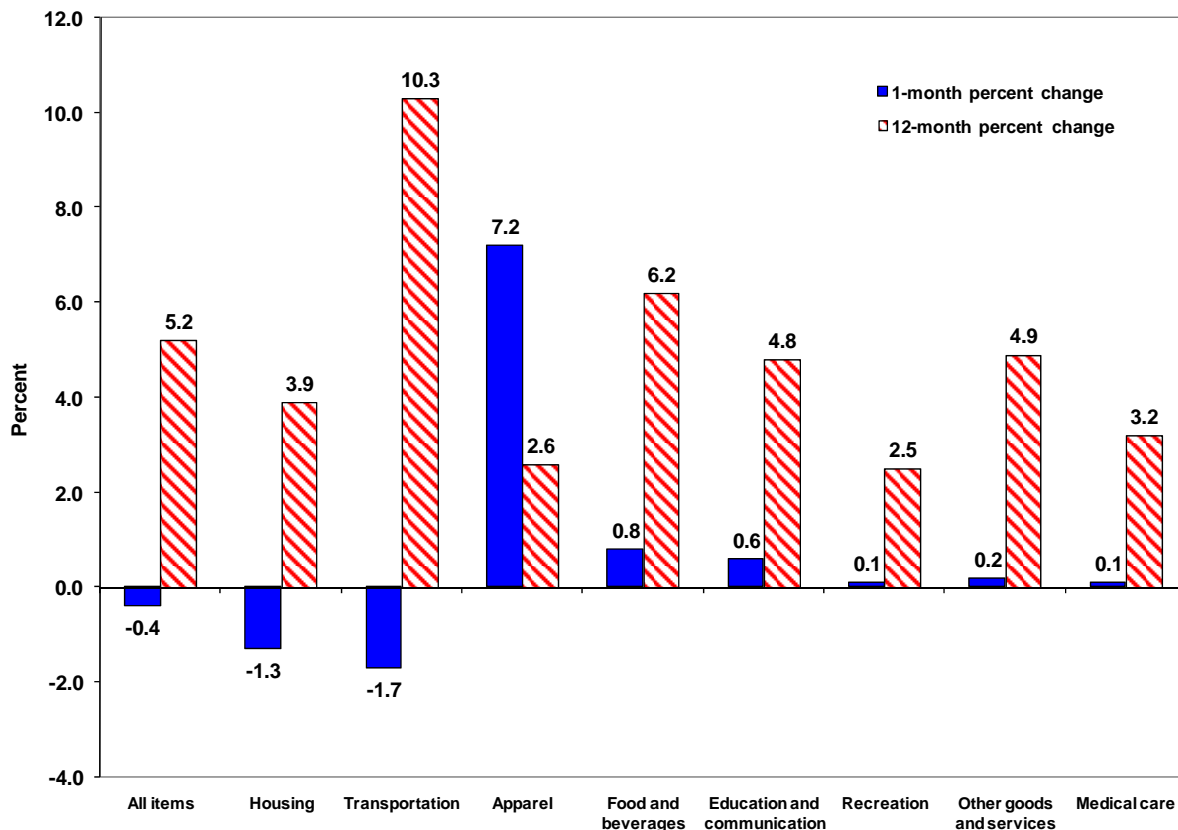




Northeast Region Consumer Price Index: September 2008

Retail prices in the Northeast region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), fell 0.4 percent in September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Denis M. McSweeney, the Bureau's regional commissioner, noted that the recent decline was the largest over-the-month decrease since October 2006. Lower prices for housing and transportation led the way, while higher prices in the other six major categories moderated the overall decline. The September level of 232.841 (1982-84=100) was 5.2 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 2.8 percent. (See table 1.)

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



The housing index fell 1.3 percent in September—the largest decrease since one-month percent changes for this index were first published in January 1987—due largely to lower prices for fuels and utilities. The fuels and utilities index was down 5.7 percent over the month as prices for both electricity (-6.0 percent) and utility (piped) gas service (-7.4 percent) declined. Since September 2007, electricity and utility gas service prices increased 6.8 and 17.6 percent, respectively. The fuels and utilities index rose 15.7 percent over the year. The shelter index (which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance) also contributed to the recent decline

in the overall housing index, falling 0.6 percent since August. Over the last 12 months, the shelter index rose 2.3 percent. Prices for household furnishings and operations, the third component of the housing index, were unchanged in September but were 0.8 percent higher than last year. Since September 2007, the overall housing index advanced 3.9 percent.

