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.

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.

In 2000, about 80% of Waseca County residents owned their home and 20% were renters. Of these, approximately 14.3% of homeowners and 23.7% of renters in Waseca County spent 30% or more of their household income on housing.

<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>281</td>
<td>49.8%</td>
<td>281</td>
<td>52.7%</td>
</tr>
<tr>
<td>$20,000 – $34,999</td>
<td>38</td>
<td>10.1%</td>
<td>196</td>
<td>22.1%</td>
</tr>
<tr>
<td>$35,000 – $49,999</td>
<td>0</td>
<td>0.0%</td>
<td>112</td>
<td>12.8%</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>0</td>
<td>0.0%</td>
<td>50</td>
<td>2.3%</td>
</tr>
<tr>
<td>All Income Levels</td>
<td>319</td>
<td>23.7%</td>
<td>639</td>
<td>14.3%</td>
</tr>
</tbody>
</table>

1. 

2. 

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 Waseca County, there were 213 foreclosures. Of these, 69 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, 483 people were known to be homeless in the Southeast Region, including 278 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 7% of renter households pay at least half of their income on housing in Waseca County.¹⁶
- For homeowner households in Waseca County, 4% pay at least half of their income on housing.¹⁷

### Housing Affordability by Occupation, Waseca County

#### HOUSING COSTS.
In Waseca County, a median-priced home cost $121,050 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $650 per month in 2010. Since 2001, home prices have increased by 13%, and the fair market rent has increased by 8%, after adjusting for inflation.⁵

#### INCOME.
In Waseca County, a family of four with two full-time wage earners needs to earn a combined annual salary of $49,214 to afford the basic cost of living.⁶ The median household income for Waseca County was $50,589 in 2008.⁷

#### JOBS.
43% of jobs in Waseca County and counties nearby pay less than the regional wage required to afford basic needs.⁸ In April 2010, the unemployment rate in Waseca County was 7.8%, compared to 9.1% in 2009 and 4.6% in 2005.⁹

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