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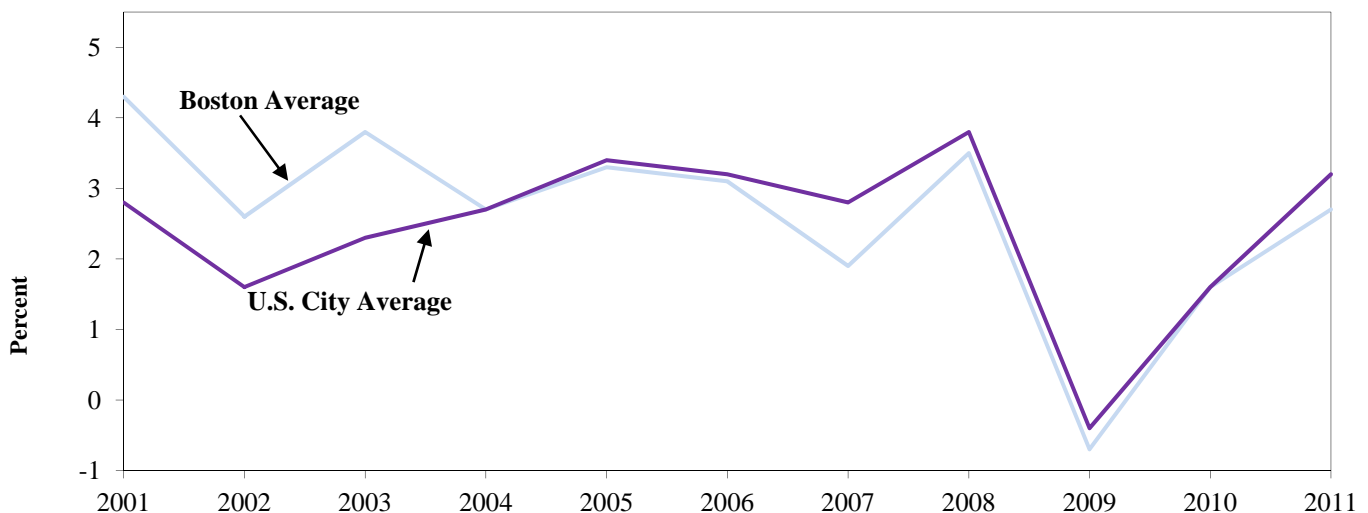
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CONSUMER PRICE INDEX, BOSTON-BROCKTON-NASHUA— 2011 ANNUAL AVERAGE
Below average rise in area prices over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Boston-Brockton-Nashua area increased 2.7 percent in 2011, the U.S. Bureau of Labor Statistics reported today. Joyce A. Sweeney, the Bureau's acting regional commissioner, noted that the 2011 increase, largely driven by rising energy costs, surpassed the 1.6-percent gain recorded in 2010. Nationally, the CPI-U rose 3.2 percent in 2011. (See chart 1.)

Chart 1. Annual average percent change in the Consumer Price Index for all Urban Consumers (CPI-U), Boston and U.S. City Average, 2001 – 2011



Source: U.S. Bureau of Labor Statistics

Food

Food prices in Boston advanced 3.3 percent in 2011 compared to 1.1 percent in 2010. Leading the increase was the higher price of groceries, up 3.4 percent. Restaurant prices, also known as food away from home, rose 3.1 percent. Nationwide, food prices were up 3.7 percent over the year.

Energy

The local energy index rose 17.4 percent in 2011, largely attributable to the rising price of gasoline. Boston area motorists faced gasoline prices that were 27.4 percent higher than in the year previous, the

largest increase since 2000. In the other energy categories, electricity prices fell for the fourth time in five years, down 2.8 percent, and utility (piped) gas rose 5.1 percent. Across the United States, energy prices were up 15.4 percent in 2011.

All items less food and energy

The index for all items less food and energy advanced 1.1 percent in 2011, following the series low increase of 0.9 percent recorded a year earlier. The shelter index rose 0.4 percent in 2011 after decreasing in 2010 for the first time since the series began in 1953. The price of medical care increased 2.4 percent, the smallest rise in that category since 1963. Partially offsetting these increases was a 5.0-percent decline in recreation. The all items less food and energy index rose 1.7 percent nationally in 2011.

CPI-W

In 2011, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 245.337, up 3.1 percent from 2010.

