

## Morgantown Cost of Living Exceeds National Average

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### Overview

The overall cost of living in Morgantown was 5.6 percent higher than the national average in the first quarter of 2014, according to new survey data. Morgantown’s higher-than-average cost of living is primarily driven by housing costs. The city falls below the national average in the expenditure categories of groceries, utilities, transportation, and health care. While the cost of living in Morgantown is higher than the national average and higher than that of several “college towns” that we have chosen for comparison purposes, the cost of living in the city is substantially lower than that of many large US metropolitan areas.

**Table 1: Cost of Living Index, Overall and by Category**

	Composite index	Groceries	Housing	Utilities	Transportation	Health Care	Misc.
<b>Morgantown, WV</b>	105.6	96.6	114.2	95.8	97.1	97.6	109.9

Source: Council for Community and Economic Research, Cost of Living Index, First Quarter 2014

Note: A value of 100 reflects the US average.

### About the Cost-of-Living Survey

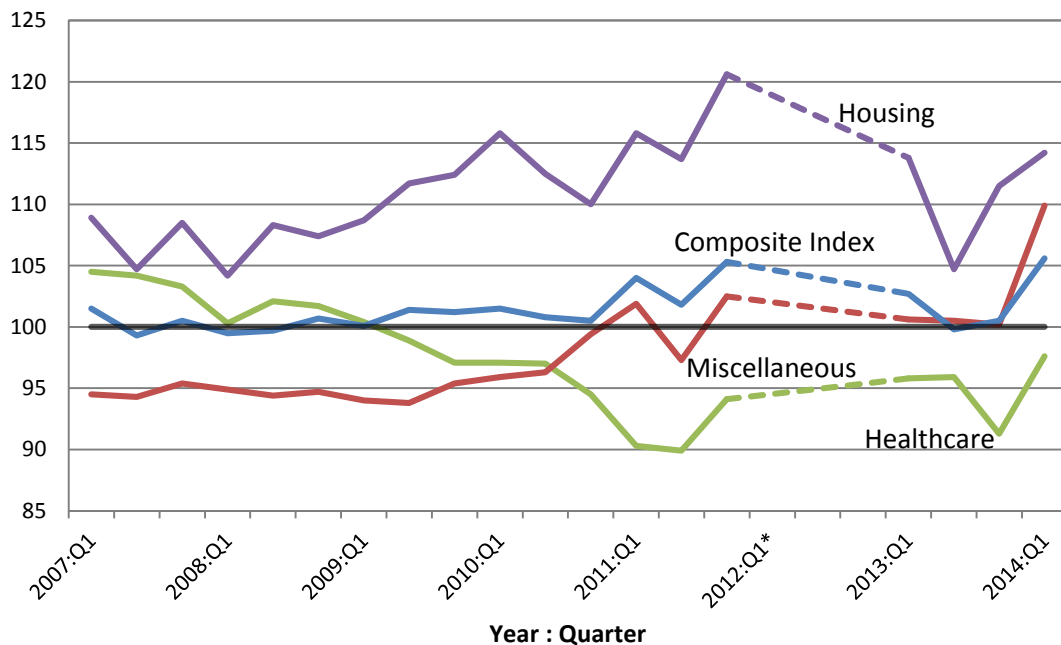
Data for this report are derived from a survey conducted in January by the Council for Community and Economic Research (C2ER), in conjunction with the West Virginia University Bureau of Business and Economic Research (BBER). The organizations collect price data for a basket of 57 of goods and services in 288 cities across the US. The index represents the cost of living for households that are in the top 20 percent of the income distribution in each city. The index expresses the cost of living in a given city as it compares to the national average (an index value of 100 reflects the national average). The various expenditure items that compose the index are divided into six categories: groceries, housing, utilities, transportation, health care, and miscellaneous goods and services.

