

# News

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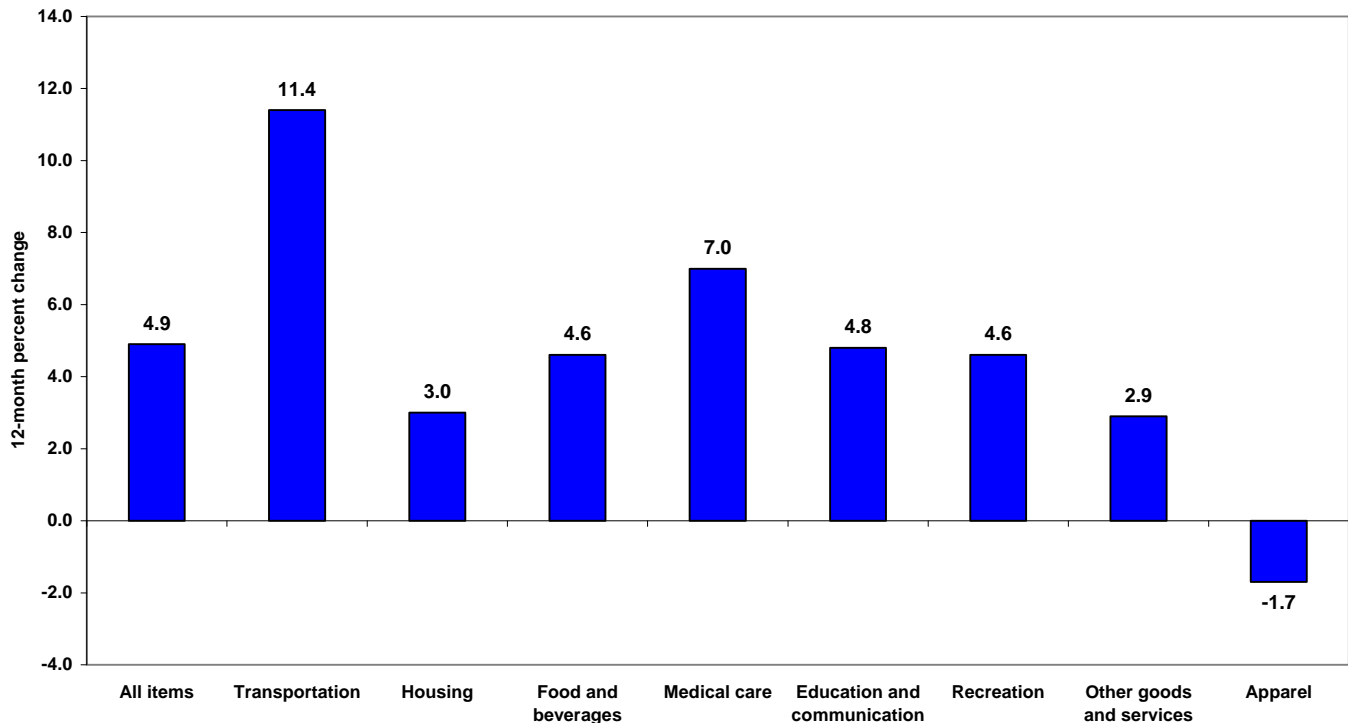
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## Pittsburgh Consumer Price Index: Local Prices up 4.9 Percent over the Year

Retail prices in the Pittsburgh area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 4.9 percent from the first half of 2007 to the first half of 2008, the Bureau of Labor Statistics of the United States Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that while advances in the transportation and housing indexes led the way, seven of the eight major categories of the Pittsburgh CPI-U had over-the-year increases in the first half of 2008. Only the apparel index recorded a decline from the first half of 2007 to the first half of 2008. (See chart A and table 1.)

