

# News

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Department  
of Labor



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FOR RELEASE:  
7:30 A.M. CT  
Friday, August 14, 2009

## CONSUMER PRICE INDEX MINNEAPOLIS-ST. PAUL, MINN.-WIS. MSA FIRST HALF 2009

Retail prices in the Minneapolis-St. Paul area were down 1.7 percent in the first half of 2009 compared with their levels in the second half of 2008, according to the U.S. Department of Labor's Bureau of Labor Statistics. The first half 2009 Minneapolis-St. Paul all items Consumer Price Index for All Urban Consumers (CPI-U) was 206.167 (1982-84=100), representing a 1.0 percent decrease over the first half of 2008. In the previous annual period, first half 2007 to first half 2008, retail prices in the Twin Cities recorded a 3.8 percent gain.

Regional Commissioner Jay A. Mousa stated that the 1.7 percent decrease in the all items Minneapolis-St. Paul CPI-U during the first half of 2009 was primarily attributed to lower costs for the energy related categories of gasoline and utility (piped) gas service. Prices for other goods and services and recreation also fell in the first half of the year, but with less impact. Consumer expenditure categories for medical care, education and communication, and apparel rose during the first half of 2009 while food and beverage prices were nearly unchanged.

Transportation costs fell 9.4 percent during the first half of this year. Gasoline prices were down 28.2 percent. Compared with their average during the first six months of 2008, gasoline prices were down 36.9 percent. In the previous annual period, gasoline prices rose 23.3 percent. The overall transportation component was 12.6 percent lower in the first half of 2009 compared with its first half average of 2008.

The housing component decreased 1.0 percent during the first half of 2009. A 29.4 percent decline in the utility (piped) gas service index was a major contributing factor in this decline. This latest decline in the utility (piped) gas service index compares with a 22.3 percent gain in the first half of 2008. Elsewhere in the housing component, the electricity index gained 0.6 percent and the household furnishings and operations index rose 2.1 percent in the first half of 2009. Compared to the first half of 2008, the overall housing component was up a modest 0.2 percent. Increases in the indexes for shelter (1.5 percent),

electricity (5.5 percent), and household furnishings and operations (4.4 percent) were nearly offset by a 35.5 percent decline in the utility (piped) gas service index.

The other goods and services component was down 3.4 percent during the first half of this year and was 6.4 percent below its first half 2008 level.

Recreation costs declined 1.3 percent during the first half of 2009 and were 0.3 percent lower than a year ago.

Food and beverage prices were essentially unchanged, increasing 0.1 percent during the first six months of 2009. The food at home index (grocery food items) fell 0.4 percent and the food away from home index rose 0.8 percent. Alcoholic beverage prices advanced 1.9 percent. On an annual basis, food and beverage prices were 3.3 percent higher. Grocery foods were 3.8 percent more expensive while dining out was 2.5 percent costlier over the year. Alcoholic beverage prices gained 4.8 percent from their first half of 2008 levels.

Apparel prices were rose 1.1 percent during the first half of 2009. Compared with their first half 2008 level, apparel prices were down 0.6 percent. During the previous annual period, apparel prices fell 2.5 percent.

The education and communications component rose 0.8 percent during the first six months of this year and was 3.0 percent higher for the year.

The medical care component advanced 3.4 percent during the first six months of 2009. On an annual basis, medical care costs in the Twin Cities gained 6.2 percent. This was less than the 4.5 percent increase posted in the first half 2007 to the first half 2008 period.

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**Minneapolis-St. Paul, Minn.-Wis. Metropolitan Statistical Area (MSA)** includes Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright Counties in Minnesota and Pierce and St. Croix Counties in Wisconsin.

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#### BRIEF EXPLANATION OF THE CPI

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. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 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. Prices of food, fuels, and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal of the Bureau's trained representatives.

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. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period.

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).

