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## **NEW CENSUS DATA: ECONOMIC STORM'S LEADING EDGE SHOWED MINNESOTANS SWAMPED BY HOUSING COSTS**

**— Hundreds of Thousands Squeezed as State Entered Nosedive —**

**St. Paul, Minn. (September 22, 2009)** – The [American Community Survey \(ACS\)](#) data released today shows that, despite the onset of the housing meltdown, housing costs continued to severely burden Minnesotans in 2008. While the data does not cover what is the worst of the economic crisis in 2009, it gives the most complete picture of Minnesota housing available.

Even before 2009's market tailspin, Minnesotans were paying far too much for housing amidst other basic survival needs. From 2002 to 2008, the number of home owners paying more than half of their income on housing increased from 1 in 17 mortgage holders to 1 in 9. Overall, including renters, 1 in 8 households was paying at least half their income for housing—a severe cost-burden, according to the Dept. of Housing and Urban Development (HUD).

Such sustained high rates of housing cost are cause for alarm, especially in light of the subsequent economic crash. Today, economic indicators continue painting the picture of families squeezed from all sides. Between August 2008 and August 2009, reported unemployment rose significantly, from 5.4% to 8%.

“When families face high housing costs, it's harder managing day-to-day. They often cut costs for health care, food, and transportation just to keep their homes,” said Chip Halbach, executive director for the Minnesota Housing Partnership. “The community loses when a senior citizen has to go without groceries, a worker has no cash for bus fare to work, or a child becomes homeless and misses school.”

For those earning less than \$50,000 annually, almost 3 in 5 households pay at least 30% of their income for housing (HUD's standard of affordability). For those earning \$50,000 or more, only 16% have the same level of housing cost burden. Thus, low-and moderate-income households are far more likely to lack affordable housing.

“We need to ensure the housing market meets the needs of Minnesota families on all rungs of the income ladder,” continued Halbach.

Other key findings from a [Minnesota Housing Partnership \(MHP\)](#) analysis of state data include:

- Despite falling home values in Minnesota, owner costs did not drop in 2008.
- 692,000 households are estimated to be cost burdened, since they pay at least 30% of their income for housing. This represents 1 in 3 households.
- In 2003, about 1 in 4 senior-headed households paid too much of their income for housing; by 2008, that proportion rose to 1 in 3.

The Minnesota Housing Partnership, a statewide nonprofit, advances the preservation and creation of housing affordable to low- and moderate-income people as a means of strengthening communities and families. MHP provides local governments and nonprofit housing organizations access to loans, grants, and technical expertise to plan and construct housing; it also advocates for and educates people on sound housing policies.

- Racial disparities in home ownership rates persisted in 2008. The home ownership rate for African-American households was about 29%, Asian households 63%, Native American households 45%, and Latino households 51%. White, non-Latino households had a far higher rate of 78%.

MHP can provide further analysis on:

- Data specific to Minneapolis-St. Paul, Duluth, Rochester, and St. Cloud.
- Changes in the home ownership rate and home values for 2008.
- Housing affordability for senior citizens.
- Changes in housing affordability for home owners.
- Rental affordability in Minnesota.
- The supply of housing units affordable to lower-income families.

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