

COST OF LIVING INDEX



AEDC
Anchorage Economic
Development Corporation

2026 Q2 Update
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 against the same goods in other communities. The Cost of Living Index (COLI) is calculated in 248 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 above or below 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, freight costs, tax structures, housing dynamics, and consumer preferences can all influence prices in a given community. In Alaska, factors such as remoteness, seasonal variability, and energy costs can have an outsized impact on certain categories, making 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 Index

124.8 | 23rd

The 2026 Q2 composite index for Anchorage was 124.8, a 3.1-point decrease from Q1 2026 (127.9), or 124.8% of the national average. Anchorage ranks 23rd most expensive nationally, slipping 5 spots from 18th in Q1, the first pullback after consecutive increases in 2025 and Q1 2026, driven almost entirely by easing transportation costs while other categories held roughly steady.

Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2026.

How does Anchorage Compare?

Category (Weight)	Q1 2026	Q2 2026	Change
Composite (100%)	127.9	124.8	▼ 3.1
Grocery Items (15.00%)	125.1	123.9	▼ 1.2
Housing (29.53%)	140.4	139.4	▼ 1.0
Utilities (8.45%)	110.9	110.8	▼ 0.1
Transportation (8.71%)	125.9	103.3	▼ 22.6
Health Care (4.80%)	130.9	130.2	▼ 0.7
Misc. Goods & Services (33.51%)	122.4	120.6	▼ 1.8

Anchorage's cost of living remains significantly above the national average, with a composite index 24.8% higher than the U.S. benchmark in Q2 2026, down from 27.9% in Q1. Housing remains the primary driver at 39.4% above average, essentially flat versus Q1's 40.4%, and carries the largest weight in the index. AEDC believes this may not fully reflect the typical Anchorage housing market: C2ER prices a standardized new, mid-management home rather than the median, and is reflective of the cost difference to build a new home in Anchorage. So the elevated reading likely reflects high end new build or recently remodeled homes rather than a true surge in home values.

The standout mover was transportation, which fell from 125.9 to 103.3, a 22.6-point drop, as Anchorage gasoline went from the 17th to the 146th most expensive in the nation. However, this does not reflect current gas prices. AEDC believes this number is incorrectly represented, and may be an issue with the collection window due to price occurring rapidly associated with the conflict in Iran. Grocery, miscellaneous goods, and health care all eased modestly too, while utilities held flat. This does not mean Anchorage prices are falling outright; rather, they are rising more slowly than the rest of the nation or, in the case of transportation, were relatively less expensive during the period measured.

As affordability remains a key concern, AEDC is exploring more accurate ways to measure Anchorage's cost of living and housing market, including a migration study comparing Anchorage to the communities where residents are relocating.

How does Anchorage Compare?



Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2026.

Anchorage's cost position was mixed between Q1 and Q2 2026. The biggest swing was gasoline, which averaged \$3.82/gallon in Q2 and fell from the 17th to the 146th most expensive market in the nation, no longer a standout driver. Steak and ground beef stayed the most expensive in the nation for a second straight quarter, and veterinary services jumped from the 20th to the 10th most expensive as pet-care demand continues to outpace provider availability. Doctor's office visits eased in relative rank (7th to 13th) and the home energy bill eased a few spots (32nd to 36th), while new-home prices held roughly steady (28th to 29th). These divergent trends reflect a broader "K-shaped" pattern, where some costs ease while others keep climbing.

2026 Q2 Anchorage, AK | COLI

Cities COLI Comparison: 2026 Q1 vs Q2

Urban Area	Q1 Rank	Q1 COLI	Q2 Rank	Q2 COLI	Δ Composite
New York (Manhattan) NY	1	227.6	1	228.8	▲ 1.2
Honolulu HI	2	184.8	2	185.8	▲ 1.0
Seattle WA	10	146.8	13	144.7	▼ 2.1
Juneau AK	14	135.7	18	129.1	▼ 6.6
Anchorage AK	18	127.9	23	124.8	▼ 3.1
Fairbanks AK	23	123.3	29	119.7	▼ 3.6
Prescott AZ	30	119.9	34	117.1	▼ 2.8
Portland OR	42	112.8	43	112.8	– 0.0
Olympia WA	44	111.3	47	109.9	▼ 1.4
Denver CO	50	109.1	49	109.0	▼ 0.1
Asheville NC	55	106.3	53	107.7	▲ 1.4
Phoenix AZ	60	103.8	59	104.1	▲ 0.3
Yakima WA	74	100.9	70	100.5	▼ 0.4
Colorado Springs CO	86	98.9	75	99.6	▲ 0.7
Dallas TX	91	98.4	78	99.3	▲ 0.9
Houston TX	118	94.3	124	93.7	▼ 0.6
Raleigh NC	131	93.4	140	92.4	▼ 1.0
El Paso TX	189	88.5	189	88.3	▼ 0.2
Ponca City OK	243	81.5	248	79.0	▼ 2.5

Source: Council for Community and Economic Research (C2ER), Cost of Living Index (COLI), 2026.

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. Tucson AZ, Las Vegas NV, and Spokane WA did not report data in Q2 2026 and have been replaced with three additional reference points: Portland OR (a regional peer), plus the nation's most and least expensive markets, New York (Manhattan) NY and Ponca City OK.

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