



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 50,000 prices 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 2014 survey comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities shows that it costs almost 7.1 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 92.9 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 95.3 cents for each dollar required to maintain the living standards of the average U.S. household. Among Georgia metropolitan areas and cities, Atlanta and Marietta have the highest cost of living; however, both are below the national average. Valdosta is the third 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 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 first three quarters of 2014 Cost of Living Index. As shown in Table 1, 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 222.6% 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, the least expensive urban area is located in Texas. Consistent with the previous quarters of 2014, no metropolitan

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2014

area from Georgia appears on either the ‘Least Expensive’ or ‘Most Expensive’ list. Valdosta ranks as the 135th most expensive metropolitan area (out of 281 areas) with a composite index of 95.3. It should be noted that Valdosta’s ranking in the 2013 composite index was 154th (out of 308 areas), with a composite index of 94.6.

**Table 1: The Ten Most and Least Expensive Urban Areas
in the Cost of Living Index (COLI)**
Year-End Review of Three Quarters in 2014
National Average for 281 Urban Areas = 100

Most Expensive			Least Expensive		
Ranking	Urban Areas	COL Index	Ranking	Urban Areas	COL Index
1	New York (Manhattan) NY	222.6	1	Harlingen TX	81.4
2	Honolulu HI	174.9	2	Norman OK	83.7
3	New York (Brooklyn) NY	169.8	3	Ashland OH	84.0
4	San Francisco CA	167.5	4	Idaho Falls ID	84.2
5	Hilo HI	153.0	5	McAllen TX	84.3
6	Orange County CA	141.6	6	Pueblo CO	84.8
7	Stamford CT	144.1	7	Richmond IN	85.1
8	Nevada County CA	144.9	8	Cookeville TN	85.2
9	Washington DC	140.1	9	Memphis TN	85.6
10	Oakland CA		10	Hattiesburg MS	85.9

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

C2ER collects more than 50,000 prices from communities across the US for the COLI. Two of those items, orange juice and Advil, 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 2014
Average for 281 Urban Areas in 2014 = \$3.45

Most Expensive			Least Expensive		
Ranking	Urban Areas	Price	Ranking	Urban Areas	Price
1	Honolulu HI	\$6.42	1	Detroit MI	\$2.83
2	Hilo HI	\$4.92	2	Burlington IA	\$2.87
3	Oakland CA	\$4.71	3	Kalamazoo MI	\$2.90
4	Juneau AK	\$4.67	4	Anniston AL	\$2.93
5	Anchorage AK	\$4.54	5	San Antonio TX	\$2.96

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2014

Table 3: The Five Most and Least Expensive Places to Buy Advil
Averaged over Three Quarters in 2014
Average for 281 Urban Areas in 2014b = \$9.42

Ranking	Most Expensive Urban Areas	Average Price	Ranking	Least Expensive Urban Areas	Average Price
1	Honolulu HI	\$14.63	1	San Antonio TX	\$6.27
2	Hilo HI	\$13.13	2	Jackson TN	\$6.75
3	San Diego CA	\$12.88	3	Atlanta GA	\$6.96
4	Los Angeles CA	\$12.49	4	Birmingham AL	\$7.15
5	Sacramento CA	\$12.36	5	Little Rock AR	\$7.93

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 4.7 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 86.3 suggesting that housing costs are 13.7 percent less than the national average house price (\$303,376) for all urban areas in this survey. However, compared to other cities in Georgia, Valdosta’s cost of living is just 2.6% 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)

	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Albany	92.5	110.5	77.3	91.5	96.9	98.4
Atlanta	99.6	104.6	97.0	90.7	102.1	101.3
Augusta	87.2	96.7	68.2	92.4	96.9	93.8
Dalton	90.1	101.8	75.9	100.8	95.1	92.6
Dublin	89.1	96.0	76.2	97.4	94.3	85.6
Fayetteville	95.2	99.3	89.5	91.0	94.2	110.1
Marietta	96.8	103.4	92.1	90.1	99.0	100.2
Savannah	91.5	97.9	70.0	106.6	99.1	98.8
Statesboro	92.1	100.9	76.8	91.2	98.4	84.1
<i>Valdosta</i>	<i>95.3</i>	<i>108.3</i>	<i>86.3</i>	<i>98.1</i>	<i>98.0</i>	<i>96.4</i>
Average	92.9	101.9	80.9	95.0	97.4	96.1

