

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

Philadelphia, Pa. 19106

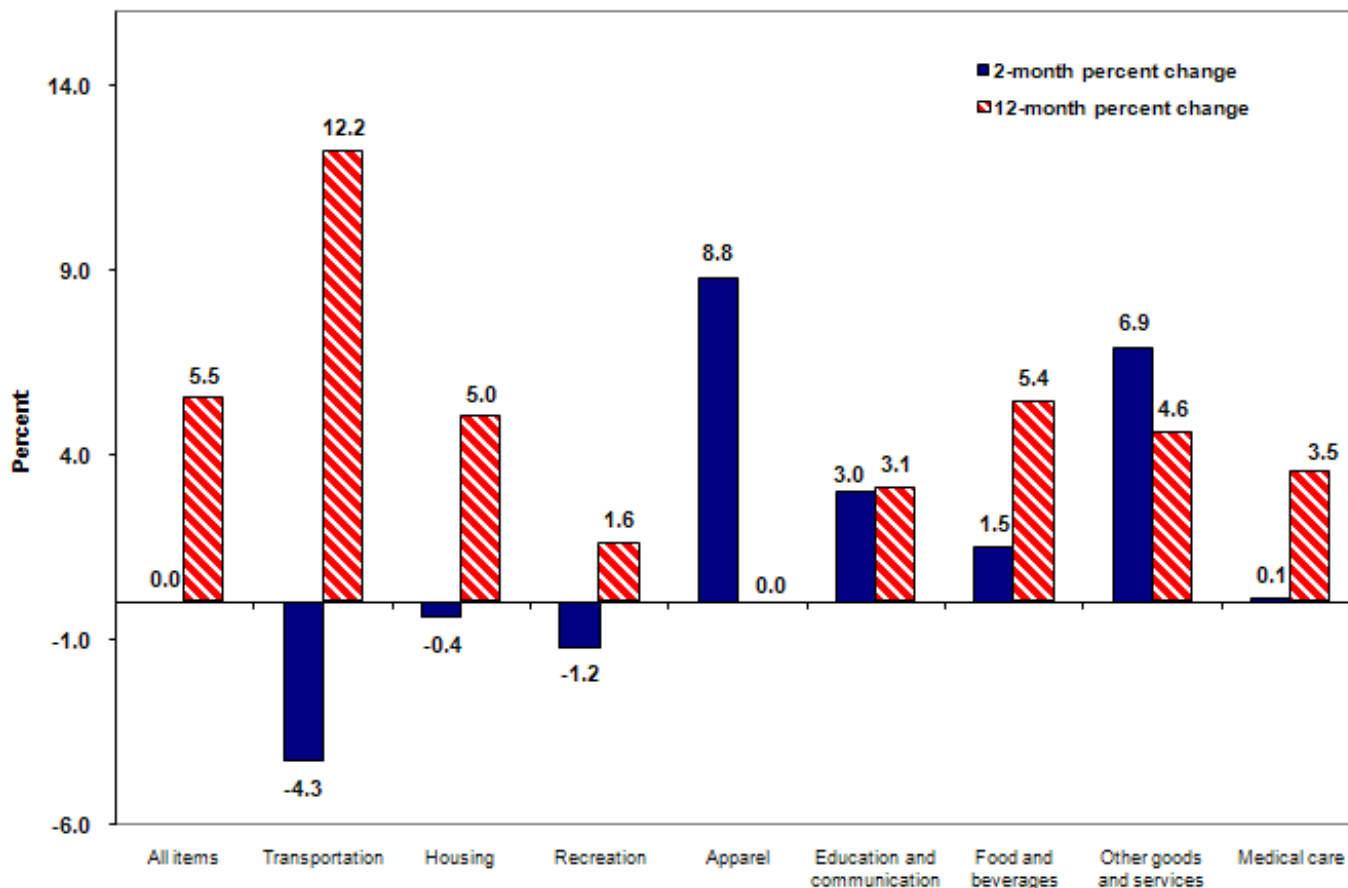
Internet address: [www.bls.gov/ro3/](http://www.bls.gov/ro3/)  
INFORMATION: Gerald Perrins  
(215) 597-3282  
MEDIA CONTACT: Sheila Watkins  
(215) 861-5600

PLS – 4457  
FOR RELEASE:  
THURSDAY, OCTOBER 16, 2008

## Washington-Baltimore Consumer Price Index: September 2008

Retail prices in the Washington-Baltimore area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were unchanged from July to September, following a 1.7-percent increase in the previous two-month period, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that lower prices for transportation, housing, and recreation were offset by higher prices for apparel, education and communication, food and beverages, other goods and services, and medical care. (See chart A.) The September level of 142.036 (November 1996 = 100) was 5.5 percent higher than in September 2007. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 3.5 percent. (See table 1.)

