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WASHINGTON-BALTIMORE CONSUMER PRICE INDEX: SEPTEMBER 2004

Retail prices in the Washington-Baltimore area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 0.5 percent between July and September, following a 1.1 percent increase in the previous two-month period, the United States Department of Labor's Bureau of Labor Statistics reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the recent advance was due entirely to a seasonal increase in apparel prices, as higher prices for education and communication, recreation, and other goods and services were offset by lower prices for transportation, food and beverages, and medical care. Housing prices were unchanged over the last two months. The CPI-U for the Washington-Baltimore Consolidated Metropolitan Statistical Area (CMSA) was 3.1 percent higher than a year ago—the largest 12-month advance since March 2003. (See table A.)

Table A. Percent changes in CPI for All Urban Consumers (CPI-U) in the Washington-Baltimore area, not seasonally adjusted

Expenditure category	Change for two months ended			Change for 12 months ended Sep. 2004
	May 2004	July 2004	Sep. 2004	
All items	0.7	1.1	0.5	3.1
Food & beverages	1.3	0.2	-0.3	4.2
Housing	0.3	2.6	0.0	4.2
Apparel	-2.1	-7.6	13.6	-4.0
Transportation	2.7	0.3	-0.6	2.8
Medical care	-0.2	1.5	-0.2	2.7
Recreation	0.1	-0.4	0.8	-1.0
Education & communication	-0.3	0.3	1.6	1.6
Other goods & services	-0.7	1.3	0.5	2.0
Special indexes:				
Energy	7.5	8.5	-2.2	7.6
Commodities	1.2	-0.6	0.8	1.9
Services	0.3	2.2	0.3	3.8

Apparel prices typically decline in the summer and then rise in the fall. After falling in both May and July, apparel prices jumped 13.6 percent in September—the largest two-month increase since the inception of the series in November 1996. Although there were broad-based advances, most of the increase was concentrated in women's apparel, in particular women's suits and separates. Despite the recent increase, apparel prices were down 4.0 percent from last year's level. (See table 1.)

Higher prices for tuition, other school fees, and childcare were responsible for the increase in the education and communication index, which rose 1.6 percent over both the two-month and the twelve-month periods. Due in large part to higher prices for admissions, the recreation index was up 0.8 percent since July but was 1.0 percent lower than September 2003.

The other goods and services index, which includes tobacco and smoking products, personal care products and services, and personal services such as legal, funeral, and laundry and dry cleaning

services, rose 0.5 percent since July to a level 2.0 percent higher than a year ago. The September increase was due entirely to higher cigarette prices.

Following a seasonal increase of 2.6 percent from May to July, the housing index was unchanged in September, as higher shelter prices were offset by lower prices for household furnishings and operations and fuels and utilities. The shelter component, which includes rent of primary residence, owner's equivalent rent of primary residence, lodging away from home, and tenants' and household insurance, edged up 0.2 percent over the last two months and was 4.5 percent higher than last September. Due in large part to lower prices for clocks, lamps, and decorator items, the household furnishings and operations index fell 1.0 percent in September but was 1.1 percent higher than its year-ago level. Fuels and utilities, the third component of housing, fell 0.8 percent over the last two months due to lower prices for utility (piped) gas service. Utility gas prices, which are surveyed monthly by the Bureau, dropped 6.8 percent in September after inching down 0.2 percent in August. Despite the recent declines, prices were 8.4 percent higher than a year ago. Moderating the overall decrease in the fuels and utilities index were higher prices for fuel oil and electricity. The monthly electricity index edged up 0.2 percent in September after inching down 0.1 percent in August, and was 1.6 percent higher over the last 12 months. The overall housing index was 4.2 percent above year-ago levels.

The remainder of the categories had lower prices in September. The transportation index fell 0.6 percent over the last two months due entirely to lower gasoline prices. Gasoline, which is priced monthly by the Bureau, fell 1.8 percent in both September and August, but was still 10.4 percent higher than a year ago. Moderating the drop in transportation prices were higher prices for used cars and trucks and motor vehicle maintenance and repair. The overall transportation index was up 2.8 percent since last September.

The food and beverages index fell 0.3 percent over the last two months due to lower prices for food at home as lower prices for alcoholic beverages were more than offset by higher prices for food away from home. The monthly food at home index rose 0.6 percent in September after falling 1.7 percent in August, resulting in a 1.1-percent two-month decline. Over the last twelve months, food at home prices rose 4.7 percent. Alcoholic beverages prices inched down 0.1 percent since July but were 3.3 percent higher over the year. Moderating the decline in the food and beverages index were higher prices for food away from home, which rose 0.5 percent over the last two months and 3.8 percent over the year. The overall food and beverages index was 4.2 percent higher than a year ago.

