



PRESS RELEASE

CONTACT

Drew Little

Program Manager

406-587-3113

dlittle@prosperabusinessnetwork.org

FOR IMMEDIATE RELEASE:

HOUSING COSTS CONTINUE TO RISE BUT GROCERIES AND OTHER SERVICES ARE LESS EXPENSIVE THAN NATIONAL AVERAGES ACCORDING TO SECOND QUARTER BOZEMAN COST OF LIVING DATA.

BOZEMAN – Bozeman’s cost of living is only 0.2 percent above the national average for the second quarter of 2013, according to the Cost of Living Index Report released by Prospera Business Network today. This is the closest Bozeman has come to national cost of living averages since the third quarter of 2011. (The national average composite index is set at 100 each collection period; therefore the index conveys relative price levels at a specific point in time and the index score can be seen as a percentage of the average for all places. The Index does not measure inflation, or price change over time.)

COMPOSITE SCORE: Bozeman’s composite cost of living index score was 100.2 for the second quarter of 2013 – this is promising in comparison to Bozeman’s 2012 annual average composite score of 102.9. Historically, Bozeman’s composite cost of living index score has ranged from 98.2 (in 2002) to 107.5 (in 2008).

HOUSING: The second quarter 2013 housing index score was 109.5, meaning that area housing was 9.5 percent above the national average for the quarter. In 2011 the annual average housing index score was below average at 96.5, this increased to 105.0 for the 2012 annual average. The change in the housing index as relative to national averages reflects a steady improvement in the local real estate market—which anyone trying to buy a house in the area can confirm.

ALL OTHER CATEGORIES: Groceries were 1.3 percent below the national average and goods and services came in at 2.4 percent below average—both of these categories have typically been above the national average but have been trending closer to the national average in recent quarters. Also, Bozeman residents continue to enjoy a bargain when it comes to utilities and transportation, which were both 6.7 percent below average. Health care was 2.1 percent above average this quarter, which is not unusual compared to prior periods.

AREA COMPARISONS: In Montana, Kalispell is currently the only other city participating in the cost of living study. The table below shows how Bozeman and Kalispell compare to other communities of similar size and composition.

SECOND QUARTER 2013 COST OF LIVING INDEX							
CITY	COMPOSITE SCORE	GROCERIES	HOUSING	UTILITIES	TRANSPORTATION	HEALTH CARE	MISC. GOODS & SERVICES
GRAND JUNCTION, CO	97.1	98.2	98.1	81.5	105.2	103.6	96.7
IDAHO FALLS, ID	86.1	85.8	67.9	93.3	101.9	98.0	91.4
MANKATO, MN	92.7	96.5	78.2	94.4	100.1	101.6	98.7
BOZEMAN, MT	100.2	98.7	109.5	93.3	93.3	102.1	97.6
KALISPELL, MT	96.5	95.0	91.7	92.5	98.3	110.3	99.9

National Average is based at a score of 100.

ABOUT THE COST OF LIVING INDEX

The Cost of Living Index is a comparison study of over 300 urban areas around the nation. Three times each year, participating organizations collect data within their respective cities on consumer goods, services, housing, transportation, utilities, and healthcare. The study is intended to provide a measure of living cost differences among urban areas for a mid-management standard of living. Prospera Business Network, the local economic development organization, collects prices for over 60 items in Bozeman and submits its research to be analyzed and compared to other communities.

ABOUT C2ER, THE COUNCIL FOR COMMUNITY AND ECONOMIC RESEARCH

Formerly the American Chamber of Commerce Research Association (ACCRA), C2ER is a membership organization created in 1961 to promote excellence in community and economic research by working to improve data availability, enhance data quality, and foster learning about regional economic analytic methods. C2ER produces the national *Cost of Living Index* to provide a useful and reasonably accurate measure to compare cost of living differences among urban areas. The *Cost of Living Index* is the most reliable source of city-to-city comparisons of a key consumer costs available anywhere. To learn more about C2ER, visit: www.c2er.org

ABOUT PROSPERA BUSINESS NETWORK

Prospera Business Network is a private, non-profit, economic development organization in southwestern Montana. Originally established in 1985 as the Gallatin Development Corporation, Prospera plays a leading role in economic development serving a region that is one of the fastest growing economies in the northern Rocky Mountains. Prospera depends on its members to help fund its mission: encouraging and supporting business expansion, retention and relocation by providing business consulting, financing, professional development and economic research. To learn more about Prospera Business Network, visit: www.ProsperaBusinessNetwork.org

Below are media release items compiled by C2ER.

