

Out of Reach, produced annually by the National Low Income Housing Coalition, looks at the gap between what rental housing costs, and what renters earn. MHP produces an annual report using the national Out of Reach data. In 2015, there are no Minnesota counties in which one-bedroom apartments are affordable to minimum wage earners. Two-bedroom apartments are also unaffordable to many renters. Minnesota ranks among the worst in the Midwest for rental affordability.

Renters' incomes too low for a modest two-bedroom apartment in Minnesota

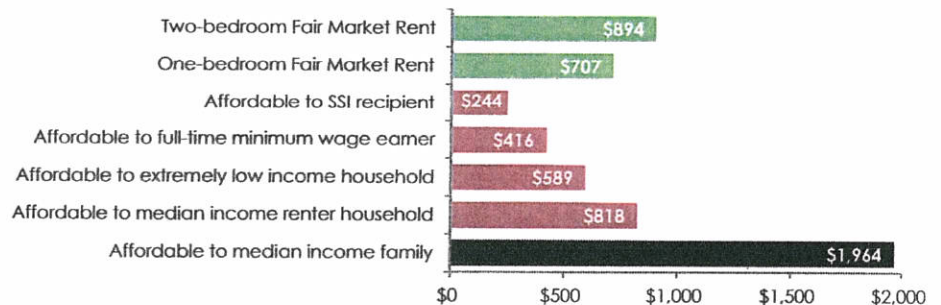
For 2015, the Fair Market Rent (FMR) for a two-bedroom apartment in Minnesota is \$894. In the Twin Cities metro, the rate is \$1,018. In order to afford this level of rent and utilities – without paying more than 30% of their income for housing – a family must earn \$35,767 annually. This requires working 40 hours/week year-round at the Housing Wage of \$17.20.

Lower-income workers cannot easily afford going rents

Minnesota fair market rents are unaffordable to many renters. Compare average fair market rents to what various renters can afford at their incomes levels, without paying over 30% of their income for housing.

Even a median income renter household falls short of being able to afford a modest two-bedroom apartment, on average. People with disabilities living on SSI and other low income people cannot afford even a one-bedroom apartment.

Rents Minnesota Households Can Afford, Compared to Fair Market Rents



Out of Reach 2015. Minnesota Housing Partnership and National Low Income Housing Coalition.

One-bedroom apartments: Out of reach to minimum wage workers

In order to afford the fair market rent for a one-bedroom apartment, a minimum wage earner must work 68 hours per week, 52 weeks per year. With Minnesota's recent hike in the state minimum wage, minimum wage workers now fare second worst in the Midwest, rather than worst, when it comes to housing affordability.

source: www.mhponline.org/publications/out-of-reach/2015

Fair Market Rent

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
ZERO-BEDROOM	\$584	\$641
ONE-BEDROOM	\$707	\$796
TWO-BEDROOM	\$894	\$996
THREE-BEDROOM	\$1,245	\$1,403
FOUR-BEDROOM	\$1,466	\$1,656

Annual Income Needed to Afford

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
ZERO-BEDROOM	\$23,368	\$25,640
ONE-BEDROOM	\$28,296	\$31,840
TWO-BEDROOM	\$35,767	\$39,840
THREE-BEDROOM	\$49,786	\$56,120
FOUR-BEDROOM	\$58,654	\$66,240

Renter Wage

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
ESTIMATED MEAN RENTER WAGE	\$13.11	\$15.02
RENT AFFORDABLE AT MEAN RENTER WAGE	\$682	\$781

Work Hours/Week at Mean Renter Wage

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
ZERO-BEDROOM	34	33
ONE-BEDROOM	41	41
TWO-BEDROOM	52	51
THREE-BEDROOM	73	72
FOUR-BEDROOM	86	85

Supplemental Security Income (SSI) Payment

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
SSI MONTHLY PAYMENT	\$814	\$814
RENT AFFORDABLE TO SSI RECIPIENT	\$244	\$244

Income Levels

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
30% OF AREA MEDIAN INCOME (AMI)	\$23,569	\$25,980
ESTIMATED RENTER MEDIAN INCOME	\$32,716	\$36,322

Rent Affordable at Different Income Levels

	<i>Minnesota</i>	<i>Minneapolis-St. Paul-Bloomington MSA</i>
30% OF AREA MEDIAN INCOME (AMI)	\$589	\$650
ESTIMATED RENTER MEDIAN INCOME	\$818	\$908