



# DELAWARE VALLEY DATA



DELAWARE VALLEY REGIONAL PLANNING COMMISSION

## ANALYTICAL DATA REPORT

### Comparison of Cost of Living Indices for Selected Metropolitan Areas, 2001

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The Delaware Valley Regional Planning Commission is an interstate, intercounty and intercity agency serving the Philadelphia-Camden-Trenton metropolitan area. As the region's metropolitan planning organization (MPO), the Commission provides technical assistance and services to its member state and local governments. *Delaware Valley Data* is our periodic series of free data bulletins and analytical data reports. This bulletin presents the 2001 American Chamber of Commerce Research Association (ACCRA) Cost of Living Index for Philadelphia and twelve other Metropolitan Statistical Areas (MSAs) in the United States.<sup>1</sup>

The overall composite index, consumer goods indices (major categories) and raw data for select subcategories of consumer goods for each MSA are presented in this bulletin. The index measures relative price levels for consumer goods in participating MSAs. The composite index is a weighted average of all consumer goods for each MSA. Consumer goods are broken down into six major categories and each major category is broken down into several subcategories. The six major categories are grocery items, housing, utilities, transportation, health care and miscellaneous goods. The subcategories chosen for comparison include apartment rent, energy prices, and bus fare among others.

The index is released quarterly. The average for all participating places, non-urban and metropolitan statistical areas, equals 100. Individual MSA indices reflect the percentage above or below the average index for all MSAs. The index does not measure inflation but reflects cost differentials for "professional and executive" standards of living. An annual average of quarterly indices has been used in this bulletin for the major categories and the composite index. The first quarter 2001 raw data for select subcategories is presented for each MSA. In addition, appendix A includes tables which show the amount of increase or decrease in after-tax income necessary to maintain a present standard of living if moving to and from chosen metropolitan statistical areas.

For additional information on the Cost of Living Index, please contact ACCRA, Post Office Box 6749, Louisville, Kentucky 40206-0749.

### Overview

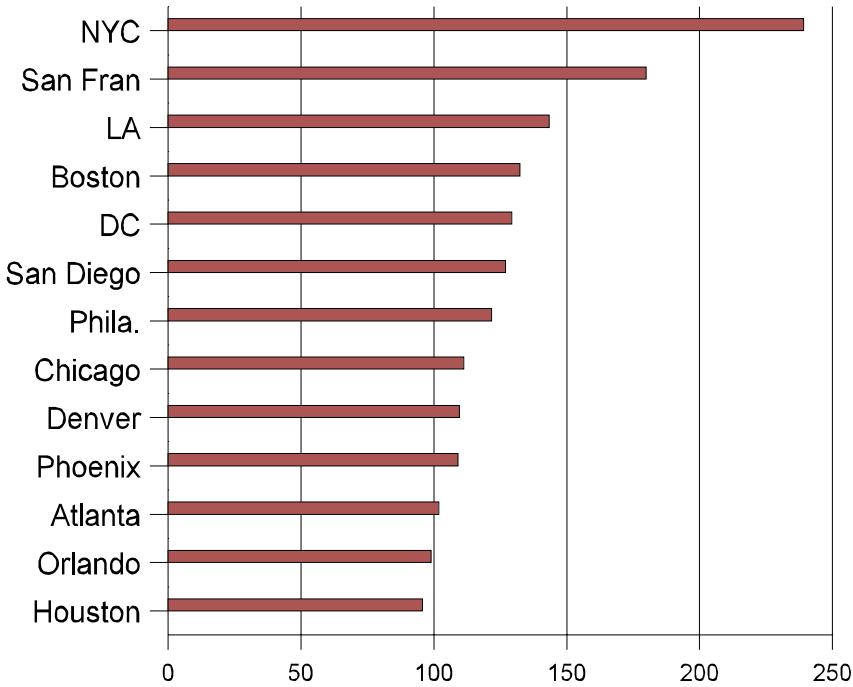
**Figure 1** compares 2001 annual average composite index for 13 metropolitan areas nationwide. New York has the highest composite index of 239.2, and Houston has the lowest composite index of 95.8. An individual living in Houston would have to increase their after tax income by 149% to live in New York but only by 27% to live in Philadelphia at the same standard of living. (See Appendix). Philadelphia's composite index of 121.7 ranks seventh amongst the thirteen metropolitan statistical areas showcased here. New York City, with the highest overall composite index, is followed by San Francisco, Los Angeles and Boston, respectively.

