

News

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CONSUMER PRICE INDEX FOR THE SOUTH—AUGUST 2004

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ was unchanged in August at 182.6 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Sheila Watkins noted that higher costs for food and beverages, housing, and education and communication were offset by lower costs for apparel and transportation. Overall, energy costs fell 0.5 percent in August, while costs for food rose 0.2 percent. Excluding food and energy, the CPI-U, South increased 0.1 percent over the month.

Over the past 12 months, prices in the South have risen 2.6 percent due to higher costs for housing, transportation, and food and beverages. Energy costs advanced 10.5 percent over the year while food prices have risen 4.0 percent. Excluding food and energy costs, the index for all other items has risen 1.6 percent since August 2003.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months Percent change ended August, 2004
	August 2003	June 2004	July 2004	August 2004	
All items	0.3	0.5	-0.2	0.0	2.6
Food and beverages	0.4	0.2	0.3	0.2	3.9
Housing	0.1	1.1	0.2	0.2	2.6
Apparel	-0.7	-2.6	-4.0	-0.5	-1.1
Transportation	1.0	0.6	-1.1	-0.6	3.4
Medical care	0.2	0.6	0.3	0.1	4.1
Recreation 1/	0.0	0.1	-0.2	-0.1	1.1
Education and communication 1/	1.1	-0.1	0.0	0.5	0.6
Other goods and services	0.0	0.3	0.1	0.4	2.0

1/ Index on a December 1997=100 base.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Among the major index groups, the food and beverages index increased 0.2 percent over the month due primarily to the rise in costs for food away from home. Costs for food away from home advanced 0.3 percent, while the index for food at home rose 0.1 percent in August. The index for alcoholic beverages increased 0.5 percent over the month. Over the year, the food and beverages index has advanced 3.9 percent reflecting a 4.3-percent rise in the costs of food at home and a 3.5-percent increase in costs for food purchased away from home. Costs for alcoholic beverages have risen 3.3 percent over the past year, the largest twelve-month increase in this index since November 2001.

Housing costs advanced a modest 0.2 percent in August due mainly to rising costs for fuels and utilities. Shelter costs increased 0.1 percent as the index for rent of primary residence rose 0.4 percent and the index for owners' equivalent rent of primary residence rose 0.3 percent. Costs for fuels and utilities advanced 0.7 percent over the month after rising 0.5 percent in July. Electricity costs advanced 0.7 percent, while the cost of utility (piped) gas service rose 0.1 percent. The index for household furnishings and operations was unchanged after decreasing 0.1 percent in July. Since August 2003, housing costs have increased 2.6 percent as costs for shelter increased 2.5 percent, fuels and utilities costs advanced 4.7 percent, and the index for household furnishings and operations rose 0.2 percent.

Apparel costs declined 0.5 percent in August after dropping 4.0 percent in July. This was the fourth consecutive monthly decrease, reflecting a trend of declining apparel prices during the summer months each year. Over the past year, apparel costs decreased 1.1 percent compared with a 3.1-percent drop in apparel prices recorded during the same time period in 2003.

Transportation costs decreased 0.6 percent in August due to falling prices for new vehicles and gasoline. New vehicles' costs declined 0.7 percent while costs for used cars and trucks rose 1.2 percent. Motor fuel costs decreased 1.9 percent, reflecting a 1.9-percent decrease in the cost of gasoline. Since August 2003, transportation costs have increased 3.4 percent, reflecting a 2.4-percent decline in costs for new and used motor vehicles and an 18.6-percent rise in the costs for motor fuel.

Medical care costs edged up 0.1 percent over the month due primarily to rising costs for medical care services. Since July 2004, costs of medical care services increased 0.2 percent, while the costs for medical care commodities were unchanged. Over the past year, the medical care index has gained 4.1 percent, due to a 2.1-percent rise in medical care commodity costs and a 4.7-percent increase in the cost of medical care services.

Other major index groups include the recreation index, education and communication index, and the other goods and services index. The recreation index inched down 0.1 percent in August after declining 0.2 percent in July. The education and communication index increased 0.5 percent over the month, while the index for other goods and services rose 0.4 percent. Since August 2003, the recreation index has advanced 1.1 percent, while the education and communication index recorded an increase of 0.6 percent. Costs for other goods and services have risen 2.0 percent higher than a year ago.

Population size groups

Over the month, consumer prices in the South were unchanged for the largest areas, those with 1.5 million or more residents (Size Class A) and in mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C). In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index declined 0.1 percentage point. Over the year, consumer costs in the South rose 2.2 percent in the largest areas (Size Class A), 3.1 percent in the mid-sized areas (Size Class B/C), and 2.3 percent in the smallest areas (Size Class D).

Technical Notes

As announced, the Bureau of Labor Statistics (BLS) has updated the consumption expenditure weights in the Consumer Price Index for all Urban Consumers (CPI-U) to the 2001-02 period, effective with release of data for January 2004. The updated expenditure weights for this index replace the 1999-2000 weights which were introduced with the January 2002 CPI release. As originally announced by BLS in December 1998, CPI expenditure weights will continue to be updated at two-year intervals subsequent to the 2004 updating.

