NEWS RELEASE
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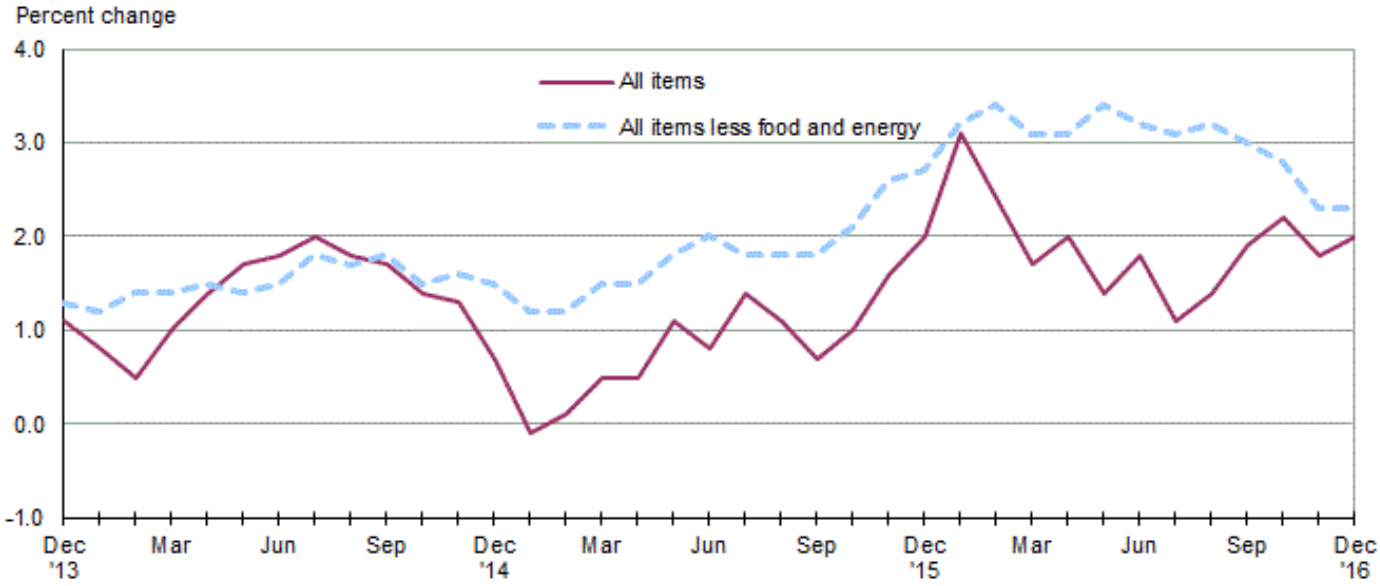
Consumer Price Index, Los Angeles area — December 2016

Area prices were unchanged over the past month, up 2.0 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were unchanged in December, the U.S. Bureau of Labor Statistics reported today. (See table A.) Assistant Commissioner for Regional Operations Richard Holden noted that during December lower prices for gasoline helped counter 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 increased 2.0 percent. (See chart 1 and table A.) Energy prices inched up 0.2 percent, largely the result of an increase in the price of electricity. The index for all items less food and energy increased 2.3 percent over the year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Los Angeles, December 2013–December 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices advanced 0.4 percent for the month of December. (See table 1.) Prices for food away from home rose 0.5 percent, and prices for food at home increased 0.3 percent for the same period.

Over the year, food prices advanced 0.8 percent. Prices for food away from home rose 3.2 percent percent since a year ago, but prices for food at home decreased 1.0 percent.

Energy

The energy index declined 1.6 percent over the month. The decrease was mainly due to lower prices for gasoline (-3.4 percent). Prices for electricity were virtually unchanged, while prices for natural gas service advanced 2.8 percent in the same period.

Energy prices inched up 0.2 percent over the year, largely due to higher prices for electricity (5.8 percent). Prices paid for natural gas service advanced 9.1 percent, but prices for gasoline declined 4.6 percent during the past year.

All items less food and energy

The index for all items less food and energy edged up 0.1 percent in December. Higher prices for household furnishings and operations (0.8 percent) and medical care (0.4 percent) were partially offset by lower prices for apparel (-2.3 percent) and recreation (-0.8 percent).

Over the year, the index for all items less food and energy increased 2.3 percent. Components contributing to the increase included medical care (5.0 percent) and shelter (4.8 percent). Partly offsetting the increases were price declines in education and communication (-3.4 percent) and apparel (-2.5 percent).