Following a 1.5-percent increase in July, medical care prices edged down 0.2 percent over the last two months but were 2.7 percent higher than year-ago levels.

The energy index, which reflects monthly pricing for gasoline and household fuels, fell 1.3 percent in September following decreases in both August (-0.8 percent) and July (-2.1 percent). The September decline was predominantly due to lower gasoline prices although the fall in utility (piped) gas service prices more than offset higher fuel oil and electricity prices. Over the last twelve months, the energy index rose 7.6 percent.

Nearly two-thirds of the two-month increase in the local index came from rising prices for commodities, up 0.8 percent since July and 1.9 percent higher than a year ago. Services prices rose 0.3 percent over the last two months and were 3.8 percent higher than last September. The 12-month increases for services have exceeded those for commodities since September 2000.

The CPI-U for the Washington-Baltimore area stood at 120.8 on the November 1996=100 reference base, which means that a market basket of goods and services which averaged \$100.00 in November 1996 would have cost \$120.80 in September. The local Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.6 percent since July and was 3.0 percent higher over the year. (See table 2.)

Note: Local area 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 other measurement error than the national index. As a result, area indexes show greater volatility than the national index, although their long-term trends are quite similar. Short-term changes in local indexes may reflect strictly seasonal influences.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Washington-Baltimore, DC-MD-VA-WV (December 1997=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	July 2004	Aug. 2004	Sep. 2004	Sep. 2003	July 2004	Aug. 2004
All items (1).....	120.2	-	120.8	3.1	0.5	-
Food and beverages (1).....	120.6	-	120.2	4.2	-.3	-
Food (1).....	121.1	-	120.7	4.3	-.3	-
Food at home.....	119.9	117.9	118.6	4.7	-1.1	0.6
Food away from home (2).....	120.6	-	121.2	3.8	.5	-
Alcoholic beverages (2).....	111.8	-	111.7	3.3	-.1	-
Housing (1).....	127.6	-	127.6	4.2	.0	-
Shelter.....	130.7	-	131.0	4.5	.2	.2
Rent of primary residence (1) (3).....	134.6	135.6	136.4	3.5	1.3	.6
Owners' equivalent rent of primary residence (3).....	128.4	128.8	129.4	3.6	.8	.5
Fuels and utilities.....	132.1	-	131.1	5.1	-.8	-
Fuels.....	133.5	133.5	132.1	4.7	-1.0	-1.0
Gas (piped) and electricity (3).....	131.5	131.4	129.6	3.7	-1.4	-1.4
Electricity (3).....	126.6	126.5	126.8	1.6	.2	.2
Utility (piped) gas service (3).....	146.9	146.6	136.6	8.4	-7.0	-6.8
Household furnishings and operations.....	109.4	-	108.3	1.1	-1.0	-
Apparel (1).....	80.2	-	91.1	-4.0	13.6	-
Transportation (1).....	113.3	-	112.6	2.8	-.6	-
Private transportation.....	112.7	-	112.3	3.3	-.4	-
Motor fuel.....	160.6	157.9	155.2	10.6	-3.4	-1.7
Gasoline (all types).....	161.1	158.2	155.4	10.4	-3.5	-1.8
Gasoline, unleaded regular (4).....	163.9	160.9	157.8	10.9	-3.7	-1.9
Gasoline, unleaded midgrade (4).....	159.2	156.7	153.6	10.6	-3.5	-2.0
Gasoline, unleaded premium (4).....	157.3	154.6	153.1	12.1	-2.7	-1.0
Medical care (1).....	122.3	-	122.1	2.7	-.2	-
Recreation.....	110.4	-	111.3	-1.0	.8	-
Education and communication.....	112.5	-	114.3	1.6	1.6	-
Other goods and services (1).....	137.4	-	138.1	2.0	.5	-
Commodity and service group						
Commodities.....	109.7	-	110.6	1.9	.8	-
Commodities less food and beverages.....	103.5	-	105.1	.5	1.5	-
Nondurables less food and beverages.....	113.8	-	117.1	1.6	2.9	-
Durables.....	91.4	-	91.4	-1.2	.0	-
Services.....	127.1	-	127.5	3.8	.3	-
Special aggregate indexes						
All items less medical care (1).....	120.0	-	120.6	3.1	.5	-
All items less shelter.....	114.9	-	115.7	2.4	.7	-
Commodities less food.....	103.9	-	105.4	.5	1.4	-
Nondurables.....	116.9	-	118.2	3.0	1.1	-
Nondurables less food.....	113.7	-	116.8	1.9	2.7	-
Services less rent of shelter.....	123.5	-	123.9	3.2	.3	-
Services less medical care services.....	127.7	-	128.0	3.8	.2	-
Energy (1).....	142.7	141.5	139.6	7.6	-2.2	-1.3
All items less energy.....	118.2	-	119.0	2.7	.7	-
All items less food and energy (1).....	118.5	-	119.5	2.4	.8	-

