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REGIONAL SNAPSHOT:

Metro Atlanta Cost of Living

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ARC
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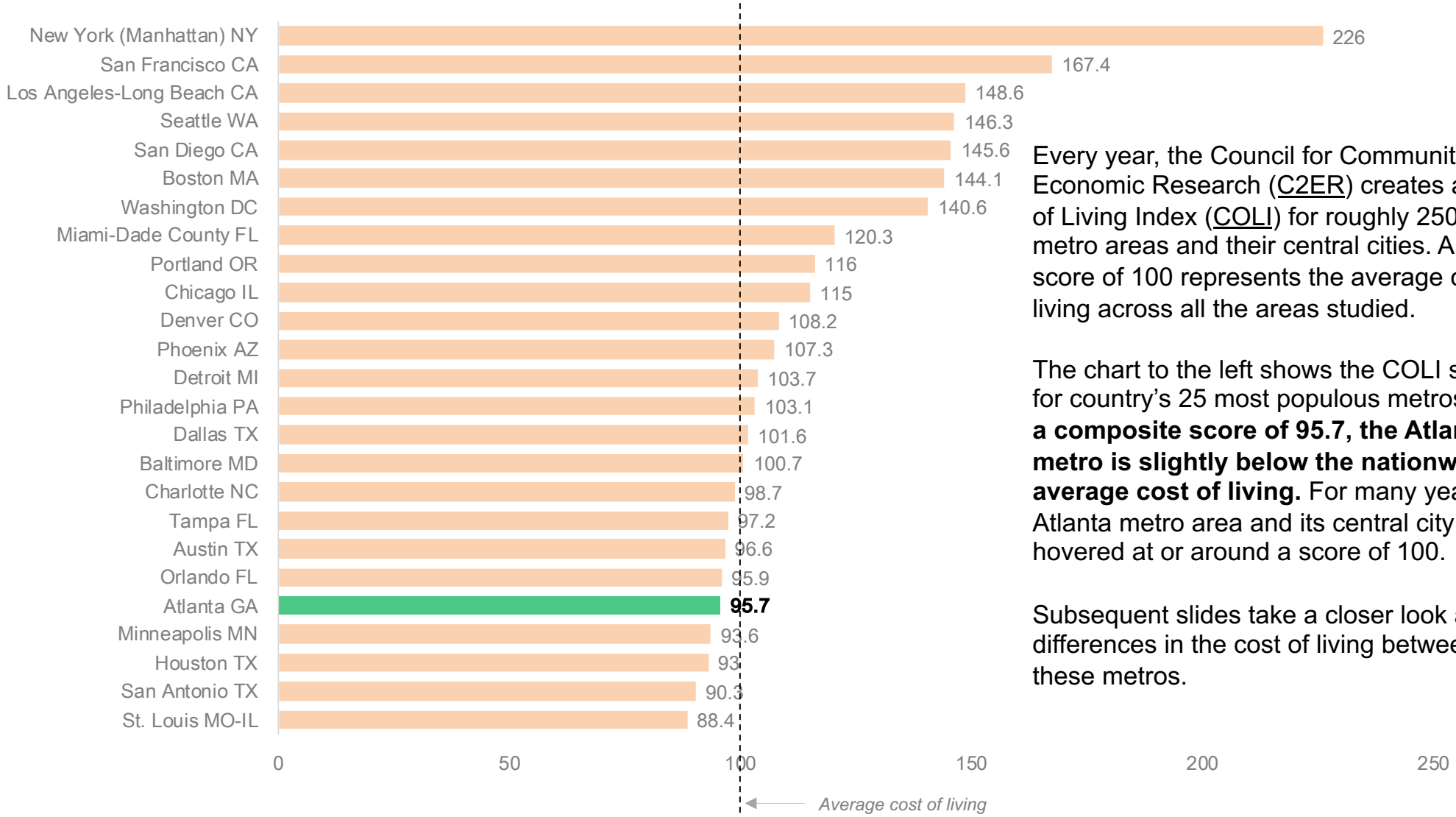
In summary…

- According to the C2ER Cost of Living Index (COLI), Metro Atlanta's overall cost of living is **slightly less than 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 $118,107 to have equivalent spending power there. A move to San Francisco requires $87,603, while a move to Dallas requires (a slightly higher) $52,623.
- Atlanta's cost of housing is lower than most of its peer metros, but this is offset by Atlanta's comparatively more expensive healthcare costs.
- Compared to the national index average of 100, metro Atlanta **health care is 8.2 percent more expensive** than in the average metro area, but **housing is 14.6 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 roughly 250 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 95.7, the Atlanta metro is slightly below the nationwide average cost of living.** For many years, the Atlanta metro area and its central city have hovered at or around a score of 100.

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

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Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

