

# Annual Cost of Living Index, 2009

## An Update of South Carolina Sub-state Index

May, 2011

### Introduction

This study updates the South Carolina Annual Cost of Living Index with newly available income, housing, and population data from 2009. The index quantifies the variation in the purchasing power of the US dollar over time and across geographical locations, including not only states but also counties and metropolitan areas. This study updates the original Annual Cost of Living Index<sup>1</sup>, which was based on the work of Berry, Ford, and Hanson (2000<sup>2</sup> and 2004<sup>3</sup>).

### Results

First, the updated state Annual Cost of Living Index for 2009 is presented in Table 1. South Carolina ranks 43<sup>rd</sup> among the 48 contiguous United States in per capita income for 2009.<sup>4</sup> Once adjusted for the cost of living, South Carolina rises to 33<sup>rd</sup>. Figure 1 displays the statewide data in a map of the states. The Annual COLI can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in South Carolina, only 88% of the average national cost is required to maintain the same standard of living.

**Table 1:** Annual Cost of Living Index by State, 2009 (US = 1.00)

State	Annual COLI	PCI		Adjusted PCI	
		\$	Rank	\$	Rank
<b>United States</b>	<b>1</b>	<b>\$39,635</b>	<b>-</b>	<b>\$39,635</b>	<b>-</b>
Alabama	0.86	\$33,360	39	\$38,791	21
Arizona	0.98	\$33,244	40	\$33,922	44
Arkansas	0.83	\$32,423	42	\$39,064	18
California	1.26	\$42,548	10	\$33,768	45
Colorado	1.16	\$41,839	13	\$36,068	37
Connecticut	1.32	\$55,063	1	\$41,714	14
Delaware	1.04	\$39,949	17	\$38,413	26
Florida	0.9	\$38,890	21	\$43,211	8
Georgia	0.92	\$33,980	37	\$36,935	32
Idaho	0.98	\$31,662	46	\$32,308	47
Illinois	1	\$41,904	11	\$41,904	11
Indiana	0.9	\$33,912	38	\$37,680	28
Iowa	0.9	\$37,623	25	\$41,803	13
Kansas	0.9	\$39,263	19	\$43,626	7
Kentucky	0.86	\$32,306	44	\$37,565	29
Louisiana	0.87	\$37,520	26	\$43,126	9
Maine	1.07	\$36,479	28	\$34,093	43
Maryland	1.07	\$48,275	4	\$45,117	3
Massachusetts	1.36	\$49,643	3	\$36,502	34
Michigan	0.95	\$34,334	35	\$36,141	36
Minnesota	1	\$41,859	12	\$41,859	12
Mississippi	0.81	\$30,426	48	\$37,563	30
Missouri	0.9	\$35,938	30	\$39,931	16
Montana	0.96	\$34,794	33	\$36,244	35
Nebraska	0.93	\$39,277	18	\$42,233	10
Nevada	1.08	\$37,691	24	\$34,899	39
New Hampshire	1.2	\$42,585	9	\$35,488	38
New Jersey	1.3	\$50,009	2	\$38,468	25
New Mexico	0.96	\$33,212	41	\$34,596	40
New York	1.2	\$46,459	6	\$38,716	22
North Carolina	0.91	\$34,719	34	\$38,153	27
North Dakota	0.92	\$40,727	15	\$44,268	5
Ohio	0.92	\$35,590	32	\$38,685	23
Oklahoma	0.82	\$35,840	31	\$43,707	6
Oregon	1.1	\$36,125	29	\$32,841	46
Pennsylvania	1.02	\$40,161	16	\$39,374	17
Rhode Island	1.2	\$41,324	14	\$34,437	42
<b>South Carolina</b>	<b>0.88</b>	<b>\$32,338</b>	<b>43</b>	<b>\$36,748</b>	<b>33</b>
South Dakota	0.92	\$38,208	23	\$41,530	15
Tennessee	0.88	\$34,245	36	\$38,915	20
Texas	0.83	\$38,546	22	\$46,441	2
Utah	1.08	\$31,612	47	\$29,270	48
Vermont	1.13	\$39,021	20	\$34,532	41
Virginia	0.99	\$44,129	7	\$44,575	4
Washington	1.16	\$42,933	8	\$37,011	31
West Virginia	0.83	\$32,067	45	\$38,635	24
Wisconsin	0.96	\$37,398	27	\$38,956	19
Wyoming	0.99	\$48,178	5	\$48,665	1

