



VALDOSTA STATE UNIVERSITY

**CENTER *for* BUSINESS
& ECONOMIC RESEARCH**

Overview

Each quarter, the Council for Community and Economic Research (C2ER, formerly known as ACCRA) collects more than 90,000 prices for 60 different items ranging from housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services from communities across the U.S. for its Cost of Living Index. The first quarter of 2017 survey, comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities, shows that it costs 9.97 percent less to live in Georgia communities, on average, than it does to live in the rest of the U.S. Therefore, for each dollar that is required to maintain the average standard of living across the country, Georgia residents are only required to spend about 90.03 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 91.1 cents for each dollar required to maintain the living standards of the average U.S. household. Among Georgia metropolitan areas and cities surveyed, Atlanta has the highest cost of living, Valdosta ranked second, and the Dalton area landed in third place in this first quarter 2017 Cost of Living Index. It is worth mentioning that Valdosta’s cost of living didn’t show any noticeable percentage change from the same period in 2016

Cost of Living Comparisons for the Nation

The Cost of Living Index measures regional differences in consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. Table 1 shows the ten most, and least expensive, urban areas that participated in the first quarter of 2017 Cost of Living Index. As shown in Table 1, among the 265 urban areas that participated in the first quarter 2017 Cost of Living Index, the after-tax cost for a professional/managerial standard of living ranged from more than twice the national average in New York (Manhattan) NY, to more than 20 percent below the national average in McAllen, TX. Not surprisingly, there is very little change in the top ten most expensive urban areas when compared to the previous periods. The list includes the “usual suspects”, such as New York, Honolulu, San Francisco, etc. Since the national average cost of living index equals 100, the cost to live in Manhattan, for example, is 230.8% of the national average.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
First Quarter of 2017

Also in Table 1, the ten least expensive urban areas participating in the cost of living index survey are listed. Similarly to previous quarters, the least expensive urban area is located in Texas. Consistent with the previous quarters of 2016, no metropolitan area from Georgia appears on either the ‘Least Expensive’ or ‘Most Expensive’ list. Valdosta ranks as the 184th most expensive metropolitan area (out of 265 areas) with a composite index of 91.1. It should be noted that Valdosta’s ranking in the first quarter of 2016 composite index was 175th (out of 260 areas), with a composite index of 91.2.

Table 1: The Ten Most and Least Expensive Urban Areas in the Cost of Living Index (COLI)

First Quarter in 2017 National Average for 265 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	230.8	McAllen TX	76.1
2	San Francisco CA	188.5	Kalamazoo MI	78.5
3	Honolulu HI	187.7	Harlingen TX	78.5
4	New York (Brooklyn) NY	180.9	Conway AR	79.1
5	Washington DC	153.3	Tupelo MS	80.7
6	Orange County CA	153.0	Richmond IN	80.9
7	Boston MA	148.6	Knoxville TN	81.9
8	Oakland CA	148.5	Hattiesburg MS	82.8
9	Lon Angeles-Long Beach CA	146.3	Ashland OH	83.0
10	Seattle WA	145.1	Burlington IA	83.4

What Do Groceries Cost?

Each quarter, C2ER collects more than 90,000 prices from communities across the US for the Cost of Living Index. With food prices a big part of the national media attention, below is a listing of communities with the most and least expensive food costs as measured by the grocery item index number. C2ER collects data on twenty-six items from a variety of surrogate categories to represent the grocery item component of the index.

Table 2: The Five Most and Least Expensive Places for Grocery Items by Index Number in the Cost of Living Index (COLI)

First Quarter 2017 Average for 265 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Honolulu HI	165.7	Temple TX	80.5
2	Kodiak AK	149.4	Twin Falls ID	80.6
3	Juneau AK	140.7	Brazoria County TX	80.7
4	Anchorage AK	130.6	Kalamazoo MI	81.7
5	New York (Manhattan) NY	129.0	Harlingen TX	82.2

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The Most Expensive and Least Expensive Cities to Go to the Movies

The 2017 Oscars season was heating up during the first quarter collection and review period. Whether enjoying the latest action blockbuster or a moving drama, the cinema is a great way to spend an evening. With that in mind, we decided to find the five most, and least expensive places to buy a ticket to an indoor, first run, Saturday evening movie.

Table 3: The Five Most and Least Expensive Places for a Saturday night movie ticket

First Quarter in 2017 National Average for 265 Urban Areas = \$10.22				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Atlanta GA	\$15.44	Salina KS	\$5.59
2	New York (Brooklyn) NY	\$15.00	Richmond IN	\$5.99
3	New York (Manhattan) NY	\$15.00	Thomasville-Lexington NC	\$6.00
4	Los Angeles-Long Beach CA	\$14.79	Vero Beach-Indian River FL	\$6.21
5	Bethesda-Gaithersburg-Frederick MD	\$14.00	Enid OK	\$6.49

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 8.9 percent below the national average. Valdosta's cost of living remains relatively low, principally because of low housing prices. It also must be noted that the housing index carries the largest weight in the composite index because of its relative importance in the average consumer's budget. According to Table 4, the housing index for Valdosta is 77.8, suggesting that housing costs are 22.2 percent less than the national average house price (\$332,959) for all urban areas in this survey.

