

News

United States
Department
of Labor



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PLS – 4450

FOR RELEASE:

TUESDAY, SEPTEMBER 16, 2008

South Region Consumer Price Index: August 2008

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ decreased 0.4 percent in August to 212.387 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Sheila Watkins noted that lower prices for transportation were partially offset by higher costs for most of the remaining categories, particularly food and beverages, education and communication, and recreation. The housing index was unchanged since July. The energy index decreased 4.9 percent, while the cost of food rose 0.5 percent in August. Excluding food and energy, the CPI-U for the South edged up 0.2 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 August 2008
	August 2007	June 2008	July 2008	August 2008	
All items	-0.3	1.1	0.5	-0.4	5.6
Food and beverages	0.3	0.8	0.9	0.6	6.2
Housing	-0.1	1.2	0.7	0.0	4.3
Apparel	-1.0	-2.5	-2.2	0.6	2.0
Transportation	-1.7	2.8	0.5	-3.3	12.1
Medical care	0.6	0.1	0.0	0.2	3.6
Recreation 1/	-0.1	-0.4	0.4	0.9	2.4
Education and communication 1/	1.1	0.5	0.7	0.9	3.0
Other goods and services	0.0	0.3	-0.5	0.2	3.7
Energy	-3.4	6.8	1.9	-4.9	26.6
All items less food and energy	0.1	0.2	0.1	0.2	2.6

1/ Index on a December 1997=100 base.

Over the last 12 months, prices in the South rose 5.6 percent, due largely to higher costs for transportation, housing, and food and beverages. Energy costs in the region jumped 26.6 percent, while food prices increased 6.5 percent since last August. Excluding food and energy, the index for all other items advanced 2.6 percent over the year.

Among the major categories, the transportation index decreased 3.3 percent since July, as motor fuel costs declined 7.5 percent and costs for new and used motor vehicles decreased 0.8 percent. Primarily as a result of a 35.8-percent jump in motor fuel prices, transportation costs advanced 12.1 percent over the year.

¹ 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.

The index for housing was unchanged over the month. Both the shelter index (which includes rent of primary residence, owners' equivalent rent of primary residence, lodging away from home, and tenants' and household insurance) and the household furnishings and operations index were also unchanged over the month. Costs for fuels and utilities decreased 0.4 percent since July. Since August 2007, the housing index rose 4.3 percent in the South. Higher prices for shelter (3.0 percent) and fuels and utilities (14.3 percent) were largely responsible for the 12-month increase in the housing index. Costs for household furnishings and operations were also higher over the year, advancing 1.3 percent.

The remaining indexes increased over the month. The food and beverages index rose 0.6 percent in August, as costs for food at home and for food away from home increased 0.7 and 0.4 percent, respectively. Over the month, costs for alcoholic beverages rose 0.8 percent. Over the last 12 months, the food and beverages index advanced 6.2 percent. Prices for food at home rose 7.9 percent during the period; the largest 12-month increase since February 1990. Prices for food away from home and alcoholic beverages increased 4.7 and 2.7 percent, respectively.

Prices for education and communication rose 0.9 percent in August to a level 3.0 percent higher than a year ago. The recreation index increased 0.9 percent over the month; the largest one-month advance for this index since its inception in December 1997. Over the year, the index increased 2.4 percent.

Contrary to normal seasonal patterns, apparel costs rose 0.6 percent in August. The apparel index increased 2.0 percent over the year.

The index for medical care edged up 0.2 percent in August, as costs for medical care services increased 0.4 percent and costs for medical care commodities inched down 0.1 percent. Over the year, the medical care index rose 3.6 percent, as prices for medical care services (4.4 percent) and medical care commodities (1.4 percent) both advanced.

The other goods and services index (which includes tobacco and smoking products, personal care products and services, and miscellaneous personal goods) edged up 0.2 percent over the month, to a level 3.7 percent higher than a year ago.

Population size groups

Over the month, consumer prices in the South decreased 0.4 percent in the largest metropolitan areas, those with 1.5 million or more residents (Size Class A) and decreased 0.5 percent in the mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C). Prices edged down 0.3 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 5.4 percent in the largest areas (Size Class A), 5.6 percent in the mid-sized areas (Size Class B/C), and 6.9 percent in the smallest areas (Size Class D).

