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## PHILADELPHIA-WILMINGTON-ATLANTIC CITY CONSUMER PRICE INDEX: AUGUST 2004

Retail prices in the Philadelphia area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 0.6 percent between June and August, following a 1.6 percent increase in the previous two-month period, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Sheila Watkins, the Bureau's regional commissioner, noted that the recent increase was due entirely to a rise in the housing index as increases in many of the remaining categories were more than offset by decreases in transportation and other goods and services. The CPI-U for the Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area (CMSA) was 4.2 percent higher in August 2004 than 12 months ago. (See table A.)

Table A. Percent changes in CPI for All Urban Consumers (CPI-U) in the Philadelphia-Wilmington-Atlantic City area, not seasonally adjusted

Expenditure category	Change for two months ended			Change for 12 months ended Aug. 2004
	Apr. 2004	June 2004	Aug. 2004	
All items	1.8	1.6	0.6	4.2
Food & beverages	0.0	0.7	1.3	5.4
Housing	3.2	2.0	1.3	4.3
Apparel	2.0	-4.6	6.5	4.6
Transportation	1.1	4.5	-3.5	4.2
Medical care	0.3	1.8	0.0	3.9
Recreation	0.4	0.4	0.8	2.6
Education & communication	-0.2	1.2	0.1	1.0
Other goods & services	0.9	0.7	-0.2	3.4
Special indexes:				
Energy	3.3	11.7	-3.7	12.3
Commodities	0.5	1.5	0.3	4.8
Services	2.5	1.8	0.7	3.9

Following normal seasonal patterns, the housing index rose 1.3 percent from June to August due in large part to higher prices for shelter. Shelter prices, which include rent of primary residence, owners' equivalent rent of primary residence, lodging away from home, and tenants' and household insurance, increased 1.5 percent since June and were 4.7 percent higher over the year. Fuels and utilities prices rose 1.4 percent over the last two months due to higher electricity and fuel oil prices. The electricity index, which is published monthly, edged up 0.1 percent in August following a 1.7-percent rise in July. Over the last 12 months, electricity prices were 2.2 percent higher. Moderating the rise in the fuels and utilities index were lower prices for utility (piped) gas service, which inched up 0.1 percent in August following a 1.1-percent decline in July. Due to price advances in 8 of the last 12 months, utility gas prices were 9.0 percent higher than last year. Household furnishings and operations, the third component of housing, fell for the third straight bimonthly period, down 2.3 percent since February and 2.2 percent since last August—the 19th consecutive over-the-year decline. Over the last 12 months, the overall housing index increased 4.3 percent.

Also following normal seasonal patterns, the apparel index rose 6.5 percent in August. Higher prices for women's footwear and boys' apparel accounted for most of the recent advance. Over the year, apparel prices rose 4.6 percent.

The food and beverages index rose 1.3 percent since June due to broad-based increases in all of its components. Food at home prices, which are surveyed monthly, fell 0.3 percent in August after a 1.7-percent rise in July, resulting in a 1.5-percent two-month increase. Over the last 12 months, food at home prices were 8.2 percent higher—the largest 12-month increase since May 1995. Food away from home prices were up 1.1 percent over the last two months and 2.0 percent over the year. Alcoholic beverages prices rose 1.6 percent since June and were 3.6 percent higher than last August. Over the last year, food and beverages prices increased 5.4 percent—the largest 12-month increase in nearly three years.

Higher prices for cable and satellite television helped push the recreation index up 0.8 percent between June and August. Due to five increases in the last six bimonthly periods, the recreation index was up 2.6 percent over the year.

The education and communication index inched up 0.1 in August as higher prices for tuition, other school fees, and childcare were nearly offset by lower prices for long distance land-line telephone services charges. Over the year, the education and communication index was up 1.0 percent. Following seven consecutive bimonthly periods of price advances totaling 6.5 percent, the medical care index was unchanged over the last two months but was 3.9 percent higher than last year.

The remaining categories had lower prices between June and August. The transportation index fell 3.5 percent over the last two months due in large part to lower private transportation prices, in particular gasoline, leased cars and trucks, and new and used motor vehicles. Gasoline prices, which are published monthly, decreased 4.2 percent in August after a 6.0 percent drop in July. Due to strong advances in the first half of 2004, gasoline prices were still 21.6 percent higher than last year. Partially offsetting the decline in the overall transportation index were higher prices for used cars and trucks and tires. Over the year, the transportation index rose 4.2 percent.

