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# REGIONAL SNAPSHOT: Metro Atlanta Cost of Living

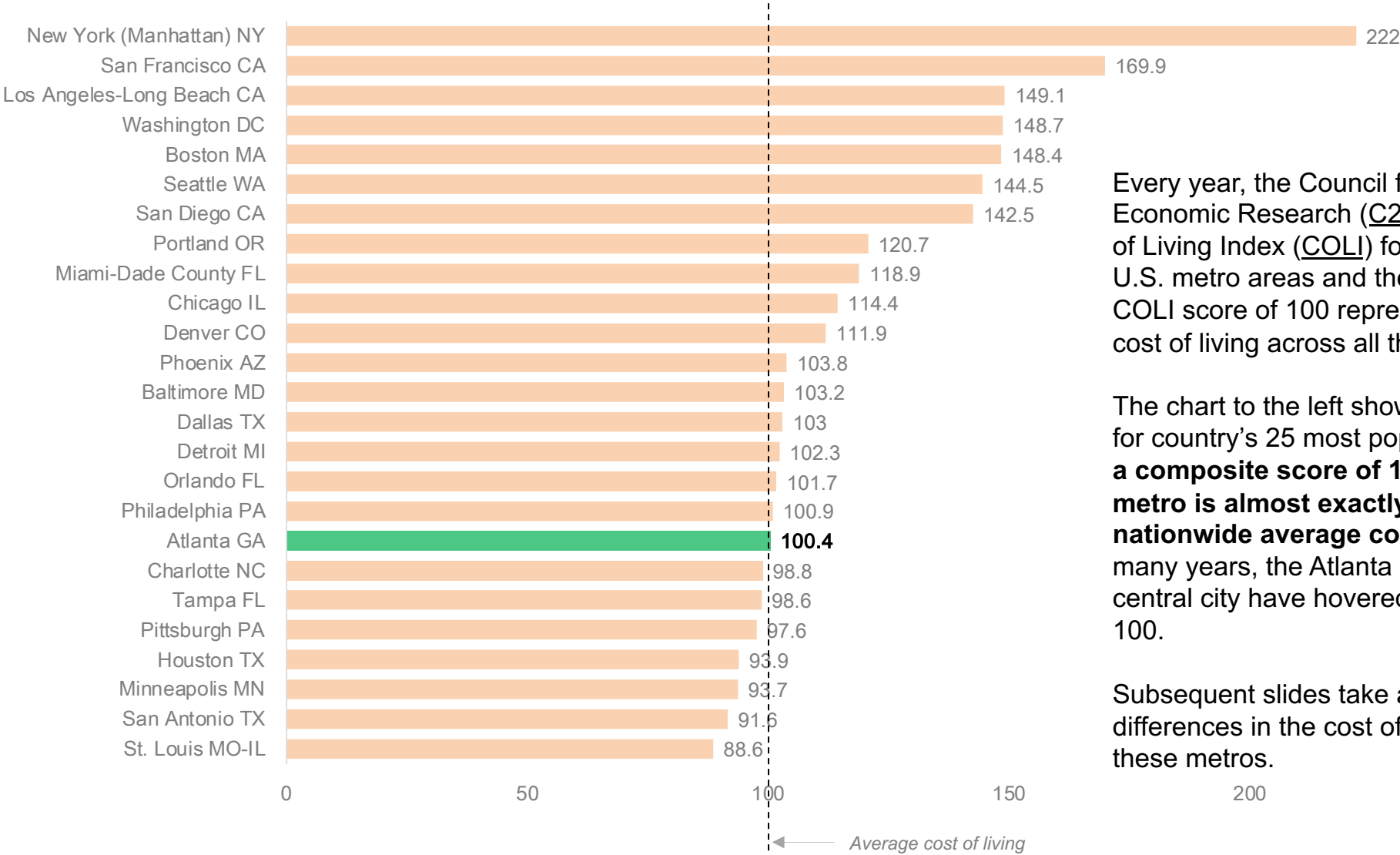
October 2023

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# In summary...

- According to the C2ER Cost of Living Index (COLI), Metro Atlanta's overall cost of living is **almost exactly that of the national average**. Manhattan (NYC), not surprisingly, has the highest cost of living of any urban area on the list.
- A metro Atlanta resident with a \$50,000 salary moving to Manhattan would need to make \$110,558 to have equivalent spending power there. A move to San Francisco requires \$84,612, while a move to Dallas requires (a slightly higher) \$51,295.
- Atlanta's cost of health care is slightly higher than some of its peer metros, but this is offset by Atlanta's comparatively cheaper utility costs.
- Compared to the national index average of 100, metro Atlanta **health care is 11.4 percent more expensive** than in the average metro area, but **utilities are 18.9 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 across all the areas studied.

The chart to the left shows the COLI score for country’s 25 most populous metros. **With a composite score of 100.4, the Atlanta metro is almost exactly equal to the nationwide average cost of living.** For many years, the Atlanta metro area and its central city have hovered around a score of 100.

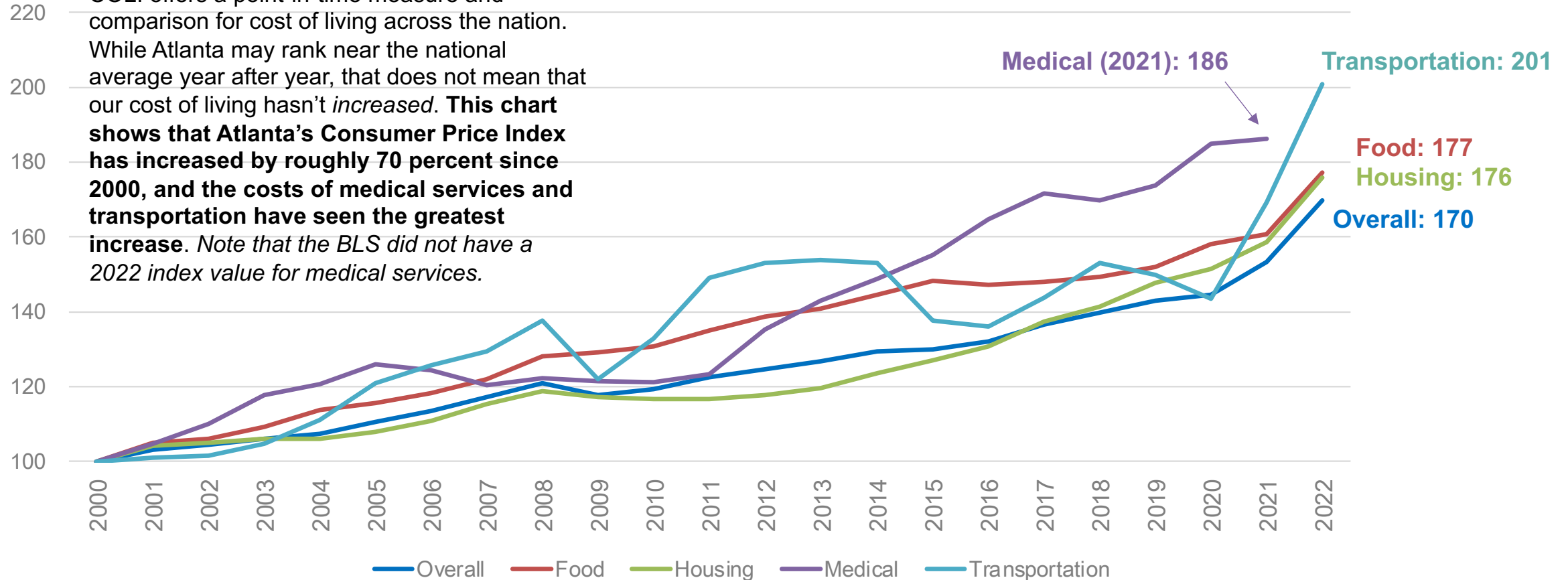
Subsequent slides take a closer look at differences in the cost of living between these metros.

