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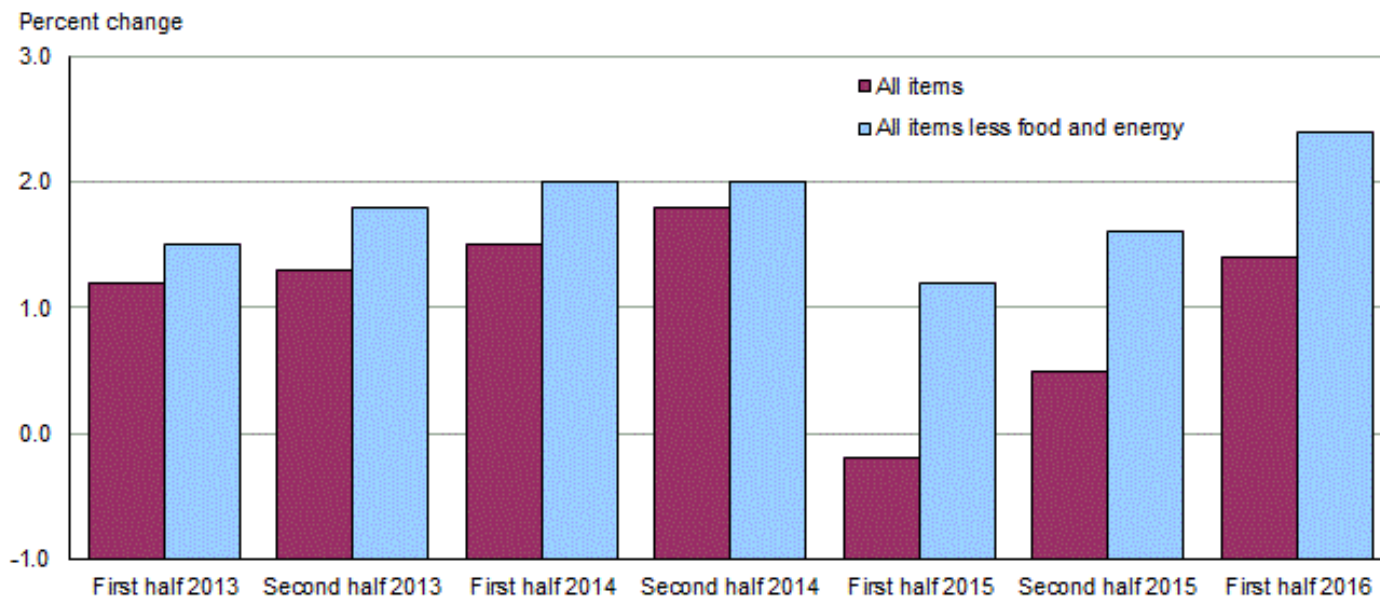
Consumer Price Index, Phoenix – First Half 2016

Area prices were up 0.3 percent over the past six months, up 1.4 percent from a year ago

Prices in the Phoenix Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 0.3 percent in the first half of 2016, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) Assistant Commissioner for Regional Operations Richard Holden noted that the six-month increase was influenced by higher prices for shelter, apparel, 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 advanced 1.4 percent. (See [chart 1](#) and [table A](#).) Energy prices declined 9.1 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy rose 2.4 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Phoenix, first half 2013–first half 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices rose 1.4 percent in the first half of 2016. (See [table 1](#).) Prices for food away from home advanced 3.0 percent, and prices for food at home rose 0.2 percent for the same period.

Over the year, food prices rose 2.3 percent. Prices for food away from home rose 4.8 percent since a year ago, and prices for food at home advanced 0.6 percent.

Energy

The energy index fell 11.5 percent since the second half of 2015. The increase was mainly due to lower prices for gasoline (-15.8 percent). Prices for electricity decreased 8.1 percent, and prices for natural gas service declined 6.8 percent in the same period.

Energy prices declined 9.1 percent over the year, largely due to lower prices for gasoline (-17.7 percent). Prices paid for natural gas service dropped 12.5 percent, but prices for electricity service rose 0.2 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 1.3 percent in the latest six-month period. Higher prices for apparel (6.3 percent) and shelter (2.1 percent) were partially offset by lower prices for recreation (-1.6 percent).

Over the year, the index for all items less food and energy rose 2.4 percent. Components contributing to the increase included apparel (4.6 percent) and shelter (4.2 percent). Partly offsetting the increases was a price decline in recreation (-0.2 percent).

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

| Month | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | |
|-------------------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|-------------|--------|
| | Semi-annual | Annual | Semi-annual | Annual | Semi-annual | Annual | Semi-annual | Annual | Semi-annual | Annual | Semi-annual | Annual |
| First Half | 2.1 | 2.2 | 1.6 | 2.8 | 1.1 | 1.2 | 1.2 | 1.5 | -0.7 | -0.2 | 0.3 | 1.4 |
| Second Half | 1.2 | 3.3 | 0.1 | 1.7 | 0.2 | 1.3 | 0.5 | 1.8 | 1.1 | 0.5 | | |

The second half of 2016 Consumer Price Index for the Phoenix-Mesa is scheduled to be released on mid-January 2017.

