



## Education and Housing Equity Project Records.

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# Working Doesn't Always Pay For A Home



The Twin Cities area enjoys a strong economy and an enviably low unemployment rate. Unfortunately, with housing costs rising faster than wages, even working full-time does not guarantee access to affordable housing. The Twin Cities metropolitan area faces a severe shortage of decent, safe housing at prices that working families can afford.

A typical two-bedroom apartment in the metro area rents for \$621 per month, and a modest three-bedroom house sells for an average of \$93,000. A home is usually considered to be affordable if a family pays no more than 30 percent of its income in housing costs. Any more than this, and families often must cut back on other necessities such as food and clothing. By the 30 percent measure, a family would have to earn \$24,840 per year (\$12 per hour) to afford to rent a two-bedroom apartment or \$33,000 per year (\$16 per hour) to afford to buy a three-bedroom house. Many jobs pay far lower salaries.

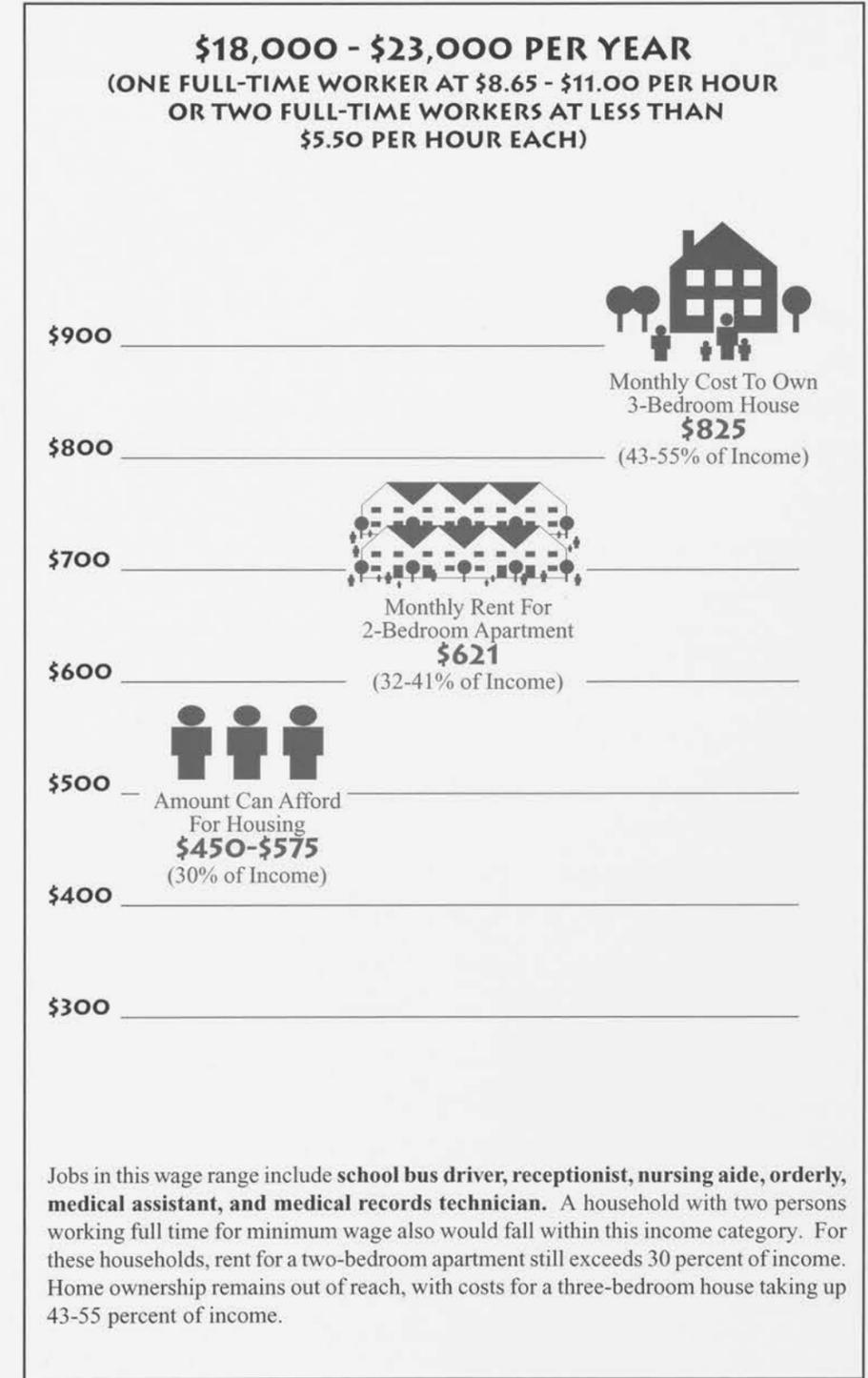
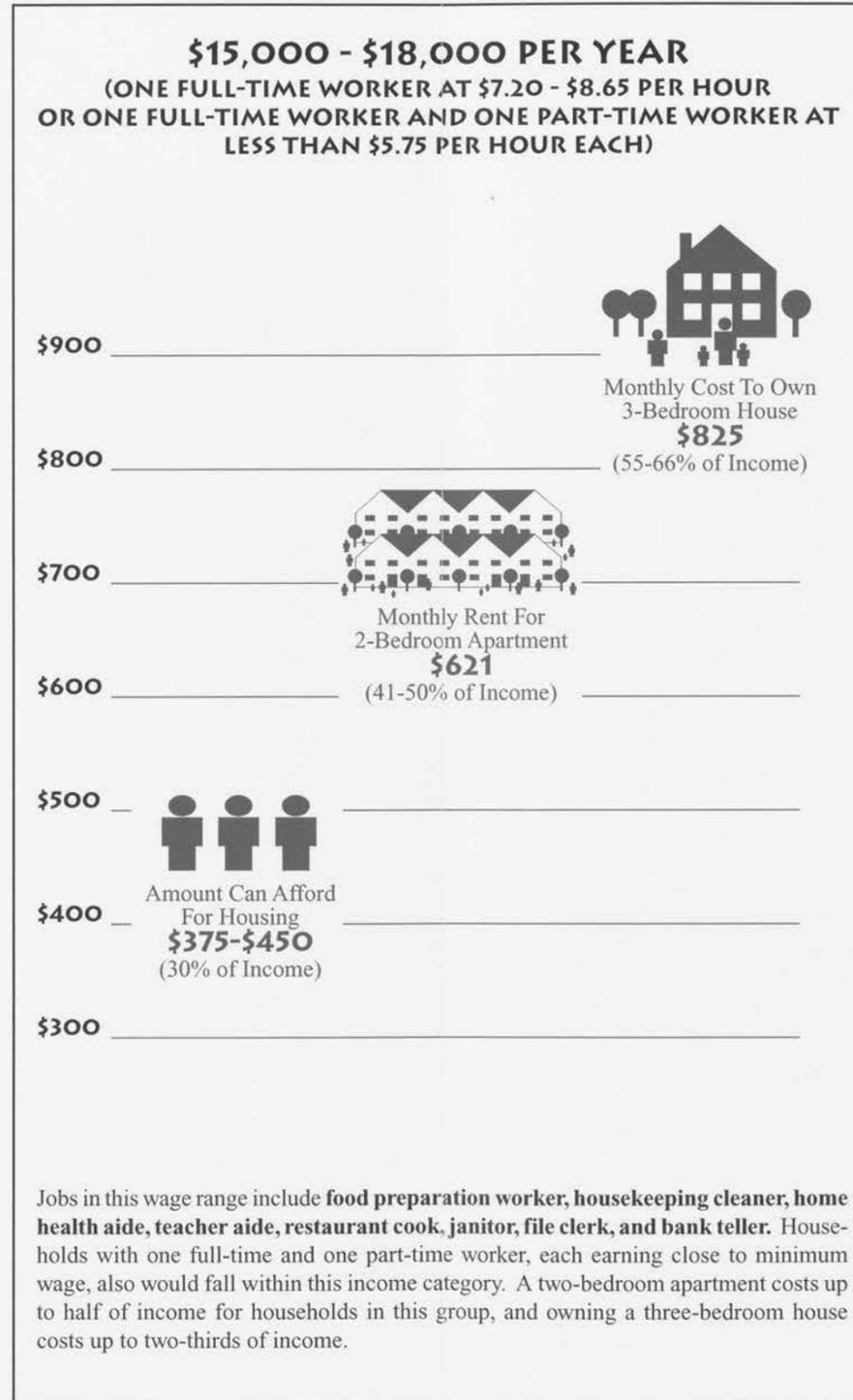
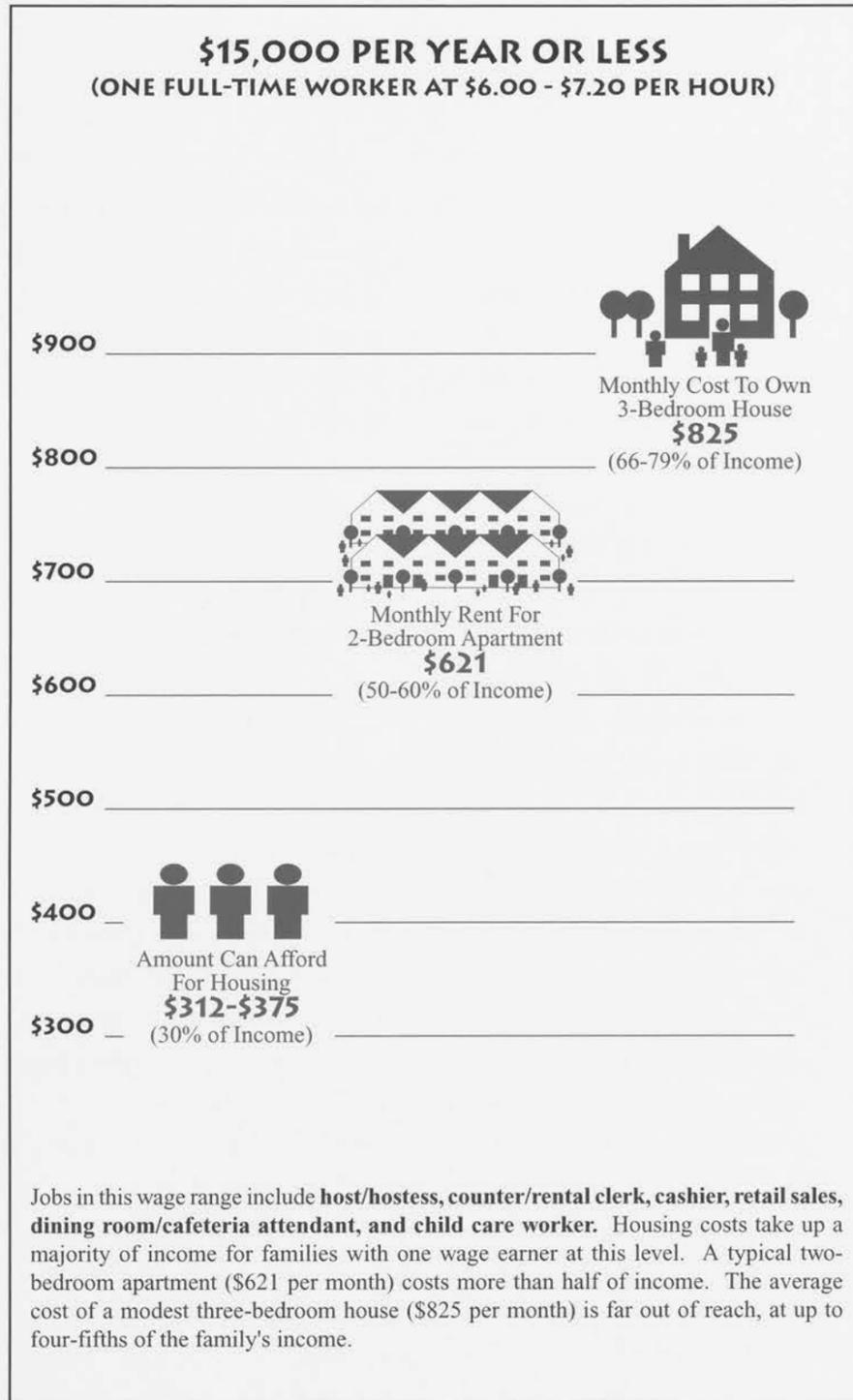
Households with only one full-time wage earner, such as single-parent families or families in which