Among the 304 urban areas that participated in the second quarter 2013 *Cost of Living Index*, the after-tax cost for a professional/managerial **standard of living ranged from more than twice the national average in New York (Manhattan) NY to just over 18 percent below the national average in Harlingen, TX.** The *Cost of Living Index* is published quarterly by C2ER – The Council for Community and Economic Research.

The Ten Most and Least Expensive Urban Areas in the Cost of Living Index (COLI)

Second Quarter 2013

National Average for 304 Urban Areas = 100

Most Expensive			Least Expensive		
Ranking	Urban Areas	COL Index	Ranking	Urban Areas	COL Index
1	New York (Manhattan) NY	218.9	1	Harlingen TX	81.1
2	Honolulu HI	174.6	2	Norman OK	84.2
3	New York (Brooklyn) NY	173.0	3	Pueblo CO	84.4
4	San Francisco CA	159.5	4	Memphis TN	84.7
5	New York (Queens) NY	153.7	5	Youngstown-Warren OH	85.5
6	San Jose CA	152.8	6	Temple TX	85.6
7	Hilo HI	148.7	7	Omaha NE	85.6
8	Stamford CT	144.8	8	Jonesboro AR	85.7
9	Orange County CA	143.8	9	Sherman-Denison TX	85.9
10	Washington DC	140.9	10	Idaho Falls ID	86.1

The *Cost of Living Index* measures regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. It is based on more than 90,000 prices covering 60 different items for which prices are collected quarterly by chambers of commerce, economic development organizations, and university applied economic centers in each participating urban area. Small differences should not be interpreted as showing a measurable difference.

The composite index is based on six component categories – housing, utilities, grocery items, transportation, health care, and miscellaneous goods and services.

What Do Groceries Cost?

Each quarter, C2ER collects more than 90,000 prices from communities across the US for the Cost of Living Index. With food prices a big part of the national media attention, C2ER decided to once again feature those communities with the most and least expensive food costs as measured by the grocery item index number. C2ER collects data on twenty-six items from a variety of surrogate categories to represent the grocery item component of the index.

The Five Most and Least Expensive Places for Grocery Items by Index Number in the Cost of Living Index (COLI)

Second Quarter 2013

Average for 304 Urban Areas = 100

Most Expensive			Least Expensive		
Ranking	Urban Areas	Index	Ranking	Urban Areas	Index
1	Hilo HI	162.1	1	Brazoria County TX	77.0
2	Honolulu HI	159.5	2	Houston TX	77.8
3	New York (Manhattan) NY	132.8	3	Twin Falls ID	79.1
4	Kodiak AK	132.0	4	Youngstown-Warren OH	79.4
5	Boston MA	126.6	5	Harlingen TX	80.4

Coffee, the Lifblood of COLI Data Reviewers

As always, the quarterly data analysis is a time consuming process. The ability to concentrate and the need to focus on detail and precision are important skills in the COLI review process. Needless to say, most of the COLI staff are hardcore coffee addicts. Given our dependence on this oh-so-precious commodity, we decided to highlight coffee prices this quarter. Below is a list of the five most and least expensive places to buy an 11 ounce can of coffee, our elixir of life.

**The Five Most and Least Expensive Places for an 11 Ounce Can of Coffee
Second Quarter 2013
National Average for 304 Urban Areas = 4.38**

Most Expensive			Least Expensive		
Ranking	Urban Areas	Avg. Price	Ranking	Urban Areas	Avg. Price
1	Honolulu HI	7.73	1	Miami-Dade County FL	2.71
2	Kodiak AK	7.37	2	Montgomery AL	3.01
3	San Jose CA	6.81	3	Fort Lauderdale FL	3.21
4	Hilo HI	6.24	4	Texarkana TX-AR	3.41
5	New York (Manhattan) NY	6.19	5	Kalamazoo MI	3.48

The quarterly Cost of Living Index is available by subscription for \$165 per year for the print version and \$150 per year for the PDF. The electronic version is available for \$250 per year. Be sure and ask about our new Expanded Excel version which covers more household and income types. Send check, payable to C2ER, P.O. Box 100127, Arlington VA 22210-0407, or subscribe on the Internet at www.coli.org.

If you need additional information on the Cost of Living Index or other COLI-related products such as the COLI Web Calculator and the COLI Historical Index, please contact Dean Frutiger at dfrutiger@crec.net or Erol Yildirim at ey@crec.net or by phone at 703-522-4980.

###