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CONSUMER PRICE INDEX, MILWAUKEE-RACINE, WIS., CMSA – FIRST HALF 2012

The Consumer Price Index for All Urban Consumers (CPI-U) in the Milwaukee-Racine area rose 2.1 percent from the first half of 2011 to the first half of 2012, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer stated that the energy index was 0.3 percent higher compared to its first half 2011 level, primarily due to increases in gasoline prices. Food prices were up 4.1 percent. The index for all items less food and energy increased 2.0 percent. Among the categories within the all items less food and energy index, prices for medical care, shelter, apparel, and education and communication were higher over the year.

Food

Food prices rose 4.1 percent over the year after increasing 2.4 percent from the first half of 2010 to the first half of 2011. Prices for food at home were 4.3 percent higher and the food away from home index rose 3.9 percent.

Energy

The energy index advanced 0.3 percent from the first half of 2011 to the first half of 2012. Within the energy category, the index for gasoline increased 2.4 percent. The index for electricity was 0.3 percent higher over the year while prices for utility (piped) gas service declined 7.9 percent.

All items less food and energy

Over the year, the index for all items less food and energy increased 2.0 percent. Among the index's components, higher costs were recorded for medical care (5.3 percent), shelter (1.0 percent), apparel (7.8 percent), and education and communication (3.2 percent).

The second half 2012 Consumer Price Index for Milwaukee-Racine is scheduled to be released in February 2013.

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 88 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 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 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.

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 Milwaukee-Racine, Wis., consolidated area covered in this release is comprised of Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties in Wisconsin.

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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 2012 from—	
	1st half 2011	2nd half 2011	1st half 2012	1st half 2011	2nd half 2011
Expenditure category					
All items	215.646	218.222	220.171	2.1	0.9
All items (1967=100)	666.047	674.001	680.023	-	-
Food and beverages	226.301	232.838	234.952	3.8	.9
Food	229.086	236.062	238.374	4.1	1.0
Food at home	226.558	234.574	236.308	4.3	.7
Food away from home	232.785	237.669	241.884	3.9	1.8
Alcoholic beverages	203.567	205.712	204.328	.4	-.7
Housing	202.969	204.197	204.540	.8	.2
Shelter	241.367	242.942	243.695	1.0	.3
Rent of primary residence ¹	222.223	224.266	225.472	1.5	.5
Owners' equivalent rent of residences ^{1 2}	257.320	258.967	259.468	.8	.2
Owners' equivalent rent of primary residence ^{1 2}	257.320	258.967	259.468	.8	.2
Fuels and utilities	205.493	207.460	203.692	-9	-1.8
Household energy	176.453	177.730	171.944	-2.6	-3.3
Energy services ¹	180.935	182.172	176.173	-2.6	-3.3
Electricity ¹	197.785	201.835	198.419	.3	-1.7
Utility (piped) gas service ¹	142.707	139.356	131.427	-7.9	-5.7
Household furnishings and operations	106.460	107.316	107.935	1.4	.6
Apparel	121.487	128.521	130.990	7.8	1.9
Transportation	206.082	206.586	208.125	1.0	.7
Private transportation	197.892	198.444	200.738	1.4	1.2
Motor fuel	314.588	307.341	322.706	2.6	5.0
Gasoline (all types)	312.225	304.259	319.763	2.4	5.1
Gasoline, unleaded regular ³	318.600	310.365	326.259	2.4	5.1
Gasoline, unleaded midgrade ^{3 4}	325.584	317.527	332.951	2.3	4.9
Gasoline, unleaded premium ³	267.093	260.740	274.082	2.6	5.1
Medical care	411.447	416.459	433.205	5.3	4.0
Recreation ⁵	111.397	111.456	113.625	2.0	1.9
Education and communication ⁵	138.875	141.837	143.381	3.2	1.1
Other goods and services	371.265	376.155	378.579	2.0	.6
Commodity and service group					
All items	215.646	218.222	220.171	2.1	.9
Commodities	177.050	180.324	182.501	3.1	1.2
Commodities less food and beverages	153.240	155.241	157.426	2.7	1.4
Nondurables less food and beverages	206.933	210.757	216.140	4.4	2.6
Durables	105.273	105.701	104.776	-.5	-.9
Services	252.396	254.265	256.048	1.4	.7
Special aggregate indexes					
All items less medical care	207.003	209.471	210.778	1.8	.6
All items less shelter	208.115	211.202	213.476	2.6	1.1
Commodities less food	155.205	157.218	159.347	2.7	1.4
Nondurables	218.961	224.043	228.030	4.1	1.8
Nondurables less food	206.313	210.027	215.125	4.3	2.4
Services less rent of shelter ²	276.625	279.297	281.952	1.9	1.0
Services less medical care services	239.107	240.900	241.645	1.1	.3
Energy	239.007	236.543	239.649	.3	1.3
All items less energy	215.300	218.349	220.299	2.3	.9
All items less food and energy	213.805	216.245	218.131	2.0	.9

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

² Index is on a November 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.