



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 third quarter of 2022 survey, comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities, shows that it costs almost 11.1 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 88.9 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 92.7 cents for each dollar required to maintain the living standards of the average U.S. household. Among Georgia metropolitan areas and cities, Atlanta has the highest cost of living with a composite index of 98.7, which is slightly below the national average of 100. Valdosta is the second most expensive area within the surveyed areas of Georgia.

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 third quarter of 2022 Cost of Living Index. As shown in Table 1, among the 265 urban areas that participated in the third quarter of 2022 Cost of Living Index, the after-tax cost for a professional / managerial standard of living ranged from more than twice the national average in Manhattan, NY, to almost 20 percent below the national average in Harlingen, 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 237.6% of the national average.

Also in Table 1, the ten least expensive urban areas participating in the Cost-of-living index survey are listed. Similarly, to previous quarters, Kalamazoo and Harlingen continue to hold their places in the top five places with the lowest cost of living in the U.S. Valdosta ranks as the 153rd most expensive metropolitan area (out of 265 areas) with

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Third Quarter of 2022

a composite index of 92.7. It should be noted that Valdosta's ranking in the third quarter of 2021 composite index was 158th (out of 263 areas), with a composite index of 92.7.

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

Third Quarter in 2022 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	237.6	Harlingen TX	75.6
2	Honolulu HI	186.0	Decatur IL	78.0
3	San Francisco CA	182.8	McAllen TX	78.2
4	New York (Brooklyn) NY	170.3	Kalamazoo MI	79.3
5	Orange County CA	154.9	Muskogee OK	79.7
6	Washington DC	153.4	Topeka KS	80.6
7	Los Angeles-Long Beach CA	152.5	Tupelo MS	80.7
8	Seattle WA	152.2	Ashland OH	81.9
9	Boston MA	149.9	Anniston-Calhoun County AL	82.4
10	San Diego CA	147.4	Salina KS	82.5

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 still being a big part of the national conversation, C2ER decided to feature those communities once again 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)

Third Quarter 2022 Average for 265 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Kodiak AK	151.0	Harlingen TX	78.0
2	Honolulu HI	148.5	Topeka KS	81.2
3	Juneau AK	131.8	Temple TX	82.3
4	San Francisco CA	131.7	McAllen TX	83.7
5	Oakland CA	130.8	Cedar Park TX	85.0

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Third Quarter of 2022

The Most Expensive and Least Expensive Cities to Buy Eggs

Eggs! The price of a protein-packed part of a great breakfast has been noticeably increasing over the past year. The combination of inflationary pressures, and a shortage caused by an avian influenza outbreak, has “severely limited the supply of eggs” according to MarketWatch. Referring to Q1 2022 COLI data, a dozen eggs averaged \$1.78, but as of Q3 2022, that average is now \$2.73 (over a 50% increase in under a year). The change in prices is reflected in the Q3 2022 Cost of Living Index publication.

Table 3: The Five Most and Least Expensive Cities to Buy Eggs

Third Quarter in 2022 Average for 265 Urban Areas in 2022 = \$2.73				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index		Index
1	Honolulu HI	\$4.89	Springfield IL	\$1.64
2	Oakland CA	\$4.17	St. Paul MN	\$1.67
3	San Francisco CA	\$4.15	Louisville KY	\$1.79
4	Los Angeles-Long Beach CA	\$3.90	Salina KS	\$1.83
5	Bakersfield CA	\$3.88	Minneapolis MN	\$1.84

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 7.3 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 82.8 suggesting that housing costs are 17.2 percent less than the national average house price (\$465,991). Compared to other cities in Georgia, Valdosta’s cost of living is about 4.2 % higher than the average of all Georgia cities included in the survey.

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

	<i>Composite Index</i>	<i>Grocery</i>	<i>Housing</i>	<i>Utilities</i>	<i>Transportation</i>	<i>Health Care</i>
Atlanta	98.7	95.2	100.9	87.0	101.7	110.2
Augusta-Aiken	83.6	92.4	68.5	89.3	78.6	88.8
Dalton	87.3	92.8	75.5	97.2	76.8	86.2
Douglasville-Douglas County	91.2	99.3	82.8	80.4	101.0	96.7
Dublin-Laurens County	84.8	97.2	63.5	90.1	92.4	95.1
Savannah	89.9	99.2	72.5	92.3	93.5	108.5
Statesboro-Bulloch County	83.3	92.9	74.7	92.8	87.7	86.3
<i>Valdosta</i>	<i>92.7</i>	<i>102.3</i>	<i>82.8</i>	<i>90.5</i>	<i>83.4</i>	<i>100.5</i>
Average	88.9	96.4	77.7	90.0	89.4	96.5

Comparisons with the Most and Least Expensive Urban Areas

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Third Quarter of 2022

According to the third quarter 2022 Cost of Living Index, New York (Manhattan), is the most expensive place among 265 U.S. metropolitan areas and cities surveyed. Using the information for the Composite Indices for Manhattan, NY (237.6) and Valdosta, GA (92.7), we can answer the following questions:

1. What salary in Valdosta is equivalent to a salary of \$50,000 in Manhattan?
2. What salary in Manhattan is equivalent to a salary of \$50,000 in Valdosta?

Two jobs with identical salaries may not have identical purchasing power if one is in a most expensive area while the other is located in a relatively low-cost area. An individual would only need about \$19,507.58 in Valdosta to maintain the same standard of living as someone making \$50,000 in Manhattan, NY. On the other hand, someone having a salary of \$50,000 per year in Valdosta would need \$128,155.3 in Manhattan to maintain the same standard of living. Table 5 below shows how to calculate the equivalent salaries in these two cities. Note that the formula in Table 5 can be used to compare any of the indices presented here (i.e. health care, transportation, utilities, housing, and groceries) between cities of interest. This kind of information is very useful to households considering a move to a different urban area.

Table 5: Cost Comparison for Valdosta, GA and Manhattan, NY

Manhattan, NY to Valdosta, GA			
$\$50,000 \times (92.7/237.6)$	=		\$ 19,507.58
Valdosta, GA to Manhattan Metro, NY			
$\$50,000 \times (237.6/92.7)$	=		\$ 128,155.3

Table 6 compares the Valdosta Metro area to Harlingen, TX, which is the least expensive place according to the third quarter 2022 Cost of Living Index.

Table 6: Cost Comparison for Valdosta, GA and Harlingen, TX

Harlingen, TX to Valdosta, GA			
$\$50,000 \times (92.7/75.6)$	=		\$ 61,309.52
Valdosta, GA to Harlingen, TX			
$\$50,000 \times (75.6/92.7)$	=		\$ 40,776.70

According to the information tabulated in Table 6, an individual making \$50,000 per year in Harlingen, TX would need only \$11,309.50 more to maintain the same standard of living in Valdosta, GA. However, an individual earning \$50,000 in Valdosta area could earn \$9,223.30 less in Harlingen TX, and maintain the same standard of living as in Valdosta.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Third Quarter of 2022

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 third quarter of 2022, 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 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 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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