

News

United States
Department
of Labor



Bureau of Labor Statistics

Philadelphia, Pa. 19106

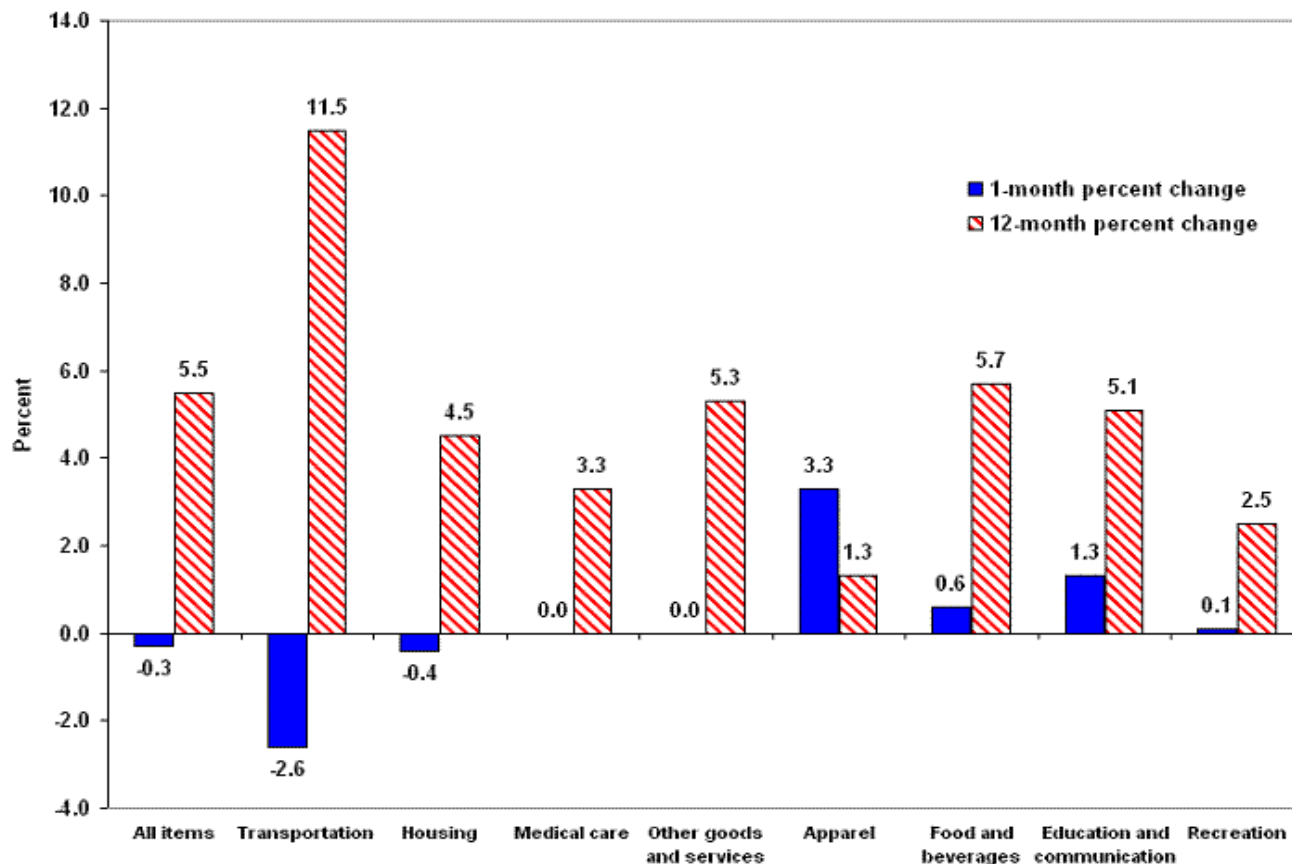
Internet address: www.bls.gov/ro3/
INFORMATION: Gerald Perrins
(215) 597-3282
MEDIA CONTACT: Sheila Watkins
(215) 861-5600

PLS – 4451
FOR RELEASE:
TUESDAY, SEPTEMBER 16, 2008

Northeast Region Consumer Price Index: August 2008

Retail prices in the Northeast region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), fell 0.3 percent in August, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the recent decline was the first over-the-month decrease since September 2007. Decreases in the transportation and housing indexes more than offset advances in most of the other major categories; the medical care and other goods and services indexes were unchanged over the month. The August level of 233.788 (1982-84=100) was 5.5 percent higher than a year ago. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 2.6 percent. (See table 1.)

