

# News

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## **BOSTON AREA CONSUMER PRICE INDEX EDGED UP 0.1 PERCENT IN JULY; UP 2.9 PERCENT OVER THE YEAR**

The Consumer Price Index For All Urban Consumers (CPI-U) in the Boston metropolitan area edged up 0.1 percent for the two months ended July 2004, according to Denis M. McSweeney, Regional Commissioner of the U.S. Department of Labor's Bureau of Labor Statistics. This follows remaining unchanged for the two months that ended May 2004. McSweeney noted that higher costs for gasoline, utility (piped) gas service, and electricity were partially offset by lower costs for apparel due to seasonal markdowns. Since July 2003, the CPI-U for Boston rose 2.9 percent and core inflation, as measured by the all items less food and energy index, was up 1.7 percent.

For the two months ended July 2004, transportation rose 0.9 percent, largely the result of a 4.7 percent rise in the price of gasoline. McSweeney commented that the average price of gasoline in Boston, at \$2.055 per gallon, was the second highest level since the data were first collected in 1978. Housing rose 0.3 percent, the result of a higher costs for utility (piped) gas service, up 13.6 percent, and for electricity, up 3.7 percent, which was moderated by declines in shelter and household furnishings and operations. Conversely, apparel declined 7.4 percent due to markdowns of summer clothing lines. Among the remaining categories, food and beverages rose 0.4 percent due to higher prices for meat at grocery stores in addition to higher restaurant prices. Other goods and services was up 1.1 percent, followed by medical care, up 0.5 percent. Recreation declined 0.8 percent and education and communication fell 0.4 percent since May 2004.

For the year ended July 2004, the Boston CPI-U rose 2.9 percent largely due to increases within housing, transportation, and food and beverages. Housing rose 3.2 percent due to a 3.2 percent increase in shelter. The transportation category increased 5.8 percent, the result of a sharp 28.4 percent increase in the price of gasoline. Food and beverages rose 4.0 percent due to higher grocery and restaurant prices. Among the remaining categories, education and communication was up 4.6 percent, followed by medical care, up 4.4 percent, and other goods and services, up 1.8 percent. Posting the only declines over the year among the major expenditure categories, apparel fell 8.1 percent and recreation was down 4.8 percent.

In July, the Boston CPI-U on the 1982-84 base was 208.9. By this gauge, the selected market basket of goods and services which cost area consumers an average of \$10.00 during the 1982-84 reference period would now cost more than double at \$20.89. The purchasing power of the dollar for the Boston area in 1982-84 dollars was 47.9 cents in July 2004. In July, the CPI-W (Urban Wage Earners and Clerical Workers), at 207.9, was unchanged since May 2004 but increased 2.8 percent over the year.

**Free email subscription service! To receive the most recent monthly Consumer Price Indexes for the U.S. and Northeast, and bimonthly indexes for the Boston-Brockton-Nashua, MA-NH-ME-CT metropolitan area, please subscribe at <http://www.bls.gov/bls/list.htm> and select the notification titled New England CPI Summary (Boston). Boston Consumer Price Index for September will be released on Tuesday, October 19, 2004 at 8:30 AM.**

## **Changes in the Consumer Price Index in 2004**

### **Expenditure Weight Update**

Effective with release of data for January 2004, the Bureau of Labor Statistics (BLS) updated the consumption expenditure weights in the Consumer Price Index for All Urban Consumers (CPI-U) and Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to the 2001-02 period. The updated expenditure weights for these indexes replace the 1999-2000 weights that were introduced effective 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. The goal in employing more current expenditure weights is to have the CPI reflect, as much as possible, the inflation currently experienced by consumers.

