

WEST INFORMATION OFFICE
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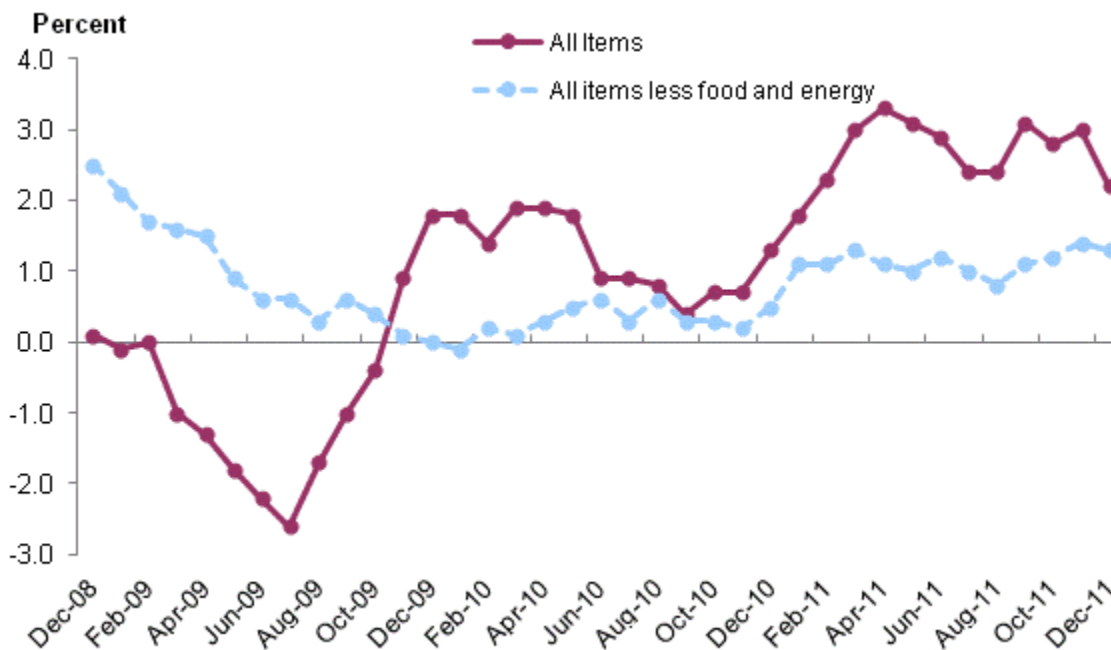
CONSUMER PRICE INDEX, LOS ANGELES AREA – DECEMBER 2011

AREA PRICES WERE DOWN 0.5 PERCENT OVER THE PAST MONTH, UP 2.2 PERCENT FROM A YEAR AGO

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), decreased 0.5 percent in December, the U.S. Bureau of Labor Statistics reported today. (See table A.) Regional Commissioner Richard J. Holden noted that the December decrease was influenced by lower prices for gasoline and apparel. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U increased 2.2 percent. (See chart 1.) Energy prices rose 6.4 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy advanced 1.3 percent since December 2010.

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Riverside-Orange County, December 2008 – December 2011



Food

Food prices inched down 0.1 percent for the month of December. (See table 1.) Prices for food at home declined 0.3 percent, but prices for food away from home increased 0.2 percent for the same period.

Over the year, food prices rose 4.4 percent. Prices for food at home advanced 5.8 percent since a year ago, and prices for food away from home increased 2.5 percent.

Energy

The energy index decreased 3.9 percent over the month. The decrease was mainly due to lower prices for gasoline (-5.7 percent). Prices for electricity were virtually unchanged, while prices for natural gas service decreased 0.8 percent in December.

Energy prices rose 6.4 percent over the year, largely due to higher prices for gasoline (10.1 percent). Prices paid for electricity were virtually unchanged, while prices for natural gas service declined 3.3 percent during the past year.

All items less food and energy

The index for all items less food and energy inched down 0.2 percent in December. Lower prices for apparel (-4.6 percent) and other goods and services (-1.2 percent) were partially offset by higher prices for household furnishings and operations (0.4 percent) and shelter (0.2 percent).

Over the year, the index for all items less food and energy advanced 1.3 percent. Components contributing to the increase included medical care (4.0 percent), apparel (3.0 percent), and shelter (1.0 percent). Partly offsetting the increases was a price decline in other goods and services (-1.0 percent).

Table A. Los Angeles-Riverside-Orange County CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2006		2007		2008		2009		2010		2011	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
January	1.0	5.4	0.9	3.2	0.7	3.9	0.5	-0.1	0.4	1.8	0.9	1.8
February	0.7	5.1	1.0	3.5	0.2	3.1	0.3	0.0	0.0	1.4	0.5	2.3
March	0.5	4.7	0.8	3.8	1.0	3.3	0.0	-1.0	0.4	1.9	1.1	3.0
April	1.0	4.7	0.6	3.5	0.5	3.1	0.1	-1.3	0.2	1.9	0.5	3.3
May	0.9	5.4	0.3	2.9	0.9	3.7	0.4	-1.8	0.2	1.8	0.0	3.1
June	-0.6	5.2	-0.6	2.9	1.1	5.4	0.6	-2.2	-0.2	0.9	-0.4	2.9
July	0.1	5.0	0.1	2.9	0.4	5.7	0.0	-2.6	0.1	0.9	-0.4	2.4
August	0.2	4.3	-0.1	2.6	-0.6	5.1	0.2	-1.7	0.2	0.8	0.2	2.4
September	0.5	3.4	0.2	2.3	-0.5	4.5	0.3	-1.0	-0.1	0.4	0.5	3.1
October	-0.7	2.2	0.5	3.5	-0.6	3.4	0.0	-0.4	0.3	0.7	0.0	2.8
November	-0.1	2.7	0.6	4.2	-1.7	1.0	-0.4	0.9	-0.4	0.7	-0.1	3.0
December	-0.2	3.3	-0.3	4.2	-1.2	0.1	-0.3	1.8	0.3	1.3	-0.5	2.2

