



VALDOSTA STATE UNIVERSITY

CENTER *for* BUSINESS & ECONOMIC RESEARCH

Overview

Each quarter, the Council for Community and Economic Research (C2ER) collects more than 90,000 prices for 60 different items representing categories such as housing, utilities, grocery items, transportation, health care and miscellaneous goods and services. More than 300 communities across the United States provide data to C2ER for aggregation and calculation of the Cost of Living Index. The second quarter of 2013 survey, comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities, shows that it costs eight 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 92 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 92.9 cents for each dollar required to maintain the living standards of the average U.S. household. Among Georgia metropolitan areas and cities surveyed, Marietta has the highest cost of living, Atlanta area ranked second and Valdosta ranked third in the second quarter 2013 Cost of Living Index. Interestingly, Valdosta’s cost of living relative to the other study participants decreased 4.6% from the same period in 2012, and 4.4% from the first quarter of 2013.

Cost of Living Comparisons for the Nation

The Cost of Living Index measures regional differences in the prices of 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 2013 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 19 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 218.9% of the national average.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Second Quarter of 2013

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 2012, no metropolitan area from Georgia appears on either the ‘least expensive’ or ‘most expensive’ list. Valdosta ranks as the 174th most expensive metropolitan area (out of 304 areas) with a composite index of 92.9. It should be noted that Valdosta’s ranking in the second quarter of 2012 composite index was 113th (out of 300 areas), with a composite index of 97.4.

**Table1: The Ten Most and Least Expensive Urban Areas
in the Cost of Living Index (COLI)
Second Quarter in 2013
National Average for 304 Urban Areas = 100**

Most Expensive			Least Expensive		
Ranking	Urban Areas	COLI	Ranking	Urban Areas	COLI
1	New York (Manhattan) NY	218.9	1	Harlingen TX	81.1
2	Honolulu HI	174.6	2	Norman OK	84.2
3	New York (Brooklyn) NY	173.0	3	Pueblo CO	84.4
4	San Francisco CA	159.5	4	Memphis TN	84.7
5	New York (Queens) NY	153.7	5	Youngstown-Warren OH	85.5
6	San Jose CA	152.8	6	Temple TX	85.6
7	Hilo HI	148.7	7	Omaha NE	85.6
8	Stamford CT	144.8	8	Jonesboro AR	85.7
9	Orange County CA	143.8	9	Sherman-Denison TX	85.9
10	Washington DC	140.9	10	Idaho Falls ID	86.1

What Do Groceries Cost?

Each quarter, C2ER collects more than 90,000 prices from communities across the US for the Cost of Living Index. Because food prices comprise a large portion of consumers’ budgets and receive much media attention, below is a listing of communities with the most and least expensive food costs as measured by the grocery index. C2ER collects data on twenty-six items from a variety of categories to represent the grocery 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 2013
Average for 304 Urban Areas = 100**

Most Expensive			Least Expensive		
Ranking	Urban Areas	COLI	Ranking	Urban Areas	COLI
1	Hilo HI	162.1	1	Brazoria County TX	77.0
2	Honolulu HI	159.5	2	Houston TX	77.8
3	New York (Manhattan) NY	132.8	3	Twin Fall ID	79.1
4	Kodiak AK	132.0	4	Youngstown-Warren OH	79.4
5	Boston MA	126.6	5	Harlingen TX	80.4

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
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Coffee prices, what happens?

Within the grocery component of the index, the price of a coffee shows relatively wide regional variations for the second quarter of 2013. Table 3 presents the five most and least expensive places to buy America’s favorite beverage among 304 urban areas. The most expensive urban place to purchase an 11 ounce can of coffee is Honolulu, HI, with an average price of \$7.73, while the least expensive urban area is Miami-Dade County, FL, with an average price of \$2.71. The average price of coffee for all the surveyed areas is \$4.38. (Valdosta’s average price is \$4.04, 34 cents below the national average).

Table3: The Five Most and Least Expensive Places for an 11 Ounce Can of Coffee
Second Quarter 2013

National Average for 304 Urban Areas = \$4.38

Most Expensive			Least Expensive		
Ranking	Urban Areas	Price	Ranking	Urban Areas	Price
1	Honolulu HI	\$7.73	1	Miami-Dade County FL	\$2.71
2	Kodiak AK	\$7.37	2	Montgomery AL	\$3.01
3	San Jose CA	\$6.81	3	Fort Lauderdale FL	\$3.21
4	Hilo HI	\$6.24	4	Texarkana TX-AR	\$3.41
5	New York (Manhattan)	\$6.19	5	Kalamazoo MI	\$3.48

Results for the Valdosta Metropolitan Statistical Area

Table 4 shows that Valdosta’s composite cost of living is approximately 7.1 percent below the national average. However, Valdosta’s composite cost of living is 0.9% higher than the Georgia average. Valdosta’s cost of living remains relatively low, principally because of the low housing prices.

The housing index carries the largest weight in the composite index because of its relative importance in the average consumer’s budget. As shown in table 4, the housing index for Valdosta is 81.4, which means that housing costs are 18.6 percent less than the national average house price (\$293,504) for all urban areas in this survey. However, compared to other cities in Georgia, Valdosta’s housing costs are 0.5% higher than the state average of the participating cities.

