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MOUNTAIN-PLAINS INFORMATION OFFICE: Kansas City, Mo.
Technical information: (816) 285-7000 BLSInfoKansasCity@bls.gov www.bls.gov/regions/mountain-plains
Media contact: (816) 285-7000

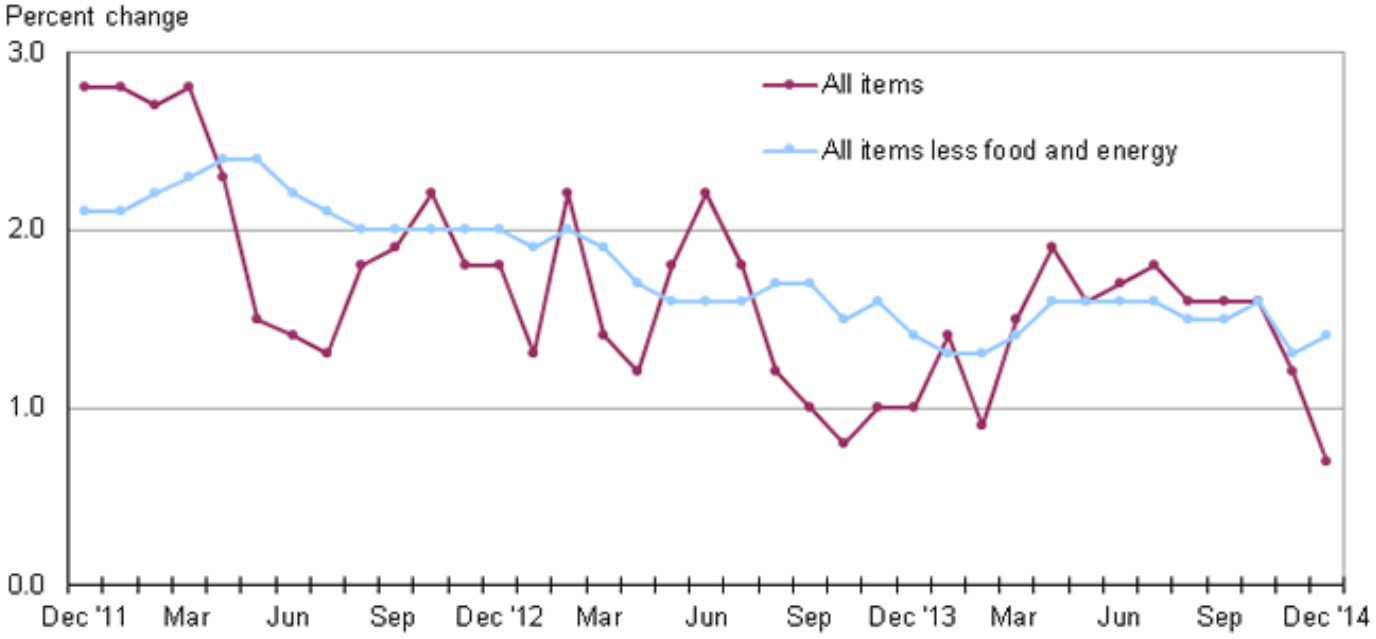
Consumer Price Index, Midwest Region – December 2014

Prices in the Midwest down 0.7 percent in December but 0.7 percent higher over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Midwest was down 0.7 percent in December, following declines of 0.5 percent in October and 0.6 percent in November, the U.S. Bureau of Labor Statistics reported today. The monthly decrease was largely attributable to a 14.0-percent drop in motor fuel prices. Overall, the energy index declined 6.5 percent. The index for food rose 0.3 percent while the index for all items less food and energy decreased 0.2 percent over the month.

The CPI-U for the Midwest advanced 0.7 percent in 2014. This marks the third time since the series began in 1967 that prices have increased less than 1.0 percent in a calendar year–prices declined 0.3 percent in 2008 and were up 0.6 percent in 1986. Food prices increased 3.5 percent in 2014 and the energy index, which includes motor fuel and household fuels, was down 8.8 percent. Excluding food and energy, the CPI-U rose 1.4 percent from December 2013 to December 2014. (See chart 1.)

