

Featured

Top 10 Most Affordable U.S. Cities to Live In



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While you've probably fantasized about living in an [affordable vacation destination](#), it might not be in the cards for your family. Moving to a big expensive city such as New York or [San Francisco](#) might be out of the question too.

Fortunately, the United States has many affordable, economically vibrant metropolitan areas that offer great job prospects, low living costs, and a bevy of lifestyle options for people from all walks of life.

These metro areas all stretch your dollar further than you'd expect, *without* forcing you to make painful career sacrifices or compromise your family's quality of life. Reasonable housing, energy, and transportation costs may also free up extra space in your [family's household budget](#) and help you plan for whatever challenges and opportunities lie ahead.

Factors That Affect Affordability

Several metrics are important indicators of a location's "affordability quotient," and you can use each to determine the relative cost of living and working.

The list below breaks out median home prices and rent figures for each core city, as well as each metro area. In each instance, "city" describes the largest city in the metro area – the municipality from which it derives its name.

For instance, "city" prices for Memphis only cover neighborhoods within the city limits of Memphis, which has a population of about 670,000. "Metro" prices for Memphis cover towns, cities, and unincorporated areas within the Census-defined Memphis Metropolitan Statistical Area, which includes three counties in Tennessee, two in Arkansas, and five in Mississippi, and has a population of about 1.4 million.

Here's a brief explanation of what each metric means and why:

- **Median Household Income.** This describes the median household income in each metro area's core city, establishing an income baseline independent of buying power. *Source: U.S. Census Bureau American FactFinder.*
- **Median Home List Price (City/Metro).** The median price at which homes are listed in each core city and metro area. *Source: Zillow, unless otherwise noted.*
- **Median Home Sale Price (City/Metro).** The median price for which homes actually sell in each core city and metro. Hot housing markets generally see positive gaps between sale and list prices, indicating that [homeownership](#) may be a good deal relative to renting. Note that this metric reflects the average value only of homes that actually sell, not metro-wide values. *Source: Trulia or National Association of Realtors, unless otherwise noted.*
- **Median Rent (City/Metro).** Compares core city and metro-wide rent. This is useful for new arrivals and folks who aren't ready to buy. It incorporates a wide range of housing types, from new construction luxury apartments to cheaper, older units. *Source: Zillow or Trulia.*
- **Cost of Colonoscopy.** As one of the country's most common medical procedures, the colonoscopy is a good benchmark for overall medical costs in each metro area. However, healthcare is a super complicated industry with opaque pricing, so any benchmark has limitations. *N.B.* Costs listed below are for patients without insurance. If you have health insurance, you'll likely pay far less out of pocket for your colonoscopy. *Source: New Choice Health ("expensive" estimate).*
- **Cost per Gallon, Regular Gasoline.** Transportation costs comprise a major line item in most household budgets, so this is a big one. To account for neighborhood-to-neighborhood variability, a five-cent buffer zone is built into each metro area's figure. However, this metric is notoriously volatile – it can fluctuate from week to week and even day to day in response to supply issues and movements in global oil markets. *Source: AAA, unless otherwise noted.*
- **Cost of Monthly Transit Pass.** In many cities, it's cheaper to take the bus or train than it is to drive.
- **Average Commute Time.** Since time is money, average commuting time is a key measure of local productivity – and thus affordability. Most of these places have lower-than-average commute times; for reference, New York City's average commute is a numbing 45 minutes. With notable exceptions, there's a clear correlation between [long average commute times](#) and higher living costs.
- **Average Property Tax Burden.** For homeowners, property taxes can make or break a buying decision. I described each city's local property tax burden both as a measure of assessed home value and median income.
- **Local Sales Tax Rate.** I combined state and local tax rates to find each area's total sales tax rate. The national average below includes states with no state sales taxes, so it's lower than the average of only states *with* state sales taxes.
- **State & Local Income Tax Rate.** This metric uses the same methodology as the local sales tax rate metric. Note that some, but not all, of the locations on this list lack [state income taxes](#) – that's no accident. Many lack municipal income taxes, which are less common than state income taxes overall.