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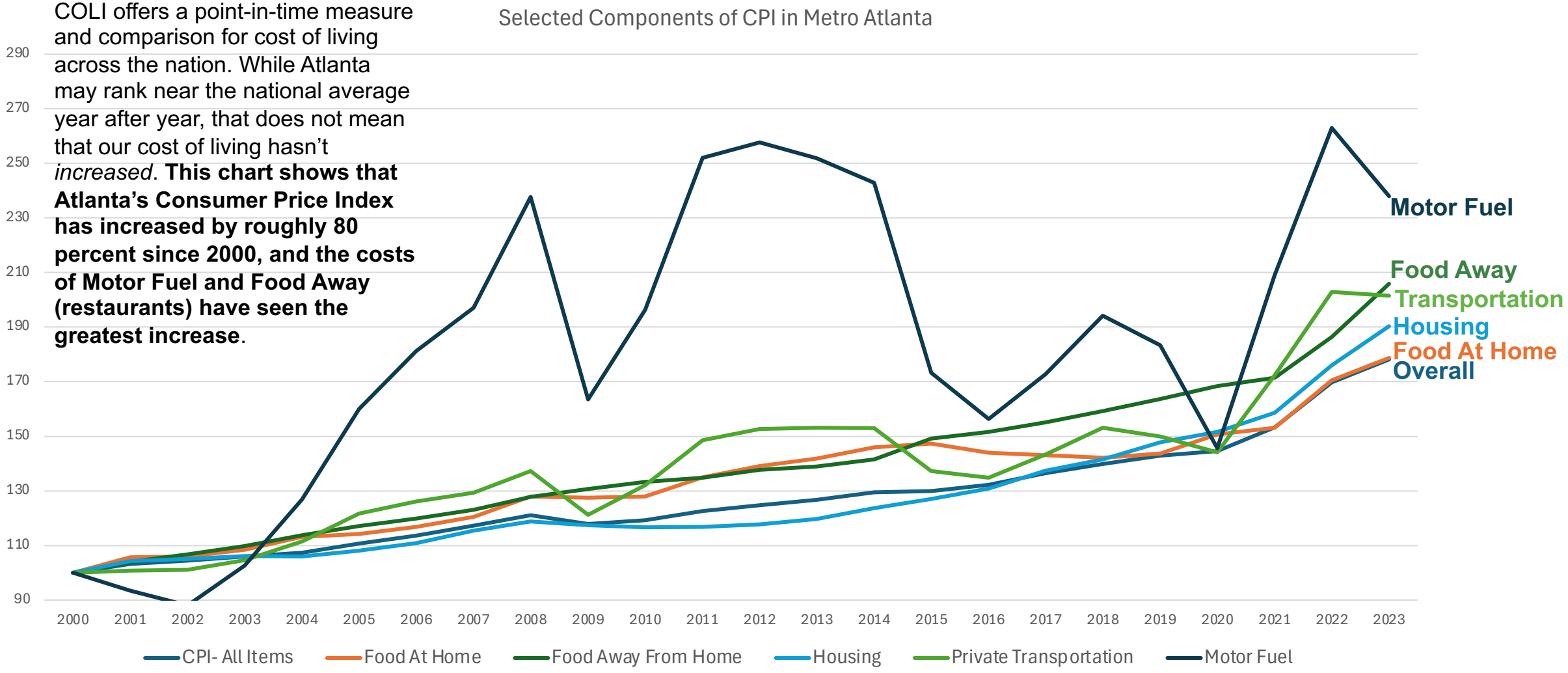
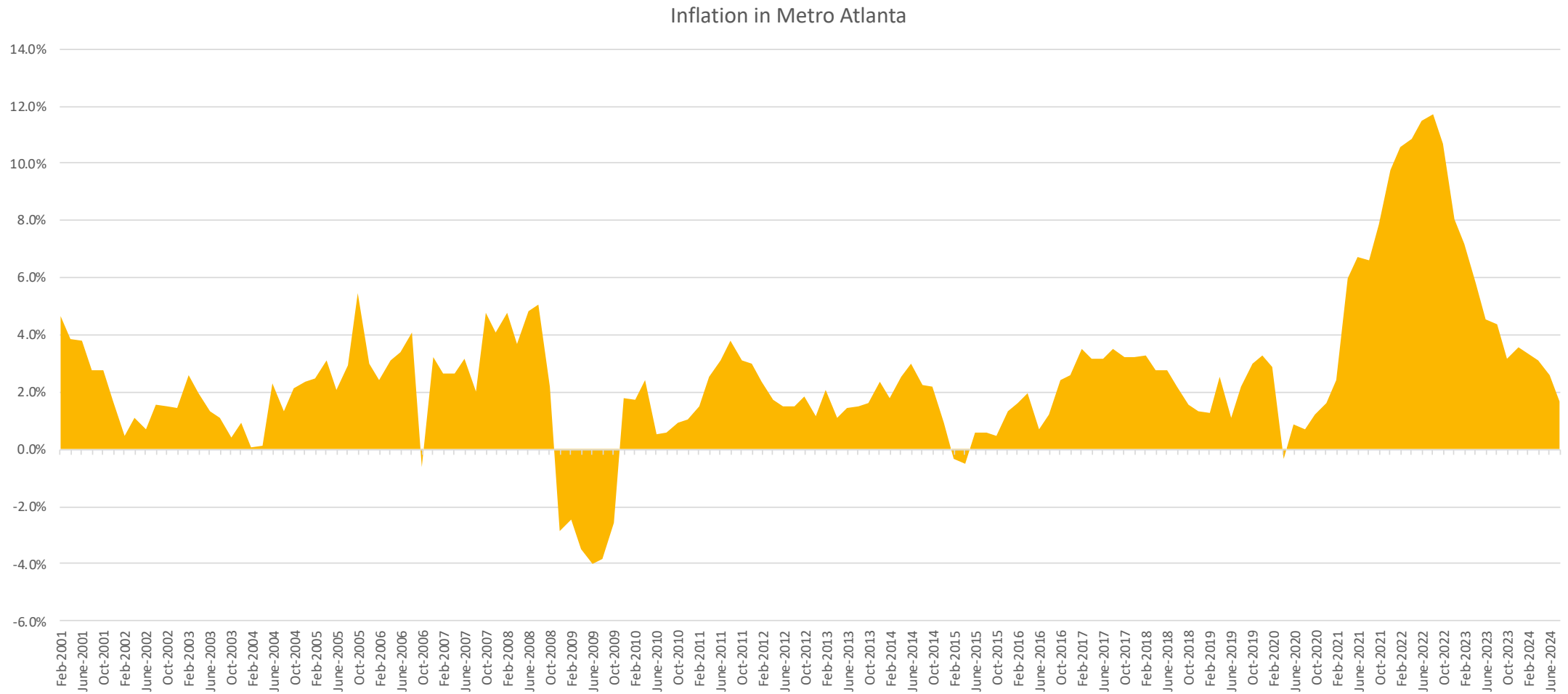
Atlanta Consumer Price Index: Components

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 80 percent since 2000, and the costs of Motor Fuel and Food Away (restaurants) have seen the greatest increase**.



