

NEWS RELEASE



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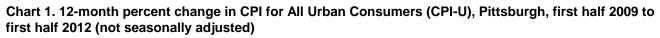
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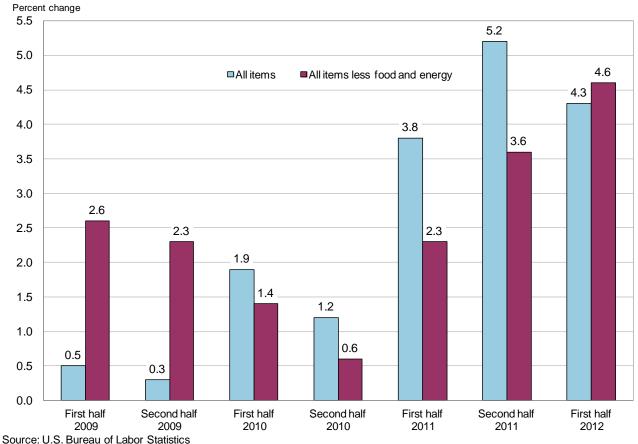
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CONSUMER PRICE INDEX, PITTSBURGH – FIRST HALF 2012

Local Prices up 4.3 Percent Over the Year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Pittsburgh area rose 4.3 percent from the first half of 2011 to the first half of 2012, the U.S. Bureau of Labor Statistics reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the recent 12-month advance in the all items index was largely due to an increase in the index for all items less food and energy (4.6 percent); prices also rose for food (4.5 percent) and energy (2.0 percent). The 12-month advance in the all items less food and energy index was led by higher shelter prices and the increase in the energy index was mostly due to higher prices for gasoline. (See chart 1 and table 1.)





Food

The food index rose 4.5 percent since the first half of 2011. The advance was due largely to higher prices for food at home, up 5.3 percent. Prices for food away from home also increased over the year, rising 3.5 percent.

Energy

The energy index, which includes prices for household and transportation fuels, rose 2.0 percent since the first half of 2011—the smallest in a series of consecutive increases stretching back to the first half of 2010. The advance in energy prices was due mainly to higher gasoline prices, up 3.9 percent over the last 12 months. Electricity prices also rose over the year, up 2.2 percent. Partially offsetting these advances were lower prices for utility (piped) gas service, down 6.0 percent from their year-ago levels. The utility gas service index has posted uninterrupted over-the-year decreases since the first half of 2009.

All items less food and energy

The index for all items less food and energy rose 4.6 percent since a year ago. Within this grouping, price increases were led by shelter (5.6 percent), particularly owners' equivalent rent of primary residence (5.6 percent). Higher prices for apparel (11.0 percent—the largest over-the-year advance in 12 years) and medical care (4.5 percent), among others, also contributed to the 12-month increase in the all items less food and energy index.

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 \$10.00 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at <u>www.bls.gov/cpi</u> and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at <u>www.bls.gov/opub/hom/homch17_a.htm</u>.

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 Pittsburgh, Pa., Metropolitan Statistical Area (MSA) includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland Counties.

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

Expenditure category		Indexes			Percent change from-	
	1st half 2011	2nd half 2011	1st half 2012	1st half 2011	2nd half 2011	
All items	222.651	227.513	232.249	4.3	2.1	
Food and beverages	229.365	237.980	239.869	4.6	0.8	
Food	229.801	238.975	240.080	4.5	0.5	
Food at home	229.224	237.937	241.409	5.3	1.5	
Food away from home	232.882	242.539	241.081	3.5	-0.6	
Alcoholic beverages	222.964	224.567	237.115	6.3	5.6	
Housing	217.093	220.323	226.563	4.4	2.8	
Shelter	237.067	241.830	250.392	5.6	3.5	
Rent of primary residence (1)	205.888	209.140	218.202	6.0	4.3	
Owners' equivalent rent of residences (1) (2)	234.032	238.584	247.178	5.6	3.6	
Owners' equivalent rent of primary residence (1) (2)	234.032	238.584	247.178	5.6	3.6	
Fuels and utilities	241.508	247.533	247.761	2.6	0.1	
Household energy	230.295	234.914	230.781	0.2	-1.8	
Energy services (1)	218.894	223.743	217.073	-0.8	-3.0	
Electricity (1)	181.717	190.670	185.639	2.2	-2.6	
Utility (piped) gas service (1)	228.191	221.827	214.419	-6.0	-3.3	
Household furnishings and operations	147.909	146.072	148.501	0.4	1.7	
Apparel	154.110	165.685	171.089	11.0	3.3	
Transportation	186.540	190.347	192.480	3.2	1.1	
Private transportation	186.970	190.973	193.043	3.2	1.1	
Motor fuel	313.151	313.447	325.673	4.0	3.9	
Gasoline (all types)	316.742	316.642	329.008	3.9	3.9	
Gasoline, unleaded regular (3)	314.252	314.293	326.652	3.9	3.9	
Gasoline, unleaded midgrade (3) (4)	336.983	336.012	349.284	3.7	3.9	
Gasoline, unleaded premium (3)	303.780	304.215	315.411	3.8	3.7	
Medical care	408.278	418.992	426.743	4.5	1.8	
Recreation (5)	113.494	114.133	117.619	3.6	3.1	
Education and communication (5)	140.412	142.823	143.938	2.5	0.8	
Other goods and services	388.186	392.745	404.211	4.1	2.9	
Commodity and service group						
Commodities	198.434	203.648	207.217	4.4	1.8	
Commodities less food and beverages	180.225	183.691	187.971	4.3	2.3	
Nondurables less food and beverages	232.659	239.601	247.255	6.3	3.2	
Durables	124.823	124.732	126.086	1.0	1.1	
Services	250.396	255.112	260.977	4.2	2.3	
Special aggregate indexes						
All items less medical care	213.305	217.894	222.458	4.3	2.1	
All items less shelter	219.995	225.017	228.318	3.8	1.5	
Commodities less food	182.016	185.420	189.985	4.4	2.5	
Nondurables	231.498	239.273	243.922	5.4	1.9	
Nondurables less food	231.986	238.564	246.548	6.3	3.3	
Services less rent of shelter (2)	270.861	275.893	278.635	2.9	1.0	
Services less medical care services	238.806	243.226	248.950	4.2	2.4	
Energy	275.169	277.854	280.557	2.0	1.0	
All items less energy	219.789	224.810	229.841	4.6	2.2	
All items less food and energy	218.835	223.122	228.925	4.6	2.6	

(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric (1) This index series was calculated using a Laspeyres estimator. All other item means estimator.
(2) Indexes 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.
NOTE: Index applies to a 6-month period as a whole, not to any specific date.