



New York Isn't as Expensive as You Thought, in Two Charts

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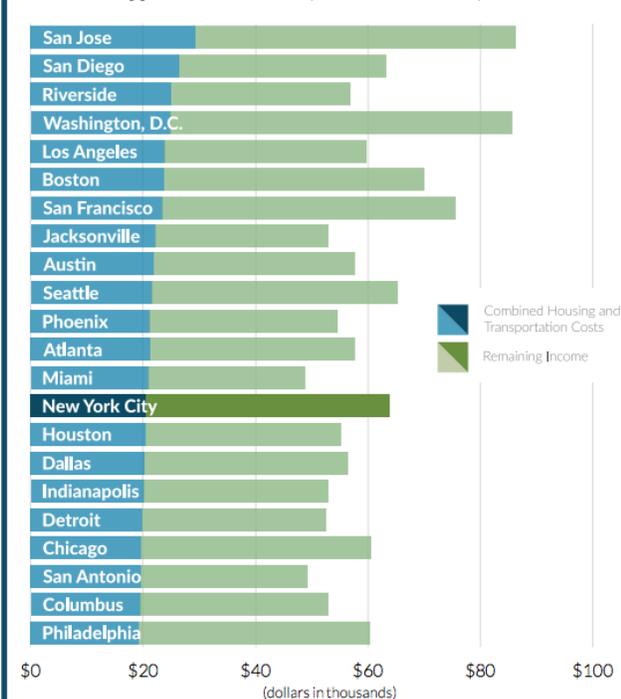
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Living in Washington, DC and Silicon Valley is really expensive. But in a sense, those places are more affordable than you think — at least for the people who live there. A recent report from New York's [Citizens Budget Commission](#), a nonprofit that tries to influence how New York city and state spend their money, finds that residents of those cities spend large amounts of money on housing and transportation. But typical incomes can easily dwarf those high spending levels.

In the below chart, the commission compares spending on housing and transportation (blue) to remaining income (green) for a typical household in a selection of large American cities. Interestingly,

New York — which is often considered an expensive place — comes out in the middle.

Figure 5: Combined Housing and Transportation Costs and Total Income for a Typical Household, Selected Cities, 2010



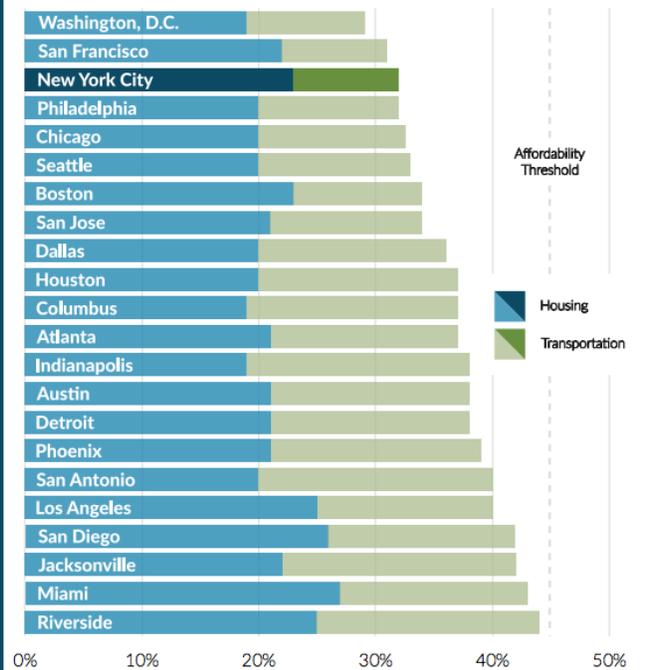
Source: U.S. Department of Housing and Urban Development, *Location Affordability Portal - Version 1* (accessed July 10, 2014), www.locationaffordability.info/lai.aspx.

The data comes from the Department of Housing and Urban Development (and if you inspect it, you can see it gets down to the neighborhood level, not just city by city). It shows that people in Philadelphia will spend less than \$20,000 per year on combined housing and transportation. Meanwhile, San Jose comes in at around \$30,000.

However, look at that combined housing spending (blue) and transportation spending (green) as a percent of income, and it becomes clear that some really expensive places are also just rich places. Suddenly San Jose doesn't look quite so bad, and Washington goes from fourth most expensive to cheapest. In addition, New York City's pricy housing is offset by super-cheap transit.



Figure 6: Housing and Transportation Costs as a Percent of Income for a Typical Household, Selected Cities, 2010



Source: U.S. Department of Housing and Urban Development, *Location Affordability Portal - Version 1* (accessed July 10, 2014), www.locationaffordability.info/lai.aspx.

Interestingly, all of the cities chosen by CBC come in under HUD's 45 percent "affordability threshold," one measure of whether a city is affordable or not. However, all of these numbers are for "typical households" in any given city – and that differs from city to city. HUD's tool allows you to see what life is like for a solo, low-income person or a retired couple, for example, in your city.