

# News

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Department  
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## CONSUMER PRICE INDEX MINNEAPOLIS-ST. PAUL, MN-WI SECOND HALF 2008 SEMIANNUAL AVERAGES AND 2008 ANNUAL AVERAGES

Retail prices in the Minneapolis-St. Paul area were up 0.6 percent in the second half of 2008 compared with their levels in the first half of 2008, according to the U.S. Department of Labor's Bureau of Labor Statistics. The second half 2008 Minneapolis-St. Paul all items Consumer Price Index for All Urban Consumers (CPI-U) was 209.632 (1982-84=100). The increase in retail prices in the second half of 2008 was less than the 1.0 percent average gain experienced, for this period, over the past four years.

On an annual average basis, Minneapolis-St. Paul area consumers paid 3.8 percent more for goods and services in 2008 than in 2007. Increases in the components for food and beverages and housing were responsible for about two-thirds of the 3.8 percent increase in 2008, commented Jay A. Mousa, regional commissioner for the Bureau in Chicago. Most of the remainder of the gain was attributed to increases in the components for transportation and medical care. Gains in the components for education and communication, recreation, and other goods and services also contributed, but to a lesser extent. A decline in the apparel component partially offset the gains.

The housing component rose 3.5 percent in 2008 following a 1.9 percent gain in 2007. The indexes for electricity (5.0 percent), shelter (2.5 percent), and utility (piped) gas service (9.9 percent) were all higher in 2008 compared to 2007. Household furnishing and operations costs were up, gaining 3.4 percent in 2008.

The food and beverages component posted an annual average gain of 7.2 percent, compared to the 3.6 percent gain in 2007. Grocery food costs (food at home index) rose 8.5 percent in 2008 compared to increases of 4.2 and 1.3 percent in 2007 and 2006, respectively. The food away from home index (restaurant, cafeteria, and vending machine purchases) increased 6.2 percent in 2008. This was higher than the 2.8 percent average annual increase recorded over the previous two years. Alcoholic beverage prices rose 3.9 percent in 2008 following a 2.7 percent increase in 2007.

Transportation costs were 4.1 percent higher in 2008 compared with 2007. This increase follows gains of 3.8 and 2.0 percent in 2006 and 2007, respectively.

Gasoline prices rose 11.4 percent in 2008 and were responsible for almost all of the increase in transportation costs in 2008. In the previous four years (2004-07) gasoline prices rose an average 16.7 percent per year.

The medical care component, which includes nonprescription drugs and medical supplies, increased 4.8 percent in 2008.

The education and communication component posted a 3.3 percent annual average increase for 2008, ahead of the 3.0 percent average annual gain posted over the previous four years.

The recreation component gained 2.4 percent during 2008 following an increase of 2.6 percent in 2007 and a 0.7 percent increase in 2006.

The other goods and services component, which includes tobacco and smoking products and personal care items, gained 1.1 percent for the year. This was notably above the 0.5 percent average annual gain in 2007.

Apparel prices posted a 2.2 percent decline in 2008 following a gain of 3.2 percent in 2007, 1.2 percent in 2006, and 0.2 percent in 2005. In the previous seven annual periods (1998-2004) apparel prices fell an average 2.3 percent per year.

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Scheduled release date for the 1<sup>st</sup> Half of 2009 CPI:  
Friday, August 14, 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 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](http://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](http://www.bls.gov/opub/hom/homch17_a.htm).

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

**Minneapolis-St. Paul, MN-WI** (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 2nd half 2008 from—	
	2nd half 2007	1st half 2008	2nd half 2008	2nd half 2007	1st half 2008
<b>Expenditure category</b>					
All items .....	201.867	208.284	209.632	3.8	0.6
All items (1967=100) .....	634.374	654.540	658.774	-	-
Food and beverages .....	222.013	230.544	237.761	7.1	3.1
Food .....	217.854	226.858	234.026	7.4	3.2
Food at home .....	207.731	218.097	227.356	9.4	4.2
Food away from home .....	233.672	240.665	244.592	4.7	1.6
Alcoholic beverages .....	258.028	261.330	268.832	4.2	2.9
Housing .....	182.646	188.976	191.291	4.7	1.2
Shelter .....	207.087	211.284	214.044	3.4	1.3
Rent of primary residence .....	200.288	204.499	208.442	4.1	1.9
Owners' equivalent rent of primary residence <sup>1</sup> .....	215.880	216.759	219.273	1.6	1.2
Fuels and utilities .....	179.041	198.935	198.139	10.7	-4
Household energy .....	172.517	192.314	188.579	9.3	-1.9
Gas (piped) and electricity .....	174.598	194.054	190.240	9.0	-2.0
Electricity .....	184.424	186.762	195.765	6.1	4.8
Utility (piped) gas service .....	178.527	218.269	199.547	11.8	-8.6
Household furnishings and operations .....	121.682	124.740	127.579	4.8	2.3
Apparel .....	127.540	127.451	125.258	-1.8	-1.7
Transportation .....	189.622	198.659	191.566	1.0	-3.6
Private transportation .....	179.172	186.247	177.199	-1.1	-4.9
Motor fuel .....	239.693	272.883	241.658	.8	-11.4
Gasoline (all types) .....	240.674	274.575	241.492	.3	-12.0
Gasoline, unleaded regular <sup>2</sup> .....	244.758	280.494	245.406	.3	-12.5
Gasoline, unleaded midgrade <sup>2 3</sup> .....	241.340	272.658	244.848	1.5	-10.2
Gasoline, unleaded premium <sup>2</sup> .....	276.049	310.935	277.397	.5	-10.8
Medical care .....	370.697	379.225	389.714	5.1	2.8
Recreation <sup>4</sup> .....	115.994	117.464	118.638	2.3	1.0
Education and communication <sup>4</sup> .....	123.869	125.630	128.341	3.6	2.2
Other goods and services .....	320.799	327.018	316.794	-1.2	-3.1
<b>Commodity and service group</b>					
All items .....	201.867	208.284	209.632	3.8	.6
Commodities .....	171.087	177.018	176.543	3.2	-.3
Commodities less food and beverages .....	145.190	149.904	146.704	1.0	-2.1
Nondurables less food and beverages .....	186.835	196.005	190.484	2.0	-2.8
Durables .....	107.727	108.837	107.507	-.2	-1.2
Services .....	229.397	236.317	239.243	4.3	1.2
<b>Special aggregate indexes</b>					
All items less medical care .....	194.270	200.540	201.472	3.7	.5
All items less shelter .....	201.153	207.992	208.691	3.7	.3
Commodities less food .....	149.914	154.620	151.733	1.2	-1.9
Nondurables .....	204.985	214.019	214.207	4.5	.1
Nondurables less food .....	192.292	201.088	196.444	2.2	-2.3
Services less rent of shelter <sup>1</sup> .....	267.606	276.445	279.699	4.5	1.2
Services less medical care services .....	217.096	223.787	226.236	4.2	1.1
Energy .....	209.806	236.384	218.950	4.4	-7.4
All items less energy .....	204.339	209.171	211.957	3.7	1.3
All items less food and energy .....	202.395	206.618	208.771	3.2	1.0

