

Regional Snapshot: The Cost of Living in Metro Atlanta

Atlanta Regional Commission, September 2022

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In Summary...

According to the C2ER Cost of Living Index (COLI), Metro Atlanta's overall cost of living is slightly **above** the national average. Manhattan (NY), not surprisingly, has the highest cost of living of any urban area on the list.

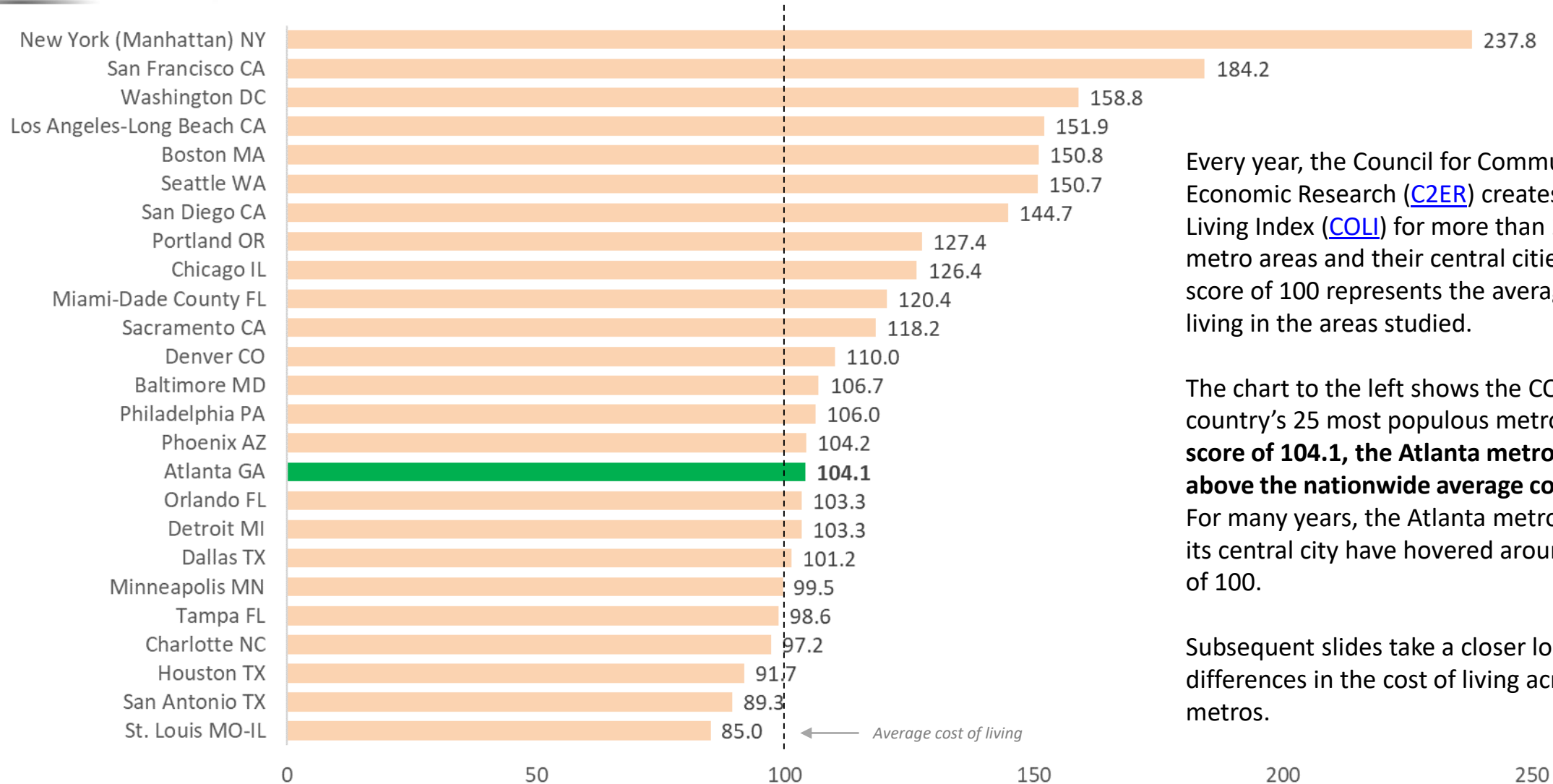
An individual in metro Atlanta with a \$50,000 salary moving to Manhattan would need to make \$120,900 to have equivalent spending power. A move to San Francisco requires \$92,500, while a move to Dallas requires (a slightly lower) \$49,900.

Atlanta's cost of housing is slightly higher than some of its peer metros, but this is offset by its comparatively cheaper utility costs.

Compared to the national index average of 100, metro Atlanta **housing is 13.0 percent more expensive** than in the average metro area, but **utilities are 13.4 percent less expensive**.

While the C2ER Cost of Living Index uses a similar methodology as the Consumer Price Index (CPI), the COLI is not in itself a measure of inflation. We include data from the CPI in this snapshot as a reference.

Cost of Living for 25 Most Populous Metros



Every year, the Council for Community and Economic Research ([C2ER](#)) creates a Cost of Living Index ([COLI](#)) for more than 270 U.S. metro areas and their central cities. A COLI score of 100 represents the average cost of living in the areas studied.

