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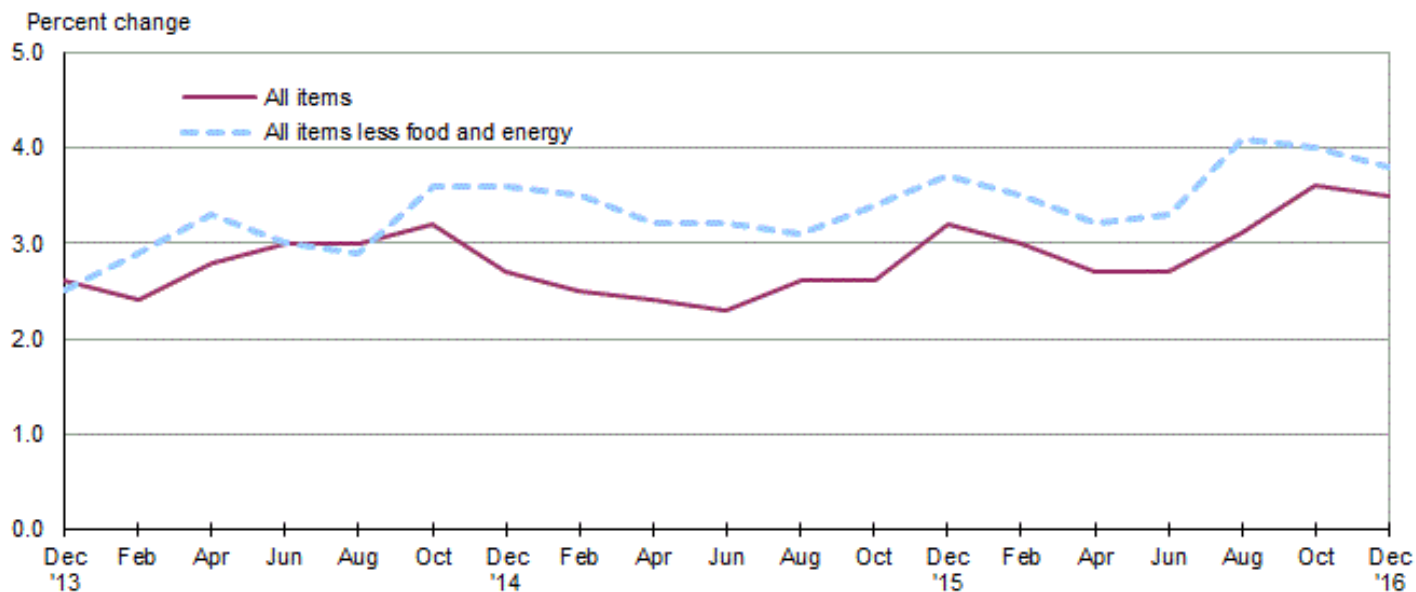
Consumer Price Index, San Francisco Area — December 2016

Area prices were down 0.3 percent over the past two months, up 3.5 percent from a year ago

Prices in the San Francisco area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), decreased 0.3 percent for the two months ending in December 2016, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Assistant Commissioner for Regional Operations Richard Holden noted that the December decrease was influenced by lower prices for apparel and natural gas service. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 3.5 percent. (See [chart 1](#) and [table A.](#)) Energy prices advanced 6.5 percent, largely the result of an increase in the price of electricity. The index for all items less food and energy advanced 3.8 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, San Francisco, December 2013–December 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices moved up 0.2 percent for the two months ending in December. (See [table 1.](#)) Prices for food away from home rose 0.3 percent, and prices for food at home edged up 0.1 percent for the same period.

Over the year, food prices advanced 0.8 percent. Prices for food away from home increased 3.1 percent since a year ago, but prices for food at home declined 1.2 percent.

Energy

The energy index decreased 6.0 percent for the two months ending in December. The decrease was mainly due to lower prices for natural gas service (-14.8 percent). Prices for electricity declined 5.8 percent, and gasoline prices decreased 3.4 percent for the same period.

Energy prices advanced 6.5 percent over the year, largely due to higher prices for electricity (10.1 percent). Prices paid for natural gas service moved up 17.7 percent, and prices for gasoline advanced 1.8 percent during the past year.

All items less food and energy

The index for all items less food and energy edged down 0.1 percent in the latest two-month period. Lower prices for apparel (-9.0 percent) and household furnishings and operations (-0.9 percent) were partially offset by higher prices for other goods and services (1.4 percent) and shelter (0.4 percent).

Over the year, the index for all items less food and energy advanced 3.8 percent. Components contributing to the increase included shelter (6.9 percent) and other goods and services (2.1 percent). Partly offsetting the increases were price declines in household furnishings and operations (-3.0 percent) and apparel (-2.8 percent).

