Housing Affordability in Benton 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. **For 2009, housing costs continue to consume a large portion of families’ income, with substantial unemployment threatening Minnesotans.**

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Number of Households Paying 30% or More in Rent</th>
<th>Percent of Households Paying 30% or More in Rent</th>
<th>Number of Households Paying 30% or More in Ownership Costs</th>
<th>Percent of Households Paying 30% or More in Ownership Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>1,112</td>
<td>94.7%</td>
<td>561</td>
<td>76.1%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>442</td>
<td>36.2%</td>
<td>680</td>
<td>53.8%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>42</td>
<td>5.2%</td>
<td>726</td>
<td>40.8%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>5</td>
<td>0.5%</td>
<td>1,062</td>
<td>16.1%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,883</td>
<td>42.4%</td>
<td>3,029</td>
<td>29.1%</td>
</tr>
</tbody>
</table>

The table above shows the number and percent of households in different income brackets 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 2007, 1 in 8 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 2005-2007, about 70.1% of Benton County residents owned their home and 29.9% were renters. Of these, approximately 29.1% of homeowners and 42.4% of renters in Benton 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. The chart shows the following:

- **Housing Affordability by Occupation, Benton County**
  - **Needed to own median home**
  - **Needed to rent 2BR apartment**

   ![Graph](image)

**Housing Costs.** In Benton County, a median-priced home cost $156,800 in 2008, and the fair market rent for a two-bedroom apartment was $653 per month in 2009. Since 2001, home prices have increased by 35.1% and the fair market rent has increased by 29.3%.

**Income.** In Benton County, a family of four with two full-time wage earners needs to earn a combined annual salary of $50,820 to afford the basic cost of living. The median household income for Benton County was $48,939 in 2007.

**Jobs.** 42% of jobs in Benton County and counties nearby pay less than the regional wage required to afford basic needs. The average unemployment rate in Benton County was 10.8% in March, 2009, up from 6.0% in March 2006.

**Foreclosures in Minnesota**
- In Benton County in 2008, there were about 180 foreclosures, a 2.3% increase from 2007.
- Left unaddressed, abandoned foreclosed properties destabilize neighborhoods, erode the local tax base and drive up the costs of municipal services.
- Of homeowners seeking foreclosure counseling in 2008, three-quarters were considered to be low- and moderate-income. Half experienced a reduction of income before seeking counseling. 60% had prime mortgages.

**Homelessness in Minnesota**
- On a single day in 2006, 354 people were sheltered in the Central Region, including 101 children.
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.

**Extreme Cost Burden**
- Approximately 16.9% of renter households pay at least half of their income on housing in Benton County.
- For homeowner households in Benton County, 10.1% pay at least half of their income on housing.

**Sources:**