Minimum Wages and Housing Security in Oklahoma

A Policy Analysis

Scioto Analysis | May 2025

Policymakers, Advocates, and Stakeholders,

At Scioto Analysis, we believe that good policy starts with good information. This report, *Minimum Wages and Housing Security in Oklahoma*, is our latest effort to bring rigorous, relevant analysis to an issue that is hard to ignore: housing insecurity in Oklahoma.

Over a quarter of Oklahoma households spend over 30% of their income on housing. We set out to answer a straightforward but critical question: What would happen to housing cost burden and homelessness in Oklahoma if the state minimum wage were raised to $15 an hour?

We know that housing insecurity affects families in significant ways. Oklahoma families face trade-offs between rent and essentials like food, transportation, and healthcare every day. With wages not keeping up with the rising cost of housing, more Oklahoma residents are finding it difficult to pay for housing costs.

Here are four things we learned from this analysis.

- **A $15 minimum wage would reduce housing cost burden** for tens of thousands of Oklahomans. We estimate that up to 40,000 households would no longer pay 30% or more on rent under a $15 minimum wage.

- **Severe housing cost burden would decline**. Up to 32,000 households would no longer spend more than half their income on rent.

- **Homelessness would decrease**. As many as 550 fewer Oklahomans would experience homelessness in any given year, and chronic homelessness could fall by 150 individuals.

- **Emergency service use would drop**, saving public and private funds. We project hundreds fewer emergency room visits annually and hundreds more beds available in shelters.

Our goal with this work is to give decision-makers the information they need to understand the impacts of this policy. We hope this analysis adds clarity to the conversation about wages and housing, and we look forward to continuing to support thoughtful policymaking in Oklahoma and beyond.

Rob Moore
Principal, Scioto Analysis

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Executive Summary

The most common form of housing insecurity in Oklahoma is housing cost burden. Approximately 430,000 households (27% of all households) spend more than 30% of their income on rent, classifying them as housing cost burdened. Housing cost burden leads many households to cut back on essential expenses such as food, healthcare, and transportation, undermining economic and social stability in the state. Over the past few years, Oklahoma has seen a sharp increase in homelessness, with the number of people experiencing homelessness in the state doubling in three years from 2,700 in 2021 to 5,500 in 2024.

Housing cost burden and homelessness are driven in part by a combination of rising housing costs and stagnant incomes. The percentage of low-income households experiencing housing cost burden has risen from 62.3% in 2018 to over 70% in 2023. The supply of vacant housing has declined as the supply of housing has not kept pace with demand. More consumers are competing for a limited supply of housing, driving costs up. This dynamic especially affects low-income renters, with 87% of Oklahoma renters who earn less than $35,000 annually spending more than 30% of their income on housing.

One proposal for reducing housing cost burden and homelessness is to increase Oklahoma's minimum wage. Oklahoma's current minimum wage is set at the federal minimum wage of $7.25 an hour. Increasing the state minimum wage to $15 an hour could provide residents with more resources to pay for housing, reducing the prevalence of housing cost burden in the state.

To estimate the impact of a $15 minimum wage on state residents, we simulated 1,000 potential scenarios for how the minimum wage would impact housing cost burden in the state. We estimate **a $15 minimum wage would reduce the number of cost-burdened households by 23,000 in the median scenario and by 40,000 in a high-impact scenario** (a 5-9% reduction). Those who spend over 50% of income on rent would see even larger reductions. A $15 minimum wage would reduce the number of severely cost-burdened households by 21,000 in the median scenario and 32,000 households in a high-impact scenario (a 10-15% reduction).

Our simulations project a $15 minimum wage would reduce homelessness**.** In the median scenario, **330 fewer residents would experience homelessness** as a result of an increased wage. In the high-impact scenario, **550 fewer residents would experience homelessness** (a 6-10% reduction). We project chronic homelessness would decrease by 90 individuals in the median scenario and by 150 individuals in a high-impact scenario.

A $15 minimum wage would lead to a reduction in the use of services for people experiencing homelessness. We estimate shelter utilization would decline by 200 beds in the median scenario and by 330 beds in a high-impact scenario. Emergency room visits among homeless individuals would decline by 380 visits annually in the median scenario and by 630 visits annually in a high-impact scenario (a 4-7% reduction among the homeless population).

We see the potential for a $15 minimum wage to support segments of the population who are struggling most with housing cost burden. We project households headed by women, which are more likely to be cost burdened than male-headed households, would see an 8% reduction in housing cost burden rates in the median scenario and a 14% reduction in housing cost burden rates in the high-impact scenario. Severe cost burden would decrease by 20% for female-headed households and by 15% for male-headed households in the median scenario. A higher minimum wage would make housing easier to secure for Black Oklahomans, who are disproportionately represented in the homeless population.

Our estimates suggest raising the minimum wage to $15 per hour would improve housing security in Oklahoma by reducing cost burden, homelessness, and reliance on emergency services. These effects would accrue to heads of households across different categories of age, race, and sex, helping thousands of low-income residents of Oklahoma achieve greater financial stability. Given the broader economic and social benefits associated with housing security, policymakers should consider the $15 minimum wage as a strategy for improving housing security in Oklahoma.

The Problem

Too many people are housing insecure in Oklahoma. About 430,000 Oklahoma households spend more than 30% of their income on rent, which means they surpass the threshold for the U.S. Department of Housing and Development's definition of "housing cost burdened."[1] This constitutes over one in four (28%) Oklahoma households.

When housing costs use a large proportion of household incomes, they crowd out the ability to meet other needs. Policy researchers and urban planners at Harvard University have found households that are housing cost burdened can be left with little to pay for other essential expenses.[2] They mention households with young children are burdened with child care costs, households with members with chronic disease or disability who face high healthcare costs, and households with working members who face high costs of commuting. Researchers at the University of Pennsylvania and the University of Washington found households spending more than 30% of income on housing report lower levels of life satisfaction than those who spend less on housing, even when controlling for demographic factors such as homeownership, sex, age, education, employment, marital status, urbanization, and health.[3]

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[1]Steven Ruggles, Sarah Flood, Matthew Sobek, Daniel Backman, Grace Cooper, Julia A. Rivera Drew, Stephanie Richards, Renae Rodgers, Jonathan Schroeder, and Kari C.W. Williams. IPUMS USA: Version 16.0 [dataset]. Minneapolis, MN: IPUMS, 2025. https://doi.org/10.18128/D010.V16.0

[2] Herbert, Christopher, Alexander Hermann, and Daniel McCue. Measuring housing affordability: Assessing the 30 percent of income standard. Joint Center for Housing Studies of Harvard University, 2018.

[3] Acolin, Arthur, and Vincent Reina. "Housing cost burden and life satisfaction." Journal of Housing and the Built Environment 37, no. 4 (2022): 1789-1815.

High housing cost burden leads to financial instability for households. High housing costs can be an impediment to building wealth, making it less likely that households save to build emergency funds and long-term wealth.[4] A 2024 Urban Institute survey found 68% of U.S. renter households were saving less than they had been 12 months earlier.[5] They found 75% of renters were cutting spending in other areas, 81% on entertainment, and 78% on food. Four out of five (82%) renters making less than $25,000 reported cutting their spending on food to pay for rent. They were more likely than any other income group to cut spending on transportation (52%) and health care (33%) to pay for rent.

Cutting back on necessities to pay for housing can have long-term impacts on households. Researchers at the University of Wisconsin found older renters with persistent housing cost burden report higher levels of health decline and less ability to care for themselves.[6] Researchers at Harvard found that severely cost-burdened low-income households spend half as much as wealthier households on food and healthcare. The researchers found low-income households save less than half of the amount saved by wealthier households on emergency savings and retirement.[7]

Housing cost burden makes it more difficult for households to build wealth and escape intergenerational poverty. Cost-burdened renters transition to homeownership slower than other households, which makes it more difficult for them to build home equity.[8]

Housing cost burden leads to the most severe of housing issues: homelessness. When median rental costs exceed 30% of median income, community homelessness rates increase much more rapidly.[9] High housing costs coupled with low incomes leave community members vulnerable to homelessness.[10]

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[4] Brown, Steven, and Shehryar Nabi. "From Rent to Riches? A Profile on the Wealth and Financial Well-Being of Renter Households." (2024).
[5] Choi, Jung Hyun et al. "High Rents Are Posing Financial Challenges for Renters at All Income Levels." May 1, 2024. Accessed February 11, 2024.
https://www.urban.org/urban-wire/high-rents-are-posing-financial-challenges-renters-all-income-levels
[6] Jenkins Morales, Meghan, and Stephanie A. Robert. "Housing cost burden and health decline among low-and moderate-income older renters." The Journals of Gerontology: Series B 77, no. 4 (2022): 815-826.
[7] Joint Center for Housing Studies of Harvard University. "The State of the Nation's Housing 2024." Accessed February 11, 2025.
https://www.jchs.harvard.edu/sites/default/files/reports/files/Harvard_JCHS_The_State_of_the_Nations_Housing_2024.pdf
[8] Pew Charitable Trusts. 2018. "American Families Faces a Growing Rent Burden," Washington, DC: Pew Charitable Trusts.
https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/american-families-face-a-growing-rent-burden.
[9] Glynn, Chris, Thomas H. Byrne, and Dennis P. Culhane. "Inflection points in community-level homeless rates." The Annals of Applied Statistics 15, no. 2 (2021): 1037-1053.
[10] Kushel, Margot, and Tiana Moore. "Towards a new understanding: The California statewide study of people experiencing homelessness." (2023).

Housing cost burden is a function of income and housing costs. Rising levels of housing cost burden indicate increasing housing costs, declining income, or both.

In Oklahoma, the story of high housing cost burden is a story about the rising cost of housing and the diminishing ability of household incomes to match housing costs. The impact of housing cost burden on public health, well-being, household resources and financial stability, long-term outcomes for cost-burdened households, and the rate of homelessness make this an issue that necessitates public action.

Housing Insecurity in Oklahoma

When analyzing housing security in a state, analysts rely on two major frameworks: housing cost burden and homelessness. Housing cost burden is a broader definition of housing insecurity that impacts a wider swath of the population. Homelessness impacts a narrower proportion of the population but represents the most acute manifestations of housing insecurity.

Below, we provide information about the extent of housing insecurity using these two frameworks.

