



AEDC  
Anchorage Economic  
Development Corporation

# COST OF LIVING INDEX

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2025 YEAR-END REPORT  
Anchorage, Alaska

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# Cost of Living Index

The Anchorage Economic Development Corporation (AEDC) collects cost of living data by measuring the relative price of consumer goods and services. The Cost of Living Index (COLI) is calculated in 283 urban areas nationwide by the Council for Community and Economic Research (C2ER). The average index for all participating areas is set at 100, meaning each community's score can be interpreted as a percentage of the national average. Importantly, the COLI does not measure price changes over time, but rather the relative cost of living compared to the national benchmark at a specific point in time.

COLI comparisons, however, are not always apples to apples. Differences in geographic location, transportation and freight costs, local tax structures, housing market dynamics, availability of goods and services, utility infrastructure, wage levels, and consumer preferences can all influence prices in a given community. In Alaska, factors such as remoteness, seasonal variability, energy costs, and supply chain logistics can have an outsized impact on certain categories, making direct comparisons with other metro areas more complex.

## COLI Component Indices

The COLI is made up of six component indices, which together comprise the composite index



### Anchorage Cost of Living

**125.4** | **22<sup>nd</sup>**

The 2025 composite index for Anchorage was 125.4, a 2.6-point increase from 2024 (122.8) or 125.4 of the national average. Anchorage is the 22nd most expensive place to live in the US of participating cities.

Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2025.

# How does Anchorage Compare?

Category (Percent Weight)	Anchorage AK
<b>Composite (100%)</b>	<b>125.4</b>
<b>Grocery (15.00%)</b>	123.8
<b>Housing (29.53%)</b>	133.5
<b>Utilities (8.45%)</b>	111.3
<b>Transportation (8.71%)</b>	118.4
<b>Health (4.80%)</b>	142.4
<b>Miscellaneous (33.51%)</b>	121.9

Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2025.

Overall, Anchorage exceeds the national average in every major cost category, resulting in a composite index that is 25% higher than the U.S. average. The largest structural driver is housing, which carries the greatest weight in the index and is 33% above the national average, making it the single biggest contributor to Anchorage's elevated cost profile. Health care represents the largest relative gap, at 42% above the national average, placing significant pressure on household budgets. Broad-based increases in groceries, transportation, and miscellaneous expenses further compound overall costs. Because the most heavily weighted categories—housing and miscellaneous expenses—are substantially above national levels, Anchorage's higher cost environment is systemic rather than isolated to one sector.

It is important to note how housing is measured within the index. The COLI housing component is based on newly constructed home sales rather than total market activity. In Anchorage, where new construction represents a relatively small share of overall housing inventory and transactions, this methodology may not fully reflect the broader resale market, where most residents purchase homes.

For context, the median home sale price in Anchorage reached approximately \$531,000 in 2025, up from \$375,000 in 2019, and housing demand continues to exceed supply. However, the COLI-reported average home price for Anchorage is \$773,023, reflecting new construction pricing rather than the broader resale market. This gap demonstrates how the index can present a higher housing cost figure than what most buyers experience. This underscores the importance of local context when interpreting COLI housing data.

