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**CONSUMER PRICE INDEX, MINNEAPOLIS-ST. PAUL, MINN.-WIS., MSA –
FIRST HALF 2012**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Minneapolis-St. Paul area rose 3.0 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 3.3 percent lower compared to its first half 2011 level, primarily due to decreases in utility (piped) gas service prices. Food prices and the index for all items less food and energy were both up 3.6 percent over the same period. Among the categories within the all items less food and energy index, prices for shelter and apparel were higher over the year.

Food

Food prices rose 3.6 percent over the year after increasing 4.6 percent from the first half of 2010 to the first half of 2011. Prices for food at home were 4.5 percent higher and the food away from home index rose 2.6 percent.

Energy

The energy index declined 3.3 percent from the first half of 2011 to the first half of 2012. Within the energy category, the index for utility (piped) gas service fell 20.9 percent. The index for gasoline was 1.3 percent lower and the electricity index increased 0.8 percent.

All items less food and energy

Over the year, the index for all items less food and energy increased 3.6 percent. Among the index's components, higher costs were recorded for shelter (2.0 percent) and apparel (11.4 percent).

The second half 2012 Consumer Price Index for Minneapolis-St. Paul 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 Minneapolis-St. Paul, Minn.-Wis. metropolitan area covered in this release is comprised of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties and Pierce and St. Croix Counties in Wisconsin.

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.

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

Minneapolis-St. Paul, MN-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	217.374	221.304	223.880	3.0	1.2
All items (1967=100)	683.103	695.453	703.549	-	-
Food and beverages	252.805	260.849	265.105	4.9	1.6
Food	244.372	249.605	253.258	3.6	1.5
Food at home	237.656	244.608	248.286	4.5	1.5
Food away from home	253.552	257.047	260.097	2.6	1.2
Alcoholic beverages	329.688	365.423	376.458	14.2	3.0
Housing	192.915	194.125	194.805	1.0	.4
Shelter	218.574	220.509	222.998	2.0	1.1
Rent of primary residence ¹	214.963	217.860	222.692	3.6	2.2
Owners' equivalent rent of residences ^{1 2}	229.190	230.887	233.231	1.8	1.0
Owners' equivalent rent of primary residence ^{1 2}	229.190	230.887	233.231	1.8	1.0
Fuels and utilities	187.017	187.654	177.763	-4.9	-5.3
Household energy	177.139	177.518	163.700	-7.6	-7.8
Energy services ¹	178.573	178.917	164.640	-7.8	-8.0
Electricity ¹	217.034	222.586	218.728	.8	-1.7
Utility (piped) gas service ¹	149.145	143.407	118.044	-20.9	-17.7
Household furnishings and operations	125.349	125.068	125.756	.3	.6
Apparel	126.141	138.112	140.537	11.4	1.8
Transportation	210.528	213.691	215.671	2.4	.9
Private transportation	196.165	198.438	201.009	2.5	1.3
Motor fuel	289.360	285.648	286.986	-.8	.5
Gasoline (all types)	292.655	288.071	288.786	-1.3	.2
Gasoline, unleaded regular ³	298.792	293.954	294.593	-1.4	.2
Gasoline, unleaded midgrade ^{3 4}	291.018	286.635	287.715	-1.1	.4
Gasoline, unleaded premium ³	332.234	327.825	328.804	-1.0	.3
Medical care	-	429.631	445.013	-	3.6
Recreation ⁵	118.412	121.012	123.302	4.1	1.9
Education and communication ⁵	132.369	134.307	135.407	2.3	.8
Other goods and services	310.895	312.461	321.354	3.4	2.8
Commodity and service group					
All items	217.374	221.304	223.880	3.0	1.2
Commodities	187.065	191.757	194.104	3.8	1.2
Commodities less food and beverages	155.155	158.425	160.016	3.1	1.0
Nondurables less food and beverages	204.125	209.654	211.832	3.8	1.0
Durables	111.479	112.866	113.782	2.1	.8
Services	244.137	247.300	250.194	2.5	1.2
Special aggregate indexes					
All items less medical care	208.189	211.863	213.904	2.7	1.0
All items less shelter	217.912	222.855	225.500	3.5	1.2
Commodities less food	161.943	166.294	168.199	3.9	1.1
Nondurables	228.618	235.352	238.477	4.3	1.3
Nondurables less food	213.371	220.998	223.786	4.9	1.3
Services less rent of shelter ²	286.006	291.206	294.558	3.0	1.2
Services less medical care services	229.043	231.709	233.653	2.0	.8
Energy	236.776	235.123	228.927	-3.3	-2.6
All items less energy	219.037	223.508	226.971	3.6	1.5
All items less food and energy	215.295	219.651	223.081	3.6	1.6

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 December 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.