



NEWS RELEASE



NEW ENGLAND INFORMATION OFFICE

Boston, Mass.

For release: Wednesday, March 16, 2011

USDL-11-088

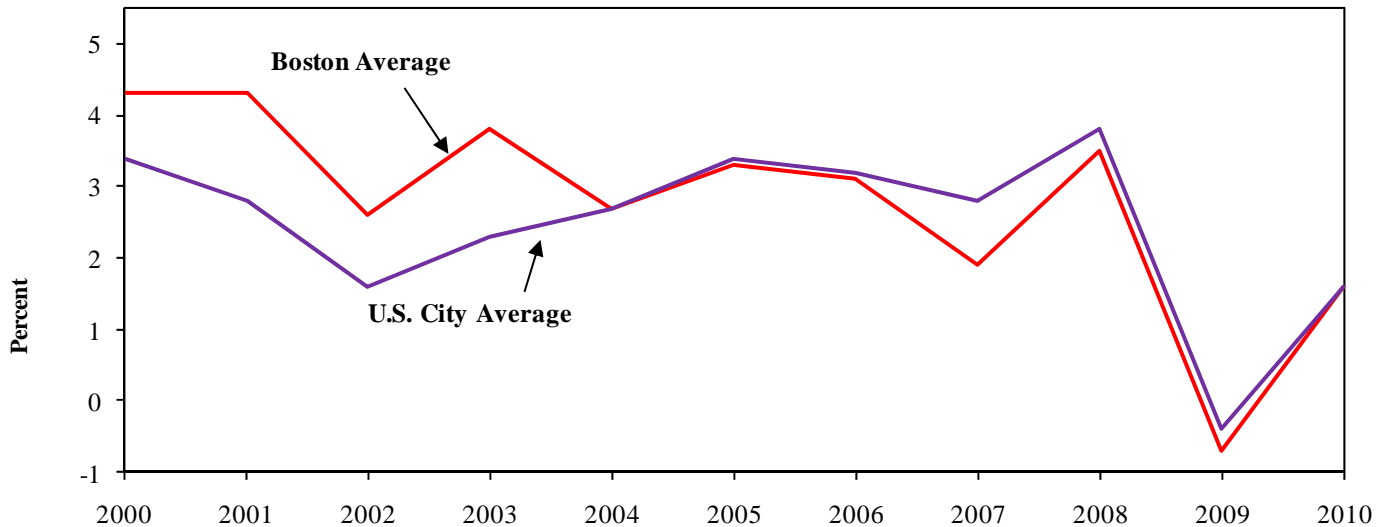
Technical Information: (617) 565-2327 • BLInfoBoston@bls.gov • www.bls.gov/ro1

Media Contact: (617) 565-2326 • consedine.tim@bls.gov

CONSUMER PRICE INDEX, BOSTON-BROCKTON-NASHUA – ANNUAL AVERAGE 2010

The Consumer Price Index for All Urban Consumers (CPI-U) in the Boston metropolitan area increased 1.6 percent from 2009 to 2010, the Bureau of Labor Statistics reported today. Regional Commissioner Denis M. McSweeney noted that the 2010 increase followed a decrease of 0.7 percent in 2009. The 2010 increase in the local CPI-U was largely due to increasing energy prices. Nationally, the CPI-U for the U.S. City Average also rose 1.6 percent over the year.

Chart A. Annual average percent change in the Consumer Price Index for all Urban Consumers (CPI-U), Boston and U.S. City Average, 2000 – 2010



Energy prices in the Boston area rose 9.0 percent in 2010, after decreasing 23.2 percent the year previous. Nationally, energy prices rose 9.5 percent. The 2010 increase in local energy prices was largely due to higher prices for motor fuel, up 18.8 percent and household energy, which rose 1.1 percent. With energy costs removed, the Boston all items index in 2010 would have risen 0.9 percent.

Housing costs, one of the largest components of the CPI-U, declined for the second year in a row in Boston, down 0.8 percent. The decline in housing was driven by a 1.1-percent decline in the shelter index, the first annual average decrease recorded in that component since the series began in 1953. Also, household furnishings and operations declined 2.3 percent. Nationally, housing costs also were lower over the year, down 0.4 percent, the first annual average decrease on record.

The transportation index rose 8.8 percent in the Boston area in 2010, a slightly faster rate than the 7.9-percent increase recorded nationally. The increase in the transportation index locally was largely due to a 19.0-percent increase in the price of gasoline.

In Boston, the food and beverage index rose 1.2 percent in 2010, a much lower rate of increase than the previous year of 2.4 percent. Within food and beverages, the cost of food away from home, which includes restaurants, rose 1.5 percent in 2010. The cost of groceries, measured by the food at home index, increased 0.9 percent, the smallest increase since 1992.