- **Insurance Costs and Special Issues.** Whether it's an elevated crime rate or vulnerability to hurricane strikes, every city has its own insurance risk factors. Each place's weather dangers, property crime figures, fire dangers, and more are outlined.
- **Utility Cost Index.** This determines local utility costs relative to a national benchmark of 100. A Utility Cost Index below 100 indicates that local residents pay lower home energy bills than residents of most other cities, while a UCI reading above 100 indicates that utilities are pricier than the national average. Factors such as weather and delivery infrastructure may play a role here. Keep in mind that this metric is somewhat subjective. *Source: Sperling's Best Places, unless otherwise noted.*
- **Cost of Living Index.** This well-known metric attempts to determine local buying power relative to the national average. It's also calculated based on an average of 100. Cities with COL readings above 100 are more expensive than most U.S. cities; places with readings below 100 are more affordable. This figure looks at a wide range of prices to draw a picture that's as comprehensive as possible. Like utility cost index, this metric is somewhat subjective. *Source: Sperling's Best Places, unless otherwise noted.*

Note: For each of these metrics, I've used the most up-to-date figures available. Mind that all are subject to change, some more rapidly than others. Before you start looking for places to [rent or buy](#) in any of these cities, do your own due diligence.

Of course, relative affordability isn't the only factor that plays into a decision to relocate. Each of the cities that made this top 10 list are fun, vibrant areas that offer many of the cultural and social amenities of larger, better-known population centers – without the eye-popping price tag. Such advantages can be a bit less tangible than concrete figures such as median household income and medical costs, but it's still important to consider the “fun” factor.

National Averages

When considering the 10 most affordable cities in the U.S., refer back to each metric's national average. And keep in mind that these numbers factor in data from expensive cities such as New York City and San Francisco, as well as the far more affordable regions.

- **Median Household Income:** \$59,039
- **Median Home List Price:** \$254,900
- **Median Home Sale Price:** \$317,200
- **Median Rent:** \$1,600
- **Cost of Endoscopy/Colonoscopy:** \$2,625
- **Cost per Gallon, Regular Gasoline:** \$2.70
- **Cost of Monthly Transit Pass:** \$67
- **Average Commute Time:** 25.4 minutes
- **Average Property Tax Burden:** 1.15%
- **Local Sales Tax Rate:** 6.47%
- **State & Local Income Tax Rate:** 9.9%
- **Insurance Costs and Special Issues:** Varies based on local geography/topography, weather patterns, crime rates, income, and other metrics.
- **Utility Cost Index:** 100
- **Cost of Living Index:** 100

Note: It's no accident that most of these cities are located in the U.S. interior, far from high-cost coastal cities. Almost without exception, larger cities on the West and Northeast/Mid-Atlantic coasts are pricier than cities in the Midwest, South, and interior West. While there's no single cause of this persistent and well-known discrepancy, it's almost certain to factor into your calculus.

Most Affordable Cities in America

1. Memphis, Tennessee

With a metro-area population of about 1.3 million, Memphis is Tennessee's second-largest population center. It's located on the bluffs and floodplains that line the eastern bank of the Mississippi River and borders parts of Mississippi and Arkansas.

Memphis's culture needs no introduction: As the home of Graceland, the spiritual birthplace of Elvis, and the epicenter of the Delta Blues, it's a musical capital that's rivaled, in the South, only by Austin and Nashville. It's also renowned for its own take on barbecue and its well-documented contributions to the Civil Rights Movement.

Once you step away from the "meateries" and blues clubs of Beale Street, though, you'll be much more impressed by another of Memphis's strengths: its rock-bottom cost of living. Memphis is one of

America's [best cities for renters](#), and it's not much worse for prospective homebuyers.

To be fair, the city's cheap housing and low gas prices can be attributed to a somewhat soft local economy, but it's not like you can't get ahead here. In fact, Memphis is routinely rated among the country's top destinations for bargain-seeking [Millennials](#) who've tired of the rat race in high-cost coastal cities. Plus, there are no state, city, or county income taxes in Memphis.

