



VALDOSTA STATE UNIVERSITY

**CENTER *for* BUSINESS
& ECONOMIC RESEARCH**

Overview

Each quarter, the Council for Community and Economic Research (C2ER, formerly known as ACCRA), reports the Cost of Living Index data based on more than 90,000 prices covering 60 different items ranging from housing, utilities, grocery items transportation, health care and miscellaneous goods and services from communities across the U.S. The second quarter of 2022 survey, comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities, shows that it costs 12.2 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 87.8 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 92.5 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 with a composite index of 101.2, which is slightly above the national average of 100. Valdosta is ranked as the second expensive Georgia area after Atlanta.

Cost of Living Comparisons for the Nation

The Cost-of-Living Index measures regional differences in the 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 second quarter of 2022 Cost of Living Index. As shown in Table 1, among the 261 urban areas that participated in the second quarter 2022 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 almost 25 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 237.7% 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. It is the first time that Albany, one of the metropolitan areas from Georgia, appears on the “Least Expensive” list. Valdosta ranks as the 147th most expensive metropolitan

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area (out of 261 areas) with a composite index of 92.5. It should be noted that Valdosta's ranking in the second quarter of 2021 composite index was 181st (out of 258 areas), with a composite index of 90.8.

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

Second Quarter in 2022 National Average for 261 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	237.7	Kalamazoo MI	75.6
2	Honolulu HI	189.9	Muskogee OK	76.5
3	San Francisco CA	183.6	Harlingen TX	77.0
4	New York (Brooklyn) NY	174.0	McAllen TX	78.8
5	Los Angeles-Long Beach CA	155.1	Decatur IL	79.9
6	Boston MA	154.6	Joplin	80.7
7	Washington DC	154.5	Tupelo MS	80.9
8	Orange County CA	154.3	Richmond IN	82.0
9	Seattle WA	150.5	Thomasville-Lexington NC	82.0
10	Oakland CA	147.1	Albany GA	82.3

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)

Second Quarter 2022 Average for 261 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Kodiak AK	154.4	Harlingen TX	79.1
2	Honolulu HI	150.3	Kalamazoo MI	79.9
3	Juneau AK	137.8	McAllen TX	82.0
4	New York (Manhattan) NY	135.7	Waco TX	82.5
5	San Francisco CA	132.6	Temple TX	82.9

The Most Expensive and Least Expensive Cities to Buy a Movie Ticket

Movie theatres were some of the hardest hit businesses during the pandemic. However, as vaccination rates are increasing, moviegoers are more ready to catch a flick than ever. Blockbuster hits like Top Gun: Maverick and Doctor Strange in the Multiverse

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are breaking box office records. According to the Q1 2020 COLI data, Movie prices averaged \$10.72 a ticket. Since then, they have gone up roughly a dollar (an 8% increase). Considering inflationary pressures and the struggling state of the industry, cinephiles are likely thrilled to still have entertainment at a relatively affordable price. The change in prices is reflected in the Q2 2022 Cost of Living Index publication.

Table 3: The Most Expensive and Least Expensive Cities to Buy a Movie Ticket
Second Quarter 2022
National Average for 261 Urban Areas = \$11.60

Ranking	Most Expensive		Least Expensive	
	Urban Areas	Avg. Price	Urban Areas	Avg. Price
1	New York (Manhattan) NY	\$19.09	Thomasville-Lexington NC	\$6.00
2	Los Angeles-Long Beach CA	\$16.70	Pittsburg KS	\$6.19
3	Bellingham WA	\$16.66	Kokomo IN	\$6.49
4	Boston MA	\$16.42	Richmond IN	\$6.49
5	San Diego CA	\$16.20	Salina KS	\$6.49

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 7.5 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 82.1 suggesting that Valdosta’s housing costs are 17.9 percent less than the national average house price (\$453,977). Compared to other cities in Georgia, Valdosta’s cost of living is around 4.7 % 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>
Albany GA	82.3	95	60	89.6	85.8	95.2
Atlanta GA	101.2	89.3	107.4	84.5	101.9	107.7
Augusta-Aiken GA-SC	84.1	91.9	70.7	89.4	83.3	91.2
Dalton GA	86.9	90.1	73.1	96	77.5	84.7
Douglasville - Douglas County GA	88.4	93.9	81.2	84.9	98.5	88.5
Dublin-Laurens County GA	84.2	94.6	60.3	91.2	84.2	95.6
Savannah GA	88.4	94.6	73.2	93	89.1	105.1
Statesboro-Bulloch County GA	82.4	92	70.4	94.6	87.1	88.3
Valdosta GA	92.5	101.3	82.1	95.9	87.7	100.3
<i>Average</i>	<u>87.8</u>	<u>93.6</u>	<u>75.4</u>	<u>91.0</u>	<u>88.3</u>	<u>95.2</u>

Random Comparisons

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The cost of living data tells us that the Composite Index for Manhattan, NY is 241.0; for Valdosta, GA it is 92.5. Using this information, we can answer the following questions:

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

Two jobs with identical salaries may not have identical purchasing power if one is located in a relatively high-cost city while the other is located in a relatively low-cost city. An individual would only need about \$19,457.3 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 \$128,486.5 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			
$\$50,000 \times (92.5/241.0)$	=		\$ 19,457.3
Valdosta, GA to Manhattan Metro, NY			
$\$50,000 \times (241.0/92.5)$	=		\$ 128,486.5

Table 6 compares Kalamazoo to the Valdosta Metro area. Kalamazoo has a composite index of 75.6 which is ranked as the least expensive place among the 261 urban areas that participated in the second quarter 2022 Cost of Living Index.

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

Kalamazoo, MI to Valdosta, GA			
$\$50,000 \times (92.5/75.6)$	=		\$ 61,177.25
Valdosta, GA to Kalamazoo, MI			
$\$50,000 \times (75.6/92.5)$	=		\$ 40,864.86

According to the information tabulated in Table 6, an individual making \$50,000 per year in Kalamazoo, MI would need \$11,177.25 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 \$9,135.14 less in Kalamazoo, MI and maintain the same standard of living as in Valdosta.

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

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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 second quarter of 2022, 261 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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