

News

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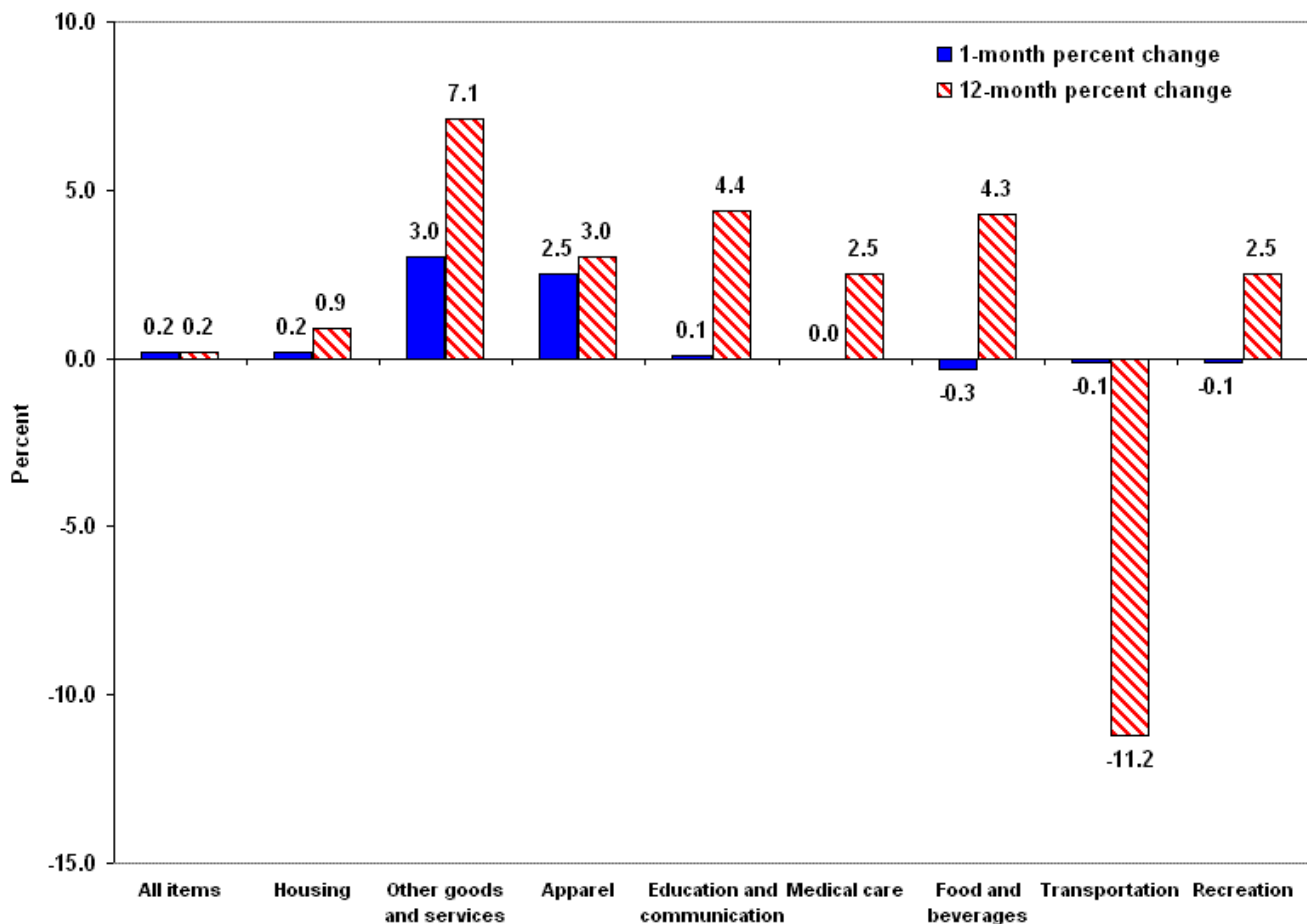
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NORTHEAST REGION CONSUMER PRICE INDEX: MARCH 2009 Smallest Ever Over-the-Year Increase

Retail prices in the Northeast region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.2 percent in March, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that higher prices for housing, other goods and services, and apparel were partially offset by lower prices for food and beverages; the four remaining major categories had little or no change over the month. (See chart A.) The March level of 227.309 (1982-84 = 100) was 0.2 percent higher than in March 2008—the smallest 12-month increase since the inception of the index in December 1966. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 2.1 percent. (See table 1.)