- **Median Household Income:** \$36,445 (Tennessee average is \$45,219).
- **Median Home List Price (City/Metro):** \$89,500/\$170,000
- **Median Home Sale Price (City/Metro):** \$140,000/\$165,000
- **Median Rent (City/Metro):** \$895/\$950
- **Cost of Endoscopy/Colonoscopy:** \$1,350
- **Cost per Gallon, Regular Gasoline:** \$2.40 – \$2.45
- **Cost of Monthly Transit Pass:** \$60 for 31-day pass; reduced-fare passes available
- **Average Commute Time:** 24 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 1.35%/3.00%
- **Local Sales Tax Rate:** 7% Tennessee tax + 2.25% local tax = 9.25%
- **State Income Tax Rate:** No state income taxes
- **Insurance Costs and Special Issues:** Homeowners and renters who live in the Mississippi River's flood zone must pay sharply higher-than-average rates for [homeowners' insurance](#) and [renters' insurance](#). (Nationally, the average flood insurance policy in "moderate-risk" areas costs \$650 per year, but Memphis neighborhoods immediately adjacent to the Mississippi River are considered to be high-risk. According to the National Flood Insurance Program, premiums for such properties are calculated on a case-by-case basis, but they can exceed \$5,000 per year in the most vulnerable spots.) They may also be required to carry [flood insurance](#). Memphis also lies in a little-known but active earthquake zone, which further increases homeowners' insurance costs. Property crime rates are higher than the national average, increasing auto insurance costs. On the plus side of the ledger, Memphis experiences few severe weather events, offsetting some of these added costs.
- **Utility Cost Index:** 85
- **Cost of Living Index:** 74



