

A Guide to Measuring Alaska's Cost of Living

by James R. Wilson and Brian N. Rae



The cost of living in Alaska, and the way costs have changed over time, are the most frequently requested pieces of information available from the Alaska Department of Labor's Research and Analysis section. Unfortunately, getting a handle on the cost of living in Alaska is not a straightforward process.

A Measure of Inflation or Cost Differences by Area?

There are several different measures of the cost of living, and each has its strengths and weaknesses. First, decide if you are interested in the change in prices in one place over a period of time (commonly referred to as the inflation rate), or the cost difference between two places at one point in time. (Coughed in questions like: How much more expensive is it to live in Fairbanks than Seattle?) Determining what you need to know will help select the best cost of living index for you.

How Well Does the Survey's Market Basket Represent Your Buying Habits?

Since it is prohibitively expensive to price all items a consumer would purchase, cost of living surveys track price changes of a sample of items from various expenditure categories (such as housing expenses, medical expenses, food expenses, etc.). This sample of items is called the survey's market basket.

When you choose a cost of living survey, it's a good idea to know what the survey's market basket is, and what population's buying habits the survey is trying to simulate. All surveys either give a listing of the items which make up the market basket, or define the type of household which the market basket was designed to represent. For example, the Runzheimer data presented in this article assumes a family of four whose income level would be \$32,000 in the average cost city of those surveyed.

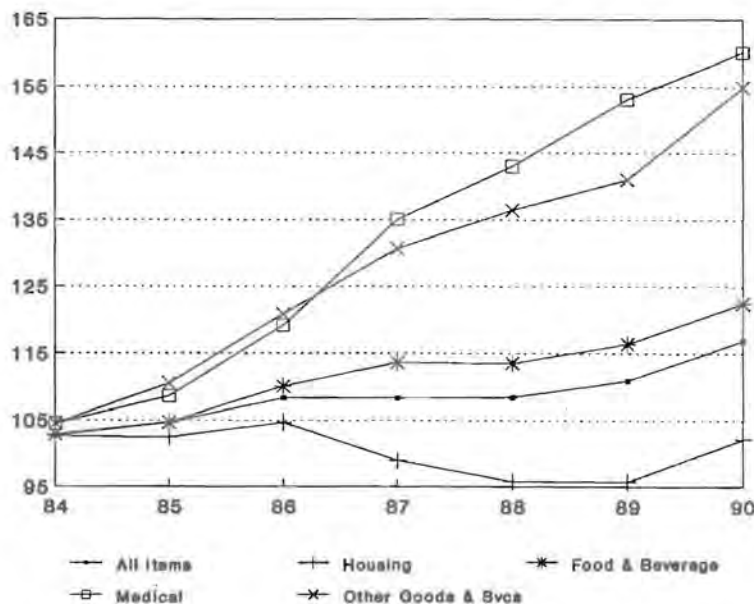
The Consumer Price Index — The Nation's Inflation Measure

The majority of requests about Alaska's cost of living relate to how prices have changed over time. The information is

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Figure 1
Consumer Price Index — Anchorage
All Items & Selected Components 1984-1990*



* Data for first six months of year

Source: Alaska Department of Labor, Research and Analysis Section.

Table 1

Consumer Price Index – Urban Consumers **All Items and Selected Components** **U.S. & Alaska**