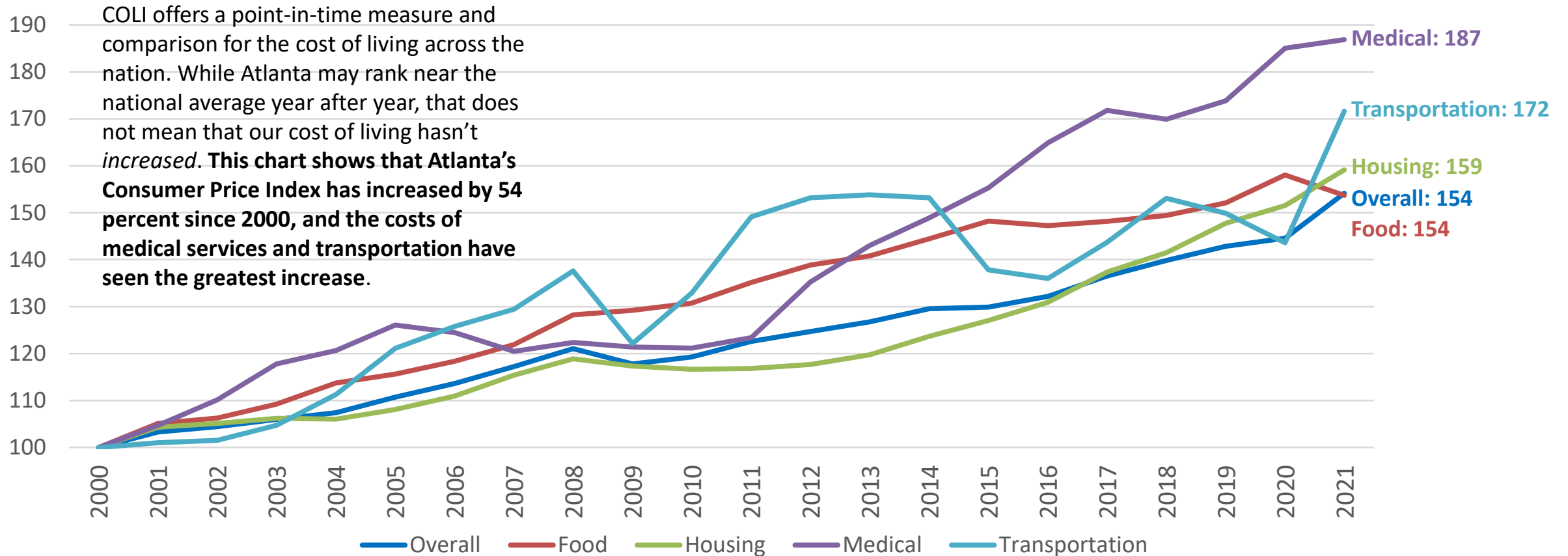
The chart to the left shows the COLI score for country's 25 most populous metros. **With a score of 104.1, the Atlanta metro is slightly above the nationwide average cost of living.** For many years, the Atlanta metro area and its central city have hovered around a score of 100.

Subsequent slides take a closer look at differences in the cost of living across these metros.

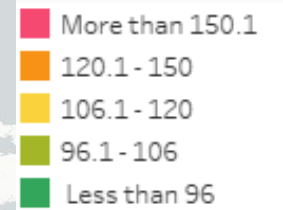
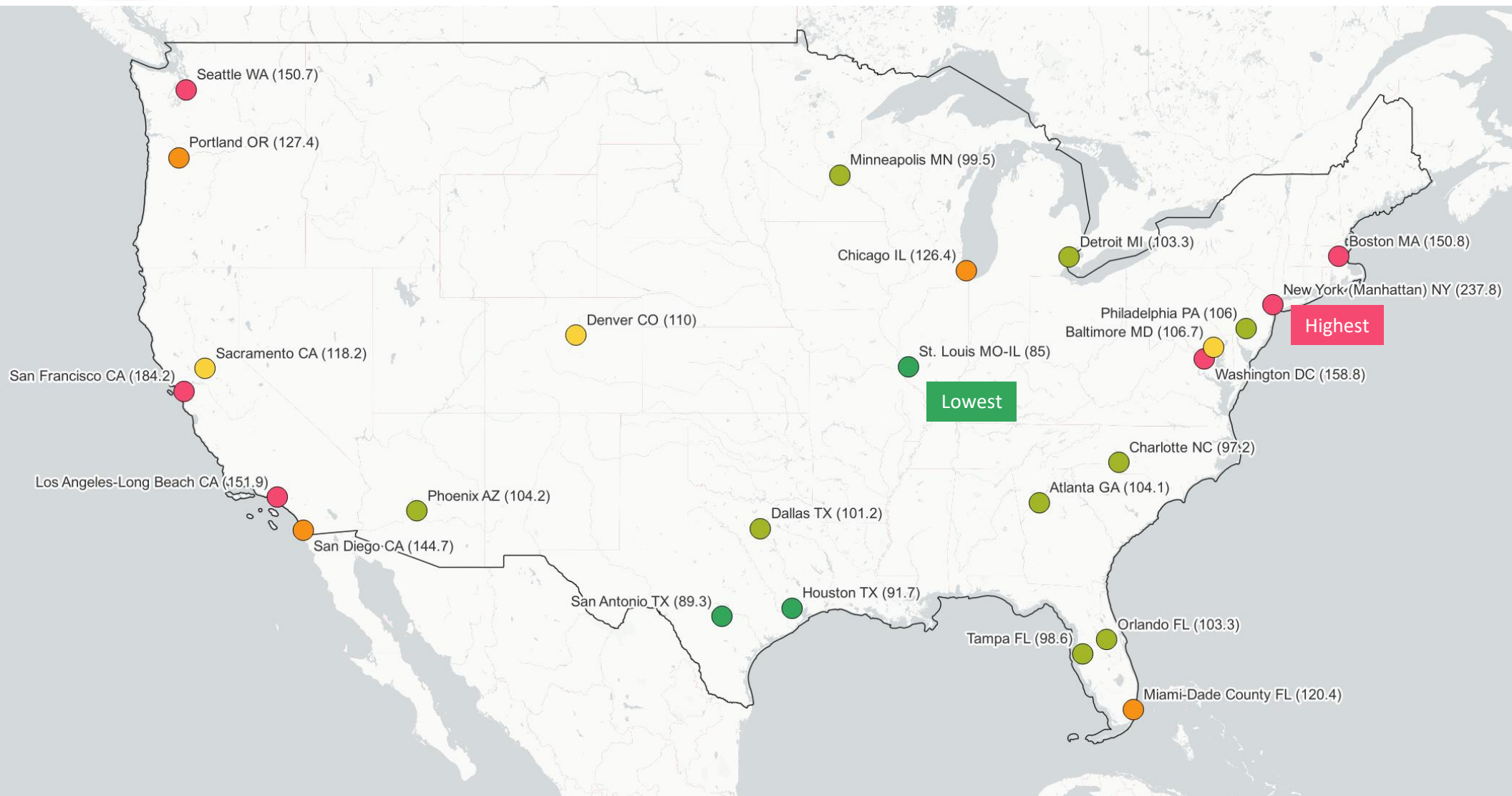
Atlanta Consumer Price Over Time