Chart A. 1-month and 12-month percent changes ended August 2008 for the major categories of the CPI-U for the Northeast region, not seasonally adjusted



Due in large part to lower gasoline prices, the transportation index declined for the first time since February, down 2.6 percent over the month. Following five months of increases totaling 33.2 percent, gasoline prices dropped 7.1 percent in August—the largest one-month decrease since October 2006. Due to increases in 9 of the last 12 months, gasoline prices were 34.8 percent higher than last year. Also contributing to the one-month decrease in the overall transportation index were lower prices for new vehicles, down 0.8 percent over the month, and 0.3 percent over the year. Despite the recent decline, the transportation index was 11.5 percent higher over the last 12 months.

The housing index declined 0.4 percent in August, reflecting lower prices for fuels and utilities and for shelter. The fuels and utilities index was down 1.5 percent over the month due mainly to lower utility (piped) gas service prices. Utility gas service prices were 4.3 percent lower over the month but were 24.4 percent higher since last year. Electricity prices rose for the fifth straight month, up 16.6 percent since March and 2.8 percent since July; electricity prices advanced 12.2 percent over the year. Since August 2007, the fuels and utilities index rose 22.1 percent. The shelter index, which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance, edged down 0.3 percent over the month, but was 2.1 percent higher over the year. Prices for household furnishings and operations, the third component of the housing index, were up 0.2 percent in August and were 0.3 percent higher than last year. Over the last 12 months, the overall housing index advanced 4.5 percent.

Following a 0.4-percent increase in July, medical care prices were unchanged in August. Due to 8 increases in the last 12 months, medical care prices rose 3.3 percent since last August.

The other goods and services index was also unchanged in August. Over the year, the other goods and services index (which includes tobacco and smoking products, personal care products and services, and miscellaneous personal services such as legal, funeral, and laundry and dry cleaning services) was 5.3 percent higher.

The remaining categories had higher prices in August. Following three months of declines totaling 6.7 percent, the apparel index rose 3.3 percent in August. The seasonal July-August increase was higher than the 2.8-percent average for the same one-month period for the previous five years. Apparel prices were 1.3 percent higher than year-ago levels.

Due largely to a 1.0-percent increase in food at home prices, the food and beverages index was up 0.6 percent since July. Over the year, food at home prices rose 7.3 percent. Prices for food away from home (0.2 percent) and alcoholic beverages (0.4 percent) were also higher over the month. Since last August, food away from home prices rose 3.9 percent and alcoholic beverages prices advanced 4.9 percent. The overall food and beverages index increased 5.7 percent over the last 12 months—the largest 12-month advance since April 1990.

Following normal seasonal patterns, the education and communication index was up 1.3 percent in August and was 5.1 percent higher than last year. Recreation prices inched up 0.1 percent to a level 2.5 percent higher than a year ago.

The energy index, which reflects prices for gasoline and household fuels, fell 4.5 percent in August. The recent decline reflected lower prices for both gasoline (-7.1 percent) and utility (piped) gas service (-4.3 percent). Partially offsetting these decreases, electricity prices rose 2.8 percent over the month. Despite the recent decline, the energy index was 29.1 percent higher than in August 2007.

The Northeast region is comprised of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

The relative importance of a component of the CPI is its expenditure or value weight expressed as a percentage of all items within an area. Relative importance ratios show approximately how the index population distributes expenditures when the value weights are collected and represent an estimate of how consumers would distribute their expenditures as prices change over time. Relative importance ratios cannot be used as estimates of current spending patterns or as indicators of changing consumer expenditures in the intervals between weight revisions because consumption patterns are influenced by factors—including income, variations in climate, family size, and availability of new and different kinds of goods and services—other than price change. (See table A.)

Table A (2005-2006 weights). Relative importance of components in the Consumer Price Index, Northeast Region, December 2007

Item and group	CPI-U
Expenditure category	
All items	100.000
Food and beverages	15.009
Food	13.961
Food at home	7.703
Food away from home	6.258
Alcoholic beverages	1.048
Housing	44.377
Shelter	34.775
Rent of primary residence	6.527
Owners' equivalent rent of primary residence	24.696
Fuels and utilities	5.691
Household energy	5.043
Gas (piped) and electricity	3.983
Electricity	2.617
Utility (piped) gas service	1.366
Household furnishings and operations	3.911
Apparel	3.697
Transportation	16.030
Private transportation	14.685
New and used motor vehicles	6.306
New vehicles	4.093
Used cars and trucks	1.315
Motor fuel	4.643
Gasoline (all types)	4.472
Medical care	5.780
Medical care commodities	1.469
Medical care services	4.311
Professional services	2.512
Recreation	5.387
Education and communication	6.455
Other goods and services	3.265
Commodity and service group	
Commodities	38.761
Commodities less food and beverages	23.752
Nondurables less food and beverages	14.799
Durables	8.954
Services	61.239
Special aggregate indexes	
All items less medical care	94.220
All items less shelter	65.225
Commodities less food	24.800
Nondurables	29.807
Nondurables less food	15.846
Services less rent of shelter	26.745
Services less medical care services	56.928
Energy	9.686
All items less energy	90.314
All items less food and energy	76.353