Chart 1. Over-the-year change in consumer price indexes, Midwest region, December 2011–December 2014



Source: U.S. Bureau of Labor Statistics.

Food

Food prices in the Midwest increased 0.3 percent in December. Higher costs for food at home and for food away from home, each up 0.3 percent, contributed to the monthly advance.

From December 2013 to December 2014, the index for food was up 3.5 percent led by a 3.4-percent rise in costs for food at home. Prices for food away from home contributed to the increase with a gain of 3.7 percent; this was the largest calendar year increase in this index since 2008.

Energy

The energy index registered its sixth consecutive monthly decline, falling 6.5 percent, and had the greatest downward impact on the all items index in December. The monthly decrease in energy costs was largely attributable to a 14.0-percent drop in motor fuel prices. Compared to their recent peaks in June 2014, energy prices have dropped 21.8 percent and motor fuel prices have fallen 33.3 percent. In contrast, electricity prices rose 1.5 percent and costs for utility (piped) gas service increased 3.2 percent in December 2014.

The index for energy fell 8.8 percent in 2014 led by a drop of 20.7 percent in motor fuel prices; the largest calendar year declines since 2008 for these indexes. The motor fuel index recorded over-the-year decreases in all but 3 months of 2014. Moderating the overall decline in energy costs, electricity prices advanced 4.9 percent and costs for utility (piped) gas service were 10.3 percent higher over the year.

All items less food and energy

The index for all items less food and energy for the Midwest declined 0.2 percent in December. Expenditure categories registering lower prices over the month included apparel (-3.6 percent) and used cars and trucks (-1.7 percent). In contrast, medical care and recreation, each up 0.2 percent, were among the expenditure categories posting higher prices over the month.

The index for all items less food and energy was up 1.4 percent from December 2013 to December 2014–the same increase as in the prior calendar year. Higher costs for shelter (2.1 percent) and medical care (3.3 percent) led the advance. Within medical care, the medical care commodities index (6.4 percent) recorded the largest calendar year increase since 1991, while the medical care services index (2.4 percent) posted the smallest calendar year gain in the history of the index.

The Midwest Consumer Price Index for All Urban Consumers (CPI-U) stood at 222.821 in December 2014. A typical market basket of goods and services that cost $100.00 in the 1982-84 base period cost $222.82 in December 2014. Because regional CPI data are not adjusted for seasonal price variation, consumers and businesses should be cautious in drawing conclusions about long-term retail price trends from short-term changes in the regional indexes.

CPI-W

In December, the Midwest Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) was 217.963, down 0.9 percent over the month. The CPI-W increased 0.4 percent over the year.

Table A. Midwest Region CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2009		2010		2011		2012		2013		2014	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
January	0.6	-0.3	0.5	2.9	0.5	1.9	0.6	2.8	0.1	1.3	0.5	1.4
February	0.3	-0.2	0.0	2.5	0.3	2.2	0.2	2.7	1.1	2.2	0.6	0.9
March	0.3	-0.8	0.4	2.6	0.9	2.7	1.0	2.8	0.2	1.4	0.9	1.5
April	0.2	-1.5	0.2	2.7	0.7	3.3	0.2	2.3	-0.1	1.2	0.3	1.9
May	0.4	-1.9	0.1	2.4	0.6	3.8	-0.1	1.5	0.5	1.8	0.2	1.6
June	1.1	-1.7	0.0	1.2	0.0	3.9	-0.1	1.4	0.3	2.2	0.5	1.7
July	-0.3	-2.5	0.2	1.7	0.1	3.8	0.0	1.3	-0.4	1.8	-0.3	1.8
August	0.4	-1.8	0.2	1.5	0.2	3.8	0.7	1.8	0.1	1.2	-0.2	1.6
September	0.0	-1.7	0.1	1.6	0.2	3.9	0.3	1.9	0.1	1.0	0.1	1.6

Table A. Midwest Region CPI-U monthly and annual percent changes (not seasonally adjusted) - Continued

Month	2009		2010		2011		2012		2013		2014	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
October	0.1	-0.2	0.0	1.5	-0.6	3.3	-0.3	2.2	-0.5	0.8	-0.5	1.6
November	0.3	2.2	0.1	1.2	0.0	3.3	-0.4	1.8	-0.2	1.0	-0.6	1.2
December	-0.3	3.0	0.2	1.8	-0.2	2.8	-0.2	1.8	-0.2	1.0	-0.7	0.7

The January 2015 Consumer Price Index for the Midwest region is scheduled to be released on Thursday, February 26, 2015.

