



For Release: Tuesday, April 02, 2013

13-598-BOS

NEW ENGLAND INFORMATION OFFICE: Boston, Mass.

Technical information: (617) 565-2327 BLSInfoBoston@bls.gov www.bls.gov/regions/new-england

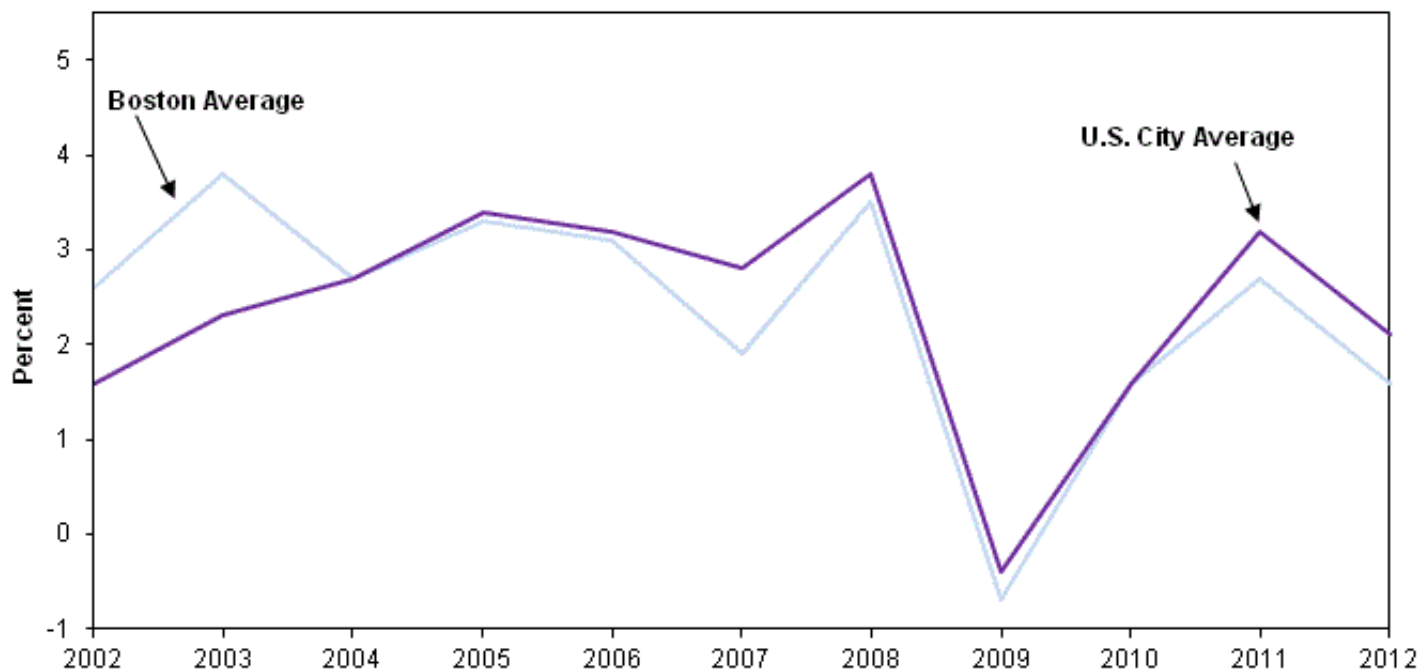
Media contact: (617) 565-2327 BLSMediaBoston@bls.gov

Consumer Price Index, Boston-Brockton-Nashua— 2012 Annual Average

Below average rise in area prices over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Boston-Brockton-Nashua area increased 1.6 percent in 2012, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Deborah A. Brown noted that the 2012 increase, largely driven by rising costs within the all items less food and energy category, was below the 2.7-percent gain recorded in 2011. Nationally, the CPI-U rose 2.1 percent in 2012. (See chart 1.)

Chart 1. Annual average percent change in the Consumer Price Index for all Urban Consumers (CPI-U), Boston and U.S. City Average, 2002 – 2012



Source: U.S. Bureau of Labor Statistics.

Food

Food prices in Boston advanced 2.4 percent in 2012, compared to 3.3 percent in 2011. Leading the increase in food prices was the higher price of groceries, up 2.4 percent. Restaurant prices, also known as food away from home, rose 2.3 percent. Nationwide, food prices were up 2.6 percent over the year.

Energy

The local energy index edged down 0.1 percent in 2012, as lower household energy prices offset increasing gasoline prices. After increasing 19.0 and 27.4 percent, respectively, during the two previous years, gasoline prices were more stable in 2012, rising by 3.2 percent. In the other energy categories, utility (piped) gas declined 11.8 percent and electricity prices fell for the fourth year in a row, down 1.3 percent. Across the United States, energy prices were up 0.9 percent in 2012.