Local medical care costs rose 4.3 percent in 2010, following an increase of 5.1 percent one year earlier. Nationally, the medical care index rose 3.4 percent in 2010, the seventh consecutive year that medical care costs rose at a faster rate in Boston than nationwide.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a 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) and the Chained CPI for All Urban Consumers (C-CPI-U) which cover 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 and C-CPI-U include, 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 CPIs are based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. 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. Prices of 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 visits or telephone calls of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights, which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. For the CPI-U and CPI-W 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 measure only the average change in prices for each area since the base period. For the C-CPI-U, data are issued only at the national level. It is important to note that the CPI-U and CPI-W are considered final when released, but the C-CPI-U is issued in preliminary form and subject to two annual revisions.

The index measures price change from a designed reference date. For the CPI-U and the CPI-W the reference base is 1982-84 equals 100.0. The reference base for the C-CPI-U is December 1999 equals 100. An increase of 16.5 percent from the reference base, 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 visit the CPI home page on the Internet at <http://www.bls.gov/cpi/> or contact the New England Information Office at (617) 565-2327. Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 617-565-2072, Federal Relay Service: 1-800-877-8339.

Table 1. Annual average percent changes in the Consumer Price Index for All Urban Consumers (CPI-U) for Boston-Brockton-Nashua, MA-NH-ME-CT and U.S. City Average

Expenditure category	Percent change from previous year			
	2009 Boston	2009 U.S.	2010 Boston	2010 U.S.
All items	-0.7	-0.4	1.6	1.6
Food and beverages	2.4	1.9	1.2	0.8
Housing	-1.8	0.4	-0.8	-0.4
Apparel	1.8	1.0	2.2	-0.5
Transportation	-8.1	-8.3	8.8	7.9
Medical care	5.1	3.2	4.3	3.4
Recreation	3.0	0.9	0.1	-0.8
Education and communication	3.7	3.0	1.2	2.0
Other goods and services	9.1	6.7	2.0	3.4
Special indexes:				
Food	2.3	1.8	1.1	0.8
Energy	-23.2	-18.4	9.0	9.5
All items less energy	1.9	1.7	0.9	0.9
All items less food and energy	1.8	1.7	0.9	1.0
Commodities	-2.9	-2.9	3.5	2.9
Services	0.8	1.4	0.4	0.8

NOTE: Local area indexes are byproducts of the national CPI program.

Each local index has a smaller sample size than that for the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalation clauses.

Table 2. Consumer Price Index for All Urban Consumers (CPI-U) for Boston-Brockton-Nashua, MA-NH-ME-CT, by expenditure category (1982-1984=100, unless otherwise noted)

Expenditure category	Percent change from previous year					2010 Annual Average Index
	2006	2007	2008	2009	2010	
All items	3.1	1.9	3.5	-0.7	1.6	237.446
Food and beverages	2.9	3.6	5.0	2.4	1.2	232.435
Food	2.9	3.5	4.9	2.3	1.1	232.098
Food at home	2.9	3.5	4.9	1.4	0.9	223.539
Food away from home	2.3	4.1	5.0	2.9	1.5	246.450
Alcoholic beverages	3.0	4.0	6.0	3.9	2.8	238.847
Housing	3.5	1.5	2.2	-1.8	-0.8	231.871
Shelter	2.1	2.0	0.3	0.7	-1.1	272.297
Rent of primary residence ¹	1.4	2.8	1.6	1.9	-0.2	277.009
Owners' equivalent rent of primary residences ^{1,2}	2.1	1.8	-1.1	2.5	0.0	290.316
Owners' equivalent rent of primary residence ^{1,2}					0.0	290.316
Fuel and utilities	15.8	0.2	16.1	-17.6	2.1	222.180
Household energy	16.5	-0.2	16.9	-19.1	1.1	190.322
Energy services	18.3	-3.1	8.2	-13.1	-4.4	187.855
Electricity ¹	25.0	-2.7	5.1	-3.0	-7.7	189.629
Utility (piped) gas service ¹	4.5	-4.0	15.1	-30.4	3.1	174.916
Household furnishings and operations	0.6	-0.9	0.3	0.3	-2.3	123.114
Apparel	1.4	2.0	-2.0	1.8	2.2	139.145
Transportation	1.7	0.7	4.7	-8.1	8.8	184.067
Private transportation	1.6	0.7	4.7	-8.3	8.9	183.346
Motor fuel	12.9	6.1	18.4	-27.5	18.8	237.435
Gasoline, all types	12.8	6.1	17.7	-27.0	19.0	234.849
Gasoline, unleaded regular ³	12.8	6.2	17.8	-27.3	19.3	233.502
Gasoline, unleaded midgrade ^{3,4}	12.8	6.3	17.6	-26.5	18.5	236.334
Gasoline, unleaded premium ³	12.9	5.2	17.0	-25.8	17.4	230.036
Medical care	4.5	5.4	3.9	5.1	4.3	549.062
Recreation ⁵	2.9	1.7	2.1	3.0	0.1	122.390
Education and communication ⁵	1.9	1.8	8.4	3.7	1.2	138.677
Other goods and services	3.5	2.4	6.6	9.1	2.0	412.801

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

² Index is on a November 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.

N/A - Data not available.

NOTE: Local area indexes are byproducts of the national CPI program.

Each local index has a smaller sample size than that for the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar.

Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalation clauses.