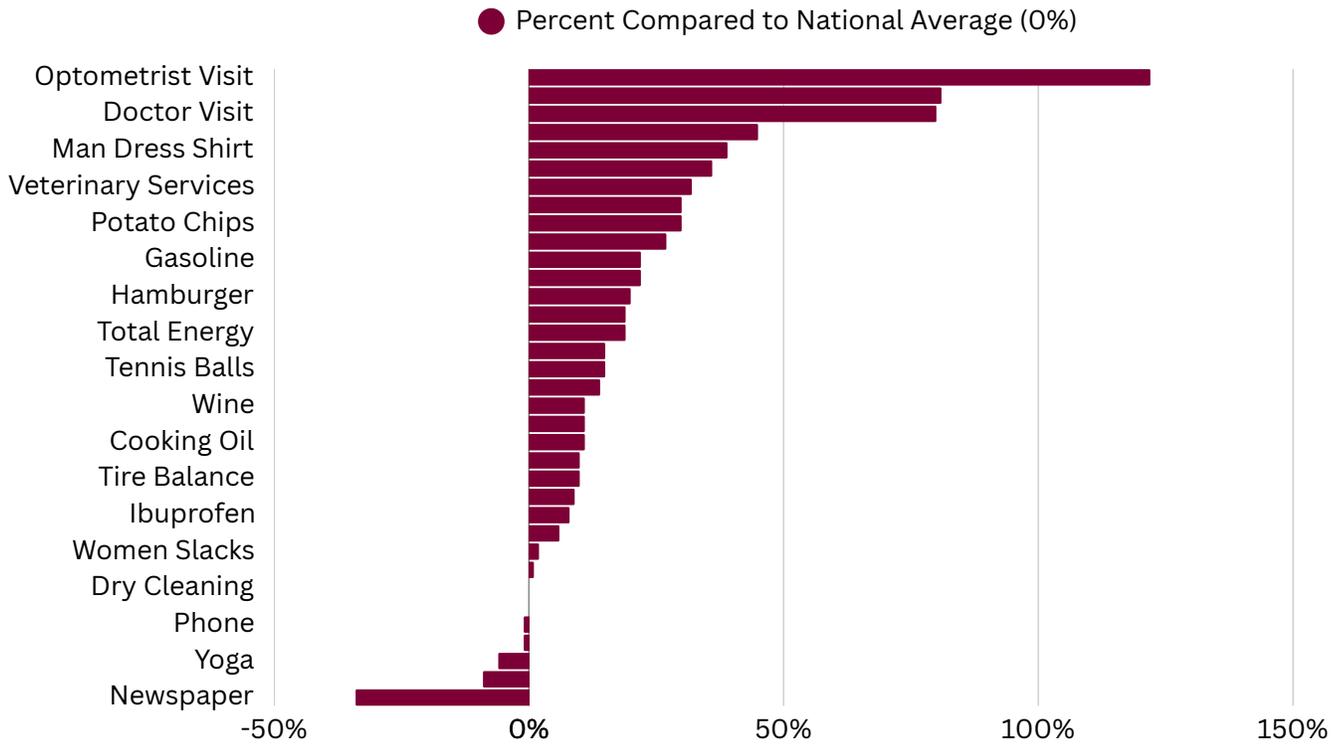
# How does Anchorage Compare?



Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2025.

Between 2024 and 2025, Anchorage experienced notable shifts within several categories. Housing rankings showed mixed movement depending on the measure used, though in one comparison Anchorage moved up to the 28th most expensive housing market in 2025 from 34th in 2024. Health care costs increased further, rising to the 3rd most expensive in the country, behind only the Winchester, VA–WV and New York–New Jersey metro areas. Where doctors' office and optometrist appointments were the most expensive in the nation. Energy and transportation costs also edged upward, with energy bills moving from 36th to 34th most expensive nationwide and gasoline rising from 28th to 24th.

# Where Anchorage Stands Among Key Migration Cities?



0 = National Average; values greater than 0 indicate Anchorage pricing is higher than the national average. See Appendix A for a more detailed breakdown of category-level data and rankings.

Among comparison cities, Honolulu (Rank 3, Index 184) and Seattle (Rank 12, Index 145) remain significantly more expensive, driven largely by very high housing costs. Honolulu’s island geography in the central Pacific creates land constraints, high construction costs, and elevated shipping expenses for nearly all goods. Seattle, while located in the contiguous U.S., is a major coastal metro with strong job growth and limited developable land, pushing housing prices higher. Juneau (Rank 18, Index 132) is also slightly more expensive than Anchorage; its remote Southeast Alaska location, limited road access, and reliance on marine and air transport contribute to higher utilities and health care costs.

In contrast, several common relocation destinations are more affordable overall. Denver (Rank 47, Index 110) benefits from its central U.S. location and extensive transportation networks, supporting broader housing supply and distribution access. Phoenix (Rank 61, Index 105) has experienced rapid growth but continues to expand outward geographically, allowing for comparatively lower housing costs. Dallas (Rank 102, Index 99), located in a large, well-connected Sun Belt metro area with fewer geographic development constraints, remains slightly below the national average.

