



Bureau of Labor Statistics

Philadelphia, Pa. 19106

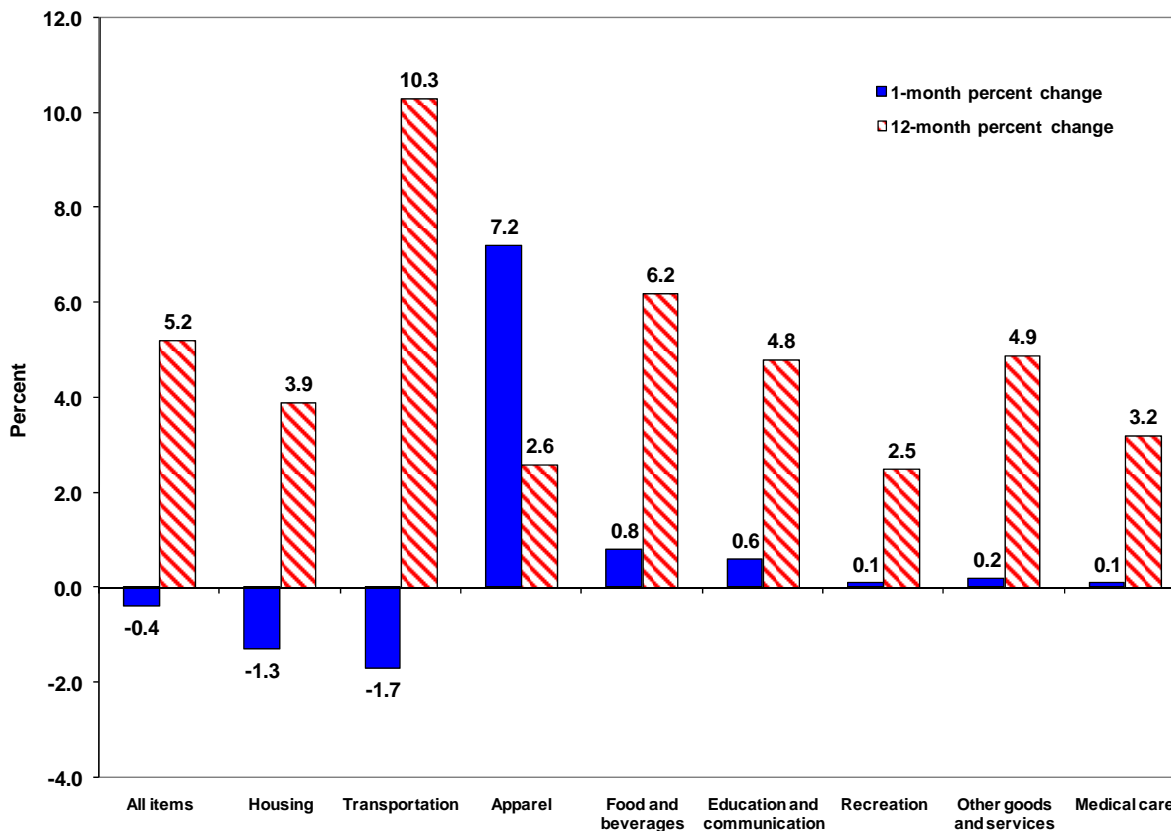
Internet address: www.bls.gov/ro3/
INFORMATION: Gerald Perrins
(215) 597-3282
MEDIA CONTACT: Sheila Watkins
(215) 861-5600

PLS – 4459
FOR RELEASE:
THURSDAY, OCTOBER 16, 2008

Northeast Region Consumer Price Index: September 2008

Retail prices in the Northeast region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), fell 0.4 percent in September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the recent decline was the largest over-the-month decrease since October 2006. Lower prices for housing and transportation led the way, while higher prices in the other six major categories moderated the overall decline. The September level of 232.841 (1982-84=100) was 5.2 percent higher than a year ago. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 2.8 percent. (See table 1.)

