Housing Affordability in Wadena 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: Housing Affordability in Wadena County

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Renters</th>
<th>Home Owners</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Households</td>
<td>Percent of Households</td>
</tr>
<tr>
<td></td>
<td>Paying 30% or More in Rent</td>
<td>Paying 30% or More in Rent</td>
</tr>
<tr>
<td>Less than $20,000</td>
<td>386</td>
<td>54.1%</td>
</tr>
<tr>
<td>$20,000 - $34,999</td>
<td>3</td>
<td>1.3%</td>
</tr>
<tr>
<td>$35,000 - $49,999</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>389</td>
<td>34.4%</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 2000, about 78.0% of Wadena County residents owned their home and 22.0% were renters. Of these, approximately 16.2% of homeowners and 34.4% of renters in Wadena 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

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Housing Affordability by Occupation, Wadena County

![Chart showing housing affordability by occupation in Wadena County.](chart.png)

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### Foreclosures in Minnesota
- In Wadena County in 2008, there were about 34 foreclosures, a 36.0% 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 16.0% of renter households pay at least half of their income on housing in Wadena County.15
- For homeowner households in Wadena County, 5.0% pay at least half of their income on housing.16

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**Housing Costs.** In Wadena County, a median-priced home cost $81,675 in 2008, and the fair market rent for a two-bedroom apartment was $581 per month in 2009. Since 2001, home prices have increased by 49.9%, and the fair market rent has increased by 39.7%.5

**Income.** In Wadena County, a family of four with two full-time wage earners needs to earn a combined annual salary of $47,052 to afford the basic cost of living.6 The median household income for Wadena County was $35,728 in 2007.7

**Jobs.** 41% of jobs in Wadena County and counties nearby pay less than the regional wage required to afford basic needs.8 The average unemployment rate in Wadena County was 13.6% in March, 2009, up from 8.8% in March 2006.9

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