
Housing Market Analysis and Demand Estimates
For the Cities of Breckenridge, Minnesota, and
Wahpeton, North Dakota

Prepared for:
City of Wahpeton, North Dakota

July 1996

**MAXFIELD
RESEARCH
GROUP**

A DIVISION OF
APARTMENT SEARCH, INC.



620 KICKERNICK, 430 FIRST AVENUE NORTH
MINNEAPOLIS, MINNESOTA 55401

WAHPETON

ECONOMIC DEVELOPMENT

12 September 1996

City of Breckenridge and
Breckenridge Port Authority
420 Nebraska Avenue
Breckenridge, Minnesota 56520

Attention: Blaine Hill

Dear Blaine

Please find enclosed a final master and one bound copy of the Maxfield Research Group Breckenridge and Wahpeton joint housing needs study. We just received the final report this afternoon. As Rick Fenske's attached 11 September letter indicates, Maxfield will be forwarding the remaining bound copies within a couple of days. We will be sure to let you know when they arrive. In that regard, would you please let Stan Thurlow know that the study is complete and finally available. Thank you.

We look forward to continue working together with Breckenridge and Wilkin County on these types of interrelated, important regional issues and on other matters of mutual community interest. Thanks for your cooperation!

Sincerely



Mark Krauseneck
Director

cc: Ralph Possehl
Kal Michels

MAXFIELD RESEARCH GROUP

September 11, 1996

Mark Krauseneck
City of Wahpeton
120 North 4th Street
Wahpeton, North Dakota 58075

Dear Mark:

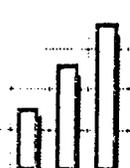
In our recent telephone conversation you mentioned that you would like you final copies of the housing needs study we conducted for Wahpeton and Breckenridge as soon as possible. But due to a error in our office supply delivery we are experiencing a shortage of paper in our office, and thus I was only able to send you four copies (two bound and two unbound copies) at this time. We will be sending out the remaining copies you requested (six bound copies) in a day or two. I am sorry for the inconvenience and I hope this does not create any problems for you.

MAXFIELD RESEARCH GROUP
A Division of Apartment Search, Inc.



Rick A. Fenske
Senior Market Analyst

612-338-0012
612-338-0659 FAX



620 KICKERNICK, 430 FIRST AVENUE NORTH
MINNEAPOLIS, MINNESOTA 55401

MAXFIELD RESEARCH GROUP

A DIVISION OF
APARTMENT SEARCH, INC.

July 31, 1996

Mr. Mark Krauseneck
120 North 4th Street
Wahpeton, North Dakota 58075

Dear Mr. Krauseneck:

We are pleased to present to you the attached report entitled *Housing Market Analysis and Demand Estimates for the Cities of Breckenridge, Minnesota, and Wahpeton, North Dakota*. The study analyzed the need for different types of housing in both communities.

Based on projected household growth, replacement need, and a review development thus far this decade, we have projected demand for roughly 360 additional housing units in Wahpeton and 100 housing units in Breckenridge through the end of the decade. Our research indicated a need for a wide variety of housing in these two communities. Ownership housing was estimated at 220 units in Wahpeton and 50 units in Breckenridge, while the rental housing demand was estimated at 140 units and 50 units, respectively. We believe a mixture of entry-level homes, move-up homes, executive homes, and owned multifamily units will be needed to satisfy the demand for ownership housing. The demand for rental housing can be satisfied by a combination of market rate and middle-market general occupancy rental projects, senior congregate projects, and an assisted living facility. Detailed recommendations are presented in the Conclusions and Recommendations section at the end of the report. These recommendations are meant to act as a guideline to development and variations of these development concepts could also satisfy the demand for housing in the area.

We have enjoyed conducting this research for you and look forward to working with you in the future. If you have any questions or comments, please feel free to give us a call.

Sincerely,

MAXFIELD RESEARCH GROUP
A Division of Apartment Search, Inc.



Thomas R. Melchior
Executive Director



Rick A. Fenske
Senior Market Analyst

RAF/raf

612-338-0012
612-338-0659 FAX

620 KICKERNICK, 430 FIRST AVENUE NORTH
MINNEAPOLIS, MINNESOTA 55401

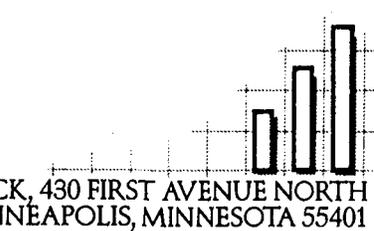


TABLE OF CONTENTS

	<u>Page</u>
PURPOSE AND SCOPE.....	1
SUMMARY OF FINDINGS	2
DEMOGRAPHIC REVIEW.....	7
Introduction/Study Area Definition	7
Population Growth Trends	9
Household Growth Trends	11
Age Distribution.....	14
Senior (65+) Population and Household Projections	17
Household Type	22
Household Tenure by Age	25
Household Income	27
EMPLOYMENT OVERVIEW	33
Introduction.....	33
Resident Employment	33
Covered Employment.....	36
Major Employers.....	38
Geographic Distribution of Employees.....	41
HOUSING CHARACTERISTICS	43
Introduction.....	43
Change in Tenure	43
Age of the Housing Stock	43
Units in Structure (By Tenure).....	48
Residential Construction	50
Housing Conditions.....	53
RENTAL MARKET ANALYSIS	54
Introduction.....	54
Rental Market Review.....	54
Pending Rental Developments	83
FOR-SALE MARKET ANALYSIS.....	86
Introduction.....	86
Single-Family Home Sales.....	86
Residential Lot Supply.....	89
Mobile Home Parks.....	90
Real Estate Professional Interviews	93

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Home Builder Interviews	95
Pending For-Sale Developments.....	97
CONCLUSIONS AND RECOMMENDATIONS	100
Introduction	100
Demographic Profile and Housing Demand	100
Forecast of Overall Housing Demand	102
For-Sale Housing	103
General Occupancy Rental Housing Demand.....	108
Market Rate Senior Rental Housing	113
Assisted Living Demand.....	115
Senior Rental Recommendations	116

LIST OF TABLES

<u>Table Number and Title</u>	<u>Page</u>
1 Population Growth, Wahpeton-Breckenridge Study Area, 1980-2010	10
2 Household Growth, Wahpeton-Breckenridge Study Area, 1980-2010	12
3 Age Distribution, Wahpeton-Breckenridge Study Area, (Number of Persons), 1980 and 1990.....	15
4 Age Distribution, Wahpeton-Breckenridge Study Area, (Percent of Population), 1980 and 1990.....	16
5 Older Adult (45+) Age Distribution, Study Area, 1990	18
6 Senior (65+) Population Projections, Wahpeton-Breckenridge Study Area, 1980 to 2010	19
7 Senior (65+) Household Projections, Wahpeton-Breckenridge Study Area, 1980 to 2010	21
8 Household Type, Wahpeton-Breckenridge Study Area, (Number of Households), 1980 - 1990	23
9 Household Type, Wahpeton-Breckenridge Study Area, (Percent of Households), 1980 - 1990.....	24
10 Tenure by Age of Householder, Wahpeton-Breckenridge Study Area, 1990.....	26
11 Household Income, Wahpeton-Breckenridge Study Area, (Number of Households), 1995	28
12 Household Income, Wahpeton-Breckenridge Study Area, (Percent of Households), 1995	30
13 Resident Employment, Wahpeton/Breckenridge Study Area, 1985, 1990-1995	34
14 Covered Employment By Industry, Wahpeton/Breckenridge Study Area, 1980, 1985, 1990, 1994, (Annual Averages).....	37
15 Major Employers, Primary Market Area, June 1996.....	39
16 Geographical Distribution of Employees, Wahpeton Major Employers, Winter 1995-96	42
17 Change in Owner and Renter Households, Wahpeton-Breckenridge Study Area, 1980 to 1990	44
18 Age of Housing, Wahpeton-Breckenridge Study Area, 1990.....	45
19 Tenure By Units in Structure, Wahpeton-Breckenridge Study Area, 1990.....	48
20 Residential Building Permits Issued For New Construction, Wahpeton and Breckenridge, 1975-1995.....	51
21 Subsidized Rental Projects, City of Wahpeton, June/July 1996.....	55
22 Subsidized Rental Projects, City of Breckenridge, June/July 1996.....	58
23 Market Rate Rental Projects, City of Wahpeton, June/July 1996.....	61
24 Market Rate Rental Projects, City of Breckenridge, June/July 1996.....	69
25 Unit Comparison, Market Rate Senior Rental Housing, July 1996.....	73
26 Development Services/Amenities Comparison, Market Rate Senior Housing, July 1996.....	77
27 Home Resale Price Distribution, City of Wahpeton, 1993 to 1995.....	87

LIST OF TABLES (Continued) ..

<u>Table Number and Title</u>	<u>Page</u>
28 Home Resale Price Distribution, City of Breckenridge, 1993 to 1995.....	88
29 Active Subdivisions, PMA, June 1996	89
30 Mobile Home Parks, Wahpeton/Breckenridge, June 1996.....	91
31 Housing Demand Calculations, Wahpeton-Breckenridge, 1990 to 2000	102
32 For-Sale Housing Demand Allocation, Wahpeton-Breckenridge Study Area, July 1996.....	104
33 Recommended Product, Market Rate Apartments, City of Wahpeton, July 1996 ..	110
34 Recommended Product, Middle-Market Rental Projects, Cities of Wahpeton and Breckenridge, July 1996.....	111
35 Market Rate Senior Rental Housing Demand, Wahpeton-Breckenridge Study Area, July 1996	114

PURPOSE AND SCOPE

Maxfield Research Group was contracted to conduct a joint housing needs study for the Cities of Wahpeton, North Dakota and Breckenridge, Minnesota. The purpose of this study is to estimate overall housing demand through the end of the decade and identify the types of housing that should be developed to meet the needs of current and future residents.

The scope of this study includes defining the draw (study area) for housing in Wahpeton and Breckenridge; an analysis of growth trends and the demographic composition of the population and household base of the study area; and an overview of the current housing situation with information on existing rental projects, the age of housing stock, household tenure, residential construction trends, single-family home sales, residential lot supply, and pending residential developments. Those interviewed for this study include real estate agents, rental property owners and managers, builder/developers, civic and business leaders, major employers, social service workers, nursing home staff, and others familiar with the local housing market. The Conclusions and Recommendations section of this report estimates the demand for different types of owned and rented housing; distinguishes potential target markets; and suggests appropriate development concepts including number of units, unit sizes, rents or purchase prices, design features, amenities, and absorption.

This report includes both primary and secondary research. Primary research includes interviews with leasing agents and rental property managers, and data on existing and proposed rental properties. Secondary research is credited to the source when used, and is usually data from the U.S. Census or one of the affiliated state data centers. Secondary research is always used as a basis for analysis, and is carefully reviewed in light of other factors that may impact projections such as residential building permit data or migration trends. All of the information on competitive rental housing projects and pending rental housing developments was gathered by Maxfield Research Group and is accurate to the best of our knowledge.

