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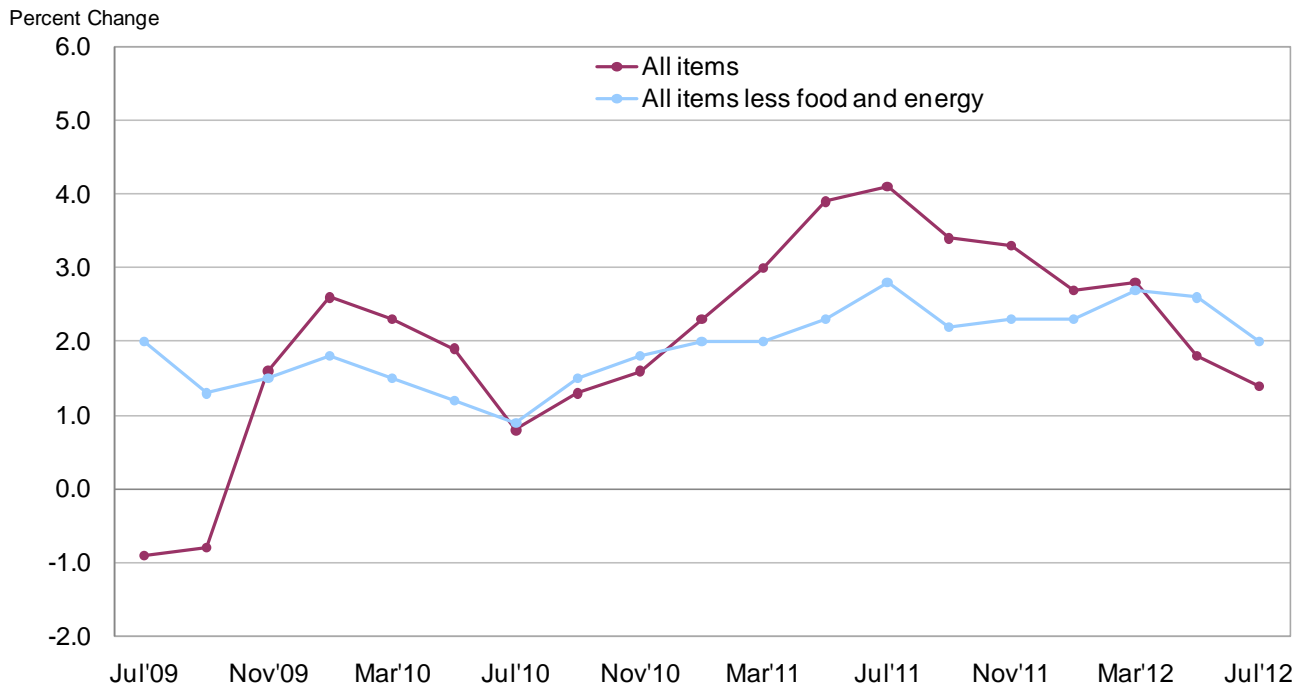
## CONSUMER PRICE INDEX, WASHINGTON-BALTIMORE – JULY 2012

### Area Prices Down 0.2 Percent Since May; Up 1.4 Percent Over the Year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Washington-Baltimore area edged down 0.2 percent from May to July, the U.S. Bureau of Labor Statistics reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the overall two-month decline was due mainly to lower energy prices (-1.7 percent), particularly those for gasoline. The food index also decreased over the last two months, down 0.3 percent. The index for all items less food and energy was unchanged since May. (Data in this report are not seasonally adjusted. Accordingly, two-month changes may reflect the impact of seasonal influences.)

Over the last 12 months, the CPI-U rose 1.4 percent; higher prices for all items less food and energy (2.0 percent) led the advance. (See chart 1 and table A.) Food prices also rose since July 2011, up 1.6 percent, while energy prices fell 3.8 percent. (See table 1.)

**Chart 1. 12-month percent change in CPI for All Urban Consumers (CPI-U), Washington-Baltimore, July 2009 to July 2012 (not seasonally adjusted)**



Source: U.S. Bureau of Labor Statistics

## Food

The food index edged down 0.3 percent from May to July. Prices for the food at home component fell 1.0 percent, led by lower prices for bacon, breakfast sausage, and related products. Moderating the decline in the food index was a 0.7-percent increase in prices for food away from home.