During the past year, the CPI program completed its conversion to Computer Assisted Data Collection (CADC). Due to the efficiencies gained from conversion to CADC, BLS has extended data collection to cover the entire month, beginning with data for January 2004. CPI data collection is scheduled in terms of business days – weekdays excluding holidays. Formerly, data collection covered three pricing periods, each comprising six business days in most months and five days in November and December. Consequently, the last day of scheduled data collection was usually the 18th business day of the month. This allowed time during the end of the month for the mailing of paper schedules back to the Washington Office and the data entry of the information in these schedules. Starting in January 2004, the three pricing periods now have variable lengths, between six and eight business days long. The third pricing period normally will end on the last business day of the month.

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 measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro3/home.htm>. CPI data are also available through our fax-on-demand system. For a catalog of items available to be faxed to you, call our fax-on-demand number at (215) 597-4153. If you have additional questions, you can contact the Philadelphia information office directly by dialing (215) 597-3282. Information from the Consumer Price Index program is available to sensory impaired individuals upon request. Voice phone: 202-691-5200, Federal Relay Services: 1-800-877-8339.

Table 1. Consumer price index for all urban consumers and urban wage earners and clerical workers, South Region, (1982-84=100), not seasonally adjusted.

Group	All urban consumers			Urban wage earners and clerical workers		
	Index August 2004	Percent change to Aug 2004 from		Index August 2004	Percent change to Aug 2004 from	
		Aug 2003	July 2004		Aug 2003	July 2004
All items	182.6	2.6	0.0	179.4	2.6	0.1
All items (Dec 1977=100)	296.3	-	-	290.5	-	-
Food and beverages	185.2	3.9	0.2	184.4	4.1	0.3
Food	185.3	4.0	0.2	184.5	4.1	0.2
Food at home	182.9	4.3	0.1	182.0	4.5	0.1
Food away from home	191.2	3.5	0.3	190.4	3.5	0.4
Alcoholic beverages	183.2	3.3	0.5	182.8	4.1	0.6
Housing	175.8	2.6	0.2	173.6	2.4	0.2
Shelter	194.5	2.5	0.1	191.9	2.2	0.1
Rent of primary residence	188.8	1.9	0.4	188.1	1.8	0.3
Owners' equivalent rent (1)	195.2	2.2	0.3	181.7	2.1	0.2
Fuel and utilities	170.4	4.7	0.7	170.3	4.6	0.7
Fuels	147.7	4.0	0.7	146.3	3.8	0.6
Gas (piped) and electricity	149.6	3.7	0.6	148.7	3.7	0.6
Electricity	143.0	3.2	0.7	142.2	3.2	0.6
Utility (piped) gas service	188.5	7.1	0.1	190.3	6.9	0.1
Household furnishings and operation	126.2	0.2	0.0	121.4	0.1	0.2
Apparel	125.7	-1.1	-0.5	126.4	0.5	-0.7
Transportation	160.1	3.4	-0.6	157.7	3.0	-0.4
Private transportation	158.6	3.7	-0.5	156.5	3.2	-0.4
New & used motor vehicles (2)	94.1	-2.4	0.0	92.4	-3.6	0.2
New vehicles	139.3	-1.0	-0.7	139.0	-0.9	-0.7
New cars and trucks (2) (3)	94.9	-0.9	-0.8	-	-	-
New cars (3)	138.5	-0.5	-1.0	-	-	-
Used cars and trucks	134.0	-6.4	1.2	134.8	-6.4	1.2
Motor fuel	157.9	18.6	-1.9	157.7	18.5	-1.9
Gasoline (all types)	157.1	18.6	-1.9	157.0	18.5	-1.9
Regular unleaded (3)	155.8	19.4	-1.9	155.7	19.4	-1.9
Midgrade unleaded (3) (4)	164.3	17.9	-1.9	164.2	17.7	-2.0
Premium unleaded (3)	156.8	16.9	-1.8	156.5	16.8	-1.8
Medical care	301.0	4.1	0.1	301.9	4.0	0.1
Medical care commodities	261.7	2.1	0.0	257.1	1.8	-0.1
Medical care services	312.2	4.7	0.2	314.0	4.7	0.1
Professional services	269.1	3.7	0.6	270.1	3.6	0.6
Recreation (2)	108.9	1.1	-0.1	106.6	1.0	0.0
Education and communication (2)	109.7	0.6	0.5	107.2	-0.2	0.3
Other goods and services	293.4	2.0	0.4	298.3	1.6	0.5
Commodities	154.9	2.7	-0.2	155.0	2.8	-0.1
Services	211.0	2.6	0.1	209.2	2.4	0.2
All items less medical care	175.6	2.6	0.0	173.1	2.5	0.1
All items less shelter	179.1	2.8	0.1	176.1	2.7	0.1
Energy	149.1	10.5	-0.5	148.6	10.8	-0.6
All items less energy	187.3	2.0	0.1	183.7	1.7	0.1
All items less food and energy	188.1	1.6	0.1	183.7	1.2	0.1
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$.548	-	-	\$.557	-	-
December 1977=\$1.00	\$.337	-	-	\$.344	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	183.7	2.2	0.0	181.2	2.4	0.0
Class B/C - 50,000 to 1.5 million pop 5/	116.9	3.1	0.0	115.3	2.9	0.1
Class D - Nonmet less than 50,000	180.0	2.3	-0.1	179.5	2.3	0.1

1/ Indexes on a December 1982=100 base.

2/ Indexes on a December 1977=100 base.

3/ Special index based on a substantially smaller sample.

4/ Indexes on a December 1993=100 base.

5/ Indexes on a December 1996=100 base.

- Data not available.