Housing Cost Burden

Most low-income Oklahomans spend a large proportion of their income on housing, with 70% of households earning less than $35,000 annually spending over 30% of their monthly income on housing.[11]

This trend has been getting worse over time, with the percentage of housing burdened low-income households increasing from 62.3% in 2018 to over 70% in 2023.[12]

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[11] Census Bureau, "Financial Characteristics," American Community Survey 5-Year Estimates, Table S2503. Available Online:
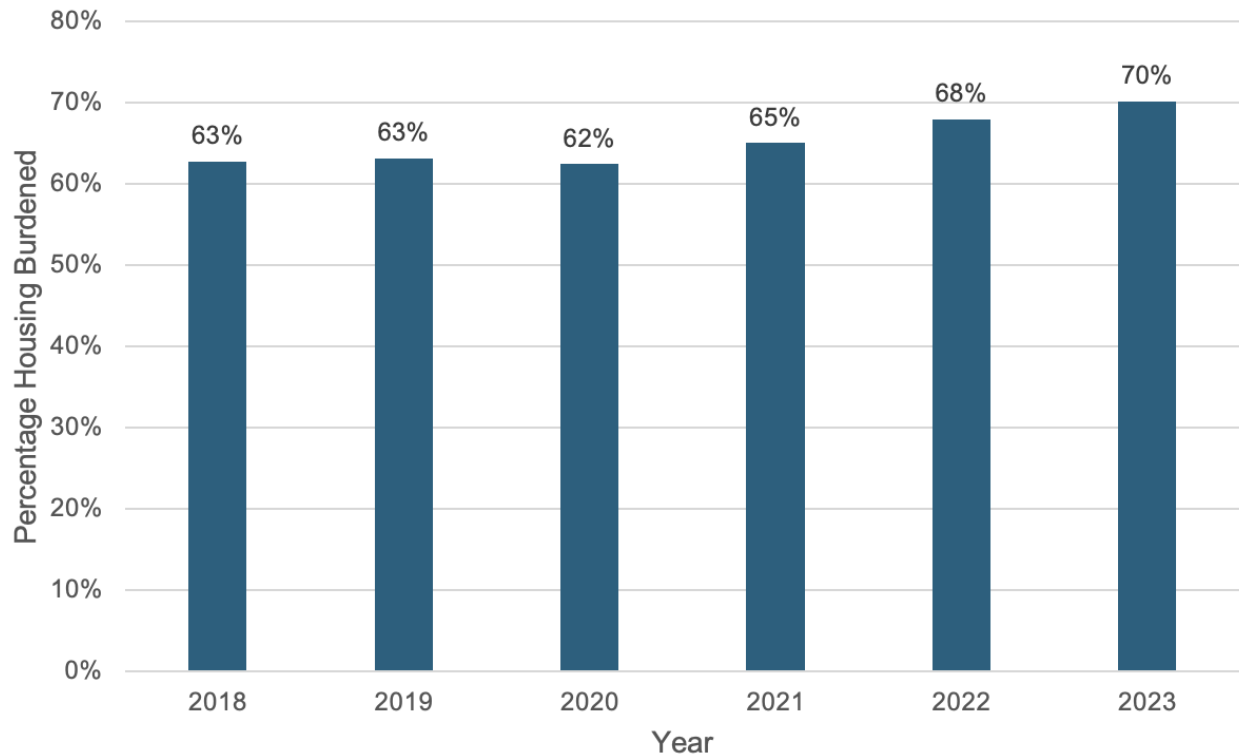https://data.census.gov/table/ACSST5Y2023.S2503?q=S2503&g=010XX00US_040XX00US40
[12] Census Bureau, "Financial Characteristics," American Community Survey 5-Year Estimates, Table S2503. Available Online:
https://data.census.gov/table/ACSST5Y2023.S2503?q=S2503&g=010XX00US_040XX00US40

Figure 1: Since 2018, the percentage of low-income households in Oklahoma burdened by housing costs has increased by over 7 percentage points

This trend is partly due to a tightening in the housing market. In 2023, there were 64,000 fewer vacant homes in Oklahoma than there were in 2017, a 24% decrease over just six years.[13] This is despite there being 55,000 more homes overall in 2023 compared to 2017. This means the demand for housing is far outstripping supply. In 2017, there were fewer than six occupied homes in Oklahoma for every vacant home. By 2023, there were nearly eight occupied homes for every vacant home.

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[13] United States Census Bureau. "B25002: Occupancy Status." Accessed February 21, 2025. https://data.census.gov/table/ACSDT1Y2010.B25002?q=B25002&g=040XX00US40_160XX00US402395 0,4041850,4052500,4055000,4070300,4075000
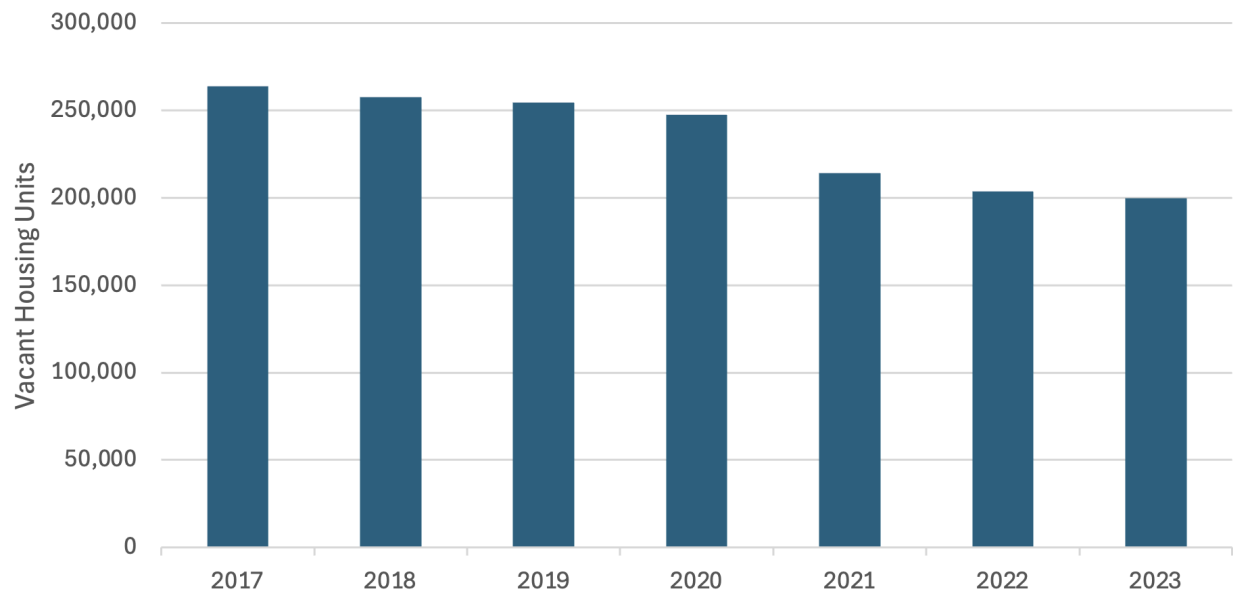
Figure 2: Oklahoma's supply of vacant housing has dwindled since 2017.

When we look at what is driving this reduction in vacancies, we see drop-offs in vacant homes in all categories.[14] Homes available for rent are down 29% and homes for sale are down 36% from 2017 to 2023. Vacant homes already rented are down 46% and vacant homes owned are down 43% over that same time period. Vacation homes and full-time Airbnbs are down 35%, migrant worker homes are down 32%, and homes vacant for other reasons like foreclosures, legal disputes, major renovations, and investor speculation are down 13%.

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[14] United States Census Bureau. "B25004: Vacancy Status." Accessed February 21, 2025. https://data.census.gov/table/ACSDT1Y2010.B25004?q=B25004&g=040XX00US40_160XX00US402395 0,4041850,4052500,4055000,4070300,4075000
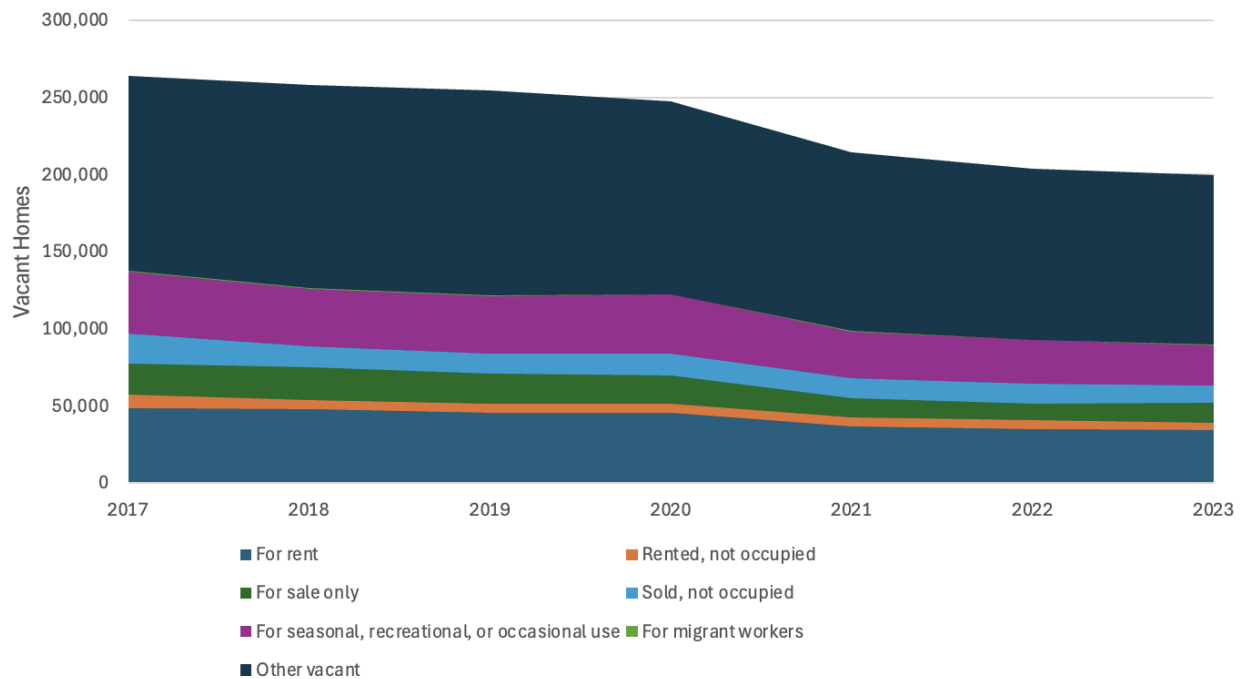
Figure 3: Vacant homes across all categories are down since 2017

One reason housing supply has dwindled in Oklahoma is due to the higher cost of construction. According to the Bureau of Labor Statistics's Producer Price Index, the cost of good and service inputs for residential construction has increased by 42% from 2018 to 2025.[15] This means inputs to build a home that cost $200,000 in 2018 now cost over $280,000. That number rose to nearly $300,000 in 2022.

