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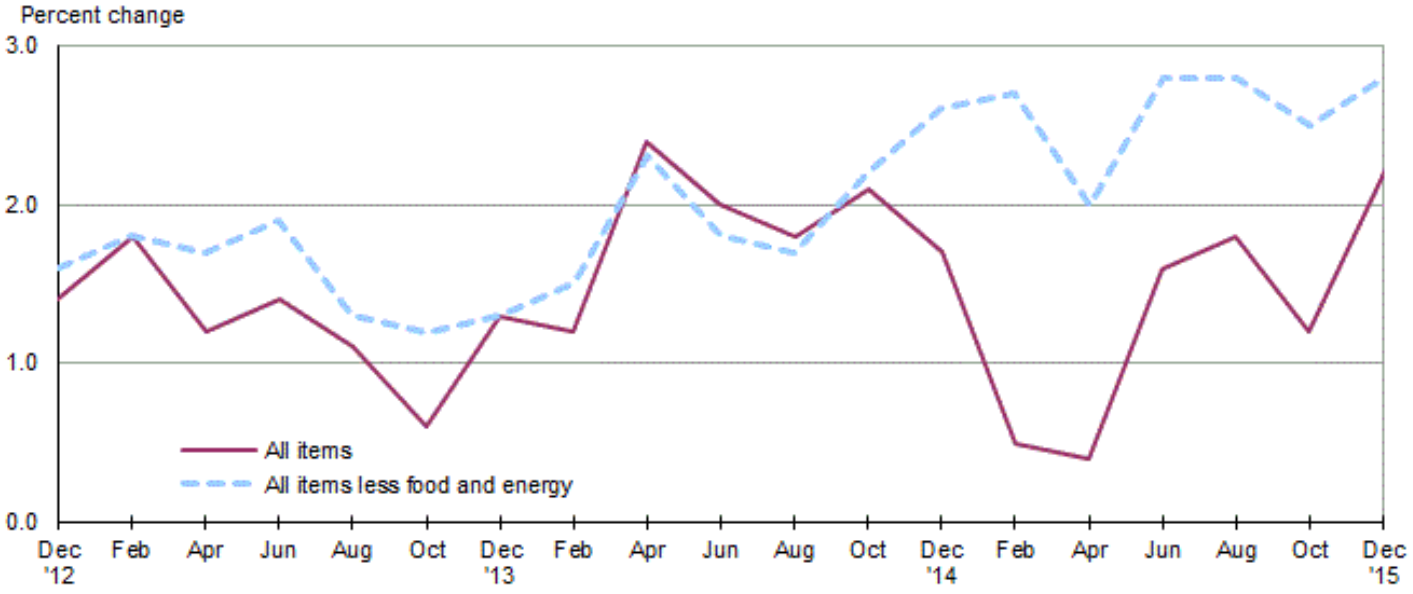
Consumer Price Index, Seattle area — December 2015

Area prices were down 0.2 percent over the past two months, up 2.2 percent from a year ago

Prices in the Seattle Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), decreased 0.2 percent for the two months ending in December 2015, the U.S. Bureau of Labor Statistics reported today. (See table A.) Regional Commissioner Richard J. Holden noted that the December decrease was influenced by lower prices for apparel, recreation, and natural gas service. (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 2.2 percent. (See chart 1 and table A.) Energy prices declined 3.1 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy rose 2.8 percent over the year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Seattle, December 2012–December 2015



Source: U.S. Bureau of Labor Statistics.

Food

Food prices edged down 0.1 percent for the two months ending in December. (See table 1.) Prices for food at home decreased 0.3 percent, but prices for food away from home rose 0.2 percent for the same period.

Over the year, food prices advanced 1.2 percent. Prices for food away from home increased 2.4 percent since a year ago, and prices for food at home moved up 0.2 percent.

Energy

The energy index declined 1.4 percent for the two months ending in December. The decrease was mainly due to lower prices for natural gas service (-15.6 percent). Prices for gasoline decreased 0.2 percent, but electricity prices inched up 0.1 percent for the same period.

Energy prices declined 3.1 percent over the year, largely due to lower prices for gasoline (-13.9 percent). Prices paid for natural gas service fell 13.0 percent, but electricity prices jumped 22.7 percent during the past year.

All items less food and energy

The index for all items less food and energy edged down 0.1 percent in the latest two-month period. Lower prices for apparel (-4.2 percent) and recreation (-1.4 percent) were partially offset by higher prices for medical care (1.2 percent) and shelter (0.6 percent).

Over the year, the index for all items less food and energy rose 2.8 percent. Components contributing to the increase included apparel (6.2 percent) and shelter (5.0 percent). Partly offsetting the increases were price declines in household furnishings and operations (-3.1 percent) and other goods and services (-1.0 percent).