The transportation index declined 1.7 percent over the month, dominated by lower gasoline prices, which fell 4.9 percent in September after decreasing 7.1 percent in August. Despite the recent declines, gasoline prices were 31.3 percent higher than last year. The transportation index advanced 10.3 percent over the last 12 months.

The remaining categories had higher prices in September. Following normal seasonal patterns, the apparel index jumped 7.2 percent from August to September. The recent one-month increase was the largest since September 1988. Over the year, apparel prices rose 2.6 percent.

The food and beverages index advanced 0.8 percent since August led by nearly equal rises in prices for food at home and food away from home. The food at home index rose 0.9 percent in September and was 7.8 percent higher than last year. The food away from home index increased 0.8 percent over the month and 4.6 percent over the year. Prices for alcoholic beverages edged up 0.2 percent over the month to a level 4.7 percent higher than a year ago. The overall food and beverages index advanced 6.2 percent over the last 12 months—the largest 12-month advance since March 1990.

The education and communication index rose 0.6 percent in September and was 4.8 percent higher than a year ago.

Recreation prices inched up 0.1 percent in September to a level 2.5 percent higher than last year.

The other goods and services index edged up 0.2 percent since 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 4.9 percent higher.

Medical care prices inched up 0.1 percent in September, due entirely to a 0.3-percent increase in prices for medical care commodities. Prices for medical care services were unchanged over the month. Since last September, prices rose 3.2 percent for both of these components. Medical care prices also rose 3.2 percent over the last 12 months.

The energy index, which reflects prices for gasoline and household fuels, fell 5.7 percent in September, reflecting lower prices for gasoline (-4.9 percent), electricity (-6.0 percent), and utility (piped) gas service (-7.4 percent). Due to 8 increases in the last 12 months, the energy index was 23.5 percent higher than its year-ago level.

