

United States Department of Labor



Bureau of Labor Statistics

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## CONSUMER PRICE INDEX CINCINNATI-HAMILTON, OHIO-KY.-IND. CMSA FIRST HALF 2009

Retail prices in the Cincinnati-Hamilton metropolitan area were down 2.0 percent in the first half of 2009 compared with the second half of 2008, according to the U.S. Department of Labor's Bureau of Labor Statistics. The Cincinnati-Hamilton area Consumer Price Index for All Urban Consumers (CPI-U) stood at 198.945 (1982-84=100) in the first half of 2009, representing a 0.6 percent decrease from the first half of 2008. During the previous 12 month period, prices in the area rose 4.1 percent.

According to Jay A. Mousa, regional commissioner for the Bureau's Chicago regional office, the first half 2009 decrease in the Cincinnati area all items CPI-U was largely attributable to lower energy prices, particularly for gasoline and utility (piped) gas service. Mousa added that when energy components are subtracted from the all items index, prices in the Cincinnati area rose 0.5 percent over the latest semiannual period and 2.6 percent over the year.

The <u>transportation</u> component declined 11.0 percent in the first half of the year primarily due to the aforementioned drop is gasoline prices. Prices at the gas pumps were 29.2 percent lower in the first half of 2009 compared with the second half of 2008. Over the year, the transportation component in the Cincinnati area was 14.2 percent lower and gasoline prices were 37.7 percent lower.

During the first half of 2009, the <u>housing</u> component fell 0.6 percent. This decline was the result of a 5.6 percent drop in the electricity index and a 26.9 percent decline in the index for utility (piped) gas service. The shelter index rose 0.9 percent and the index for household furnishings and operations increased 1.0 percent, only partially offsetting these declines. On an annual basis, the housing component was up 1.6 percent. Shelter costs were up 1.1 percent while the index for electricity was up 3.6 percent and the index for utility (piped) gas service was down 16.4 percent. Prices for household furnishings and operations increased 5.0 percent from the first half of 2008 to the first half of 2009.

The <u>food and beverages</u> component gained 0.4 percent during the first half of 2009. This increase was attributed to higher prices for food at home (groceries), which were 0.4 percent higher and alcoholic beverage prices, which were up 4.8 percent. Prices for food away from home were down 0.9 percent. On an annual basis, prices for food and beverages were 6.1 percent higher. The food at home index gained 4.8 percent while the food away from home index rose 7.0 percent and prices for alcoholic beverages climbed 8.5 percent.

The <u>recreation</u> component, which includes items like televisions and admissions, was up 2.2 percent during the first half of 2009 and was 3.8 percent higher for the year. In the previous annual period, recreation prices rose 1.7 percent.

<u>Medical care</u> costs rose 0.7 percent during the first six months of 2009 and were 1.6 percent higher over the year. During the prior annual period, medical care costs were up 3.4 percent.

<u>Apparel</u> prices declined 3.6 percent during the first half of the year. Apparel prices in the Cincinnati area have declined during the first six months of the year in nine of the past ten years. Over the year, apparel prices were 0.4 percent higher. In the previous annual period, apparel prices in the area rose 14.4 percent.

The <u>education and communications</u> component rose 1.3 percent during the first half of 2009 and was 2.6 percent higher for the year. This was similar to the previous annual period when the component rose 3.0 percent.

The <u>other goods and services</u> component, which includes items like tobacco and dry cleaning, was up 3.9 percent during the first six months of this year and was 5.9 percent higher on an annual basis. In the prior annual period, this component increased 4.3 percent.

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<u>Cincinnati-Hamilton, Ohio-Ky.-Ind. Combined Metropolitan Statistical Area</u> (<u>CMSA</u>) includes Dearborn and Ohio Counties in Indiana; Boone, Campbell, Gallatin, Grant, Kenton, and Pendleton Counties in Kentucky; and Brown, Butler, Clermont, Hamilton and Warren Counties in Ohio.