# Atlanta Consumer Price Index

## Atlanta MSA Consumer Price Index (CPI)

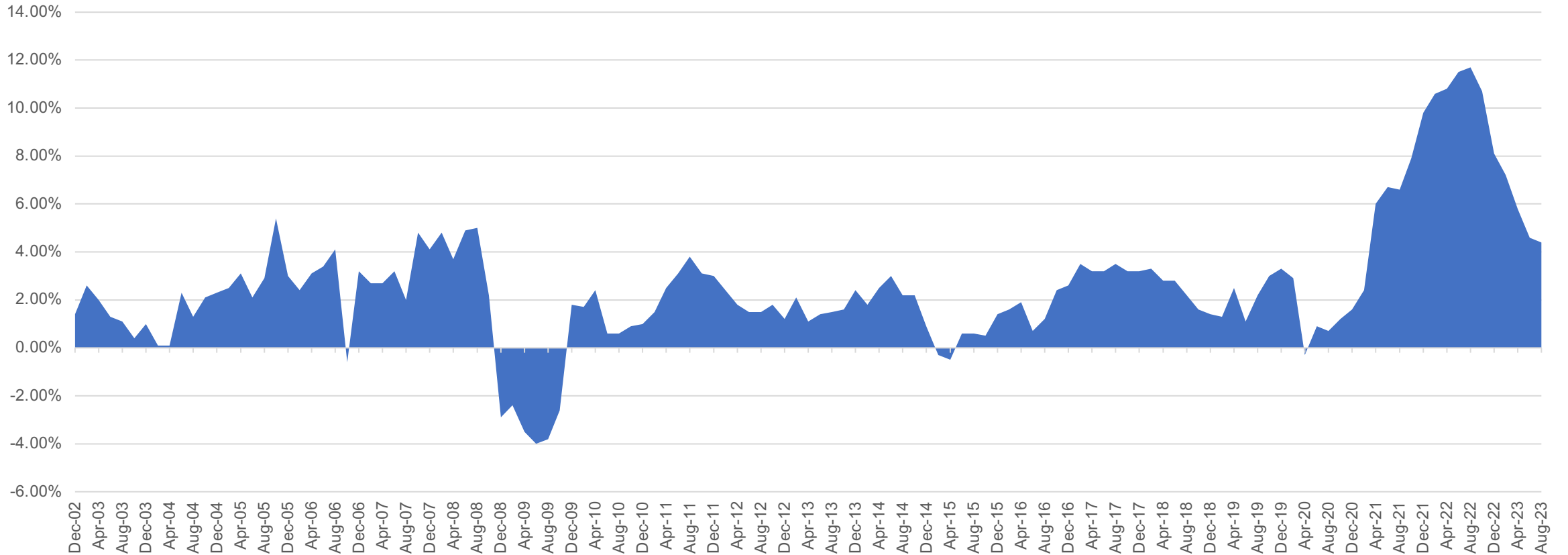
2000-2022

COLI offers a point-in-time measure and comparison for cost of living across the nation. While Atlanta may rank near the national average year after year, that does not mean that our cost of living hasn't *increased*. **This chart shows that Atlanta's Consumer Price Index has increased by roughly 70 percent since 2000, and the costs of medical services and transportation have seen the greatest increase. Note that the BLS did not have a 2022 index value for medical services.**



