

Consumer Prices and Inflation – August 2009

Consumer Price Stats at a Glance

Percent Change 12 Months Ending:	CPI-U	CPI-W	CPI-W, All Items Less Medical Care
August 2005	3.6%	3.8%	3.8%
August 2006	4.8%	3.9%	3.9%
August 2007	2.0%	1.8%	1.6%
August 2008	5.4%	5.9%	6.1%
August 2009	-1.5%	-1.9%	-2.2%
2009 Forecast	-0.5%		
2010 Forecast	1.8%		

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 (July 13 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 rose 0.4 percent in August after having been unchanged in July. The steep one-month change in gasoline prices accounted for over 80 percent of the increase in overall prices.
- The CPI is still down significantly from its year-ago level, with August 2009 prices 1.5 percent below those of August 2008.
- “Core” inflation, excluding the volatile food and energy sectors, is actually up over the past year, with the August 2009 level 1.5 percent higher than the year-earlier figure.

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

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

Next release: the September Consumer Price Index will be released on October 16, 2009.