Following three consecutive bimonthly periods of increases, the other goods and services index edged down 0.2 percent over the last two months. The other goods and services index, which includes tobacco and smoking products, personal care products and services such as legal, funeral and laundry and dry cleaning services, rose 3.4 percent over the last 12 months.

The energy index, which reflects monthly pricing for gasoline and household fuels, fell 1.4 percent in August after a 2.4-percent decline in July. The August decline was dominated by lower gasoline prices which more than offset increases in electricity, fuel oil, and utility (piped) gas service prices. Despite the recent declines, the energy index was 12.3 percent higher than year-ago levels—the 22nd consecutive 12-month advance.

Over four-fifths of the two-month increase in the local CPI-U came from rising prices for services, up 0.7 percent since June and 3.9 percent higher than a year before. The commodities index edged up 0.3 percent over the bimonthly period and was 4.8 percent higher over the year.

In August, the CPI-U stood at 199.1 on the 1982-84=100 reference base, which means that a market basket of goods and services that cost \$100.00 in 1982-84 would have cost \$199.10 last month. The local Urban Wage Earners and Clerical Workers Index (CPI-W) increased 0.4 percent over the last two months and stood at 198.0 on the 1982-84 base. (See table 2.).

The Philadelphia-Wilmington-Atlantic City, PA-DE-NJ-MD, area includes Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties in Pennsylvania; Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, and Salem Counties in New Jersey; New Castle County in Delaware; and Cecil County in Maryland.

NOTE: Local area CPI 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, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. Short-term changes may reflect strictly seasonal influences.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD (1982-84=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	June 2004	July 2004	Aug. 2004	Aug. 2003	June 2004	July 2004
All items.....	198.0	-	199.1	4.2	0.6	-
All items (1967=100).....	572.0	-	575.1	-	-	-
Food and beverages.....	180.1	-	182.5	5.4	1.3	-
Food.....	179.7	-	182.1	5.4	1.3	-
Food at home.....	190.9	194.2	193.7	8.2	1.5	-0.3
Food away from home.....	161.1	-	162.8	2.0	1.1	-
Alcoholic beverages.....	179.9	-	182.7	3.6	1.6	-
Housing.....	202.7	-	205.3	4.3	1.3	-
Shelter.....	244.6	247.9	248.2	4.7	1.5	.1
Rent of primary residence (1).....	220.0	220.5	220.7	4.7	.3	.1
Owners' equivalent rent of primary residence (1) (2).....	242.9	242.3	244.6	5.1	.7	.9
Fuels and utilities.....	164.5	-	166.8	5.8	1.4	-
Fuels.....	151.3	152.2	153.3	6.2	1.3	.7
Gas (piped) and electricity (1).....	169.6	170.8	170.9	4.8	.8	.1
Electricity (1).....	162.9	165.6	165.7	2.2	1.7	.1
Utility (piped) gas service (1).....	188.0	185.9	186.0	9.0	-1.1	.1
Household furnishings and operations.....	113.9	-	113.1	-2.2	-.7	-
Apparel.....	97.4	-	103.7	4.6	6.5	-
Transportation.....	172.4	-	166.3	4.2	-3.5	-
Private transportation.....	170.5	-	164.5	5.1	-3.5	-
Motor fuel.....	184.6	173.6	166.4	21.5	-9.9	-4.1
Gasoline (all types).....	182.1	171.2	164.0	21.6	-9.9	-4.2
Gasoline, unleaded regular (3).....	185.1	173.3	165.4	21.7	-10.6	-4.6
Gasoline, unleaded midgrade (3) (4).....	174.6	164.8	159.4	21.6	-8.7	-3.3
Gasoline, unleaded premium (3).....	165.4	157.5	151.8	20.6	-8.2	-3.6
Medical care.....	358.2	-	358.2	3.9	.0	-
Recreation (5).....	112.7	-	113.6	2.6	.8	-
Education and communication (5).....	111.8	-	111.9	1.0	.1	-
Other goods and services.....	338.9	-	338.3	3.4	-.2	-
Commodity and service group						
Commodities.....	151.7	-	152.1	4.8	.3	-
Commodities less food and beverages.....	134.0	-	133.5	4.1	-.4	-
Nondurables less food and beverages.....	154.3	-	153.3	8.2	-.6	-
Durables.....	109.2	-	109.3	-2.4	.1	-
Services.....	245.8	-	247.5	3.9	.7	-
Special aggregate indexes						
All items less medical care.....	191.0	-	192.1	4.2	.6	-
All items less shelter.....	183.5	-	183.5	3.8	.0	-
Commodities less food.....	135.9	-	135.5	4.1	-.3	-
Nondurables.....	168.4	-	168.8	7.0	.2	-
Nondurables less food.....	156.2	-	155.4	7.8	-.5	-
Services less rent of shelter (2).....	252.6	-	251.9	2.7	-.3	-
Services less medical care services.....	236.2	-	238.1	3.9	.8	-
Energy.....	162.7	158.8	156.6	12.3	-3.7	-1.4
All items less energy.....	203.3	-	205.2	3.5	.9	-
All items less food and energy.....	209.4	-	211.3	3.1	.9	-