SUMMARY OF FINDINGS

- ◆ Maxfield Research Group was engaged to conduct a housing needs study for the Cities of Wahpeton, North Dakota, and Breckenridge, Minnesota. The study examined the amount and the types of housing needed in both communities to satisfy demand through the end of the decade.
- ◆ The Wahpeton-Breckenridge urban area is located roughly 30 miles directly south of the Fargo-Moorhead metropolitan area. The two communities are separated by the Red River but together form a single urban area of roughly 12,500 persons (1990 Census).
- ◆ An examination of growth trends and an analysis of the demographic composition for the primary draw area for housing in the two communities was conducted in order to aid in the determination of housing needs. The study area was divided into two market areas, the Primary Market Area (PMA) which consists of the Cities of Wahpeton and Breckenridge, and the Secondary Market Area (SMA) which includes the remainder of Richland County (North Dakota) and the remainder of Wilkin County (Minnesota).
- ◆ An analysis of growth trends revealed that the study area experienced modest declines in population (7.2 percent) during the 1980's, but the household base remained relatively stable. Both Wahpeton and Breckenridge experienced modest increases in the number households despite losses in population during the decade.
- ◆ In 1990, the PMA had a population of 12,459 persons and 4,444 households; with Wahpeton accounting for 8,751 persons and 2,967 households and Breckenridge 3,708 persons and 1,477 households. The SMA had 13,205 persons and 4,879 households in 1990; 9,204 persons and 3,551 households in Richland County (North Dakota) and 3,808 persons and 1,328 households in Wilkin County (Minnesota).
- ◆ Substantial increases in employment in Wahpeton should translate to significant population and household growth for the PMA during the remainder of the 1990's and into the first decade of the next century. Forecasts, calculated by Maxfield Research Group, predict an increase of roughly 1,100 persons (8.9 percent) and 590 households (13.2 percent) for the PMA during the 1990's and 1,480 persons (10.9 percent) and 650 households (12.9 percent) from 2000 to 2010. Wahpeton is expected to capture the vast majority of this growth. Conversely, the SMA is expected to continue to see declines in population and households through 2010.
- ◆ Despite declines in population, two age groups experienced increases during the 1980's. In the study area, adults (persons aged 25 to 44) increased by nearly 1,200 persons or 19.9 percent and seniors (persons age 65 and older) increased by roughly 130 persons or 3.0 percent. On the other hand, young adults (persons aged 18 to 24) experienced substantial declines, with a loss of approximately 2,220 persons (44.4 percent), due in part to

the aging of the “baby bust” generation and declines in enrollment at North Dakota State College of Sciences.

- ◆ Projections show that the study area senior household base will continue to increase during the 1990’s, with an increase of 129 households, but will decline slightly between 2000 and 2010, before increasing again after 2010 as the baby boomers age into their senior years. Older seniors (those aged 75 and older) will account for all of the growth during the 1990’s, as the younger senior base declines slightly.
- ◆ Two types of households experienced significant increases in the study area during the 1980’s: persons living alone increased by 390 households (18.6 percent) and married couples without children increased by 370 households (14.8 percent). Conversely, married couples with children declined by 720 households (20.3 percent).
- ◆ Persons living alone was the largest household type in both Breckenridge and Wahpeton in 1990, where they comprised 29.6 and 32.1 percent of all households, respectively. Single persons are primarily seniors.
- ◆ 58.7 percent of the households in the PMA and 83.2 percent of the SMA’s households owned their housing in 1990. The proportion of renters in the PMA is skewed upwards somewhat by the existence of students at NDSCS in Wahpeton. While the 15 to 24 age group had the highest proportion of renters in the study area (83.3 percent), the 25 to 34 age group had the largest numerical total, and accounted for nearly 30.0 percent of all renters. A much larger proportion of seniors in the PMA rented their housing (40.4 percent) than SMA seniors (13.3 percent), due to the presence of a large concentration of multifamily rental housing (both market rate and subsidized) in the PMA.
- ◆ The PMA added 180 households during the 1980’s. Households that owned their housing increased by 80 households (3.2 percent) and renter households increased by 100 households (5.8 percent). To the contrary, the SMA lost 164 owner households (a decline of 3.9 percent) and 39 renter households (a decline of 4.5 percent) during the decade.
- ◆ The median household income for all study area households was approximately \$29,600 in 1995. The median income was slightly higher in the SMA (\$30,505) than it was in the PMA (\$28,632). Incomes peak in the middle-age adult cohorts. The 35 to 44 and the 45 to 54 age groups had the highest median incomes in both the PMA (\$41,876 and \$41,108, respectively) and the SMA (\$38,850 and \$39,989, respectively). Younger adults (those age 15 to 24) and senior households, particularly households age 75, have significantly lower median incomes. Concentrations of these two groups in the PMA skews the PMA’s median income downward.
- ◆ Both residential employment and covered employment increased significantly in the study area during the early 1990’s. Residential employment (the number of employed residents) increased by roughly 700 persons (6.2 percent) between 1990 and 1995, while

covered employment (the number of jobs covered by state unemployment compensation laws) increased by 1,307 jobs (16.5 percent) in the study area between 1990 and 1994.

- ◆ Maxfield Research Group surveyed the 20 largest employers in the PMA. These employers had a total of 3,384 full-time jobs as of June 1996. The surveys revealed that employment will continue to increase substantially during the remainder of the 1990's, with an estimated increase of 200 to 300 jobs from these employers over the next three to four years.
- ◆ The study area's housing stock was built primarily during two periods: before 1940 (35.3 percent of the total) and during the 1970's (24.2 percent of the total). Nearly one-half of the housing units in the SMA were built prior to 1940 versus roughly 19.0 percent in the PMA. Conversely, nearly one-third of the housing stock in the PMA was built during the 1970's versus 17.0 percent in the SMA.
- ◆ A review of residential construction trends revealed that the PMA added 1,726 housing units (670 single family homes and 1,056 multi-family units) between 1975 and 1995. Wahpeton comprised about 71.0 percent of the single family units and 89.0 percent of the multi-family units. Residential construction was very strong during the late-1970's (nearly 1,040 housing units were built between 1975 and 1980), but tailed off sharply during the 1980's (when 472 housing units were built) and early-1990's (with 215 housing units built between 1990 and 1995).
- ◆ Maxfield Research Group surveyed the existing larger (six or more units) rental projects in the study area in June and July of 1996. Of the 1,324 rental units surveyed, 96 units were vacant, for an overall vacancy rate of 7.3 percent. Roughly two-thirds of the units inventoried were market rate units while the remaining one-third were subsidized.
- ◆ Maxfield Research Group identified 14 subsidized rental projects in the PMA, these projects had a total of 470 units. Ten projects (278 units) were general occupancy projects and four projects (192 units) were senior projects. The general occupancy projects had a vacancy rate of 8.3 percent and the senior projects had a vacancy rate of 13.0 percent. However, Park Manor in Breckenridge, accounted for all of the vacancies in the PMA's subsidized senior projects.
- ◆ A total of 854 market rate rental units were surveyed in the PMA and 48 of these units were vacant, resulting in a vacancy rate of 5.6 percent. However, two projects, were still in their initial lease-up period at the time of the survey. If these projects were excluded, the vacancy rate for market rate projects would drop to 3.6 percent. Wahpeton accounted for 756 of the market rate units and had a vacancy rate of 6.1 percent (3.8 percent excluding the two projects in their initial lease-up period). Breckenridge accounted for 98 of the market rate units surveyed and had a vacancy rate of 1.9 percent.
- ◆ Typically, a healthy market rate rental market will have a vacancy rate near 5.0 percent in order to allow for consumer choice and unit turnover. A vacancy rate significantly above

5.0 percent usually reveals either an over supply of rental units or a mismatch between the supply and the demand. A vacancy rate below 5.0 percent typically indicates pent-up demand. Subsidized rental housing, being need driven, should have a vacancy rate near zero.

- ◆ Currently, the Leach Home, a 39-bed residential care facility located in Wahpeton is the only market rate senior housing alternative in the study area other than a nursing home.
- ◆ Homes sold in Wahpeton between 1993 and 1995 had a median selling price of \$58,125 and an average selling price of \$61,097. In Breckenridge the median selling price was \$33,000 and the average selling price was \$39,339.
- ◆ Maxfield Research Group inventoried the supply of available lots in the PMA's active subdivisions in June 1996. This inventory found 52 lots available in three subdivisions in Wahpeton and 18 lots available in Breckenridge's only existing subdivision.
- ◆ Interviews with real estate professionals in Wahpeton and Breckenridge indicated that the greatest need in both communities was for affordable single-family homes and alternative housing for seniors. The real estate professionals mentioned that homes priced in the \$60,000 to \$90,000 range is price range had the greatest demand and lowest supply. Alternative housing for seniors was also mentioned as being needed in that it would free up some of the older more modestly priced homes for younger households.
- ◆ Maxfield Research Group found a need for an additional 360 housing units (roughly 220 owner-occupied units and 140 rental units) in Wahpeton and 100 units (50 owner-occupied units and 50 rental units) in Breckenridge to satisfy demand through the end of the decade. It should be noted that these demand figures are elastic in that, if employment growth is greater than expected, demand could be higher and vice-versa. Also, if one or both of the communities fail to effectively provide the type of housing demanded, some of the demand for that community could be lost to the neighboring community or to surrounding communities such as Fargo, Fergus Falls or other smaller towns in the vicinity.
- ◆ Based on the research, it is estimated that between 30 and 35 percent of the ownership demand in Wahpeton (65 to 80 units) and 35 to 40 percent (18 to 20 units) of the demand in Breckenridge would be for entry-level housing, priced between \$60,000 and \$90,000. Another 30 to 35 percent of Wahpeton's demand and 35 to 40 percent of Breckenridge's demand for ownership housing will be for move-up housing, priced between \$90,000 and \$150,000. Roughly 10 to 15 percent of both communities demand (20 to 30 units in Wahpeton and 5 to 8 units in Breckenridge) will be for executive housing, priced at over \$150,000. Owner-occupied multifamily housing, priced between \$90,000 and \$120,000, will comprise about 20 to 30 percent of Wahpeton's demand (45 to 65 units) and 10 to 15 percent of Breckenridge's demand (5 to 8 units).

- ◆ In addition to the existing lots, both communities have a number of platted lots that are not yet serviced with roads and city utilities, however additional lots are still needed in both communities to satisfy the level of development needed to accommodate the projected growth.
- ◆ Based our research, we do not recommend the development of any subsidized rental housing in the PMA at this time.
- ◆ Recommended market rate general occupancy rental developments include two projects in Wahpeton, a 24- to 30-unit conventional market rate project, with rents ranging from \$500 per month for one-bedroom units to \$800 per month for three-bedroom units, and a 30- to 36-unit middle-market project with rents ranging from \$400 per month, for one-bedroom units, to \$600 per month, for three-bedroom units.
- ◆ In Breckenridge, we recommend the development of a 12- to 16-unit middle-market project with rents similar to Wahpeton's middle-market project, \$400 to \$600 per month depending on the size of the unit.
- ◆ Short-term demand for market rate senior housing was calculated to be 36 units for Wilkin County and 79 units in Richland County, while assisted living demand was estimated at 13 units in Wilkin County and 28 units in Richland County. The vast majority of this demand would likely be satisfied by the development of senior housing in the PMA.
- ◆ Recommended market rate senior rental developments include two projects in Wahpeton, a 40- to 50-unit congregate/optional services project and a 20- to 25-unit assisted living project. Suggested rents for the optional service project range from \$600 per month for a one-bedroom unit to \$800 per month for a two-bedroom unit. Fees at the assisted living facility should range from roughly \$1,300 per month for a studio unit to \$1,800 per month for a two-bedroom unit.
- ◆ A 30- to 36-unit congregate/service intensive project is recommended for Breckenridge. Suggested rents at the service intensive project should range from \$600 per month for a studio unit to \$950 per month for a two-bedroom unit.

