

# Methodology for Calculating FY 2025 Medians

## HUD PROCEDURE FOR ESTIMATING FY 2025 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,<sup>1</sup> and individual nonmetropolitan counties.<sup>2</sup> 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. 23-01, issued July 21, 2023, as its starting point for the first time. The 2023 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)." HUD also groups independent cities in Virginia with their larger containing counties, in cases where the city and county are both non-metropolitan.

The geographic definitions of areas used for calculating median family incomes generally matches those used in HUD's calculation of Fair Market Rents (FMR). However, HUD has incorporated the changes to the geographic definitions of areas described above for the FY 2025 income limits that were not part of the FY 2025 FMRs, including the change to planning regions in Connecticut mentioned in footnote 1, as the ACS 2023 data were not yet available at the time of FY 2025 FMR calculation. Note that while all areas in Connecticut use median family income data from the latest metropolitan statistical area definitions, some towns within metropolitan areas may have different income limits following the application of cap and floors on the allowed year to year change in income limit values.<sup>3</sup> This is also true for several municipios in Puerto Rico newly added to the HUD Non-metro Puerto Rico FMR area. In these cases, the towns have been retitled as 'Exception Areas' and assigned their own HUD area code.

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<sup>1</sup> In five of the six New England states, metropolitan and nonmetropolitan areas comprise towns instead of counties. The sixth, Connecticut, has officially changed their county-equivalent geographic units from towns to planning regions (see the [Census Federal Register notice](#)). This change has been incorporated into the 2023 American Community Survey (ACS) data, as well as the HUD MFIs and income limits.

<sup>2</sup> HUD groups nonmetropolitan independent cities in Virginia, which are county equivalents, together with nearby nonmetropolitan counties.

<sup>3</sup> For more information, please refer to the 2025 Income Limits Methodology.

## **Median Family Income Basis**

In estimating FY 2025 median family incomes, HUD uses median family<sup>4</sup> income data (as opposed to median household income data) from the 2023 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 2023; and the “five-year” data, which represent estimates as of 2019-2023 (but are inflated to 2023 dollars). HUD requires special tabulations of the ACS to match its custom HMFA definitions described above.

For the FY 2025 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<sup>5</sup>) 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.

## **Per Capita Wages Inflation**

HUD uses the 2023 ACS and PRCS median family income data (as opposed to household income data) as the basis of FY 2025 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). In the past, HUD has used an inflation forecast from the Congressional Budget Office (CBO) in updating ACS estimates. However, starting this FY and going forward, HUD is using the projected change in per capita wage growth, also based on CBO estimates. HUD found that the new approach would have significantly improved the accuracy of earlier MFI calculations. For FY 2025, CBO has produced a wages and salaries forecast of 47,460, which divided by the annual 2023 value of 43,920 is 1.08 (an increase of 8 percent). For more information, please see [An Evaluation of HUD's Accuracy in Calculating Income Limits](#).

## **Territories not Covered by the ACS**

For the non-Puerto Rico Insular Areas of the United States,<sup>6</sup> 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

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<sup>4</sup> 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.

<sup>5</sup> Although HUD has replaced the use of the CPI as an overall inflation factor, HUD retains its use here as the 3-year averaging creates an overlapping period with last year’s median calculations.

<sup>6</sup> The areas without ACS coverage are American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands.

family income data to 2023. HUD then applies the same per capita wages adjustment used in ACS areas from 2023 to fiscal year 2025.

## ATTACHMENT 1

FY 2024 - 2025 Distribution of changes in Area Median Income  
(100 Percent = FY 2024 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					1	7	14	5	2		1	107
AL		1			4	21	17	7	3	1		105
AR				3	8	20	23	9	1	2		106
AS							1					107
AZ						4	7	1	2			107
CA				4	4	12	13	11	3	4		107
CO			1	1	3	4	25	10	7	1	3	109
CT	2	13	7	2	2	4			2	1	8	85
DE				1			1					100
FL				1	2	16	19	7	4	3		108
GA			1	2	8	19	40	30	10		1	108
GU							1					107
HI						2	1	1		1		108
IA					5	37	37	10	1			106
ID					1	8	18	10	2			108
IL			2	1	4	21	40	10	2	1		106
IN					4	25	32	7	3			106
KS				5	5	28	37	14	2	1		106
KY		1		1	11	28	40	11	3	1	2	106
LA					7	9	12	11	4	2		106
MA				1	1	7	3	3	3	1		106
MD			1	1	1	3	6	1				105
ME						6	9	2	2			106
MI				3	3	17	44	10				106
MN					2	21	40	4	2	1		106
MO				1	1	22	48	18	4		1	107
MP							1					106
MS				1	7	24	26	10	2	5		106
MT					2	12	22	14	4	1		108
NC					8	19	33	17	4		1	107
ND				3	6	16	19	5	2			105
NE			1		1	26	39	18	4			107

