

RESOURCES FOR PLANNING

ECONOMIC TRENDS

Cost of Living Index

The Council for Community and Economic Research (C2ER) produces the Cost of Living Index to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. Items on which the Index is based have been carefully chosen to reflect the different categories of consumer expenditures. Weights assigned to relative costs are based on government survey data on expenditure patterns for mid-management households. All items are priced in each place at a specified time and according to standardized specifications.

The *ACCRA Cost of Living Index* measures regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. It is based on more than 90,000 prices covering almost 60 different items for which prices are collected quarterly by chambers of commerce, economic development organizations or university applied economic centers in each participating urban area. Small differences should not be interpreted as showing a measurable difference.

The composite index is based on six components – housing, utilities, grocery items, transportation, health care and miscellaneous goods and services.

Among the 309 urban areas that have participated in the first quarter 2009 *ACCRA 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 just over 17 percent below the national average in Pryor Creek, OK.

The Ten Most and Least Expensive Urban Areas in the ACCRA Cost of Living Index (COLI) First Quarter 2009 National Average for 309 Urban Areas = 100

Most Expensive			Least Expensive		
Ranking	Urban Area	COL Index	Ranking	Urban Area	COL Index
1	New York (Manhattan) NY	219.3	1	Pryor Creek OK	83.1
2	New York (Brooklyn) NY	180.4	2	Pueblo CO	83.7
3	Honolulu HI	165.5	3	Fort Smith AR	83.7
4	San Francisco CA	164.9	4	Martinsville-Henry County VA	84.2
5	New York (Queens) NY	159.2	5	Ashland OH	84.6
6	San Jose CA	158.5	6	Martinsburg-Berkeley County WV	84.8
7	Truckee CA	148.7	7	Mason City IA	85.0
8	Stamford CT	147.9	8	Dothan AL	85.1
9	Orange County CA	145.5	9	Tupelo MS	85.3
10	Nassau County NY	143.0	10	Jonesboro AR	85.5

Source: The Council for Community and Economic Research (<http://www.coli.org>)