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**Consumer Price Index
Cincinnati-Hamilton, OH-KY-IN
First Half 2004**

Retail prices in the Cincinnati-Hamilton metropolitan area were higher by 0.4 percent in the first half of this year compared with the last half of 2003, according to the U.S. Department of Labor's Bureau of Labor Statistics (BLS). This increase was identical to the gain in the first half of 2003. The Cincinnati-Hamilton area Consumer Price Index for all items All Urban Consumers (CPI-U) stood at 175.4 (1982-84=100) in the first half of 2004, representing a 2.0 percent increase from the first half of 2003. In the previous annual period, first half 2002-first half 2003, the Cincinnati area all items CPI-U also rose 2.0 percent.

According to BLS Regional Commissioner Jay A. Mousa in Chicago, the first half 2004 increase in the all items CPI-U was attributed to a sharp rise in the cost of gasoline and to a much lesser extent, gains in the indexes for medical care, recreation, food and beverages, and shelter. The components for other goods and services and education and communication rose, but with little effect. Apparel prices were down in the first half of 2004, partially offsetting these increases. The energy index, which is chiefly comprised of gasoline, electricity, and natural gas, rose 6.9 percent in the first half of 2004 mostly due to the higher prices at the gasoline pumps. If the effects of energy were factored out, the all items CPI-U would have edged down 0.1 percent in the first half 2004.

The housing component was nearly unchanged (+0.1 percent) in the first half of this year compared with its level in the last half of 2003. Shelter costs rose 0.4 percent and the cost for utility (piped) gas service was up 2.4 percent. The electricity index fell 4.0 percent and the index for household furnishings and operation slid 0.4 percent in the first half of 2004. Compared with the first half of 2003, housing costs were up 0.7 percent. This was below the 2.7 percent increase in the previous annual period (first half 2002-first half 2003), but more in-line with the 0.6 percent gain over the first half 2001-first half 2002 period. Shelter costs were stable over the year and the household furnishings and operation index declined 0.8 percent. The utility (natural) gas price index rose 19.6 percent over the year and the electricity index was essentially unchanged (+0.1 percent).

The food and beverages component was up 0.6 percent during the first half of 2004. The food at home index (grocery foods) and food away from home index (restaurant and cafeteria meals, and vending machine purchases for example) both advanced 0.7 percent. Alcoholic beverage prices rose 1.6 percent in the first half of 2004, rounding off the increase in the food and beverages component. On an annual basis, food and beverage prices were 1.8 percent higher. The food at home index rose 2.2 percent and the food away from home index increased 2.1 percent over the year. Alcoholic beverage prices rose 0.7 percent from their first half 2003 levels.

During the first six months of 2004, the transportation component rose 3.1 percent. Gasoline prices were 16.5 percent higher in the first half of 2004 compared with their last half 2003 average levels. On an annual basis, first half 2003-first half 2004, gasoline prices were up an average 16.0 percent. This follows a 20.9 percent hike in the previous annual period ended in the first half 2003.

The medical care component rose 2.7 percent during the first half of 2004, very close to the 2.8 percent average increase in the previous three first half periods. Over the year, medical care costs rose 4.6 percent. This annual increase was not as much as the 5.4 percent annual average increase recorded over the prior three years.

The recreation component rose 1.7 percent during the first six months of 2004. For the year, recreation costs were up 2.5 percent after rising 0.4 percent in the previous yearly period.

The component for education and communication rose 0.4 percent during the first half of this year and stood 1.8 percent above its year ago level.

The apparel component dropped 10.9 percent during the first six months of 2004. Declines averaged 4.4 percent during the four prior first half periods. Compared with a year ago, apparel prices were up 8.4 percent after retreating 9.9 percent in the previous annual period.

The other goods and services component was nearly unchanged (+0.1 percent) during the first half of 2004 and remained 1.5 percent higher than its first half 2003 level.

