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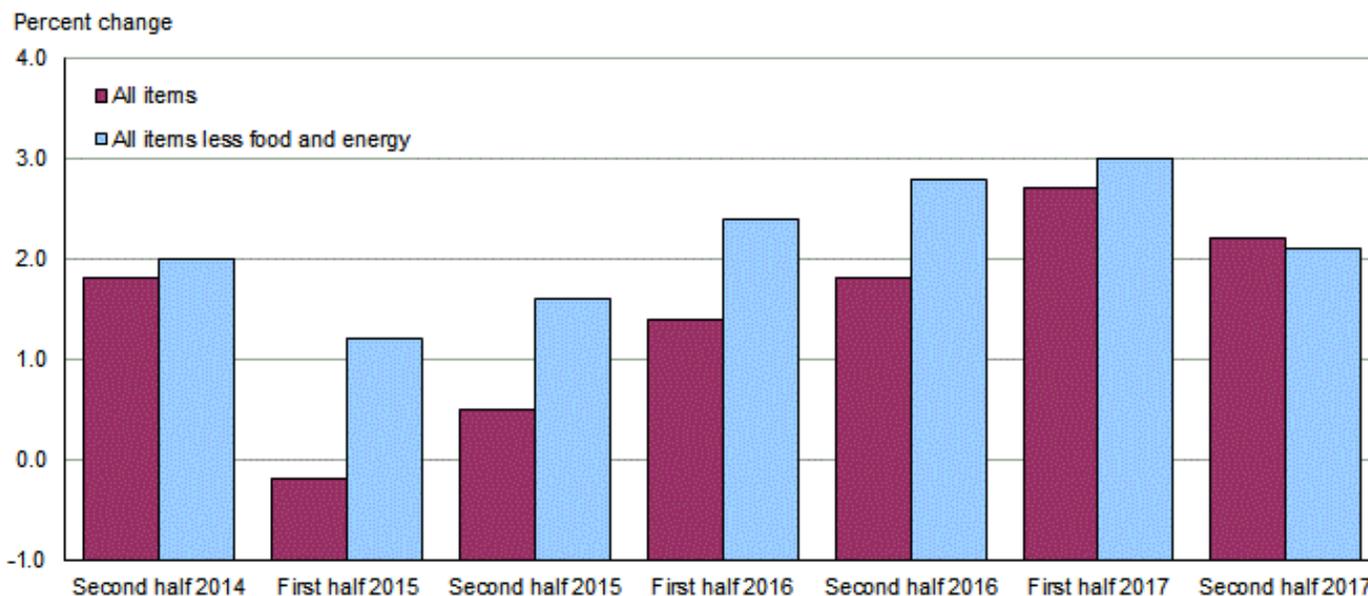
Consumer Price Index, Phoenix – Second Half 2017

Area prices were up 1.0 percent over the past six months, up 2.2 percent from a year ago

Prices in the Phoenix Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 1.0 percent in the second half of 2017, the U.S. Bureau of Labor Statistics reported today. (See [table A.](#)) Assistant Commissioner for Regional Operations Richard Holden noted that this latest six-month increase was influenced by higher prices for shelter and electricity. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 2.2 percent. (See [chart 1](#) and [table A.](#)) Energy prices rose 6.1 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy advanced 2.1 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Phoenix, second half 2014–second half 2017



Source: U.S. Bureau of Labor Statistics.

Food

Food prices decreased 0.3 percent in the second half of 2017. (See [table 1.](#)) Prices for food at home decreased 0.8 percent, but prices for food away from home increased 0.4 percent for the same period.

Over the year, food prices increased 0.5 percent. Prices for food away from home increased 3.6 percent since a year ago, but prices for food at home moved down 1.6 percent.

Energy

The energy index increased 8.4 percent since the first half of 2017. The increase was mainly due to higher prices for electricity (13.0 percent). Prices for natural gas service increased 5.1 percent, and prices for gasoline increased 4.2 percent for the same period.

Energy prices advanced 6.1 percent over the year, largely due to higher prices for gasoline (9.7 percent). Prices paid for natural gas service moved up 11.2 percent, and prices for electricity advanced 2.5 percent during the past year.

All items less food and energy

The index for all items less food and energy rose 0.6 percent in the latest six-month period. Higher prices for shelter (1.9 percent) and education and communication (0.2 percent) were partially offset by lower prices for apparel (-5.7 percent) and recreation (-0.5 percent).

Over the year, the index for all items less food and energy advanced 2.1 percent. Components contributing to the increase included shelter (4.6 percent) and recreation (0.9 percent). Partly offsetting the increases were price declines in education and communication (-3.0 percent) and apparel (-2.4 percent).