**Chart A. 2-month and 12-month percent changes ended September 2008 for the major categories of the CPI-U for the Washington-Baltimore area, not seasonally adjusted**



The transportation index decreased for the first time in a year, falling 4.3 percent since July—the largest two-month decline since November 2006. Gasoline prices, which dropped 10.2 percent, were largely responsible for the recent decrease. Due to increases in five of the last six bimonthly periods, the gasoline index was up 33.8 percent over the year. Since September 2007, the overall transportation index increased 12.2 percent.

The housing index declined 0.4 percent from July to September dominated by a 5.0-percent decrease in fuels and utilities prices, in particular utility (piped) gas service prices. Following five bimonthly increases totaling 50.0 percent, utility gas service prices dropped 23.7 percent since July but were 14.4 percent higher since September 2007. Electricity prices rose 1.4 percent over the last 2 months and 11.2 percent over the last 12 months. The fuels and utilities index was 11.7 percent higher 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, inched down 0.1 percent since July but was 4.4 percent higher than a year ago. Household furnishings and operations prices rose 2.8 percent over the last two months and 1.7 percent over the year. Since September 2007, the housing index advanced 5.0 percent.

Following four bimonthly periods of increases totaling 3.4 percent, the recreation index declined 1.2 percent from July to September. Despite the recent decline, recreation prices increased 1.6 percent over the last 12 months.

The remaining indexes had higher prices from July to September. The apparel index rose 8.8 percent since July. The recent advance was smaller than the 11.3-percent average July-September increase for the previous five years. Higher prices for a number of items including women's suits and separates, women's outerwear, men's shirts and sweaters, and girls' apparel led the increase. Apparel prices were unchanged since September 2007.

The education and communication index advanced 3.0 percent since July. College tuition and fees were responsible for most of the increase. Prices for education and communication were 3.1 percent above their September 2007 levels.

Food and beverages prices rose 1.5 percent since July, led by higher food at home prices. The food at home index advanced 1.7 percent from July to September and was 6.4 percent higher than its year-ago level. Price increases for limited service meals and snacks and food at employee sites and schools led the 1.3-percent two-month advance in food away from home prices; this index increased 5.1 percent over the year. Prices for alcoholic beverages increased 1.4 percent since July and 2.2 percent since September 2007. The overall food and beverages index was 5.4 percent higher over the last 12 months—the largest 12-month increase since May 2004.

The other goods and services index, which includes tobacco and smoking products, personal care products, personal care services, and miscellaneous personal services such as legal, funeral, and laundry and dry cleaning services, advanced 6.9 percent from July to September—the largest two-month increase since publication began in November 1996. Over the year, the other goods and services index increased 4.6 percent.

The medical care index inched up 0.1 percent since July after no change during the previous two-month period, and was 3.5 percent higher than a year ago.

The energy index, which reflects prices for gasoline and household fuels, fell 8.0 percent since July. Lower prices for gasoline (-10.2 percent) and utility gas (-23.7 percent) were responsible for the recent decrease. These decreases were partially offset by a 1.4-percent rise in electricity prices. Over the year, energy prices were up 22.4 percent.

The CPI-U for the Washington-Baltimore area stood at 142.036 on the November 1996=100 reference base, which means that a market basket of goods and services that averaged \$100.00 in November 1996 would have cost \$142.04 in September.

The Washington-Baltimore, D.C.-Md.-Va.-W.Va., Consolidated Metropolitan Statistical Area (CMSA) includes the District of Columbia; Baltimore City and the counties of Anne Arundel, Baltimore, Calvert, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and Washington in Maryland; the cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park and the counties of Arlington, Clarke, Fairfax, Fauquier, King George, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren in Virginia; and the counties of Berkeley and Jefferson in West Virginia.

