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Consumer Price Index for Milwaukee-Racine, WI First Half 2008

Retail prices in the Milwaukee-Racine area were up 3.3 percent in the first half of 2008 compared with their levels in the second half of 2007, according to the U.S. Department of Labor's Bureau of Labor Statistics. The first half 2008 Milwaukee-Racine all items Consumer Price Index for All Urban Consumers (CPI-U) was 201.955 (1982-84=100), representing a 4.8 percent increase over the first half of 2007. This increase was more than the 1.8 percent gain recorded in the previous annual period.

Regional Commissioner Jay A. Mousa stated that about two-thirds of the 3.3 percent increase in the all items CPI-U during the first half of the year was attributed to increases in the components for housing and transportation. The components for food and beverages, other goods and services, and medical care were also higher in the first half of the year and accounted for most of the remainder of the gain. Recreation, education and communications, and apparel prices rose, but with little impact.

Higher costs for shelter and household energy were responsible for a 3.0 percent increase in the housing component during the first half of the year. The shelter index increased 2.4 percent with owners' equivalent rent rising 2.0 percent. Household energy prices increased 12.9 percent as utility (piped) gas service costs rose 23.3 percent and electricity costs increased 4.5 percent. Overall housing costs in the Milwaukee-Racine area increased 3.5 percent from a year ago, after rising 1.7 percent during the previous annual period. Increased shelter costs (3.0 percent) were responsible for most of the recent annual increase in the housing component. Household energy costs rose 10.3 percent over the year—the electricity index increased 7.1 percent and the index for utility (piped) gas was 12.7 percent higher.

The transportation component gained 6.0 percent during the first half of 2008. Gasoline prices were 14.6 percent higher during the first half and accounted for almost the entire 6-month rise in transportation costs. Over the past year, transportation costs rose 10.4 percent, markedly more than the 1.1 percent increase noted in the first half of 2006 to the first half of 2007 period. Gasoline

prices advanced 24.6 percent over the year following a smaller 2.4 percent gain in the previous annual period.

The food and beverages component increased 1.8 percent during the first six months of 2008, slightly more than the 1.6 percent gain noted in the first half of 2007. The food at home index (grocery food items) and food away from home index (dining out) posted gains of 1.6 percent and 2.2 percent, respectively. The alcoholic beverages index increased 1.3 percent during the first half of 2008, less than the 2.7 percent rate recorded during the first half of 2007. Over the past year, the overall cost of food and beverages in the Milwaukee area increased 4.4 percent. Grocery food costs rose 5.1 percent compared with their first half 2007 levels and the cost of dining out was up 4.8 percent in this same period. Alcoholic beverages prices increased 2.3 percent from their first half 2007 levels.

The other goods and services component, which includes personal care products and tobacco and smoking products, posted an 8.3 percent gain during the first half of 2008. Compared with a year ago, this component increased 9.5 percent, more than triple the 2.7 percent increase reported in the first half of 2006 to 2007 period.

The medical care component advanced 3.7 percent during the first six months of 2008, higher than the 2.1 percent increase recorded in the first half of 2007. Over the past year, overall medical care costs increased 4.3 percent.

The component for recreation gained 1.9 percent during the first six months of 2008 and was 2.5 percent higher than a year ago. The education and communications component increased 1.6 percent during the first half of 2008 and was 1.7 percent higher over the year.

Apparel costs increased 1.9 percent during the first half of the year. Typically the apparel component posts a decline or very modest increase during the first half of the year. Over the past year, apparel prices advanced 5.0 percent, higher than the 1.3 percent average increase recorded over the two preceding years.

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CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U. S. City Average and for the Milwaukee 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 schedule release date for the next CPI issuance. The Hotline number in Milwaukee is (414) 276-2579.

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 for semiannual averages and percent changes for selected periods

Milwaukee-Racine, WI (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2008 from—	
	1st half 2007	2nd half 2007	1st half 2008	1st half 2007	2nd half 2007
Expenditure category					
All items	192.634	195.571	201.955	4.8	3.3
All items (1967=100)	594.970	604.042	623.762	-	-
Food and beverages	202.217	207.381	211.137	4.4	1.8
Food	204.284	209.812	213.691	4.6	1.8
Food at home	204.864	211.791	215.256	5.1	1.6
Food away from home	203.835	208.948	213.626	4.8	2.2
Alcoholic beverages	185.902	187.724	190.111	2.3	1.3
Housing	190.269	191.125	196.914	3.5	3.0
Shelter	226.997	228.323	233.705	3.0	2.4
Rent of primary residence	205.519	207.214	210.694	2.5	1.7
Owners' equivalent rent of primary residence ¹	238.072	239.799	244.519	2.7	2.0
Fuels and utilities	184.759	181.134	201.602	9.1	11.3
Household energy	160.830	157.127	177.432	10.3	12.9
Gas (piped) and electricity	166.192	161.670	182.374	9.7	12.8
Electricity	153.361	157.179	164.212	7.1	4.5
Utility (piped) gas service	179.537	164.167	202.386	12.7	23.3
Household furnishings and operations	103.187	104.481	104.160	.9	-.3
Apparel	112.566	115.950	118.205	5.0	1.9
Transportation	174.377	181.608	192.511	10.4	6.0
Private transportation	167.595	174.713	184.953	10.4	5.9
Motor fuel	243.995	265.325	303.578	24.4	14.4
Gasoline (all types)	240.680	261.701	299.787	24.6	14.6
Gasoline, unleaded regular ²	245.829	267.566	306.639	24.7	14.6
Gasoline, unleaded midgrade ^{2 3}	247.646	268.757	308.541	24.6	14.8
Gasoline, unleaded premium ²	207.271	224.177	255.325	23.2	13.9
Medical care	329.870	332.038	344.192	4.3	3.7
Recreation ⁴	103.823	104.416	106.414	2.5	1.9
Education and communication ⁴	120.666	120.834	122.748	1.7	1.6
Other goods and services	295.980	299.255	324.115	9.5	8.3
Commodity and service group					
All items	192.634	195.571	201.955	4.8	3.3
Commodities	157.098	161.190	166.115	5.7	3.1
Commodities less food and beverages	135.446	139.018	144.423	6.6	3.9
Nondurables less food and beverages	169.923	179.515	189.993	11.8	5.8
Durables	103.787	102.408	103.326	-.4	.9
Services	226.443	228.256	236.023	4.2	3.4
Special aggregate indexes					
All items less medical care	186.483	189.453	195.589	4.9	3.2
All items less shelter	181.796	185.214	192.135	5.7	3.7
Commodities less food	137.344	140.870	146.142	6.4	3.7
Nondurables	187.033	194.890	202.228	8.1	3.8
Nondurables less food	170.605	179.664	189.400	11.0	5.4
Services less rent of shelter ¹	235.616	237.778	248.972	5.7	4.7
Services less medical care services	217.195	218.841	226.029	4.1	3.3
Energy	198.863	205.886	234.222	17.8	13.8
All items less energy	193.902	196.117	200.792	3.6	2.4
All items less food and energy	192.786	194.521	199.380	3.4	2.5

¹ Index is on a November 1982=100 base.

² Special index based on a substantially smaller sample.

³ Indexes on a December 1993=100 base.

⁴ Indexes on a December 1997=100 base.

- Data not available.