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Consumer Price Index, Milwaukee-Racine – First Half 2014

The Consumer Price Index for All Urban Consumers (CPI-U) in the Milwaukee-Racine area rose 1.1 percent from the first half of 2013 to the first half of 2014, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer stated that the energy index was 3.6 percent higher compared to its first half 2013 level, primarily due to increases in costs for utility (piped) gas service. Food prices were up 1.2 percent compared to their first half 2013 levels while the index for all items less food and energy increased 0.6 percent. Among the categories within the all items less food and energy index, prices for shelter, medical care, and education and communication were higher over the year.

Food

Food prices rose 1.2 percent over the year compared to their 2.7 percent increase in the previous annual period (first half of 2012 to first half of 2013). Prices for food at home (groceries) were 0.7 percent higher compared to their first half 2013 averages and food away from home costs (restaurant, cafeteria, and vending purchases) rose 2.2 percent over the year.

Energy

The energy index advanced 3.6 percent from the first half of 2013 to the first half of 2014. Within the energy category, the index for utility (piped) gas service rose 33.2 percent and was responsible for most of this increase. Electricity costs were up 1.3 percent over the year while prices for gasoline in the first half of 2014 were 2.5 percent below their first half 2013 averages.

All items less food and energy

Over the year, the index for all items less food and energy increased 0.6 percent. Among the index's components, higher costs were recorded for shelter (1.2 percent), medical care (2.2 percent), and education and communication (0.8 percent).

The second half 2014 Consumer Price Index for Milwaukee-Racine is scheduled to be released in February 2015.

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 88 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 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 Milwaukee-Racine, Wis., consolidated area covered in this release is comprised of Milwaukee, Ozaukee, Racine, Washington, and Waukesha Counties in Wisconsin

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for annual averages and percent changes for selected periods Milwaukee-Racine, WI (1982-84=100 unless otherwise noted)

Item and Group	Annual average indexes		Percent change 2012 to 2013
	2012	2013	
Expenditure category			
All Items.....	221.143	225.061	1.8
All items (1967=100)	683.024	695.125	-
Food and beverages	236.138	241.396	2.2
Food	239.563	245.376	2.4
Food at home	236.634	241.069	1.9
Food away from home.....	244.409	251.875	3.1
Alcoholic beverages	205.537	204.062	-0.7
Housing	204.662	207.468	1.4
Shelter	244.666	249.496	2.0
Rent of primary residence ⁽¹⁾	226.706	231.690	2.2
Owners' equiv. rent of residences ^{(1) (2)}	260.421	265.361	1.9
Owners' equiv. rent of primary residence ^{(1) (2)}	260.421	265.361	1.9
Fuels and utilities.....	202.701	208.597	2.9
Household energy	170.348	173.590	1.9
Energy services ⁽¹⁾	174.543	177.974	2.0
Electricity ⁽¹⁾	200.152	210.530	5.2
Utility (piped) gas service ⁽¹⁾	125.474	119.383	-4.9
Household furnishings and operations	106.579	102.395	-3.9
Apparel.....	133.215	139.807	4.9
Transportation	207.468	207.285	-0.1
Private transportation	199.917	198.458	-0.7
Motor fuel	319.715	311.313	-2.6
Gasoline (all types).....	316.568	307.864	-2.7
Gasoline, unleaded regular ⁽³⁾	322.319	311.239	-3.4
Gasoline, unleaded midgrade ^{(3) (4)}	330.901	325.903	-1.5
Gasoline, unleaded premium ⁽³⁾	274.039	274.845	0.3
Medical care	444.698	468.166	5.3
Recreation ⁽⁵⁾	113.646	114.849	1.1
Education and communication ⁽⁵⁾	145.670	150.041	3.0
Other goods and services	377.845	377.308	-0.1
Commodity and service group			
All Items.....	221.143	225.061	1.8
Commodities	182.541	183.965	0.8
Commodities less food & beverages.....	157.031	156.965	0.0
Nondurables less food & beverages	215.794	217.063	0.6
Durables	104.327	103.013	-1.3
Services.....	257.907	264.203	2.4
Special aggregate indexes			
All items less medical care	211.299	214.376	1.5
All items less shelter.....	214.494	218.186	1.7
Commodities less food	158.994	158.888	-0.1
Nondurables	228.366	231.436	1.3
Nondurables less food.....	214.865	215.981	0.5
Services less rent of shelter ⁽²⁾	284.956	293.173	2.9
Services less medical care services.....	242.922	247.974	2.1
Energy	237.427	235.688	-0.7
All items less energy	221.724	226.266	2.0
All items less food and energy	219.601	223.950	2.0

Note: See footnotes at end of table.

