



## 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 50,000 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 three quarters of 2015 survey comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities shows that it costs almost 8.3 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 91.7 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 92.3 cents for each dollar required to maintain the living standards of the average U.S. household. Among Georgia metropolitan areas and cities, Atlanta and Marietta have the highest cost of living; however, both are below the national average. Valdosta is the third 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 the 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 three quarters of 2015 Cost of Living Index. As shown in Table 1, among the 273 urban areas that participated in the first three quarters of 2015 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 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 227.4% of the national average.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation  
Annual Review 2015

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 2015, no metropolitan area from Georgia appears on either the ‘Least Expensive’ or ‘Most Expensive’ list. Valdosta ranks as the 175<sup>th</sup> most expensive metropolitan area (out of 273 areas) with a composite index of 92.3. It should be noted that Valdosta’s ranking in the 2014 composite index was 135<sup>th</sup> (out of 281 areas), with a composite index of 95.3.

**Table1: The Ten Most and Least Expensive Urban Areas  
in the Cost of Living Index (COLI)**  
Averaged over Three Quarters in 2015  
National Average for 273 Urban Areas = 100

Ranking	Most Expensive Urban Areas	COL Index	Ranking	Least Expensive Urban Areas	COL Index
1	New York (Manhattan) NY	227.4	1	McAllen TX	77.8
2	Honolulu HI	188.2	2	Harlingen TX	79.3
3	San Francisco CA	176.4	3	Richmond IN	80.1
4	New York (Brooklyn) NY	173.2	4	Norman OK	80.3
5	Hilo HI	149.0	5	Ashland OH and	81.9
6	Orange County CA	148.6	6	Hattiesburg MS	82.5
7	Oakland CA	147.0	7	Idaho Falls ID	82.6
8	Stamford CT	146.9	8	Memphis TN	82.9
9	Washington DC	146.8	9	Jackson MS	83.4
10	San Diego CA	144.8	10	Cookeville TN	84.0

**Which Communities have the Highest and Lowest Prices of Orange Juice and Advil?**

C2ER collects more than 50,000 prices from communities across the US for the COLI. Two of those items, orange juice and Advil, are essential for those suffering from seasonal bouts of flu and colds. Below is a listing of the most, and least, expensive places to buy those items.

**Table 2: The Five Most and Least Expensive Places to Buy Orange Juice**  
Averaged over Three Quarters in 2015  
Average for 273 Urban Areas in 2015=\$3.57

Ranking	Most Expensive Urban Areas	COL Index	Ranking	Least Expensive Urban Areas	COL Index
1	Hilo HI	6.39	1	San Antonio TX	2.88
2	Honolulu HI	5.52	2	Burlington IA	2.95
3	Kodiak AK	5.07	3	Jackson-Madison County TN	2.95
4	Oakland CA	4.75	4	Buffalo NY	2.96
5	Anchorage AK	4.65	5	Detroit MI and Kalamazoo MI	3.00

Cost of Living Comparisons: Valdosta, Georgia, and the Nation  
Annual Review 2015

<b>Table3: The Five Most and Least Expensive Places to Buy Advil</b>					
Averaged over Three Quarters in 2015					
Average for 273 Urban Areas in 2015=\$9.49					
Ranking	Most Expensive Urban Areas	COL Index	Ranking	Least Expensive Urban Areas	COL Index
1	Hilo HI	12.81	1	Atlanta GA	6.45
2	San Diego CA	12.51	2	Joplin MO	6.81
3	Honolulu HI	12.46	3	Jackson-Madison County TN	6.83
4	Las Vegas NV	12.16	4	Youngstown-Warren OH	7.43
5	Fort Lauderdale FL	12.14	5	Jackson MS	7.68

**Results for the Valdosta Metropolitan Statistical Area**

Table 4 suggests that Valdosta has a cost of living that is approximately 7.7 percent below the national average. Valdosta’s cost of living remains relatively low, principally because of the 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 81.4 suggesting that housing costs are 18.6 percent less than the national average house price (\$313,530) for all urban areas in this survey. However, compared to other cities in Georgia, Valdosta’s cost of living is just 0.6% 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)**

	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Albany	89.9	104.1	73.3	93.3	96.2	98.8
Atlanta	99.9	103.7	97.4	93.5	105	101.4
Augusta	89.3	98.4	74.3	89.3	85.4	94.6
Columbus	89.6	101.7	76.0	65.7	87.9	113.0
Dalton	90.1	97.3	72.5	97.1	97.4	95.0
Marietta	93.2	99.5	85.3	90.9	89.0	100.7
Savannah	90.9	96.7	68.1	109.3	97.6	98.9
Statesboro	89.7	97.1	74.8	85.6	91.0	96.7
<i>Valdosta</i>	<i>92.3</i>	<i>103.9</i>	<i>81.4</i>	<i>100.6</i>	<i>97.1</i>	<i>96.7</i>
Average	<b>91.7</b>	<b>100.3</b>	<b>78.1</b>	<b>91.7</b>	<b>94.1</b>	<b>98.0</b>

Cost of Living Comparisons: Valdosta, Georgia, and the Nation  
Annual Review 2015