Year	All Items				All Items Less Shelter				Housing		Medical		Food & Beverage	
	U.S. annual average	Percent change	Anchorage annual average	Percent change	U.S. annual average	Percent change	Anchorage annual average	Percent change	U.S. annual average	Anchorage annual average	U.S. annual average	Anchorage annual average	U.S. annual average	Anchorage annual average
1960	29.6		34.4											
1965	31.5	6.4%	35.3	2.6%										
1970	38.8	23.2	41.1	16.4										
1975	53.8	38.7	57.1	38.9										
1980	82.4	53.2	85.5	49.7	82.9		84.7		81.1	85.9	74.9	78.8	86.7	89.7
1981	90.9	10.3	92.4	8.1	91.0	9.8%	92.0	8.6%	90.4	92.5	82.9	86.9	93.5	94.3
1982	96.5	6.2	97.4	5.4	96.2	5.7	96.3	4.7	96.9	98.2	92.5	94.8	97.3	97.2
1983	99.6	3.2	99.2	1.8	99.8	3.7	99.9	3.7	99.5	99.0	100.6	99.7	99.5	99.7
1984	103.9	4.3	103.3	4.1	103.9	4.1	103.8	3.9	103.6	102.7	106.8	105.5	103.2	103.2
1985	107.6	3.6	105.8	2.4	107.0	3.0	107.5	3.6	107.7	103.0	113.5	110.9	105.6	106.2
1986	109.6	1.9	107.8	1.9	108.0	0.9	111.2	3.4	110.9	102.6	122.0	127.8	109.1	110.8
1987	113.6	3.6	108.2	0.4	111.6	3.3	115.1	3.5	114.2	97.5	130.1	137.0	113.5	113.1
1988	118.3	4.1	108.6	0.4	115.9	3.9	117.8	2.3	118.5	95.4	138.6	145.8	118.2	113.8
1989	124.0	4.8	111.7	2.9	121.6	4.9	122.3	3.8	123.0	96.3	149.3	154.4	124.9	117.2
1st half 1988	116.8		108.4		114.4		117.0		117.2	95.8	136.5	143.0	116.5	113.5
1st half 1989	122.7	5.1	110.9	2.3	120.4	5.2	121.4	3.8	121.7	95.8	146.3	153.1	123.6	116.4
1st half 1990	128.7	4.9	116.9	5.4	126.2	4.8	126.5	4.2	126.8	102.2	159.1	160.1	131.0	122.6

Notes: The most current Consumer Price Index data available for Alaska is for the first half of 1990.
 For comparability, data for the first half of 1988 and 1989 are given to show the percentage change over the year.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

often used to adjust rents, wages or some other monetary payment for the effects of inflation. The Consumer Price Index (CPI) is the only survey designed to answer such questions.

The U.S. Department of Labor's Bureau of Labor Statistics produces the CPI in various metropolitan areas throughout the country. In Alaska, only Anchorage is surveyed. The shortcoming of having only Anchorage prices tracked is that while price trends in Anchorage reflect changes in the cost of living for many Alaskans, the results might not be appropriate in rural or even far removed urban areas of the state.

Table 1 and Figure 1 show Anchorage CPI data for various commodities over time. Returning to the concept of the market basket, items can be aggregated into commodity groups, such as food and beverages, housing, transportation, and health care. By analyzing the differences among groups, one can see which costs are rising at rates different from the overall CPI. For example, Figure 1 shows how medical costs have increased

at a much more rapid rate than has the overall Anchorage CPI, while housing costs have lagged behind.

Housing Component Kept Anchorage Inflation Low Until Recently

Each commodity group is given a weight — its contribution to the overall cost of living. While health care costs have shot up in recent years, they account for only about 5% of the total cost of living. Housing costs, on the other hand, account for over 40% of the Anchorage CPI.

The strong influence that housing costs have on the overall Anchorage CPI has been particularly noticeable the last several years. (See Table 1, All Items Less Shelter and Housing Components.) Falling home and rental costs nearly offset increases in the other components of the CPI, so that the overall CPI rose only slightly. The recent increase in inflation in Anchorage can be partly accounted for by the improved housing market. With housing prices now in-

creasing, the Anchorage CPI is showing a much higher rate of inflation than previously.

The housing cost component is unique in the CPI, in that it is one of the few durable goods priced. Other than automobiles, other items in the CPI are nondurables, or items generally consumed within a short time frame ranging from food (several days to a few weeks) to clothing (several months to a few years). The CPI data assumes a consumer has just purchased or rented a home. To gauge the change in prices, this seems a logical assumption. However, to get a true picture of the changes in costs a family faces, it might be inappropriate to assume rental agreements or mortgages are renegotiated every few months. For this reason, the overall CPI figures have understated the rate of inflation in Anchorage for many people during the past several years.