**Chart A. 12-month percent changes ended in the first half of 2008 for the major categories of the CPI-U for the Pittsburgh area, not seasonally adjusted**



The transportation index increased 11.4 percent from the first half of 2007 to the first half of 2008. Higher gasoline prices were largely responsible for the recent advance, which was the largest increase in transportation prices since semiannual publication of the index began in the first half of 1984. The gasoline index jumped 30.7 percent from its year-ago level—the largest 12-month increase in this index since the first half of 2000. Over-the-year advances in gasoline prices have continued uninterrupted since the second half of 2002.

The housing index rose 3.0 percent from its year-ago level, primarily reflecting a 12.6-percent advance in fuels and utilities prices. Prices for both utility (piped) gas service and electricity were higher since the first half of 2007, up 13.8 and 9.5 percent, respectively. The shelter index increased 1.0 percent over the last 12 months due in large part to price advances in both published components, owners' equivalent rent of primary residence (0.9 percent) and rent of primary residence (1.4 percent). Prices for household furnishings and operations, the third component of the housing index, rose 1.9 percent over the year.

The food and beverages index rose 4.6 percent since the first half of 2007 due mainly to a 5.5-percent advance in food at home prices. Higher prices for food away from home and alcoholic beverages, up 3.7 and 4.4 percent, respectively, also contributed to the overall increase in the food and beverages index.

Medical care prices advanced 7.0 percent from the first half of 2007 to the first half of 2008—the largest over-the-year increase in this index since the first half of 1992.

Education and communication prices increased 4.8 percent from their year-ago levels. The recreation index rose 4.6 percent over the year—the largest advance since the inception of this index.

The other goods and services index, which includes tobacco and smoking products, personal care products and services, and personal services such as legal, funeral, and laundry and dry cleaning services, was 2.9 percent higher than a year ago.

The apparel index was the only major category of the CPI to register a price decline from the first half of 2007 to the first half of 2008, down 1.7 percent over the year.

The energy index, which reflects pricing for gasoline and household fuels, jumped 23.0 percent since the first half of 2007—the largest advance since semiannual publication of this index began in the first half of 1984. Higher prices for gasoline led the over-the-year increase in energy prices. Higher prices for utility (piped) gas service and electricity also contributed to the recent 12-month advance in the energy index.

The CPI-U for the Pittsburgh area stood at 209.486 on the 1982-84=100 reference base, which means that a market basket of goods and services which averaged \$100.00 in the 1982-84 period would have cost \$209.49 in the first half of 2008.

The Pittsburgh, Pa., Metropolitan Statistical Area includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties.

The relative importance of a component of the CPI is its expenditure or value weight expressed as a percentage of all items within an area. Relative importance ratios show approximately how the index population distributes expenditures when the value weights are collected and represent an estimate of how consumers would distribute their expenditures as prices change over time. Relative importance ratios cannot be used as estimates of current spending patterns or as indicators of changing consumer expenditures in the intervals between weight revisions because consumption patterns are influenced by factors—including income, variations in climate, family size, and availability of new and different kinds of goods and services—other than price change. (See table A.)

**Table A (2005-2006 weights). Relative importance of components in the Consumer Price Index: Pittsburgh area, December 2007**

Item and group	CPI-U
<b>Expenditure category</b>	
All items	100.000
Food and beverages	16.464
Food	15.300
Food at home	8.362
Food away from home	6.937
Alcoholic beverages	1.164
Housing	40.414
Shelter	29.684
Rent of primary residence	5.035
Owners' equivalent rent of primary residence	21.865
Fuels and utilities	6.505
Household energy	5.302
Gas (piped) and electricity	4.739
Electricity	2.572
Utility (piped) gas service	2.167
Household furnishings and operations	4.225
Apparel	3.948
Transportation	16.810
Private transportation	15.820
Motor fuel	5.207
Gasoline	4.979
Medical care	6.801
Recreation	5.775
Education and communication	6.257
Other goods and services	3.531
<b>Commodity and service group</b>	
Commodities	42.376
Commodities less food and beverages	25.912
Non durables less food and beverages	16.017
Durables	9.895
Services	57.624
<b>Special aggregate indexes</b>	
All items less medical care	93.199
All items less shelter	70.316
Commodities less food	27.077
Nondurables	32.481
Nondurables less food	17.181
Services less rent of shelter	28.267
Services less medical care services	52.634
Energy	10.510
All items less energy	89.490
All items less food and energy	74.191