Source: U.S, Bureau of Labor Statistics, ARC Research & Analytics

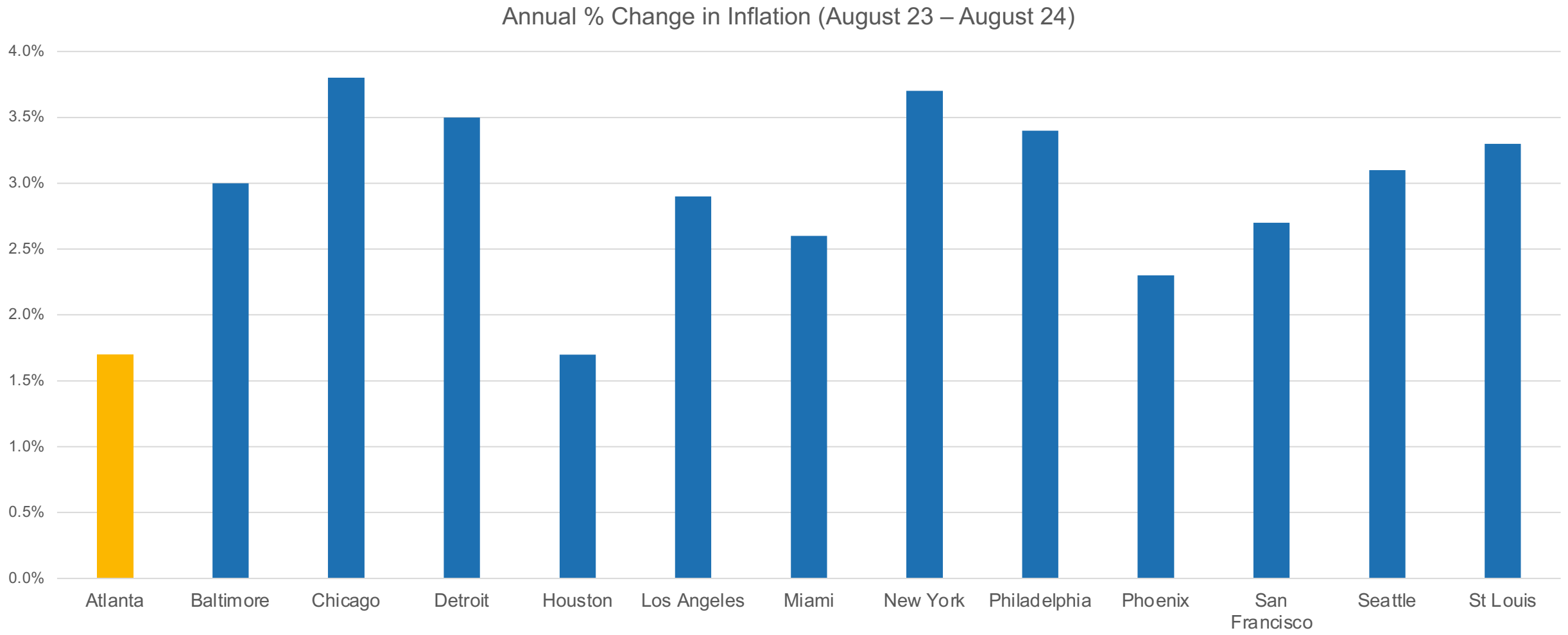
Atlanta Consumer Price Index: The Long View



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 below 2%, which puts it on par with levels last seen prior to the Great Recession**.

Source: U.S Bureau of Labor Statistics, ARC Research & Analytics

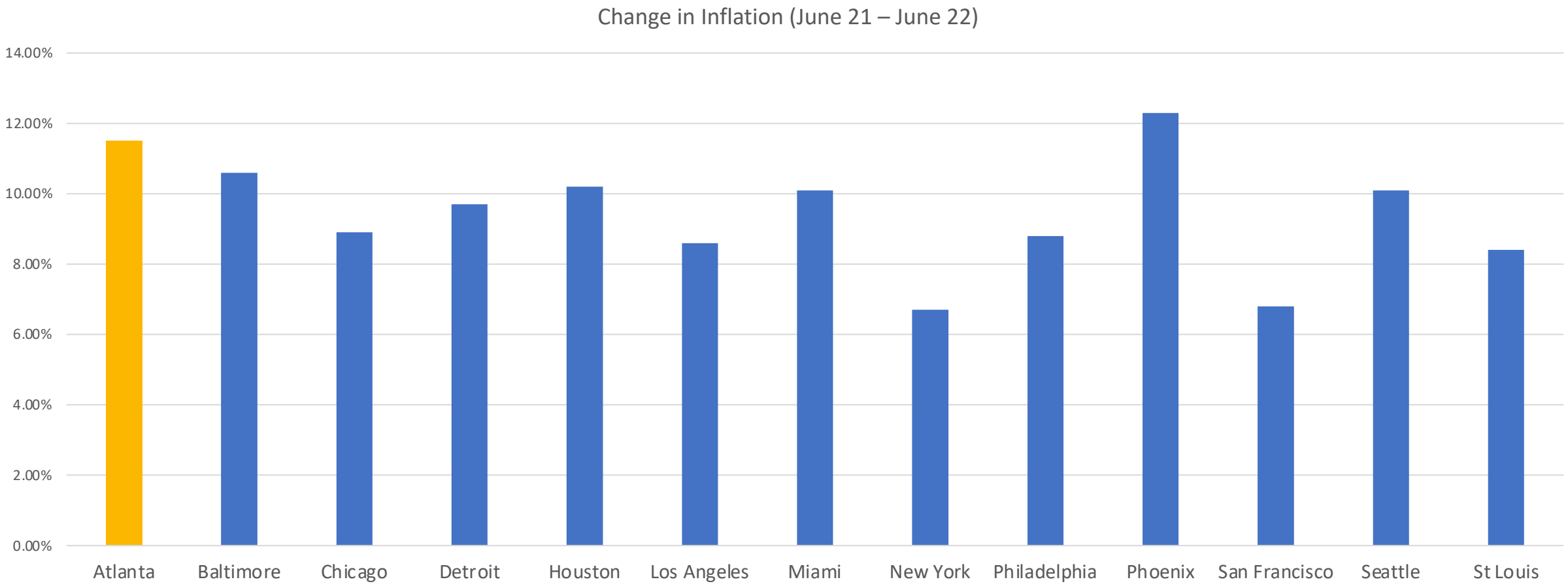
How Metro Atlanta Compares Today



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 from 2023 to 2024 is among the lowest among peer cities, with only Houston being particularly close.**

Source: U.S Bureau of Labor Statistics, ARC Research & Analytics

How Metro Atlanta Compares (What It Used To Look Like)



Compared to the one-year change in inflation from 2021 to 2022, we see that Atlanta's percentage has dropped dramatically compared to other major metro areas nationally. In this earlier time period, metro Atlanta featured a year-over-year change in inflation close to 12%, which trailed only Phoenix in the group of peer cities shown above.

