

## Morgantown Area Cost of Living Rises Relative to the National Average in 2015

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### Overview

The average cost of living in Morgantown, West Virginia, was 3.7 percent higher than the national average in 2015, which was up slightly from the previous year, according to recent survey data. The rise was led by an increase in miscellaneous expenses, such as restaurant meals, entertainment, and clothing, which rose more than 10 percentage points in 2015 when compared with the national average. Morgantown's housing costs fell relative to the national average, dropping to an index of 102.3, more than 10 percentage points lower than in 2014. Morgantown residents continued to enjoy a lower than average cost of living in the expenditure categories of groceries, utilities, transportation, and health care.

### About the Cost-of-Living Survey

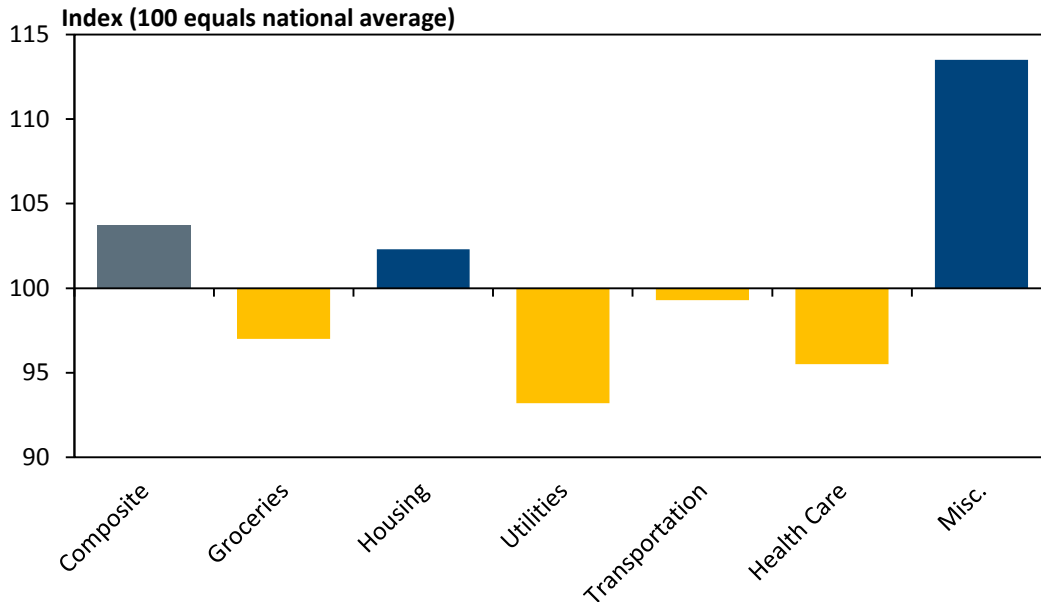
Data for this report are derived from surveys conducted during 2015 by the West Virginia University Bureau of Business and Economic Research (BBER) in conjunction with the Council for Community and Economic Research (C2ER). C2ER collects price data for a basket of 57 of goods and services in 260 cities across the United States and then calculates and index that compares each city with the national average (an index value of 100 reflects the national average). The index expresses the cost of living in a given city as a weighted average of six categories: groceries, housing, utilities, transportation, health care, and miscellaneous goods and services. The index is designed to reflect the cost of living for households that are in the top 20 percent of the income distribution in each city.

### Cost of Living by Expenditure Category

As illustrated in Figure 1, Morgantown's composite index score was 103.7, indicating that the overall average cost of living in 2014 in the city was 3.7 percent above the national average. The overall score was heavily influenced by the high cost of miscellaneous goods and services, such as restaurant meals, clothing, and household services, which were 13.5 percent above the national average. Housing in Morgantown was also higher than the national average, coming in 2.3 points above the national index.

Morgantown’s relative ranking of the four other categories that compose the index – groceries, utilities, transportation, and health care – remained below the national average in 2015.

**Figure 1: Morgantown Cost of Living Relative to National Average by Category**



Source: Council for Community and Economic Research

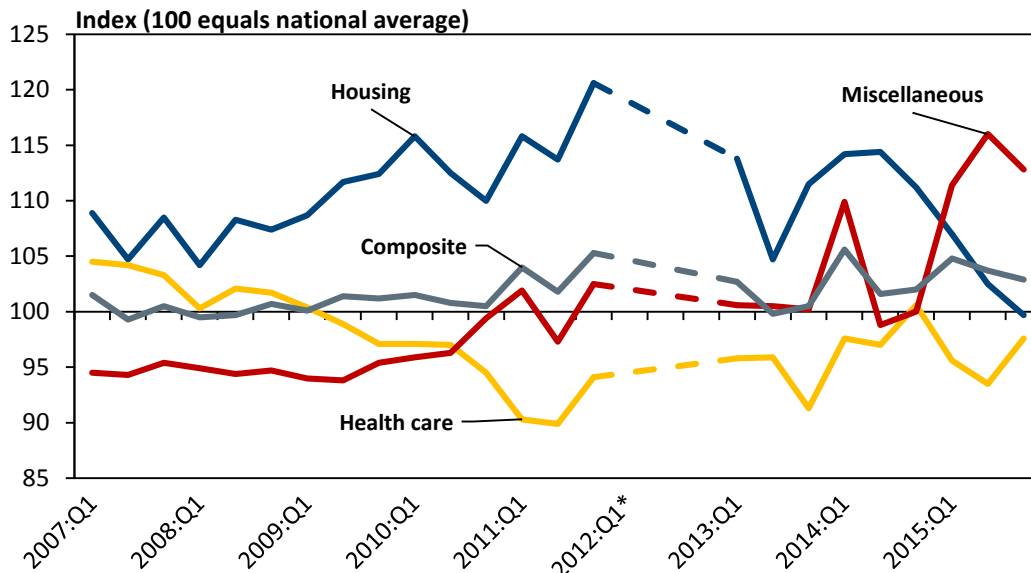
Morgantown’s overall cost of living, as illustrated by the gray line in Figure 2, has been above the national average for most of the period since the first quarter of 2011. This pattern stands in contrast to the previous four years when Morgantown followed the national average closely.