<sup>1</sup> Index is on a December 1982=100 base.

<sup>2</sup> Special index based on a substantially smaller sample.

<sup>3</sup> Indexes on a December 1993=100 base.

<sup>4</sup> Indexes on a December 1997=100 base.

- Data not available.

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

**Minneapolis-St. Paul, MN-WI** (1982-84=100 unless otherwise noted)

Item and Group	Annual average indexes		Percent change to 2008 from 2007
	2007	2008	
<b>Expenditure category</b>			
All items .....	201.247	208.958	3.8
All items (1967=100) .....	632.425	656.657	-
Food and beverages .....	218.457	234.153	7.2
Food .....	214.240	230.442	7.6
Food at home .....	205.193	222.727	8.5
Food away from home .....	228.529	242.629	6.2
Alcoholic beverages .....	255.204	265.081	3.9
Housing .....	183.654	190.134	3.5
Shelter .....	207.506	212.664	2.5
Rent of primary residence .....	199.575	206.470	3.5
Owners' equivalent rent of primary residence <sup>1</sup> .....	214.754	218.016	1.5
Fuels and utilities .....	181.761	198.537	9.2
Household energy .....	176.333	190.446	8.0
Gas (piped) and electricity .....	178.879	192.147	7.4
Electricity .....	182.136	191.264	5.0
Utility (piped) gas service .....	190.102	208.908	9.9
Household furnishings and operations .....	122.036	126.159	3.4
Apparel .....	129.155	126.355	-2.2
Transportation .....	187.447	195.113	4.1
Private transportation .....	176.947	181.723	2.7
Motor fuel .....	230.756	257.271	11.5
Gasoline (all types) .....	231.714	258.033	11.4
Gasoline, unleaded regular <sup>2</sup> .....	234.381	262.950	12.2
Gasoline, unleaded midgrade <sup>2 3</sup> .....	233.892	258.753	10.6
Gasoline, unleaded premium <sup>2</sup> .....	268.241	294.166	9.7
Medical care .....	366.735	384.469	4.8
Recreation <sup>4</sup> .....	115.294	118.051	2.4
Education and communication <sup>4</sup> .....	122.946	126.985	3.3
Other goods and services .....	318.445	321.906	1.1
<b>Commodity and service group</b>			
All items .....	201.247	208.958	3.8
Commodities .....	169.646	176.780	4.2
Commodities less food and beverages .....	144.584	148.304	2.6
Nondurables less food and beverages .....	184.931	193.245	4.5
Durables .....	108.113	108.172	.1
Services .....	229.525	237.780	3.6
<b>Special aggregate indexes</b>			
All items less medical care .....	193.772	201.006	3.7
All items less shelter .....	199.725	208.341	4.3
Commodities less food .....	149.233	153.177	2.6
Nondurables .....	202.304	214.112	5.8
Nondurables less food .....	190.319	198.766	4.4
Services less rent of shelter <sup>1</sup> .....	266.340	278.072	4.4
Services less medical care services .....	217.495	225.012	3.5
Energy .....	207.020	227.667	10.0
All items less energy .....	203.943	210.564	3.2
All items less food and energy .....	202.492	207.694	2.6

<sup>1</sup> Index is on a December 1982=100 base.

<sup>2</sup> Special index based on a substantially smaller sample.

<sup>3</sup> Indexes on a December 1993=100 base.

<sup>4</sup> Indexes on a December 1997=100 base.

- Data not available.