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.

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 79% of Mille Lacs County residents owned their home and 21% were renters. Of these, approximately 36.8% of homeowners and 42.6% of renters in Mille Lacs 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, Mille Lacs County**

**Housing Costs.** In Mille Lacs County, a median-priced home cost $147,265 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $660 per month in 2010. Since 2001, home prices have increased by 10%, and the fair market rent has increased by 29%, after adjusting for inflation.  

**Income.** In Mille Lacs County, a family of four with two full-time wage earners needs to earn a combined annual salary of $49,167 to afford the basic cost of living. The median household income for Mille Lacs County was $46,215 in 2008.  

**Jobs.** 46% of jobs in Mille Lacs County and counties nearby pay less than the regional wage required to afford basic needs. In April 2010, the unemployment rate in Mille Lacs County was 12.1%, compared to 14.2% in 2009 and 7.3% in 2005.  

**Foreclosures in Minnesota**  
- From 2005-2009 in Mille Lacs County, there were 865 foreclosures. Of these, 225 occurred in 2009.  
- Almost 8% of primary mortgages in Minnesota were delinquent by 60 days or more by early 2010.  
- The most common reason people sought foreclosure counseling in 2009 was loss or reduction of income.  

**Homelessness in Minnesota**  
- On a single day in 2009, 482 people were known to be homeless in the Central Region, including 208 children and youth through age 21.  
- An estimated 13,100 Minnesotans are homeless on any given night. The number of homeless people identified increased by 25% from 2006 to 2009.  
- 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.  

**Extreme Cost Burden**  
- Approximately 13% of renter households pay at least half of their income on housing in Mille Lacs County.  
- For homeowner households in Mille Lacs County, 11% pay at least half of their income on housing.  

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