

United States Department of Labor



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CONSUMER PRICE INDEX MIDWEST REGION MARCH 2009

The Consumer Price Index for the Midwest rose for the third consecutive month, increasing 0.3 percent in March, the U.S. Department of Labor's Bureau of Labor Statistics reported today. According to Regional Commissioner Jay A. Mousa, over half of the change in the index was attributable to higher prices for apparel and other goods and services. Despite March's increase, the overall index was 0.8 percent lower than one year ago, the largest over-the-year decline since publication began in 1966.

<u>Apparel</u> prices had the largest impact on the overall index, rising 5.0 percent over the month following a 2.5 percent increase in February. Apparel prices typically increase in March with the introduction of spring-summer wear, and have averaged an increase of 4.5 percent over the last five years. Apparel prices were 0.3 percent higher than one year ago.

Prices for <u>other goods and services</u> had the second largest impact on the overall March index, accounting for about 20 percent of the change. Upward movement in prices for tobacco and smoking products contributed to the 2.8 percent rise in prices for other goods and services, the largest over-the-month increase since December 1998. From March 2008 to March 2009 costs for other goods and services rose 4.6 percent.

Table A. Percent changes in the Midwest CPI-U. (not seasonally adjusted)

Changes from preceding month 12 mo.										
	Changes from preceding month									
Expenditure		200)8			ended				
Category	Sep.	Oct.	Nov.	Dec.	Jan.	Feb	Mar.	Mar. '09		
All items	0.0	-1.5	-2.1	-1.1	0.6	0.3	0.3	-0.8		
Food & beverages	.6	.3	.0	.1	.7	2	3	4.7		
Housing	6	8	4	5	.4	.0	1	.2		
Apparel	4.5	8	2	-4.1	-4.0	2.5	5.0	.3		
Transportation	8	-7.2	-10.8	-4.6	2.9	.9	.3	-13.1		
Medical care	.4	.6	.2	.0	.5	.5	.7	3.1		
Recreation	.4	1	2	5	.3	.8	.2	1.8		
Education & communication	.6	.1	.1	.2	.0	.1	.1	3.1		
Other goods & services	.1	.6	7	.2	.3	.3	2.8	4.6		

Four major expenditure categories each accounted for approximately 10 percent of the change in the overall index—housing, food and beverages, medical care, and transportation. The housing index, which accounts for 40 percent of the all items index, was down a slight 0.1 percent. Household energy prices fell for the eighth consecutive month and offset higher shelter costs in March. The 2.1 percent decline in the household energy index reflected a 5.6 percent drop in prices for utility (piped) gas service and an increase of 0.2 percent in electricity prices. Shelter costs were up 0.2 percent over the month. Owners' equivalent rent of primary residence rose 0.2 percent and rent of primary residence was unchanged. Over the year, the housing index was up 0.2 percent. Shelter costs were 0.3 percent higher. Within shelter, rent of primary residence and owners' equivalent rent of primary residence rose 2.5 and 1.0 percent, respectively. Household energy prices were down 3.3 percent with prices for electricity up 8.3 percent since March 2008 while prices for utility (piped) gas service fell 15.5 percent. Household furnishings and operations prices rose 2.4 percent over the year.

Lower prices for food at home pushed the index for <u>food and beverages</u> down 0.3 percent in March. Prices for food at home were down 0.8 percent, while prices for alcoholic beverages were up 0.5 percent and costs for food away from home were little changed. Despite the over-the-month decrease, food and beverages prices increased 4.7 percent over the year. Costs for food at home rose 4.3 percent and prices for food away from home advanced 5.3 percent. Alcoholic beverages' prices were 4.0 percent higher than one year ago.

Costs for <u>medical care</u> rose 0.7 percent over the month. Prices for medical care commodities rose 1.2 percent while prices for medical care services were 0.5 percent higher. From March 2008 to March 2009, medical care costs advanced 3.1 percent. Prices for medical care commodities and for medical care services were up 2.9 and 3.2 percent, respectively.

The <u>transportation</u> index increased 0.3 percent in March. Motor fuel prices advanced 2.0 percent and prices for new vehicles rose 0.5 percent while used cars and trucks' prices fell 1.7 percent. Since March 2008, the transportation index recorded the only decline among the major expenditure categories, decreasing 13.1 percent—largely the result of a 39.3 percent drop in motor fuel costs. Prices for new vehicles were 1.1 percent lower over the year and prices for used cars and trucks were down 11.7 percent.