**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 2009 from—	
	1st half 2008	2nd half 2008	1st half 2009	1st half 2008	2nd half 2008
<b>Expenditure category</b>					
All items .....	208.284	209.632	206.167	-1.0	-1.7
All items (1967=100) .....	654.540	658.774	647.885	-	-
Food and beverages .....	230.544	237.761	238.051	3.3	.1
Food .....	226.858	234.026	233.849	3.1	-1
Food at home .....	218.097	227.356	226.452	3.8	-4
Food away from home .....	240.665	244.592	246.589	2.5	.8
Alcoholic beverages .....	261.330	268.832	273.814	4.8	1.9
Housing .....	188.976	191.291	189.410	.2	-1.0
Shelter .....	211.284	214.044	214.546	1.5	.2
Rent of primary residence .....	204.499	208.442	211.729	3.5	1.6
Owners' equivalent rent of primary residence <sup>1</sup> .....	216.759	219.273	222.073	2.5	1.3
Fuels and utilities .....	198.935	198.139	173.369	-12.9	-12.5
Household energy .....	192.314	188.579	161.961	-15.8	-14.1
Gas (piped) and electricity .....	194.054	190.240	164.455	-15.3	-13.6
Electricity .....	186.762	195.765	196.991	5.5	.6
Utility (piped) gas service .....	218.269	199.547	140.889	-35.5	-29.4
Household furnishings and operations .....	124.740	127.579	130.279	4.4	2.1
Apparel .....	127.451	125.258	126.674	-6	1.1
Transportation .....	198.659	191.566	173.597	-12.6	-9.4
Private transportation .....	186.247	177.199	159.754	-14.2	-9.8
Motor fuel .....	272.883	241.658	171.192	-37.3	-29.2
Gasoline (all types) .....	274.575	241.492	173.279	-36.9	-28.2
Gasoline, unleaded regular <sup>2</sup> .....	280.494	245.406	176.153	-37.2	-28.2
Gasoline, unleaded midgrade <sup>2 3</sup> .....	272.658	244.848	173.409	-36.4	-29.2
Gasoline, unleaded premium <sup>2</sup> .....	310.935	277.397	201.575	-35.2	-27.3
Medical care .....	379.225	389.714	402.858	6.2	3.4
Recreation <sup>4</sup> .....	117.464	118.638	117.067	-3	-1.3
Education and communication <sup>4</sup> .....	125.630	128.341	129.399	3.0	.8
Other goods and services .....	327.018	316.794	306.063	-6.4	-3.4
<b>Commodity and service group</b>					
All items .....	208.284	209.632	206.167	-1.0	-1.7
Commodities .....	177.018	176.543	171.181	-3.3	-3.0
Commodities less food and beverages .....	149.904	146.704	139.586	-6.9	-4.9
Nondurables less food and beverages .....	196.005	190.484	173.942	-11.3	-8.7
Durables .....	108.837	107.507	107.884	-.9	.4
Services .....	236.317	239.243	237.410	.5	-.8
<b>Special aggregate indexes</b>					
All items less medical care .....	200.540	201.472	197.253	-1.6	-2.1
All items less shelter .....	207.992	208.691	203.421	-2.2	-2.5
Commodities less food .....	154.620	151.733	144.936	-6.3	-4.5
Nondurables .....	214.019	214.207	205.026	-4.2	-4.3
Nondurables less food .....	201.088	196.444	181.304	-9.8	-7.7
Services less rent of shelter <sup>1</sup> .....	276.445	279.699	274.805	-.6	-1.7
Services less medical care services .....	223.787	226.236	223.319	-.2	-1.3
Energy .....	236.384	218.950	170.033	-28.1	-22.3
All items less energy .....	209.171	211.957	212.618	1.6	.3
All items less food and energy .....	206.618	208.771	209.553	1.4	.4

<sup>1</sup> Index is on a December 1982=100 base.

<sup>2</sup> Special index based on a substantially smaller sample.

<sup>3</sup> Indexes on a December 1993=100 base.

<sup>4</sup> Indexes on a December 1997=100 base.

- Data not available.