one parent doesn't work outside the home, face particular difficulty finding an affordable home. Even with two family members working full-time in jobs that pay close to minimum wage (\$5.15/hour or \$10,700/year), however, a family cannot afford the typical two-bedroom apartment or three-bedroom house.

The need for affordable housing for working families is especially acute in communities with high levels of employment growth but few lower-priced apartments and houses. Many developing suburbs are experiencing significant job growth, but most affordable housing is concentrated in the center cities and first-ring suburbs. As a result, while many workers earning low wages are providing essential services for residents of local communities—child care, food service, or health care, for example—they often are priced out of housing in the communities in which they work.

The following graphs and table show what people in different professions can afford to pay for housing and what homes for families actually cost.

## HOUSING COSTS ARE OUT OF REACH FOR FAMILIES WITH THESE INCOMES



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

Position	Median Yearly Salary For Full-Time Worker <sup>1</sup>	Monthly Amount Can Afford For Housing <sup>2</sup>	Percentage of Income Required To Rent 2-Bedroom Apt. <sup>3</sup>	Percentage of Income Required To Own 3-Bedroom House <sup>4</sup>
Cashier	\$13,187	\$330	57%	75%
Child Care Worker	\$14,560	\$364	51%	68%
Counter and Rental Clerk	\$12,792	\$320	58%	77%
Dining Room/Cafeteria Attendant	\$13,312	\$333	56%	74%
File Clerk	\$16,931	\$423	44%	58%
Food Preparation Worker	\$15,600	\$390	48%	63%
Home Health Aide	\$15,912	\$398	47%	62%
Host/Hostess	\$12,480	\$312	60%	79%
Janitor, Cleaner	\$16,640	\$416	45%	59%
Maid, Housekeeping Cleaner	\$15,600	\$390	48%	63%
Medical Assistant	\$21,403	\$535	35%	46%
Medical Records Technician	\$22,277	\$557	33%	44%
Nursing Aide, Orderly, Attendant	\$19,656	\$491	38%	50%
Receptionist	\$18,720	\$468	40%	53%
Restaurant Cook	\$16,640	\$416	45%	59%
Salesperson, Retail	\$13,208	\$330	56%	75%
School Bus Driver	\$18,408	\$460	40%	54%
Teacher Aide	\$15,928	\$398	47%	62%
Teller	\$17,098	\$427	44%	58%

<sup>1</sup> Source: Minnesota Department of Economic Security, 1996 Minnesota Salary Survey.

<sup>2</sup> Based on 30% of income.

<sup>3</sup> Based on 1997 HUD Fair Market Rent of \$621 for a two-bedroom apartment in the Twin Cities metropolitan area.

<sup>4</sup> Based on Regional Multiple Listing Service average cost of \$93,000 (\$825 per month) for a three-bedroom, 1,000-1,500 square foot single-family home sold in the Twin Cities metropolitan area in 1996.

*This publication is part of a Public Education Initiative on affordable housing sponsored by the Family Housing Fund. The Family Housing Fund is a private, nonprofit corporation created in 1980 to help bridge the gap between the housing that people need and the housing they can afford. The Public Education Initiative is designed to provide informational materials on a variety of issues related to affordable housing in the Twin Cities metropolitan area.*

*For more information about the Public Education Initiative and other publications available in this series, please contact:*



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