DEMOGRAPHIC REVIEW

Introduction/Study Area Definition

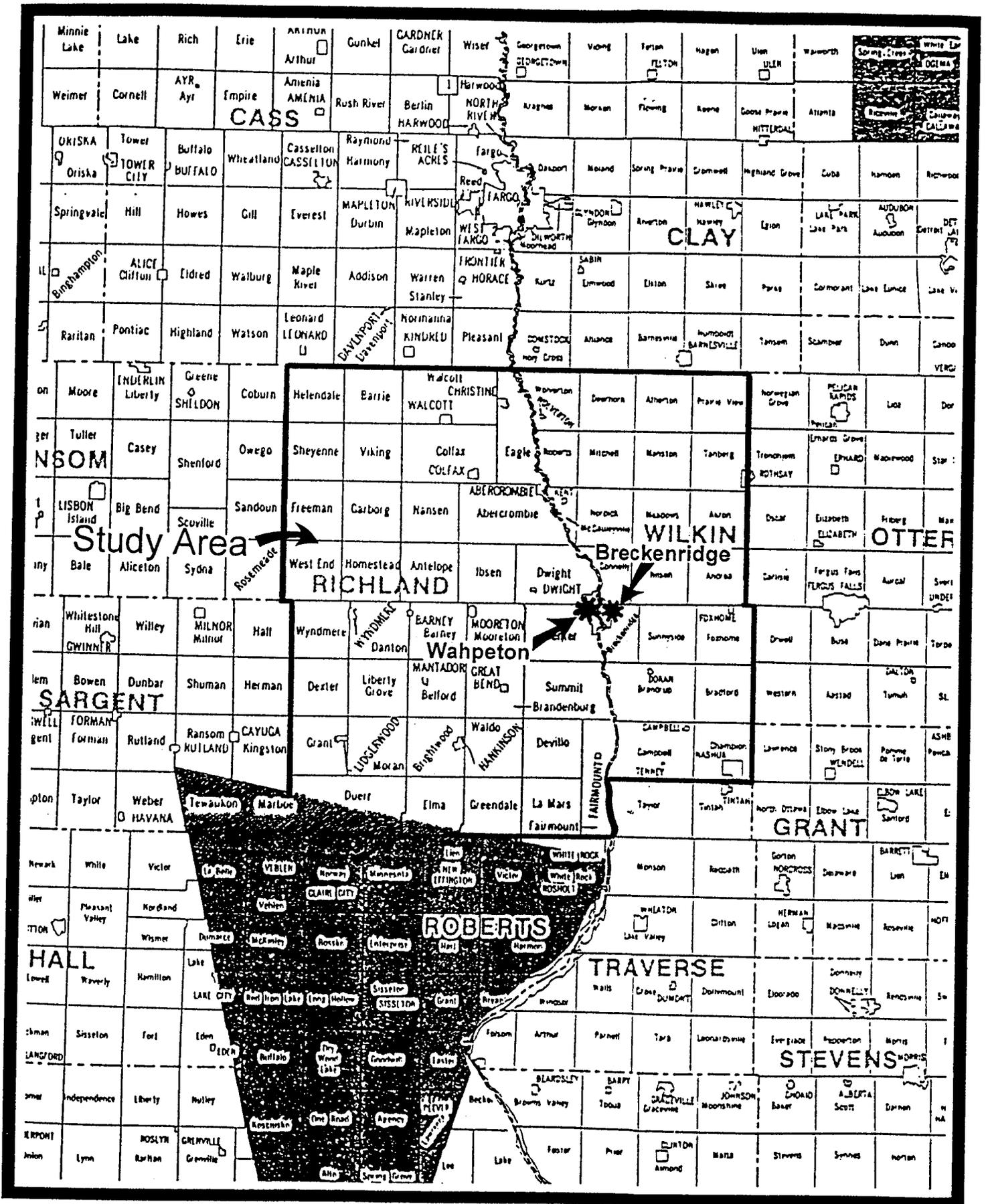
The projected growth of the household and employment base and the composition of the population are the primary components of demand for new housing. In order to determine the need for additional housing and the types of housing most appropriate for the market, we have examined growth trends and the demographic composition of the population and household base for a study area defined as the primary draw area for housing in Wahpeton and Breckenridge.

The study area was divided into two market areas: the Primary Market Area (PMA) which consists of the Cities of Wahpeton and Breckenridge, with the remainder of Richland and Wilkin Counties comprising the Secondary Market Area (SMA). While the majority of the demand for housing in Breckenridge and Wahpeton will come from within the PMA, the SMA will also account for a significant proportion of the demand for housing in the area. A map on the following page shows both the PMA and SMA. The study area was defined based on highway patterns, proximity to larger communities, school district boundaries, and draw areas for local retail and service industries.

It should be noted that because of the significant employment growth that is expected in the region over the next few years, the full extent of the draw area for housing in the Wahpeton/Breckenridge area is larger than the defined study area, as many households have and will continue to move into the area due to employment opportunities.

The demographic profile of a region impacts the type of housing that is needed. A large portion of renters are single persons (typically young adults and seniors), single parents or young couples just starting out. Individuals new to an area, such as recent job transfers, will also prefer to rent at least initially, until they become settled into a community. Many young renters cannot afford to purchase a home or are more mobile and require more flexible living arrangements.

As households age their housing needs also change and they are more likely to own their housing (and in many cases, they have established families with children); however, there will always be a portion of households in all age groups that will prefer renting over home ownership. Young couples/families typically buy more modest priced single-family homes due to income limitations. But as household incomes increase, and perhaps their family expands, they tend to move into larger and often newer, single-family homes. When these households approach their late-50's early-60's, or when their children leave home, some households may desire to downsize their housing or will consider alternative housing types such as townhomes, condominiums or apartments. On the other hand, some householders continue to live in their single-family homes well into their 70's before they consider moving into alternative housing and relinquish the responsibilities of maintaining a single-family home or because they may need housing with support services.



Study Area

If employment opportunities in the region increase and the number of young and/or middle-age households increase as a result, the demand for general occupancy rental housing and single-family construction will increase. As empty-nesters and seniors move into alternative types of housing and sell their homes, these homes will satisfy some the demand for single-family dwellings.

This section of the report includes information on growth trends and the demographic composition of the study area with an analysis of the implications that this data will have on housing demand. For comparison purposes, the demographic tables also include state totals for North Dakota and Minnesota.

Population Growth Trends

Table 1 shows population trends for the study area for 1980 through 2010. Data for 1980 and 1990 are from the U.S. Census. The table also includes the latest estimates (1994) for each study area community as well as forecasts for 2000 and 2010. The 1994 estimates for Breckenridge, the remainder of Wilkin County and the remainder of Richland County came from Minnesota Planning and the North Dakota Data Center, respectively. The 1994 figures for Wahpeton are from a special census conducted by the U.S. Census in the fall of 1994. The forecasts for 2000 and 2020 were projected by Maxfield Research Group in light of state forecasts reviewed by our firm, which showed the region was expected to see significant declines in population through 2010, although the most recent estimates show growth in the area. Maxfield Research Group believes that these state forecasts were not an accurate representation of the growth that the study will likely experience, given the substantial increase in employment expected for the study area. Thus we have based the population forecasts presented in the table on a number of factors including: a review of the 1994 estimates, building permit records, the demographic composition of the study area, a shift in migration patterns, and anticipated job growth. The following paragraphs summarize the key points from Table 1.

- The study area declined from 27,661 persons in 1980 to 25,664 persons in 1990, a loss of nearly 2,000 persons or 7.2 percent. The majority of this decline occurred in the SMA which decreased by roughly 1,500 persons or 10.0 percent. Meanwhile, the PMA's population decreased by only 514 persons (4.0 percent) during the 1980's, for a total of 12,459 persons in 1990.
- The population declines in the City of Wahpeton during the 1980's, can be explained by a substantial decline in enrollment at North Dakota State College of Science during the decade. According to enrollment records, NDSCS lost roughly 1,200 students in the 1980's. Taking into the account the decline in students, Wahpeton's permanent population increased significantly during the decade.
- The study area experienced a slight increase in population between 1990 and 1994, due to significant growth in the PMA which added about 390 persons (3.1 percent) from 1990.

TABLE 1
 POPULATION GROWTH
 WAHPETON-BRECKENRIDGE STUDY AREA
 1980-2010

	U. S. Census		Estimate 1994	Forecast		Change					
	1980	1990		2000	2010	1980-1990		1990-2000		2000-2010	
					No.	Pct.	No.	Pct.	No.	Pct.	No.
Wahpeton	9,064	8,751	9,135	9,700	10,950	-313	-3.5	949	10.8	1,250	12.9
Breckenridge	3,909	3,708	3,710	3,870	4,100	-201	-5.1	162	4.4	230	5.9
Subtotal	12,973	12,459	12,845	13,570	15,050	-514	-4.0	1,111	8.9	1,480	10.9
Remainder of Richland Coun	10,143	9,397	9,204	8,920	8,400	-746	-7.4	-477	-5.1	-520	-5.8
Remainder of Wilkin County	4,545	3,808	3,690	3,500	3,100	-737	-16.2	-308	-8.1	-400	-11.4
Subtotal	14,688	13,205	12,894	12,420	11,500	-1,483	-10.1	-785	-5.9	-920	-7.4
Study Area Total	27,661	25,664	25,739	25,990	26,550	-1,997	-7.2	326	1.3	560	2.2
North Dakota	652,717	638,800	637,994	618,150	591,896	-13,917	-2.1	-20,650	-3.2	-26,254	-4.2
Minnesota	4,075,970	4,375,099	4,570,355	4,649,480	4,861,290	299,129	7.3	274,381	6.3	211,810	4.6

Sources: Bureau of the Census: U.S. Census of Population and Housing (1980 & 1990)
 Bureau of the Census: Wahpeton Special Census (Fall 1994)
 State Data Center, University of North Dakota
 Minnesota State Planning: Minnesota's Changing Counties, 1990-2020
 Minnesota State Planning: 1994 Population and Household Estimates for MCD's
 Maxfield Research Group

Nearly all of the PMA's growth occurred in Wahpeton. The SMA experienced a decrease of about 310 persons (2.4 percent) between 1990 and 1994.

- Population forecasts for 2000 and 2010 show continued growth in the PMA, while declines are expected in the SMA. The growth in the PMA should outweigh the declines in the SMA during the remainder of the 1990's, causing a slight increase in the overall study area population from 1990 to 2000. However, growth in the PMA is not expected to keep up with the declines in the SMA between 2000 and 2010 and the study area will see a slight decline in population during the first decade of the next century.
- The PMA is expected to increase by roughly 1,100 persons (8.9 percent) in the 1990's and by 1,480 persons (10.9 percent) from 2000 to 2010. The SMA is expected to decrease by nearly 790 persons (6.0 percent) in the 1990's and by 920 persons from 2000 to 2010.

Household Growth Trends

Household growth is a more direct indicator of housing demand than population growth because households represent actual occupied housing units. Table 2 presents data on the number of households in the study area in 1980 and 1990 from the U.S. Census, estimates for 1994, and forecasts for 2000 and 2010 made by Maxfield Research Group. The following paragraphs summarize the key points from Table 2.

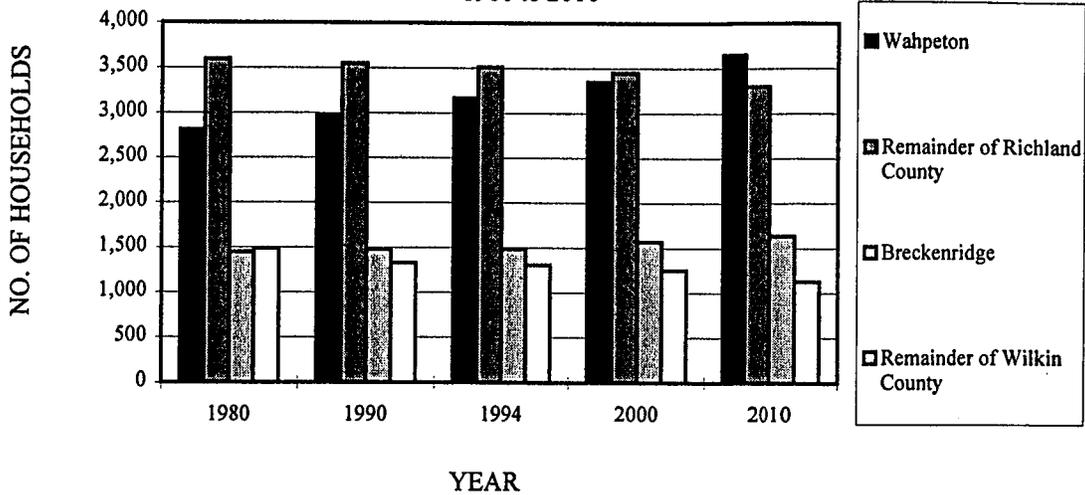
- During the 1980's the household base in the study area remained stable, with a less than a 1.0 percent change, at a little over 9,300 households. In the PMA, the households increased by 180 households (4.2 percent) from 4,264 households in 1980 to 4,444 households in 1990. At the same time, the number of households in the SMA decreased by 203 households (4.0 percent) from 5,082 households in 1980 to 4,879 households in 1990.
- Household estimates for 1994 showed a significant increase in households in the PMA, and a slight decline in the SMA's household base since 1990. According to the estimates, the PMA gained about 210 households, an increase of 4.7 percent, while the SMA lost 60 households or 1.2 percent. As with the population trends, the majority the PMA's household growth occurred in Wahpeton.
- Forecasts show continued increases in the study area's household base though 2010, with the PMA expected to see significant growth while the SMA will see modest declines. According to the forecasts, the PMA will have 5,030 households in the year 2000, an increase of nearly 590 households or 13.2 percent from 1990. Meanwhile, the SMA is expected to decline to 4,700 households, a decrease of roughly 180 households or 3.7 percent. The study area is expected to see slightly less growth between 2000 and 2010, than the preceding decade, with slightly greater increases in the PMA, 650 households and slightly greater declines in the SMA, 270 households.