CPI Measures Inflation- Not Living Costs Between Locations

CPI users should be aware of a common misinterpretation of the CPI index. It most often occurs when users compare CPI numbers among areas. For example, the annual average Anchorage CPI for 1989 of 111.7 is lower than the United States' average of 124. This does not, however, mean that Anchorage has a lower cost of living than the average in the United States. The CPI measures inflation, and not costs. The fact that the Anchorage CPI number in 1989 is smaller than the overall U.S. index does not mean that Anchorage costs are lower, only that Anchorage prices have not inflated as quickly as elsewhere in the U.S. since the base period. (In this case the base period, or when the two indexes equaled 100, is 1982-84)

Costs could have actually risen by a greater amount, in dollar terms, in Anchorage and still be below the U.S. inflation rate. For example, if a product costs, on average, \$5.00 in the U.S. but \$10.00 in Anchorage, a 10% inflation rate would increase the price by 50 cents in the U.S. but by \$1.00 in Anchorage.

Table 2

Cost of Food for a Week in Various Alaskan Communities March 1990

Community	Cost of Food, 1 Week	Ratio of Food Cost to Anchorage Average (percent)
Anchorage	\$100.73	n/a
Bethel	150.74	150%
Cordova	139.39	138
Delta	129.89	129
Dillingham	167.50	166
Elim	177.75	176
Fairbanks	107.66	107
Homer	121.27	120
Juneau	100.22	99
Kenai	107.67	107
Ketchikan	94.70	94
Kodiak	126.33	125
MatSu ¹	104.01	103
McGrath	147.87	147
Nome	150.65	150
Petersburg	113.41	113
St. Paul	142.14	141
Sand Point	143.84	143
Sitka	112.51	112
Tok	129.01	128

Costs are for a family of four with elementary school children.

¹ Mat-Su area's 2% tax is the rate for Palmer and is not used in tabulating costs.

Sales tax included in food and utility cost

Source: "Cost of Food at Home for a Week," March 1990
University of Alaska Cooperative Extension Service
U.S. Dept. of Agriculture and SEA Grant Cooperating.

Place-to-Place Comparisons of Costs

There are several different indices which compare living costs between places. All of these cost of living indices have their strengths (and weaknesses), with some being more appropriate than others in certain circumstances. For example, some are not a comprehensive cost of living index, but focus on one specific part of the cost of living. An example of this type of survey is the Cost of Food at Home for a Week survey, done quarterly by the University of Alaska's Cooperative Extension Service.

Cost of Food at Home

The Cost of Food study measures the cost to feed various size families in different locations in Alaska. The report also contains comparative information on some utility and fuel costs. The Cost of Food at Home survey is not a comprehensive measure of the cost of living for communities in Alaska. The survey only compares food costs in various Alaska communities. One of its strengths is its wide geographic coverage. It provides comparative measures for locations not covered by any other cost index.

Comparing the cost of living between communities in Alaska is made difficult

Table 3

Cost of Food at Home for a Week 1978-1990

Month/Year	Anchorage	Fairbanks	Percent of Anchorage Average	Juneau	Percent of Anchorage Average	Bethel	Percent of Anchorage Average
9/78	\$76.67	\$84.15	109.8	\$73.72	96.2	\$114.05	148.8
12/79	85.80	91.92	107.1	77.55	90.4	120.44	140.4
9/80	88.44	90.54	102.4	85.92	97.2	130.87	148.0
9/81	86.69	98.47	113.6	93.95	108.4	138.66	159.9
9/82	77.30	92.09	119.1	99.98	129.3	125.50	162.4
9/83	81.66	83.79	102.6	88.62	108.5	128.30	157.1
9/84	84.22	91.26	108.4	91.66	108.8	136.54	162.1
9/85	89.06	90.08	101.1	106.61	119.7	138.13	155.1
9/86	87.25	90.61	103.9	87.65	100.5	137.96	158.1
9/87	88.90	85.12	95.7	88.24	99.3	140.81	158.4
9/88	90.99	94.74	104.1	92.95	102.2	137.57	151.2
9/89	93.80	94.33	100.6	96.73	103.1	140.65	149.9
3/90	100.73	107.66	106.9	100.22	99.5	150.74	149.6

Family of four with elementary school children. Sales tax included in food prices

- Data unavailable

Source: "Cost of Food at Home for a Week," September 1978 to March 1990

University of Alaska Cooperative Extension Service

U.S. Dept. of Agriculture and SEA Grant Cooperating.