Chart A. 1-month and 12-month percent changes ended March 2009 for the major categories of the CPI-U for the Northeast region, not seasonally adjusted



The housing index rose 0.2 percent since February, due entirely to a 0.6-percent increase in shelter prices. The shelter index, which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance, rose 1.6 percent over the year. Prices for fuels and utilities decreased 1.2 percent over the month, as lower utility (piped) gas service prices more than offset higher electricity prices. Utility gas service prices decreased for the fourth straight month, down 9.2 percent since November and 2.9 percent since February. Despite the recent declines, utility gas service prices were 0.2 percent higher than last March. Electricity prices were 0.2 percent higher over the month and 6.7 percent higher over the year. The fuels and utilities index fell 3.0 percent over the year—the largest 12-month decrease since September 2002. The household furnishings and operations index declined 0.4 percent in March but was 0.8 percent higher from its year-ago level. The overall housing index rose 0.9 percent over the last 12 months.

The other goods and services index (which includes tobacco and smoking products, personal care products, personal care services, and miscellaneous personal services such as legal, funeral, and laundry and dry cleaning services) rose 3.0 percent in March—the largest one-month gain since December 1998. Over the year, the other goods and services index advanced 7.1 percent.

Following a 5.4-percent increase in February, apparel prices rose 2.5 percent in March. The recent one-month advance was lower than the 3.9-percent average seasonal increase in March for the previous five years. Over the year, apparel prices rose 3.0 percent.

Following a 0.1-percent decrease in February, the education and communication index inched up 0.1 percent in March to a level 4.4 percent higher than last year.

Medical care prices were unchanged over the month as lower prices for medical care commodities were offset by higher prices for medical care services. Following four months of increases totaling 2.2 percent, medical care commodities prices were down 0.6 percent in March. Over the year, medical care commodities prices were 1.9 percent higher. Medical care services prices edged up 0.2 percent over the month and were 2.7 percent higher than last year. The medical care index rose 2.5 percent over the last 12 months.

The remaining indexes had lower prices in March. Food and beverages prices were down 0.3 percent in March dominated by a 0.7-percent decrease in food at home prices. Despite the recent decline, food at home prices were 4.3 percent higher over the year. Prices for alcoholic beverages were 0.4 percent lower since February but were 3.2 percent higher since last year. Prices for food away from home inched up 0.1 percent since February and were 4.4 percent higher since March 2008. The overall food and beverages index increased 4.3 percent from its year-ago level.

Transportation prices declined 0.1 percent over the month as lower prices for new and used motor vehicles, particularly used cars and trucks, were nearly offset by higher gasoline prices. Used cars and trucks prices declined for the eighth straight month, down 10.2 percent since July and 1.4 percent since last month. Over the year, prices for used cars and trucks were down 11.1 percent. Following a 9.0-percent jump in February, gasoline prices increased 1.0 percent in March. Despite the recent increases, gasoline prices were 38.2 percent lower than 12 months ago. The overall transportation index declined 11.2 percent over the year.

The recreation index inched down 0.1 percent since February and was 2.5 percent higher than a year ago.

Following a 2.0-percent rise in February, the energy index, which reflects prices for gasoline and household fuels, fell 0.6 percent in March. The recent decline was dominated by lower utility gas service prices (-2.9 percent). Moderating the decrease in the overall energy index were higher prices for gasoline (1.0 percent) and electricity (0.2 percent). Over the year, energy prices were down 20.6 percent—the largest 12-month decline since December 1986.

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 2008

Item and group	CPI-U
Expenditure category	
All items	100.000
Food and beverages	15.794
Food	14.702
Food at home	8.174
Food away from home	6.528
Alcoholic beverages	1.093
Housing	44.880
Shelter	35.109
Rent of primary residence	6.747
Owners' equivalent rent of primary residence	24.949
Fuels and utilities	5.834
Household energy	5.137
Gas (piped) and electricity	4.262
Electricity	2.758
Utility (piped) gas service	1.504
Household furnishings and operations	3.937
Apparel	3.712
Transportation	14.128
Private transportation	12.779
New and used motor vehicles	6.150
New vehicles	3.963
Used cars and trucks	1.205
Motor fuel	2.756
Gasoline (all types)	2.624
Medical care	5.885
Medical care commodities	1.498
Medical care services	4.387
Professional services	2.561
Recreation	5.505
Education and communication	6.700
Other goods and services	3.395
Commodity and service group	
Commodities	37.438
Commodities less food and beverages	21.644
Nondurables less food and beverages	12.954
Durables	8.690
Services	62.562
Special aggregate indexes	
All items less medical care	94.115
All items less shelter	64.891
Commodities less food	22.736
Nondurables	28.748
Nondurables less food	14.046
Services less rent of shelter	27.734
Services less medical care services	58.175
Energy	7.893
All items less energy	92.107
All items less food and energy	77.405