## 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 <u>www.bls.gov/cpi</u> and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at <u>www.bls.gov/opub/hom/homch17\_a.htm</u>.

## Cincinnati-Hamilton, OH-KY-IN (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2009 from—	
	1st half 2008	2nd half 2008	1st half 2009	1st half 2008	2nd half 2008
Expenditure category					
All items	200.054 619.011	203.031 628.224	198.945 615.579	-0.6	-2.0
Food and beverages	188.212	198.899	199.674	6.1	.4
Food	185.728	196.800	196.457	5.8	2
Food at home	183.914	192.000	192.716	4.8	.4
Food away from home	190.604	205.807	204.041	7.0	9
Alcoholic beverages	214.977	222.531	233.181	8.5	4.8
Housing	183.810	187.773	186.711	1.6	6
Shelter	207.016	207.464	209.340	1.1	.9
Rent of primary residence	206.755	209.859	212.158	2.6	1.1
Owners' equivalent rent of primary residence <sup>1</sup>	208.843	209.863	212.478	1.7	1.2
Fuels and utilities	197.669	214.815	197.693	.0	-8.0
Household energy	171.912	188.593	168.788	-1.8	-10.5
Gas (piped) and electricity	175.308	193.765	175.433	.1	-9.5
Electricity	162.222	177.968	167.987	3.6	-5.6
Utility (piped) gas service	251.472	287.705	210.324	-16.4	-26.9
Household furnishings and operations	118.318	123.062	124.258	5.0	1.0
Apparel	132.694	138.166	133.220	.4	-3.6
Transportation	195.386	188.531	167.725	-14.2	-11.0
Private transportation	194.417	187.256	166.440	-14.4	-11.1
Motor fuel	305.285	270.410	189.355	-38.0	-30.0
Gasoline (all types)	304.016	267.770	189.510	-37.7	-29.2
Gasoline, unleaded regular <sup>2</sup> Gasoline, unleaded midgrade <sup>2 3</sup>	314.203	276.544	194.539	-38.1	-29.7
Gasoline, unleaded midgrade <sup>2,3</sup> Gasoline, unleaded premium <sup>2</sup>	293.851 259.647	258.371 230.195	184.945 167.015	-37.1 -35.7	-28.4 -27.4
Medical care	376.975	380.138	382.854	1.6	.7
Recreation <sup>4</sup>	120.736	122.578	125.294	3.8	2.2
Education and communication <sup>4</sup>	119.706	121.311	122.847	2.6	1.3
Other goods and services	378.718	385.989	400.989	5.9	3.9
Commodity and service group					
All items	200.054	203.031	198.945	6	-2.0
Commodities	168.941	170.510	162.350	-3.9	-4.8
Commodities less food and beverages	157.346	154.520	142.230	-9.6	-8.0
Nondurables less food and beverages	196.737	190.096	167.206	-15.0	-12.0
Durables Services	120.894 233.697	121.640 238.202	119.541 238.612	-1.1 2.1	-1.7 .2
Special aggregate indexes					
All items less medical care	191.775	194.730	190.379	7	-2.2
All items less shelter	199.347	203.088	196.828	-1.3	-2.2
Commodities less food	159.419	157.086	145.892	-8.5	-7.1
Nondurables	193.983	195.971	184.642	-4.8	-5.8
Nondurables less food	198.036	192.705	172.851	-12.7	-10.3
	270.726	279.758	278.420	2.8	5
Services less rent of shelter <sup>1</sup>					
	220.341	224.918	225.375	2.3	.2
Services less medical care services	220.341 233.363				
	220.341 233.363 198.700	224.918 226.199 202.762	225.375 178.108 203.791	2.3 -23.7 2.6	-21.3 -21.3 .5

Index is on a November 1982=100 base.
Special index based on a substantially smaller sample.
Indexes on a December 1993=100 base.
Indexes on a December 1997=100 base.
Data not available.