

United States Department of Labor



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CONSUMER PRICE INDEX CLEVELAND-AKRON, OHIO CMSA **JULY 2009**

Consumer prices in the Cleveland area rose 0.2 percent from May to July, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Over the past 12 months, retail prices in the Cleveland area fell 3.1 percent. This was a change from the previous 12-month period when consumer prices rose 5.0 percent. The Cleveland-Akron Consumer Price Index for All Urban Consumers (CPI-U) for July 2009 was 200.558 (1982-84=100).

Jay A. Mousa, regional commissioner for the Bureau in Chicago, noted that an 8.2percent increase in gasoline prices and a 0.7 percent increase in the heavily-weighted housing component were the largest contributors to the latest bimonthly increase. In addition to housing and transportation (which includes gasoline), the recreation index also rose over the two months. The components for food and beverages, apparel, medical care, and education and communication declined over the two-month period, but only partially offset the increases in the other categories. The other goods and services component was little changed from May to July.

The housing component was up 0.7 percent from May to July. This increase was driven by a 0.7 percent increase in the heavily-weighted shelter index. Prices for household energy also rose during the bimonthly period, increasing 2.1 percent. Prices for household furnishings and operations declined 0.8 percent from May to July. Over

Table A. Percent Changes in the CPI-U for the Cleveland-Akron, OH CMSA

(not seasonally adjusted)

(Hot seasonarry auju	stea)	12 mo.							
Expenditure Category	2008			ges from 2 months ago 2009				ended	
	July	Sep.	Nov.	Jan.	Mar.	May	July	July '09	
All items	1.0	3	-3.9	0.0	0.6	0.4	0.2	-3.1	
Food & beverages	1	2.7	.7	.9	6	5	7	2.4	
Housing	1.7	-1.7	-2.1	1.1	.1	-1.1	.7	-3.0	
Apparel	-8.3	13.8	-1.5	-16.3	10.2	6.1	-13.0	-4.6	
Transportation	2.2	-3.3	-17.3	-1.1	.5	4.5	2.8	-14.7	
Medical care	.1	.1	.6	1.7	.2	1	3	2.2	
Recreation	2.0	1.8	3	.6	.8	3	1.2	3.9	
Education & communication	.5	.1	.1	.0	.1	4	2	3	
Other goods & services	1.6	.3	.5	2.0	4.8	1.9	.1	10.0	

the year, the housing component fell 3.0 percent. The largest contributor to this annual decline was a 46.6 percent drop in the utility (piped) gas service index. A 3.9 percent drop in the electricity index also contributed to this decline. Prices for shelter rose 1.6 percent from July 2008 to July 2009, but only partially offset the large declines elsewhere in the housing component.

Prices for <u>transportation</u> were up 2.8 percent from May to July. The aforementioned 8.2 percent increase in gasoline prices was the primary cause of this gain. Higher airline fares and increased prices for motor vehicle repairs also contributed to the increase. Over the year, transportation costs in the Cleveland area fell 14.7 percent. Once again, volatile gasoline prices were the largest contributor, reporting a decline of 37.4 percent.

The <u>food and beverages</u> component declined 0.7 percent over the bimonthly period. This drop was due to a 1.3 percent decline in the food at home (groceries) index and a 1.6 percent decline in the index for alcoholic beverages. A 0.4 percent gain in the food away from home index (restaurant meals) only partially offset these decreases. For the year, the food and beverages component was 2.4 percent higher with food at home prices increasing 2.8 percent and prices for food eaten away from home rising 2.2 percent. From July 2007 to July 2008, food and beverage prices in the Cleveland area rose 4.0 percent.

The <u>apparel</u> component fell 13.0 percent from May to July. Such a decline is typical for the May-July period: in 2008 the component fell 8.3 percent and in 2007 it declined 16.7 percent. Over the year, apparel prices in the area were down 4.6 percent. This marked a change from the previous 12-month period when apparel prices rose 17.9 percent.

Costs for <u>medical care</u> declined 0.3 percent during the bimonthly period. Compared to July 2008, medical care costs were 2.2 percent higher. During the previous 12-month period, medical care prices in the Cleveland area rose 3.6 percent.

The <u>education and communication</u> component, which includes items such as tuitions and telephone services, was down 0.2 percent over the bimonthly period and down 0.3 percent compared with last July. During the previous 12-month period, education and communication prices in the Cleveland area rose 2.0 percent.

