

# News

United States  
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Bureau of Labor Statistics

Chicago, Ill. 60604

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General Information: (312) 353-1880  
Media Contact: Paul LaPorte  
(312) 353-1138  
[www.bls.gov/ro5](http://www.bls.gov/ro5)

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## CONSUMER PRICE INDEX MILWAUKEE-RACINE, WIS. CMSA FIRST HALF 2009

Retail prices in the Milwaukee-Racine area were down 1.5 percent in the first half of 2009 compared with their levels in the second half of 2008, according to the U.S. Department of Labor's Bureau of Labor Statistics. The first half 2009 Milwaukee-Racine all items Consumer Price Index for All Urban Consumers (CPI-U) was 200.999 (1982-84=100), representing a 0.5 percent decrease over the first half of 2008. This decrease follows a 4.8 percent gain recorded in the previous annual period.

Regional Commissioner Jay A. Mousa stated that the 1.5 percent decrease in the Milwaukee-Racine CPI-U during the first half of 2009 was primarily attributed to lower costs for the energy related categories of gasoline and utility (piped) gas service. These declines resulted in decreases in the components for transportation and housing, respectively. All other major consumer expenditure categories: apparel, other goods and services, recreation, education and communication, food and beverages, and medical care rose during the first half of 2009, but not enough to offset the declines.

The transportation component fell 11.7 percent during the first half of 2009. Gasoline prices were 30.8 percent lower during the first half and accounted for almost the entire decline in transportation costs. Over the past year, transportation costs declined 13.8 percent in contrast to the 10.4 percent increase noted in the first half of 2007 to the first half of 2008 period. Gasoline prices plunged 36.5 percent over the year following a gain of 24.6 percent in the previous annual period.

The housing component declined 0.9 percent in the first half of 2009 due to a 22.9 percent decrease in the utility (piped) gas service index. Household furnishings and operations contributed to the housing component's decline, falling 1.3 percent during the first half of 2009, but to lesser extent. The heavily weighted shelter index increased 0.3 percent and the electricity index rose 1.8 percent, only partially offsetting the declines in the other housing sub components. Overall housing costs in the Milwaukee-Racine area increased 0.2 percent from a year ago, after rising 3.5 percent during the previous annual period. In the recent annual

period, increased shelter costs (0.7 percent), electricity (6.4 percent), and household furnishings and operations (2.5 percent) more than offset a 26.1 percent decline in the index for utility (piped) gas service.

Apparel costs increased 0.3 percent during the first half of the year. Typically the apparel component posts a decline or very modest increase during the first half of the year. Over the past year, apparel prices advanced 1.8 percent, less than the 5.0 percent increase recorded in the previous annual period.

The other goods and services component, which includes personal care products and tobacco and smoking products, posted a 5.7 percent gain during the first half of 2009. Compared with a year ago, this component increased 7.5 percent, less than the 9.5 percent increase reported in the first half of 2007 to 2008 period.

The component for recreation gained 0.9 percent during the first six months of 2009 and was 1.5 percent higher than a year ago. The education and communications component increased 0.9 percent during the first half of 2009. Over the past year, education and communication prices advanced 4.8 percent, almost triple the 1.7 percent increase recorded in each of the two annual periods.

The food and beverages component increased 0.4 percent during the first six months of 2009, less than the 1.8 percent gain noted in the first half of 2008. The food at home index (grocery food items) declined 0.5 percent and the food away from home index (dining out) rose 1.2 percent. The alcoholic beverages index increased 0.6 percent during the first half of 2009, less than the 1.3 percent rate recorded during the first half of 2008. Over the past year, the overall cost of food and beverages in the Milwaukee area increased 3.7 percent. Grocery food costs rose 3.6 percent compared with their first half 2008 levels and the cost of dining out was up 3.9 percent in this same annual period. Alcoholic beverages prices increased 0.6 percent from their first half 2008 levels.

The medical care component advanced 4.5 percent during the first six months of 2009, higher than the 3.7 percent increase recorded in the first half of 2008. Over the past year, overall medical care costs increased 5.2 percent.

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**Milwaukee-Racine, Wis. Combined Metropolitan Statistical Area (CMSA)** includes Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties in Wisconsin.

