

# News

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Bureau of Labor Statistics

Boston, MA 02203

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Internet address: <http://www.bls.gov/ro1/>

For information: (617) 565-2327

Media information: Walter Marshall (617) 565-2324

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## **BOSTON AREA CONSUMER PRICE INDEX UP 2.5 PERCENT IN JULY; ROSE 6.3 PERCENT OVER THE YEAR**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Boston metropolitan area increased 2.5 percent for the two months ended July 2008, according to the U.S. Department of Labor's Bureau of Labor Statistics. Regional Commissioner Denis M. McSweeney noted that the July increase followed a gain of 1.0 percent in May and was the highest posted since September 1990. The July increase was largely attributable to increases within the housing category and to a lesser extent within transportation. Since July 2007, the CPI-U for Boston rose 6.3 percent, the highest annual increase recorded since November 1990. Core inflation, as measured by the all items less food and energy index, increased a more moderate 2.7 percent.

For the two months ended July 2008, housing costs rose 4.0 percent, the highest increase in that category since September 1981. The July increase was due to higher shelter costs, up 3.3 percent, and higher prices for fuels and utilities, up 11.5 percent, where utility (piped) gas, up 30.6 percent, was the driver. Transportation rose 3.7 percent as gasoline prices continued to rise, up 8.1 percent over the two months. Food and beverage prices rose 1.4 percent with both grocery and restaurant prices increasing since May. Moderating these advances slightly, apparel prices fell 8.5 percent over the period due to seasonal markdowns. Among the remaining expenditure categories, prices for other goods and services increased 2.9 percent since May this year. Medical care costs rose 0.7 percent and education and communication rose 0.6 percent. Prices within recreation edged down 0.2 percent over the two-month period.

For the year ended July 2008, the Boston CPI-U rose 6.3 percent largely due to increases within housing and transportation. To a lesser extent, higher prices within food and beverages and education and communication further contributed to the increase in the overall index. Housing was up 6.1 percent over the year, as fuels and utilities rose a sharp 36.8 percent. Within the fuels and utilities category, utility (piped) gas increased 62.0 percent, the highest annual increase recorded since the series began in 1971. Transportation costs rose 12.0 percent, attributable to gasoline prices increasing 39.4 percent over the year to \$4.066 per gallon. Food and beverages rose 5.1 percent since last July. Higher grocery and restaurant prices each impacted the rise, up 5.2 and 4.5 percent, respectively. Rising costs for education largely contributed to a 9.9 percent increase in the education and communication category. Apparel posted the only decline over the year, falling 10.0 percent. Other goods and services rose 8.5 percent and medical care costs were up 3.6 percent over the year. Recreation costs increased 1.4 percent.

In July, the Boston CPI-U on the 1982-84 base was 241.258. By this gauge, the selected market basket of goods and services which cost area consumers an average of \$10.00 during the 1982-84 reference period would now cost more than double at \$24.13. The purchasing power of the dollar for the Boston area in 1982-84 dollars was 41.4 cents in July 2008. In July, the CPI-W (Urban Wage Earners and Clerical Workers), at 240.511, was up 2.2 percent since May 2008 and increased 6.2 percent over the year.

**Free email subscription service! To receive the most recent monthly Consumer Price Indexes for the U.S. and Northeast, and bimonthly indexes for the Boston-Brockton-Nashua, MA-NH-ME-CT metropolitan area, please subscribe at <http://www.bls.gov/bls/list.htm> and select the notification titled New England CPI Summary (Boston). Select August food, shelter, and energy indexes for Boston will be released on Tuesday, September 16, 2008 at 8:30 AM. The September Consumer Price Index for all items for Boston will be released on Thursday, October 16, 2008 at 8:30 AM.**

NOTE: Local area CPI indexes are the by-products of the national CPI program. Since each local area index is a small subset of the national index, it has a smaller sample size and is therefore subject to substantially more sampling and other measurement error than that for the national index. In addition, local indexes are not adjusted for seasonal factors. As a result, local area indexes show greater volatility compared with the national index, although their long-term trends are quite similar. Additional information is available from the BLS Internet Web site at [www.bls.gov/cpi](http://www.bls.gov/cpi) or by calling the Boston Economic Analysis and Information office at 617-565-2327. This information will be made available to sensory impaired individuals upon request. Voice phone: (617) 565-2072, Federal Relay Services: 1-800-877-8339.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