# Atlanta Consumer Price Index

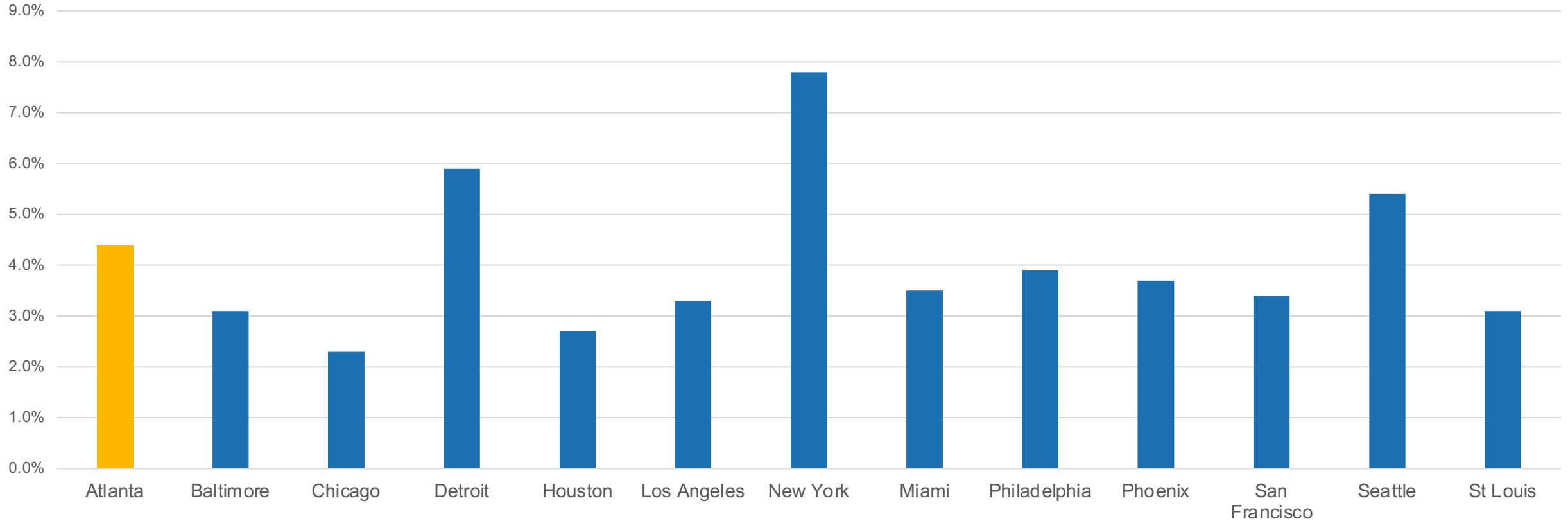
Inflation in Metro Atlanta



Similar to the previous chart, this shows only the overall levels of inflation over the past 20 years, or so. As can be seen, inflation soared immediately following the pandemic. This happened in all metros, but it was a particularly steep rise in metro Atlanta. **But, as of the latest reading, inflation has dropped to 4.4%, which puts it on par with levels last seen prior to the Great Recession.** From this point forward, we will only look at C2ER's Cost of Living Index.

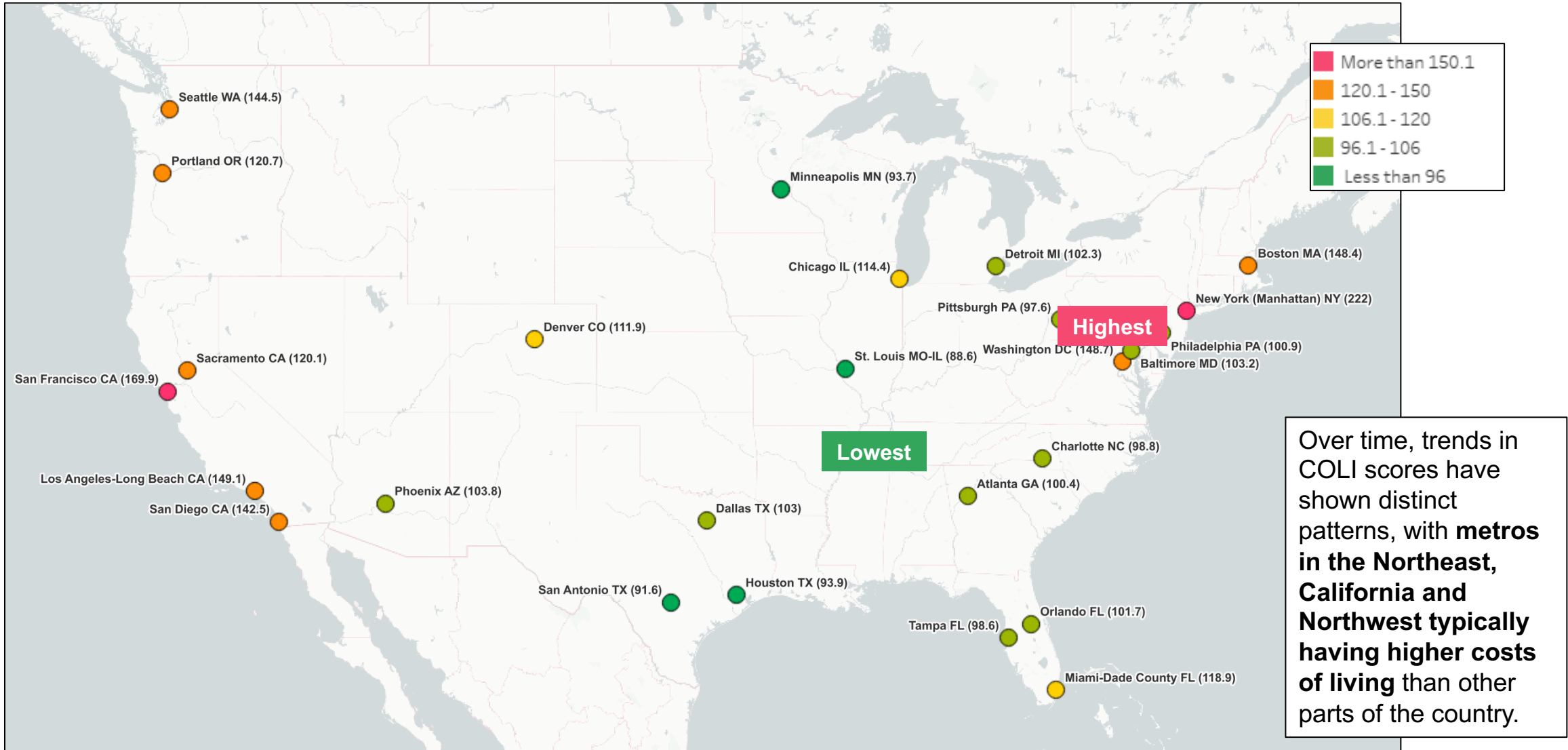
# Bureau of Labor Statistics' Consumer Price Index

Annual % Change in Inflation (August - August)