(2000 = 100)

Atlanta MSA Consumer Price Index (CPI)
2000-2021



Mapping Cost of Living



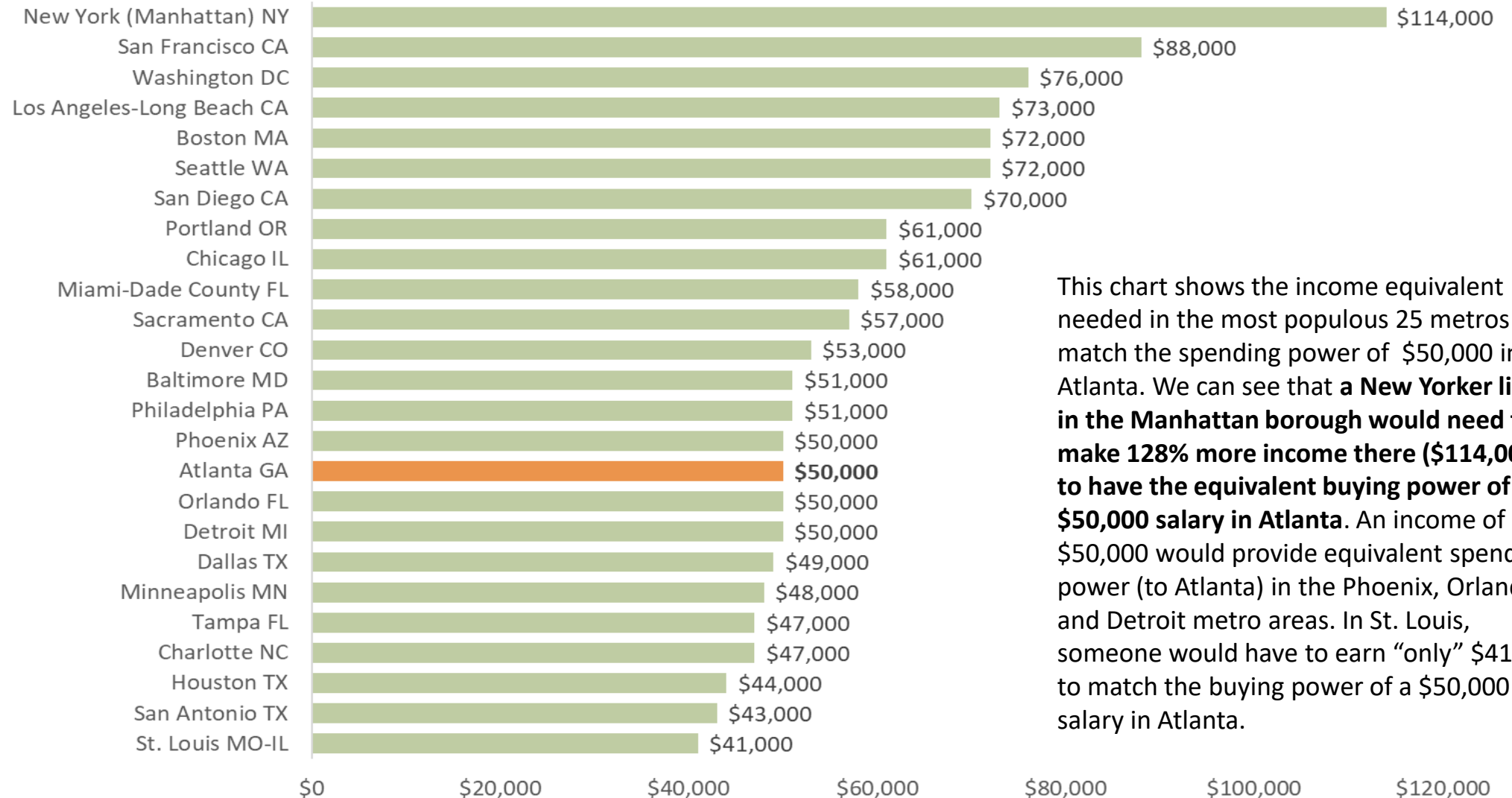
Over time, COLI scores have shown some distinct patterns, with **metros in the Northeast, California and Northwest typically having higher costs of living** than other parts of the country.