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2014

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	Hilo, HI	159.5	1	Hilo, HI	262.4	1	Fairbanks, AK	150.8
2	Honolulu HI	154.7	2	Fairbanks, AK	239.2	2	Juneau, AK	150.2
3	Kodiak, AK	140.4	3	Honolulu, HI	214.3	3	Kodiak, AK	140.3
4	New York (Manhattan)	135.2	4	Kodiak, AK	156.7	4	Anchorage, AK	139.9
...				
38	Valdosta, GA	108.3	126	Valdosta, GA	98.1	171	Valdosta, GA	96.4
...				
278	McAllen, TX	83.7	278	Springfield, IL	76.7	278	Montgomery, AL	83.2
279	San Marcos, TX	82.0	279	Jackson MS	76.5	279	Anniston- Calhoun, AL	83.2
280	Corpus Christi, TX	81.8	280	Bellingham, WA	74.3	280	Dothan, AL	83.1
281	Waco TX	81.1	281	Moses Lake, WA	73.6	281	McAllen, TX	82.8

Above, table 5 shows Valdosta’s position among three subcategories included in the composite index. For grocery items, in 2015 Valdosta ranked as the 38th most expensive area of the 281 surveyed metropolitan areas in the U.S. Valdosta ranked 126th for utilities, and 171st for Health Care expenses.

The Cost of Living Comparison of Average Georgia versus Valdosta: 2010-2014

Figure 1 depicts the Grocery, Housing, Utilities and Health Care average Indices for Valdosta area compared to average of Georgia Metropolitan areas and cities included in the survey for the 2010 to 2014 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 and the average of all Georgia Metro areas has been above the national average index value of 100 for all periods with the exception of the average Georgia index in 2013. For 2013, Valdosta had a Grocery Index value 2 % less than the national average index.

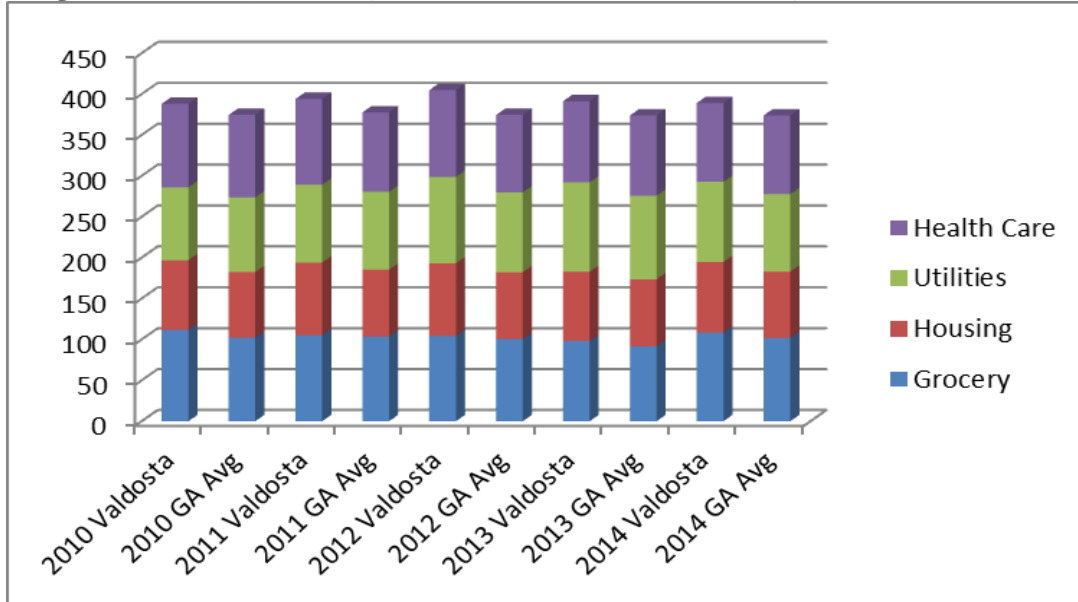
The Health Care index value for Valdosta has been declining since 2012. Last two years, the index remained below the national average. On the other hand, the average Georgia Health Care index has been lower than the national average. One of the 5 periods ranked the average Georgia index value above the national average: year 2010.

The Utilities and Housing Indices relative to the national average for both Valdosta Metro and the average of all Georgia Metro areas was consistently below the national average with the exception of the Utility index for Valdosta Metro in 2012 when

Cost of Living Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2014

it ranked 5.6% above the national average. Interestingly, year 2013 is the only year that both the Valdosta and the average Georgia index were above the national average for Utilities index.

Figure 1: Grocery, Housing, Utilities and Health Care Average Indices: 2010-2014



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 three quarters of 2014, 281 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 Comparisons: Valdosta, Georgia, and the Nation
Annual Review 2014

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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