### **Other Changes**

Effective with the release of January 2004 data, title changes to select expenditure categories were implemented to clarify the content of each series. These series are continuous. As a result, the old title of “utility natural gas service” was changed to “utility (piped) gas service”. Additionally, due to the efficiencies gained from the conversion to Computer Assisted Data Collection (CADDC), BLS will extend data collection to cover the entire month, beginning with data for January 2004. Additional information on these changes is available on the BLS Internet Web site at <http://www.bls.gov/cpi/cpiupdt.htm> or by call 617-565-2327.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

**Boston-Brockton-Nashua, MA-NH-ME-CT** (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	May 2004	June 2004	July 2004	July 2003	May 2004	June 2004
<b>Expenditure category</b>						
All items .....	208.7	-	208.9	2.9	0.1	-
All items (1967=100) .....	606.7	-	607.1	-	-	-
Food and beverages .....	194.9	-	195.6	4.0	.4	-
Food .....	195.3	-	195.9	4.1	.3	-
Food at home .....	189.6	188.6	190.0	5.6	.2	0.7
Food away from home .....	205.8	-	206.8	2.4	.5	-
Alcoholic beverages .....	194.2	-	195.7	3.9	.8	-
Housing .....	214.5	-	215.1	3.2	.3	-
Shelter .....	258.7	259.6	258.5	3.2	-.1	-.4
Rent of primary residence <sup>1</sup> .....	253.8	253.9	253.9	2.9	.0	.0
Owners' equivalent rent of primary residence <sup>1 2</sup> .....	272.6	273.8	272.0	3.2	-.2	-.7
Fuels and utilities .....	154.7	-	162.0	6.0	4.7	-
Fuels .....	132.2	136.6	139.1	6.2	5.2	1.8
Gas (piped) and electricity <sup>1</sup> .....	145.9	152.4	156.3	3.1	7.1	2.6
Electricity <sup>1</sup> .....	142.4	149.1	147.6	-.9	3.7	-1.0
Utility (piped) gas service <sup>1</sup> .....	149.3	155.1	169.6	10.7	13.6	9.3
Household furnishings and operations .....	122.1	-	120.8	-.9	-1.1	-
Apparel .....	137.2	-	127.0	-8.1	-7.4	-
Transportation .....	160.2	-	161.7	5.8	.9	-
Private transportation .....	159.4	-	161.0	6.6	1.0	-
Motor fuel .....	160.9	178.9	168.6	28.4	4.8	-5.8
Gasoline (all types) .....	158.8	176.5	166.3	28.4	4.7	-5.8
Gasoline, unleaded regular <sup>3</sup> .....	157.9	175.1	164.8	29.1	4.4	-5.9
Gasoline, unleaded midgrade <sup>3 4</sup> .....	160.1	178.3	167.8	26.9	4.8	-5.9
Gasoline, unleaded premium <sup>3</sup> .....	155.6	175.2	166.1	27.7	6.7	-5.2
Medical care .....	412.8	-	415.0	4.4	.5	-
Recreation <sup>5</sup> .....	108.8	-	107.9	-4.8	-.8	-
Education and communication <sup>5</sup> .....	113.6	-	113.1	4.6	-.4	-
Other goods and services .....	316.3	-	319.9	1.8	1.1	-
<b>Commodity and service group</b>						
All items .....	208.7	-	208.9	2.9	.1	-
Commodities .....	157.0	-	156.6	3.2	-.3	-
Commodities less food and beverages .....	136.3	-	135.4	2.7	-.7	-
Nondurables less food and beverages .....	159.2	-	158.1	6.3	-.7	-
Durables .....	113.2	-	112.4	-2.2	-.7	-
Services .....	255.5	-	256.1	2.7	.2	-
<b>Special aggregate indexes</b>						
All items less medical care .....	199.9	-	199.9	2.8	.0	-
All items less shelter .....	189.9	-	190.2	2.7	.2	-
Commodities less food .....	138.7	-	137.8	2.8	-.6	-
Nondurables .....	175.9	-	175.7	5.1	-.1	-
Nondurables less food .....	160.9	-	160.0	6.1	-.6	-
Services less rent of shelter <sup>2</sup> .....	258.6	-	260.6	2.0	.8	-
Services less medical care services .....	242.5	-	243.0	2.6	.2	-
Energy .....	144.6	154.6	151.8	15.3	5.0	-1.8
All items less energy .....	218.8	-	218.1	2.1	-.3	-
All items less food and energy .....	224.0	-	223.1	1.7	-.4	-

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

<sup>2</sup> Index is on a November 1982=100 base.

<sup>3</sup> Special index based on a substantially smaller sample.

<sup>4</sup> Indexes on a December 1993=100 base.

<sup>5</sup> Indexes on a December 1997=100 base.

- Data not available.

Regions defined as the four Census regions. See map in technical notes.

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