



JAMES R. HAGERTY  
Wall Street Journal Writer  
October 11, 2006

Moving to an area with lower housing costs often doesn't pay off for low-income Americans, according to a study to be released today by the Center for Housing Policy, a nonprofit research group based in Washington.

And, in a finding relevant to the Poconos' growing commuter population, the study showed that moving to an inexpensive outer suburb, but continuing to work near a city center, often backfires. Typically, a move that adds more than about 12 miles to a one-way commute will result in a rise in transport costs that outweighs the savings on housing, the researchers found.

The study, which looks at families with low to moderate incomes in 28 metropolitan areas, found that transportation costs in places with cheaper housing are often so high that they wipe out the savings from lower rent or mortgage payments. Such places tend to be farther from employers or short on public transportation, which makes commuting costlier.

<http://www.poconorecord.com/apps/pbcs.dll/article?AID=/20061011/NEWS/610110343#storyContinued>

The study found that housing and transportation costs combined eat up an average of 57 percent of annual income for "working" families, which the study defines as those with incomes of \$20,000 to \$50,000 a year. The combined costs ranged from 54 percent of income in Pittsburgh to 63 percent in San Francisco; in 25 of the 28 metro areas, the combined total was within three percentage points of the 57 percent average.

The findings contradict the common notion that many people would be better off financially if they moved from areas with high housing costs, such as California, to states like Texas or Georgia, where housing is much cheaper.

The median house price in San Diego, at \$613,000, is four times that of Dallas. But the study found that working families in San Diego spend 59 percent of their income on housing and transportation, only slightly more than the 57 percent they spend in Dallas. Families in Dallas spent just 26 percent of their income on housing, compared with 31 percent in San Diego, but the Dallas families spent more on transport.

The data on housing and transport costs for working families come from the 2000 U.S. Census. Since then, both housing and transport costs have jumped, but Barbara J. Lipman, research director at the Center for Housing Policy, said the results are still valid. Housing and transport costs have grown by roughly similar amounts.

The center is an arm of the National Housing Conference, a nonprofit group that favors more spending on affordable-housing programs for low- and moderate-income people.

The conference is funded by groups including the MacArthur Foundation and mortgage-finance companies Fannie Mae and Freddie Mac.