Source: Per Capita Income from Bureau of Economic Analysis, Local Area Personal Income series

<sup>1</sup> Wang, W., Masoudie, L., and Gunnlaugsson, R. (2009) "Annual Cost of Living Index Applied to South Carolina Sub-state Areas." South Carolina Department of Commerce Discussion Paper.

<sup>2</sup> Berry, W., Fording, R., and Hanson, R. (2000) "An Annual Cost of Living Index for the American States, 1960-1995," *The Journal of Politics*, 62:2, 550-67.

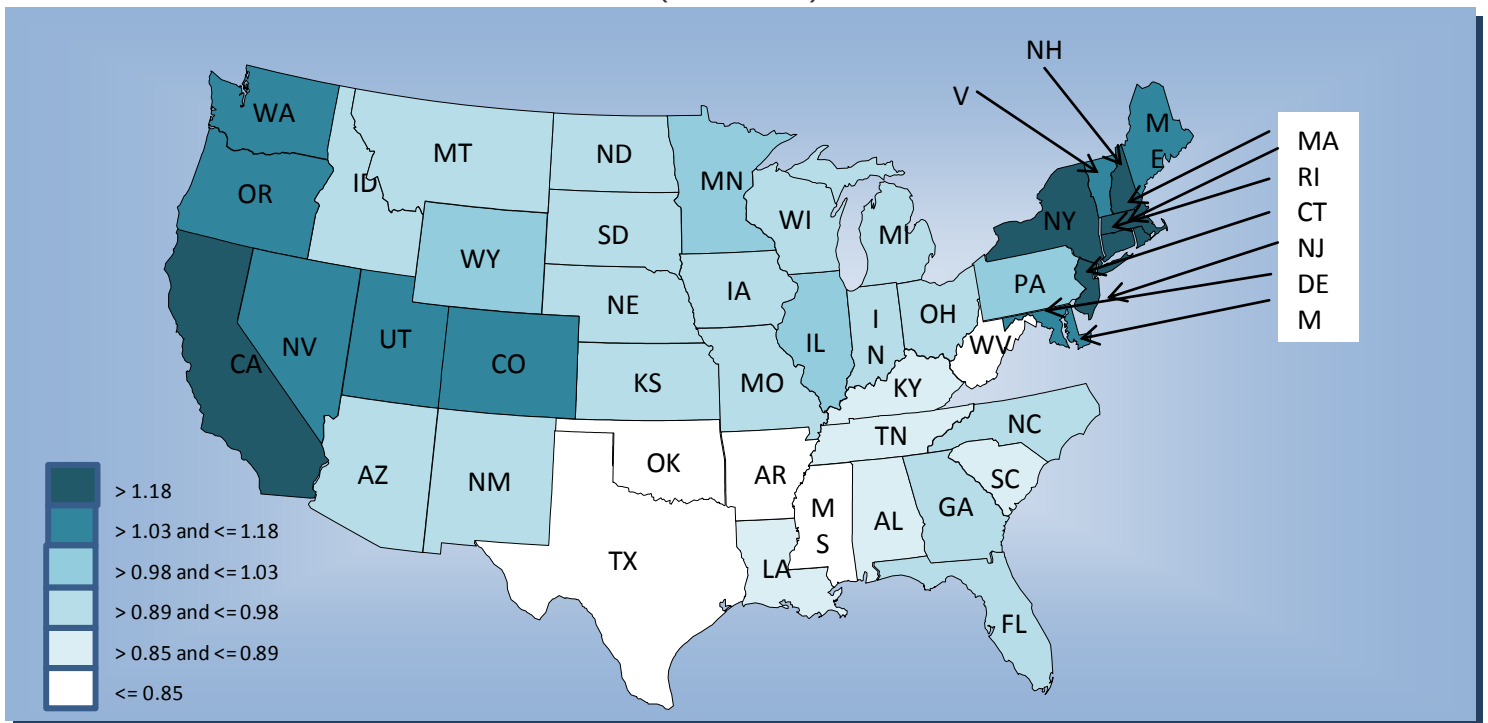
<sup>3</sup>Berry, W., Fording, R., and Hanson, R. (2004). An Updated Cost of Living Index for the American States: 1960-2003. Retrieved 12/21/2008, from <http://webapp.icpsr.umich.edu>.

