



For Release: Wednesday, January 18, 2017

17-86-SAN

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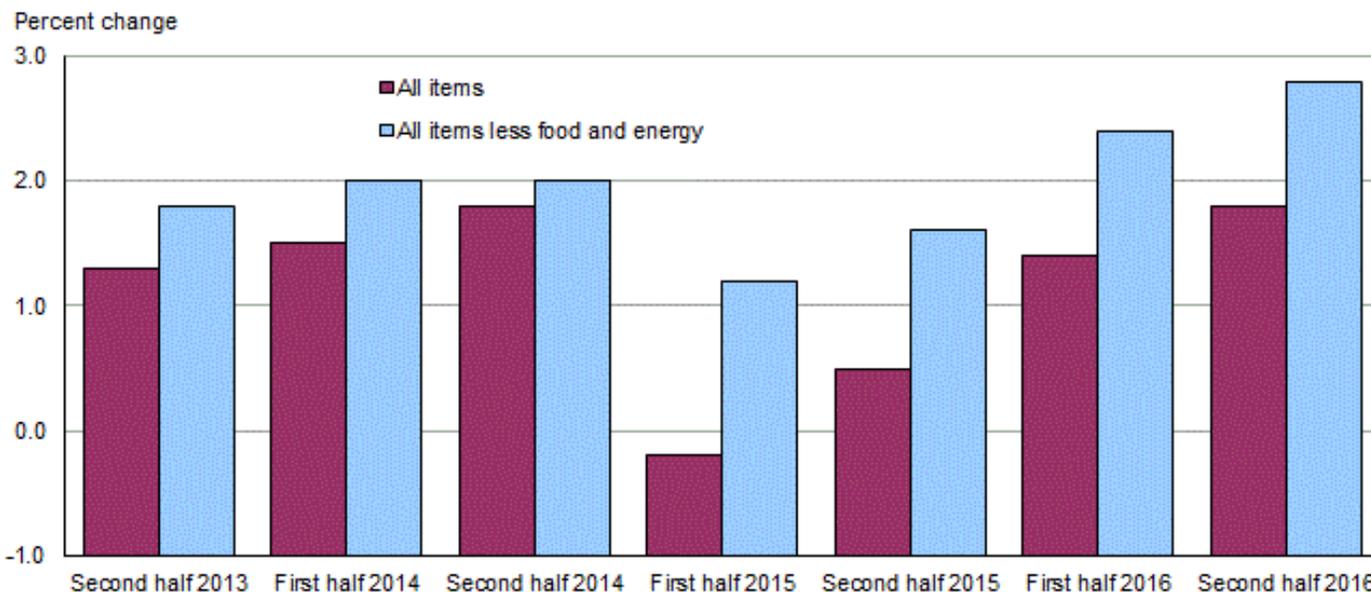
Consumer Price Index, Phoenix – Second Half 2016

Area prices were up 1.6 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 1.6 percent in the second half of 2016, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) Assistant Commissioner for Regional Operations Richard Holden noted that this latest six-month increase was influenced by higher prices for electricity and gasoline. (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 1.8 percent. (See [chart 1](#) and [table A](#).) Energy prices dropped 4.8 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, Phoenix, second half 2013–second half 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices decreased 0.6 percent in the second half of 2016. (See [table 1](#).) Prices for food at home decreased 1.9 percent, but prices for food away from home rose 1.3 percent for the same period.

Over the year, food prices rose 0.8 percent. Prices for food away from home advanced 4.4 percent, but prices for food at home declined 1.7 percent from a year ago.

Energy

The energy index increased 7.6 percent since the first half of 2016. The increase was mainly due to higher prices for electricity (9.8 percent). Prices for gasoline advanced 7.0 percent, but prices for natural gas service decreased 6.5 percent for the same period.

Energy prices decreased 4.8 percent over the year, largely due to lower prices for gasoline (-9.9 percent). Prices paid for natural gas service decreased 12.9 percent, but prices for electricity increased 0.9 percent during the past year.