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<sup>1</sup> There are nineteen total Metropolitan Statistical Areas (MSAs) examined in the ACCRA quarterly reports. However, for study purposes, this data bulletin will only look at thirteen chosen MSAs (including Philadelphia).

**Figure 1**

**2001 Cost of Living Index (Composite) for Select MSAs**



**Cost of Living Comparison**

**Table 1** below compares the annual average indices for the major consumer goods in the chosen metropolitan areas. The annual average costs of the consumer goods or services for 2001 are represented for each of the selected MSAs.

In addition, **Figure 2** compares the 2001 average composite indexes for Philadelphia, New York and San Francisco to the 2001 average composite index for all other chosen metropolitan areas.

Overall, housing is the most expensive consumer good within the selected Metropolitan Statistical Areas and has the greatest differential among the regions. New York has the highest housing index (485.2), as opposed to Houston (84.3) with the most affordable housing market. Philadelphia's housing index (143.7) ranks seventh out of the chosen MSAs. (See Table 1).

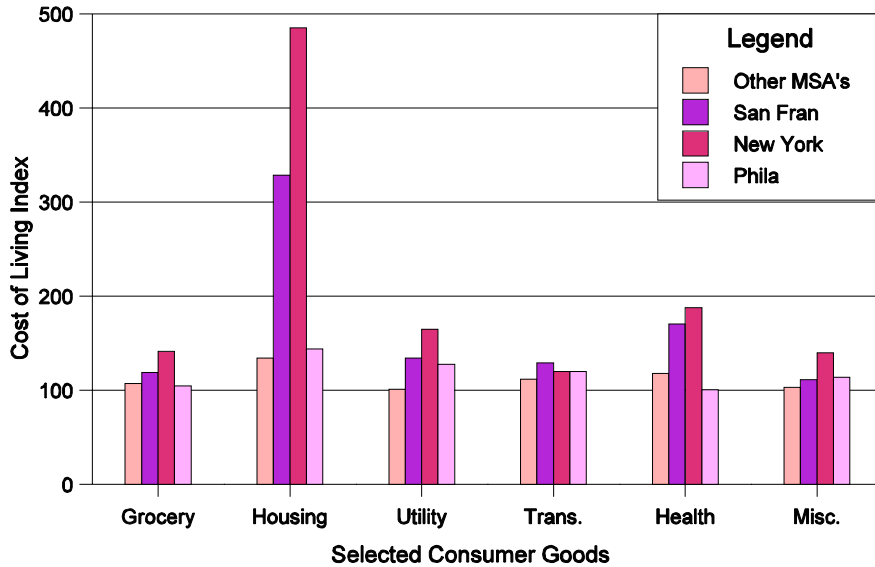
**Table 1: 2001 Annual Average Index for Consumer Goods in Large Metropolitan Statistical Areas**

Metropolitan Statistical Area	Grocery	Housing	Utilities	Transportation	Health	Misc.
<b>New York</b>	141.6	485.2	164.9	119.8	187.9	139.8
<b>Los Angeles</b>	112.1	228.2	99.8	111.4	118.5	110.8
<b>Chicago</b>	108.1	111.0	104.3	127.0	122.1	108.2
<b>Washington D.C.</b>	113.6	161.4	109.0	126.9	130.8	115.2
<b>Houston</b>	96.2	84.3	107.1	102.8	110.5	98.4
<b>Philadelphia</b>	<b>104.8</b>	<b>143.7</b>	<b>127.4</b>	<b>120.1</b>	<b>100.4</b>	<b>113.6</b>
<b>San Diego</b>	120.0	164.5	78.7	130.8	116.7	101.4
<b>San Francisco</b>	118.9	328.4	134.2	129.3	170.5	111.1
<b>Atlanta</b>	98.4	107.3	90.8	102.8	109.2	100.1
<b>Phoenix</b>	104.6	126.7	93.3	108.9	121.7	98.5
<b>Denver</b>	114.9	118.0	103.6	109.7	127.1	98.8
<b>Orlando</b>	101.9	93.9	102.0	95.3	108.2	101.1
<b>Boston</b>	110.6	174.4	131.3	117.2	128.9	112.6

