

Maine Issue Brief

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2006 Cost of Living Update: 4th Quarter

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The ACCRA Cost of Living Index[®] (ACCRA-COLI) is the country's longest running cost of living index, published every quarter since 1968. Used widely by both the private and government sector, ACCRA-COLI is the most respected cost of living index. [1] For the 4th quarter of 2006, the staff at The Maine Heritage Policy Center performed the survey in Maine for both the Portland and Bangor metro areas.

Portland

The survey results reveal that Portland has a high cost of living. As shown in Table 1, the cost of living in Portland stands 16.4 percent above the U.S. average. Portland ranks 23rd highest cost of living out of the 194 metropolitan areas represented in the survey. The two categories most responsible for Portland's high ranking are utilities, which rank fifth highest at 34 percent above the U.S. average, and housing, which ranks 24th highest at 33.9 percent above the U.S. average.

Shown in Table 2 is a comparison of Portland to its 21 peer cities in the survey, cities that are within plus or minus 25 percent of Portland's population. When compared to peer cities, Portland had the highest cost of living. Again, the primary culprits for the high ranking were utilities and housing, which both ranked first.

Bangor

For Bangor, the survey results reveal a cost of living that is more inline with the U.S. average. Table 1 shows that Bangor is 3.4 percent above the U.S. average. Bangor ranks the 43rd highest out of the 194 metropolitan areas represented in the survey. While in most categories Bangor was inline with the U.S. average, the area's utilities are considerably higher than the mean. Bangor ranks fifth highest for utilities at 29.3 percent above the U.S. average.

Shown in Table 3 is a comparison of Bangor to its 47 peer cities in the survey, cities that are within plus or minus 25 percent of Bangor's population. When compared to peer cities, Bangor had the sixth highest cost of living. Again, the primary culprit for this high ranking was utilities, which ranked second.

Important Note on Data

The Maine Heritage Policy Center will continue participating in this important survey into the future. However, as more data is collected, users of this data must be aware of one important caution. Since the number of participating cities varies from survey to survey, the results are not comparable over time. In other words, the ACCRA-COLI survey is designed to be a "snapshot-in-

Table 1
Portland and Bangor Cost of Living Index and Ranking
(194 Metropolitan Statistical Areas Represented)
Fourth Quarter 2006

Metropolitan Statistical Area	Composite Index	Rank	Grocery Items	Rank	Housing	Rank	Utilities	Rank	Transportation	Rank	Health Care	Rank	Miscellaneous Goods and Services	Rank
	100 Percent		13 Percent		28 Percent		10 Percent		10 Percent		4 Percent		32 Percent	
Highest: New York-Northern New Jersey-Long Island, NY-NJ-PA (a)	180.4	1	141.5	3	301.5	1	141.9	3	121.7	5	121.0	5	132.0	2
Portland-South Portland-Biddeford, ME	116.4	23	103.4	53	133.9	24	134.0	5	99.1	103	105.9	43	108.2	19
Bangor, ME	103.4	43	98.2	98	91.8	82	129.3	7	100.3	80	106.7	37	107.8	24
U.S. Average: Columbus, OH	100.1	59	98.3	97	96.5	64	116.6	25	101.2	76	105.1	44	98.1	100
Lowest: Joplin, MO	82.0	194	80.4	193	73.5	183	85.0	172	82.4	194	90.2	174	87.4	193

(a) Specifically, Manhattan and Queens averaged.

Source: ACCRA Cost of Living Index.

time” of cost of living differentials, rather than a measure of inflation over time.

That being said, many users will be interested in knowing whether the cost of living is increasing or decreasing over time. In response, The Maine Heritage Policy Center will be creating a web application at www.mainepolicy.org that will compare the latest survey results with a long-run average. The averaged results will start with the 1st trimester 2007 results.[2] This methodology should provide a useful and up-to-date way to gauge changes in the cost of living.

Notes and Sources:

[1] For more information see previous report, *The Cost of Living in Maine*, Maine View Vol. 4, Issues No. 9. [http://www.mainepolicy.org/Portals/0/The%20Maine%20View%20-%20Vol.%20204,%20Issue%20No.%209%20\(final\).pdf](http://www.mainepolicy.org/Portals/0/The%20Maine%20View%20-%20Vol.%20204,%20Issue%20No.%209%20(final).pdf)

Also, the ACCRA-COLI website: www.coli.org.

[2] Starting in 2007, the ACCRA-COLI survey will change from a quarterly basis to a trimester basis.

Table 2
Portland Cost of Living Index and Ranking Versus Peer Cities
(21 Metropolitan Statistical Areas Represented as Portland's Peer Cities (a))
Fourth Quarter 2006

Metropolitan Statistical Area	Composite Index	Rank	Grocery Items	Rank	Housing	Rank	Utilities	Rank	Transportation	Rank	Health Care	Rank	Miscellaneous Goods and Services	Rank
	100 Percent		13 Percent		28 Percent		10 Percent		10 Percent		4 Percent		32 Percent	
Highest: Portland-South Portland-Biddeford, ME	116.4	1	103.4	3	133.9	1	134.0	1	99.1	9	105.9	4	108.2	1
Lowest: Corpus Christi, TX	89.0	21	93.4	15	77.9	18	92.8	13	91.2	19	87.8	20	94.8	16

(a) A "peer city" is defined as being within plus or minus 25 percent of Portland's population.

Source: ACCRA Cost of Living Index.

Table 3
Bangor Cost of Living Index and Ranking Versus Peer Cities
(47 Metropolitan Statistical Areas Represented as Bangor's Peer Cities (a))
Fourth Quarter 2006

Metropolitan Statistical Area	Composite Index	Rank	Grocery Items	Rank	Housing	Rank	Utilities	Rank	Transportation	Rank	Health Care	Rank	Miscellaneous Goods and Services	Rank
	100 Percent		13 Percent		28 Percent		10 Percent		10 Percent		4 Percent		32 Percent	
Highest: Bellingham, WA	115.7	1	110.3	3	147.9	1	88.3	35	114.2	1	111.9	1	100.7	14
Bangor, ME	103.4	6	98.2	22	91.8	11	129.3	2	100.3	13	106.7	3	107.8	2
Lowest: Joplin, MO	82.0	47	80.4	47	73.5	42	85.0	40	82.4	47	90.2	37	87.4	47

(a) A "peer city" is defined as being within plus or minus 25 percent of Bangor's population.

Source: ACCRA Cost of Living Index.

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