## Cost of Living by Expenditure Category

As illustrated in Table 1, Morgantown’s composite index score was 105.6, indicating that the overall cost of living in the city was 5.6 percent above the national average. Of the six expenditure categories that compose the index, Morgantown ranks above the national average in two categories--housing and miscellaneous goods and services--and falls below the national average in the remaining four categories--groceries, utilities, transportation, and health care.

In Figure 1 we illustrate how the overall cost of living index has changed over the past several years, along with three select components. As illustrated, the overall index (blue line) has been above the national average for most quarters since the first quarter of 2011. This pattern stand in contrast to the previous four years when Morgantown followed the national average closely.

**Figure 1: Cost of Living Index for Morgantown, Various Categories, 2007-2014**



Source: Council for Community and Economic Research

\*Dashed line indicates data unavailable for the year 2012; A value of 100 reflects the US average.

Housing costs in Morgantown, at 14.2 percent above the national average, are the highest of all of the expenditure categories and have been so consistently for several years (purple line in the Figure).

Healthcare costs in Morgantown fell 2.4 percent below the national average in the first quarter of 2014 (index value of 97.6), but have risen relative to the nation over the past few years (green line in the Figure). The healthcare component of the index is primarily determined by the costs of an adult dental cleaning and a routine medical examination by a general practitioner.

While miscellaneous goods and services prices in Morgantown have been near the national average in recent years, this component of the index rose substantially in the first quarter of 2014 (red line in the Figure). After this recent rise this component stands at 9.9 percent above the national average. The miscellaneous goods and services component of the index is based on a weighted average of fast food prices, clothing items, and a variety of goods and services not covered in the other categories.<sup>1</sup> This steep incline is driven by increases in the prices of several individual prices, such as fried chicken and adult clothing.

The cost of living in Morgantown was below the national average for the remaining categories considered in the survey: Groceries, transportation, and utilities were between 2.9 and 4.2 percent below the national mean. Though Morgantown’s grocery and utility indexes saw slight increases over the previous year relative to the rest of the country, the city’s transportation index—based on auto maintenance and gasoline prices—decreased by 2.9 percentage points.

### Comparing Cities

In Table 2 we report the cost of living index for Morgantown along with several other US cities. For comparison purposes, we have selected several other “college towns” that may be considered comparable to Morgantown, as well as several major US cities. The cost of living in Morgantown was higher than all of our select nearby “college towns,” where the cost of living falls below the national average in all cases. The index in these cities ranges from 87.2 in Knoxville, TN to high of 96.0 in Ames, IA.

On a more positive note, the cost of living in Morgantown is typically below that of the major US metropolitan areas that we have selected for comparison purposes. The cost of living in Morgantown is higher than that of Atlanta, GA and Houston, TX, but falls below that of the other cities, where the index ranges from 106.6 (Denver, CO) to 220.3 (New York, NY).

**Table 2: Cost of Living Index, Various Cities**

	Composite index		Composite index		Composite index
Morgantown, WV	105.6				
Select University Cities		Select Metro Areas			
Ames, IA (Iowa State University)	96.0	Atlanta, GA	97.6	Philadelphia, PA	118.8
Columbus, OH (Ohio State University)	91.9	Boston, MA	135.6	San Francisco, CA	163.9
Knoxville, TN (University of Tennessee)	87.2	Denver, CO	106.6	Washington, DC	139.6
Lexington, KY (University of Kentucky)	89.6	Houston, TX	98.2		
Pittsburgh, PA (University of Pittsburgh)	94.4	Miami, FL	110.5		
Tampa, FL (University of South Florida)	92.9	New York, NY (Manhattan)	220.3		

<sup>1</sup> Items in the miscellaneous category include: hamburger, pizza, fried chicken, barbershop haircut, beauty salon appointment, toothpaste, shampoo, dry cleaning, men’s dress shirt, boy’s jeans, women’s dress pants, major appliance repair, monthly newspaper subscription, movie ticket, bowling game, tennis balls, veterinary services, beer, and wine.

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