**Table 4: Indices for Georgia Metropolitan Statistical Areas
(Listed alphabetically by city name)**

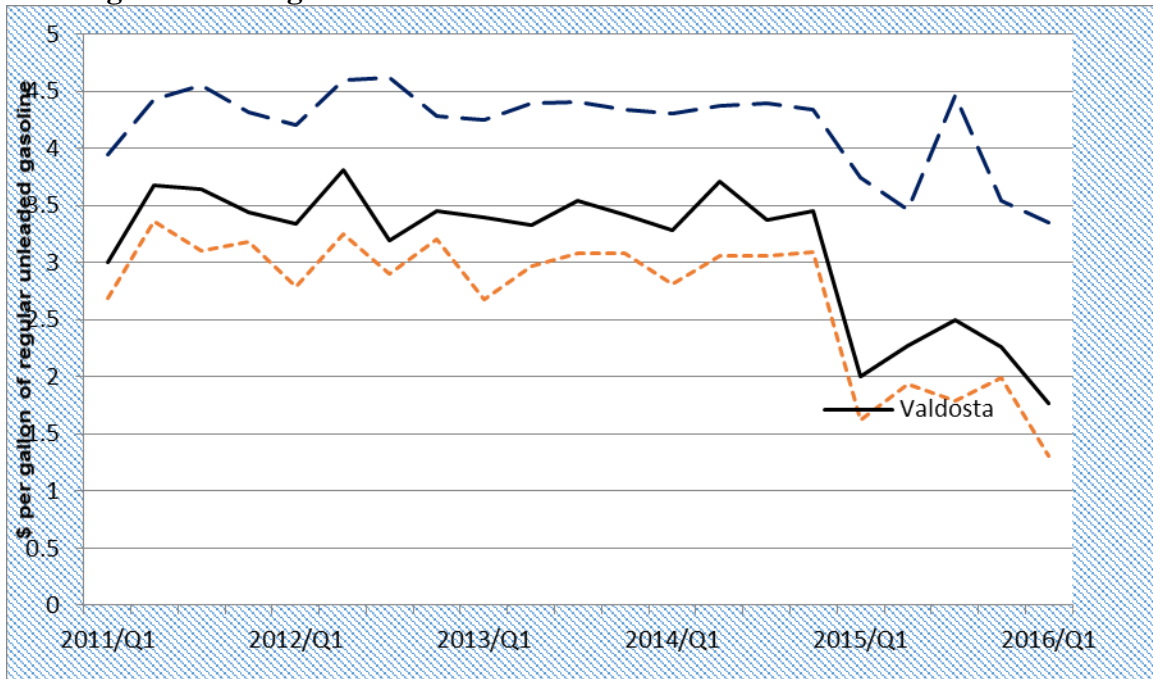
	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Albany	89.3	100.7	70.6	94.8	104.1	102.8
Atlanta	97.7	104.7	91.1	89.2	101.4	107.8
Dalton	89.7	92.1	72.1	105.6	105.9	91.3
LaGrange-Troup	88.6	97.8	72.5	83.4	99.4	98.5
Savannah	89.3	93.4	67.2	107.6	98.1	97.4
Statesboro-Bulloch	84.5	91.7	71.7	94.4	85.3	83.3
<i>Valdosta</i>	91.1	99.6	77.8	90.8	97.1	95.8
Average	90.02	97.14	74.71	95.11	98.75	96.70

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The Price of Gasoline: Average National versus Average Valdosta over 2011-2016

Gas prices are obviously a concern for many people. Figure 1 shows the recent movement in the quarterly average price for a gallon of regular unleaded gasoline for Valdosta (the solid black line), comparing it to the national minimum and maximum prices. A wide variation of gasoline prices is also apparent from the graph. Gasoline prices experienced a sharp drop in 2009 due to the global economic recession. However, gas prices reached their peak in 2012. Starting in 2013, current gas prices have been declining. They experienced a steep decline in 2015. Valdosta gas prices consistently stay within the minimum-maximum range, quite a bit closer to the minimum average price than the maximum average.

Figure1: Average Gas Prices - “National versus Valdosta over 2011-2016”



Methodology and Data Limitations

The findings presented come from an analysis of national survey data performed by the Center for Business and Economic Research (CBER) at Valdosta State University. CBER conducts applied research for the business community and provides a conduit between the community and the expertise of the Langdale College of Business Administration faculty. The survey itself is conducted by The Council for Community and Economic Research, a nonprofit professional organization located in Arlington, VA. C2ER has been publishing quarterly measures of living cost differentials since 1968.

For the first quarter of 2017, 265 communities in the United States collected price data. The average index number for all participating communities is 100; each individual community's index should be read as a percentage of the average for all communities. This cost of living index measures *relative* prices for consumer goods and services only

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in the communities that participate in the process. No information on inflation (the general increase in prices over time) can be determined from these price indices. See www.coli.org for more information about the methodology behind the index.

Cost of living data are useful as indicators of local economic conditions, but should be interpreted with caution. A relatively low cost of living is not necessarily a positive attribute for a community; and a relatively high cost of living is not necessarily a negative. For example, relatively low prices may encourage job and population migration into the area; or relative low prices may mean that the area is depressed, and jobs and individuals are moving out of the area.

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