<sup>4</sup> Alaska and Hawaii were excluded for reasons previously described by Berry et. al.

In addition, the Annual COLI can be translated to measure the “purchasing power” of a locality or region. Purchasing power refers to the effective value of money in terms of the quality and quantity of goods and services that can be purchased with it. Inverting the Annual COLI provides this measure of purchasing power, thus states and

regions with lower cost of living values have higher purchasing power. For South Carolina, the effective purchasing power is \$1.14. That is, the average value of \$1 across the United States can purchase \$1.14 worth of goods and services in South Carolina.

**Figure 1:** United States Annual Cost of Living Index, 2009  
(US = 1.00)



Note: The Annual Cost of Living Index can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in South Carolina, only 86% of the average national cost is required to maintain the same standard of living.

Table 2 provides the 2009 values of the Annual Cost of Living Index for all South Carolina counties as well as the state. Beaufort is the only South Carolina county that exceeds the national average. Additionally, each county’s per capita income is reported, as well as the per capita income adjusted by the cost of

living factor. Figure 2 displays the Annual COLI for each South Carolina county.

Table 3 provides a comparison of South Carolina metropolitan regions with others throughout the United States as well as the Southeast.

**Table 2:** South Carolina Annual Cost of Living Index by County, 2009 (US = 1.00)

County	Annual COLI	PCI	Adjusted PCI
Abbeville	0.84	\$26,135	\$31,113
Aiken	0.87	\$32,855	\$37,764
Allendale	0.78	\$22,636	\$29,021
Anderson	0.86	\$30,252	\$35,177
Bamberg	0.82	\$25,698	\$31,339
Barnwell	0.82	\$23,713	\$28,918
Beaufort	1.25	\$44,191	\$35,353
Berkeley	0.87	\$30,449	\$34,999
Calhoun	0.88	\$34,205	\$38,869
Charleston	0.99	\$39,581	\$39,981
Cherokee	0.83	\$26,002	\$31,328
Chester	0.82	\$27,856	\$33,971
Chesterfield	0.81	\$25,639	\$31,653
Clarendon	0.85	\$25,134	\$29,569
Colleton	0.84	\$27,291	\$32,489
Darlington	0.84	\$30,172	\$35,919
Dillon	0.8	\$23,957	\$29,946
Dorchester	0.91	\$30,765	\$33,808
Edgefield	0.89	\$29,638	\$33,301
Fairfield	0.84	\$27,263	\$32,456
Florence	0.87	\$33,822	\$38,876
Georgetown	0.98	\$36,707	\$37,456
Greenville	0.92	\$36,905	\$40,114
Greenwood	0.86	\$29,036	\$33,763
Hampton	0.82	\$25,198	\$30,729