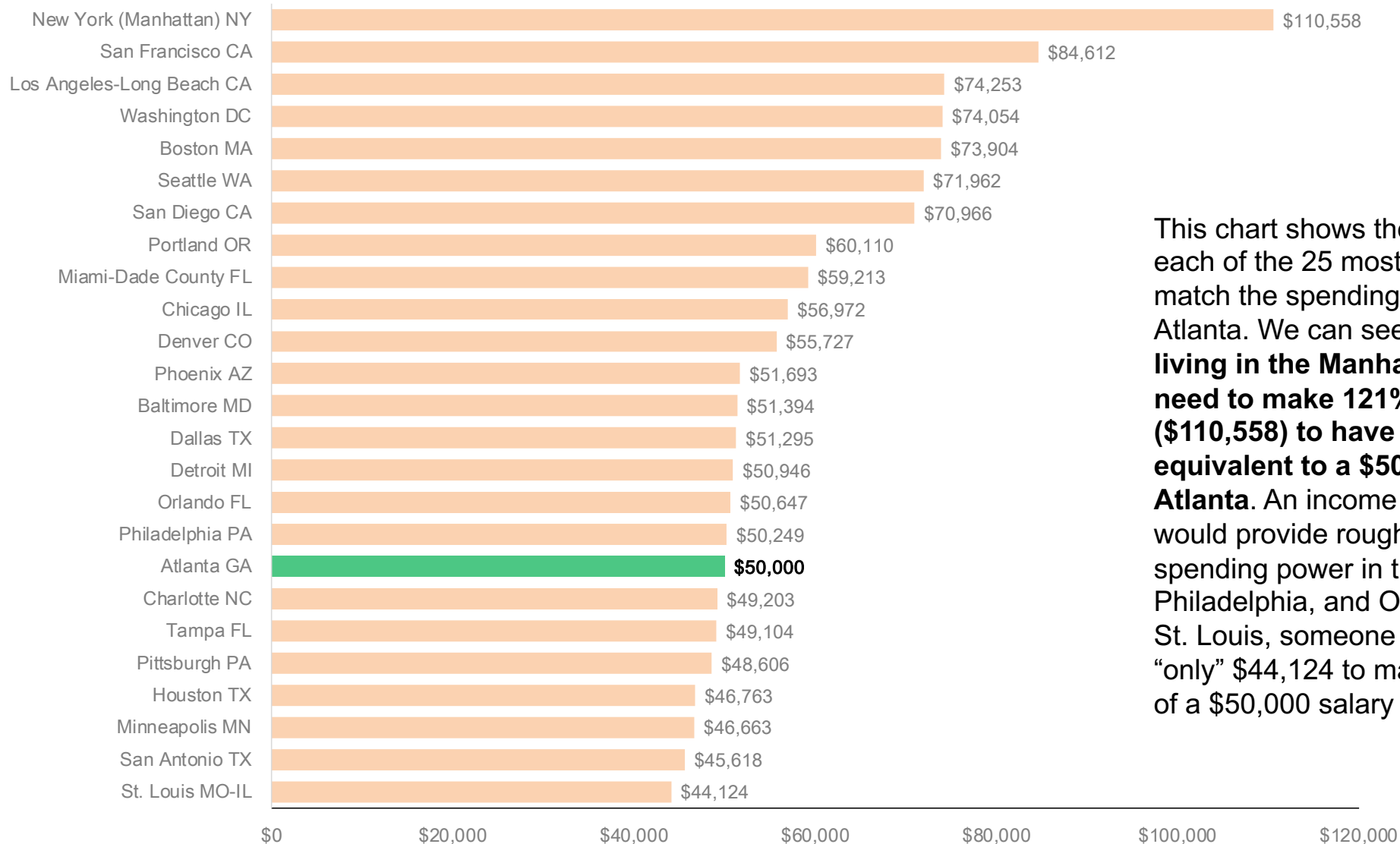


While COLI offers a point-in-time measure and comparison for cost of living across the nation, it is not the official measure of inflation, as indicated on the previous slide. The chart above is from the Bureau of Labor Statistics, which is widely cited as the official measure of inflation. **As can be seen, inflation in metro Atlanta is among the highest, but it trails inflation levels in New York, Detroit and Seattle.**

# Mapping Cost of Living



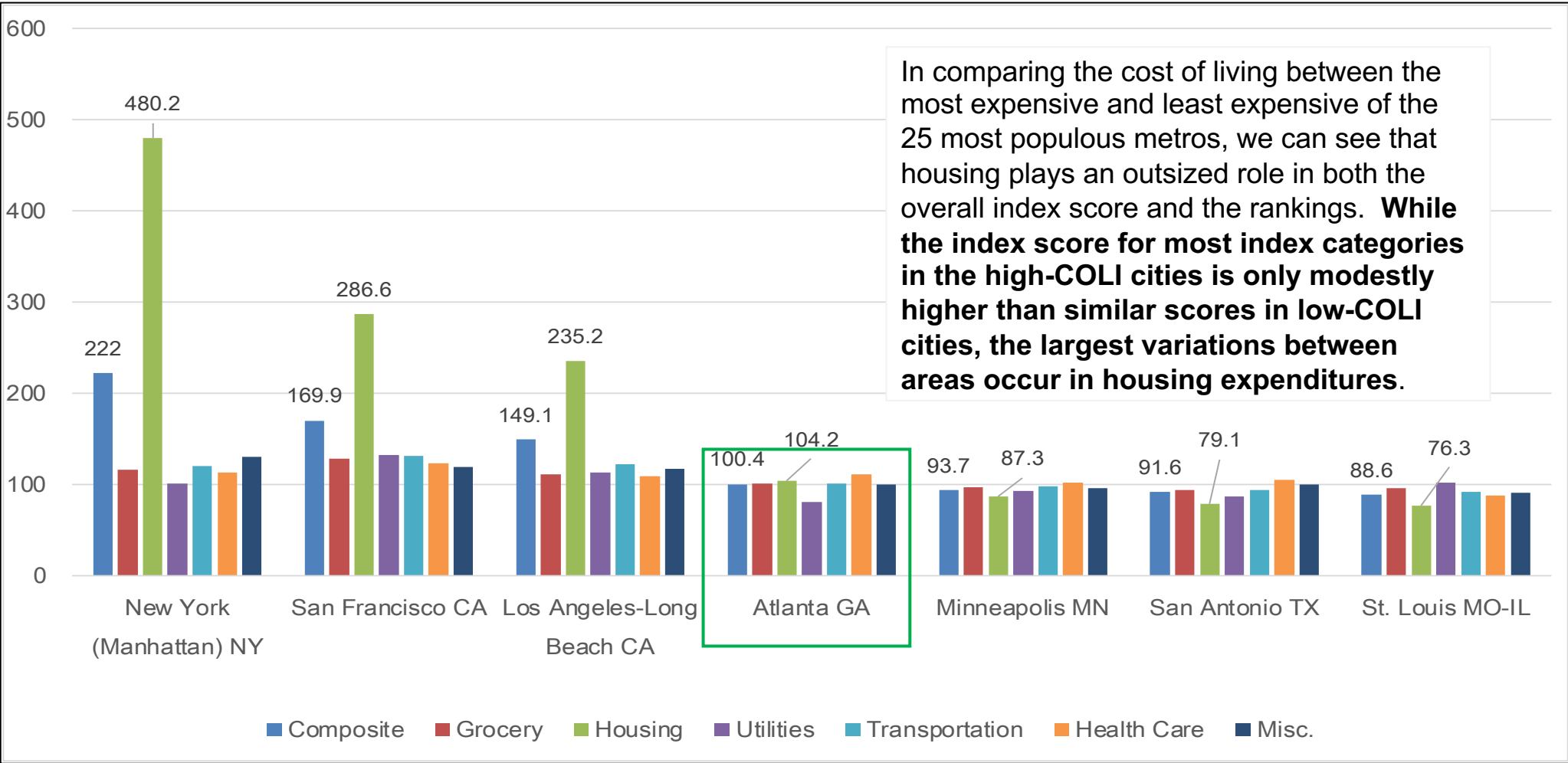
# Income Equivalent to \$50,000 in Atlanta



This chart shows the income needed in each of the 25 most populous 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 121% more income there (\$110,558) to have buying power equivalent to a \$50,000 salary in Atlanta.** An income of \$50,000 in Atlanta would provide roughly equivalent spending power in the Tampa, Charlotte, Philadelphia, and Orlando metro areas. In St. Louis, someone would have to earn “only” \$44,124 to match the buying power of a \$50,000 salary in Atlanta.