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 approximately 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 areas; they only measure the average change in prices for each area since the base period.**

The Midwest region is comprised of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Midwest (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2014	Nov. 2014	Dec. 2014	Dec. 2013	Oct. 2014	Nov. 2014
Expenditure category						
All Items	225.793	224.396	222.821	0.7	-1.3	-0.7
All items (December 1977=100)	367.378	365.104	362.542			
Food and beverages	238.702	238.235	238.848	3.3	0.1	0.3
Food	238.338	237.754	238.502	3.5	0.1	0.3
Food at home	231.420	229.824	230.585	3.4	-0.4	0.3
Food away from home	249.774	250.916	251.640	3.7	0.7	0.3
Alcoholic beverages	241.488	242.830	241.346	1.0	-0.1	-0.6
Housing	210.644	210.352	210.686	2.2	0.0	0.2
Shelter	245.395	245.477	245.502	2.1	0.0	0.0
Rent of primary residence [1]	243.638	244.282	244.632	2.6	0.4	0.1
Owners' equiv. rent of residences [1] [2]	249.403	249.784	249.958	1.7	0.2	0.1
Owners' equiv. rent of primary residence [1] [2]	249.395	249.775	249.951	1.7	0.2	0.1
Fuels and utilities	217.402	215.342	218.569	5.5	0.5	1.5
Household energy	183.375	181.187	184.385	5.9	0.6	1.8
Energy services [1]	189.452	186.970	190.767	6.6	0.7	2.0
Electricity [1]	195.822	191.367	194.159	4.9	-0.8	1.5
Utility (piped) gas service [1]	169.684	170.881	176.334	10.3	3.9	3.2
Household furnishings and operations	116.742	116.376	115.787	-1.2	-0.8	-0.5
Apparel	126.181	123.037	118.655	-1.6	-6.0	-3.6
Transportation	211.191	205.782	196.890	-6.0	-6.8	-4.3
Private transportation	205.861	200.239	191.399	-6.2	-7.0	-4.4
New and used motor vehicles [3]	99.102	98.517	98.346	-0.7	-0.8	-0.2
New vehicles	138.857	139.254	139.677	0.5	0.6	0.3
New cars and trucks [3] [4]	98.225	98.499	98.806	0.5	0.6	0.3
New cars [4]	135.026	135.543	136.115	-0.3	0.8	0.4
Used cars and trucks	148.634	144.778	142.324	-4.4	-4.2	-1.7
Motor fuel	283.662	260.787	224.340	-20.7	-20.9	-14.0
Gasoline (all types)	281.701	258.605	222.214	-20.9	-21.1	-14.1
Gasoline, unleaded regular [4]	278.555	255.229	218.865	-21.3	-21.4	-14.2
Gasoline, Unleaded midgrade [4] [5]	313.840	289.819	247.863	-20.0	-21.0	-14.5
Gasoline, unleaded premium [4]	283.904	262.977	229.751	-18.3	-19.1	-12.6
Medical Care	443.915	444.814	445.585	3.3	0.4	0.2
Medical care commodities	358.977	360.929	361.396	6.4	0.7	0.1
Medical care services	472.359	472.833	473.715	2.4	0.3	0.2
Professional services	386.863	386.869	386.698	1.8	0.0	0.0
Recreation [3]	117.180	116.780	116.968	0.5	-0.2	0.2
Education and communication [3]	140.252	139.825	139.531	1.0	-0.5	-0.2
Other goods and services	394.814	394.513	394.717	0.5	0.0	0.1
Commodity and Service Group						
All Items	225.793	224.396	222.821	0.7	-1.3	-0.7
Commodities	184.638	181.955	178.370	-1.7	-3.4	-2.0
Commodities less food & beverages	157.669	154.116	148.847	-4.8	-5.6	-3.4
Nondurables less food & beverages	208.644	201.987	191.442	-6.6	-8.2	-5.2
Nondurables less food, beverages, and apparel	262.662	253.719	239.170	-8.1	-8.9	-5.7
Durables	107.792	107.056	106.551	-1.8	-1.2	-0.5
Services	268.587	268.450	268.852	2.4	0.1	0.1
Rent of shelter [2]	252.061	252.147	252.083	2.0	0.0	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 Midwest (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2014	Nov. 2014	Dec. 2014	Dec. 2013	Oct. 2014	Nov. 2014
Transportation services	288.383	290.106	289.221	2.9	0.3	-0.3
Other services	324.764	324.126	324.173	1.4	-0.2	0.0
Special aggregate indexes:						
All items less medical care	215.471	213.964	212.278	0.5	-1.5	-0.8
All items less food	223.654	222.125	220.172	0.3	-1.6	-0.9
All items less shelter	221.093	219.123	216.928	0.2	-1.9	-1.0
Commodities less food	160.451	157.005	151.808	-4.6	-5.4	-3.3
Nondurables	224.025	220.260	214.935	-1.6	-4.1	-2.4
Nondurables less food	210.472	204.221	194.133	-6.2	-7.8	-4.9
Nondurables less food and apparel	259.584	251.523	238.109	-7.4	-8.3	-5.3
Services less rent of shelter [2]	302.347	301.946	302.904	2.7	0.2	0.3
Services less medical care services	253.362	253.182	253.549	2.4	0.1	0.1
Energy	227.634	216.469	202.495	-8.8	-11.0	-6.5
All items less energy	228.145	227.746	227.440	1.7	-0.3	-0.1
All items less food and energy	226.984	226.618	226.116	1.4	-0.4	-0.2
Commodities less food and energy commodities	147.884	146.828	145.572	-0.5	-1.6	-0.9
Energy commodities	282.335	260.486	225.032	-20.3	-20.3	-13.6
Services less energy services	278.934	279.054	279.085	2.1	0.1	0.0