#### 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](http://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](http://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**

**Milwaukee-Racine, WI** (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2009 from—	
	1st half 2008	2nd half 2008	1st half 2009	1st half 2008	2nd half 2008
<b>Expenditure category</b>					
All items .....	201.955	204.103	200.999	-0.5	-1.5
All items (1967=100) .....	623.762	630.394	620.808	-	-
Food and beverages .....	211.137	218.026	218.956	3.7	.4
Food .....	213.691	221.415	222.314	4.0	.4
Food at home .....	215.256	224.184	223.013	3.6	-.5
Food away from home .....	213.626	219.213	221.945	3.9	1.2
Alcoholic beverages .....	190.111	190.149	191.337	.6	.6
Housing .....	196.914	199.252	197.380	.2	-.9
Shelter .....	233.705	234.720	235.405	.7	.3
Rent of primary residence .....	210.694	214.839	216.154	2.6	.6
Owners' equivalent rent of primary residence <sup>1</sup> .....	244.519	248.075	249.528	2.0	.6
Fuels and utilities .....	201.602	206.683	191.589	-5.0	-7.3
Household energy .....	177.432	179.086	164.404	-7.3	-8.2
Gas (piped) and electricity .....	182.374	184.054	169.276	-7.2	-8.0
Electricity .....	164.212	171.739	174.784	6.4	1.8
Utility (piped) gas service .....	202.386	193.944	149.526	-26.1	-22.9
Household furnishings and operations .....	104.160	108.096	106.720	2.5	-1.3
Apparel .....	118.205	120.033	120.365	1.8	.3
Transportation .....	192.511	187.940	166.013	-13.8	-11.7
Private transportation .....	184.953	179.730	158.441	-14.3	-11.8
Motor fuel .....	303.578	279.223	191.673	-36.9	-31.4
Gasoline (all types) .....	299.787	274.969	190.310	-36.5	-30.8
Gasoline, unleaded regular <sup>2</sup> .....	306.639	280.040	193.379	-36.9	-30.9
Gasoline, unleaded midgrade <sup>2 3</sup> .....	308.541	289.198	199.288	-35.4	-31.1
Gasoline, unleaded premium <sup>2</sup> .....	255.325	236.674	167.279	-34.5	-29.3
Medical care .....	344.192	346.580	362.220	5.2	4.5
Recreation <sup>4</sup> .....	106.414	107.057	108.011	1.5	.9
Education and communication <sup>4</sup> .....	122.748	127.439	128.648	4.8	.9
Other goods and services .....	324.115	329.795	348.456	7.5	5.7
<b>Commodity and service group</b>					
All items .....	201.955	204.103	200.999	-.5	-1.5
Commodities .....	166.115	167.377	161.165	-3.0	-3.7
Commodities less food and beverages .....	144.423	143.460	134.657	-6.8	-6.1
Nondurables less food and beverages .....	189.993	187.960	169.157	-11.0	-10.0
Durables .....	103.326	103.253	103.167	-.2	-.1
Services .....	236.023	239.036	239.114	1.3	.0
<b>Special aggregate indexes</b>					
All items less medical care .....	195.589	197.721	193.857	-.9	-2.0
All items less shelter .....	192.135	194.619	190.166	-1.0	-2.3
Commodities less food .....	146.142	145.222	136.827	-6.4	-5.8
Nondurables .....	202.228	204.313	194.314	-3.9	-4.9
Nondurables less food .....	189.400	187.553	170.454	-10.0	-9.1
Services less rent of shelter <sup>1</sup> .....	248.972	254.322	254.008	2.0	-.1
Services less medical care services .....	226.029	229.157	228.322	1.0	-.4
Energy .....	234.222	224.672	178.346	-23.9	-20.6
All items less energy .....	200.792	203.801	205.356	2.3	.8
All items less food and energy .....	199.380	201.618	203.287	2.0	.8

<sup>1</sup> Index is on a November 1982=100 base.

<sup>2</sup> Special index based on a substantially smaller sample.

<sup>3</sup> Indexes on a December 1993=100 base.

<sup>4</sup> Indexes on a December 1997=100 base.

- Data not available.