

News

United States
Department
of Labor



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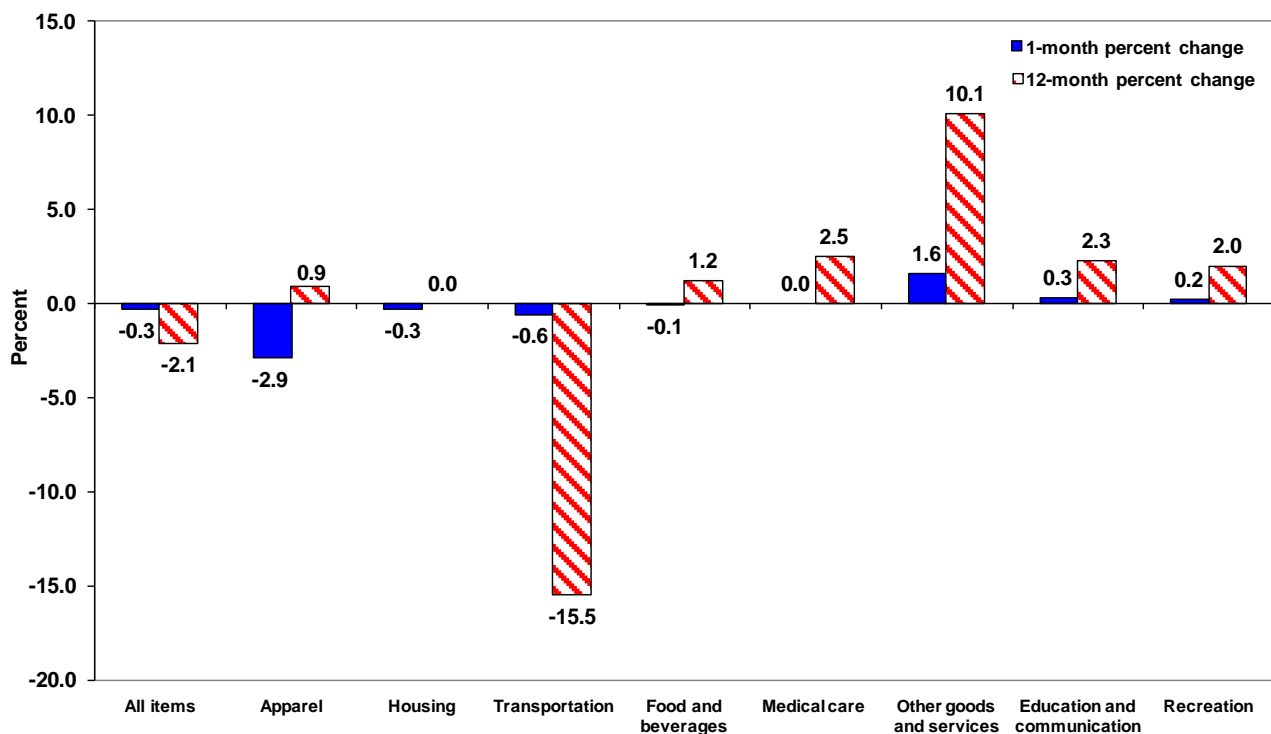
For Release:

Friday, August 14, 2009

SOUTH REGION CONSUMER PRICE INDEX: JULY 2009

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ decreased 0.3 percent in July to 208.819 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the decrease was predominantly due to lower prices for apparel, housing, and transportation. (See chart A.) The energy index decreased 1.9 percent over the month, while food costs edged down 0.2 percent. The core inflation rate, as measured by the all items less food and energy index, inched down 0.1 percent over the month. (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 South region, not seasonally adjusted



Over the last 12 months, prices in the South decreased 2.1 percent due largely to a sharp decline in transportation costs. This was the fifth consecutive 12-month decrease in the all items index. Energy costs in the region declined 27.3 percent, while food prices increased 1.0 percent since last July. Over the same period, the core inflation rate was 1.8 percent.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Among the major categories, the apparel index recorded a normal seasonal decrease in July, down 2.9 percent. Apparel costs increased 0.9 percent over the year.