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-		
	Jan. 2009	Feb. 2009	Mar. 2009	Mar. 2008	Jan. 2009	Feb. 2009
All items	225.436	226.754	227.309	0.2	0.8	0.2
Food and beverages	224.635	224.135	223.369	4.3	-0.6	-0.3
Food	224.347	223.792	223.030	4.4	-0.6	-0.3
Food at home	225.544	223.870	222.341	4.3	-1.4	-0.7
Food away from home	225.957	226.805	226.997	4.4	0.5	0.1
Alcoholic beverages	227.236	227.482	226.674	3.2	-0.2	-0.4
Housing	241.470	242.192	242.790	0.9	0.5	0.2
Shelter	286.241	287.816	289.419	1.6	1.1	0.6
Rent of primary residence (1)	280.655	281.059	282.177	4.1	0.5	0.4
Owners' equivalent rent of primary residence (1) (2)	297.258	298.020	299.165	2.4	0.6	0.4
Fuels and utilities	219.799	217.454	214.764	-3.0	-2.3	-1.2
Household energy	205.871	203.047	200.153	-4.3	-2.8	-1.4
Gas (piped) and electricity (1)	214.030	211.253	209.525	4.5	-2.1	-0.8
Electricity (1)	192.769	191.306	191.754	6.7	-0.5	0.2
Utility (piped) gas service (1)	252.562	246.651	239.528	0.2	-5.2	-2.9
Household furnishings and operations	129.562	129.640	129.155	0.8	-0.3	-0.4
Apparel	113.182	119.300	122.298	3.0	8.1	2.5
Transportation	167.860	170.713	170.563	-11.2	1.6	-0.1
Private transportation	161.141	164.479	164.358	-11.7	2.0	-0.1
New and used motor vehicles (3)	92.394	92.792	92.407	-0.5	0.0	-0.4
New vehicles	132.874	133.606	133.613	-0.7	0.6	0.0
New cars and trucks (3) (4)	92.065	92.581	92.584	-0.8	0.6	0.0
New cars (4)	132.008	132.234	132.230	-0.5	0.2	0.0
Used cars and trucks	130.200	128.260	126.522	-11.1	-2.8	-1.4
Motor fuel	150.517	162.892	164.039	-38.3	9.0	0.7
Gasoline (all types)	147.842	161.170	162.810	-38.2	10.1	1.0
Gasoline, unleaded regular (4)	146.614	160.444	162.143	-39.0	10.6	1.1
Gasoline, unleaded midgrade (4) (5)	153.995	167.095	168.526	-36.8	9.4	0.9
Gasoline, unleaded premium (4)	149.944	161.190	162.710	-35.6	8.5	0.9
Medical care	393.464	395.126	395.059	2.5	0.4	0.0
Medical care commodities	322.969	325.899	324.067	1.9	0.3	-0.6
Medical care services	412.216	413.277	413.980	2.7	0.4	0.2
Professional services	321.954	321.836	321.854	2.3	0.0	0.0
Recreation (3)	116.976	117.482	117.408	2.5	0.4	-0.1
Education and communication (3)	130.356	130.210	130.347	4.4	0.0	0.1
Other goods and services	374.995	375.980	387.325	7.1	3.3	3.0
Commodity and service group						
Commodities	169.361	171.192	171.538	-3.5	1.3	0.2
Commodities less food and beverages	138.384	141.210	142.048	-8.4	2.6	0.6
Nondurables less food and beverages	163.769	169.398	171.383	-11.7	4.6	1.2
Durables	107.671	107.654	107.342	-2.6	-0.3	-0.3
Services	280.383	281.194	281.955	2.5	0.6	0.3
Special aggregate indexes						
All items less medical care	217.938	219.234	219.807	0.0	0.9	0.3
All items less shelter	204.787	206.022	206.178	-0.6	0.7	0.1
Commodities less food	141.620	144.379	145.171	-7.9	2.5	0.5
Nondurables	193.918	196.661	197.347	-3.7	1.8	0.3
Nondurables less food	167.350	172.664	174.487	-10.8	4.3	1.1
Services less rent of shelter (2)	284.050	283.929	283.657	3.6	-0.1	-0.1
Services less medical care services	270.838	271.628	272.384	2.5	0.6	0.3
Energy	182.447	186.018	184.825	-20.6	1.3	-0.6
All items less energy	232.149	233.236	233.985	2.5	0.8	0.3
All items less food and energy	234.949	236.368	237.422	2.1	1.1	0.4

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.