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## CONSUMER PRICE INDEX FOR THE SOUTH—MARCH 2009

The Consumer Price Index for All Urban Consumers (CPI-U) for the South<sup>1</sup> increased 0.3 percent in March to 206.001 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that costs were higher for six of the eight categories. Only prices for food and beverages were lower over the month, while education and communication prices were unchanged. The energy index decreased 1.0 percent over the month, while food costs edged down 0.2 percent. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 0.6 percent.

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 March 2009 |
|--------------------------------|-------------------------------------|--------------|---------------|------------|--|
|                                | March 2008                          | January 2009 | February 2009 | March 2009 |  |
| All items                      | 0.8                                 | 0.4          | 0.5           | 0.3        | -0.3                                       |
| Food and beverages             | 0.0                                 | 0.4          | -0.1          | -0.2       | 4.7  |
| Housing                        | 0.6                                 | 0.5          | 0.1           | 0.1        | 2.5  |
| Apparel                        | 1.5                                 | -1.6         | 2.5           | 3.3        | 1.7  |
| Transportation                 | 2.4                                 | 1.0          | 2.1           | 0.3        | -14.9                                      |
| Medical care                   | 0.3                                 | 0.4          | 0.6           | 0.1        | 2.3  |
| Recreation 1/                  | 0.3                                 | 0.1          | 0.4           | 0.3        | 1.4  |
| Education and communication 1/ | -0.1                                | 0.1          | 0.0           | 0.0        | 3.3  |
| Other goods and services       | 0.3                                 | 0.1          | 0.2           | 3.5        | 5.9  |
| Energy                         | 5.0                                 | 1.2          | 2.9           | -1.0       | -22.2                                      |
| All items less food and energy | 0.3                                 | 0.3          | 0.4           | 0.6        | 2.0  |

1/ Index on a December 1997=100 base.

Over the last 12 months, prices in the South decreased 0.3 percent, as lower costs for transportation were partially offset by increases in the remaining categories. Energy costs in the region declined 22.2 percent, while food prices increased 4.8 percent since last March. Over the same period, the core inflation rate advanced 2.0 percent.

<sup>1</sup> 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.

Among the major categories, apparel costs increased 3.3 percent over the month, reflecting normal seasonal patterns. Prices for apparel rose 1.7 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) rose 3.5 percent in March—the largest one-month increase since this index was first reported on a monthly basis in January 1987—to a level 5.9 percent higher than a year ago.

The transportation index increased 0.3 percent in March, as costs for motor fuel and new and used motor vehicles increased 1.0 percent and 0.2 percent, respectively. Over the year, transportation costs decreased 14.9 percent, primarily as a result of a 40.8-percent drop in motor fuel prices.

The index for housing was little changed over the month, up 0.1 percent. The shelter index, which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance, rose 0.4 percent since February. Household furnishings and operations costs increased 0.6 percent over the month. Nearly offsetting these advances, costs for fuels and utilities decreased 2.0 percent. Since March 2008, the housing index rose 2.5 percent in the South. Higher prices for shelter (2.1 percent) and fuels and utilities (4.7 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 2.4 percent.

The recreation index rose 0.3 percent over the month. Since March 2008, the recreation index increased 1.4 percent.

The index for medical care inched up 0.1 percent over the month, due to identical increases (0.1 percent) in costs for medical care services and medical care commodities. Over the year, the medical care index rose 2.3 percent, as prices increased for medical care services (2.5 percent) and medical care commodities (1.8 percent).

Prices for education and communication remained unchanged over the month; since March 2008, this index increased 3.3 percent.

The food and beverages index edged down 0.2 percent in March, as a 0.6-percent decline in costs for food at home was partially offset by 0.3-percent increases in costs for food away from home and alcoholic beverages. Over the year, the food and beverages index advanced 4.7 percent, as prices for food at home rose 4.6 percent and costs for food away from home increased 4.9 percent. Since March 2008, alcoholic beverages costs increased 3.8 percent.

### **Population size groups**

Over the month, consumer prices in the South increased 0.3 percent in the largest metropolitan areas, those with 1.5 million or more residents (Size Class A). Prices increased 0.4 percent in the mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), and inched up 0.1 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 edged down 0.3 percent in the largest areas (Size Class A) and decreased 0.4 percent in the mid-sized areas (Size Class B/C). In the smallest areas (Size Class D), prices were unchanged over the year.

