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 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>155</td>
<td>49.4%</td>
<td>188</td>
<td>48.0%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>58</td>
<td>19.1%</td>
<td>107</td>
<td>25.9%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>9</td>
<td>6.4%</td>
<td>52</td>
<td>11.7%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>27</td>
<td>3.1%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>222</td>
<td>26.6%</td>
<td>374</td>
<td>17.7%</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.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 2000, about 85.0% of Kanabec County residents owned their home and 15.0% were renters. Of these, approximately 17.7% of homeowners and 26.6% of renters in Kanabec 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**
- In Kanabec County in 2008, there were about 124 foreclosures, a 27.8% 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 10.0% of renter households pay at least half of their income on housing in Kanabec County.\(^15\)
- For homeowner households in Kanabec County, 5.0% pay at least half of their income on housing.\(^16\)

**Housing Affordability by Occupation, Kanabec County**

**Housing Costs.** In Kanabec County, a median-priced home cost $142,235 in 2008, and the fair market rent for a two-bedroom apartment was $687 per month in 2009. Since 2001, home prices have increased by 58.0%, and the fair market rent has increased by 56.5%.\(^5\)

**Income.** In Kanabec County, a family of four with two full-time wage earners needs to earn a combined annual salary of $56,124 to afford the basic cost of living.\(^6\) The median household income for Kanabec County was $45,270 in 2007.\(^7\)

**Jobs.** 50% of jobs in Kanabec County and counties nearby pay less than the regional wage required to afford basic needs.\(^8\) The average unemployment rate in Kanabec County was 17.3% in March, 2009, up from 10.0% in March 2006.\(^9\)