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**Consumer Price Index
Chicago-Gary-Kenosha, IL-IN-WI CMSA
September 2004**

Consumer prices in the Chicago-Gary-Kenosha area edged down 0.1 percent in September, the U.S. Department of Labor's Bureau of Labor Statistics reported today. This compares with September gains averaging 0.7 percent over the previous four years. The September 2004 Chicago area Consumer Price Index for All Urban Consumers (CPI-U) was 190.0 (1982-84=100). Over the past 12 months, retail prices increased 2.1 percent, nearly matching the 2.2 percent gain in the previous year and the 2.4 percent average annual rise over the past 10 years.

A decline in energy costs, down 2.2 percent in September, and lower grocery food prices were largely responsible for the September setback, according to Regional Commissioner Jay A. Mousa. Removing the effect of lower food and energy prices, the CPI-U would have gained 0.2 percent in September. Four of eight major expenditure categories posted moderate declines - food and beverages, housing, transportation, and recreation. These declines offset moderate to large gains in the education and communications, medical care, apparel, and other goods and services components.

Housing costs fell 0.4 percent due to a 3.7 percent decline in the cost of utility natural gas service and a 0.2 percent drop in shelter costs. Electricity costs were unchanged from August and up just 0.1 percent from a year ago. This contrasts with a 8.6 percent hike in the cost of utility natural gas over the past 12 months. The overall

Table A. Percent Changes in the CPI-U, Chicago-Gary-Kenosha, IL-IN-WI (not seasonally adjusted)

Expenditure Category	Changes from preceding month							12 mo. Ended Sep. '04
	2003	2004						
	Sep.	Apr.	May	Jun.	July	Aug.	Sep.	
All items	0.9	0.5	0.8	0.2	0.1	0.5	-0.1	2.1
Food & beverages	1.0	-.6	1.6	.3	.7	.1	-.4	3.0
Housing	.4	.6	.2	1.1	.2	.1	-.4	1.2
Apparel	10.3	-1.9	2.9	-4.4	-3.1	11.9	.8	1.9
Transportation	.7	1.6	1.9	-.7	-.5	-.3	-.4	2.6
Medical care	.3	.5	.1	-.1	.3	.5	.7	5.6
Recreation	.8	0	.5	.2	.9	.6	-.4	1.2
Education & communication	1.1	.2	-.1	-.1	-.5	1.1	1.0	1.3
Other goods & services	-.3	.9	.4	-.2	0	-.1	.6	4.0

housing component gained 1.2 percent from a year ago. This was down from annual increases averaging 3.5 percent over the previous two years.

The transportation component declined 0.4 percent in September as gasoline prices fell 2.3 percent. Higher price tags were found on used cars and trucks. Over the year, transportation costs advanced 2.6 percent. September gasoline prices were down 10.0 percent from their most recent peak in May of this year but up 6.0 percent from their level a year ago. This annual rise follows an 18.4 percent hike in the prior 12 month period.

The food and beverages component fell 0.4 percent in September. The setback was attributed to a 1.3 percent decline in the cost of grocery food (food at home). Lower prices were reported for dairy products, especially milk. The cost of food away from home rose 0.2 percent while alcoholic beverage prices gained 2.9 percent. Over the year, grocery food prices rose 1.6 percent; down from a 4.2 percent increase a year ago. The cost of food away from home advanced 4.1 percent over the past 12 months; up from a 1.1 percent increase in the prior year. Alcoholic beverage prices rebounded from a 0.4 percent decline a year ago, increasing 6.3 percent in the latest 12 months.

Rising tuition costs for the fall semester were largely responsible for a 1.0 percent hike in the education and communication component. Over the year, the education and communication costs rose 1.3 percent following a 0.3 percent annual rise a year earlier. These consecutive small gains are in contrast to annual increases averaging 3.5 percent in 2001 and 2002.

Medical care costs rose 0.7 percent in September following a 0.5 percent gain in August and a 0.3 percent increase in July. Over the year, the medical care component was up 5.6 percent. This compares with annual increases averaging 3.9 percent over the previous three years.

The apparel component gained 0.8 percent from August, down from monthly increases averaging 5.1 percent in the previous four August-September periods. Over the year, apparel costs rose 1.9 percent. This was the first September-September increase in six years during which time apparel cost fell an average of 4.9 percent annually.

Recreation costs fell 0.4 percent in September and were up 1.2 percent from a year ago. This annual increase follows consecutive annual declines of 1.6 and 0.1 percent in 2002 and 2003, respectively.