Horry	0.94	\$29,383	\$31,259
Jasper	0.86	\$26,965	\$31,355
Kershaw	0.89	\$33,264	\$37,375
Lancaster	0.82	\$23,102	\$28,173
Laurens	0.83	\$27,157	\$32,719
Lee	0.8	\$24,180	\$30,225
Lexington	0.92	\$35,960	\$39,087
Marion	0.83	\$24,396	\$30,119
Marlboro	0.8	\$23,284	\$29,393
McCormick	0.81	\$24,908	\$30,751
Newberry	0.86	\$28,121	\$32,699
Oconee	0.91	\$32,456	\$35,666
Orangeburg	0.83	\$28,452	\$34,280
Pickens	0.88	\$27,367	\$31,099
Richland	0.89	\$36,006	\$40,456
Saluda	0.87	\$31,220	\$35,885
Spartanburg	0.86	\$30,506	\$35,472
Sumter	0.84	\$29,302	\$34,883
Union	0.82	\$27,874	\$33,993
Williamsburg	0.81	\$24,246	\$29,933
York	0.95	\$33,203	\$34,951
<b>South Carolina</b>	<b>0.88</b>	<b>\$32,338</b>	<b>\$37,870</b>
<b>United States</b>	<b>1</b>	<b>\$39,635</b>	<b>\$39,635</b>

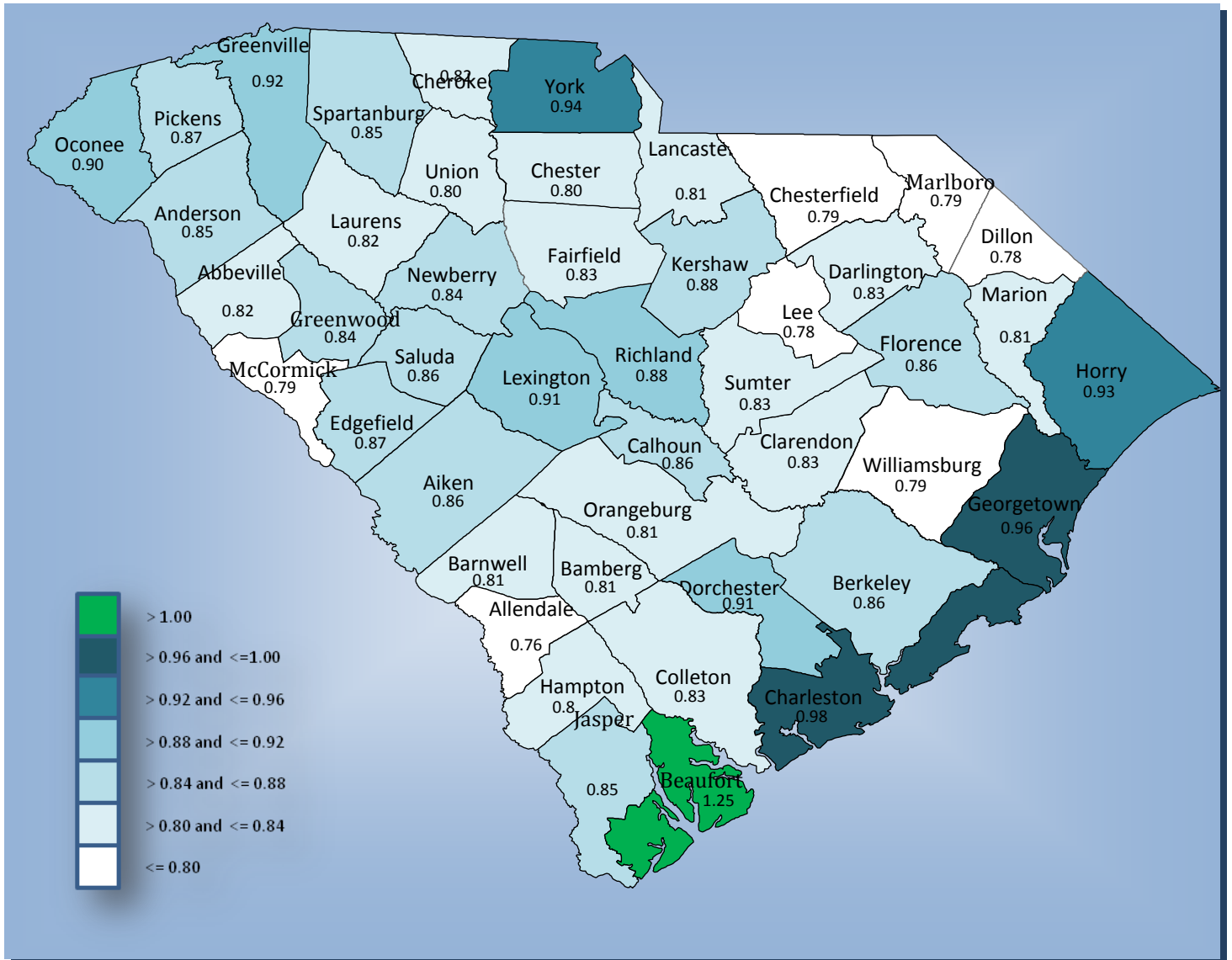
Source: Per Capita Income from Bureau of Economic Analysis, Local Area Personal Income series