All items less food and energy

The index for all items less food and energy advanced 1.7 percent in 2012. The shelter index rose 2.1 percent, the largest increase in that category since 2006. Also contributing were rising prices for education and communication (2.5 percent) and apparel (4.9 percent). The price of medical care increased 1.6 percent, the smallest rise in that category since 1955. Partially offsetting these increases was a 1.7-percent decline in recreation. The all items less food and energy index rose 2.1 percent nationally in 2012.

CPI-W

In 2012, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 249.086, up 1.5 percent from 2011.

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 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 Boston-Brockton-Nashua, Mass.-N.H.-Maine-Conn. consolidated area covered in this release consists of Essex, Middlesex, Norfolk, Plymouth and Suffolk Counties and parts of Bristol, Hampden, and Worcester Counties in Massachusetts; parts of Hillsborough, Merrimack, Rockingham, and Strafford Counties in New Hampshire; part of York County in Maine; and part of Windham County in Connecticut.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; 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			
	2011	2011	2012	2012
	Boston	U.S.	Boston	U.S.
All items	2.7	3.2	1.6	2.1
Food and beverages	3.0	3.6	2.3	2.5
Housing	1.6	1.3	1.6	1.6
Apparel	1.1	2.2	4.9	3.4
Transportation	10.6	9.8	0.9	2.3
Medical care	2.4	3.0	1.6	3.7
Recreation	-5.0	0.0	-1.7	1.2
Education and communication	1.5	1.2	2.5	1.8
Other goods and services	2.0	1.6	0.7	1.9
Special indexes:				
Food	3.3	3.7	2.4	2.6
Energy	17.4	15.4	-0.1	0.9
All items less energy	1.4	2.0	1.8	2.2
All items less food and energy	1.1	1.7	1.7	2.1
Commodities	5.4	5.3	1.8	2.0
Services	1.0	1.7	1.4	2.1

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					Index
	2008	2009	2010	2011	2012	
.....						
All items.....	3.5	-0.7	1.6	2.7	1.6	247.733
Food and beverages.....	5.0	2.4	1.2	3.0	2.3	245.015
Food.....	4.9	2.3	1.1	3.3	2.4	245.430
Food at home.....	4.9	1.4	0.9	3.4	2.4	236.784
Food away from home.....	5.0	2.9	1.5	3.1	2.3	259.977
Alcoholic beverages.....	6.0	3.9	2.8	0.2	1.6	243.312
Housing.....	2.2	-1.8	-0.8	1.6	1.6	239.379
Shelter.....	0.3	0.7	-1.1	0.4	2.1	279.381
Rent of primary residence ¹	1.6	1.9	-0.2	1.3	2.6	287.859
Owners' equivalent rent of primary residences ^{1 2}	-1.1	2.5	0.0	0.2	2.0	296.673
Fuel and utilities.....	16.1	-17.6	2.1	8.6	-1.8	236.821
Household energy.....	16.9	-19.1	1.1	8.5	-3.6	199.045
Energy services.....	8.2	-13.1	-4.4	-0.3	-5.9	176.262
Electricity ¹	5.1	-3.0	-7.7	-2.8	-1.3	181.930
Utility (piped) gas service ¹	15.1	-30.4	3.1	5.1	-11.8	162.199
Household furnishings and operations.....	0.3	0.3	-2.3	2.3	1.9	128.368
Apparel.....	-2.0	1.8	2.2	1.1	4.9	147.570
Transportation.....	4.7	-8.1	8.8	10.6	0.9	205.437
Private transportation.....	4.7	-8.3	8.9	10.5	1.1	204.794
Motor fuel.....	18.4	-27.5	18.8	27.5	3.3	312.583
Gasoline, all types.....	17.7	-27.0	19.0	27.4	3.2	308.949
Gasoline, unleaded regular ³	17.8	-27.3	19.3	27.6	3.2	307.408
Gasoline, unleaded midgrade ^{3 4}	17.6	-26.5	18.5	27.5	3.9	313.158
Gasoline, unleaded premium ³	17.0	-25.8	17.4	26.3	2.9	299.054
Medical care.....	3.9	5.1	4.3	2.4	1.6	571.491
Recreation ⁵	2.1	3.0	0.1	-5.0	-1.7	114.301
Education and communication ⁵	8.4	3.7	1.2	1.5	2.5	144.254
Other goods and services.....	6.6	9.1	2.0	2.0	0.7	423.812

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 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.