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CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average and for the Cincinnati area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier, as well as the scheduled release date for the next CPI issuance. The Hotline number in Cincinnati is (513) 684-2349.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 300 documents containing the most popular BLS data including

more than 65 documents containing CPI data for the nation, four regions, and 27 metropolitan areas. To receive a catalog of available documents by fax, call (312) 353-1880, select menu option 1, and order document 1000 when prompted.

BRIEF EXPLANATION OF THE CPI

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 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 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. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 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. Prices of food, fuels, and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

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. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period.

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, Bulletin 2490, April 1997, Chapter 17, The Consumer Price Index, also available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

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

Cincinnati-Hamilton, OH-KY-IN (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 1st half 2004 from—	
	1st half 2003	2nd half 2003	1st half 2004	1st half 2003	2nd half 2003
Expenditure category					
All items	172.0	174.7	175.4	2.0	0.4
All items (1967=100)	532.2	540.6	542.9	-	-
Food and beverages	163.6	165.5	166.5	1.8	.6
Food	161.8	163.9	164.7	1.8	.5
Food at home	160.1	162.4	163.6	2.2	.7
Food away from home	165.3	167.5	168.7	2.1	.7
Alcoholic beverages	183.0	181.3	184.2	.7	1.6
Housing	165.3	166.3	166.5	.7	.1
Shelter	192.9	192.2	192.9	.0	.4
Rent of primary residence	189.4	190.8	190.7	.7	-.1
Owners' equivalent rent of primary residence ¹	195.3	194.3	195.5	.1	.6
Fuels and utilities	135.9	145.8	144.3	6.2	-1.0
Fuels	118.8	126.9	125.1	5.3	-1.4
Gas (piped) and electricity	122.3	132.5	129.8	6.1	-2.0
Electricity	118.9	124.0	119.0	.1	-4.0
Utility (piped) gas service	160.9	188.0	192.5	19.6	2.4
Household furnishings and operations	114.4	114.0	113.5	-.8	-.4
Apparel	109.7	133.5	118.9	8.4	-10.9
Transportation	152.5	153.0	157.7	3.4	3.1
Private transportation	151.6	151.9	156.7	3.4	3.2
Motor fuel	140.6	139.9	162.9	15.9	16.4
Gasoline (all types)	140.3	139.8	162.8	16.0	16.5
Gasoline, unleaded regular ²	143.0	142.2	166.5	16.4	17.1
Gasoline, unleaded midgrade ^{2 3}	138.5	138.4	160.2	15.7	15.8
Gasoline, unleaded premium ²	125.1	125.3	143.6	14.8	14.6
Medical care	293.1	298.5	306.6	4.6	2.7
Recreation ⁴	114.0	115.0	116.9	2.5	1.7
Education and communication ⁴	105.6	107.1	107.5	1.8	.4
Other goods and services	319.7	324.3	324.5	1.5	.1
Commodity and service group					
All items	172.0	174.7	175.4	2.0	.4
Commodities	143.7	146.3	146.4	1.9	.1
Commodities less food and beverages	132.4	135.1	134.8	1.8	-.2
Nondurables less food and beverages	140.7	149.6	150.7	7.1	.7
Durables	125.5	122.1	120.5	-4.0	-1.3
Services	202.5	205.5	206.9	2.2	.7
Special aggregate indexes					
All items less medical care	166.0	168.6	169.1	1.9	.3
All items less shelter	165.7	169.6	170.4	2.8	.5
Commodities less food	134.2	136.8	136.6	1.8	-.1
Nondurables	152.6	158.1	159.1	4.3	.6
Nondurables less food	143.3	151.7	152.9	6.7	.8
Services less rent of shelter ¹	218.2	225.2	227.2	4.1	.9
Services less medical care services	194.1	196.9	197.9	2.0	.5
Energy	129.7	134.0	143.3	10.5	6.9
All items less energy	178.9	181.3	181.2	1.3	-.1
All items less food and energy	183.3	185.8	185.5	1.2	-.2

¹ Index is on a November 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.