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) Indexes on a December 1997=100 base.
(4) Special index based on a substantially smaller sample.
(5) Indexes on a December 1993=100 base.
Regions defined as the four Census regions. Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.

Table 2. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): Indexes and percent changes for selected periods Midwest (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2014	Nov. 2014	Dec. 2014	Dec. 2013	Oct. 2014	Nov. 2014
Expenditure category						
All Items	221.564	219.886	217.963	0.4	-1.6	-0.9
All items (December 1977=100)	358.318	355.605	352.495			
Food and beverages	239.224	238.781	239.338	3.4	0.0	0.2
Food	238.965	238.395	239.080	3.6	0.0	0.3
Food at home	232.383	230.840	231.515	3.6	-0.4	0.3
Food away from home	250.624	251.948	252.648	3.7	0.8	0.3
Alcoholic beverages	241.719	243.295	241.812	0.8	0.0	-0.6
Housing	205.914	205.682	206.164	2.3	0.1	0.2
Shelter	234.900	235.125	235.306	2.1	0.2	0.1
Rent of primary residence [1]	244.248	244.892	245.286	2.6	0.4	0.2
Owners' equiv. rent of residences [1] [2]	232.410	232.768	232.969	1.7	0.2	0.1
Owners' equiv. rent of primary residence [1] [2]	232.414	232.772	232.975	1.7	0.2	0.1
Fuels and utilities	218.050	215.993	219.178	5.5	0.5	1.5
Household energy	183.681	181.511	184.674	5.8	0.5	1.7
Energy services [1]	188.353	185.911	189.589	6.5	0.7	2.0
Electricity [1]	194.320	190.113	192.669	4.7	-0.8	1.3
Utility (piped) gas service [1]	170.717	171.846	177.632	10.4	4.1	3.4
Household furnishings and operations	115.358	114.948	114.258	-1.3	-1.0	-0.6
Apparel	124.337	121.454	117.288	-1.3	-5.7	-3.4
Transportation	211.450	204.898	194.759	-7.2	-7.9	-4.9
Private transportation	208.103	201.450	191.321	-7.3	-8.1	-5.0
New and used motor vehicles [3]	99.419	98.400	97.870	-1.7	-1.6	-0.5
New vehicles	142.205	142.633	143.063	0.4	0.6	0.3
Used cars and trucks	149.279	145.413	142.955	-4.4	-4.2	-1.7
Motor fuel	284.690	261.684	225.180	-20.6	-20.9	-13.9
Gasoline (all types)	282.625	259.435	222.983	-20.8	-21.1	-14.1
Gasoline, unleaded regular [4]	279.285	255.873	219.488	-21.2	-21.4	-14.2
Gasoline, unleaded midgrade [4] [5]	313.769	289.763	247.730	-20.0	-21.0	-14.5
Gasoline, unleaded premium [4]	284.074	263.124	229.935	-18.2	-19.1	-12.6
Medical Care	449.157	449.958	450.786	3.3	0.4	0.2
Medical care commodities	353.084	354.712	355.343	6.4	0.6	0.2
Medical care services	478.820	479.266	480.157	2.4	0.3	0.2
