



COST OF LIVING

Our region is perhaps best known as an affordable and unspoiled family vacation land, but it's a great place to live and work too. Economy.com reports that the cost of living across the four metro areas in Florida's Great Northwest averaged only 92% of the national average, while the cost of doing business index was only a percent higher, at 93% across the metro areas. ACCRA (the American Chamber of Commerce Researchers Association) reports that prices in the four metro areas in Florida's Great Northwest were just at the national average for the most recent quarter, with housing prices substantially below that national average.

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Northwest Florida Experiencing a Cost of Living Below the National Average

COST OF LIVING	Composite Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
METROPOLITAN STATISTICAL AREAS	100%	13%	30%	9%	9%	4%	35%
Pensacola, FL	94.3	101.9	87.4	90.8	105.3	87.4	96.4
Fort Walton Beach, FL	93.5	95.5	88.6	82.0	99.7	92.7	98.5
Panama City, FL	95.4	108.4	79.5	86.3	114.4	96.9	101.4
Gainesville, FL	92.6	95.9	86.2	86.1	105.0	95.6	95.2
Jacksonville, FL	95.5	97.6	84.3	91.4	110.2	100.7	100.9
Orlando, FL	107.3	96.9	115.6	94.3	108.3	91.2	109.5
St Petersburg-Clearwater, FL	99.9	96.6	107.8	96.4	102.5	86.5	96.4
Tampa, FL	96.0	102.0	89.1	88.9	105.4	98.3	98.9
Fort Lauderdale, FL	117.2	105.0	155.1	101.4	106.3	110.9	98.5
Denver, CO	100.6	104.5	101.8	91.6	99.0	109.1	100.2
Los Angeles-Long Beach, CA	159.0	136.6	266.1	108.8	105.1	118.9	111.3
New Orleans, LA	95.6	105.6	90.1	80.2	102.4	94.3	99.3
Atlanta, GA	97.4	94.9	94.3	87.3	109.7	100.4	100.2
Houston, TX	88.9	84.7	72.9	103.3	103.8	98.5	94.8
Jackson, MS	91.6	88.4	83.3	102.8	97.7	106.0	93.3
Mobile, AL	88.8	96.2	75.7	93.3	97.4	81.5	94.3
New York (Manhattan), NY	204.3	139.6	375.4	139.6	110.5	128.0	138.0
San Francisco, CA	171.4	142.1	286.8	94.6	107.8	118.2	130.9
USA Constant Index Value	100.0	100.0	100.0	100.0	100.0	100.0	100.0

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ACCRA produces the ACCRA Cost of Living Index to provide useful and reasonably accurate measures in the differences of living costs between urban areas. As shown in the Cost of Living table, Pensacola has a composite index of 94.3 while Los Angeles' index is 159. If someone living in the Pensacola area is considering a move to Los Angeles, how much of a pay raise would that individual have to earn to maintain the same lifestyle?

$$100 * [(Los Angeles - Pensacola) / Pensacola] = 100 * [(159 - 94.3) / 94.3] = 100 * .6861 = 68.6 \text{ percent, or about } 69\% \text{ pay increase.}$$

On the other hand, if a person is considering a move from Los Angeles to Pensacola, how much of a pay cut could that individual accept and maintain status-quo?

$$100 * [(Pensacola - Los Angeles) / Los Angeles] = 100 * [(94.3 - 159) / 159] = 100 * -.4069 = -40.6 \text{ percent, or about a } 41\% \text{ reduction in pay.}$$

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