



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 three quarters of 2019 survey, comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities, shows that it costs almost 10.8 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 90.4 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 102.4 which is slightly above the national average of 100. Valdosta is ranked as the second most expensive area after Atlanta 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 first three quarters of 2019 Cost of Living Index. As shown in Table 1, among the 266 urban areas that participated in the first three quarters of 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 Manhattan, NY, to almost 25 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 237.4% of the national average.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2019

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 2019, no metropolitan area from Georgia appears on either the “Least Expensive” or “Most Expensive” list. Valdosta ranks as the 187th most expensive metropolitan area (out of 266 areas) with a composite index of 90.4. It should be noted that Valdosta’s ranking in the 2018 composite index was 160th (out of 270 areas), with a composite index of 92.8.

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

Averaged over Three Quarters in 2019 National Average for 266 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	237.4	Harlingen TX	75.4
2	San Francisco CA	196.6	McAllen TX	76.2
3	Honolulu HI	191.8	Kalamazoo MI	77.7
4	New York (Brooklyn) NY	180.4	Muskogee OK	79.4
5	Washington DC	159.0	Memphis TN	80.4
6	Oakland CA	156.8	Conway AR	80.7
7	Seattle WA	156.7	Richmond IN	80.8
8	Boston MA	150.1	Joplin MO	81.6
9	Arlington VA	149.5	Pittsburg KS	81.8
10	New York (Queens) NY	148.2	Tupelo MS	81.8

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

C2ER collects more than 50,000 prices from communities across the US for the COLI. Two of those items, orange juice and ibuprofen, 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 2019 Average for 266 Urban Areas in 2019=\$3.52				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Daytona Beach FL	\$5.57	Kalamazoo MI	\$2.72
2	Honolulu HI	\$5.32	Cedar City UT	\$2.81
3	New York (Manhattan) NY	\$4.71	Texarkana TX-AR	\$2.99
4	Fond du Lac WI	\$4.63	Burlington IA	\$2.99
5	Juneau AK	\$4.55	Cedar Rapids IA	\$3.00

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2019

Table 3: The Five Most and Least Expensive Places to Buy Ibuprofen

Averaged over Three Quarters in 2019 Average for 266 Urban Areas in 2019 = \$9.31				
Ranking	Most Expensive		Least Expensive	
	Urban Areas	COL Index	Urban Areas	COL Index
1	Honolulu HI	\$13.59	Charlotte NC	\$ 6.69
2	New York (Manhattan) NY	\$12.90	Joplin MO	\$ 7.41
3	Iowa City IA	\$12.65	Muskogee OK	\$ 7.45
4	New York (Queens) NY	\$12.49	Nashville-Murfreesboro TN	\$ 7.59
5	Stockton CA	\$12.32	Dalton GA	\$ 7.66

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 9.6 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 77.2 suggesting that housing costs are 22.8 percent less than the national average house price (\$366,058) for all urban areas in this survey. However, compared to other cities in Georgia, Valdosta's cost of living is 1.34% 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 GA	102.4	103.1	102.4	85.2	103.4	107.0
Augusta-Aiken GA-SC	90.1	102.4	71.4	87.0	85.5	90.3
Dalton GA	87.0	93.4	64.0	98.3	93.7	94.3
Dublin-Laurens County GA	87.7	101.4	60.2	95.5	93.0	93.1
LaGrange-Troup County GA	83.4	89.8	68.5	75.6	112.4	107.9
Savannah GA	89.2	95.5	65.5	96.1	94.7	106.0
Statesboro-Bulloch Count GA	83.0	94.3	68.6	96.4	85.8	79.5
Valdosta GA	90.4	104.6	77.2	96.7	96.1	100.5
Average	89.2	98.1	77.2	91.4	95.6	97.3

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2019

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	164.6	1	Fairbanks AK	213.7	1	Fairbanks AK	156.1
2	Juneau, AK	146.9	2	Honolulu HI	172.5	2	Juneau AK	152.2
3	New York (Manhattan), NY	139.7	3	San Juan PR	157.0	3	Anchorage AK	144.1
4	Oakland CA	132.4	4	Bakersfield CA	142.6	4	San Francisco CA	129.5
...				
61	Valdosta, GA	104.6	146	Valdosta, GA	96.7	120	Valdosta, GA	100.5
...				
265	Round Rock TX	81.1	265	Westminster CO	77.0	265	Florence AL	77.6
266	Waco TX	80.2	266	LaGrange-Troup County GA	75.6	266	Anniston-Calhoun County AL	76.2
267	Kalamazoo MI	77.2	267	Lake Charles LA	74.7	267	McAllen TX	68.7
268	Temple TX	76.3	268	Edmond OK	73.8	268	San Juan PR	66.7

Above, Table 5 shows Valdosta’s position among three subcategories included in the composite index. For grocery items, in 2019 Valdosta ranked as the 61st most expensive area of the 266 surveyed metropolitan areas in the U.S. Valdosta ranked 146th for utilities, and 120th for Health Care expenses.

The Cost of Living Comparison of Average Georgia versus Valdosta: 2015-2019

Figure 1 depicts the Grocery, Housing, Utilities and Health Care average Indices for the Valdosta area compared to the average of Georgia Metropolitan areas and cities included in the survey for the 2015 to 2019 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 index for the Valdosta Metropolitan area has been above the national average index during the period. The Health Care average index for Valdosta has been above the national average except in 2017, whereas the average Health Care indices of all Georgia Metro areas were consistently lower than the national average index value for the 2015 to 2019 periods.

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 the last five years. Similarly, the Utilities index values for Valdosta and the average of all Georgia Metro areas have been below the national average, except for the years of 2015 and 2016 where the utilities index value for Valdosta were slightly higher than the national average index value of 100.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2019

Figure 1: Grocery, Housing, Utilities and Health Care Average Indices: 2015-2019



Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2019

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 three quarters of 2019, 266 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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