

News

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BOSTON AREA CONSUMER PRICE INDEX ROSE 0.4 PERCENT IN SEPTEMBER; UP 1.5 PERCENT OVER THE YEAR

The Consumer Price Index For All Urban Consumers (CPI-U) in the Boston metropolitan area rose 0.4 percent for the two months ended September 2004, according to Denis M. McSweeney, Regional Commissioner of the U.S. Department of Labor's Bureau of Labor Statistics. This follows edging up 0.1 percent for the two months that ended July 2004. Higher costs for shelter, fuel oil, education and apparel were partially offset by lower costs for gasoline and other subcategories of transportation. Since September 2003, the CPI-U for Boston rose 1.5 percent and core inflation, as measured by the all items less food and energy index, was up a modest 0.6 percent. McSweeney noted that the last time the local all items annual inflation rate was lower occurred in November 1994 when it stood at 1.4 percent.

For the two months ended September 2004, housing rose 0.7 percent, largely the result of increases in both shelter and fuel oil. Education and communication rose 2.8 percent, the result of increases within the education subcategory. Apparel rose 4.1 percent due to the seasonal introduction of fall clothing lines. Conversely, transportation declined 2.5 percent due to a 3.1 percent fall in gasoline prices along with declines in other public and private transportation costs. Among the remaining categories, medical care rose 0.8 percent, followed by food and beverages, up 0.5 percent. Other goods and services was up 0.4 percent and recreation was up 0.3 percent.

For the year ended September 2004, the Boston CPI-U rose 1.5 percent largely due to increases within housing and food and beverages. Housing rose 2.7 percent due to higher costs within shelter combined with a 9.6 percent rise in fuel costs. Food and beverages rose 2.8 percent due to higher grocery and restaurant prices. These increases were moderated by a 11.2 percent decline in apparel. Among the remaining categories, medical care rose 4.8 percent and education and communication increased 2.5 percent, the result of higher education costs. Despite a 6.3 percent increase in gasoline, the transportation category only edged up 0.6 percent due to declines in other public and private transportation subcategories. Over the year, recreation declined 3.9 percent and other goods and services was down 1.7 percent.

In September, the Boston CPI-U on the 1982-84 base was 209.8. By this gauge, the selected market basket of goods and services which cost area consumers an average of \$10.00 during the 1982-84 reference period would now cost more than double at \$20.98. The purchasing power of the dollar for the Boston area in 1982-84 dollars was 47.7 cents in September 2004. In September, the CPI-W (Urban Wage Earners and Clerical Workers), at 208.8, was up 0.4 percent since July 2004 and increased a moderate 1.3 percent over the year.

Free email subscription service! To receive the most recent monthly Consumer Price Indexes for the U.S. and Northeast, and bimonthly indexes for the Boston-Brockton-Nashua, MA-NH-ME-CT metropolitan area, please subscribe at <http://www.bls.gov/bls/list.htm> and select the notification titled New England CPI Summary (Boston). Boston Consumer Price Index for November will be released on Friday, December 17, 2004 at 8:30 AM.

Changes in the Consumer Price Index in 2004

Expenditure Weight Update

Effective with release of data for January 2004, the Bureau of Labor Statistics (BLS) updated the consumption expenditure weights in the Consumer Price Index for All Urban Consumers (CPI-U) and Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 2001-02 period. The updated expenditure weights for these indexes replace the 1999-2000 weights that were introduced effective with the January 2002 CPI release. As originally announced by BLS in December 1998, CPI expenditure weights will continue to be updated at two-year intervals subsequent to the 2004 updating. The goal in employing more current expenditure weights is to have the CPI reflect, as much as possible, the inflation currently experienced by consumers.