Table A. Phoenix CPI-U semi-annual and annual percent changes (not seasonally adjusted)

Month	2012		2013		2014		2015		2016		2017	
	Semi-annual	Annual										
First Half	1.6	2.8	1.1	1.2	1.2	1.5	-0.7	-0.2	0.3	1.4	1.2	2.7
Second Half	0.1	1.7	0.2	1.3	0.5	1.8	1.1	0.5	1.6	1.8	1.0	2.2

The February 2018 Consumer Price Index for the Phoenix area is scheduled to be released March 13, 2018.

Consumer Price Index Geographic Revision for 2018

In January 2018, BLS will introduce a new geographic area sample for the Consumer Price Index (CPI). This index will change to a bimonthly publication schedule beginning in February, 2018. The first indexes using the new structure will be published in February 2018. Additional information on the geographic revision is available at: www.bls.gov/cpi/additional-resources/geographic-revision-2018.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 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 Phoenix-Mesa 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 for semiannual averages and percent changes for selected periods Phoenix-Mesa, AZ (1982-84=100 unless otherwise noted)

Item and Group	Semiannual average indexes			Percent change to 2nd half 2017 from-	
	2nd half 2016	1st half 2017	2nd half 2017	2nd half 2016	1st half 2017
Expenditure category					
All items	131.112	132.653	133.995	2.2	1.0
All items (1967=100)	-	-	-	-	-
Food and beverages	142.300	144.044	143.421	0.8	-0.4
Food	143.468	144.695	144.248	0.5	-0.3
Food at home	143.493	142.371	141.176	-1.6	-0.8
Food away from home	144.384	148.933	149.538	3.6	0.4
Alcoholic beverages	130.346	138.171	135.474	3.9	-2.0
Housing	131.331	132.986	136.472	3.9	2.6
Shelter	132.291	135.788	138.392	4.6	1.9
Rent of primary residence	137.739	142.260	144.905	5.2	1.9
Owners' equiv. rent of residences(1)	131.200	133.941	137.094	4.5	2.4
Owners' equiv. rent of primary residence(1) ..	131.200	133.941	137.094	4.5	2.4
Fuels and utilities	170.170	160.370	174.866	2.8	9.0
Household energy	178.321	164.452	184.255	3.3	12.0
Energy services	178.296	164.325	184.201	3.3	12.1
Electricity	193.853	175.817	198.634	2.5	13.0
Utility (piped) gas service	100.348	106.156	111.548	11.2	5.1
Household furnishings and operations	97.409	96.713	96.929	-0.5	0.2
Apparel	140.687	145.630	137.332	-2.4	-5.7
Transportation	114.466	116.847	118.064	3.1	1.0
Private transportation	115.503	117.884	119.663	3.6	1.5
Motor fuel	177.097	186.543	194.344	9.7	4.2
Gasoline (all types)	177.103	186.456	194.327	9.7	4.2
Gasoline, unleaded regular(2)	176.860	186.413	194.353	9.9	4.3
Gasoline, unleaded midgrade(2)(3)	187.091	196.927	205.586	9.9	4.4
Gasoline, unleaded premium(2)	180.959	189.371	197.044	8.9	4.1
Medical care	166.428	168.743	-	-	-
Recreation(4)	111.215	112.760	112.163	0.9	-0.5
Education and communication(4)	123.091	119.143	119.352	-3.0	0.2
Other goods and services	143.996	144.105	143.223	-0.5	-0.6
Commodity and service group					
All Items	131.112	132.653	133.995	2.2	1.0
Commodities	118.075	119.344	117.863	-0.2	-1.2
Commodities less food & beverages	105.787	106.812	104.882	-0.9	-1.8
Nondurables less food & beverages	134.225	136.785	134.444	0.2	-1.7
Durables	81.498	81.402	79.840	-2.0	-1.9
Services	140.033	141.763	145.127	3.6	2.4
Special aggregate indexes					
All items less medical care	129.051	130.546	131.967	2.3	1.1
All items less shelter	130.313	130.877	131.589	1.0	0.5
Commodities less food	106.746	108.038	106.078	-0.6	-1.8
Nondurables	138.429	140.535	139.143	0.5	-1.0
Nondurables less food	133.933	136.956	134.583	0.5	-1.7
Services less rent of shelter(1)	149.494	148.886	153.214	2.5	2.9
Services less medical care services	136.956	138.557	142.071	3.7	2.5
Energy	178.233	174.311	189.025	6.1	8.4
All items less energy	128.391	130.234	130.831	1.9	0.5
All items less food and energy	126.031	127.975	128.740	2.1	0.6

Note: See footnotes at end of table.

Footnotes

- (1) Index is on a December 1982=100 base.
 - (2) Special index based on a substantially smaller sample.
 - (3) Indexes on a December 1993=100 base.
 - (4) Indexes on a December 1997=100 base.
- Data not available.