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>Number of Households Paying 30% or More in Rent</th>
<th>Percent of Households Paying 30% or More in Rent</th>
<th>Number of Households Paying 30% or More in Ownership Costs</th>
<th>Percent of Households Paying 30% or More in Ownership Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>1,549</td>
<td>87.9%</td>
<td>1,084</td>
<td>65.1%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>399</td>
<td>44.1%</td>
<td>895</td>
<td>41.5%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>24</td>
<td>7.0%</td>
<td>676</td>
<td>31.9%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>57</td>
<td>11.9%</td>
<td>808</td>
<td>13.1%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>2,029</td>
<td>53.6%</td>
<td>3,463</td>
<td>28.6%</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 2005-2007, about 76.2% of Douglas County residents owned their home and 23.8% were renters. Of these, approximately 28.6% of homeowners and 53.6% of renters in Douglas 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 Douglas County, a median-priced home cost $158,500 in 2008, and the fair market rent for a two-bedroom apartment was $613 per month in 2009. Since 2001, home prices have increased by 51.0%, and the fair market rent has increased by 47.4%.5

INCOME. In Douglas County, a family of four with two full-time wage earners needs to earn a combined annual salary of $47,676 to afford the basic cost of living.6 The median household income for Douglas County was $44,295 in 2007.7

JOBS. 39% of jobs in Douglas County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Douglas County was 8.3% in March, 2009, up from 4.8% in March 2006.9


Foreclosures in Minnesota

- In Douglas County in 2008, there were about 147 foreclosures, a 88.5% 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, 175 people were sheltered in the West Central Region, including 59 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 28.6% of renter households pay at least half of their income on housing in Douglas County.15
- For homeowner households in Douglas County, 8.9% pay at least half of their income on housing.16