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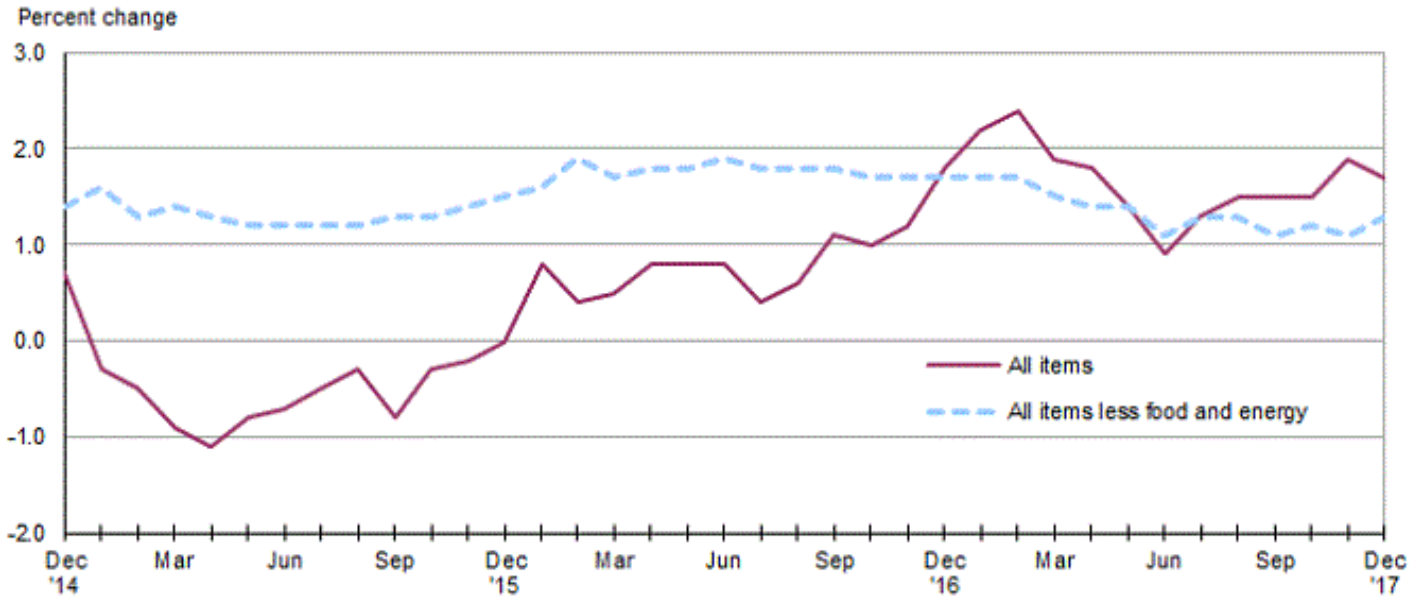
Consumer Price Index, Midwest Region – December 2017

Prices in the Midwest down 0.2 percent in December and 1.7 percent higher over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Midwest turned down 0.2 percent in December, following an increase of the same magnitude in the prior month, the U.S. Bureau of Labor Statistics reported today. Lower costs for gasoline (-6.5 percent) led the decline. Overall, energy prices were down 3.5 percent over the month. Food prices were 0.2 percent lower in December and the index for all items less food and energy was virtually unchanged (0.1 percent). (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Chart 1. Over-the-year percent change in CPI-U, Midwest region, December 2014–December 2017



Source: U.S. Bureau of Labor Statistics.

The CPI-U for the Midwest advanced 1.7 percent from December 2016 to December 2017. (See chart 1 and table A.) The energy index, which includes motor fuel and household fuels, rose 6.0 percent and food prices increased 1.1 percent. Excluding food and energy, the CPI-U was up 1.3 percent over the year. (See table 1.)

Food

Food prices in the Midwest decreased for the second month in a row, down 0.2 percent in December. Costs for food at home were 0.4 percent lower over the month, but prices for food away from home were up 0.2 percent.

From December 2016 to December 2017, the index for food was 1.1 percent higher. Prices for food away from home rose 1.9 percent and prices for food at home were up 0.6 percent.

Energy

The energy index turned down 3.5 percent in December after rising 4.3 percent in the prior month. The decline was largely attributable to a 6.5-percent decrease in gasoline prices. Lower costs for electricity also contributed with a decrease of 1.7 percent. Costs for utility (piped) gas service were up 1.6 percent over the month.