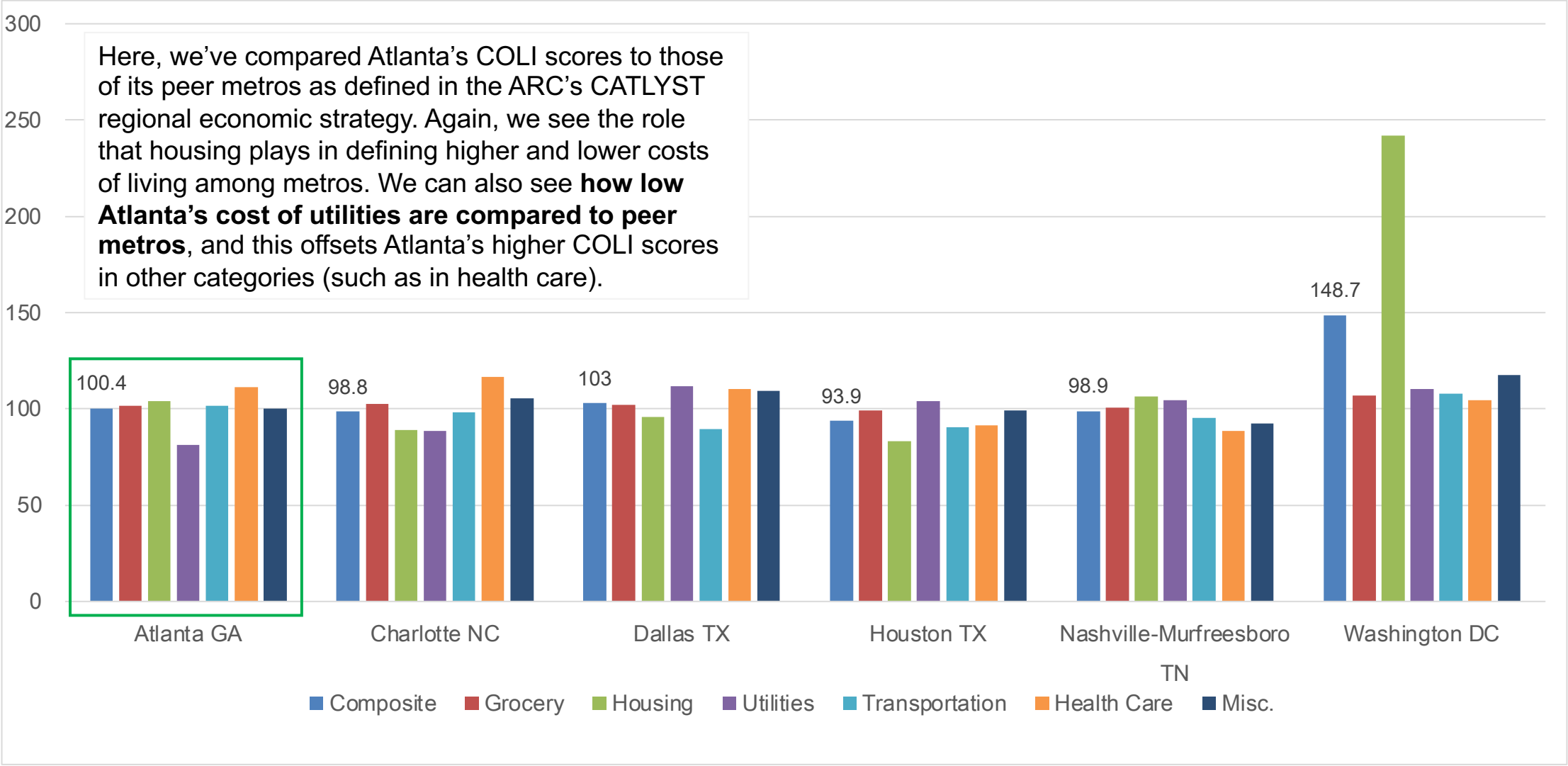


# Comparing highest vs. lowest COLIs among the 25 most populous metros

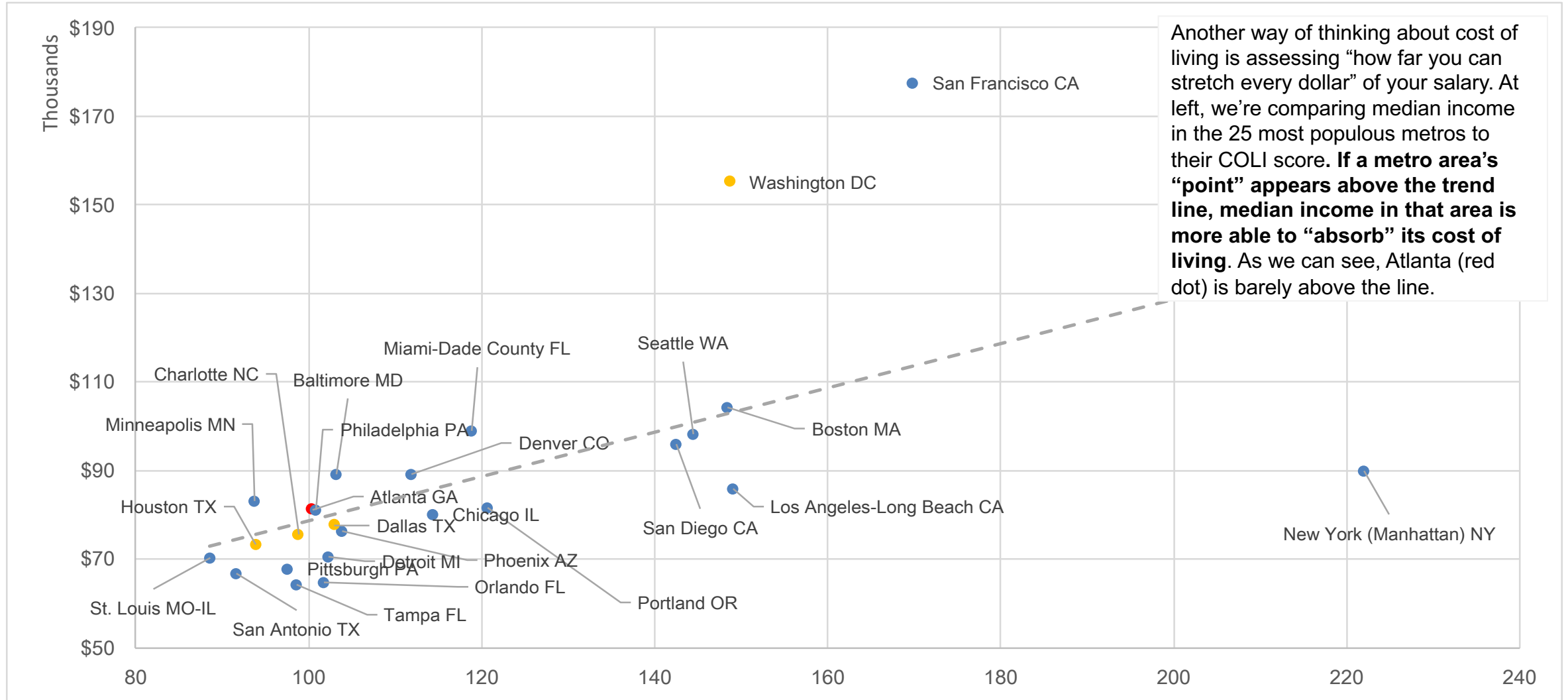


# COLI Comparisons: Peer Metros

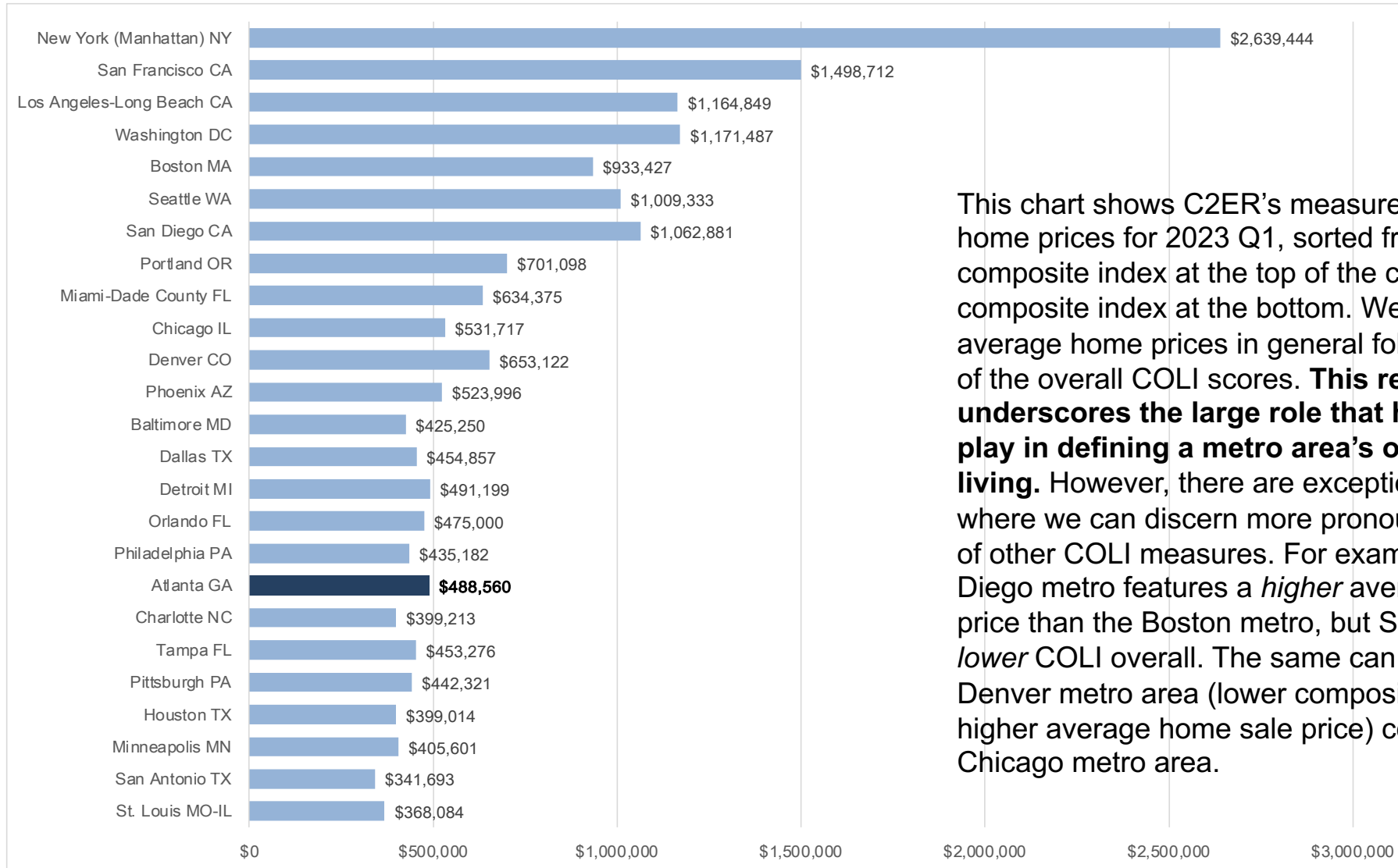
Here, we've compared Atlanta's COLI scores to those of its peer metros as defined in the ARC's CATLYST regional economic strategy. Again, we see the role that housing plays in defining higher and lower costs of living among metros. We can also see **how low Atlanta's cost of utilities are compared to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