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Source: U.S Bureau of Labor Statistics, ARC Research & Analytics

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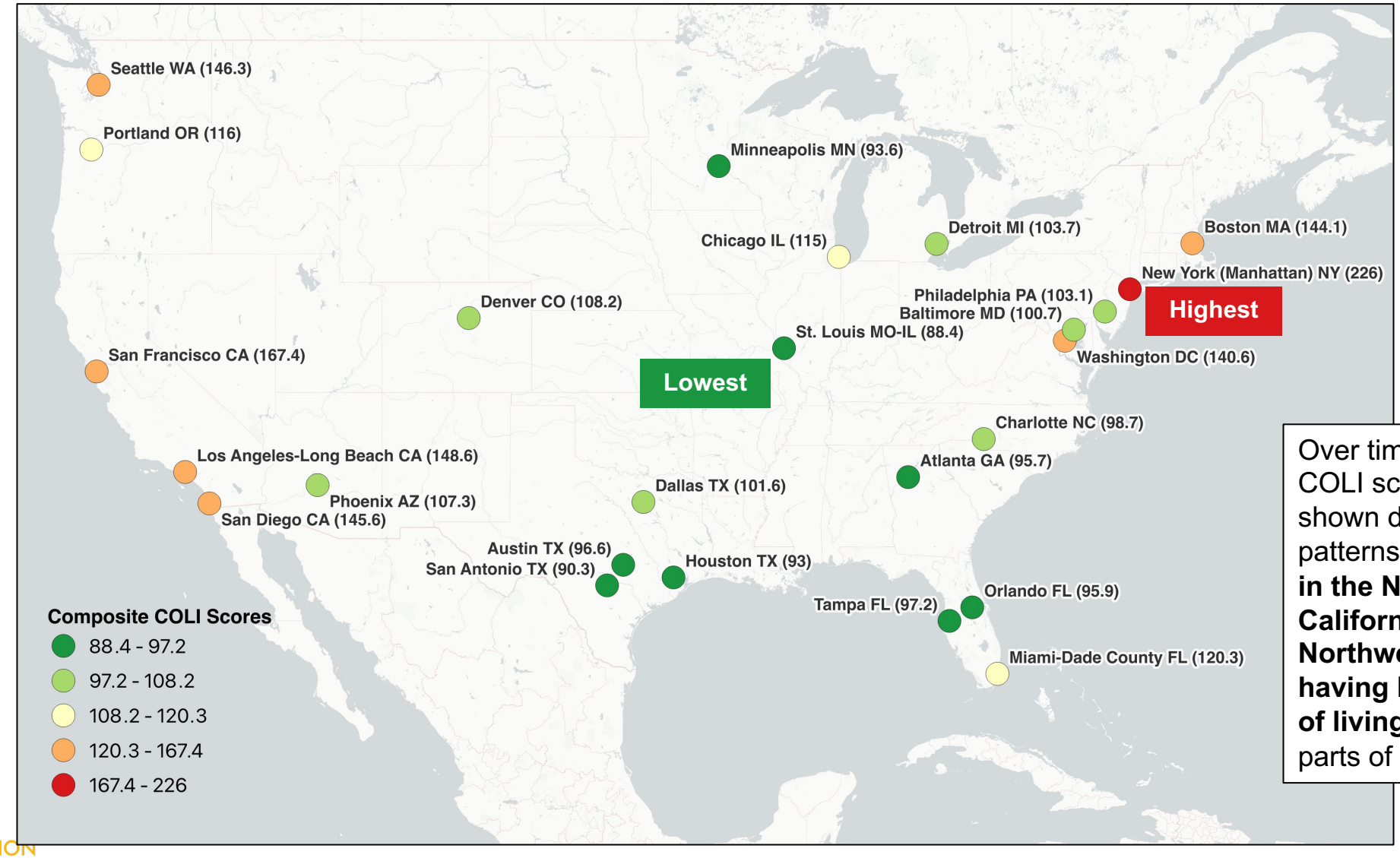
Mapping Cost of Living



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

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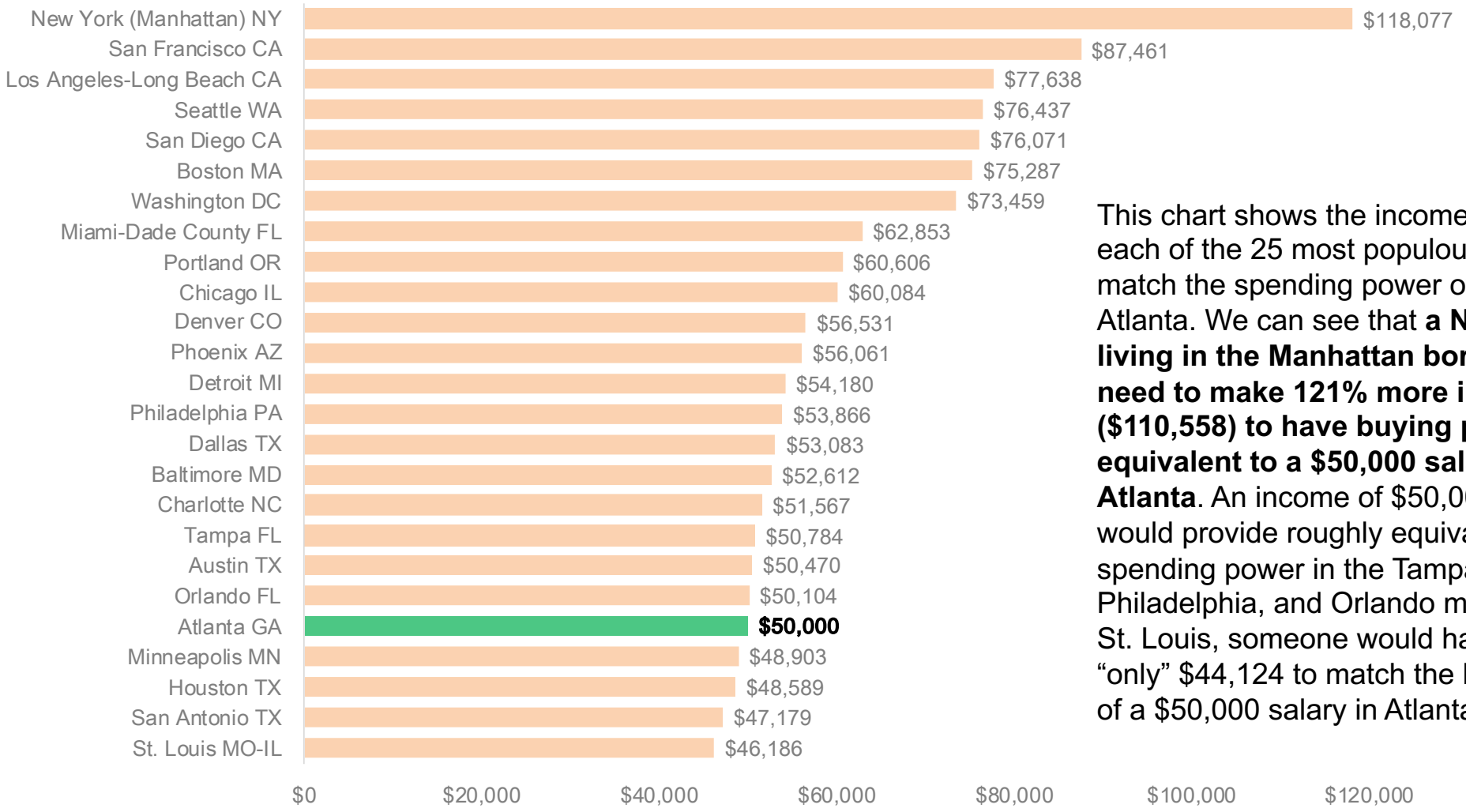
Income Equivalent to $50,000 in Atlanta



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.

