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 65.2% of Ramsey County residents owned their home and 34.8% were renters. Of these, approximately 31.0% of homeowners and 47.3% of renters in Ramsey 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 COSTS.** In Ramsey County, a median-priced home cost $214,781 in 2008, and the fair market rent for a two-bedroom apartment was $873 per month in 2009. Since 2001, home prices have increased by 45.1% and the fair market rent has increased by 17.7%.5

**INCOME.** In Ramsey County, a family of four with two full-time wage earners needs to earn a combined annual salary of $58,224 to afford the basic cost of living.6 The median household income for Ramsey County was $51,803 in 2007.7

**JOBS.** 34% of jobs in Ramsey County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Ramsey County was 8.1% in March, 2009, up from 4.1% in March 2006.9

**Foreclosures in Minnesota**

- In Ramsey County in 2008, there were about 3,027 foreclosures, a 28.7% increase 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, 4,715 people were sheltered in the Twin Cities Region, including 1,860 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 24.4% of renter households pay at least half of their income on housing in Ramsey County.15
- For homeowner households in Ramsey County, 10.5% pay at least half of their income on housing.16

**Sources:**