

Annual Cost of Living Index, 2012

An Update of South Carolina Sub-state Index

June, 2012

Introduction

This study updates the South Carolina Annual Cost of Living Index with newly available income, housing, and population data from 2011. 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 Index¹, which was based on the work of Berry, Ford, and Hanson (2000² and 2004³).

Results

First, the updated state Annual Cost of Living Index for 2011 is presented in Table 1. South Carolina ranks 44th among the 48 contiguous United States in per capita income for 2011.⁴ Once adjusted for the cost of living, South Carolina rises to 37th. 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 88.5% of the average national cost is required to maintain the same standard of living.

Table 1: Annual Cost of Living Index by State, 2011 (US = 1.00)

State	Annual COLI	PCI		Adjusted PCI	
		\$	Rank	\$	Rank
United States	1	\$41,663	-	\$41,663	-
Alabama	0.859	\$34,650	40	\$40,338	24
Arizona	0.977	\$35,875	38	\$36,720	39
Arkansas	0.832	\$34,014	42	\$40,882	22
California	1.238	\$44,481	11	\$35,930	43
Colorado	1.141	\$44,088	14	\$38,640	34
Connecticut	1.316	\$56,889	1	\$43,229	15
Delaware	1.041	\$41,635	18	\$39,995	25
Florida	0.901	\$39,563	25	\$43,910	14
Georgia	0.923	\$36,104	37	\$39,116	30
Idaho	0.954	\$33,326	47	\$34,933	46
Illinois	1	\$44,140	13	\$44,140	13
Indiana	0.905	\$35,550	39	\$39,282	29
Iowa	0.905	\$40,470	22	\$44,718	8
Kansas	0.909	\$40,481	21	\$44,534	11
Kentucky	0.863	\$33,667	45	\$39,012	32
Louisiana	0.87	\$38,578	26	\$44,343	12
Maine	1.073	\$37,973	29	\$35,390	45
Maryland	1.067	\$51,038	4	\$47,833	3
Massachusetts	1.359	\$53,621	2	\$39,456	28
Michigan	0.952	\$36,533	34	\$38,375	36
Minnesota	1	\$44,672	10	\$44,672	9
Mississippi	0.823	\$32,176	48	\$39,096	31
Missouri	0.903	\$38,248	27	\$42,357	16
Montana	0.952	\$36,573	33	\$38,417	35
Nebraska	0.932	\$41,584	20	\$44,618	10
Nevada	1.065	\$38,173	28	\$35,843	44
New Hampshire	1.205	\$45,787	8	\$37,998	38
New Jersey	1.303	\$53,181	3	\$40,814	23
New Mexico	0.957	\$34,575	41	\$36,129	42
New York	1.209	\$50,545	5	\$41,807	17
North Carolina	0.915	\$36,164	36	\$39,523	27
North Dakota	0.928	\$45,747	9	\$49,296	1
Ohio	0.923	\$37,791	31	\$40,944	21
Oklahoma	0.83	\$37,277	32	\$44,912	6
Oregon	1.088	\$37,909	30	\$34,843	47
Pennsylvania	1.031	\$42,478	16	\$41,201	20
Rhode Island	1.205	\$43,992	15	\$36,508	41
South Carolina	0.885	\$33,673	44	\$38,049	37
South Dakota	0.928	\$41,590	19	\$44,817	7
Tennessee	0.881	\$36,533	34	\$41,468	19
Texas	0.83	\$39,593	24	\$47,702	4
Utah	1.065	\$33,790	43	\$31,728	48
Vermont	1.14	\$41,832	17	\$36,695	40
Virginia	0.991	\$45,920	7	\$46,337	5
Washington	1.141	\$44,294	12	\$38,820	33
West Virginia	0.84	\$33,513	46	\$39,896	26
Wisconsin	0.964	\$40,073	23	\$41,570	18
Wyoming	0.98	\$47,301	6	\$48,266	2

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

¹ 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.

² 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.