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Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

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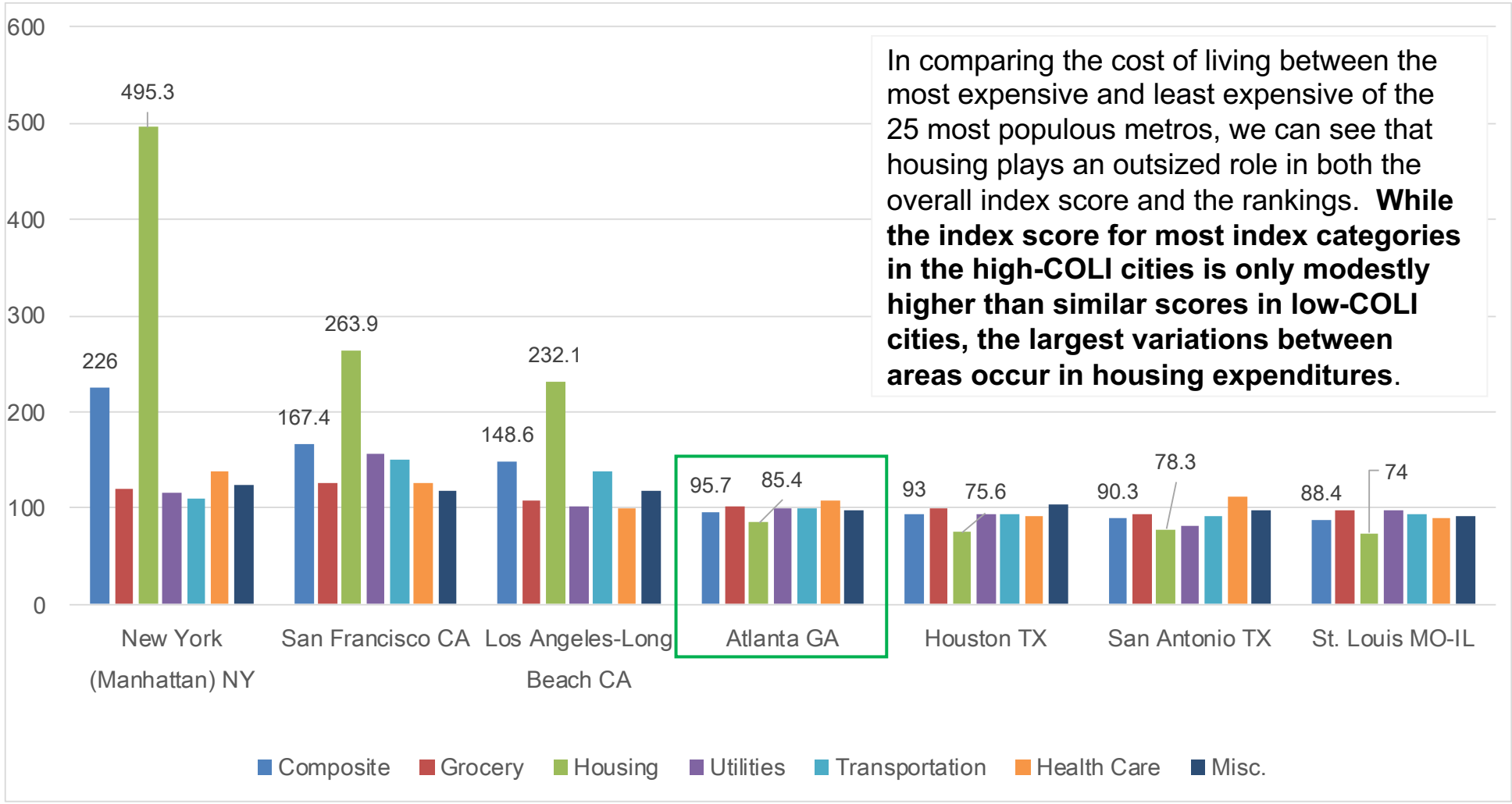
Comparing highest vs. lowest COLIs among the 25 most populous metros

