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Is There a Global Affordability Crisis? Evidence from City-Level Cost of Living, Wages, and Purchasing Power

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Is There a Global Affordability Crisis? Evidence from City-Level Cost of Living, Wages, and Purchasing Power

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Abstract

Is the global affordability crisis an economic reality or a matter of public perception? This study constructs composite indices of cost of living, wages, and purchasing power across 103 major cities in 2025, using three alternative price benchmarks: the 2024 EIU price index, the long-run EIU average price index, and the Numbeo price index. The results indicate relative stability in cost-of-living rankings for both expatriates and ordinary residents, with the most expensive cities concentrated in the United States and Western Europe, alongside exceptions such as Singapore and Hong Kong for expatriates. More importantly, rather than reflecting a persistent global affordability crisis, affordability is increasingly polarised both across and within countries. These findings imply that perceptions of an affordability crisis may stem less from absolute price levels than from unequal income distribution.

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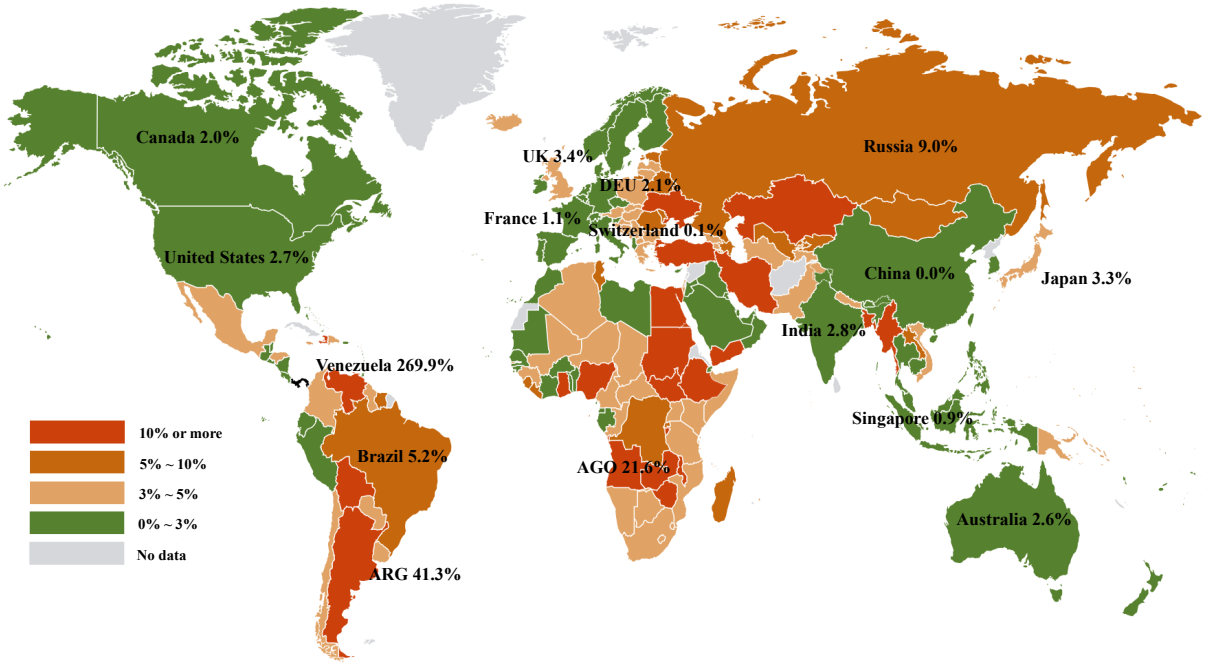
1 Introduction

Affordability, the extent to which individuals and households can purchase essential goods and services, has become a global concern. In 2025, from Zohran Mamdani's mayoral campaign in New York centred on making the city more affordable to protests in Indonesia driven by economic frustrations, rising prices have emerged as a key source of voter dissatisfaction, social unrest, and political instability worldwide (Mahoney and Shaw, 2026).

Figure 1: Inflation Rates by Country in 2025



Notes: This figure visualizes global inflation by country in 2025. Global inflation averaged 4.2% in 2025. Inflation was highest in Venezuela, at 269.9% for the year. While Switzerland (0.1%), China (0%), and Fiji (-0.39%) have the lowest inflation rates. Inflation rates in most developed or large economies remain modest which are below 3%. High Inflation rates mainly comes from Africa, South America and East Asia. For 2026, the IMF projects inflation to decline even further to 3.7% in 2026, even as tariff impacts continue to materialize. *Source*: IMF, World Economic Outlook (Oct 2025).

However, the global affordability crisis is prominent in public discourse but less evident in aggregate data.[1] As shown in Figure 1, the inflation rates of consumer prices in most advanced and major economies remains moderate below 3% in 2025, declining sharply from

[1] Eing and Meissner (2025) also argues that the widely discussed "affordability crisis" in the U.S. and Europe is partly real but often misunderstood. While rising prices have fueled public concern, the concept of affordability is ambiguous and shaped by perceptions rather than purely economic reality.

their 2022–2023 peak. the IMF projects inflation to decline even further in 2026. The coexistence of moderate inflation and persistent perceptions of unaffordability raises an important question: are goods and services truly becoming unaffordable at the global level?

In this paper, we provide a micro-level analysis by constructing the 2025 Cost of Living indices and rankings for both expatriates and ordinary residents across 103 major cities. The composite index is derived from three different methods. In addition, we compute wage indices and rankings, as well as purchasing power indices and rankings, to facilitate inter-city comparisons of affordability.

The results suggest relative stability in cost-of-living rankings for both expatriates and ordinary residents. For expatriates, the most expensive cities are largely concentrated in North America and Western Europe, with Singapore and Hong Kong as notable exceptions. In contrast, the least expensive cities are predominantly distributed in Latin America, South Asia, and Southeast Asia. For ordinary residents, cities in developed economies consistently occupy the upper tiers of the rankings, while those in developing economies remain clustered at the lower end. Although only minor shifts in rankings are observed, the significant variation in index values underscores widening regional disparities, suggesting that leading cities are becoming increasingly expensive.

More importantly, the wage and purchasing power indices suggest that, rather than a persistent global affordability crisis, affordability is increasingly polarised both across and within countries. On the one hand, despite high living costs, advanced cities—particularly major financial, political, and technological centres in developed economies—tend to exhibit higher purchasing power than cities in developing regions such as Latin America, as higher wage levels offset elevated price levels. Significant gaps in the indices further indicate that some cities, such as San Francisco and Munich, benefit from strong income growth and are therefore relatively more affordable. On the other hand, substantial intra-country variation emerges when uneven or limited income growth fails to keep pace with rising living costs, as seen in cities such as New York and Los Angeles. In this context, perceptions of an

affordability crisis may arise less from price levels themselves than from unequal income distribution and intensified competition over scarce assets.

At the national level, statistical agencies often construct the CPI as a proxy for the cost of living index. However, Triplett (2001) notes that while some countries, such as the United States, interpret the CPI as reflecting household living costs, others distinguish it from a true cost of living index. Hill (1998) supports this distinction, arguing that the CPI, as an inflation measure, tracks changes in a fixed basket of goods and services with fixed weightings over time. In contrast, a cost of living index accounts for changes in the composition and weightings of necessary goods and services to maintain constant utility.

At the city level, cost of living and purchasing power indices are typically published by commercial research firms to support multinational corporations (MNCs) in structuring expatriate compensation packages.[2] Consequently, they are not well suited for policy analysis concerning ordinary urban residents, Expatriates tend to follow Western consumption preferences that prioritize high-end goods and lifestyle products—preferences, which differ significantly from those of local residents whose consumption varies across geography, social norm, and culture. Moreover, commercial studies may also suffer from methodological weaknesses and data inaccuracies. For example, Tan et al. (2016) highlighted substantial discrepancies in the data used in the 2009 UBS Prices and Earnings report which overstated the cost of living in Singapore, even for expatriates.[3]

Taken together, these limitations suggest that commercial research reports should not be used beyond their intended purpose of designing expatriate compensation packages. Even within this context, their assumptions and methodologies warrant scrutiny. Meanwhile, academic research has yet to provide a systematic framework for measuring cost of living at

[2]Major commercial studies include the following: 1) USB Prices and Earnings Report; 2) EIU Worldwide Cost of Living Study; 3) Mercer annual Cost of Living Survey; 4) Numbeo Cost of Living Index.

[3]The report claimed that prices for home electronics and household appliances in Singapore exceeded those in Mumbai, which was counterintuitive, as Indian visitors tend to spend twice as much on electronics as the average tourist in Singapore (Singapore Tourism Board 2013). It also ranked Singapore's dining costs above those of several Western European cities, including Paris, despite the latter's well-known high restaurant prices.

the city level, leaving a research gap in the literature. Asia Competitiveness Institute (ACI) seeks to fill this gap by developing a more rigorous and comprehensive approach to analyzing the cost of living, wages, and purchasing power across cities worldwide.

The remainder of the paper is organised as follows: Section 2 examines the data sources and methodology, and Section 3 reports the cost of living, wages, and purchasing power indices and the corresponding rankings, while Section 4 discusses the main results. Finally, Section 5 concludes the paper.

2 Methodology

2.1 Data Sources

The construction of the cost of living, wage, and purchasing power indices relies on multiple data sources, including price data, exchange rates, and item weights. Price data are primarily obtained from the Economist Intelligence Unit (EIU) CityData database, which provide annual item-level prices in local currency for the period 2005–2024, and Numbeo Price database, which provide item-level prices in USD for 2025. All prices are converted into US dollars to enable cross-country comparisons. Exchange rates, expressed as annual averages of local currency units per US dollar, are sourced from the Bank for International Settlements (BIS), which helps smooth short-term fluctuations in currency markets.

Item weights are derived from the World Bank's International Comparison Program (ICP) survey and household expenditure surveys from various countries. The ICP survey is conducted every six years, and data from the 2005, 2011, 2017, and 2021 editions are utilised.

Data on nominal and real expenditure per capita, also obtained from the ICP survey, are used to construct adjustment factors for the Cost of Living Index for Ordinary Residents. Inflation rates, based on the Consumer Price Index (CPI), are sourced from the World Bank's World Development Indicators and national statistical agencies.

Wages are defined using three measures: total compensation and base salary from Revelio Labs, and net salary after tax from Numbeo. Data on working hours are obtained from the International Labour Organization (ILO), which compiles information from multiple sources. As a result, there may be differences in data availability and definitions across countries.