Chart A. 1-month and 12-month percent changes ended September 2008 for the major categories of the CPI-U for the Northeast region, not seasonally adjusted



The housing index fell 1.3 percent in September—the largest decrease since one-month percent changes for this index were first published in January 1987—due largely to lower prices for fuels and utilities. The fuels and utilities index was down 5.7 percent over the month as prices for both electricity (-6.0 percent) and utility (piped) gas service (-7.4 percent) declined. Since September 2007, electricity and utility gas service prices increased 6.8 and 17.6 percent,

respectively. The fuels and utilities index rose 15.7 percent over the year. The shelter index (which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance) also contributed to the recent decline in the overall housing index, falling 0.6 percent since August. Over the last 12 months, the shelter index rose 2.3 percent. Prices for household furnishings and operations, the third component of the housing index, were unchanged in September but were 0.8 percent higher than last year. Since September 2007, the overall housing index advanced 3.9 percent.

The transportation index declined 1.7 percent over the month, dominated by lower gasoline prices, which fell 4.9 percent in September after decreasing 7.1 percent in August. Despite the recent declines, gasoline prices were 31.3 percent higher than last year. The transportation index advanced 10.3 percent over the last 12 months.

The remaining categories had higher prices in September. Following normal seasonal patterns, the apparel index jumped 7.2 percent from August to September. The recent one-month increase was the largest since September 1988. Over the year, apparel prices rose 2.6 percent.

The food and beverages index advanced 0.8 percent since August led by nearly equal rises in prices for food at home and food away from home. The food at home index rose 0.9 percent in September and was 7.8 percent higher than last year. The food away from home index increased 0.8 percent over the month and 4.6 percent over the year. Prices for alcoholic beverages edged up 0.2 percent over the month to a level 4.7 percent higher than a year ago. The overall food and beverages index advanced 6.2 percent over the last 12 months—the largest 12-month advance since March 1990.

The education and communication index rose 0.6 percent in September and was 4.8 percent higher than a year ago.

Recreation prices inched up 0.1 percent in September to a level 2.5 percent higher than last year.

The other goods and services index edged up 0.2 percent since August. Over the year, the other goods and services index (which includes tobacco and smoking products, personal care products and services, and miscellaneous personal services such as legal, funeral, and laundry and dry cleaning services) was 4.9 percent higher.

Medical care prices inched up 0.1 percent in September, due entirely to a 0.3-percent increase in prices for medical care commodities. Prices for medical care services were unchanged over the month. Since last September, prices rose 3.2 percent for both of these components. Medical care prices also rose 3.2 percent over the last 12 months.

The energy index, which reflects prices for gasoline and household fuels, fell 5.7 percent in September, reflecting lower prices for gasoline (-4.9 percent), electricity (-6.0 percent), and utility (piped) gas service (-7.4 percent). Due to 8 increases in the last 12 months, the energy index was 23.5 percent higher than its year-ago level.

The Northeast region is comprised of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

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, Northeast Region, December 2007

Item and group	CPI-U
Expenditure category	
All items	100.000
Food and beverages	15.009
Food	13.961
Food at home	7.703
Food away from home	6.258
Alcoholic beverages	1.048
Housing	44.377
Shelter	34.775
Rent of primary residence	6.527
Owners' equivalent rent of primary residence	24.696
Fuels and utilities	5.691
Household energy	5.043
Gas (piped) and electricity	3.983
Electricity	2.617
Utility (piped) gas service	1.366
Household furnishings and operations	3.911
Apparel	3.697
Transportation	16.030
Private transportation	14.685
New and used motor vehicles	6.306
New vehicles	4.093
Used cars and trucks	1.315
Motor fuel	4.643
Gasoline (all types)	4.472
Medical care	5.780
Medical care commodities	1.469
Medical care services	4.311
Professional services	2.512
Recreation	5.387
Education and communication	6.455
Other goods and services	3.265
Commodity and service group	
Commodities	38.761
Commodities less food and beverages	23.752
Nondurables less food and beverages	14.799
Durables	8.954
Services	61.239
Special aggregate indexes	
All items less medical care	94.220
All items less shelter	65.225
Commodities less food	24.800
Nondurables	29.807
Nondurables less food	15.846
Services less rent of shelter	26.745
Services less medical care services	56.928
Energy	9.686
All items less energy	90.314
All items less food and energy	76.353

