



**VALDOSTA STATE UNIVERSITY**

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**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 quarter of 2015 survey comparing relative costs of living for “middle management” households among U.S. metropolitan areas and cities shows that it costs almost 8.5 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 91.5 cents.

Valdosta’s cost of living is slightly lower than the Georgia state average, with Valdosta residents required to spend about 91.1 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, Savannah ranked second, and Valdosta area landed in the third place in this first quarter 2015 Cost of Living Index. It is worth mentioning that, Valdosta’s cost of living decreased 5% percent from the same period in 2014.

**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 quarter of 2015 Cost of Living Index. As shown in Table 1, among the 265 urban areas that participated in the first quarter 2015 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 more than 20 percent below the national average in McAllen, 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 223.7% of the national average.

Cost of Living Comparisons: Valdosta, Georgia, and the Nation  
First Quarter of 2015

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 area from Georgia appears on either the ‘Least Expensive’ or ‘Most Expensive’ list. Valdosta ranks as the 197<sup>th</sup> most expensive metropolitan area (out of 265 areas) with a composite index of 91.1. It should be noted that Valdosta’s ranking in the first quarter of 2014 composite index was 131<sup>th</sup> (out of 288 areas), with a composite index of 96.1.

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

First Quarter in 2015

National Average for 265 Urban Areas = 100

Most Expensive		COL	Least Expensive		COL
Ranking	Urban Areas	Index	Ranking	Urban Areas	Index
1	New York (Manhattan) NY	223.7	1	McAllen TX	77.2
2	Honolulu HI	190.4	2	Harlingen TX	79.7
3	New York (Brooklyn) NY	175.3	3	Youngtown-Warren OH	82.0
4	San Francisco CA	173.2	4	Pueblo CO and Idaho Falls ID	82.4
5	Truckee-Nevada County CA	157.5	5	Richmond IN	82.5
6	Hilo HI	151.2	6	Norman OK	82.8
7	Orange County CA	146.8	7	Ashland	83.0
8	Stamford CT	144.9	8	Tupelo MS	83.4
9	Washington-Arlington DC-VA	143.3	9	Ardmore OK	83.6
10	Oakland CA	143.1	10	Hattiesburg MS	84.0

**What Do Groceries Cost?**

Each quarter, C2ER collects more than 90,000 prices from communities across the US for the Cost of Living Index. With food prices 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)**

First Quarter 2015

National Average for 265 Urban Areas = 100

Most Expensive			Least Expensive		
Ranking	Urban Areas	Index	Ranking	Urban Areas	Index
1	Hilo HI	6.64	1	Houston TX	3.04
2	Portland OR	6.59	2	Conroe TX	3.13
3	Oakland CA	5.99	3	San Marcos TX	3.17
4	San Francisco CA	5.99	4	Kalamazoo MI	3.20
5	Kodiak AK	5.49	5	Bowling Green KY	3.23

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**The Most Expensive and Least Expensive Cities to Go to the Movies**

The 2015 Oscars season was heating up during the first quarter collection and review period. Whether enjoying the latest action blockbuster or a moving drama, the cinema is a great way to spend an evening. With that in mind we decided to find the five most and least expensive places to buy a ticket to an indoor, first run, Saturday evening movie.

<b>Table 3: The Five Most and Least Expensive Places for a Saturday night movie ticket</b> First Quarter 2015 National Average for 265 Urban Areas = \$9.87					
Most Expensive			Least Expensive		
Ranking	Urban Areas	Avg.Price	Ranking	Urban Areas	Avg.Price
1	Stamford CT	\$14.75	1	Thomasville-Lexington NC	\$5.50
2	Los Angeles-Long Beach CA	\$14.20	2	Charleston-N Charleston SC	\$6.92
3	New York (Brooklyn) NY	\$14.00	3	Benton Harbor MI and Enid OK	\$7.00
4	New York (Manhattan) NY	\$13.83	4	Monroe LA	\$7.25
5	Chicago IL	\$13.75	5	Lake Charles LA and Corpus Christi TX	\$7.38

**Results for the Valdosta Metropolitan Statistical Area**

Table 4 suggests that Valdosta has a cost of living that is approximately 8.9 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 82.1 suggesting that housing costs are 17.9 percent less than the national average house price (\$309,362) for all urban areas in this survey.

