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 79% of Yellow Medicine County residents owned their home and 21% were renters. Of these, approximately 13.7% of homeowners and 28.6% of renters in Yellow Medicine 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

<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>$20,000</td>
<td></td>
</tr>
<tr>
<td>Registered Nurse</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>Police Officer</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>Food Preparation</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td>$50,000</td>
<td></td>
</tr>
</tbody>
</table>

Foreclosures in Minnesota
- From 2005-2009 in Yellow Medicine County, there were 89 foreclosures. Of these, 18 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, 270 people were known to be homeless in the Southwest Region, including 150 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 Yellow Medicine County.16
- For homeowner households in Yellow Medicine County, 6% pay at least half of their income on housing.17

**HOUSING COSTS.** In Yellow Medicine County, a median-priced home cost $57,150 in 2009, excluding foreclosures. The fair market rent for a two-bedroom apartment was $588 per month in 2010. Since 2001, home prices have decreased by 10%, and the fair market rent has increased by 15%, after adjusting for inflation.5

**INCOME.** In Yellow Medicine County, a family of four with two full-time wage earners needs to earn a combined annual salary of $49,102 to afford the basic cost of living.6 The median household income for Yellow Medicine County was $46,381 in 2008.7

**JOBS.** 43% of jobs in Yellow Medicine County and counties nearby pay less than the regional wage required to afford basic needs.8 In April 2010, the unemployment rate in Yellow Medicine County was 5.8%, compared to 6.7% in 2009 and 4.5% in 2005.9