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: Number of Households Paying 30% or More Income for Rental or Ownership Costs

<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>1,120</td>
<td>73.6%</td>
<td>880</td>
<td>69.0%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>349</td>
<td>29.3%</td>
<td>901</td>
<td>50.1%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>40</td>
<td>10.9%</td>
<td>533</td>
<td>26.5%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>576</td>
<td>8.0%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,509</td>
<td>39.0%</td>
<td>2,890</td>
<td>23.6%</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.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 76.0% of Kandiyohi County residents owned their home and 24.0% were renters. Of these, approximately 23.6% of homeowners and 39.0% of renters in Kandiyohi 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

**Housing Affordability by Occupation, Kandiyohi County**

- **Housing Costs.** In Kandiyohi County, a median-priced home cost $125,738 in 2008, and the fair market rent for a two-bedroom apartment was $594 per month in 2009. Since 2001, home prices have increased by 39.7%, and the fair market rent has increased by 16.5%.3

- **Income.** In Kandiyohi County, a family of four with two full-time wage earners needs to earn a combined annual salary of $46,620 to afford the basic cost of living.6 The median household income for Kandiyohi County was $46,136 in 2007.7

- **Jobs.** 38% of jobs in Kandiyohi County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Kandiyohi County was 8.3% in March, 2009, up from 5.1% in March 2006.9

**Foreclosures in Minnesota**

- In Kandiyohi County in 2008, there were about 95 foreclosures, a 31.9% 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, 67 people were sheltered in the Southwest Region, including 25 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 19.1% of renter households pay at least half of their income on housing in Kandiyohi County.15
- For homeowner households in Kandiyohi County, 6.5% pay at least half of their income on housing.16

**Sources:**