



NEWS RELEASE



For Release: Tuesday, August 19, 2014

14-1587-PHI

MID-ATLANTIC INFORMATION OFFICE: Philadelphia, Pa.

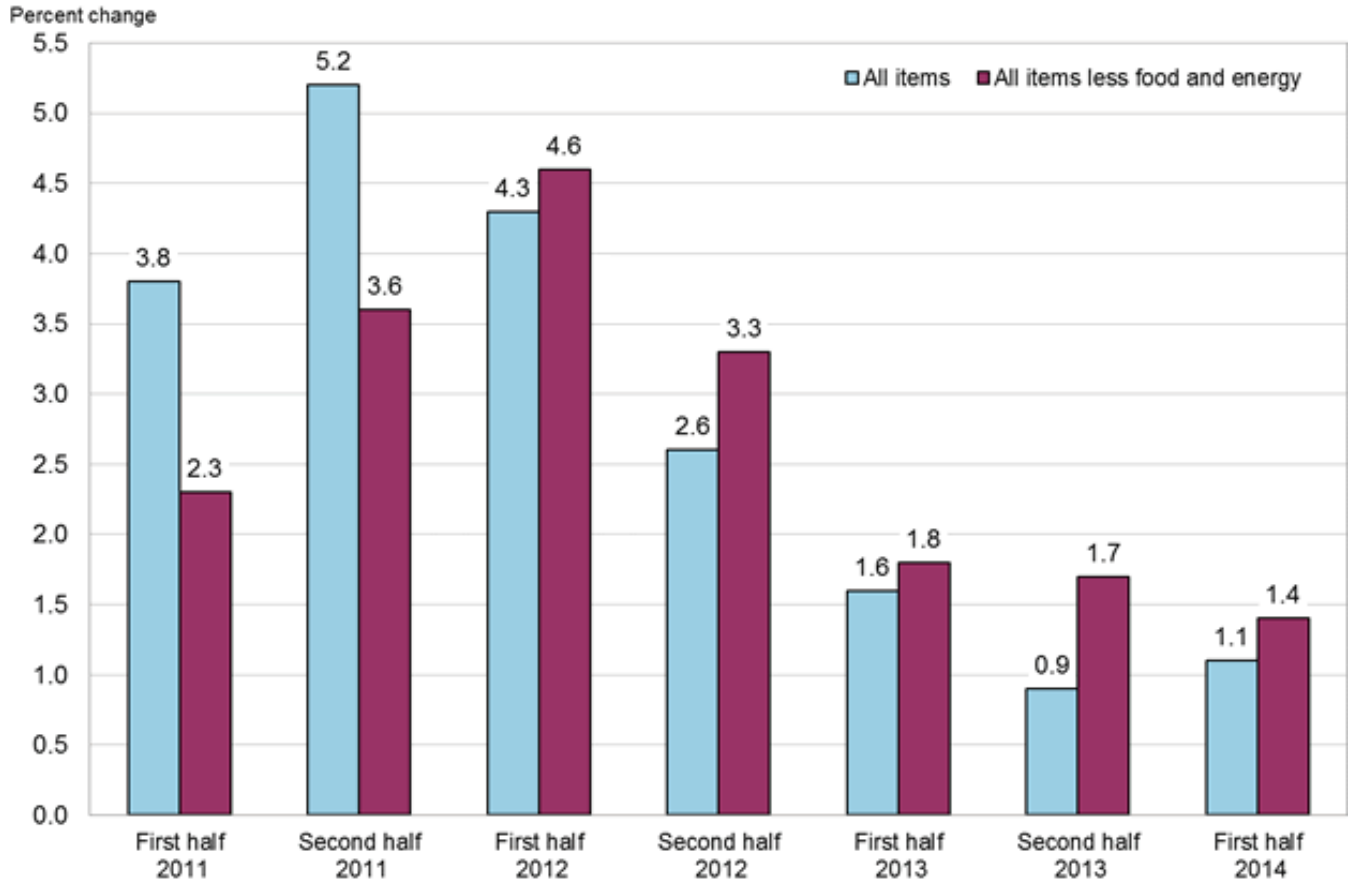
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Consumer Price Index, Pittsburgh - First Half 2014 Local Prices up 1.1 Percent Over the Year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Pittsburgh area rose 1.1 percent from the first half of 2013 to the first half of 2014, 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 due almost entirely to an increase in the index for all items less food and energy (1.4 percent). The food index also rose over the year, up 0.8 percent, while the energy index declined, down 0.2 percent. The 12-month advance in the all items less food and energy index was led by higher prices for shelter. (See [chart 1](#) and [table 1](#).)

Chart 1. 12-month percent change in CPI for All Urban Consumers (CPI-U), Pittsburgh, first half 2011 to first half 2014 (not seasonally adjusted)



Source: U.S. Bureau of Labor Statistics.

Food

The food index rose 0.8 percent since the first half of 2013. The advance was due to higher prices for food away from home, up 3.8 percent. Prices for food at home declined over the year, down 0.9 percent.

Energy

The energy index, which includes prices for household and transportation fuels, edged down 0.2 percent since the first half of 2013. The decline in energy prices was due to an over-the-year decrease in prices for electricity, down 9.5 percent. Partially offsetting the decline in the energy index were higher prices for utility (piped) gas service and gasoline, up 6.9 and 1.4 percent, respectively.

All items less food and energy

The index for all items less food and energy rose 1.4 percent over the year. Within this grouping, price increases were led by shelter (2.7 percent), particularly as the owners' equivalent rent of residences component rose 3.7 percent. Since the first half of 2013, prices were also higher for medical care (1.4 percent), among others. Moderating the 12-month increase in the all items less food and energy index were lower prices for recreation, down 2.8 percent, and household furnishings and operations, down 2.6 percent.

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 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 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	
	Historical data	1st Half 2013	2nd Half 2013	1st Half 2014	1st Half 2013	2nd Half 2013
Footnotes (1) This index series was calculated using a Laspeyres estimator. All other item stratum index series converted to a geometric means estimator in January, 1999. (2) This index series will undergo a change in composition in January 2010. The expenditure class will include weight from secondary residences and will be re-titled "Owners' equivalent rent of residences." The item stratum "Owners' equivalent rent of primary residence" excludes secondary residences. (3) Indexes on a December 1982=100 base. (4) Special index based on a substantially smaller sample. (5) Indexes on a December 1993=100 base. (6) Indexes on a December 1997=100 base. Note: Index applies to a month as a whole, not to any specific date.						

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