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 77.4% of Crow Wing County residents owned their home and 22.6% were renters. Of these, approximately 30.2% of homeowners and 42.9% of renters in Crow Wing 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

**HOUSING COSTS.** In Crow Wing County, a median-priced home cost $156,900 in 2008, and the fair market rent for a two-bedroom apartment was $662 per month in 2009. Since 2001, home prices have increased by 38.7%, and the fair market rent has increased by 51.5%.5

**INCOME.** In Crow Wing County, a family of four with two full-time wage earners needs to earn a combined annual salary of $50,964 to afford the basic cost of living.6 The median household income for Crow Wing County was $42,015 in 2007.7

**JOBS.** 41% of jobs in Crow Wing County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Crow Wing County was 12.4% in March 2009, up from 6.3% in March 2006.9


Foreclosures in Minnesota

- In Crow Wing County in 2008, there were about 360 foreclosures, a 55.8% 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 19.4% of renter households pay at least half of their income on housing in Crow Wing County.15
- For homeowner households in Crow Wing County, 11.9% pay at least half of their income on housing.16