Highest

Lowest

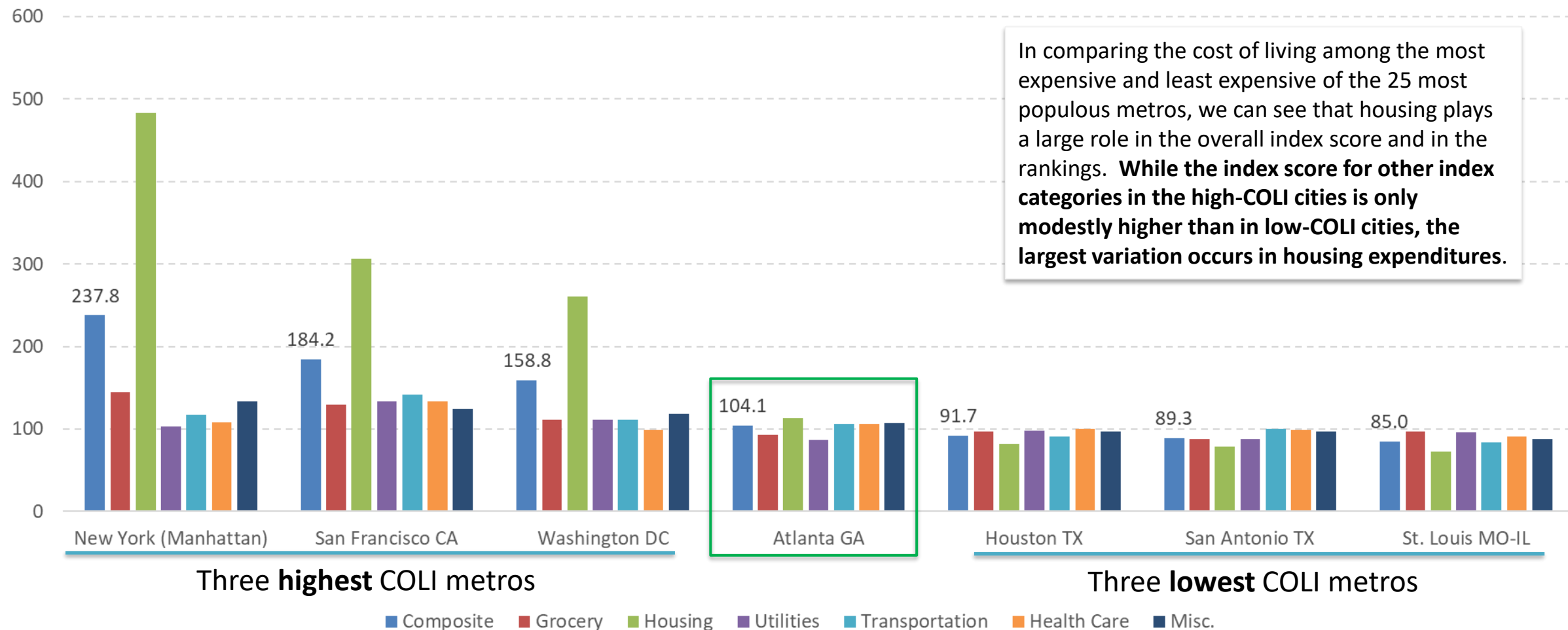


Income equivalent to \$50,000 in Atlanta



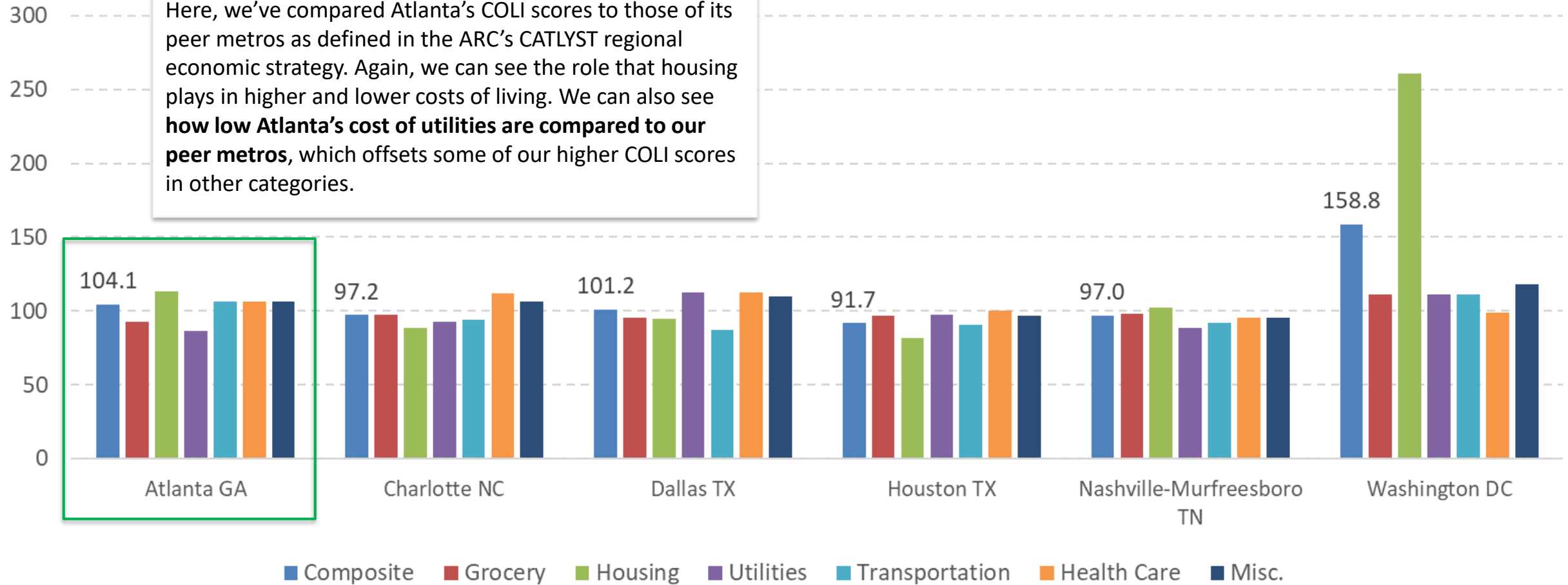
This chart shows the income equivalent needed in the most populous 25 metros to match the spending power of \$50,000 in Atlanta. We can see that **a New Yorker living in the Manhattan borough would need to make 128% more income there (\$114,000) to have the equivalent buying power of a \$50,000 salary in Atlanta.** An income of \$50,000 would provide equivalent spending power (to Atlanta) in the Phoenix, Orlando, and Detroit metro areas. In St. Louis, someone would have to earn “only” \$41,000 to match the buying power of a \$50,000 salary in Atlanta.