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

2 Indexes 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.

Table 2. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W):Indexes and percent changes for selected periods, Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD (1982-84=100 unless otherwise noted)

Expenditure category	Indexes			Percent change from-		
	June 2004	July 2004	Aug. 2004	Aug. 2003	June 2004	July 2004
All items.....	197.3	-	198.0	4.7	0.4	-
All items (1967=100).....	573.0	-	575.0	-	-	-
Food and beverages.....	182.5	-	185.3	6.3	1.5	-
Food.....	181.8	-	184.7	6.4	1.6	-
Food at home.....	191.9	196.4	195.6	9.3	1.9	-0.4
Food away from home.....	161.3	-	163.0	1.9	1.1	-
Alcoholic beverages.....	186.1	-	188.8	3.9	1.5	-
Housing.....	203.2	-	205.4	4.6	1.1	-
Shelter.....	247.1	249.3	250.1	5.1	1.2	.3
Rent of primary residence (1).....	220.0	220.5	220.7	4.7	.3	.1
Owners' equivalent rent of primary residence (1) (2).....	216.0	215.5	217.5	5.1	.7	.9
Fuels and utilities.....	164.7	-	166.9	5.7	1.3	-
Fuels.....	150.0	150.9	151.9	6.0	1.3	.7
Gas (piped) and electricity (1).....	168.7	169.8	169.9	4.7	.7	.1
Electricity (1).....	162.9	165.6	165.7	2.2	1.7	.1
Utility (piped) gas service (1).....	188.0	185.9	186.0	9.0	-1.1	.1
Household furnishings and operations.....	110.8	-	109.8	-2.7	-.9	-
Apparel.....	97.3	-	102.0	2.8	4.8	-
Transportation.....	176.1	-	169.5	4.6	-3.7	-
Private transportation.....	174.9	-	168.4	5.4	-3.7	-
Motor fuel.....	184.6	173.6	166.4	21.5	-9.9	-4.1
Gasoline (all types).....	182.1	171.2	164.0	21.6	-9.9	-4.2
Gasoline, unleaded regular (3).....	185.1	173.3	165.4	21.7	-10.6	-4.6
Gasoline, unleaded midgrade (3) (4).....	174.6	164.8	159.4	21.6	-8.7	-3.3
Gasoline, unleaded premium (3).....	165.4	157.5	151.8	20.6	-8.2	-3.6
Medical care.....	349.2	-	349.5	3.7	.1	-
Recreation (5).....	111.6	-	112.7	2.9	1.0	-
Education and communication (5).....	110.2	-	109.8	.5	-.4	-
Other goods and services.....	346.2	-	345.7	4.3	-.1	-
Commodity and service group						
Commodities.....	157.5	-	157.5	5.2	.0	-
Commodities less food and beverages.....	139.4	-	138.3	4.1	-.8	-
Nondurables less food and beverages.....	155.3	-	153.0	8.0	-1.5	-
Durables.....	113.4	-	113.8	-2.6	.4	-
Services.....	244.4	-	245.7	4.1	.5	-
Special aggregate indexes						
All items less medical care.....	191.7	-	192.4	4.7	.4	-
All items less shelter.....	183.4	-	183.1	4.2	-.2	-
Commodities less food.....	141.4	-	140.3	4.1	-.8	-
Nondurables.....	171.1	-	171.0	7.6	-.1	-
Nondurables less food.....	157.6	-	155.6	7.8	-1.3	-
Services less rent of shelter (2).....	219.1	-	218.3	2.8	-.4	-
Services less medical care services.....	236.2	-	237.6	4.1	.6	-
Energy.....	159.7	155.9	153.6	12.1	-3.8	-1.5
All items less energy.....	202.7	-	204.4	3.9	.8	-
All items less food and energy.....	208.8	-	210.3	3.2	.7	-

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

2 Indexes on a December 1984=100 base

3 Special index based on a substantially smaller sample.

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