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: Washington-Baltimore area, December 2007**

<b>Item and group</b>	<b>CPI-U</b>
<b>Expenditure category</b>	
All items	100.000
Food and beverages	13.939
Food	12.815
Food at home	6.611
Food away from home	6.204
Alcoholic beverages	1.124
Housing	47.848
Shelter	38.555
Rent of primary residence	6.305
Owners' equivalent rent of primary residence	29.263
Fuels and utilities	5.174
Household energy	4.522
Gas (piped) and electricity	4.344
Electricity	3.399
Utility (piped) gas service	0.928
Household furnishings and operations	4.127
Apparel	3.741
Transportation	13.912
Private transportation	12.631
Motor fuel	4.513
Gasoline	4.487
Medical care	4.934
Recreation	5.229
Education and communication	7.470
Other goods and services	2.919
<b>Commodity and service group</b>	
Commodities	35.218
Commodities less food and beverages	21.280
Nondurables less food and beverages	13.133
Durables	8.146
Services	64.781
<b>Special aggregate indexes</b>	
All items less medical care	95.065
All items less shelter	61.444
Commodities less food	22.404
Nondurables	27.072
Nondurables less food	14.257
Services less rent of shelter	26.578
Services less medical care services	61.021
Energy	9.033
All items less energy	90.968
All items less food and energy	78.153

**Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, D.C.-Md.-Va.-W.Va. (December 1997=100 unless otherwise noted)**

Expenditure category	Indexes			Percent change from-		
	July 2008	Aug. 2008	Sep. 2008	Sep. 2007	July 2008	Aug. 2008
All items (1)	142.065	-	142.036	5.5	0.0	-
Food and beverages (1)	137.361	-	139.410	5.4	1.5	-
Food (1)	138.776	-	140.852	5.7	1.5	-
Food at home	135.435	136.493	137.697	6.4	1.7	0.9
Food away from home (2)	140.537	-	142.375	5.1	1.3	-
Alcoholic beverages (2)	117.671	-	119.364	2.2	1.4	-
Housing (1)	152.356	-	151.671	5.0	-0.4	-
Shelter	154.443	154.922	154.309	4.4	-0.1	-0.4
Rent of primary residence (1) (3)	161.580	163.865	164.570	5.6	1.9	0.4
Owners' equivalent rent of primary residence (3)	151.593	152.509	153.206	4.2	1.1	0.5
Fuels and utilities	208.234	-	197.859	11.7	-5.0	-
Household energy	216.974	207.492	205.055	12.5	-5.5	-1.2
Gas (piped) and electricity (3)	208.032	199.209	197.297	11.1	-5.2	-1.0
Electricity (3)	194.806	193.141	197.484	11.2	1.4	2.2
Utility (piped) gas service (3)	229.206	197.469	174.887	14.4	-23.7	-11.4
Household furnishings and operations	99.921	-	102.681	1.7	2.8	-
Apparel (1)	88.211	-	95.933	0.0	8.8	-
Transportation (1)	149.143	-	142.709	12.2	-4.3	-
Private transportation	148.926	-	142.637	12.0	-4.2	-
Motor fuel	334.353	310.231	300.079	33.9	-10.3	-3.3
Gasoline (all types)	334.141	310.047	299.959	33.8	-10.2	-3.3
Gasoline, unleaded regular (4)	341.278	315.359	305.389	34.1	-10.5	-3.2
Gasoline, unleaded midgrade (4)	328.480	306.819	296.617	34.2	-9.7	-3.3
Gasoline, unleaded premium (4)	324.392	304.075	293.362	33.2	-9.6	-3.5
Medical care (1)	140.749	-	140.865	3.5	0.1	-
Recreation	118.810	-	117.400	1.6	-1.2	-
Education and communication	127.499	-	131.330	3.1	3.0	-
Other goods and services (1)	147.060	-	157.226	4.6	6.9	-
<b>Commodity and service group</b>						
Commodities	127.538	-	127.401	6.9	-0.1	-
Commodities less food and beverages	121.900	-	120.539	7.9	-1.1	-
Nondurables less food and beverages	155.034	-	152.652	13.7	-1.5	-
Durables	86.354	-	86.045	-1.3	-0.4	-
Services	151.665	-	151.707	4.7	0.0	-
<b>Special aggregate indexes</b>						
All items less medical care (1)	142.072	-	142.036	5.6	0.0	-
All items less shelter	135.901	-	135.929	6.1	0.0	-
Commodities less food	121.760	-	120.547	7.6	-1.0	-
Nondurables	145.048	-	144.994	9.4	0.0	-
Nondurables less food	151.827	-	149.818	12.7	-1.3	-
Services less rent of shelter	149.359	-	149.582	5.3	0.1	-
Services less medical care services	152.500	-	152.559	4.8	0.0	-
Energy (1)	262.513	247.122	241.537	22.4	-8.0	-2.3
All items less energy	133.562	-	134.845	3.8	1.0	-
All items less food and energy (1)	133.585	-	134.750	3.5	0.9	-

1 For Washington-Baltimore, index is on a November 1996=100 base.

2 For Washington-Baltimore, index is on a November 1997=100 base.

3 This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

4 Special index based on a substantially smaller sample.

- Data not available.

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