The <u>recreation</u> component, which includes items such as pets, sporting goods, and admissions, was up 1.2 percent from its May level. On an annual basis, recreation costs were up 3.9 percent. In the previous July-July period, recreation prices increased 2.9 percent.

The <u>other goods and services</u> component, which includes items such as tobacco, dry cleaning services, and cosmetics, edged up 0.1 percent from May to July. On an annual basis, prices for other goods and services increased 10 percent. From July 2007 to July 2008, prices in this category rose 1.6 percent.

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<u>Cleveland-Akron, Ohio Combined Metropolitan Statistical Area (CMSA)</u> includes Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit 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 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.

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

Cleveland-Akron, OH (1982-84=100 unless otherwise noted)

		Indexes		Percent change from—			
Item and Group	May 2009	June 2009	July 2009	July 2008	May 2009	June 2009	
Expenditure category							
All items	200.196 641.522	-	200.558 642.683	-3.1	0.2	-	
Food and beverages	219.687	-	218.151	2.4	7	-	
Food at home	223.542	220.250	222.169	2.5	6	-	
Food away from home	217.451 236.860	220.258	214.563 237.748	2.8 2.2	-1.3 .4	-2.6	
Alcoholic beverages	177.483	-	174.677	1.3	-1.6	-	
Housing	189.117	-	190.498	-3.0	.7	-	
Shelter	213.960	215.340	215.559	1.6	.7	.1	
Rent of primary residence 1	212.869	213.218	212.609	2.7	1	3	
Owners' equivalent rent of primary residence 1 2	210.808 183.507	211.336	211.233 186.684	1.0	.2 1.7	.0	
Fuels and utilities Household energy	170.679	173.141	174.320	-23.5 -28.8	2.1	.7	
Gas (piped) and electricity ¹	171.525	173.861	175.133	-28.6	2.1	.7	
Electricity ¹	155.020	163.231	163.978	-3.9	5.8	.5	
Utility (piped) gas service 1	178.054	171.979	173.858	-46.6	-2.4	1.1	
Household furnishings and operations	123.862	-	122.929	2.3	8	-	
Apparel	117.838	-	102.497	-4.6	-13.0	-	
Transportation	180.195	-	185.157	-14.7	2.8	-	
Private transportation	181.141	-	185.812	-14.9	2.6	-	
Motor fuel	227.992	270.848	247.333	-37.7	8.5	-8.7	
Gasoline (all types)	227.756	270.732	246.446	-37.4	8.2	-9.0	
Gasoline, unleaded regular ³	221.849	263.554	239.628	-37.4	8.0	-9.1	
Gasoline, unleaded midgrade 3 4	230.237	275.530	252.476	-37.2	9.7	-8.4	
Gasoline, unleaded premium ³	221.529	262.493	239.932	-36.4	8.3	-8.6	
Medical care	349.843	-	348.820	2.2	3	-	
Recreation ⁵	113.798	-	115.163	3.9	1.2	-	
Education and communication ⁵	111.957	-	111.694	3	2	-	
Other goods and services	367.074	-	367.542	10.0	.1	-	
Commodity and service group							
All items	200.196	-	200.558	-3.1	.2	-	
Commodities	174.129	-	173.010	-5.6	6	-	
Commodities less food and beverages	149.949	-	149.035	-9.9	6	-	
Nondurables less food and beverages	184.951	-	183.162	-14.7	-1.0	-	
Durables Services	111.266 227.233	-	111.168 228.882	-1.8 -1.4	1 .7	-	
Special aggregate indexes							
All items less medical care	193.380	-	193.812	-3.5	.2	-	
All items less shelter	196.523	-	196.372	-5.5 -5.1	1	-	
Commodities less food	151.121	-	150.128	-9.4	7	-	
Nondurables	202.624	-	200.937	-6.9	8	-	
Nondurables less food	184.216	-	182.342	-13.6	-1.0	-	
Services less rent of shelter ²	245.543	-	247.510	-4.2	.8	-	
Services less medical care services	218.159		220.013	-1.7	.8	-	
Energy	190.289	208.493	200.005	-33.4	5.1	-4.1	
All items less energy	203.016	-	202.401	1.7	3	-	
All items less food and energy	199.410		198.915	1.6	2		

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 Special index based on a substantially smaller sample.

4 Indexes on a December 1993=100 base.

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

⁵ Indexes on a December 1997=100 base.

Data not available.