Overall, geography plays a meaningful role in cost differences. While Anchorage is not among the most expensive U.S. cities, its northern location, higher transportation costs, and housing supply constraints contribute to a cost structure that remains higher than many Mountain West and Sun Belt metros - particularly in housing and health care.

# 2025 Anchorage, AK | COLI

## Cities COLI Comparison 2025

Urban Area and State	COLI Rank	Composite Index	Grocery Items	Housing	Utilities	Transportation	Healthcare	Misc. Goods and Services
Honolulu HI	3	184	131	299	194	142	128	123
Seattle WA	12	145	111	204	101	135	120	125
Juneau AK	18	132	128	138	144	120	140	127
<b>Anchorage AK</b>	<b>22</b>	<b>125</b>	<b>124</b>	<b>134</b>	<b>111</b>	<b>118</b>	<b>142</b>	<b>122</b>
Prescott AZ	24	125	103	173	91	105	91	111
Fairbanks AK	27	123	123	99	213	122	135	119
Olympia WA	42	113	106	117	98	129	124	111
Denver CO	47	110	102	120	87	99	119	112
Asheville NC	57	107	99	113	96	93	115	110
Phoenix AZ	61	105	103	112	106	109	96	101
Yakima WA	77	102	107	87	115	118	105	105
Tucson AZ	83	101	104	95	104	94	113	105
Colorado Springs CO	84	101	103	102	80	100	96	105
Spokane WA	100	99	110	87	100	120	102	98
Dallas TX	102	99	98	89	113	89	102	105
Las Vegas NV	130	96	103	103	93	113	88	84
Raleigh NC	141	95	101	88	90	89	116	98
Houston TX	161	93	98	80	92	96	96	102
San Antonio TX	183	91	93	75	85	92	127	101
El Paso TX	247	87	98	67	89	104	98	95

Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2025.

The cities represented here are located in or near areas with the strongest in- and out-migration from Anchorage and participate in the Cost of Living Index. For more details, see Appendix B.

# Appendix A- Average Prices Compared to National Average

Item	Anchorage, AK	National Average
Steak	\$18.82	\$16.92
Ground Beef	\$8.90	\$7.71
Sausage	\$5.71	\$4.97
Frying Chicken	\$2.74	\$1.66
Chunk Light Tuna	\$1.63	\$1.28
Whole Milk	\$5.36	\$4.75
Eggs	\$4.79	\$4.69
Margarine	\$1.82	\$1.46
Parmesan Cheese	\$4.98	\$4.87
Potatoes	\$5.98	\$5.25
Bananas	\$1.07	\$0.77
Lettuce	\$2.06	\$1.99
Bread	\$5.75	\$4.10
Fresh Orange Juice	\$5.57	\$5.00
Coffee	\$7.42	\$6.52
Sugar	\$5.90	\$5.05
Corn Flakes	\$7.45	\$5.50
Sweet Peas	\$2.19	\$1.72
Peaches	\$3.20	\$2.82
Facial Tissues	\$2.71	\$2.25
Detergent	\$23.18	\$20.83
Wine	\$13.43	\$12.05
Beer	\$12.88	\$10.58
Veterinary Service	\$94.63	\$71.68