Over the year, the food index rose 1.6 percent. Prices rose for both components of the food index, food away from home (3.1 percent) and food at home (0.6 percent), since last July.

## Energy

The energy index, which includes prices for household and transportation fuels, fell 1.7 percent since May, due almost entirely to a 6.9-percent decrease in gasoline prices. Partially offsetting the drop in the gasoline index was a 7.4-percent seasonal advance in electricity prices, which typically rise in June as summer rate schedules are introduced, then decline in October. Prices for utility (piped) gas service were also higher over the last two months, up 3.3 percent.

Energy prices fell 3.8 percent over the year, reflecting lower prices for its three largest components. Gasoline prices decreased 4.4 percent; utility (piped) gas service prices, 6.7 percent; and electricity prices, 1.6 percent since July 2011.

## All items less food and energy

The index for all items less food and energy was unchanged from May to July after two years of uninterrupted two-month increases. A seasonal decrease in apparel prices (-6.3 percent) and a decline in recreation prices (-1.1 percent) were offset by widespread price increases led by shelter (0.5 percent).

Since last July, the index for all items less food and energy rose 2.0 percent. The recent advance was led by higher shelter prices, up 3.0 percent. Higher prices for medical care, up 4.2 percent, and several other components also contributed to the 12-month increase in the all items less food and energy index.

**The September 2012 Consumer Price Index for Washington-Baltimore is scheduled to be released on October 16, 2012, at 8:30 a.m. (ET).**

**Table A. Washington-Baltimore CPI-U 2-month and 12-month percent changes, all items index (not seasonally adjusted)**

| Month     | 2007    |          | 2008    |          | 2009    |          | 2010    |          | 2011    |          | 2012    |          |
|-----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|---------|----------|
|           | 2-month | 12-month | 2-month | 12-month | 2-month | 12-month | 2-month | 12-month | 2-month | 12-month | 2-month | 12-month |
| January   | 0.5     | 2.9      | 0.8     | 4.9      | -0.7    | 1.0      | 0.3     | 2.6      | 1.0     | 2.3      | 0.4     | 2.7      |
| March     | 1.5     | 4.1      | 1.3     | 4.7      | 0.7     | 0.4      | 0.4     | 2.3      | 1.2     | 3.0      | 1.3     | 2.8      |
| May       | 0.8     | 3.2      | 1.1     | 5.0      | 0.5     | -0.2     | 0.2     | 1.9      | 1.0     | 3.9      | 0.1     | 1.8      |
| July      | 1.1     | 2.9      | 1.7     | 5.7      | 1.1     | -0.9     | 0.0     | 0.8      | 0.1     | 4.1      | -0.2    | 1.4      |
| September | 0.2     | 3.4      | 0.0     | 5.5      | 0.1     | -0.8     | 0.5     | 1.3      | -0.1    | 3.4      |         |          |
| November  | 0.4     | 4.5      | -2.5    | 2.5      | -0.2    | 1.6      | 0.1     | 1.6      | -0.1    | 3.3      |         |          |

## Technical Note

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. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 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.

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).

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. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

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, Culpeper, Fairfax, Fauquier, King George, Loudoun, Prince William, Spotsylvania, Stafford, and Warren in Virginia; and the counties of Berkeley and Jefferson in West Virginia.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