(cont. on page 5)

by several factors. Many goods and services available in larger cities are not readily available in some rural areas. The buying habits of urban residents vary from people in rural communities. Different consumption patterns in urban and rural areas complicate comparisons in the cost of living. Subsistence contributions to some households also make cost of living comparisons more difficult. The Cost of Food survey assumes that all goods are purchased in the local community — none are acquired through subsistence means or from merchants outside of the community.

Food Costs Are Higher in Rural Alaska

Table 2 shows the cost of food for a week for a family of four with elementary school children for 20 Alaska communities. The March 1990 figures show that Anchorage has the lowest costs of the areas surveyed. The larger cities in Alaska have food costs which are fairly comparable to those in Anchorage.

The Cost of Food survey has consistently shown that the most expensive cities are the smaller and more isolated communities. This continues to be true. In places such as Bethel, and Dillingham the costs are 50 to 70% higher than in Anchorage.

The Cost of Food study shows an interesting contrast between Alaska and other areas of the United States. In the lower 48, larger urban areas have higher costs for food and other goods and services than less populated areas. In rural areas of the nation the cost of living is typically less than in larger urban centers. The opposite is true for Alaska. The more rural Alaskan communities have costs for food and other basics, such as fuel, which are much greater than in the state's urban centers.

Table 3 is a time series of costs for the last 13 years. This table shows the difference in the cost of food between Anchorage and other Alaskan communities. It also shows the changes in costs over time within each community in the study.

ACCRA Cost of Living Index

Another place-to-place cost of living measure is provided by the American Chamber of Commerce Researchers Association (ACCRA). The ACCRA cost of living study compares costs for roughly 290 cities in the United States. The ACCRA study can be used to compare some costs among a few of Alaska's cities and other cities across the nation. In the ACCRA study, a standardized list of 59 items is priced during a fixed period of time. The items priced are intended to reflect the spending patterns of a mid-management household.

Although state and local taxes are certainly a part of the actual cost of living, the ACCRA index does not take them into account. Because of the limited number of items priced, differences in the ACCRA cost of living index less than three (such as 129 vs. 131) are statistically insignificant. A difference in the index greater than three can be considered to show a cost of living difference.

Table 3
(cont. from page 4)

Cost of Food at Home for a Week 1978-1990

Month/ Year	Nome	Percent of Anchorage Average	Kodiak	Percent of Anchorage Average	Kenai	Percent of Anchorage Average	Tok	Percent of Anchorage Average
9/78	\$118.85	155.0	-	-	\$82.48	107.6	-	-
12/79	124.62	145.2	-	-	100.41	117.0	-	-
9/80	131.14	148.3	\$99.42	112.4	120.84	136.6	\$108.82	123.0
9/81	150.27	173.3	-	-	-	-	114.80	132.4
9/82	149.04	192.8	-	-	-	-	-	-
9/83	130.14	159.4	104.94	128.5	86.98	106.5	-	-
9/84	142.07	168.7	115.97	137.7	87.97	104.5	121.66	144.5
9/85	152.41	171.1	108.17	121.5	91.47	102.7	116.19	130.5
9/86	142.04	162.8	105.49	120.9	92.78	106.3	124.18	142.3
9/87	147.96	166.4	104.39	117.4	96.95	109.1	117.51	132.2
9/88	147.69	162.3	116.68	128.2	95.53	105.0	119.69	131.5
9/89	-	-	124.61	132.8	104.20	111.1	139.43	148.6
3/90	150.65	149.6	126.33	125.4	107.67	106.9	129.01	128.1

ACCRA Index Places 4 Alaskan Cities Among Most Expensive

Five Alaskan cities participate in the quarterly ACCRA study — Anchorage, Fairbanks, Juneau, Ketchikan, and Kodiak. The latest published numbers (1st Quarter 1990) show that four of Alaska's cities are among the 10 highest cost areas studied. (See Table 4.) Anchorage has the lowest index of the Alaska cities in the ACCRA study. According to the index Anchorage has a cost of living roughly 27% higher than the all cities' average. Some cities known to have a high cost of living, such as Boston, New York, and Washington D.C. are not included in the current data.

