





For Release: Thursday, November 17, 2016

16-2181-SAN

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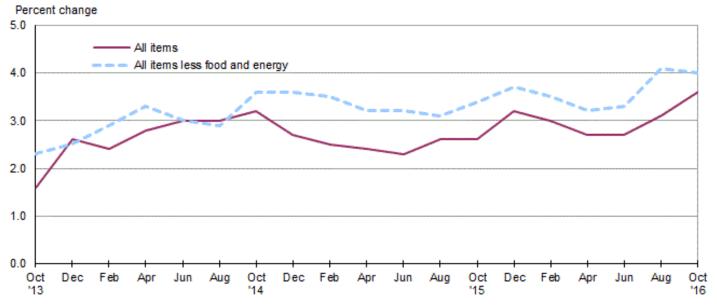
Incorrect prices for prescription drugs were used for the CPI-U and CPI-W indexes from May through August 2016 in a number of areas. Several indexes were affected, including the all items and medical care indexes. A list of the series affected can be found at www.bls.gov/bls/errata/cpi-price-corrections-10182016.htm, and the corrected data are available in the CPI database (www.bls.gov/cpi/data.htm).

Consumer Price Index, San Francisco Area — October 2016 Area prices were up 0.9 percent over the past two months, up 3.6 percent from a year ago

Prices in the San Francisco area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 0.9 percent for the two months ending in October 2016, the U.S. Bureau of Labor Statistics reported today. (See table A.) Assistant Commissioner for Regional Operations Richard Holden noted that the October increase was influenced by higher prices for shelter. (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 advanced 3.6 percent. (See chart 1 and table A.) Energy prices increased 6.2 percent, largely the result of an increase in the price of natural gas service. The index for all items less food and energy advanced 4.0 percent over the year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, San Francisco, October 2013-October 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices decreased 0.5 percent for the two months ending in October. (See table 1.) Prices for food at home declined 1.3 percent, but prices for food away from home advanced 0.3 percent for the same period.

Over the year, food prices edged down 0.1 percent. Prices for food at home moved down 3.8 percent since a year ago, but prices for food away from home moved up 4.2 percent.

Energy

The energy index rose 3.4 percent for the two months ending in October. The increase was mainly due to higher prices for gasoline (4.7 percent). Prices for natural gas service advanced 4.5 percent, and prices for electricity increased 0.8 percent in for the same period.

Energy prices increased 6.2 percent over the year, largely due to higher prices for natural gas service (23.8 percent). Prices paid for electricity rose 10.6 percent, but prices for gasoline decreased 0.9 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 1.0 percent in the latest two-month period. Higher prices for shelter (2.0 percent) and apparel (0.9 percent) were partially offset by lower prices for recreation (-1.3 percent) and education and communication (-1.2 percent).

Over the year, the index for all items less food and energy rose 4.0 percent. Components contributing to the increase included shelter (7.2 percent) and apparel (2.0 percent). Partly offsetting the increases were price declines in household furnishings and operations (-1.4 percent) and education and communication (-1.4 percent).

Table A. San Francisco-Oakland-San Jose CPI-U bi-monthly and annual percent changes (not seasonally adjusted)

Month	2011		2012		2013		2014		2015		2016	
	Bi- monthly	Annual										
February	1.0	1.7	1.1	3.0	1.3	2.4	1.2	2.4	1.0	2.5	0.9	3.0
April	1.8	2.8	0.9	2.1	0.8	2.4	1.2	2.8	1.1	2.4	0.7	2.7
June	-0.2	2.4	0.3	2.6	0.5	2.6	0.7	3.0	0.6	2.3	0.6	2.7
August	0.4	2.9	0.6	2.8	0.1	2.0	0.0	3.0	0.3	2.6	0.7	3.1
October	0.3	3.2	0.7	3.2	0.2	1.6	0.5	3.2	0.4	2.6	0.9	3.6
December	-0.4	2.9	-1.4	2.2	-0.4	2.6	-0.9	2.7	-0.3	3.2		

The December 2016 Consumer Price Index for the San Francisco-Oakland-San Jose is scheduled to be released on January 18, 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 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 San Francisco-Oakland-San Jose, CA. metropolitan area covered in this release is comprised of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma, and Solano 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; Federal Relay Service: (800) 877-8339.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods San Francisco-Oakland-San Jose, CA (1982-84=100 unless otherwise noted)