Other Changes

Effective with the release of January 2004 data, title changes to select expenditure categories were implemented to clarify the content of each series. These series are continuous. As a result, the old title of “utility natural gas service” was changed to “utility (piped) gas service”. Additionally, due to the efficiencies gained from the conversion to Computer Assisted Data Collection (CADDC), BLS will extend data collection to cover the entire month, beginning with data for January 2004. Additional information on these changes is available on the BLS Internet Web site at <http://www.bls.gov/cpi/cpiupdt.htm> or by call 617-565-2327.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Boston-Brockton-Nashua, MA-NH-ME-CT (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	July 2004	Aug. 2004	Sep. 2004	Sep. 2003	July 2004	Aug. 2004
Expenditure category						
All items	208.9	-	209.8	1.5	0.4	-
All items (1967=100)	607.1	-	609.7	-	-	-
Food and beverages	195.6	-	196.5	2.8	.5	-
Food	195.9	-	196.8	2.8	.5	-
Food at home	190.0	187.4	190.7	2.7	.4	1.8
Food away from home	206.8	-	208.1	2.8	.6	-
Alcoholic beverages	195.7	-	196.4	2.6	.4	-
Housing	215.1	-	216.7	2.7	.7	-
Shelter	258.5	259.4	260.3	2.3	.7	.3
Rent of primary residence ¹	253.9	255.1	255.5	2.9	.6	.2
Owners' equivalent rent of primary residence ^{1 2}	272.0	273.0	274.1	2.2	.8	.4
Fuels and utilities	162.0	-	165.2	8.9	2.0	-
Fuels	139.1	141.0	142.2	9.6	2.2	.9
Gas (piped) and electricity ¹	156.3	157.6	157.6	4.6	.8	.0
Electricity ¹	147.6	149.5	149.5	1.0	1.3	.0
Utility (piped) gas service ¹	169.6	169.6	169.7	11.6	.1	.1
Household furnishings and operations	120.8	-	120.5	-.1	-.2	-
Apparel	127.0	-	132.2	-11.2	4.1	-
Transportation	161.7	-	157.6	.6	-2.5	-
Private transportation	161.0	-	159.7	2.6	-.8	-
Motor fuel	168.6	164.4	163.3	6.3	-3.1	-.7
Gasoline (all types)	166.3	162.2	161.1	6.3	-3.1	-.7
Gasoline, unleaded regular ³	164.8	160.6	159.4	6.1	-3.3	-.7
Gasoline, unleaded midgrade ^{3 4}	167.8	164.3	163.6	6.5	-2.5	-.4
Gasoline, unleaded premium ³	166.1	161.6	161.2	7.3	-3.0	-.2
Medical care	415.0	-	418.2	4.8	.8	-
Recreation ⁵	107.9	-	108.2	-3.9	.3	-
Education and communication ⁵	113.1	-	116.3	2.5	2.8	-
Other goods and services	319.9	-	321.2	-1.7	.4	-
Commodity and service group						
All items	208.9	-	209.8	1.5	.4	-
Commodities	156.6	-	157.3	1.3	.4	-
Commodities less food and beverages	135.4	-	136.0	.3	.4	-
Nondurables less food and beverages	158.1	-	159.0	1.0	.6	-
Durables	112.4	-	112.7	-.7	.3	-
Services	256.1	-	257.1	1.4	.4	-
Special aggregate indexes						
All items less medical care	199.9	-	200.7	1.3	.4	-
All items less shelter	190.2	-	190.6	.8	.2	-
Commodities less food	137.8	-	138.4	.4	.4	-
Nondurables	175.7	-	176.6	2.0	.5	-
Nondurables less food	160.0	-	160.9	1.1	.6	-
Services less rent of shelter ²	260.6	-	260.4	.2	-.1	-
Services less medical care services	243.0	-	243.9	1.2	.4	-
Energy	151.8	151.2	151.4	8.3	-3	.1
All items less energy	218.1	-	219.1	.9	.5	-
All items less food and energy	223.1	-	224.1	.6	.4	-

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.

Regions defined as the four Census regions. See map in technical notes.

NOTE: Index applies to a month as a whole, not to any specific date.