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.

Table 2. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Milwaukee-Racine, WI (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2014 from-	
	1st half 2013	2nd half 2013	1st half 2014	1st half 2013	2nd half 2013
Expenditure category					
All Items.....	225.417	224.705	228.005	1.1	1.5
All items (1967=100).....	696.224	694.026	704.218	-	-
Food and beverages.....	240.873	241.920	243.557	1.1	0.7
Food.....	244.753	245.998	247.781	1.2	0.7
Food at home.....	240.905	241.233	242.601	0.7	0.6
Food away from home.....	250.529	253.221	256.070	2.2	1.1
Alcoholic beverages.....	204.762	203.361	203.568	-0.6	0.1
Housing.....	207.797	207.139	212.466	2.2	2.6
Shelter.....	249.176	249.815	252.134	1.2	0.9
Rent of primary residence (1).....	230.755	232.625	235.507	2.1	1.2
Owners' equiv. rent of residences (1) (2).....	264.614	266.109	268.077	1.3	0.7
Owners' equiv. rent of primary residence (1) (2).....	264.614	266.109	268.077	1.3	0.7
Fuels and utilities.....	209.403	207.792	236.477	12.9	13.8
Household energy.....	175.120	172.060	195.061	11.4	13.4
Energy services (1).....	179.580	176.369	200.253	11.5	13.5
Electricity (1).....	208.715	212.345	211.408	1.3	-0.4
Utility (piped) gas service (1).....	125.394	113.373	167.068	33.2	47.4
Household furnishings and operations.....	104.779	100.011	100.983	-3.6	1.0
Apparel.....	138.533	141.081	139.733	0.9	-1.0
Transportation.....	210.045	204.525	207.165	-1.4	1.3
Private transportation.....	200.717	196.199	200.282	-0.2	2.1
Motor fuel.....	324.039	298.586	317.331	-2.1	6.3
Gasoline (all types).....	320.787	294.940	312.626	-2.5	6.0
Gasoline, unleaded regular (3).....	324.844	297.635	315.723	-2.8	6.1
Gasoline, unleaded midgrade (3) (4).....	338.617	313.191	331.910	-2.0	6.0
Gasoline, unleaded premium (3).....	284.329	265.361	279.858	-1.6	5.5
Medical care.....	465.723	470.608	476.116	2.2	1.2
Recreation (5).....	114.817	114.881	115.546	0.6	0.6
Education and communication (5).....	149.910	150.173	151.100	0.8	0.6
Other goods and services.....	377.758	376.858	379.767	0.5	0.8
Commodity and service group					
All Items.....	225.417	224.705	228.005	1.1	1.5
Commodities.....	184.843	183.087	184.846	0.0	1.0
Commodities less food & beverages.....	158.346	155.583	157.340	-0.6	1.1
Nondurables less food & beverages.....	218.680	215.446	219.409	0.3	1.8
Durables.....	104.192	101.834	101.878	-2.2	0.0
Services.....	264.060	264.347	269.102	1.9	1.8
Special aggregate indexes					
All items less medical care.....	214.851	213.900	217.111	1.1	1.5
All items less shelter.....	218.847	217.525	221.223	1.1	1.7
Commodities less food.....	160.258	157.517	159.199	-0.7	1.1
Nondurables.....	232.124	230.748	233.603	0.6	1.2
Nondurables less food.....	217.549	214.413	218.022	0.2	1.7
Services less rent of shelter (2).....	293.456	292.890	300.740	2.5	2.7
Services less medical care services.....	248.004	247.943	252.675	1.9	1.9
Energy.....	242.077	229.299	250.869	3.6	9.4
All items less energy.....	226.141	226.391	227.687	0.7	0.6

Note: See footnotes at end of table.

Table 2. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Milwaukee-Racine, WI (1982-84=100 unless otherwise noted) - Continued

Item and Group	Semiannual average indexes			Percent change to 1st half 2014 from-	
	1st half 2013	2nd half 2013	1st half 2014	1st half 2013	2nd half 2013
All items less food and energy	223.907	223.994	225.214	0.6	0.5

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.