

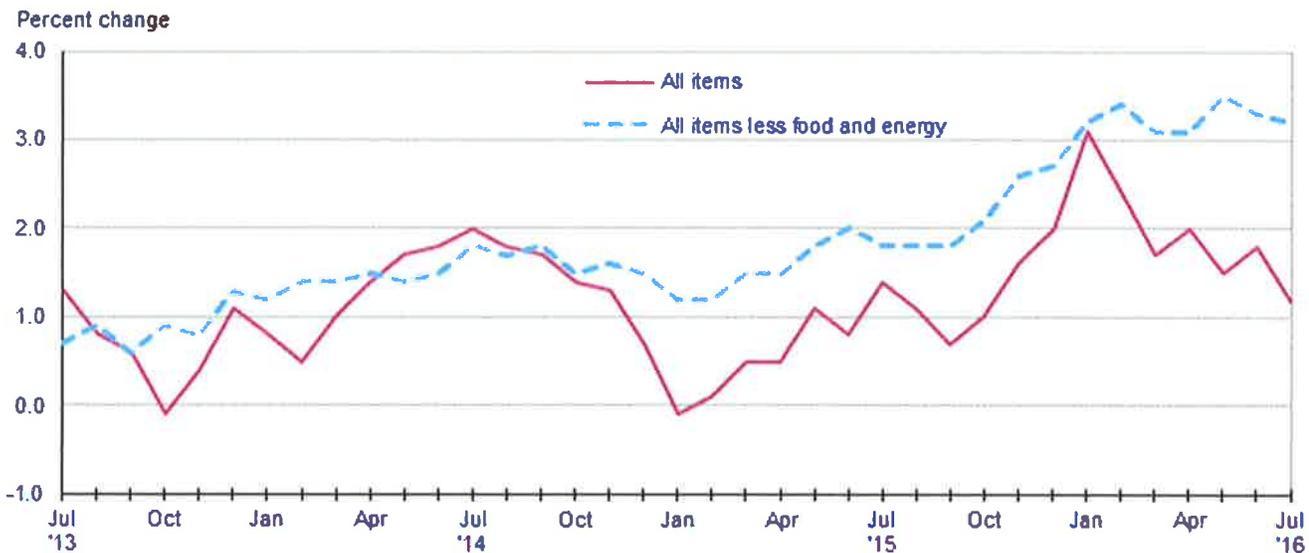
Consumer Price Index, Los Angeles area — July 2016

Area prices were unchanged over the past month, up 1.2 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were unchanged in July, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) Assistant Commissioner for Regional Operations Richard Holden noted that the expenditure categories with the largest opposing effects were higher shelter prices, offset by lower education and communication and gasoline prices. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 1.2 percent. (See [chart 1](#) and [table A](#).) Energy prices fell 18.1 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy rose 3.2 percent over the year. (See [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Los Angeles, July 2013–July 2016



Food

Food prices inched up 0.1 percent for the month of July. (See [table 1](#).) Prices for food away from home advanced 0.3 percent, but prices for food at home edged down 0.1 percent for the same period.

Over the year, food prices advanced 0.7 percent. Prices for food away from home increased 4.1 percent since a year ago, but prices for food at home decreased 1.7 percent.

Energy

The energy index was unchanged over the month. Higher prices for natural gas service (7.2 percent) were largely offset by lower gasoline prices (-1.3 percent). Prices for electricity rose 0.2 percent for the same period.

Energy prices fell 18.1 percent over the year, largely due to lower prices for gasoline (-28.8 percent). Prices paid for natural gas service rose 5.9 percent, and prices for electricity advanced 2.2 percent during the past year.

All items less food and energy

The index for all items less food and energy was unchanged in July. Higher prices for other goods and services (0.9 percent) and shelter (0.5 percent) were offset by lower prices for apparel (-1.3 percent) and education and communication (-1.2 percent).

Over the year, the index for all items less food and energy rose 3.2 percent. Components contributing to the increase included medical care (10.3 percent) and shelter (4.5 percent). Partly offsetting the increases were price declines in education and communication (-2.0 percent) and household furnishings and operations (-0.4 percent).

Table A. Los Angeles-Riverside-Orange County CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2011		2012		2013		2014		2015		2016	
	Monthly	Annual										
January	0.9	1.8	0.8	2.1	0.8	2.0	0.5	0.8	-0.3	-0.1	0.7	3.1
February	0.5	2.3	0.5	2.1	0.7	2.2	0.5	0.5	0.7	0.1	0.0	2.4
March	1.1	3.0	1.0	2.0	0.1	1.3	0.6	1.0	1.0	0.5	0.3	1.7
April	0.5	3.3	0.0	1.5	-0.4	0.9	0.0	1.4	-0.1	0.5	0.2	2.0
May	0.0	3.1	0.1	1.6	0.1	1.0	0.4	1.7	1.0	1.1	0.5	1.5
June	-0.4	2.9	-0.4	1.6	-0.1	1.4	0.1	1.8	-0.3	0.8	0.1	1.8
July	-0.4	2.4	-0.1	1.9	-0.1	1.3	0.1	2.0	0.7	1.4	0.0	1.2
August	0.2	2.4	0.6	2.3	0.1	0.8	-0.1	1.8	-0.3	1.1		
September	0.5	3.1	0.4	2.2	0.2	0.6	0.0	1.7	-0.4	0.7		
October	0.0	2.8	0.8	3.0	0.1	-0.1	-0.1	1.4	0.2	1.0		
November	-0.1	3.0	-1.0	2.1	-0.5	0.4	-0.7	1.3	0.0	1.6		
December	-0.5	2.2	-0.7	1.9	0.0	1.1	-0.5	0.7	-0.1	2.0		

The August 2016 Consumer Price Index for the Los Angeles-Riverside-Orange County is scheduled to be released on September 16, 2016.

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 Los Angeles-Riverside-Orange County, CA. metropolitan area covered in this release is comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties in the State of California.

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.