The Alaska cities in the ACCRA study have the highest costs for several of the six major components of the ACCRA index. (See Table 4.) For example, Ketchikan was tops for transportation, health care, and miscellaneous. Alaska's cities had the highest index numbers for groceries and health care.

ACCRA Points to a Smaller Difference in Housing Costs

Housing costs have always been thought of as exceptionally high in Alaska. Although they may be high, the ACCRA housing index shows that some areas in the nation have comparable housing costs. Generally the lowest rankings for Alaska's cities were in the ACCRA housing cost index. The Anchorage utilities index was lower than about one-half of the cities in the ACCRA study.

Comparative figures for Alaskan cities and other cities around the nation are presented in Tables 5 and 6. Table 5 shows the ACCRA cost of living indexes while Table 6 contains prices for some of the goods and services in the ACCRA study.

The ACCRA cost of living study is designed around spending patterns found in major American urban centers. The data collected in the pricing survey is an attempt to match the items found in the larger areas. This process tends to ignore living costs found in atypical areas.

Table 4

ACCRA Cost of Living Index
First Quarter 1990
Ranking of 20 Highest Index Cities

City	Total Index	Grocery	Housing	Util.	Transp.	Health	Misc.
Nassau-Suffolk, NY	159.3	118.2	237.0	219.1	128.1	137.2	122.3
KODIAK, AK *	148.3	143.5	167.0	191.7	113.0	181.2	129.1
KETCHIKAN, AK	147.9	137.5	153.2	145.8	137.6	202.5	142.3
New London, CT	137.5	117.5	210.5	126.3	114.1	129.8	111.5
San Diego, CA	132.8	104.7	216.1	74.2	134.6	132.3	108.4
JUNEAU, AK	132.8	126.2	128.6	163.9	121.0	193.6	119.3
Orange County, CA	130.7	103.3	226.7	73.5	104.7	133.1	107.5
Hartford, CT	130.1	116.2	161.4	124.0	114.2	141.1	121.7
San Jose, CA	129.3	106.4	218.6	84.0	105.8	135.1	102.3
FAIRBANKS, AK	128.2	126.0	104.9	139.7	130.2	187.8	127.7
Ventura County, CA	127.9	103.3	225.8	66.8	101.9	123.4	104.9
Philadelphia, PA	127.5	114.9	139.9	171.6	108.9	136.7	115.4
Los Angeles County, CA	127.4	103.3	211.3	75.6	102.1	128.5	109.2
ANCHORAGE, AK	127.3	129.3	126.0	94.6	118.4	186.5	129.2
Meriden, CT	126.9	107.4	181.2	103.6	102.1	123.0	118.3
Manchester, NH	120.8	102.0	155.5	140.8	107.4	114.7	105.8
Palm Springs, CA	120.3	103.6	158.0	91.6	114.7	129.0	113.1
Montpelier-Barre, VT	119.0	105.8	147.8	161.7	104.3	98.9	100.8
Temecula, CA	118.0	98.8	159.5	100.4	106.3	125.6	107.6
Wilmington, DE	117.4	104.1	125.1	139.2	98.8	122.3	118.2

Ranking of Alaska Cities by Category

Anchorage, AK	14	3	27	173	7	5	2
Fairbanks, AK	10	5	83	7	3	4	4
Juneau, AK	6	4	25	4	6	3	6
Ketchikan, AK	3	2	14	5	1	1	1
Kodiak, AK	2	1	9	2	14	2	3

Source: Cost of Living Index (291 Cities) 1st Quarter 1990, American Chamber of Commerce Researchers Association.

