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.

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.

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.

In 2005-2007, about 83.5% of Cass County residents owned their home and 16.5% were renters. Of these, approximately 30.6% of homeowners and 32.8% of renters in Cass County spent 30% or more of their household income on housing.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th></th>
<th>Home Owners</th>
<th></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>
<td>Number of Households Paying 30% or More in Ownership Costs</td>
<td>Percent of Households Paying 30% or More in Ownership Costs</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>516</td>
<td>70.6%</td>
<td>1,130</td>
<td>58.6%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>180</td>
<td>26.4%</td>
<td>864</td>
<td>39.6%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>11</td>
<td>5.9%</td>
<td>533</td>
<td>30.1%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>800</td>
<td>16.0%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>707</td>
<td>32.8%</td>
<td>3,327</td>
<td>30.6%</td>
</tr>
</tbody>
</table>
Lower-income households face extreme affordability challenges.

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

**Housing Affordability by Occupation, Cass County**

- **Needed to own median home**
- **Needed to rent 2BR apartment**

**Housing Costs.** In Cass County, a median-priced home cost $144,900 in 2008, and the fair market rent for a two-bedroom apartment was $577 per month in 2009. Since 2001, home prices have increased by 29.0% and the fair market rent has increased by 38.7%.5

**Income.** In Cass County, a family of four with two full-time wage earners needs to earn a combined annual salary of $48,420 to afford the basic cost of living.6 The median household income for Cass County was $38,707 in 2007.7

**Jobs.** 41% of jobs in Cass County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Cass County was 14.1% in March, 2009, up from 8.8% in March 2006.9

**Foreclosures in Minnesota**

- In Cass County in 2008, there were about 116 foreclosures, a 27.5% increase from 2007.10
- 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.11

**Homelessness in Minnesota**

- On a single day in 2006, 354 people were sheltered in the Central Region, including 101 children.12
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.13
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.14

**Extreme Cost Burden**

- Approximately 12.8% of renter households pay at least half of their income on housing in Cass County.15
- For homeowner households in Cass County, 10.0%% pay at least half of their income on housing.16

**Sources:**
- 1 American Community Survey, 2005-7.
- 2 Ibid. 3 Ibid.