

Working doesn't always pay for a home.



By many measures, the Minneapolis-Saint Paul region is a great place to live. The quality of life is high, including ample green space and a vibrant arts scene; it is affordable relative to other cities; and there is a strong job market. Yet, many full time workers cannot find a home that is affordable to them.

Today, rental vacancy rates are just over two percent, keeping rents high and out of reach for many working families. Additionally, the average single-family home is too costly for many working individuals and families to buy.

A typical two-bedroom apartment in the Twin Cities area rents for \$1,248 per month and the median for-sale home price is \$266,000.¹ A home is considered to be affordable if a household pays no more than 30 percent of its income on housing costs or no more than 45 percent on combined housing and transportation costs. Any more than this, and families must cut back on other necessities such as food, clothing, and medical care.

Today, 28% of Twin Cities' households pay more than 30% of their income towards housing, a 25% increase since 2000.² Home is the foundation for personal and community success. When working families are priced out, our communities and the economy suffer.

After housing, transportation is usually a household's second largest expense. When you factor in the average transportation costs for the Minneapolis-Saint Paul region, the cost burden on a household increases by nearly 20 percent, depending upon a household's living and working locations.³

By the 30 percent measure, a family would have to earn \$49,920 per year (\$24.00 per hour) to afford to rent a two-bedroom apartment or \$76,741 per year (\$36.89 per hour) to afford to buy a modest single-family home. However, half of the jobs in the Twin Cities metro area pay less than \$56,035.⁴

Households with only one full-time wage earner face particular difficulty finding an affordable home. Even households with two family members working full-time in jobs that pay up to \$11.75 an hour (\$24,440 per year) cannot afford the typical two-bedroom apartment or single-family home.

Many workers are providing essential services for residents of local communities—child care, food service, health care, school busing, or banking—but they often are priced out of housing in the communities in which they work.

Ensuring that there is a full range of housing choices with access to transit in every Twin Cities' community is the smartest investment we can make in the future economic prosperity and competitiveness of our region.

The table on the back shows what individuals in different professions can afford to pay for housing and what homes for families actually cost as a percentage of their income.

¹Source Average Rent: Marquette Advisors' Apartment Trends for the Twin Cities Metro Area for the second quarter of 2018.

²Source Average For-Sale Home Price: Minneapolis Area Association of Realtors® Monthly Indicators Report for August 2018.

³Source: Metropolitan Council Housing Policy Plan Indicator Dashboard and Metro Facts, December 2017.

⁴Source: H+T® Fact Sheet: True Affordability and Location Efficiency for the seven-county Twin Cities Region by CNT

⁵Source: Bureau of Labor Statistics, May 2017 (latest available).



**FAMILY HOUSING
FUND**

PERCENTAGE OF INCOME NEEDED FOR HOUSING IN THE TWIN CITIES METROPOLITAN AREA

The statistics on housing costs and wages in this publication have been updated using the most current data available as of September 2018. For more information about the Family Housing Fund and to view other publications, please visit us online.

FHFUND.ORG

WORKPLACE POSITION	MEDIAN YEARLY SALARY FOR FULL-TIME WORKER ⁵	MONTHLY AMOUNT CAN AFFORD FOR HOUSING ⁶	PERCENTAGE OF INCOME REQUIRED TO RENT 2-BEDROOM APT. ⁷	PERCENTAGE OF INCOME REQUIRED TO OWN A HOUSE ⁸
Minimum Wage at a Large Employer (\$9.65/Hour)	\$20,072	\$506	75%	115%
Assembly Worker	\$35,339	\$883	42%	65%
Cashier	\$21,320	\$533	70%	108%
Child Care Worker	\$24,253	\$606	62%	95%
Delivery Driver (Light Truck)	\$37,794	\$945	40%	61%
File Clerk	\$31,741	\$794	47%	73%
Home Health Aide	\$27,872	\$697	54%	83%
Host/Hostess	\$22,464	\$562	67%	102%
Janitor, Cleaner	\$29,203	\$730	51%	79%
Landscaper/Groundskeeper	\$33,405	\$835	45%	69%
Maid/Housekeeping Cleaner	\$25,293	\$632	59%	91%
Nursing Assistant	\$34,008	\$850	44%	68%
Parking Lot Attendant	\$23,254	\$581	64%	99%
Receptionist	\$30,576	\$764	49%	75%
Restaurant Cook	\$27,602	\$690	54%	83%
Salesperson, Retail	\$22,734	\$568	66%	101%
School Bus Driver	\$34,715	\$868	43%	66%
Security Guard	\$30,555	\$764	49%	75%
Taxi Driver	\$28,350	\$709	53%	81%
Teacher Assistant	\$33,392	\$835	45%	69%
Telemarketer	\$30,347	\$759	49%	76%
Teller	\$26,458	\$661	57%	87%

⁵Source: Minnesota Department of Employment and Economic Development, Career and Education Explorer for EDR 11-7 County Twin Cities, retrieved September 26, 2018.

⁶Based on 30% of gross income.

⁷Based on 2nd Quarter 2018 Marquette Advisors average rent of \$1,248 for a two-bedroom apartment in the Twin Cities metropolitan area.

⁸Based on Minneapolis Area Association of Realtors Median Sales Price of \$265,000 for a single family home sold in the Twin Cities metropolitan area for the year-to-date 2018 (as of August).



**FAMILY HOUSING
FUND**

310 4th Ave South / Minneapolis, MN 55415
Suite 9000 / MAIN 612.375.9644

OCTOBER 2018 ©Family Housing Fund