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 6,000 housing units and approximately 24,000 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.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

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 1st half 2016 from- | |
|--|----------------------------|------------------|------------------|--|------------------|
| | 1st half 2015 | 2nd half 2015 | 1st half 2016 | 1st half 2015 | 2nd half 2015 |
| Expenditure category | | | | | |
| All items | 127.288 | 128.749 | 129.103 | 1.4 | 0.3 |
| All items (1967=100) | - | - | - | - | - |
| Food and beverages | 139.859 | 141.061 | 142.873 | 2.2 | 1.3 |
| Food | 141.126 | 142.393 | 144.322 | 2.3 | 1.4 |
| Food at home | 145.418 | 145.905 | 146.239 | 0.6 | 0.2 |
| Food away from home | 136.046 | 138.358 | 142.576 | 4.8 | 3.0 |
| Alcoholic beverages | 126.530 | 127.055 | 127.623 | 0.9 | 0.4 |
| Housing | 124.442 | 127.442 | 128.624 | 3.4 | 0.9 |
| Shelter | 124.314 | 126.905 | 129.558 | 4.2 | 2.1 |
| Rent of primary residence | 127.630 | 130.174 | 133.759 | 4.8 | 2.8 |
| Owners' equiv. rent of residences ⁽¹⁾ | 123.623 | 126.514 | 128.513 | 4.0 | 1.6 |
| Owners' equiv. rent of primary residence ⁽¹⁾ .. | 123.623 | 126.514 | 128.513 | 4.0 | 1.6 |
| Fuels and utilities | 161.474 | 169.931 | 160.345 | -0.7 | -5.6 |
| Household energy | 167.607 | 179.485 | 165.222 | -1.4 | -7.9 |
| Energy services | 167.474 | 179.474 | 165.134 | -1.4 | -8.0 |
| Electricity | 176.163 | 192.118 | 176.543 | 0.2 | -8.1 |
| Utility (piped) gas service | 122.663 | 115.200 | 107.349 | -12.5 | -6.8 |
| Household furnishings and operations | 98.753 | 100.249 | 100.618 | 1.9 | 0.4 |
| Apparel | 135.734 | 133.609 | 141.995 | 4.6 | 6.3 |
| Transportation | 114.928 | 114.444 | 110.626 | -3.7 | -3.3 |
| Private transportation | 116.477 | 115.882 | 111.228 | -4.5 | -4.0 |
| Motor fuel | 201.311 | 196.534 | 165.364 | -17.9 | -15.9 |
| Gasoline (all types) | 201.142 | 196.558 | 165.496 | -17.7 | -15.8 |
| Gasoline, unleaded regular ⁽²⁾ | 202.685 | 197.441 | 164.784 | -18.7 | -16.5 |
| Gasoline, unleaded midgrade ^{(2) (3)} | 208.327 | 204.664 | 176.550 | -15.3 | -13.7 |
| Gasoline, unleaded premium ⁽²⁾ | 197.593 | 195.985 | 170.991 | -13.5 | -12.8 |
| Medical care | 164.620 | 163.405 | 164.617 | 0.0 | 0.7 |
| Recreation ⁽⁴⁾ | 111.487 | 113.009 | 111.256 | -0.2 | -1.6 |
| Education and communication ⁽⁴⁾ | 121.799 | 120.695 | 121.882 | 0.1 | 1.0 |
| Other goods and services | 138.248 | 141.141 | 142.021 | 2.7 | 0.6 |
| Commodity and service group | | | | | |
| All Items | 127.288 | 128.749 | 129.103 | 1.4 | 0.3 |
| Commodities | 118.704 | 118.771 | 117.913 | -0.7 | -0.7 |
| Commodities less food & beverages | 107.866 | 107.380 | 105.242 | -2.4 | -2.0 |
| Nondurables less food & beverages | 137.502 | 136.695 | 132.402 | -3.7 | -3.1 |
| Durables | 82.364 | 82.144 | 81.877 | -0.6 | -0.3 |
| Services | 133.176 | 135.529 | 136.704 | 2.6 | 0.9 |
| Special aggregate indexes | | | | | |
| All items less medical care | 125.110 | 126.723 | 127.028 | 1.5 | 0.2 |
| All items less shelter | 128.758 | 129.592 | 128.666 | -0.1 | -0.7 |
| Commodities less food | 108.585 | 108.140 | 106.117 | -2.3 | -1.9 |
| Nondurables | 138.869 | 139.106 | 137.926 | -0.7 | -0.8 |
| Nondurables less food | 136.595 | 135.903 | 132.030 | -3.3 | -2.8 |
| Services less rent of shelter ⁽¹⁾ | 144.212 | 146.370 | 145.459 | 0.9 | -0.6 |
| Services less medical care services | 129.721 | 132.354 | 133.541 | 2.9 | 0.9 |
| Energy | 182.330 | 187.222 | 165.687 | -9.1 | -11.5 |
| All items less energy | 124.077 | 125.340 | 126.969 | 2.3 | 1.3 |
| All items less food and energy | 121.380 | 122.639 | 124.242 | 2.4 | 1.3 |

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.