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- | | |
|--|-----------|-----------|-----------|----------------------|-----------|-----------|
| | July 2008 | Aug. 2008 | Sep. 2008 | Sep. 2007 | July 2008 | Aug. 2008 |
| All items | 234.545 | 233.788 | 232.841 | 5.2 | -0.7 | -0.4 |
| Food and beverages | 219.381 | 220.693 | 222.510 | 6.2 | 1.4 | 0.8 |
| Food | 219.022 | 220.373 | 222.287 | 6.4 | 1.5 | 0.9 |
| Food at home | 219.811 | 221.916 | 223.897 | 7.8 | 1.9 | 0.9 |
| Food away from home | 221.073 | 221.490 | 223.347 | 4.6 | 1.0 | 0.8 |
| Alcoholic beverages | 222.971 | 223.754 | 224.228 | 4.7 | 0.6 | 0.2 |
| Housing | 248.478 | 247.506 | 244.361 | 3.9 | -1.7 | -1.3 |
| Shelter | 289.487 | 288.753 | 287.076 | 2.3 | -0.8 | -0.6 |
| Rent of primary residence (1) | 275.313 | 276.510 | 276.956 | 4.1 | 0.6 | 0.2 |
| Owners' equivalent rent of primary residence (1) (2) | 293.833 | 294.241 | 294.573 | 1.7 | 0.3 | 0.1 |
| Fuels and utilities | 255.437 | 251.685 | 237.234 | 15.7 | -7.1 | -5.7 |
| Household energy | 244.871 | 240.427 | 224.987 | 16.8 | -8.1 | -6.4 |
| Gas (piped) and electricity (1) | 231.272 | 231.892 | 216.936 | 10.6 | -6.2 | -6.4 |
| Electricity (1) | 293.777 | 209.483 | 197.014 | 6.8 | -3.3 | -6.0 |
| Utility (piped) gas service (1) | 284.371 | 272.050 | 251.863 | 17.6 | -11.4 | -7.4 |
| Household furnishings and operations | 128.437 | 128.708 | 128.767 | 0.8 | 0.3 | 0.0 |
| Apparel | 111.732 | 115.467 | 123.837 | 2.6 | 10.8 | 7.2 |
| Transportation | 209.419 | 203.979 | 200.550 | 10.3 | -4.2 | -1.7 |
| Private transportation | 203.358 | 197.550 | 194.266 | 10.3 | -4.5 | -1.7 |
| New and used motor vehicles (3) | 93.137 | 92.342 | 92.466 | 0.0 | -0.7 | 0.1 |
| New vehicles | 134.549 | 133.435 | 132.905 | -0.7 | -1.2 | -0.4 |
| New cars and trucks (3) (4) | 93.256 | 92.474 | 92.093 | -0.9 | -1.2 | -0.4 |
| New cars (4) | 133.794 | 132.564 | 132.657 | -0.2 | -0.8 | 0.1 |
| Used cars and trucks | 140.913 | 140.617 | 138.085 | -2.8 | -2.0 | -1.8 |
| Motor fuel | 339.083 | 314.987 | 299.487 | 31.5 | -11.7 | -4.9 |
| Gasoline (all types) | 336.470 | 312.446 | 297.278 | 31.3 | -11.6 | -4.9 |
| Gasoline, unleaded regular (4) | 340.279 | 315.178 | 299.584 | 31.8 | -12.0 | -4.9 |
| Gasoline, unleaded midgrade (4) (5) | 339.074 | 316.706 | 301.735 | 30.7 | -11.0 | -4.7 |
| Gasoline, unleaded premium (4) | 319.942 | 299.123 | 285.714 | 29.4 | -10.7 | -4.5 |
| Medical care | 388.202 | 388.040 | 388.311 | 3.2 | 0.0 | 0.1 |
| Medical care commodities | 319.574 | 318.709 | 319.816 | 3.2 | 0.1 | 0.3 |
| Medical care services | 406.302 | 406.451 | 406.351 | 3.2 | 0.0 | 0.0 |
| Professional services | 318.681 | 318.928 | 318.319 | 2.9 | -0.1 | -0.2 |
| Recreation (3) | 115.904 | 116.027 | 116.159 | 2.5 | 0.2 | 0.1 |
| Education and communication (3) | 126.702 | 128.371 | 129.150 | 4.8 | 1.9 | 0.6 |
| Other goods and services | 373.338 | 373.378 | 374.085 | 4.9 | 0.2 | 0.2 |
| Commodity and service group | | | | | | |
| Commodities | 185.942 | 184.282 | 184.296 | 7.4 | -0.9 | 0.0 |
| Commodities less food and beverages | 164.297 | 161.346 | 160.541 | 8.2 | -2.3 | -0.5 |
| Nondurables less food and beverages | 213.027 | 207.674 | 206.859 | 14.3 | -2.9 | -0.4 |
| Durables | 109.797 | 109.305 | 108.547 | -1.4 | -1.1 | -0.7 |
| Services | 282.128 | 282.261 | 280.369 | 3.7 | -0.6 | -0.7 |
| Special aggregate indexes | | | | | | |
| All items less medical care | 227.481 | 226.709 | 225.727 | 5.3 | -0.8 | -0.4 |
| All items less shelter | 216.295 | 215.519 | 214.843 | 6.7 | -0.7 | -0.3 |
| Commodities less food | 166.727 | 163.876 | 163.107 | 8.1 | -2.2 | -0.5 |
| Nondurables | 217.499 | 215.290 | 215.725 | 10.1 | -0.8 | 0.2 |
| Nondurables less food | 213.482 | 208.488 | 207.747 | 13.6 | -2.7 | -0.4 |
| Services less rent of shelter (2) | 283.973 | 285.197 | 282.986 | 5.5 | -0.3 | -0.8 |
| Services less medical care services | 272.946 | 273.077 | 271.115 | 3.8 | -0.7 | -0.7 |
| Energy | 284.330 | 271.624 | 256.169 | 23.5 | -9.9 | -5.7 |
| All items less energy | 231.345 | 231.869 | 232.476 | 3.3 | 0.5 | 0.3 |
| All items less food and energy | 235.040 | 235.402 | 235.753 | 2.8 | 0.3 | 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 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.