



**For Release: Friday, September 11, 2020**

**20-1722-SAN**

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## **Consumer Price Index, Phoenix area – August 2020**

**Area prices were up 0.4 percent over the past two months, up 1.8 percent from a year ago**

Prices in the Phoenix area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.4 percent for the two months ending in August 2020, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Richard Holden noted that the August increase was influenced by higher prices for electricity and used cars and trucks. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 1.8 percent. The index for all items less food and energy increased 2.4 percent over the year. Food prices rose 3.5 percent. Energy prices decreased 6.3 percent, largely the result of a decrease in the price of gasoline. (See [table 1](#).)

### **Food**

Food prices declined 1.0 percent for the two months ending in August. (See [table 1](#).) Prices for food at home decreased 1.7 percent, largely due to price declines in meat, poultry, fish and eggs (-9.5 percent), and prices for food away from home edged down 0.1 percent for the same period.

Over the year, food prices rose 3.5 percent. Prices for food at home increased 4.2 percent, led by dairy and related products (14.3 percent) since a year ago, and prices for food away from home advanced 2.9 percent.

### **Energy**

The energy index advanced 5.3 percent for the two months ending in August. The increase was mainly due to higher prices for electricity (8.2 percent). Prices for gasoline increased 2.7 percent, and prices for natural gas service rose 0.3 percent for the same period.

Energy prices decreased 6.3 percent over the year, largely due to lower prices for gasoline (-15.6 percent). Prices for natural gas service decreased 3.6 percent, while prices paid for electricity were unchanged during the past year.

### **All items less food and energy**

The index for all items less food and energy inched up 0.2 percent in the latest two-month period. Higher prices for used cars and trucks (9.1 percent) and apparel (6.2 percent) were partially offset by lower prices for other goods and services (-2.1 percent) and household furnishings and operations (-1.1 percent).

Over the year, the index for all items less food and energy increased 2.4 percent. Components contributing to the increase included shelter (3.4 percent) and new and used vehicles (3.2 percent). Partly offsetting the increases were price decreases in apparel (-6.1 percent), household furnishings and operations (-1.0 percent), and recreation (-0.7 percent).

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**The October 2020 Consumer Price Index for the Phoenix area is scheduled to be released on November 12, 2020.**

### **Coronavirus (COVID-19) Pandemic Impact on August 2020 Consumer Price Index Data**

Data collection by personal visit for the Consumer Price Index (CPI) program has been suspended since March 16, 2020. When possible, data normally collected by personal visit were collected either online or by phone. Additionally, data collection in August was affected by the temporary closing or limited operations of certain types of establishments. These factors resulted in an increase in the number of prices considered temporarily unavailable and imputed.

While the CPI program attempted to collect as much data as possible, many indexes are based on smaller amounts of collected prices than usual, and a small number of indexes that are normally published were not published this month. Additional information is available at <https://www.bls.gov/covid19/effects-of-covid-19-pandemic-on-consumer-price-index.htm>.

### **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](http://www.bls.gov/cpi) and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at [www.bls.gov/pub/hom/homch17\\_a.htm](http://www.bls.gov/pub/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-Scottsdale 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 and percent changes for selected periods Phoenix-Mesa-Scottsdale (December 2001=100 unless otherwise noted)**