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

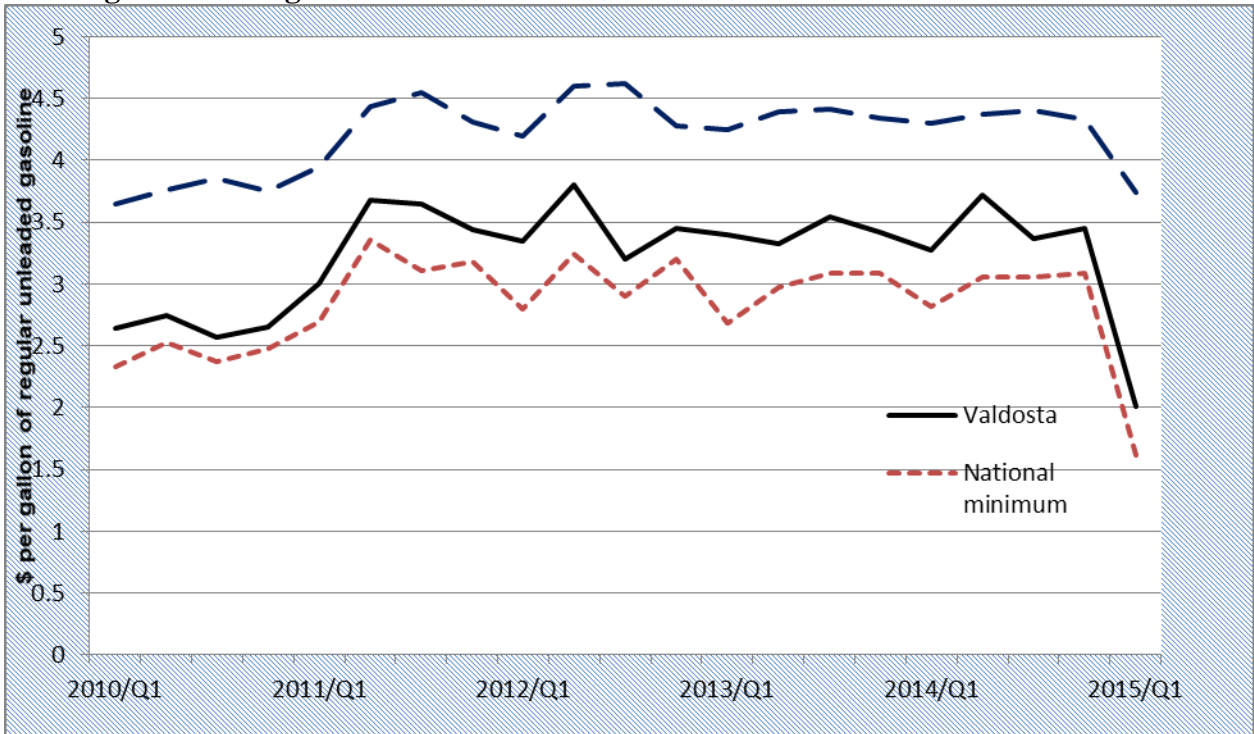
	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care
Albany	90.6	106	73.8	91.2	93.5	98.2
Atlanta	101.6	106.8	98.7	91.2	109.2	103.3
Augusta	86.9	91.1	69.1	90.2	88.6	93.3
Dalton	89.6	99.8	77.9	102.2	97.6	89.2
Dublin	89.7	97.5	74.2	109.3	93.0	94.9
Savannah	92.0	98.5	68.4	108.3	100.2	99.7
Statesboro	90.0	98.5	75.4	81.3	96.5	83.4
<i>Valdosta</i>	91.1	106.7	82.1	99.5	96.9	96.5
Average	<b>91.5</b>	<b>100.2</b>	<b>77.3</b>	<b>96.5</b>	<b>96.0</b>	<b>94.3</b>

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**The Price of Gasoline: Average National versus Average Valdosta over 2010-2015**

Gas prices are obviously a concern for many people. Figure 1 shows the recent movement in the quarterly average price for a gallon of regular unleaded gasoline for Valdosta (the solid black line), comparing it to the national minimum and maximum prices. The wide variation of gasoline prices is also apparent from the graph. Gasoline prices experienced a sharp drop in 2009 due to the global economic recession. However, the gas prices reached its peak in 2012. Starting 2013, the current gas prices have been declining. Valdosta gas prices consistently stay within the minimum-maximum range, quite a bit closer to the minimum average price than the maximum average.

**Figure1: Average Gas Prices - “National versus Valdosta over 2010-2015”**



**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 quarter of 2015, 265 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.

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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](http://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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