All items less food and energy

The index for all items less food and energy rose 1.4 percent in the latest six-month period. Higher prices for shelter (2.1 percent) and medical care (1.1 percent) were partially offset by lower prices for household furnishings and operations (-3.2 percent) and apparel (-0.9 percent).

Over the year, the index for all items less food and energy rose 2.8 percent. Components contributing to the increase included apparel (5.3 percent) and shelter (4.2 percent). Partly offsetting the increases were price declines in household furnishings and operations (-2.8 percent) and recreation (-1.6 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										
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	1.6	1.8

The First Half of 2017 Consumer Price Index for the Phoenix-Mesa is scheduled to be released on July 14, 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 2nd half 2016 from-	
	2nd half 2015	1st half 2016	2nd half 2016	2nd half 2015	1st half 2016
Expenditure category					
All items	128.749	129.103	131.112	1.8	1.6
All items (1967=100)	-	-	-	-	-
Food and beverages	141.061	142.873	142.300	0.9	-0.4
Food	142.393	144.322	143.468	0.8	-0.6
Food at home	145.905	146.239	143.493	-1.7	-1.9
Food away from home	138.358	142.576	144.384	4.4	1.3
Alcoholic beverages	127.055	127.623	130.346	2.6	2.1
Housing	127.442	128.624	131.331	3.1	2.1
Shelter	126.905	129.558	132.291	4.2	2.1
Rent of primary residence	130.174	133.759	137.739	5.8	3.0
Owners' equiv. rent of residences(1)	126.514	128.513	131.200	3.7	2.1
Owners' equiv. rent of primary residence(1) ..	126.514	128.513	131.200	3.7	2.1
Fuels and utilities	169.931	160.345	170.170	0.1	6.1
Household energy	179.485	165.222	178.321	-0.6	7.9
Energy services	179.474	165.134	178.296	-0.7	8.0
Electricity	192.118	176.543	193.853	0.9	9.8
Utility (piped) gas service	115.200	107.349	100.348	-12.9	-6.5
Household furnishings and operations	100.249	100.618	97.409	-2.8	-3.2
Apparel	133.609	141.995	140.687	5.3	-0.9
Transportation	114.444	110.626	114.466	0.0	3.5
Private transportation	115.882	111.228	115.503	-0.3	3.8
Motor fuel	196.534	165.364	177.097	-9.9	7.1
Gasoline (all types)	196.558	165.496	177.103	-9.9	7.0
Gasoline, unleaded regular(2)	197.441	164.784	176.860	-10.4	7.3
Gasoline, unleaded midgrade(2)(3)	204.664	176.550	187.091	-8.6	6.0
Gasoline, unleaded premium(2)	195.985	170.991	180.959	-7.7	5.8
Medical care	163.405	164.617	166.428	1.9	1.1
Recreation(4)	113.009	111.256	111.215	-1.6	0.0
Education and communication(4)	120.695	121.882	123.091	2.0	1.0
Other goods and services	141.141	142.021	143.996	2.0	1.4
Commodity and service group					
All Items	128.749	129.103	131.112	1.8	1.6
Commodities	118.771	117.913	118.075	-0.6	0.1
Commodities less food & beverages	107.380	105.242	105.787	-1.5	0.5
Nondurables less food & beverages	136.695	132.402	134.225	-1.8	1.4
Durables	82.144	81.877	81.498	-0.8	-0.5
Services	135.529	136.704	140.033	3.3	2.4
Special aggregate indexes					
All items less medical care	126.723	127.028	129.051	1.8	1.6
All items less shelter	129.592	128.666	130.313	0.6	1.3
Commodities less food	108.140	106.117	106.746	-1.3	0.6
Nondurables	139.106	137.926	138.429	-0.5	0.4
Nondurables less food	135.903	132.030	133.933	-1.4	1.4
Services less rent of shelter(1)	146.370	145.459	149.494	2.1	2.8
Services less medical care services	132.354	133.541	136.956	3.5	2.6
Energy	187.222	165.687	178.233	-4.8	7.6
All items less energy	125.340	126.969	128.391	2.4	1.1
All items less food and energy	122.639	124.242	126.031	2.8	1.4

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.