Comparing highest vs. lowest COLIs among the 25 most populous metros



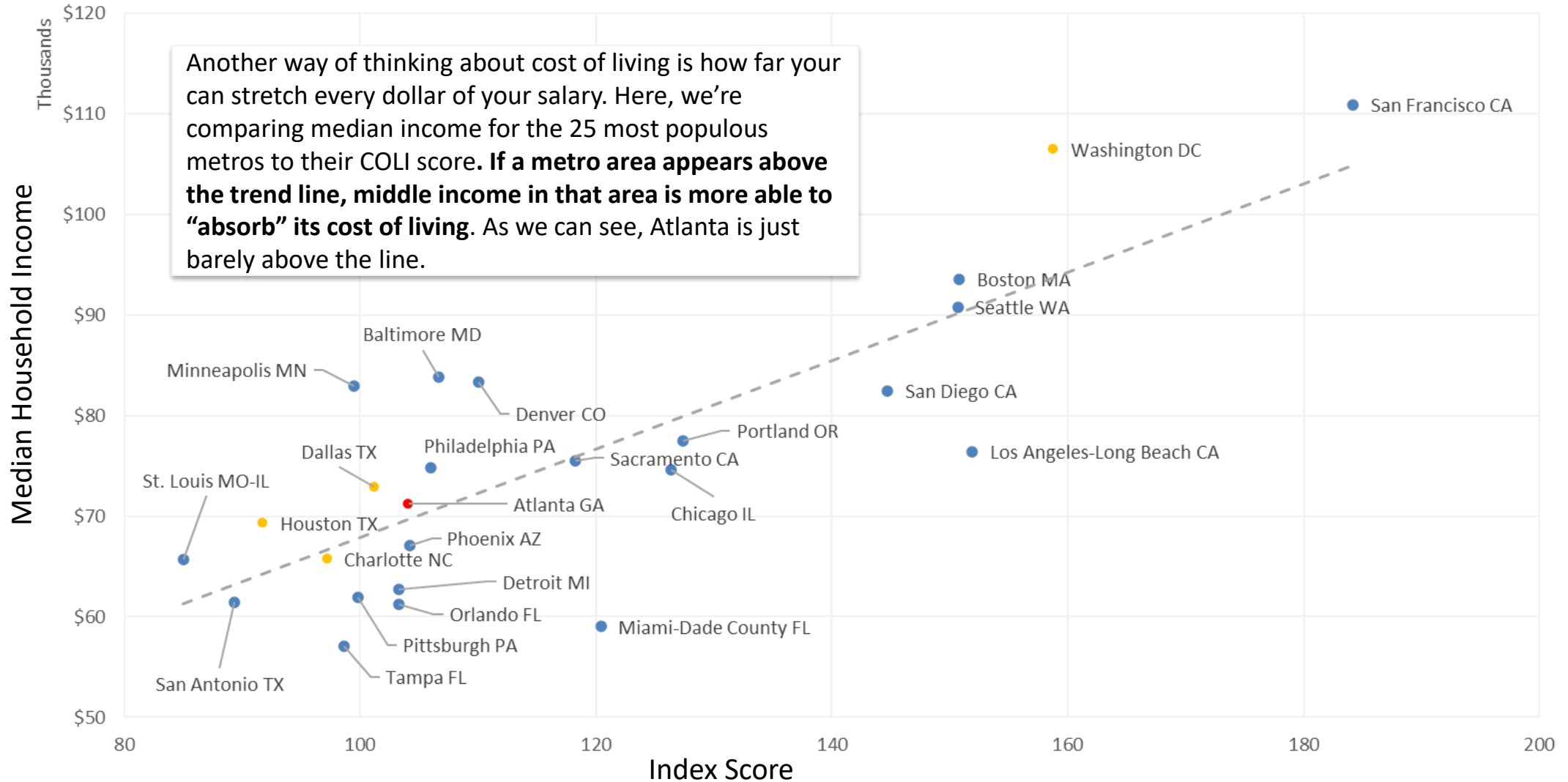
Cost of Living Comparison: Peer Metros

Here, we've compared Atlanta's COLI scores to those of its peer metros as defined in the ARC's CATLYST regional economic strategy. Again, we can see the role that housing plays in higher and lower costs of living. We can also see **how low Atlanta's cost of utilities are compared to our peer metros**, which offsets some of our higher COLI scores in other categories.





