

News

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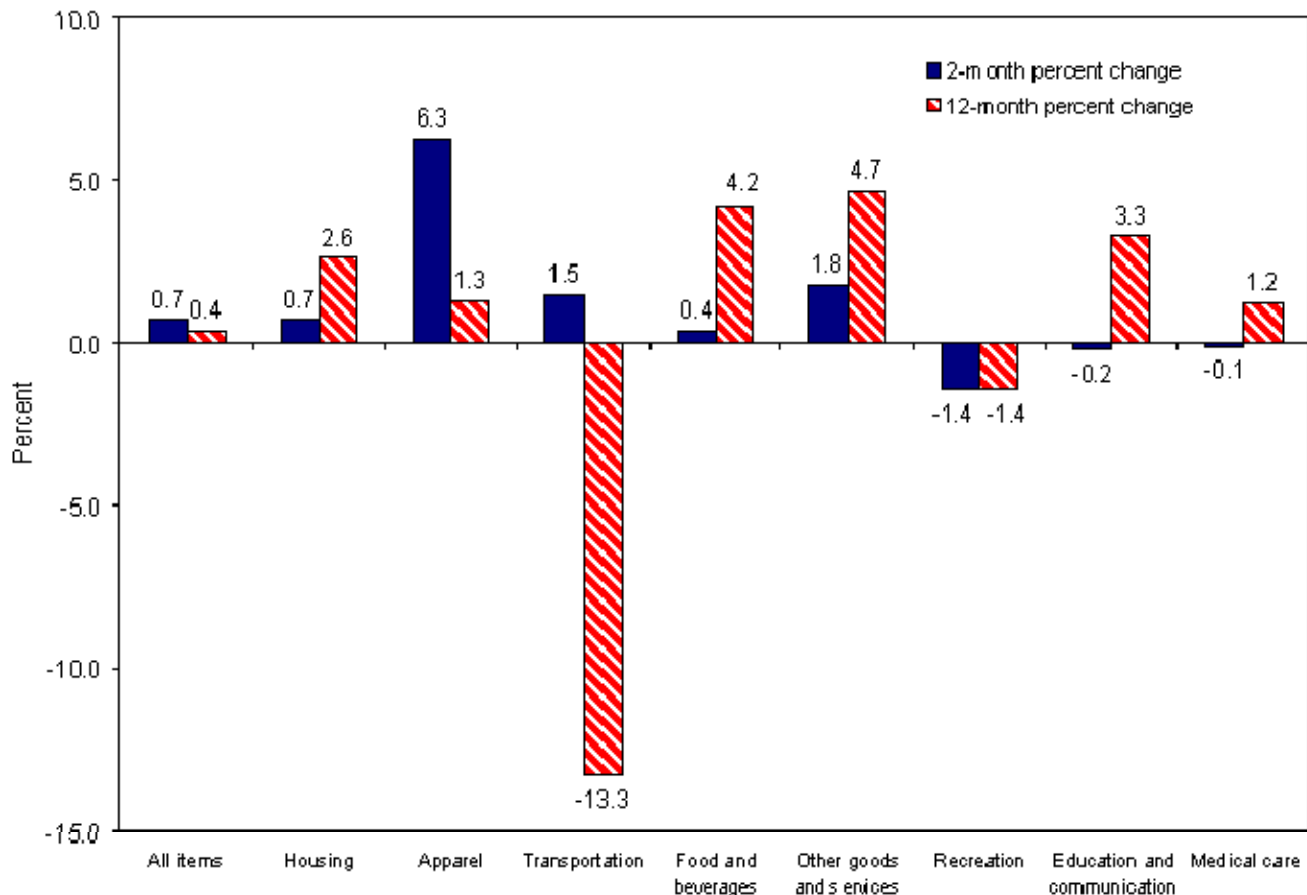
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WASHINGTON-BALTIMORE AREA CONSUMER PRICE INDEX: MARCH 2009

Retail Prices Increase for the First Time Since July 2008

Retail prices in the Washington-Baltimore area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.7 percent from January to March, following a 0.7-percent decline in the previous two-month period, 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 advance was led by higher prices for housing, apparel, and transportation. Prices were also higher for food and beverages and other goods and services, but were lower for recreation, education and communication, and medical care. (See chart A.) The March level of 138.620 (November 1996 = 100) was 0.4 percent higher than in March 2008—the smallest 12-month increase since publication began in November 1996. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 2.0 percent. (See table 1.)