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[15] United States Bureau of Labor Statistics. "Archived Producer Price Index Detailed Report Information." Accessed April 3, 2025. https://www.bls.gov/ppi/detailed-report/
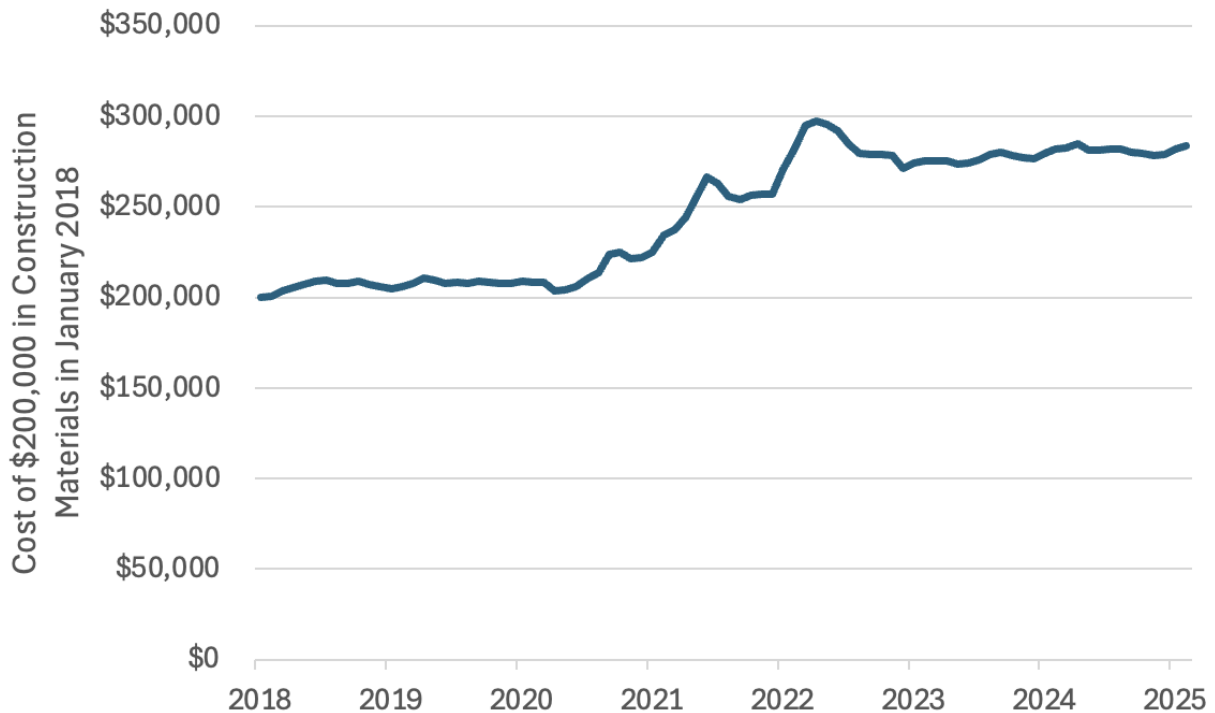
Figure 4: The cost of residential construction increased rapidly in the wake of the COVID-19 pandemic.

This decreased supply of available housing has likely put upward pressure on prices, driving both housing and rent prices upward. We see this if we overlay average rent prices from the United States Department of Housing and Urban Development with the construction costs from the chart above.[16] Statewide rent prices start increasing more steeply after construction costs increase.

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[16] United States Department of Housing and Urban Development. "Fair Market Rents (40th Percentile Rents)." Accessed April 8, 2025. https://www.huduser.gov/portal/datasets/fmr.html
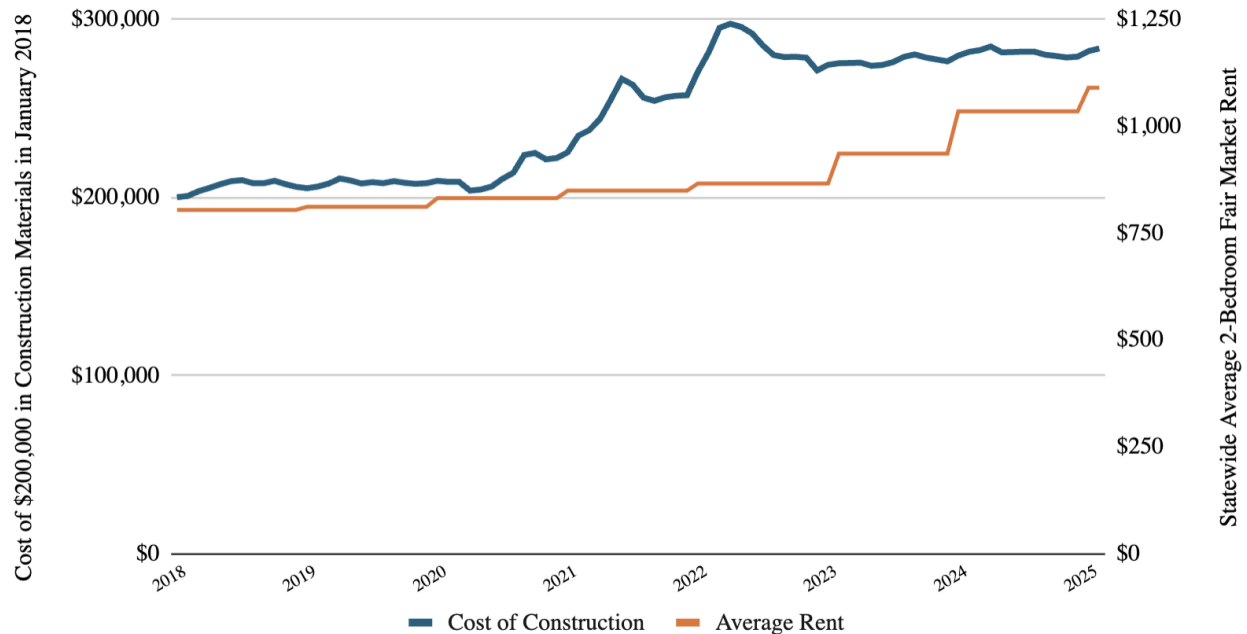
Figure 5: Fair market rents increased after the price of housing construction items increased in the pandemic and its aftermath[17]

Increasing prices are harder to handle for households with lower incomes. We see the high rate of housing burden diminish rapidly as household income increases. Thirty-eight percent of Oklahoma households that earn between $35,000 and $50,000 per year are housing burdened, but 19% of households earning $50,000 - $75,000 are housing burdened.

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[17] Statewide fair market rents are estimated by weighting county-level fair market rents throughout Oklahoma by number of households in each county.

Figure 6: About five in six Oklahoma households with annual income under $20,000 are housing cost-burdened.

Housing burden is even more pronounced among low-income households that rent. Approximately 87% of renters who make less than $35,000 spend over 30% of their household income on housing. This is compared to only 59% for low-income households who own their homes.

Oklahoma's housing cost burden has grown over the years. In 2019, less than 24% of Oklahoma households were housing cost burdened.[18] By 2023, this number had risen to nearly 28%.

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[18] United States Census Bureau. "S2503: Financial Characteristics." Accessed February 14, 2025. https://data.census.gov/table/ACSST1Y2023.S2503?q=S2503&g=010XX00US_040XX00US40
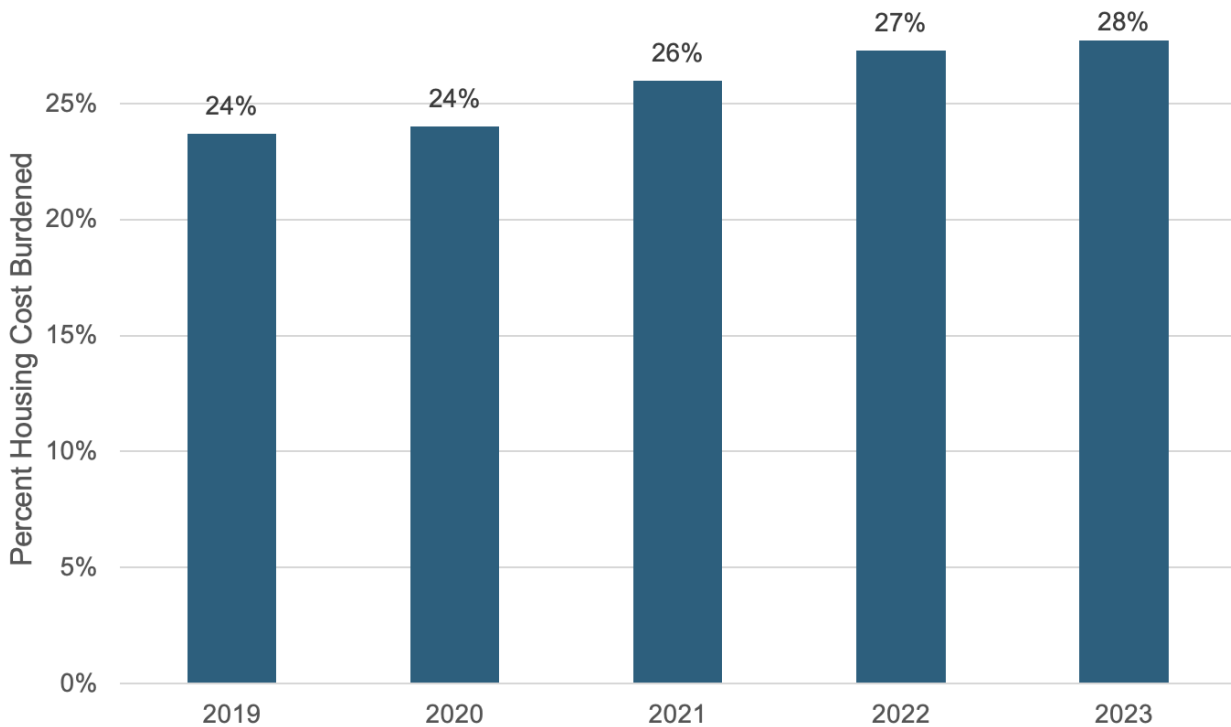
Figure 7: The percentage of households housing cost burdened in Oklahoma has increased over the past five years.

Housing cost burden is a function of income and housing prices. Average housing prices in Oklahoma grew 24% from 2019 to 2023.[19] Over this same time period, average incomes only grew 14%. Figure 6 shows the growth in housing prices and incomes from 2019 to 2023, showing how each has grown indexed to their 2019 rate. Housing price index has outpaced the income index over that time period, with the separation growing more pronounced in 2022 and 2023.

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[19] United States Census Bureau. "S2503: Financial Characteristics." Accessed February 14, 2025. https://data.census.gov/table/ACSST1Y2023.S2503?q=S2503&g=010XX00US_040XX00US40
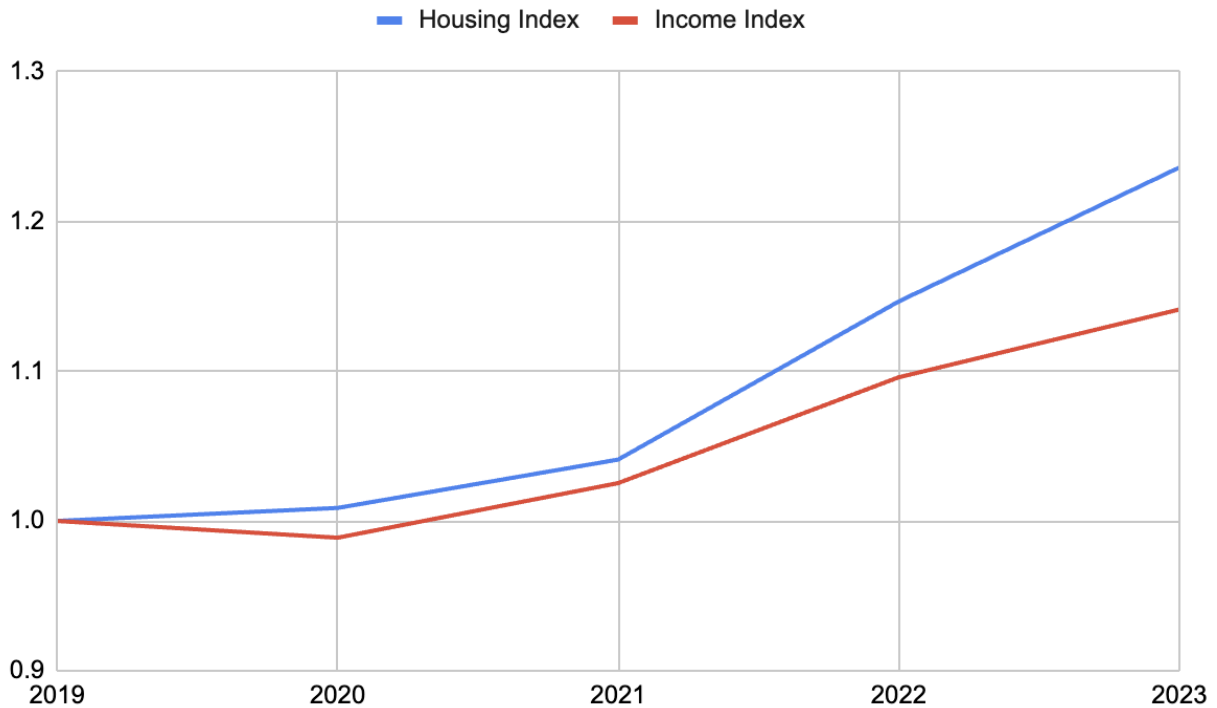
Figure 8: Housing price growth outpaced income growth in Oklahoma from 2019 to 2023

Housing cost burden is slightly elevated in Oklahoma's metropolitan areas.[20] The Lawton and Oklahoma City Metropolitan Statistical Areas have housing cost burden rates two percentage points above the statewide average while Tulsa has a housing cost burden rate one percentage point above the statewide average. The Fort Smith, Arkansas Metropolitan Statistical Area, which includes eastern Oklahoma's Le Flore and Sequoyah Counties, has a housing cost burden lower than the statewide average.