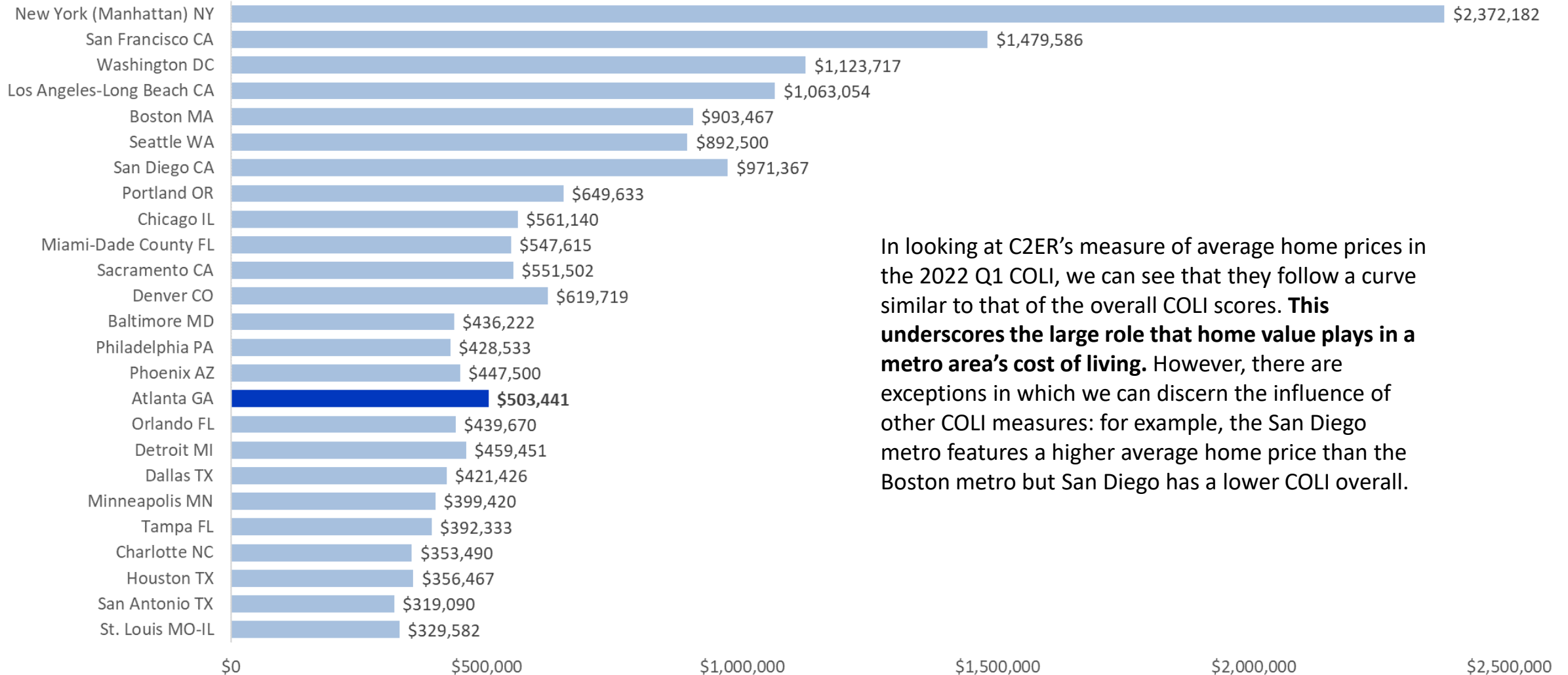
Relationship Between Income and Cost of Living



* New York is excluded due to having multiple COLI indexes for different boroughs