The index for housing decreased 0.3 percent over the month. The shelter index, which includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance, edged down 0.2 percent since June. The fuels and utilities index declined 0.6 percent in July, as electricity costs decreased 1.3 percent. Moderating the decline in fuels and utilities prices, costs for utility (piped) gas service increased 2.2 percent since June. Household furnishings and operations costs were unchanged over the month. Since July 2008, the housing index was unchanged in the South as a 7.4-percent decrease in the fuels and utilities index—the largest over-the-year decline since this index began in December 1977—was offset by increases in shelter (1.1 percent) and household furnishings and operations (2.2 percent).

The transportation index declined 0.6 percent in July, as a 2.9-percent decrease in motor fuel costs was partially offset by a 0.4-percent increase in new and used motor vehicles. Over the year, transportation costs declined 15.5 percent, dominated by a 38.7-percent drop in motor fuel prices.

The food and beverages index inched down 0.1 percent in July due to lower prices for both food at home (-0.3 percent) and food away from home (-0.1 percent). Prices for alcoholic beverages increased 0.8 percent over the month. Over the year, the food and beverages index advanced 1.2 percent, as prices for food away from home increased 3.2 percent and costs for alcoholic beverages rose 3.6 percent. Moderating the 12-month advance in food and beverages prices, costs for food at home declined 0.7 percent over the year—the largest 12-month decline in this index since July 1992.

The index for medical care was unchanged in July, as higher costs for medical care services (0.2 percent) were offset by lower costs for medical care commodities (-0.4 percent). Over the year, the medical care index advanced 2.5 percent, as prices increased for both medical care services (2.4 percent) and medical care commodities (2.9 percent).

The other goods and services index (which includes tobacco and smoking products, personal care products and services, and miscellaneous personal goods) advanced 1.6 percent in July. Over the year, the other goods and services index rose 10.1 percent—the largest 12-month increase since February 1999.

Prices for education and communication rose 0.3 percent over the month; since July 2008, this index advanced 2.3 percent. Recreation prices edged up 0.2 percent in July and increased 2.0 percent over the year.

Population size groups

Over the month, consumer prices in the South declined 0.2 percent in both the largest metropolitan areas, those with 1.5 million or more residents (Size Class A), and in the mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C). Prices decreased 0.6 percent in the smallest areas, those with populations of less than 50,000 (Size Class D). Over the past 12 months, consumer prices in the South decreased 2.0 percent in the largest areas (Size Class A) and declined 2.1 percent in the mid-sized areas (Size Class B/C). In the smallest areas (Size Class D), prices decreased 2.2 percent over the year.

Technical Note

The Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for All Urban Consumers (CPI-U) and Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 2005-06 period. The updated expenditure weights for these indexes replace the 2003-2004 weights that were introduced effective with the January 2006 CPI release. As originally announced by BLS in December 1998, CPI expenditure weights will continue to be updated at two year intervals.

The CPI program completed its conversion to Computer Assisted Data Collection (CADC). Due to the efficiencies gained from conversion to CADC, BLS has extended data collection to cover the entire month, beginning with data for January 2004. CPI data collection is scheduled in terms of business days – weekdays excluding holidays. Formerly, data collection covered three pricing periods, each comprising six business days in most months and five days in November and December. Consequently, the last day of scheduled data collection was usually the 18th business day of the month. This allowed time during the end of the month for the mailing of paper schedules back to the Washington Office and the data entry of the information in these schedules. Starting in January 2004, the three pricing periods now have variable lengths, between six and eight business days long. The third pricing period normally will end on the last business day of the month.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our Web site at www.bls.gov. Current and historical BLS data are also posted on our Web site at www.bls.gov/ro3/. If you have additional questions, you can contact the Mid-Atlantic information office directly by dialing (215) 597-3282. Information from the Consumer Price Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

Table 1. Consumer Price Index for All Urban Consumers and Urban Wage Earners and Clerical Workers, South Region, (1982-84=100 unless otherwise noted) (not seasonally adjusted)