Item and Group	Indexes			Percent change from-		
	Jun. 2020	Jul. 2020	Aug. 2020	Aug. 2019	Jun. 2020	Jul. 2020
<b>Expenditure category</b>						
All items .....	145.849	-	146.395	1.8	0.4	-
Food and beverages .....	154.862	-	153.287	3.2	-1.0	-
Food .....	156.145	-	154.657	3.5	-1.0	-
Food at home .....	153.259	152.648	150.609	4.2	-1.7	-1.3
Cereals and bakery products .....	192.901	-	185.045	0.2	-4.1	-
Meats, poultry, fish, and eggs.....	204.754	-	185.239	3.9	-9.5	-
Dairy and related products .....	124.824	-	125.833	14.3	0.8	-
Fruits and vegetables .....	130.907	-	128.575	-3.3	-1.8	-
Nonalcoholic beverages and beverage materials.....	110.366	-	114.675	9.9	3.9	-
Other food at home .....	146.525	-	148.694	5.1	1.5	-
Food away from home.....	162.284	-	162.050	2.9	-0.1	-
Alcoholic beverages .....	143.529	-	140.690	0.2	-2.0	-
Housing .....	154.077	-	154.712	2.9	0.4	-
Shelter .....	161.121	161.360	161.102	3.4	0.0	-0.2
Rent of primary residence .....	172.093	171.159	171.080	4.2	-0.6	0.0
Owners' equiv. rent of residences .....	159.323	159.321	159.235	3.7	-0.1	-0.1
Owners' equiv. rent of primary residence .....	159.323	159.321	159.235	3.7	-0.1	-0.1
Fuels and utilities.....	168.298	-	177.365	1.6	5.4	-
Household energy .....	168.921	181.363	181.708	0.3	7.6	0.2
Energy services.....	168.685	181.127	181.466	0.2	7.6	0.2
Electricity .....	182.590	197.182	197.570	0.0	8.2	0.2
Utility (piped) gas service .....	94.488	94.667	94.725	-3.6	0.3	0.1
Household furnishings and operations.....	101.064	-	99.958	-1.0	-1.1	-
Apparel .....	120.909	-	128.422	-6.1	6.2	-
Transportation .....	122.679	-	123.522	-4.4	0.7	-
Private transportation .....	126.042	-	127.571	-2.3	1.2	-
New and used motor vehicles .....	-	-	95.692	3.2	-	-
New vehicles .....	-	-	97.070	3.6	-	-
Used cars and trucks.....	83.856	-	91.451	4.2	9.1	-
Motor fuel .....	194.120	202.129	199.203	-15.7	2.6	-1.4
Gasoline (all types).....	194.404	202.533	199.575	-15.6	2.7	-1.5
Gasoline, unleaded regular(1).....	193.389	201.676	198.768	-16.3	2.8	-1.4
Gasoline, unleaded midgrade(1).....	206.867	213.977	213.328	-13.8	3.1	-0.3
Gasoline, unleaded premium(1).....	203.051	210.635	206.854	-12.2	1.9	-1.8
Motor vehicle insurance .....	166.092	-	166.092	-1.7	0.0	-
Medical care .....	-	-	-	-	-	-
Recreation .....	116.618	-	116.491	-0.7	-0.1	-
Education and communication .....	117.052	-	118.901	1.9	1.6	-
Tuition, other school fees, and child care.....	-	-	-	-	-	-
Other goods and services .....	149.581	-	146.433	-0.1	-2.1	-
<b>Commodity and service group</b>						
All items .....	145.849	-	146.395	1.8	0.4	-
Commodities .....	123.599	-	124.065	0.9	0.4	-
Commodities less food & beverages.....	108.149	-	109.443	-0.3	1.2	-
Nondurables less food & beverages .....	140.969	-	143.050	-1.9	1.5	-
Durables .....	79.538	-	80.249	0.8	0.9	-
Services.....	161.310	-	161.911	2.4	0.4	-
<b>Special aggregate indexes</b>						

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 Phoenix-Mesa-Scottsdale (December 2001=100 unless otherwise noted) - Continued**

Item and Group	Indexes			Percent change from-		
	Jun. 2020	Jul. 2020	Aug. 2020	Aug. 2019	Jun. 2020	Jul. 2020
All items less medical care .....	142.302	-	142.802	0.9	0.4	-
All items less shelter.....	137.934	-	138.730	0.9	0.6	-
Commodities less food .....	109.414	-	110.598	-0.3	1.1	-
Nondurables .....	148.301	-	148.526	0.7	0.2	-
Nondurables less food.....	140.941	-	142.698	-1.8	1.2	-
Services less rent of shelter .....	160.848	-	162.481	1.3	1.0	-
Services less medical care services.....	157.376	-	157.720	1.8	0.2	-
Energy .....	183.424	194.151	193.056	-6.3	5.3	-0.6
All items less energy .....	143.603	-	143.682	2.5	0.1	-
All items less food and energy .....	141.633	-	141.934	2.4	0.2	-

Footnotes

(1) 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.