



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 three quarters of the 2018 survey, comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities, shows that it costs almost 8.7 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 91.3 cents.

Valdosta’s cost of living is slightly higher than the Georgia state average, with Valdosta residents required to spend about 92.8 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 101.8, which is slightly above the national average of 100. Marietta ranked second, and Valdosta landed as 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 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 2018 Cost of Living Index. As shown in Table 1, among the 270 urban areas that participated in the first three quarters of 2018 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 Harlingen, TX. Not surprisingly, there is very little change in the top ten most expensive urban areas when compared to 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 248.5% of the national average.

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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 2018, no metropolitan area from Georgia appears on either the “Least Expensive” or “Most Expensive” list. Valdosta ranks as the 160th most expensive metropolitan area (out of 270 areas) with a composite index of 92.8. It should be noted that Valdosta’s ranking in the 2017 composite index was 175th (out of 269 areas), with a composite index of 92.1.

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

Averaged over Three Quarters in 2018 National Average for 270 Urban Areas = 100				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	248.5	Harlingen TX	75.8
2	San Francisco CA	196.3	McAllen TX	77.4
3	Honolulu HI	189.7	Richmond IN	79.6
4	New York (Brooklyn) NY	181.7	Kalamazoo MI	79.6
5	Washington DC	162.6	Memphis, TN	80.6
6	Seattle WA	154.8	Knoxville TN	81.7
7	Oakland CA	154.5	Muskogee OK	81.8
8	Arlington, VA	153.1	Conway AR	81.9
9	New York (Queens), NY	152.6	Joplin MO	82.3
10	Boston MA	150.0	Wichita Falls TX	82.3

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

C2ER collects more than 50,000 prices from communities across the US for the COLI. Two of those items, orange juice and ibuprofen, 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 2018 Average for 270 Urban Areas in 2018=\$3.52				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	Honolulu HI	\$5.36	Kalamazoo MI	\$2.72
2	Fond du Lac WI	\$4.78	Cedar City UT	\$2.81
3	Juneau AK	\$4.68	Texarkana TX-AR	\$2.99
4	New York (Manhattan) NY	\$4.60	Burlington IA	\$2.99
5	Chicago IL	\$4.40	Cedar Rapids IA	\$3.00

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Table 3: The Five Most and Least Expensive Places to Buy Ibuprofen

Averaged over Three Quarters in 2018 Average for 270 Urban Areas in 2018 = \$9.33				
Ranking	Most Expensive	COL	Least Expensive	COL
	Urban Areas	Index	Urban Areas	Index
1	New York (Manhattan) NY	\$13.18	Charlotte NC	\$6.91
2	Honolulu HI	\$12.95	Cedar City UT	\$6.94
3	Orange County CA	\$12.77	Jackson MS	\$7.62
4	Los Angeles-Long Beach CA	\$12.71	Little Rock-North Little Rock AR	\$7.66
5	San Diego CA	\$12.71	McAllen TX	\$7.72

Results for the Valdosta Metropolitan Statistical Area

Table 4 suggests that Valdosta has a cost of living that is approximately 7.2 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 77.3 suggesting that housing costs are 22.7 percent less than the national average of \$347,825. However, compared to other cities in Georgia, Valdosta’s composite cost of living is just 1.50% 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	91.0	100.9	73.6	93.7	107.3	101.5
Atlanta GA	101.8	99.6	106.2	87.0	100.1	109.1
Marietta GA	96.9	100.8	87.4	94.2	100.8	96.3
Augusta-Aiken GA-SC	90.2	103.2	74.2	88.5	80.9	93.9
Dalton GA	89.9	94.0	68.9	101.1	88.8	94.5
Dublin-Laurens County GA	86.6	102.6	62.9	97.6	91.4	94.3
Savannah GA	88.0	93.7	64.5	96.5	97.3	99.5
Statesboro-Bulloch County GA	84.3	93.0	70.6	96.5	85.1	80.8
Valdosta GA	92.8	103.5	77.3	96.8	107.9	101.1
Average	91.3	99.0	76.2	94.7	95.5	96.8

Table 5: Where does Valdosta rank within the nation?

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<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	Honolulu, HI	166.0	1	Fairbanks, AK	212.6	1	Juneau, AK	153.2
2	Juneau, AK	146.5	2	Honolulu, HI	172.0	2	Fairbanks, AK	150.9
3	New York (Manhattan), NY	139.5	3	San Juan, PR	156.7	3	Anchorage, AK	144.3
4	Anchorage AK	134.0	4	Bakersfield CA	138.9	4	Boston, MA	134.2
...				
96	Valdosta, GA	103.5	143	Valdosta, GA	96.8	110	Valdosta, GA	101.1
...				
267	Harlingen TX	83.1	267	Westminster CO	79.3	266	Wilkes-Barre, PA	79.2
268	Waco TX	81.9	268	Lake Charles LA	78.1	267	Richmond, IN	78.0
269	Temple TX	80.4	269	Wenatchee WA	77.4	268	McAllen, TX	71.9
270	Kalamazoo MI	78.1	270	Shreveport- Bossier City LA	74.4	269	San Juan, PR	69.3

Above, Table 5 shows Valdosta’s position among three subcategories included in the composite index. For grocery items, in 2018 Valdosta ranked as the 96th most expensive area of the 270 surveyed metropolitan areas in the U.S. Valdosta ranked 143th for utilities, and 110th for Health Care expenses.

The Cost of Living Comparison of Average Georgia versus Valdosta: 2014-2018

Figure 1 depicts the Grocery, Housing, Utilities and Health Care average Indices for the Valdosta area compared to the average of Georgia Metropolitan areas and cities included in the survey for the period from 2014 to 2018. 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 has been above the national average index value of 100 for since 2014.

The Housing Index relative to the national average for both Valdosta Metro and the average of all Georgia Metro areas, were consistently below the national average for the last five years. However, the Utilities index values for Valdosta have showed some fluctuations for the period from 2014 to 2018. The Utilities index values for Valdosta were slightly above the national average for the year 2015 and 2016 whereas average Georgia indices remained below the national average for Utilities index.

Except year 2017, the Health Care average index for the Valdosta was constantly above the national average of 100 whereas average Georgia index has been lower than the national average index value for the period from 2014 to 2018.

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Figure 1: Grocery, Housing, Utilities and Health Care Average Indices: 2014-2018



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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 first three quarters of 2018, 270 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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