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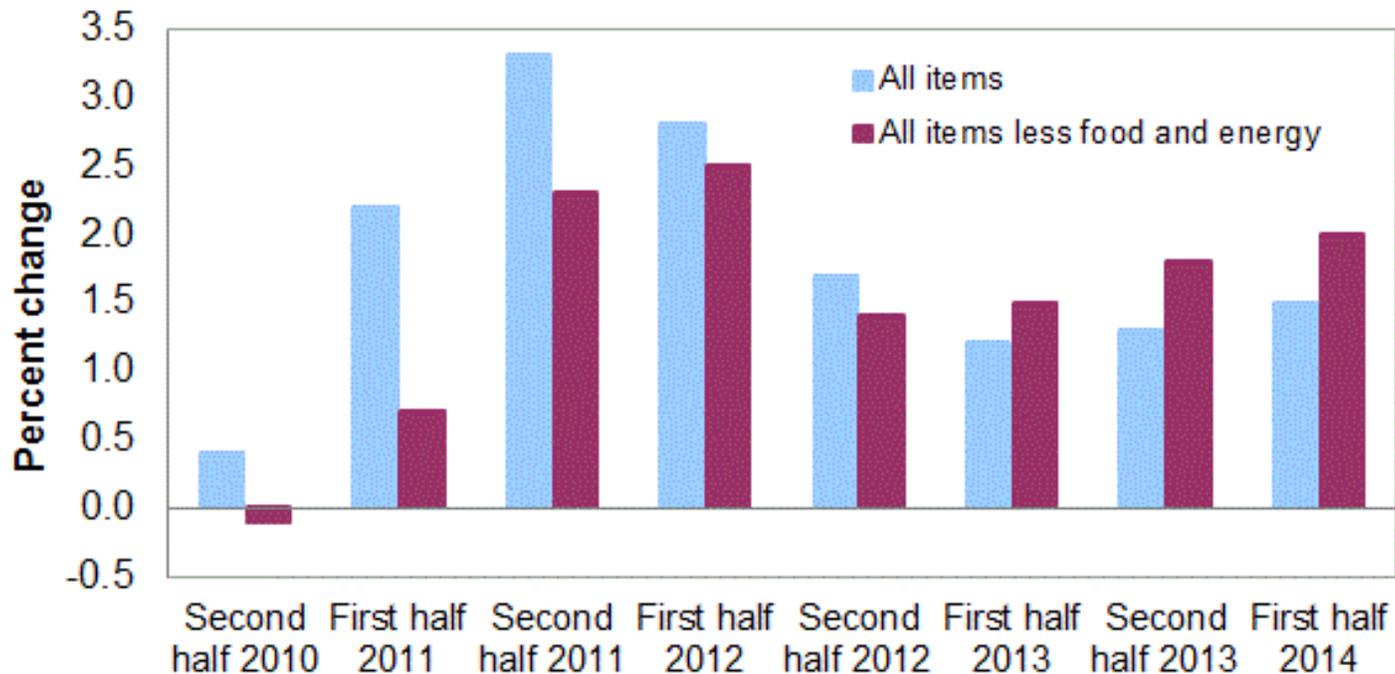
## **Consumer Price Index, Phoenix – First Half 2014**

**Area prices up 1.2 percent over the past six months, up 1.5 percent from a year ago**

Prices in the greater Phoenix area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.2 percent in the first half of 2014, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Regional Commissioner Richard J. Holden noted that this latest six-month increase was influenced by higher prices for shelter. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the past 12 months, the CPI-U rose 1.5 percent. (See [chart 1.](#)) Energy prices moved down 1.7 percent, mainly due to a decrease in the price of gasoline. The index for all items less food and energy increased 2.0 percent over the year.

**Chart 1. Over-the-year percent change in CPI-U, Phoenix, Second half of 2010 -First half of 2014**



Source: U.S. Bureau of Labor Statistics.

### **Food**

Food prices advanced 1.3 percent in the first half of 2014. (See [table 1.](#)) Prices for food at home rose 1.5 percent for the past six months. Prices for food away from home increased 0.7 percent for the same period.

For the year ending in the first half of 2014, food prices rose 1.1 percent. Prices for food at home advanced 1.6 percent during the past 12 months, and prices for food away from home increased 0.6 percent.

## Energy

Energy prices declined 0.8 percent since the second half of 2013, largely due to lower electricity prices (-7.7 percent). Prices increased for natural gas service (7.5 percent) and gasoline (3.1 percent) during the first half of 2014.

Energy prices decreased 1.7 percent over the year, influenced by a decrease in gasoline prices(-3.6 percent). In contrast, prices increased for natural gas service (7.8 percent) and electricity(0.6 percent) during the same period.

## All items less food and energy

The index for all items less food and energy increased 1.4 percent from the second half of 2013 to the first half of 2014. Among the index components, increases were recorded for medical care (2.9 percent), apparel (2.8 percent), recreation (1.9 percent), and shelter (1.4 percent). Partially offsetting the increases were lower prices for alcoholic beverages (-1.6 percent) and household furnishings and operations (-1.0 percent).

