

Week 2. Practice Questions (20)
Capacity Building and Funding Sources
Keys Only

(1)B

(2)A

(3)A

(4)B

(5)C

Answer the following question using the information below.

In July 2018, the American Community Survey data (2013-2017) published the following data for the State of Louisiana:

- Population: 4,659,978
- Households: 1,737,645
- Race & ethnicity: Black, 32.7%; White, 62.9%, Asian, 1.8%, and Others, 2.6%
- Median house value: \$152,900
- **Median monthly rent: \$825**
- Median monthly homeowner costs (mortgage): \$1,234
- Median household income: \$46,710
- Housing cost burden: Home owner, 21%; **renter, 35%**
- Building permits: 15,835

5. Based on the data above, the median household income of renters residing in the State of Louisiana is most likely to be approximately:

- (A) \$35,900
- (B) \$20,800
- (C) \$28,290**
- (D) \$22,100

Median monthly rent: \$825 => Annual rent = \$825x 12 months = \$9,900.

Renter cost burden in terms of annual gross income = 35% = 0.35

$$\frac{\text{Annual rent}}{\text{Annual gross income}} = \frac{35\%}{100\%} = \frac{0.35}{1}$$

$$\frac{\$9,900}{\text{Annual gross income}} = \frac{0.35}{1}$$

Solve for annual gross income by cross-multiplying the proportion above to get

$$0.35 \times \text{annual gross income} = \$9,900$$

$$\text{Annual gross income} = \frac{\$9,900}{0.35} = \$28,286$$

Thus, **the answer is C.**

(6)E

(7)E

(8)C

(9)C

(10)C

(11)C

(12)B

(13)A

(14)B

(15)A

(16)B

(17)C

(18)B

(19)B

(20)C