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	
NH					1	1	7	3				107
NJ					1	4	2	2	1			105
NM	1			1	1	5	12	3	3	4		107
NV					2	3	8	3				106
NY				1	3	8	23	5	1			107
OH				1	3	27	25	7	2	1		105
OK					5	19	35	6	3			106
OR	1		1		1	7	12	6	2	1		106
PA				1	4	21	21	5				105
PR			1	2	2	1	2	3	4			108
RI						2	1					105
SC				1	2	10	18	1	2	1	1	106
SD			1		1	9	34	11	5	1		108
TN			1	2	4	20	27	15	2		1	107
TX	3		1	3	14	53	86	34	11	6	4	107
UT			1	1	3	4	12	4	1			107
VA					3	18	30	7	4	1		106
VI							3					106
VT						3	8	1				107
WA					4	7	17	4		1		107
WI					1	17	36	5	4			106
WV				2	4	13	16	9	1	2		106
WY		1	1		1	6	9	3	1	1		107
US	7	16	20	46	161	696	1112	393	125	45	23	106

**ATTACHMENT 1A**

**FY 2024 - 2025 Distribution of changes in Area Median Income**

(100 Percent = FY 2024 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	1		1			107
AL		1			2	10	4		1			104
AR				1	1	1	2	2		1		108
AZ						2	3		2			108
CA				2	3	8	8	6	1	2		106
CO					1	1	5		1			108
CT	2	13	7	1	2	3			2		8	85
DE							1					109
FL				1		11	14	2	1	1		107
GA				1		6	10	6	3			108
HI						1	1	1				108
IA					2	7	3	1				103
ID						3	3	2	1			107
IL			1	1	1	1	9	3				107
IN					1	9	7	4	2			106
KS					1	3	1	2				103
KY				1	2	4	7	2	1			107
LA					3	3	8	2	2			106
MA				1	1	7	2	2	2	1		105
MD			1		1	2	2					103
ME						2	3	1	2			106
MI				3	1	5	12	3				106
MN						3	7					106
MO						4	6	4	1			107
MS						4	6	2		1		106
MT					1		3	2	2	1		110
NC					4	6	8	6	2		1	106
ND				1	1	2		1	1			103
NE						3	3	1				105
NH						1	3	1				107

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	
NJ					1	4	2	2	1			105
NM							3			1		108
NV							3	1				107
NY					2	3	9	2				107
OH				1		8	8	1		1		105
OK						4	3	2				106
OR						3	3	2	2			107
PA					3	9	5	1				104
PR					1	1	2	3	4			113
RI						2	1					105
SC					2	3	10	1				106
SD						1	2		1			107
TN				1		5	9	6				107
TX				2	1	11	16	14	2		1	107
UT					2		3	1				107
VA					1	8	6	2	1	1		106
VT							1					110
WA					2	5	6					105
WI						7	6	2	3			107
WV					2	2	4	2		2		106
WY						1		1				108
US	2	14	9	17	45	190	244	99	42	12	10	106

**ATTACHMENT 1B**

FY 2024 - 2025 Distribution of changes in Area Median Income  
 (100 Percent = FY 2024 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					1	6	13	5	1		1	107
AL					2	11	13	7	2	1		107
AR				2	7	19	21	7	1	1		105
AS							1					107
AZ						2	4	1				107
CA				2	1	4	5	5	2	2		109
CO			1	1	2	3	20	10	6	1	3	109
CT				1		1				1		102
DE				1								92
FL					2	5	5	5	3	2		109
GA			1	1	8	13	30	24	7		1	108
GU							1					107
HI						1				1		113
IA					3	30	34	9	1			106
ID					1	5	15	8	1			108
IL			1		3	20	31	7	2	1		106
IN					3	16	25	3	1			106
KS				5	4	25	36	12	2	1		106
KY		1			9	24	33	9	2	1	2	106
LA					4	6	4	9	2	2		109
MA							1	1	1			112
MD				1		1	4	1				107
ME						4	6	1				107
MI					2	12	32	7				107
MN					2	18	33	4	2	1		106
MO				1	1	18	42	14	3		1	107
MP							1					106
MS				1	7	20	20	8	2	4		107
MT					1	12	19	12	2			108



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					4	13	25	11	2			107
ND				2	5	14	19	4	1			105
NE			1		1	23	36	17	4			107
NH					1		4	2				108
NM	1			1	1	5	9	3	3	3		107
NV					2	3	5	2				105
NY				1	1	5	14	3	1			106
OH					3	19	17	6	2			106
OK					5	15	32	4	3			106
OR	1		1		1	4	9	4		1		106
PA				1	1	12	16	4				106
PR			1	2	1							91
SC				1		7	8		2	1	1	106
SD			1		1	8	32	11	4	1		108
TN			1	1	4	15	18	9	2		1	106
TX	3		1	1	13	42	70	20	9	6	3	106
UT			1	1	1	4	9	3	1			107
VA					2	10	24	5	3			107
VI							3					106
VT						3	7	1				106
WA					2	2	11	4		1		108
WI					1	10	30	3	1			106
WV				2	2	11	12	7	1			106
WY		1	1		1	5	9	2	1	1		107
US	5	2	11	29	116	506	868	294	83	33	13	107

## **ATTACHMENT 2**

### **FY 2025 Median Family Incomes for States, Metropolitan and Nonmetropolitan Portions of States**

Please see

<https://www.huduser.gov/portal/datasets/il/il25\FY25%20Median%20Attachment%20State%20Medians.pdf>