



Web site: www.bls.gov/ro3/
Information: Tom McGettigan
(215) 597-3282
Media Contact: Gerald Perrins
(215) 861-5600

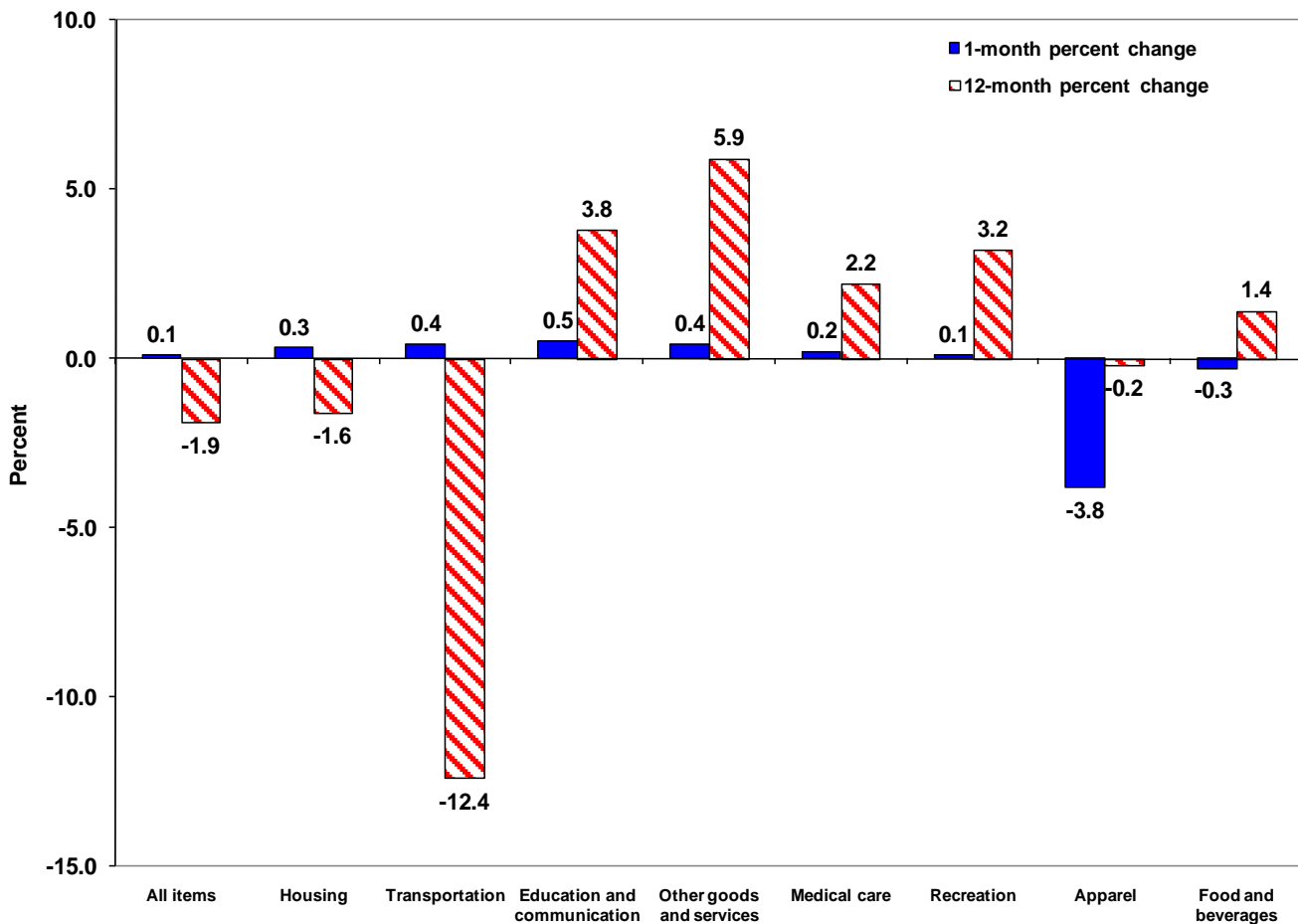
PLS – 4562
For Release:
Friday, August 14, 2009

NORTHEAST REGION CONSUMER PRICE INDEX: JULY 2009

Largest 12-Month Decrease in Over 41 Years

Retail prices in the Northeast region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), inched up 0.1 percent in July, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that increases in most major categories (led by housing and transportation) were nearly offset by lower prices for apparel and food and beverages. (See chart A.) The July level of 230.154 (1982-84 = 100) was 1.9 percent lower than in July 2008—the largest over-the-year decline since the inception of the index in December 1966. Over the same period, the core inflation rate, as measured by the all items less food and energy index, rose 1.7 percent. (See table 1.)