CPI-W

In December, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 224.444, down 0.6 percent from November. The CPI-W increased 2.2 percent over the year.

The January 2012 Consumer Price Index for the Los Angeles-Riverside-Orange County is scheduled to be released on February 17, 2012, at 10:00 a.m. (PST).

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 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. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 25,000 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 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at 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.

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 Los Angeles-Riverside-Orange County, CA. metropolitan area covered in this release is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in the State of California.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

For personal assistance or further information on Consumer Price Indexes, as well as other Bureau products, contact the San Francisco Information Office at (415) 625-2270 from 9:00 a.m. to 11:30 a.m. and 1:30 p.m. to 4:00 p.m. PT.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	Oct. 2011	Nov. 2011	Dec. 2011	Dec. 2010	Oct. 2011	Nov. 2011
Expenditure category						
All items	233.049	232.731	231.567	2.2	-0.6	-0.5
All items (1967=100)	688.530	687.591	684.151	-	-	-
Food and beverages	234.872	236.002	235.488	3.9	.3	-.2
Food	234.636	235.771	235.548	4.4	.4	-.1
Food at home	246.965	248.041	247.276	5.8	.1	-.3
Food away from home	215.982	217.167	217.578	2.5	.7	.2
Alcoholic beverages	224.337	225.308	220.570	-2.4	-1.7	-2.1
Housing	245.737	245.271	245.641	.9	.0	.2
Shelter	275.427	275.254	275.700	1.0	.1	.2
Rent of primary residence ¹	283.755	284.208	284.985	1.3	.4	.3
Owners' equivalent rent of residences ^{1 2}	287.712	287.709	288.610	1.0	.3	.3
Owners' equivalent rent of primary residence ^{1 2}	287.712	287.709	288.610	1.0	.3	.3
Fuels and utilities	261.379	259.957	259.471	.6	-.7	-.2
Household energy	244.490	242.431	241.771	-.5	-1.1	-.3
Energy services ¹	242.844	240.754	240.141	-.7	-1.1	-.3
Electricity ¹	280.913	288.323	288.054	.1	2.5	-.1
Utility (piped) gas service ¹	201.103	178.001	176.535	-3.3	-12.2	-.8
Household furnishings and operations	121.627	120.456	120.921	.2	-.6	.4
Apparel	114.478	112.318	107.150	3.0	-6.4	-4.6
Transportation	208.760	207.779	203.635	4.9	-2.5	-2.0
Private transportation	202.982	201.956	197.953	5.2	-2.5	-2.0
Motor fuel	301.563	297.199	280.305	10.3	-7.0	-5.7
Gasoline (all types)	295.440	290.546	274.006	10.1	-7.3	-5.7
Gasoline, unleaded regular ³	296.753	291.840	275.106	10.3	-7.3	-5.7
Gasoline, unleaded midgrade ^{3 4}	278.189	273.729	258.431	9.9	-7.1	-5.6
Gasoline, unleaded premium ³	279.807	275.059	259.886	9.5	-7.1	-5.5
Medical care	393.679	392.673	393.163	4.0	-.1	.1
Recreation ⁵	102.644	103.102	102.826	.6	.2	-.3
Education and communication ⁵	138.985	138.271	138.408	1.1	-.4	.1
Other goods and services	368.710	372.296	367.789	-1.0	-.2	-1.2
Commodity and service group						
All items	233.049	232.731	231.567	2.2	-.6	-.5
Commodities	179.997	179.574	176.839	3.2	-1.8	-1.5
Commodities less food and beverages	149.153	148.033	144.371	2.6	-3.2	-2.5
Nondurables less food and beverages	196.471	194.718	187.412	3.9	-4.6	-3.8
Durables	103.043	102.547	102.490	.5	-.5	-.1
Services	278.875	278.672	279.108	1.5	.1	.2
Special aggregate indexes						
All items less medical care	225.759	225.465	224.262	2.1	-.7	-.5
All items less shelter	214.597	214.215	212.343	2.8	-1.1	-.9
Commodities less food	152.810	151.739	148.010	2.4	-3.1	-2.5
Nondurables	217.702	217.325	213.217	3.9	-2.1	-1.9
Nondurables less food	200.341	198.721	191.474	3.4	-4.4	-3.6
Services less rent of shelter ²	291.795	291.542	291.980	2.3	.1	.2
Services less medical care services	269.587	269.368	269.775	1.3	.1	.2
Energy	281.499	277.972	267.023	6.4	-5.1	-3.9
All items less energy	231.276	231.203	230.787	1.8	-.2	-.2
All items less food and energy	230.998	230.686	230.229	1.3	-.3	-.2

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

² Index is 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.

- Data not available.

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