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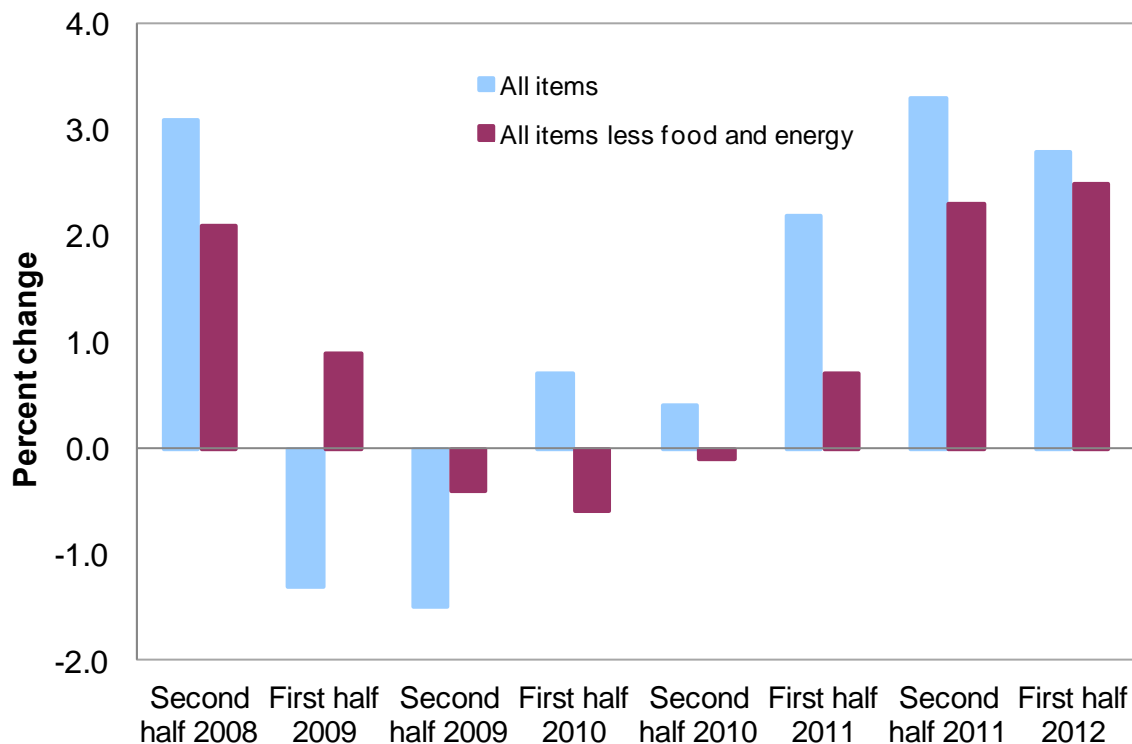
CONSUMER PRICE INDEX, PHOENIX – FIRST HALF 2012

AREA PRICES UP 1.6 PERCENT OVER THE PAST SIX MONTHS, UP 2.8 PERCENT FROM A YEAR AGO

Prices in the greater Phoenix area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.6 percent in the first half of 2012, the U.S. Bureau of Labor Statistics reported today. (See table A.) Regional Commissioner Richard J. Holden noted that this latest six-month period increase was influenced by higher prices for gasoline and apparel. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the past 12 months, the CPI-U rose 2.8 percent. (See chart 1.) Energy prices increased 5.5 percent, mainly due to an increase in the price of gasoline. The index for all items less food and energy advanced 2.5 percent over the year.

Chart 1. Over-the-year percent change in CPI-U, Phoenix, Second half of 2008 – First half of 2012



Food

Food prices rose 1.1 percent in the first half of 2012. (See table 1.) Prices for food at home increased 0.5 percent for the past six months, and prices for food away from home rose 2.6 percent for the same period.

For the year ending in the first half of 2012, food prices increased 1.9 percent. Prices for food at home moved up 1.2 percent during the past 12 months, and prices for food away from home increased 4.2 percent.

Energy

The energy index advanced 3.7 percent since the second half of 2011. Higher prices for gasoline (11.2 percent) and natural gas service (5.3 percent) strongly influenced the energy index during the past six months. Partly offsetting the increase were lower prices for electricity (-8.0 percent).

Energy prices increased 5.5 percent over the year. Prices rose for gasoline (7.2 percent), natural gas service (3.7 percent), and electricity (1.7 percent) during the same period.

All items less food and energy

The index for all items less food and energy increased 1.1 percent from the second half of 2011 to the first half of 2012. Prices increased 7.6 percent for apparel, 3.3 percent for medical care, and 1.5 percent for other goods and services. A price decrease was recorded for recreation (-0.6 percent).

