



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 2018 survey comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities shows that it costs almost 9.2 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 90.80 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 96.4 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 the third place in this first quarter 2018 Cost of Living Index. It is worth mentioning that, Valdosta’s cost of living increased 5.8 percent from the same period in 2017.

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 2018 Cost of Living Index. As shown in Table 1, among the 263 urban areas that participated in the first quarter 2018 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 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 245.4% of the national average.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
First Quarter of 2018

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 2017, no metropolitan area from Georgia appears on either the “Least Expensive” or “Most Expensive” list. Valdosta ranks as the 107th most expensive metropolitan area (out of 263 areas) with a composite index of 96.4. It should be noted that Valdosta’s ranking in the first quarter of 2017 composite index was 184th (out of 265 areas), with a composite index of 91.1.

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

First Quarter in 2018 National Average for 263 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	245.4	Harlingen TX	76.3
2	San Francisco CA	195.7	McAllen TX	77.3
3	Honolulu HI	186.3	Memphis TN	80.6
4	New York (Brooklyn) NY	179.4	Kalamazoo MI	80.8
5	Washington DC	161.8	Conway AR	81.5
6	Seattle WA	153.0	Wichita Falls TX	81.7
7	Oakland CA	151.3	Joplin MO	81.8
8	New York (Queens) NY	149.6	Knoxville TN	82.0
9	Arlington VA	148.7	Hattiesburg MS	82.5
10	Orange County CA	148.5	Muskogee OK	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 garnering 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 2018 Average for 263 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Honolulu HI	168.0	Kalamazoo MI	78.4
2	Juneau AK	145.4	Waco TX	78.4
3	New York (Manhattan) NY	137.3	Temple TX	78.6
4	Anchorage AK	134.0	Harlingen TX	80.8
5	Oakland CA	130.1	McAllen TX	81.7

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

To mark the 50th anniversary of the publication, and to better reflect recreational activities available, C2ER updated the index to now include the price for a one-hour drop-in yoga class. With this new data, we decided to compare the five most and least expensive places to practice yoga.

Table 3: The Five Most and Least Expensive Places for a Drop-in Hour Yoga Class

First Quarter in 2018 National Average for 263 Urban Areas = \$14.97				
Ranking	Most Expensive		Least Expensive	
	Urban Areas	COL Index	Urban Areas	COL Index
1	Orange County CA	\$23.33	Dublin-Laurens County GA	\$5.00
2	Surprise AZ	\$23.00	Salina KS	\$5.00
3	Arlington VA	\$23.00	Dodge City KS	\$5.50
4	Chicago IL	\$22.33	Muskogee OK	\$6.50
5	Yuma AZ	\$22.25	Morristown TN	\$7.33

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 3.5 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 79.8 suggesting that housing costs are 20.2 percent less than the national average house price (\$345,678) for all urban areas in this survey.

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

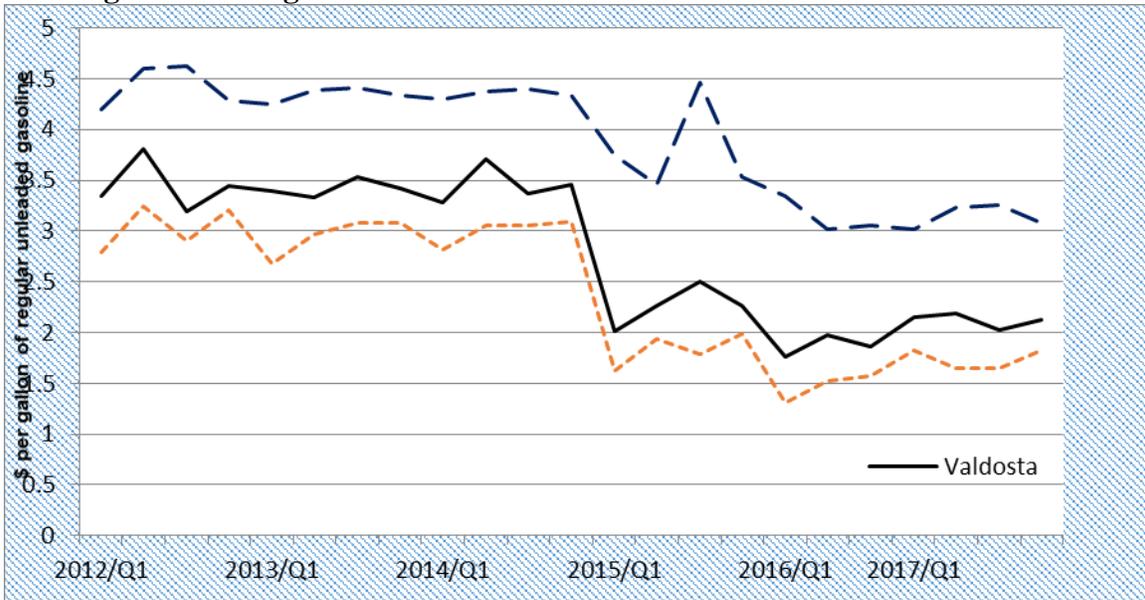
	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Albany	90.2	101.4	74.0	96.3	104.6	101.9
Atlanta	99.0	97.8	101.2	87.9	97.4	107.3
Dalton	91.7	97.2	69.3	103.1	85.8	92.7
Dublin-Laurens	84.9	107.0	65.4	97.5	92.5	93.0
Savannah	88.4	92.7	64.6	96.9	94.2	100.7
Statesboro-Bulloch	85.3	94.2	69.9	96.9	85.8	81.0
<i>Valdosta</i>	96.4	103.7	79.8	97.2	133.9	100.4
Average	90.80	99.1	74.9	96.5	99.2	96.7

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The Price of Gasoline: Average National versus Average Valdosta over 2012-2017

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. The 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, gas prices have been declining and experienced a steep decline in 2015. It is worth mentioning that gas prices in Valdosta averaged \$2.12 per gallon in 2017, which is 13 percent higher than in 2016. However, 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 2012-2017”



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 2018, 263 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

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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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