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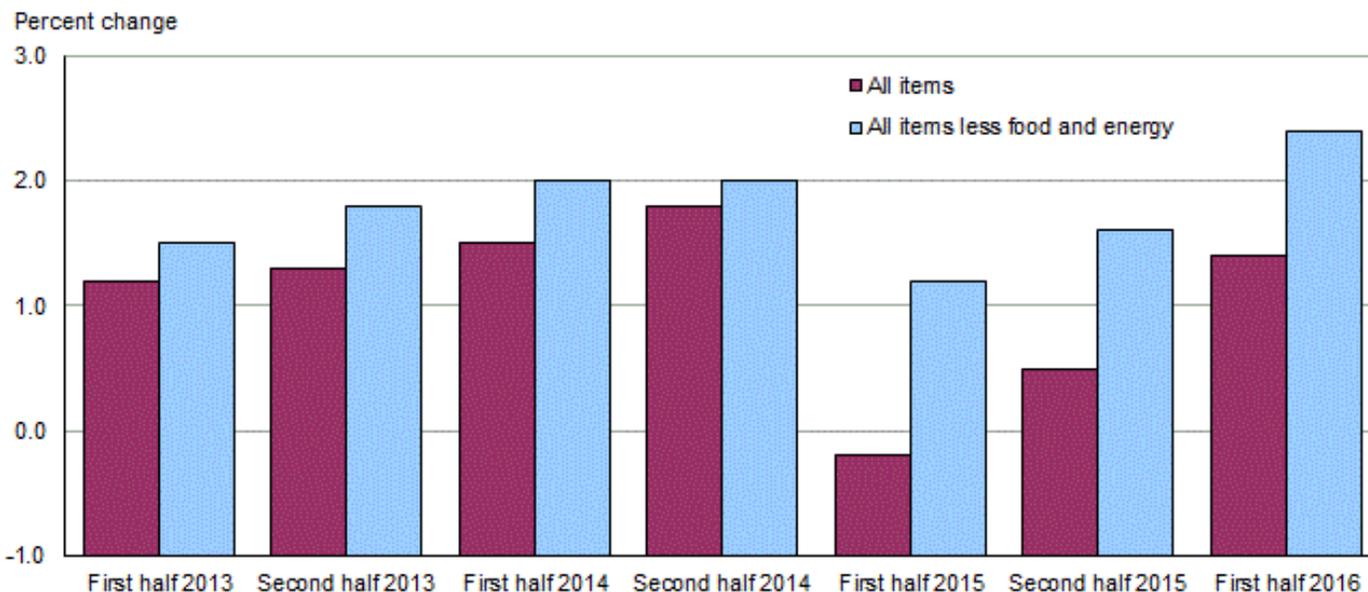
Consumer Price Index, Phoenix – First Half 2016

Area prices were up 0.3 percent over the past six months, up 1.4 percent from a year ago

Prices in the Phoenix Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 0.3 percent in the first half of 2016, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) Assistant Commissioner for Regional Operations Richard Holden noted that the six-month increase was influenced by higher prices for shelter, apparel, and food. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 1.4 percent. (See [chart 1](#) and [table A](#).) Energy prices declined 9.1 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy rose 2.4 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Phoenix, first half 2013–first half 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices rose 1.4 percent in the first half of 2016. (See [table 1](#).) Prices for food away from home advanced 3.0 percent, and prices for food at home rose 0.2 percent for the same period.

Over the year, food prices rose 2.3 percent. Prices for food away from home rose 4.8 percent since a year ago, and prices for food at home advanced 0.6 percent.

Energy

The energy index fell 11.5 percent since the second half of 2015. The increase was mainly due to lower prices for gasoline (-15.8 percent). Prices for electricity decreased 8.1 percent, and prices for natural gas service declined 6.8 percent in the same period.

Energy prices declined 9.1 percent over the year, largely due to lower prices for gasoline (-17.7 percent). Prices paid for natural gas service dropped 12.5 percent, but prices for electricity service rose 0.2 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 1.3 percent in the latest six-month period. Higher prices for apparel (6.3 percent) and shelter (2.1 percent) were partially offset by lower prices for recreation (-1.6 percent).

Over the year, the index for all items less food and energy rose 2.4 percent. Components contributing to the increase included apparel (4.6 percent) and shelter (4.2 percent). Partly offsetting the increases was a price decline in recreation (-0.2 percent).

