



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 third 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 10.2 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 89.8 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 92.7 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 106.6 which is slightly above the national average of 100. Valdosta is the second 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 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 third quarter of 2021 Cost of Living Index. As shown in Table 1, among the 263 urban areas that participated in the third quarter of 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 Manhattan, NY, to almost 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 239.3% 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 areas are located in the southern part of the U.S. Valdosta ranks as the 158th most expensive metropolitan area (out of 263 areas) with a composite index of 92.7. It should

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be noted that Valdosta’s ranking in the third quarter of 2019 composite index was 174th (out of 268 areas), with a composite index of 90.7¹.

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

Third Quarter in 2021 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	239.3	Kalamazoo MI	76.5
2	San Francisco CA	186.4	McAllen TX	77.0
3	Honolulu HI	185.6	Harlingen TX	79.0
4	New York (Brooklyn) NY	172.6	Muskogee OK	79.6
5	Washington DC	154.4	Tupelo MS	81.2
6	Oakland CA	152.8	Amarillo TX	81.5
7	Orange County CA	151.9	Anniston-Calhoun County AL	82.2
8	Seattle WA	149.4	Richmond IN	82.3
9	Boston MA	148.6	Pittsburg KS	83.0
10	Los Angeles-Long Beach CA	148.0	Jackson MS	83.1

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)

Third Quarter 2021 Average for 263 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Honolulu HI	152.3	Kalamazoo MI	77.7
2	Juneau AK	144.1	Waco TX	79.5
3	New York (Manhattan) NY	141.4	Temple TX	80.7
4	New York (Queens) NY	130.9	McAllen TX	81.4
5	San Francisco CA	130.3	Cedar Park TX	81.9

The Most Expensive and Least Expensive Cities to Practice Yoga

After over a year of being at home and living a more sedentary lifestyle due to COVID-19, people are adopting a more holistic view of their health and fitness, including

¹ There is no composite index data collected for the third quarter of 2020 due to the COVID-19 pandemic. Therefore, the report used the third quarter of 2019 composite index data for the comparison.

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their mental health. Demand for meditation, yoga, and fitness classes is booming, but after the peak of fitness facility closures in March 2020, return to in-person activity has been uneven due to varied state and local guidelines and restrictions. Restrictions on occupancy and operational costs from the pandemic have contributed to higher prices for in-person yoga and fitness classes across the county, as reflected in the Cost-of-Living Index.

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

Third Quarter in 2021 Average for 263 Urban Areas in 2021 = \$15.86				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index		Index
1	St. Paul MN	\$30.50	Minot ND	\$5.00
2	Minneapolis MN	\$30.45	Bullhead City AZ	\$6.25
3	New York (Manhattan) NY	\$26.00	Morristown TN	\$6.33
4	Manchester NH	\$26.00	Lima OH	\$6.50
5	New York (Brooklyn) NY	\$25.00	Marshfield WI	\$6.50

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 7.3 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 79.8 suggesting that housing costs are 20.2 percent less than the national average house price (\$416,152). However, compared to other cities in Georgia, Valdosta’s cost of living is about 3.0 % 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	106.6	98.4	112.8	85.2	102.5	109
Augusta-Aiken	85.2	91.6	72.9	86.5	84.8	85
Dalton	89.8	90.2	75.7	101.7	88.8	91.3
Dublin-Laurens County	85.1	91.1	60.5	90.8	92.1	96.4
Savannah	90	98	66.5	92.5	99.1	113.1
Statesboro-Bulloch County	83.8	91.6	67.7	92.9	89.7	86.6
<i>Valdosta</i>	92.7	105.1	79.8	93.2	95.6	100
Average	89.8	95.5	75.1	91.0	92.9	96.5

Comparisons with the Most and Least Expensive Urban Areas

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According to the third quarter 2021 Cost of Living Index, New York (Manhattan) is the most expensive place among 263 U.S. metropolitan areas and cities surveyed. Using the information for the Composite Indices for Manhattan, NY (239.3) and Valdosta, GA (92.7), we can answer the following questions:

1. What salary in Valdosta is equivalent to a salary of \$50,000 in Manhattan?
2. What salary in Manhattan is equivalent to a salary of \$50,000 in Valdosta?

Two jobs with identical salaries may not have identical purchasing power if one is in a most expensive area while the other is located in a relatively low-cost area. An individual would only need about \$19,368.99 in Valdosta to maintain the same standard of living as someone making \$50,000 in Manhattan, NY. On the other hand, someone having a salary of \$50,000 per year in Valdosta would need \$129,072.3 in Manhattan to maintain the same standard of living. Table 5 below shows how to calculate the equivalent salaries in these two cities. Note that the formula in Table 5 can be used to compare any of the indices presented here (i.e. health care, transportation, utilities, housing, and groceries) between cities of interest. This kind of information is very useful to households considering a move to a different urban area.

Table 5: Cost Comparison for Valdosta, GA and Manhattan, NY

Manhattan, NY to Valdosta, GA			
$\$50,000 \times (92.7/239.3)$	=		\$ 19,368.99
Valdosta, GA to Manhattan Metro, NY			
$\$50,000 \times (239.3/92.7)$	=		\$ 129,072.3

Table 6 compares the Valdosta Metro area to Kalamazoo, MI, which is the least expensive place according to the third quarter 2021 Cost of Living Index.

Table 6: Cost Comparison for Valdosta, GA and Kalamazoo, MI

Kalamazoo, MI to Valdosta, GA			
$\$50,000 \times (92.7/76.5)$	=		\$ 60,588.23
Valdosta, GA to Kalamazoo, MI			
$\$50,000 \times (76.5/92.7)$	=		\$ 41,262.13

According to the information tabulated in Table 6, an individual making \$50,000 per year in Kalamazoo, MI would need only \$10,588.23 more to maintain the same standard of living as an individual making \$50,000 in Valdosta, GA. However, an individual earning \$50,000 in Valdosta area could earn \$8,737.87 less in Kalamazoo MI., and maintain the same standard of living.

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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 third quarter of 2021, 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 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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