Over the year, the index for all items less food and energy advanced 2.0 percent. Prices increased for apparel (5.9 percent), shelter (3.9 percent), and medical care (3.2 percent). In contrast, lower prices were reported for alcoholic beverages (-3.2 percent), recreation (-2.4 percent), and household furnishings and operations (-0.8 percent).

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

Month	2009		2010		2011		2012		2013		2014	
	Semi-annual	Annual										
First Half .....	-1.9	-1.3	0.3	0.7	2.1	2.2	1.6	2.8	1.1	1.2	1.2	1.5
Second Half .....	0.4	-1.5	0.1	0.4	1.2	3.3	0.1	1.7	0.2	1.3		

## CPI-W

In the first half of 2014, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 126.599, up 1.2 percent. The CPI-W increased 1.1 percent over the year.

**The second half of 2014 Consumer Price Index for Phoenix is scheduled to be released mid-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](http://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](http://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, AZ. metropolitan area covered in this release is comprised 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 2014 from-	
	1st half 2013	2nd half 2013	1st half 2014	1st half 2013	2nd half 2013
<b>Expenditure category</b>					
All items .....	125.642	125.922	127.490	1.5	1.2
All items (1967=100) .....	-	-	-	-	-
Food and beverages .....	135.311	134.840	136.255	0.7	1.0
Food .....	135.500	135.182	136.950	1.1	1.3
Food at home .....	138.469	138.713	140.739	1.6	1.5
Food away from home .....	131.548	131.410	132.346	0.6	0.7
Alcoholic beverages .....	133.156	130.927	128.849	-3.2	-1.6
Housing .....	118.815	121.378	122.261	2.9	0.7
Shelter .....	115.922	118.713	120.396	3.9	1.4
Rent of primary residence .....	117.691	121.402	123.834	5.2	2.0
Owners' equiv. rent of residences <sup>(1)</sup> .....	115.820	118.402	119.693	3.3	1.1
Owners' equiv. rent of primary residence <sup>(1)</sup> ..	115.820	118.402	119.693	3.3	1.1
Fuels and utilities .....	158.682	162.497	160.186	0.9	-1.4
Household energy .....	161.188	174.125	163.311	1.3	-6.2
Energy services .....	160.809	173.823	162.935	1.3	-6.3
Electricity .....	171.418	186.830	172.419	0.6	-7.7
Utility (piped) gas service .....	105.999	106.371	114.314	7.8	7.5
Household furnishings and operations .....	105.672	105.944	104.844	-0.8	-1.0
Apparel .....	129.681	133.511	137.272	5.9	2.8
Transportation .....	127.066	123.777	125.669	-1.1	1.5
Private transportation .....	128.140	124.698	127.117	-0.8	1.9
Motor fuel .....	294.840	275.867	284.357	-3.6	3.1
Gasoline (all types) .....	294.949	275.760	284.210	-3.6	3.1
Gasoline, unleaded regular <sup>(2)</sup> .....	300.706	280.920	289.461	-3.7	3.0
Gasoline, unleaded midgrade <sup>(2) (3)</sup> .....	289.388	271.404	280.662	-3.0	3.4
Gasoline, unleaded premium <sup>(2)</sup> .....	280.055	262.384	270.242	-3.5	3.0
Medical care .....	155.273	155.778	160.229	3.2	2.9
Recreation <sup>(4)</sup> .....	114.243	109.458	111.544	-2.4	1.9
Education and communication <sup>(4)</sup> .....	121.763	121.712	122.594	0.7	0.7
Other goods and services .....	138.525	137.974	138.494	0.0	0.4
<b>Commodity and service group</b>					
All Items .....	125.642	125.922	127.490	1.5	1.2
Commodities .....	123.671	122.451	123.457	-0.2	0.8
Commodities less food & beverages .....	117.413	115.850	116.666	-0.6	0.7
Nondurables less food & beverages .....	152.657	150.668	153.786	0.7	2.1
Durables .....	87.229	86.037	84.988	-2.6	-1.2
Services .....	127.147	128.562	130.486	2.6	1.5
<b>Special aggregate indexes</b>					
All items less medical care .....	123.902	124.170	125.573	1.3	1.1
All items less shelter .....	130.594	129.660	131.206	0.5	1.2
Commodities less food .....	118.022	116.433	117.115	-0.8	0.6
Nondurables .....	143.885	142.637	144.830	0.7	1.5
Nondurables less food .....	151.059	149.049	151.670	0.4	1.8
Services less rent of shelter <sup>(1)</sup> .....	141.260	140.896	143.042	1.3	1.5
Services less medical care services .....	124.118	125.628	127.240	2.5	1.3
Energy .....	218.616	216.671	214.846	-1.7	-0.8
All items less energy .....	120.068	120.625	122.310	1.9	1.4
All items less food and energy .....	117.583	118.278	119.955	2.0	1.4

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.