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

Month	2011		2012		2013		2014		2015		2016	
	Semi-annual	Annual										
First Half	2.1	2.2	1.6	2.8	1.1	1.2	1.2	1.5	-0.7	-0.2	0.3	1.4
Second Half	1.2	3.3	0.1	1.7	0.2	1.3	0.5	1.8	1.1	0.5		

The second half of 2016 Consumer Price Index for the Phoenix-Mesa is scheduled to be released on mid-January 2017.

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 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 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 6,000 housing units and approximately 24,000 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 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.

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 metropolitan area covered in this release consists of Maricopa and Pinal Counties in the State of Arizona.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339.

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 2016 from-	
	1st half 2015	2nd half 2015	1st half 2016	1st half 2015	2nd half 2015
Expenditure category					
All items	127.288	128.749	129.103	1.4	0.3
All items (1967=100)	-	-	-	-	-
Food and beverages	139.859	141.061	142.873	2.2	1.3
Food	141.126	142.393	144.322	2.3	1.4
Food at home	145.418	145.905	146.239	0.6	0.2
Food away from home	136.046	138.358	142.576	4.8	3.0
Alcoholic beverages	126.530	127.055	127.623	0.9	0.4
Housing	124.442	127.442	128.624	3.4	0.9
Shelter	124.314	126.905	129.558	4.2	2.1
Rent of primary residence	127.630	130.174	133.759	4.8	2.8
Owners' equiv. rent of residences ⁽¹⁾	123.623	126.514	128.513	4.0	1.6
Owners' equiv. rent of primary residence ⁽¹⁾ ..	123.623	126.514	128.513	4.0	1.6
Fuels and utilities	161.474	169.931	160.345	-0.7	-5.6
Household energy	167.607	179.485	165.222	-1.4	-7.9
Energy services	167.474	179.474	165.134	-1.4	-8.0
Electricity	176.163	192.118	176.543	0.2	-8.1
Utility (piped) gas service	122.663	115.200	107.349	-12.5	-6.8
Household furnishings and operations	98.753	100.249	100.618	1.9	0.4
Apparel	135.734	133.609	141.995	4.6	6.3
Transportation	114.928	114.444	110.626	-3.7	-3.3
Private transportation	116.477	115.882	111.228	-4.5	-4.0
Motor fuel	201.311	196.534	165.364	-17.9	-15.9
Gasoline (all types)	201.142	196.558	165.496	-17.7	-15.8
Gasoline, unleaded regular ⁽²⁾	202.685	197.441	164.784	-18.7	-16.5
Gasoline, unleaded midgrade ^{(2) (3)}	208.327	204.664	176.550	-15.3	-13.7
Gasoline, unleaded premium ⁽²⁾	197.593	195.985	170.991	-13.5	-12.8
Medical care	164.620	163.405	164.617	0.0	0.7
Recreation ⁽⁴⁾	111.487	113.009	111.256	-0.2	-1.6
Education and communication ⁽⁴⁾	121.799	120.695	121.882	0.1	1.0
Other goods and services	138.248	141.141	142.021	2.7	0.6
Commodity and service group					
All Items	127.288	128.749	129.103	1.4	0.3
Commodities	118.704	118.771	117.913	-0.7	-0.7
Commodities less food & beverages	107.866	107.380	105.242	-2.4	-2.0
Nondurables less food & beverages	137.502	136.695	132.402	-3.7	-3.1
Durables	82.364	82.144	81.877	-0.6	-0.3
Services	133.176	135.529	136.704	2.6	0.9
Special aggregate indexes					
All items less medical care	125.110	126.723	127.028	1.5	0.2
All items less shelter	128.758	129.592	128.666	-0.1	-0.7
Commodities less food	108.585	108.140	106.117	-2.3	-1.9
Nondurables	138.869	139.106	137.926	-0.7	-0.8
Nondurables less food	136.595	135.903	132.030	-3.3	-2.8
Services less rent of shelter ⁽¹⁾	144.212	146.370	145.459	0.9	-0.6
Services less medical care services	129.721	132.354	133.541	2.9	0.9
Energy	182.330	187.222	165.687	-9.1	-11.5
All items less energy	124.077	125.340	126.969	2.3	1.3
All items less food and energy	121.380	122.639	124.242	2.4	1.3

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.