Housing Affordability in Carlton 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.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying 30% or More in Rent</td>
<td>Percent of Households Paying 30% or More in Rent</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>1,068</td>
<td>82.3%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>202</td>
<td>34.4%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>40</td>
<td>16.2%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>35</td>
<td>5.8%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,345</td>
<td>46.8%</td>
</tr>
</tbody>
</table>

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 Carlton County residents owned their home and 21% were renters. Of these, approximately 28.2% of homeowners and 46.8% of renters in Carlton 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 Carlton County, there were 374 foreclosures. Of these, 84 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, 214 people were known to be homeless in the Northeast Region, including 98 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 27% of renter households pay at least half of their income on housing in Carlton County.\(^16\)
- For homeowner households in Carlton County, 8% pay at least half of their income on housing.\(^17\)

**Housing Costs.** In Carlton County, a median-priced home cost $135,000 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $629 per month in 2010. Since 2001, home prices have increased by 20%, and the fair market rent has increased by 23%, after adjusting for inflation.\(^5\)

**Income.** In Carlton County, a family of four with two full-time wage earners needs to earn a combined annual salary of $49,279 to afford the basic cost of living.\(^6\) The median household income for Carlton County was $49,278 in 2008.\(^7\)

**Jobs.** 43% of jobs in Carlton County and counties nearby pay less than the regional wage required to afford basic needs.\(^8\) In April 2010, the unemployment rate in Carlton County was 9.2%, compared to 9.5% in 2009 and 6.6% in 2005.\(^9\)