**Table 3:** Annual Cost of Living Index by MSA, 2009 (US = 1.00)

MSA	Annual COLI
Atlanta-Sandy Springs-Marietta, GA	0.94
<b>Anderson, SC</b>	<b>0.86</b>
<b>Augusta-Richmond County, GA-SC</b>	<b>0.85</b>
Austin-Round Rock, TX	0.94
Baton Rouge, LA	0.88
Birmingham-Hoover, AL	0.88
Boston-Cambridge-Quincy, MA-NH	1.3
<b>Charleston-North Charleston-Summerville, SC</b>	<b>0.91</b>
<b>Charlotte-Gastonia-Concord, NC-SC</b>	<b>0.93</b>
Charlottesville, VA	1.02
Chicago-Naperville-Joliet, IL-IN-WI	1.01
<b>Columbia, SC</b>	<b>0.88</b>
Dallas-Fort Worth-Arlington, TX	0.85
Detroit-Warren-Livonia, MI	0.95
<b>Florence, SC</b>	<b>0.86</b>
Gainesville, FL	0.89
Greensboro-High Point, NC	0.90
<b>Greenville, SC</b>	<b>0.87</b>
Houston-Sugar Land-Baytown, TX	0.83
Los Angeles-Long Beach-Santa Ana, CA	1.17
Louisville-Jefferson County, KY-IN	0.88
Miami-Fort Lauderdale-Pompano Beach, FL	0.93
Minneapolis-St. Paul-Bloomington, MN-WI	1.00
Mobile, AL	0.85

MSA	Annual COLI
<b>Myrtle Beach-North Myrtle Beach-Conway, SC</b>	<b>0.94</b>
Nashville-Davidson-Murfreesboro-Franklin, TN	0.94
New Orleans-Metairie-Kenner, LA	0.88
New York-Northern New Jersey-Long Island, NY-NJ-PA	1.31
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1.06
Phoenix-Mesa-Scottsdale, AZ	0.88
Raleigh-Cary, NC	1.01
Richmond, VA	0.93
Roanoke, VA	0.91
San Francisco-Oakland-Fremont, CA	1.68
Savannah, GA	0.90
Seattle-Tacoma-Bellevue, WA	1.19
<b>Spartanburg, SC</b>	<b>0.86</b>
<b>Sumter, SC</b>	<b>0.84</b>
Washington-Arlington-Alexandria, DC-VA-MD-WV	1.06
Wilmington, NC	0.98

**Figure 2:** South Carolina Annual Cost of Living Index by County, 2009  
 (US = 1.00)



Note: The Annual COLI can be interpreted as a gauge of the amount of money required to maintain a set standard of living. Thus, in Richland County, only 88% of the average national cost is required to maintain the same standard of living.