

# News

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## South Region Consumer Price Index: September 2008

The Consumer Price Index for All Urban Consumers (CPI-U) for the South inched up 0.1 percent in September to 212.650 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that higher prices for many of the categories, but particularly for apparel, food and beverages, education and communication, and other goods and services were virtually offset by lower costs for transportation and housing. Over the same period, the core inflation rate, as measured by the all items less food and energy index, 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 September 2008
	September 2007	July 2008	August 2008	September 2008	
All items	0.3	0.5	-0.4	0.1	5.4
Food and beverages	0.8	0.9	0.6	0.5	5.9
Housing	0.0	0.7	0.0	-0.1	4.2
Apparel	3.7	-2.2	0.6	2.9	1.3
Transportation	0.0	0.5	-3.3	-0.4	11.6
Medical care	0.1	0.0	0.2	0.0	3.5
Recreation 1/	0.2	0.4	0.9	0.2	2.4
Education and communication 1/	0.7	0.7	0.9	0.6	2.9
Other goods and services	0.8	-0.5	0.2	0.7	3.6
Energy	0.4	1.9	-4.9	-0.7	25.1
All items less food and energy	0.2	0.1	0.2	0.2	2.6

1/ Index on a December 1997=100 base.

Over the last 12 months, prices in the South rose 5.4 percent, due largely to higher costs for transportation, housing, and food and beverages. Over the same period, the core inflation rate, as measured by the all items less food and energy index, advanced 2.6 percent.

Following normal seasonal patterns, apparel costs rose 2.9 percent in September. Over the year, the apparel index increased 1.3 percent.

The food and beverages index rose 0.5 percent in September due to increases in all three of its components. Costs for food at home and food away from home increased 0.5 percent each and costs for alcoholic beverages rose 0.6 percent since August. Over the last 12 months, the food and beverages index advanced 5.9 percent. Prices for food at home rose 7.3 percent over the year and prices for food away from home and alcoholic beverages increased 4.6 and 3.3 percent, respectively.

Prices for education and communication rose 0.6 percent in September to a level 2.9 percent higher than a year ago. The recreation index edged up 0.2 percent over the month and advanced 2.4 percent over the year.

The other goods and services index (which includes tobacco and smoking products, personal care products and services, and miscellaneous personal goods) increased 0.7 percent over the month to a level 3.6 percent higher than a year ago.

The transportation index declined 0.4 percent since August, as prices for new and used motor vehicles decreased 0.8 percent and motor fuel costs edged down 0.2 percent. Due largely to a 35.3-percent jump in motor fuel prices, transportation costs advanced 11.6 percent over the year.

The index for housing was little changed over the month, inching down 0.1 percent. Fuels and utilities prices fell 1.3 percent led by an 8.8-percent decrease in utility (piped) gas service prices, while a 0.8-percent increase in the cost of household furnishings and operations moderated the overall decline in the housing index. The shelter index, which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance, was unchanged since August. Since September 2007, the housing index rose 4.2 percent in the South. Higher prices for shelter (3.0 percent) and fuels and utilities (12.2 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 2.3 percent.

The index for medical care was unchanged over the month. Costs for medical care commodities edged down 0.2 percent, while costs for medical care services were unchanged in September. Over the year, the medical care index rose 3.5 percent, as prices advanced for both medical care services (4.3 percent) and medical care commodities (1.5 percent).

### **Population size groups**

Over the month, consumer prices in the South edged up 0.2 percent in the largest metropolitan areas, those with 1.5 million or more residents (Size Class A), 0.1 percent in the mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), and 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 5.2 percent in the largest areas (Size Class A) and 5.3 percent in the mid-sized areas (Size Class B/C). In the smallest areas (Size Class D), prices increased 7.1 percent over the year.