**Table 5: Where does Valdosta rank within the nation?**

<i>Rank</i>	<i>Grocery items</i>	<i>Index</i>	<i>Rank</i>	<i>Utilities</i>	<i>index</i>	<i>Rank</i>	<i>Health Care</i>	<i>Index</i>
1	Honolulu, HI	158.9	1	Fairbanks, AK	234.2	1	Juneau AK	149.3
2	Hilo, HI	158.6	2	Hilo, HI	231.3	2	Fairbanks,, AK	147.6
3	Kodiak, AK	138.7	3	Honolulu, HI	217.4	3	Anchorage, AK	139.4
4	New York (Manhattan)	133.9	4	Boston, MA	151.7	4	Kodiak, AK	136.6
...			...			...		
<b>77</b>	<b>Valdosta, GA</b>	<b>103.9</b>	<b>108</b>	<b>Valdosta, GA</b>	<b>100.6</b>	<b>157</b>	<b>Valdosta, GA</b>	<b>96.7</b>
...			...			...		
270	Youngstown- Warren, OH	81.3	270	Springfield, IL	75.1	270	Montgomery AL	80.9
271	Harlingen, TX	80.8	271	Abilene, TX	74.2	271	McAllen, TX	80.1
272	McAllen, TX	79.8	272	Moses Lake WA	72.0	272	Anniston- Calhoun AL	79.8
273	Waco TX	78.6	273	Columbus GA	65.7	273	Wilkes-Barre, PA	78.6

Above, table 5 shows Valdosta’s position among three subcategories included in the composite index. For grocery items, in 2015 Valdosta ranked as the 77<sup>th</sup> most expensive area of the 273 surveyed metropolitan areas in the U.S. Valdosta ranked 108<sup>th</sup> for utilities, and 157<sup>st</sup> for Health Care expenses.

**The Cost of Living Comparison of Average Georgia versus Valdosta: 2010-2014**

Figure 1 depicts the Grocery, Housing, Utilities and Health Care average Indices for Valdosta area compared to average of Georgia Metropolitan areas and cities included in the survey for the 2011 to 2015 period. The national average cost of living index for all participating areas equals 100 and each participant’s index is read as a percentage of the national average for all places. Overall, Valdosta remains an expensive Georgia residential place to live relative to the average ranking of all Georgia metropolitan areas.

Specifically, the Grocery indices for the Valdosta Metropolitan area and the average of all Georgia Metro areas have been above the national average index value of 100 for all periods with the exception of the average Georgia index in 2013. For 2013, Valdosta had a Grocery Index value 2 % less than the national average index.

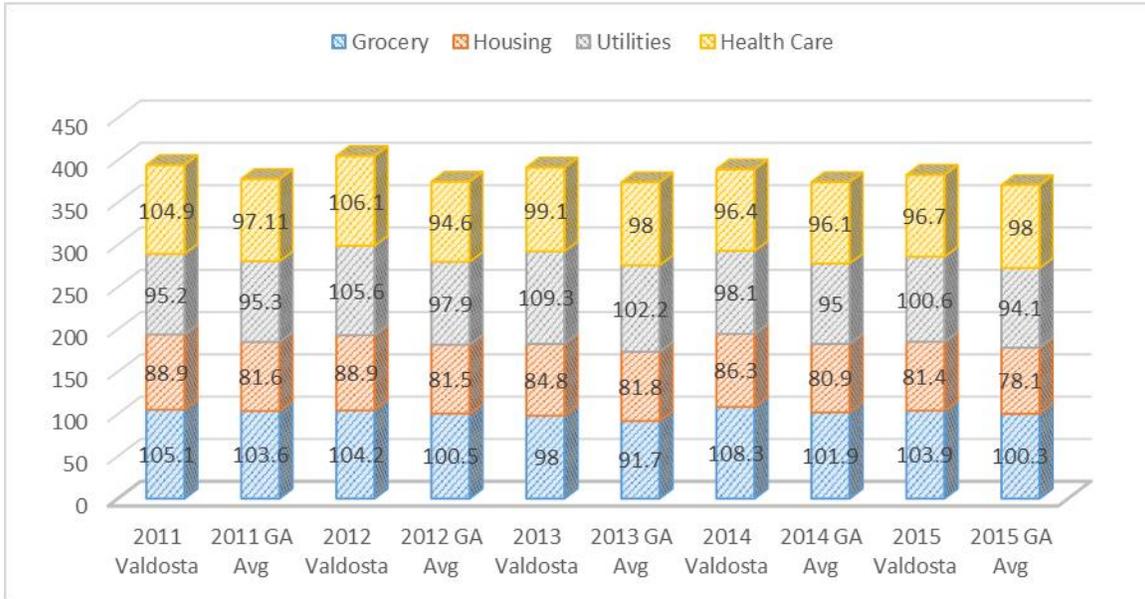
The Health Care index value for Valdosta has been declining since 2013. Last three years, the index remained below the national average. On the other hand, the average Georgia Health Care index has been lower than the national average since 2011.

The Housing Index relative to the national average for both Valdosta Metro and the average of all Georgia Metro areas were consistently below the national average for last five years. However, the Utilities index values for Valdosta and the average of all

## Cost of Living Comparisons: Valdosta, Georgia, and the Nation Annual Review 2015

Georgia Metro areas have showed some fluctuations for the 2011 to 2015 period. The Utilities index value for Valdosta ranked 9.3% above and 4.8 % below the national average for the years 2013 and 2012, respectively. Interestingly, year 2013 is the only year that both the Valdosta and the average Georgia indices were above the national average for Utilities index.

**Figure 1: Grocery, Housing, Utilities and Health Care Average Indices: 2011-2015**



### 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 three quarters of 2014, 273 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](http://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

Cost of Living Comparisons: Valdosta, Georgia, and the Nation  
Annual Review 2015

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.

*Author:*

Zulal S. Denaux, Ph.D.  
Professor of Economics  
Langdale College of Business  
Valdosta State University  
Phone: 229-219-1217  
E-mail: zsdenaux@valdosta.edu

*For additional information, please contact:*

Center for Business and Economic Research  
Mike Beverly, Director  
Langdale College of Business  
Valdosta State University  
Phone: 229-333-7878  
E-mail: hmbeverly@valdosta.edu