Table A. Los Angeles-Riverside-Orange County CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2011		2012		2013		2014		2015		2016	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
January	0.9	1.8	0.8	2.1	0.8	2.0	0.5	0.8	-0.3	-0.1	0.7	3.1
February	0.5	2.3	0.5	2.1	0.7	2.2	0.5	0.5	0.7	0.1	0.0	2.4
March	1.1	3.0	1.0	2.0	0.1	1.3	0.6	1.0	1.0	0.5	0.3	1.7
April	0.5	3.3	0.0	1.5	-0.4	0.9	0.0	1.4	-0.1	0.5	0.2	2.0
May	0.0	3.1	0.1	1.6	0.1	1.0	0.4	1.7	1.0	1.1	0.5	1.4
June	-0.4	2.9	-0.4	1.6	-0.1	1.4	0.1	1.8	-0.3	0.8	0.1	1.8
July	-0.4	2.4	-0.1	1.9	-0.1	1.3	0.1	2.0	0.7	1.4	0.0	1.1
August	0.2	2.4	0.6	2.3	0.1	0.8	-0.1	1.8	-0.3	1.1	0.0	1.4
September	0.5	3.1	0.4	2.2	0.2	0.6	0.0	1.7	-0.4	0.7	0.2	1.9
October	0.0	2.8	0.8	3.0	0.1	-0.1	-0.1	1.4	0.2	1.0	0.4	2.2
November	-0.1	3.0	-1.0	2.1	-0.5	0.4	-0.7	1.3	0.0	1.6	-0.4	1.8
December	-0.5	2.2	-0.7	1.9	0.0	1.1	-0.5	0.7	-0.1	2.0	0.0	2.0

The January 2017 Consumer Price Index for the Los Angeles-Riverside-Orange County is scheduled to be released on Wednesday February 15, 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 Los Angeles-Riverside-Orange County, CA. metropolitan area covered in this release is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura 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 Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
Expenditure category						
All items	251.098	250.185	250.189	2.0	-0.4	0.0
All items (1967=100)	741.855	739.156	739.171	-	-	-
Food and beverages	251.982	250.967	251.893	0.9	0.0	0.4
Food	251.921	250.881	251.864	0.8	0.0	0.4
Food at home	254.659	252.772	253.486	-1.0	-0.5	0.3
Food away from home	244.766	244.783	246.083	3.2	0.5	0.5
Alcoholic beverages	237.906	237.315	237.363	1.6	-0.2	0.0
Housing	281.615	281.400	282.416	4.4	0.3	0.4
Shelter	320.795	321.725	322.695	4.8	0.6	0.3
Rent of primary residence(1)	337.209	338.473	339.426	5.0	0.7	0.3
Owners' equiv. rent of residences(1)(2)	332.914	334.484	335.733	4.9	0.8	0.4
Owners' equiv. rent of primary residence(1)(2)	332.895	334.464	335.713	4.9	0.8	0.4
Fuels and utilities	312.131	305.275	306.812	5.5	-1.7	0.5
Household energy	280.018	271.088	273.087	6.7	-2.5	0.7
Energy services(1)	279.015	269.989	271.625	6.6	-2.6	0.6
Electricity(1)	313.726	313.478	313.251	5.8	-0.2	-0.1
Utility (piped) gas service(1)	247.433	217.163	223.261	9.1	-9.8	2.8
Household furnishings and operations	116.212	114.632	115.531	0.0	-0.6	0.8
Apparel	111.876	106.406	103.972	-2.5	-7.1	-2.3
Transportation	190.597	190.463	188.577	-1.6	-1.1	-1.0
Private transportation	186.098	185.474	184.208	-1.2	-1.0	-0.7
Motor fuel	215.917	215.875	208.577	-4.5	-3.4	-3.4
Gasoline (all types)	211.196	211.089	203.866	-4.6	-3.5	-3.4
Gasoline, unleaded regular(3)	211.267	211.202	203.835	-4.8	-3.5	-3.5
Gasoline, unleaded midgrade(3)(4)	203.617	203.589	197.041	-3.7	-3.2	-3.2
Gasoline, unleaded premium(3)	203.277	202.928	196.659	-3.7	-3.3	-3.1
Medical care	466.477	463.349	465.171	5.0	-0.3	0.4
Recreation(5)	106.914	105.287	104.464	-2.0	-2.3	-0.8
Education and communication(5)	141.982	142.028	141.694	-3.4	-0.2	-0.2
Other goods and services	391.495	393.168	393.012	0.8	0.4	0.0
Commodity and service group						
All items	251.098	250.185	250.189	2.0	-0.4	0.0
Commodities	173.944	172.272	171.787	-0.8	-1.2	-0.3
Commodities less food & beverages	133.296	131.442	130.408	-2.1	-2.2	-0.8
Nondurables less food & beverages	173.785	171.327	168.690	-1.7	-2.9	-1.5
Durables	93.612	92.350	92.900	-2.7	-0.8	0.6
Services	319.761	319.531	319.975	3.4	0.1	0.1
Special aggregate indexes						
All items less medical care	241.788	240.963	240.899	1.8	-0.4	0.0
All items less shelter	220.640	218.881	218.445	0.1	-1.0	-0.2
Commodities less food	137.709	135.865	134.846	-1.9	-2.1	-0.8
Nondurables	213.657	211.809	210.754	-0.3	-1.4	-0.5
Nondurables less food	179.623	177.226	174.689	-1.5	-2.7	-1.4
Services less rent of shelter(2)	327.305	325.359	325.036	1.3	-0.7	-0.1
Services less medical care services	307.281	307.194	307.526	3.2	0.1	0.1
Energy	241.322	237.868	234.112	0.2	-3.0	-1.6
All items less energy	253.742	253.013	253.302	2.1	-0.2	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 Los Angeles-Riverside-Orange County, CA (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
All items less food and energy	254.388	253.711	253.882	2.3	-0.2	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 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.
- Data not available
NOTE: Index applies to a month as a whole, not to any specific date.