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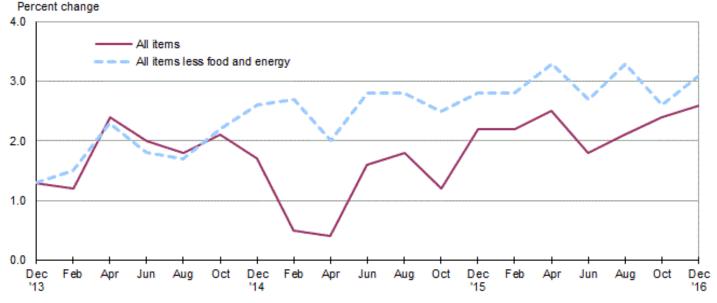
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Consumer Price Index, Seattle area — December 2016 Area prices were unchanged over the past two months, up 2.6 percent from a year ago

Prices in the Seattle Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were unchanged for the two months ending in December 2016, the U.S. Bureau of Labor Statistics reported today. (See table A.) Assistant Commissioner for Regional Operations Richard Holden noted that during this period lower gasoline prices helped counter higher shelter prices. (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 2.6 percent. (See chart 1 and table A.) Energy prices rose 3.0 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy advanced 3.1 percent over the year. (See table 1.)

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



Source: U.S. Bureau of Labor Statistics.

Food

Food prices decreased 1.1 percent for the two months ending in December. (See table 1.) Prices for food at home decreased 2.0 percent, while prices for food away from home were unchanged for the same period.

Over the year, food prices declined 0.5 percent. Prices for food at home declined 3.5 percent since a year ago, but prices for food away from home rose 3.4 percent.

Energy

The energy index declined 3.5 percent for the two months ending in December. The decrease was mainly due to lower prices for gasoline (-6.5 percent). Prices for electricity decreased 0.8 percent, but natural gas service moved up 0.2 percent for the same period.

Energy prices rose 3.0 percent over the year, largely due to higher prices for gasoline (5.2 percent). Prices paid for natural gas service advanced 3.5 percent, and prices for electricity increased 0.8 percent during the past year.

All items less food and energy

The index for all items less food and energy rose 0.4 percent in the latest two-month period. Higher prices for shelter (2.1 percent) and education and communication (0.2 percent) were partially offset by lower prices for apparel (-9.4 percent) and household furnishings and operations (-1.3 percent).

Over the year, the index for all items less food and energy advanced 3.1 percent. Components contributing to the increase included shelter (7.4 percent) and medical care (3.6 percent). Partly offsetting the increases were price declines in apparel (-5.3 percent) and education and communication (-3.0 percent).

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

				•		•		•		•	•	•
Month	2011		2012		2013		2014		2015		2016	
	Bi- monthly	Annual										
February	1.2	1.5	0.4	2.7	0.8	1.8	0.7	1.2	0.2	1.1	0.2	2.2
April	0.8	2.1	0.9	2.9	0.4	1.2	1.6	2.4	0.9	0.4	1.1	2.5
June	0.8	3.2	0.7	2.7	0.8	1.4	0.4	2.0	1.6	1.6	0.9	1.8
August	0.2	2.7	0.3	2.7	0.0	1.1	-0.2	1.8	0.0	1.8	0.3	2.1
October	0.9	3.8	0.5	2.3	0.0	0.6	0.3	2.1	-0.3	1.2	0.0	2.4
December	-0.5	3.5	-1.4	1.4	-0.7	1.3	-1.1	1.7	-0.2	2.2	0.0	2.6

The February 2017 Consumer Price Index for the Seattle-Tacoma-Bremerton is scheduled to be released on, Wednesday March 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 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.

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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. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016	
Expenditure category							
All items	256.941	-	256.821	2.6	0.0	-	
All items (1967=100)	783.256	-	782.889	-	-		
Food and beverages	261.870	-	259.388	-0.2	-0.9		
Food	264.550	-	261.705	-0.5	-1.1		
Food at home	247.130	241.816	242.296	-3.5	-2.0	0.2	
Food away from home	291.499	-	291.542	3.4	0.0		
Alcoholic beverages	229.744	-	230.991	3.5	0.5		
Housing	289.698	-	294.303	5.9	1.6		
Shelter	328.533	328.482	335.588	7.4	2.1	2.2	
Rent of primary residence(1)	336.559	337.715	340.166	7.1	1.1	0.7	
Owners' equiv. rent of residences(1)(2)	344.750	346.538	348.636	6.1	1.1	0.6	
Owners' equiv. rent of primary residence(1)(2)	344.750	346.538	348.636	6.1	1.1	0.6	
Fuels and utilities	254.713	-	254.291	1.7	-0.2		
Household energy	231.232	231.384	230.657	0.9	-0.2	-0.3	
Energy services(1)	277.453	277.578	275.855	1.3	-0.6	-0.6	
Electricity(1)	298.902	298.902	296.616	0.8	-0.8	-0.8	
Utility (piped) gas service(1)	166.820	167.218	167.218	3.5	0.2	0.0	
Household furnishings and operations	173.270	-	171.051	-1.2	-1.3		
Apparel	134.032	-	121.373	-5.3	-9.4		
Transportation	212.612	-	209.597	1.4	-1.4		
Private transportation	219.666	-	216.415	1.8	-1.5		
Motor fuel	298.171	292.212	279.196	5.1	-6.4	-4.	
Gasoline (all types)	304.686	298.418	284.908	5.2	-6.5	-4.	
Gasoline, unleaded regular(3)	330.440	323.189	308.409	4.7	-6.7	-4.6	
Gasoline, unleaded midgrade(3)(4)	238.937	236.687	227.378	7.8	-4.8	-3.9	
Gasoline, unleaded premium(3)	281.540	277.348	265.200	7.3	-5.8	-4.4	
Medical care	400.648	-	400.133	3.6	-0.1		
Recreation(5)	95.383	-	94.098	-1.7	-1.3		
Education and communication(5)	135.535	-	135.822	-3.0	0.2		
Other goods and services	403.219	-	403.542	2.7	0.1		
Commodity and service group							
All items	256.941	-	256.821	2.6	0.0		
Commodities	189.151	-	185.039	-0.9	-2.2		
Commodities less food & beverages	153.316	-	148.625	-1.5	-3.1		
Nondurables less food & beverages	184.640	-	175.378	-0.7	-5.0		
Durables	121.863	-	121.296	-2.4	-0.5		
Services	320.066	-	323.726	4.6	1.1		
Special aggregate indexes							
All items less medical care	250.436	-	250.334	2.5	0.0		
All items less shelter	229.684	-	226.808	0.0	-1.3		
Commodities less food	156.533	-	152.049	-1.2	-2.9		
Nondurables	221.669	-	215.590	-0.4	-2.7		
Nondurables less food	188.477	-	179.976	-0.3	-4.5		
Services less rent of shelter(2)	317.792	-	317.486	1.2	-0.1		
Services less medical care services	311.394	-	315.287	4.6	1.3		
Energy	270.456	267.678	261.026	3.0	-3.5	-2.	
All items less energy	258.941	-	259.387	2.5	0.2		

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. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016	
All items less food and energy	258.235	-	259.237	3.1	0.4	-	

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.