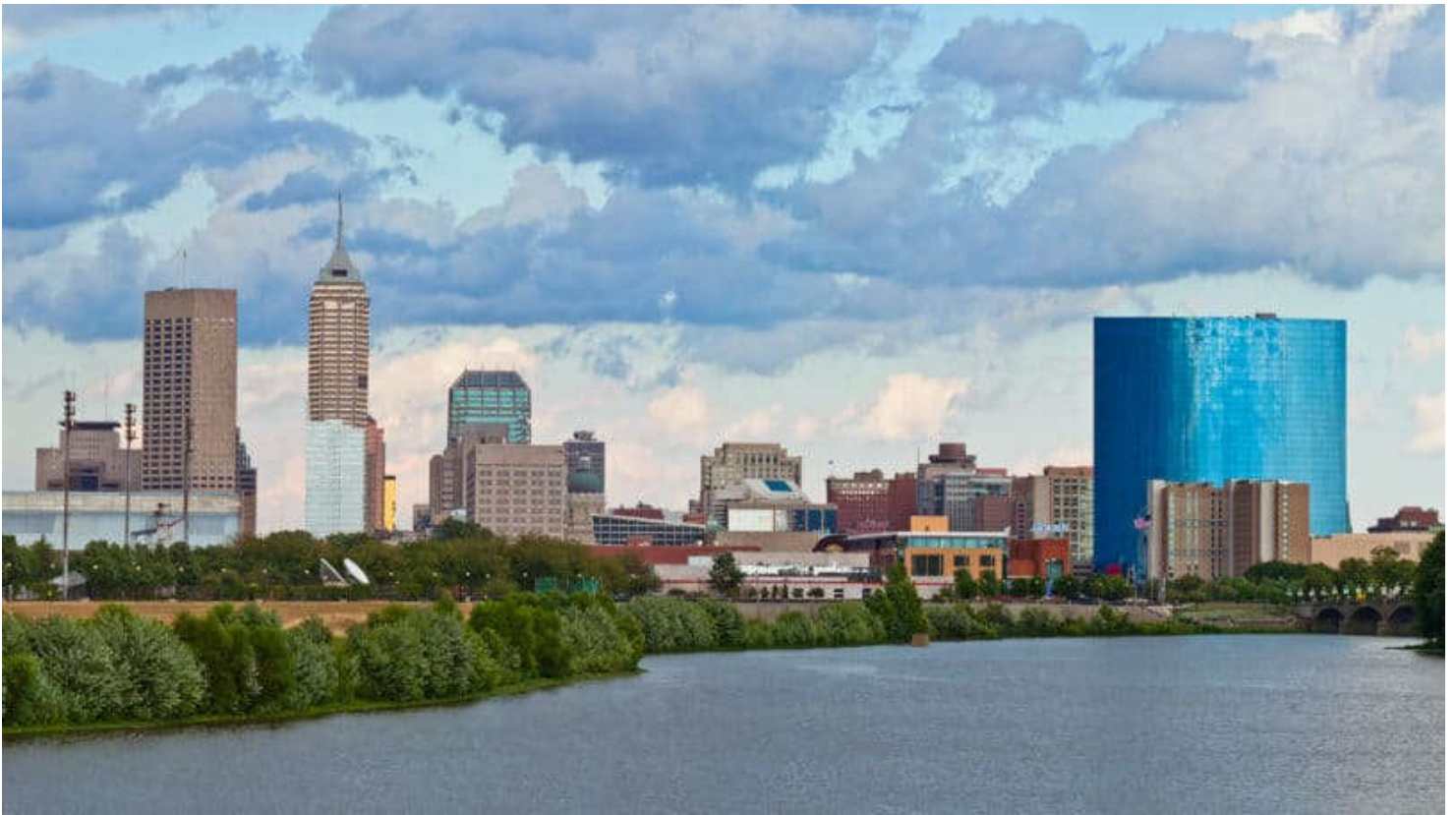
2. Indianapolis, Indiana

Indianapolis might not share Memphis's glamor or cultural distinctiveness, but this booming Midwestern city has plenty to offer. Located near the geographical center of its state, Indianapolis is a transportation hub that's within three or four hours of a half-dozen major cities – so it's perfect for residents who travel for work.

As a consolidated city-county, Indianapolis also contains a stunning variety of urban, suburban, and semi-rural neighborhoods that appeal to just about every type of resident. In spite of its spread-out cityscape, Indianapolis's spacious, well-maintained highway system keeps commute times manageable. Indy's economy is surprisingly high-tech: Drawn by low living costs and high quality of life, software and life sciences entrepreneurs are relocating here from the coasts in growing numbers.

Indy isn't all business. Every summer, the Indy 500 (at the nearby Indianapolis Motor Speedway) turns the place into a zoo. The Colts football team has a religious following, and a beautiful chain of parks follows the snaking footprint of the White River. Winters can be chilly, but the snow usually melts for good by mid-March.

- **Median Household Income:** \$41,987 (Indiana average is \$49,255)
- **Median Home List Price (City/Metro):** \$144,900/\$195,000
- **Median Home Sale Price (City/Metro):** \$144,000/\$176,000
- **Median Rent (City/Metro):** \$1,000/\$1,195
- **Cost of Endoscopy/Colonoscopy:** \$1,500
- **Cost per Gallon, Regular Gasoline:** \$2.30 – \$2.35
- **Cost of Monthly Transit Pass:** \$60 for a 31-day pass; reduced-fare passes available
- **Average Commute Time:** 27 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** Capped at 1% of assessed value for homesteads, average of 1.15% for all properties/2.35%
- **Local Sales Tax Rate:** 7% state + 1.6% local = 8.6%
- **State Income Tax Rate:** 3.4% flat state tax rate on all income
- **Insurance Costs and Special Issues:** Homeowners and renters who live in the White River's flood zone may face somewhat higher premiums than those who live elsewhere. Indianapolis is at a slightly higher risk of tornadoes, hail, and other severe weather events than the nation as a whole. Property crime rates mirror the national average and thus have a negligible impact.
- **Utility Cost Index:** 91
- **Cost of Living Index:** 90



3. Omaha, Nebraska

Memphis has Elvis, the embodiment of rock 'n roll; Omaha has Warren Buffett, the embodiment of business success. And any city that counts a low-key, slightly awkward investor as its patron saint is probably a good place to live, work, and raise a family. It's a testament to the city's affordability that the next owner of Buffett's small, tidy ranch house will likely be a [first-time home buyer](#).

It's not all Buffett's doing, but Omaha's economy has emerged stronger than ever from the financial crisis and subsequent recession. The city's unemployment rate sits well below the national average, and the insurers, energy firms, and logistics businesses that buttress its economy never really stopped hiring during the downturn. Meanwhile, an explosion of loft conversions and condo construction along the Missouri River waterfront has created a ready supply of convenient, affordable housing for the entry-level white-collar workers that these businesses seek.

Great river views and a civic-minded business community aren't the only things that Omaha offers bargain-seeking newcomers. While you won't find any pro sports teams here, the College World Series packs a year's worth of sporting glory into a few frenetic days. What's more, Omaha is surrounded by some of the country's most fertile agricultural land, so it's no surprise that it's a locus of the farm-to-table movement – and a great place to get a world-class steak without spending a week's pay on it.