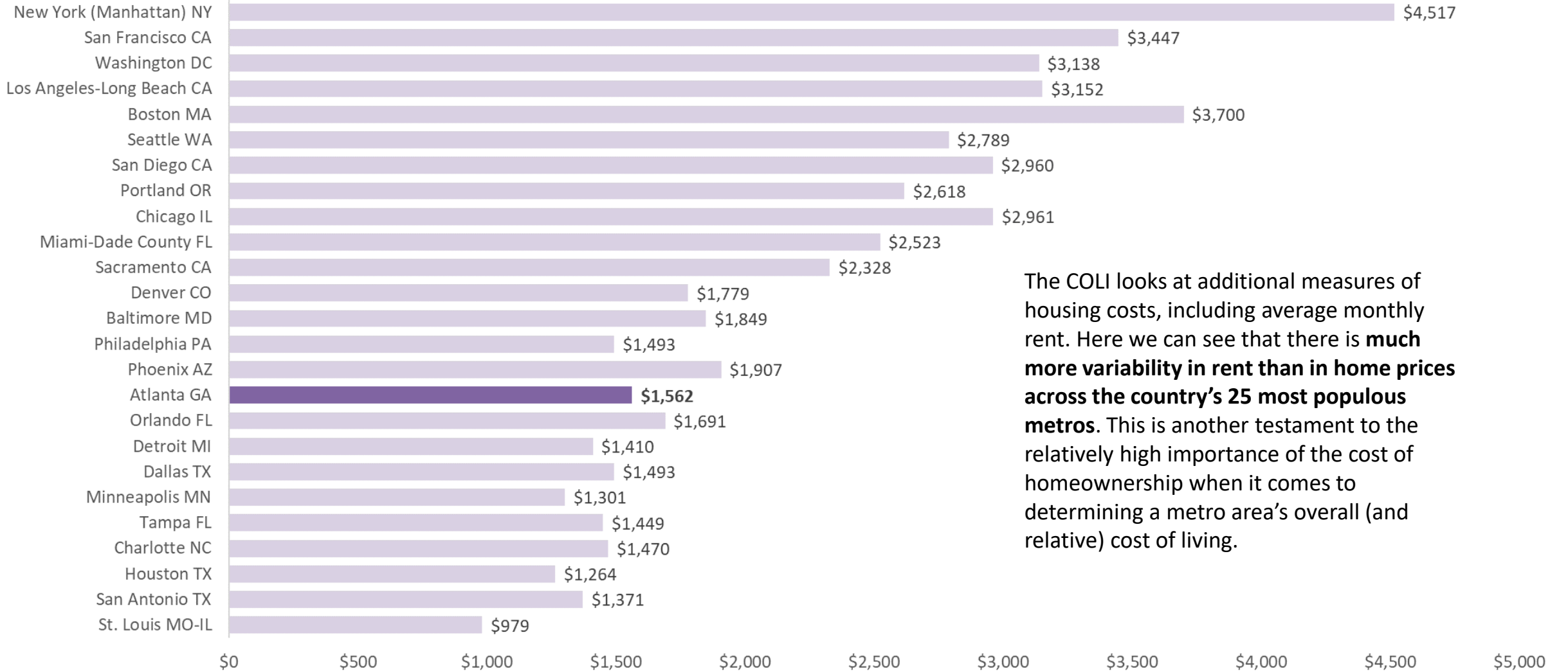
Average Home Price: 25 Largest Metros



In looking at C2ER’s measure of average home prices in the 2022 Q1 COLI, we can see that they follow a curve similar to that of the overall COLI scores. **This underscores the large role that home value plays in a metro area’s cost of living.** However, there are exceptions in which we can discern the influence of other COLI measures: for example, the San Diego metro features a higher average home price than the Boston metro but San Diego has a lower COLI overall.











Average Monthly Apartment Rent: 25 Largest Metros



The COLI looks at additional measures of housing costs, including average monthly rent. Here we can see that there is **much more variability in rent than in home prices across the country's 25 most populous metros**. This is another testament to the relatively high importance of the cost of homeownership when it comes to determining a metro area's overall (and relative) cost of living.





Comparing Costs of Select Grocery Items for High / Low COLI Metros*

	COLI	 Ground Beef	 Half-Gallon Milk	 Dozen Eggs	 Bananas	 Coffee	 Wine	 Beer	 Sugar	
Three highest COLI metros										
	New York (Manhattan) NY	237.8	\$ 5.49	\$ 2.86	\$ 2.77	\$ 0.81	\$ 6.51	\$ 12.12	\$ 12.93	\$ 4.59
	San Francisco CA	184.2	\$ 4.66	\$ 3.55	\$ 3.47	\$ 0.89	\$ 6.63	\$ 8.69	\$ 10.19	\$ 4.29
	Washington DC	158.8	\$ 5.30	\$ 2.24	\$ 1.80	\$ 0.71	\$ 5.04	\$ 10.77	\$ 10.33	\$ 4.19
	Atlanta GA	104.1	\$ 4.79	\$ 1.72	\$ 1.19	\$ 0.53	\$ 4.44	\$ 10.87	\$ 11.68	\$ 1.96
Three lowest COLI metros*										
	Houston TX	91.7	\$ 4.28	\$ 2.08	\$ 1.54	\$ 0.53	\$ 4.60	\$ 7.09	\$ 10.45	\$ 2.25
	San Antonio TX	89.3	\$ 4.35	\$ 1.87	\$ 1.47	\$ 0.49	\$ 4.06	\$ 7.02	\$ 9.85	\$ 2.25
	St. Louis MO-IL	85.0	\$ 4.81	\$ 1.89	\$ 1.64	\$ 0.50	\$ 3.99	\$ 8.22	\$ 9.16	\$ 2.31
	All Metro Average		\$ 4.86	\$ 2.28	\$ 1.78	\$ 0.59	\$ 4.63	\$ 9.44	\$ 9.88	\$ 2.69

To develop COLI scores, C2ER researches the cost of basic groceries and household goods. Here we can see that Atlantans are getting a comparative bargain on milk, eggs and sugar (the green shading represents relatively lower costs), but less so when it comes to beer & wine (with the red and orange shading representing relatively higher costs)...

*Of the 25 most populous MSAs in the US






Comparing Select Medical Expenses for High / Low COLI Metros*

						
		Optometrist Visit	Doctor Visit	Prescription Drug	Ibuprofen	
Selected Metro	COLI					
Three highest COLI metros	New York (Manhattan) NY	237.8	\$ 110.57	\$ 112.50	\$ 425.12	\$ 12.04
	San Francisco CA	184.2	\$ 156.75	\$ 177.33	\$ 491.27	\$ 12.57
	Washington DC	158.8	\$ 75.00	\$ 129.71	\$ 442.79	\$ 11.15
Three lowest COLI metros	Atlanta GA	104.1	\$ 128.80	\$ 116.50	\$ 479.70	\$ 9.30
	Houston TX	91.7	\$ 96.70	\$ 105.40	\$ 472.70	\$ 9.69
	San Antonio TX	89.3	\$ 118.80	\$ 115.00	\$ 467.90	\$ 9.22
	St. Louis MO-IL	85.0	\$ 82.00	\$ 87.28	\$ 488.29	\$ 11.91
	All Metro Average		\$ 114.20	\$ 122.45	\$ 455.68	\$ 10.07

When it comes to medical costs, Atlanta residents are spending above average on optometrist visits but below average for doctor visits. In a similar fashion, prescription drug costs in Atlanta are above the national average, while typical over-the-counter drug costs here are slightly below the national average.