The remaining two major expenditure categories—recreation and education and communication—together accounted for only about 3 percent of the movement in the monthly index. Costs for <u>recreation</u> were up a slight 0.2 percent and <u>education and communication</u> prices were little changed over the month. From March 2008 to March 2009 the indexes for recreation and for education and communication rose 1.8 and 3.1 percent, respectively.

Energy prices, which include prices for motor fuel and household fuels, were 0.3 percent lower over the month and 23.6 percent lower than in March 2008. The special aggregate index for all items less energy rose 0.3 percent over the month and 1.9

percent since March 2008. Excluding the impact of food and energy prices, the Midwest CPI was up 0.5 percent since February and 1.4 percent over the year.

The Midwest Consumer Price Index for All Urban Consumers (CPI-U) stood at 202.021 in March. A typical market basket of goods and services that cost \$100.00 in the 1982-84 base period cost \$202.02 in March 2009. Because regional CPI data are not adjusted for seasonal price variation, consumers and businesses should be cautious in drawing conclusions about long-term retail price trends from short-term changes in the regional indexes.

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Scheduled release date for the April 2009 CPI: Friday, May 15, 2009

CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average, the Midwest region, and the Chicago area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier, as well as the scheduled release date for the next CPI issuance. The Hotline number in Chicago is (312) 353-1880, menu option 2.

BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels, and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Midwest (1982-84=100 unless otherwise noted)

		Indexes		Percent change from—			
Item and Group	Jan. 2009	Feb. 2009	Mar. 2009	Mar. 2008	Jan. 2009	Feb. 2009	
Expenditure category							
All items	. 200.815	201.453	202.021	-0.8	0.6	0.3	
All items (December 1977=100)	. 326.737	327.776	328.699	-	-	-	
Food and beverages		212.823	212.169	4.7	5	3	
Food		212.551	211.754	4.7	6	4	
Food at home		208.431	206.834	4.3	-1.4	8	
Food away from home		219.183 215.557	219.471 216.572	5.3 4.0	.4 .9	.1 .5	
Alcoholic beverages	. 214.009	213.337	210.572	4.0	.9	.5	
Housing		196.501	196.247	.2	1	1	
Shelter		225.322	225.665	.3	.4	.2	
Rent of primary residence 1		218.914	219.022	2.5	.3	.0	
Owners' equivalent rent of primary residence 1 2		228.191	228.635	1.0	.4	.2	
Fuels and utilities		199.591	196.171	-1.9	-3.0	-1.7	
Household energy		175.660	171.944	-3.3	-3.5	-2.1	
Gas (piped) and electricity ¹	. 184.681	182.116	178.424	-2.0	-3.4	-2.0	
Electricity ¹	. 162.936	164.248	164.654	8.3	1.1	.2	
		209.644 123.657	197.879 123.611	-15.5 2.4	-10.0	-5.6	
Household furnishings and operations	. 123.221	123.037	123.011	2.4	.3	.0	
Apparel	. 105.407	108.002	113.350	.3	7.5	5.0	
Transportation	. 168.806	170.320	170.771	-13.1	1.2	.3	
Private transportation		165.028	165.503	-13.7	1.3	.3	
New and used motor vehicles ³	. 92.649	93.625	93.163	-2.2	.6	5	
New vehicles	. 128.328	129.942	130.559	-1.1	1.7	.5	
New cars and trucks ^{3 4}	. 90.581	91.823	92.270	-1.2	1.9	.5	
New cars ⁴		130.564	130.800	.3	.7	.2	
Used cars and trucks		124.278	122.143	-11.7	-3.5	-1.7	
Motor fuel		169.345	172.757	-39.3	3.4	2.0	
Gasoline (all types) Gasoline, unleaded regular ⁴	. 165.570	168.297	172.553	-38.9	4.2	2.5	
Gasoline, unleaded regular	. 163.857 . 182.250	166.267 186.677	170.718 190.592	-39.4 -38.4	4.2 4.6	2.7 2.1	
Gasoline, unleaded midgrade 4 Gasoline, unleaded premium 4	. 167.839	170.637	174.084	-36.9	3.7	2.0	
	007.400	000 000	074 004	0.4	4.0	_	
Medical care		369.362 296.831	371.831 300.305	3.1 2.9	1.2 2.1	.7 1.2	
Medical care commodities		393.456	395.438	3.2	.9	.5	
Professional services		336.544	337.918	3.2	.8	.3	
Tolessional services	. 333.323	330.344	337.310	3.1	.0		
Recreation ³	. 115.172	116.119	116.300	1.8	1.0	.2	
Education and communication ³	. 127.554	127.673	127.775	3.1	.2	.1	
Other goods and services	. 336.650	337.804	347.213	4.6	3.1	2.8	
Commodity and service group							
All items	. 200.815	201.453	202.021	8	.6	.3	
Commodities		161.828	163.002	-3.8	1.2	.7	
Commodities less food and beverages		136.601	138.537	-8.6	2.3	1.4	
Nondurables less food and beverages		164.224	168.267	-12.9	3.7	2.5	
Nondurables less food, beverages, and apparel		200.848	204.067	-16.7	2.4	1.6	
Durables		108.066	108.053	-2.0	.4	.0	
Services		242.854	242.782	1.4	.2	.0	
Rent of shelter ²		231.639	231.976	.2	.4	.1	
Transportation services		256.986	255.911	4.4	.6	4	
Other services	. 291.734	292.982	293.490	2.7	.6	.2	