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[20] United States Census Bureau. "S2503: Financial Characteristics." Accessed February 21, 2025. https://data.census.gov/table?q=S2503&g=010XX00US_040XX00US40_310XX00US22900,30020,36420,46140
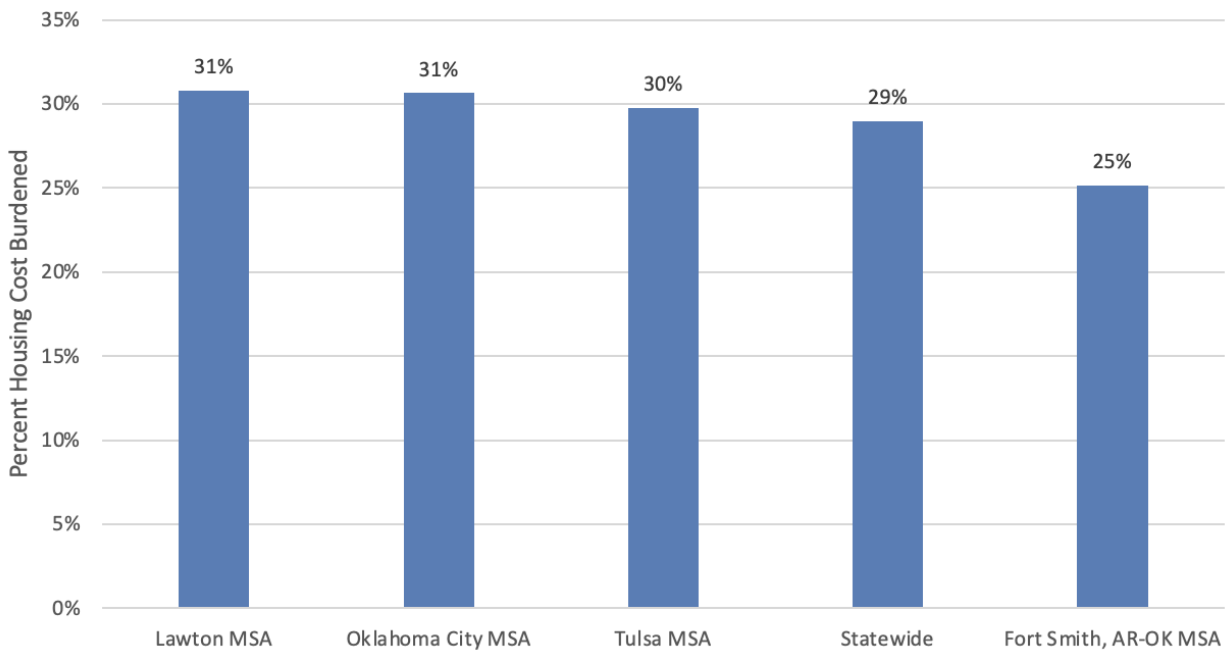
Figure 9: Metropolitan areas have housing cost burdens higher than statewide average

These disparities become more stark when looking at large central cities.[21] Lawton and Tulsa have housing cost burden rates six percentage points higher than the statewide average. Norman and Oklahoma City have housing cost burdens four percentage points higher than the statewide average.

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[21] United States Census Bureau. "S2503: Financial Characteristics." Accessed February 21, 2025. https://data.census.gov/table?q=S2503&g=040XX00US40_160XX00US4023950,4041850,4052500,4055 000,4070300,4075000
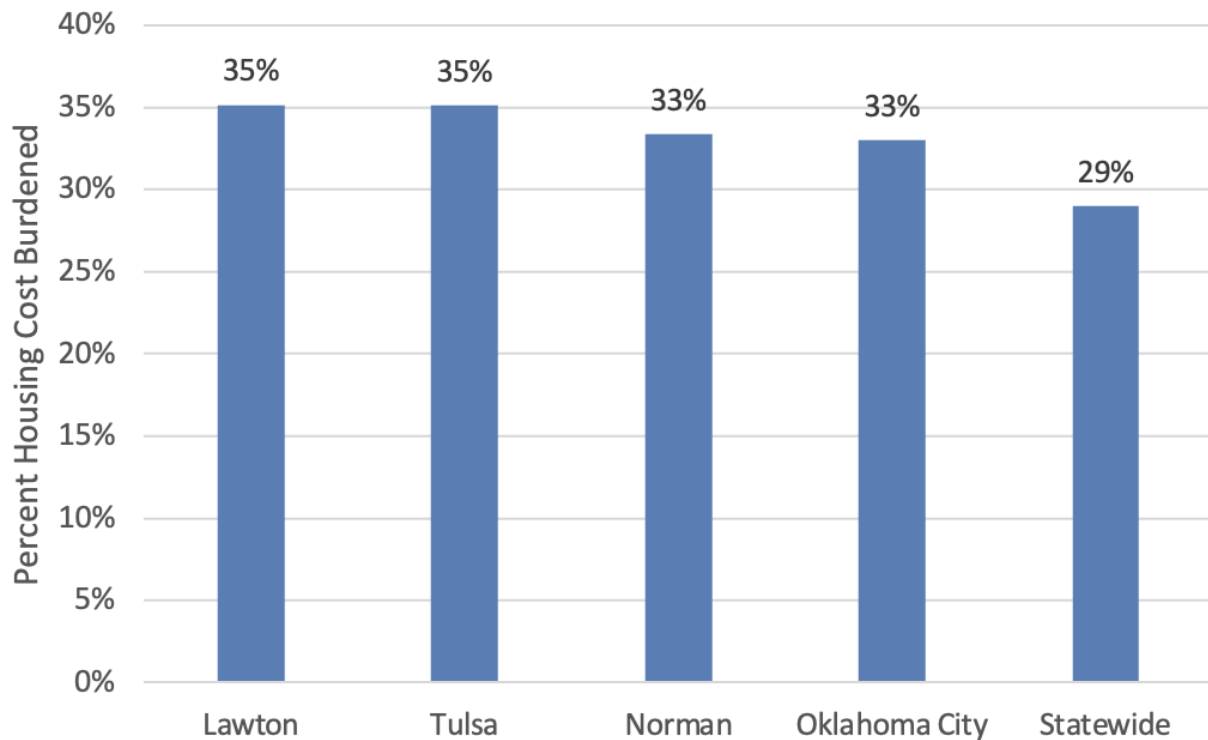
Figure 10: Large central cities have higher housing cost burden rates than the state as a whole

Higher levels of housing cost burden have been accompanied by a slow rise in overcrowding. The percentage of households that have over 1.5 occupants per room nearly doubled in Oklahoma from 2010 to 2023.[22] About half of that increase has happened since 2021.

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[22] United States Census Bureau. "S2501: Occupancy Characteristics." Accessed February 21, 2025. https://data.census.gov/table/ACSST1Y2023.S2501?q=S2501&g=040XX00US40_160XX00US4023950,4041850,4052500,4055000,4070300,4075000
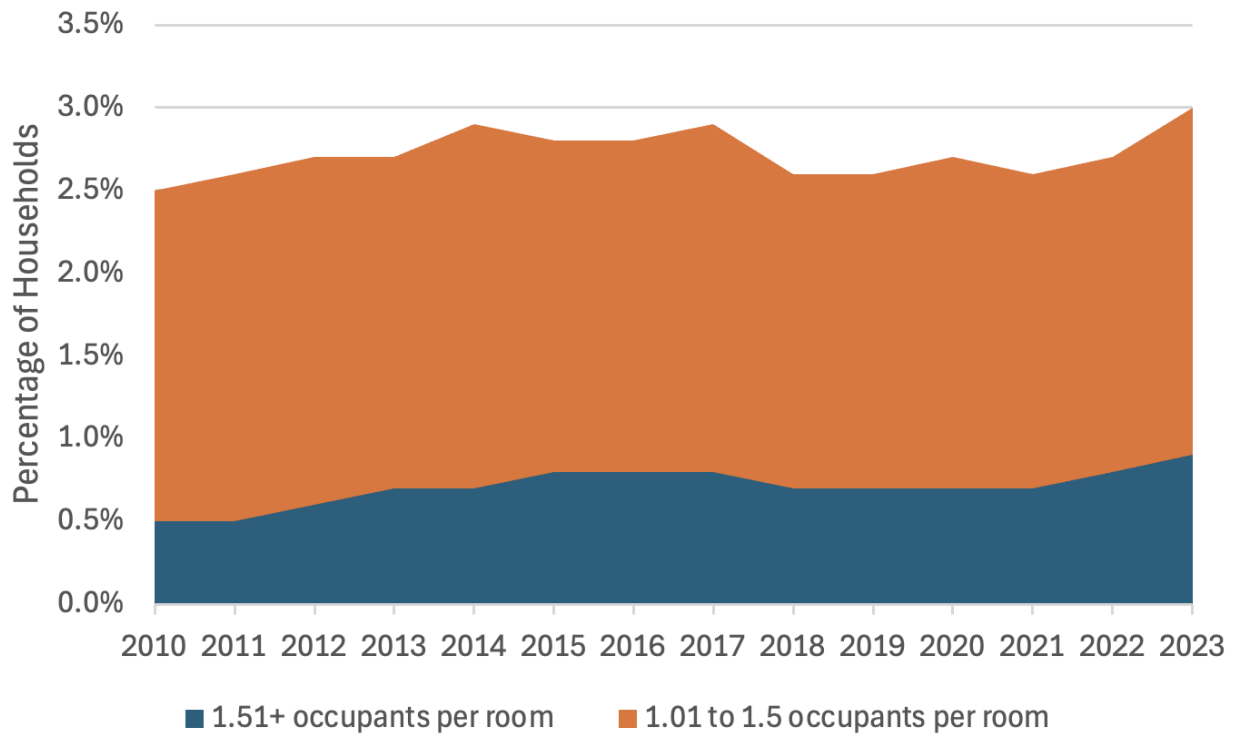
Figure 11: Half of the overcrowding increase in Oklahoma happened from 2021 to 2023.