Energy costs rose 6.0 percent in 2017 led by a 10.1-percent increase in gasoline prices. Higher costs for electricity (1.4 percent) and utility (piped) gas service (3.4 percent) also contributed to the increase.

All items less food and energy

The index for all items less food and energy for the Midwest was little changed in December, up a slight 0.1 percent following a slight decline of 0.1 percent in the prior month. Higher costs for new and used motor vehicles (1.1 percent) and shelter (0.2 percent) had the largest upward impact on the December index. The apparel index (-3.8 percent) registered the largest offsetting movement over the month.

The index for all items less food and energy was up 1.3 percent in 2017. Higher costs for shelter (2.7 percent) led the increase.

The Midwest Consumer Price Index for All Urban Consumers (CPI-U) stood at 230.548 in December 2017. A typical market basket of goods and services that cost $100.00 in the 1982-84 base period cost $230.55 in December 2017.

CPI-W

In December, the Midwest Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 224.631. The CPI-W decreased 0.3 percent in December and rose 1.7 percent over the year.

Table A. Midwest region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2013		2014		2015		2016		2017	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.1	1.3	0.5	1.4	-0.6	-0.3	0.3	0.8	0.7	2.2
February	1.1	2.2	0.6	0.9	0.3	-0.5	0.0	0.4	0.2	2.4
March	0.2	1.4	0.9	1.5	0.6	-0.9	0.6	0.5	0.1	1.9
April	-0.1	1.2	0.3	1.9	0.1	-1.1	0.4	0.8	0.4	1.8
May	0.5	1.8	0.2	1.6	0.4	-0.8	0.4	0.8	0.0	1.4
June	0.3	2.2	0.5	1.7	0.5	-0.7	0.6	0.8	0.0	0.9
July	-0.4	1.8	-0.3	1.8	0.0	-0.5	-0.5	0.4	0.0	1.3
August	0.1	1.2	-0.2	1.6	0.0	-0.3	0.1	0.6	0.3	1.5
September	0.1	1.0	0.1	1.6	-0.3	-0.8	0.2	1.1	0.3	1.5
October	-0.5	0.8	-0.5	1.6	-0.1	-0.3	-0.1	1.0	-0.2	1.5
November	-0.2	1.0	-0.6	1.2	-0.5	-0.2	-0.3	1.2	0.2	1.9
December	-0.2	1.0	-0.7	0.7	-0.6	0.0	0.1	1.8	-0.2	1.7

The January 2018 Consumer Price Index for the Midwest region is scheduled to be released on Wednesday, February 14, 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).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.

Cincinnati Electricity Index

Some incorrect prices for electricity in the Cincinnati area were used in calculating index values from November 2015 through November 2017. Correct prices were used in calculating December 2017 index values. Past indexes computed using the incorrect prices are not being corrected, which may affect the interpretation of the December 2017 index value and percent changes relative to past values for the Cincinnati metropolitan area, the Midwest Census Region, and Midwest size class A cities.

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 approximately 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 areas; they only measure the average change in prices for each area since the base period.**

The Midwest region is comprised of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