All data sources are summarized in Table A.1 in the Appendix.

2.2 EIU Prices (2024)

In the first methodology, we adopt the most direct approach to construct the 2025 cost of living estimates. Specifically, we begin with the 2024 EIU prices and update them using inflation data for 2025. To do so, we collect inflation data corresponding as closely as possible to the 10 ACI Consumption Categories, using the COICOP Divisions (2018 revision). The 10 ACI Consumption Categories are then matched to the relevant COICOP divisions. For most items, a direct category match is available. In the few cases where a category-level match is unavailable, we use the national all-items inflation rate. In addition, where 2025 inflation data are not yet available for a given country, we use the corresponding 2024 inflation rate instead. This is a practical approximation, as inflation rates tend to be persistent over short horizons, so the resulting estimates are unlikely to differ substantially.[4]

After assigning each item to its corresponding inflation category, we calculate each item's 2025 price by updating its 2024 price with the relevant 2025 inflation rate.

$$P^1_{i,j,2025} = P_{i,j,2024} \times (1 + \pi_{m,c,2025}) \tag{2.1}$$

where $P^1_{i,j,2025}$ denotes the estimated 2025 price of item i in city j, and $P_{i,j,2024}$ denotes the corresponding observed 2024 price. The term $\pi_{m,c,2025}$ represents the 2025 inflation rate for country c and consumption category m to which item i is matched.

A limitation of this method is that it does not capture within-category price heterogeneity across individual items, nor does it account for cross-city inflation differences within the same

[4]Overall, 2025 inflation data is available for 54 out of 62 countries.

country.

2.3 EIU Prices (2005-2024)

To address these concerns, the second methodology employs the historical EIU dataset, which contains item-level prices from 2005 to 2024, to forecast prices for 2025. Tracking the movement of individual prices allows us to capture within-category price heterogeneity and cross-city differences in inflation. First, we compute the rate of price change $r_{i,j,t}$ for each item i in each city j:

$$r_{i,j,t} = (P_{i,j,t} - P_{i,j,t-1})/P_{i,j,t-1} \tag{2.2}$$

where t denotes the year, ranging from 2006 to 2024.

Next, we use the average change rates $\bar{r}_{i,j}$, as a proxy for the change rate in 2025:

$$\bar{r}_{i,j} = \sum r_{i,j,t}/n \tag{2.3}$$

where n denotes the number of years for which item price data are available. The estimated 2025 item price, based on long-run price trends, can be then calculated as:

$$P^2_{i,j,2025} = P_{i,j,2024} \times (1 + \bar{r}_{i,j}) \tag{2.4}$$

2.4 Numbeo Prices (2025)

Given the discontinuation of the EIU price reports, the two methodologies described above arely on forecasting item-level prices. In the third methodology, we instead adopt a new consumption basket based on items collected from Numbeo.

However, due to differences in item definitions across the two datasets, it is not feasible to directly apply the EIU item weights to the Numbeo data. Consequently, the key challenge lies in constructing a new set of item weights, particularly within categories.

In this paper, we follow the steps introduced by Xie et al. (2020) to derive weights for

expatriates. Specifically, each item is assigned to a consumption category based on the ACI classification. Items within a category are assumed to be perfectly substitutable. For example, in the Food category, individuals are assumed to be indifferent between consuming apples and bananas; that is, the total expenditure allocated to apples is equivalent to that for bananas.

Suppose there are k items within a given category. We randomly select a benchmark item b and calculate the relative weight of the remaining item with respect to this benchmark:

$$\begin{aligned} \frac{w_1}{w_b} &= \frac{P_b}{P_1} \\ \frac{w_2}{w_b} &= \frac{P_b}{P_2} \\ &\cdots \\ \frac{w_{k-1}}{w_b} &= \frac{P_b}{P_{k-1}} \end{aligned} \tag{2.5}$$

where w_b is the weight of the benchmark item, w_{k-1} is the weight of the $k-1$-th item, P_b and P_{k-1} represent the prices of the benchmark item and the $k-1$-th item, respectively.

Moreover, the weights of all items within each category sum to unity:

$$w_1 + w_2 + \cdots + w_{k-1} + w_b = 1 \tag{2.6}$$

Combining this with Equation 2.5, we can solve for the weights of all items within each category. Finally, the weight of each item within the Cost of Living Index for expatriates can then be calculated by multiplying category weights derived from ICP survey by the corresponding within-category weights. The weights and classification of all items are reported in Table A.3.

2.5 Cost of Living

As a widely recognized benchmark, New York's index value is normalised to 100. The Cost of Living Index for Expatriates is a composite measure covering all 10 consumption categories.

Higher index values indicate higher living costs for expatriates, while lower values reflect lower expenses. The Cost of Living Index for Expatriates in city j under method a, denoted $CLI_j^{E,a}$, is computed as follows:

$$CLI_j^{E,a} = \frac{\sum_{i=1}^{n} P_{i,j}^{a} \times \omega_i^{E,a}}{\sum_{i=1}^{n} P_{i,NY}^{a} \times \omega_i^{E,a}} \times 100 \tag{2.7}$$

where $a \in \{\text{EIU}_{2024}, \text{EIU}_{2005-2024}, \text{Numbeo}_{2025}\}$, $P_{i,j}^{a}$ is the average price of item i in city j, n is the number of items in ACI Consumption Category, and $\omega_i^{E,a}$ is the weight of item i.

The average price of each item is calculated by averaging multiple price points collected for the same item within the city from various establishments, including supermarkets, branded stores, and chain outlets. All prices are converted into US dollars using the annual exchange rate to enable cross-country comparability with New York as the base city.

The final Cost of Living Index for Expatriates is computed as the average of the values obtained from the three methods:

$$CLI_j^{E} = \frac{1}{3}(CLI_j^{E,\text{EIU}_{2024}} + CLI_j^{E,\text{EIU}_{2005-2024}} + CLI_j^{E,\text{Numbeo}_{2025}}) \tag{2.8}$$

Next, the Cost of Living Index for Ordinary Residents in city j, country c, under method a, denoted CLI_j^{O}, is computed as follows:

$$CLI_j^{O,a} = \frac{CP_j^{a} \times \frac{NP_c^{ICP}}{NP_c^{a}}}{CP_{NY}^{a} \times \frac{NP_{US}^{ICP}}{NP_{US}^{a}}} \times 100 \tag{2.9}$$

where there are three main components: namely, the city-level price index CP_j^{a}, the national price level based on the ICP survey for country c, NP_c^{ICP}, and the national price level based on each method a, NP_c^{a}.

First, the city-level price index CP_j^{a} is constructed using the average price of each item, $P_{i,j}$, and its corresponding weight, $w_{i,c}^{O,a}$. For ordinary residents, item weights are country-

specific, reflecting differences in consumption patterns across countries.[5] The index is then computed as:

$$CP_j^a = \sum_{i=1}^{n} P_{i,j}^a \times w_{i,c}^{O,a} \tag{2.10}$$

As the EIU data reflect prices and consumption patterns of expatriates at the city level, the ICP data capture those of ordinary residents at the national level, adjustment factors are required to modify CP_j^a in constructing the Cost of Living Index for Ordinary Residents. Accordingly, the index incorporates two adjustment factors, namely NP_c^{ICP} and NP_c^a.

The first adjustment factor is derived from the ICP survey, which reports both nominal and real expenditure per capita for each country as well as for the world. It is defined as follows:

$$NP_c^{ICP} = \frac{NEXP_c / NEXP_{world}}{REXP_c / REXP_{world}} \tag{2.11}$$

where $NEXP_x$ is the nominal expenditure per capita for $x \in \{c, world\}$, and $REXP_x$ is the real counterpart.

NP_c^{ICP} can be interpreted as the price level per unit of real consumption for ordinary residents in country c. In other words, it reflects the cost of living faced by ordinary residents based on the ICP survey. This adjustment factor is multiplied by CP_j^a to incorporate resident-based cost-of-living differences into the city-level measure. A limitation of this factor is that it is available only at the national level.

The second adjustment factor, NP_c^a, is constructed from CP_j^a according to the following equation:

$$NP_c^a = \frac{1}{N_c} \sum_{j \in c} CP_j^a \tag{2.12}$$

where N_c is the number of cities in country c in which city j.

NP_c^a is the mean value of CP_j^a across all cities in country c. It serves as a proxy for the overall level of CP_j^a within the country and reflects the cost structure faced by ordinary residents based on each dataset. In constructing the Cost of Living Index for Ordinary

[5] The calculation of item weights for ordinary residents in each country is explained in Xie et al. (2020).

residents, this adjustment factor is used to normalise CP_j^a by division.

Similarly, the final Cost of Living Index for Ordinary Residents is computed as the average of the values obtained from the three methods:

$$CLI_j^O = \frac{1}{3}(CLI_j^{O,\text{EIU}_{2024}} + CLI_j^{O,\text{EIU}_{2005-2024}} + CLI_j^{O,\text{Numbeo}_{2025}}) \tag{2.13}$$

2.6 Wages and Purchasing Power

The Wage Index for Ordinary Residents in city j, denoted WI_j^O, is computed as follows:

$$WI_j^O = \frac{W_j/H_j}{W_{NY}/H_{NY}} \times 100 \tag{2.14}$$

W_j is the average annual wages, computed as the mean of total compensation, base salary, and net salary (after tax), using data from Revelio Labs and Numbeo. Similar to the prices of individual items, the wages are converted from their respective local currencies into USD.

H_j is the average annual hours actually worked, obtained from the ILO database. Specifically, we use the "mean weekly hours actually worked per employed person by sex and economic activity" series reported by the ILO. A limitation of this data is that it is available only at the national level; therefore, all cities within the same country are assumed to share a common value.

Finally, the Purchasing Power Index for Ordinary Residents in city j, denoted PPI_j^O, is computed as:

$$PPI_j^O = \frac{WI_j^O/CLI_j^O}{WI_{NY}^O/CLI_{NY}^O} \times 100 \tag{2.15}$$

where WI_j^O is the Wage Index for Ordinary Residents in city j, as defined in Equation 2.14, and CLI_j^O is the Cost of Living Index for Ordinary Residents in city j, as defined in Equation 2.9.

Purchasing power can be interpreted as the number of consumption baskets of goods and services that ordinary residents can afford per hour of work. A higher level of purchasing

power therefore indicates that residents are able to consume more goods and services for each hour worked.