Chart A. 1-month and 12-month percent changes ended July 2009 for the major categories of the CPI-U for the Northeast region, not seasonally adjusted



The housing index increased 0.3 percent in July due entirely to a 0.5-percent rise in shelter prices. The shelter index, which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance, was 1.3 percent higher over the year. Moderating the rise in the overall housing index were lower prices for both household furnishings and operations and fuels and utilities. The household furnishings and operations index decreased 0.3 percent over the month but was 0.5 percent higher over the year. The fuels and utilities index inched down 0.1 percent since June, as both electricity and utility (piped) gas service prices decreased over the month. Over the year, electricity prices fell 2.7 percent and utility gas prices dropped 31.3 percent—the largest 12-month decrease since the inception of this index in December 1977. Since July 2008, fuels and utilities prices dropped 17.7 percent. The overall housing index declined 1.6 percent over the last 12 months.

Due in part to higher prices for new vehicles, the transportation index rose 0.4 percent in July. The new vehicles index also rose 0.4 percent since June and was 0.5 percent higher over the year. Also contributing to the overall rise in the transportation index were higher prices for used cars and trucks, up 0.5 percent since June but down 7.9 percent over the year. Following five months of increases totaling 47.0 percent, gasoline prices fell 1.0 percent in July. Due to strong declines in the second half of 2008, gasoline prices were 36.1 percent below year-ago levels. The overall transportation index declined 12.4 percent over the last 12 months.

Following a 0.1-percent decline in June, the education and communication index rose 0.5 percent in July. Due to 9 increases over the last 12 months, the education and communication index was 3.8 percent higher than last year.

The other goods and services index advanced 0.4 percent in July. Over the year, the other goods and services index (which includes tobacco and smoking products, personal care products, personal care services, and miscellaneous personal services such as legal, funeral, and laundry and dry cleaning services) increased 5.9 percent.

The medical care index edged up 0.2 percent in July, due to a 0.3-percent increase in medical care services prices. Over the last 12 months, the medical care services index was 2.1 percent higher. Medical care commodities prices inched down 0.1 percent since June but were 2.4 percent higher over the year. The medical care index rose 2.2 percent since July 2008.

The recreation index inched up 0.1 percent in July to a level 3.2 percent higher than last year—the largest 12-month increase since June 2006.

The remaining indexes had lower prices in July. Apparel prices decreased for the fourth consecutive month, down 8.8 percent since March and 3.8 percent since June. The recent one-month decrease followed normal seasonal patterns, similar to the 3.5-percent average decrease in July for the last five years. Over the year, apparel prices were nearly unchanged, down just 0.2 percent.

Due to lower food at home prices, the food and beverages index declined 0.3 percent over the month. Food at home prices decreased for the sixth straight month, down 2.9 percent since January and 0.6 percent since June. Over the last 12 months, food at home prices were 0.3 percent lower. The food away from home index was unchanged in July, but was 3.2 percent higher than last year. Alcoholic beverages prices increased 0.2 percent since June and 3.1 percent since July 2008. The overall food and beverages index rose 1.4 percent from its year-ago level.

Following an 8.4-percent jump in June, the energy index decreased 0.6 percent in July. The recent decline was led by lower gasoline prices (-1.0 percent). Also contributing to the decrease were lower electricity (-0.4 percent) and utility gas service prices (-0.7 percent). Over the year, energy prices were 28.5 percent lower—the largest 12-month decrease since the inception of this index in December 1977.

The Northeast region is comprised of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

The relative importance of a component of the CPI is its expenditure or value weight expressed as a percentage of all items within an area. Relative importance ratios show approximately how the index population distributes expenditures when the value weights are collected and represent an estimate of how consumers would distribute their expenditures as prices change over time. Relative importance ratios cannot be used as estimates of current spending patterns or as indicators of changing consumer expenditures in the intervals between weight revisions because consumption patterns are influenced by factors—including income, variations in climate, family size, and availability of new and different kinds of goods and services—other than price change. (See table A.)

Table A (2005-2006 weights). Relative importance of components in the Consumer Price Index: Northeast region, December 2008

Item and group	CPI-U
Expenditure category	
All items	100.000
Food and beverages	15.794
Food	14.702
Food at home	8.174
Food away from home	6.528
Alcoholic beverages	1.093
Housing	44.880
Shelter	35.109
Rent of primary residence	6.747
Owners' equivalent rent of primary residence	24.949
Fuels and utilities	5.834
Household energy	5.137
Gas (piped) and electricity	4.262
Electricity	2.758
Utility (piped) gas service	1.504
Household furnishings and operations	3.937
Apparel	3.712
Transportation	14.128
Private transportation	12.779
New and used motor vehicles	6.150
New vehicles	3.963
Used cars and trucks	1.205
Motor fuel	2.756
Gasoline (all types)	2.624
Medical care	5.885
Medical care commodities	1.498
Medical care services	4.387
Professional services	2.561
Recreation	5.505
Education and communication	6.700
Other goods and services	3.395
Commodity and service group	
Commodities	37.438
Commodities less food and beverages	21.644
Nondurables less food and beverages	12.954
Durables	8.690
Services	62.562
Special aggregate indexes	
All items less medical care	94.115
All items less shelter	64.891
Commodities less food	22.736
Nondurables	28.748
Nondurables less food	14.046
Services less rent of shelter	27.734
Services less medical care services	58.175
Energy	7.893
All items less energy	92.107
All items less food and energy	77.405