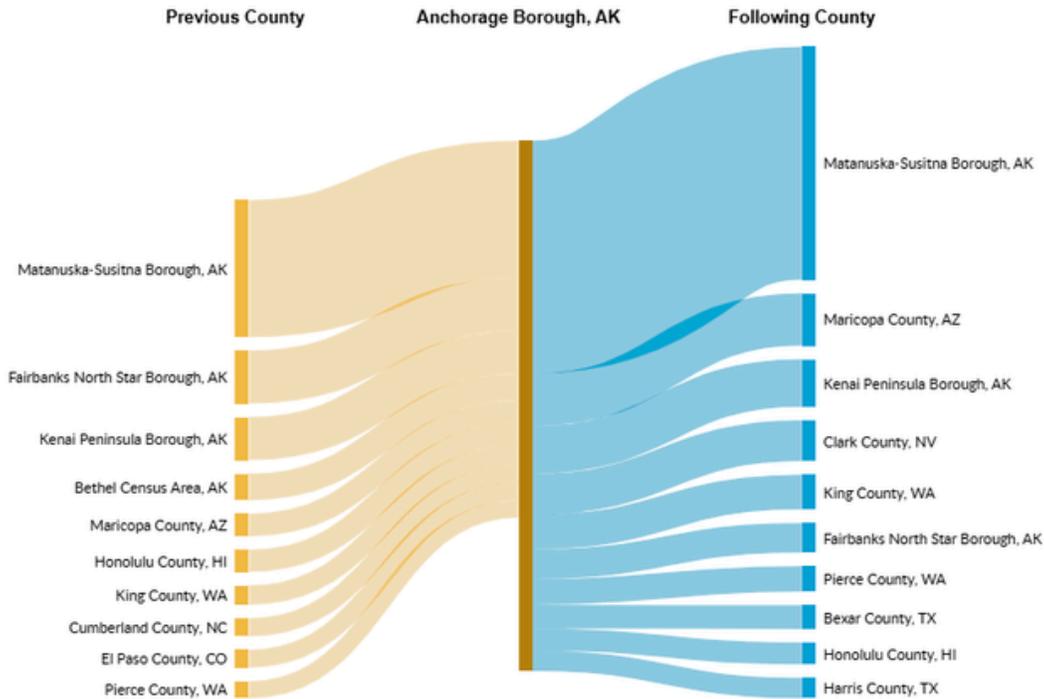
Item	Anchorage, AK	National Average
Cooking Oil	\$10.05	\$9.06
Frozen Meal	\$4.84	\$3.80
Frozen Corn	\$2.59	\$2.28
Potato Chips	\$5.54	\$4.26
Soft Drink	\$3.91	\$3.00
Apartment Rent	\$1,743	\$1,603
Home Price	\$773,023	\$534,127
Total Energy	\$261.15	\$220.13
Tire Balance	\$71.54	\$65.24
Gasoline	\$3.73	\$3.06
Optometrist Visit	\$311.11	\$140.11
Doctor Visit	\$276.36	\$153.83
Dentist Visit	\$167.92	\$123.57
Ibuprofen	\$12.65	\$11.74
Prescription Drug	\$22.24	\$22.27
Hamburger	\$6.98	\$5.80
Pizza	\$14.01	\$12.77
Fried Chicken	\$9.71	\$5.36
Haircut	\$29.33	\$27.59
Beauty Salon	\$58.81	\$51.17
Toothpaste	\$4.06	\$4.09
Shampoo	\$1.55	\$1.54
Dry Cleaning	\$17.99	\$18.00
Man Dress Shirt	\$53.96	\$38.86
Boy Jeans	\$26.62	\$29.19
Movie	\$14.33	\$12.91

Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2025.

# Appendix B- Migration Data

The table below analyzes past and current residents of Anchorage Borough, AK. The left column shows residents of other counties migrating to Anchorage Borough, AK. The right column shows residents migrating from Anchorage Borough, AK to other counties.

As of 2022, **1,239** people have migrated from Matanuska-Susitna Borough, AK to Anchorage Borough, AK. In the same year, **2,106** people left Anchorage Borough, AK migrating to Matanuska-Susitna Borough, AK. The total Net Migration for Anchorage Borough, AK in 2022 was **-2,903**.



Top Previous Counties	Migrations
Matanuska-Susitna Borough, AK	1,239
Fairbanks North Star Borough, AK	479
Kenai Peninsula Borough, AK	390
Bethel Census Area, AK	241
Maricopa County, AZ	204
Honolulu County, HI	200
King County, WA	175
Cumberland County, NC	164
El Paso County, CO	161
Pierce County, WA	156

Top Following Counties	Migrations
Matanuska-Susitna Borough, AK	2,106
Maricopa County, AZ	473
Kenai Peninsula Borough, AK	431
Clark County, NV	370
King County, WA	314
Fairbanks North Star Borough, AK	269
Pierce County, WA	233
Bexar County, TX	215
Honolulu County, HI	198
Harris County, TX	185

Source: IRS SOI Tax Stats – Migration data (U.S. migration flows by state/county) (IRS.gov), Lightcast. (2026). Anchorage economy overview [Data set]. Lightcast Analyst. <https://analyst.lightcast.io>

# Thank You to Our 2025 Diamond Investors



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