

Nonprofit Group Spotlights Crippling Nationwide Home Affordability Gap

**Terry O'Connor, *New Orleans CityBusiness*
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Think it's tough to buy a home in New Orleans? You are right. It is everywhere else, too.

The national nonprofit Homes for Working Families spotlighted what it called "the crippling nationwide home affordability gap that is keeping working families out of homes" during National Homeownership Month in June.

The affordability gap is a growing chasm between incomes and home costs. It is the primary reason homeownership is still out of reach for millions of middle-class families despite retreating home prices. First-time buyers usually need to earn at least twice the median income to afford a median-priced home.

Today, a record 37.3 million households - one in three - are facing moderate to severe housing cost burdens.

"A growing number of police officers, teachers, office workers and other hard working citizens cannot afford to live in the communities they support. The affordability gap is keeping safe, good-quality homes out of reach of working families," said Beverly Barnes, executive director of Homes for Working Families.

Generally accepted financial planning practices indicate home costs should equal no more than 28 percent of net income plus property taxes and insurance.

Here are some examples of the affordability gaps faced by working families, including New Orleans:

CHARLOTTE, N.C.

Median home price \$175,000

Salary needed \$59,949

Average teacher salary \$38,300

Average retailer salary \$23,460

CHICAGO

Median home price \$254,000

Salary needed \$87,012

Average police salary \$58,910

Average clerical salary \$31,330

LOS ANGELES

Median home price \$525,000

Salary needed \$179,163
Average nurse salary \$67,870
Average firefighter salary \$62,340

NEW ORLEANS

Median home price \$174,500
Salary needed \$59,778
Average paralegal salary \$38,370
Average admin aide salary \$33,370
Average law clerk salary \$31,350
Average firefighter salary \$28,390
Average retailer salary \$23,000
Average preschool salary \$22,190
Average medical aide salary \$21,140

There is no easy answer to this quandary but it's clearly not just a New Orleans problem.