Housing Affordability in Morrison County

May 2009

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.

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 82.6% of Morrison County residents owned their home and 17.4% were renters. Of these, approximately 27.0% of homeowners and 40.0% of renters in Morrison County spent 30% or more of their household income on housing.³

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<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th></th>
<th>Home Owners</th>
<th></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>
<td>Number of Households Paying 30% or More in Ownership Costs</td>
<td>Percent of Households Paying 30% or More in Ownership Costs</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>755</td>
<td>73.9%</td>
<td>994</td>
<td>62.3%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>138</td>
<td>29.7%</td>
<td>560</td>
<td>37.4%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>27</td>
<td>11.9%</td>
<td>751</td>
<td>36.3%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>15</td>
<td>3.5%</td>
<td>680</td>
<td>11.5%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>935</td>
<td>40.0%</td>
<td>2,985</td>
<td>27.0%</td>
</tr>
</tbody>
</table>

¹ Minnesota Housing Partnership
² Minnesota Housing Partnership
³ Minnesota Housing Partnership
Lower-income households face extreme affordability challenges.

The chart below compares median earnings across different occupations to the income required to afford housing.

**HOUSING COSTS.** In Morrison County, a median-priced home cost $121,275 in 2008, and the fair market rent for a two-bedroom apartment was $597 per month in 2009. Since 2001, home prices have increased by 47.4%, and the fair market rent has increased by 43.5%.

**INCOME.** In Morrison County, a family of four with two full-time wage earners needs to earn a combined annual salary of $49,632 to afford the basic cost of living. The median household income for Morrison County was $45,706 in 2007.

**JOBS.** 41% of jobs in Morrison County and counties nearby pay less than the regional wage required to afford basic needs. The average unemployment rate in Morrison County was 13.7% in March, 2009, up from 7.6% in March 2006.

**Foreclosures in Minnesota**
- In Morrison County in 2008, there were about 116 foreclosures, a 24.7% increase from 2007.
- 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.

**Homelessness in Minnesota**
- On a single day in 2006, 354 people were sheltered in the Central Region, including 101 children.
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.

**Extreme Cost Burden**
- Approximately 17.5% of renter households pay at least half of their income on housing in Morrison County.
- For homeowner households in Morrison County, 7.7% pay at least half of their income on housing.

**SOURCES:**
2. Ibid. 3 Ibid. 4 Ibid.
4. OES Wage Data by economic development region, MN DEED; 4th quarter, 2008; HUD Fair Market Rents, 2009;