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Northeast (1982-84=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	May 2009	June 2009	July 2009	July 2008	May 2009	June 2009
All items	228.136	229.930	230.154	-1.9	0.9	0.1
Food and beverages	223.364	223.125	222.428	1.4	-0.4	-0.3
Food	222.862	222.573	221.789	1.3	-0.5	-0.4
Food at home	221.287	220.534	219.104	-0.3	-1.0	-0.6
Food away from home	227.945	228.236	228.254	3.2	0.1	0.0
Alcoholic beverages	228.890	229.338	229.833	3.1	0.4	0.2
Housing	242.200	243.764	244.611	-1.6	1.0	0.3
Shelter	290.563	291.794	293.197	1.3	0.9	0.5
Rent of primary residence (1)	283.074	283.196	283.326	2.9	0.1	0.0
Owners' equivalent rent of primary residence (1) (2)	300.754	300.841	301.881	2.7	0.4	0.3
Fuels and utilities	204.506	210.294	210.123	-17.7	2.7	-0.1
Household energy	189.016	195.370	194.622	-20.5	3.0	-0.4
Gas (piped) and electricity (1)	196.033	202.388	201.481	-12.9	2.8	-0.4
Electricity (1)	189.455	198.946	198.218	-2.7	4.6	-0.4
Utility (piped) gas service (1)	198.620	196.567	195.272	-31.3	-1.7	-0.7
Household furnishings and operations	129.805	129.384	129.045	0.5	-0.6	-0.3
Apparel	120.491	115.915	111.496	-0.2	-7.5	-3.8
Transportation	176.041	182.714	183.430	-12.4	4.2	0.4
Private transportation	170.461	177.272	177.487	-12.7	4.1	0.1
New and used motor vehicles (3)	93.019	92.900	93.556	0.4	0.6	0.7
New vehicles	135.293	134.775	135.272	0.5	0.0	0.4
New cars and trucks (3) (4)	93.759	93.397	93.739	0.5	0.0	0.4
New cars (4)	133.207	132.553	133.133	-0.5	-0.1	0.4
Used cars and trucks	127.677	129.172	129.842	-7.9	1.7	0.5
Motor fuel	188.335	217.435	215.513	-36.4	14.4	-0.9
Gasoline (all types)	187.816	217.258	215.160	-36.1	14.6	-1.0
Gasoline, unleaded regular (4)	187.927	218.015	215.701	-36.6	14.8	-1.1
Gasoline, unleaded midgrade (4) (5)	192.342	221.564	219.923	-35.1	14.3	-0.7
Gasoline, unleaded premium (4)	184.989	211.249	209.941	-34.4	13.5	-0.6
Medical care	395.546	395.801	396.678	2.2	0.3	0.2
Medical care commodities	326.579	327.796	327.377	2.4	0.2	-0.1
Medical care services	413.572	413.401	414.815	2.1	0.3	0.3
Professional services	322.821	322.791	322.954	1.3	0.0	0.1
Recreation (3)	117.244	119.426	119.571	3.2	2.0	0.1
Education and communication (3)	130.868	130.748	131.465	3.8	0.5	0.5
Other goods and services	392.734	393.621	395.329	5.9	0.7	0.4
Commodity and service group						
Commodities	173.854	175.618	174.675	-6.1	0.5	-0.5
Commodities less food and beverages	145.337	147.948	146.927	-10.6	1.1	-0.7
Nondurables less food and beverages	177.031	182.404	180.328	-15.3	1.9	-1.1
Durables	108.198	108.013	108.062	-1.6	-0.1	0.0
Services	281.315	283.138	284.510	0.8	1.1	0.5
Special aggregate indexes						
All items less medical care	220.639	222.474	222.674	-2.1	0.9	0.1
All items less shelter	206.892	208.929	208.698	-3.5	0.9	-0.1
Commodities less food	148.441	150.997	150.018	-10.0	1.1	-0.6
Nondurables	200.336	203.068	201.635	-7.3	0.6	-0.7
Nondurables less food	179.933	185.018	183.092	-14.2	1.8	-1.0
Services less rent of shelter (2)	280.781	283.429	284.805	0.3	1.4	0.5
Services less medical care services	271.738	273.642	274.997	0.8	1.2	0.5
Energy	188.600	204.517	203.276	-28.5	7.8	-0.6
All items less energy	234.502	234.791	235.175	1.7	0.3	0.2
All items less food and energy	238.078	238.483	239.102	1.7	0.4	0.3

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

2 Indexes on a December 1982=100 base.

3 Indexes on a December 1997=100 base.

4 Special index based on a substantially smaller sample.

5 Indexes on a December 1993=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.