

Consumer Prices and Inflation – December 2008

Consumer Price Stats at a Glance

Percent Change 12 Months Ending:	CPI-U	CPI-W	CPI-W, All Items Less Medical Care
December 2004	3.3%	3.4%	3.4%
December 2005	3.4%	3.5%	3.4%
December 2006	2.5%	2.4%	2.4%
December 2007	4.1%	4.3%	4.3%
December 2008	0.1%	-0.5%	-0.6%
2009 Forecast	0.3%		
2010 Forecast	Pending		

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 (Nov. 10 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.

- Year-over-year inflation for 2008 was just 0.1 percent, the lowest since 1954.
- December's price declines were led by lower energy and apparel costs. Energy prices were 21.3 percent lower in December 2008 than in December 2007.
- When the volatile food and energy sectors are excluded, the "core" CPI was unchanged in December, for the second month in a row.

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

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

Next release: the January Consumer Price Index will be released on February 20, 2009.