Item and group	All Urban Consumers (CPI-U)			Urban Wage Earners and Clerical Workers (CPI-W)		
	Index	Percent change from		Index	Percent change from	
	Jul. 2009	Jul. 2008	Jun. 2009	Jul. 2009	Jul. 2008	Jun. 2009
All items	208.819	-2.1	-0.3	205.415	-2.8	-0.3
All items (December 1977=100)	338.734	-	-	332.693	-	-
Food and beverages	215.329	1.2	-0.1	213.955	1.1	-0.2
Food	215.811	1.0	-0.2	214.426	0.9	-0.2
Food at home	210.797	-0.7	-0.3	209.010	-0.9	-0.4
Food away from home	225.477	3.2	-0.1	224.643	3.4	0.0
Alcoholic beverages	207.571	3.6	0.8	206.558	4.3	0.7
Housing	203.183	0.0	-0.3	202.292	0.0	-0.3
Shelter	223.950	1.1	-0.2	222.417	1.4	-0.2
Rent of primary residence (1)	223.856	2.2	-0.1	222.617	2.0	-0.1
Owners' equivalent rent of primary residence (1) (2)	226.193	1.5	-0.2	210.527	1.4	-0.3
Fuels and utilities	218.230	-7.4	-0.6	219.318	-6.5	-0.6
Household energy	189.636	-10.0	-0.8	189.020	-8.9	-0.8
Gas (piped) and electricity (1)	191.254	-9.0	-0.8	191.214	-8.2	-0.8
Electricity (1)	188.848	-2.4	-1.3	187.162	-2.3	-1.1
Utility (piped) gas service (1)	191.873	-36.7	2.2	195.153	-36.7	2.2
Household furnishings and operations	130.226	2.2	0.0	124.754	1.9	-0.1
Apparel	128.136	0.9	-2.9	128.660	1.6	-2.7
Transportation	179.164	-15.5	-0.6	175.501	-17.2	-0.7
Private transportation	177.365	-15.7	-0.7	173.895	-17.4	-0.8
New and used motor vehicles (3)	93.497	-0.3	0.4	90.159	-2.3	0.5
New vehicles	140.975	2.2	0.3	140.787	2.2	0.3
New cars and trucks (3) (4)	95.892	2.2	0.3	-	-	-
New cars (4)	144.186	1.9	0.3	-	-	-
Used cars and trucks	124.244	-7.6	0.7	124.914	-7.6	0.7
Motor fuel	213.262	-38.7	-2.9	213.094	-38.7	-2.9
Gasoline (all types)	213.125	-38.2	-3.1	213.062	-38.2	-3.2
Gasoline unleaded regular (4)	211.529	-38.9	-3.3	211.449	-38.9	-3.3
Gasoline unleaded midgrade (4) (5)	223.572	-37.1	-2.8	223.482	-37.2	-2.9
Gasoline unleaded premium (4)	213.459	-36.1	-2.5	213.110	-36.1	-2.6
Medical care	356.137	2.5	0.0	359.257	2.6	0.0
Medical care commodities	291.233	2.9	-0.4	284.293	2.9	-0.4
Medical care services	377.263	2.4	0.2	382.029	2.6	0.2
Professional services	316.231	2.5	0.3	317.622	2.5	0.3
Recreation (3)	115.877	2.0	0.2	112.353	2.0	0.1
Education and communication (3)	122.457	2.3	0.3	118.015	1.6	0.3
Other goods and services	366.799	10.1	1.6	389.400	13.4	2.1
Commodities	171.777	-5.9	-0.5	172.232	-7.4	-0.5
Services	246.705	0.8	-0.1	245.280	0.9	-0.1
All items less shelter	203.988	-3.5	-0.3	200.607	-4.6	-0.3
All items less medical care	200.266	-2.4	-0.3	197.794	-3.2	-0.3
Energy	195.128	-27.3	-1.9	195.607	-27.6	-1.9
All items less energy	211.002	1.7	-0.1	206.723	1.8	0.0
All items less food and energy	210.544	1.8	-0.1	205.318	1.9	0.0
South size A (more than 150000)	211.034	-2.0	-0.2	208.492	-2.7	-0.2
South size B/C (50000 to 150000) (6)	132.736	-2.1	-0.2	131.063	-2.9	-0.2
South size D (nonmetropolitan less than 50000)	210.491	-2.2	-0.6	210.341	-3.0	-0.7

Footnotes

(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 for CPI-U on December 1982=100 base; CPI-W on a December 1984=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.

(6) Indexes on a December 1996=100 base.

- Data not available.