

News

United States
Department
of Labor



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Consumer Price Index Minneapolis-St. Paul, MN-WI First Half 2008

Consumer prices in the Minneapolis-St. Paul area were 3.2 percent higher in the first half of 2008 compared with the second half of 2007, the U.S. Department of Labor's Bureau of Labor Statistics reported today. This increase was ahead of the 1.7 percent gain recorded in the first half of 2007. The Minneapolis-St. Paul Consumer Price Index for All Urban Consumers (CPI-U) for the first half of 2008 was 208.284 (1982-84=100). Over the year (first half of 2007 to first half of 2008), retail prices in the Twin Cities gained 3.8 percent. In the previous annual period, first half of 2006 to first half of 2007, retail prices rose 2.8 percent.

Regional Commissioner Jay A. Mousa stated that the 3.2 percent increase in the Minneapolis-St. Paul CPI-U during the first half of 2008 was primarily attributed to higher costs for energy, shelter, food and beverages, and medical care. Consumer expenditure categories for recreation, education and communication, and other goods and services also rose during the first half of 2008, but with less impact. Apparel prices were virtually unchanged.

The housing component gained 3.5 percent during the first half of 2008. In the first half of 2008, a 2.0 percent increase in the shelter index was responsible for slightly less than half of the latest increase in the housing component. Most of the remaining increase was due to an 11.5 percent jump in household energy costs. Within this category, utility (piped) gas service (natural gas), gained 22.3 percent. This latest hike compares with a 10.5 percent gain in the first half of 2007. The electricity index gained 1.3 percent during the first six months of 2008. The household furnishings and operations index rose 2.5 percent. Compared to the first half of 2007, the overall housing component was up 2.3 percent. Shelter costs gained 1.6 percent, below the 4.3 percent 12-month increase in 2007. The household energy category advanced 6.8 percent over the year as natural gas prices jumped 8.2 percent and electricity costs rose 3.8 percent. The household furnishings and operations index gained 1.9 percent from the first half of 2007-first half of 2008.

Transportation costs advanced 4.8 percent during the first half of this year. Gasoline prices were up 14.1 percent. Compared with their average during the first six months of 2007, gasoline prices were up 23.3 percent. The latest increase compares to first half to first half gains averaging 3.9 percent in 2007, and 19.1 percent from 2003-2006. The overall transportation component was 7.2 percent higher than a year ago.

Food and beverage prices increased 3.8 percent during the first six months of 2008. The food at home index (grocery food items) gained 5.0 percent and the food away from home index rose 3.0 percent. Alcoholic beverage prices advanced 1.3 percent. On an annual basis, food and beverage prices were 7.3 percent higher. Grocery foods were 7.6 percent more expensive while dining out was 7.7 percent costlier over the year. Alcoholic beverage prices gained 3.5 percent from their first half of 2007 levels.

The medical care component advanced 2.3 percent during the first six months of 2008. On an annual basis, medical care costs in the Twin Cities gained 4.5 percent. This was below the 8.0 percent increase in the first half 2006 to the first half of 2007, but in-line with the 4.7 percent increase in the first half of 2005 to the first half of 2006 period.

Recreation costs gained 1.3 percent during the first half of 2008 and were 2.5 percent higher than a year ago. The education and communications component rose 1.4 percent during the first six months of this year and was 3.0 percent higher for the year. The other goods and services component was up 1.9 percent during the first half of this year and was 3.5 percent above its first half 2007 level.

Apparel prices were nearly unchanged, falling a scant 0.1 percent during the first half of 2008. During the previous two first half periods apparel prices rose on average of 2.2 percent. Compared with their first half 2007 level, apparel prices were down 2.5 percent. During the previous annual period, apparel prices gained 6.6 percent.

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Scheduled release of the second-half average 2008 CPI:
February, 2009

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 Minneapolis-St. Paul 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 Minneapolis-St. Paul is (612) 725-3580.

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

Minneapolis-St. Paul, MN-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	200.627	201.867	208.284	3.8	3.2
All items (1967=100)	630.476	634.374	654.540	-	-
Food and beverages	214.901	222.013	230.544	7.3	3.8
Food	210.626	217.854	226.858	7.7	4.1
Food at home	202.655	207.731	218.097	7.6	5.0
Food away from home	223.385	233.672	240.665	7.7	3.0
Alcoholic beverages	252.381	258.028	261.330	3.5	1.3
Housing	184.663	182.646	188.976	2.3	3.5
Shelter	207.926	207.087	211.284	1.6	2.0
Rent of primary residence	198.862	200.288	204.499	2.8	2.1
Owners' equivalent rent of primary residence ¹	213.628	215.880	216.759	1.5	.4
Fuels and utilities	184.480	179.041	198.935	7.8	11.1
Household energy	180.149	172.517	192.314	6.8	11.5
Gas (piped) and electricity	183.160	174.598	194.054	5.9	11.1
Electricity	179.848	184.424	186.762	3.8	1.3
Utility (piped) gas service	201.677	178.527	218.269	8.2	22.3
Household furnishings and operations	122.391	121.682	124.740	1.9	2.5
Apparel	130.770	127.540	127.451	-2.5	-.1
Transportation	185.271	189.622	198.659	7.2	4.8
Private transportation	174.723	179.172	186.247	6.6	3.9
Motor fuel	221.819	239.693	272.883	23.0	13.8
Gasoline (all types)	222.753	240.674	274.575	23.3	14.1
Gasoline, unleaded regular ²	224.003	244.758	280.494	25.2	14.6
Gasoline, unleaded midgrade ^{2 3}	226.443	241.340	272.658	20.4	13.0
Gasoline, unleaded premium ²	260.434	276.049	310.935	19.4	12.6
Medical care	362.772	370.697	379.225	4.5	2.3
Recreation ⁴	114.593	115.994	117.464	2.5	1.3
Education and communication ⁴	122.024	123.869	125.630	3.0	1.4
Other goods and services	316.091	320.799	327.018	3.5	1.9
Commodity and service group					
All items	200.627	201.867	208.284	3.8	3.2
Commodities	168.204	171.087	177.018	5.2	3.5
Commodities less food and beverages	143.978	145.190	149.904	4.1	3.2
Nondurables less food and beverages	183.026	186.835	196.005	7.1	4.9
Durables	108.499	107.727	108.837	.3	1.0
Services	229.653	229.397	236.317	2.9	3.0
Special aggregate indexes					
All items less medical care	193.273	194.270	200.540	3.8	3.2
All items less shelter	198.297	201.153	207.992	4.9	3.4
Commodities less food	148.553	149.914	154.620	4.1	3.1
Nondurables	199.624	204.985	214.019	7.2	4.4
Nondurables less food	188.347	192.292	201.088	6.8	4.6
Services less rent of shelter ¹	265.073	267.606	276.445	4.3	3.3
Services less medical care services	217.894	217.096	223.787	2.7	3.1
Energy	204.234	209.806	236.384	15.7	12.7
All items less energy	203.547	204.339	209.171	2.8	2.4
All items less food and energy	202.588	202.395	206.618	2.0	2.1

¹ Index is on a December 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.