TABLE 2
HOUSEHOLD GROWTH
WAHPETON-BRECKENRIDGE STUDY AREA
1980-2010

	U. S. Census		Estimate	Forecast		Change					
	1980	1990		1994	2000	2010	1980-1990		1990-2000		2000-2010
						No.	Pct.	No.	Pct.	No.	Pct.
Wahpeton	2,816	2,967	3,168	3,450	3,980	151	5.4	483	16.3	530	15.4
Breckenridge	1,448	1,477	1,487	1,580	1,700	29	2.0	103	7.0	120	7.6
Subtotal	4,264	4,444	4,655	5,030	5,680	180	4.2	586	13.2	650	12.9
Remainder of Richland County	3,597	3,551	3,512	3,450	3,300	-46	-1.3	-101	-2.8	-150	-4.3
Remainder of Wilkin County	1,485	1,328	1,307	1,250	1,130	-157	-10.6	-78	-5.9	-120	-9.6
Subtotal	5,082	4,879	4,819	4,700	4,430	-203	-4.0	-179	-3.7	-270	-5.7
Study Area Total	9,346	9,323	9,474	9,730	10,110	-23	-0.2	407	4.4	380	3.9
North Dakota	227,664	240,878	239,000	237,000	237,700	13,214	5.8	-3,878	-1.6	700	0.3
Minnesota	1,405,512	1,647,853	1,735,535	1,802,330	1,969,350	242,341	17.2	154,477	9.4	167,020	9.3

Sources: Bureau of the Census: U.S. Census of Population and Households (1980, & 1990)
 Bureau of the Census: Wahpeton Special Census (Fall 1994)
 State Data Center, University of North Dakota
 Minnesota State Planning: Tomorrow's Households, 1990-2020
 Minnesota State Planning: 1994 Population and Household Estimates for MCD's
 Maxfield Research Group

CHART 1
HOUSEHOLD GROWTH TRENDS
WAHPETON-BRECKENRIDGE STUDY AREA
1980 to 2010



Source: Maxfield Research Group

Comparing the study area's household growth with its population growth reveals that the rate of household growth is greater than population growth, and household growth occurred despite declines in population. This is due to social and demographic trends that began in the 1960's and continue today. Large numbers of households were formed by the "baby boom" generation (persons born between 1946 and 1964) starting in the late-1960's and continuing through the 1980's. The increase in the number of households did not have a corresponding increase in population as household size declined. Several factors influence household size including: couples deciding to have fewer or no children, increased divorce rates, and a shift from traditional to non-traditional households. These are the major factors that have contributed to smaller household size. The 1990's will see a lessening of the disparity between household and population growth rates as the "baby bust" generation (persons born between 1965 and 1976) becomes the driving force of household formation. However, baby boomers that have typically held off having children longer than their parents are now having children of their own, resulting in a "baby boomlet," which has produced numbers of births similar to the latter years of the baby boom. These persons will begin entering the housing market in the late-1990's, but will not have the same impact on the housing market as did the baby boom generation.

Again it should be noted that because households are occupied housing units, the level of household growth is a better indicator of housing demand than is population growth. The projected growth in households through 2010 indicates a need for a substantial level of housing development in the PMA during this timespan.

Age Distribution

Age distribution trends, along with other demographic characteristics, affect demand for different types of housing since needs and desires change at different stages of the life cycle. Tables 3 and 4 show the age distribution of the overall population of the study area in 1980 and 1990, while Table 5 shows a breakdown of the age distribution of older adults and seniors by sex in the study area in 1990.

Age Distribution of Population in 1980 and 1990

Table 3 shows the number and Table 4 the percent of persons in each of five age cohorts: children (persons age 17 and under), young adults (persons age 18 to 24), adults (persons age 25 to 44), middle-aged adults (persons age 45 to 64), and seniors (persons age 65 and older). The table is useful in tracking the two important age groups, baby boomers and baby busters. In 1990, baby boomers were between the ages of 26 and 44 and consisted of almost the entire adult age group (persons age 25 to 44), while baby busters were between the ages of 14 and 25 and were included in all of the young adult age group (persons age 18 to 24) and a portion of the children's age group (persons age 17 and under). The table is also useful in that it breaks out the young adult age cohort from the remainder of the population. This age group is especially important to track in the City of Wahpeton, where the number of persons in this age group is skewed upwards because of the existence of North Dakota State College of Science (NDSCS). The students typically create a market for modestly priced rental housing. However, because NDSCS is a two-year college and most students are younger, students do not have as large an impact on the housing market in Wahpeton and Breckenridge as many major colleges do. The following are the key trends derived from Tables 3 and 4.

- The study area's adult and senior age groups both posted increases during the 1980's despite declines in the overall population.
- The adult age group was the only group to experience substantial growth, increasing by nearly 1,200 persons (19.9 percent) in the study area. Roughly two-thirds of the study area's increase in adults occurred in the PMA, which increased by roughly 794 persons or 29.6 percent. This growth is explained by the aging of baby boom generation into this age cohort.
- While the number of children declined modestly in the study area, by 431 persons, their proportion of the total population increased slightly, from 27.0 to 27.4 percent, between 1980 and 1990. However, the North Dakota portion of the study area (Wahpeton and the remainder of Richland County) saw slight increases in children. The increase in children are the result of the significant increases in baby boomers in both of these areas.
- The effects of the declining birth rates from 1965 to 1976, "the baby bust," coupled with the decreasing enrollment at NDSCS can clearly be seen in decline of the study area's young adult age group, where the number of persons age 18 to 24 declined by approximately 2,220

TABLE 3
AGE DISTRIBUTION
WAHPELTON-BRECKENRIDGE STUDY AREA
(Number of Persons)
1980 and 1990

	Total Population		Age 17 & Under		Age 18 - 24		Age 25 - 44		Age 45 - 64		Age 65 & Over	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Wahpeton	9,064	8,751	2,255	2,325	2,883	1,714	1,850	2,441	1,130	1,151	946	1,120
Breckenridge	3,909	3,708	1,246	998	353	309	836	1,039	752	644	722	718
Subtotal	12,973	12,459	3,501	3,323	3,236	2,023	2,686	3,480	1,882	1,795	1,668	1,838
Remainder of Richland County	10,143	9,397	2,550	2,592	1,274	507	2,249	2,601	2,243	1,892	1,827	1,805
Remainder of Wilkin County	4,545	3,808	1,467	1,128	485	249	1,032	1,070	968	788	593	573
Subtotal	14,688	13,205	4,017	3,720	1,759	756	3,281	3,671	3,211	2,680	2,420	2,378
Study Area Total	27,661	25,664	7,518	7,043	4,995	2,779	5,967	7,151	5,093	4,475	4,088	4,216
North Dakota	652,717	638,800	218,788	195,365	69,393	47,873	167,803	194,035	116,288	110,472	80,445	91,055
Minnesota	4,075,970	4,375,099	1,336,740	1,293,546	393,566	316,046	1,125,755	1,445,827	740,345	772,746	479,564	546,934

Sources: Bureau of the Census: U.S. Census of Population and Housing (1980 & 1990)
Maxfield Research Group

TABLE 4
AGE DISTRIBUTION
WAHPETON-BRECKENRIDGE STUDY AREA
(Percent of Population)
1980 and 1990

	Total Population		Age 17 & Under		Age 18 - 24		Age 25 - 44		Age 45 - 64		Age 65 & Over	
	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Wahpeton	100.0	100.0	24.9	26.6	31.8	19.6	20.4	27.9	12.5	13.2	10.4	12.8
Breckenridge	100.0	100.0	31.9	26.9	9.0	8.3	21.4	28.0	19.2	17.4	18.5	19.4
Subtotal	100.0	100.0	27.0	26.7	24.9	16.2	20.7	27.9	14.5	14.4	12.9	14.8
Remainder of Richland County	100.0	100.0	25.1	27.6	12.6	5.4	22.2	27.7	22.1	20.1	18.0	19.2
Remainder of Wilkin County	100.0	100.0	32.3	29.6	10.7	6.5	22.7	28.1	21.3	20.7	13.0	15.0
Subtotal	100.0	100.0	27.3	28.2	12.0	5.7	22.3	27.8	21.9	20.3	16.5	18.0
Study Area Total	100.0	100.0	27.2	27.4	18.1	10.8	21.6	27.9	18.4	17.4	14.8	16.4
North Dakota	100.0	100.0	33.5	30.6	10.6	7.5	25.7	30.4	17.8	17.3	12.3	14.3
Minnesota	100.0	100.0	32.8	29.6	9.7	7.2	27.6	33.0	18.2	17.7	11.8	12.5

Note: Some percent totals may be inconsistent due to rounding.

Sources: Bureau of the Census: U.S. Census of Population and Housing (1980 & 1990)
Maxfield Research Group

persons or 44.4 percent during the 1980's. The City of Wahpeton, where NDSCS is located, accounted for just over one-half of this decline.

Older Adult and Senior Age Distribution

Table 5 shows the number and percentage of the study area's older adults and seniors in five-year age cohorts by sex. This table is useful in indicating possible growth among the empty-nester and senior base through the next 15 years. The following key trends can be derived from Table 5.

- Because females tend to live longer than males, females make up an increasingly larger proportion of the population, as the population ages.
- The proportion of females in the senior age groups is much greater in the PMA than it is in the SMA, and is due, in part, to the existence of two nursing homes in the PMA, and due to the fact that widow(er)s are less likely to live in single-family homes than a couple. The greater availability of housing options and services in the PMA attracts these individuals to the PMA.
- The number of persons in the study area between the ages of 45 and 59 is roughly equal to the number of persons age 60 to 74, and thus the number of younger seniors (persons age 65 to 74) will decline between 1995 and 2010. Conversely, the number of older seniors (persons age 75 and older) will increase slightly over the same time period.

Senior (65+) Population and Household Projections

Tables 6 and 7 show senior population and household figures, respectively, for the study area in 1980 and 1990, as well as projections through the year 2010. The 1980 and 1990 figures are from the U.S. Census and the projections were calculated by Maxfield Research Group based on 1990 age/sex cohort survival rates for their respective states. The review of this data focuses only on the overall study area figures. The reason for this is that our projections assume no migration, yet seniors will decide to move from the rural areas of the SMA into the PMA because of greater housing options, and to be closer to retail and services. Thus it can be assumed that the actual change in the senior base will be greater for the PMA than shown on the table while the SMA will see less growth.

Population

- The study area's senior population increased by 128 persons or 3.1 percent during the 1980's. All of this growth occurred in the PMA which posted an increase of 170 seniors, a growth rate of 10.2 percent. The number of seniors in the SMA declined slightly, by 68 persons or 2.8 percent. These figures show a likely trend towards senior moving from the SMA into the PMA, where housing alternatives and services are more readily available.