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

Item and Group	Indexes			Percent change from-		
	Oct. 2017	Nov. 2017	Dec. 2017	Dec. 2016	Oct. 2017	Nov. 2017
Expenditure category						
All Items	230.660	231.084	230.548	1.7	0.0	-0.2
All items (December 1977=100)	375.297	375.987	375.115			
Food and beverages	243.137	242.643	242.295	1.2	-0.3	-0.1
Food	242.612	242.006	241.621	1.1	-0.4	-0.2
Food at home	227.606	226.388	225.452	0.6	-0.9	-0.4
Food away from home	267.849	268.290	268.849	1.9	0.4	0.2
Alcoholic beverages	248.135	249.271	249.453	1.7	0.5	0.1
Housing	222.389	222.701	222.996	2.4	0.3	0.1
Shelter	264.438	264.847	265.446	2.7	0.4	0.2
Rent of primary residence(1)	264.525	265.492	266.506	3.2	0.7	0.4
Owners' equiv. rent of residences(1)(2)	268.747	269.506	270.592	2.9	0.7	0.4
Owners' equiv. rent of primary residence(1)(2)	268.703	269.462	270.552	2.9	0.7	0.4
Fuels and utilities	218.676	220.900	220.094	2.7	0.6	-0.4
Household energy	178.315	180.422	179.467	2.5	0.6	-0.5
Energy services(1)	185.151	187.097	185.913	2.0	0.4	-0.6
Electricity(1)	198.999	202.150	198.794	1.4	-0.1	-1.7
Utility (piped) gas service(1)	151.019	150.883	153.307	3.4	1.5	1.6
Household furnishings and operations	113.181	112.010	112.074	-0.9	-1.0	0.1
Apparel	122.206	118.508	114.054	0.5	-6.7	-3.8
Transportation	195.305	198.648	196.875	2.5	0.8	-0.9
Private transportation	190.238	193.768	192.101	2.8	1.0	-0.9
New and used motor vehicles(3)	94.597	94.619	95.696	-1.0	1.2	1.1
New vehicles	135.425	135.939	137.575	-1.0	1.6	1.2
New cars and trucks(3)(4)	95.671	95.971	97.136	-1.1	1.5	1.2
New cars(4)	131.640	132.373	133.620	-0.8	1.5	0.9
Used cars and trucks	135.278	134.252	135.560	-1.9	0.2	1.0
Motor fuel	218.769	235.477	220.298	10.2	0.7	-6.4
Gasoline (all types)	217.436	234.172	218.851	10.1	0.7	-6.5
Gasoline, unleaded regular(4)	211.413	228.189	212.844	10.3	0.7	-6.7
Gasoline, Unleaded midgrade(4)(5)	252.232	267.318	251.906	8.4	-0.1	-5.8
Gasoline, unleaded premium(4)	241.312	256.103	242.985	8.6	0.7	-5.1
Medical Care	478.733	479.998	480.251	0.6	0.3	0.1
Medical care commodities	386.422	388.850	391.232	2.2	1.2	0.6
Medical care services	509.709	510.553	510.045	0.1	0.1	-0.1
Professional services	415.674	416.591	416.243	0.8	0.1	-0.1
Recreation(3)	122.531	121.690	121.510	3.0	-0.8	-0.1
Education and communication(3)	137.489	137.609	137.966	-1.8	0.3	0.3
Other goods and services	418.438	418.869	417.834	1.3	-0.1	-0.2
Commodity and Service Group						
All Items	230.660	231.084	230.548	1.7	0.0	-0.2
Commodities	177.462	177.879	176.384	1.0	-0.6	-0.8
Commodities less food & beverages	145.731	146.499	144.591	0.9	-0.8	-1.3
Nondurables less food & beverages	193.071	195.192	189.811	2.9	-1.7	-2.8
Nondurables less food, beverages, and apparel	239.590	245.449	239.444	3.7	-0.1	-2.4
Durables	100.682	100.394	101.194	-1.8	0.5	0.8
Services	285.509	285.940	286.383	2.1	0.3	0.2
Rent of shelter(2)	271.784	272.242	272.847	2.8	0.4	0.2
Transportation services	305.915	305.863	307.742	2.3	0.6	0.6

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 Midwest (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2017	Nov. 2017	Dec. 2017	Dec. 2016	Oct. 2017	Nov. 2017
Other services	338.254	337.991	338.525	1.3	0.1	0.2
Special aggregate indexes:						
All items less medical care	218.917	219.301	218.728	1.8	-0.1	-0.3
All items less food	228.598	229.187	228.627	1.7	0.0	-0.2
All items less shelter	220.774	221.207	220.262	1.2	-0.2	-0.4
Commodities less food	148.926	149.707	147.844	0.9	-0.7	-1.2
Nondurables	217.776	218.661	215.654	2.0	-1.0	-1.4
Nondurables less food	195.972	198.037	192.968	2.8	-1.5	-2.6
Nondurables less food and apparel	238.941	244.354	238.924	3.5	0.0	-2.2
Services less rent of shelter(2)	317.109	317.537	317.828	1.4	0.2	0.1
Services less medical care services	268.789	269.190	269.701	2.3	0.3	0.2
Energy	196.531	204.945	197.850	6.0	0.7	-3.5
All items less energy	236.893	236.533	236.638	1.3	-0.1	0.0
All items less food and energy	236.574	236.259	236.452	1.3	-0.1	0.1
Commodities less food and energy commodities	143.634	142.537	142.151	-0.7	-1.0	-0.3
Energy commodities	218.390	234.755	220.419	10.3	0.9	-6.1
Services less energy services	298.292	298.567	299.184	2.1	0.3	0.2

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 December 1982=100 base.
(3) Indexes on a December 1997=100 base.
(4) Special index based on a substantially smaller sample.
(5) Indexes on a December 1993=100 base.
Regions defined as the four Census regions. Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.