**Boston-Brockton-Nashua, MA-NH-ME-CT** (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	May 2008	June 2008	July 2008	July 2007	May 2008	June 2008
<b>Expenditure category</b>						
All items .....	235.344	-	241.258	6.3	2.5	-
All items (1967=100) .....	684.032	-	701.224	-	-	-
Food and beverages .....	221.487	-	224.591	5.1	1.4	-
Food .....	221.678	-	224.933	4.9	1.5	-
Food at home .....	215.264	215.394	218.626	5.2	1.6	1.5
Food away from home .....	233.481	-	236.645	4.5	1.4	-
Alcoholic beverages .....	221.284	-	222.547	6.8	.6	-
Housing .....	237.070	-	246.619	6.1	4.0	-
Shelter .....	271.147	273.355	280.020	2.2	3.3	2.4
Rent of primary residence <sup>1</sup> .....	271.864	271.722	272.176	1.3	.1	.2
Owners' equivalent rent of primary residence <sup>1 2</sup> .....	282.756	282.211	282.216	-1.1	-.2	.0
Fuels and utilities .....	266.715	-	297.291	36.8	11.5	-
Household energy .....	235.805	248.662	264.913	40.0	12.3	6.5
Gas (piped) and electricity <sup>1</sup> .....	218.615	228.197	249.282	26.2	14.0	9.2
Electricity <sup>1</sup> .....	207.229	209.444	217.064	10.4	4.7	3.6
Utility (piped) gas service <sup>1</sup> .....	230.763	254.500	301.286	62.0	30.6	18.4
Household furnishings and operations .....	127.261	-	126.639	2.4	-.5	-
Apparel .....	128.212	-	117.327	-10.0	-8.5	-
Transportation .....	191.417	-	198.520	12.0	3.7	-
Private transportation .....	191.168	-	198.087	11.9	3.6	-
Motor fuel .....	320.983	347.709	347.173	40.0	8.2	-.2
Gasoline (all types) .....	315.579	341.783	341.250	39.4	8.1	-.2
Gasoline, unleaded regular <sup>3</sup> .....	315.524	341.857	341.108	40.0	8.1	-.2
Gasoline, unleaded midgrade <sup>3 4</sup> .....	312.834	339.595	339.375	38.3	8.5	-.1
Gasoline, unleaded premium <sup>3</sup> .....	302.982	326.516	327.021	36.3	7.9	.2
Medical care .....	495.465	-	499.036	3.6	.7	-
Recreation <sup>5</sup> .....	118.515	-	118.310	1.4	-.2	-
Education and communication <sup>5</sup> .....	130.743	-	131.531	9.9	.6	-
Other goods and services .....	365.888	-	376.395	8.5	2.9	-
<b>Commodity and service group</b>						
All items .....	235.344	-	241.258	6.3	2.5	-
Commodities .....	184.038	-	187.206	8.8	1.7	-
Commodities less food and beverages .....	163.118	-	166.257	11.3	1.9	-
Nondurables less food and beverages .....	218.179	-	224.780	19.0	3.0	-
Durables .....	110.755	-	110.974	.3	.2	-
Services .....	280.829	-	289.366	4.8	3.0	-
<b>Special aggregate indexes</b>						
All items less medical care .....	224.552	-	230.432	6.5	2.6	-
All items less shelter .....	223.604	-	228.348	8.6	2.1	-
Commodities less food .....	165.592	-	168.676	11.1	1.9	-
Nondurables .....	218.345	-	223.142	11.6	2.2	-
Nondurables less food .....	216.995	-	223.175	18.0	2.8	-
Services less rent of shelter <sup>2</sup> .....	305.954	-	314.408	8.4	2.8	-
Services less medical care services .....	264.537	-	273.081	4.8	3.2	-
Energy .....	272.080	290.939	299.805	40.4	10.2	3.0
All items less energy .....	234.804	-	238.542	3.0	1.6	-
All items less food and energy .....	237.970	-	241.814	2.7	1.6	-

<sup>1</sup> This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

<sup>2</sup> Index is on a November 1982=100 base.

<sup>3</sup> Special index based on a substantially smaller sample.

<sup>4</sup> Indexes on a December 1993=100 base.

<sup>5</sup> Indexes on a December 1997=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.