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.1

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.2

In 2005-2007, about 78.7% of Fillmore County residents owned their home and 21.3% were renters. Of these, approximately 26.5% of homeowners and 31.0% of renters in Fillmore County spent 30% or more of their household income on housing.3
Lower-income households face extreme affordability challenges.

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

**Housing Affordability by Occupation, Fillmore County**

- **Housing Costs.** In Fillmore County, a median-priced home cost $114,100 in 2008, and the fair market rent for a two-bedroom apartment was $600 per month in 2009. Since 2001, home prices have increased by 37.5%, and the fair market rent has increased by 44.2%.

- **Income.** In Fillmore County, a family of four with two full-time wage earners needs to earn a combined annual salary of $51,648 to afford the basic cost of living. The median household income for Fillmore County was $43,776 in 2007.

- **Jobs.** 36% of jobs in Fillmore County and counties nearby pay less than the regional wage required to afford basic needs. The average unemployment rate in Fillmore County was 10.7% in March, 2009, up from 5.5% in March 2006.

**Foreclosures in Minnesota**

- In Fillmore County in 2008, there were about 37 foreclosures, a 14.0% decrease from 2007.
- 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.

**Homelessness in Minnesota**

- On a single day in 2006, 342 people were sheltered in the Southeast Region, including 181 children.
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.

**Extreme Cost Burden**

- Approximately 13.8% of renter households pay at least half of their income on housing in Fillmore County.
- For homeowner households in Fillmore County, 9.0% pay at least half of their income on housing.

**Sources:**