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods, Pittsburgh, Pa. (1982-84=100 unless otherwise noted)**

Expenditure category	Indexes			Percent change from-	
	1st half 2007	2nd half 2007	1st half 2008	1st half 2007	2nd half 2007
All items	199.672	203.295	209.486	4.9	3.0
Food and beverages	197.503	201.473	206.680	4.6	2.6
Food	196.765	200.865	205.966	4.7	2.5
Food at home	194.666	199.013	205.449	5.5	3.2
Food away from home	200.987	204.480	208.347	3.7	1.9
Alcoholic beverages	205.906	208.226	214.999	4.4	3.3
Housing	204.970	207.427	211.083	3.0	1.8
Shelter	224.962	227.568	227.147	1.0	-0.2
Rent of primary residence	195.790	196.312	198.518	1.4	1.1
Owners' equivalent rent of primary residence (1)	219.265	218.929	221.265	0.9	1.1
Fuels and utilities	222.965	231.073	251.053	12.6	8.6
Household energy	212.972	222.122	245.484	15.3	10.5
Gas (piped) and electricity	211.531	218.618	236.899	12.0	8.4
Electricity	152.432	154.002	166.856	9.5	8.3
Utility (piped) gas service	277.324	292.254	315.550	13.8	8.0
Household furnishings and operations	141.921	141.449	144.620	1.9	2.2
Apparel	142.229	140.136	139.804	-1.7	-0.2
Transportation	157.604	164.257	175.649	11.4	6.9
Private transportation	157.883	165.413	176.712	11.9	6.8
Motor fuel	228.664	253.193	299.739	31.1	18.4
Gasoline (all types)	229.114	253.666	299.367	30.7	18.0
Gasoline, unleaded regular (2)	227.386	252.021	297.741	30.9	18.1
Gasoline, unleaded midgrade (2) (3)	243.239	268.613	316.417	30.1	17.8
Gasoline, unleaded premium (2)	221.200	244.230	287.155	29.8	17.6
Medical care	334.386	342.185	357.781	7.0	4.6
Recreation (4)	106.293	106.448	111.235	4.6	4.5
Education and communication (4)	123.104	126.441	129.043	4.8	2.1
Other goods and services	332.669	336.603	342.311	2.9	1.7
<b>Commodity and service group</b>					
Commodities	173.078	177.152	184.082	6.4	3.9
Commodities less food and beverages	158.584	162.644	170.380	7.4	4.8
Nondurables less food and beverages	195.305	202.426	216.956	11.1	7.2
Durables	119.350	120.206	121.198	1.5	0.8
Services	228.885	232.110	237.684	3.8	2.4
<b>Special aggregate indexes</b>					
All items less medical care	192.579	195.996	201.739	4.8	2.9
All items less shelter	192.710	196.867	205.171	6.5	4.2
Commodities less food	160.498	164.508	172.228	7.3	4.7
Nondurables	196.623	202.222	212.033	7.8	4.9
Nondurables less food	195.966	202.777	216.799	10.6	6.9
Services less rent of shelter (1)	238.555	242.963	254.220	6.6	4.6
Services less medical care services	220.310	223.187	227.869	3.4	2.1
Energy	225.093	242.003	276.958	23.0	14.4
All items less energy	199.113	201.414	204.892	2.9	1.7
All items less food and energy	200.459	202.408	205.577	2.6	1.6

1 Index is on a December 1982=100 base.

2 Special index based on a substantially smaller sample.

3 Indexes on a December 1993=100 base.

4 Indexes on a December 1997=100 base.

- Data not available.

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