Chart A. 2-month and 12-month percent changes ended March 2009 for the major categories of the CPI-U for the Washington-Baltimore area, not seasonally adjusted



The housing index advanced 0.7 percent from January to March after edging up 0.3 percent in the previous two-month period. Shelter prices, which rose 1.1 percent since January, were responsible for much of this increase. Prices for both published components, owners' equivalent rent of primary residence (0.9 percent) and rent of primary residence (0.7 percent), increased over the last two months; both components also rose over the year—up 3.3 and 5.1 percent, respectively. Since March 2008, the shelter index advanced 2.7 percent. A 3.7-percent jump in the household furnishings and operations index—the largest two-month increase since July 2000—also contributed to the advance in the housing index. Over the year, prices for household furnishings and operations rose 2.8 percent. Moderating the overall increase in the housing index, the fuels and utilities index declined 4.9 percent over the last two months. Prices for utility (piped) gas service (-22.4 percent), electricity (-1.2 percent), and fuel oil all decreased from January to March. Utility gas service prices fell 23.3 percent over the year, while electricity prices rose 10.2 percent. Altogether, the fuels and utilities index was 1.9 percent higher than year-ago levels. Since March 2008, the housing index advanced 2.6 percent.

Following a 7.8-percent seasonal decline from November to January, apparel prices rose 6.3 percent from January to March due mainly to higher prices for women's suits and separates. The apparel index typically rises from January to March; however, the latest two-month increase was below the 8.0-percent average January-to-March increase over the previous five years. Over the year, apparel prices rose 1.3 percent.

After falling 22.4 percent from July 2008 to January 2009, the transportation index rose 1.5 percent since January due almost entirely to a 10.9-percent jump in the price of gasoline. Gasoline prices were lower over the year (-39.1 percent) due to steep declines in the second half of last year. Overall, the transportation index was 13.3 percent lower than last year.

Food and beverages prices increased 0.4 percent from January to March due to higher prices for both food at home and food away from home; each advanced 0.5 percent over the last two months. The food at home index rose 4.3 percent over the year and the food away from home index was up 4.9 percent. Prices for alcoholic beverages declined 1.0 percent since January but were 0.7 percent higher than a year ago. The overall food and beverages index was up 4.2 percent over the year.

Higher cigarette prices were mostly responsible for a 1.8-percent rise in the other goods and services index. 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) advanced 4.7 percent since March 2008.

The remaining indexes had lower prices from January to March. The recreation index fell 1.4 percent over the last two months after inching up 0.1 percent from November to January. The recent decrease was due in part to lower prices for pets and pet products. Over the year, the recreation index also declined 1.4 percent.

Education and communication prices edged down 0.2 percent since January due mostly to lower prices for personal computers and peripheral equipment. Since March 2008, the education and communication index rose 3.3 percent.

Following three consecutive bimonthly increases, the medical care index inched down 0.1 percent from January to March but was up 1.2 percent over the year.

The energy index, which reflects prices for gasoline and household fuels, inched up 0.1 percent, as lower prices for utility gas (-22.4 percent), electricity (-1.2 percent), and fuel oil nearly offset higher prices for gasoline (10.9 percent). Over the year, energy prices dropped 19.3 percent—their largest decrease since publication began in November 1996.

Seven-eighths of the two-month increase in the overall local index came from rising commodities prices, up 1.9 percent since January but down 3.2 percent since last March. The services index inched up 0.1 percent over the last two months and was 2.4 percent higher over the year.

The CPI-U for the Washington-Baltimore area stood at 138.620 on the November 1996=100 reference base, which means that a market basket of goods and services that averaged \$100.00 in November 1996 would have cost \$138.62 in March.

The Washington-Baltimore, D.C.-Md.-Va.-W.Va., Consolidated Metropolitan Statistical Area (CMSA) includes the District of Columbia; Baltimore City and the counties of Anne Arundel, Baltimore, Calvert, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and

Washington in Maryland; the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park and the counties of Arlington, Clarke, Fairfax, Fauquier, King George, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren in Virginia; and the counties of Berkeley and Jefferson in West Virginia.