3 Results

This section presents the main results of the ACI Cost of Living Index and Rankings for Expatriates, the Cost of Living Index and Rankings for Ordinary Residents, the Wage Index and Rankings, and the Purchasing Power Index and Rankings for Ordinary Residents. We begin by summarizing the top 10 and bottom 10 cities, followed by region-specific observations on the rankings. The full results are reported in Tables A.4-A.7.

3.1 Cost of Living Rankings for Expatriate

Table 1 reports the top 10 and bottom 10 cities in the cost of living rankings for expatriates, based on the composite index constructed from three alternative price benchmarks: the 2024 EIU price index, the long-run EIU average price index, the Numbeo price index.

The ten most expensive cities, in descending order, are New York, Zurich, Geneva, Los Angeles, Singapore, San Francisco, Hong Kong, Seattle, and Washington, DC. Among them, five are located in the United States, three in Western Europe, and two in Asia. All are either major financial, political, or technological centers. Notably, New York remains the most expensive city, exceeding Zurich, the second-ranked city, by 10 points and Washington, DC, the tenth-ranked city, by 32 points, indicating substantial dispersion across the top tier.

The ten least expensive cities for expatriates are Kuala Lumpur, Hanoi, Colombo, Pretoria, Bogota, Asuncion, Buenos Aries, Mumbai, New Delhi and Cairo. Four are located in South Asia, three in South America, two in Southeast Asia, and two in Africa. All are in developing countries, many of which have experienced political or economic instability in recent years, such as Argentina and Sri Lanka.

The relatively low index values, ranging from 23.48 to 30.54, indicate that average prices

Table 1: Top and Bottom 10 Cities by Cost of Living (Expatriates)

Rank	City	Country	EIU (2024)	EIU (2005-2024)	Numbeo	Index
1	New York	United States	100	100	100	100
2	Zurich	Switzerland	79.07	84.14	107.18	90.13
3	Geneva	Switzerland	74.73	79.68	103.57	85.99
4	Los Angeles	United States	81.98	83.26	81.55	82.27
5	Singapore	Singapore	74.88	77.84	90.33	81.02
6	London	United Kingdom	70.89	72.90	84.50	76.10
7	San Francisco	United States	68.85	68.93	77.39	71.72
8	Hong Kong	Hong Kong SAR	66.01	67.62	77.22	70.28
9	Seattle	United States	67.76	68.30	66.65	67.57
10	Washington DC	United States	67.79	68.10	66.26	67.38
...	...	...	...	...	...	...
94	Kuala Lumpur	Malaysia	31.10	34.22	26.32	30.54
95	Hanoi	Vietnam	33.31	32.41	25.82	30.51
96	Colombo	Sri Lanka	29.74	31.70	28.84	30.09
97	Pretoria	South Africa	32.29	34.01	19.76	28.68
98	Bogota	Colombia	32.82	32.39	20.37	28.53
99	Asuncion	Paraguay	28.55	28.22	24.44	27.07
100	Buenos Aires	Argentina	30.96	23.52	26.02	26.83
101	Mumbai	India	29.07	29.16	21.70	26.64
102	New Delhi	India	25.16	25.41	23.66	24.74
103	Cairo	Egypt	27.13	20.44	22.88	23.48

Notes: This table presents the latest ACI top 10 and bottom 10 cost of living rankings for expatriates. Column 4 and 5 are based on the EIU price dataset, while column 6 uses the Numbeo price dataset. The last column reports the composite index used for overall rankings. Cities are ranked in descending order. *Sources:* Asia Competitiveness Institute.

in the top 10 cities are approximately two to three times higher than those in the bottom 10 cities. However, unlike the substantial variation observed among the most expensive cities, the least expensive cities are more tightly clustered, with relatively small differences in index values.

Meanwhile, the index values reported in the fourth to sixth column suggest that results vary with the consumption baskets in different data sources, particularly affecting the rankings of cities with lower index values. For example, cities such as Zurich and Geneva

are calculated to have relatively higher values under the Numbeo-based measure, with only minor changes in rankings, whereas Pretoria records the lowest values and ranks. Overall, the composite index helps balance differences across data sources and provides a more comprehensive assessment.

3.2 Cost of Living Rankings for Ordinary Residents

Table 2: Top and Bottom 10 Cities by Cost of Living (Ordinary Residents)

Rank	City	Country	EIU (2024)	EIU (2005-2024)	Numbeo	Index
1	New York	United States	100	100	100	100
2	Zurich	Switzerland	84.20	90.22	82.77	85.73
3	Los Angeles	United States	84.46	85.83	83.09	84.46
4	Geneva	Switzerland	79.17	84.84	80.24	81.42
5	Reykjavik	Iceland	79.56	85.66	69.98	78.40
6	San Francisco	United States	70.20	70.18	75.78	72.05
7	Sydney	Australia	71.05	69.50	66.83	69.13
8	Luxembourg	Luxembourg	67.19	70.08	67.25	68.17
9	Seattle	United States	70.14	70.66	62.63	67.81
10	Washington Dc	United States	68.64	68.77	63.79	67.07
...	...	...	...	...	...	...
94	Baku	Azerbaijan	18.02	18.08	14.77	16.96
95	St Petersburg	Russia	17.12	18.63	14.86	16.87
96	Bangkok	Thailand	16.71	18.42	15.05	16.73
97	Colombo	Sri Lanka	16.77	16.98	13.87	15.87
98	Istanbul	Turkey	18.53	14.73	12.03	15.10
99	Mumbai	India	16.10	15.43	13.52	15.02
100	Hanoi	Vietnam	15.99	15.83	13.16	14.99
101	Ho Chi Minh	Vietnam	15.94	15.76	12.65	14.78
102	New Delhi	India	14.31	13.75	10.31	12.79
103	Cairo	Egypt	11.60	9.16	7.48	9.41

Notes: This table presents the latest ACI top 10 and bottom 10 cost of living rankings for ordinary residents. Column 4 and 5 are based on the EIU price dataset, while column 6 uses the Numbeo price dataset. The last column reports the composite index used for overall rankings. Cities are ranked in descending order by composite index. *Sources:* Asia Competitiveness Institute.

Table 2 reports the cost of living rankings for ordinary residents. New York remains

the most expensive city and is even more expensive for ordinary residents relative to other cities. However, the composition of the top 10 differs somewhat from the expatriate ranking. While cities such as Zurich, Los Angeles, Geneva, San Francisco, Seattle, and Washington DC remain prominent, the resident-based ranking places greater emphasis on cities such as Reykjavik, Sydney, and Luxembourg.

As shown in Table A.5, Singapore ranks 46th (43.21) and Hong Kong is ranked 52nd (41.06), The notable decline implies that the resident-focused consumption basket captures a different consumption structure from that faced by expatriates, particularly in non-Western cities. It also highlights the limitation of cost of living rankings reported by commercial firms, which often rely on uniform consumption assumptions and may therefore introduce systematic bias.

For the least expensive cities, the same broad pattern persists. Cities such as Cairo, New Delhi, Ho Chi Minh City, Hanoi, Mumbai, and Colombo remain among the least expensive. Also, Index values fall below 20, indicating greater dispersion in item-level prices across these cities.

3.3 Wages

Table 3: Descriptive Statistics of Wages

Mean	Median	Std Dev	Max	Min
54,745	44,648	34,327	143,827	7,535

Notes: The sample is based on calculated average annual wages across 103 cities, measured in US dollars.

Table 3 summarizes the characteristics of average annual wage across cities. The mean wage is notably higher than the median, suggesting a right-skewed distribution, where a group of high-income cities—primarily in developed economies—pulls the average upward. The large standard deviation indicates significant dispersion in wage levels across cities.

Table 4 reports the top 10 and bottom 10 cities in hourly salary and wages index. The

Table 4: Top and Bottom 10 Cities by Wages Index

Rank	City	Country	Hourly Salary	Index
1	San Francisco	United States	73.17	128.04
2	Zurich	Switzerland	72.48	126.82
3	Geneva	Switzerland	65.84	115.20
4	Seattle	United States	61.76	108.06
5	Washington Dc	United States	61.32	107.30
6	Boston	United States	60.76	106.32
7	Luxembourg	Luxembourg	60.63	106.10
8	New York	United States	57.15	100.00
9	Copenhagen	Denmark	54.90	96.07
10	Sydney	Australia	52.22	91.37
...	...	...	...	...
94	Quito	Ecuador	5.56	9.74
95	Asuncion	Paraguay	5.47	9.57
96	New Delhi	India	5.46	9.55
97	Manila	Philippines	5.19	9.08
98	Ho Chi Minh	Vietnam	5.16	9.04
99	Mumbai	India	5.12	8.97
100	Nairobi	Kenya	4.36	7.63
101	Amman	Jordan	4.11	7.19
102	Colombo	Sri Lanka	3.70	6.48
103	Cairo	Egypt	3.18	5.56

Notes: Annual wage is defined as the average of base salary, total compensation and net salary after tax. The first two measures are reported by Revelio Labs, while the latter is sourced from Numbeo. Cities are ranked in descending order. Wages are measured as US dollars. *Sources:* Asia Competitiveness Institute.

highest wage levels are concentrated in North America, Western Europea and Australia, particularly in the United States and Switzerland. Five of the top ten cities are located in the United States, reflecting the country's high productivity and strong labor demand in sectors such as technology, finance, research and innovation, and professional services.

More specifically, cities such as San Francisco and Seattle benefit from strong technology clusters,[6] while New York and Boston host major financial and academic institutions. Swiss

[6]San Francisco, forming the northern anchor of the Silicon Valley region, hosts dense technology clusters,

cities such as Zurich and Geneva also rank among the highest globally, driven by high labor productivity, a concentration in high value-added industries (such as pharmaceuticals, banking, and specialized manufacturing), and a highly skilled workforce supported by a robust apprenticeship system.

Table 4 also reports cities with the lowest wage levels, which are primarily located in developing economies, particularly in Africa, South Asia, and Latin America. More strikingly, annual wages in top-tier cities are approximately 10–20 times higher than those in bottom-tier cities. When considered alongside with the cost of living rankings in Table 2, this raises an important question: to what extent is wage in each city sufficient to support prevailing price levels?