Over the year, the index for all items less food and energy advanced 2.5 percent. Among the index components, increases were recorded for apparel (6.1 percent), shelter (3.7 percent), medical care (2.9 percent), and education and communication (1.3 percent). By contrast, lower prices were recorded for recreation (-1.7 percent) and household furnishings and operations (-0.1 percent).

Table A. Phoenix CPI-U semi-annual and annual percent changes (not seasonally adjusted)

Semi-annual period	2007		2008		2009		2010		2011		2012	
	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual
First Half	2.0	3.6	2.5	3.8	-1.9	-1.3	0.3	0.7	2.1	2.2	1.6	2.8
Second Half	1.3	3.3	0.6	3.1	0.4	-1.5	0.1	0.4	1.2	3.3		

CPI-W

In the first half of 2012, the Consumer Price Index for Urban Wage Earners and Clerical Workers was (CPI-W) 123.889, up 1.2 percent. The CPI-W increased 2.4 percent over the year.

The first half of 2012 Consumer Price Index for Phoenix is scheduled to be released mid-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 Phoenix-Mesa metropolitan area covered in this release consists of Maricopa and Pinal Counties in the State of Arizona.

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.

For personal assistance or further information on Consumer Price Indexes, as well as other Bureau products, contact the San Francisco Information Office at (415) 625-2270 from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 4:00 p.m. PT.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods

Phoenix-Mesa, AZ (December 2001=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	120.762	122.203	124.128	2.8	1.6
Food and beverages	129.125	130.224	131.684	2.0	1.1
Food	129.500	130.604	132.004	1.9	1.1
Food at home	134.480	135.396	136.133	1.2	.5
Food away from home	122.343	124.231	127.485	4.2	2.6
Alcoholic beverages	124.792	125.841	127.974	2.5	1.7
Housing	112.312	115.727	116.036	3.3	.3
Shelter	108.544	111.931	112.605	3.7	.6
Rent of primary residence ¹	107.551	113.088	114.505	6.5	1.3
Owners' equivalent rent of residences ¹	109.316	112.155	112.597	3.0	.4
Owners' equivalent rent of primary residence ¹	109.316	112.155	112.597	3.0	.4
Fuels and utilities	152.772	162.332	158.909	4.0	-2.1
Household energy	154.078	168.327	156.926	1.8	-6.8
Energy services ¹	153.683	167.979	156.500	1.8	-6.8
Electricity ¹	161.512	178.503	164.259	1.7	-8.0
Utility (piped) gas service ¹	112.667	110.912	116.837	3.7	5.3
Household furnishings and operations	104.418	103.754	104.320	-1	.5
Apparel	116.738	115.137	123.879	6.1	7.6
Transportation	125.383	125.471	130.243	3.9	3.8
Private transportation	126.059	125.959	131.101	4.0	4.1
Motor fuel	288.157	278.241	310.047	7.6	11.4
Gasoline (all types)	289.344	279.041	310.215	7.2	11.2
Gasoline, unleaded regular ²	295.427	284.606	316.570	7.2	11.2
Gasoline, unleaded midgrade ²	281.336	273.095	303.381	7.8	11.1
Gasoline, unleaded premium ²	273.951	264.669	293.213	7.0	10.8
Medical care	151.619	150.950	155.956	2.9	3.3
Recreation	113.709	112.479	111.811	-1.7	-.6
Education and communication	119.612	120.487	121.224	1.3	.6
Other goods and services	138.274	137.507	139.520	.9	1.5
Commodity and service group					
All items	120.762	122.203	124.128	2.8	1.6
Commodities	119.968	119.712	123.201	2.7	2.9
Commodities less food and beverages	114.799	113.981	118.431	3.2	3.9
Nondurables less food and beverages	147.708	145.690	154.735	4.8	6.2
Durables	87.094	87.297	87.227	.2	-.1
Services	121.508	124.143	124.839	2.7	.6
Special aggregate indexes					
All items less medical care	118.949	120.517	122.265	2.8	1.5
All items less shelter	126.949	127.499	130.014	2.4	2.0
Commodities less food	115.210	114.453	118.820	3.1	3.8
Nondurables	138.408	137.866	143.170	3.4	3.8
Nondurables less food	145.884	144.078	152.626	4.6	5.9
Services less rent of shelter	137.775	139.669	140.401	1.9	.5
Services less medical care services	118.507	121.277	121.603	2.6	.3
Energy	211.804	215.374	223.353	5.5	3.7
All items less energy	115.321	116.766	118.105	2.4	1.1
All items less food and energy	113.081	114.563	115.864	2.5	1.1

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

² Special index based on a substantially smaller sample.