

News

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BOSTON AREA CONSUMER PRICE INDEX: JULY 2009 **Local Consumer Prices Rise 0.5 Percent**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Boston metropolitan area increased 0.5 percent for the two months ended July 2009, according to Denis M. McSweeney, Regional Commissioner of the U.S. Department of Labor's Bureau of Labor Statistics. This followed a 0.1-percent decrease for the two months ended May 2009. The July increase was mainly due to rising gasoline prices and to a lesser extent higher shelter costs, which were partially offset by lower apparel prices. For the year ended July 2009, the CPI-U for Boston fell 3.4 percent, the largest annual decline recorded since December 1938. Core inflation, as measured by the all items less food and energy index, increased by 0.9 percent.

For the two months ended July 2009, transportation increased 4.2 percent as gasoline prices rose 13.3 percent, the sixth consecutive increase in that category. Higher prices for new and used motor vehicles also contributed to the increase in transportation. Partially offsetting the increase in transportation were lower apparel prices, down 8.1 percent as summer markdowns were introduced, particularly in women's apparel. Food and beverage prices also decreased, down 0.4 percent, as lower grocery prices (-1.1 percent) more than offset higher restaurant prices (0.3 percent). The food and beverage index in the Boston area has not posted an increase since November 2008. Housing edged up 0.1 percent as a 0.6-percent increase in shelter was nearly offset by a 2.6-percent decline in fuels and utilities. The decline in fuels and utilities was largely attributable to a 6.9-percent drop in electricity prices. Among the four remaining categories, other goods and services rose 1.3 percent and recreation was up 0.8 percent. Medical care costs rose 0.5 percent and education and communication costs were unchanged.

For the year ended July 2009, overall prices in the Boston area fell 3.4 percent, the fourth consecutive annual decrease posted this year. The July decline was mainly due to lower prices within the housing and transportation categories. Housing decreased 5.6 percent, the largest decline recorded since data became available in 1976. The shelter component decreased 1.0 percent due to lower hotel and motel rates. Further contributing to the drop in housing was a 36.8-percent decline in household energy. Utility (piped) gas prices fell 61.4 percent, the largest drop since the series began in 1971, and electricity prices decreased by 10.6 percent. Lower fuel oil prices also drove the decline in household energy. Transportation dropped 13.8 percent, mainly attributable to lower gasoline prices, down a sharp 36.9 percent. Boston area motorists paid an average of \$2.567 per gallon in July, compared with \$4.066 at the same time last year. Moderating these decreases were increases in the remaining six categories. Medical care costs rose 5.6 percent and education and communication was up 4.3 percent. Other goods and services expenses rose 8.6 percent over the year, apparel increased 5.7 percent, and recreation was up 3.5 percent. Food and beverage prices increased by 1.5 percent, the smallest increase recorded since November 2005.

In July, the Boston CPI-U on the 1982-84 base was 233.018. By this gauge, the selected market basket of goods and services which cost area consumers an average of \$10.00 during the 1982-84 reference period would now cost more than double at \$23.30. The purchasing power of the dollar for the Boston area in 1982-84 dollars was 42.9 cents in July 2009. In July, the CPI-W (Urban Wage Earners and Clerical Workers), at 232.535, was up 0.5 percent since May 2009 and decreased 3.3 percent over the year.

Free email subscription service! To receive the most recent monthly Consumer Price Indexes for the U.S. and Northeast, and bimonthly indexes for the Boston-Brockton-Nashua, MA-NH-ME-CT metropolitan area, please subscribe at <http://www.bls.gov/bls/list.htm> and select the notification titled New England CPI Summary (Boston). Select August food, shelter, and energy indexes for Boston will be released on Wednesday, September 16, 2009 at 8:30 AM. The September Consumer Price Index for all items for Boston will be released on Thursday, October 15, 2009 at 8:30 AM.