3.4 Purchasing Power

Table 5 presents selected representative cities based on purchasing power index for ordinary residents. The top 10 cities, in descending order, are San Francisco, Munich, Berlin, Boston, Washington DC, Luxembourg, Seattle, Amsterdam, Frankfurt, and Copenhagen, all located in the United States or in Northern or Western Europe. In contrast, the lowest-ranked cities include Nairobi, Quito, Sao Paulo, Montevideo, and Amman. Compared with the indices reported above, the larger gap between top-tier and bottom-tier cities indicates a more pronounced polarization in purchasing power and a clear regional pattern.

Notably, although cities in advanced economies generally exhibit higher purchasing power, substantial intra-country variation remains. For example, within the United States, cities such as San Francisco and Seattle rank highly, while Los Angeles ranks 52nd and New York 55th, suggesting that high wages do not necessarily translate into high affordability. Instead, they may suffer from relatively high urban living costs but insufficient wage growth. The findings also indicate that some cities with comparatively lower wage levels—such as Singapore (25th) and Hong Kong (26th)—still maintain relatively high purchasing power.

including Tech Giants such as Alphabet, Apple, Meta. While Seattle is a premier global tech hub anchored by industry giants Amazon and Microsoft.

Table 5: Selected Cities by Purchasing Power Index (Ordinary Residents)

Rank	City	Country	Index
1	San Francisco	United States	182.42
2	Munich	Germany	181.29
3	Berlin	Germany	179.92
4	Boston	United States	164.18
5	Washington DC	United States	156.17
6	Luxembourg	Luxembourg	154.59
7	Seattle	United States	153.50
8	Amsterdam	Netherlands	151.88
9	Frankfurt	Germany	151.66
10	Copenhagen	Denmark	151.53
...	...	...	...
13	Zurich	Switzerland	145.42
17	Geneva	Switzerland	140.48
25	Singapore	Singapore	131.09
26	Hong Kong	Hong Kong SAR	130.52
52	Los Angeles	United States	106.78
55	New York	United States	100.00
...	...	...	...
99	Nairobi	Kenya	34.99
100	Quito	Ecuador	34.81
101	Sao Paulo	Brazil	34.05
102	Montevideo	Uruguay	28.95
103	Amman	Jordan	26.86

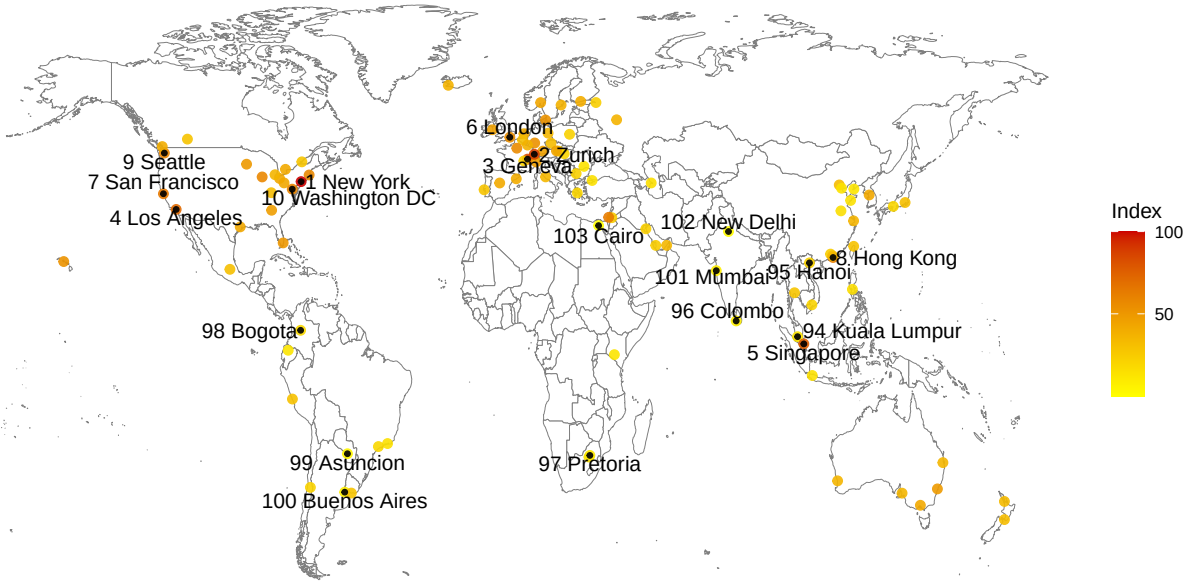
Sources: Asia Competitiveness Institute.

4 Discussions

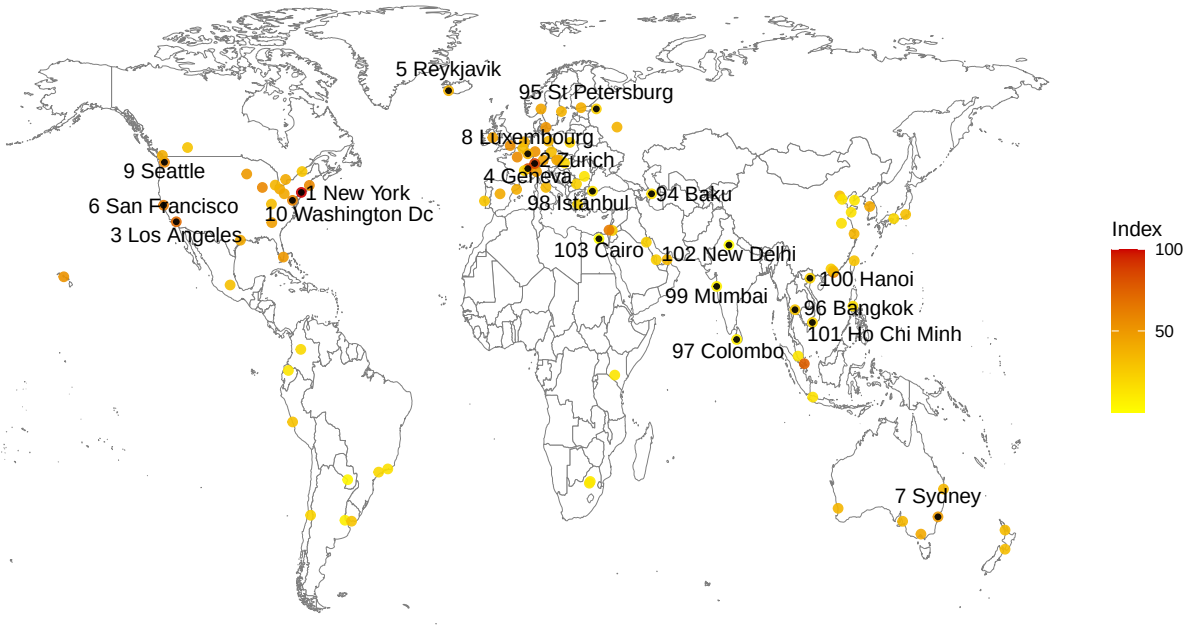
In this section, we examine regional patterns across all index rankings. The analysis focuses on comparisons between expatriates and ordinary residents, the determinants of wage rankings, and the interpretation of purchasing power in the context of the global affordability crisis.

Figure 2 illustrates the global distribution of the Cost of Living Index for Expatriates and Ordinary Residents across 103 major cities. A common pattern across both panels is that

Figure 2: Global Distribution of Cost of Living Index for Expatriates and Ordinary Residents



(a) Expatriates



(b) Ordinary Residents

Note: This figure illustrates the global distribution of Cost of Living Index for Expatriate (panel a) and Ordinary Residents (panel b) across 103 major cities. Each dot represents a city, with its color indicating the corresponding index value. Darker shades denote higher cost of living. *Sources:* Asia Competitiveness Institute.

the most expensive cities are concentrated in North America and Western Europe because of similar consumption preferences between expatriates and residents in these regions. In contrast, the least expensive cities are predominantly located in South and Southeast Asia.

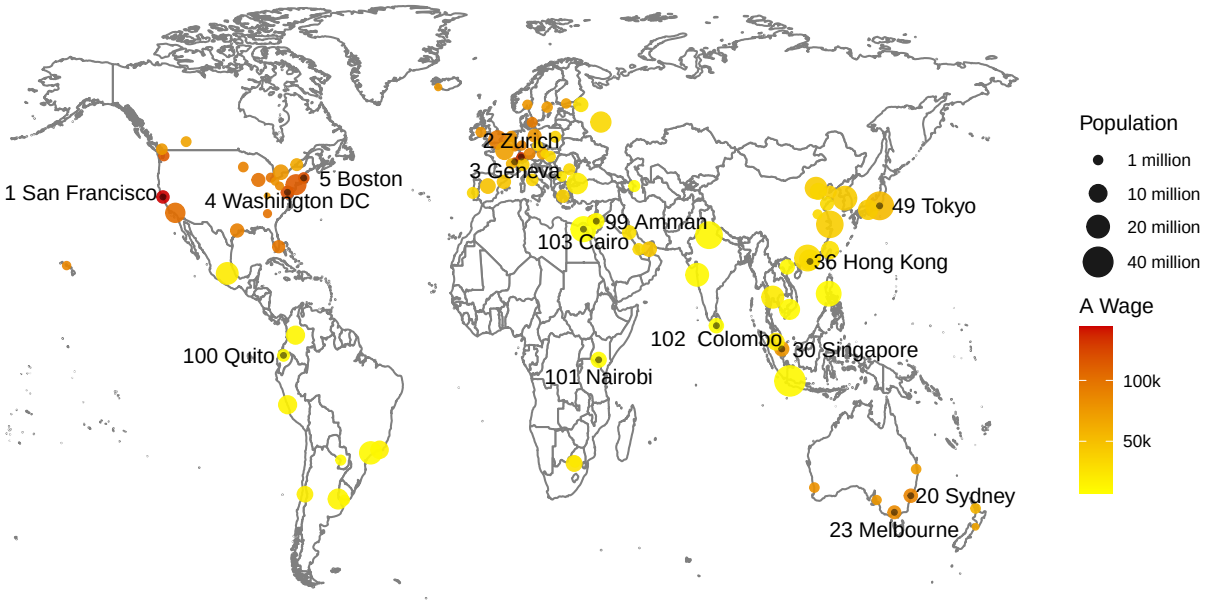
Importantly, high living costs are not merely a reflection of "expensive goods," but rather the outcome of deeper structural factors, including institutions, technology, and urbanisation. Several mechanisms help explain the high cost of living in Western cities. First, consistent with the Balassa–Samuelson effect, higher-income economies tend to exhibit higher price levels, driven by stronger demand for higher-quality goods and services. Second, expensive labor in advanced service-oriented economies raise the prices of non-tradable services such as dining, healthcare, and professional services. Last, strong currencies such as the US dollar and the euro make domestic prices appear higher when all item prices in all cites are finally converted to US dollar.