1 For Washington-Baltimore, index is on a November 1996=100 base.

2 For Washington-Baltimore, index is on a November 1997=100 base.

3 This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

4 Special index based on a substantially smaller sample.

- Data not available.

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

Table 2. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W):Indexes and percent changes for selected periods, Washington-Baltimore, DC-MD-VA-WV (December 1997=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	July 2004	Aug. 2004	Sep. 2004	Sep. 2003	July 2004	Aug. 2004
All items (1).....	119.7	-	120.4	3.0	0.6	-
Food and beverages (1).....	120.7	-	120.4	4.7	-.2	-
Food (1).....	121.3	-	121.0	4.8	-.2	-
Food at home.....	120.6	118.3	119.4	5.4	-1.0	0.9
Food away from home (2).....	120.4	-	121.0	3.5	.5	-
Alcoholic beverages (2).....	112.1	-	112.4	3.7	.3	-
Housing (1).....	127.8	-	128.0	3.8	.2	-
Shelter.....	130.7	130.9	131.3	4.0	.5	.3
Rent of primary residence (1) (3).....	134.6	135.6	136.4	3.6	1.3	.6
Owners' equivalent rent of primary residence (3).....	127.9	128.3	128.9	3.5	.8	.5
Fuels and utilities.....	130.5	-	129.6	4.5	-.7	-
Fuels.....	131.8	131.5	130.6	3.9	-.9	-.7
Gas (piped) and electricity (3).....	130.4	130.1	129.0	3.4	-1.1	-.8
Electricity (3).....	126.1	126.0	126.3	1.5	.2	.2
Utility (piped) gas service (3).....	148.0	146.9	137.6	8.5	-7.0	-6.3
Household furnishings and operations.....	106.8	-	105.0	.3	-1.7	-
Apparel (1).....	80.5	-	91.9	-4.5	14.2	-
Transportation (1).....	112.3	-	112.0	3.3	-.3	-
Private transportation.....	112.0	-	111.7	3.5	-.3	-
Motor fuel.....	160.3	157.6	155.0	10.4	-3.3	-1.6
Gasoline (all types).....	160.8	157.9	155.2	10.2	-3.5	-1.7
Gasoline, unleaded regular (4).....	163.5	160.5	157.5	10.6	-3.7	-1.9
Gasoline, unleaded midgrade (4).....	159.1	156.6	153.6	10.4	-3.5	-1.9
Gasoline, unleaded premium (4).....	157.0	154.3	152.9	11.9	-2.6	-.9
Medical care (1).....	121.2	-	121.1	2.8	-.1	-
Recreation.....	107.7	-	108.6	-.4	.8	-
Education and communication.....	109.5	-	110.5	.5	.9	-
Other goods and services (1).....	147.5	-	149.0	2.3	1.0	-
Commodity and service group						
Commodities.....	111.0	-	112.0	2.2	.9	-
Commodities less food and beverages.....	105.5	-	107.2	.5	1.6	-
Nondurables less food and beverages.....	120.0	-	123.4	2.2	2.8	-
Durables.....	90.6	-	90.7	-1.6	.1	-
Services.....	126.7	-	127.2	3.6	.4	-
Special aggregate indexes						
All items less medical care (1).....	119.5	-	120.3	3.0	.7	-
All items less shelter.....	114.9	-	115.7	2.5	.7	-
Commodities less food.....	105.9	-	107.5	.7	1.5	-
Nondurables.....	119.9	-	121.2	3.5	1.1	-
Nondurables less food.....	119.3	-	122.5	2.4	2.7	-
Services less rent of shelter.....	122.5	-	123.0	3.3	.4	-
Services less medical care services.....	127.1	-	127.7	3.7	.5	-
Energy (1).....	142.2	140.8	139.1	7.2	-2.2	-1.2
All items less energy.....	117.3	-	118.3	2.5	.9	-
All items less food and energy (1).....	117.2	-	118.6	2.2	1.2	-

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