See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods-Continued

Midwest (1982-84=100 unless otherwise noted)

		Indexes		Percent change from—			
Item and Group	Jan. 2009	Feb. 2009	Mar. 2009	Mar. 2008	Jan. 2009	Feb. 2009	
Special aggregate indexes							
All items less medical care	192.791	193.372	193.859	-1.1	0.6	0.3	
All items less food	198.675	199.510	200.308	-1.8	.8	.4	
All items less shelter	194.219	194.907	195.563	-1.3	.7	.3	
Commodities less food	138.113	139.268	141.175	-8.1	2.2	1.4	
Nondurables	187.180	188.032	189.866	-4.4	1.4	1.0	
Nondurables less food	165.438	167.343	171.180	-11.7	3.5	2.3	
Nondurables less food and apparel	200.248	201.762	204.743	-14.9	2.2	1.5	
Services less rent of shelter 2		268.969	268.415	2.5	.0	2	
Services less medical care services	230.594	231.098	230.904	1.2	.1	1	
Energy	172.220	171.823	171.311	-23.6	5	3	
All items less energy	206.123	206.881	207.572	1.9	.7	.3	
All items less food and energy		206.425	207.407	1.4	1.0	.5	
Commodities less food and energy commodities		138.366	140.178	.7	2.1	1.3	
Energy commodities	169.454	171.404	174.339	-38.8	2.9	1.7	
Services less energy services	250.044	250.976	251.313	1.7	.5	.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.

Regions defined as the four Census regions. Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

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

Data not available.

Table 2. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index

(1982-84=100, unless otherwise noted)

