Housing Affordability in Stevens 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.

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 2000, about 70.0% of Stevens County residents owned their home and 30.0% were renters. Of these, approximately 13.5% of homeowners and 36.7% of renters in Stevens 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


Foreclosures in Minnesota
- In Stevens County in 2008, there were about 12 foreclosures, up from 0 in 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, 175 people were sheltered in the West Central Region, including 59 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 19.0% of renter households pay at least half of their income on housing in Stevens County.15
- For homeowner households in Stevens County, 5.0% pay at least half of their income on housing.16

Housing Costs
In Stevens County, a median-priced home cost $90,000 in 2008, and the fair market rent for a two-bedroom apartment was $577 per month in 2009. Since 2001, home prices have increased by 40.6%, and the fair market rent has increased by 32.0%.5

Income
In Stevens County, a family of four with two full-time wage earners needs to earn a combined annual salary of $40,692 to afford the basic cost of living.6 The median household income for Stevens County was $44,888 in 2007.7

Jobs
39% of jobs in Stevens County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Stevens County was 7.3% in March, 2009, up from 4.6% in March 2006.9