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Consumer Price Index, Phoenix – Second Half 2014

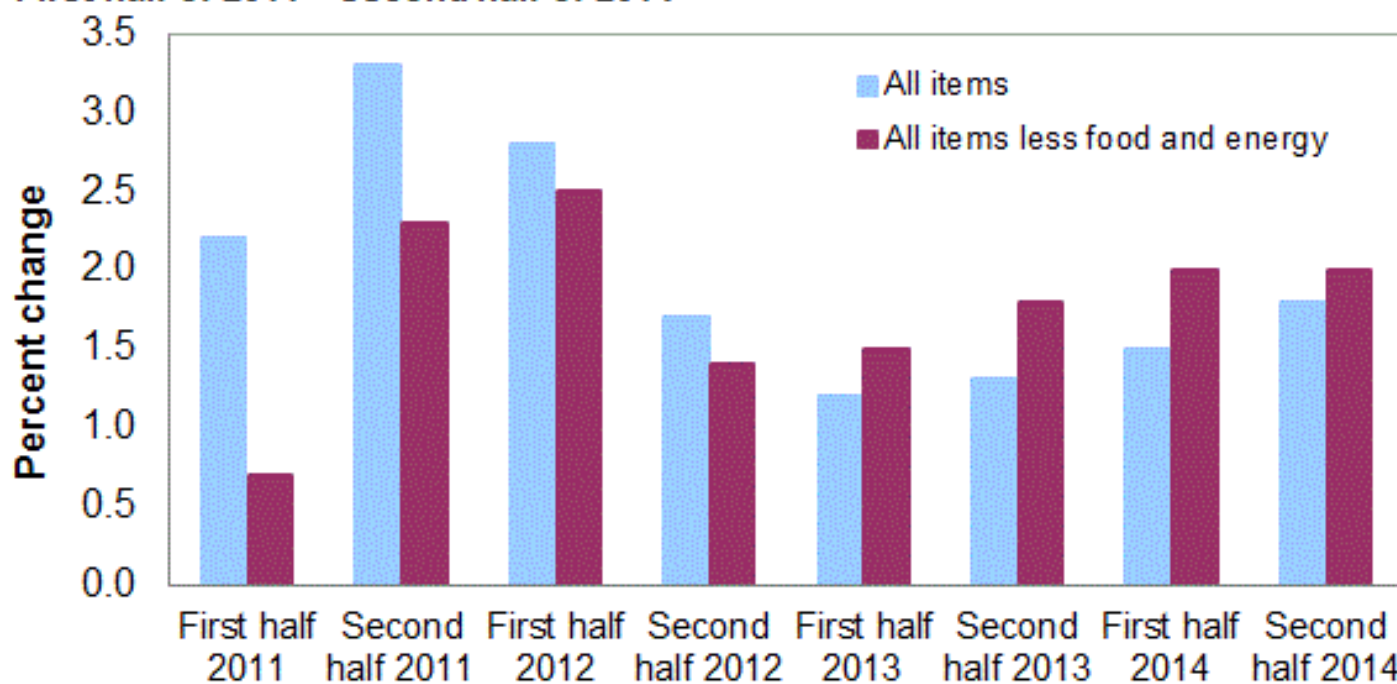
Area prices were up 0.5 percent over the past six months, up 1.8 percent from a year ago

Prices in the Phoenix Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.5 percent in the second half of 2014, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#))

Regional Commissioner Richard J. Holden noted that the January increase was influenced by higher prices for shelter, electricity, and food. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 1.8 percent. (See [chart 1](#) and [table A.](#)) Energy prices declined 1.7 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy advanced 2.0 percent over the year. (See [table 1.](#))

**Chart 1. Over-the-year percent change in CPI-U, Phoenix,
First half of 2011 - Second half of 2014**



Source: U.S. Bureau of Labor Statistics.

Food

Food prices increased 2.5 percent in the second half of 2014. (See [table 1.](#)) Prices for food at home advanced 3.6 percent, and prices for food away from home rose 1.1 percent for the same period.

Over the year, food prices increased 3.9 percent. Prices for food at home rose 5.1 percent since a year ago, and prices for food away from home rose 1.8 percent.

Energy

The energy index decreased 0.9 percent since the first half of 2014. The decrease was mainly due to lower prices for gasoline (-8.7 percent). Prices for natural gas service increased 6.9 percent, and prices for electricity increased 9.2 percent for the same period.

Energy prices declined 1.7 percent over the year, largely due to lower prices for gasoline (-5.9 percent). Prices paid for electricity rose 0.8 percent, and prices for natural gas service jumped 14.9 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 0.6 percent in the latest six-month period. Higher prices for shelter (1.6 percent) and medical care (1.1 percent) were partially offset by lower prices for household furnishings and operations (-2.0 percent), apparel (-1.6 percent), and recreation (-0.8 percent).

