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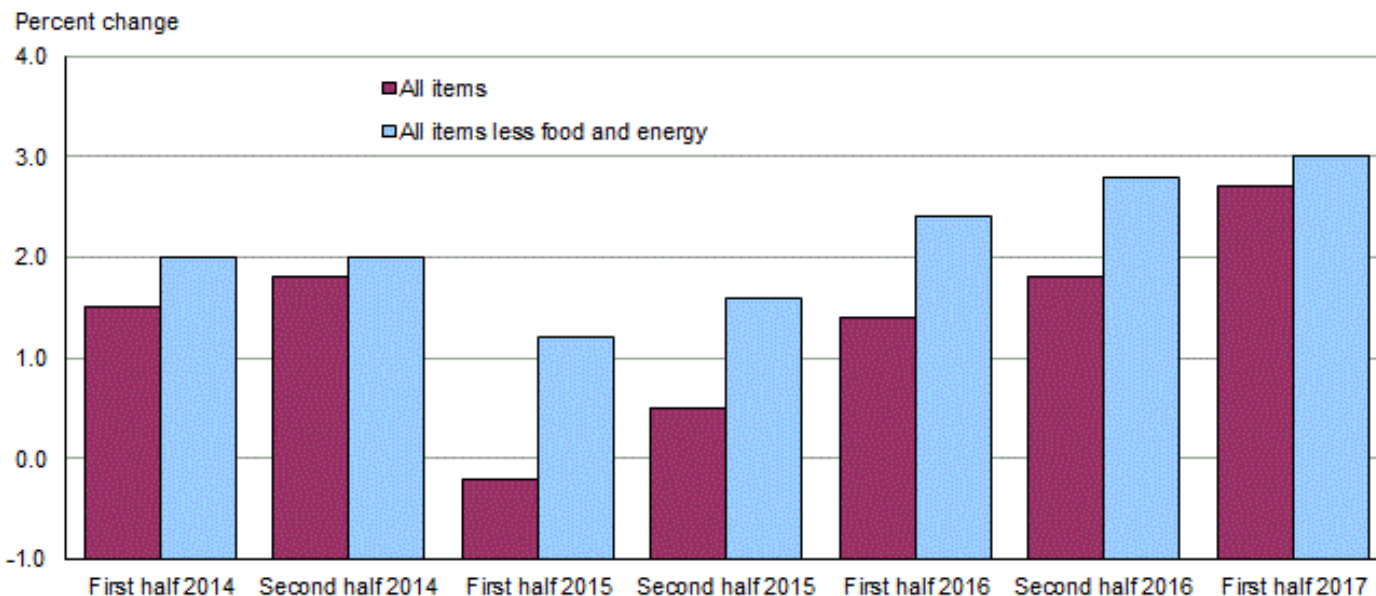
Consumer Price Index, Phoenix – First Half 2017

Area prices were up 1.2 percent over the past six months, up 2.7 percent from a year ago

Prices in the Phoenix Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 1.2 percent in the first half of 2017, 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 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 2.7 percent. (See [chart 1](#) and [table A](#).) Energy prices advanced 5.2 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy rose 3.0 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Phoenix, first half 2014–first half 2017



Source: U.S. Bureau of Labor Statistics.

Food

Food prices rose 0.9 percent in the first half of 2017. (See [table 1](#).) Prices for food away from home advanced 3.2 percent, but prices for food at home declined 0.8 percent for the same period.

Over the year, food prices rose 0.3 percent. Prices for food away from home rose 4.5 percent since a year ago, but prices for food at home decreased 2.6 percent.

Energy

The energy index declined 2.2 percent since the second half of 2016. The decrease was mainly due to lower prices for electricity (-9.3 percent). Prices for gasoline increased 5.3 percent, and prices for natural gas service rose 5.8 percent in the same period.

Energy prices advanced 5.2 percent over the year, largely due to higher prices for gasoline (12.7 percent). Prices paid for natural gas service decreased 1.1 percent, and prices for electricity declined 0.4 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 1.5 percent in the latest six-month period. Higher prices for apparel (3.5 percent) and shelter (2.6 percent) were partially offset by lower prices for education and communication (-3.2 percent).

Over the year, the index for all items less food and energy rose 3.0 percent. Components contributing to the increase included shelter (4.8 percent) and medical care (2.5 percent). Partly offsetting the increases were price declines in household furnishings and operations (-3.9 percent) and education and communication (-2.2 percent).