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Northeast (1982-84=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	June 2008	July 2008	Aug. 2008	Aug. 2007	June 2008	July 2008
All items	232.649	234.545	233.788	5.5	0.5	-0.3
Food and beverages	217.241	219.381	220.693	5.7	1.6	0.6
Food	216.856	219.022	220.373	5.8	1.6	0.6
Food at home	216.993	219.811	221.916	7.3	2.3	1.0
Food away from home	219.696	221.073	221.490	3.9	0.8	0.2
Alcoholic beverages	221.211	222.971	223.754	4.9	1.1	0.4
Housing	245.344	248.478	247.506	4.5	0.9	-0.4
Shelter	286.537	289.487	288.753	2.1	0.8	-0.3
Rent of primary residence (1)	273.571	275.313	276.510	4.4	1.1	0.4
Owners' equivalent rent of primary residence (1) (2)	293.568	293.833	294.241	1.9	0.2	0.1
Fuels and utilities	246.288	255.437	251.685	22.1	2.2	-1.5
Household energy	235.551	244.871	240.427	24.0	2.1	-1.8
Gas (piped) and electricity (1)	220.771	231.272	231.892	16.5	5.0	0.3
Electricity (1)	197.985	203.777	209.483	12.2	5.8	2.8
Utility (piped) gas service (1)	262.683	284.371	272.050	24.4	3.6	-4.3
Household furnishings and operations	129.114	128.437	128.708	0.3	-0.3	0.2
Apparel	114.157	111.732	115.467	1.3	1.1	3.3
Transportation	208.424	209.419	203.979	11.5	-2.1	-2.6
Private transportation	202.410	203.358	197.550	11.4	-2.4	-2.9
New and used motor vehicles (3)	92.782	93.137	92.342	-0.1	-0.5	-0.9
New vehicles	134.544	134.549	133.435	-0.3	-0.8	-0.8
New cars and trucks (3) (4)	93.326	93.256	92.474	-0.3	-0.9	-0.8
New cars (4)	133.377	133.794	132.564	-0.2	-0.6	-0.9
Used cars and trucks	140.978	140.913	140.617	-1.0	-0.3	-0.2
Motor fuel	336.641	339.083	314.987	35.1	-6.4	-7.1
Gasoline (all types)	333.952	336.470	312.446	34.8	-6.4	-7.1
Gasoline, unleaded regular (4)	337.919	340.279	315.178	35.3	-6.7	-7.4
Gasoline, unleaded midgrade (4) (5)	336.322	339.074	316.706	34.3	-5.8	-6.6
Gasoline, unleaded premium (4)	316.891	319.942	299.123	32.8	-5.6	-6.5
Medical care	386.606	388.202	388.040	3.3	0.4	0.0
Medical care commodities	318.695	319.574	318.709	2.7	0.0	-0.3
Medical care services	404.443	406.302	406.451	3.4	0.5	0.0
Professional services	317.880	318.681	318.928	3.1	0.3	0.1
Recreation (3)	116.074	115.904	116.027	2.5	0.0	0.1
Education and communication (3)	125.985	126.702	128.371	5.1	1.9	1.3
Other goods and services	367.991	373.338	373.378	5.3	1.5	0.0
Commodity and service group						
Commodities	185.240	185.942	184.282	8.0	-0.5	-0.9
Commodities less food and beverages	164.272	164.297	161.346	9.5	-1.8	-1.8
Nondurables less food and beverages	212.711	213.027	207.674	16.1	-2.4	-2.5
Durables	110.055	109.797	109.305	-1.0	-0.7	-0.4
Services	279.059	282.128	282.261	4.0	1.1	0.0
Special aggregate indexes						
All items less medical care	225.588	227.481	226.709	5.7	0.5	-0.3
All items less shelter	214.783	216.295	215.519	7.4	0.3	-0.4
Commodities less food	166.649	166.727	163.876	9.2	-1.7	-1.7
Nondurables	216.311	217.499	215.290	10.7	-0.5	-1.0
Nondurables less food	213.083	213.482	208.488	15.3	-2.2	-2.3
Services less rent of shelter (2)	280.637	283.973	285.197	6.4	1.6	0.4
Services less medical care services	269.849	272.946	273.077	4.0	1.2	0.0
Energy	277.910	284.330	271.624	29.1	-2.3	-4.5
All items less energy	229.918	231.345	231.869	3.1	0.8	0.2
All items less food and energy	233.753	235.040	235.402	2.6	0.7	0.2

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 Indexes on a December 1997=100 base.

4 Special index based on a substantially smaller sample.

5 Indexes on a December 1993=100 base.

- Data not available.

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