

Consumer Prices and Inflation – May 2009

Consumer Prices Stats at a Glance

Percent Change 12 Months Ending:	CPI-U	CPI-W	CPI-W, All Items Less Medical Care
May 2005	2.8%	3.0%	2.9%
May 2006	4.2%	2.9%	2.8%
May 2007	2.7%	4.3%	4.3%
May 2008	4.2%	4.5%	4.5%
May 2009	-1.3%	-1.9%	-2.2%
2009 Forecast	-0.8%		
2010 Forecast	1.6%		

Percent changes in consumer prices above are drawn from non-seasonally adjusted data. This is the data used to calculate changes in COLA. Forecasts are from Consensus Economics (April 14 survey date).

CPI-U is the Consumer Price Index for All Urban Consumers. It is based on a typical "market basket" of goods consumed by urban consumers, including salaried employees, business owners and retirees as well as wage earners.

CPI-W is the Consumer Price Index for All Urban Wage and Clerical Workers. It is based on a typical "market basket" of goods consumed by urban households that receive most of their income from clerical or hourly wage occupations.

- On a seasonally-adjusted basis, consumer prices were up 0.1 percent after being unchanged in April. However, this increase left prices 1.3 percent below the level of May 2008, the largest May to May decline since 1950.
- Energy prices continue to have a strong influence on the overall level of prices. Energy prices rose slightly in May, but are 27.3 percent lower compared to a year ago.
- When the volatile food and energy sectors are excluded, the "core" CPI has been growing at a steady 2.3 percent annual rate for the past three months.

The full Bureau of Labor Statistics report can be found at:

<http://www.bls.gov/news.release/cpi.toc.htm>

Next release: the June Consumer Price Index will be released on July 15, 2009.