Notable exceptions, such as Singapore and Hong Kong, further highlight the role of consumption preference in cost-of-living calculation. As global financial hubs, both cities experience strong demand from multinational corporations and international assignees. At the same time, limited land supply and regulatory constraints drive up the prices of key items such as housing, vehicles, and international schooling. Differences in consumption weights between expatriates and local residents imply that, for a given income level, these cities may appear less affordable for expatriates than for ordinary residents.

Figure 3 illustrates the global distribution of wage rankings across cities. The size represents population, while color indicates wage levels. By comparing regional patterns and characteristics of similarly ranked cities, we identify the key determinants of wage rankings.

Wages in Cities in North America, Western Europe, Australia tend to rank the highest. These regions tend to have high levels of human capital, strong innovation systems, and well-developed labor markets. However, compared with the United States, some Western European cities may exhibit slightly lower nominal wages due to higher taxation levels, stronger social welfare systems, and more regulated labor markets.

Figure 3: Global Distribution of Wage Rankings



Notes: This figure illustrates the global distribution of wages and city population. Each dot represents a city, with its color indicating the corresponding index value and its size indicating its population size. Darker shade denotes higher wage index. *Sources:* Asia Competitiveness Institute.

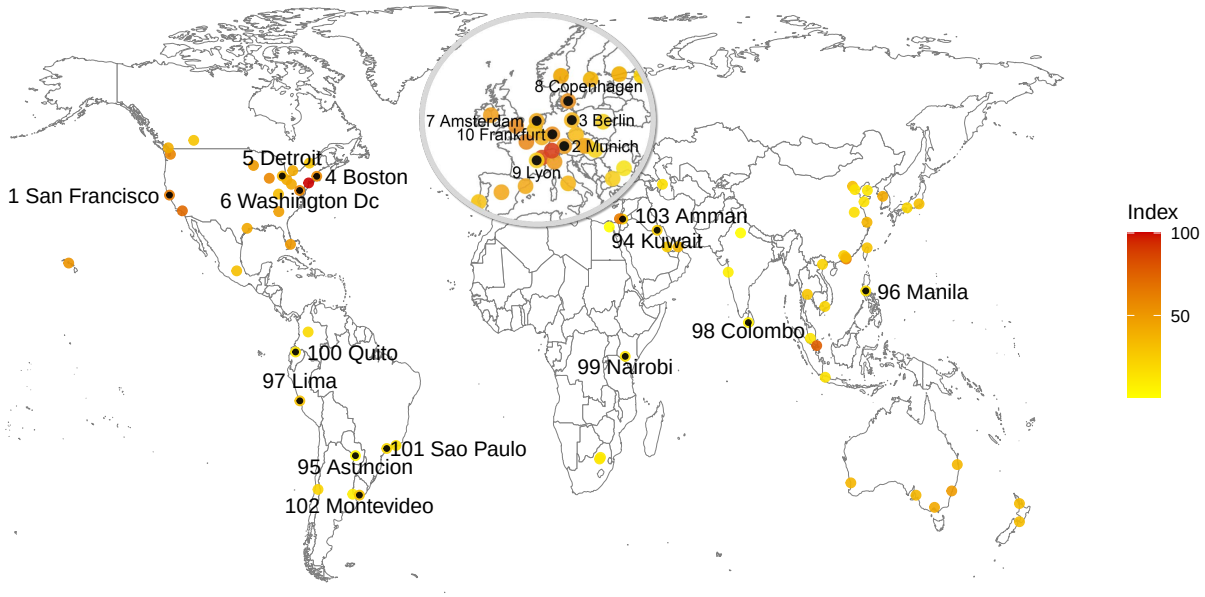
Cities in East Asia tend to occupy middle positions in the rankings. First, cities such as Singapore and Hong Kong connect Southeast Asia and mainland China to global markets, serving as major financial and logistics hubs. Second, high levels of human capital and well-developed infrastructure in Japan, supported by sustained investment in education, technology, and urban development, enhance labour productivity. Third, export-oriented economic structures, promote growth in high-value manufacturing services, contributing to domestic income.

Cities in Eastern Europe tend to occupy the middle range of the wage distribution, supported in part by integration with the European Union. However, wages remain below Western European levels due to persistent productivity gaps. As a result, Eastern European cities represent a transitional wage group between advanced economies and emerging markets.

In contrast, cities in Africa, South Asia, and parts of Southeast Asia generally occupy

the lowest ranks. These regions face structural challenges, including lower levels of industrialisation, higher informal employment, weaker capital accumulation, lower productivity, limited industrial upgrading, weaker institutional quality, and less integration into the global economy. Despite these constraints, some cities, such as Hanoi and Ho Chin Minh City, are experiencing rapid economic growth and urbanisation, suggesting that wage levels may increase over time as economic structures evolve.

Figure 4: Global Distribution of Purchasing Power Index for Ordinary Residents



Notes: This figure illustrates the global distribution of Purchasing Power Index for ordinary residents. Each dot represents a city, with its color indicating the corresponding index value. Darker shade denotes higher purchasing power. *Sources:* Asia Competitiveness Institute.

As shown in Figures 2 and 3, residents in more expensive cities tend to earn higher average wages. This reflects urban agglomeration effects, whereby large cities attract high-productivity firms and high-skilled workers. Knowledge spillovers further enhance productivity, leading firms to offer higher wages, while increased demand and costs drive up prices. This observation raises a key question: how does affordability vary at the global level?

Figure 4 illustrates the global distribution of purchasing power for ordinary residents across 103 major cities. Regional patterns show that cities in North America, Western

Europe and Australia maintain relatively high purchasing power, while cities in East Asia and Eastern Europe exhibit moderate levels. In contrast, cities in Latin America tend to have the lowest purchasing power. This wide dispersion indicates substantial cross-city inequality in purchasing power globally. The distribution is broadly symmetric around the benchmark, but with pronounced tails, particularly on the lower end. In other words, only a small number of cities have sufficient purchasing power to afford high-value goods and services, most cities cluster around moderate affordability levels, and a subset of cities struggles to meet even basic living needs.

The results also suggest that the widely discussed "affordability crisis" in the United States and Europe is partly valid, reflecting substantial intra-country variation. High purchasing power in cities such as San Francisco, Berlin, and Copenhagen indicates that higher wage levels can offset elevated price levels. In contrast, relatively low rankings for New York and Los Angeles—the two largest cities in the United States—highlight growing public concern over rising living costs. One possible explanation is that rapid population inflows lower average wage growth while simultaneously driving up asset prices, particularly in housing markets. In this sense, the issue may stem from rising wealth and intensified competition over scarce assets rather than from economic decline. Perceived affordability pressures are further amplified when even high-income individuals feel financially constrained relative to wealthier asset holders.

Lastly, most low-ranking cities are concentrated in developing countries. Although price levels are lower, income levels are disproportionately low, resulting in weak purchasing power that does not translate into improved living standards. In this context, economic stagnation or underdevelopment emerges as the more fundamental and pressing challenge.

5 Conclusion

This study provides city-level insights into the widely discussed issue of affordability, based on ACI's long-term data collection and research methodology. In addition to documenting the relative stability of cost-of-living rankings for both expatriates and ordinary residents, this paper highlight growing disparities in affordability both across and within countries, with pressures arising primarily from income inequality rather than from price levels alone.

Although the methodology and results are explained in detail, several issues warrant further discussion. First, overall indices and rankings are insufficient to identify the key drivers of living costs. Hence, a more granular category-level analysis is needed. Second, the affordability crisis is not simply a matter of rising prices and declining living standards, but reflects a complex interaction of perceptions, structural economic changes, and asset inequality, which calls for more systematic investigation. Lastly, in less affordable cities, policy responses—such as price controls or fiscal stimulus—require careful design and implementation. If the underlying causes are misdiagnosed, such interventions may result in ineffective policies and potential long-term economic distortions.

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Appendix

Table A.1: Data Sources

Variable	Country/City	Source
Item Price	All	Economist Intelligence Unit (EIU), Numbeo
Item Weight	All	World Bank's International Comparison Program (ICP)
Exchange Rate	All	Bank for International Settlements (BIS)
Wages	All	Revelio Labs, Numbeo
Hours Worked	All	International Labour Organisation (ILO)
Inflation Rate 2025	Australia	Australian Bureau of Statistics
	Brazil	Instituto Brasileiro de Geografia e Estatística (IBGE)
	Bulgaria	National Statistical Institute of Bulgaria
	Chile	Instituto Nacional de Estadísticas de Chile
	China	National Bureau of Statistics of China
	Hong Kong	Census and Statistics Department
	India	Ministry of Statistics and Programme Implementation
	Indonesia	BPS-Statistics Indonesia
	Japan	Statistics Bureau of Japan
	Mexico	Instituto Nacional de Estadística y Geografía (INEGI)
	Peru	Instituto Nacional de Estadística e Informática
	Philippines	Philippine Statistics Authority
	Romania	National Institute of Statistics
	Russia	Federal State Statistics Service
	Sri Lanka	Department of Census and Statistics Sri Lanka
	UAE	Federal Competitiveness and Statistics Centre
	Uruguay	Instituto Nacional de Estadística
	Source	Country/City
Inflation Rate 2025	IMF	Argentina; Austria; Azerbaijan; Belgium; Canada; Colombia; Czech Republic; Denmark; Ecuador; Egypt; Finland; France; Germany; Greece; Great Britain; Hungary; Iceland; Ireland; Israel; Italy; Jordan; Kenya; Kuwait; Luxembourg; Malaysia; Netherlands; New Zealand; Norway; Paraguay; Portugal; Qatar; Singapore; Slovakia; South Africa; South Korea; Spain; Sweden; Switzerland; Thailand; Turkey; United States; Vietnam

Table A.2: Matching ACI Consumption Categories with COICOP Inflation and ICP Categories

ACI Consumption Categories	**COICOP Inflation Categories**	**ICP Categories**
(1) Food & Non-alcoholic Beverages	Food and Non-alcoholic Beverages	(1) Food and Non-alcoholic Beverages
(2) Alcohol & Tobacco	Alcoholic beverages, tobacco and narcotics	(2) Alcoholic Beverages, Tobaccos, and Narcotics
(3) Clothing	Clothing and footwear	(3) Clothing and Footwear
(4) Housing Rents & Utilities	Housing, water, electricity, gas and other fuels	(4) Housing, Water, Electricity, Gas and Other Fuels
(5) Household Supplies & Domestic Help	Furnishings, household equipment and routine household maintenance	(5) Furnishings, Household Equipment and Maintenance
(6) Health	Health	(6) Health
(7) Transport	Transport	(7) Transport
(8) Recreation	Recreation and culture	(9) Recreation and Culture
(9) Education	Education	(10) Education
(10) Miscellaneous Goods & Services	Communication; Restaurants and hotels; Miscellaneous goods and services	(8) Communication; (11) Restaurants and Hotels; (12) Miscellaneous Goods and Services

Source: Adapted from Asia Competitiveness Institute (ACI) category matching of ACI and ICP consumption categories.

