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.

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.

In 2007, about 76.7% of Olmsted County residents owned their home and 23.3% were renters. Of these, approximately 22.7% of homeowners and 41.1% of renters in Olmsted County spent 30% or more of their household income on housing.
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, Olmsted County**

- **Needed to own median home**
- **Needed to rent 2BR apartment**

**HOUSING COSTS.** In Olmsted County, a median-priced home cost $164,500 in 2008, and the fair market rent for a two-bedroom apartment was $844 per month in 2009. Since 2001, home prices have increased by 25.6%, and the fair market rent has increased by 38.4%.5

**INCOME.** In Olmsted County, a family of four with two full-time wage earners needs to earn a combined annual salary of $54,480 to afford the basic cost of living.6 The median household income for Olmsted County was $60,683 in 2007.7

**JOBS.** 35% of jobs in Olmsted County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Olmsted County was 6.8% in March, 2009, up from 3.8% in March 2006.9