Table A . San Francisco-Oakland-San Jose CPI-U bi-monthly and annual percent changes (not seasonally adjusted)

Month	2011		2012		2013		2014		2015		2016	
	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual	Bi-monthly	Annual
February	1.0	1.7	1.1	3.0	1.3	2.4	1.2	2.4	1.0	2.5	0.9	3.0
April	1.8	2.8	0.9	2.1	0.8	2.4	1.2	2.8	1.1	2.4	0.7	2.7
June	-0.2	2.4	0.3	2.6	0.5	2.6	0.7	3.0	0.6	2.3	0.6	2.7
August	0.4	2.9	0.6	2.8	0.1	2.0	0.0	3.0	0.3	2.6	0.7	3.1
October	0.3	3.2	0.7	3.2	0.2	1.6	0.5	3.2	0.4	2.6	0.9	3.6
December	-0.4	2.9	-1.4	2.2	-0.4	2.6	-0.9	2.7	-0.3	3.2	-0.3	3.5

The February 2017 Consumer Price Index for the San Francisco-Oakland-San Jose is scheduled to be released on Wednesday March 15, 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 4,000 housing units and approximately 26,000 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 San Francisco-Oakland-San Jose, CA. metropolitan area covered in this release is comprised of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Sonoma, and Solano Counties in the State of California.

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 and percent changes for selected periods San Francisco-Oakland-San Jose, CA (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
Expenditure category						
All items	270.306	-	269.483	3.5	-0.3	-
All items (1967=100)	830.996	-	828.464	-	-	-
Food and beverages	265.849	-	266.412	1.0	0.2	-
Food	266.057	-	266.586	0.8	0.2	-
Food at home	248.603	251.391	248.921	-1.2	0.1	-1.0
Food away from home	287.099	-	287.887	3.1	0.3	-
Alcoholic beverages	268.882	-	269.857	3.4	0.4	-
Housing	317.445	-	317.130	6.2	-0.1	-
Shelter	360.081	360.005	361.605	6.9	0.4	0.4
Rent of primary residence(1)	402.124	406.379	408.710	6.5	1.6	0.6
Owners' equiv. rent of residences(1)(2)	386.010	388.500	391.310	7.0	1.4	0.7
Owners' equiv. rent of primary residence(1)(2)	386.010	388.500	391.310	7.0	1.4	0.7
Fuels and utilities	389.685	-	368.466	8.2	-5.4	-
Household energy	354.902	328.466	324.310	12.1	-8.6	-1.3
Energy services(1)	356.332	329.316	324.993	12.3	-8.8	-1.3
Electricity(1)	356.338	335.551	335.551	10.1	-5.8	0.0
Utility (piped) gas service(1)	337.072	299.635	287.301	17.7	-14.8	-4.1
Household furnishings and operations	135.898	-	134.707	-3.0	-0.9	-
Apparel	120.918	-	110.011	-2.8	-9.0	-
Transportation	185.138	-	184.241	2.2	-0.5	-
Private transportation	176.371	-	175.532	3.1	-0.5	-
Motor fuel	207.138	200.994	200.151	1.8	-3.4	-0.4
Gasoline (all types)	206.320	200.159	199.310	1.8	-3.4	-0.4
Gasoline, unleaded regular(3)	206.210	199.950	199.059	1.7	-3.5	-0.4
Gasoline, unleaded midgrade(3)(4)	192.268	188.065	186.840	2.6	-2.8	-0.7
Gasoline, unleaded premium(3)	196.707	191.079	190.590	2.3	-3.1	-0.3
Medical care	486.894	-	488.508	-	0.3	-
Recreation(5)	113.319	-	112.725	-0.7	-0.5	-
Education and communication(5)	142.078	-	142.129	-1.8	0.0	-
Other goods and services	435.370	-	441.471	2.1	1.4	-
Commodity and service group						
All items	270.306	-	269.483	3.5	-0.3	-
Commodities	181.948	-	180.091	-0.1	-1.0	-
Commodities less food & beverages	136.642	-	133.867	-1.1	-2.0	-
Nondurables less food & beverages	175.510	-	169.918	-0.1	-3.2	-
Durables	98.981	-	98.883	-2.7	-0.1	-
Services	344.064	-	344.016	5.1	0.0	-
Special aggregate indexes						
All items less medical care	261.448	-	260.520	3.6	-0.4	-
All items less shelter	233.599	-	231.574	1.1	-0.9	-
Commodities less food	142.274	-	139.594	-0.8	-1.9	-
Nondurables	221.824	-	219.031	0.5	-1.3	-
Nondurables less food	182.573	-	177.371	0.2	-2.8	-
Services less rent of shelter(2)	339.344	-	336.962	2.2	-0.7	-
Services less medical care services	335.079	-	335.030	5.3	0.0	-
Energy	264.414	250.746	248.677	6.5	-6.0	-0.8
All items less energy	273.873	-	273.816	3.4	0.0	-

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods San Francisco-Oakland-San Jose, CA (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
All items less food and energy	275.897	-	275.753	3.8	-0.1	-

Footnotes(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 December 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

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