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## CONSUMER PRICE INDEX FOR THE SOUTH—JULY 2008

The Consumer Price Index for All Urban Consumers (CPI-U) for the South<sup>1</sup> rose 0.5 percent in July to 213.304 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that higher prices for housing, food and beverages, and transportation led the recent advance, while lower apparel costs helped to moderate the overall increase in the CPI. The energy index increased 1.9 percent, while the cost of food rose 1.0 percent in July. Excluding food and energy, the CPI-U for the South inched up 0.1 percent over the month.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				12 months percent change ending July 2008
	July 2007	May 2008	June 2008	July 2008	
All items	-0.1	0.9	1.1	0.5	5.8
Food and beverages	0.5	0.3	0.8	0.9	6.0
Housing	0.2	0.5	1.2	0.7	4.2
Apparel	-3.4	-0.9	-2.5	-2.2	0.5
Transportation	-0.6	3.7	2.8	0.5	13.9
Medical care	0.5	-0.3	0.1	0.0	4.0
Recreation 1/	-0.2	0.1	-0.4	0.4	1.3
Education and communication 1/	-0.2	0.1	0.5	0.7	3.2
Other goods and services	-0.1	0.5	0.3	-0.5	3.5
Energy	-1.2	7.1	6.8	1.9	28.5
All items less food and energy	0.0	0.1	0.2	0.1	2.5

1/ Index on a December 1997=100 base.

Over the last 12 months, prices in the South rose 5.8 percent, due largely to higher costs for transportation, housing, and food and beverages. Energy costs in the region jumped 28.5 percent, while food prices increased 6.3 percent since last July. Excluding food and energy, the index for all other items advanced 2.5 percent over the year.

<sup>1</sup> South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

## South Consumer Price Index – July 2008 (Continued)

Among the major categories, the index for housing advanced 0.7 percent in July, led by higher costs for fuels and utilities which rose 3.1 percent over the month. The shelter index (which includes rent of primary residence, owners' equivalent rent of primary residence, lodging away from home, and tenants' and household insurance) edged up 0.2 percent over the month. In July, household furnishings and operations costs increased 0.3 percent. Since July 2007, the housing index rose 4.2 percent in the South. Higher prices for shelter (2.9 percent) and fuels and utilities (14.4 percent) were responsible in large part for the 12-month increase in the housing index. Costs for household furnishings and operations also advanced, up 1.1 percent over the year.

The food and beverages index rose 0.9 percent in July, as costs for food at home and for food away from home increased 1.3 and 0.6 percent, respectively. Over the month, costs for alcoholic beverages edged up 0.2 percent. Over the last 12 months, the food and beverages index advanced 6.0 percent. Prices for food at home rose 7.6 percent during the period; the largest 12-month percent increase since March 1990. Prices for food away from home and alcoholic beverages increased 4.8 and 1.7 percent, respectively.

The transportation index increased 0.5 percent since June, as motor fuel costs advanced 0.8 percent. Primarily as a result of a 38.2-percent jump in motor fuel prices, transportation costs advanced 13.9 percent over the year—the largest 12-month increase since September 2005, when prices were 16.0 percent higher due to the effects of Hurricanes Katrina and Rita.

Prices for education and communication rose 0.7 percent in July. Over the year, this index was up 3.2 percent. The recreation index increased 0.4 percent since June, to a level 1.3 percent higher than a year ago.

The index for medical care was unchanged in July, as costs for medical care services inched up 0.1 percent and costs for medical care commodities inched down 0.1 percent. Over the year, the medical care index rose 4.0 percent, as prices for medical care services (4.9 percent) and costs for medical care commodities (1.6 percent) both advanced.

The remaining two indexes decreased over the month. Reflecting normal seasonal patterns, apparel costs declined 2.2 percent in July. Over the year, apparel costs increased 0.5 percent. The other goods and services index (which includes tobacco and smoking products, personal care products and services, and miscellaneous personal goods) decreased 0.5 percent over the month but was 3.5 percent higher than a year ago.

### **Population size groups**

Over the month, consumer prices in the South increased 0.5 percent in both the largest metropolitan areas, those with 1.5 million or more residents (Size Class A) and in the mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C). Prices edged up 0.2 percent in the smallest areas, those with populations of less than 50,000 (Size Class D). Over the past 12 months, consumer prices in the South advanced 5.6 percent in the largest areas (Size Class A), 5.8 percent in the mid-sized areas (Size Class B/C), and 6.8 percent in the smallest areas (Size Class D).

**Next Release Date:** The South CPI for August will be released on September 16, 2008.

### **Technical Note**

The Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for All Urban Consumers (CPI-U) and Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 2005-06 period. The updated expenditure weights for these indexes replace the 2003-2004 weights that were introduced effective with the January 2006 CPI release. As originally announced by BLS in December 1998, CPI expenditure weights will continue to be updated at two year intervals.