# Relationship Between Income and Cost of Living

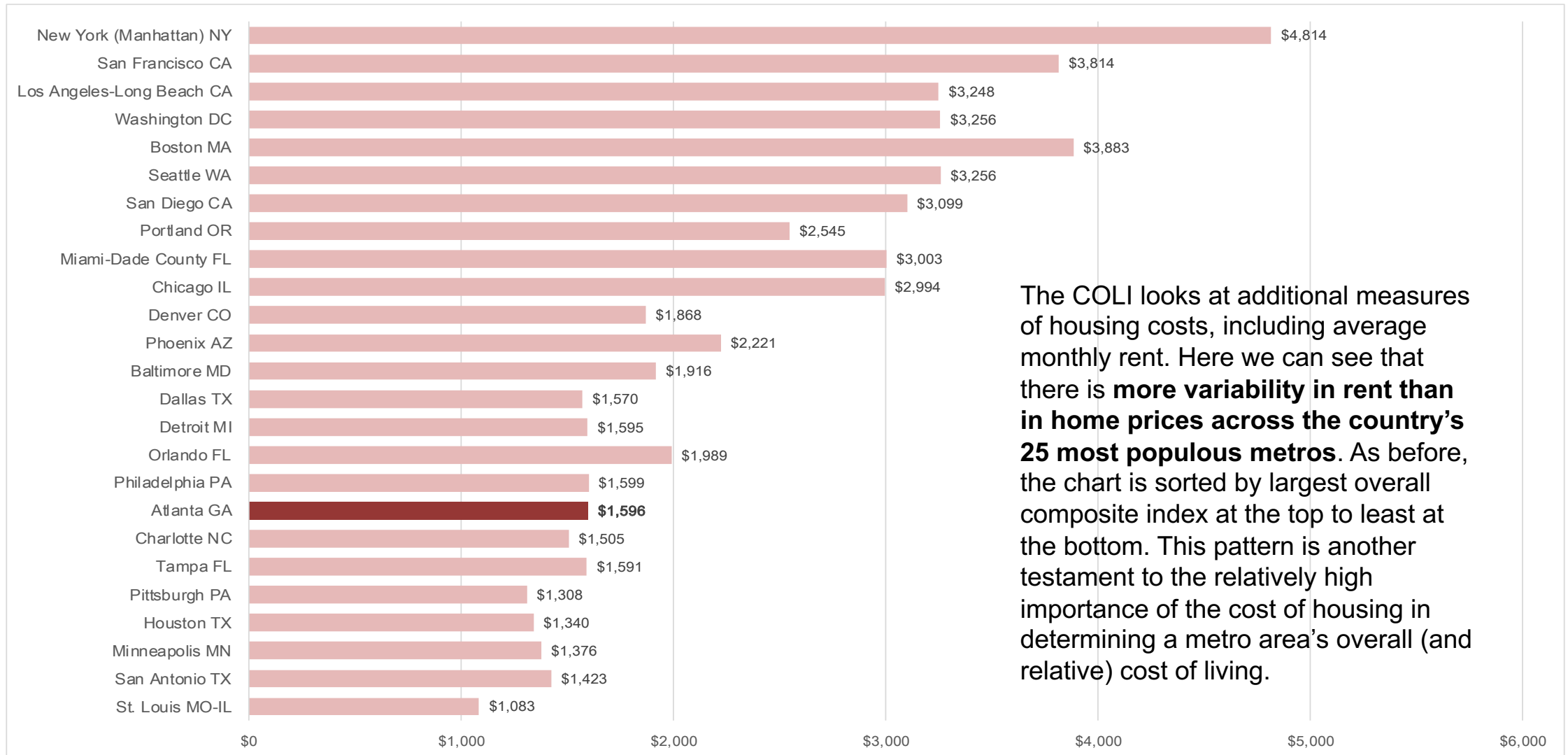


# Average Home Price: 25 Largest Metros



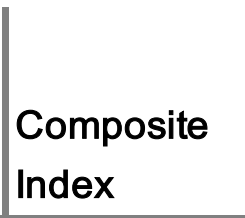








This chart shows C2ER’s measure of average home prices for 2023 Q1, sorted from highest composite index at the top of the chart to lowest composite index at the bottom. We see that average home prices in general follow the pattern of the overall COLI scores. **This relationship underscores the large role that home prices play in defining a metro area’s overall cost of living.** However, there are exceptions--areas where we can discern more pronounced 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. The same can be seen for the Denver metro area (lower composite score, higher average home sale price) compared to the Chicago metro area.

# 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 **more variability in rent than in home prices across the country's 25 most populous metros**. As before, the chart is sorted by largest overall composite index at the top to least at the bottom. This pattern is another testament to the relatively high importance of the cost of housing in determining a metro area's overall (and relative) cost of living.

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

										
	<b>Selected Metro</b>	<b>Composite Index</b>	<b>Ground Beef</b>	<b>Half-Gallon Milk</b>	<b>Dozen Eggs</b>	<b>Bananas</b>	<b>Coffee</b>	<b>Wine</b>	<b>Beer</b>	<b>Sugar</b>
Three <b>highest</b> COLI metros	New York (Manhattan) NY	222	\$ 5.51	\$ 4.68	\$ 4.73	\$ 1.01	\$ 6.51	\$ 10.67	\$ 11.81	\$ 4.31
	San Francisco CA	169.9	\$ 5.89	\$ 5.35	\$ 5.49	\$ 1.14	\$ 7.87	\$ 12.50	\$ 11.29	\$ 4.94
	Los Angeles-Long Beach CA	149.1	\$ 5.39	\$ 4.83	\$ 5.47	\$ 0.84	\$ 6.72	\$ 10.66	\$ 11.18	\$ 4.16
	<b>Atlanta GA</b>	<b>100.4</b>	\$ 5.39	\$ 4.64	\$ 5.13	\$ 0.65	\$ 6.37	\$ 13.52	\$ 10.57	\$ 4.05
Three <b>lowest</b> COLI metros*	Minneapolis MN	93.7	\$ 5.30	\$ 4.54	\$ 4.55	\$ 0.63	\$ 5.86	\$ 11.44	\$ 9.65	\$ 3.49
	San Antonio TX	91.6	\$ 5.34	\$ 4.55	\$ 4.81	\$ 0.68	\$ 5.57	\$ 9.32	\$ 10.53	\$ 3.28
	St. Louis MO-IL	88.6	\$ 5.47	\$ 4.65	\$ 4.88	\$ 0.66	\$ 6.20	\$ 11.41	\$ 9.69	\$ 3.65
	All Metro Average		\$ 5.34	\$ 4.65	\$ 4.79	\$ 0.72	\$ 6.31	\$ 12.11	\$ 10.61	\$ 3.89






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

# Comparing Select Medical Expenses for High COLI / Low COLI Metros\*

						
	Composite Index	Optometrist Visit	Doctor Visit	Prescription Drug	Ibuprofen	
Selected Metro						
Three <b>highest</b> COLI metros	New York (Manhattan) NY	222	\$ 130.00	\$ 143.75	\$ 412.33	\$ 10.84
	San Francisco CA	169.9	\$ 154.71	\$ 170.00	\$ 494.25	\$ 10.90
	Los Angeles-Long Beach CA	149.1	\$ 140.60	\$ 134.00	\$ 515.50	\$ 11.49
	<b>Atlanta GA</b>	<b>100.4</b>	\$ 136.50	\$ 124.57	\$ 500.40	\$ 10.58
Three <b>lowest</b> COLI metros*	Minneapolis MN	93.7	\$ 113.66	\$ 165.04	\$ 499.72	\$ 10.46
	San Antonio TX	91.6	\$ 140.20	\$ 149.45	\$ 475.03	\$ 10.19
	St. Louis MO-IL	88.6	\$ 82.86	\$ 91.25	\$ 487.42	\$ 10.29
	All Metro Average		\$ 123.57	\$ 131.54	\$ 469.56	\$ 10.53

When it comes to medical costs, Atlanta residents are spending above average for optometrist visits but below average on 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 just slightly above the national average.

