Housing Affordability in Stearns County

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.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th></th>
<th>Home Owners</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households Paying 30% or More in Rent</td>
<td>Percent of Households Paying 30% or More in Rent</td>
<td>Number of Households Paying 30% or More in Ownership Costs</td>
<td>Percent of Households Paying 30% or More in Ownership Costs</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>5,277</td>
<td>96.0%</td>
<td>2,466</td>
<td>67.5%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>2,358</td>
<td>65.8%</td>
<td>2,520</td>
<td>45.3%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>232</td>
<td>10.3%</td>
<td>2,494</td>
<td>46.2%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>49</td>
<td>2.3%</td>
<td>3,997</td>
<td>15.1%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>7,916</td>
<td>54.9%</td>
<td>11,477</td>
<td>28.0%</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 2007, about 74.0% of Stearns County residents owned their home and 26.0% were renters. Of these, approximately 28.0% of homeowners and 54.9% of renters in Stearns 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, Stearns County](chart)

**Housing Costs.** In Stearns County, a median-priced home cost $158,000 in 2008, and the fair market rent for a two-bedroom apartment was $653 per month in 2009. Since 2001, home prices have increased by 39.9% and the fair market rent has increased by 29.3%.5

**Income.** In Stearns County, a family of four with two full-time wage earners needs to earn a combined annual salary of $50,268 to afford the basic cost of living.6 The median household income for Stearns County was $51,489 in 2007.7

**Jobs.** 42% of jobs in Stearns County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Stearns County was 9.5% in March, 2009, up from 5.0% in March 2006.9

**Foreclosures in Minnesota**
- In Stearns County in 2008, there were about 422 foreclosures, a 12.5% 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, 354 people were sheltered in the Central Region, including 101 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 30.8% of renter households pay at least half of their income on housing in Stearns County.15
- For homeowner households in Stearns County, 7.1% pay at least half of their income on housing.16

**Sources:**