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.

### Renters

<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>1,211</td>
<td>80.4%</td>
<td>869</td>
<td>65.5%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>314</td>
<td>42.5%</td>
<td>431</td>
<td>30.4%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>20</td>
<td>7.2%</td>
<td>224</td>
<td>15.3%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>301</td>
<td>5.9%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>1,545</td>
<td>50.8%</td>
<td>1,825</td>
<td>19.5%</td>
</tr>
</tbody>
</table>

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 2005-2007, about 75.5% of Polk County residents owned their home and 24.5% were renters. Of these, approximately 19.5% of homeowners and 50.8% of renters in Polk 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, Polk County**

**Housing Costs.** In Polk County, a median-priced home cost $104,700 in 2008, and the fair market rent for a two-bedroom apartment was $613 per month in 2009. Since 2001, home prices have increased by 48.8%, and the fair market rent has increased by 10.1%.5

**Income.** In Polk County, a family of four with two full-time wage earners needs to earn a combined annual salary of $45,528 to afford the basic cost of living.6 The median household income for Polk County was $43,188 in 2007.7

**Jobs.** 30% of jobs in Polk County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Polk County was 7.5% in March, 2009, up from 5.8% in March 2006.9

**Foreclosures in Minnesota**

- In Polk County in 2008, there were about 29 foreclosures, a 3.3% decrease from 2007.10
- 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.11

**Homelessness in Minnesota**

- On a single day in 2006, 198 people were sheltered in the Northwest Region, including 81 children.12
- Roughly 9,200 Minnesotans are homeless and 7,700 are precariously housed in temporary or unstable housing. 38% are children and youth.13
- 39% of Minnesota’s homeless population cite the inability to afford housing as a primary reason for leaving previous housing.14

**Extreme Cost Burden**

- Approximately 18.7% of renter households pay at least half of their income on housing in Polk County.15
- For homeowner households in Polk County, 5.4% pay at least half of their income on housing.16

**Sources:**