**Source:** American Chamber of Commerce Research Association (ACCRA ), 2001

Philadelphia has the lowest health index, at 100.4. New York and San Francisco show the highest health indices, at 187.9 and 170.5 respectively. Groceries are most expensive in New York, with an index of 141.6, and cheapest in Houston and Atlanta, with indices of 96.2 and 98.4 respectively. San Francisco, San Diego, Chicago and Washington, D.C., all have transportation indices around 130 at the high end of the scale, while Philadelphia's index falls in the middle at 120.1. Orlando has the lowest transportation index at 95.3.

**Figure 2**  
**Philadelphia Compared to Other MSA's**



**Figure 2** compares the average cost of select consumer goods in Philadelphia, New York and San Francisco to the average cost of the goods in all the remaining metropolitan areas shown in Table 1.

The index for housing in New York is 485.2, 351 points higher than the average index for housing in all the other metropolitan areas. San Francisco is well behind New York City, but still high with a housing index of 328.4. Philadelphia's housing index falls slightly above the average of 134 with 143.7 (See Figure 2). Other MSAs with higher than average housing indices are Los Angeles (228.2), Boston (174.4), San Diego (164.5) and Washington D.C. (161.4).

Healthcare costs in Philadelphia are the lowest out of all thirteen MSAs with an index of 100.4, 18 points lower than the average index of 118.1 and 87.5 points lower than New York's health index. Washington D.C. and San Francisco also have high health indices at 130.8 and 170.5, respectively. The utility index in Philadelphia is 127.4, nearly 26 points higher than the average of the other MSAs. San Francisco and New York City both report higher utility indices of 134.2 and 164.9 respectively.

**Other Important Factors in Analyzing the Cost of Living**

This section presents actual prices for selected consumer goods. Table 2 contains the prices for selected consumer goods as described in the box below.<sup>2</sup>

<sup>2</sup>The cost of each consumer good in **Table 2** is taken from the first quarter of the 2001 ACCRA Cost of Living Index.

**The selected consumer goods are:**

- monthly rent for a two bedroom apartment excluding all utilities except water;
- the price of a 2400 sq. ft. living space home on an 8,000 sq. ft. lot in an urban area including all utilities;
- mortgage rate for thirty years;
- monthly payment on mortgage (principal and interest), assuming 25% down payment;
- total monthly home energy cost in a home on an 8,000 sq. ft. lot in an urban area;
- one-way commuter fare up to 10 miles;
- an office visit to the doctor for a routine examination.

