

Consumer Prices and Inflation –June 2009

Consumer Price Stats at a Glance

Percent Change 12 Months Ending:	CPI-U	CPI-W	CPI-W, All Items Less Medical Care
June 2005	2.5%	2.6%	2.5%
June 2006	4.3%	4.5%	4.5%
June 2007	2.7%	2.6%	2.6%
June 2008	5.0%	5.5%	5.6%
June 2009	-1.4%	-2.0%	-2.3%
2009 Forecast	-0.6%		
2010 Forecast	1.7%		

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 0.7 percent in June, the biggest monthly jump since July of last year. Gasoline prices once again were the culprit, accounting for 80 percent of the increase in the overall price level.
- Even with last month's increase, the CPI is still down significantly from its year-ago level. Not since 1950 has the price level declined this much on a year-over-year basis.
- "Core" inflation, excluding the volatile food and energy sectors, remains fairly steady. Over the past three months, it's risen at an annual rate of 2.4 percent.

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

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

Next release: the July Consumer Price Index will be released on August 14, 2009.