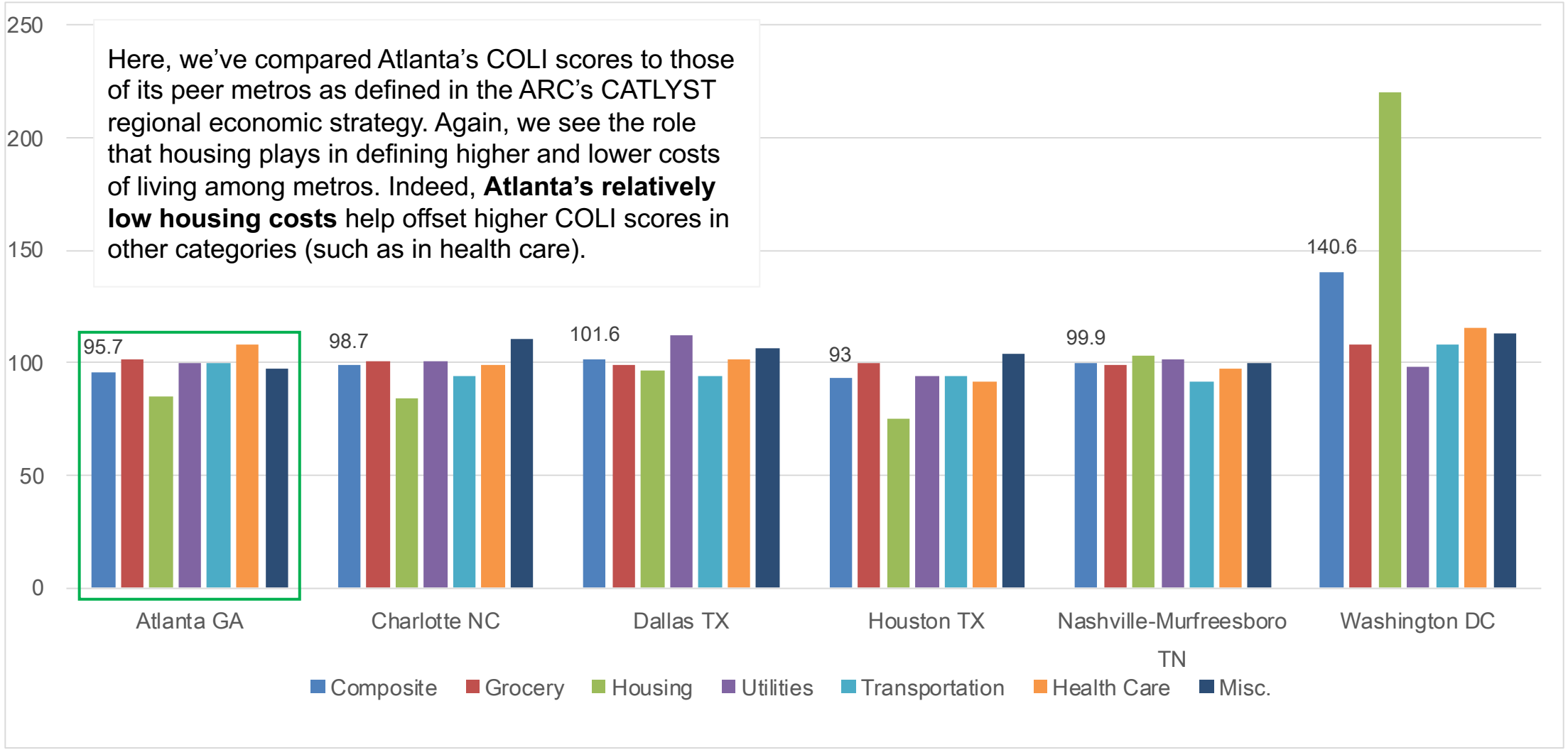


In comparing the cost of living between the most expensive and least expensive of the 25 most populous metros, we can see that housing plays an outsized role in both the overall index score and the rankings. **While the index score for most index categories in the high-COLI cities is only modestly higher than similar scores in low-COLI cities, the largest variations between areas occur in housing expenditures**.

Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

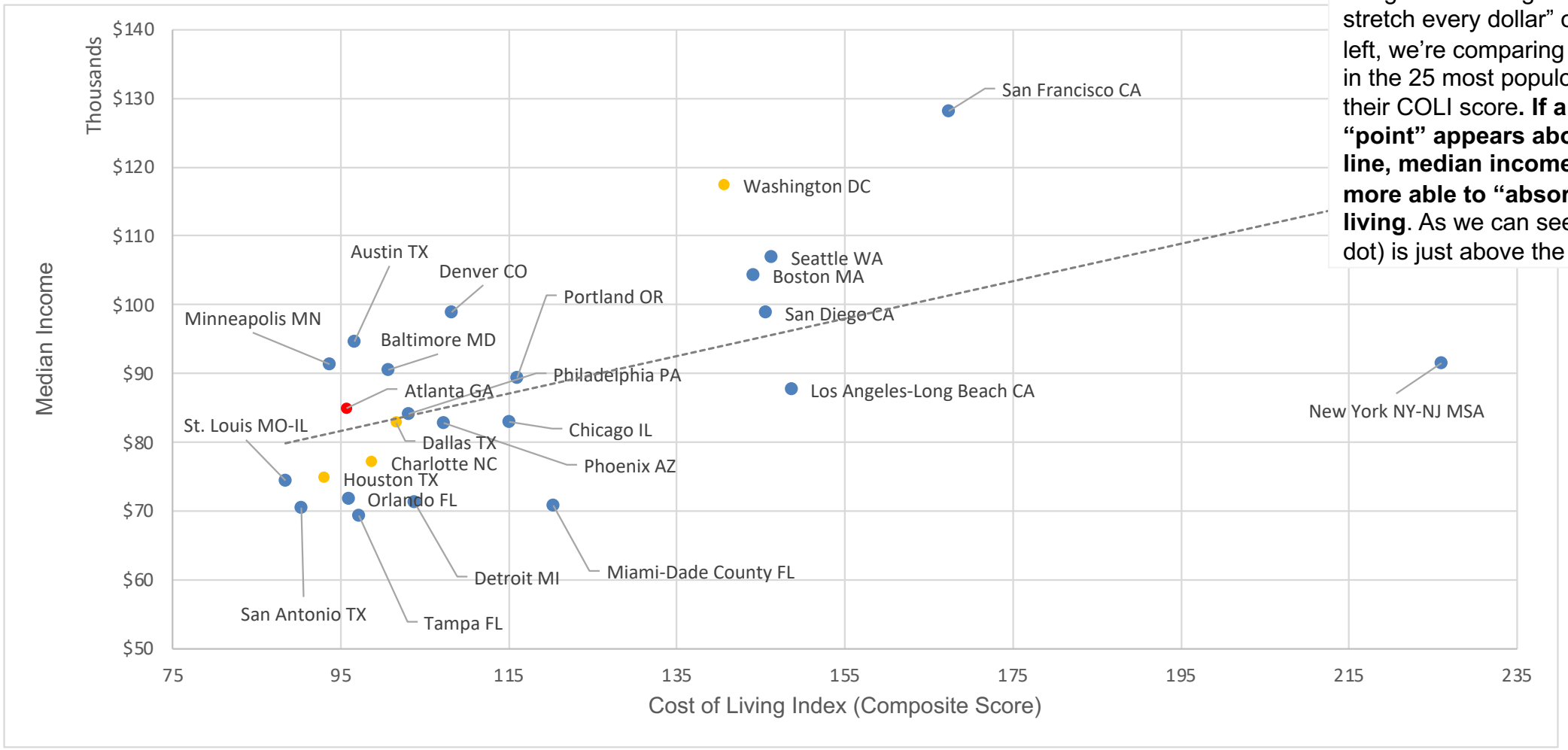
COLI Comparisons: Peer Metros

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. Indeed, **Atlanta's relatively low housing costs** help offset higher COLI scores in other categories (such as in health care).



Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

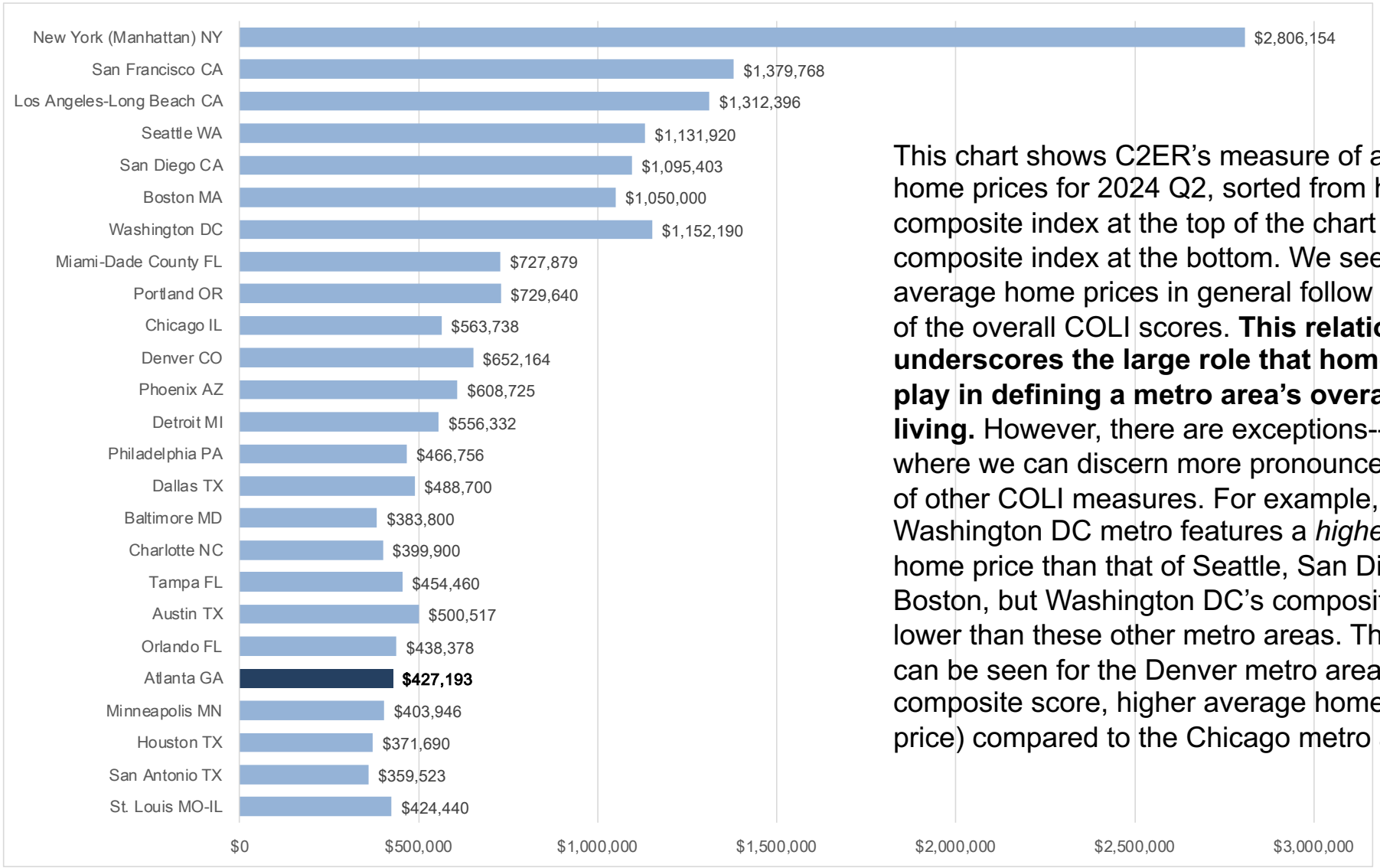
Relationship Between Income and Cost of Living



Another way of thinking about cost of living is assessing "how far you can stretch every dollar" of your salary. At left, we're comparing median income in the 25 most populous metros to their COLI score. **If a metro area's "point" appears above the trend line, median income in that area is more able to "absorb" its cost of living**. As we can see, Atlanta (red dot) is just above the line.

Source: C2ER Cost of Living (COLI) Q2 2024, ESRI Business Analyst (2024), ARC Research & Analytics

Average Home Price: 25 Largest Metros



This chart shows C2ER's measure of average home prices for 2024 Q2, 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 Washington DC metro features a *higher* average home price than that of Seattle, San Diego, or Boston, but Washington DC's composite COLI is lower than these other metro areas. The same can be seen for the Denver metro area (lower composite score, higher average home sale price) compared to the Chicago metro area.

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Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

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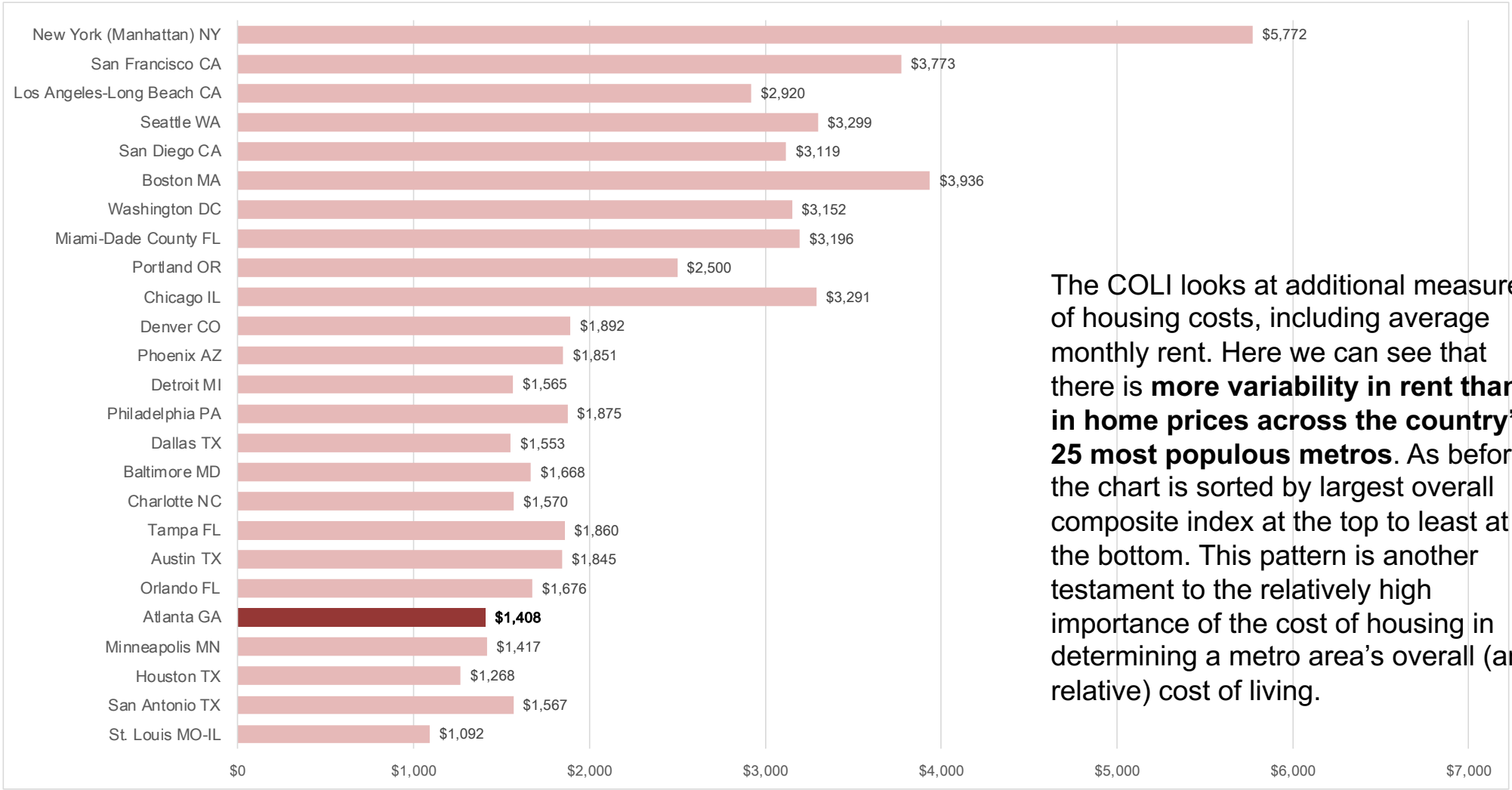
Average Monthly Apartment Rent: 25 Largest Metros



