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.

<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>112</td>
<td>62.2%</td>
<td>109</td>
<td>39.8%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>4</td>
<td>5.0%</td>
<td>28</td>
<td>11.8%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>0</td>
<td>0.0%</td>
<td>6</td>
<td>2.6%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>3</td>
<td>1.1%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>116</td>
<td>35.7%</td>
<td>146</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

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 81% of Traverse County residents owned their home and 19% were renters. Of these, approximately 14.5% of homeowners and 35.7% of renters in Traverse 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

**Foreclosures in Minnesota**
- From 2005-2009 in Traverse County, there were 27 foreclosures. Of these, 8 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, 358 people were known to be homeless in the West Central Region, including 132 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 15% of renter households pay at least half of their income on housing in Traverse County.16
- For homeowner households in Traverse County, 6% pay at least half of their income on housing.17

**Housing Costs.** In Traverse County, a median-priced home cost $40,500 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 34%, and the fair market rent has increased by 15%, after adjusting for inflation.5

**Income.** In Traverse County, a family of four with two full-time wage earners needs to earn a combined annual salary of $45,253 to afford the basic cost of living.6 The median household income for Traverse County was $37,651 in 2008.7

**Jobs.** 45% of jobs in Traverse County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Traverse County was 6.3%, compared to 7.3% in 2009 and 3.6% in 2005.9

**Sources:**