* Kodiak data 4th Quarter 1989, and is not comparable to 1st Quarter 1990 data.

For example the transportation costs in the ACCRA study include items such as bus fare, the price of a gallon of gasoline, and automobile wheel balancing.

For many areas in Alaska, such as Juneau, Ketchikan, and Kodiak, a typical living cost may include expensive transportation just to leave town. Air fare, which may be a luxury or just one option for travel elsewhere, is an essential in many areas of Alaska. This example illustrates how the ACCRA index might understate the differences between some of Alaska's cities and the all cities' average.

The Runzheimer Living Cost Index

A slightly different approach to calculating the differences among cities is taken in a study commissioned by the Alaska Department of Labor. Runzheimer International, a private research firm, looked at the comparative incomes necessary to maintain a certain standard of living in 253 different areas of the country. This income approach takes into account certain elements often left out of other cost of living measures, such as an area's tax rates.

For this study, a "base" family was created — two parents, two children, living in a 1,500 square foot home with 3 bedrooms and 1.5 baths, driving two automobiles. This family had an income of \$32,000 in Standard City, a fictitious city which had costs close to the median of all the cities in the survey. The standard of living attainable in Standard City was then priced in each of the surveyed areas.

The most recent Runzheimer survey, using October 1989 data, shows Alaska's cities to have quite moderate costs com-

ACCRA Cost of Living Index First Quarter 1990

City	All Items Index	Grocery Items	Housing	Utilities	Trans- portation	Health Care	Misc. Goods & Services
West							
ANCHORAGE, AK	127.3	129.3	126.0	94.6	118.4	186.5	129.2
FAIRBANKS, AK	128.2	126.0	104.9	139.7	130.2	187.8	127.7
JUNEAU, AK	132.8	126.2	128.6	163.9	121.0	193.6	119.3
KETCHIKAN, AK	147.9	137.5	153.2	145.8	137.6	202.5	142.3
KODIAK, AK *	148.3	143.5	167.0	191.7	113.0	181.2	129.1
Salt Lake City, UT	92.9	90.0	82.3	86.4	95.2	95.0	103.3
San Diego, CA	132.8	104.7	216.1	74.2	134.6	132.3	108.4
Seattle, WA	113.2	110.4	137.7	64.0	117.6	136.5	107.6
Southwest							
Albuquerque, NM	99.1	96.3	105.2	98.8	100.9	102.1	95.0
Dallas, TX	103.1	105.4	98.9	108.9	110.0	106.8	98.8
Phoenix, AZ	101.1	95.7	98.7	96.3	104.6	115.2	102.9
Midwest							
Minneapolis, MN	102.9	92.8	112.3	105.2	106.0	107.5	98.6
Omaha, NE	91.2	93.1	85.6	90.4	102.3	83.8	91.5
Saint Louis, MO	98.2	94.7	97.3	111.1	98.6	97.3	96.1
Southeast							
Augusta, GA	99.3	96.2	88.8	115.6	102.3	94.0	102.6
Montgomery, AL	99.3	97.2	88.8	115.2	95.9	105.4	102.5
Louisville, KY	93.1	94.6	91.0	79.4	102.4	88.4	95.9
Atlantic/New England							
Baltimore, MD	111.4	106.0	114.1	108.1	112.8	111.5	112.9
Philadelphia, PA	127.5	114.9	139.9	171.6	108.9	136.7	115.4
Wilmington, DE	117.4	104.1	125.1	139.2	98.8	122.3	118.2

Source: Cost of Living Index (291 Cities) 1st Quarter 1990, American Chamber of Commerce Researchers Association.

* Kodiak data from 4th Quarter 1989, and is not comparable to 1st Quarter 1990 data.

pared to the other areas surveyed. In this survey, costs were only 2.9% to 5.9% above Standard City. (See Table 7.)

One assumption critical to the results of the survey was the duration of home ownership. Like the Consumer Price Index and ACCRA surveys, the guidelines in the Runzheimer survey assume a recent home purchase. The volatility of the Alaska housing market greatly impacted the cost of housing in the results. Mortgage payments accounted for 25% of the family's total living costs in Standard City. Anchorage was only slightly higher than 25%, while Juneau

and Fairbanks were between 20% and 25% of total living costs going towards mortgage payments.

