% of all hourly paid workers

26% of minimum wage workers

Workers under 25 yrs old:

22% of all hourly paid workers

53% of minimum wage workers

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