The CPI program completed its conversion to Computer Assisted Data Collection (CADC). Due to the efficiencies gained from conversion to CADC, BLS has extended data collection to cover the entire month, beginning with data for January 2004. CPI data collection is scheduled in terms of business days – weekdays excluding holidays. Formerly, data collection covered three pricing periods, each comprising six business days in most months and five days in November and December. Consequently, the last day of scheduled data collection was usually the 18<sup>th</sup> business day of the month. This allowed time during the end of the month for the mailing of paper schedules back to the Washington Office and the data entry of the information in these schedules. Starting in January 2004, the three pricing periods now have variable lengths, between six and eight business days long. The third pricing period normally will end on the last business day of the month.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our Web site at [www.bls.gov](http://www.bls.gov). Current and historical BLS data are also posted on our Web site at [www.bls.gov/ro6/home.htm](http://www.bls.gov/ro6/home.htm). If you have additional questions, you can contact the Dallas information office directly by dialing (214) 767-6970. Information from the Consumer Price Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

Table 1. Consumer Price Index for All Urban Consumers and Urban Wage Earners and Clerical Workers, South Region, (1982-84=100 unless otherwise noted) (not seasonally adjusted)

Item and group	All Urban Consumers (CPI-U)			Urban Wage Earners and Clerical Workers (CPI-W)		
	Index	Percent change from		Index	Percent change from	
	Jul. 2008	Jul. 2007	Jun. 2008	Jul. 2008	Jul. 2007	Jun. 2008
All items	213.304	5.8	0.5	211.438	6.4	0.5
All items (1977 = 100)	346.008	-	-	342.447	-	-
<b>Food and beverages</b>	212.759	6.0	0.9	211.550	6.0	0.9
<b>Food</b>	213.576	6.3	1.0	212.412	6.2	0.9
Food at home	212.345	7.6	1.3	210.888	7.5	1.3
Food away from home	218.512	4.8	0.6	217.357	4.6	0.4
Alcoholic beverages	200.296	1.7	0.2	198.052	1.2	0.2
<b>Housing</b>	203.270	4.2	0.7	202.202	4.6	0.7
Shelter	221.491	2.9	0.2	219.366	2.9	0.2
Rent of primary residence (1)	219.124	3.8	0.2	218.231	3.8	0.2
Owners' equivalent rent of primary residence (1) (2)	222.752	3.0	0.2	207.562	2.9	0.2
Fuels and utilities	235.673	14.4	3.1	234.543	14.2	3.0
Household energy	210.725	16.5	3.6	207.529	16.1	3.5
Gas (piped) and electricity (1)	210.193	15.2	3.6	208.258	15.0	3.5
Electricity (1)	193.414	11.0	3.2	191.652	11.3	3.2
Utility (piped) gas service (1)	303.148	36.5	5.4	308.462	37.0	5.2
Household furnishings and operations	127.439	1.1	0.3	122.445	1.5	0.3
<b>Apparel</b>	127.030	0.5	-2.2	126.677	-0.3	-2.3
<b>Transportation</b>	212.146	13.9	0.5	211.971	14.7	0.4
Private transportation	210.408	13.8	0.4	210.450	14.7	0.4
New and used motor vehicles (3)	93.806	-1.1	0.0	92.253	-1.0	-0.1
New vehicles	137.933	-1.3	-0.1	137.697	-1.3	-0.1
New cars and trucks (3) (4)	93.829	-1.3	-0.1	-	-	-
New cars (4)	141.437	-0.4	0.5	-	-	-
Used cars and trucks	134.496	-0.7	-0.2	135.222	-0.7	-0.2
Motor fuel	347.742	38.2	0.8	347.796	38.2	0.8
Gasoline (all types)	344.801	37.6	0.8	344.955	37.7	0.8
Gasoline, unleaded regular (4)	345.962	38.1	0.7	346.085	38.1	0.7
Gasoline, unleaded midgrade (4) (5)	355.633	37.1	0.9	355.791	37.2	0.9
Gasoline, unleaded premium (4)	333.891	36.2	1.0	333.561	36.3	1.0
<b>Medical care</b>	347.394	4.0	0.0	350.035	4.4	0.0
Medical care commodities	283.031	1.6	-0.1	276.372	1.8	-0.1
Medical care services	368.519	4.9	0.1	372.505	5.2	0.1
Professional services	308.635	4.3	0.3	309.796	4.5	0.3
<b>Recreation (3)</b>	113.553	1.3	0.4	110.179	1.0	0.3
<b>Education and communication (3)</b>	119.657	3.2	0.7	116.110	3.0	0.7
<b>Other goods and services</b>	333.144	3.5	-0.5	343.451	3.9	-0.3
<b>Commodities</b>	182.624	7.9	0.3	185.902	8.8	0.3
<b>Services</b>	244.755	4.3	0.6	243.119	4.5	0.6
All items less shelter	211.446	7.2	0.6	210.210	7.9	0.6
All items less medical care	205.219	5.9	0.5	204.261	6.5	0.5
Energy	268.373	28.5	1.9	270.190	29.0	1.8
All items less energy	207.501	3.1	0.3	203.148	3.1	0.2
All items less food and energy	206.800	2.5	0.1	201.450	2.4	0.1
<b>South size A (more than 1,500,000)</b>	215.373	5.6	0.5	214.379	6.2	0.4
<b>South size B/C (50,000 to 1,500,000) (6)</b>	135.643	5.8	0.5	134.952	6.4	0.5
<b>South size D (nonmetropolitan, less than 50,000)</b>	215.274	6.8	0.2	216.901	7.5	0.3

Footnotes

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

(2) Indexes for CPI-U on December 1982=100 base; CPI-W on a December 1984=100 base.

(3) Indexes on a December 1997=100 base.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1996=100 base.

- Data not available.