Homelessness

The count of people experiencing homelessness in Oklahoma was on a slow decline during the 2010s, reaching a low of 2,700 people across the state without a home in 2021.[23] That number has doubled over the past three years, hitting its highest number on record in 2024, with nearly 5,500 Oklahomans experiencing homelessness.

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[23] HUD Office of Policy Development and Research. "Annual Homelessness Assessment Report." December 2024. Accessed February 20, 2025. https://www.huduser.gov/portal/datasets/ahar/2024-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html
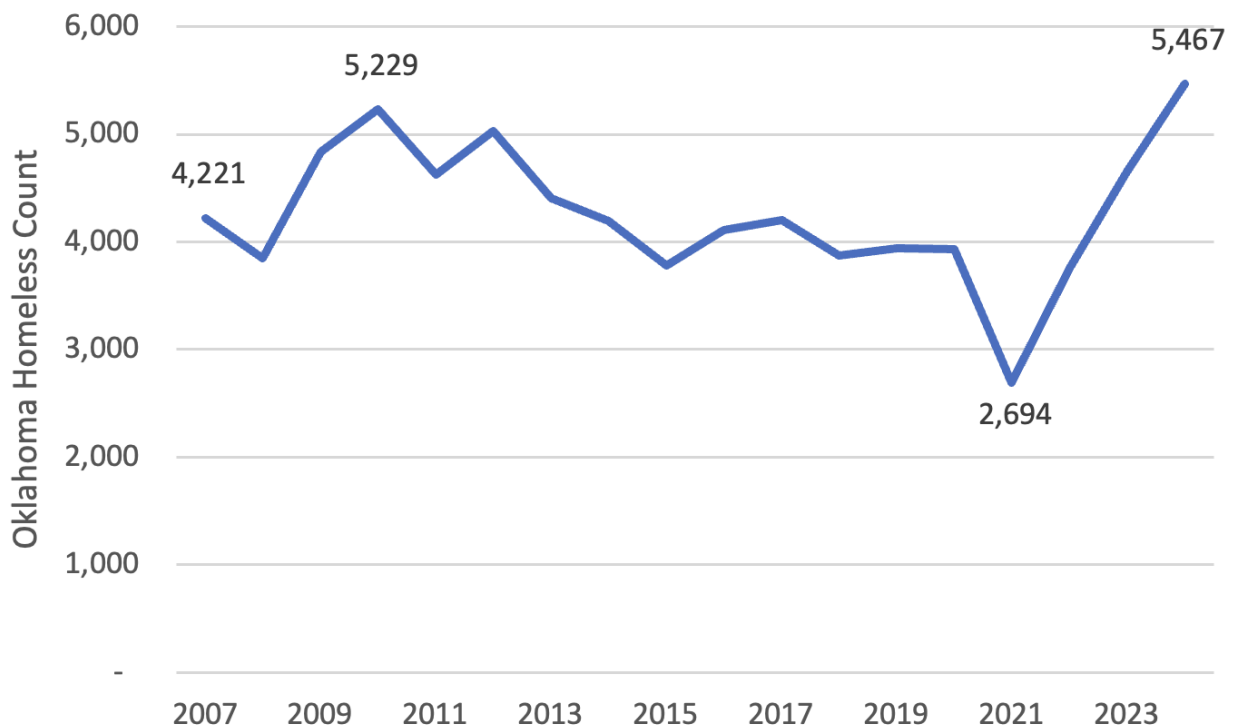
Figure 12: The number of people experiencing homelessness according to point-in-time counts in Oklahoma has doubled in the past three years

The trend in homelessness follows the trend in housing cost burden we see above. Since 2010, there has been a moderate correlation between the percentage of Oklahomans that are housing cost burdened and the number of people experiencing homelessness.[24,25]

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[24]Census Bureau, "Financial Characteristics," American Community Survey 5-year data tables. Available Online: https://data.census.gov/table/ACSST5Y2014.S2503?q=oklahoma+housing+cost
[25] Department of Housing and Urban Development, "CoC Homeless Populations and Subpopulations Reports." Available online:
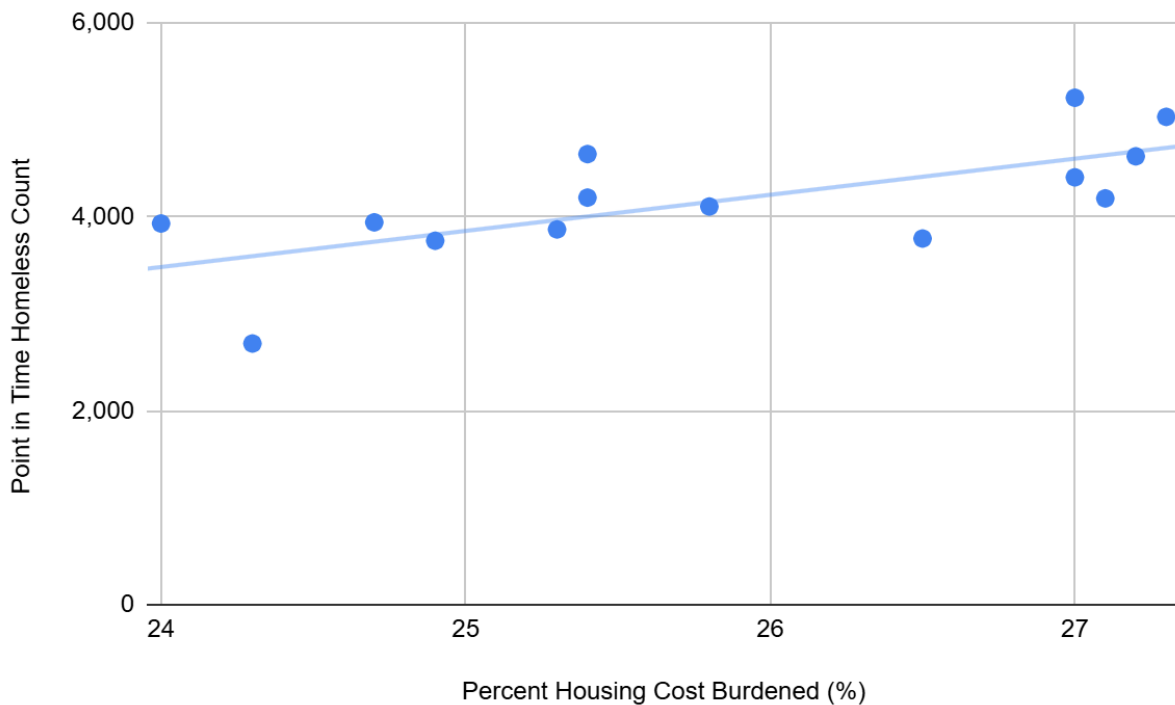https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/

Figure 13: The number of people experiencing homelessness increases with the housing cost burden rate

When breaking down the state homeless population into sheltered and unsheltered populations, you can see that the two groups follow a similar trend, hitting lows in 2021 after previous peaks in the early 2010s.[26] Both populations then increase to match or exceed previous highs by 2024.

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[26]HUD Office of Policy Development and Research. "Annual Homelessness Assessment Report." December 2024. Accessed February 20, 2025.
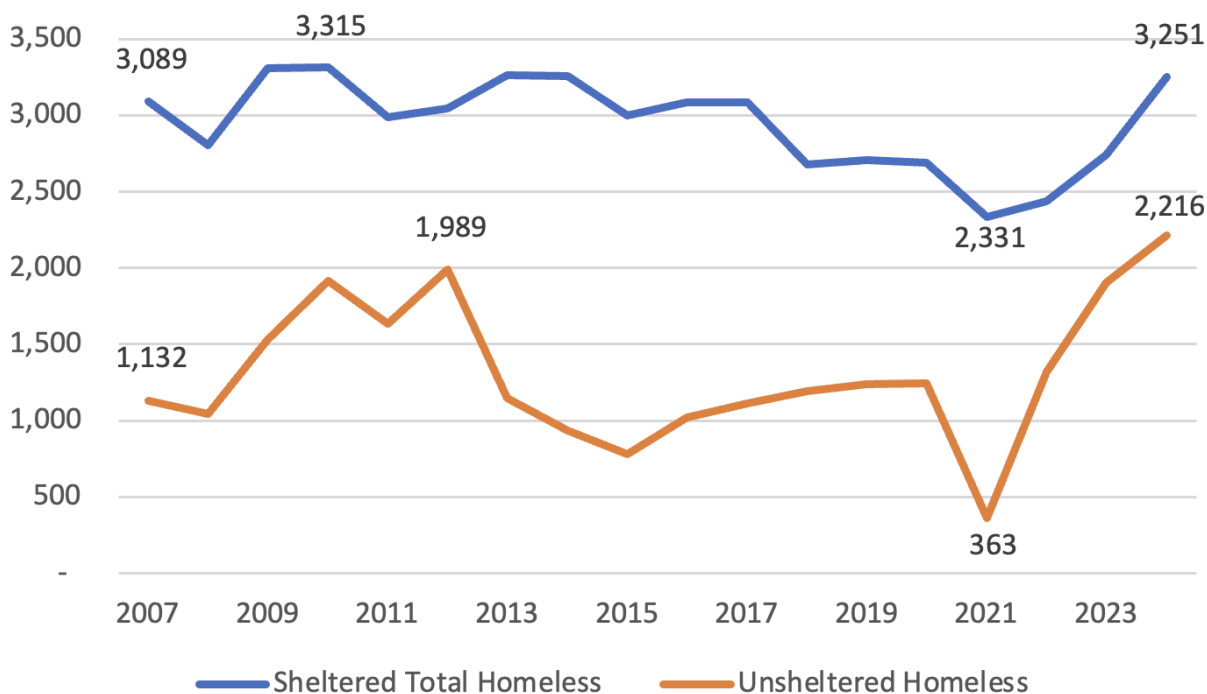https://www.huduser.gov/portal/datasets/ahar/2024-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html

Figure 14: Sheltered homeless population levels are more stable than unsheltered homeless population

The difference between the two groups is the variation in the population: Oklahoma's number of sheltered homeless is more stable than its number of unsheltered homeless. While the sheltered population varies by just shy of 1,000 (a 2010 high of 3,300 and a 2021 low of 2,300), the unsheltered population varies by nearly 2,000 (a 2024 high of 2,200 versus a 2021 low of less than 400). The difference is even more drastic in relative terms, with the highest year for the number of sheltered homeless 40% higher than the lowest year and the highest year for unsheltered homeless 510% higher than the lowest year.

This may be a function of available shelter space. Since shelters have less ability to increase their capacity with demand, when more people lose their homes, they fill the existing shelter capacity. Once that space is filled, those who are not able to find temporary housing in shelters end up on the street.

