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 Number of Households Paying 30% or More in Rent</th>
<th>Renters Percent of Households Paying 30% or More in Rent</th>
<th>Home Owners Number of Households Paying 30% or More in Ownership Costs</th>
<th>Home Owners Percent of Households Paying 30% or More in Ownership Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $20,000</td>
<td>481</td>
<td>75.6%</td>
<td>722</td>
<td>69.7%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>104</td>
<td>26.0%</td>
<td>535</td>
<td>47.1%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>16</td>
<td>6.1%</td>
<td>280</td>
<td>27.2%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>4</td>
<td>1.8%</td>
<td>389</td>
<td>10.8%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>605</td>
<td>32.3%</td>
<td>1,926</td>
<td>28.3%</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.\(^1\)

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.\(^2\)

In 2006-2008, about 78% of Fillmore County residents owned their home and 22% were renters. Of these, approximately 28.3% of homeowners and 32.3% 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.4

Foreclosures in Minnesota

- From 2005-2009 in Fillmore County, there were 184 foreclosures. Of these, 39 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, 483 people were known to be homeless in the Southeast Region, including 278 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 Fillmore County.16
- For homeowner households in Fillmore County, 10% pay at least half of their income on housing.17

Housing Costs. In Fillmore County, a median-priced home cost $95,000 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $607 per month in 2010. Since 2001, home prices have decreased by 6%, and the fair market rent has increased by 19%, after adjusting for inflation.5

Income. In Fillmore County, a family of four with two full-time wage earners needs to earn a combined annual salary of $50,227 to afford the basic cost of living.6 The median household income for Fillmore County was $45,298 in 2008.7

Jobs. 38% of jobs in Fillmore County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Fillmore County was 7.2%, compared to 8.9% in 2009 and 4.4% in 2005.9


Foreclosures in Minnesota

- From 2005-2009 in Fillmore County, there were 184 foreclosures. Of these, 39 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, 483 people were known to be homeless in the Southeast Region, including 278 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 Fillmore County.16
- For homeowner households in Fillmore County, 10% pay at least half of their income on housing.17

Housing Costs. In Fillmore County, a median-priced home cost $95,000 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $607 per month in 2010. Since 2001, home prices have decreased by 6%, and the fair market rent has increased by 19%, after adjusting for inflation.5

Income. In Fillmore County, a family of four with two full-time wage earners needs to earn a combined annual salary of $50,227 to afford the basic cost of living.6 The median household income for Fillmore County was $45,298 in 2008.7

Jobs. 38% of jobs in Fillmore County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Fillmore County was 7.2%, compared to 8.9% in 2009 and 4.4% in 2005.9