*Of the 25 most populous metros

Cost of Select Other Items for High / Low COLI Metros

							
	Selected Metro	COLI	Haircut	Boy Jeans	Women Slacks	Newspaper	Energy Cost
Three highest COLI metros	New York (Manhattan) NY	237.8	\$ 28.00	\$ 25.56	\$ 32.67	\$ 10.83	\$ 181.50
	San Francisco CA	184.2	\$ 26.14	\$ 30.99	\$ 63.36	\$ 8.25	\$ 275.58
	Washington DC	158.8	\$ 46.67	\$ 36.90	\$ 35.70	\$ 12.00	\$ 208.57
	Atlanta GA	104.1	\$ 24.80	\$ 36.99	\$ 47.85	\$ 12.29	\$ 132.78
Three lowest COLI metros	Houston TX	91.7	\$ 23.40	\$ 34.26	\$ 32.99	\$ 8.25	\$ 167.97
	San Antonio TX	89.3	\$ 25.67	\$ 19.98	\$ 39.41	\$ 17.29	\$ 136.97
	St. Louis MO-IL	85.0	\$ 20.00	\$ 18.84	\$ 16.03	\$ 9.73	\$ 154.36
	All Metro Average		\$ 21.92	\$ 26.80	\$ 33.65	\$ 11.33	\$ 175.54

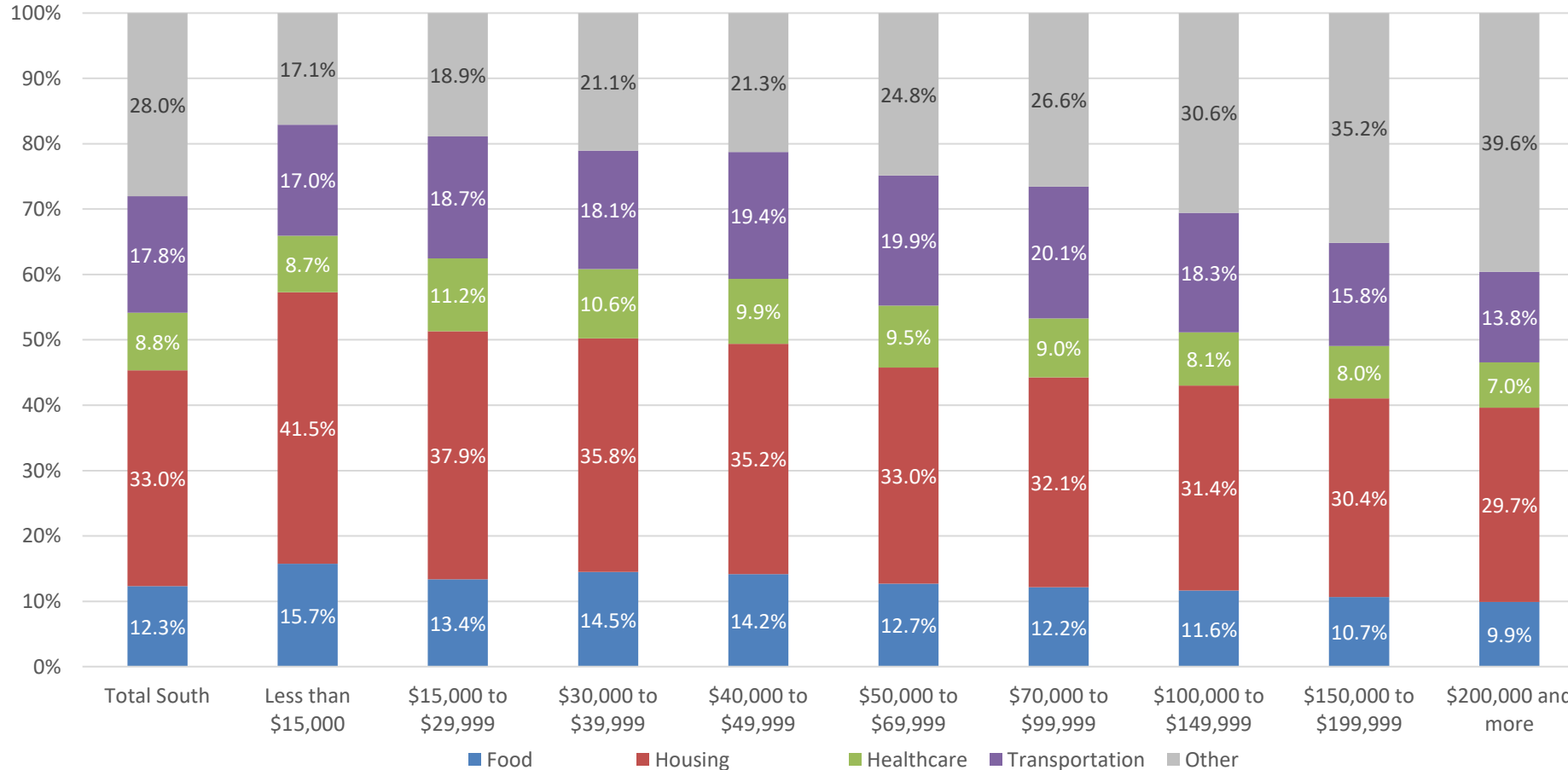
Finally, as anyone who’s talked to friends who don’t live in the Atlanta area probably knows, we’re spending a lot less on our power bills than are residents of most other large metros around the country.

*Of the 25 most populous metros



Southern Region Consumer Expenditure by Income

Percent Share of Average Expenditures by Income Before Taxes,
Southern Region Consumer Expenditure Survey, 2019-2020



It's important to remember that even though living in Atlanta isn't comparatively expensive, affordability is a relative term. **This chart shows the percent of income that people of different brackets devote to different expenses.**

It's easy to see that the "other" category increases as disposable income increases. This may seem intuitive since all remaining categories could be classified as "needs" rather than "wants". However, the largest expenditure category for the \$200,000+ set is life/personal insurance and pensions/social security, which many would argue shouldn't be classified as a "want".