# Cost of Select Other Items for High COLI/ Low COLI Metros\*

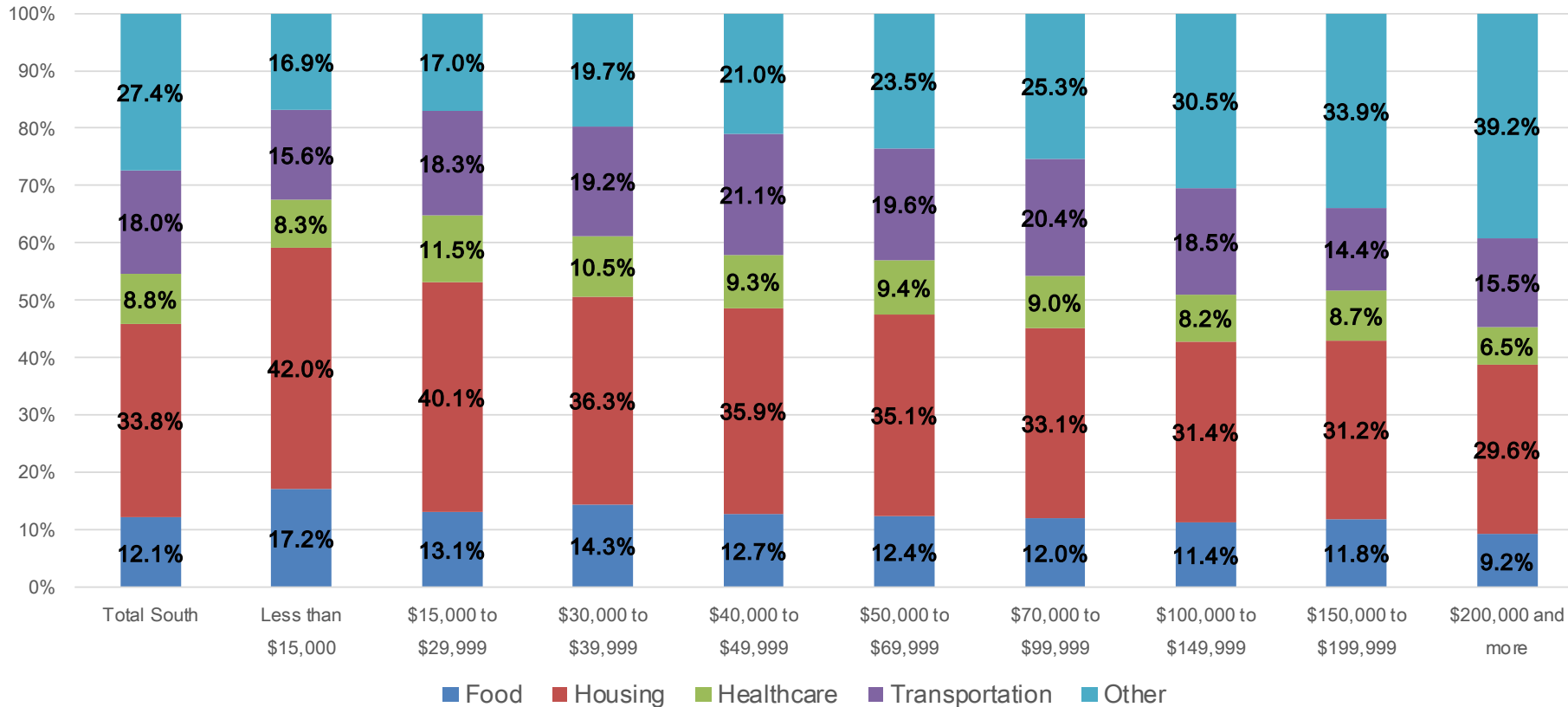
	Composite Index	 Haircut	 Boy Jeans	 Women Slacks	 Newspaper	 Energy Cost	
Three <b>highest</b> COLI metros	<b>Selected Metro</b>						
	New York (Manhattan) NY	222	\$ 31.00	\$ 29.99	\$ 36.64	\$ 6.50	\$ 189.79
	San Francisco CA	169.9	\$ 27.13	\$ 29.70	\$ 52.71	\$ 16.80	\$ 291.07
	Los Angeles-Long Beach CA	149.1	\$ 26.25	\$ 35.33	\$ 44.10	\$ 10.42	\$ 233.08
	<b>Atlanta GA</b>	<b>100.4</b>	\$ 26.63	\$ 30.66	\$ 36.48	\$ 12.29	\$ 132.78
Three <b>lowest</b> COLI metros*	Minneapolis MN	93.7	\$ 25.41	\$ 31.67	\$ 40.46	\$ 14.08	\$ 173.99
	San Antonio TX	91.6	\$ 27.20	\$ 26.24	\$ 41.80	\$ 10.89	\$ 137.32
	St. Louis MO-IL	88.6	\$ 20.33	\$ 25.69	\$ 20.47	\$ 7.66	\$ 194.23
	All Metro Average		\$ 23.46	\$ 28.03	\$ 35.22	\$ 11.41	\$ 192.98

Finally, as anyone who's talked to friends who don't live in the Atlanta area probably knows, Atlantans are spending a lot less on our power bills than are residents of most other large metros around the country. In fact, the national metro average for energy costs is 45% higher than the average energy cost in the metro Atlanta area.



# Southern Region Consumer Expenditure by Income

Percent Share of Average Expenditures by Income Before Taxes,  
Southern Region Consumer Expenditure Survey, 2020-2021



It's important to remember that even though living in Atlanta isn't expensive compared to other metros, "affordability" is a relative term. **This chart shows the percentage of income that people of different income brackets devote to different expense categories.**

It's easy to see that the spending in "other" categories 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."