Technical Notes

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 18th 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.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

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. Current and historical BLS data are also posted on our Web site at www.bls.gov/ro3/home.htm. If you have additional questions, you can contact the Mid-Atlantic information office directly by dialing (215) 597-3282. 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	
	Aug. 2008	Aug. 2007	Jul. 2008	Aug. 2008	Aug. 2007	Jul. 2008
All items	212.387	5.6	-0.4	210.362	6.2	-0.5
All items (December 1977=100)	344.521	-	-	340.704	-	-
Food and beverages	213.936	6.2	0.6	212.831	6.2	0.6
Food	214.720	6.5	0.5	213.698	6.5	0.6
Food at home	213.761	7.9	0.7	212.442	7.9	0.7
Food away from home	219.336	4.7	0.4	218.297	4.6	0.4
Alcoholic beverages	201.936	2.7	0.8	199.275	2.1	0.6
Housing	203.177	4.3	0.0	202.344	4.7	0.1
Shelter	221.549	3.0	0.0	219.779	3.0	0.2
Rent of primary residence (1)	220.161	4.0	0.5	219.164	3.9	0.4
Owners' equivalent rent of primary residence (1) (2)	223.382	3.1	0.3	208.109	3.0	0.3
Fuels and utilities	234.735	14.3	-0.4	233.874	14.1	-0.3
Household energy	208.740	16.0	-0.9	205.781	15.7	-0.8
Gas (piped) and electricity (1)	208.618	15.0	-0.7	206.788	14.8	-0.7
Electricity (1)	194.855	11.8	0.7	193.101	12.1	0.8
Utility (piped) gas service (1)	282.007	31.5	-7.0	284.248	30.8	-7.8
Household furnishings and operations	127.379	1.3	0.0	122.221	1.6	-0.2
Apparel	127.809	2.0	0.6	128.116	1.7	1.1
Transportation	205.229	12.1	-3.3	204.725	12.8	-3.4
Private transportation	203.327	11.9	-3.4	203.108	12.7	-3.5
New and used motor vehicles (3)	93.026	-2.2	-0.8	91.609	-2.0	-0.7
New vehicles	136.478	-2.4	-1.1	136.249	-2.4	-1.1
New cars and trucks (3) (4)	92.833	-2.4	-1.1	-	-	-
New cars (4)	140.955	-0.9	-0.3	-	-	-
Used cars and trucks	133.932	-1.9	-0.4	134.652	-1.9	-0.4
Motor fuel	321.692	35.8	-7.5	321.690	35.9	-7.5
Gasoline (all types)	318.729	35.3	-7.6	318.807	35.4	-7.6
Gasoline, unleaded regular (4)	319.250	35.6	-7.7	319.316	35.7	-7.7
Gasoline, unleaded midgrade (4) (5)	329.520	34.8	-7.3	329.556	34.9	-7.4
Gasoline, unleaded premium (4)	310.243	34.0	-7.1	309.849	34.1	-7.1
Medical care	348.195	3.6	0.2	350.989	4.0	0.3
Medical care commodities	282.705	1.4	-0.1	276.012	1.5	-0.1
Medical care services	369.851	4.4	0.4	374.026	4.8	0.4
Professional services	309.624	3.5	0.3	310.933	3.7	0.4
Recreation (3)	114.541	2.4	0.9	111.200	2.2	0.9
Education and communication (3)	120.754	3.0	0.9	116.863	2.8	0.6
Other goods and services	333.652	3.7	0.2	343.961	4.0	0.1
Commodities	180.273	7.3	-1.3	183.147	8.2	-1.5
Services	245.288	4.4	0.2	243.844	4.6	0.3
All items less shelter	210.109	6.9	-0.6	208.545	7.5	-0.8
All items less medical care	204.246	5.8	-0.5	203.129	6.3	-0.6
Energy	255.247	26.6	-4.9	256.629	27.1	-5.0
All items less energy	208.001	3.2	0.2	203.820	3.2	0.3
All items less food and energy	207.182	2.6	0.2	202.006	2.6	0.3
South size A (more than 1,500,000)	214.496	5.4	-0.4	213.439	6.0	-0.4
South size B/C (50,000 to 1,500,000) (6)	135.004	5.6	-0.5	134.179	6.1	-0.6
South size D (nonmetropolitan, less than 50,000)	214.655	6.9	-0.3	216.031	7.5	-0.4

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.