TABLE 5
 OLDER ADULT (45+) AGE DISTRIBUTION
 STUDY AREA
 1990

Age	Sex	Wahpeton		Breckenridge		Remainder of Richland County		Remainder of Wilkin County		Study Area Total	
		No.	Pct.*	No.	Pct.*	No.	Pct.*	No.	Pct.*	No.	Pct.*
45-49	Male	161	7.1	71	5.2	234	6.3	91	6.7	557	6.4
	Female	167	7.4	88	6.5	237	6.4	98	7.2	590	6.8
	Total	328	14.4	159	11.7	471	12.7	189	13.9	1,147	13.2
50-54	Male	123	5.4	65	4.8	216	5.8	95	7.0	499	5.7
	Female	138	6.1	83	6.1	221	6.0	93	6.8	535	6.2
	Total	261	11.5	148	10.9	437	11.8	188	13.8	1,034	11.9
55-59	Male	128	5.6	83	6.1	217	5.9	94	6.9	522	6.0
	Female	158	7.0	91	6.7	246	6.7	102	7.5	597	6.9
	Total	286	12.6	174	12.8	463	12.5	196	14.4	1,119	12.9
60-64	Male	138	6.1	85	6.2	265	7.2	118	8.7	606	7.0
	Female	138	6.1	79	5.8	256	6.9	96	7.1	569	6.5
	Total	276	12.2	164	12.0	521	14.1	214	15.7	1,175	13.5
65-69	Male	111	4.9	59	4.3	261	7.1	99	7.3	530	6.1
	Female	160	7.0	83	6.1	238	6.4	90	6.6	571	6.6
	Total	271	11.9	142	10.4	499	13.5	189	13.9	1,101	12.7
70-74	Male	112	4.9	51	3.7	209	5.7	69	5.1	441	5.1
	Female	144	6.3	114	8.4	213	5.8	82	6.0	553	6.4
	Total	256	11.3	165	12.1	422	11.4	151	11.1	994	11.4
75-79	Male	80	3.5	65	4.8	153	4.1	49	3.6	347	4.0
	Female	123	5.4	90	6.6	228	6.2	48	3.5	489	5.6
	Total	203	8.9	155	11.4	381	10.3	97	7.1	836	9.6
80-84	Male	62	2.7	30	2.2	125	3.4	37	2.7	254	2.9
	Female	125	5.5	94	6.9	160	4.3	55	4.0	434	5.0
	Total	187	8.2	124	9.1	285	7.7	92	6.8	688	7.9
85+	Male	55	2.4	34	2.5	77	2.1	24	1.8	190	2.2
	Female	148	6.5	98	7.2	141	3.8	21	1.5	408	4.7
	Total	203	8.9	132	9.7	218	5.9	45	3.3	598	6.9
Total 45+	Male	970	42.7	543	39.8	1,757	47.5	676	49.7	3,946	45.4
	Female	1,301	57.3	820	60.2	1,940	52.5	685	50.3	4,746	54.6
	Total	2,271	100.0	1,363	100.0	3,697	100.0	1,361	100.0	8,692	100.0

* percent of Total 45+

Note: Some percent totals may be inconsistent due to rounding.

Sources: U.S. Census of Population and Housing, 1990
 Maxfield Research Group

TABLE 6
 SENIOR (65+) POPULATION PROJECTIONS
 WAHPETON-BRECKENRIDGE STUDY AREA
 1980 to 2010

	U.S. Census		Estimate		Forecast		Change							
	1980	1990	1995	2000	2005	2010	1980-1990		1990-2000		1995-2005		2000-2010	
	No.	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Wahpeton														
Age 65-74	460	527	510	490	470	490	67	14.6	-37	-7.0	-40	-7.8	0	0.0
Age 75+	486	593	600	570	550	540	107	22.0	-23	-3.9	-50	-8.3	-30	-5.3
Subtotal	946	1,120	1,110	1,060	1,020	1,030	174	18.4	-60	-5.4	-90	-8.1	-30	-2.8
Breckenridge														
Age 65-74	353	307	280	300	270	250	-46	-13.0	-7	-2.3	-10	-3.6	-50	-16.7
Age 75+	369	411	410	360	330	320	42	11.4	-51	-12.4	-80	-19.5	-40	-11.1
Subtotal	722	718	690	660	600	570	-4	-1.1	-58	-8.1	-90	-13.0	-90	-13.6
Remainder of Richland County														
Age 65-74	1,048	921	940	860	770	760	-127	-12.1	-61	-6.6	-170	-18.1	-100	-11.6
Age 75+	779	884	950	980	980	930	105	13.5	96	10.9	30	3.2	-50	-5.1
Subtotal	1,827	1,805	1,890	1,840	1,750	1,690	-22	-1.2	35	1.9	-140	-7.4	-150	-8.2
Remainder of Wilkin County														
Age 65-74	352	339	370	360	320	310	-13	-3.7	21	6.2	-50	-13.5	-50	-13.9
Age 75+	241	234	290	330	360	370	-7	-2.9	96	41.0	70	24.1	40	12.1
Total	593	573	660	690	680	680	-20	-3.4	117	20.4	20	3.0	-10	-1.4
Study Area Total														
Age 65-74	2,213	2,094	2,100	2,010	1,830	1,810	-119	-5.4	-84	-4.0	-270	-12.9	-200	-10.0
Age 75+	1,875	2,122	2,250	2,240	2,220	2,160	247	13.2	118	5.6	-30	-1.3	-80	-3.6
Total	4,088	4,216	4,350	4,250	4,050	3,970	128	3.1	34	0.8	-300	-6.9	-280	-6.6

Sources: U.S. Census of Population and Housing (1980 & 1990)
 Maxfield Research Group

- The number of young seniors declined modestly during the 1980's, with a loss of 119 persons or 5.4 percent, while the number of older seniors increased by 247 persons or 13.2 percent. However, the number of younger seniors remained relatively stable in the PMA, with slight increases in Wahpeton and slight declines in Breckenridge.
- The number of seniors in the study area is expected to peak in 1995, before declining toward the end of this decade and into the next decade. Overall, the projections show an increase of only 34 persons or 0.8 percent between 1990 and 2000. Again the growth will be concentrated among older seniors which is expected to increase modestly, by 118 persons or 5.6 percent, while the younger seniors will continue to decline, a loss of 84 persons or 4.0 percent is expected.
- The projections show a modest decline in the number of seniors in the PMA, conversely, the SMA will see modest gains. It is likely however, these figures will likely even out as many seniors will move into the PMA from the SMA to be closer to services.
- Between 2000 and 2010, the number of seniors in the study area will decline by 280 persons or 6.6 percent, the declines will occur among both younger seniors and older seniors, with younger seniors declining more rapidly.

Households

- The number of senior households increased by 181 households or 7.3 percent during the 1980's. Households headed by younger seniors declined slightly, a loss of 42 households or 3.0 percent, while the number of households headed by older seniors increased significantly, with an increase of 223 households or 20.1 percent.
- As with population, the increase in senior households was concentrated in the PMA during the 1980's. However, the SMA did experience a slight increase in the number of senior households despite a loss in the senior population.
- While, both the Minnesota and the North Dakota portions of the study area experienced growth in the number of senior households. The North Dakota side of the study area increased much more substantially, with an increase of 166 households or 10.0 percent, compared to an increase of only 15 households or 1.8 percent on the Minnesota side of the study area.
- The number of senior households should continue to increase through the 1990's, although the increases will not be nearly as large as they were during the 1980's. According to the projections, the study area will see an increase of roughly 130 senior households. The growth will again be concentrated among older seniors, as the number of households headed by younger seniors will remain relatively stable.

TABLE 7
 SENIOR (65+) HOUSEHOLD PROJECTIONS
 WAHPETON-BRECKENRIDGE STUDY AREA
 1980 to 2010

	U.S. Census		Estimate		Forecast		Change							
	1980	1990	1995	2000	2005	2010	1980-1990		1990-2000		1995-2005		2000-2010	
	No.	No.	No.	No.	No.	No.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Wahpeton														
Age 65-74	281	332	330	320	310	320	51	18.1	-12	-3.6	-20	-6.1	0	0.0
Age 75+	244	321	330	300	280	270	77	31.6	-21	-6.5	-50	-15.2	-30	-10.0
Subtotal	525	653	660	620	590	590	128	24.4	-33	-5.1	-70	-10.6	-30	-4.8
Breckenridge														
Age 65-74	230	205	190	210	190	170	-25	-10.9	5	2.4	0	0.0	-40	-19.0
Age 75+	201	246	250	210	190	180	45	22.4	-36	-14.6	-60	-24.0	-30	-14.3
Subtotal	431	451	440	420	380	350	20	4.6	-31	-6.9	-60	-13.6	-70	-16.7
Remainder of Richland County														
Age 65-74	644	594	620	570	520	530	-50	-7.8	-24	-4.0	-100	-16.1	-40	-7.0
Age 75+	494	582	650	690	710	680	88	17.8	108	18.6	60	9.2	-10	-1.4
Subtotal	1,138	1,176	1,270	1,260	1,230	1,210	38	3.3	84	7.1	-40	-3.1	-50	-4.0
Remainder of Wilkin County														
Age 65-74	225	207	230	230	210	210	-18	-8.0	23	11.1	-20	-8.7	-20	-8.7
Age 75+	171	184	230	270	300	310	13	7.6	86	46.7	70	30.4	40	14.8
Subtotal	396	391	460	500	510	520	-5	-1.3	109	27.9	50	10.9	20	4.0
Study Area Total														
Age 65-74	1,380	1,338	1,370	1,330	1,230	1,230	-42	-3.0	-8	-0.6	-140	-10.2	-100	-7.5
Age 75+	1,110	1,333	1,460	1,470	1,480	1,440	223	20.1	137	10.3	20	1.4	-30	-2.0
Total	2,490	2,671	2,830	2,800	2,710	2,670	181	7.3	129	4.8	-120	-4.2	-130	-4.6

Sources: U.S. Census of Population and Housing (1980 & 1990)
 Maxfield Research Group

- The Minnesota side of the study area is expected to see a slightly larger increase in senior households during the 1990's than is the North Dakota portion of the study area. The Minnesota portion of the study area will see an increase of roughly 80 households or 9.3 percent, while the North Dakota of the study area is expected to see an increase of about 50 households or 2.8 percent.
- The number of senior households will peak in 1995, with slight declines towards the end of the decade. The declines will continue into the next decade, as the study area is projected to lose 130 senior households between 2000 and 2010, a loss of 4.6 percent. Households headed by younger seniors will decline by about 100 households (7.5 percent) while older senior households are expected to decline by 30 households (2.0 percent).

While most younger seniors will continue to live in their single-family home, as seniors age they will give up single-family ownership in increasing numbers. Some seniors who desire to rid themselves of home maintenance will look for alternative types of housing such as condominiums, townhomes, or rental housing, while others will need support services associated with senior-specific housing. The projections show that the older senior base will continue to increase through the year 2000 before tapering off slightly thereafter, nonetheless, demand for alternative types of housing will increase over the next ten years.

Household Type

As with age distribution, the trends in types of households have an impact on demand for different types of housing. Table 8 shows the number and Table 9 shows the percentage of study area households in five household type categories in 1980 and 1990, from the U.S. Census. The five household categories are persons living alone, roommates (unrelated individuals living together, including unmarried couples), married couples with children, married couples without children (typically empty-nesters or young couples), and other-family households (mostly single-parents).