**Next Release Date:** The South CPI for April will be released on May 15, 2009.

## 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 (CADDC). Due to the efficiencies gained from conversion to CADDC, 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/ro6/home.htm](http://www.bls.gov/ro6/home.htm). If you have additional questions, you can contact the Dallas information office directly by dialing (972) 850-4800. 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 |           |
|   | Mar. 2009                   | Mar. 2008           | Feb. 2009 | Mar. 2009                                       | Mar. 2008           | Feb. 2009 |
| All items   | 206.001                     | -0.3                | 0.3       | 201.737   | -1.1                | 0.3       |
| All items (December 1977=100)                           | 334.163                     | -                   | -         | 326.736   | -                   | -         |
| <b>Food and beverages</b>                               | 216.662                     | 4.7                 | -0.2      | 215.425   | 4.7                 | -0.2      |
| <b>Food</b>   | 217.255                     | 4.8                 | -0.2      | 216.008   | 4.7                 | -0.2      |
| Food at home  | 213.672                     | 4.6                 | -0.6      | 211.982   | 4.5                 | -0.6      |
| Food away from home                                     | 225.168                     | 4.9                 | 0.3       | 224.373   | 5.0                 | 0.3       |
| Alcoholic beverages                                     | 207.329                     | 3.8                 | 0.3       | 206.286   | 4.0                 | 0.3       |
| <b>Housing</b>  | 202.653                     | 2.5                 | 0.1       | 201.607   | 2.8                 | -0.1      |
| Shelter   | 223.622                     | 2.1                 | 0.4       | 222.120   | 2.3                 | 0.3       |
| Rent of primary residence (1)                           | 223.148                     | 3.0                 | 0.1       | 222.013   | 2.9                 | 0.1       |
| Owners' equivalent rent of primary residence (1) (2)    | 226.091                     | 2.3                 | 0.3       | 210.525   | 2.2                 | 0.3       |
| Fuels and utilities                                     | 215.970                     | 4.7                 | -2.0      | 216.137   | 5.4                 | -2.0      |
| Household energy  | 187.590                     | 4.4                 | -2.5      | 186.007   | 5.1                 | -2.5      |
| Gas (piped) and electricity (1)                         | 188.886                     | 5.5                 | -2.5      | 187.947   | 5.9                 | -2.4      |
| Electricity (1)   | 184.681                     | 10.5                | -1.3      | 182.197   | 10.3                | -1.3      |
| Utility (piped) gas service (1)                         | 201.437                     | -17.0               | -8.9      | 205.719   | -16.9               | -9.6      |
| Household furnishings and operations                    | 130.141                     | 2.4                 | 0.6       | 124.754   | 2.3                 | 0.4       |
| <b>Apparel</b>  | 134.464                     | 1.7                 | 3.3       | 134.389   | 1.3                 | 3.0       |
| <b>Transportation</b>                                   | 165.612                     | -14.9               | 0.3       | 160.813   | -16.9               | 0.2       |
| Private transportation                                  | 163.725                     | -15.3               | 0.3       | 159.140   | -17.2               | 0.2       |
| New and used motor vehicles (3)                         | 92.183                      | -3.0                | 0.2       | 88.204  | -5.5                | -0.2      |
| New vehicles  | 139.858                     | 0.0                 | 0.6       | 139.505   | 0.1                 | 0.6       |
| New cars and trucks (3) (4)                             | 95.143                      | -0.1                | 0.6       | -   | -                   | -         |
| New cars (4)  | 143.538                     | 1.0                 | 0.1       | -   | -                   | -         |
| Used cars and trucks                                    | 119.241                     | -12.5               | -1.3      | 119.877   | -12.5               | -1.3      |
| Motor fuel  | 165.767                     | -40.8               | 1.0       | 165.686   | -40.8               | 1.0       |
| Gasoline (all types)                                    | 165.012                     | -40.5               | 1.4       | 164.993   | -40.6               | 1.5       |
| Gasoline, unleaded regular (4)                          | 162.861                     | -41.4               | 1.5       | 162.822   | -41.4               | 1.5       |
| Gasoline, unleaded midgrade (4) (5)                     | 174.595                     | -39.2               | 1.5       | 174.563   | -39.2               | 1.6       |
| Gasoline, unleaded premium (4)                          | 168.256                     | -37.9               | 1.0       | 168.039   | -38.0               | 1.0       |
| Medical care  | 354.392                     | 2.3                 | 0.1       | 357.299   | 2.4                 | 0.1       |
| Medical care commodities                                | 291.027                     | 1.8                 | 0.1       | 284.082   | 1.8                 | 0.1       |
| Medical care services                                   | 374.813                     | 2.5                 | 0.1       | 379.341   | 2.6                 | 0.1       |
| Professional services                                   | 314.340                     | 3.0                 | 0.2       | 315.832   | 3.1                 | 0.2       |
| <b>Recreation (3)</b>                                   | 115.514                     | 1.4                 | 0.3       | 112.146   | 1.2                 | 0.5       |
| <b>Education and communication (3)</b>                  | 121.773                     | 3.3                 | 0.0       | 117.459   | 2.9                 | -0.1      |
| <b>Other goods and services</b>                         | 349.784                     | 5.9                 | 3.5       | 364.982   | 7.4                 | 4.8       |
| Commodities   | 167.368                     | -4.5                | 0.7       | 166.256   | -6.2                | 0.7       |
| Services  | 245.493                     | 2.8                 | 0.1       | 244.026   | 3.0                 | 0.0       |
| <b>All items less shelter</b>                           | 200.094                     | -1.4                | 0.3       | 195.582   | -2.6                | 0.3       |
| <b>All items less medical care</b>                      | 197.441                     | -0.5                | 0.3       | 194.101   | -1.3                | 0.3       |
| <b>Energy</b>   | 171.992                     | -22.2               | -1.0      | 171.058   | -23.1               | -0.9      |
| <b>All items less energy</b>                            | 210.539                     | 2.4                 | 0.4       | 205.966   | 2.3                 | 0.4       |
| <b>All items less food and energy</b>                   | 209.726                     | 2.0                 | 0.6       | 204.123   | 1.8                 | 0.6       |
| <b>South size A (more than 1,500,000)</b>               | 208.529                     | -0.3                | 0.3       | 205.066   | -1.1                | 0.3       |
| <b>South size B/C (50,000 to 1,500,000) (6)</b>         | 130.873                     | -0.4                | 0.4       | 128.686   | -1.2                | 0.3       |
| <b>South size D (nonmetropolitan, less than 50,000)</b> | 206.927                     | 0.0                 | 0.1       | 205.744   | -0.9                | 0.2       |

## 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.