RENTS HIGH, EARNINGS LIMITED
In order to afford rent and utilities for a safe, modest two-bedroom apartment at the fair market monthly rent of $583, Red Lake County workers would need to earn $11.21 per hour, 40 hours per week, all year long. The typical renter in the county, however, earns the equivalent of $5.61. At the minimum wage of $7.25 per hour, a worker must work 1.5 full time jobs to afford this rent.²

In Red Lake County, about 79 owner and 42 renter households pay at least half of their income for housing—a level considered severely unaffordable.¹

When housing is unaffordable, families are forced to choose between paying for housing and other needs, such as food or medicine.

CONSTRAINED RENTAL OPTIONS
Growing demand plus a limited supply of rental housing is leading to higher rents and limited choice in many areas. The foreclosure crisis has turned scores of former homeowners into renters, and much of the rental stock is aging and not matched well to the needs of renters. Meanwhile, construction of multi-family properties statewide reached a 50-year low in 2006-2010.⁵

Where a shortage of rental homes exists, the burden is heaviest for the lowest-income renters. In Red Lake County, for every 100 extremely low-income renters there are 108 units that are affordable and available.⁶
Children are at higher risk when parents cannot afford safe, decent housing.

The chart below shows the median earnings for workers in common occupations compared to the cost of housing.\(^7\)

### Housing Affordability by Occupation, Red Lake County

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Median Earnings</th>
<th>Needed to rent 2BR apartment</th>
<th>Needed to own median home</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School Teacher</td>
<td>$60,000</td>
<td>$30,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Teacher</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licensed Practical Nurse</td>
<td>$50,000</td>
<td>$25,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Police Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food Preparation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Salesperson</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In 2010 the cost of housing consumed more than half of income for almost 1 in 7 Minnesota households. In 2000, only 1 in 12 households experienced this level of cost burden.\(^8\)

### Owner Costs, Equity, and Foreclosure

- In Red Lake County, the median home sales price (for non-foreclosures) in 2011 was $65,000. This is an increase of 25% since 2006, after adjusting for inflation.\(^9\)
- From 2005-2011 in Red Lake County there were 23 foreclosures. Of these, 2 occurred in 2011.\(^10\)
- A drop in home prices as a result of the foreclosure crisis and the Great Recession has left 18% of Minnesota mortgage holders owing more on their home than it is worth.\(^11\)
- About 5% of primary mortgages in Minnesota were delinquent by 60 days or more in early 2012. As a comparison, from 1979 to 2004, this delinquency rate averaged 1.7%.\(^12\)

### Unemployment, Children, and Poverty

- In 2010, 11.0% of people in Red Lake County were living in poverty. Children face a poverty rate of 13.1%.\(^13\)
- The average unemployment rate in Red Lake County was 6.2% in June, 2012, not including those who have quit actively looking for work.\(^14\)
- Of the available jobs in Red Lake County and counties nearby, 37% pay less than the wage required to afford basic needs.\(^15\)
- In Red Lake County and counties nearby, there are about 3 job seekers for each vacant job.\(^16\)

---

**Sources:**
1. American Community Survey (ACS) 2006-10.
2. HUD Fair Market Rent (FMR) 2012 & Out of Reach 2012.
3. NLIHC. 3 ACS 2006-10.
7. OES Wage Data by economic development region, MN DEED, Q1 2012.
11. HousingLink.
12. CoreLogic Negative Equity Report, Q1 2012.
15. Ibid. 15. Ibid. 16. Wilder Research Center, 2010 & MHP 2x4 Reports 2011-2012.