Over the year, the index for all items less food and energy advanced 2.0 percent. Components contributing to the increase included medical care (4.0 percent) and shelter (3.1 percent). Partly offsetting the increases were price declines in household furnishings and operations (-3.0 percent).

Table A. Phoenix CPI-U semi-annual and annual percent changes (not seasonally adjusted)

Month	2009		2010		2011		2012		2013		2014	
	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual
First Half	-1.9	-1.3	0.3	0.7	2.1	2.2	1.6	2.8	1.1	1.2	1.2	1.5
Second Half	0.4	-1.5	0.1	0.4	1.2	3.3	0.1	1.7	0.2	1.3	0.5	1.8

The first half of 2015 Consumer Price Index for the Phoenix-Mesa is scheduled to be released on August 19, 2015.

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 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 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 Phoenix-Mesa metropolitan area covered in this release consists of Maricopa and Pinal Counties in the State of Arizona.

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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 Phoenix-Mesa, AZ (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 2nd half 2014 from-	
	2nd half 2013	1st half 2014	2nd half 2014	2nd half 2013	1st half 2014
Expenditure category					
All items	125.922	127.490	128.157	1.8	0.5
All items (1967=100)	-	-	-	-	-
Food and beverages	134.840	136.255	139.260	3.3	2.2
Food	135.182	136.950	140.422	3.9	2.5
Food at home	138.713	140.739	145.856	5.1	3.6
Food away from home	131.410	132.346	133.835	1.8	1.1
Alcoholic beverages	130.927	128.849	126.996	-3.0	-1.4
Housing	121.378	122.261	124.081	2.2	1.5
Shelter	118.713	120.396	122.357	3.1	1.6
Rent of primary residence	121.402	123.834	125.782	3.6	1.6
Owners' equiv. rent of residences ⁽¹⁾	118.402	119.693	121.741	2.8	1.7
Owners' equiv. rent of primary residence ⁽¹⁾ ..	118.402	119.693	121.741	2.8	1.7
Fuels and utilities	162.497	160.186	166.408	2.4	3.9
Household energy	174.125	163.311	177.745	2.1	8.8
Energy services	173.823	162.935	177.462	2.1	8.9
Electricity	186.830	172.419	188.252	0.8	9.2
Utility (piped) gas service	106.371	114.314	122.254	14.9	6.9
Household furnishings and operations	105.944	104.844	102.751	-3.0	-2.0
Apparel	133.511	137.272	135.143	1.2	-1.6
Transportation	123.777	125.669	122.453	-1.1	-2.6
Private transportation	124.698	127.117	123.881	-0.7	-2.5
Motor fuel	275.867	284.357	259.792	-5.8	-8.6
Gasoline (all types)	275.760	284.210	259.552	-5.9	-8.7
Gasoline, unleaded regular ⁽²⁾	280.920	289.461	263.679	-6.1	-8.9
Gasoline, unleaded midgrade ^{(2) (3)}	271.404	280.662	258.852	-4.6	-7.8
Gasoline, unleaded premium ⁽²⁾	262.384	270.242	248.955	-5.1	-7.9
Medical care	155.778	160.229	162.016	4.0	1.1
Recreation ⁽⁴⁾	109.458	111.544	110.699	1.1	-0.8
Education and communication ⁽⁴⁾	121.712	122.594	122.316	0.5	-0.2
Other goods and services	137.974	138.494	138.983	0.7	0.4
Commodity and service group					
All Items	125.922	127.490	128.157	1.8	0.5
Commodities	122.451	123.457	122.303	-0.1	-0.9
Commodities less food & beverages	115.850	116.666	113.486	-2.0	-2.7
Nondurables less food & beverages	150.668	153.786	148.461	-1.5	-3.5
Durables	86.037	84.988	83.572	-2.9	-1.7
Services	128.562	130.486	132.311	2.9	1.4
Special aggregate indexes					
All items less medical care	124.170	125.573	126.176	1.6	0.5
All items less shelter	129.660	131.206	131.133	1.1	-0.1
Commodities less food	116.433	117.115	113.991	-2.1	-2.7
Nondurables	142.637	144.830	143.845	0.8	-0.7
Nondurables less food	149.049	151.670	146.650	-1.6	-3.3
Services less rent of shelter ⁽¹⁾	140.896	143.042	144.728	2.7	1.2
Services less medical care services	125.628	127.240	129.008	2.7	1.4
Energy	216.671	214.846	212.882	-1.7	-0.9
All items less energy	120.625	122.310	123.386	2.3	0.9
All items less food and energy	118.278	119.955	120.693	2.0	0.6

Note: See footnotes at end of table.

Footnotes

- (1) Index is on a December 1982=100 base.
- (2) Special index based on a substantially smaller sample.
- (3) Indexes on a December 1993=100 base.
- (4) Indexes on a December 1997=100 base.
- Data not available.