Housing Affordability in Dodge County

May 2009

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>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>172</td>
<td>46.2%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>19</td>
<td>7.4%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>191</td>
<td>20.9%</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.

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 2000, about 84.0% of Dodge County residents owned their home and 16.0% were renters. Of these, approximately 16.2% of homeowners and 20.9% of renters in Dodge 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 Affordability by Occupation, Dodge County

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Needed to own median home</th>
<th>Needed to rent 2BR apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary Teacher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Teacher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered Nurse</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Preparation Retail</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Housing Costs.** In Dodge County, a median-priced home cost $145,702 in 2008, and the fair market rent for a two-bedroom apartment was $844 per month in 2009. Since 2001, home prices have increased by 22.4%, and the fair market rent has increased by 102.9%.5

**Income.** In Dodge County, a family of four with two full-time wage earners needs to earn a combined annual salary of $55,740 to afford the basic cost of living.6 The median household income for Dodge County was $61,230 in 2007.7

**Jobs.** 36% of jobs in Dodge County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Dodge County was 9.2% in March, 2009, up from 4.8% in March 2006.9

**Foreclosures in Minnesota**
- In Dodge County in 2008, there were about 96 foreclosures, a 45.5% 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, 342 people were sheltered in the Southeast Region, including 181 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 9.0% of renter households pay at least half of their income on housing in Dodge County.15
- For homeowner households in Dodge County, 4.0% pay at least half of their income on housing.16