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.

### Renters and Home Owners

<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>337</td>
<td>47.1%</td>
<td>179</td>
<td>39.9%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>53</td>
<td>14.4%</td>
<td>64</td>
<td>11.9%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>0</td>
<td>0.0%</td>
<td>38</td>
<td>7.2%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>9</td>
<td>0.8%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>390</td>
<td>28.5%</td>
<td>290</td>
<td>11.1%</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 2000, about 74% of Pennington County residents owned their home and 26% were renters. Of these, approximately 11.1% of homeowners and 28.5% of renters in Pennington 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, Pennington County](chart)

**HOUSING COSTS.** In Pennington County, a median-priced home cost $82,500 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $588 per month in 2010. Since 2001, home prices have increased by 23%, and the fair market rent has increased by 15%, after adjusting for inflation.5

**INCOME.** In Pennington County, a family of four with two full-time wage earners needs to earn a combined annual salary of $48,953 to afford the basic cost of living.6 The median household income for Pennington County was $47,614 in 2008.7

**JOBS.** 37% of jobs in Pennington County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Pennington County was 11.1%, compared to 13.1% in 2009 and 7.6% in 2005.9

**Foreclosures in Minnesota**
- From 2005-2009 in Pennington County, there were 60 foreclosures. Of these, 15 occurred in 2009.10
- Almost 8% of primary mortgages in Minnesota were delinquent by 60 days or more by early 2010.11
- The most common reason people sought foreclosure counseling in 2009 was loss or reduction of income.12

**Homelessness in Minnesota**
- On a single day in 2009, 393 people were known to be homeless in the Northwest Region, including 235 children and youth through age 21.13
- An estimated 13,100 Minnesotans are homeless on any given night. The number of homeless people identified increased by 25% from 2006 to 2009.14
- 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.15

**Extreme Cost Burden**
- Approximately 12% of renter households pay at least half of their income on housing in Pennington County.16
- For homeowner households in Pennington County, 3% pay at least half of their income on housing.17