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

Expenditure category	Indexes			Percent change from-		
	July 2008	Aug. 2008	Sep. 2008	Sep. 2007	July 2008	Aug. 2008
All items	234.545	233.788	232.841	5.2	-0.7	-0.4
Food and beverages	219.381	220.693	222.510	6.2	1.4	0.8
Food	219.022	220.373	222.287	6.4	1.5	0.9
Food at home	219.811	221.916	223.897	7.8	1.9	0.9
Food away from home	221.073	221.490	223.347	4.6	1.0	0.8
Alcoholic beverages	222.971	223.754	224.228	4.7	0.6	0.2
Housing	248.478	247.506	244.361	3.9	-1.7	-1.3
Shelter	289.487	288.753	287.076	2.3	-0.8	-0.6
Rent of primary residence (1)	275.313	276.510	276.956	4.1	0.6	0.2
Owners' equivalent rent of primary residence (1) (2)	293.833	294.241	294.573	1.7	0.3	0.1
Fuels and utilities	255.437	251.685	237.234	15.7	-7.1	-5.7
Household energy	244.871	240.427	224.987	16.8	-8.1	-6.4
Gas (piped) and electricity (1)	231.272	231.892	216.936	10.6	-6.2	-6.4
Electricity (1)	203.777	209.483	197.014	6.8	-3.3	-6.0
Utility (piped) gas service (1)	284.371	272.050	251.863	17.6	-11.4	-7.4
Household furnishings and operations	128.437	128.708	128.767	0.8	0.3	0.0
Apparel	111.732	115.467	123.837	2.6	10.8	7.2
Transportation	209.419	203.979	200.550	10.3	-4.2	-1.7
Private transportation	203.358	197.550	194.266	10.3	-4.5	-1.7
New and used motor vehicles (3)	93.137	92.342	92.466	0.0	-0.7	0.1
New vehicles	134.549	133.435	132.905	-0.7	-1.2	-0.4
New cars and trucks (3) (4)	93.256	92.474	92.093	-0.9	-1.2	-0.4
New cars (4)	133.794	132.564	132.657	-0.2	-0.8	0.1
Used cars and trucks	140.913	140.617	138.085	-2.8	-2.0	-1.8
Motor fuel	339.083	314.987	299.487	31.5	-11.7	-4.9
Gasoline (all types)	336.470	312.446	297.278	31.3	-11.6	-4.9
Gasoline, unleaded regular (4)	340.279	315.178	299.584	31.8	-12.0	-4.9
Gasoline, unleaded midgrade (4) (5)	339.074	316.706	301.735	30.7	-11.0	-4.7
Gasoline, unleaded premium (4)	319.942	299.123	285.714	29.4	-10.7	-4.5
Medical care	388.202	388.040	388.311	3.2	0.0	0.1
Medical care commodities	319.574	318.709	319.816	3.2	0.1	0.3
Medical care services	406.302	406.451	406.351	3.2	0.0	0.0
Professional services	318.681	318.928	318.319	2.9	-0.1	-0.2
Recreation (3)	115.904	116.027	116.159	2.5	0.2	0.1
Education and communication (3)	126.702	128.371	129.150	4.8	1.9	0.6
Other goods and services	373.338	373.378	374.085	4.9	0.2	0.2
Commodity and service group						
Commodities	185.942	184.282	184.296	7.4	-0.9	0.0
Commodities less food and beverages	164.297	161.346	160.541	8.2	-2.3	-0.5
Nondurables less food and beverages	213.027	207.674	206.859	14.3	-2.9	-0.4
Durables	109.797	109.305	108.547	-1.4	-1.1	-0.7
Services	282.128	282.261	280.369	3.7	-0.6	-0.7
Special aggregate indexes						
All items less medical care	227.481	226.709	225.727	5.3	-0.8	-0.4
All items less shelter	216.295	215.519	214.843	6.7	-0.7	-0.3
Commodities less food	166.727	163.876	163.107	8.1	-2.2	-0.5
Nondurables	217.499	215.290	215.725	10.1	-0.8	0.2
Nondurables less food	213.482	208.488	207.747	13.6	-2.7	-0.4
Services less rent of shelter (2)	283.973	285.197	282.986	5.5	-0.3	-0.8
Services less medical care services	272.946	273.077	271.115	3.8	-0.7	-0.7
Energy	284.330	271.624	256.169	23.5	-9.9	-5.7
All items less energy	231.345	231.869	232.476	3.3	0.5	0.3
All items less food and energy	235.040	235.402	235.753	2.8	0.3	0.1

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

2 Index is on a December 1982=100 base.

3 Indexes on a December 1997=100 base.

4 Special index based on a substantially smaller sample.

5 Indexes on a December 1993=100 base.

- Data not available.

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