Table A. Seattle-Tacoma-Bremerton CPI-U bi-monthly and annual percent changes (not seasonally adjusted)

Month	2010		2011		2012		2013		2014		2015	
	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual
February	0.2	0.6	1.2	1.5	0.4	2.7	0.8	1.8	0.7	1.2	0.2	1.1
April	0.2	0.3	0.8	2.1	0.9	2.9	0.4	1.2	1.6	2.4	0.9	0.4
June	-0.2	-0.5	0.8	3.2	0.7	2.7	0.8	1.4	0.4	2.0	1.6	1.6
August	0.7	0.2	0.2	2.7	0.3	2.7	0.0	1.1	-0.2	1.8	0.0	1.8
October	-0.2	0.4	0.9	3.8	0.5	2.3	0.0	0.6	0.3	2.1	-0.3	1.2
December	-0.2	0.6	-0.5	3.5	-1.4	1.4	-0.7	1.3	-1.1	1.7	-0.2	2.2

The February 2016 Consumer Price Index for the Seattle-Tacoma-Bremerton is scheduled to be released on March 16, 2016.

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 Seattle-Tacoma-Bremerton, WA. metropolitan area covered in this release is comprised of Island, King, Kitsap, Pierce, Snohomish, and Thurston Counties in the State of Washington.

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 Seattle-Tacoma-Bremerton, WA (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2015	Nov. 2015	Dec. 2015	Dec. 2014	Oct. 2015	Nov. 2015
Expenditure category						
All items	250.831	-	250.385	2.2	-0.2	-
All items (1967=100)	764.629	-	763.271	-	-	-
Food and beverages	260.193	-	259.884	1.2	-0.1	-
Food	263.256	-	263.023	1.2	-0.1	-
Food at home	251.851	250.182	251.049	0.2	-0.3	0.3
Food away from home	281.380	-	282.010	2.4	0.2	-
Alcoholic beverages	224.201	-	223.149	1.2	-0.5	-
Housing	277.149	-	277.823	4.6	0.2	-
Shelter	310.820	311.310	312.557	5.0	0.6	0.4
Rent of primary residence [1]	315.144	316.409	317.693	5.0	0.8	0.4
Owners' equiv. rent of residences [1] [2]	325.767	327.110	328.591	5.3	0.9	0.5
Owners' equiv. rent of primary residence [1] [2]	325.767	327.110	328.591	5.3	0.9	0.5
Fuels and utilities	254.262	-	250.085	9.8	-1.6	-
Household energy	234.674	229.354	228.629	13.5	-2.6	-0.3
Energy services [1]	279.677	272.337	272.337	15.6	-2.6	0.0
Electricity [1]	294.082	294.310	294.310	22.7	0.1	0.0
Utility (piped) gas service [1]	191.449	161.527	161.527	-13.0	-15.6	0.0
Household furnishings and operations	174.224	-	173.190	-3.1	-0.6	-
Apparel	133.721	-	128.155	6.2	-4.2	-
Transportation	208.302	-	206.607	-2.5	-0.8	-
Private transportation	214.128	-	212.557	-3.2	-0.7	-
Motor fuel	266.313	273.288	265.548	-14.1	-0.3	-2.8
Gasoline (all types)	271.460	278.674	270.886	-13.9	-0.2	-2.8
Gasoline, unleaded regular [3]	294.622	303.169	294.503	-14.5	0.0	-2.9
Gasoline, unleaded midgrade [3] [4]	213.230	216.627	210.991	-13.8	-1.1	-2.6
Gasoline, unleaded premium [3]	249.700	253.400	247.153	-11.2	-1.0	-2.5
Medical care	381.808	-	386.358	0.7	1.2	-
Recreation [5]	97.074	-	95.739	-0.4	-1.4	-
Education and communication [5]	140.529	-	140.033	1.8	-0.4	-
Other goods and services	393.005	-	393.008	-1.0	0.0	-
Commodity and service group						
All items	250.831	-	250.385	2.2	-0.2	-
Commodities	188.157	-	186.760	-1.6	-0.7	-
Commodities less food & beverages	152.669	-	150.817	-3.6	-1.2	-
Nondurables less food & beverages	178.141	-	176.586	-4.1	-0.9	-
Durables	126.419	-	124.290	-2.9	-1.7	-
Services	309.200	-	309.593	4.3	0.1	-
Special aggregate indexes						
All items less medical care	244.921	-	244.237	2.3	-0.3	-
All items less shelter	228.106	-	226.738	0.6	-0.6	-
Commodities less food	155.700	-	153.878	-3.3	-1.2	-
Nondurables	217.436	-	216.465	-1.2	-0.4	-
Nondurables less food	182.031	-	180.512	-3.7	-0.8	-
Services less rent of shelter [2]	314.926	-	313.602	3.5	-0.4	-
Services less medical care services	300.996	-	301.352	4.7	0.1	-
Energy	256.875	257.666	253.356	-3.1	-1.4	-1.7
All items less energy	253.214	-	252.956	2.5	-0.1	-

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 Seattle-Tacoma-Bremerton, WA (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2015	Nov. 2015	Dec. 2015	Dec. 2014	Oct. 2015	Nov. 2015
All items less food and energy	251.754	-	251.492	2.8	-0.1	-

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