Oklahoma's chronic homeless population has grown over the past fifteen years. This comprises individuals who have experienced long periods of homelessness due to some sort of mental or physical disability or chronic illness. Oklahoma's chronic homeless population has been on the rise for the past fifteen years, with its 2024 chronic homeless count nearly double its 2011 chronic homeless count.[27]

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[27] HUD Office of Policy Development and Research. "Annual Homelessness Assessment Report." December 2024. Accessed February 20, 2025.
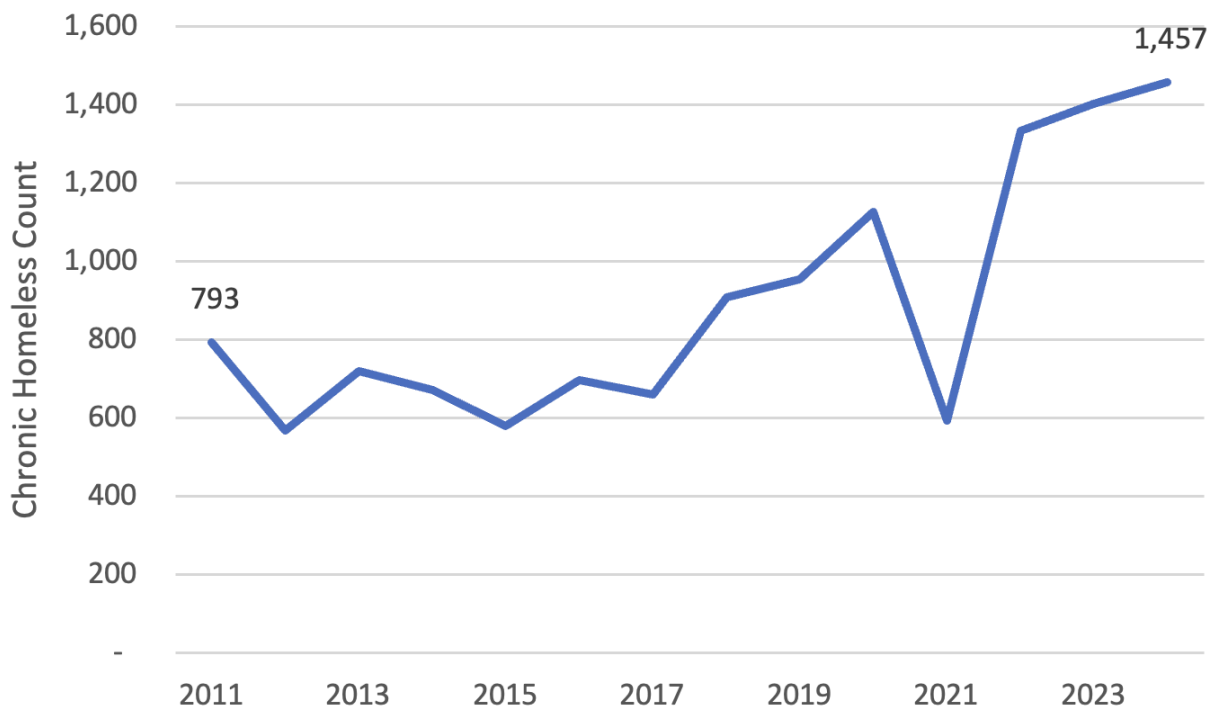
Figure 15: Oklahoma's chronic homeless population has nearly doubled since 2011

About 57% of Oklahoma's homeless population was white in 2023.[28] This is much lower than the population of the state, which is 79% white.[29] This is because Black Oklahomans make up 21% of the homeless population, twice their statewide rate of 10%. White, American Indian, Hispanic, Multi-Racial, and Asian residents have low homelessness rates in Oklahoma compared to their overall populations.

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https://www.huduser.gov/portal/datasets/ahar/2024-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html

[28] HUD Office of Policy Development and Research. "Annual Homelessness Assessment Report." December 2024. Accessed February 20, 2025. https://www.huduser.gov/portal/datasets/ahar/2024-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html

[29] United States Census Bureau. "DP05: ACS Demographic and Housing Estimates." Accessed February 20, 2025. https://data.census.gov/table/ACSDP1Y2023.DP05?q=oklahoma
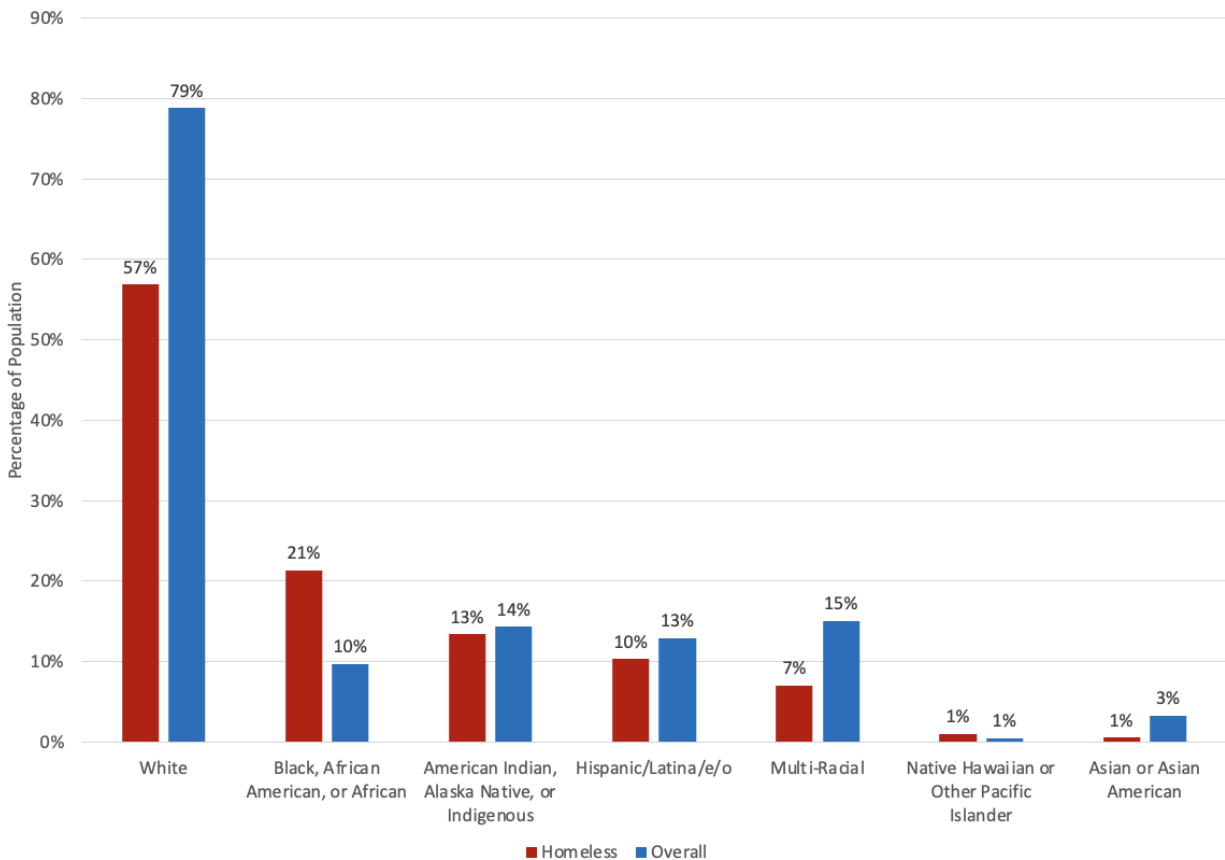
Figure 16: Black Oklahomans have a homelessness rate double their overall state population.

According to the city of Oklahoma City, there are 1,838 people who are homeless in the city.[30] Among those, 24% were chronically homeless. There are an additional 1,389 homeless in the city of Tulsa according to Housing Solutions.[31] The National Alliance to End Homelessness reports that about 59% of all homeless people in Oklahoma are in these two cities.[32]

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[30] Erika Warren and Taylor Self, "Oklahoma City Releases Annual Point in Time Count," May 2024, Available Online: https://www.okc.gov/Home/Components/News/News/4949/18
[31] Housing Solutions, "Point-in-Time Count Data," Available Online: https://www.housingsolutionstulsa.org/reports-data/pit-data/
[32] National Alliance to End Homelessness, "Oklahoma," Available Online: https://endhomelessness.org/homelessness-in-america/homelessness-statistics/oklahoma/
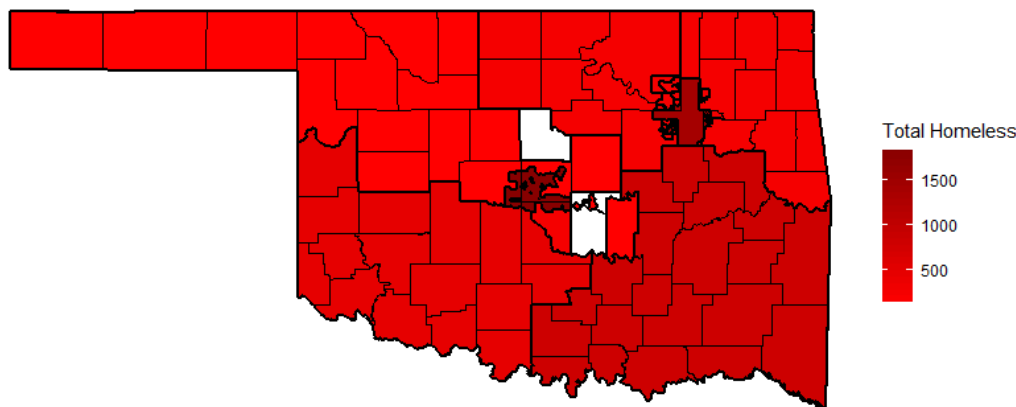
Figure 17: The majority of Oklahoma's homeless population is in Oklahoma City and Tulsa.

In addition to having the majority of Oklahoma's homeless population, Oklahoma City and Tulsa have an even higher percentage of the state's chronically homeless population. Over 64% of all chronically homeless Oklahomans live in one of those two major cities.[33]

Despite having a disproportionately large percentage of Oklahoma's homeless population, Oklahoma City and Tulsa are relatively well-equipped to support these people. This is shown by the percentage of homeless who are unsheltered, which is visualized for state Continuum of Care regions in Figure 18. As can be seen in that figure, in some parts of Oklahoma, the percentage of people experiencing homelessness who are unsheltered is as high as 74%.[34] Of all the Continuum of Care regions in Oklahoma, Oklahoma City has the lowest percentage of unsheltered homeless at 23%. By contrast, three quarters of people experiencing homelessness in the Northeast and Southwest Continuum of Care regions are unsheltered.

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[33] Department of Housing and Urban Development, "CoC Homeless Populations and Subpopulations Report," 2024. Accessed February 21, 2025. Available Online: https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/?filter _Year=2024&filter_Scope=CoC&filter_State=OK&filter_CoC=&program=CoC&group=PopSub
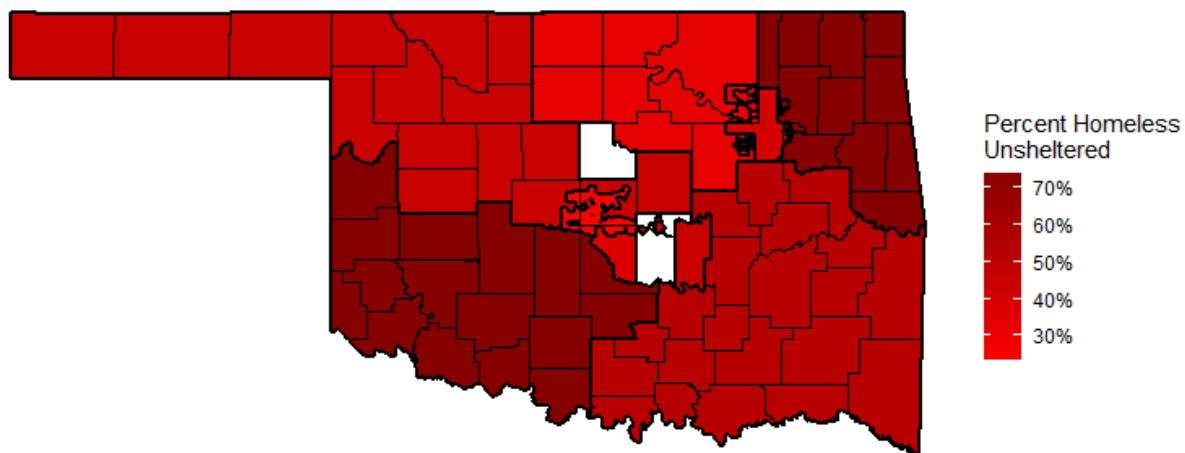[34] Ibid.

