

ACCRA REPORTS LAFAYETTE'S COST OF LIVING LOWER THAN NATIONAL AVERAGE

Lafayette, LA— Among the 283 urban areas participating in the second quarter 2005 *ACCRA Cost of Living Index*, the cost for a professional/managerial standard of living in Lafayette is less than the national average. According to first quarter figures, Lafayette's composite index of 95.6 is in second lowest state's six reporting metro areas.

The composite index is based on six components – housing, utilities, grocery items, transportation, health care and miscellaneous goods and services.

The *ACCRA Cost of Living Index* measures relative price levels for consumer goods and services. The national average equals 100, and each participant's index is read as a percentage of the total average. The index is based on more than 50,000 prices covering almost 60 different items for which prices are collected quarterly in participating urban areas.

Lafayette's indices for grocery items, 89.8; health care, 89.0; and miscellaneous good and services, 97.1, are among the lowest in the state.

The grocery index prices items such as ground beef, eggs, milk, produce, bread, and soft drinks.

The health care index is calculated from the costs of optometrist, doctor, and dentist office visits, along with certain medicines.

Prices for fast food meals, haircuts, appliance repairs, movie tickets, monthly newspaper subscriptions, and veterinary services make up the composite for miscellaneous goods and services.

Though, Lafayette's housing index is the highest in the state at 94.7, it is an improvement over last quarter's index of 98.1 which was closer to the national average.

Building regulations along with homebuyers' tastes affect the cost of Lafayette's housing says Judy Keller, Acadiana Home Builder's Association executive director and LEDA executive committee member.

"Lafayette homebuyers demand more than the 'tract-building type' house. They want all the amenities, which naturally, cost more," states Keller.

The housing index is based on the rent for a two-bedroom, 950 square-foot apartment; the total purchase price of a 2,400 square-foot new construction; the average mortgage rate; and the monthly payment using that rate.

LEDA Chairman Dr. Wayne Denton says these numbers are good news to the community.

"Our cost of living index is a supporting factor in our economic development efforts. Being below the national average, means that well-paid people who move

to this area will be comfortable. When you combine the cost of living with the reported low cost of business, we have an advantageous business recruitment atmosphere in Lafayette,” Denton notes.

Lafayette’s total composite in the first quarter of 2005 was 95.8, with 294 urban areas participating.

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