**Table 2: Consumer Goods Prices in Large Metropolitan Statistical Areas, 2001**

Metropolitan Statistical Area	Monthly Rent	Housing Price	Mortgage Rate	Mortgage Payment	Energy Costs	Bus Fare	Doctor Visit
New York	\$4,180	\$917,800	7.24%	\$4,693	\$211.56	\$1.50	\$97.00
Los Angeles	\$1,202	\$485,496	7.30%	\$2,497	\$121.33	\$1.35	\$64.40
Chicago	\$795	\$229,546	6.91%	\$1,135	\$123.58	\$2.47	\$68.00
Washington D.C.	\$2,088	\$274,286	7.16%	\$1,391	\$136.53	\$1.10	\$75.40
Houston	\$717	\$170,074	6.65%	\$819	\$133.68	\$1.46	\$66.90
<b>Philadelphia</b>	<b>\$800</b>	<b>\$301,999</b>	<b>7.32%</b>	<b>\$1,556</b>	<b>\$162.63</b>	<b>\$1.60*</b>	<b>\$58.75</b>
San Diego	\$1,224	\$340,000	6.81%	\$1,665	\$128.05	\$1.75	\$58.17
San Francisco	\$2,390	\$656,000	7.21%	\$3,344	\$170.14	\$1.00	\$74.10
Orlando	\$691	\$191,976	6.96%	\$954	\$125.82	\$1.25	\$58.40
Atlanta	\$695	\$230,067	6.8%	\$1,125	\$106.22	\$1.31	\$61.62
Denver	\$886	\$245,924	6.71%	\$1,191	\$126.85	\$1.62	\$71.20
Phoenix	\$675	\$195,491	7.09%	\$984	\$112.59	\$1.25	\$65.73
Boston	\$1374	\$339,250	7.25%	\$1,736	\$165.27	\$2.00	\$79.80

**Source:** American Chamber of Commerce Research Association (ACCRA), 1<sup>st</sup> quarter, 2001.

**Note:** \*The SEPTA bus fare increased to \$2.00 in October 2001.

The monthly rent for an apartment in New York is \$4,180, five times the monthly rent of \$800 for an apartment in Philadelphia. Monthly apartment rent in San Francisco averages \$2,390, followed closely by Washington D.C. at \$2,088 and Boston at \$1,374. San Diego and Los Angeles are both in the \$1,200-\$1,300 range. The remaining MSAs report monthly average rents within the \$600 to \$800 range.

New York City has the highest home price at \$917,800 followed by the West Coast MSAs of San Francisco (\$656,000), Los Angeles (\$485,496) and San Diego (\$340,000). Philadelphia is sixth in line, with an average home price of \$301,999. Houston boasts the most affordable average home price (at \$170,074) followed by Orlando at \$191,976 and Phoenix at \$195,491. Houston also boasts the lowest mortgage rate of 6.65%, compared to a high of 7.32% in Philadelphia, followed closely behind by Los Angeles and New York with rates of 7.30% and 7.24% respectively.

A doctor visit in New York is \$97.00, which is nearly twice the cost of a doctor visit in Philadelphia. San Diego has the cheapest doctor visit costs at \$58.17. Monthly energy costs in Philadelphia at \$162.63 fall behind New York City (\$211.56), San Francisco (\$170.14) and Boston (\$165.27), compared to Atlanta with the least expensive energy cost at \$106.22. A one-way commuter fee in Chicago is \$2.47 as compared to \$1.75 in San Francisco and \$1.62 in Denver. Philadelphia's commuter fee is \$1.60 which is the fifth highest rate among the thirteen MSAs. The 2001 ACCRA data also shows that San Francisco and Washington D.C. report the most affordable public transit commute with \$1.00 and \$1.10 fares, respectively.

### **Moving From City to City**

Table 3 shows a grid of composite indices, comparing overall cost of living ratings for the various MSAs highlighted in this data bulletin. When moving from one city to another, cost of living differentials require income changes. The table compares the chosen metropolitan areas, with the cities arranged from the largest to the smallest. Table 3 illustrates how much of an increase or decrease is needed in an individual's after-tax income to maintain their present "professional and executive" lifestyle when moving from City A to City B. For example, an individual moving from New York to Philadelphia could earn 49% less and still maintain their current lifestyle. The calculations were done by using the formula  $100 * [(City B - City A) / City A] =$  percent increase.

### **Conclusion**

The Philadelphia region is near the average in the majority of categories highlighted in the ACCRA Cost of Living reports. In addition to the data given in this report, several other categories of consumer goods and services can be found in the ACCRA reports. Cost of Living data and coinciding published material is often utilized as a relocation tool when individuals, families, companies and corporations are looking to change geographical locations. ACCRA publishes a quarterly report on every MSA and PMSA in the United States, plus various non-metropolitan areas.

