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Consumer Price Index, Phoenix area – August 2019

Area prices were up 0.5 percent over the past two months, up 3.0 percent from a year ago

Prices in the Phoenix area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.5 percent for the two months ending in August 2019, the U.S. Bureau of Labor Statistics reported today. (See table A.) Assistant Commissioner for Regional Operations Richard Holden noted that the August increase was influenced by higher prices for all items less food and energy. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U increased 3.0 percent. (See chart 1 and table A.) The index for all items less food and energy advanced 3.6 percent over the year. Food prices increased 3.0 percent. Energy prices decreased 2.6 percent, largely the result of a decrease in the price of gasoline. (See table 1.)

Food

Food prices decreased 0.4 percent for the two months ending in August. (See table 1.) Prices for food at home decreased 0.6 percent, while prices for food away from home were unchanged for the same period.

Over the year, food prices increased 3.0 percent. Prices for food away from home advanced 3.1 percent since a year ago, and prices for food at home increased 3.0 percent.

Energy

The energy index decreased 3.4 percent for the two months ending in August. The decrease was mainly due to lower prices for gasoline (-8.0 percent). Prices for natural gas service declined 2.0 percent, but prices for electricity increased 3.2 percent for the same period.

Energy prices decreased 2.6 percent over the year, largely due to lower prices for gasoline (-2.9 percent). Prices for natural gas service decreased 9.8 percent, and prices paid for electricity declined 1.3 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 1.1 percent in the latest two-month period. Higher prices for apparel (2.6 percent) and shelter (1.9 percent) were partially offset by lower prices for education and communication (-0.1 percent).

Over the year, the index for all items less food and energy advanced 3.6 percent. Components contributing to the increase included household furnishings and operations (7.3 percent) and shelter (5.6 percent). Partly offsetting the increases were price declines in apparel (-5.8 percent) and education and communication (-1.4 percent).

The October 2019 Consumer Price Index for the Phoenix area is scheduled to be released on November 13, 2019.

Consumer Price Index Geographic Revision for 2018

In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). This index changed to a bimonthly publication schedule beginning 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-Scottsdale 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 and percent changes for selected periods Phoenix-Mesa-Scottsdale (December 2001=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Jun. 2019	Jul. 2019	Aug. 2019	Aug. 2018	Jun. 2019	Jul. 2019
Expenditure category						
All items	142.997	-	143.760	3.0	0.5	-
Food and beverages	148.943	-	148.522	3.1	-0.3	-
Food	150.035	-	149.490	3.0	-0.4	-
Food at home	145.469	147.015	144.524	3.0	-0.6	-1.7
Cereals and bakery products	185.948	-	184.691	3.7	-0.7	-
Meats, poultry, fish, and eggs	180.374	-	178.203	-0.7	-1.2	-
Dairy and related products	104.731	-	110.083	9.8	5.1	-
Fruits and vegetables	129.445	-	132.898	7.4	2.7	-
Nonalcoholic beverages and beverage materials	108.353	-	104.379	-1.6	-3.7	-
Other food at home	145.358	-	141.436	3.0	-2.7	-
Food away from home	157.484	-	157.484	3.1	0.0	-
Alcoholic beverages	139.585	-	140.358	3.7	0.6	-
Housing	147.704	-	150.385	5.1	1.8	-
Shelter	152.816	154.719	155.755	5.6	1.9	0.7
Rent of primary residence	160.642	162.448	164.237	6.7	2.2	1.1
Owners' equiv. rent of residences	150.850	152.114	153.586	5.2	1.8	1.0
Owners' equiv. rent of primary residence	150.850	152.114	153.586	5.2	1.8	1.0
Fuels and utilities	171.344	-	174.597	-0.3	1.9	-
Household energy	176.441	181.877	181.116	-2.2	2.6	-0.4
Energy services	176.379	181.821	181.072	-2.2	2.7	-0.4
Electricity	191.581	198.393	197.659	-1.3	3.2	-0.4
Utility (piped) gas service	100.261	99.039	98.234	-9.8	-2.0	-0.8
Household furnishings and operations	100.267	-	100.948	7.3	0.7	-
Apparel	133.329	-	136.752	-5.8	2.6	-
Transportation	132.160	-	129.182	0.9	-2.3	-
Private transportation	133.774	-	130.529	0.2	-2.4	-
New and used motor vehicles	93.189	-	92.755	0.6	-0.5	-
New vehicles	94.250	-	93.734	2.2	-0.5	-
Used cars and trucks	86.326	-	87.789	3.4	1.7	-
Motor fuel	256.452	236.447	236.285	-2.9	-7.9	-0.1
Gasoline (all types)	257.011	236.634	236.562	-2.9	-8.0	0.0
Gasoline, unleaded regular(1)	258.060	236.875	237.442	-3.0	-8.0	0.2
Gasoline, unleaded midgrade(1)	269.750	244.478	247.382	-3.4	-8.3	1.2
Gasoline, unleaded premium(1)	255.191	239.857	235.539	-2.5	-7.7	-1.8
Motor vehicle insurance	168.981	-	168.981	-0.1	0.0	-
Medical care	182.392	-	182.302	-	0.0	-
Recreation	115.967	-	117.277	1.6	1.1	-
Education and communication	116.824	-	116.657	-1.4	-0.1	-
Tuition, other school fees, and child care	196.757	-	200.384	2.9	1.8	-
Other goods and services	146.462	-	146.587	2.0	0.1	-
Commodity and service group						
All items	142.997	-	143.760	3.0	0.5	-
Commodities	124.370	-	122.930	1.2	-1.2	-
Commodities less food & beverages	111.711	-	109.815	0.0	-1.7	-
Nondurables less food & beverages	150.143	-	145.748	-1.4	-2.9	-
Durables	79.499	-	79.588	2.1	0.1	-
Services	155.877	-	158.083	4.0	1.4	-
Special aggregate indexes						

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 Phoenix-Mesa-Scottsdale (December 2001=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Jun. 2019	Jul. 2019	Aug. 2019	Aug. 2018	Jun. 2019	Jul. 2019
All items less medical care	140.691	-	141.514	2.9	0.6	-
All items less shelter	137.813	-	137.450	1.6	-0.3	-
Commodities less food	112.768	-	110.985	0.2	-1.6	-
Nondurables	149.810	-	147.440	0.9	-1.6	-
Nondurables less food	149.235	-	145.301	-1.0	-2.6	-
Services less rent of shelter	159.097	-	160.437	2.0	0.8	-
Services less medical care services	152.779	-	154.975	3.9	1.4	-
Energy	213.349	206.515	206.048	-2.6	-3.4	-0.2
All items less energy	138.964	-	140.178	3.5	0.9	-
All items less food and energy	137.218	-	138.669	3.6	1.1	-

Footnotes
(1) Special index based on a substantially smaller sample.
- Data not available
NOTE: Index applies to a month as a whole, not to any specific date.