

# Coasts Cost Most: Monthly Homeowner Costs

No homeowner would deny that monthly costs for mortgage, insurance, taxes and utilities take a big chunk of monthly income. Folks living in South Gate, California (southeastern Los Angeles County) might heartily attest to that, with 68 percent of income going to monthly owner costs. Put another way, 68 cents of every dollar of income reported in the survey went, on average, to monthly owner costs.<sup>1</sup>

**TABLE 1: CITIES WITH THE HIGHEST HOMEOWNER COST-TO-INCOME BURDEN**

State	City	Cost-to-Income Ratio
California	South Gate	68.2
New Jersey	Newark	65.1
California	El Monte	63.0
California	Hayward	63.0
California	Baldwin Park	62.5
New Jersey	Paterson	62.4
Illinois	Cicero*	62.3
New Jersey	Elizabeth	61.1
California	Murrieta	60.4
Massachusetts	Lawrence	60.0
California	Richmond	59.9
Florida	Hialeah	59.7
Florida	Miami	58.0
California	Hemet	57.7
California	Daly	57.6
California	Hawthorne	57.2
California	Escondido	57.1
California	Vallejo	57.0
California	El Cajon	56.8
California	East Los Angeles CDP	56.4
California	Inglewood	56.3
Puerto Rico	Mayagüez zona urbana	56.2
California	Norwalk	56.2
California	Salinas	56.2
California	Oakland	55.9
United States		34.5

\*Town

Not surprisingly, 17 of the 25 highest burden cities are located in California, all of which have a 55 percent or higher ratio of monthly homeowner costs to income (see **Table 1**). Briefly, these monthly costs include mortgages, real estate taxes, insurance, utilities and any association fees.<sup>2</sup> **Table 2** shows the top 10 states with the highest and lowest cost-to-income ratios.

While the average costs-to-income ratio, as calculated by the American Community Survey, was 34.5 percent nationally, 312 cities and towns included in the survey had ratio's higher than the national average. Data are available for eight Indiana cities, shown in **Table 3**. At 40.4 percent, the city of Hammond has the highest costs-to-income ratio, while Fort Wayne has the lowest (25.2 percent).

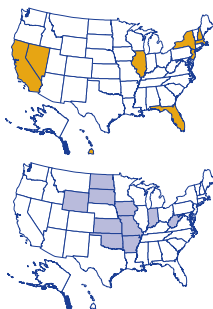
Of the 24 Indiana counties included in the survey, Morgan County, just southwest of Indianapolis, had the highest ratio at 34.7 percent. On the other end of the spectrum, Bartholomew County (southeast of Indianapolis) had the lowest ratio at 18.8 percent (see **Table 4**).

## Notes

1. These newly released figures come from the American Community Survey, currently covering geographic areas with populations of 65,000 or more across the United States.
2. The data on selected monthly owner costs were obtained from questionnaire Item 14 and Items 20 through 24 in the 2005 American Community Survey. The data were obtained for owner-occupied units. Selected monthly owner costs are the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgages, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood

**TABLE 2: STATES WITH THE HIGHEST AND LOWEST BURDENS (COST-TO-INCOME RATIO)**

1. California	47.7
2. Nevada	42.4
3. New Jersey	40.7
4. Florida	40.6
5. Hawaii	39.7
6. New York	38.9
7. New Hampshire	37.8
7. Rhode Island	37.8
9. Massachusetts	37.3
10. Illinois	37.2



42. Missouri	26.3
43. Indiana	25.9
43. Oklahoma	25.9
45. Arkansas	25.6
46. South Dakota	25.5
46. West Virginia	25.5
46. Wyoming	25.5
49. Kansas	25.4
50. Iowa	24.3
51. North Dakota	21.5

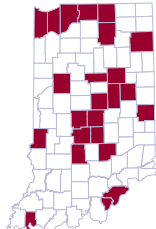
**TABLE 3: INDIANA CITIES IN THE SURVEY**

Hammond	40.4
Gary	36.1
Muncie	35.1
South Bend	34.8
Evansville	28.2
Indianapolis	26.4
Bloomington	25.7
Fort Wayne	25.2



**TABLE 4: INDIANA COUNTIES IN THE SURVEY**

Morgan	34.7	Johnson	25.5
Lake	31.8	Vanderburgh	25.3
Delaware	31.4	Howard	24.8
Kosciusko	29.5	Tippecanoe	22.4
Grant	29.0	Hamilton	21.9
Madison	28.9	Allen	21.7
Hendricks	28.1	Clark	21.4
Monroe	27.3	Bartholomew	18.8
LaPorte	27.2		
Porter	27.0		
Vigo	27.0		
Floyd	26.6		
Marion	26.4		
Wayne	26.3		
St. Joseph	26.1		
Elkhart	25.7		



insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (installment loan payments, personal property taxes, site rent, registration fees and license fees).

—Carol Rogers, Executive Editor, Indiana Business Research Center, Kelley School of Business, Indiana University.