Figure 18: Unsheltered homelessness is a severe problem in rural regions of Oklahoma

According to the Centers for Disease Control, homeless people across the country are over four times more likely to require an emergency room visit when compared to the rest of the population.[35] This disparity is slightly smaller in the Southern region of the United States, which includes Oklahoma.

High emergency room utilization rates create a problem for Oklahoma. First, emergency healthcare can be 10 to 12 times as expensive as preventative treatment.[36] Additionally, people who rely on emergency departments as their primary form of healthcare contribute to emergency department crowding, which may lead to worse outcomes for both patients and healthcare professionals.[37]

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[35] QuickStats: Rate of Emergency Department (ED) Visits, by Homeless Status and Geographic Region — National Hospital Ambulatory Medical Care Survey, United States, 2015–2018. MMWR Morb Mortal Wkly Rep 2020;69:1931. DOI: http://dx.doi.org/10.15585/mmwr.mm6950a8.

[36] UnitedHealth Group, "The High Cost of Avoidable Hospital Emergency Department Visits," July 22, 2019. Available Online: https://www.unitedhealthgroup.com/newsroom/posts/2019-07-22-high-cost-emergency-department-visits.html

[37] Kelen, Gabor D., Richard Wolfe, Gail D'Onofrio, Angela M. Mills, Deborah Diercks, Susan A. Stern, Michael C. Wadman, and Peter E. Sokolove. "Emergency department crowding: the canary in the health care system." *NEJM Catalyst Innovations in Care Delivery* 2, no. 5 (2021).

A $15 Minimum Wage in Oklahoma

To analyze the impact of a $15 minimum wage on housing security in Oklahoma, we define four major criteria for our policy analysis. These criteria were selected primarily on the merits of policy relevance and data availability.

First, we analyze the effectiveness of a $15 minimum wage at reducing housing cost burden. This means (1) estimating the number of people who will have the percentage of their income spent on housing fall below 30%, and (2) estimating the number of people who will have the percentage of their income spent on housing fall below the "severely housing cost burdened" threshold of 50% due to a $15 minimum wage.

We analyze the effectiveness of a $15 minimum wage at reducing homelessness. This means (1) estimating the reduction in annual point-in-time homelessness counts, and (2) estimating the reduction in number of chronically homeless people in Oklahoma due to the $15 minimum wage.

We analyze the effectiveness of a $15 minimum wage at reducing homeless resource utilization. This means (1) estimating the reduction in shelter use, and (2) estimating the reduction in emergency room visits due to a $15 minimum wage.

Lastly, we estimate the distributional impacts of a $15 minimum wage. This means estimating the reduction in (1) housing security among different age groups, and (2) housing security among different racial categories, and (3) housing security among different genders.

Microsimulation Results

To estimate these results, we conducted a microsimulation of households across Oklahoma. We began by estimating how incomes will change using the proposed minimum wage. To do this we used estimates of how minimum wages impact labor supply compiled by the Congressional Budget Office.[38] We simulated 1,000 different scenarios to gather a range of likely outcomes for changes in income.

We find that increased income outweigh labor supply changes in 78% of our simulations. This sensitivity analysis suggests housing cost burden impacts are likely to decrease under a $15 minimum wage. Further results are detailed below.

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[38] Congressional Budget Office. "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." July 2019. Accessed March 18, 2025.

Housing Cost Burden

We compare changes in income due to the minimum wage change to housing costs currently reported in the American Community Survey to see how many households would no longer be housing cost burdened. We estimated income at the household level after the adoption of a $15 minimum wage, factoring in likely labor demand impacts like supply expansions or contractions using estimates from the Congressional Budget Office.[39] We simulated the impacts of an average (median) scenario and a high-impact (90th-percentile) scenario on housing cost burden.

We found that the median scenario would lead to a 23,000-household reduction in households spending over 30% of their income on rent, a 5% reduction from the current of 430,000 households. In our 90th-percentile scenario, 40,000 households across Oklahoma would no longer be housing cost burdened, a 9% reduction compared to the status quo. Reductions in severely cost-burdened households with wage income are more dramatic, with our median scenario showing a 21,000-household reduction in households severely cost burdened (an 10% reduction from a baseline of 210,000 households) and our 90th percentile scenario showing a 32,000-household reduction (a 15% decrease).

Scenario	≥30% Income Spent on Rent	≥50% Income Spent on Rent
Status Quo	430,000 Households	210,000 Households
$15 Minimum Wage, median scenario	23,000 Fewer Households (5% decrease)	21,000 Fewer Households (10% decrease)
$15 Minimum Wage, High-Impact Scenario	40,000 Fewer Households (9% decrease)	32,000 Fewer Households (15% decrease)

Table 1: Housing cost burden impacts of a $15 minimum wage, all Oklahoma households

We then narrowed the focus to households that have wage income—the households who will be most impacted by the change. We found that the median scenario would lead to a 23,000-household reduction in households spending over 30% of their income on rent, a 5% reduction over the baseline of 430,000 households. In our high-impact scenario, 40,000 households with wage income would no longer be housing cost burdened, a 9% reduction compared to the status quo. Reductions in severely cost-burdened households with wage income are more dramatic in relative terms, with our median scenario showing a 21,000-household reduction in households severely cost burdened (an 10% reduction from a

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[39] Congressional Budget Office. "The Effects on Employment and Family Income of Increasing the Federal Minimum Wage." July 2019. Accessed March 18, 2025.

baseline of 210,000 households). Our high impact scenario showed that 32,000 Oklahoma households would experience a reduction in severe housing cost burden, a 15% decrease.

Homelessness

To estimate homelessness, we use results from a study published in *The Annals of Applied Statistics* on the relationship between housing cost burden and homelessness.[40] Using the relationship researchers found between median housing cost burden and community-level homelessness, we estimated the reduction in community-level homelessness and chronic homelessness using our simulation model.

We estimate 330 fewer individuals would be homeless at any given time and 90 fewer individuals would be chronically homeless after implementation of a $15 minimum wage in Oklahoma, a 6% reduction from current rates. Our high-impact outcome has point-in-time homelessness falling by 550 individuals and chronic homelessness falling by 150 individuals, a 10% decrease from current levels.

Scenario	All Homeless	Chronic Homeless
Status Quo	5,500 Individuals	1,500 Individuals
$15 Minimum Wage, Average Scenario	330 Fewer Individuals (6% decrease)	90 Fewer Individuals (6% decrease)
$15 Minimum Wage, High-Impact Scenario	550 Fewer Individuals (10% decrease)	150 Fewer Individuals (10% decrease)

Table 2: Homelessness impacts of a $15 minimum wage

Service Utilization

To estimate reduction in service utilization, we estimate the changes in shelter and emergency room use associated with a $15 minimum wage. We make these estimates using the homelessness estimates above. We estimate reductions in shelter utilization using point-in-time count data from Continuum of Care data regions within Oklahoma. These allow us to estimate future shelter utilization based on historic data on utilization of shelters.

Using this data, we estimate that a $15 minimum wage would allow 200 Oklahomans to obtain stable housing who would otherwise be in sheltered housing, freeing 200 or (6%) of the state's

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[40] Glynn, Chris, Thomas H. Byrne, and Dennis P. Culhane. "Inflection points in community-level homeless rates." *The Annals of Applied Statistics* 15, no. 2 (2021): 1037-1053.

shelter capacity. Our 90th percentile simulation finds the minimum wage increase could free 330 beds, a 10% decrease in utilization.

We used literature on the relationship between homelessness and emergency room use to estimate how many current visits there are to emergency rooms in Oklahoma among homeless individuals and how many fewer there will be due to reductions in homelessness from the minimum wage increase.[41] Someone who is homeless is more than three times as likely to use an emergency room in a given year than someone in the general population. This means the reduction in homelessness in our median scenario will lead to 380 fewer emergency room visits in Oklahoma every year. Under our high-impact scenario, Oklahoma will see 630 fewer emergency room visits every year.

Using data on the average cost of an emergency department visit from the Agency for Healthcare Research and Quality, we can estimate how much these reductions in emergency department visits will save in healthcare costs.[42] We assume that the average cost for an emergency department visit by someone experiencing homelessness is equal to the average cost for a person in the lowest income quartile. Adjusted to 2025 dollars, this is just over $817 per visit. Multiplying this by the total number of reduced emergency department visits, we estimate that increasing the minimum wage in Oklahoma could lead to between $314,000 and $514,000 in reduced medical costs.

Scenario	Shelter Use	Emergency Room Use	
Status Quo	3,300 Beds	8,700 Annual Visits	
$15 Minimum Wage, Median Scenario	200 Fewer Beds (6% decrease)	380 Fewer Annual Visits (4% decrease)	$314,000 Savings
$15 Minimum Wage, High-Impact Scenario	330 Fewer Beds (10% decrease)	630 Fewer Annual Visits (7% decrease)	$514,000 Savings

Table 3: Service utilization impacts of a $15 minimum wage

[41] Schappert, Susan M. "QuickStats: Rate of Emergency Department (ED) Visits,* by Homeless Status† and Geographic Region§ — National Hospital Ambulatory Medical Care Survey, United States, 2015–2018¶." *Morbidity and Mortality Weekly Report (MMWR)*, December 3, 2020. http://cdc.gov/mmwr/volumes/69/wr/mm6950a8.htm.
[42] Marc Romer, "Costs of Treat-and-Release Emergency Department Visits in the United States, 2021", Agency for Healthcare Research and Quality, September 2024. Available Online: https://hcup-us.ahrq.gov/reports/statbriefs/sb311-ED-visit-costs-2021.pdf

Distributional Analysis

Using American Community Survey data for our microsimulation model allows us to examine the relative impact of a $15 minimum wage on different subsections of the population. In this section, we present results on the relative impact of the $15 minimum wage on housing cost burden for households with heads of different age, race, and sex.

Households with heads at different ages experience housing cost burden at different rates. Currently, young people aged 17 to 24 are most likely to be housing cost burdened, with nearly half of their households experiencing housing cost burden. Housing cost burden rates are lowest for middle-age heads of household aged 45 to 54 (21% housing cost burdened) and aged 35 to 44 (26% housing cost burdened). Young professionals aged 25 to 34 (30% housing cost burdened) and household heads nearing and beyond retirement age (27% housing cost burdened) have elevated rates of housing cost burden.

