

News

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CONSUMER PRICE INDEX FOR THE SOUTH—SEPTEMBER 2004

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ increased 0.1 percent in September, not seasonally adjusted, to a level of 182.8 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Sheila Watkins noted that higher costs for apparel, medical care, and education and communication were nearly offset by lower costs for housing and food and beverages. Food and energy costs each fell 0.3 percent over the month. Excluding food and energy, the CPI-U, South increased 0.2 percent in September.

Over the past 12 months, prices in the South have risen 2.5 percent due to higher costs for housing, transportation, and food and beverages. Energy costs advanced 8.3 percent during the 12 months ending in September while food prices have risen 3.4 percent. Excluding food and energy costs, the index for all other items has risen 1.6 percent since September 2003.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months Percent change ended September, 2004
	September 2003	July 2004	August 2004	September 2004	
All items	0.2	-0.2	0.0	0.1	2.5
Food and beverages	0.2	0.3	0.2	-0.2	3.5
Housing	-0.1	0.2	0.2	-0.3	2.3
Apparel	4.1	-4.0	-0.5	4.3	-0.9
Transportation	0.3	-1.1	-0.6	0.0	3.0
Medical care	0.3	0.3	0.1	0.3	4.1
Recreation 1/	0.2	-0.2	-0.1	0.1	1.0
Education and communication 1/	0.0	0.0	0.5	0.5	1.2
Other goods and services	-0.1	0.1	0.4	0.1	2.2

1/ Index on a December 1997=100 base.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Among the major index groups, the food and beverages index declined 0.2 percent after rising 0.2 percent in August. Lower costs for food at home accounted for the decrease in the food and beverages index for September. Costs for food at home dropped 0.5 percent, while the index for food away from home rose 0.2 percent over the month. The index for alcoholic beverages increased 0.3 percent in September. Over the year, the food and beverages index has advanced 3.5 percent reflecting a 3.5 percent rise in the costs of food at home and a 3.4 percent increase in costs for food purchased away from home. Costs for alcoholic beverages have risen 3.4 percent over the past year.

Housing costs dropped 0.3 percent in September, reflecting a trend of declining shelter costs during the fall months each year since 1998. Costs for shelter decreased 0.4 percent over the month after advancing 0.1 percent in August. The shelter index reflects changes in the costs for rent of primary residence, lodging away from home, and owners' equivalent rent of primary residence. Costs for fuels and utilities decreased 0.4 percent over the month after advancing 0.7 percent in August. Electricity costs fell 0.1 percent, while the cost of utility (piped) gas service decreased 2.9 percent. The index for household furnishings and operations rose 0.3 percent over the month. Since September 2003, housing costs have increased 2.3 percent as costs for shelter increased 2.3 percent, fuels and utilities costs advanced 3.9 percent, and the index for household furnishings and operations rose 0.6 percent.

Apparel costs advanced 4.3 percent in September after recording decreases for four consecutive months. Over the past year, apparel costs decreased 0.9 percent compared with a 3.0 percent drop in apparel prices recorded during the same time period in 2003.

Transportation costs were unchanged in September after falling 0.6 percent in August. The cost of new vehicles increased 0.2 percent over the month, while costs for used cars and trucks rose 1.9 percent. Motor fuel costs decreased 0.2 percent reflecting a 0.2 percent decrease in the cost of gasoline. Since September 2003, transportation costs have increased 3.0 percent, reflecting a 1.0 percent decline in costs for new and used motor vehicles and a 14.7 percent rise in the costs for motor fuel.

Medical care costs rose 0.3 percent over the month after rising a modest 0.1 percent in August. Since August 2004, costs of medical care services increased 0.2 percent, while the costs for medical care commodities rose 0.4 percent. Over the past year, the medical care index has gained 4.1 percent due to a 2.1 percent rise in medical care commodity costs and a 4.7 percent increase in the cost of medical care services.

Other major index groups include the recreation index, education and communication index, and the other goods and services index. The recreation index rose 0.1 percent in September after falling 0.1 percent in August. The education and communication index increased 0.5 percent over the month, while the index for other goods and services rose 0.1 percent. Since September 2003, the recreation index has advanced 1.0 percent, while the education and communication index recorded an increase of 1.2 percent. Costs for other goods and services have risen 2.2 percent higher than a year ago.

Population size groups

Over the month, consumer prices in the South increased 0.2 percentage point for the largest areas, those with 1.5 million or more residents (Size Class A). In mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), the index was unchanged. In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index increased 0.7 percentage point. Over the year, consumer costs in the South rose 2.2 percent in the largest areas (Size Class A), 2.7 percent in the mid-sized areas (Size Class B/C), and 2.8 percent in the smallest areas (Size Class D).

Technical Notes

As announced, the Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for all Urban Consumers (CPI-U) to the 2001-02 period, effective with release of data for January 2004. The updated expenditure weights for this index replace the 1999-2000 weights which were introduced 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.

