

Cost of Living

Most people accept that living in Alaska costs more than in the contiguous United States, but with so many variables it can sometimes be difficult to quantify how much higher the costs are. Multiple organizations, such as the Cost of Living Index (COLI), the U.S. Military, and the Alaska Energy Authority, release annual reports. The range of results show that Juneau is about 30-35 percent more expensive to live in than the average U.S. city. Housing costs and health care seem to be the more costly elements of living in Juneau.

Cost of Living Index (COLI)

The Cost of Living Index (COLI) is a nationwide quarterly survey of living expenses in 279 U.S. cities. It establishes the average cost of living in the U.S. based on six areas of expenditure typical for a moderately affluent professional or executive household. Juneau's composite score is 132.2, which means that it is approximately 32 percent more expensive than the average city participating in the survey. This score places Juneau at number 17 out of all participants. Fairbanks places at number 16 and Anchorage places at number 20. To put Juneau's costs into a broader perspective, Figure 55 compares Alaska's capital city with Fairbanks, Anchorage and two other capital cities, Olympia, Washington, and Honolulu, Hawaii. Olympia has a composite score equal to the US average, and Honolulu, like Juneau reachable only by air and water, has a composite score over 30 percent higher than Juneau.

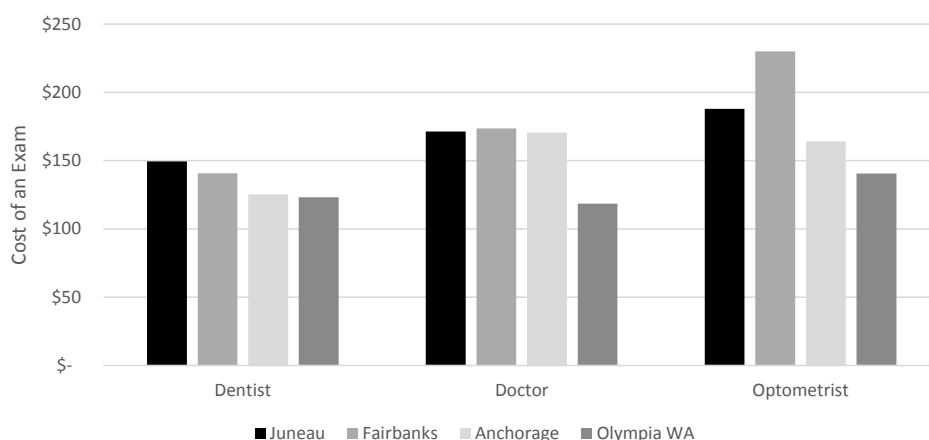
Figure 58: Comparative Cost of Living Index (COLI) for Select Cities, June 2014



Source: Council for Community and Economic Research, Cost of Living Index, Second Quarter (June) 2014

Juneau, Fairbanks and Anchorage are overall about 25-30 percent more expensive than Olympia, with a composite score of 100, putting it at the national average. At the same time, Alaska's cities are about 35-40 percent less expensive than Honolulu. Juneau's most expensive component score is for executive housing, more than 60 percent above the national average. Also more expensive is the cost of energy for a home, with Juneau at about 47 percent above average. This cost is a reflection of the number of heating degree days in a community. The largest cost differential between Juneau and Olympia is in the cost of energy for a home, followed by the cost of executive housing. In the cost of health care, Juneau is the number one most expensive city among all participating communities in the nation. Specifically, Juneau ranks number two in the nation for the cost of a medical exam and an eye exam, and Juneau is most expensive city in the nation for in the cost of a dental exam.

Figure 59: Comparative Cost of a Dental, Medical and Eye Exam for Select Cities, June 2014



Source: Council for Community and Economic Research, Cost of Living Index, Second Quarter (June) 2014

Military Cost of Living Index

The Department of Defense gives a Cost of Living Allowance (COLA) to compensate active duty military personnel who are assigned to counties with above average living costs. They measure approximately 120 goods and services in each place and then assign the COLA adjustment to each location. Juneau gets a 34% boost above the normal COLA, which is slightly less than other communities in the Southeast region.

Figure 60: US Military Overseas COLA Adjustment for Select Alaska Communities, August 2014

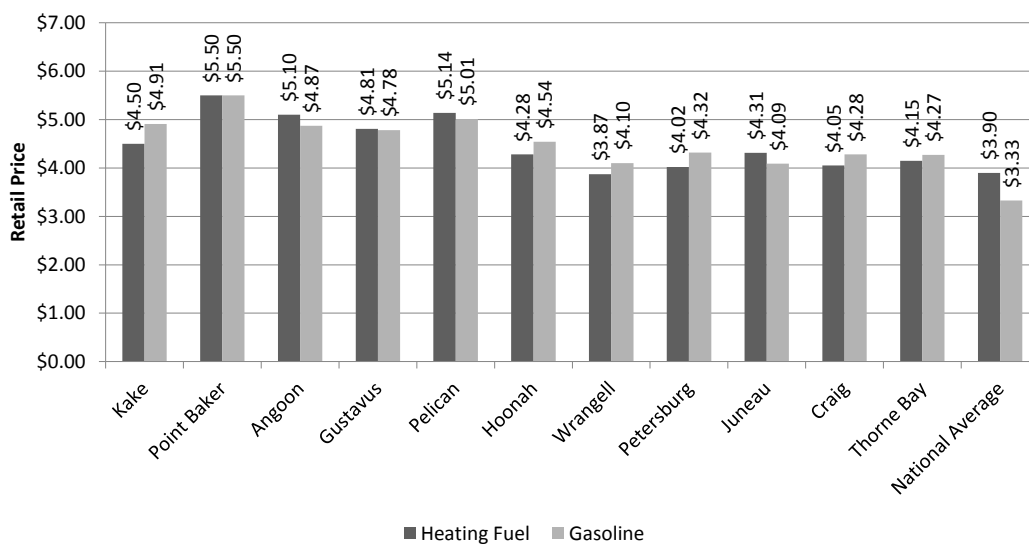
Community	Percent	Community	Percent
Anchorage	130%	Ketchikan	142%
Juneau	134%	Petersburg	146%
Fairbanks	134%	Sitka	144%

Source: U.S. Department of Defense, Overseas COLA Calculator

Fuel Oil and Gasoline Costs

Heating fuel and gasoline are also two important sources of energy that generally cost more in Alaska than the rest of the United States. The Alaska Department of Commerce, Community, and Economic Development released a report on the price of fuel in Alaska in January of 2014, which compares the cost of fuel in over 100 Alaskan communities. The price of heating fuel and gasoline in participating Southeast cities is shown in Figure 58, and can be compared to the national price of heating fuel of \$3.90 (October 2013-January 2014) and the average gasoline price of \$3.51 at the end of January 2014.

Figure 61: Heating Fuel and Gasoline Prices of Select Southeast Cities, January 2014



Source: Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, Alaska Fuel Price Report - January 2014 Update.