- The largest household type in the study area in 1990 was married couples without children, accounting for 30.8 percent of all households, followed closely by married couples with children (30.2 percent of all households), and then persons living alone (26.5 percent of all households).
- Persons living alone was the largest household type in both Wahpeton and Breckenridge, where they comprised 29.6 and 32.1 percent of all households, respectively. Married couples with children was the second largest household type in Wahpeton (28.4 percent of all households) but married couples without children (27.4 percent of all households) just edged out married couples with children (26.4 percent of all households) in Breckenridge.
- Three types of households experienced increases in the study area during the 1980's: persons living alone increased by nearly 390 households or 18.6 percent; married couples without

TABLE 8
HOUSEHOLD TYPE
WAHPETON-BRECKENRIDGE STUDY AREA
(Number of Households)
1980 - 1990

	Total Households		Non-Family				Family					
	1980	1990	Living Alone		Other/Roommates		Married With Children		Married Without Children		Other Family	
			1980	1990	1980	1990	1980	1990	1980	1990	1980	1990
Wahpeton	2,816	2,967	651	878	279	187	885	843	751	737	250	322
Breckenridge	1,448	1,477	413	474	75	53	507	390	326	405	127	155
Subtotal	4,264	4,444	1,064	1,352	354	240	1,392	1,233	1,077	1,142	377	477
Remainder of Richland County	3,597	3,551	762	882	52	63	1,477	1,117	1,009	1,229	292	260
Remainder of Wilkin County	1,485	1,328	256	236	16	20	664	467	418	503	101	102
Subtotal	5,082	4,879	1,018	1,118	68	83	2,141	1,584	1,427	1,732	393	362
Study Area Total	9,346	9,323	2,082	2,470	422	323	3,533	2,817	2,504	2,874	770	839

Sources: Bureau of the Census: U.S. Census of Population and Housing (1980 & 1990)
Maxfield Research Group

TABLE 9
HOUSEHOLD TYPE
WAHPETON-BRECKENRIDGE STUDY AREA
(Percent of Households)
1980 - 1990

	Total Households		Non-Family		Married		Family	
	1980	1990	Living Alone	Other/Roommates	With Children	Without Children	1980	1990
			1980	1990	1980	1990	1980	1990
Wahpeton	100.0	100.0	23.1	29.6	31.4	28.4	26.7	24.8
Breckenridge	100.0	100.0	28.5	32.1	35.0	26.4	22.5	27.4
Subtotal	100.0	100.0	25.0	30.4	32.6	27.7	25.3	25.7
Remainder of Richland County	100.0	100.0	21.2	24.8	41.1	31.5	28.1	34.6
Remainder of Wilkin County	100.0	100.0	17.2	17.8	44.7	35.2	28.1	37.9
Subtotal	100.0	100.0	20.0	22.9	42.1	32.5	28.1	35.5
Study Area Total	100.0	100.0	22.3	26.5	37.8	30.2	26.8	30.8
North Dakota	100.0	100.0	22.9	26.5	29.6	29.3	35.1	29.8
Minnesota	100.0	100.0	23.2	25.1	33.3	28.4	28.8	28.8
							8.8	10.7
							8.8	10.5
							8.8	10.7
							8.1	7.3
							6.8	7.7
							7.7	7.4
							8.2	9.0
							8.6	9.9
							9.7	11.4

Note: Percentages may not add to 100.0 due to rounding

Sources: Bureau of the Census: U.S. Census of Population and Housing (1980 & 1990)
Maxfield Research Group

children increased by 370 households or 14.8 percent; and other-family households increased by roughly 70 households or 9.0 percent.

- Most of the household declines in the study area occurred among married couples with children, which decreased by roughly 720 households, or 20.3 percent, while other non-family households (roommates) declined by about 100 households, or 23.5 percent. The decrease in roommate households can be contributed to the decline in enrollment at NDSCS.

The significant increases in married couples without children are due to changing attitudes, with many young couples waiting to have children later in life or deciding not to have children at all. The increases in the number of persons living alone is due to a combination of an increase in the older senior population, young persons waiting longer to get married and an increase in divorce rates. The increase in single-parent families is due, in part, to increasing divorce rates and also to an increasing number of women having children out of marriage. All of these factors indicate an increased demand for alternatives to single-family home ownership. While a significant portion of all these household types desire single-family home ownership, they typically do not own single-family homes in as high a proportion as do married couples with children.

Housing demand will continue to be influenced by a gradual shift from traditional household types (married couples with children) to non-traditional households (persons living alone, unrelated roommates, married couples without children and single-parent families). In general, traditional households are more likely to own their housing while non-traditional households may own their housing (as is the case with many married couples without children) or rent their housing (as is the case with many unrelated roommates and single-parent families). This data indicates the increased demand potential for rental housing.

Household Tenure by Age

Table 10 shows household tenure by age of householder (occupied housing units that were either owned or rented) for Wahpeton, Breckenridge and the remainder of the study area in 1990. For comparison purposes, percent breakdowns are also shown for North Dakota and Minnesota.

- Overall, the study area had a home ownership rate of 71.5 percent. There were 6,667 households in the study area that owned their housing and 2,656 households that rented their housing in 1990. Nearly 70.0 percent of all the renters in the study area lived in the PMA. Roughly three-quarters of the PMA's 1,837 renter households lived in Wahpeton, which accounted for approximately 52.0 percent of all the renters in the study area.
- Renters comprised a much higher proportion of the PMA's household base, 41.3 percent, than the SMA's, 16.8 percent. This is due to the fact the SMA is primarily made up of rural townships and small cities, which generally do not have the infrastructure in place for larger multi-family dwellings. In addition, the significantly higher proportion of renters in Wahpeton, 46.7 percent of all households, is skewed upward somewhat by students of NDSCS.

TABLE 10
TENURE BY AGE OF HOUSEHOLDER
WAHPETON-BRECKENRIDGE STUDY AREA
1990

Age	Wahpeton		Breckenridge		PMA Total		Remainder of Richland County		Remainder of Wilkin County		SMA Total		Study Area Total		North Dakota		Minn.	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
15 - 24	Own	22	6.3	16	16.2	38	8.5	32	41.0	23	74.2	55	50.5	93	16.7	11.9	18.6	
	Rent	328	93.7	83	83.8	411	91.5	46	59.0	8	25.8	54	49.5	465	83.3	88.1	81.4	
	Total	350	100.0	99	100.0	449	100.0	78	100.0	31	100.0	109	100.0	558	100.0	100.0	100.0	
25 - 34	Own	314	44.4	171	62.0	485	49.3	385	66.7	183	70.1	568	67.8	1,053	57.8	47.3	58.6	
	Rent	393	55.6	105	38.0	498	50.7	192	33.3	78	29.9	270	32.2	768	42.2	52.7	41.4	
	Total	707	100.0	276	100.0	983	100.0	577	100.0	261	100.0	838	100.0	1,821	100.0	100.0	100.0	
35 - 44	Own	393	64.3	215	77.3	608	68.4	586	82.5	209	87.8	795	83.9	1,403	76.4	72.5	79.4	
	Rent	218	35.7	63	22.7	281	31.6	124	17.5	29	12.2	153	16.1	434	23.6	27.5	20.6	
	Total	611	100.0	278	100.0	889	100.0	710	100.0	238	100.0	948	100.0	1,837	100.0	100.0	100.0	
45 - 54	Own	251	76.1	137	83.5	388	78.5	397	85.2	174	94.6	571	87.8	959	83.8	80.6	85.5	
	Rent	79	23.9	27	16.5	106	21.5	69	14.8	10	5.4	79	12.2	185	16.2	19.4	14.5	
	Total	330	100.0	164	100.0	494	100.0	466	100.0	184	100.0	650	100.0	1,144	100.0	100.0	100.0	
55 - 64	Own	246	77.8	184	88.0	430	81.9	502	92.3	210	94.2	712	92.8	1,142	88.4	83.8	86.6	
	Rent	70	22.2	25	12.0	95	18.1	42	7.7	13	5.8	55	7.2	150	11.6	16.2	13.4	
	Total	316	100.0	209	100.0	525	100.0	544	100.0	223	100.0	767	100.0	1,292	100.0	100.0	100.0	
65 - 74	Own	206	62.0	153	74.6	359	66.9	531	89.4	192	92.8	723	90.3	1,082	80.9	80.6	82.4	
	Rent	126	38.0	52	25.4	178	33.1	63	10.6	15	7.2	78	9.7	256	19.1	19.4	17.6	
	Total	332	100.0	205	100.0	537	100.0	594	100.0	207	100.0	801	100.0	1,338	100.0	100.0	100.0	
75+	Own	150	46.7	149	60.6	299	52.7	474	81.4	162	88.0	636	83.0	935	70.1	67.2	66.9	
	Rent	171	53.3	97	39.4	268	47.3	108	18.6	22	12.0	130	17.0	398	29.9	32.8	33.1	
	Total	321	100.0	246	100.0	567	100.0	582	100.0	184	100.0	766	100.0	1,333	100.0	100.0	100.0	
Total	Own	1,582	53.3	1,025	69.4	2,607	58.7	2,907	81.9	1,153	86.8	4,060	83.2	6,667	71.5	65.6	71.8	
	Rent	1,385	46.7	452	30.6	1,837	41.3	644	18.1	175	13.2	819	16.8	2,656	28.5	34.4	28.2	
	Total	2,967	100.0	1,477	100.0	4,444	100.0	3,551	100.0	1,328	100.0	4,879	100.0	9,323	100.0	100.0	100.0	

Sources: Bureau of the Census: U.S. Census of Population and Housing, 1990
Maxfield Research Group

- The two youngest age cohorts and the oldest age cohort rent their housing in the highest proportions. The 15 to 24 age cohort had by far the highest proportion of renters in the study area (83.3 percent), followed by the 25 to 34 age cohort (42.2 percent) and the 75 and older age cohort (29.9 percent). In comparison, between 11.6 and 23.6 percent of the remaining age groups rented their housing.
- The 25 to 34 age cohort had by far the largest number of renters (768 households), followed by the 15 to 24 age cohort (465 households), the 35 to 44 age group (434 households), and the 75 and older age group (398 households).
- 45.5 percent of Wahpeton's senior household base (or 297 households) rented their housing, compared to 33.0 percent (149 households) of seniors in Breckenridge and 13.1 percent (208 households) in the SMA. The higher proportions of seniors renting their housing in Wahpeton and Breckenridge is due, in part, to the availability of rental units, especially subsidized senior rental units, and due to the fact that seniors usually want to move close to retail and services as they age.

The table shows that most renters are young adults or seniors. Both of these groups prefer to live in the larger communities within a region where they can be close to school, employment or amenities such as entertainment, health care, social services, and shopping. The younger households tend to rent their housing in larger proportions because they are more likely to be single, have not yet established themselves in a permanent career path or because they have not yet saved enough money for a downpayment to buy a home. Younger seniors often choose to rent their housing, or purchase alternative types of housing such as condominiums or townhomes, in order to shed the responsibilities of maintaining their single-family homes. Some of these households prefer alternative housing because they travel frequently or spend their winters in warmer climates. As senior age however, they rent their housing in increasing numbers, in order to shed the responsibilities of home ownership or because they need support services offered at senior rental buildings.

Household Income

Income data is critical when considering the ability of households to pay for housing. Income data is particularly important when examining the market for senior housing since a large proportion of senior households have limited incomes. Tables 11 and 12 present data on household income by age of householder for Wahpeton, Breckenridge and the remainder of the study area in 1995. The data was estimated by Claritas, Inc., a national demographic services firm. Table 11 shows the number of households in each category while Table 12 shows the percent of each income category within a given age cohort.

- The largest householder segments in the study area in 1995, the 35 to 44 age group (1,894 households), the 25 to 34 age group (1,581 households) and the 75 and older age group (1,463 households). In Wahpeton, the 25 to 34 age group (672 households) and the 35 to 44 age group (675 households) were by far the largest two age groups. In Breckenridge,

TABLE 11
HOUSEHOLD INCOME
WAHPETON-BRECKENRIDGE STUDY AREA
(Number of Households)
1995

	Total	Age of Householder						
		15-24	25-34	35-44	45-54	55-64	65-74	75+
Wahpeton								
Under \$15,000	835	167	159	58	63	41	109	238
\$15,000 - 24,999	591	103	162	79	70	39	68	70
\$25,000 - 34,999	448	33	129	116	54	44	47	25
\$35,000 - 49,999	517	6	118	194	78	55	48	18
\$50,000 - 74,999	497	2	77	182	123	81	23	9
\$75,000 or More	186	0	27	46	40	45	23	5
Total	3,074	311	672	675	428	305	318	365
Median Income	27,880	14,102	26,163	41,534	40,192	42,729	22,351	11,289
Breckenridge								
Under \$15,000	387	43	35	22	13	40	78	156
\$15,000 - 24,999	241	13	35	28	40	29	41	55
\$25,000 - 34,999	206	6	46	52	26	31	22	23
\$35,000 - 49,999	255	14	71	69	41	37	12	11
\$50,000 - 74,999	268	9	61	78	58	33	16	13
\$75,000 or More	93	0	9	26	24	26	5	3
Total	1,450	85	257	275	202	196	174	261
Median Income	30,227	14,821	37,641	42,717	43,049	34,511	17,039	13,065
PMA Total								
Under \$15,000	1,222	210	194	80	76	81	187	394
\$15,000 - 24,999	832	116	197	107	110	68	109	125
\$25,000 - 34,999	654	39	175	168	80	75	69	48
\$35,000 - 49,999	772	20	189	263	119	92	60	29
\$50,000 - 74,999	765	11	138	260	181	114	39	22
\$75,000 or More	279	0	36	72	64	71	28	8
Total	4,524	396	929	950	630	501	492	626
Median Income	28,632	14,256	29,338	41,876	41,108	39,514	20,472	12,030
Remainder of Richland County								
Under \$15,000	796	37	68	87	68	97	175	264
\$15,000 - 24,999	667	18	95	112	76	100	103	163
\$25,000 - 34,999	653	7	108	156	91	98	108	85
\$35,000 - 49,999	631	17	92	151	142	81	89	59
\$50,000 - 74,999	489	12	64	134	111	70	59	39
\$75,000 or More	203	3	22	48	41	37	35	17
Total	3,439	94	449	688	529	483	569	627
Median Income	29,223	17,579	31,319	34,921	37,768	27,247	25,452	16,945

