Housing Affordability in Becker County

Housing is considered affordable if it consumes less than 30% of a household’s gross income. At higher levels, families must choose between housing and other basic needs and will struggle to weather financial setbacks. In Minnesota, housing costs continue to consume a large portion of families’ income. For many, extended economic hardship is taking a toll.

The table above shows the number and percent of households at different income levels that pay 30% or more of household income for rental or ownership costs. It illustrates that the burden of housing costs weighs more heavily on lower-income families.\(^1\)

Even before the current economic downturn, housing needs were severe. In 2008, 1 in 8 Minnesota households spent at least half of their income on housing, up from 1 in 15 in 2000. Minnesota experienced the fastest increase of extremely cost burdened households of any state in the nation during this time period.\(^2\)

In 2006-2008, about 79% of Becker County residents owned their home and 21% were renters. Of these, approximately 26.1% of homeowners and 34.6% of renters in Becker County spent 30% or more of their household income on housing.\(^3\)
Lower-income households face extreme affordability challenges.

The chart below compares median earnings across different occupations to the income required to afford housing.4

**Foreclosures in Minnesota**
- From 2005-2009 in Becker County, there were 248 foreclosures. Of these, 80 occurred in 2009.10
- Almost 8% of primary mortgages in Minnesota were delinquent by 60 days or more by early 2010.11
- The most common reason people sought foreclosure counseling in 2009 was loss or reduction of income.12

**Homelessness in Minnesota**
- On a single day in 2009, 358 people were known to be homeless in the West Central Region, including 132 children and youth through age 21.13
- An estimated 13,100 Minnesotans are homeless on any given night. The number of homeless people identified increased by 25% from 2006 to 2009.14
- The largest increase in homelessness from 2006 to 2009 was among young adults (18-21). Youth aged 12-21 saw the largest increase in likelihood of being turned away from a shelter.15

**Extreme Cost Burden**
- Approximately 20% of renter households pay at least half of their income on housing in Becker County.16
- For homeowner households in Becker County, 9% pay at least half of their income on housing.17

**Housing Costs.** In Becker County, a median-priced home cost $147,500 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $588 per month in 2010. Since 2001, home prices have increased by 42%, and the fair market rent has increased by 10%, after adjusting for inflation.5

**Income.** In Becker County, a family of four with two full-time wage earners needs to earn a combined annual salary of $53,601 to afford the basic cost of living.6 The median household income for Becker County was $43,999 in 2008.7

**Jobs.** 45% of jobs in Becker County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Becker County was 8.0%, compared to 10.9% in 2009 and 6.1% in 2005.9