Several years ago, when Alaska's real estate prices were at their highest, a larger share of total income went towards housing costs. Some of the higher cost areas of the country see the greatest difference in the housing cost component—in Los Angeles over 40% of total living costs go towards mortgage payments. Those persons who bought a home several years ago are paying off higher mortgages than those reported in the Runzheimer report. As Alaska's

housing market recovers, mortgage costs will again rise, increasing total living costs.

Summary — Assess Your Needs and Be Aware of Index Limitations

The first question one must answer when looking for cost of living information is what type of comparison needs to be made. Is one interested in how costs changed over time, or how costs differ between places? Answering this ques-

Table 6

**ACCRA Cost of Living Index
Cost of Select Items in Select Cities
First Quarter 1989**

City	1 lb Ground Beef	1/2 gal Whole Milk	1 lb Coffee	House Purchase Price	Total Energy Cost	1 gal Gas	Hospital Room	Office Visit Doctor
West								
ANCHORAGE, AK	\$1.69	\$2.01	\$3.59	\$123,785	\$106.58	\$1.10	\$452.50	\$60.00
FAIRBANKS, AK	1.79	1.97	3.45	99,333	160.14	1.22	326.00	53.80
JUNEAU, AK	1.67	1.84	3.25	125,000	185.22	1.45	380.00	43.80
KETCHIKAN, AK	1.66	2.04	3.63	156,000	173.32	1.45	425.00	56.50
KODIAK, AK *	1.76	1.96	3.46	157,500	218.77	1.41	312.00	41.60
Salt Lake City, UT	1.01	1.43	2.79	83,640	93.83	0.93	268.20	26.00
San Diego, CA	1.65	1.26	2.47	227,000	80.51	1.07	419.00	39.40
Seattle, WA	1.62	1.33	3.02	143,329	65.70	0.92	309.85	41.00
Southwest								
Albuquerque, NM	1.35	1.49	2.57	107,398	105.46	1.03	273.00	31.00
Dallas, TX	1.62	1.66	2.07	95,698	120.26	0.94	270.43	35.28
Phoenix, AZ	1.28	1.20	2.07	95,823	106.70	1.03	298.38	34.50
Midwest								
Minneapolis, MN	1.10	1.36	2.51	117,470	115.23	1.09	339.00	29.40
Omaha, NE	1.44	1.21	2.25	86,940	95.85	0.99	206.40	29.20
Saint Louis, MO	1.39	1.32	2.77	98,765	123.23	0.92	250.60	33.70
Southeast								
Augusta, GA	1.69	1.50	2.01	94,400	127.98	0.98	237.50	30.60
Montgomery, AL	1.64	1.67	2.53	90,000	125.49	1.03	223.50	39.40
Louisville, KY	1.67	1.38	2.37	88,130	80.11	1.03	287.68	27.00
Atlantic/New England								
Baltimore, MD	1.43	1.39	2.71	123,154	116.20	1.06	312.40	31.20
Wilmington, DE	1.69	1.22	2.51	134,751	158.16	0.95	371.33	30.40
Philadelphia, PA	1.51	1.10	2.99	141,800	199.14	1.04	420.40	44.20
ALL CITIES MEAN	1.51	1.41	2.54	104,108	109.06	1.04	256.09	30.10

All cities mean is the mean price of all 291 cities in the 1st quarter 1990 survey.

Source: Inter-City Cost of Living Index.(291 Cities) 1st Quarter 1990, American Chamber of Commerce Researchers Association.

* Kodiak data 4th Quarter 1989, and is not strictly comparable to 1st Quarter 1990 data.

tion narrows the field of appropriate cost of living surveys.