Item and Group		Indexes		Percent change from-			
	Aug. 2016	Sep. 2016	Oct. 2016	Oct. 2015	Aug. 2016	Sep. 2016	
Expenditure category							
All items	^(r) 267.853	-	270.306	3.6	(r) 0.9	-	
All items (1967=100)	^(r) 823.455	-	830.996	-	-	-	
Food and beverages	266.855	-	265.849	0.0	-0.4	-	
Food	267.482	-	266.057	-0.1	-0.5	-	
Food at home	251.829	248.486	248.603	-3.8	-1.3	0.0	
Food away from home	286.275	-	287.099	4.2	0.3	-	
Alcoholic beverages	265.049	-	268.882	0.9	1.4	-	
Housing	311.699	-	317.445	6.7	1.8	-	
Shelter	352.965	355.955	360.081	7.2	2.0	1.2	
Rent of primary residence (1)	398.331	400.484	402.124	6.3	1.0	0.4	
Owners' equiv. rent of residences (1) (2)	382.265	384.282	386.010	6.9	1.0	0.4	
Owners' equiv. rent of primary residence	382.265	384.282	386.010	6.9	1.0	0.4	
Fuels and utilities	384.853	-	389.685	9.9	1.3	-	
Household energy	347.861	346.951	354.902	14.7	2.0	2.3	
Energy services (1)	349.336	348.383	356.332	15.0	2.0	2.3	
Electricity (1)	353.502	353.502	356.338	10.6	0.8	0.8	
Utility (piped) gas service (1)	322.518	319.799	337.072	23.8	4.5	5.4	
Household furnishings and operations	135.331	-	135.898	-1.4	0.4	-	
Apparel	119.873	-	120.918	2.0	0.9	-	
Transportation	182.901	-	185.138	0.8	1.2	-	
Private transportation	173.472	-	176.371	2.1	1.7	-	
Motor fuel	197.818	204.532	207.138	-0.9	4.7	1.3	
Gasoline (all types)	197.008	203.724	206.320	-0.9	4.7	1.3	
Gasoline, unleaded regular (3)	196.782	203.602	206.210	-1.0	4.8	1.3	
Gasoline, unleaded midgrade (3) (4)	184.631	189.563	192.268	-0.6	4.1	1.4	
Gasoline, unleaded premium (3)	188.278	194.358	196.707	-0.4	4.5	1.2	
Medical care	^(r) 486.042	-	486.894	-	^(r) 0.2	-	
Recreation (5)	114.784	-	113.319	-0.8	-1.3	-	
Education and communication (5)	143.776	-	142.078	-1.4	-1.2	-	
Other goods and services	435.958	-	435.370	0.6	-0.1	-	
Commodity and service group							
All items	^(r) 267.853	-	270.306	3.6	(r) 0.9	-	
Commodities	^(r) 181.214	-	181.948	-0.3	^(r) 0.4	-	
Commodities less food & beverages	^(r) 135.215	-	136.642	-0.5	^(r) 1.1	-	
Nondurables less food & beverages	^(r) 173.429	-	175.510	0.8	^(r) 1.2	-	
Durables	98.180	-	98.981	-2.8	0.8	-	
Services	^(r) 340.238	-	344.064	5.2	^(r) 1.1	-	
Special aggregate indexes							
All items less medical care	258.924	-	261.448	3.6	1.0	-	
All items less shelter	^(r) 233.405	-	233.599	1.0	^(r) 0.1	-	
Commodities less food	^(r) 140.754	-	142.274	-0.4	^(r) 1.1	-	
Nondurables	^(r) 221.161	-	221.824	0.3	(r) 0.3	-	
Nondurables less food	^(r) 180.366	-	182.573	0.8	^(r) 1.2	-	
Services less rent of shelter (2)	^(r) 340.199	-	339.344	2.2	(r) -0.3	-	
Services less medical care services	331.106	-	335.079	5.4	1.2	-	
All items less energy	255.786 (r) 271.712	259.811	264.414 273.873	6.2 3.4	3.4 (r) 0.8	1.8	

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods San Francisco-Oakland-San Jose, CA (1982-84=100 unless otherwise noted) - Continued

Item and Group		Indexes		Percent change from-			
	Aug. 2016	Sep. 2016	Oct. 2016	Oct. 2015	Aug. 2016	Sep. 2016	
All items less food and energy	^(r) 273.194	-	275.897	4.0	^(r) 1.0	-	

Footnotes

- (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.
- (R) Revised
- Data not available

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