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.

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 80% of Redwood County residents owned their home and 20% were renters. Of these, approximately 10.2% of homeowners and 23.1% of renters in Redwood 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 COSTS.** In Redwood County, a median-priced home cost $68,000 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 4%, and the fair market rent has increased by 15%, after adjusting for inflation.5

**INCOME.** In Redwood County, a family of four with two full-time wage earners needs to earn a combined annual salary of $46,454 to afford the basic cost of living.6 The median household income for Redwood County was $45,184 in 2008.7

**JOBS.** 44% of jobs in Redwood County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Redwood County was 6.4%, compared to 7.0% in 2009 and 4.3% in 2005.9

### Foreclosures in Minnesota
- From 2005-2009 in Redwood County, there were 136 foreclosures. Of these, 33 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, 270 people were known to be homeless in the Southwest Region, including 150 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 10% of renter households pay at least half of their income on housing in Redwood County.16
- For homeowner households in Redwood County, 3% pay at least half of their income on housing.17

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**Housing Affordability by Occupation, Redwood County**

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Needed to own median home</th>
<th>Needed to rent 2BR apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School</td>
<td></td>
<td></td>
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<tr>
<td>Teacher</td>
<td></td>
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<tr>
<td>Registered Nurse</td>
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<tr>
<td>Police Officer</td>
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<tr>
<td>Food Preparation</td>
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<td></td>
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<tr>
<td>Retail Salesperson</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>