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Forget the Rent: Why New York and San Francisco Are Actually Amazing Bargains

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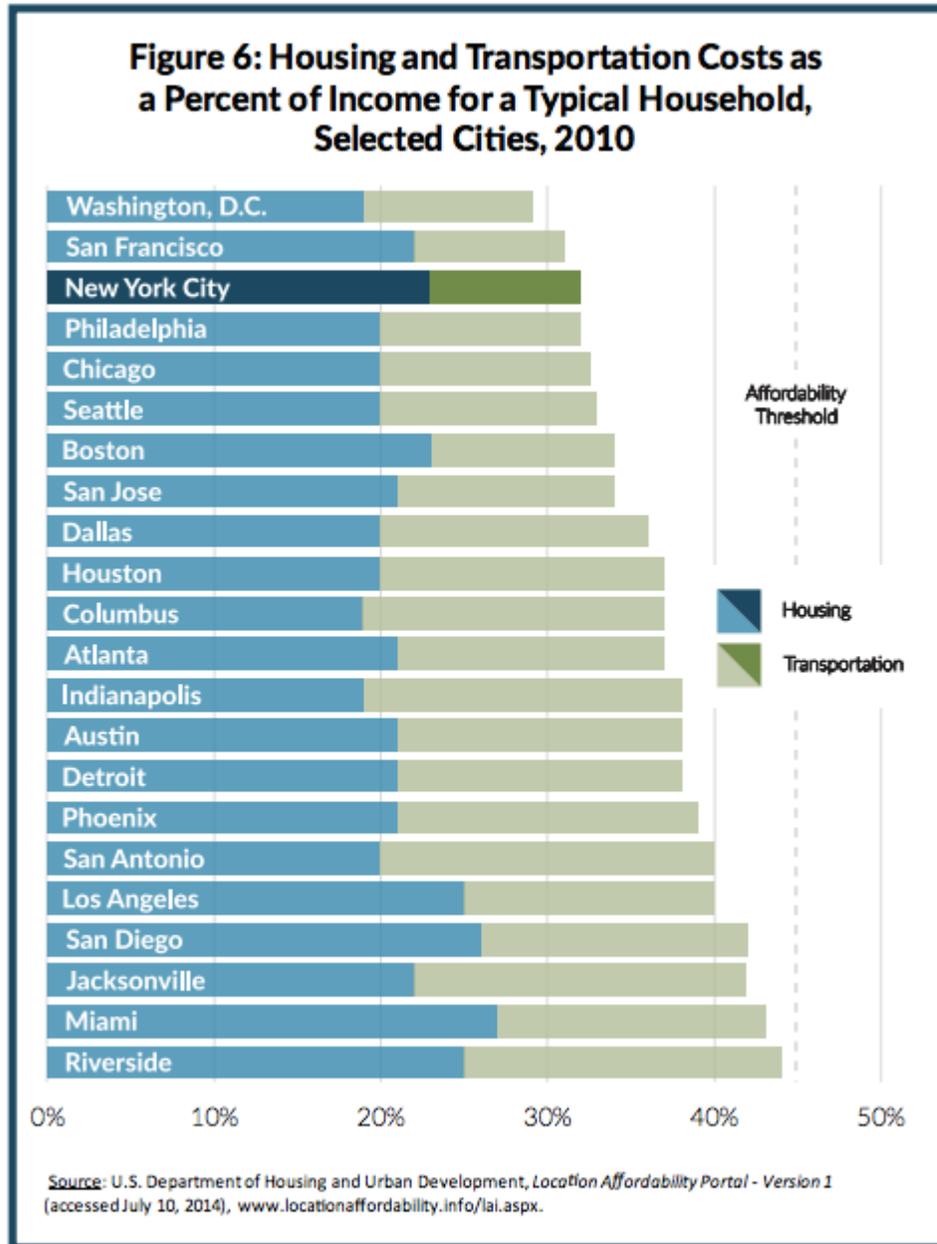
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New York and San Francisco are synonymous with out-of-control rents. But they're more of a bargain than most of us realize. The New York [Citizens Budget Commission](#), a nonprofit devoted to state and city government issues, recently ranked 21 large U.S. cities and found that New York, San Francisco, and Washington, D.C., (also thought of as an expensive place to live) were actually among the most affordable. How is that possible? First, families in these cities tend to earn more. Second, they spend less money commuting. The typical New York household, for instance, pays a ludicrous amount of rent, but most don't own a car, since they can use the subway or a bus to get to work instead.



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Like all rankings, this one should be taken with a grain of salt. The Budget Commission based its work on the Department of Housing and Urban Development's Location Affordability Index. Play around on the government's website for a while (it's fun, I swear) and you'll find that for some households, Atlanta or Dallas might indeed be more affordable than New York. In the end, I think the graph stands in for one big point. Americans tend to move in the direction of cheap housing. But



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my guess is that many families who go off to the Sun Belt in search of a moderately priced home with a yard end up underestimating the impact of commuting costs on their finances, since they're simply more difficult to predict. (Do you know where the price of gas will be in two years? Neither do I.) And while housing is the single biggest piece of most family budgets, transportation comes in second, eating up about 17 percent of all expenditures. As the New York's budget commission puts it: "The rent is too damn high! But the Metrocard is a pretty good deal."