TABLE 11
HOUSEHOLD INCOME
WAHPETON-BRECKENRIDGE STUDY AREA
(Number of Households)
1995
(Continued)

	Total	Age of Householder						75+
		15-24	25-34	35-44	45-54	55-64	65-74	
Remainder of Wilkin County								
Under \$15,000	262	15	33	21	28	22	51	92
\$15,000 - 24,999	191	3	39	36	19	21	40	33
\$25,000 - 34,999	226	7	33	56	33	36	33	28
\$35,000 - 49,999	297	7	54	68	44	47	44	33
\$50,000 - 74,999	223	1	28	53	41	49	33	18
\$75,000 or More	129	0	16	22	38	29	18	6
Total	1,328	33	203	256	203	204	219	210
Median Income	33,827	17,696	34,104	38,179	42,305	42,873	28,300	16,123
SMA Total								
Under \$15,000	1,058	52	101	108	96	119	226	356
\$15,000 - 24,999	858	21	134	148	95	121	143	196
\$25,000 - 34,999	879	14	141	212	124	134	141	113
\$35,000 - 49,999	928	24	146	219	186	128	133	92
\$50,000 - 74,999	712	13	92	187	152	119	92	57
\$75,000 or More	332	3	38	70	79	66	53	23
Total	4,767	127	652	944	732	687	788	837
Median Income	30,505	17,609	32,186	35,804	39,026	31,887	26,244	16,739
Study Area Total								
Under \$15,000	2,280	262	295	188	172	200	413	750
\$15,000 - 24,999	1,690	137	331	255	205	189	252	321
\$25,000 - 34,999	1,533	53	316	380	204	209	210	161
\$35,000 - 49,999	1,700	44	335	482	305	220	193	121
\$50,000 - 74,999	1,477	24	230	447	333	233	131	79
\$75,000 or More	611	3	74	142	143	137	81	31
Total	9,291	523	1,581	1,894	1,362	1,188	1,280	1,463
Median Income	29,593	15,071	30,513	38,850	39,989	35,103	24,025	14,724

Sources: Claritas, Inc.
Maxfield Research Group

however, the 75 and older household base (261 households) was a close second to the 35 to 44 age group (275 households) and just ahead of the 25 to 34 age group (257 households).

TABLE 12
HOUSEHOLD INCOME
WAHPETON-BRECKENRIDGE STUDY AREA
(Percent of Households)
1995

	Total	Age of Householder						
		15-24	25-34	35-44	45-54	55-64	65-74	75+
Wahpeton								
Under \$15,000	27.2	53.7	23.7	8.6	14.7	13.4	34.3	65.2
\$15,000 - 24,999	19.2	33.1	24.1	11.7	16.4	12.8	21.4	19.2
\$25,000 - 34,999	14.6	10.6	19.2	17.2	12.6	14.4	14.8	6.8
\$35,000 - 49,999	16.8	1.9	17.6	28.7	18.2	18.0	15.1	4.9
\$50,000 - 74,999	16.2	0.6	11.5	27.0	28.7	26.6	7.2	2.5
\$75,000 or More	6.1	0.0	4.0	6.8	9.3	14.8	7.2	1.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Breckenridge								
Under \$15,000	26.7	50.6	13.6	8.0	6.4	20.4	44.8	59.8
\$15,000 - 24,999	16.6	15.3	13.6	10.2	19.8	14.8	23.6	21.1
\$25,000 - 34,999	14.2	7.1	17.9	18.9	12.9	15.8	12.6	8.8
\$35,000 - 49,999	17.6	16.5	27.6	25.1	20.3	18.9	6.9	4.2
\$50,000 - 74,999	18.5	10.6	23.7	28.4	28.7	16.8	9.2	5.0
\$75,000 or More	6.4	0.0	3.5	9.5	11.9	13.3	2.9	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PMA Total								
Under \$15,000	27.0	53.0	20.9	8.4	12.1	16.2	38.0	62.9
\$15,000 - 24,999	18.4	29.3	21.2	11.3	17.5	13.6	22.2	20.0
\$25,000 - 34,999	14.5	9.8	18.8	17.7	12.7	15.0	14.0	7.7
\$35,000 - 49,999	17.1	5.1	20.3	27.7	18.9	18.4	12.2	4.6
\$50,000 - 74,999	16.9	2.8	14.9	27.4	28.7	22.8	7.9	3.5
\$75,000 or More	6.2	0.0	3.9	7.6	10.2	14.2	5.7	1.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Remainder of Richland County								
Under \$15,000	23.1	39.4	15.1	12.6	12.9	20.1	30.8	42.1
\$15,000 - 24,999	19.4	19.1	21.2	16.3	14.4	20.7	18.1	26.0
\$25,000 - 34,999	19.0	7.4	24.1	22.7	17.2	20.3	19.0	13.6
\$35,000 - 49,999	18.3	18.1	20.5	21.9	26.8	16.8	15.6	9.4
\$50,000 - 74,999	14.2	12.8	14.3	19.5	21.0	14.5	10.4	6.2
\$75,000 or More	5.9	3.2	4.9	7.0	7.8	7.7	6.2	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 12
HOUSEHOLD INCOME
WAHPETON-BRECKENRIDGE STUDY AREA
(Percent of Households)
1995
(Continued)

	Total	Age of Householder						
		15-24	25-34	35-44	45-54	55-64	65-74	75+
Remainder of Wilkin County								
Under \$15,000	19.7	45.5	16.3	8.2	13.8	10.8	23.3	43.8
\$15,000 - 24,999	14.4	9.1	19.2	14.1	9.4	10.3	18.3	15.7
\$25,000 - 34,999	17.0	21.2	16.3	21.9	16.3	17.6	15.1	13.3
\$35,000 - 49,999	22.4	21.2	26.6	26.6	21.7	23.0	20.1	15.7
\$50,000 - 74,999	16.8	3.0	13.8	20.7	20.2	24.0	15.1	8.6
\$75,000 or More	9.7	0.0	7.9	8.6	18.7	14.2	8.2	2.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
SMA Total								
Under \$15,000	22.2	40.9	15.5	11.4	13.1	17.3	28.7	42.5
\$15,000 - 24,999	18.0	16.5	20.6	15.7	13.0	17.6	18.1	23.4
\$25,000 - 34,999	18.4	11.0	21.6	22.5	16.9	19.5	17.9	13.5
\$35,000 - 49,999	19.5	18.9	22.4	23.2	25.4	18.6	16.9	11.0
\$50,000 - 74,999	14.9	10.2	14.1	19.8	20.8	17.3	11.7	6.8
\$75,000 or More	7.0	2.4	5.8	7.4	10.8	9.6	6.7	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Study Area Total								
Under \$15,000	24.5	50.1	18.7	9.9	12.6	16.8	32.3	51.3
\$15,000 - 24,999	18.2	26.2	20.9	13.5	15.1	15.9	19.7	21.9
\$25,000 - 34,999	16.5	10.1	20.0	20.1	15.0	17.6	16.4	11.0
\$35,000 - 49,999	18.3	8.4	21.2	25.4	22.4	18.5	15.1	8.3
\$50,000 - 74,999	15.9	4.6	14.5	23.6	24.4	19.6	10.2	5.4
\$75,000 or More	6.6	0.6	4.7	7.5	10.5	11.5	6.3	2.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Claritas, Inc.
Maxfield Research Group

- While the 35 to 44 age group (944 households) was again the largest segment in the SMA, it was followed by the two senior age groups; the 75 and older age group (with 837 households) and the 65 to 74 age group (with 788 households).

- The median household income for all study area households was approximately \$29,600 in 1995. The median income was slightly higher in the SMA (\$30,500) than it was in the PMA (\$28,600), largely due to the higher proportion of young adults and seniors in the PMA. However, median incomes for all of the other age groups was higher in the PMA than in the SMA.
- The Minnesota portion of the study area had slightly higher median incomes than did the North Dakota portion. The remainder of Wilkin County had the highest median income at roughly \$33,800, followed by Breckenridge at \$30,200. In comparison, the remainder of Richland County had a median income of about \$29,200, and in Wahpeton the median income was roughly \$27,900.
- Incomes peak in the middle-age adult cohorts. The 35 to 44 and the 45 to 54 age groups had the highest median incomes in the study area (\$38,850 and \$39,989, respectively). In the PMA these two age groups had higher median incomes (\$41,876 and \$41,108) than in the SMA (\$35,804 and \$39,026, respectively).
- Younger adults (those age 15 to 24) and senior households (the two senior categories, age 65 and over) have significantly lower median incomes, particularly households age 75 and over. Young adult households are more often than not single persons, typically students or individuals just starting their careers. Older seniors often live only on retirement income, and also include many single-person households.
- Older seniors (those age 75 and older) had the lowest median incomes, \$14,724 in the study area, slightly higher than young adults (\$15,071). The median income for seniors (as well as for younger adults) was significantly less in the PMA than it was in the SMA. Which is due to the fact that subsidized housing is concentration in the PMA, which attracts lower-income households. Younger seniors (those age 65 to 74) have significantly higher median incomes (\$24, 025) than older seniors, because there are a higher proportion of two-person households and some individuals continue to work into their late-60's/early-70's.

The Department of Housing and Urban Development (HUD) defines affordable housing as being 30.0 percent of a households adjusted gross income. For example, a household with an income of \$15,000 per year, could according to HUD, afford a monthly housing cost of \$375 per month. Younger households, particularly in non-metro area's where housing values are not as great, will typically allocate slightly less of their income on housing (20.0 to 25.0 percent), while senior households are willing to pay slightly more (up to 40.0 percent or more of their income). Seniors are typically willing to pay more for housing because they have fewer expenses than do younger households (i.e. saving for children's education, retirement savings, large purchases, etc.) or because of the availability of support services in alternative housing projects. In assisted living projects, some seniors will pay 75.0 percent or more of their income (or even spend down assets), on housing with intensive services. It is also important to note that many seniors use the proceeds from the sales of their homes as supplemental income in order to afford alternative housing.

EMPLOYMENT OVERVIEW

Introduction

Employment growth typically fuels household growth and hence, housing demand. Households generally prefer to live near work for convenience. However, housing is often less expensive in smaller cities than it is in larger cities, making commuting from outlying communities to work in employment centers attractive to households concerned about affordability. A number of other factors compel commuters, such as quality of life issues, but housing affordability is most directly linked to compensation workers receive. In general, persons with higher incomes are better able and more likely to buy single-family homes and rent upscale apartments than individuals and families with lower incomes.

Maxfield Research Group reviewed local employment trends by: 1) examining data on resident employment and covered employment for both Richland and Wilkin Counties, 2) interviewing major employers in Wahpeton and Breckenridge, and 3) reviewing a survey conducted by the City of Wahpeton in the Winter of 1995-96 showing the geographic distribution of employees at that city's largest employers.

Resident Employment

Table 13 presents data on resident employment in Richland and Wilkin County in 1985 and from 1990 to 1995. The table reveals the study area's labor force, the employment status of persons living in an area and the unemployment rate.