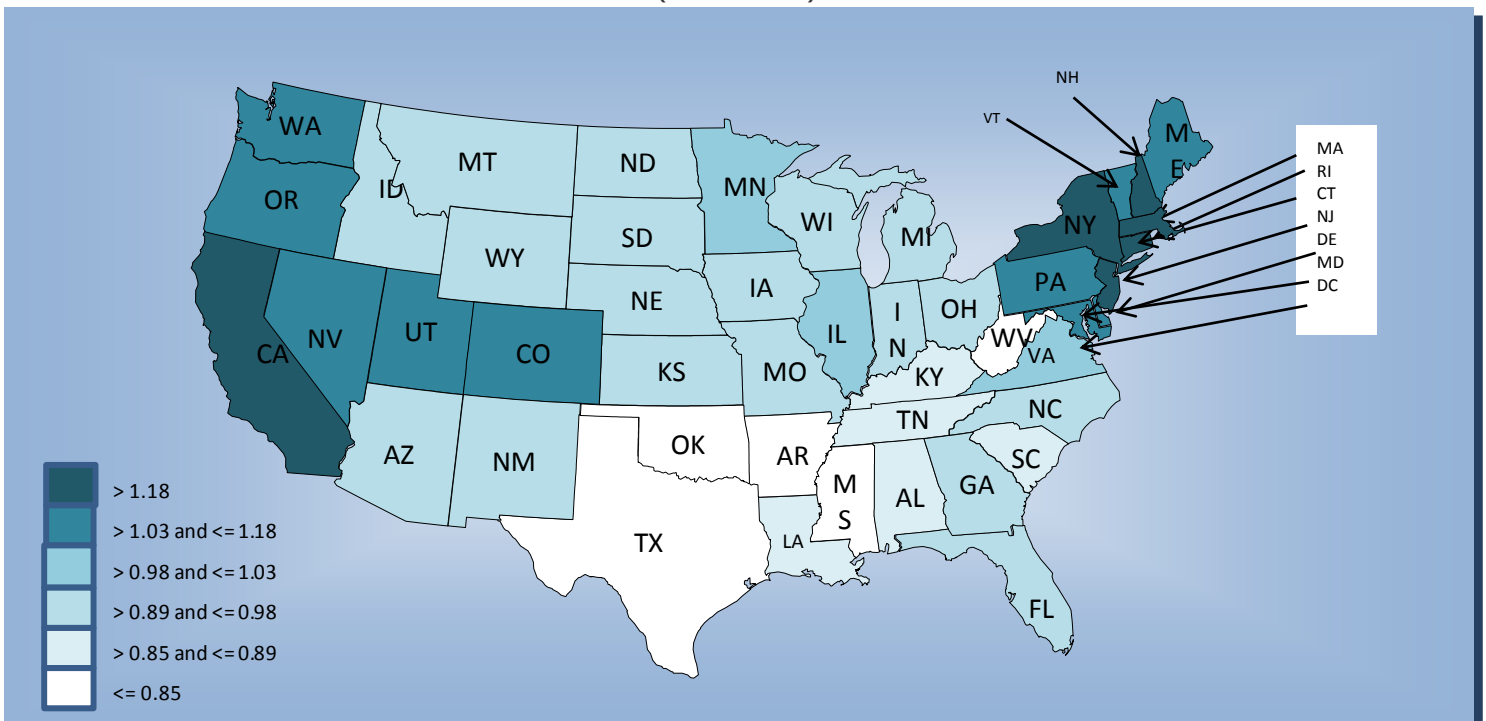
³Berry, W., Fording, R., and Hanson, R. (2004). An Updated Cost of Living Index for the American States: 1960-2003. Retrieved 12/21/2008, from <http://webapp.icpsr.umich.edu>.

⁴ 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 \$1.13. That is, the average value of \$1 across the United States can purchase \$1.13 worth of goods and services in South Carolina.

