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</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying 30% or More in Rent</td>
<td>Percent of Households Paying 30% or More in Rent</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>148,173</td>
<td>83.0%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>74,188</td>
<td>63.2%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>20,821</td>
<td>24.3%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>8,471</td>
<td>6.8%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>251,653</td>
<td>47.5%</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 2008, about 75% of Minnesota residents owned their home and 25% were renters. Of these, approximately 28.9% of homeowners and 47.5% of renters in Minnesota 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, Minnesota

Foreclosures in Minnesota

- From 2005-2009 in Minnesota, there were 87,364 foreclosures. Of these, 23,019 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, 9,654 people were known to be homeless statewide, including 4,519 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 22% of renter households pay at least half of their income on housing in Minnesota.
- For homeowner households in Minnesota, 10% pay at least half of their income on housing.