

W. Frank Barton School of Business

Center for Economic Development and Business Research

Cost of Living Index

Third Quarter, 2016



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The Council for Community and Economic Research (C2ER) released its third quarter 2016 Cost of Living Index for 261 urban areas. The 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 60 different items that are priced each quarter. Small differences should not be interpreted as showing a measurable difference. It should be noted that the Cost of Living Index does not measure inflation, which is the price change over time. Accordingly, since each quarterly data represent a distinct comparison of prices at a single point in time and both the number and the mix of Cost of Living Index participants change overtime, index data from different quarters cannot be compared.

The table below shows the most and least expensive urban areas that participated in the pricing event for the third quarter of 2016.

The Ten Most and Least Expensive Urban Areas In the Cost of Living Index (COLI) Third Quarter 2016 National Average for 261 Urban Areas = 100					
Most Expensive			Least Expensive		
Ranking	Urban Areas	COL Index	Ranking	Urban Areas	COL Index
1	New York (Manhattan), NY	232.0	1	McAllen, TX	76.4
2	Honolulu, HI	188.5	2	Harlingen, TX	78.5
3	San Francisco, CA	181.9	3	Richmond, IN	80.4
4	New York (Brooklyn), NY	177.0	4	Kalamazoo, MI	80.6
5	Orange County, CA	153.0	5	Tupelo, MS	81.3
6	Oakland, CA	152.4	6	Conway, AR	81.6
7	Washington DC	151.6	7	Wichita Falls, TX	81.6
8	Hilo, HI	147.2	8	Cleveland, TN	81.7
9	Boston, MA	146.4	9	Martinsville-Henry County, VA	81.8
10	San Diego, CA	145.7	10	Knoxville, TN	82.7

Wichita’s Cost of Living Index in the third quarter of 2016 was 90.7; nearly 9 percent below the national average. In previous years, Wichita’s Cost of Living Index was 94.2 in the third quarter of 2015 and 94.1 in the third quarter of 2006.

Cost of Living Index (COLI) in Surrounding Metro Areas Third Quarter 2016 National Average for 261 Urban Areas = 100		
Ranking	Urban Areas	COL Index
1	Oklahoma City, OK	83.0
2	St. Louis, MO-IL	89.7
3	Tulsa, OK	89.9
4	Des Moines, IA	90.5
5	Wichita, KS	90.7
6	Omaha, NE	90.9
7	Kansas City, MO-KS	94.1
8	Colorado Springs, CO	94.8
9	Dallas, TX	103.2
10	Denver, CO	112.6

Compared to other indicated surrounding metro areas in the above table, Wichita was the fifth most affordable metro area to live in. In the third quarter of 2016, with a Cost of Living Index of 83.0 Oklahoma City, OK was the most affordable among indicated areas; whereas, Denver, CO was the most expensive with a Cost of Living Index of 112.6.

The composite index is based on six component categories – housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services. When analyzing the most current price data, C2ER identified the five most and least expensive urban areas for purchasing groceries. The grocery item index number used to determine those areas is based on 26 items from a variety of surrogate categories used to represent the grocery item component of the composite index.

The Five Most and Least Expensive Urban Areas for Grocery Items by Index Number In the Cost of Living Index (COLI) Third Quarter 2016 Average for 261 Urban Areas = 100					
Most Expensive			Least Expensive		
Ranking	Urban Areas	Index	Ranking	Urban Areas	Index
1	Honolulu, HI	161.8	1	Temple, TX	77.5
2	Kodiak, AK	154.3	2	Jackson-Madison County, TN	77.7
3	Hilo, HI	146.6	3	McAllen, TX	80.7
4	Juneau, AK	141.4	4	Waco, TX	80.8
5	Anchorage, AK	136.2	5	Harlingen, TX	81.6

The grocery index number for Wichita in the third quarter of 2016 was 93.2; 6.8 percent below the national average. The grocery index number for Wichita was 94.2 in the third quarter of 2015 and 94.1 in the third quarter of 2006.

Cost of Living Index (COLI)'s Component Categories Third Quarter 2016 Wichita Metropolitan Area		
Weight	Category	COL Index
28.04%	Housing	68.5
13.24%	Grocery Items	93.2
4.36%	Health Care	97.5
32.89%	Misc. Goods and Services	97.9
11.16%	Transportation	104.5
10.31%	Utilities	107.5

As indicated in the above table, compared to other component categories in Wichita in the third quarter of 2016, the grocery index was one of the lowest indices; whereas, transportation and utilities were the highest.

The housing index number for Wichita in the third quarter of 2016 was 68.5; 31.5 percent below the national average. The housing index number for Wichita was 74.1 in the third quarter of 2015 and 86.2 in the third quarter of 2006.

The health care index number for Wichita in the third quarter of 2016 was 97.5; 2.5 percent below the national average. The health care index number for Wichita was 97.0 in the third quarter of 2015 and 94.0 in the third quarter of 2006.

The miscellaneous goods and services index number for Wichita in the third quarter of 2016 was 97.9; 2.1 percent below the national average. The miscellaneous goods and services index number for Wichita was 104.0 in the third quarter of 2015 and 101.1 in the third quarter of 2006.

The transportation index number for Wichita in the third quarter of 2016 was 104.5; 4.5 percent above the national average. The transportation index number for Wichita was 99.1 in the third quarter of 2015 and 100.4 in the third quarter of 2006.

The utilities index number for Wichita in the third quarter of 2016 was 107.5; 7.5 percent above the national average. The utilities index number for Wichita was 116.0 in the third quarter of 2015 and 96.6 in the third quarter of 2006.

In recent months, the price of eggs significantly dropped in some areas of the country. C2ER decided to identify the five most and least expensive cities to buy a dozen large Grade-A eggs in the U.S.

The Five Most and Least Expensive Cities to Buy One Dozen Eggs Third Quarter 2016 Average for 261 Urban Areas = \$1.60					
Most Expensive			Least Expensive		
Ranking	Urban Areas	Avg. Price	Ranking	Urban Areas	Avg. Price
1	Hilo, HI	\$4.14	1	Rockford, IL	\$0.89
2	San Francisco, CA	\$4.07	2	Norman, OK	\$0.90
3	Oakland, CA	\$3.99	3	Oklahoma City, OK	\$0.91
4	Charlottesville, CA	\$3.07	4	Danville, IL	\$0.92
5	Honolulu, HI	\$3.01	5	Fargo-Moorhead ND-MN	\$0.93

The price of one dozen eggs in Wichita in the third quarter of 2016 was \$1.22; 0.38 cents below the national average. The price of one dozen eggs in Wichita was \$2.69 in the third quarter of 2015 and \$1.02 in the third quarter of 2006.

The quarterly Cost of Living Index is available by subscription for \$175 per year for the print version and \$165 per year for the PDF. The electronic version is available for \$275 per year. To subscribe, or learn more about the Index and C2ER, visit their website at www.coli.org.