Table A.3: Expatriate Item Weights Based on Numbeo Price Data (2025)

Category	Item	Weight (%)
(1) Food & Non-alcoholic Beverages	Apples (1 kg)	3.2331
	Bananas (1 kg)	3.2536
	Back Leg Red Meat (1 kg)	3.1006
	Bottled Water (0.33 Liter)	3.2628
	Chicken Fillets (1 kg)	3.2004
	Eggs (12, Large Size)	3.0370
	Fresh White Bread (500 g Loaf)	3.1516
	Lettuce (1 Head)	3.0831
	Local Cheese (1 kg)	3.1726
	Milk (Regular, 1 Liter)	3.1669
	Onions (1 kg)	3.2615
	Oranges (1 kg)	3.2270
	Potatoes (1 kg)	3.1824
	Tomatoes (1 kg)	3.1994
	White Rice (1 kg)	3.3373
(2) Alcohol & Tobacco	Bottle of Wine (Mid-Range)	2.2185
	Cigarettes (Pack of 20, Marlboro)	2.3945
	Domestic Beer (0.5 Liter Bottle)	2.2354
	Imported Beer (0.33 Liter Bottle)	2.1602
(3) Clothing	Jeans (Levi's 501 or Similar)	0.2026
	Men's Leather Business Shoes	0.1956
	Nike Running Shoes (Mid-Range)	0.1952
	Summer Dress in a Chain Store (e.g. Zara or H&M)	0.1970
(4) Housing Rents & Utilities	1 Bedroom Apartment in City Centre	0.0249
	1 Bedroom Apartment Outside of City Centre	0.0249
	3 Bedroom Apartment in City Centre	0.0250
	3 Bedroom Apartment Outside of City Centre	0.0248
	Basic Utilities for 85 m2 Apartment (Electricity, Heating, Cooling, Water, Garbage)	0.0273
	Broadband Internet (Unlimited Data, 60 Mbps or Higher)	0.0275

Category	Item	Weight (%)
	Mobile Phone Plan (Monthly, with Calls and 10GB+ Data)	0.0355
	Price per Square Meter to Buy Apartment in the City Centre	0.0583
	Price per Square Meter to Buy Apartment outside of center	0.0647
(5) Household Supplies & Domestic Help	Soap	0.0435
	Laundry detergent (3 l)	0.0439
	Toilet tissue (two rolls)	0.0423
	Dishwashing liquid (750 ml)	0.0416
	Insect-killer spray (330 g)	0.0453
	Light bulbs (two, 60 watts)	0.0536
	Batteries (two, size D/LR20)	0.0440
	Frying pan (Teflon or good equivalent)	0.0467
	Electric toaster (for two slices)	0.0476
	Laundry (one shirt)	0.0461
	Dry cleaning, man's suit	0.0426
	Dry cleaning, woman's dress	0.0439
	Dry cleaning, trousers	0.0447
	Hourly rate for domestic cleaning help	0.0441
	Maid's monthly wages (full time)	0.0398
	Babysitter's rate per hour	0.0407
(6) Health	Aspirins (100 tablets) (supermarket)	0.6160
	Razor blades (five pieces)	0.5815
	Toothpaste with fluoride (120 g)	0.4956
	Facial tissues (box of 100)	0.5495
	Hand lotion (125 ml)	0.5516
	Shampoo & conditioner in one (400 ml)	0.4755
	Lipstick (deluxe type)	0.4660
	Man's haircut (tips included)	0.4653
	Woman's cut & blow dry (tips included)	0.4567
	Routine checkup at family doctor	0.5837
	One X-ray at doctor's office or hospital	0.5407

Category	Item	Weight (%)
	Visit to dentist (one X-ray and one filling)	0.4816
(7) Transport	One-Way Ticket (Local Transport)	0.0037
	Monthly Public Transport Pass (Regular Price)	0.0037
	Gasoline (1 Liter)	0.0033
	Volkswagen Golf 1.5	0.0030
	Taxi Start (Standard Tariff)	0.0034
	Taxi 1 km (Standard Tariff)	0.0035
	Taxi 1 Hour Waiting (Standard Tariff)	0.0034
	Toyota Corolla Sedan 1.6 (or Equivalent New Mid-Size Car)	0.0031
	Monthly Fitness Club Membership	1.7699
(8) Recreation	Tennis Court Rental (1 Hour, Weekend)	2.1614
	Cinema Ticket (International Release)	1.7554
(9) Education	Private Full-Day Preschool or Kindergarten, Monthly Fee per Child	0.0121
	International Primary School, Annual Tuition per Child	0.0083
(10) Miscellaneous Goods & Services	Bottled Water (0.33 Liter)	3.8728
	Cappuccino (Regular Size)	3.6603
	Combo Meal at McDonald's (or Equivalent Fast-Food Meal)	3.6134
	Domestic Draft Beer (0.5 Liter)	3.6395
	Imported Beer (0.33 Liter Bottle)	3.6284
	Meal at an Inexpensive Restaurant	3.6367
	Meal for Two at a Mid-Range Restaurant (Three Courses, Without Drinks)	3.6113
	Soft Drink (Coca-Cola or Pepsi, 0.33 Liter Bottle)	3.6484

Notes: Numbers in parentheses are the cost of living rankings.
Source: Asia Competitiveness Institute

Table A.4: Cost of Living for Expatriates

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
New York	United States	100	100	100	100	1
Adelaide	Australia	48.44	48.86	48.38	48.56	50
Amman	Jordan	46.78	47.21	35.74	43.24	65
Amsterdam	Netherlands	49.88	50.96	57.33	52.72	35
Asuncion	Paraguay	28.55	28.22	24.44	27.07	99
Athens	Greece	37.05	38.29	33.99	36.44	86
Atlanta	United States	61.91	62.62	48.68	57.74	21
Auckland	New Zealand	48.47	47.16	44.03	46.56	55
Baku	Azerbaijan	38.13	38.20	33.06	36.46	85
Bangkok	Thailand	44.83	50.11	44.12	46.35	57
Barcelona	Spain	53.90	55.99	47.45	52.45	37
Beijing	China	48.96	49.76	40.05	46.26	58
Berlin	Germany	46.86	48.33	47.96	47.72	53
Bogota	Colombia	32.82	32.39	20.37	28.53	98
Boston	United States	63.82	63.72	70.01	65.85	13
Bratislava	Slovakia	40.86	40.75	37.76	39.79	73
Brisbane	Australia	49.15	49.66	47.61	48.81	47
Brussels	Belgium	49.84	51.52	45.82	49.06	46
Bucharest	Romania	30.92	32.67	30.18	31.26	93
Budapest	Hungary	36.36	37.41	36.11	36.63	84
Buenos Aires	Argentina	30.96	23.52	26.02	26.83	100
Cairo	Egypt	27.13	20.44	22.88	23.48	103
Calgary	Canada	44.85	44.25	40.25	43.11	66
Chicago	United States	69.48	69.54	59.30	66.11	12
Cleveland	United States	59.58	60.21	42.69	54.16	30
Colombo	Sri Lanka	29.74	31.70	28.84	30.09	96
Copenhagen	Denmark	60.90	62.92	62.88	62.23	16
Dalian	China	37.13	37.93	35.85	36.97	82
Detroit	United States	54.76	55.25	47.47	52.49	36
Doha	Qatar	44.29	45.03	40.01	43.11	67
Dubai	UAE	48.32	49.30	46.07	47.90	52

Table A.4: Cost of Living for Expatriates (continued)

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
Dublin	Ireland	55.45	59.91	54.41	56.59	25
Frankfurt	Germany	63.49	66.05	57.38	62.31	15
Geneva	Switzerland	74.73	79.68	103.57	85.99	3
Guangzhou	China	41.87	42.58	43.47	42.64	70
Hanoi	Vietnam	33.31	32.41	25.82	30.51	95
Helsinki	Finland	50.27	52.89	51.57	51.58	39
Ho Chi Minh	Vietnam	44.45	43.34	24.81	37.53	80
Hong Kong	Hong Kong SAR, China	66.01	67.62	77.22	70.28	8
Honolulu	United States	58.67	59.01	68.75	62.14	17
Houston	United States	58.66	58.84	54.74	57.42	23
Istanbul	Turkey	37.00	27.18	31.78	31.99	92
Jakarta	Indonesia	40.31	40.97	34.34	38.54	78
Johannesburg	South Africa	34.96	37.08	31.03	34.36	88
Kuala Lumpur	Malaysia	31.10	34.22	26.32	30.54	94
Kuwait	Kuwait	45.22	45.51	25.76	38.83	76
Lexington	United States	52.63	52.70	33.36	46.23	59
Lima	Peru	50.73	56.07	32.60	46.47	56
Lisbon	Portugal	43.93	45.64	40.52	43.36	64
London	United Kingdom	70.89	72.90	84.50	76.10	6
Los Angeles	United States	81.98	83.26	81.55	82.27	4
Luxembourg	Luxembourg	44.84	46.28	59.95	50.35	40
Lyon	France	42.48	44.40	48.36	45.08	62
Madrid	Spain	54.25	56.31	49.49	53.35	32
Manila	Philippines	37.87	39.25	33.06	36.73	83
Melbourne	Australia	54.47	55.04	51.26	53.59	31
Mexico City	Mexico	53.18	50.58	41.96	48.57	49
Miami	United States	59.46	59.25	63.25	60.65	18
Milan	Italy	55.68	58.13	59.02	57.61	22
Minneapolis	United States	62.87	63.42	52.29	59.52	19
Montevideo	Uruguay	48.08	48.93	43.12	46.71	54
Montreal	Canada	44.15	43.31	40.53	42.66	69