Next a decision must be made on the suitability of different surveys — some surveys look at part of the total cost of living package, such as the Cost of Food at Home survey. Some surveys might look at a population unlike the one being studied. The ACCRA surveys might not reflect the cost of living for poverty in-

come level families, because it emulates a midmanagement families' spending patterns

In Alaska, particularly in smaller communities, survey choices are few. Only the Cost of Food at Home and the ACCRA Cost of Living Index include more than the three largest Alaska cities. These surveys have certain limitations in the scope of goods priced. For this

reason, a data user might be forced to use an index which only approximates cost of living differences.

Given these limitations, most cost of living questions involve some sort of compromise answer. Still, the indexes mentioned in this article provide information to help answer these questions. When used with proper care, the information can help you compare how far your dollar will go.

Runzheimer International Living Cost Standards October 1989

City	Total Costs	Percent of Standard City	Trans- portation	Percent of Standard City	Housing	Percent of Standard City	Misc. Goods & Services, Other	Percent of Standard City
Anchorage	\$33,886	105.9%	\$4,476	116.8%	\$13,914	110.4%	\$10,727	107.7%
Fairbanks	32,939	102.9	4,422	115.4	12,462	98.8	10,949	109.9
Juneau	33,343	104.2	4,268	111.3	12,835	101.8	11,260	113.0
STANDARD CITY	32,000	—	3,833	—	12,607	—	9,961	—
Albuquerque	31,174	97.4	3,756	98.0	12,163	96.5	9,872	99.1
Atlanta	32,957	103.0	4,193	109.4	12,889	102.2	10,227	102.7
Augusta	32,614	101.9	3,672	95.8	14,157	112.3	9,775	98.1
Birmingham	29,871	93.3	3,615	94.3	10,054	79.7	9,970	100.1
Boston	41,681	130.3	4,678	122.0	22,149	175.7	9,887	99.3
Chicago	36,386	113.7	4,194	109.4	16,459	130.6	10,630	106.7
Dallas	30,959	96.7	4,178	109.0	11,360	90.1	10,307	103.5
Denver	30,898	96.6	4,158	108.5	11,438	90.7	9,554	95.9
Detroit	34,394	107.5	4,323	112.8	14,942	118.5	9,891	99.3
Honolulu	39,658	123.9	4,790	125.0	18,311	145.2	12,230	122.8
Indianapolis	30,784	96.2	3,879	101.2	11,033	87.5	9,708	97.5
Jacksonville	30,531	95.4	3,931	102.6	11,290	89.6	10,232	102.7
Los Angeles	41,748	130.5	5,386	140.5	22,235	176.4	10,356	104.0
Milwaukee	32,556	101.7	3,713	96.9	13,228	104.9	9,698	97.4
New York City	44,359	138.6	6,584	171.8	22,986	182.3	10,719	107.6
Philadelphia	37,559	117.4	4,891	127.6	16,322	129.5	10,165	102.0
Portland	32,197	100.6	4,029	105.1	12,555	99.6	9,590	96.3
San Francisco	48,025	150.1	5,067	132.2	29,505	234.0	10,635	106.8
Seattle	33,254	103.9	4,183	109.1	13,992	111.0	10,453	104.9
St. Louis	32,270	100.8	3,785	98.7	12,674	100.5	9,938	99.8
Washington, D.C.	39,176	122.4	4,303	112.3	19,845	157.4	10,509	105.5

Source: Runzheimer's Living Cost Index, October, 1989.

Summary of Cost of Living Indexes

Survey	Population	Strength	Weakness
Consumer Price Index	All urban consumers (CPI-U) or urban wage and clerical workers (CPI-W).	Measures costs in one location over time; the only available inflation measure.	Can only compare the change in the cost-of-living for different locations; only available for Anchorage.
ACCRA Cost of Living Index	Midmanagement level family.	Compares many locations to a national average.	No tracking of changes over time; lacks consistency in price collection.
Cost of Food at Home Study	Lower income individuals or families.	Compares minimum food costs for smaller Alaskan communities excluded from other studies.	No good comparison of national data; only looks at food costs, not entire cost of living.
Runzheimer's Living Cost Index	Family with \$32,000 in income, living in average cost city.	Considers income needed to maintain a specific standard of living in different cities; includes taxes.	Does not directly address differences in prices.