

# Cost of living in Bozeman lower, but still above average

*By KARIN RONNOW  
Chronicle Staff Writer*

The average cost of living in Bozeman dropped slightly in the first few months of this year, but remains above the national average, Prospera Business Network reported Thursday.

The cost of living in the city was 5.2 percent higher than the national average in the first quarter of 2009, compared to 7.6 percent above average in 2008, according to the nonprofit economic-development group.

The cost of living in the other two Montana cities in the study, Missoula and Kalispell, was 1.7 percent and 2 percent below the national average, respectively, according to Prospera.

Despite the sluggish real estate market, Prospera CEO Bob Hietala said, "once again, Bozeman's cost of living is driven up this quarter by the cost of housing ... which is 13 percent above the national average."

Bozeman continues to have the highest cost of living — and cost of housing — in Montana, he said.

Housing costs in Missoula and Kalispell were 4.4 percent below and 2.5 percent below the national average, respectively.

The report is based on the ACCRA Cost of Living Index, a composite of housing, utilities, grocery, transportation, health care and miscellaneous goods prices recorded in urban areas across the United States. The index measures prices of items in those categories in hundreds of cities across the country, comes up with a statistical average and then compares local prices to that average.

One cost-of-living component that has declined in Bozeman is the cost of transportation. That category measured 16 percent below the national average due to the lower cost of gasoline in Montana.

By comparison, the cost of living in Olympia, Wash., is also 5.2 percent above the average. However, living in Reno, Nev., runs about 8.5 above the average, Hietala said.

The ACCRA index measures regional differences in the cost of living. It is compiled quarterly by the Council for Community and Economic Research as a way to compare cost of living differences among urban areas.

Prospera, which was started in 1985 as the Gallatin Development Corporation and since renamed, collects and reports data for the city of Bozeman each quarter.