



## Center for Economic Research

901 N. Colombo Ave.

Sierra Vista, AZ 85635

Robert@CochiseEconomy.com

www.CochiseEconomy.com

**CER PRESS RELEASE: September 14, 2017**

### Local cost of living decreases in second quarter

**By: Dr. Robert Carreira, Chief Economist**

According to the Cost of Living Index, published by Council for Community and Economic Research in Arlington, VA, the cost of living in Cochise County was down relative to the national average in the second quarter (April through June) compared to the second quarter last year. The COLI report, released in August, provides comparative data for 253 urban areas across the United States.

The COLI measures relative price levels for consumer goods and services in participating areas. It includes separate weighted sub-indices for grocery items (meats, dairy products, produce, bakery products, and other miscellaneous items), housing (new home prices, mortgage rates, and apartment rentals), utilities (electricity, other home energy, and telephone service), transportation (gasoline and tire balancing), health care (optometrist visits, doctor visits, dentist visits, and prescription and non-prescription medications) and miscellaneous goods and services (a wide range of categories, including food away from home, personal care items, apparel, household operations items, reading material, entertainment, and alcoholic beverages).

Cochise County's cost of living in the second quarter 2017 was 6.9 percent lower than the average of all participating places nationwide (down from 5.3 percent lower than the national average in the second quarter last year). The decrease was due to lower relative prices locally in the second quarter this year (compared to the same period last year) for grocery items, housing, and utilities. Local costs for transportation, health care, and miscellaneous goods and services increased from the second quarter last year to the second quarter this year (relative to national averages).

The cost of living in Cochise County in the second quarter this year was 0.3 percent higher than Tucson, but 0.7 percent lower than Phoenix.

Grocery items and health care were less expensive in Cochise County than both Tucson and Phoenix in the second quarter. Transportation costs were more expensive in Cochise County than both Tucson and Phoenix. Cochise County's costs for housing were lower than Phoenix but higher than Tucson, while costs for miscellaneous goods and services locally were higher than Phoenix but lower than Tucson.

The lower overall cost of living locally than nationwide in the second quarter was due to lower local costs for groceries, housing, utilities, health care, and miscellaneous goods and services. Only costs for transportation were higher locally than nationally.

Local grocery costs were 3.8 percent below the national average in the second quarter (down from 0.6 percent below the national average in the second quarter last year).

The cost of housing in Cochise County was 16.7 percent below the national average in the second quarter (down from 7.7 percent below the national average in the second quarter last year).

The local cost of utilities was 4.4 percent below the national average in the second quarter (down from 2.5 percent above the national average in the second quarter last year).

Health care costs were 3.8 percent below the national average in the second quarter (up from 5.1 percent below the national average in the second quarter 2016).

Local costs for miscellaneous goods and services were 3.9 percent below the national average in the second quarter (up from 8.6 percent below the national average in the second quarter last year).

Transportation costs locally were 2.5 percent above the national average in the second quarter (up from 2.5 percent below the national average in the second quarter last year).

Statewide, there were six places participating in the COLI in the second quarter. In addition to Cochise County, other participating areas were Flagstaff, Bullhead City, Phoenix, Tucson, and Yuma. Of those, only Bullhead City and Tucson had an overall cost of living lower than Cochise County (Flagstaff, Phoenix, and Yuma each had a higher cost of living than Cochise County).

The highest cost of living in Arizona in the second quarter was Flagstaff, which was 15 percent above the national average, driven largely by the host of housing, which was 42.5 percent higher than nationally.

COLI data for Cochise County are collected by Cochise College Center for Economic Research and submitted to Council for Community and Economic Research for inclusion in the index.

***Dr. Robert Carreira is Chief Economist at the Cochise College Center for Economic Research. He can be reached at [Robert@CochiseEconomy.com](mailto:Robert@CochiseEconomy.com). Visit the CER website at [www.CochiseEconomy.com](http://www.CochiseEconomy.com).***

## COST OF LIVING INDEX (2<sup>nd</sup> QUARTER 2017)

|                              | <i>Composite Index</i> | <i>Grocery Items</i> | <i>Housing</i> | <i>Utilities</i> | <i>Transportation</i> | <i>Health Care</i> | <i>Misc. Goods &amp; Services</i> |
|------------------------------|------------------------|----------------------|----------------|------------------|-----------------------|--------------------|-----------------------------------|
| <b>Flagstaff</b>             | 115.0                  | 115.2                | 142.5          | 101.5            | 101.8                 | 110.5              | 101.2                             |
| <b>Bullhead City</b>         | 88.3                   | 97.6                 | 77.0           | 86.2             | 103.3                 | 95.4               | 89.4                              |
| <b>Phoenix</b>               | 93.8                   | 98.2                 | 91.6           | 98.0             | 91.6                  | 98.2               | 92.8                              |
| <b>Sierra Vista-Douglas*</b> | 93.1                   | 96.2                 | 83.3           | 95.6             | 102.5                 | 96.2               | 96.1                              |
| <b>Tucson</b>                | 92.8                   | 101.3                | 78.9           | 88.8             | 95.8                  | 101.6              | 99.8                              |
| <b>Yuma</b>                  | 95.7                   | 105.1                | 89.0           | 123.6            | 96.5                  | 95.9               | 89.0                              |

\* The Sierra Vista-Douglas Metropolitan Area is a statistical area designation for all of Cochise County. *Note.* The average for all participating places nationwide equals 100; each participant's index is read as a percentage of the average for all places. Source: Council for Community and Economic Research, Cost of Living Index

# # #