**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- |          |           |
|--|----------|-----------|-----------|----------------------|----------|-----------|
|  | May 2012 | June 2012 | July 2012 | July 2011            | May 2012 | June 2012 |
| All items (1)                                    | 150.155  | -         | 149.838   | 1.4                  | -0.2     | -         |
| Food and beverages (1)                           | 148.025  | -         | 147.866   | 1.7                  | -0.1     | -         |
| Food (1)   | 149.765  | -         | 149.341   | 1.6                  | -0.3     | -         |
| Food at home                                     | 144.854  | 143.733   | 143.362   | 0.6                  | -1.0     | -0.3      |
| Food away from home (2)                          | 153.134  | -         | 154.262   | 3.1                  | 0.7      | -         |
| Alcoholic beverages (2)                          | 124.854  | -         | 127.820   | 2.3                  | 2.4      | -         |
| Housing (1)                                      | 157.780  | -         | 159.250   | 2.3                  | 0.9      | -         |
| Shelter  | 166.357  | 166.858   | 167.129   | 3.0                  | 0.5      | 0.2       |
| Rent of primary residence (1) (3)                | 183.625  | 184.242   | 184.710   | 4.2                  | 0.6      | 0.3       |
| Owners' equivalent rent of residences (3)        | 166.170  | 166.636   | 166.740   | 2.7                  | 0.3      | 0.1       |
| Owners' equivalent rent of primary residence (3) | 166.159  | 166.625   | 166.728   | 2.7                  | 0.3      | 0.1       |
| Fuels and utilities                              | 174.484  | -         | 184.171   | -1.7                 | 5.6      | -         |
| Household energy                                 | 170.679  | 182.236   | 180.749   | -3.1                 | 5.9      | -0.8      |
| Energy services (3)                              | 161.310  | 173.488   | 171.812   | -3.1                 | 6.5      | -1.0      |
| Electricity (3)                                  | 169.044  | 181.997   | 181.539   | -1.6                 | 7.4      | -0.3      |
| Utility (piped) gas service (3)                  | 120.879  | 129.499   | 124.814   | -6.7                 | 3.3      | -3.6      |
| Household furnishings and operations             | 93.724   | -         | 93.870    | 0.0                  | 0.2      | -         |
| Apparel (1)                                      | 100.382  | -         | 94.107    | -3.8                 | -6.3     | -         |
| Transportation (1)                               | 153.686  | -         | 150.249   | -1.1                 | -2.2     | -         |
| Private transportation                           | 153.366  | -         | 149.893   | -1.2                 | -2.3     | -         |
| Motor fuel                                       | 311.266  | 289.794   | 289.705   | -4.3                 | -6.9     | 0.0       |
| Gasoline (all types)                             | 311.194  | 289.670   | 289.618   | -4.4                 | -6.9     | 0.0       |
| Gasoline, unleaded regular (4)                   | 317.286  | 294.861   | 294.895   | -4.5                 | -7.1     | 0.0       |
| Gasoline, unleaded midgrade (4)                  | 306.157  | 285.788   | 285.546   | -4.2                 | -6.7     | -0.1      |
| Gasoline, unleaded premium (4)                   | 304.570  | 285.308   | 284.955   | -3.7                 | -6.4     | -0.1      |
| Medical care (1)                                 | 160.955  | -         | 161.625   | 4.2                  | 0.4      | -         |
| Recreation                                       | 115.337  | -         | 114.044   | -0.3                 | -1.1     | -         |
| Education and communication                      | 141.024  | -         | 141.833   | 2.6                  | 0.6      | -         |
| Other goods and services (1)                     | 173.818  | -         | 173.890   | 2.5                  | 0.0      | -         |
| <b>Commodity and service group</b>               |          |           |           |                      |          |           |
| Commodities                                      | 131.713  | -         | 129.312   | -0.6                 | -1.8     | -         |
| Commodities less food and beverages              | 122.309  | -         | 118.817   | -2.0                 | -2.9     | -         |
| Nondurables less food and beverages              | 157.808  | -         | 150.822   | -2.1                 | -4.4     | -         |
| Durables   | 84.933   | -         | 84.837    | -1.8                 | -0.1     | -         |
| Services   | 162.229  | -         | 163.380   | 2.6                  | 0.7      | -         |
| <b>Special aggregate indexes</b>                 |          |           |           |                      |          |           |
| All items less medical care (1)                  | 149.488  | -         | 149.109   | 1.2                  | -0.3     | -         |
| All items less shelter                           | 141.940  | -         | 141.109   | 0.5                  | -0.6     | -         |
| Commodities less food                            | 122.546  | -         | 119.291   | -1.8                 | -2.7     | -         |
| Nondurables                                      | 152.149  | -         | 148.611   | -0.2                 | -2.3     | -         |
| Nondurables less food                            | 155.145  | -         | 148.898   | -1.8                 | -4.0     | -         |
| Services less rent of shelter                    | 158.376  | -         | 159.976   | 2.0                  | 1.0      | -         |
| Services less medical care services              | 162.403  | -         | 163.608   | 2.4                  | 0.7      | -         |
| Energy (1)                                       | 230.429  | 227.415   | 226.555   | -3.8                 | -1.7     | -0.4      |
| All items less energy                            | 144.208  | -         | 144.101   | 1.9                  | -0.1     | -         |
| All items less food and energy (1)               | 144.234  | -         | 144.176   | 2.0                  | 0.0      | -         |

(1) For Washington-Baltimore, indexes on a November 1996=100 base.

(2) For Washington-Baltimore, indexes 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.