- The number of employed residents of the study area increased by roughly 600 between 1985 and 1995, an increase of 5.2 percent. Meanwhile, the study area's labor force increased by about 270 persons (2.2 percent), which translated in a decline in the unemployment rate, from 6.4 percent in 1985 to 3.6 percent in 1995.
- The study area experienced a slight decrease in resident employment during the late-1980's, a decline of 104 persons (0.9 percent). The number of employed residents in Richland County increased slightly between 1985 and 1990, by 23 persons or 0.3 percent, but decreased in Wilkin County by 127 persons or 3.7 percent.
- Resident employment increased substantially during the first half of 1990's, with an increase of 701 employed residents, or 6.2 percent (or roughly 1.2 percent per year). Significant increases occurred in both Richland County and Wilkin County between 1990 and 1995. Resident employment increased by 367 persons or 4.6 percent in Richland County and by 334 persons or 10.1 percent in Wilkin County.

TABLE 13
RESIDENT EMPLOYMENT
WAHPETON/BRECKENRIDGE STUDY AREA
1985, 1990-1995

Year	Labor Force	Employment	Unemployment	Unemployment Rate	North Dakota Unemployment Rate
Richland County					
1985	8,530	8,003	527	6.2%	5.9%
1990	8,391	8,026	365	4.3%	4.0%
1991	8,184	7,837	347	4.2%	4.1%
1992	8,102	7,728	374	4.6%	5.0%
1993	8,057	7,713	344	4.3%	4.3%
1994	8,909	8,575	334	3.7%	3.9%
1995	8,688	8,393	295	3.4%	3.3%

Change 1985-1990

Number	-139	23	-162	--	--
Percent	-1.6%	0.3%	-30.7%	--	--

Change 1990-1995

Number	297	367	-70	--	--
Percent	3.5%	4.6%	-19.2%	--	--

Change 1985-1995

Number	158	390	-232	--	--
Percent	1.9%	4.9%	-44.0%	--	--

Year	Labor Force	Employment	Unemployment	Unemployment Rate	Minnesota Unemployment Rate
Wilkin County					
1985	3,679	3,424	255	6.9%	6.0%
1990	3,478	3,297	181	5.2%	4.9%
1991	3,560	3,355	205	5.8%	5.1%
1992	3,538	3,378	160	4.5%	5.2%
1993	3,499	3,346	153	4.4%	5.1%
1994	3,824	3,672	152	4.0%	4.0%
1995	3,790	3,631	159	4.2%	3.6%

Change 1985-1990

Number	-201	-127	-74	--	--
Percent	-5.5%	-3.7%	-29.0%	--	--

Change 1990-1995

Number	312	334	-22	--	--
Percent	9.0%	10.1%	-12.2%	--	--

Change 1985-1995

Number	111	207	-96	--	--
Percent	3.0%	6.0%	-37.6%	--	--

TABLE 13
RESIDENT EMPLOYMENT
WAHPETON/BRECKENRIDGE STUDY AREA
1985, 1990-1995
(Continued)

Year	Labor Force	Employment	Unemployment	Unemployment Rate	United States Unemployment Rate
Study Area Total					
1985	12,209	11,427	782	6.4%	7.2%
1990	11,869	11,323	546	4.6%	5.5%
1991	11,744	11,192	552	4.7%	6.7%
1992	11,640	11,106	534	4.6%	7.4%
1993	11,556	11,059	497	4.3%	6.8%
1994	12,733	12,247	486	3.8%	6.1%
1995	12,478	12,024	454	3.6%	5.6%
Change 1985-1990					
Number	-340	-104	-236	--	--
Percent	-2.8%	-0.9%	-30.2%	--	--
Change 1990-1995					
Number	609	701	-92	--	--
Percent	5.1%	6.2%	-16.8%	--	--
Change 1985-1995					
Number	269	597	-328	--	--
Percent	2.2%	5.2%	-41.9%	--	--

Note: Some labor force totals may be inconsistent due to rounding.

Sources: North Dakota Labor Force
Minnesota Department of Economic Security
Minnesota Planning Department: State Demographer
Maxfield Research Group

- The number of unemployed persons in the study area was at its lowest point in the decade in 1995, with only 454 residents reported as being out of work. This compares to a total of 782 persons out of work in 1985.
- Richland County has maintained a slightly lower unemployment rate than Wilkin County in nearly every year shown on the table, with exception of 1992, when the unemployment rates were nearly equal. In 1995, the unemployment rate was 3.4 percent in Richland County versus 4.2 percent for Wilkin County.

Covered Employment

Table 14 presents covered employment data for the study area in 1980, 1985, 1990 and 1994 (the latest year the data is available). Covered employment is tabulated by place of work (jobs in a given area rather than employed persons as in Table 13) and by industry. Covered employment, by definition, includes only jobs that are covered under the respective states compensation laws and thus, excludes a number of workers such as self-employed persons, railroad workers, employees of small farms, and a few other groups. The following are the key trends derived from Table 14.

- Richland County employment accounted for nearly 80.0 percent of the study area's jobs in 1994.
- The study area has experienced tremendous job growth since the 1980's. The number of jobs in the study area increased from 7,259 in 1980 to 9,236 jobs in 1994, an increase of roughly 1,980 jobs or 27.2 percent.
- Approximately two-thirds of the study area's job growth since 1980 occurred during the first part of the 1990's. The study area added a total of 670 jobs during the 1980's and roughly another 1,310 jobs between 1990 and 1994.
- Richland County captured the vast majority of the study area's job growth, adding roughly 1,790 jobs between 1980 and 1994, an increase of or 33.3 percent. In comparison, Wilkin County added about 190 jobs, an increase of 10.2 percent, during the same timespan.
- The Manufacturing and Service sectors accounted for the vast majority of the job growth in the study area since 1980. Manufacturing accounted for roughly three-quarters of the study area's job growth, with an increase of nearly 1,000 jobs or 73.4 percent since 1980 and the Service Sector experienced an increase of 450 jobs or 37.3 percent. Again, the vast majority of these jobs occurred in Richland County. The substantially higher growth in the Manufacturing sector in Richland County is due, in part, to the fact that worker compensation laws in North Dakota are much more beneficial to industry than they are in Minnesota.

A comparison of residential and covered employment reveals that the number of employed residents of the study area (12,247 persons in 1994) far exceeds the number of jobs in the study area that are covered by unemployment insurance (9,236 jobs in 1994). This indicates that a significant amount of employed residents are likely commuting to jobs outside the study area, probably to the larger Fargo/Moorhead job market nearby. It is likely that in some two-wage-earner households one wage earner works in Wahpeton while the other commutes to work in the Fargo area.

TABLE 14
COVERED EMPLOYMENT BY INDUSTRY
WAHPETON/BRECKENRIDGE STUDY AREA
1980, 1985, 1990, 1994
(Annual Averages)

	1980		1985		1990		1994		1985-1990		1990-1994	
	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.	No.	Pct.
Richland County												
Ag/Mining/Construction*	358	6.7	384	6.9	370	6.1	466	6.5	26	7.3	-14	-3.6
Manufacturing	1,335	24.8	1,460	26.1	1,626	26.6	2,347	32.8	125	9.4	166	11.4
TCU **	214	4.0	181	3.2	251	4.1	313	4.4	-33	-15.4	70	38.7
Trade	1,354	25.2	1,257	22.5	1,369	22.4	1,408	19.7	-97	-7.2	112	8.9
FIRE ***	192	3.6	195	3.5	199	3.3	205	2.9	3	1.6	4	2.1
Services	654	12.2	742	13.3	953	15.6	1,083	15.1	88	13.5	211	28.4
Government	1,269	23.6	1,369	24.5	1,337	21.9	1,339	18.7	100	7.9	-32	-2.3
Subtotal	5,376	100.0	5,588	100.0	6,105	100.0	7,161	100.0	212	3.9	517	9.3
Wilkin County												
Ag/Mining/Construction*	182	9.7	168	9.2	162	8.9	259	12.5	-14	-7.7	-6	-3.6
Manufacturing	24	1.3	24	1.3	24	1.3	10	0.5	0	0.0	0	0.0
TCU **	60	3.2	53	2.9	41	2.2	122	5.9	-7	-11.7	-12	-22.6
Trade	621	33.0	577	31.7	545	29.9	607	29.3	-44	-7.1	-32	-5.5
FIRE ***	84	4.5	85	4.7	104	5.7	93	4.5	1	1.2	19	22.4
Services	553	29.4	555	30.5	546	29.9	574	27.7	2	0.4	-9	-1.6
Government	359	19.1	359	19.7	402	22.0	410	19.8	0	0.0	43	12.0
Subtotal	1,883	100.0	1,821	100.0	1,824	100.0	2,075	100.0	-62	-3.3	3	0.2
Study Area Total												
Ag/Mining/Construction*	540	7.4	552	9.9	532	8.7	725	10.1	12	2.2	-20	-3.6
Manufacturing	1,359	25.3	1,484	26.6	1,650	27.0	2,357	32.9	125	9.2	166	11.2
TCU **	274	5.1	234	4.2	292	4.8	435	6.1	-40	-14.6	58	24.8
Trade	1,975	36.7	1,834	32.8	1,914	31.4	2,015	28.1	-141	-7.1	80	4.4
FIRE ***	276	5.1	280	5.0	303	5.0	298	4.2	4	1.4	23	8.2
Services	1,207	22.5	1,297	23.2	1,499	24.6	1,657	23.1	90	7.5	202	15.6
Government	1,628	30.3	1,728	30.9	1,739	28.5	1,749	24.4	100	6.1	11	0.6
Total	7,259	135.0	7,409	132.6	7,929	129.9	9,236	129.0	150	2.1	520	7.0

* Ag/Mining/Construction also includes Forestry and Fishing

** TCU includes Transportation, Communications, and Utilities

*** FIRE includes Finance, Insurance, and Real Estate

† Estimated (Not given in report due to nondisclosure act)

Note: 1994 and 1993 are the most current years reported for North Dakota and Minnesota respectively.

Sources: Job Service North Dakota, North Dakota Employment and Wages

Minnesota Department of Jobs & Training, Minnesota Employment & Wages by County

Maxfield Research Group

Major Employers

Maxfield Research Group interviewed representatives of the major employers (those with 30 or more full-time employees) in both Wahpeton and Breckenridge in June and July of 1996. The survey included such topics as products/services offered, current number of employees, historical and future employment trends, job types, typical hourly wages and annual salaries, where employees live and whether their employees have had difficulty in finding appropriate housing in the Wahpeton-Breckenridge area. It is important to note that many households have two wage earners and thus can afford to pay more for housing than is indicated by the salary/wages presented on the table. The PMA's major employers are listed on Table 15. The following key points pertaining to employment were derived from interviews with representatives of these employers.

- The 14 organizations surveyed in Wahpeton have a total of 2,770 full-time jobs. There were four organizations with 300 or more full-time jobs and another three organizations with over 100 full-time jobs. The largest employers in Wahpeton are 3M/Imation, with a total of 750 full-time employees, and Primewood/Primeboard with 556 full-time jobs.
- The six major employers in Breckenridge have a total of 614 full-time jobs. Two of these organizations have over 100 full-time jobs, St. Francis Medical Center (which also includes St. Francis Nursing Home) is, by far, the largest with 280 full-time jobs followed by the Breckenridge School District with 135 full-time jobs.
- Production and support workers at the study areas major employers make between \$6.00 and \$14.00 per hour, while hourly wages between \$9.00 and \$12.00 per hour are typical.
- Supervisors, low- to mid-level managers, and other professionals typically had annual salaries between \$25,000 and \$40,000, while, executives and highly skilled technical workers can make significantly more. While production and support workers make up the majority of the employment base, there is also a significant number of professional positions within these organizations.
- While the Pro Gold Inc.'s corn processing plant is still under construction and not expected to be up and running until October of 1996, the plant has already filled the vast majority of its permanent positions (90 jobs). An additional five workers are expected to be hired by the time the plant opens. In addition, another 25 to 30 plant maintenance jobs will be needed, however, these jobs will be subcontracted and not officially part of Pro Gold's work force.
- Officials at the Wahpeton School District, WCCO Belting, Merit Care, Dakota Clinic, and Sigco Sun Products all mentioned that they will likely see some slight to modest growth over the next few years while nearly all of the remaining major employers in Wahpeton and Breckenridge mentioned that they plan on maintaining current employment levels.