



**VALDOSTA STATE UNIVERSITY**

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**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 the 2019 survey comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities shows that it costs almost 10.1 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 89.2 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 89.9 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, Marietta ranked second, and Valdosta landed in third place in this first quarter 2019 Cost of Living Index.

**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 2019 Cost of Living Index. As shown in Table 1, among the 257 urban areas that participated in the first quarter 2019 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 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 232.9% 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, the least expensive urban area is located in Texas. Consistent with the previous quarters of 2018, no metropolitan area from Georgia appears on either the “Least Expensive” or “Most Expensive” list.

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Valdosta ranks as the 181<sup>th</sup> most expensive metropolitan area (out of 257 areas) with a composite index of 89.9. It should be noted that Valdosta's ranking in the first quarter of 2018 composite index was 107<sup>th</sup> (out of 263 areas), with a composite index of 96.4.

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

First Quarter in 2019 National Average for 257 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	232.9	Harlingen TX	75.3
2	San Francisco CA	197.0	McAllen TX	75.8
3	Honolulu HI	190.4	Kalamazoo MI	76.9
4	New York (Brooklyn) NY	183.3	Memphis TN	79.5
5	Seattle WA	158.0	Richmond IN	80.7
6	Oakland CA	156.4	Joplin MO	81.3
7	Washington DC	156.2	Tupelo MS	81.9
8	Boston MA	152.6	Conway AR	82.0
9	Orange County CA	149.6	Fayetteville AR	82.2
10	Arlington VA	148.5	Pittsburg KS	82.4

**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 2019 Average for 257 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Honolulu HI	169.8	Temple TX	76.0
2	Juneau AK	150.0	Kalamazoo MI	79.5
3	New York (Manhattan) NY	140.1	Waco TX	79.5
4	Oakland CA	139.8	Round Rock TX	80.5
5	San Francisco CA	135.8	Harlingen TX	83.0

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**The Most Expensive and Least Expensive Cities to Practice Yoga**

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 2019  
National Average for 257 Urban Areas = \$14.97

Ranking	Most Expensive		Least Expensive	
	Urban Areas	COL Index	Urban Areas	COL Index
1	Morristown NJ	\$24.30	Dublin-Laurens County GA	\$5.00
2	Stamford CT	\$23.40	Lima OH	\$6.25
3	Orange County CA	\$23.33	Pryor Creek OK	\$7.07
4	Miami-Dade County FL	\$23.00	Tucson AZ	\$7.20
5	Thomasville-Lexington NC	\$23.00	Cleveland TN	\$7.25

**Results for the Valdosta Metropolitan Statistical Area**

Table 4 suggests that Valdosta has a cost of living that is approximately 10.1 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 78.1 suggesting that housing costs are 21.9 percent less than the national average of \$364,246.

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

	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Atlanta	102.3	101.8	104.2	85.7	100.6	107.0
Marietta	94.7	94.0	87.3	92.9	106.7	94.1
Dalton	85.8	93.8	60.6	100.2	94.4	94.8
Dublin-Laurens	85.7	101.2	58.6	96.5	92.2	95.2
LaGrange-Troup	83.5	92.9	67.3	76.4	114.8	107.0
Savannah	87.7	94.1	64.2	95.5	92.7	107.2
Statesboro-Bulloch	84.2	92.0	70.0	95.9	83.8	80.8
Valdosta	89.9	105.1	78.1	96.2	95.2	101.6
Average	<b>89.2</b>	<b>96.9</b>	<b>73.8</b>	<b>92.4</b>	<b>97.6</b>	<b>98.5</b>

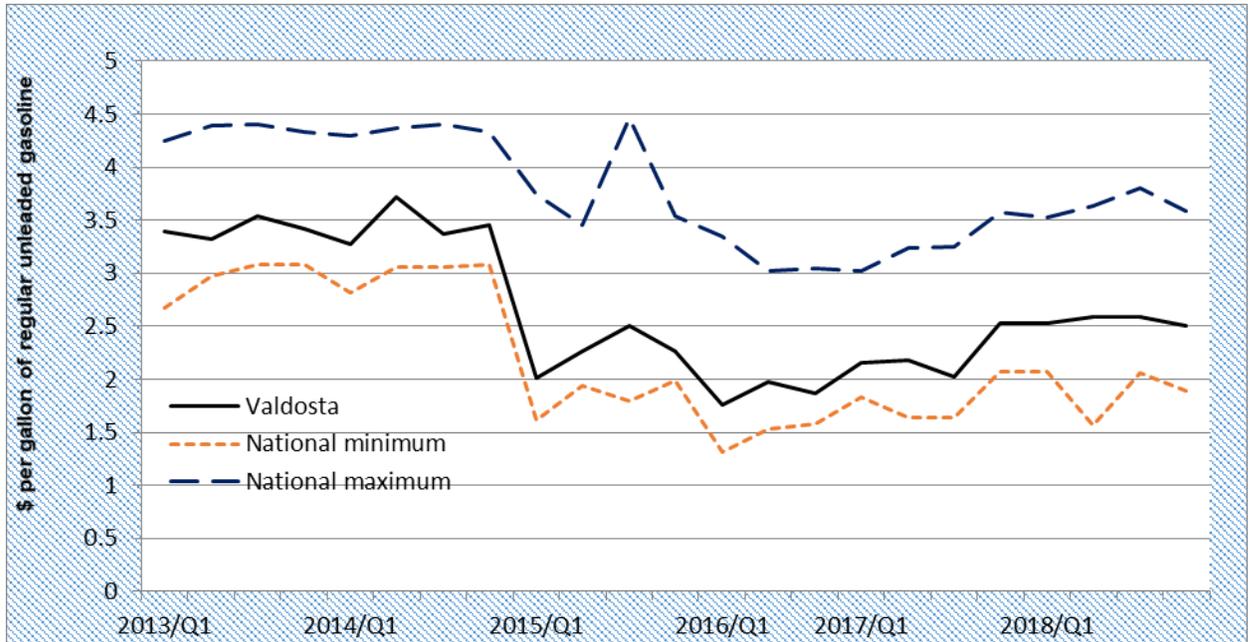
**The Price of Gasoline: Average National versus Average Valdosta over 2013-2018**

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), compared to the national minimum and maximum prices.

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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, gas prices have been falling and experienced a steep decline in 2015. It is worth mentioning that gas prices in Valdosta averaged \$2.50 per gallon in 2018, and 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 2013-2018”**



**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 2019, 257 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.

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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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