During the past year, the CPI program completed its conversion to Computer Assisted Data Collection (CADC). Due to the efficiencies gained from conversion to CADC, BLS has extended data collection to cover the entire month, beginning with data for January 2004. CPI data collection is scheduled in terms of business days – weekdays excluding holidays. Formerly, data collection covered three pricing periods, each comprising six business days in most months and five days in November and December. Consequently, the last day of scheduled data collection was usually the 18th business day of the month. This allowed time during the end of the month for the mailing of paper schedules back to the Washington Office and the data entry of the information in these schedules. Starting in January 2004, the three pricing periods now have variable lengths, between six and eight business days long. The third pricing period normally will end on the last business day of the month.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro3/home.htm>. CPI data are also available through our fax-on-demand system. For a catalog of items available to be faxed to you, call our fax-on-demand number at (215) 597-4153. If you have additional questions, you can contact the Philadelphia information office directly by dialing (215) 597-3282. Information from the Consumer Price Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

Table 1. Consumer price index for all urban consumers and urban wage earners and clerical workers, South Region, (1982-84=100), not seasonally adjusted.

Group	All urban consumers			Urban wage earners and clerical workers		
	Index Sept 2004	Percent change to Sept 2004 from		Index Sept 2004	Percent change to Sept 2004 from	
		Sept 2003	Aug 2004		Sept 2003	Aug 2004
All items	182.8	2.5	0.1	179.7	2.5	0.2
All items (Dec 1977=100)	296.5	-	-	291.0	-	-
Food and beverages	184.8	3.5	-0.2	183.9	3.5	-0.3
Food	184.8	3.4	-0.3	184.0	3.5	-0.3
Food at home	181.9	3.5	-0.5	180.9	3.5	-0.6
Food away from home	191.5	3.4	0.2	190.7	3.3	0.2
Alcoholic beverages	183.7	3.4	0.3	183.5	4.1	0.4
Housing	175.3	2.3	-0.3	173.4	2.2	-0.1
Shelter	193.8	2.3	-0.4	191.8	2.2	-0.1
Rent of primary residence	189.2	2.0	0.2	188.5	1.9	0.2
Owners' equivalent rent (1)	195.6	2.2	0.2	182.1	2.2	0.2
Fuel and utilities	169.7	3.9	-0.4	169.6	3.7	-0.4
Fuels	146.9	3.0	-0.5	145.6	2.8	-0.5
Gas (piped) and electricity	148.7	2.6	-0.6	147.8	2.6	-0.6
Electricity	142.9	2.5	-0.1	142.1	2.5	-0.1
Utility (piped) gas service	183.0	4.0	-2.9	185.0	3.9	-2.8
Household furnishings and operations	126.6	0.6	0.3	121.5	0.5	0.1
Apparel	131.1	-0.9	4.3	131.5	0.2	4.0
Transportation	160.1	3.0	0.0	158.1	3.2	0.3
Private transportation	158.8	3.3	0.1	156.9	3.4	0.3
New & used motor vehicles (2)	94.7	-1.0	0.6	93.3	-1.5	1.0
New vehicles	139.6	-0.9	0.2	139.4	-0.8	0.3
New cars and trucks (2) (3)	95.1	-0.7	0.2	-	-	-
New cars (3)	138.8	-0.4	0.2	-	-	-
Used cars and trucks	136.6	-1.7	1.9	137.3	-1.8	1.9
Motor fuel	157.6	14.7	-0.2	157.5	14.7	-0.1
Gasoline (all types)	156.8	14.7	-0.2	156.7	14.6	-0.2
Regular unleaded (3)	155.4	15.4	-0.3	155.3	15.4	-0.3
Midgrade unleaded (3) (4)	163.7	13.8	-0.4	163.8	13.9	-0.2
Premium unleaded (3)	156.7	13.5	-0.1	156.5	13.4	0.0
Medical care	301.9	4.1	0.3	302.8	4.1	0.3
Medical care commodities	262.8	2.1	0.4	258.1	1.8	0.4
Medical care services	312.9	4.7	0.2	314.9	4.8	0.3
Professional services	268.7	3.3	-0.1	269.8	3.3	-0.1
Recreation (2)	109.0	1.0	0.1	106.6	1.0	0.0
Education and communication (2)	110.3	1.2	0.5	107.6	0.4	0.4
Other goods and services	293.6	2.2	0.1	298.5	1.9	0.1
Commodities	155.6	2.6	0.5	155.7	2.8	0.5
Services	210.6	2.4	-0.2	209.0	2.3	-0.1
All items less medical care	175.7	2.4	0.1	173.4	2.4	0.2
All items less shelter	179.5	2.6	0.2	176.5	2.6	0.2
Energy	148.6	8.3	-0.3	148.1	8.6	-0.3
All items less energy	187.5	1.9	0.1	184.1	1.8	0.2
All items less food and energy	188.4	1.6	0.2	184.3	1.4	0.3
Purchasing power of the consumer						
dollar: 1982-84=\$1.00	\$.547	-	-	\$.556	-	-
December 1977=\$1.00	\$.337	-	-	\$.344	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	184.0	2.2	0.2	181.4	2.2	0.1
Class B/C - 50,000 to 1.5 million pop 5/	116.9	2.7	0.0	115.4	2.7	0.1
Class D - Nonmet less than 50,000	181.2	2.8	0.7	180.7	2.7	0.7

1/ Indexes on a December 1982=100 base.

2/ Indexes on a December 1977=100 base.
index based on a substantially smaller sample.

4/ Indexes on a December 1993=100 base.

5/ Indexes on a December 1996=100 base.3/ Special
- Data not available.