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

Month	2012		2013		2014		2015		2016		2017	
	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual	Semi-annual	Annual
First Half	1.6	2.8	1.1	1.2	1.2	1.5	-0.7	-0.2	0.3	1.4	1.2	2.7
Second Half	0.1	1.7	0.2	1.3	0.5	1.8	1.1	0.5	1.6	1.8		

The Second Half 2017 Consumer Price Index for the Phoenix-Mesa is scheduled to be released mid-January 2018.

Consumer Price Index Geographic Revision for 2018

In January 2018, BLS will introduce a new geographic area sample for the Consumer Price Index (CPI). This index will change to a bimonthly publication schedule beginning in February, 2018. The first indexes using the new structure will be published in February 2018. Additional information on the geographic revision is available at: www.bls.gov/cpi/additional-resources/geographic-revision-2018.htm.

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.

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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 2017 from-	
	1st half 2016	2nd half 2016	1st half 2017	1st half 2016	2nd half 2016
Expenditure category					
All items	129.103	131.112	132.653	2.7	1.2
All items (1967=100)	-	-	-	-	-
Food and beverages	142.873	142.300	144.044	0.8	1.2
Food	144.322	143.468	144.695	0.3	0.9
Food at home	146.239	143.493	142.371	-2.6	-0.8
Food away from home	142.576	144.384	148.933	4.5	3.2
Alcoholic beverages	127.623	130.346	138.171	8.3	6.0
Housing	128.624	131.331	132.986	3.4	1.3
Shelter	129.558	132.291	135.788	4.8	2.6
Rent of primary residence	133.759	137.739	142.260	6.4	3.3
Owners' equiv. rent of residences(1)	128.513	131.200	133.941	4.2	2.1
Owners' equiv. rent of primary residence(1) ..	128.513	131.200	133.941	4.2	2.1
Fuels and utilities	160.345	170.170	160.370	0.0	-5.8
Household energy	165.222	178.321	164.452	-0.5	-7.8
Energy services	165.134	178.296	164.325	-0.5	-7.8
Electricity	176.543	193.853	175.817	-0.4	-9.3
Utility (piped) gas service	107.349	100.348	106.156	-1.1	5.8
Household furnishings and operations	100.618	97.409	96.713	-3.9	-0.7
Apparel	141.995	140.687	145.630	2.6	3.5
Transportation	110.626	114.466	116.847	5.6	2.1
Private transportation	111.228	115.503	117.884	6.0	2.1
Motor fuel	165.364	177.097	186.543	12.8	5.3
Gasoline (all types)	165.496	177.103	186.456	12.7	5.3
Gasoline, unleaded regular(2)	164.784	176.860	186.413	13.1	5.4
Gasoline, unleaded midgrade(2)(3)	176.550	187.091	196.927	11.5	5.3
Gasoline, unleaded premium(2)	170.991	180.959	189.371	10.7	4.6
Medical care	164.617	166.428	168.743	2.5	1.4
Recreation(4)	111.256	111.215	112.760	1.4	1.4
Education and communication(4)	121.882	123.091	119.143	-2.2	-3.2
Other goods and services	142.021	143.996	144.105	1.5	0.1
Commodity and service group					
All Items	129.103	131.112	132.653	2.7	1.2
Commodities	117.913	118.075	119.344	1.2	1.1
Commodities less food & beverages	105.242	105.787	106.812	1.5	1.0
Nondurables less food & beverages	132.402	134.225	136.785	3.3	1.9
Durables	81.877	81.498	81.402	-0.6	-0.1
Services	136.704	140.033	141.763	3.7	1.2
Special aggregate indexes					
All items less medical care	127.028	129.051	130.546	2.8	1.2
All items less shelter	128.666	130.313	130.877	1.7	0.4
Commodities less food	106.117	106.746	108.038	1.8	1.2
Nondurables	137.926	138.429	140.535	1.9	1.5
Nondurables less food	132.030	133.933	136.956	3.7	2.3
Services less rent of shelter(1)	145.459	149.494	148.886	2.4	-0.4
Services less medical care services	133.541	136.956	138.557	3.8	1.2
Energy	165.687	178.233	174.311	5.2	-2.2
All items less energy	126.969	128.391	130.234	2.6	1.4
All items less food and energy	124.242	126.031	127.975	3.0	1.5

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.