- **Median Household Income:** \$49,896 (Nebraska average is \$52,997)
- **Median Home List Price (City/Metro):** \$215,000/\$214,000
- **Median Home Sale Price (City/Metro):** \$175,000/\$180,500
- **Median Rent (City/Metro):** \$1,300/\$1,317
- **Cost of Endoscopy/Colonoscopy:** \$1,550
- **Cost per Gallon, Regular Gasoline:** \$2.45 – \$2.50
- **Cost of Monthly Transit Pass:** \$55 for a 30-day transit pass
- **Average Commute Time:** 20 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 2.00%/4.00%
- **Local Sales Tax Rate:** 5.5% state + 1.5% local = 7%
- **State Income Tax Rate:** 6.84% state tax on all income above \$27,000
- **Insurance Costs and Special Issues:** Homeowners and renters who live near the Missouri River may be at risk for catastrophic flooding, but development is limited in the river's floodplain after the devastating floods of 1993. Omaha lies near Tornado Alley and is at a relatively high risk of tornadoes, hail, and damaging straight-line wind events. On the other hand, property crime rates are quite low here, and low accident rates keep car insurance premiums depressed. Seismic activity is virtually nonexistent.
- **Utility Cost Index:** 92
- **Cost of Living Index:** 88



4. Columbus, Ohio

When compared to other major Ohio cities such as Cleveland, Cincinnati, Dayton, and Toledo, Columbus has the strongest economy and the most educated populace. This is due, in no small part, to the presence of Ohio State University, one of the country's largest and best-regarded public institutions of higher education. Columbus is also Ohio's capital and the heart of its emerging knowledge economy. Cleveland may rock, and Cincinnati may have its skyline chili, but Columbus is where the action is for young, ambitious workers. It helps that it's among the country's most affordable metro areas – its relatively high utility costs represent the only chink in its armor.

Structurally, Columbus is similar to Indianapolis: It spreads in concentric, progressively less dense circles from a vibrant urban core. If you're looking for an affordable three-bedroom house on a quarter-acre, check out nearby Westerville or Grove City. For an urban abode near the lazy Scioto River, look to Franklinton or Upper Arlington. With home prices as they are here, it's hard to go wrong. Plus, Columbus boasts world-class cultural institutions such as the Columbus Museum of Art and the sprawling Franklin Park Conservatory.

- **Median Household Income:** \$45,659 (Ohio average is \$49,429)
- **Median Home List Price (City/Metro):** \$160,000/\$226,990
- **Median Home Sale Price (City/Metro):** \$159,500/\$197,700
- **Median Rent (City/Metro):** \$1,075/\$1,300
- **Cost of Endoscopy/Colonoscopy:** \$1,500
- **Cost per Gallon, Regular Gasoline:** \$2.20 – \$2.25
- **Cost of Monthly Transit Pass:** \$62 for a 31-day transit pass/\$85 for an “express” pass/discounts available for Ohio State University students
- **Average Commute Time:** 21 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 2.00%/3.45%
- **Local Sales Tax Rate:** 5.75% state + 1.75% local = 7.5%
- **State Income Tax Rate:** 5.2% top state marginal rate for highest bracket/3.76% top state marginal rate for median earners
- **Insurance Costs and Special Issues:** Columbus doesn't experience a lot of extreme weather events, and lacks large floodplains that can ensnare homeowners and renters. Its property crime rates are in line with or below the national average (depending on the metrics used), so this does not affect locals' insurance premiums.
- **Utility Cost Index:** 96
- **Cost of Living Index:** 84



5. Las Vegas, Nevada

Gamers used to leaving Vegas with empty pockets might be surprised to learn that Las Vegas is one of the most affordable big cities in the Pacific Time Zone. This wasn't always the case: After a feverish boom during the beginning and middle of the 2000s, Las Vegas's housing market imploded in 2007, losing about half its value in all.

These days, that pain is a distant memory. Home values are rising much faster than the national median, but remain affordable relative to local incomes, and most experts expect continued appreciation for the foreseeable future. It's safe to say that buying a house in Vegas is no longer a gamble.

Contrary to popular belief, there's more to the Vegas economy than gaming. The city is an emerging hub for the technology industry, and its relatively low land and labor costs make it a popular financial back office as well.

It's not quite paradise, of course. Las Vegas's brutal summer heat challenges newcomers from temperate climates, and it's extremely arid – in fact, it's the driest big city in the U.S. Also, a city ordinance forbids the installation of water-hogging grass lawns on parcels subdivided after 2003. With the city's impressive buying power, though, locals can afford some pretty cool [xeriscaping](#) and rock gardens.

- **Median Household Income:** \$50,202 (Nevada average is \$51,847)
- **Median Home List Price (City/Metro):** \$274,995/\$279,000
- **Median Home Sale Price (City/Metro):** \$235,000/\$252,500
- **Median Rent (City/Metro):** \$1,350/\$1,350
- **Cost of Endoscopy/Colonoscopy:** \$1,600
- **Cost per Gallon, Regular Gasoline:** \$2.70 – \$2.75
- **Cost of Monthly Transit Pass:** \$65 for 30-day transit pass (\$32.50 reduced fare for low-income individuals)
- **Average Commute Time:** 27 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 0.72%/2.61%
- **Local Sales Tax Rate:** 6.85% + 1.25% = 8.1%
- **State Income Tax Rate:** No state income taxes
- **Insurance Costs and Special Issues:** While the Strip is quite safe, Las Vegas as a whole has fairly high property crime rates. With auto theft a major problem, the region's car insurance rates are among the country's highest. Earthquakes and (obviously) hurricanes don't pose a threat here, but there's a real danger of fires, and desert thunderstorms can be surprisingly violent: Hail damage is a real concern, as are flash floods. New arrivals should expect high premiums on homeowners', renters' and auto insurance.
- **Utility Cost Index:** 90
- **Cost of Living Index:** 105



6. Salt Lake City, Utah

It's almost unfair. Salt Lake City has an ascendant technology economy that's minting good jobs by the boatload, access to some of the world's best skiing, an inimitable culture of civic responsibility and collaboration – and it's practically surrounded by picturesque mountain ranges. Many people would undoubtedly pay a hefty premium for such assets, but not here: Despite its charm, grace, and vibrancy, Salt Lake City is among the country's most affordable metro areas.

Relative to Memphis and Indianapolis, some of Salt Lake's figures may seem a bit high. In particular, the local housing market is really heating up – the median list price hovers around \$400,000.

However, for a city that's constricted by mountains on three sides and a vast lake on the fourth, Salt Lake City has relatively low housing costs. Plus, on top of a bevy of economic assets that provide a young, well-educated, active population with enviable upward mobility, SLC has an unusually robust transit system that was planned before the 2002 Winter Olympics and continues to expand at a rapid clip. 20% of local workers carpool or ride public transit to work – an impressive figure for a newer, non-coastal city.

- **Median Household Income:** \$47,243 (Utah average is \$60,727)
- **Median Home List Price (City/Metro):** \$397,000/\$349,900
- **Median Home Sale Price (City/Metro):** \$307,900/\$307,900
- **Median Rent (City/Metro):** \$1,495/\$1,517
- **Cost of Endoscopy/Colonoscopy:** \$1,400
- **Cost per Gallon, Regular Gasoline:** \$2.60 – \$2.65
- **Cost of Monthly Transit Pass:** \$83.75 for a 30-day transit pass (\$41.75 for seniors and \$62.75 for students)
- **Average Commute Time:** 21 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 0.67%/2.35%
- **Local Sales Tax Rate:** 6.85% state + local for retail/7.85% for restaurants
- **State Income Tax Rate:** 5% flat state tax rate on all income
- **Insurance Costs and Special Issues:** Salt Lake City's property crime rates are well below the national average, but the region's variable and sometimes extreme weather can increase out-of-pocket costs for homeowners and drivers. Although the area isn't normally associated with severe thunderstorms, the powerful tornado that tore through it in 1999 gave many underwriters pause.
- **Utility Cost Index:** 82
- **Cost of Living Index:** 108



7. San Antonio, Texas

San Antonio has a rich history that dates back to its days as a Spanish colonial outpost and, later, as a Mexican trading city. Locals might not personally remember the Alamo, but the past is never far from the conversation in Texas's third-largest city. (Outsiders are surprised to learn that San Antonio is huge – home to more than 1.3 million people in the city proper alone.)

San Antonio might lack the overt glitz of Vegas or the cultural pedigree of Memphis, but its downtown area bustles with activity throughout the year. The narrow, winding San Antonio River boasts the Riverwalk, a miles-long collection of dive bars, trendy restaurants, tourist shops, and authentic mom-and-pop stores. Rent is fairly expensive in this tourist-friendly part of town, but San Antonio's low housing and fuel costs ensure that locals who brave its crowds have plenty of extra cash to spread around here.

San Antonio isn't just for tourists and economic refugees. With four Army and Air Force bases (Lackland and Randolph Air Force Bases are the most prominent) scattered throughout the scrublands that surround the city, it's a haven for military families. It's also an important hub for the telecommunications industry, and serves as a crucial logistical link between Mexico's border-city factories and the population centers of the south-central United States. Its minimal drawbacks are mostly climate-related: During the summer, triple-digit temperatures are the norm, and occasional droughts force water restrictions that have driven many would-be English gardeners toward harder [native landscaping](#) choices.

- **Median Household Income:** \$46,744 (Texas average is \$53,207)
- **Median Home List Price (City/Metro):** \$237,990/\$273,500
- **Median Home Sale Price (City/Metro):** \$226,000/\$226,000
- **Median Rent (City/Metro):** \$1,250/\$1,321
- **Cost of Endoscopy/Colonoscopy:** \$1,400
- **Cost per Gallon, Regular Gasoline:** \$2.40 – \$2.45
- **Cost of Monthly Transit Pass:** \$35 for a 30-day transit pass (reduced fares available for low-income individuals)
- **Average Commute Time:** 23 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 2.12%/4.05%
- **Local Sales Tax Rate:** 6.25% state + 2% local = 8.25%
- **State Income Tax Rate:** No state income taxes
- **Insurance Costs and Special Issues:** The piddling San Antonio River won't be overflowing its banks anytime soon, but San Antonio itself does feature some low-lying areas at risk for flooding during the annual monsoon and hurricane seasons, which roughly coincide. The city also lies at the southern edge of Tornado Alley and experiences severe weather on a fairly regular basis. What's more, the dry season brings an elevated wildfire risk, and property crime rates are higher than the national average. Insurance isn't prohibitive here, but it's more expensive than in some other cities on this list.
- **Utility Cost Index:** 84
- **Cost of Living Index:** 93



8. Birmingham, Alabama

Like its British counterpart, Birmingham has long been a hub for the steel industry. In fact, the industry suburb of Bessemer is named for the man who invented an economically viable process for producing the now-ubiquitous metal. For years, Birmingham was the “furnace of the South.”

These days, there’s more to Alabama’s largest city than forges and railcars. Birmingham sits near the southern terminus of the Appalachian Mountains, its dense core bracketed by parallel ridges that run from southwest to northeast. Homeowners on Red Mountain, just south of downtown, enjoy views that rival anything they’d see from the Hollywood Hills. Suburban hilltop houses are far pricier than properties in the valley below, which explains the steep discrepancy between city and metro area home values – but they’re still a steal next to actual West Coast properties.

As a regional business center, Birmingham has plenty of decently compensated white-collar professionals whose “ordinary” salaries facilitate downright princely lifestyles. In fact, from an economic perspective, the only downside to life in Birmingham is a pricey utility-delivery system that can pinch a bit during the city’s muggy summers. However, this minor inconvenience is more than offset by rock-bottom prices for everything else.

- **Median Household Income:** \$31,061 (Alabama average is \$43,623)
- **Median Home List Price (City/Metro):** \$76,750/\$199,000
- **Median Home Sale Price (City/Metro):** No data/\$195,000
- **Median Rent (City/Metro):** \$795/\$950
- **Cost of Endoscopy/Colonoscopy:** \$1,400
- **Cost per Gallon, Regular Gasoline:** \$2.45 – \$2.50
- **Cost of Monthly Transit Pass:** \$44 for a 30-day transit pass (\$25 for students)
- **Average Commute Time:** 26 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 0.58%/\$1.37%
- **Local Sales Tax Rate:** 4% state +5% local = 9%
- **State Income Tax Rate:** 5% flat state tax rate on income over \$3,000
- **Insurance Costs and Special Issues:** You've heard of Tornado Alley, but what about Dixie Alley? Birmingham lies near the heart of a 200-mile-wide corridor that sees more tornadoes and hailstorms than any part of North America outside the central Great Plains. The threat of storm damage keeps homeowners' and renters' insurance premiums artificially inflated. High property crime rates don't help: Auto theft and larceny are more common here than in most of the other cities on this list. Still, Birmingham's remarkably low living costs make it possible to absorb these modest burdens.
- **Utility Cost Index:** 102
- **Cost of Living Index:** 73



9. Des Moines, Iowa

Located just two hours east of Omaha, Des Moines is another Heartland city that seems to have found an economic sweet spot. Iowa's capital was once the butt of jokes: In an early episode of "South Park," a man who had been encased in ice for 36 months was sent for rehabilitation to Des Moines, "where everything is three years behind." No longer. As a loft-conversion boom transforms the city's center into an urban playground for students, graduates, and entrepreneurs, a ring of tech businesses known collectively as "Silicon Prairie" has replaced the cornfields and pastures that once bracketed its beltways.

Despite its new-found economic power and growing crop of newcomers, Des Moines remains one of the country's most affordable – and friendly – metro areas. Bargain-hunters who prefer the anonymity of bigger cities, where strangers return random greetings with puzzled rebukes, might want to stay away. Everyone else can look forward to stretching their dollars in this midsized Midwestern hub.

- **Median Household Income:** \$46,290 (Iowa average is \$53,183)
- **Median Home List Price (City/Metro):** \$129,900/\$229,900
- **Median Home Sale Price (City/Metro):** \$123,000/\$196,600
- **Median Rent (City/Metro):** \$1,000/\$1,200
- **Cost of Endoscopy/Colonoscopy:** \$1,500
- **Cost per Gallon, Regular Gasoline:** \$2.60 – \$2.65
- **Cost of Monthly Transit Pass:** \$48 for a monthly transit pass (must buy on the first of the month)
- **Average Commute Time:** 19 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 1.6%/3.4%
- **Local Sales Tax Rate:** 6% state
- **State Income Tax Rate:** 9% top marginal state rate for top bracket/7.9% top marginal rate for median earners
- **Insurance Costs and Special Issues:** Homeowners and renters who live within the Des Moines River's broad floodplain may have to contend with higher-than-normal property insurance rates, but Des Moines' safe roadways and low crime rates work in everyone else's favor. While severe weather – especially tornadoes and hail – can be a concern here, insurance rates are still lower than the national average. (Maybe it helps that Des Moines has emerged as a major back office for the insurance industry.)
- **Utility Cost Index:** 88
- **Cost of Living Index:** 83



10. Buffalo, New York

Buffalo carries a big chip on its collective shoulder. Once one of the Great Lakes region's industrial gems, the city has suffered through decades of de-industrialization. In the 1990s, local sports fans watched with incredulity as the Bills lost four consecutive Super Bowls. Downstate New Yorkers are barely cognizant of the existence of the state's second-largest metropolitan region, and those who do manage to make it up here are liable to pass right through on their way to Niagara Falls. Plus, it snows – a lot.

Long hidden in plain sight, Buffalo is finally getting the recognition that it deserves. Its economy still needs work, but it's home to an emerging cluster of healthcare organizations and universities that have collectively stabilized the region's employment and brought job growth back to the city's core. The proximity of Canada's densely populated "Golden Horseshoe" creates a ready-made market for local products, too. For residents who don't mind harsh weather or lower salaries than their downstate counterparts, this is a great place to make a life. After all, how can you argue with monthly rents of \$2,000 less than the statewide average?

- **Median Household Income:** \$31,918 (New York average is \$59,269)
- **Median Home List Price (City/Metro):** \$85,000/\$140,000
- **Median Home Sale Price (City/Metro):** \$69,400/\$140,000
- **Median Rent (City/Metro):** No data/\$950
- **Cost of Endoscopy/Colonoscopy:** \$1,500
- **Cost per Gallon, Regular Gasoline:** \$2.70 – \$2.75
- **Cost of Monthly Transit Pass:** \$75 for 30-day pass (\$37.50 reduced fare for low-income riders)
- **Average Commute Time:** 20 minutes
- **Average Property Tax Burden (as Percentage of Assessed Value/Median Income):** 2.65%/5%
- **Local Sales Tax Rate:** 8.75% state
- **State Income Tax Rate:** 8.82% top marginal state tax rate
- **Insurance Costs and Special Issues:** Aside from somewhat elevated property crime rates, Buffalo is a pretty safe bet for insurers. Severe weather, flooding, and earthquakes are rare or nonexistent here. Driving in the snow is always hazardous, but if anyone knows how to do it, Buffalonians do.
- **Utility Cost Index:** 107
- **Cost of Living Index:** 84



Final Word

While you shouldn't necessarily pack up your life and immediately move to one of these 10 affordable metro areas, it might be worth your while to see how your current hometown stacks up.

The places on this list aren't just affordable – they're all relatively large, dynamic cities with impressive cultural attractions, strong social institutions, and stable (or growing) native economies. And there are plenty more that didn't quite make this list – so keep your eyes open. Finding affordable places to live is all about knowing where to look.

What other affordable metropolitan areas exist in the United States?