Table A.4: Cost of Living for Expatriates (continued)

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
Moscow	Russian Federation	47.25	53.46	49.29	50.00	42
Mumbai	India	29.07	29.16	21.70	26.64	101
Munich	Germany	53.88	55.76	59.63	56.42	26
Nairobi	Kenya	34.19	37.08	29.53	33.60	89
New Delhi	India	25.16	25.41	23.66	24.74	102
Osaka / Kobe	Japan	43.69	44.60	40.52	42.94	68
Oslo	Norway	50.89	52.05	62.05	55.00	29
Paris	France	64.22	67.66	63.90	65.26	14
Perth	Australia	50.27	50.85	46.37	49.17	45
Pittsburgh	United States	57.22	57.74	56.99	57.32	24
Prague	Czech Republic	44.14	45.82	48.05	46.00	61
Pretoria	South Africa	32.29	34.01	19.76	28.68	97
Qingdao	China	39.43	40.52	47.29	42.41	71
Quito	Ecuador	36.10	36.96	27.35	33.47	90
Reykjavik	Iceland	50.31	53.32	45.68	49.77	43
Rio De Janeiro	Brazil	36.30	35.59	33.97	35.28	87
Rome	Italy	48.34	50.24	46.01	48.20	51
San Francisco	United States	68.85	68.93	77.39	71.72	7
Santiago	Chile	41.00	42.31	28.79	37.36	81
Sao Paulo	Brazil	38.72	38.11	38.97	38.60	77
Seattle	United States	67.76	68.30	66.65	67.57	9
Seoul	Korea, Rep.	50.10	48.34	59.99	52.81	34
Shanghai	China	50.27	51.42	46.21	49.30	44
Shenzhen	China	47.97	49.48	48.83	48.76	48
Singapore	Singapore	74.88	77.84	90.33	81.02	5
Sofia	Bulgaria	28.76	34.58	32.66	32.00	91
St Petersburg	Russian Federation	38.50	43.86	34.61	38.99	75
Stockholm	Sweden	45.12	48.45	56.82	50.13	41
Suzhou	China	39.13	40.04	40.12	39.76	74
Sydney	Australia	58.41	59.12	59.18	58.91	20
Taipei	Taiwan, China	42.57	43.88	44.77	43.74	63

Table A.4: Cost of Living for Expatriates (continued)

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
Tel Aviv	Israel	61.69	65.13	74.51	67.11	11
Tianjin	China	38.98	39.91	44.96	41.28	72
Tokyo	Japan	54.57	55.97	54.54	55.03	28
Toronto	Canada	53.48	52.77	53.71	53.32	33
Vancouver	Canada	51.98	51.52	52.75	52.08	38
Vienna	Austria	53.63	55.17	57.69	55.50	27
Warsaw	Poland	37.20	40.26	36.76	38.07	79
Washington Dc	United States	67.79	68.10	66.26	67.38	10
Wellington	New Zealand	49.40	48.16	40.68	46.08	60
Zurich	Switzerland	79.07	84.14	107.18	90.13	2

Notes: Numbers in parentheses are the cost of living rankings.

Source: Asia Competitiveness Institute

Table A.5: Cost of Living for Ordinary Residents

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
New York	United States	100	100	100	100	1
Adelaide	Australia	58.28	56.91	46.86	54.01	35
Amman	Jordan	26.82	26.74	21.85	25.13	80
Amsterdam	Netherlands	56.05	58.59	47.86	54.17	34
Asuncion	Paraguay	24.52	23.96	19.57	22.68	87
Athens	Greece	38.54	40.32	32.94	37.26	59
Atlanta	United States	61.49	61.89	52.72	58.70	24
Auckland	New Zealand	54.23	51.99	54.06	53.42	37
Baku	Azerbaijan	18.02	18.08	14.77	16.96	94
Bangkok	Thailand	16.71	18.42	15.05	16.73	96
Barcelona	Spain	44.12	46.22	37.82	42.72	50
Beijing	China	31.60	31.56	35.37	32.85	66
Berlin	Germany	42.51	44.28	36.20	41.00	53
Bogota	Colombia	21.38	20.79	16.99	19.72	91
Boston	United States	64.88	64.64	69.18	66.23	11
Bratislava	Slovakia	36.83	38.64	31.57	35.68	62
Brisbane	Australia	59.05	57.82	47.68	54.85	33
Brussels	Belgium	52.78	55.14	45.05	50.99	41
Bucharest	Romania	24.27	25.09	20.50	23.29	85
Budapest	Hungary	30.33	31.06	25.37	28.92	71
Buenos Aires	Argentina	30.02	20.39	26.66	25.69	78
Cairo	Egypt	11.60	9.16	7.48	9.41	103
Calgary	Canada	54.47	53.05	51.41	52.98	38
Chicago	United States	70.63	70.50	51.85	64.33	15
Cleveland	United States	59.42	59.72	55.63	58.25	26
Colombo	Sri Lanka	16.77	16.98	13.87	15.87	97
Copenhagen	Denmark	62.18	64.62	62.79	63.20	16
Dalian	China	24.22	24.26	21.03	23.17	86
Detroit	United States	55.40	55.57	31.08	47.35	44
Doha	Qatar	45.51	45.70	37.33	42.84	49
Dubai	UAE	40.70	40.55	33.13	38.13	57

Table A.5: Cost of Living for Ordinary Residents (continued)

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
Dublin	Ireland	64.75	67.43	65.08	65.75	13
Frankfurt	Germany	57.04	59.91	56.87	57.94	27
Geneva	Switzerland	79.17	84.84	80.24	81.42	4
Guangzhou	China	28.19	28.19	28.60	28.33	73
Hanoi	Vietnam	15.99	15.83	13.16	14.99	100
Helsinki	Finland	57.48	59.92	48.95	55.45	32
Ho Chi Minh	Vietnam	15.94	15.76	12.65	14.78	101
Hong Kong	Hong Kong SAR	43.61	43.80	35.78	41.06	52
Honolulu	United States	60.73	60.88	65.26	62.29	18
Houston	United States	60.69	60.62	59.16	60.16	20
Istanbul	Turkey	18.53	14.73	12.03	15.10	98
Jakarta	Indonesia	20.42	19.79	16.17	18.79	92
Johannesburg	South Africa	27.11	28.33	22.51	25.98	77
Kuala Lumpur	Malaysia	18.03	19.72	16.11	17.96	93
Kuwait	Kuwait	40.25	40.39	33.00	37.88	58
Lexington	United States	54.96	54.73	48.24	52.65	40
Lima	Peru	30.77	32.40	26.47	29.88	69
Lisbon	Portugal	39.86	41.73	34.09	38.56	56
London	United Kingdom	59.84	62.22	50.83	57.63	28
Los Angeles	United States	84.46	85.83	83.09	84.46	3
Luxembourg	Luxembourg	67.19	70.08	67.25	68.17	8
Lyon	France	35.12	36.62	38.99	36.91	60
Madrid	Spain	44.63	46.66	38.05	43.11	47
Manila	Philippines	23.35	23.22	18.97	21.85	88
Melbourne	Australia	66.48	64.97	62.45	64.64	14
Mexico City	Mexico	35.52	32.01	26.15	31.23	67
Miami	United States	61.21	60.76	57.83	59.93	22
Milan	Italy	49.84	52.18	45.28	49.10	42
Minneapolis	United States	64.41	64.77	56.14	61.77	19
Montevideo	Uruguay	46.64	45.11	36.85	42.87	48
Montreal	Canada	51.62	50.05	40.58	47.42	43

Table A.5: Cost of Living for Ordinary Residents (continued)

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
Moscow	Russia	20.84	22.77	18.95	20.85	89
Mumbai	India	16.10	15.43	13.52	15.02	99
Munich	Germany	47.42	49.58	42.55	46.52	45
Nairobi	Kenya	20.96	22.65	18.51	20.71	90
New Delhi	India	14.31	13.75	10.31	12.79	102
Osaka / Kobe	Japan	31.95	32.66	27.46	30.69	68
Oslo	Norway	61.43	63.05	51.51	58.67	25
Paris	France	57.28	59.92	59.88	59.03	23
Perth	Australia	61.16	59.97	58.75	59.96	21
Pittsburgh	United States	59.30	59.55	50.97	56.60	29
Prague	Czech Republic	34.62	36.73	30.00	33.78	64
Pretoria	South Africa	25.25	26.29	22.11	24.55	82
Qingdao	China	27.54	27.78	32.10	29.14	70
Quito	Ecuador	27.99	27.95	22.84	26.26	76
Reykjavik	Iceland	79.56	85.66	69.98	78.40	5
Rio De Janeiro	Brazil	28.24	26.01	20.13	24.79	81
Rome	Italy	44.25	45.98	34.91	41.71	51
San Francisco	United States	70.20	70.18	75.78	72.05	6
Santiago	Chile	29.42	29.13	23.80	27.45	75
Sao Paulo	Brazil	31.02	28.75	24.60	28.12	74
Seattle	United States	70.14	70.66	62.63	67.81	9
Seoul	Korea, Rep.	37.30	35.57	29.06	33.97	63
Shanghai	China	34.19	34.36	39.89	36.15	61
Shenzhen	China	31.70	32.14	34.89	32.91	65
Singapore	Singapore	45.12	46.51	38.00	43.21	46
Sofia	Bulgaria	24.92	50.82	41.52	39.09	55
St Petersburg	Russia	17.12	18.63	14.86	16.87	95
Stockholm	Sweden	56.91	61.26	50.05	56.07	31
Suzhou	China	25.94	26.03	24.99	25.65	79
Sydney	Australia	71.05	69.50	66.83	69.13	7
Taipei	Taiwan, China	24.65	25.39	20.75	23.60	84

Table A.5: Cost of Living for Ordinary Residents (continued)

City	Country	EIU (2024)	EIU (2005-2024)	Numbeo (2025)	Index	Rank
Tel Aviv	Israel	63.53	68.16	65.68	65.79	12
Tianjin	China	25.53	25.69	21.05	24.09	83
Tokyo	Japan	41.94	43.39	34.67	40.00	54
Toronto	Canada	63.75	62.15	61.12	62.34	17
Vancouver	Canada	60.38	59.14	50.21	56.58	30
Vienna	Austria	54.71	57.09	46.64	52.81	39
Warsaw	Poland	29.07	30.85	25.21	28.38	72
Washington Dc	United States	68.64	68.77	63.79	67.07	10
Wellington	New Zealand	55.40	53.24	51.91	53.52	36
Zurich	Switzerland	84.20	90.22	82.77	85.73	2

Notes: Numbers in parentheses are the cost of living rankings.

