



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 2021 survey comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities shows that it costs almost 10.3 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 89.7 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 90.0 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, Douglasville ranked second, and Valdosta landed in the third place.

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 2021 Cost of Living Index. As shown in Table 1, among the 265 urban areas that participated in the first quarter 2021 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 Kalamazoo, MI. 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 240.6% 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. Consistent with the previous quarters, no metropolitan area from Georgia appears on

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
First Quarter of 2021

either the “Least Expensive” or “Most Expensive” list. Valdosta ranks as the 192nd most expensive metropolitan area (out of 265 areas) with a composite index of 90.0.

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

First Quarter in 2021 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	240.6	Kalamazoo MI	76.3
2	San Francisco CA	188.0	Harlingen TX	77.0
3	Honolulu HI	187.6	McAllen TX	78.4
4	New York (Brooklyn) NY	174.6	Muskogee OK	79.4
5	Washington DC	154.7	Richmond IN	80.9
6	Boston MA	151.8	Jackson-Madison County TN	81.2
7	Seattle WA	151.8	Amarillo TX	81.2
8	Orange County CA	151.0	Kokomo IN	82.3
9	Oakland CA	150.3	Tupelo MS	82.3
10	New York (Queens) NY	148.1	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. Food prices garner 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 2021 Average for 265 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Honolulu HI	157.9	Temple TX	77.0
2	New York (Manhattan) NY	147.4	Kalamazoo MI	77.9
3	Kodiak AK	144.7	Waco TX	78.5
4	Juneau AK	140.6	Harlingen TX	79.2
5	Seattle WA	131.4	Nacogdoches TX	84.5

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
First Quarter of 2021

The Most Expensive and Least Expensive Cities to Get a Man’s Haircut

Since the start of the pandemic, the process of getting a haircut has gone through rapid change. Shops across the U.S. coped with the new reality by implementing sanitation fees and decreasing the number of clients seen at the same time. Increased demand in conjunction with additional safety measures, has caused haircut prices to rise. With the country beginning to reopen, it is important to highlight how the price of a haircut has shifted. Table 3 lists communities with the most and least expensive places to get a man’s haircut:

**Table 3: The Five Most and Least Expensive Places to get a Haircut
First Quarter 2021
Average for 265 Urban Areas = \$19.76**

First Quarter in 2021 National Average for 265 Urban Areas = \$19.76				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Washington DC	\$44.60	Harlingen TX	\$10.00
2	Boston MA	\$43.89	McAllen TX	\$10.63
3	Portland OR	\$37.13	Thomasville-Lexington NC	\$11.50
4	Chicago IL	\$34.80	Hastings NE	\$12.00
5	Stamford CT	\$32.60	Dare County NC	\$12.00

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 10.0 percent below the national average. Valdosta’s cost of living remains relatively low, principally because of its 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 to the average consumer’s budget. According to Table 4, the housing index for Valdosta is 77.1, suggesting that Valdosta’s housing costs are 22.9 percent less than the national average house price of \$371,319.

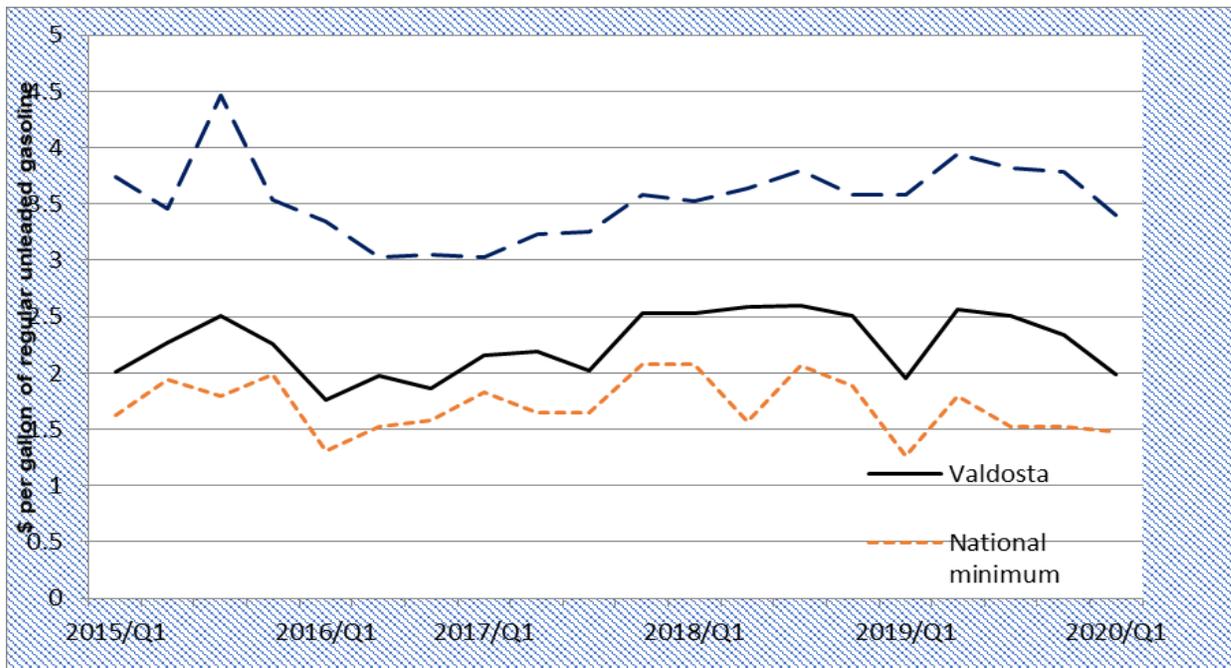
**Table 4: Indices for Georgia Metropolitan Statistical Areas
(Listed alphabetically by city name)**

	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Albany	88.4	95.1	62.8	92.9	104.3	101.8
Atlanta	102.6	99.5	107.8	84.0	99.6	104.6
Douglasville - Douglas County	90.6	107.6	80.8	82.9	96.8	87.9
Augusta-Aiken	84.2	93.5	67.4	85.5	82.3	88.8
Dalton	88.4	94.1	73.2	98.5	85.3	87.7
Dublin-Laurens County	85.9	94.9	60.0	91.5	93.2	97.5
Savannah	87.8	92.0	65.5	93.2	96.5	114.5
Valdosta	90.0	93.4	77.1	93.8	107.9	100.7
Average	89.7	96.3	74.3	90.3	95.7	97.9

The Price of Gasoline: Average National versus Average Valdosta over 2015Q1-2020Q1 (Please note that 2021 data were not available)

Gas prices are obviously a concern for most 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 national minimum and maximum prices. A wide variation of gasoline prices is apparent from the graph. However, Valdosta gas prices consistently stay within the minimum-maximum range, quite a bit closer to the minimum average price, than the maximum average. Gas prices in Valdosta averaged \$2.34 per gallon in 2019 before the onset of the COVID-19 panic, but started plummeting at the end of first quarter of 2020, eventually falling to \$1.61 in May (<https://valdostatoday.com/news-2/region/2021/04/georgia-gas-prices-hold-steady/>).

Figure1: Average Gas Prices - “National versus Valdosta over 2015Q1-2020Q1”



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 2021, 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.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
First Quarter of 2021

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.

Author:

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