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: Washington-Baltimore area, December 2008

Item and group	CPI-U
Expenditure category	
All items	100.000
Food and beverages	14.284
Food	13.166
Food at home	6.807
Food away from home	6.359
Alcoholic beverages	1.118
Housing	48.599
Shelter	39.000
Rent of primary residence	6.474
Owners' equivalent rent of primary residence	29.560
Fuels and utilities	5.514
Household energy	4.836
Gas (piped) and electricity	4.649
Electricity	3.668
Utility (piped) gas service	0.981
Household furnishings and operations	4.085
Apparel	3.878
Transportation	12.569
Private transportation	11.317
Motor fuel	3.206
Gasoline	3.184
Medical care	5.015
Recreation	5.194
Education and communication	7.465
Other goods and services	2.996
Commodity and service group	
Commodities	34.255
Commodities less food and beverages	19.971
Non durables less food and beverages	12.157
Durables	7.815
Services	65.745
Special aggregate indexes	
All items less medical care	94.985
All items less shelter	61.000
Commodities less food	21.090
Nondurables	26.440
Nondurables less food	13.275
Services less rent of shelter	27.133
Services less medical care services	61.938
Energy	8.042
All items less energy	91.958
All items less food and energy	78.793

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va. (December 1997=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	Jan. 2009	Feb. 2009	Mar. 2009	Mar. 2008	Jan. 2009	Feb. 2009
All items (1)	137.598	-	138.620	0.4	0.7	-
Food and beverages (1)	139.710	-	140.264	4.2	0.4	-
Food (1)	140.988	-	141.722	4.6	0.5	-
Food at home	137.387	137.620	138.098	4.3	0.5	0.3
Food away from home (2)	143.007	-	143.757	4.9	0.5	-
Alcoholic beverages (2)	121.289	-	120.020	0.7	-1.0	-
Housing (1)	150.681	-	151.674	2.6	0.7	-
Shelter	154.345	154.867	156.085	2.7	1.1	0.8
Rent of primary residence (1) (3)	166.619	167.135	167.773	5.1	0.7	0.4
Owners' equivalent rent of primary residence (3)	153.944	153.892	155.398	3.3	0.9	1.0
Fuels and utilities	190.319	-	180.981	1.9	-4.9	-
Household energy	195.981	194.055	184.990	1.4	-5.6	-4.7
Gas (piped) and electricity (3)	190.004	188.009	179.081	2.4	-5.7	-4.7
Electricity (3)	189.285	189.743	186.944	10.2	-1.2	-1.5
Utility (piped) gas service (3)	171.426	161.463	133.062	-23.3	-22.4	-17.6
Household furnishings and operations	99.950	-	103.627	2.8	3.7	-
Apparel (1)	91.152	-	96.914	1.3	6.3	-
Transportation (1)	115.756	-	117.457	-13.3	1.5	-
Private transportation	114.558	-	117.081	-13.4	2.2	-
Motor fuel	145.923	159.466	161.628	-39.1	10.8	1.4
Gasoline (all types)	145.644	159.290	161.539	-39.1	10.9	1.4
Gasoline, unleaded regular (4)	145.639	159.616	162.315	-40.1	11.5	1.7
Gasoline, unleaded midgrade (4)	147.945	161.313	163.267	-37.3	10.4	1.2
Gasoline, unleaded premium (4)	150.438	163.440	163.902	-36.3	8.9	0.3
Medical care (1)	142.198	-	142.003	1.2	-0.1	-
Recreation	117.129	-	115.470	-1.4	-1.4	-
Education and communication	131.247	-	130.970	3.3	-0.2	-
Other goods and services (1)	158.830	-	161.662	4.7	1.8	-
Commodity and service group						
Commodities	117.011	-	119.274	-3.2	1.9	-
Commodities less food and beverages	104.170	-	107.388	-8.1	3.1	-
Nondurables less food and beverages	121.170	-	126.695	-12.4	4.6	-
Durables	85.190	-	86.025	-0.9	1.0	-
Services	151.162	-	151.372	2.4	0.1	-
Special aggregate indexes						
All items less medical care (1)	137.303	-	138.387	0.3	0.8	-
All items less shelter	129.039	-	129.674	-1.1	0.5	-
Commodities less food	105.064	-	108.064	-7.6	2.9	-
Nondurables	130.278	-	133.178	-3.9	2.2	-
Nondurables less food	121.370	-	126.277	-11.3	4.0	-
Services less rent of shelter	148.193	-	146.337	1.9	-1.3	-
Services less medical care services	151.937	-	152.160	2.4	0.1	-
Energy (1)	172.793	177.267	172.947	-19.3	0.1	-2.4
All items less energy	134.464	-	135.533	2.4	0.8	-
All items less food and energy (1)	134.285	-	135.413	2.0	0.8	-

1 For Washington-Baltimore, index is on a November 1996=100 base.

2 For Washington-Baltimore, index is on a November 1997=100 base.

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

4 Special index based on a substantially smaller sample.

- Data not available.

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