Source: Asia Competitiveness Institute

Table A.6: Wage Rankings

City	Country	Hourly Salary	Index	Rank
New York	United States	57.15	100	8
Adelaide	Australia	45.00	78.75	25
Amman	Jordan	4.11	7.19	101
Amsterdam	Netherlands	49.75	87.06	17
Asuncion	Paraguay	5.47	9.57	95
Athens	Greece	18.37	32.14	58
Atlanta	United States	50.83	88.95	14
Auckland	New Zealand	33.72	59.00	46
Baku	Azerbaijan	6.59	11.53	89
Bangkok	Thailand	9.36	16.38	81
Barcelona	Spain	24.57	43.00	51
Beijing	China	16.28	28.48	64
Berlin	Germany	44.62	78.07	26
Bogota	Colombia	5.80	10.15	92
Boston	United States	60.76	106.32	6
Bratislava	Slovakia	18.27	31.98	60
Brisbane	Australia	43.30	75.76	29
Brussels	Belgium	38.47	67.32	40
Bucharest	Romania	15.93	27.87	67
Budapest	Hungary	16.77	29.34	62
Buenos Aires	Argentina	7.32	12.81	87
Cairo	Egypt	3.18	5.56	103
Calgary	Canada	37.42	65.48	42
Chicago	United States	51.28	89.72	13
Cleveland	United States	40.87	71.52	35
Colombo	Sri Lanka	3.70	6.48	102
Copenhagen	Denmark	54.90	96.07	9
Dalian	China	16.22	28.38	65
Detroit	United States	45.46	79.55	23
Doha	Qatar	13.83	24.20	70
Dubai	UAE	17.62	30.82	61
Dublin	Ireland	43.06	75.34	30

Table A.6: Wage Rankings (continued)

City	Country	Hourly Salary	Index	Rank
Frankfurt	Germany	50.68	88.68	15
Geneva	Switzerland	65.84	115.20	3
Guangzhou	China	12.54	21.95	75
Hanoi	Vietnam	5.73	10.02	93
Helsinki	Finland	40.73	71.28	37
Ho Chi Minh	Vietnam	5.16	9.04	98
Hong Kong	Hong Kong SAR, China	32.60	57.04	47
Honolulu	United States	44.43	77.75	27
Houston	United States	46.85	81.97	21
Istanbul	Turkey	8.72	15.26	84
Jakarta	Indonesia	6.13	10.72	90
Johannesburg	South Africa	12.25	21.43	76
Kuala Lumpur	Malaysia	9.43	16.50	80
Kuwait	Kuwait	10.46	18.30	78
Lexington	United States	36.57	63.99	43
Lima	Peru	6.96	12.18	88
Lisbon	Portugal	18.35	32.12	59
London	United Kingdom	51.80	90.65	12
Los Angeles	United States	51.96	90.91	11
Luxembourg	Luxembourg	60.63	106.10	7
Lyon	France	31.04	54.31	48
Madrid	Spain	25.72	45.01	50
Manila	Philippines	5.19	9.08	97
Melbourne	Australia	49.75	87.05	18
Mexico City	Mexico	9.14	15.99	82
Miami	United States	49.39	86.42	19
Milan	Italy	21.80	38.15	53
Minneapolis	United States	46.12	80.70	22
Montevideo	Uruguay	7.59	13.28	86
Montreal	Canada	35.40	61.94	44
Moscow	Russian Federation	16.59	29.02	63
Mumbai	India	5.12	8.97	99

Table A.6: Wage Rankings (continued)

City	Country	Hourly Salary	Index	Rank
Munich	Germany	50.25	87.92	16
Nairobi	Kenya	4.36	7.63	100
New Delhi	India	5.46	9.55	96
Osaka / Kobe	Japan	22.40	39.19	52
Oslo	Norway	45.24	79.17	24
Paris	France	38.43	67.24	41
Perth	Australia	47.64	83.36	20
Pittsburgh	United States	43.89	76.79	28
Prague	Czech Republic	19.58	34.26	56
Pretoria	South Africa	10.05	17.58	79
Qingdao	China	12.87	22.52	73
Quito	Ecuador	5.56	9.74	94
Reykjavik	Iceland	41.67	72.92	33
Rio De Janeiro	Brazil	8.58	15.02	85
Rome	Italy	19.65	34.38	55
San Francisco	United States	73.17	128.04	1
Santiago	Chile	9.11	15.95	83
Sao Paulo	Brazil	5.82	10.18	91
Seattle	United States	61.76	108.06	4
Seoul	Korea, Rep.	20.92	36.61	54
Shanghai	China	16.04	28.07	66
Shenzhen	China	13.11	22.94	71
Singapore	Singapore	34.32	60.05	45
Sofia	Bulgaria	12.03	21.06	77
St Petersburg	Russian Federation	13.87	24.27	69
Stockholm	Sweden	40.74	71.29	36
Suzhou	China	12.99	22.73	72
Sydney	Australia	52.22	91.37	10
Taipei	Taiwan, China	12.62	22.08	74
Tel Aviv	Israel	38.50	67.37	39
Tianjin	China	14.05	24.59	68
Tokyo	Japan	28.27	49.47	49

Table A.6: Wage Rankings (continued)

City	Country	Hourly Salary	Index	Rank
Toronto	Canada	41.94	73.38	32
Vancouver	Canada	41.45	72.53	34
Vienna	Austria	42.23	73.90	31
Warsaw	Poland	18.49	32.35	57
Washington Dc	United States	61.32	107.30	5
Wellington	New Zealand	39.45	69.03	38
Zurich	Switzerland	72.48	126.82	2

Notes: The unit is thousand dollars.

Source: Asia Competitiveness Institute

Table A.7: Purchasing Power Rankings

City	Country	Index	Rank
New York	United States	100.00	55
Adelaide	Australia	136.73	19
Amman	Jordan	26.86	103
Amsterdam	Netherlands	151.88	8
Asuncion	Paraguay	39.49	95
Athens	Greece	81.52	70
Atlanta	United States	144.18	14
Auckland	New Zealand	111.10	50
Baku	Azerbaijan	63.89	81
Bangkok	Thailand	93.28	61
Barcelona	Spain	95.20	60
Beijing	China	90.18	63
Berlin	Germany	179.92	3
Bogota	Colombia	48.16	92
Boston	United States	164.18	4
Bratislava	Slovakia	84.74	68
Brisbane	Australia	129.66	28
Brussels	Belgium	124.76	35
Bucharest	Romania	112.93	49
Budapest	Hungary	95.59	59
Buenos Aires	Argentina	50.82	91
Cairo	Egypt	53.57	88
Calgary	Canada	121.80	37
Chicago	United States	127.15	32
Cleveland	United States	120.06	42
Colombo	Sri Lanka	38.38	98
Copenhagen	Denmark	151.53	10
Dalian	China	117.08	43
Detroit	United States	143.37	15
Doha	Qatar	53.08	90
Dubai	UAE	75.87	76
Dublin	Ireland	114.00	48

Table A.7: Purchasing Power Rankings (continued)

City	Country	Index	Rank
Frankfurt	Germany	151.66	9
Geneva	Switzerland	140.48	17
Guangzhou	China	77.86	73
Hanoi	Vietnam	63.01	82
HANOI	Vietnam	63.01	82
Helsinki	Finland	121.43	38
Ho Chi Minh	Vietnam	57.02	83
HO CHI MINH	Vietnam	57.02	83
Hong Kong	Hong Kong SAR, China	130.52	26
Honolulu	United States	127.88	30
Houston	United States	135.15	21
Istanbul	Turkey	91.77	62
Jakarta	Indonesia	53.32	89
Johannesburg	South Africa	77.30	74
Kuala Lumpur	Malaysia	87.42	67
Kuwait	Kuwait	45.39	94
Lexington	United States	116.67	44
Lima	Peru	38.57	97
Lisbon	Portugal	78.73	72
London	United Kingdom	148.52	12
Los Angeles	United States	106.78	52
Luxembourg	Luxembourg	154.59	6
Lyon	France	151.39	11
Madrid	Spain	98.61	56
Manila	Philippines	38.97	96
Melbourne	Australia	132.43	23
Mexico City	Mexico	47.37	93
Miami	United States	141.70	16
Milan	Italy	74.79	77
Minneapolis	United States	124.93	34
Montevideo	Uruguay	28.95	102
Montreal	Canada	121.85	36

Table A.7: Purchasing Power Rankings (continued)

City	Country	Index	Rank
Moscow	Russian Federation	133.11	22
Mumbai	India	56.88	84
Munich	Germany	181.29	2
Nairobi	Kenya	34.99	99
New Delhi	India	68.06	80
Osaka / Kobe	Japan	121.31	40
Oslo	Norway	127.19	31
Paris	France	114.74	47
Perth	Australia	137.64	18
Pittsburgh	United States	129.24	29
Prague	Czech Republic	96.04	57
Pretoria	South Africa	68.23	79
Qingdao	China	81.40	71
Quito	Ecuador	34.81	100
Reykjavik	Iceland	88.27	64
Rio De Janeiro	Brazil	55.37	86
Rome	Italy	76.21	75
San Francisco	United States	182.42	1
Santiago	Chile	54.47	87
Sao Paulo	Brazil	34.05	101
Seattle	United States	153.50	7
Seoul	Korea, Rep.	100.48	54
Shanghai	China	81.89	69
Shenzhen	China	71.86	78
Singapore	Singapore	131.09	25
Sofia	Bulgaria	55.60	85
St Petersburg	Russian Federation	135.76	20
Stockholm	Sweden	120.65	41
Suzhou	China	87.49	66
Sydney	Australia	130.02	27
Taipei	Taiwan, China	88.25	65
Tel Aviv	Israel	102.32	53

Table A.7: Purchasing Power Rankings (continued)

City	Country	Index	Rank
Tianjin	China	96.00	58
Tokyo	Japan	115.94	46
Toronto	Canada	116.57	45
Vancouver	Canada	121.36	39
Vienna	Austria	132.20	24
Warsaw	Poland	107.97	51
Washington Dc	United States	156.17	5
Wellington	New Zealand	127.07	33
Zurich	Switzerland	145.42	13

Notes: Numbers in parentheses are the cost of living rankings.
Source: Asia Competitiveness Institute