Housing Affordability in Chippewa County 2010

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>334</td>
<td>55.4%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>45</td>
<td>13.8%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>9</td>
<td>5.9%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>388</td>
<td>32.8%</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.

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.

In 2000, about 77% of Chippewa County residents owned their home and 23% were renters. Of these, approximately 12.1% of homeowners and 32.8% of renters in Chippewa County spent 30% or more of their household income on housing.
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 Chippewa County, there were 71 foreclosures. Of these, 31 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, 270 people were known to be homeless in the Southwest Region, including 150 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 15% of renter households pay at least half of their income on housing in Chippewa County.16
- For homeowner households in Chippewa County, 4% pay at least half of their income on housing.17

### HOUSING COSTS
In Chippewa County, a median-priced home cost $80,983 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 21%, and the fair market rent has increased by 15%, after adjusting for inflation.5

### INCOME
In Chippewa County, a family of four with two full-time wage earners needs to earn a combined annual salary of $47,454 to afford the basic cost of living.6 The median household income for Chippewa County was $44,473 in 2008.7

### JOBS
43% of jobs in Chippewa County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Chippewa County was 6.7%, compared to 8.6% in 2009 and 4.3% in 2005.9

Sources:
- 4 OES Wage Data by economic development region, MN DEED. 5 MN Dept of Revenue Sales Ratio Study, 2008-9.
- 8 The Cost of Living in Minnesota, JOBS NOW Coalition, 2009. 9 Local Area Unemployment Statistics, MN DEED (unadjusted).