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.

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Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

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

	Selected Metro	Composite Index	Ground Beef	Half-Gallon Milk	Dozen Eggs	Bananas	Coffee	Wine	Beer	Sugar
Three **highest** COLI metros	New York (Manhattan) NY	226	$ 7.16	$ 5.18	$ 4.00	$ 0.79	$ 7.64	$ 14.99	$ 11.98	$ 4.86
	San Francisco CA	167.4	$ 7.19	$ 4.85	$ 3.99	$ 0.85	$ 6.93	$ 10.42	$ 10.08	$ 4.78
	Los Angeles-Long Beach CA	148.6	$ 7.22	$ 4.86	$ 3.00	$ 0.82	$ 5.70	$ 9.24	$ 10.62	$ 4.99
	Atlanta GA	**95.7**	$ 7.20	$ 4.55	$ 3.35	$ 0.70	$ 5.14	$ 10.91	$ 10.62	$ 4.83
Three **lowest** COLI metros*	Houston TX	93	$ 7.24	$ 4.59	$ 3.09	$ 0.70	$ 4.97	$ 11.13	$ 10.49	$ 4.66
	San Antonio TX	90.3	$ 7.26	$ 4.56	$ 2.84	$ 0.72	$ 4.76	$ 11.08	$ 10.35	$ 4.28
	St. Louis MO-IL	88.4	$ 7.22	$ 4.61	$ 3.52	$ 0.78	$ 4.81	$ 10.41	$ 9.42	$ 4.26
	All Metro Average		$ 7.23	$ 4.65	$ 3.22	$ 0.73	$ 5.13	$ 11.82	$ 10.18	$ 4.64

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 wine (the green shading represents relatively lower costs), but less of a price advantage when it comes to beer & sugar (with the red and orange shading representing relatively higher costs).

*Of the 25 most populous MSAs in the US

Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

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

	Selected Metro	Composite Index	Optometrist Visit	Doctor Visit	Prescription Drug	Ibuprofen
Three **highest** COLI metros	New York (Manhattan) NY	226	$ 142.00	$ 213.75	$ 14.82	$ 11.46
	San Francisco CA	167.4	$ 170.25	$ 186.00	$ 21.16	$ 11.63
	Los Angeles-Long Beach CA	148.6	$ 124.00	$ 130.00	$ 15.83	$ 11.29
	Atlanta GA	**95.7**	$ 129.78	$ 132.50	$ 21.85	$ 10.88
Three **lowest** COLI metros*	Houston TX	93	$ 136.88	$ 95.00	$ 16.23	$ 10.96
	San Antonio TX	90.3	$ 139.75	$ 147.00	$ 21.70	$ 10.87
	St. Louis MO-IL	88.4	$ 95.67	$ 96.22	$ 19.73	$ 11.02
	All Metro Average		$ 128.73	$ 142.98	$ 19.48	$ 10.99

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

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*Of the 25 most populous MSAs in the US

Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics

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

	Selected Metro	Composite Index	Haircut	Boy Jeans	Women Slacks	Newspaper	Energy Cost
Three **highest** COLI metros	New York (Manhattan) NY	226	$ 27.25	$ 34.76	$ 37.12	$ 14.50	$ 250.75
	San Francisco CA	167.4	$ 28.00	$ 27.26	$ 53.42	$ 16.65	$ 385.00
	Los Angeles-Long Beach CA	148.6	$ 28.25	$ 33.99	$ 35.25	$ 5.00	$ 212.44
	Atlanta GA	**95.7**	$ 28.20	$ 26.99	$ 33.85	$ 13.74	$ 205.08
Three **lowest** COLI metros*	Houston TX	93	$ 28.60	$ 29.99	$ 56.80	$ 21.62	$ 172.12
	San Antonio TX	90.3	$ 29.00	$ 26.93	$ 40.05	$ 15.17	$ 141.38
	St. Louis MO-IL	88.4	$ 21.67	$ 30.66	$ 17.23	$ 12.26	$ 192.46
	All Metro Average		$ 25.73	$ 28.18	$ 35.90	$ 12.80	$ 204.22

Finally, the price of a few common goods are relatively similar to the national average in metro Atlanta. The area's energy costs, which previously have been far below the national average, have increased drastically recently and are right around the national average but well above those metro areas with the three lowest COLI scores. Newspaper and haircut costs are slightly above the national average, while everyday clothing items like jeans and slacks are just below the national average.

*Of the 25 most populous MSAs in the US

Source: C2ER Cost of Living (COLI) Q2 2024, ARC Research & Analytics