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Consumer Price Index Chicago-Gary-Kenosha, IL-IN-WI CMSA August 2008

The Chicago-Gary-Kenosha Consumer Price Index (CPI-U) fell 0.7 percent in August, the first monthly decline in Chicago area retail prices since last December, according to a report issued today by the U.S. Department of Labor's Bureau of Labor Statistics. On an annual basis, August 2007-08, retail prices in the Chicago area were up 4.9 percent. This annual gain exceeded the 2.6 percent average increase recorded over the previous three twelve-month periods ending in August. The August 2008 Chicago-Gary-Kenosha Consumer Price Index for All Urban Consumers (CPI-U) stood at 215.971 (1982-84=100).

Regional Commissioner Jay A. Mousa noted that a decline in the gasoline index coupled with decreases in the indexes for utility (piped) gas service and electricity were responsible for most of the 0.7 percent drop in the all items index. If the effects of these three main energy categories were factored out (all items less energy), the Chicago area all items index increased 0.2 percent in August.

Among other major consumer expenditure categories, prices for apparel, food and beverages, education and communication, other goods and services, and recreation were higher in August. Costs for shelter and medical care were lower.

Table A. Percent Changes in the CPI-U, Chicago-Gary-Kenosha, IL-IN-WI (not seasonally adjusted)

Expenditure Category	Changes from preceding month							12 mo. Ended Aug. '08
	2007	2008						
	Aug.	Mar.	Apr.	May	June	July	Aug.	
All items	0.1	1.0	0.5	1.1	0.4	0.8	-0.7	4.9
Food & beverages	-.4	-.2	.8	.7	-.6	1.6	.9	6.3
Housing	.6	1.1	.3	1.0	.5	.9	-1.6	2.7
Apparel	1.6	6.0	-2.6	.8	-4.5	-1.5	3.9	-2.0
Transportation	-1.6	1.6	2.7	3.3	3.2	1.0	-2.5	13.0
Medical care	.2	.5	-.2	.1	-.3	.3	-.4	4.3
Recreation	.5	.4	-.4	.1	-.2	.2	.2	4.1
Education & communication	2.1	-.3	-.1	-.3	.0	.2	1.6	3.7
Other goods & services	-1.0	.6	1.0	-.2	-.3	.4	.6	4.0

The transportation component declined 2.5 percent in August mostly due to a 5.6 percent drop in prices at the gasoline pumps. This was the first monthly drop in Chicago area gasoline prices since February. Gasoline prices are up 31.2 percent thus far in 2008 and 33.9 percent higher compared to last August. Overall transportation costs were up 13.0 percent over the year. In the previous annual period, August 2006-07, transportation costs fell 1.0 percent.

The housing component declined 1.6 percent in August 2008. A 14.5 percent drop in the utility (piped) gas service index was responsible for over two-thirds of this decline. Indexes for shelter (-0.4 percent), electricity (-1.8 percent), and household furnishings and operations (-0.8 percent) were also lower over the month and responsible for the remainder of the decline. Despite their monthly declines, three of these indexes were still higher over the year: utility (piped) gas service, up 53.3 percent; electricity, up 1.4 percent; and household furnishings and operations, up 0.9 percent. Shelter costs were nearly unchanged over the year. Housing costs in general were up 2.7 percent from August a year ago, not as much as the 5.2 percent annual increase in the previous 12-month period ended in August 2007.

The food and beverages component rose 0.9 percent from July-August. Grocery food prices (food at home index), restaurant meals and cafeteria purchases (food away from home index), and alcoholic beverage prices were all higher in August. Both the food at home index and food away from home index increased 0.9 percent from July-August. Alcoholic beverage prices were up 0.2 percent over the month. All three of these food and beverage subcategories posted annual increases greater than or equal to 6.0 percent: food at home, up 6.6 percent; food away from home, up 6.0 percent; and alcoholic beverages, up 6.8 percent. Overall food and beverage prices rose 6.3 percent on average over the year, nearly double the 3.2 percent annual increase in the previous 12-month period ended in August 2007.

The education and communication component rose 1.6 percent over the month. While a seasonal change in this component is common, the August 2008 increase was below the 2.0 percent average increase in the previous two years. For the year, education and communication costs were up 3.7 percent, more than the 3.3 average increase in the previous two August-August periods.

Apparel prices rose 3.9 percent in August. Apparel prices typically fluctuate in August: over the past 10 years August changes ranged from a decline of 0.2 percent to an increase of 11.9 percent. For the year, apparel prices were down 2.0 percent. This decline is representative of a long-term trend: since August 1998, the price of apparel in the Chicago area has declined 24.9 percent.