NOTE: Local area CPI indexes are the by-products of the national CPI program. Since each local area index is a small subset of the national index, it has a smaller sample size and is therefore subject to substantially more sampling and other measurement error than that for the national index. In addition, local indexes are not adjusted for seasonal factors. As a result, local area indexes show greater volatility compared with the national index, although their long-term trends are quite similar. Additional information is available from the BLS Internet Web site at www.bls.gov/cpi or by calling the Boston Economic Analysis and Information office at 617-565-2327. This information will be made available to sensory impaired individuals upon request. Voice phone: (617) 565-2072, Federal Relay Services: 1-800-877-8339.

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

Boston-Brockton-Nashua, MA-NH-ME-CT (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	May 2009	June 2009	July 2009	July 2008	May 2009	June 2009
Expenditure category						
All items	231.891	-	233.018	-3.4	0.5	-
All items (1967=100)	673.998	-	677.272	-	-	-
Food and beverages	228.812	-	227.910	1.5	-.4	-
Food	228.869	-	227.826	1.3	-.5	-
Food at home	222.447	220.584	220.109	.7	-1.1	-0.2
Food away from home	240.793	-	241.444	2.0	.3	-
Alcoholic beverages	230.328	-	231.163	3.9	.4	-
Housing	232.656	-	232.928	-5.6	.1	-
Shelter	275.399	277.233	277.090	-1.0	.6	-.1
Rent of primary residence ¹	277.604	277.149	277.228	1.9	-.1	.0
Owners' equivalent rent of primary residence ^{1 2}	288.913	289.446	290.528	2.9	.6	.4
Fuels and utilities	202.423	-	197.189	-33.7	-2.6	-
Household energy	173.058	176.511	167.476	-36.8	-3.2	-5.1
Gas (piped) and electricity ¹	181.628	183.020	170.657	-31.5	-6.0	-6.8
Electricity ¹	208.243	210.458	193.973	-10.6	-6.9	-7.8
Utility (piped) gas service ¹	120.168	119.860	116.265	-61.4	-3.2	-3.0
Household furnishings and operations	128.187	-	126.400	-.2	-1.4	-
Apparel	134.904	-	123.992	5.7	-8.1	-
Transportation	164.273	-	171.167	-13.8	4.2	-
Private transportation	163.448	-	170.667	-13.8	4.4	-
Motor fuel	191.860	220.829	216.946	-37.5	13.1	-1.8
Gasoline (all types)	190.183	219.611	215.432	-36.9	13.3	-1.9
Gasoline, unleaded regular ³	188.879	218.501	213.835	-37.3	13.2	-2.1
Gasoline, unleaded midgrade ^{3 4}	190.860	220.000	217.475	-35.9	13.9	-1.1
Gasoline, unleaded premium ³	188.159	215.170	212.582	-35.0	13.0	-1.2
Medical care	524.580	-	527.184	5.6	.5	-
Recreation ⁵	121.443	-	122.432	3.5	.8	-
Education and communication ⁵	137.078	-	137.128	4.3	.0	-
Other goods and services	403.841	-	408.913	8.6	1.3	-
Commodity and service group						
All items	231.891	-	233.018	-3.4	.5	-
Commodities	174.089	-	175.281	-6.4	.7	-
Commodities less food and beverages	145.255	-	147.406	-11.3	1.5	-
Nondurables less food and beverages	182.798	-	187.541	-16.6	2.6	-
Durables	107.772	-	107.748	-2.9	.0	-
Services	284.066	-	285.094	-1.5	.4	-
Special aggregate indexes						
All items less medical care	220.291	-	221.360	-3.9	.5	-
All items less shelter	216.825	-	217.728	-4.7	.4	-
Commodities less food	148.588	-	150.701	-10.7	1.4	-
Nondurables	204.691	-	206.562	-7.4	.9	-
Nondurables less food	184.989	-	189.425	-15.1	2.4	-
Services less rent of shelter ²	307.716	-	307.806	-2.1	.0	-
Services less medical care services	266.970	-	267.905	-1.9	.4	-
Energy	180.609	195.182	188.429	-37.1	4.3	-3.5
All items less energy	240.421	-	240.870	1.0	.2	-
All items less food and energy	243.273	-	244.030	.9	.3	-

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 November 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.

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