**Table 3: Percent Increase/Decrease (after tax income) in Select Metropolitan Areas (1<sup>st</sup> Quarter 2001 ACCRA Data)**

From \ To	New York	Los Angeles	Chicago	DC	Houston	Phila.	San Diego	Boston	Phoenix	Atlanta	Orlando	San Fran	Denver
<b>New York</b>	<b>0.0%</b>	-40.1%	-53.5%	-45.9%	-59.9%	-49.1%	-46.9%	-44.6%	-54.4%	-57.4%	-58.6%	-24.8%	-54.2%
<b>Los Angeles</b>	66.8%	<b>0.0%</b>	-22.5%	-9.8%	-33.2%	-15.1%	-11.4%	-7.7%	-23.9%	-29.0%	-30.9%	25.4%	-23.6%
<b>Chicago</b>	115.1%	29.0%	<b>0.0%</b>	16.3%	-13.8%	9.4%	14.2%	19.1%	-1.8%	-8.5%	-10.9%	61.7%	-1.4%
<b>D.C.</b>	85.0%	10.9%	-14.0%	<b>0.0%</b>	-25.9%	-5.9%	-1.8%	2.4%	-15.6%	-21.3%	-23.4%	39.1%	-15.2%
<b>Houston</b>	149.7%	49.7%	16.1%	35.0%	<b>0.0%</b>	27.0%	32.6%	38.2%	13.9%	6.3%	3.4%	87.7%	14.4%
<b>Phila.</b>	96.5%	17.8%	-8.6%	6.2%	-21.3%	<b>0.0%</b>	4.4%	8.8%	-10.3%	-16.4%	-18.6%	47.7%	-9.9%
<b>San Diego</b>	88.3%	12.9%	-12.4%	1.8%	-24.6%	-4.2%	<b>0.0%</b>	4.3%	-14.1%	-19.8%	-22.0%	41.6%	-13.7%
<b>Boston</b>	80.7%	8.3%	-16.0%	-2.3%	-27.6%	-8.1%	-4.1%	<b>0.0%</b>	-17.6%	-23.1%	-25.2%	35.8%	-17.2%
<b>Phoenix</b>	119.1%	31.4%	1.9%	18.5%	-12.2%	11.5%	16.4%	21.3%	<b>0.0%</b>	-6.7%	-9.2%	64.7%	0.4%
<b>Atlanta</b>	135.0%	40.9%	9.2%	27.0%	-5.9%	19.5%	24.8%	30.1%	7.2%	<b>0.0%</b>	-2.7%	76.6%	7.7%
<b>Orlando</b>	141.4%	44.7%	12.2%	30.5%	-3.3%	22.8%	28.2%	33.6%	10.1%	2.7%	<b>0.0%</b>	81.4%	10.6%
<b>San Fran</b>	33.0%	-20.2%	-38.2%	-28.1%	-46.7%	-32.3%	-29.4%	-26.4%	-39.3%	-43.4%	-44.9%	<b>0.0%</b>	-39.0%
<b>Denver</b>	118.2%	30.8%	1.5%	18.0%	-12.6%	11.0%	15.9%	20.8%	0.4%	-7.1%	-9.6%	64.1%	<b>0.0%</b>

Source: Delaware Valley Regional Planning Commission, October, 2002.

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Analytical report #8 is the latest in a series of bulletins designed to complement our traditional data releases. For more information on Analytical Data Reports, please visit the Delaware Valley Regional Planning Commission's website ([www.dvrpc.org](http://www.dvrpc.org)) or contact DVRPC at the telephone number below.

The Delaware Valley Regional Planning Commission was established in 1965 by interstate compact between Pennsylvania and New Jersey to plan for the orderly growth and development of the region, and to provide a variety of planning and technical assistance services responding to regional issues. DVRPC maintains a significant database for twenty-eight counties encompassing New Jersey, Delaware, Pennsylvania and Maryland. Included in the database are data profiles at the regional, county and municipal level and for other census geography as requested. DVRPC produces a diverse range of services, including demographic and economic data and projections; mapping and aerial photography; computer assisted mapping; geographic information systems; impact studies; and policy and program development.

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