Professional services	388.097	388.092	387.930	1.9	0.0	0.0
Recreation [3]	113.929	113.608	113.750	0.7	-0.2	0.1
Education and communication [3]	132.523	132.103	131.794	0.3	-0.6	-0.2
Other goods and services	436.820	436.448	437.049	0.4	0.1	0.1
Commodity and Service Group						
All Items	221.564	219.886	217.963	0.4	-1.6	-0.9
Commodities	188.232	185.142	181.034	-2.1	-3.8	-2.2
Commodities less food & beverages	163.039	158.836	152.744	-5.6	-6.3	-3.8
Nondurables less food & beverages	219.285	211.530	199.315	-7.8	-9.1	-5.8
Nondurables less food, beverages, and apparel	277.847	267.135	250.045	-9.4	-10.0	-6.4
Durables	110.030	108.988	108.310	-2.0	-1.6	-0.6
Services	261.519	261.428	261.968	2.4	0.2	0.2
Rent of shelter [2]	233.299	233.527	233.619	2.0	0.1	0.0
Transportation services	286.751	288.544	288.068	3.3	0.5	-0.2
Other services	301.869	301.269	301.171	1.1	-0.2	0.0

Note: See footnotes at end of table.

Table 2. Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): Indexes and percent changes for selected periods Midwest (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2014	Nov. 2014	Dec. 2014	Dec. 2013	Oct. 2014	Nov. 2014
Special aggregate indexes:						
All items less medical care	212.806	211.040	209.019	0.1	-1.8	-1.0
All items less food	218.164	216.287	213.894	-0.3	-2.0	-1.1
All items less shelter	219.209	216.837	214.145	-0.3	-2.3	-1.2
Commodities less food	165.524	161.454	155.460	-5.4	-6.1	-3.7
Nondurables	229.849	225.612	219.550	-2.2	-4.5	-2.7
Nondurables less food	220.348	213.085	201.438	-7.3	-8.6	-5.5
Nondurables less food and apparel	273.063	263.413	247.696	-8.7	-9.3	-6.0
Services less rent of shelter [(2)]	268.096	267.655	268.647	2.8	0.2	0.4
Services less medical care services	247.088	246.967	247.483	2.4	0.2	0.2
Energy	230.043	218.160	202.801	-9.8	-11.8	-7.0
All items less energy	222.283	221.854	221.576	1.7	-0.3	-0.1
All items less food and energy	219.140	218.739	218.259	1.2	-0.4	-0.2
Commodities less food and energy commodities	150.848	149.647	148.382	-0.7	-1.6	-0.8
Energy commodities	284.077	261.876	226.120	-20.3	-20.4	-13.7
Services less energy services	271.194	271.413	271.540	2.1	0.1	0.0

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 1984=100 base.
(3) Indexes on a December 1997=100 base.
(4) Special index based on a substantially smaller sample.
(5) Indexes on a December 1993=100 base.
Regions defined as the four Census regions. Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.
NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.