Housing Affordability in Wright 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. 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.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 2008, about 85% of Wright County residents owned their home and 15% were renters. Of these, approximately 35.0% of homeowners and 44.1% of renters in Wright 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

Housing Affordability by Occupation, Wright County

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Needed to own median home</th>
<th>Needed to rent 2BR apartment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School Teacher</td>
<td>$60,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$50,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>Police Officer</td>
<td>$40,000</td>
<td>$45,000</td>
</tr>
<tr>
<td>Food Preparation</td>
<td>$30,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td>$20,000</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

HOUSING COSTS. In Wright County, a median-priced home cost $182,600 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $899 per month in 2010. Since 2001, home prices have decreased by 2%, and the fair market rent has decreased by 2%, after adjusting for inflation.5

INCOME. In Wright County, a family of four with two full-time wage earners needs to earn a combined annual salary of $56,554 to afford the basic cost of living.6 The median household income for Wright County was $66,825 in 2008.7

JOBS. 46% of jobs in Wright County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Wright County was 8.2%, compared to 9.9% in 2009 and 4.7% in 2005.9

Foreclosures in Minnesota

• From 2005-2009 in Wright County, there were 2,622 foreclosures. Of these, 861 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, 482 people were known to be homeless in the Central Region, including 208 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 10% of renter households pay at least half of their income on housing in Wright County.16
• For homeowner households in Wright County, 9% pay at least half of their income on housing.17

Sources: