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## How to Save on Housing

Housing costs are a big chunk of everyone's budget, so it stands to reason that this may be the one area where you can significantly cut back on your expenses. In many cases it is possible, but for some of you, I warn you now: drastic steps may be necessary to slash your housing costs.

According to a Demos report titled *The High Cost of Putting a Roof over Your Head*, many recent college grads moving to start their careers face sticker shock at how much rent costs. Between 1995 and 2002, rents in virtually every large metropolitan area in the country rose dramatically. Demos reports that median rents in San Francisco surged 76 percent; rents in Boston mushroomed 62 percent; San Diego rents shot up by 54 percent, and even rents in Denver rose by 49 percent.

As a result, young adults now spend about 22 percent of their pretax income on rent, up from 17 percent in 1970. And more than a third of young adults spend more than 30 percent of their pretax income on rent.

Needless to say, it's also gotten a lot tougher for recent college grads to purchase a first home. In fact, in many parts of the country, college graduates are priced out of the market, and homeownership – a dream for many Americans – now seems more out of reach than ever.

To combat this economic dilemma, you have several options:

- Live in a less expensive city or a rural area where the cost of living isn't as pricey.
- Live with a roommate to cut costs and thereby decrease your monthly housing costs.
- Live in the city of your choice (even an expensive one) if you're willing to downsize your expectations. Maybe instead of a one-bedroom apartment, you have to settle for a studio. And maybe instead of living in the heart of a city's downtown area, you live in an outlying area that is more affordable. Forbes magazine provides an annual list of the best, most affordable places to live.

If you're still a student, seek out good housing deals specifically targeting students or former students. Some managers of off-campus apartment complexes offer good students discounted rent. For instance, students of California Polytechnic State University in San Luis Obispo, California, who live in the off-campus Valencia Apartments get a 5 percent discount on their lease if they earn a GPA between 3.0 and 3.5. If your GPA is 3.9 or higher, you qualify for a 10 percent discount.