The largest increase in 2015 came in the prices of miscellaneous goods and services, which includes such items as veterinary care, entertainment, and hair care services, along with clothing and restaurant meals. This portion of the index rose to 113.5 in 2015 from 103 in 2014, a gain of more than 10 percentage points relative to the national average.

During the same period, the Morgantown index for housing, which is composed of rental rates and high-end single-family homes,<sup>1</sup> fell relative to the national average. The average price for the type of house targeted at the top-income quintile fell by more than 7 percent from the year before, while the national average rose more than 3 percent. However, the decrease in housing prices in Morgantown was most likely due to small sample size, rather than an actual decrease in overall home values, as fewer than 20 houses that met the criteria for inclusion in the survey were sold in Morgantown during 2015. Rental rates in Morgantown were largely unchanged, compared with an almost 4-percent increase nationally.

<sup>1</sup> The C2ER survey asks for the price of a new construction four-bedroom, two-bath home built on a lot size of 8,000 square feet.

**Figure 2: 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

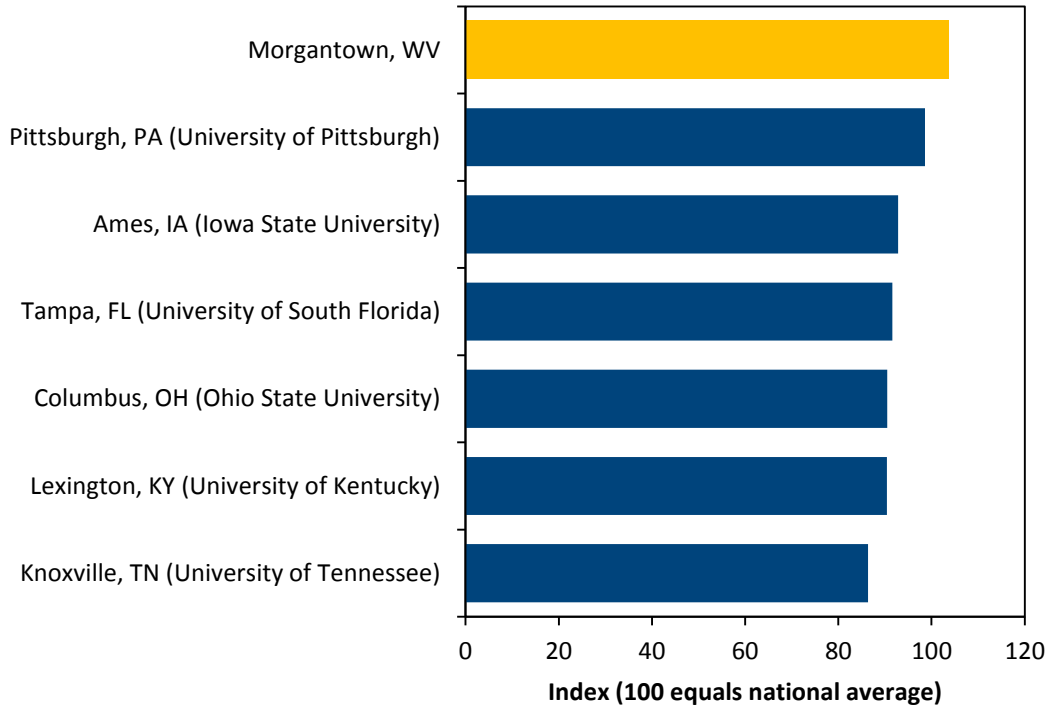
Health care costs decreased relative to the national average in 2015, dropping to an index value of 95.5 from an index of 98.3 in 2014, a drop of 2.8 index points. Health care costs were below the national average during all three of our observations in 2015. The health care index is made up of five components: office visits at each of an optometrist, a dentist, and a general practitioner; and the price of prescription and non-prescription medications.

The cost of living in Morgantown was below the national average for the remaining categories considered in the survey: groceries, transportation, and utilities, which were between 0.7 and 6.8 percent below the national average in 2015. Morgantown’s grocery and utility indexes decreased relative to the national average in 2015, while the transportation index was higher, at just 0.7 percentage points below the nation.

## Cost of Living in Comparable Cities

In the next set of figures, we compare the cost of living index for Morgantown with several other US cities. In Figure 3 we have selected several other “college towns” that may be considered comparable to Morgantown. The cost of living in Morgantown was higher than all of our select “college towns,” where the cost of living falls below the national average in all cases. The index in these cities ranges from 86.4 in Knoxville, TN, to high of 98.6 in Pittsburgh, PA.

**Figure 3: Cost of Living Comparison with Peer College Cities**



Source: Council for Community and Economic Research

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 (see Figure 4). The cost of living in Morgantown is higher than that of Atlanta, GA; and Houston, TX. But Morgantown’s cost of living falls below that of the other major metro areas, where the index ranges from 109.6 (Denver, CO) to 227.4 (New York, NY).

**Figure 4: Cost of Living Comparison with Major Metro Areas**



Source: Council for Community and Economic Research

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