### Technical Note

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 18<sup>th</sup> 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](http://www.bls.gov). Current and historical BLS data are also posted on our Web site at [www.bls.gov/ro3/home.htm](http://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	
	Sep. 2008	Sep. 2007	Aug. 2008	Sep. 2008	Sep. 2007	Aug. 2008
All items	212.650	5.4	0.1	210.572	5.9	0.1
All items (December 1977=100)	344.947	-	-	341.045	-	-
<b>Food and beverages</b>	215.049	5.9	0.5	213.865	5.9	0.5
<b>Food</b>	215.831	6.1	0.5	214.728	6.1	0.5
Food at home	214.855	7.3	0.5	213.473	7.3	0.5
Food away from home	220.484	4.6	0.5	219.341	4.5	0.5
Alcoholic beverages	203.064	3.3	0.6	200.368	2.7	0.5
<b>Housing</b>	202.951	4.2	-0.1	202.197	4.4	-0.1
Shelter	221.545	3.0	0.0	219.978	3.0	0.1
Rent of primary residence (1)	220.882	4.1	0.3	219.825	3.9	0.3
Owners' equivalent rent of primary residence (1) (2)	223.725	3.0	0.2	208.383	2.9	0.1
Fuels and utilities	231.671	12.2	-1.3	231.366	12.3	-1.1
Household energy	205.462	13.5	-1.6	203.126	13.6	-1.3
Gas (piped) and electricity (1)	205.399	12.6	-1.5	204.162	12.7	-1.3
Electricity (1)	194.994	11.0	0.1	193.191	11.2	0.0
Utility (piped) gas service (1)	257.124	21.0	-8.8	260.640	21.4	-8.3
Household furnishings and operations	128.350	2.3	0.8	122.880	2.4	0.5
<b>Apparel</b>	131.481	1.3	2.9	131.817	1.2	2.9
<b>Transportation</b>	204.357	11.6	-0.4	203.831	12.3	-0.4
Private transportation	202.663	11.5	-0.3	202.325	12.2	-0.4
New and used motor vehicles (3)	92.310	-2.7	-0.8	90.640	-2.9	-1.1
New vehicles	136.013	-2.5	-0.3	135.862	-2.4	-0.3
New cars and trucks (3) (4)	92.516	-2.5	-0.3	-	-	-
New cars (4)	140.979	-0.5	0.0	-	-	-
Used cars and trucks	131.334	-3.7	-1.9	132.040	-3.7	-1.9
Motor fuel	321.149	35.3	-0.2	321.454	35.3	-0.1
Gasoline (all types)	319.382	35.3	0.2	319.818	35.3	0.3
Gasoline, unleaded regular (4)	320.378	35.8	0.4	320.819	35.9	0.5
Gasoline, unleaded midgrade (4) (5)	329.729	34.7	0.1	330.082	34.7	0.2
Gasoline, unleaded premium (4)	309.412	33.3	-0.3	309.333	33.4	-0.2
<b>Medical care</b>	348.105	3.5	0.0	350.958	3.9	0.0
Medical care commodities	282.119	1.5	-0.2	275.440	1.5	-0.2
Medical care services	370.008	4.3	0.0	374.240	4.7	0.1
Professional services	309.657	3.4	0.0	311.001	3.6	0.0
<b>Recreation (3)</b>	114.782	2.4	0.2	111.576	2.1	0.3
<b>Education and communication (3)</b>	121.500	2.9	0.6	117.167	2.5	0.3
<b>Other goods and services</b>	335.877	3.6	0.7	345.598	3.7	0.5
<b>Commodities</b>	180.861	7.0	0.3	183.578	7.8	0.2
<b>Services</b>	245.223	4.3	0.0	243.819	4.4	0.0
<b>All items less shelter</b>	210.487	6.5	0.2	208.762	7.1	0.1
<b>All items less medical care</b>	204.519	5.6	0.1	203.345	6.0	0.1
<b>Energy</b>	253.336	25.1	-0.7	255.223	25.8	-0.5
<b>All items less energy</b>	208.518	3.1	0.2	204.256	3.0	0.2
<b>All items less food and energy</b>	207.590	2.6	0.2	202.331	2.4	0.2
<b>South size A (more than 1,500,000)</b>	214.854	5.2	0.2	213.579	5.5	0.1
<b>South size B/C (50,000 to 1,500,000) (6)</b>	135.093	5.3	0.1	134.285	5.8	0.1
<b>South size D (nonmetropolitan, less than 50,000)</b>	215.258	7.1	0.3	216.762	7.7	0.3

## 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.