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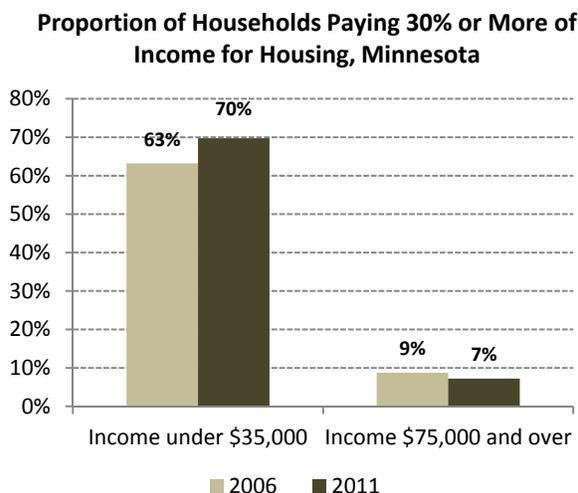
NEW CENSUS DATA: LOWER INCOME MINNESOTANS, THE YOUNG, AND THE OLD STRUGGLE TO AFFORD HOUSING

St. Paul, MN (September 20, 2012) – The [American Community Survey \(ACS\)](#) data released today shows that in 2011, renters and lower income Minnesotans particularly struggled to afford housing. The data also suggest a growing divide between lower and upper income Minnesotans when it comes to housing affordability.

New 2011 detailed Census Bureau figures provide the best information available about housing affordability in Minnesota for places with a population of 65,000 and up, including the Twin Cities, Duluth, Mankato, Rochester, and St. Cloud metro areas.

The data indicate that incomes are too low to afford rent for 1 in 2 renting households in Minnesota. These households paid more than 30% of their income for rent and essential utilities in 2011. For owners, 1 in 4 shared this level of struggle in affording their mortgages, utilities, and other costs of owning a home.

When families pay 30% or more of their income for housing, housing is considered unaffordable, according to standards set by the Department of Housing and Urban Development (HUD). Families then often must choose between paying for their housing and other competing needs such as food, medications, and transportation.



As the chart shows, in the last five years, the disparity in housing affordability has grown between those households with incomes under \$35,000 and those with incomes over \$75,000.

“It is essential that candidates running for election in November understand the scope of our state’s vast housing needs, especially for lower-income Minnesotans,” said Chip Halbach, executive director of the Minnesota Housing Partnership. “Our housing challenges are felt by people living throughout Minnesota,” he added.

(continued)

The Numbers: How Minnesota Fared in 2011

Cost Burden and Severe Cost Burden

- **Cost burdened households** pay **30% or more** of their income for housing. This included:
 - 50% of renter households and 27% of owner households.
 - Renters who are *older* and *younger* are particularly at risk, including:
 - 61% of renter households headed by someone 65+
 - 58% of renter households headed by someone under 25
- **Severely cost burdened households** pay **half or more** of their income for housing, which included:
 - 1 in 4 renter households and 1 in 11 owner households and
 - 1 in 7 of all the state's households

Home Ownership

- 73% of households owned a home in 2011, down from a peak of about 76% in 2005-2006.
- 1st – Minnesota's rank among the 50 states for highest homeownership rate.
- 45th – Minnesota's rank among the 50 states for homeownership for African-Americans. Minnesota's rank was 41st for Latinos, 36th for Asians, and 34th for Native Americans.

Income Inequality

- Since 1999, real income has fallen for both owner and renter households, but renters have fared worse.

	Median income, 1999 (in 2011 dollars)	Median income, 2011	Percent change
Owner households	\$74,696	\$69,705	- 7%
Renter households	\$35,839	\$29,094	-19%

- Lower income households are far more likely to live in housing that is unaffordable at their income levels, and the gap has grown in the last five years.

Major Metros

Data is available for five metro areas in Minnesota: The Twin Cities, Duluth, Mankato, Rochester, and St. Cloud.

- **Twin Cities:** the metro with highest rents.
- **Rochester:** the metro with the highest home ownership rate.
- Housing **affordability for renters is no different** in any of the metro areas than for the state as a whole, given statistical margins of error.
- **Owning a home** is more affordable for owners in Mankato, Rochester, and St. Cloud, than for those in the Twin Cities metro.

Contact MHP for additional analysis for Minnesota, Minneapolis-St. Paul, Duluth, Mankato, Rochester, and St. Cloud metros.