Figure 1: United States Annual Cost of Living Index, 2011
 (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 2010 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, 2010 (US = 1.00)

County	Annual COLI	PCI	Adjusted PCI
Abbeville	0.834	\$26,339	\$31,582
Aiken	0.869	\$34,325	\$39,499
Allendale	0.785	\$25,907	\$33,003
Anderson	0.855	\$29,916	\$34,989
Bamberg	0.818	\$26,143	\$31,960
Barnwell	0.822	\$25,430	\$30,937
Beaufort	1.236	\$42,430	\$34,328
Berkeley	0.871	\$31,870	\$36,590
Calhoun	0.871	\$33,279	\$38,208
Charleston	0.986	\$40,075	\$40,644
Cherokee	0.829	\$26,532	\$32,005
Chester	0.811	\$27,299	\$33,661
Chesterfield	0.801	\$24,002	\$29,965
Clarendon	0.841	\$24,486	\$29,115
Colleton	0.84	\$28,375	\$33,780
Darlington	0.833	\$28,779	\$34,549
Dillon	0.792	\$23,589	\$29,784
Dorchester	0.911	\$31,545	\$34,627
Edgefield	0.887	\$32,233	\$36,339
Fairfield	0.834	\$26,602	\$31,897
Florence	0.864	\$33,685	\$38,987
Georgetown	0.971	\$37,340	\$38,455
Greenville	0.921	\$36,426	\$39,550
Greenwood	0.855	\$29,658	\$34,688
Hampton	0.818	\$27,208	\$33,262
Horry	0.931	\$28,613	\$30,734

Jasper	0.854	\$26,282	\$30,775
Kershaw	0.884	\$32,667	\$36,954
Lancaster	0.826	\$25,030	\$30,303
Laurens	0.834	\$28,524	\$34,201
Lee	0.798	\$25,709	\$32,217
Lexington	0.911	\$34,456	\$37,822
Marion	0.829	\$26,145	\$31,538
Marlboro	0.802	\$23,464	\$29,257
McCormick	0.809	\$26,404	\$32,638
Newberry	0.856	\$29,116	\$34,014
Oconee	0.904	\$31,527	\$34,875
Orangeburg	0.821	\$28,307	\$34,479
Pickens	0.878	\$27,385	\$31,190
Richland	0.885	\$35,266	\$39,849
Saluda	0.869	\$32,929	\$37,893
Spartanburg	0.858	\$30,939	\$36,059
Sumter	0.838	\$29,212	\$34,859
Union	0.806	\$25,947	\$32,192
Williamsburg	0.805	\$25,474	\$31,645
York	0.947	\$32,906	\$34,748
South Carolina	0.885	\$33,673	\$38,049
United States	1	\$41,663	\$41,663

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

Table 3: Annual Cost of Living Index by MSA, 2010 (US = 1.00)

MSA	Annual COLI
Atlanta-Sandy Springs-Marietta, GA	0.94
Anderson, SC	0.86
Augusta-Richmond County, GA-SC	0.84
Austin-Round Rock, TX	0.95
Baton Rouge, LA	0.88
Birmingham-Hoover, AL	0.88
Boston-Cambridge-Quincy, MA-NH	1.3
Charleston-North Charleston-Summerville, SC	0.91
Charlotte-Gastonia-Concord, NC-SC	0.93
Charlottesville, VA	1.02
Chicago-Naperville-Joliet, IL-IN-WI	1.01
Columbia, SC	0.88
Dallas-Fort Worth-Arlington, TX	0.85
Detroit-Warren-Livonia, MI	0.95
Florence, SC	0.86
Gainesville, FL	0.89
Greensboro-High Point, NC	0.9
Greenville, SC	0.87
Houston-Sugar Land-Baytown, TX	0.83
Los Angeles-Long Beach-Santa Ana, CA	1.19

Louisville-Jefferson County, KY-IN	0.88
Miami-Fort Lauderdale-Pompano Beach, FL	0.92
Minneapolis-St. Paul-Bloomington, MN-WI	0.99
Mobile, AL	0.85
Myrtle Beach-North Myrtle Beach-Conway, SC	0.93
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	0.89
Raleigh-Cary, NC	1.01
Richmond, VA	0.92
Roanoke, VA	0.91
San Francisco-Oakland-Fremont, CA	1.7
Savannah, GA	0.89
Seattle-Tacoma-Bellevue, WA	1.2
Spartanburg, SC	0.86
Sumter, SC	0.84
Washington-Arlington-Alexandria, DC-VA-MD-WV	1.05
Wilmington, NC	0.98