The other goods and services component gained 0.6 percent over the month and was up 4.0 percent from a year ago. This follows a 0.9 percent annual rise a year earlier and gains averaging 4.7 percent annually between 1997 and 2002.

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Scheduled release date for the October 2004 CPI:
Wednesday, November 17, 2004

CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average, the Midwest region, and the Chicago area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier, as well as the scheduled release date for the next CPI issuance. The Hotline number in Chicago is (312) 353-1880, menu option 2.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 300 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 27 metropolitan areas. To receive a catalog of available documents by fax, call (312) 353-1880, select menu option 1, and order document 1000 when prompted.

BRIEF EXPLANATION OF THE CPI

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 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 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. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 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. Prices of food, fuels, and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

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. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period.

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.

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

Chicago-Gary-Kenosha, IL-IN-WI (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	July 2004	Aug. 2004	Sep. 2004	Sep. 2003	July 2004	Aug. 2004
Expenditure category						
All items	189.2	190.2	190.0	2.1	0.4	-0.1
All items (1967=100)	565.2	568.3	567.6	-	-	-
Food and beverages	188.3	188.5	187.7	3.0	-3	-4
Food	187.1	187.5	186.3	2.7	-4	-6
Food at home	194.5	194.9	192.4	1.6	-1.1	-1.3
Food away from home	173.4	173.8	174.1	4.1	.4	.2
Alcoholic beverages	203.0	201.0	206.9	6.3	1.9	2.9
Housing	196.4	196.6	195.9	1.2	-3	-4
Shelter	239.1	240.3	239.8	1.5	.3	-.2
Rent of primary residence ¹	234.9	235.2	237.1	2.1	.9	.8
Owners' equivalent rent of primary residence ^{1 2}	242.7	242.9	243.9	1.0	.5	.4
Fuels and utilities	153.5	150.2	147.6	3.7	-3.8	-1.7
Fuels	139.6	136.2	133.4	4.5	-4.4	-2.1
Gas (piped) and electricity ¹	143.1	139.4	136.5	4.1	-4.6	-2.1
Electricity ¹	110.1	110.1	110.1	.1	.0	.0
Utility (piped) gas service ¹	193.1	184.6	177.8	8.6	-7.9	-3.7
Household furnishings and operations	104.5	103.8	104.3	-4.1	-.2	.5
Apparel	88.1	98.6	99.4	1.9	12.8	.8
Transportation	157.4	156.9	156.3	2.6	-.7	-.4
Private transportation	154.5	154.3	153.7	3.0	-.5	-.4
Motor fuel	168.3	168.4	164.6	6.1	-2.2	-2.3
Gasoline (all types)	166.9	167.1	163.2	6.0	-2.2	-2.3
Gasoline, unleaded regular ³	164.1	164.2	160.1	6.2	-2.4	-2.5
Gasoline, unleaded midgrade ^{3 4}	174.8	174.9	171.7	5.6	-1.8	-1.8
Gasoline, unleaded premium ³	161.2	161.3	158.4	6.0	-1.7	-1.8
Medical care	305.1	306.7	308.8	5.6	1.2	.7
Recreation ⁵	108.1	108.7	108.3	1.2	.2	-.4
Education and communication ⁵	117.1	118.4	119.6	1.3	2.1	1.0
Other goods and services	308.9	308.6	310.3	4.0	.5	.6
Commodity and service group						
All items	189.2	190.2	190.0	2.1	.4	-.1
Commodities	148.1	149.5	149.3	1.1	.8	-.1
Commodities less food and beverages	125.9	127.7	127.6	-.1	1.4	-.1
Nondurables less food and beverages	144.5	149.6	149.7	2.7	3.6	.1
Durables	105.5	104.6	104.3	-2.7	-1.1	-.3
Services	228.0	228.6	228.4	2.7	.2	-.1
Special aggregate indexes						
All items less medical care	183.8	184.8	184.4	1.9	.3	-.2
All items less shelter	172.4	173.4	173.3	2.4	.5	-.1
Commodities less food	128.8	130.6	130.6	.2	1.4	.0
Nondurables	166.8	169.7	169.5	2.9	1.6	-.1
Nondurables less food	148.3	153.0	153.4	3.0	3.4	.3
Services less rent of shelter ²	227.1	227.2	227.3	4.2	.1	.0
Services less medical care services	221.5	222.1	221.8	2.4	.1	-.1
Energy	149.7	147.7	144.5	4.8	-3.5	-2.2
All items less energy	194.8	196.2	196.3	1.8	.8	.1
All items less food and energy	197.0	198.6	198.9	1.7	1.0	.2

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 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.