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/pub/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 Boston-Brockton-Nashua, Mass.-N.H.-Maine-Conn. consolidated area covered in this release is comprised of Essex, Middlesex, Norfolk, Plymouth and Suffolk Counties and parts of Bristol, Hampden, and Worcester Counties in Massachusetts; parts of Hillsborough, Merrimack, Rockingham, and Strafford Counties in New Hampshire; part of York County in Maine; and part of Windham County in Connecticut.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 617-565-2072; 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 New England Information Office at (617) 565-2327 from 8:30 a.m. to 12:00 p.m. and 1:30 p.m. to 4:00 p.m. ET.

Table 1. Annual average percent changes in the Consumer Price Index for All Urban Consumers (CPI-U) for Boston-Brockton-Nashua, MA-NH-ME-CT and U.S. City Average

Expenditure category	Percent change from previous year			
	2010		2011	
	Boston	U.S.	Boston	U.S.
All items	1.6	1.6	2.7	3.2
Food and beverages	1.2	0.8	3.0	3.6
Housing	-0.8	-0.4	1.6	1.3
Apparel	2.2	-0.5	1.1	2.2
Transportation	8.8	7.9	10.6	9.8
Medical care	4.3	3.4	2.4	3.0
Recreation	0.1	-0.8	-5.0	0.0
Education and communication	1.2	2.0	1.5	1.2
Other goods and services	2.0	3.4	2.0	1.6
Special indexes:				
Food	1.1	0.8	3.3	3.7
Energy	9.0	9.5	17.4	15.4
All items less energy	0.9	0.9	1.4	2.0
All items less food and energy	0.9	1.0	1.1	1.7
Commodities	3.5	2.9	5.4	5.3
Services	0.4	0.8	1.0	1.7

NOTE: Local area indexes are byproducts of the national CPI program.

Each local index has a smaller sample size than that for the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalation clauses.

Table 2. Consumer Price Index for All Urban Consumers (CPI-U) for Boston-Brockton-Nashua, MA-NH-ME-CT, by expenditure category (1982-1984=100, unless otherwise noted)

Expenditure category	Percent change from previous year					2011 Annual Average Index
	2007	2008	2009	2010	2011	
All items	1.9	3.5	-0.7	1.6	2.7	243.881
Food and beverages	3.6	5.0	2.4	1.2	3.0	239.468
Food	3.5	4.9	2.3	1.1	3.3	239.695
Food at home	3.5	4.9	1.4	0.9	3.4	231.148
Food away from home	4.1	5.0	2.9	1.5	3.1	254.029
Alcoholic beverages	4.0	6.0	3.9	2.8	0.2	239.418
Housing	1.5	2.2	-1.8	-0.8	1.6	235.618
Shelter	2.0	0.3	0.7	-1.1	0.4	273.508
Rent of primary residence ¹	2.8	1.6	1.9	-0.2	1.3	280.537
Owners' equivalent rent of primary residences ^{1 2}	1.8	-1.1	2.5	0.0	0.2	290.850
Fuel and utilities	0.2	16.1	-17.6	2.1	8.6	241.185
Household energy	-0.2	16.9	-19.1	1.1	8.5	206.498
Energy services	-3.1	8.2	-13.1	-4.4	-0.3	187.262
Electricity ¹	-2.7	5.1	-3.0	-7.7	-2.8	184.351
Utility (piped) gas service ¹	-4.0	15.1	-30.4	3.1	5.1	183.834
Household furnishings and operations	-0.9	0.3	0.3	-2.3	2.3	125.947
Apparel	2.0	-2.0	1.8	2.2	1.1	140.610
Transportation	0.7	4.7	-8.1	8.8	10.6	203.584
Private transportation	0.7	4.7	-8.3	8.9	10.5	202.575
Motor fuel	6.1	18.4	-27.5	18.8	27.5	302.623
Gasoline, all types	6.1	17.7	-27.0	19.0	27.4	299.292
Gasoline, unleaded regular ³	6.2	17.8	-27.3	19.3	27.6	297.968
Gasoline, unleaded midgrade ^{3 4}	6.3	17.6	-26.5	18.5	27.5	301.309
Gasoline, unleaded premium ³	5.2	17.0	-25.8	17.4	26.3	290.576
Medical care	5.4	3.9	5.1	4.3	2.4	562.444
Recreation ⁵	1.7	2.1	3.0	0.1	-5.0	116.277
Education and communication ⁵	1.8	8.4	3.7	1.2	1.5	140.696
Other goods and services	2.4	6.6	9.1	2.0	2.0	420.966

1 This index series was calculated using a Laspeyres estimator. All other item stratum index series converted to 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.

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