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Contact: Shannon Guernsey
Vice President of Programs
(651) 925-5544 | (612) 749-4000 mobile
SGuernsey@MHPonline.org

NEW CENSUS DATA: STATE'S RENTERS HIT HARD BY RECESSION

— MN families who make less than \$75,000 swamped by housing costs —

St. Paul, MN (September 28, 2010) – The [American Community Survey \(ACS\)](#) data just released shows that, in the midst of the housing meltdown last year, housing costs severely burdened Minnesotans in ways that were hard to weather—especially for renters, who saw falling incomes and rising rents. These 2009 census figures give the most complete picture of Minnesota housing available.

Today's economic indicators continue painting a picture of families squeezed from all sides. A reduction in income was seen at every quintile of income distribution between 2008 and 2009. While home prices fell over the year, rental costs actually increased: median gross rents went from \$731 to \$757 monthly (in 2009 dollars). With rents going up and incomes going down, the proportion of renters paying at least half their income for housing increased markedly to over 23%—a severe cost-burden, according to the Dept. of Housing and Urban Development (HUD).

Another toll from this stress on renters is homelessness. Wilder Research Center reported earlier this year that in 2009 homelessness had increased to 13,100, up from 9,200 just three years earlier.

Overall in 2009, over 1 in 8 Minnesota households paid at least half their income for housing. Those severely burdened households include 1 in 4 renter households and almost 1 in 10 owner households.

“Even before the market tailspin, Minnesotans were paying far too much for housing. In 2009, more and more families faced cutting necessities like health care, food, and transportation as they struggled to keep a roof over their head,” said Chip Halbach, executive director for the [Minnesota Housing Partnership](#).

While the matter of paying too much of a household's income is more serious among lower-income Minnesotans, the issue is not confined to the poor. Of all Minnesota households earning at least \$75,000 annually, about 8% paid 30% of their income for housing—a cost burden, according to HUD. By contrast 48% of households earning under \$75,000 paid 30% of their income for housing.

“Communities need choices in order to be vibrant,” continued Halbach. “The state had 23,000 foreclosures in 2009. Where are these people to live? A balanced market offers a full range of housing opportunities for all kinds of people. Those choices strengthen communities and provide a foundation for economic growth.”

(continued...)

The Minnesota Housing Partnership (MHP – 2446 University Ave W. - Ste 140| St. Paul, MN 55114), a statewide nonprofit, advances the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families. MHP provides local governments and nonprofit housing organizations access to loans, grants, and technical expertise to plan and construct housing; it also advocates for and educates people on sound housing policies. MHS is an affirmative actions provider and employer.

Contact MHP for further analysis on:

- Data specific to Minneapolis-St. Paul, Duluth, Rochester, and St. Cloud or other areas.
- Changes in the home ownership rate and home values for 2009.
- Housing affordability for senior citizens.
- Changes in housing affordability for homeowners.
- Rental affordability in Minnesota.
- Racial disparities in home ownership.
- The supply of housing units affordable to lower-income families.

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