The medical care component declined 0.4 percent in August, however on an annual basis, medical care costs were up 4.3 percent. This annual increase was in-line with the 4.0 percent average annual increase during the previous three 12-month periods.

The recreation component, which includes items such as televisions and admissions increased 0.2 percent over the month and increased 4.1 percent over the year. In the previous 12-month period, recreation costs declined 1.3 percent.

The other goods and services component increased 0.6 percent over the month and was up 4.0 percent over the year. This annual increase was ahead of the 1.3 percent average annual increase experienced over the prior three years.

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Scheduled release date for the September 2008 CPI:
Thursday, October 16, 2008

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 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

Chicago-Gary-Kenosha, IL-IN-WI (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	June 2008	July 2008	Aug. 2008	Aug. 2007	June 2008	July 2008
Expenditure category						
All items	215.738	217.459	215.971	4.9	0.1	-0.7
All items (1967=100)	644.535	649.677	645.231	-	-	-
Food and beverages	208.676	211.987	213.804	6.3	2.5	.9
Food	207.426	210.910	212.877	6.3	2.6	.9
Food at home	212.182	217.123	219.159	6.6	3.3	.9
Food away from home	196.217	197.987	199.820	6.0	1.8	.9
Alcoholic beverages	224.137	225.839	226.253	6.8	.9	.2
Housing	222.093	224.164	220.573	2.7	-.7	-1.6
Shelter	263.630	262.624	261.532	-.1	-.8	-.4
Rent of primary residence ¹	263.922	263.668	264.592	2.9	.3	.4
Owners' equivalent rent of primary residence ^{1 2}	261.117	259.867	259.853	-.4	-.5	.0
Fuels and utilities	219.222	236.997	217.640	23.2	-.7	-8.2
Household energy	205.780	224.915	204.059	25.3	-.8	-9.3
Gas (piped) and electricity ¹	209.521	229.405	208.008	25.1	-.7	-9.3
Electricity ¹	142.357	143.292	140.745	1.4	-1.1	-1.8
Utility (piped) gas service ¹	298.528	347.739	297.343	53.3	-.4	-14.5
Household furnishings and operations	107.844	108.916	108.004	.9	.1	-.8
Apparel	88.646	87.323	90.727	-2.0	2.3	3.9
Transportation	202.895	204.848	199.734	13.0	-1.6	-2.5
Private transportation	199.631	201.223	196.319	12.7	-1.7	-2.4
Motor fuel	364.167	370.491	349.724	33.9	-4.0	-5.6
Gasoline (all types)	361.349	367.527	346.872	33.9	-4.0	-5.6
Gasoline, unleaded regular ³	358.234	364.979	343.683	34.6	-4.1	-5.8
Gasoline, unleaded midgrade ^{3 4}	373.795	378.210	359.118	32.7	-3.9	-5.0
Gasoline, unleaded premium ³	338.267	343.316	325.395	31.7	-3.8	-5.2
Medical care	360.748	361.668	360.271	4.3	-.1	-.4
Recreation ⁵	112.108	112.306	112.584	4.1	.4	.2
Education and communication ⁵	130.228	130.482	132.553	3.7	1.8	1.6
Other goods and services	330.466	331.710	333.600	4.0	.9	.6
Commodity and service group						
All items	215.738	217.459	215.971	4.9	.1	-.7
Commodities	169.241	170.777	170.478	6.8	.7	-.2
Commodities less food and beverages	146.650	147.336	146.084	7.2	-.4	-.8
Nondurables less food and beverages	193.919	195.343	193.009	11.6	-.5	-1.2
Durables	101.018	101.009	100.777	-.1	-.2	-.2
Services	259.457	261.330	258.616	3.7	-.3	-1.0
Special aggregate indexes						
All items less medical care	209.117	210.856	209.374	5.0	.1	-.7
All items less shelter	199.867	202.559	200.924	7.5	.5	-.8
Commodities less food	149.672	150.399	149.217	7.1	-.3	-.8
Nondurables	203.071	205.432	205.104	8.8	1.0	-.2
Nondurables less food	195.801	197.243	195.139	11.1	-.3	-1.1
Services less rent of shelter ²	268.378	273.714	268.979	8.3	.2	-1.7
Services less medical care services	251.441	253.343	250.534	3.6	-.4	-1.1
Energy	266.189	279.819	259.359	29.7	-2.6	-7.3
All items less energy	212.096	212.626	213.044	2.5	.4	.2
All items less food and energy	213.761	213.700	213.809	1.8	.0	.1

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.

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.