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

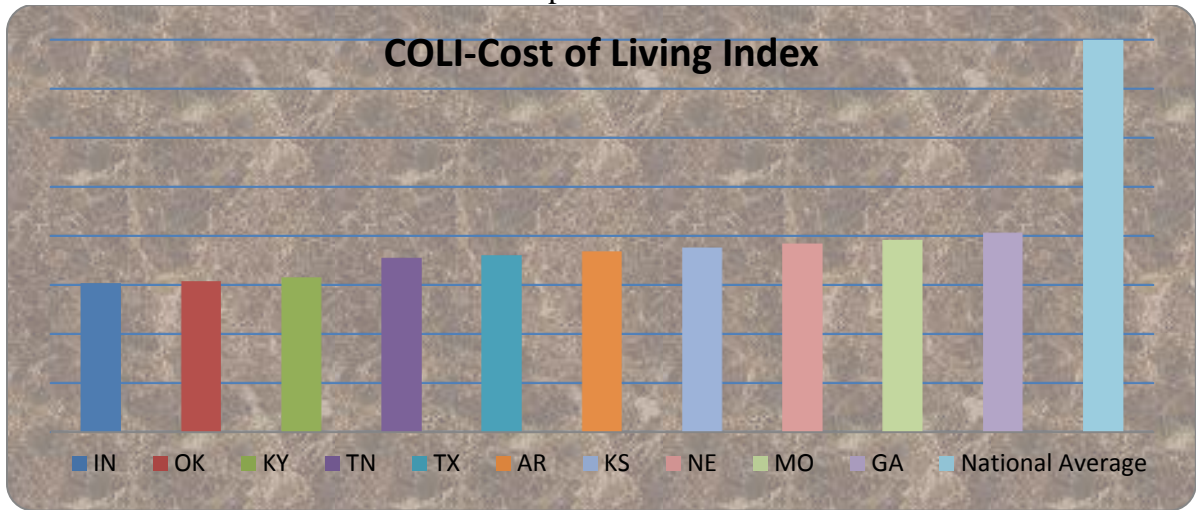
	Composite Index	Grocery	Housing	Utilities	Transportation	Healthcare
Albany	90.2	100.4	97.7	92.9	92.1	89.4
Atlanta	95.5	97.5	85.7	93.1	100.8	102.2
Augusta	86.8	83.3	75.3	97.4	88.6	87.2
Dalton	91.7	88.4	83.7	102.6	93.1	102
Dublin	88.9	87.8	72.1	103	93.1	98.6
Fayetteville	91.8	87.2	84.5	91	92.8	111.9
Marietta	99.3	91.7	96.3	102.4	101.5	100.4
Savannah	91.3	92.4	69.5	110	98.1	102
<i>Valdosta</i>	92.9	97.9	81.4	104.8	95.9	100.6
Average	92.0	91.8	80.9	99.7	95.1	98.6

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Second Quarter of 2013

Where does the State of Georgia rank within the Nation?

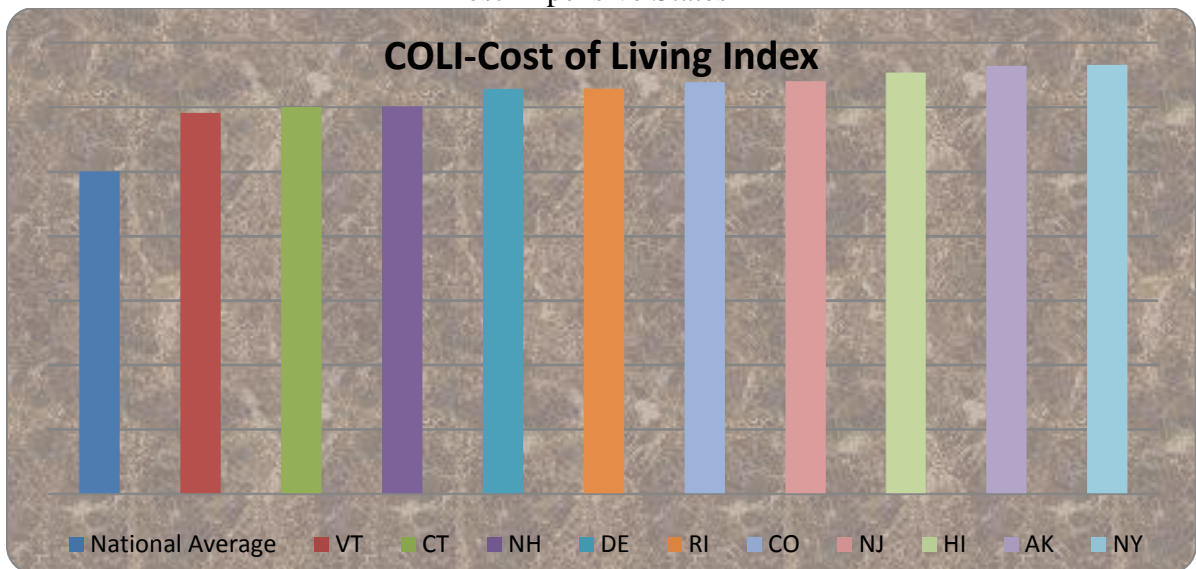
In the second quarter of 2013, Georgia has the 10th lowest cost of living in the United States. Indiana is the least expensive state in this quarter. Figure 1 shows the ten states with the lowest cost of living.

Figure1: Composite Cost of Living – Second Quarter, 2013
Least Expensive States



In the second quarter of 2013, New York has the highest cost of living in the United States. Figure 2 shows the ten most expensive states. The cost of living index for each state is calculated by averaging the composite indices of participating cities and metropolitan areas in that state. The composite index is based on six component categories – housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services.

Figure2: Composite Cost of Living – Second Quarter, 2013
Most Expensive States



Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Second Quarter of 2013

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 second quarter of 2013, 304 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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