	All items										
Area	Pricing schedule	Indexes				Percent change to Mar. 2009 from—			Percent change to Feb. 2009 from—		
		Dec. 2008	Jan. 2009	Feb. 2009	Mar. 2009	Mar. 2008	Jan. 2009	Feb. 2009	Feb. 2008	Dec. 2008	Jan. 2009
U.S. city average	М	210.228	211.143	212.193	212.709	-0.4	0.7	0.2	0.2	0.9	0.5
Region and area size ²											
Northeast urban	М	225.091	225.436	226.754	227.309	.2	.8	.2	.7	.7	.6
Size A - More than 1,500,000	M	227.681	227.852	229.262	229.749	.3	.8	.2	.8	.7	.6
Size B/C - 50,000 to 1,500,000 ³	М	132.830	133.308	133.967	134.411	1	.8	.3	.3	.9	.5
Midwest urban	М	199.582	200.815	201.453	202.021	8	.6	.3	2	.9	.3
Size A - More than 1,500,000	M	200.465	202.001	202.639	203.240	9	.6	.3	3	1.1	.3
Size B/C - 50,000 to 1,500,000 ³ Size D - Nonmetropolitan (less than	М	128.018	128.636	129.057	129.334	6	.5	.2	.1	.8	.3
50,000)	М	195.383	195.843	196.421	197.267	-1.1	.7	.4	6	.5	.3
South urban	М	203.501	204.288	205.343	206.001	3	.8	.3	.1	.9	.5
Size A - More than 1,500,000	М	206.414	207.035	207.929	208.529	3	.7	.3	.2	.7	.4
Size B/C - 50,000 to 1,500,000 ³	М	129.099	129.615	130.380	130.873	4	1.0	.4	.0	1.0	.6
Size D - Nonmetropolitan (less than 50,000)	М	204.428	205.766	206.671	206.927	.0	.6	.1	.7	1.1	.4
M/o of code or		044.005	045 000	047.005	047.057	_	_				_
Size A - More than 1,500,000	M M	214.685 218.698	215.923 219.806	217.095 220.955	217.357 221.124	5 4	.7 .6	.1 .1	.3 .5	1.1 1.0	.5 .5
Size B/C - 50,000 to 1,500,000 ³	M	129.725	130.682	131.636	131.775	8	.8	.1	.1	1.5	.7
Size classes											
A ⁴	М	192.646	193.412	194.354	194.750	3	.7	.2	.3	.9	.5
B/C ³	M	129.519	130.135	130.855	131.230	5	.8	.3	.1	1.0	.6
D	М	202.359	203.409	203.999	204.672	5	.6	.3	.1	.8	.3
Selected local areas ⁵											
Chicago-Gary-Kenosha, IL-IN-WI	M	205.959	207.616	207.367	207.462	-1.9	1	.0	-1.0	.7	1
Los Angeles-Riverside-Orange County, CA	M	219.620	220.719	221.439	221.376	-1.0	.3	.0	.0	.8	.3
New York-Northern N.JLong Island, NY-NJ-CT-PA	М	233.012	233.402	234.663	235.067	.8	.7	.2	1.6	.7	.5
Boston-Brockton-Nashua, MA-NH-ME-CT	1	_	230.806	-	232.155	4	.6	_	_	_	_
Cleveland-Akron, OH		-	198.232	-	199.457	-1.5	.6	-	-	-	-
Dallas-Fort Worth, TX	1 1	-	198.623	-	200.039	.7	.7	-	-	-	-
Washington-Baltimore, DC-MD-VA-WV ⁶	1	-	137.598	-	138.620	.4	.7	-	-	-	-
Atlanta, GA	2	196.961	-	199.190	-	-	-	-	-2.4	1.1	-
Detroit-Ann Arbor-Flint, MI	2	197.991	-	201.913	-	-	-	-	2	2.0	-
Houston-Galveston-Brazoria, TX	2	185.930	-	187.972	-	_	_	-	.2	1.1	-
Miami-Fort Lauderdale, FL	2	218.324	-	220.589	_	-	-	-	.7	1.0	-
PA-NJ-DE-MD	2	218.186	-	220.262	-	-	-	-	3	1.0	-
San Francisco-Oakland-San Jose, CA	2	218.528	-	222.166	-	-	-	-	1.2	1.7	-
Seattle-Tacoma-Bremerton, WA	2	222.580	-	224.737	-	-	-	-	1.4	1.0	-

¹ Foods, fuels, and several other items priced every month in all areas; most other goods and services priced as indicated:

Pittsburgh, PA; Portland-Salem, OR-WA; St. Louis, MO-IL; San Diego, CA; Tampa-St. Petersburg-Clearwater, FL.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

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

M - Every month.

^{1 -} January, March, May, July, September, and November.

^{2 -} February, April, June, August, October, and December.

² Regions defined as the four Census regions. See map in technical notes.

3 Indexes on a December 1996=100 base.

December 1986=100 base.

⁴ Indexes on a December 1986=100 base.

In addition, the following metropolitan areas are published semiannually and appear in Tables 34 and 39 of the January and July issues of the CPI Detailed Report: Anchorage, AK; Cincinnati-Hamilton, ÓH-KY-IN; Denver-Boulder-Greeley, CO; Honolulu, HI; Kansas City, MO-KS; Milwaukee-Racine, WI; Minneapolis-St. Paul, MN-WI; Phoenix-Mesa, AZ;

Indexes on a November 1996=100 base.

Data not available.