A $15 minimum wage would reduce housing cost burden across all age groups by 7-9% under our median scenario. Our 90th-percentile scenarios project especially sharp reductions in housing cost burden for young people, reducing housing cost burden for household heads age 25 to 34 by 16% and housing cost burden for household heads age 17 to 24 by 18%.
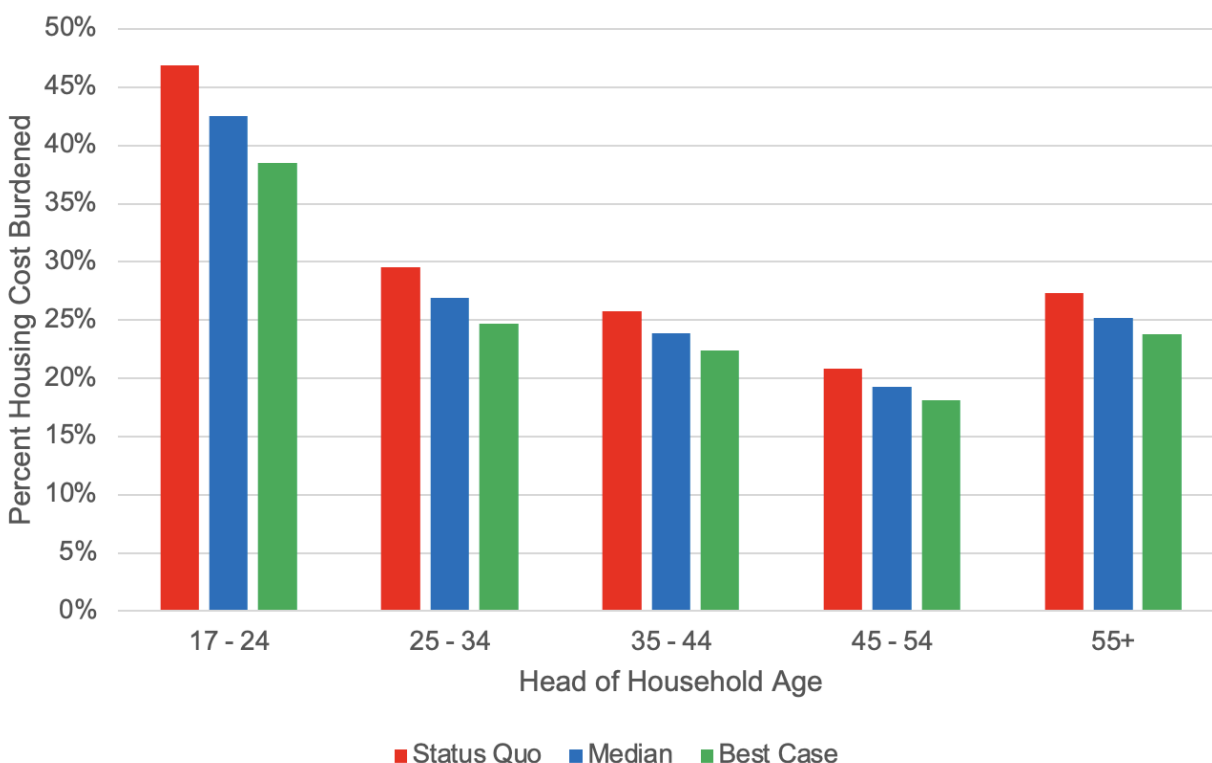

Figure 19: A $15 minimum wage would reduce housing cost burden across all age categories

Houses headed by people with different races and ethnicities currently have different likelihoods of facing housing cost burden. Black-headed households face the higher housing cost burden in

the state among racial and ethnic categories, with 37% of Black-headed households currently housing cost burdened. Next come Hispanic-headed households (32% housing cost burdened) and multiracial- and Asian-headed households (each about 30% housing cost burdened). White- (26% housing cost burdened) and Native American-headed households (25% housing cost burdened) currently have the lowest rates of housing cost burden.

Households headed by all racial and ethnic categories would benefit from a $15 minimum wage.The steepest reductions in housing cost burden will likely be experienced by Native American, Asian, and Hispanic-headed households.
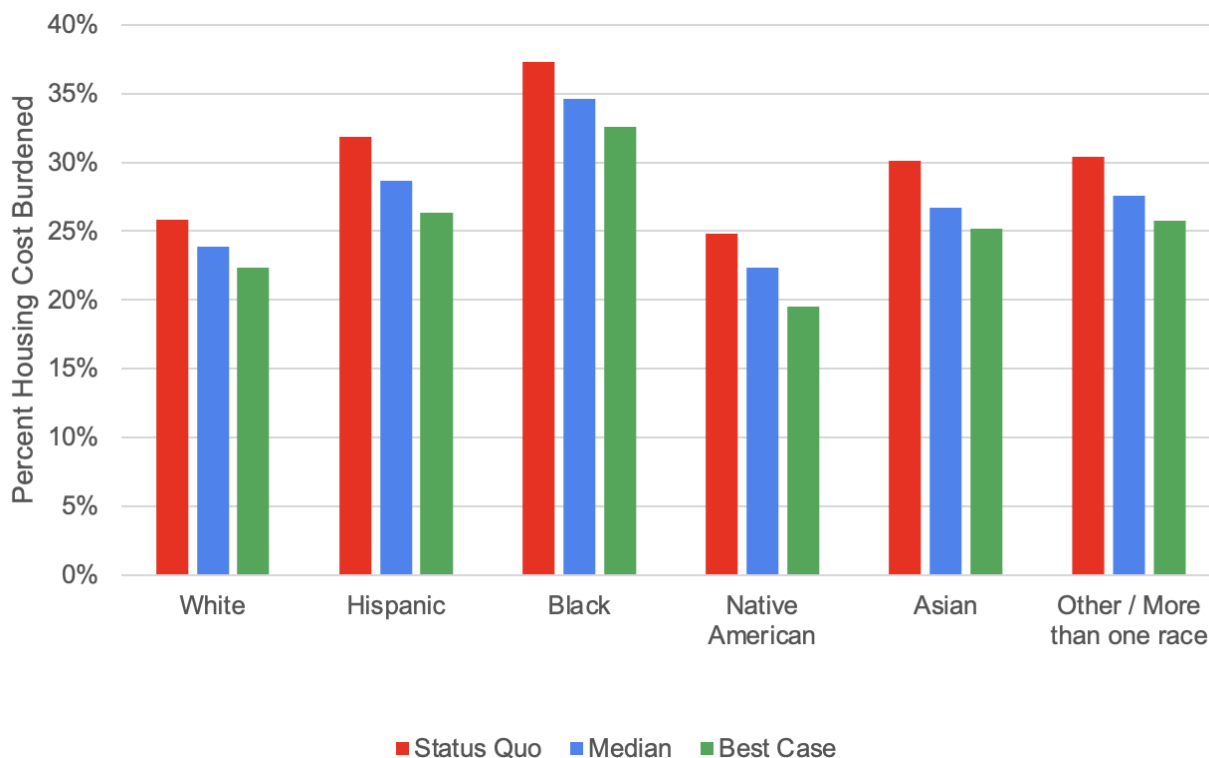

Figure 20: Native American, Asian, and Hispanic-headed households will see steepest declines in housing cost burden from a $15 minimum wage.

Households headed by women are more likely to be housing cost burdened (31%) than households headed by men (24%).

One contributing factor is that women earn less than men in Oklahoma. In 2023, women earned about 83 cents for every dollar men earned, according to the Bureau of Labor Statistics.[43] This means households headed by women tend to have less income at baseline than households headed by men, making them more susceptible to housing cost burden.

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[43] Bureau of Labor Statistics. "Women's Earnings in Oklahoma — 2023." Accessed March 19, 2025. https://www.bls.gov/regions/southwest/news-release/womensearnings_oklahoma.htm

Female heads of households are more likely to be single parents than male heads of household. A total of 71% of Oklahoma single-parents are women.[44] Single-parent households have one stream of income but more need for housing amenities due to the need to care for children. This can increase the cost of housing for single parents, which contributes to housing cost burden.

Our model suggests the $15 minimum wage will have comparable impacts in reduction of overall housing cost burden between male- and female-headed households. The wage increase will lead to a 9% decrease in housing cost burden rate for male-headed households and an 8% decrease for female-headed households in the median scenario. This jumps to a 15% decrease for male-headed households and a 14% decrease for female-headed households in the 90th percentile scenario. While female-headed households will benefit from this policy, they do not benefit more than male-headed households. This suggests the higher proportion of single-parent households headed by women might be driving differences in housing cost burden between male- and female-headed households more than income discrepancies.

The minimum wage increase will have a larger impact on closing gaps in severe cost burden. Our average estimate shows severe housing cost burden for male-headed households decreasing by 15% and for female-headed households by 20%. In the 90th-percentile scenario, severe housing cost burden for male-headed households decreases by 23% and for female households by 30%.
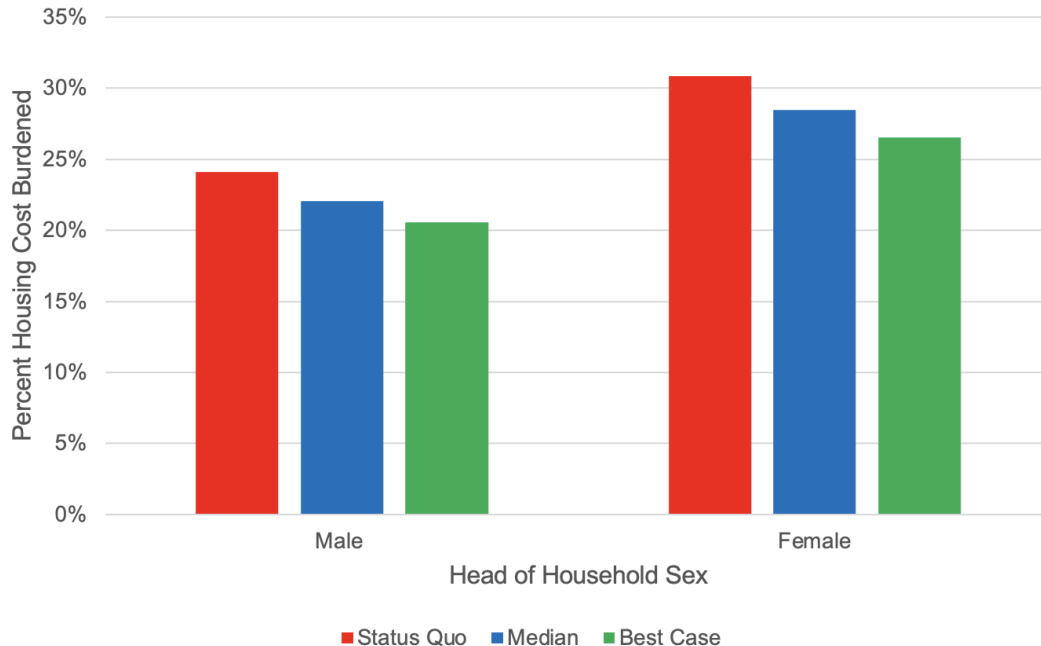

Figure 21: A $15 minimum wage would reduce housing cost burden for male- and female-headed households

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[44] United State Census Bureau. "S1101: Households and Families." Accessed March 19, 2025. https://data.census.gov/table/ACSST1Y2023.S1101?q=s1101+oklahoma